1999

JOINT APPROPRIATIONS – GENERAL GOVERNMENT

MINUTES

1999 SESSION

JOINT MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

February 23, 1999
February 24, 1999 A. M.
February 24, 1999 P. M.
February 25, 1999
March 2, 1999 A.M.
March 3, 1999 P.M.
March 3, 1999
March 4, 1999
March 9, 1999
March 10, 1999
March 11, 1999
March 16, 1999 A.M.
March 16, 1999 P.M.
March 17, 1999 A. M.
March 17, 1999 P. M.
March 18, 1999
March 23, 1999
March 24, 1999 A.M.
March 24, 1999 P.M.
March 25, 1999
March 30, 1999
March 31, 1999
April 1, 1999
April 6, 1999
April 13, 1999
April 14, 1999
April 20, 1999 A.M.
April 20, 1999 P.M.
April 21, 1999 A. M.
April 21, 1999 P. M.

HOUSE MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

April 22, 1999 - 6:15 P.M.
May 6, 1999 – 9:00 A.M.
May 12, 1999

SENATE MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

June 9, 1999
June 15, 1999

Rep. Jeffus
Chair

Rep. Wainwright
Chair

Rep. McLawhorn
Vice Chair

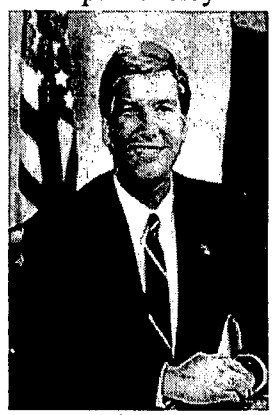
Rep. Barefoot

Rep. Ellis

Rep. Hensley

Rep. Setzer

Rep. Sherrill



Rep. Thompson

APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

SENATE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

MEMBERSHIP 1999-2000

Senator Ed Warren, Chair
Room 623, LOB
733-5953

Senator Jeanne Lucas, Vice Chair
Room 620, LOC
733-4599

Austin Allran
Room 516, LOB
733-5876

Virginia Foxx
Room 1120, LB
733-5743

Oscar N. Harris
Room 1414, LB
733-7659

Ellie Kinnaird
Room 2115, LB
733-5804

HOUSE COMMITTEE
APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT
1999-2000

MEMBER	ASSISTANT	TELEPHONE	OFFICE
JEFFUS, Maggie (Chair)	Mary Lee Robinson	733-5191	1013
WAINWRIGHT, William (Chair)	Denise Smith	733-5898	614
MC LAWHORN, Marian (Vice Chair)	Shelby Jeffreys	715-3017	417B
BAREFOOT, Daniel	Jackie Pittman	715-3021	416B
ELLIS, Sam	Allison Phillips	733-5755	607
HENSLEY, Bob	Margie K. Penven	733-5780	610
SETZER, Mitchell	Debbie Puckett	733-5886	1015
SHERRILL, Wilma	Rosa Kelley	715-4466	602
THOMPSON, Gregg	Edna Sykes	733-5828	1002

Michele Nelson , Committee Counsel	733-4910	619
Dwayne Pinkney, Committee Counsel	733-4910	619

ATTENDANCE

APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

(Name of Committee)

DATES / NAMES	a.m. 2/25	a.m. 3/3	p.m. 3/3	p.m. 3/10	a.m. 3/18	a.m. 3/24	p.m. 3/24	am 4/1	am 4/14	p.m 4/22	pm 5/6				
Rep. Maggie Jeffus, Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Rep. William Wainwright, Chair	✓	✓	✓	✓		✓	✓	✓		✓	✓				
Rep. Marian McLawhorn, V. Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Rep. Daniel Barefoot	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Rep. Sam Ellis					✓			✓	✓		✓				
Rep. Bob Hensley	✓			✓	✓				✓	✓	✓				
Rep. Mitchell Setzer	✓	✓		✓	✓					✓	✓				
Rep. Wilma Sherrill										✓					
Rep. Gregg Thompson					✓			✓		✓	✓				
Ex officio members:															
Rep. Philip Baddour, Jr.															
Rep. Pete Cunningham															
Rep. Andy Dedmon															
Rep. Beverly Earle															
Rep. Joe Hackney															

9

ATTENDANCE

APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

(Name of Committee)

DATES / NAMES	2/22 AM	3/4 AM	3/9 PM	3/16 AM	3/16 PM	3/23 AM	3/30 AM	4/6 AM	4/13 AM	4/20 AM	4/20 PM				
Rep. Maggie Jeffus, Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Rep. William Wainwright, Chair	✓	✓			✓		✓			✓	✓				
Rep. Marian McLawhorn, V. Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Rep. Daniel Barefoot	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Rep. Sam Ellis	✓	✓		✓		✓				✓					
Rep. Bob Hensley	✓		✓			✓		✓		✓					
Rep. Mitchell Setzer	✓	✓					✓				✓				
Rep. Wilma Sherrill	✓									✓					
Rep. Gregg Thompson		✓		✓				✓		✓					
Ex officio members:															
Rep. Philip Baddour, Jr.															
Rep. Pete Cunningham															
Rep. Andy Dedmon															
Rep. Beverly Earle															
Rep. Joe Hackney															

AGENDA

Joint Appropriations Subcommittee
on
General Government

February 23,1999
Room 425
8:30 a.m.

Chairman: Senator Ed Warren

Welcome/Opening Remarks

Introductions

Administrative Issues

Subcommittee Discussion

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

February 23, 1999

The Joint Appropriations Subcommittee on General Government met Tuesday, February 23, 1999 at 8:30 a.m. in room 425 of the Legislative Office Building. Five of the Senate members were present. Representatives present were: Co-Chairs Maggie Jeffus and WilliamWainwright, Vice Chair Marion McLawhorn; and Daniel Barefoot, Sam Ellis, Bob Hensley, Mitchell Setzer, and Wilma Sherrill.

Senator Ed Warren, chaired the meeting . He assured all the members that this was the best committee on which to serve since it gave them an opportunity to learn the functions of the different State agencies and their staff. Senator Warren then asked the committee members and staff to introduce themselves. Three Senate members and four House members served on this committee last session. Members Senator Oscar Harris and Representatives Daniel Barefoot, Marian McLawhorn and Mitchell Setzer are freshmen legislators.

The audience, most representing State agencies, were then asked to introduce themselves. A list of attendees is attached.

The Fiscal Analysts, Michelle Nelson and Dwayne Pinkney, presented the members a list of their agency assignments (Attachment 1) and a copy of the draft rules for House and Senate Appropriations Subcommittees (Attachment 2). In response to Representative Ellis' question, Michelle said that the House and Senate Budget Development Team drew up the Draft Rules. Senator Warren explained that the Senate had set a deadline of May 1 to have their budget proposal to the House.

Michelle told the members that there would be some hard decisions to make this Session due to budget constraints. She also said there were items to be carried forward from last Session. **Senator Harris asked if the new members could have copies of these items ahead of time so that they could study them. Michele said "yes."**

Senator Foxx asked if the departments and agencies would prepare a two-page overview of what they do, etc. for the members to study away from the meetings. This would facilitate having pertinent questions and answers during the meetings, she said.

Senator Warren announced that the afternoon meeting had been cancelled because Governmental Operations Committee would be meeting. He noted that Representative Wainwright would chair the morning and afternoon meetings on Wednesday. Representative Wainwright announced that the morning meeting time would be 9:00 a.m.

The meeting adjourned at 9:35 a.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1
February 23, 1999

GENERAL GOVERNMENT AGENCY ASSIGNMENTS

ANALYST	DEPARTMENT
Michele Nelson	Administrative Hearings
	State Controller
	Cultural Resources
	General Assembly
	Lieutenant Governor
	State Personnel**
	Revenue
	Rules Review Commission
Dwayne Pinkney	Administration **
	State Auditor
	Board of Elections
	Governor
	Insurance
	Secretary of State
	Treasurer

** **Per statute the Office State Personnel is a self contained agency, and not governed by the Secretary of the Department of Administration. Therefore, the agency is regarded as a separate entity for budget and program review purposes .**

Fiscal Research Division
February 15, 1999

Attachment 2
February 23, 1999

1999 SESSION

DRAFT RULES FOR HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES

1. Specifically identify all position reductions.

2. Budget no program expansion in the second year of the biennium (FY 2000-2001).

3. Limit phase-in of new positions in the budget year (FY 1999-2000).
   Senate
   Allow no positions starting during the budget year (FY 1999-2000).
   House

4. Budget no non-recurring expenditures in the second year of the biennium (FY 2000-2001).

5. Identify all appropriations as recurring and non-recurring.

6. Identify and reconsider all current year non-recurring items that have been included in the continuation budget. (This by no means implies that recurring items should not be reviewed extensively.)

7. Refer all salary-related issues, state employee health plan, debt service and other reserve issues to the Appropriations Committee Chairs.

Per House and Senate Budget Development
February 17 and February 18, 1999

AGENDA

Joint Appropriations Subcommittee
on
General Government

February 24,1999
Room 425
9:00 a.m.

Chairman: Representative William Wainwright

North Carolina General Assembly

George Hall
Legislative Services Officer

Office of the Lieutenant Governor

Mack Paul
General Counsel/Chief of Staff

Office of the Governor

David McCoy
Deputy Chief of Staff

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

February 24, 1999

The Joint Appropriations Subcommittee on General Government met Wednesday, February 24, 1999 at 9:00 a.m. in room 425 of the Legislative Office Building. Senate members present were as follows: Senator Warren, Senator Oscar Harris, Senator Allran, Senator Fox, Senator Lucas. Representative present were: Co-Chairs Wainwright and Jeffus, Vice Chair McLawhorn, Representative Setzer, Representative Ellis, Representative Barefoot, Representative Thompson, Representative Hensley. Fiscal Analysts, present were Michele Nelson and Dwayne Pickney.

The audience, most represented State agencies (Attachment1).

Representative Wainwright, chaired the meeting. Representative Wainwwright introduced Committee Chairs, Pages, House and Senate Sergeant-at-Arms. The agenda was outlined to have presentations from the North Carolina General Assembly by George Hall. The Office of the Lieutenant Governor by Mack Paul and the Office of the Governor by David McCoy.

George Hall of the North Carolina General Assembly gave a detailed summation of this agency and their functions. Mr. Hall introduced the staff of the North Carolina General Assembly. Staff present was Elaine Robinson, Director of Administrative Services, Allen Rogers, Personnel Officer, Beverly Adams, Legislative Services Officer and Tony Goldman, Director of ISD. Mr. Hall told the committee the budget for the North General Assembly agency fluctuates somewhat but basically remains the same from year to year. An attachment (Attachment 2) was handed out of the structure of the agency.

Senator Warren asked Mr. Hall to elaborate on the renovations for the Legislative Office Building and the Legislative Building. Mr. Hall responded that there are plans to renovate the Legislative Office Building once the Secretary State and Audit move. They are scheduled to move in the old Revenue building. These are tentative plans. **Senator Warren asked if there would be a possibility of having and exercise room for members and staff.** Mr. Hall responded that would be and something that may be worked into the plan for the renovations. **Representative Jeffus asked if there would be renovations to the House chambers.** Mr. Hall responded that it was in process at that time. **Representative Jeffus asked Tony Goldman if it is possible to obtain a server that can respond quicker.** Mr. Goldman responded that this was associated with the modem. **Senator Fox asked if funds would be allocated for computer upgrades for the General Assembly.** Mr. Hall replied that when upgrades are done, it will be taken from the reserve budget. **Representative Ellis questioned the staffing for the House and the**

Senate. Mr. Hall explained the pay for staffing is consistent for House and Senate. Representative Wainwright thanked and commended George Hall and his staff for all of their hard work..

Representative Wainwright introduced Mack Paul from the Office of the Lieutenant Governor. An Executive summary (Attachment 3) were distributed which gave an overview of the Lieutenant Governor's office. This also includes the organizational chart of the office staff (Attachment 4). Mack Paul of the Office of the Lieutenant gave a detailed summation of this agency and their functions. Also a review of the budget for the year. **Senator Lucas asked if the number of staff people included the Lieutenant.** Mr. Paul replied yes.

Representative Wainwright introduced David McCoy, Deputy Chief of Staff, from the Office of the Governor. His staff that was present are as follows; Franklin Freeman and Marvin Dorman. A organizational chart and summary (Attachment 5) was distributed. Mr. McCoy reviewed each handout in detail. **Senator Lucas asked if a breakdown could be given of the number of minorities for the Governor's** . Mr. McCoy responded that he would be able to get that information to Senator Lucas. The information would be provided at the end of the meeting. Senator Warren asked if the office moves around in the Eastern office or Western office part or do they stay stationery. Mr. McCoy responded the office is housed in same place but they should be moving around as much as possible. The offices need to be centrally located for efficiency.

Representative Wainwright asked if there were any other questions, there were not. Meeting was adjourned. Representative Jeffus will chair the next meeting.

Respectfully submitted,

Representative William Wainwright, Chairman

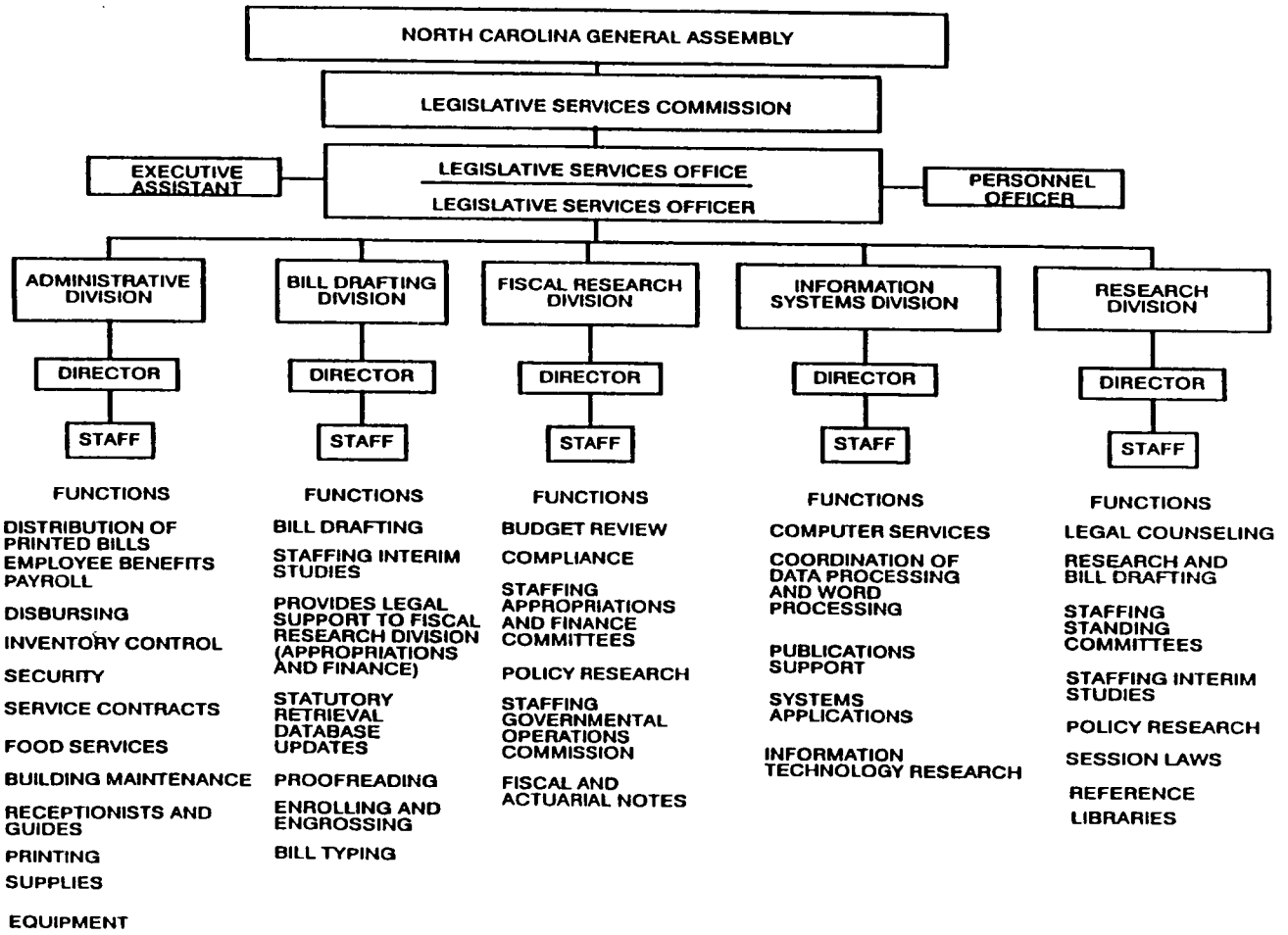
Denise Smith, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY

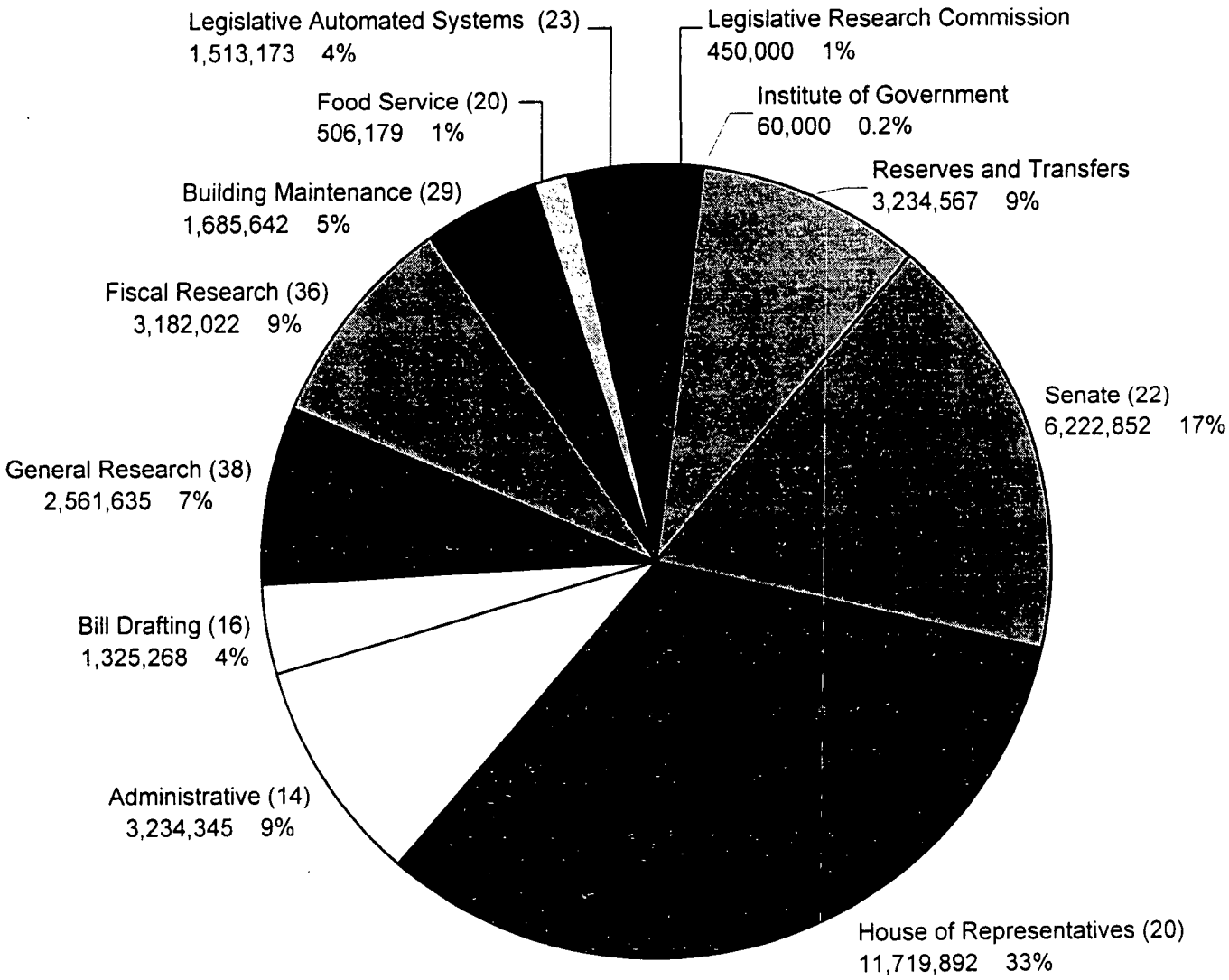
Mission Statement:
Enact general and local laws promoting the best interests of the state and the people of North Carolina.

TOTAL BUDGET – 1999-2000 - $35,695,575.
2000-2001 - $39,518,408.

TOTAL PERMANENT POSITIONS = 218


NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE SERVICES COMMISSION
EXECUTIVE ASSISTANT
LEGISLATIVE SERVICES OFFICE
LEGISLATIVE SERVICES OFFICER
PERSONNEL OFFICER
ADMINISTRATIVE DIVISION
BILL DRAFTING DIVISION
FISCAL RESEARCH DIVISION
INFORMATION SYSTEMS DIVISION
RESEARCH DIVISION
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
STAFF
STAFF
STAFF
STAFF
STAFF
FUNCTIONS
DISTRIBUTION OF PRINTED BILLS
EMPLOYEE BENEFITS
PAYROLL
DISBURSING
INVENTORY CONTROL
SECURITY
SERVICE CONTRACTS
FOOD SERVICES
BUILDING MAINTENANCE
RECEPTIONISTS AND GUIDES
PRINTING
SUPPLIES
EQUIPMENT
FUNCTIONS
BILL DRAFTING
STAFFING INTERIM STUDIES
PROVIDES LEGAL SUPPORT TO FISCAL RESEARCH DIVISION (APPROPRIATIONS AND FINANCE)
STATUTORY RETRIEVAL DATABASE UPDATES
PROOFREADING
ENROLLING AND ENGROSSING
BILL TYPING
FUNCTIONS
BUDGET REVIEW
COMPLIANCE
STAFFING APPROPRIATIONS AND FINANCE COMMITTEES
POLICY RESEARCH
STAFFING GOVERNMENTAL OPERATIONS COMMISSION
FISCAL AND ACTUARIAL NOTES
FUNCTIONS
COMPUTER SERVICES
COORDINATION OF DATA PROCESSING AND WORD PROCESSING
PUBLICATIONS SUPPORT
SYSTEMS APPLICATIONS
INFORMATION TECHNOLOGY RESEARCH
FUNCTIONS
LEGAL COUNSELING
RESEARCH AND BILL DRAFTING
STAFFING STANDING COMMITTEES
STAFFING INTERIM STUDIES
POLICY RESEARCH
SESSION LAWS
REFERENCE LIBRARIES

GENERAL FUND APPROPRIATION
North Carolina General Assembly
1999 - 2000

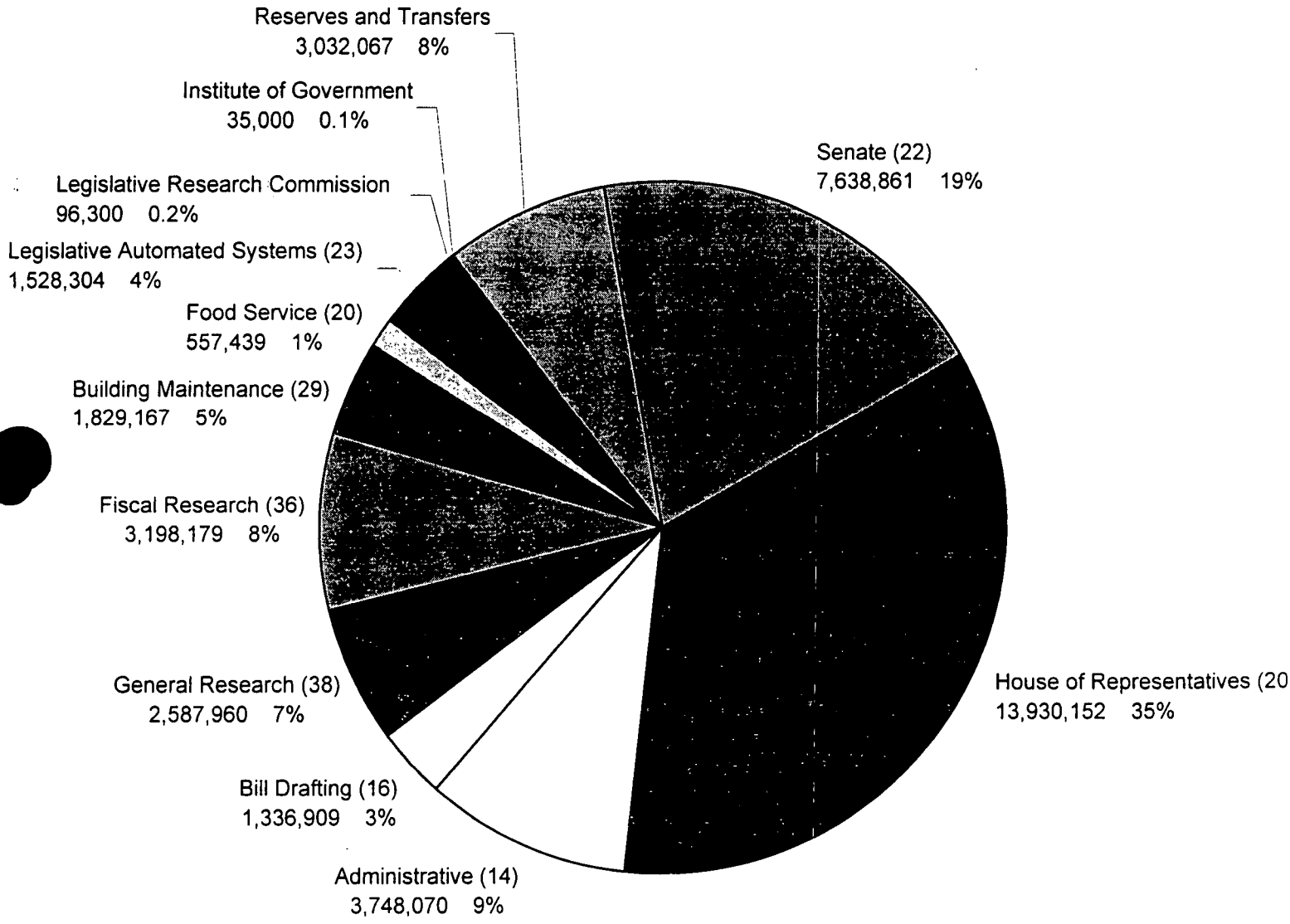


Number of positions are in parenthesis ( )

GENERAL FUND APPROPRIATION
North Carolina General Assembly

DIVISION (Number of Positions)	1999 - 2000	PERCENT
Senate (22)	6,222,852	17%
House of Representatives (20)	11,719,892	33%
Administrative (14)	3,234,345	9%
Bill Drafting (16)	1,325,268	4%
General Research (38)	2,561,635	7%
Fiscal Research (36)	3,182,022	9%
Building Maintenance (29)	1,685,642	5%
Food Service (20)	506,179	1%
Legislative Automated Systems (23)	1,513,173	4%
Legislative Research Commission	450,000	1%
Institute of Government	60,000	0%
Reserves and Transfers	3,234,567	9%
TOTAL	**35,695,575**	**100%**

GENERAL FUND APPROPRIATION
North Carolina General Assembly
2000 - 2001



Number of positions are in parenthesis ( )

GENERAL FUND APPROPRIATION
North Carolina General Assembly

DIVISION (Number of Positions)	2000 - 2001	PERCENT
Senate (22)	7,638,861	19%
House of Representatives (20)	13,930,152	35%
Administrative (14)	3,748,070	9%
Bill Drafting (16)	1,336,909	3%
General Research (38)	2,587,960	7%
Fiscal Research (36)	3,198,179	8%
Building Maintenance (29)	1,829,167	5%
Food Service (20)	557,439	1%
Legislative Automated Systems (23)	1,528,304	4%
Legislative Research Commission	96,300	0.2%
Institute of Government	35,000	0.1%
Reserves and Transfers	3,032,067	8%
TOTAL	**39,518,408**	**100%**

GENERAL FUND APPROPRIATION
North Carolina General Assembly

DIVISION (Number of Positions)	1999 - 2000	PERCENT	2000 - 2001	PERCENT
Senate (22)	6,222,852	17%	7,638,861	19%
House of Representatives (20)	11,719,892	33%	13,930,152	35%
Administrative (14)	3,234,345	9%	3,748,070	9%
Bill Drafting (16)	1,325,268	4%	1,336,909	3%
General Research (38)	2,561,635	7%	2,587,960	7%
Fiscal Research (36)	3,182,022	9%	3,198,179	8%
Building Maintenance (29)	1,685,642	5%	1,829,167	5%
Food Service (20)	506,179	1%	557,439	1%
Legislative Automated Systems (23)	1,513,173	4%	1,528,304	4%
Legislative Research Commission	450,000	1%	96,300	0.2%
Institute of Government	60,000	0.2%	35,000	0.1%
Reserves and Transfers	3,234,567	9%	3,032,067	8%
TOTAL	**35,695,575**	**100%**	**39,518,408**	**100%**

EXECUTIVE SUMMARY
Office of the Lieutenant Governor

Mission:

Support the Lieutenant Governor in fulfilling his duties as set forth by general statute or executive order. These duties include serving as chair or member of boards, commissions and task forces dealing with different government agencies and policies areas.

Operations:

- Provide administrative support and legal counsel to enable the Lt. Governor to conduct his duties as set forth in general statute, including basic office support such as purchasing, correspondence, office budgeting, personnel services, etc.
- Provide scheduling services for the Lt. Governor with his respective duties to include President of the Senate, committee meetings, constituent visits, representing the Governor in his absents, and various group functions he attends.
- Arrange communication services, such as public information releases, for the Lt. Governor and coordinates with various organizations and groups.
- Develop policy initiatives for the Lt. Governor.
- Respond to citizen inquiries and problems.
- Promote a working relationship with other state agencies.

Total Personnel:

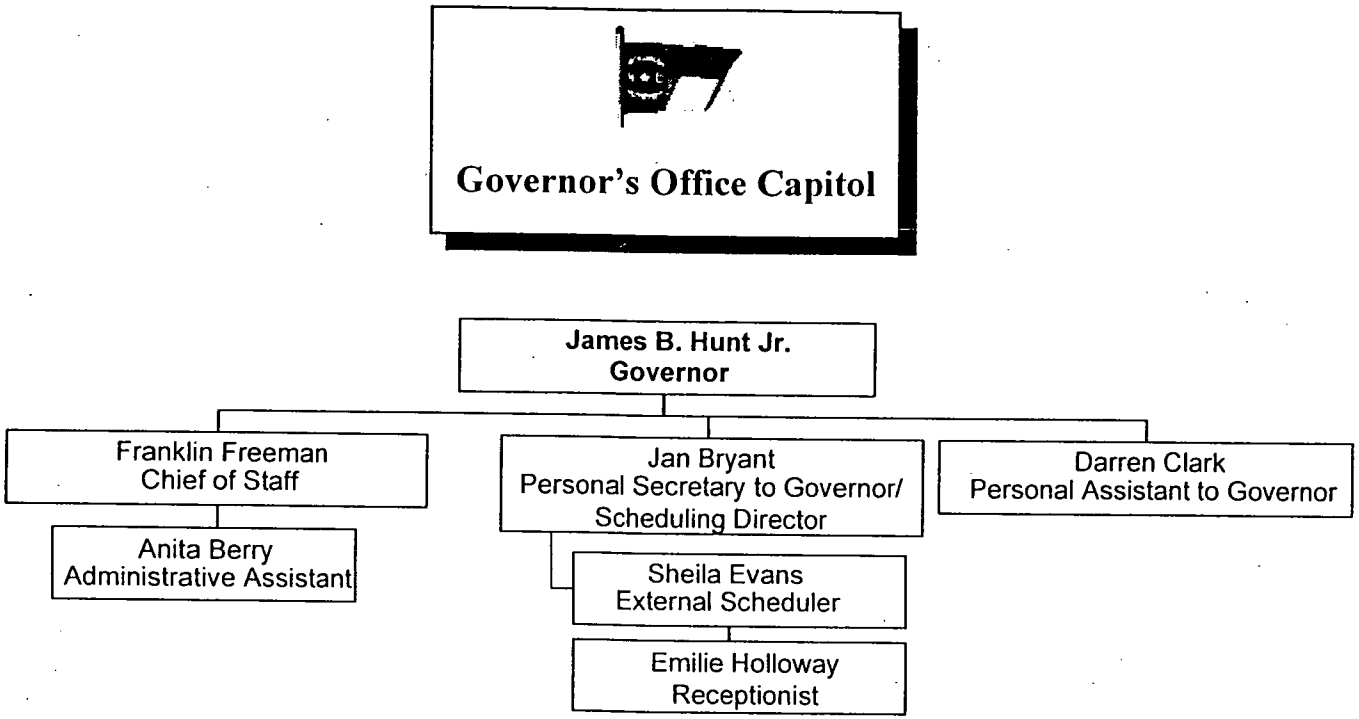
Total personnel is eight staff members. The positions include Personal Secretary to the Lt. Governor, Chief of Staff/Legislative Counsel, Scheduler, Policy and Research (2), Press Secretary, Constituent Services and Special Assistant for Office Affairs.

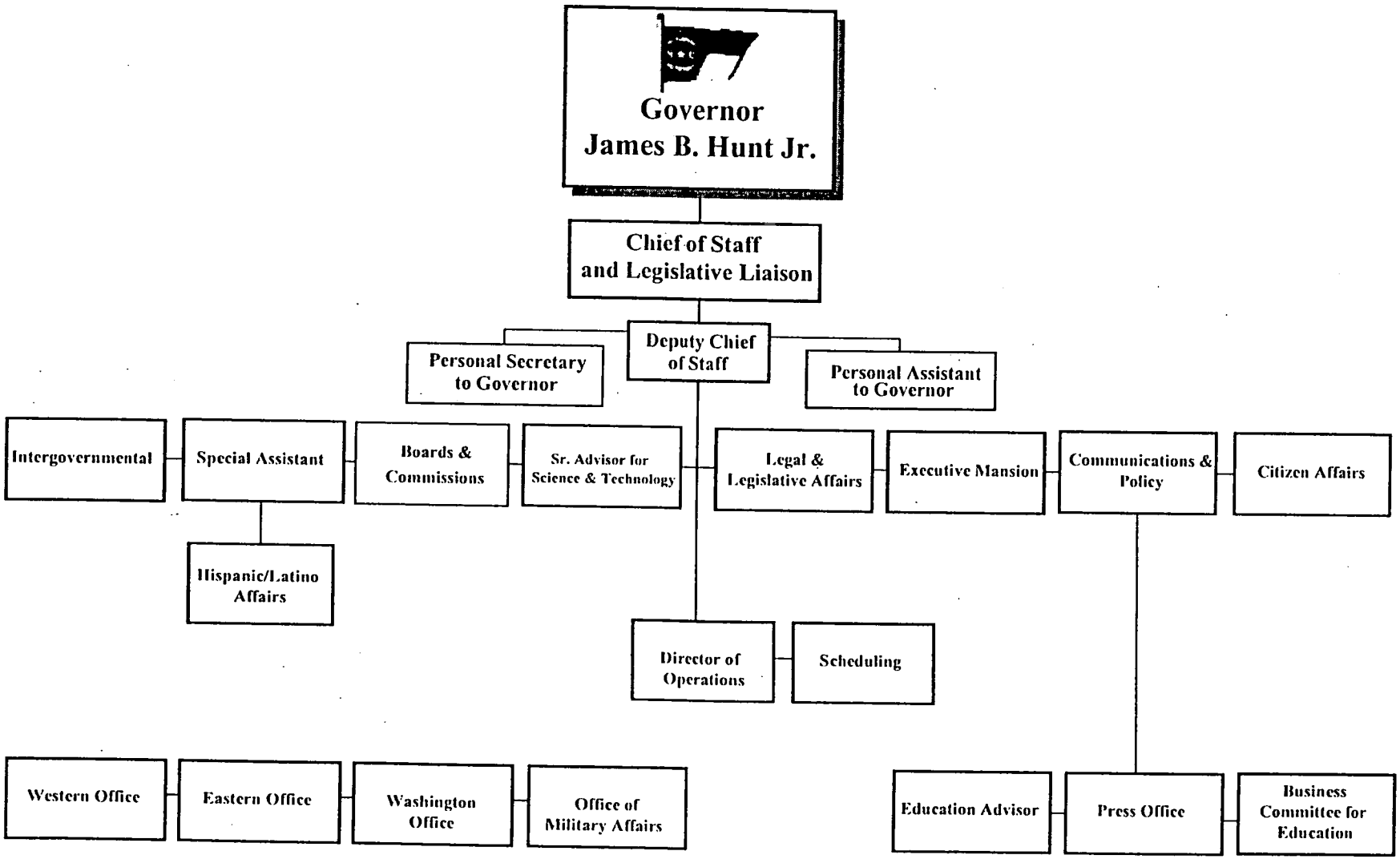
Budget:

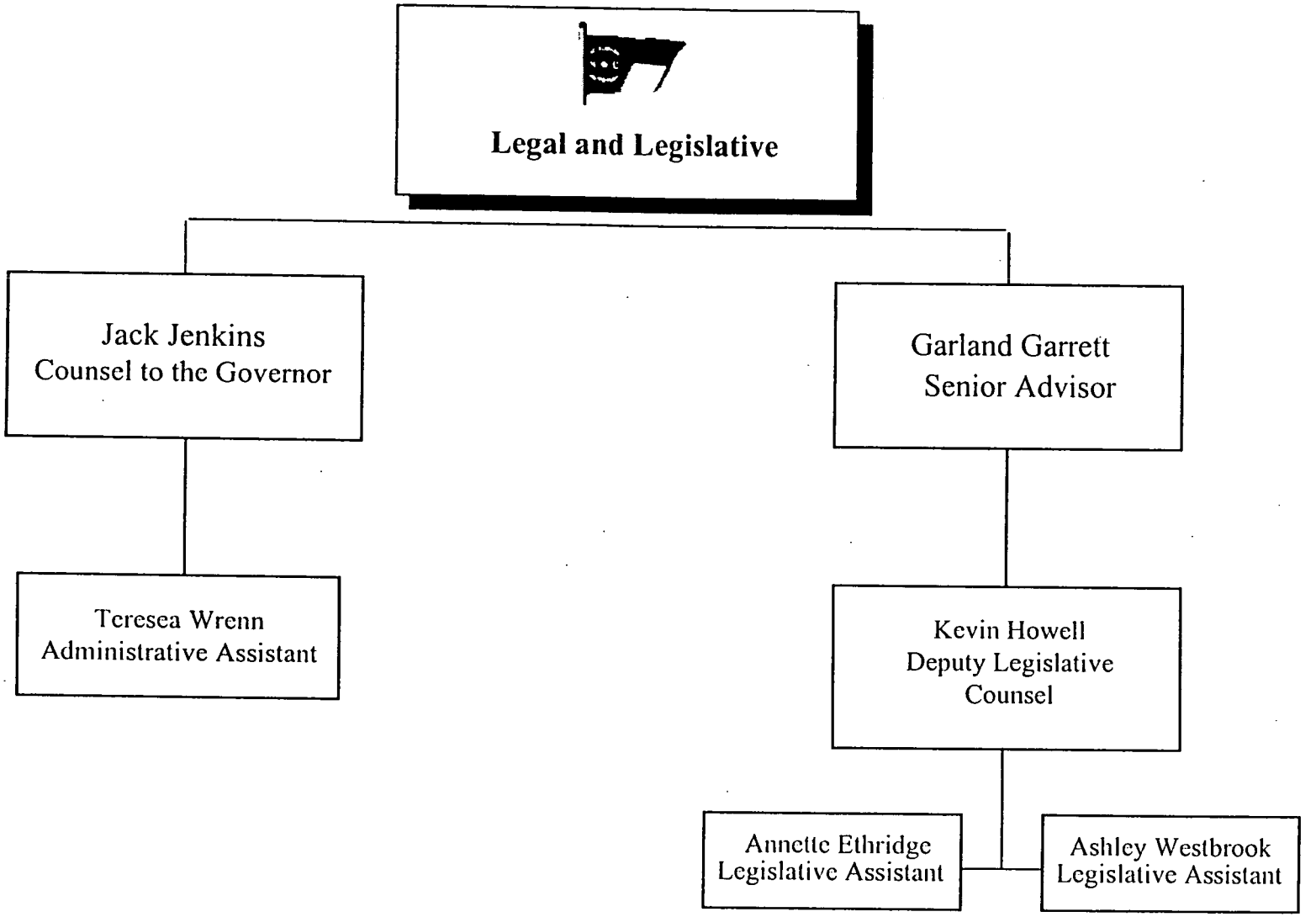
The Lt. Governor's budget continues at the same level of previous years. An approximately $25,000 one-time increase was allocated for office technology in 1998-99.

Lieutenant Governor Dennis A. Wicker
serves on the following Boards and Commissions

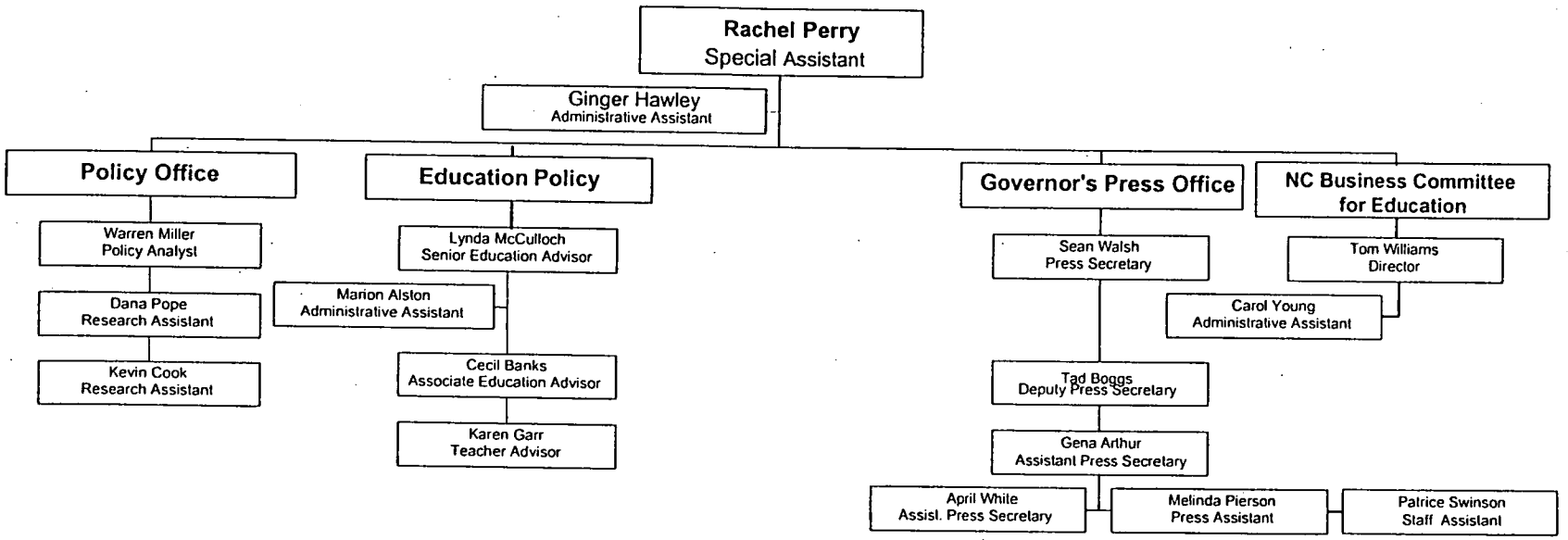
1. **Chairman of the State Board of Community Colleges-** Elected chairman of the Board in 1993, 1995, & 1997. Lieutenant Governor Wicker is committed to enhancing community colleges role as the state's top job training facility of the future.
2. **Chairman of the North Carolina Dental Task Force (1999)-** appointed chair by the Institute of Medicine. Task Force mission to recommend how to improve dental access to North Carolina's low-income population, especially children.
3. **Chairman of Governor's Commission on Children's Health Insurance- (1997-98)** appointed by Governor Jim Hunt to head-up efforts shaping and formulating North Carolina's program to provide health coverage to uninsured children.
4. **Chairman of the North Carolina Small Business Council-** primary mission to champion innovative policies that promote the growth and development of small business- which is the backbone of our state's economy.
5. **Chairman of the Information Resource Management Commission-** appointed by Governor Hunt and elected chairman by other Council of State members. The IRMC oversees the state's entire information technology strategy including addressing the Y2K issue.
6. **Chairman of the North Carolina State Health Plan Purchasing Alliance Board -** Lieutenant Governor is the architect of the statewide small business alliance network called "Caroliance," which provides small businesses with opportunities to purchase better quality health care at more affordable prices
7. **Chairman of the Governor's Commission on Driving While Impaired-** Lieutenant Governor Wicker heads up this diverse 37 member task force which has been responsible for recommending all significant DWI legislation during the last five years.
8. **Chairman of the North Carolina Local Government Partnership Council-** Lieutenant Governor Wicker heads up effort to produce better intergovernmental relations between state and municipal governments.
9. **Chairman of the North Carolina Disaster Recovery Task Force (1997)** - created by Executive Order, the Task Force is charged with formulating proposals for helping North Carolina be better prepared when the next natural disaster strikes.
10. **State Board of Education-** membership on the board assigned by the State Constitution. Lieutenant Governor Wicker is an active member advocating the decentralization of authority from Raleigh to local school districts and the need for smaller classrooms in the primary grades.
11. **North Carolina Council of State-** member by Constitutional authority- presides over meetings in Governor's absence.
12. **North Carolina Economic Development Board-** (designee) - meeting schedule conflict with State Board of Education meetings.
13. **President of the North Carolina State Senate-** Constitutional duty as chief presiding officer, interprets rules, manages flow of debate.

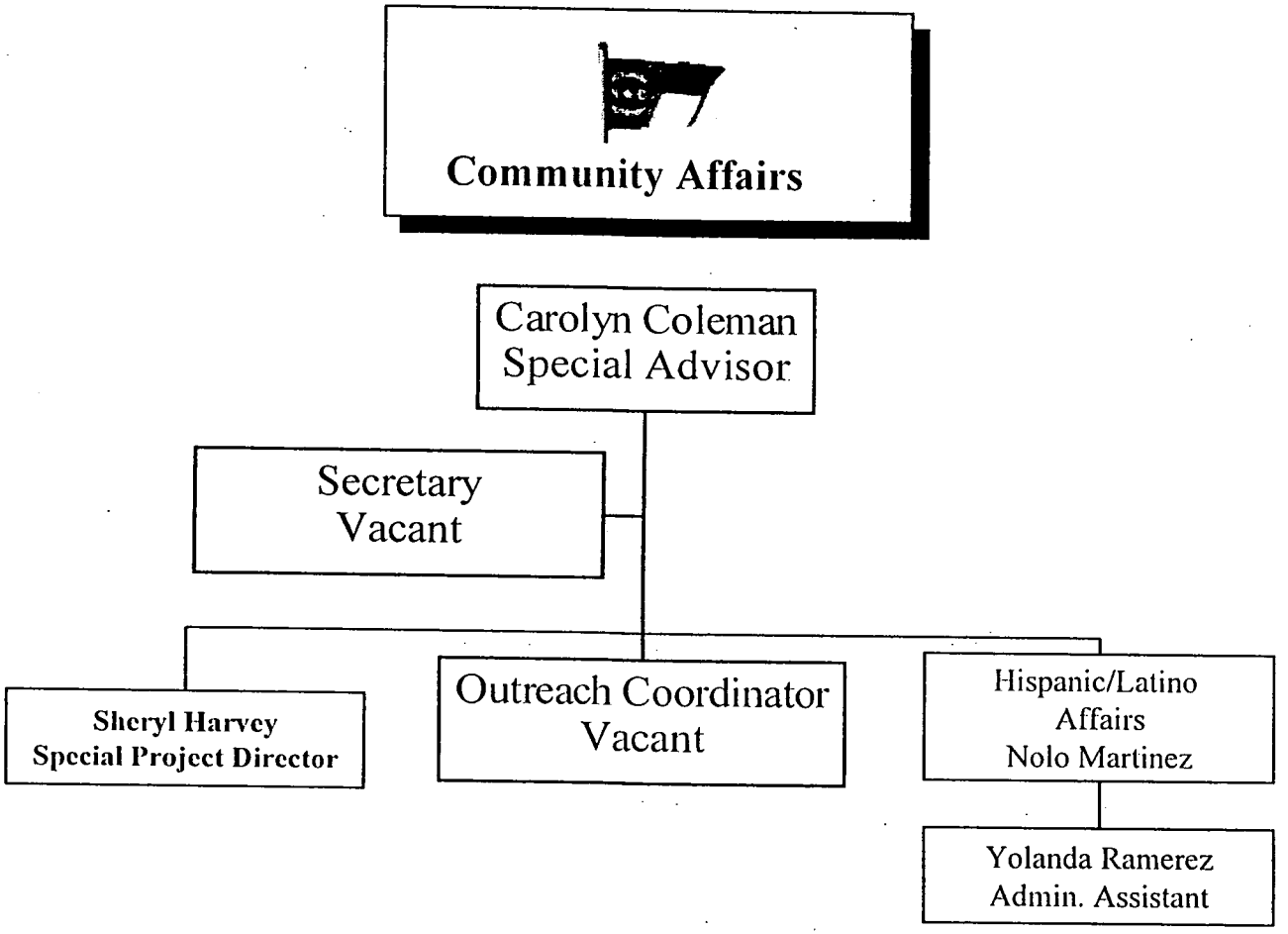

Governor's Office Capitol
James B. Hunt Jr.
Governor
Franklin Freeman
Chief of Staff
Anita Berry
Administrative Assistant
Jan Bryant
Personal Secretary to Governor/
Scheduling Director
Sheila Evans
External Scheduler
Emilie Holloway
Receptionist
Darren Clark
Personal Assistant to Governor


Governor
James B. Hunt Jr.
Chief of Staff
and Legislative Liaison
Personal Secretary
to Governor
Deputy Chief
of Staff
Personal Assistant
to Governor
Intergovernmental
Special Assistant
Boards &
Commissions
Sr. Advisor for
Science & Technology
Legal &
Legislative Affairs
Executive Mansion
Communications &
Policy
Citizen Affairs
Hispanic/Latino
Affairs
Director of
Operations
Scheduling
Western Office
Eastern Office
Washington
Office
Office of
Military Affairs
Education Advisor
Press Office
Business
Committee for
Education

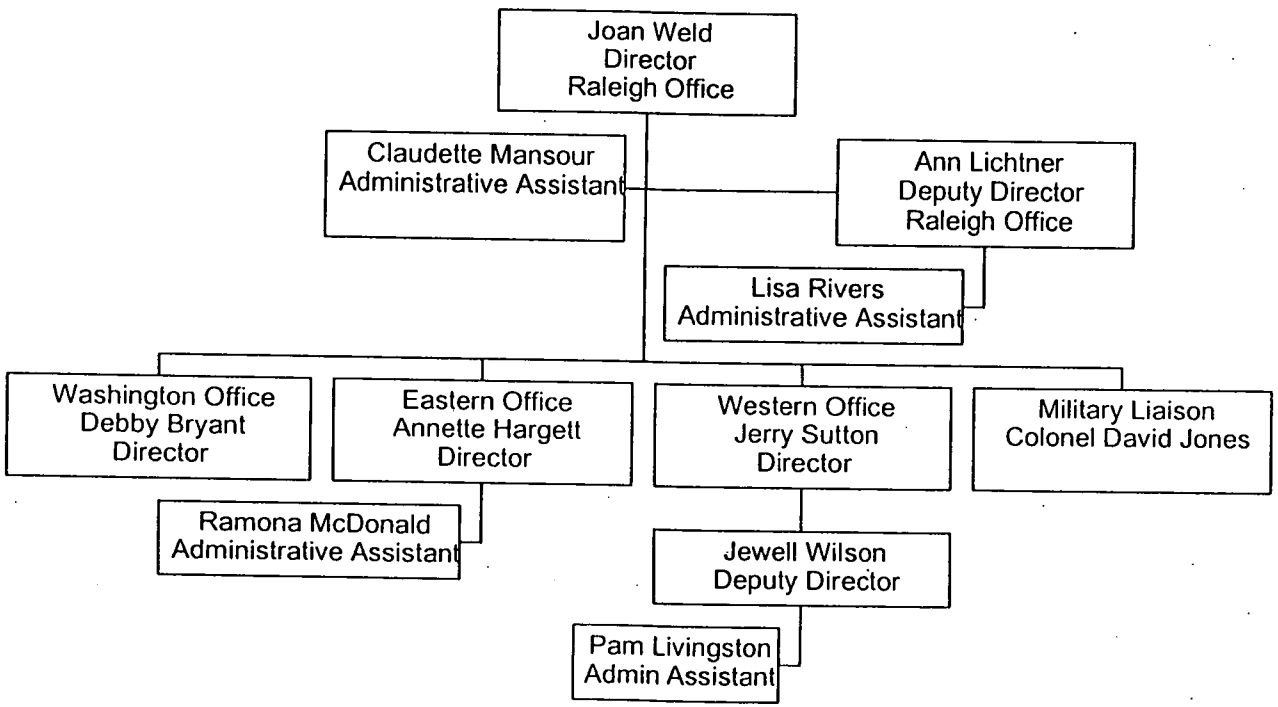

Legal and Legislative
Jack Jenkins
Counsel to the Governor
Teresea Wrenn
Administrative Assistant
Garland Garrett
Senior Advisor
Kevin Howell
Deputy Legislative
Counsel
Annette Ethridge
Legislative Assistant
Ashley Westbrook
Legislative Assistant

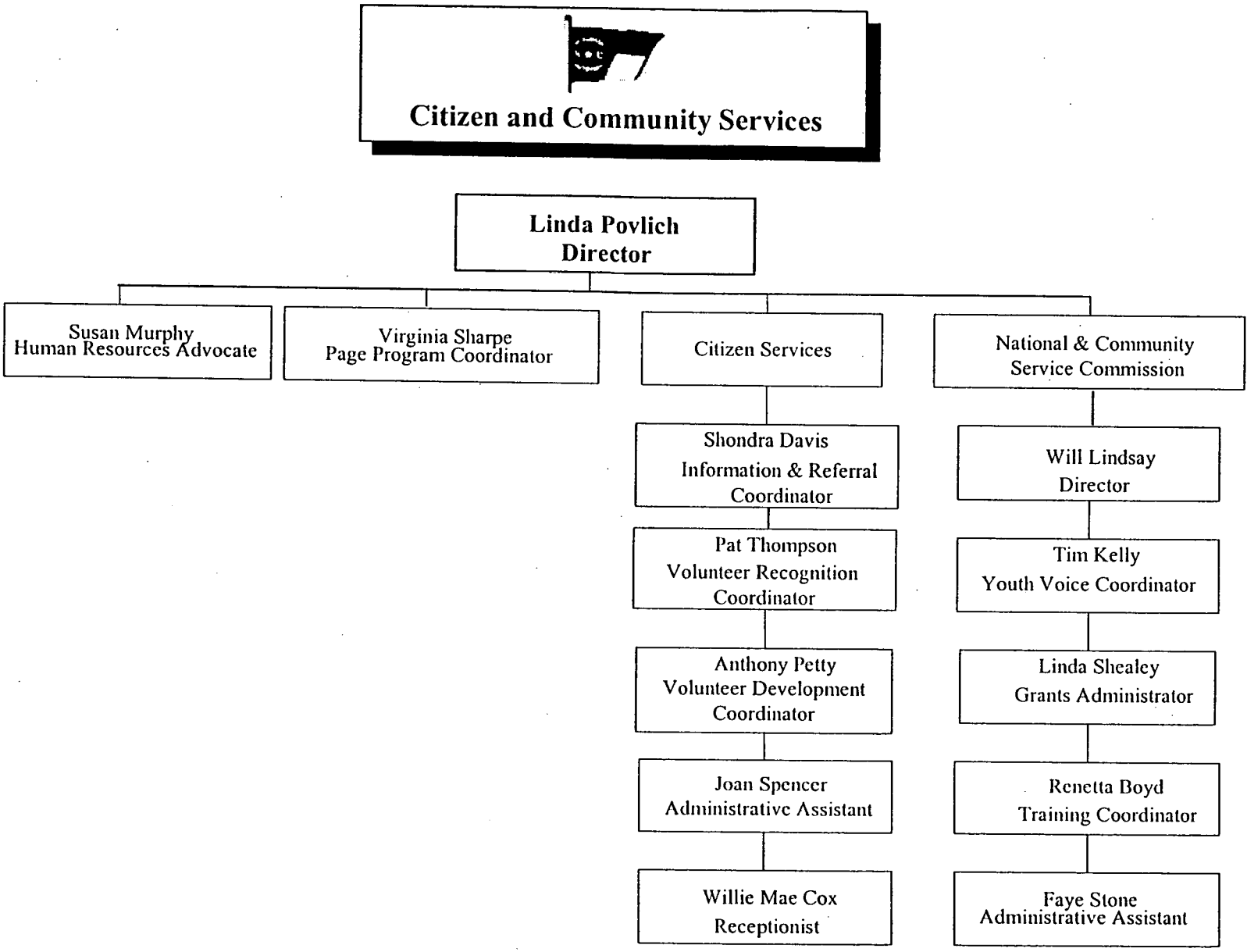
Communications and Policy

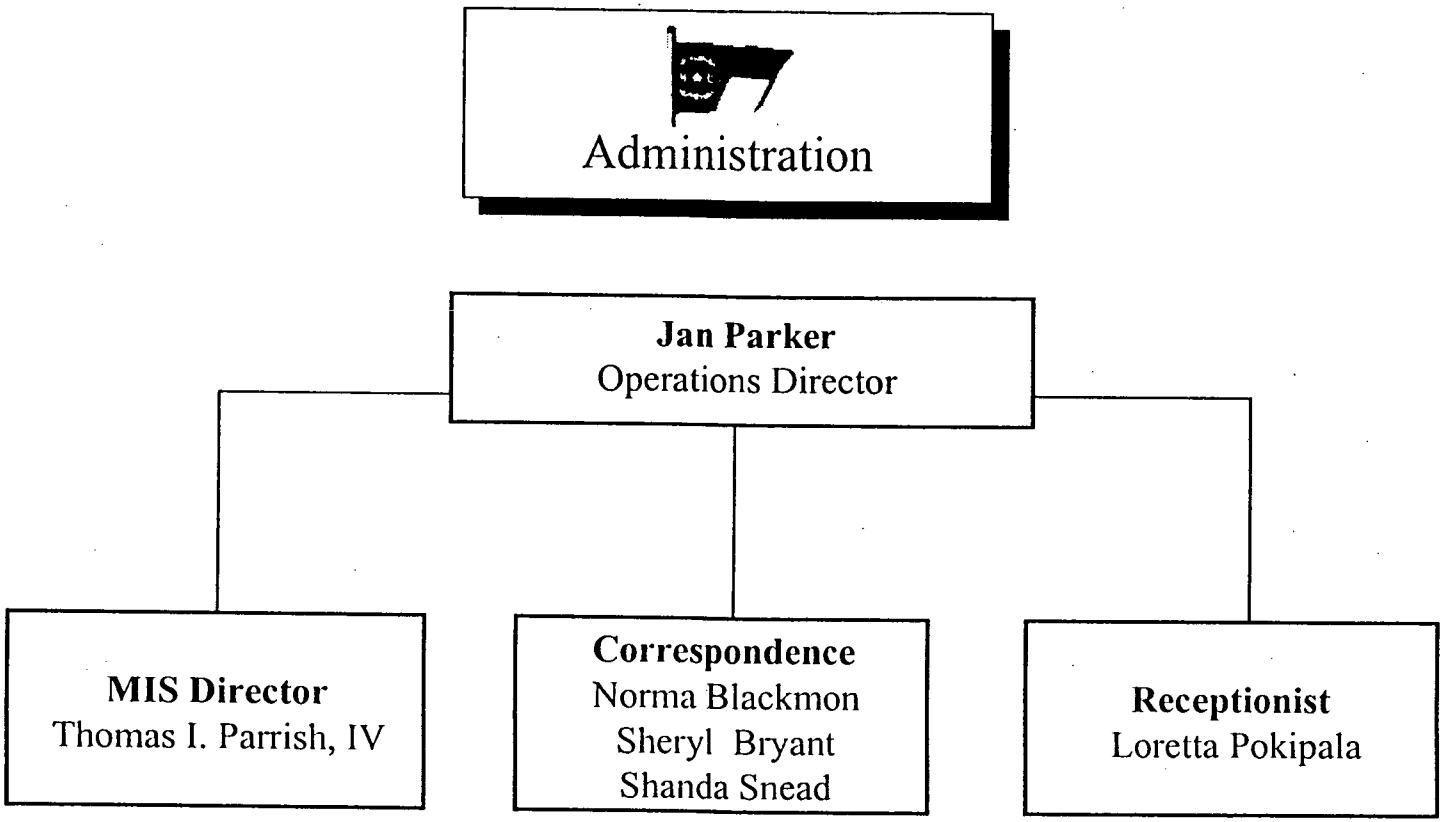


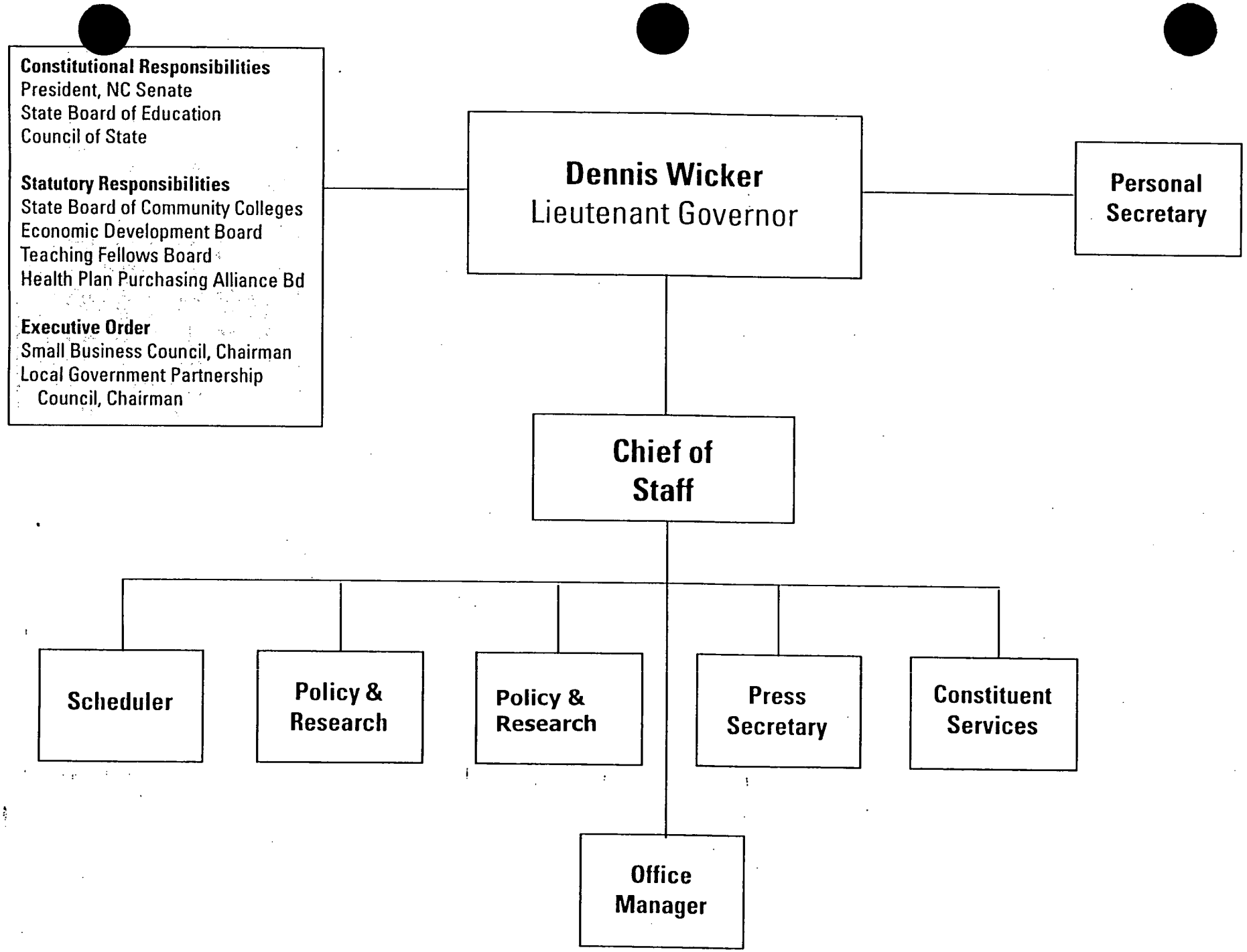

Community Affairs
Carolyn Coleman
Special Advisor
Secretary
Vacant
Sheryl Harvey
Special Project Director
Outreach Coordinator
Vacant
Hispanic/Latino
Affairs
Nolo Martinez
Yolanda Ramerez
Admin. Assistant

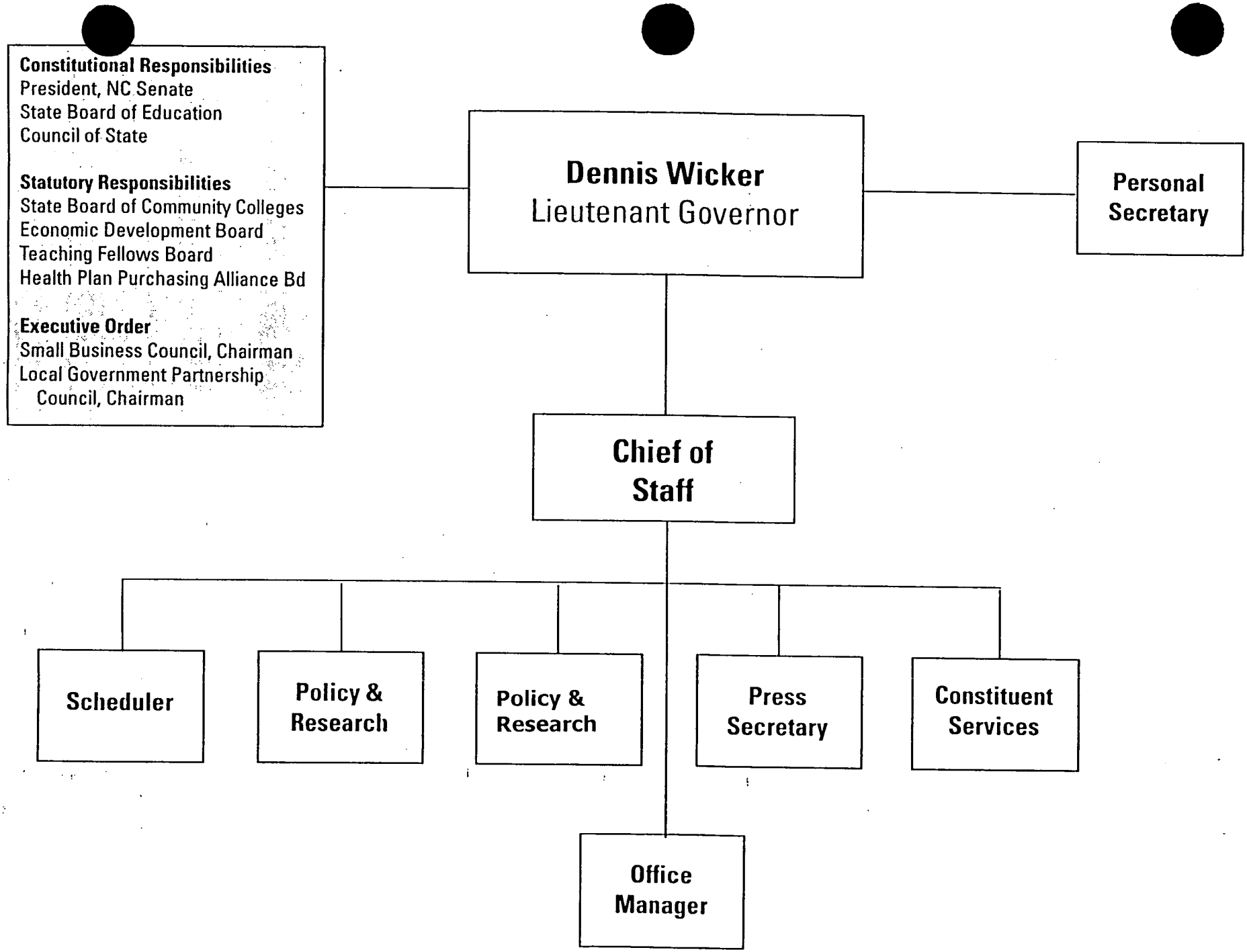
Intergovernmental Relations




Citizen and Community Services
Linda Povlich
Director
Susan Murphy
Human Resources Advocate
Virginia Sharpe
Page Program Coordinator
Citizen Services
National & Community
Service Commission
Shondra Davis
Information & Referral
Coordinator
Pat Thompson
Volunteer Recognition
Coordinator
Anthony Petty
Volunteer Development
Coordinator
Joan Spencer
Administrative Assistant
Willie Mae Cox
Receptionist
Will Lindsay
Director
Tim Kelly
Youth Voice Coordinator
Linda Shealey
Grants Administrator
Renetta Boyd
Training Coordinator
Faye Stone
Administrative Assistant


Administration
Jan Parker
Operations Director
MIS Director
Thomas I. Parrish, IV
Correspondence
Norma Blackmon
Sheryl Bryant
Shanda Snead
Receptionist
Loretta Pokipala


Constitutional Responsibilities
President, NC Senate
State Board of Education
Council of State
Statutory Responsibilities
State Board of Community Colleges
Economic Development Board
Teaching Fellows Board
Health Plan Purchasing Alliance Bd
Executive Order
Small Business Council, Chairman
Local Government Partnership Council, Chairman
Dennis Wicker
Lieutenant Governor
Personal Secretary
Chief of Staff
Scheduler
Policy & Research
Policy & Research
Press Secretary
Constituent Services
Office Manager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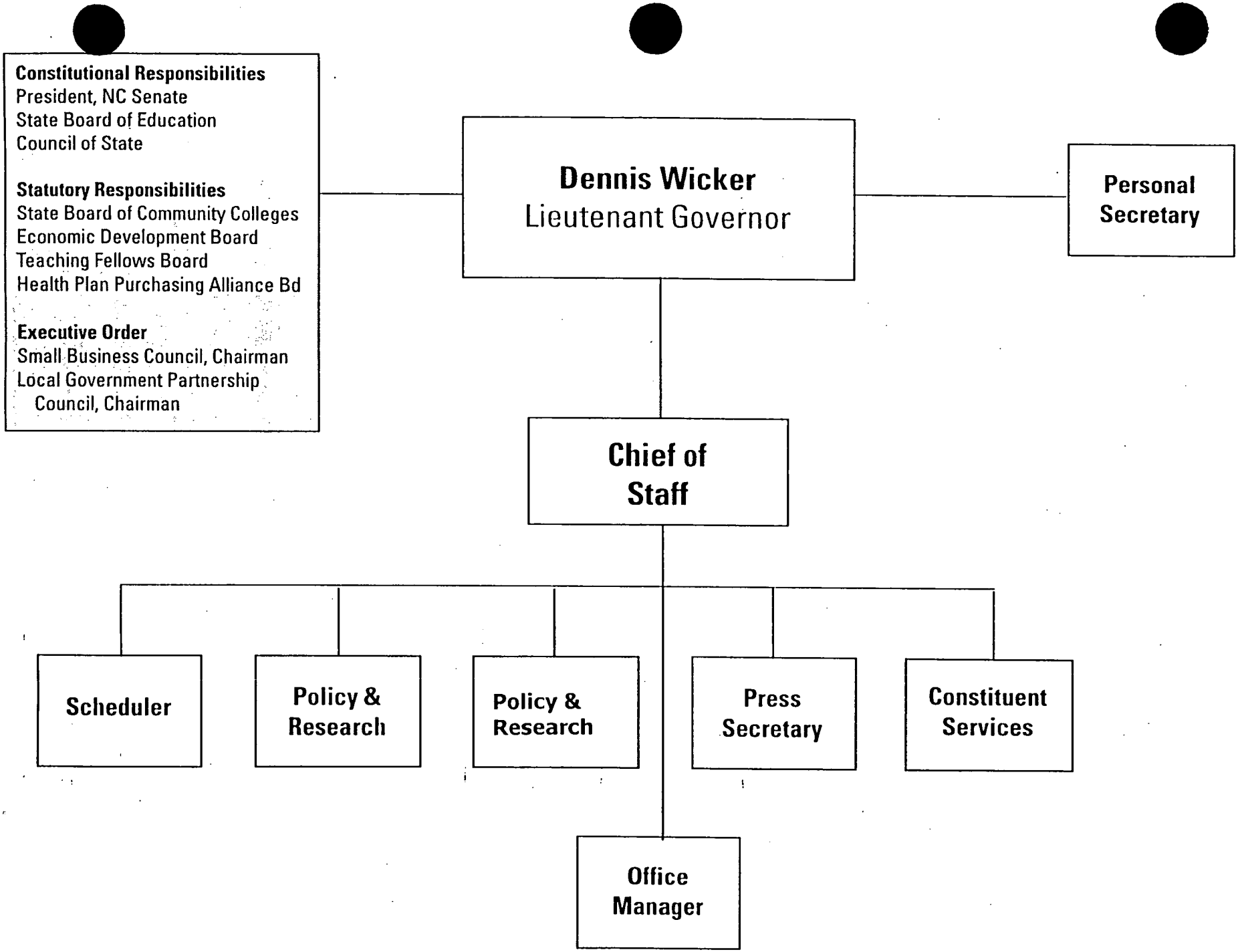
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Dennis Wicker
Lieutenant Governor
Personal Secretary
Chief of Staff
Scheduler
Policy & Research
Policy & Research
Press Secretary
Constituent Services
Office Manager

OFFICE OF THE GOVERNOR
February 22, 1999

Governor
James B. Hunt Jr.

Franklin Freeman, Chief of Staff
Anita Berry, Admin. Assistant
David McCoy, Deputy Chief of Staff
Zorida Maighnath, Admin. Assistant

Capitol Staff
Jan Bryant, Pers. Secretary to Gov./Scheduling Director
Sheila Evans, External Scheduler
Darren Clark, Personal Assistant
Emilie Holloway, Receptionist

INTERGOVERNMENTAL

Intergovernmental Relations
Joan Weld, Director
Ann Lichtner, Deputy
Claudette Mansour, Admin. Assistant
Lisa Rivers, Admin. Assistant

Washington, DC Office
Debby Bryant, Director

Eastern Office
Annette Hargett, Director
Ramona McDonald, Admin. Assistant

Western Office
Jerry Sutton, Director
Jewell Wilson, Deputy
Pam Livingston, Admin. Assistant

Military Liaison
Colonel David Jones

CITIZEN & COMMUNITY SERVICES

Citizen Services
Linda Povlich, Director
Susan Murphy, Ex. Assistant

Boards and Commission
Stephen Bryant, Director
Howie DeVane, Deputy
Mary Catherine Bauer
Admin. Assistant

Citizen Affairs
Sondra Davis, Citizen & Community Relations Coordinator
Pat Thompson, Volunteer Recognition Coordinator
Anthony Petty, Volunteer Development Coordinator
Joan Spencer, Admin. Assistant
Willie Mae Cox, Receptionist

National & Community Service
Will Lindsay, Ex. Director
Tim Kelly, Youth Leadership Coordinator
Linda Shealey, Grants Administrator
Renetta Boyd, Training Coordinator
Faye Stone, Admin. Assistant

Correspondence Unit
Norma Blackmon, Admin. Assistant
Sheryl Bryant, Admin. Assistant
Shanda Snead, Admin. Assistant

Page Program
Virginia Sharp, Coordinator

COMMUNITY AFFAIRS

Community Affairs
Carolyn Coleman, Special Advisor
Sheryl Harvey, Special Projects Director

Hispanic/Latino Affairs
Dr. H. Nolo Martinez, Director
Yolanda Ramirez, Admin. Assistant

LEGAL & LEGISLATIVE

Legal
Jack Jenkins, Counsel to Gov.
Theresa Wrenn, Admin. Assistant

Legislative
Garland Garrett, Senior Advisor
Kevin Howell, Deputy Legislative Counsel
Annette Ethridge, Legislative Assistant
Ashley Westbrook, Legislative Assistant

COMMUNICATIONS & POLICY

Communications & Policy
Rachel Perry, Special Assistant

Policy Office
Warren Miller, Policy Analyst
Dana Pope, Research
Kevin Cook, Policy Analyst
Ginger Hawley, Admin. Assistant

Education Policy
Lynda McCulloch, Senior Ed. Advisor
Cecil Banks, Associate Ed. Advisor
Karen Garr, Teacher Advisor
Marion Alston, Admin. Assistant

NC Business Committee For Education
Tom Williams, Director
Carol Young, Admin. Assistant

Press Office
Sean Walsh, Press Secretary
Tad Boggs, Deputy Press Secretary
Gena Arthur, Asst Press Secretary
April White, Asst Press Secretary
Melinda Pierson, Press Assistant
Patrice Swinton, Admin. Assistant

ADMINISTRATION

Operations Director
Jan Parker

MIS Director
Thomas I. Parrish, IV

Receptionist
Loretta Pokipala

Mansion
Janice Shearin, Ex. Assistant to the First Lady
Debra Poole, Admin. Assistant
Vicki Cilley, Residence Dir.
Stephen Moravick, Food Service Dir.

Office of the Chief of Staff

The Chief of Staff serves as the chief assistant and chief legislative liaison for the Governor of North Carolina. The Chief of Staff directs executive, managerial, professional and support staff in the delivery of state services and acts with the fully delegated authority of the Governor. Work involves providing leadership in setting state goals and objectives, representing the Governor, and working with the Legislature as the Govemor's Legislative Liaison to ensure passage of the Governor's programs. Cabinet Secretaries report to the Governor through this individual. Employee serves at the pleasure of the Governor.

The Chief of Staff, with the assistance of the Deputy Chief of Staff, manages the operations of the Governor's Office with many diverse programs including service delivery programs. The office goals, objectives, and processes incorporate consideration of a wide variety of operational environments, many of which are outside the direct administrative control of the agency. Funding includes a combination of appropriated monies, federal block grants, other contracts/grants, and operational revenues.

This executive level work includes managing on behalf of the Governor the operation of Cabinet, Council of State, or other state government functions. Work involves representing the Governor with other government and legislative officials; and, performing related tasks.

Office of Legal and Legislative Affairs

The Governor's Office of Legal Counsel currently has one full-time lawyer and an Administrative Assistant. The Governor's Legal Counsel counsels the Governor and, at the direction of the Governor or the Chief of Staff, the Governor's staff, on legal matters. Among other things, the attorney assists with the following: issues of relevance to the Council of State; executive orders; legal actions in which the Governor is a party or participant; administrative rules; clemency; judicial appointments; and constituent concerns. In addition, the attorney collaborates with the North Carolina Attorney General's Office on matters of mutual interest and concern.

The Office of Legislative Affairs consists of the Senior Advisor to the Governor for Legislative Affairs, the Deputy Legal Counsel and two Administrative Assistants. These positions assist the Governor and the Chief of Staff in lobbying for, tracking and enacting the Governor's legislative program.

The Senior Advisor to the Governor For Science & Technology and the Office for Technology

This office works on policy issues that affect the management of science and technology issues in North Carolina. Further, issues that affect North Carolina within the Congress, or with national treaties (such as NAFTA and GATT) that require responses from North Carolina on technology issues are addressed by this office. There is direct oversight of the Board of Science and Technology by this office.

The Senior Advisor has lead responsibilities with national issues on science and technology such as the US Innovation Partnership (A partnership between the federal government and the National Governors' Association). The Advisor follows telecommunications issues that may impact the economic competitiveness of North Carolina stemming from the 1996 Telecom Act of the US Congress and serves as the liaison to the Utilities Commission for the Governor on such issues.

The Senior Advisor, in addition to representing the Governor on the Board of Science and Technology, also represents the Governor on the following boards: School Technology Commission, MCNC Board of Technology Development, Authority Alliance for Competitive Technologies, serves as Chair of the Center for Geographical Information, serves as Chair of the NCIH Policy Council.

Executive Mansion

Executive Assistant to the First Lady

The office is located at the Executive Mansion. This staff person is in charge of the First Lady's schedule and for scheduling all events and special tours for the Mansion. The Executive Assistant is responsible for the day-to-day operation of the First Lady's office, preparation of correspondence, meeting materials, and travel arrangements, and is the liaison to the Executive Mansion Fine Arts Committee in setting up meetings and preparing minutes. The household budget for the Executive Mansion is managed and maintained by this position. The Executive Assistant supervises the other position in the First Lady's office.

Residence Manager

This staff person is located at the Executive Mansion and is responsible for the set up and implementation of all events at the Mansion. This staff person coordinates all meals and housekeeping duties and supervises trustee staff that perform these duties. This staff person also is part of the team that interviews and hires trustee staff.

The Governor's Policy and Communications Office

The Governor's Policy and Communications office is responsible for the development of, research for and public dissemination of the Governor's policy, policy positions and statements of policy. It is directed by the Special Assistant for Policy and Communications, who coordinates the Administration's policy development and research efforts, including researching and developing key initiatives for the Governor and overseeing teams of Cabinet agency policymakers in developing and implementing policy as directed by the Governor. The Special Assistant also oversees the Administration's communications effort, including the Governor's Press Office.

The Policy and Communications Office includes:

- **Governor's Policy Office:** 2 policy analysts; 1 policy research assistant; 1 administrative assistant. The three professional staffers provide issue-specific and general research support for the policy work outlined above, as well as support for legislative analysis and veto tracking efforts as needed. They staff the cross-cutting "issue teams" the Administration has formed to implement Governor Hunt's agenda, and also serve as liaisons with interest or advocacy groups who want information about the Governor's policy or policy positions.

- **Governor' Press Office:** The Press Secretary serves as the Governor's spokesperson, and makes sure the press and public get information about their state government and the administration's position on various issues. The Press Office also prepares press releases, speeches and public service announcements for the Governor, as well as plans public events for the Governor.

- **Governor's Education Policy Office:** The Governor's Education Policy Office is comprised of three advisors and one clerical staff member. The office is responsible for all activities and responsibilities associated with education issues impacting the Governor. These responsibilities include serving as staff to the Education Cabinet, advising the Governor and his staff on education-related issues, serving as staff to the Teacher Advisory Committee and coordinating the budget-related items included in the Governor's budget. In addition, the staff serves as the Governor's liaison to approximately twenty boards and commissions, most noticeably the State Board of Education. Furthermore, the education staff works closely with the General Assembly regarding the Governor's education proposals.

- **Business Committee for Education:** Also a part of the Governor's staff is the North Carolina Business Committee for Education. This 501 (c)(3) organization, in operation since 1983, is comprised of over 100 businesses and industries whose total focus is improving education in North Carolina. The State of North Carolina provides partial salary for the Executive Director and one clerical staff member, with NCBCE providing hundreds of thousands of dollars in funds and in-kind services to improve education. NCBCE is

governed by a Board of Directors, and its president is J. Billie Ray, Jr., President of BellSouth North Carolina.

Office of Community Affairs

This office advises the Governor on issues related to, but not limited to, minority citizens. The Office of Community Affairs is also responsible for assuring diversity in State Government's workforce.

Examples of duties include developing program initiatives which impact minority citizens, assisting with constituent services, making recommendations for boards and commissions, serving as the liaison to minority community organizations, tribes and professional associations, and representing the Governor at official functions. Additionally, the office coordinates the Governor's program to encourage business enterprises owned by minorities and handicapped persons in accordance with Executive Order Number 77.

Other responsibilities of the office include assisting in preparation of legislation, helping plan the Governor's schedule, hosting official visitors and developing the Governor's programs and initiatives.

The Office of Community Affairs includes:

- **Hispanic/Latino Affairs:** This office consists of one director and a secretary. The director advises the Governor on issues relating to the Hispanic/Latino community in North Carolina; supports state efforts toward the improvement of race and ethnic relations; provides a forum for the discussion of issues concerning the Hispanic/Latino community in North Carolina; promotes cooperation and understanding between the Hispanic/Latino community, the general public, the state, federal, and local governments; and performs other duties as directed by the Governor.

Office of Intergovernmental Relations

The Office of Intergovernmental Relations coordinates federal, state, and state-local government matters for the Governor. This purpose includes interaction with relevant federal and local agencies, Congress, and relevant local elected officials. The purposes of the office are accomplished by reviewing letters, testimony, policy statements and other documents that define a state position on federal issues or local issues, including cross-cutting matters that affect several state agencies. The unit also serves as the point of contact and provides staff support for the state's participation in national and regional organizations such as the National Governors' Association, Southern Governors' Association, Southern Growth Policies Board, Council of State Governments, Appalachian Regional Commission and others. Staff works directly with personnel in the federal agencies and with Congressional members and staff. On state-local issues the unit is the liaison with the local government interests in the state. Staff works with the

North Carolina Association of County Commissioners, North Carolina League of Municipalities, councils of government, the Local Government Partnership Council, as well as individual local officials. Intergovernmental Relations also initiated and continues to coordinate the North Carolina Disaster Recovery Task Force effort dealing with local governments, federal and state agencies and Congressional members. The unit components are in Raleigh, the Washington D.C. Office, Governor's Eastern Office, Governor's Western Office, and the Governor's Military Liaison Office, co-located with the Eastern Office.

The Governor's Washington, D. C. Office maintains and enhances the state's ability to participate in the federal system by advocating the state's views to Congress, the state's congressional delegation, and federal agencies.

The Eastern and Western Governor's Offices, which are a part of the Intergovernmental Relations office, serve the people of eastern and western North Carolina by investigating and resolving their complaints and concerns with state government and advising them of appropriate resources when the problem does not come under the state's jurisdiction. The office also alerts the Governor, Cabinet members, and other appropriate personnel of problems in state government programs.

Boards and Commissions

The Governor's Office of Boards and Commissions is responsible for assisting the Governor in making appointments to approximately 400 state boards, commissions, and councils and keeping track of individual term expirations, resignations, and deaths.

The appointment process includes recruiting individuals to serve on state boards; reviewing qualifications for appointment; reviewing applications for individuals who are interested in serving; making certain that there is a geographic, gender, and racial balance on the board; and then making a recommendation to the Governor regarding whom he should appoint. Furthermore, the office monitors the progress of the various boards and the effectiveness of the appointees.

This office also processes the paperwork for each of the approximately 3,000 individuals who serve on boards, commissions, and councils, which includes generating a letter of appointment, a commission, and an oath of office, all of which must then be copied to several government agencies such as the Secretary of State and the State Archives.

In addition, this office also answers a large number of constituent inquiries regarding not only appointments to boards, but also concerning the issues affected by the actions of the various boards, commissions, and councils.

Governor's Office of Citizen and Community Services

The mission of the Governor's Office of Citizen and Community Services is to increase participation in the communities of North Carolina by encouraging citizen involvement and providing prompt response to citizen concerns. The office has two units: Citizen Involvement and Citizen Relations.

The Citizen Involvement Unit increases volunteerism, promotes interagency and community collaboration, recognizes community efforts of individuals and organizations, i.e. the Governor's Awards for Bravery and Heroism, the Governor's Awards for Outstanding Volunteer Service, certificates of appreciation (i.e. Long Leaf Pine, Honorary Tar Heel) and other citizen awards programs, provides training and technical assistance, and evaluates quality and sustainability of all funded programs and citizen involvement projects. The Governor's Office of Citizen Affairs also houses the State Commission on National and Community Service which operates the AmeriCorps program for the state.

Through the Citizen Relations Unit, the Governor's Office of Citizen Affairs provides information and referral about State agencies, assists citizens with concerns and inquiries, and responds to Governor's correspondence. This unit handles all requests for proclamations and special letters, i.e. birthday, special occasions, welcome, congratulatory, commendations, special events, etc. One call to a toll-free number reaches knowledgeable staff who provide information and referral about state government services and timely response to all citizen concerns and inquiries.

Director of Operations

Serves as administrator of the Governor's Office. Responsibilities include:
Budget oversight - ensuring that budgeted funds are used properly and effectively;
Internal personnel procedures - providing information regarding proper procedures and benefits and programs available to state employees.

Technology - upgrading existing procedures and instituting new efforts to use technology to improve communications and effectiveness.

Office management - providing supplies, office space, etc.

Constituent services - supervising correspondence unit and ensuring timely response to constituent mail.

Scheduling

This section manages the Governor's daily schedule. Responsibilities include:
Responding to requests from citizens and organizations for Governor's attendance at meetings and events via mail and telephone.

Setting up office meetings with constituents, business leaders, civic leaders and others.
Making travel arrangements for Governor.

VISITOR REGISTRATION SHEET

General Gov. 2-24-99

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Stephen Bryant	Governor's Office
Angela Francis	OSBM
Marvin Dorman	OSBM
Vicky T. Young	OSA
[illegible]	DOT
Carlton [illegible]	DOA
Katherine [illegible]	SPAMC
[illegible]	[illegible]
Carl Goodwin	OSA
Kathy Austin Pickett	OSPL
Jim Howell	OSBM
[illegible]	OSPL
John Dorman	OSPL
Tony Goldman	GA
[illegible]	OSC
Ann K. Harris	SOS
Bernard Allen	SOS
Elaine Robinson	GA
Allen [illegible]	GA
[illegible]	LSO
Byron K. Harris	OSBM

VISITOR REGISTRATION SHEET

Gen Gov. 2/29/99

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Martha Glass	DOA
Kane Carstens	SCO
Mack Paul	Lt Gov.

AGENDA

Joint Appropriations Subcommittee
on
General Government

February 24,1999
Room 425
2:30 p.m.

Chairman: Representative William Wainwright

Office of State Budget and Management

Marvin Dorman
Budget Director

Office of State Planning

Sherron Morgan
Director of State Planning

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

February 24, 1999

The Joint Appropriations Subcommittee on General Government met Wednesday, February 24, 1999 at 2:30 p.m. in room 425 of the Legislative Office Building. Senate members present were as follows: Senator Warren, Senator Oscar Harris, Senator Allran, Senator Foxx, Senator Lucas. Representative present were: Co-Chairs Wainwright and Jeffus, Vice Chair McLawhorn, Representative Barefoot, Representative Hensley. Fiscal Analysts, present were Michele Nelson and Dwayne Pickney.

The audience, most representing State agencies (Attachment1).

Representative Wainwright, chaired the meeting. Representative Wainwwright introduced Committee Chairs, Pages, House and Senate Sergeant-at-Arms. The agenda was outlined to have presentations from the Office of State Budget and Management and the Office of State Planning. Each agency representative would introduce their staff, do presentations then questions would be entertained.

Marvin Dorman, Budget Director, Office of State Budget introduce his staff which included Angela Francis, Administrative Assistant; Byron Harris, Analyst; and Jim Nowell, Analyst. A handout (Attachment 2) was distributed. Mr. Dorman gave a detailed summation of the agencies functions and an overview of the organizational chart. **Representative Wainwright asked how many ongoing studies do you have for each agency that come under General Government.** Mr. Dorman responded he would supply a list of the information. **Senator Foxx asked what had been done from the Gepex study and could a summary be provided.** Mr. Dorman responded that there were recommendations and the dollars. We try not to give the impression our main goal is to reduce dollars. Since the management group has gone in to try not to give them the impression our main goal is to reduce dollars. Representative Wainwright asked if this information could be given to committee. Mr. Dorman responded he would supply the list. Senator Lucas asked for another breakdown of organizational chart by minority. Representative Wainwright asked if there were any other questions. There were none.

Sherron Morgan, Director of State Planning introduced her staff which included John Dorman. Joel Stigman, Tim Johnson, Gary Thompson, Gail Fitzgerald, Francine Stevenson, Bill Tillman, John Sublet. Ms. Morgan gave a presentation of the Office of State Planning. She distributed an handout (Attachment 3) which gave an overview of the department and the organization of the staff.

Senator Harris asked if lagoons could be monitored. Ms. Morgan responded that the current satellite data could manage potholes but not lagoons. **Representative Barefoot asked what is the best estimate of the States population.** Bill Tillman repsonded 7 ½ million. **Representative Barefoot was asking were is the projection of the States ranking according to the 2000 census**. Bill Tillman responded, North Carolina would be number eleven. Senator Foxx asked several questions that Ms. Morgan responded to. Representative Wainwright asked if there were any questions and there were none. Staff was asked to review budget document. He also asked that staff would get with agency to have a list of goals. Cultural Resources is scheduled at 8:30am. The meeting was adjourned.

Respectfully submitted,

Representative William Wainwright, Chairman

Denise Smith, Committee Clerk

Office of State Budget and Management

1998-99 Budget	$ 4,489,690
Number of Staff (attached chart)	55

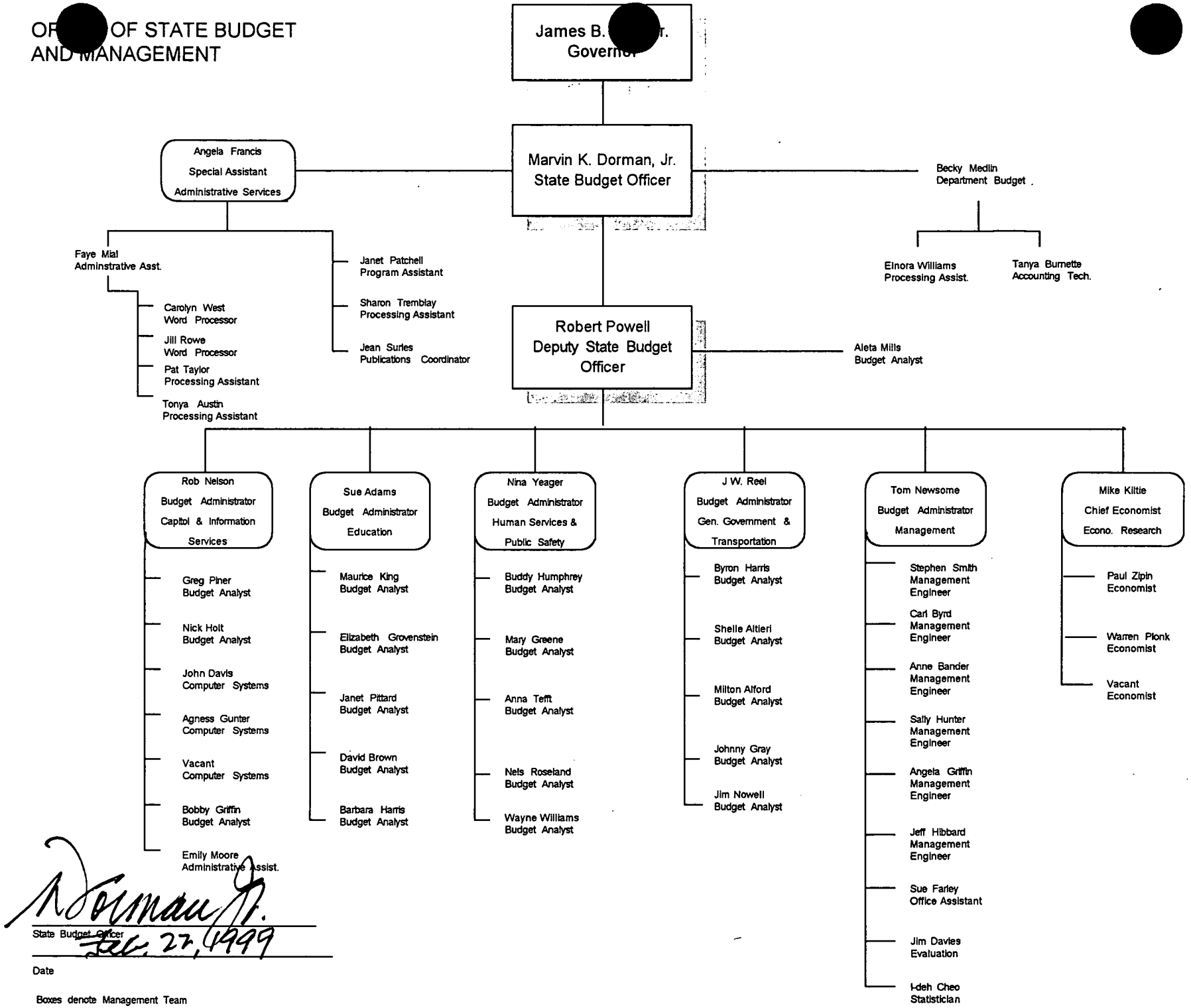
Functions of office:

Budget Preparation for operating and capital processes
Budget Execution for operating and capital processes
Repair and Renovation distribution
Special Appropriations
Local Fire Fund distribution
Economic Analysis and Forecast
Revenue Analysis and Forecast
Budget Manual
Salary Control Manual
Budget Revision Manual
Six-year Capital Improvement Plan
Management Analysis of Programs
Fiscal Notes on Rules
Special Studies and Reports
Secretary to the Council of State
Secretary and Staff to the Advisory Budget Commission
Arrange tours for the Advisory Budget Commission
Member of various Commissions and Councils
Budget and personnel offices for Governor's
    Office and State Planning Office
Present Governor's and department's issues before the
    legislative committees
Provide support services to the office
Represent the administration before non-state government organizations
Work jointly with State Planning Office on Performance/Program Budget
Hold annual State Budget Conference
Conduct Common Follow-up Study
Provide support to Personnel Management Information System (PMIS)

Authority:

North Carolina Constitution
Executive Budget Act (Article 1, G.S. 143)
Special Provisions in the Appropriation Acts

OFFICE OF STATE BUDGET AND MANAGEMENT



State Budget Officer

Dec. 27, 1999

Date

Boxes denote Management Team

Office of State Planning

(Presentation location: http://ospl3.ospl.state.nc.us/ospldemo/)

Organization and Budget Summary

	1999-2000 Recommended Budget Total Requirements
Performance Planning Positions - 10.5	
State Demography Positions - 1	**$1,209,108**
State Data Center & Information Systems Positions - 6.5	
Geodetic Survey Positions - 22	**$1,161,013**
Geographic Information and Analysis Positions - 32	**$1,977,580**

Performance Planning

(Planning, measuring, target setting and evaluation)

Inputs

- Fund 13006-1410
- 10.5 Positions

Operations

- Develop and implement planning instructions
- Record performance measures and their significance
- Review department plans
- Write narratives for budget document
- Publish performance targets and evaluation results
- Coach/Train agency planners

Outputs

- Decision Support System
- State planning manual
- Strategic forecasts
- Action plans
- Planning narratives
- Performance Report
- Training modules

Outcomes

- Operations, outputs and outcomes that agencies influence are identified
- Operations, outputs and outcomes are linked to measures
- Performance measures and targets agreed to and published
- Achievement reports published
- Accurate, reliable and relevant data regarding agency performance available to decision makers

Sheron K. M[redacted]n, Director
919-[redacted]31

State Demography

(County and Municipal population estimates/projections)

Inputs

- Fund 13006-1410
- 1 Position

Operations

- Produce official population estimates and projections for the state, all counties and some multi-county regions
- Produce official population estimates of active municipalities
- Provide technical assistance on population-related issues

Outputs

- County and municipal population estimates
- Official letters for counties, municipalities and state agencies
- County and state population projections
- Web site of population data
- Technical assistance for demographic data users

Outcomes

- Relevant, accurate and reliable demographic information for public policy analyses and decision-making
- Relevant, accurate and reliable demographic information used by all agencies in establishing a budget
- Perceived fairness in state revenue sharing among local governments

Bill Tillm[redacted] Manager
919-[redacted]31

State Data Center & Information Systems

(Disseminating and analyzing state statistics and developing electronic planning systems)

Inputs

- Fund 13006-1410
- 6.5 Positions

Operations

- Develop and disseminate data products and data-finding tools for users statewide
- Analyze data
- Develop, administer and automate data gathering activities
- Manage data partnership agreements
- Provide technical assistance, consulting, and training to government and non-government data users
- Respond to inquiries for information
- Design, build, and integrate databases and systems

Outputs

- Decision Support System
- Log Into North Carolina (LINC)
- Community Resource Information System (CRIS)
- Web site for data
- State and local affiliates network (40 members)
- Government Information Locator Service (GILS) and metadata standards
- Statistical Register of State Government Statistics
- Computer network services
- Census 2000 federal-state-local programs
- Training modules (e.g., sample surveys)
- Customized reports

Outcomes

- Statewide planning is freed to become more content-oriented through use of an electronic decision support system
- State managers and the general public easily find the data they need
- Government agencies, non-profits, and other grants-seekers are aware of grant opportunities
- Data users judge the information they receive to be useful in decision-making

Francine Stephenson, Manager
919-[redacted]31

Geodetic Survey

(Land survey reference points)

Inputs

- Budget Fund 1412
- Budget Fund 1413
- 23 Positions

Operations

- Coordinate statewide geodetic activities
- Develop the High Accuracy Reference Network (HARN)
- Operate the Global Positioning System (GPS) Continuously Operating Reference System (CORS) sites in North Carolina
- Provide access to the North Carolina Geodetic Survey Integrated Database
- Assist counties with the re-survey of county boundaries

Outputs

- State Plane Coordinate System
- High Accuracy Reverence Network (HARN)
- Global Positioning System (GPS) base stations and Continuously Operating Reference System (CORS)
- County boundary surveys

Outcomes

- More geodetic monuments located and available statewide
- Precise, reliable, and relevant data and analyses provided
- Accurate boundary mapping completed by private surveys, based on bench marks and horizontal monuments

Gary Thom[redacted] Manager
919-[redacted]36

Center for Geographic Information and Analysis

(Statewide geographic database and geographic data coordination)

Inputs

- Budget Fund 2510
- 32 Positions

→

Operations

- Operate service center using geographic information systems (GIS) technology to support public decision-making
- Provide a clearinghouse for finding and exchanging digital geographic information
- Create and maintain digital geographic data about the state
- Provide state support for Coordination Council

→

Outputs

- North Carolina Geographic Data Clearinghouse
- Production services, consultation and technical support
- North Carolina Corporate Geographic Database
- Statewide color infrared digital orthophotography
- Geographic Information Coordination Council meetings and activities

→

Outcomes

- CGIA services are beneficial for state and local decision-making
- Coordination of Geographic information is beneficial to the public and private sectors
- Geographic data and analyses are accurate, relevant, reliable, and accessible
- Customers' expectations for timeliness and value of data and analysis are met

Karen Sideris, Manager
919-[illegible]90

PM

VISITOR REGISTRATION SHEET

Joint App. General Gov. 2-24-99

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Vicky Young	OSA
Willie Riddick	DOR
Martha Glass	DOA
Dawn Canada	OSC
Frank Lewis	SOS
Ann K. Harris	SOS
Renee Winn	NCCADV
Kathie Austin Podgett	OSPL
Kayla K. Fitzgerald	OSPL
Francine Stephenson	OSPL
Joel Sigmon	OSPL
John H. Sublette	OSPL
P. William Tillman, Jr.	OSPL
Angela Francis	OSBM
C. Porter	Bone & Associates
G. Thompson	OSPL
J. Dorman	OSPL
A Gilmore	OSPL
Tim Johnson	OSPL
Jim Nowell	OSBM
Byron K. Harris	OSBM

AGENDA

Joint Appropriations Subcommittee
on
General Government

February 25,1999
Room 425
8:30 a.m.

Chairman: Representative Maggie Jeffus

Department of Cultural Resources

First Flight Centennial Commission

Annual Report to the General Assembly per G.S. 143-642

Mitchell Bowden
Administrator

North Carolina Museum of Art

(Notebook pp. DCR16 - DCR20)
(Budget Book/Performance Measures p. 103)

Larry Wheeler
Director

Overview

Betty Ray McCain
Secretary

North Carolina Arts Council
(Notebook pp. DCR 19 to DCR 28)
(General Government Budget Book pp. H 28-H 30)
(Performance Budget Book pp. 9-29 to 9-35)

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

February 25, 1999
Room 425 – 8:30 A.M.

MINUTES

The Joint Appropriations Subcommittee on General Government met Thursday, February 25, 1999 at 8:30 a.m. in room 425 of the Legislative Office Building. Five of the Senate members were present. Representatives present were: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, Daniel Barefoot, Bob Hensley and Mitchell Setzer.

Representative Maggie Jeffus chaired the meeting. She introduced the two pages: Samuel Evans, Union County, Sponsored by Representative Max Melton, and Nikia Young, New Hanover County, Sponsored by Senator Luther Jordan. She recognized Secretary Betty Ray McCain, Secretary of Cultural Resources and Secretary McCain introduced her staff that were present.

Representative Jeffus stated that Ms. Mitchell Bowden, Administrator with First Flight Centennial Commission is on the agenda but Mr. Thad Woodard, a volunteer and Chair of the First Flight Centennial Commission, would do the presentation. (See Attachment No. 1) The General Assembly passed legislation in 1994 creating the First Flight Centennial Commission. It was formed to plan and carry out activities to celebrate the 100th anniversary of the first successful flight by the Wright brothers, December 17, 1903. It will be celebrated in 2003. He passed around a picture of the HyperSoar, that can fly at ten times the speed of sound (6,700 mph) and is the world's fastest plane. This has come about in less than one hundred years since the first flight by the Wright brothers. The commission will soon be moving from space at Cultural Resources to the Dobbs Building. The commission is working with a group in Dayton, Ohio, in connection with the 2003 celebration. Mr. Woodard summarized what he visualized for the celebration in 2003. They are expanding their staff from three full time employees and will probably have a total of six by the end of the year including an executive director. They are making certain that all of the state is included in the process of this celebration.

The United States plans to mint new quarters and include an important event of each state on the back by the year the state entered the Union beginning with Delaware. North Carolina was the twelfth state to enter the Union and Mr. Woodard hopes that the logo of First Flight will be selected to represent North Carolina.

Mr. Woodard continued that they will try to seek outside resources for funds and will come to the General Assembly for as little as possible.

Senator Ed Warren asked if there were any plans to work with schools, colleges and universities? Mr. Woodard stated that they are going to do a major symposium on the history and future of flight, and have already been meeting with the community college system and professors from a number of the colleges and universities.

Senator Ellie Kinnaird wanted to know the plans for the visitor's center. Mr. Woodard stated that they did not have anything to do with the old visitor's center and did not have a position. The First Flight Centennial Foundation is on track to raise $17 million to build a "plain vanilla box." Mr. Woodard was recently in Florida and met Mr. Tom Elrod, a former Disney representative, and they discussed the visitor's center. According to Mr. Elrod, Mr. Walt Disney stated that in order to educate, you must first entertain. Mr. Elrod stated that we should visualize an everyday occurrence that would cause people to want to visit North Carolina and see this sight. One would go into the center and (he felt the exterior design should be dramatic) tour the exhibits then go into the auditorium where the ceiling opens each day at a certain hour for a group of antique airplanes to fly over the center. You would have action, entertainment and education all in this process. He would like to hear from anyone with ideas because plans are still in the developmental stage.

Representative Jeffus introduced Dr. Lawrence J. Wheeler, Executive Director of the North Carolina Museum of Art. (See Attachment No. 2, DCR 10) It was in 1947 when this General Assembly appropriated a million dollars to begin a collection of art. It has emerged as one of the most important collections of art in the United States for a state. You can find the North Carolina Museum of Art present in every corner of this State. In the last two years, exhibitions have been organized to go to different cities across the state. This brings it closer to citizens. The museum has available to teachers an assortment of educational materials to use in the classrooms and also have training for teachers. He referred to page 103, 1999-2001 THE NORTH CAROLINA STATE BUDGET. (See Attachment No. 3)

Dr. Wheeler stated that there is no line item for the acquisition of works of art because all of that is taken care of by private money.

Representative Jeffus introduced Secretary Betty Ray McCain. Secretary McCain presented a brief overview and highlighted the program areas handled by the Department of Cultural Resources. (See Attachment No. 4)

Senator Warren inquired about the symphony and what is happening there? Secretary McCain stated that the symphony is building a new hall that is a wing located on the right side of the Memorial Auditorium. They are raising twenty five million dollars for the building but are in need of state help for the acoustics. The state gave them 1.5 million last year and another 1.5 million will finish the acoustics. This has to go into the building while it is being built. It is not in the Governor's budget.

Representative Jeffus announced that Secretary McCain would be back next week to continue her report. She reminded the members that the committee would not meet today at 1:00 p.m. but would meet as scheduled, Tuesday, March 2, 8:30 a.m.

The meeting adjourned at 9:55 a.m.

Respectfully submitted,

Rep. Maggie Jeffus
Representative Margaret (Maggie) M. Jeffus
Chair

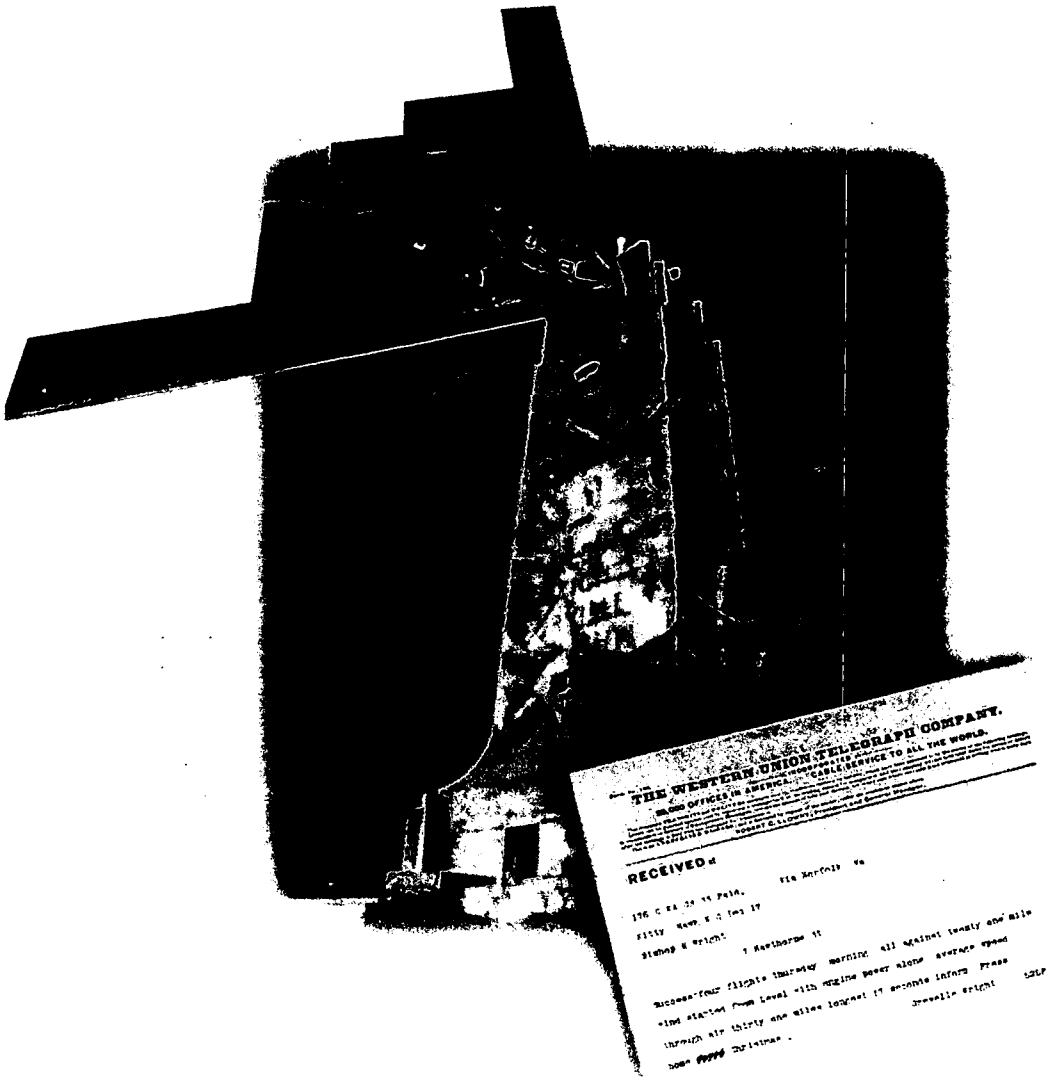
Mary Lee Robinson
Mary Lee Robinson
Committee Assistant

attachment 1

FIRST FLIGHT CENTENNIAL COMMISSION

ANNUAL REPORT

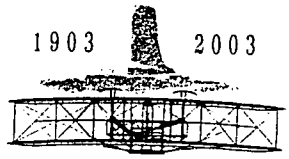
FEBRUARY ◆ 1999



Submitted to the North Carolina General Assembly
by the Department of Cultural Resources

FIRST FLIGHT
December 17, 1903 Kitty Hawk, North Carolina

1903 2003



CENTENNIAL COMMISSION

THIRD ANNUAL REPORT

TABLE OF CONTENTS

	Pages
Chairman's Letter	I
Overview	II
Purposes and Objectives	III
N.C. 1998 State Fair Exhibition	IV
Educational Programs	V
Budget	VI
Enabling Legislation	VII
Commission Composition	VIII
Commission Membership	IX

109 E. Jones Street, Suite 246-C ▪ Raleigh, North Carolina 27601-2807 ▪ 919 715-0209 Fax 919 733-8807

FIRST FLIGHT
December 17, 1903 Kitty Hawk, North Carolina

1903 2003

CENTENNIAL COMMISSION

MEMORANDUM

TO: North Carolina General Assembly

FROM: Thad Woodard, Chair
First Flight Centennial Commission

SUBJECT; First Flight Centennial Commission 1998 Annual Report

DATE: February 20, 1999

It gives me great pleasure to present the First Flight Centennial Commission 1998 Annual Report. In 1994, the General Assembly passed legislation creating the First Flight Centennial Commission, and charged it with the responsibility of planning and carrying out activities to celebrate the 100th anniversary of the first successful, manned, controlled, heavier-than-air flight, achieved by the Wright brothers at Kitty Hawk, December 17, 1903.

We have come along way toward our goal since 1994. With funds supplied by the General Assembly, we have instituted educational programs which touch North Carolina school children at all grade levels, and have mounted an award-winning exhibition at the 1998 N.C. State Fair. With funds supplemented by donations, we were able to move forward with the capital improvement project at the Wright Brothers Memorial site in Kitty Hawk, and last May 2 staged a rededication ceremony which attracted national and international attention, drawing over 12,000 people to the Outer Banks.

109 E. Jones Street, Suite 246-C ▪ Raleigh, North Carolina 27601-2807 ▪ 919 715-0209 Fax 919 733-8807

We have continued to enjoy, and deeply appreciate, the cooperation of the Department of Cultural Resources, The Department of Transportation, and the Office of the Attorney General. Their efforts, along with the support of our volunteer Commissioners and advisors, have enabled our small staff to accomplish projects that would not otherwise have been possible.

As the time grows nearer to 2003, we urgently need the continued financial support of the General Assembly. Each year the commemorative events and programs grow larger and attract more national and international attention. Planning has begun, and must continue, of the activities surrounding the Centennial. It will focus the eyes of the world on North Carolina, and bring millions of tourist dollars to all parts of our state. Our staff and our activities must be expanded to meet the increased interest from aviation-minded people everywhere.

We're taking flight, and with the help of the General Assembly, our course is upward and onward. Our challenge is great and the rewards will be many. Please help us to become airborne and to have a great flight which will make North Carolina proud!

Sincerely,

Thad Woodard

Thad Woodard, Chair
First Flight Centennial Commission

TW:cmc

FIRST FLIGHT
December 17, 1903 Kitty Hawk, North Carolina

1903 2003

CENTENNIAL COMMISSION

➢ *FIRST IN FLIGHT* -
➢ *FIRST IN COMMEMORATION*

1998 IN REVIEW

Since January, 1998, the First Flight Centennial Commission (FFCC) has made North Carolina a leader in the plans for the 2003 First Flight Centennial celebration. Following are some of the year's most significant accomplishments:

The premier project for FFCC last spring was the rededication of the Wright Monument on May 2 at Kill Devil Hills. The memorial was restored and refurbished. It made possible, for the first time since World War II, the lighting of the beacon crowning the pylon. The ceremony featured prominent participants such as former President George Bush, astronaut Buzz Aldrin, Senator Marc Basnight, and television personalities David Hartman and Andy Griffith. It received statewide and national press coverage and was attended by 12,000 people, more than any other previous event on the Outer Banks.

The North Carolina Class of 2003 met for the time in Raleigh last March for a get-acquainted ice cream social, and in July flew to Dayton, Ohio, for a whirlwind three days that brought them into contact with Dayton's Class of 2003, and with the many Wright brothers-related historical sites in the area. They are scheduled to meet again in July, 1999, when they will host the Ohio Class of 2003 for a visit to the Wright Memorial and the Outer Banks.

The Commission also sponsors two other outstanding educational programs: First Flight Centennial Schools, and the Kitty Hawk Cup competition, and cosponsors an aviation art contest with the N.C. Department of

Transportation. There are currently over 23,000 elementary school children participating in the First Flight Centennial Schools program, with more expected for the 1998-99 school year. Teachers who apply are provided teacher aid packets containing aviation resource materials and project suggestions. In the spring of 1999 the "Centennial Teacher of the Year" will be selected and presented with a $1,000 cash incentive award for themselves, and another $1,000 for additional aviation projects in their school.

The Kitty Hawk Cup is an aircraft model building competition featuring substantial prize awards for the first and second-place winners. It is open to middle and high school students. The 1997-98 awards went to students at Burlington Day School, Burlington, Mineral Springs Middle School, Winston-Salem, and Nova School in Kinston.

The groundwork was also laid in 1998 for a traveling exhibit which will represent the Commission and the Wright brothers story at schools and community civic events throughout the state. Several elements of the exhibit were created and are already in use.

In December the Commission's Symposium Advisory Committee met to begin the groundwork for an international symposium planned for 2003. The committee is made up of FFCC members plus advisors from major North Carolina universities and colleges. It will be structured to attract participation from aviation scholars and enthusiasts from around the world, but accessible and priced so that it is open to all who want to attend.

The First Flight Centennial Commission's other major project for the year reached thousands of people from all over North Carolina. It featured a 1600 sq. foot exhibition called 'The Wright Experience" which was housed in a white tent at the 1998 State Fair in Raleigh. It included guest speakers and special presentations, continuously-running videos, a ten-foot and a five-foot replica of the 1903 Wright flyer, flight games simulators, exhibits, and a time-line on the history of flight. In addition there was a gift shop area selling FFCC merchandise and collectibles. The hard work done by the FFCC staff and volunteers was rewarded when the project received the **Governor's Award for Best Non-Commercial Exhibit.** The Commission has been invited to bring the exhibition to similar events throughout North Carolina, and to air shows in other states.

In October, 1998, Congress enacted the Centennial of Flight Commemoration Act. This act establishes a national commission whose members are the Director, National Air and Space Museum; Administrator of the Federal Aviation Administration; Administrator of the National Aeronautics and Space Administration; Chair of the 2003 Committee of Ohio; President of the First Flight Centennial of North Carolina; and a sixth member to be selected by the foregoing members. This person will be the head of a U.S. Aeronautical society or foundation of national stature. The Commission's duties include encouraging and promoting the national and international participation in the commemoration of the centennial of powered flight. This Centennial of Flight Commemorative Act is the result of several years of collaborative effort between Ohio and North Carolina, and their respective congressional delegations. It is evidence of the close working relationship between the two as we work toward the Centennial year.

On December 16 and 17, the Commission again participated in ceremonies at Kitty Hawk commemorating the Wrights' first successful powered flight. FFCC is working in cooperation with the First Flight Society to expand the scope of the celebration and to add more educational and informational events each year as the countdown to 2003 continues.

The Commission's scope has continued to expand, as has its need for additional staff. A review of the number and types of additional personnel was completed in the fall of 1998, along with an assessment of the extra space needed for larger staff and additional programs. Funds for both were included in the FFCC's budget. Demolition and renovations began in the fall of 1998 for the move of the Commission to much larger space in the Dobbs Building on the Government Complex Mall in Raleigh. It will include offices, a boardroom for Commission meetings, which have previously been held in rented facilities, and additional storage space. Plans are to complete the relocation by mid-spring, 1999.

Many more special projects and educational programs are planned for the future. They will reach all areas of North Carolina, and will seek to educate and inspire an appreciation of the Wrights' tremendous accomplishment, and the many ways in which it has changed the world

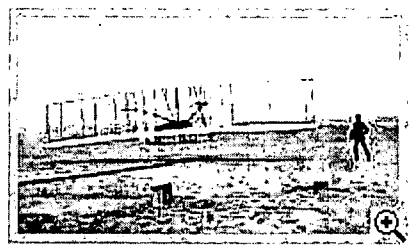
The First Flight Centennial Commission

INDEX:
• First in Flight
• Purposes and Objectives
• Flight to 2003
• Contact the Commission
RELATED LINKS:
• Kitty Hawk Cup Competition

FIRST FLIGHT
December 17, 1903 Kitty Hawk, North Carolina
1903 2003
CENTENNIAL COMMISSION

First in Flight

On December 17, 1903, two brothers took turns flying off wind-swept sands south of Kitty Hawk, North Carolina, and flew into history.



On that momentous day, Orville and Wilbur Wright made the first controlled and sustained powered flights in a heavier-than-air flying machine - an event destined to change the course of history forever.

Although the world barely noticed the Wright Brothers' achievement at the time, Orville and Wilbur were fully aware of their incredible discovery.

The Wright Brothers' accomplishment propelled them into the world of flight and encouraged them to produce a more improved aircraft, the Flyer. Continuous experimentation and development by the Wright Brothers, and other pioneers, led to the birth of the aviation industry.

In less than 100 years, aviation has immeasurably impacted our lives - from a 12 second 120 foot flight to jet-powered aircraft that soar across the world. Therefore, it is appropriate we honor the 100th anniversary of the first flight, celebrating the pioneer contributions of the Wright Brothers and aviation's impact on the world.

Back to the top

Purposes and Objectives

The First Flight Centennial Commission is dedicated to specific objectives

relative to aviation history, education, the Wright Brothers National Memorial facilities, activities and events and public relations.

The commission is designed to fulfill specific responsibilities that combine to coordinate the First Flight Centennial Celebration.

Overall, the commission will focus on:

- Developing and planning activities to honor the Wright Brothers' first flight and educating the public about other historical events pertaining to powered flight, aeronautics and aerospace science.
- Acknowledging the Wright Brothers' contribution to the development and advancement of transportation worldwide, including the contributions flight has made to global trade, economic development, world peace and security.
- Working with the National Park Service and the First Flight Society to improve the Wright Brothers National Memorial facilities.

Back to the top

Flight to 2003

With combined efforts from the First Flight Centennial Commission, First Flight Centennial Foundation, First Flight Society and the National Park Service, a celebration appropriate to the stature of the 2003 event is guaranteed. These different entities will work together to:

- Continue annual observances honoring Orville and Wilbur Wright at the Wright Brothers National Monument in Kitty Hawk on the anniversary date of their first flight.
- Support commemorative activities that honor aviation accomplishments by the Wright Brothers and other pioneers leading up to and including the centennial year 2003.
- Generate appropriate projects and educational events to foster and maintain the memory of this historic aviation achievement.
- Assist in upgrading exhibits and facilities at the Wright Brothers National Monument and provide an interpretation of the Wright Brothers story to all visitors.

Back to the top

For more information, contact the First Flight Centennial Commission at 1903@firstflight.org or write to:

For information:

First Flight Centennial Commission

109 East Jones Street
Raleigh, N.C. 27601-2807
(919) 715-0209

Staff

Thad Woodard
Chairman

Mitchell Bowden
Administrator

Cleta M. Covington
Program Coodinator

Lisa Englert
Administrative Secretary

Back to the top

Back to First Flight Home

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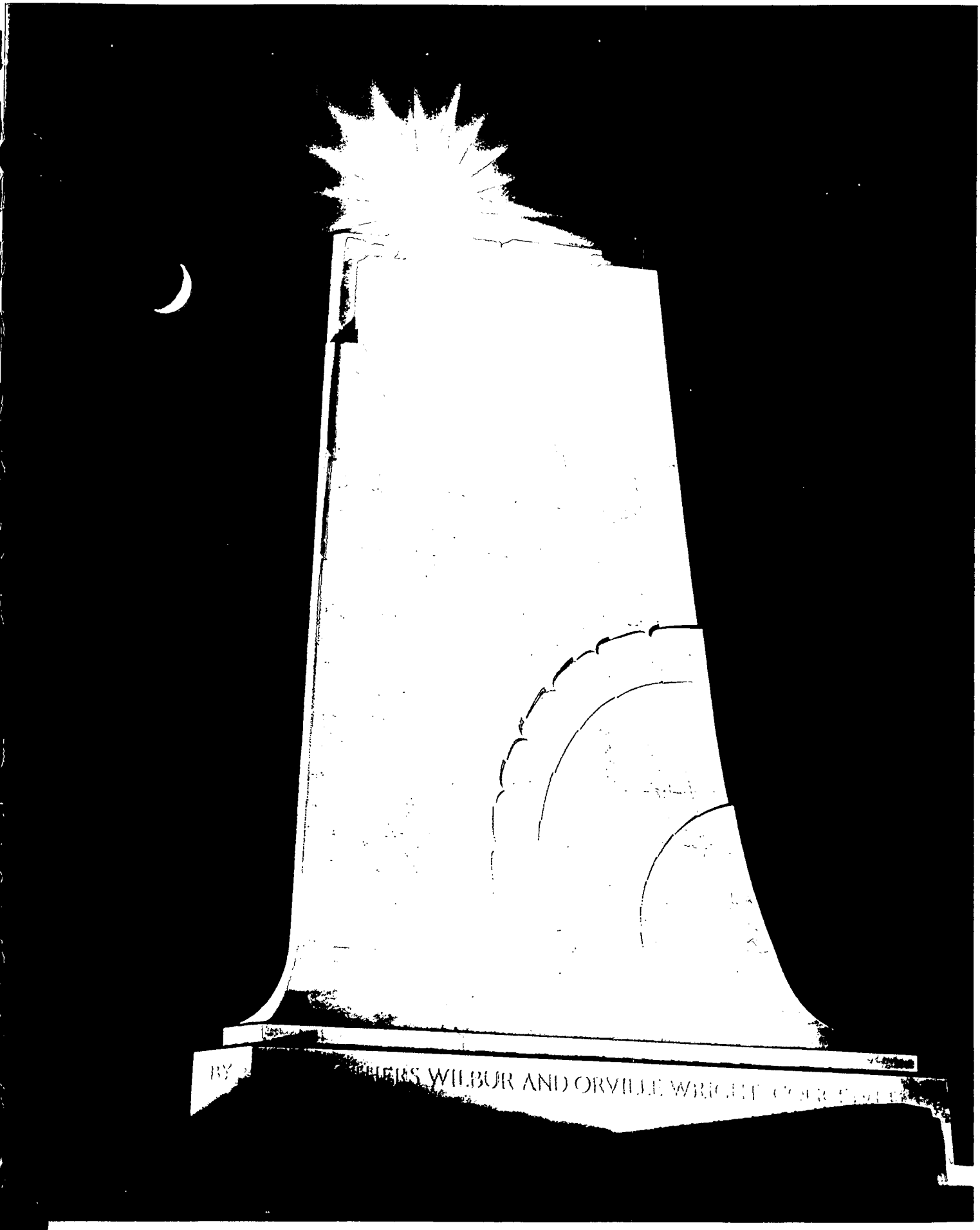
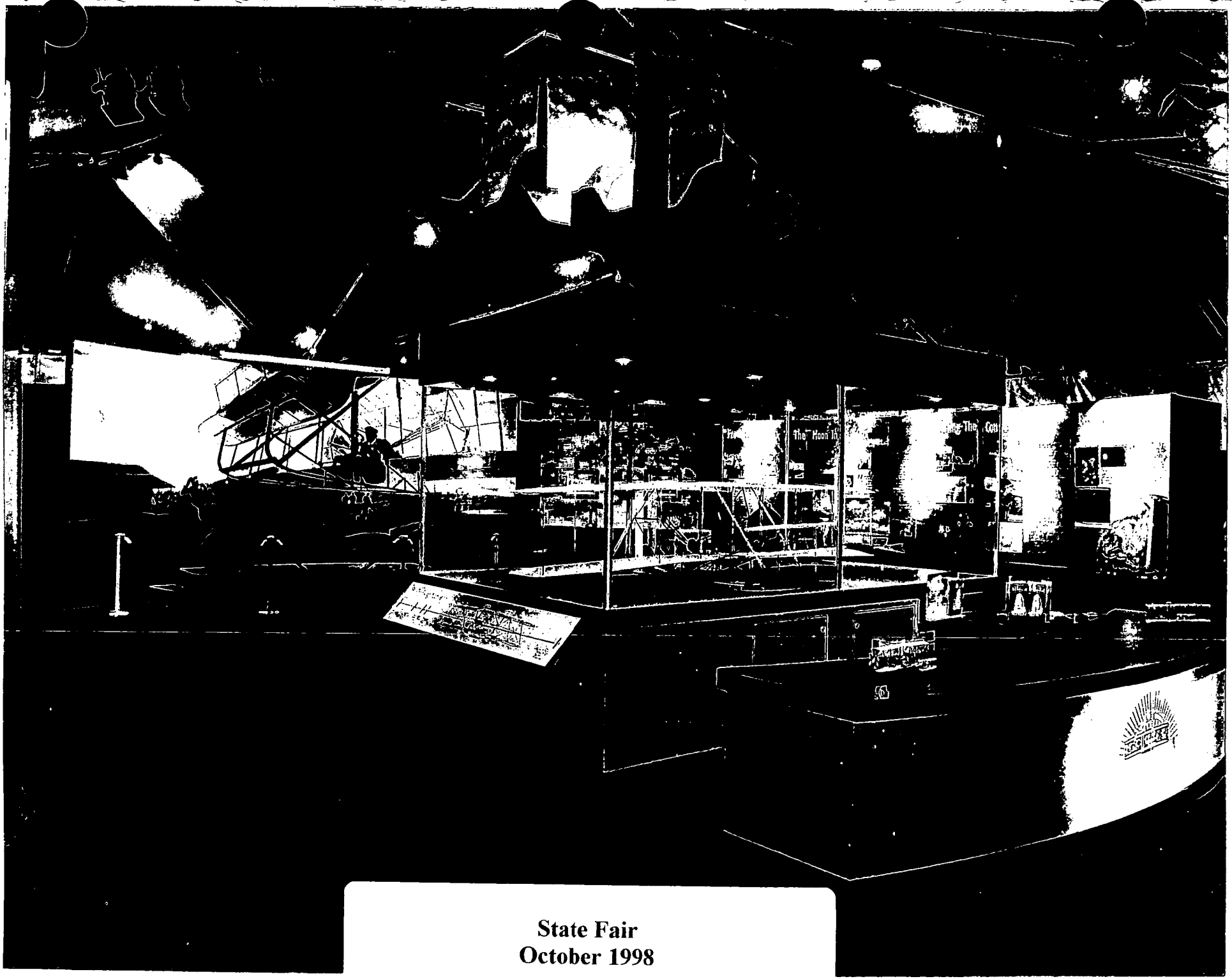
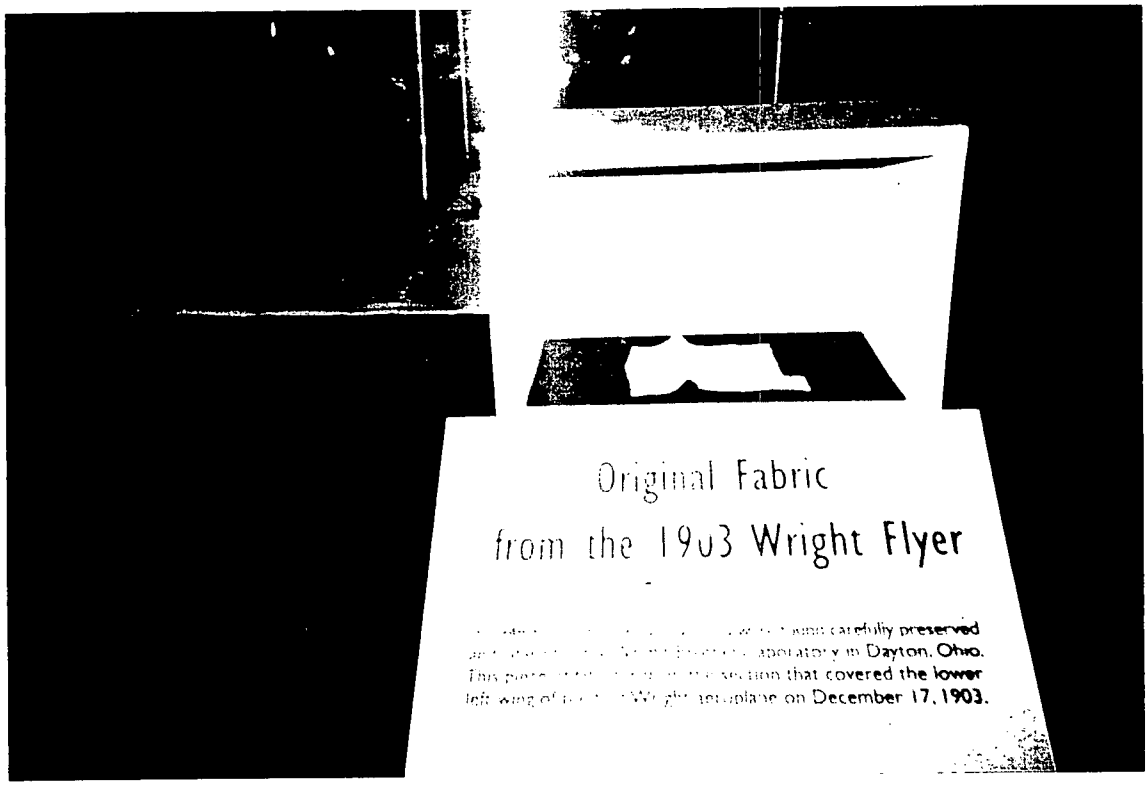


Rededication of the Wright Brothers Memorial
May 2, 1998



State Fair
October 1998

ORIGINAL FABRIC
FROM THE 1903 WRIGHT FLYER



This artifact was donated by Wilkinson (Wick) Wright, great nephew of Orville and Wilbur Wright. Mr. Wright is a founding member of the First Flight Centennial Commission and was appointed by the Governor of Ohio as liaison between Ohio and North Carolina. He is known internationally for his work in preserving the legacy of the Wright family.

1998

N.C. STATE FAIR

GOVERNOR'S AWARD
BEST NON-COMMERCIAL EXHIBIT

First Flight Centennial Commission
Wright Brothers Exhibit

GOVERNOR

Secretary Betty McCain, Department of Cultural Resources (upper left), Senator Marc Basnight (center), and FFCC member Artie Ange (lower left), accept congratulations from Commissioner Jim Graham, Dept. of Agriculture (upper right, lower right), as *The Wright Experience* exhibition receives the *Governor's Award for Best Non-Commercial Exhibit*

TO EDUCATE AND INSPIRE.....

First Flight Centennial sponsors challenging and informative educational activities for young people in grades K-12. These programs have been endorsed by the Governor and the N.C. Department of Public Instruction and include:

- First Flight Centennial Schools

  A grassroots educational program for elementary schools. Participants are students in K-5 schools who agree to carry out three or more school/community aviation projects a year. First Flight Centennial provides teachers at each school a packet of materials, suggested activities, and local aviation-related contacts. Currently, 18,000 students, statewide, are attending certified First Flight Centennial Schools. Each year a First Flight Centennial "Teacher of the Year" is honored.

- Class of 2003

  The Class is a group of students selected from schools across North Carolina. They serve as North Carolina Youth Ambassadors and gather periodically for aviation-related activities and events. They will remain in their posts as First Flight Centennial student representatives until their graduation from high school in 2003.

- Kitty Hawk Cup

  An annual aircraft-model building contest for middle and high school students, designed to foster research into antique and vintage flying machines, and later, into modern air and space craft.

- N.C. Aviation Art Contest

  An annual art contest for children ages 6-17, sponsored by First Flight Centennial and the N.C. Department of Transportation. Its goals are to encourage participation with aeronautics engineering and sciences. Awards are presented to children in three age categories.

A traveling exhibit will carry the message of the Wright brothers centennial tour celebration. The traveling show will feature authentic reproductions of the kites, gliders, and flyers designed, built, and operated by the Wright brothers.

All along the way there will be special events and programs to heighten public awareness of the Centennial and to draw attention to the 2003 Centennial celebration.

Public Schools of North Carolina

Michael E. Ward
State Superintendent

Department of Public Instruction
301 N. Wilmington Street
Raleigh, North Carolina 27601-2825

Telephone (919) 715-1299
Fax (919) 715-1278

August 27, 1998

Mr. Thad Woodard, Chairman
First Flight Centennial Commission
109 East Jones Street, Suite 246
Raleigh, North Carolina 27601-2807

Mr. Woodard:

In 1994, the North Carolina General Assembly created and charged the First Flight Centennial Commission with developing educational programs, activities, and events for the grand finale of the worldwide commemoration of the 100th anniversary of the Wright Brothers' historic 1903 flight. On behalf of the Public Schools of North Carolina, I commend you and your constituents for your commitment to develop and plan activities to commemorate the centennial of the first successful, man-controlled, heavier-than-air, powered flight and other historical events related to the development of powered flight. The Commission and its efforts are greatly appreciated for the educational value it provides to the public school students and teachers in our state.

By collaboratively working with educators, historians and representatives from aviation, aeronautics and related technological fields, the Commission has provided for many classroom teachers and students specific educational opportunities for learning and contributing to the aviation heritage of North Carolina as well as the nation. Programs and activities such as the First Flight Elementary Schools Project (K-5), the Kitty Hawk Cup (Middle and High School), the Class of 2003 (Grade 7) and the International Aviation Art Contest for students ages 6-17, are unique and age-appropriate opportunities provided to approximately 18,000 public school students. Public school students also benefit from the seminars sponsored by the Commission and the variety of educational materials and publications available to assist classroom teachers in integrating curriculum and developing instructional programs.

I strongly endorse and support these efforts that not only honor the invention of the first powered flight, but also highlights the tremendous impact this true-American achievement has had on virtually the entire world. North Carolina will be allowed the opportunity to showcase a special part of its heritage through your endeavors.

Thanks for all you do for the students and teachers in the public schools of our state. Best wishes for continued success.

Sincerely,

Michael E. Ward

MEW:PJM:lwe

An Equal Opportunity/Affirmative Action Employer

CLASS OF 2003
ICE CREAM SOCIAL
MARCH 28, 1998

NORTH CAROLINA CLASS OF 2003

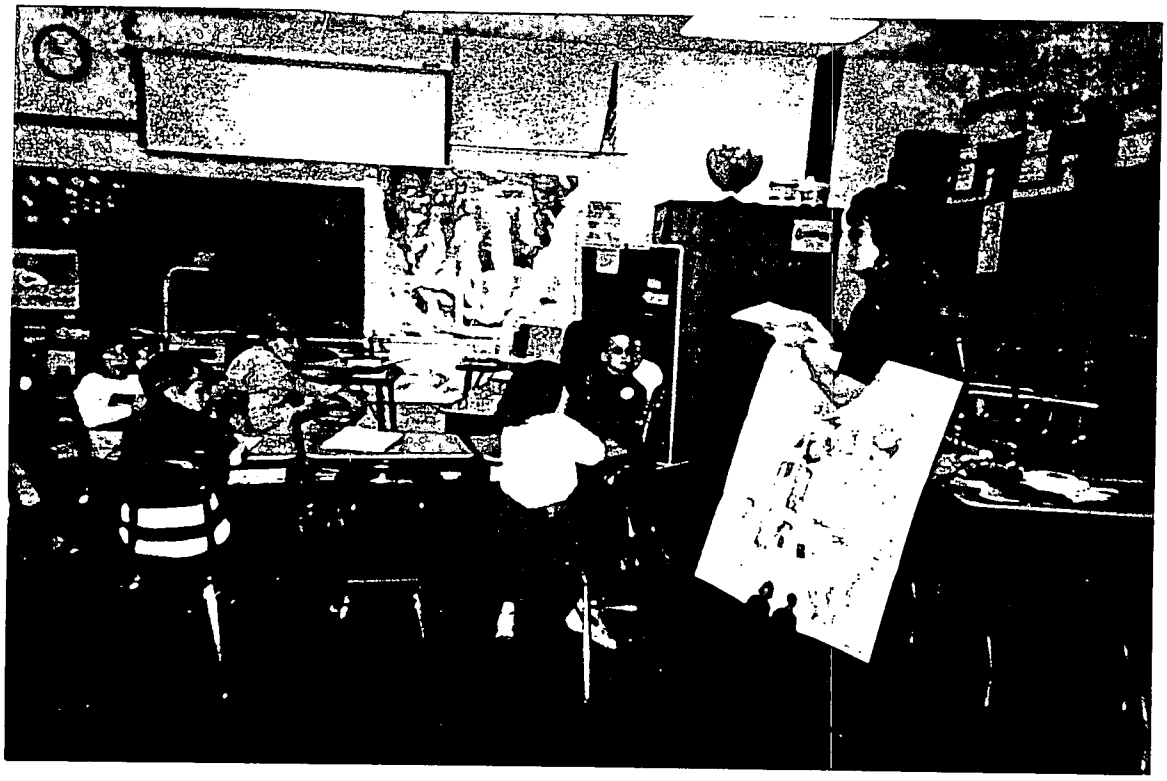
DAYTON, OHIO

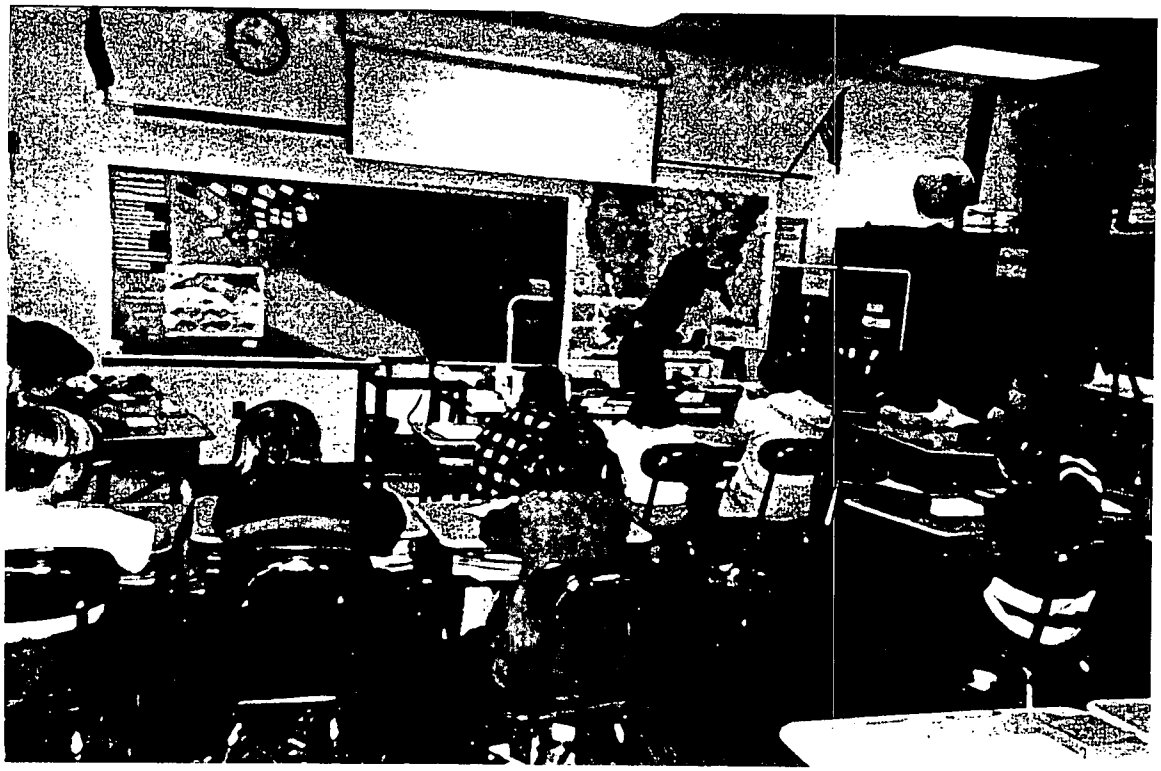
JULY 17 – 19, 1998

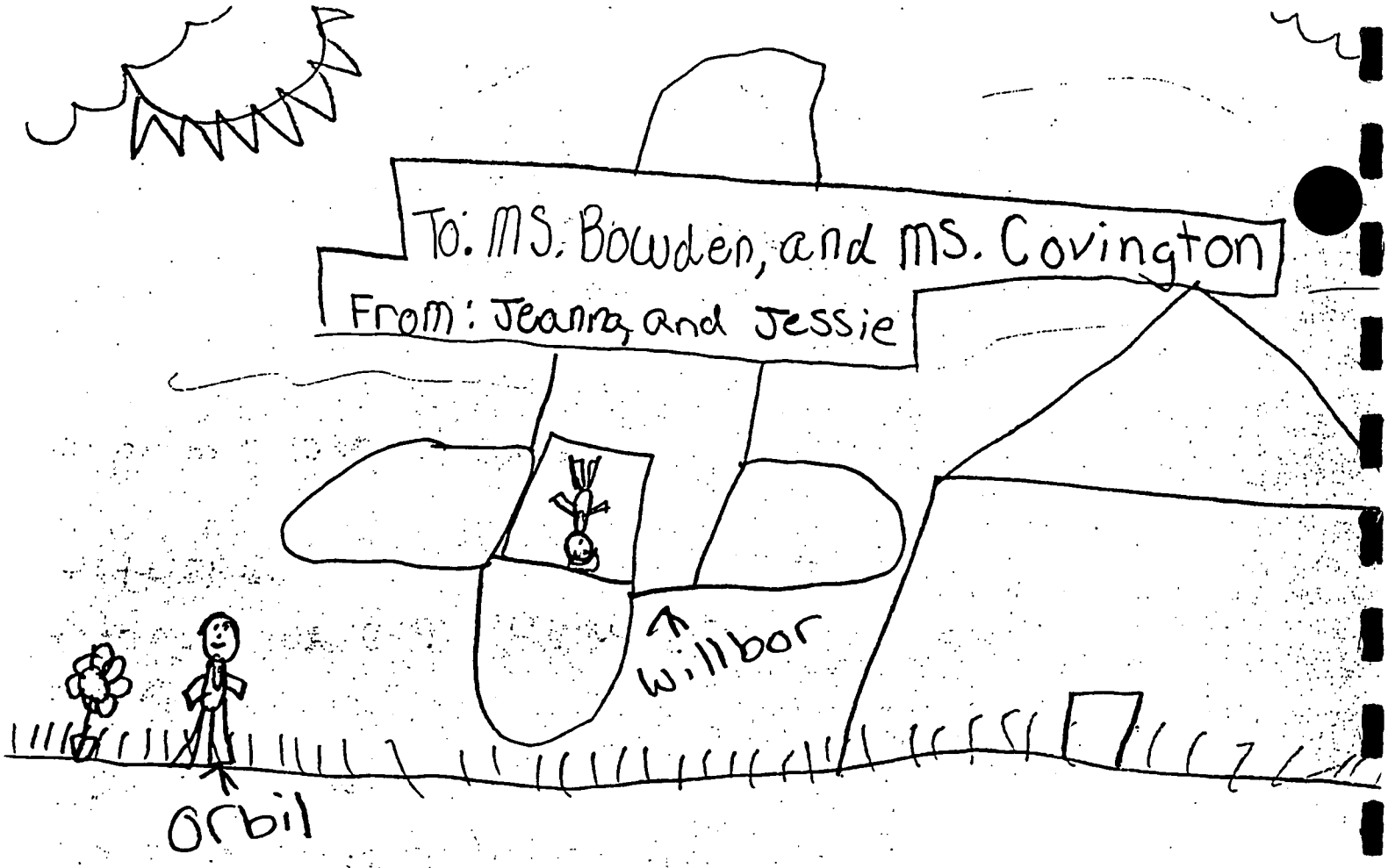
THE MEMBERS OF THE CLASS OF 2003 WERE ASKED TO WRITE ESSAYS ABOUT THEIR TRIP TO OHIO TO MEET THE DAYTON CLASS OF 2003. THEIR COMMENTS AND EXPERIENCES WERE COMPILED AND BOUND, AND WILL BE PART OF THE PERMANENT RECORD OF THE FIRST FLIGHT CENTENNIAL CELEBRATION.

FIRST FLIGHT CENTENNIAL SCHOOLS

TIMBER DRIVE ELEMENTARY







Dear, Mrs. Bowdend and Mrs. Covington. My favorite part was when you told us all becaus of one discovery we have monkeys on the moon. My favorite part was when you told us that the flight was 12 seconds and 120 feet. Thankyou for your time and everything you gave us

Sincerly,

Tracy DiAngelis

Tracy [illegible]

Savanna Deroche

Savanna Deroche

KITTY HAWK CUP
1998-1999

North Carolina's aviation history is waiting to be discovered.

First Flight Centennial was established in 1994 by the North Carolina General Assembly to plan and develop activities to commemorate the 100th anniversary of the Wright brothers' first flight at Kitty Hawk, NC on December 17, 1903. The First Flight Centennial Foundation was established to raise funds to support all objectives. Its aims include involving as many North Carolina schools and communities as possible in the recognitions that will culminate at Kill Devil Hills in December 2003. The Kitty Hawk Cup competition is one of First Flight Centennial's means of achieving this aim.

"THE 1998-1999 KITTY HAWK CUP PROJECT"

Construct a model of a Heavier-than-air aircraft, built in, or prior to the year 1912.

WHO MAY ENTER:

- Students - Ages 12-19*
- Individuals
- Small Groups - 2-5 people
- Large Groups - Club or Classes of 6 or more persons

AWARDS: Sponsored by the Global TransPark, cups will be awarded to the first place entries in each of the two categories. Certificates will be presented to all contest participants who submit a completed model by the deadline date. Cash prizes will also be awarded to the first and second place entries in each of the two categories.

AWARD CATEGORIES

	First Place	Second Place
Middle School (sixth - eighth grade)	$250	$175
High School (ninth - twelfth grade)	$500	$350

The Kitty Hawk Cup has been endorsed by the NC Department of Public Instruction.

REGISTRATION: Register to participate by completing and mailing the form below. You will receive an application form and complete contest rules. Winners will be announced April 16, 1999, Wilbur Wright's birthday.

*Entrants must be currently enrolled in grades six through twelve in North Carolina.

REGISTRATION

Name: _____

Address: _____

_____

Telephone: _____ ❑ Student ❑ Teacher ❑ Parent (select one)

l: _____

_____

STUDENT CATEGORY

Middle School Category (sixth - eighth grade) ☐

High School Category (ninth - twelfth grade) ☐

No distinction between individual and group efforts will be made.

First Flight Centennial Commission
109 E. Jones St., Suite 246-C
Raleigh, NC 27601-2807
(919) 715-0209
FAX (919) 715-8959
www.firstflight.org

...nual KITTY HAWK

...for the best completed

...heritage projects are

...ded to the winning groups

...ividuals on Mother's

...day, May 9, 1999 at the

...State Fairgrounds

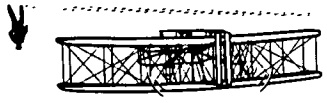
FIRST FLIGHT CENTENNIAL

FIRST FLIGHT CENTENNIAL is designated by the State of North Carolina to plan commemoration, climaxing in the year 2003, of the Wright brothers' first flight at Kitty Hawk. It also promotes awareness of what aviation has done for North Carolina communities and they for aviation. All middle and high school students are invited to participate in this contest. A cup sponsored by the Global TransPark, will be awarded to the first and second place entries in each of the two categories. Certificates will be presented to all contest participants who submit a completed model by the deadline date. Cash prizes will also be awarded to the first and second place entries in each of the two categories.

All project applicants will receive a packet of classroom materials on North Carolina's aviation heritage for use at their school.

Fill out and return the application form on the reverse side by November 3, 1998.

First Flight Centennial Commission
109 E. Jones St., Suite 246-C
Raleigh, NC 27601-2807



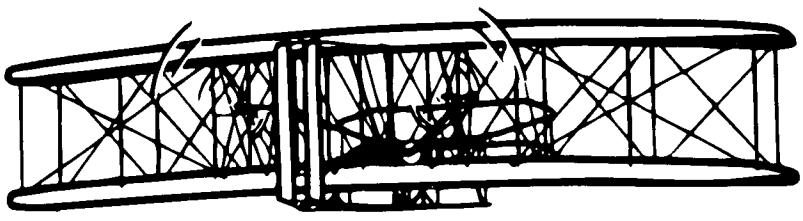
...Aviation History

...petition for

...th Carolina

...Middle and High

...School Students

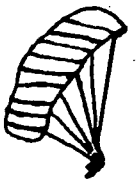


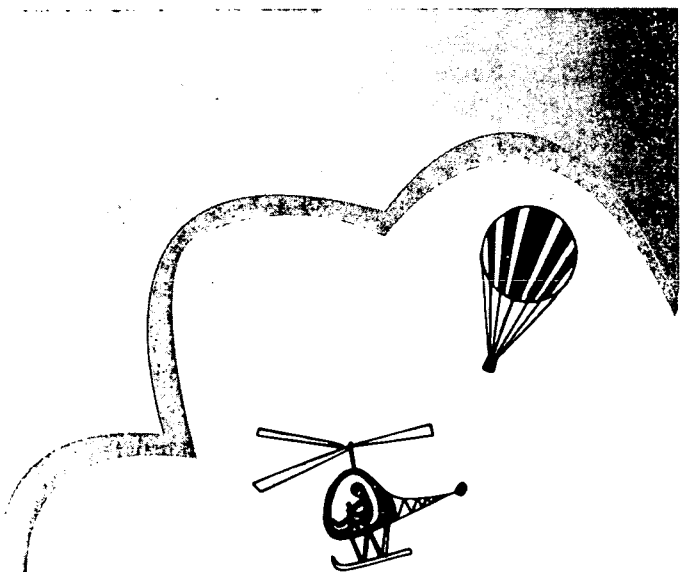
KITTY HAWK CUP

1998-1999

Flying is Fun

Have your students imagine the most fun they can have in the air and have them create some artwork that expresses it. The only limits are their imaginations and the size of the paper. Good luck, and have fun.

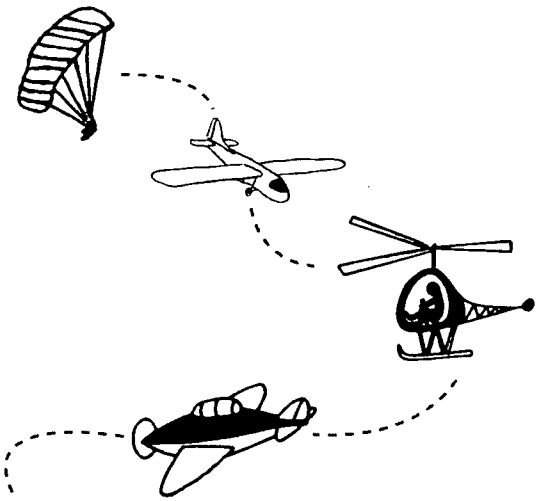




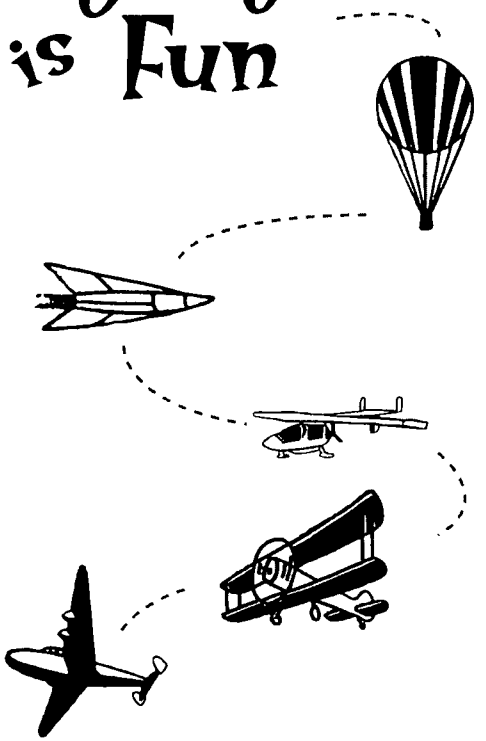
The contest is endorsed by the Public Schools of North Carolina and the First Flight Centennial Commission - which is planning a 100th anniversary celebration in 2003 of the historic Wright Brothers' Flight.

North Carolina
Department of Transportation
Division of Aviation
P.O. Box 25201
Raleigh, N.C. 27611

1999 International Aviation Art Contest



Flying is Fun



1999 International Aviation Art Contest

CONTEST INFORMATION

DEADLINE

Entries must be postmarked by February 5, 1999. They must be sent to your State Aeronautics office (address on reverse).

ELIGIBILITY

All children in the age groups shown below are encouraged to participate in the Contest, even if they are related to officials or employees of the FAI or any of it's member organizations.

AGE GROUPS

Entries will be judged in 3 classes (determined by the age of the entrant on December 31, 1998)

I. Ages 6 to 9 **II.** Ages 10 to 13 **III.** Ages 14 to17

STATE AWARDS

Entries in each category will be judged and state winners and runners up selected. Winners will receive a certificate and recognition from their state. First place artwork will be forwarded to Washington, D.C. to participate in the national competition.

NATIONAL AWARDS

A national winner and two runners up will be selected from each age group. All national winners will receive certificates, ribbons and a framed photograph of their artwork. The first place national winners will also receive a professional work of art, compliments of the American Society of Aviation Artists.

INTERNATIONAL AWARDS

The national winners and runners up in each age group will be forwarded to FAI headquarters for international judging. Winners of the international competition will receive certificates and medals of gold, silver and bronze.

THIS YEAR's THEME

Flying is Fun

CONTEST RULES

FORMAT

Artwork should be done on 11 x 17. 8½ x 11 entries are not eligible (except electronic artwork)

Artwork must not be framed, mounted or outlined with borders.

MEDIUM

All artwork must be hand made using any of the following media:

Watercolor, acrylic or oil paints, indelible marker pens, felt-tip pens, soft ball-point pens, indelible ink, Crayola or any similar indelible medium.

The following media are *NOT* permitted:

Pencil, charcoal or other non-permanent medium, computer-generated artwork, or collage work involving the use of photocopies.

CERTIFICATION

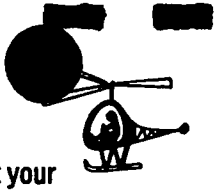
Parent, guardian or art teacher must certify authenticity of artwork. (U.S. judges will issue certificates of authenticity for national winners for international competition).

REPRODUCTION RIGHTS

Winning artwork will not be returned. Once received, entries will become and remain the property of the Federation Aeronautique Internationale (FAI) and may be used for a variety of purposes.

U.S. CONTEST ONLY

Computer generated art will be an additional United States category and judged separately. State winners will compete on the national level. All requirements, except paper size, are the same as above. Please note: Use of copyrighted material is not permitted.



For additional information, contact your State Aeronautics office (address on reverse).

When affixing this certificate (or a photocopy) to artwork, please make sure it is fastened by tape or glue. In addition, please print the name of the artist on the back of the artwork. Please write legibly. Thank you.

☞ *Certificate of Authenticity*

Name _____

Date of birth _____

Address _____

City _____ State _____ Zip _____

School Name _____

Address _____

City _____ State _____ Zip _____

School phone number _____

I/We certify that this is the original and unassisted artwork of _____
(name of artist)

Signature _____

Print name here _____

Certificate signed by artist's:
❑teacher ❑parent ❑guardian

Entries must be postmarked by February 5, 1999.

COMING SOON. . .

INTERNATIONAL WRIGHT BROTHERS CONFERENCE

NORTH CAROLINA 2002

SPONSORED BY:
FIRST FLIGHT CENTENNIAL

First Flight Centennial leaders met with President Clinton and Vice President Gore in July to discuss the progress of legislation to establish a national First Flight Centennial Commission. (left to right) Erskine Boles, White House Chief of Staff; L.F. Norton, First Flight Centennial Executive Director; Thad Woodard, First Flight Centennial Commission Chair; President Clinton, President Gore, Dick Howard, President, First Flight Centennial Foundation; Paul Gardner, Director of Development, First Flight Centennial Foundation.

Attachment A1
Worksheet
(Due 3-2-98)

SUPPLEMENTAL EXPANSION BUDGET WORKSHEET

Priority No. [ ] of [ ]

BUDGET CODE: 14800 DEPARTMENT: Cultural Resources DIVISION/ INSTITUTION: Archives and History

FUND NUMBER: 1210193 FUND TITLE: Archives and History-Administration

PROGRAM NUME 9100 PROGRAM TITLE: Preserve Historic Resources

TITLE OF REQUE First Flight Centennial Commission

STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

YES [ ] NO [XXXX]

IF YES, ATTACH A COPY OF THE DRAFT.

	1998-99
TOTAL REQUIREMENTS	973,800
TOTAL RECEIPTS	0
APPROPRIATION	100,000
TOTAL POSITIONS	973,800

NARRATIVE:

Established by the 1994 North Carolina General Assembly, the purpose of the First Flight Centennial Commission (FFCC) is to develop and plan activities to commemorate the centennial of the first successful, manned, controlled, heavier-than-air, powered flight and other historical events related to the development of powered flight. The Commission is well on its way in providing the highest stature possible for the observance and commemoration of the one hundredth anniversary of the Wright brothers' historic 1903 Kitty Hawk flight. This celebration will showcase North Carolina on a worldwide basis. In this spirit, the Commission is aggressively pursuing activities, projects, and events not only to honor the invention of the first powered flight, but also to highlight the tremendous impact this truly American achievement has had on virtually the entire world.

Accomplishments to date include: formed First Flight Centennial Foundation; conducted feasibility study and defined goals; promoted relationship with Ohio 2003; commenced grassroots educational programs; enabled naming B-2 Bomber, "Spirit of Kitty Hawk;" National Commission of Flight Bill introduced; commemorative Coin Bill introduced/passed; finalized agreement with National Park Service; applied for Trademarks and Copyrights; expanded staff; created tradeshow exhibition supported by color brochure, lit display, and poster; presence at State Fair, air shows, etc.; completed Wright Brothers National Monument refurbishment, Phase I.

To fulfill the broad-based educational mandates stipulated by the enabling statutes, the Commission has defined and established public informational and educational priorities, program development and statewide implementation strategies. Working with educators, historians, and representatives from aviation, aeronautics, and related technological fields, the Commission has defined specific educational opportunities for adults and students to participate and contribute to the ongoing events and activities leading up to the grand finale. Each activity provides unique and age-appropriate opportunities for students and adults to learn and contribute to the aviation heritage of the state and nation while participating in an important historc event. Currently 18,000 school children have participated in FFCC programs.

As a result of the Commission's pivotal role in this enormous international celebration, we find ourselves daily coordinating, collaborating, and interacting with numerous entities: many state agencies - the Department of Cultural Resources, the Department of Transportation, the Department of Public Instruction, and the Office of Travel and Tourism; the First Flight Centennial Foundation, the First Flight Society, NASA, the ICAURUS Committee, all branches of the military, numerous volunteer groups, statewide and national educational programs, the Office of the Attorney General, Ohio's 2003 Committee, the National Park Service, national interest groups, prominent elected state and national government officials and their appointed designees, and, in the very near future, a federal commission.

Funds for the FFCC would be awarded as a grant, as is the current $100,000 appropriation. Funding to include: hire two full-time permanent state employees and five contractual staff; purchase additional computers and office equipment; acquire web site management. The May 2, 1998 Rededication of the Wright Memorial will bring recognition and attention to North Carolina and will enhance tourism and economic development. Architect and Engineering Preliminary study to commence and Educational program expansion. Long term goals include construction of Visitors Center at Wright Brothers Memorial National Park, complete refurbishment of Monument and expand presence and promotion of the Centennial in North Carolina, the United State and beyond through activities and events to include the celebration in 2003.

JUNE 15, 1998

FIRST FLIGHT CENTENNIAL COMMISSION
FY 1998-99 BUDGET

FILE: 98-99$X

	BASE SALARY	BENEFITS	STATE EMPLOYEE	CONTRACTUAL
PERSONNEL				
EXECUTIVE DIRECTOR	84,800	$17,407.04	YES	
ASSOCIATE DIRECTOR	$47,888.00	$10,586.70	YES	
ADMIN. SECY	$26,100.00	$6,559.28	YES	
EDUCATION DEV. COORD.	$34,800.00	$8,167.04	YES	
RECEPTIONIST	$17,378.00	$4,947.44		YES
EVENT COORDINATOR	$65,143.00			YES
TEMPORARY SERVICES	$3,000.00			YES
PUBLIC AFFAIRS	$60,000.00			YES
OFFICE ASSISTANT	$24,800.00	$6,319.04		YES
PERSONNEL SUBTOTAL: $417,900				
OPERATIONS				
PARKING		$300.00		
SUPPLIES		$10,800.00		
COMPUTERS/SOFTWARE		$4,500.00		
WEB SITE MANAGEMENT		$14,000.00		
EQUIPMENT MAINTENANCE		$1,500.00		
TELEPHONE		$11,800.00		
PRINTING/DUPLICATING		$29,500.00		
POSTAGE, FREIGHT, FEDEX		$12,000.00		
AUDIT		$3,500.00		
LEGAL FEES		$6,000.00		
INSURANCE		$15,000.00		
OPERATIONS SUBTOTAL:$108,900				
TRAVEL				
MEETINGS (4MTGS@5500-LAW)		$22,000.00		
EXCOM MTGS(4+ MTGS@1500)		$6,000.00		
COMM MTGS (8@1200)		$9,600.00		
DEC 16-18(3 DAYS,FULL FFCC)		$8,000.00		
OHIO (7@686)		$4,800.00		
DC (8@700)		$5,600.00		
NAT'L AIRSHOWS (SEE ATTACHED)		$8,000.00		
INTERNAT'L REP:PARIS AIRSHOW	(2@3000)	$6,000.00		
TRAVEL SUBTOTAL: $70,000				
EDUCATION / INFORMATION				
EDUCATION PROGRAMS		$85,200.00		
NEWSLETTERS		$5,000.00		
LICENSING STARTUP		$15,000.00		
CENTENNIAL PROMOTIONS		$12,000.00		
PROMOTIONAL BROCHURES		$11,000.00		
ED/INFO SUBTOTAL: $127,000				
A & E PRELIMINARY STUDY		$250,000.00		
(ARCHITECHTURE & ENGINEERING STUDY)				
APPROVED PRELIM. ARCH. AGREEMENT,				
NOT A FIXED CONTRACT				
DEFINES TIMELINES & SCOPE OF SERVICES				
SIGNED DOCUMENTATION BEFORE 7/1/98				
A & E STUDY SUBTOTAL: $250,000		**TOTAL:$973,800**		

ENABLING LEGISLATION

FIRST FLIGHT COMMISSION ESTABLISHED

Sec. 7. (a) Chapter 143 of the General Statutes is amended by adding the following new Article to read:

"ARTICLE 67.

"First Flight Centennial Commission.

"§ 143-640. Commission established; purpose; members; terms of office; quorum; compensation; termination.

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

(b) Purpose. -- The purpose of the Commission is to develop and plan activities to commemorate the centennial of the first successful manned, controlled, heavier-than-air, powered flight (in this Article referred to as 'the First Flight') and other historical events related to the development of powered flight.

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

(1) Four persons appointed by the Governor.

(2) Four persons appointed by the President Pro Tempore of the Senate.

(3) Four Persons appointed by the Speaker of the House of Representatives.

(4) The following persons or their designees, ex officio:

a. The Governor.

b. The President Pro Tempore of the Senate.

c. The Speaker of the House of Representatives.

d. The United States Senators from this State.

e. The member of the United States House of Representatives for the Third Congressional District.

f. The Governor of the State of Ohio.

g. The Secretary of the Department of Cultural Resources.

h. The Superintendent of the Cape Hatteras National Seashore of the United States National Park Service.

i. The chair of the Centennial of Flight Commemoration Commission.

j. The President of the First Flight Society.

k. The chair of the Dare County Board of Commissioners.

l. The Mayor of the Town of Kill Devil Hills.

m. The chair of the Dare County Tourism Board.

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

(d) Terms. -- Members shall serve for two-year terms, with no prohibition against being reappointed, except initial appointments shall be for terms as follows:

(1) The Governor shall initially appoint two members for a term of two years and two members for a term of three years.

(2) The President Pro Tempore of the Senate shall initially appoint two members for a term of two years and two members for a term of three years.

(3) The Speaker of the House of Representatives shall initially appoint two members for a term of two years and two members for a term of three years.

Initial terms shall commence on July 1, 1994.

(e) Chair. -- The chair shall be appointed biennially by the Governor from among the membership of the Commission. The initial term shall commence on July 1, 1994.

(f) Vacancies. -- A vacancy in the Commission or as chair of the Commission resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made and the term shall be for the balance of the unexpired term.

(g) Compensation. -- The Commission members shall receive no salary as a result of serving on the Commission but shall receive per diem, subsistence, and travel expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable. When approved by the Commission, members may be reimbursed for subsistence and travel expenses in excess of the statutory amount.

(h) Removal. -- Members may be removed in accordance with G.S.143B-13 as if that section applied to this Article.

(i) Meetings. -- The chair shall convene the Commission. Meetings shall be held as often as necessary, but not less that four times a year.

(j) Quorum. -- A majority of the members of the Commission shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of the Commission shall be necessary for action to be taken by the Commission.

(k) Termination of Commission. -- The Commission shall terminate June 30, 2004, which is six months after the 100th anniversary of the First Flight.

"§ 143-641. Powers and duties of the Commission.

(a) Powers and Duties. -- The Commission shall have the following powers and duties:

(1) To plan and develop activities appropriate to commemorate the centennial of the First Flight, including the coordination of activities throughout the State and nation.

(2) To coordinate with the national Centennial of Flight Commemoration Commission and the 2003 Fund Commission of Ohio in planning and promoting commemorative events and activities.

(3) To appoint a director, who shall be exempt from the State Personnel Act, to employ other staff as it deems necessary, subject to the State Personnel Act, and to fix their compensation.

(4) To adopt bylaws by a majority vote of the Commission.

(5) To accept grants, contributions, devises, bequests, gifts, and services for the purpose of providing support to the Commission. The funds and property shall be retained by the Commission, and the Commission shall prescribe rules under which the Commission may accept donations of money, property, or personal services, and determine the value of donations of property or personal services.

(6) To design, seek clearance for, and register with the Secretary of State a logo as the official emblem of the First Flight celebration, in coordination with the federal advisory commission. The Commission shall issue rules regarding the use of the logo.

(b) Commemoration Activities. -- In planning and implementing appropriate activities to commemorate the centennial of the First Flight, the Commission shall give due consideration to:

(1) The historical setting in which the First Flight of the Wright Brothers took place.

(2) The contribution of powered flight to the development of transportation worldwide.

(3) The contribution that powered flight has made to worldwide trade and the economic development of the United States and all nations.

(4) The contribution that powered flight has made to world peace and security.

(5) The need to educate the public regarding the research and development of powered flight, and to acknowledge the development of aeronautics, aerospace science, and the aerospace industry, including the development of the glider and Orville and Wilbur Wright's contribution to the development of the glider.

(6) The development of aerospace science and the aerospace industry since the First Flight, including the development of space exploration.

(7) The importance of activities to commemorate the First Flight and to honor Orville and Wilbur Wright and their contribution to powered flight.

(8) The need to expand the facilities of the Wright Brothers National Memorial to honor Orville and Wilbur Wright and to educate the public regarding the development of powered flight and the development of aeronautics and aerospace science since the First Flight.

(9) The commitment and efforts of the First Flight Society and the National Park Service to preserving the Wright Brothers National Memorial and to honoring Orville and Wilbur Wright on the centennial of the First Flight.

(c) Contract Authority. -- The Commission may procure supplies, services, and property as appropriate, and may enter into contracts, leases, or other legal agreements to carry out the purposes of this Article. All contracts, leases, or legal agreements entered

into by the Commission shall terminate on the date of termination of the Commission. Termination shall not affect any disputes or causes of action of the Commission that arise before the date of termination, and the Department of Cultural Resources may prosecute or defend any causes of action arising before the date of termination. All property acquired by the Commission that remains in the possession of the Commission on the date of termination shall become the property of the Department of Cultural Resources.

"§ 143-642. Assignment of property; offices.

(a) Assignment of Property. -- Upon request of the Commission, the head of any State Agency may assign property, equipment, and personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Article. Assignments under this subsection shall be without reimbursement by the Commission to the agency from which the assignment was made. Property and equipment that remains in the possession of the Commission on the date of the termination of the Commission shall revert to the agency from which the property was acquired.

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

"§ 143-643. Commission reports.

(a) Annual Report. -- Before July 1, 1995, the Commission shall submit to the General Assembly a comprehensive report incorporating specific recommendations of the Commission for commemoration of the First Flight and other historical events related to the development of powered flight. After the initial report, the Commission shall submit a report to the General Assembly within 30 days of the convening of each Regular Session of the General Assembly until the Commission terminates. The report shall include:

(1) Recommendations for appropriate activities for the commemoration, including:
   a. Publications, both printed and electronic, of books, periodicals, films, videotapes, and other promotional and educational materials.
   b. Scholarly projects, conferences, lectures, seminars, and programs.
   c. Libraries, exhibits, and museums.
   d. Competitions and awards for historical, scholarly, artistic, and other works and projects related to the centennial.
   e. Ceremonies and celebrations, including a calendar of major activities, commemorating the centennial and other related historical events and achievements.

(2) Recommendations for legislation and administrative action to promote and develop the commemoration.

(3) An accounting of funds received and expended.

(b) Final Report. -- The Commission shall submit a final report to the General Assembly no later than June 30, 2004. The final report shall include:

(1) A summary of the activities of the Commission.

(2) A final accounting of funds received and expended by the Commission.

(3) Recommendations concerning the disposition of historically significant property donated to or acquired by the Commission."

(b) The Department of Cultural Resources shall use funds within its budget for the 1994-95 fiscal year, in the amount of seventy-five thousand dollars ($75,000) for the establishment and operation of the First Flight Centennial Commission during the term of the Commission.

FIRST FLIGHT
December 17, 1903 Kitty Hawk, North Carolina

1903 2003

CENTENNIAL COMMISSION

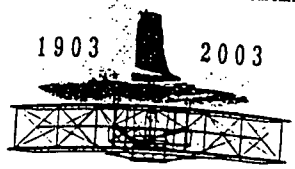
COMMISSION COMPOSITION

The First Flight Centennial Commission is composed of twenty-six members and numerous advisors and consultants. The members appointed to the Commission are chosen "from individuals who have the ability and commitment to promote and fulfill the purposes of the Commission, including individuals who have demonstrated expertise in the fields of education, aeronautics, aerospace science or history, who have contributed to development of the fields of aeronautics or aerospace science, or who have demonstrated a commitment to serving the public."

As a result of the Commission's role in the international celebration, it coordinates, collaborates, and interacts with numerous entities and state agencies, including the Department of Cultural Resources, Department of Transportation, Department of Public Instruction, Office of Travel and Tourism, and the Office of the Attorney General. Also, the First Flight Society, the First Flight Foundation, various branches of the military, volunteer groups, statewide educational programs, schools, universities, colleges, Ohio's 2003 Committee, and aviation enthusiasts from all walks of life.

109 E. Jones Street, Suite 246-C ▪ Raleigh, North Carolina 27601-2807 ▪ 919 715-0209 Fax 919 733-8807

FIRST FLIGHT
December 17, 1903 Kitty Hawk, North Carolina



CENTENNIAL COMMISSION

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Chair, Housing and Transportation
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Members (continued)

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Chair, Activities and Events Committee
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E-Mail: ajones@interpath.com

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Nags Head, NC 27959

Mr. Warren Judge, III
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704 South Highway 64/264
Manteo, NC 27954
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Fax: (252) 473-1179
Mobile: (252) 473-8700
E-mail: dctb-chair@outer-banks.com

Ms. Penny Leary-Smith
Director, Dismal Swamp Welcome Center
2356 Highway 17 North
South Mills, NC 27976
Phone: (252) 771-8333 (w)
(252) 338-3534 (h)
Fax: (252) 771-2055
E-mail: dscwelcome@ecsu.campus.mci.net

Secretary Betty Ray McCain
North Carolina Department of Cultural Resources
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Mr. W. J. (Jack) Overman, Jr.
Liaison, Smithsonian Air and Space Museum
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Manteo, NC 27954-9595
Phone & Fax: (252) 473-2126
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attachment 2
DCR 10

N.C. Museum of Art

The seeds of the N.C. Museum of Art were planted years before the landmark 1947 decision to appropriate state funds for the first public collection of art in the United States. Since the turn of the century, forward-thinking citizens have sought ways to provide rich cultural and educational opportunities for the people of North Carolina.

In 1924, a group of citizen leaders formed the Fine Arts Society to create an art collection and museum for the North Carolinians. Yet it was not until after World War II that conditions favored the long-sought art museum. In 1947 Greenville native Robert Lee Humber obtained a verbal commitment from Samuel H. Dress, the national five-and-dime-store magnate, to contribute $1 million toward the establishment of a state art museum. Kress, who had assembled one of the great collections of European art, stipulated that his gift be matched.

Armed with this extraordinary pledge, Humber leveraged support to gain a grant from the state. Rep. John H. Kerr, Jr., of Warrenton introduced the museum legislation in a persuasive - now famous - speech, with the opening words, "Mr. Speaker, I know that I am facing a hostile audience, but man cannot not live by bread alone." On April 5, 1947, by a narrow three-vote margin, the appropriation passed.

Plans moved forward to develop the former State Highway Building on Morgan Street as the Museum's first home. In 1955, William R. Valentiner, an eminent scholar in Italian Renaissance sculpture, Dutch 17th century painting and German modern art, became the Museum's first director. When the NCMA opened on April 6, 1956, blockbuster crowds were thrilled with the results.

On April 5, 1983, the Museum opened at its present 140-acre site on Blue Ridge Road, in a building designed by Edward Durrell Stone, who also designed the N.C. Legislative Building and the Museum of Modern Art in New York.

The collection continued to expand with partnerships and contributions from around the state. In April of 1996, the NCMA's Museum Park, an interactive sculpture garden that garnered acclaim in national architecture and design circles, debuted to the public. A unique collaboration among conceptual artist Barbara Kruger and a team of designers and architects, the Museum Park is the result of a national design competition and features the phrase PICTURE THIS, with 80-foot-long letters made with a variety of materials. The Museum Park is also home to the Joseph M. Bryan, Jr. Theater, a center for performing arts and film.

Looking ahead, the Museum seeks to add significant space for education, public programs and the growing collection. Additionally, the Museum is committed to extending knowledge about its collections by creating computer resources for schools, colleges and universities, and homes statewide.

Source: N.C. Museum of Art

Attachment 3

Department of Cultural Resources

North Carolina Museum of Art **Budget Codes: 14800**

Mission Statement

Acquire, preserve, and exhibit works of art for the education and enjoyment of the people of the state, and conduct programs of education, research, and publication designed to encourage an interest in and an appreciation for art on the part of the people of the state.

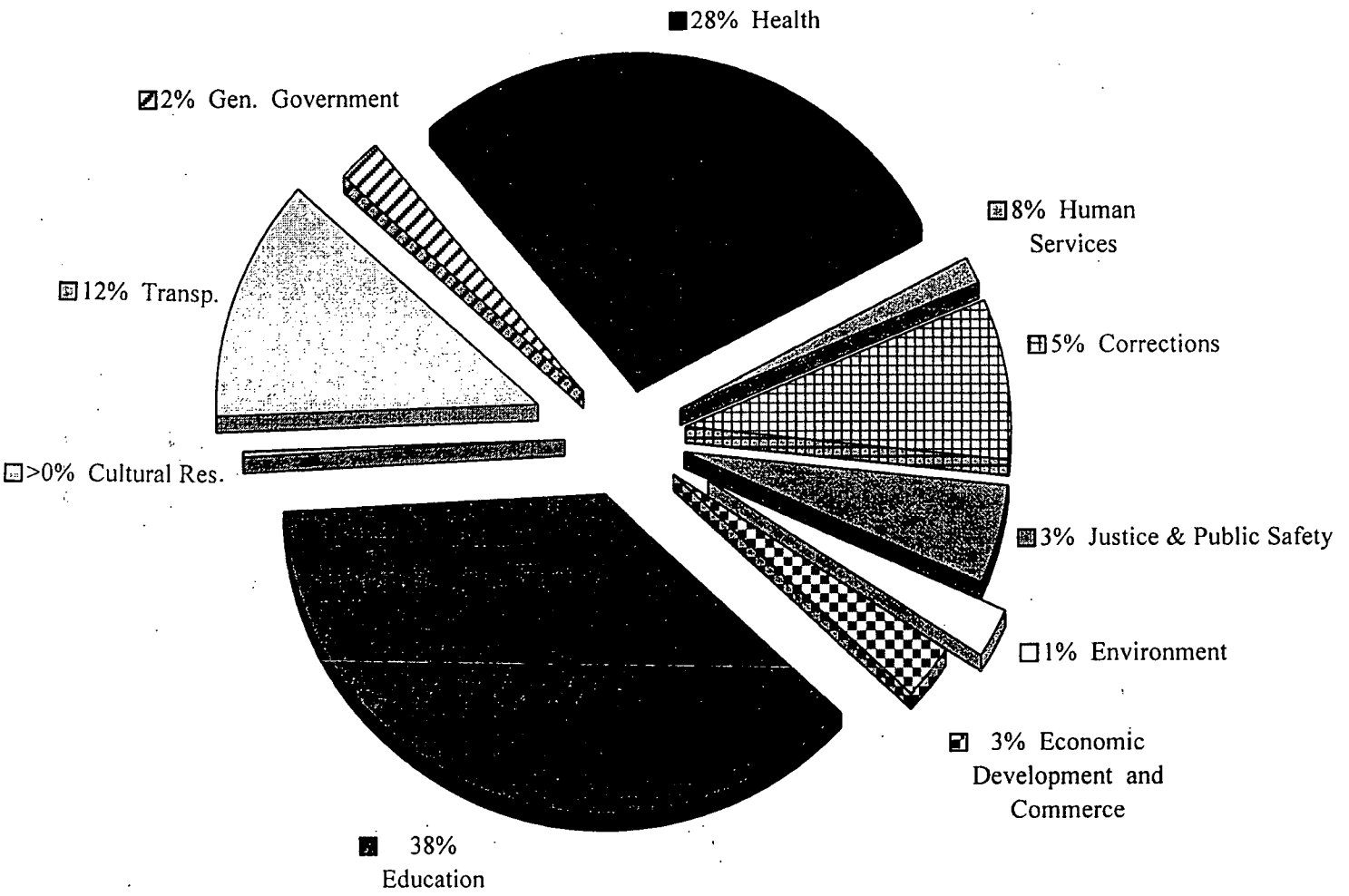
Operations

- Provide the business service and personnel administration needs and manage the collections and exhibitions.
- Provide educational opportunities with tours, classes, lectures, workshops, etc. and provide concerts, films, and events to attract and serve a broad audience.
- Perform outreach through public notice distribution and publications about future exhibits, services, and programs offered and with information to enhance the public's knowledge and understanding of art.
- Conduct programs of research to further knowledge of the Museum's collections and provide curatorial consultation services to the public.
- Design and fabricate quality installations of the Museum's own collections and special exhibitions.
- Conduct examinations of works in the Museum's collections and those on loan for exhibition and perform conservation treatments as necessary.
- Perform photography services for the collection management, exhibitions, and publications.
- Provide security of the collection and safety for visitors and staff.
- Provide for the safe movement of works of art in the Museum collection and on loan.
- Maintain a library for art resource materials for use by the staff and public.

Objectives and Key Performance Measures	1997-98 Actual	1998-99 Authorized	1999-00 Target	2000-01 Target
Maintain a high percentage of visitors who experience an enhanced interest in and appreciation of art. *PPB: 9200*				
• Percentage of visitors who experience an enhanced interest in and appreciation of art	90%	90%	90%	90%

1999-2000 Recommended Continuation Budget Summary - Total Requirements by Program Area

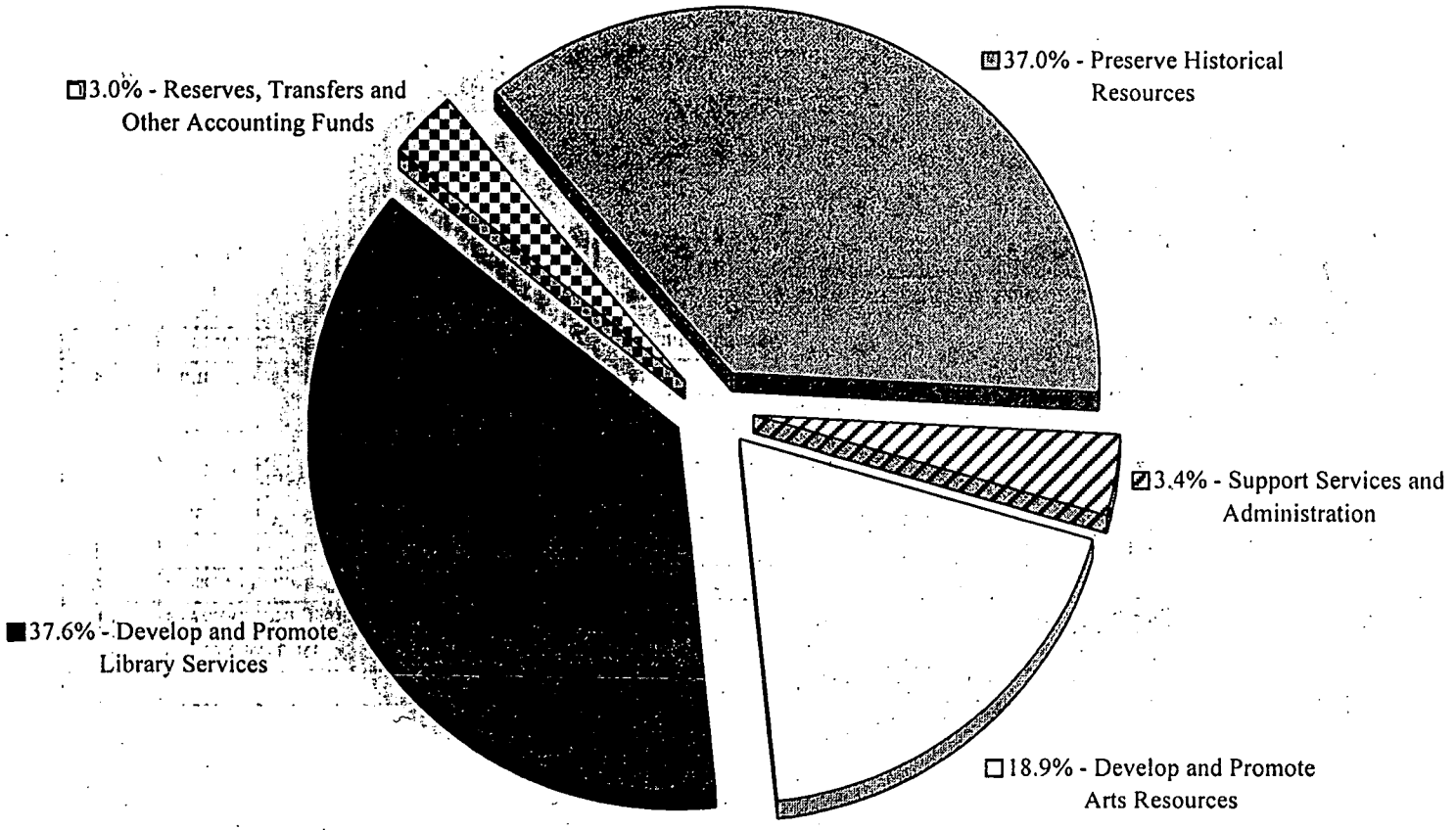
(in $ millions)



* This pie chart does not include $896.32 million identified as Statewide reserves.

Attachment 4

1999 - 2000 Recommended Continuation Budget
Cultural Resources Program Area
(by P/PB Program)



* The Department of Cultural Resources is the only state agency classified in the Cultural Resources Program Area.

NORTH CAROLINA

DEPARTMENT OF CULTURAL RESOURCES

Betty Ray McCain
Secretary

LEGISLATIVE OVERVIEW
for
GENERAL GOVERNMENT JOINT APPROPRIATIONS SUBCOMMITTEE

February, 1999

NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES

LEGISLATIVE OVERVIEW

Table of Contents

Department of Cultural Resources
- Budget Summary
- Mission Statements/Summary Descriptions of the Department's Divisions
- History of the Department
- Organizational Chart
- Department Budget

First Flight Centennial Commission

North Carolina Museum of Art

The State Library of North Carolina

Division of Archives and History

North Carolina Museum of History

Roanoke Island Commission

The North Carolina Symphony

North Carolina Arts Council

Office of the Secretary

Administrative Services

DCR 1

DEPARTMENT OF CULTURAL RESOURCES

BUDGET SUMMARY

	1999-2000 Recommended Total Budget	2000-2001 Recommended Total Budget	# positions
Administration			
Office of the Secretary	$1,075,914	$1,075,914	18.25
Administrative Services	$1,164,234	$1,164,234	19
Division of Archives & History			
Director's Office	$2,010,245	$2,010,245	26
Historical Publications	$ 679,320	709,320	14.5
Archives & Records	$3,077,275	$3,077,275	73
State Historic Sites	$7,275,755	$7,218,917	142
Tryon Palace	$2,588,425	$2,584,425	55
State Capitol/Visitor Center	$ 470,720	$ 470,720	11
N.C. Maritime Museum	$ 853,866	$ 853,794	17
State Historic Pres. Office	$2,238,076	$2,238,076	44.5
Western Office	$ 369,399	$ 372,704	7
N. C. Arts Council	$6,150,156	$6,069,962	24.24
N.C. Museum of Art	$3,830,912	$3,830,912	93.01
N.C. Symphony	$ 334,858	$ 334,858	9
Grant in Aid to Arts	$2,140,979	$2,140,979	0
State Library of N.C.			
State Library Services	$4,387,102	$4,381,194	92
Statewide Program & Grants	$20,436,201	$20,436,201	0
N.C. Museum of History	$4,769,849	$4,769,849	102
Museum of Albemarle Reserve		923,900	15
Roanoke Island Commission	$1,826,157	$1,826,157	32

DCR 2

North Carolina Department of Cultural Resources

	1993-94		1994-95		1995-96	
Certified Appropriation	$ 44,955,631		$ 47,054,697		$ 55,237,705	
Less: Appropriated Pass-through Grants	$ (19,974,250)	44%	$ (21,389,250)	46%	$ (27,768,527)	50%
Adjusted Appropriation	$ 24,981,381		$ 25,665,447		$ 27,469,178	

	1996-97		1997-98		1998-99	
Certified Appropriation	$ 49,379,190		$ 63,698,428		$ 71,389,249	
Less: Appropriated Pass-through Grants	$ (20,731,527)	42%	$ (29,505,527)	46%	$ (36,431,077)	51%
Adjusted Appropriation	$ 28,647,663		$ 34,192,901		$ 34,958,172	

* For the six fiscal years listed above, budget cuts in State Appropriations amounted to $4,945,252
* For the six fiscal years listed above, position cuts amounted to 49.0

North Carolina Symphony:

In the early 1980's, State funding was approximately 70% of the operating budget, with 30% coming from the private sector. Currently, State funding is only 36%, while private sector funding has increased to 64%.

North Carolina Museum of Art:

For 1998-99, 89%, or $3,036,975, of the Art Museum's budget consists of salary and fringe benefits, while only 11%, or $367,100, is for operating expenses.

North Carolina Arts Council:

Since 1994, the Arts Council has cut 4.5 Federal positions, equaling $120,000 in salaries and fringes. This is an 18% reduction in Arts Council staff, to 24.5 positions.

North Carolina Museum of History:

Since 1993, the Museum of History staff has been cut by 18%, resulting in a loss of salaries of approximately $420,000.

Archives and Records Section of the Division of Archives and History:

Since 1993, 8 positions have been lost in budget cuts, including a critical guard position. Virtually out of space, the Section desperately needs a new state records center to meet its legislatively mandated responsibilities to manage the state's records.

State Library:

Since 1990, the State Library's budget to support direct service to customers has been reduced by over $1 million (a 20% reduction). This includes $600,000 and 6 positions in state funds and $500,000 and 6 positions in federal funds. These funds also covered basic operations, library materials, books, and equipment.

DCR 3

DEPARTMENT OF CULTURAL RESOURCES

More information about the Department of Cultural Resources is available on the Internet at the Department's Home Page on the World Wide Web. The address is: http://web.dcr.state.nc.us

Mission Statement

The mission of the Department of Cultural Resources is to enrich the cultural, educational and economic well-being of citizens and visitors to North Carolina through the preservation, development, presentation, promotion and dissemination of artistic, historical and information resources. (G.S. 121-1-42; G.S. 125-1-19; G.S. 140-5.3-15; G.S. 140-1-6; G.S. 143B-49-133.1).

The mission statements and summary descriptions of the department's six divisions follow:

Division of Archives and History : To collect, preserve, and utilize the state's historic resources so that present and future residents may better understand their history. The division safeguards the documentary and material evidence of past generations for the education of all citizens and the protection of their democratic rights.

The Division of Archives and History is responsible for researching, preserving and maintaining a record of North Carolina's rich cultural heritage. The division consists of seven sections: State Historic Sites, Archives and Records, Historical Publications, Archaeology and Historic Preservation, State Capitol, and Tryon Palace Historic Sites and Gardens and the Maritime Museum. The Director's Office also oversees operation of divisional computing, the Outer Banks History Center, Stagville Center, the Western Office, the First Flight Centennial Commission, the Federation of N.C. Historical Societies and the N.C. Literary and Historical Association.
The Division's Internet address is: www.ah.dcr.state.nc.us.

North Carolina Museum of Art: To acquire, preserve and exhibit works of art for the education and enjoyment of the people of the state, and to conduct programs of education, research, and publication designed to encourage an interest in and an appreciation for art on the part of the people of the state. (G.S. 140-5.12, enacted by the General Assembly April 3, 1947.

The North Carolina Museum of Art houses permanent displays of the state's art collection, plus changing exhibitions. One of the finest in the southeast, the museum's collection was the first in the nation to receive state support. Paintings and sculptures represent 5,000 years of man's achievements from ancient Egypt to the present. Collections of Renaissance and Baroque, English 18th century and American 19th century art are internationally recognized for their excellence. The North Carolina Art Society and the North Carolina Museum of Art Foundation provide substantial financial support for the museum's exhibitions, acquisitions, educational programs and other operating needs. Programs include films, lectures, concerts, workshops for adults and children, and outreach to areas outside Wake County. The museum features the new Joseph M. Bryan, Jr. Museum Park Theater, a gift shop and the Museum Cafe.
The Museum's Internet address is: www2.ncsu.edu/NCMA

North Carolina Arts Council: To enrich the cultural life of the state by nurturing and supporting excellence in the arts and by providing opportunities for every North Carolinian to experience the arts.

The North Carolina Arts Council supports excellence in the arts and provides opportunities for all North Carolinians to experience the arts. Grants, technical assistance, and a variety of services are available to nonprofit organizations and individuals. The Grassroots Arts Program provides funds for local arts activities in every county on a per capita basis. Other grants support dance, folklife, literature, music, theatre and visual arts projects, as well as fellowships and residencies for professional artists. Arts education programs are offered in pre-K through 12th grade settings. Over 10 million people participate annually in Arts Council-funded projects.

The Arts Council's Internet address is: www.ncarts.org

North Carolina Symphony: To foster musical awareness, enjoyment and education by performing both major orchestral concerts and educational concerts for the state's citizens and visitors.

The North Carolina Symphony, a major professional orchestra founded in 1932, performs approximately 175 adult and children's concerts each year, taking music to a wide range of communities across the state. In 1943, the symphony became the first state orchestra in the country to receive a state grant for ongoing support, and it has continued to receive the state aid for 54 years. The orchestra has one of the most extensive educational programs in the country, performing about 65 educational concerts a year as a part of the state's music curriculum for school children and sponsoring several youth competitions and a string internship program. **The N.C. Symphony Society raises approximately 68% of the symphony's annual operating budget,** while the N.C. Symphony Foundation holds the permanent endowment.

The Symphony's Internet address is: www.ncsymphony.org

State Library of North Carolina: The State Library of North Carolina focuses its services to the people of the state in three ways:

1. by working in partnership with local communities to develop and extend public library services statewide;
2. by coordinating efforts among all types of libraries to improve library services and to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and
3. by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped.

The State Library of North Carolina has a long, rich history that began with its founding in 1812, the appointment of the first full-time State Library in 1843, the establishment of the North Carolina Library Commission in 1909, and the merger of the commission and the State Library into a single agency in 1955. Today, the State Library serves North Carolinians statewide by working in partnership with local communities to develop and extend public library services; by developing the North Carolina Library and Information Network to coordinate efforts among all types of libraries to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped. The State Library administers the State Aid to Public Libraries Fund which will distribute $16.9 million in fiscal year 1998-99 through formula grants to public libraries serving all 100 counties as well as the federal Library Services and Technology Act.

The State Library's Internet address is: http://statelibrary.dcr.state.nc.us/ncslhome.htm

North Carolina Museum of History: to promote the understanding of the history and material culture of North Carolina for the educational benefit of North Carolinians. Through collections and historical interpretation, its museums encourage citizens and visitors to explore and understand the past; to reflect on their own lives and their place in history; and preserve state, regional, and local history for future generations.

The North Carolina Museum of History promotes understanding of the history and material culture of North Carolina for citizens, school children and visitors in all one hundred counties. Three regional branches extend the museum's services: the Museum of the Albemarle in Elizabeth City, the Museum of the Cape Fear in Fayetteville, and the Mountain Gateway Museum in Old Fort. The museum develops, produces and maintains over 61,000 square feet of long and short term exhibits with interpretive programs, special events and publications for 350,000 visitors annually; it provides outreach to schools and community groups through programs such as the Tar Heel Junior Historians, a North Carolina Information Highway site and an Internet home page; and it serves other museums and historical organizations throughout the state through consultations and professional services. The museum's activities provide access to collections numbering

Museum of History, continued
over 300,000 artifacts representing all aspects of North Carolina history. Its support group, the North Carolina Museum of History Associates (numbering some 15,000), is the largest state history museum support group in the United States.
The Museum's Internet address is: http://nchistory.dcr.state.nc.us

The Office of the Secretary performs planning/policy development activities for the department and assures that departmental programs serve the people of North Carolina. The office oversees grants appropriated by the N.C. General Assembly. The Office of the Secretary directs the North Carolina Awards program, instituted in 1961 by the N.C. General Assembly. The North Carolina Awards is the highest honor the state can bestow, which recognizes notable accomplishments by North Carolina citizens in the fields of scholarship, research, the fine arts and public leadership. The four units under the Office of the Secretary are: Administrative Services, Capital Projects Unit, Public Affairs Office and the Human Resources Office.

The Roanoke Island Commission, an independent commission situated within the Department of Cultural Resources, was established by G.S.141B-131.1 in 1994 and operates the *Elizabeth II* and Roanoke Island Festival Park. The commission is charged to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island.

DCR 7

History of the N.C. Department of Cultural Resources

Although the Tar Heel State has touted its cultural wealth since colonial times, not until 1971 did the artistic and historic treasures of North Carolina have a state-level agency devoted solely to their maintenance and preservation. First created as the Department of Art, Culture, and History, what evolved into the present-day Department of Cultural Resources was the first such cabinet-level agency in the nation. The founding of the department by the N.C. General Assembly took place during state government reorganization, helping to consolidate the efforts of statewide cultural organizations which had been working for decades to promote North Carolina's artistic, musical, informational and historic riches. So, as is true of many departments formed during reorganization, it included several agencies much older than the department itself.

N.C. Division of Archives and History

In 1903, the N.C. Literary and Historical Association requested that the General Assembly establish a commission to preserve the history of North Carolina. A bill was introduced by Sen. R. F. Beasley of Union County, who was assisted by Raleigh lawyer William Joseph Peele, who wrote the bill. The law was enacted on March 9, 1903, creating the N.C. Historical Commission, consisting of five members appointed for two-year terms by the governor. They were given $500 and were instructed to collect valuable documents pertaining to the state's history. The members received no personal monetary compensation for their work.

In 1907, the legislature strengthened the commission by increasing the appropriation and by naming Robert D. W. Connor the first salaried secretary of the commission.

A series of secretaries followed, including Albert Ray Newsome, who encouraged the commission to turn from simply collecting materials to preserving and displaying them. In 1935 Christopher Crittenden became secretary, an association that continued for 33 years.

In the 1940s there was a reorganization of state government, and the name changed from the N.C. Historical Commission to the Department of Archives and History. Within this department were eventually created the Division of Archives and Manuscripts, the Division of Publications, the Hall of History (later the N.C. Museum of History) and Historic Sites.

In 1971 another government reorganization created the Department of Art, Culture, and History, later renamed the Department of Cultural Resources. Archives and History became a division within the new department, and its component parts became sections within the division.

The legislature created another N.C. Historical Commission in 1973 to serve as an advisory board for the N.C. Division of Archives and History. These members are appointed by the governor.

The sections within the division today are Archives and Records, Archaeology and Historic Preservation, Historic Sites, Historical Publications, State Capitol/Visitor Services, Tryon Palace and the N.C. Maritime Museum. The N.C. Museum of History became a separate division in 1996.

Source: Public History in North Carolina, 1903-1978, Jeffrey J. Crow, Editor

DCR8

N.C. Museum of History

After visiting Boston in the 1880s and marveling at its preserved past, Raleigh News and Observer publisher Samuel A'Court Ashe began an editorial campaign encouraging the saving of North Carolina's history so that natives and visitors could learn of North Carolinian ancestors' lives.

Following Ashe's campaign, city editor Frederick Augustus Olds, the "father" of the N.C. Museum of History, began traveling across North Carolina, collecting objects from the state's past and listening to the stories associated with each item. Also following Ashe's campaign, a gallery of history was created in the State Museum (now called the N.C. State Museum of Natural Sciences).

On December 5, 1902 after developing a sizable private collection, Olds combined his historical materials with the State Museum's historical items to create the Hall of History. The artifacts were contained in 37 cases which were mothproof, dustproof and had double safety locks.

In 1914 after the N.C. Historical Commission took over the Hall of History, the hall moved into its second home in the State Administration Building, (now known as the Ruffin Building), at the intersection of Morgan and Fayetteville Streets. It soon became obvious that even these two large halls would not be adequate space for the fast-growing number of items.

Under the commission, the Hall of History took on a new two-fold purpose: to teach the history of North Carolina and to preserve historical materials. The museum's educational programs and preservation techniques would grow in coming years.

In 1939, the Hall of History moved to the newly constructed Education Building on the corner of Edenton and Salisbury Streets. With the new space, designed specifically for the museum, came goals for more attractive exhibits, improved lighting, and a better arrangement of artifacts as well as a new emphasis on educational programs and the care and organization of artifacts.

After decades of growth, the Hall of History was no longer a "hall." On July 1, 1965, it became the N.C. Museum of History and was named a division within the Department of Archives and History (now a division within the Department of Cultural Resources.) By the middle of August 1968, the museum was moved to the new $3 million Archives and History/State Library Building at 109 East Jones Street. More than 90,000 items were moved during the next 18 months; the mezzanine exhibits opened in late 1973, completing the galleries in that building.

John D. Ellington became administrator in 1974 and worked to establish the N.C. Museum of History Associates in 1975. The Associates, a support group for the museum, were instrumental in finding more space for the museum.

At One East Edenton Street, a groundbreaking took place June 14, 1988, for what was to become the current home of the N.C. Museum of History. Completed in August 1992, the new $29 million facility had a research library, a variety of classroom spaces, a large and well-equipped 315-seat auditorium and large gallery spaces totaling 55,000 square feet.

The N.C. Museum of History was named the sixth division within the N.C. Department of Cultural Resources in 1996 by Cultural Resources Secretary Betty Ray McCain following a review by the N.C. Historical Commission.

Source: North Carolina Stories, The Grand Opening Celebration of the New North Carolina Museum of History Building, John Lee Bumgarner, Managing Editor, 1994.

N.C. Arts Council

Governor Terry Sanford sought to ensure that all citizens had some exposure to the arts, and by executive order in 1964, created the N.C. Arts Council to "survey the status and needs of the arts" and to "advance the interests of the arts." Under Governor Dan K. Moore the N.C. Arts Council became a statutory state agency in 1967.

Today the Council provides technical assistance and more than 1,300 grants each year to artists and nonprofit organizations throughout the state. Governor James B. Hunt captured the essence of the Council's mission in the early 1980s when he said, "The rich artistic environment of North Carolina is not the accomplishment of a single person, but of many people and groups. It's the job of the N.C. Arts Council to keep that cultural mix going with energy and vitality."

North Carolina's unique approach to stimulating arts development was populist from the start, helping communities help themselves. In 1967, when the Council first published its survey of the state, 17 local arts councils and 233 arts groups began organizing, hiring staff and investing in arts facilities in communities all across the state. Thirty years later, statistics compiled by the Council show:

* A network of 103 local arts councils in 87 of 100 counties;
* 2,177 arts organizations operating in the state;
* 34,091 artists in all disciplines with a 65.8% increase from 1980 to 1990;
* 18,000,000 people participating in arts activities in any given year, according to N.C. non-profit arts organizations.

Modest but steady increase in financial support from the state have enabled this growth. In its first two years combined, the Council disbursed $187,816 in program support and grants. In the fiscal year 1996-97, the Council funded 508 arts organizations, 319 schools, community and civic groups and 43 individuals for a total of $4,430,571.

The Council's grants have had a proven catalytic effect. Arts groups attribute much of their ability to raise funds locally to the Council's funding, its rigorous review processes and its technical guidance. In 1996-97, Council funds stimulated an 11 to 1 match in individual, business, local government and foundation support.

Source: N.C. Arts Council

DCR 10

N.C. Museum of Art

The seeds of the N.C. Museum of Art were planted years before the landmark 1947 decision to appropriate state funds for the first public collection of art in the United States. Since the turn of the century, forward-thinking citizens have sought ways to provide rich cultural and educational opportunities for the people of North Carolina.

In 1924, a group of citizen leaders formed the Fine Arts Society to create an art collection and museum for the North Carolinians. Yet it was not until after World War II that conditions favored the long-sought art museum. In 1947 Greenville native Robert Lee Humber obtained a verbal commitment from Samuel H. Dress, the national five-and-dime-store magnate, to contribute $1 million toward the establishment of a state art museum. Kress, who had assembled one of the great collections of European art, stipulated that his gift be matched.

Armed with this extraordinary pledge, Humber leveraged support to gain a grant from the state. Rep. John H. Kerr, Jr., of Warrenton introduced the museum legislation in a persuasive - now famous - speech, with the opening words, "Mr. Speaker, I know that I am facing a hostile audience, but man cannot not live by bread alone." On April 5, 1947, by a narrow three-vote margin, the appropriation passed.

Plans moved forward to develop the former State Highway Building on Morgan Street as the Museum's first home. In 1955, William R. Valentiner, an eminent scholar in Italian Renaissance sculpture, Dutch 17th century painting and German modern art, became the Museum's first director. When the NCMA opened on April 6, 1956, blockbuster crowds were thrilled with the results.

On April 5, 1983, the Museum opened at its present 140-acre site on Blue Ridge Road, in a building designed by Edward Durrell Stone, who also designed the N.C. Legislative Building and the Museum of Modern Art in New York.

The collection continued to expand with partnerships and contributions from around the state. In April of 1996, the NCMA's Museum Park, an interactive sculpture garden that garnered acclaim in national architecture and design circles, debuted to the public. A unique collaboration among conceptual artist Barbara Kruger and a team of designers and architects, the Museum Park is the result of a national design competition and features the phrase PICTURE THIS, with 80-foot-long letters made with a variety of materials. The Museum Park is also home to the Joseph M. Bryan, Jr. Theater, a center for performing arts and film.

Looking ahead, the Museum seeks to add significant space for education, public programs and the growing collection. Additionally, the Museum is committed to extending knowledge about its collections by creating computer resources for schools, colleges and universities, and homes statewide.

Source: N.C. Museum of Art

DCR 11

N.C. State Library

Although there existed several public libraries, the only tax-supported library in North Carolina prior to the twentieth century was the State Library, which came into being in 1812 as a collection of books in the office of the Secretary of State William Hill for the use of government officials. It was administered on a part-time basis until 1843 when the secretary of state was paid $18.75 per quarter to serve as librarian.

An inventory of the State Library in 1828 listed approximately 1,150 titles in fifteen categories from "Atlases" to "Speeches and Debates." Of these volumes, only 117 survived the State House fire of 1831; of the 117 volumes, 97 were on loan to patrons at the time of the fire.

From 1841 until 1921 the annual appropriation from the acquisition of books was $500, which barely covered the cost of binding newspapers and rebinding worn volumes.

After 1843, a full-time librarian was appointed by the trustees, and after 1871 the appointment was subject to approval by the General Assembly. After 1886 the library was available to members of the General Assembly during its sessions, to officers of the Executive Department, to justices of the state supreme court, to the attorney general and to the commissioner of agriculture.

In 1888, the State Library was moved from the Capitol to the new State Library and Supreme Court Building (now the Labor Building). In 1914 it was moved to the Administrative Building (now the Court of Appeals Building), where it remained until a brief relocation to the former site of a bowling alley during construction of the Archives and History/State Library Building into which it moved in 1969 and remains today.

Source: Mitchell, Thornton W. The State Library and Library Development in North Carolina. Raleigh: N.C. Department of Cultural Resources, Division of State Library, 1983.

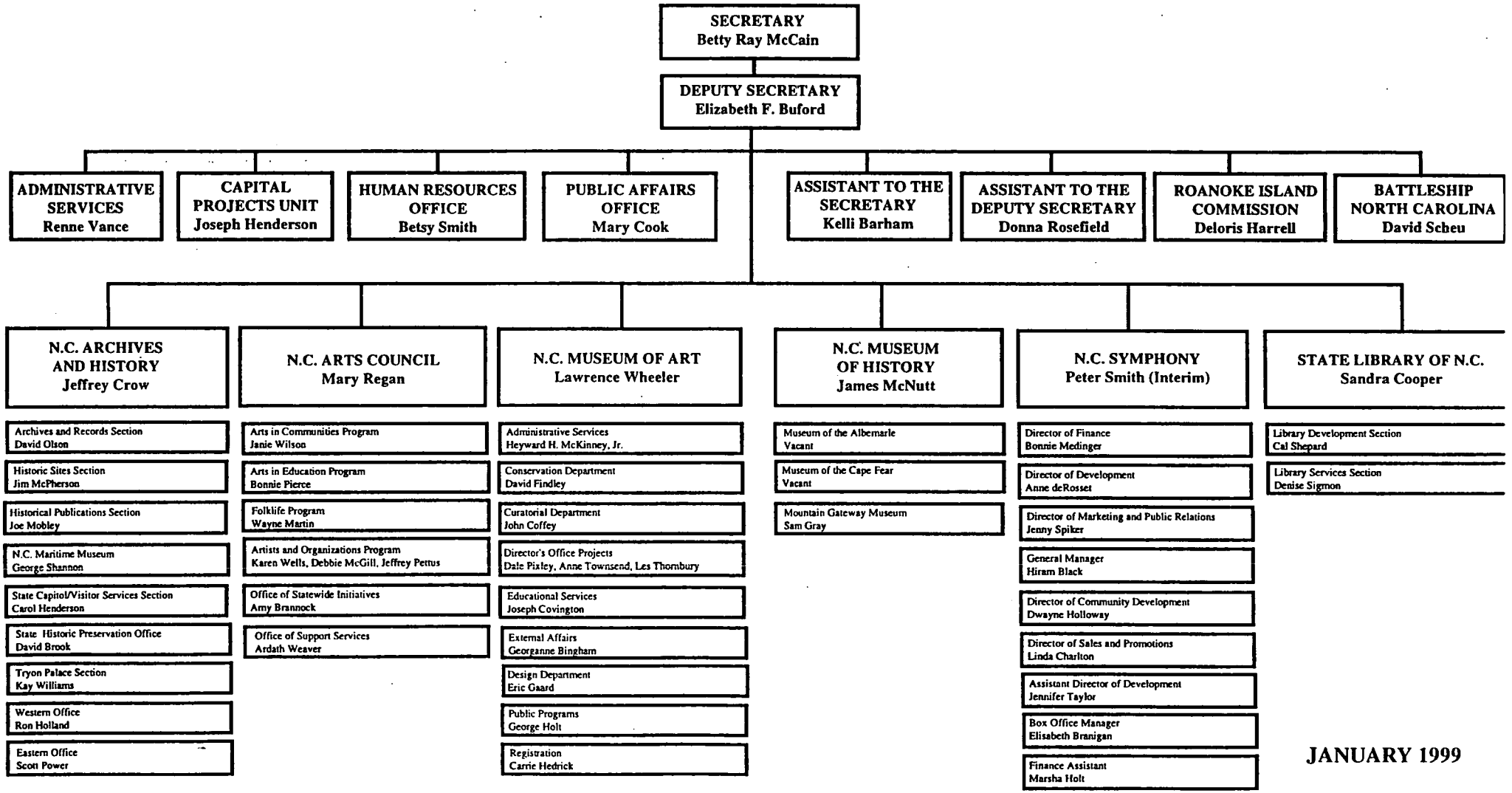
N.C. Symphony

The N.C. Symphony was formed in 1932 under the direction of Pulitzer Prize-winning composer Lamar Stringfield. It served as a WPA project in the 1930s and in the 1940s became the first orchestra to receive state funding on a continuous basis. Under the 33-year leadership of Dr. and Mrs. Benjamin Swalin, the Symphony began its grassroots emphasis of taking the orchestra to the people of the state. That tradition has continued every year since the 1943 Horn Tootin' Bill was passed in the General Assembly. The Symphony performs in large and small communities across the state from Murfreesboro to Wilkesboro during the regular season. More than 1,500 volunteers make sure that the orchestra reaches both children and adults.

Presently, the orchestra is led by Music Director and Conductor Gerhardt Zimmermann who is also artistic director and conductor for two other orchestras: the Canton Symphony Orchestra in Ohio and the Breckenridge Music Institute in Colorado. William Henry Curry serves as Associate Conductor and Jackson Parkhurst is Assistant Conductor and Director of Education.

Source: The N.C. Symphony

THE NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES



JANUARY 1999

DCR 12

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION BUDGET

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
General Fund 14800				
Total Requirements	$ 71,677,873	$ 78,421,302	$ 64,021,963	$ 64,833,156
Receipts	$ 7,440,692	$ 5,586,878	$ 6,904,346	$ 6,821,152
General Fund Appropriation	$ 64,237,181	$ 72,834,424	$ 57,117,617	$ 58,012,004
Roanoke Island Commission - General Fund 14802				
Total Requirements	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157

DCR 14

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION BUDGET (Page 2)

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Enterprise Fund 54800				
Total Requirements	$ 124,218	$ 85,758	$ 85,758	$ 85,758
Receipts	$ 103,201	$ 85,758	$ 85,758	$ 85,758
Increase (Decrease) in Cash Balance	$ (21,017)	$ -	$ -	$ -
Beginning Cash Balance	$ 63,745	$ 42,728	$ 42,728	$ 42,728
Ending Cash Balance	$ 42,728	$ 42,728	$ 42,728	$ 42,728

NORTH CAROLINA MUSEUM OF ART

DCR16

The North Carolina Museum of Art

The North Carolina Museum of Art is a division within the North Carolina Department of Cultural Resources and is governed by a 28 member Board of Trustees. Board members are appointed by the Governor, the General Assembly, the Art Society, Museum of Art Foundation Board, and the Board of Trustees.

The North Carolina Museum of Art traces its origin to 1924 when the Art Society of North Carolina was founded with the purpose, "to promote an interest in providing a State Art Museum in Raleigh." In 1929, the General Assembly placed the Art Society under state patronage, which began a tradition of public/private partnership that continues to the present. In its early days, the Art Society began a program of collecting and staging exhibitions and educational programs even before there was a permanent museum. In 1947, an act of the General Assembly made North Carolina the first state in the nation to appropriate public funds for the purchase of works of art to establish a state supported art museum. That first appropriation matched a gift of 75 important works of art given by the Samuel H. Kress Foundation as part of its program of endowing regional museums throughout the United States. Negotiations with Mr. Kress and the Kress Foundation were led by state senator Robert Lee Humber of Pitt County. Thanks to his efforts, of the nearly one hundred institutions receiving art from the great Kress collection, the gift to the North Carolina Museum of Art was the largest and most important of any except that given to the National Gallery of Art in Washington, D. C. The Kress gift, combined with purchases made with legislative appropriations, created for the people of North Carolina the most distinguished collection of old master paintings in the southeastern United States and formed the foundation for today's Museum.

The Museum's major responsibilities are well stated in its statutory mission, "...to acquire, preserve, and exhibit works of art for the education and enjoyment of the people of the State, and to conduct programs of education, research, and publication designed to encourage an interest in and an appreciation of art on the part of the people of the State." (G.S. 140-5.12) This mission is accomplished through a variety of programs focusing on the State's permanent art collection, which consists of thousands of objects spanning over 5,000 years of human history. The Museum also brings to North Carolina many special exhibitions of important art treasures from around the world for the educational benefit and enjoyment of the people of our state. Scholarly publications and a full range of classes, workshops, lectures and other programs complement the Museum's educational mission and program objectives.

The Museum is an active partner with the state's educational systems. Thousands of school children from all over North Carolina visit the Museum each year and learn about their own culture and about other civilizations through guided tours and other programs. Outreach exhibitions, slide programs, speakers, and teaching materials are also available to schools and other groups in all counties throughout

the state. The Museum continues to enhance accessibility to its collections through the use of new technologies such as digital imaging, CD-ROM, and the Museum's World Wide Web page (http://www2.ncsu.edu/ncma). New educational initiatives planned for the next year include the first CD-ROM gallery guide system, new Web pages to include Art Nouveau exhibition, new multimedia program for children on the art of the ancient Americas, and a Festival of African-American culture.

The Museum also offers other services to the state's citizens. The conservation department provides consultation and conservation treatment services to other museums and public collections around the state. Curators are available on a regular schedule to consult with citizens about works of art in their own collections, and the Museum's art reference library is available to area university students or others needing to do research on art related subjects.

The Museum of Art regularly receives national and international recognition for its collections, acquisitions, and programs. It has become a major tourist attraction that draws many visitors from within the state and from beyond its borders each year. The Museum also contributes to the economic well being of North Carolina by helping to attract business and industry to locate and expand here. When asked why they chose to locate in North Carolina, business leaders will most often cite the state's quality of life, including the cultural environment and its commitment to education. The North Carolina Museum of Art makes strong contributions in these areas.

The Museum is assisted in its mission by two affiliated organizations, The North Carolina Art Society and the Museum of Art Foundation, Inc. As mentioned previously, the Art Society is the predecessor of the Museum. The Art Society is a venerable and distinguished organization founded in 1924 and under the patronage of the state since 1929. General Statutes provide that the Art Society shall be the membership arm of the North Carolina Museum of Art and continue under state patronage (G.S. 143B-89 and G.S. 140-14). The Art Society also holds the permanent endowment, the Robert F. Phifer Fund. Proceeds from this endowment are used solely for the acquisition of works of art for the Museum's permanent collection. This modest endowment provides the Museum's only reliable source of acquisition funding. There have been no state funds appropriated to add to the Museum's collection since 1985.

The Museum of Art Foundation, Inc. is a private, non-profit corporation which has tax-exempt status under IRS Code 501(c)(3). The Foundation holds some endowment funds and plays the essential role of operating the Museum's private fundraising efforts. The Foundation accounts for approximately one-half Museum's average annual operating budget. These funds are spent by the Foundation on the Museum's behalf to support exhibitions, educational programs, staffing, and other operating needs.

DCR18

In 1997, the Museum's new outdoor performing arts facility, the Joseph M. Bryan Theater, opened. In the 1998 season, the Museum presented thirteen concerts and thirty-three film screenings in the Bryan Theater and attracted crowds of as many as 4,500. This amphitheater was designed and built with private funds raised by the Museum of Art Foundation, It enables the North Carolina Museum of Art to offer a full range of performing arts experiences to complement the visual arts found inside the Museum's walls.

Also in 1997, the Museum undertook a complete study of its present physical facilities made possible by an appropriation in the 1996 session of the General Assembly. This study will direct the planning and programming of enhanced facilities to enable the institution to meet the state's needs well into the next century. The 1998 General Assembly appropriated the funding to design the addition and renovation of the Museum's facilities. We have requested funds in the current session to fund this construction. In addition, the Museum, through the Foundation has launched a major capital campaign to raise $20 million in the private sector to support the building effort, programming, and development of the Museum's collections into the next millennium.

In order to meet the challenges of the years ahead, the Museum looks forward to a continuation of the great tradition of partnering private funding with the public support provided by the General Assembly.

DCR 19

North Carolina Museum of Art
Selected Statistics

Total Museum Visitors 1997-98: 233,893

Joseph M. Bryan Theater Public Program Attendance 1998 season: 27,169

Education Events 1997-98: 205

Total Participants in Education Events 1997-98: 10,299

Guided Tours 1997-98: 2,490

Guided Tour Participants 1997-98: 30,010

Outreach Services 1997-98: 52

Outreach Service Participants 1997-98: 4,119

Educational Lending Materials 1997-98: 707

Education Lending Materials Participants 1997-98: 55,543

DCR 20

DEPARTMENT OF CULTURAL RESOURCES

MUSEUM OF ART - FUND 1320

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 3,781,653	$ 3,829,977	$ 3,830,912	$ 3,830,912
Receipts	$ 145,234	$ 138,685	$ 139,013	$ 139,013
General Fund Appropriation	$ 3,636,419	$ 3,691,292	$ 3,691,899	$ 3,691,899
Number of positions	92.00	93.01	93.01	93.01

Source: 1999-2001 Continuation Budget Document

THE STATE LIBRARY OF NORTH CAROLINA

DCR 22

The State Library of North Carolina
A Division of the Department of Cultural Resources

Part I - State Library Overview

The State Library has a long and proud history, beginning with its founding in 1812 as a collection of books in the office of the Secretary of State and the appointment of the first full-time State Librarian in 1843. Another historic milestone was the establishment of the North Carolina Library Commission in 1909. The Commission's primary mission was to provide assistance, advice, and counsel to: all libraries; all communities that proposed to establish libraries; and all persons interested in the best means of establishing and administering libraries. By action of the General Assembly in 1955, the State Library and the Library Commission were merged to form a single State Library.

Today, the State Library is a division of the Department of Cultural Resources; and the State Library Commission, a 15-member group of citizens and professional librarians, advises the Secretary of Cultural Resources and the State Librarian on priorities and policy issues.

Under the authority of G.S.125, the State Library of North Carolina focuses its service to the people of the state in three ways:

(1) by working in partnership with local communities to develop and extend public library services statewide;

(2) by coordinating efforts among all types of libraries to improve library services and to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and

(3) by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped.

Part II – Financial Overview

The State Library's budget is divided into two funds:

- *Fund 1410 – State Library Services*: funds those State Library services provided to its customers. The budget of $4.4 million supports personnel, operating costs, library materials and resources, and other expenditures related to the direct delivery of library services and direct support for local library staff members. Today, the library employs 92.5 FTE.

- *Fund 1480 – Statewide Programs and Grants*: funds activities that help local libraries improve services and totals $21.4 million in state and federal funds. Major areas of expenditure include:

- Aid to Public Libraries Fund: funded in 1998-1999 at $16.9 million, with $2 million in non-recurring funds and $14.9 million in recurring funds. See Attachment A for a full description of this program.

- NC LIVE and Internet Access for Public Libraries: NC LIVE is the ground-breaking electronic library project that went online in April 1998 (see Attachment B). The State Library receives $1 million to fund public library participation in NC LIVE. The State Library also administers $783,000 in ongoing funds that assist local public libraries in accessing the Internet.

- Funds for children and reading services were added to the State Library's budget in 1998-99. The appropriation of $103,500 supports the statewide summer reading program, other programs for children and teens, and a portion of the activities of The North Carolina Center for the Book, a state affiliate of the Library of Congress program that promotes books, reading, and literacy.

- The Library Services and Technology Act (LSTA) is a new federal library program. It provides a block grant of approximately $3.5 million to the State Library to support programs in all types of libraries that use technology to improve services, build collaborative programs among libraries, and extend services to unserved and underserved North Carolinians. This year, the State Library has funded 105 LSTA grants to public libraries as well as libraries in schools, community colleges, and other publicly and privately funded academic institutions.

Last year, the General Assembly provided a total of $147,100 to the State Library for activities formerly supported under programs under a defunct federal program. The money goes to statewide programs for children and reading and the volunteer services component of the Library for the Blind and Physically Handicapped. The appropriation to the State Library also included $2 million in non-recurring funds for the Aid to Public Libraries Fund.

The State Library's budget to support direct service to its customers in Fund 1410 has, however, been reduced by over $1 million in the 1990s—a reduction of about 20%. The reductions in state funds have totaled almost $600,000, including 6 positions. With changes in federal funding programs, the State Library has also had to eliminate approximately $500,000 in federal funds that it had come to rely on for basic operations, resulting in the elimination of another 6 positions as well as funds for library materials and equipment. Lost funds have resulted in diminished levels of customer service and a significant cutback in the Library's book budget.

Based on a customer service survey conducted in 1997-98, increased funding for equipment as well as increases in the materials budget are the highest priority for the State Library in upcoming biennium. Equipment needs include computers, photocopiers, and microform readers.

DCR24

Part II - State Library Priorities and Services

The State Library's performance plan reflects its statutory mission and is based on input from its customers, including the State Library Commission and focus groups held in 1995 with representatives of the State's library community.

State Library Program Statement: Develop & promote library services - The purpose of this program is to provide library and information services and to assist local libraries in the development of programs, services, and facilities.

State Library Goal #1: Public Library Development: Develop and extend public library services for North Carolinians in partnership with local communities.

Customers: Public library users statewide, local government officials, public library staff members, and library board members and friends

Funds supporting this goal: 1410 - State Library Services & Programs &
1480 - Statewide Programs & Grants

Examples of strategies or activities directed toward this objective:

- In 1997-98, the State Library provided technical assistance to library staff, trustees, and friends statewide through 5,382 telephone and in-office consultations. The projected number of site visits to assist local libraries this year is 150. Last year, over 2,000 library staff members, trustees, and friends attended workshops sponsored by the State Library.

- The State Library administers the Aid to Public Libraries Program, which is distributed on a formula basis to libraries in all 100 counties through the 75 public library systems (see Attachment A for more information.) Annually, the State Library administers nearly 100-200 federal grants for libraries statewide.

- A comprehensive program designed to strengthen public library services for children and youth resulted in 124,000 children participating in local library programs that were made possible by the State Library's coordination and leadership.

- The public library statistics program provides information to assist local libraries in planning and evaluation. The State Library also participates in national library data collection efforts in partnership with the National Center for Education Statistics.

- The Center for the Book program promotes reading, books, and lifelong learning and helps local libraries develop programs and services. This program resulted in an increase from 271 in 1994-95 to 3,968 in 1997-98 in the number of adults attending local library programs supported by State Library.

- The State Library continues to monitor trends, needs, and issues to assure that its programs are responsive to the primary customers for this goal area.

State Library Goal #2: Coordinate and support statewide library network activities to assure equity of access to electronic information resources for all North Carolinians.

Customers: Users of all types of libraries statewide and North Carolina residents with access to the Internet.

Funds contributing to objective: 1410 - State Library Services & 1480 - Statewide Programs & Grants

Description of strategies or activities directed toward this objective:

- The State Library is a partner in NC LIVE, the statewide electronic library, making resources available through libraries statewide--including the full-text of 3,500+ magazines and newspapers as well as indexes to guide people to information in over 11,000 publications. (See Attachment B for more information.)

- Technical assistance and continuing education for library staff statewide.

- Federal grants to public and academic libraries to support improved access to the Internet for their library users.

- The State Library currently supports electronic mail accounts for over 500 library staff members from around the state, funds and manages nearly 500 Internet accounts for library staff statewide, and administers electronic discussion groups to foster communication and the exchange of information among library staff members statewide.

- The State Library also makes sharing of print resources possible among 182 smaller libraries of all types in the state, a service that delivered nearly 60,000 books and articles to North Carolinians in 1997-98.

- Today, all public library staff in North Carolina have the opportunity to access the Internet and nearly all of the 75 public library systems in North Carolina offer or are planning to offer public access to the Internet as a service to users.

State Library Goal #3: Provide library and information resources for North Carolinians to promote knowledge, education, and business.

Customers: State agency personnel, local government officials, businesses, and the general public, with the emphasis on genealogical researchers and North Carolina residents with visual and physical impairments

Funds contributing to objective: 1410 - State Library Services

Description of strategies or activities directed toward this objective:

- The State Library manages the State Publications Clearinghouse, a coordinated program to collect, catalog, and distribute state publications in print and microfiche to 30

depository libraries statewide. In 1997-98, this program cataloged and distributed over 51,168 state publications.

- The State Library assists other state agencies in cataloging and making their library holdings available in the library's online catalog.

- In a special demonstration project, the State Library is using the North Carolina Government Information Locator Service (NC GILS) to make state government web resources more readily accessible to North Carolinians over the Internet.

- The State Library acquires, catalogs on-line, processes, and provides access to a varied collection of books, magazines, electronic information resources, and videos in excess of 208,000 items. In 1997-98, the Library responded to nearly 25,000 requests for information, and over 160,000 items from the collection were used in-house or checked out.

- The State Library's Web site, which includes the electronic *North Carolina Encyclopedia*, was accessed 1.3 million times during the last year.

- The regional Library for the Blind and Physically Handicapped serves over 12,000 users statewide and circulated over 427,000 items last year.

- The State Library loaned over 30,000 books, videos, and other library materials to help other libraries serve their patrons last year.

DCR 27

Attachment A

Fact Sheet: The Aid to Public Libraries Fund

For more than 50 years, the General Assembly has provided financial support for North Carolina's public libraries. From an original appropriation of $100,000 in 1941, the Aid to Public Libraries Fund has continued and evolved.

Chapter 153 of the General Statutes of North Carolina (the chapter dealing with counties) contains the "Declaration of State policy" that says: *The General Assembly recognizes that the availability of adequate, modern library services is in the general interest of the people of North Carolina and a proper concern of the State and of local governments. Therefore, it is the policy of the State of North Carolina to promote the establishment and development of public library services throughout the state.* Chapter 125, which is the chapter dealing with the State Library, re-iterates that policy and established the state aid program: *For promoting, aiding, and equalizing public library service in North Carolina a sum shall annually be appropriated out of moneys within the State treasury to be known as the Aid to Public Libraries fund.*

Today 75 county, regional, and municipal library systems serving all 100 counties receive state aid--51 single-county libraries, 15 regional libraries serving 49 counties, and 9 municipal libraries that meet the minimum standards to qualify.

The current formula went into effect in 1983-84--and includes two components:

- ✓ A block grant: one-half of the appropriation is divided among the qualifying libraries. Each county receives one grant, and a multi-county regional library receives a block grant for each county plus an additional one for the region. Municipal libraries do not receive a block grant.

- ✓ Per Capita Equalization Grant: one-half of the appropriation is allocated under a weighted per capita grant inversely proportional to the average per capita income of people residing in the library's legal service area.

State aid is 20% or more of the operating budget for public libraries in 63 counties; and a total of 78 counties depend on the program for 15% or more of their public library operating funds. Statewide, state aid equals 12% of the total expenditures for public library service; however, that amount varies from a low of 3% in Charlotte-Mecklenburg to a high of 49%. For municipal libraries that do not receive a block grant, state aid represents an even lower percentage of operating expenditure.

Currently, state aid gives North Carolina public libraries considerably less buying power than they had in 1987, yet the number of people being served and demand for services is greater than at any time in their history. During the past four years, the General Assembly increased the Aid to Public Libraries Fund to an all-time high of $16.9 million, which represents $2.21 per capita. Even with these increases, the per capita Aid to Public Libraries appropriation this year is only $.53 more than the per capita appropriation in 1987. If the appropriation were to keep pace with inflation, it would be $2.41 per capita, or $18.5 million. The $2 million appropriated for the current year is non-recurring, so the Fund will drop to $14.9 million (or $1.95 per capita) if additional funds are not appropriated.

(1.19.99)

DCR 28

Attachment B

NC LIVE
Your Library Link to the World

April 1998 marked the beginning of a new era in library service to the people of North Carolina. With the launch of NC LIVE—North Carolina LIbraries for Virtual Education—every North Carolina community gained access to a state-of-the-art service available via the Internet.

NC LIVE provides:

- User friendly access to information, with the added bonus of expert librarians to help people with their search
- Over 3,500 magazines and newspapers
- Indexes that help people locate information in 11,000 publications
- And soon, the ability for library users to log on from home!

NC LIVE is a partnership of The University of North Carolina System (16 institutions), the North Carolina Community College System (58 institutions), the State Library of North Carolina (for public libraries serving all 100 counties), and the North Carolina Center for Independent Higher Education (36 institutions). A unique public-private venture between the state-funded organizations and the state's private colleges and universities, NC LIVE has leveraged their buying power to expand access to information statewide.

The current appropriation from the General Assembly is $2.7 million. Funds pay for subscriptions to the electronic publications and the technical infrastructure to allow all participating libraries to access information online. Each partner contributes not only funding but its special expertise to make the project a success. The University of North Carolina's institutions provide their exceptional technological expertise and the State Library offers training and support. Representatives of all the organizations help with governing, planning, and implementation.

NC LIVE **"levels the playing field"** so that rural isolation, community or institutional financial constraints, and limited local library resources are not barriers to accessing information. Everyone benefits!

DEPARTMENT OF CULTURAL RESOURCES

STATE LIBRARY SERVICES - FUND 1410

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 4,358,933	$ 4,964,363	$ 4,387,102	$ 4,382,194
Receipts	$ 241,071	$ 666,573	$ 34,700	$ 34,700
General Fund Appropriation	$ 4,117,862	$ 4,297,790	$ 4,352,402	$ 4,347,494
Number of positions	92.00	92.00	92.00	92.00

Source: 1999-2001 Continuation Budget Document

DCR 30

DEPARTMENT OF CULTURAL RESOURCES

STATEWIDE PROGRAMS AND GRANTS - FUND 1480

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 19,905,063	$ 22,164,192	$ 20,436,201	$ 20,436,201
Receipts	$ 3,219,548	$ 2,379,439	$ 3,651,448	$ 3,651,448
General Fund Appropriation	$ 16,685,515	$ 19,784,753	$ 16,784,753	$ 16,784,753
Number of positions	2.00	2.00	0.00	0.00

Source: 1999-2001 Continuation Budget Document

DIVISION OF ARCHIVES AND HISTORY

DCR 32

Division of Archives and History

Overview

The Division of Archives and History is the largest division in the Department of Cultural Resources. It is also the third oldest state historical agency in the country, having been formed in 1903. Nationally recognized, the Division of Archives and History has received a number of awards, including the first Distinguished Service Award of the Society of American Archivists in 1969 and the James Harvey Robinson Prize of the American Historical Association in 1984.

The Division of Archives and History is organized into sections based on program functions and activities as mandated by state law; intersectional functions are provided by the Director's Office (divisional administration). The Western Office in Asheville is also intersectional in nature but treated as a separate fund for budgetary purposes.

The division currently employs 420 permanent staff. Seventeen of these positions were added effective FY 1997-98, when the North Carolina Maritime Museum (Beaufort, Carteret County) was transferred from the Department of Agriculture to Cultural Resources.

The division's current challenges include:

- Continuing the timely development of the means and methods for life-cycle management of digital public records on behalf of state and local governments
- Maintaining the increasing number of historic resources under divisional care
- Providing an equitable distribution of public history services across the state
- Coping simultaneously with the continued increase in public service requests and the decline in appropriated funds for general divisional services

DCR 33

Division Administration (Director's Office) – Fund 1210

Divisional administration provides overall coordination and control of state public history management and intersectional programming and directly supplies a variety of services:

- Public/Private Partnerships. Provides staff for the Federation of North Carolina Historical Societies, Inc. (uniting over 220 such organizations in all 100 counties), for the North Carolina Literary and Historical Association, Inc., and for a new consortium of coastal public history interests, the N. C. Maritime Heritage Trail. The division also provides staff support for the North Carolina Historical Commission—the statutory authority for rule-making and grants review for history programs of the state,

- Research. The administration's Research Branch serves as the division's ultimate point of review for research-related historical matters, provides internal research reports, manages and operates the Highway Historical Marker program, and answers general research inquiries.

- Field Services. Educational and public service programs are provided through the Western Office (Asheville), Historic Stagville (Durham County) and the Outer Banks History Center (Dare County).

- Divisional Computing. Provides research and development and direct technical and administrative support for digital records management, the division's Internet and Intranet presence, and intradivisional databases and networking.

- Intersectional Planning and Supervision. Current examples include: the administration of the "QAR Project" centering on the recently discovered early 18th century shipwreck believed to be Blackbeard's flagship, *Queen Anne's Revenge*; the "2003 Project"—the commemoration of the one-hundredth anniversary of Archives and History; and the "Certified Services Program"—a means of warranting the delivery of public history services to citizens, educational institutions, and visitors

The office also oversees the division's general business and financial operations, provides curatorial services for the Executive Mansion, and provides an employee and "pass through" funds to the First Flight Centennial Commission.

DCR34

DEPARTMENT OF CULTURAL RESOURCES

DIVISION OF ARCHIVES AND HISTORY - ADMINISTRATION - FUND 1210

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,417,125	$ 2,474,846	$ 2,010,245	$ 2,010,245
Receipts	$ 88,028	$ 80,280	$ 81,844	$ 81,844
General Fund Appropriation	$ 1,329,097	$ 2,394,566	$ 1,928,401	$ 1,928,401
Number of positions	20.00	26.00	26.00	26.00

Source: 1999-2001 Continuation Budget Document

DCR 35

Historical Publications - Fund 1220

This section publishes and sells journals, pamphlets, and books on the history of North Carolina. Recent titles include *Guilford County: A Brief History*; *Ship Ashore! The United States Lifesavers of Coastal North Carolina*; and *A History of African Americans in North Carolina*. Ongoing documentary projects include *North Carolina Troops, 1861-1865: A Roster* and *The Colonial Records of North Carolina*. The quarterly *North Carolina Historical Review* has been published continuously since 1924 and contains timely articles on the state's history. Both schoolchildren and adults are the principal purchasers of the more than 100 titles offered for sale.

DCR 36

DEPARTMENT OF CULTURAL RESOURCES

HISTORICAL PUBLICATIONS - FUND 1220

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 796,000	$ 677,652	$ 679,320	$ 709,320
Receipts	$ 114,812	$ -	$ -	$ -
General Fund Appropriation	$ 681,188	$ 677,652	$ 679,320	$ 709,320
Number of positions	14.50	14.50	14.50	14.50

Source: 1999-2001 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

HISTORICAL PUBLICATIONS - PRINTING - FUND 2220

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 87,528	$ 200,000	$ 185,000	$ 185,000
Receipts	$ 269,166	$ 200,000	$ 185,000	$ 185,000
Increase (Decrease) in Cash Balance	$ 181,638	$ -	$ -	$ -
Beginning Cash Balance	$ -	$ 181,638	$ 181,638	$ 181,638
Ending Cash Balance	$ 181,638	$ 181,638	$ 181,638	$ 181,638
General Fund Appropriation	$ -	$ -	$ -	$ -
Number of Positions	1.00	1.00	1.00	1.00

DCR 38

Archives and Records Section - Fund 1230

The Archives and Records Section conducts statewide archival and records management programs for state, county, and municipal government to provide economical and efficient preservation, maintenance, and access to public records. The State Archives contains the records of the colony and state of North Carolina from the 17th century to the present. The land grants previously serviced by the Secretary of State were transferred to the Archives in 1993. In addition, the Archives collects and preserves private papers, photographs, audiovisual materials, maps, and other documents of historical value. Some 16,000 visitors a year use the State Archives in person; about 15,000 mail requests are processed each year. Users include genealogists, historians, attorneys, and state agency staffs.

The section also is responsible for administering a complete records management program for records of state and local government and for the community college and university systems as required by GS 121 and 132. Records management activities include inventory and appraisal of public records, development of records retention and disposition schedules, operation of the State Records Center for the efficient and low-cost storage of semicurrent records, providing comprehensive micrographic and other reformatting services, offering training workshops for public employees on records management issues, and providing consultation advice and assistance on records to public agencies and employees across the state.

The Archives and Records Section currently faces two major challenges. The first is handling the proliferation of public records resulting from the state's growth and prosperity. Land transactions and conveyances as well as court records have shown a particular escalation in number. There is a tremendous backlog in microfilming and preservation of county public records. The second challenge involves storage of the overflow of records from state agencies. Additional space is desperately needed for records storage. A short-term solution is to lease private warehouse space, while the long-term solution is to build a new state records center, as other southern states have done in the past few years.

Annual records management services:

- Over 4 million micrographic images produced
- Over 800 records management consultations with public agencies
- Over 25,000 requests for records from the State Records Center
- Over 40 records management training workshops conducted

DCR39

DEPARTMENT OF CULTURAL RESOURCES

ARCHIVES AND RECORDS - FUND 1230

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 3,139,070	$ 3,329,809	$ 3,077,275	$ 3,077,275
Receipts	$ 324,530	$ 243,181	$ 251,897	$ 251,897
General Fund Appropriation	$ 2,814,540	$ 3,086,628	$ 2,825,378	$ 2,825,378
Number of positions	75.00	73.00	73.00	73.00

Source: 1999-2001 Continuation Budget Document

DCR 40

State Historic Sites - Fund 1241

The mission of North Carolina Historic Sites is "preserving the past for all people" through interpreting, operating, maintaining, developing, and preserving the twenty-two state-owned historic sites located from the mountains to the coast telling North Carolina's story to her people and her visitors.

The Historic Sites Section serves some 719,000 visitors annually at the following sites: Alamance Battleground (Alamance County), Aycock Birthplace (Wayne), Historic Bath (Beaufort), Bennett Place (Durham), Bentonville Battleground (Johnston), Charlotte Hawkins Brown Memorial (Guilford), Brunswick Town (Brunswick), CSS *Neuse*/Caswell Memorial (Lenoir), Duke Homestead (Durham), Fort Dobbs (Iredell), Fort Fisher (New Hanover), Historic Edenton (Chowan), Historic Halifax (Halifax), Horne Creek Living Historical Farm (Surry), House in the Horseshoe (Moore), North Carolina Transportation Museum (Rowan), Polk Memorial (Mecklenburg), Reed Gold Mine (Cabarrus), Somerset Place, (Washington and Tyrrell), Town Creek Indian Mound (Montgomery), Vance Birthplace (Buncombe), and Thomas Wolfe Memorial (Buncombe).

Off-site educational programs principally served 151,000 participants in school programs and people with other offerings in 1997. Around 111,000 students visited Historic Sites in 3,200 organized school groups and 45,000 general groups in 1997. Nearly 100,000 visitors attended over 120 special events and programs at various sites in 1997. Historic Sites personnel were represented at 108 off-site promotional shows. Over 3,500 volunteers contributed nearly 45,000 hours to programs at the site in 1997; this was the equivalent of approximately 24 full time employees. Nearly 1,000 offenders gave over 18,000 hours of court-ordered or inmate labor during 1997. Fifteen donors gave $32,000 worth of major in-kind and artifact gifts to the Section in 1997. The Section received $182,215 in 20 grants and cash gifts during the period.

The Section maintains 236 buildings totaling 650,000 square feet as well as other structures such as a gold mine, civil war ironclad and earthen forts. Historic Sites used both historically furnished structures and modern exhibit areas to interpret our sites. In August 1998, we have 68,500 square feet of interior furnished space and 126,177 square feet of modern exhibit space. The Section maintains around 1,800 acres at the twenty-two historic sites.

Some projects of interest in 1999 at Historic Sites are the 200th anniversary of the discovery of gold at Reed Gold Mine, continuance of the research and rebuilding of the slave structures and culture at Somerset Place, the initiation of fundraising for the Back Shop restoration at North Carolina Transportation Museum, completion of the exterior restoration of the Chowan County Courthouse, continued community and support group efforts toward saving additional sections of the battleground at Bentonville, and the beginning of rebuilding the Thomas Wolfe Memorial after last summer's arson fire.

DEPARTMENT OF CULTURAL RESOURCES

STATE HISTORIC SITES - FUND 1241

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 8,342,002	$ 10,855,943	$ 7,275,755	$ 7,218,917
Receipts	$ 259,653	$ 80,202	$ 86,502	$ 83,502
General Fund Appropriation	$ 8,082,349	$ 10,775,741	$ 7,189,253	$ 7,135,415
Number of positions	142.00	142.00	142.00	142.00

Source: 1999-2001 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

HISTORIC SITES SALES DESKS - FUND 5241

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 124,218	$ 85,758	$ 85,758	$ 85,758
Receipts	$ 103,201	$ 85,758	$ 85,758	$ 85,758
Increase (Decrease) in Cash Balance	$ (21,017)	$ -	$ -	$ -
Beginning Cash Balance	$ 63,745	$ 42,728	$ 42,728	$ 42,728
Ending Cash Balance	$ 42,728	$ 42,728	$ 42,728	$ 42,728
General Fund Appropriation	$ -	$ -	$ -	$ -
Number of Positions	1.00	1.00	1.00	1.00

Source: 1999-2001 Continuation Budget Document

DCR 43

Tryon Palace Historic Sites & Gardens – Fund 1242

Tryon Palace Historic Sites & Gardens in New Bern is North Carolina's oldest historic site. It has been open to the public for forty years and currently serves more that 90,000 visitors a year. Tours and history education programs are offered daily 360 days a year. Programs in North Carolina history include guided tours, concerts, workshops, lectures, re-enactment programs, garden demonstrations and programs, character interpretation and dramatic presentations, crafts and domestic skill demonstrations, archaeological digs and period dance programs (minuet and 18th and 19th century country dance). The lead attraction is the restored 18th century governor's palace, which also served as the government house for the colony of North Carolina and as North Carolina's first state capitol. The other sites open to the public include the home of North Carolina patriot John Stanly (1779), the Dixon-Stevenson House (ca. 1830), the Robert Hay House (ca. 1804), the New Bern Academy (ca. 1809) and 14 acres of formal gardens and kitchen gardens.

The mission of Tryon Palace Historic Sites & Gardens is history education which is accomplished through numerous programs throughout the year for both adults and children. More than 15,000 school children come each year to learn more about their heritage as North Carolinians: curriculum based programs are available for 2nd graders, 4th graders, 6th graders, 8th graders and high school students. More than a thousand North Carolina educators receive the Living History Classroom, an educational newsletter sent free twice a year to provide classroom activities and information about North Carolina's colonial capitol. An African American history research project was initiated in 1998 to augment our interpretation of African American history in the central coastal area of North Carolina. Professional staff members present history education programs throughout North Carolina each year. In 1998, a special exhibit of artifacts from Tryon Palace Historic Sites & Gardens was held in Charlotte and in Asheville.

Tryon Palace Historic Sites & Gardens is accredited by the American Association of Museums (AAM). This is a significant recognition of professional achievement: of the 9,000 AAM members in the United States, only about 700 are accredited.

Heritage tourism is an important growing industry in North Carolina. Visitors to Tryon Palace Historic Sites & Gardens typically stay two to five nights in area hotels and combine their visit to Tryon Palace with visits to other North Carolina heritage tourism sites. Tryon Palace Historic Sites & Gardens contributes significantly to the economy of the central eastern area of the North Carolina coast and to the North Carolina tourism industry.

Tryon Palace generated more than $570,000 in receipts through paid admissions in fiscal year 1997-1998.

DCR 44

DEPARTMENT OF CULTURAL RESOURCES

TRYON PALACE HISTORIC SITES AND GARDENS - FUND 1242

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 2,171,836	$ 3,086,259	$ 2,588,425	$ 2,584,425
Receipts	$ 881,508	$ 890,444	$ 892,009	$ 892,009
General Fund Appropriation	$ 1,290,328	$ 2,195,815	$ 1,696,416	$ 1,692,416
Number of positions	45.00	55.00	55.00	55.00

Source: 1999-2001 Continuation Budget Document

DCR 45

State Capitol/Visitor Services Section -- Fund 1243

The section annually serves over 400,000 people who visit the National Historic Landmark 1840 State Capitol (177,101 visitors), the Executive Mansion (50,864 visitors), and the Capital Area Visitor Center (73,405 visitors). The staff annually provides scheduling services and printed itineraries to approximately 3,200 school classes (111,850 students) touring the three state museums, the Capitol, the Legislative Building, and the Mansion. Thousands of North Carolina schoolchildren participate in educational programs provided by this section each year. The staff provides educational programs to visitors on the history and architecture of the Capitol and the Mansion, and the history and functions of state government. The Capitol and visitor center are open to the public seven days a week, 360 days a year. In addition to daily tours of the Capitol and seasonal tours of the Mansion and gardens, the programs include a variety of special event programs, an ongoing schedule of public lectures, workshops, and historical drama programs (living history presentations). Members of the staff coordinate over 100 special events held at the Capitol as well as develop and present educational presentations throughout the state. The nonprofit State Capitol Foundation, composed of twenty-four leading citizens of the state, seek funding and support to assist with Capitol restoration and education programs. Ongoing restoration of the Capitol includes interior and exterior painting, electrical rewiring, installing a new elevator, and lighting Union (Capitol) Square. The anticipated completion date for the current projects is January 2000.

The Capital Area Visitor Center is presently located in the 1914 Andrews-London House, on the corner of Blount and Lane Streets. A new visitor center is being designed and will be located on the corner of Edenton and Wilmington Streets. An updated scheduling program will enable teachers to schedule tours, receive itineraries, and communicate more efficiently via Internet. Each day hundreds of national and international visitors, as well as several thousand N. C. schoolchildren will receive services at the center. Students will be safely unloaded onsite at the center, receive orientation in the 196-seat auditorium, visit restrooms, store and eat their lunches onsite (outside and inside picnic areas available), view traveling and permanent exhibits in two galleries, and participate in educational programs in one of three classrooms. The new center will have areas available for meetings, receptions, dramas, galas, and other special events and ceremonies. Underground parking will be available for visitors and state government employees.

DCR46

DEPARTMENT OF CULTURAL RESOURCES

STATE CAPITOL / VISITOR SERVICES - FUND 1243

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 458,231	$ 469,011	$ 470,720	$ 470,720
Receipts	$ 394	$ 100	$ 100	$ 100
General Fund Appropriation	$ 457,837	$ 468,911	$ 470,620	$ 470,620
Number of positions	11.00	11.00	11.00	11.00

Source: 1999-2001 Continuation Budget Document

North Carolina Maritime Museum – Fund 1245

The North Carolina Maritime Museum in Beaufort was transferred from the Department of Agriculture to the Department of Cultural Resources during the 1997 Session of the North Carolina General Assembly.

The North Carolina Maritime Museum's annual visitation is over 230,000 people. That figure includes 60 percent in-state, 35 percent out-of-state, and 5 percent foreign. Some 80,000 school children visit the museum every year for general tours, special children's programs, and the Summer Science School for young students. The Friends of the North Carolina Maritime Museum, the museum's 501(c)(3) support group, is composed of 1,600 paid members. The Museum is accredited by the American Association of Museums, the highest professional certification available in North America. The museum is open to the public seven days a week, 360 days a year.

The North Carolina Maritime Museum is a treasure-trove of collections, exhibits, boats and a library filled with a wide variety of books on marine topics. The Museum's Watercraft Center offers evening and weekend classes in boatbuilding, model building, and half model construction. The museum's Cape Lookout Studies Program conducts overnight field programs of several days duration. The North Carolina Maritime Museum is the designated repository for the conservation and stabilization of the underwater archaeology artifacts recovered from Blackbeard's flag ship the Queen Anne's Revenge.

In 1998 the museum purchased for 3.5 million dollars a 36-acre waterfront site for museum expansion. The North Carolina Maritime Museum has just acquired 36 acres of property with 1,852 feet of estuarine shoreline in Beaufort to support the museum's expansion needs for the next 25+ years. The basic concept for this property is to build a turn of the century maritime village where there will be displays of tall ships, programs for junior sailing and boat builders, and educational exhibits and programs on maritime history. The museum's mission is to preserve and interpret all aspects of the rich maritime heritage found in North Carolina's coastal environment, through educational exhibits, programs and field trips.

DEPARTMENT OF CULTURAL RESOURCES

NC MARITIME MUSEUM - FUND 1245

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,073,806	$ 834,581	$ 853,866	$ 853,794
Receipts	$ 251,776	$ 300	$ 300	$ 300
General Fund Appropriation	$ 822,030	$ 834,281	$ 853,566	$ 853,494
Number of positions	17.00	17.00	17.00	17.00

Source: 1999-2001 Continuation Budget Document

State Historic Preservation Office (Archaeology and Historic Preservation)
Fund 1250

This section identifies, protects, and enhances the historic resources of North Carolina through a coordinated statewide program of information and assistance for public agencies, private organizations, and the state's citizens to enable them to undertake successful historic preservation planning and project implementation. Section programs include the processing of nominations to the National Register of Historic Places, comprehensive architectural and archaeological surveys, site excavations and interpretation, and technical assistance for the care and treatment of historic buildings. It functions as the state clearinghouse for federal and state protection and incentive programs for properties that qualify for the National Register of Historic Places.

The Historic Preservation State Tax Credits law was enacted by the General Assembly in 1997 and became effective January 1, 1998. The Historic Preservation Office administers the preservation tax credits program and in calendar year 1998, this office processed 201 applications for non-income-producing historic structures representing 136 projects with a total rehabilitation cost of $9.9 million.

In addition, during calendar year 1998, the section processed 163 Historic Preservation Certification Applications for federal and state historic rehabilitation tax credits for income-producing historic structures representing 102 projects with a total rehabilitation cost of $90.2 million.

In state fiscal year 1997-1998 the section processed nearly 3,200 requests for environmental review related to construction and development, and provided approximately 13,000 additional consultations and services at public request. Currently, 39 cities and counties throughout the state are Certified Local Governments (CLGs)--a federally authorized designation that bestows funding preference under a small federal preservation grants program administered through the State Historic Preservation Office.

DCR 50

DEPARTMENT OF CULTURAL RESOURCES

ARCHAEOLOGY AND HISTORIC PRESERVATION - FUND 1250

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 2,233,292	$ 2,242,409	$ 2,238,076	$ 2,238,076
Receipts	$ 862,415	$ 868,885	$ 862,157	$ 862,157
General Fund Appropriation	$ 1,370,877	$ 1,373,524	$ 1,375,919	$ 1,375,919
Number of positions	44.75	44.50	44.50	44.50

Source: 1999-2001 Continuation Budget Document

DCR 51

Western Office – Fund 1290

Located in Asheville, the Western Office provides program services in the areas of archaeology, historic preservation, archives and records management, historic sites programming, museum planning and development, and local historical agency assistance to over one-quarter of the counties of the state.

The Western Office serves the following counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Cherokee, Clay, Cleveland, Gaston, Graham, Haywood, Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Surry, Swain, Transylvania, Watauga, Wilkes, and Yancey.

The following is a list of specific duties performed, including statistics: surveys of significant properties and archaeological sites (28); assistance with National Register nominations and study list applications (10, 69); consultations on restoration of historic properties, including Tax Act projects (602); records management consultations (174); preservation of significant archival materials (156 cu. ft); consultations with regional museums and historical organizations (48); historic site consultations (112); photographic services (approximately 12,000 photographic images), presentation of public programs to schools and civic groups (46); and environmental review (798).

DCR 52

DEPARTMENT OF CULTURAL RESOURCES

WESTERN OFFICE - ARCHIVES AND HISTORY - FUND 1290

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 352,874	$ 363,552	$ 369,399	$ 372,704
Receipts	$ 3,068	$ 150	$ 150	$ 150
General Fund Appropriation	$ 349,806	$ 363,402	$ 369,249	$ 372,554
Number of positions	7.00	7.00	7.00	7.00

Source: 1999-2001 Continuation Budget Document

NORTH CAROLINA MUSEUM OF HISTORY

DCR54

North Carolina Museum of History Division

Mission

The North Carolina Museum of History Division promotes the understanding of the history and material culture of North Carolina for the educational benefit of North Carolinians. Through collections and historical interpretation, its museums encourage citizens and visitors to explore and understand the past; to reflect on their own lives and their place in history; and to preserve state, regional, and local history for future generations.

Overview

The Museum opened to the public in 1902 as the Hall of History in the State Museum of Natural History, located in the old Agriculture Building. In 1914 it joined the State Archives and Historical Publications Program as part of the North Carolina Historical Commission and moved to the old Supreme Court building. In 1939 the Museum moved to the Education Building, and in 1968 to the new Archives and History/State Library Building. Beginning in 1979, three other institutions became part of the Museum of History: the Museum of the Albemarle in Elizabeth City, the Museum of the Cape Fear in Fayetteville, and the Mountain Gateway Museum in Old Fort. These regional museums enhance the statewide presence of the Museum of History through exhibits, programs, and the extensive involvement of the communities they serve.

The Museum's new Raleigh facility opened to the public on April 23, 1994 with four new exhibits and a series of special celebrations. Since that time the Museum opened a total of 40 new exhibitions, hosted over 872 public programs for 92,744 participants, and toured some 299,440 in groups (primarily schoolchildren). During October 1997 the Museum's one millionth visitor entered.

On February 1, 1996, the Museum became a separate Division of the Department of Cultural Resources.

The Museum of History as a whole develops, produces, and maintains over 63,000 square feet of long- and short-term exhibits with interpretive programs and special events. Biennial visitation for 1996-1998 was 624,719. The Museum also provided outreach to 1,772,206 people in school and community groups through the Tar Heel Junior Historians, the Audiovisual Loan Service, publications, traveling exhibits, and outreach services. The Museum's activities provide access to collections numbering over 300,000 artifacts representing all aspects of North Carolina's history.

The North Carolina Museum of History Associates, the Museum's statewide support group, is the largest such group for a state history museum in the country with over 15,000 members, and promotes the Museum in every county of the state by providing educational resources, programs, and membership involvement in the Museum.

Current Status, Goals, and Strategies

The Museum is currently working with the Human Resources Division of the Department of Cultural Resources and the Office of State Personnel on its first position study in over 20 years. The completion of the study will provide a sound basis for staff development in the coming years.

Work on capital projects (Raleigh restaurant, Elizabeth City new building, Fayetteville building and Arsenal Park, Old Fort amphitheatre and restrooms) continues to place demands on staff but will provide great improvements in service delivery and accessibility. The capital campaign to raise funds for exhibits for the new Museum of the Albemarle more than doubled its goal, raising over $1.7 million.

Outreach program development (technology access, traveling exhibits, collaborative programs, Tar Heel Junior Historians, audiovisuals) will become a critical linkage between the four museums of the Museum of History and the counties they serve across the state.

Within the framework of preserving and promoting historical properties, the Museum's overall objective is to increase the percentage of visitors who express an enhanced appreciation of North Carolina History. The primary strategies involved are to complete capital projects now in progress, improve the management and coordination of Museum resources through constant evaluation, and continue to develop the four museums as an effective statewide organization.

DEPARTMENT OF CULTURAL RESOURCES

MUSEUM OF HISTORY - FUND 1500

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 4,743,598	$ 9,092,869	$ 4,769,849	$ 4,769,849
Receipts	$ 94,522	$ 21,040	$ 21,040	$ 21,040
General Fund Appropriation	$ 4,649,076	$ 9,071,829	$ 4,748,809	$ 4,748,809
Number of positions	100.00	102.00	102.00	102.00

Source: 1999-2001 Continuation Budget Document

DCR57

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION RESERVE - FUND 1992

MUSEUM OF THE ALBEMARLE

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ -	$ -	$ -	$ 923,900
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ -	$ -	$ -	$ 923,900
Number of positions	0.00	0.00	0.00	15.00

Source: 1999-2001 Continuation Budget Document

ROANOKE ISLAND COMMISSION

DCR 59

THE ROANOKE ISLAND COMMISSION, an independent commission situated within the NC Department of Cultural Resources for historic resource management, organizational and budgetary purposes was established by legislation in 1994 (GS 141B-131.1). The 24 member Commission was created to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island, the birthplace of English speaking America.

Roanoke Island Festival Park, home of the "Elizabeth II" is nearing the completion of a large capital improvement project which has resulted in a major state site with facilities that provide history, education, and the arts year-round in celebration of our State's place of historic honor as the birthplace of English speaking America.

In 1984 the Elizabeth II State Historic Site opened as part of America's 400th Anniversary. The site's initial facilities were the 69' foot representative 16th century vessel, "The Elizabeth II", a "settlement site", a 50 seat orientation space, a welcome center, a small exhibit area with support offices. The Roanoke Voyages Corridor was established as a permanent memorial to the birthplace of English speaking America.

In 1988 also on this 24 acre site, the Outer Banks History Center, a 6,200. Sq. ft. public research library and manuscript repository was opened. This facility is administered separately under NCDCR, Division of Archives and History.

With approved capital improvement funding, construction began in August 1996 to further develop the site with the following results:

SEPTEMBER, 1997:

- Gallery opened for art exhibits, workshops, conferences, small performances, and rehearsals among a multitude of uses.
- Dressing Areas for living history interpreters and storage space for interpretive garb and props opened.
- Maintenance facility including working shop area for site's multiple facilities, ship, grounds and housekeeping became operational.
- Nature boardwalks along the perimeter of the site for public enjoyment as well as additional interpretive activities opened.
- Previous site facilities were refurbished as needed.

MAY, 1998:

- Outdoor, soundside performance Pavilion opened for its premier season of concerts and activities with its primary function as performance space for the Roanoke Island Institute of the NC School of the Arts which resulted in 45 fine arts performances ranging from the send-off performance of the full International Orchestra for their

European tour to varied musical performances in classical, jazz, etc. to dance.

The NC Maritime Museum on Roanoke Island opened a small working boatshop to offer visitors insight into the region's maritime heritage and to see restoration and traditional boatbuilding in progress. This is a cooperative effort between the State's NC Maritime Museum in Beaufort, Roanoke Island Festival Park and the Town of Manteo.

Site landscaping completed Spring, 1998.

JULY, 1998:

Museum Store relocated from a previous corner in the welcome center. Sales are breaking records for retail operations.

230 seat film theatre opened with an array of children's programs, plays, and meetings in addition to the NC School of the Arts programs.

Small 50 seat orientation auditorium refurbished.

OCTOBER, 1998:

Installation in film theatre of "The Legend of Two Path", a 40 minute docudrama on the region's Native American heritage.

8,500 sq. ft. of interactive, hands-on history exhibits opened unfolding and immersing visitors in the heritage of the birthplace of English speaking America from 1500 - 1900.

Grand mall (between film theatre and exhibit hall) opened with seating and refreshments available for visitors whose site experience can now easily encompass 3 hours.

IN PROCESS, WINTER/SPRING 1999:

Construction of housing units for seasonal staffing including interpreters, interns, and the Roanoke Island Institute of the NC School of the Arts faculty and performers. Seasonal rehearsal space has been procured thru local school facilities.

WUNC Public Radio will open a small studio to bring public radio to the region. A storage area in the new facilities will be converted for this use.

Staffing of the above facilities consists of:

An Executive Director;

Operations Officer and site clerical support of three;

Cultural Arts Program and Visitor Services Director and support staff of four with seasonal assistance

Education and Interpretation Director & Ship's Captain with support staff of nine to oversee Ship and Settlement Site interpretation as well as Exhibit Hall interpretation

DCR61

with seasonal assistance to meet visitor demand.
Communications Director
Facilities Maintenance Director with
support staff of eleven to maintain facilities, grounds, security and housekeeping with seasonal assistance to meet demand.
Maritime Curator and volunteers to staff maritime operation
Roanoke Voyages Corridor Administrator part-time to administer legislative responsibility for the Corridor.
Museum Store is staffed by non-profit organization.
Total year-round staff: 34
Seasonal assistance: 20-30 depending on programs offered
Ship is operated by dedicated volunteer crew that is on site the second weekend of each month for training and voyages. The "Elizabeth II" routinely sails fall and spring to other ports for school group visitation as well as community events.
Volunteers work throughout the organization in various roles.

From 1984 thru 1995, the Elizabeth II State Historic Site averaged 70,000 paid visitors and average annual revenues of $129,681. Despite the full site being engulfed by construction activities from August 1996 - Winter 1997, the site remained open and was able to still serve:

In 1997: 58,548 paid visitors resulting in $185,402 in revenues
In 1998: 66,323 paid visitors resulting in $229,164 in revenues.
Total of 112,066 participating visitors experienced the site as a result of new facility programs
The site is now in its first year of operations with full facilities.

The site is open year-round, 7 days a week closing only for Thanksgiving, Christmas and New Year's. During the summer season our location within a large tourism area creates a strong visitor base and fall and spring the site is further developing school and tour group visitation. Visitation is projected at 250,000 annually by 2003.

To avoid any confusion, the Roanoke Island Historical Association, the non-profit organization that has operated "The Lost Colony" since 1937, is a separate entity.

1-99/DH

DEPARTMENT OF CULTURAL RESOURCES

ROANOKE ISLAND COMMISSION - FUND 2584

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157
Number of Positions	32.00	32.00	32.00	32.00

THE NORTH CAROLINA SYMPHONY

DCR 64

THE NORTH CAROLINA SYMPHONY

PART 1 - SYMPHONY OVERVIEW

Founded in 1932, by Lamar Stringfield, the Symphony continues its commitment and service to the citizens of North Carolina through approximately 175 concerts for adults and school children in over 50 North Carolina counties. In 1943, the Symphony became the first state orchestra in the United States to receive a state grant for support on an ongoing basis (the "Horn Tootin' Bill") and has received state aid for the past 54 years.

In 1997-98 and 1998-99, the Symphony continues to travel extensively throughout the state to large and small communities. This season the orchestra will perform concerts and educational programs in **52 counties** which include **23 low per capita individual income or seldom visited counties.**

- Performs approximately **175 full-orchestra** concerts for adults and children.
- Performs approximately **60 to 65 full-orchestra music education concerts** for school children throughout North Carolina. (See attachment for 1998-99 Educational Concert Schedule.)
- Approximate annual **attendance 320,000**:
  Wake County 130,000
  Outside Wake County 190,000
- **80,000 to 90,000 school children** attend educational concerts and Young People's Concerts.
- The Symphony has **65 full-time musicians.** (Full-time employment of musicians makes school education concerts possible.)
- The Symphony rehearses approximately 100 to 110 times a season.
- Orchestra travels approximately **20,000** miles a season throughout the state of North Carolina

2 East South Street • Raleigh, North Carolina 27601-2337 • (919) 733-2750 • Telefax (919) 733-9920 • www.ncsymphony.org

DCR 65

The North Carolina Symphony
Legislative Overview
January 1999

PART II - FINANCIAL

The Operating/Program Budget of The North Carolina Symphony is a model example of the public and private sectors of our state's economy working together successfully.

In the early 1980's, State funding was approximately 70% of the operating budget, with 30% coming from the private sector. In 1984, this subcommittee asked the Symphony to make significant changes in the percentage of funding in order to reduce public funding and increase private funding. The Symphony has worked very hard to do this, and as of 1997-98, **private sector funding** has been **increased to 68%** of the budget with only **32%** coming from **state funding**.

SELECTED HIGHLIGHTS OF OPERATING/PROGRAM BUDGET FOR 1997-98:

Revenue		
State Grant-in-Aid	(28%)	$2,084,000.00
State Appropriations through DCR	(04%)	$ 330,000.00
	(32%)	$2,414,000.00
Private and Other Sources of Income	(68%)	$5,003,000.00
Total operating/program income	**(100%)**	**$7,417,000.00**
Highlights		
Ticket income - Wake County		$1,769,000.00
Ticket income - Outside Wake County		$ 439,000.00
Corporate Sponsorships in Triangle		$ 447,000.00
Expenses		
Cost of Performances Outside Wake County	(55%)	$4,037,000.00
Cost of Performances in Wake County	(22%)	$1,620,000.00
Cost of Marketing, box office, development, administration and education	(23%)	$1,646,000.00
Total operating/program expenses	**(100%)**	**$7,303,000.00**
Current Fee Structure:		
School Concert		$ 7,000.00
School Concert and Evening Concert		$ 15,000.00
Low Per Capita Income and Seldom Visited Counties -- School Concert and Evening Concert		$ 9,500.00

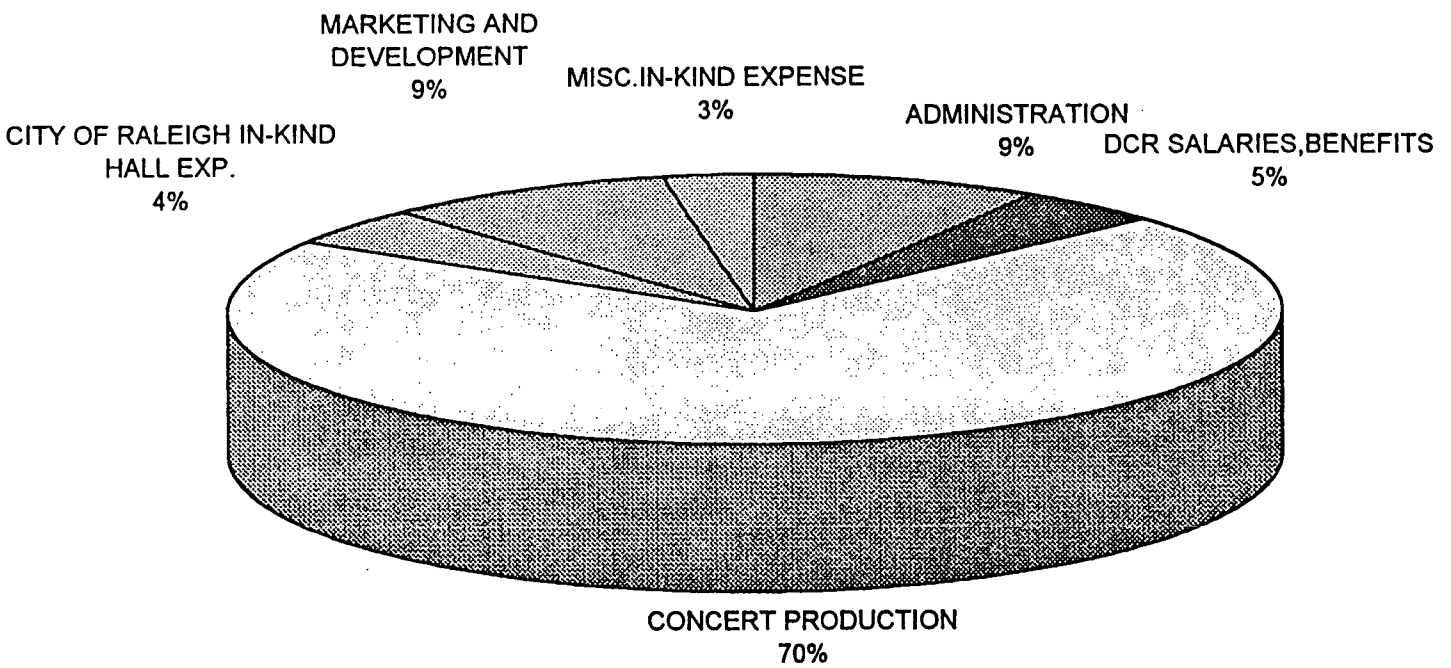
DCR 66

NORTH CAROLINA SYMPHONY SOCIETY, INC.
STATEMENT OF ACTIVITIES
DECEMBER 31,1998

REVENUE	FY98	PROJECTED FY99	PROJECTED FY2000
TICKETS/CONTRACTS	$ 2,618,678.00	$ 2,636,940.00	$ 2,807,023.00
OTHER REVENUE (INT.,FEES)	292,498.00	271,221.00	287,508.00
CONTRIBUTIONS (IND.,CORP.,FND.)	1,381,993.00	1,337,500.00	1,444,500.00
STATE OF NC GRANT-IN-AID	2,084,719.00	2,084,719.00	2,084,719.00
DEPT. OF CULTURAL RESOURCES	329,829.00	329,829.00	329,829.00
WAKE COUNTY **	65,000.00	32,500.00	32,500.00
TOWN OF CARY	30,000.00	30,000.00	30,000.00
TOWN OF CHAPEL HILL	2,300.00	2,300.00	2,300.00
CITY OF RALEIGH	50,000.00	50,000.00	50,000.00
OTHER GOVERNMENT	4,000.00	4,000.00	4,000.00
CITY OF RALEIGH IN-KIND HALL EXP.	321,935.00	321,935.00	321,935.00
FEDERAL (NEA)	25,000.00	25,000.00	25,000.00
MISC. IN-KIND DONATIONS	212,052.00	200,000.00	200,000.00
TOTAL REVENUE	$ 7,418,004.00	$ 7,325,944.00	$ 7,619,314.00
EXPENSE			
ADMINISTRATION	$ 642,788.00	$ 641,834.00	$ 670,984.00
DCR SALARIES,BENEFITS,MISC.	329,829.00	329,829.00	329,829.00
CONCERT PRODUCTION	5,123,408.00	5,240,379.00	5,449,820.00
CITY OF RALEIGH IN-KIND HALL EXP.	321,935.00	321,935.00	321,935.00
EDUCATION	24,785.00	25,000.00	26,000.00
MARKETING	460,073.00	444,000.00	461,760.00
DEVELOPMENT	188,259.00	154,950.00	161,148.00
MISC.IN-KIND EXPENSE	212,052.00	200,000.00	200,000.00
TOTAL EXPENSE	$ 7,303,129.00	$ 7,357,927.00	$ 7,621,476.00
NET INCOME	$ 114,875.00	$ (31,983.00)	$ (2,162.00)

** 1998 WAS AN ACCOUNTING ADJUSTMENT TO RECOGNIZE A PLEDGE

NORTH CAROLINA SYMPHONY EXPENSE FY98



DCR 67

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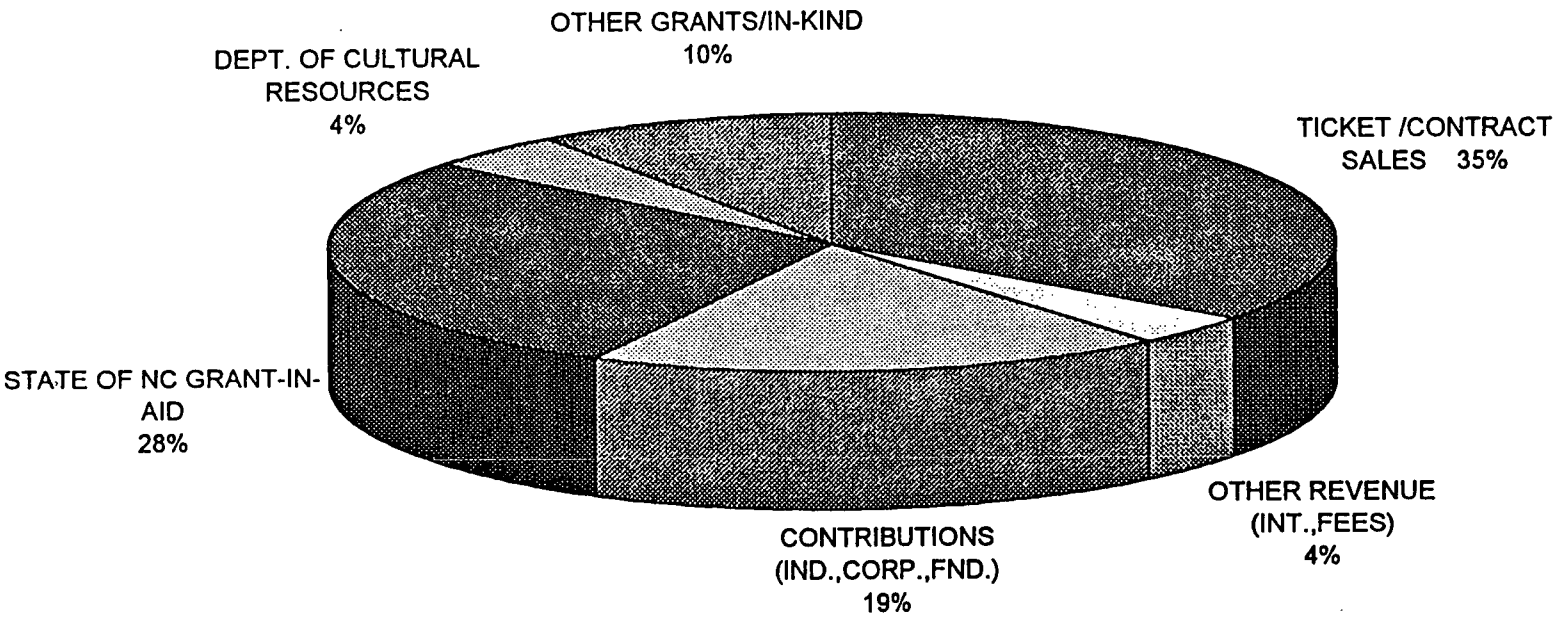
NORTH CAROLINA SYMPHONY REVENUE 1998



DCR 68

BLM,NCS12/30/98

DCR 69

The North Carolina Symphony
Legislative Overview
January 1999

PART III - MUSIC EDUCATION OVERVIEW

The North Carolina Symphony has one of the most extensive music education programs of any orchestra in the United States. These concerts are part of the schools' music education curriculum and music teachers help to write and present the curriculum to fellow teachers in a unique, yearly workshop.

- Approximately 60 to 65 concerts are given free of admission yearly to school children throughout the state.
- Extensive curriculum development and collateral materials designed each year specifically for the music education program.
- Hold annual workshop for 350 music education teachers to assist them in preparing students for the statewide music education concert programs.
- Symphony annually stages a Youth Concerto Competition.
- Sponsors the Triangle Youth Philharmonic.
- Symphony has established a partnership program to provide students at North Carolina schools and universities an opportunity to perform with the orchestra in rehearsals and concerts. (i.e. North Carolina School for the Arts; Appalachian State University; UNC-Greensboro; East Carolina University; and UNC-Chapel Hill)
- Opportunity for high school students to take music lessons from Symphony professionals.
- Develop adult music education programs for North Carolina citizens through statewide pre-concert lectures and discussions.
- Partnershiping with WUNC (PBS Radio Station at UNC-Chapel Hill) regarding composer and residence program.
- Partnershiping with UNC-TV to produce video tape showcasing the instrument families of the Orchestra. These will be distributed to all elementary school systems throughout North Carolina.

PART IV - DIVERSITY AND OUTREACH

At a time when the arts are perceived as a luxury, not only locally, but on a national level, arts organizations must identify new ways to meet the challenges of shrinking financial support and diminishing audience base. Symphony orchestras must be willing to step out of the security of the concert hall if they desire to become a vital community resource, to play a significant role in the lives of the individuals and the cities in which they perform. To encourage long-term commitment and audience development, the organization must possess the will to be truly inclusive, to share the orchestra and the musical future with the widest array of people. Recognizing this, The North Carolina Symphony has sought consistently to integrate itself into the social fabric of the cities in which they perform

The North Carolina Symphony
Legislative Overview
January 1999

PART IV . . . continued

throughout North Carolina and make a difference through their aggressive diversity and outreach program.

Examples of programs that support this diversity effort associated with The North Carolina Symphony include, but are not limited to the following:

- **Hiring of William Henry Curry as Associate Music Director**
  Bill Curry is the first African American to be part of the conducting staff of the Symphony (contract re-negotiated through June, 2002).

- **Continuing Commitment to Increase Minorities on the Board of Trustees, the Administrative Staff, and Symphony Musicians**
  Increase of minority representation from on staff and trustees over the last three years.

- **Orchestra's Crosscurrents Program**
  Encourages the performances of multicultural, musical compositions on an annual basis.

- **Project STEP (String Training & Education Program)**
  Opportunity for minority students to participate in private lessons taught by Symphony musicians.

- **Continued Commitment to Diversity in our Music Education Programs by emphasizing "culturally diverse repertoire."**

- **Continued Commitment to Advertise North Carolina Symphony Programs in Minority Print Publications throughout the State.**

This unique partnership of State and private funding will allow us to implement out planning and performance budget objectives of increased program/contact hours with children. By increasing the number of music education concerts through the use of technology, we hope to increase the number of schools and students who will now have the opportunity to participate in the music education program. Our hope is to eventually be able to provide music education programs to any of the 100 North Carolina counties that want to participate. The success of this challenging goal will indeed establish North Carolina as the leader in music education programs in the country.

DCR 71

The North Carolina Symphony
Legislative Overview
January 1999

PART V - NEW PERFORMANCE FACILITY

Thanks in part to the North Carolina Legislature, The North Carolina Symphony, the **"state orchestra", will have a new dedicated performance facility.** The State's grant, along with approximately $18 million in additional private and public funding will make possible the construction of a new home in Raleigh for The North Carolina Symphony.

The State's contribution will also make possible enhancements in the acoustical properties of the Hall which will result in the continuing improvement of the artistic quality of this great Orchestra. This "State of the Arts" facility will be used not only by The North Carolina Symphony but by other arts groups throughout the State, especially orchestras and choruses from our state universities, high school and chorus music festivals, other music education programs, master classes, and folk music groups from throughout the State. The Concert Hall will be one of the finest in the southeast and the only "dedicated concert hall" in the State of North Carolina.

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DCR 72

1998-99 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Asheville (Buncombe Co.)	1	Wed., Mar. 3, 1999	10:00 a.m.	Thomas Wolfe Auditorium Asheville Civic Center 87 Haywood St. Asheville, NC
Biscoe (Montgomery Co.)	1	Fri., Feb. 26, 1999	10:30 a.m.	E. Montgomery High School Aud. 157 Eagle Lane Biscoe, NC
Boone (Watauga/Avery)	1	Thurs., Mar. 4, 1999	9:45 a.m.	Farthing Auditorium Appalachian State University Boone, NC
Brevard (Transylvania Co.)	1	Thurs., Feb. 11, 1999	10:30 a.m.	Porter Performing Arts Center Brevard College Brevard, NC
Burlington (Alamance Co.)	2	Mon., Mar. 1, 1999	10:00 a.m. 1:00 p.m.	Williams High Sch. Aud. 1307 S. Church St. Burlington, NC
Chapel Hill (Orange Co.)	3	Mon., Apr. 26, 1999 Tues., Apr. 27, 1999	10:15 a.m. 12:30 p.m. 10:15 a.m.	Memorial Hall University of North Carolina Chapel Hill, NC
Clinton (Sampson Co.)	1	Tues., Sept. 15, 1998	11:00 a.m.	Clinton High Sch. Gym 1201 E. Elizabeth St. Clinton, NC
Durham (Durham Co.)	4	Thurs., Apr. 29, 1999 Fri., Apr. 30, 1999	10:15 a.m. 12:30 p.m. 10:15 a.m. 12:30 p.m.	Fletcher Hall Carolina Theatre 309 Morgan St. Durham, NC
Fayetteville (Cumberland Co.)	3	Tues., Jan. 19, 1999 Wed., Jan. 20, 1999	9:45 a.m. 12:30 p.m. 9:45 a.m.	Cumberland County Aud. Hwy. 301 S. Fayetteville, NC
Greenville (Pitt Co.)	2	Tues., Nov. 3, 1998	10:15 a.m. 1:00 p.m.	Epps Middle Sch. Gym 1100 Elm St. Greenville, NC
Havelock (Craven/Pamlico/Jones)	1	Thurs., Dec. 10, 1998	10:30 a.m.	Base Theatre Cherry Point MCAS Havelock, NC
Jacksonville (Onslow Co.)	1	Mon., Oct. 5, 1998	10:30 a.m.	White Oak High Sch. Gym 1001 Piney Green Rd. Jacksonville, NC

DCR 73

1998-99 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Kinston (Lenoir Co.)	1	Wed., Dec. 9, 1998	10:30 a.m.	Grainger-Hill Perf. Arts Ctr. Summit St. Kinston, NC
Lincolnton (Lincoln Co.)	1	Thurs., Feb. 25, 1999	9:45 a.m.	Citizens Center Main St. Lincolnton, NC
Louisburg (Franklin Co.)	1	Wed., Feb. 24, 1999	10:30 a.m.	Louisburg College Auditorium Louisburg, NC
Lumberton (Robeson Co.)	1	Wed., Oct. 28, 1998	12:45 p.m.	Lumberton High Schl. Auditorium 3901 Fayetteville Rd. Lumberton, NC
Morehead City (Carteret Co.)	2	Wed., Mar. 10, 1999	10:00 a.m. 1:00 p.m.	W. Carteret High Schl. Auditorium 40700 Country Club Rd. Morehead City, NC
Mt. Olive (Wayne Co.)	1	Mon., May 24, 1999	10:30 a.m.	College Hall, Mt. Olive College N.C. 55 E. Mt. Olive, NC
Murfreesboro (Hertford Co.)	1	Tues., Feb. 23, 1999	12:30 p.m.	Hertford Middle School Gym N.C. Hwy. 11 Murfreesboro, NC
Newton-Conover (Catawba Co.)	1	Wed., Dec. 2, 1998	10:00 a.m.	Newton-Conover High Sch. Gym 338 W. 15th St. Newton, NC
Raleigh (Wake Co.)	5	Tues., Sept. 22, 1998 Wed., Sept. 23, 1998 Tues., Sept. 29, 1998 Tues., Jan. 5, 1999	10:30 a.m. 10:30 a.m. 10:00 a.m. 12:30 p.m. 10:30 a.m.	Raleigh Memorial Auditorium 2 E. South St. Raleigh, NC
Roanoke Rapids (Halifax Co.)	1	Fri., Mar. 5, 1999	12:45 a.m.	Roanoke Rapids High Sch. Aud. 800 Hamilton St. Roanoke Rapids, NC
Rocky Mount (Nash Co.)	2	Fri., Nov. 6, 1998	10:00 a.m. 1:00 p.m.	Dunn Ctr., NC Wesleyan College 2400 N. Wesleyan Blvd. Rocky Mount, NC
Salisbury (Rowan Co.)	2	Tues., Mar. 2, 1999	10:00 a.m. 12:30 p.m.	Keppel Aud., Catawba College Innes St. Salisbury, NC

1/8/99

DCR 74

1998-99 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Sanford (Lee Co.)	1	Thurs., Sept. 3, 1998	10:30 a.m.	Dennis Wicker Civic Center Nash St. Sanford, NC
Smithfield (Johnston Co.)	1	Wed., Jan. 6, 1999	10:30 a.m.	Raleigh Memorial Auditorium 2 E. South St. Raleigh, NC
Snow Hill (Greene Co.)	1	Tues., Mar. 9, 1999	1:00 p.m.	Greene Central High School Gym N.C. Hwy. 930 Snow Hill, NC
Southern Pines (Moore Co.)	3	Wed., Nov. 4, 1998	10:00 a.m. 1:00 p.m.	Lee Aud., Pinecrest High School Hwy. 15-501 S. Southern Pines, NC
		Thurs., Nov. 5, 1998	10:00 a.m.	N. Moore High Schl. Auditorium N. Moore Rd. Robbins, NC
Sparta (Alleghany Co.)	1	Thurs., Dec. 3, 1998	10:30 a.m.	Sparta Elem. Schl. Auditorium 450 N. Main St. Sparta, NC
Swan Quarter (Hyde Co.)	1	Thurs., Apr. 22, 1999	10:45 a.m.	Mattamuskeet High School Gym U.S. Hwy. 264 Swan Quarter, NC
Tarboro (Edgecombe Co.)	1	Tues., Nov. 10, 1998	11:00 a.m.	Tarboro High School Gym 1400 Howard Ave. W. Tarboro, NC
Washington (Beaufort Co.)	1	Fri., Apr. 23, 1999	10:30 a.m.	Washington High School Aud. 400 Slatestone Rd. Washington, NC
Whiteville (Columbus Co.)	1	Tues., Oct. 27, 1998	1:00 p.m.	Whiteville High School 413 N. Lee St. Whiteville, NC
Wilkesboro (Wilkes Co.)	1	Fri., Dec. 4, 1998	10:00 a.m.	Walker Community Center Wilkes Community College N.C. Hwy. 268 Wilkesboro, NC
Wilmington (New Hanover Co.)	1	Wed., May 25, 1999	10:30 a.m.	Trask Coliseum, UNC-W 601 College Rd. Wilmington, NC 28401

DCK 75

1998-99 STATEWIDE SCHEDULE

SEPTEMBER 1998

6 POPS IN THE PARK
Lakeside
Meredith College
Raleigh, 6:30 pm

11 CLASSICAL CONCERT
Carter Brey, Cello
Kenan Auditorium
UNC-Wilmington
Wilmington, 8 pm

12 CLASSICAL CONCERT
Carter Brey, Cello
Carolina Theatre
Durham, 8 pm

17 CLASSICAL CONCERT
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

18 CLASSICAL CONCERT
Reeves Auditorium
Methodist College
Fayetteville, 8 pm

19 CLASSICAL CONCERT
Memorial Hall, UNC
Chapel Hill, 8 pm

25-26 CLASSICAL CONCERT
Norman Krieger, Piano
Memorial Auditorium
Raleigh, 8 pm

OCTOBER 1998

3 CLASSICAL CONCERT
A Night at the Opera
Carolina Theatre
Durham, 8 pm

4 CLASSICAL CONCERT
A Night at the Opera
West Carteret High Sch. Auditorium
Morehead City, 3:30 pm

9-10 POPS CONCERT
Rosemary Clooney, Vocalist
Memorial Auditorium
Raleigh, 8 pm

10 YOUNG PEOPLES' CONCERT
Peter Pan with Puppets
Memorial Auditorium
Raleigh, 11 am

13 CLASSICAL CONCERT
A Night at the Opera
Reeves Auditorium
Fayetteville, 8 pm

15 OPEN REHEARSAL
Paula Robison, Flute
Memorial Auditorium
Raleigh, 10 am

15 CLASSICAL CONCERT
Paula Robison, Flute
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

16-17 CLASSICAL CONCERT
Paula Robison, Flute
Memorial Auditorium
Raleigh, 8 pm

18 CLASSICAL CONCERT
Paula Robison, Flute
Kenan Auditorium
UNC Wilmington
Wilmington, 3 pm

22-25 BALLET with Orchestra
Performances with The Carolina Ballet
Memorial Auditorium
Raleigh, Thurs. - Sat., 8 pm
Sun, 3 pm

30-31 CLASSICAL CONCERT
Marin Alsop, Guest Conductor
Brian Reagin, Violin
Memorial Auditorium
Raleigh, 8 pm

NOVEMBER 1998

12 CLASSICAL CONCERT
Anne-Marie McDermott, Piano
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

13 CLASSICAL CONCERT
Anne-Marie McDermott, Piano
Robeson Community College
Lumberton, 8 pm

14 CLASSICAL CONCERT
Anne-Marie McDermott, Piano
Memorial Hall, UNC
Chapel Hill, 8 pm

19 OPEN REHEARSAL
Steven Osborne, Piano
Memorial Auditorium
Raleigh, 10 am

20-21 CLASSICAL CONCERT
Steven Osborne, Piano
Memorial Auditorium
Raleigh, 8 pm

23 HOLIDAY POPS CONCERT
Helms Center
Chowan College
Murfreesboro, 8 pm

24 HOLIDAY POPS CONCERT
Reeves Auditorium
Methodist College
Fayetteville, 7:30 pm

25 HOLIDAY POPS CONCERT
Pinehurst Hotel and Resort
Pinehurst, 8 pm

27-28 HOLIDAY POPS CONCERTS
Memorial Auditorium
Raleigh, Fri., 8 pm;
Sat., 3 pm & 8 pm

29 HOLIDAY POPS CONCERT
Grover C. Fields Middle School
New Bern, 3:15 pm

DECEMBER 1998

1 HOLIDAY POPS CONCERT
Citizens Center
Lincolnton, 8 pm

3 HOLIDAY POPS CONCERT
John A. Walker Community Center
Wilkes Community College
Wilkesboro, 8 pm

4 HOLIDAY POPS CONCERT
Carolina Theatre
Durham, 8 pm

5 HOLIDAY POPS CONCERT
Roanoke Rapids High School
Roanoke Rapids, 7:30 pm

8 HOLIDAY POPS CONCERT
Mt. Olive College
Mt. Olive, 7:30 pm

9 HOLIDAY POPS CONCERT
West Carteret High Sch. Auditorium
Morehead City, 7 pm

10 HOLIDAY POPS CONCERT
Grainger Hill Performing Arts Center
Kinston, 8 pm

11 HOLIDAY POPS CONCERT
First Baptist Church
Clinton, 8 pm

12 HOLIDAY POPS CONCERT
Walter Williams High Sch. Auditorium
Burlington, 8 pm

14 HOLIDAY POPS CONCERT
Jacksonville High School Auditorium
Jacksonville, 7:30 pm

DCR 76

15 HOLIDAY POPS CONCERT
Kenan Auditorium
UNC-Wilmington
Wilmington, 8 pm

16 HOLIDAY POPS CONCERT
Whiteville High School Auditorium
Whiteville, 8 pm

18 THE NUTCRACKER BALLET
with The NC School of the Arts
Memorial Auditorium
Raleigh, 8 pm

19-20 THE NUTCRACKER BALLET
with The NC School of the Arts
Memorial Auditorium
Raleigh, 2 pm & 6pm

31 VIENNESE NEW YEAR'S EVE
Memorial Auditorium
Raleigh, 7:30 pm

JANUARY 1999

8-9 CLASSICAL CONCERT
Spotlight on Sections
Memorial Auditorium
Raleigh, 8 pm

14 CLASSICAL CONCERT
Orchestra Showcase
Wright Auditorium, ECU
Greenville, 8 pm

16 CLASSICAL CONCERT
Orchestra Showcase
Memorial Hall, UNC
Chapel Hill, 8 pm

22-23 POPS CONCERT
Star Spangled Night
Memorial Auditorium
Raleigh, 8 pm

27 CLASSICAL CONCERT
Joshua Bell, Violin
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

28 CLASSICAL CONCERT
Joshua Bell, Violin
Kenan Auditorium
UNC-Wilmington
Wilmington, 8 pm

29-30 CLASSICAL CONCERT
Joshua Bell, Violin
Memorial Auditorium
Raleigh, 8 pm

FEBRUARY 1999

5 OPEN REHEARSAL
J. Mark McVey, Vocalist
Memorial Auditorium
Raleigh, 10 am

5-6 POPS CONCERT
J. Mark McVey, Vocalist
Memorial Auditorium
Raleigh, 8 pm

6 YOUNG PEOPLES' CONCERT
A Journey in Jazz
Featuring the Greg Gelb Swing Band
Memorial Auditorium
Raleigh, 11 am

7 POPS CONCERT
Meals on Wheels Celebration
Memorial Auditorium
Raleigh, 8 pm

9 CLASSICAL CONCERT
Dennis A. Wicker Civic Center
Sanford, 8 pm

12 CLASSICAL CONCERT
Michala Petri, Recorder
Brevard College
Brevard, 8 pm

13 CLASSICAL CONCERT
Michala Petri, Recorder
Memorial Hall, UNC
Chapel Hill, 8 pm

16 CLASSICAL CONCERT
Keppel Auditorium
Catawaba College
Salisbury, 7:30 pm

18 CLASSICS PLUS JAZZ
featuring the NC Jazz
Repertory Orchestra
Paul Tardif, Piano
Carolina Theatre
Durham, 8 pm

19 CLASSICAL CONCERT
Walter Williams H.S. Auditorium
Burlington, 8 pm

21 CLASSICS PLUS JAZZ
featuring the NC Jazz
Repertory Orchestra
Paul Tardif, Piano
Wright Auditorium, ECU
Greenville, 8 pm

MARCH 1999

9 CLASSICAL CONCERT
West Carteret H.S. Auditorium
Morehead City, 8 pm

11 CLASSICAL CONCERT
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

12 POPS CONCERT
Grainger Hill Performing Arts Center
Kinston, 8 pm

13 CLASSICAL CONCERT
Kenan Auditorium
UNC Wilmington
Wilmington, 8 pm

16 POPS CONCERT
Paramount Theatre
Goldsboro, 7:30 pm

17 CLASSICS PLUS JAZZ
featuring the NC Jazz
Repertory Orchestra
Paul Tardif, Piano
Reeves Auditorium, Methodist College
Fayetteville, 8 pm

18 PLAY-ALONG CONCERT
Cary Community Center
Cary, 8 pm

19 OPEN REHEARSAL
Canadian Brass
Raleigh Convention & Conference Ctr.
Raleigh, 10 am

19-20 POPS CONCERT
Canadian Brass
Raleigh Convention & Conference Ctr.
Raleigh, 8 pm

23 POPS CONCERT
Tarboro High School Auditorium
Tarboro, 7:30 pm

26-27 DUKE CHAPEL
CHORAL CONCERT
with the Choral Society of Durham
Duke University Chapel
Durham, Fri. 8 pm & Sat. 3 pm

APRIL 1999

8 POPS CONCERT
Reeves Auditorium, Methodist College
Fayetteville, 8 pm

9-10 POPS CONCERT
Landsberg and Yount, Duo Pianists
Raleigh Convention & Conference Ctr
Raleigh, 8 pm

16-17 CLASSICAL CONCERT
with The Raleigh Oratorio Society
Memorial Auditorium
Raleigh, 8 pm

17 YOUNG PEOPLES' CONCERT
Favorite Books in Sight & Sound
Memorial Auditorium
Raleigh, 11 am

DCR 77

20 POPS CONCERT
Roanoke Rapids High School
Roanoke Rapids, 7:30 pm

24 CHORAL CONCERT
Wright Auditorium, ECU
Greenville, 8 pm

MAY 1999

1 OUTDOOR POPS CONCERT
Greene Central High School
Snow Hill, 7:30 pm

8 CLASSICAL CONCERT
Chee-Yun, Violin
Memorial Hall, UNC
Chapel Hill, 8 pm

13-16 BALLET with Orchestra
Performances with The Carolina Ballet
Memorial Auditorium
Raleigh, Thurs. - Sat, 8 pm
Sun, 3 pm

21 OPEN REHEARSAL
Richard Stoltzman, Clarinet
Memorial Auditorium
Raleigh, 10 am

21-22 CLASSICAL CONCERT
Richard Stoltzman, Clarinet
Memorial Auditorium
Raleigh, 8 pm

29 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

JUNE 1999

5 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

12 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

19 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

26 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

DEPARTMENT OF CULTURAL RESOURCES

NORTH CAROLINA SYMPHONY - FUND 1340

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 329,907	$ 335,041	$ 334,858	$ 334,858
Receipts	$ 78	$ -	$ -	$ -
General Fund Appropriation	$ 329,829	$ 335,041	$ 334,858	$ 334,858
Number of positions	9.00	9.00	9.00	9.00

Source: 1999-2001 Continuation Budget Document

DCR 79

DEPARTMENT OF CULTURAL RESOURCES

GRANTS - IN - AID TO ARTS - FUND 1360

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 2,140,979	$ 3,640,979	$ 2,140,979	$ 2,140,979
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ 2,140,979	$ 3,640,979	$ 2,140,979	$ 2,140,979
Number of positions	0.00	0.00	0.00	0.00

Source: 1999-2001 Continuation Budget Document

NORTH CAROLINA ARTS COUNCIL

DCR 80

INTRODUCTION

North Carolina is known throughout the world for its pottery traditions, literary legacy, Southern Appalachian music traditions, jazz, blues and gospel heritage, and an abundance of artists and arts institutions. Recognizing the state's rich cultural climate in 1964, Governor Terry Sanford established a state arts council to strengthen North Carolina's creativity, invention and prosperity. Since its beginning, the North Carolina Arts Council has been recognized as one of the nation's leading state arts agencies.

To fulfill our mission **to enrich the cultural life of the state by nurturing and supporting excellence in the arts and by providing opportunities for every North Carolinian to experience the arts,** we focus our work in three key areas which correspond to the goals of our long-range plan:

1. Our relationship with the state's **arts resources**—artists, arts organizations and our cultural heritage. It is our responsibility to help these resources remain strong so they can continue to produce rich and diverse arts experiences for the benefit of the state's citizens and visitors.
2. Our relationship to the state's **communities**. We use the word "communities" in the broadest sense to mean the many ways groups of people gather, both geographically or through other shared identities. It is our responsibility to make sure communities are strengthened through the arts.
3. Our relationship as a state agency to the **state's agenda**. It is our responsibility to make sure the arts are valued as a tool for achieving a strong economy, well-educated children, vital communities and a healthy environment.

In building these relationships, we play the roles of **connector, catalyst** and **activist partner, using our abilities to:**

- Provide an overview of the strengths, needs and issues of the arts in the state
- Give grants to activate partnerships between artists, arts organizations and communities which benefit every county in the state
- Convene various groups of people around important topics to forge new partnerships
- Maintain access to a number of information outlets through which we collect, publish and disseminate a variety of resource materials

Following is a 6-page summary of how the North Carolina Arts Council accomplished its goals and objectives during fiscal year 1997-98.

GOAL I: DEVELOP, PRESERVE, AND SUSTAIN NORTH CAROLINA'S ARTS RESOURCES

1. Support the state's organizations which produce exemplary arts programs.

- 61 organizations received a total of $1,415,650 in General Support grants for ongoing programs and operations.
- $90,900 was awarded to 22 organizations to commission new works in the performing and visual arts.
- 49 organizations received a total of $176,700 for innovative literary, performing, and visual arts programs.
- 24 organizations received long-term organizational assistance through the New Realities Program.
- 43 scholarship grants went to artists and arts administrators to attend conferences and workshops.
- 4 community arts interns and 1 folklife intern received 3 months of professional training through our internship programs.
- A total of $23,777 in grant funds was provided to 18 organizations for consultancies in facility development, fundraising, board and staff development, project planning and audience development.
- Funded Arts NC to manage the Peer Advisory Network which provided peer advisors to assist 18 organizations with management issues at a very affordable cost.
- Convened a Theater Gathering attended by over 50 theater professionals, a meeting of literary presenters of reading series to develop a network and writers' residency projects, and an Opera Roundtable.
- Provided funds to the African-American Dance Ensemble to help bring the 11th Annual International Black Dance Conference to North Carolina.

2. Preserve and promote the state's folk cultural heritage through documentary projects and public programs.

- 8 folk artists received the North Carolina Folk Heritage Award of $5,000 and were honored in a special ceremony in Raleigh attended by 800 people.
- 13 artists and organizations received a total of $71,000 for festivals, radio programs, exhibitions and projects which documented Lumbee Indian gospel music, the African-American shout band tradition, Waccamaw-Siouan quilt-making and other traditions.
- Organized a survey in northeastern North Carolina and hired 3 folklorists to document a broad sampling of cultural traditions which help define one of the most overlooked regions of the state. Their work led to the publication of the *North Carolina Coastal Folklife Survey*, and to the hiring of a folklorist to continue fieldwork in the region.
- Completed resource inventories for the traditional music and Cherokee arts and culture trails as part of the Blue Ridge Heritage Initiative.
- Provided funds to the Southern Folklife Collection at UNC-Chapel Hill to restore 100 hours of field recordings of North Carolina traditional artists.
- The NC Pottery Center opened in Seagrove in November, the culmination of several years of planning with Arts Council staff.

3. **Improve financial support and professional opportunities for North Carolina's artists.**

- Fellowships of $8,000 each were awarded to 10 composers and songwriters, 4 playwrights, and 11 writers to support their artistic development and the creation of new work.
- Residencies were awarded to 1 writer at the Vermont Studio Center, 2 visual artists and 1 writer at the Headlands Center for the Arts in California, and 2 writers at La Napoule Foundation in France.
- Conducted the selection process for North Carolina's Poet Laureate and provided funds to subsidize readings and public presentations.
- Through a partnership program with the South Carolina Arts Commission Media Arts Center, provided grants to 13 North Carolina film/video artists to access the center's equipment, studios and training programs.
- Funded the Regional Artist Project Grants Program which made awards ranging from $250 - $1,500 to 146 artists through 11 regional consortia of local arts councils serving 89 of the state's 100 counties.
- Published the North Carolina Touring Artist Directory, a listing of almost 200 selected performing, visual, and literary artists who work in performance and residency settings.
- Produced the Arts Market, a booking conference and artist showcase, in partnership with Thalian Hall Center for the Performing Arts in Wilmington. Over 150 presenters and 75 artists and ensembles participated in the 3-day event.
- Residency workshops for artists and presenters were conducted, and a series of artists' workshops and planning meetings will be conducted around the state in 1999.
- Promoted North Carolina touring artists to out-of-state presenters at the annual Southern Arts Exchange booking conference.

GOAL II. DEEPEN THE CONNECTION BETWEEN THE ARTS AND NORTH CAROLINA'S COMMUNITIES

1. **Strengthen partnerships with local arts councils to provide arts programming in all 100 counties through the Grassroots Arts Program.**

- More than 700 organizations received a total of $1,343,367 through the Grassroots Arts Program's per capita funding system.
- Provided 30 grants totaling $115,061 to local arts agencies to strengthen their programs for underserved populations, to hire additional staff, to improve technology capabilities, to encourage increased local government contributions, and for professional development opportunities.
- Local arts councils received a total of $199,580 to support visual arts, folklife, touring, and arts in education programs.
- Organized a traveling exhibition of visual arts fellowship recipients with the Mint Museum of Art, and toured it to the galleries of 8 local arts councils across the state.
- Work began on a gallery resource guide for local arts councils and small town exhibition venues.
- Staff conducted workshops and planning sessions at our annual Local Arts Council Executive Directors' Retreat.

2. **Increase access to racially and culturally diverse arts programs.**

- The Multicultural Organization Development Program provided $181,750 to strengthen the arts programs of 22 African-American, Native American, Latino, and Asian-American organizations.
- Scholarships were awarded to 10 representatives of multicultural organizations to attend the Association of American Cultures' Open Dialogue Conference in Dallas, Texas.
- Grassroots Arts Program's per capita funds were distributed according to the percentage of racial and ethnic diversity of the county population.
- $435,098 was awarded for arts programs that build appreciation and understanding of the state's diverse cultures.
- Developed the Mexico Initiative in conjunction with our sponsorship of the Mexico Ahora exhibition at the Mint Museum of Art; 8 projects were funded which provided linkages to Mexican arts and culture and to Mexican-Americans living in North Carolina. Funded a folklorist to do extensive fieldwork on needlecraft traditions with women born in Guatemala and Mexico and now living in the Piedmont, and the Asheville Art Museum developed an exhibition which examined their work in context with their communities, created an education resource book, trunk and exhibit panels for use by schools and community groups, and produced a community festival to highlight aspects of Latin American and Mexican-American culture in North Carolina.
- Held series of 3 workshops on African-American heritage tourism to provide training and develop collective strategies for African-American organizations.

3. **Increase arts programming in underserved communities.**

- 2 large-scale cultural tourism initiatives were developed, one focusing on rural counties in the west and the other on the northeast coastal region.
- Convened a Think Tank on Community Development and the Arts with 10 artists and arts administrators to discuss the role of the arts in building communities and in finding solutions to problems of economics, education, racism and youth at-risk. Published and distributed a report on the findings of our panelists.
- A staff member serves on the Governor's Issue Team for Personal & Parental Responsibility.
- Convened an Access Advisory Group to recommend strategies to help arts organizations comply with 504/ADA regulations and to increase and strengthen accessible arts programs.
- Improved accessibility of Arts Council offices by building a new fully accessible conference room and a ramp from the parking lot to the main entrance.
- $25,000 provided for arts programs in hospitals, nursing homes, and mental health centers and for programs designed specifically for students and adults with disabilities. These funds supported a tour of "My Sister's Sister," a program which combines professional theater, community interaction and education, to six mental health center's in the state.

4. **Provide support for performances and artists' residencies in communities across the state.**

- $293,500 awarded for performance series, artist residencies of two weeks to six months, projects to strengthen the programs of the state's arts presenters, and a variety of performances and activities in schools and community venues.

- Provided funding and helped with a planning process to develop a seven-month residency at Pocosin Arts, a rural arts center which draws its mission from the many cultures and natural environment of the northeast.
- The North Carolina Touring Artist Directory was produced as a resource guide to strengthen partnerships between presenters, schools, communities and artists who work in performance and residency settings.
- Organized a joint meeting of the leadership of the North Carolina Presenters' Consortium and the South Carolina Presenters' Network to discuss opportunities for collaborative projects.

5. Develop and support public art projects that enliven community buildings and spaces.

- Installed 9 new art works in state buildings, bringing the total of the state's public art collection to 50; began developing a system for conservation and repair of works in the collection; and published educational materials for each completed artwork and included this information on a newly developed web site.
- Began a slide bank of the work of artists who create public art for use as a resource for communities pursuing public art projects.
- Assisted 6 communities with public art planning and worked with the Raleigh Durham International Airport on a public art master plan which will lay the groundwork for multiple projects to be integrated within the airport's 5,000 acres of land and 600,000 square feet of terminal space.
- Began development of an outreach program on public art for the NC Museum of Art.
- Staff gave lectures at universities and in communities across the state, and convened bi-monthly meetings of the Public Art Network.

GOAL III. HEIGHTEN UNDERSTANDING OF THE ROLE AND VALUE OF THE ARTS TO THE STATE

1. Build public awareness about the benefit of the arts to the lives of North Carolinians.

- Council's chair and executive director met with the editors of 3 major daily newspapers in the state to encourage increased understanding and coverage of the arts. Executive director was interviewed on 3 television programs.
- Council's 30th anniversary forum, *Dialogue: The Arts and the Public Purpose*, was broadcast on a cable channel by the Agency for Public Telecommunications and was followed by a call-in segment with four staff members answering caller questions.
- Comprehensive press packet, which included 30th anniversary-related press releases, a Council profile, funding facts and grant recipient testimonials, was sent to more than 400 North Carolina newspapers, public radio stations and freelance writers.
- County Histories, which included narratives and listings of all Council grants to the county over the years, were published for each of the 100 counties and distributed to all legislators and local arts councils.
- A new logo, developed to take the Council into its fourth decade, was included in the grant packet to be used on grantees' printed materials.

- ARTS brochure was produced to give an overview of the Council and the arts in the state and is distributed to Welcome Centers, airports and many other public places.
- *NC ARTS* began a 3 times per year publishing schedule and reached more than 38,000 readers with each mailing.
- New web site, *www.ncarts.org*, came on line in 1997 and was designed to provide resource information to artists, arts organizations, tourists and the general public.
- Slide show on the arts in the state was developed.
- *Artful State*, a 20-minute video, was commissioned by the Council to commemorate 30 years of public support for the arts in North Carolina and presents thoughtful and sometimes humorous comments on art from dozens of citizens, civic leaders and artists.

2. Further the role of the arts as an essential part of education.

- Arts in Education (AIE) Partnership grants totaling $169,212 were awarded; 47% of these funds benefited 10 rural, low-wealth counties.
- New AIE Development category funded 13 projects totaling $41,041.
- A total of $171,784 funded 32 artist residencies, after-school programs and summer arts camps as well as 22 short-term performing arts projects.
- Completed a two-year assessment project with the NC Education Standards and Accountability Commission, which trained a small cadre of arts educators to write performance-based or authentic assessment tasks who, in turn, trained a larger group to use these tasks in the classroom. Results are being placed in a statewide database for use by other arts educators in the state.
- Published *The Art of Learning: A Guide to Outstanding North Carolina Arts in Education Programs* to share information about model programs funded by the Council.
- *Connect the Arts: Imagination to Community* conference was co-sponsored with the NC Alliance for Arts Education and was attended by 120 educators, artists and arts administrators, and showcased model arts education and arts *in* education programs from across the state.
- Council's AIE director coordinated several "residency samplers" as part of the 1998 Arts Market; 40-minute participatory workshops featured experienced artists demonstrating their residency process to educators and presenters.

3. Develop initiatives to strengthen the role of the arts in economic and community development, tourism, international relations and human services.

- Worked closely with the Blue Ridge Parkway Division of the National Park Service and the Eastern Band of Cherokee Indians to implement the Blue Ridge Heritage Initiative; completed resource inventories for the traditional music and Cherokee arts and culture trails which are part of the initiative; formed community planning teams in 16 of the 27 counties involved and set criteria for local communities' participation in the project; and raised an additional $179,000 to support the initiative.
- Collaborated with North Carolina Heritage, Inc. on the 2nd annual Heritage Tourism Conference in Greensboro; staff organized workshops and served as guest speakers on several cultural tourism topics.

- Folklife staff produced "Across the Blue Ridge," an evening of traditional music and dance from the Blue Ridge Mountains of North Carolina and Virginia, to acquaint tourism professionals with these resources.
- Work continues with the Department of Commerce on several joint projects including an African-American heritage publication and a 19-county eastern heritage initiative in the northeast coastal region.
- Council's folklife director and one board member/folklorist participated in the Governor's Trade Mission to Europe.
- Worked with Conservation Trust on the nomination of the New River to receive the American Heritage River designation; helped develop a cultural component of the required action plan which was cited as one of the reasons the New River was chosen to receive the designation.
- Organized and funded a consortium of major summer performing arts festivals, outdoor dramas, and theaters to collectively develop joint marketing strategies and pursue initiatives to increase cultural tourism to their sites.
- Funded an international exchange project involving United Tribes of NC and members of the Maori Tribe in New Zealand.
- Held planning meetings with Community College System staff members to develop a proposal for a new partnership initiative.

DCR 87

North Carolina Arts Council - At a Glance

Arts Council Programs

- take artists into the schools
- tour professional dance, music and theater companies throughout the state
- support the state's major professional music, dance, theater, visual arts and literary organizations, many of which have regional and national reputations
- fund local priorities through the decentralized Grassroots Arts Program
- recognize our finest folk artists with Folk Heritage Awards and our finest career artists with fellowships
- provide targeted assistance to organization in previously underserved communities
- work with local community leaders to develop cultural tourism opportunities

Arts Council Services

24 staff members work with arts and other community organizations to help them expand, stabilize, develop in appropriate directions and become managerially stronger. For special attention, staff targets rural areas, urban organizations in communities with limited resources and older, established organizations going through transition. Through conferences, workshops, publications, information and special events, the staff provides support and technical assistance to the citizens of our state who are using the arts to build their communities.

Impact of Arts Council-funded Activities in FY 97-98

- Over 11 million people participated in Council-funded projects.
- Projects were funded in every county in the state.
- Grants went to 491 arts organizations, 335 school, community and civic groups, and 44 individuals.
- Children in 83 counties participated directly in 373 funded projects.
- Each dollar granted by the Council was matched by fourteen other dollars, many generated directly by the Council's grant.

Non-Profit Arts Organizations in 1998: 2, 286

104 arts councils	193 arts centers/facilities/schools
319 artist organizations	317 arts festivals/concert series
67 arts service organizations	15 arts publications
52 literary magazines, presses	4 cinemas
106 dance companies	278 galleries and museums
525 music performing groups	306 theater performing groups

Organizations Assisted by the Arts Council Play a Significant Role

- in North Carolina's tourism industry.
- in downtown revitalization projects in numerous towns and cities.
- in the creation of jobs, both within arts organizations and indirectly in restaurants, hotels, parking lots, printing and catering businesses.
- in attracting and keeping desirable industries by making the community a more stimulating place in which to live and work.

DCR 88

North Carolina Arts Council - Summary of FY 97-98 Grant Activities

Number of Applications	
Individuals	462
Organizations	1,329
	1,791

Number of Awards		
Individuals	44	
Organizations	1,159	
	1,203	(67% of applications are funded at least partially)

Amount Requested	$ 10,737,894	
Amount Awarded and Spent	$ 4,571,663	(43% of requested amount is funded)
Total Project Costs	$ 67,113,114	(7% of costs provided by Arts Council)
Total Income of Grantee Organizations	$ 145,127,639	(3% is Arts Council portion)

* * * * *

Funded Organizations: 826

Arts Organizations	
performing groups	168
performance facilities	6
museums and galleries	35
small presses, literary magazines	7
fairs, festivals, concert series	61
arts centers	50
arts councils	98
arts service organizations	20
artist associations	46
Total arts organizations	**491**

Other Community Organizations	
schools	115
higher education institutions	17
libraries	20
humanities/historical societies, museums	12
community service organizations	121
parks, recreation departments	15
radio, television	1
other community groups	34
Total other community organizations	**335**

Prepared January 12, 1999

North Carolina Arts Council FY 97-98 Per Capita Distribution 1/11/99

COUNTY	$/CAPITA	GRANTS	COUNTY	$/CAPITA	GRANTS	COUNTY	$/CAPITA	GRANTS
1 Clay	5.91	46,442	34 Catawba	0.48	61,358	67 Chatham	0.23	10,220
2 Mitchell	5.09	75,727	35 Alleghany	0.45	4,253	68 Gaston	0.23	41,343
3 Tyrrell	3.82	14,334	36 Pamlico	0.43	5,185	69 Harnett	0.23	18,488
4 Swain	2.76	32,140	37 Surry	0.43	28,429	70 Granville	0.21	8,618
5 Transylvania	2.24	61,411	38 Craven	0.42	36,123	71 Lincoln	0.21	11,892
6 Durham	2.10	409,242	39 Pitt	0.42	49,941	72 Cabarrus	0.20	22,987
7 Watauga	1.96	79,639	40 Stanly	0.42	22,562	73 Davidson	0.20	27,410
8 Madison	1.90	34,200	41 Alamance	0.41	47,533	74 Davie	0.20	6,041
9 Bertie	1.68	34,798	42 Columbus	0.41	21,159	75 Iredell	0.20	21,439
10 Hertford	1.68	37,473	43 Cumberland	0.41	123,145	76 Johnston	0.20	19,551
11 Dare	1.61	42,565	44 Hoke	0.41	11,733	77 Nash	0.19	16,077
12 Alexander	1.39	42,824	45 Robeson	0.41	45,628	78 Bladen	0.18	5,515
13 Orange	1.34	144,304	46 Sampson	0.40	20,489	79 Brunswick	0.18	11,512
14 Mecklenburg	1.04	618,609	47 Pasquotank	0.39	13,146	80 Burke	0.18	15,203
15 Forsyth	1.03	293,582	48 Halifax	0.38	21,686	81 Camden	0.18	1,182
16 Beaufort	0.94	41,157	49 Wilson	0.38	25,790	82 Currituck	0.18	2,983
17 Ashe	0.90	20,750	50 Duplin	0.37	15,965	83 Franklin	0.18	7,816
18 Buncombe	0.90	172,565	51 Jones	0.34	3,246	84 Graham	0.18	1,386
19 Gates	0.83	8,208	52 Polk	0.34	5,423	85 Greene	0.18	3,138
20 Guilford	0.82	310,093	53 Rowan	0.33	40,030	86 Hyde	0.18	937
21 Yancey	0.74	11,986	54 Rutherford	0.32	18,812	87 Macon	0.18	4,909
22 Chowan	0.73	10,261	55 Richmond	0.31	14,369	88 Martin	0.18	4,751
23 Lee	0.66	31,022	56 Union	0.31	31,623	89 McDowell	0.18	6,916
24 Caswell	0.65	13,910	57 Cherokee	0.30	6,581	90 Montgomery	0.18	4,420
25 Jackson	0.65	18,966	58 Vance	0.30	11,893	91 Northampton	0.18	3,800
26 Haywood	0.64	32,254	59 Moore	0.29	20,184	92 Onslow	0.18	27,650
27 New Hanover	0.61	87,526	60 Pender	0.29	10,263	93 Perquimans	0.18	1,966
28 Anson	0.58	13,814	61 Caldwell	0.28	20,638	94 Person	0.18	5,982
29 Edgecombe	0.54	30,405	62 Cleveland	0.28	25,021	95 Rockingham	0.18	16,391
30 Carteret	0.52	30,214	63 Stokes	0.28	11,944	96 Scotland	0.18	6,406
31 Avery	0.51	7,790	64 Wayne	0.27	30,609	97 Warren	0.18	3,363
32 Henderson	0.49	38,227	65 Lenoir	0.26	15,410	98 Wilkes	0.18	11,455
33 Wake	0.49	261,013	66 Randolph	0.24	28,702	99 Yadkin	0.18	6,323
						100 Washington	0.00	* 0
						Totals	0.00	4,314,394*

* In addition, $185,312 was granted to statewide organizations for projects affecting more than one county and $71,957 was granted to organizations outside the state for projects benefitting North Carolinians.

* Washington County returned their $2,509 awarded funds

DK 87

DCR 90

NORTH CAROLINA ARTS COUNCIL BUDGET GROWTH

Fiscal Year	State Recurring Appropriation	NC Population	Funds Per Capita	# Nonprofit Arts Organizations
1989-90	$ 5,073,527	6,568,810	77.2 ¢	1,494
1990-91	$ 4,967,020	6,632,448	74.9 ¢	1,721
1991-92	$ 4,709,919	6,752,401	69.8 ¢	1,877
1992-93	$ 4,736,456	6,840,211	69.2 ¢	1,940
1993-94	$ 5,362,035	6,949,095	77.2 ¢	2,063
1994-95	$ 5,364,901	7,023,663	76.4 ¢	2,133
1995-96	$ 5,403,765	7,194,238	75.1 ¢	2,183
1996-97	$ 5,425,897	7,309,514	74.2 ¢	2,177
1997-98	$ 5,486,242	7,431,161	73.8 ¢	2,222
1998-99	$ 5,525,757	7,544,360 est.	73.2 ¢	2,286
Percentage Change Over 10 Years	**+ 8.9%**	**+ 14.8%**	**- 5.2 %**	**+ 53 %**

* * * * *

STATE ARTS AGENCIES' LEGISLATIVE APPROPRIATIONS - FY 98-99

Per Capita Ranking* (in cents)

1	Hawaii	505.45
2	Massachusetts	282.46
3	Minnesota	276.20
4	New York	252.91
5	Michigan	221.79
46	Tennessee	43.31
47	Oregon	42.93
48	Washington	36.37
49	Texas	26.57
50	Montana	21.34

Southern Arts Federation States:

6	Florida	218.21
14	Louisiana	115.86
16	Alabama	106.35
18	South Carolina	99.84
19	Kentucky	94.89
26	**North Carolina**	**77.12**
28	Mississippi	74.20
36	Georgia	58.34
46	Tennessee	43.31

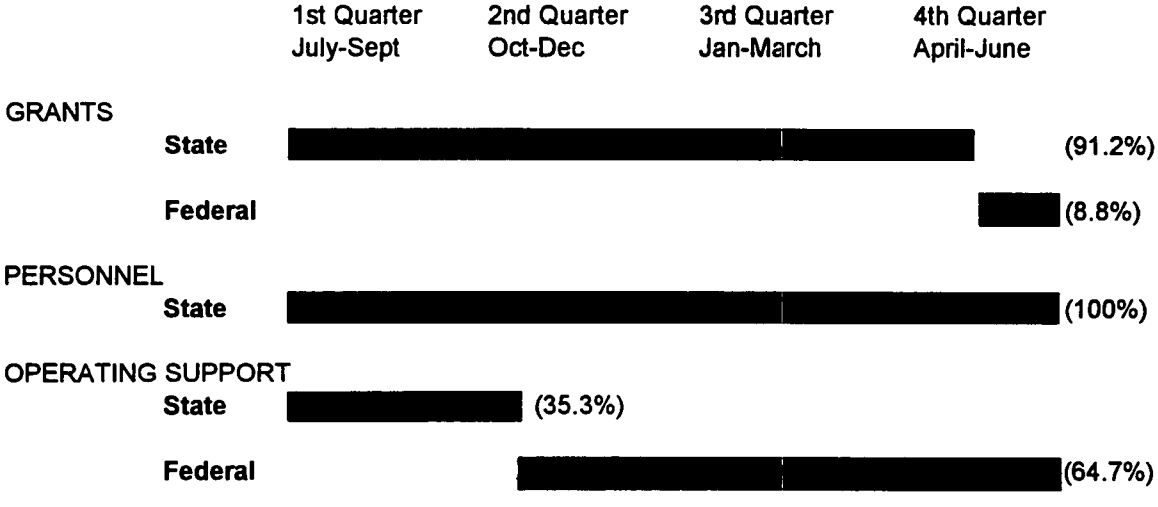
*population figures are 1990 census—not adjusted annually as are NC population figures at top of chart

DCR 91

NORTH CAROLINA ARTS COUNCIL – SUMMARY OF FY 98-99 INCOME

State of North Carolina	
Grant Program	$ 2,903,235
Grassroots Arts Program-Recurring	1,343,367
Grassroots Arts Program-Non-Recurring	335,750
Personnel	1,134,999
Operating Support	144,156
Total State Income:	**$ 5,861,507**
National Endowment for the Arts	
Basic State Grant:	
Grants	$ 158,000
Operating Support	264,700
Total Basic State Grant	$ 422,700
Arts in Education Grant	$ 58,500
Underserved	$ 98,400
Blue Ridge Heritage Initiative	$ 125,400
Total Federal Income:	**$ 705,000**
TOTAL FY 98-99 INCOME	**$ 6,566,507**

Listed below is a chart depicting what percentage of our annual expenses our state appropriation covered in FY 97-98



DCR 92

NORTH CAROLINA ARTS COUNCIL
PRESSING NEEDS AND PRIORITIES FOR THE 99-01 BIENNIUM

I **Primary Arts Organizations** -- In 1990, we provided annual support to 13 flagship institutions with grants totaling $848,500. Today, we fund 78 with $1,583,400. Most of these orchestras, museums, galleries, dance and opera companies, theaters, outdoor dramas, festivals, multicultural organizations, literary groups, craft schools and arts centers have seen their operating budgets double or triple during this decade along with their audiences and the demand for high quality arts programs. Due to an almost flat budget during the nineties, our funding has decreased significantly for many of these institutions at a time when significant sustaining support is no longer available from other sources. We anticipate that at least 10 new organizations will seek major funding by the year 2000.

II **Arts in Communities** -- For more than 20 years the Grassroots Arts Program has provided arts funds to all 100 counties through the nation's most extensive and highly respected network of local arts councils. These arts councils have become vital players in community planning and economic development over the last decade. Yet, recurring funding for Grassroots remains at its 93-94 level.

The Regional Artists Project Grants Program provides support to artists at the local level. Funds are distributed regionally through 12 local arts council partnerships which help artists in 93 counties advance their professional and creative development. In FY 97-98, 369 artists across the state applied for awards but only 146 received grants.

III **Rural Arts Leadership** -- The state's most rural counties lack the infrastructure and resources to provide sustained quality arts programs in their communities. Rural arts councils have trouble attracting and keeping qualified directors because of low salaries, isolation and a limited pool of volunteers. Rural areas need greater access to arts in education opportunities to animate and improve student learning, but lack the administrative and financial resources to sustain a commitment to these programs. Rural communities are often bypassed by touring artists who would like to work there but need community resources to produce performances and coordinate arts activities.

IV **Cultural Tourism** -- North Carolina's renowned arts and culture are fueling the fastest growing segment of the tourism industry—cultural tourism. This trend has great potential for sustainable economic impact on our communities, particularly in rural areas. North Carolina is out in front of this national trend, largely because of the Blue Ridge Heritage Initiative which is developing traditional music and Cherokee cultural trails to attract tourists and strengthen the economy in 27 mountain counties. A similar project is being planned in the easternmost counties. Under development also are an African-American cultural trail and a trail linking summer performing arts venues. To this point, nearly all funding has come from a federal grant which cannot be repeated.

V **Arts Information and Research** -- The Arts Council maintains a statewide repository of resource material and information about the arts, including a comprehensive database on North Carolina artists, organizations, arts supporters and community arts programs. It serves as a clearinghouse to link citizens with one another and to provide training for program development. Services include the distribution of up-to-date reference materials, resource information, and information on opportunities for artists and organizations. There is a pressing need for a web site network and technological development for local arts organizations, publications, training, research and analysis, including an economic impact study, and technological upgrades at the agency to make data more accessible.

VI **Basic Operating Support** – The state appropriation to the North Carolina Arts Council provides only four months of basic operating support, after which the Arts Council is dependent on federal funding for all operating costs.

DCR 93

DEPARTMENT OF CULTURAL RESOURCES

ARTS COUNCIL - FUND 1330

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 6,195,343	$ 7,751,656	$ 6,150,156	$ 6,069,962
Receipts	$ 741,637	$ 1,300	$ 661,094	$ 580,900
General Fund Appropriation	$ 5,453,706	$ 7,750,356	$ 5,489,062	$ 5,489,062
Number of positions	24.25	24.24	24.24	24.24

Source: 1999-2001 Continuation Budget Document

OFFICE OF THE SECRETARY

The Office of the Secretary

The Office of the Secretary directs the operations of the North Carolina Department of Cultural Resources. In addition to administrative matters, the office oversees budget, administrative planning/policy development-related activities, operations, legislative matters, public information services, personnel, and capital projects. The Office of the Secretary oversees six divisions in the department: Archives and History, North Carolina Museum of Art, North Carolina Arts Council, North Carolina Symphony, State Library of North Carolina, and the North Carolina Museum of History. The Office of the Secretary coordinates appointments to appropriate boards and commission. The Deputy Secretary serves as the legislative liaison for the department.

The Secretary's Office oversees several awards program. The North Carolina Awards were instituted by the North Carolina General Assembly in 1961. The North Carolina Awards recognize "notable accomplishments by North Carolina citizens in the fields of scholarship, research, the fine arts, and public leadership." It is the highest honor the State can bestow.

The Governor's Business Council on the Arts and Humanities presents the Governor's Business Awards each year. The awards are given to North Carolina businesses that have conducted or participated in innovative projects to promote the arts and/or humanities. Cultural organizations that have promoted innovative business support of the arts and humanities are also eligible for awards. This awards program was established in 1978.

The Office of the Secretary's budget (Fund # 1110) includes the following units: Capital Projects Unit, Public Affairs Office, and the Human Resources Office. The Administrative Services Office (Budget Office) is budgeted separately under Fund # 1120 and a separate description of this office follows.

DEPARTMENT OF CULTURAL RESOURCES

OFFICE OF THE SECRETARY - FUND 1110

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 9,028,567	$ 1,039,944	$ 1,075,914	$ 1,075,914
Receipts	$ 37,225	$ 32,574	$ 38,322	$ 38,322
General Fund Appropriation	$ 8,991,342	$ 1,007,370	$ 1,037,592	$ 1,037,592
Number of positions	17.25	18.25	18.25	18.25

Source: 1999-2001 Continuation Budget Document

ADMINISTRATIVE SERVICES

DCR 98

Administrative Services Section

The Administrative Services Section provides budgeting, accounting, data processing, purchasing, payroll, and mail/messenger services and support to all divisions within the Department of Cultural Resources. The section assures the fiscal and audit accountability of all state, federal, and private funds entrusted to the department. The total recommended operating budget for the Department of Cultural Resources for FY 1999-2000 is $57.1 million. The department's Capital Improvement budget funds over 80 active projects valued at over $40 million.

The Administrative Services Section is divided into the following four units: Administration, Budget and Accounting, Purchasing/Mail Room, and Computer Operations.

The **Administration** unit is responsible for:

- administration and oversight of all financial and business affairs in the Department of Cultural Resources
- planning and organizing all assignments to meet departmental goals and objectives while maintaining compliance with all federal and state laws and guidelines
- implementation of programs within statutory or policy/procedure limitations
- providing information and resources to every level of the department and state government
- administration of all departmental travel reimbursements and authorizations
- authorization and initiation of budget requests to Office of State Budget and Management (OSBM)

The **Budget and Accounting** unit is responsible for:

- preparation of the department's biennial budget (continuation, expansion, capital, supplemental)
- preparation of financial statements for Office of State Controller (OSC)
- submission of budget revisions to Office of State Budget and Management
- submission of IRS forms
- requests for quarterly allotments
- reports to Office of State Auditor (OSA) on grants to private organizations
- administration of federal grants from U.S. Department of Education, U.S. Department of the Interior (National Park Service), National Endowment for the Arts, National Endowment for the Humanities, and National Historical Publications and Records Commission
- preparation of the indirect cost rate allowed for each federal grant
- management of State Treasurer Account by daily, monthly and quarterly revisions of general fund cash requirements and receipts
- management of employee benefits
- reporting of sales and use tax

Administrative Services, **Budget and Accounting** unit, continued

- administration of state telephone network operation
- administration of petty cash fund
- operation of employee transportation including parking and Motor Fleet Management leases
- management of accounts payable (1200-1600 checks written per month)
- management of accounts receivable
- maintenance of permanent and temporary payrolls
- control of fixed asset system

The **Purchasing/Mail Room** unit is responsible for:

- procurement of goods and services for departmental operations (approximately $3 million per year in expenditures)
- departmental compliance with ADA and health and safety regulations
- coordination with Division of Facility Management for building maintenance and repair
- management of central supply store
- pickup and delivery of all department mail
- disposition of surplus property

The **Computer Operations** unit is responsible for:

- operation of the departmental minicomputer facility, serving 650 users and over 50 applications, as well as public access terminals for the State Library and State Archives
- serving as representative on the state Information Resource Management Commission (IRMC)
- training department staff in the operation of microcomputer hardware and software

DCR 100

DEPARTMENT OF CULTURAL RESOURCES

ADMINISTRATIVE SERVICES - FUND 1120

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,051,285	$ 1,099,449	$ 1,164,234	$ 1,164,234
Receipts	$ 13,532	$ 14,955	$ 15,093	$ 15,093
General Fund Appropriation	$ 1,037,753	$ 1,084,494	$ 1,149,141	$ 1,149,141
Number of positions	19.00	19.00	19.00	19.00

Source: 1999-2001 Continuation Budget Document

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 2,1999
Room 425
8:30 a.m.

Chairman: Representative William Wainwright

Department of Cultural Resources

Review of Departmental Performance Measures

Renne' Vance
Business Officer

State Library Division

(Notebook pp. DCR 22 - DCR 30)
(Budget Book/Performance Measures p. 109)
(Budget pp. 110-111)

Sandra M. Cooper
Director

Division of Archives and History

(Notebook pp. DCR 32 - DCR 52)
(Budget Book/Performance Measures and Budgets)
(for Sections pp. 90-102)

Archives and Records
(Budget Book/Performance Measures p. 93)
(Budget p. 97)

Historic Sites
(Budget Book/Performance Measures p. 93)
(Budget p. 98)

(over)

Tryon Palace
(Budget Book/Performance Measures p. 94)
(Budget p. 99)

Historic Preservation
(Budget Book/Performance Measures pp. 94-95)
(Budget p. 101)

Jeffery Crow
Director

Joint Appropriations Subcommittee
On
General Government

March 2, 1999
8:30 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met March 2, 1999 at 8:30 a.m. in Room 425 of the Legislative Office Building. Five Senate members were present and the following House members were present: Representative(s) Jeffus and Wainwright, Co-chairs; and Representative(s) McLawhorn, Barefoot, Thompson, Setzer and Ellis.

Representative Wainwright called the meeting to order and recognized the Pages. He announced that representatives of the Department of Cultural Resources were present at the meeting and that the committee would hear from various divisons of the Department.

The first presentation was a brief overview given by Renne' Vance, Business Officer, on Performance Program Budgeting in the Department of Cultural Resources. There are ten catagories in State Government called Program Areas which group together government activities and expenditures based on common goals and objectives. Reference was made to the 'pie chart' entitled "1999-2000 Recommended Continuation Budget Summary by Program Area" and a chart entitled"1999-2000 Recommended Continuation Budget Cultural Resources Program Area". (The two charts have been made a part of the Minutes for the record).

Ms. Sandra Cooper, Director of the State Library Division, was recognized. She began with a review of the history of the Library. The Library was founded in 1812 and the first state librarian was appointed in 1843. In 1909 a separate Library Commission was formed to develop public library services around the State, and then in 1950 the Library Commission merged to form the library as it is known today. In 1970, the State Library became part of the Department of Cultural Resources. There is a fifteen-member Advisory State Library Commission. Ms. Cooper reviewed the library budget and explained library services and programs provided across the State. It is the goal of the State Library Division to work to coordinate efforts to learn all types of libraries, particularly in this time of expanding electronic information to increase access through libraries. She said that there are seventy-five public library systems today serving all 100 counties, so there is no one in the state who does not have access to a public library that meets minimum standards. Ms. Cooper and staff were commended for doing such a great job for the State.

Dr. Jeffrey Crow with Archives and History was introduced. Dr. Crow presented statistical measures regarding visits to the state historical sites and museums. There are well over one million people who visit the various sites across the State. Of that number,

a good percent are school children, so this reflects a very important public education mission for the citizens of the State. Dr. Crow mentioned some of the highlights over the past six months: one being findings from Blackbeard's Queen Ann's Revenge off the North Carolina coast. Dr. Jeffrey spoke of the need for a new Archives and Record Center.

Mr. Elliot Futrell of Goldsboro was asked to speak to the Committee on behalf the citizens of North Carolina and the Geological Society regarding funding for a new record center for Archives and Records.

The meeting was adjourned at 10:00 a.m. to be continued in the afternoon at 2:30 p.m.with the Department of Cultural Resources.

William L. Wainwright

Representative William Wainwright
Presiding Cochair

Jacquelyn A. Hamby

Jacquelyn A. Hamby
Transcribed Minutes from Tape (I)

ATTACHMENTS:
-Agenda
-Visitor Registration Sheet
-Pie Charts I and II
-Draft Notes

NORTH CAROLINA

DEPARTMENT OF CULTURAL RESOURCES

Betty Ray McCain
Secretary

LEGISLATIVE OVERVIEW
for
GENERAL GOVERNMENT JOINT APPROPRIATIONS SUBCOMMITTEE

February, 1999

NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES

LEGISLATIVE OVERVIEW

Table of Contents

Department of Cultural Resources
- Budget Summary
- Mission Statements/Summary Descriptions of the Department's Divisions
- History of the Department
- Organizational Chart
- Department Budget

First Flight Centennial Commission

North Carolina Museum of Art

The State Library of North Carolina

Division of Archives and History

North Carolina Museum of History

Roanoke Island Commission

The North Carolina Symphony

North Carolina Arts Council

Office of the Secretary

Administrative Services

DCR 1

DEPARTMENT OF CULTURAL RESOURCES

BUDGET SUMMARY

	1999-2000 Recommended Total Budget	2000-2001 Recommended Total Budget	# positions
Administration			
Office of the Secretary	$1,075,914	$1,075,914	18.25
Administrative Services	$1,164,234	$1,164,234	19
Division of Archives & History			
Director's Office	$2,010,245	$2,010,245	26
Historical Publications	$ 679,320	709,320	14.5
Archives & Records	$3,077,275	$3,077,275	73
State Historic Sites	$7,275,755	$7,218,917	142
Tryon Palace	$2,588,425	$2,584,425	55
State Capitol/Visitor Center	$ 470,720	$ 470,720	11
N.C. Maritime Museum	$ 853,866	$ 853,794	17
State Historic Pres. Office	$2,238,076	$2,238,076	44.5
Western Office	$ 369,399	$ 372,704	7
N. C. Arts Council	$6,150,156	$6,069,962	24.24
N.C. Museum of Art	$3,830,912	$3,830,912	93.01
N.C. Symphony	$ 334,858	$ 334,858	9
Grant in Aid to Arts	$2,140,979	$2,140,979	0
State Library of N.C.			
State Library Services	$4,387,102	$4,381,194	92
Statewide Program & Grants	$20,436,201	$20,436,201	0
N.C. Museum of History	$4,769,849	$4,769,849	102
Museum of Albemarle Reserve		923,900	15
Roanoke Island Commission	$1,826,157	$1,826,157	32

DCR 2

North Carolina Department of Cultural Resources

	1993-94		1994-95		1995-96	
Certified Appropriation	$ 44,955,631		$ 47,054,697		$ 55,237,705	
Less: Appropriated Pass-through Grants	$ (19,974,250)	44%	$ (21,389,250)	46%	$ (27,768,527)	50%
Adjusted Appropriation	$ 24,981,381		$ 25,665,447		$ 27,469,178	

	1996-97		1997-98		1998-99	
Certified Appropriation	$ 49,379,190		$ 63,698,428		$ 71,389,249	
Less: Appropriated Pass-through Grants	$ (20,731,527)	42%	$ (29,505,527)	46%	$ (36,431,077)	51%
Adjusted Appropriation	$ 28,647,663		$ 34,192,901		$ 34,958,172	

* For the six fiscal years listed above, budget cuts in State Appropriations amounted to $4,945,252
* For the six fiscal years listed above, position cuts amounted to 49.0

North Carolina Symphony:

In the early 1980's, State funding was approximately 70% of the operating budget, with 30% coming from the private sector. Currently, State funding is only 36%, while private sector funding has increased to 64%.

North Carolina Museum of Art:

For 1998-99, 89%, or $3,036,975, of the Art Museum's budget consists of salary and fringe benefits, while only 11%, or $367,100, is for operating expenses.

North Carolina Arts Council:

Since 1994, the Arts Council has cut 4.5 Federal positions, equaling $120,000 in salaries and fringes. This is an 18% reduction in Arts Council staff, to 24.5 positions.

North Carolina Museum of History:

Since 1993, the Museum of History staff has been cut by 18%, resulting in a loss of salaries of approximately $420,000.

Archives and Records Section of the Division of Archives and History:

Since 1993, 8 positions have been lost in budget cuts, including a critical guard position. Virtually out of space, the Section desperately needs a new state records center to meet its legislatively mandated responsibilities to manage the state's records.

State Library:

Since 1990, the State Library's budget to support direct service to customers has been reduced by over $1 million (a 20% reduction). This includes $600,000 and 6 positions in state funds and $500,000 and 6 positions in federal funds. These funds also covered basic operations, library materials, books, and equipment.

DCR 3

DEPARTMENT OF CULTURAL RESOURCES

More information about the Department of Cultural Resources is available on the Internet at the Department's Home Page on the World Wide Web. The address is: http://web.dcr.state.nc.us

Mission Statement

The mission of the Department of Cultural Resources is to enrich the cultural, educational and economic well-being of citizens and visitors to North Carolina through the preservation, development, presentation, promotion and dissemination of artistic, historical and information resources. (G.S. 121-1-42; G.S. 125-1-19; G.S. 140-5.3-15; G.S. 140-1-6; G.S. 143B-49-133.1).

The mission statements and summary descriptions of the department's six divisions follow:

Division of Archives and History : To collect, preserve, and utilize the state's historic resources so that present and future residents may better understand their history. The division safeguards the documentary and material evidence of past generations for the education of all citizens and the protection of their democratic rights.

The Division of Archives and History is responsible for researching, preserving and maintaining a record of North Carolina's rich cultural heritage. The division consists of seven sections: State Historic Sites, Archives and Records, Historical Publications, Archaeology and Historic Preservation, State Capitol, and Tryon Palace Historic Sites and Gardens and the Maritime Museum. The Director's Office also oversees operation of divisional computing, the Outer Banks History Center, Stagville Center, the Western Office, the First Flight Centennial Commission, the Federation of N.C. Historical Societies and the N.C. Literary and Historical Association.
The Division's Internet address is: www.ah.dcr.state.nc.us.

North Carolina Museum of Art: To acquire, preserve and exhibit works of art for the education and enjoyment of the people of the state, and to conduct programs of education, research, and publication designed to encourage an interest in and an appreciation for art on the part of the people of the state. (G.S. 140-5.12, enacted by the General Assembly April 3, 1947.

The North Carolina Museum of Art houses permanent displays of the state's art collection, plus changing exhibitions. One of the finest in the southeast, the museum's collection was the first in the nation to receive state support. Paintings and sculptures represent 5,000 years of man's achievements from ancient Egypt to the present. Collections of Renaissance and Baroque, English 18th century and American 19th century art are internationally recognized for their excellence. The North Carolina Art Society and the North Carolina Museum of Art Foundation provide substantial financial support for the museum's exhibitions, acquisitions, educational programs and other operating needs. Programs include films, lectures, concerts, workshops for adults and children, and outreach to areas outside Wake County. The museum features the new Joseph M. Bryan, Jr. Museum Park Theater, a gift shop and the Museum Cafe.
The Museum's Internet address is: www2.ncsu.edu/NCMA

North Carolina Arts Council: To enrich the cultural life of the state by nurturing and supporting excellence in the arts and by providing opportunities for every North Carolinian to experience the arts.

The North Carolina Arts Council supports excellence in the arts and provides opportunities for all North Carolinians to experience the arts. Grants, technical assistance, and a variety of services are available to nonprofit organizations and individuals. The Grassroots Arts Program provides funds for local arts activities in every county on a per capita basis. Other grants support dance, folklife, literature, music, theatre and visual arts projects, as well as fellowships and residencies for professional artists. Arts education programs are offered in pre-K through 12th grade settings. Over 10 million people participate annually in Arts Council-funded projects.

The Arts Council's Internet address is: www.ncarts.org

North Carolina Symphony: To foster musical awareness, enjoyment and education by performing both major orchestral concerts and educational concerts for the state's citizens and visitors.

The North Carolina Symphony, a major professional orchestra founded in 1932, performs approximately 175 adult and children's concerts each year, taking music to a wide range of communities across the state. In 1943, the symphony became the first state orchestra in the country to receive a state grant for ongoing support, and it has continued to receive the state aid for 54 years. The orchestra has one of the most extensive educational programs in the country, performing about 65 educational concerts a year as a part of the state's music curriculum for school children and sponsoring several youth competitions and a string internship program. **The N.C. Symphony Society raises approximately 68% of the symphony's annual operating budget,** while the N.C. Symphony Foundation holds the permanent endowment.

The Symphony's Internet address is: www.ncsymphony.org

State Library of North Carolina: The State Library of North Carolina focuses its services to the people of the state in three ways:

1. by working in partnership with local communities to develop and extend public library services statewide;
2. by coordinating efforts among all types of libraries to improve library services and to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and
3. by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped.

The State Library of North Carolina has a long, rich history that began with its founding in 1812, the appointment of the first full-time State Library in 1843, the establishment of the North Carolina Library Commission in 1909, and the merger of the commission and the State Library into a single agency in 1955. Today, the State Library serves North Carolinians statewide by working in partnership with local communities to develop and extend public library services; by developing the North Carolina Library and Information Network to coordinate efforts among all types of libraries to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped. The State Library administers the State Aid to Public Libraries Fund which will distribute $16.9 million in fiscal year 1998-99 through formula grants to public libraries serving all 100 counties as well as the federal Library Services and Technology Act.

The State Library's Internet address is: http://statelibrary.dcr.state.nc.us/ncslhome.htm

North Carolina Museum of History: to promote the understanding of the history and material culture of North Carolina for the educational benefit of North Carolinians. Through collections and historical interpretation, its museums encourage citizens and visitors to explore and understand the past; to reflect on their own lives and their place in history; and preserve state, regional, and local history for future generations.

The North Carolina Museum of History promotes understanding of the history and material culture of North Carolina for citizens, school children and visitors in all one hundred counties. Three regional branches extend the museum's services: the Museum of the Albemarle in Elizabeth City, the Museum of the Cape Fear in Fayetteville, and the Mountain Gateway Museum in Old Fort. The museum develops, produces and maintains over 61,000 square feet of long and short term exhibits with interpretive programs, special events and publications for 350,000 visitors annually; it provides outreach to schools and community groups through programs such as the Tar Heel Junior Historians, a North Carolina Information Highway site and an Internet home page; and it serves other museums and historical organizations throughout the state through consultations and professional services. The museum's activities provide access to collections numbering

Museum of History, continued
over 300,000 artifacts representing all aspects of North Carolina history. Its support group, the North Carolina Museum of History Associates (numbering some 15,000), is the largest state history museum support group in the United States.
The Museum's Internet address is: http://nchistory.dcr.state.nc.us

The Office of the Secretary performs planning/policy development activities for the department and assures that departmental programs serve the people of North Carolina. The office oversees grants appropriated by the N.C. General Assembly. The Office of the Secretary directs the North Carolina Awards program, instituted in 1961 by the N.C. General Assembly. The North Carolina Awards is the highest honor the state can bestow, which recognizes notable accomplishments by North Carolina citizens in the fields of scholarship, research, the fine arts and public leadership. The four units under the Office of the Secretary are: Administrative Services, Capital Projects Unit, Public Affairs Office and the Human Resources Office.

The Roanoke Island Commission, an independent commission situated within the Department of Cultural Resources, was established by G.S.141B-131.1 in 1994 and operates the *Elizabeth II* and Roanoke Island Festival Park. The commission is charged to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island.

DCR 7

History of the N.C. Department of Cultural Resources

Although the Tar Heel State has touted its cultural wealth since colonial times, not until 1971 did the artistic and historic treasures of North Carolina have a state-level agency devoted solely to their maintenance and preservation. First created as the Department of Art, Culture, and History, what evolved into the present-day Department of Cultural Resources was the first such cabinet-level agency in the nation. The founding of the department by the N.C. General Assembly took place during state government reorganization, helping to consolidate the efforts of statewide cultural organizations which had been working for decades to promote North Carolina's artistic, musical, informational and historic riches. So, as is true of many departments formed during reorganization, it included several agencies much older than the department itself.

N.C. Division of Archives and History

In 1903, the N.C. Literary and Historical Association requested that the General Assembly establish a commission to preserve the history of North Carolina. A bill was introduced by Sen. R. F. Beasley of Union County, who was assisted by Raleigh lawyer William Joseph Peele, who wrote the bill. The law was enacted on March 9, 1903, creating the N.C. Historical Commission, consisting of five members appointed for two-year terms by the governor. They were given $500 and were instructed to collect valuable documents pertaining to the state's history. The members received no personal monetary compensation for their work.

In 1907, the legislature strengthened the commission by increasing the appropriation and by naming Robert D. W. Connor the first salaried secretary of the commission.

A series of secretaries followed, including Albert Ray Newsome, who encouraged the commission to turn from simply collecting materials to preserving and displaying them. In 1935 Christopher Crittenden became secretary, an association that continued for 33 years.

In the 1940s there was a reorganization of state government, and the name changed from the N.C. Historical Commission to the Department of Archives and History. Within this department were eventually created the Division of Archives and Manuscripts, the Division of Publications, the Hall of History (later the N.C. Museum of History) and Historic Sites.

In 1971 another government reorganization created the Department of Art, Culture, and History, later renamed the Department of Cultural Resources. Archives and History became a division within the new department, and its component parts became sections within the division.

The legislature created another N.C. Historical Commission in 1973 to serve as an advisory board for the N.C. Division of Archives and History. These members are appointed by the governor.

The sections within the division today are Archives and Records, Archaeology and Historic Preservation, Historic Sites, Historical Publications, State Capitol/Visitor Services, Tryon Palace and the N.C. Maritime Museum. The N.C. Museum of History became a separate division in 1996.

Source: Public History in North Carolina, 1903-1978, Jeffrey J. Crow, Editor

DCR8

N.C. Museum of History

After visiting Boston in the 1880s and marveling at its preserved past, Raleigh News and Observer publisher Samuel A'Court Ashe began an editorial campaign encouraging the saving of North Carolina's history so that natives and visitors could learn of North Carolinian ancestors' lives.

Following Ashe's campaign, city editor Frederick Augustus Olds, the "father" of the N.C. Museum of History, began traveling across North Carolina, collecting objects from the state's past and listening to the stories associated with each item. Also following Ashe's campaign, a gallery of history was created in the State Museum (now called the N.C. State Museum of Natural Sciences).

On December 5, 1902 after developing a sizable private collection, Olds combined his historical materials with the State Museum's historical items to create the Hall of History. The artifacts were contained in 37 cases which were mothproof, dustproof and had double safety locks.

In 1914 after the N.C. Historical Commission took over the Hall of History, the hall moved into its second home in the State Administration Building, (now known as the Ruffin Building), at the intersection of Morgan and Fayetteville Streets. It soon became obvious that even these two large halls would not be adequate space for the fast-growing number of items.

Under the commission, the Hall of History took on a new two-fold purpose: to teach the history of North Carolina and to preserve historical materials. The museum's educational programs and preservation techniques would grow in coming years.

In 1939, the Hall of History moved to the newly constructed Education Building on the corner of Edenton and Salisbury Streets. With the new space, designed specifically for the museum, came goals for more attractive exhibits, improved lighting, and a better arrangement of artifacts as well as a new emphasis on educational programs and the care and organization of artifacts.

After decades of growth, the Hall of History was no longer a "hall." On July 1, 1965, it became the N.C. Museum of History and was named a division within the Department of Archives and History (now a division within the Department of Cultural Resources.) By the middle of August 1968, the museum was moved to the new $3 million Archives and History/State Library Building at 109 East Jones Street. More than 90,000 items were moved during the next 18 months; the mezzanine exhibits opened in late 1973, completing the galleries in that building.

John D. Ellington became administrator in 1974 and worked to establish the N.C. Museum of History Associates in 1975. The Associates, a support group for the museum, were instrumental in finding more space for the museum.

At One East Edenton Street, a groundbreaking took place June 14, 1988, for what was to become the current home of the N.C. Museum of History. Completed in August 1992, the new $29 million facility had a research library, a variety of classroom spaces, a large and well-equipped 315-seat auditorium and large gallery spaces totaling 55,000 square feet.

The N.C. Museum of History was named the sixth division within the N.C. Department of Cultural Resources in 1996 by Cultural Resources Secretary Betty Ray McCain following a review by the N.C. Historical Commission.

Source: North Carolina Stories, The Grand Opening Celebration of the New North Carolina Museum of History Building, John Lee Bumgarner, Managing Editor, 1994.

N.C. Arts Council

Governor Terry Sanford sought to ensure that all citizens had some exposure to the arts, and by executive order in 1964, created the N.C. Arts Council to "survey the status and needs of the arts" and to "advance the interests of the arts." Under Governor Dan K. Moore the N.C. Arts Council became a statutory state agency in 1967.

Today the Council provides technical assistance and more than 1,300 grants each year to artists and nonprofit organizations throughout the state. Governor James B. Hunt captured the essence of the Council's mission in the early 1980s when he said, "The rich artistic environment of North Carolina is not the accomplishment of a single person, but of many people and groups. It's the job of the N.C. Arts Council to keep that cultural mix going with energy and vitality."

North Carolina's unique approach to stimulating arts development was populist from the start, helping communities help themselves. In 1967, when the Council first published its survey of the state, 17 local arts councils and 233 arts groups began organizing, hiring staff and investing in arts facilities in communities all across the state. Thirty years later, statistics compiled by the Council show:

* A network of 103 local arts councils in 87 of 100 counties;
* 2,177 arts organizations operating in the state;
* 34,091 artists in all disciplines with a 65.8% increase from 1980 to 1990;
* 18,000,000 people participating in arts activities in any given year, according to N.C. non-profit arts organizations.

Modest but steady increase in financial support from the state have enabled this growth. In its first two years combined, the Council disbursed $187,816 in program support and grants. In the fiscal year 1996-97, the Council funded 508 arts organizations, 319 schools, community and civic groups and 43 individuals for a total of $4,430,571.

The Council's grants have had a proven catalytic effect. Arts groups attribute much of their ability to raise funds locally to the Council's funding, its rigorous review processes and its technical guidance. In 1996-97, Council funds stimulated an 11 to 1 match in individual, business, local government and foundation support.

Source: N.C. Arts Council

DCR 10

N.C. Museum of Art

The seeds of the N.C. Museum of Art were planted years before the landmark 1947 decision to appropriate state funds for the first public collection of art in the United States. Since the turn of the century, forward-thinking citizens have sought ways to provide rich cultural and educational opportunities for the people of North Carolina.

In 1924, a group of citizen leaders formed the Fine Arts Society to create an art collection and museum for the North Carolinians. Yet it was not until after World War II that conditions favored the long-sought art museum. In 1947 Greenville native Robert Lee Humber obtained a verbal commitment from Samuel H. Dress, the national five-and-dime-store magnate, to contribute $1 million toward the establishment of a state art museum. Kress, who had assembled one of the great collections of European art, stipulated that his gift be matched.

Armed with this extraordinary pledge, Humber leveraged support to gain a grant from the state. Rep. John H. Kerr, Jr., of Warrenton introduced the museum legislation in a persuasive - now famous - speech, with the opening words, "Mr. Speaker, I know that I am facing a hostile audience, but man cannot not live by bread alone." On April 5, 1947, by a narrow three-vote margin, the appropriation passed.

Plans moved forward to develop the former State Highway Building on Morgan Street as the Museum's first home. In 1955, William R. Valentiner, an eminent scholar in Italian Renaissance sculpture, Dutch 17th century painting and German modern art, became the Museum's first director. When the NCMA opened on April 6, 1956, blockbuster crowds were thrilled with the results.

On April 5, 1983, the Museum opened at its present 140-acre site on Blue Ridge Road, in a building designed by Edward Durrell Stone, who also designed the N.C. Legislative Building and the Museum of Modern Art in New York.

The collection continued to expand with partnerships and contributions from around the state. In April of 1996, the NCMA's Museum Park, an interactive sculpture garden that garnered acclaim in national architecture and design circles, debuted to the public. A unique collaboration among conceptual artist Barbara Kruger and a team of designers and architects, the Museum Park is the result of a national design competition and features the phrase PICTURE THIS, with 80-foot-long letters made with a variety of materials. The Museum Park is also home to the Joseph M. Bryan, Jr. Theater, a center for performing arts and film.

Looking ahead, the Museum seeks to add significant space for education, public programs and the growing collection. Additionally, the Museum is committed to extending knowledge about its collections by creating computer resources for schools, colleges and universities, and homes statewide.

Source: N.C. Museum of Art

DCR 11

N.C. State Library

Although there existed several public libraries, the only tax-supported library in North Carolina prior to the twentieth century was the State Library, which came into being in 1812 as a collection of books in the office of the Secretary of State William Hill for the use of government officials. It was administered on a part-time basis until 1843 when the secretary of state was paid $18.75 per quarter to serve as librarian.

An inventory of the State Library in 1828 listed approximately 1,150 titles in fifteen categories from "Atlases" to "Speeches and Debates." Of these volumes, only 117 survived the State House fire of 1831; of the 117 volumes, 97 were on loan to patrons at the time of the fire.

From 1841 until 1921 the annual appropriation from the acquisition of books was $500, which barely covered the cost of binding newspapers and rebinding worn volumes.

After 1843, a full-time librarian was appointed by the trustees, and after 1871 the appointment was subject to approval by the General Assembly. After 1886 the library was available to members of the General Assembly during its sessions, to officers of the Executive Department, to justices of the state supreme court, to the attorney general and to the commissioner of agriculture.

In 1888, the State Library was moved from the Capitol to the new State Library and Supreme Court Building (now the Labor Building). In 1914 it was moved to the Administrative Building (now the Court of Appeals Building), where it remained until a brief relocation to the former site of a bowling alley during construction of the Archives and History/State Library Building into which it moved in 1969 and remains today.

Source: Mitchell, Thornton W. The State Library and Library Development in North Carolina. Raleigh: N.C. Department of Cultural Resources, Division of State Library, 1983.

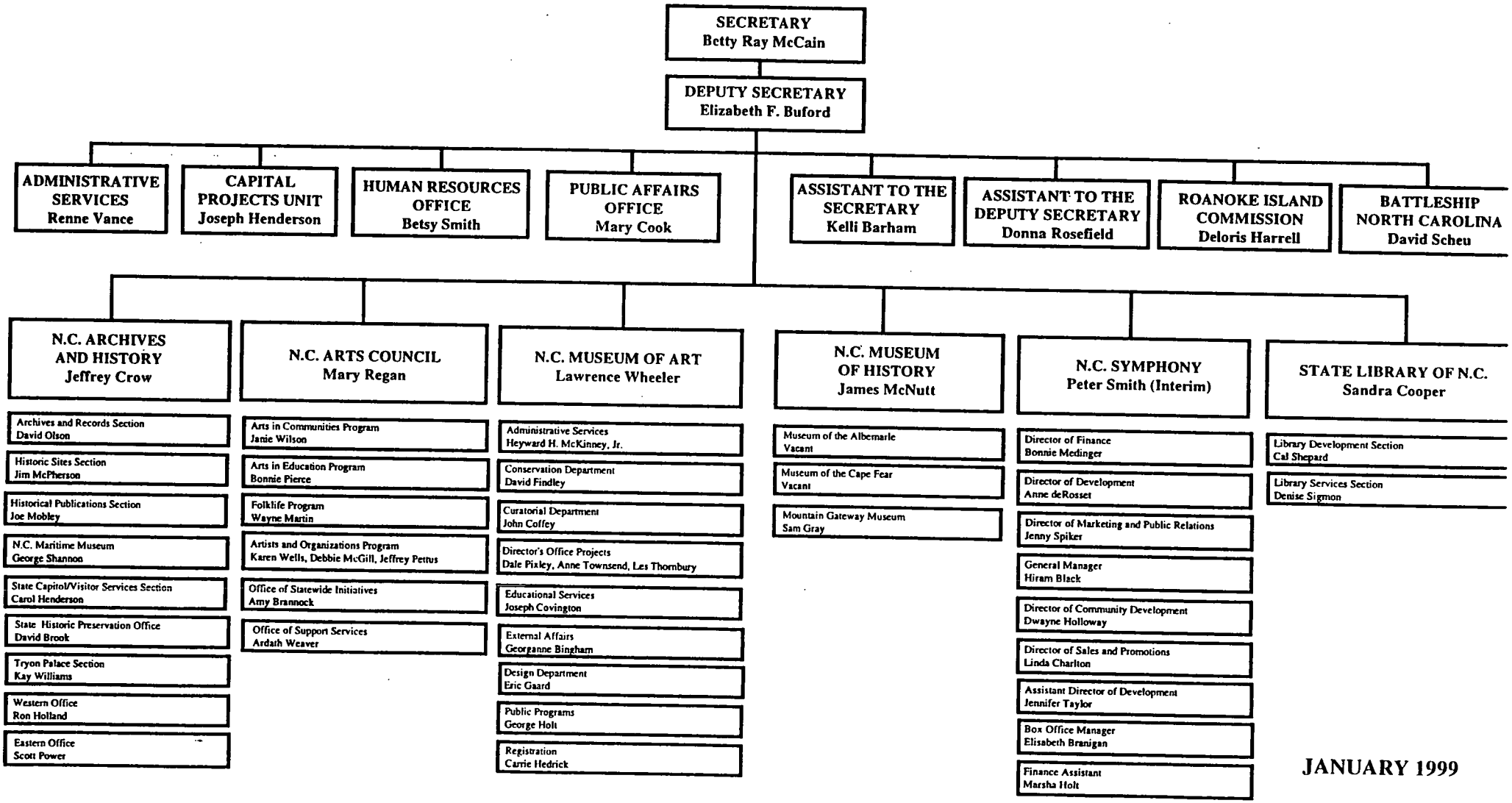
N.C. Symphony

The N.C. Symphony was formed in 1932 under the direction of Pulitzer Prize-winning composer Lamar Stringfield. It served as a WPA project in the 1930s and in the 1940s became the first orchestra to receive state funding on a continuous basis. Under the 33-year leadership of Dr. and Mrs. Benjamin Swalin, the Symphony began its grassroots emphasis of taking the orchestra to the people of the state. That tradition has continued every year since the 1943 Horn Tootin' Bill was passed in the General Assembly. The Symphony performs in large and small communities across the state from Murfreesboro to Wilkesboro during the regular season. More than 1,500 volunteers make sure that the orchestra reaches both children and adults.

Presently, the orchestra is led by Music Director and Conductor Gerhardt Zimmermann who is also artistic director and conductor for two other orchestras: the Canton Symphony Orchestra in Ohio and the Breckenridge Music Institute in Colorado. William Henry Curry serves as Associate Conductor and Jackson Parkhurst is Assistant Conductor and Director of Education.

Source: The N.C. Symphony

THE NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES



JANUARY 1999

DCR 12

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION BUDGET

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
General Fund 14800				
Total Requirements	$ 71,677,873	$ 78,421,302	$ 64,021,963	$ 64,833,156
Receipts	$ 7,440,692	$ 5,586,878	$ 6,904,346	$ 6,821,152
General Fund Appropriation	$ 64,237,181	$ 72,834,424	$ 57,117,617	$ 58,012,004
Roanoke Island Commission - General Fund 14802				
Total Requirements	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157

DCR 14

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION BUDGET (Page 2)

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Enterprise Fund 54800				
Total Requirements	$ 124,218	$ 85,758	$ 85,758	$ 85,758
Receipts	$ 103,201	$ 85,758	$ 85,758	$ 85,758
Increase (Decrease) in Cash Balance	$ (21,017)	$ -	$ -	$ -
Beginning Cash Balance	$ 63,745	$ 42,728	$ 42,728	$ 42,728
Ending Cash Balance	$ 42,728	$ 42,728	$ 42,728	$ 42,728

NORTH CAROLINA MUSEUM OF ART

DCR16

The North Carolina Museum of Art

The North Carolina Museum of Art is a division within the North Carolina Department of Cultural Resources and is governed by a 28 member Board of Trustees. Board members are appointed by the Governor, the General Assembly, the Art Society, Museum of Art Foundation Board, and the Board of Trustees.

The North Carolina Museum of Art traces its origin to 1924 when the Art Society of North Carolina was founded with the purpose, "to promote an interest in providing a State Art Museum in Raleigh." In 1929, the General Assembly placed the Art Society under state patronage, which began a tradition of public/private partnership that continues to the present. In its early days, the Art Society began a program of collecting and staging exhibitions and educational programs even before there was a permanent museum. In 1947, an act of the General Assembly made North Carolina the first state in the nation to appropriate public funds for the purchase of works of art to establish a state supported art museum. That first appropriation matched a gift of 75 important works of art given by the Samuel H. Kress Foundation as part of its program of endowing regional museums throughout the United States. Negotiations with Mr. Kress and the Kress Foundation were led by state senator Robert Lee Humber of Pitt County. Thanks to his efforts, of the nearly one hundred institutions receiving art from the great Kress collection, the gift to the North Carolina Museum of Art was the largest and most important of any except that given to the National Gallery of Art in Washington, D. C. The Kress gift, combined with purchases made with legislative appropriations, created for the people of North Carolina the most distinguished collection of old master paintings in the southeastern United States and formed the foundation for today's Museum.

The Museum's major responsibilities are well stated in its statutory mission, "...to acquire, preserve, and exhibit works of art for the education and enjoyment of the people of the State, and to conduct programs of education, research, and publication designed to encourage an interest in and an appreciation of art on the part of the people of the State." (G.S. 140-5.12) This mission is accomplished through a variety of programs focusing on the State's permanent art collection, which consists of thousands of objects spanning over 5,000 years of human history. The Museum also brings to North Carolina many special exhibitions of important art treasures from around the world for the educational benefit and enjoyment of the people of our state. Scholarly publications and a full range of classes, workshops, lectures and other programs complement the Museum's educational mission and program objectives.

The Museum is an active partner with the state's educational systems. Thousands of school children from all over North Carolina visit the Museum each year and learn about their own culture and about other civilizations through guided tours and other programs. Outreach exhibitions, slide programs, speakers, and teaching materials are also available to schools and other groups in all counties throughout

the state. The Museum continues to enhance accessibility to its collections through the use of new technologies such as digital imaging, CD-ROM, and the Museum's World Wide Web page (http://www2.ncsu.edu/ncma). New educational initiatives planned for the next year include the first CD-ROM gallery guide system, new Web pages to include Art Nouveau exhibition, new multimedia program for children on the art of the ancient Americas, and a Festival of African-American culture.

The Museum also offers other services to the state's citizens. The conservation department provides consultation and conservation treatment services to other museums and public collections around the state. Curators are available on a regular schedule to consult with citizens about works of art in their own collections, and the Museum's art reference library is available to area university students or others needing to do research on art related subjects.

The Museum of Art regularly receives national and international recognition for its collections, acquisitions, and programs. It has become a major tourist attraction that draws many visitors from within the state and from beyond its borders each year. The Museum also contributes to the economic well being of North Carolina by helping to attract business and industry to locate and expand here. When asked why they chose to locate in North Carolina, business leaders will most often cite the state's quality of life, including the cultural environment and its commitment to education. The North Carolina Museum of Art makes strong contributions in these areas.

The Museum is assisted in its mission by two affiliated organizations, The North Carolina Art Society and the Museum of Art Foundation, Inc. As mentioned previously, the Art Society is the predecessor of the Museum. The Art Society is a venerable and distinguished organization founded in 1924 and under the patronage of the state since 1929. General Statutes provide that the Art Society shall be the membership arm of the North Carolina Museum of Art and continue under state patronage (G.S. 143B-89 and G.S. 140-14). The Art Society also holds the permanent endowment, the Robert F. Phifer Fund. Proceeds from this endowment are used solely for the acquisition of works of art for the Museum's permanent collection. This modest endowment provides the Museum's only reliable source of acquisition funding. There have been no state funds appropriated to add to the Museum's collection since 1985.

The Museum of Art Foundation, Inc. is a private, non-profit corporation which has tax-exempt status under IRS Code 501(c)(3). The Foundation holds some endowment funds and plays the essential role of operating the Museum's private fundraising efforts. The Foundation accounts for approximately one-half Museum's average annual operating budget. These funds are spent by the Foundation on the Museum's behalf to support exhibitions, educational programs, staffing, and other operating needs.

DCR18

In 1997, the Museum's new outdoor performing arts facility, the Joseph M. Bryan Theater, opened. In the 1998 season, the Museum presented thirteen concerts and thirty-three film screenings in the Bryan Theater and attracted crowds of as many as 4,500. This amphitheater was designed and built with private funds raised by the Museum of Art Foundation, It enables the North Carolina Museum of Art to offer a full range of performing arts experiences to complement the visual arts found inside the Museum's walls.

Also in 1997, the Museum undertook a complete study of its present physical facilities made possible by an appropriation in the 1996 session of the General Assembly. This study will direct the planning and programming of enhanced facilities to enable the institution to meet the state's needs well into the next century. The 1998 General Assembly appropriated the funding to design the addition and renovation of the Museum's facilities. We have requested funds in the current session to fund this construction. In addition, the Museum, through the Foundation has launched a major capital campaign to raise $20 million in the private sector to support the building effort, programming, and development of the Museum's collections into the next millennium.

In order to meet the challenges of the years ahead, the Museum looks forward to a continuation of the great tradition of partnering private funding with the public support provided by the General Assembly.

DCR 19

North Carolina Museum of Art
Selected Statistics

Total Museum Visitors 1997-98: 233,893

Joseph M. Bryan Theater Public Program Attendance 1998 season: 27,169

Education Events 1997-98: 205

Total Participants in Education Events 1997-98: 10,299

Guided Tours 1997-98: 2,490

Guided Tour Participants 1997-98: 30,010

Outreach Services 1997-98: 52

Outreach Service Participants 1997-98: 4,119

Educational Lending Materials 1997-98: 707

Education Lending Materials Participants 1997-98: 55,543

DCR 20

DEPARTMENT OF CULTURAL RESOURCES

MUSEUM OF ART - FUND 1320

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 3,781,653	$ 3,829,977	$ 3,830,912	$ 3,830,912
Receipts	$ 145,234	$ 138,685	$ 139,013	$ 139,013
General Fund Appropriation	$ 3,636,419	$ 3,691,292	$ 3,691,899	$ 3,691,899
Number of positions	92.00	93.01	93.01	93.01

Source: 1999-2001 Continuation Budget Document

THE STATE LIBRARY OF NORTH CAROLINA

DCR 22

The State Library of North Carolina
A Division of the Department of Cultural Resources

Part I - State Library Overview

The State Library has a long and proud history, beginning with its founding in 1812 as a collection of books in the office of the Secretary of State and the appointment of the first full-time State Librarian in 1843. Another historic milestone was the establishment of the North Carolina Library Commission in 1909. The Commission's primary mission was to provide assistance, advice, and counsel to: all libraries; all communities that proposed to establish libraries; and all persons interested in the best means of establishing and administering libraries. By action of the General Assembly in 1955, the State Library and the Library Commission were merged to form a single State Library.

Today, the State Library is a division of the Department of Cultural Resources; and the State Library Commission, a 15-member group of citizens and professional librarians, advises the Secretary of Cultural Resources and the State Librarian on priorities and policy issues.

Under the authority of G.S.125, the State Library of North Carolina focuses its service to the people of the state in three ways:

(1) by working in partnership with local communities to develop and extend public library services statewide;

(2) by coordinating efforts among all types of libraries to improve library services and to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and

(3) by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped.

Part II – Financial Overview

The State Library's budget is divided into two funds:

- *Fund 1410 – State Library Services*: funds those State Library services provided to its customers. The budget of $4.4 million supports personnel, operating costs, library materials and resources, and other expenditures related to the direct delivery of library services and direct support for local library staff members. Today, the library employs 92.5 FTE.

- *Fund 1480 – Statewide Programs and Grants*: funds activities that help local libraries improve services and totals $21.4 million in state and federal funds. Major areas of expenditure include:

- Aid to Public Libraries Fund: funded in 1998-1999 at $16.9 million, with $2 million in non-recurring funds and $14.9 million in recurring funds. See Attachment A for a full description of this program.

- NC LIVE and Internet Access for Public Libraries: NC LIVE is the ground-breaking electronic library project that went online in April 1998 (see Attachment B). The State Library receives $1 million to fund public library participation in NC LIVE. The State Library also administers $783,000 in ongoing funds that assist local public libraries in accessing the Internet.

- Funds for children and reading services were added to the State Library's budget in 1998-99. The appropriation of $103,500 supports the statewide summer reading program, other programs for children and teens, and a portion of the activities of The North Carolina Center for the Book, a state affiliate of the Library of Congress program that promotes books, reading, and literacy.

- The Library Services and Technology Act (LSTA) is a new federal library program. It provides a block grant of approximately $3.5 million to the State Library to support programs in all types of libraries that use technology to improve services, build collaborative programs among libraries, and extend services to unserved and underserved North Carolinians. This year, the State Library has funded 105 LSTA grants to public libraries as well as libraries in schools, community colleges, and other publicly and privately funded academic institutions.

Last year, the General Assembly provided a total of $147,100 to the State Library for activities formerly supported under programs under a defunct federal program. The money goes to statewide programs for children and reading and the volunteer services component of the Library for the Blind and Physically Handicapped. The appropriation to the State Library also included $2 million in non-recurring funds for the Aid to Public Libraries Fund.

The State Library's budget to support direct service to its customers in Fund 1410 has, however, been reduced by over $1 million in the 1990s—a reduction of about 20%. The reductions in state funds have totaled almost $600,000, including 6 positions. With changes in federal funding programs, the State Library has also had to eliminate approximately $500,000 in federal funds that it had come to rely on for basic operations, resulting in the elimination of another 6 positions as well as funds for library materials and equipment. Lost funds have resulted in diminished levels of customer service and a significant cutback in the Library's book budget.

Based on a customer service survey conducted in 1997-98, increased funding for equipment as well as increases in the materials budget are the highest priority for the State Library in upcoming biennium. Equipment needs include computers, photocopiers, and microform readers.

Part II - State Library Priorities and Services

The State Library's performance plan reflects its statutory mission and is based on input from its customers, including the State Library Commission and focus groups held in 1995 with representatives of the State's library community.

State Library Program Statement: Develop & promote library services - The purpose of this program is to provide library and information services and to assist local libraries in the development of programs, services, and facilities.

State Library Goal #1: Public Library Development: Develop and extend public library services for North Carolinians in partnership with local communities.

Customers: Public library users statewide, local government officials, public library staff members, and library board members and friends

Funds supporting this goal: 1410 - State Library Services & Programs & 1480 - Statewide Programs & Grants

Examples of strategies or activities directed toward this objective:

- In 1997-98, the State Library provided technical assistance to library staff, trustees, and friends statewide through 5,382 telephone and in-office consultations. The projected number of site visits to assist local libraries this year is 150. Last year, over 2,000 library staff members, trustees, and friends attended workshops sponsored by the State Library.

- The State Library administers the Aid to Public Libraries Program, which is distributed on a formula basis to libraries in all 100 counties through the 75 public library systems (see Attachment A for more information.) Annually, the State Library administers nearly 100-200 federal grants for libraries statewide.

- A comprehensive program designed to strengthen public library services for children and youth resulted in 124,000 children participating in local library programs that were made possible by the State Library's coordination and leadership.

- The public library statistics program provides information to assist local libraries in planning and evaluation. The State Library also participates in national library data collection efforts in partnership with the National Center for Education Statistics.

- The Center for the Book program promotes reading, books, and lifelong learning and helps local libraries develop programs and services. This program resulted in an increase from 271 in 1994-95 to 3,968 in 1997-98 in the number of adults attending local library programs supported by State Library.

- The State Library continues to monitor trends, needs, and issues to assure that its programs are responsive to the primary customers for this goal area.

State Library Goal #2: Coordinate and support statewide library network activities to assure equity of access to electronic information resources for all North Carolinians.

Customers: Users of all types of libraries statewide and North Carolina residents with access to the Internet.

Funds contributing to objective: 1410 - State Library Services & 1480 - Statewide Programs & Grants

Description of strategies or activities directed toward this objective:

- The State Library is a partner in NC LIVE, the statewide electronic library, making resources available through libraries statewide--including the full-text of 3,500+ magazines and newspapers as well as indexes to guide people to information in over 11,000 publications. (See Attachment B for more information.)

- Technical assistance and continuing education for library staff statewide.

- Federal grants to public and academic libraries to support improved access to the Internet for their library users.

- The State Library currently supports electronic mail accounts for over 500 library staff members from around the state, funds and manages nearly 500 Internet accounts for library staff statewide, and administers electronic discussion groups to foster communication and the exchange of information among library staff members statewide.

- The State Library also makes sharing of print resources possible among 182 smaller libraries of all types in the state, a service that delivered nearly 60,000 books and articles to North Carolinians in 1997-98.

- Today, all public library staff in North Carolina have the opportunity to access the Internet and nearly all of the 75 public library systems in North Carolina offer or are planning to offer public access to the Internet as a service to users.

State Library Goal #3: Provide library and information resources for North Carolinians to promote knowledge, education, and business.

Customers: State agency personnel, local government officials, businesses, and the general public, with the emphasis on genealogical researchers and North Carolina residents with visual and physical impairments

Funds contributing to objective: 1410 - State Library Services
Description of strategies or activities directed toward this objective:

- The State Library manages the State Publications Clearinghouse, a coordinated program to collect, catalog, and distribute state publications in print and microfiche to 30

depository libraries statewide. In 1997-98, this program cataloged and distributed over 51,168 state publications.

- The State Library assists other state agencies in cataloging and making their library holdings available in the library's online catalog.

- In a special demonstration project, the State Library is using the North Carolina Government Information Locator Service (NC GILS) to make state government web resources more readily accessible to North Carolinians over the Internet.

- The State Library acquires, catalogs on-line, processes, and provides access to a varied collection of books, magazines, electronic information resources, and videos in excess of 208,000 items. In 1997-98, the Library responded to nearly 25,000 requests for information, and over 160,000 items from the collection were used in-house or checked out.

- The State Library's Web site, which includes the electronic *North Carolina Encyclopedia*, was accessed 1.3 million times during the last year.

- The regional Library for the Blind and Physically Handicapped serves over 12,000 users statewide and circulated over 427,000 items last year.

- The State Library loaned over 30,000 books, videos, and other library materials to help other libraries serve their patrons last year.

DCR 27

Attachment A

Fact Sheet: The Aid to Public Libraries Fund

For more than 50 years, the General Assembly has provided financial support for North Carolina's public libraries. From an original appropriation of $100,000 in 1941, the Aid to Public Libraries Fund has continued and evolved.

Chapter 153 of the General Statutes of North Carolina (the chapter dealing with counties) contains the "Declaration of State policy" that says: *The General Assembly recognizes that the availability of adequate, modern library services is in the general interest of the people of North Carolina and a proper concern of the State and of local governments. Therefore, it is the policy of the State of North Carolina to promote the establishment and development of public library services throughout the state.* Chapter 125, which is the chapter dealing with the State Library, re-iterates that policy and established the state aid program: *For promoting, aiding, and equalizing public library service in North Carolina a sum shall annually be appropriated out of moneys within the State treasury to be known as the Aid to Public Libraries fund.*

Today 75 county, regional, and municipal library systems serving all 100 counties receive state aid--51 single-county libraries, 15 regional libraries serving 49 counties, and 9 municipal libraries that meet the minimum standards to qualify.

The current formula went into effect in 1983-84--and includes two components:

- ✓ A block grant: one-half of the appropriation is divided among the qualifying libraries. Each county receives one grant, and a multi-county regional library receives a block grant for each county plus an additional one for the region. Municipal libraries do not receive a block grant.

- ✓ Per Capita Equalization Grant: one-half of the appropriation is allocated under a weighted per capita grant inversely proportional to the average per capita income of people residing in the library's legal service area.

State aid is 20% or more of the operating budget for public libraries in 63 counties; and a total of 78 counties depend on the program for 15% or more of their public library operating funds. Statewide, state aid equals 12% of the total expenditures for public library service; however, that amount varies from a low of 3% in Charlotte-Mecklenburg to a high of 49%. For municipal libraries that do not receive a block grant, state aid represents an even lower percentage of operating expenditure.

Currently, state aid gives North Carolina public libraries considerably less buying power than they had in 1987, yet the number of people being served and demand for services is greater than at any time in their history. During the past four years, the General Assembly increased the Aid to Public Libraries Fund to an all-time high of $16.9 million, which represents $2.21 per capita. Even with these increases, the per capita Aid to Public Libraries appropriation this year is only $.53 more than the per capita appropriation in 1987. If the appropriation were to keep pace with inflation, it would be $2.41 per capita, or $18.5 million. The $2 million appropriated for the current year is non-recurring, so the Fund will drop to $14.9 million (or $1.95 per capita) if additional funds are not appropriated.

(1.19.99)

DCR 28

Attachment B

NC LIVE
Your Library Link to the World

April 1998 marked the beginning of a new era in library service to the people of North Carolina. With the launch of NC LIVE—North Carolina LIbraries for Virtual Education—every North Carolina community gained access to a state-of-the-art service available via the Internet.

NC LIVE provides:

- User friendly access to information, with the added bonus of expert librarians to help people with their search
- Over 3,500 magazines and newspapers
- Indexes that help people locate information in 11,000 publications
- And soon, the ability for library users to log on from home!

NC LIVE is a partnership of The University of North Carolina System (16 institutions), the North Carolina Community College System (58 institutions), the State Library of North Carolina (for public libraries serving all 100 counties), and the North Carolina Center for Independent Higher Education (36 institutions). A unique public-private venture between the state-funded organizations and the state's private colleges and universities, NC LIVE has leveraged their buying power to expand access to information statewide.

The current appropriation from the General Assembly is $2.7 million. Funds pay for subscriptions to the electronic publications and the technical infrastructure to allow all participating libraries to access information online. Each partner contributes not only funding but its special expertise to make the project a success. The University of North Carolina's institutions provide their exceptional technological expertise and the State Library offers training and support. Representatives of all the organizations help with governing, planning, and implementation.

NC LIVE **"levels the playing field"** so that rural isolation, community or institutional financial constraints, and limited local library resources are not barriers to accessing information. Everyone benefits!

DEPARTMENT OF CULTURAL RESOURCES

STATE LIBRARY SERVICES - FUND 1410

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 4,358,933	$ 4,964,363	$ 4,387,102	$ 4,382,194
Receipts	$ 241,071	$ 666,573	$ 34,700	$ 34,700
General Fund Appropriation	$ 4,117,862	$ 4,297,790	$ 4,352,402	$ 4,347,494
Number of positions	92.00	92.00	92.00	92.00

Source: 1999-2001 Continuation Budget Document

DCR 30

DEPARTMENT OF CULTURAL RESOURCES

STATEWIDE PROGRAMS AND GRANTS - FUND 1480

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 19,905,063	$ 22,164,192	$ 20,436,201	$ 20,436,201
Receipts	$ 3,219,548	$ 2,379,439	$ 3,651,448	$ 3,651,448
General Fund Appropriation	$ 16,685,515	$ 19,784,753	$ 16,784,753	$ 16,784,753
Number of positions	2.00	2.00	0.00	0.00

Source: 1999-2001 Continuation Budget Document

DIVISION OF ARCHIVES AND HISTORY

DCR 32

Division of Archives and History

Overview

The Division of Archives and History is the largest division in the Department of Cultural Resources. It is also the third oldest state historical agency in the country, having been formed in 1903. Nationally recognized, the Division of Archives and History has received a number of awards, including the first Distinguished Service Award of the Society of American Archivists in 1969 and the James Harvey Robinson Prize of the American Historical Association in 1984.

The Division of Archives and History is organized into sections based on program functions and activities as mandated by state law; intersectional functions are provided by the Director's Office (divisional administration). The Western Office in Asheville is also intersectional in nature but treated as a separate fund for budgetary purposes.

The division currently employs 420 permanent staff. Seventeen of these positions were added effective FY 1997-98, when the North Carolina Maritime Museum (Beaufort, Carteret County) was transferred from the Department of Agriculture to Cultural Resources.

The division's current challenges include:

- Continuing the timely development of the means and methods for life-cycle management of digital public records on behalf of state and local governments
- Maintaining the increasing number of historic resources under divisional care
- Providing an equitable distribution of public history services across the state
- Coping simultaneously with the continued increase in public service requests and the decline in appropriated funds for general divisional services

DCR 33

Division Administration (Director's Office) – Fund 1210

Divisional administration provides overall coordination and control of state public history management and intersectional programming and directly supplies a variety of services:

- Public/Private Partnerships. Provides staff for the Federation of North Carolina Historical Societies, Inc. (uniting over 220 such organizations in all 100 counties), for the North Carolina Literary and Historical Association, Inc., and for a new consortium of coastal public history interests, the N. C. Maritime Heritage Trail. The division also provides staff support for the North Carolina Historical Commission—the statutory authority for rule-making and grants review for history programs of the state,

- Research. The administration's Research Branch serves as the division's ultimate point of review for research-related historical matters, provides internal research reports, manages and operates the Highway Historical Marker program, and answers general research inquiries.

- Field Services. Educational and public service programs are provided through the Western Office (Asheville), Historic Stagville (Durham County) and the Outer Banks History Center (Dare County).

- Divisional Computing. Provides research and development and direct technical and administrative support for digital records management, the division's Internet and Intranet presence, and intradivisional databases and networking.

- Intersectional Planning and Supervision. Current examples include: the administration of the "QAR Project" centering on the recently discovered early 18th century shipwreck believed to be Blackbeard's flagship, *Queen Anne's Revenge*; the "2003 Project"—the commemoration of the one-hundredth anniversary of Archives and History; and the "Certified Services Program"—a means of warranting the delivery of public history services to citizens, educational institutions, and visitors

The office also oversees the division's general business and financial operations, provides curatorial services for the Executive Mansion, and provides an employee and "pass through" funds to the First Flight Centennial Commission.

DCR 34

DEPARTMENT OF CULTURAL RESOURCES

DIVISION OF ARCHIVES AND HISTORY - ADMINISTRATION - FUND 1210

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,417,125	$ 2,474,846	$ 2,010,245	$ 2,010,245
Receipts	$ 88,028	$ 80,280	$ 81,844	$ 81,844
General Fund Appropriation	$ 1,329,097	$ 2,394,566	$ 1,928,401	$ 1,928,401
Number of positions	20.00	26.00	26.00	26.00

Source: 1999-2001 Continuation Budget Document

DCR 35

Historical Publications - Fund 1220

This section publishes and sells journals, pamphlets, and books on the history of North Carolina. Recent titles include *Guilford County: A Brief History*, *Ship Ashore! The United States Lifesavers of Coastal North Carolina*, and *A History of African Americans in North Carolina*. Ongoing documentary projects include *North Carolina Troops, 1861-1865: A Roster* and *The Colonial Records of North Carolina*. The quarterly *North Carolina Historical Review* has been published continuously since 1924 and contains timely articles on the state's history. Both schoolchildren and adults are the principal purchasers of the more than 100 titles offered for sale.

DCR36

DEPARTMENT OF CULTURAL RESOURCES

HISTORICAL PUBLICATIONS - FUND 1220

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 796,000	$ 677,652	$ 679,320	$ 709,320
Receipts	$ 114,812	$ -	$ -	$ -
General Fund Appropriation	$ 681,188	$ 677,652	$ 679,320	$ 709,320
Number of positions	14.50	14.50	14.50	14.50

Source: 1999-2001 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

HISTORICAL PUBLICATIONS - PRINTING - FUND 2220

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 87,528	$ 200,000	$ 185,000	$ 185,000
Receipts	$ 269,166	$ 200,000	$ 185,000	$ 185,000
Increase (Decrease) in Cash Balance	$ 181,638	$ -	$ -	$ -
Beginning Cash Balance	$ -	$ 181,638	$ 181,638	$ 181,638
Ending Cash Balance	$ 181,638	$ 181,638	$ 181,638	$ 181,638
General Fund Appropriation	$ -	$ -	$ -	$ -
Number of Positions	1.00	1.00	1.00	1.00

DCR 38

Archives and Records Section - Fund 1230

The Archives and Records Section conducts statewide archival and records management programs for state, county, and municipal government to provide economical and efficient preservation, maintenance, and access to public records. The State Archives contains the records of the colony and state of North Carolina from the 17th century to the present. The land grants previously serviced by the Secretary of State were transferred to the Archives in 1993. In addition, the Archives collects and preserves private papers, photographs, audiovisual materials, maps, and other documents of historical value. Some 16,000 visitors a year use the State Archives in person; about 15,000 mail requests are processed each year. Users include genealogists, historians, attorneys, and state agency staffs.

The section also is responsible for administering a complete records management program for records of state and local government and for the community college and university systems as required by GS 121 and 132. Records management activities include inventory and appraisal of public records, development of records retention and disposition schedules, operation of the State Records Center for the efficient and low-cost storage of semicurrent records, providing comprehensive micrographic and other reformatting services, offering training workshops for public employees on records management issues, and providing consultation advice and assistance on records to public agencies and employees across the state.

The Archives and Records Section currently faces two major challenges. The first is handling the proliferation of public records resulting from the state's growth and prosperity. Land transactions and conveyances as well as court records have shown a particular escalation in number. There is a tremendous backlog in microfilming and preservation of county public records. The second challenge involves storage of the overflow of records from state agencies. Additional space is desperately needed for records storage. A short-term solution is to lease private warehouse space, while the long-term solution is to build a new state records center, as other southern states have done in the past few years.

Annual records management services:

- Over 4 million micrographic images produced
- Over 800 records management consultations with public agencies
- Over 25,000 requests for records from the State Records Center
- Over 40 records management training workshops conducted

DCR39

DEPARTMENT OF CULTURAL RESOURCES

ARCHIVES AND RECORDS - FUND 1230

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 3,139,070	$ 3,329,809	$ 3,077,275	$ 3,077,275
Receipts	$ 324,530	$ 243,181	$ 251,897	$ 251,897
General Fund Appropriation	$ 2,814,540	$ 3,086,628	$ 2,825,378	$ 2,825,378
Number of positions	75.00	73.00	73.00	73.00

Source: 1999-2001 Continuation Budget Document

DCR 40

State Historic Sites - Fund 1241

The mission of North Carolina Historic Sites is "preserving the past for all people" through interpreting, operating, maintaining, developing, and preserving the twenty-two state-owned historic sites located from the mountains to the coast telling North Carolina's story to her people and her visitors.

The Historic Sites Section serves some 719,000 visitors annually at the following sites: Alamance Battleground (Alamance County), Aycock Birthplace (Wayne), Historic Bath (Beaufort), Bennett Place (Durham), Bentonville Battleground (Johnston), Charlotte Hawkins Brown Memorial (Guilford), Brunswick Town (Brunswick), CSS *Neuse*/Caswell Memorial (Lenoir), Duke Homestead (Durham), Fort Dobbs (Iredell), Fort Fisher (New Hanover), Historic Edenton (Chowan), Historic Halifax (Halifax), Horne Creek Living Historical Farm (Surry), House in the Horseshoe (Moore), North Carolina Transportation Museum (Rowan), Polk Memorial (Mecklenburg), Reed Gold Mine (Cabarrus), Somerset Place, (Washington and Tyrrell), Town Creek Indian Mound (Montgomery), Vance Birthplace (Buncombe), and Thomas Wolfe Memorial (Buncombe).

Off-site educational programs principally served 151,000 participants in school programs and people with other offerings in 1997. Around 111,000 students visited Historic Sites in 3,200 organized school groups and 45,000 general groups in 1997. Nearly 100,000 visitors attended over 120 special events and programs at various sites in 1997. Historic Sites personnel were represented at 108 off-site promotional shows. Over 3,500 volunteers contributed nearly 45,000 hours to programs at the site in 1997; this was the equivalent of approximately 24 full time employees. Nearly 1,000 offenders gave over 18,000 hours of court-ordered or inmate labor during 1997. Fifteen donors gave $32,000 worth of major in-kind and artifact gifts to the Section in 1997. The Section received $182,215 in 20 grants and cash gifts during the period.

The Section maintains 236 buildings totaling 650,000 square feet as well as other structures such as a gold mine, civil war ironclad and earthen forts. Historic Sites used both historically furnished structures and modern exhibit areas to interpret our sites. In August 1998, we have 68,500 square feet of interior furnished space and 126,177 square feet of modern exhibit space. The Section maintains around 1,800 acres at the twenty-two historic sites.

Some projects of interest in 1999 at Historic Sites are the 200th anniversary of the discovery of gold at Reed Gold Mine, continuance of the research and rebuilding of the slave structures and culture at Somerset Place, the initiation of fundraising for the Back Shop restoration at North Carolina Transportation Museum, completion of the exterior restoration of the Chowan County Courthouse, continued community and support group efforts toward saving additional sections of the battleground at Bentonville, and the beginning of rebuilding the Thomas Wolfe Memorial after last summer's arson fire.

DEPARTMENT OF CULTURAL RESOURCES

STATE HISTORIC SITES - FUND 1241

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 8,342,002	$ 10,855,943	$ 7,275,755	$ 7,218,917
Receipts	$ 259,653	$ 80,202	$ 86,502	$ 83,502
General Fund Appropriation	$ 8,082,349	$ 10,775,741	$ 7,189,253	$ 7,135,415
Number of positions	142.00	142.00	142.00	142.00

Source: 1999-2001 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

HISTORIC SITES SALES DESKS - FUND 5241

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 124,218	$ 85,758	$ 85,758	$ 85,758
Receipts	$ 103,201	$ 85,758	$ 85,758	$ 85,758
Increase (Decrease) in Cash Balance	$ (21,017)	$ -	$ -	$ -
Beginning Cash Balance	$ 63,745	$ 42,728	$ 42,728	$ 42,728
Ending Cash Balance	$ 42,728	$ 42,728	$ 42,728	$ 42,728
General Fund Appropriation	$ -	$ -	$ -	$ -
Number of Positions	1.00	1.00	1.00	1.00

Source: 1999-2001 Continuation Budget Document

DCR 43

Tryon Palace Historic Sites & Gardens – Fund 1242

Tryon Palace Historic Sites & Gardens in New Bern is North Carolina's oldest historic site. It has been open to the public for forty years and currently serves more that 90,000 visitors a year. Tours and history education programs are offered daily 360 days a year. Programs in North Carolina history include guided tours, concerts, workshops, lectures, re-enactment programs, garden demonstrations and programs, character interpretation and dramatic presentations, crafts and domestic skill demonstrations, archaeological digs and period dance programs (minuet and 18th and 19th century country dance). The lead attraction is the restored 18th century governor's palace, which also served as the government house for the colony of North Carolina and as North Carolina's first state capitol. The other sites open to the public include the home of North Carolina patriot John Stanly (1779), the Dixon-Stevenson House (ca. 1830), the Robert Hay House (ca. 1804), the New Bern Academy (ca. 1809) and 14 acres of formal gardens and kitchen gardens.

The mission of Tryon Palace Historic Sites & Gardens is history education which is accomplished through numerous programs throughout the year for both adults and children. More than 15,000 school children come each year to learn more about their heritage as North Carolinians: curriculum based programs are available for 2nd graders, 4th graders, 6th graders, 8th graders and high school students. More than a thousand North Carolina educators receive the Living History Classroom, an educational newsletter sent free twice a year to provide classroom activities and information about North Carolina's colonial capitol. An African American history research project was initiated in 1998 to augment our interpretation of African American history in the central coastal area of North Carolina. Professional staff members present history education programs throughout North Carolina each year. In 1998, a special exhibit of artifacts from Tryon Palace Historic Sites & Gardens was held in Charlotte and in Asheville.

Tryon Palace Historic Sites & Gardens is accredited by the American Association of Museums (AAM). This is a significant recognition of professional achievement: of the 9,000 AAM members in the United States, only about 700 are accredited.

Heritage tourism is an important growing industry in North Carolina. Visitors to Tryon Palace Historic Sites & Gardens typically stay two to five nights in area hotels and combine their visit to Tryon Palace with visits to other North Carolina heritage tourism sites. Tryon Palace Historic Sites & Gardens contributes significantly to the economy of the central eastern area of the North Carolina coast and to the North Carolina tourism industry.

Tryon Palace generated more than $570,000 in receipts through paid admissions in fiscal year 1997-1998.

DEPARTMENT OF CULTURAL RESOURCES

TRYON PALACE HISTORIC SITES AND GARDENS - FUND 1242

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 2,171,836	$ 3,086,259	$ 2,588,425	$ 2,584,425
Receipts	$ 881,508	$ 890,444	$ 892,009	$ 892,009
General Fund Appropriation	$ 1,290,328	$ 2,195,815	$ 1,696,416	$ 1,692,416
Number of positions	45.00	55.00	55.00	55.00

Source: 1999-2001 Continuation Budget Document

DCR 45

State Capitol/Visitor Services Section -- Fund 1243

The section annually serves over 400,000 people who visit the National Historic Landmark 1840 State Capitol (177,101 visitors), the Executive Mansion (50,864 visitors), and the Capital Area Visitor Center (73,405 visitors). The staff annually provides scheduling services and printed itineraries to approximately 3,200 school classes (111,850 students) touring the three state museums, the Capitol, the Legislative Building, and the Mansion. Thousands of North Carolina schoolchildren participate in educational programs provided by this section each year. The staff provides educational programs to visitors on the history and architecture of the Capitol and the Mansion, and the history and functions of state government. The Capitol and visitor center are open to the public seven days a week, 360 days a year. In addition to daily tours of the Capitol and seasonal tours of the Mansion and gardens, the programs include a variety of special event programs, an ongoing schedule of public lectures, workshops, and historical drama programs (living history presentations). Members of the staff coordinate over 100 special events held at the Capitol as well as develop and present educational presentations throughout the state. The nonprofit State Capitol Foundation, composed of twenty-four leading citizens of the state, seek funding and support to assist with Capitol restoration and education programs. Ongoing restoration of the Capitol includes interior and exterior painting, electrical rewiring, installing a new elevator, and lighting Union (Capitol) Square. The anticipated completion date for the current projects is January 2000.

The Capital Area Visitor Center is presently located in the 1914 Andrews-London House, on the corner of Blount and Lane Streets. A new visitor center is being designed and will be located on the corner of Edenton and Wilmington Streets. An updated scheduling program will enable teachers to schedule tours, receive itineraries, and communicate more efficiently via Internet. Each day hundreds of national and international visitors, as well as several thousand N. C. schoolchildren will receive services at the center. Students will be safely unloaded onsite at the center, receive orientation in the 196-seat auditorium, visit restrooms, store and eat their lunches onsite (outside and inside picnic areas available), view traveling and permanent exhibits in two galleries, and participate in educational programs in one of three classrooms. The new center will have areas available for meetings, receptions, dramas, galas, and other special events and ceremonies. Underground parking will be available for visitors and state government employees.

DCR46

DEPARTMENT OF CULTURAL RESOURCES

STATE CAPITOL / VISITOR SERVICES - FUND 1243

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 458,231	$ 469,011	$ 470,720	$ 470,720
Receipts	$ 394	$ 100	$ 100	$ 100
General Fund Appropriation	$ 457,837	$ 468,911	$ 470,620	$ 470,620
Number of positions	11.00	11.00	11.00	11.00

Source: 1999-2001 Continuation Budget Document

DCR 47

North Carolina Maritime Museum – Fund 1245

The North Carolina Maritime Museum in Beaufort was transferred from the Department of Agriculture to the Department of Cultural Resources during the 1997 Session of the North Carolina General Assembly.

The North Carolina Maritime Museum's annual visitation is over 230,000 people. That figure includes 60 percent in-state, 35 percent out-of-state, and 5 percent foreign. Some 80,000 school children visit the museum every year for general tours, special children's programs, and the Summer Science School for young students. The Friends of the North Carolina Maritime Museum, the museum's 501(c)(3) support group, is composed of 1,600 paid members. The Museum is accredited by the American Association of Museums, the highest professional certification available in North America. The museum is open to the public seven days a week, 360 days a year.

The North Carolina Maritime Museum is a treasure-trove of collections, exhibits, boats and a library filled with a wide variety of books on marine topics. The Museum's Watercraft Center offers evening and weekend classes in boatbuilding, model building, and half model construction. The museum's Cape Lookout Studies Program conducts overnight field programs of several days duration. The North Carolina Maritime Museum is the designated repository for the conservation and stabilization of the underwater archaeology artifacts recovered from Blackbeard's flag ship the Queen Anne's Revenge.

In 1998 the museum purchased for 3.5 million dollars a 36-acre waterfront site for museum expansion. The North Carolina Maritime Museum has just acquired 36 acres of property with 1,852 feet of estuarine shoreline in Beaufort to support the museum's expansion needs for the next 25+ years. The basic concept for this property is to build a turn of the century maritime village where there will be displays of tall ships, programs for junior sailing and boat builders, and educational exhibits and programs on maritime history. The museum's mission is to preserve and interpret all aspects of the rich maritime heritage found in North Carolina's coastal environment, through educational exhibits, programs and field trips.

DCR48

DEPARTMENT OF CULTURAL RESOURCES

NC MARITIME MUSEUM - FUND 1245

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,073,806	$ 834,581	$ 853,866	$ 853,794
Receipts	$ 251,776	$ 300	$ 300	$ 300
General Fund Appropriation	$ 822,030	$ 834,281	$ 853,566	$ 853,494
Number of positions	17.00	17.00	17.00	17.00

Source: 1999-2001 Continuation Budget Document

DCR 49

State Historic Preservation Office (Archaeology and Historic Preservation)
Fund 1250

This section identifies, protects, and enhances the historic resources of North Carolina through a coordinated statewide program of information and assistance for public agencies, private organizations, and the state's citizens to enable them to undertake successful historic preservation planning and project implementation. Section programs include the processing of nominations to the National Register of Historic Places, comprehensive architectural and archaeological surveys, site excavations and interpretation, and technical assistance for the care and treatment of historic buildings. It functions as the state clearinghouse for federal and state protection and incentive programs for properties that qualify for the National Register of Historic Places.

The Historic Preservation State Tax Credits law was enacted by the General Assembly in 1997 and became effective January 1, 1998. The Historic Preservation Office administers the preservation tax credits program and in calendar year 1998, this office processed 201 applications for non-income-producing historic structures representing 136 projects with a total rehabilitation cost of $9.9 million.

In addition, during calendar year 1998, the section processed 163 Historic Preservation Certification Applications for federal and state historic rehabilitation tax credits for income-producing historic structures representing 102 projects with a total rehabilitation cost of $90.2 million.

In state fiscal year 1997-1998 the section processed nearly 3,200 requests for environmental review related to construction and development, and provided approximately 13,000 additional consultations and services at public request. Currently, 39 cities and counties throughout the state are Certified Local Governments (CLGs)--a federally authorized designation that bestows funding preference under a small federal preservation grants program administered through the State Historic Preservation Office.

DCR 50

DEPARTMENT OF CULTURAL RESOURCES

ARCHAEOLOGY AND HISTORIC PRESERVATION - FUND 1250

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 2,233,292	$ 2,242,409	$ 2,238,076	$ 2,238,076
Receipts	$ 862,415	$ 868,885	$ 862,157	$ 862,157
General Fund Appropriation	$ 1,370,877	$ 1,373,524	$ 1,375,919	$ 1,375,919
Number of positions	44.75	44.50	44.50	44.50

Source: 1999-2001 Continuation Budget Document

DCR 51

Western Office – Fund 1290

Located in Asheville, the Western Office provides program services in the areas of archaeology, historic preservation, archives and records management, historic sites programming, museum planning and development, and local historical agency assistance to over one-quarter of the counties of the state.

The Western Office serves the following counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Cherokee, Clay, Cleveland, Gaston, Graham, Haywood, Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Surry, Swain, Transylvania, Watauga, Wilkes, and Yancey.

The following is a list of specific duties performed, including statistics: surveys of significant properties and archaeological sites (28); assistance with National Register nominations and study list applications (10, 69); consultations on restoration of historic properties, including Tax Act projects (602); records management consultations (174); preservation of significant archival materials (156 cu. ft); consultations with regional museums and historical organizations (48); historic site consultations (112); photographic services (approximately 12,000 photographic images), presentation of public programs to schools and civic groups (46); and environmental review (798).

DEPARTMENT OF CULTURAL RESOURCES

WESTERN OFFICE - ARCHIVES AND HISTORY - FUND 1290

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 352,874	$ 363,552	$ 369,399	$ 372,704
Receipts	$ 3,068	$ 150	$ 150	$ 150
General Fund Appropriation	$ 349,806	$ 363,402	$ 369,249	$ 372,554
Number of positions	7.00	7.00	7.00	7.00

Source: 1999-2001 Continuation Budget Document

NORTH CAROLINA MUSEUM OF HISTORY

DCR54

North Carolina Museum of History Division

Mission

The North Carolina Museum of History Division promotes the understanding of the history and material culture of North Carolina for the educational benefit of North Carolinians. Through collections and historical interpretation, its museums encourage citizens and visitors to explore and understand the past; to reflect on their own lives and their place in history; and to preserve state, regional, and local history for future generations.

Overview

The Museum opened to the public in 1902 as the Hall of History in the State Museum of Natural History, located in the old Agriculture Building. In 1914 it joined the State Archives and Historical Publications Program as part of the North Carolina Historical Commission and moved to the old Supreme Court building. In 1939 the Museum moved to the Education Building, and in 1968 to the new Archives and History/State Library Building. Beginning in 1979, three other institutions became part of the Museum of History: the Museum of the Albemarle in Elizabeth City, the Museum of the Cape Fear in Fayetteville, and the Mountain Gateway Museum in Old Fort. These regional museums enhance the statewide presence of the Museum of History through exhibits, programs, and the extensive involvement of the communities they serve.

The Museum's new Raleigh facility opened to the public on April 23, 1994 with four new exhibits and a series of special celebrations. Since that time the Museum opened a total of 40 new exhibitions, hosted over 872 public programs for 92,744 participants, and toured some 299,440 in groups (primarily schoolchildren). During October 1997 the Museum's one millionth visitor entered.

On February 1, 1996, the Museum became a separate Division of the Department of Cultural Resources.

The Museum of History as a whole develops, produces, and maintains over 63,000 square feet of long- and short-term exhibits with interpretive programs and special events. Biennial visitation for 1996-1998 was 624,719. The Museum also provided outreach to 1,772,206 people in school and community groups through the Tar Heel Junior Historians, the Audiovisual Loan Service, publications, traveling exhibits, and outreach services. The Museum's activities provide access to collections numbering over 300,000 artifacts representing all aspects of North Carolina's history.

The North Carolina Museum of History Associates, the Museum's statewide support group, is the largest such group for a state history museum in the country with over 15,000 members, and promotes the Museum in every county of the state by providing educational resources, programs, and membership involvement in the Museum.

Current Status, Goals, and Strategies

The Museum is currently working with the Human Resources Division of the Department of Cultural Resources and the Office of State Personnel on its first position study in over 20 years. The completion of the study will provide a sound basis for staff development in the coming years.

Work on capital projects (Raleigh restaurant, Elizabeth City new building, Fayetteville building and Arsenal Park, Old Fort amphitheatre and restrooms) continues to place demands on staff but will provide great improvements in service delivery and accessibility. The capital campaign to raise funds for exhibits for the new Museum of the Albemarle more than doubled its goal, raising over $1.7 million.

Outreach program development (technology access, traveling exhibits, collaborative programs, Tar Heel Junior Historians, audiovisuals) will become a critical linkage between the four museums of the Museum of History and the counties they serve across the state.

Within the framework of preserving and promoting historical properties, the Museum's overall objective is to increase the percentage of visitors who express an enhanced appreciation of North Carolina History. The primary strategies involved are to complete capital projects now in progress, improve the management and coordination of Museum resources through constant evaluation, and continue to develop the four museums as an effective statewide organization.

DCR 56

DEPARTMENT OF CULTURAL RESOURCES

MUSEUM OF HISTORY - FUND 1500

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 4,743,598	$ 9,092,869	$ 4,769,849	$ 4,769,849
Receipts	$ 94,522	$ 21,040	$ 21,040	$ 21,040
General Fund Appropriation	$ 4,649,076	$ 9,071,829	$ 4,748,809	$ 4,748,809
Number of positions	100.00	102.00	102.00	102.00

Source: 1999-2001 Continuation Budget Document

DCR57

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION RESERVE - FUND 1992

MUSEUM OF THE ALBEMARLE

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ -	$ -	$ -	$ 923,900
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ -	$ -	$ -	$ 923,900
Number of positions	0.00	0.00	0.00	15.00

Source: 1999-2001 Continuation Budget Document

ROANOKE ISLAND COMMISSION

DCR 59

THE ROANOKE ISLAND COMMISSION, an independent commission situated within the NC Department of Cultural Resources for historic resource management, organizational and budgetary purposes was established by legislation in 1994 (GS 141B-131.1). The 24 member Commission was created to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island, the birthplace of English speaking America.

Roanoke Island Festival Park, home of the "Elizabeth II" is nearing the completion of a large capital improvement project which has resulted in a major state site with facilities that provide history, education, and the arts year-round in celebration of our State's place of historic honor as the birthplace of English speaking America.

In 1984 the Elizabeth II State Historic Site opened as part of America's 400th Anniversary. The site's initial facilities were the 69' foot representative 16th century vessel, "The Elizabeth II", a "settlement site", a 50 seat orientation space, a welcome center, a small exhibit area with support offices. The Roanoke Voyages Corridor was established as a permanent memorial to the birthplace of English speaking America.

In 1988 also on this 24 acre site, the Outer Banks History Center, a 6,200. Sq. ft. public research library and manuscript repository was opened. This facility is administered separately under NCDCR, Division of Archives and History.

With approved capital improvement funding, construction began in August 1996 to further develop the site with the following results:

SEPTEMBER, 1997:

- Gallery opened for art exhibits, workshops, conferences, small performances, and rehearsals among a multitude of uses.
- Dressing Areas for living history interpreters and storage space for interpretive garb and props opened.
- Maintenance facility including working shop area for site's multiple facilities, ship, grounds and housekeeping became operational.
- Nature boardwalks along the perimeter of the site for public enjoyment as well as additional interpretive activities opened.
- Previous site facilities were refurbished as needed.

MAY, 1998:

- Outdoor, soundside performance Pavilion opened for its premier season of concerts and activities with its primary function as performance space for the Roanoke Island Institute of the NC School of the Arts which resulted in 45 fine arts performances ranging from the send-off performance of the full International Orchestra for their

European tour to varied musical performances in classical, jazz, etc. to dance.

The NC Maritime Museum on Roanoke Island opened a small working boatshop to offer visitors insight into the region's maritime heritage and to see restoration and traditional boatbuilding in progress. This is a cooperative effort between the State's NC Maritime Museum in Beaufort, Roanoke Island Festival Park and the Town of Manteo.

Site landscaping completed Spring, 1998.

JULY, 1998:

Museum Store relocated from a previous corner in the welcome center. Sales are breaking records for retail operations.

230 seat film theatre opened with an array of children's programs, plays, and meetings in addition to the NC School of the Arts programs.

Small 50 seat orientation auditorium refurbished.

OCTOBER, 1998:

Installation in film theatre of "The Legend of Two Path", a 40 minute docudrama on the region's Native American heritage.

8,500 sq. ft. of interactive, hands-on history exhibits opened unfolding and immersing visitors in the heritage of the birthplace of English speaking America from 1500 - 1900.

Grand mall (between film theatre and exhibit hall) opened with seating and refreshments available for visitors whose site experience can now easily encompass 3 hours.

IN PROCESS, WINTER/SPRING 1999:

Construction of housing units for seasonal staffing including interpreters, interns, and the Roanoke Island Institute of the NC School of the Arts faculty and performers. Seasonal rehearsal space has been procured thru local school facilities.

WUNC Public Radio will open a small studio to bring public radio to the region. A storage area in the new facilities will be converted for this use.

Staffing of the above facilities consists of:

An Executive Director;

Operations Officer and site clerical support of three;

Cultural Arts Program and Visitor Services Director and support staff of four with seasonal assistance

Education and Interpretation Director & Ship's Captain with support staff of nine to oversee Ship and Settlement Site interpretation as well as Exhibit Hall interpretation

DCR61

with seasonal assistance to meet visitor demand.
Communications Director
Facilities Maintenance Director with
support staff of eleven to maintain facilities, grounds, security and housekeeping with seasonal assistance to meet demand.
Maritime Curator and volunteers to staff maritime operation
Roanoke Voyages Corridor Administrator part-time to administer legislative responsibility for the Corridor.
Museum Store is staffed by non-profit organization.
Total year-round staff: 34
Seasonal assistance: 20-30 depending on programs offered
Ship is operated by dedicated volunteer crew that is on site the second weekend of each month for training and voyages. The "Elizabeth II" routinely sails fall and spring to other ports for school group visitation as well as community events.
Volunteers work throughout the organization in various roles.

From 1984 thru 1995, the Elizabeth II State Historic Site averaged 70,000 paid visitors and average annual revenues of $129,681. Despite the full site being engulfed by construction activities from August 1996 - Winter 1997, the site remained open and was able to still serve:

In 1997: 58,548 paid visitors resulting in $185,402 in revenues
In 1998: 66,323 paid visitors resulting in $229,164 in revenues.
Total of 112,066 participating visitors experienced the site as a result of new facility programs
The site is now in its first year of operations with full facilities.

The site is open year-round, 7 days a week closing only for Thanksgiving, Christmas and New Year's. During the summer season our location within a large tourism area creates a strong visitor base and fall and spring the site is further developing school and tour group visitation. Visitation is projected at 250,000 annually by 2003.

To avoid any confusion, the Roanoke Island Historical Association, the non-profit organization that has operated "The Lost Colony" since 1937, is a separate entity.

1-99/DH

DEPARTMENT OF CULTURAL RESOURCES

ROANOKE ISLAND COMMISSION - FUND 2584

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157
Number of Positions	32.00	32.00	32.00	32.00

THE NORTH CAROLINA SYMPHONY

DCR 64

THE NORTH CAROLINA SYMPHONY

PART 1 - SYMPHONY OVERVIEW

Founded in 1932, by Lamar Stringfield, the Symphony continues its commitment and service to the citizens of North Carolina through approximately 175 concerts for adults and school children in over 50 North Carolina counties. In 1943, the Symphony became the first state orchestra in the United States to receive a state grant for support on an ongoing basis (the "Horn Tootin' Bill") and has received state aid for the past 54 years.

In 1997-98 and 1998-99, the Symphony continues to travel extensively throughout the state to large and small communities. This season the orchestra will perform concerts and educational programs in **52 counties** which include **23 low per capita individual income or seldom visited counties.**

- Performs approximately **175 full-orchestra** concerts for adults and children.
- Performs approximately **60 to 65 full-orchestra music education concerts** for school children throughout North Carolina. (See attachment for 1998-99 Educational Concert Schedule.)
- Approximate annual **attendance 320,000**:
  Wake County 130,000
  Outside Wake County 190,000
- **80,000 to 90,000 school children** attend educational concerts and Young People's Concerts.
- The Symphony has **65 full-time musicians.** (Full-time employment of musicians makes school education concerts possible.)
- The Symphony rehearses approximately 100 to 110 times a season.
- Orchestra travels approximately **20,000** miles a season throughout the state of North Carolina

2 East South Street • Raleigh, North Carolina 27601-2337 • (919) 733-2750 • Telefax (919) 733-9920 • www.ncsymphony.org

The North Carolina Symphony
Legislative Overview
January 1999

PART II - FINANCIAL

The Operating/Program Budget of The North Carolina Symphony is a model example of the public and private sectors of our state's economy working together successfully.

In the early 1980's, State funding was approximately 70% of the operating budget, with 30% coming from the private sector. In 1984, this subcommittee asked the Symphony to make significant changes in the percentage of funding in order to reduce public funding and increase private funding. The Symphony has worked very hard to do this, and as of 1997-98, **private sector funding** has been **increased to 68%** of the budget with only **32%** coming from **state funding**.

SELECTED HIGHLIGHTS OF OPERATING/PROGRAM BUDGET FOR 1997-98:

Revenue		
State Grant-in-Aid	(28%)	$2,084,000.00
State Appropriations through DCR	(04%)	$ 330,000.00
	(32%)	$2,414,000.00
Private and Other Sources of Income	(68%)	$5,003,000.00
Total operating/program income	**(100%)**	**$7,417,000.00**
Highlights		
Ticket income - Wake County		$1,769,000.00
Ticket income - Outside Wake County		$ 439,000.00
Corporate Sponsorships in Triangle		$ 447,000.00
Expenses		
Cost of Performances Outside Wake County	(55%)	$4,037,000.00
Cost of Performances in Wake County	(22%)	$1,620,000.00
Cost of Marketing, box office, development, administration and education	(23%)	$1,646,000.00
Total operating/program expenses	**(100%)**	**$7,303,000.00**

Current Fee Structure:

School Concert	$ 7,000.00
School Concert and Evening Concert	$ 15,000.00
Low Per Capita Income and Seldom Visited Counties -- School Concert and Evening Concert	$ 9,500.00

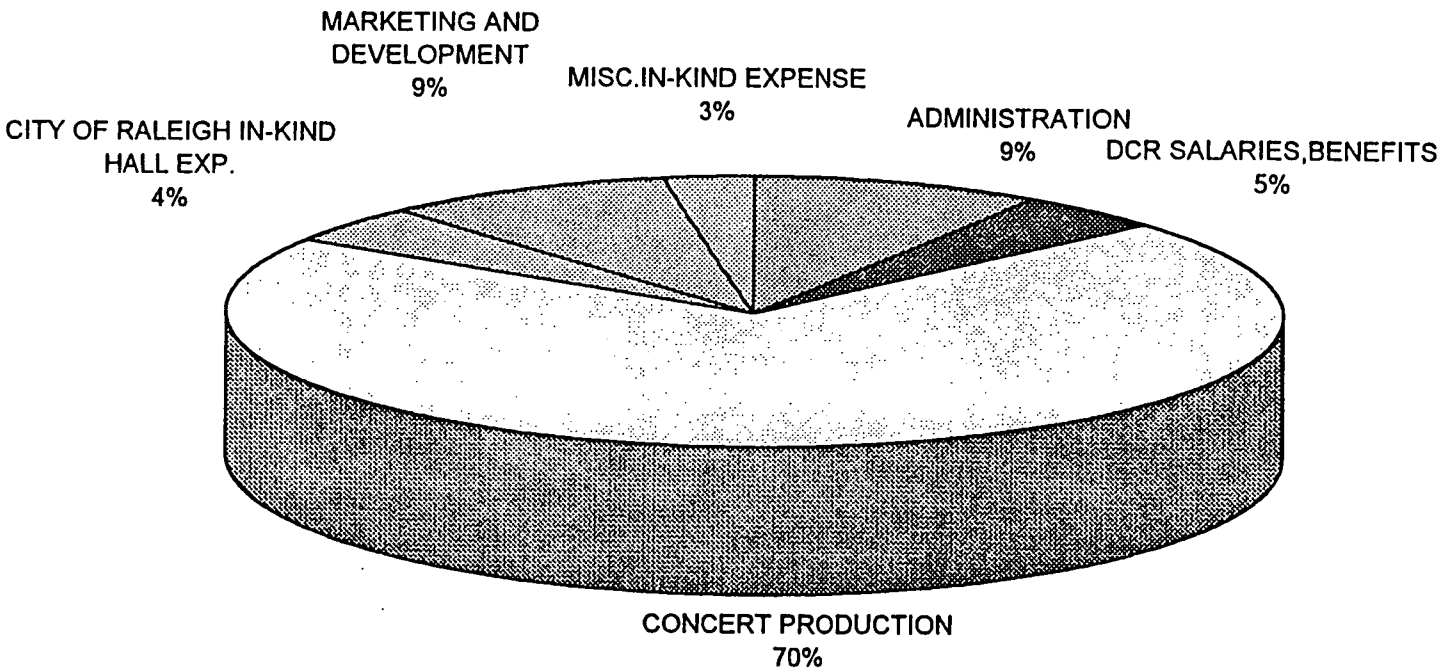
DCR 66

NORTH CAROLINA SYMPHONY SOCIETY, INC.
STATEMENT OF ACTIVITIES
DECEMBER 31,1998

REVENUE	FY98	PROJECTED FY99	PROJECTED FY2000
TICKETS/CONTRACTS	$ 2,618,678.00	$ 2,636,940.00	$ 2,807,023.00
OTHER REVENUE (INT.,FEES)	292,498.00	271,221.00	287,508.00
CONTRIBUTIONS (IND.,CORP.,FND.)	1,381,993.00	1,337,500.00	1,444,500.00
STATE OF NC GRANT-IN-AID	2,084,719.00	2,084,719.00	2,084,719.00
DEPT. OF CULTURAL RESOURCES	329,829.00	329,829.00	329,829.00
WAKE COUNTY **	65,000.00	32,500.00	32,500.00
TOWN OF CARY	30,000.00	30,000.00	30,000.00
TOWN OF CHAPEL HILL	2,300.00	2,300.00	2,300.00
CITY OF RALEIGH	50,000.00	50,000.00	50,000.00
OTHER GOVERNMENT	4,000.00	4,000.00	4,000.00
CITY OF RALEIGH IN-KIND HALL EXP.	321,935.00	321,935.00	321,935.00
FEDERAL (NEA)	25,000.00	25,000.00	25,000.00
MISC. IN-KIND DONATIONS	212,052.00	200,000.00	200,000.00
TOTAL REVENUE	$ 7,418,004.00	$ 7,325,944.00	$ 7,619,314.00
EXPENSE			
ADMINISTRATION	$ 642,788.00	$ 641,834.00	$ 670,984.00
DCR SALARIES,BENEFITS,MISC.	329,829.00	329,829.00	329,829.00
CONCERT PRODUCTION	5,123,408.00	5,240,379.00	5,449,820.00
CITY OF RALEIGH IN-KIND HALL EXP.	321,935.00	321,935.00	321,935.00
EDUCATION	24,785.00	25,000.00	26,000.00
MARKETING	460,073.00	444,000.00	461,760.00
DEVELOPMENT	188,259.00	154,950.00	161,148.00
MISC.IN-KIND EXPENSE	212,052.00	200,000.00	200,000.00
TOTAL EXPENSE	$ 7,303,129.00	$ 7,357,927.00	$ 7,621,476.00
NET INCOME	$ 114,875.00	$ (31,983.00)	$ (2,162.00)

** 1998 WAS AN ACCOUNTING ADJUSTMENT TO RECOGNIZE A PLEDGE

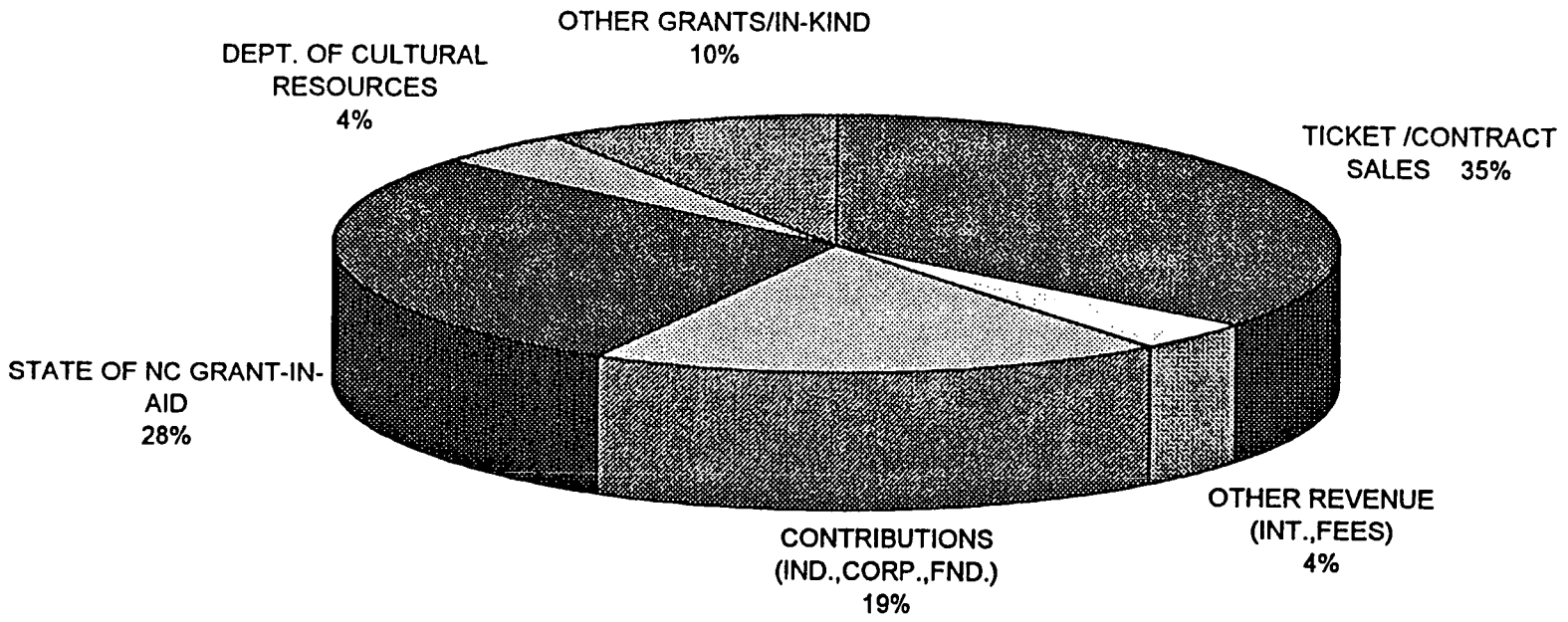
NORTH CAROLINA SYMPHONY EXPENSE FY98



DCR 67

BLM,NCS,12/30/98

NORTH CAROLINA SYMPHONY REVENUE 1998



BLM,NCS12/30/98

DCR 68

DCR 69

The North Carolina Symphony
Legislative Overview
January 1999

PART III - MUSIC EDUCATION OVERVIEW

The North Carolina Symphony has one of the most extensive music education programs of any orchestra in the United States. These concerts are part of the schools' music education curriculum and music teachers help to write and present the curriculum to fellow teachers in a unique, yearly workshop.

- Approximately 60 to 65 concerts are given free of admission yearly to school children throughout the state.
- Extensive curriculum development and collateral materials designed each year specifically for the music education program.
- Hold annual workshop for 350 music education teachers to assist them in preparing students for the statewide music education concert programs.
- Symphony annually stages a Youth Concerto Competition.
- Sponsors the Triangle Youth Philharmonic.
- Symphony has established a partnership program to provide students at North Carolina schools and universities an opportunity to perform with the orchestra in rehearsals and concerts. (i.e. North Carolina School for the Arts; Appalachian State University; UNC-Greensboro; East Carolina University; and UNC-Chapel Hill)
- Opportunity for high school students to take music lessons from Symphony professionals.
- Develop adult music education programs for North Carolina citizens through statewide pre-concert lectures and discussions.
- Partnershiping with WUNC (PBS Radio Station at UNC-Chapel Hill) regarding composer and residence program.
- Partnershiping with UNC-TV to produce video tape showcasing the instrument families of the Orchestra. These will be distributed to all elementary school systems throughout North Carolina.

PART IV - DIVERSITY AND OUTREACH

At a time when the arts are perceived as a luxury, not only locally, but on a national level, arts organizations must identify new ways to meet the challenges of shrinking financial support and diminishing audience base. Symphony orchestras must be willing to step out of the security of the concert hall if they desire to become a vital community resource, to play a significant role in the lives of the individuals and the cities in which they perform. To encourage long-term commitment and audience development, the organization must possess the will to be truly inclusive, to share the orchestra and the musical future with the widest array of people. Recognizing this, The North Carolina Symphony has sought consistently to integrate itself into the social fabric of the cities in which they perform

The North Carolina Symphony
Legislative Overview
January 1999

PART IV . . . continued

throughout North Carolina and make a difference through their aggressive diversity and outreach program.

Examples of programs that support this diversity effort associated with The North Carolina Symphony include, but are not limited to the following:

- **Hiring of William Henry Curry as Associate Music Director**
  Bill Curry is the first African American to be part of the conducting staff of the Symphony (contract re-negotiated through June, 2002).

- **Continuing Commitment to Increase Minorities on the Board of Trustees, the Administrative Staff, and Symphony Musicians**
  Increase of minority representation from on staff and trustees over the last three years.

- **Orchestra's Crosscurrents Program**
  Encourages the performances of multicultural, musical compositions on an annual basis.

- **Project STEP (String Training & Education Program)**
  Opportunity for minority students to participate in private lessons taught by Symphony musicians.

- **Continued Commitment to Diversity in our Music Education Programs by emphasizing "culturally diverse repertoire."**

- **Continued Commitment to Advertise North Carolina Symphony Programs in Minority Print Publications throughout the State.**

This unique partnership of State and private funding will allow us to implement out planning and performance budget objectives of increased program/contact hours with children. By increasing the number of music education concerts through the use of technology, we hope to increase the number of schools and students who will now have the opportunity to participate in the music education program. Our hope is to eventually be able to provide music education programs to any of the 100 North Carolina counties that want to participate. The success of this challenging goal will indeed establish North Carolina as the leader in music education programs in the country.

DCR 71

The North Carolina Symphony
Legislative Overview
January 1999

PART V - NEW PERFORMANCE FACILITY

Thanks in part to the North Carolina Legislature, The North Carolina Symphony, the **"state orchestra", will have a new dedicated performance facility.** The State's grant, along with approximately $18 million in additional private and public funding will make possible the construction of a new home in Raleigh for The North Carolina Symphony.

The State's contribution will also make possible enhancements in the acoustical properties of the Hall which will result in the continuing improvement of the artistic quality of this great Orchestra. This "State of the Arts" facility will be used not only by The North Carolina Symphony but by other arts groups throughout the State, especially orchestras and choruses from our state universities, high school and chorus music festivals, other music education programs, master classes, and folk music groups from throughout the State. The Concert Hall will be one of the finest in the southeast and the only "dedicated concert hall" in the State of North Carolina.

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DCR 72

1998-99 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Asheville (Buncombe Co.)	1	Wed., Mar. 3, 1999	10:00 a.m.	Thomas Wolfe Auditorium Asheville Civic Center 87 Haywood St. Asheville, NC
Biscoe (Montgomery Co.)	1	Fri., Feb. 26, 1999	10:30 a.m.	E. Montgomery High School Aud. 157 Eagle Lane Biscoe, NC
Boone (Watauga/Avery)	1	Thurs., Mar. 4, 1999	9:45 a.m.	Farthing Auditorium Appalachian State University Boone, NC
Brevard (Transylvania Co.)	1	Thurs., Feb. 11, 1999	10:30 a.m.	Porter Performing Arts Center Brevard College Brevard, NC
Burlington (Alamance Co.)	2	Mon., Mar. 1, 1999	10:00 a.m. 1:00 p.m.	Williams High Sch. Aud. 1307 S. Church St. Burlington, NC
Chapel Hill (Orange Co.)	3	Mon., Apr. 26, 1999 Tues., Apr. 27, 1999	10:15 a.m. 12:30 p.m. 10:15 a.m.	Memorial Hall University of North Carolina Chapel Hill, NC
Clinton (Sampson Co.)	1	Tues., Sept. 15, 1998	11:00 a.m.	Clinton High Sch. Gym 1201 E. Elizabeth St. Clinton, NC
Durham (Durham Co.)	4	Thurs., Apr. 29, 1999 Fri., Apr. 30, 1999	10:15 a.m. 12:30 p.m. 10:15 a.m. 12:30 p.m.	Fletcher Hall Carolina Theatre 309 Morgan St. Durham, NC
Fayetteville (Cumberland Co.)	3	Tues., Jan. 19, 1999 Wed., Jan. 20, 1999	9:45 a.m. 12:30 p.m. 9:45 a.m.	Cumberland County Aud. Hwy. 301 S. Fayetteville, NC
Greenville (Pitt Co.)	2	Tues., Nov. 3, 1998	10:15 a.m. 1:00 p.m.	Epps Middle Sch. Gym 1100 Elm St. Greenville, NC
Havelock (Craven/Pamlico/Jones)	1	Thurs., Dec. 10, 1998	10:30 a.m.	Base Theatre Cherry Point MCAS Havelock, NC
Jacksonville (Onslow Co.)	1	Mon., Oct. 5, 1998	10:30 a.m.	White Oak High Sch. Gym 1001 Piney Green Rd. Jacksonville, NC

1/8/99

DCR 73

1998-99 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Kinston (Lenoir Co.)	1	Wed., Dec. 9, 1998	10:30 a.m.	Grainger-Hill Perf. Arts Ctr. Summit St. Kinston, NC
Lincolnton (Lincoln Co.)	1	Thurs., Feb. 25, 1999	9:45 a.m.	Citizens Center Main St. Lincolnton, NC
Louisburg (Franklin Co.)	1	Wed., Feb. 24, 1999	10:30 a.m.	Louisburg College Auditorium Louisburg, NC
Lumberton (Robeson Co.)	1	Wed., Oct. 28, 1998	12:45 p.m.	Lumberton High Schl. Auditorium 3901 Fayetteville Rd. Lumberton, NC
Morehead City (Carteret Co.)	2	Wed., Mar. 10, 1999	10:00 a.m. 1:00 p.m.	W. Carteret High Schl. Auditorium 40700 Country Club Rd. Morehead City, NC
Mt. Olive (Wayne Co.)	1	Mon., May 24, 1999	10:30 a.m.	College Hall, Mt. Olive College N.C. 55 E. Mt. Olive, NC
Murfreesboro (Hertford Co.)	1	Tues., Feb. 23, 1999	12:30 p.m.	Hertford Middle School Gym N.C. Hwy. 11 Murfreesboro, NC
Newton-Conover (Catawba Co.)	1	Wed., Dec. 2, 1998	10:00 a.m.	Newton-Conover High Sch. Gym 338 W. 15th St. Newton, NC
Raleigh (Wake Co.)	5	Tues., Sept. 22, 1998 Wed., Sept. 23, 1998 Tues., Sept. 29, 1998 Tues., Jan. 5, 1999	10:30 a.m. 10:30 a.m. 10:00 a.m. 12:30 p.m. 10:30 a.m.	Raleigh Memorial Auditorium 2 E. South St. Raleigh, NC
Roanoke Rapids (Halifax Co.)	1	Fri., Mar. 5, 1999	12:45 a.m.	Roanoke Rapids High Sch. Aud. 800 Hamilton St. Roanoke Rapids, NC
Rocky Mount (Nash Co.)	2	Fri., Nov. 6, 1998	10:00 a.m. 1:00 p.m.	Dunn Ctr., NC Wesleyan College 2400 N. Wesleyan Blvd. Rocky Mount, NC
Salisbury (Rowan Co.)	2	Tues., Mar. 2, 1999	10:00 a.m. 12:30 p.m.	Keppel Aud., Catawba College Innes St. Salisbury, NC

1/8/99

DCR 74

1998-99 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Sanford (Lee Co.)	1	Thurs., Sept. 3, 1998	10:30 a.m.	Dennis Wicker Civic Center Nash St. Sanford, NC
Smithfield (Johnston Co.)	1	Wed., Jan. 6, 1999	10:30 a.m.	Raleigh Memorial Auditorium 2 E. South St. Raleigh, NC
Snow Hill (Greene Co.)	1	Tues., Mar. 9, 1999	1:00 p.m.	Greene Central High School Gym N.C. Hwy. 930 Snow Hill, NC
Southern Pines (Moore Co.)	3	Wed., Nov. 4, 1998	10:00 a.m. 1:00 p.m.	Lee Aud., Pinecrest High School Hwy. 15-501 S. Southern Pines, NC
		Thurs., Nov. 5, 1998	10:00 a.m.	N. Moore High Schl. Auditorium N. Moore Rd. Robbins, NC
Sparta (Alleghany Co.)	1	Thurs., Dec. 3, 1998	10:30 a.m.	Sparta Elem. Schl. Auditorium 450 N. Main St. Sparta, NC
Swan Quarter (Hyde Co.)	1	Thurs., Apr. 22, 1999	10:45 a.m.	Mattamuskeet High School Gym U.S. Hwy. 264 Swan Quarter, NC
Tarboro (Edgecombe Co.)	1	Tues., Nov. 10, 1998	11:00 a.m.	Tarboro High School Gym 1400 Howard Ave. W. Tarboro, NC
Washington (Beaufort Co.)	1	Fri., Apr. 23, 1999	10:30 a.m.	Washington High School Aud. 400 Slatestone Rd. Washington, NC
Whiteville (Columbus Co.)	1	Tues., Oct. 27, 1998	1:00 p.m.	Whiteville High School 413 N. Lee St. Whiteville, NC
Wilkesboro (Wilkes Co.)	1	Fri., Dec. 4, 1998	10:00 a.m.	Walker Community Center Wilkes Community College N.C. Hwy. 268 Wilkesboro, NC
Wilmington (New Hanover Co.)	1	Wed., May 25, 1999	10:30 a.m.	Trask Coliseum, UNC-W 601 College Rd. Wilmington, NC 28401

DCR 75

1998-99 STATEWIDE SCHEDULE

SEPTEMBER 1998

6 POPS IN THE PARK
Lakeside
Meredith College
Raleigh, 6:30 pm

11 CLASSICAL CONCERT
Carter Brey, Cello
Kenan Auditorium
UNC-Wilmington
Wilmington, 8 pm

12 CLASSICAL CONCERT
Carter Brey, Cello
Carolina Theatre
Durham, 8 pm

17 CLASSICAL CONCERT
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

18 CLASSICAL CONCERT
Reeves Auditorium
Methodist College
Fayetteville, 8 pm

19 CLASSICAL CONCERT
Memorial Hall, UNC
Chapel Hill, 8 pm

25-26 CLASSICAL CONCERT
Norman Krieger, Piano
Memorial Auditorium
Raleigh, 8 pm

OCTOBER 1998

3 CLASSICAL CONCERT
A Night at the Opera
Carolina Theatre
Durham, 8 pm

4 CLASSICAL CONCERT
A Night at the Opera
West Carteret High Sch. Auditorium
Morehead City, 3:30 pm

9-10 POPS CONCERT
Rosemary Clooney, Vocalist
Memorial Auditorium
Raleigh, 8 pm

10 YOUNG PEOPLES' CONCERT
Peter Pan with Puppets
Memorial Auditorium
Raleigh, 11 am

13 CLASSICAL CONCERT
A Night at the Opera
Reeves Auditorium
Fayetteville, 8 pm

15 OPEN REHEARSAL
Paula Robison, Flute
Memorial Auditorium
Raleigh, 10 am

15 CLASSICAL CONCERT
Paula Robison, Flute
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

16-17 CLASSICAL CONCERT
Paula Robison, Flute
Memorial Auditorium
Raleigh, 8 pm

18 CLASSICAL CONCERT
Paula Robison, Flute
Kenan Auditorium
UNC Wilmington
Wilmington, 3 pm

22-25 BALLET with Orchestra
Performances with The Carolina Ballet
Memorial Auditorium
Raleigh, Thurs. - Sat., 8 pm
Sun, 3 pm

30-31 CLASSICAL CONCERT
Marin Alsop, Guest Conductor
Brian Reagin, Violin
Memorial Auditorium
Raleigh, 8 pm

NOVEMBER 1998

12 CLASSICAL CONCERT
Anne-Marie McDermott, Piano
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

13 CLASSICAL CONCERT
Anne-Marie McDermott, Piano
Robeson Community College
Lumberton, 8 pm

14 CLASSICAL CONCERT
Anne-Marie McDermott, Piano
Memorial Hall, UNC
Chapel Hill, 8 pm

19 OPEN REHEARSAL
Steven Osborne, Piano
Memorial Auditorium
Raleigh, 10 am

20-21 CLASSICAL CONCERT
Steven Osborne, Piano
Memorial Auditorium
Raleigh, 8 pm

23 HOLIDAY POPS CONCERT
Helms Center
Chowan College
Murfreesboro, 8 pm

24 HOLIDAY POPS CONCERT
Reeves Auditorium
Methodist College
Fayetteville, 7:30 pm

25 HOLIDAY POPS CONCERT
Pinehurst Hotel and Resort
Pinehurst, 8 pm

27-28 HOLIDAY POPS CONCERTS
Memorial Auditorium
Raleigh, Fri., 8 pm;
Sat., 3 pm & 8 pm

29 HOLIDAY POPS CONCERT
Grover C. Fields Middle School
New Bern, 3:15 pm

DECEMBER 1998

1 HOLIDAY POPS CONCERT
Citizens Center
Lincolnton, 8 pm

3 HOLIDAY POPS CONCERT
John A. Walker Community Center
Wilkes Community College
Wilkesboro, 8 pm

4 HOLIDAY POPS CONCERT
Carolina Theatre
Durham, 8 pm

5 HOLIDAY POPS CONCERT
Roanoke Rapids High School
Roanoke Rapids, 7:30 pm

8 HOLIDAY POPS CONCERT
Mt. Olive College
Mt. Olive, 7:30 pm

9 HOLIDAY POPS CONCERT
West Carteret High Sch. Auditorium
Morehead City, 7 pm

10 HOLIDAY POPS CONCERT
Grainger Hill Performing Arts Center
Kinston, 8 pm

11 HOLIDAY POPS CONCERT
First Baptist Church
Clinton, 8 pm

12 HOLIDAY POPS CONCERT
Walter Williams High Sch. Auditorium
Burlington, 8 pm

14 HOLIDAY POPS CONCERT
Jacksonville High School Auditorium
Jacksonville, 7:30 pm

DCR 76

15 HOLIDAY POPS CONCERT
Kenan Auditorium
UNC-Wilmington
Wilmington, 8 pm

16 HOLIDAY POPS CONCERT
Whiteville High School Auditorium
Whiteville, 8 pm

18 THE NUTCRACKER BALLET
with The NC School of the Arts
Memorial Auditorium
Raleigh, 8 pm

19-20 THE NUTCRACKER BALLET
with The NC School of the Arts
Memorial Auditorium
Raleigh, 2 pm & 6pm

31 VIENNESE NEW YEAR'S EVE
Memorial Auditorium
Raleigh, 7:30 pm

JANUARY 1999

8-9 CLASSICAL CONCERT
Spotlight on Sections
Memorial Auditorium
Raleigh, 8 pm

14 CLASSICAL CONCERT
Orchestra Showcase
Wright Auditorium, ECU
Greenville, 8 pm

16 CLASSICAL CONCERT
Orchestra Showcase
Memorial Hall, UNC
Chapel Hill, 8 pm

22-23 POPS CONCERT
Star Spangled Night
Memorial Auditorium
Raleigh, 8 pm

27 CLASSICAL CONCERT
Joshua Bell, Violin
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

28 CLASSICAL CONCERT
Joshua Bell, Violin
Kenan Auditorium
UNC-Wilmington
Wilmington, 8 pm

29-30 CLASSICAL CONCERT
Joshua Bell, Violin
Memorial Auditorium
Raleigh, 8 pm

FEBRUARY 1999

5 OPEN REHEARSAL
J. Mark McVey, Vocalist
Memorial Auditorium
Raleigh, 10 am

5-6 POPS CONCERT
J. Mark McVey, Vocalist
Memorial Auditorium
Raleigh, 8 pm

6 YOUNG PEOPLES' CONCERT
A Journey in Jazz
Featuring the Greg Gelb Swing Band
Memorial Auditorium
Raleigh, 11 am

7 POPS CONCERT
Meals on Wheels Celebration
Memorial Auditorium
Raleigh, 8 pm

9 CLASSICAL CONCERT
Dennis A. Wicker Civic Center
Sanford, 8 pm

12 CLASSICAL CONCERT
Michala Petri, Recorder
Brevard College
Brevard, 8 pm

13 CLASSICAL CONCERT
Michala Petri, Recorder
Memorial Hall, UNC
Chapel Hill, 8 pm

16 CLASSICAL CONCERT
Keppel Auditorium
Catawaba College
Salisbury, 7:30 pm

18 CLASSICS PLUS JAZZ
featuring the NC Jazz
Repertory Orchestra
Paul Tardif, Piano
Carolina Theatre
Durham, 8 pm

19 CLASSICAL CONCERT
Walter Williams H.S. Auditorium
Burlington, 8 pm

21 CLASSICS PLUS JAZZ
featuring the NC Jazz
Repertory Orchestra
Paul Tardif, Piano
Wright Auditorium, ECU
Greenville, 8 pm

MARCH 1999

9 CLASSICAL CONCERT
West Carteret H.S. Auditorium
Morehead City, 8 pm

11 CLASSICAL CONCERT
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

12 POPS CONCERT
Grainger Hill Performing Arts Center
Kinston, 8 pm

13 CLASSICAL CONCERT
Kenan Auditorium
UNC Wilmington
Wilmington, 8 pm

16 POPS CONCERT
Paramount Theatre
Goldsboro, 7:30 pm

17 CLASSICS PLUS JAZZ
featuring the NC Jazz
Repertory Orchestra
Paul Tardif, Piano
Reeves Auditorium, Methodist College
Fayetteville, 8 pm

18 PLAY-ALONG CONCERT
Cary Community Center
Cary, 8 pm

19 OPEN REHEARSAL
Canadian Brass
Raleigh Convention & Conference Ctr.
Raleigh, 10 am

19-20 POPS CONCERT
Canadian Brass
Raleigh Convention & Conference Ctr.
Raleigh, 8 pm

23 POPS CONCERT
Tarboro High School Auditorium
Tarboro, 7:30 pm

26-27 DUKE CHAPEL
CHORAL CONCERT
with the Choral Society of Durham
Duke University Chapel
Durham, Fri. 8 pm & Sat. 3 pm

APRIL 1999

8 POPS CONCERT
Reeves Auditorium, Methodist College
Fayetteville, 8 pm

9-10 POPS CONCERT
Landsberg and Yount, Duo Pianists
Raleigh Convention & Conference Ctr
Raleigh, 8 pm

16-17 CLASSICAL CONCERT
with The Raleigh Oratorio Society
Memorial Auditorium
Raleigh, 8 pm

17 YOUNG PEOPLES' CONCERT
Favorite Books in Sight & Sound
Memorial Auditorium
Raleigh, 11 am

DCR 77

20 POPS CONCERT
Roanoke Rapids High School
Roanoke Rapids, 7:30 pm

24 CHORAL CONCERT
Wright Auditorium, ECU
Greenville, 8 pm

MAY 1999

1 OUTDOOR POPS CONCERT
Greene Central High School
Snow Hill, 7:30 pm

8 CLASSICAL CONCERT
Chee-Yun, Violin
Memorial Hall, UNC
Chapel Hill, 8 pm

13-16 BALLET with Orchestra
Performances with The Carolina Ballet
Memorial Auditorium
Raleigh, Thurs. - Sat, 8 pm
Sun, 3 pm

21 OPEN REHEARSAL
Richard Stoltzman, Clarinet
Memorial Auditorium
Raleigh, 10 am

21-22 CLASSICAL CONCERT
Richard Stoltzman, Clarinet
Memorial Auditorium
Raleigh, 8 pm

29 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

JUNE 1999

5 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

12 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

19 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

26 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

DCR 78

DEPARTMENT OF CULTURAL RESOURCES

NORTH CAROLINA SYMPHONY - FUND 1340

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 329,907	$ 335,041	$ 334,858	$ 334,858
Receipts	$ 78	$ -	$ -	$ -
General Fund Appropriation	$ 329,829	$ 335,041	$ 334,858	$ 334,858
Number of positions	9.00	9.00	9.00	9.00

Source: 1999-2001 Continuation Budget Document

DCR 79

DEPARTMENT OF CULTURAL RESOURCES

GRANTS - IN - AID TO ARTS - FUND 1360

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 2,140,979	$ 3,640,979	$ 2,140,979	$ 2,140,979
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ 2,140,979	$ 3,640,979	$ 2,140,979	$ 2,140,979
Number of positions	0.00	0.00	0.00	0.00

Source: 1999-2001 Continuation Budget Document

NORTH CAROLINA ARTS COUNCIL

DCR 80

INTRODUCTION

North Carolina is known throughout the world for its pottery traditions, literary legacy, Southern Appalachian music traditions, jazz, blues and gospel heritage, and an abundance of artists and arts institutions. Recognizing the state's rich cultural climate in 1964, Governor Terry Sanford established a state arts council to strengthen North Carolina's creativity, invention and prosperity. Since its beginning, the North Carolina Arts Council has been recognized as one of the nation's leading state arts agencies.

To fulfill our mission **to enrich the cultural life of the state by nurturing and supporting excellence in the arts and by providing opportunities for every North Carolinian to experience the arts,** we focus our work in three key areas which correspond to the goals of our long-range plan:

1. Our relationship with the state's **arts resources**—artists, arts organizations and our cultural heritage. It is our responsibility to help these resources remain strong so they can continue to produce rich and diverse arts experiences for the benefit of the state's citizens and visitors.
2. Our relationship to the state's **communities**. We use the word "communities" in the broadest sense to mean the many ways groups of people gather, both geographically or through other shared identities. It is our responsibility to make sure communities are strengthened through the arts.
3. Our relationship as a state agency to the **state's agenda**. It is our responsibility to make sure the arts are valued as a tool for achieving a strong economy, well-educated children, vital communities and a healthy environment.

In building these relationships, we play the roles of **connector, catalyst** and **activist partner, using our abilities to:**

- Provide an overview of the strengths, needs and issues of the arts in the state
- Give grants to activate partnerships between artists, arts organizations and communities which benefit every county in the state
- Convene various groups of people around important topics to forge new partnerships
- Maintain access to a number of information outlets through which we collect, publish and disseminate a variety of resource materials

Following is a 6-page summary of how the North Carolina Arts Council accomplished its goals and objectives during fiscal year 1997-98.

GOAL I: DEVELOP, PRESERVE, AND SUSTAIN NORTH CAROLINA'S ARTS RESOURCES

1. Support the state's organizations which produce exemplary arts programs.

- 61 organizations received a total of $1,415,650 in General Support grants for ongoing programs and operations.
- $90,900 was awarded to 22 organizations to commission new works in the performing and visual arts.
- 49 organizations received a total of $176,700 for innovative literary, performing, and visual arts programs.
- 24 organizations received long-term organizational assistance through the New Realities Program.
- 43 scholarship grants went to artists and arts administrators to attend conferences and workshops.
- 4 community arts interns and 1 folklife intern received 3 months of professional training through our internship programs.
- A total of $23,777 in grant funds was provided to 18 organizations for consultancies in facility development, fundraising, board and staff development, project planning and audience development.
- Funded Arts NC to manage the Peer Advisory Network which provided peer advisors to assist 18 organizations with management issues at a very affordable cost.
- Convened a Theater Gathering attended by over 50 theater professionals, a meeting of literary presenters of reading series to develop a network and writers' residency projects, and an Opera Roundtable.
- Provided funds to the African-American Dance Ensemble to help bring the 11th Annual International Black Dance Conference to North Carolina.

2. Preserve and promote the state's folk cultural heritage through documentary projects and public programs.

- 8 folk artists received the North Carolina Folk Heritage Award of $5,000 and were honored in a special ceremony in Raleigh attended by 800 people.
- 13 artists and organizations received a total of $71,000 for festivals, radio programs, exhibitions and projects which documented Lumbee Indian gospel music, the African-American shout band tradition, Waccamaw-Siouan quilt-making and other traditions.
- Organized a survey in northeastern North Carolina and hired 3 folklorists to document a broad sampling of cultural traditions which help define one of the most overlooked regions of the state. Their work led to the publication of the *North Carolina Coastal Folklife Survey*, and to the hiring of a folklorist to continue fieldwork in the region.
- Completed resource inventories for the traditional music and Cherokee arts and culture trails as part of the Blue Ridge Heritage Initiative.
- Provided funds to the Southern Folklife Collection at UNC-Chapel Hill to restore 100 hours of field recordings of North Carolina traditional artists.
- The NC Pottery Center opened in Seagrove in November, the culmination of several years of planning with Arts Council staff.

3. **Improve financial support and professional opportunities for North Carolina's artists.**

- Fellowships of $8,000 each were awarded to 10 composers and songwriters, 4 playwrights, and 11 writers to support their artistic development and the creation of new work.
- Residencies were awarded to 1 writer at the Vermont Studio Center, 2 visual artists and 1 writer at the Headlands Center for the Arts in California, and 2 writers at La Napoule Foundation in France.
- Conducted the selection process for North Carolina's Poet Laureate and provided funds to subsidize readings and public presentations.
- Through a partnership program with the South Carolina Arts Commission Media Arts Center, provided grants to 13 North Carolina film/video artists to access the center's equipment, studios and training programs.
- Funded the Regional Artist Project Grants Program which made awards ranging from $250 - $1,500 to 146 artists through 11 regional consortia of local arts councils serving 89 of the state's 100 counties.
- Published the North Carolina Touring Artist Directory, a listing of almost 200 selected performing, visual, and literary artists who work in performance and residency settings.
- Produced the Arts Market, a booking conference and artist showcase, in partnership with Thalian Hall Center for the Performing Arts in Wilmington. Over 150 presenters and 75 artists and ensembles participated in the 3-day event.
- Residency workshops for artists and presenters were conducted, and a series of artists' workshops and planning meetings will be conducted around the state in 1999.
- Promoted North Carolina touring artists to out-of-state presenters at the annual Southern Arts Exchange booking conference.

GOAL II. DEEPEN THE CONNECTION BETWEEN THE ARTS AND NORTH CAROLINA'S COMMUNITIES

1. **Strengthen partnerships with local arts councils to provide arts programming in all 100 counties through the Grassroots Arts Program.**

- More than 700 organizations received a total of $1,343,367 through the Grassroots Arts Program's per capita funding system.
- Provided 30 grants totaling $115,061 to local arts agencies to strengthen their programs for underserved populations, to hire additional staff, to improve technology capabilities, to encourage increased local government contributions, and for professional development opportunities.
- Local arts councils received a total of $199,580 to support visual arts, folklife, touring, and arts in education programs.
- Organized a traveling exhibition of visual arts fellowship recipients with the Mint Museum of Art, and toured it to the galleries of 8 local arts councils across the state.
- Work began on a gallery resource guide for local arts councils and small town exhibition venues.
- Staff conducted workshops and planning sessions at our annual Local Arts Council Executive Directors' Retreat.

2. **Increase access to racially and culturally diverse arts programs.**

- The Multicultural Organization Development Program provided $181,750 to strengthen the arts programs of 22 African-American, Native American, Latino, and Asian-American organizations.
- Scholarships were awarded to 10 representatives of multicultural organizations to attend the Association of American Cultures' Open Dialogue Conference in Dallas, Texas.
- Grassroots Arts Program's per capita funds were distributed according to the percentage of racial and ethnic diversity of the county population.
- $435,098 was awarded for arts programs that build appreciation and understanding of the state's diverse cultures.
- Developed the Mexico Initiative in conjunction with our sponsorship of the Mexico Ahora exhibition at the Mint Museum of Art; 8 projects were funded which provided linkages to Mexican arts and culture and to Mexican-Americans living in North Carolina. Funded a folklorist to do extensive fieldwork on needlecraft traditions with women born in Guatemala and Mexico and now living in the Piedmont, and the Asheville Art Museum developed an exhibition which examined their work in context with their communities, created an education resource book, trunk and exhibit panels for use by schools and community groups, and produced a community festival to highlight aspects of Latin American and Mexican-American culture in North Carolina.
- Held series of 3 workshops on African-American heritage tourism to provide training and develop collective strategies for African-American organizations.

3. **Increase arts programming in underserved communities.**

- 2 large-scale cultural tourism initiatives were developed, one focusing on rural counties in the west and the other on the northeast coastal region.
- Convened a Think Tank on Community Development and the Arts with 10 artists and arts administrators to discuss the role of the arts in building communities and in finding solutions to problems of economics, education, racism and youth at-risk. Published and distributed a report on the findings of our panelists.
- A staff member serves on the Governor's Issue Team for Personal & Parental Responsibility.
- Convened an Access Advisory Group to recommend strategies to help arts organizations comply with 504/ADA regulations and to increase and strengthen accessible arts programs.
- Improved accessibility of Arts Council offices by building a new fully accessible conference room and a ramp from the parking lot to the main entrance.
- $25,000 provided for arts programs in hospitals, nursing homes, and mental health centers and for programs designed specifically for students and adults with disabilities. These funds supported a tour of "My Sister's Sister," a program which combines professional theater, community interaction and education, to six mental health center's in the state.

4. **Provide support for performances and artists' residencies in communities across the state.**

- $293,500 awarded for performance series, artist residencies of two weeks to six months, projects to strengthen the programs of the state's arts presenters, and a variety of performances and activities in schools and community venues.

- Provided funding and helped with a planning process to develop a seven-month residency at Pocosin Arts, a rural arts center which draws its mission from the many cultures and natural environment of the northeast.
- The North Carolina Touring Artist Directory was produced as a resource guide to strengthen partnerships between presenters, schools, communities and artists who work in performance and residency settings.
- Organized a joint meeting of the leadership of the North Carolina Presenters' Consortium and the South Carolina Presenters' Network to discuss opportunities for collaborative projects.

5. Develop and support public art projects that enliven community buildings and spaces.

- Installed 9 new art works in state buildings, bringing the total of the state's public art collection to 50; began developing a system for conservation and repair of works in the collection; and published educational materials for each completed artwork and included this information on a newly developed web site.
- Began a slide bank of the work of artists who create public art for use as a resource for communities pursuing public art projects.
- Assisted 6 communities with public art planning and worked with the Raleigh Durham International Airport on a public art master plan which will lay the groundwork for multiple projects to be integrated within the airport's 5,000 acres of land and 600,000 square feet of terminal space.
- Began development of an outreach program on public art for the NC Museum of Art.
- Staff gave lectures at universities and in communities across the state, and convened bi-monthly meetings of the Public Art Network.

GOAL III. HEIGHTEN UNDERSTANDING OF THE ROLE AND VALUE OF THE ARTS TO THE STATE

1. Build public awareness about the benefit of the arts to the lives of North Carolinians.

- Council's chair and executive director met with the editors of 3 major daily newspapers in the state to encourage increased understanding and coverage of the arts. Executive director was interviewed on 3 television programs.
- Council's 30th anniversary forum, *Dialogue: The Arts and the Public Purpose*, was broadcast on a cable channel by the Agency for Public Telecommunications and was followed by a call-in segment with four staff members answering caller questions.
- Comprehensive press packet, which included 30th anniversary-related press releases, a Council profile, funding facts and grant recipient testimonials, was sent to more than 400 North Carolina newspapers, public radio stations and freelance writers.
- County Histories, which included narratives and listings of all Council grants to the county over the years, were published for each of the 100 counties and distributed to all legislators and local arts councils.
- A new logo, developed to take the Council into its fourth decade, was included in the grant packet to be used on grantees' printed materials.

- ARTS brochure was produced to give an overview of the Council and the arts in the state and is distributed to Welcome Centers, airports and many other public places.
- *NC ARTS* began a 3 times per year publishing schedule and reached more than 38,000 readers with each mailing.
- New web site, *www.ncarts.org*, came on line in 1997 and was designed to provide resource information to artists, arts organizations, tourists and the general public.
- Slide show on the arts in the state was developed.
- *Artful State*, a 20-minute video, was commissioned by the Council to commemorate 30 years of public support for the arts in North Carolina and presents thoughtful and sometimes humorous comments on art from dozens of citizens, civic leaders and artists.

2. Further the role of the arts as an essential part of education.

- Arts in Education (AIE) Partnership grants totaling $169,212 were awarded; 47% of these funds benefited 10 rural, low-wealth counties.
- New AIE Development category funded 13 projects totaling $41,041.
- A total of $171,784 funded 32 artist residencies, after-school programs and summer arts camps as well as 22 short-term performing arts projects.
- Completed a two-year assessment project with the NC Education Standards and Accountability Commission, which trained a small cadre of arts educators to write performance-based or authentic assessment tasks who, in turn, trained a larger group to use these tasks in the classroom. Results are being placed in a statewide database for use by other arts educators in the state.
- Published *The Art of Learning: A Guide to Outstanding North Carolina Arts in Education Programs* to share information about model programs funded by the Council.
- *Connect the Arts: Imagination to Community* conference was co-sponsored with the NC Alliance for Arts Education and was attended by 120 educators, artists and arts administrators, and showcased model arts education and arts *in* education programs from across the state.
- Council's AIE director coordinated several "residency samplers" as part of the 1998 Arts Market; 40-minute participatory workshops featured experienced artists demonstrating their residency process to educators and presenters.

3. Develop initiatives to strengthen the role of the arts in economic and community development, tourism, international relations and human services.

- Worked closely with the Blue Ridge Parkway Division of the National Park Service and the Eastern Band of Cherokee Indians to implement the Blue Ridge Heritage Initiative; completed resource inventories for the traditional music and Cherokee arts and culture trails which are part of the initiative; formed community planning teams in 16 of the 27 counties involved and set criteria for local communities' participation in the project; and raised an additional $179,000 to support the initiative.
- Collaborated with North Carolina Heritage, Inc. on the 2nd annual Heritage Tourism Conference in Greensboro; staff organized workshops and served as guest speakers on several cultural tourism topics.

- Folklife staff produced "Across the Blue Ridge," an evening of traditional music and dance from the Blue Ridge Mountains of North Carolina and Virginia, to acquaint tourism professionals with these resources.
- Work continues with the Department of Commerce on several joint projects including an African-American heritage publication and a 19-county eastern heritage initiative in the northeast coastal region.
- Council's folklife director and one board member/folklorist participated in the Governor's Trade Mission to Europe.
- Worked with Conservation Trust on the nomination of the New River to receive the American Heritage River designation; helped develop a cultural component of the required action plan which was cited as one of the reasons the New River was chosen to receive the designation.
- Organized and funded a consortium of major summer performing arts festivals, outdoor dramas, and theaters to collectively develop joint marketing strategies and pursue initiatives to increase cultural tourism to their sites.
- Funded an international exchange project involving United Tribes of NC and members of the Maori Tribe in New Zealand.
- Held planning meetings with Community College System staff members to develop a proposal for a new partnership initiative.

DCR 87

North Carolina Arts Council - At a Glance

Arts Council Programs

- take artists into the schools
- tour professional dance, music and theater companies throughout the state
- support the state's major professional music, dance, theater, visual arts and literary organizations, many of which have regional and national reputations
- fund local priorities through the decentralized Grassroots Arts Program
- recognize our finest folk artists with Folk Heritage Awards and our finest career artists with fellowships
- provide targeted assistance to organization in previously underserved communities
- work with local community leaders to develop cultural tourism opportunities

Arts Council Services

24 staff members work with arts and other community organizations to help them expand, stabilize, develop in appropriate directions and become managerially stronger. For special attention, staff targets rural areas, urban organizations in communities with limited resources and older, established organizations going through transition. Through conferences, workshops, publications, information and special events, the staff provides support and technical assistance to the citizens of our state who are using the arts to build their communities.

Impact of Arts Council-funded Activities in FY 97-98

- Over 11 million people participated in Council-funded projects.
- Projects were funded in every county in the state.
- Grants went to 491 arts organizations, 335 school, community and civic groups, and 44 individuals.
- Children in 83 counties participated directly in 373 funded projects.
- Each dollar granted by the Council was matched by fourteen other dollars, many generated directly by the Council's grant.

Non-Profit Arts Organizations in 1998: 2, 286

104 arts councils	193 arts centers/facilities/schools
319 artist organizations	317 arts festivals/concert series
67 arts service organizations	15 arts publications
52 literary magazines, presses	4 cinemas
106 dance companies	278 galleries and museums
525 music performing groups	306 theater performing groups

Organizations Assisted by the Arts Council Play a Significant Role

- in North Carolina's tourism industry.
- in downtown revitalization projects in numerous towns and cities.
- in the creation of jobs, both within arts organizations and indirectly in restaurants, hotels, parking lots, printing and catering businesses.
- in attracting and keeping desirable industries by making the community a more stimulating place in which to live and work.

DCR 88

North Carolina Arts Council - Summary of FY 97-98 Grant Activities

Number of Applications		
Individuals	462	
Organizations	1,329	
	1,791	
Number of Awards		
Individuals	44	
Organizations	1,159	
	1,203	(67% of applications are funded at least partially)

Amount Requested	$ 10,737,894	
Amount Awarded and Spent	$ 4,571,663	(43% of requested amount is funded)
Total Project Costs	$ 67,113,114	(7% of costs provided by Arts Council)
Total Income of Grantee Organizations	$ 145,127,639	(3% is Arts Council portion)

* * * * *

Funded Organizations: 826

Arts Organizations	
performing groups	168
performance facilities	6
museums and galleries	35
small presses, literary magazines	7
fairs, festivals, concert series	61
arts centers	50
arts councils	98
arts service organizations	20
artist associations	46
Total arts organizations	**491**

Other Community Organizations	
schools	115
higher education institutions	17
libraries	20
humanities/historical societies, museums	12
community service organizations	121
parks, recreation departments	15
radio, television	1
other community groups	34
Total other community organizations	**335**

Prepared January 12, 1999

North Ca[redacted]na Arts Council FY 97-98 Per Capita Distribution[redacted] 1/11/99

COUNTY	$/CAPITA	GRANTS	COUNTY	$/CAPITA	GRANTS	COUNTY	$/CAPITA	GRANTS
1 Clay	5.91	46,442	34 Catawba	0.48	61,358	67 Chatham	0.23	10,220
2 Mitchell	5.09	75,727	35 Alleghany	0.45	4,253	68 Gaston	0.23	41,343
3 Tyrrell	3.82	14,334	36 Pamlico	0.43	5,185	69 Harnett	0.23	18,488
4 Swain	2.76	32,140	37 Surry	0.43	28,429	70 Granville	0.21	8,618
5 Transylvania	2.24	61,411	38 Craven	0.42	36,123	71 Lincoln	0.21	11,892
6 Durham	2.10	409,242	39 Pitt	0.42	49,941	72 Cabarrus	0.20	22,987
7 Watauga	1.96	79,639	40 Stanly	0.42	22,562	73 Davidson	0.20	27,410
8 Madison	1.90	34,200	41 Alamance	0.41	47,533	74 Davie	0.20	6,041
9 Bertie	1.68	34,798	42 Columbus	0.41	21,159	75 Iredell	0.20	21,439
10 Hertford	1.68	37,473	43 Cumberland	0.41	123,145	76 Johnston	0.20	19,551
11 Dare	1.61	42,565	44 Hoke	0.41	11,733	77 Nash	0.19	16,077
12 Alexander	1.39	42,824	45 Robeson	0.41	45,628	78 Bladen	0.18	5,515
13 Orange	1.34	144,304	46 Sampson	0.40	20,489	79 Brunswick	0.18	11,512
14 Mecklenburg	1.04	618,609	47 Pasquotank	0.39	13,146	80 Burke	0.18	15,203
15 Forsyth	1.03	293,582	48 Halifax	0.38	21,686	81 Camden	0.18	1,182
16 Beaufort	0.94	41,157	49 Wilson	0.38	25,790	82 Currituck	0.18	2,983
17 Ashe	0.90	20,750	50 Duplin	0.37	15,965	83 Franklin	0.18	7,816
18 Buncombe	0.90	172,565	51 Jones	0.34	3,246	84 Graham	0.18	1,386
19 Gates	0.83	8,208	52 Polk	0.34	5,423	85 Greene	0.18	3,138
20 Guilford	0.82	310,093	53 Rowan	0.33	40,030	86 Hyde	0.18	937
21 Yancey	0.74	11,986	54 Rutherford	0.32	18,812	87 Macon	0.18	4,909
22 Chowan	0.73	10,261	55 Richmond	0.31	14,369	88 Martin	0.18	4,751
23 Lee	0.66	31,022	56 Union	0.31	31,623	89 McDowell	0.18	6,916
24 Caswell	0.65	13,910	57 Cherokee	0.30	6,581	90 Montgomery	0.18	4,420
25 Jackson	0.65	18,966	58 Vance	0.30	11,893	91 Northampton	0.18	3,800
26 Haywood	0.64	32,254	59 Moore	0.29	20,184	92 Onslow	0.18	27,650
27 New Hanover	0.61	87,526	60 Pender	0.29	10,263	93 Perquimans	0.18	1,966
28 Anson	0.58	13,814	61 Caldwell	0.28	20,638	94 Person	0.18	5,982
29 Edgecombe	0.54	30,405	62 Cleveland	0.28	25,021	95 Rockingham	0.18	16,391
30 Carteret	0.52	30,214	63 Stokes	0.28	11,944	96 Scotland	0.18	6,406
31 Avery	0.51	7,790	64 Wayne	0.27	30,609	97 Warren	0.18	3,363
32 Henderson	0.49	38,227	65 Lenoir	0.26	15,410	98 Wilkes	0.18	11,455
33 Wake	0.49	261,013	66 Randolph	0.24	28,702	99 Yadkin	0.18	6,323
						100 Washington	0.00	* 0
						Totals	0.00	4,314,394*

* In addition, $185,312 was granted to statewide organizations for projects affecting more than one county and $71,957 was granted to organizations outside the state for projects benefitting North Carolinians.

* Washington County returned their $2,509 awarded funds

DK 87

DCR 90

NORTH CAROLINA ARTS COUNCIL BUDGET GROWTH

Fiscal Year	State Recurring Appropriation	NC Population	Funds Per Capita	# Nonprofit Arts Organizations
1989-90	$ 5,073,527	6,568,810	77.2 ¢	1,494
1990-91	$ 4,967,020	6,632,448	74.9 ¢	1,721
1991-92	$ 4,709,919	6,752,401	69.8 ¢	1,877
1992-93	$ 4,736,456	6,840,211	69.2 ¢	1,940
1993-94	$ 5,362,035	6,949,095	77.2 ¢	2,063
1994-95	$ 5,364,901	7,023,663	76.4 ¢	2,133
1995-96	$ 5,403,765	7,194,238	75.1 ¢	2,183
1996-97	$ 5,425,897	7,309,514	74.2 ¢	2,177
1997-98	$ 5,486,242	7,431,161	73.8 ¢	2,222
1998-99	$ 5,525,757	7,544,360 est.	73.2 ¢	2,286
Percentage Change Over 10 Years	**+ 8.9%**	**+ 14.8%**	**- 5.2 %**	**+ 53 %**

* * * * *

STATE ARTS AGENCIES' LEGISLATIVE APPROPRIATIONS - FY 98-99

Per Capita Ranking* (in cents)

1	Hawaii	505.45
2	Massachusetts	282.46
3	Minnesota	276.20
4	New York	252.91
5	Michigan	221.79
46	Tennessee	43.31
47	Oregon	42.93
48	Washington	36.37
49	Texas	26.57
50	Montana	21.34

Southern Arts Federation States:

6	Florida	218.21
14	Louisiana	115.86
16	Alabama	106.35
18	South Carolina	99.84
19	Kentucky	94.89
26	**North Carolina**	**77.12**
28	Mississippi	74.20
36	Georgia	58.34
46	Tennessee	43.31

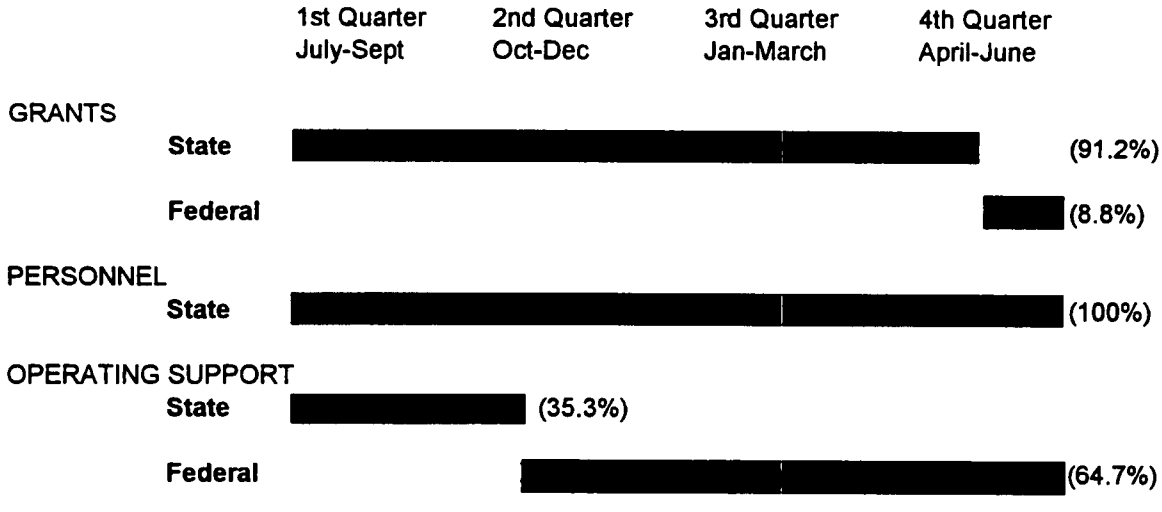
*population figures are 1990 census—not adjusted annually as are NC population figures at top of chart

DCR 91

NORTH CAROLINA ARTS COUNCIL -- SUMMARY OF FY 98-99 INCOME

State of North Carolina	
Grant Program	$ 2,903,235
Grassroots Arts Program-Recurring	1,343,367
Grassroots Arts Program-Non-Recurring	335,750
Personnel	1,134,999
Operating Support	144,156
Total State Income:	**$ 5,861,507**
National Endowment for the Arts	
Basic State Grant:	
Grants	$ 158,000
Operating Support	264,700
Total Basic State Grant	$ 422,700
Arts in Education Grant	$ 58,500
Underserved	$ 98,400
Blue Ridge Heritage Initiative	$ 125,400
Total Federal Income:	**$ 705,000**
TOTAL FY 98-99 INCOME	**$ 6,566,507**

Listed below is a chart depicting what percentage of our annual expenses our state appropriation covered in FY 97-98



DCR 92

NORTH CAROLINA ARTS COUNCIL
PRESSING NEEDS AND PRIORITIES FOR THE 99-01 BIENNIUM

I **Primary Arts Organizations** -- In 1990, we provided annual support to 13 flagship institutions with grants totaling $848,500. Today, we fund 78 with $1,583,400. Most of these orchestras, museums, galleries, dance and opera companies, theaters, outdoor dramas, festivals, multicultural organizations, literary groups, craft schools and arts centers have seen their operating budgets double or triple during this decade along with their audiences and the demand for high quality arts programs. Due to an almost flat budget during the nineties, our funding has decreased significantly for many of these institutions at a time when significant sustaining support is no longer available from other sources. We anticipate that at least 10 new organizations will seek major funding by the year 2000.

II **Arts in Communities** -- For more than 20 years the Grassroots Arts Program has provided arts funds to all 100 counties through the nation's most extensive and highly respected network of local arts councils. These arts councils have become vital players in community planning and economic development over the last decade. Yet, recurring funding for Grassroots remains at its 93-94 level.

The Regional Artists Project Grants Program provides support to artists at the local level. Funds are distributed regionally through 12 local arts council partnerships which help artists in 93 counties advance their professional and creative development. In FY 97-98, 369 artists across the state applied for awards but only 146 received grants.

III **Rural Arts Leadership** -- The state's most rural counties lack the infrastructure and resources to provide sustained quality arts programs in their communities. Rural arts councils have trouble attracting and keeping qualified directors because of low salaries, isolation and a limited pool of volunteers. Rural areas need greater access to arts in education opportunities to animate and improve student learning, but lack the administrative and financial resources to sustain a commitment to these programs. Rural communities are often bypassed by touring artists who would like to work there but need community resources to produce performances and coordinate arts activities.

IV **Cultural Tourism** -- North Carolina's renowned arts and culture are fueling the fastest growing segment of the tourism industry—cultural tourism. This trend has great potential for sustainable economic impact on our communities, particularly in rural areas. North Carolina is out in front of this national trend, largely because of the Blue Ridge Heritage Initiative which is developing traditional music and Cherokee cultural trails to attract tourists and strengthen the economy in 27 mountain counties. A similar project is being planned in the easternmost counties. Under development also are an African-American cultural trail and a trail linking summer performing arts venues. To this point, nearly all funding has come from a federal grant which cannot be repeated.

V **Arts Information and Research** -- The Arts Council maintains a statewide repository of resource material and information about the arts, including a comprehensive database on North Carolina artists, organizations, arts supporters and community arts programs. It serves as a clearinghouse to link citizens with one another and to provide training for program development. Services include the distribution of up-to-date reference materials, resource information, and information on opportunities for artists and organizations. There is a pressing need for a web site network and technological development for local arts organizations, publications, training, research and analysis, including an economic impact study, and technological upgrades at the agency to make data more accessible.

VI **Basic Operating Support** – The state appropriation to the North Carolina Arts Council provides only four months of basic operating support, after which the Arts Council is dependent on federal funding for all operating costs.

DCR 93

DEPARTMENT OF CULTURAL RESOURCES

ARTS COUNCIL - FUND 1330

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 6,195,343	$ 7,751,656	$ 6,150,156	$ 6,069,962
Receipts	$ 741,637	$ 1,300	$ 661,094	$ 580,900
General Fund Appropriation	$ 5,453,706	$ 7,750,356	$ 5,489,062	$ 5,489,062
Number of positions	24.25	24.24	24.24	24.24

Source: 1999-2001 Continuation Budget Document

OFFICE OF THE SECRETARY

The Office of the Secretary

The Office of the Secretary directs the operations of the North Carolina Department of Cultural Resources. In addition to administrative matters, the office oversees budget, administrative planning/policy development-related activities, operations, legislative matters, public information services, personnel, and capital projects. The Office of the Secretary oversees six divisions in the department: Archives and History, North Carolina Museum of Art, North Carolina Arts Council, North Carolina Symphony, State Library of North Carolina, and the North Carolina Museum of History. The Office of the Secretary coordinates appointments to appropriate boards and commission. The Deputy Secretary serves as the legislative liaison for the department.

The Secretary's Office oversees several awards program. The North Carolina Awards were instituted by the North Carolina General Assembly in 1961. The North Carolina Awards recognize "notable accomplishments by North Carolina citizens in the fields of scholarship, research, the fine arts, and public leadership." It is the highest honor the State can bestow.

The Governor's Business Council on the Arts and Humanities presents the Governor's Business Awards each year. The awards are given to North Carolina businesses that have conducted or participated in innovative projects to promote the arts and/or humanities. Cultural organizations that have promoted innovative business support of the arts and humanities are also eligible for awards. This awards program was established in 1978.

The Office of the Secretary's budget (Fund # 1110) includes the following units: Capital Projects Unit, Public Affairs Office, and the Human Resources Office. The Administrative Services Office (Budget Office) is budgeted separately under Fund # 1120 and a separate description of this office follows.

DCR 96

DEPARTMENT OF CULTURAL RESOURCES

OFFICE OF THE SECRETARY - FUND 1110

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 9,028,567	$ 1,039,944	$ 1,075,914	$ 1,075,914
Receipts	$ 37,225	$ 32,574	$ 38,322	$ 38,322
General Fund Appropriation	$ 8,991,342	$ 1,007,370	$ 1,037,592	$ 1,037,592
Number of positions	17.25	18.25	18.25	18.25

Source: 1999-2001 Continuation Budget Document

ADMINISTRATIVE SERVICES

Administrative Services Section

The Administrative Services Section provides budgeting, accounting, data processing, purchasing, payroll, and mail/messenger services and support to all divisions within the Department of Cultural Resources. The section assures the fiscal and audit accountability of all state, federal, and private funds entrusted to the department. The total recommended operating budget for the Department of Cultural Resources for FY 1999-2000 is $57.1 million. The department's Capital Improvement budget funds over 80 active projects valued at over $40 million.

The Administrative Services Section is divided into the following four units: Administration, Budget and Accounting, Purchasing/Mail Room, and Computer Operations.

The **Administration** unit is responsible for:

- administration and oversight of all financial and business affairs in the Department of Cultural Resources
- planning and organizing all assignments to meet departmental goals and objectives while maintaining compliance with all federal and state laws and guidelines
- implementation of programs within statutory or policy/procedure limitations
- providing information and resources to every level of the department and state government
- administration of all departmental travel reimbursements and authorizations
- authorization and initiation of budget requests to Office of State Budget and Management (OSBM)

The **Budget and Accounting** unit is responsible for:

- preparation of the department's biennial budget (continuation, expansion, capital, supplemental)
- preparation of financial statements for Office of State Controller (OSC)
- submission of budget revisions to Office of State Budget and Management
- submission of IRS forms
- requests for quarterly allotments
- reports to Office of State Auditor (OSA) on grants to private organizations
- administration of federal grants from U.S. Department of Education, U.S. Department of the Interior (National Park Service), National Endowment for the Arts, National Endowment for the Humanities, and National Historical Publications and Records Commission
- preparation of the indirect cost rate allowed for each federal grant
- management of State Treasurer Account by daily, monthly and quarterly revisions of general fund cash requirements and receipts
- management of employee benefits
- reporting of sales and use tax

Administrative Services, **Budget and Accounting** unit, continued

- administration of state telephone network operation
- administration of petty cash fund
- operation of employee transportation including parking and Motor Fleet Management leases
- management of accounts payable (1200-1600 checks written per month)
- management of accounts receivable
- maintenance of permanent and temporary payrolls
- control of fixed asset system

The **Purchasing/Mail Room** unit is responsible for:

- procurement of goods and services for departmental operations (approximately $3 million per year in expenditures)
- departmental compliance with ADA and health and safety regulations
- coordination with Division of Facility Management for building maintenance and repair
- management of central supply store
- pickup and delivery of all department mail
- disposition of surplus property

The **Computer Operations** unit is responsible for:

- operation of the departmental minicomputer facility, serving 650 users and over 50 applications, as well as public access terminals for the State Library and State Archives
- serving as representative on the state Information Resource Management Commission (IRMC)
- training department staff in the operation of microcomputer hardware and software

DCR 100

DEPARTMENT OF CULTURAL RESOURCES

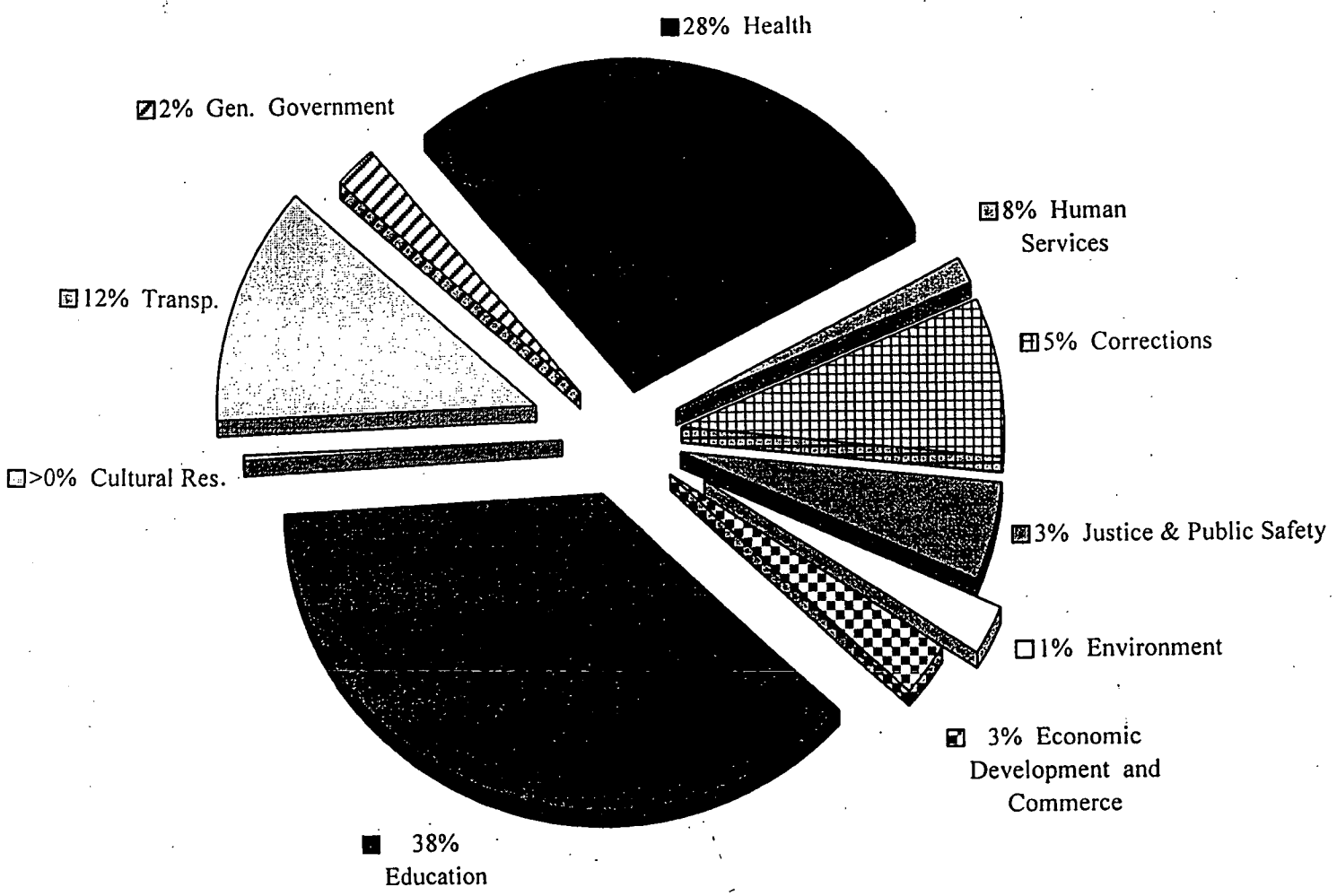
ADMINISTRATIVE SERVICES - FUND 1120

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,051,285	$ 1,099,449	$ 1,164,234	$ 1,164,234
Receipts	$ 13,532	$ 14,955	$ 15,093	$ 15,093
General Fund Appropriation	$ 1,037,753	$ 1,084,494	$ 1,149,141	$ 1,149,141
Number of positions	19.00	19.00	19.00	19.00

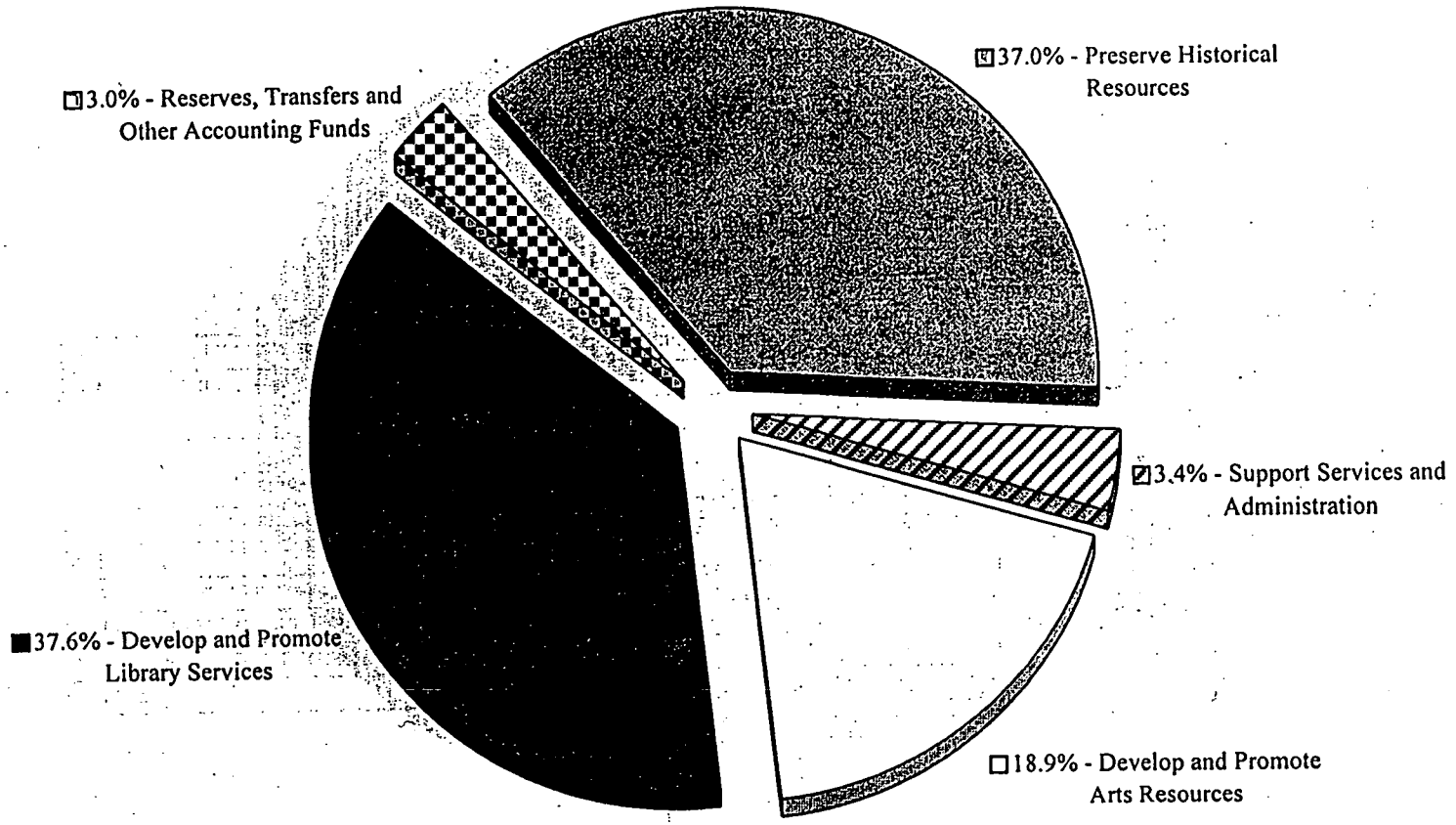
Source: 1999-2001 Continuation Budget Document

1999-2000 Recommended Continuation Budget Summary - Total Requirements by Program Area
(in $ millions)



* This pie chart does not include $896.32 million identified as Statewide reserves.

1999 - 2000 Recommended Continuation Budget
Cultural Resources Program Area
(by P/PB Program)



* The Department of Cultural Resources is the only state agency classified in the Cultural Resources Program Area.

VISITOR REGISTRATION SHEET

AM

App. General Gov. March 2-1999

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Renee Vance	DCR
Peter Smith	NC Symphony - DCR
Betty Ray McCain	DCR
Betsy Buford	DCR
Sandy Cooper	DCR
Jeffrey J Crow	DCR
Elliott Futrell	NC Genealogy Society
John Donnan	OSPL
Jim Nowell	OSBM
Byron K Harris	OSBM
Kathie Austin Podgett	OSPL
Jack Cozort	Parker Poe Adams & Bernstein
Ben McLawhorn	OSC
Katherine Joyce	S&ANC
Bernard Allen	SOS
Donna Rosefield	DCR
Mary Regan	DCR / Arts Council
Jim McNutt	Museum of History / DCR
Anne Wo[illegible]	NCCADV
J. ALLEN ADAMS	Battleship NC + ARTS NC.

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 2,1999
Room 425
2:30 p.m.

Chairman: Representative William Wainwright

Department of Cultural Resources

Museum of History

(Notebook pp. DCR 54 - DCR 57)
(Budget Book/Performance Measures p. 112)
(Budget p. 113)

James McNutt
Director

Roanoke Island Commission

Report to the General Assembly per G.S. 143B-131.4
(Notebook pp. DCR 59 - DCR 62)
(Budget Book/Budget p.89)

Deloris Harrell
Executive Director

North Carolina Symphony

(Notebook pp. DCR 64 - DCR 78)
(Budget Book/Performance Measures p. 107)
(Budget p. 108)

Peter Smith
Interim Director

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT MINUTES March 2, 1999 2:30 P. M.

The subcommittee met in Room 425 of the Legislative Office Building. The members attending the meeting were Representatives Wainwright, Jeffus, McLawhorn, Jeffus, and Setzer. There were six Senators in attendance. The Agenda and Visitor Registration Sheet are attached hereto and incorporated into the minutes.

Representative Wainwright called the meeting to order and he recognized Betty Ray McCain, Secretary of the Department of Cultural Resources. Secretary McCain recognized the members of her staff to include Deloris Harrell, Executive Director of the Roanoke Island Commission; Peter Smith, Interim Director of the North Carolina Symphony; James McNutt, Director of the Museum of History; Mary Regan, Director of NC Arts Council; Sandy Cooper, Librarian; Janice Williams, second in command at the NC Museum of History; and Renee Vance, the Business Auditor.

The Chair recognized **Mr. James McNutt, Director of the Museum of History.** Mr. McNutt talked about the work of the Museum. The Museum of History is now approaching its centennial. The mission of the museum is to promote the understanding of the history of the state. He referred to pages 54-57 of the DCR Notebook, and pages 112-113 of the Budget Book/Performance Measures. The museum is working to make its facility more accessible to people across the state.

The next speaker was **Delores Harrell, Executive Director of the Roanoke Island Commission**. She presented pictures of various projects. Because of the support of the NC General Assembly, history and education is celebrated not only with the ship, but also with an exhibit hall, and with a docudrama. The arts are celebrated via an art gallery and a performance pavilion. Their goal is to be self-sufficient.

The Chair recognized **Mr. Peter Smith, Interim Director of the North Carolina Symphony.** The North Carolina Symphony is the longest continuously funded orchestra in the country. It is supported annually by over 1500 volunteers. It collects over half of its non-state revenue from persons who make personal contributions. The state provides 2.4 Million Dollars of the 7.5 Million-Dollar budget. The remainder comes from individuals and ticket revenues. The symphony visits 52 counties per year, and it travels approximately twenty thousand miles per year by bus. It performs 60-65 full orchestra concerts for children, most of them at no charge. The symphony is conducting its first fund raising project. The symphony has a mission to address diversity in both performances and audiences.

The Chair thanked all speakers for their presentations, and adjourned the meeting at 3:30 p.m.

Respectfully submitted,

Blinda Edwards

Blinda Edwards, Transcriber of Minutes

William L. Wainwright

Rep. William Wainwright, Presiding Chair

NORTH CAROLINA

DEPARTMENT OF CULTURAL RESOURCES

Betty Ray McCain
Secretary

LEGISLATIVE OVERVIEW
for
GENERAL GOVERNMENT JOINT APPROPRIATIONS SUBCOMMITTEE

February, 1999

NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES

LEGISLATIVE OVERVIEW

Table of Contents

Department of Cultural Resources
- Budget Summary
- Mission Statements/Summary Descriptions of the Department's Divisions
- History of the Department
- Organizational Chart
- Department Budget

First Flight Centennial Commission

North Carolina Museum of Art

The State Library of North Carolina

Division of Archives and History

North Carolina Museum of History

Roanoke Island Commission

The North Carolina Symphony

North Carolina Arts Council

Office of the Secretary

Administrative Services

DCR 1

DEPARTMENT OF CULTURAL RESOURCES

BUDGET SUMMARY

	1999-2000 Recommended Total Budget	2000-2001 Recommended Total Budget	# positions
Administration			
Office of the Secretary	$1,075,914	$1,075,914	18.25
Administrative Services	$1,164,234	$1,164,234	19
Division of Archives & History			
Director's Office	$2,010,245	$2,010,245	26
Historical Publications	$ 679,320	709,320	14.5
Archives & Records	$3,077,275	$3,077,275	73
State Historic Sites	$7,275,755	$7,218,917	142
Tryon Palace	$2,588,425	$2,584,425	55
State Capitol/Visitor Center	$ 470,720	$ 470,720	11
N.C. Maritime Museum	$ 853,866	$ 853,794	17
State Historic Pres. Office	$2,238,076	$2,238,076	44.5
Western Office	$ 369,399	$ 372,704	7
N. C. Arts Council	$6,150,156	$6,069,962	24.24
N.C. Museum of Art	$3,830,912	$3,830,912	93.01
N.C. Symphony	$ 334,858	$ 334,858	9
Grant in Aid to Arts	$2,140,979	$2,140,979	0
State Library of N.C.			
State Library Services	$4,387,102	$4,381,194	92
Statewide Program & Grants	$20,436,201	$20,436,201	0
N.C. Museum of History	$4,769,849	$4,769,849	102
Museum of Albemarle Reserve		923,900	15
Roanoke Island Commission	$1,826,157	$1,826,157	32

DCR 2

North Carolina Department of Cultural Resources

	1993-94		1994-95		1995-96	
Certified Appropriation	$ 44,955,631		$ 47,054,697		$ 55,237,705	
Less: Appropriated Pass-through Grants	$ (19,974,250)	44%	$ (21,389,250)	46%	$ (27,768,527)	50%
Adjusted Appropriation	$ 24,981,381		$ 25,665,447		$ 27,469,178	

	1996-97		1997-98		1998-99	
Certified Appropriation	$ 49,379,190		$ 63,698,428		$ 71,389,249	
Less: Appropriated Pass-through Grants	$ (20,731,527)	42%	$ (29,505,527)	46%	$ (36,431,077)	51%
Adjusted Appropriation	$ 28,647,663		$ 34,192,901		$ 34,958,172	

* For the six fiscal years listed above, budget cuts in State Appropriations amounted to $4,945,252
* For the six fiscal years listed above, position cuts amounted to 49.0

North Carolina Symphony:

In the early 1980's, State funding was approximately 70% of the operating budget, with 30% coming from the private sector. Currently, State funding is only 36%, while private sector funding has increased to 64%.

North Carolina Museum of Art:

For 1998-99, 89%, or $3,036,975, of the Art Museum's budget consists of salary and fringe benefits, while only 11%, or $367,100, is for operating expenses.

North Carolina Arts Council:

Since 1994, the Arts Council has cut 4.5 Federal positions, equaling $120,000 in salaries and fringes. This is an 18% reduction in Arts Council staff, to 24.5 positions.

North Carolina Museum of History:

Since 1993, the Museum of History staff has been cut by 18%, resulting in a loss of salaries of approximately $420,000.

Archives and Records Section of the Division of Archives and History:

Since 1993, 8 positions have been lost in budget cuts, including a critical guard position. Virtually out of space, the Section desperately needs a new state records center to meet its legislatively mandated responsibilities to manage the state's records.

State Library:

Since 1990, the State Library's budget to support direct service to customers has been reduced by over $1 million (a 20% reduction). This includes $600,000 and 6 positions in state funds and $500,000 and 6 positions in federal funds. These funds also covered basic operations, library materials, books, and equipment.

DCR 3

DEPARTMENT OF CULTURAL RESOURCES

More information about the Department of Cultural Resources is available on the Internet at the Department's Home Page on the World Wide Web. The address is: http://web.dcr.state.nc.us

Mission Statement

The mission of the Department of Cultural Resources is to enrich the cultural, educational and economic well-being of citizens and visitors to North Carolina through the preservation, development, presentation, promotion and dissemination of artistic, historical and information resources. (G.S. 121-1-42; G.S. 125-1-19; G.S. 140-5.3-15; G.S. 140-1-6; G.S. 143B-49-133.1).

The mission statements and summary descriptions of the department's six divisions follow:

Division of Archives and History : To collect, preserve, and utilize the state's historic resources so that present and future residents may better understand their history. The division safeguards the documentary and material evidence of past generations for the education of all citizens and the protection of their democratic rights.

The Division of Archives and History is responsible for researching, preserving and maintaining a record of North Carolina's rich cultural heritage. The division consists of seven sections: State Historic Sites, Archives and Records, Historical Publications, Archaeology and Historic Preservation, State Capitol, and Tryon Palace Historic Sites and Gardens and the Maritime Museum. The Director's Office also oversees operation of divisional computing, the Outer Banks History Center, Stagville Center, the Western Office, the First Flight Centennial Commission, the Federation of N.C. Historical Societies and the N.C. Literary and Historical Association.
The Division's Internet address is: www.ah.dcr.state.nc.us.

North Carolina Museum of Art: To acquire, preserve and exhibit works of art for the education and enjoyment of the people of the state, and to conduct programs of education, research, and publication designed to encourage an interest in and an appreciation for art on the part of the people of the state. (G.S. 140-5.12, enacted by the General Assembly April 3, 1947.

The North Carolina Museum of Art houses permanent displays of the state's art collection, plus changing exhibitions. One of the finest in the southeast, the museum's collection was the first in the nation to receive state support. Paintings and sculptures represent 5,000 years of man's achievements from ancient Egypt to the present. Collections of Renaissance and Baroque, English 18th century and American 19th century art are internationally recognized for their excellence. The North Carolina Art Society and the North Carolina Museum of Art Foundation provide substantial financial support for the museum's exhibitions, acquisitions, educational programs and other operating needs. Programs include films, lectures, concerts, workshops for adults and children, and outreach to areas outside Wake County. The museum features the new Joseph M. Bryan, Jr. Museum Park Theater, a gift shop and the Museum Cafe.
The Museum's Internet address is: www2.ncsu.edu/NCMA

North Carolina Arts Council: To enrich the cultural life of the state by nurturing and supporting excellence in the arts and by providing opportunities for every North Carolinian to experience the arts.

The North Carolina Arts Council supports excellence in the arts and provides opportunities for all North Carolinians to experience the arts. Grants, technical assistance, and a variety of services are available to nonprofit organizations and individuals. The Grassroots Arts Program provides funds for local arts activities in every county on a per capita basis. Other grants support dance, folklife, literature, music, theatre and visual arts projects, as well as fellowships and residencies for professional artists. Arts education programs are offered in pre-K through 12th grade settings. Over 10 million people participate annually in Arts Council-funded projects.

The Arts Council's Internet address is: www.ncarts.org

North Carolina Symphony: To foster musical awareness, enjoyment and education by performing both major orchestral concerts and educational concerts for the state's citizens and visitors.

The North Carolina Symphony, a major professional orchestra founded in 1932, performs approximately 175 adult and children's concerts each year, taking music to a wide range of communities across the state. In 1943, the symphony became the first state orchestra in the country to receive a state grant for ongoing support, and it has continued to receive the state aid for 54 years. The orchestra has one of the most extensive educational programs in the country, performing about 65 educational concerts a year as a part of the state's music curriculum for school children and sponsoring several youth competitions and a string internship program. **The N.C. Symphony Society raises approximately 68% of the symphony's annual operating budget,** while the N.C. Symphony Foundation holds the permanent endowment.

The Symphony's Internet address is: www.ncsymphony.org

State Library of North Carolina: The State Library of North Carolina focuses its services to the people of the state in three ways:

1. by working in partnership with local communities to develop and extend public library services statewide;
2. by coordinating efforts among all types of libraries to improve library services and to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and
3. by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped.

The State Library of North Carolina has a long, rich history that began with its founding in 1812, the appointment of the first full-time State Library in 1843, the establishment of the North Carolina Library Commission in 1909, and the merger of the commission and the State Library into a single agency in 1955. Today, the State Library serves North Carolinians statewide by working in partnership with local communities to develop and extend public library services; by developing the North Carolina Library and Information Network to coordinate efforts among all types of libraries to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped. The State Library administers the State Aid to Public Libraries Fund which will distribute $16.9 million in fiscal year 1998-99 through formula grants to public libraries serving all 100 counties as well as the federal Library Services and Technology Act.

The State Library's Internet address is: http://statelibrary.dcr.state.nc.us/ncslhome.htm

North Carolina Museum of History: to promote the understanding of the history and material culture of North Carolina for the educational benefit of North Carolinians. Through collections and historical interpretation, its museums encourage citizens and visitors to explore and understand the past; to reflect on their own lives and their place in history; and preserve state, regional, and local history for future generations.

The North Carolina Museum of History promotes understanding of the history and material culture of North Carolina for citizens, school children and visitors in all one hundred counties. Three regional branches extend the museum's services: the Museum of the Albemarle in Elizabeth City, the Museum of the Cape Fear in Fayetteville, and the Mountain Gateway Museum in Old Fort. The museum develops, produces and maintains over 61,000 square feet of long and short term exhibits with interpretive programs, special events and publications for 350,000 visitors annually; it provides outreach to schools and community groups through programs such as the Tar Heel Junior Historians, a North Carolina Information Highway site and an Internet home page; and it serves other museums and historical organizations throughout the state through consultations and professional services. The museum's activities provide access to collections numbering

Museum of History, continued
over 300,000 artifacts representing all aspects of North Carolina history. Its support group, the North Carolina Museum of History Associates (numbering some 15,000), is the largest state history museum support group in the United States.
The Museum's Internet address is: http://nchistory.dcr.state.nc.us

The Office of the Secretary performs planning/policy development activities for the department and assures that departmental programs serve the people of North Carolina. The office oversees grants appropriated by the N.C. General Assembly. The Office of the Secretary directs the North Carolina Awards program, instituted in 1961 by the N.C. General Assembly. The North Carolina Awards is the highest honor the state can bestow, which recognizes notable accomplishments by North Carolina citizens in the fields of scholarship, research, the fine arts and public leadership. The four units under the Office of the Secretary are: Administrative Services, Capital Projects Unit, Public Affairs Office and the Human Resources Office.

The Roanoke Island Commission, an independent commission situated within the Department of Cultural Resources, was established by G.S.141B-131.1 in 1994 and operates the *Elizabeth II* and Roanoke Island Festival Park. The commission is charged to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island.

DCR 7

History of the N.C. Department of Cultural Resources

Although the Tar Heel State has touted its cultural wealth since colonial times, not until 1971 did the artistic and historic treasures of North Carolina have a state-level agency devoted solely to their maintenance and preservation. First created as the Department of Art, Culture, and History, what evolved into the present-day Department of Cultural Resources was the first such cabinet-level agency in the nation. The founding of the department by the N.C. General Assembly took place during state government reorganization, helping to consolidate the efforts of statewide cultural organizations which had been working for decades to promote North Carolina's artistic, musical, informational and historic riches. So, as is true of many departments formed during reorganization, it included several agencies much older than the department itself.

N.C. Division of Archives and History

In 1903, the N.C. Literary and Historical Association requested that the General Assembly establish a commission to preserve the history of North Carolina. A bill was introduced by Sen. R. F. Beasley of Union County, who was assisted by Raleigh lawyer William Joseph Peele, who wrote the bill. The law was enacted on March 9, 1903, creating the N.C. Historical Commission, consisting of five members appointed for two-year terms by the governor. They were given $500 and were instructed to collect valuable documents pertaining to the state's history. The members received no personal monetary compensation for their work.

In 1907, the legislature strengthened the commission by increasing the appropriation and by naming Robert D. W. Connor the first salaried secretary of the commission.

A series of secretaries followed, including Albert Ray Newsome, who encouraged the commission to turn from simply collecting materials to preserving and displaying them. In 1935 Christopher Crittenden became secretary, an association that continued for 33 years.

In the 1940s there was a reorganization of state government, and the name changed from the N.C. Historical Commission to the Department of Archives and History. Within this department were eventually created the Division of Archives and Manuscripts, the Division of Publications, the Hall of History (later the N.C. Museum of History) and Historic Sites.

In 1971 another government reorganization created the Department of Art, Culture, and History, later renamed the Department of Cultural Resources. Archives and History became a division within the new department, and its component parts became sections within the division.

The legislature created another N.C. Historical Commission in 1973 to serve as an advisory board for the N.C. Division of Archives and History. These members are appointed by the governor.

The sections within the division today are Archives and Records, Archaeology and Historic Preservation, Historic Sites, Historical Publications, State Capitol/Visitor Services, Tryon Palace and the N.C. Maritime Museum. The N.C. Museum of History became a separate division in 1996.

Source: Public History in North Carolina, 1903-1978, Jeffrey J. Crow, Editor

DCR8

N.C. Museum of History

After visiting Boston in the 1880s and marveling at its preserved past, Raleigh News and Observer publisher Samuel A'Court Ashe began an editorial campaign encouraging the saving of North Carolina's history so that natives and visitors could learn of North Carolinian ancestors' lives.

Following Ashe's campaign, city editor Frederick Augustus Olds, the "father" of the N.C. Museum of History, began traveling across North Carolina, collecting objects from the state's past and listening to the stories associated with each item. Also following Ashe's campaign, a gallery of history was created in the State Museum (now called the N.C. State Museum of Natural Sciences).

On December 5, 1902 after developing a sizable private collection, Olds combined his historical materials with the State Museum's historical items to create the Hall of History. The artifacts were contained in 37 cases which were mothproof, dustproof and had double safety locks.

In 1914 after the N.C. Historical Commission took over the Hall of History, the hall moved into its second home in the State Administration Building, (now known as the Ruffin Building), at the intersection of Morgan and Fayetteville Streets. It soon became obvious that even these two large halls would not be adequate space for the fast-growing number of items.

Under the commission, the Hall of History took on a new two-fold purpose: to teach the history of North Carolina and to preserve historical materials. The museum's educational programs and preservation techniques would grow in coming years.

In 1939, the Hall of History moved to the newly constructed Education Building on the corner of Edenton and Salisbury Streets. With the new space, designed specifically for the museum, came goals for more attractive exhibits, improved lighting, and a better arrangement of artifacts as well as a new emphasis on educational programs and the care and organization of artifacts.

After decades of growth, the Hall of History was no longer a "hall." On July 1, 1965, it became the N.C. Museum of History and was named a division within the Department of Archives and History (now a division within the Department of Cultural Resources.) By the middle of August 1968, the museum was moved to the new $3 million Archives and History/State Library Building at 109 East Jones Street. More than 90,000 items were moved during the next 18 months; the mezzanine exhibits opened in late 1973, completing the galleries in that building.

John D. Ellington became administrator in 1974 and worked to establish the N.C. Museum of History Associates in 1975. The Associates, a support group for the museum, were instrumental in finding more space for the museum.

At One East Edenton Street, a groundbreaking took place June 14, 1988, for what was to become the current home of the N.C. Museum of History. Completed in August 1992, the new $29 million facility had a research library, a variety of classroom spaces, a large and well-equipped 315-seat auditorium and large gallery spaces totaling 55,000 square feet.

The N.C. Museum of History was named the sixth division within the N.C. Department of Cultural Resources in 1996 by Cultural Resources Secretary Betty Ray McCain following a review by the N.C. Historical Commission.

Source: North Carolina Stories, The Grand Opening Celebration of the New North Carolina Museum of History Building, John Lee Bumgarner, Managing Editor, 1994.

N.C. Arts Council

Governor Terry Sanford sought to ensure that all citizens had some exposure to the arts, and by executive order in 1964, created the N.C. Arts Council to "survey the status and needs of the arts" and to "advance the interests of the arts." Under Governor Dan K. Moore the N.C. Arts Council became a statutory state agency in 1967.

Today the Council provides technical assistance and more than 1,300 grants each year to artists and nonprofit organizations throughout the state. Governor James B. Hunt captured the essence of the Council's mission in the early 1980s when he said, "The rich artistic environment of North Carolina is not the accomplishment of a single person, but of many people and groups. It's the job of the N.C. Arts Council to keep that cultural mix going with energy and vitality."

North Carolina's unique approach to stimulating arts development was populist from the start, helping communities help themselves. In 1967, when the Council first published its survey of the state, 17 local arts councils and 233 arts groups began organizing, hiring staff and investing in arts facilities in communities all across the state. Thirty years later, statistics compiled by the Council show:

* A network of 103 local arts councils in 87 of 100 counties;
* 2,177 arts organizations operating in the state;
* 34,091 artists in all disciplines with a 65.8% increase from 1980 to 1990;
* 18,000,000 people participating in arts activities in any given year, according to N.C. non-profit arts organizations.

Modest but steady increase in financial support from the state have enabled this growth. In its first two years combined, the Council disbursed $187,816 in program support and grants. In the fiscal year 1996-97, the Council funded 508 arts organizations, 319 schools, community and civic groups and 43 individuals for a total of $4,430,571.

The Council's grants have had a proven catalytic effect. Arts groups attribute much of their ability to raise funds locally to the Council's funding, its rigorous review processes and its technical guidance. In 1996-97, Council funds stimulated an 11 to 1 match in individual, business, local government and foundation support.

Source: N.C. Arts Council

DCR 10

N.C. Museum of Art

The seeds of the N.C. Museum of Art were planted years before the landmark 1947 decision to appropriate state funds for the first public collection of art in the United States. Since the turn of the century, forward-thinking citizens have sought ways to provide rich cultural and educational opportunities for the people of North Carolina.

In 1924, a group of citizen leaders formed the Fine Arts Society to create an art collection and museum for the North Carolinians. Yet it was not until after World War II that conditions favored the long-sought art museum. In 1947 Greenville native Robert Lee Humber obtained a verbal commitment from Samuel H. Dress, the national five-and-dime-store magnate, to contribute $1 million toward the establishment of a state art museum. Kress, who had assembled one of the great collections of European art, stipulated that his gift be matched.

Armed with this extraordinary pledge, Humber leveraged support to gain a grant from the state. Rep. John H. Kerr, Jr., of Warrenton introduced the museum legislation in a persuasive - now famous - speech, with the opening words, "Mr. Speaker, I know that I am facing a hostile audience, but man cannot not live by bread alone." On April 5, 1947, by a narrow three-vote margin, the appropriation passed.

Plans moved forward to develop the former State Highway Building on Morgan Street as the Museum's first home. In 1955, William R. Valentiner, an eminent scholar in Italian Renaissance sculpture, Dutch 17th century painting and German modern art, became the Museum's first director. When the NCMA opened on April 6, 1956, blockbuster crowds were thrilled with the results.

On April 5, 1983, the Museum opened at its present 140-acre site on Blue Ridge Road, in a building designed by Edward Durrell Stone, who also designed the N.C. Legislative Building and the Museum of Modern Art in New York.

The collection continued to expand with partnerships and contributions from around the state. In April of 1996, the NCMA's Museum Park, an interactive sculpture garden that garnered acclaim in national architecture and design circles, debuted to the public. A unique collaboration among conceptual artist Barbara Kruger and a team of designers and architects, the Museum Park is the result of a national design competition and features the phrase PICTURE THIS, with 80-foot-long letters made with a variety of materials. The Museum Park is also home to the Joseph M. Bryan, Jr. Theater, a center for performing arts and film.

Looking ahead, the Museum seeks to add significant space for education, public programs and the growing collection. Additionally, the Museum is committed to extending knowledge about its collections by creating computer resources for schools, colleges and universities, and homes statewide.

Source: N.C. Museum of Art

DCR 11

N.C. State Library

Although there existed several public libraries, the only tax-supported library in North Carolina prior to the twentieth century was the State Library, which came into being in 1812 as a collection of books in the office of the Secretary of State William Hill for the use of government officials. It was administered on a part-time basis until 1843 when the secretary of state was paid $18.75 per quarter to serve as librarian.

An inventory of the State Library in 1828 listed approximately 1,150 titles in fifteen categories from "Atlases" to "Speeches and Debates." Of these volumes, only 117 survived the State House fire of 1831; of the 117 volumes, 97 were on loan to patrons at the time of the fire.

From 1841 until 1921 the annual appropriation from the acquisition of books was $500, which barely covered the cost of binding newspapers and rebinding worn volumes.

After 1843, a full-time librarian was appointed by the trustees, and after 1871 the appointment was subject to approval by the General Assembly. After 1886 the library was available to members of the General Assembly during its sessions, to officers of the Executive Department, to justices of the state supreme court, to the attorney general and to the commissioner of agriculture.

In 1888, the State Library was moved from the Capitol to the new State Library and Supreme Court Building (now the Labor Building). In 1914 it was moved to the Administrative Building (now the Court of Appeals Building), where it remained until a brief relocation to the former site of a bowling alley during construction of the Archives and History/State Library Building into which it moved in 1969 and remains today.

Source: Mitchell, Thornton W. The State Library and Library Development in North Carolina. Raleigh: N.C. Department of Cultural Resources, Division of State Library, 1983.

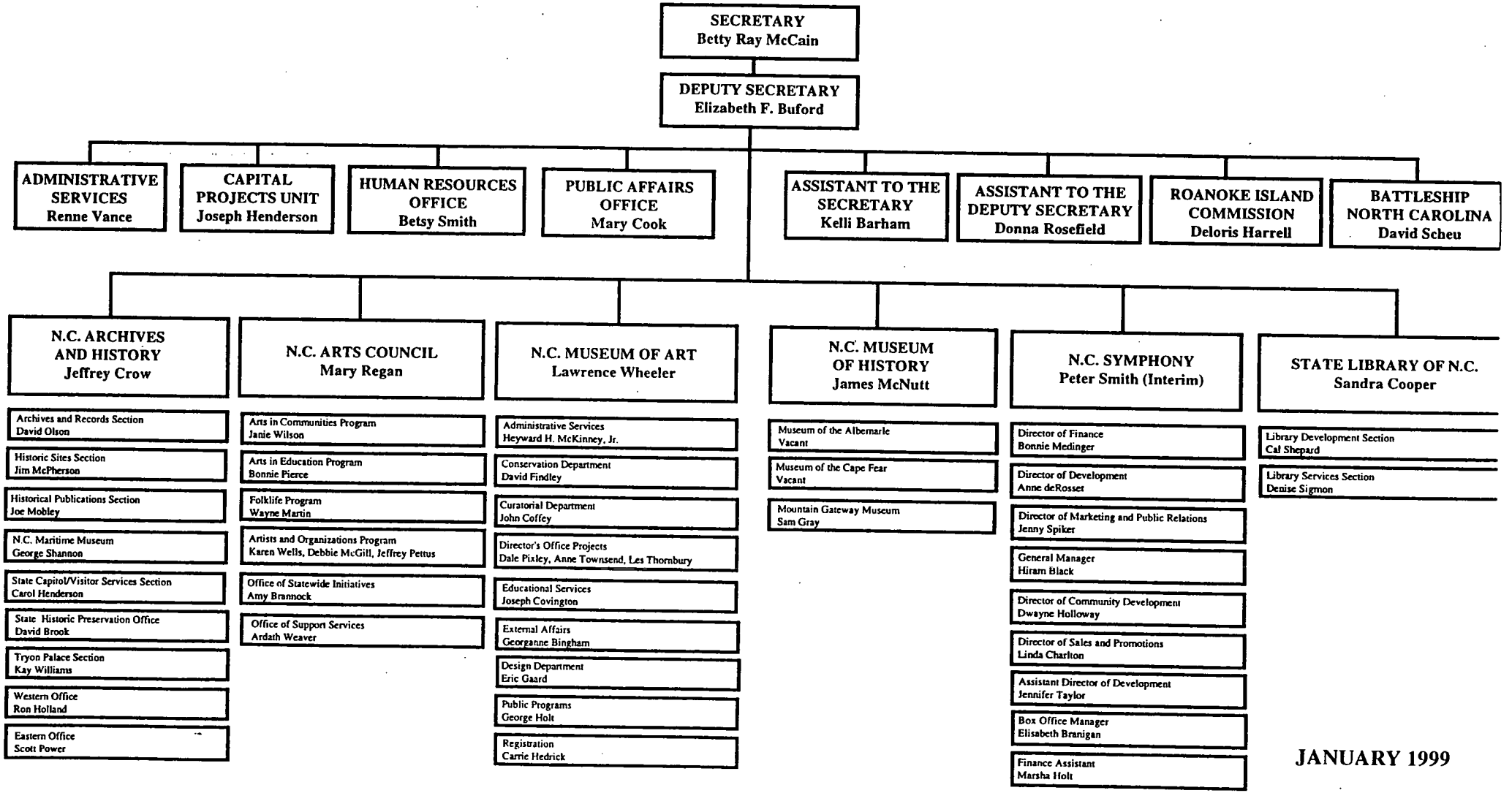
N.C. Symphony

The N.C. Symphony was formed in 1932 under the direction of Pulitzer Prize-winning composer Lamar Stringfield. It served as a WPA project in the 1930s and in the 1940s became the first orchestra to receive state funding on a continuous basis. Under the 33-year leadership of Dr. and Mrs. Benjamin Swalin, the Symphony began its grassroots emphasis of taking the orchestra to the people of the state. That tradition has continued every year since the 1943 Horn Tootin' Bill was passed in the General Assembly. The Symphony performs in large and small communities across the state from Murfreesboro to Wilkesboro during the regular season. More than 1,500 volunteers make sure that the orchestra reaches both children and adults.

Presently, the orchestra is led by Music Director and Conductor Gerhardt Zimmermann who is also artistic director and conductor for two other orchestras: the Canton Symphony Orchestra in Ohio and the Breckenridge Music Institute in Colorado. William Henry Curry serves as Associate Conductor and Jackson Parkhurst is Assistant Conductor and Director of Education.

Source: The N.C. Symphony

THE NORTH CAROLINA DEPARTMENT OF CULTURAL RESOURCES



JANUARY 1999

DCR 12

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION BUDGET

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
General Fund 14800				
Total Requirements	$ 71,677,873	$ 78,421,302	$ 64,021,963	$ 64,833,156
Receipts	$ 7,440,692	$ 5,586,878	$ 6,904,346	$ 6,821,152
General Fund Appropriation	$ 64,237,181	$ 72,834,424	$ 57,117,617	$ 58,012,004
Roanoke Island Commission - General Fund 14802				
Total Requirements	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157

DCR 14

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION BUDGET (Page 2)

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Enterprise Fund 54800				
Total Requirements	$ 124,218	$ 85,758	$ 85,758	$ 85,758
Receipts	$ 103,201	$ 85,758	$ 85,758	$ 85,758
Increase (Decrease) in Cash Balance	$ (21,017)	$ -	$ -	$ -
Beginning Cash Balance	$ 63,745	$ 42,728	$ 42,728	$ 42,728
Ending Cash Balance	$ 42,728	$ 42,728	$ 42,728	$ 42,728

NORTH CAROLINA MUSEUM OF ART

DCR16

The North Carolina Museum of Art

The North Carolina Museum of Art is a division within the North Carolina Department of Cultural Resources and is governed by a 28 member Board of Trustees. Board members are appointed by the Governor, the General Assembly, the Art Society, Museum of Art Foundation Board, and the Board of Trustees.

The North Carolina Museum of Art traces its origin to 1924 when the Art Society of North Carolina was founded with the purpose, "to promote an interest in providing a State Art Museum in Raleigh." In 1929, the General Assembly placed the Art Society under state patronage, which began a tradition of public/private partnership that continues to the present. In its early days, the Art Society began a program of collecting and staging exhibitions and educational programs even before there was a permanent museum. In 1947, an act of the General Assembly made North Carolina the first state in the nation to appropriate public funds for the purchase of works of art to establish a state supported art museum. That first appropriation matched a gift of 75 important works of art given by the Samuel H. Kress Foundation as part of its program of endowing regional museums throughout the United States. Negotiations with Mr. Kress and the Kress Foundation were led by state senator Robert Lee Humber of Pitt County. Thanks to his efforts, of the nearly one hundred institutions receiving art from the great Kress collection, the gift to the North Carolina Museum of Art was the largest and most important of any except that given to the National Gallery of Art in Washington, D. C. The Kress gift, combined with purchases made with legislative appropriations, created for the people of North Carolina the most distinguished collection of old master paintings in the southeastern United States and formed the foundation for today's Museum.

The Museum's major responsibilities are well stated in its statutory mission, "...to acquire, preserve, and exhibit works of art for the education and enjoyment of the people of the State, and to conduct programs of education, research, and publication designed to encourage an interest in and an appreciation of art on the part of the people of the State." (G.S. 140-5.12) This mission is accomplished through a variety of programs focusing on the State's permanent art collection, which consists of thousands of objects spanning over 5,000 years of human history. The Museum also brings to North Carolina many special exhibitions of important art treasures from around the world for the educational benefit and enjoyment of the people of our state. Scholarly publications and a full range of classes, workshops, lectures and other programs complement the Museum's educational mission and program objectives.

The Museum is an active partner with the state's educational systems. Thousands of school children from all over North Carolina visit the Museum each year and learn about their own culture and about other civilizations through guided tours and other programs. Outreach exhibitions, slide programs, speakers, and teaching materials are also available to schools and other groups in all counties throughout

the state. The Museum continues to enhance accessibility to its collections through the use of new technologies such as digital imaging, CD-ROM, and the Museum's World Wide Web page (http://www2.ncsu.edu/ncma). New educational initiatives planned for the next year include the first CD-ROM gallery guide system, new Web pages to include Art Nouveau exhibition, new multimedia program for children on the art of the ancient Americas, and a Festival of African-American culture.

The Museum also offers other services to the state's citizens. The conservation department provides consultation and conservation treatment services to other museums and public collections around the state. Curators are available on a regular schedule to consult with citizens about works of art in their own collections, and the Museum's art reference library is available to area university students or others needing to do research on art related subjects.

The Museum of Art regularly receives national and international recognition for its collections, acquisitions, and programs. It has become a major tourist attraction that draws many visitors from within the state and from beyond its borders each year. The Museum also contributes to the economic well being of North Carolina by helping to attract business and industry to locate and expand here. When asked why they chose to locate in North Carolina, business leaders will most often cite the state's quality of life, including the cultural environment and its commitment to education. The North Carolina Museum of Art makes strong contributions in these areas.

The Museum is assisted in its mission by two affiliated organizations, The North Carolina Art Society and the Museum of Art Foundation, Inc. As mentioned previously, the Art Society is the predecessor of the Museum. The Art Society is a venerable and distinguished organization founded in 1924 and under the patronage of the state since 1929. General Statutes provide that the Art Society shall be the membership arm of the North Carolina Museum of Art and continue under state patronage (G.S. 143B-89 and G.S. 140-14). The Art Society also holds the permanent endowment, the Robert F. Phifer Fund. Proceeds from this endowment are used solely for the acquisition of works of art for the Museum's permanent collection. This modest endowment provides the Museum's only reliable source of acquisition funding. There have been no state funds appropriated to add to the Museum's collection since 1985.

The Museum of Art Foundation, Inc. is a private, non-profit corporation which has tax-exempt status under IRS Code 501(c)(3). The Foundation holds some endowment funds and plays the essential role of operating the Museum's private fundraising efforts. The Foundation accounts for approximately one-half Museum's average annual operating budget. These funds are spent by the Foundation on the Museum's behalf to support exhibitions, educational programs, staffing, and other operating needs.

DCR18

In 1997, the Museum's new outdoor performing arts facility, the Joseph M. Bryan Theater, opened. In the 1998 season, the Museum presented thirteen concerts and thirty-three film screenings in the Bryan Theater and attracted crowds of as many as 4,500. This amphitheater was designed and built with private funds raised by the Museum of Art Foundation, It enables the North Carolina Museum of Art to offer a full range of performing arts experiences to complement the visual arts found inside the Museum's walls.

Also in 1997, the Museum undertook a complete study of its present physical facilities made possible by an appropriation in the 1996 session of the General Assembly. This study will direct the planning and programming of enhanced facilities to enable the institution to meet the state's needs well into the next century. The 1998 General Assembly appropriated the funding to design the addition and renovation of the Museum's facilities. We have requested funds in the current session to fund this construction. In addition, the Museum, through the Foundation has launched a major capital campaign to raise $20 million in the private sector to support the building effort, programming, and development of the Museum's collections into the next millennium.

In order to meet the challenges of the years ahead, the Museum looks forward to a continuation of the great tradition of partnering private funding with the public support provided by the General Assembly.

DCR 19

North Carolina Museum of Art
Selected Statistics

Total Museum Visitors 1997-98: 233,893

Joseph M. Bryan Theater Public Program Attendance 1998 season: 27,169

Education Events 1997-98: 205

Total Participants in Education Events 1997-98: 10,299

Guided Tours 1997-98: 2,490

Guided Tour Participants 1997-98: 30,010

Outreach Services 1997-98: 52

Outreach Service Participants 1997-98: 4,119

Educational Lending Materials 1997-98: 707

Education Lending Materials Participants 1997-98: 55,543

DCR 20

DEPARTMENT OF CULTURAL RESOURCES

MUSEUM OF ART - FUND 1320

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 3,781,653	$ 3,829,977	$ 3,830,912	$ 3,830,912
Receipts	$ 145,234	$ 138,685	$ 139,013	$ 139,013
General Fund Appropriation	$ 3,636,419	$ 3,691,292	$ 3,691,899	$ 3,691,899
Number of positions	92.00	93.01	93.01	93.01

Source: 1999-2001 Continuation Budget Document

THE STATE LIBRARY OF NORTH CAROLINA

DCR 22

The State Library of North Carolina
A Division of the Department of Cultural Resources

Part I - State Library Overview

The State Library has a long and proud history, beginning with its founding in 1812 as a collection of books in the office of the Secretary of State and the appointment of the first full-time State Librarian in 1843. Another historic milestone was the establishment of the North Carolina Library Commission in 1909. The Commission's primary mission was to provide assistance, advice, and counsel to: all libraries; all communities that proposed to establish libraries; and all persons interested in the best means of establishing and administering libraries. By action of the General Assembly in 1955, the State Library and the Library Commission were merged to form a single State Library.

Today, the State Library is a division of the Department of Cultural Resources; and the State Library Commission, a 15-member group of citizens and professional librarians, advises the Secretary of Cultural Resources and the State Librarian on priorities and policy issues.

Under the authority of G.S.125, the State Library of North Carolina focuses its service to the people of the state in three ways:

(1) by working in partnership with local communities to develop and extend public library services statewide;

(2) by coordinating efforts among all types of libraries to improve library services and to provide access to both print and electronic information resources through a modern telecommunications infrastructure; and

(3) by providing direct library services to a constituency that includes government officials, business people, and the general public, as well as services offered through the Library for the Blind and Physically Handicapped.

Part II – Financial Overview

The State Library's budget is divided into two funds:

- *Fund 1410 – State Library Services*: funds those State Library services provided to its customers. The budget of $4.4 million supports personnel, operating costs, library materials and resources, and other expenditures related to the direct delivery of library services and direct support for local library staff members. Today, the library employs 92.5 FTE.

- *Fund 1480 – Statewide Programs and Grants*: funds activities that help local libraries improve services and totals $21.4 million in state and federal funds. Major areas of expenditure include:

- Aid to Public Libraries Fund: funded in 1998-1999 at $16.9 million, with $2 million in non-recurring funds and $14.9 million in recurring funds. See Attachment A for a full description of this program.

- NC LIVE and Internet Access for Public Libraries: NC LIVE is the ground-breaking electronic library project that went online in April 1998 (see Attachment B). The State Library receives $1 million to fund public library participation in NC LIVE. The State Library also administers $783,000 in ongoing funds that assist local public libraries in accessing the Internet.

- Funds for children and reading services were added to the State Library's budget in 1998-99. The appropriation of $103,500 supports the statewide summer reading program, other programs for children and teens, and a portion of the activities of The North Carolina Center for the Book, a state affiliate of the Library of Congress program that promotes books, reading, and literacy.

- The Library Services and Technology Act (LSTA) is a new federal library program. It provides a block grant of approximately $3.5 million to the State Library to support programs in all types of libraries that use technology to improve services, build collaborative programs among libraries, and extend services to unserved and underserved North Carolinians. This year, the State Library has funded 105 LSTA grants to public libraries as well as libraries in schools, community colleges, and other publicly and privately funded academic institutions.

Last year, the General Assembly provided a total of $147,100 to the State Library for activities formerly supported under programs under a defunct federal program. The money goes to statewide programs for children and reading and the volunteer services component of the Library for the Blind and Physically Handicapped. The appropriation to the State Library also included $2 million in non-recurring funds for the Aid to Public Libraries Fund.

The State Library's budget to support direct service to its customers in Fund 1410 has, however, been reduced by over $1 million in the 1990s—a reduction of about 20%. The reductions in state funds have totaled almost $600,000, including 6 positions. With changes in federal funding programs, the State Library has also had to eliminate approximately $500,000 in federal funds that it had come to rely on for basic operations, resulting in the elimination of another 6 positions as well as funds for library materials and equipment. Lost funds have resulted in diminished levels of customer service and a significant cutback in the Library's book budget.

Based on a customer service survey conducted in 1997-98, increased funding for equipment as well as increases in the materials budget are the highest priority for the State Library in upcoming biennium. Equipment needs include computers, photocopiers, and microform readers.

DCR24

Part II - State Library Priorities and Services

The State Library's performance plan reflects its statutory mission and is based on input from its customers, including the State Library Commission and focus groups held in 1995 with representatives of the State's library community.

State Library Program Statement: Develop & promote library services - The purpose of this program is to provide library and information services and to assist local libraries in the development of programs, services, and facilities.

State Library Goal #1: Public Library Development: Develop and extend public library services for North Carolinians in partnership with local communities.

Customers: Public library users statewide, local government officials, public library staff members, and library board members and friends

Funds supporting this goal: 1410 - State Library Services & Programs & 1480 - Statewide Programs & Grants

Examples of strategies or activities directed toward this objective:

- In 1997-98, the State Library provided technical assistance to library staff, trustees, and friends statewide through 5,382 telephone and in-office consultations. The projected number of site visits to assist local libraries this year is 150. Last year, over 2,000 library staff members, trustees, and friends attended workshops sponsored by the State Library.

- The State Library administers the Aid to Public Libraries Program, which is distributed on a formula basis to libraries in all 100 counties through the 75 public library systems (see Attachment A for more information.) Annually, the State Library administers nearly 100-200 federal grants for libraries statewide.

- A comprehensive program designed to strengthen public library services for children and youth resulted in 124,000 children participating in local library programs that were made possible by the State Library's coordination and leadership.

- The public library statistics program provides information to assist local libraries in planning and evaluation. The State Library also participates in national library data collection efforts in partnership with the National Center for Education Statistics.

- The Center for the Book program promotes reading, books, and lifelong learning and helps local libraries develop programs and services. This program resulted in an increase from 271 in 1994-95 to 3,968 in 1997-98 in the number of adults attending local library programs supported by State Library.

- The State Library continues to monitor trends, needs, and issues to assure that its programs are responsive to the primary customers for this goal area.

State Library Goal #2: Coordinate and support statewide library network activities to assure equity of access to electronic information resources for all North Carolinians.

Customers: Users of all types of libraries statewide and North Carolina residents with access to the Internet.

Funds contributing to objective: 1410 - State Library Services & 1480 - Statewide Programs & Grants

Description of strategies or activities directed toward this objective:

- The State Library is a partner in NC LIVE, the statewide electronic library, making resources available through libraries statewide--including the full-text of 3,500+ magazines and newspapers as well as indexes to guide people to information in over 11,000 publications. (See Attachment B for more information.)

- Technical assistance and continuing education for library staff statewide.

- Federal grants to public and academic libraries to support improved access to the Internet for their library users.

- The State Library currently supports electronic mail accounts for over 500 library staff members from around the state, funds and manages nearly 500 Internet accounts for library staff statewide, and administers electronic discussion groups to foster communication and the exchange of information among library staff members statewide.

- The State Library also makes sharing of print resources possible among 182 smaller libraries of all types in the state, a service that delivered nearly 60,000 books and articles to North Carolinians in 1997-98.

- Today, all public library staff in North Carolina have the opportunity to access the Internet and nearly all of the 75 public library systems in North Carolina offer or are planning to offer public access to the Internet as a service to users.

State Library Goal #3: Provide library and information resources for North Carolinians to promote knowledge, education, and business.

Customers: State agency personnel, local government officials, businesses, and the general public, with the emphasis on genealogical researchers and North Carolina residents with visual and physical impairments

Funds contributing to objective: 1410 - State Library Services

Description of strategies or activities directed toward this objective:

- The State Library manages the State Publications Clearinghouse, a coordinated program to collect, catalog, and distribute state publications in print and microfiche to 30

depository libraries statewide. In 1997-98, this program cataloged and distributed over 51,168 state publications.

- The State Library assists other state agencies in cataloging and making their library holdings available in the library's online catalog.

- In a special demonstration project, the State Library is using the North Carolina Government Information Locator Service (NC GILS) to make state government web resources more readily accessible to North Carolinians over the Internet.

- The State Library acquires, catalogs on-line, processes, and provides access to a varied collection of books, magazines, electronic information resources, and videos in excess of 208,000 items. In 1997-98, the Library responded to nearly 25,000 requests for information, and over 160,000 items from the collection were used in-house or checked out.

- The State Library's Web site, which includes the electronic *North Carolina Encyclopedia*, was accessed 1.3 million times during the last year.

- The regional Library for the Blind and Physically Handicapped serves over 12,000 users statewide and circulated over 427,000 items last year.

- The State Library loaned over 30,000 books, videos, and other library materials to help other libraries serve their patrons last year.

DCR 27

Attachment A

Fact Sheet: The Aid to Public Libraries Fund

For more than 50 years, the General Assembly has provided financial support for North Carolina's public libraries. From an original appropriation of $100,000 in 1941, the Aid to Public Libraries Fund has continued and evolved.

Chapter 153 of the General Statutes of North Carolina (the chapter dealing with counties) contains the "Declaration of State policy" that says: *The General Assembly recognizes that the availability of adequate, modern library services is in the general interest of the people of North Carolina and a proper concern of the State and of local governments. Therefore, it is the policy of the State of North Carolina to promote the establishment and development of public library services throughout the state.* Chapter 125, which is the chapter dealing with the State Library, re-iterates that policy and established the state aid program: *For promoting, aiding, and equalizing public library service in North Carolina a sum shall annually be appropriated out of moneys within the State treasury to be known as the Aid to Public Libraries fund.*

Today 75 county, regional, and municipal library systems serving all 100 counties receive state aid--51 single-county libraries, 15 regional libraries serving 49 counties, and 9 municipal libraries that meet the minimum standards to qualify.

The current formula went into effect in 1983-84--and includes two components:

- ✓ A block grant: one-half of the appropriation is divided among the qualifying libraries. Each county receives one grant, and a multi-county regional library receives a block grant for each county plus an additional one for the region. Municipal libraries do not receive a block grant.

- ✓ Per Capita Equalization Grant: one-half of the appropriation is allocated under a weighted per capita grant inversely proportional to the average per capita income of people residing in the library's legal service area.

State aid is 20% or more of the operating budget for public libraries in 63 counties; and a total of 78 counties depend on the program for 15% or more of their public library operating funds. Statewide, state aid equals 12% of the total expenditures for public library service; however, that amount varies from a low of 3% in Charlotte-Mecklenburg to a high of 49%. For municipal libraries that do not receive a block grant, state aid represents an even lower percentage of operating expenditure.

Currently, state aid gives North Carolina public libraries considerably less buying power than they had in 1987, yet the number of people being served and demand for services is greater than at any time in their history. During the past four years, the General Assembly increased the Aid to Public Libraries Fund to an all-time high of $16.9 million, which represents $2.21 per capita. Even with these increases, the per capita Aid to Public Libraries appropriation this year is only $.53 more than the per capita appropriation in 1987. If the appropriation were to keep pace with inflation, it would be $2.41 per capita, or $18.5 million. The $2 million appropriated for the current year is non-recurring, so the Fund will drop to $14.9 million (or $1.95 per capita) if additional funds are not appropriated.
(1.19.99)

DCR 28

Attachment B

NC LIVE
Your Library Link to the World

April 1998 marked the beginning of a new era in library service to the people of North Carolina. With the launch of NC LIVE—North Carolina LIbraries for Virtual Education—every North Carolina community gained access to a state-of-the-art service available via the Internet.

NC LIVE provides:

- User friendly access to information, with the added bonus of expert librarians to help people with their search
- Over 3,500 magazines and newspapers
- Indexes that help people locate information in 11,000 publications
- And soon, the ability for library users to log on from home!

NC LIVE is a partnership of The University of North Carolina System (16 institutions), the North Carolina Community College System (58 institutions), the State Library of North Carolina (for public libraries serving all 100 counties), and the North Carolina Center for Independent Higher Education (36 institutions). A unique public-private venture between the state-funded organizations and the state's private colleges and universities, NC LIVE has leveraged their buying power to expand access to information statewide.

The current appropriation from the General Assembly is $2.7 million. Funds pay for subscriptions to the electronic publications and the technical infrastructure to allow all participating libraries to access information online. Each partner contributes not only funding but its special expertise to make the project a success. The University of North Carolina's institutions provide their exceptional technological expertise and the State Library offers training and support. Representatives of all the organizations help with governing, planning, and implementation.

NC LIVE **"levels the playing field"** so that rural isolation, community or institutional financial constraints, and limited local library resources are not barriers to accessing information. Everyone benefits!

DEPARTMENT OF CULTURAL RESOURCES

STATE LIBRARY SERVICES - FUND 1410

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 4,358,933	$ 4,964,363	$ 4,387,102	$ 4,382,194
Receipts	$ 241,071	$ 666,573	$ 34,700	$ 34,700
General Fund Appropriation	$ 4,117,862	$ 4,297,790	$ 4,352,402	$ 4,347,494
Number of positions	92.00	92.00	92.00	92.00

Source: 1999-2001 Continuation Budget Document

DCR 30

DEPARTMENT OF CULTURAL RESOURCES

STATEWIDE PROGRAMS AND GRANTS - FUND 1480

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 19,905,063	$ 22,164,192	$ 20,436,201	$ 20,436,201
Receipts	$ 3,219,548	$ 2,379,439	$ 3,651,448	$ 3,651,448
General Fund Appropriation	$ 16,685,515	$ 19,784,753	$ 16,784,753	$ 16,784,753
Number of positions	2.00	2.00	0.00	0.00

Source: 1999-2001 Continuation Budget Document

DIVISION OF ARCHIVES AND HISTORY

DCR 32

Division of Archives and History

Overview

The Division of Archives and History is the largest division in the Department of Cultural Resources. It is also the third oldest state historical agency in the country, having been formed in 1903. Nationally recognized, the Division of Archives and History has received a number of awards, including the first Distinguished Service Award of the Society of American Archivists in 1969 and the James Harvey Robinson Prize of the American Historical Association in 1984.

The Division of Archives and History is organized into sections based on program functions and activities as mandated by state law; intersectional functions are provided by the Director's Office (divisional administration). The Western Office in Asheville is also intersectional in nature but treated as a separate fund for budgetary purposes.

The division currently employs 420 permanent staff. Seventeen of these positions were added effective FY 1997-98, when the North Carolina Maritime Museum (Beaufort, Carteret County) was transferred from the Department of Agriculture to Cultural Resources.

The division's current challenges include:

- Continuing the timely development of the means and methods for life-cycle management of digital public records on behalf of state and local governments
- Maintaining the increasing number of historic resources under divisional care
- Providing an equitable distribution of public history services across the state
- Coping simultaneously with the continued increase in public service requests and the decline in appropriated funds for general divisional services

Division Administration (Director's Office) – Fund 1210

Divisional administration provides overall coordination and control of state public history management and intersectional programming and directly supplies a variety of services:

- Public/Private Partnerships. Provides staff for the Federation of North Carolina Historical Societies, Inc. (uniting over 220 such organizations in all 100 counties), for the North Carolina Literary and Historical Association, Inc., and for a new consortium of coastal public history interests, the N. C. Maritime Heritage Trail. The division also provides staff support for the North Carolina Historical Commission—the statutory authority for rule-making and grants review for history programs of the state,

- Research. The administration's Research Branch serves as the division's ultimate point of review for research-related historical matters, provides internal research reports, manages and operates the Highway Historical Marker program, and answers general research inquiries.

- Field Services. Educational and public service programs are provided through the Western Office (Asheville), Historic Stagville (Durham County) and the Outer Banks History Center (Dare County).

- Divisional Computing. Provides research and development and direct technical and administrative support for digital records management, the division's Internet and Intranet presence, and intradivisional databases and networking.

- Intersectional Planning and Supervision. Current examples include: the administration of the "QAR Project" centering on the recently discovered early 18th century shipwreck believed to be Blackbeard's flagship, *Queen Anne's Revenge*; the "2003 Project"—the commemoration of the one-hundredth anniversary of Archives and History; and the "Certified Services Program"—a means of warranting the delivery of public history services to citizens, educational institutions, and visitors

The office also oversees the division's general business and financial operations, provides curatorial services for the Executive Mansion, and provides an employee and "pass through" funds to the First Flight Centennial Commission.

DCR 34

DEPARTMENT OF CULTURAL RESOURCES

DIVISION OF ARCHIVES AND HISTORY - ADMINISTRATION - FUND 1210

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,417,125	$ 2,474,846	$ 2,010,245	$ 2,010,245
Receipts	$ 88,028	$ 80,280	$ 81,844	$ 81,844
General Fund Appropriation	$ 1,329,097	$ 2,394,566	$ 1,928,401	$ 1,928,401
Number of positions	20.00	26.00	26.00	26.00

Source: 1999-2001 Continuation Budget Document

DCR 35

Historical Publications - Fund 1220

This section publishes and sells journals, pamphlets, and books on the history of North Carolina. Recent titles include *Guilford County: A Brief History*; *Ship Ashore! The United States Lifesavers of Coastal North Carolina*; and *A History of African Americans in North Carolina*. Ongoing documentary projects include *North Carolina Troops, 1861-1865: A Roster* and *The Colonial Records of North Carolina*. The quarterly *North Carolina Historical Review* has been published continuously since 1924 and contains timely articles on the state's history. Both schoolchildren and adults are the principal purchasers of the more than 100 titles offered for sale.

DCR 36

DEPARTMENT OF CULTURAL RESOURCES

HISTORICAL PUBLICATIONS - FUND 1220

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 796,000	$ 677,652	$ 679,320	$ 709,320
Receipts	$ 114,812	$ -	$ -	$ -
General Fund Appropriation	$ 681,188	$ 677,652	$ 679,320	$ 709,320
Number of positions	14.50	14.50	14.50	14.50

Source: 1999-2001 Continuation Budget Document

DEPARTMENT OF CULTURAL RESOURCES

HISTORICAL PUBLICATIONS - PRINTING - FUND 2220

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 87,528	$ 200,000	$ 185,000	$ 185,000
Receipts	$ 269,166	$ 200,000	$ 185,000	$ 185,000
Increase (Decrease) in Cash Balance	$ 181,638	$ -	$ -	$ -
Beginning Cash Balance	$ -	$ 181,638	$ 181,638	$ 181,638
Ending Cash Balance	$ 181,638	$ 181,638	$ 181,638	$ 181,638
General Fund Appropriation	$ -	$ -	$ -	$ -
Number of Positions	1.00	1.00	1.00	1.00

DCR 38

Archives and Records Section - Fund 1230

The Archives and Records Section conducts statewide archival and records management programs for state, county, and municipal government to provide economical and efficient preservation, maintenance, and access to public records. The State Archives contains the records of the colony and state of North Carolina from the 17th century to the present. The land grants previously serviced by the Secretary of State were transferred to the Archives in 1993. In addition, the Archives collects and preserves private papers, photographs, audiovisual materials, maps, and other documents of historical value. Some 16,000 visitors a year use the State Archives in person; about 15,000 mail requests are processed each year. Users include genealogists, historians, attorneys, and state agency staffs.

The section also is responsible for administering a complete records management program for records of state and local government and for the community college and university systems as required by GS 121 and 132. Records management activities include inventory and appraisal of public records, development of records retention and disposition schedules, operation of the State Records Center for the efficient and low-cost storage of semicurrent records, providing comprehensive micrographic and other reformatting services, offering training workshops for public employees on records management issues, and providing consultation advice and assistance on records to public agencies and employees across the state.

The Archives and Records Section currently faces two major challenges. The first is handling the proliferation of public records resulting from the state's growth and prosperity. Land transactions and conveyances as well as court records have shown a particular escalation in number. There is a tremendous backlog in microfilming and preservation of county public records. The second challenge involves storage of the overflow of records from state agencies. Additional space is desperately needed for records storage. A short-term solution is to lease private warehouse space, while the long-term solution is to build a new state records center, as other southern states have done in the past few years.

Annual records management services:

- Over 4 million micrographic images produced
- Over 800 records management consultations with public agencies
- Over 25,000 requests for records from the State Records Center
- Over 40 records management training workshops conducted

DCR39

DEPARTMENT OF CULTURAL RESOURCES

ARCHIVES AND RECORDS - FUND 1230

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 3,139,070	$ 3,329,809	$ 3,077,275	$ 3,077,275
Receipts	$ 324,530	$ 243,181	$ 251,897	$ 251,897
General Fund Appropriation	$ 2,814,540	$ 3,086,628	$ 2,825,378	$ 2,825,378
Number of positions	75.00	73.00	73.00	73.00

Source: 1999-2001 Continuation Budget Document

DCR 40

State Historic Sites - Fund 1241

The mission of North Carolina Historic Sites is "preserving the past for all people" through interpreting, operating, maintaining, developing, and preserving the twenty-two state-owned historic sites located from the mountains to the coast telling North Carolina's story to her people and her visitors.

The Historic Sites Section serves some 719,000 visitors annually at the following sites: Alamance Battleground (Alamance County), Aycock Birthplace (Wayne), Historic Bath (Beaufort), Bennett Place (Durham), Bentonville Battleground (Johnston), Charlotte Hawkins Brown Memorial (Guilford), Brunswick Town (Brunswick), CSS *Neuse*/Caswell Memorial (Lenoir), Duke Homestead (Durham), Fort Dobbs (Iredell), Fort Fisher (New Hanover), Historic Edenton (Chowan), Historic Halifax (Halifax), Horne Creek Living Historical Farm (Surry), House in the Horseshoe (Moore), North Carolina Transportation Museum (Rowan), Polk Memorial (Mecklenburg), Reed Gold Mine (Cabarrus), Somerset Place, (Washington and Tyrrell), Town Creek Indian Mound (Montgomery), Vance Birthplace (Buncombe), and Thomas Wolfe Memorial (Buncombe).

Off-site educational programs principally served 151,000 participants in school programs and people with other offerings in 1997. Around 111,000 students visited Historic Sites in 3,200 organized school groups and 45,000 general groups in 1997. Nearly 100,000 visitors attended over 120 special events and programs at various sites in 1997. Historic Sites personnel were represented at 108 off-site promotional shows. Over 3,500 volunteers contributed nearly 45,000 hours to programs at the site in 1997; this was the equivalent of approximately 24 full time employees. Nearly 1,000 offenders gave over 18,000 hours of court-ordered or inmate labor during 1997. Fifteen donors gave $32,000 worth of major in-kind and artifact gifts to the Section in 1997. The Section received $182,215 in 20 grants and cash gifts during the period.

The Section maintains 236 buildings totaling 650,000 square feet as well as other structures such as a gold mine, civil war ironclad and earthen forts. Historic Sites used both historically furnished structures and modern exhibit areas to interpret our sites. In August 1998, we have 68,500 square feet of interior furnished space and 126,177 square feet of modern exhibit space. The Section maintains around 1,800 acres at the twenty-two historic sites.

Some projects of interest in 1999 at Historic Sites are the 200th anniversary of the discovery of gold at Reed Gold Mine, continuance of the research and rebuilding of the slave structures and culture at Somerset Place, the initiation of fundraising for the Back Shop restoration at North Carolina Transportation Museum, completion of the exterior restoration of the Chowan County Courthouse, continued community and support group efforts toward saving additional sections of the battleground at Bentonville, and the beginning of rebuilding the Thomas Wolfe Memorial after last summer's arson fire.

DEPARTMENT OF CULTURAL RESOURCES

STATE HISTORIC SITES - FUND 1241

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 8,342,002	$ 10,855,943	$ 7,275,755	$ 7,218,917
Receipts	$ 259,653	$ 80,202	$ 86,502	$ 83,502
General Fund Appropriation	$ 8,082,349	$ 10,775,741	$ 7,189,253	$ 7,135,415
Number of positions	142.00	142.00	142.00	142.00

Source: 1999-2001 Continuation Budget Document

DCR42

DEPARTMENT OF CULTURAL RESOURCES

HISTORIC SITES SALES DESKS - FUND 5241

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 124,218	$ 85,758	$ 85,758	$ 85,758
Receipts	$ 103,201	$ 85,758	$ 85,758	$ 85,758
Increase (Decrease) in Cash Balance	$ (21,017)	$ -	$ -	$ -
Beginning Cash Balance	$ 63,745	$ 42,728	$ 42,728	$ 42,728
Ending Cash Balance	$ 42,728	$ 42,728	$ 42,728	$ 42,728
General Fund Appropriation	$ -	$ -	$ -	$ -
Number of Positions	1.00	1.00	1.00	1.00

Source: 1999-2001 Continuation Budget Document

DCR 43

Tryon Palace Historic Sites & Gardens – Fund 1242

Tryon Palace Historic Sites & Gardens in New Bern is North Carolina's oldest historic site. It has been open to the public for forty years and currently serves more that 90,000 visitors a year. Tours and history education programs are offered daily 360 days a year. Programs in North Carolina history include guided tours, concerts, workshops, lectures, re-enactment programs, garden demonstrations and programs, character interpretation and dramatic presentations, crafts and domestic skill demonstrations, archaeological digs and period dance programs (minuet and 18th and 19th century country dance). The lead attraction is the restored 18th century governor's palace, which also served as the government house for the colony of North Carolina and as North Carolina's first state capitol. The other sites open to the public include the home of North Carolina patriot John Stanly (1779), the Dixon-Stevenson House (ca. 1830), the Robert Hay House (ca. 1804), the New Bern Academy (ca. 1809) and 14 acres of formal gardens and kitchen gardens.

The mission of Tryon Palace Historic Sites & Gardens is history education which is accomplished through numerous programs throughout the year for both adults and children. More than 15,000 school children come each year to learn more about their heritage as North Carolinians: curriculum based programs are available for 2nd graders, 4th graders, 6th graders, 8th graders and high school students. More than a thousand North Carolina educators receive the Living History Classroom, an educational newsletter sent free twice a year to provide classroom activities and information about North Carolina's colonial capitol. An African American history research project was initiated in 1998 to augment our interpretation of African American history in the central coastal area of North Carolina. Professional staff members present history education programs throughout North Carolina each year. In 1998, a special exhibit of artifacts from Tryon Palace Historic Sites & Gardens was held in Charlotte and in Asheville.

Tryon Palace Historic Sites & Gardens is accredited by the American Association of Museums (AAM). This is a significant recognition of professional achievement: of the 9,000 AAM members in the United States, only about 700 are accredited.

Heritage tourism is an important growing industry in North Carolina. Visitors to Tryon Palace Historic Sites & Gardens typically stay two to five nights in area hotels and combine their visit to Tryon Palace with visits to other North Carolina heritage tourism sites. Tryon Palace Historic Sites & Gardens contributes significantly to the economy of the central eastern area of the North Carolina coast and to the North Carolina tourism industry.

Tryon Palace generated more than $570,000 in receipts through paid admissions in fiscal year 1997-1998.

DEPARTMENT OF CULTURAL RESOURCES

TRYON PALACE HISTORIC SITES AND GARDENS - FUND 1242

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 2,171,836	$ 3,086,259	$ 2,588,425	$ 2,584,425
Receipts	$ 881,508	$ 890,444	$ 892,009	$ 892,009
General Fund Appropriation	$ 1,290,328	$ 2,195,815	$ 1,696,416	$ 1,692,416
Number of positions	45.00	55.00	55.00	55.00

Source: 1999-2001 Continuation Budget Document

DCR 45

State Capitol/Visitor Services Section -- Fund 1243

The section annually serves over 400,000 people who visit the National Historic Landmark 1840 State Capitol (177,101 visitors), the Executive Mansion (50,864 visitors), and the Capital Area Visitor Center (73,405 visitors). The staff annually provides scheduling services and printed itineraries to approximately 3,200 school classes (111,850 students) touring the three state museums, the Capitol, the Legislative Building, and the Mansion. Thousands of North Carolina schoolchildren participate in educational programs provided by this section each year. The staff provides educational programs to visitors on the history and architecture of the Capitol and the Mansion, and the history and functions of state government. The Capitol and visitor center are open to the public seven days a week, 360 days a year. In addition to daily tours of the Capitol and seasonal tours of the Mansion and gardens, the programs include a variety of special event programs, an ongoing schedule of public lectures, workshops, and historical drama programs (living history presentations). Members of the staff coordinate over 100 special events held at the Capitol as well as develop and present educational presentations throughout the state. The nonprofit State Capitol Foundation, composed of twenty-four leading citizens of the state, seek funding and support to assist with Capitol restoration and education programs. Ongoing restoration of the Capitol includes interior and exterior painting, electrical rewiring, installing a new elevator, and lighting Union (Capitol) Square. The anticipated completion date for the current projects is January 2000.

The Capital Area Visitor Center is presently located in the 1914 Andrews-London House, on the corner of Blount and Lane Streets. A new visitor center is being designed and will be located on the corner of Edenton and Wilmington Streets. An updated scheduling program will enable teachers to schedule tours, receive itineraries, and communicate more efficiently via Internet. Each day hundreds of national and international visitors, as well as several thousand N. C. schoolchildren will receive services at the center. Students will be safely unloaded onsite at the center, receive orientation in the 196-seat auditorium, visit restrooms, store and eat their lunches onsite (outside and inside picnic areas available), view traveling and permanent exhibits in two galleries, and participate in educational programs in one of three classrooms. The new center will have areas available for meetings, receptions, dramas, galas, and other special events and ceremonies. Underground parking will be available for visitors and state government employees.

DCR46

DEPARTMENT OF CULTURAL RESOURCES

STATE CAPITOL / VISITOR SERVICES - FUND 1243

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 458,231	$ 469,011	$ 470,720	$ 470,720
Receipts	$ 394	$ 100	$ 100	$ 100
General Fund Appropriation	$ 457,837	$ 468,911	$ 470,620	$ 470,620
Number of positions	11.00	11.00	11.00	11.00

Source: 1999-2001 Continuation Budget Document

DCR 47

North Carolina Maritime Museum – Fund 1245

The North Carolina Maritime Museum in Beaufort was transferred from the Department of Agriculture to the Department of Cultural Resources during the 1997 Session of the North Carolina General Assembly.

The North Carolina Maritime Museum's annual visitation is over 230,000 people. That figure includes 60 percent in-state, 35 percent out-of-state, and 5 percent foreign. Some 80,000 school children visit the museum every year for general tours, special children's programs, and the Summer Science School for young students. The Friends of the North Carolina Maritime Museum, the museum's 501(c)(3) support group, is composed of 1,600 paid members. The Museum is accredited by the American Association of Museums, the highest professional certification available in North America. The museum is open to the public seven days a week, 360 days a year.

The North Carolina Maritime Museum is a treasure-trove of collections, exhibits, boats and a library filled with a wide variety of books on marine topics. The Museum's Watercraft Center offers evening and weekend classes in boatbuilding, model building, and half model construction. The museum's Cape Lookout Studies Program conducts overnight field programs of several days duration. The North Carolina Maritime Museum is the designated repository for the conservation and stabilization of the underwater archaeology artifacts recovered from Blackbeard's flag ship the Queen Anne's Revenge.

In 1998 the museum purchased for 3.5 million dollars a 36-acre waterfront site for museum expansion. The North Carolina Maritime Museum has just acquired 36 acres of property with 1,852 feet of estuarine shoreline in Beaufort to support the museum's expansion needs for the next 25+ years. The basic concept for this property is to build a turn of the century maritime village where there will be displays of tall ships, programs for junior sailing and boat builders, and educational exhibits and programs on maritime history. The museum's mission is to preserve and interpret all aspects of the rich maritime heritage found in North Carolina's coastal environment, through educational exhibits, programs and field trips.

DCR48

DEPARTMENT OF CULTURAL RESOURCES

NC MARITIME MUSEUM - FUND 1245

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,073,806	$ 834,581	$ 853,866	$ 853,794
Receipts	$ 251,776	$ 300	$ 300	$ 300
General Fund Appropriation	$ 822,030	$ 834,281	$ 853,566	$ 853,494
Number of positions	17.00	17.00	17.00	17.00

Source: 1999-2001 Continuation Budget Document

DCR 49

State Historic Preservation Office (Archaeology and Historic Preservation)
Fund 1250

This section identifies, protects, and enhances the historic resources of North Carolina through a coordinated statewide program of information and assistance for public agencies, private organizations, and the state's citizens to enable them to undertake successful historic preservation planning and project implementation. Section programs include the processing of nominations to the National Register of Historic Places, comprehensive architectural and archaeological surveys, site excavations and interpretation, and technical assistance for the care and treatment of historic buildings. It functions as the state clearinghouse for federal and state protection and incentive programs for properties that qualify for the National Register of Historic Places.

The Historic Preservation State Tax Credits law was enacted by the General Assembly in 1997 and became effective January 1, 1998. The Historic Preservation Office administers the preservation tax credits program and in calendar year 1998, this office processed 201 applications for non-income-producing historic structures representing 136 projects with a total rehabilitation cost of $9.9 million.

In addition, during calendar year 1998, the section processed 163 Historic Preservation Certification Applications for federal and state historic rehabilitation tax credits for income-producing historic structures representing 102 projects with a total rehabilitation cost of $90.2 million.

In state fiscal year 1997-1998 the section processed nearly 3,200 requests for environmental review related to construction and development, and provided approximately 13,000 additional consultations and services at public request. Currently, 39 cities and counties throughout the state are Certified Local Governments (CLGs)--a federally authorized designation that bestows funding preference under a small federal preservation grants program administered through the State Historic Preservation Office.

DCR 50

DEPARTMENT OF CULTURAL RESOURCES

ARCHAEOLOGY AND HISTORIC PRESERVATION - FUND 1250

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 2,233,292	$ 2,242,409	$ 2,238,076	$ 2,238,076
Receipts	$ 862,415	$ 868,885	$ 862,157	$ 862,157
General Fund Appropriation	$ 1,370,877	$ 1,373,524	$ 1,375,919	$ 1,375,919
Number of positions	44.75	44.50	44.50	44.50

Source: 1999-2001 Continuation Budget Document

DCR 51

Western Office – Fund 1290

Located in Asheville, the Western Office provides program services in the areas of archaeology, historic preservation, archives and records management, historic sites programming, museum planning and development, and local historical agency assistance to over one-quarter of the counties of the state.

The Western Office serves the following counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Cherokee, Clay, Cleveland, Gaston, Graham, Haywood, Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Surry, Swain, Transylvania, Watauga, Wilkes, and Yancey.

The following is a list of specific duties performed, including statistics: surveys of significant properties and archaeological sites (28); assistance with National Register nominations and study list applications (10, 69); consultations on restoration of historic properties, including Tax Act projects (602); records management consultations (174); preservation of significant archival materials (156 cu. ft); consultations with regional museums and historical organizations (48); historic site consultations (112); photographic services (approximately 12,000 photographic images), presentation of public programs to schools and civic groups (46); and environmental review (798).

DCR 52

DEPARTMENT OF CULTURAL RESOURCES

WESTERN OFFICE - ARCHIVES AND HISTORY - FUND 1290

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 352,874	$ 363,552	$ 369,399	$ 372,704
Receipts	$ 3,068	$ 150	$ 150	$ 150
General Fund Appropriation	$ 349,806	$ 363,402	$ 369,249	$ 372,554
Number of positions	7.00	7.00	7.00	7.00

Source: 1999-2001 Continuation Budget Document

NORTH CAROLINA MUSEUM OF HISTORY

DCR54

North Carolina Museum of History Division

Mission

The North Carolina Museum of History Division promotes the understanding of the history and material culture of North Carolina for the educational benefit of North Carolinians. Through collections and historical interpretation, its museums encourage citizens and visitors to explore and understand the past; to reflect on their own lives and their place in history; and to preserve state, regional, and local history for future generations.

Overview

The Museum opened to the public in 1902 as the Hall of History in the State Museum of Natural History, located in the old Agriculture Building. In 1914 it joined the State Archives and Historical Publications Program as part of the North Carolina Historical Commission and moved to the old Supreme Court building. In 1939 the Museum moved to the Education Building, and in 1968 to the new Archives and History/State Library Building. Beginning in 1979, three other institutions became part of the Museum of History: the Museum of the Albemarle in Elizabeth City, the Museum of the Cape Fear in Fayetteville, and the Mountain Gateway Museum in Old Fort. These regional museums enhance the statewide presence of the Museum of History through exhibits, programs, and the extensive involvement of the communities they serve.

The Museum's new Raleigh facility opened to the public on April 23, 1994 with four new exhibits and a series of special celebrations. Since that time the Museum opened a total of 40 new exhibitions, hosted over 872 public programs for 92,744 participants, and toured some 299,440 in groups (primarily schoolchildren). During October 1997 the Museum's one millionth visitor entered.

On February 1, 1996, the Museum became a separate Division of the Department of Cultural Resources.

The Museum of History as a whole develops, produces, and maintains over 63,000 square feet of long- and short-term exhibits with interpretive programs and special events. Biennial visitation for 1996-1998 was 624,719. The Museum also provided outreach to 1,772,206 people in school and community groups through the Tar Heel Junior Historians, the Audiovisual Loan Service, publications, traveling exhibits, and outreach services. The Museum's activities provide access to collections numbering over 300,000 artifacts representing all aspects of North Carolina's history.

The North Carolina Museum of History Associates, the Museum's statewide support group, is the largest such group for a state history museum in the country with over 15,000 members, and promotes the Museum in every county of the state by providing educational resources, programs, and membership involvement in the Museum.

Current Status, Goals, and Strategies

The Museum is currently working with the Human Resources Division of the Department of Cultural Resources and the Office of State Personnel on its first position study in over 20 years. The completion of the study will provide a sound basis for staff development in the coming years.

Work on capital projects (Raleigh restaurant, Elizabeth City new building, Fayetteville building and Arsenal Park, Old Fort amphitheatre and restrooms) continues to place demands on staff but will provide great improvements in service delivery and accessibility. The capital campaign to raise funds for exhibits for the new Museum of the Albemarle more than doubled its goal, raising over $1.7 million.

Outreach program development (technology access, traveling exhibits, collaborative programs, Tar Heel Junior Historians, audiovisuals) will become a critical linkage between the four museums of the Museum of History and the counties they serve across the state.

Within the framework of preserving and promoting historical properties, the Museum's overall objective is to increase the percentage of visitors who express an enhanced appreciation of North Carolina History. The primary strategies involved are to complete capital projects now in progress, improve the management and coordination of Museum resources through constant evaluation, and continue to develop the four museums as an effective statewide organization.

DCR 56

DEPARTMENT OF CULTURAL RESOURCES

MUSEUM OF HISTORY - FUND 1500

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 4,743,598	$ 9,092,869	$ 4,769,849	$ 4,769,849
Receipts	$ 94,522	$ 21,040	$ 21,040	$ 21,040
General Fund Appropriation	$ 4,649,076	$ 9,071,829	$ 4,748,809	$ 4,748,809
Number of positions	100.00	102.00	102.00	102.00

Source: 1999-2001 Continuation Budget Document

DCR57

DEPARTMENT OF CULTURAL RESOURCES

CONTINUATION RESERVE - FUND 1992

MUSEUM OF THE ALBEMARLE

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ -	$ -	$ -	$ 923,900
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ -	$ -	$ -	$ 923,900
Number of positions	0.00	0.00	0.00	15.00

Source: 1999-2001 Continuation Budget Document

ROANOKE ISLAND COMMISSION

DCR 59

THE ROANOKE ISLAND COMMISSION, an independent commission situated within the NC Department of Cultural Resources for historic resource management, organizational and budgetary purposes was established by legislation in 1994 (GS 141B-131.1). The 24 member Commission was created to protect, preserve, develop and interpret the historical and cultural assets of Roanoke Island, the birthplace of English speaking America.

Roanoke Island Festival Park, home of the "Elizabeth II" is nearing the completion of a large capital improvement project which has resulted in a major state site with facilities that provide history, education, and the arts year-round in celebration of our State's place of historic honor as the birthplace of English speaking America.

In 1984 the Elizabeth II State Historic Site opened as part of America's 400th Anniversary. The site's initial facilities were the 69' foot representative 16th century vessel, "The Elizabeth II", a "settlement site", a 50 seat orientation space, a welcome center, a small exhibit area with support offices. The Roanoke Voyages Corridor was established as a permanent memorial to the birthplace of English speaking America.

In 1988 also on this 24 acre site, the Outer Banks History Center, a 6,200. Sq. ft. public research library and manuscript repository was opened. This facility is administered separately under NCDCR, Division of Archives and History.

With approved capital improvement funding, construction began in August 1996 to further develop the site with the following results:

SEPTEMBER, 1997:

- Gallery opened for art exhibits, workshops, conferences, small performances, and rehearsals among a multitude of uses.
- Dressing Areas for living history interpreters and storage space for interpretive garb and props opened.
- Maintenance facility including working shop area for site's multiple facilities, ship, grounds and housekeeping became operational.
- Nature boardwalks along the perimeter of the site for public enjoyment as well as additional interpretive activities opened.
- Previous site facilities were refurbished as needed.

MAY, 1998:

- Outdoor, soundside performance Pavilion opened for its premier season of concerts and activities with its primary function as performance space for the Roanoke Island Institute of the NC School of the Arts which resulted in 45 fine arts performances ranging from the send-off performance of the full International Orchestra for their

European tour to varied musical performances in classical, jazz, etc. to dance.

The NC Maritime Museum on Roanoke Island opened a small working boatshop to offer visitors insight into the region's maritime heritage and to see restoration and traditional boatbuilding in progress. This is a cooperative effort between the State's NC Maritime Museum in Beaufort, Roanoke Island Festival Park and the Town of Manteo.

Site landscaping completed Spring, 1998.

JULY, 1998:

Museum Store relocated from a previous corner in the welcome center. Sales are breaking records for retail operations.

230 seat film theatre opened with an array of children's programs, plays, and meetings in addition to the NC School of the Arts programs.

Small 50 seat orientation auditorium refurbished.

OCTOBER, 1998:

Installation in film theatre of "The Legend of Two Path", a 40 minute docudrama on the region's Native American heritage.

8,500 sq. ft. of interactive, hands-on history exhibits opened unfolding and immersing visitors in the heritage of the birthplace of English speaking America from 1500 - 1900.

Grand mall (between film theatre and exhibit hall) opened with seating and refreshments available for visitors whose site experience can now easily encompass 3 hours.

IN PROCESS, WINTER/SPRING 1999:

Construction of housing units for seasonal staffing including interpreters, interns, and the Roanoke Island Institute of the NC School of the Arts faculty and performers. Seasonal rehearsal space has been procured thru local school facilities.

WUNC Public Radio will open a small studio to bring public radio to the region. A storage area in the new facilities will be converted for this use.

Staffing of the above facilities consists of:

An Executive Director;

Operations Officer and site clerical support of three;

Cultural Arts Program and Visitor Services Director and support staff of four with seasonal assistance

Education and Interpretation Director & Ship's Captain with support staff of nine to oversee Ship and Settlement Site interpretation as well as Exhibit Hall interpretation

DCR 61

with seasonal assistance to meet visitor demand.
Communications Director
Facilities Maintenance Director with
support staff of eleven to maintain facilities, grounds, security and housekeeping with seasonal assistance to meet demand.
Maritime Curator and volunteers to staff maritime operation
Roanoke Voyages Corridor Administrator part-time to administer legislative responsibility for the Corridor.
Museum Store is staffed by non-profit organization.
Total year-round staff: 34
Seasonal assistance: 20-30 depending on programs offered
Ship is operated by dedicated volunteer crew that is on site the second weekend of each month for training and voyages. The "Elizabeth II" routinely sails fall and spring to other ports for school group visitation as well as community events.
Volunteers work throughout the organization in various roles.

From 1984 thru 1995, the Elizabeth II State Historic Site averaged 70,000 paid visitors and average annual revenues of $129,681. Despite the full site being engulfed by construction activities from August 1996 - Winter 1997, the site remained open and was able to still serve:

In 1997: 58,548 paid visitors resulting in $185,402 in revenues
In 1998: 66,323 paid visitors resulting in $229,164 in revenues.
Total of 112,066 participating visitors experienced the site as a result of new facility programs
The site is now in its first year of operations with full facilities.

The site is open year-round, 7 days a week closing only for Thanksgiving, Christmas and New Year's. During the summer season our location within a large tourism area creates a strong visitor base and fall and spring the site is further developing school and tour group visitation. Visitation is projected at 250,000 annually by 2003.

To avoid any confusion, the Roanoke Island Historical Association, the non-profit organization that has operated "The Lost Colony" since 1937, is a separate entity.

1-99/DH

DEPARTMENT OF CULTURAL RESOURCES

ROANOKE ISLAND COMMISSION - FUND 2584

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ 1,594,800	$ 1,826,157	$ 1,826,157	$ 1,826,157
Number of Positions	32.00	32.00	32.00	32.00

THE NORTH CAROLINA SYMPHONY

DCR 64

THE NORTH CAROLINA SYMPHONY

PART 1 - SYMPHONY OVERVIEW

Founded in 1932, by Lamar Stringfield, the Symphony continues its commitment and service to the citizens of North Carolina through approximately 175 concerts for adults and school children in over 50 North Carolina counties. In 1943, the Symphony became the first state orchestra in the United States to receive a state grant for support on an ongoing basis (the "Horn Tootin' Bill") and has received state aid for the past 54 years.

In 1997-98 and 1998-99, the Symphony continues to travel extensively throughout the state to large and small communities. This season the orchestra will perform concerts and educational programs in **52 counties** which include **23 low per capita individual income or seldom visited counties.**

- Performs approximately **175 full-orchestra** concerts for adults and children.
- Performs approximately **60 to 65 full-orchestra music education concerts** for school children throughout North Carolina. (See attachment for 1998-99 Educational Concert Schedule.)
- Approximate annual **attendance 320,000**:
  Wake County 130,000
  Outside Wake County 190,000
- **80,000 to 90,000 school children** attend educational concerts and Young People's Concerts.
- The Symphony has **65 full-time musicians.** (Full-time employment of musicians makes school education concerts possible.)
- The Symphony rehearses approximately 100 to 110 times a season.
- Orchestra travels approximately **20,000** miles a season throughout the state of North Carolina

2 East South Street • Raleigh, North Carolina 27601-2337 • (919) 733-2750 • Telefax (919) 733-9920 • www.ncsymphony.org

DCR 65

The North Carolina Symphony
Legislative Overview
January 1999

PART II - FINANCIAL

The Operating/Program Budget of The North Carolina Symphony is a model example of the public and private sectors of our state's economy working together successfully.

In the early 1980's, State funding was approximately 70% of the operating budget, with 30% coming from the private sector. In 1984, this subcommittee asked the Symphony to make significant changes in the percentage of funding in order to reduce public funding and increase private funding. The Symphony has worked very hard to do this, and as of 1997-98, **private sector funding** has been **increased to 68%** of the budget with only **32%** coming from **state funding.**

SELECTED HIGHLIGHTS OF OPERATING/PROGRAM BUDGET FOR 1997-98:

Revenue		
State Grant-in-Aid	(28%)	$2,084,000.00
State Appropriations through DCR	(04%)	$ 330,000.00
	(32%)	$2,414,000.00
Private and Other Sources of Income	(68%)	$5,003,000.00
Total operating/program income	**(100%)**	**$7,417,000.00**
Highlights		
Ticket income - Wake County		$1,769,000.00
Ticket income - Outside Wake County		$ 439,000.00
Corporate Sponsorships in Triangle		$ 447,000.00
Expenses		
Cost of Performances Outside Wake County	(55%)	$4,037,000.00
Cost of Performances in Wake County	(22%)	$1,620,000.00
Cost of Marketing, box office, development, administration and education	(23%)	$1,646,000.00
Total operating/program expenses	**(100%)**	**$7,303,000.00**
Current Fee Structure:		
School Concert		$ 7,000.00
School Concert and Evening Concert		$ 15,000.00
Low Per Capita Income and Seldom Visited Counties -- School Concert and Evening Concert		$ 9,500.00

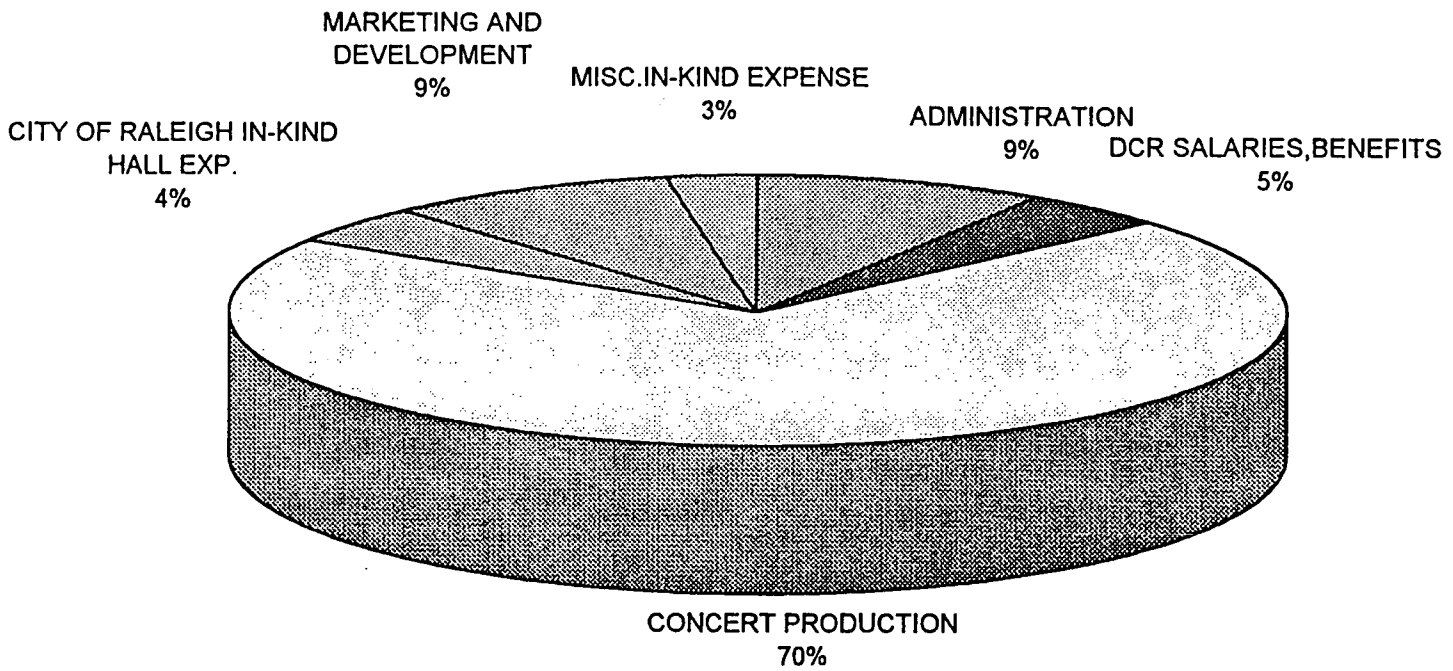
DCR 66

NORTH CAROLINA SYMPHONY SOCIETY, INC.
STATEMENT OF ACTIVITIES
DECEMBER 31,1998

REVENUE	FY98	PROJECTED FY99	PROJECTED FY2000
TICKETS/CONTRACTS	$ 2,618,678.00	$ 2,636,940.00	$ 2,807,023.00
OTHER REVENUE (INT.,FEES)	292,498.00	271,221.00	287,508.00
CONTRIBUTIONS (IND.,CORP.,FND.)	1,381,993.00	1,337,500.00	1,444,500.00
STATE OF NC GRANT-IN-AID	2,084,719.00	2,084,719.00	2,084,719.00
DEPT. OF CULTURAL RESOURCES	329,829.00	329,829.00	329,829.00
WAKE COUNTY **	65,000.00	32,500.00	32,500.00
TOWN OF CARY	30,000.00	30,000.00	30,000.00
TOWN OF CHAPEL HILL	2,300.00	2,300.00	2,300.00
CITY OF RALEIGH	50,000.00	50,000.00	50,000.00
OTHER GOVERNMENT	4,000.00	4,000.00	4,000.00
CITY OF RALEIGH IN-KIND HALL EXP.	321,935.00	321,935.00	321,935.00
FEDERAL (NEA)	25,000.00	25,000.00	25,000.00
MISC. IN-KIND DONATIONS	212,052.00	200,000.00	200,000.00
TOTAL REVENUE	$ 7,418,004.00	$ 7,325,944.00	$ 7,619,314.00
EXPENSE			
ADMINISTRATION	$ 642,788.00	$ 641,834.00	$ 670,984.00
DCR SALARIES,BENEFITS,MISC.	329,829.00	329,829.00	329,829.00
CONCERT PRODUCTION	5,123,408.00	5,240,379.00	5,449,820.00
CITY OF RALEIGH IN-KIND HALL EXP.	321,935.00	321,935.00	321,935.00
EDUCATION	24,785.00	25,000.00	26,000.00
MARKETING	460,073.00	444,000.00	461,760.00
DEVELOPMENT	188,259.00	154,950.00	161,148.00
MISC.IN-KIND EXPENSE	212,052.00	200,000.00	200,000.00
TOTAL EXPENSE	$ 7,303,129.00	$ 7,357,927.00	$ 7,621,476.00
NET INCOME	$ 114,875.00	$ (31,983.00)	$ (2,162.00)

** 1998 WAS AN ACCOUNTING ADJUSTMENT TO RECOGNIZE A PLEDGE

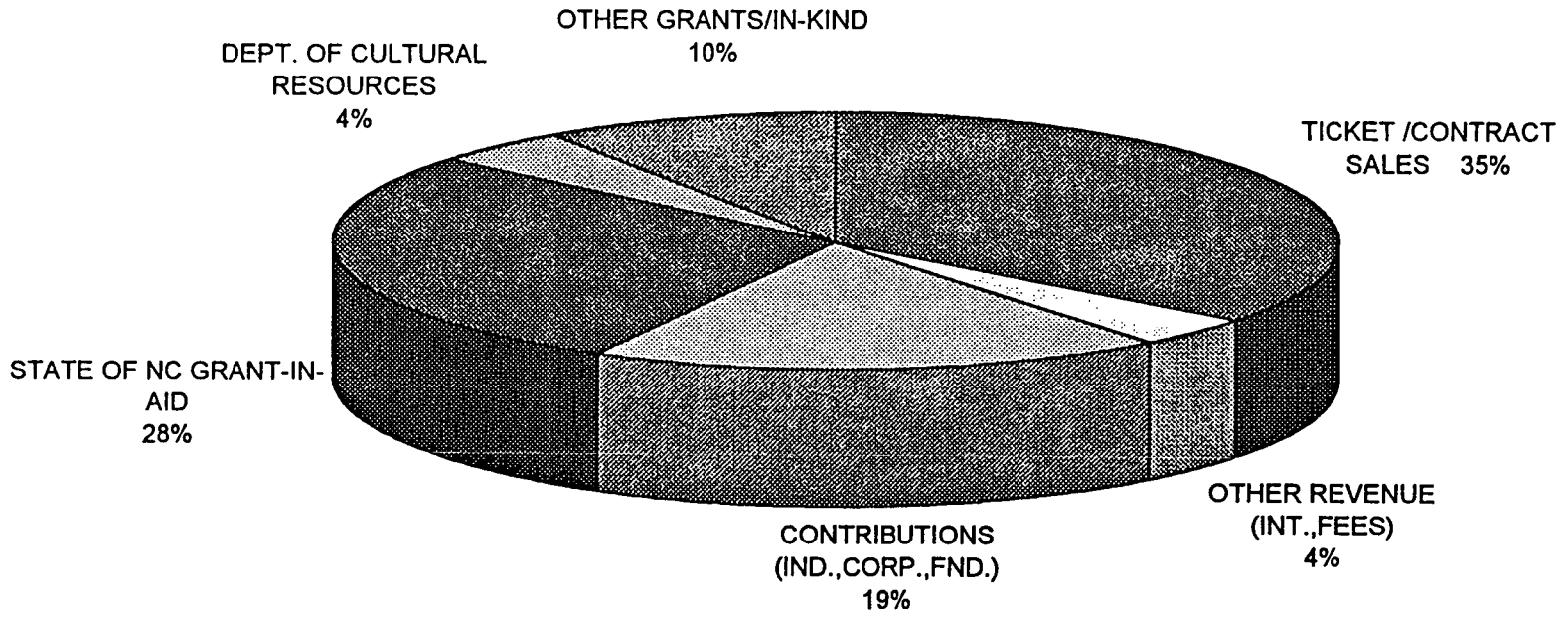
NORTH CAROLINA SYMPHONY EXPENSE FY98



DCR 67

BLM,NCS,12/30/98

NORTH CAROLINA SYMPHONY REVENUE 1998



DCR 68

BLM,NCS12/30/98

DCR 69

The North Carolina Symphony
Legislative Overview
January 1999

PART III - MUSIC EDUCATION OVERVIEW

The North Carolina Symphony has one of the most extensive music education programs of any orchestra in the United States. These concerts are part of the schools' music education curriculum and music teachers help to write and present the curriculum to fellow teachers in a unique, yearly workshop.

- Approximately 60 to 65 concerts are given free of admission yearly to school children throughout the state.
- Extensive curriculum development and collateral materials designed each year specifically for the music education program.
- Hold annual workshop for 350 music education teachers to assist them in preparing students for the statewide music education concert programs.
- Symphony annually stages a Youth Concerto Competition.
- Sponsors the Triangle Youth Philharmonic.
- Symphony has established a partnership program to provide students at North Carolina schools and universities an opportunity to perform with the orchestra in rehearsals and concerts. (i.e. North Carolina School for the Arts; Appalachian State University; UNC-Greensboro; East Carolina University; and UNC-Chapel Hill)
- Opportunity for high school students to take music lessons from Symphony professionals.
- Develop adult music education programs for North Carolina citizens through statewide pre-concert lectures and discussions.
- Partnershiping with WUNC (PBS Radio Station at UNC-Chapel Hill) regarding composer and residence program.
- Partnershiping with UNC-TV to produce video tape showcasing the instrument families of the Orchestra. These will be distributed to all elementary school systems throughout North Carolina.

PART IV - DIVERSITY AND OUTREACH

At a time when the arts are perceived as a luxury, not only locally, but on a national level, arts organizations must identify new ways to meet the challenges of shrinking financial support and diminishing audience base. Symphony orchestras must be willing to step out of the security of the concert hall if they desire to become a vital community resource, to play a significant role in the lives of the individuals and the cities in which they perform. To encourage long-term commitment and audience development, the organization must possess the will to be truly inclusive, to share the orchestra and the musical future with the widest array of people. Recognizing this, The North Carolina Symphony has sought consistently to integrate itself into the social fabric of the cities in which they perform

PART IV . . . continued

throughout North Carolina and make a difference through their aggressive diversity and outreach program.

Examples of programs that support this diversity effort associated with The North Carolina Symphony include, but are not limited to the following:

- **Hiring of William Henry Curry as Associate Music Director**
  Bill Curry is the first African American to be part of the conducting staff of the Symphony (contract re-negotiated through June, 2002).

- **Continuing Commitment to Increase Minorities on the Board of Trustees, the Administrative Staff, and Symphony Musicians**
  Increase of minority representation from on staff and trustees over the last three years.

- **Orchestra's Crosscurrents Program**
  Encourages the performances of multicultural, musical compositions on an annual basis.

- **Project STEP (String Training & Education Program)**
  Opportunity for minority students to participate in private lessons taught by Symphony musicians.

- **Continued Commitment to Diversity in our Music Education Programs by emphasizing "culturally diverse repertoire."**

- **Continued Commitment to Advertise North Carolina Symphony Programs in Minority Print Publications throughout the State.**

This unique partnership of State and private funding will allow us to implement out planning and performance budget objectives of increased program/contact hours with children. By increasing the number of music education concerts through the use of technology, we hope to increase the number of schools and students who will now have the opportunity to participate in the music education program. Our hope is to eventually be able to provide music education programs to any of the 100 North Carolina counties that want to participate. The success of this challenging goal will indeed establish North Carolina as the leader in music education programs in the country.

DCR 71

The North Carolina Symphony
Legislative Overview
January 1999

PART V - NEW PERFORMANCE FACILITY

Thanks in part to the North Carolina Legislature, The North Carolina Symphony, the **"state orchestra", will have a new dedicated performance facility.** The State's grant, along with approximately $18 million in additional private and public funding will make possible the construction of a new home in Raleigh for The North Carolina Symphony.

The State's contribution will also make possible enhancements in the acoustical properties of the Hall which will result in the continuing improvement of the artistic quality of this great Orchestra. This "State of the Arts" facility will be used not only by The North Carolina Symphony but by other arts groups throughout the State, especially orchestras and choruses from our state universities, high school and chorus music festivals, other music education programs, master classes, and folk music groups from throughout the State. The Concert Hall will be one of the finest in the southeast and the only "dedicated concert hall" in the State of North Carolina.

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DCR 72

1998-99 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Asheville (Buncombe Co.)	1	Wed., Mar. 3, 1999	10:00 a.m.	Thomas Wolfe Auditorium Asheville Civic Center 87 Haywood St. Asheville, NC
Biscoe (Montgomery Co.)	1	Fri., Feb. 26, 1999	10:30 a.m.	E. Montgomery High School Aud. 157 Eagle Lane Biscoe, NC
Boone (Watauga/Avery)	1	Thurs., Mar. 4, 1999	9:45 a.m.	Farthing Auditorium Appalachian State University Boone, NC
Brevard (Transylvania Co.)	1	Thurs., Feb. 11, 1999	10:30 a.m.	Porter Performing Arts Center Brevard College Brevard, NC
Burlington (Alamance Co.)	2	Mon., Mar. 1, 1999	10:00 a.m. 1:00 p.m.	Williams High Sch. Aud. 1307 S. Church St. Burlington, NC
Chapel Hill (Orange Co.)	3	Mon., Apr. 26, 1999 Tues., Apr. 27, 1999	10:15 a.m. 12:30 p.m. 10:15 a.m.	Memorial Hall University of North Carolina Chapel Hill, NC
Clinton (Sampson Co.)	1	Tues., Sept. 15, 1998	11:00 a.m.	Clinton High Sch. Gym 1201 E. Elizabeth St. Clinton, NC
Durham (Durham Co.)	4	Thurs., Apr. 29, 1999 Fri., Apr. 30, 1999	10:15 a.m. 12:30 p.m. 10:15 a.m. 12:30 p.m.	Fletcher Hall Carolina Theatre 309 Morgan St. Durham, NC
Fayetteville (Cumberland Co.)	3	Tues., Jan. 19, 1999 Wed., Jan. 20, 1999	9:45 a.m. 12:30 p.m. 9:45 a.m.	Cumberland County Aud. Hwy. 301 S. Fayetteville, NC
Greenville (Pitt Co.)	2	Tues., Nov. 3, 1998	10:15 a.m. 1:00 p.m.	Epps Middle Sch. Gym 1100 Elm St. Greenville, NC
Havelock (Craven/Pamlico/Jones)	1	Thurs., Dec. 10, 1998	10:30 a.m.	Base Theatre Cherry Point MCAS Havelock, NC
Jacksonville (Onslow Co.)	1	Mon., Oct. 5, 1998	10:30 a.m.	White Oak High Sch. Gym 1001 Piney Green Rd. Jacksonville, NC

DCR 73

1998-99 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Kinston (Lenoir Co.)	1	Wed., Dec. 9, 1998	10:30 a.m.	Grainger-Hill Perf. Arts Ctr. Summit St. Kinston, NC
Lincolnton (Lincoln Co.)	1	Thurs., Feb. 25, 1999	9:45 a.m.	Citizens Center Main St. Lincolnton, NC
Louisburg (Franklin Co.)	1	Wed., Feb. 24, 1999	10:30 a.m.	Louisburg College Auditorium Louisburg, NC
Lumberton (Robeson Co.)	1	Wed., Oct. 28, 1998	12:45 p.m.	Lumberton High Schl. Auditorium 3901 Fayetteville Rd. Lumberton, NC
Morehead City (Carteret Co.)	2	Wed., Mar. 10, 1999	10:00 a.m. 1:00 p.m.	W. Carteret High Schl. Auditorium 40700 Country Club Rd. Morehead City, NC
Mt. Olive (Wayne Co.)	1	Mon., May 24, 1999	10:30 a.m.	College Hall, Mt. Olive College N.C. 55 E. Mt. Olive, NC
Murfreesboro (Hertford Co.)	1	Tues., Feb. 23, 1999	12:30 p.m.	Hertford Middle School Gym N.C. Hwy. 11 Murfreesboro, NC
Newton-Conover (Catawba Co.)	1	Wed., Dec. 2, 1998	10:00 a.m.	Newton-Conover High Sch. Gym 338 W. 15th St. Newton, NC
Raleigh (Wake Co.)	5	Tues., Sept. 22, 1998 Wed., Sept. 23, 1998 Tues., Sept. 29, 1998 Tues., Jan. 5, 1999	10:30 a.m. 10:30 a.m. 10:00 a.m. 12:30 p.m. 10:30 a.m.	Raleigh Memorial Auditorium 2 E. South St. Raleigh, NC
Roanoke Rapids (Halifax Co.)	1	Fri., Mar. 5, 1999	12:45 a.m.	Roanoke Rapids High Sch. Aud. 800 Hamilton St. Roanoke Rapids, NC
Rocky Mount (Nash Co.)	2	Fri., Nov. 6, 1998	10:00 a.m. 1:00 p.m.	Dunn Ctr., NC Wesleyan College 2400 N. Wesleyan Blvd. Rocky Mount, NC
Salisbury (Rowan Co.)	2	Tues., Mar. 2, 1999	10:00 a.m. 12:30 p.m.	Keppel Aud., Catawba College Innes St. Salisbury, NC

DCR 74

1998-99 Educational Concerts
North Carolina Symphony

City	# Concerts	Date(s)	Time	Location
Sanford (Lee Co.)	1	Thurs., Sept. 3, 1998	10:30 a.m.	Dennis Wicker Civic Center Nash St. Sanford, NC
Smithfield (Johnston Co.)	1	Wed., Jan. 6, 1999	10:30 a.m.	Raleigh Memorial Auditorium 2 E. South St. Raleigh, NC
Snow Hill (Greene Co.)	1	Tues., Mar. 9, 1999	1:00 p.m.	Greene Central High School Gym N.C. Hwy. 930 Snow Hill, NC
Southern Pines (Moore Co.)	3	Wed., Nov. 4, 1998	10:00 a.m. 1:00 p.m.	Lee Aud., Pinecrest High School Hwy. 15-501 S. Southern Pines, NC
		Thurs., Nov. 5, 1998	10:00 a.m.	N. Moore High Schl. Auditorium N. Moore Rd. Robbins, NC
Sparta (Alleghany Co.)	1	Thurs., Dec. 3, 1998	10:30 a.m.	Sparta Elem. Schl. Auditorium 450 N. Main St. Sparta, NC
Swan Quarter (Hyde Co.)	1	Thurs., Apr. 22, 1999	10:45 a.m.	Mattamuskeet High School Gym U.S. Hwy. 264 Swan Quarter, NC
Tarboro (Edgecombe Co.)	1	Tues., Nov. 10, 1998	11:00 a.m.	Tarboro High School Gym 1400 Howard Ave. W. Tarboro, NC
Washington (Beaufort Co.)	1	Fri., Apr. 23, 1999	10:30 a.m.	Washington High School Aud. 400 Slatestone Rd. Washington, NC
Whiteville (Columbus Co.)	1	Tues., Oct. 27, 1998	1:00 p.m.	Whiteville High School 413 N. Lee St. Whiteville, NC
Wilkesboro (Wilkes Co.)	1	Fri., Dec. 4, 1998	10:00 a.m.	Walker Community Center Wilkes Community College N.C. Hwy. 268 Wilkesboro, NC
Wilmington (New Hanover Co.)	1	Wed., May 25, 1999	10:30 a.m.	Trask Coliseum, UNC-W 601 College Rd. Wilmington, NC 28401

DCR 75

1998-99 STATEWIDE SCHEDULE

SEPTEMBER 1998

6 POPS IN THE PARK
Lakeside
Meredith College
Raleigh, 6:30 pm

11 CLASSICAL CONCERT
Carter Brey, Cello
Kenan Auditorium
UNC-Wilmington
Wilmington, 8 pm

12 CLASSICAL CONCERT
Carter Brey, Cello
Carolina Theatre
Durham, 8 pm

17 CLASSICAL CONCERT
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

18 CLASSICAL CONCERT
Reeves Auditorium
Methodist College
Fayetteville, 8 pm

19 CLASSICAL CONCERT
Memorial Hall, UNC
Chapel Hill, 8 pm

25-26 CLASSICAL CONCERT
Norman Krieger, Piano
Memorial Auditorium
Raleigh, 8 pm

OCTOBER 1998

3 CLASSICAL CONCERT
A Night at the Opera
Carolina Theatre
Durham, 8 pm

4 CLASSICAL CONCERT
A Night at the Opera
West Carteret High Sch. Auditorium
Morehead City, 3:30 pm

9-10 POPS CONCERT
Rosemary Clooney, Vocalist
Memorial Auditorium
Raleigh, 8 pm

10 YOUNG PEOPLES' CONCERT
Peter Pan with Puppets
Memorial Auditorium
Raleigh, 11 am

13 CLASSICAL CONCERT
A Night at the Opera
Reeves Auditorium
Fayetteville, 8 pm

15 OPEN REHEARSAL
Paula Robison, Flute
Memorial Auditorium
Raleigh, 10 am

15 CLASSICAL CONCERT
Paula Robison, Flute
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

16-17 CLASSICAL CONCERT
Paula Robison, Flute
Memorial Auditorium
Raleigh, 8 pm

18 CLASSICAL CONCERT
Paula Robison, Flute
Kenan Auditorium
UNC Wilmington
Wilmington, 3 pm

22-25 BALLET with Orchestra
Performances with The Carolina Ballet
Memorial Auditorium
Raleigh, Thurs. - Sat., 8 pm
Sun, 3 pm

30-31 CLASSICAL CONCERT
Marin Alsop, Guest Conductor
Brian Reagin, Violin
Memorial Auditorium
Raleigh, 8 pm

NOVEMBER 1998

12 CLASSICAL CONCERT
Anne-Marie McDermott, Piano
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

13 CLASSICAL CONCERT
Anne-Marie McDermott, Piano
Robeson Community College
Lumberton, 8 pm

14 CLASSICAL CONCERT
Anne-Marie McDermott, Piano
Memorial Hall, UNC
Chapel Hill, 8 pm

19 OPEN REHEARSAL
Steven Osborne, Piano
Memorial Auditorium
Raleigh, 10 am

20-21 CLASSICAL CONCERT
Steven Osborne, Piano
Memorial Auditorium
Raleigh, 8 pm

23 HOLIDAY POPS CONCERT
Helms Center
Chowan College
Murfreesboro, 8 pm

24 HOLIDAY POPS CONCERT
Reeves Auditorium
Methodist College
Fayetteville, 7:30 pm

25 HOLIDAY POPS CONCERT
Pinehurst Hotel and Resort
Pinehurst, 8 pm

27-28 HOLIDAY POPS CONCERTS
Memorial Auditorium
Raleigh, Fri., 8 pm;
Sat., 3 pm & 8 pm

29 HOLIDAY POPS CONCERT
Grover C. Fields Middle School
New Bern, 3:15 pm

DECEMBER 1998

1 HOLIDAY POPS CONCERT
Citizens Center
Lincolnton, 8 pm

3 HOLIDAY POPS CONCERT
John A. Walker Community Center
Wilkes Community College
Wilkesboro, 8 pm

4 HOLIDAY POPS CONCERT
Carolina Theatre
Durham, 8 pm

5 HOLIDAY POPS CONCERT
Roanoke Rapids High School
Roanoke Rapids, 7:30 pm

8 HOLIDAY POPS CONCERT
Mt. Olive College
Mt. Olive, 7:30 pm

9 HOLIDAY POPS CONCERT
West Carteret High Sch. Auditorium
Morehead City, 7 pm

10 HOLIDAY POPS CONCERT
Grainger Hill Performing Arts Center
Kinston, 8 pm

11 HOLIDAY POPS CONCERT
First Baptist Church
Clinton, 8 pm

12 HOLIDAY POPS CONCERT
Walter Williams High Sch. Auditorium
Burlington, 8 pm

14 HOLIDAY POPS CONCERT
Jacksonville High School Auditorium
Jacksonville, 7:30 pm

DCR 76

15 HOLIDAY POPS CONCERT
Kenan Auditorium
UNC-Wilmington
Wilmington, 8 pm

16 HOLIDAY POPS CONCERT
Whiteville High School Auditorium
Whiteville, 8 pm

18 THE NUTCRACKER BALLET
with The NC School of the Arts
Memorial Auditorium
Raleigh, 8 pm

19-20 THE NUTCRACKER BALLET
with The NC School of the Arts
Memorial Auditorium
Raleigh, 2 pm & 6pm

31 VIENNESE NEW YEAR'S EVE
Memorial Auditorium
Raleigh, 7:30 pm

JANUARY 1999

8-9 CLASSICAL CONCERT
Spotlight on Sections
Memorial Auditorium
Raleigh, 8 pm

14 CLASSICAL CONCERT
Orchestra Showcase
Wright Auditorium, ECU
Greenville, 8 pm

16 CLASSICAL CONCERT
Orchestra Showcase
Memorial Hall, UNC
Chapel Hill, 8 pm

22-23 POPS CONCERT
Star Spangled Night
Memorial Auditorium
Raleigh, 8 pm

27 CLASSICAL CONCERT
Joshua Bell, Violin
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

28 CLASSICAL CONCERT
Joshua Bell, Violin
Kenan Auditorium
UNC-Wilmington
Wilmington, 8 pm

29-30 CLASSICAL CONCERT
Joshua Bell, Violin
Memorial Auditorium
Raleigh, 8 pm

FEBRUARY 1999

5 OPEN REHEARSAL
J. Mark McVey, Vocalist
Memorial Auditorium
Raleigh, 10 am

5-6 POPS CONCERT
J. Mark McVey, Vocalist
Memorial Auditorium
Raleigh, 8 pm

6 YOUNG PEOPLES' CONCERT
A Journey in Jazz
Featuring the Greg Gelb Swing Band
Memorial Auditorium
Raleigh, 11 am

7 POPS CONCERT
Meals on Wheels Celebration
Memorial Auditorium
Raleigh, 8 pm

9 CLASSICAL CONCERT
Dennis A. Wicker Civic Center
Sanford, 8 pm

12 CLASSICAL CONCERT
Michala Petri, Recorder
Brevard College
Brevard, 8 pm

13 CLASSICAL CONCERT
Michala Petri, Recorder
Memorial Hall, UNC
Chapel Hill, 8 pm

16 CLASSICAL CONCERT
Keppel Auditorium
Catawaba College
Salisbury, 7:30 pm

18 CLASSICS PLUS JAZZ
featuring the NC Jazz
Repertory Orchestra
Paul Tardif, Piano
Carolina Theatre
Durham, 8 pm

19 CLASSICAL CONCERT
Walter Williams H.S. Auditorium
Burlington, 8 pm

21 CLASSICS PLUS JAZZ
featuring the NC Jazz
Repertory Orchestra
Paul Tardif, Piano
Wright Auditorium, ECU
Greenville, 8 pm

MARCH 1999

9 CLASSICAL CONCERT
West Carteret H.S. Auditorium
Morehead City, 8 pm

11 CLASSICAL CONCERT
Robert E. Lee Auditorium
Pinecrest High School
Southern Pines, 8 pm

12 POPS CONCERT
Grainger Hill Performing Arts Center
Kinston, 8 pm

13 CLASSICAL CONCERT
Kenan Auditorium
UNC Wilmington
Wilmington, 8 pm

16 POPS CONCERT
Paramount Theatre
Goldsboro, 7:30 pm

17 CLASSICS PLUS JAZZ
featuring the NC Jazz
Repertory Orchestra
Paul Tardif, Piano
Reeves Auditorium, Methodist College
Fayetteville, 8 pm

18 PLAY-ALONG CONCERT
Cary Community Center
Cary, 8 pm

19 OPEN REHEARSAL
Canadian Brass
Raleigh Convention & Conference Ctr.
Raleigh, 10 am

19-20 POPS CONCERT
Canadian Brass
Raleigh Convention & Conference Ctr.
Raleigh, 8 pm

23 POPS CONCERT
Tarboro High School Auditorium
Tarboro, 7:30 pm

26-27 DUKE CHAPEL
CHORAL CONCERT
with the Choral Society of Durham
Duke University Chapel
Durham, Fri. 8 pm & Sat. 3 pm

APRIL 1999

8 POPS CONCERT
Reeves Auditorium, Methodist College
Fayetteville, 8 pm

9-10 POPS CONCERT
Landsberg and Yount, Duo Pianists
Raleigh Convention & Conference Ctr
Raleigh, 8 pm

16-17 CLASSICAL CONCERT
with The Raleigh Oratorio Society
Memorial Auditorium
Raleigh, 8 pm

17 YOUNG PEOPLES' CONCERT
Favorite Books in Sight & Sound
Memorial Auditorium
Raleigh, 11 am

DCR 77

20 POPS CONCERT
Roanoke Rapids High School
Roanoke Rapids, 7:30 pm

24 CHORAL CONCERT
Wright Auditorium, ECU
Greenville, 8 pm

MAY 1999

1 OUTDOOR POPS CONCERT
Greene Central High School
Snow Hill, 7:30 pm

8 CLASSICAL CONCERT
Chee-Yun, Violin
Memorial Hall, UNC
Chapel Hill, 8 pm

13-16 BALLET with Orchestra
Performances with The Carolina Ballet
Memorial Auditorium
Raleigh, Thurs. - Sat, 8 pm
Sun, 3 pm

21 OPEN REHEARSAL
Richard Stoltzman, Clarinet
Memorial Auditorium
Raleigh, 10 am

21-22 CLASSICAL CONCERT
Richard Stoltzman, Clarinet
Memorial Auditorium
Raleigh, 8 pm

29 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

JUNE 1999

5 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

12 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

19 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

26 OUTDOOR POPS CONCERT
Summerfest
Regency Park
Cary, 7:30 pm

DEPARTMENT OF CULTURAL RESOURCES

NORTH CAROLINA SYMPHONY - FUND 1340

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 329,907	$ 335,041	$ 334,858	$ 334,858
Receipts	$ 78	$ -	$ -	$ -
General Fund Appropriation	$ 329,829	$ 335,041	$ 334,858	$ 334,858
Number of positions	9.00	9.00	9.00	9.00

Source: 1999-2001 Continuation Budget Document

DCR 79

DEPARTMENT OF CULTURAL RESOURCES

GRANTS - IN - AID TO ARTS - FUND 1360

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 2,140,979	$ 3,640,979	$ 2,140,979	$ 2,140,979
Receipts	$ -	$ -	$ -	$ -
General Fund Appropriation	$ 2,140,979	$ 3,640,979	$ 2,140,979	$ 2,140,979
Number of positions	0.00	0.00	0.00	0.00

Source: 1999-2001 Continuation Budget Document

NORTH CAROLINA ARTS COUNCIL

DCR 80

INTRODUCTION

North Carolina is known throughout the world for its pottery traditions, literary legacy, Southern Appalachian music traditions, jazz, blues and gospel heritage, and an abundance of artists and arts institutions. Recognizing the state's rich cultural climate in 1964, Governor Terry Sanford established a state arts council to strengthen North Carolina's creativity, invention and prosperity. Since its beginning, the North Carolina Arts Council has been recognized as one of the nation's leading state arts agencies.

To fulfill our mission **to enrich the cultural life of the state by nurturing and supporting excellence in the arts and by providing opportunities for every North Carolinian to experience the arts,** we focus our work in three key areas which correspond to the goals of our long-range plan:

1. Our relationship with the state's **arts resources**—artists, arts organizations and our cultural heritage. It is our responsibility to help these resources remain strong so they can continue to produce rich and diverse arts experiences for the benefit of the state's citizens and visitors.
2. Our relationship to the state's **communities**. We use the word "communities" in the broadest sense to mean the many ways groups of people gather, both geographically or through other shared identities. It is our responsibility to make sure communities are strengthened through the arts.
3. Our relationship as a state agency to the **state's agenda**. It is our responsibility to make sure the arts are valued as a tool for achieving a strong economy, well-educated children, vital communities and a healthy environment.

In building these relationships, we play the roles of **connector, catalyst** and **activist partner, using our abilities to:**

- Provide an overview of the strengths, needs and issues of the arts in the state
- Give grants to activate partnerships between artists, arts organizations and communities which benefit every county in the state
- Convene various groups of people around important topics to forge new partnerships
- Maintain access to a number of information outlets through which we collect, publish and disseminate a variety of resource materials

Following is a 6-page summary of how the North Carolina Arts Council accomplished its goals and objectives during fiscal year 1997-98.

GOAL I: DEVELOP, PRESERVE, AND SUSTAIN NORTH CAROLINA'S ARTS RESOURCES

1. Support the state's organizations which produce exemplary arts programs.

- 61 organizations received a total of $1,415,650 in General Support grants for ongoing programs and operations.
- $90,900 was awarded to 22 organizations to commission new works in the performing and visual arts.
- 49 organizations received a total of $176,700 for innovative literary, performing, and visual arts programs.
- 24 organizations received long-term organizational assistance through the New Realities Program.
- 43 scholarship grants went to artists and arts administrators to attend conferences and workshops.
- 4 community arts interns and 1 folklife intern received 3 months of professional training through our internship programs.
- A total of $23,777 in grant funds was provided to 18 organizations for consultancies in facility development, fundraising, board and staff development, project planning and audience development.
- Funded Arts NC to manage the Peer Advisory Network which provided peer advisors to assist 18 organizations with management issues at a very affordable cost.
- Convened a Theater Gathering attended by over 50 theater professionals, a meeting of literary presenters of reading series to develop a network and writers' residency projects, and an Opera Roundtable.
- Provided funds to the African-American Dance Ensemble to help bring the 11th Annual International Black Dance Conference to North Carolina.

2. Preserve and promote the state's folk cultural heritage through documentary projects and public programs.

- 8 folk artists received the North Carolina Folk Heritage Award of $5,000 and were honored in a special ceremony in Raleigh attended by 800 people.
- 13 artists and organizations received a total of $71,000 for festivals, radio programs, exhibitions and projects which documented Lumbee Indian gospel music, the African-American shout band tradition, Waccamaw-Siouan quilt-making and other traditions.
- Organized a survey in northeastern North Carolina and hired 3 folklorists to document a broad sampling of cultural traditions which help define one of the most overlooked regions of the state. Their work led to the publication of the *North Carolina Coastal Folklife Survey*, and to the hiring of a folklorist to continue fieldwork in the region.
- Completed resource inventories for the traditional music and Cherokee arts and culture trails as part of the Blue Ridge Heritage Initiative.
- Provided funds to the Southern Folklife Collection at UNC-Chapel Hill to restore 100 hours of field recordings of North Carolina traditional artists.
- The NC Pottery Center opened in Seagrove in November, the culmination of several years of planning with Arts Council staff.

3. Improve financial support and professional opportunities for North Carolina's artists.

- Fellowships of $8,000 each were awarded to 10 composers and songwriters, 4 playwrights, and 11 writers to support their artistic development and the creation of new work.
- Residencies were awarded to 1 writer at the Vermont Studio Center, 2 visual artists and 1 writer at the Headlands Center for the Arts in California, and 2 writers at La Napoule Foundation in France.
- Conducted the selection process for North Carolina's Poet Laureate and provided funds to subsidize readings and public presentations.
- Through a partnership program with the South Carolina Arts Commission Media Arts Center, provided grants to 13 North Carolina film/video artists to access the center's equipment, studios and training programs.
- Funded the Regional Artist Project Grants Program which made awards ranging from $250 - $1,500 to 146 artists through 11 regional consortia of local arts councils serving 89 of the state's 100 counties.
- Published the North Carolina Touring Artist Directory, a listing of almost 200 selected performing, visual, and literary artists who work in performance and residency settings.
- Produced the Arts Market, a booking conference and artist showcase, in partnership with Thalian Hall Center for the Performing Arts in Wilmington. Over 150 presenters and 75 artists and ensembles participated in the 3-day event.
- Residency workshops for artists and presenters were conducted, and a series of artists' workshops and planning meetings will be conducted around the state in 1999.
- Promoted North Carolina touring artists to out-of-state presenters at the annual Southern Arts Exchange booking conference.

GOAL II. DEEPEN THE CONNECTION BETWEEN THE ARTS AND NORTH CAROLINA'S COMMUNITIES

1. Strengthen partnerships with local arts councils to provide arts programming in all 100 counties through the Grassroots Arts Program.

- More than 700 organizations received a total of $1,343,367 through the Grassroots Arts Program's per capita funding system.
- Provided 30 grants totaling $115,061 to local arts agencies to strengthen their programs for underserved populations, to hire additional staff, to improve technology capabilities, to encourage increased local government contributions, and for professional development opportunities.
- Local arts councils received a total of $199,580 to support visual arts, folklife, touring, and arts in education programs.
- Organized a traveling exhibition of visual arts fellowship recipients with the Mint Museum of Art, and toured it to the galleries of 8 local arts councils across the state.
- Work began on a gallery resource guide for local arts councils and small town exhibition venues.
- Staff conducted workshops and planning sessions at our annual Local Arts Council Executive Directors' Retreat.

2. **Increase access to racially and culturally diverse arts programs.**

- The Multicultural Organization Development Program provided $181,750 to strengthen the arts programs of 22 African-American, Native American, Latino, and Asian-American organizations.
- Scholarships were awarded to 10 representatives of multicultural organizations to attend the Association of American Cultures' Open Dialogue Conference in Dallas, Texas.
- Grassroots Arts Program's per capita funds were distributed according to the percentage of racial and ethnic diversity of the county population.
- $435,098 was awarded for arts programs that build appreciation and understanding of the state's diverse cultures.
- Developed the Mexico Initiative in conjunction with our sponsorship of the Mexico Ahora exhibition at the Mint Museum of Art; 8 projects were funded which provided linkages to Mexican arts and culture and to Mexican-Americans living in North Carolina. Funded a folklorist to do extensive fieldwork on needlecraft traditions with women born in Guatemala and Mexico and now living in the Piedmont, and the Asheville Art Museum developed an exhibition which examined their work in context with their communities, created an education resource book, trunk and exhibit panels for use by schools and community groups, and produced a community festival to highlight aspects of Latin American and Mexican-American culture in North Carolina.
- Held series of 3 workshops on African-American heritage tourism to provide training and develop collective strategies for African-American organizations.

3. **Increase arts programming in underserved communities.**

- 2 large-scale cultural tourism initiatives were developed, one focusing on rural counties in the west and the other on the northeast coastal region.
- Convened a Think Tank on Community Development and the Arts with 10 artists and arts administrators to discuss the role of the arts in building communities and in finding solutions to problems of economics, education, racism and youth at-risk. Published and distributed a report on the findings of our panelists.
- A staff member serves on the Governor's Issue Team for Personal & Parental Responsibility.
- Convened an Access Advisory Group to recommend strategies to help arts organizations comply with 504/ADA regulations and to increase and strengthen accessible arts programs.
- Improved accessibility of Arts Council offices by building a new fully accessible conference room and a ramp from the parking lot to the main entrance.
- $25,000 provided for arts programs in hospitals, nursing homes, and mental health centers and for programs designed specifically for students and adults with disabilities. These funds supported a tour of "My Sister's Sister," a program which combines professional theater, community interaction and education, to six mental health center's in the state.

4. **Provide support for performances and artists' residencies in communities across the state.**

- $293,500 awarded for performance series, artist residencies of two weeks to six months, projects to strengthen the programs of the state's arts presenters, and a variety of performances and activities in schools and community venues.

- Provided funding and helped with a planning process to develop a seven-month residency at Pocosin Arts, a rural arts center which draws its mission from the many cultures and natural environment of the northeast.
- The North Carolina Touring Artist Directory was produced as a resource guide to strengthen partnerships between presenters, schools, communities and artists who work in performance and residency settings.
- Organized a joint meeting of the leadership of the North Carolina Presenters' Consortium and the South Carolina Presenters' Network to discuss opportunities for collaborative projects.

5. Develop and support public art projects that enliven community buildings and spaces.

- Installed 9 new art works in state buildings, bringing the total of the state's public art collection to 50; began developing a system for conservation and repair of works in the collection; and published educational materials for each completed artwork and included this information on a newly developed web site.
- Began a slide bank of the work of artists who create public art for use as a resource for communities pursuing public art projects.
- Assisted 6 communities with public art planning and worked with the Raleigh Durham International Airport on a public art master plan which will lay the groundwork for multiple projects to be integrated within the airport's 5,000 acres of land and 600,000 square feet of terminal space.
- Began development of an outreach program on public art for the NC Museum of Art.
- Staff gave lectures at universities and in communities across the state, and convened bi-monthly meetings of the Public Art Network.

GOAL III. HEIGHTEN UNDERSTANDING OF THE ROLE AND VALUE OF THE ARTS TO THE STATE

1. Build public awareness about the benefit of the arts to the lives of North Carolinians.

- Council's chair and executive director met with the editors of 3 major daily newspapers in the state to encourage increased understanding and coverage of the arts. Executive director was interviewed on 3 television programs.
- Council's 30th anniversary forum, *Dialogue: The Arts and the Public Purpose*, was broadcast on a cable channel by the Agency for Public Telecommunications and was followed by a call-in segment with four staff members answering caller questions.
- Comprehensive press packet, which included 30th anniversary-related press releases, a Council profile, funding facts and grant recipient testimonials, was sent to more than 400 North Carolina newspapers, public radio stations and freelance writers.
- County Histories, which included narratives and listings of all Council grants to the county over the years, were published for each of the 100 counties and distributed to all legislators and local arts councils.
- A new logo, developed to take the Council into its fourth decade, was included in the grant packet to be used on grantees' printed materials.

- ARTS brochure was produced to give an overview of the Council and the arts in the state and is distributed to Welcome Centers, airports and many other public places.
- *NC ARTS* began a 3 times per year publishing schedule and reached more than 38,000 readers with each mailing.
- New web site, *www.ncarts.org*, came on line in 1997 and was designed to provide resource information to artists, arts organizations, tourists and the general public.
- Slide show on the arts in the state was developed.
- *Artful State*, a 20-minute video, was commissioned by the Council to commemorate 30 years of public support for the arts in North Carolina and presents thoughtful and sometimes humorous comments on art from dozens of citizens, civic leaders and artists.

2. Further the role of the arts as an essential part of education.

- Arts in Education (AIE) Partnership grants totaling $169,212 were awarded; 47% of these funds benefited 10 rural, low-wealth counties.
- New AIE Development category funded 13 projects totaling $41,041.
- A total of $171,784 funded 32 artist residencies, after-school programs and summer arts camps as well as 22 short-term performing arts projects.
- Completed a two-year assessment project with the NC Education Standards and Accountability Commission, which trained a small cadre of arts educators to write performance-based or authentic assessment tasks who, in turn, trained a larger group to use these tasks in the classroom. Results are being placed in a statewide database for use by other arts educators in the state.
- Published *The Art of Learning: A Guide to Outstanding North Carolina Arts in Education Programs* to share information about model programs funded by the Council.
- *Connect the Arts: Imagination to Community* conference was co-sponsored with the NC Alliance for Arts Education and was attended by 120 educators, artists and arts administrators, and showcased model arts education and arts *in* education programs from across the state.
- Council's AIE director coordinated several "residency samplers" as part of the 1998 Arts Market; 40-minute participatory workshops featured experienced artists demonstrating their residency process to educators and presenters.

3. Develop initiatives to strengthen the role of the arts in economic and community development, tourism, international relations and human services.

- Worked closely with the Blue Ridge Parkway Division of the National Park Service and the Eastern Band of Cherokee Indians to implement the Blue Ridge Heritage Initiative; completed resource inventories for the traditional music and Cherokee arts and culture trails which are part of the initiative; formed community planning teams in 16 of the 27 counties involved and set criteria for local communities' participation in the project; and raised an additional $179,000 to support the initiative.
- Collaborated with North Carolina Heritage, Inc. on the 2nd annual Heritage Tourism Conference in Greensboro; staff organized workshops and served as guest speakers on several cultural tourism topics.

- Folklife staff produced "Across the Blue Ridge," an evening of traditional music and dance from the Blue Ridge Mountains of North Carolina and Virginia, to acquaint tourism professionals with these resources.
- Work continues with the Department of Commerce on several joint projects including an African-American heritage publication and a 19-county eastern heritage initiative in the northeast coastal region.
- Council's folklife director and one board member/folklorist participated in the Governor's Trade Mission to Europe.
- Worked with Conservation Trust on the nomination of the New River to receive the American Heritage River designation; helped develop a cultural component of the required action plan which was cited as one of the reasons the New River was chosen to receive the designation.
- Organized and funded a consortium of major summer performing arts festivals, outdoor dramas, and theaters to collectively develop joint marketing strategies and pursue initiatives to increase cultural tourism to their sites.
- Funded an international exchange project involving United Tribes of NC and members of the Maori Tribe in New Zealand.
- Held planning meetings with Community College System staff members to develop a proposal for a new partnership initiative.

DCR 87

North Carolina Arts Council - At a Glance

Arts Council Programs

- take artists into the schools
- tour professional dance, music and theater companies throughout the state
- support the state's major professional music, dance, theater, visual arts and literary organizations, many of which have regional and national reputations
- fund local priorities through the decentralized Grassroots Arts Program
- recognize our finest folk artists with Folk Heritage Awards and our finest career artists with fellowships
- provide targeted assistance to organization in previously underserved communities
- work with local community leaders to develop cultural tourism opportunities

Arts Council Services

24 staff members work with arts and other community organizations to help them expand, stabilize, develop in appropriate directions and become managerially stronger. For special attention, staff targets rural areas, urban organizations in communities with limited resources and older, established organizations going through transition. Through conferences, workshops, publications, information and special events, the staff provides support and technical assistance to the citizens of our state who are using the arts to build their communities.

Impact of Arts Council-funded Activities in FY 97-98

- Over 11 million people participated in Council-funded projects.
- Projects were funded in every county in the state.
- Grants went to 491 arts organizations, 335 school, community and civic groups, and 44 individuals.
- Children in 83 counties participated directly in 373 funded projects.
- Each dollar granted by the Council was matched by fourteen other dollars, many generated directly by the Council's grant.

Non-Profit Arts Organizations in 1998: 2,286

104 arts councils	193 arts centers/facilities/schools
319 artist organizations	317 arts festivals/concert series
67 arts service organizations	15 arts publications
52 literary magazines, presses	4 cinemas
106 dance companies	278 galleries and museums
525 music performing groups	306 theater performing groups

Organizations Assisted by the Arts Council Play a Significant Role

- in North Carolina's tourism industry.
- in downtown revitalization projects in numerous towns and cities.
- in the creation of jobs, both within arts organizations and indirectly in restaurants, hotels, parking lots, printing and catering businesses.
- in attracting and keeping desirable industries by making the community a more stimulating place in which to live and work.

DCR 88

North Carolina Arts Council - Summary of FY 97-98 Grant Activities

Number of Applications	
Individuals	462
Organizations	1,329
	1,791

Number of Awards		
Individuals	44	
Organizations	1,159	
	1,203	(67% of applications are funded at least partially)

Amount Requested	$ 10,737,894	
Amount Awarded and Spent	$ 4,571,663	(43% of requested amount is funded)
Total Project Costs	$ 67,113,114	(7% of costs provided by Arts Council)
Total Income of Grantee Organizations	$ 145,127,639	(3% is Arts Council portion)

* * * * *

Funded Organizations: 826

Arts Organizations	
performing groups	168
performance facilities	6
museums and galleries	35
small presses, literary magazines	7
fairs, festivals, concert series	61
arts centers	50
arts councils	98
arts service organizations	20
artist associations	46
Total arts organizations	**491**

Other Community Organizations	
schools	115
higher education institutions	17
libraries	20
humanities/historical societies, museums	12
community service organizations	121
parks, recreation departments	15
radio, television	1
other community groups	34
Total other community organizations	**335**

Prepared January 12, 1999

North Carolina Arts Council FY 97-98 Per Capita Distribution 1/11/99

COUNTY	$/CAPITA	GRANTS	COUNTY	$/CAPITA	GRANTS	COUNTY	$/CAPITA	GRANTS
1 Clay	5.91	46,442	34 Catawba	0.48	61,358	67 Chatham	0.23	10,220
2 Mitchell	5.09	75,727	35 Alleghany	0.45	4,253	68 Gaston	0.23	41,343
3 Tyrrell	3.82	14,334	36 Pamlico	0.43	5,185	69 Harnett	0.23	18,488
4 Swain	2.76	32,140	37 Surry	0.43	28,429	70 Granville	0.21	8,618
5 Transylvania	2.24	61,411	38 Craven	0.42	36,123	71 Lincoln	0.21	11,892
6 Durham	2.10	409,242	39 Pitt	0.42	49,941	72 Cabarrus	0.20	22,987
7 Watauga	1.96	79,639	40 Stanly	0.42	22,562	73 Davidson	0.20	27,410
8 Madison	1.90	34,200	41 Alamance	0.41	47,533	74 Davie	0.20	6,041
9 Bertie	1.68	34,798	42 Columbus	0.41	21,159	75 Iredell	0.20	21,439
10 Hertford	1.68	37,473	43 Cumberland	0.41	123,145	76 Johnston	0.20	19,551
11 Dare	1.61	42,565	44 Hoke	0.41	11,733	77 Nash	0.19	16,077
12 Alexander	1.39	42,824	45 Robeson	0.41	45,628	78 Bladen	0.18	5,515
13 Orange	1.34	144,304	46 Sampson	0.40	20,489	79 Brunswick	0.18	11,512
14 Mecklenburg	1.04	618,609	47 Pasquotank	0.39	13,146	80 Burke	0.18	15,203
15 Forsyth	1.03	293,582	48 Halifax	0.38	21,686	81 Camden	0.18	1,182
16 Beaufort	0.94	41,157	49 Wilson	0.38	25,790	82 Currituck	0.18	2,983
17 Ashe	0.90	20,750	50 Duplin	0.37	15,965	83 Franklin	0.18	7,816
18 Buncombe	0.90	172,565	51 Jones	0.34	3,246	84 Graham	0.18	1,386
19 Gates	0.83	8,208	52 Polk	0.34	5,423	85 Greene	0.18	3,138
20 Guilford	0.82	310,093	53 Rowan	0.33	40,030	86 Hyde	0.18	937
21 Yancey	0.74	11,986	54 Rutherford	0.32	18,812	87 Macon	0.18	4,909
22 Chowan	0.73	10,261	55 Richmond	0.31	14,369	88 Martin	0.18	4,751
23 Lee	0.66	31,022	56 Union	0.31	31,623	89 McDowell	0.18	6,916
24 Caswell	0.65	13,910	57 Cherokee	0.30	6,581	90 Montgomery	0.18	4,420
25 Jackson	0.65	18,966	58 Vance	0.30	11,893	91 Northampton	0.18	3,800
26 Haywood	0.64	32,254	59 Moore	0.29	20,184	92 Onslow	0.18	27,650
27 New Hanover	0.61	87,526	60 Pender	0.29	10,263	93 Perquimans	0.18	1,966
28 Anson	0.58	13,814	61 Caldwell	0.28	20,638	94 Person	0.18	5,982
29 Edgecombe	0.54	30,405	62 Cleveland	0.28	25,021	95 Rockingham	0.18	16,391
30 Carteret	0.52	30,214	63 Stokes	0.28	11,944	96 Scotland	0.18	6,406
31 Avery	0.51	7,790	64 Wayne	0.27	30,609	97 Warren	0.18	3,363
32 Henderson	0.49	38,227	65 Lenoir	0.26	15,410	98 Wilkes	0.18	11,455
33 Wake	0.49	261,013	66 Randolph	0.24	28,702	99 Yadkin	0.18	6,323
						100 Washington	0.00	* 0
						Totals	0.00	4,314,394*

* In addition, $185,312 was granted to statewide organizations for projects affecting more than one county and $71,957 was granted to organizations outside the state for projects benefitting North Carolinians.

* Washington County returned their $2,509 awarded funds

UNC 87

DCR 90

NORTH CAROLINA ARTS COUNCIL BUDGET GROWTH

Fiscal Year	State Recurring Appropriation	NC Population	Funds Per Capita	# Nonprofit Arts Organizations
1989-90	$ 5,073,527	6,568,810	77.2 ¢	1,494
1990-91	$ 4,967,020	6,632,448	74.9 ¢	1,721
1991-92	$ 4,709,919	6,752,401	69.8 ¢	1,877
1992-93	$ 4,736,456	6,840,211	69.2 ¢	1,940
1993-94	$ 5,362,035	6,949,095	77.2 ¢	2,063
1994-95	$ 5,364,901	7,023,663	76.4 ¢	2,133
1995-96	$ 5,403,765	7,194,238	75.1 ¢	2,183
1996-97	$ 5,425,897	7,309,514	74.2 ¢	2,177
1997-98	$ 5,486,242	7,431,161	73.8 ¢	2,222
1998-99	$ 5,525,757	7,544,360 est.	73.2 ¢	2,286
Percentage Change Over 10 Years	**+ 8.9%**	**+ 14.8%**	**- 5.2 %**	**+ 53 %**

* * * * *

STATE ARTS AGENCIES' LEGISLATIVE APPROPRIATIONS - FY 98-99

Per Capita Ranking* (in cents)

1	Hawaii	505.45
2	Massachusetts	282.46
3	Minnesota	276.20
4	New York	252.91
5	Michigan	221.79
46	Tennessee	43.31
47	Oregon	42.93
48	Washington	36.37
49	Texas	26.57
50	Montana	21.34

Southern Arts Federation States:

6	Florida	218.21
14	Louisiana	115.86
16	Alabama	106.35
18	South Carolina	99.84
19	Kentucky	94.89
26	**North Carolina**	**77.12**
28	Mississippi	74.20
36	Georgia	58.34
46	Tennessee	43.31

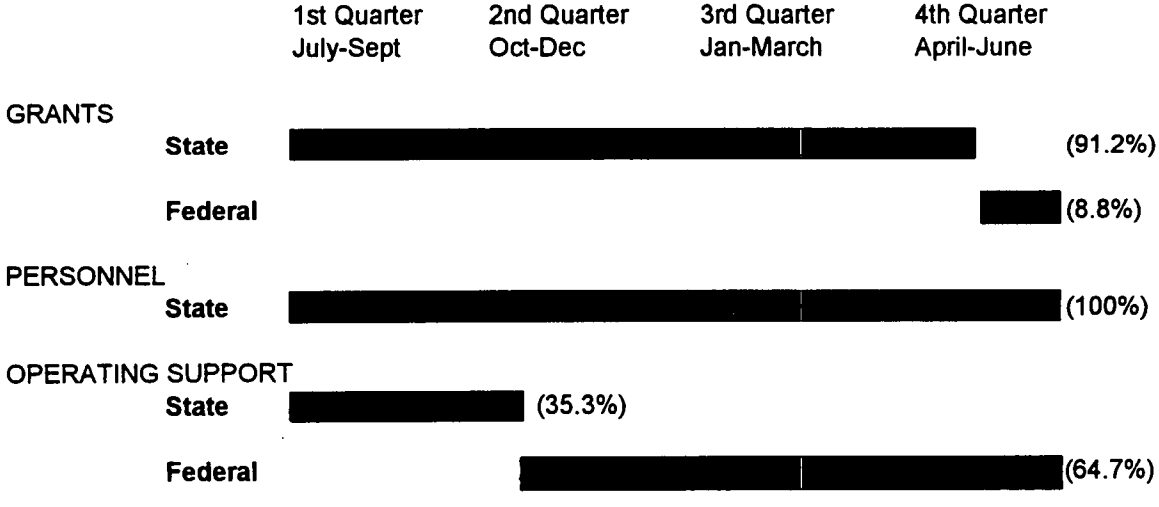
*population figures are 1990 census—not adjusted annually as are NC population figures at top of chart

DCR 91

NORTH CAROLINA ARTS COUNCIL – SUMMARY OF FY 98-99 INCOME

State of North Carolina	
Grant Program	$ 2,903,235
Grassroots Arts Program-Recurring	1,343,367
Grassroots Arts Program-Non-Recurring	335,750
Personnel	1,134,999
Operating Support	144,156
Total State Income:	**$ 5,861,507**
National Endowment for the Arts	
Basic State Grant:	
Grants	$ 158,000
Operating Support	264,700
Total Basic State Grant	$ 422,700
Arts in Education Grant	$ 58,500
Underserved	$ 98,400
Blue Ridge Heritage Initiative	$ 125,400
Total Federal Income:	**$ 705,000**
TOTAL FY 98-99 INCOME	**$ 6,566,507**

Listed below is a chart depicting what percentage of our annual expenses our state appropriation covered in FY 97-98



DCR 92

NORTH CAROLINA ARTS COUNCIL
PRESSING NEEDS AND PRIORITIES FOR THE 99-01 BIENNIUM

I **Primary Arts Organizations** -- In 1990, we provided annual support to 13 flagship institutions with grants totaling $848,500. Today, we fund 78 with $1,583,400. Most of these orchestras, museums, galleries, dance and opera companies, theaters, outdoor dramas, festivals, multicultural organizations, literary groups, craft schools and arts centers have seen their operating budgets double or triple during this decade along with their audiences and the demand for high quality arts programs. Due to an almost flat budget during the nineties, our funding has decreased significantly for many of these institutions at a time when significant sustaining support is no longer available from other sources. We anticipate that at least 10 new organizations will seek major funding by the year 2000.

II **Arts in Communities** -- For more than 20 years the Grassroots Arts Program has provided arts funds to all 100 counties through the nation's most extensive and highly respected network of local arts councils. These arts councils have become vital players in community planning and economic development over the last decade. Yet, recurring funding for Grassroots remains at its 93-94 level.

The Regional Artists Project Grants Program provides support to artists at the local level. Funds are distributed regionally through 12 local arts council partnerships which help artists in 93 counties advance their professional and creative development. In FY 97-98, 369 artists across the state applied for awards but only 146 received grants.

III **Rural Arts Leadership** -- The state's most rural counties lack the infrastructure and resources to provide sustained quality arts programs in their communities. Rural arts councils have trouble attracting and keeping qualified directors because of low salaries, isolation and a limited pool of volunteers. Rural areas need greater access to arts in education opportunities to animate and improve student learning, but lack the administrative and financial resources to sustain a commitment to these programs. Rural communities are often bypassed by touring artists who would like to work there but need community resources to produce performances and coordinate arts activities.

IV **Cultural Tourism** -- North Carolina's renowned arts and culture are fueling the fastest growing segment of the tourism industry—cultural tourism. This trend has great potential for sustainable economic impact on our communities, particularly in rural areas. North Carolina is out in front of this national trend, largely because of the Blue Ridge Heritage Initiative which is developing traditional music and Cherokee cultural trails to attract tourists and strengthen the economy in 27 mountain counties. A similar project is being planned in the easternmost counties. Under development also are an African-American cultural trail and a trail linking summer performing arts venues. To this point, nearly all funding has come from a federal grant which cannot be repeated.

V **Arts Information and Research** -- The Arts Council maintains a statewide repository of resource material and information about the arts, including a comprehensive database on North Carolina artists, organizations, arts supporters and community arts programs. It serves as a clearinghouse to link citizens with one another and to provide training for program development. Services include the distribution of up-to-date reference materials, resource information, and information on opportunities for artists and organizations. There is a pressing need for a web site network and technological development for local arts organizations, publications, training, research and analysis, including an economic impact study, and technological upgrades at the agency to make data more accessible.

VI **Basic Operating Support** – The state appropriation to the North Carolina Arts Council provides only four months of basic operating support, after which the Arts Council is dependent on federal funding for all operating costs.

DEPARTMENT OF CULTURAL RESOURCES

ARTS COUNCIL - FUND 1330

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 6,195,343	$ 7,751,656	$ 6,150,156	$ 6,069,962
Receipts	$ 741,637	$ 1,300	$ 661,094	$ 580,900
General Fund Appropriation	$ 5,453,706	$ 7,750,356	$ 5,489,062	$ 5,489,062
Number of positions	24.25	24.24	24.24	24.24

Source: 1999-2001 Continuation Budget Document

OFFICE OF THE SECRETARY

DCR 95

The Office of the Secretary

The Office of the Secretary directs the operations of the North Carolina Department of Cultural Resources. In addition to administrative matters, the office oversees budget, administrative planning/policy development-related activities, operations, legislative matters, public information services, personnel, and capital projects. The Office of the Secretary oversees six divisions in the department: Archives and History, North Carolina Museum of Art, North Carolina Arts Council, North Carolina Symphony, State Library of North Carolina, and the North Carolina Museum of History. The Office of the Secretary coordinates appointments to appropriate boards and commission. The Deputy Secretary serves as the legislative liaison for the department.

The Secretary's Office oversees several awards program. The North Carolina Awards were instituted by the North Carolina General Assembly in 1961. The North Carolina Awards recognize "notable accomplishments by North Carolina citizens in the fields of scholarship, research, the fine arts, and public leadership." It is the highest honor the State can bestow.

The Governor's Business Council on the Arts and Humanities presents the Governor's Business Awards each year. The awards are given to North Carolina businesses that have conducted or participated in innovative projects to promote the arts and/or humanities. Cultural organizations that have promoted innovative business support of the arts and humanities are also eligible for awards. This awards program was established in 1978.

The Office of the Secretary's budget (Fund # 1110) includes the following units: Capital Projects Unit, Public Affairs Office, and the Human Resources Office. The Administrative Services Office (Budget Office) is budgeted separately under Fund # 1120 and a separate description of this office follows.

DCR 96

DEPARTMENT OF CULTURAL RESOURCES

OFFICE OF THE SECRETARY - FUND 1110

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 9,028,567	$ 1,039,944	$ 1,075,914	$ 1,075,914
Receipts	$ 37,225	$ 32,574	$ 38,322	$ 38,322
General Fund Appropriation	$ 8,991,342	$ 1,007,370	$ 1,037,592	$ 1,037,592
Number of positions	17.25	18.25	18.25	18.25

Source: 1999-2001 Continuation Budget Document

ADMINISTRATIVE SERVICES

DCR 98

Administrative Services Section

The Administrative Services Section provides budgeting, accounting, data processing, purchasing, payroll, and mail/messenger services and support to all divisions within the Department of Cultural Resources. The section assures the fiscal and audit accountability of all state, federal, and private funds entrusted to the department. The total recommended operating budget for the Department of Cultural Resources for FY 1999-2000 is $57.1 million. The department's Capital Improvement budget funds over 80 active projects valued at over $40 million.

The Administrative Services Section is divided into the following four units: Administration, Budget and Accounting, Purchasing/Mail Room, and Computer Operations.

The **Administration** unit is responsible for:

- administration and oversight of all financial and business affairs in the Department of Cultural Resources
- planning and organizing all assignments to meet departmental goals and objectives while maintaining compliance with all federal and state laws and guidelines
- implementation of programs within statutory or policy/procedure limitations
- providing information and resources to every level of the department and state government
- administration of all departmental travel reimbursements and authorizations
- authorization and initiation of budget requests to Office of State Budget and Management (OSBM)

The **Budget and Accounting** unit is responsible for:

- preparation of the department's biennial budget (continuation, expansion, capital, supplemental)
- preparation of financial statements for Office of State Controller (OSC)
- submission of budget revisions to Office of State Budget and Management
- submission of IRS forms
- requests for quarterly allotments
- reports to Office of State Auditor (OSA) on grants to private organizations
- administration of federal grants from U.S. Department of Education, U.S. Department of the Interior (National Park Service), National Endowment for the Arts, National Endowment for the Humanities, and National Historical Publications and Records Commission
- preparation of the indirect cost rate allowed for each federal grant
- management of State Treasurer Account by daily, monthly and quarterly revisions of general fund cash requirements and receipts
- management of employee benefits
- reporting of sales and use tax

Administrative Services, **Budget and Accounting** unit, continued

- administration of state telephone network operation
- administration of petty cash fund
- operation of employee transportation including parking and Motor Fleet Management leases
- management of accounts payable (1200-1600 checks written per month)
- management of accounts receivable
- maintenance of permanent and temporary payrolls
- control of fixed asset system

The **Purchasing/Mail Room** unit is responsible for:

- procurement of goods and services for departmental operations (approximately $3 million per year in expenditures)
- departmental compliance with ADA and health and safety regulations
- coordination with Division of Facility Management for building maintenance and repair
- management of central supply store
- pickup and delivery of all department mail
- disposition of surplus property

The **Computer Operations** unit is responsible for:

- operation of the departmental minicomputer facility, serving 650 users and over 50 applications, as well as public access terminals for the State Library and State Archives
- serving as representative on the state Information Resource Management Commission (IRMC)
- training department staff in the operation of microcomputer hardware and software

DCR 100

DEPARTMENT OF CULTURAL RESOURCES

ADMINISTRATIVE SERVICES - FUND 1120

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 1,051,285	$ 1,099,449	$ 1,164,234	$ 1,164,234
Receipts	$ 13,532	$ 14,955	$ 15,093	$ 15,093
General Fund Appropriation	$ 1,037,753	$ 1,084,494	$ 1,149,141	$ 1,149,141
Number of positions	19.00	19.00	19.00	19.00

Source: 1999-2001 Continuation Budget Document

North Carolina Department of Cultural Resources
Office of the Secretary

James B. Hunt, Jr., Governor

Betty Ray McCain, Secretary

March 17, 1999

MEMORANDUM

TO: Members of the Joint General Government Appropriations Subcommittee

FROM: Secretary Betty Ray McCain BRMc

SUBJECT: Articles on Music Programs

Enclosed are the materials which were passed around the table during Peter Smith's presentation on the North Carolina Symphony two weeks ago. I thought you would like to read the articles about how music programs help children improve their reading and math skills.

Thank you.

BRM/jm

Enclosures

cc: Michele Nelson

109 East Jones Street • Raleigh, North Carolina 27601-2807
(919) 733-4867

PM

VISITOR REGISTRATION SHEET

App Gen Gov 3-2-99

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Deloris Harrell	Roanoke Island Commission, NCDCR
Jim [illegible]	GRZA North Carolina PO Box 366 Raleigh, NC
Donna Rosefield	DCR
Betty Ray McCain	DCR
Peter Smith	NC Symphony - DCR
Jim McNutt	DCR
Betsey Buford	DCR
Lisa Piercy	Capitol Group
Garrett Perdue	ZOA, PA
Renno Vance	DCR
Janice Williams	DCR
Sandy Cooper	State Lib, DCR
Mary Regan	Arts Council / DCR
Frank Lewis	SOS
Kathie Austin Padgett	OSPL
Jim Nowell	OSBM
Byron K. Harris	OSBM
Willie Riddick	DOR
J. Allen Adams	ARTS NC
Marilyn Glasser	DOA
Lori Ann Harris	self
[illegible]	[illegible]

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 3,1999
Room 425
8:30 a.m.

Revised

Chairman: Representative Maggie Jeffus

Department of Cultural Resources

North Carolina Arts Council

(Notebook pp. DCR 80 - DCR 93)
(Budget Book/Performance Measures p. 105)
(Budget p. 106)

Mary B. Regan
Director

Office of the Secretary and Administrative Services

(Notebook pp. DCR 95 - DCR 100)
(Budget Book/Budget pp. 88-89)

Elizabeth F. Buford
Deputy Secretary

Office of the State Controller

Overview of Agency

Ed Renfrow
State Controller

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

March 3, 1999
Room 425 – 8:30 A.M.

MINUTES

The Joint Appropriations Subcommittee on General Government met Wednesday, March 3, 1999 at 8:30 a.m. in room 425 of the Legislative Office Building. Four of the Senate Members were present. Representatives present were Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, Daniel Barefoot, and Mitchell Setzer.

Representative Jeffus chaired the meeting and introduced the two pages serving the committee this morning, Ms. Jaimeee Chavis, Robeson County, sponsored by Rep. Donald A. Bonner, and Mr. Brandon Barham, Wake County, sponsored by Senator Brad Miller.

Representative Jeffus stated that the committee would continue with presentations from the Department of Cultural Resources and Ms. Mary B. Regan, Director of North Carolina Arts Council, will do the overview of the Arts Council. Ms. Regan stated that their mission is to make sure that wherever people live in the state they will have the opportunity to enjoy the arts either in their own community or nearby. To fulfill their mission they focus their work in three areas: (1) their relationship with the state's arts resources, (2) state's communities, and (3) as a state agency to the state's agenda. (See Attachment No. 1, DCR 80)

She referred the committee to the next six pages which is a summary of how the North Carolina Arts council accomplished its goals and objectives during the fiscal year 1997-98. (See Attachment No. 2, DCR 81-DCR 86)

Ms. Regan continued with "North Carolina Arts Council - At a Glance". (See Attachment No. 3, DCR 87) She stated that over eleven million people participated in Council-funded projects. She pointed out that each dollar granted by the Council was matched by fourteen other dollars. One of the most important things that they do is give money out and the art organization use that to go out and raise additional funds. They have found that by giving out a little bit of state money, art organizations can go out and raise other money.

On the next page is a summary of fiscal year 1997-98 grant activities. (See Attachment No. 4, DCR 88) She referred to their budget growth by using the chart on page 90. (See Attachment No. 5, DCR 90) At the bottom of the page it shows where North Carolina ranks in the country. North Carolina ranks sixth in the South in the per capita ranking.

The pressing needs and priorities for the 1999-00 biennium were pointed out by Ms. Regan. (See Attachment No. 6, DCR 92)

On page DCR 89 there is a full disclosure of how the grant money goes out on a per capita basis to every county in the state. (See Attachment No. 7, DCR 89) In the top ten to twenty there are some rural counties and urban counties. Most of the rural counties that show up in the high numbers are counties that have major art organizations that attract people from all over the country or they have organizations that are very involved in the tourism industry. So, they serve a much broader area in the state. Ms. Regan stated that they try to spread their programs equally throughout the state.

Senator Warren stated that this money is probably the best money spent in our state.

Senator Harris inquired as to what type of follow-up is done by the council to make sure the counties are accountable for the money they receive. Ms. Regan replied that her staff follows up and sometimes will help them after they receive the grant in developing the projects. The recipient files a report indicating how the money was used and the department makes sure that it is consistent with the contract. They have to return money if they did not spend the money in accordance with the original plan. If they get above a certain amount, the State requires an independent audit. If they spend $15,000 to $300,000, a written report is filed. The performance audit kicks in at a higher level of funding.

Representative Jeffus commended them for the wonderful job they are doing for a lot of people with a little bit of money.

Ms. Regan introduced Ms. Elizabeth F. Buford, Deputy Secretary of the Department of Cultural Resources. She underscored several points for the committee. One is their creativity and brainpower outweighs the funding received by their agency. They have several ongoing projects with other agencies that have more funding for certain projects. For example, they work with the Department of Transportation constantly and also the Department of Commerce in developing several heritages projects. They have been working on a project for a year that should be out soon, which is an African-American Heritage Tourist booklet.

Ms. Buford said that she wants the committee to think of them as a business you want to cultivate as an agency that develops the state's economic resources. At a later date, she would like to talk about expansion and capital budget requests.

Representative Wainwright inquired about the Department's partnership with the Department of Commerce. Ms. Buford replied there are several projects. They are developing a publication on African American Heritage Tourism. Also, not just through their tourism aspect but what they call their small business and entrepreneur section, they

are working with two developmental pockets. One is in the Bryson City area and those counties in the far western part of the state. Another project is called the I-95 Project in which they are thinking of ways of developing art and economic resources in those counties. She stated that they have representatives from churches, historical and preservation organizations and several groups such as the Hayti Cultural Center in Durham working with them. They have a network of different African-American organizations that Archives and History and the Arts Council have worked with through the years.

Representative Jeffus thanked the Cultural Resources staff and continued by introducing Mr. Edward Renfrow, State Controller, of the Office of the State Controller.

Mr. Renfrow presented a brief overview of what duties are performed in the Controller's office. The major duties are to maintain a statewide accounting system; maintain a statewide cash management system; maintain a central payroll system; coordinate central compliance of federal and state programs; and, provide comprehensive and timely financial information. (See Attachment No. 8)

Due to the lack of time, Representative Jeffus requested Mr. Renfrow to continue his report when the meeting would resume at 2:30 p.m. At that time the committee would have time for questions.

Meeting adjourned at 9:50 a.m.

Respectfully submitted,

Rep. Maggie Jeffus
Representative Margaret (Maggie) M. Jeffus
Chair

Mary Lee Robinson
Mary Lee Robinson
Committee Assistant

NORTH CAROLINA ARTS COUNCIL

(attachment 1)

DCR 80

INTRODUCTION

North Carolina is known throughout the world for its pottery traditions, literary legacy, Southern Appalachian music traditions, jazz, blues and gospel heritage, and an abundance of artists and arts institutions. Recognizing the state's rich cultural climate in 1964, Governor Terry Sanford established a state arts council to strengthen North Carolina's creativity, invention and prosperity. Since its beginning, the North Carolina Arts Council has been recognized as one of the nation's leading state arts agencies.

To fulfill our mission **to enrich the cultural life of the state by nurturing and supporting excellence in the arts and by providing opportunities for every North Carolinian to experience the arts,** we focus our work in three key areas which correspond to the goals of our long-range plan:

1. Our relationship with the state's **arts resources**—artists, arts organizations and our cultural heritage. It is our responsibility to help these resources remain strong so they can continue to produce rich and diverse arts experiences for the benefit of the state's citizens and visitors.
2. Our relationship to the state's **communities**. We use the word "communities" in the broadest sense to mean the many ways groups of people gather, both geographically or through other shared identities. It is our responsibility to make sure communities are strengthened through the arts.
3. Our relationship as a state agency to the **state's agenda**. It is our responsibility to make sure the arts are valued as a tool for achieving a strong economy, well-educated children, vital communities and a healthy environment.

In building these relationships, we play the roles of **connector, catalyst** and **activist partner, using our abilities to:**

- Provide an overview of the strengths, needs and issues of the arts in the state
- Give grants to activate partnerships between artists, arts organizations and communities which benefit every county in the state
- Convene various groups of people around important topics to forge new partnerships
- Maintain access to a number of information outlets through which we collect, publish and disseminate a variety of resource materials

Following is a 6-page summary of how the North Carolina Arts Council accomplished its goals and objectives during fiscal year 1997-98.

(DCR 81-86 attachment 2)

DCR 81

GOAL I: DEVELOP, PRESERVE, AND SUSTAIN NORTH CAROLINA'S ARTS RESOURCES

1. Support the state's organizations which produce exemplary arts programs.

- 61 organizations received a total of $1,415,650 in General Support grants for ongoing programs and operations.
- $90,900 was awarded to 22 organizations to commission new works in the performing and visual arts.
- 49 organizations received a total of $176,700 for innovative literary, performing, and visual arts programs.
- 24 organizations received long-term organizational assistance through the New Realities Program.
- 43 scholarship grants went to artists and arts administrators to attend conferences and workshops.
- 4 community arts interns and 1 folklife intern received 3 months of professional training through our internship programs.
- A total of $23,777 in grant funds was provided to 18 organizations for consultancies in facility development, fundraising, board and staff development, project planning and audience development.
- Funded Arts NC to manage the Peer Advisory Network which provided peer advisors to assist 18 organizations with management issues at a very affordable cost.
- Convened a Theater Gathering attended by over 50 theater professionals, a meeting of literary presenters of reading series to develop a network and writers' residency projects, and an Opera Roundtable.
- Provided funds to the African-American Dance Ensemble to help bring the 11th Annual International Black Dance Conference to North Carolina.

2. Preserve and promote the state's folk cultural heritage through documentary projects and public programs.

- 8 folk artists received the North Carolina Folk Heritage Award of $5,000 and were honored in a special ceremony in Raleigh attended by 800 people.
- 13 artists and organizations received a total of $71,000 for festivals, radio programs, exhibitions and projects which documented Lumbee Indian gospel music, the African-American shout band tradition, Waccamaw-Siouan quilt-making and other traditions.
- Organized a survey in northeastern North Carolina and hired 3 folklorists to document a broad sampling of cultural traditions which help define one of the most overlooked regions of the state. Their work led to the publication of the *North Carolina Coastal Folklife Survey*, and to the hiring of a folklorist to continue fieldwork in the region.
- Completed resource inventories for the traditional music and Cherokee arts and culture trails as part of the Blue Ridge Heritage Initiative.
- Provided funds to the Southern Folklife Collection at UNC-Chapel Hill to restore 100 hours of field recordings of North Carolina traditional artists.
- The NC Pottery Center opened in Seagrove in November, the culmination of several years of planning with Arts Council staff.

3. **Improve financial support and professional opportunities for North Carolina's artists.**

- Fellowships of $8,000 each were awarded to 10 composers and songwriters, 4 playwrights, and 11 writers to support their artistic development and the creation of new work.
- Residencies were awarded to 1 writer at the Vermont Studio Center, 2 visual artists and 1 writer at the Headlands Center for the Arts in California, and 2 writers at La Napoule Foundation in France.
- Conducted the selection process for North Carolina's Poet Laureate and provided funds to subsidize readings and public presentations.
- Through a partnership program with the South Carolina Arts Commission Media Arts Center, provided grants to 13 North Carolina film/video artists to access the center's equipment, studios and training programs.
- Funded the Regional Artist Project Grants Program which made awards ranging from $250 - $1,500 to 146 artists through 11 regional consortia of local arts councils serving 89 of the state's 100 counties.
- Published the North Carolina Touring Artist Directory, a listing of almost 200 selected performing, visual, and literary artists who work in performance and residency settings.
- Produced the Arts Market, a booking conference and artist showcase, in partnership with Thalian Hall Center for the Performing Arts in Wilmington. Over 150 presenters and 75 artists and ensembles participated in the 3-day event.
- Residency workshops for artists and presenters were conducted, and a series of artists' workshops and planning meetings will be conducted around the state in 1999.
- Promoted North Carolina touring artists to out-of-state presenters at the annual Southern Arts Exchange booking conference.

GOAL II. DEEPEN THE CONNECTION BETWEEN THE ARTS AND NORTH CAROLINA'S COMMUNITIES

1. **Strengthen partnerships with local arts councils to provide arts programming in all 100 counties through the Grassroots Arts Program.**

- More than 700 organizations received a total of $1,343,367 through the Grassroots Arts Program's per capita funding system.
- Provided 30 grants totaling $115,061 to local arts agencies to strengthen their programs for underserved populations, to hire additional staff, to improve technology capabilities, to encourage increased local government contributions, and for professional development opportunities.
- Local arts councils received a total of $199,580 to support visual arts, folklife, touring, and arts in education programs.
- Organized a traveling exhibition of visual arts fellowship recipients with the Mint Museum of Art, and toured it to the galleries of 8 local arts councils across the state.
- Work began on a gallery resource guide for local arts councils and small town exhibition venues.
- Staff conducted workshops and planning sessions at our annual Local Arts Council Executive Directors' Retreat.

2. **Increase access to racially and culturally diverse arts programs.**

- The Multicultural Organization Development Program provided $181,750 to strengthen the arts programs of 22 African-American, Native American, Latino, and Asian-American organizations.
- Scholarships were awarded to 10 representatives of multicultural organizations to attend the Association of American Cultures' Open Dialogue Conference in Dallas, Texas.
- Grassroots Arts Program's per capita funds were distributed according to the percentage of racial and ethnic diversity of the county population.
- $435,098 was awarded for arts programs that build appreciation and understanding of the state's diverse cultures.
- Developed the Mexico Initiative in conjunction with our sponsorship of the Mexico Ahora exhibition at the Mint Museum of Art; 8 projects were funded which provided linkages to Mexican arts and culture and to Mexican-Americans living in North Carolina. Funded a folklorist to do extensive fieldwork on needlecraft traditions with women born in Guatemala and Mexico and now living in the Piedmont, and the Asheville Art Museum developed an exhibition which examined their work in context with their communities, created an education resource book, trunk and exhibit panels for use by schools and community groups, and produced a community festival to highlight aspects of Latin American and Mexican-American culture in North Carolina.
- Held series of 3 workshops on African-American heritage tourism to provide training and develop collective strategies for African-American organizations.

3. **Increase arts programming in underserved communities.**

- 2 large-scale cultural tourism initiatives were developed, one focusing on rural counties in the west and the other on the northeast coastal region.
- Convened a Think Tank on Community Development and the Arts with 10 artists and arts administrators to discuss the role of the arts in building communities and in finding solutions to problems of economics, education, racism and youth at-risk. Published and distributed a report on the findings of our panelists.
- A staff member serves on the Governor's Issue Team for Personal & Parental Responsibility.
- Convened an Access Advisory Group to recommend strategies to help arts organizations comply with 504/ADA regulations and to increase and strengthen accessible arts programs.
- Improved accessibility of Arts Council offices by building a new fully accessible conference room and a ramp from the parking lot to the main entrance.
- $25,000 provided for arts programs in hospitals, nursing homes, and mental health centers and for programs designed specifically for students and adults with disabilities. These funds supported a tour of "My Sister's Sister," a program which combines professional theater, community interaction and education, to six mental health center's in the state.

4. **Provide support for performances and artists' residencies in communities across the state.**

- $293,500 awarded for performance series, artist residencies of two weeks to six months, projects to strengthen the programs of the state's arts presenters, and a variety of performances and activities in schools and community venues.

- Provided funding and helped with a planning process to develop a seven-month residency at Pocosin Arts, a rural arts center which draws its mission from the many cultures and natural environment of the northeast.
- The North Carolina Touring Artist Directory was produced as a resource guide to strengthen partnerships between presenters, schools, communities and artists who work in performance and residency settings.
- Organized a joint meeting of the leadership of the North Carolina Presenters' Consortium and the South Carolina Presenters' Network to discuss opportunities for collaborative projects.

5. Develop and support public art projects that enliven community buildings and spaces.

- Installed 9 new art works in state buildings, bringing the total of the state's public art collection to 50; began developing a system for conservation and repair of works in the collection; and published educational materials for each completed artwork and included this information on a newly developed web site.
- Began a slide bank of the work of artists who create public art for use as a resource for communities pursuing public art projects.
- Assisted 6 communities with public art planning and worked with the Raleigh Durham International Airport on a public art master plan which will lay the groundwork for multiple projects to be integrated within the airport's 5,000 acres of land and 600,000 square feet of terminal space.
- Began development of an outreach program on public art for the NC Museum of Art.
- Staff gave lectures at universities and in communities across the state, and convened bi-monthly meetings of the Public Art Network.

GOAL III. HEIGHTEN UNDERSTANDING OF THE ROLE AND VALUE OF THE ARTS TO THE STATE

1. Build public awareness about the benefit of the arts to the lives of North Carolinians.

- Council's chair and executive director met with the editors of 3 major daily newspapers in the state to encourage increased understanding and coverage of the arts. Executive director was interviewed on 3 television programs.
- Council's 30th anniversary forum, *Dialogue: The Arts and the Public Purpose*, was broadcast on a cable channel by the Agency for Public Telecommunications and was followed by a call-in segment with four staff members answering caller questions.
- Comprehensive press packet, which included 30th anniversary-related press releases, a Council profile, funding facts and grant recipient testimonials, was sent to more than 400 North Carolina newspapers, public radio stations and freelance writers.
- County Histories, which included narratives and listings of all Council grants to the county over the years, were published for each of the 100 counties and distributed to all legislators and local arts councils.
- A new logo, developed to take the Council into its fourth decade, was included in the grant packet to be used on grantees' printed materials.

- ARTS brochure was produced to give an overview of the Council and the arts in the state and is distributed to Welcome Centers, airports and many other public places.
- *NC ARTS* began a 3 times per year publishing schedule and reached more than 38,000 readers with each mailing.
- New web site, *www.ncarts.org*, came on line in 1997 and was designed to provide resource information to artists, arts organizations, tourists and the general public.
- Slide show on the arts in the state was developed.
- *Artful State*, a 20-minute video, was commissioned by the Council to commemorate 30 years of public support for the arts in North Carolina and presents thoughtful and sometimes humorous comments on art from dozens of citizens, civic leaders and artists.

2. Further the role of the arts as an essential part of education.

- Arts in Education (AIE) Partnership grants totaling $169,212 were awarded; 47% of these funds benefited 10 rural, low-wealth counties.
- New AIE Development category funded 13 projects totaling $41,041.
- A total of $171,784 funded 32 artist residencies, after-school programs and summer arts camps as well as 22 short-term performing arts projects.
- Completed a two-year assessment project with the NC Education Standards and Accountability Commission, which trained a small cadre of arts educators to write performance-based or authentic assessment tasks who, in turn, trained a larger group to use these tasks in the classroom. Results are being placed in a statewide database for use by other arts educators in the state.
- Published *The Art of Learning: A Guide to Outstanding North Carolina Arts in Education Programs* to share information about model programs funded by the Council.
- *Connect the Arts: Imagination to Community* conference was co-sponsored with the NC Alliance for Arts Education and was attended by 120 educators, artists and arts administrators, and showcased model arts education and arts *in* education programs from across the state.
- Council's AIE director coordinated several "residency samplers" as part of the 1998 Arts Market; 40-minute participatory workshops featured experienced artists demonstrating their residency process to educators and presenters.

3. Develop initiatives to strengthen the role of the arts in economic and community development, tourism, international relations and human services.

- Worked closely with the Blue Ridge Parkway Division of the National Park Service and the Eastern Band of Cherokee Indians to implement the Blue Ridge Heritage Initiative; completed resource inventories for the traditional music and Cherokee arts and culture trails which are part of the initiative; formed community planning teams in 16 of the 27 counties involved and set criteria for local communities' participation in the project; and raised an additional $179,000 to support the initiative.
- Collaborated with North Carolina Heritage, Inc. on the 2nd annual Heritage Tourism Conference in Greensboro; staff organized workshops and served as guest speakers on several cultural tourism topics.

- Folklife staff produced "Across the Blue Ridge," an evening of traditional music and dance from the Blue Ridge Mountains of North Carolina and Virginia, to acquaint tourism professionals with these resources.
- Work continues with the Department of Commerce on several joint projects including an African-American heritage publication and a 19-county eastern heritage initiative in the northeast coastal region.
- Council's folklife director and one board member/folklorist participated in the Governor's Trade Mission to Europe.
- Worked with Conservation Trust on the nomination of the New River to receive the American Heritage River designation; helped develop a cultural component of the required action plan which was cited as one of the reasons the New River was chosen to receive the designation.
- Organized and funded a consortium of major summer performing arts festivals, outdoor dramas, and theaters to collectively develop joint marketing strategies and pursue initiatives to increase cultural tourism to their sites.
- Funded an international exchange project involving United Tribes of NC and members of the Maori Tribe in New Zealand.
- Held planning meetings with Community College System staff members to develop a proposal for a new partnership initiative.

(attachment 3)
DCR 87

North Carolina Arts Council - At a Glance

Arts Council Programs

- take artists into the schools
- tour professional dance, music and theater companies throughout the state
- support the state's major professional music, dance, theater, visual arts and literary organizations, many of which have regional and national reputations
- fund local priorities through the decentralized Grassroots Arts Program
- recognize our finest folk artists with Folk Heritage Awards and our finest career artists with fellowships
- provide targeted assistance to organization in previously underserved communities
- work with local community leaders to develop cultural tourism opportunities

Arts Council Services

24 staff members work with arts and other community organizations to help them expand, stabilize, develop in appropriate directions and become managerially stronger. For special attention, staff targets rural areas, urban organizations in communities with limited resources and older, established organizations going through transition. Through conferences, workshops, publications, information and special events, the staff provides support and technical assistance to the citizens of our state who are using the arts to build their communities.

Impact of Arts Council-funded Activities in FY 97-98

- Over 11 million people participated in Council-funded projects.
- Projects were funded in every county in the state.
- Grants went to 491 arts organizations, 335 school, community and civic groups, and 44 individuals.
- Children in 83 counties participated directly in 373 funded projects.
- Each dollar granted by the Council was matched by fourteen other dollars, many generated directly by the Council's grant.

Non-Profit Arts Organizations in 1998: 2,286

104 arts councils	193 arts centers/facilities/schools
319 artist organizations	317 arts festivals/concert series
67 arts service organizations	15 arts publications
52 literary magazines, presses	4 cinemas
106 dance companies	278 galleries and museums
525 music performing groups	306 theater performing groups

Organizations Assisted by the Arts Council Play a Significant Role

- in North Carolina's tourism industry.
- in downtown revitalization projects in numerous towns and cities.
- in the creation of jobs, both within arts organizations and indirectly in restaurants, hotels, parking lots, printing and catering businesses.
- in attracting and keeping desirable industries by making the community a more stimulating place in which to live and work.

(attachment 4)
DCR 88

North Carolina Arts Council - Summary of FY 97-98 Grant Activities

Number of Applications	
Individuals	462
Organizations	1,329
	1,791

Number of Awards		
Individuals	44	
Organizations	1,159	
	1,203	(67% of applications are funded at least partially)

Amount Requested	$ 10,737,894	
Amount Awarded and Spent	$ 4,571,663	(43% of requested amount is funded)
Total Project Costs	$ 67,113,114	(7% of costs provided by Arts Council)
Total Income of Grantee Organizations	$ 145,127,639	(3% is Arts Council portion)

* * * * *

Funded Organizations: 826

Arts Organizations	
performing groups	168
performance facilities	6
museums and galleries	35
small presses, literary magazines	7
fairs, festivals, concert series	61
arts centers	50
arts councils	98
arts service organizations	20
artist associations	46
Total arts organizations	**491**

Other Community Organizations	
schools	115
higher education institutions	17
libraries	20
humanities/historical societies, museums	12
community service organizations	121
parks, recreation departments	15
radio, television	1
other community groups	34
Total other community organizations	**335**

Prepared January 12, 1999

North[redacted]olina Arts Council FY 97-98 Per Capita Distribut[redacted] 1/11/99

COUNTY	$/CAPITA	GRANTS	COUNTY	$/CAPITA	GRANTS	COUNTY	$/CAPITA	GRANTS
1 Clay	5.91	46,442	34 Catawba	0.48	61,358	67 Chatham	0.23	10,220
2 Mitchell	5.09	75,727	35 Alleghany	0.45	4,253	68 Gaston	0.23	41,343
3 Tyrrell	3.82	14,334	36 Pamlico	0.43	5,185	69 Harnett	0.23	18,488
4 Swain	2.76	32,140	37 Surry	0.43	28,429	70 Granville	0.21	8,618
5 Transylvania	2.24	61,411	38 Craven	0.42	36,123	71 Lincoln	0.21	11,892
6 Durham	2.10	409,242	39 Pitt	0.42	49,941	72 Cabarrus	0.20	22,987
7 Watauga	1.96	79,639	40 Stanly	0.42	22,562	73 Davidson	0.20	27,410
8 Madison	1.90	34,200	41 Alamance	0.41	47,533	74 Davie	0.20	6,041
9 Bertie	1.68	34,798	42 Columbus	0.41	21,159	75 Iredell	0.20	21,439
10 Hertford	1.68	37,473	43 Cumberland	0.41	123,145	76 Johnston	0.20	19,551
11 Dare	1.61	42,565	44 Hoke	0.41	11,733	77 Nash	0.19	16,077
12 Alexander	1.39	42,824	45 Robeson	0.41	45,628	78 Bladen	0.18	5,515
13 Orange	1.34	144,304	46 Sampson	0.40	20,489	79 Brunswick	0.18	11,512
14 Mecklenburg	1.04	618,609	47 Pasquotank	0.39	13,146	80 Burke	0.18	15,203
15 Forsyth	1.03	293,582	48 Halifax	0.38	21,686	81 Camden	0.18	1,182
16 Beaufort	0.94	41,157	49 Wilson	0.38	25,790	82 Currituck	0.18	2,983
17 Ashe	0.90	20,750	50 Duplin	0.37	15,965	83 Franklin	0.18	7,816
18 Buncombe	0.90	172,565	51 Jones	0.34	3,246	84 Graham	0.18	1,386
19 Gates	0.83	8,208	52 Polk	0.34	5,423	85 Greene	0.18	3,138
20 Guilford	0.82	310,093	53 Rowan	0.33	40,030	86 Hyde	0.18	937
21 Yancey	0.74	11,986	54 Rutherford	0.32	18,812	87 Macon	0.18	4,909
22 Chowan	0.73	10,261	55 Richmond	0.31	14,369	88 Martin	0.18	4,751
23 Lee	0.66	31,022	56 Union	0.31	31,623	89 McDowell	0.18	6,916
24 Caswell	0.65	13,910	57 Cherokee	0.30	6,581	90 Montgomery	0.18	4,420
25 Jackson	0.65	18,966	58 Vance	0.30	11,893	91 Northampton	0.18	3,800
26 Haywood	0.64	32,254	59 Moore	0.29	20,184	92 Onslow	0.18	27,650
27 New Hanover	0.61	87,526	60 Pender	0.29	10,263	93 Perquimans	0.18	1,966
28 Anson	0.58	13,814	61 Caldwell	0.28	20,638	94 Person	0.18	5,982
29 Edgecombe	0.54	30,405	62 Cleveland	0.28	25,021	95 Rockingham	0.18	16,391
30 Carteret	0.52	30,214	63 Stokes	0.28	11,944	96 Scotland	0.18	6,406
31 Avery	0.51	7,790	64 Wayne	0.27	30,609	97 Warren	0.18	3,363
32 Henderson	0.49	38,227	65 Lenoir	0.26	15,410	98 Wilkes	0.18	11,455
33 Wake	0.49	261,013	66 Randolph	0.24	28,702	99 Yadkin	0.18	6,323
						100 Washington	0.00	* 0
						Totals	0.00	4,314,394*

* In addition, $185,312 was granted to statewide organizations for projects affecting more than one county and $71,957 was granted to organizations outside the state for projects benefitting North Carolinians.

* Washington County returned their $2,509 awarded funds

(attachment 7)
DCR 87

(attachment 5)
DCR 90

NORTH CAROLINA ARTS COUNCIL BUDGET GROWTH

Fiscal Year	State Recurring Appropriation	NC Population	Funds Per Capita	# Nonprofit Arts Organizations
1989-90	$ 5,073,527	6,568,810	77.2 ¢	1,494
1990-91	$ 4,967,020	6,632,448	74.9 ¢	1,721
1991-92	$ 4,709,919	6,752,401	69.8 ¢	1,877
1992-93	$ 4,736,456	6,840,211	69.2 ¢	1,940
1993-94	$ 5,362,035	6,949,095	77.2 ¢	2,063
1994-95	$ 5,364,901	7,023,663	76.4 ¢	2,133
1995-96	$ 5,403,765	7,194,238	75.1 ¢	2,183
1996-97	$ 5,425,897	7,309,514	74.2 ¢	2,177
1997-98	$ 5,486,242	7,431,161	73.8 ¢	2,222
1998-99	$ 5,525,757	7,544,360 est.	73.2 ¢	2,286
Percentage Change Over 10 Years	**+ 8.9%**	**+ 14.8%**	**- 5.2 %**	**+ 53 %**

* * * * *

STATE ARTS AGENCIES' LEGISLATIVE APPROPRIATIONS - FY 98-99

Per Capita Ranking* (in cents)

1	Hawaii	505.45
2	Massachusetts	282.46
3	Minnesota	276.20
4	New York	252.91
5	Michigan	221.79
46	Tennessee	43.31
47	Oregon	42.93
48	Washington	36.37
49	Texas	26.57
50	Montana	21.34

Southern Arts Federation States:

6	Florida	218.21
14	Louisiana	115.86
16	Alabama	106.35
18	South Carolina	99.84
19	Kentucky	94.89
26	**North Carolina**	**77.12**
28	Mississippi	74.20
36	Georgia	58.34
46	Tennessee	43.31

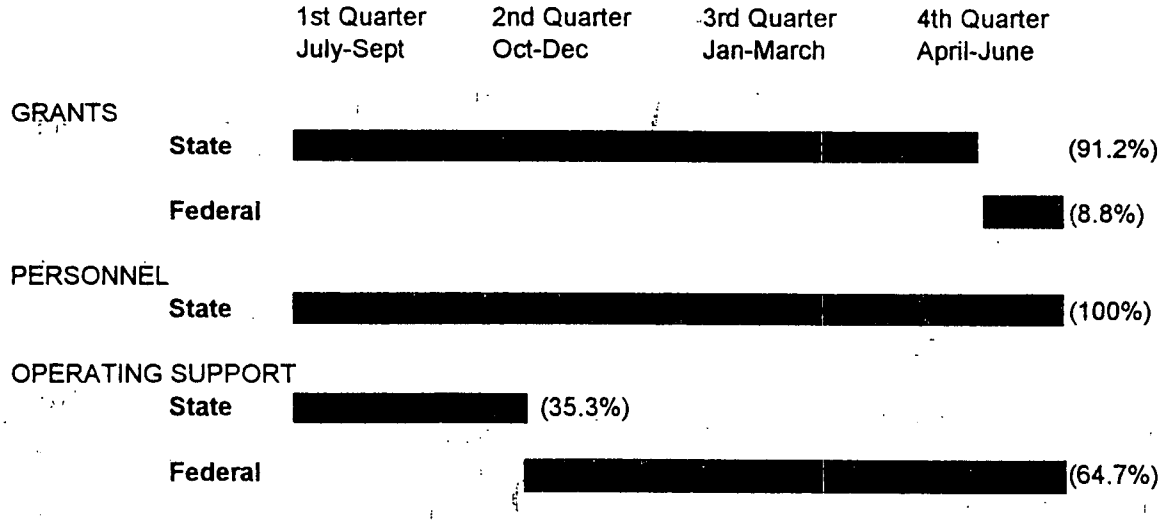
*population figures are 1990 census—not adjusted annually as are NC population figures at top of chart

DCR 91

NORTH CAROLINA ARTS COUNCIL – SUMMARY OF FY 98-99 INCOME

State of North Carolina	
Grant Program	$ 2,903,235
Grassroots Arts Program-Recurring	1,343,367
Grassroots Arts Program-Non-Recurring	335,750
Personnel	1,134,999
Operating Support	144,156
Total State Income:	**$ 5,861,507**
National Endowment for the Arts	
Basic State Grant:	
Grants	$ 158,000
Operating Support	264,700
Total Basic State Grant	$ 422,700
Arts in Education Grant	$ 58,500
Underserved	$ 98,400
Blue Ridge Heritage Initiative	$ 125,400
Total Federal Income:	**$ 705,000**
TOTAL FY 98-99 INCOME	**$ 6,566,507**

Listed below is a chart depicting what percentage of our annual expenses our state appropriation covered in FY 97-98



(attachment 6)
DCR 92

NORTH CAROLINA ARTS COUNCIL
PRESSING NEEDS AND PRIORITIES FOR THE 99-01 BIENNIUM

I **Primary Arts Organizations** -- In 1990, we provided annual support to 13 flagship institutions with grants totaling $848,500. Today, we fund 78 with $1,583,400. Most of these orchestras, museums, galleries, dance and opera companies, theaters, outdoor dramas, festivals, multicultural organizations, literary groups, craft schools and arts centers have seen their operating budgets double or triple during this decade along with their audiences and the demand for high quality arts programs. Due to an almost flat budget during the nineties, our funding has decreased significantly for many of these institutions at a time when significant sustaining support is no longer available from other sources. We anticipate that at least 10 new organizations will seek major funding by the year 2000.

II **Arts in Communities** -- For more than 20 years the Grassroots Arts Program has provided arts funds to all 100 counties through the nation's most extensive and highly respected network of local arts councils. These arts councils have become vital players in community planning and economic development over the last decade. Yet, recurring funding for Grassroots remains at its 93-94 level.

The Regional Artists Project Grants Program provides support to artists at the local level. Funds are distributed regionally through 12 local arts council partnerships which help artists in 93 counties advance their professional and creative development. In FY 97-98, 369 artists across the state applied for awards but only 146 received grants.

III **Rural Arts Leadership** -- The state's most rural counties lack the infrastructure and resources to provide sustained quality arts programs in their communities. Rural arts councils have trouble attracting and keeping qualified directors because of low salaries, isolation and a limited pool of volunteers. Rural areas need greater access to arts in education opportunities to animate and improve student learning, but lack the administrative and financial resources to sustain a commitment to these programs. Rural communities are often bypassed by touring artists who would like to work there but need community resources to produce performances and coordinate arts activities.

IV **Cultural Tourism** -- North Carolina's renowned arts and culture are fueling the fastest growing segment of the tourism industry—cultural tourism. This trend has great potential for sustainable economic impact on our communities, particularly in rural areas. North Carolina is out in front of this national trend, largely because of the Blue Ridge Heritage Initiative which is developing traditional music and Cherokee cultural trails to attract tourists and strengthen the economy in 27 mountain counties. A similar project is being planned in the easternmost counties. Under development also are an African-American cultural trail and a trail linking summer performing arts venues. To this point, nearly all funding has come from a federal grant which cannot be repeated.

V **Arts Information and Research** -- The Arts Council maintains a statewide repository of resource material and information about the arts, including a comprehensive database on North Carolina artists, organizations, arts supporters and community arts programs. It serves as a clearinghouse to link citizens with one another and to provide training for program development. Services include the distribution of up-to-date reference materials, resource information, and information on opportunities for artists and organizations. There is a pressing need for a web site network and technological development for local arts organizations, publications, training, research and analysis, including an economic impact study, and technological upgrades at the agency to make data more accessible.

VI **Basic Operating Support** – The state appropriation to the North Carolina Arts Council provides only four months of basic operating support, after which the Arts Council is dependent on federal funding for all operating costs.

DCR 93

DEPARTMENT OF CULTURAL RESOURCES

ARTS COUNCIL - FUND 1330

Fiscal Data

	1997-1998 Actual	1998-1999 Authorized	1999-2000 Recommended	2000-2001 Recommended
Total Requirements	$ 6,195,343	$ 7,751,656	$ 6,150,156	$ 6,069,962
Receipts	$ 741,637	$ 1,300	$ 661,094	$ 580,900
General Fund Appropriation	$ 5,453,706	$ 7,750,356	$ 5,489,062	$ 5,489,062
Number of positions	24.25	24.24	24.24	24.24

Source: 1999-2001 Continuation Budget Document

Attachment 8

B1

OFFICE OF THE STATE CONTROLLER

Report to the General Assembly
January 1999

Edward Renfrow
State Controller

OFFICE OF THE STATE CONTROLLER

Mission Statement

Ensure proper financial reporting and accounting of all state agencies and institutions by providing leadership, guidance, and policies in all accounting matters.

Goals

- Provide timely, accurate and consistent financial information
- Assure that state financial activities are managed properly, in accordance with national and state standards and requirements
- Allow the flow of true electronic commerce
- Give the state's leaders the tools needed to make wise decisions
- Streamline business processes and reduce costs

Operations

The Office of the Controller is responsible for the accurate and complete accounting and financial reporting for all state agencies and institutions through the development and operation of the North Carolina Accounting System (NCAS), the cash management control system, and a central payroll system. The State Controller, appointed by the governor and confirmed by the General Assembly for a 7-year term, is the state's Chief Financial Officer. The State Controller's Office also provides leadership, guidance, and consulting services in all accounting matters to all state agencies and institutions in support of agency and central management requirements.

OFFICE OF THE STATE CONTROLLER

The machinery of government is not very exciting. It doesn't pave roads, deliver health care or teach children. But—and this is a big "but"—that machinery does make all these things happen better, faster and cheaper for the people of North Carolina.

Take the Office of the State Controller, for instance. Few citizens know what our office does, even though it is responsible for how their tax dollars are spent. As the chief financial office of the state, we establish the ground rules for how financial activity takes place, in accordance with national rules and standards. That means two things:

- Providing management tools and safeguards to protect the state's money
- Reporting the results of these activities daily, weekly, monthly and annually

The more effectively we fulfill these functions, the more effectively state managers can manage their programs—and the more effectively state leaders can make decisions.

By implementing the North Carolina Accounting System (NCAS) in 1995, the Office put accurate, up-to-date and easy to use financial information at decision-makers' fingertips. Now we must build on that foundation to utilize the potential of new technology, extend the flow of information and leverage the state's resources into the future.

This report explains how.

A STRONG FOUNDATION

Continuing support from the North Carolina General Assembly has enabled the Office of State Controller to implement a state of the art accounting system. Starting with a blank sheet of paper in 1988, we rolled out a statewide accounting system in 1995 and trained 1,000 end users in its core operations. Since then, the system has expanded to provide on-line, real-time financial information to 5,000 personnel in the state's 75 primary agencies.

Our office is proud that the new accounting system was completed on time and within budget, with no major roadblocks. In fact, it was one of the most successful systems implementations the state has ever had. The functionality of the system puts North Carolina far ahead of most other states in financial management, although we are still not where we need to be in today's environment.

What makes the North Carolina Accounting System so valuable? The system balances central management control over the structure of financial information with distributed responsibility among state agencies. For the first time, the state has:

- Uniform, consistent information that can easily be evaluated and compared
- Standardized policies and procedures
- Access to real-time financial information
- On-line availability of documentation

From this vantagepoint, we can clearly see what's ahead. Advances in technology have created a different environment, one where mainframe and client/server technologies coexist and the Internet joins diverse platforms in a seamless web. To take advantage of the benefits of new technology— which is more interactive and provides better-automated tools—the state must continue to build on the strong foundation it has erected.

Actually, most of the hard work has already been done: the policies and procedures are in place, processes are standardized, data is integrated and documentation is accessible. None of this needs to be changed to migrate to the technology of the future. What is required, however, is coordinated, focused effort to meet the demand for the system's capabilities—now and in the future.

A COOPERATIVE EFFORT

The first and most important task is to bring the state's central management agencies together to assure proper controls and achieve economies of scale. With this foundation, the state can take advantage of the business potential of new technologies to achieve our long-term goals:

- Provide timely, accurate and consistent financial information
- Assure that state financial activities are managed properly, in accordance with national and state standards and requirements
- Allow the flow of true electronic commerce
- Give the state's leaders the tools needed to make wise decisions
- Streamline business processes and reduce costs

North Carolina's leaders have already seen how the decision support system works and what it means for those making decisions and those managing programs. The success of the past highlights the need to continue our progress—and to make the North Carolina Accounting System even better. We know the system can be easier to use, provide greater interaction with taxpayers and improve business processes. However, the Office of the State Controller wouldn't seek the following investments if we didn't think they could also generate significant long-term savings.

Before we explain our five budget priorities, let us be perfectly clear: the funds requested in the first year of the biennium are for *planning* purposes only. There is some start up implementation funding requested for the second year of the biennium, however full *implementation* of these systems and enhancements will require additional investments.

Here is how we can help.

PRIORITY 1: SUPPORT THE INCREASING DEMAND FOR NCAS SERVICES

The body of NCAS users has grown rapidly. The Office of the State Controller correctly anticipated this trend, which in turn has created an increasing demand for system capacity. To meet the state's growing needs, the Office is requesting $2,300,000 in 1999-2000 and $2,000,000 in 2000-01 in continuing funds. These funds will allow us to:

- Monitor, refine and improve support services to the system's 5,000 users
- Protect investments in data processing equipment and software through maintenance agreements
- Provide replacements for required check printing equipment that have exceeded their useful lives.
- Support computer/data-processing services

These strategies are designed to contain costs in the future.

PRIORITY 2: DEFINE AND MODEL ELECTRONIC COMMERCE INITIATIVES

The NCAS has proven its value through the Enterprise Server (mainframe) approach to financial management. Now it is time to take the system the next step into the future, by implementing some electronic commerce initiatives that will enhance the business use of the NCAS and reduce the cost of doing business.

The Office is requesting one-time funding in the amount of $1,000,000 for functional and technical contractual services to model these electronic commerce initiatives for the NCAS. Statewide implementation of some of these initiatives will require additional funds which will be determined during the modeling phase. These electronic commerce initiatives include:

- **Electronic Payment of Invoices** - Rather than printing and mailing checks to vendors for payments for goods and services, the NCAS will electronically transfer the funds, along with the remittance advice, from the agencies' bank accounts directly into the vendors' bank accounts. In addition to saving hundreds of thousands of dollars in paper and mailing costs, this initiative will free up the time currently spent by agency personnel handling the manual payments. Most, but not all, payments would have this capability.

- **Web-based Purchasing** - Goods will be purchased directly over the internet. Agency Requisitioners will be able to access vendors' catalogs and select the desired goods directly, without having to wait for a purchase order to be produced by the buyer in Purchasing. The catalogs available for such processing will be goods that have been placed on term contract by the Division of Purchase & Contract (P&C). Transaction data will be interfaced to NCAS files for payment and reporting purposes. Purchase orders would not have to be printed and mailed for such transactions.

- **Evaluated Receipt Settlement** - This initiative will allow agencies to pay selected vendors upon receipt of purchased items, without requiring an invoice from the vendor. This process will be used only for term contract transactions, where firm prices have been negotiated by P&C. This processing change will save processing and filing time in Accounts Payable, and should allow the state to negotiate a lower price with vendors, since they will no longer have to prepare and mail invoices for such transactions. This feature may be combined with the Web-based purchasing process.

PRIORITY 3: DEFINE AND MODEL EVOLUTION PROJECTS TO ENHANCE NCAS

The Office of the State Controller has shown what a consistent, uniform information database can mean to the state's decision-makers and agencies. Now we are trying to build on that infrastructure to better meet the state's needs. We are requesting $2.5 million in non-recurring funds for the four Evolution Implementation Projects, which together will help North Carolina manage its finances in a more businesslike manner.

The funds will continue these projects from the business requirements phase into the design phase, at which time full statewide implementation costs can be determined. Our priorities are:

1) STATEWIDE ACCOUNTS RECEIVABLE AND DEBT SETOFF IMPLEMENTATION. The first step is to improve the right side of the checkbook, the state's revenue stream, by collecting funds more quickly. Accounts receivable and bad debt collections add up to a large amount of money—some $4 billion on the balance sheet—and yet the state does not have the capacity to give an accurate aging report. Recognizing the limitations of this aspect of the state's current financial processes, the 1997 session of the General Assembly approved a study of accounts receivable and debt collection. The requested funding will enable the Office to follow up on the study recommendations and prepare to implement the identified best business practices in this area.

2) NCAS DATA WAREHOUSE EXPANSION. A data warehouse makes it possible to bring dissimilar information together and access it in new and simpler ways. Imagine a warehouse with rows and rows of files and an assistant who finds the right files and synthesizes them for you—and you get the idea of its value. Our office has already started heading in this direction with decision support that allows users to look at account balances by the type of activity. Now we need to move down to the next level, the transaction level in NCAS. We request funding for moving to a data warehouse environment, which will ultimately give more people greater access to information at a lower cost.

3) CENTRAL PAYROLL REPLACEMENT. The state's central payroll system, which is now over 20 years old, is becoming more difficult to maintain—and increasingly costly. Our office is continually challenged to find and keep qualified technical people to maintain the obsolete system, and hiring contract programmers further inflates the cost. We need to develop a model for providing a co-existent environment with the current system or replacing it. The requested funding will enable us to review the implementation of the SmartStream Human Resource software at the General Assembly,

explore co-existent models, define central payroll requirements and develop a statewide payroll model that can accommodate at least 100,000 employees.

4) CASH MANAGEMENT REPLACEMENT. The current Cash Management Control System is used by the Office of the State Controller to track, record and control deposits and disbursements at the budget code level; it is used by the State Treasurer to record information passed from the agencies and our office. Since the system is not directly tied into the NCAS, however, state agencies must do dual data entry, a time-consuming process and a duplication of effort. We request funds to review the system's functionality, document statewide system requirements, model the cash management control function and implement electronic commerce capabilities within the NCAS software. This will reduce duplicated effort—and the state's costs.

PRIORITY 4: IMPLEMENT CLIENT SERVER PILOT PROJECT

The NCAS has proven its value through the Enterprise Server (mainframe) approach to financial management. Now it is time to take the system the next step into the future, by implementing the system in the newer technology of the client/server environment.

The North Carolina General Assembly has already migrated to a client/server payroll system and plans to migrate their financials as well. Partnering with them as a pilot agency, the Office of the State Controller can model the NCAS in a client/server environment. We are requesting one-time funding in the amount of $450,000 in the second year of the biennium to purchase the client/server software and assist in the implementation. The client/server version of the accounting system offers the following advantages:

- A Windows-based workflow technology that is more intuitive and therefore easier to use.
- Simplified financial processes, which should save both time and money.
- Reduced training needs, further cutting costs.

Let us explain with an example. In the current environment, a requisition is sent from an employee to a manager for approval and action. The requisition is filed in a queue, and is accessed when the manager goes to a particular mainframe screen to check if anything needs to be done. In the client/server application, on the other hand, the requisition will immediately be sent to the next level with an e-mail notification that action is required – which will result in more timely action and hours saved.

Because this effort represents an evolution of technology and operates on the same philosophy as the existing system, the state will not need to redo its policies or procedures. Pilot testing is critical to its success, however. During this phase, our Office can model the software to suit the way North Carolina conducts business, make sure it works, train users and work out the inevitable kinks in implementation.

PRIORITY 5: BEGIN NCAS PROJECT IMPLEMENTATION

As explained in priorities 2 and 3 the Office of the State Controller is seeking funding of several key initiatives during the first year of the biennium. These initiatives will enhance the business use of the North Carolina Accounting System and continue the evolution of NCAS technical architecture to increase business efficiency and effectiveness. Funding of these initiatives will provide functional and technical support to develop requirements definitions documentation and models for statewide implementation. With the continued support of the General Assembly, central financial management organizations and state agencies, we can continue to build on the NCAS foundation. Cost of implementing these projects will be determined during this modeling phase. However, to ensure that these initiatives move to fruition, we are requesting $5,000,000 in the second year of the biennium for start-up implementation costs. Additional funding will be necessary to fully implement these initiatives.

LEGISLATIVE INITIATIVES

The 1998 session of the General Assembly enacted several special provisions resulting in additional initiatives for the Office of the State Controller. They are as follows:

- **Pilot Program on Reporting of Bad Debts by State Agencies (Section 26, Session Laws 1998-212)**

The Office of the State Controller (OSC) has been directed to provide further information on bad debt write-offs and contractual adjustments for health care institutions to the General Assembly. The OSC is in the process of establishing a procedure by which health care institutions under or affiliated with the Department of Health and Human Services or The University of North Carolina will forward information related to collection of bad debts. The pilot program is intended to concentrate on agencies that have a large amount of bad debts, in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government. The OSC is scheduled to report the results of the pilot study to the General Assembly no later than April 1, 1999, along with recommendations for change in law or procedure to better collect the bad debts.

- **Recovery of Overpayments by State Agencies (Section 26.1 Session Laws 1998-212)**

The State Controller has been directed to negotiate a contract with a third party to perform an audit and collection process of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes and related errors. The third party shall be compensated only from funds recovered as a result of the audit and any savings realized in excess of costs shall be transferred from the agency to the Office of State Budget and Management and placed in a special reserve account for future direction by the General Assembly. Any disputed savings shall be settled by the State Controller. (Medical services by state agencies or payments used to reimburse or otherwise pay for health care services are excluded from this audit.)

After carefully reviewing proposed bids, the OSC has chosen the Profit Recovery Group International, Inc. to perform this audit. The process will begin in February with a twelve-month completion date. The scope of the services during the first twelve-month contract period will include all payments for goods and services (excludes medical services as mentioned above) made during fiscal years ending 1996, 1997, 1998, covering the time period of 7/1/95 to 6/30/98. The audit will include the entire state entity, which covers all state agencies, hospitals, and universities. The OSC will be the liaison between the firm and the government agencies being audited. We will also be the contact for all information required off the NCAS as well as have responsibility for the review of the project as it progresses.

- **Procurement Card Pilot Program (Section 20.3 Session Laws 1998)**

The 1998 General Assembly extended the pilot of the Procurement Card Program until March 31, 1999. The Office of the State Controller and the Division of Purchase and Contract are to report to the Joint Legislative Commission on Governmental Operations and the Joint Appropriations Subcommittee on General Government by February 1, 1999 on this pilot program. The report must include an assessment of both the costs and benefits of the system including the impact of the program on accounting and budgeting records, as well as taxes and other required data. It must also capture hard and soft dollar savings based on purchasing and accounts payable personnel hours that could be saved or redirected, as well as reductions in cost of forms, postage, etc.

A Procurement Card Agreement was signed by the State Controller and the Secretary of the Department of Administration in November 1998. This agreement outlines the basic policies, procedures and informational requirements for the procurement card, along with a commitment to the integrity of the procurement card program.

The OSC is currently designing a reconciliation system between the Procurement Card and the North Carolina Accounting System. The goal is to have the system available by the end of March, 1999.

- **Proposal**

We have suggested to the leadership that the OSC be allotted funds from the savings reserve created by the Audit and Collection Project to implement a statewide Accounts Receivable Program, including a centralized clearing house for bad debt collection. We strongly believe that a small investment in this initiative will return significant dollars to the state. As we continue to analyze this issue we will be recommending additional legislation to the 1999 session to both authorize and clarify the use of a bad debt collection clearing house as well as to provide funding to accommodate basic accounts receivable requirements.

BUILDING ON OUR STRONG FOUNDATION

The North Carolina Accounting System has fulfilled its initial promise. With its implementation, the state has gained consistent statewide financial information, a uniform chart of accounts, common policies and procedures, on-line access to up-to-date data, and a rational way to measure, compare and evaluate diverse programs. The General Assembly and agency staff, working with the staff of the Office of the State Controller, deserve credit and appreciation for this achievement.

But in today's environment, sitting still means falling behind. To maintain the advantages the state has put into place, we must continue to evolve. Specifically, our office is seeking to:

- Adopt NCAS enhancements available in the current system to further improve business processes
- Consolidate the common information databases to eliminate duplication and required reconciliation
- Improve on-line access to transaction detail through implementation of a NCAS data warehouse
- Use electronic commerce to better manage the procurement and payment process
- Automate the accounts receivable program to improve collection and accountability
- Integrate the cash management system with NCAS to reduce the need for dual entries
- Continue to evolve the NCAS technical architecture to increase business efficiency and effectiveness

To get there, the Office will need the continued support of the General Assembly, central financial management organizations and state agencies. With the necessary funding and cooperation, we can build on today's foundation to reach the vision of the future: fully integrated business systems linking budget, accounting, purchasing and human resources... business process improvements through single data entry points, common databases and automated work flow processes... full utilization of the Internet capabilities of electronic commerce, messaging and information sharing... shared technical architecture facilitating shared services and cost savings.

This is not a futuristic dream, but a practical plan to erect a solid business structure on the foundation North Carolina has already built. We can get there—in as little as three years—with your help.

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 3,1999
Room 425
2:30 p.m.

Chairman: Representative Maggie Jeffus

Office of the State Controller

Overview of Agency

Ed Renfrow
State Controller

Annual Report on State Agencies' Accounts Receivable
(Per G.S.147-86.26)

Don Waugh
Assistant State Controller

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

March 3, 1999
Room 425 – 2:30 p.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Wednesday, March 3, 1999 at 2:30 p.m. in room 425 of the Legislative Office Building. Five of the Senate Members were present. Representatives present were: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, and Daniel Barefoot.

Representative Jeffus called the meeting to order and introduced the page, Josh Haney, Gaston County, Senator David W. Hoyle sponsor.

Representative Jeffus stated that the committee would continue with State Controller Edward Renfrow to finish his overview. (Attachment No. 1, page A15) He began by explaining the chart entitled "Budget Versus Actual" and continued with the next four charts. The chart on page A19, the "Actual Data Processing for 1998", shows the actual money in 1998 spent in processing the accounting for the various agencies in state government.

Representative Jeffus stated that there is concern about the year 2000 since the Controllers Office is operating on a system that is thirty years old. Mr. Renfrow stated that the payroll system is around thirty years old but the system is "2000" compliance. They are now generating the payroll on that system and modifications have been integrated. The cash management system is now processing in the year 2000 environment. The State Line Accounting system is a fairly new system so it was brought up to 2000 compliance when installed. They have trained about 9,000 people throughout the state on how to use the new system and new software. In the testing section, they are testing the state mainframe operation. When all this testing comes back positive, they will switch over by year 2000 compliance software for all the financial aspects for the state as far as the accounting, cash management, and payroll is concerned.

Representative Jeffus inquired about the requirement for new computers. Mr. Renfrow replied that it took almost ten years to get enough money to bring up a new accounting system. Now it is on line and working with constant updating. Mr. Renfrow stated that the direction the division should be going is listed on page 20. (See Attachment No. 1, A20) They have been keeping the old system up-to-date; but if they had the funds, they would have replaced it with a far superior system and the operating and maintenance costs would be less in the long run.

Mr. Renfrow indicated that they have a foundation in state government that with a few million dollars they could put North Carolina's accounting financial management,

technology operations and efficiencies of operations comparable with any Fortune 500 Company in the world.

Mr. Don Waugh, Assistant State Controller, was introduced by Mr. Renfrow. He gave an overview of the "Statewide Accounts Receivable Report" for the fiscal year end June 30, 1998. (See Attachment No. 2) On page 3, there are explanations of contractual adjustments, indigent care write-offs, and bad debt write-offs to explain the chart on that page. They are currently working on a report that will present the results of a pilot program study on reporting on collection of bad debts by state agencies to send to General Assembly no later than April 1, 1999.

In the spring of 1998 the Office of the State Controller and Coopers and Lybrand L.L.P. conducted a study examining opportunities for improvement for the State of North Carolina's accounts receivable function. The report findings are on page 4. (See Attachment No. 2, Pages 4-5)

Ms. Michele Nelson, Staff, Fiscal Research, emphasized that the State Controller will bring a required report on April l to the Committee and will have an additional opportunity to explore this further at that time.

Representative Jeffus announced that State Personnel would be on the agenda for tomorrow at 8:30 a.m. The meeting adjourned at 3:35 p.m.

Respectfully submitted,

Rep. Maggie Jeffus — Mary Lee Robinson

Representative Margaret (Maggie) M. Jeffus — Mary Lee Robinson

Chair — Committee Assistant

State of North Carolina

Office of the State Controller

Edward Renfrow
State Controller

Joint Appropriations Subcommittee on General Government

March 3, 1999

Attachment 1

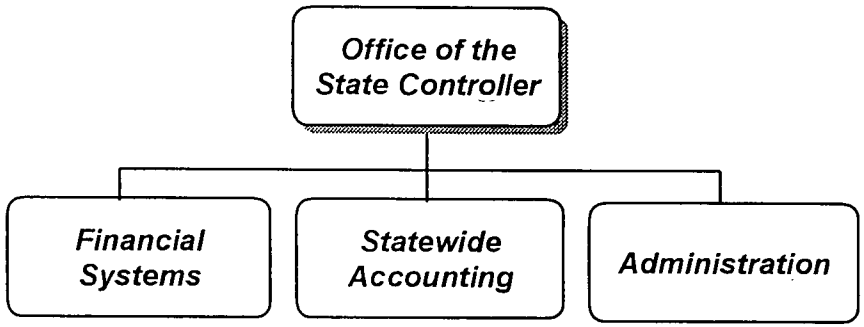
Office of the State Controller

Major Duties and Responsibilities

- Maintain a statewide accounting system - policies, procedures and system processes
- Maintain a statewide cash management system
- Maintain a central payroll system
- Coordinate central compliance of federal/state programs
- Provide comprehensive and timely financial information

State of North Carolina

Office of the State Controller

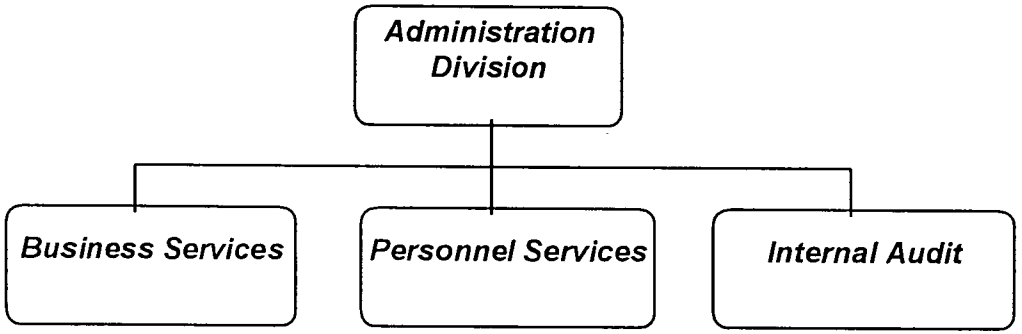


OSC Mission Statement :

Ensure proper financial reporting and accounting of all state agencies and institutions by providing leadership, guidance, and policies in all accounting matters.

Office of the State Controller

OSC Administration Division



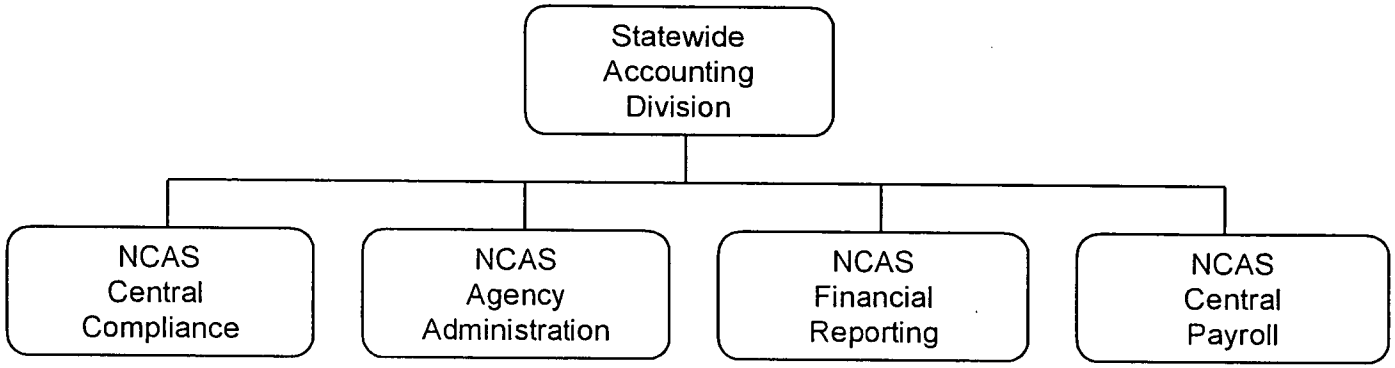
Division Mission Statement :

The Administration Division is responsible for the overall support for the Office of the State Controller. Service areas include: (1) Business Services represents a broad range of accounting functions including accounts payable, accounts receivable, fixed assets, budgeting, purchasing, maintenance of the accounting system, financial reporting, switchboard operator/receptionist duties and building security and maintenance; (2) Personnel Services includes recruitment/selection, employee benefits, maintenance of personnel records, employee relations and personnel policies and procedures; (3) Internal Audit Services includes performing internal audits on OSC operations to determine areas of inefficiency and potential for improvement and statewide monitoring of internal controls to ensure compliance with policies, procedures and guidelines issued by other regulatory authorities.

Personnel : 11.75

Office of the State Controller

Statewide Accounting Division



Mission Statement :

The Office of the State Controller (OSC) has the responsibility to operate the North Carolina Accounting System (NCAS). The Statewide Accounting Division is responsible for the day-to-day policy and procedural control of agencies operating within the NCAS environment. The Division establishes and provides systems control over the NCAS to ensure that all financial transactions are entered, balanced, and reconciled. The division also researches technical accounting standards and incorporates these standards into financial reporting on the State entity and provides daily, monthly, quarterly, and annual reporting on the financial condition and results of operations of the State entity. Another major responsibility involves the administration of the statewide cash management program which includes statewide appropriation and allotment control. In addition, the division operates a central payroll system, a Flexible Benefit Program and also provides tax compliance, cost allocation and disbursing services to agencies.

Personnel : 41

State of North Carolina
Office of the State Controller

Statewide Accounting Division
Functions

Statewide Accounting Division

NCAS Central Compliance

Respond to GASB Exposure Drafts, Discussion Memorandum, etc.
Research Technical Accounting Standards
Develop Statewide Policies
CAFR Funds & Footnote Compilation
Statewide Cash Management Plan
Agency Cash Management Plans
Coordinate Federal Cash Mgmt. Improvement Act Requirements
Coordinate Cash Management/ Allotment Control System
Flexible Benefit Plan
Agency Disbursing Services
Statewide Accounts Receivable
IRS Tax Compliance
Continuing Professional Education

NCAS Agency Administration

NCAS Accounting Policy
NCAS Accounting Procedures
NCAS Chart of Accounts
NCAS Internal Controls
NCAS Reporting Standards
Agency Accounting Assistance
Interface Agency Coordination
Statewide Reconciliations
Annual GAAP Conversion
Agency Annual Financial Stmts.
CAFR Funds & Footnote Compilation
NCAS Policy/Procedure Agency Implementation Support
Inter/intra Fund Transfer Control
Central System Process Control

NCAS Financial Reporting

Monthly Statewide Reporting
Quarterly/Special Reporting
Annual Budgetary Report
Comprehensive Annual Financial Report (CAFR)
CAFR Funds and Footnote Compilation
Schedule of Federal Financial Assistance
Indirect Costs- (SWCAP)
GFOA Certificate of Achievement Coordination
LAN Based Reporting System
Financial Trend Analysis
Asset/Liability Analysis
Program Costs Analysis

NCAS Central Payroll

Central Payroll Services
- Monthly Payrolls
- Additional Payroll Cycles
- Deferred Income Options
- Legally Mandated Deductions
- Authorized Voluntary Deductions
- Payroll Expenditure Distribution
- Direct Deposit (EFT)

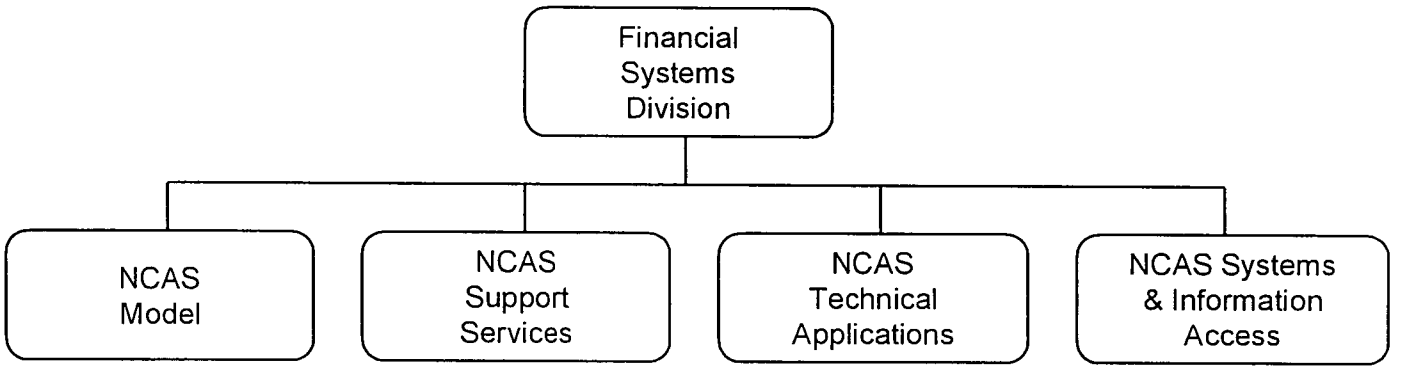
Payroll System Maintenance
- Leg., Admin., Tax Law Changes
- Organizational or Leg.

Accounting Reporting
- IRS
- Social Security Admn
- NC Dept. of Revenue
- Employment Security Com
- State Agencies

1/11/99

Office of the State Controller

Financial Systems Division



Mission Statement :

The Financial Systems Division designs, develops, implements and maintains the policies, procedures and software that form the North Carolina Accounting System (NCAS). It provides agency implementation, functional and technical systems administration, client support, and maintenance of the NCAS. The NCAS utilizes the Geac Enterprise Server (formally Dun and Bradstreet Software MARS/G "E" series) financial software and includes the following modules: General Ledger, Budgetary Control, Purchasing, Inventory, Accounts Payable, Accounts Receivable, Fixed Assets, Project Tracking and Financial Controller. The NCAS provides information access through the use of the mainframe based on-line real-time inquiries, Geac Information Expert (IE) report generator, Report Management Distribution System (RMDS) on-line report viewing and printing, and client/server based Geac SmartStream Decision Support System.

Personnel : 47

1/11/99

State of North Carolina

Office of the State Controller

Financial Systems Division Functions

Financial Systems Division

NCAS Model

NCAS Model
- *Development*
- *Maintenance*
- *Enhancements*
- *Documentation*

System Upgrades Plan & Testing
GEAC Module Functions Support
Central System Process Control
NCAS System Balancing
NCAS Implementations
- *Project Management*
- *Agency Operations Analysis*
- *Agency Detail Design*
- *Agency Implementations*
- *Agency Training*
- *Agency Impact Assessment*
- *Post Implementation Reviews*

Disaster Recovery Plan Management
- *Business Process Recovery*

NCAS Support Services

NCAS Client Support Systems
- *Call Management System*
- *Automated Call Distributor Unit*

Service Request Management
Statewide Help Desk Coordination
Central Files Management
- *Vendor File QA / Update*
- *Item File QA / Update*

Application Security Control
NCAS Documentation Maintenance
Training Development/Coordination
Training Scheduling
Web Development/Design/Maintenance
- *Intranet/Internet Monitoring*

PO Faxing Support
Month End Certification
CDB Distribution Monitoring

NCAS Technical Applications

NCAS Application Software
- *Production Support*
- *Technical Client Support*
- *System Upgrades*
- *System Maintenance*

NCAS Data Base Administration
- *Tuning, File Sizing, & Dataframes*

NCAS System Security
- *RACF & GEAC On-line Security*

System Libraries
Technical Disaster Recovery

NCAS System & Information Access

NCAS System Access
- *Agency Connectivity Support*
- *NCAS Hardware Support*

NCAS Information Access Tools
- *Production Support*
- *Technical Client Support*
- *System Upgrades*
- *System Maintenance*

Information Expert Administration
Report Distribution
Agency Reporting Support
Technical Disaster Recovery

1/11/99

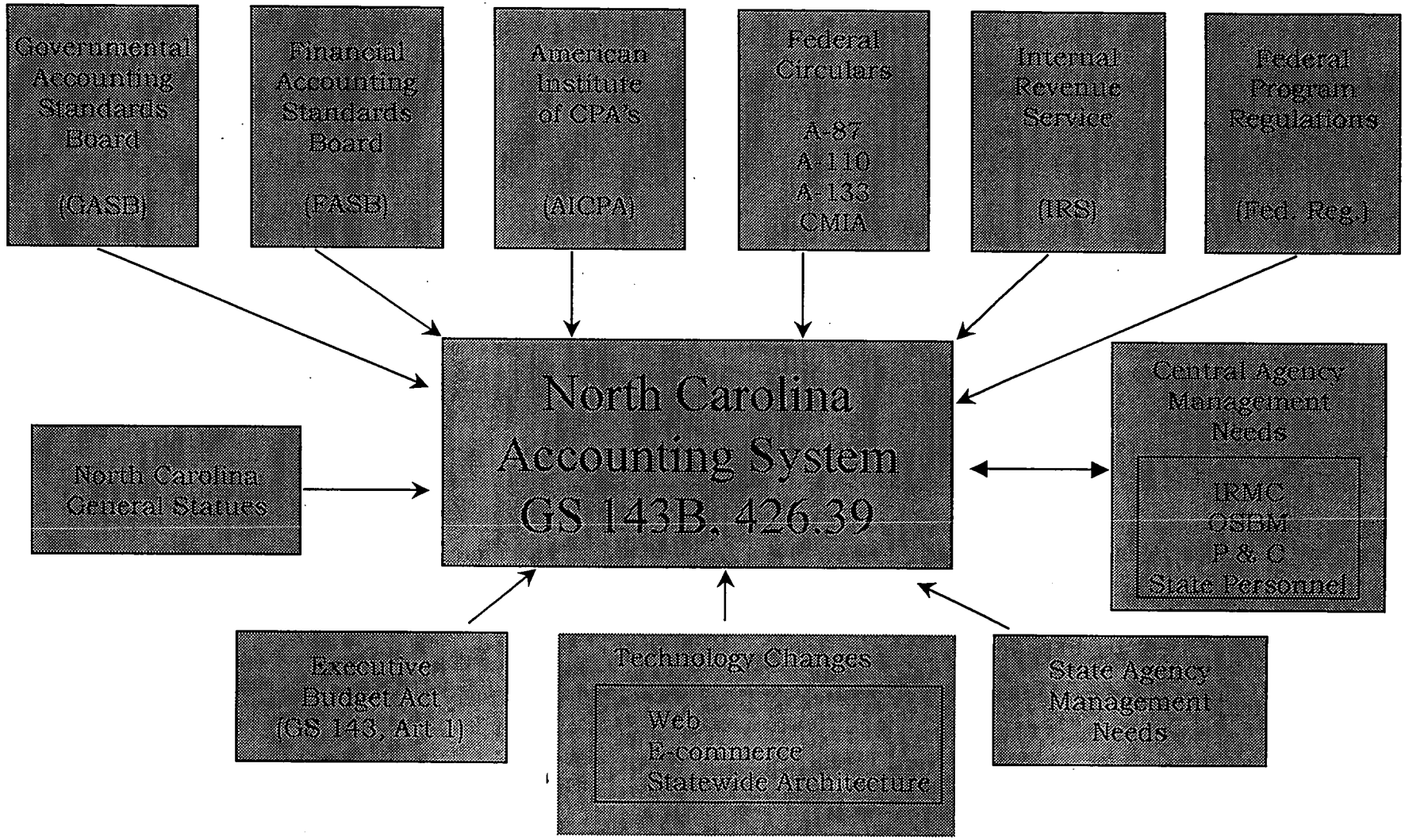
Office of the State Controller

OSC Performance Measures

Measure Name	Time Span	1997-98A	1998-99E	1999-00P	2000-01P
NCAS Business Applications	1 year	6 applications	6 applications	6 applications	6 applications
Use of OSC Home Page and SIG	1 year	22,693 times	25,000 times	30,000 times	32,000 times
NCAS Training	1 year	91 classes	100 classes	100 classes	100 classes
NCAS Training Attendance	1 year	1016 students	1100 students	1200 classes	1300 classes
NCAS Client Support Statistics	1 year	35,846 calls	36,000 calls	36,000 calls	36,000 calls
NCAS G/L Transaction Statistics	1 year	36M transactions	40M transactions	44M trans.	48M trans.
NCAS AP Transaction Statistics	1 year	1.8M Invoices	2.1M Invoices	2.3M Invoices	2.5M Invoices
NCAS PS Transaction Statistics	1 year	123,861 PO's	123,000 PO's	123,000 PO's	123,000 PO's
NCAS Availability Measurement	1 year	2905 hours	2900 hours	2900 hours	2900 hours
% of Agencies Reports on Time	1 year	96% On Time	98% On Time	98% On Time	98% On Time
# of Agency Monthly Fin Reports	1 year	960 Reports Certified	960 Reports Certified	960 Reports Certified	960 Reports Certified
# of Agency Annual Fin Reports	1 year	172 Fin. Stmts.	173 Fin. Stmts.	173 Fin. Stmts.	173 Fin. Stmts.
# of OSC Reports Produced	1 year	36 OSC Reports	38 OSC Reports	38 OSC Reports	38 OSC Reports
# 0f Agency and CFO Conferences	1 year	81 Conferences	82 Conferences	82 Conferences	82 Conferences
# of GASB/NASACT Responses	1 year	24 Responses	24 Responses	24 Responses	24 Responses
CMCS Appro./Alloted Dollars	1 year	$32,795,469,001	$34,000,000,000	$34,000,000,000	$34,000,000,000
CMCS Appro./Alloted Transactions	1 year	533,927 Transacts.	550,000 Transacts.	550,000 Transacts.	550,000 Transacts.
Central Payroll $ Volume	1 year	$2,580,846,895	$2,684,000K	$2,765,000K	$2,848,000K
Central Payroll Transactions	1 year	1,220,711 Pay Txs.	1,250,000 Pay Txs.	1,250,000 Pay Txs.	1,250,000 Pay Txs.
Central Payroll Pay Cycles	1 year	252 PayrollCycles	240 Payroll Cycles	240 Payroll Cycles	240 Payroll Cycles
# of Payroll Units Served	1 year	69 Agency Units	69 Agency Units	69 Agency Units	69 Agency Units
% of Payrolls on Time	1 year	100% On Time	100% On Time	100% On Time	100% On Time
State Auditor Clean Opinion	1 year	Qualified-Y2K	Anticipated	Anticipated	Anticipated
GFOA Certificat of Achievement	1 year	Anticipated	Anticipated	Anticipated	Anticipated

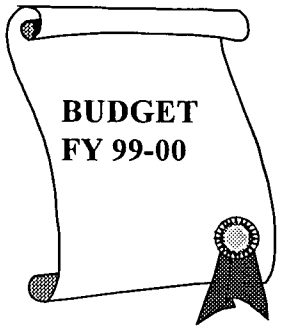
Office of the State Controller

OSC and NCAS External Influences



Office of the State Controller

Present Business Flow

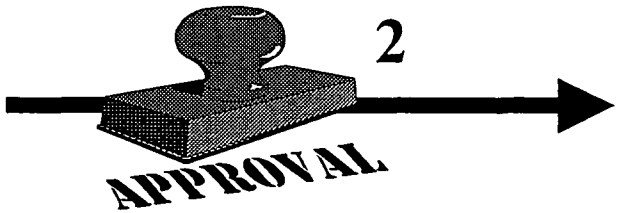


1

GA passes
Certified Budget

Quarterly Allotments
fromOSBM

2



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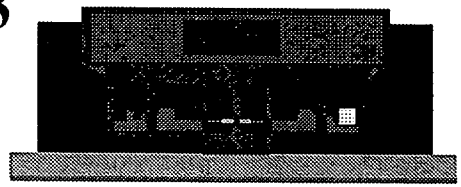
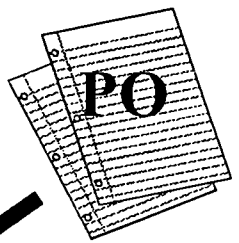


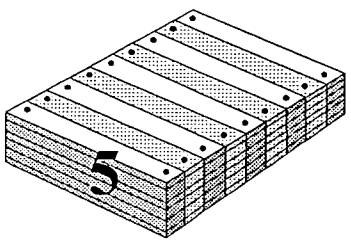
Requisition
Goods/Services

4



Invoice received

5



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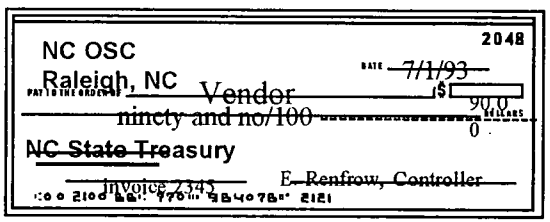
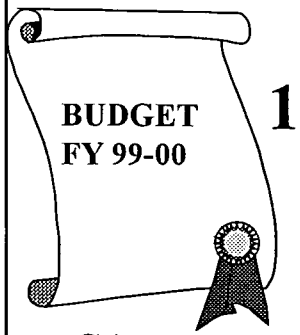


7

Requisition funds
through Cash Management
to cover checks.

Office of the State Controller

Future Business Flow



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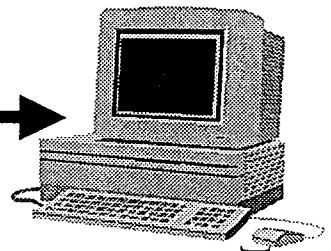
GA passes
Certified Budget

2

Quarterly Allotments
fromOSBM

3

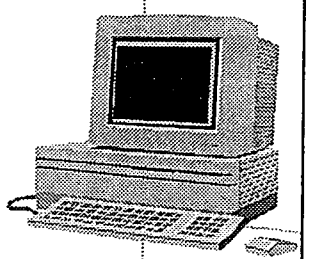
Future: Web Enabled
Requisitioning

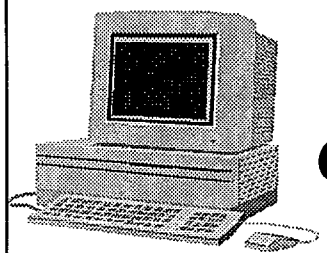


Requisition
Goods/Services

Future: Web Enabled
Purchase Orders

4





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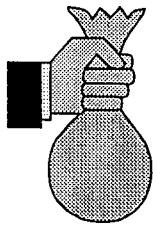
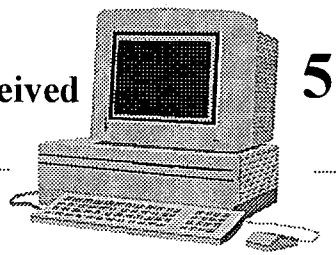
Future: EDI

7



Requisition funds
through Cash Management
to cover checks.



Invoice received

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Future: Electronic Invoicing

Office of the State Controller

Which Agencies are Included in the NCAS ?

- Primary Users (74 Agencies)
  - General Government
  - Human Resources
- Secondary Users
  - Automated Monthly Update
    - Universities
    - Transportation
    - Employment Security Commission
  - Manual Annual Update
    - Community Colleges
    - Boards, Commissions, Others

Office of the State Controller

What are the Major Issues ?

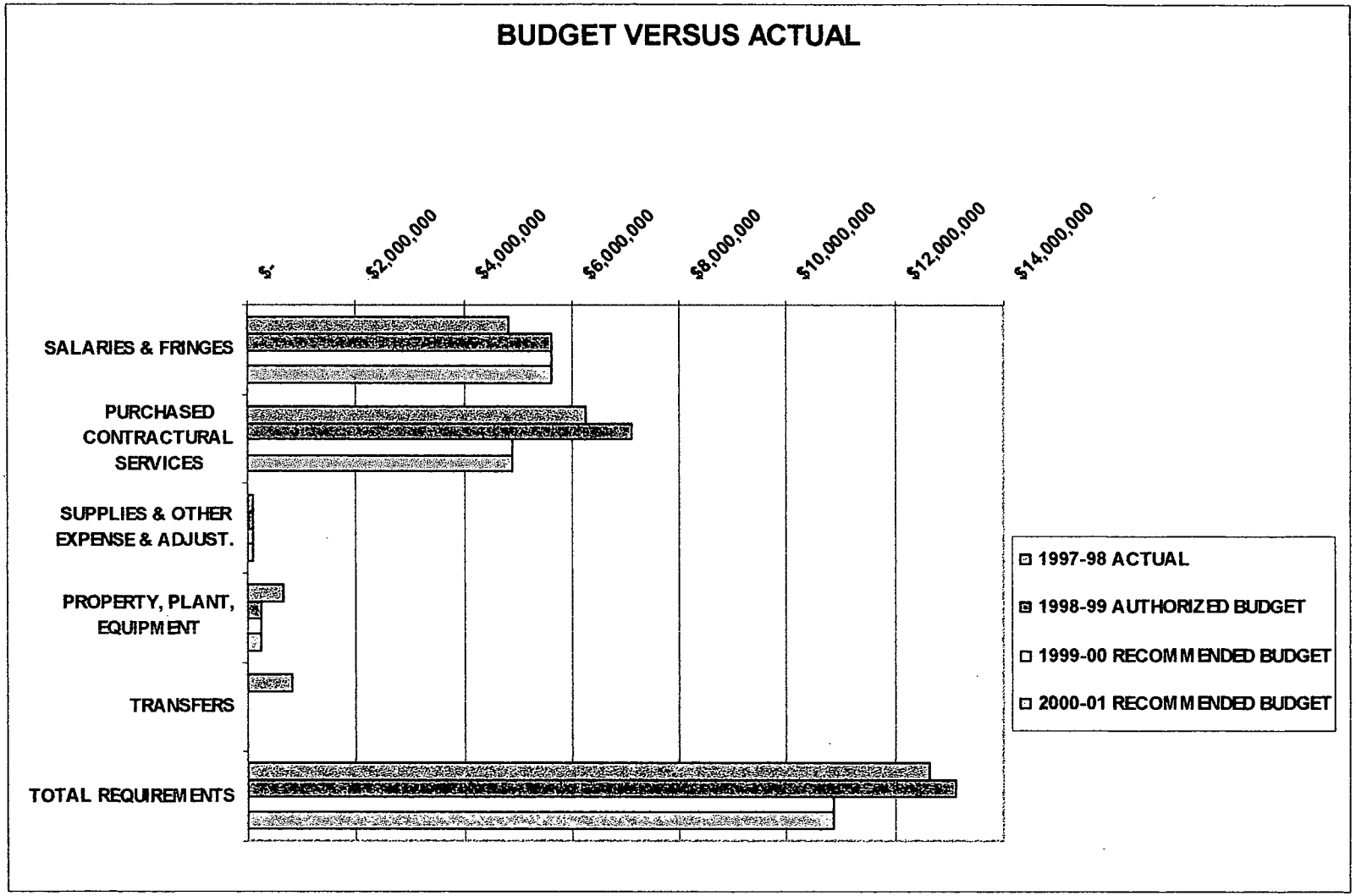
- ***Adequate funding to maintain NCAS and support best business practice enhancements***

- ***Central management cooperation within the state enterprise to support an integrated business solution***

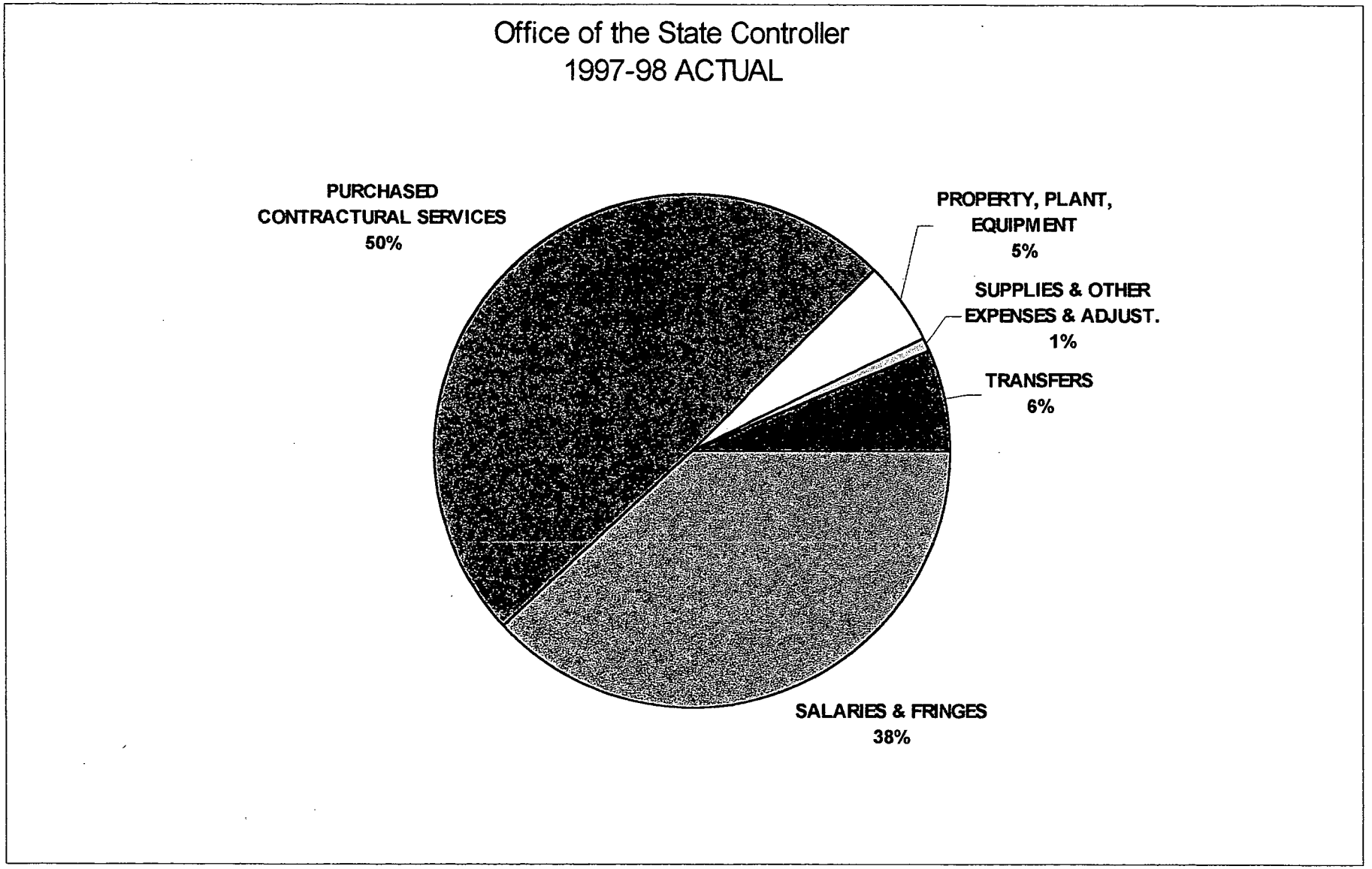
- ***Managing technology within the constant evolution of change and addressing (1) security, (2) staff support and (3) evolution costs***

- ***General Assembly Continued Support***

Office of the State Controller

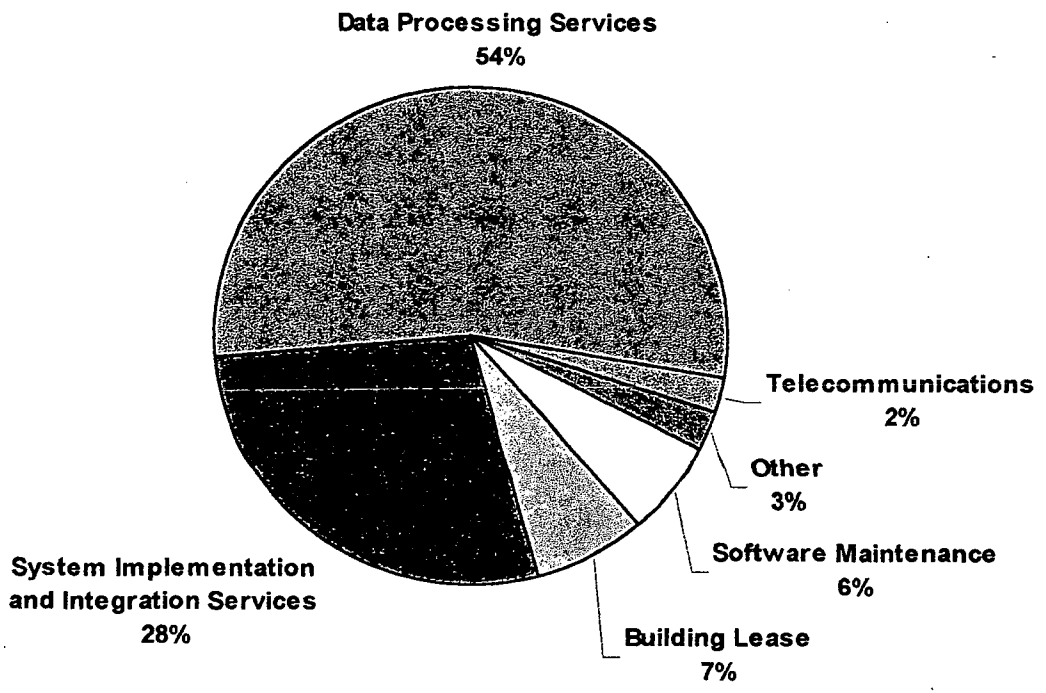


Office of the State Controller

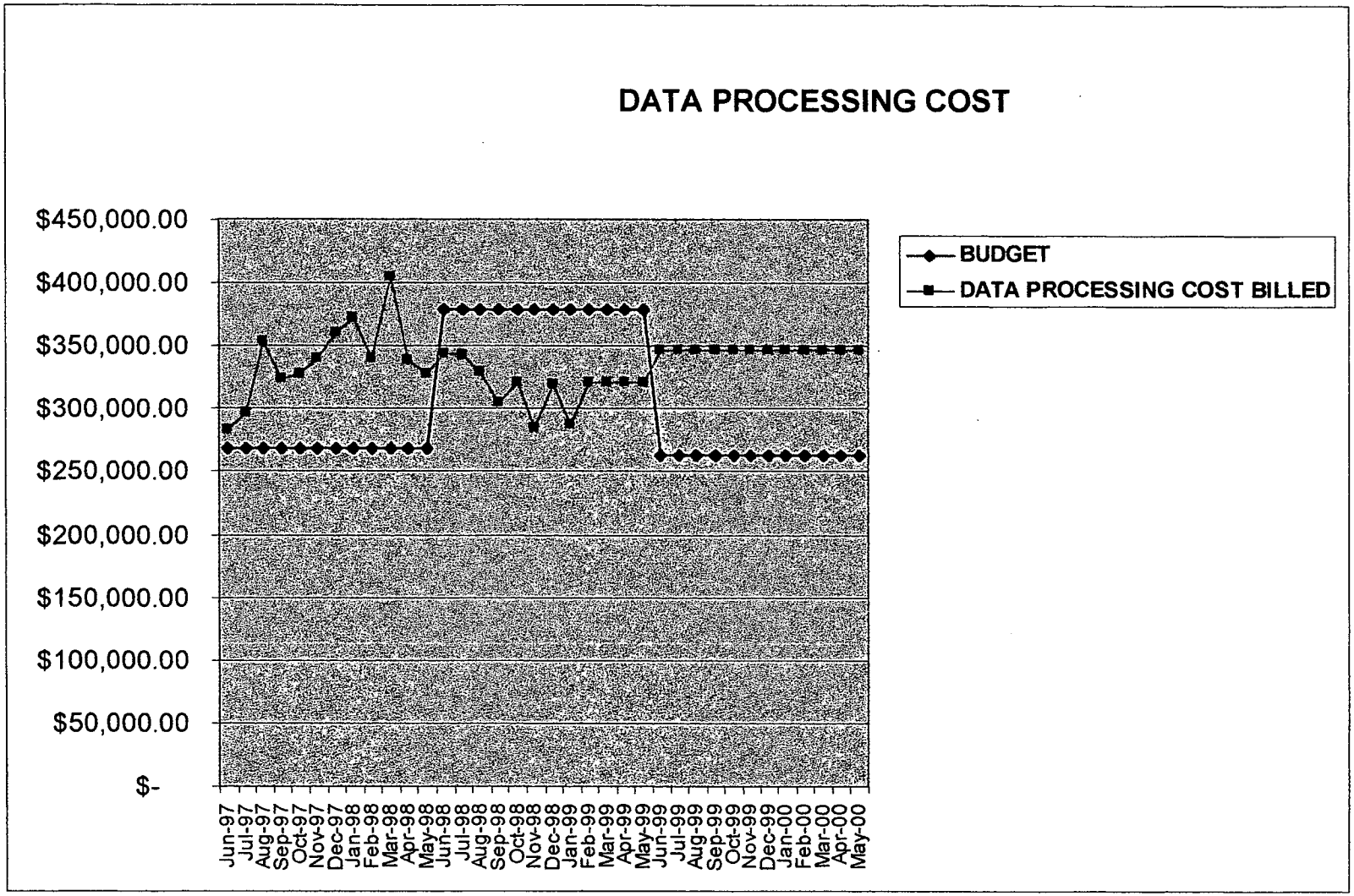


Office of the State Controller

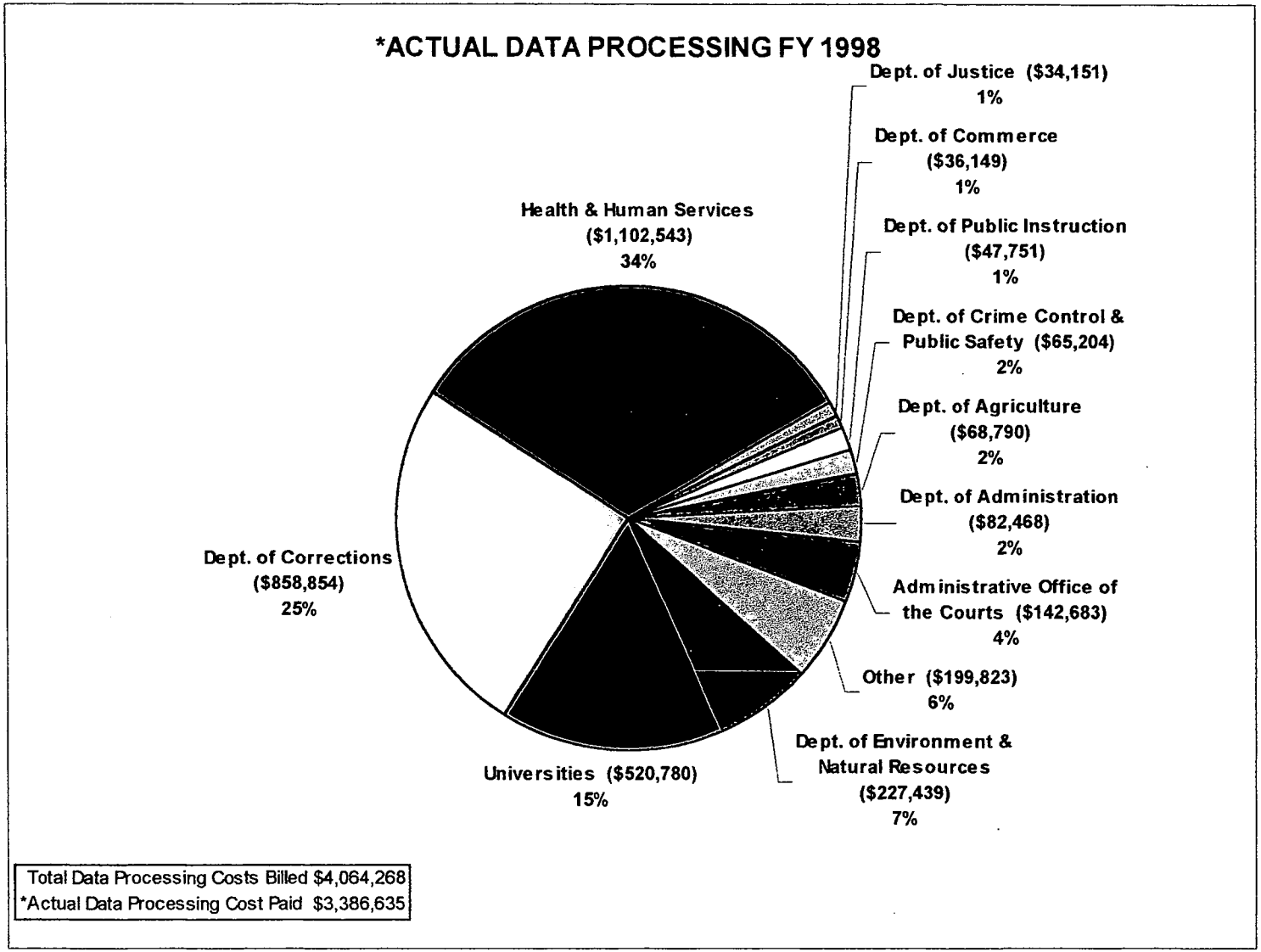
Purchased Contractural Service
Actual FY 98



Office of the State Controller



Office of the State Controller



Where Should the NCAS be Going Subject to Funding?

- Continue NCAS enhancements that will support best business practices and effect cost savings
- Integrate electronic commerce processes within purchasing and accounts payable
- Expand the NCAS Data Warehouse to transaction detail
- Integrate cash management with NCAS
- Automate legislatively mandated statewide Accounts Receivable program to improve collection efforts and accountability
- Evolve the statewide technical architecture for the NCAS
- Upgrade Central Payroll System to replace aged system with associated high maintenance costs

Attachment 2

State of North Carolina

Office of the State Controller

James B. Hunt Jr.
Governor

Edward Renfrow
State Controller

January 14, 1999

MEMORANDUM

TO: The Joint Legislative Commission on Governmental Operations

FROM: Edward Renfrow
State Controller

SUBJECT: Annual Report on Accounts Receivable

In accordance with GS 147-86.26, please find attached the annual report on statewide accounts receivable. My office is available upon request to discuss the specifics of this report.

ER/dw

Attachment

3512 Bush Street • Raleigh, North Carolina 27609-7509 • Telephone (919) 981-5454
State Courier 56-50-10 • FAX (919) 981-5567

An Equal Opportunity/Affirmative Action/Americans With Disabilities Employer

NORTH CAROLINA

STATEWIDE ACCOUNTS RECEIVABLE REPORT

For the Year Ended June 30, 1998

North Carolina Office of the State Controller

Edward Renfrow, State Controller

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Report
December 1998

The Office of the State Controller is responsible for the *Statewide Accounts Receivable Program.* The authority originates from North Carolina General Statute 147-86.20-.27. In fulfilling the reporting requirements, the Office of the State Controller provides you with the Statewide Accounts Receivable Report for fiscal year end June 30, 1998, displayed in a three-year analysis of receivables format.

The *Statewide Accounts Receivable Report* includes all receivables reflected in the State's Comprehensive Annual Financial Report (CAFR). These receivables are recorded in the financial statements based on generally accepted accounting principles (GAAP) for governments. Included in this report are notes receivable, taxes receivable, intergovernmental receivables (due from federal, local or other state governments), accounts receivable, interfund receivables (due from other entities within the State's financial reporting entity), contributions receivable, premiums receivable, interest receivable and other miscellaneous receivables.

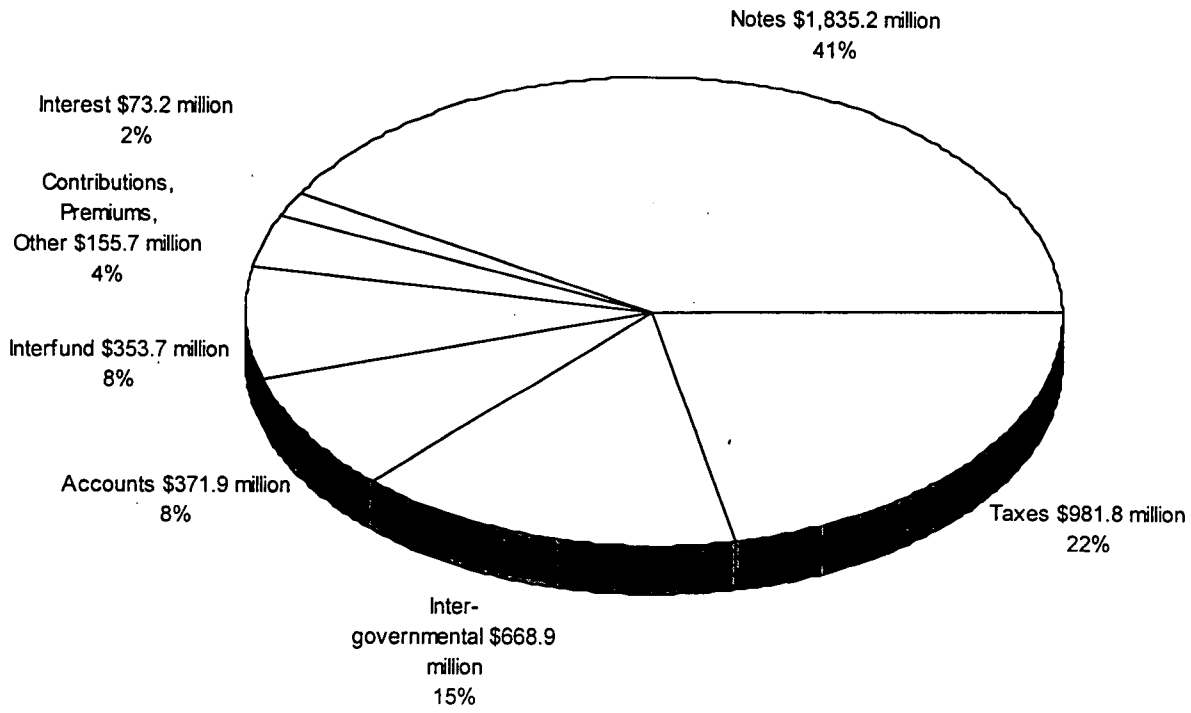
Total receivables increased $467 million or 11.75% to $4.44 billion which equates to 12.05% of total revenues as compared to 12.09% in 1997. Total revenues increased 12.14% to $36.8 billion. In summary, for every $8.30 of revenues the State earns we carry $1.00 in receivables.

To explain the $467 million increase in total receivables for 1998 we need to look at several areas. The first involves notes receivable where there was a total increase of $239 million, most of which occurred in the component unit proprietary funds. The bulk of it lies in the State Education Assistance Authority, $119 million, the majority of which pertains to the non-current or long term portion of the notes, and the North Carolina Housing Finance Agency, $72 million. There were also increases of $24 million in the Clean Water Revolving Loan and Grant Fund notes, which fall under nonexpendable trust funds, as well as $12 million in the Clean Water Bonds Loan Fund notes, from special revenue funds.

The second area of major changes occurred in taxes receivable, an increase of $156 million. Corporate income taxes receivable increased $47 million, individual income taxes receivable increased $43 million, sales and use taxes receivable increased $22 million, and unemployment compensation taxes receivable increased $16 million. These increases are the result of general increases in revenue collections and the shifting of collections from the end of June into the month of July. Collections received in early July are accrued as receivables at June 30. This difference in timing of collections has no impact on the State's receivables policy.

The following chart on page two summarizes the State of North Carolina's receivable components:

State of North Carolina Total Receivables for the Year Ended June 30, 1998
$4.44 billion

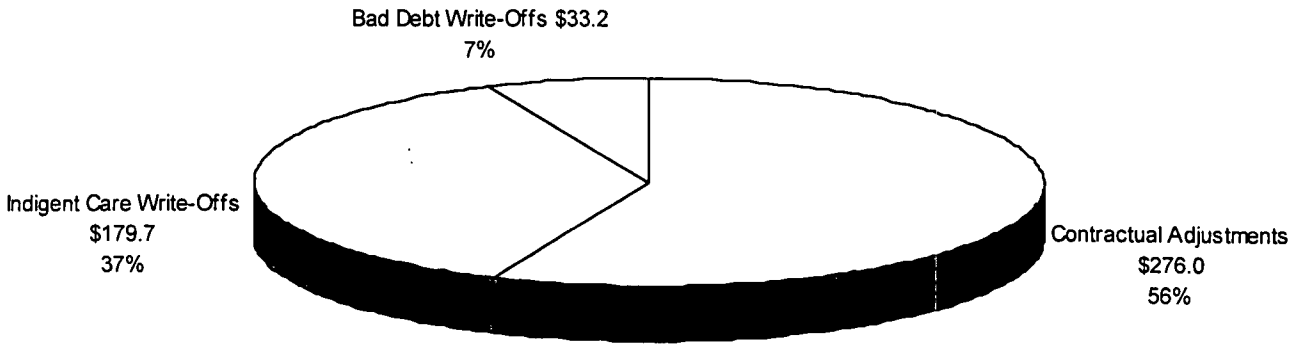


A greater effort was undertaken this year to make improvements in agency reporting of write-off information. Definite progress has been made in this area and we will continue to educate and inform the state's entities on the significant importance of reporting accurate and complete write-off information. The major area for state write-offs relates to healthcare business. This involves basically four agencies/institutions. These are UNC Hospitals, UNC Physicians & Associates of UNC-Chapel Hill, ECU's medical program and affiliation with Pitt County Hospital, and the Department of Human Resources via their hospital and patient treatment centers. The second major area for write-offs relates to taxes. These relate specifically to the Department of Revenue and the Employment Security Commission.

The following charts on page three summarize the State of North Carolina's major write-off components:

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Report
December 1998

State of North Carolina Total Write-offs for FY 1998
$488.9 million



Contractual Adjustments. The differences between revenue at established rates and the amounts realizable from third-party payors under contractual agreements. These adjustments are made to customer, patient, business, or taxpayer accounts as the result of a contractual agreement to provide certain services or products at a previously negotiated price. The contractual adjustment is the difference between the value assigned by the State provider/supplier of the product or service, and the predetermined price as negotiated with a third-party payor (*example: insurance company*).

Indigent Care Write-Offs. The differences between revenue at established rates and the amounts realizable from the financially responsible party for those receiving the State product or service. In this instance, the write-off is the result of the financially responsible party being **unable** to meet the financial obligations due to poverty or a lack of subsistence.

Bad Debt Write-Offs. All write-offs of bad debts other than those for contractual or indigent care reasons.

The Office of the State Controller will provide further information on write-offs and contractual adjustments for health care institutions to the General Assembly in response to a legislative special provision entitled "PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES". This provision requires the OSC to establish a procedure by which health care institutions under or affiliated with the Department of Health and Human Services or The University of North Carolina shall report on collection of bad debts. The pilot program is intended to concentrate on agencies that have a large amount of bad debts, in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government. The OSC shall report the results of the pilot study to the General Assembly no later than April 1, 1999, along with recommendations for change in law or procedure to better collect the bad debts.

Additionally, the Office of the State Controller continues to evaluate alternative business practices in order to improve the Statewide Accounts Receivable Program. In spring 1998 Coopers and Lybrand L.L.P. (C&L), partnered with the Office of the State Controller, conducted a study to examine opportunities for improvement for the State of North Carolina's accounts receivable (A/R) function. The objective included developing a series of issues and recommendations for implementation of a statewide A/R system and addressing the feasibility of creating a clearinghouse for bad debt collection information. The results of this study were published in a report (Analysis of the Accounts Receivable Function Within the State of North Carolina) dated May 8, 1998 and subsequently presented to various legislative committees during the 1998 session.

The report findings and observations led to several recommendations. These recommendations provide four phases in order for the State of North Carolina to fulfill the minimum requirements toward achieving Best Practice standards. The phases and steps are as follows:

Phase 1: - Standardize

- Develop an integrated and standardized agency level technology plan for A/R, including agency billing requirements.
- Redesign A/R and debt set off processes and systems to standardize bad debt collections, maximize automation, and minimize manual processes.
- Continue the Requirements Analysis phase to determine the best way to implement new technologies related to A/R.

Phase 2: - Infuse

- Implement an integrated A/R system that utilizes imaging and workflow technologies.
- Implement an integrated A/R system that utilizes EC/EDI technology.

Phase 3: - Implement

- Establish and administer a highly automated data warehouse for accounts receivable information for state government agencies.
- Continue to explore and analyze the possibilities of expanding wage garnishment to further increase bad debt collections.
- Implement statewide the ability to assess interest and penalties on accounts receivable.
- Establish and administer a highly automated and centralized clearinghouse for bad debt collection.

Phase 4: - Outsource

- Outsource, but administer under the control of DOR, the bad debt collection process.

Office of the State Controller requested expansion funds to move forward with the ommendations related to continuation of the accounts receivable requirements analysis and the centralized bad debt collection clearinghouse; however, no additional funds were authorized. As a

result, the OSC has focused limited resources on the redesign of A/R and debt set off processes and systems to standardize bad debt collections and attempt to minimize manual processes. In addition, the Department of Revenue and the State Controller jointly issued a Request for Information (RFI) in October 1998 for the operations and joint management of a debt collection clearinghouse. The purpose of this RFI was to gather initial information from vendors with systems that meet North Carolina's debt collection clearinghouse requirements. Information gathered from the RFI has provided further input to determining the clearinghouse feasibility and can be used at some later date to further refine a formal Request for Proposal. During the next legislative session the State Controller and the Department of Revenue plan to propose additional legislation to both authorize and clarify the use of a bad debt collection clearinghouse as well as request minimum funding to accommodate basic A/R requirements.

The State Controller believes that by continuing to stress more consistent accounts receivable policies and procedures, monitoring agency activity closely, coordinating best business practices among agencies, and establishing and enforcing procedures for write-offs and setoff debt collection, the State can maximize the collection of past due accounts receivable.

Please contact the Office of the State Controller if additional information is required.

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1998	1997	1996
Total Receivables			
Governmental Funds:			
General Fund	$ 1,380,985	$ 1,221,804	$ 1,226,342
Special Revenue Funds	371,282	343,699	293,957
Capital Projects Funds	3,629	624	1,071
Total Governmental Funds	1,755,896	1,566,127	1,521,370
Proprietary Funds:			
Enterprise Funds	2,550	7,971	748
Internal Service Funds	52,403	36,984	33,381
Total Proprietary Funds	54,953	44,955	34,129
Fiduciary Funds:			
Expendable Trust Funds	239,210	219,134	164,726
Non-expendable Trust Funds	257,746	233,996	206,379
Pension Trust Funds	119,160	118,433	114,001
Investment Trust Fund	4,063	-	-
Agency Funds	109,667	106,417	103,972
Total Fiduciary Funds	729,846	677,980	589,078
Component Units:			
College and University	538,286	524,837	557,995
Proprietary	1,361,431	1,159,471	935,627
Total Component Units	1,899,717	1,684,308	1,493,622
Total Receivables [1]	$ 4,440,412	$ 3,973,370	$ 3,638,199
Percent Increase from Prior Year	11.75%	9.21%	
Receivables as % of Total Revenues	12.05%	12.09%	13.40%
Total State Revenues	$ 36,848,957	$ 32,860,541	$ 27,141,591
Percent Increase from Prior Year	12.14%	21.07%	

[1] Total Receivables consist of the following:	1998	% of Total	1997	% of Total
Notes Receivable	$ 1,835,168	41.33%	$ 1,595,453	40.15%
Taxes Receivable	981,821	22.11%	825,643	20.78%
Intergovernmental Receivables	668,903	15.06%	672,662	16.93%
Accounts Receivable	371,948	8.38%	331,033	8.33%
Interfund Receivables (CAFR-Note 8)	353,736	7.97%	334,974	8.43%
Contributions, Premiums, Other Receivables	155,681	3.51%	151,499	3.81%
Interest Receivable	73,155	1.64%	62,106	1.57%
Total Receivables	$ 4,440,412	100.00%	$ 3,973,370	100.00%

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1998	1997	1996
Notes Receivable			
Governmental Funds:			
General Fund	$ 497	$ 497	$ 497
Special Revenue Funds	112,371	99,726	72,346
Total Governmental Funds	112,868	100,223	72,843
Fiduciary Funds:			
Expendable Trust Funds	81,154	72,560	63,515
Non-expendable Trust Funds	256,142	232,585	205,261
Total Fiduciary Funds	337,296	305,145	268,776
Component Units:			
College and University	84,127	82,031	80,433
Proprietary	1,300,877	1,108,054	890,674
Total Component Units	1,385,004	1,190,085	971,107
Total Notes Receivable [1]	$ 1,835,168	$ 1,595,453	$ 1,312,726
Percent Increase from Prior Year	15.02%	21.54%	

[1] Major components of Notes Receivables:

	1998	% of Total	1997	% of Total
NC Housing Finance Agency	$ 830,169	45.24%	$ 757,760	47.49%
State Education Assistance Authority	459,165	25.02%	340,113	21.32%
Clean Water Revolving Loan & Grant Fund	255,487	13.92%	231,691	14.52%
University Funds	83,461	4.55%	81,264	5.09%
Clean Water Bonds Loan Fund	88,577	4.83%	76,816	4.81%
401(k) Supplemental Retirement Income Plan	81,154	4.42%	72,560	4.55%
Other	37,155	2.02%	35,249	2.22%
Net Amount	$ 1,835,168	100.00%	$ 1,595,453	100.00%

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1998	1997	1996
Taxes Receivable			
Governmental Funds:			
General Fund	$ 675,428	$ 553,169	$ 555,409
Special Revenue Funds	103,133	97,070	93,254
Total Governmental Funds	778,561	650,239	648,663
Fiduciary Funds:			
Expendable Trust Funds	106,293	90,163	42,353
Agency Funds	96,967	85,241	83,522
Total Fiduciary Funds	203,260	175,404	125,875
Total Taxes Receivable [1]	$ 981,821	$ 825,643	$ 774,538
Percent Increase from Prior Year	18.92%	6.60%	

[1] Major components of Taxes Receivables:	1998	% of Total	1997	% of Total
Individual Income Tax	$ 296,232	30.17%	$ 253,172	30.66%
Sales and Use Tax	231,372	23.57%	209,211	25.34%
Unemployment Compensation Funds	106,293	10.83%	90,163	10.92%
Local Sales Tax Collections	96,967	9.88%	85,241	10.32%
State Highway Fund	73,735	7.51%	70,119	8.49%
Corporate Income Tax	76,679	7.81%	29,116	3.53%
Franchise Tax	34,711	3.54%	26,999	3.27%
Highway Trust Fund	27,279	2.78%	24,999	3.03%
Beverage Tax	15,349	1.56%	14,202	1.72%
Other	23,204	2.35%	22,421	2.72%
Net Amount	$ 981,821	100.00%	$ 825,643	100.00%

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1998	1997	1996
Intergovernmental Receivables			
Governmental Funds:			
General Fund	$ 440,646	$ 482,651	$ 520,504
Special Revenue Funds	92,766	67,801	37,903
Capital Projects Funds	176	249	279
Total Governmental Funds	533,588	550,701	558,686
Proprietary Funds:			
Internal Service Funds	547	370	505
Total Proprietary Funds	547	370	505
Fiduciary Funds:			
Expendable Trust Funds	1,552	1,819	2,680
Non-expendable Trust Funds	2	-	-
Agency Funds	6,238	6,290	5,718
Total Fiduciary Funds	7,792	8,109	8,398
Component Units:			
College and University	118,841	107,027	106,340
Proprietary	8,135	6,455	4,122
Total Component Units	126,976	113,482	110,462
Total Intergovernmental Receivables [1]	$ 668,903	$ 672,662	$ 678,051
Percent Increase from Prior Year	-0.56%	-0.79%	

[1] Major components of Intergovernmental Receivables:	1998	% of Total	1997	% of Total
Due From Federal Agencies	$ 392,459	58.67%	$ 428,809	65.54%
State Highway Fund	87,082	13.02%	64,619	9.88%
Community College Funds	74,573	11.15%	63,447	9.70%
Due From Local Governments	70,521	10.54%	53,842	8.23%
University Funds	44,268	6.62%	43,580	6.65%
Net Amount	$ 668,903	100.00%	$ 654,297	100.00%

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1998	1997	1996
Accounts Receivable			
Governmental Funds:			
General Fund	$ 101,960	$ 90,145	$ 61,927
Special Revenue Funds	11,385	5,112	6,416
Capital Projects Funds	203	-	-
Total Governmental Funds	113,548	95,257	68,343
Proprietary Funds:			
Enterprise Funds	1,622	7,265	75
Internal Service Funds	19,551	13,031	11,840
Total Proprietary Funds	21,173	20,296	11,915
Fiduciary Funds:			
Expendable Trust Funds	12,896	14,831	17,604
Non-expendable Trust Funds	24	3	1
Pension Trust Funds	414	358	326
Agency Funds	1,821	9,433	2,266
Total Fiduciary Funds	15,155	24,625	20,197
Component Units:			
College and University	204,093	177,064	170,291
Proprietary	17,979	13,791	17,410
Total Component Units	222,072	190,855	187,701
Total Accounts Receivable [1]	$ 371,948	$ 331,033	$ 288,156
Percent Increase from Prior Year	12.36%	14.88%	

[1] Major components of Accounts Receivables:	1998	% of Total	1997	% of Total
University Funds	$ 192,205	61.55%	$ 166,602	62.95%
DHR-Div'n of Medical Assistance	36,399	11.66%	43,334	16.37%
DHR-Div'n of Mental Health	59,352	19.01%	31,943	12.07%
Unemployment Compensation Funds	12,424	3.98%	12,323	4.66%
Community College Funds	11,888	3.80%	10,462	3.95%
Net Amount	$ 312,268	100.00%	$ 264,664	100.00%

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1998	1997	1996
Interfund Receivables*			
Governmental Funds:			
General Fund	$ 126,278	$ 63,744	$ 57,199
Special Revenue Funds	35,865	59,642	73,585
Capital Projects Funds	3,250	375	792
Total Governmental Funds	165,393	123,761	131,576
Proprietary Funds:			
Internal Service Funds	24,822	20,336	17,861
Total Proprietary Funds	24,822	20,336	17,861
Fiduciary Funds:			
Expendable Trust Funds	25,711	25,689	25,405
Agency Funds	4,638	3,477	10,913
Total Fiduciary Funds	30,349	29,166	36,318
Component Units:			
College and University	119,678	148,109	191,434
Proprietary	13,494	13,602	11,355
Total Component Units	133,172	161,711	202,789
Total Interfund Receivables	$ 353,736	$ 334,974	$ 388,544
Percent Increase from Prior Year	5.60%	-13.79%	

* Interfund Receivables are comprised of:
Due From Other Funds
Due From Component Units
Due From Primary Government
Advances to Component Units
(For detail see Comprehensive Annual Financial Report - Note 8)

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
	1998	1997	1996
Contributions, Premiums, Other Receivables			
Governmental Funds:			
General Fund	$ 14,519	$ 14,098	$ 13,471
Special Revenue Funds	6,962	4,871	3,456
Total Governmental Funds	21,481	18,969	16,927
Proprietary Funds:			
Enterprise Funds	812	637	654
Internal Service Funds	5,541	1,119	1,055
Total Proprietary Funds	6,353	1,756	1,709
Fiduciary Funds:			
Expendable Trust Funds	9,882	12,735	11,853
Pension Trust Funds	117,965	117,359	113,072
Agency Funds	-	680	324
Total Fiduciary Funds	127,847	130,774	125,249
Total Contributions, Premiums, Other Receivables	$ 155,681	$ 151,499	$ 143,885
Percent Increase from Prior Year	2.76%	5.29%	

Source: State of North Carolina
Comprehensive Annual Financial Report

State of North Carolina
Office of the State Controller
Statewide Accounts Receivable Program
Three-Year Analysis of Receivables
(Expressed in Thousands)

	June 30		
Interest Receivable	1998	1997	1996
Governmental Funds:			
General Fund	$ 21,657	$ 17,500	$ 17,335
Special Revenue Funds	8,800	9,477	6,997
Total Governmental Funds	30,457	26,977	24,332
Proprietary Funds:			
Enterprise Funds	116	69	19
Internal Service Funds	1,942	2,128	2,120
Total Proprietary Funds	2,058	2,197	2,139
Fiduciary Funds:			
Expendable Trust Funds	1,722	1,337	1,316
Non-expendable Trust Funds	1,578	1,408	1,117
Pension Trust Funds	781	716	603
Investment Trust Fund	4,063	-	-
Agency Funds	3	1,296	1,229
Total Fiduciary Funds	8,147	4,757	4,265
Component Units:			
College and University	11,547	10,606	9,497
Proprietary	20,946	17,569	12,066
Total Component Units	32,493	28,175	21,563
Total Interest Receivable	$ 73,155	$ 62,106	$ 52,299
Percent Increase from Prior Year	17.79%	18.75%	

Source: State of North Carolina
Comprehensive Annual Financial Report

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 4, 1999
Room 425
8:30 a.m.

Chairman: Senator Ed Warren

Office of State Personnel

Overview
(Notebook/Tabs A & B pp. 2 - 6)
(Budget Book/Performance Measures pp.71-73)

Ronald Penny
Director

Employment, Classification, and Compensation
(Notebook/Tab C pp. 7 - 11)

Steve Davis
Asst. Personnel Director

Risk Control Services
(Notebook/Tab G pp.18 - 20)

Carl Goodwin
Director and
Legislative Liaison

Human Resources Development
(Notebook/Tab H pp. 21 - 23)

Ann Cobb
Director

(over)

Equal Opportunity Services
(Notebook/Tab D pp. 12- 14)

Nellie Riley
Director

Personnel Services
(Notebook/Tab E p. 15)

Dusty Wall
Director

Program Evaluation
(Notebook/Tab F pp. 16 - 17)

Cassandra Atkinson
Director

Administrative Services
(Notebook/Tab I pp. 24 - 25)

Peggy Oliver
Director

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

March 4, 1999

The Joint Appropriations Subcommittee on General Government met Thursday March 4, 1999 at 8:30 a.m. in room 425 of the Legislative Office Building. Five of the Senate members were present. Representatives present were: Co-Chairs Jeffus and Wainwright; McLawhorn, Vice Chair; and Barefoot, Ellis, Setzer and Thompson.

Senator Warren chaired the meeting. After welcoming the visitors and the pages, he extended the floor to Mr. Ronald Penny, Director of the Office of State Personnel. Mr. Penny introduced his staff and, with the aid of overheads, went over the organization and mission of his Office. (See Attachment 1 behind the March 9 Minutes for his and other staff reports.)

Mr. Penny stated that there were approximately 87,059 State employees and 30,000 local employees; that their average age was 41 years, their average salary $30,358, and that they served an average of 10.3 years. He also noted that 59 percent of the employees were earning less than the market average. **Representative Jeffus wanted to know how many employees were making $20,000, or less. Mr. Penny said that he would get that figure to her.** He stated that it was important to his Office that all employees make at least the poverty level stipulated for a family of four.

In response to a question from Senator Foxx, Mr. Penny said that the 59 percentile did not include benefits. However, he said that because of so many improvements in corporate and private industry benefits (such as employee cafeterias and day care), the State's benefits are no longer considered better. The Personnel Office has 4,000 computer terminals across the State into which the different agencies input data. Mr. Penny also proudly announced that the North Carolina Human Resources Office received a "B+" from a national review team.

Senator Lucas wanted to know what role a legislator should play when receiving complaints from a state employee constituent. Mr. Penny responded that if it was a "grievable" issue, you should tell them to file a Grievance; and if you felt the issue was

valid, you should notify his office. He assured her that they would do everything possible to see that no reprisals were taken against the employee.

In response to Senator Kinnaird's concerns, Mr. Penny assured her that persons could be fired and that there was some flexibility within the agencies to work with classification problems. He noted that sometimes problems within these two areas were internal inefficiencies.

Ms. Nellie Riley, Director of the Equal Opportunity Services, then made a presentation (See Attachment 1, Tab F). From the Table on Page 20, she stated that one could see that law enforcement had made the most progress in equal opportunities for diverse groups. One of the problems in hiring diverse employees for specialized positions is the small pool of qualified individuals who apply, Ms. Riley noted. She said that they are providing the EEO plan to colleges and universities. **Representative Ellis asked if there had been a study indicating how North Carolina was progressing. Ms. Riley said she would get him some information. Robert Powell also said that he would bring data to show where agencies stand now in adhering to the "Span of Control" study.**

Steve Davis, Assistant Personnel Director, thanked Senator Warren for his comments about the agency being very responsive. He said that this was very important to them. Steve noted that they worked on an integrated system, in that they tried to have all the personnel in Human Resources familiar with the workings of all departments so that they could avoid duplication of services and be more cost effective.

Steve said that they had conducted labor- marketing surveys, and had found that of twenty-four major areas, the State salaries were below the corporate and private sectors. He noted that the low pay grades (50-56, average salary of $18,000) were especially below these sectors. The persons doing the surveys had come up with some good suggestions in looking at the classification system; however, inadequate funding prevented them from implementing any of them, Steve said.

Senator Foxx asked the following questions: Which occupations fit into the 50-56 grades; and, if the various agencies have autonomy in determining classifications and salaries, why have they not eliminated that problem?

Senator Lucas asked to have Steve come back on Tuesday to review what he had covered, as she was not sure she understood the material. The staff said that they would put this on the schedule.

The meeting adjourned at 9:50 a.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 9, 1999
Room 425
2:00 p.m.

Chairman: Senator Ed Warren

Office of State Personnel

Employment, Classification, and Compensation
(Notebook/Tab C pp. 7 - 11)

Steve Davis
Asst. Personnel Director

Risk Control Services
(Notebook/Tab D pp.12 - 14)

Carl Goodwin
Director and
Legislative Liaison

Human Resources Development
(Notebook/Tab E pp. 15 - 17)

Ann Cobb
Director

Personnel Services
(Notebook/Tab G p. 21)

Dusty Wall
Director

(over)

Program Evaluation
(Notebook/Tab H pp. 22 - 23)

Cassandra Atkinson
Director

Administrative Services
(Notebook/Tab I pp. 24 - 25)

Peggy Oliver
Director

Discussion of Adjusted Pay Period for Employees in Lower Pay Grades

Ron Penny, Director
Office of State Personnel

Ed Renfrow, State Controller
Office of State Controller

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

March 9, 1999

The Joint Appropriations Subcommittee on General Government met Tuesday, March 9 at 2:00 p.m. Room 425 of the Legislative Office Building. Four of the Senate members were present. Representatives present were: Co-Chair Jeffus, Vice Chair McLawhorn, and Barefoot and Hensley.

Senator Warren chaired the meeting, and participated in informal questions and answers with Personnel Director Ron Penny. **He asked Mr. Penny to submit a report on how State employees had fared financially over the past five years.** Senator Warren called the meeting to order at 2:15 p.m. after eight members had arrived and introduced the following Pages: Sparkyl Dade and Bryce Davenport from Wake County; and Andrea Phillips from LaGrange (Senator Warren's District).

The Office of State Personnel staff then reviewed each of their division's goals and responsibilities. These were very nicely presented to the Committee members in booklet form with alphabetical tabs for each division The booklet is included with these minutes as Attachment 1. Steve Davis, Assistant Personnel Director was the first presenter. He covered the material behind Tab C dealing with the Employment, Classification and Compensation Division. **Senator Jeanne Lucas asked Steve to let her know the ethnicity of the 44 personnel listed in the chart on Page 7.**

Carl Goodwin, Director and Legislative Liaison, walked the members through the mission and tasks of the Risk Control Services Division, Tab D. He said that beginning in July they will hire outside consultants to oversee the Worker's Compensation component, since studies have shown that this could save the State $7 million per year. The Statewide Flexible Benefits Program is explained on Pg. 14. Mr. Goodwin informed the members that this was a receipt supported program funded by FICA savings; **and he asked the members to please vote for legislation to remove the sunset clause.** Senator Harris asked if they had "wellness and preventive care" programs. Carl stated that some agencies did, but they were not statewide.

Ann Cobb, Director of the Human Resources Development Division, reviewed their program, details are presented behind Tab D. She noted that their Professional Skills Program was done in collaboration with Wake Technical Institute and that it was receipt funded. In response to Senator Harris' question about programs to encourage self-development, Ann said that the Supervisory Development Program addressed this. She said that it had gotten very good feedback, even though no monetary incentives were offered.

Dusty Wall, Director of Personnel Services Division, explained that his staff worked with smaller agencies and universities who do not have experienced staff or the resources to have their own program. (An explanation of the mission and work of his Division is found behind Tab G.)

Next on the program Dr. Cassandra Atkinson, Director of the Program Evaluation Division, said that her staff asked two questions during their evaluation of Human Resources agencies: 1) What is their purpose? and 2) How well are you achieving it? She said that they performed holistic evaluations on site, and that they evaluated one-third of the agencies each year, which meant that every agency was evaluated at least every three years. She also noted that their reports are shared with the agency and with all the OSP agencies. (See Tab H)

Peggy Oliver, Director of the Administrative Services Division, informed the members that her staff maintained a centralized automated database 200,000 employees files, which entailed over 12 million data entries annually. They also maintain land records, the web page and provide temporary employees to meet state agencies needs. She said that she believes this saves the State approximately $1 million dollars per year. Mr. Penny, Personnel Director, and Gwynn Canady, brought a report to the members addressing the estimated costs for two monthly pay cycles for low income employees which was requested by Representative Jeffus in response to some constituents' concerns. (See Attachment 2)

Senator Kinnaird asked if employees under the Exempt Personnel Act would also be affected. Mr. Penny said that all agencies having central payrolls would be affected, and Ms. Canady said that there were nine universities on central payroll systems. She also said that in addition to the costs in Attachment 2, there would also be a loss in interest in the State Treasury earnings estimated at $65,000 annually.

Senator Warren thanked the presenters for a very good review, and he adjourned the meeting at 3:55 p.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1
March 9, 1999

The North Carolina Office of State Personnel

A OSP's Goals, Mission and Organization
B State Personnel Director's Office
C Employment, Classification and Compensation
D Risk Control Services
E Human Resource Development
F Equal Opportunity Services
G Personnel Services
H Program Evaluation
I Administrative Services

The Office of State Personnel

Mission

The Office of State Personnel serves the citizens of North Carolina by facilitating efficient and effective personnel management systems in the agencies, departments, universities and institutions of the State of North Carolina. The Mission of OSP means that this organization seeks to create systems that will:

a) attract, retain and develop a workforce that is competent, productive, satisfied and diverse;
b) create and maintain a working environment that treats employees, applicants and former employees in an ethical and equitable manner; and
c) operates within the budgeting constraints of the organization.

In striving to accomplish the mission, the Office of State Personnel agrees to:

a) Create a Partnership

OSP shall engage in a partnership with State managers and personnel directors to provide integrated, comprehensive professional systems of personnel services to management and employees.

Through ongoing collaboration, the partners will ensure that State and Local governments can attract, retain and develop a competent and committed workforce which is representative of the citizens of North Carolina.

b) Continuously Strive for Excellence

In seeking to accomplish the mission, the Office of State Personnel shall be accessible, responsible and will continuously strive toward excellence.

OSP shall further provide information and staff support to all branches of government including the Legislative and Judicial branches.

OSP Organization

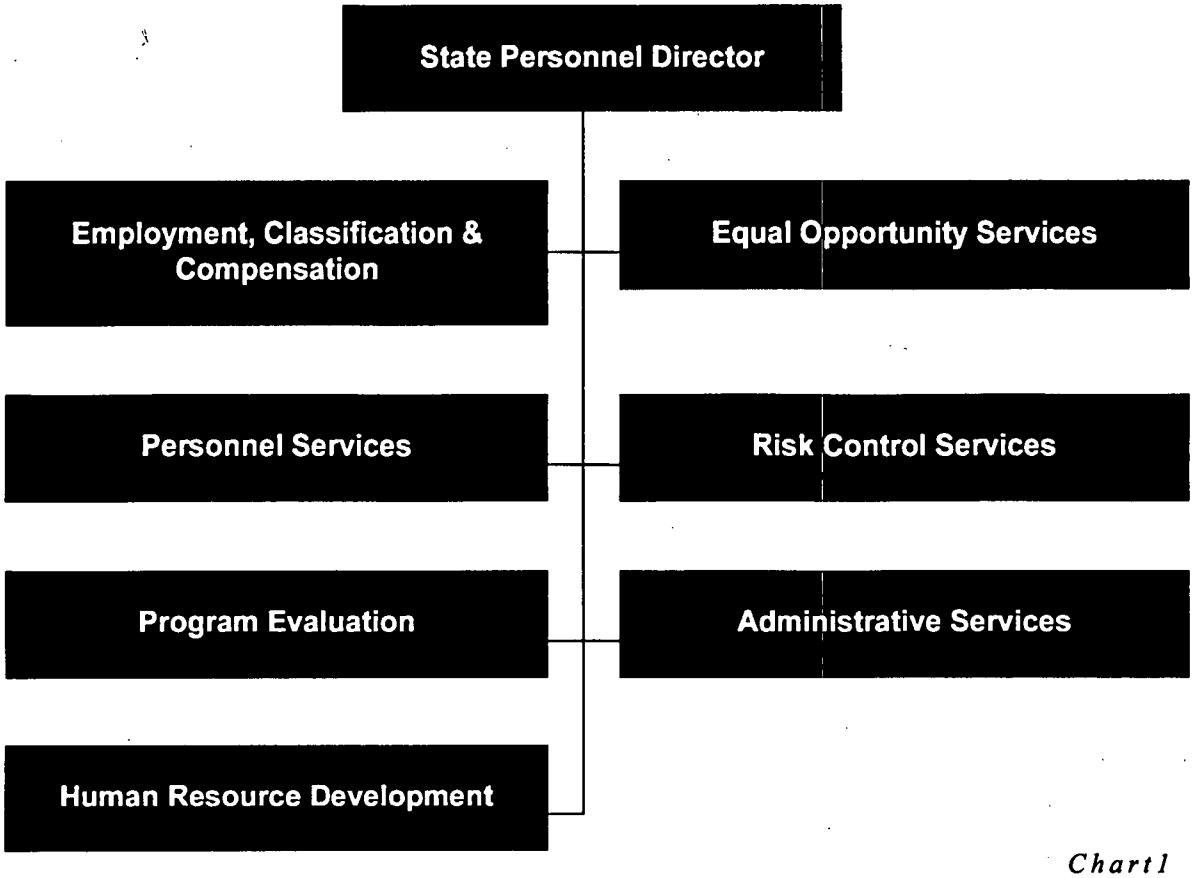


Chart1

OSP Goals

1. To provide leadership in contemporary Human Resource (HR) practices
2. To continuously utilize current information technology to expand HR services, lower costs and increase the understanding of HR
3. To deliver quality HR services, technical assistance and consultative services at an expert level and in a timely multidisciplinary approach
4. To lead and advocate for the best HR practices in North Carolina and review HR practices in North Carolina in order to continuously improve services
5. To provide both individual professional growth and development and organizational development services and products to enhance productivity

OSP Key Functions

Automated Central Data Management

Personnel Management Information System (PMIS)

- Provide centralized records and reports for agencies and the General Assembly
- Provide on-line automated access to employee records
- Feed information to Central Payroll System for preparing payroll

Classification and Compensation

- Develop and maintain modern and fair job evaluation system (position classification)
- Evaluate HR systems for compliance with laws and encourage continuous improvement
- Monitor labor market to assure pay levels are adequate

Employee Relations

- Provide consultation on employee relations issues
- Provide counseling and information to employees with job-related problems
- Administer employment and re-employment priorities

Equal Employment Opportunity

- Develop and administer programs to enhance and promote equal opportunity for all state employees
- Review Equal Employment Opportunity (EEO) plans and programs
- Assess, evaluate and report EEO progress to General Assembly and state government

Development and Training

- Develop and monitor a job performance rating system
- Establish training management systems and program standards for effective training to facilitate statewide training plan covering managers, supervisors and employees
- Provide nationally-accredited Public Manager Program for mid-level managers, supervisory training programs, microcomputer training and pre-retirement planning training (PREPARE)
- Provide personnel professionals with curriculum based upon competencies which are critical to effective performance in the HR discipline

Employee Benefits

- Provide uniform, cost-effective and competitive benefits package to attract and maintain a qualified workforce
- Provide tax advantage on benefits where possible
- Promote a safe and healthful working environment

Allocate resources to effect a cost savings to the state

Reduce cost of state operations in areas such as temporary employment, workers' compensation, flexible benefits, unemployment insurance, etc.

Administrative Services for State Personnel Commission

Provide administrative support to SPC to enable establishing human resource policies and rules in classification, compensation, benefits, employee relations, equal opportunity, training, etc.

State Personnel Director's Office

It is the mission of the Office of the Director to provide leadership, both internal to OSP and throughout the North Carolina personnel system. In providing that leadership, the Director, working in concert with the OSP Management Team, shall seek to develop and maintain an efficient and effective Human Resource system for North Carolina.

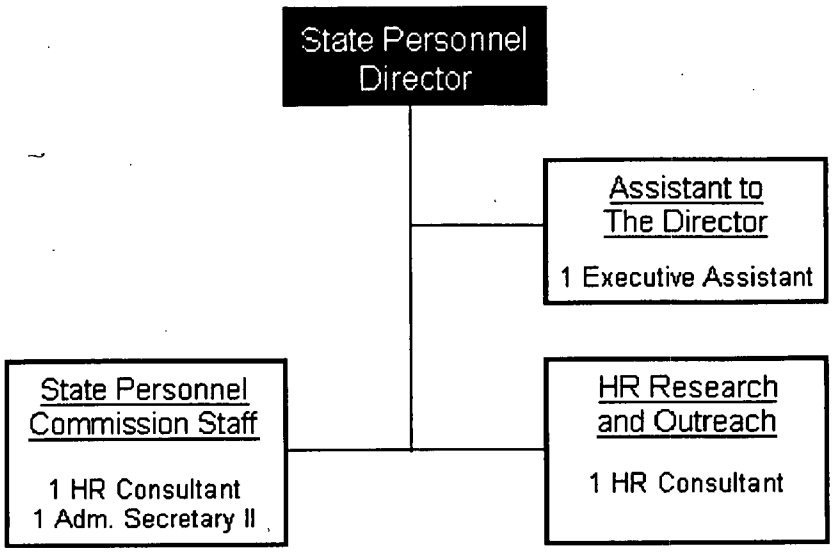


Chart 2

O-Charts
Throughout this document, underlined text is team names or working titles; smaller scripts are classification names for actual positions

State Personnel Director's Office Responsibilities:
State Personnel Commission
Administrative Procedures Act (Rule Making)
Liaison for Volunteering and Non-Profit Organizations
Governor's Public Manager Internship Program
Legislative/Executive Liaison
Human Resource Research

State Personnel Commission

The State Personnel Commission (SPC) is the governing body for the state personnel system. It establishes policies and practices for several state personnel areas including the position classification plan, a compensation plan, hours and days of work, employee leave and final administrative decisions in appeals by applicants, employees and former employees. Staff provides administrative support to the nine state personnel commission members appointed by the Governor and the General Assembly.

Administrative Procedures Act (Rule-Making)

The rule-making process applies to an agency's exercise of its authority to adopt or amend a rule. A rule is not valid unless it is adopted in substantial compliance of the rule-making process under the Administrative Procedures Act.

"Rule" means any agency regulation, standard or statement of general applicability that implements or interprets and enactment of the General Assembly or Congress or a regulation adopted by a federal agency or that describes the procedure or practice requirements of an agency. The term includes the establishment of a fee and the amendment or repeal of a prior rule.

The following procedures may be required when filling a temporary or permanent rule:

- Notice of rule-making
- Notice of text
- Public hearing
- Approval by the agency
- Review and approval by the Administrative Rules Review Commission
- Then review and approval by the Joint Legislative Administrative Procedures Oversight Committee

Staff prepares rules impacting Chapter 126, the State Personnel Act.

Governor's Public Manager Internship Program

The Governor's Public Management Internship Program (GPMIP) is developed for outstanding individuals who have received the Master of Public Administration or equivalent degree within the last 12 months or will receive the degree prior to becoming a Post-graduate Intern. From university nominations, 12 nominees will be selected as candidates for internships.

The goal of the GPMIP is to provide a path of entry into state government professional and management positions while emphasizing the importance and appropriateness of advance education for public sector careers.

Employment, Classification and Compensation Division

The mission of the Employment, Classification and Compensation Division is to develop and maintain contemporary, integrated human resource systems and to offer consultative services to client agencies on core human resource issues. The Division's primary goal is to ensure a responsive delivery system for human resource programs and services with an underlying principle of cross-functional and collaborative consultation to clients.

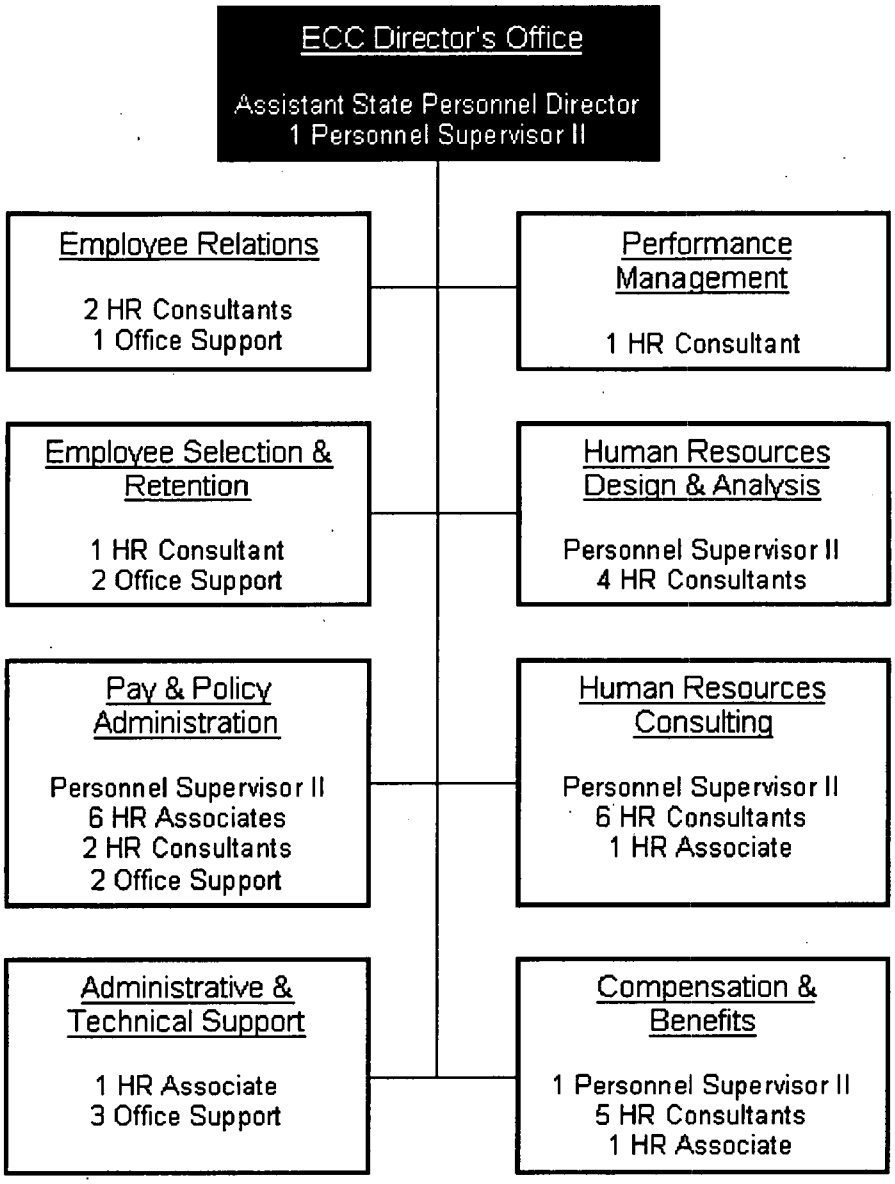


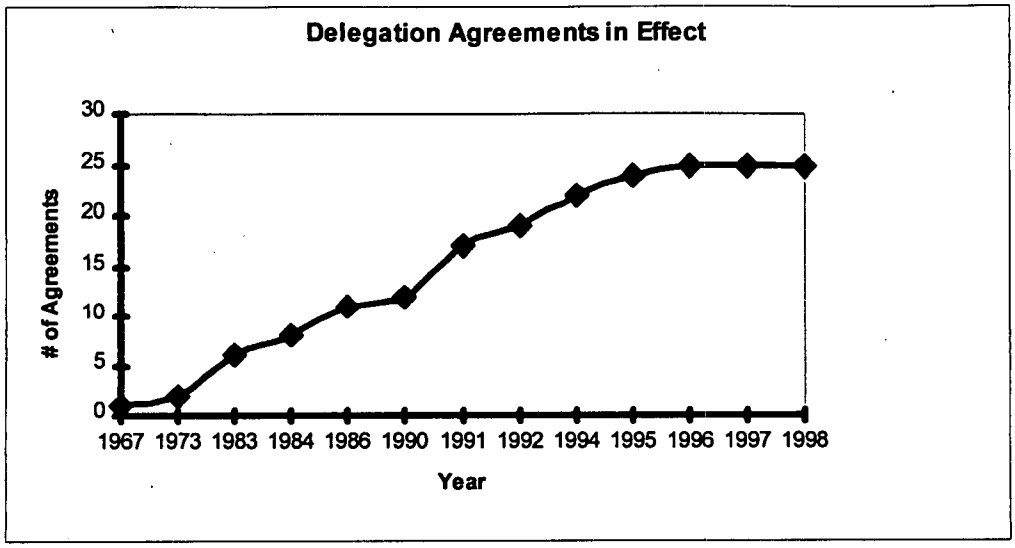
Chart 3

Major Objectives for ECC

1. Evaluate current pilot projects and develop implementation/communication strategies for a statewide human resource system which integrates core HR functions.

2. Develop an organizational unit comprised of Human Resources Consultants who have sufficient technical competencies in human resources functions to identify a service delivery system which facilitates and supports client agency/university requests for technical assistance or issues related to HR administration.

3. Increase the number of client agencies and universities with delegated agreements for classification and salary administration and increase the percentage of occupational classes that are delegated.



There are a total of 40 agencies
Chart 4

4. Continuously develop and disseminate new tools, programs, policies, services and initiatives such as recruitment programs and strategies and flexible pay structures to support and sustain agencies' ability to attract and retain skilled employees and improved and to simplify pay policies and practices.

5. Develop a system for the collection, analysis and reporting of compensation and benefits data based upon government surveys as well as data from corporate and business surveys.

6. Modify and expand automation of the current performance management system to make it more efficient and closely linked with other HR functions.

7. Identify and develop a comprehensive program for information technology issues and their application within the state's human resources system to include compensation, job evaluation, recruitment and retention considering occupational trends and emerging issues relative to technology.

ECC Division Director's Office

Key responsibilities of the ECC Division Director's Office include:

- Performance management and pay dispute resolution
- The designation of positions as exempt from the State Personnel Act
- Strategic planning and forecasting
- Providing advice and consultation to agencies and universities on the Fair Labor Standards Act
- The delegation of authority for personnel systems management to local governments

Employee Relations Team

The key responsibility of this team is to recommend and develop policies, provide technical assistance including legal implications to statewide personnel agencies, managers, supervisors, employees and others in the administration and implementation of employee relations services. The team also provides training to OSP staff and others, as requested, on the legal aspects of employee relations. Settlement agreements for the State Personnel Director's signature are reviewed and recommended for approval. The team researches and develops appropriate and timely responses to external inquiries concerning employee relations matters, and participates in team planning, implementing and evaluating employee relations services to internal and external clients.

This section is also responsible for reviewing agency/university grievance and discipline/dismissal policies and presenting them to the State Personnel Commission for final approval. In partnership with the Human Resource Development Division (HRD), training in employee relations policies and procedures for agency/university personnel directors, employee relations specialists, managers and supervisors is developed and conducted. This team has developed the Employee Relations Network with state government clients and is responsible for developing and implementing conflict resolution models, including coordination of a statewide mediation program.

Employee Selection and Retention Team

The primary role of this team is the identification and development of policies, procedures, strategies and tools which support agency and university efforts to attract and retain qualified individuals for employment. Section staff monitors emerging trends reported through the North Carolina Personnel Roundtable and through professional literature, and they work in partnership with agencies, universities and other OSP divisions to test and/or demonstrate recruitment models and prototypes on a pilot basis to determine whether to implement new statewide recruitment programs.

Staff provides guidance and assistance on reductions-in-force and associated employment priorities; manages the addition/deletion of policy making exempt position designations; and is the primary technical resource for veteran's preference, credentials verification, position posting requirements and state employee promotional priority.

This section works in concert with the Equal Opportunity Services Division that represents the state at private and public recruitment events such as job fairs and other activities designed to identify prospective employees for state government.

Human Resource Consulting Team

This team has primary responsibility for providing technical guidance and professional human resource consultation to agencies and universities. The Human Resource Consultants in this group have specific agency/university assignments and field questions and inquiries on a range of human resource issues and concerns with a focus on employee selection and retention, position classification, compensation, employee relations, benefits administration and performance management programs.

The consultants review and evaluate requests for position reclassifications from agencies and universities not delegated the authority to process their own actions, and they review other non-standard requests. This team also negotiates and manages delegated authority agreements with agencies and universities.

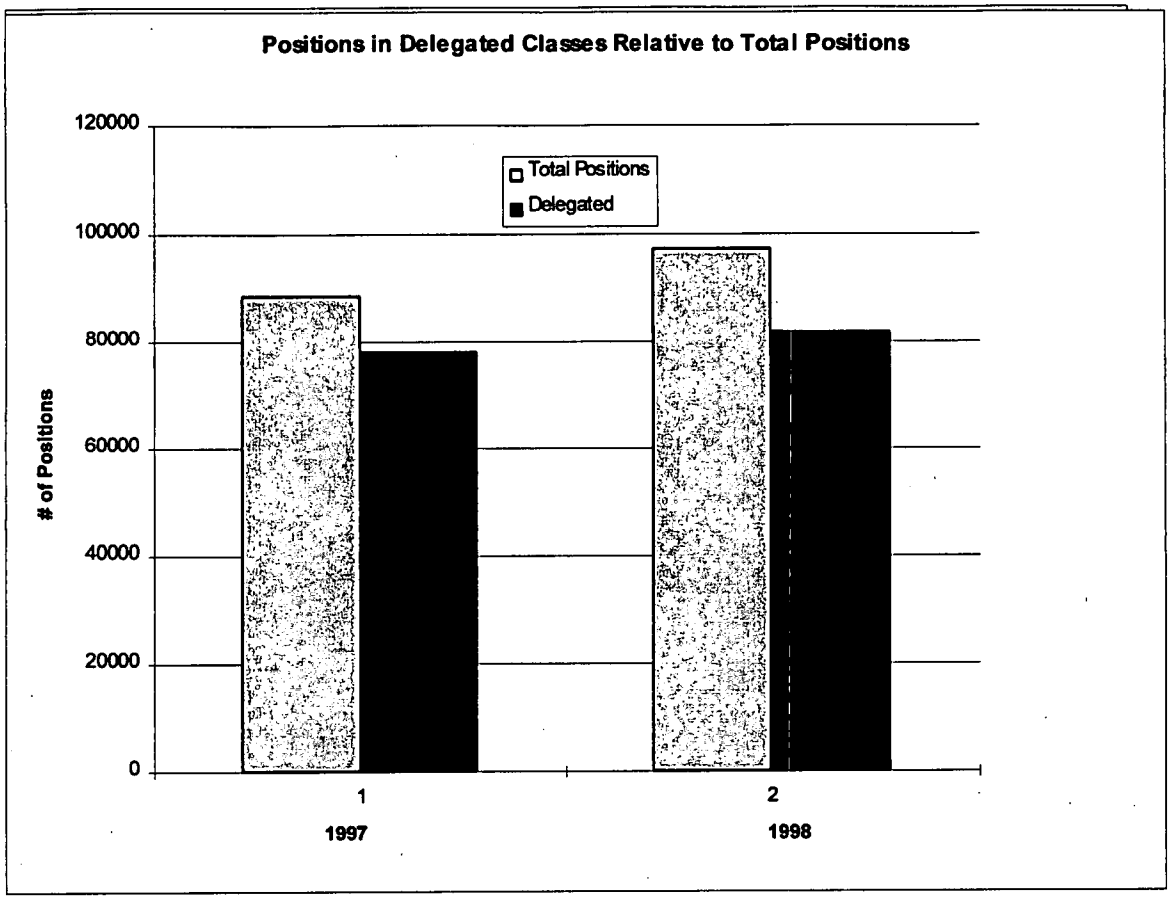


Chart 5

Working as "one-stop" shopping for the core functions of the state personnel system, the team is a vital tool for the larger agencies and universities in state government. Smaller clients will also work with this division, but more detailed assistance will be provided to them through the Personnel Services Division.

Human Resource Design & Analysis Team

This team conducts needs assessments, feasibility studies, cost-benefit studies and other analyses of proposals for new human resource products, services, tools and methods. Responsibilities range from analyzing current human resource programs and services to incubating ideas for new and emerging trends in the field of human resources

with an emphasis on the design of prototypes, pilot projects and demonstration models. The team also tests proposed HR products for possible statewide implementation. They work on a cross-functional basis through collaboration with other OSP teams and divisions as well as with agency staff to analyze, design, test and implement new or revised human resource products, tools, programs and services.

Pay & Policy Administration

This team addresses and responds to inquiries and requests for interpretation of employee salary administration and leave policies. Staff reviews and determines appropriate action on requests for policy variances or exceptions.

The team also monitors and evaluates employee and position status change transactions as well as maintaining salary administration records through electronic imaging and automated storage.

With the HRD Division, the team provides training on salary administration policies and procedures for agency and university staff responsible for those functions. The staff will establish and work collaboratively with the Salary Administration Network, a group of human resource professionals representing agencies and universities who discuss issues affecting pay and policy administration.

Compensation & Benefits Analysis Team

This team compiles and analyzes a range of demographic, workforce, employment and planning data from an array of sources to project and anticipate future HR needs and resources to ensure a proactive and timely response to the impact of changes in the state's population and labor market. Staff has key responsibility for the collection, analysis and dissemination of compensation survey data and statistics to determine whether pay ranges and scales are competitive in labor markets for various occupational groups. This team links and integrates the compensatory value of employee benefit programs and services with salary rates in structuring pay plans for state government. Other major responsibilities include collaboration with the Human Resource Design & Analysis Team in the development and testing of specialized pay programs including skill-based pay, gainsharing and other innovative pay practices.

A critical component of this team is the Information Technology Initiative which is the central technical resource for information technology classification, class concept administration, compensation and labor market studies, special pay programs and recruitment. The Information Technology Initiative will continuously monitor public and private trends in the recruitment and retention, pay, classification, and development of information technology roles to ensure that the state is competitive in labor markets in North Carolina and the Southeast. The Compensation & Benefits Analysis Team has responsibility for management and administration of local pay plans.

Administrative & Technical Support Team

This team provides a range of services including traditional office and clerical support; receptionist services; records management and administration; and records archiving. Technical support ranges from general research and analysis of human resource issues to basic project management in support of the other ECC program teams.

Risk Control Services

The mission of the Risk Control Services Division is to develop and maintain systems and programs that promote:

- Cost efficient services
- Comprehensive benefits
- Safe and healthful work environments

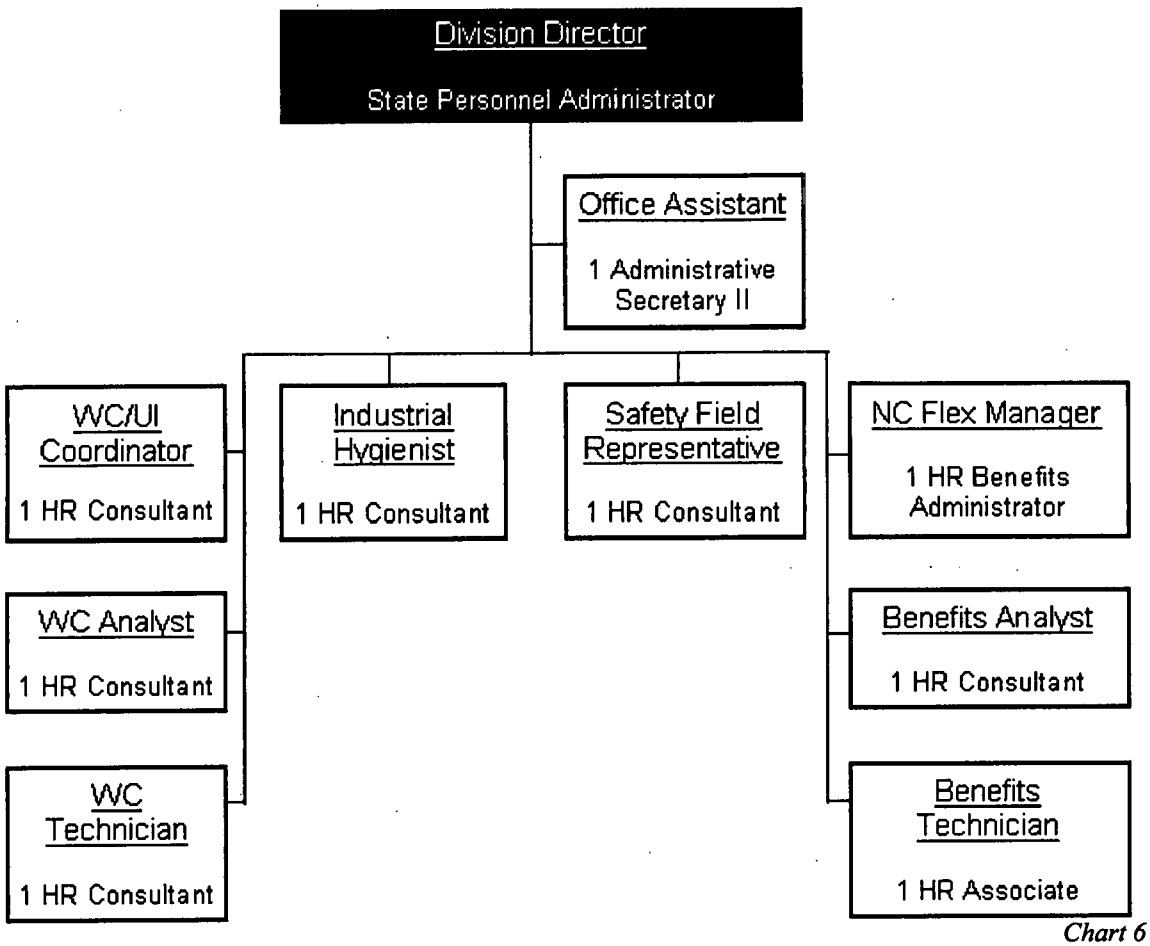


Chart 6

Programs:

- Workplace Requirements Program for Safety & Health
- State Government Workers' Compensation Program
- Unemployment Insurance Cost Management Program
- NCFLEX - Statewide Flexible Benefits Program

Workplace Requirements Program for Safety & Health

Program Purpose: Provide technical and consultative services to agency occupational safety and health programs to develop and maintain loss control and industrial hygiene services to provide a safe and healthful workplace for state employees. The program also monitors the legislative requirements for written Safety & Health programs and Safety & Health committees.

Program Objective:

- Increase productivity by reducing the number and severity of work related accidents and injuries
- Maintain statewide statistical database
- Provide industrial hygiene and safety services for agency program needs
- Report annually to General Assembly on agency program compliance

State Government Workers' Compensation Program

Program Purpose: Provide consultative and technical services to decentralized agency programs and injured employees to ensure workers' compensation benefits are equitably provided to eligible employees in a cost effective manner. Review the method of processing workers' compensation claims and alternative claims processing methods.

Objectives:

- Reduce the costs of workers' compensation claims and expenditures
- Maintain statewide statistical data on claims and expenditures
- Provide technical assistance to agency personnel and injured employees
- Develop enhancements to agency programs such as Return-to Work

State Government Workers' Compensation Cost Containment Pilot Program

Program Purpose: Monitor and administer a pilot program through which a third party contractor administers the claims activity for 17 pilot agencies. Effective July 1999, the pilot program will be expanded to a statewide program of third party claims administration (TPA).

Evaluate third party administration and analyze potential cost savings to the state by:

- Maintaining pilot statistical data on claims and expenditures
- Reimbursing TPA on percentage of savings based on expenditure projections
- Coordinating TPA and agency program activity
- Conducting pilot program at no additional cost to the state

Unemployment Insurance Cost Management Program

Program Purpose: Ensure unwarranted unemployment claims are protested, provide effective management training and implement administrative cost avoidance strategies to keep the state's liability at the lowest possible level.

Reduce cost of unwarranted claims through:

- Contract oversight
- Central site record for state UI claims with the TPA
- Central database of claims and cost activity
- Provide technical assistance, education and training to agency personnel
- Utilize non-charge reimbursement option of claims payments

Statewide Flexible Benefits Program (NCFLEX)

Program Purpose: Provide a uniform competitive compensation package to state employees which provides tax-advantaged benefits in compliance with federal and state rules and regulations. The program is receipt supported funded by FICA savings resulting from program participants.

Enable the state to maintain and recruit a quality workforce and provide uniform benefits package to all state employees by:

- Providing cost effective benefits products to employees
- Ensure uniformity in benefits available to employees
- Fiscal rewards to employees and the state through FICA savings

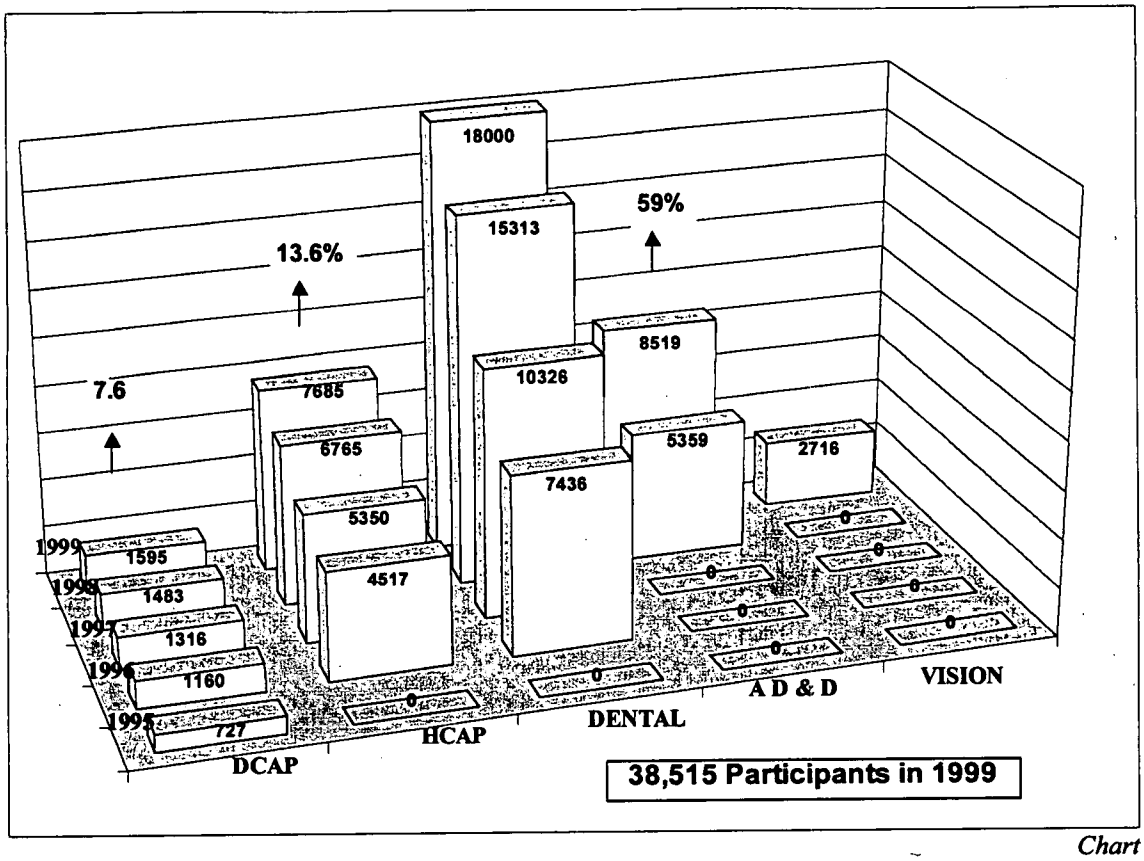
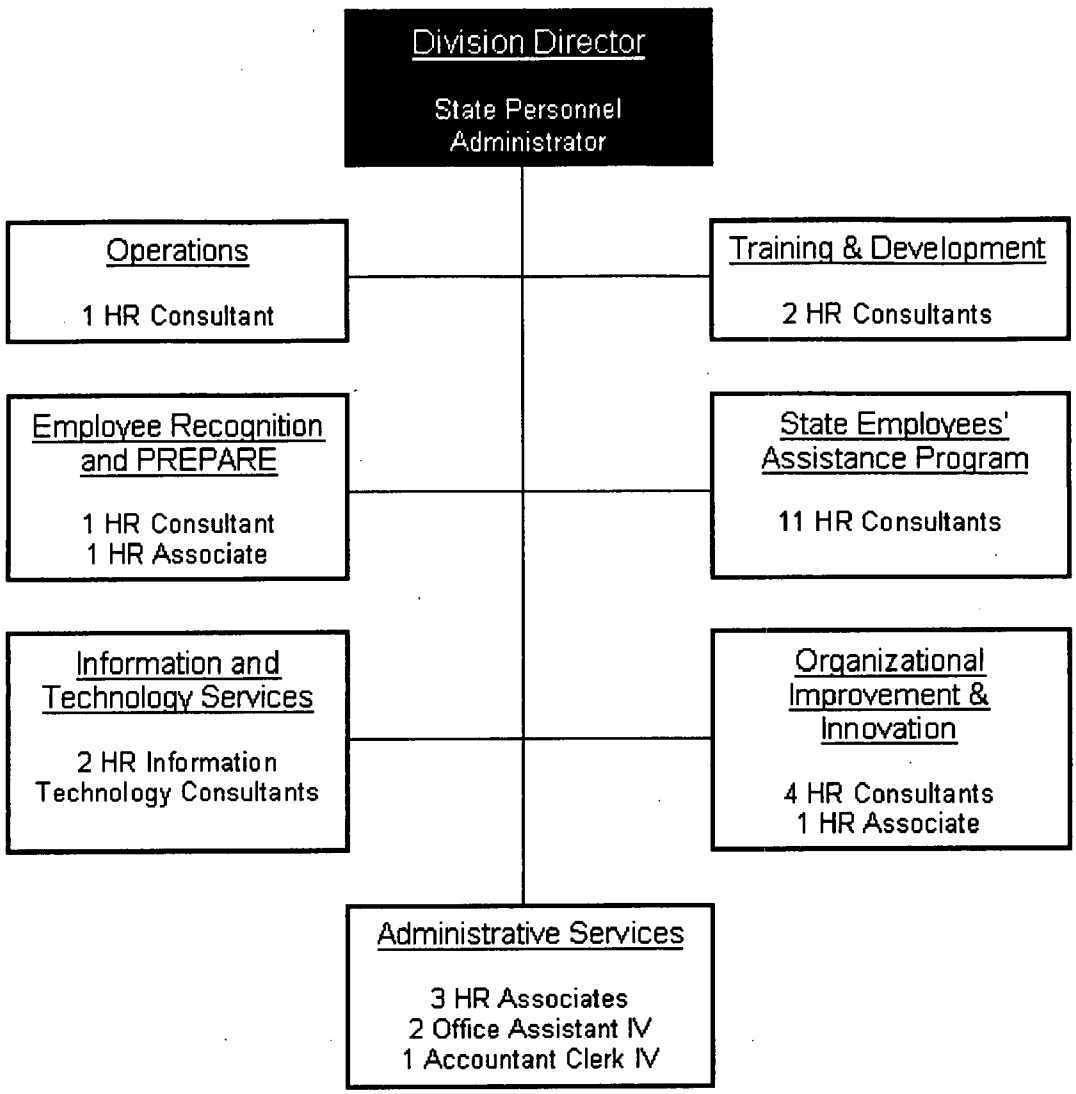


Chart 7

DCAP – Dependent Care Account Program
HCAP – Health Care Account Program
AD&D – Accidental Death and Dismemberment

Human Resource Development

The division's programs focus on increasing the productivity and effectiveness of state agencies and universities. Working as consultants, HRD staff combines a variety of intervention models and methods with appropriate training to assess workplace situations, recommend corrective interventions and provide services that assist an organization to continuously improve. HRD also provides numerous employee services, including coordinating training in conjunction with community colleges and universities.



HRD Responsibilities

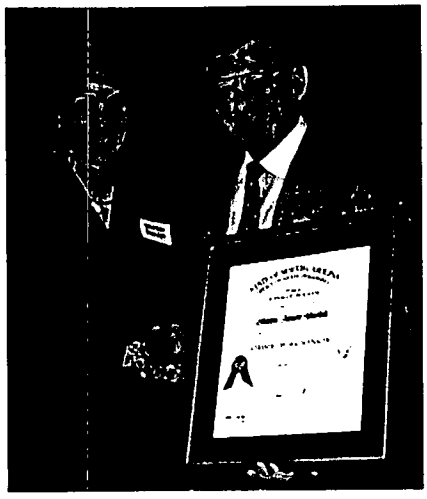
Employees' Assistance Program
Employee Recognition Programs
Quality Improvement Training
Organizational Development
Employee Surveys
Media Support Services
Public Information
Personnel Publications
Instructional Technology
Educational Assistance
Supervisory Training
Public Manager Program
HR Professional Development Program
Interaction Management
Wake Tech. Computer Training Coordination
Pre-retirement training/information sessions
Customer Service Training

Human Resource Professional Development Program

The HR Professional Development Program is a curriculum of over 30 courses offered for open enrollment to HR professionals across state government, county government and municipalities. The curriculum is being developed based upon competencies identified as critical to effective performance in the HR discipline. By delegation of authority, our statewide HR system is becoming fully decentralized. Effective transition requires a change in OSP's role from technical expert to consultant. The strategy to implement this change requires agency HR staffs to be responsible for more of the day-to-day operations as well as the decision making. Support and training to develop the HR staffs is integral to a successful transition.

Public Manager Program

The purpose of the Public Manager Program is to provide an in-depth, comprehensive training program for middle managers from state government agencies and university campuses. A graduate of the PMP is designated a Certified Public Manager which is recognized by a national consortium of over 20 states.



North Carolina's PMP enrolls 96 participants annually. The curriculum takes two years to complete and is conducted in Raleigh. There are 11 courses participants must complete to graduate as well as an application project.

In 1998, 83 individuals graduated from the program. In January 1999, 35 individuals received their certification.

Quality Improvement

The Quality Improvement Initiative assists state employees in accessing the necessary information and resources to improve the productivity and quality of their work lives. This initiative champions the use of best management practices within state government to provide excellent customer services and to promote the efficient and effective use of resources. This is accomplished through leveraging and direct provision of consultation, education/training, and networking opportunities. Consultation features assistance with design and implementation of quality improvement programs within and across state agencies. Education/training encompasses the design, delivery and dissemination of competency-based best practice curricula to address performance enhancement needs of state employees. Networking includes developmental support for Quality Resource Advisors to foster the sharing of best practices within and across state agencies.

Customer Service Training

The level of service excellence needed to attract and win the loyalty of customers is rising. Staff, employees and organizations must understand and master certain key skills and attitudes to prevent problems and rise to a level of service excellence, which meets the needs of their customers and their employers. Customer Service Training is a series of courses designed to provide agencies and their employees with the skills needed to build effective customer relationships by providing superior service.

Professional Skills Program

The Professional Skills Program is a receipts-based program offering computer skills training to any state employee desiring training. This program provides instruction in two 20-station computer labs located at the Personnel Development Center. Wake Technical Community College co-sponsors instruction providing instructors, equipment, support and Internet access. Emphasis is placed on developing skills using computer hardware, operating system software, application software, networking technologies and internet-related instruction.

	Fall 97	Spring 98	Summer 98	Fall 98	Spring 99
One-Day Classes	551	708	593	991	894*
Curriculum Courses	292	292	187	235	236*

**as of 2/11/99*

Chart 9

Supervisory Development Program

Through Supervision for Manager/Professionals (SMP), participants learn to supervise individual employees. The program consists of four, two day courses that concentrate on the leadership role including effective interactions, developing trust and credibility, influencing strategies and developing the competencies requires to be an effective manager.

Introduction to Supervision is designed for new supervisors who are in first-line supervisory positions in areas such as clerical, laboratory, communications and business offices. First-line supervisors are those who directly supervise the "hands-on-the-work" employees.

	Participants		*Locations offered*	
	97-98	98-99	97-98	98-99
Intro to Superv.	88	119	6	6
SMP	295	313	13	13

Chart 10

Employees' Assistance Program

The State Employees' Assistance Program is a confidential service designed to assist state employees and their immediate family members resolve personal problems before they disrupt personal or work life. EAP provides professional assessment and referral services to assist employees in developing problem resolution strategies and linking employees to community resources. It also provides management consultation services to supervisors and managers as well as technical assistance and training to state agencies and universities. EAP staff worked with approximately 1,700 employees during Fiscal Year 1997-98.

PREPARE

The PREPARE program consists of a small group discussion workshops aimed at helping active state employees develop plans for retirement. It helps them develop an awareness of the issues in retirement, providing accurate information and resources and encouraging them to accept personal responsibility by developing realistic future plans. The program consists of two different workshops: PREPARING Makes $ense (geared toward younger employees just starting out) and PREPARE for Tomorrow (for older employees who may be just a few years away from retirement).

Equal Opportunity Services

The Equal Opportunity Services Division is responsible for developing and/or providing policies, programs, tools, innovations and services that implement state and federal equal employment opportunity laws, policies and regulations. The Division is a catalyst for systemic change that promotes workforce diversity, fairness and equity in employment access, policies, practices and work environment.

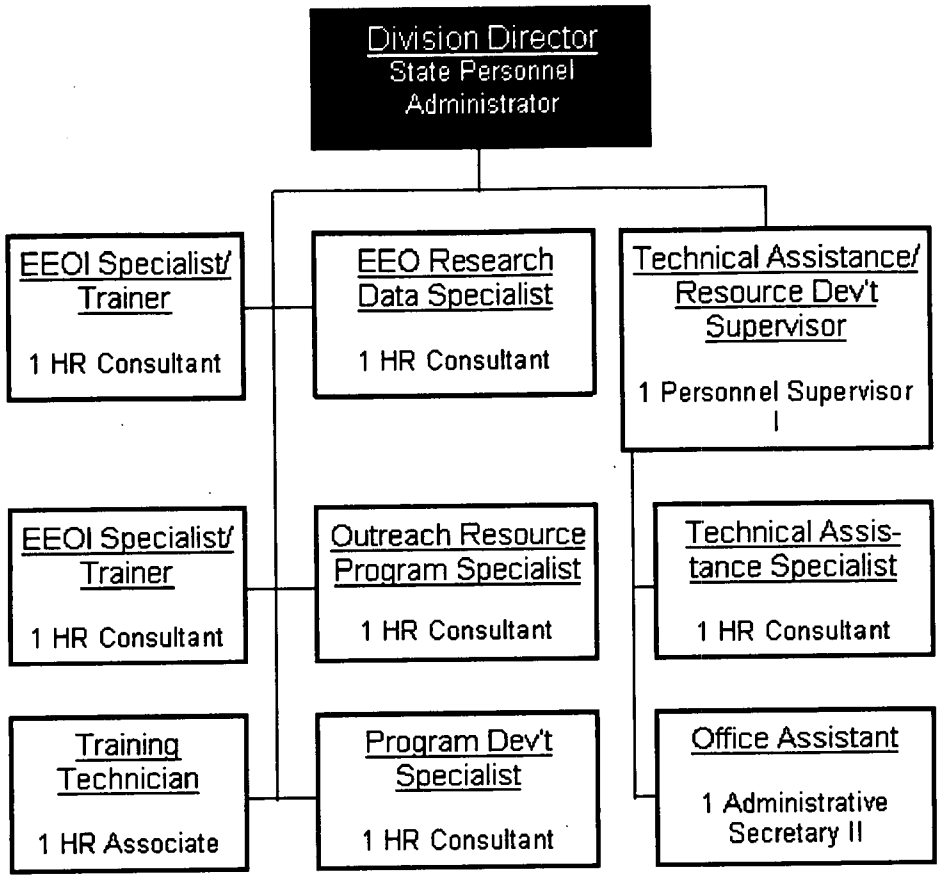


Chart 11

EOS Programs and Responsibilities:
The programs and responsibilities include EEO oversight, technical assistance/consultation, resource assistance, data analysis, monitoring, reporting and training.

- Equal Employment Opportunity Institute
- Equal Opportunity plans and resource programs
- EEO Issues training
- Outreach and Targeted Recruitment Program
- Model Cooperative Education Program (MCEP)
- Monitoring and reporting of EEO progress
- Skills Bank for targeted occupations
- Positive Emphasis Program (ADA)
- Upward Mobility and Glass Ceiling Programs
- Work and Family Program

EEO Plans & Resource Programs

Purpose: To provide technical assistance/consultation and resource programs to departments, agencies and universities in the development and implementation of EEO plans and programs

Objectives:

- Increase the representation of underrepresented groups by assisting managers/supervisors to eliminate historic inequities, provide equal employment opportunity and use the skills and abilities of all available human resources
- Develop or refine rules and/or policies and procedures which support changes in federal and/or state laws that impact EEO and ensure compliance
- Assist agencies to attract applicants for hard to fill positions and/or to diversify the applicant pool for targeted positions
- Provide interpretation of EEO laws, rules, policies and procedures
- Provide EEO plan and program development assistance/consultation to agencies/departments and universities
- Promote state government as an employer and share job opportunities in state government through visits and contacts at colleges, universities, community and professional associations
- Provide resource programs which enhance requirement and retention of a qualified workforce

EEO Training Programs

Purpose: To develop and conduct training to promote work environments with fair employment practices

Provide training on equal opportunity issues to:

- Increase awareness and sensitivity for employees working in a diverse workplace environment through various workshops
- Enhance managers, supervisors and employees' skills in communicating, valuing and working in a diverse and complex workforce
- Encourage and promote a work environment that supports fairness
- Increase knowledge of EEO and its relationship to effectively manage the human resource system
- Enhance understanding of EEO laws, regulations and changing EEO issues through various workshops including the following: Equal Employment Opportunity Institute (EEOI), Diversity, Unlawful Workplace Harassment, Americans with Disabilities Act, Legal Interviewing, Communication, Interconnection of EEO and Personnel Functions
- Enhance and broaden knowledge and skills of EEO Officers which can assist them in effectively performing their EEO responsibilities

EEO Monitoring and Reporting Program

Purpose: To review quarterly and report annually the progress departments, agencies and universities are making in increasing representation at all occupational levels, thus ensuring the workforce reflects the demographics of the working population of the state

Objectives:

- To ensure standards and procedures are available to agencies, departments and universities for the development and implementation of EEO plans and programs
- Monitor quarterly EEO progress and issue annual EEO Status Report by each department, agency and university and state government as a whole
-

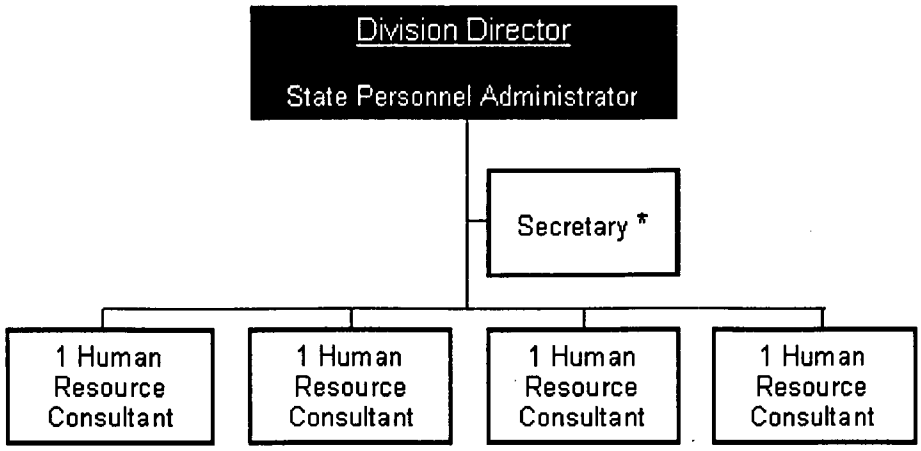
Workforce Composition Comparisons (1977 to 1998)

Occupational Category	Year	White Males	White Females	Black Males	Black Females	Other Males	Other Females
Officials & Administrators	1977	78.9%	13.7%	5.0%	1.9%	0.4%	0.1%
	1998	60.6%	23.9%	9.5%	4.6%	1.0%	0.5%
Mgmt. Related	1977	71.9%	19.6%	4.3%	3.5%	0.4%	0.3%
	1998	43.5%	36.8%	6.7%	10.7%	1.2%	1.1%
Professional	1977	47.8%	38.8%	5.0%	6.8%	1.0%	0.6%
	1998	38.1%	40.8%	6.5%	11.2%	1.8%	1.7%
Technicians	1977	35.1%	32.8%	12.1%	19.2%	0.3%	0.5%
	1998	30.2%	27.4%	14.7%	25.8%	1.2%	0.8%
Administrative Support	1977	7.9%	72.9%	2.9%	15.3%	0.1%	0.9%
	1998	7.2%	62.6%	4.0%	24.4%	0.2%	1.6%
Service	1977	14.7%	20.4%	30.8%	33.4%	0.5%	0.3%
	1998	17.4%	26.6%	23.4%	30.7%	1.0%	0.9%
Law Enforcement	1977	79.2%	1.8%	16.7%	1.3%	1.0%	0.0%
	1998	54.2%	7.8%	23.3%	11.9%	2.1%	0.7%
Skilled Craft	1977	80.9%	2.2%	15.3%	1.0%	0.6%	0.0%
	1998	74.1%	3.9%	16.9%	1.1%	3.8%	0.2%
TOTAL	1977	45.8%	31.1%	11.1%	11.1%	0.5%	0.4%
	1998	41.0%	28.6%	12.9%	14.6%	1.7%	1.0%

Chart 12

Personnel Services

The mission of the Personnel Services Division is to provide comprehensive human resource management services to client agencies and universities and to develop and build the internal capability of HR offices.



* Position shared
With Program Evaluation

Chart 13

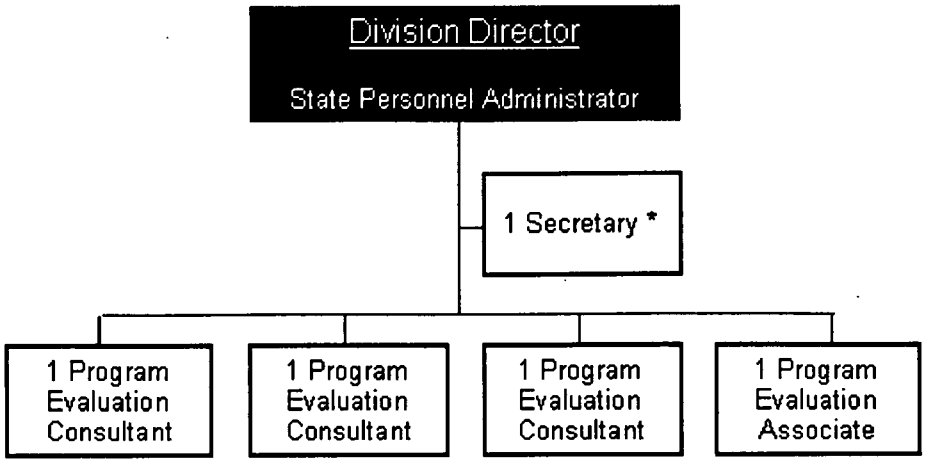
The Personnel Services Division provides quality, individualized HR services to agencies and universities with small or less experienced HR staffs and those without sufficient resources to offer full HR programs. To enhance its capability to supplement staffs of client agencies and universities, the division is comprised of employees with varied HR backgrounds enabling expertise and coordination in all functional HR areas. The division supports client agency and university staffs as needed and by request. Through an in-depth understanding of the operations of client agencies and universities, division staff assists and supplements client HR offices as they seek to support their management in attaining established objectives.

Services:

- Deliver comprehensive, direct, hands-on HR services to client agencies and universities (client agencies/universities are those with small or less experienced HR staffs)
- Develop and build the internal capability of HR offices through mentoring and development programs for client HR staffs
- Provide consultation and technical assistance to client agencies and universities
- Identify, design, develop and market HR products and tools tailored for client agencies and universities

Program Evaluation

The focus of the Program Evaluation Division is to help agency and university human resource programs achieve their intended purposes and help document their effectiveness and impact. The Program Evaluation Division provides research, analysis, agency assessments and program evaluation services to agencies and universities in the HR system. The Division promotes continuous improvement of HR services by helping agencies and universities identify best practices through benchmarking and other comparative analyses.



* Position shared
With Personnel Services

Chart 14

Program Evaluation Responsibilities

- Agency and University HR program evaluations and assessments
- Technical assistance for developing data measures, data analysis and coordination
- Benchmarking and best practices
- Monitoring HR trends in public and private sectors
- Program review and monitoring

Program Evaluation works collaboratively with other OSP Divisions to:

- Provide leadership, while working in conjunction with other teams, to periodically review data and information collected by OSP about agency and university practices

- Examine personnel transactions to ensure compliance with standards and policies while determining whether HR programs are being properly administered by agencies and universities

- Provide leadership, while working in conjunction with other OSP teams by conducting holistic HR evaluations of decentralized agencies and universities using a variety of data collection methods and on-site visits

Major Objectives for Program Evaluation Division

- Provide information on evaluation methodologies and performance measures to agencies and universities; solicit input regarding HR assessments and evaluations
- Publish written report of proven Best HR Practices using existing research from public, private and non-profit HR programs and organizations
- Coordinate Data Collection Multi-Disciplinary Team. Review and assess processes for collecting data from agencies and universities
- Develop and report trends, practices and policies that predict issues significant to the HR system and develop a process for benchmarking for best practices in human resources
- Conduct annual holistic evaluations of HR programs to improve the delivery of HR services, assures compliance with HR policies and to improve OSP programs
- Develop human resource performance measures and benchmarks for key HR areas
- Keep HR System staff informed of current law and policy and of contemporary developments in human resource theory and practice

Administrative Services

It is the mission of the Division of Administrative Services to promote efficiency and effectiveness in the delivery of human resources information systems and temporary employment services and to provide orderly administration of the internal operations of the Office of State Personnel.

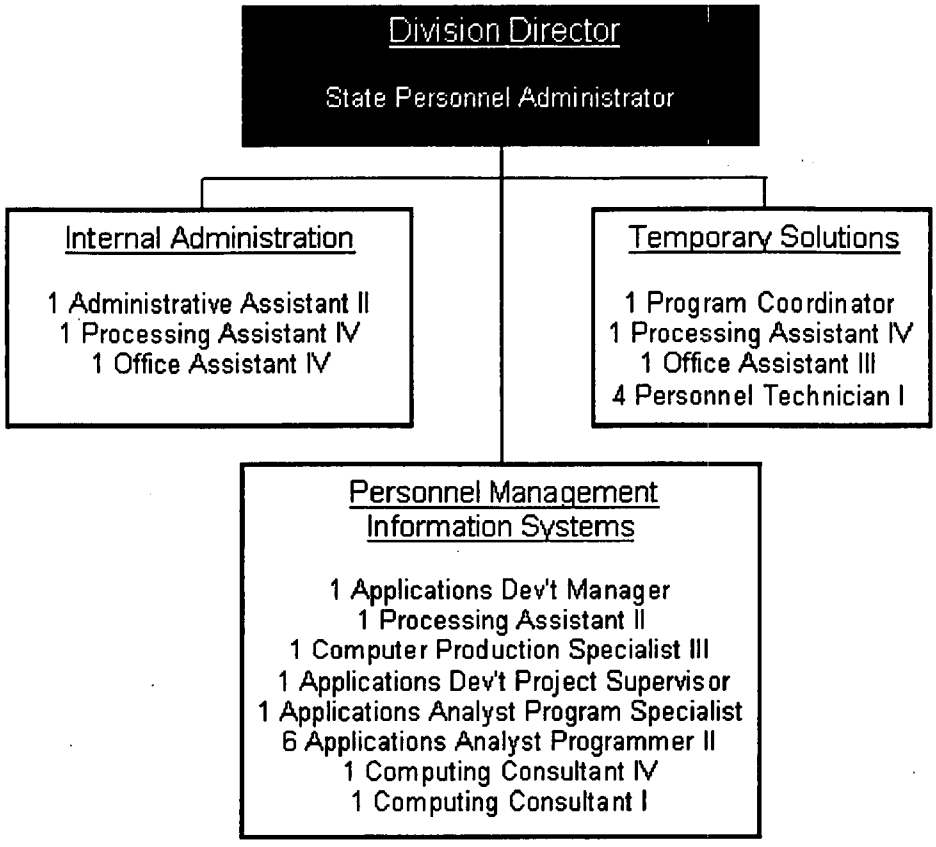


Chart 15

Personnel Management Information System (PMIS)

PMIS maintains a centralized automated database of all relevant and necessary information on employees and positions within the State Personnel system including:

- Statewide Vacancy Posting System
- Workers' Compensation, Safety & Health System
- Grievance Tracking System
- Disciplinary Tracking System
- EEO subsystem
- Document-Imaging subsystem
- Employee Training Records System

Administrative Services is working to implement client server systems and to develop PC and technical web applications to streamline processes both externally and internally.

The OSP Website is in partnership with the HRD division. The site includes:

- Personnel Manual linked to policy histories and other pertinent information
- Job vacancies (updated daily)

- OSP Directory of services and staff
- Tool and resources to assist HR Directors
- Employee and management publications

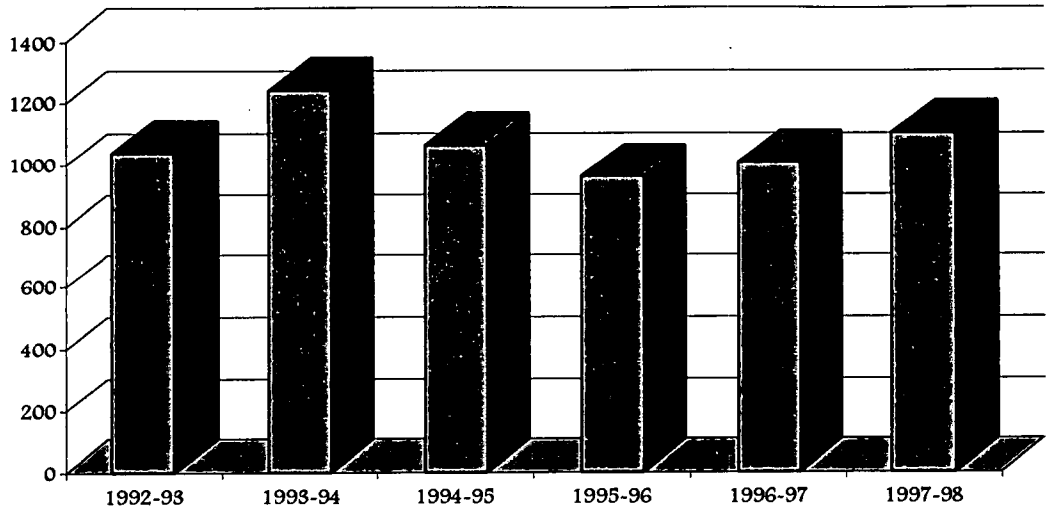
Internal Administration of the Office of State Personnel

Through internal administration, day-by-day operational needs of the OSP in the areas of budgeting, personnel, benefits, purchasing mail, printing, housekeeping, etc., are provided. The Administrative Services Division also coordinates recruitment and selection activities for OSP.

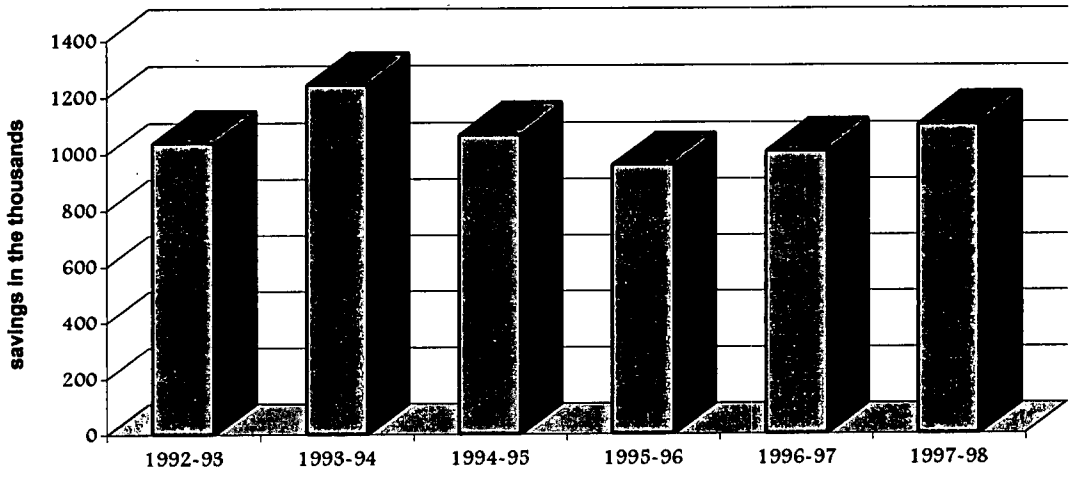
Temporary Solutions

Temporary Solutions provides qualified temporary employees to meet state agency workforce needs for short-term replacement overload, seasonal, emergency and time-limited project work. It meets these needs at a lesser cost than required to obtain the same services through private sector employment services.

Placements per Fiscal Year



Amounts Saved Each Fiscal Year
(compared to private temporary agencies)



Attachment 2
March 9, 1999

State of North Carolina
Office of the State Controller

James B. Hunt, Jr.
Governor

Edward Renfrow
State Controller

March 9, 1999

MEMORANDUM

TO: Joint Appropriations Subcommittee on General Government

FROM: Edward Renfrow
State Controller

SUBJECT: Estimated Costs for Two Monthly Pay Cycles for Low Income Employees

Permanent State employees are currently paid through a monthly pay cycle that accommodates all deductions for health care, flex benefits, deferred compensation programs, retirements benefits, credit union deductions and applicable payroll taxes. Semi-monthly payrolls are currently used for temporary employees and students and only accommodate basic payroll taxes as opposed to the full array of benefits supported by the monthly permanent payroll. In all there are over 300 computer programs that directly support the central payroll system.

The Office of State Personnel estimates approximately 32,000 employees within pay grades 50-64 that are currently serviced by central payroll. The Office of the State Controller (OSC) estimates the following costs to accommodate twice-monthly payrolls for approximately 32,000 employees: a one-time modification cost of $100,000 and on-going costs of $132,000 annually to accommodate the requested change. It should also be noted that approximately $65,745 would be lost monthly in treasurer investments due to twice-monthly payroll cycles.

The one-time modification of our existing systems is estimated to take from three to four months time at a cost of $80,000 plus $20,000 for required system testing. Modifications required include:

- Create an additional cycle to handle the payment of the low-paid monthly employees, accommodating the full array of deductions.
- Modify prenotification and direct deposit programs for processing twice a month rather than once a month.
- Add an additional transmittal processing cycle for full time employees paid semi-monthly.
- Modify deduction reports to handle employee garnishments twice a month rather than once each month.

3512 Bush Street • Raleigh, North Carolina 27609-7509 • Telephone (919) 981-5454
State Courier 56-50-10 • FAX 919-981-5567
An Equal Opportunity/Affirmative Action/Americans With Disabilities Employer

- Modify payroll-processing schedules to handle a new cycle.
- Change the existing magnetic tape and retirement file update program from a monthly to a semi-monthly update process.
- Modify the 401K transmission to process semi-monthly.
- Modify interfaces with NCFlex carriers listed below concerning the change from monthly to semi-monthly tape updates for:
  - The American Dental Plan FSA
  - BCBS Dental Plan FSA
  - Unum AD&D Plan FSA
  - Superior Vision Plan FSA
- Modify interface with State Employees Credit Union concerning deductions being taken for the semi-monthly payroll.
- Change system so that we are able to close out the deductions after the first semi-monthly run. This step will enable us to make required tax deposits and mail out garnishments semi-monthly.

In addition to one-time costs, annual on-going costs are estimated to be $132,000 and include the following:

- Increase in data entry requirements both at OSC and at the agency on-line payroll units.
- Two new positions added to OSC staff to handle this situation. Although there is an increase in the amount of data entry, the need is one of timing. Our employees cannot enter the data for the monthly payroll cycle and the new semi-monthly cycle at the same time. (Two new positions @ $30,000 each, includes fringes).
- Increase in payroll-processing costs due to increase in computer job submission requirements. (Estimate approximately $5,000 per month).
- Increase in the printing and paper cost of payroll register forms and transmittals. Increase in packing in both time and envelop requirements. Increase in postage and courier costs (transmittals and registers).(Estimate $1,000 per month).
- Increase in the amount of record keeping.
- Modification of OSP cutoff date requirements to the agencies for PD105 forms.

The information provided is based on best estimates without a formal requirements definition. Please contact Don Waugh (981-5465) if additional information is required.

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 10, 1999
Room 425, LOB
2:30 p.m.

Chair: Representative Maggie Jeffus

Department of Insurance

Administration

(Budget Book pp. 153-154)

Dascheil Propes
Chief Deputy Commissioner

Company Services Group

(Notebook pp. Insurance 7 – 14)
(Budget Book/Performance Measures p. 157
Budget p. 158)

Technical Services Group

(Notebook pp. Insurance 15 – 27)
(Budget Book/Performance Measures pp. 160-161
Budget p. 162)

Public Services Group

(Notebook pp. Insurance 29 – 39)
(Budget Book/Performance Measures p. 164
Budget pp. 165-166)

Starla McKenney
Special Assistant and Legislative Liaison

Department of Insurance (continued)

Office of the General Counsel

(Notebook, pp. Insurance 41 – 43)

Office of the State Fire Marshall

(Notebook pp. Insurance 45 – 56)
(Budget Book/Performance Measures pp. 168
Budget pp. 169-172)

North Carolina Code Officials Qualifications Board
North Carolina Building Code Council
North Carolina Fire and Rescue Commission
North Carolina Home Inspectors Licensure Board
North Carolina Manufactured Housing Board
Public Officers and Employees Liability Insurance Commission

(Notebook pp. Insurance 57 – 62).

Dascheil Propes
Chief Deputy Commissioner

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

March 10, 1999
2:30 p.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Wednesday, March 10, 1999, at 2:30 p.m. in room 425 of the Legislative Office Building. Six of the Senate members were present. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, Daniel Barefoot, Bob Hensley, and Mitchell Setzer.

Representative Jeffus called the meeting to order at 2:40 p.m.and introduced the pages: Joe Overby of Wake County, sponsored by Senator John Carrington, Marvin Robertson of Duplin County, sponsored by Representative Jerry Braswell, and Molly Seamans of Wake County, sponsored by Speaker James B. Black.

Mr. Dascheil Propes, Chief Deputy Commissioner, North Carolina Department of Insurance, stated that Mr. Jim Long, Insurance Commissioner, was attending the National Insurance Commissioners meeting in Washington, D. C. Mr. Propes continued with the breakdown of the Administrative Division. The Personnel Department has four people. Budget Department has twenty people. The Commission has an assistant. Mr. Propes shares an assistant with the Assistant Commissioner. The Public Information Office consists of three people that handle the public outreach. In addition, they have four senior deputies. He continued with a review of the Mission Statement. (Attachment 1, page 3)

Senator Jeanne Lucas requested that Mr. Propes send her a copy of the breakout he just presented since it was not in the Biennial Report. (Attachment No. 1)

Ms. Starla McKenney, Special Assistant, highlighted the Company Services Group (Attachment No. 1, pages 7-14) which consists of five divisions: Financial Evaluation, Actuarial Services, Information Systems, Administrative Supervision, and Estate Operations.

Ms. McKenney continued with the Technical Services Group. (See Attachment No. 1, pages 15-27) This group is comprised of the Property and Casualty Division, Market Examinations Division, Life and Health Division, Seniors' Health Insurance Information Program and the Managed Care Division and Health Benefits.

The next group covered by Ms. McKenney was the Public Services Group that includes the Agent Services, Consumer Services, Special Services and Investigations Divisions. (See Attachment No. 1, pages 29-39)

Senator Ed Warren asked what is the response time when someone calls and the call is returned? Ms. McKenney was not aware of a problem in this area as they try to return calls immediately.

Representative Jeffus asked about a breakdown of the Investigations Division's restitutions. Ms. McKenney referred the committee to pages 33 and 34 for this report.

The last division is the Special Services Division. (See Attachment No. 1, pages 35-39) It is responsible for licensing, auditing, and monitoring insurance premium finance companies, motor clubs, collection agencies, professional bail bondsmen, bail bond runners and surety bondsmen.

Senator Lucas stated that you said Seniors' Health Insurance on page 23, was handled by service agencies within each county, **do you have a master list of who handles this in each county?** Ms. McKenney stated that she would send the list to Senator Lucas.

Representative Jeffus stated that Insurance does a wonderful job and very responsive to constituents and to the consumers.

Mr. Dascheil Propes came forward to give a review of the Office of the General Council. (See Attachment 1, pages 41-43) This office gives internal legal advice to the divisions of the Department of Insurance.

Senator Foxx stated that there are some boards and commission without women. She wanted to know what the potential is of getting some women appointed on the boards and commissions?

Representative Wainwright wanted to know the status in HMO's? Have there been any increases in the filings or the applications, or, are they holding steady? Mr. Propes stated that they are about the same.

Representative Jeffus announced that the committee will meet at 8:30 a.m., March 11, at the State Auditors Office and a light breakfast will be served.

Meeting adjourned at 3:50 p.m.

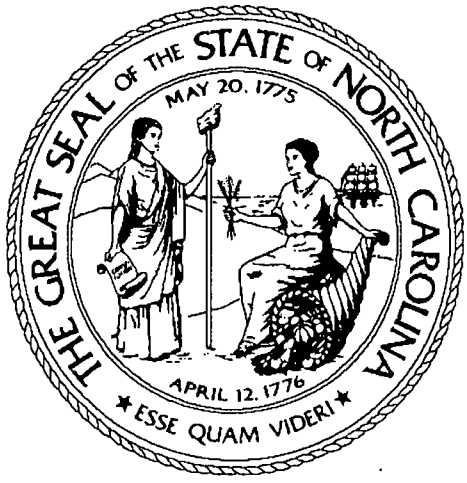
Respectfully submitted,

Rep. Maggie Jeffus — Mary Lee Robinson

Representative Margaret (Maggie) M. Jeffus — Mary Lee Robinson

Chair — Committee Assistant

attachment 1



1997-1998 Biennial Report
N.C. Department of Insurance

Jim Long
Insurance Commissioner

Table of Contents

Department of Insurance Mission Statement 3

Ensuring Safety and Equity for North Carolinians 5

Company Services Group 7
- Financial Evaluation Division 7
- Actuarial Services Division 11
- Information Systems Division 12
- Administrative Supervision Division 13
- Estate Operations Division 14

Technical Services Group 15
- Property and Casualty Division 16
- Life and Health Division 22
- Seniors' Health Insurance Information Program 23
- Market Examinations Division 24
- Managed Care and Health Benefits Division 25

Public Services Group 29
- Consumer Services Division 29
- Agent Services Division 30
- Investigations Division 32
- Special Services Division 35

Office of the General Counsel 41

Office of State Fire Marshal 45
- Engineering Division 46
- Manufactured Building Division 49
- State Property Fire Insurance Fund 50
- Fire and Rescue Commission 51
- Fire and Rescue Training and Inspection Division 52
- Prevention, Programs and Grants Division 54

North Carolina Code Officials Qualifications Board 57

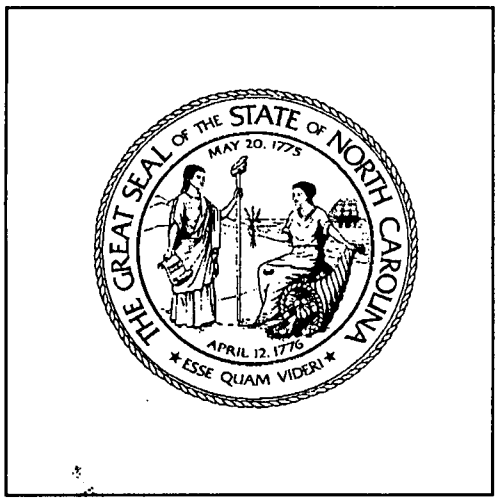
North Carolina Building Code Council 58

North Carolina Fire and Rescue Commission 59

North Carolina Home Inspectors Licensure Board 60

North Carolina Manufactured Housing Board 61

Public Officers and Employees Liability Insurance Commission 62



Department of Insurance Mission Statement

The North Carolina Department of Insurance serves the citizens of North Carolina through consumer protection and education, safety training and promotion, and regulation of specified activities and industries.

This is accomplished by:

- Assuring an optimum marketplace in which consumers can readily purchase fairly-priced insurance products from sound, responsive entities;
- Educating the public in loss prevention, safety awareness and developing life safety standards;
- Maintaining a well-managed, fiscally-responsible organization staffed by knowledgeable, courteous, professional employees.

At all times, the affairs of the department are conducted in an open, ethical manner and in the best interests of the public.

Ensuring Safety and Equity for North Carolinians

Insurance Commissioner Jim Long

The Department of Insurance continued to be a strong advocate for North Carolina consumers during the 1997-98 Biennium on issues ranging from auto rates to fire safety. Department staff worked long and hard to keep auto insurance rates reasonable. North Carolinians currently pay the lowest auto insurance rates of any state east of the Mississippi River, and yet still enjoy a thriving market of financially-sound insurance companies eager to do business in our state.

Every year the Department of Insurance faces many challenges as it continues to regulate the growing business of insurance in North Carolina, as well as oversee such industries as manufactured building, bail bondsmen, and collection agencies. The Department of Insurance is also charged with overseeing the state's building code, fire and rescue services, and providing support to injury prevention programs, such as NC SAFE KIDS, Buckle Up Kids and Learn Not to Burn.

As we head into our next biennium, it is important to note that 1999 marks the Department of Insurance's 100 years of service to North Carolina citizens. The Department was created on March 6, 1899 by the General Assembly when it was lobbied by a group of insurance agents seeking regulation of North Carolina's insurance business.

Throughout it's 100 years, the Department of Insurance has provided a valuable service to the people of North Carolina. In fact, each year the Consumer Services Division fields more than 100,000 phone calls and works to resolve more than 10,000 written complaints. Representatives from Consumer Services and other divisions also visit local communities when they are invited to attend numerous speaking engagements annually. In addition, the division provides a valuable service following hurricanes and other major storms when they staff local Disaster Recovery Centers (DRCs).

The Consumer Services Division provides North Carolinians with a variety of brochures and information including:

- Your North Carolina Department of Insurance
- Life Insurance in North Carolina and the Nation
- Guide to Auto Coverages and Claims
- It Pays to be a Safe Driver

- HMOs in North Carolina - Status Report and Analysis of 1997 Activity
- HMO Comparison Chart
- What you Should Know ... Annuities
- Consumer's Guide to Homeowners Insurance
- Insurance for Your House and Personal Possessions
- Guide to Disability Insurance
- Insurance Fraud
- What to do in the Event of a Disaster
- Employer Group Health Plans and Related Issues

The department also plans three other consumer guides:

- HMO Grievances and Appeals
- Guide to Health Insurance
- Consumer Guide to Managed Care

Likewise the Department offers one of the best senior assistance programs in the nation. The Senior's Health Insurance Information Program (SHIIP) was established by Commissioner Long in 1986 in response to the number of calls, letters and complaints from consumers with regard to Medicare, Medicare supplement insurance, claims processing, Medicare HMO's and long-term care insurance. SHIIP has trained more than 8,000 senior volunteers and currently has more than 1,300 active counselors volunteering in all 100 counties in N.C.

Our SHIIP staff fields more than 37,700 phone calls annually. SHIIP provides the following consumer publications:

- Getting to a Good State with Medicare
- Guide to Medicare Managed Care
- Medicare Changes and Options
- 10 Standard Medicare Supplement Benefit Plans Worksheet
- Medicare Supplement Comparison Guide
- Guide to Long-Term Care Insurance in N.C.
- Long-Term Care Company List
- Long-Term Care Personal Worksheet

The Department of Insurance also houses the Office of State Fire Marshal which includes six divisions: Engineering; Manufactured Building; State Property Fire Insurance Fund; Fire and Rescue Commission; Fire and Rescue Training and Inspection; Injury Prevention Programs. The Manufactured Building Division responds to 1,300 complaints annually.

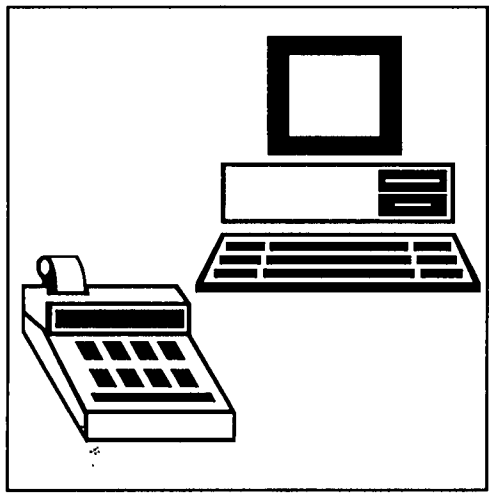
The Investigations Division conducts criminal investigations and supports prosecution of insurance related crimes. Insurance fraud is a $10 billion a year scandal nationwide which inflates consumer's rates. In just the last two years, the Investigations Division has earned 61 criminal convictions and has more than 270 criminal cases still pending. As a result claims payments have been reduced by $1,366,218, ultimately saving consumers on premium payments. It has also recovered and forced restitution of $4,492,427.

For more information about the services available or to obtain any of the aforementioned publications, please contact the following toll-free numbers:

- Consumer Services Division for any insurance related questions or complaints at 1-800-564-5664;
- Senior Health Insurance Information Program (SHIIP) for Medicare or long-term care insurance questions at 1-800-443-9354;
- Manufactured Building at 1-800-587-2716 for manufactured or modular home questions or complaints;
- Fire and Rescue Commission for questions or information about fire and rescue services or injur prevention programs (N.C. SAFE KIDS, Buckle Up Kids or the Learn Not to Burn Program) at 1-800-634-7854.

A variety of information is also available on the Department's website: www.doi.state.nc.us. In addition, the Department has an Eastern Regional Office in New Bern which may be contacted at (212) 514-4813 and a Western Regional Office in Asheville, which can be contacted at (828) 251-6483.

The following report explains in detail how each group, division, and unit within the department contributes to the overall mission of the NC Department of Insurance.



Company Services Group

The Company Services Group consists of five divisions: Financial Evaluation, Actuarial Services, Information Systems, Administrative Supervision, and Estate Operations.

The Financial Evaluation Division monitors the solvency of insurance companies; reviews admission of out-of-state, domestic, and surplus lines companies seeking to do business in the state; and audits domestic and foreign insurance organizations.

The Actuarial Services Division assists in the review of rate, form, and statistical filings. The division also conducts actuarial studies for financial evaluation work and is involved in special projects and studies.

The Information Systems Division manages the Department's information technological resources, which include data processing, word processing, office automation, data communications and voice communications.

The Administrative Supervision Division monitors the financial condition and operations of domestic insurance companies to determine whether a troubled entity can be prevented from going into formal delinquency proceedings by returning the insurer to sound financial condition and good business practices.

The Estate Operations Division works closely with the Administrative Supervision Division to evaluate the necessity of instituting formal delinquency proceedings and to provide guidance to troubled insurers after leaving administrative supervision.

Financial Evaluation Division

The Financial Evaluation Division is comprised of the Company Admissions Section, the Financial Analysis Section, the Financial Examination Section, and the Continuing Care Retirement Communities Section. The division regulates all authorized insurers, entities that self insure for workers compensation, certain third party administrators (managing general agents and accredited reinsurers). The division insures these entities for compliance with the solvency laws of this state.

Company Admissions Section

The primary responsibility of this section is the evaluation of the financial condition of insurance companies applying for initial licensing, or other type of authority to transact insurance business in North Carolina.

It is important that insurance entities meeting or exceeding the minimum requirements be licensed or authorized so that adequate and competitive markets are available to North Carolina insurance consumers. It is equally important that any entity not meeting the minimum requirements be denied a license or authority in order to protect North Carolina insurance consumers from potential insurer insolvencies.

During the 1997-98 Biennium, insurance companies continued to demonstrate considerable interest in establishing business in North Carolina. During the last two years, 117 new applications were received.

A total of 58 insurance entities, were qualified and received certificates of authority during the biennium, (including the formation of three North Carolina domestic insurance companies).

The section is also responsible for the initial review of insurance companies applying for eligibility for the placement of surplus lines business. The surplus lines market is for insurance products that are not readily available to consumers through licensed companies.

During the 1997-98 Biennium, the section received and reviewed 32 filings for surplus lines eligibility. Twenty-nine new companies were found to qualify. There were three companies whose authority was withdrawn.

Additionally, the section is responsible for reviewing applications for accredited reinsurer status in North Carolina. During 1997-98, nine filings were received. Seven companies were found to satisfy the requirements of accredited reinsurers in this jurisdiction.

The section continues to be responsible for the financial review of risk retention groups filing for initial registration. It is also responsible for making the initial determination that purchasing groups satisfy the requirements for registration. These entities operate under the authority of the Federal Risk Retention Act and North Carolina Insurance Statutes governing liability risk retention. The federal act permits risk retention groups and purchasing groups to provide certain types of liability insurance coverage to their members if the group is properly licensed in at least one state and files certain minimal financial information with each state in which it desires to do business.

We have required as much information as allowed under the federal act in order to evaluate the merits of risk retention group filings. North Carolina statutes require a purchasing group to buy its coverages from an insurance company that is either licensed or eligible for surplus lines business in this state.

During the biennium, one filing for initial registration was received from risk retention groups and 82 initial filings were received from purchasing groups. Four risk retention groups and 80 purchasing groups received registration during the period.

Financial Analysis

The primary responsibility of this section is to monitor the solvency of all insurance organizations authorized by the Department. Monitoring the financial condition of insurance organizations is accomplished by reviewing the financial position and operating results of each insurance organization through financial analysis systems which encompass annual and interim financial statements and other financial data. A conclusion is reached on the financial health of each insurance organization and the required steps are taken to safeguard the interests of North Carolinians. The financial analysis process utilizes the database and programs of the National Association of Insurance Commissioners and systems which have been developed in-house.

The section also:

Processes renewal license applications of insurance organizations, and oversees corporate changes in insurance organizations. (i.e. acquisitions, mergers, dissolutions, charter changes, bylaw changes, and Holding Company Act filings).

In addition, Financial Analysis oversees the administration of security deposits from insurance organizations. These deposits are required of insurance organizations for the protection of policyholders. The actual funds are maintained by Branch Bank & Trust Co. under a safekeeping agreement and total approximately $470 million at present. Most of the functions of the collateral securities program are computerized, allowing rapid processing of transactions and better monitoring of the quality of securities on deposit.

Financial Examination

This section serves as a complement to Financial Analysis. The section conducts varying types of on-site examinations ranging from full examinations to examinations of very specific issues. The latter usually involves the resolution of issues that can not be resolved during the financial analysis process. Practices and procedures of examinations have been developed by this section, the Financial Evaluation Division, and the National Association of Insurance Commissioners (NAIC).

From January 1997 through December 1998, the section issued 77 examination reports on domestic companies.

Audit software sub-licensed from the NAIC is used to perform many examination procedures. In addition, software has been purchased from a major accounting firm that will enable us to better manage the section.

Total automation is of great importance and includes the use of computers and various software packages. However, with technological advances and the development of more sophisticated software applications, much of the hardware and software requires almost continuous upgrading.

Communication with the office and the NAIC is an important part of the on-site examination process. The audit staff's computers are equipped with modems so they may connect to the Department's and the NAIC's LAN file server. Examiners have electronic access to financial information of insurance entities through the NAIC.

Performance Indicators		
	1995-1996	1997-1998
Insurance organizations regulated	1,738	2,095
Financial statements analyzed	11,897	12,902
Audited financial statements reviewed	1,008	1,495
Insurer licenses suspended	2	9
Insurer licenses revoked	6	8
Administrative actions	33	73
Deposits obtained as a result of financial inquiries	$10,000,000	$50,000,000
Securities on deposit for policyholder protection	$400,000,000	$470,000,000
Requests for authority to sell securities	357	149
Certificates of good standing, deposit, etc., processed	2,500	4,000

Continuing Care Retirement Communities

Continuing Care Retirement Communities are entities that provide lodging or independent living combined with health-related services under a contract for the life of the individual, or for a period in excess of one year.

The Continuing Care Retirement Communities Section has responsibility for the registration, disclosure, contract, and financial monitoring of North Carolina facilities. The section provides financial oversight and licenses these entities. Additional safeguards for facility residents and prospective residents is provided through the oversight of disclosure statements.

Actuarial Services Division

Actuarial Services assists other Department of Insurance divisions in regard to all aspects of actuarial science. Divisions who have received actuarial assistance include:

- the Consumer Services Division with consumer complaints on rate increases and with general questions concerning insurance;
- the Property and Casualty Division in reviewing rate filings, loss cost filings, form filings and statistical filings;
- the Financial Evaluation Division with reviewing Actuarial Opinions and Memorandums, reviewing of HMO claim reserves, and various ad hoc projects;
- the Field Audit Division with various claim reserve and proper accounting of reserve items;
- the Managed Care Division in regard to the licensing of new HMOs and the review of expansion and material modification requests;
- the Life and Health Division with reviewing individual accident and health insurance and HMO rate revisions and with the review of unusual life, annuity and health insurance products.

Other government agencies who have received actuarial assistance include:

- the State Health Plan with review of all rates submitted by HMOs;
- the General Assembly's Research Division with cost estimates on proposed health and life insurance legislation and various ad hoc projects relating to actuarial science.

Life and Health Section

This division's review of individual accident and health rate change requests has saved consumers covered under such policies approximately $1.2 million in 1996, $4.5 million in 1997, $7.0 million in 1998, and $3.6 million to date in 1999. Since the division's review of the rates began, consumers have realized savings of approximately $41 million as of December 1998.

During the biennium, Actuarial Services collected data and evaluated the impact of mandated reductions in the credit life insurance prima facie rates. The rate for decreasing term credit life insurance was reduced from $.70 per $100 down to $.50 per $100 over a four-year period. Likewise the prima facie rate for level term credit insurance was reduced from $1.30 per $100 down to $1.10 per $100. The combined savings to consumers purchasing credit insurance, is approximately $3.2 million in 1994, $8.5 million on 1995, $14.8 million in 1996 and $20.4 million in 1997. These savings are further augmented by a previous rate reduction resulting in a total savings of $9.4 million in 1994, $15.8 million in 1995, $23.0 million in 1996, and $27.9 million in 1997.

Actuarial Services annually reviews the Medicare supplement insurance refund calculations submitted by insurance carriers. All carriers were correctly performing the calculations and no refunds were made for calendar year 1997. Actuarial Services also continues to review Small Employer Group actuarial rate certifications to assure compliance with the Small Employer Group Health Reform Act.

Actuarial Services also assists in the review of licensing MEWAs and the review of their specific and aggregate maximum net retention level. During the biennium Actuarial Services' review of renewal

licensing applications resulted in some MEWAs either increasing their surplus to accommodate their specific maximum net retention levels or lowering their specific maximum net retention levels.

Property and Casualty Work

Actuarial Services works closely with the Property and Casualty Division in reviewing rate filings, loss cost filings, form filings and statistical filings. Actuarial Services has been heavily involved in private passenger automobile rate filings, workers compensation filings, self-insured compensations funds, and discussions with the North Carolina Rate Bureau on hurricane models for possible use in homeowners filings. The Actuarial Services Division strives to maintain rates that are not excessive to policyholders, yet adequate so as to provide a reasonable profit to companies and to protect their solvency.

The division helped save drivers in North Carolina approximately $182 million from the 1997 private passenger automobile filing and about $246 million from the 1998 filing. Additionally there remain potential refunds of approximately $740 million from funds held in escrow for the 1994 and 1996 private passenger filings.

The Actuarial Services Division reviewed requests for a decrease in workers' compensation loss costs of 1.1 percent in 1997 and a filing for no change in rates in 1998. Additionally the Actuarial Services Division has annually reviewed more than 110 loss cost filings for individual companies during this biennium. The division has reviewed the rate structure for every one of the self-insured groups domiciled in North Carolina and has assisted the Financial Evaluation Division in the financial review of these groups.

As a result of the protracted litigation involved with the 1993 homeowners rate filing the Actuarial Services Division has met several times with the North Carolina Rate Bureau to discuss the feasibility of using hurricane models in rate filings. Much information has been exchanged and much progress has resulted.

In addition to these activities, this division has reviewed hundreds of rate filings, loss-cost and loss-cost adoption filings for commercial lines of insurance.

Financial Evaluation Work

Actuarial Services assists various sections of the Financial Evaluation Division. Actuarial analyses are performed on financial projections and proposed rates of companies applying for admission or registration in North Carolina. Reviews of loss and loss adjustment expense reserve are also performed to aid in the financial evaluation of domestic insurance companies.

Information Systems Division

The Information Systems Division deals with high-technology issues and equipment, in support of the Department's regulatory function. This activity, known within state government as "information resources management" (IRM), includes voice, image and data processing equipment and software, as well as telecommunications systems such as two-way radios, telephones and facsimile equipment.

Day-to-day responsibilities include programming, operating, planning, and managing five local area network (LAN) servers connected via the state's wide area network; and providing support for the Department's microcomputers. An electronic mail system connects our staff with all other state

departments of insurance and NAIC staff; other state government agencies; numerous private insurance companies; and Internet addresses worldwide. The division also provides office automation training to Department staff.

The Information Systems Division is directly responsible for developing a major client/server application system on the network: consumer complaint tracking and analysis, company licensing, property and casualty rate and forms filings, and life and health rate and form filings.

Staff of the division also work with computer programmers at State Information Processing Services (SIPS) to maintain and develop major software systems for our Agent Services' unit. Other smaller applications include fire incident reporting and an inventory of state property which is self-insured by the Department.

The Information Systems Division also consults with the Department's line divisions regarding technology planning. Information Systems is the Department's representative on the SIPS Advisory Board, and represents Commissioner Long on the Information Resources Management Commission as required. Similarly, the division exercises approval authority over all acquisitions of information and technology resources such as telephones, radios, computers, software, services, and maintenance contracts.

Under the state's revised IRM structure the division will continue to perform the lead role within the Department for integrated information technology planning and management. Similarly, within the Department, the division provides staff support to a committee of division managers by setting hardware and software standards, and IRM operational policy.

Administrative Supervision Division

The Administrative Supervision Division was formed in 1992 to increase regulatory scrutiny over potentially-troubled insurance entities domiciled in North Carolina. The primary responsibility of this division is to closely monitor the financial condition and operations of domestic insurance entities deemed to be in a potentially hazardous financial condition. The ultimate goal of this division is to determine whether a troubled insurance entity can be prevented from going into formal delinquency proceedings and returned to sound financial condition and good business practices.

Examples of close monitoring procedures performed by this division include:

- financial analyses of annual and interim financial statements and other financial data, including holding company and affiliated company data;
- initiating, monitoring and enforcing workout plans designed to correct deficiencies causing the hazardous financial condition;
- targeted financial and operational examinations;
- formal administrative supervision proceedings designed to protect insurance company assets through a workout period.

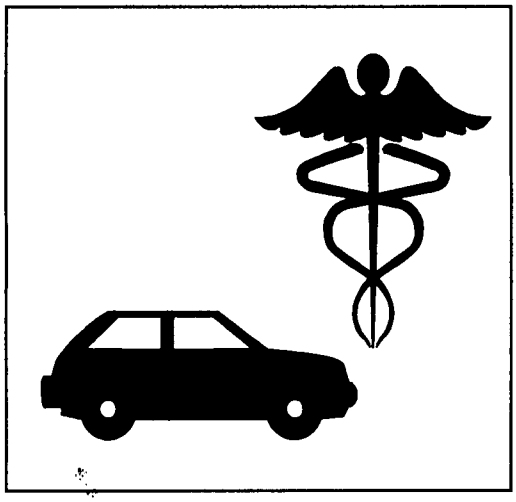
Potentially-troubled insurance companies are transferred to the Administrative Supervision Division via interaction with the Financial Evaluation Division and other divisions of the Department of Insurance.

Estate Operations Division

The Estate Operations Division works closely with the Administrative Supervision Division to evaluate the necessity of instituting formal delinquency proceedings and to provide guidance to troubled insurers after leaving administrative supervision. The unit's ultimate goal is to rehabilitate and/or liquidate troubled and insolvent insurers in order to protect and preserve, to the maximum extent possible, the remaining assets of the insurer for the benefit of the company's policyholders, creditors and the public.

The Estate Operations Division manages the financial and operational affairs of domestic insurance entities placed into receivership. Examples of specific duties performed include:

- marshaling assets, pursuing asset recoveries and liquidating assets of companies in receivership to the maximum benefit of policyholders and other creditors;
- managing the operations of the various departments of the insurer through a runoff period including claims, underwriting, policyholder service, data processing, accounting, and personnel.
- coordinating relationships and issues involving the various state guaranty associations called upon to pay policyholder claims.
- providing litigation support services and coordinating relationships and issues involving federal and state investigative agencies outside of the Department of Insurance.



Technical Services Group

Created in September 1988, the Technical Services Group is comprised of the Property and Casualty Division, Market Examinations Division, Life and Health Division, Seniors' Health Insurance Information Program and the Managed Care Division Care and Health Benefits.

The Property and Casualty Division's primary responsibility is the review of rate, rule and policy form filings relating to property and casualty coverages. These filings are made by insurance companies, statutory bureaus and licensed rating organizations.

The Life and Health Division is responsible for the review and approval of rate, rule and policy form filings submitted by life and health insurance companies. Beginning in late 1996, this division began regulating the activities of third party administrators.

The Market Examinations Division conducts field examinations of the market practices of domestic and foreign insurers and their representatives.

The Seniors' Health Insurance Information Program's (SHIIP) primary function is to train adult volunteers to help older adults through the maze of Medicare regulations, Medicare supplement insurance, long-term care insurance and claims procedures. In September 1992, SHIIP completed a six-year drive to expand the program to all 100 counties of North Carolina. In recent years, Medicare's move toward managed care options has led SHIIP to develop new training courses. Also the federal government's 1999 implementation of Medicare+Choice, a menu of health plan options for Medicare beneficiaries, will likely demand a continuing increase in training and telephone counseling.

The Managed Care and Health Benefits Division (MCHB) was established in 1992 to monitor and regulate the activities of managed care entities such as health maintenance organizations (HMOs) and managed care indemnity health insurers, including their arrangements with Preferred Provider Organizations (PPOs), and Multiple Employer Welfare Arrangements (MEWAs). The division's emphasis is on how company activities affect consumers in North Carolina. The MCHB Division accomplishes its work through several types of activities: market practice examinations of companies; review of document filings required of companies; and data collection, analysis and reporting.

While each of these functions has existed within the Department for a variable number of years, the Technical Services Group was formed to increase its effectiveness, improve communication and enhance coordination, primarily with the actuarial staff and financial analysis examiners, as well as with other divisions within the Department.

Property and Casualty Division

This division licenses rating organizations, advisory organizations and joint underwriting associations, along with reviewing rate, rule and policy form filings made by these entities. The division also collects filing fees for rate and form filings. In addition, this division reviews the rates, rules and forms for the North Carolina Rate Bureau, North Carolina Reinsurance Facility, Beach Plan, Fair Plan and licensed property and casualty insurance companies.

State law permits insurance companies that are unlicensed to write insurance on risks in this state as "surplus lines" companies provided there is compliance with applicable statutes and rules. Surplus lines taxes are the responsibility of specially-licensed agents. This division receives and reviews the tax forms submitted by these agents. In 1997, surplus lines taxes collected were $5,107,240. Funds collected through June 30, 1998 are $2,411,918.

Premium Taxes

	No. of Policies	Premium	Tax Generated
1997	36,209	$102,144,777	$5,107,240
1998	41,000	$112,340,000	$5,617,924*

**Estimated*

Rate Deviations

Under the jurisdiction of the North Carolina Rate Bureau, state law allows companies to file rate deviations (discounts) on coverages such as private passenger automobile, homeowners, mobile homeowners and dwelling fire. A typical deviation would be lower auto insurance premiums for autos with anti-locking brakes.

New Rate Deviations

	HO	Dwelling/Fire	Auto	Combined Auto/HO
1997	31	8	40	1
1998	46	13	72	0

Consent To Rate

Because some risks cannot be written at standard rates, state law permits companies to charge higher-than-standard rates on individual policies with the written consent of the policyholder. Prior to October 1, 1996, insurance companies were required to submit consent information to the Commissioner of Insurance for approval. However, due to a statute change, the Property and Casualty division no longer

reviews such information. Each insurance company must now maintain the required information for review during market conduct examinations or specific inquires from this Department.

Filings Review

Because this division's primary responsibility is the review of forms, rules and rates, filings must be carefully analyzed. During 1997-1998, a total of 22,390 filings were reviewed, up from the 17,923 reviewed during 1995-1996.

Forms, Rules and Rates Reviewed

	Companies and Organizations
1995	8,395
1996	9,528
1997	10,285
1998	12,105

Workers Compensation

A significant number of large deductible plans and scheduled rating plans have been approved for individual companies as the market continues to remain stable and competitive. This may be attributed to the introduction of loss costs in ratemaking, use of managed care plans, implementation of drug-free workplace plans and increased use of loss control programs. For example, the number of companies filing a drug-free premium credit has increased. Credits start at five percent. It applies to North Carolina employers who establish a drug-free workplace, supported by drug testing.

Workers Compensation Loss Costs Filings

	NC Rate Bureau	Residual Market	Individual Company
1997	1	1	124
1998	1	1	105

Workers Compensation Rates
1985-1998

Filing Year	Rate Requested	Rate Implemented	Statewide Premium	Employer Savings
1985	12.90%	7.50%	$289,077,233	$15,610,171
1986	12.80%	5.80%	$363,134,574	$25,419,420
1987	16.80%	15.90%	$419,796,824	$3,778,171
1988	(no filing)	(no filing)	(no filing)	(no filing)
1989	16.80%	9.00%	$509,210,148	$39,718,392
1990	29.30%	18.90%	$541,485,184	$56,314,459
1991	41.80%	15.80%	$575,129,570	$149,533,688
1992	40.30%	33.00%	$650,405,437	$47,479,597
1993	15.50%	9.30%	$865,000,000	$53,630,000
1994	(no filing)	(no filing)	(no filing)	(no filing)
1995	-15.00%	-15.00%	$603,000,000	$92,259,000
1996	-14.00%	-14.00%	$511,000,000	$70,000,000
1997	-13.70%	-13.70%	$559,055,900	$0
1998	-1.10%	-1.10%	$551,425,191	$0

Significant Issues This Biennium

Year 2000 (Y2K) Exclusionary Endorsements: Numerous endorsements have been approved to address the Y2K issue for most commercial lines of insurance. Commercial policies do not cover Y2K, but riders to cover may be purchased. However, only one exclusion endorsement has been filed and approved for use with lines of insurance under the jurisdiction of the North Carolina Rate Bureau (personal lines). The endorsement, HO 32-47, is to be used only in conjunction with the Home Business Insurance Coverage Endorsement on an optional basis.

Auto Rate Filings: There are two auto rate filings currently in the appeals process: the 1994 and 1995-96 cases. The 1995 auto filing had statistical problems and was combined into a single filing.

By way of background, the 1994 filing was appealed. In 1997, the Commissioner issued a Remand Order as a result of action by the Court of Appeals. This remand order was appealed by the industry, and oral arguments were made in October 1998. The decision was received in December 1998. The Department is currently petitioning the Supreme Court for review.

The 1995-96 case had oral arguments in January 1998, with a decision in June 1998. The Commissioner won on all issues except profit. There was a dissent on profit which allowed an appeal to the Supreme Court.

Private Passenger Auto Rates
1984-1998

Filing Year	Rate Requested	Rate Implemented	Consumer Savings*
1984	3.90%	- 0.20%	$23,535,607
1985	20.80%	10.40%	$69,767,852
1986	12.20%	1.00%	$98,010,197
1987	4.10%	1.00%	$36,525,296
1988	6.40%	4.30%	$23,917,914
1989	4.10%	- 6.10%	$127,768,278
1990	9.60%	4.00%	$77,400,316
1991	9.60%	4.00%	$83,191,330
1992	- 4.20%	- 6.10%	$28,537,119
1993	(no filing)	(no filing)	(no filing)
1994	17.70%	4.40%	$418,072,648
1995/96	6.10%	5.50%	$12,771,921
1997	5.50%	0.00%	$126,000,000
1998	7.20%	0.00%	$170,000,000
		Total	**$1,295,044,625**

** Difference in total manual premium dollars between filed and implemented rates*

Private Passenger Automobile Program: Numerous amendments were made to the Personal Auto Policy due to two basic reasons:

1. Response to recent North Carolina court decisions;
2. Language clarification.

These amendments were approved August 28, 1998.

A new coverage form, Alternative Economic Loss Coverage, was approved effective February 1, 1998. This coverage form is an alternative to Uninsured Motorists Coverage or Combined Uninsured/ Underinsured Motorists Coverage.

Medical Malpractice: The medical malpractice market continues to remain competitive. There have been very few increases in rates for medical malpractice, which includes physicians and surgeons coverage and hospital professional liability. Several companies have filed capitated stop-loss coverage and this division has considered it a general liability coverage. There has been an increase in companies providing coverage for managed care and long term care operations. There has been a significant increase in requests for copies of approved form and rate filings for medical malpractice companies. This industry continues to operate in a soft market.

HO-91 Program: The North Carolina Special Provisions Endorsement for the HO-91 Program was revised as follows:

- The definition of business was revised to include any full or part-time activity engaged in for economic gain, including the use of any part of any premises for such purpose. The change is in response to a recent court case.
- An exception to the Section II-Business Exclusion was added to provide coverage for insured minors involved in occasional or part-time self-employed business pursuits of the type normally undertaken by minors. These changes were approved on September 4, 1998, to be effective February 1, 1999.

The Home Business Insurance Coverage endorsement that provides first and third party coverages for certain businesses operated by an insured from the home was approved to be effective February 1, 1999. This is in response to a growing need for a product that provides coverage when an insured operates an owned business from the home.

The North Carolina Rate Bureau filed for a statewide average rate level increase of 15.6 percent for homeowners insurance on December 3, 1998. The filing is pending. The Commissioner has 105 days to either approve or call for a hearing.

North Carolina Insurance Underwriting Association (Beach Plan)

Beach Policies Only				
	Premiums	**% of Change**	**Policies Issued**	**% of Change**
1995	$14,844,286	9%	18,135	7%
1996	$16,237,766	9%	19,113	5%
1997	$18,341,586	13%	21,140	11%
1998	$21,097,303	15%	22,914	16%
Wind and Hail Policies Only (Beach Area)				
	Premiums	**% of Change**	**Policies Issued**	**% of Change**
1995	$6,911,128	52%	7,154	31%
1996	$8,134,454	18%	8,368	17%
1997	$9,960,940	22%	9,951	19%
1998	$12,170,872	22%	11,408	15%
Wind and Hail Policies Only (Coastal Area)				
	Premiums	**% of Change**	**Policies Issued**	**% of Change**
1998	$788.299	0%	1,921	0%
Total Beach Plan				
1995	$21,755,414	19%	25,289	13%
1996	$24,372,220	12%	27,481	9%
1997	$28,302,526	16%	31,091	13%
1998	$34,056,474	20%	36,243	17%

Life and Health Division

The 1997-98 Bienium has been a period of explosive activity for this division.

Health Insurance Issues

Many of the division's efforts have concentrated on health insurance issues. These activities were a result of the public's interest in making health insurance more accessible, and the continued growth of uninsured persons in North Carolina.

Division staff implemented the 1997 NC statutes which comply with the requirements of the Federal Health Insurance Portability and Accountability Act of 1996, known as HIPAA. The law makes all group health insurance plans "guaranteed issue," and increases the "portability" of all health insurance plans. Division staff conducted a survey in 1997 of all licensed health insurers in North Carolina to determine the effects of the law in our state. Staff determined that it is not possible at this time to determine how many people have obtained health insurance as a result of HIPAA, and lack of controls on insurance premiums still makes much insurance unaffordable. There is no evidence that HIPAA products have not been fairly marketed, and there is no evidence of a mass exodus of insurers from the state following the enactment of HIPAA.

Staff members assisted the regional health insurance Purchasing Alliances and the Small Group Carrier Committee in their efforts to make health insurance available to North Carolina's small businesses.

Life Insurance Issues

New life insurance products have been developed during this biennium as this product is increasingly being sold as an investment, rather than strictly as a method of protecting beneficiaries. Life insurance companies are developing policies which can compete with other investment vehicles, including annuities. Also, the increasing entry of banks into the sale of insurance is fundamentally changing the way in which states and the federal government regulate insurance and banking.

Concerns have recently arisen regarding the use of viatical-type contracts by persons who are not terminally or chronically ill. Contracts to sell life insurance are being offered to healthy persons, the low income elderly, and investors. This raises significant issues regarding the appropriateness of these transactions, because they may induce persons to unwisely sell their life insurance for an immediate financial gain, leaving their beneficiaries nothing. The Department anticipates it will investigate these matters in the next year.

Credit Insurance

Division staff spent much of 1997-98 analyzing loss ratios in credit life and credit property insurance. Loss ratios for these products have been determined to be extremely low. The Life and Health staff will continue to study these products in 1999 in order to identify the cause for low payouts and ways to increase loss ratios, and consider future legislative action as a means of implementing needed corrections.

Form and Rate Filings

The 1997-98 Biennium witnessed a steady increase in both the volume and complexity of health insurance form filings. New products, many of which contain innovative and complex provisions, were submitted to the Life and Health Division analysts for review. The health insurance industry responded to increasing concern about costs, increasing marketplace competitiveness, the growth of the managed care industry and increasing pressure to provide insurance for the uninsured.

Life and Health Form and Rate Filings

	Forms Filed	Rates Filed	Total Filed
1997	17,123	479	17,602
1998	17,659	523	18,181

Third Party Administrator Licenses

	Issued	Registered
1997	153	46
1998	155	51

Seniors' Health Insurance Information Program

The Seniors' Health Insurance Information Program, known as SHIIP, was established in 1986 in response to an increased number of calls, letters and complaints from older North Carolinians confused by their health insurance options.

The activities and duties performed by SHIIP provide a valuable service to the state's senior population. SHIIP's primary objective is to educate the public on seniors' health insurance concentrating on Medicare, Medicare supplements, managed care and long-term care insurance. Recently SHIIP began providing information to Medicare beneficiaries on the new Medicare+Choice options approved by Congress as a result of the Balanced Budget Act of 1997. SHIIP educates the public using a three tier approach:

- by training volunteer counselors in all 100 counties of North Carolina to educate and counsel their peers on seniors' health insurance
- by operating a toll-free hotline from the Raleigh SHIIP office, and
- by developing educational materials for use by consumers.

Since its creation SHIIP has trained more than 8,000 senior volunteers who undergo an extensive 24-hour training course to serve as SHIIP counselors. *Currently there are almost 1,300 active SHIIP volunteers covering all 100 counties in the state.* SHIIP Education Specialists conducted 55 training programs in 1997 and 35 in 1998, training a total of 371 volunteers. As a result of this training, SHIIP volunteers documented cash savings to clients of $2,821,524 in 1997, and $184,842 in 1998. In addition to individual counseling SHIIP received 37,702 calls on the toll-free hotline during 1997-98. SHIIP

creates a number of consumer publications on a yearly basis including the *Medicare Supplement Comparison Guide* and the *Guide to Long-Term Care Insurance in North Carolina* and serves as a clearinghouse for many Health Care Financing Administration publications.

SHIIP is coordinated in each county through an existing human service agency such as a Council on Aging office, a Senior Center, or a Cooperative Extension office. These agencies serve as sponsors and provide important continuity, an available point of access and are models for interagency cooperation. Currently there are 124 SHIIP sponsors in our state.

SHIIP Achievements:

- national recognition from the Council of State Governments
- *Medicare Beneficiary Services Award* from HCFA in 1990
- development and distribution of Medicare Changes and Options which targets all Medicare beneficiaries and details changes in Medicare due to the Balanced Budget Act of 1997
- development and statewide coverage of teleconference in 1998 regarding Medicare+Choice options due to Balanced Budget Act of 1997
- development and distribution of monthly consumer column distributed to 85 newspapers and newsletters across North Carolina
- development of *North Carolina Guide to Long-Term Care Insurance*
- development of *Guide to Medicare Managed Care*
- development of *Employer Group Health Plans and Related Issues* Module
- development and distribution of multimedia program called *Medicare Myths* which targets the pre-retirement audience and details five common misconceptions about Medicare and how these misconceptions can be hazardous to pre-retirement planning
- training and informational workshops for NC Cooperative Extension Service agents on health insurance
- development of direct mailer project targeting all North Carolinians turning age 65 in 1996

Market Examinations Division

The Market Examinations Division was created to monitor insurance company market practices, especially as they affect consumers. The examination methods employed by the division are based on a program developed by the National Association of Insurance Commissioners (NAIC). By agreeing to pilot the NAIC program, North Carolina became the first state in the nation to conduct market examinations along the lines promulgated by the NAIC.

The division, which monitors the activities of foreign and domestic insurance carriers operating in North Carolina, is divided into five regular examination teams. Two teams are assigned to review life and health companies and three teams to review property and casualty companies. Each team is capable of responding to special problems or concerns related to company practices.

Examinations are conducted on a regular rotation so that all companies domiciled in North Carolina and dominant foreign companies are examined on a five-year cycle.

Upon completion of the examination, and after a report has been submitted to the Commissioner of Insurance, the company is required to take action on all areas of concern referenced in the report.

Examinations are divided into three categories: general, compliance and target. The three types of examinations require distinct protocols to ensure that companies are treated fairly and without prejudice or unfair discrimination.

Market Conduct Examinations

Year	General	Compliance	Target
1997	12	9	0
1998	17	13	0

Managed Care and Health Benefits Division

The Managed Care and Health Benefits Division was established in 1992 to monitor and regulate the activities of managed care entities including: health maintenance organizations (HMOs); preferred provider organizations (PPOs); managed care indemnity health insurers; and multiple employer welfare arrangements (MEWAs). The division's emphasis is on how company activities affect consumers in North Carolina.

In contrast to traditional indemnity health insurance, through which insureds obtain covered services from health care providers of their choice and with little consideration of plan requirements, managed care plans determine many of the specifics of the delivery of care, such as the types of providers available, selection of individual providers, and programs and policies that insureds and their treating physician must follow as a condition of receiving coverage.

As a result of the additional company and enrollee obligations present in the contractual relationship under a managed care plan, special regulatory concerns, in addition to traditional concerns relating to fair marketing practices, fair policyholder treatment, and financial capability, are warranted. These concerns relate primarily to the provider networks utilized by managed care plans, and their programs and policies designed to promote effective care and eliminate unnecessary care. Misapplication of these tools and techniques could result in insureds not getting coverage for the services promised under their policy, either through outright denial of coverage or through systematic barriers to care.

The division has played a pivotal role in the development of a comprehensive regulatory framework for managed care plans in North Carolina. In October 1996, regulations were implemented to establish industry standards and departmental oversight of plans' health care provider network arrangements and, for HMOs, Quality Management Programs. In 1997, the Department developed legislation that strengthened requirements for plans' Utilization Review Programs, established a standardized two-step process under which all health plans must consider plan member appeals and grievances, defined plan requirements for making coverage determinations, strengthened the Department's ability to take action against non-compliant HMOs, and greatly expanded the amount and types of information to be provided by health insurers to current and prospective insureds. Through these achievements, North

Carolina consumers already enjoy many of the managed care protections currently being debated by Congress.

The division accomplishes its work through several types of activities: market practice examinations of companies, review of document filings required of companies, and data collection and analysis. These activities are discussed below.

HMO Examinations and Licensure Summary

Year	Licensed HMOs	General Exams	Compliance Exams	Pre-Licensur Exams	Follow-Up Exams	Total Exams
1997	28	4	5	2	4	15
1998	26*	5	4	2	1	12

**four restricted*

The division's examination program to date has focused entirely on HMOs, with a few exceptions in earlier years. This focus is due to the fact that HMOs employ the highest level of policies and techniques to "manage care," thus having the greatest potential impact on consumers, as well the need to utilize staff to perform statutorily prescribed examination duties. The examination program provides for examination of each HMO on at least a triennial basis, as required by law, and includes review of operational areas of a company, including management and control, provider network development, utilization management programs, quality management activities, third-party contracting arrangements, marketing, member services, claims payment, and underwriting practices. Examinations last two to eight weeks, depending on their type and areas covered. General examinations entail comprehensive review of policies, procedures and practices in major operational areas of the company. Compliance examinations are designed to ascertain whether the company has taken corrective action to address problems found during the previous general examination. With the addition of positions in the 1998 budget, the Managed Care Division expects to develop a program that allows examinations of managed care operations for indemnity PPO plans.

The division is also responsible for reviewing filings for an HMO certificate of authority. These reviews are conducted in consultation with other divisions in the Department, including life and health, actuarial and financial staff, and include review of applicant companies' planned operations, as well as an on-site pre-licensure examination. When resources permit, a licensure follow-up examination is conducted approximately 12 months after a new HMO has been licensed. The purpose of follow-up examinations is to ensure that actual operations are in accordance with that proposed in the licensure application, as well as to review company policies and procedures relating to areas addressed in law or regulations.

In-house review is performed on form health care provider contracts used by HMOs and managed care indemnity health insurers and annual filings from PPOs. Review of these filings permits evaluation of company practices and compliance as indicated by their written policies and procedures, data reporting, and assertions made by company officers. For form provider contracts and PPO annual filings, review is performed to establish compliance with regulations pertaining to carriers' responsibilities for arranging the provider networks to which insureds are directed and for utilization review activities to determine procedural compliance with regulations governing the utilization review process, as well as the member appeal process when care is denied.

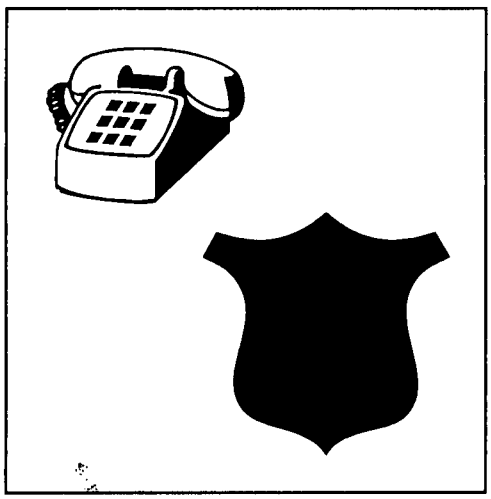
Managed Care Filings		
Year	**Provider Form Contracts**	**PPO Filings**
1997	223	37
1998	367	35

Commencing in the latter half of 1996, staffing resources have been dedicated to data collection and analysis of the managed care industry. Also since 1996, the division has produced annually a Status Report and Analysis of Activity for HMOs, reporting information on plan enrollment trends and plan penetration in the consumer market and health care provider community for the years 1995 through 1997.

Legislation enacted in 1997 will, for the first time, provide the division with consistent and comprehensive data relating to the managed care practices and activities of HMOs and PPO benefit plans. Consumer-oriented publications reflecting this data as useful information are scheduled to be produced in 1999 for 1998 data. Better data is expected to be of use to the Department, in both its policy-making and enforcement efforts, as well as to legislators, other policy-makers, and researchers. Depending upon future directions, numerous analyses useful to the Department, employers and consumers could be developed. Examples of possible data usage as a result of efforts currently underway include:

- the establishment of industry trends and norms relating to areas such as accessibility of provider networks (the types and numbers of health care providers included in insurers' networks), utilization management practices (rate of denials of care, the timing and results of member appeals of such denials), member complaints about service and quality of care (reasons for member complaints and companies' policies for resolving complaints);
- assessment of managed care penetration, enrollment trends, and demographic and geographic enrollment information that may provide information about industry practices; and
- compilation of summary company information that provides interested parties with an overview of managed care industry presence and performance in North Carolina.

Since laws were enacted to license multiple employer welfare arrangements, seven licenses have been issued, three in 1993, two in 1994, one in 1996 and one in 1998. One terminated business in 1998, leaving six still licensed.



Public Services Group

The Public Services Group is comprised of the Agent Services, Consumer Services, Special Services and Investigations Divisions.

The Agent Services Division regulates and issues licenses for insurance agents, adjusters, brokers and appraisers. The division additionally reviews license applications, licensing examinations, and maintains a file on every licensed insurance professional doing business in the state of North Carolina.

The Consumer Services Division assists North Carolina consumers by answering insurance questions and resolving their insurance problems. A staff of consumer specialists advises and acquaints consumers with courses of action they may pursue to resolve their particular insurance problem.

The Special Services Division is responsible for licensing and investigating complaints related to insurance premium finance companies, collection agencies, professional bail bondsmen and bail bond runners, surety agents and motor clubs.

The Investigations Division is responsible for investigating criminal violations of North Carolina's insurance laws. Requests for investigations come from within the Department, consumers, law enforcement agencies, local, state and federal agencies and insurance companies.

Consumer Services Division

The technical and complex nature of insurance generates a multitude of questions from the consuming public and from many segments of the insurance industry itself. Questions touching upon all types of insurance products are handled by our Consumer Services Division. Each year the division provides valuable assistance to a broad array of our citizens.

During the 1997-98 Biennium, division staff handled an average of more than 100,000 telephone calls and processed almost 10,000 written consumer complaints each year. A computerized data format allows for continuous updates and changes on each complaint file.

Such computerized complaint handling and the accumulation of related information offers important indications of how well departmental regulatory measures are affecting insurance market practices.

During the 1997-98 biennium, the consumer services staff was involved and active in a number of areas:

- The staff spoke to numerous community groups and educational gatherings on a variety of insurance topics, including automobile, health, workers' compensation, and specialty coverage.
- The division helped identify financially-troubled insurance agencies and assisted consumers in the resolution of resulting problems.
- The division, through its Market Assistance Plan, continued a remarkable record of helping prospective commercial policyholders locate and procure hard-to-find coverage that reduced their risks and allowed them to stay in business.
- The division provided direction and information to the Department's Market Examinations Division relating to complaint experience regarding insurance companies' conduct in the marketplace.
- Staff provided front line participation at disaster recovery centers in the aftermath of natural calamities such as hurricanes, tornadoes and flooding.

In June 1997, the division implemented a new state of the art technology computer system. This system replaced the division's first-ever computer database which had been used since 1985. The data now collected and stored is much more accessible, enabling the division to better monitor statutory and regulatory compliance of the insurance industry.

The Consumer Services Division serves as a significant front line service organization. Division staff continue to improve the quality of their service to consumers through professional training and continuing education.

Agent Services Division

The Agent Services Division protects the general public of North Carolina by ensuring that individuals representing the insurance industry have an adequate knowledge of the industry and possess the moral and ethical characteristics necessary to operate in a fiduciary capacity. The division's main function is to regulate all licensed agents, brokers, limited representatives, appraisers and adjusters authorized to do business in North Carolina. This regulation includes all activities concerning licensing, appointing and educating agents, brokers, adjusters and limited representatives (both resident and non-resident) selling insurance and adjusting claims of insurance in North Carolina.

The division regulates the operation of 98 prelicensing insurance schools conducted through private vendors, trade associations, universities, community colleges and technical institutions. In addition 2,670 approved continuing education courses are offered by 494 providers. An additional 667 seminars were approved for continuing education credits during this biennium.

The division also provides service to licensees with two Voice Response Units (VRU). The Licensing VRU, (919) 981-5344, provides license status and general licensing information. The Continuing Education VRU, 1-800-931-7111, provides information regarding continuing education credits and course offerings.

The division continues to conduct agency examinations. The purpose of the examinations is to ensure that agency staff is appropriately licensed, review financial information, determine if files are accurately underwritten and to recommend continuing education courses. There has been a noticeable decrease

in the number of agencies that have gone out of business since the implementation of agency examinations.

Agent Licensing Activity

	1997	1998
Agent/Adjuster Examinations	14,078	14,769
Licenses Issued	26,243	27,144
Agent Appointments Issued	131,455	134,820
Certifications Issued	13,765	17,677
Renewals/Appointments	434,035	477,305

On an annual basis the division hosts state licensing examination item-writing sessions for property/casualty and life/heath. The purpose of the item-writing sessions is to keep state licensing examination questions current. The division also publishes two newsletters and a Continuing Education Course Catalog on an annual basis. The newsletters keep the agent/adjuster community abreast of regulatory actions, current insurance issues and ratified legislation affecting agents and adjusters.

In May 1998 the division sponsored the first Agent Outreach Program. The purpose of Agent Outreach is to discuss current topics of mutual interest between the agent community and the Department.

The division made enhancements to the Continuing Education Program in the Fall of 1998 by mailing letters to licensees in September reminding them of the Continuing Education requirement. Additionally, insurers received notification of licensees who had not met the Continuing Education requirement. As of February 1999, this enhancement produced a reduction of approximately 1,000 license cancellations.

The division is currently making preparations for participation in the NAIC's Insurance Regulatory Information Network (IRIN). This network includes a Producer Data Base (PDB) that is a national central depository of licensing information containing demographics, license and appointment history, final regulatory actions and certification and clearance history on licensees. The division anticipates the initial download of North Carolina's information into the PDB in early 1999 and the implementation of this program by the end of 1999. Additionally, IRIN includes a Producer Information Network (PIN) that will support the electronic processing of licensees' appointments and terminations.

Investigations Division

The Investigations Division conducts criminal investigations and supports prosecution of insurance related crimes. The division is the nation's oldest insurance fraud bureau, established by the General Assembly in 1945. The division investigates crimes by insurance claimants, insurance producers, insurance companies and unauthorized insurers.

During the biennium the number of case referrals and allegations of fraud submitted for investigation have skyrocketed. In the two year period the number of cases referred has increased 170 percent since 1996. Over the past six years the increase in case referrals is a staggering 338 percent. These numbers are indicative of the awareness of and attention to insurance fraud by insurers, and a confirmation that the positive changes made in the division are working.

Investigations Activities Report

	1997	1998
Complaints and case referrals received	807	1,435
Investigations Initiated	91	92
Criminal Convictions	30	31
Restitution/monetary recoveries	$2,831,455.39	$1,660,972.79
Pending criminal cases	133	143

As expected, the Investigations Division received a substantial number of case referrals after Hurricane Fran devastated many areas of the state. Investigative activities by the division directly resulted in claims payments being reduced by $1,366,218. Several criminal cases continue to be actively pursued, typically involving general contractors substantially overstating the monetary value of repair. An immeasurable return to insurance consumers and carriers occurred when division investigators intervened immediately after the storm with unscrupulous home repair contractors attempting to defraud homeowners.

Beyond the storm related claims, the Investigations Division conducted business as usual—investigating exaggerated insurance claims, detecting crimes by the Department's licensed agents and adjusters and pursuing unauthorized insurers. During the biennium the division obtained criminal convictions of 32 licensed insurance agents on charges ranging from insurance policy application fraud to embezzlement of insurance premiums. These cases resulted in restitution, fines, and court ordered fees totaling $1,263,500. The Investigations Division assisted other regulatory divisions by exposing a phony health care insurance scam by an unlicensed insurer. Investigators identified victims and sales agents, and testified at departmental hearings. This matter resulted in claims payments exceeding $480,000.

Investigative emphasis and priority has been placed recently on health care related crimes. The health care segment of insurance fraud represents approximately 80 percent of the total, or $95 billion a year, according to industry experts. Yet, less attention is focused on investigating insurance crimes by medical providers than on property and casualty crimes. The Investigations Division aims to be a national leader in this pursuit. Currently, the division has nine health care fraud cases under active investigation, two of which involve the Insurance and Health Care Fraud Task Force. This organization,

Restitution Report

	Convictions and Monetary Recoveries		Total Restitution	
County	1997	1998	1997	1998
Alamance	1	0	$6,351.96	$0.00
Albemarle	0	1	$0.00	$750.00
Anson	0	1	$0.00	$2,000.00
Beaufort	0	1	$0.00	$1,916.94
Brunswick	1	1	$230,963.74	$9,996.80
Buncombe	3	1	$39,570.94	$7,820.18
Burke	2	1	$1,158.41	$0.00*
Cabarrus	1	0	$41,578.00	$0.00
Carteret	2	1	$913,833.20	$482,845.98
Caswell	1	1	$810.00	$1,892.81
Catawba	0	1	$0.00	$1,347.81
Cleveland	1	0	$3,866.43	$0.00
Columbus	1	0	$70.85	$0.00
Craven	3	1	$5,948.53	$15,000.00
Cumberland	1	1	$4,497.00	$18,831.71
Durham	2	1	$5,531.84	$1,014.55
Forsyth	1	0	$40,896.63	$0.00
Gaston	1	0	$1,500.00	$0.00
Guilford	3	4	$57,658.67	$67,350.17
Harnett	0	1	$0.00	$2,400.00
Haywood	1	0	$12,761.63	$0.00
Johnston	1	0	$1,186.30	$4,911.78
Lincoln	0	1	$0.00	$24,364.18
Mecklenburg	7	6	$1,204,905.33	$734,100.00
Moore	1	0	$1,067.00	$0.00
Nash	0	1	$0.00	$11,531.99
New Hanover	3	0	$50,958.00	$0.00
Onslow	1	1	$24,388.00	$14,146.88
Pamlico	1	0	$63,773.00	$0.00
Pitt	0	1	$0.00	$5,448.13
Richmond	1	1	$8,265.70	$7,055.88

Restitution Report				
	Convictions and Monetary Recoveries		Total Restitution	
County	1997	1998	1997	1998
Robeson	0	2	$0.00	$12,945.48
Rowan	2	1	$19,670.00	$11,135.27
Sampson	1	1	$2,321.00	$17,955.00
Stokes	1	1	$2,000.00	$5,184.68
Surry	1	1	$59,044.43	$0.00*
Union	2	0	$1,511.61	$0.00
Vance	0	2	$0.00	$6,212.24
Wake	2	7	$18,329.56	$190,834.28
Wayne	2	2	$2,037.07	$6,891.83
Wilkes	1	0	$5,000.00	$0.00
Totals	**52**	**45**	**$2,831,455.39**	**$1,660,972.79**

**Conviction obtained, but no restitution ordered.*

sponsored mainly by the Federal Bureau of Investigation, undertakes significant health care cases by combining resources of state and federal investigative agencies. The Investigations Division is a full partner in this endeavor. Among the cases currently under investigation are a national "medical mill" with numerous clinics across the nation and several in North Carolina. These clinics fraudulently "build" insurance claims by rendering unnecessary treatments to auto accident victims referred by conspiring attorneys. The division aims to stop this illegal activity.

Prospectus

As we prepare to enter the new millennium, the Investigations Division is poised to answer the challenges of insurance frauds perpetrated by a different type of criminal. Today's insurance cheats are more sophisticated and are often organized in their criminal enterprise. Through the introduction of laptop computers, advanced training initiatives, and liaison with many other investigative agencies, the division prepares to be the deterrent to insurance fraud. Already in 1999 the division has completed the investigation and obtained a conviction in the largest single insurance agent embezzlement case in the state's history. The defendant is awaiting sentencing after pleading guilty to embezzling more than $1,366,000. This case represents the first conviction using the federal insurance fraud statute, 18 USC 1033. The federal law is particularly interesting due to the responsibilities placed on each state's insurance commissioner. Another case already referred for prosecution involves an insurance agency charged with defrauding insurance companies of more than $660,000. Significant cases such as these illustrate the resolve and commitment of the Investigations Division in combating insurance fraud now and in the future.

Special Services Division

The Special Services Division is responsible for licensing, auditing, and monitoring insurance premium finance companies, motor clubs, collection agencies, professional bail bondsmen, bail bond runners and surety bondsmen. The division protects the public by investigating allegations of criminal as well as statutory violations by these licensed entities and seeking prosecution, restitution and/or disciplinary action.

In 1997 and 1998, the division licensed the following entities to operate in North Carolina:

1997-98 Licensees

Name of Industry	No. of Licensees 1997	1998
Insurance Premium Finance Companies	177	166
Insurance Premium Finance Companies (Branch Office)	114	119
Collection Agencies 1997: In State (135); Out of State (209) 1998: In State (134); Out of State (263)	344	397
Professional Bail Bondsmen	242	258
Bail Bond Runners	322	298
Surety Bondsmen	427	504
Motor Clubs	34	33
Motor Clubs (Branch Office)	511	421
Totals	**2,171**	**2,196**

During this biennium, the division completed a total of 1,749 routine and criminal investigative assignments. The number of completed assignments represents a 63 percent increase from the last biennium report. As a result of these assignments, criminal and regulatory actions were taken against the violators. Seventy-five criminal charges by investigators of the division resulted in 40 arrests. Twenty-five of the criminal charges brought were felonies. Successful convictions resulted in $23,303.00 in court ordered restitution. Administrative remedies resulted in civil penalties totaling $41,550.00. Refunds issued back to North Carolina consumers totaled $153,373.44. (See following tables detailing criminal/regulatory actions and refunds effected.)

Consumer Refunds

	Bail Bondsmen		Collection Agencies		Premium Finance Co.	
County	1997	1998	1997	1998	1997	1998
Alamance	$25.00	$9,500.00		$26.75		
Burke	$425.00					
Cabarrus		$1,400.00				
Craven		$150.00				
Cumberland		$725.00				
Durham	$2,200.00	$1,100.00				
Forsyth	$2,460.00	$3,250.00	$522.90			
Gaston	$5,000.00	$1,000.00				$213.70
Guilford	$25,000.00			$21,815.06		
Iredell			$3,684.41			
Johnston	$550.00					
Jones	$450.00					
Mecklenburg*	$7,595.00	$4,162.50	$5,248.44	$232.00		
Montgomery	$1,600.00	$400.00	$3,623.25			
New Hanover	$8,471.89					
Onslow		$150.00		$848.35		
Robeson	$350.00					
Union				$1,658.19		
Vance	$300.00	$300.00				
Wake**	$2,055.00	$11,885.00				
Wayne	$15,964.00	$250.00		$9,000.00		
Wilson		$1,300.00				
Totals	$70,845.89	$35,572.50	$13,079.00	$33,580.35	$0.00	$213.70

**A Motor Club in Mecklenburg County refunded $32.00 in 1997.*

***A Motor Club in Wake County refunded $50.00 in 1998.*

Summary of Civil Penalties, Criminal Convictions, Restitution, and License Action

1997	Civil Penalties Number/Penalty Amount	Criminal Convictions Number/Restitution	License Action Denial, Revocation or Suspension
Bail Bondsmen	6/$3,300.00	14/$12,703.00	32
Collection Agencies	7/$26,200.00	0/0	0
Premium Finance Co.	1/$5,000.00	0/0	0

1998	Civil Penalties Number/Penalty Amount	Criminal Convictions Number/Restitution	License Action Denial/Revocation, or Suspension
Bail Bondsmen	6/$2,900.00	6/$4,250.00	30
Collection Agencies	4/$1,350.00	1/$9,000.00	0
Premium Finance Co.	6/$2,800.00	0/0	0

During this biennium the division processed findings of facts and request for payments from North Carolina county officials to satisfy bail bond judgements from security deposits held in trust by the department. The process resulted in payments to various clerks of courts (local school boards) totaling $257,784.25. The payments are detailed in the attached chart.

Bail Bond Judgements

County	1997	1998	County	1997	1998
Alamance	$1,689.00		Montgomery		$17,750.00
Alleghany		$1,175.00	Nash	$2,286.50	$4,896.64
Beaufort	$1,104.00		New Hanover	$33,090.00	$95.39
Brunswick	$1,135.00		Onslow	$26,616.52	
Carteret	$400.00		Orange	$7,400.00	
Columbus	$410.00	$285.00	Pender	$5,900.04	
Craven	$10,435.68		Pitt	$5,405.00	
Duplin	$400.00		Randolph	$535.00	$3,720.08
Durham	$15,127.00		Rowan	$555.75	
Edgecombe	$1,950.00	$10,535.62	Sampson	$530.04	
Gaston	$15,539.77		Stanly	$36.60	
Granville	$115.00		Surry		$3,422.55
Guilford	$6,265.12	$3,785.04	Swain		$525.04
Halifax		$315.00	Wake	$131.60	
Haywood		$4,990.32	Wayne	$16,333.00	
Iredell	$663.38		Wilson		$2,926.12
Jackson		$3,310.08	Yadkin		$1,500.00
Lenoir	$10,825.76				
Mecklenburg	$29,031.69	$4,734.29	Totals	$193,913.35	$63,870.90

Report does not include direct payments to clerks by insurance companies or licensees.

Legislative Action

The 1995 session of the General Assembly ratified Senate Bill 534, which regulates surety bondsmen, bail bondsmen, and runners. It was ratified effective June 21, 1996 with most of the changes taking effect January 1, 1997.

In summary, this act redefined the term "surety bondsmen" and changed the licensing procedures whereby all bail bondsmen (professional bail bondsmen and surety bondsmen) and bail bond runners would be licensed and regulated by the Special Services Division pursuant to North Carolina General Statute 58, Article 71. The act provided that the license of all bail bondsmen and runners be made permanent until revoked or suspended by the Commissioner. In addition, all licensees received an official picture identification card.

Senate Bill 534 provided the authority for the Special Services Division to obtain criminal history checks by the SBI and FBI (if warranted). For license sanctioning purposes, a person holding a professional bondsman's or runner's license and a surety bondsman's license was considered to hold one license. It also eliminated the requirement for a bail bondsman to file a personal financial statement and annually register his license(s) with clerks of court. Finally, the act strengthened the pre-licensing and continuing education requirements for bondsmen by establishing qualifications for course providers.

House Bill 926 was ratified on October 27, 1998 and signed on October 30, 1998. Several bail bond statutes were amended and as paraphrased below:

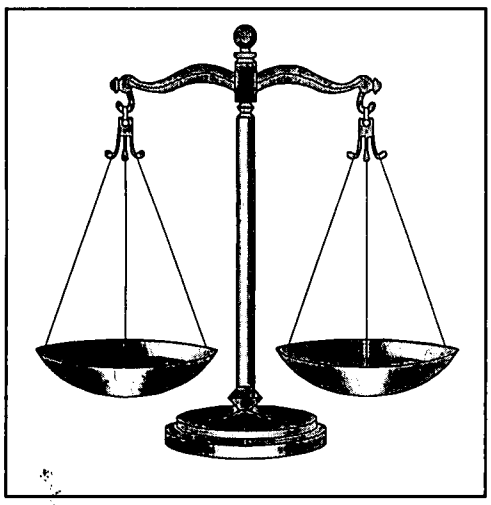
- Deletion of requirement for a bail bondsman to file a copy of his monthly bail bond reports with the clerks of superior court
- Clarification of language for the denial, revocation, or refusal to renew a license for a felony conviction
- Additional waiver language for extensions of time to complete continuing education requirements
- Clarification of language and instructions relative to the surrendering of a defendant, bond fee, and bond collateral
- Number of hours for pre-licensing reduced from 20 hours to 16
- Licensees required to notify the Department within 10 days of any change of address and of any criminal convictions (excluding motor vehicle infractions)
- Number of hours for continuing education reduced from 10 hours to six hours

Personnel

The deputy commissioner of the division was recognized and awarded the Certificate of Appreciation for his outstanding service by the North American Collection Agency Regulatory Association.

The field supervisor was elected to serve on the Board of Directors of the North American Collection Agency Regulatory Association for 1998-99.

An investigator of the division was elected as President of the North Carolina Law Enforcement Officers Association.



Office of the General Counsel

This organizational unit provides internal legal advice to all divisions of the Department. The Department's General Counsel also acts as liaison with the Attorney General. The office coordinates hearings on a wide variety of administrative matters and prepares complex orders and memoranda for the Commissioner. The General Counsel serves as the Department's primary hearing officer having final agency decision authority, and reviews all Department contracts with suppliers and consultants.

General Counsel

The General Counsel gives legal direction and counsel to the Commissioner and all members of the Department in areas of law relating to the entities regulated by the Department, which include: the insurance industry, the bailbond industry, collection agencies, premium finance companies and building inspectors. The General Counsel also provides advice to the Department on a wide variety of procedural matters, including the Administrative Procedures Act and Rules of Civil Procedure. Additionally, the General Counsel provides legal advice pertinent to the running of the Department itself, such as advice on personnel matters, and the public records law.

Between July of 1996 and December 31, 1998 the General Counsel's office responded to 699 legal service requests from Department personnel without the involvement of the Attorney General's office. Further, the General Counsel serves as the Department's primary hearing officer for a wide variety of administrative hearings under Article 3A of Chapter 150 B of the North Carolina General Statutes. Since July of 1996 the General Counsel's office has been involved in over 135 administrative hearings.

The General Counsel evaluates the effectiveness of the work of the Attorney General in the context of providing advisory opinions and handling administrative proceedings and other litigation. The General Counsel also litigates cases at the instruction of the Commissioner of Insurance when the Department of Justice has conflicts with representing the Department of Insurance.

Ratemaking Litigation

During the 1997-98 Biennium, the Office of the Special Counsel, continued to be closely involved in several pieces of significant litigation involving ratemaking for lines of insurance under the jurisdiction of the North Carolina Rate Bureau.

In September 1994, the Commissioner disapproved an auto insurance filing submitted by the Rate Bureau on February 1, 1994. The Commissioner's 1994 order was subsequently appealed to the North Carolina Court of Appeals, which rendered its decision in the matter in December 1996, affirming in part, reversing in part and remanding the case to the Commissioner for a recalculation of the profit provisions and for a clarification on the issues of dividends and deviations and expense trends.

The Commissioner issued a Remand Order on September 10, 1997, which further decreased the overall rates established by the Commissioner in the original Order and further ordered that the escrow amounts be increased pending appeal of the case. The Remand Order was also appealed to the Court of Appeals and a decision was rendered on December 29, 1998, affirming the Commissioner's clarification of dividends and deviations and expense trends and remanding the case to the Commissioner for a recalculation of the profit provisions.

At the close of 1998, it was the Commissioner's intention to petition the Supreme Court for discretionary review of the profit issue.

At this time it is estimated that the escrow pending on the 1994 case is approximately $637 million. These funds will continue to accrue interest until the case is final. Currently, the Commissioner has won all issues in this case except profit and in the event that the Commissioner is ultimately upheld, the escrow (with interest) will be refunded to the policyholders of North Carolina.

In April 1996, the Rate Bureau submitted an auto filing which satisfied the 1995 and 1996 filing requirements. The Department held a six-week hearing and the Commissioner issued his final Order in October 1996 disapproving the filing.

The Rate Bureau appealed the Commissioner's order to the Court of Appeals, which rendered its decision on June 16, 1998 affirming in part, reversing in part and remanding the case to the Commissioner for recalculation of the profit provisions. The Court of Appeals' decision contained a dissent by Judge Greene, which allowed the Commissioner to appeal the profit issue to the Supreme Court as a matter of right. In addition, the Rate Bureau petitioned the Supreme Court for discretionary review of the issue of dividends and deviations; the Rate Bureau's petition was allowed on November 5, 1998.

At the close of 1998, the Department and the Rate Bureau were preparing briefs on the issues to the Supreme Court.

At this time it is estimated that the escrow pending on the 1996 case is approximately $102 million. These funds will continue to accrue interest until the case is final. Currently, the only two issues on appeal to the Supreme Court are profit and dividends and deviations, and in the event that the Commissioner is upheld on either of these two issues, all or some of the escrow (with interest) will be refunded to the policyholders of North Carolina.

The 1994 and 1996 automobile rates cases are the only cases on appeal at this time. In past years, as many as five rates cases have been simultaneously on appeal.

The 1997 and 1998 auto cases were settled by Consent Order, prior to hearing, for a zero percent change in the rates.

In its 1997 and 1998 workers' compensation rate filings, the Rate Bureau filed for decreases in rates, which were approved by the Commissioner without formal hearing. Department staff join the industry and businesses in hoping that the significant reforms enacted by the legislature in 1995 will continue to reduce workers compensation costs and, hence, the premiums paid by North Carolina businesses.

In December 1998, the Rate Bureau made its first homeowners' filing in five years requesting a 15.6 percent statewide increase in homeowners' rates with significant increases as high as 50 percent in some counties. At the close of 1998, the filing was under review by Department staff and the Rate Bureau and the Department were engaged in settlement negotiations.

While these lengthy rate cases involve public expense in staff and consultant time, taxpayers have enjoyed an enormous rate of return on funds disbursed from the Consumer Protection Fund created by N.C.G.S. 58-2-215. The Fund has fulfilled its promise of "leveling the playing field" for state regulators facing the substantial resources of the insurance industry.

Office of State Fire Marshal

The Commissioner of Insurance has served by North Carolina General Statute since the late 1940s as the State Fire Marshal. Groundwork for this began in 1907 when the General Assembly established the "Firemen's Relief Fund," requiring the Commissioner to collect funds from insurance companies to be used for relief of distressed firefighters.

In an effort to bring more focus and visibility to this division's programs, the Office of State Fire Marshal (OSFM) was formally established within the Department of Insurance on April 1, 1998, thus replacing the former Safety Services Group. The creation of OSFM primarily involved a name change, but there continues to be some reorganization and combining of resources as the new office evolves.

OSFM is comprised of the following six divisions: Engineering; Manufactured Buildings; State Property Fire Insurance Fund; Fire and Rescue Training and Inspections; Fire and Rescue Commission; and Prevention, Program Development and Grants.

OFSM administers and enforces life safety standards throughout the state, promotes risk management practices throughout government, and maintains a sound insurance program for state agencies.

The division is comprised of seven sections: code consultant, electrical, mechanical, modular, inspector certification, building code council and handicapped accessibility. The Engineering Division administers the state building code and provides staff to the N.C. Building Code Council, the N.C. Code Official Qualifications Board and the Home Inspectors Licensing Board.

The Manufactured Building Division works to assure that construction standards for manufactured homes are maintained and that warranty obligations under state law are met. The division monitors handling of consumer complaints, licenses the makers of manufactured homes, dealers, sales representatives and set-up contractors, and acts as staff for the N.C. Manufactured Housing Board.

The State Property Fire Insurance Fund administers the self-insurance fund for state-owned property and vehicles, and assists local governments with property and casualty insurance programs. This program also makes available professional liability coverages for law enforcement officers, public officials and employees of any political subdivision in the state. This section also provides staff, administration, and research services to the Public Officers and Employees Liability Insurance Commission (POELIC).

The Fire and Rescue Commission Division serves as staff to the Fire and Rescue Commission and handles the state's voluntary certification system comprised of 16 levels and 40,000 individuals, as well as the State Fire and Rescue Incident Reporting System.

The Program Development, Prevention, and Grants Division administers the Firemen's Relief Fund, Rescue Relief Fund, assists all divisions within the OSFM with development of programs and brochures, and provides direction and support for injury prevention programs statewide. The division also administers matching dollar-for-dollar grants to volunteer fire departments and rescue squads and offers fire prevention education in the public schools.

The Fire and Rescue Training and Inspection Division trains fire departments, rescue squads, and instructors to improve fire and rescue protection statewide. Through special schools, development of training programs and teaching outlines, and specialist training directed to instructors, this division provides continuous upgrade to the training of our states emergency workers. Fire department's delivery capabilities are measured and upgraded by providing initial insurance ratings for fire departments, as well as coordination for the improvement of ratings to reduce insurance costs for homeowners.

Engineering Division

North Carolina's General Statutes give the Commissioner of Insurance the responsibility of general supervision of the administration of the North Carolina State Building Codes. The codes contain regulations relating to plumbing, electrical, heating, air conditioning and fire protection systems and the construction of buildings in general. The division meets these responsibilities by providing interpretations of code requirements and assisting local government authorities with the application of the codes.

The division also inspects electrical systems in state-owned buildings, reviews plans and specifications of new buildings for code compliance, assists with code-related educational programs, and administers state examinations required for certification of city, county and state code enforcement officials.

Division staff also administer the state's accreditation program of independent inspection agencies who safety test and label electrical and mechanical equipment.

In addition to serving as an informal state code appeals agency, the division also serves as staff to the North Carolina State Building Code Council, the North Carolina Code Officials Qualification Board, and the North Carolina Home Inspectors Licensure Board.

Code Administration and Enforcement

The division provides interpretations of the intent of the state building code to city and county inspection officials, architects, engineers, contractors, material suppliers, manufacturers, other state agencies, attorneys and the general public.

The division is responsible for reviewing plans and specifications for large buildings. Before a permit can be secured for these buildings, a letter of compliance must be issued by this division to the inspection department having jurisdiction.

State law requires that handicapped and disabled persons receive treatment equal to that afforded other persons. The division has an Accessibility Section which provides information to handicapped organizations, design and construction professionals and building owners in the application of these

Engineering Division Activities	
1997-1998	
Plans reviewed	4,977
Field inspections	4,213
Office conferences	11,883
Telephone information requests	122,626
Schools, seminars and conference participation	756
Building Code Council meetings	76
Qualification Board meetings/hearings	32
Qualification Board complaint investigations	103
Inspection certification schools coordinated	1,582
Inspector certification exams administered	5,178
Inspector certification applications reviewed	9,492
Inspector certificates renewed and issued	12,014
Code publication sales	$2,021,805
Electical certificates of compliance issued	673
Home Inspector Board meetings/hearings	40
Home inspector exams administered	1,417
Home inspector applications reviewed	1,463
Home inspector licenses issued/renewed	1,746

state laws and the building code requirements relating to accessibility. This assistance helps provide our disabled citizens with the full and free use of all buildings in the state. Accessibility regulations are currently being revised to make N.C. Code equivalent to federal Americans with Disabilities Act regulations.

This division inspects the electrical systems of all state-owned buildings during construction. When code violations are detected, the contractor or designer is advised of corrections required. Contractors cannot receive payment for their work until this division issues a certificate stating that the installation complies with safety regulations. In addition to these required inspections, this division assists local officials with the inspection of other construction aspects of buildings when requested.

Because some buildings require special construction, technical assistance is necessary from the division to ensure that the building is safe. Inspection assistance is also provided for structures when deterioration, fire or storms create conditions which appear to be hazardous to life.

Our staff also serves as the State Damage Assessment Team and assists the State Office of Emergency Management during disasters.

State Building Code Council Support

The Building Code Council consists of 15 members appointed by the governor. The council is empowered to adopt and amend the state building code, hear appeals on the interpretation of the code and approve local building regulations which are different from the state code. The council holds regularly scheduled public hearings on the second Tuesday in March, June, September, and December. Additional meetings are held by council code committees.

State law permits the Building Code Council to provide, in circumstances deemed appropriate, programs to certify independent testing laboratories as state-accredited third-party agencies to evaluate, inspect and label factory-built manufactured buildings, and electrical and mechanical building components. This program is administered by division staff.

Code Officials Qualification Board Support

This board develops standards for the training and certification of code enforcement officials. The division provides clerical and staff services in support of this effort. The board is also responsible for developing training schools and state examinations for inspector certification. Some division staff members serve as instructors; all state certification exams are administered by division staff.

Persons certified by the board are issued a certificate for each level and area of inspection for which they have met qualification requirements. The division also investigates written, substantiated complaints against inspectors made to the board, which may then schedule a hearing.

The division is divided into eight sections: code consultant, electrical, mechanical, modular, inspector certification, accessibility, code council, and fire prevention.

Home Inspectors Licensure Board Support

This board was created by the legislature in 1994 to provide for the licensure and regulation of those who perform home inspections for compensation. This board is composed of seven members and a designee of the Commissioner of Insurance. This board provides for the development and maintenance of standards of practice, code of ethics, examinations, licensure, renewal, and disciplinary procedures for home inspectors in North Carolina. The division provides clerical and staff services in support of this effort. The staff provides all administrative functions for the board including administering the examinations, issuing licenses, and renewal of licenses.

Manufactured Building Division

This division acts both as a state administrative agency under the federal Manufactured Housing Constructions and Safety Standards Act and as staff to the North Carolina Manufactured Housing Board.

The role of a state administrative agency is to monitor manufacturers' handling of consumer complaints to assure compliance with federal standards. Staff support of the Manufactured Housing Board includes receiving and resolving consumer complaints and licensing all manufacturers, dealers, set-up contractors, and salespersons that do business in this state to ensure compliance with warranty requirements set forth in the General Statutes.

The division is responsible for filing claims against surety bonds in the event dealers, manufacturers or set-up contractors go out of business or cannot otherwise fulfill their warranty obligations.

Manufactured Building is also responsible for developing set-up and anchoring standards for manufactured homes and assisting local inspection departments in the inspection of homes for proper set-up and anchoring requirements. Training seminars are held throughout the state each year to familiarize the local inspection departments, manufacturers, dealers, set-up contractors and other interested parties with the manufactured housing standards and any recent revisions to those standards.

This division is entirely receipt supported. A portion of these receipts come from fees received from HUD for manufactured homes placed in our state for retail sale. The division receives additional funds from licensing fees charged to manufacturers, dealers, set-up contractors, and salespersons.

The division also supplements its receipts by participating in a monitoring contract with the National Conference of States on Building Codes Standards. During 1997 and 1998, division staff spent approximately 1,000 hours in interstate monitoring inspections of manufacturing plant facilities.

The Manufactured Building Division also serves as staff to the N.C. Building Code Council in the administration of the state's modular construction program. This includes receiving and resolving modular complaints and the certification and monitoring of residential and commercial modular

Manufactured Building Division Activities

	1997	1998
Complaints Received	1,320	1,295
Inspections Completed	1,028	1,014
Manufacturers Licensed	79	94
Dealers Licensed	738	861
Set-up Contractors Licensed	507	634
Salespersons Licensed	2,981	3,403
Salespersons Temp. Licensed	1,381	1,936
Board Hearings Scheduled	12	27
Pre-Hearing Conferences Scheduled	449	378

manufacturers. Currently there are 101 certified manufacturers shipping modular buildings into North Carolina, with plant locations ranging from Florida to Texas to Quebec. The division also certifies independent certification agencies (third party agencies) that review modular plans for compliance with the N.C. State Building Code and monitors production in modular plants on continuing basis.

Manufactured Building Division - Modular Construction

	1997	1998
Complaints Received	61	50
Manufacturers Licensed	97	101
Third Party Certification Agencies Licensed	7	7
Modular Stamps Issued	6,071	6,654

State Property Fire Insurance Fund

This division is responsible for the operation and maintenance of the State Property Fire Insurance Fund, the self-insurance plan for state property. The division currently has jurisdiction over 13,000 state-owned buildings with a combined value of $11.7 billion. With the approval of the Council of State, the division investigates and adjusts claims and pays losses.

The Fund provides basic fire and lightning insurance coverage for state-owned property and offers insurance for wind, hail, riot, explosion, smoke, theft, sprinkler leakage, vandalism, flood, and business interruption. The division procures from private insurance carriers other needed insurance such as auto liability and physical damage, inland marine, ocean marine, aircraft liability and physical damage, boiler and machinery, workers compensation, accident and health, general liability, crime, professional liability, and bonds.

All General Fund facilities are insured for fire and lightning at no cost to the agency. This means that approximately 70 percent of the State's buildings receive this coverage absolutely free. Special Fund facilities, the remaining 30 percent, are billed for this coverage at approximately one-half the market rate. This has saved the State many millions of dollars, compared to buying commercial insurance.

Another vital function of the division is plan approval for construction and renovation of all State buildings. By statute, plans are reviewed to assure state construction is safe for building occupants and desirable for insurance purposes. Emphasis is placed on proper exits, building fire resistance, and fire protection systems.

When the Fund was established in 1945, the General Assembly recognized that loss prevention was an essential ingredient for a successful self-insurance program. Statutes require an annual fire and life safety inspection of all State-owned buildings by inspectors who are certified in the interpretation of codes and standards for fire protection and construction. Reports are made to agency managers for correction of deficiencies. The inspection staff also provides advice on corrective measures.

Obtaining updated fire protection systems in existing buildings is a continuous process. Emphasis is placed on improving the protection of major computer installations, very high value properties such

as hospitals and libraries, research facilities and other buildings which pose unusual hazards or risks, high-rise buildings, places of assembly, and buildings for housing vital records or historic artifacts.

Because of the rapid increase in the use of computers and other electronic equipment, lightning damage has become the state's most frequent loss. Efforts to reduce lightning losses include communicating information to agencies on proper protective measures, and inspecting sites with recurring claims.

The risk management section serves as the resource for state agencies in resolving risk issues. The section administers the state's automobile insurance program covering 35,000 vehicles, and helps local governments review their insurance needs and implement risk management programs. Since 1985, 160 North Carolina communities and counties have received complete insurance surveys and risk management services.

The section also provides staff, administration, and research services to the Public Officers and Employees Liability Insurance Commission (POELIC). The commission is charged with making available a plan of professional liability coverages for all law enforcement officers, public officials, and employees of any political subdivision of the state.

The plan provides $11,000,000 in liability coverage on all 119,000 state employees for losses resulting in bodily injury or property damage, and for errors and omissions in the performance of their jobs. About 500 such claims are filed against state employees each year.

North Carolina Fire and Rescue Commission

The Fire and Rescue Commission is an advisory board consisting of representatives from various fire and rescue organizations as well as state agencies. The Commission is responsible for developing voluntary certification programs and professional standards for all levels of fire and rescue personnel.

Presently, eight certification programs and twenty levels of certification are active, including: Firefighter, Instructor, Rescue Technician, Fire and Life Safety Educator, Fire Apparatus Driver/Operator, Emergency Vehicle Driver, Hazardous Materials Responder, Fire/Arson Investigator and Fire Officer I.

The Firefighter, Instructor, Hazardous Materials and the Driver/Operator programs are currently accredited by the International Fire Service Accreditation Congress, of which the Commission is an active member.

Each month the Commission receives approximately 300 applications for one of the above mentioned certifications, along with approximately 300 re-certification requests. Presently a firefighter must re-certify ever five years. The Commission records currently maintain over 60,000 certifications.

An ongoing project of the Commission is development and dissemination of the Occupational Safety and Health Standard for Fire Departments and Rescue Squads. This was a compilation of the applicable NFPA Standards and OSHA General Industry Standards.

Future programs from the Commission will include the Fire Officer II Certification program. Commission staff members are currently working on the development of this standard and should be ready for pilot testing in 2000.

The goal of such programs is that they will provide additional professional recognition, as well as enhance the safety of emergency services personnel in North Carolina.

Fire and Rescue Training and Inspection Division

This division serves as the certifying agency for qualifying fire departments and their members for several benefit programs.

The primary responsibility of this group is the delivery of instructor upgrade and qualification courses. However, additional requirements extend to direct program deliveries, program development, and participation on the State Emergency Response Team.

During the biennium efforts were made to provide the best possible service for the Fire and Rescue Services in North Carolina. A constant review and update of all existing instructional programs is essential in providing the most current information and techniques. Training delivery continued with an emphasis on instructor upgrade and qualification but has also provided for special school direct deliveries.

This section has participated in programs provided by the National Fire Academy and the Emergency Management Institute both on a federal and regional level. Personnel attended classes as well as received the train-the-trainer programs to be delivered to in-state instructors and responders. OSFM personnel have been appointed to and are currently serving on national committees with the responsibility of creating training standards and curriculum with organizations including the National Fire Protection Agency (NFPA), FARMEDIC and the Terrorism Task Force.

This section also continues to attend in-state meetings, conventions and to serve on committees where requested. Some of the events which have been attended by our personnel include: the N.C. Firemen's Association's annual conference, North Carolina Association of Fire Chief's annual conference, the Fire Chief's Association's winter meeting, the N.C. Association of Rescue and EMS annual conference, EMS Today conference, the N.C. Association of County Commissioners, the N.C. Fire College, and many others.

Rating Classification

Rural Fire Districts		Municipal Fire Districts	
ISO Class	No. in N.C.	ISO Class	No. in N.C.
1	0	1	1
2	0	2	5
3	0	3	21
4	1	4	32
5	27	5	95
6	54	6	96
7	47	7	63
8	11	8	24
9S	1052	9S	13
		10	0

Fire Department Statistics	
As of February 1, 1999	
Fire Departments in N.C.	1,315
Municipal Fire Departments	248
Non-Profit Corporations	1,067
Fire Districts in N.C.	1,542
Rural Fire Districts in N.C.	1,192
Municipal Fire Districts	337
Municipal Fire Districts with ISO Class of 9S	13
Rural Fire Districts with ISO Rating Less than a Class 9S	140
Fire Districts with Split/Class Rating (ex. 6/9S)	434

The Commissioner of Insurance sets the standards and qualifications for the initial certification of all fire departments. North Carolina has experienced an annual growth rate of approximately 10 fire departments in each of the last 10 years.

In October 1987, this section was given the duty of inspecting more than 1,000 Class 9S fire departments in North Carolina. The first phase of this project has been completed. The results of these inspections have been reported to the North Carolina Fire Rate Bureau and are to be used by them in filing future rates for fire insurance costs. The fire departments are reinspected on a two-to-three year cycle in order to maintain a current picture of the quality of fire protection in North Carolina and to assist the departments in making improvements.

In August 1995, the third phase of the inspections program was completed with approximately 90 percent of the fire departments meeting state requirements. The information collected during the inspections is also used in the qualification process for the rural fire department and rescue grant programs. The inspections program has been instrumental in helping to upgrade fire protection in the state.

This section continues to assist local governments with fire district mapping, setting up tax districts, preparing fire departments for ISO surveys and by providing information on benefit programs. The section also serves as an information resource on rural fire protection for local government officials.

Subsequent to inspections of Class 9S Fire Districts, inspectors visit all other rated and certified fire departments within a county to verify pertinent information, (mailing address, chief's name, governing body, etc.). The Inspection program is designed to help improve fire protection for the citizens of North Carolina and increase the safety of our state's firefighters.

The fourth inspection cycle of all Class 9S fire departments in North Carolina began December 1, 1997. These inspections are to assure that the fire departments are maintaining the minimum rating requirements which are required by the N.C. Department of Insurance. Meeting these requirements provides for the eligibility of the department's personnel to participate in the Fireman's Pension Fund, in the Firemen's Death Benefit Act, and in the Firemen's Relief Fund. Meeting these requirements also

allows homeowners living in the Fire District to enjoy a lower fire insurance premium on their homeowners insurance policy.

Fire Department Inspection Summary December 1, 1997 - February 1, 1999

	East	West	State Total
Counties Inspected	11	22	33
Districts Inspected	146	202	348
Districts Meeting Requirements	146	189	329
Districts Not Meeting Requirements	6	13	19
Percentage Meeting Requirements	96%	96%	94%
Percentage Not Meeting Requirements	400%	6%	5%

In addition to the inspection of Class 9S Fire Districts, the department inspectors also assist communities on the actions needed to upgrade the District ISO Rating. Further duties of this section include providing fire protection information to local government officials, county Fire Marshals, local Fire Associations, and citizens of North Carolina. Inspectors also assist with programs to fire departments and rescue squads on financing alternatives, record keeping, contract agreements, benefits and other administrative subjects.

Prevention, Programs and Grants Division

The Prevention, Programs and Grants Division was established in April 1998, however many of the programs within this division were active prior to its creation. The division is responsible for the development of comprehensive injury prevention strategies. Reducing deaths and injuries, especially to children, along with the associated economic costs, is the focus of the Injury Prevention Section. Unintentional injuries caused by fires/burns, falls, traffic crashes, poisoning, and drowning are targeted. The section's primary goal is to raise awareness about the major causes of injury and develop interventions.

Special programs directed by this section include N.C. SAFE KIDS, Learn Not To Burn, and Buckle Up Kids. The mission of these three programs is to reduce unintentional childhood injuries from birth through age 14, by coordinating a network of public and private partners. In 1998 over $660,000 in grants and public/private partnerships have been committed for N.C.SAFE KIDS. The Governor's Highway Safety Program gave a $106,625 grant to Buckle Up Kids in 1997.

The Injury Prevention Section also implemented grade crossing safety training for emergency responders. In partnership with N.C. Operation Lifesaver (NCOL), the section received a $5,000 grant from the Governor's Highway Safety Program to conduct a unique training program. Eighty- five individuals were certified to train their peers in a new program called "They Shouldn't Die This Way." The training gives emergency service providers new insight into grade crossing safety. This knowledge is vital, since these men and women are often first on the scene of crashes involving trains and motor vehicles. The goal of the program is to reach over 80,000 emergency responders with the NCOL

message as well as provide them with valuable information concerning response to any incident involving trains.

Support is also given to local fire and rescue providers in the formation of networks such as the Fire and Life Safety Educators Network and developing resources for local safety projects. Research is a key component in the efforts of the Injury Prevention Section. Areas researched include impact studies, product-specific studies, educational methods research, and general trend analysis. Data collected through the N.C. Fire Incident Reporting System and Casualty Reporting System determines the development of fire/burn prevention and safety programs for emergency responders.

The Research and Program Development section facilitates curriculum development and the related audio/visual materials for all fire and rescue training programs. In addition, this section designs and develops informational and educational materials for publication and distribution to the public. The *Fire & Rescue Journal* is published quarterly by the Research and Program Development group.

Funds

Working closely with the NC Fireman's Association, division staff continues to improve collection and disbursement of the Firemen's Relief Fund. Significant effort has been made to reduce the number of fire departments disqualified due to ineligibility. The Rescue Relief Fund was created in 1987 to assist rescue personnel in need.

In 1996 $2,814,145.96 was collected by the Firemen's Relief Fund tax and $2,465,147.80 was disbursed to qualified fire departments. The Rescue Relief Fund tax collected in 1996 was $618,275.14 and $544,082.11 was disbursed to the N.C. Association of Rescue & EMS to distribute the funds according to General Statute 58-88-5.

Total Firemen's Relief Fund tax collected for 1997 was $2,852,372.16 and a total of $2,460,017.74 was disbursed to fire departments meeting all General Statute requirements. Total Rescue Relief Fund tax collected for 1997 was $649,971.37 and a total of $571,974.80 was disbursed to the N.C. Association of Rescue & EMS to distribute the funds according to General Statute 58-88-5. 1998 figures are not available until May 1999.

The Department of Insurance was given the responsibility by the General Assembly to administer the Volunteer Fire Department Fund and the Volunteer Rescue/EMS Fund in 1988. The intent of these programs is to financially aid volunteer fire departments and rescue providers to purchase related equipment and to make capital expenditures, based on need.

The Volunteer Fire Department Fund matches on a dollar-for-dollar basis up to $20,000. The Volunteer Rescue/EMS Fund will match on a dollar-for-dollar basis up to $15,000. The Volunteer Rescue/EMS Fund also allows rescue providers with liquid assets of less than $1,000 to apply for a

Volunteer Fire Department and Rescue/EMS Grants*

	1997	1998
Volunteer Fire Department Fund	$1,771,592.62	$1,035,810.84
Volunteer Rescue/EMS Fund	$2,111,110.11	$1,025,033.99

** Total approved monies for both matching and non-matching state grants.*

$3,000 non-matching grant. Approved monies for volunteer fire department's and volunteer rescue providers through the Volunteer Fire Department Fund and the Volunteer Rescue/EMS Fund since 1988 exceeds $27,000,000.

North Carolina Code Officials Qualifications Board

The board is organized under the provisions of Chapter 143, Article 9C of the North Carolina General Statutes. A list of members follows, along with the individual or organization by whom they were appointed.

Charles R. Horne, Chair	Governor
James D. Kennedy, Vice-Chair	President Pro Tempore of the Senate
Ronnie Bailey	NC A&T University
Tim Bradley	Governor
M. Renee Cahoon	Commissioner of Insurance
Nathaniel Cannady	Speaker of the House
David Carelock	Governor
Howard Danieley	Speaker of the House
Richard D. Ducker	Institute of Government
Rick Lee	President Pro Tempore of the Senate
Joseph Martin	Governor
Paul P. McCain, PE	NC State University
Barbara H. Mulkey, PE	President Pro Tempore of the Senate
Jasper Ormond	Governor
Stanley D. Peaden	Speaker of the House
Mike Pittman	Department of Community Colleges
D. Edwin Rose	Speaker of the House
Deborah Simpson	President Pro Tempore of the Senate

North Carolina Building Code Council

NC General Statutes 143-138 authorize the N.C. Building Code Council to prepare, adopt and amend the State Building Code. The council consists of 17 members appointed by the governor for six-year terms. Statutes require that members have expertise in areas relating to construction safety. The council meets twice a year in June and December.

Members

Mr. Barry W. Gardner, Chairman

Mr. Jack F. Neel, Jr., Vice-Chairman

Mr. Thomas L. Avery, PE

Mr. J. Albert Bass, Jr., PE

Mr. William N. Bullock

Mr. J. Harmon Byrd

Mr. John Hitch, AIA

Mr. Marshall Knight

Mr. Gregory F. Mulholland, PE

Mr. Dennis R. Norris, PE

Mr. Stephen B. Peay

Mr. Robert C. Pierce

Mr. Aubrey Smith, PE

Mr. Richard Strickland

Mr. Mark B. Trollinger

North Carolina Fire and Rescue Commission

The NC Fire and Rescue Commission is charged with developing certification standards for all levels of fire service and rescue personnel and coordinating the state's involvement with the Federal Emergency Management Agency and the US Fire Administration.

The commission is also responsible for developing a master plan for fire prevention and control, increasing professional skills of fire protection and fire fighting personnel, serving as a central clearinghouse of information relating to the state's fire service activities, and handling federal and state grants.

Member	Organization
Mr. Richard Trexler, Chair	NC Association of Fire Chiefs
Mr. Dean Wall, Vice-Chair	NC Association of Rescue and EMS, Inc.
Mr. Cloyce Anders	Public-at-large
Mr. Hiram Brinson	Lt. Governor's Appointee
Mr. C. Harley Cook	NC Society of Fire Service Instructors
Mr. Robert Griffin	NC Fireman's Association
Mr. Charles Howard	NC Association of County Commissioners
Mr. Bobby Joyner	NC Association of Fire Chiefs
Mr. Jerry Lewis	NC County Fire Marshal's Association
Mr. Alan Nobles	NC Fire Marshal's Association
Mr. Fred O'Neal, Jr.	Governor's Appointee
Mr. Bruce Rose	NC League of Municipalities
Mr. Benny Scarbro	Speaker of the House Nominee
Mr. Buddy White	NC Association of Rescue and EMS, Inc.

North Carolina Home Inspectors Licensure Board

NC General Statutes 143-151.43 Article 9F created the North Carolina Home Inspectors Licensure Board to license those who perform home inspections for compensation. A list of the eight members follows, along with the individual by whom they were appointed.

Members	Representing
Mr. Roger R. Pierce, Chairman	Senator Marc Basnight
Mr. John J. Woodmansee, Vice-Chairman	Representative Jim Black
Mr. T. Larry Summer, Secretary-Treasurer	Governor James B. Hunt
Mr. John W. Hamrick	Governor James B. Hunt
Mr. Larry C. Hayes	Representative Jim Black
Mr. Grover L. Sawyer, Jr., P.E.,	Commissioner Jim Long
Mr. Stephen C. Smallman	Governor James B. Hunt
Mr. Jeffre A. Vaughn	Senator Marc Basnight

North Carolina Manufactured Housing Board

The Board is empowered to issue and revoke licenses, require bonds, resolve complaints and promulgate rules as necessary to carry out these goals. The following is a list of members and the individual or industry they represent as of January 1999.

Members	Representing
Mr. James E. Long, Chair	Commissioner of Insurance
Mr. Troy Brickey	President Pro Tem of Senate
Mr. J.P. Cauley	President Pro Tem of Senate
Mr. Cliff Gentry	Speaker of the House
Mr. Johnnie Robbins	Commissioner of Insurance
Ms. Judy Ward	Speaker of the House
Ms. Linda Willey	Commissioner of Insurance
Mr. B.J. Williams	Governor
Mr. J.T. Williams	Governor

Public Officers and Employees Liability Insurance Commission

The Commission is given authority under North Carolina General Statutes 58-31-25 and 58-32-1 through 58-32-30 to make available a plan of professional liability insurance coverage for all law enforcement officers, public officials, and employees of any political subdivision of the State. POELIC is empowered to negotiate with insurance companies for the most favorable rates and coverage.

The commission also serves as liaison between the companies and those insured, to resolve any issues which may arise. The commission consists of 11 members representing city, county, and state governments, sheriffs and police departments, and the insurance industry. It meets at least four times each year, on or about the 15th of January, April, July, and October. Following is a list of the members:

Member	Representing
Mr. Joe R. Kluttz, Chairman	Independent Insurance Agents of North Carolina
Mr. James L. Bichsel	Speaker of the House
Lt Col. Kent Fletcher	NC Police Chiefs, Police Executives Associations
Mr. Bob G. Haynes	NC League of Municipalities
Ms. Susan Klakoff	NC Association of County Commissioners
Sheriff Dane Mastin	NC Sheriffs Association
Mr. J. Dal Snipes	Carolinas Assn. of Professional Insurance Agents
Mr. Hugh C. Talton, Jr.	Lt. Governor
Ex-Officio Members:	
Mr. Ralph B. Strickland, Jr., Vice Chairman	Attorney General
Mr. William A. Dudley	Secretary of Crime Control and Public Safety
Mr. J. Thomas Sutton, III	Commissioner of Insurance

Recreated
July 27, 2000

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 11,1999
Room 425
8:30 a.m.

Chairman: Representative William Wainwright

Office of the State Auditor

Joint Appropriations Subcommittee
On
General Government

March 11, 1999
8:30 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met March 11, 1999 at 8:30 a.m. in Room 425 of the Legislative Office Building. Four Senate members were present and the following House members were present: Representatives Maggie Jeffus and William Wainwright, CoChairs; and Representatives Barefoot and McLawhorn.

Representative Wainwright called the meeting to order, recognized members and the Pages. He then proceeded with the business that was left from the last meeting. He recognized Dascheil Propes, Department of Insurance, who directed the members to a handout concerning the State Fire Marshall. He described briefly the duties of the Fire Marshall and noted that the department deals with more than just fires, but safety services. He explained to the members that within that division, they approved building plans for large buildings, public plans and all state buildings to ensure they meet state code. In addition, he said they answer endless questions from inspectors around the state to interpret the code. The department also certifies the state's approximately 3000 building, plumbing, electrical, mechanical and fire inspectors.

The department also includes the Fire and Rescue division, which trains the volunteer fire and rescue service providers. He stated the division keeps approximately 1600 - 1700 instructors trained that in turn go out and train the 50,000 paid and volunteer fire and rescue personnel in the state. All of the training is delivered through the state's community college system, which largely relies on the FTE's.

He further stated that another part of the Fire Marshall's responsibilities is to regulate manufactured homes. He told the members that the warranty laws passed in North Carolina for manufactured homes are really stronger or more strict than the laws on stick built construction. Mr. Propes also stated that the law was proposed by the industry itself. The board is made up of various people, some appointed by the industry, some appointed by the governor, etc.

Another department under the Fire Marshall is the division that insures and inspects all state buildings and also takes care of other insurance needs of the state. Mr. Propes stated that they have over 30,000 automobiles and pieces of rolling stock that they insure. All of the aircraft, the watercraft, the university system, student accident coverage, student's abroad, state employee liability insurance even volunteers of the state are covered. There is $11 million dollars of liability protection. He also stated next year they may only have $1 million, as it is a very volatile market and it is always a consideration from year to

year. The Public Officers Board overseas some of this. They also make sure that there is a market for all cities and towns to have insurance as well as law enforcement officers.

Mr. Propes referred to the handout he distributed and spoke to the question of women on Boards. Senator Fox had posed the question the day before about women on the boards under the division. He distributed a handout that shows the organization represented and the individual they are appointed by. He pointed out that the Commissioner has appointed women on the Manufactured Housing Board, as well as others. He further stated that power to appoint does not lie within the department, mainly just staffing. There are no boards where they have the power to appoint except one or two seats.

Senator Warren asked Mr. Propes to explain how the legislation (passed a few years ago) that gave about $4.5 million to the fire departments benefited them. Mr. Propes responded that the legislation virtually saved the volunteer fire departments because they could not afford to buy workers compensation. He stated that the subsidy provided from these monies was set up over about a five-year period and the department has been trying to help them become self-sustaining. They have made some headway and are working toward higher safety records to ensure lower payments as an incentive.

Mr. Propes also talked about the Fire and Rescue Grant Program. He stated that the fund is quite short and that they only fund about half of the grant applications they get. This grant money comes out of a tax on insurance premiums and there is not enough to go around. It is a matching grant and the money goes for needed equipment. On the rescue side, they get $.15 off of every vehicle inspection.

The next order of business was a presentation from the State Auditor, Ralph Campbell. He introduced his key management staff and went on to speak about the technology of the auditors department and how up to date it is. He explained the system the department uses and how key it is to its employees and even the public. He praised the General Assembly for it's funding and for the creation of the Intranet. He further spoke about the future importance of electronic fund and benefits transfers.

Mr. Campbell next talked about the services the department provides and told the committee that the departments' current year budget is almost $12 million and compared its dollar amount to that of the General Fund. He then went over the departments mission statement and said that their main goal is to report to the public and other customers on the accountability of state government; to provide responsive, professional support to their client agencies and technical services to them as well as conduct their audits in a timely and professional manner and then accurately report them according to certain standards.

He stated a lot of the work the department does is contained here in Raleigh because most of the state's agencies are located here. They also conduct audits on the community college system, clerks of courts, universities and they are spread all over the state. Most of the staff is based here in Raleigh but there are 9 branch offices throughout the state.

He also gave a breakdown on the demographics of the department saying 51% are females, and 31% are minority. Mr. Campbell also gave the committee members a breakdown of the organizational structure and the responsibilities of each both administrative and auditing. He also stated that the department was in fact audited every year and every 3 years they go through a peer review conducted through the National State Auditor's Association. They also conduct an in-house peer review within the department. He also referred to the level of standards in which the department must operate.

He then went on to explain types of audits and requirements, how or where they are originated from and how the audit information is used. For example, there are 83 Smart Start Programs being audited this year. He also stated that timelines have changed on some of the audits they perform for the Federal government from, for example 13 to 9 months in order to receive the funding. He also stated that many of the audits are mandated from the General Assembly. One, for example, is the audit performed on the Department of Transportation. He remarked on how it is sometimes difficult to allocate resources as they do not always know upfront what they may get into in an audit and used the example of an anonymous call that would prompt an audit and then turn into a major criminal investigation.

Finally, he spoke to the issue of Y2K and the year 2000 and the preparedness that was necessary in keeping state government in order through the work of the department.

CoChairman Wainwright then stopped the presentation and told the committee they would have another meeting where Mr. Campbell could give the committee the expansion budget request of the department, discuss automated work programs and ask questions.

Senator Fox asked Mr. Campbell whether or not the department could compile cost savings to the State in terms of performance audits. He responded that the department can identify cost savings but it all comes down to resources available and the department is very tightly budgeted. It was decided that they would take up this subject again at the next meeting with the Auditor.

The meeting adjourned. The next meeting is scheduled for Tuesday, March 16, 1999 at 8:30 a.m.

Representative William Wainwright
Presiding CoChair

Donna Abu Harb
Transcribed Minutes from tape

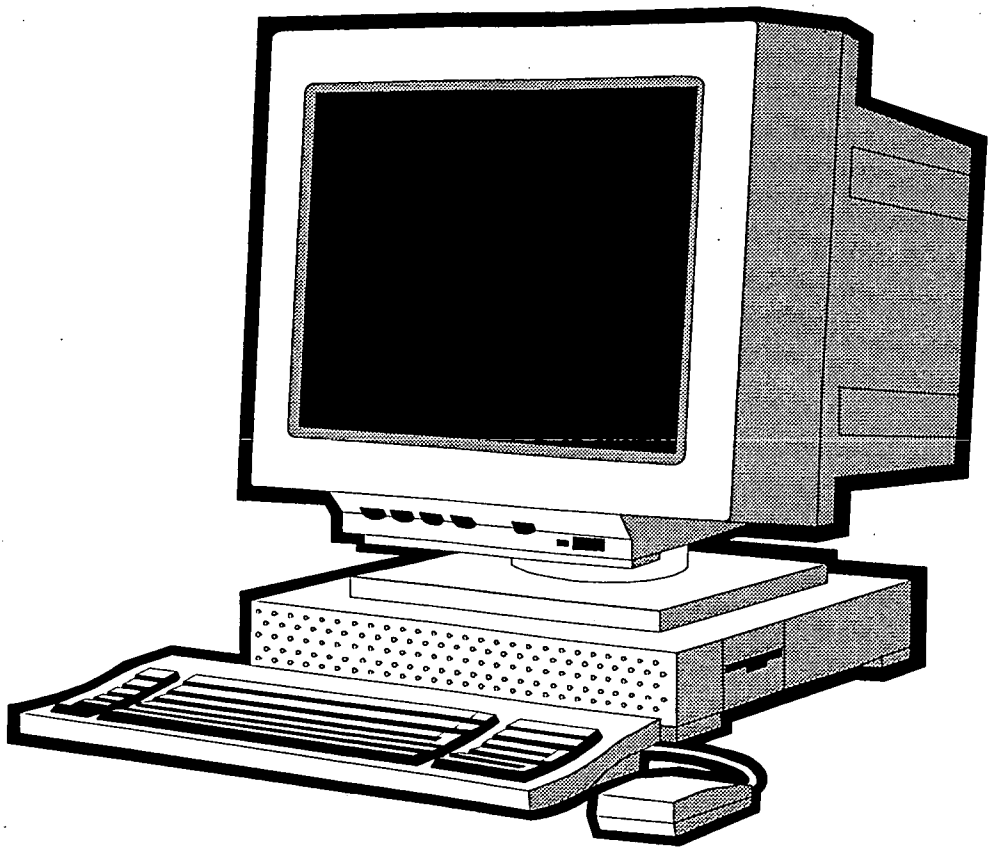
Representative Maggie Jeffus, CoChair
Senator Ed Warren, CoChair

Attachments:
Visitor Registration Sheet
State Auditor Handout

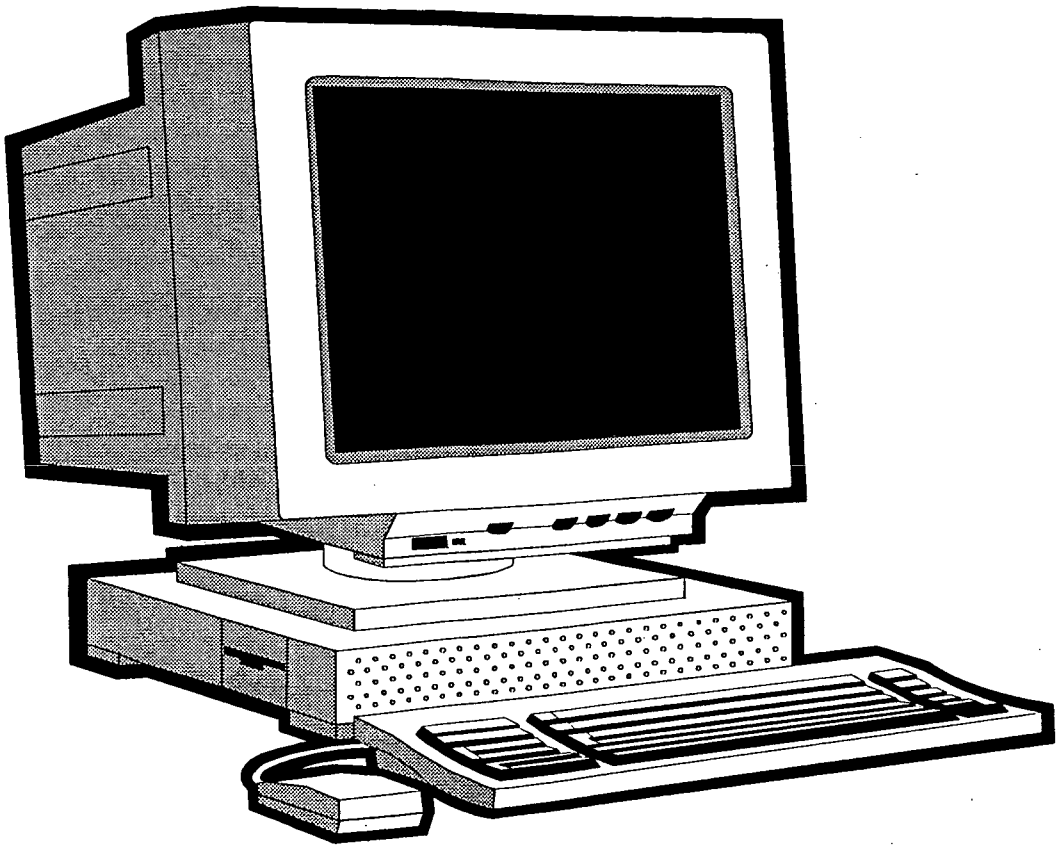
North Carolina
Office of the State Auditor

Ralph Campbell, Jr.
State Auditor

OSA Intranet

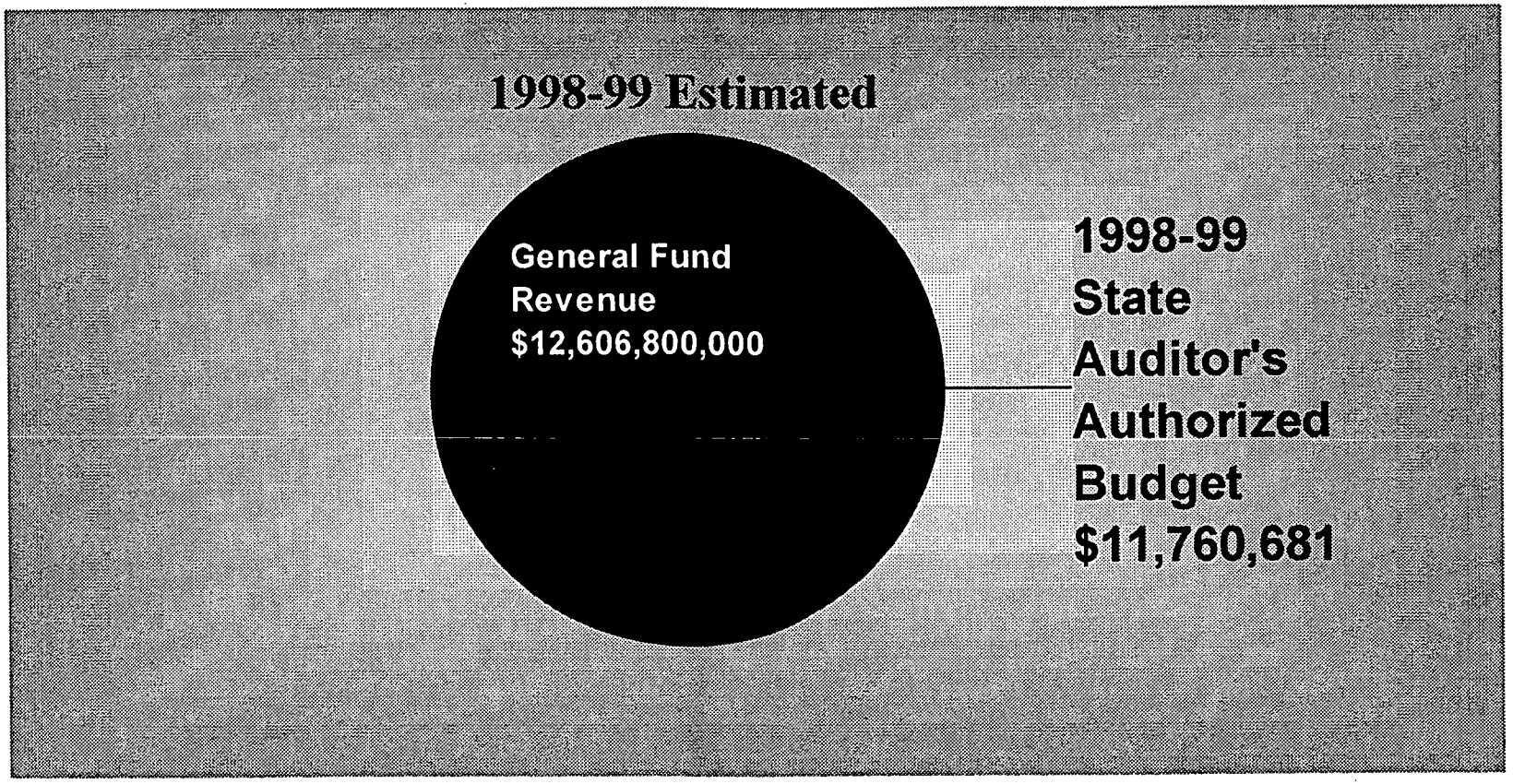


Link to OSA Website:
http://www.osa.state.nc.us



General Fund

Less than one-tenth of 1% [.093%]



Our Mission:

The State Auditor is authorized by the North Carolina Constitution and General Statutes to perform or coordinate all audits of governmental organizations, programs, activities and functions funded wholly or in part with State funds. These audits furnish the General Assembly, the Governor, other governmental entities, as well as the public, with professional, independent examinations of financial records and thorough examinations of public program performance.

Our Commitment Is To:

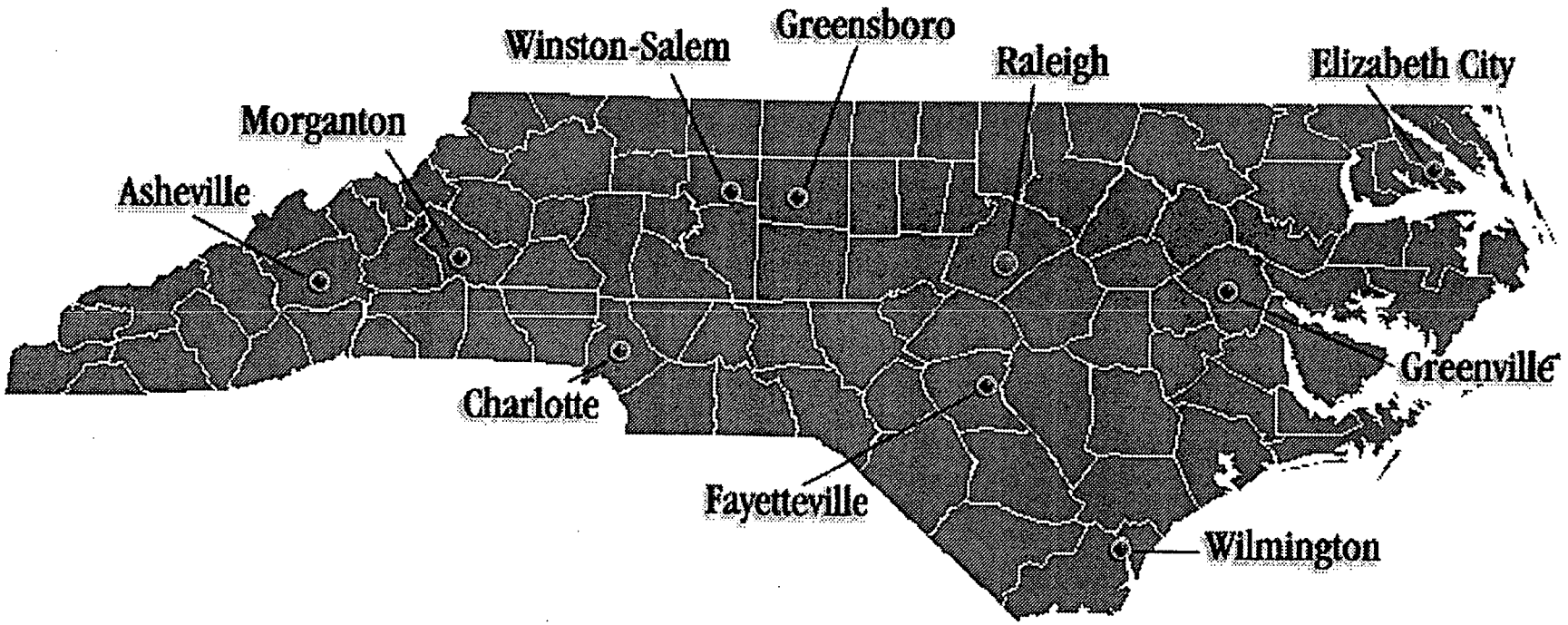
- **Conduct thorough audits and investigations by a professional staff.**
- **Present fair and independent findings and recommendations.**
- **Promote cooperative efforts with agencies and institutions under the oversight of the office.**

Our Goals Are:

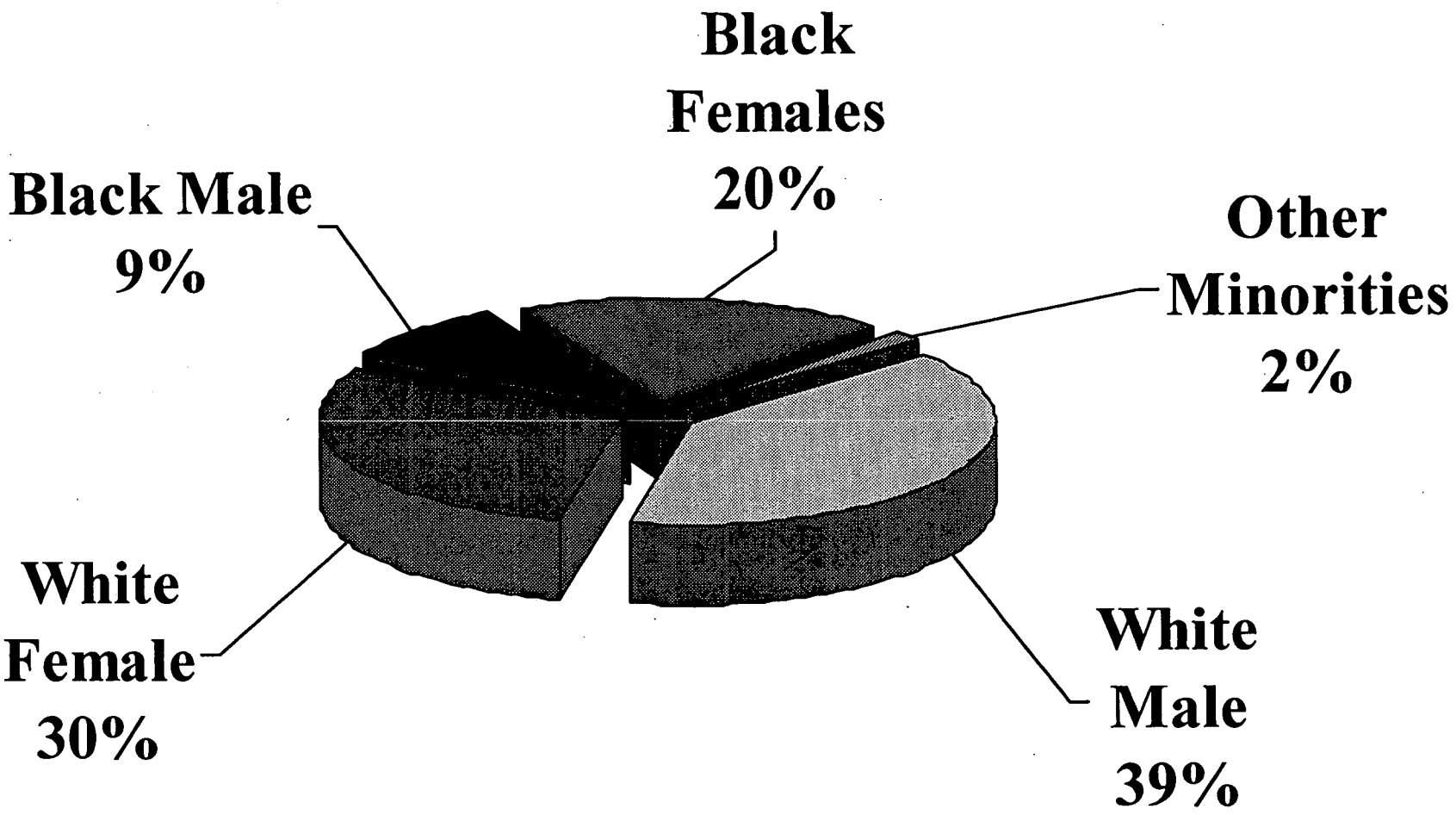
- **To report to the citizens and other customers on the accountability of state government.**
- **To provide responsive professional support to all our client agencies and to provide responsive professional and administrative support to our employees to enable them to carry out their responsibilities.**
- **To conduct audits which are timely, cost-effective, and performed in accordance with applicable professional standards.**
- **To ensure that staff are fully qualified to do the work.**
- **To implement new initiatives wherever possible to be more proactive in strengthening governmental management.**

Main and Branch Office Locations

Note: 48 employees or 30% of professional staff are assigned to branch office locations.

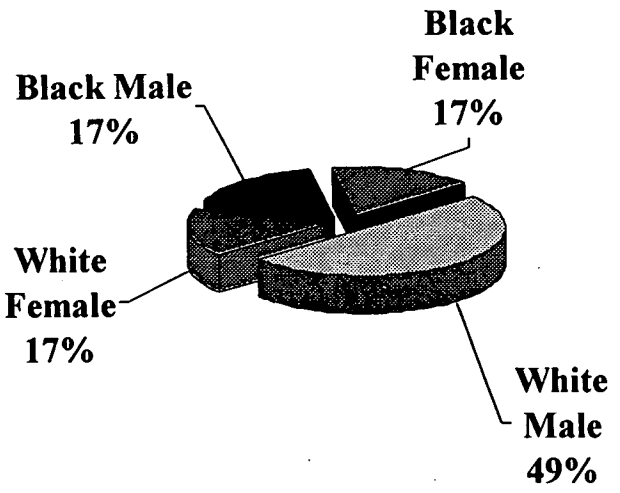


Office Demographics

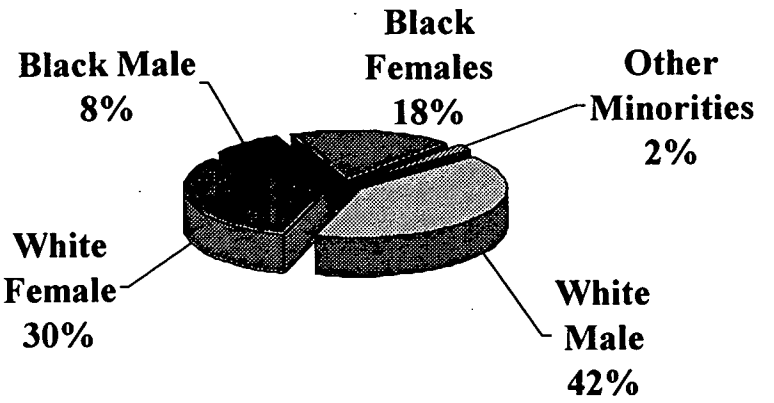


Demographic Breakdown

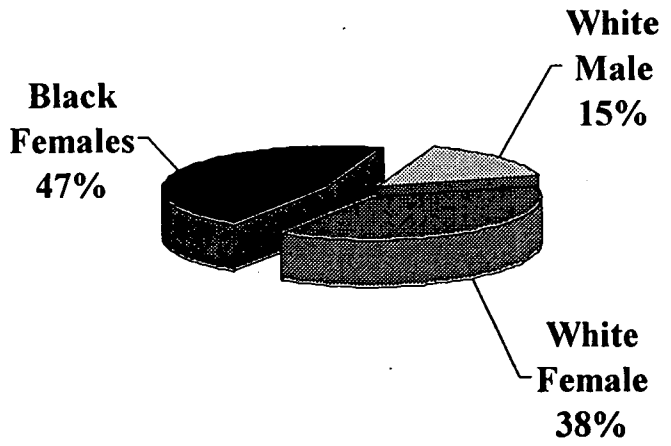
Officials/Administrators



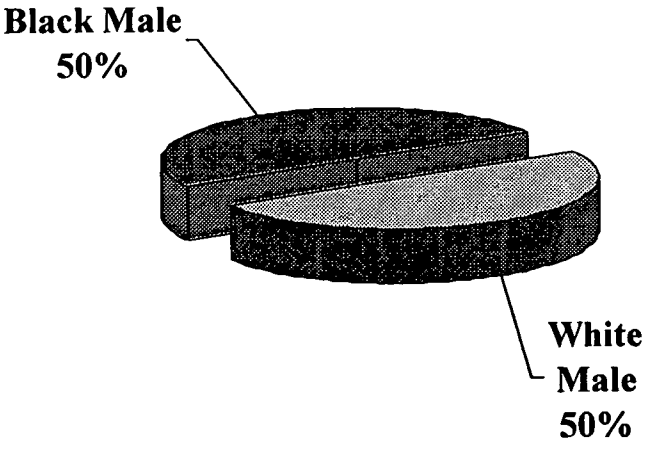
Accountants/Auditors



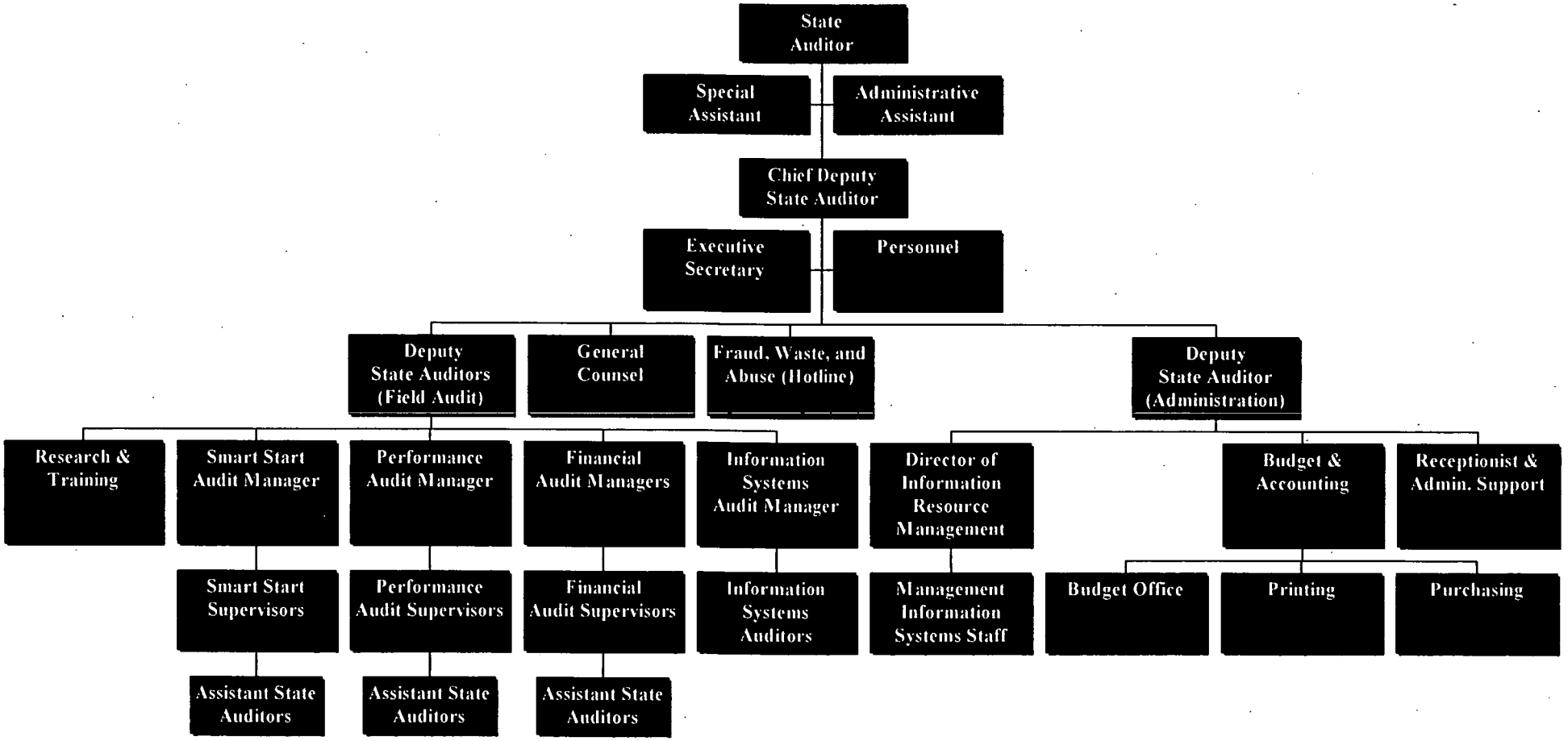
Support Staff



Information Resource Management



Office of the State Auditor
Organizational Chart
January 31, 1999



N.C. Office of the State Auditor

State Auditor (1)

Chief Deputy (1)

Deputy State Auditor for Administration (1)

Budget & Accounting (2)

Printing (1)

Purchasing (1)

Personnel (2)

IRM (4)

Administrative Assistants (2)

Word Processors (9)

Special Assistant (1)

Receptionist (1)

Deputy State Auditors for Field Audit (2)

Financial Auditors (130)

Performance Auditors (18)

IS Auditors (10)

Fraud, Waste, Abuse Investigators (5)

Research & Training (2)

General Counsel (1)

Total Positions: 194

Department Summary Information

The principal business of the office is providing comprehensive auditing services for state government and the citizens of North Carolina. We strive to carry out our statutory duties in an effective and efficient fashion and in accordance with generally accepted government auditing standards. Our audit findings and recommendations help ensure the accountability of public funds and enhance the management of governmental programs. To accomplish this end, we are organized into 2 divisions -- Administration and Field Audit.

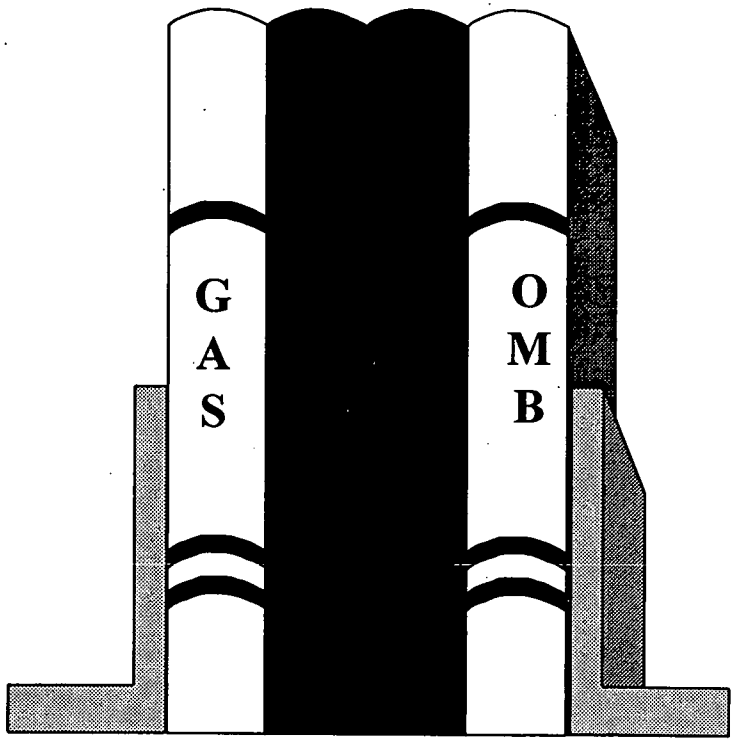
- **The Administration Division provides the support functions necessary to assist and facilitate the operational work of our organization. Finance, personnel, information resource management and overall administration of our operations are performed by a small and qualified staff.**

- **The Field Audit Division includes all the audit personnel. Within this Division are sub-programs that represent the major elements of our audit work; such as, financial audit, performance audit, fraud and abuse investigations, information systems audit, and Smart Start and non-governmental audits.**

Independence of Our Work, Quality Assurance, and Role of the Auditee

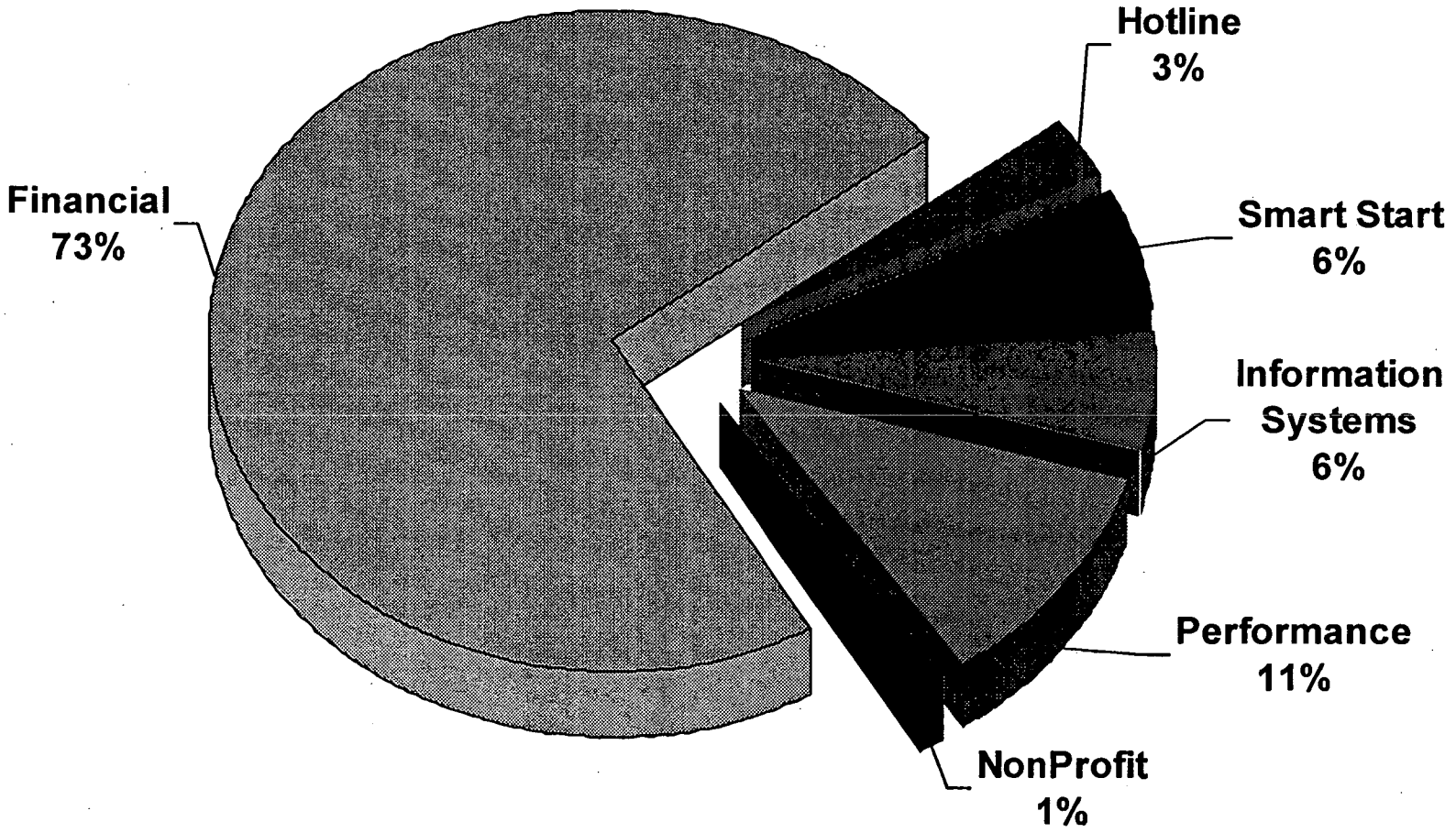
- **Our work is governed by strict adherence to professional standards and participation in independent reviews. Many of our staff are either certified government financial managers, certified public accountants, certified fraud examiners, certified information systems auditors, or certified public managers having met the educational and experience qualifications for these certifications. Constant educational improvement is a necessity in our work.**
- **Our office financial operation is audited annually by an independent accounting firm, and we have received a "clean" opinion for many years.**
- **We have participated for several years in the peer review program sponsored by the National State Auditors Association. Every three years our work is reviewed by a team of qualified audit professionals from other audit organizations from around the United States. This review looks at our standards for conducting both financial and performance audits. Our most recent review was in May 1997 and we received a clean opinion.**
- **In addition to the external "peer" review, we now conduct an annual internal "peer" review by senior staff members of the work performed during the year. This gives us an opportunity to identify areas for improvement much sooner than the three year cycle under the external review process.**
- **Professional standards for the auditing field also address the role of the auditee in resolving and tracking audit findings. We work closely with all our client agencies in the development of any findings and recommendations in a concerted effort to bring about permanent changes to operations we feel should be addressed in order to better serve the citizens of North Carolina.**

Auditing Standards



- Yellow Book [Government Auditing Standards (GAS)]
- American Institute of Certified Public Accountants (AICPA)
- Government Auditing Standards Board (GASB)
- Financial Accounting Standards Board (FASB)
- Office of Management and Budget (OMB)
- State & Federal Laws
- Regulations

Office of the State Auditor
Allocation of Audit Resources
January 31, 1999



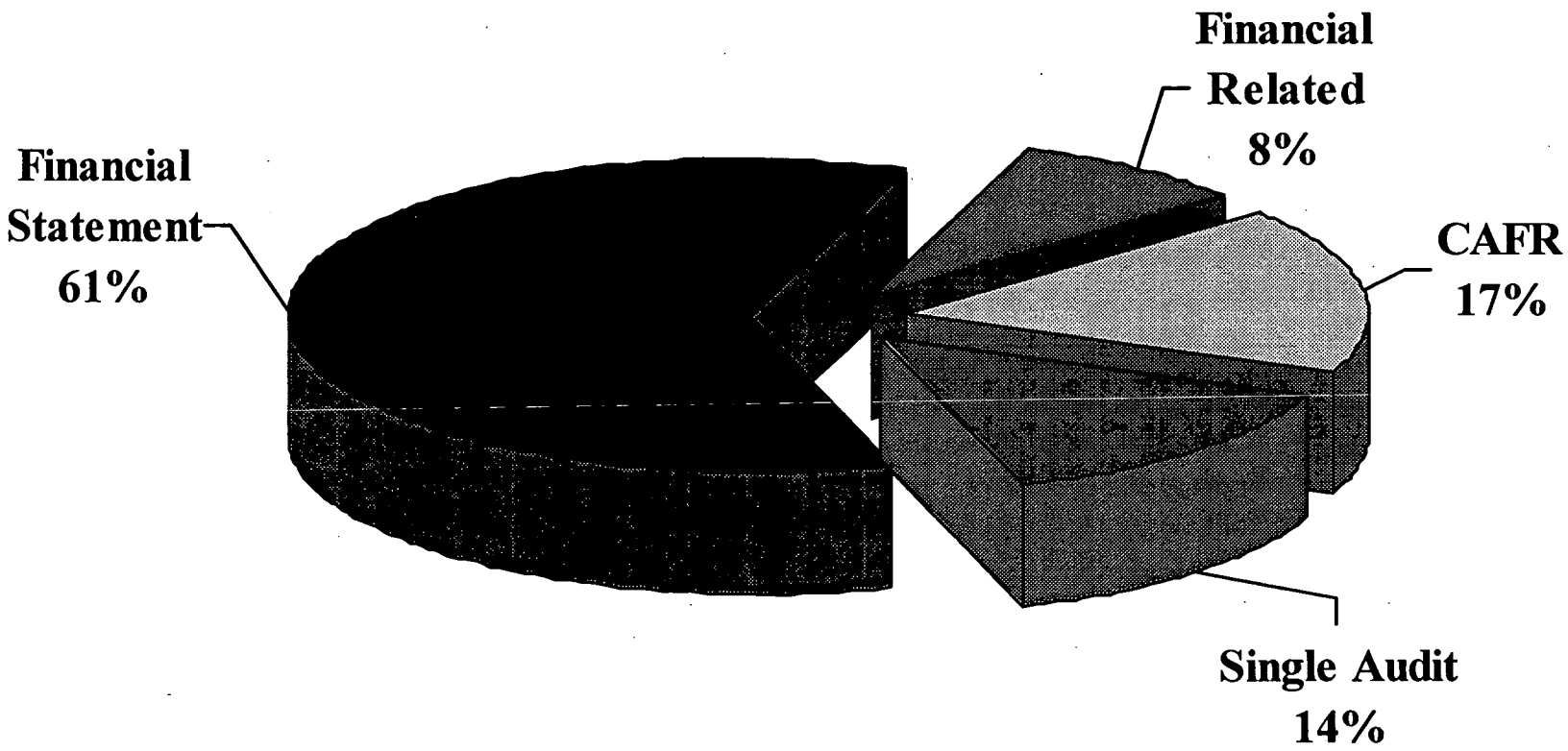
Specific Audit Functions:
Financial Audits

Financial auditing consumes the largest portion of our audit resources: 73% in the current year.

- **The four major products of our financial audit work program are:**
  - **The Comprehensive Annual Financial Report (CAFR)**
  - **The Single Audit Report**
  - **Financial statement audits**
  - **Financial-related audits**

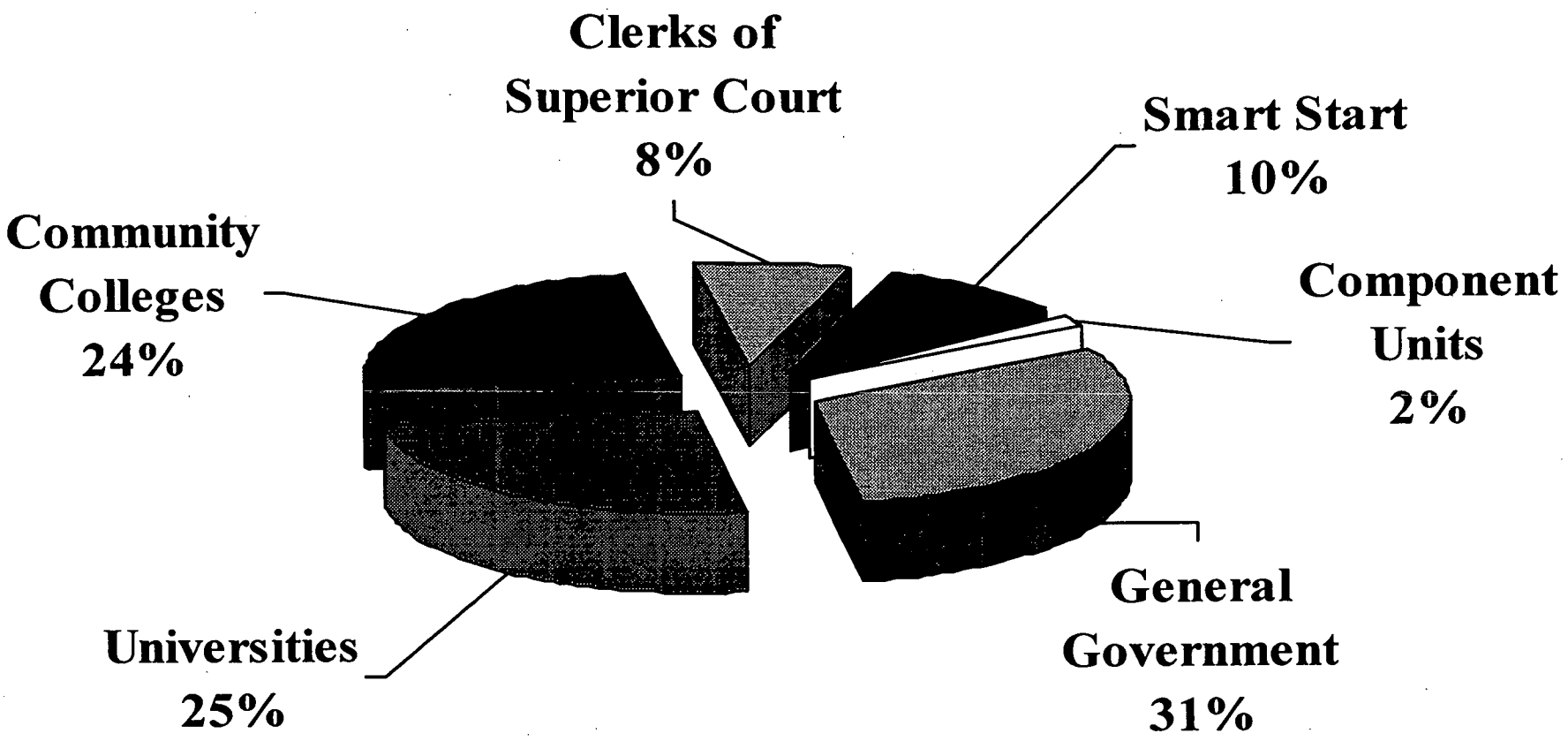
- **Our auditees include:**
  - **General Government Agencies (32)**
  - **University System and University of North Carolina Health Care System (18)**
  - **Community Colleges (58)**
  - **Clerks of Superior Court (100)**
  - **Smart Start Partnerships (currently 83)**

Major Financial Audit Products



Allocation of Financial Audit Days by Agency Type

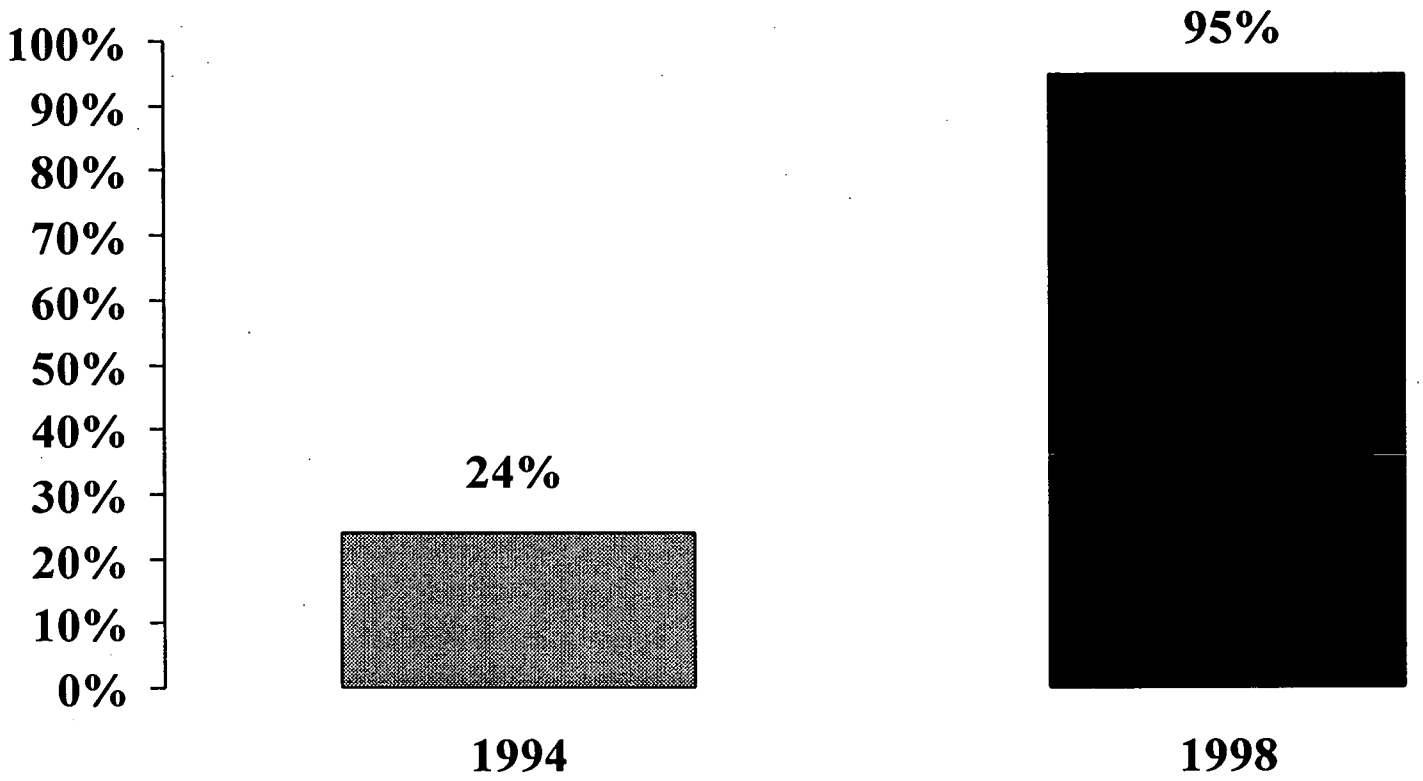
For the 1998 Fiscal Year



Specific Audit Functions:
Performance Audits

- **Audit topics typically come from three sources:**
  - **General Assembly**
  - **Agency Management**
  - **State Auditor's management and staff**
- **Performance audits are designed to evaluate program performance and identify potential areas for cost savings and enhanced productivity.**
- **Approximately 11% of our audit resources are allocated to performance auditing.**

Percentage of Performance Audit Hours Required By Statutes and Legislative Requests



Performance Audit Hours Required by Statutes and Requested by Legislators

FY93-94 through FY97-98

Audit #	AUDIT	FISCAL YEAR 94	95	96	97	98	TOTAL
0661	Outcome Based Education	847.5	34.5				882.0
0676	Willie M.	2010.0					2010.0
0678	Leaking Underground Storage Tanks	1597.5					1597.5
0698	Smart Start	604.5	2767.0	1298.0			4669.5
0699	NC Wildlife Commission	156.0	2782.0				2938.0
0700	NC Information Highway		2774.5				2774.5
0704	DHR Program Reviews	51.0	44.0	240.0			335.0
0711	Frank Porter Graham Center		1113.0	90.5			1203.5
0720	Vocational Education/Training-Phase I		2508.0				2508.0
0721	Southeastern Mental Health Center		20.5	2370.0			2390.5
0722	Tri-County Mental Health Center		247.5	2081.0			2328.5
0724	Court Reporters			2410.0			2410.0
0725	DOC Youth Command			2242.0			2242.0
0726	Cosmetology Board				945.5		945.5
0730	Pfiesteria -Sea Grant (EHNR)				725.0		725.0
0732	Marine Fisheries				3265.5	3953.0	7218.5
0733	SIPS				58.0	3318.0	3376.0
0734	Division of Services for the Blind				118.0	2314.0	2432.0
0736	Adult Probation & Parole					4056.0	4056.0
0740	Department of Transportation					7525.0	7525.0
	TOTALS	5266.5	12291.0	10731.5	5112.0	21166.0	54567.0
	HOURS AVAILABLE	22400.0	25600.0	24000.0	19950.0	22267.0	114217.0
	% AVAILABLE	23.5%	48.0%	44.7%	25.6%	95.0%	47.8%

LEGEND: Required by Statute

LIST OF ON-GOING PERFORMANCE AUDITS

FY98-99

	TOPIC	STATUS
	Year 2000 Office	In draft
	DOT Maintenance Units	In draft
	DOT Technology Systems	In draft
*	DOT Mass Transit	Starting draft
	Div. Mental Health (PA)	On-going
*	Study of Psychiatric Hospitals and Area Mental Health Programs (Contracted)	On-going
*	Div. Deaf & Hard of Hearing (Assistance to Financial)	On-going
	Office of Juvenile Justice (Assistance to Financial)	Planning

LEGEND: Mandated by Legislation

* The due dates for these audits were set in legislation without consultation with the Office of the State Auditor. This, coupled with the extended session of the immediate past General Assembly, did not provide our office with sufficient time to integrate these assignments into our audit schedule. Thus, requests for extensions of time have been made and approved for the Mass Transit and the Deaf and Hard of Hearing projects. The contractor began work on the Psychiatric Hospital Study on March 1st. Every effort is being made to meet the April 1st reporting deadline set in the legislation for Phase 1.

Office of the State Auditor
Performance Audit Reports
January 1993 - Current Date

Report #	Title	Date
PER-0178	DOT-NORTH CAROLINA HIGHWAY TRUST FUND	12/14/98
PER-0177 (mgmt. letter)	DOT - DIVISION OF HIGHWAYS - JACKSON COUNTY MAINTENANCE UNIT IN DIVISION 14	06/09/1998
PER-0176	DEPARTMENT OF CORRECTION - DIVISION OF ADULT PROBATION AND PAROLE	06/01/1998
PER-0175	DEPARTMENT OF TRANSPORTATION - PERFORMANCE REVIEW	05/18/1998
PER-0174	LONG-TERM CARE IN NORTH CAROLINA	04/20/1998
PER-0173	BOARD OF TRANSPORTATION	04/16/1998
PER-0172	STATE INFORMATION PROCESSING SERVICES (SIPS)	04/15/1998
PER-0171	DIVISION OF MARINE FISHERIES	01/98
PER-0170	DIVISION OF SERVICES FOR THE BLIND	12/97
PER-0169	FEASIBILITY STUDY OF STATE EMPLOYEES WORKING FROM HOME (TELEWORK) AND/OR TELECOMMUTING	09/97
PER-0168	N. C. STATE TEXTBOOK WAREHOUSE	05/97
PER-0167	INTERIM REPORT ON THE DIVISION OF MARINE FISHERIES	05/97
LTR-0002	DEHNR - FUNDING FOR *PFIESTERIA PISCICIDA* RESEARCH	03/97
PER-0166	N. C. WORKERS' COMPENSATION PROGRAM	02/97
PER-0165	N. C. STATE BOARD OF COSMETIC ART EXAMINERS	12/20
PER-0164	NORTH CAROLINA'S VOCATIONAL EDUCATION AND JOB TRAINING PROGRAMS	10/02
PER-0163	FOOD SANITATION INSPECTION PROGRAM OF THE DEPT. OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES (EHNR)	09/96
LTR-0001	CHILD DAY CARE PROGRAM OF THE DHR DIVISION OF CHILD DEVELOPMENT	09/96
PER-0162	NC ALCOHOLIC BEVERAGE CONTROL SYSTEM	06/96
PER-0161	THE DEPARTMENT OF CORRECTION, DIVISION OF PRISONS - - YOUTH COMMAND	06/96
PER-0160	THE COURT REPORTING FUNCTION IN THE JUDICIAL SYSTEM OF NORTH CAROLINA	05/96
PER-0159	NC DEPARTMENT OF COMMUNITY COLLEGES' SYSTEM OFFICE	04/96

Report #	Title	Date
PER-0158	SOUTHEASTERN CENTER FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE	03/96
PER-0157	MEDICAID REIMBURSEMENTS FOR CLINICAL LABORATORY SERVICES	02/96
PER-0156	OFFICE OF THE SECRETARY OF STATE	12/95
PER-0155	TRI-COUNTY MENTAL HEALTH CENTER	12/95
PER-0154	FRANK PORTER GRAHAM CHILD DEVELOPMENT CENTER	09/95
PER-0153	NORTH CAROLINA WILDLIFE RESOURCES COMMISSION	06/95
PER-0152	NORTH CAROLINA BANKING COMMISSION	06/95
PER-0151	BRUNSWICK COUNTY SCHOOL SYSTEM ADMINISTRATIVE OFFICES	04/95
PER-0150	NORTH CAROLINA INFORMATION HIGHWAY	03/95
PER-0149	NORTH CAROLINA PARTNERSHIP FOR CHILDREN	03/95
PER-0148	DOC: HEALTH SERVICES FOR INMATES	12/94
PER-0147	DHR/DSS: CHILD SUPPORT ENFORCEMENT	10/94
PER-0146	AUDIT ADVISORY: FEDERAL EXCISE TAX	09/94
PER-0145	DHR/DMA: MEDICAID DRUG REBATE PROGRAM	09/94
PER-0144	DPI: OUTCOME-BASED EDUCATION	09/94
PER-0143	OPERATION OF THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN	07/94
PER-0142	CITIZENS FOR COMMUNITY JUSTICE, INC.	06/93
PER-0141	CELLULAR TELEPHONES	05/94
PER-0140	LEE COUNTY SCHOOL SYSTEM	03/94
PER-0139	CAMDEN COUNTY SCHOOLS	01/94
PER-0138	MOTOR FLEET MANAGEMENT: A REVIEW OF ISSUES RELATING TO PERMANENTLY ASSIGNED VEHICLES	12/93
PER-0137	LEAKING UNDERGROUND STORAGE TANK PROGRAM	10/93
PER-0136	WILLIE M; A FOLLOW - UP STUDY	10/93
PER-0135	WAKE COUNTY PUBLIC SCHOOLS	10/93
PER-0134	DHR: MENTAL HOSPITALS AND MENTAL RETARDATION CENTERS - COST ANALYSIS	01/93
PER-0133	DOT: HIGHWAY DIVISION	01/93
PER-0132	DOT: DIVISION OF MOTOR VEHICLES	01/93

Specific Audit Functions:
Fraud, Waste, and Abuse (Hotline)

- **We are charged with the responsibility of maintaining a Hotline to receive allegations of fraud waste, and abuse in state government and programs.**
- **We have recorded some 1,223 calls to our Hotline (800-730-TIPS [8477]) since establishment of the Hotline in 1988. In fiscal 1997-98 we recorded 83 calls.**
- **The financial impact of 72 of the special reviews conducted by this section is $33,027,272.**
- **This fiscal year we have allocated approximately 3% of our audit staff time to conducting these investigations.**

Office of the State Auditor
Hotline Special Reviews
Financial Impact Summary
January 1993 - Present

Title or Agency	Mgt. Ltr.	Rpt.	Date Issued (yr/mo)	Summary
Save Our Brothers and Liberty Chapel United Church of Christ		X	99/01	Two agencies receiving Smart Start funds totaling $112,957 for a mentoring program and a day care center failed to produce any measurable benefits for the children.
N.C. Department of Transportation/State Surplus Property	X		98/11	An employee of DOT purchased a truck from State Surplus Property under false pretenses, when he actually purchased the truck for his personal use.
Cumberland County Dispute Resolution, Center, Inc.		X	98/10	The Executive Director of Cumberland County Dispute Resolution, Center, Inc. embezzled state funds.
NC Department of Health and Human Services/Medical Assistance	X		98/10	An employee of the DHHS/Medical Assistance used his state computer to view pornographic material.
State Health Plan Purchasing Alliance Board - Caroliance Western Region		X	98/10	The former Executive Director made personal charges on the Caroliance corporate credit card and also benefited personally from a vacation certificate purchased by the Caroliance.
NC Coalition of Farm and Rural Families		X	98/07	• The Coalition Did Not Establish Detailed Policies And Procedures For Awarding Loans Nor Maintain Complete Records Of Its Loan Activities. • The Coalition Failed To Follow Its Guidelines And Procedures For The Revolving Loan Program And Suffered A Sixty-Percent Default Rate On The Loans At A Cost Of $318,245.72. • The Coalition Provided Thirty-Five Loans To Farmers In Sixteen Counties, Primarily In Eastern North Carolina. • The Coalition's Unauthorized Action In Contracting With A Board Member Gives The Appearance Of A Conflict Of Interest. • The Coalition Could Not Provide Documentation Authorizing An Increase In The Amount Paid To A Consultant. • The Coalition Does Not Appear To Have Benefited From Work Performed By The Consultant. • The Coalition Failed To Operate Its Packing Shed During The Previous Twenty Months.

Title or Agency	Mgt. Ltr.	Rpt.	Date Issued (yr/mo)	Summary
				• The Coalition Has Suffered From A General Lack Of Leadership.
Carteret County Cooperative Extension Service		X	98/06	Questions were raised regarding the handling of state funds by the Carteret County Office of the Cooperative Extension Service. Our review ultimately documented or questioned almost $140,000 in inappropriate disbursements or questionable expenditures.
Drug and Aids Prevention Among African-Americans, Inc.		X	98/05	OSA was able to document a pattern of lax oversight by the agency's board of directors and by the respective State funding agencies. The executive director exercised operations discretion liberally by making loans, salary advances, and paying personal bills from grant funds for one DAPAA employee while in another situation making payments to himself of $13,300 without the approval of the board of directors from Medicaid funds. Of equal concern was the conflict of interest created by the employment of the executive director's wife by one of the agencies which awarded grants to DAPAA.
N. C. Department of Labor's Occupational Safety and Health Division	X	X	97/11	• The State Auditor's investigation resulted in four findings regarding the Wilmington area supervisor. • He violated department policy both by viewing pornographic material and by drafting personal correspondence on his state computer. • He requested that employees perform personal tasks for him. • He loaned state equipment to a private safety consultant. • His secondary employment created a conflict of interest with his state responsibilities.
N. C. Department of Transportation's General Services Section	X		97/11	The findings contained in the State Auditor's letter document that some $85,760 of heating, ventilation and air conditioning work and equipment in various DMV buildings across the state could have been done using existing maintenance

Title or Agency	Mgt. Ltr.	Rpt.	Date Issued (yr/mo)	Summary
				mechanics on staff with the department. Also, the investigation revealed that NCDOT spent $10,203 to produce a four-minute video on the need for a new DMV headquarters building, but the video was never used for the intended purpose.
The Medical Foundation of East Carolina University, Inc.		X	97/09	The lack of supervision provided the former President of the Medical Foundation a virtual free hand in conducting the affairs of the foundation. In addition to the transactions directly attributable to him, the foundation itself lost approximately $235,000 by not acting expeditiously to purchase another parcel of property. There was yet another land transaction with the foundation which involved a parcel which produced a same day profit of over $384,037 for a business partner of the former president of the foundation.
N.C. Department of Transportation/ Graham Equipment Sub-Unit	X		97/08	An employee at the Graham Equipment Sub-Unit exhibited improper personal conduct at work, as well as used a state vehicle to retrieve political signs.
N.C. Central University	X		97/08	Internal control weakness over cashiering and possible cash shortage and/or theft.
Johnston Community College		X	97/08	Non-compliance with state and local purchasing regulations. Conflicts of interest resulting from purchases from a staff member and outside contractor.
N. C. State Ports Authority		X	97/03	The Assistant to the Executive Director of the Ports Authority and the Charlotte Regional Marketing Manager had both certified falsely to more than $1,200 in business promotion expenses.
DHR, Division of Social Services		X	97/03	Foster Care Program Manager had a personal contract with a non-profit organization while simultaneously acting as contract administrator for a state contract from the Division of Social Services with that same organization. Failure to determine that a secondary employment situation did exist and thereby permitting the conflict of interest to exist.
North Carolina A. & T. State University		X	97/01	Multiple findings including questionable purchasing practices, capital improvement

Title or Agency	Mgt. Ltr.	Rpt.	Date Issued (yr/mo)	Summary
				disbursements prior to approval by the state construction office, misuse of cellular phones, and failure to account for physical plant parts and repair charges.
Durham Community Home of Recovery (DCHR)		X	96/31	DCHR improperly spent grant funds resulting in excessive costs and failed to fully account for acquisitions.
James City Historical Society	X		96/07	Conflict of interest in the award of a contract was noted.
River City CDC	X		96/07	Time records were incomplete and office rent not paid as reported.
Board of Cosmetic Art Examiners		X	96/06	Lack of internal controls resulted in the embezzlement of $105,469.45.
Northeastern NC Regional Economic Development Commission	X		96/05	Reimbursement of per diem and subsistence expenses of commission members were questioned.
Southeastern NC Regional Economic Development Commission	X		96/05	Inappropriate enrollment of an employee in the state retirement system was questioned.
Administration/The N.C. Human Relations Commission's Contract with the Faith and Politics Institute.		X	96/04	Contract between the Commission and Faith and Politics Insitute not handled in accordance with the State's rules and regulations.
USS North Carolina Battleship Commission		X	96/03	A former employee manipulated the automated cash receipting system and took an unknown amount of money for his personal use.
Work / Family Resource Center, Inc.		X	96/01	Two former employees wrote over 300 checks to themselves.
Secretary of State		X	95/12	*(See Performance Audit Summary #156.)*
Correction / Offender Population Unified System (OPUS) & Cashless Canteen Projects		X	95/06	Findings addressed the methods the department used in purchasing these computer programs.
Rural Day Care Association of Northeastern North Carolina		X	95/06	Findings included using Head Start funds for unauthorized purposes, failing to return equipment and vehicles purchased with Head Start funds, splitting purchase orders to circumvent federal regulations, and failing to comply with contract provisions.
Sampson Haven, Inc		X	95/03	The executive director embezzled funds.
Orange County Clerk of	X		95/02	Some private citizens were allowed to use employees' computer terminals in the

Title or Agency	Mgt. Ltr.	Rpt.	Date Issued (yr/mo)	Summary
Superior Court				clerk's office for criminal background checks for pay.
Elizabeth City State University	X		95/02	An employee charged personal long distance telephone calls to the state telephone system.
Greene County Board of Education	X		95/02	The school system used state funds for a newspaper ad prior to an election.
North Carolina State University / Music Department		X	95/01	The department made questionable disbursements of cash for band members' expenses. Other findings addressed the payment of bonuses, untimely deposits, and year-end purchases to avoid reverting state funds.
N.C. Department of Revenue/ Integrated Tax Administration System Project Contract		X	94/12	Findings addressed the reimbursement of costs and expenses and the underbilling of the contractor's professional fees.
WAMY Community Action, Inc.		X	94/11	Findings addressed the commingling of the executive director's private business with the nonprofit's activities.
N.C. Department of Transportation / Purchasing Division		X	94/10	The division purchased items from vendors who did not have contracts with the State. The division did not seek competitive bids on rebuilt engines and appeared to have split some purchase orders in order to avoid the competitive bid process. In addition, a purchasing agent purchased parts from a vendor which employed his brother as parts manager and his son as a parts salesman.
Neuse River Council of Governments		X	94/10	The executive director negotiated agreements calling for severance pay without an established policy regarding severance pay. Several employees complained of racial discrimination. Embezzlement of grant funds occurred within the agency.
N.C. Department of Correction	X		94/09	Findings addressed a contract's ambiguity regarding travel expenses to independent contractors.
N.C. Central University	X		94/09	An employee was taking classes during normal working hours without taking any type of leave.
N.C. Central University	X		94/09	The school awarded several maintenance

Title or Agency	Mgt. Ltr.	Rpt.	Date Issued (yr/mo)	Summary
				projects without using competitive bids.
N.C. Secretary of State	X		94/08	Findings addressed several issues, including the payment of unwarranted subsistence payments, sponsoring a continuing education seminar for funeral home directors, questionable long distance telephone calls, and incomplete records of compensatory time and secondary education.
N.C. Department of Transportation / Division of Highways	X		94/08	The letter addressed the reimbursement of travel expenses for an employee.
University of North Carolina at Chapel Hill	X		94/07	The findings addressed the operations of the school's internal audit department.
Cumberland County School System	X		94/06	A principal used school supplies and equipment while performing services for a private organization during school hours.
East Carolina University	X		94/06	The findings addressed the administration of the contract for dining services.
N.C. Department of Correction / Division of Prisons	X		94/05	Letter addressed the cutting and theft of timber.
N.C. Department of Transportation / Division of Highways	X		94/05	The division used an individual as a temporary employee for a period of time longer than permitted by state policies.
N.C. Department of Agriculture / N.C. State Fair	X		94/05	The department did not seek competitive bids for fire protection services for the State Fair.
Neuse River Council of Governments		X	94/04	A former employee wrote four checks made payable to cash without authorization. Other findings addressed the On-The-Job Training Program, the 1993 Summer Youth Program, and overcharges by contractors.
N.C. Department of Administration / Division of Motor Fleet Management		X	94/03	The director purchased vehicles from the dealership where his brother-in-law was a salesman. Other findings included the director's use of vulgarity and profanity at staff meetings and during conversations with employees.
N.C. Department of Environment, Health and Natural Resources	X		94/03	Management letter alerted to department to concern regarding asbestos shingles

Title or Agency	Mgt. Ltr.	Rpt.	Date Issued (yr/mo)	Summary
Eastern North Carolina Maternity Home, Inc.	X		94/02	Management decisions led to wasteful expenditures.
N.C. Department of Administration / Division of Indian Affairs	X		94/02	Current and former employees used the state telephone system for questionable purposes.
N.C. Department of Crime Control and Public Safety / Division of Victim and Justice Services	X		94/02	Community service was not being used in a judicial district because a judge in the district felt that a conflict of interest existed in the program.
Black Artists' Guild		X	93/11	Certain officers withdrew funds inappropriately.
Lee-Harnett Area Mental Health, Developmental Disabilities and Substance Abuse Authority		X	93/10	The authority implemented the uncommon practice of purchasing unused vacation and sick leave from employees. An employee conducted private business during the authority's normal working hours. The authority entered into rental agreements with that employee's wife.
N. C. Department of Human Resources / Thomas S. Program		X	93/10	A private contractor hired under court order billed the department at rates in excess of actual cost. The report also found weaknesses in the monitoring of expenditures.
North Carolina State University	X		93/08	An employee used the state telephone system for personal long-distance telephone calls.
N.C. Department of Correction	X		93/07	An official used his computer and state vehicle for personal purposes.
Bladen County Health Department		X	93/04	Findings included the improper issuance of septic tank permits, the violation of sanitation laws, and questionable purchases and employment practices.
Guilford Technical Community College		X	93/04	Individuals were paid for courses they did not teach.
Albemarle Commission		X	93/04	Findings included submitting requests for travel expenses that had already been reimbursed, the payment of personal expenses with commission funds, and the use of commission funds to purchase alcoholic beverages.

Specific Audit Functions:

Smart Start and Non-Governmental Audits

- **Our staff performs the legislatively-mandated audits of Smart Start Partnerships. This responsibility has increased significantly since the first round of thirteen agency audits was completed in March 1995. We are currently responsible for the audits of the North Carolina Partnership for Children. Inc. and eighty-three local partnerships. We now allocate 6% of our financial audit resources to the Smart Start Program.**
- **The extended session of the immediate past General Assembly delayed implementation of our plan to expand audit coverage for the Smart Start program. Therefore, we may not achieve our goal to complete all audits by May 31st.**
- **There are over 2,000 non-governmental agencies receiving state funding. Our responsibility is to receive financial information on each of these entities and to review the audit reports of approximately 300 entities that receive $300,000 or more in a given year.**

Specific Audit Functions:
IS Audits

- **The increased level of automation utilized within state government has also increased the level of complexity in auditing these activities. Agency reliance on computerized controls in their automated systems makes review of these systems that much more important.**
- **The IS Section does both major audits involving review of entire systems as well as developing and using computer-assisted audit techniques to enhance the work of the other audit teams. The nature of the work requires ongoing training to maintain levels of proficiency in a constantly changing technical environment.**
- **We have allocated 6% of our total audit resources to meet the projected number of engagements in the current fiscal year.**
- **We need additional Information System audit resources to keep pace with the growing number of computer applications and installations, and to provide appropriate follow-up to <u>security breaches</u> of the State's information systems. This need is set forth in priority 1 of our expansion request.**

Independent Verification and Validation of Century Date Compliance (IV&V)

- The Office of the State Auditor entered into a Memorandum of Understanding with the Department of Commerce/Information Technology Services (ITS) to conduct independent verification and validation of century date compliance of mission critical applications. OSA agreed to manage the project and ITS agreed to fund the project from the Year 2000 Special Fund.
- OSA identified 104 mission critical applications after reviewing over 1100 applications and interviewing agency functional and technical management.
- OSA contracted with eight vendors to perform independent verification and validation of the selected mission critical applications. Generally only one vendor works with a single agency.
- The vendor performs a functional analysis of the application to identify the key business functions and to identify the areas that use dates as part of the application's processing.

Office of the State Auditor
Information Systems Audit Reports
January 1993 - Current Date

Report #	Title	Date
EDP-0120	State Information Processing Services	04/98
EDP-0117	UNC Hospitals - Payroll and Patient Accounting Systems	01/98
EDP-0116	North Carolina Ports Authority	10/97
EDP-0115	University of North Carolina at Asheville	10/97
EDP-0114	Appalachian State University	08/97
EDP-0113	University of North Carolina Hospitals	02/97
EDP-0111	Office of the State Controller - State Info. Processing Services (SIPS)	02/97
EDP-0110	Office of the State Controller - North Carolina Accounting System (NCAS)	04/97
EDP-0109	Revenue - General & Integrated Tax Accounting System (ITAS)	06/96
EDP-0108	State Treasurer - General & Escheats	06/96
EDP-0107	EHNR - Infant Formula Rebates Program	08/96
EDP-0105	Administrative Office of the Courts - General and FMS Review	07/96
EDP-0103	University of North Carolina at Charlotte	06/96
EDP-0102	East Carolina University-Medical School	06/95
EDP-0101	State Info. Processing Services (SIPS)	10/95
EDP-0100	Winston-Salem State Univ. (WSSU)	03/95
EDP-0096	Dept. of Human Resources-Div. Of Info. Resources Management	06/94
EDP-0094	Office of the State Controller-Single Audits Dunn & Bradstreet (DBS) Follow-Up	11/93
EDP-0093	Dept. of Community Colleges-Single Audit Follow-Up	11/93
EDP-0092	Office of the State Controller - State Info. Processing Services (SIPS)	06/93
EDP-0091	Univ. of North Carolina at Chapel - Unwarranted Reliance	06/93

EXPANSION REQUESTS - PRIORITY 1

Audit Resources-Information System Auditors

To provide additional Information System Audit positions to enable the Office to increase the audits of the growing number of computer applications and installations in State government and to provide appropriate follow-up to security breaches of the State of North Carolina's information systems.

	Requested 1999-00	Requested 2000-01
Requirements	$ 298,815	$ 571,270
Receipts		
Federal		
Local		
Other		
Appropriation	$ 298,815	$ 571,270
No. of Positions	4	8

EXPANSION REQUEST - PRIORITY 2

Information Resource Management Position

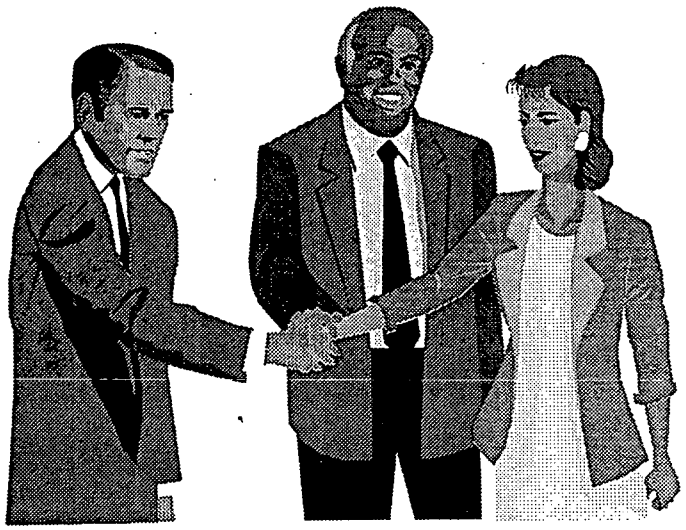
To provide an Information Resources Management Position to increase the technical support of the audit efforts and computer operations within the Office.

	Requested 1999-00	Requested 2000-01
Requirements	$ 74,704	$ 68,114
Receipts		
Federal		
Local		
Other		
Appropriation	$ 74,704	$ 68,114
No. of Positions	1	1

TOTAL OF EXPANSION REQUESTS

	Requested 1999-00	Requested 2000-01
Total Requirements	$ 373,519	$ 639,384
Total Receipts		
Federal		
Local		
Other		
Total Appropriations	$ 373,519	$ 639,384
Total No. of Positions	5	9

Wrap Up



- **Relocation to Old Revenue Building**
- **Automated Work Papers Project**
- **Expansion Request for the 99-01 Biennium Budget**
- **Summary**

VISITOR REGISTRATION SHEET

Approp. General Government 3-11-99

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS	
Jim Nowell	OSBM	
Byron K. Harris	OSBM	
A. Parker Porter	Bond & Assoc.	
Rob Hillman	OSA	
JACK BOND	OSA	
Cindy Gilliam	OSA	
Kathie Austin PADGETT	OSPL	Admin Bldg.
Glenda Shields	OSA	

STATE OF NORTH CAROLINA

Office of the State Auditor

Raleigh 27603-5903

Charles Warren

Ellis

Bryce Davenport

Jim Black

Jennifer Sullivan

Ben Alberson

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 16, 1999
Room 425, LOB
8:30 a.m.

Chair: Senator Ed Warren

Department of Administration

Presentation of Department Staff

Secretary Katie Dorsett

Agency for Public Telecommunications

Leila Tvedt
Executive Director

Non-Public Education

Rod Helder
Director

Division of Veterans Affairs

Rommie Eason
Assistant Director

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

March 16, 1999

The Joint Appropriations Subcommittee on General Government met Tuesday, March 16 at 8:30 a.m. in Room 425 of the Legislative Office Building. Four of the Senate members were present. Representatives present were: Co-Chair Jeffus , Vice Chair McLawhorn, and Barefoot, Ellis and Thompson. Pages were Jeff Evans and Charles Curtis from Wake County and Scott Creech from Johnston County. Senator Ed Warren chaired the meeting.

The Chair recognized Ms. Katie Dorsett, Secretary of the Department of Administration, who in turn introduced her staff and a special guest, Ms. Rodica Romanozschi from Romania. A copy of the Secretary's remarks is included with the minutes as Attachment 1. She listed the following major accomplishments over the past year. 1) 60 law enforcement vehicles have been rebuilt and refurbished, saving the State $8,000 to $10,000 per vehicle. They now have a contract with a North Carolina company to do this work; 2) Have launched a new Central Mail Service located on Blue Ridge Road which will save approximately $1.5 million the first year alone; And 3) Have recently established the New Domestic Violence Commission.

Secretary Dorsett reminded the Committee members of the State Employees' Incentive Program which will pay up to $20,000 to individuals and $100,000 to groups who present money saving ideas. She said that a clerk in the Department of Revenue recently received $17,425 under this program.

Leila Tvedt, Executive Director of the Agency for Public Telecommunications, announced that they would be celebrating fifteen years of public call-in programs on "OPEN" tonight. She said that no other state had such a program. In response to questions from Senator Foxx, Ms. Tvedt said that OPEN could be seen on cable from 8:00 – 10:00 pm Tuesdays and Thursdays, and that it was a receipts-based program. The other program which she said was most helpful to the people was the Teleconferencing Program. She said that this had been most successful for the Parole Commission. By

scheduling sites across the State, victims do not have to travel to Raleigh to be heard, she said. Ms. Tvedt stated that her staff assisted many people in producing media productions also. Representative Thompson noted that he would like to see more people from Western North Carolina on their Board. (See attachment 1-A)

Mr. Rod Helder, Director of Non-Public Education, began his presentation by speaking about "home schooling" in North Carolina. He stated that home school sites had mushroomed in the past two years, and that because of lack of funds, they now inspected them by mail. Mr. Helder said that they would request that the General Assembly allocate more funds for better inspections. Senator Lucas asked if he had data on how many non-public school students went on to college. He said he did not. He noted that they do have a web site with information on requirements, etc. for home schooling. Senator Lucas also asked if he had data to show the diversity of the population doing home schooling. Mr Helder said they did not. The Committee members had many concerns about the oversight and requirements of these schools, and **Representative Jeffus asked that this topic be flagged until Mr. Helder could bring information on the General Statute and rules governing the home schools and why they were administered by the Department of Administration rather than the Department of Public Instruction.** Representative Ellis was disturbed at what he considered negative comments from the Committee, and he stated that he knew many parents who were better able to teach their children than some teachers in the public schools.

Mr. Rommie Eason, Assistant Director for the Division of Veterans Affairs, gave a report. (See Attachment 2) He stated that there are presently 691,200 veterans living in North Carolina, and approximately 28,000 widows/widowers of veterans with basic eligibility for VA benefits. The veterans' benefits program contributes significantly to the State's economy, and to the economic well-being of many elderly citizens, he noted.

In response to several questions, Mr. Eason gave the following information:

- It is hoped that the nursing homes will become self-sufficient.

- The Federal Government pays $45/day, and the patient pays any balance.
- The State invested $3M and the Federal Government $6M.
- There are 80 to 90 employees statewide.

They now have nursing homes in Fayetteville, are working on one in Salisbury, and hope to have a total of four. Mr. Eason said that their greatest challenge was the aging population and the attendant disabilities that will increase the demands for the assistance needed to continue to provide needed services. Their three cemeteries are located in Black Mountain, Jacksonville and Spring Lake. He said that only eligible veterans and spouses who resided in North Carolina at the time of death or entered service in North Carolina could be interred in the State cemeteries.

Senator Harris asked Mr. Eason if they worked closely with veterans' organizations, and he said that they did.

There being no further questions, the meeting adjourned at 9:45 a.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1
March 16, 1999
Am mtg.

North Carolina
Department of Administration

The Department of Administration is often referred to as the "business manager" of state government. Created in 1957, it provides numerous services for state government agencies. In addition to its role as service provider, the department is host to several councils and commissions that advocate for North Carolina's citizens with special needs.

As the state's business manager, the department oversees such operations as building construction, purchasing and contracting for goods and services, managing state vehicles, acquiring and disposing of real property, and operating auxiliary services such as courier mail delivery and the disbursement of state and federal surplus property. In addition, the department maintains state facilities and provides police service for the State Government Complex. The department offers still other services, including public service call-in programs provided by the Agency for Public Telecommunications and assistance to veterans through the Division of Veterans Affairs.

Several programs advocating for citizens of North Carolina with special needs are included in the Administration Department. They include the Governor's Advocacy Council for Persons with Disabilities, the N.C. Office on the Americans with Disabilities Act, the N.C. Human Relations Commission, the N.C. Commission of Indian Affairs, the Youth Advocacy and Involvement Office, and the N.C. Council for Women. Most of these programs have an appointed council and a state staff, which work on behalf of persons with disabilities, minorities, youth and women.

The Department of Administration was re-established by the Executive Organization Act of 1971, to bring more efficient and effective management to state government. Prior to its enactment, over 300 agencies reported directly to the governor. Recognizing the difficulty of providing good management under those conditions, the department was re-created by the reorganization bill. Now the department is expected "to serve as a staff agency to the governor and to provide for such ancillary services as other departments of state government might need to ensure efficient and effective operations."

The department has adopted the following mission statement:

The North Carolina Department of Administration shall provide high quality services effectively, efficiently and economically for our customers who are the citizens, agencies and communities of our state.

WE ARE COMMITTED TO:

- ***Quality***
- ***Service***
- ***Excellence***
- ***Integrity***

The Department of Administration serves all of state government, working to ensure that taxpayers' dollars are used wisely and that good management is pervasive. The State Employee Incentive Bonus Program was designed to increase productivity in the department and throughout state agencies by awarding employees a percentage of money saved when their cost-saving suggestions are implemented. The Continuous Improvement effort relies on input from departmental employees to improve services to other state agencies and to the public. The Human Resources Management Office offers training to department employees to help them perform their jobs more efficiently and effectively.

North Carolina Council for Women

Merrimon-Wynne House, 526 North Wilmington Street, Raleigh, North Carolina 27604-1199 ~ (919) 733-2455

The North Carolina Council for Women advises the governor, the General Assembly and the principal state departments on the special needs of women in North Carolina. The council works cooperatively with local women's organizations, develops innovative projects and policy initiatives, and conducts workshops and training sessions to address women's needs. It administers state and federal funds to local non-profit groups serving victims of sexual assault and domestic violence. The council also administers state funds which serve displaced homemakers. Staff in the Raleigh headquarters and six region directors provide technical assistance to individuals and public/private agencies.

North Carolina Human Relations Commission

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-7996

The North Carolina Human Relations Commission provides services and programs aimed at improving relationships among all citizens of the state, while seeking to ensure equal opportunities in the areas of employment, housing, public accommodations, recreation, education, justice and governmental services. The commission helps to establish and supports the work of local human relations commissions throughout the state. The commission provides police/community relations training, race relations training, and diversity training to governmental agencies, communities and schools. The commission also enforces the North Carolina Fair Housing Law and is substantially equivalent with the U.S. Department of Housing and Urban Development. The commission participates in writing and implementing the Impediments to Affirmatively Furthering Fair Housing for the North Carolina Consolidated Plan required by the federal government. Further, the commission serves as a resource to Community Development Block Grant recipients in helping them develop Fair Housing plans.

North Carolina Commission of Indian Affairs

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-5998

The North Carolina Commission of Indian Affairs was created by the North Carolina General Assembly in 1971 in response to the need of the state's Native American citizens to have a voice in their own affairs. Its purposes include bringing local, state and federal resources into focus for the implementation or continuation of meaningful programs for the state's Indian citizens; assuring the rights of Indians to pursue their cultural, social and religious traditions; and assisting in the development of social and economic opportunities for Indian people across the state.

Youth Advocacy and Involvement Office

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-9296

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

State of North Carolina
James B. Hunt Jr., Governor

North Carolina Department of Administration
Katie G. Dorsett, Secretary

Visit the Department of Administration's home page at:
http://www.doa.state.nc.us/doa/

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Internal Services and Programs

Facility Management Division

Facility Management Building, 431 North Salisbury Street, Raleigh, North Carolina 27603-1361 ~ (919) 733-3514

The Facility Management Division provides preventive maintenance and repair services to the State Government Complex and some facilities used by government workers in outlying areas. Services include construction; renovation; housekeeping; landscaping; steam plant, HVAC and elevator maintenance; pest control; parking supervision; and lock shop operations.

Management Information Systems Division

(919) 733-0766

The Management Information Systems Division assists with the department's computer needs. This division provides consulting services with emphasis on analyses of current operations and recommendations for improving operations, dissemination of information, and reducing costs. The division designs, develops or acquires, and implements solutions for the department's automation needs.

State Capitol Police Division

Facility Management Building, 431 North Salisbury Street, Raleigh, North Carolina 27603-1376 ~ (919) 733-4646

The State Capitol Police Division, a law enforcement agency with police powers throughout Raleigh and state property in Wake County, provides security and property protection for state government facilities in Raleigh, Garner, Cary and Wake County. The agency protects employees and visitors; secures state-owned property; provides security for demonstrations, inaugurations, prison executions and personnel hearings; assists visitors to state facilities; investigates crimes committed on state property; and monitors burglar and fire alarms statewide.

Governor's Advocacy Council for Persons with Disabilities

Bryan Building, Suite 218, 2113 Cameron Street, Raleigh, North Carolina 27605-1344 ~ (919) 733-9250

The Governor's Advocacy Council for Persons with Disabilities (GACPD) is part of a nationwide system of protection and advocacy agencies. It is a civil rights protection agency committed to serving citizens with disabilities. GACPD staff members provide advocacy services, information and referral services, and legal representation to any citizen of North Carolina who has a physical or mental condition that substantially limits at least one major life activity and who feels he/she has been discriminated against because of a disability. Examples of disabilities include a mobility impairment, a learning disability, a developmental disability, a mental illness, or a neurological impairment. "Major life activities" are walking, seeing, speaking, learning, getting a job or an education, breathing, caring for oneself, hearing, and performing manual tasks. GACPD is guided by a 21-member board composed of volunteers appointed by the state's top leaders in government.

North Carolina Office on the Americans with Disabilities Act

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 715-2302

The North Carolina Office on the Americans with Disabilities Act was created by the General Assembly and began operation in September 1994 to help state and local governments, business and industry in complying with the Americans with Disabilities Act (ADA) of 1990. The office promotes compliance with the ADA through training and technical assistance. In addition to serving as a resource for government and business, the office assists individuals with disabilities and their families in understanding their rights under the law.

Division of Purchase and Contract

(919) 733-3581

The Division of Purchase and Contract serves as the central purchasing authority for state government and certain other entities. Contracts are established for the purchase, lease and lease-purchase of the goods and services required by state agencies, institutions, public school districts, community colleges and the university system, totaling $3.7 billion annually. In addition, local governments, charitable non-profit hospitals, local non-profit community sheltered workshops, certain child placement agencies or residential child care facilities, volunteer non-profit fire departments and rescue squads may use the services of the Division of Purchase and Contract. The division also administers both Federal Surplus Property and State Surplus Property agencies.

- **Federal Surplus Property**

  1950 Garner Road, Raleigh, North Carolina 27610-3926 ~ (919) 733-3885

  Federal Surplus Property acquires and donates available federal surplus property to eligible state recipients -- government agencies, non-profit educational institutions and public health facilities. Operation costs are funded by receipts from sales.

- **State Surplus Property**

  Highway 54 West, Chapel Hill Road, P.O. Box 33900, Raleigh, North Carolina 27636-3900 ~ (919) 733-3889

  State Surplus Property sells supplies, materials and equipment owned by the state that is considered to be surplus, obsolete or unused. A service charge on goods sold provides funding for the agency.

State Construction Office

N.C. Education Building, Suite 450, 301 North Wilmington Street, Raleigh, North Carolina 27601-2827 ~ (919) 733-7962

The State Construction Office is responsible for the review and approval of all plans and specifications for the construction or renovation of all state buildings; preparation of cost estimates relating to appropriation requests for the construction or renovation of state buildings; supervision of the letting of all contracts for the design, construction or renovation of all state buildings; and inspection and acceptance of all work done and materials used in the construction or renovation of all state buildings.

State-Local Relations Section

(919) 733-7232

The State-Local Relations Section works with local governments, regional and multistate organizations, the public, and state agencies in a variety of areas involving intergovernmental cooperation. The division manages the Appalachian Regional Commission grant program, coordinates project reviews required by the state and national Environmental Policy Acts, aids the governor in responding to federal (congressional and executive branch) issues, provides staff support for the North Carolina Local Government Partnership Council, and operates a project notification, review and comment system to provide state and local agencies and the public with information about projects supported with public funds.

State Property Office

(919) 733-4346

The State Property Office is responsible for state government's acquisition and disposition of all interest in real property whether by purchase, sale, exercise of power of eminent domain, lease or rental, with the exception of highway rights of way, the State Ports Authority and the Wanchese Seafood Industrial Park. This office is also responsible for the management of the submerged lands of the state, with the exception of aquaculture leases. The office maintains a computerized inventory of land and buildings owned or leased by the state and administers the allocation and reallocation of land and buildings among the various state agencies.

Attachment 1-A
March 16, 1999
a.m. mtg.

North Carolina
Department of Administration

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

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

OVERVIEW
AGENCY FOR PUBLIC TELECOMMUNICATIONS

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

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

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

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

BACKGROUND: APT is supported by a combination of legislative appropriations with corporate, foundation, and federal grants, and by receipts for teleconferencing and production services. Policy direction is provided by an appointed Board of Telecommunications Commissioners that meets quarterly . For further information, please contact: the Agency for Public Telecommunications by phone or e-mail at OPEN@mail.doa.state.nc.us

116 West Jones Street • Raleigh 27603-8003 • Telephone 919-733-6341 • Facsimile 919-715-3569
State Courier 51-01-00

Open Public Events Network (OPEN) -- In order to promote public participation in government, APT produces live, call-in programs on the Open Public Events Network and distributes them via satellite to North Carolina cable systems. Since 1984, when OPEN call-in programs began, more than 30,000 people have called from about 400 locations to talk with panelists in our Raleigh studio. Legislators and other public officials continue to affirm their commitment to a public dialogue with viewers by participating as panelists every Tuesday and Thursday evening. 58 cable systems carry OPEN programs as a public service to their viewers, providing an in-kind contribution of channel capacity and equipment use estimated at $1 million annually.

FY97-98 Highlights -- OPEN (1) began using a small private foundation grant to caption some call-in programs; (2) responded to the threat of Hurricane Bonnie with live, call-in programs before, during and after the storm stuck, giving people direct access to emergency management personnel and information about federal and state disaster preparation, relief and recovery activities; (3) continued the Candidate Call-In series offering time to all candidates for statewide office, including, for the first time, judicial candidates.

Media Services -- In order to promote increased productivity in government, APT's Media Services offers a full range of broadcast-quality media production services and a centralized production studio and facilities for public agencies' audio and video projects. Dozens of state agencies use these services to produce long- and short-form videos for training and staff development and for public outreach and information.

FY97-98 Highlights - For the third year in a row, Media Services staff won top honors for videotapes they produced for clients. The regional chapter of the international association of producers (ITVA) awarded our projects first place for the State Board of Elections' video about the responsibilities of local election officials; second place for a DHHS training video about interviewing techniques for social workers; and a special achievement award for work on a community college video about Tech Prep. In past years, APT's projects have gone on to win top honors in the national ITVA competition

State Services Network (SSN) - In order to promote increased efficiency in government, APT's SSN offers live, interactive teleconferencing services by phone, fiber, or satellite. Teleconferencing and distance education enable client agencies to avoid unnecessary travel and to save travel time and dollars by meeting simultaneously with dozens or hundreds of participants closer to their assigned duty stations. Clients in this fiscal year have included nearly 75 divisions in 20 agencies of state government.

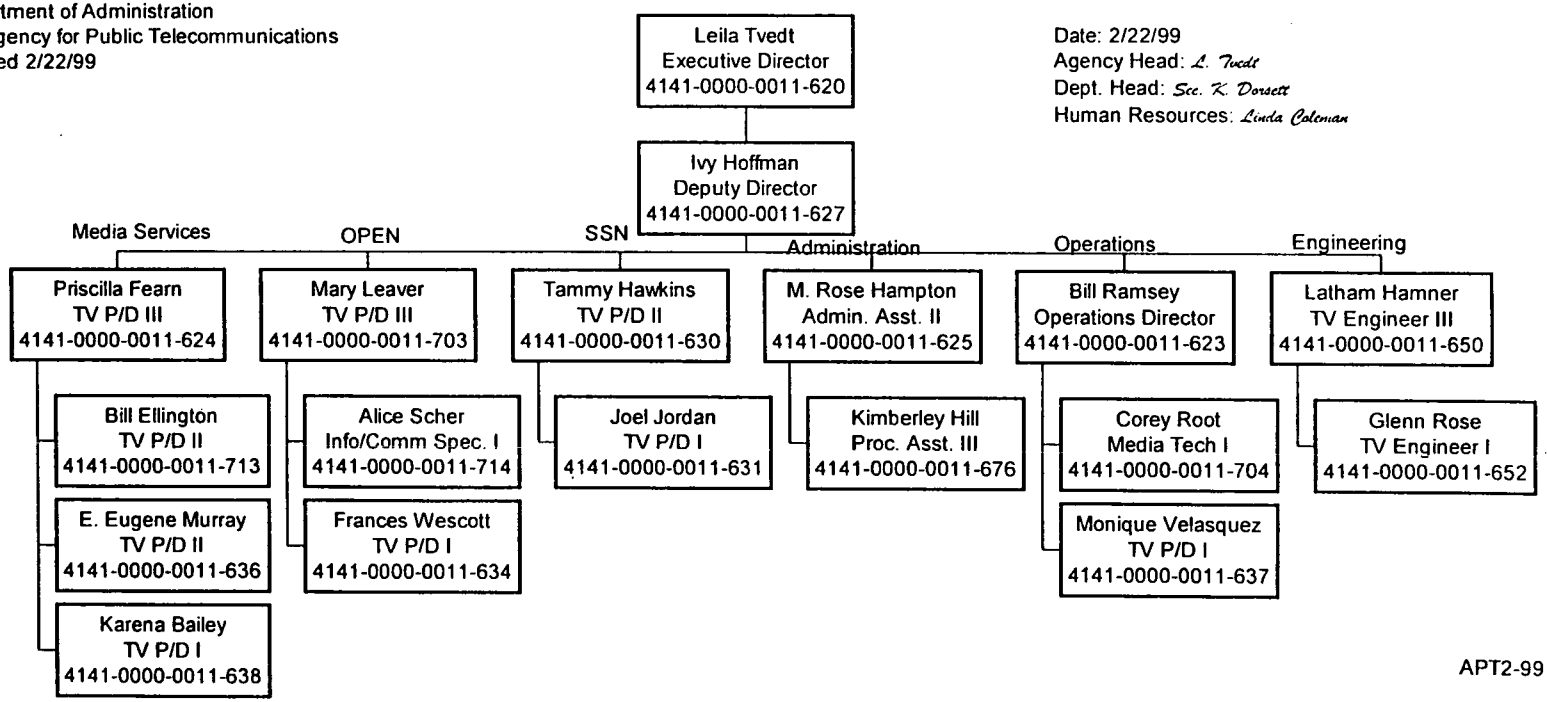
FY97-98 Highlights - SSN worked (1) with the Department of Correction and the Department of Crime Control and Public Safety to produce a two-day conference that reached 3000 probation and prison staff and victim assistance personnel at 17 locations for training on the new Statewide Automated Victim Assistance and Notification system; (2) with NC State University to connect Vet School students in our Raleigh studio with an astronaut in space on the Shuttle Columbia for a 10-minute conversation; (3) with the Department of Public Instruction to continue their training for thousands of teachers and administrators; (4) with the Parole Commission to offer hearings to crime victims at locations around the state. Crime victims say they saved 32,000 miles and 550 work hours by not driving to Raleigh for Parole Commission hearings and more crime victims participated in hearings for the first time closer to home.

Quality Improvements on Schedule

With legislative funding, APT completed the second phase of a long-range plan to improve the quality of our productions by replacing old, obsolete equipment which was no longer functioning adequately. With the new digital "chip" cameras from last year and this year's purchase of digital video recorders and heavy duty tripods, APT is now producing significantly improved video images for its live, call-in programs, teleconferences and media services projects. It is important to note that clients responding to our customer satisfaction survey site top quality production services as one of their top expectations in working with our sections. Replacing aging equipment with more functional, versatile gear helps us to meet or exceed that expectation.

Department of Administration
NC Agency for Public Telecommunications
Revised 2/22/99

Date: 2/22/99
Agency Head: *L. Tvedt*
Dept. Head: *Sec. K. Dorsett*
Human Resources: *Linda Coleman*



APT2-99

Open Public Events Network Cable Systems Participants

Asheboro
(Climax, [illegible]klinville, [illegible]t C[illegible]den, [illegible]an, [illegible]ur, Seagrove, Sophia)
Time Warner
Cable.....8

Asheville
City of Asheville/
Intermedia.....20

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

Boone
(Blowing Rock)
ASU/Helicon
Cable.....20

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

Burlington
([illegible] College, [illegible]lle, Graham, [illegible]r, Village of Ala[illegible]ce)
Time Warner
Cable.....5

Cary
(Apex, Fuquay-Varina, Holly Springs, Morrisville)
Time Warner
Cable.....60

Chapel Hill
(Efland, Mebane, Orange Co., Pittsboro)
Time Warner
Cable.....23
The People's Channel
(Thurs. only).....8

Clinton
(Sampson County)
Sampson CC/
Multimedia
Cable.....13

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

Durham
Time Warner
Cable.....23

Elizabeth City
Pasquotank Co. Schools/Adelphia Cable
(Thurs. only).....8

Fayetteville
(Autryville, Dunn, Erwin, Falcon, Ft. Bragg, Godwin, Hope Mills, Parkton, Pope AFB, Spring Lake, Stedman, Wade)
Time Warner
Cable.....7

Garner
(Clayton)
Time Warner
Cable.....60

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

Gastonia
(Belmont, Bessemer City, Mt. Holly)
Time Warner Cable
(Thurs. only).....9

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

Greensboro
Guilford Educational Television/Time Warner Cable..... 2

Greenville
Cable 7/Multimedia
Cable.....7

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

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

High Point
(Jamestown)
Time Warner
Cable.....2

Holly Springs
Deacon Cable.....2

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

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

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

Kinston
(LaGrange, Walnut Creek, Lenoir Co., Wayne Co.)
TACC9 and Multimedia
Cable.....9

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

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

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

Morehead City
(Atlantic Beach, Beaufort, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Havelock, Newport, Pine Knoll Shores, Swansboro, Carteret & Craven Counties)
Time Warner
Cable.....13

Morganton
WMNC/CoMPAS....2

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

Raleigh
City of Raleigh.... 22
Time Warner
Cable.....24

Rockingham
(Dobbins Heights, Ellerbe, Hamlet, Hoffman, Richmond County)
Time Warner
Cable.....16

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

Selma
(Four Oaks, Johnston County, Pine Level, Smithfield)
Time Warner
Cable.....60

Shelby
(Bellwood, Boiling Springs, Casar, Kingstown, Earl, Fallston, Grover, Lattimore, Lawndale, Mooresboro, Patterson, Polkville, Waco)
Cleveland CC/
Time Warner
Cable.....58

Tarboro
Multimedia
Cable.....13

Wake Forest
Time Warner
Cable.....24

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

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

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

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

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

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

[illegible]PEN programs are available to more than 3.2 million cable viewers in North Carolina.

Home satellite dish owners will find OPEN programs on Galaxy 6, transponder 9H

1/99

NC Agency for Public Telecommunications * 116 West Jones Street * Suite G-102
Raleigh, NC 27603-8003 * (919) 733-6341 * FAX (919) 715-3569 * OPEN@mail.doa.state.nc.us

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Ms. Molly Broad
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NC Utilities Commission/Public Staff
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Agency for Public Telecommunications

(919) 733-6341

The mission of the Agency for Public Telecommunications (APT) is to increase public participation in government, to promote public access to government services, and to improve government efficiency through the use of telecommunications. In fulfilling that mission, APT produces live, public affairs, call-in programs on the Open Public Events Network (OPEN) and distributes them via satellite to North Carolina cable systems that carry the programs as a service to their subscribers. In addition, APT serves as the central media production facility for state government, offering a full range of telecommunications advice and assistance, as well as media production services and teleconferencing for other public agencies to improve their efficiency and productivity in public outreach, staff development and training.

Division of Veterans Affairs

Albemarle Building, Suite 1065, 325 North Salisbury Street, Raleigh, North Carolina 27603-5940 ~ (919) 733-3851

The Division of Veterans Affairs assists veterans, their dependents and the dependents of deceased veterans in obtaining and maintaining those rights and benefits to which they are entitled by law. The division also cooperates with the various governmental units and veterans organizations in seeking to serve veterans. The division is organized into the Assistant Secretary's Office, located in Raleigh; a State Service Office, located in the same building as the U.S. Department of Veterans Affairs Regional Office in Winston-Salem; and 15 district offices strategically located throughout the state. These district offices provide assistance to veterans, dependents and their survivors. They provide training and supervision to the county veterans service officers, part of an affiliated program that includes nearly all of the 100 counties in North Carolina. The division enjoys a close working relationship with the county veterans service officers and assists them in many ways. In addition, the Assistant Secretary's Office oversees the three state veterans cemeteries, located in Jacksonville, Black Mountain and Spring Lake, and a state veterans home in Fayetteville; staffs the Governor's Jobs for Veterans Committee which coordinates employment opportunities for veterans statewide; and administers a program of state scholarships for eligible children of certain deceased, disabled and prisoner of war/missing in action veterans.

Government Operations

Motor Fleet and Courier Service Division

1915 Blue Ridge Road, Raleigh, North Carolina 27607-6403 ~ (919) 733-6540

The Motor Fleet and Courier Service Division provides passenger vehicles to state agencies for employees in the performance of their duties. The division is a receipt-supported operation that purchases, maintains, assigns and manages the state's centralized fleet of approximately 7,400 vehicles. The division enforces state policy and regulations concerning the use of vehicles. The division also administers Courier Service.

- **Courier Service**

  Womack Building, 417 North Salisbury Street, Raleigh, North Carolina 27603-1361 ~ (919) 733-2913

  A receipt-supported operation, Courier Service provides delivery of mail between government offices in all 100 counties in North Carolina, as well as interoffice mail service for state government offices in Raleigh.

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 16, 1999
Room 425, LOB
2:30 p.m.

Chair: Senator Ed Warren

Department of Administration

Overview of State and Local Government Relations

Office of Continuous Quality Improvement

Central Mail Service

Carlton Myrick
Deputy Secretary

State Construction Office

Speros Fleggas
Director

Purchase and Contracts Division

John Leaston
State Purchasing Officer

State Property Office

Joe Henderson
Director

Motor Fleet and Courier Service

John Massey
Director

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

March 16, 1999

The Joint Appropriations Subcommittee on General Government met March 16 at 2:30 p.m. in Room 425 of the Legislative Office Building. Four of the Senate members were present. Representatives present were: Co-Chairs Jeffus and Wainwright, Vice Chair McLawhorn and Barefoot. Senator Ed Warren chaired the meeting.

Mr. Carlton Myrick, Deputy Secretary of the Department of Administration, gave an overview of the Office of Continuous Quality Improvement. Mr. Myrick introduced his colleagues Sarah Stuckey and George Milsaps. He stated that their goal was to increase customer services and reduce costs. Mr. Myrick said that they believed that the centralized mail service alone would save the State $1M the first year just through the Executive Branch. Senator Foxx asked what could be saved if each Cabinet Office was involved. Mr. Myrick said that they had no figures but that it would be substantial. They plan to do a marketing campaign to encourage the use of the Courier System. In response to Representative Wainwright's question, Mr. Myrick said the savings would come from reduced personnel costs, and that he believed anyone whose position was abolished because of the centralization would be able to acquire a job in another State Agency or in private industry. **Representative Wainwright was concerned about those who might not be able to find another job and who would be rifted. He asked that this concern be flagged.** Secretary Dorsett noted that they did have opportunities for some career advances, and that the volume of mail should bring better rates.

As time had run out, the meeting was adjourned at 2:50 p.m. to meet again at 8:30 a.m. Wednesday, March 17, 1999.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 17, 1999
Room 425, LOB
8:30 a.m.

Chair: Representative Wainwright

Department of Administration

State Construction Office

Speros Fleggas
Director

Purchase and Contracts Division

John Leaston
State Purchasing Officer

State Property Office

Joe Henderson
Director

Motor Fleet and Courier Service

John Massey
Director

JOINT APPROPRIATIONS SUBCOMMITTEE
ON GENERAL GOVERNMENT
MINUTES
March 17, 1999
8:30 A.M.

The subcommittee met in Room 425 of the Legislative Office Building. The members attending the meeting were Representatives Wainwright, Jeffus, McLawhorn, Barefoot, Setzer, and Hensley. There were four Senators in attendance.

Representative Wainwright called the meeting to order and he recognized the Sergeants at Arms, Mr. Richard Telefare and Mrs. Martha Parish, along with Staff Attorneys, Michelle Nelson and Dwayne Pickney, and Committee Assistant, Denise Smith. Rep. Wainwright indicated that the meeting would continue from the previous meeting with presentations by the Department of Administration. He recognized Mr. Speros Fleggas, of the State Construction Office as the first speaker.

Mr. Fleggas stated that the overall coordination and management responsibility for the state's Capital Improvement Program rests with the State Construction Office. The concept of a centralized control of the state's construction program dates back to the 1917 session of the General Assembly. The office operates under two statutes, the Executive Budget Act and the Department of Administration Act. Its responsibilities are to examine and approve all plans and specifications, assist all agencies and institutions in preparation of their budget requests for construction, supervise all contracts for design and construction, supervise and inspect all work done and material used. No project can be accepted by any agency or institution until the department has approved it. Some other responsibilities of the Construction Office are to identify deficiencies in all state buildings, recommend corrective actions, and determine cost of corrective care and a time frame to complete the repairs.

Following his presentation, Mr. Fleggas responded to questions from the committee. He stated that some efforts had been made to consolidate permits, but a definite method had not been implemented. In regard to questions regarding what improvements needed to be approved by his office, Mr. Fleggas stated that the Construction Office was not required to approve minor modifications of state facilities that would not involve changes to the fire protection system, lighting, and air conditioning systems. He stated that the Department of Insurance and the Department of Construction review all state buildings, but their responsibilities differ. The Department of Insurance reviews facilities from the standpoint of fire protection safety and insurability. The Construction Office reviews from the standpoint of good design efforts, scope of work, and materials used.

He indicated that there were 56 positions in his office. The breakdown by race were 35 white males, 11 white females, 2 black males, 1 black female, 1 Hispanic male, and 3 Asian males. He would provide the committee with a detailed breakdown by

classification and information regarding the entry level for the engineering and architectural positions.

The Chair recognized **Mr. John Leaston, Director of the Purchase and Contract Division**. Mr. Leaston stated that the division came into existence in 1931. It provides leadership and services to the public school systems, universities, community colleges, as well as state agencies. The division promotes competition, fairness, open specifications, and consolidation of the requirements of state and public agencies. Mr. Leaston explained the procurement card process. He stated that with a traditional small purchase order there would be a requisition, a purchase order, an invoice, and an extensive paper trail. The procurement card has streamlined the process by eliminating the need to issue a requisition, a purchase order, and an invoice. This is a tremendous saving in terms of small purchases. In 1993 it took an average of 78 days to process a requisition. Today that is down to 38 days. In the past it would cost the agencies up to $125.00 to buy a $12.50 item. Other savings have been realized by the posting of all bids on the Internet. A paper notice no longer notifies venders, and the agency has been able to save on paper and postage. Since 1993 the Division of Purchasing & Contracts has eliminated 15 positions. No one lost their job, but they were transferred to other agencies.

Mr. Leaston was asked what was the maximum amount that could be charged to the procurement card, and how was it monitored. His response was that the maximum amount that could be charged to the procurement card at any one time was $2500.00. At the end of the month there is a reconciliation process that indicates to management how the card is being used, and what has been purchased. The card appeared to be working well within the agencies.

Mr. Leaston was asked to explain the Board of Awards to the committee. He stated that the Board of Awards assists the division in making recommendations to the Secretary of the Department of Administration to determine who will be awarded contracts.

The Chair recognized **Mr. Joe Henderson, Director of the State Property Office**. He gave an overview of the office. He stated that the State Property Office is the corporate real estate office for the State of North Carolina. The state's real estate transactions are handled through this office with the exception of the Department of Transportation, the Ports Authority, and the UNC Hospitals and the Medical Practice Plan of East Carolina University. The office has a staff of 21 people. In the 1970's they had 28 employees. Their workload has increased 750% and the office needs additional personnel.

The Chair recognized **Mr. John Massey, Director of Motor Fleet and Courier Services.** Mr. Massey stated that the department has been in operation since 1981. Currently, there are approximately 8000 passenger vehicles on the road. Annual increase has been 235 vehicles every year for the past nine years. Rate ranges from $.23 per mile to $.38 per mile. Mr. Massey stated that the life expectancy of a new car was 5 years. Automobiles are rebuilt once they reach the ninety thousand miles. The department spends approximately Twenty One Million Dollars a year for the purchase of new vehicles.

There being no further business before the committee, the Chair adjourned the meeting until 3:00 p. m.

Respectfully submitted,

Blinda Edwards

Blinda Edwards, Transcriber of Minutes

William L. Wainwright

Rep. William L. Wainwright, Presiding Chair

North Carolina
Department of Administration

The Department of Administration is often referred to as the "business manager" of state government. Created in 1957, it provides numerous services for state government agencies. In addition to its role as service provider, the department is host to several councils and commissions that advocate for North Carolina's citizens with special needs.

As the state's business manager, the department oversees such operations as building construction, purchasing and contracting for goods and services, managing state vehicles, acquiring and disposing of real property, and operating auxiliary services such as courier mail delivery and the disbursement of state and federal surplus property. In addition, the department maintains state facilities and provides police service for the State Government Complex. The department offers still other services, including public service call-in programs provided by the Agency for Public Telecommunications and assistance to veterans through the Division of Veterans Affairs.

Several programs advocating for citizens of North Carolina with special needs are included in the Administration Department. They include the Governor's Advocacy Council for Persons with Disabilities, the N.C. Office on the Americans with Disabilities Act, the N.C. Human Relations Commission, the N.C. Commission of Indian Affairs, the Youth Advocacy and Involvement Office, and the N.C. Council for Women. Most of these programs have an appointed council and a state staff, which work on behalf of persons with disabilities, minorities, youth and women.

The Department of Administration was re-established by the Executive Organization Act of 1971, to bring more efficient and effective management to state government. Prior to its enactment, over 300 agencies reported directly to the governor. Recognizing the difficulty of providing good management under those conditions, the department was re-created by the reorganization bill. Now the department is expected "to serve as a staff agency to the governor and to provide for such ancillary services as other departments of state government might need to ensure efficient and effective operations."

The department has adopted the following mission statement:

The North Carolina Department of Administration
shall provide high quality services effectively, efficiently and economically
for our customers who are the citizens, agencies and communities of our state.

WE ARE COMMITTED TO:

- ***Quality***
- ***Service***
- ***Excellence***
- ***Integrity***

The Department of Administration serves all of state government, working to ensure that taxpayers' dollars are used wisely and that good management is pervasive. The State Employee Incentive Bonus Program was designed to increase productivity in the department and throughout state agencies by awarding employees a percentage of money saved when their cost-saving suggestions are implemented. The Continuous Improvement effort relies on input from departmental employees to improve services to other state agencies and to the public. The Human Resources Management Office offers training to department employees to help them perform their jobs more efficiently and effectively.

Office of the Secretary

Administration Building, 116 West Jones Street, Raleigh, North Carolina 27603-8003 ~ (919) 733-7232
(Addresses for all divisions within the department are the same as above unless otherwise noted.)

The department is led by the Secretary of Administration, an appointee of the governor. There are several officers who report directly to the secretary, including the deputy secretary for government operations, the deputy secretary for internal services and programs, the general counsel, the assistant secretary, the department's chief fiscal officer, the director of the department's Human Resources Management Office, the director of public information, the director of the Agency for Public Telecommunications, and the assistant secretary for veterans affairs. Some of these officers supervise divisions listed as follows:

Office of Fiscal Management

(919) 733-2650

The Office of Fiscal Management accounts for all fiscal activity of the department in conformity with requirements of the Office of State Budget and Management, the Office of State Controller, the Department of State Auditor, the Department of State Treasurer and federal funding agencies. It files timely financial reports, purchases and pays for goods and services, invoices user agencies for central services, and recommends and administers fiscal policy within the department. The office also provides the same services for the Low-Level Radioactive Waste Management Authority, Office of the Lieutenant Governor, Board of Ethics, Board of Science and Technology, State Health Plan Purchasing Alliance Board, Office of State Personnel and State Board of Elections.

Human Resources Management Office

(919) 733-4606

The Human Resources Management Office provides a range of services for the department, the Low-Level Radioactive Waste Management Authority, Office of the Lieutenant Governor, Board of Ethics, Board of Science and Technology, State Health Plan Purchasing Alliance Board and Office of State Personnel. With the exception of the Office of State Personnel, where only payroll services are provided, the Human Resources Management Office's services encompass all major areas of public personnel administration in accordance with the requirements of the State Personnel Act. The personnel division is responsible for employee selection and recruitment, position management, training and development, employee and management relations, and health benefits administration. The office also administers the State Employee Incentive Bonus Program and the department's Safety and Health Program.

Division of Non-Public Education

Watson House, 530 North Wilmington Street, Raleigh, North Carolina 27604-1198 ~ (919) 733-4276

The Division of Non-Public Education is the only legislatively authorized state government office giving oversight to conventional private elementary/secondary schools and home schools in North Carolina. The division has the legal responsibility to verify that certain educational requirements are being met. It maintains current statistical data and publishes the annual N.C. Directory of Non-Public Schools. The division was moved to the Department of Administration effective July 1, 1998, from the Office of the Governor and reports to the assistant secretary.

Public Information Office

(919) 733-6887

The Public Information Office (PIO) helps the department to communicate with its employees, other state agencies and the public about its services and programs. The PIO produces home pages, newsletters, brochures, booklets, graphics, etc., for the department's divisions, providing a centralized area offering writing, editing and design expertise. The PIO writes and distributes press releases about breaking news events, announcements and special programs. The office plans special events in the department. The PIO prepares speeches for the secretary of the department. In addition, the PIO responds to inquiries from the media and the public about departmental programs and services. The office is responsible for the State Capitol Area Telephone Directory and the BellSouth Blue Pages of state government telephone listings.

Internal Services and Programs

Facility Management Division

Facility Management Building, 431 North Salisbury Street, Raleigh, North Carolina 27603-1361 ~ (919) 733-3514

The Facility Management Division provides preventive maintenance and repair services to the State Government Complex and some facilities used by government workers in outlying areas. Services include construction; renovation; housekeeping; landscaping; steam plant, HVAC and elevator maintenance; pest control; parking supervision; and lock shop operations.

Management Information Systems Division

(919) 733-0766

The Management Information Systems Division assists with the department's computer needs. This division provides consulting services with emphasis on analyses of current operations and recommendations for improving operations, dissemination of information, and reducing costs. The division designs, develops or acquires, and implements solutions for the department's automation needs.

State Capitol Police Division

Facility Management Building, 431 North Salisbury Street, Raleigh, North Carolina 27603-1376 ~ (919) 733-4646

The State Capitol Police Division, a law enforcement agency with police powers throughout Raleigh and state property in Wake County, provides security and property protection for state government facilities in Raleigh, Garner, Cary and Wake County. The agency protects employees and visitors; secures state-owned property; provides security for demonstrations, inaugurations, prison executions and personnel hearings; assists visitors to state facilities; investigates crimes committed on state property; and monitors burglar and fire alarms statewide.

Governor's Advocacy Council for Persons with Disabilities

Bryan Building, Suite 218, 2113 Cameron Street, Raleigh, North Carolina 27605-1344 ~ (919) 733-9250

The Governor's Advocacy Council for Persons with Disabilities (GACPD) is part of a nationwide system of protection and advocacy agencies. It is a civil rights protection agency committed to serving citizens with disabilities. GACPD staff members provide advocacy services, information and referral services, and legal representation to any citizen of North Carolina who has a physical or mental condition that substantially limits at least one major life activity and who feels he/she has been discriminated against because of a disability. Examples of disabilities include a mobility impairment, a learning disability, a developmental disability, a mental illness, or a neurological impairment. "Major life activities" are walking, seeing, speaking, learning, getting a job or an education, breathing, caring for oneself, hearing, and performing manual tasks. GACPD is guided by a 21-member board composed of volunteers appointed by the state's top leaders in government.

North Carolina Office on the Americans with Disabilities Act

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 715-2302

The North Carolina Office on the Americans with Disabilities Act was created by the General Assembly and began operation in September 1994 to help state and local governments, business and industry in complying with the Americans with Disabilities Act (ADA) of 1990. The office promotes compliance with the ADA through training and technical assistance. In addition to serving as a resource for government and business, the office assists individuals with disabilities and their families in understanding their rights under the law.

Division of Purchase and Contract

(919) 733-3581

The Division of Purchase and Contract serves as the central purchasing authority for state government and certain other entities. Contracts are established for the purchase, lease and lease-purchase of the goods and services required by state agencies, institutions, public school districts, community colleges and the university system, totaling $3.7 billion annually. In addition, local governments, charitable non-profit hospitals, local non-profit community sheltered workshops, certain child placement agencies or residential child care facilities, volunteer non-profit fire departments and rescue squads may use the services of the Division of Purchase and Contract. The division also administers both Federal Surplus Property and State Surplus Property agencies.

- **Federal Surplus Property**

  1950 Garner Road, Raleigh, North Carolina 27610-3926 ~ (919) 733-3885

  Federal Surplus Property acquires and donates available federal surplus property to eligible state recipients – government agencies, non-profit educational institutions and public health facilities. Operation costs are funded by receipts from sales.

- **State Surplus Property**

  Highway 54 West, Chapel Hill Road, P.O. Box 33900, Raleigh, North Carolina 27636-3900 ~ (919) 733-3889

  State Surplus Property sells supplies, materials and equipment owned by the state that is considered to be surplus, obsolete or unused. A service charge on goods sold provides funding for the agency.

State Construction Office

N.C. Education Building, Suite 450, 301 North Wilmington Street, Raleigh, North Carolina 27601-2827 ~ (919) 733-7962

The State Construction Office is responsible for the review and approval of all plans and specifications for the construction or renovation of all state buildings; preparation of cost estimates relating to appropriation requests for the construction or renovation of state buildings; supervision of the letting of all contracts for the design, construction or renovation of all state buildings; and inspection and acceptance of all work done and materials used in the construction or renovation of all state buildings.

State-Local Relations Section

(919) 733-7232

The State-Local Relations Section works with local governments, regional and multistate organizations, the public, and state agencies in a variety of areas involving intergovernmental cooperation. The division manages the Appalachian Regional Commission grant program, coordinates project reviews required by the state and national Environmental Policy Acts, aids the governor in responding to federal (congressional and executive branch) issues, provides staff support for the North Carolina Local Government Partnership Council, and operates a project notification, review and comment system to provide state and local agencies and the public with information about projects supported with public funds.

State Property Office

(919) 733-4346

The State Property Office is responsible for state government's acquisition and disposition of all interest in real property whether by purchase, sale, exercise of power of eminent domain, lease or rental, with the exception of highway rights of way, the State Ports Authority and the Wanchese Seafood Industrial Park. This office is also responsible for the management of the submerged lands of the state, with the exception of aquaculture leases. The office maintains a computerized inventory of land and buildings owned or leased by the state and administers the allocation and reallocation of land and buildings among the various state agencies.

Agency for Public Telecommunications

(919) 733-6341

The mission of the Agency for Public Telecommunications (APT) is to increase public participation in government, to promote public access to government services, and to improve government efficiency through the use of telecommunications. In fulfilling that mission, APT produces live, public affairs, call-in programs on the Open Public Events Network (OPEN) and distributes them via satellite to North Carolina cable systems that carry the programs as a service to their subscribers. In addition, APT serves as the central media production facility for state government, offering a full range of telecommunications advice and assistance, as well as media production services and teleconferencing for other public agencies to improve their efficiency and productivity in public outreach, staff development and training.

Division of Veterans Affairs

Albemarle Building, Suite 1065, 325 North Salisbury Street, Raleigh, North Carolina 27603-5940 ~ (919) 733-3851

The Division of Veterans Affairs assists veterans, their dependents and the dependents of deceased veterans in obtaining and maintaining those rights and benefits to which they are entitled by law. The division also cooperates with the various governmental units and veterans organizations in seeking to serve veterans. The division is organized into the Assistant Secretary's Office, located in Raleigh; a State Service Office, located in the same building as the U.S. Department of Veterans Affairs Regional Office in Winston-Salem; and 15 district offices strategically located throughout the state. These district offices provide assistance to veterans, dependents and their survivors. They provide training and supervision to the county veterans service officers, part of an affiliated program that includes nearly all of the 100 counties in North Carolina. The division enjoys a close working relationship with the county veterans service officers and assists them in many ways. In addition, the Assistant Secretary's Office oversees the three state veterans cemeteries, located in Jacksonville, Black Mountain and Spring Lake, and a state veterans home in Fayetteville; staffs the Governor's Jobs for Veterans Committee which coordinates employment opportunities for veterans statewide; and administers a program of state scholarships for eligible children of certain deceased, disabled and prisoner of war/missing in action veterans.

Government Operations

Motor Fleet and Courier Service Division

1915 Blue Ridge Road, Raleigh, North Carolina 27607-6403 ~ (919) 733-6540

The Motor Fleet and Courier Service Division provides passenger vehicles to state agencies for employees in the performance of their duties. The division is a receipt-supported operation that purchases, maintains, assigns and manages the state's centralized fleet of approximately 7,400 vehicles. The division enforces state policy and regulations concerning the use of vehicles. The division also administers Courier Service.

- **Courier Service**

  Womack Building, 417 North Salisbury Street, Raleigh, North Carolina 27603-1361 ~ (919) 733-2913

  A receipt-supported operation, Courier Service provides delivery of mail between government offices in all 100 counties in North Carolina, as well as interoffice mail service for state government offices in Raleigh.

North Carolina Council for Women

Merrimon-Wynne House, 526 North Wilmington Street, Raleigh, North Carolina 27604-1199 ~ (919) 733-2455

The North Carolina Council for Women advises the governor, the General Assembly and the principal state departments on the special needs of women in North Carolina. The council works cooperatively with local women's organizations, develops innovative projects and policy initiatives, and conducts workshops and training sessions to address women's needs. It administers state and federal funds to local non-profit groups serving victims of sexual assault and domestic violence. The council also administers state funds which serve displaced homemakers. Staff in the Raleigh headquarters and six region directors provide technical assistance to individuals and public/private agencies.

North Carolina Human Relations Commission

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-7996

The North Carolina Human Relations Commission provides services and programs aimed at improving relationships among all citizens of the state, while seeking to ensure equal opportunities in the areas of employment, housing, public accommodations, recreation, education, justice and governmental services. The commission helps to establish and supports the work of local human relations commissions throughout the state. The commission provides police/community relations training, race relations training, and diversity training to governmental agencies, communities and schools. The commission also enforces the North Carolina Fair Housing Law and is substantially equivalent with the U.S. Department of Housing and Urban Development. The commission participates in writing and implementing the Impediments to Affirmatively Furthering Fair Housing for the North Carolina Consolidated Plan required by the federal government. Further, the commission serves as a resource to Community Development Block Grant recipients in helping them develop Fair Housing plans.

North Carolina Commission of Indian Affairs

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-5998

The North Carolina Commission of Indian Affairs was created by the North Carolina General Assembly in 1971 in response to the need of the state's Native American citizens to have a voice in their own affairs. Its purposes include bringing local, state and federal resources into focus for the implementation or continuation of meaningful programs for the state's Indian citizens; assuring the rights of Indians to pursue their cultural, social and religious traditions; and assisting in the development of social and economic opportunities for Indian people across the state.

Youth Advocacy and Involvement Office

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-9296

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

State of North Carolina
James B. Hunt Jr., Governor

North Carolina Department of Administration
Katie G. Dorsett, Secretary

Visit the Department of Administration's home page at:
http://www.doa.state.nc.us/doa/

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1998

ACCOMPLISHMENTS

DEPARTMENT OF ADMINISTRATION

STATE OF NORTH CAROLINA

OFFICE of the SECRETARY

KATIE G. DORSETT

Agency for Public Telecommunications
Leila Tvedt, Director

Human Resources Management Office
Linda Coleman, Director

Office of Fiscal Management
Kathy Crooke, Director

Office of Non-public Education
Rod Helder, Director

Public Information Office
Priscilla Smith, Director

Division of Veterans Affairs
Charles Smith, Director

Staff

Assistant Secretary and Legislative Liaison
Martha Glass

General Counsel
R. Glen Peterson

AGENCY for PUBLIC COMMUNICATIONS

Media Services Section Again Wins Major Awards

For the third year in a row, APT's Media Services staff won top honors for videotapes produced for our state agency clients. The regional chapter of an international association of non-broadcasters awarded our projects first place for a video for the State Board of Elections concerning the responsibilities of local election officials; second place for a training video regarding interviewing for DHHS social workers, and a special achievement award for work on a video for a community college about Tech Prep.

Teleconferences Helping Thousands

Working with the Department of Correction and the Department of Crime Control and Public Safety, and the Governor's Crime Commission, APT's State Services Network produced a two-day teleconference that reached 3000 probation and parole staff, victim assistance personnel, and prison staff at 17 locations for training on the state's new Statewide Automated Victim Assistance and Notification system.

Working with the Department of Public Instruction, APT's State Services Network continues to provide distance learning courses via satellite for thousands of teachers and administrators. In the past school year, teachers at 128 North Carolina high schools around the state earned several hundred hours of continuing education credits through their participation.

APT continues to work with state's Parole Commission to provide face-to-face meetings between Parole Commissioners in Raleigh and victims of crime via connections on the state's Information Highway. For the nine meetings in 1998, crime victims saved more than 32,000 miles and 550 work hours by *not* driving to Raleigh for parole hearings they were able to attend at locations closer to their homes.

***OPEN* Programs Provide Unique Connections**

The Open Public Events Network (OPEN) responded quickly to the threat of Hurricane Bonnie, producing several live call-in programs with federal and state emergency management personnel before, during, and after the storm. OPEN viewers had immediate access to information about disaster preparedness and relief activities during these programs. In addition, the teleconferencing section produced 10 conferences that connected state officials in Raleigh with their federal counterparts in Washington DC and Miami during daily hurricane briefings, allowing the state to take part in the dialogue, and assisting in providing the most timely information available.

In an effort to serve a growing cable viewing audience, APT's OPEN began this year to use private foundation funding to caption some of its live, call-in programs. In addition, OPEN offers captioning services to public agencies sponsoring call-in programs, with more than a dozen programs were captioned for viewers with hearing difficulties.

Beginning in 1998, for the first time OPEN included judicial candidates for statewide office on the Candidate Call-In series. All statewide candidates were offered the opportunity to participate in these prime time, call-in programs on cable. Viewers' response was positive.

HUMAN RESOURCES MANAGEMENT OFFICE

Compensation Package with Department Paycheck for Eleven Months

For 11 months, a special package of inserts came with employees' paychecks explaining the total compensation package which each employee is eligible to receive. Based on an employee making $19,000 a year with 10 years of service, the series included the following topics: Paid time off/Holiday/Vacation Pay/School Involvement Leave, Paid Time Off/Sick Leave, Health and Dental Insurance, Retirement/Death Benefit, Supplemental Retirement Income, Disability Income Plan, Worker's Compensation, Longevity Pay, NC Flex, and FMLA/Voluntary Shared Leave.

Spanish Classes Offered to Employees Working with Hispanic Community

In order for employees to better serve their customers and clients in the Hispanic community, two eight-week classes of basic Spanish was offered for 15 employees in each class. As a result of the improved communication ability, relationships were improved within our agency and the needs of our customers were better met.

State Employees Incentive Bonus Program (SEIBP)

As a result of new legislation, the new employee bonus system (SEIBP) was implemented to replace the old State Employees Suggestion System, which awarded a maximum of $5,000. The new awards are capped at $20,000 for individuals and $100,000 for group suggestions. Award amounts are now determined and paid from actual first-year savings. The program is constructed to reward not only the suggester(s), but also co-workers and the department with half the first-year savings returning to the general fund.

At this time, suggestions worth more than $1,700,000 are being evaluated. These include carry-overs from the former program. The program is designed to stimulate creative thinking and problem-solving processes, which in turn will result in a more cost-effective, efficient, and quality-directed state government.

This first winner in this new program was a 34-year employee of the Department of Revenue who received a check for $17,425. Her suggestion reduced data-processing time on 1997 personal income tax returns by using whole dollar entries, and saved the state 6000 employee hours, nearly $90,000 dollars, and the winnings amounted to over half of her annual salary.

OFFICE of FISCAL MANAGEMENT

Interactive Purchasing System

Fiscal Management implemented the Interactive Purchasing System initiated by Purchase and Contract in January 1998. This allows the department's purchasing office to post bids on the Internet. In this program, vendors are allowed equal access to bids advertised by the department and have the ability to view the award results on the bid via the Internet. This benefitted the purchasing office in cost savings by not having to incur bid printing and mailing costs associated

Fiscal Management, cont.

with each bid. Vendors now have immediate access to bids advertised by the Department, rather than having to wait for the bid to be received through the mail.

Consolidated Billing for Utilities

Fiscal Management negotiated with utility companies to provide consolidated billing and monthly payments of all charges for utilities that are billed to each of the facilities by each of the providers of such commodities. This billing process reduced the monthly invoices and payments to be processed each month. This billing process also afforded the ability to generate historical and current usage information and reports for all facilities and help identify any irregularities as revealed in these reports.

Procurement Card Program

Fiscal Management improved the efficiency of the procurement card program by implementing an on-line automated reconciliation process eliminating manual paperwork.

NC Public Employee Deferred Compensation Program

Fiscal Management negotiated a new third party administrator for the Deferred Compensation Plan, and monitored the transition from the old third party administrator to the new.

Budget Issues

Fiscal Management helped agencies redirect reduced budget resources to accomplish their missions.

DIVISION of NON-PUBLIC EDUCATION

The Division of Non-Public Education is staffed by the Director, his deputy, a secretary and a temporary clerical employee. The office, previously in the Office of the Governor, was relocated to the Department of Administration in July 1998.

Accomplishments from July - December 1998

* Registered an additional 5,298 new home schools

* Registered an additional 67 new conventional non-public schools

* Since August 1, 1998, mailed 11,368 student driving eligibility certificates to non-public school student driving eligibility certificate program

* Assisted the Secretary of Administration in developing rules for the non-public school Student driving eligibility certificate program

Non-Public Education, cont.

* In response to requests, distributed at least 10,639 non-public school information packets to people considering starting a home or conventional non-public school

* Conducted on-site record inspection visits to over 300 conventional non-public schools

* Reviewed student attendance and nationally standardized test result records for over 4,000 home schools through the Inspection By Mail Program

PUBLIC INFORMATION OFFICE

Marketing Efforts Bring Good Publicity to Department

The Public Information Office (PIO) worked with several divisions during 1998 on media events to publicize efforts the department was taking to make state government more efficient, cost effective, and customer friendly.

Motor Fleet Management

The PIO arranged a news conference for Motor Fleet Management to announce a pilot program to rebuild some of its state cars instead of purchasing new vehicles. The pilot program of 12 rebuilt cars and a subsequent 48 cars have saved the state millions of dollars. The cars provide an additional 100,000 miles or more and cost between $8,000 and $10,000 compared to approximately $21,000 for a new car. There was a great deal of media interest with coverage from four local television stations, several radio stations and statewide newspaper coverage.

Human Resources Management Office

The PIO assisted the Human Resources Management Office with the kickoff celebration of the State Employees Incentive Bonus Program (see Human Resources Management Office). Many state employees attended the celebration on the State Capitol grounds where Secretary Katie Dorsett presented the check to a 34-year veteran state employee. Also present were representatives from the State Employees Association of North Carolina and the General Assembly. The event received television, radio, and statewide newspaper coverage. The program is for employees in state agencies, community colleges, public schools, and the university system.

State Surplus Property Office

The PIO worked with the State Surplus Property Office to promote the Computers for Schools Program. Surplus computers from state agencies from state agencies, community colleges and the university system are refurbished by State Surplus and placed in public schools for a nominal service fee of only $20 per computer. The program has provided more than 2,000 computers to schools in 1998, and saved the state nearly $3 million. The program received coverage from two local television stations that ran feature stories with schools that received the

computers. Statewide coverage has allowed for more schools to learn about the program.

The State Surplus Property Office has also received coverage on the four awards it has received in 1998 for the program, including the Governor's Award for Excellence, the NC Recycling Association's Waste Reduction and Recycling Award, and the Department of Administration's Award for Excellence.

The Raleigh News and Observer did a feature story about the bargains at the surplus office which are available to the public, including office equipment, restaurant supplies, and automobiles.

Division of Facility Management

The Division of Facility Management received newspaper and television coverage on the Energy Star Building Partnership, a program partnering with the federal Environmental Protection Agency to identify energy waste and implement energy-efficient measures in state buildings.

DIVISION OF VETERANS AFFAIRS

Services Provided to Veterans, Their Dependents and Survivors

The district and county veterans service offices received 606,434 requests for services in 1998 from veterans, their dependents and survivors which resulted in new awards to clients in the amount of $7,200,000 from the US Department of Veterans Affairs. This same department paid $62.3 million monthly in direct payments to North Carolina's eligible beneficiaries in 1998. The new awards will improve the standard of living for the clients of the North Carolina office.

State Veterans Nursing Home Program

Construction on North Carolina's first State Veterans Nursing Home in Fayetteville was essentially completed in 1998, construction having started in late 1996. The home, adjacent to the VA Medical Center, has opened in January 1999. The 150-bed facility will serve the long-term health care needs in skilled and intermediate nursing care for veterans throughout the state.

The NC General Assembly appropriated $1 million for the establishment of a second State Veterans Nursing Home in Salisbury. An application was made to the federal Department of Veterans Affairs for federal matching funds of $1.8 million, and the proposal has been approved.

State Cemeteries Program

Three state veterans cemeteries located in Black Mountain, Jacksonville, and Spring Lake have provided interments for 519 veterans during 1998.

State Scholarships for Children of North Carolina War Veterans

The North Carolina Veterans Affairs Commission awarded 312 scholarships to children of deceased and disabled war veterans.

DEPUTY SECRETARY
for
GOVERNMENT OPERATIONS

CARLTON MYRICK

Motor Fleet Management & Courier Service
John Massey, Director

Division of Purchase & Contract
John Leaston, Director

State Construction
Speros Fleggas, Director

State Property
Joe Henderson, Director

State and Local Government Affairs
Sara Stuckey, Director

Office of Continuous Quality Improvement
George Millsaps

MOTOR FLEET MANAGEMENT
and
COURIER SERVICE

Motor Pool on Peace Street on Computer System

For the first time, a personal computer allows the Motor Pool to connect with Motor Fleet Management's mainframe computer system to enter repair work orders and other information. Access to word processing, spreadsheets, and e-mail allows more timely information flow between the two offices.

Rebuilt State Cars

Instead of purchasing all new vehicles, Motor Fleet Management has had approximately 60 Chevrolet Caprices refurbished and rebuilt, including new engines, new transmissions, rebuilt suspensions and brakes, and seat replacement, saving the state $8-10,000 per car. A similar new vehicle would cost approximately $21,000 or more. Motor Fleet has inspected all of these cars to insure the work was performed as expected. The drivers of rebuilt vehicles are being surveyed to determine their satisfaction with the vehicles they have driven. Potentially, another 240 or more Caprices will be rebuilt by a North Carolina company.

Purchase of Alternate Fuel Vehicles

Motor Fleet has purchased 390 vehicles that operate on alternative fuels in an effort to reduce pollution and lessen the state's dependence on foreign oil. Most of these vehicles are duel-fueled vehicles which can run on either ethanol or gasoline. Drivers are instructed to use ethanol whenever possible. Motor Fleet also has vehicles which operate on propane gas, compressed natural gas, and electricity.

Downsize Permanently Assigned Replacement Vehicles

When permanently assigned vehicles need to be replaced, Motor Fleet is reviewing the ability to downsize to a smaller vehicle if appropriate. To date, 94 assignments fall into this category, and a savings of $240,000 will be realized in lower purchase costs. Due to increased fuel economy, 81,278 gallons of fuel with an estimated cost of $48,767 can be saved over the life of the new vehicles.

Central Mail Service Implemented with Courier Service Involvement

After almost two years of planning, a Central Mail Service for the state government complex began on a small scale in late 1998. The plan includes centrally housing equipment and personnel for various mail rooms, and although the move to the old Textbook Warehouse on Blue Ridge Road will take place in early 1999, the mail service has started with 10 state agencies utilizing the current modified Courier Service facilities for processing outbound US mail. It is projected that full operation of the Central Mail Service will begin by July 1999, with the Courier Service incorporated into the operation.

DIVISION of PURCHASE and CONTRACT

Committee Formed to Develop Vendor Registration System

In September 1998, a committee was formed to develop an electronic vendor registration system that will enable any interested vendor to register for selected commodities via the Internet. Vendors will receive e-mail notification for those solicitations that are posted to commodity classes for which they will be registered. The Historically Underutilized Businesses (HUB) certification process will also be incorporated into one system, eliminating the dual system now in place. This system will also allow this office to find vendors registered for specific commodities by city, county, or HUB status. Vendors will also be able to change commodity selections at any time. The system is scheduled to begin the testing phase during the second quarter of 1999, and will save money in postage, mailing list maintenance costs, and duplicating expenses associated with current systems.

Committee Formed to Develop a Requisition Tracking System

In early 1998 a committee was formed to develop a requisition tracking system that will replace the IMS system that is non-Y2K compliant. The new system will track every phase of the purchasing process including requisition solicitation preparation, oversight review, bid tabulation, and award. Using this system, information can be transmitted to other agencies electronically, saving time. Other benefits include the ability to display accurately the time taken during each phase of the purchasing process, and the new process will save money by eliminating duplicate entry expenses. The requisition tracking system is scheduled for introduction during the third quarter of 1999. An extensive training program will be in place before implementation.

Computer Recycling Program

State Surplus Property implemented a Computer for Schools Program in 1997, and since its inception has placed almost 2,000 refurbished computers which had been designated state surplus property into the state public schools, with most of those distributed in 1998, saving the state an estimated $3 million. The cost to the schools is $20 per computer. In 1998, State Surplus has received four statewide awards for this program, including the Governor's Award for Excellence for Innovation, and for Waste Reduction, the NC Recycling Association's Waste Reduction and Recycling Award, and the Department of Administration's Award for Excellence. State Surplus is receiving cooperation from the Department of Community Colleges and the Department of Correction in refurbishing these surplus computers.

Textile Recycling

State Surplus Property has initiated a program to recycle worn-out prison uniforms and other textiles. Through a contract with a company which buys the old uniforms and turns them into cleaning rags, the state has received revenues of $15,000, versus paying $40 per ton for disposal. Also, elimination of landfill fees and a cleaner environment are results of this program. State Surplus is also reviewing other agencies where employees wear uniforms to join this program.

Division of Purchase & Contract, cont.

Historically Underutilized Businesses (HUB)

The HUB program conducted numerous activities and events designed to increase HUB vendor participation in the state's procurement process.

Outreach efforts included conducting five statewide training workshops to educate HUB vendors and contractors about the procurement process for state agencies, universities, institutions and public schools. Over 50 purchasers from across the state participated as panelists.

Technical assistance was provided to over 600 vendors in 1998. Request for certification applications increased and were sent to almost 500 vendors. Notices were sent to nearly 850 construction vendors highlighting upcoming project opportunities. Two issues of the HUB Quarterly Digest were sent to over 2,500 vendors to keep them abreast of ongoing changes in the HUB program.

STATE CONSTRUCTION OFFICE

Awards for Quality Initiative

The Design/Review Section received the Department of Administration Award for Excellence as a result of using Continuous Improvement methods to focus on review times in that office. The section successfully implemented internal changes in the review process which greatly improved turnaround time. The project was also a nominee for the Governor's Award for Excellence.

Public-Private Partnership with Carolina Power & Light (CP&L)

Through a public-private partnership with CP&L, a new utility-owned electrical distribution system was constructed at the Caswell Square complex to replace the existing state-owned system. Because the system required an extensive overhaul, State Construction provided a design which included work by both CP&L and another private contractor. The new system is expected to significantly reduce energy and maintenance costs and also reduce the state's liability associated with a high-voltage system. The work was performed with a minimum of disruption to the operations of the complex.

Implemented New DOA Certification Process

As a result of SB 1093, the State Construction Office (SCO) was charged with implementing this process. This bill requires that the SCO examine and approve all plans and specifications for the construction and renovation of all state buildings, including Community Colleges for which the public bidding is required as a prerequisite to funding the project. Meetings with all state agency CPCs and university CPCs to discuss the new process were conducted. New forms and check-lists for CPCs to complete prior to submittal of proposed projects were also produced by this office.

Successful State Construction Conference

The seventeenth State Construction Conference attracted more than 600 people, and overflow crowd. The conference, coordinated through SCO, brought together representatives from state agencies, architects, engineers, contractors and subcontractors to discuss mutual concerns related to the planning, design, and construction of state projects.

STATE PROPERTY OFFICE

Property Acquisitions and Dispositions

Two-story office building, 29,594 square feet, for the UNC Hospitals to establish primary care outpatient clinic in central Orange County

Leased 17 acres to Wake County for Wake County Schools for 40 years to construct a magnet middle school on Centennial Campus, facilitating a relationship with the county school system and NC State's College of Education and Psychology

Leased 3.07 acres to Carteret Community College, Morehead City, for 99 years for the construction of a 4-story building of approximately 51,000 square feet, to house NCSU's Center for Marine Sciences and Technology. The college will use space in the building to develop joint and complementary programs with NCSU.

Acquired an industrial building, 74,296 square feet, in Warren County for the relocation of the Department of Correction Janitorial Products Plant from Harnett County.

Acquired 64,439 acres for conservation, wildlife, environmental and recreational concerns. Significant acquisitions are

1) 6,459.56 acres (Morgan Watershed) in Burke County for inclusion in South Mountain State Park

2) 17,829 acres in Cleveland, Burke, McDowell and Rutherford counties for the Wildlife Resources Commission

3) 2,757.25 acres known as Roan Island, in Pender County, for the Wildlife Resources Commission

4) 8,041.95 acres for the Suggs Millpond complex, in Bladen and Cumberland counties, for the Wildlife Resources Commission

Negotiated and placed under contract the acquisition of 9,760.09 acres in Transylvania County for the creation of the Gorges State Park and expansion of the Toxaway Gamelands for the Division of Parks and Recreation and the Wildlife Resources Commission

Negotiated a five year lease for the operation of the State Fair Flea Market with an annual minimum revenue guarantee of $832,000 which will be used to enhance the operating budget of the State Fairgrounds

New lease space found for ten agencies relocated from the State Textbook Warehouse for the consolidation of the Central Mail Service, due to move into the building in April 1999.

A lease-purchase agreement was negotiated with the Board of Trustees of the Endowment

State Property, cont.

Fund of UNC-Chapel Hill for a 42,215 square foot building housing departments at UNC-CH. It is anticipated that this arrangement will yield long term rental savings for the university as well as lessen the number of short term leases in the area, both due to shortage of rental space. The rent payments will amortize the cost of building and the state will own the facility at the end of the 21-year term.

STATE - LOCAL RELATIONS OFFICE

Appalachian Regional Commission Grant Program Management

During 1998, State-Local Relations coordinated the development and approval of projects serving 29 western NC counties and 1.4 million of the state's residents. Projects are designed to enhance the economic development potential of this portion of the state, and priorities are those set out in the Governor's Agenda.

Appalachian Regional Commission (ARC) program management resulted in:

Nine water and sewer projects assisting seven counties. Total ARC funding of $1.72 million leveraged $5.8 million in additional funds, aided in creating 518 new jobs, retaining 1629 existing jobs, and securing $54.7 million in private investment.

Seven additional projects to provide training and technical assistance also were approved to serve 29 ARC counties. The $1.2 million ARC investment leveraged $1.2 million in additional funds. Examples of these projects are

1) helping the NC Partnership for Children initiate a multi-county dental health promotion program

2) assisting Handmade in America, a regional non-profit promoting heritage crafts-based tourism and marketing, in its continuing work with the Institute of Government to train a leadership corps of over 30 people in seven small communities aid local officials in community revitalization. This program has been cited as a national model by the Pew Charitable Trust.

3) three grants which aided in establishing NC Information Highway sites in the eligible communities. Two sites in Cherokee and Alleghany counties were cyber campuses for the NC School of Science and Math. The third site will be located at the Graham County campus of the Tri-County Community College. The new satellite campus has already increased in-county enrollment for the community college by 300%.

State Clearinghouse

The State Clearinghouse began implementation of the recommendations of the Environmental Policy Advisory Committee. The recommendations identified ways to streamline the process used to insure state agency compliance with the State Environmental Policy Act and make the process more user-friendly.

The Clearinghouse managed the intergovernmental review process, coordinating the review by state and local agencies of 459 environmental documents. The documents were

prepared in compliance with state and national environmental policy acts, and the reviews included projects such as South Brunswick Regional Wastewater System, Nucor Steel Recycling, and the Transco natural gas line at Jordan Lake.

In addition, the intergovernmental review process completed action on 313 notifications of intent to apply for federal funds (notices by state and local entities of their intention to apply for federal grants and loans). The documents supported requests for over $509 million.

OFFICE of CONTINUOUS QUALITY IMPROVEMENT

Overview

The Quality Coordinator is charged with providing technical assistance to leadership in the Department of Administration through leading, directing and developing Continuous Improvement. This is a structured effort designed to re-focus the Department's commitment to provide outstanding service to our customers through continually improving the way we do business. Under the Secretary's leadership, a raised awareness of "customer service" is taking place throughout the Department. This office has been in place slightly more than one year.

Major Accomplishments

* Surveyed over 17,800 external and internal customers and received responses from over 2,800 customers.

* Identified and prioritized areas of department concern and established three new quality improvement teams based on the prioritized issues.

* Established the Workplace Assessment Team which surveyed some 800-plus DOA employees to gauge employee perceptions of their workplace environment, with a response rate of 68 percent.

* Trained fifteen employees to be team facilitators.

* Trained 40 employees to be team members.

* Trained all division directors and their reports in the areas of customer focus, surveys, and focus groups.

* Incorporated Continuous Improvement criteria into employee workplans.

* Developed a Continuous Improvement Communications Plan, a Web page, placed monthly articles in the department newsletter.

DEPUTY SECRETARY
for
INTERNAL SERVICES and PROGRAMS

KENNETH WILKINS

Commission on Indian Affairs
Greg Richardson, Director

Council for Women
Juanita Bryant, Director

Governor's Advocacy Council for Persons with Disabilities
Allen Perry, Director

Human Relations Commission
Eddie Lawrence, Director

Office of The Americans with Disabilities Act
Robert Owens, Director

Youth Advocacy and Involvement Office
Vida Mays, Director

Division of Facility Management
Tony Jordan, Director

Management Information Systems
Smitty Locklear, Director

State Capitol Police
Chief Johnny Massey

COMMISSION of INDIAN AFFAIRS

Health Choice (formerly Children's Health Insurance Program) Steering Committee

In an effort to comply with one of Governor Hunt's priority to make sure that children go to school healthy and ready to learn, the Commission took the lead in North Carolina in advocating for the Children's Health Insurance Program on behalf of state-recognized American Indian tribes. The commission has provided information to Indian tribes and organizations regarding the benefits of the Health Choice program. In addition, Commission staff and tribal members have played an integral part of the Children's Health Insurance Steering Committee in providing information, as well as providing input in the crafting of mental health services and the comprehensive health care package for the state's approximately 71,000 uninsured children. One major outcome from serving as a member of the steering committee is that American Indian tribal offices will serve as centers for application taking and outreach.

Culturally Responsive Care Initiative

The Commission received $75,000 from the Division of Social Services in its efforts to implement culturally responsive care initiative created and established by the Department of Health and Human Services. The Commission is responsible for conducting focus groups among the state's ten American Indian tribes and organizations. In addition to the focus groups, the Commission will prepare reports, identify problems around policies and practices that omit the North Carolina American Indian community and provide consultation to multi-agency service providers focused on meeting the needs of American Indian children and families.

Z. Smith Reynolds Grant

The Commission was awarded a $30,000 grant from the Z. Smith Reynolds to develop a strategic plan for the year 2000. The plan requires the Commission to establish a partnership with key non-Indian stake holders in Indian communities, and to bring additional resources and expertise to the Commission through the enhancement of collaborative efforts between the commission staff, members, tribal leaders and other Indian community leaders in an attempt to serve the future needs of North Carolina's Indian communities.

American Indian Children Will Be Better Served

The Adoption and Safe Families Act was amended by the NC General Assembly to require local departments of Social Services to consider the Indian Child Welfare Act when placing American Indian children into foster care or adoptive services.

Educational Talent Search Receives Additional Funding

The US Department of Education awarded an additional annual funding of $215,500 for four years to increase the service population from 600 to 650 American Indian students in the Educational Talent Search Program. The program is targeted to Columbus, Cumberland, Guilford, Halifax, Harnett, Hoke, Sampson and Warren counties.

COUNCIL FOR WOMEN

Service Provider Funding

Through funding by the legislature in 1998 of an additional $1 million, **victims of domestic violence** have been served more effectively and new programs have been developed. The Council for Women administered funding to 78 domestic violence programs at more than $50,000 each. Included in this money were marriage license fees which are given to the domestic violence programs.

Victims of sexual assault were served through 57 sexual assault programs funded in the amount of $18,940 per program.

In addition, a **rape prevention project** funded at $15,000 per program was administered to 61 agencies. The purpose of these funds is to provide community education, awareness and prevention in civic groups, schools, churches, and throughout communities.

Also in 1998, 4,200 participants in **the displaced homemakers program** were served through an annual appropriation in the continuation budget of $375,000. The number of programs continues to be 24; however, the 1998 General Assembly enacted legislation which increased the divorce fee by $20. This additional revenue will go into a fund for distribution to existing programs as well as development of new programs.

These programs serve victims and clients statewide.

Displaced Homemakers Program

The short session of the 1999 legislature passed SB 475 which will add $20 to the existing divorce filing fee of $50. A special fund will be set up in the Department of Administration for the monies collected from the Clerks of Court in each county. It is anticipated that the fund will generate approximately $333,000 for fiscal year 1998-1999, and a net deposit of $666,000 for fiscal year 1999-2000. These funds will be distributed equally to the existing 24 displaced homemaker programs in the state. The program will also use these dollars to start one or two new displaced homemaker programs each year.

"Women with Purpose"

The Southeast Region hosted the first "Women with Purpose" event, recognizing women who made significant contributions to the lives of children. Thirteen women from Craven, Jones, Carteret an Pamlico counties were recognized for their unselfish contributions to the children of these areas. Approximately 150 attended, and children of various cultures entertained.

GOVERNOR'S ADVOCACY COUNCIL for PERSONS with DISABILITIES

Investigation of the Death of a Teen at Charter Hospital in Greensboro

GACPD staff investigated the March 1998 death of a teenage patient at Charter Hospital in Greensboro. As a result of the investigations conducted by GACPD and the Division of Facility Services, which licensed the hospital, a *Notice of Intent to Revoke License* was served on the hospital in May 1998. The hospital was allowed to retain its operating license after hospital officials agreed to make several changes in personnel and procedures. The Guilford County grand jury charged one of the mental health workers in this case with involuntary manslaughter.

In October 1998, with the parents' permission, the investigating advocate and attorney met with a
CBS representative and the advocate was subsequently interviewed by Ed Bradley of CBS's "60Minutes." This interview is expected to be a part of a documentary on children in private psychiatric hospitals which is planned for early 1999.

Investigation of Alleged Sexual Abuse at Two NC Schools for the Deaf

In May 1998, after a highly publicized incident of alleged sexual abuse at the Eastern NC School for the Deaf (ENCSD), GACPD began receiving phone calls from parents and/or guardians of clients who alleged sexual abuse. GACPD subsequently investigated one allegation of sexual abuse at ENCSD and five at the Central NC School for the Deaf (CNCSD). Staff were able to substantiate neglect by both of these schools in all but one of the allegations investigated. The one unsubstantiated allegation occurred at the CNCSD. Staff also reviewed policies and established procedures at The School for the Deaf in Morganton.

In May 1998, the Department of Health and Human Services established a Safety and Security Committee to examine the safety and security of students at all of the state's residential schools. In June 1998, GACPD and Youth Advocacy and Involvement Office in the Department of Administration submitted recommendations to the Safety and Security Committee regarding improvements needed in the schools for the deaf in areas of supervision of students, in the reporting of abuse and/or neglect, and in the use of interpreters in instances of abuse and/or neglect. GACPD participated with the committee in the rewriting of Directive 61, which addresses reporting abuse and/or neglect in DHHS schools, divisions, and institutions. Staff also participated in establishing human rights committees in two of the schools for the deaf.

Training on the American with Disabilities Act

As part of a grant from the Disability and Business Technical Assistance Center, the GACPD staff held four workshops in rural eastern North Carolina to train key people in the community so that they could inform the citizens in nearby communities about their rights and responsibilities regarding the Americans with Disabilities Act. Workshops were held in New Bern, Elizabeth City, Williamston and Whiteville. Approximately 150 participants from North Carolina's underserved rural counties were trained, and most were Native American or African-American.

HUMAN RELATIONS COMMISSION

Fair Housing Law Enforcement

The NC Human Relations Commission is charged with the administration and enforcement of the fair housing law, including the investigation, mediation, and litigation of fair housing cases and the provision of fair housing education and training for the state. In 1998, the Commission received approximately 800 housing inquiries. Forty-three cases alleging housing discrimination were dual-filed with the US Department of Housing and Urban Development, and the Commission closed 68 cases. The Commission also successfully conciliated 10 litigation cases in which a reasonable grounds determination had been made following investigations enabling these to be settled.

Fair Housing Outreach

In an effort to increase the attention to the affirmative program of fair housing, the Commission conducted approximately 80 outreach efforts. The Commission has, in an outreach and educational effort, created a web page on the Internet making available the State Fair Housing Act in English and Spanish and allowing access to the complaint forms for use by the public.

Hate Violence Reporting/Investigation

The Commission established and trained 35 Hate Violence Information Network affiliates across the state. These affiliates signed a memorandum of understanding committing to inform the Commission when a hate incident occurs in their community. Fifty-nine incidents were reviewed and/or investigated in 1998.

Police-Community Relations

The Commission trained 195 police officers in five training sessions. In another 15 diversity sessions conducted with fire departments, other agencies and organizations, 584 persons were trained.

"Bridging the Gap in Race Relations"

In cooperation with the Winston-Salem Urban League, a special session on "Bridging the Gap in Race Relations" was held, involving 174 people.

Martin Luther King Jr. Commission Mini-Grants

The Martin Luther King Jr. Commission awarded $54,709 in mini-grants to 28 non-profit organizations to celebrate the life an philosophy of Dr. King throughout the year.

OFFICE of the AMERICANS with DISABILITIES ACT

Consultation and Technical Assistance

This Office provided consultation and technical assistance more than 400 times during 1998, including telephone and in-person contact. Over 40 mailings resulted from the telephone consultations, including technical assistance manuals and letters of opinion on ADA issues. Hands-on technical assistance to the Department of Environment and Natural Resources resulted in completion of their Transition Plan. Technical Assistance is ongoing with the Department of Cultural Resources on their Transition Plan.

ADA Training Sessions

Seventeen training sessions were conducted during 1998. The focus of most sessions was employment (Title 1). Two of the sessions were conducted in rural counties to provide technical assistance with accessibility improvements in those communities.

ADA Eighth Anniversary Observance

Twelve observances took place across the state giving North Carolina the second highest number of events in the nation behind Texas. The Director and the Community Services Consultant were the keynote speakers at several of the events, were interviewed and quoted in community newspapers.

YOUTH ADVOCACY and INVOLVEMENT OFFICE

Juvenile Justice Reform Act

Two staff members served as staff to the Governor's Commission on Juvenile Crime and Justice. The commission made recommendations for improvements to the Juvenile Justice System, many of which were incorporated in the Juvenile Justice Reform Act which was ratified in the 1998 Short Session of the General Assembly. One prevention initiative that resulted from the new law is the creation of Juvenile Justice Prevention Councils in every county. In addition, there will be limited funding available for community-based intervention and prevention initiatives.

Smoke Detector Penalties

Child advocates and a staff member advocated successfully for the smoke detector penalty bill to be included in the 1998 state budget. This bill fines landlords who fail to provide tenants with working smoke detectors, and tenants who disable or damage smoke detectors. The legislation will help prevent the deaths of children by fire in North Carolina.

Allegations of Sexual Abuse at Schools for the Deaf

Staff at this office collaborated effectively with the Governor's Advocacy Office for Persons with Disabilities to make improvements in the guidelines issued by the Department of

Youth Advocacy and Involvement, cont.

Health and Human Services' Safety and Security Committee, formed in June 1998, to protect students at the three schools for the deaf from alleged sexual assault. This interagency effort was the culmination of several years of review of this problem, and came to the forefront after an alleged incident in May 1998. As a result of this collaboration, operating policies have been reviewed and changes have been made at the state's residential schools including those for the deaf.

"Combating Underage Drinking" Grant

The office has been the recipient of a grant from the Federal Office of Juvenile Justice and Delinquency via the Department of Health and Human Services, Division of Mental Health and Substance Abuse, in the amount of $40,000. This grant assists the Students Against Destructive Decisions (SADD) with scholarships for the SADD conference and grants to middle and high schools for new and existing SADD chapters.

DIVISION of FACILITY MANAGEMENT

Safety and Preventive Maintenance

* Sidewalk and driveway cuts have been improved.

* Successful and well-planned preventive maintenance programs are in place for buildings and machinery reducing long-term costs.

* Zonal maintenance is in place with permanent shops at the Garner Road and Blue Ridge Road complexes. Each employee reports directly to these shop areas thereby reducing travel time and resulting in a stronger continuity of maintenance on systems.

Energy Savings

* All insulation in floors and attics of the historic houses in the Blount Street Historic District has been completed, thus noticeably reducing energy use.

* New HVAC systems (90% efficient) have been installed in ten historic houses considerably reducing electrical usage

MANAGEMENT INFORMATION SYSTEMS

Token Ring to Ethernet Conversion

Management Information Systems (MIS) converted the Administration Building from token ring to switched ethernet in the spring of 1998. The Department of Administration (DOA) has experienced multiple problems with the token ring local area network (LAN) within the Administration building for several years. As more computer devices were added to the network, technical problems increased and reliability decreased. The LAN was one large segment that was over its rated capacity. Further, there was a need to break the LAN into smaller segments to eliminate most of the local network traffic from other floors. The switch form token ring to Baystack Ethernet 350T Switch has segmented each floor eliminating network traffic on floors where it is not needed. The Ethernet topology uses less overhead, thus eliminating additional congestion. MIS also completed a similar conversion for the Division of Facility Management.

Y2K Projects

MIS has corrected several DOA LAN-based account receivable systems and inventory tracking systems that were not Y2K compliant.

Interactive Purchasing System

MIS has re-designed the functionality of the Interactive Purchasing System (IPS) for the Division of Purchase and Contract. MIS staff has been assigned with additional contract staff to start application development of the new design. This design will allow agencies to electronically track the status of bids with more detail information. Vendor registration is also a part of the re-design allowing the IPS system to automatically notify qualified vendors via e-mail when new bids are electronically posted. Vendors may then choose to download the bid document from the IPS Web server, print the bid, fill it out and mail it back to Purchase and Contract. This eliminates mass hard copy mailings to vendors who may not be interested in bidding.

State Surplus Bids

MIS has added additional functionality to the State Surplus Bid System that automatically updates their Web page with surplus information that the public can bid on. Citizens can then decide which items they wish to bid on by downloading the system-generated document, printing it out, and mailing it back to State Surplus. After bid openings, the bids are then tabulated and displayed on the individual's Web site for the public to view.

STATE CAPITOL POLICE

Implemented Crime Prevention Program

In July 1998, a Crime Prevention Officer was hired to implement the crime prevention program for the Department of Administration. Crime awareness and prevention presentations have been made throughout the State government complex. Security assessments for many

agencies, including buildings, grounds, and parking lots have been conducted. The Crime Prevention Officer makes personal contact with all agencies in which State Capitol Police have found unlocked or open. Walk through metal detectors have been purchased, with one placed at the Governor's Office in the State Capitol for all visitors to pass through when visiting the Governor's Office area. Another detector is available for use by any agency in State government for meetings, hearings, or when additional security needs are warranted.

Arrests for Bomb Threats

During 1998, State Capitol Police responded to and investigated ten bomb threats. Arrests were made for seven of these threats, and additional charges were made in conjunction with the arrests for bomb threats at the Department of Revenue.

Body Armor Purchased for All Law Enforcement Officers

Responding to growing concerns of safety for law enforcement officers throughout the nation, State Capitol Police received funding from the Department of Administration to purchase body armor for all law enforcement officers. All officers have been provided with safety vests and wear them as part of their official standard uniform.

TABLE of CONTENTS

Office of the Secretary 1

Agency for Public Telecommunications 5

Human Resources Management 10

Office of Fiscal Management 11

Office of Non-public Education 13

Public Information Office 16

Division of Veterans Affairs 17

Deputy Secretary for Government Operations

Motor Fleet Management and Courier Service 21 & 27

Division of Purchase and Contract 29

State Construction Office 42

State Property Office 44

State and Local Government Relations 47

Office of Continuous Quality Improvement 49

Deputy Secretary for Internal Services and Programs

Commission of Indian Affairs 50

Council for Women 65

Governor's Advocacy Council for Persons with Disabilities 68

Human Relations Commission 71

Office of the Americans with Disabilities Act (Remarks by Deputy)

Youth Advocacy and Involvement Office 76

Division of Facility Management 80

Management Information Systems 86

State Capitol Police 88

Affiliated Agencies

Board of Ethics	90
Board of Science and Technology	94
Low Level Radioactive Waste Management Authority	98
State Health Plan Purchasing Alliance Board	100

DEPARTMENT OF ADMINISTRATION
ALL DIVISIONS WITHIN DOA
REVISED 3/99

SECRETARY
KATIE G. DORSETT

DEPT. HEAD: KATIE DORSETT

FOR BUDGETARY & PERSONNEL PURPOSES

- ASSISTANT SECRETARY — MARTHA GLASS
  - NON-PUBLIC EDUCATION — RON HELDER
  - MAIL ROOM — TERRI MURRAY
- ASSISTANT SECRETARY VETERANS AFFAIRS — CHARLES SMITH
  - AGENCY GEN. COUNSEL — R. GLEN PETERSON
  - PUBLIC INFORMATION — PRISCILLA SMITH
  - FISCAL MANAGEMENT — KATHY CROOKE
  - HUMAN RESOURCES MANAGEMENT — LINDA COLEMAN
  - AGENCY FOR PUBLIC TELECOMMUNICATIONS — LEILA TVEDT
- DEPUTY SECRETARY FOR GOVERNMENTAL OPERATIONS — CARLTON MYRICK
  - STATE CONSTRUCTION — SPEROS FLEGGAS
  - PURCHASE AND CONTRACT — JOHN LEASTON
  - STATE PROPERTY — JOE HENDERSON
  - MOTOR FLEET MANAGEMENT — JOHN T. MASSEY
  - STATE AND LOCAL GOVERNMENT AFFAIRS — SARA STUCKEY
  - QUALITY/CONTINUOUS IMPROVEMENT — GEORGE MILLSAPS
- DEPUTY SECRETARY FOR INTERNAL SERVICES AND PROGRAMS — KENNETH WILKINS
  - YOUTH ADVOCACY AND INVOLVEMENT OFFICE — VIDA MAYS
  - GOV'S ADVOCACY COUNCIL PERSONS WITH DISABILITIES — ALLEN PERRY
  - HUMAN RELATIONS — EDDIE LAWRENCE
  - ADA COORDINATOR — ROBERT OWENS
  - FACILITY MANAGEMENT — S. TONY JORDAN
  - STATE CAPITOL POLICE — JOHNNY B. MASSEY
  - MANAGEMENT INFORMATION SYSTEMS — SMITTY LOCKLEAR
  - PARKING — GREG CAIN
- OFFICE OF STATE PERSONNEL — RONALD PENNY
- LOW-LEVEL RADIOACTIVE WASTE MGMT AUTHORITY — WALT STURGEON
- LIEUTENANT GOVERNOR — DENNIS A. WICKER
- NC BOARD OF ETHICS — VACANT
- BOARD OF SCIENCE AND TECHNOLOGY — JANE PATTERSON
- HEALTH PLAN PUR ALLIANCE BOARD — ROBERT JOYCE

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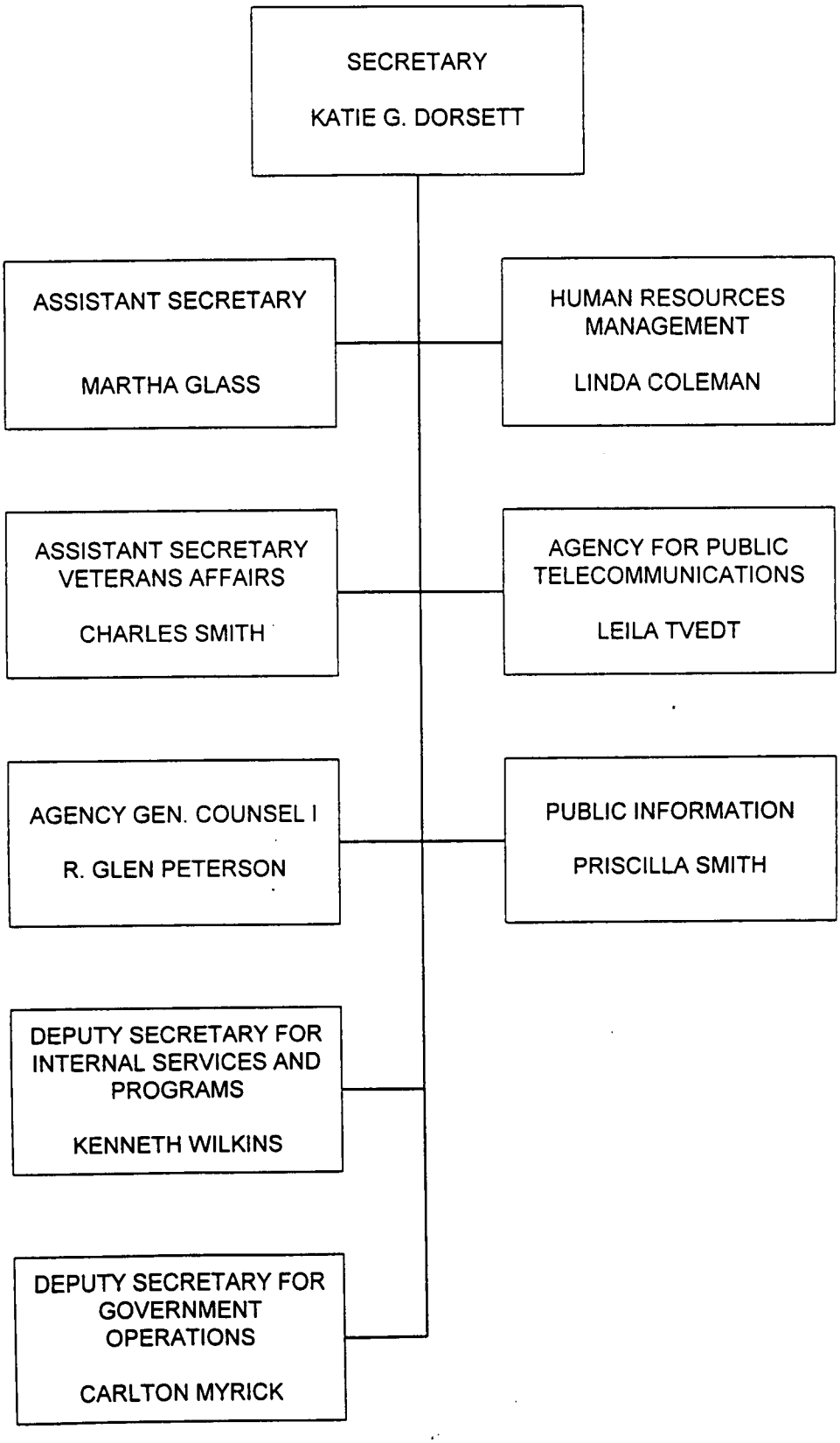
DEPARTMENT OF ADMINISTRATION
REVISED 3/99

DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



DOA MAILROOM

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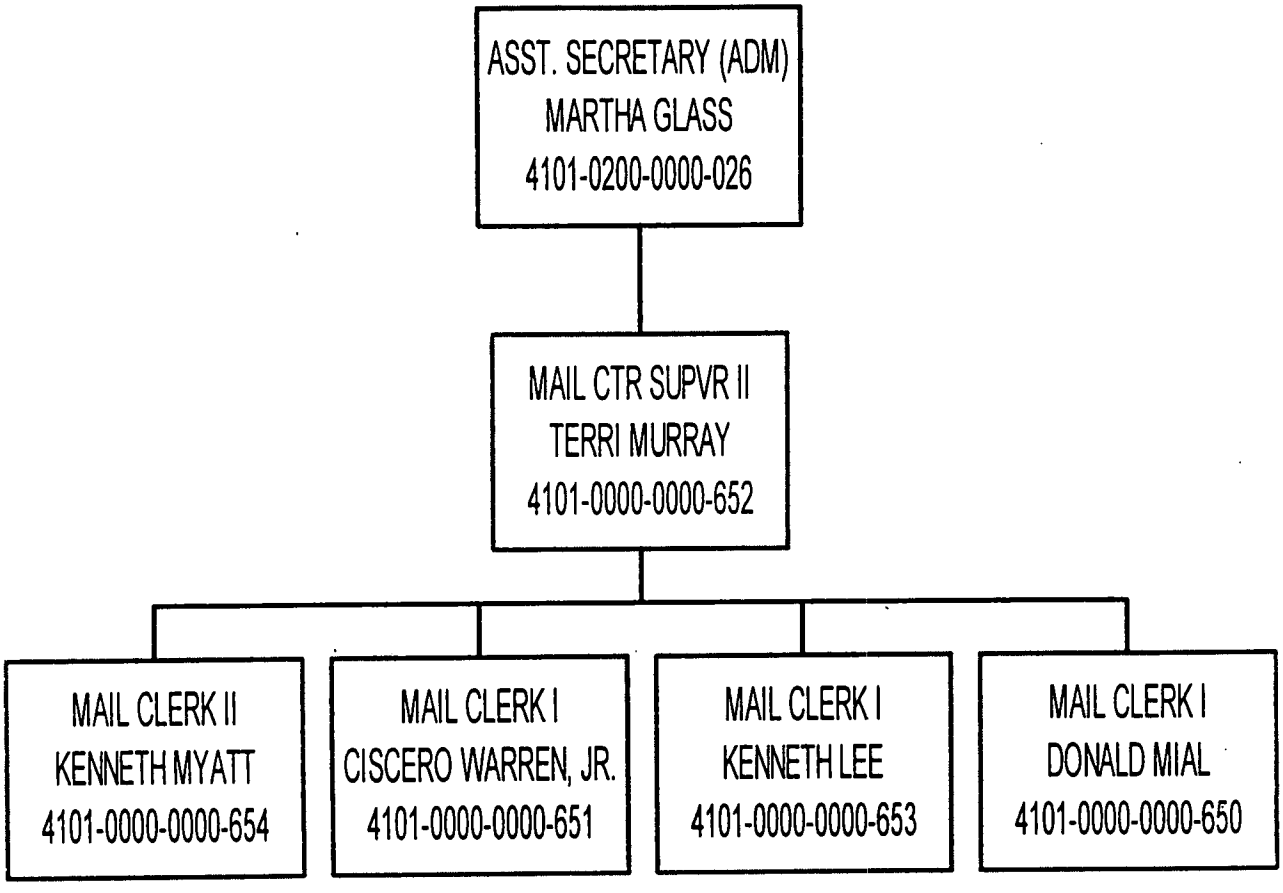
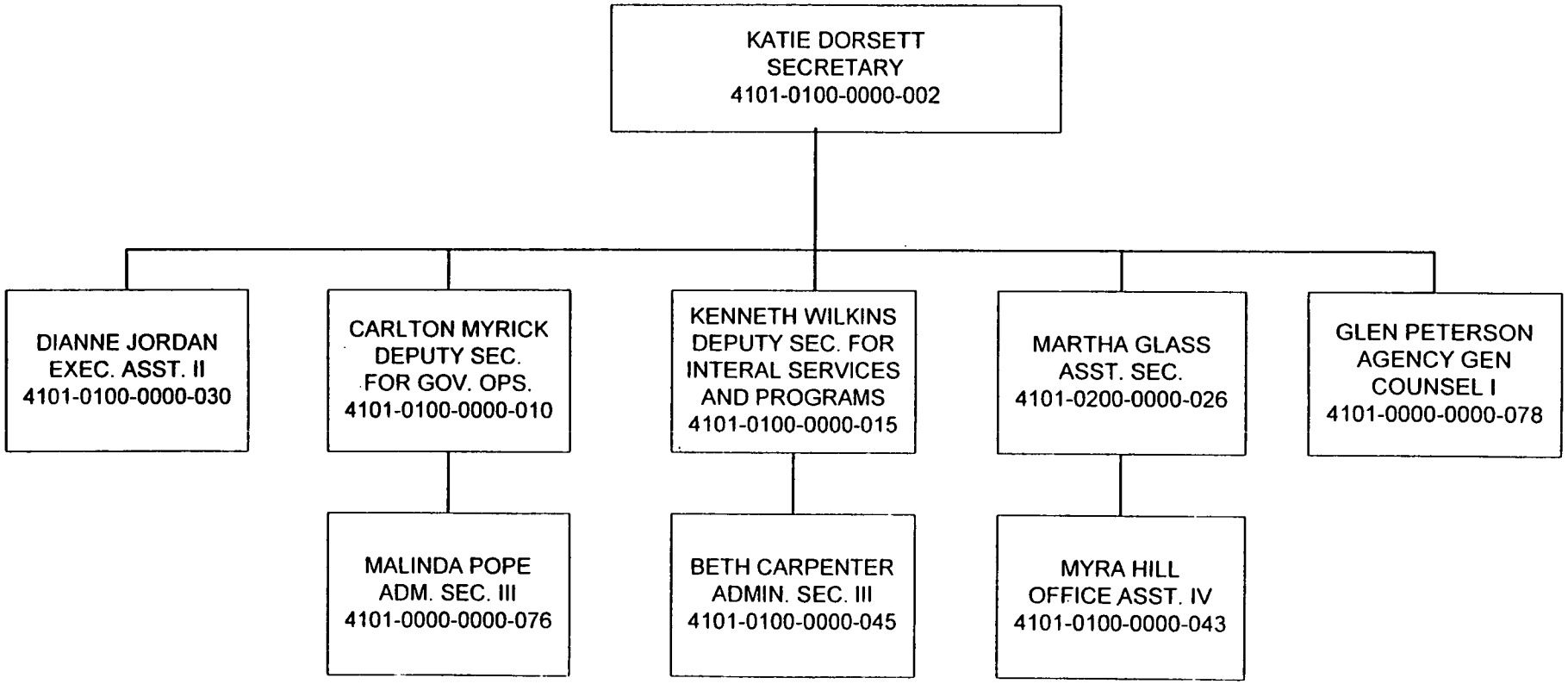
DEPT. HEAD SIGN. _____
PERS. OFFICE SIGN. _____



DEPT. OF ADMINISTRATION
SECRETARY'S STAFF
REVISED 3/99

DEPT. HEAD: KATIE DORSETT



North Carolina
Department of Administration

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

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

OVERVIEW
AGENCY FOR PUBLIC TELECOMMUNICATIONS

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

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

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

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

BACKGROUND: APT is supported by a combination of legislative appropriations with corporate, foundation, and federal grants, and by receipts for teleconferencing and production services. Policy direction is provided by an appointed Board of Telecommunications Commissioners that meets quarterly . For further information, please contact: the Agency for Public Telecommunications by phone or e-mail at OPEN@mail.doa.state.nc.us

116 West Jones Street • Raleigh 27603-8003 • Telephone 919-733-6341 • Facsimile 919-715-3569
State Courier 51-01-00

Agency for Public Telecommunications (APT) -- 1998

Open Public Events Network (OPEN) -- In order to promote public participation in government, APT produces live, call-in programs on the Open Public Events Network and distributes them via satellite to North Carolina cable systems. Since 1984, when OPEN call-in programs began, more than 30,000 people have called from about 400 locations to talk with panelists in our Raleigh studio. Legislators and other public officials continue to affirm their commitment to a public dialogue with viewers by participating as panelists every Tuesday and Thursday evening. 58 cable systems carry OPEN programs as a public service to their viewers, providing an in-kind contribution of channel capacity and equipment use estimated at $1 million annually.

FY97-98 Highlights -- OPEN (1) began using a small private foundation grant to caption some call-in programs; (2) responded to the threat of Hurricane Bonnie with live, call-in programs before, during and after the storm stuck, giving people direct access to emergency management personnel and information about federal and state disaster preparation, relief and recovery activities; (3) continued the Candidate Call-In series offering time to all candidates for statewide office, including, for the first time, judicial candidates.

Media Services -- In order to promote increased productivity in government, APT's Media Services offers a full range of broadcast-quality media production services and a centralized production studio and facilities for public agencies' audio and video projects. Dozens of state agencies use these services to produce long- and short-form videos for training and staff development and for public outreach and information.

FY97-98 Highlights - For the third year in a row, Media Services staff won top honors for videotapes they produced for clients. The regional chapter of the international association of producers (ITVA) awarded our projects first place for the State Board of Elections' video about the responsibilities of local election officials; second place for a DHHS training video about interviewing techniques for social workers; and a special achievement award for work on a community college video about Tech Prep. In past years, APT's projects have gone on to win top honors in the national ITVA competition

State Services Network (SSN) - In order to promote increased efficiency in government, APT's SSN offers live, interactive teleconferencing services by phone, fiber, or satellite. Teleconferencing and distance education enable client agencies to avoid unnecessary travel and to save travel time and dollars by meeting simultaneously with dozens or hundreds of participants closer to their assigned duty stations. Clients in this fiscal year have included nearly 75 divisions in 20 agencies of state government.

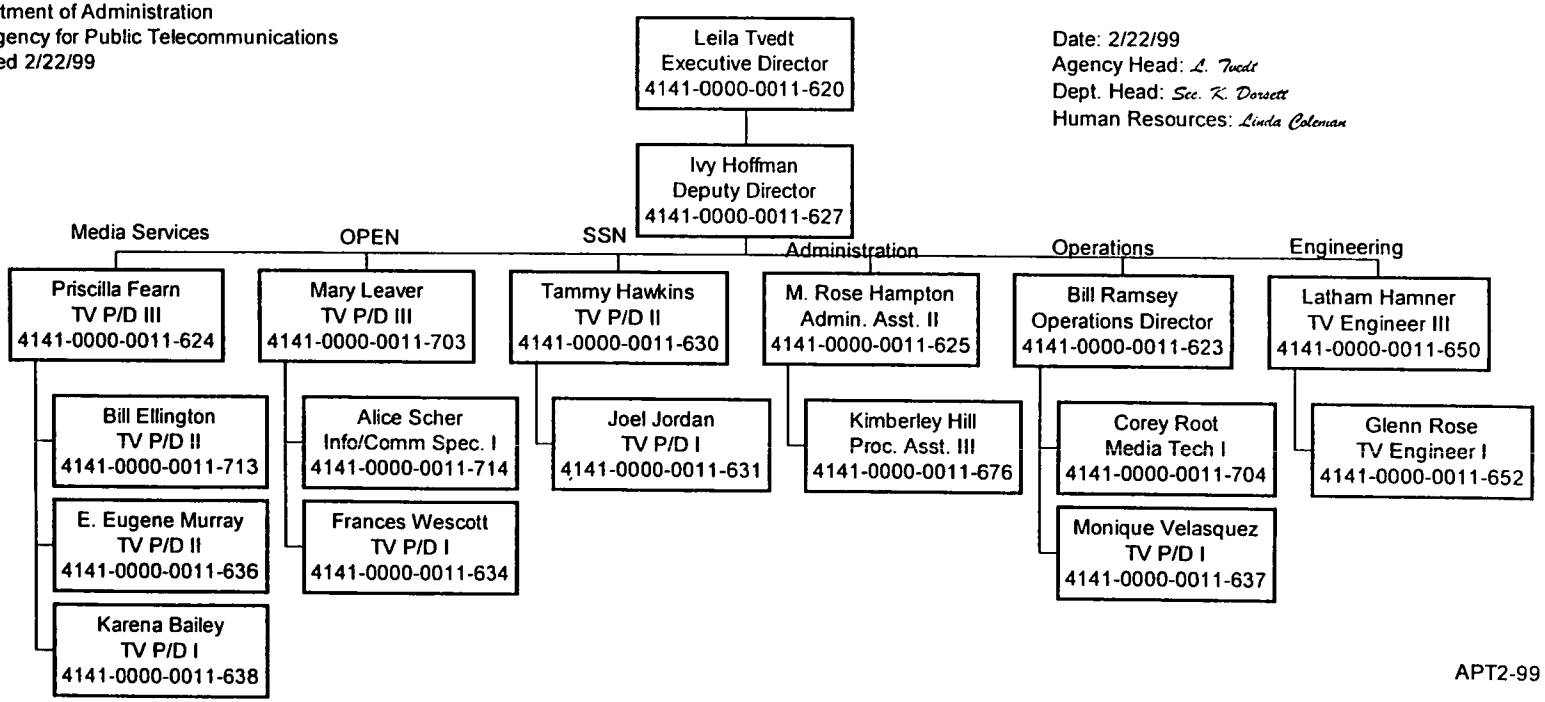
FY97-98 Highlights - SSN worked (1) with the Department of Correction and the Department of Crime Control and Public Safety to produce a two-day conference that reached 3000 probation and prison staff and victim assistance personnel at 17 locations for training on the new Statewide Automated Victim Assistance and Notification system; (2) with NC State University to connect Vet School students in our Raleigh studio with an astronaut in space on the Shuttle Columbia for a 10-minute conversation; (3) with the Department of Public Instruction to continue their training for thousands of teachers and administrators; (4) with the Parole Commission to offer hearings to crime victims at locations around the state. Crime victims say they saved 32,000 miles and 550 work hours by not driving to Raleigh for Parole Commission hearings and more crime victims participated in hearings for the first time closer to home.

Quality Improvements on Schedule

With legislative funding, APT completed the second phase of a long-range plan to improve the quality of our productions by replacing old, obsolete equipment which was no longer functioning adequately. With the new digital "chip" cameras from last year and this year's purchase of digital video recorders and heavy duty tripods, APT is now producing significantly improved video images for its live, call-in programs, teleconferences and media services projects. It is important to note that clients responding to our customer satisfaction survey site top quality production services as one of their top expectations in working with our sections. Replacing aging equipment with more functional, versatile gear helps us to meet or exceed that expectation.

Department of Administration
NC Agency for Public Telecommunications
Revised 2/22/99

Date: 2/22/99
Agency Head: *L. Tvedt*
Dept. Head: *Sec. K. Dorsett*
Human Resources: *Linda Coleman*



APT2-99

Open Public Events Network Cable Systems Participants

Asheboro
(Climax, Franklinville, [illegible]nt Garden, [illegible]nan, [illegible]ur, Seagrove, Sophia)
Time Warner
Cable.....8

Asheville
City of Asheville/
Intermedia.....20

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

Boone
(Blowing Rock)
ASU/Helicon
Cable.....20

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

Burlington
(Elon College, Gi[illegible]ville, Graham, H[illegible]er, Village of A[illegible]ce)
Time Warner
Cable.....5

Cary
(Apex, Fuquay-Varina, Holly Springs, Morrisville)
Time Warner
Cable.....60

Chapel Hill
(Efland, Mebane, Orange Co., Pittsboro)
Time Warner
Cable.....23
The People's Channel
Thurs. only).....8

Clinton
(Sampson County)
Sampson CC/
Multimedia
Cable.....13

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

Durham
Time Warner
Cable.....23

Elizabeth City
Pasquotank Co. Schools/Adelphia Cable
(Thurs. only).....8

Fayetteville
(Autryville, Dunn, Erwin, Falcon, Ft. Bragg, Godwin, Hope Mills, Parkton, Pope AFB, Spring Lake, Stedman, Wade)
Time Warner
Cable.....7

Garner
(Clayton)
Time Warner
Cable.....60

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

Gastonia
(Belmont, Bessemer City, Mt. Holly)
Time Warner Cable
(Thurs. only).....9

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

Greensboro
Guilford Educational Television/Time Warner Cable..... 2

Greenville
Cable 7/Multimedia
Cable.....7

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

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

High Point
(Jamestown)
Time Warner
Cable.....2

Holly Springs
Deacon Cable.....2

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

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

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

Kinston
(LaGrange, Walnut Creek, Lenoir Co., Wayne Co.)
TACC9 and Multimedia
Cable.....9

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

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

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

Morehead City
(Atlantic Beach, Beaufort, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Havelock, Newport, Pine Knoll Shores, Swansboro, Carteret & Craven Counties)
Time Warner
Cable.....13

Morganton
WMNC/CoMPAS....2

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

Raleigh
City of Raleigh.... 22
Time Warner
Cable.....24

Rockingham
(Dobbins Heights, Ellerbe, Hamlet, Hoffman, Richmond County)
Time Warner
Cable.....16

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

Selma
(Four Oaks, Johnston County, Pine Level, Smithfield)
Time Warner
Cable.....60

Shelby
(Bellwood, Boiling Springs, Casar, Kingstown, Earl, Fallston, Grover, Lattimore, Lawndale, Mooresboro, Patterson, Polkville, Waco)
Cleveland CC/
Time Warner
Cable.....58

Tarboro
Multimedia
Cable.....13

Wake Forest
Time Warner
Cable.....24

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

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

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

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

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

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

[illegible]PEN programs are available to more than 3.2 million cable viewers in North Carolina.

Home satellite dish owners will find OPEN programs on Galaxy 6, transponder 9H

1/99

NC Agency for Public Telecommunications * 116 West Jones Street * Suite G-102
Raleigh, NC 27603-8003 * (919) 733-6341 * FAX (919) 715-3569 * OPEN@mail.doa.state.nc.us

Ms. Vanessa Goodman Barnes
PRAC Chair
1310 Marlow Street
Wilson, NC

Mr. Lawrence Behr
PO Box 8026
Greenville, NC

Mr. Eugene Bohi
1507 Overbrook Court
High Point, NC

Ms. Molly Broad
President, UNC System
Chapel Hill, North Carolina

Secretary Rick Carlisle
Department of Commerce
Raleigh, NC

Mr. Anthony Copeland
BTI Telecommunications
Raleigh, NC

Mr. James Cross, Jr.
Royster, Cross, Currin & Winfrey, LLP
Oxford, NC

Dr. Archie Darryl Davis
School of Industry and Technology
East Carolina University
Greenville, North Carolina

Secretary Katie Dorsett
Department of Administration
Raleigh, NC

Mr. Randall O. Fraser
Time Warner Cable
Raleigh, NC

Mr. Robert Gruber
NC Utilities Commission/Public Staff
Raleigh, NC

Mr. Wade Hargrove
APT Board Chairman
Brooks, Pierce, McLendon,
Humphrey & Leonard
First Union Capitol Center
Raleigh, NC

Ms. Linda S. Haynes
UNC-TV Board Chair
Tryon, NC

Mr. Phil Kirk
State Board of Education Chair
Raleigh, NC

Mr. Martin Lancaster
President, Community College System
Raleigh, NC

Mr. Wayne Lofton
Loftco Nationwide Services
Wilmington, NC

Secretary Betty Ray McCain
Department of Cultural Resources
Raleigh, NC

Mr. D.K. McLaughlin
Summit Cable Services
Winston-Salem, NC

Mr. Boyce Morrow
Vice President
Government Relations
Public Service Company
Gastonia, NC

Ms. Marilyn Nason
Publisher
Western North Carolina Business Journal
Asheville, NC

Ms. Jo Anne Sanford
Chair, NC Utilities Commission
Raleigh, NC

Mr. Brad Thompson
City of Raleigh
Raleigh, North Carolina

Ms. Jan Thompson
Mecklenburg Co. Sheriff's Office
Charlotte, NC

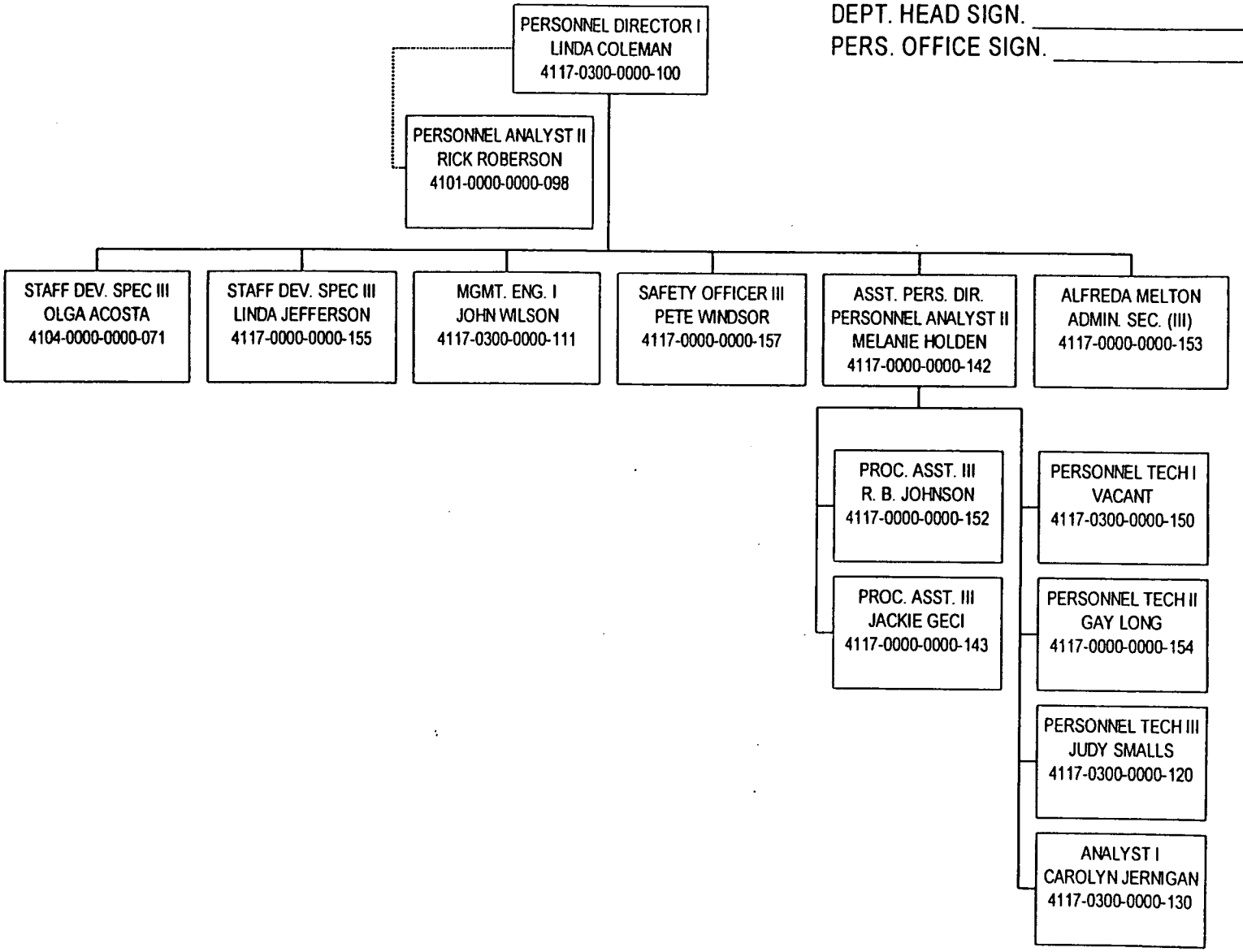
Dr. Mike Ward
Superintendent of Public Instruction
Raleigh, NC

Dr. Phail Wynn
President
Durham Technical Community College
Durham, NC

For further information, please call
Leila Tvedt
APT Executive Director
Raleigh, NC

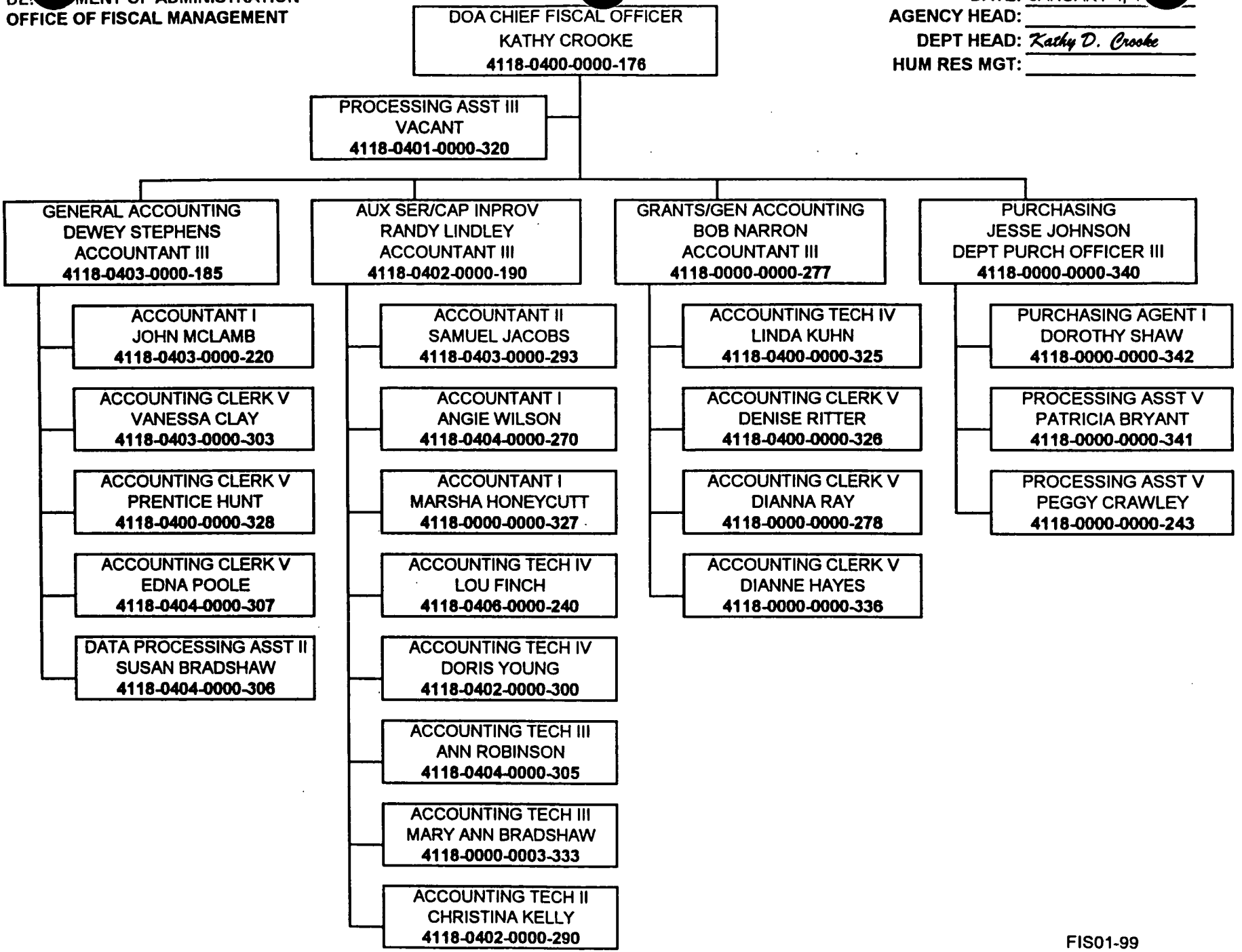
DE[redacted]IENT OF ADMINISTRATION
HUM[redacted]RESOURCES DIVISION
REVISED 2/16/99

AGENCY HEAD SIGN. _____
DEPT. HEAD SIGN. _____
PERS. OFFICE SIGN. _____



DE[redacted]MENT OF ADMINISTRATION
OFFICE OF FISCAL MANAGEMENT

DATE: JANUARY 4, 1[redacted]
AGENCY HEAD:
DEPT HEAD: *Kathy D. Crooke*
HUM RES MGT:



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FIS01-99

DEPARTMENT OF ADMINISTRATION

Summary of Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$117,538,152	$124,552,501	$125,188,631	$125,320,019
Total Estimated Receipts	66,719,053	$63,423,655	$63,429,504	$63,429,504
Beginning Cash Balance	8,630,951	$11,724,530	$10,741,199	$10,741,199
Ending Cash Balance	11,724,530	$10,741,199	$10,741,199	$10,741,199
Increase/Decrease Cash Balance	3,093,570	($983,331)	$0	$0
Net Appropriations	53,912,678	$60,145,515	$61,759,127	$61,890,515
Number of Positions	953.95	973.31	984.31	984.31

Notes:

34% of the budgeted appropriations is for Fund 1421 Facility Management

15% of the budgeted appropriations are "pass through" monies for grants, scholarships, aid to local governments, etc.

23% of the budgeted positions are supported from receipts

13% of the budgeted appropriations and 15% of the total positions funded by appropriations are in support of the Office of State Personnel

OPERATION AND FUNCTION OF THE

NC DIVISION OF NON-PUBLIC EDUCATION

HISTORY

The NC Division of Non-Public Education (hereafter referred to as DNPE) was originally established in 1961 as a regulatory agency within the NC Department of Public Instruction. In 1979, the General Assembly enacted legislation requiring the Governor to designate a "duly authorized representative of the State of North Carolina" to receive notices of intent to operate and/or to terminate private elementary/secondary schools in North Carolina and to inspect certain records of those schools. Governor James B. Hunt, Jr. subsequently assigned this responsibility to the Director of DNPE and its staff. DNPE operated as a monitoring agency under the direct jurisdiction of the Office of the Governor from October, 1979 until July, 1998 when Governor Hunt then transferred the division to the NC Department of Administration.

FUNCTION

DNPE is the only legislatively authorized NC state government office giving oversight to private elementary/secondary schools in North Carolina. It derives its authority from Chapter 115C, Subchapter X, Article 39 of the North Carolina General Statutes. See N.C.G.S. 115C - 553, 561 and 563(b). This article sets forth a list of requirements to be met by such schools. DNPE has the legal responsibility to verify that all private elementary/secondary schools (both conventional and home) are meeting those requirements by periodically inspecting certain school records.

DNPE maintains limited current statistical data on each private elementary/secondary school including the school's name, address, telephone number, chief administrator and type of school. Information relating to the range of grades taught, number of students enrolled, number of professional staff and student body composition is also maintained for conventional schools. Conventional school information is published each September in the *NC Directory of Non-Public Schools.* The *NC Home School Statistical Summary* containing home school data is also published each September.

DNPE serves as the state government liaison office between state government, the private elementary/secondary school community and the general public.

STAFF & WORKLOAD

DNPE currently operates with a staff of only three persons plus an office temporary. During FY97-98, there were 592 conventional and 10,925 home schools

registered with the division and being monitored for legal compliance. Two staff members traveled a total of 16,020 miles and spent 41 overnights in inspecting the records of 337 conventional schools. Due to inadequate funding, no home school visits were conducted. However, 4,288 home schools voluntarily participated in the Home School Inspection By Mail Program -- whereby home school administrators mail DNPE at the end of the school year a photocopy (keeping originals) of student attendance and nationally standardized achievement test results. The division staff handled an average of at least 2,494 incoming business telephone calls and at least 2,159 pieces of incoming business mail per month.

ADDITIONAL RESPONSIBILITIES IN FY98-99

In August, 1998, DNPE assumed administrative oversight of the newly-created non-public school student driving eligibility certificate (DEC) program. New duties involve dissemination of information and answering numerous questions about the program; receiving requests for certificates from and distributing them to non-public school administrators; and, handling recommendations from non-public school administrators for revocation of non-public school student learner's permits/driver's licenses. As of January 31, 1999, DNPE had already mailed out 12,022 certificates. It is anticipated that these new duties will now result in: (1) Dramatically increasing the division's FY98-99 expenditures for postage, printing and supplies; and, (2) Generating a larger than usual annual increase in the number of new home schools.

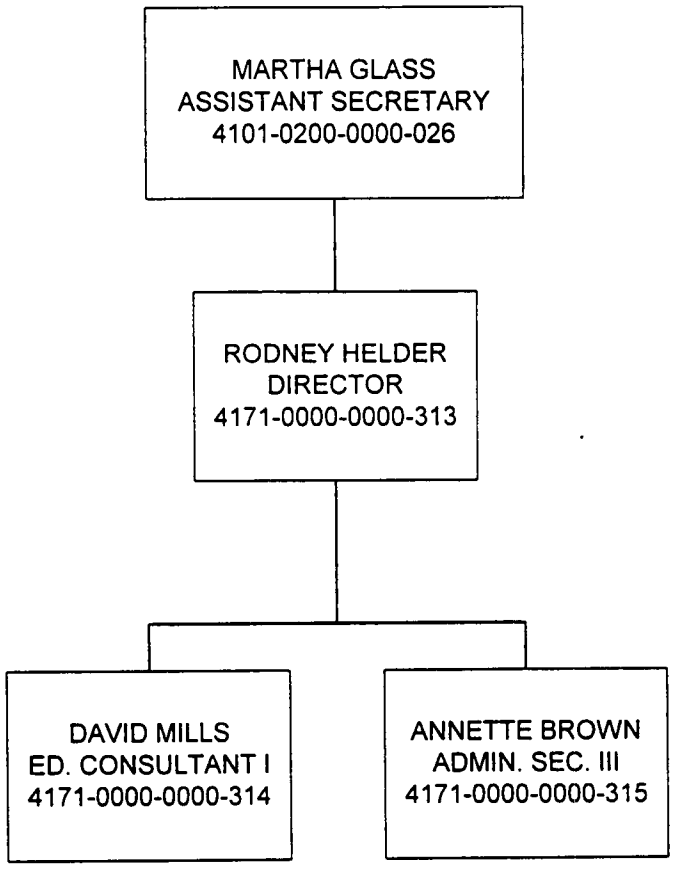
BUDGET

The DNPE FY97-98 fiscal expenditures totaled $175,362.61.

The division's growing workload requires urgent budgetary consideration for FY99-00 and beyond. In the past five years, the number of home schools has more than doubled -- from 5,415 in FY 93-94 to 10,925 in FY97-98. During that time period, the annual total of incoming pieces of business mail has risen from 10,595 to 25,919; the annual total number of incoming telephone calls has mushroomed from 9,027 to 29,930 while annual total postage costs have increased from $6,958 to $16,988. With the additional responsibilities starting in FY98-99 for the driving eligibility certificate program as described in the previous section, it is anticipated that these numbers and expenditures will escalate even more rapidly.

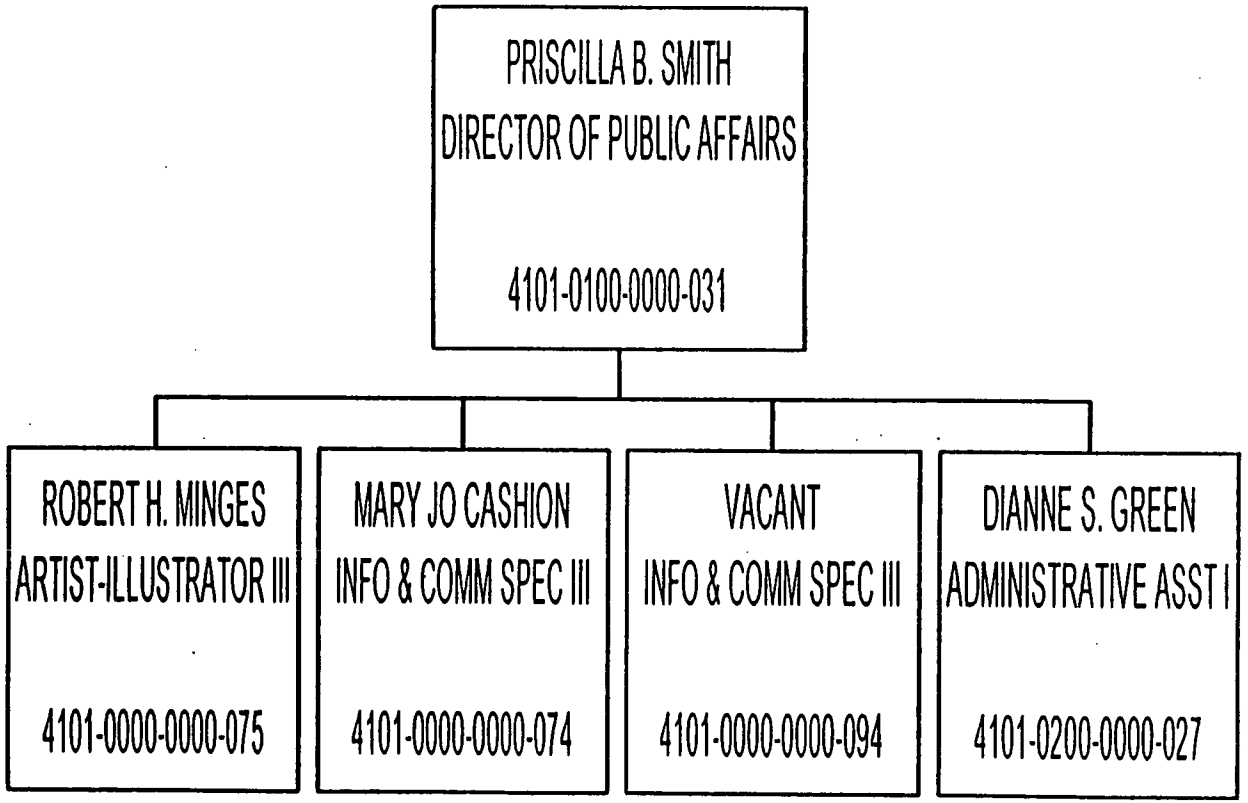
DEPARTMENT OF ADMINISTRATION
-PUBLIC EDUCATION
REVISED 3/99

AGENCY HEAD: RODNEY HELDER
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



DEPARTMENT OF ADMINISTRATION
PUBLIC INFORMATION OFFICE
REVISED 2/99

AGENCY HEAD: PRISCILLA SMITH
DEPARTMENT HEAD: KATIE DOUGHT
HUMAN RESOURCES: LINDA COLEMAN



SUMMARY OF FUNCTIONS AND SERVICES AVAILABLE FROM THE NORTH CAROLINA DIVISION OF VETERANS AFFAIRS

The North Carolina Veterans Commission was created by unanimous vote of the 1945 General Assembly. In 1977, the North Carolina Division of Veterans Affairs was transferred to the Department of Administration. The function of Division is to assist veterans and their families in the presentation, processing, proof and establishment of claims, privileges, rights and benefits as they may be entitled to under Federal, State or Local laws. The Division also cooperates with the various governmental units and veterans organizations in seeking to serve veterans. The work if the Division does not supersede or duplicate similar efforts on behalf of veterans. It supplements and augments such efforts.

The Division is organized into the Assistant Secretary's Office located in Raleigh; a State Service Office located in the same building with the U.S. Department of Veterans Affairs Regional Office in Winston-Salem, 15 District Offices strategically located throughout the State, three State Veterans Cemeteries located at Jacksonville, Spring Lake, Black Mountain, and a 150 bed State Veterans Nursing Home in Fayetteville near the VA Medical Center. Construction of the nursing home was recently completed and the first resident was admitted March 8, 1999.

The Assistant Secretary's Office is chiefly concerned with administration, training and information. It directs the activities of all offices of the Division, maintains financial records and approves disbursements. It performs those other functions normally expected of the principal office of any State agency.

The State Service Office in Winston-Salem is charged with the responsibility of maintaining a day-by-day working relationship with the U.S Department of Veterans Affairs. Briefly, this office receives a veteran's claim, evidence and other information transmitted by the District Offices, personally presents the veteran's position to the appropriate U.S. Department of Veterans Affairs Section, and expedites action on all matters as necessary.

The District Offices are staffed by one or more District Service Officers, together with their clerical assistants. They are highly trained, full-time career personnel. These officers provide service directly to veterans and their dependents, and coordinate the activities of the affiliated County Service Officers within their districts. District Officers also assist counties by supplying publications, forms and reference permanent record. Nearly all of North Carolina's one hundred counties have County Service Officers. These persons are selected by their respective Board of County Commissioners and hold office at the pleasure of the Board.

The State Veterans Cemetery Program is staffed by a Program Manager located in the Assistant Secretary's Office. Each cemetery has a superintendent and three staff

members. The cemeteries are for the burial of qualified North Carolina veterans and their dependents.

In addition to rendering service, advice and assistance to veterans and dependents, the Division also administers an outstanding program of State scholarships for the eligible children of certain deceased, disable or prisoner of war/missing in action veterans. During 1998 the Division awarded 310 scholarships.

Funds were appropriated in the 1998 session of the General Assembly to establish operations of a State Veterans Nursing Home in Salisbury, North Carolina. We plan to lease building #10 on the VA Medical Center campus, Salisbury, to provide 100 intermediate skilled care nursing beds.

THE STATE OF NORTH CAROLINA VETERANS CEMETERY PROGRAM

This brochure is provided as an informal informational source and useful guide for those interested in learning more about the North Carolina State Veterans Cemetery Program, its requirements and operations. The information is written in general terms and should not be regarded nor taken as law or official regulation. The official law and rules guiding the State Veterans Cemetery System is established under Article 8A, Chapter 65, General Statutes of North Carolina.

ELIGIBILITY REQUIREMENTS

The following persons are eligible for interment at a North Carolina State Veterans Cemetery:

A Qualified Veteran

Any former member of the U. S. Armed Forces whose service on active duty, other than for training, was terminated under honorable conditions.

North Carolina Resident

Only those veterans who are legal residents of North Carolina (1) at the time of death, or (2) for at least a period of 10 years, or (3) at the time the veteran entered the Armed Forces of the United States are eligible for interment.

Dependent(s)

The legal spouse (or widow or widower) and/or an unmarried minor child who is dependent upon the qualified veteran (at the time of death) meet eligibility requirements. In addition, an unmarried adult child who, before the age of 18, became permanently incapable of self-support because of physical or mental disability may also be interred.

DEFINITIONS

For purposes of this article, the following definitions shall apply unless the context requires otherwise:

Honorable military service

- Service on active duty, other than for training, as a member of the Armed Forces of the United States, when the service was terminated under honorable conditions;
- Service on active duty as a member of the Armed Forces of the United States at the time of death, under honorable conditions;
- Service on active duty for training or full-time service as a member of the Reserve component of the Armed Forces; the Army National Guard; the Air National Guard; or the Reserve Officer Training Corps of the Army, Navy or Air Force at the time of death under honorable conditions.

Legal Resident

A person whose principal residence or abode is in this state, who uses this state to establish his right to vote and other rights in this state, and who intends to live in this state, to the exclusion of maintaining a legal residence in any other state.

PROOF OF ELIGIBILITY

Documentary evidence is required to provide proof and substantiate claim of military service, residence, marriage and children as well as dependent disability. It is the responsibility of the veteran, his survivors or legal representative to furnish any evidence necessary to establish the eligibility of the veteran or the family member before interment in a North Carolina State Veterans Cemetery can be accomplished.

Proof of Military Service

The best document used to verify military service is DD Form 214 or an equivalent (Report of Separation from Active Duty). This document is given to the veteran upon discharge from active duty. Other forms of proof are items such as copies of military orders, identification (ID or "dog") tags, ID cards or any official correspondence that contains the service member's name and military service number. If records are lost, the cemetery superintendent as well as the state's veteran service officers are available to assist in obtaining replacement copies of key documents.

North Carolina Residency

- Verification of residence at time of entry into military service is documented on DD Form 214, Certificate of Release or Discharge from active duty.
- Residence at time of death or 10-year residency can be verified by tax records, utility bills, hospital bills, bank records, driver's license and official records from U.S. government, state or municipality agencies.
- Other acceptable documents are voting records, employment and education records.

Dependents

The primary source for verification of a spouse is a marriage certificate. Dependent children may be verified by a birth certificate or other legal documents such as adoption papers, divorce degrees or certified affidavits.

Proof of Disability of an Adult Dependent

A letter is required from the dependent's physician certifying the dependent became permanently incapable of self-support because of a physical or mental disability before attaining the age of 18 years. Medical records and other documents will be considered only as supporting or corroborating documents.

NORTH CAROLINA STATE VETERANS CEMETERIES

The Western Carolina State Veterans Cemetery is located in the beautiful Swannanoa Valley in the town of Black Mountain, which is approximately 12 miles east of Asheville. With an entrance from Old U.S. Highway 70, this site is centrally located for the 28 counties which make up the western region of the state. The address for the cemetery is:

Western Carolina State Veterans Cemetery
1270 Old U.S. Hwy 70 West
Black Mountain, N.C. 28711

Telephone (704) 669-0684
Fax (704) 669-0685

The Coastal Carolina State Veterans Cemetery is located on the northern boundary of Camp Lejeune Marine Corps Base in the city of Jacksonville. Access to the state veterans cemetery begins at Montford Point Road and passes through Memorial Cemetery which fronts the state site. The street address for the cemetery is: 110 Montford Point Road, Jacksonville, N.C. The mailing address is:

Coastal Carolina State Veterans Cemetery
P.O. Box 1486
Jacksonville, N.C. 28541

Telephone (910) 347-4550
Fax (910) 347-3570

GENERAL INFORMATION

Assignment of Space

- Only one grave site is authorized for a qualified veteran and his eligible family members.
- A grave site may not be reserved until the death of a person who is eligible for interment. A grave site shall be assigned once death certificates are presented and eligibility is confirmed.
- When an eligible family member dies before the qualified veteran dies, the veteran must sign an agreement to be interred in the same grave plot before the deceased family member can be interred in the veterans cemetery.

Veterans Cemetery Operations and Services

- There is no charge for the grave site or necessary interment services for a qualified veteran at any of the state veterans cemeteries. There is, however, a minimum charge for the opening and closing of the grave or any additional interment services for an eligible family member.
- A concrete vault or liner is required for burial in a state veterans cemetery. All expenses related to the purchase and placement of the vault or liner shall be paid for by the veteran, family survivors or estate.
- Graveside services are not permitted. Committal services will be held in the chapel or at a committal shelter. Family members may return to the grave site after the burial of the casket or urn is completed and the area is cleared of all equipment and materials.
- Only government-furnished grave markers will be authorized for use in the state veterans cemeteries. Installment of grave markers are part of the interment services.
- All arrangements for burial at a state veterans cemetery shall be made through a funeral home (of the veteran's or family's choice). All funeral expenses are the responsibility of the veteran, family survivors or estate.
- The state shall not be responsible for any costs resulting from damage to, destruction or theft of a grave site, grave marker or any other grave monument on the cemetery grounds.
- The cemetery representative is available to assist the veteran, family or legal representative in the processing of applications for the headstone, flag or authorized DVA burial allowances.
- The cemetery staff will maintain the cemetery grounds to include grave sites and grave markers.

Not Eligible for Interment

- A person whose character of discharge was rated as dishonorable, bad conduct or undesirable.
- A veteran discharged or dismissed as a conscientious objector who refused to perform military duty, was a deserter, or an officer who accepted his resignation for the good of the service.
- A veteran who was convicted of subversive activities against the United States after separation from active military service.
- A veteran separated from the Armed Forces of the United States for the good of the service due to a willful and persistent unauthorized absence and issued a Clemency Discharge (DD Form 1993) pursuant to Presidential Proclamation No. 4313.
- Service members of National Guard or Reserve Forces of the United States who performed only "initial active duty training," "active duty for training" and/or "inactive duty training." Service rendered at the call of the governor of the state, unless subsequently federalized, does not constitute active duty.

Sandhills State Veterans Cemetery
400 Murchison Rd. / P. O. Box 39
Spring Lake, North Carolina 28390
Telephone (910) 436-5630
Fax (910) 436-5727

Division of Veterans Affairs
Albemarle Building, Suite 1065
325 N. Salisbury Street
Raleigh, North Carolina 27603-5941

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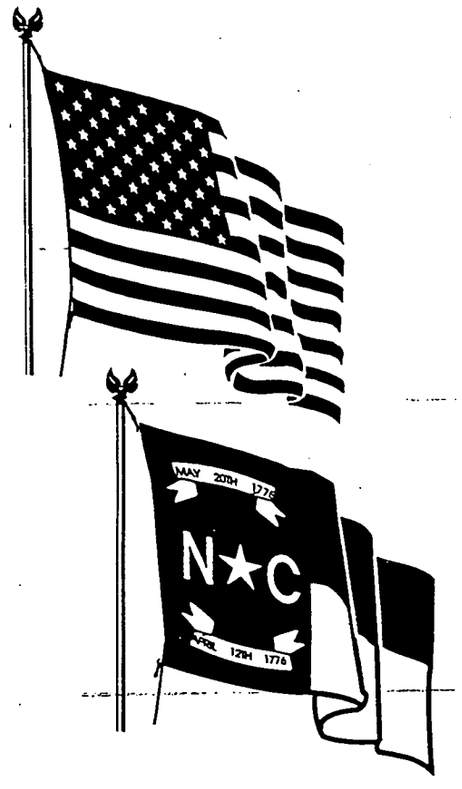
NORTH CAROLINA



STATE VETERANS CEMETERIES

N.C. Division of Veterans Affairs
N.C. Department of Administration

DEPARTMENT OF ADMINISTRATION
DIVISION OF VETERANS AFFAIRS
REVISED February 1999
PAGE 2

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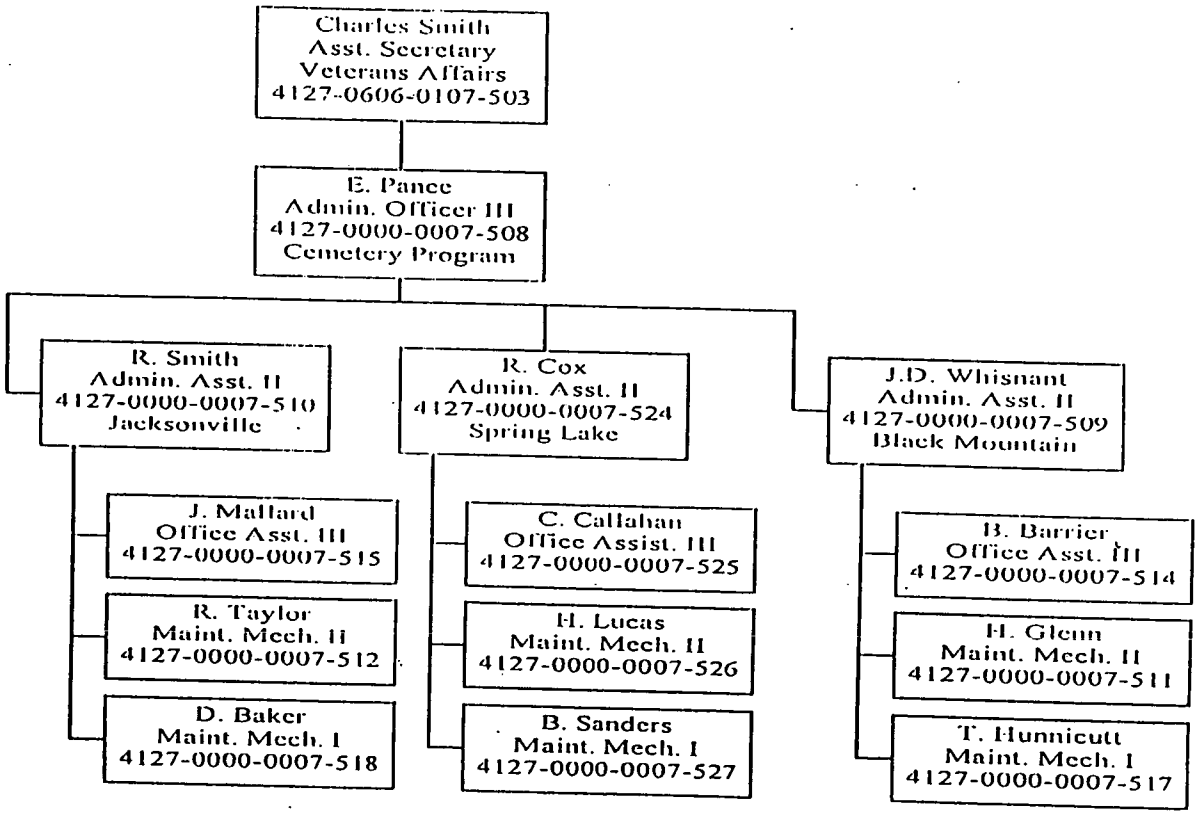

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Department of Administration
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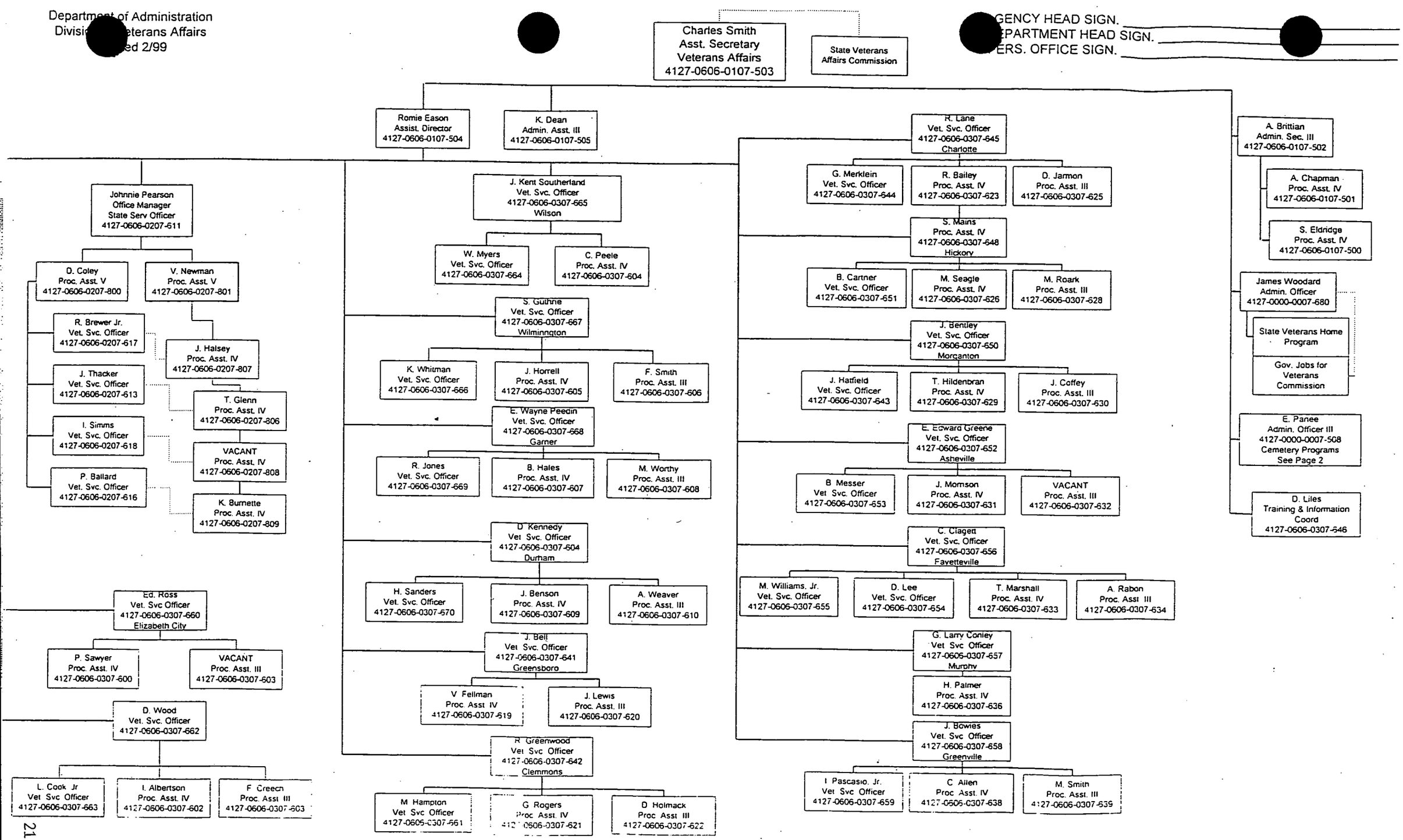

February 22, 1999

MOTOR FLEET MANAGEMENT
Background

The Motor Fleet Management Division was created by the legislature in January 1982 as the central fleet agency for all of state government. The purpose of Motor Fleet Management is to serve North Carolina state employees by acquiring, maintaining, storing, repairing, replacing and supplying passenger vehicular transportation needed in the performance of official duties, in the most efficient and cost effective way. All state agencies, including universities -- except for the State Bureau of Investigation and the State Highway Patrol -- are required to utilize Motor Fleet Management for their passenger vehicle transportation needs.

As of June 30, 1998, Motor Fleet Management had 7,510 active vehicles in its fleet, an increase of 235 vehicles over the previous year. Over the past nine years, Motor Fleet Management has had an average vehicle increase of 317 units a year. Projecting at 317 vehicles per year, by the June 2000 there will be 8,144 vehicles in the state fleet.

Motor Fleet Management charges agencies for the use of vehicles on a per mile basis. The largest group of vehicles (compact, sedan, four cylinders) are charged out at a 23 cents per mile rate. Mileage rates range as high as 38 cents per mile for a four-wheel drive Suburban. All rates include gas, oil, tires, repairs and insurance. Motor Fleet Management rates are very low when compared to the per mile driving costs, based on a composite national average of three domestically built cars: a subcompact, a mid-size and a full-size, issued by the American Automobile Association in ***May 1998***. According to the American Automobile Association, "motorists now spend an average of 56.5 cents per mile in vehicle related costs" (gasoline, oil maintenance, depreciation and insurance). When compared with Motor Fleet Management's average rate of 26.5 cents per mile for compact, mid-size and full-size vehicles, the Motor Fleet Management is providing passenger vehicles at approximately 47 per cent of the national average cost.

Department of Administration
Motor Fleet Management
State Courier Service

Date: February 22, 1999

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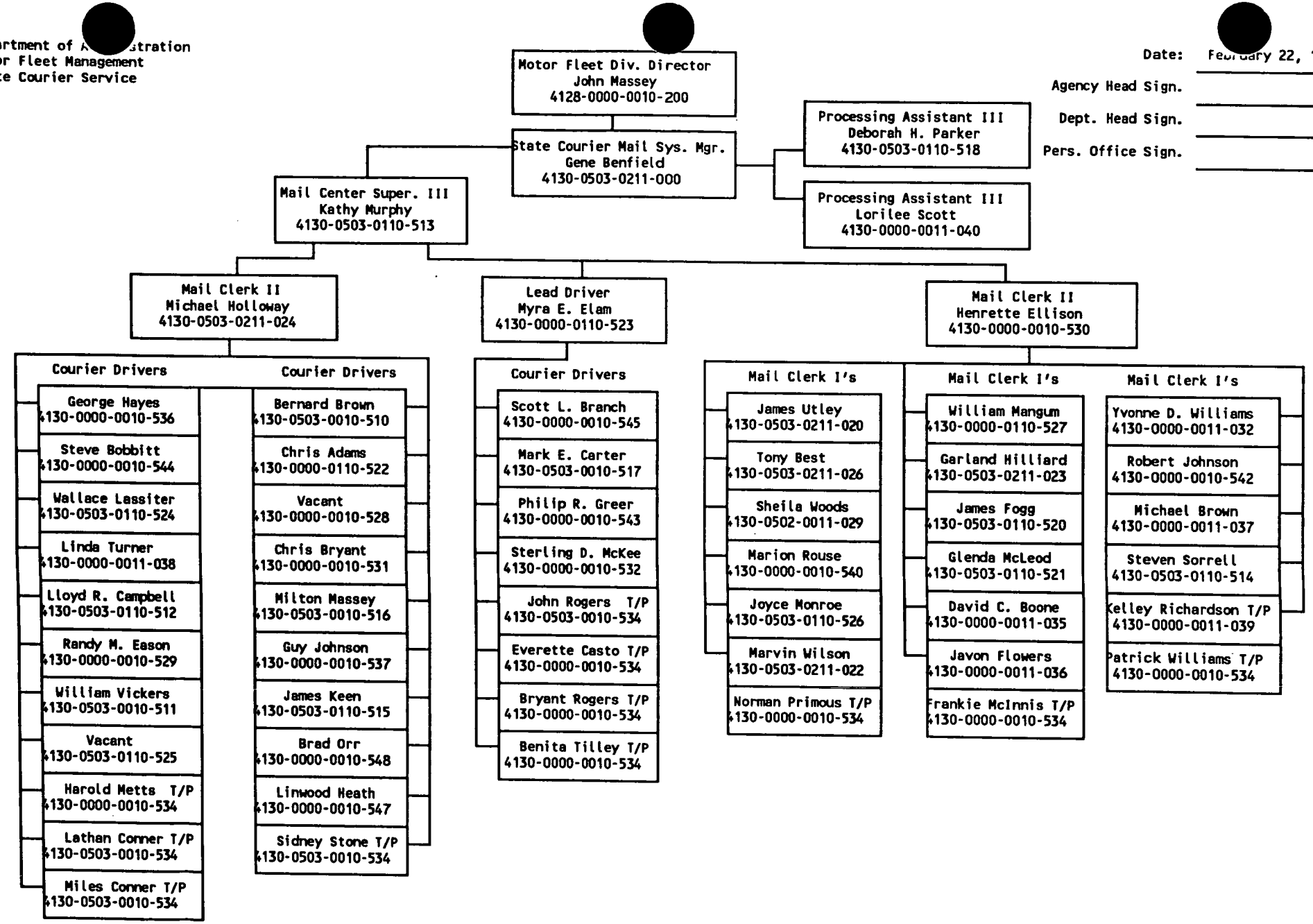
Dept. Head Sign. _____

Pers. Office Sign. _____



ACCOMPLISHMENTS

Rebuild State Cars

Chevrolet Caprices are being rebuilt instead of purchasing new vehicles. Approximately one-half the cost of a new vehicle is required to rebuild a vehicle. The costs saved from not purchasing new full-sized vehicles has been $8,000 to $10,000 per vehicle. A total of 60 Caprices have been rebuilt and refurbished under contract All of these vehicles have been checked over by the garage to assure the work was performed as expected. The drivers of rebuilt vehicles are being followed up with a survey to determine their satisfaction with the vehicle.

A contract has been established for a vendor to handle rebuilding the remaining Chevrolet Caprices. Another 240+ Caprices may be rebuilt.

Purchase of Alternate Fuel Vehicles

To help in the state's effort to reduce pollution and to lessen our dependence on foreign oil, Motor Fleet Management has purchased 390 vehicles that operate on alternative fuels. Most of these vehicles are dual-fueled vehicles that can run on either Ethanol or Gasoline. Ethanol pumps have been built by the Dept. of Transportation at their site on Beryl Road in Raleigh. Motor Fleet Management is preparing to begin installation of ethanol pumps at the Motor Pool located at 220 E. Peace Street in Raleigh. Drivers will be instructed to use Ethanol fuel whenever possible. Motor Fleet Management also has vehicles that operate on Propane gas, Compressed Natural gas and Electricity.

Downsize Replacement Vehicles

Motor Fleet Management is reviewing permanently assigned vehicles that are being replaced. Whenever there is a possibility of replacing a full-size car with a mid-size car, a full-size van with a minivan, a full-size 4-wheel drive vehicle with a compact 4-wheel drive vehicle, etc. we are downsizing the assignment. So far we have identified 94 assignments that would not be adversely affected by downsizing. A savings of $240,000 will be realized in purchase costs because of the downsizing of these 94 vehicles. Due to the increased fuel economy of the downsized vehicles, 81,278 gallons of fuel with an estimated cost of $48,767 will be saved over the life of these vehicles.

Motor Pool on Peace Street Attached to Computer System

A personal computer was installed at the Motor Pool. For the first time ever, this allows the Motor Pool to use Word Processing, Spreadsheets, e-mail, and connect to Motor Fleet Management's mainframe computer systems. The Motor Pool now enters repair work orders at their site which eliminates the manual writing of the work orders and subsequent entry at the Motor Fleet Management garage.

Developed an In-House Parts Inventory System

Motor Fleet Management has relied on a parts inventory system provided by the Department of Transportation. Changes in DOT created a need for us to develop a system that would work separately from the DOT system. The Information Technology Services Division in the Department of Commerce modified our existing mainframe system to include a parts inventory system. This eliminated our need to enter information into two systems and made our operation more efficient.

REBUILD ESTIMATES OF CARS AT ASHEVILLE CHEVROLET

2/19/99

CAR NUMBER	ESTIMATE
31125	$8,476.09
51232	$11,500.00
52049	$10,957.38
51728	$9,334.48
41356	$8,877.88
41908	$9,569.05
41962	$9,054.30
52055	$10,659.47
41906	$9,993.49
41919	$9,603.23
51249	$8,834.97
51244	$9,970.82
41971	$10,236.56
42458	$9,961.14
52312	$9,153.10
41361	$7,889.03
AVG. ESTIMATE	$9,629.44

FEBRUARY 23, 1999

MOTOR FLEET MANAGEMENT DIVISION
PER MILE RATES

Class Code	Vehicle Type	Rate
CS4	ACCLAIM, SUNDANCE, CORSICA, ETC.(4 CYLINDER)	0.23
MS4	BREEZE, CUTLASS	0.23
MS6	ACCLAIM, CUTLASS, TAURUS, LUMINA (6 CYLINDER)	0.24
MW6	TAURUS, CUTLASS (STATION WAGON)	0.24
ML6	LUMINA, TAURUS (LAW ENFORCEMENT)	0.30
FS6	INTREPID	0.26
FS8	CROWN VICTORIA, CAPRICE	0.28
XS6	PARK AVE, DELTA 88, INTREPID	0.30
XS8	CROWN VICTORIA, CAPRICE (EXECUTIVE)	0.30
FW8	CAPRICE STATION WAGON	0.28
FL8	CROWN VICTORIA, CAPRICE LAW ENFORCEMENT	0.31
XL8	TAHOE (LAW ENFORCEMENT)	0.31
MP6	AEROSTAR, VENTURE, CARAVAN (MINIVAN)	0.24
FP8	12 PASSENGER VAN	0.34
XP8	15 PASSENGER VAN	0.33
FC8	CARGO VAN	0.29
XC8	LARGE CAPACITY CARGO VAN	0.31
MO4	TRACKER	0.31
MO6	BLAZER, CHEROKEE (FOUR WHEEL DRIVE), EXPLORER (2WD)	0.31
MO8	EXPLORER (FOUR WHEEL DRIVE)	0.31
FO8	TAHOE, BRONCO (FOUR WHEEL DRIVE)	0.38
MT6	RANGER, S-10 PICKUP	0.30
FT8	FORD, CHEVROLET PICKUP	0.32
XT8	FORD, CHEVROLET (EXTENDED CAB, DUAL WHEEL, ETC.)	0.34
XO8	SUBURBAN	0.38

STATE COURIER SERVICE

Currently the State Courier Service is a totally receipts supported within the Department of Administration in which state, county and other municipalities customers pay for the use of its services.

Agency Goals

The State Courier Service plans to continue providing service to all 100 counties and provide service at 50% less than the cost of US Postal Service rate.

Agency Accomplishments

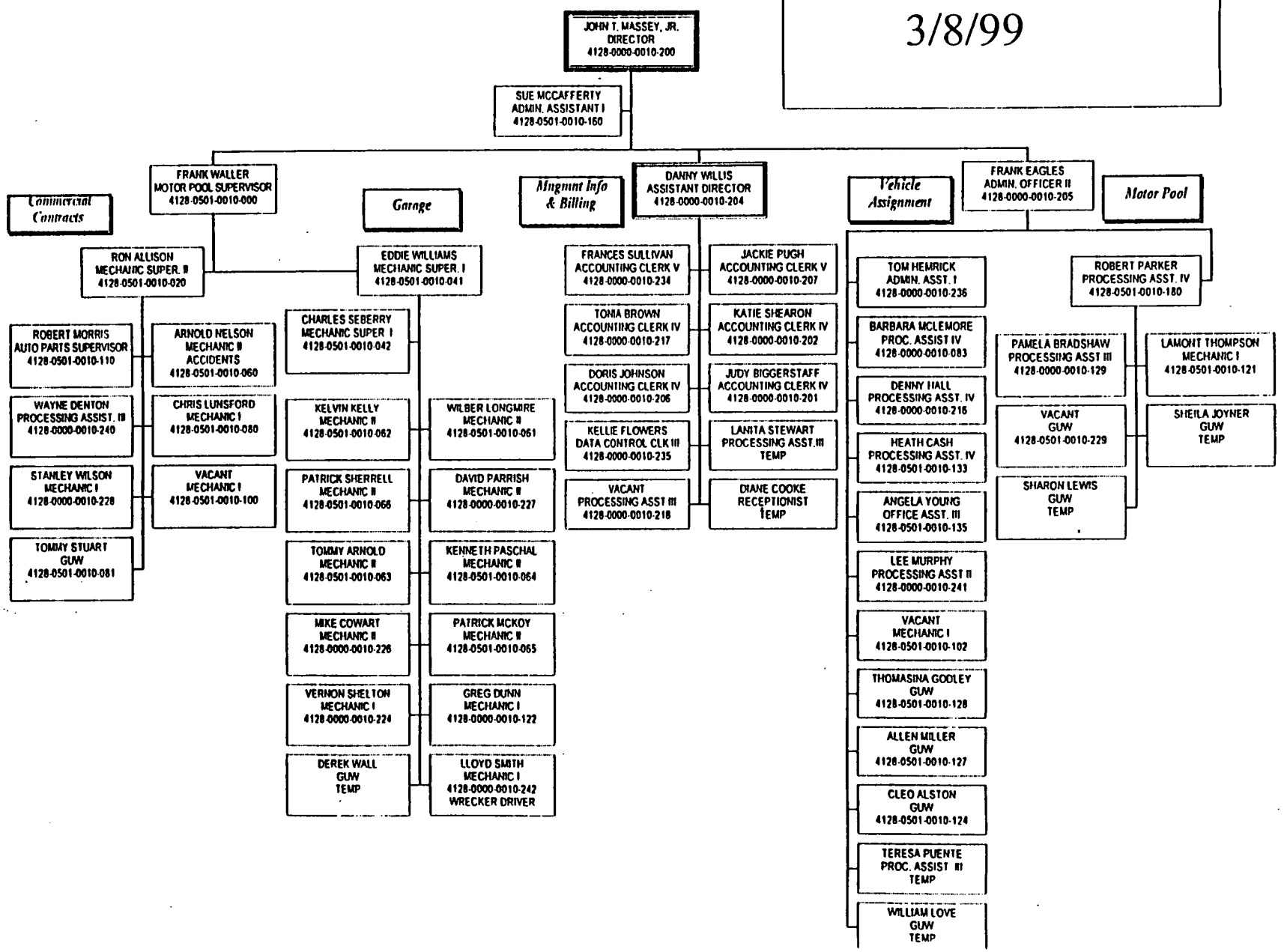
Currently the State Courier Service provides service to over 3900 different agency location throughout the 100 counties, moving more than 50,000 pieces of mail and freight daily at approximately 50% the cost of US Postal Service rates. In addition, the State Courier Service provides service at no charge for the movement of inter-office mail between agencies within Wake County.
Agencies receive economical overnight deliveries such as blood samples and health specimens that must be tested within 24 hours. Payroll checks to such agencies as the state's community colleges, university system, prisons, and Highway Patrol offices is delivered by State Courier Service.
State Courier Service delivers mail to numerous drop boxes where users retrieve and deposit courier mail. It operates 17 mail routes logging over 5,000 miles daily.

Program Budgeting

The main objective of the Courier Services' Performance Based Budget is to provide mail service at 50% less than the US Postal Service rates. By increasing participation in the State Courier Service by state, county and other municipalities a savings to the state will result. The resulting savings can then be made available for the Governor's initiatives.

Motor Fleet Organizational Chart

3/8/99



Department of Administration
Division of Purchase and Contract
February 25, 1999

Overview

The Division of Purchase and Contract in the Department of Administration serves as the central purchasing authority for state government and certain other entities. Contracts are established for the purchase, lease, lease-purchase of the goods and services required by all state agencies, institution, universities, community colleges, city and county boards of education, and non-state agencies amounting to more than $4.1 billion annually. (1998 statistic) In addition, the Federal Surplus Property and State Surplus Property agencies manage the placement and disposition of surplus properties.

Our primary mission is to provide effective and efficient acquisition and disposal services for the State of North Carolina. This mission equates to savings to taxpayers and good customer service relationships. Long term strategies include improved accessibility to purchasing and materials management information, improved accountability, reduced costs, reduced processing time and enabling of employees. Short term strategies include improved communications, increased use of technology to perform work, and offering quality products and services

Major accomplishments

Average market savings accounted for through central purchasing for 1998 amounted to approximately $20 million.

Used technology to enhance the Division's Home Page and to provide more information:

- Public access to over 3000 Invitation for Bids and Requests for Proposals for goods and services over $10,000 ($35,000 for Universities) through our Interactive Purchasing System (IPS).
- Provided better customer service through easier access to, more information and flexibility in use of Statewide term contracts.
- Improved term contracts related to data projection devices, upholstered furniture, FAX machines to respond to customer needs.
- Provided easy reference on Internet to recycled, remanufactured and refurbished products on term contracts.
- Frequent additions of updated current events and purchasing information needed by State agencies in day-to-day job.

- Developed "catalog" type contracts to offer a wider variety of product to our customers
- Made "on-line" shopping and purchasing available to our customers on some contracts
- Developed contracts that allow the contractors to reduce prices, which fosters competition among the contractors and benefits the taxpayer
- Implemented "sustainability" concepts in term contract purchasing
- Displayed on Internet current list of available federal surplus property located in Raleigh warehouse.

Improve communications through use of Internet, electronic communications, internal Help Desk and "live" first response on telephone.

Used digital camera to make surplus property photographs and display on Internet with Newsletter/Sales flyer, and/or send to customers.

Enhanced our "agency training" effort in order to provide leadership on changes in purchasing rules, general statutes related to purchasing issues, use of Interactive Purchasing System for advertising requirements, Historically Underutilized Business program, and to listen to and respond to needs of our Agencies.

Promoted "central store concept" for designated state surplus property with increased sales. This has allowed for faster turnover of surplus items and better customer service.

Implemented procurement card program for more efficient processing of small orders (under $2,500) by agencies. Program has been piloted by fifteen agencies with very good results. Recommend statewide expansion April 1, 1999.

Established a task force to plan for and address "supply chain" issues for Year 2000.

COMPUTER RECYCLING PROGRAM - In 1997, State Surplus Property implemented a computer recycling program that placed equipment that had been designated as surplus property into the public school system. In 1998 it gained recognition as a progressive program that received four awards for its service and innovation. More than 2500 computer systems have now been placed in classrooms across the state saving an estimated $5 million.

In 1998, State Surplus Property was presented the Governor's Award of Excellence for its innovation. In addition, the program received the Governor's Award of Excellence in Waste Reduction, the N.C. Recycling Association's Waste Reduction and Recycling Award, and the Department of Administration's Award for Excellence.

State Surplus Property is continuing to enhanced its service to public schools statewide by entering to a cooperative effort with the Departments of Community Colleges and Correction to assist in refurbishing computers.

TEXTILE RECYCLING - A primary objective of State Surplus Property is to research and identify a method of disposal of any and all kinds of surplus property. As the environment suffers from an excess of waste being generated daily, it is necessary that any type of waste be looked upon as a potential resource for the development of another useful product. Textiles have been identified as just that. Until recently, the state sent old work clothes worn by prisoners and paid $40 a ton for disposal. State Surplus Property has contracted with a company that buys the old work clothes and turns them into cleaning rags. Inmates go through about 1 million pounds of clothing and 100,000 pairs of shoes a year. At approximately $.04 per pound the state has received $15,000 in revenues, eliminated the cost of landfill tipping fees, and saved the environment of at least this much waste. State Surplus is also looking into shipping old clothes from other agencies that have employees who wear uniforms.

DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT

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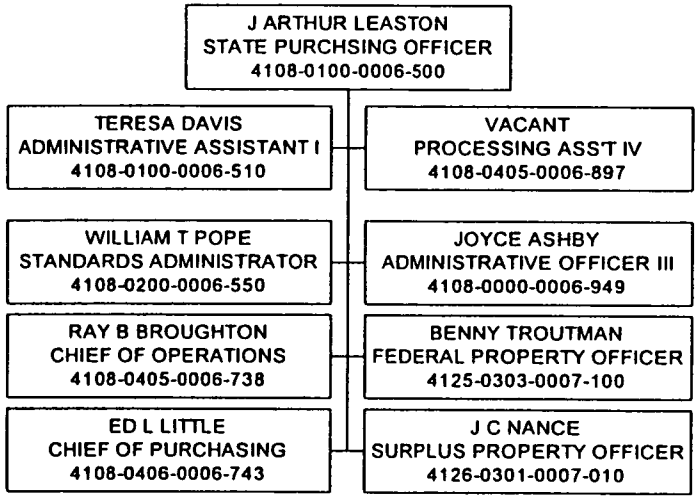

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DEPARTMENT OF ADMINISTRATION
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CONTRACTS & STANDARDS

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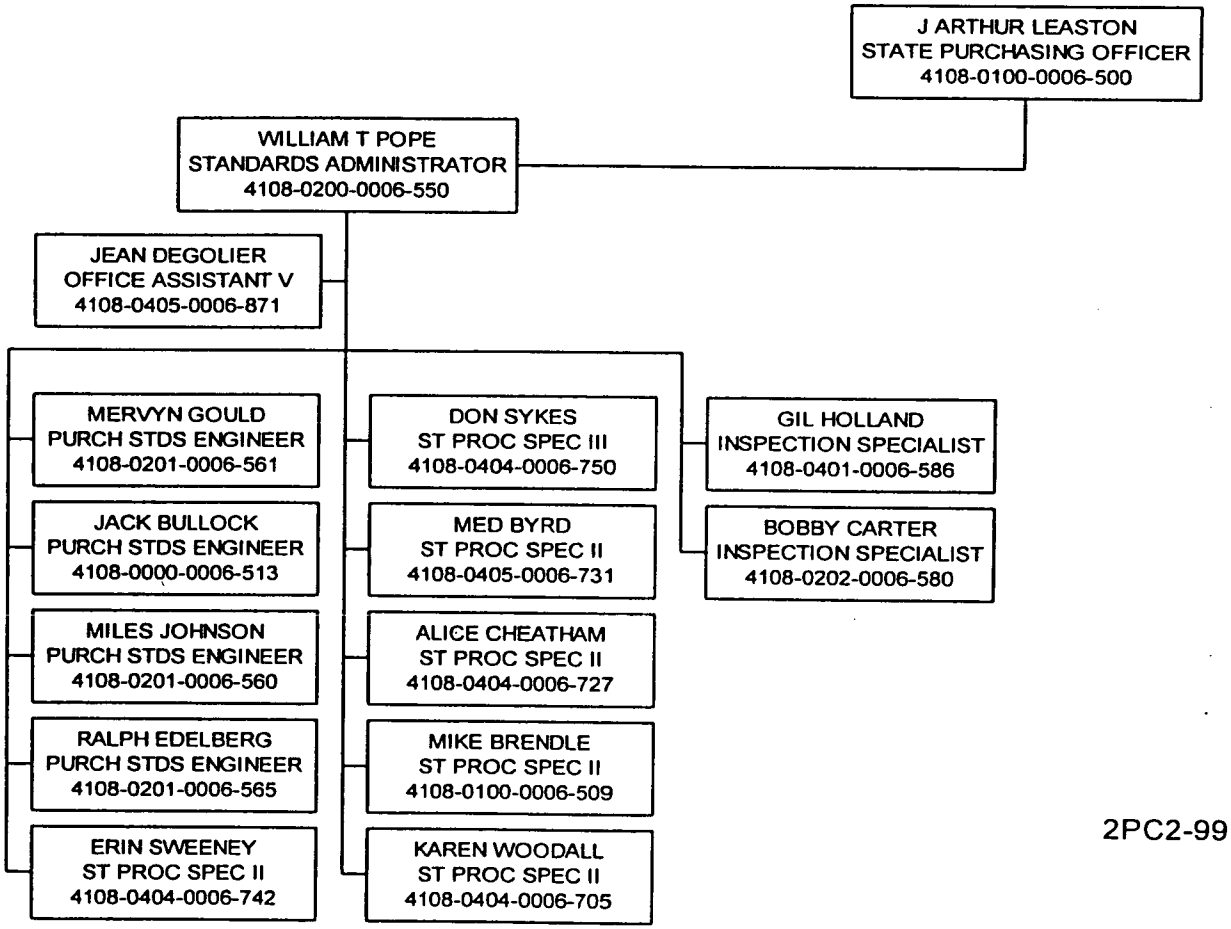

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DIVISION OF PURCHASE AND CONTRACT
PURCHASE & CONTRACT
HISTORICALLY UNDERUTILIZED BUSINESS
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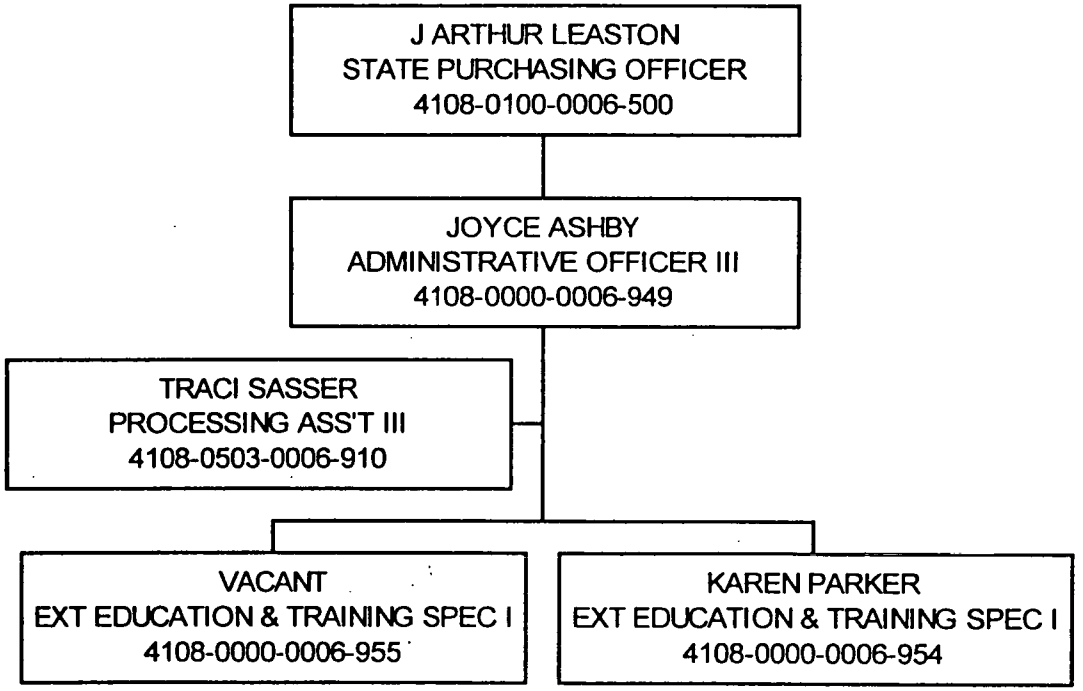

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DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT
OPERATIONS

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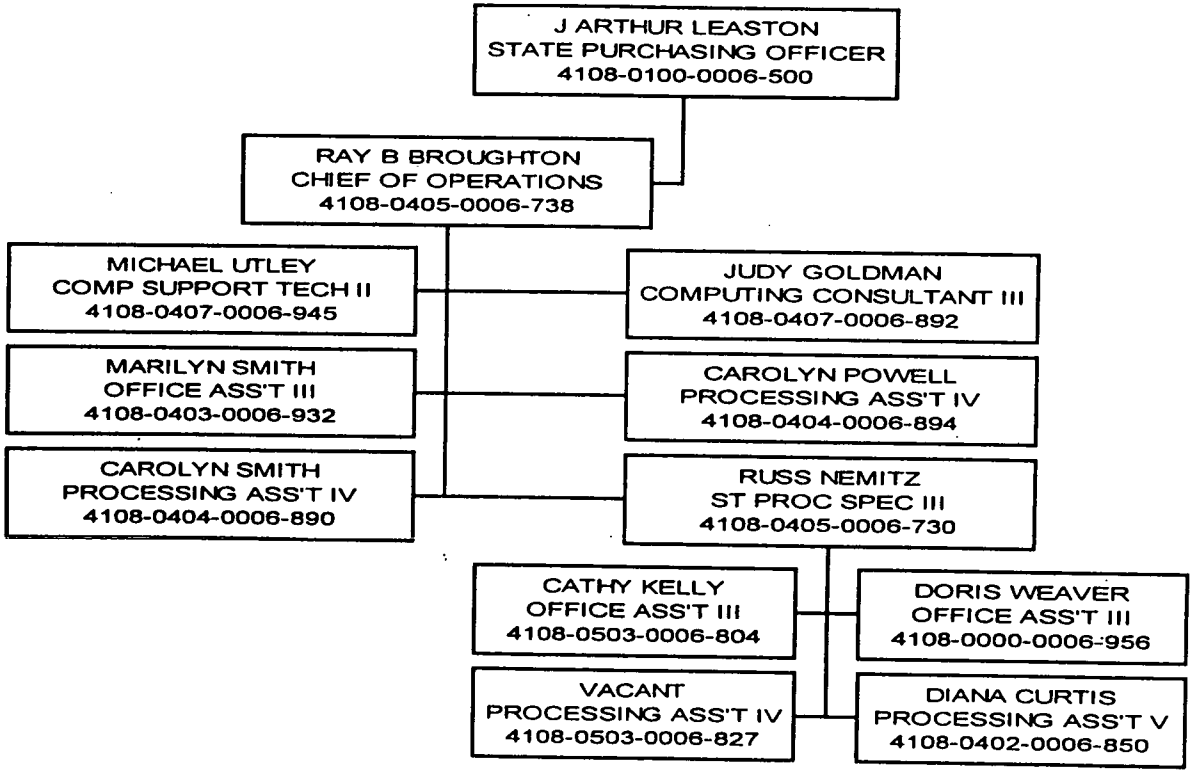

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PURCHASE & CONTRACT
PURCHASING

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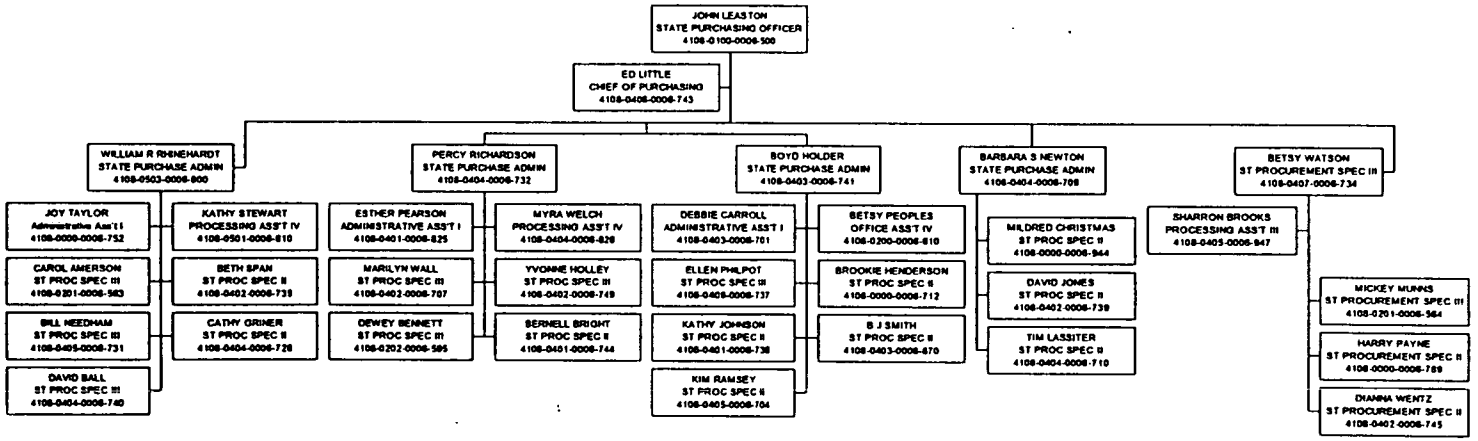

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DEPARTMENT OF
ADMINISTRATION
Purchase and Contract
Federal Surplus Property

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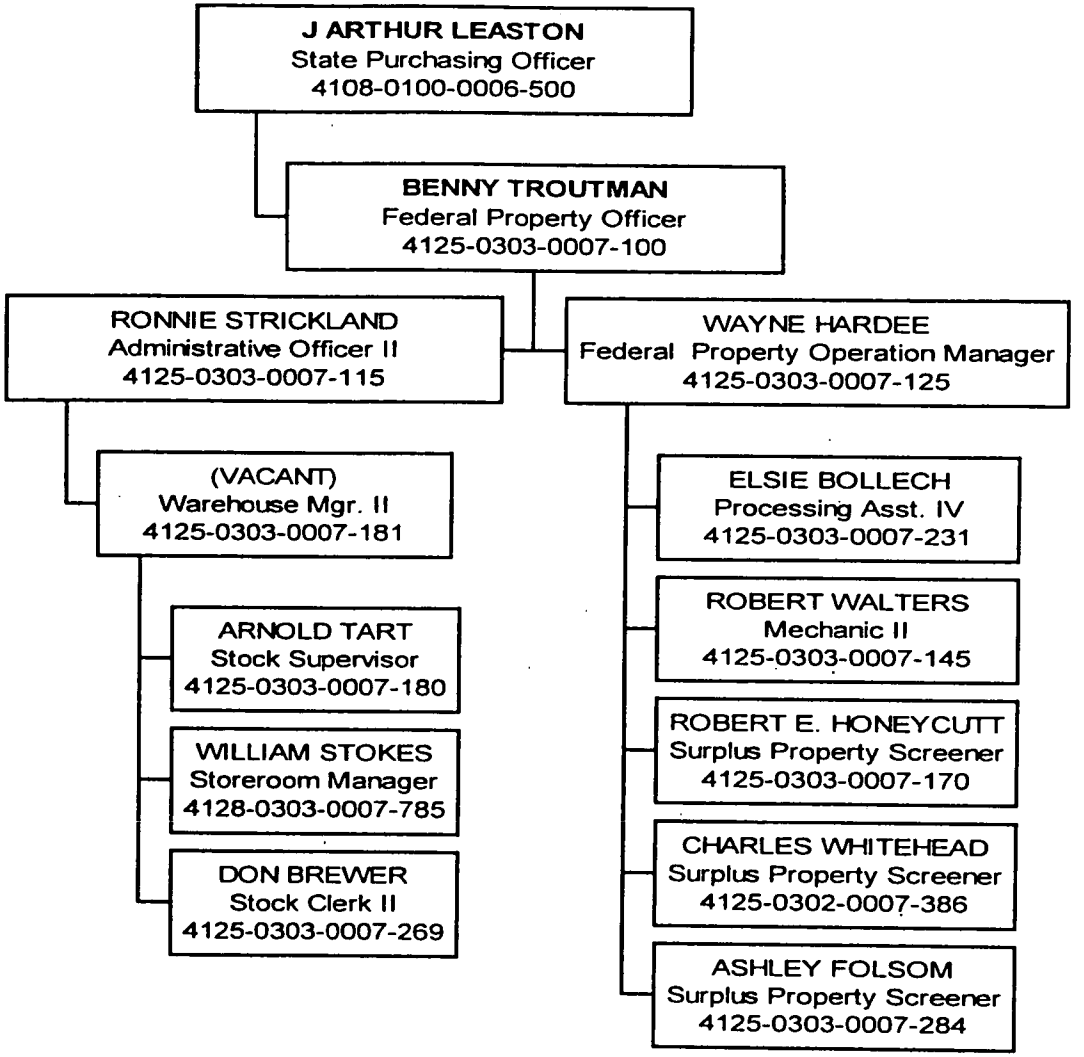

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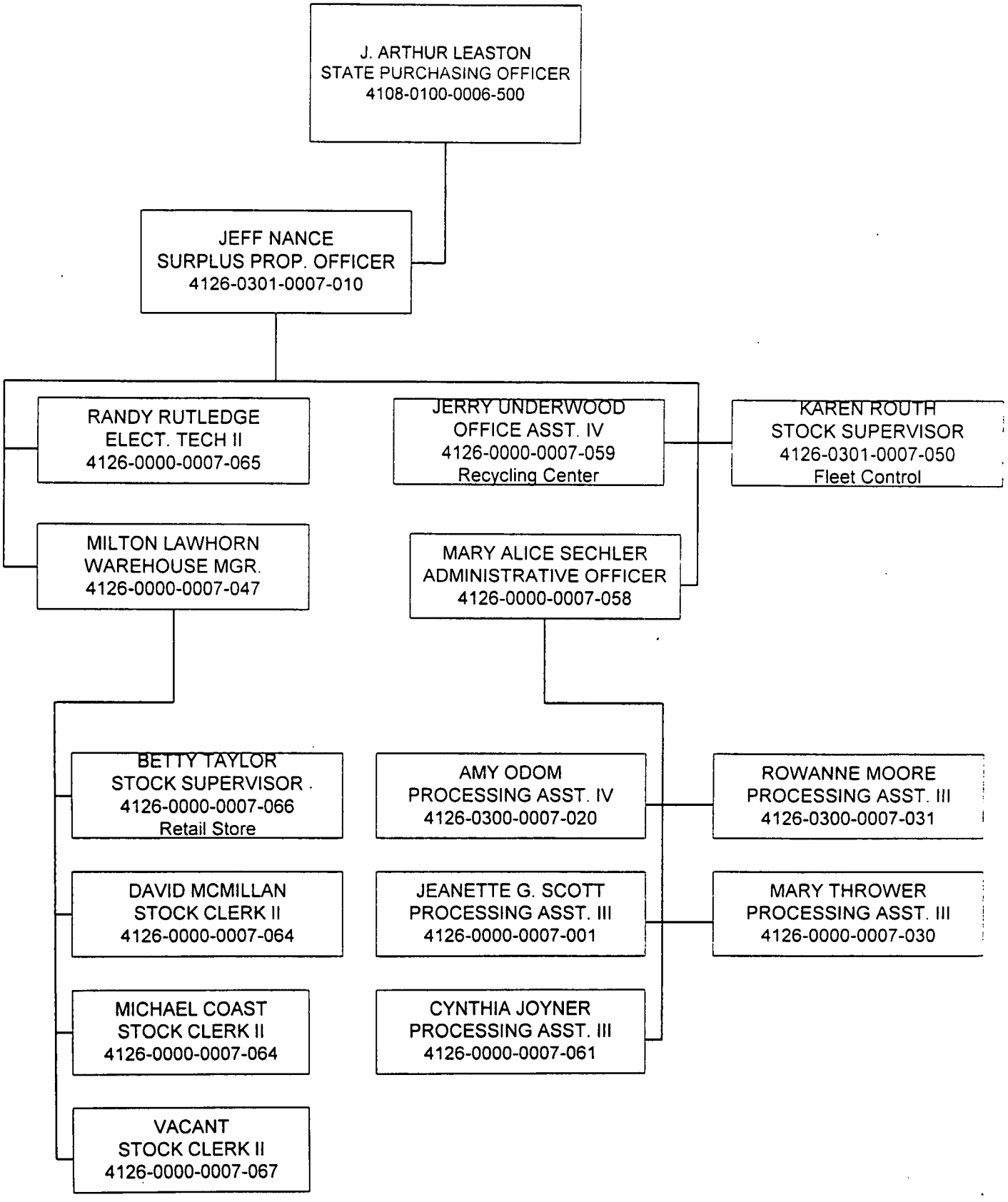
DEPARTMENT OF ADMINISTRATION
PURCHASE AND CONTRACT DIVISION
REVISED 3/99

AGENCY HEAD: J. ARTHUR LEASTON
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



P&C'S STRATEGY MANAGEMENT PLANS

PART ONE

OUR FOCUS & DIRECTION

Our Principles

- *Satisfy Customer Needs*
- *Encourage Divisionwide Teamwork*
- *Support Continuous Improvement*
- *Promote Data Driven Decisions*

Our Mission

To provide effective and efficient acquisition and disposal services for the State of North Carolina.

Our Vision

The Division of Purchase & Contract will be recognized and relied upon as the leader in acquisition and disposal services for the State of North Carolina.

P&C'S STRATEGY MANAGEMENT PLANS

PART TWO

THE VOICE OF OUR CUSTOMERS & BUSINESS

External Customers:	Internal Customers:	Indirect Customers:
1. Non-Profit Organizations	1. Staff	1. OAH
2. State Agencies	2. DOA	2. Vendors
3. Vendors	3. Other State Agencies	3. EPA
4. Taxpayers	4. General Assembly	4. State Auditor
5. General Assembly	5. Secretary's Office	5. Federal Government
6. Advocacy Groups	6. Council Of State	6. State Agencies
7. Local Governments	7. The Governor	7. General Assembly
8. Professional Organizations	8. Board of Award	8. Voters
9. The Governor		9. OSHA
		10. Special Interest Groups
		11. Local Government
		12. State Budget
		13. Media
		14. The Governor

Our Macro Processes

- Term Contracts
- Bid Process
- Surplus Disposal
- Hub Program
- Compliance
- Inspection
- Provide Service

P&C'S STRATEGY MANAGEMENT PLANS

PART THREE

OUR STRATEGIES

Our Long Term Strategies

1. Improve Accessibility
2. Improve Accountability
3. Reduce Cost
4. Reduce Time
5. Enable Employees

Our Short Term Strategies

- Improve Teamwork
- Improve Organizational Structure
- Improve The Use Of Technology
- Improve The Administration of the Performance Management System in the Division
- Improve Customer Relations
- Maintain Reasonable Consistency and Stability in the Workplace
- Improve Communication

State Construction Office

OVERVIEW

The overall coordination and management responsibility for implementation of the state's capital improvement program rests with the State Construction Office. The State Construction Office operates under two statutes -- G.S. 143-31.1, the Executive Budget Act, and G.S. 143-341, the Department of Administration Act.

The D.O.A. Act requires that the Department of Administration, in addition to having the responsibility to examine and approve all plans and specifications, prepare preliminary studies and cost estimates and assist all agencies in the preparation of requests for construction appropriations, supervise the letting of all contracts for the design, construction or renovation of all state buildings, and supervise and inspect all work done and materials used in the construction of state buildings. No such work may be accepted by the state or by any state agency until it has been approved by the department. In addition, the Facility Condition Assessment Program (FCAP) is administered by the State Construction Office. This program is responsible for identifying deficiencies in all state facilities over 3000 gross square feet.

Agencies and institutions submit budget estimates to the State Construction Office. The State Construction Office reviews the proposed work scope and develops a detailed estimate of cost. This constitutes the budget estimate for the project and is the budget used, if the project is submitted to the General Assembly for funding. Designers are selected in accordance with the procedures adopted by the State Building Commission. The State Construction Office serves as staff to the State Building Commission. Our office negotiates the design fees, oversees the executed contract and provides for design and general supervision of the construction work.

Each design phase is reviewed by the State Construction Office and design does not proceed to the next phase until approval is made for the phase of design that has been submitted for review. There are some 40 possible state reviews, permits and approvals that may be required on a project and the review process may involve up to 17 different state agencies. Of course, most projects do not require nearly that many review agency approvals. Our office, in addition to performing reviews, also essentially serves as a clearinghouse for review comments generated by other agencies. We check to see that comments and concerns are resolved prior to approval for receipt of bids. The State Construction Office has quite a lot of responsibility and is involved with all aspects of the design and construction of state buildings.

As a result of SB1093, the SCO was charged with implementing this process. This bill requires that the SCO examine and approve all plans and specifications for the construction or renovation of all State buildings including Community Colleges for which public bidding is required as a prerequisite to funding of the project. Meetings with all State Agency CPCs and University CPCs to discuss the new process were conducted. New forms and check-lists for CPCs to complete prior to submittal of proposed projects were also produced by the office.

As of December 1998, the State Construction Office had 1140 projects statewide in various stages of design with a design budget scope of $1,582,471,730. We have under construction 352 active projects valued at $1,229,470,174. The State Construction Office currently oversees on a statewide basis a total of 1419 projects that are in some stage of either design or construction valued at $2,811,941,904.

Department of Administration
State Construction Office
1/1/99
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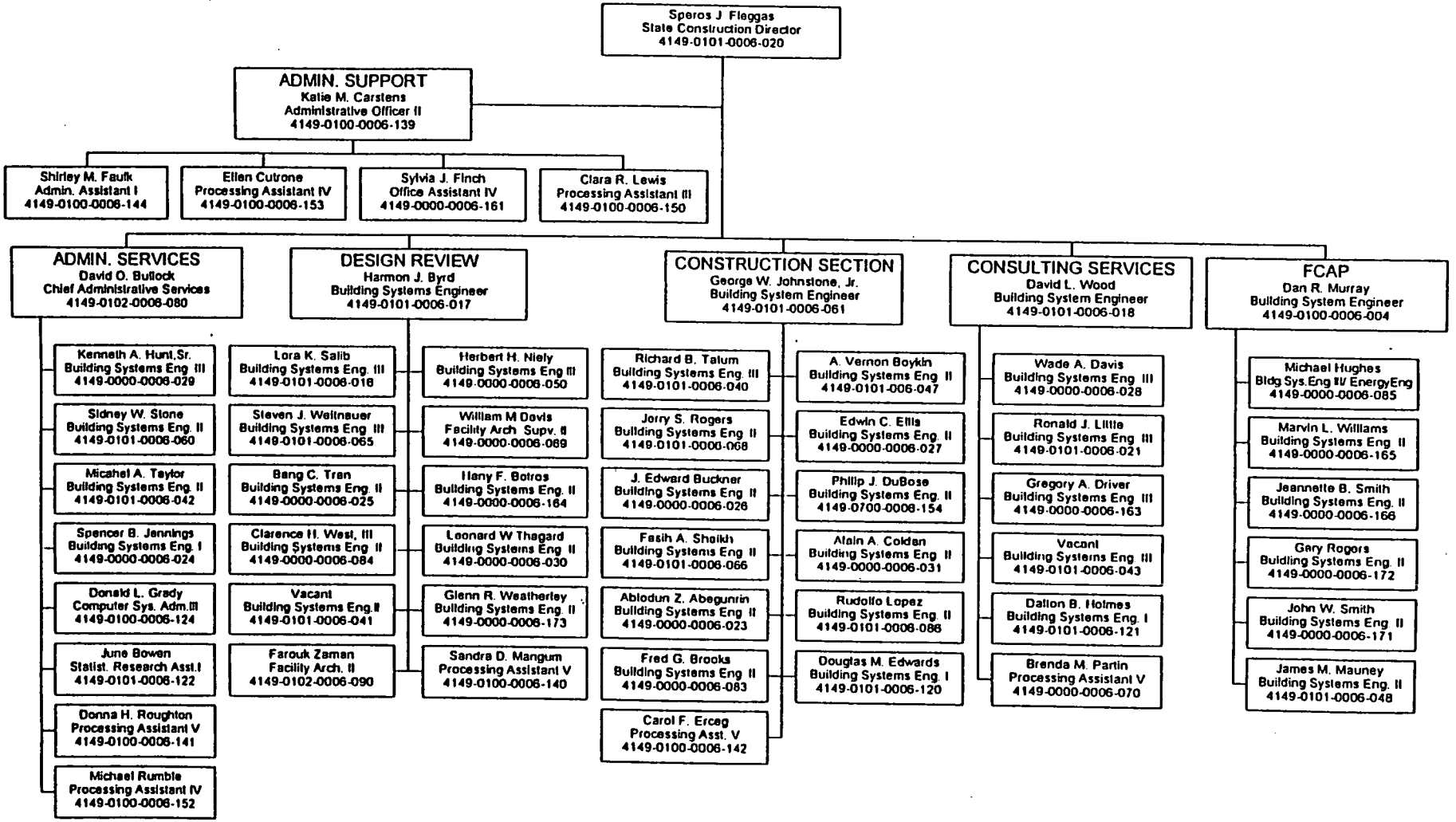


STATE PROPERTY OFFICE

The State Property Office is responsible for state government's acquisition and disposition of all interest in real property whether by purchase, sale, exercise of power of eminent domain, lease or rental, with certain exceptions. This office is also responsible for the management of the submerged lands of the state, with the exception of aquaculture leases. The office maintains a computerized inventory of land and buildings owned or leased by the state and administers the allocation and reallocation of land and buildings among the various state agencies.

ACCOMPLISHMENTS

- We have managed a tremendous increase in work load while actually reducing out staff. in the early 1980's, the State Property Office was staffed with 27 positions and handled approximately 400 transactions per year. In 1996, the State Property Office was staffed with 21 positions and handled 1,232 transactions.

- The State Property Office has systematically developed methods to quicken the pace of transactions handled "in-house", and delegated more authority to State agencies to handle minor transactions. We have developed close working relationships with conservation groups who, under our direction, handle many of the transactions involving parks, natural areas and other sensitive lands.

- We have successfully implemented the provisions of Senate Bill 52 (Easements in State-owned Submerged Lands) without additional staff support and without any delays in the easement issuance process.

- We have upgraded the quality of our computerized land and building inventory and improved the mechanisms for acquiring and maintaining this information. The inventory and numerous reports are now available to the State agencies, the General Assembly and the public through the Internet. The inventory provides this office and the using agencies greater ability to "manage" the State's real property assets.

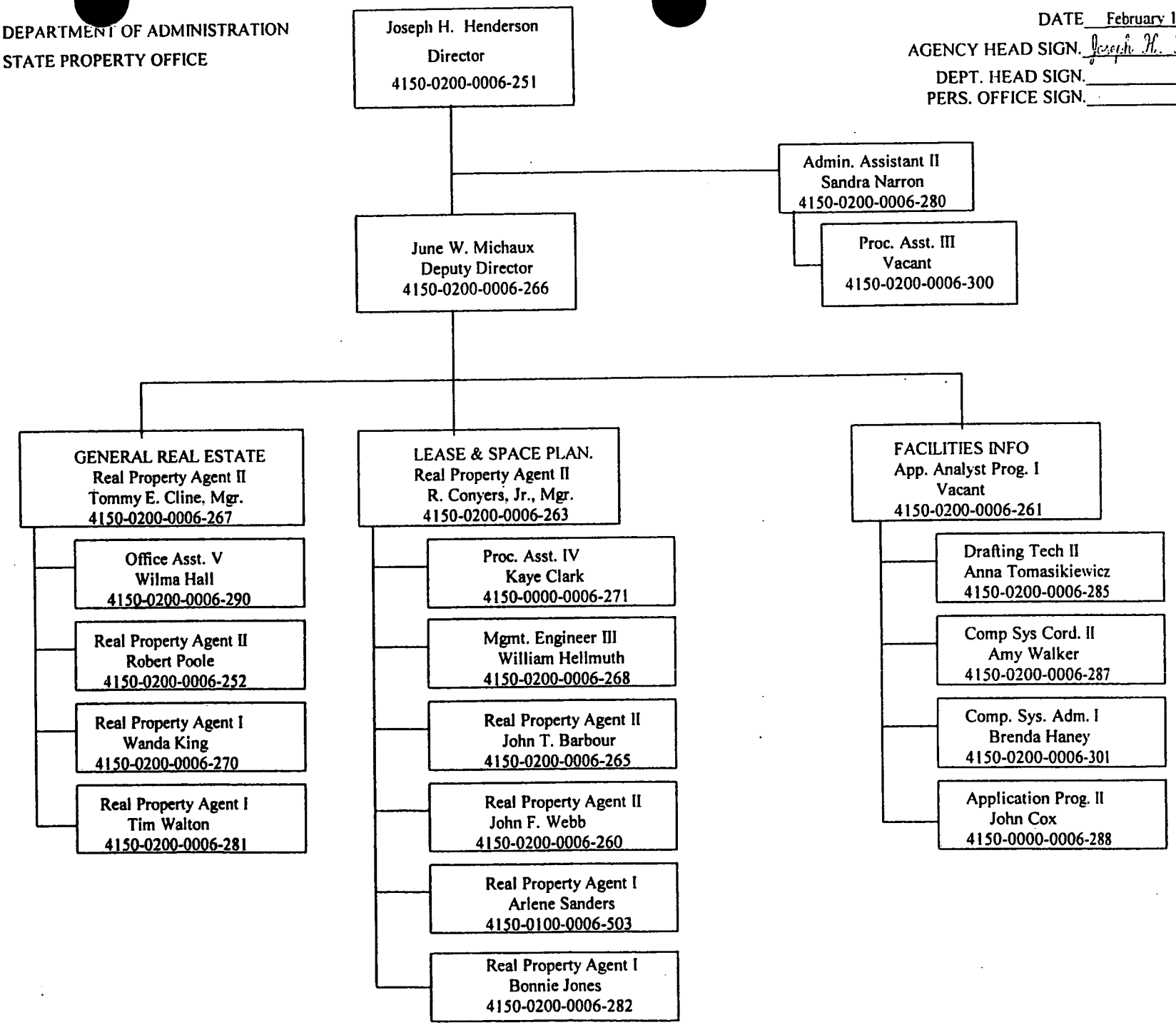
- We have developed strategies to consolidate agencies in both leased and owned buildings to effect savings in "shared facilities" such as receptionists, copy centers, mail and printing functions, etc., and to provide greater convenience to the public doing business with these offices.

- We have made significant progress in acquiring those properties funded by bonds issued for both the University System and the State Parks System.

- In general, we are seeking every conceivable way of "doing more with less", utilizing the resources of other agencies as opposed to increasing our in-house staff, and developing working relationships with conservation groups to handle land transactions for us. The next major step will be to "contract out" real estate acquisition to private firms on an experimental or "pilot project" basis and compare the costs with in-house acquisition.

DEPARTMENT OF ADMINISTRATION
STATE PROPERTY OFFICE

DATE February 19, 1999
AGENCY HEAD SIGN. Joseph H. Henderson
DEPT. HEAD SIGN. _____
PERS. OFFICE SIGN. _____



SP2-98

State Local Relations

The State-Local Relations Section works with local governments, regional and multi-state organizations, the public, and state agencies in a variety of areas involving intergovernmental cooperation. The section manages the Appalachian Regional Commission (ARC) grant program, coordinates interagency project reviews required by the North Carolina and National Environmental Policy Acts, assists the Governor and his staff in issues involving local governments, and operates a project notification, review, and comment system to provide state and local agencies and the public with information about projects supported with public funds. Environmental and project notification processes are coordinated through this unit's Intergovernmental Review Clearinghouse.

Recent Accomplishments

- During 1998, coordinated the development and approval of 22 ARC grants totaling $3.29 million, leveraging $7.1 million in additional funding. Grant assistance included:
    - Water and sewer assistance - $1.72 million in ARC grants, leveraging $5.8 million in additional funds, which aided in creating 518 new jobs, retaining 1629 existing jobs and securing $54.7 million in private investment.
    - Children's assistance - Aid for the NC Partnership for Children to initiate a demonstration in dental health promotion affecting children in 9 counties and involving local partnerships for children, the state Dental Health Section, and the Ruth and Billy Graham Children's Health Center.
    - Community capacity building - Assisting Handmade in America (a regional non-profit) in its work with the Institute of Government to train a leadership corps in seven small communities working on community revitalization (a program cited as a national model by the Pew Charitable Trust)

- The Intergovernmental Review Clearinghouse began work to better coordinate environmental reviews with the permitting process, to streamline the process used to insure state agency compliance with the State Environmental Policy Act (SEPA), and to make the process more user friendly. Initial steps have included revising the rules through the Administrative Procedures Act to expedite the review process.

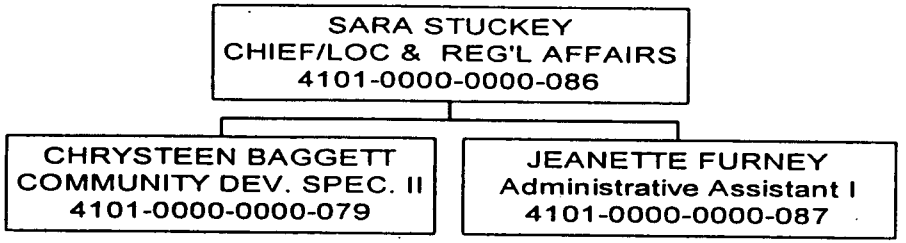
- In 1998 the unit coordinated the review by state and local agencies of 459 environmental documents prepared in compliance with state and national environmental policy acts. Information about the documents (the *North Carolina Environmental Bulletin*) now is available electronically through the Department of Administration's web site.

- The intergovernmental review process also included action on 313 notices by state and local entities of their intention to apply for federal grants and loans. These documents supported requests for over $509 million.

exfires.doc

DEPARTMENT OF ADMINISTRATION
STATE & LOCAL GOVERNMENT AFFAIRS

DATE: February 1999
AGENCY HEAD SIGN: SARA STUCKEY
DEPT. HEAD SIGN: KATIE DORSETT
HUMAN RES. MGMT. SIGN: LINDA COLEMAN



Quality Coordinator

Overview

The Quality Coordinator is charged with providing technical assistance to leadership in leading, directing and developing Continuous Improvement in the Department of Administration. Continuous Improvement is a structured effort designed to re-focus the Department's commitment to provide outstanding service to our customers through continually improving the way we do business. Under the Secretary's leadership, the Department is raising awareness of "customer service" throughout its ranks.

Major Accomplishments

- Surveyed over 17,800 external and internal customers and received responses from over 2,800 customers.
- Identified and prioritized areas of department-wide concern and established three new improvement teams based on the prioritized issues.
- Established the Workplace Assessment Team which surveyed all DOA employees to gauge employee perceptions on their workplace environment.
- Increased involvement of employees in continuous improvement efforts from under 2% to near 10% of total employees.
- Trained fifteen employees to be team facilitators.
- Trained 40 employees to be team members.
- Trained all division directors and their direct reports in the areas of customer focus, surveys, and focus groups.
- Developed a strategic plan for the implementation of Continuous Improvement within the department.
- Hired a full time quality coordinator.
- Incorporated Continuous Improvement criteria into employees workplans.
- Restructured both the Quality Leadership Team and the Quality Design Team to provide for an increased number of members and rotate membership thus allowing all division directors to serve on the team.
- Developed a Continuous Improvement Communications Plan.
- Developed a Continuous Improvement web page.
- Placed monthly articles on Continuous Improvement in the department's newsletter.
- Provided an overview of the continuous improvement planning process at DOA to all employees.

NORTH CAROLINA COMMISSION OF INDIAN AFFAIRS
1997-1998 AGENCY ACCOMPLISHMENTS

AGENCY ACCOMPLISHMENTS

Z. SMITH REYNOLDS GRANT

The commission received a $25,000 grant from the Z. Smith Reynolds Foundation to develop capacity building of the commission membership, commission staff, and community Indian leaders for the N. C. Commission of Indian Affairs. The funding will foster a collaborative effort between commission members, commission staff, tribal administrators, and other Indian community leaders. The purpose of this project is to develop a strategic plan for the Year 2000. The plan requires the commission to establish a partnership with key non Indian stake holders in Indian communities, to bring additional resources and expertise to the commission in attempt to serve the future needs of North Carolina's American Indian communities.

AMERICAN INDIAN LICENSE PLATE

For the first time in the history of the state of North Carolina the General Assembly authorized the first American Indian Insignia License Plate. The newly passed legislation will generate new revenues for the state. In addition, the American Indian License Plate will bring new sense of pride and recognition to the Indian citizens of North Carolina.

AMERICAN INDIAN CELEBRATION

Approximately 3,000 citizens attended the 1998 American Indian celebration held November 7 in Raleigh. Activities included a mini pow-wow, traditional Indian storytelling, demonstrations, and traditional Indian foods. The highly success event was a collaborative effort among the NC Commission of Indian Affairs, the NC Museum of History, the NC Museum of Natural Science, and Triangle Native American Society.

GOVERNOR'S RACE RELATIONS CONFERENCE

The Commission participated in North Carolina's first Race Relations Conference which was designed to improve race relations in our state and local communities. The Commission played an integral role in the planning of the state's conference. Moreover, the Commission was a vital instrument in bringing focus and attention to state leaders that the President's Commission on Race Reconciliation did not include a representative from the American

Indian population. Although the Commission was not successful in getting an American Indian appointed to the President's Commission on Race Reconciliation, it was successful in terms of advocating for improved race relations in North Carolina.

APPOINTMENT TO YEAR 2000 CENSUS ADVISORY COMMITTEE

Commerce Secretary Daley appointed the Executive Director for the Commission of Indian Affairs to the Year 2000 American Indian and Alaskan Native American Census Advisory Committee. The Census Advisory Committee meets periodically to discuss and address issues and concerns relative to the Year 2000 Census, in addition to reviewing proposed regulations, plans and activities that are designed to assure maximum participation of American Indians in the Year 2000 Census.

NATIONAL INDIAN EDUCATION ASSOCIATION 2003 CONFERENCE STEERING COMMITTEE

The Commission's Substance Abuse, Educational Talent Search, and Community Services Program Directors assisted with the efforts to bring the National Indian Education Association Conference to NC in 2003. The National Indian Education Association (NIEA) is a national organization that promotes the educational advancement of Indian youth in public or reservated schools. North Carolina has never hosted a NIEA Conference.

WEAVING AN AGENDA FOR PROGRESS CONFERENCE

The commission was a co-sponsor of this conference. With collaborative efforts from six state agencies and numerous non-profit organizations, one of the conference goals was to provide participants with building blocks that can assist them as professionals to become more culturally responsive to the health care needs of minority populations. A second goal was to heighten awareness of cultural diversity from the American Indian perspective and to educate state agency personnel and non profits about issues, needs and concerns of North Carolina Indians. In addition, a proclamation from the Governor was presented to April Whittemore, Miss Indian World. April, a member of the Lumbee tribe, is the first American Indian east of the Mississippi be awarded such a prestigious title.

LEGISLATION REQUIRING CONSIDERATION OF INDIAN CHILD WELFARE ACT FOR AMERICAN INDIAN CHILDREN

The Adoption and Safe Families Act was amended by the NC General Assembly requires Social Services to consider the Indian Child Welfare Act when placing Indian children into foster care or adoptive services.

PROGRAM ACCOMPLISHMENTS

SUBSTANCE ABUSE

YOUTH CONFERENCE

The North Carolina Indian Youth Conference was held June 10-12, 1998, at Barton College, Wilson, NC. The conference had its largest participation in its 19 years of existence. Approximately 336 Indian students all over the state attended the conference. In addition, the North Carolina Department of Labor sponsored a majority of the conference participants, adding to the success of the annual event. Students were able to participate in cultural activities, gain valuable leadership skills, gain positive self-esteem, and be exposed to educational and career opportunities. One of the highlights of the conference was the presentation of two $500 educational scholarships that was awarded to students perusing secondary education.

FUNDING OBTAINED TO ADDRESS OTHER SUBSTANCE ABUSE RELATED ISSUES

The "Earn Your Feather" Substance Abuse Prevention and Awareness Program's funding was increased by $22,000. Such funding marks the first of its kind since implementation of the program eight years ago. The additional funding will allow the commission to hire a part-time staff person who will assist in coordinating a statewide substance abuse forum and an HIV, AIDS, and STD's forum within American Indian communities.

INTERNAL COLLABORATION BETWEEN COMMISSION PROGRAMS

In collaboration with the commission's Educational Talent Search Program, the substance abuse program director attended 27 schools across North Carolina, reaching over 600 students in delivering substance abuse prevention literature and providing oral presentations on the dangers and effects of substance abuse. Student participants varied from 11 years old to 18 years of age.

UNITED NATIONAL INDIAN TRIBAL YOUTH, Adult Head Advisor

The substance abuse program director was elected to serve as the Adult Head Advisor to the National UNITY organization. Responsibilities in this position include training for adult advisors, maintaining records on active chapters' accomplishments, developing a moral code of conduct for adult advisors and/or chaperones, and assisting with the planning of the National UNITY Conference. UNITY's headquarters are located in Oklahoma City, OK.

COMMUNITY SERVICES

CULTURALLY RESPONSIVE CARE INITIATIVE

The Commission received $75,000 from the Division of Social Services in its efforts to implement culturally responsive care initiative created and established by the Department of Health and Human Services. The Commission is responsible for conducting focus groups among the state's ten American Indian tribes and organizations. In addition to the focus groups, the commission will prepare reports, identify problems around policies and practices that omit the North Carolina American Indian community and provide consultation to multi-agency service providers focused on meeting the needs of American Indian children and families.

HEALTH CHOICE (FORMERLY CHILDREN'S HEALTH INSURANCE CHIP PROGRAM) STEERING COMMITTEE

In an effort to comply with one of Governor Hunt's priority to make sure that children go to school healthy and ready to learn, the commission took the lead in North Carolina in advocating for the Children's Health Insurance Program on behalf of state recognized American Indian tribes. The commission has provided information to Indian tribes and organizations regarding the benefits of the Health Choice Program. In addition, commission staff and tribal members have played an integral part of the Children's Health Insurance Steering Committee in providing information, as well as providing input in the crafting of mental health services and the comprehensive health care package for the state's approximately 71,000 uninsured children. The steering committee, composed of local, state, federal, and non-profit entities, was mandated to select the name for the newly legislated program and establish policy and eligibility procedures for the implementation of the program. One major outcome from serving as a member of the steering committee is that American Indian tribal offices will serve as centers for application taking and outreach.

WILDLIFE FORUM

The commission sponsored a forum for American Indian Representatives from the North Carolina federal and state recognized American Indian tribes and organizations, United States Department of Interior Fish and Wildlife Service agents, state legislator Representative Ronnie Sutton, North Carolina Wildlife Resource Commission officials, and Lumber River Legal Services on August 5 in Raleigh. The major objectives of the forum were to review and discuss state and federal regulations regarding the possession and use of feathers by American Indians and improve relations between wildlife officials and tribal leaders. In SFY 1997-98 numerous Indian citizens were arrested because they were found to be in violation of state fish and wildlife regulations. Traditionally, Indian citizens have hunted, fished, and trapped game as part of their heritage and used animal and bird parts in traditional celebrations. The history

making forum concluded with identifying future resolutions and strategies that tribes, state and federal agencies can implement to modify or create legislation that is inclusive of all American Indians.

INDIAN SENIOR CITIZENS CONFERENCE

The Commission coordinated the NC Indian Senior Citizens Conference. Over 150 American Indian senior citizens from across the state attended the annual North Carolina Indian Senior Citizens conference held in Fayetteville. The conference highlights issues and concerns of the elderly such as decent housing, nutrition, health care, and energy assistance, as well as featuring traditional and cultural accomplishments. The conference is sponsored by the NC Indian Senior Citizens Coalition, United Tribes of North Carolina, the NC Native American Youth Organization, and the Commission of Indian Affairs.

ARCHAEOLOGY FORUM

The commission hosted an Archaeology Forum on February 26 in Raleigh for the purpose of improving relations between tribal leaders and members of the Archaeology community in North Carolina. The state's leading archaeologists and anthropologists discussed issues of mutual interest, reported on the status of ongoing projects, addressed reinterment issues, issues revolved around the study and analysis of Indian burial remains and made presentations on new discoveries. The forum concluded with over twelve recommendations.

HOUSING

ADDITIONAL 25 UNITS IN PERSON COUNTY

The Commission's Section 8 Housing Program received additional funding to support 25 families living in Person County. The additional funding was in the amount of $63,746.00.

HOUSING ASSISTANCE FOR FAMILIES LIVING WITH AIDS

The Commission's Section 8 Housing Program entered into a Memorandum of Understanding with the NC Department of Health and Human Services to assist 35 families with rental assistance who were diagnosed HIV/AIDS. The benefit of this program is that the targeted families will be able to live in decent, safe and sanitary homes.

RURAL DEVELOPMENT INITIATIVE -- $2M IN FUNDS

The Commission worked in collaboration with the US Department of Agriculture and its Rural Development Program to develop a special set aside Home Loan Program for American

Indian citizens in North Carolina. As a result of this effort, the Rural Development Program has set aside $2 million dollars in home loan funds for American Indian. The purpose of this program is to assure that Indian citizens are able to obtain home loans and be able to occupy decent, safe and sanitary homes.

EXPANSION OF INDIAN HOUSING AUTHORITY BOARD

The commission worked with state recognized tribes and organization to address the need to increase the membership of the NC Indian Housing Authority Board. The enacted legislation assured that all of the state's American Indian tribes and organizations are represented on the Board.

EDUCATION

US DEPARTMENT OF EDUCATION AWARDS CONTINUATION FUNDING

The Educational Talent Search Project was awarded funding for an additional four years. The funding included a budgetary increase sufficient to raise the service population from 600 to 650 students. The Educational Talent Search Program will receive $216,529 in funding annually over the next four years. The program is targeted to provide services in the counties of Columbus, Cumberland, Guilford, Halifax, Harnett, Hoke Sampson, and Warren counties.

COLLABORATIVE EFFORT WITH STATE AND PRIVATE BUSINESSES IN OBTAINING COMPUTER EQUIPMENT

The Educational Talent Search Project has been the recipient of twelve computers that have been strategically placed in tribal communities for student access.

SECONDARY EDUCATION SUCCESSES

Ninety-seven percent of the Educational Talent Search participants completed their grade level for the 1997-98 academic year. This high percentage of graduates exceeded their projected goal of eighty-five percent.

Eighty-one percent of the Educational Talent Search participants who were graduating seniors enrolled in post-secondary educational program. This high percentage of graduates is significant because it exceeds the projected goal of seventy percent by eleven percent.

JTPA

SCHOLARSHIPS TO THE NINETEENTH ANNUAL NC INDIAN YOUTH UNITY CONFERENCE

In a collaborative effort between the commission and the North Carolina Department of Labor Bureau of Apprenticeship and Training, the Commission sponsored 250 American Indian youth to the conference. During the 1998 conference, youths were exposed to various educational, career, esteem building, and leadership development opportunities. The NC Indian Youth Unity Conference is hosted annually by the North Carolina Native American Youth Organization in collaboration with the NC Commission of Indian Affairs (Substance Abuse Prevention and Awareness Program), the state's Indian tribes and organizations, and the Title IX Indian Education Programs in the counties.

SCHOLARSHIPS TO FOURTEENTH ANNUAL ANDREW JOHNSON MEMORIAL APPRENTICESHIP AND TRAINING FORUM

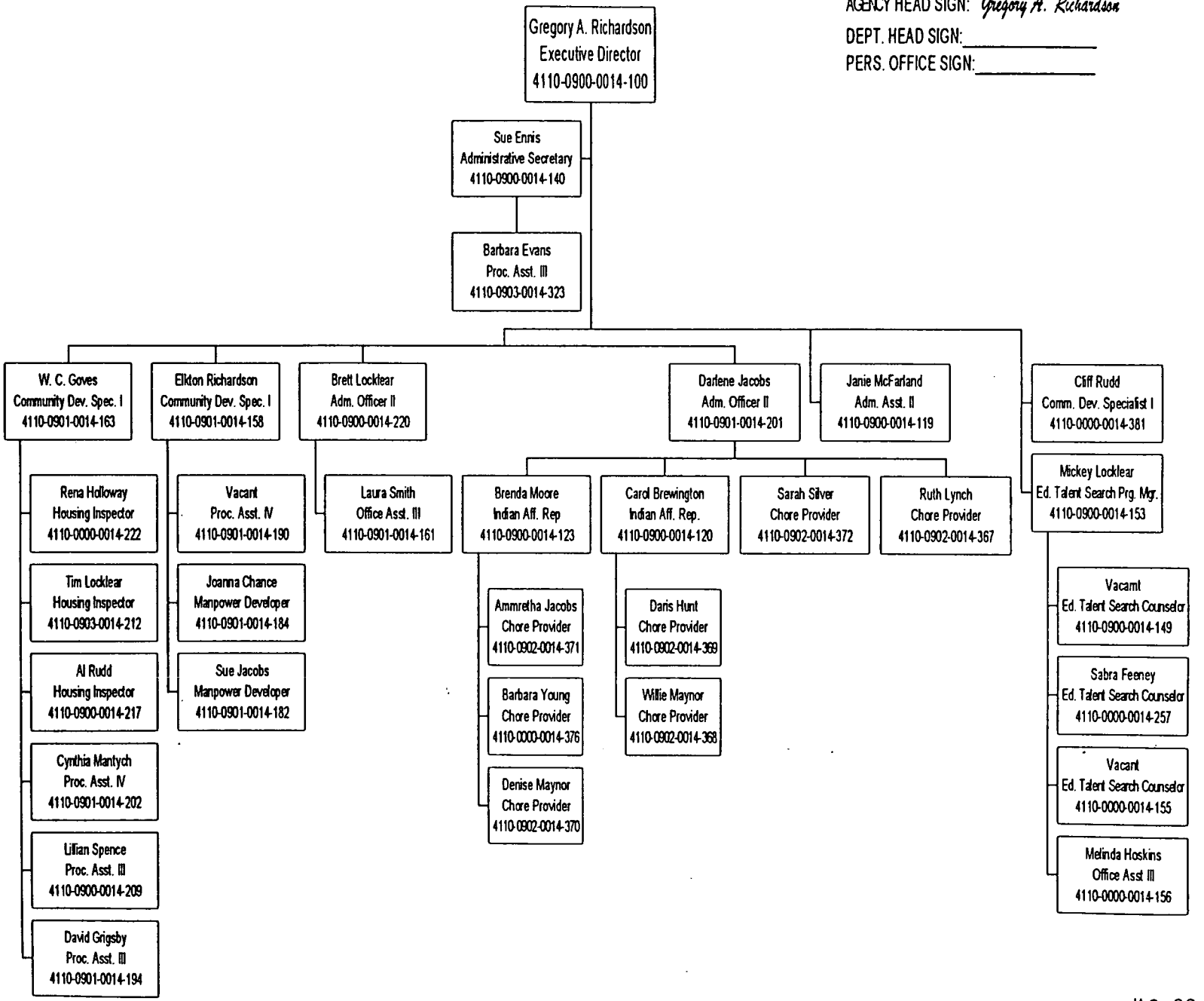
In an effort to increase American Indian participation and involvement in apprenticeship programs, the commission the North Carolina Department of Labor Bureau of Apprenticeship and Training jointly coordinated and sponsored representatives from the state's Indian tribal communities to attend the 1998 Andrew Johnson Memorial Apprenticeship and Training Forum. The forum is hosted annually by the North Carolina Department of Labor, and provided an exchange of ideas on training concepts, technologies, linkages and apprenticeship program activities between business, industry, education, and government. In addition to representatives from six of the state's ten Indian communities, two American Indian attendants were Section 401 JTPA (Indian & Native American) Program managers

JTPA PROGRAM DIRECTOR APPOINTMENT TO US DEPARTMENT OF LABOR INDIAN AND NATIVE AMERICAN PROGRAM REGULATIONS WORK GROUP

The commission's JTPA Program director was appointed by US Dept. of Labor officials and the chair of the Native American Programs Advisory Council to serve as part of a technical work group to devise program regulations for Indian programs under the new Workforce Investment Act of 1998. The work group has produced and revised drafts of the regulations, which are currently in the internal clearance process at Labor, are slated to go to OMB on February 3 for publishing as interim final regulations.

DEPARTMENT [redacted]STRATION
NC COMMISSION[redacted]IAN AFFAIRS
February 1999

AGENCY HEAD SIGN: *Gregory A. Richardson*
DEPT. HEAD SIGN: _____
PERS. OFFICE SIGN: _____



IA 2-99

North Carolina Indians

North Carolina Department of Administration
N.C. Commission of Indian Affairs • 217 W. Jones Street, Raleigh, N.C. 27603-1336 • (919) 733-5998
Fax (919) 733-1207 *http://www.doa.state.nc.us/doa/cia/indian.htm*

Population

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

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

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

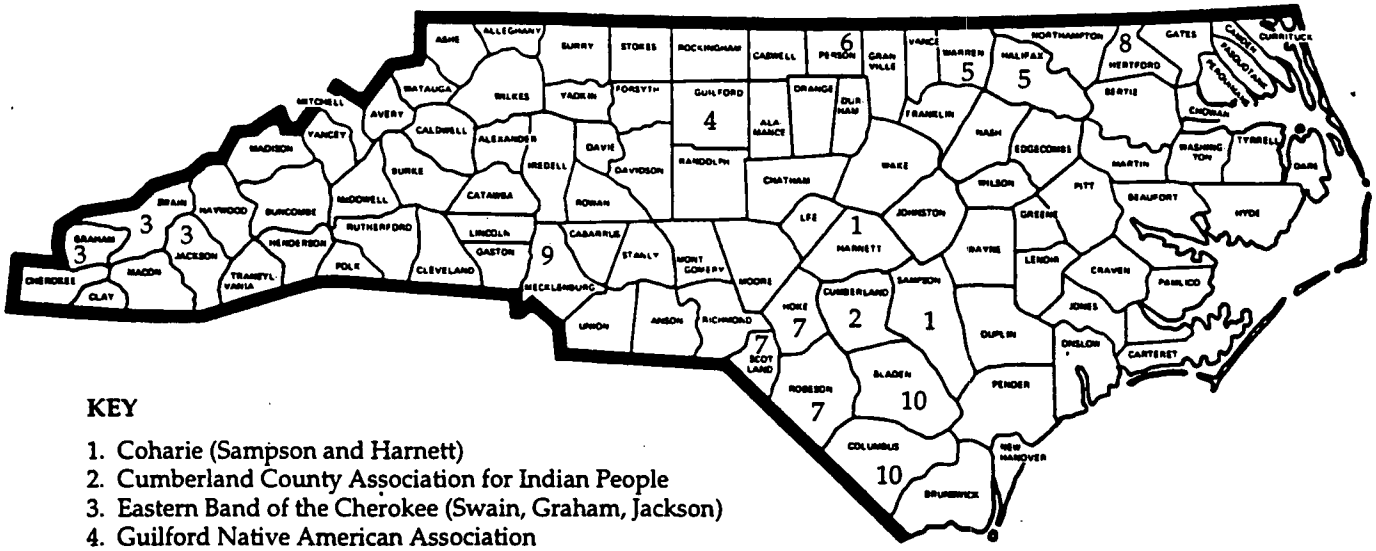
State Recognized

Coharie (Sampson and Harnett)
Haliwa-Saponi (Halifax and Warren)
Indians of Person County (Person)
Lumbee (Robeson, Hoke, Scotland)
Meherrin (Hertford)
Waccamaw-Siouan (Bladen and Columbus)

Federally Recognized

Eastern Band of Cherokee
(Swain, Graham, Jackson)

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



KEY

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

3,000 copies of this public document were printed at a cost of $93.55, or $.03 per copy.

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

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

Age

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

Education

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

Income

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

For more information contact:
North Carolina Commission of Indian Affairs
North Carolina Department of Administration
217 W. Jones Street
Raleigh, North Carolina 27603-1336
(919) 733-5998
Fax (919) 733-1207
http://www.doa.state.nc.us/doa/cia/indian.htm

NORTH CAROLINA INDIAN ORGANIZATIONS

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

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

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

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

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

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

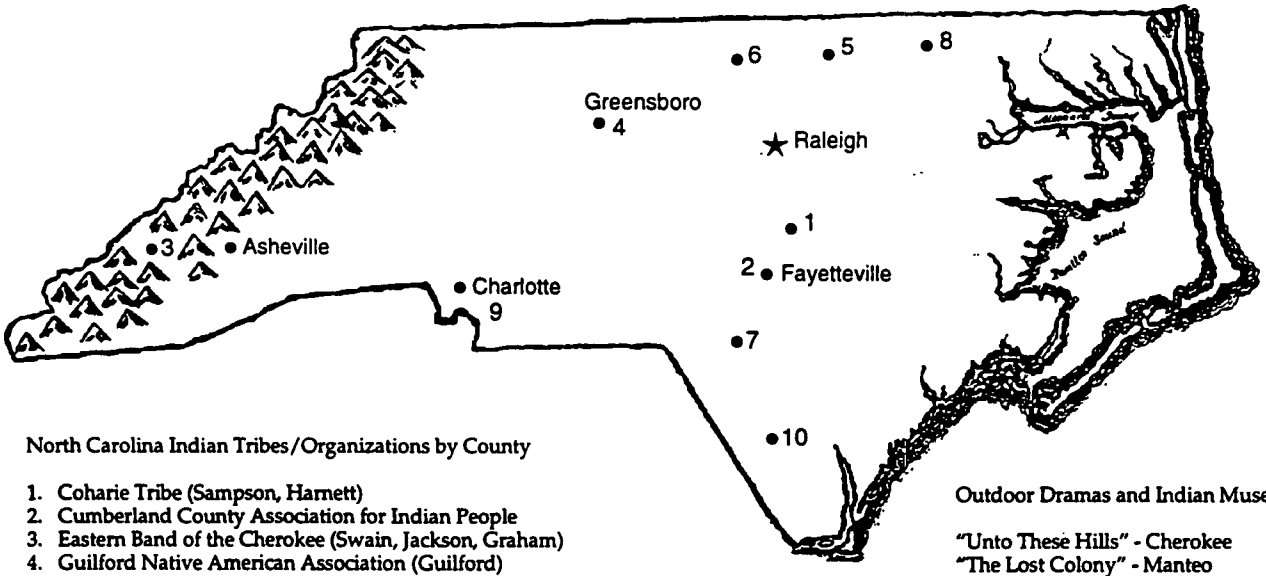
Indians of Person County
P.O. Box 3265
Roxboro, N.C. 27573
Phone: (336) 599-5020

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

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

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

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

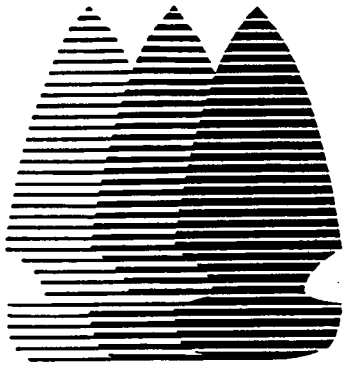


North Carolina Indian Tribes/Organizations by County

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

Outdoor Dramas and Indian Museums

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



North Carolina Indian Population (By County)

North Carolina Department of Administration
N.C. Commission of Indian Affairs • 217 West Jones Street, Raleigh, N.C. 27603-1336 (919) 733-5998
Fax (919) 733-1207 *http://www.doa.state.nc.us/doa/cia/indian.htm*

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

TOTAL 80,155

Source: 1990 U.S. Census

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Cumberland County Association for Indian People

The Cumberland County Association for Indian People (CCAIP) was established in 1965 to enhance and promote the self-sufficiency, socioeconomic development and self-determination of the approximately 4,000 American Indians living in the Fayetteville/Cumberland County area. The association is governed by a 10-member board of directors elected annually. CCAIP offices are located in the old Les Maxwell School Building which served Indian students from 1954 to 1967.

Programs offered by the association include Job Training Partnership Act (JTPA), cultural education, Head Start, child day care, a senior citizen meal site, adult and youth recreational services, small business development assistance, food pantry, information and referral, and a senior citizen program. The association also operates Four Feathers Enterprises, a furniture design and production business, and Four Feathers Arts and Crafts Center, a successful arts and crafts business.

Program services operated by the N.C. Commission of Indian Affairs in Cumberland County include Substance Abuse Prevention and Awareness, Educational Talent Search and in-home aide services for the elderly/physically challenged through the Community Services Program. In addition, Community Services Block Grant (CSBG) and Community Action Partnership Program (CAPP) funding is subcontracted to CCAIP by the commission each year. A cultural festival is sponsored by the Cumberland association each October.

Guilford Native American Association

Guilford Native American Association (GNAA) is a non-profit, urban organization established in 1975 to represent and serve the approximately 3,000 American Indians living in Guilford and surrounding counties. The mission of GNAA is to implement educational, cultural, social and economic programs and activities that will help American Indians achieve social and economic self-sufficiency and self-determination. GNAA is governed by a 10-member board of directors elected annually.

Major funding over the last several years from the Administration for Native Americans and the U.S. Department of Labor has assisted the association in the implementation of several successful economic development projects. These include Guilford Native Industries, a Job Training Partnership Act (JTPA) program; the GNAA Child Day Care Center; The Indian Property Initiative (T.I.P.I), a housing program; Rising Star Greetings, an all-occasion Indian greeting card enterprise; the Guilford Native American Art Gallery and Gift Shop; and Guilford Native Furniture Accessories. Community Services Block Grant (CSBG) and Community Action Partnership Program (CAPP) funding is subcontracted to GNAA by the N.C. Commission of Indian Affairs each year. In addition, the commission's Educational Talent Search Program serves eligible Indian students between the ages of 11 and 27 in Guilford County.

Special activities of GNAA include an annual powwow and cultural festival, youth and senior citizens projects, and the annual awarding of two $1,000 scholarships to worthy Indian students.

Metrolina Native American Association

Metrolina Native American Association (MNAA) was established in 1976 to address the needs and concerns and promote the self-sufficiency and self-determination of the 4,500 American Indians residing in the 10-county area of the southern piedmont known as Metrolina. The association is governed by a nine-member board of directors elected by the Indian community annually.

The association operates a Job Training Partnership Act (JTPA) program and also offers cultural enrichment programs and economic development assistance. All activities are coordinated with other Indian organizations and programs as well as with area agencies and businesses. Funding for the association is provided by the U.S. Department of Labor, the North Carolina Arts and Science Council, the Office of Economic Opportunity, community donations and various fundraisers held each year by the association. Community Services Block Grant (CSBG) and Community Action Partnership Program (CAPP) funding is subcontracted to MNAA by the N.C. Commission of Indian Affairs each year.

Metrolina Indian News, the association's monthly newsletter, keeps community members informed of MNAA-sponsored activities. Special activities include annual cultural festivals and powwows, an annual Captain's Choice Golf Tournament, an MNAA Princess Pageant, and activities for youth and senior citizens.

North Carolina Commission of Indian Affairs
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http://www.doa.state.nc.us/doa/cia/indian.htm
Gregory A. Richardson, Executive Director
Paul Brooks, Chairman

Field Offices

Columbus County
Bolton
(910) 655-8778 (Section 8 Housing)
(910) 655-4689 (Community Services)
(910) 655-8708 (JTPA)

Cumberland County
Fayetteville
(910) 483-8442 (Community Services)

Granville County
Oxford
(919) 693-2456 (Section 8 Housing)

Halifax County
Hollister
(919) 586-4017
(Section 8 Housing)
(Community Services)

Hoke County
Raeford
(910) 875-2581 (Section 8 Housing)

Person County
Roxboro
(919) 599-0952 (Section 8 Housing)

Robeson County
Pembroke
(910) 521-0887 (Community Liaison)

Sampson County
Clinton
(910) 564-6152 (Community Services)
(910) 564-4941 (Section 8 Housing)
(910) 564-6726 (JTPA)

North Carolina Indian Tribes and Organizations

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

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

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

Guilford Native American Association
P.O. Box 5623
Greensboro, N.C. 27435
(910) 273-8686

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

Indians of Person County
P.O. Box 3265
Roxboro, N.C. 27573
Phone: (336) 599-5020

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

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

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

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

State of North Carolina - James B. Hunt Jr., Governor
N.C. Department of Administration - Katie G. Dorsett, Secretary
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NORTH CAROLINA INDIANS

North Carolina Commission of Indian Affairs

The North Carolina Commission of Indian Affairs is a state agency created by the N.C. General Assembly in 1971 to represent the interests and advocate for the rights and needs of the North Carolina Indian population. Commission programs are aimed at improving the educational, employment, health, and socioeconomic status of the American Indian citizens of the state. The commission operates under the direction and supervision of the N.C. Department of Administration and is one of five advocacy agencies housed within the department.

The membership of the commission is composed of 18 representatives from the state's six recognized Indian tribes and three urban Indian organizations, five state officials, and an appointee of both the speaker of the N.C. House of Representatives and the lieutenant governor. Ex-officio members include representatives from two statewide Indian youth organizations, the North Carolina Native American Youth Organization (NCNAYO) and the North Carolina Native American Council on Higher Education (NCNACOHE).

According to the 1990 U.S. Census, North Carolina's Indian population totals 80,155 giving the state the largest Indian population east of the Mississippi River and the seventh largest Indian population in the nation. Six Indian tribes call North Carolina home. The Lumbee, Coharie, Waccamaw-Siouan, Haliwa-Saponi and Meherrin Tribes are state recognized while the Eastern Band of the Cherokee possesses both state and federal recognition. In addition, three major urban Indian organizations serve the American Indian populations of Charlotte, Greensboro and Fayetteville.

Coharie

The Coharie Indian Tribe lives in Sampson and Harnett counties and has approximately 1,700 members. According to tradition, the Coharie are descended from Iroquoian-speaking tribes, the Ri-Coherrians or Saxapahaw who settled on the Cape Fear and Saxapahaw rivers and tributaries.

The Coharie Intra-Tribal Council Inc. is a non-profit agency established to promote the health, education, social and economic well-being of the Coharie people. It is housed in the old Eastern Carolina Indian School building, a school which served Indian people of Sampson, Harnett, Hoke, Columbus, Cumberland, Bladen and Person counties from 1942 to 1966. Programs operated by the Coharie Intra-Tribal Council include an arts and crafts/cultural enrichment program and VISTA. Economic development ventures include two day care centers serving children ages 0-12 and a fish farming operation.

Programs offered to the Coharie by the N.C. Commission of Indian Affairs include Section 8 Housing; Job Training Partnership Act (JTPA); Educational Talent Search; and Community Services, which provides volunteer transportation, a meal site and in-home aide services for the elderly/physically challenged. In addition, the commission subcontracts Low Income Energy Assistance Program (LIEAP) funding to the Coharie Intra-Tribal Council each year. The Coharie annual powwow is held each September.

Eastern Band of the Cherokee

The Eastern Band of the Cherokee live on the Qualla Boundary, a land area comprised of 56,572 acres directly adjacent to the Great Smoky Mountains National Park. The more than 10,000 members of the Eastern Band are descendants of those Cherokee who, in the late 1830s, remained in the mountains of North Carolina rather than be forced to march along the infamous "Trail of Tears" to Oklahoma.

Today, the Eastern Band of the Cherokee is the only tribe of North Carolina's six recognized tribes which possesses both state and federal recognition, lives on a reservation and is served by the Bureau of Indian Affairs in the U.S. Department of the Interior; the Indian Health Service in the U.S. Public Health Service; and the federal departments of Labor, Commerce, and Health and Human Services. The North Carolina Commission of Indian Affairs subcontracts Community Action Partnership Program (CAPP) funding to the Eastern Band of the Cherokee each year.

Favorite local attractions include annual cultural festivals, the Occanaluftee Indian Village, the outdoor drama "Unto These Hills," trout fishing and the Museum of the Cherokee Indian. Traditional Cherokee arts and crafts such as baskets, pottery, beadwork, finger weavings, stone carvings and wood carvings are sold at the Qualla Arts and Crafts Mutual, an artist cooperative on the Qualla Boundary. The Cherokee Fall Festival is held each October.

Haliwa-Saponi

The Haliwa-Saponi live primarily in Halifax and Warren counties in the northern part of the state and regard Hollister and Bethlehem as the centers of their community. The Haliwa-Saponi Tribe is the third largest tribe in North Carolina with approximately 3,000 tribal members. Records indicate that the Haliwa-Saponi are descended from the Saponi, Tuscarora and Nansemond native peoples. They have been in Halifax and Warren counties since the late 1700s.

During the early 1950s, the tribal members built and maintained their own independent Indian school. However, consolidation and integration forced the closing of the school in 1969. The building is presently used for tribal community meetings, arts and crafts classes, recreational activities, and as a senior citizen nutrition site.

Programs operated by the Haliwa-Saponi Tribe for the benefit of its members include a day care center for children ages 0-5; senior citizens program; federal recognition project; Job Training Partnership Act (JTPA) program; alcohol, drug and pregnancy prevention project; energy assistance program; and economic development. Program services offered to the Haliwa-Saponi by the N.C. Commission of Indian Affairs include Child Abuse and Neglect Prevention; Substance Abuse Prevention and Awareness; Section 8 Housing Assistance; and Community Services, which provides volunteer transportation and in-home aide services to the elderly/physically challenged. In addition, Low Income Energy Assistance Program (LIEAP) funding is subcontracted to the Haliwa-Saponi by the commission each year. The Haliwa-Saponi hold an annual powwow each April.

Indians of Person County

The Indians of Person County were reinserted into legislation as a state-recognized tribe in May of 1997. This legislation was based on prior legislation in 1911, when the tribe received original state recognition. As a result of this legislation, the Person County Indians now have representation on the North Carolina Commission of Indian Affairs.

The Indians of Person County are served by High Plains Indians Inc., a non-profit organization which serves approximately 900 enrolled members. The tribal council is made up of seven members - - a representative from each of the original seven families. The tribe is located along the Mayo Creek in what is referred to as the High Plains community. The community straddles the border of North Carolina and Virginia in the counties of Person and Halifax, respectively. Since the 1800s, the area has been a farming community of seven families of Indian descent. In 1888, the High Plains Indian School was built and remained open through 1962. The center of the community has historically been Calvary Baptist Church, which provided the organization of the governance for the Indian community. Funds from Title IX have been awarded to the Indians of Person County to enhance cultural enrichment programs.

The goal of this organization is "to offer and promote educational, economic and social opportunities while maintaining and preserving our history as an Indian people."

Lumbee

The over 40,000 members of the Lumbee Tribe reside primarily in Robeson, Hoke and Scotland counties. The Lumbee Tribe is the largest tribe in North Carolina, the largest tribe east of the Mississippi and the ninth largest tribe in the nation. The Lumbee take their name from the Lumber River which winds its way through Robeson County.

The ancestors of the Lumbee were mainly Cheraw and related Siouan-speaking Indians who lived in the area of what is now Robeson County. The Lumbee people have been recognized by the state of North Carolina since 1885. In 1956 a bill was passed by the U.S. Congress which recognized the Lumbee as Indian, but denied the tribe full status as a federally recognized Indian tribe. Federal recognition for the tribe is currently being sought through federal legislation.

The Lumbee Regional Development Association (LRDA) is a private, non-profit organization established in 1968 to provide needed services to the Lumbee people. Programs currently operated by LRDA include Job Training Partnership Act (JTPA), Low Income Energy Assistance (LIEAP), Head Start, Educational Talent Search, Child Day Care and Tribal Enrollment. Economic development projects operated by LRDA include WYRU, the strongest AM radio station in Robeson County, and the Lumbee Model Poultry Farm.

The Substance Abuse Prevention and Awareness and Child Abuse and Neglect Prevention programs of the N.C. Commission of Indian Affairs serve Robeson County while the commission's Educational Talent Search and Section 8 Housing Assistance programs serve Hoke County. In addition, Community Action Partnership Program (CAPP) funding is subcontracted to LRDA by the commission each year. Lumbee powwows are held each May and October.

Meherrin

The Meherrin Indians number approximately 600 and reside in several small communities in Hertford, Bertie, Gates and Northampton counties. The Meherrin are of the same linguistic grouping as the Cherokee, Tuscarora and other tribes of the Iroquois Confederacy of New York and Canada. "Meherrin" means "people of the muddy water" or "muddy water people."

The Meherrin Tribe is governed by a chief and a seven-member tribal council elected by the tribe's enrolled membership. Programs operated by the tribe include a Federal Acknowledgment Project; Cultural Retention; and the Meherrin Trading Post, a tribal arts and crafts shop. Tribal services are funded by the Administration for Native Americans and funds generated through private donations and tribal fund-raising activities. Job training and employment services are provided to tribal members through the Job Training Partnership Act (JTPA) program of the North Carolina Commission of Indian Affairs. The Meherrin hold an annual powwow each October and a cultural festival each April.

Waccamaw-Siouan

The Waccamaw-Siouan Tribe of 1,800 members is located in the southeastern counties of Bladen and Columbus. The Waccamaw-Siouan call themselves the "People of the Fallen Star," recalling an old legend which tells of a ball of fire falling to earth and creating Lake Waccamaw.

The Waccamaw-Siouan Development Association (WSDA) is a non-profit organization created in 1971 to identify and address the educational, health, social and economic development needs of the Waccamaw-Siouan people. The association is governed by a five-member board of directors elected annually by the Waccamaw-Siouan people.

Current programs operated by WSDA include housing development for low and moderate income families, child day care, economic development and cultural rediscovery. Programs offered to the Waccamaw-Siouan by the N.C. Commission of Indian Affairs include Job Training Partnership Act (JTPA); Educational Talent Search; Section 8 Housing Assistance; and Community Services, which provides volunteer transportation and in-home aide services to the elderly/physically challenged. In addition, Low Income Energy Assistance Program (LIEAP) and Community Action Partnership Program (CAPP) funds are subcontracted to WSDA by the commission each year. The Waccamaw-Siouan Tribe holds an annual powwow each October.

DEPARTMENT OF ADMINISTRATION
PARKING
REVISED 3/99

STATE PARKING SERVICES

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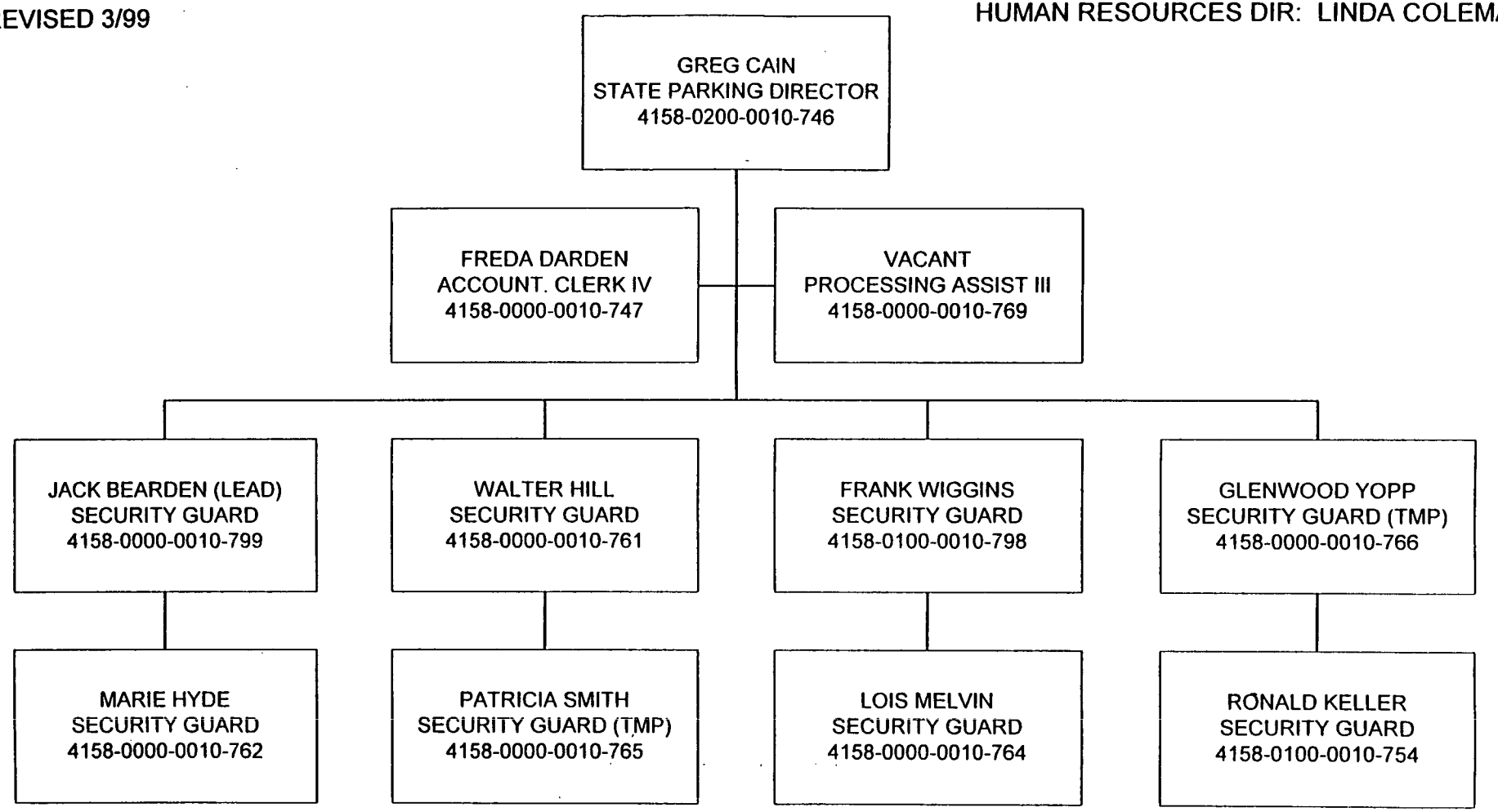
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



THE NORTH CAROLINA COUNCIL FOR WOMEN

Mission Statement

The North Carolina Council for Women is the only state agency which advocates exclusively on behalf of women. Its mission is to advise the governor, the North Carolina Legislature and the principal state departments on the special needs of women in North Carolina by: identifying and assessing needs; collecting and distributing information and acting as a resource for the county and regional councils on the status of women; offering services to women in crisis, such as victims of sexual assault and domestic violence; cooperating with groups and individuals working on behalf of women, and working toward expanding equal opportunities in employment and education for women.

Major Program Accomplishments & Goals

Domestic Violence

* In 1993-94, the Council administered funding to 64 domestic violence programs at approximately $17,500 per program and presently, the Council is providing state funding to 76 domestic violence programs at $33,910 and the NC Coalition Against Domestic Violence receives $10,000. Additionally, marriage license fees were divided among all programs and the Coalition amounting to $16,935 each.
* To have the $1,000,000 which is in the 1998-99 budget for domestic violence placed in the continuation budget instead of the non-recurring budget. Attaining additional funding for existing domestic violence programs and funding for new programs with a goal of establishing a program in each of the 100 counties.

Sexual Assault

* In 1993-94, the Council administered state funding to 51 programs at $14,410 per program and presently, the amount per program is $18,940 for the 57 programs which includes state funds of $15,657 and federal funds of $3,283.
* Attain additional funding for existing sexual assault programs and funding for new programs.

Rape Prevention

* Under the Federal Violence Against Women Act, funds for rape prevention and education were allocated. In 1998-99, 61 programs received $15,000 each to use in providing education, training and prevention for their communities. The NC Coalition Against Sexual Assault received $60,000 to use in a campus rape prevention project
* Maintain federal funding for local programs to provide education and prevention in communities.

Displaced Homemakers

* In 1993, the Council succeeded in securing funding in the amount of $375,000 from the Legislature for a pilot program to serve the more than 500,000 displaced homemakers in North Carolina. Fifteen programs were funded at varying levels in the first year. Funding was included in the continuation budget for ongoing programming for this population, and now 24 programs serve women statewide. Three of these programs won national awards for innovation and service delivery to this population: Mecklenburg Women's Commission, HOPE4 program in Rutherfordton and Southeastern Community College for their One Stop Career Center. Senate Bill 475 introduced in the 1997 General Assembly was ratified the 29th day of October, 1998 establishing the Fund for Displaced Homemakers. This Act was effective December 1, 1998, and assesses a $20 fee from persons filing final divorce actions. It will generate approximately $740,000 a year and will be administered to Displaced Homemaker Programs by the NC Council for Women.

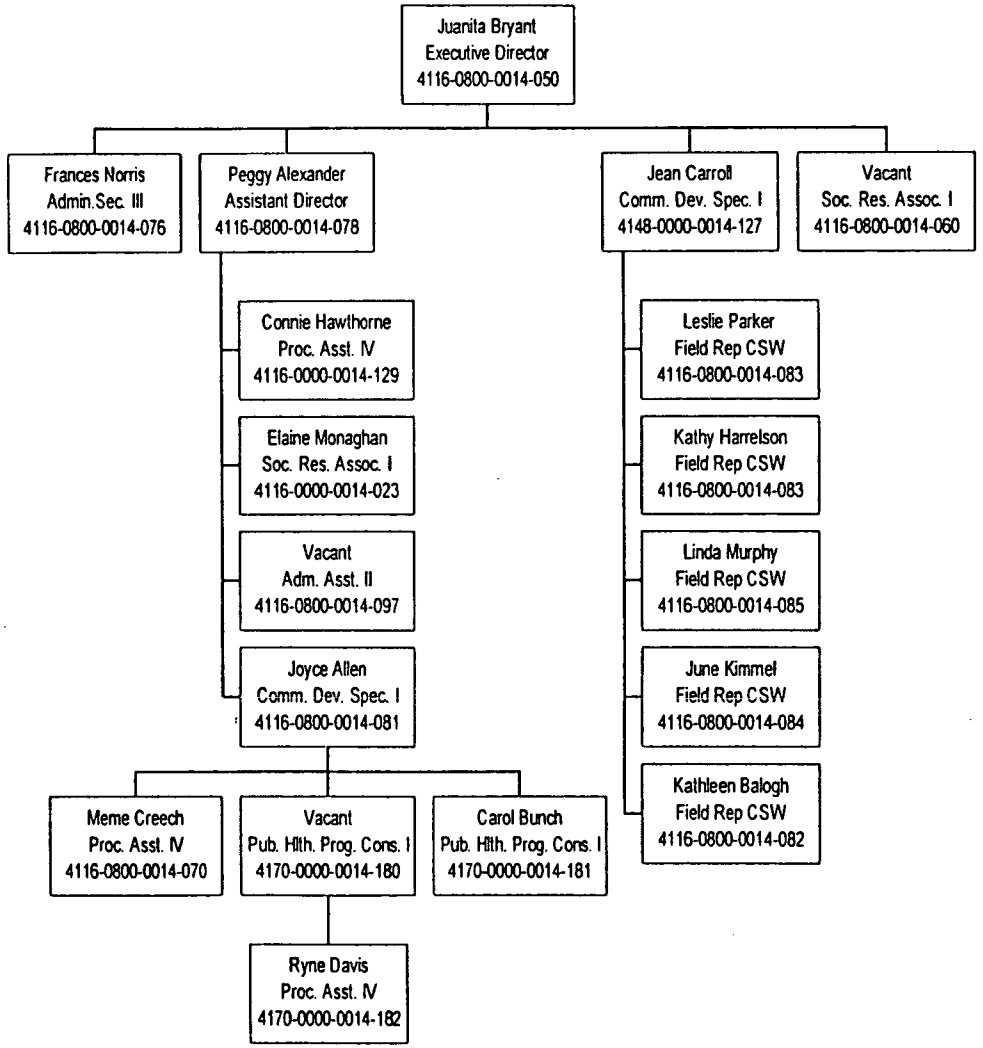
* The new steps for welfare reform are bringing a surge of new clients for our Displaced Homemaker Programs. We will be working harder than ever to attain adequate funding to service as many displaced homemakers as possible.

Local Councils/Commissions for Women

* Over the past four years, the Council has focused on strengthening its grassroots network, of which local councils are a strong component. One new local council has been established in Brunswick County, and 36 are functioning statewide.
* Continue to work towards establishment of Local Councils/Commissions. Our past achievements are a testament to the fact that there are opportunities out there if we can tap into the resources in each county or community to build these local councils and commissions.

N.C. Council for Women
Dept. of Administration
2/1/99

Agency Head _____
Dept. Head _____
Personnel Office _____



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Governor's Advocacy Council for Persons with Disabilities

The Governor's Advocacy Council for Persons with Disabilities (GACPD) is part of a nationwide system of protection and advocacy agencies. It is a civil rights protection agency committed to serving citizens with disabilities in North Carolina.

GACPD staff provide advocacy services to any citizen of North Carolina who has a physical or mental condition that substantially limits one major life activity and who falls within the agencies priorities and case selection criteria as set by the board each year.

GACPD, a division of the N.C. Department of Administration, is guided by a 21-member board comprised of volunteers appointed by the state's top leaders in government.

Accomplishments from October 1997 to date:

I. Development of a consistent information and referral service system.

- Studied the system that the state's information and referral agency, "Careline", uses.
- Examined linking with other service providers via the Internet.
- Provided information and referral services to 5,239 callers.

II. Promotion and enforcement of the right to receive services and supports which are free from abuse and neglect, and which provides access to due process, informed consent, confidentiality and privacy in 24 hour facilities.

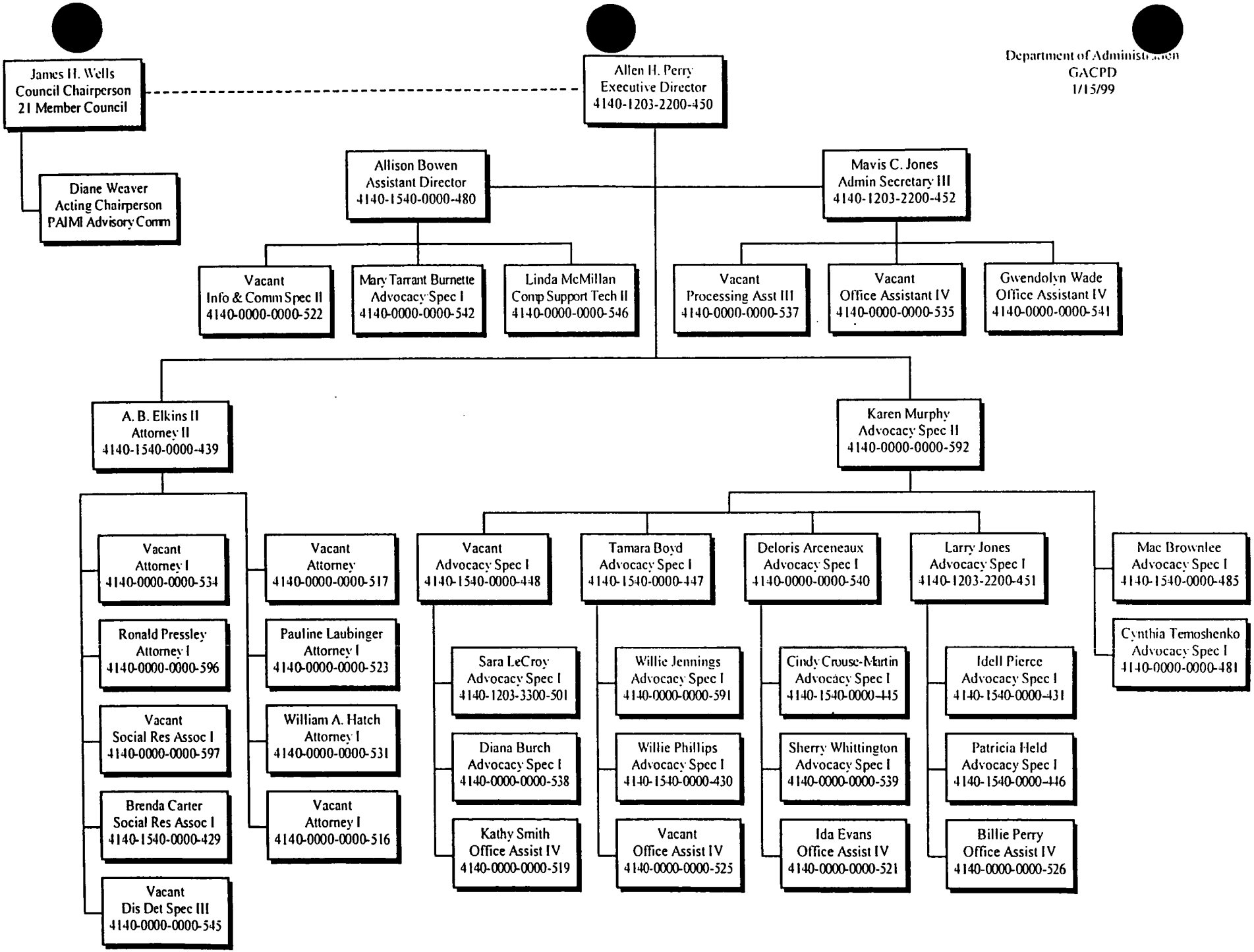
- Investigated 434 cases of abuse and/or neglect in state residential facilities.
- Investigated the death of two teens in psychiatric hospitals. One of these investigations will be featured in an upcoming documentary produced by "60 Minutes", to be broadcast nationally.
- Investigated allegations of sexual abuse in the state's schools for the deaf.
- Promoted the Health Care Personnel Registry, which allows employers to determine whether prospective employees have a history of substantiated acts of abuse and neglect at other institutions.

III. Enforcement of the rights of people with disabilities to choose where they live, work and recreate while retaining public moneys and supports.

- Provided training to 4,022 persons with disabilities, family members and service providers on the rights of persons with disabilities. Five workshops focused on ethnic minorities and rural or underserved populations
- Accepted as cases all denials of CAP slots, a Medicaid waiver which allows persons with disabilities to live outside an institution.
- Filed a class action lawsuit against the Health Care Financing Administration for denial of coverage for persons with severe disabilities.
- Obtained a graduate school intern from the Department of Rehabilitation Counseling UNC-Chapel Hill, to research barriers to living independently, particularly young people inappropriately placed in nursing homes.

IV Elimination of disability-based discrimination in education, medical/dental services, transportation and employment.

- Represented 158 clients in education cases and 62 in employment cases.
- Surveyed 7 beaches on North Carolina's coast for physically accessibility. Only one of the 7 was found to be fully accessible.
- Distributed over 700 "Parents Together", a manual for explaining a student's rights under IDEA (Individuals with Disabilities Education Act.)
- Pursued the NC Department of Transportation for failing to comply with the Americans with Disabilities Act requiring the installation of curb cuts when resurfacing streets. As of February 1999, 98.5% of the curb cuts had been completed.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21 Member Council
Diane Weaver
Acting Chairperson
PAIMI Advisory Comm
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Mac Brownlee
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N.C. HUMAN RELATIONS COMMISSION

The purpose of the North Carolina Human Relations Commission is to advocate, enforce, and promote equality of opportunity in the areas of housing, fair employment practices, public accommodations, education, justice and governmental services for all people in North Carolina. The division serves as a focal point for developing, maintaining and improving human relations by fostering communication and encouraging the establishment of local human relations councils. The division also provides crisis intervention in potentially disruptive situations and promote the right of every person in the state to live and work in peace and to be free of violence and intimidation.

Accomplishments for 1997

Race Relations Training

In 1996, the Human Relations Commission received $35,000 from Z. Smith Reynolds Foundation to conduct race relations training. In 1997, a statewide race relations training and four regional sessions with over 350 participants were held as a result of this grant. Also in 1997, the Commission received an additional $50,000 from Z. Smith Reynolds Foundation to develop a manual and training videos that local human relations commissions and other organizations can use to conduct their own race relations training.

Fair Housing Law Enforcement

The North Carolina Human Relations Commission is charged with the administration and enforcement of the fair housing law, including the investigation, mediation and litigation of fair housing cases and the provision of fair housing education and training for North Carolina. In 1997, the Commission received approximately 865 housing inquiries. 79 cases alleging housing discrimination were dual-filed with the U. S. Department of Housing and Urban Development (HUD) and the Commission closed 63 cases. The Commission also successfully conciliated 18 out of 23 aged litigation cases in which a reasonable grounds determination had been made following an investigation.

Fair Housing Outreach

In an effort to affirmatively further fair housing, the Human Relations Commission conducted approximately 118 outreach efforts. The Commission has, in an outreach and educational effort, created a web page on the Internet making available the State Fair Housing Act in English and Spanish and allowing access to the complaint forms for use by the public. The Commission has also printed for distribution the State Fair Housing Act booklets, brochures and posters in English and Spanish.

Employment/Public Accommodations

The Human Relations Commission answered approximately 2,973 telephone inquiries with employment and public accommodations concerns by offering assistance and making referrals to other agencies.

Hate Violence Reporting/Investigation
The Human Relations Commission established and trained 31 Hate Violence Information Network affiliates across North Carolina. These affiliates signed a memorandum of understanding stating that they would contact the Commission when a hate incident has occurred in their community. 75 hate/violence incidents were reported and investigated by the Commission.

Police Community Relations Training
The Human Relations Commission trained 315 persons in 21 police community relations training sessions for law enforcement departments across the state.

Hispanic/Latino Meeting
On May 6, 1997, the Department of Administration, along with the NC Human Relations Commission, hosted a meeting with 39 Hispanic/Latino leaders to hear the issues and concerns for their community. As a result of this meeting, several Hispanics/Latinos have been appointed to state commissions including the NC Human Relations Commission.

Accomplishments for 1998

Fair Housing Law Enforcement
The North Carolina Human Relations Commission is charged with the administration and enforcement of the fair housing law, including the investigation, mediation and litigation of fair housing cases and the provision of fair housing education and training for North Carolina. In 1998, the Commission received approximately 796 housing inquiries. Forty-three cases alleging housing discrimination were dual-filed with the U. S. Department of Housing and Urban Development (HUD), and the Commission closed 68 cases. The Commission also successfully conciliated 10 aged litigation cases in which a reasonable grounds determination had been made following an investigation.

Fair Housing Outreach
In an effort to further fair housing affirmatively, the Human Relations Commission conducted approximately 80 outreach efforts. The Commission has, in an outreach and educational effort, created a web page on the Internet making available the State Fair Housing Act in English and Spanish and allowing access to the complaint forms for use by the public. The Commission has also printed for distribution the State Fair Housing Act booklets, brochures, and posters in English and Spanish.

Employment/Public Accommodations
The Human Relations Commission answered approximately 1,059 telephone inquiries with employment and public accommodations concerns by offering assistance and making referrals to other agencies.

Hate Violence Reporting/Investigation
The North Carolina Human Relations Commission established and trained 35 Hate Violence Information Network (HAVIN) affiliates across North Carolina. These affiliates signed a memorandum of understanding committing to informing the Commission when a hate incident occurs in their community. Fifty-nine incidents were reviewed and/or investigated by the Commission.

Police-Community Relations
The Human Relations Commission trained 195 police officers in five training sessions. In other diversity sessions conducted with fire departments and other agencies/organizations, 584 persons were trained in 15 sessions.

Special Projects
The Human Relations Commission cooperated with the Winston-Salem Urban League in conducting a session called "Bridging the Gap in Race Relations". One session was held per region which involved 174 people.

MARTIN LUTHER KING, JR. COMMISSION

The North Carolina Martin Luther King, Jr. Commission provides assistance and advice to local governments and private organizations across the State with respect to the observance of the Martin Luther King holiday and year-round activities regarding the philosophy of Dr. King. The Commission promotes an awareness and appreciation for the life and work of Dr. Martin Luther King, Jr. The Commission awards mini-grants to organizations that promote the philosophies of Dr. King on a year-round basis.

Accomplishments for 1997

Annual Bell Ringing Ceremony
The Martin Luther King, Jr. Commission sponsored a Bell Ringing Ceremony at the Bicentennial Plaza on the official holiday. Several hundred people observed the ceremony and public officials participated in the program.

MLK Mini-Grants
The Martin Luther King, Jr. Commission awarded $49,107 in mini-grants to 31 non-profit organizations to celebrate the life and philosophy of Dr. Martin Luther King, Jr. on a year-round basis.

Accomplishments for 1998

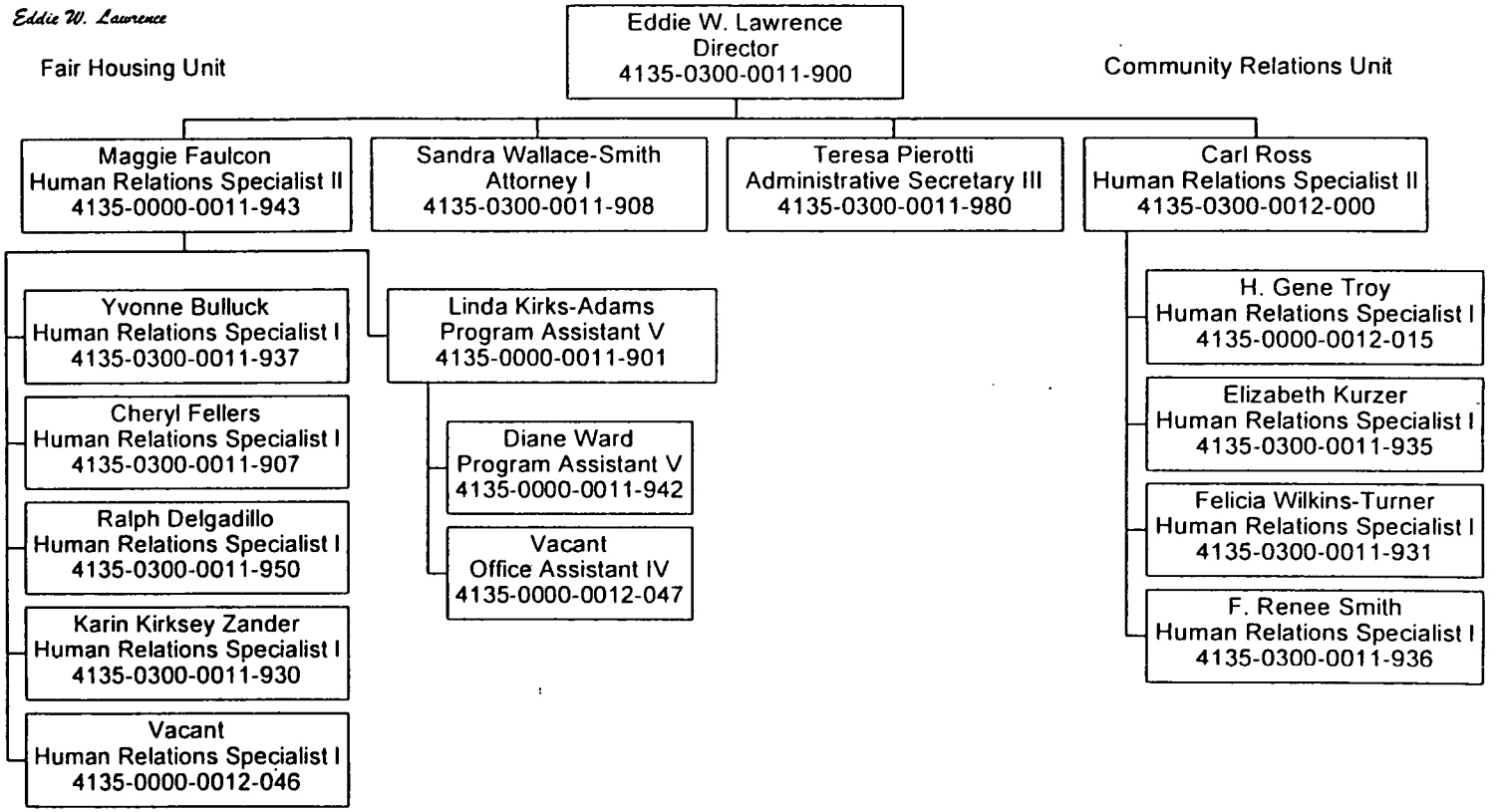
MLK Mini-Grants

The Martin Luther King, Jr. Commission awarded $54,709 in mini-grants to 28 non-profit organizations to celebrate the life and philosophy of Dr. Martin Luther King, Jr. throughout the year.

Annual Bell Ringing Ceremony

The Martin Luther King, Jr. Commission sponsored a Bell Ringing Ceremony at the Bicentennial Plaza on the official holiday. Several hundred people observed the ceremony and public officials participated in the program.

Department of Administration
Human Relations Commission
Date: 1/1/99
Agency Head Signature: *Eddie W. Lawrence*



HRC 1-99

Youth Advocacy and Involvement Office

SUMMARY

The Youth Advocacy and Involvement Office (YAIO), under the leadership of advisory councils and in cooperation with public and private agencies, serves as an advocate for the children and youth of North Carolina. This agency seeks to enhance the quality of the lives of children and youth through individual and class advocacy intervention and by offering opportunities for leadership development and experiential education.

ACCOMPLISHMENTS

Mini-Grants:

- Last year, 18 youth organizations received $11,500 in mini-grants for youth-related projects (average $683)

Youth Legislative Assembly:

- 250 youth from 42 counties participated in this three-day event

Internship Program:

- Placed 100 interns each summer throughout North Carolina

Publications:

- VOICE FOR YOUTH, two editions (Summer '97, Winter '98) mailed 2,200 copies which included a comprehensive children and youth update

- Received grant funding of $10,000 to publish update of the YOUTH RIGHTS AND RESPONSIBILITIES handbook

Advocacy:

- Approximately 123 individual intervention cases were handled. We assisted "*Another Choice for Black Children,*" the state's only African-American Adoption agency secure a $600,000 federal adoption opportunities grant to help place older children and siblings for adoption. This office assisted *Another Choice* in becoming established.

- We led the way in advocating for the safety of children at North Carolina's three schools for the deaf by calling for an SBI investigation and making 17 recommendations to DHHS, many of which have been adopted.

- We successfully advocated for the smoke detector penalties law which will help prevent fire deaths of children.

- We opposed the closing of the Whitaker School for Emotionally Troubled Teens in Butner, North Carolina and successfully advocated for a $250,000 planning and design appropriation to replace this 1943 facility.

Students Against Destructive Decisions (SADD):

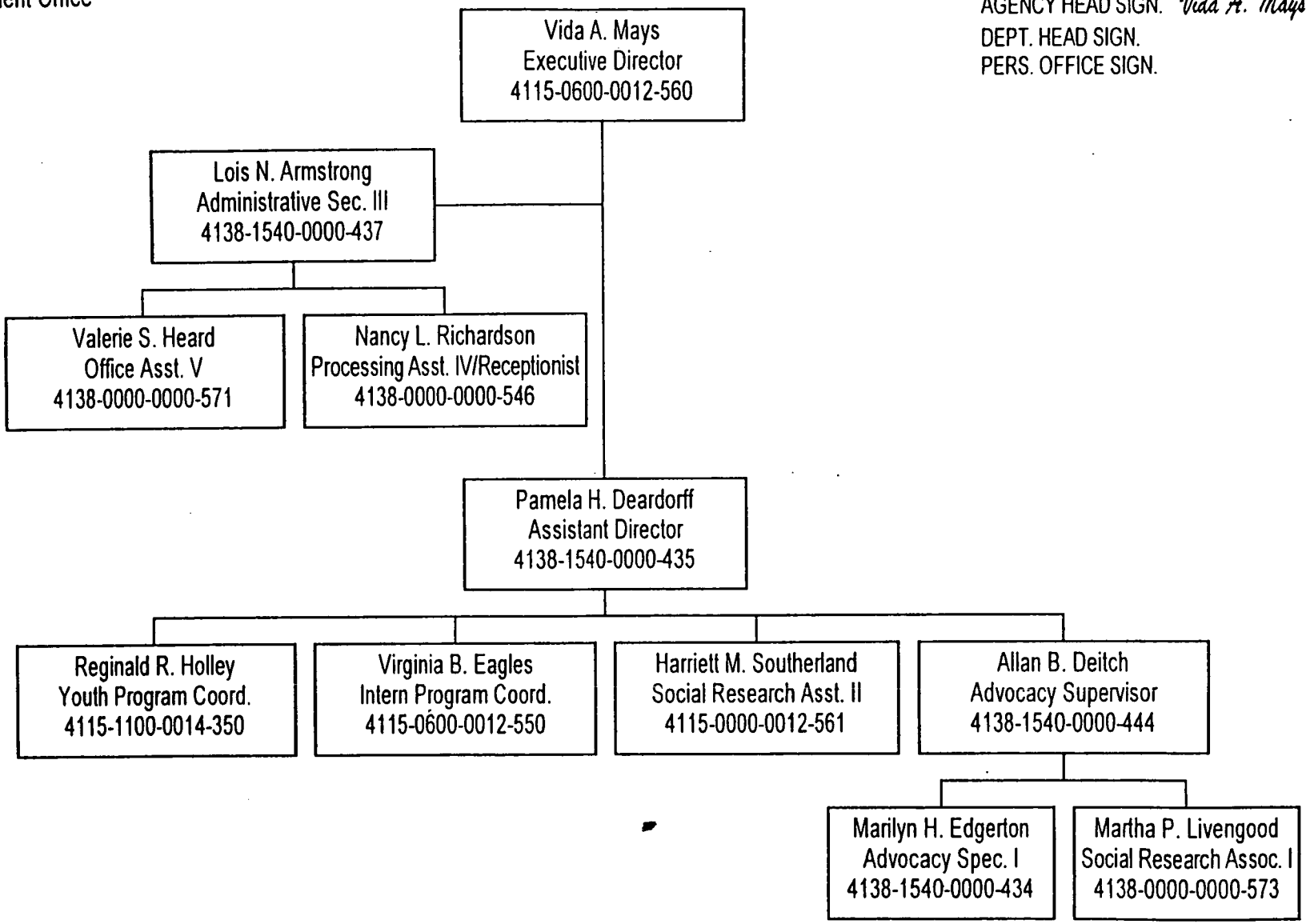
- 214 students representing 35 counties in the state and one (1) out of state attended a two-day conference sponsored by this office which also provides technical assistance to approximately 280 SADD chapters in North Carolina.

Outreach:

- Funding Resources for Children conference was held November 10, 1997, at McKimmon Center, Raleigh with 250 participants.

DEPARTMENT OF ADMINISTRATION
Youth Advocacy and Involvement Office
Revised 1/15/99

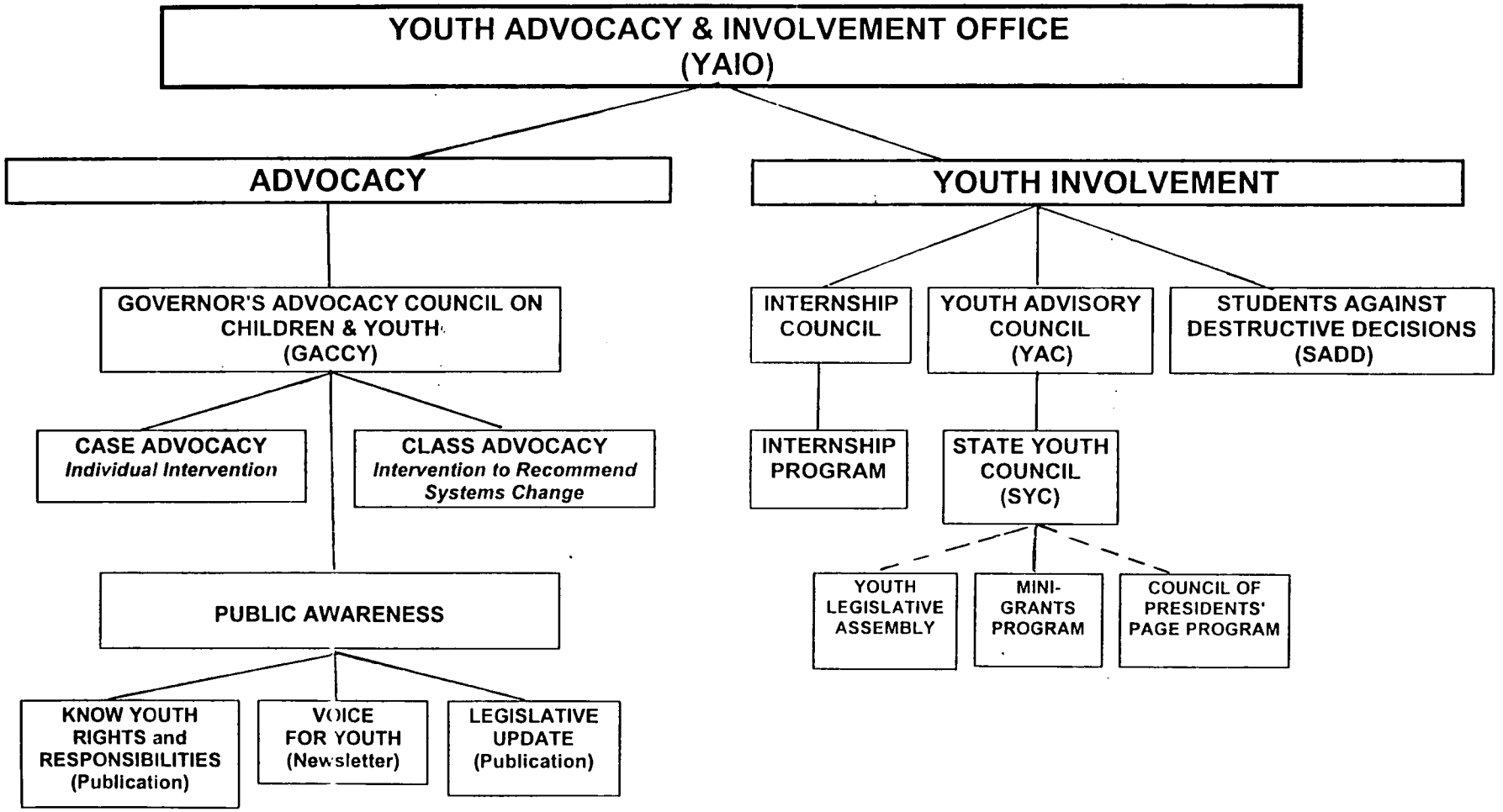
DATE: Jan 15, 1999
AGENCY HEAD SIGN. *Vida A. Mays*
DEPT. HEAD SIGN.
PERS. OFFICE SIGN.



YOU1-99

YOUTH ADVOCACY & INVOLVEMENT OFFICE

MISSION STATEMENT: *The Youth Advocacy and Involvement Office (YAIO), under the leadership of advisory councils and in cooperation with public and private agencies, serves as an advocate for the children and youth of North Carolina. This agency seeks to enhance the quality of the lives of children and youth through individual and class advocacy intervention and by offering opportunities for leadership development and experiential education.*



An 11-member staff provides support to each of these initiatives.

FACILITY MANAGEMENT DIVISION

SUMMARY

Facility Management Division provides preventive maintenance and repair services to the state government complex and some facilities used by government workers in outlying areas. Services include minor new construction, renovation, carpentry, cabinetry, painting, housekeeping, landscaping, steam plant, HVAC, electrical, plumbing, welding, elevator maintenance, lock shop operation, fire and pest services, and parking supervision.

ACCOMPLISHMENTS

1. Implemented a new Preventive Maintenance Program on July 1, 1995 in over 146 buildings and parking facilities consisting of over 1,950 equipment items.

2. Energy and Utility Savings Initiatives:

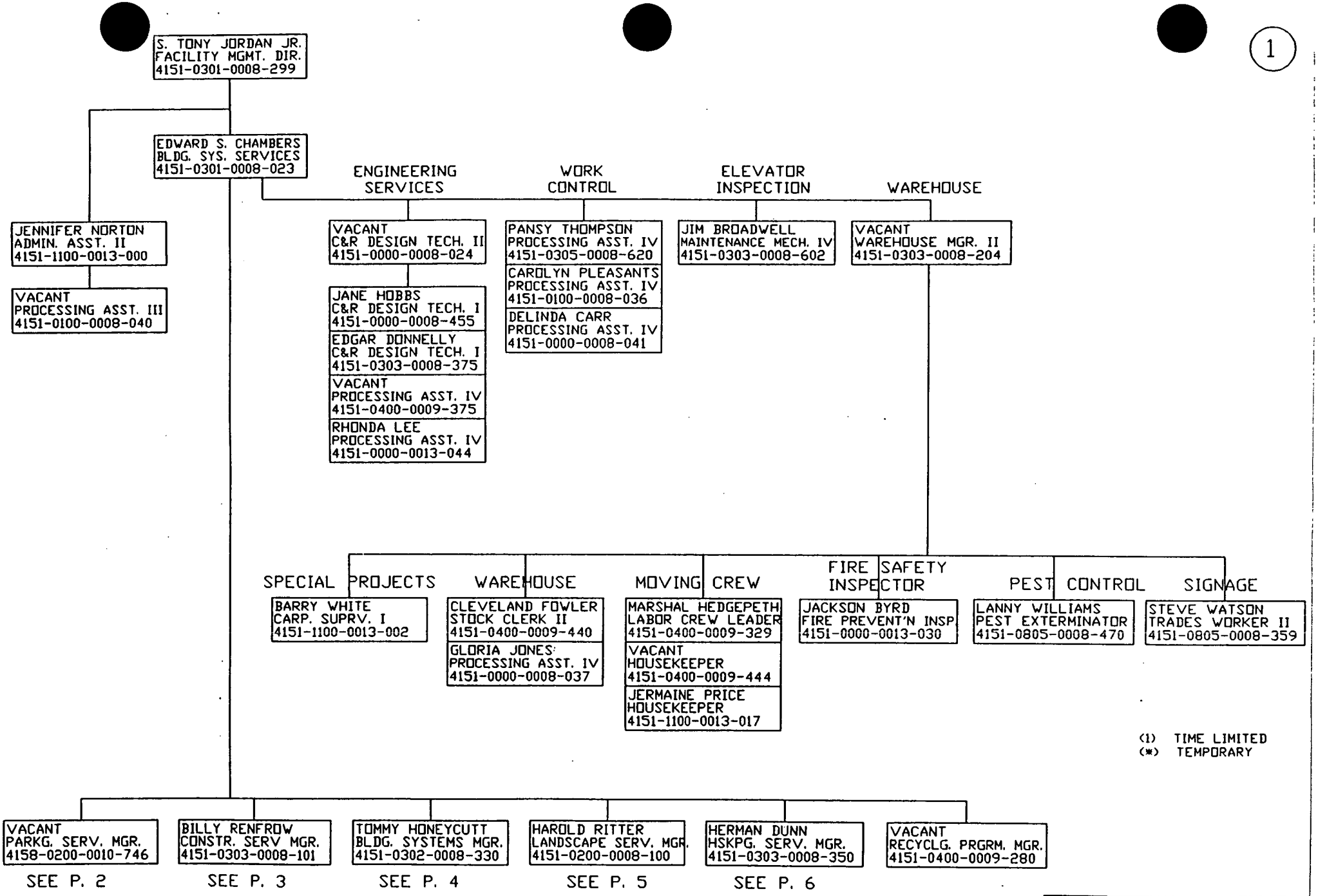
   - Reviewed and selected best rates for electricity usage.
   - Converted 1,840 fire exit signs and lights from incandescent to fluorescent and LED.
   - Changed purchasing of natural gas at the Central Heat Plant and saved over $100,000 during the past two years compared to previous way.
   - Changed water rate for irrigation systems and eliminated sewer charges.
   - Insulated 22 of 22 historic homes on Blount Street.
   - Realized a savings of over $387,000 in energy costs over the past two years despite rising energy prices.

3. Rebid elevator maintenance contract which resulted in a $93,000 savings per year over previous contract.

4. Increased the number of inmates worked on a daily basis from 15 to 60.

5. Assumed responsibility for recycling program in the State Government Complex.

6. Completed an analysis of the current organization and received approval to implement a zonal maintenance concept for building systems equipment.



SEE P. 2 SEE P. 3 SEE P. 4 SEE P. 5 SEE P. 6

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD ADMINISTRATION
SIGNED:
REVISED: 1-11-99

BILLY R[illegible]W
PLANT MA[illegible]SPVR. I
4151-0303-0008-101

LORRAINE TURLINGTON
OFFICE ASSIST. III
4151-0400-0009-327

CARPENTRY SHOP

EUGENE SCARBORO
CARP.SUPERV. II
4151-0304-0008-401

CARPENTRY/ROOF MAINT.

JAMES SPEIGHT
CARPENTER I
4151-0303-0008-570

DAVID HARRIS
CARPENTER II
4151-0305-0008-451

DAVID EPPS
CARPENTER II
4151-0000-0008-520

CONSTR & RENOV.

GARY WHITE
CARP. SUPERV. I
4151-0303-0008-370

WILLIAM BAREFOOT
CARPENTER II
4151-0303-0008-366

RODNEY HALL
CARPENTER II
4151-0303-0008-376

KENNETH NORRIS
CARPENTER II
4151-0303-0008-361

JEFF HONEYCUTT
CARPENTER I
4151-0305-0013-001

CARL FORD
CARPENTER II
4151-0000-0008-529

MIKE TRUELOVE
CARPENTER I
4151-0305-0008-486

RICHARD EDWARDS
CARPENTER II
4151-0306-0008-358

KEVIN SOLTWEDEL
CARPENTER II
4151-0303-0008-369

CABINET SHOP

JAMES LENNON
CARP. SUPER. I
4151-0303-0008-367

LARRY BAKER
CARPENTER II
4151-0303-0008-363

CRAIG CAUDLE
CARPENTER II
4151-0303-0008-374

KENNETH LAMM
MAINT. MECH. III
4151-0306-0008-524

LOCK SHOP

JOHN MCNEILL
LOCKSMITH SUPERV.
4151-0303-0008-560

SHIRLEY NEWBERRY
PROCESSING ASST. IV
4151-0400-0009-390

RONALD BARBOUR
LOCKSMITH II
4151-0303-0008-368

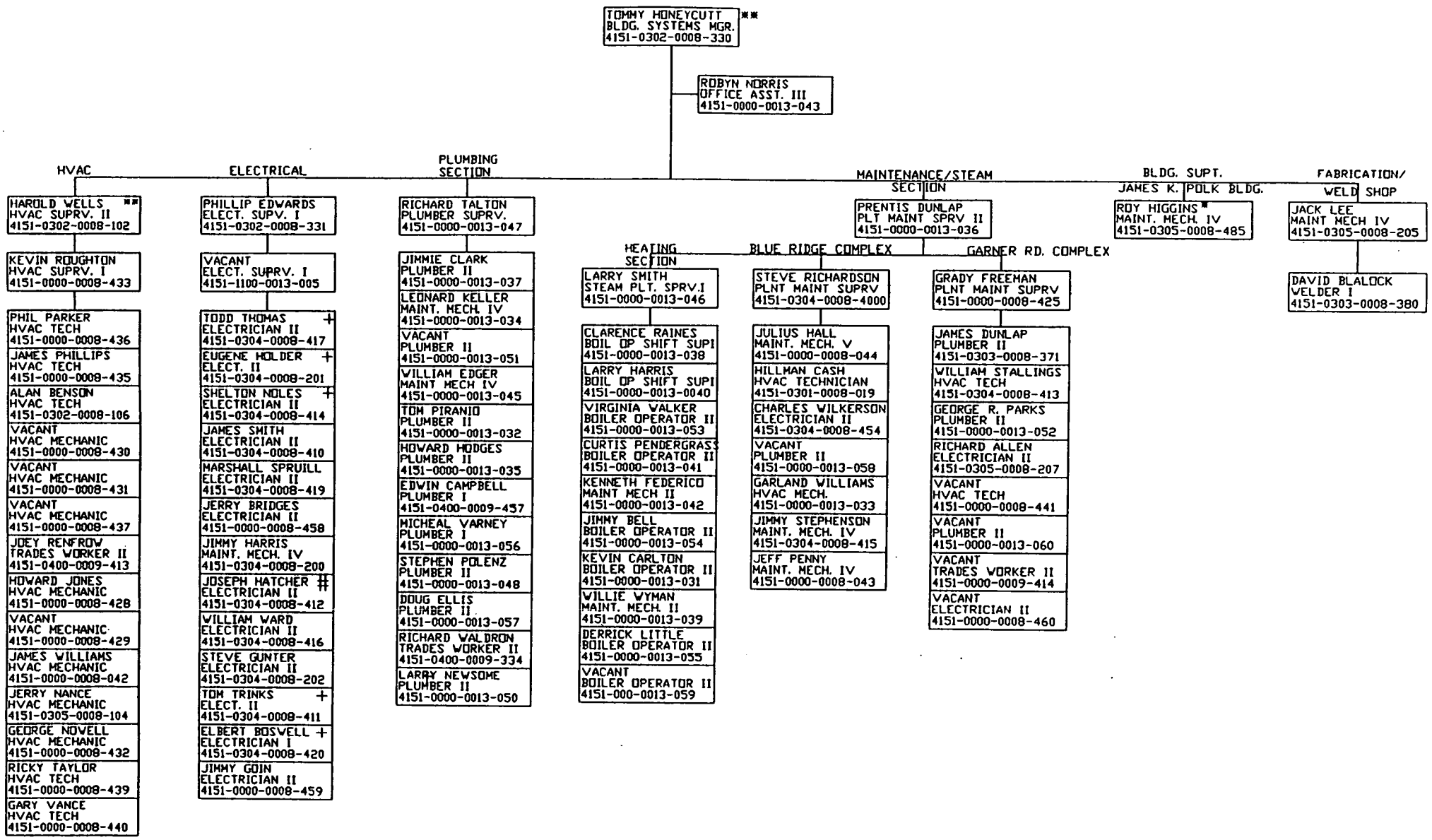
RICHARD CONNELL
LOCKSMITH II
4151-0303-0008-360

HELEN TAYLOR
LOCKSMITH II
4151-0303-0008-379

GREG WILLIAMS
LOCKSMITH II
4151-0000-0008-381

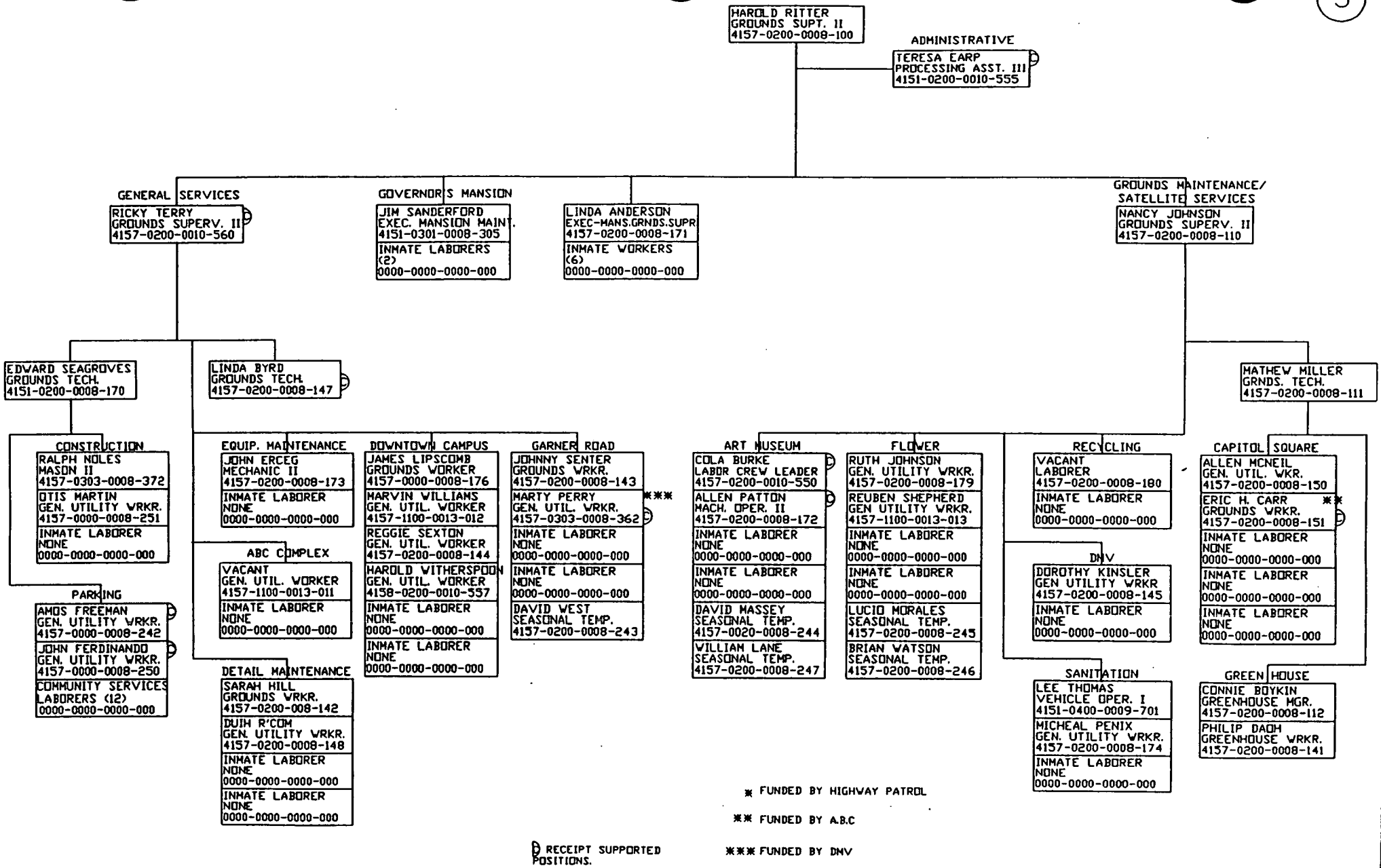
* TIME LIMITED.
+TEMPORARY

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD CONSTRUCTION SVCS.
SIGNED:
REVISED: 1-11-99



\+ N.C. ELECTRICAL LICENSE
++ CERTIFIED WELDER
* N.C. PLUMBING LICENSE
** CFC CERTIFIED TECHNICIAN
\# TEMPORARY

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD BUILDING SYSTEMS
SIGNED:
REVISED: 1-11-99



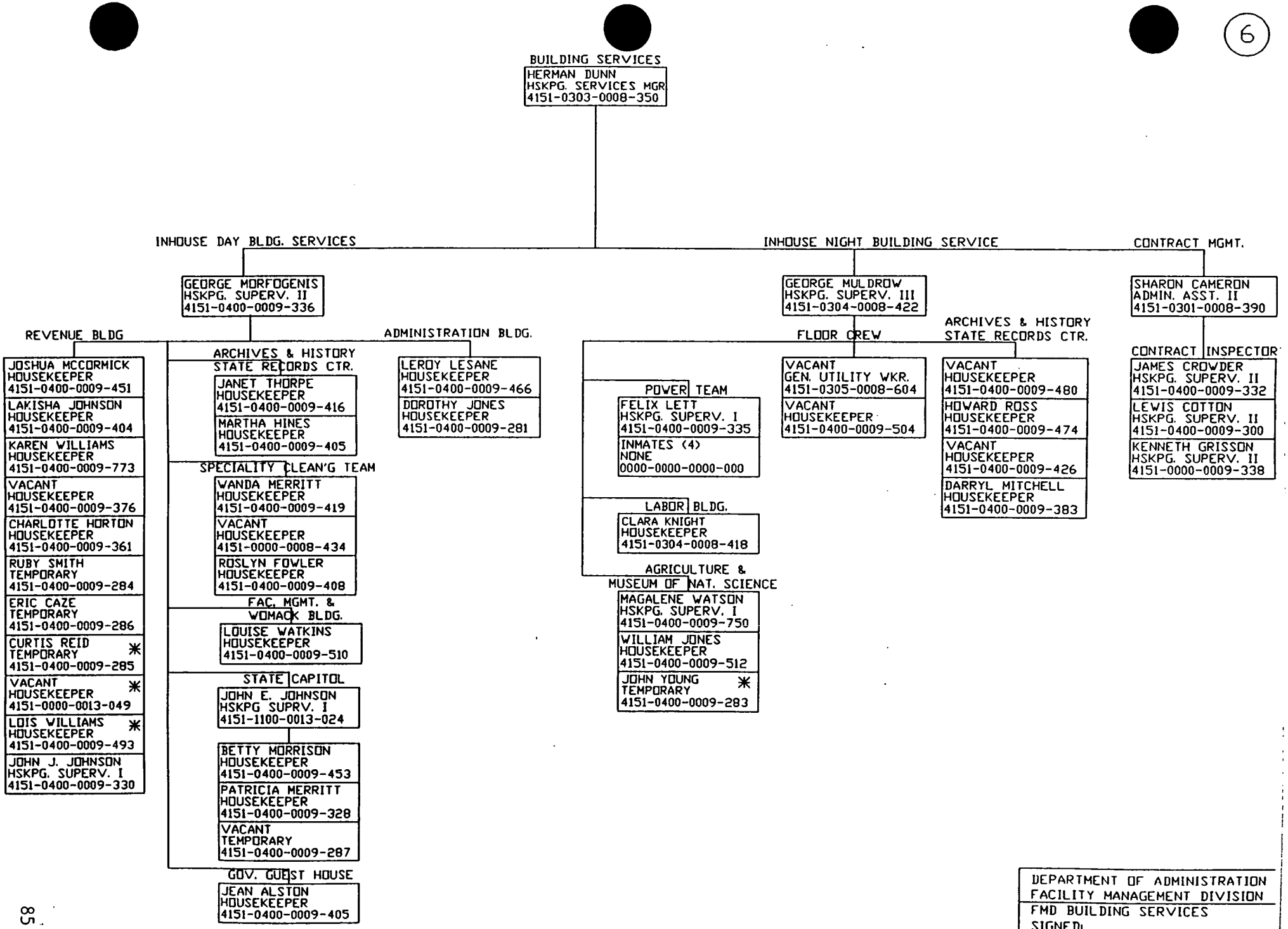
* FUNDED BY HIGHWAY PATROL

** FUNDED BY A.B.C

*** FUNDED BY DMV

Ⓡ RECEIPT SUPPORTED POSITIONS.

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD LANDSCAPE SERVICES
SIGNED:
REVISED: 7-21-98



DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD BUILDING SERVICES
SIGNED:
REVISED: 1-11-99

MANAGEMENT INFORMATION SYSTEMS

Token Ring to Ethernet Conversion

Management Information Systems converted the Administration building from token ring to switched ethernet in the spring of 1998. DOA has experienced multiple problems with our token ring local area network (LAN) within the Administration building for multiple years. As more computer devices were added to the network, technical problems increased and reliability decreased. The LAN was one large segment that was over it's rated capacity. There was a need to break the LAN into smaller segments to eliminate most of the local network traffic from other floors. A Baystack 350T Ethernet Switch was installed in the computer room and fiber was pulled to each floor from the switch. Token ring network cards were replaced with ethernet network cards in every PC and printer for DOA in the building. The switch has segmented each floor eliminating network traffic on floors where it is not needed. The Ethernet topology uses less overhead, thus eliminating additional conjestion. MIS also completed a simular conversion for Facility Management.

Year 2000 Projects

Management Information Systems has corrected several DOA LAN based account receivable systems and inventory tracking systems that were not year 2000 compliant. These are older systems that were written in Dbase IV and Foxpro for Windows.

Interactive Purchasing System

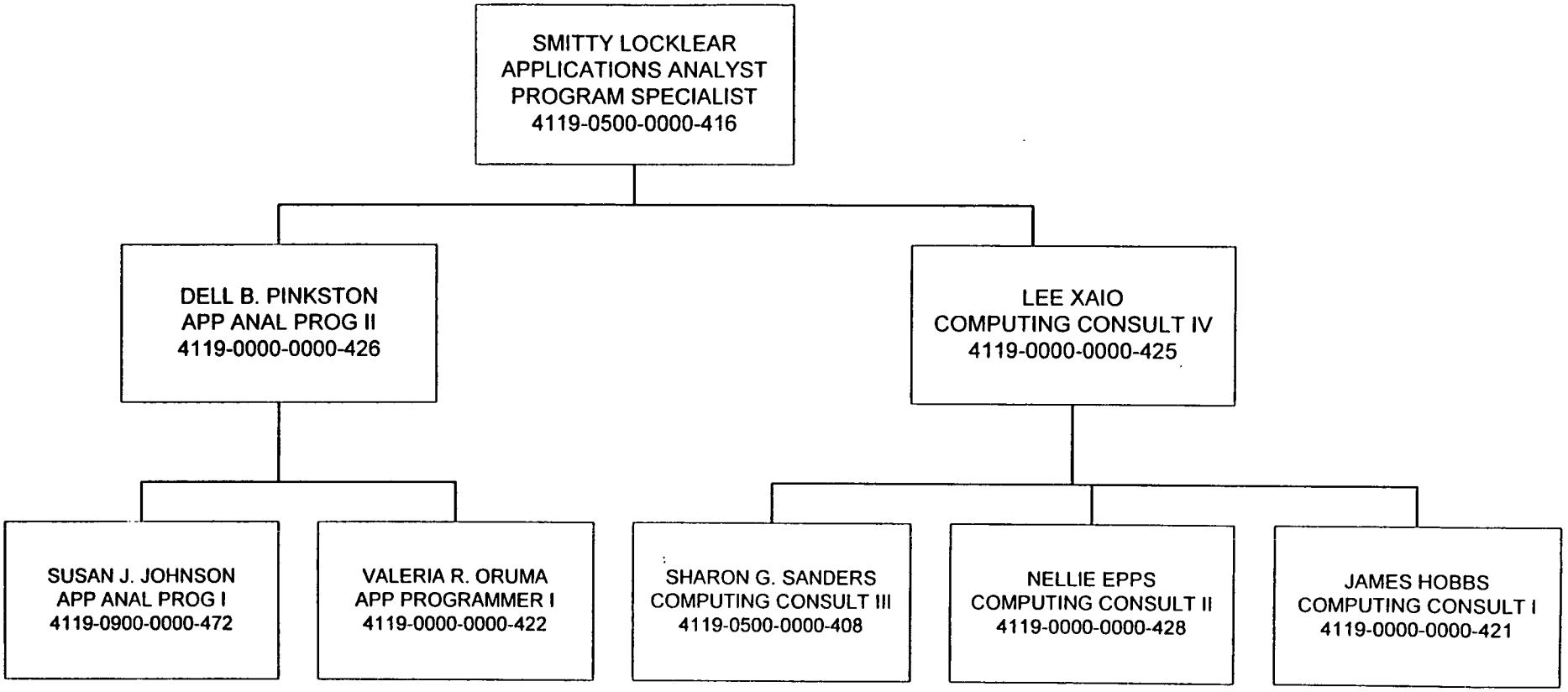
Management Information Systems has re-designed the functionality of the Interactive Purchasing System (IPS) for Purchasing and Contracts. MIS Staff has been assigned with additional contract staff to start application development on the new design. This design will allow agencies to electronically track the status of bids with more detail information. Vendor registration is also a part of the re-design allowing the IPS system to automatically notify qualified vendors via e-mail when new bids are electronically posted. Vendors may then choose to download the bid document from the IPS Web server, print the bid, fill it out and mail it back to Purchasing and Contracts. This eliminates mass paper mailings to vendors that may not be interested in bidding.

State Surplus Bids

Management Information Systems has added additional functionality to the State Surplus System that automatically updates their Web Page with surplus information that the public can bid on. The public can then decide what items they wish to bid on by downloading the system generated PDF document, printing it out, and mailing it back to State Surplus. After bid openings, the bids are then tabulated and displayed on their Web site for the public to view.

DEPARTMENT OF ADMINISTRATION
MANAGEMENT INFORMATION SYSTEMS
REVISED 3/99

AGENCY HEAD: SMITTY LOCKLEAR
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



STATE CAPITOL POLICE DIVISION

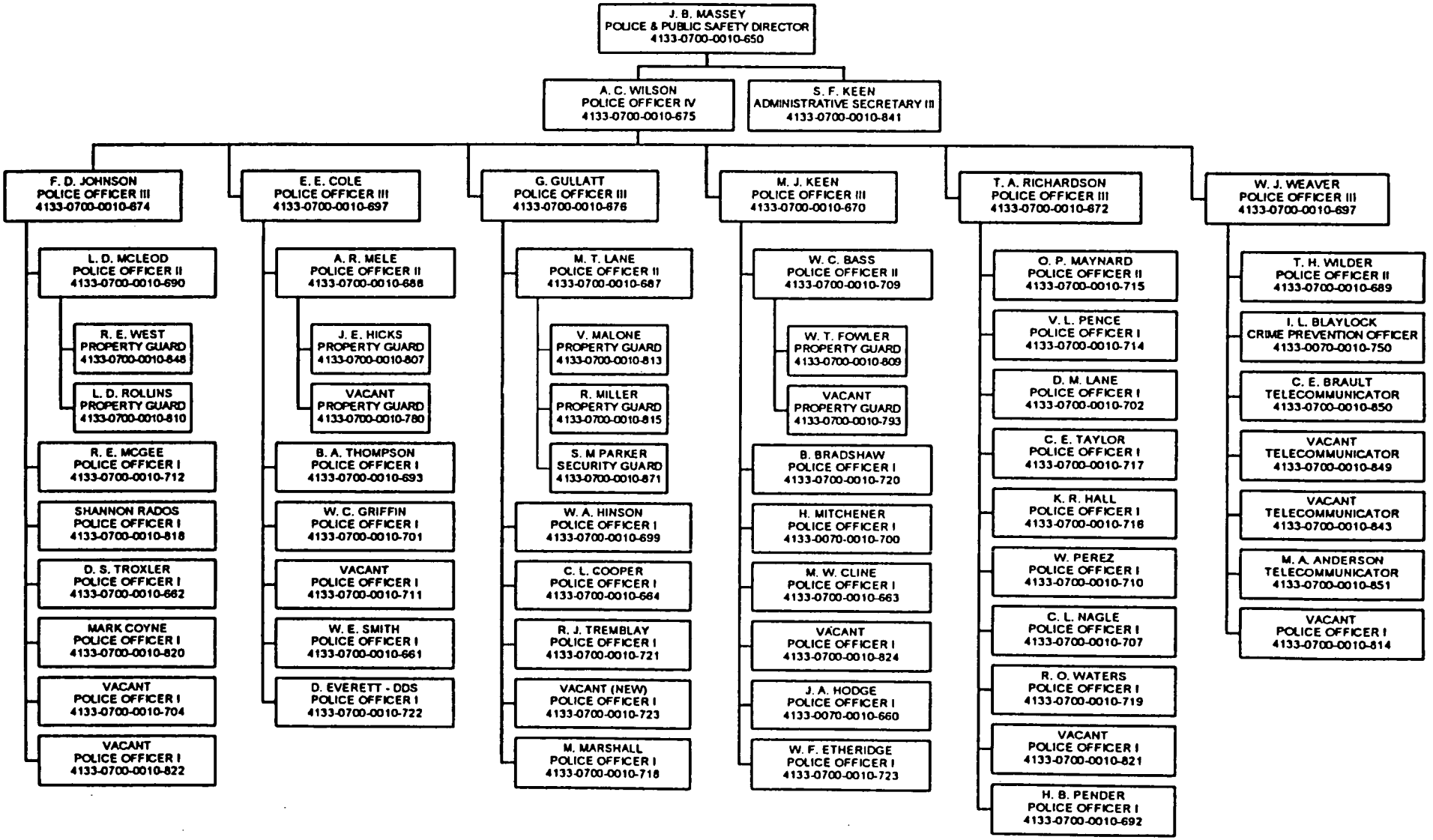
SUMMARY OF DIVISION

The State Capitol Police Division, a law enforcement agency with police powers throughout Raleigh and state property in Wake County, provides security and property protection for state government facilities in Raleigh, Garner, Cary and Wake County. The agency protects employees and visitors; secures state-owned property; provides security for demonstrations, inaugurations, prison executions, personnel hearings; assists visitors to state facilities; investigates crimes committed on state property; and monitors burglar and fire alarm systems statewide.

ACCOMPLISHMENTS

The Division places an emphasis on assisting persons and motorists, armed special details, suspected unauthorized entries, and suspicious persons throughout the state government complex, and outlying facilities. During fiscal year 1997-98, 22,926 contacts were made in these areas. In the same fiscal year, 414 investigations and traffic stops were made, resulting in 94 citations issued and 122 arrests for various criminal violations. The Division monitors fire, mechanical and burglar alarms for state facilities throughout the state at no charge. Today, there are 488 accounts on the alarm system.

NORTH CAROLINA DEPARTMENT OF ADMINISTRATION
STATE CAPITOL POLICE
431 N. SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603
919-733-4646
EFFECTIVE 1-15-99



NORTH CAROLINA BOARD OF ETHICS
116 WEST JONES STREET
RALEIGH, NC 27603-8003
919-733-2780
FAX: 919-919-733-2785

GEORGE F. BASON
CHAIRMAN

February 16, 1999

1998 ANNUAL REPORT OF ACTIVITIES

BACKGROUND INFORMATION

The NC Board of Ethics was established by Governor James B. Hunt Jr. in January 1977 by Executive Order Number I. By Executive Order, Governor Martin continued the Board.

In January 1998, Governor Hunt reestablished the Board by Executive Order Number 127, as amended by Executive Order 131 in March 1998. The Board was given additional duties such as developing an ethics education and awareness program; the ability to investigate complaints; and to issue sanctions. The Board has a staff of three and a budget of $258,146.

To ensure that the best interests of the public will be promoted, Executive Order Number 127 set out rules of conduct for public officials to help ensure the proper performance of their duties. The Order listed duties for the heads of state agencies ("heads of state agencies" include the chair of each board, commission, and council subject to the Order). For example, the chair of any board, commission, or council shall, at the beginning of any official meeting, remind the members of their duty to avoid conflicts of interest and appearances of conflict.

In addition to the ethics education and awareness program, the Board reviews statements of financial interest filed by persons subject to the Order to determine whether the financial interests and other information reported reveals an actual or potential conflict of interest. The Board can issue advisory opinions on conflict of interest and hear complaints on conflict of interest involving persons subject to the Order.

REPORT ON ACTIVITIES FOR 1998

The Board had four official meetings during 1998. Three persons addressed the Board on conflict of interest topics.

The Board did not formally investigate or hold complaint hearings. However, complaint investigations brought to the Board were handled as advisory opinions.

The Board investigated and handled twenty-eight advisory opinions.

Conflict of interest awareness presentations were made to ten different entities.

Many telephone calls were handled wherein the Order and Statement of Economic Interest were explained to persons subject to the Order and filing requirement.

We published one newsletter which was mailed to public officials subject to the Order.

We evaluated 1,597 statements of economic interest. Governor Hunt, his Department Heads, exempt employees in those departments, and the Public Officials listed in the section below are covered by the Order and file statements of economic interest. Our findings were:

No actual/potential/or appearance of conflict of interest	810
Potential for conflict of interest	629
Actual conflict of interest	4
Appearance of conflict of interest	15
Advisory Boards - no conflict of interest	139
	1,597

OTHER PRINCIPAL STATE AGENCIES AND LEGISLATIVE OFFICIALS SUBJECT TO THE ORDER BY INVITATION OF THE GOVERNOR WHO FILE STATEMENTS OF ECONOMIC INTEREST

Lt. Governor Dennis Wicker and Speaker of the House of Representatives Harold Brubaker covered their appointees to boards that are not advisory under the Order. President Pro Tem of the Senate Marc Basnight covered his appointees to advisory boards and non-advisory boards under the Order. The President, Vice Presidents, Chancellors, and Vice Chancellors are covered by the Order. The State Controller, Executive Director of the Housing Finance, and Director of State Personnel are covered by the Order. Exempt employees in the Offices of Lt. Governor Office, Attorney General, State Treasurer, and State Superintendent of Public Instruction are covered by the Order. The Commissioner of Agriculture, Commissioner of Labor, State Auditor, Attorney General, Lt. Governor, Commissioner of Labor, and State Superintendent of Public Instruction are covered by the Order.

GOALS FOR 1999

We will continue our work as mentioned in the activities section above. However, our major emphasis will be on developing and presenting the ethics education and awareness program.

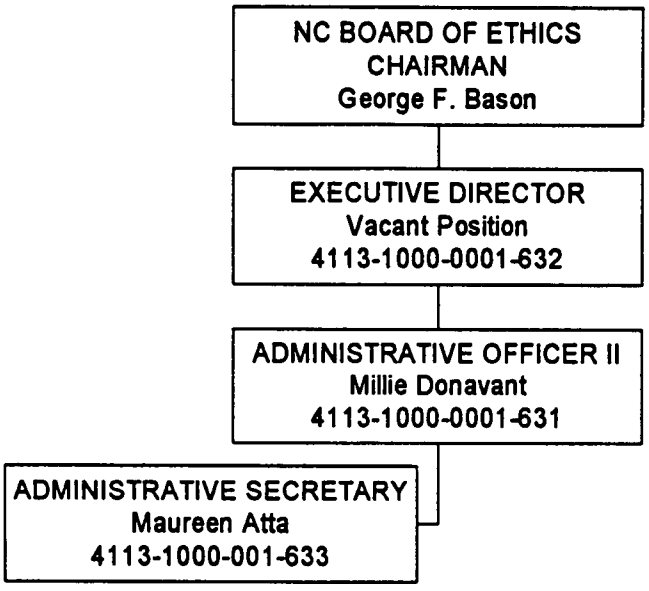
Respectfully Submitted By

George F. Bason md

George F. Bason, Chair

DEPARTMENT OF ADMINISTRATION
BOARD OF ETHICS

DATE: 02/18/99
AGENCY HEAD: EXECUTIVE DIRECTOR
DEPT HEAD: KATIE G. DORSETT
PERSONNEL DIR: LINDA D. COLEMAN



NORTH CAROLINA BOARD OF SCIENCE AND TECHNOLOGY
BIENNIAL REPORT

EXECUTIVE SUMMARY

The North Carolina General Assembly established the North Carolina Board of Science and Technology (the Board) in 1963 to encourage, promote, and support scientific, engineering, and industrial research applications in North Carolina. Consistent with its mission to assist in the proliferation of advanced science and technology into the state's economy, the North Carolina Board of Science and Technology pursued an active agenda in Fiscal Years 1998 and 1999 and is planning to be even busier in the next Biennium.

The Board commenced the 1997-98 fiscal year by revealing its one-year plan at a meeting in early September 1997. The plan was the product of a six-month effort by the Board to reexamine its role, refocus its objectives and plot out near, medium, and long-term goals. In its report, the Board emphasized five goals that it would pursue in the future. These are:

Technology, Innovation, and Knowledge are Critical Factors in Economic Growth. Research and Technological Innovation Account for More than Two-Thirds of U.S. Per-Capita Economic Growth (PPI 1998)

1. Assist North Carolinians in developing a clearer understanding of the impact of science and technology on their lives;
2. Stimulate economic development in North Carolina through identifying and developing major emerging technology areas;
3. Advise the Governor and the General Assembly on the most strategic science and technology directions for the state to target;
4. Act as a catalyst for new science and technology by bringing more university research to the commercial marketplace; and,
5. "Problem-solve" for North Carolina through examining various areas that impact the future of the state on a large scale and addressing possible structural limitations.

These goals are being met both through projects completed in fiscal years 1997-1998 and 1998-1999, and through projects that will continue into the next Biennium. Several notable projects of the Board are described below.

1997-1999 Biennium--Completed projects include:

1. ***At the Crossroads: North Carolina's Place in the 21st Century Knowledge Economy***—Report on Research and Development Spending and Investment in North Carolina. A formal briefing on this report was conducted in Raleigh in the spring of 1998. Regional public hearings took place in Greenville and Wilmington in the fall of 1998.
2. **Universal Service**—Presentations, Public Hearings, and Workshops on the Benefits of the Federal Telecommunications Act of 1996. The efforts of the Board in playing a coordinating role on the E-rate have led to the receipt of more than $25,000,000 for NC public and private schools.

3. **The North Carolina Global Partnership**—The North Carolina Global Gateway Website and the Governor's Global Forum III and IV.
4. **International Partnerships and Collaborations**—International Academic Research Collaborations and Partnerships between North Carolina and Japan, Singapore, Israel, and Germany.
5. **Digital Communities**—The Board has supported the efforts of Connect NC to work with the information infrastructure needs of communities across North Carolina. The Board also worked with Japan to hold a conference in November 1998 on the creation of digital communities, cosponsored by North Carolina, France and Germany. A proposed agreement between the countries is now pending to expand this program.
6. **The Interactive Visual Technologies Network (IVTN)**--Joint Research Collaborations Between Research Institutions Across the State in Telehealth, Medicine, Distance Learning, and Entertainment.
7. **Intellectual Property and Knowledge Management**—Workshops and discussions on KM/IP conducted by the Board with the goal of exploring the State's Interest in a coordinated government-industry-academic effort.
8. **Collaborative Research Partnerships**—An initial conference with the National Research Council was competed in August 1998. A new initiative is noted further in this report that is a follow on of this effort.
9. **The Aquatic Science and Biotechnology Consortium**--Commercial Development of Fresh-Water Aquaculture of Atlantic Flounder—A report on this work is now complete and will be released in the spring of 1999.
10. **Grassroots Science Program for Water Quality Testing**—Fall 1998 and Spring 1999 for project implementation. Analysis of these efforts will be reported in fall 1999.
11. **The Great Web Search 2**— Teachers Connect, an on-line gateway to educational resources, is managing The Great Web Search II to find useful pedagogical websites during the winter and spring of 1999.
12. **States Technology Survey**—Benchmarking North Carolina's technological infrastructure against that of other states. Completed spring 1999.
13. **NC Environmental Technologies Consortium**--Funding to assist the NCETC in completing its proposed organizational framework during the spring 1999.

1999-2001 Biennium—Projects to be Completed Include:

1. **Future's Science and Technology and the State of North Carolina in the Year 2030**—September 1999.
2. **Universal Service**—Continued Work on Universal Service through the Year 2002 to Monitor Progress and Provide Recommendations to the North Carolina Utilities Commission.
3. **At the Crossroads: North Carolina's Place in the 21st Century Knowledge Economy**—Research and Development Spending and Investment in North Carolina. Regional Presentations on Results of R&D Study--Public hearings were began in the Fall of 1998 and will continue through the Fall of 1999. Further work is being

undertaken in the major growth areas of North Carolina to identify potential future R&D investments.

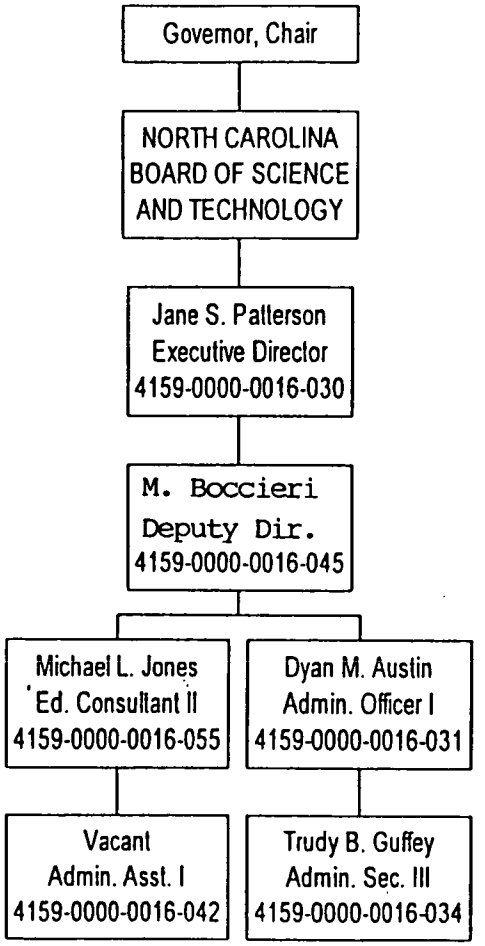
4. **Interactive Visual Technologies Network (IVTN)**—Ongoing.
5. **Technology Transfer Conferences**—Projected for 2000 in conjunction with the SBTDC and public and private research universities.
6. **International Partnerships**—Ongoing.
7. **Challenger Center Project**—The Board is conducting a feasibility study in partnership with the Centennial Campus-NCSU and the Fletcher Foundation.
8. **Work with Legislature to Review Science and Technology Efforts of Schools, Community Colleges, Universities, and Research Institutions**—Proposal Due for spring 2000.
9. **Partnerships with Scientific Communities in Identification of New Activities for Long-term Future of Science and Technology Development in North Carolina**—Follow On from the Futures Conference (fall 1999) during winter of 1999 and 2000.
10. **Intellectual Property and Knowledge Management**—New Center for Knowledge Management and Intellectual Property being designed by Task Force organized by the Board 1999.
11. **Virtual Collaboratories Project**—Design of this regional project with funding from the Federal Government is underway. Pilot project expected 1999-2000. Full funding of 2001 Federal Budget expected.
12. **National Advanced Telecommunications and Applications Program.** Project under design with focus on federal funding. Program development in partnership with the CTC Corporation a nonprofit, defense-related consulting firm. Federal pilot funding of $4.5 million anticipated in 1999 and $9 million/year anticipated thereafter.
13. **Genomics**—Research on the establishment of a cooperative Genome Center in the Research Triangle—1999.
14. **NCECONet**—Support for a North Carolina climate network in conjunction with the State Climatologist—1999-2000.

Staff of the NC Board of Science and Technology

- Jane Smith Patterson, Executive Director and Senior Advisor to the Governor for Science and Technology
- Margie Boccieri, Associate Director
- Michael Jones, Science and Mathematics Education Specialist
- Dyan Austin, Administrative Officer
- Trudy Guffey, Administrative Secretary

Department of Administration
NC Board of Science and Technology

Date: January 1, 1999
Agency Head: Jane S. Patterrson
Dept. Head: Katie G. Dorsett
Human Resources: Linda D. Coleman



SCI1-99

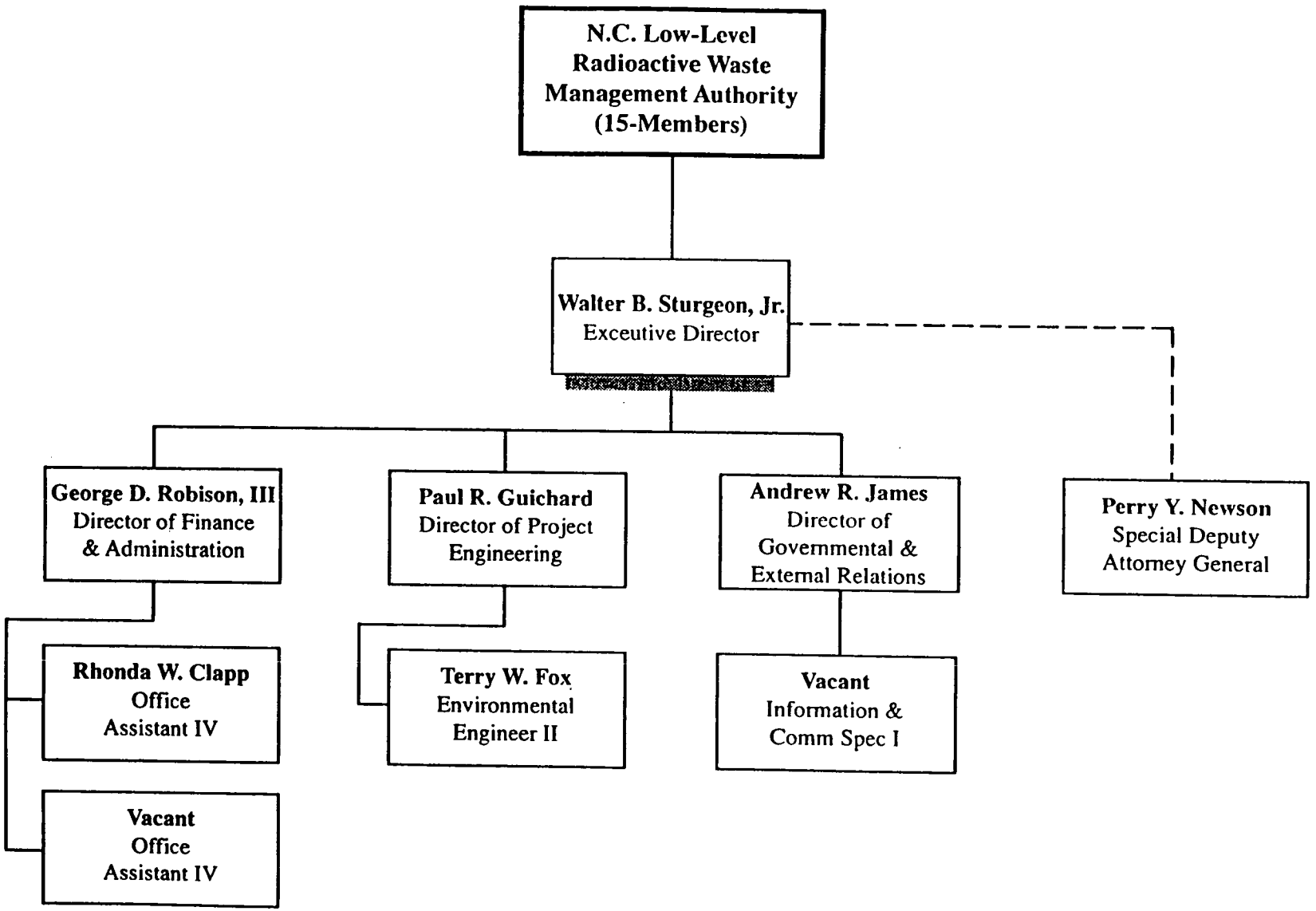
DEPARTMENT OF ADMINISTRATION

LOW-LEVEL RADIOACTIVE WASTE MANAGEMENT AUTHORITY (KAP031)

Budget Code(s) - 14100

Mission Statement

Provide adequate capacity for proper low-level radioactive waste management while protecting the public health, safety, and the environment. However, as a result of the Southeast Interstate Low-Level Radioactive Waste Management Commission's ("Compact Commission") unilateral and arbitrary decision to cease financial support of the project, the Authority was forced to suspend most project activities while maintaining the continuity of the ground water monitoring program with its existing staff. The Authority continues to try to resolve the funding impasse with the Compact Commission and explore possible alternative approaches.



N.C. Low-Level Radioactive Waste Management Authority
Staff Organizational Chart — January 1, 1999

State Health Plan Purchasing Alliance Board

Overview

The Health Alliance Board was created in 1993 as Article 66 of Chapter 143, a portion of the Jeralds-Ezzell-Fletcher Health Care Reform Act. The Board includes the Lieutenant Governor, the Commissioner of Insurance and 9 public members. The Board created and provides ongoing support for regional health purchasing cooperatives for small businesses (defined as a self-employed person to 50 employees). The health purchasing cooperatives or alliances function as a buying co-op for the purchase of health care coverage for these small firms.

Mission

The mission of the Board is to increase the affordability, efficiency and fairness of health care coverage for all small employers in the North Carolina.

Summary of Agency Functions

The Board's major functions are to ensure:

- fair and affirmative marketing of health coverage to small businesses
- alliance actions are in the best interests of small employers
- alliance actions are efficient and consistent with legislative intent
- each alliance continues to meet the criteria for certification

General policy goals

- Turn health insurance for small businesses into a "buyer's market"
- Show the small business community, providers and health plan carriers that a fairly structured, well-functioning buyer's market for health care coverage can operate better than bureaucratic regulation
- Empower small firms by showing them how grouping together can improve their general purchasing power

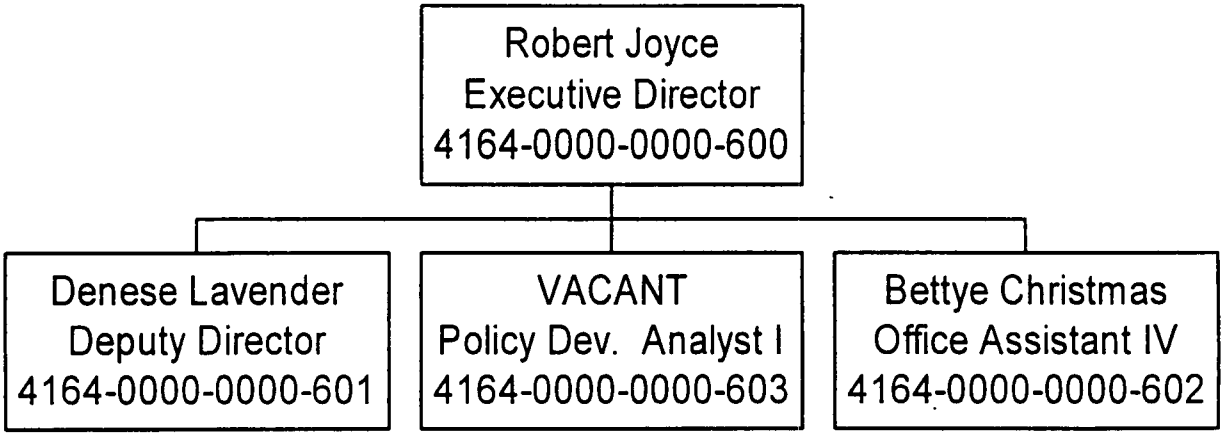
Strategies

- bring the market to the small business purchaser (owners and their employees)
- empower small employers by providing a benefits "apples-to-apples" comparison of health plans; making it easier to choose coverage based on price, quality of providers and care, and individual need
- provide a place in the small employer market where any buyer can be guaranteed that top-quality plans can be purchased
- empower more health insurance agents to show a full range of health plans to more small business buyers
- provide a place in the small employer market where all small firms can obtain fair and stable pricing over the long run

J/2bf/legis

Department of Administration
State Health Plan Purchasing Alliance Board

Date: February 1999
Agency Head: Robert Joyce
Dept. Head: Katie Dorsett



Duties of the
State Health Plan Purchasing Alliance Board*

(1) **MARKET AREAS.** Establish and modify market areas for alliances in the State.

Status: Complete/Ongoing

Comments: Six market areas were originally established within the State; consolidated to two regions in 1998.

(2) **ACCOUNTABLE HEALTH CARRIERS.** Accept, determine eligibility, and designate carriers as Accountable Health Carriers.

Status: Ongoing

Comments: Originally, fourteen insurance carriers or health plans applied to offer plans through the alliance program. Currently, only three carriers, Blue Cross Blue Shield, Kaiser, and Qualchoice are offering plans through the alliance network.

(3) **COMMUNITY SPONSORS.** Establish Alliances with community sponsors for each market area determined by the Board.

Status: Complete

Comments: Alliances incorporated and serving all areas of the state.

(4) **ANNUAL REVIEWS.** Conduct annual reviews of the performance of each Alliance a summary of which is to be provided to the General Assembly and each Alliance.

(a) Each Alliance shall submit data to the Board quarterly to assist the Board in its review. This data includes, but is not limited to, the following:
- (i) employer enrollment by employer size;
- (ii) industry sector;
- (iii) previous insurance status and number of employees within each insurance status;
- (iv) number of total eligible employers in the market area participating in the Alliance;
- (v) number of insured lives by county and insured category, including employees, dependents and other insured categories;
- (vi) profiles potential employer membership by county;
- (vii) premium ranges for each qualified health care plan for Alliance members categories;

(viii) type and resolution of member grievances;
(ix) surcharges; and
(x) Alliance financial statements.

Status: Ongoing

Comments: Alliances have contracted with a Third Party Administrator who will collect and report this information for alliances.

(5) **ENROLLMENT PROCEDURES.** Develop standard enrollment procedures to be used in enrolling small employers and their eligible employees.

Status: Complete

Comments: Developed cooperatively with carriers, agents and alliances.

(6) **CONDITIONS OF PARTICIPATION.** Establish conditions of participation for small employers and self-employed individuals that shall include, but not be limited to, the following:

(a) Assurances that the member small employer is a valid small employer group;
(b) Requirements involving qualified health plans;
(c) Minimum employer contribution requirements;
(d) Mechanism to provide for participation by eligible employees if their employer chooses not to participate; and
(e) Mechanisms, such a prepayment of premiums, to assure that payment will be made for coverage.

Status: Complete

Comments: Rules developed cooperatively with carriers, agents and third party administrator.

(7) **RIGHT TO PURCHASE HEALTH CARE COVERAGE.** Ensure that any small employer or any employee of a small employer who qualifies may purchase health care coverage.

Status: Complete

Comments: This has been accomplished through "guarantee issue" provisions and AHC participation requirements in the Request for Proposals. The alliances are the only entrance to the group market for guaranteed issue coverage for the self-employed individual

(8) **COMPLIANCE.** Ensure compliance with this Article by Alliances, small employers and employee enrollees.

Status: Ongoing

Comments: Alliances submit quarterly reviews and reports

(9) **FINANCIAL CONDITION OF CARRIER.** Request information concerning the financial condition of participating carriers consistent with what is required to be submitted by the carrier to the Department of Insurance.

Status: Complete

Comments: Information obtained through the Accountable Health Carrier designation process .

(10) **FAIR AND AFFIRMATIVE MARKETING.** Assure fair and affirmative marketing of the qualified health care plans.

Status: Complete/Ongoing

Comments: The Board has adopted a fair and affirmative marketing policy requiring carriers, agents and alliances to fairly market plans to small employers. NOTE: the Board and alliances do not function as regulators of fair marketing requirements under state or federal law.

(11) **ADOPT RULES.** Adopt rules necessary to administer the provisions of this article.

Status: Complete

Comments: Rules adopted. See Title 24, Chapter 5 of the North Carolina Administrative Code. 100 Series (Community Sponsors); 200 Series (Market Areas); 300 Series (Designation Process for Accountable Health Carriers); 400 Series (Participating Small Employers).

(12) **APPOINT ADVISORY COMMITTEES.** Appoint advisory committees that shall include persons with expertise in health benefits management and representatives of Accountable Health Carriers.

Status: Ongoing

Comments: A Designation Technical Review Committee and an AHC Advisory Committee have been utilized by the Board. At the regional level, advisory committees of providers and agents have been utilized to develop marketing programs.

(13) **DEVELOP UNIFORM STANDARDS.** Develop uniform standards for the data collected from Accountable Health Carriers.

Status: Ongoing

Comments: Currently using HEDIS data set. Further standards being developed in with cooperation carriers.

(14) **AUTHORITY TO SUE OR BE SUED.** Have the authority to sue or be sued, including taking action necessary for securing legal remedies on behalf of, or against Alliances, member small employers, or employee enrollees and their dependents.

Status: No action necessary

Comments: None

(15) **RECEIVE OR ACCEPT GRANTS.** Have the authority to receive or accept grants, funds or contributions.

Status: Ongoing

Comments: None

(16) **STANDARDIZED FORMS.** Develop and implement standardized forms for use by Accountable Health Carriers.

Status: Complete

Comments: Third-party administrator will manage and update forms with input from carriers and agents.

(17) **SURCHARGES.** Review, and limit if necessary, surcharges charged by each Alliance for administrative costs.

Status: Ongoing

Comments: Alliances provide quarterly financial statements including fee schedules. Board approves fees charged to members.

(18) **DEVELOP GUIDELINES FOR MARKETING.** Develop guidelines for marketing materials to be used in providing member small employers and their eligible employees with information regarding Accountable Health Carriers and their qualified health care plans.

Status: Complete

Comments: Marketing policy adopted; materials consistent with Department of Insurance standards.

(19) **GRIEVANCE PROCEDURES.** Develop grievance procedures to be used in resolving disputes between member small employers and Alliances.

Status: Ongoing

Comments: Carriers and alliances have grievance procedures in place.

(20) **UNRESOLVED GRIEVANCES.** Receive, review, and act on appeals of grievances not resolved.

Status: Ongoing

Comments: None to date

(21) **ANALYZE INFORMATION.** Analyze information collected from Accountable Health Carriers and other sources and report findings that assist in improving the delivery or purchase of cost-effective health care.

Status: Ongoing

Comments: None

(22) **ANNUAL REPORT.** Report annually on the operation of the of Board to the Joint Legislative Commission on Governmental Operations and the Governor.

Status: Ongoing

Comments: The Board reports to the Joint Commission on Governmental Operations annually.

NORTH CAROLINA DEPARTMENT OF ADMINISTRATION
Motor Fleet Management Division

Vehicle Rebuild/Refurbish Project 1998-1999

The Motor Fleet Management Division of the N. C. Department of Administration developed a pilot project to determine the feasibility of rebuilding state-owned full-size, rear-wheel drive vehicles instead of purchasing new vehicles. The sustainable pilot project ended in December 1998 and a new contract was started in January 1999 to rebuild vehicles. Part of the rational for rebuilding vehicles was because Chevrolet quit building full-size, rear-wheel drive vehicles that were suitable for law enforcement use in 1996. This left Ford as the only rear-wheel drive law enforcement equipped vehicle.

In the initial trial, 12 vehicles were sent to Shaheen Chevrolet in Lansing Michigan to be rebuilt. Two more groups, a group of 16 vehicles, and a group of 32 vehicles, were sent to Shaheen for rebuilding. All of these vehicles were 1993 to 1996 Chevrolet Caprices. The average cost of rebuilding these initial vehicles was $12,845 each. The rebuild is comprehensive and includes new engine, transmission, brakes, suspension, new seats, carpets, dash pads and other items. These first 60 vehicles cost $770,680 to rebuild. New vehicles (Ford Crown Victoria's) would have cost $1,245,540 ($20,909 ea.) for 60 vehicles. An immediate savings of $474,860 was realized.

Motor Fleet Management's fleet has been expanding by approximately 350 vehicles every year for several years. Due to increased demand by state agencies, and rebuilding vehicles, our budget can be stretched to accommodate the increased demand and our mileage rates will not have to be increased.

After the initial pilot project, Motor Fleet Management looked into other areas where rebuilding vehicles would be suitable. The Division rebuilt some of its full size cargo vans (new motor and transmission only) with its own mechanics. Due to a limited staff of mechanics, only a small number of vehicles can be rebuilt in-house. But the same savings (approx. $12,400 for each vehicle) allows us to increase the number of vehicles in our courier fleet without needing additional purchase dollars.

SCO Statistics as of 3/15/99

- 56 positions — 46 = professional (3 w/F, 34 w/M, 2 B/M, 3 A/M, 1 h/M = 9)
  10 = clerical (3 B/F, 8 w/F, 1 w/M)

- 3 vacancies

- 2 of the 3 vacancies due to internal promotions

- w/m = 35 (66%) - ~~32~~ 34 prof., 1 clerical
  w/f = 11 (20.8%) 3 prof. 8 clerical
  b/m = 2 (3.8%) - Prof.
  b/f = 1 (1.9%) - Clerical
  h/m = 1 (1.9%) - Prof.
  a/m = 3 (5.6%) - Prof.

- 50% of the most recent hires (since August 1998) have been minorities (this includes promotions)

Out of 46 professional positions, 9 are minorities - 20% of professional staff

VISITOR REGISTRATION SHEET

Ops General Government 3-17-99 AM

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Walter Sturgeon	NCLLRWMA
Vicky Young	OSA
Sara Stuckey	State Local Relations - Admin
Jean Canale	DOA - NCCFW
Jim Nowell	OSBM
Byron K. Harris	OSBM
Kathie Austin Padgett	OSPL Admin Bldg.
John Massey	DOA. Motor Fleet + Courier Service
June W. Michaux	DOA / State Property Office
Joe Henderson	DOA / State Property
Carlton Myrick	DOA
Kathy Cook	DOA
Katie Dorsett	DOA
Martha Glass	DOA
John Leaston	DOA PIC
Linda Coleman	DOA - HR (Personnel)
Robert Owens	DOA - Office on the ADA
K Williams	DOA
Rod Holden	DOA - DNPE
Gregory Cain	DOA - Parking Systems
Smitty Locklear	DOA - MIS

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 17, 1999
Room 425, LOB
3:00 p.m.

Chair: Representative Wainwright

Department of Administration

Motor Fleet and Courier Service (cont.)

John Massey
Director

State Capitol Police

Johnny Massey
Chief, State Capitol Police

Facility Management Division

Tony Jordan
Director

Board of Science and Technology

Norm Cohn

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT MINUTES March 17, 1999 3:00 P. M.

The subcommittee met in Room 425 of the Legislative Office Building. The members attending the meeting were Representatives Wainwright, Jeffus, and McLawhorn. There were six Senators in attendance. The Agenda and Visitor Registration Sheet are attached hereto and incorporated into the minutes.

Representative Wainwright called the meeting to order and he recognized Mr. John Massey, Director of Motor Fleet and Courier Services.

Mr. Massey stated that the courier operation was changing to the central mail system. The state courier service plan is located on Salisbury Street. The courier service has 17 routes that log over 5000 miles per day, and handles approximately fifty thousand pieces of mail and freight on a daily basis. Courier service is provided to the entire state, and it is provided at one-half the regular postal rate. The change to the central mail system would not affect the number of personnel in the department, as the service would retain all the personnel they currently had.

The Chair recognized Secretary Katie Dorsett of the Department of Administration. Secretary Dorsett introduced Norman Cohn, Vice-Chair of the North Carolina Board of Science and Technology.

Mr. Cohn outlined the accomplishments of the board, and provided the committee with some insight of future growth. The board was established by the General Assembly in 1963 to function as a catalyst to enable North Carolina to become competitive in a technological society. The board is an advisory group comprised of scientists, university educators, and business and government leaders. Originally the board received a yearly appropriation of over Two Million Dollars to stimulate university research and to establish independent research centers. During the 1991 major budget shortfall the board's funds were reduced. In spite of these cuts the board has continued to be effective in developing a strong economy supported by science and technology. Over the 1997/99 biennium, 1.2 Million Dollars of state appropriated moneys has already returned over Ten Million Seven Hundred and Forty Dollars back to the state. Over the next three years the board has projected a return of more that 62.5 Million Dollars from investments made during the 1997/99 biennium.

Another important goal of the board is to assist public and private universities in obtaining federal grants for science and technology projects. Some examples of the board's efforts in this area are advising NC State and UNC Chapel Hill in their efforts to obtain a National Science Foundation of Excellence in carbon dioxide chemistry. This program will total over Twenty Million Dollars over a four-year period. They are also

assisting East Carolina University to gain funding to participate in Internet II, the next generation Internet project. The Board believes that access to advanced telecommunication networks will enhance both the education and health care of all North Carolinians. Therefore, they are working with hospitals in rural counties to help them apply for federal funds to telepath health and distance learning projects.

The board is also conducting studies to encourage aquaculture in North Carolina's coastal areas, along with studies on the global gateway, which enables people in any part of the world to enter North Carolina virtually in order to gain information about all our international projects. North Carolina Technology has its own website.

Mr. Cohn considered the year 2030 Conference for the Future as one of the most exciting projects. It will be a major conference in which North Carolina leaders will have the opportunity to evaluate and make recommendations regarding investments that the state should make in science and technology to meet the challenges of the next century. It will provide a forum for visionary leadership in the millennium.

Mr. Cohn stated that the board hoped that the legislature would appropriate an additional $250,000.00 in funds. These funds would help the Board of Science and Technology to continue to provide seed money and to secure matching grants for North Carolina to be able to participate in collaborative research and development projects, both nationally and internationally. He concluded his presentation by stating that a full report would be provided to the committee.

The Chair recognized Kenneth Wilkins, Deputy Secretary for Internal Services and Programs in the Department of Administration. Mr. Wilkins stated that the Divisions that make up internal services are the State Capitol Police, Facility Management, Parking Services, and the Management Information Services Division. He introduced Greg King, the new Parking Systems Director. Parking Services is a newly formed division within the Internal Services Section, and it is responsible for planning, developing, and implementing the state government parking system and the state employees transportation commuting program in the downtown state government complex.

The next division is the Management Information Services, and its director is Smitty Lockfield. That division is responsible for setting automation direction and standards, computer systems development and maintenance, and computer networking and technical support for the Department of Administration.

Mr. Wilkins recognized Mr. Robert Owens, Director of the Office of Americans with Disabilities Act (ADA). This office plans, promotes, and coordinates a variety of programs and policies which lead to full compliance with the American With Disabilities Act of 1990 by the agencies of state and local government, business and industry. The office offers a variety of services including technical assistance, training, extension education, and an alternative method of dispute resolution to enhance understanding and to alleviate complaints. The office serves as an ADA resource center to disseminate accurate and relevant information on the requirements of the ADA.

Mr. Owens recognized Johnny Massey, Chief of State Capitol Police. Mr. Massey stated the mission of the State Capitol Police as providing law enforcement services to include protection and security for state employees, public visitors, and state owned and leased property. The division has placed an increased emphasis on suspicious persons. The division is the only state law enforcement agency providing service and assistance for the state government complex twenty four hours a day, seven days a week. The division has increased the number of accounts on its computerized alarm system whereby the division can monitor fire, mechanical, and burglary alarms for a variety of state government facilities all across the state. There are 492 accounts on this alarm system.

The division has 6 squad units, which operate with a variety of programs. Four squads provide routine patrol in response to emergencies, requests for assistance, and investigates suspected unauthorized entrances. During the first six months of fiscal year 1998/99 the division participated in 773 armed special details. During this same time frame, the division conducted 210 investigative stops of suspicious persons in and around the governmental complex, resulting in 41 citations being issued for criminal offenses, 40 fugitives from justice being apprehended, and the investigation of 484 suspected unauthorized entrances. One squad unit is dedicated to stationery duties in assigned buildings. These includes executive protection to Supreme Court and Appellate Judges, members of the Governor's staff at the State Capitol, the Attorney General, and the Commissioner of Agriculture. Additional personnel are assigned to the SBI complex. Upon request the division provides executive protection for any member of the Council of State, General Assembly, or dignitaries who visit the state government complex. The Special Services Squad Unit is dedicated to services, which encompass crime prevention and investigation. There are 47 law enforcement positions within the division and 14 civilian positions.

Due to the time, the Chair adjourned the meeting until the next morning.

Respectfully submitted,

Blinda Edwards

Blinda Edwards, Transcriber of Minutes

William L. Wainwright

Rep. William Wainwright, Presiding Chair

North Carolina
Department of Administration

The Department of Administration is often referred to as the "business manager" of state government. Created in 1957, it provides numerous services for state government agencies. In addition to its role as service provider, the department is host to several councils and commissions that advocate for North Carolina's citizens with special needs.

As the state's business manager, the department oversees such operations as building construction, purchasing and contracting for goods and services, managing state vehicles, acquiring and disposing of real property, and operating auxiliary services such as courier mail delivery and the disbursement of state and federal surplus property. In addition, the department maintains state facilities and provides police service for the State Government Complex. The department offers still other services, including public service call-in programs provided by the Agency for Public Telecommunications and assistance to veterans through the Division of Veterans Affairs.

Several programs advocating for citizens of North Carolina with special needs are included in the Administration Department. They include the Governor's Advocacy Council for Persons with Disabilities, the N.C. Office on the Americans with Disabilities Act, the N.C. Human Relations Commission, the N.C. Commission of Indian Affairs, the Youth Advocacy and Involvement Office, and the N.C. Council for Women. Most of these programs have an appointed council and a state staff, which work on behalf of persons with disabilities, minorities, youth and women.

The Department of Administration was re-established by the Executive Organization Act of 1971, to bring more efficient and effective management to state government. Prior to its enactment, over 300 agencies reported directly to the governor. Recognizing the difficulty of providing good management under those conditions, the department was re-created by the reorganization bill. Now the department is expected "to serve as a staff agency to the governor and to provide for such ancillary services as other departments of state government might need to ensure efficient and effective operations."

The department has adopted the following mission statement:

The North Carolina Department of Administration
shall provide high quality services effectively, efficiently and economically
for our customers who are the citizens, agencies and communities of our state.

WE ARE COMMITTED TO:

- ***Quality***
- ***Service***
- ***Excellence***
- ***Integrity***

The Department of Administration serves all of state government, working to ensure that taxpayers' dollars are used wisely and that good management is pervasive. The State Employee Incentive Bonus Program was designed to increase productivity in the department and throughout state agencies by awarding employees a percentage of money saved when their cost-saving suggestions are implemented. The Continuous Improvement effort relies on input from departmental employees to improve services to other state agencies and to the public. The Human Resources Management Office offers training to department employees to help them perform their jobs more efficiently and effectively.

North Carolina Council for Women

Merrimon-Wynne House, 526 North Wilmington Street, Raleigh, North Carolina 27604-1199 ~ (919) 733-2455

The North Carolina Council for Women advises the governor, the General Assembly and the principal state departments on the special needs of women in North Carolina. The council works cooperatively with local women's organizations, develops innovative projects and policy initiatives, and conducts workshops and training sessions to address women's needs. It administers state and federal funds to local non-profit groups serving victims of sexual assault and domestic violence. The council also administers state funds which serve displaced homemakers. Staff in the Raleigh headquarters and six region directors provide technical assistance to individuals and public/private agencies.

North Carolina Human Relations Commission

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-7996

The North Carolina Human Relations Commission provides services and programs aimed at improving relationships among all citizens of the state, while seeking to ensure equal opportunities in the areas of employment, housing, public accommodations, recreation, education, justice and governmental services. The commission helps to establish and supports the work of local human relations commissions throughout the state. The commission provides police/community relations training, race relations training, and diversity training to governmental agencies, communities and schools. The commission also enforces the North Carolina Fair Housing Law and is substantially equivalent with the U.S. Department of Housing and Urban Development. The commission participates in writing and implementing the Impediments to Affirmatively Furthering Fair Housing for the North Carolina Consolidated Plan required by the federal government. Further, the commission serves as a resource to Community Development Block Grant recipients in helping them develop Fair Housing plans.

North Carolina Commission of Indian Affairs

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-5998

The North Carolina Commission of Indian Affairs was created by the North Carolina General Assembly in 1971 in response to the need of the state's Native American citizens to have a voice in their own affairs. Its purposes include bringing local, state and federal resources into focus for the implementation or continuation of meaningful programs for the state's Indian citizens; assuring the rights of Indians to pursue their cultural, social and religious traditions; and assisting in the development of social and economic opportunities for Indian people across the state.

Youth Advocacy and Involvement Office

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-9296

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

State of North Carolina
James B. Hunt Jr., Governor

North Carolina Department of Administration
Katie G. Dorsett, Secretary

Visit the Department of Administration's home page at:
http://www.doa.state.nc.us/doa/

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1998

ACCOMPLISHMENTS

DEPARTMENT OF ADMINISTRATION

STATE OF NORTH CAROLINA

OFFICE of the SECRETARY

KATIE G. DORSETT

Agency for Public Telecommunications
Leila Tvedt, Director

Human Resources Management Office
Linda Coleman, Director

Office of Fiscal Management
Kathy Crooke, Director

Office of Non-public Education
Rod Helder, Director

Public Information Office
Priscilla Smith, Director

Division of Veterans Affairs
Charles Smith, Director

Staff

Assistant Secretary and Legislative Liaison
Martha Glass

General Counsel
R. Glen Peterson

AGENCY for PUBLIC COMMUNICATIONS

Media Services Section Again Wins Major Awards

For the third year in a row, APT's Media Services staff won top honors for videotapes produced for our state agency clients. The regional chapter of an international association of non-broadcasters awarded our projects first place for a video for the State Board of Elections concerning the responsibilities of local election officials; second place for a training video regarding interviewing for DHHS social workers, and a special achievement award for work on a video for a community college about Tech Prep.

Teleconferences Helping Thousands

Working with the Department of Correction and the Department of Crime Control and Public Safety, and the Governor's Crime Commission, APT's State Services Network produced a two-day teleconference that reached 3000 probation and parole staff, victim assistance personnel, and prison staff at 17 locations for training on the state's new Statewide Automated Victim Assistance and Notification system.

Working with the Department of Public Instruction, APT's State Services Network continues to provide distance learning courses via satellite for thousands of teachers and administrators. In the past school year, teachers at 128 North Carolina high schools around the state earned several hundred hours of continuing education credits through their participation.

APT continues to work with state's Parole Commission to provide face-to-face meetings between Parole Commissioners in Raleigh and victims of crime via connections on the state's Information Highway. For the nine meetings in 1998, crime victims saved more than 32,000 miles and 550 work hours by *not* driving to Raleigh for parole hearings they were able to attend at locations closer to their homes.

***OPEN* Programs Provide Unique Connections**

The Open Public Events Network (OPEN) responded quickly to the threat of Hurricane Bonnie, producing several live call-in programs with federal and state emergency management personnel before, during, and after the storm. OPEN viewers had immediate access to information about disaster preparedness and relief activities during these programs. In addition, the teleconferencing section produced 10 conferences that connected state officials in Raleigh with their federal counterparts in Washington DC and Miami during daily hurricane briefings, allowing the state to take part in the dialogue, and assisting in providing the most timely information available.

In an effort to serve a growing cable viewing audience, APT's OPEN began this year to use private foundation funding to caption some of its live, call-in programs. In addition, OPEN offers captioning services to public agencies sponsoring call-in programs, with more than a dozen programs were captioned for viewers with hearing difficulties.

Beginning in 1998, for the first time OPEN included judicial candidates for statewide office on the Candidate Call-In series. All statewide candidates were offered the opportunity to participate in these prime time, call-in programs on cable. Viewers' response was positive.

HUMAN RESOURCES MANAGEMENT OFFICE

Compensation Package with Department Paycheck for Eleven Months

For 11 months, a special package of inserts came with employees' paychecks explaining the total compensation package which each employee is eligible to receive. Based on an employee making $19,000 a year with 10 years of service, the series included the following topics: Paid time off/Holiday/Vacation Pay/School Involvement Leave, Paid Time Off/Sick Leave, Health and Dental Insurance, Retirement/Death Benefit, Supplemental Retirement Income, Disability Income Plan, Worker's Compensation, Longevity Pay, NC Flex, and FMLA/Voluntary Shared Leave.

Spanish Classes Offered to Employees Working with Hispanic Community

In order for employees to better serve their customers and clients in the Hispanic community, two eight-week classes of basic Spanish was offered for 15 employees in each class. As a result of the improved communication ability, relationships were improved within our agency and the needs of our customers were better met.

State Employees Incentive Bonus Program (SEIBP)

As a result of new legislation, the new employee bonus system (SEIBP) was implemented to replace the old State Employees Suggestion System, which awarded a maximum of $5,000. The new awards are capped at $20,000 for individuals and $100,000 for group suggestions. Award amounts are now determined and paid from actual first-year savings. The program is constructed to reward not only the suggester(s), but also co-workers and the department with half the first-year savings returning to the general fund.

At this time, suggestions worth more than $1,700,000 are being evaluated. These include carry-overs from the former program. The program is designed to stimulate creative thinking and problem-solving processes, which in turn will result in a more cost-effective, efficient, and quality-directed state government.

This first winner in this new program was a 34-year employee of the Department of Revenue who received a check for $17,425. Her suggestion reduced data-processing time on 1997 personal income tax returns by using whole dollar entries, and saved the state 6000 employee hours, nearly $90,000 dollars, and the winnings amounted to over half of her annual salary.

OFFICE of FISCAL MANAGEMENT

Interactive Purchasing System

Fiscal Management implemented the Interactive Purchasing System initiated by Purchase and Contract in January 1998. This allows the department's purchasing office to post bids on the Internet. In this program, vendors are allowed equal access to bids advertised by the department and have the ability to view the award results on the bid via the Internet. This benefitted the purchasing office in cost savings by not having to incur bid printing and mailing costs associated

Fiscal Management, cont.

with each bid. Vendors now have immediate access to bids advertised by the Department, rather than having to wait for the bid to be received through the mail.

Consolidated Billing for Utilities

Fiscal Management negotiated with utility companies to provide consolidated billing and monthly payments of all charges for utilities that are billed to each of the facilities by each of the providers of such commodities. This billing process reduced the monthly invoices and payments to be processed each month. This billing process also afforded the ability to generate historical and current usage information and reports for all facilities and help identify any irregularities as revealed in these reports.

Procurement Card Program

Fiscal Management improved the efficiency of the procurement card program by implementing an on-line automated reconciliation process eliminating manual paperwork.

NC Public Employee Deferred Compensation Program

Fiscal Management negotiated a new third party administrator for the Deferred Compensation Plan, and monitored the transition from the old third party administrator to the new.

Budget Issues

Fiscal Management helped agencies redirect reduced budget resources to accomplish their missions.

DIVISION of NON-PUBLIC EDUCATION

The Division of Non-Public Education is staffed by the Director, his deputy, a secretary and a temporary clerical employee. The office, previously in the Office of the Governor, was relocated to the Department of Administration in July 1998.

Accomplishments from July - December 1998

* Registered an additional 5,298 new home schools

* Registered an additional 67 new conventional non-public schools

* Since August 1, 1998, mailed 11,368 student driving eligibility certificates to non-public school student driving eligibility certificate program

* Assisted the Secretary of Administration in developing rules for the non-public school Student driving eligibility certificate program

Non-Public Education, cont.

* In response to requests, distributed at least 10,639 non-public school information packets to people considering starting a home or conventional non-public school

* Conducted on-site record inspection visits to over 300 conventional non-public schools

* Reviewed student attendance and nationally standardized test result records for over 4,000 home schools through the Inspection By Mail Program

PUBLIC INFORMATION OFFICE

Marketing Efforts Bring Good Publicity to Department

The Public Information Office (PIO) worked with several divisions during 1998 on media events to publicize efforts the department was taking to make state government more efficient, cost effective, and customer friendly.

Motor Fleet Management

The PIO arranged a news conference for Motor Fleet Management to announce a pilot program to rebuild some of its state cars instead of purchasing new vehicles. The pilot program of 12 rebuilt cars and a subsequent 48 cars have saved the state millions of dollars. The cars provide an additional 100,000 miles or more and cost between $8,000 and $10,000 compared to approximately $21,000 for a new car. There was a great deal of media interest with coverage from four local television stations, several radio stations and statewide newspaper coverage.

Human Resources Management Office

The PIO assisted the Human Resources Management Office with the kickoff celebration of the State Employees Incentive Bonus Program (see Human Resources Management Office). Many state employees attended the celebration on the State Capitol grounds where Secretary Katie Dorsett presented the check to a 34-year veteran state employee. Also present were representatives from the State Employees Association of North Carolina and the General Assembly. The event received television, radio, and statewide newspaper coverage. The program is for employees in state agencies, community colleges, public schools, and the university system.

State Surplus Property Office

The PIO worked with the State Surplus Property Office to promote the Computers for Schools Program. Surplus computers from state agencies from state agencies, community colleges and the university system are refurbished by State Surplus and placed in public schools for a nominal service fee of only $20 per computer. The program has provided more than 2,000 computers to schools in 1998, and saved the state nearly $3 million. The program received coverage from two local television stations that ran feature stories with schools that received the

Public Information, cont.

computers. Statewide coverage has allowed for more schools to learn about the program.

The State Surplus Property Office has also received coverage on the four awards it has received in 1998 for the program, including the Governor's Award for Excellence, the NC Recycling Association's Waste Reduction and Recycling Award, and the Department of Administration's Award for Excellence.

The Raleigh News and Observer did a feature story about the bargains at the surplus office which are available to the public, including office equipment, restaurant supplies, and automobiles.

Division of Facility Management

The Division of Facility Management received newspaper and television coverage on the Energy Star Building Partnership, a program partnering with the federal Environmental Protection Agency to identify energy waste and implement energy-efficient measures in state buildings.

DIVISION OF VETERANS AFFAIRS

Services Provided to Veterans, Their Dependents and Survivors

The district and county veterans service offices received 606,434 requests for services in 1998 from veterans, their dependents and survivors which resulted in new awards to clients in the amount of $7,200,000 from the US Department of Veterans Affairs. This same department paid $62.3 million monthly in direct payments to North Carolina's eligible beneficiaries in 1998. The new awards will improve the standard of living for the clients of the North Carolina office.

State Veterans Nursing Home Program

Construction on North Carolina's first State Veterans Nursing Home in Fayetteville was essentially completed in 1998, construction having started in late 1996. The home, adjacent to the VA Medical Center, has opened in January 1999. The 150-bed facility will serve the long-term health care needs in skilled and intermediate nursing care for veterans throughout the state.

The NC General Assembly appropriated $1 million for the establishment of a second State Veterans Nursing Home in Salisbury. An application was made to the federal Department of Veterans Affairs for federal matching funds of $1.8 million, and the proposal has been approved.

State Cemeteries Program

Three state veterans cemeteries located in Black Mountain, Jacksonville, and Spring Lake have provided interments for 519 veterans during 1998.

State Scholarships for Children of North Carolina War Veterans

The North Carolina Veterans Affairs Commission awarded 312 scholarships to children of deceased and disabled war veterans.

DEPUTY SECRETARY
for
GOVERNMENT OPERATIONS

CARLTON MYRICK

Motor Fleet Management & Courier Service
John Massey, Director

Division of Purchase & Contract
John Leaston, Director

State Construction
Speros Fleggas, Director

State Property
Joe Henderson, Director

State and Local Government Affairs
Sara Stuckey, Director

Office of Continuous Quality Improvement
George Millsaps

MOTOR FLEET MANAGEMENT
and
COURIER SERVICE

Motor Pool on Peace Street on Computer System

For the first time, a personal computer allows the Motor Pool to connect with Motor Fleet Management's mainframe computer system to enter repair work orders and other information. Access to word processing, spreadsheets, and e-mail allows more timely information flow between the two offices.

Rebuilt State Cars

Instead of purchasing all new vehicles, Motor Fleet Management has had approximately 60 Chevrolet Caprices refurbished and rebuilt, including new engines, new transmissions, rebuilt suspensions and brakes, and seat replacement, saving the state $8-10,000 per car. A similar new vehicle would cost approximately $21,000 or more. Motor Fleet has inspected all of these cars to insure the work was performed as expected. The drivers of rebuilt vehicles are being surveyed to determine their satisfaction with the vehicles they have driven. Potentially, another 240 or more Caprices will be rebuilt by a North Carolina company.

Purchase of Alternate Fuel Vehicles

Motor Fleet has purchased 390 vehicles that operate on alternative fuels in an effort to reduce pollution and lessen the state's dependence on foreign oil. Most of these vehicles are duel-fueled vehicles which can run on either ethanol or gasoline. Drivers are instructed to use ethanol whenever possible. Motor Fleet also has vehicles which operate on propane gas, compressed natural gas, and electricity.

Downsize Permanently Assigned Replacement Vehicles

When permanently assigned vehicles need to be replaced, Motor Fleet is reviewing the ability to downsize to a smaller vehicle if appropriate. To date, 94 assignments fall into this category, and a savings of $240,000 will be realized in lower purchase costs. Due to increased fuel economy, 81,278 gallons of fuel with an estimated cost of $48,767 can be saved over the life of the new vehicles.

Central Mail Service Implemented with Courier Service Involvement

After almost two years of planning, a Central Mail Service for the state government complex began on a small scale in late 1998. The plan includes centrally housing equipment and personnel for various mail rooms, and although the move to the old Textbook Warehouse on Blue Ridge Road will take place in early 1999, the mail service has started with 10 state agencies utilizing the current modified Courier Service facilities for processing outbound US mail. It is projected that full operation of the Central Mail Service will begin by July 1999, with the Courier Service incorporated into the operation.

DIVISION of PURCHASE and CONTRACT

Committee Formed to Develop Vendor Registration System

In September 1998, a committee was formed to develop an electronic vendor registration system that will enable any interested vendor to register for selected commodities via the Internet. Vendors will receive e-mail notification for those solicitations that are posted to commodity classes for which they will be registered. The Historically Underutilized Businesses (HUB) certification process will also be incorporated into one system, eliminating the dual system now in place. This system will also allow this office to find vendors registered for specific commodities by city, county, or HUB status. Vendors will also be able to change commodity selections at any time. The system is scheduled to begin the testing phase during the second quarter of 1999, and will save money in postage, mailing list maintenance costs, and duplicating expenses associated with current systems.

Committee Formed to Develop a Requisition Tracking System

In early 1998 a committee was formed to develop a requisition tracking system that will replace the IMS system that is non-Y2K compliant. The new system will track every phase of the purchasing process including requisition solicitation preparation, oversight review, bid tabulation, and award. Using this system, information can be transmitted to other agencies electronically, saving time. Other benefits include the ability to display accurately the time taken during each phase of the purchasing process, and the new process will save money by eliminating duplicate entry expenses. The requisition tracking system is scheduled for introduction during the third quarter of 1999. An extensive training program will be in place before implementation.

Computer Recycling Program

State Surplus Property implemented a Computer for Schools Program in 1997, and since its inception has placed almost 2,000 refurbished computers which had been designated state surplus property into the state public schools, with most of those distributed in 1998, saving the state an estimated $3 million. The cost to the schools is $20 per computer. In 1998, State Surplus has received four statewide awards for this program, including the Governor's Award for Excellence for Innovation, and for Waste Reduction, the NC Recycling Association's Waste Reduction and Recycling Award, and the Department of Administration's Award for Excellence. State Surplus is receiving cooperation from the Department of Community Colleges and the Department of Correction in refurbishing these surplus computers.

Textile Recycling

State Surplus Property has initiated a program to recycle worn-out prison uniforms and other textiles. Through a contract with a company which buys the old uniforms and turns them into cleaning rags, the state has received revenues of $15,000, versus paying $40 per ton for disposal. Also, elimination of landfill fees and a cleaner environment are results of this program. State Surplus is also reviewing other agencies where employees wear uniforms to join this program.

Division of Purchase & Contract, cont.

Historically Underutilized Businesses (HUB)

The HUB program conducted numerous activities and events designed to increase HUB vendor participation in the state's procurement process.

Outreach efforts included conducting five statewide training workshops to educate HUB vendors and contractors about the procurement process for state agencies, universities, institutions and public schools. Over 50 purchasers from across the state participated as panelists.

Technical assistance was provided to over 600 vendors in 1998. Request for certification applications increased and were sent to almost 500 vendors. Notices were sent to nearly 850 construction vendors highlighting upcoming project opportunities. Two issues of the HUB Quarterly Digest were sent to over 2,500 vendors to keep them abreast of ongoing changes in the HUB program.

STATE CONSTRUCTION OFFICE

Awards for Quality Initiative

The Design/Review Section received the Department of Administration Award for Excellence as a result of using Continuous Improvement methods to focus on review times in that office. The section successfully implemented internal changes in the review process which greatly improved turnaround time. The project was also a nominee for the Governor's Award for Excellence.

Public-Private Partnership with Carolina Power & Light (CP&L)

Through a public-private partnership with CP&L, a new utility-owned electrical distribution system was constructed at the Caswell Square complex to replace the existing state-owned system. Because the system required an extensive overhaul, State Construction provided a design which included work by both CP&L and another private contractor. The new system is expected to significantly reduce energy and maintenance costs and also reduce the state's liability associated with a high-voltage system. The work was performed with a minimum of disruption to the operations of the complex.

Implemented New DOA Certification Process

As a result of SB 1093, the State Construction Office (SCO) was charged with implementing this process. This bill requires that the SCO examine and approve all plans and specifications for the construction and renovation of all state buildings, including Community Colleges for which the public bidding is required as a prerequisite to funding the project. Meetings with all state agency CPCs and university CPCs to discuss the new process were conducted. New forms and check-lists for CPCs to complete prior to submittal of proposed projects were also produced by this office.

Successful State Construction Conference

The seventeenth State Construction Conference attracted more than 600 people, and overflow crowd. The conference, coordinated through SCO, brought together representatives from state agencies, architects, engineers, contractors and subcontractors to discuss mutual concerns related to the planning, design, and construction of state projects.

STATE PROPERTY OFFICE

Property Acquisitions and Dispositions

Two-story office building, 29,594 square feet, for the UNC Hospitals to establish primary care outpatient clinic in central Orange County

Leased 17 acres to Wake County for Wake County Schools for 40 years to construct a magnet middle school on Centennial Campus, facilitating a relationship with the county school system and NC State's College of Education and Psychology

Leased 3.07 acres to Carteret Community College, Morehead City, for 99 years for the construction of a 4-story building of approximately 51,000 square feet, to house NCSU's Center for Marine Sciences and Technology. The college will use space in the building to develop joint and complementary programs with NCSU.

Acquired an industrial building, 74,296 square feet, in Warren County for the relocation of the Department of Correction Janitorial Products Plant from Harnett County.

Acquired 64,439 acres for conservation, wildlife, environmental and recreational concerns. Significant acquisitions are

1) 6,459.56 acres (Morgan Watershed) in Burke County for inclusion in South Mountain State Park

2) 17,829 acres in Cleveland, Burke, McDowell and Rutherford counties for the Wildlife Resources Commission

3) 2,757.25 acres known as Roan Island, in Pender County, for the Wildlife Resources Commission

4) 8,041.95 acres for the Suggs Millpond complex, in Bladen and Cumberland counties, for the Wildlife Resources Commission

Negotiated and placed under contract the acquisition of 9,760.09 acres in Transylvania County for the creation of the Gorges State Park and expansion of the Toxaway Gamelands for the Division of Parks and Recreation and the Wildlife Resources Commission

Negotiated a five year lease for the operation of the State Fair Flea Market with an annual minimum revenue guarantee of $832,000 which will be used to enhance the operating budget of the State Fairgrounds

New lease space found for ten agencies relocated from the State Textbook Warehouse for the consolidation of the Central Mail Service, due to move into the building in April 1999.

A lease-purchase agreement was negotiated with the Board of Trustees of the Endowment

State Property, cont.

Fund of UNC-Chapel Hill for a 42,215 square foot building housing departments at UNC-CH. It is anticipated that this arrangement will yield long term rental savings for the university as well as lessen the number of short term leases in the area, both due to shortage of rental space. The rent payments will amortize the cost of building and the state will own the facility at the end of the 21-year term.

STATE - LOCAL RELATIONS OFFICE

Appalachian Regional Commission Grant Program Management

During 1998, State-Local Relations coordinated the development and approval of projects serving 29 western NC counties and 1.4 million of the state's residents. Projects are designed to enhance the economic development potential of this portion of the state, and priorities are those set out in the Governor's Agenda.

Appalachian Regional Commission (ARC) program management resulted in:

Nine water and sewer projects assisting seven counties. Total ARC funding of $1.72 million leveraged $5.8 million in additional funds, aided in creating 518 new jobs, retaining 1629 existing jobs, and securing $54.7 million in private investment.

Seven additional projects to provide training and technical assistance also were approved to serve 29 ARC counties. The $1.2 million ARC investment leveraged $1.2 million in additional funds. Examples of these projects are

1) helping the NC Partnership for Children initiate a multi-county dental health promotion program

2) assisting Handmade in America, a regional non-profit promoting heritage crafts-based tourism and marketing, in its continuing work with the Institute of Government to train a leadership corps of over 30 people in seven small communities aid local officials in community revitalization. This program has been cited as a national model by the Pew Charitable Trust.

3) three grants which aided in establishing NC Information Highway sites in the eligible communities. Two sites in Cherokee and Alleghany counties were cyber campuses for the NC School of Science and Math. The third site will be located at the Graham County campus of the Tri-County Community College. The new satellite campus has already increased in-county enrollment for the community college by 300%.

State Clearinghouse

The State Clearinghouse began implementation of the recommendations of the Environmental Policy Advisory Committee. The recommendations identified ways to streamline the process used to insure state agency compliance with the State Environmental Policy Act and make the process more user-friendly.

The Clearinghouse managed the intergovernmental review process, coordinating the review by state and local agencies of 459 environmental documents. The documents were

prepared in compliance with state and national environmental policy acts, and the reviews included projects such as South Brunswick Regional Wastewater System, Nucor Steel Recycling, and the Transco natural gas line at Jordan Lake.

In addition, the intergovernmental review process completed action on 313 notifications of intent to apply for federal funds (notices by state and local entities of their intention to apply for federal grants and loans). The documents supported requests for over $509 million.

OFFICE of CONTINUOUS QUALITY IMPROVEMENT

Overview

The Quality Coordinator is charged with providing technical assistance to leadership in the Department of Administration through leading, directing and developing Continuous Improvement. This is a structured effort designed to re-focus the Department's commitment to provide outstanding service to our customers through continually improving the way we do business. Under the Secretary's leadership, a raised awareness of "customer service" is taking place throughout the Department. This office has been in place slightly more than one year.

Major Accomplishments

* Surveyed over 17,800 external and internal customers and received responses from over 2,800 customers.

* Identified and prioritized areas of department concern and established three new quality improvement teams based on the prioritized issues.

* Established the Workplace Assessment Team which surveyed some 800-plus DOA employees to gauge employee perceptions of their workplace environment, with a response rate of 68 percent.

* Trained fifteen employees to be team facilitators.

* Trained 40 employees to be team members.

* Trained all division directors and their reports in the areas of customer focus, surveys, and focus groups.

* Incorporated Continuous Improvement criteria into employee workplans.

* Developed a Continuous Improvement Communications Plan, a Web page, placed monthly articles in the department newsletter.

DEPUTY SECRETARY
for
INTERNAL SERVICES and PROGRAMS

KENNETH WILKINS

Commission on Indian Affairs
Greg Richardson, Director

Council for Women
Juanita Bryant, Director

Governor's Advocacy Council for Persons with Disabilities
Allen Perry, Director

Human Relations Commission
Eddie Lawrence, Director

Office of The Americans with Disabilities Act
Robert Owens, Director

Youth Advocacy and Involvement Office
Vida Mays, Director

Division of Facility Management
Tony Jordan, Director

Management Information Systems
Smitty Locklear, Director

State Capitol Police
Chief Johnny Massey

COMMISSION of INDIAN AFFAIRS

Health Choice (formerly Children's Health Insurance Program) Steering Committee

In an effort to comply with one of Governor Hunt's priority to make sure that children go to school healthy and ready to learn, the Commission took the lead in North Carolina in advocating for the Children's Health Insurance Program on behalf of state-recognized American Indian tribes. The commission has provided information to Indian tribes and organizations regarding the benefits of the Health Choice program. In addition, Commission staff and tribal members have played an integral part of the Children's Health Insurance Steering Committee in providing information, as well as providing input in the crafting of mental health services and the comprehensive health care package for the state's approximately 71,000 uninsured children. One major outcome from serving as a member of the steering committee is that American Indian tribal offices will serve as centers for application taking and outreach.

Culturally Responsive Care Initiative

The Commission received $75,000 from the Division of Social Services in its efforts to implement culturally responsive care initiative created and established by the Department of Health and Human Services. The Commission is responsible for conducting focus groups among the state's ten American Indian tribes and organizations. In addition to the focus groups, the Commission will prepare reports, identify problems around policies and practices that omit the North Carolina American Indian community and provide consultation to multi-agency service providers focused on meeting the needs of American Indian children and families.

Z. Smith Reynolds Grant

The Commission was awarded a $30,000 grant from the Z. Smith Reynolds to develop a strategic plan for the year 2000. The plan requires the Commission to establish a partnership with key non-Indian stake holders in Indian communities, and to bring additional resources and expertise to the Commission through the enhancement of collaborative efforts between the commission staff, members, tribal leaders and other Indian community leaders in an attempt to serve the future needs of North Carolina's Indian communities.

American Indian Children Will Be Better Served

The Adoption and Safe Families Act was amended by the NC General Assembly to require local departments of Social Services to consider the Indian Child Welfare Act when placing American Indian children into foster care or adoptive services.

Educational Talent Search Receives Additional Funding

The US Department of Education awarded an additional annual funding of $215,500 for four years to increase the service population from 600 to 650 American Indian students in the Educational Talent Search Program. The program is targeted to Columbus, Cumberland, Guilford, Halifax, Harnett, Hoke, Sampson and Warren counties.

COUNCIL FOR WOMEN

Service Provider Funding

Through funding by the legislature in 1998 of an additional $1 million, **victims of domestic violence** have been served more effectively and new programs have been developed. The Council for Women administered funding to 78 domestic violence programs at more than $50,000 each. Included in this money were marriage license fees which are given to the domestic violence programs.

Victims of sexual assault were served through 57 sexual assault programs funded in the amount of $18,940 per program.

In addition, a **rape prevention project** funded at $15,000 per program was administered to 61 agencies. The purpose of these funds is to provide community education, awareness and prevention in civic groups, schools, churches, and throughout communities.

Also in 1998, 4,200 participants in **the displaced homemakers program** were served through an annual appropriation in the continuation budget of $375,000. The number of programs continues to be 24; however, the 1998 General Assembly enacted legislation which increased the divorce fee by $20. This additional revenue will go into a fund for distribution to existing programs as well as development of new programs.

These programs serve victims and clients statewide.

Displaced Homemakers Program

The short session of the 1999 legislature passed SB 475 which will add $20 to the existing divorce filing fee of $50. A special fund will be set up in the Department of Administration for the monies collected from the Clerks of Court in each county. It is anticipated that the fund will generate approximately $333,000 for fiscal year 1998-1999, and a net deposit of $666,000 for fiscal year 1999-2000. These funds will be distributed equally to the existing 24 displaced homemaker programs in the state. The program will also use these dollars to start one or two new displaced homemaker programs each year.

"Women with Purpose"

The Southeast Region hosted the first "Women with Purpose" event, recognizing women who made significant contributions to the lives of children. Thirteen women from Craven, Jones, Carteret an Pamlico counties were recognized for their unselfish contributions to the children of these areas. Approximately 150 attended, and children of various cultures entertained.

GOVERNOR'S ADVOCACY COUNCIL
for PERSONS with DISABILITIES

Investigation of the Death of a Teen at Charter Hospital in Greensboro

GACPD staff investigated the March 1998 death of a teenage patient at Charter Hospital in Greensboro. As a result of the investigations conducted by GACPD and the Division of Facility Services, which licensed the hospital, a *Notice of Intent to Revoke License* was served on the hospital in May 1998. The hospital was allowed to retain its operating license after hospital officials agreed to make several changes in personnel and procedures. The Guilford County grand jury charged one of the mental health workers in this case with involuntary manslaughter.

In October 1998, with the parents' permission, the investigating advocate and attorney met with a
CBS representative and the advocate was subsequently interviewed by Ed Bradley of CBS's "60Minutes." This interview is expected to be a part of a documentary on children in private psychiatric hospitals which is planned for early 1999.

Investigation of Alleged Sexual Abuse at Two NC Schools for the Deaf

In May 1998, after a highly publicized incident of alleged sexual abuse at the Eastern NC School for the Deaf (ENCSD), GACPD began receiving phone calls from parents and/or guardians of clients who alleged sexual abuse. GACPD subsequently investigated one allegation of sexual abuse at ENCSD and five at the Central NC School for the Deaf (CNCSD). Staff were able to substantiate neglect by both of these schools in all but one of the allegations investigated. The one unsubstantiated allegation occurred at the CNCSD. Staff also reviewed policies and established procedures at The School for the Deaf in Morganton.

In May 1998, the Department of Health and Human Services established a Safety and Security Committee to examine the safety and security of students at all of the state's residential schools. In June 1998, GACPD and Youth Advocacy and Involvement Office in the Department of Administration submitted recommendations to the Safety and Security Committee regarding improvements needed in the schools for the deaf in areas of supervision of students, in the reporting of abuse and/or neglect, and in the use of interpreters in instances of abuse and/or neglect. GACPD participated with the committee in the rewriting of Directive 61, which addresses reporting abuse and/or neglect in DHHS schools, divisions, and institutions. Staff also participated in establishing human rights committees in two of the schools for the deaf.

Training on the American with Disabilities Act

As part of a grant from the Disability and Business Technical Assistance Center, the GACPD staff held four workshops in rural eastern North Carolina to train key people in the community so that they could inform the citizens in nearby communities about their rights and responsibilities regarding the Americans with Disabilities Act. Workshops were held in New Bern, Elizabeth City, Williamston and Whiteville. Approximately 150 participants from North Carolina's underserved rural counties were trained, and most were Native American or African-American.

HUMAN RELATIONS COMMISSION

Fair Housing Law Enforcement

The NC Human Relations Commission is charged with the administration and enforcement of the fair housing law, including the investigation, mediation, and litigation of fair housing cases and the provision of fair housing education and training for the state. In 1998, the Commission received approximately 800 housing inquiries. Forty-three cases alleging housing discrimination were dual-filed with the US Department of Housing and Urban Development, and the Commission closed 68 cases. The Commission also successfully conciliated 10 litigation cases in which a reasonable grounds determination had been made following investigations enabling these to be settled.

Fair Housing Outreach

In an effort to increase the attention to the affirmative program of fair housing, the Commission conducted approximately 80 outreach efforts. The Commission has, in an outreach and educational effort, created a web page on the Internet making available the State Fair Housing Act in English and Spanish and allowing access to the complaint forms for use by the public.

Hate Violence Reporting/Investigation

The Commission established and trained 35 Hate Violence Information Network affiliates across the state. These affiliates signed a memorandum of understanding committing to inform the Commission when a hate incident occurs in their community. Fifty-nine incidents were reviewed and/or investigated in 1998.

Police-Community Relations

The Commission trained 195 police officers in five training sessions. In another 15 diversity sessions conducted with fire departments, other agencies and organizations, 584 persons were trained.

"Bridging the Gap in Race Relations"

In cooperation with the Winston-Salem Urban League, a special session on "Bridging the Gap in Race Relations" was held, involving 174 people.

Martin Luther King Jr. Commission Mini-Grants

The Martin Luther King Jr. Commission awarded $54,709 in mini-grants to 28 non-profit organizations to celebrate the life an philosophy of Dr. King throughout the year.

OFFICE of the AMERICANS with DISABILITIES ACT

Consultation and Technical Assistance

This Office provided consultation and technical assistance more than 400 times during 1998, including telephone and in-person contact. Over 40 mailings resulted from the telephone consultations, including technical assistance manuals and letters of opinion on ADA issues. Hands-on technical assistance to the Department of Environment and Natural Resources resulted in completion of their Transition Plan. Technical Assistance is ongoing with the Department of Cultural Resources on their Transition Plan.

ADA Training Sessions

Seventeen training sessions were conducted during 1998. The focus of most sessions was employment (Title 1). Two of the sessions were conducted in rural counties to provide technical assistance with accessibility improvements in those communities.

ADA Eighth Anniversary Observance

Twelve observances took place across the state giving North Carolina the second highest number of events in the nation behind Texas. The Director and the Community Services Consultant were the keynote speakers at several of the events, were interviewed and quoted in community newspapers.

YOUTH ADVOCACY and INVOLVEMENT OFFICE

Juvenile Justice Reform Act

Two staff members served as staff to the Governor's Commission on Juvenile Crime and Justice. The commission made recommendations for improvements to the Juvenile Justice System, many of which were incorporated in the Juvenile Justice Reform Act which was ratified in the 1998 Short Session of the General Assembly. One prevention initiative that resulted from the new law is the creation of Juvenile Justice Prevention Councils in every county. In addition, there will be limited funding available for community-based intervention and prevention initiatives.

Smoke Detector Penalties

Child advocates and a staff member advocated successfully for the smoke detector penalty bill to be included in the 1998 state budget. This bill fines landlords who fail to provide tenants with working smoke detectors, and tenants who disable or damage smoke detectors. The legislation will help prevent the deaths of children by fire in North Carolina.

Allegations of Sexual Abuse at Schools for the Deaf

Staff at this office collaborated effectively with the Governor's Advocacy Office for Persons with Disabilities to make improvements in the guidelines issued by the Department of

Youth Advocacy and Involvement, cont.

Health and Human Services' Safety and Security Committee, formed in June 1998, to protect students at the three schools for the deaf from alleged sexual assault. This interagency effort was the culmination of several years of review of this problem, and came to the forefront after an alleged incident in May 1998. As a result of this collaboration, operating policies have been reviewed and changes have been made at the state's residential schools including those for the deaf.

"Combating Underage Drinking" Grant

The office has been the recipient of a grant from the Federal Office of Juvenile Justice and Delinquency via the Department of Health and Human Services, Division of Mental Health and Substance Abuse, in the amount of $40,000. This grant assists the Students Against Destructive Decisions (SADD) with scholarships for the SADD conference and grants to middle and high schools for new and existing SADD chapters.

DIVISION of FACILITY MANAGEMENT

Safety and Preventive Maintenance

* Sidewalk and driveway cuts have been improved.

* Successful and well-planned preventive maintenance programs are in place for buildings and machinery reducing long-term costs.

* Zonal maintenance is in place with permanent shops at the Garner Road and Blue Ridge Road complexes. Each employee reports directly to these shop areas thereby reducing travel time and resulting in a stronger continuity of maintenance on systems.

Energy Savings

* All insulation in floors and attics of the historic houses in the Blount Street Historic District has been completed, thus noticeably reducing energy use.

* New HVAC systems (90% efficient) have been installed in ten historic houses considerably reducing electrical usage

MANAGEMENT INFORMATION SYSTEMS

Token Ring to Ethernet Conversion

Management Information Systems (MIS) converted the Administration Building from token ring to switched ethernet in the spring of 1998. The Department of Administration (DOA) has experienced multiple problems with the token ring local area network (LAN) within the Administration building for several years. As more computer devices were added to the network, technical problems increased and reliability decreased. The LAN was one large segment that was over its rated capacity. Further, there was a need to break the LAN into smaller segments to eliminate most of the local network traffic from other floors. The switch form token ring to Baystack Ethernet 350T Switch has segmented each floor eliminating network traffic on floors where it is not needed. The Ethernet topology uses less overhead, thus eliminating additional congestion. MIS also completed a similar conversion for the Division of Facility Management.

Y2K Projects

MIS has corrected several DOA LAN-based account receivable systems and inventory tracking systems that were not Y2K compliant.

Interactive Purchasing System

MIS has re-designed the functionality of the Interactive Purchasing System (IPS) for the Division of Purchase and Contract. MIS staff has been assigned with additional contract staff to start application development of the new design. This design will allow agencies to electronically track the status of bids with more detail information. Vendor registration is also a part of the re-design allowing the IPS system to automatically notify qualified vendors via e-mail when new bids are electronically posted. Vendors may then choose to download the bid document from the IPS Web server, print the bid, fill it out and mail it back to Purchase and Contract. This eliminates mass hard copy mailings to vendors who may not be interested in bidding.

State Surplus Bids

MIS has added additional functionality to the State Surplus Bid System that automatically updates their Web page with surplus information that the public can bid on. Citizens can then decide which items they wish to bid on by downloading the system-generated document, printing it out, and mailing it back to State Surplus. After bid openings, the bids are then tabulated and displayed on the individual's Web site for the public to view.

STATE CAPITOL POLICE

Implemented Crime Prevention Program

In July 1998, a Crime Prevention Officer was hired to implement the crime prevention program for the Department of Administration. Crime awareness and prevention presentations have been made throughout the State government complex. Security assessments for many

agencies, including buildings, grounds, and parking lots have been conducted. The Crime Prevention Officer makes personal contact with all agencies in which State Capitol Police have found unlocked or open. Walk through metal detectors have been purchased, with one placed at the Governor's Office in the State Capitol for all visitors to pass through when visiting the Governor's Office area. Another detector is available for use by any agency in State government for meetings, hearings, or when additional security needs are warranted.

Arrests for Bomb Threats

During 1998, State Capitol Police responded to and investigated ten bomb threats. Arrests were made for seven of these threats, and additional charges were made in conjunction with the arrests for bomb threats at the Department of Revenue.

Body Armor Purchased for All Law Enforcement Officers

Responding to growing concerns of safety for law enforcement officers throughout the nation, State Capitol Police received funding from the Department of Administration to purchase body armor for all law enforcement officers. All officers have been provided with safety vests and wear them as part of their official standard uniform.

TABLE of CONTENTS

Office of the Secretary 1

Agency for Public Telecommunications 5

Human Resources Management 10

Office of Fiscal Management 11

Office of Non-public Education 13

Public Information Office 16

Division of Veterans Affairs 17

Deputy Secretary for Government Operations

Motor Fleet Management and Courier Service 21 & 27

Division of Purchase and Contract 29

State Construction Office 42

State Property Office 44

State and Local Government Relations 47

Office of Continuous Quality Improvement 49

Deputy Secretary for Internal Services and Programs

Commission of Indian Affairs 50

Council for Women 65

Governor's Advocacy Council for Persons with Disabilities 68

Human Relations Commission 71

Office of the Americans with Disabilities Act (Remarks by Deputy)

Youth Advocacy and Involvement Office 76

Division of Facility Management 80

Management Information Systems 86

State Capitol Police 88

Affiliated Agencies

Board of Ethics	**90**
Board of Science and Technology	**94**
Low Level Radioactive Waste Management Authority	**98**
State Health Plan Purchasing Alliance Board	**100**

DEPARTMENT OF ADMINISTRATION
ALL DIVISIONS WITHIN DOA
REVISED 3/99

SECRETARY
KATIE G. DORSETT

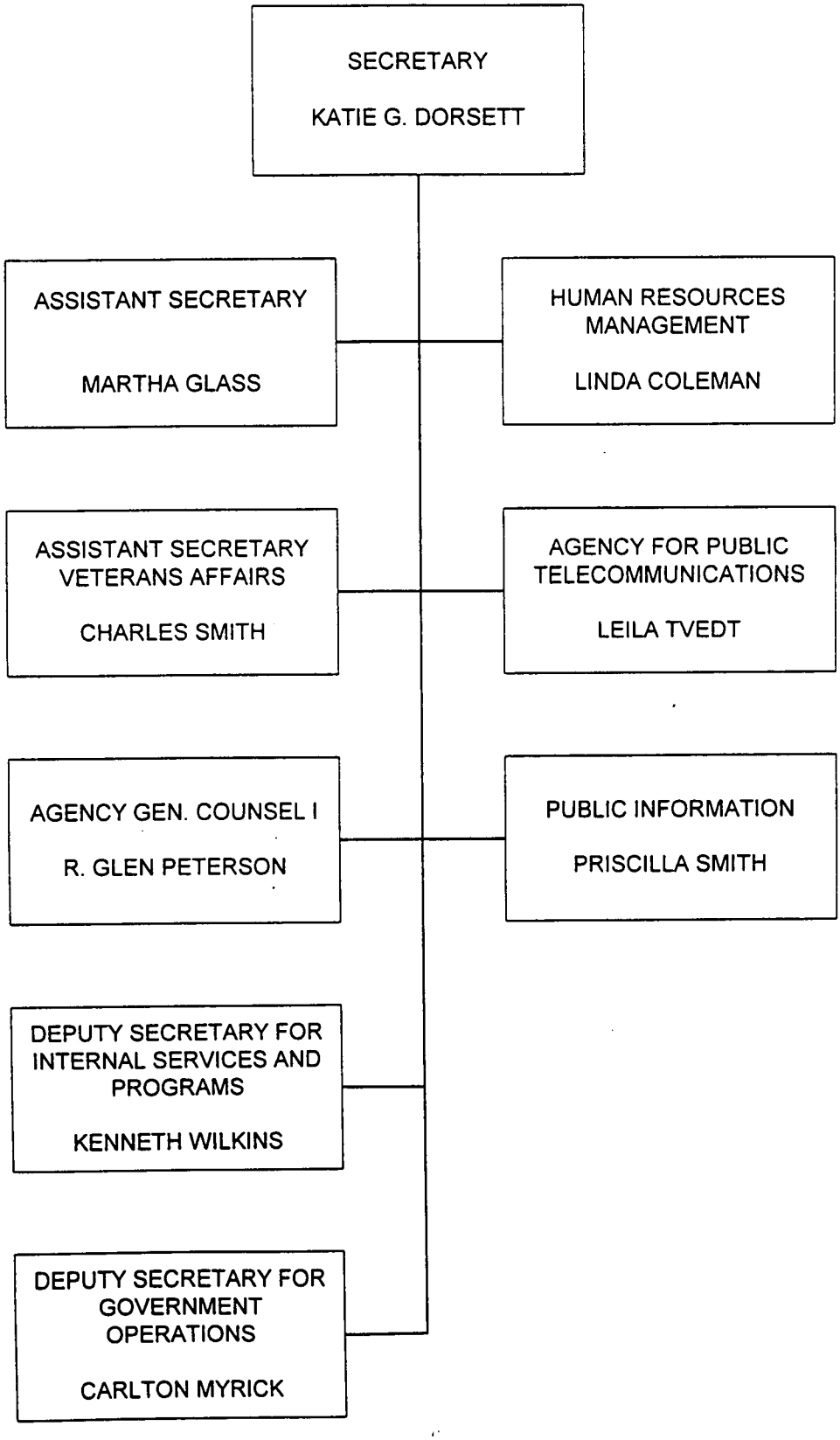
DEPT. HEAD: KATIE DORSETT

FOR BUDGETARY & PERSONNEL PURPOSES

- ASSISTANT SECRETARY — MARTHA GLASS
  - NON-PUBLIC EDUCATION — RON HELDER
  - MAIL ROOM — TERRI MURRAY
- ASSISTANT SECRETARY VETERANS AFFAIRS — CHARLES SMITH
  - AGENCY GEN. COUNSEL — R. GLEN PETERSON
  - PUBLIC INFORMATION — PRISCILLA SMITH
  - FISCAL MANAGEMENT — KATHY CROOKE
  - HUMAN RESOURCES MANAGEMENT — LINDA COLEMAN
  - AGENCY FOR PUBLIC TELECOMMUNICATIONS — LEILA TVEDT
- DEPUTY SECRETARY FOR GOVERNMENTAL OPERATIONS — CARLTON MYRICK
  - STATE CONSTRUCTION — SPEROS FLEGGAS
  - PURCHASE AND CONTRACT — JOHN LEASTON
  - STATE PROPERTY — JOE HENDERSON
  - MOTOR FLEET MANAGEMENT — JOHN T. MASSEY
  - STATE AND LOCAL GOVERNMENT AFFAIRS — SARA STUCKEY
  - QUALITY/CONTINUOUS IMPROVEMENT — GEORGE MILLSAPS
- DEPUTY SECRETARY FOR INTERNAL SERVICES AND PROGRAMS — KENNETH WILKINS
  - YOUTH ADVOCACY AND INVOLVEMENT OFFICE — VIDA MAYS
  - GOV'S ADVOCACY COUNCIL PERSONS WITH DISABILITIES — ALLEN PERRY
  - HUMAN RELATIONS — EDDIE LAWRENCE
  - ADA COORDINATOR — ROBERT OWENS
  - FACILITY MANAGEMENT — S. TONY JORDAN
  - STATE CAPITOL POLICE — JOHNNY B. MASSEY
  - MANAGEMENT INFORMATION SYSTEMS — SMITTY LOCKLEAR
  - PARKING — GREG CAIN
- OFFICE OF STATE PERSONNEL — RONALD PENNY
- LOW-LEVEL RADIOACTIVE WASTE MGMT AUTHORITY — WALT STURGEON
- LIEUTENANT GOVERNOR — DENNIS A. WICKER
- NC BOARD OF ETHICS — VACANT
- BOARD OF SCIENCE AND TECHNOLOGY — JANE PATTERSON
- HEALTH PLAN PUR ALLIANCE BOARD — ROBERT JOYCE

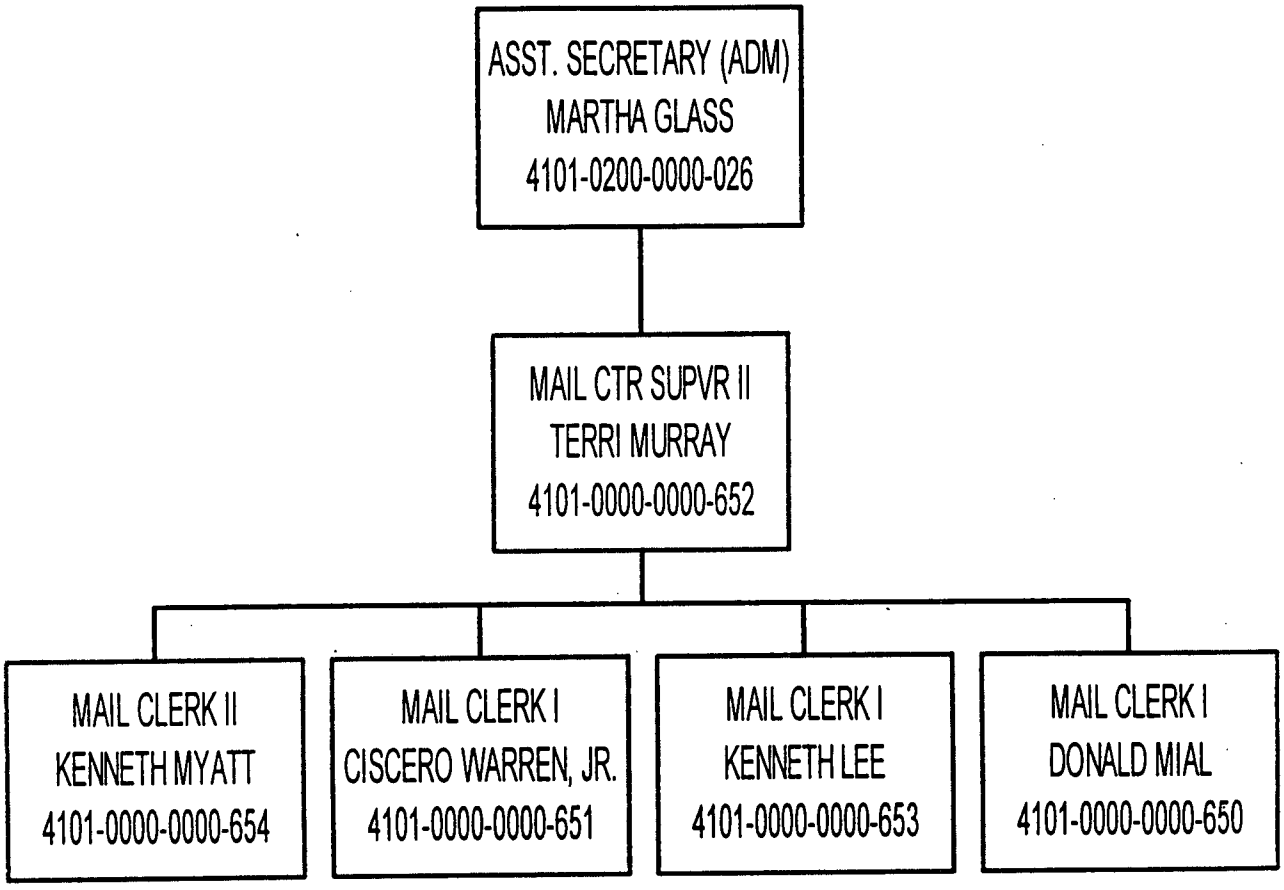
DEPARTMENT OF ADMINISTRATION
REVISED 3/99

DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



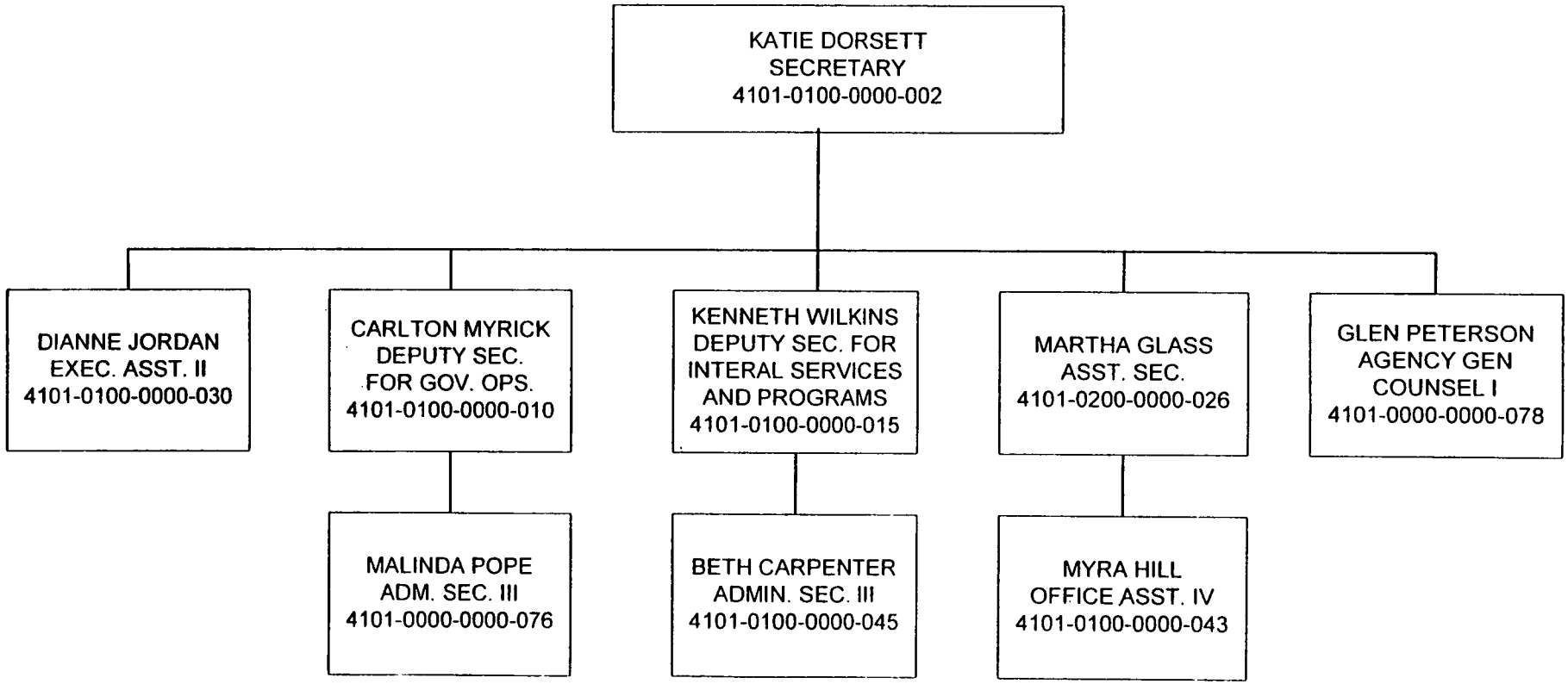
DOA MAILROOM

DATE _____
AGENCY HEAD SIGN. _____
DEPT. HEAD SIGN. _____
PERS. OFFICE SIGN. _____



T. OF ADMINISTRATION
CRETARY'S STAFF
REVISED 3/99

DEPT. HEAD: KATIE DORSETT



North Carolina
Department of Administration

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

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

OVERVIEW
AGENCY FOR PUBLIC TELECOMMUNICATIONS

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

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

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

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

BACKGROUND: APT is supported by a combination of legislative appropriations with corporate, foundation, and federal grants, and by receipts for teleconferencing and production services. Policy direction is provided by an appointed Board of Telecommunications Commissioners that meets quarterly . For further information, please contact: the Agency for Public Telecommunications by phone or e-mail at OPEN@mail.doa.state.nc.us

Agency for Public Telecommunications (APT) -- 1998

Open Public Events Network (OPEN) -- In order to promote public participation in government, APT produces live, call-in programs on the Open Public Events Network and distributes them via satellite to North Carolina cable systems. Since 1984, when OPEN call-in programs began, more than 30,000 people have called from about 400 locations to talk with panelists in our Raleigh studio. Legislators and other public officials continue to affirm their commitment to a public dialogue with viewers by participating as panelists every Tuesday and Thursday evening. 58 cable systems carry OPEN programs as a public service to their viewers, providing an in-kind contribution of channel capacity and equipment use estimated at $1 million annually.

FY97-98 Highlights -- OPEN (1) began using a small private foundation grant to caption some call-in programs; (2) responded to the threat of Hurricane Bonnie with live, call-in programs before, during and after the storm stuck, giving people direct access to emergency management personnel and information about federal and state disaster preparation, relief and recovery activities; (3) continued the Candidate Call-In series offering time to all candidates for statewide office, including, for the first time, judicial candidates.

Media Services -- In order to promote increased productivity in government, APT's Media Services offers a full range of broadcast-quality media production services and a centralized production studio and facilities for public agencies' audio and video projects. Dozens of state agencies use these services to produce long- and short-form videos for training and staff development and for public outreach and information.

FY97-98 Highlights - For the third year in a row, Media Services staff won top honors for videotapes they produced for clients. The regional chapter of the international association of producers (ITVA) awarded our projects first place for the State Board of Elections' video about the responsibilities of local election officials; second place for a DHHS training video about interviewing techniques for social workers; and a special achievement award for work on a community college video about Tech Prep. In past years, APT's projects have gone on to win top honors in the national ITVA competition

State Services Network (SSN) - In order to promote increased efficiency in government, APT's SSN offers live, interactive teleconferencing services by phone, fiber, or satellite. Teleconferencing and distance education enable client agencies to avoid unnecessary travel and to save travel time and dollars by meeting simultaneously with dozens or hundreds of participants closer to their assigned duty stations. Clients in this fiscal year have included nearly 75 divisions in 20 agencies of state government.

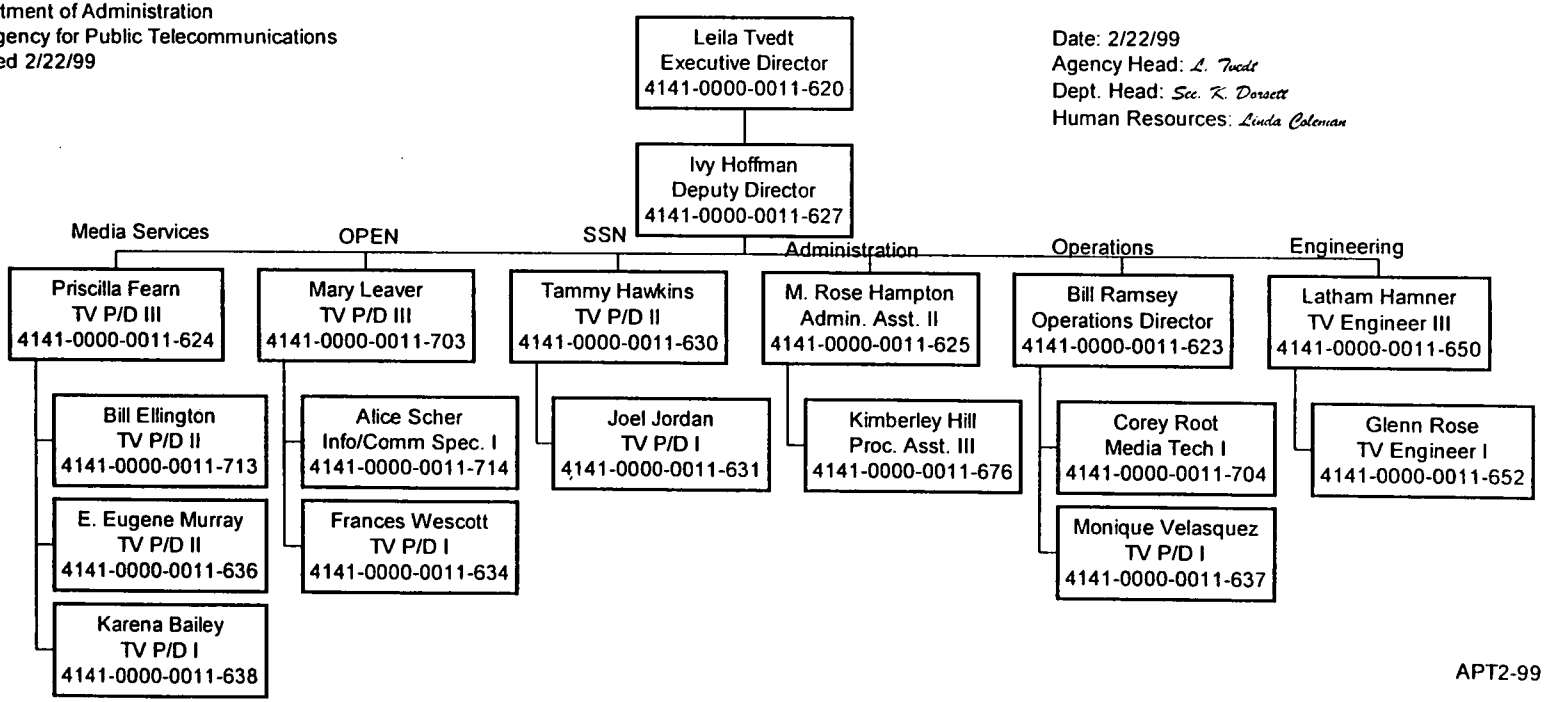
FY97-98 Highlights - SSN worked (1) with the Department of Correction and the Department of Crime Control and Public Safety to produce a two-day conference that reached 3000 probation and prison staff and victim assistance personnel at 17 locations for training on the new Statewide Automated Victim Assistance and Notification system; (2) with NC State University to connect Vet School students in our Raleigh studio with an astronaut in space on the Shuttle Columbia for a 10-minute conversation; (3) with the Department of Public Instruction to continue their training for thousands of teachers and administrators; (4) with the Parole Commission to offer hearings to crime victims at locations around the state. Crime victims say they saved 32,000 miles and 550 work hours by not driving to Raleigh for Parole Commission hearings and more crime victims participated in hearings for the first time closer to home.

Quality Improvements on Schedule

With legislative funding, APT completed the second phase of a long-range plan to improve the quality of our productions by replacing old, obsolete equipment which was no longer functioning adequately. With the new digital "chip" cameras from last year and this year's purchase of digital video recorders and heavy duty tripods, APT is now producing significantly improved video images for its live, call-in programs, teleconferences and media services projects. It is important to note that clients responding to our customer satisfaction survey site top quality production services as one of their top expectations in working with our sections. Replacing aging equipment with more functional, versatile gear helps us to meet or exceed that expectation.

Department of Administration
NC Agency for Public Telecommunications
Revised 2/22/99

Date: 2/22/99
Agency Head: *L. Tvedt*
Dept. Head: *Sec. K. Dorsett*
Human Resources: *Linda Coleman*



APT2-99

Open Public Events Network Cable Systems Participants

Asheboro
(Climax, Franklinville, [illegible]nt Garden, [illegible]man, [illegible]eur, Seagrove, Sophia)
Time Warner Cable.....8

Asheville
City of Asheville/ Intermedia.....20

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

Boone
(Blowing Rock)
ASU/Helicon Cable.....20

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

Burlington
(Elon College, G[illegible]ville, Graham, [illegible]er, Village of [illegible]ce)
Time Warner Cable.....5

Cary
Apex, Fuquay-Varina, Holly Springs, Morrisville)
Time Warner Cable.....60

Chapel Hill
Efland, Mebane, Orange Co., Pittsboro)
Time Warner Cable.....23
The People's Channel
Thurs. only).....8

Clinton
(Sampson County)
Sampson CC/ Multimedia Cable.....13

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

Durham
Time Warner Cable.....23

Elizabeth City
Pasquotank Co. Schools/Adelphia Cable
(Thurs. only).....8

Fayetteville
(Autryville, Dunn, Erwin, Falcon, Ft. Bragg, Godwin, Hope Mills, Parkton, Pope AFB, Spring Lake, Stedman, Wade)
Time Warner Cable.....7

Garner
(Clayton)
Time Warner Cable.....60

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

Gastonia
(Belmont, Bessemer City, Mt. Holly)
Time Warner Cable
(Thurs. only).....9

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

Greensboro
Guilford Educational Television/Time Warner Cable..... 2

Greenville
Cable 7/Multimedia Cable.....7

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

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

High Point
(Jamestown)
Time Warner Cable.....2

Holly Springs
Deacon Cable.....2

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

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

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

Kinston
(LaGrange, Walnut Creek, Lenoir Co., Wayne Co.)
TACC9 and Multimedia Cable.....9

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

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

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

Morehead City
(Atlantic Beach, Beaufort, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Havelock, Newport, Pine Knoll Shores, Swansboro, Carteret & Craven Counties)
Time Warner Cable.....13

Morganton
WMNC/CoMPAS....2

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

Raleigh
City of Raleigh.... 22
Time Warner Cable.....24

Rockingham
(Dobbins Heights, Ellerbe, Hamlet, Hoffman, Richmond County)
Time Warner Cable.....16

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

Selma
(Four Oaks, Johnston County, Pine Level, Smithfield)
Time Warner Cable.....60

Shelby
(Bellwood, Boiling Springs, Casar, Kingstown, Earl, Fallston, Grover, Lattimore, Lawndale, Mooresboro, Patterson, Polkville, Waco)
Cleveland CC/ Time Warner Cable.....58

Tarboro
Multimedia Cable.....13

Wake Forest
Time Warner Cable.....24

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

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

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

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

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

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

[illegible]PEN programs are available to more than 3.2 million cable viewers in North Carolina.

Home satellite dish owners will find OPEN programs on Galaxy 6, transponder 9H

1/99

NC Agency for Public Telecommunications * 116 West Jones Street * Suite G-102
Raleigh, NC 27603-8003 * (919) 733-6341 * FAX (919) 715-3569 * OPEN@mail.doa.state.nc.us

Ms. Vanessa Goodman Barnes
PRAC Chair
1310 Marlow Street
Wilson, NC

Mr. Lawrence Behr
PO Box 8026
Greenville, NC

Mr. Eugene Bohi
1507 Overbrook Court
High Point, NC

Ms. Molly Broad
President, UNC System
Chapel Hill, North Carolina

Secretary Rick Carlisle
Department of Commerce
Raleigh, NC

Mr. Anthony Copeland
BTI Telecommunications
Raleigh, NC

Mr. James Cross, Jr.
Royster, Cross, Currin & Winfrey, LLP
Oxford, NC

Dr. Archie Darryl Davis
School of Industry and Technology
East Carolina University
Greenville, North Carolina

Secretary Katie Dorsett
Department of Administration
Raleigh, NC

Mr. Randall O. Fraser
Time Warner Cable
Raleigh, NC

Mr. Robert Gruber
NC Utilities Commission/Public Staff
Raleigh, NC

Mr. Wade Hargrove
APT Board Chairman
Brooks, Pierce, McLendon,
Humphrey & Leonard
First Union Capitol Center
Raleigh, NC

Ms. Linda S. Haynes
UNC-TV Board Chair
Tryon, NC

Mr. Phil Kirk
State Board of Education Chair
Raleigh, NC

Mr. Martin Lancaster
President, Community College System
Raleigh, NC

Mr. Wayne Lofton
Loftco Nationwide Services
Wilmington, NC

Secretary Betty Ray McCain
Department of Cultural Resources
Raleigh, NC

Mr. D.K. McLaughlin
Summit Cable Services
Winston-Salem, NC

Mr. Boyce Morrow
Vice President
Government Relations
Public Service Company
Gastonia, NC

Ms. Marilyn Nason
Publisher
Western North Carolina Business Journal
Asheville, NC

Ms. Jo Anne Sanford
Chair, NC Utilities Commission
Raleigh, NC

Mr. Brad Thompson
City of Raleigh
Raleigh, North Carolina

Ms. Jan Thompson
Mecklenburg Co. Sheriff's Office
Charlotte, NC

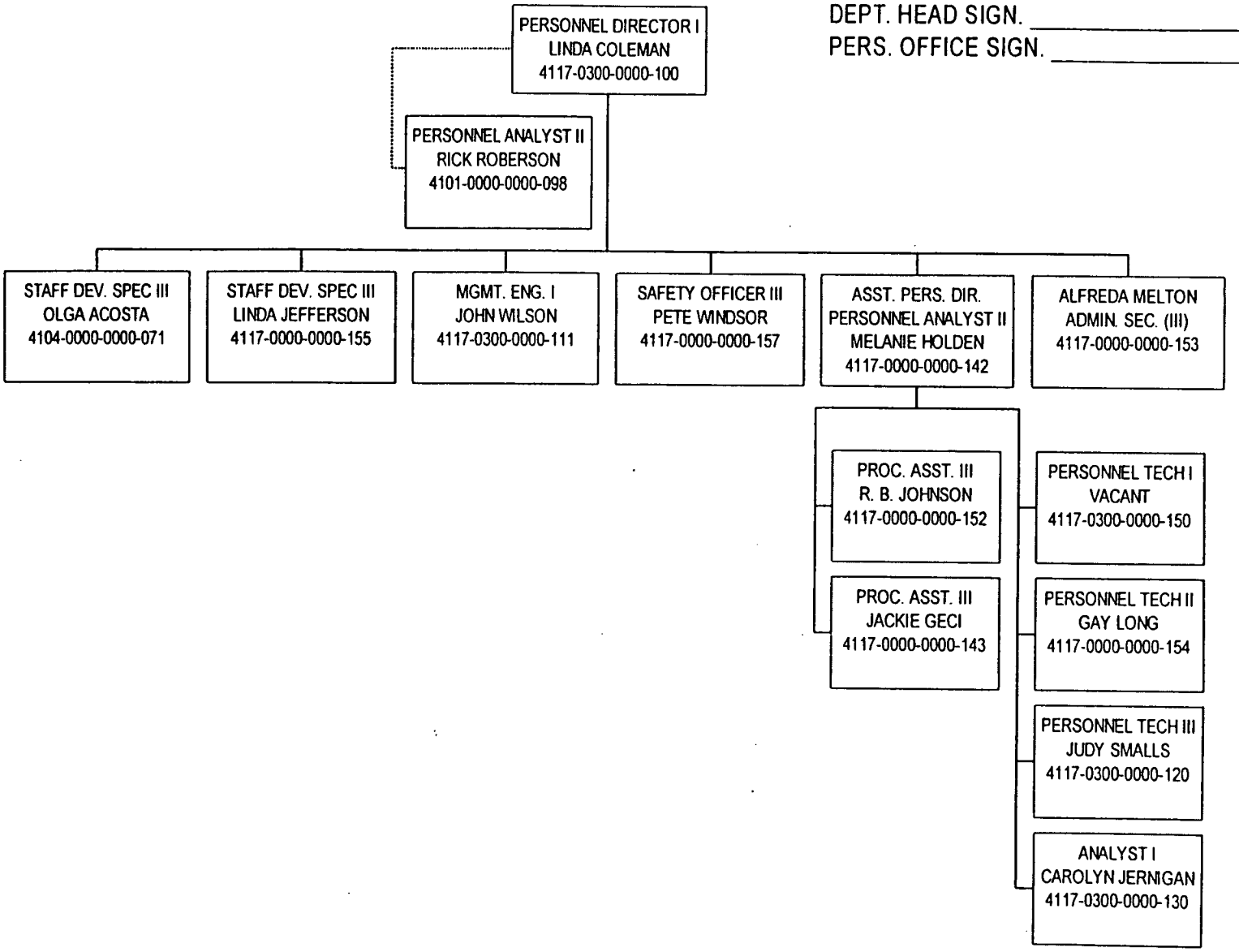
Dr. Mike Ward
Superintendent of Public Instruction
Raleigh, NC

Dr. Phail Wynn
President
Durham Technical Community College
Durham, NC

For further information, please call
Leila Tvedt
APT Executive Director
Raleigh, NC

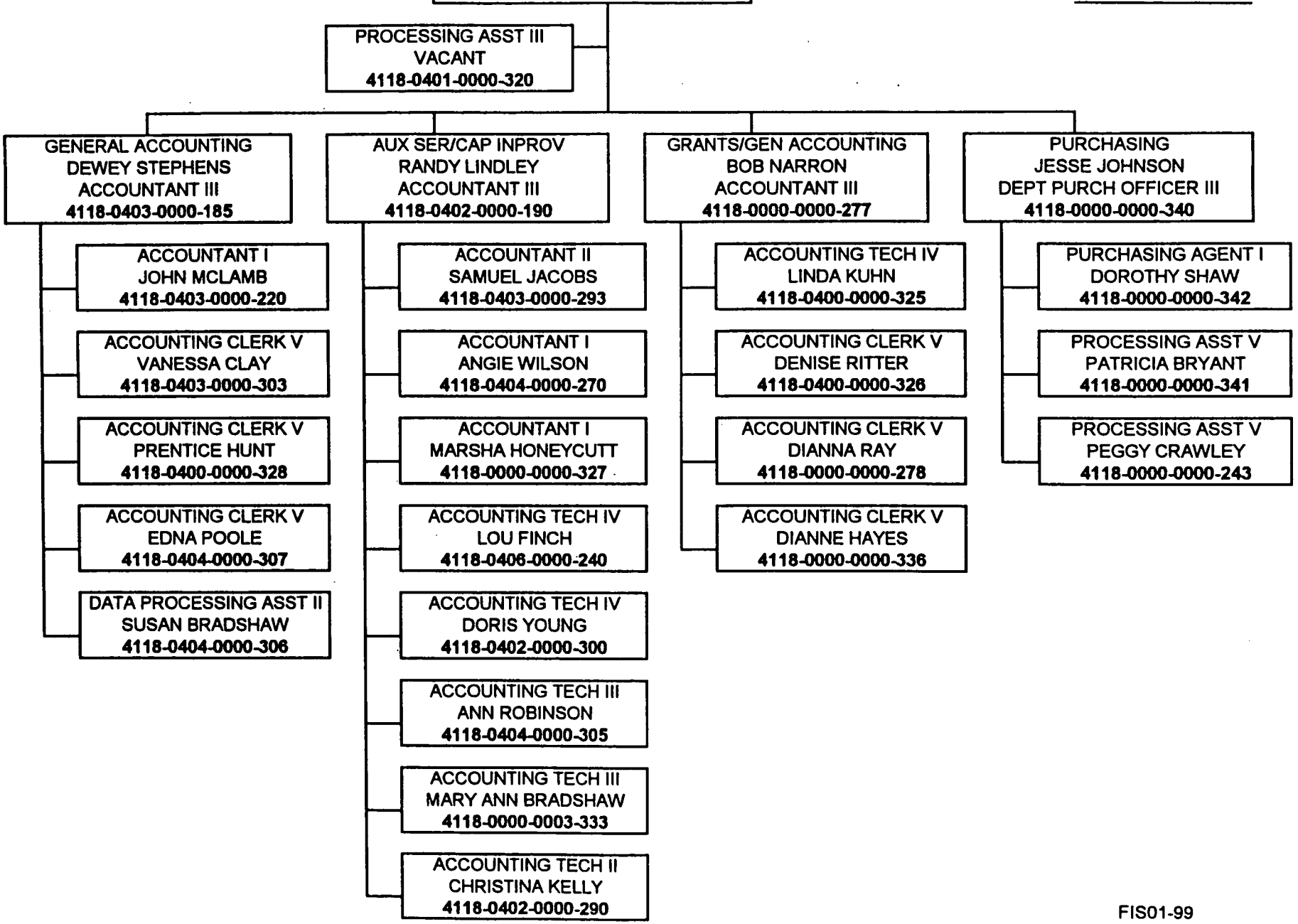
DE[redacted]IENT OF ADMINISTRATION
HUM[redacted]RESOURCES DIVISION
REVISED 2/16/99

AGENCY HEAD SIGN. _____
DEPT. HEAD SIGN. _____
PERS. OFFICE SIGN. _____



DEPARTMENT OF ADMINISTRATION
OFFICE OF FISCAL MANAGEMENT

DATE: JANUARY 4, 1
AGENCY HEAD:
DEPT HEAD: *Kathy D. Crooke*
HUM RES MGT:



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FIS01-99

DEPARTMENT OF ADMINISTRATION

Summary of Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$117,538,152	$124,552,501	$125,188,631	$125,320,019
Total Estimated Receipts	66,719,053	$63,423,655	$63,429,504	$63,429,504
Beginning Cash Balance	8,630,951	$11,724,530	$10,741,199	$10,741,199
Ending Cash Balance	11,724,530	$10,741,199	$10,741,199	$10,741,199
Increase/Decrease Cash Balance	3,093,570	($983,331)	$0	$0
Net Appropriations	53,912,678	$60,145,515	$61,759,127	$61,890,515
Number of Positions	953.95	973.31	984.31	984.31

Notes:

34% of the budgeted appropriations is for Fund 1421 Facility Management

15% of the budgeted appropriations are "pass through" monies for grants, scholarships, aid to local governments, etc.

23% of the budgeted positions are supported from receipts

13% of the budgeted appropriations and 15% of the total positions funded by appropriations are in support of the Office of State Personnel

OPERATION AND FUNCTION OF THE NC DIVISION OF NON-PUBLIC EDUCATION

HISTORY

The NC Division of Non-Public Education (hereafter referred to as DNPE) was originally established in 1961 as a regulatory agency within the NC Department of Public Instruction. In 1979, the General Assembly enacted legislation requiring the Governor to designate a "duly authorized representative of the State of North Carolina" to receive notices of intent to operate and/or to terminate private elementary/secondary schools in North Carolina and to inspect certain records of those schools. Governor James B. Hunt, Jr. subsequently assigned this responsibility to the Director of DNPE and its staff. DNPE operated as a monitoring agency under the direct jurisdiction of the Office of the Governor from October, 1979 until July, 1998 when Governor Hunt then transferred the division to the NC Department of Administration.

FUNCTION

DNPE is the only legislatively authorized NC state government office giving oversight to private elementary/secondary schools in North Carolina. It derives its authority from Chapter 115C, Subchapter X, Article 39 of the North Carolina General Statutes. See N.C.G.S. 115C - 553, 561 and 563(b). This article sets forth a list of requirements to be met by such schools. DNPE has the legal responsibility to verify that all private elementary/secondary schools (both conventional and home) are meeting those requirements by periodically inspecting certain school records.

DNPE maintains limited current statistical data on each private elementary/secondary school including the school's name, address, telephone number, chief administrator and type of school. Information relating to the range of grades taught, number of students enrolled, number of professional staff and student body composition is also maintained for conventional schools. Conventional school information is published each September in the *NC Directory of Non-Public Schools.* The *NC Home School Statistical Summary* containing home school data is also published each September.

DNPE serves as the state government liaison office between state government, the private elementary/secondary school community and the general public.

STAFF & WORKLOAD

DNPE currently operates with a staff of only three persons plus an office temporary. During FY97-98, there were 592 conventional and 10,925 home schools

registered with the division and being monitored for legal compliance. Two staff members traveled a total of 16,020 miles and spent 41 overnights in inspecting the records of 337 conventional schools. Due to inadequate funding, no home school visits were conducted. However, 4,288 home schools voluntarily participated in the Home School Inspection By Mail Program -- whereby home school administrators mail DNPE at the end of the school year a photocopy (keeping originals) of student attendance and nationally standardized achievement test results. The division staff handled an average of at least 2,494 incoming business telephone calls and at least 2,159 pieces of incoming business mail per month.

ADDITIONAL RESPONSIBILITIES IN FY98-99

In August, 1998, DNPE assumed administrative oversight of the newly-created non-public school student driving eligibility certificate (DEC) program. New duties involve dissemination of information and answering numerous questions about the program; receiving requests for certificates from and distributing them to non-public school administrators; and, handling recommendations from non-public school administrators for revocation of non-public school student learner's permits/driver's licenses. As of January 31, 1999, DNPE had already mailed out 12,022 certificates. It is anticipated that these new duties will now result in: (1) Dramatically increasing the division's FY98-99 expenditures for postage, printing and supplies; and, (2) Generating a larger than usual annual increase in the number of new home schools.

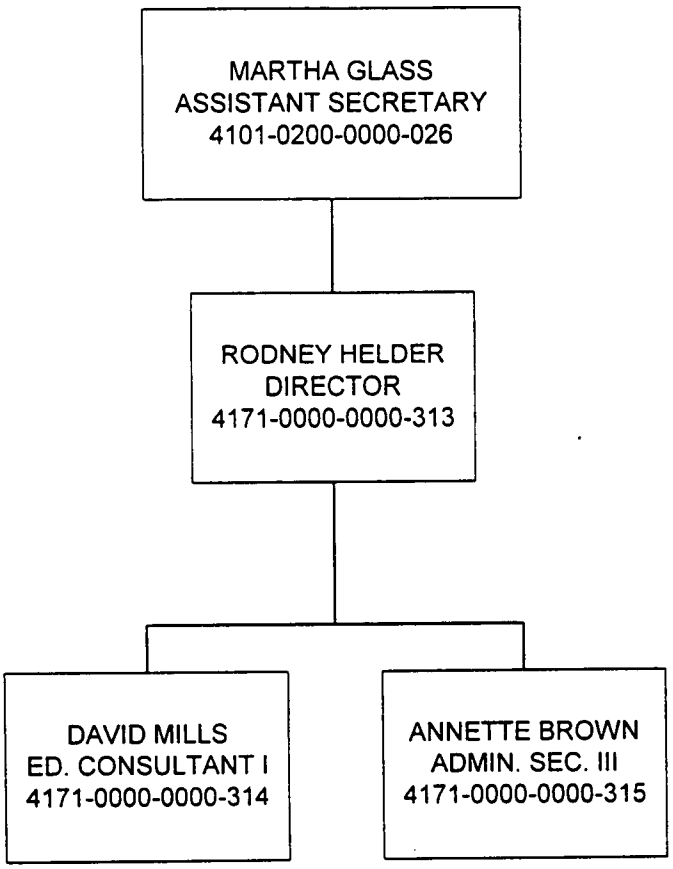
BUDGET

The DNPE FY97-98 fiscal expenditures totaled $175,362.61.

The division's growing workload requires urgent budgetary consideration for FY99-00 and beyond. In the past five years, the number of home schools has more than doubled -- from 5,415 in FY 93-94 to 10,925 in FY97-98. During that time period, the annual total of incoming pieces of business mail has risen from 10,595 to 25,919; the annual total number of incoming telephone calls has mushroomed from 9,027 to 29,930 while annual total postage costs have increased from $6,958 to $16,988. With the additional responsibilities starting in FY98-99 for the driving eligibility certificate program as described in the previous section, it is anticipated that these numbers and expenditures will escalate even more rapidly.

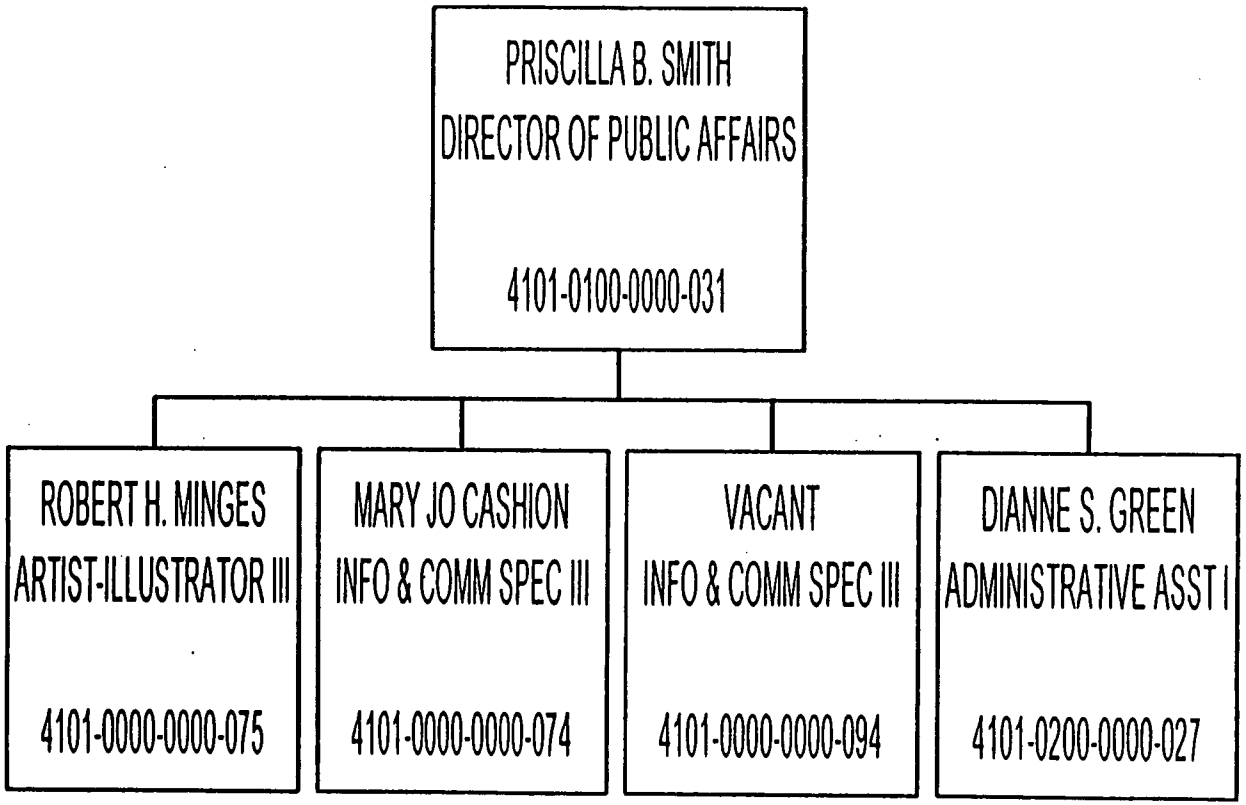
DEPARTMENT OF ADMINISTRATION
-PUBLIC EDUCATION
REVISED 3/99

AGENCY HEAD: RODNEY HELDER
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



DEPARTMENT OF ADMINISTRATION
PUBLIC INFORMATION OFFICE
REVISED 2/99

AGENCY HEAD: PRISCILLA SMITH
DEPARTMENT HEAD: KATIE DOUGHT
HUMAN RESOURCES: LINDA COLEMAN



SUMMARY OF FUNCTIONS AND SERVICES AVAILABLE FROM THE NORTH CAROLINA DIVISION OF VETERANS AFFAIRS

The North Carolina Veterans Commission was created by unanimous vote of the 1945 General Assembly. In 1977, the North Carolina Division of Veterans Affairs was transferred to the Department of Administration. The function of Division is to assist veterans and their families in the presentation, processing, proof and establishment of claims, privileges, rights and benefits as they may be entitled to under Federal, State or Local laws. The Division also cooperates with the various governmental units and veterans organizations in seeking to serve veterans. The work if the Division does not supersede or duplicate similar efforts on behalf of veterans. It supplements and augments such efforts.

The Division is organized into the Assistant Secretary's Office located in Raleigh; a State Service Office located in the same building with the U.S. Department of Veterans Affairs Regional Office in Winston-Salem, 15 District Offices strategically located throughout the State, three State Veterans Cemeteries located at Jacksonville, Spring Lake, Black Mountain, and a 150 bed State Veterans Nursing Home in Fayetteville near the VA Medical Center. Construction of the nursing home was recently completed and the first resident was admitted March 8, 1999.

The Assistant Secretary's Office is chiefly concerned with administration, training and information. It directs the activities of all offices of the Division, maintains financial records and approves disbursements. It performs those other functions normally expected of the principal office of any State agency.

The State Service Office in Winston-Salem is charged with the responsibility of maintaining a day-by-day working relationship with the U.S Department of Veterans Affairs. Briefly, this office receives a veteran's claim, evidence and other information transmitted by the District Offices, personally presents the veteran's position to the appropriate U.S. Department of Veterans Affairs Section, and expedites action on all matters as necessary.

The District Offices are staffed by one or more District Service Officers, together with their clerical assistants. They are highly trained, full-time career personnel. These officers provide service directly to veterans and their dependents, and coordinate the activities of the affiliated County Service Officers within their districts. District Officers also assist counties by supplying publications, forms and reference permanent record. Nearly all of North Carolina's one hundred counties have County Service Officers. These persons are selected by their respective Board of County Commissioners and hold office at the pleasure of the Board.

The State Veterans Cemetery Program is staffed by a Program Manager located in the Assistant Secretary's Office. Each cemetery has a superintendent and three staff

members. The cemeteries are for the burial of qualified North Carolina veterans and their dependents.

In addition to rendering service, advice and assistance to veterans and dependents, the Division also administers an outstanding program of State scholarships for the eligible children of certain deceased, disable or prisoner of war/missing in action veterans. During 1998 the Division awarded 310 scholarships.

Funds were appropriated in the 1998 session of the General Assembly to establish operations of a State Veterans Nursing Home in Salisbury, North Carolina. We plan to lease building #10 on the VA Medical Center campus, Salisbury, to provide 100 intermediate skilled care nursing beds.

THE STATE OF NORTH CAROLINA VETERANS CEMETERY PROGRAM

This brochure is provided as an informal informational source and useful guide for those interested in learning more about the North Carolina State Veterans Cemetery Program, its requirements and operations. The information is written in general terms and should not be regarded nor taken as law or official regulation. The official law and rules guiding the State Veterans Cemetery System is established under Article 8A, Chapter 65, General Statutes of North Carolina.

ELIGIBILITY REQUIREMENTS

The following persons are eligible for interment at a North Carolina State Veterans Cemetery:

A Qualified Veteran

Any former member of the U. S. Armed Forces whose service on active duty, other than for training, was terminated under honorable conditions.

North Carolina Resident

Only those veterans who are legal residents of North Carolina (1) at the time of death, or (2) for at least a period of 10 years, or (3) at the time the veteran entered the Armed Forces of the United States are eligible for interment.

Dependent(s)

The legal spouse (or widow or widower) and/or an unmarried minor child who is dependent upon the qualified veteran (at the time of death) meet eligibility requirements. In addition, an unmarried adult child who, before the age of 18, became permanently incapable of self-support because of physical or mental disability may also be interred.

DEFINITIONS

For purposes of this article, the following definitions shall apply unless the context requires otherwise:

Honorable military service

- Service on active duty, other than for training, as a member of the Armed Forces of the United States, when the service was terminated under honorable conditions;
- Service on active duty as a member of the Armed Forces of the United States at the time of death, under honorable conditions;
- Service on active duty for training or full-time service as a member of the Reserve component of the Armed Forces; the Army National Guard; the Air National Guard; or the Reserve Officer Training Corps of the Army, Navy or Air Force at the time of death under honorable conditions.

Legal Resident

A person whose principal residence or abode is in this state, who uses this state to establish his right to vote and other rights in this state, and who intends to live in this state, to the exclusion of maintaining a legal residence in any other state.

PROOF OF ELIGIBILITY

Documentary evidence is required to provide proof and substantiate claim of military service, residence, marriage and children as well as dependent disability. It is the responsibility of the veteran, his survivors or legal representative to furnish any evidence necessary to establish the eligibility of the veteran or the family member before interment in a North Carolina State Veterans Cemetery can be accomplished.

Proof of Military Service

The best document used to verify military service is DD Form 214 or an equivalent (Report of Separation from Active Duty). This document is given to the veteran upon discharge from active duty. Other forms of proof are items such as copies of military orders, identification (ID or "dog") tags, ID cards or any official correspondence that contains the service member's name and military service number. If records are lost, the cemetery superintendent as well as the state's veteran service officers are available to assist in obtaining replacement copies of key documents.

North Carolina Residency

- Verification of residence at time of entry into military service is documented on DD Form 214, Certificate of Release or Discharge from active duty.
- Residence at time of death or 10-year residency can be verified by tax records, utility bills, hospital bills, bank records, driver's license and official records from U.S. government, state or municipality agencies.
- Other acceptable documents are voting records, employment and education records.

Dependents

The primary source for verification of a spouse is a marriage certificate. Dependent children may be verified by a birth certificate or other legal documents such as adoption papers, divorce degrees or certified affidavits.

Proof of Disability of an Adult Dependent

A letter is required from the dependent's physician certifying the dependent became permanently incapable of self-support because of a physical or mental disability before attaining the age of 18 years. Medical records and other documents will be considered only as supporting or corroborating documents.

NORTH CAROLINA STATE VETERANS CEMETERIES

The Western Carolina State Veterans Cemetery is located in the beautiful Swannanoa Valley in the town of Black Mountain, which is approximately 12 miles east of Asheville. With an entrance from Old U.S. Highway 70, this site is centrally located for the 28 counties which make up the western region of the state. The address for the cemetery is:

Western Carolina State Veterans Cemetery
1270 Old U.S. Hwy 70 West
Black Mountain, N.C. 28711

Telephone (704) 669-0684
Fax (704) 669-0685

The Coastal Carolina State Veterans Cemetery is located on the northern boundary of Camp Lejeune Marine Corps Base in the city of Jacksonville. Access to the state veterans cemetery begins at Montford Point Road and passes through Memorial Cemetery which fronts the state site. The street address for the cemetery is: 110 Montford Point Road, Jacksonville, N.C. The mailing address is:

Coastal Carolina State Veterans Cemetery
P.O. Box 1486
Jacksonville, N.C. 28541

Telephone (910) 347-4550
Fax (910) 347-3570

GENERAL [redacted]ORMATION

Assignment of Space

- Only one grave site is authorized for a qualified veteran and his eligible family members.
- A grave site may not be reserved until the death of a person who is eligible for interment. A grave site shall be assigned once death certificates are presented and eligibility is confirmed.
- When an eligible family member dies before the qualified veteran dies, the veteran must sign an agreement to be interred in the same grave plot before the deceased family member can be interred in the veterans cemetery.

Veterans Cemetery Operations and Services

- There is no charge for the grave site or necessary interment services for a qualified veteran at any of the state veterans cemeteries. There is, however, a minimum charge for the opening and closing of the grave or any additional interment services for an eligible family member.
- A concrete vault or liner is required for burial in a state veterans cemetery. All expenses related to the purchase and placement of the vault or liner shall be paid for by the veteran, family survivors or estate.
- Graveside services are not permitted. Committal services will be held in the chapel or at a committal shelter. Family members may return to the grave site after the burial of the casket or urn is completed and the area is cleared of all equipment and materials.
- Only government-furnished grave markers will be authorized for use in the state veterans cemeteries. Installment of grave markers are part of the interment services.
- All arrangements for burial at a state veterans cemetery shall be made through a funeral home (of the veteran's or [redacted]'s choice). All funeral expenses are the s[redacted]esponsibility of the veteran, family survivors or estate.
- The state shall not be responsible for any costs resulting from damage to, destruction or theft of a grave site, grave marker or any other grave monument on the cemetery grounds.
- The cemetery representative is available to assist the veteran, family or legal representative in the processing of applications for the headstone, flag or authorized DVA burial allowances.
- The cemetery staff will maintain the cemetery grounds to include grave sites and grave markers.

Not Eligible for Interment

- A person whose character of discharge was rated as dishonorable, bad conduct or undesirable.
- A veteran discharged or dismissed as a conscientious objector who refused to perform military duty, was a deserter, or an officer who accepted his resignation for the good of the service.
- A veteran who was convicted of subversive activities against the United States after separation from active military service.
- A veteran separated from the Armed Forces of the United States for the good of the service due to a willful and persistent unauthorized absence and issued a Clemency Discharge (DD Form 1993) pursuant to Presidential Proclamation No. 4313.
- Service members of National Guard or Reserve Forces of the United States who performed only "initial active duty training," "active duty for training" and/or "inactive duty training." Service rendered at the call of the governor of the state, unless subsequently federalized, does not constitute active duty.

Sandhills State Veterans Cemetery
400 Murchison Rd. / P. O. Box 39
Spring Lake, North Carolina 28390
Telephone (910) 436-5630
Fax (910) 436-5727

Division of Veterans Affairs
Albemarle Building, Suite 1065
325 N. Salisbury Street
Raleigh, North Carolina 27603-5941

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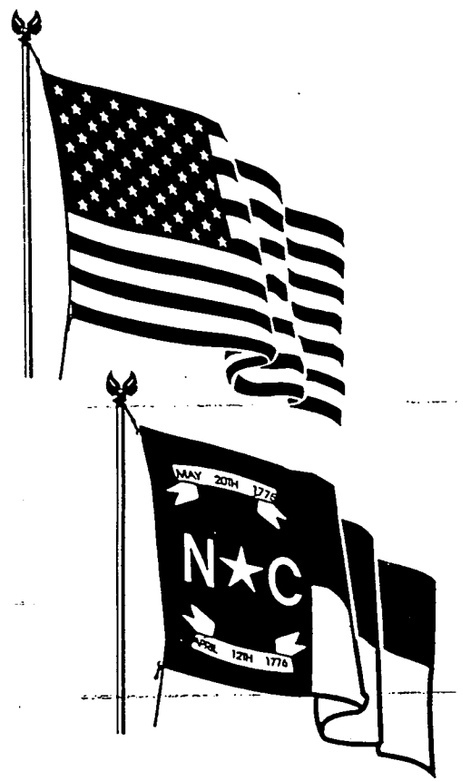
NORTH [redacted]AROLINA



STATE VETERANS CEMETERIES

N.C. Division of Veterans Affairs
N.C. Department of Administration

DEPARTMENT OF ADMINISTRATION
DIVISION OF VETERANS AFFAIRS
REVISED February 1999
PAGE 2

DATE: February 1999
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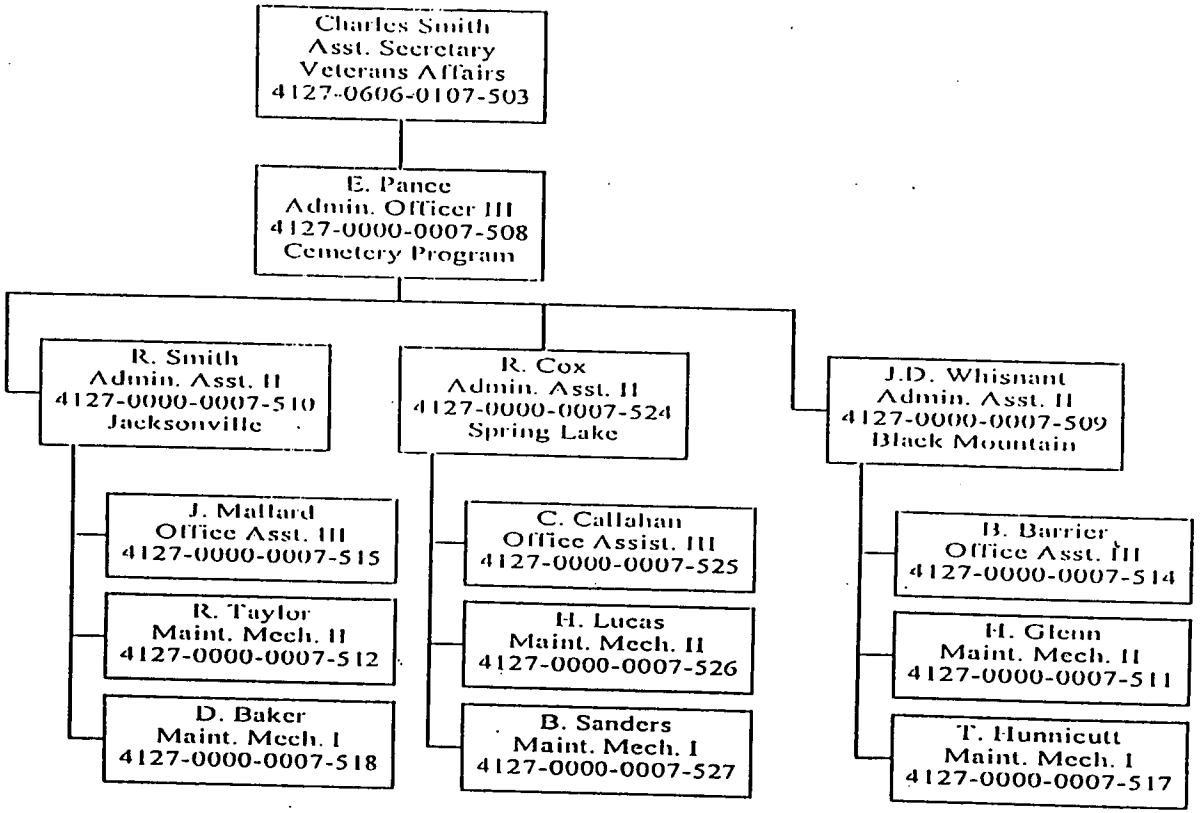

VA2-99

Department of Administration
Divisi[redacted]Veterans Affairs
[redacted]sed 2/99

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EPARTMENT HEAD SIGN. _____
FERS. OFFICE SIGN. _____

Charles Smith
Asst. Secretary
Veterans Affairs
4127-0606-0107-503

State Veterans Affairs Commission

Romie Eason
Assist. Director
4127-0606-0107-504

K. Dean
Admin. Asst. III
4127-0606-0107-505

A. Brittian
Admin. Sec. III
4127-0606-0107-502

A. Chapman
Proc. Asst. IV
4127-0606-0107-501

S. Eldridge
Proc. Asst. IV
4127-0606-0107-500

James Woodard
Admin. Officer
4127-0000-0007-680

State Veterans Home Program

Gov. Jobs for Veterans Commission

E. Panee
Admin. Officer III
4127-0000-0007-508
Cemetery Programs
See Page 2

D. Liles
Training & Information Coord
4127-0606-0307-546

Johnnie Pearson
Office Manager
State Serv Officer
4127-0606-0207-611

D. Coley
Proc. Asst. V
4127-0606-0207-800

V. Newman
Proc. Asst. V
4127-0606-0207-801

R. Brewer Jr.
Vet. Svc. Officer
4127-0606-0207-617

J. Halsey
Proc. Asst. IV
4127-0606-0207-807

J. Thacker
Vet. Svc. Officer
4127-0606-0207-613

T. Glenn
Proc. Asst. IV
4127-0606-0207-806

I. Simms
Vet. Svc. Officer
4127-0606-0207-618

VACANT
Proc. Asst. IV
4127-0606-0207-808

P. Ballard
Vet. Svc. Officer
4127-0606-0207-616

K. Burnette
Proc. Asst. IV
4127-0606-0207-809

J. Kent Southerland
Vet. Svc. Officer
4127-0606-0307-665
Wilson

W. Myers
Vet. Svc. Officer
4127-0606-0307-664

C. Peele
Proc. Asst. IV
4127-0606-0307-604

S. Guthrie
Vet. Svc. Officer
4127-0606-0307-667
Wilmington

K. Whitman
Vet. Svc. Officer
4127-0606-0307-666

J. Horrell
Proc. Asst. IV
4127-0606-0307-605

F. Smith
Proc. Asst. III
4127-0606-0307-606

E. Wayne Peedin
Vet. Svc. Officer
4127-0606-0307-668
Garner

R. Jones
Vet. Svc. Officer
4127-0606-0307-669

B. Hales
Proc. Asst. IV
4127-0606-0307-607

M. Worthy
Proc. Asst. III
4127-0606-0307-608

D. Kennedy
Vet. Svc. Officer
4127-0606-0307-604
Durham

H. Sanders
Vet. Svc. Officer
4127-0606-0307-670

J. Benson
Proc. Asst. IV
4127-0606-0307-609

A. Weaver
Proc. Asst. III
4127-0606-0307-610

J. Bell
Vet. Svc. Officer
4127-0606-0307-641
Greensboro

V. Feilman
Proc. Asst. IV
4127-0606-0307-619

J. Lewis
Proc. Asst. III
4127-0606-0307-620

R. Greenwood
Vet. Svc. Officer
4127-0606-0307-642
Clemmons

M. Hampton
Vet. Svc. Officer
4127-0606-0307-661

G. Rogers
Proc. Asst. IV
4127-0606-0307-621

D. Holmack
Proc. Asst. III
4127-0606-0307-622

R. Lane
Vet. Svc. Officer
4127-0606-0307-645
Charlotte

G. Merklein
Vet. Svc. Officer
4127-0606-0307-644

R. Bailey
Proc. Asst. IV
4127-0606-0307-623

D. Jarmon
Proc. Asst. III
4127-0606-0307-625

S. Mains
Proc. Asst. IV
4127-0606-0307-648
Hickory

B. Cartner
Vet. Svc. Officer
4127-0606-0307-651

M. Seagle
Proc. Asst. IV
4127-0606-0307-626

M. Roark
Proc. Asst. III
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J. Bentley
Vet. Svc. Officer
4127-0606-0307-650
Morganton

J. Hatfield
Vet. Svc. Officer
4127-0606-0307-643

T. Hildenbran
Proc. Asst. IV
4127-0606-0307-629

J. Coffey
Proc. Asst. III
4127-0606-0307-630

E. Edward Greene
Vet. Svc. Officer
4127-0606-0307-652
Asheville

B. Messer
Vet. Svc. Officer
4127-0606-0307-653

J. Morrison
Proc. Asst. IV
4127-0606-0307-631

VACANT
Proc. Asst. III
4127-0606-0307-632

C. Clagett
Vet. Svc. Officer
4127-0606-0307-656
Fayetteville

M. Williams, Jr.
Vet. Svc. Officer
4127-0606-0307-655

D. Lee
Vet. Svc. Officer
4127-0606-0307-654

T. Marshall
Proc. Asst. IV
4127-0606-0307-633

A. Rabon
Proc. Asst. III
4127-0606-0307-634

G. Larry Conley
Vet. Svc. Officer
4127-0606-0307-657
Murphy

H. Palmer
Proc. Asst. IV
4127-0606-0307-636

J. Bowles
Vet. Svc. Officer
4127-0606-0307-658
Greenville

I. Pascasio, Jr.
Vet. Svc. Officer
4127-0606-0307-659

C. Allen
Proc. Asst. IV
4127-0606-0307-638

M. Smith
Proc. Asst. III
4127-0606-0307-639

Ed. Ross
Vet. Svc. Officer
4127-0606-0307-660
Elizabeth City

P. Sawyer
Proc. Asst. IV
4127-0606-0307-600

VACANT
Proc. Asst. III
4127-0606-0307-603

O. Wood
Vet. Svc. Officer
4127-0606-0307-662

L. Cook Jr.
Vet. Svc. Officer
4127-0606-0307-663

I. Albertson
Proc. Asst. IV
4127-0606-0307-602

F. Creech
Proc. Asst. III
4127-0606-0307-603

February 22, 1999

MOTOR FLEET MANAGEMENT
Background

The Motor Fleet Management Division was created by the legislature in January 1982 as the central fleet agency for all of state government. The purpose of Motor Fleet Management is to serve North Carolina state employees by acquiring, maintaining, storing, repairing, replacing and supplying passenger vehicular transportation needed in the performance of official duties, in the most efficient and cost effective way. All state agencies, including universities -- except for the State Bureau of Investigation and the State Highway Patrol -- are required to utilize Motor Fleet Management for their passenger vehicle transportation needs.

As of June 30, 1998, Motor Fleet Management had 7,510 active vehicles in its fleet, an increase of 235 vehicles over the previous year. Over the past nine years, Motor Fleet Management has had an average vehicle increase of 317 units a year. Projecting at 317 vehicles per year, by the June 2000 there will be 8,144 vehicles in the state fleet.

Motor Fleet Management charges agencies for the use of vehicles on a per mile basis. The largest group of vehicles (compact, sedan, four cylinders) are charged out at a 23 cents per mile rate. Mileage rates range as high as 38 cents per mile for a four-wheel drive Suburban. All rates include gas, oil, tires, repairs and insurance. Motor Fleet Management rates are very low when compared to the per mile driving costs, based on a composite national average of three domestically built cars: a subcompact, a mid-size and a full-size, issued by the American Automobile Association in ***May 1998***. According to the American Automobile Association, "motorists now spend an average of 56.5 cents per mile in vehicle related costs" (gasoline, oil maintenance, depreciation and insurance). When compared with Motor Fleet Management's average rate of 26.5 cents per mile for compact, mid-size and full-size vehicles, the Motor Fleet Management is providing passenger vehicles at approximately 47 per cent of the national average cost.

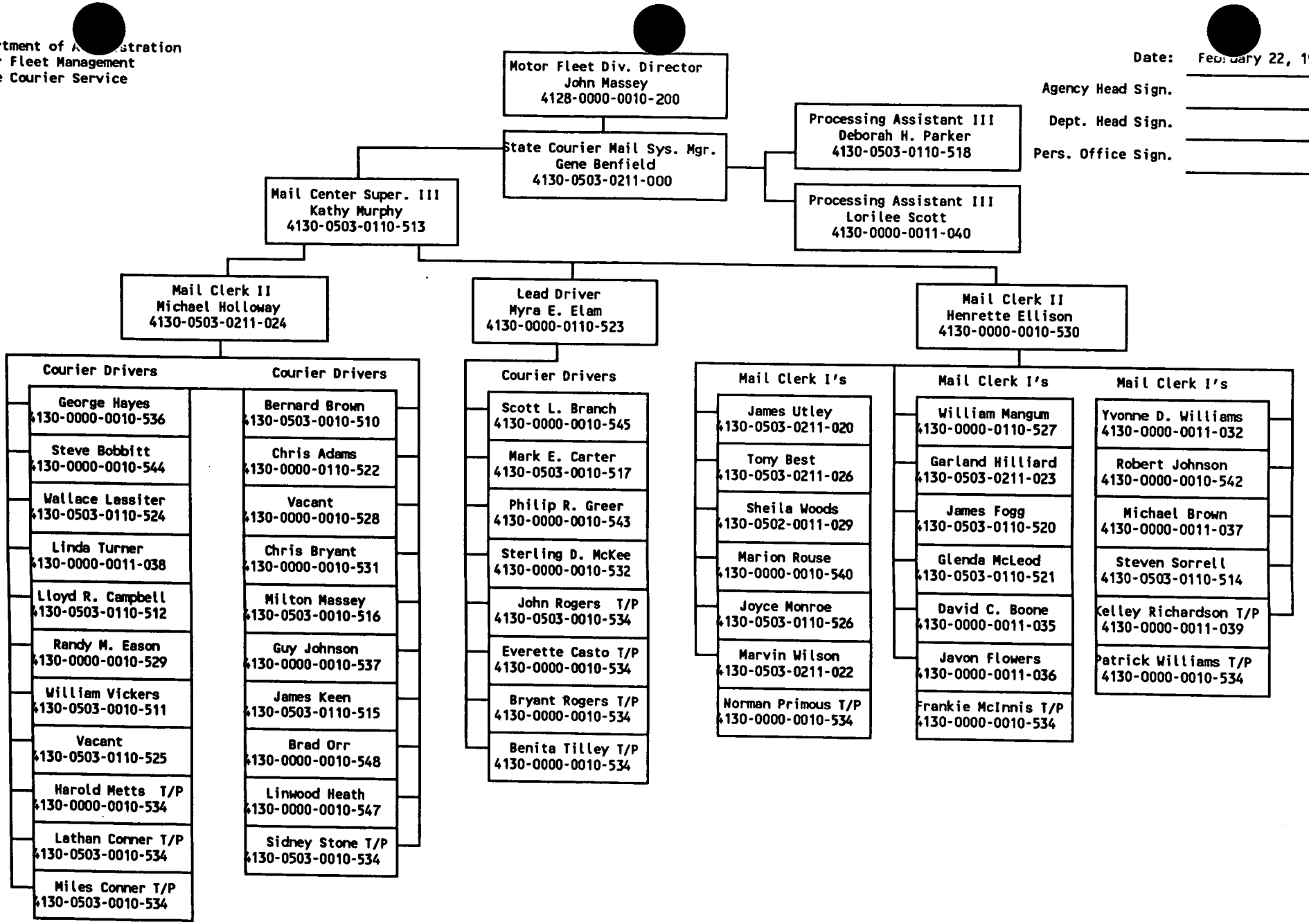
Department of Administration
Motor Fleet Management
State Courier Service

Date: February 22, 1999

Agency Head Sign. _____

Dept. Head Sign. _____

Pers. Office Sign. _____



ACCOMPLISHMENTS

Rebuild State Cars

Chevrolet Caprices are being rebuilt instead of purchasing new vehicles. Approximately one-half the cost of a new vehicle is required to rebuild a vehicle. The costs saved from not purchasing new full-sized vehicles has been $8,000 to $10,000 per vehicle. A total of 60 Caprices have been rebuilt and refurbished under contract All of these vehicles have been checked over by the garage to assure the work was performed as expected. The drivers of rebuilt vehicles are being followed up with a survey to determine their satisfaction with the vehicle.

A contract has been established for a vendor to handle rebuilding the remaining Chevrolet Caprices. Another 240+ Caprices may be rebuilt.

Purchase of Alternate Fuel Vehicles

To help in the state's effort to reduce pollution and to lessen our dependence on foreign oil, Motor Fleet Management has purchased 390 vehicles that operate on alternative fuels. Most of these vehicles are dual-fueled vehicles that can run on either Ethanol or Gasoline. Ethanol pumps have been built by the Dept. of Transportation at their site on Beryl Road in Raleigh. Motor Fleet Management is preparing to begin installation of ethanol pumps at the Motor Pool located at 220 E. Peace Street in Raleigh. Drivers will be instructed to use Ethanol fuel whenever possible. Motor Fleet Management also has vehicles that operate on Propane gas, Compressed Natural gas and Electricity.

Downsize Replacement Vehicles

Motor Fleet Management is reviewing permanently assigned vehicles that are being replaced. Whenever there is a possibility of replacing a full-size car with a mid-size car, a full-size van with a minivan, a full-size 4-wheel drive vehicle with a compact 4-wheel drive vehicle, etc. we are downsizing the assignment. So far we have identified 94 assignments that would not be adversely affected by downsizing. A savings of $240,000 will be realized in purchase costs because of the downsizing of these 94 vehicles. Due to the increased fuel economy of the downsized vehicles, 81,278 gallons of fuel with an estimated cost of $48,767 will be saved over the life of these vehicles.

Motor Pool on Peace Street Attached to Computer System

A personal computer was installed at the Motor Pool. For the first time ever, this allows the Motor Pool to use Word Processing, Spreadsheets, e-mail, and connect to Motor Fleet Management's mainframe computer systems. The Motor Pool now enters repair work orders at their site which eliminates the manual writing of the work orders and subsequent entry at the Motor Fleet Management garage.

Developed an In-House Parts Inventory System

Motor Fleet Management has relied on a parts inventory system provided by the Department of Transportation. Changes in DOT created a need for us to develop a system that would work separately from the DOT system. The Information Technology Services Division in the Department of Commerce modified our existing mainframe system to include a parts inventory system. This eliminated our need to enter information into two systems and made our operation more efficient.

REBUILD ESTIMATES OF CARS AT ASHEVILLE CHEVROLET

2/19/99

CAR NUMBER	ESTIMATE
31125	$8,476.09
51232	$11,500.00
52049	$10,957.38
51728	$9,334.48
41356	$8,877.88
41908	$9,569.05
41962	$9,054.30
52055	$10,659.47
41906	$9,993.49
41919	$9,603.23
51249	$8,834.97
51244	$9,970.82
41971	$10,236.56
42458	$9,961.14
52312	$9,153.10
41361	$7,889.03
AVG. ESTIMATE	$9,629.44

FEBRUARY 23, 1999

MOTOR FLEET MANAGEMENT DIVISION
PER MILE RATES

Class Code	Vehicle Type	Rate
CS4	ACCLAIM, SUNDANCE, CORSICA, ETC.(4 CYLINDER)	0.23
MS4	BREEZE, CUTLASS	0.23
MS6	ACCLAIM, CUTLASS, TAURUS, LUMINA (6 CYLINDER)	0.24
MW6	TAURUS, CUTLASS (STATION WAGON)	0.24
ML6	LUMINA, TAURUS (LAW ENFORCEMENT)	0.30
FS6	INTREPID	0.26
FS8	CROWN VICTORIA, CAPRICE	0.28
XS6	PARK AVE, DELTA 88, INTREPID	0.30
XS8	CROWN VICTORIA, CAPRICE (EXECUTIVE)	0.30
FW8	CAPRICE STATION WAGON	0.28
FL8	CROWN VICTORIA, CAPRICE LAW ENFORCEMENT	0.31
XL8	TAHOE (LAW ENFORCEMENT)	0.31
MP6	AEROSTAR, VENTURE, CARAVAN (MINIVAN)	0.24
FP8	12 PASSENGER VAN	0.34
P8	15 PASSENGER VAN	0.33
FC8	CARGO VAN	0.29
XC8	LARGE CAPACITY CARGO VAN	0.31
MO4	TRACKER	0.31
MO6	BLAZER, CHEROKEE (FOUR WHEEL DRIVE), EXPLORER (2WD)	0.31
MO8	EXPLORER (FOUR WHEEL DRIVE)	0.31
FO8	TAHOE, BRONCO (FOUR WHEEL DRIVE)	0.38
MT6	RANGER, S-10 PICKUP	0.30
FT8	FORD, CHEVROLET PICKUP	0.32
XT8	FORD, CHEVROLET (EXTENDED CAB, DUAL WHEEL, ETC.)	0.34
XO8	SUBURBAN	0.38

STATE COURIER SERVICE

Currently the State Courier Service is a totally receipts supported within the Department of Administration in which state, county and other municipalities customers pay for the use of its services.

Agency Goals

The State Courier Service plans to continue providing service to all 100 counties and provide service at 50% less than the cost of US Postal Service rate.

Agency Accomplishments

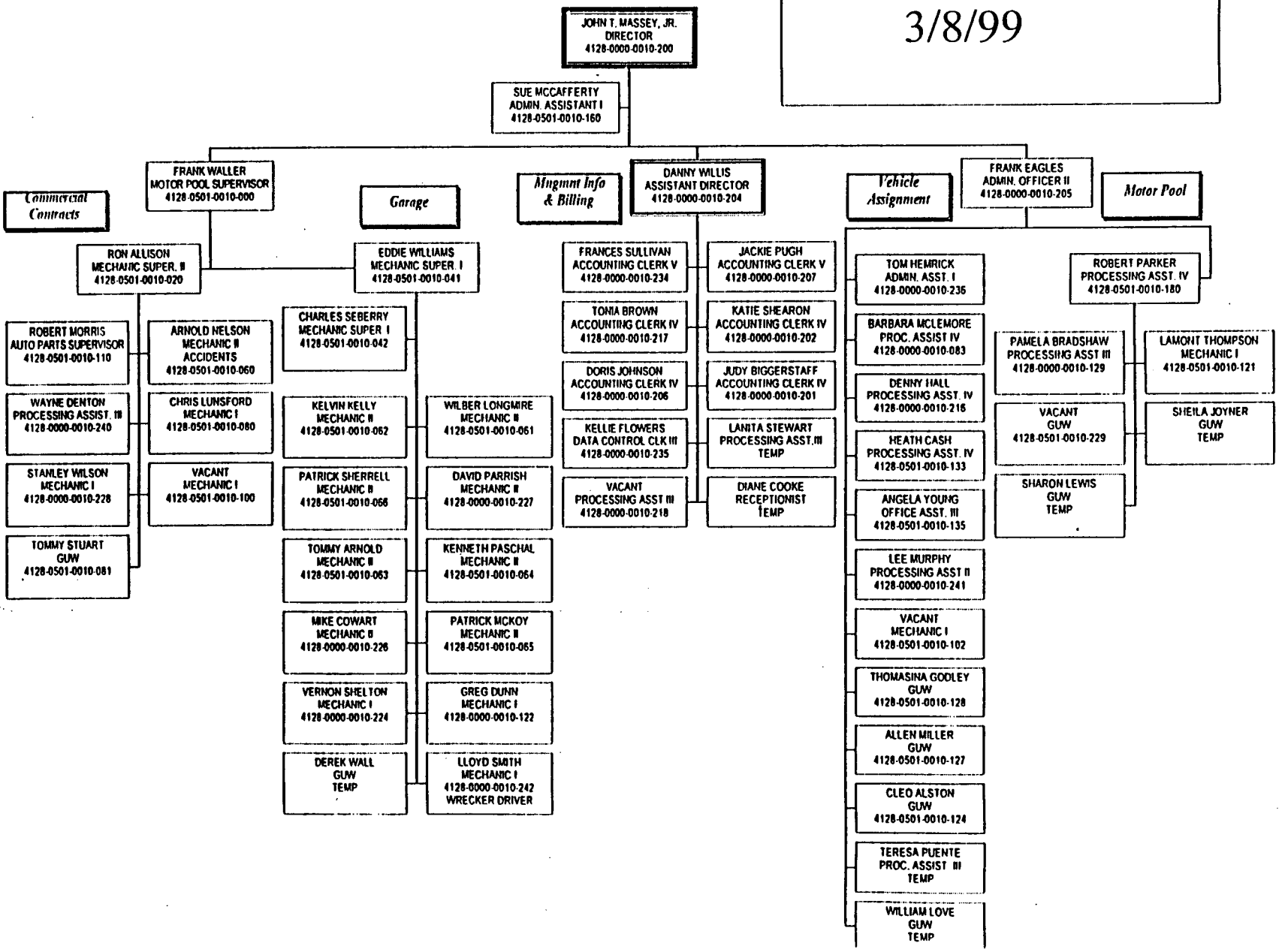
Currently the State Courier Service provides service to over 3900 different agency location throughout the 100 counties, moving more than 50,000 pieces of mail and freight daily at approximately 50% the cost of US Postal Service rates. In addition, the State Courier Service provides service at no charge for the movement of inter-office mail between agencies within Wake County.
Agencies receive economical overnight deliveries such as blood samples and health specimens that must be tested within 24 hours. Payroll checks to such agencies as the state's community colleges, university system, prisons, and Highway Patrol offices is delivered by State Courier Service.
State Courier Service delivers mail to numerous drop boxes where users retrieve and deposit courier mail. It operates 17 mail routes logging over 5,000 miles daily.

Program Budgeting

The main objective of the Courier Services' Performance Based Budget is to provide mail service at 50% less than the US Postal Service rates. By increasing participation in the State Courier Service by state, county and other municipalities a savings to the state will result. The resulting savings can then be made available for the Governor's initiatives.

Motor Fleet Organizational Chart

3/8/99



Department of Administration
Division of Purchase and Contract
February 25, 1999

Overview

The Division of Purchase and Contract in the Department of Administration serves as the central purchasing authority for state government and certain other entities. Contracts are established for the purchase, lease, lease-purchase of the goods and services required by all state agencies, institution, universities, community colleges, city and county boards of education, and non-state agencies amounting to more than $4.1 billion annually. (1998 statistic) In addition, the Federal Surplus Property and State Surplus Property agencies manage the placement and disposition of surplus properties.

Our primary mission is to provide effective and efficient acquisition and disposal services for the State of North Carolina. This mission equates to savings to taxpayers and good customer service relationships. Long term strategies include improved accessibility to purchasing and materials management information, improved accountability, reduced costs, reduced processing time and enabling of employees. Short term strategies include improved communications, increased use of technology to perform work, and offering quality products and services

Major accomplishments

Average market savings accounted for through central purchasing for 1998 amounted to approximately $20 million.

Used technology to enhance the Division's Home Page and to provide more information:

- Public access to over 3000 Invitation for Bids and Requests for Proposals for goods and services over $10,000 ($35,000 for Universities) through our Interactive Purchasing System (IPS).
- Provided better customer service through easier access to, more information and flexibility in use of Statewide term contracts.
- Improved term contracts related to data projection devices, upholstered furniture, FAX machines to respond to customer needs.
- Provided easy reference on Internet to recycled, remanufactured and refurbished products on term contracts.
- Frequent additions of updated current events and purchasing information needed by State agencies in day-to-day job.

- Developed "catalog" type contracts to offer a wider variety of product to our customers
- Made "on-line" shopping and purchasing available to our customers on some contracts
- Developed contracts that allow the contractors to reduce prices, which fosters competition among the contractors and benefits the taxpayer
- Implemented "sustainability" concepts in term contract purchasing
- Displayed on Internet current list of available federal surplus property located in Raleigh warehouse.

Improve communications through use of Internet, electronic communications, internal Help Desk and "live" first response on telephone.

Used digital camera to make surplus property photographs and display on Internet with Newsletter/Sales flyer, and/or send to customers.

Enhanced our "agency training" effort in order to provide leadership on changes in purchasing rules, general statutes related to purchasing issues, use of Interactive Purchasing System for advertising requirements, Historically Underutilized Business program, and to listen to and respond to needs of our Agencies.

Promoted "central store concept" for designated state surplus property with increased sales. This has allowed for faster turnover of surplus items and better customer service.

Implemented procurement card program for more efficient processing of small orders (under $2,500) by agencies. Program has been piloted by fifteen agencies with very good results. Recommend statewide expansion April 1, 1999.

Established a task force to plan for and address "supply chain" issues for Year 2000.

COMPUTER RECYCLING PROGRAM - In 1997, State Surplus Property implemented a computer recycling program that placed equipment that had been designated as surplus property into the public school system. In 1998 it gained recognition as a progressive program that received four awards for its service and innovation. More than 2500 computer systems have now been placed in classrooms across the state saving an estimated $5 million.

In 1998, State Surplus Property was presented the Governor's Award of Excellence for its innovation. In addition, the program received the Governor's Award of Excellence in Waste Reduction, the N.C. Recycling Association's Waste Reduction and Recycling Award, and the Department of Administration's Award for Excellence.

State Surplus Property is continuing to enhanced its service to public schools statewide by entering into a cooperative effort with the Departments of Community Colleges and Correction to assist in refurbishing computers.

TEXTILE RECYCLING - A primary objective of State Surplus Property is to research and identify a method of disposal of any and all kinds of surplus property. As the environment suffers from an excess of waste being generated daily, it is necessary that any type of waste be looked upon as a potential resource for the development of another useful product. Textiles have been identified as just that. Until recently, the state sent old work clothes worn by prisoners and paid $40 a ton for disposal. State Surplus Property has contracted with a company that buys the old work clothes and turns them into cleaning rags. Inmates go through about 1 million pounds of clothing and 100,000 pairs of shoes a year. At approximately $.04 per pound the state has received $15,000 in revenues, eliminated the cost of landfill tipping fees, and saved the environment of at least this much waste. State Surplus is also looking into shipping old clothes from other agencies that have employees who wear uniforms.

DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT

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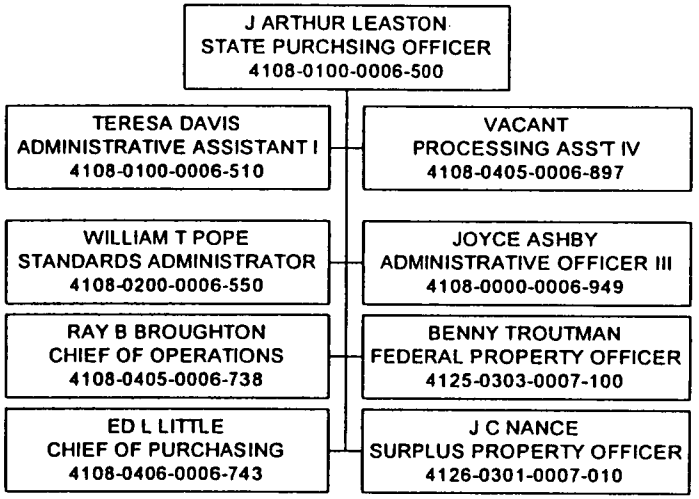
PERS OFFICE SIGN _____



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DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT
CONTRACTS & STANDARDS

DATE 2/25/99
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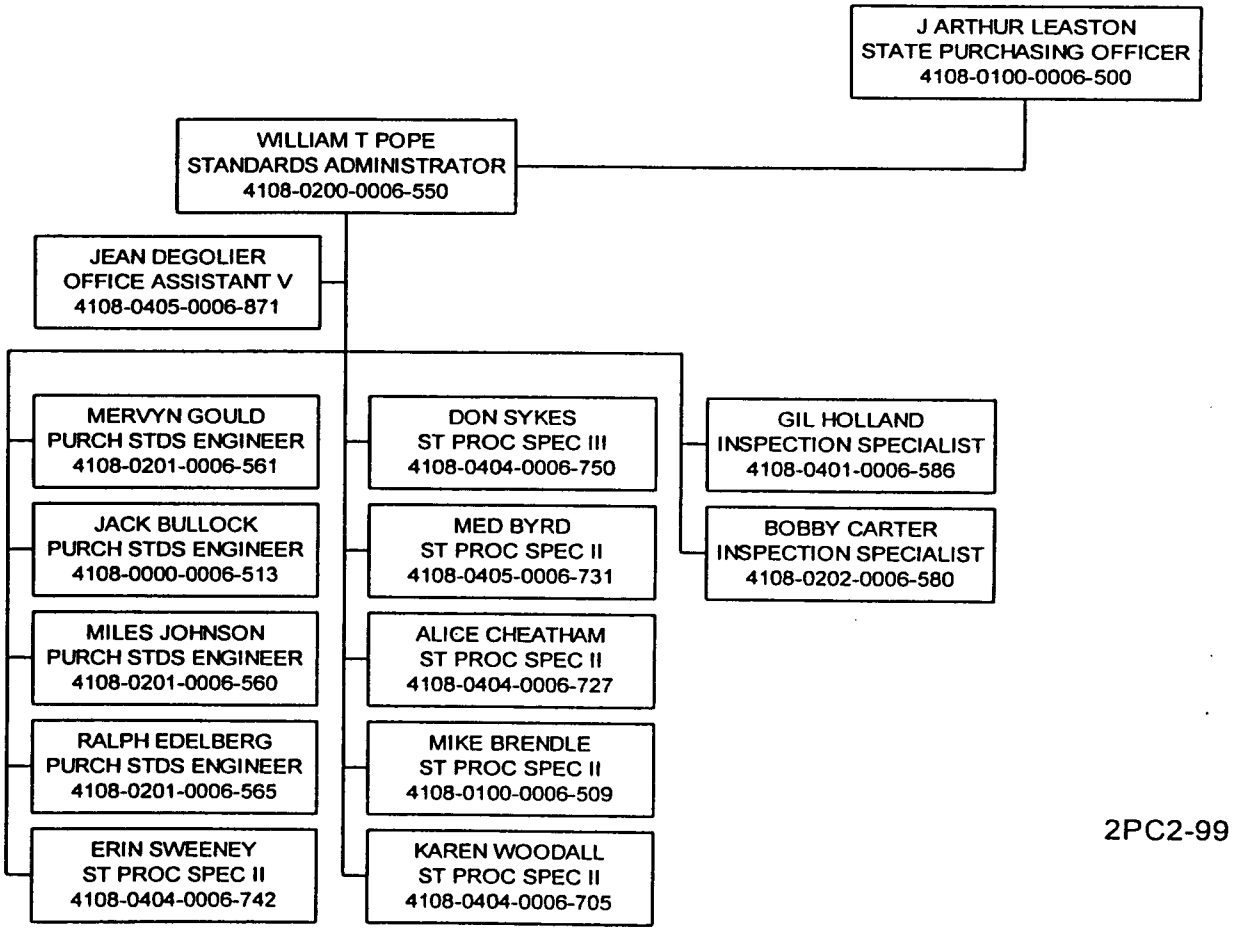
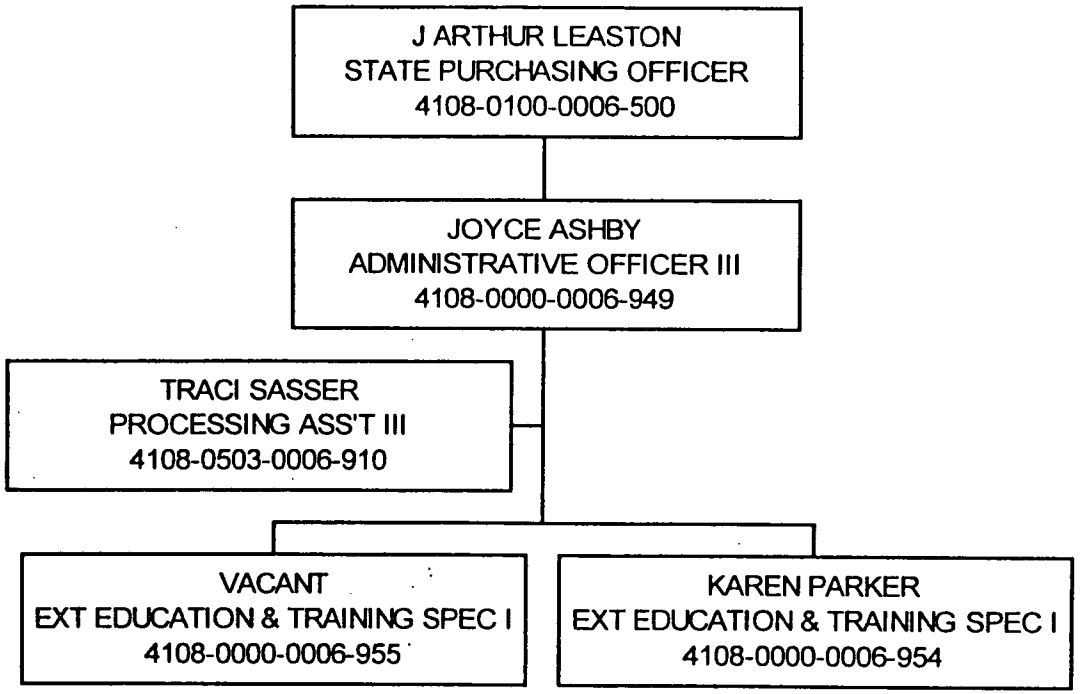
DEPT HEAD SIGN J Arthur Leaston
PERS OFFICE SIGN _____



2PC2-99

DIVISION OF PURCHASE AND CONTRACT
PURCHASE & CONTRACT
HISTORICALLY UNDERUTILIZED BUSINESS
(HUB) PROGRAM

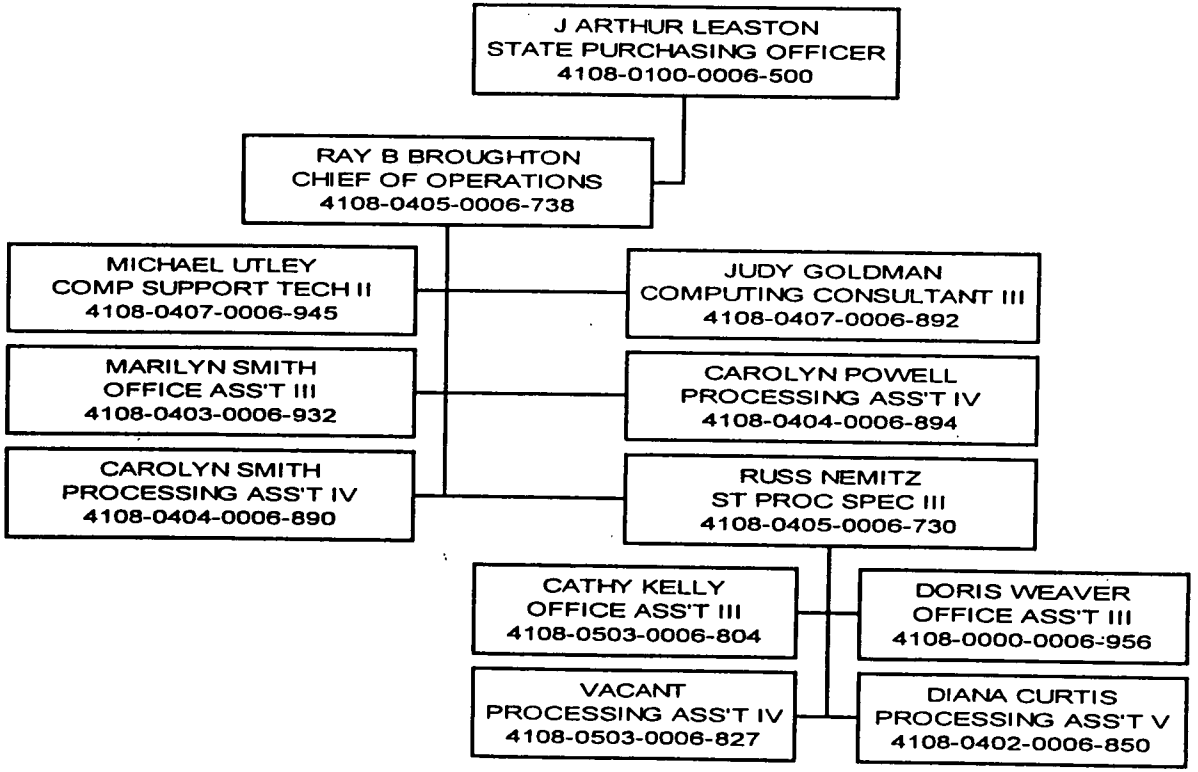
DATE_____ 2/25/99
AGENCY HEAD SIGN_____
DEPT HEAD SIGN *J. Arthur Leaston*
PERS OFFICER SIGN_____



3PC2-99

DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT
OPERATIONS

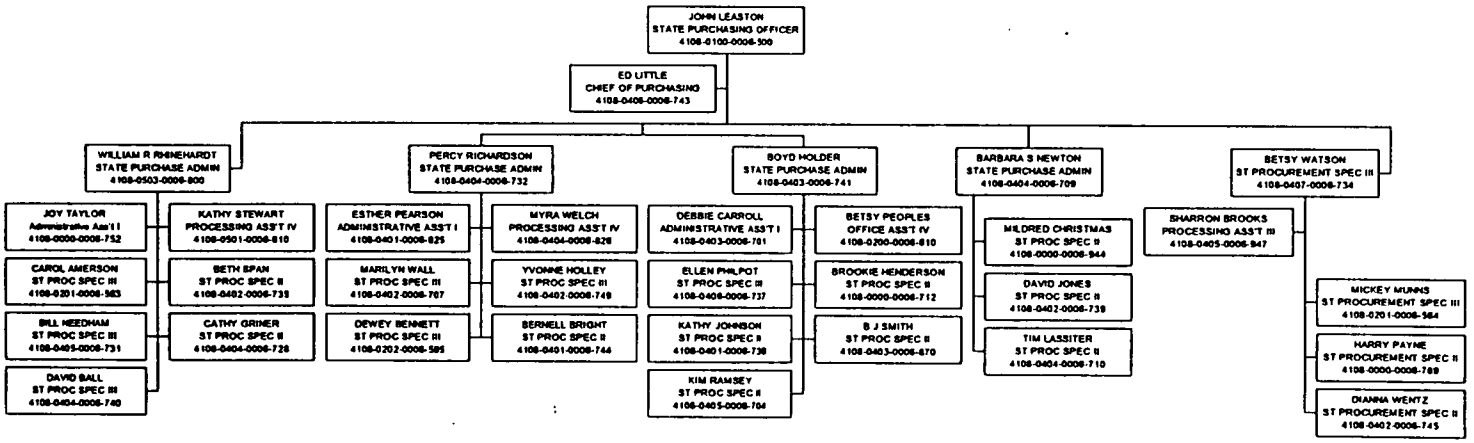
DATE 2/25/99
AGENCY HEAD SIGN _____
DEPT HEAD SIGN *J Arthur Leaston*
PERS OFFICE SIGN _____



4PC2-99

DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT
PURCHASING

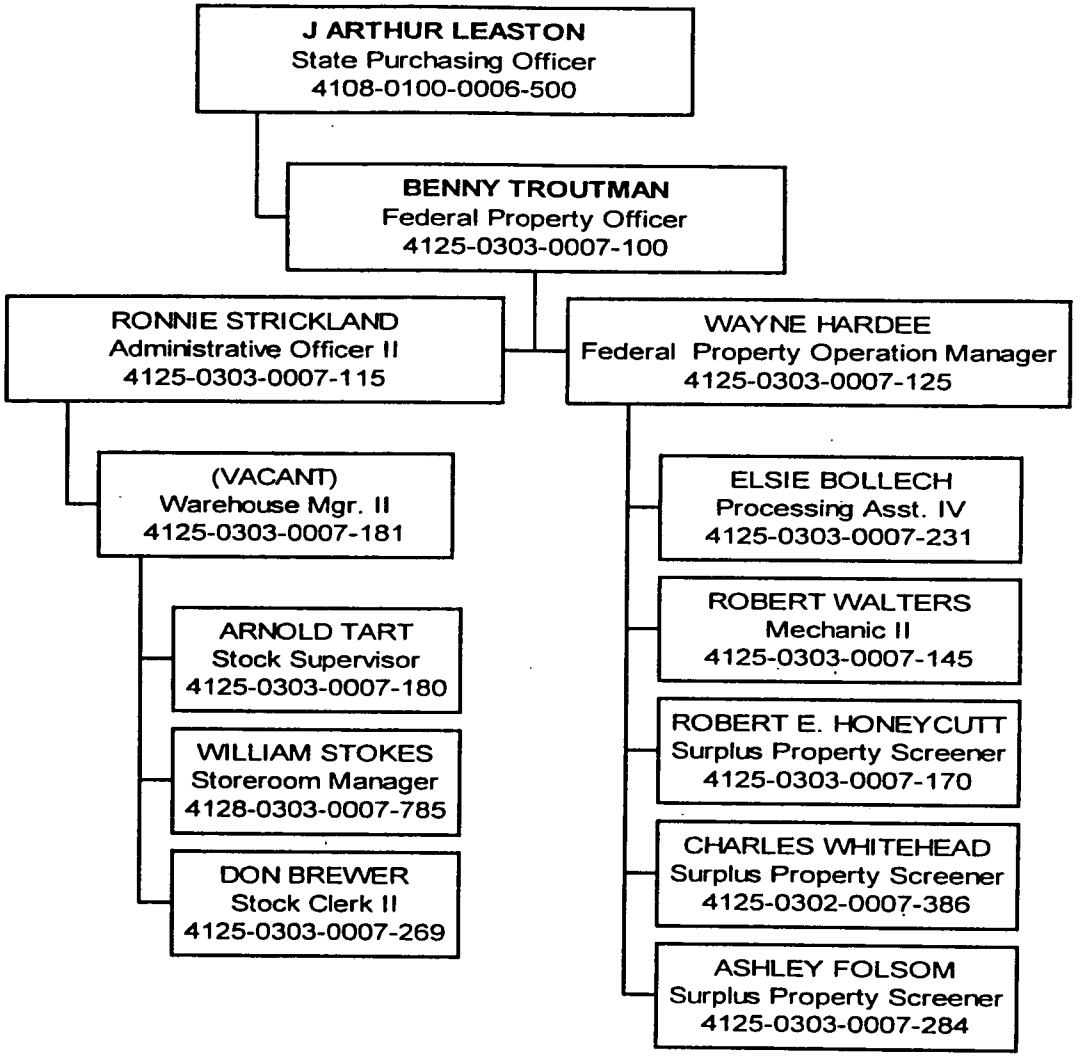
DATE 2/25/99
AGENCY HEAD SIGN
DEPT HEAD SIGN J Ashton Leaston
PERS OFFICE SIGN



5PC2-99

DEPARTMENT OF
ADMINISTRATION
Purchase and Contract
Federal Surplus Property

DATE: 2/25/99
AGENCY HEAD SIGN:
DEPT HEAD SIGN: J. Arthur Leaston
PERS OFFICE SIGN:



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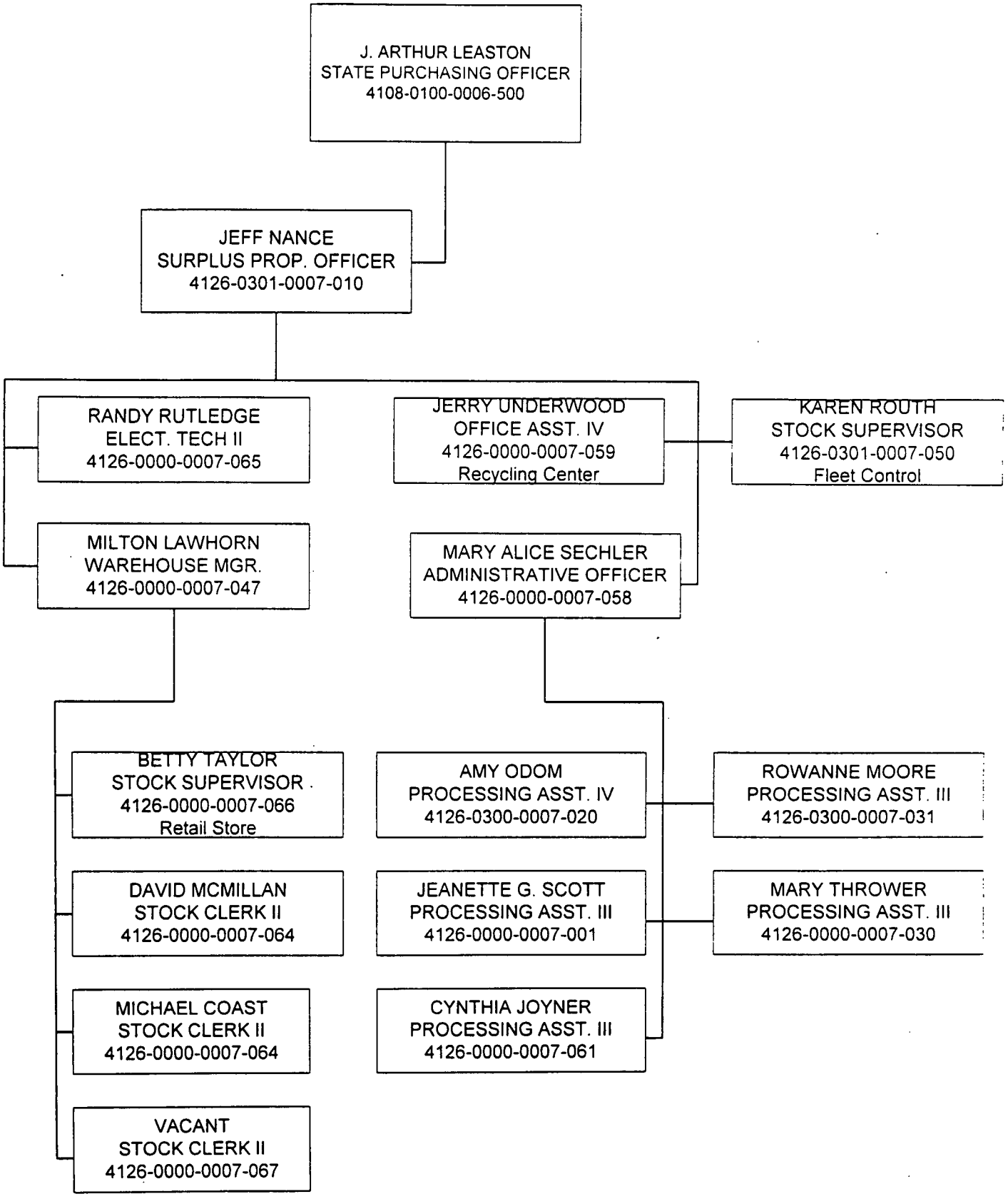
DEPARTMENT OF ADMINISTRATION
PURCHASE AND CONTRACT DIVISION
REVISED 3/99

AGENCY HEAD: J. ARTHUR LEASTON
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



P&C'S STRATEGY MANAGEMENT PLANS

PART ONE

OUR FOCUS & DIRECTION

Our Principles

- *Satisfy Customer Needs*
- *Encourage Divisionwide Teamwork*
- *Support Continuous Improvement*
- *Promote Data Driven Decisions*

Our Mission

To provide effective and efficient acquisition and disposal services for the State of North Carolina.

Our Vision

The Division of Purchase & Contract will be recognized and relied upon as the leader in acquisition and disposal services for the State of North Carolina.

P&C'S STRATEGY MANAGEMENT PLANS

PART TWO

THE VOICE OF OUR CUSTOMERS & BUSINESS

External Customers:	Internal Customers:	Indirect Customers:
1. Non-Profit Organizations	1. Staff	1. OAH
2. State Agencies	2. DOA	2. Vendors
3. Vendors	3. Other State Agencies	3. EPA
4. Taxpayers	4. General Assembly	4. State Auditor
5. General Assembly	5. Secretary's Office	5. Federal Government
6. Advocacy Groups	6. Council Of State	6. State Agencies
7. Local Governments	7. The Governor	7. General Assembly
8. Professional Organizations	8. Board of Award	8. Voters
9. The Governor		9. OSHA
		10. Special Interest Groups
		11. Local Government
		12. State Budget
		13. Media
		14. The Governor

Our Macro Processes

- Term Contracts
- Bid Process
- Surplus Disposal
- Hub Program
- Compliance
- Inspection
- Provide Service

P&C'S STRATEGY MANAGEMENT PLANS

PART THREE

OUR STRATEGIES

Our Long Term Strategies

1. Improve Accessibility
2. Improve Accountability
3. Reduce Cost
4. Reduce Time
5. Enable Employees

Our Short Term Strategies

- Improve Teamwork
- Improve Organizational Structure
- Improve The Use Of Technology
- Improve The Administration of the Performance Management System in the Division
- Improve Customer Relations
- Maintain Reasonable Consistency and Stability in the Workplace
- Improve Communication

State Construction Office

OVERVIEW

The overall coordination and management responsibility for implementation of the state's capital improvement program rests with the State Construction Office. The State Construction Office operates under two statutes -- G.S. 143-31.1, the Executive Budget Act, and G.S. 143-341, the Department of Administration Act.

The D.O.A. Act requires that the Department of Administration, in addition to having the responsibility to examine and approve all plans and specifications, prepare preliminary studies and cost estimates and assist all agencies in the preparation of requests for construction appropriations, supervise the letting of all contracts for the design, construction or renovation of all state buildings, and supervise and inspect all work done and materials used in the construction of state buildings. No such work may be accepted by the state or by any state agency until it has been approved by the department. In addition, the Facility Condition Assessment Program (FCAP) is administered by the State Construction Office. This program is responsible for identifying deficiencies in all state facilities over 3000 gross square feet.

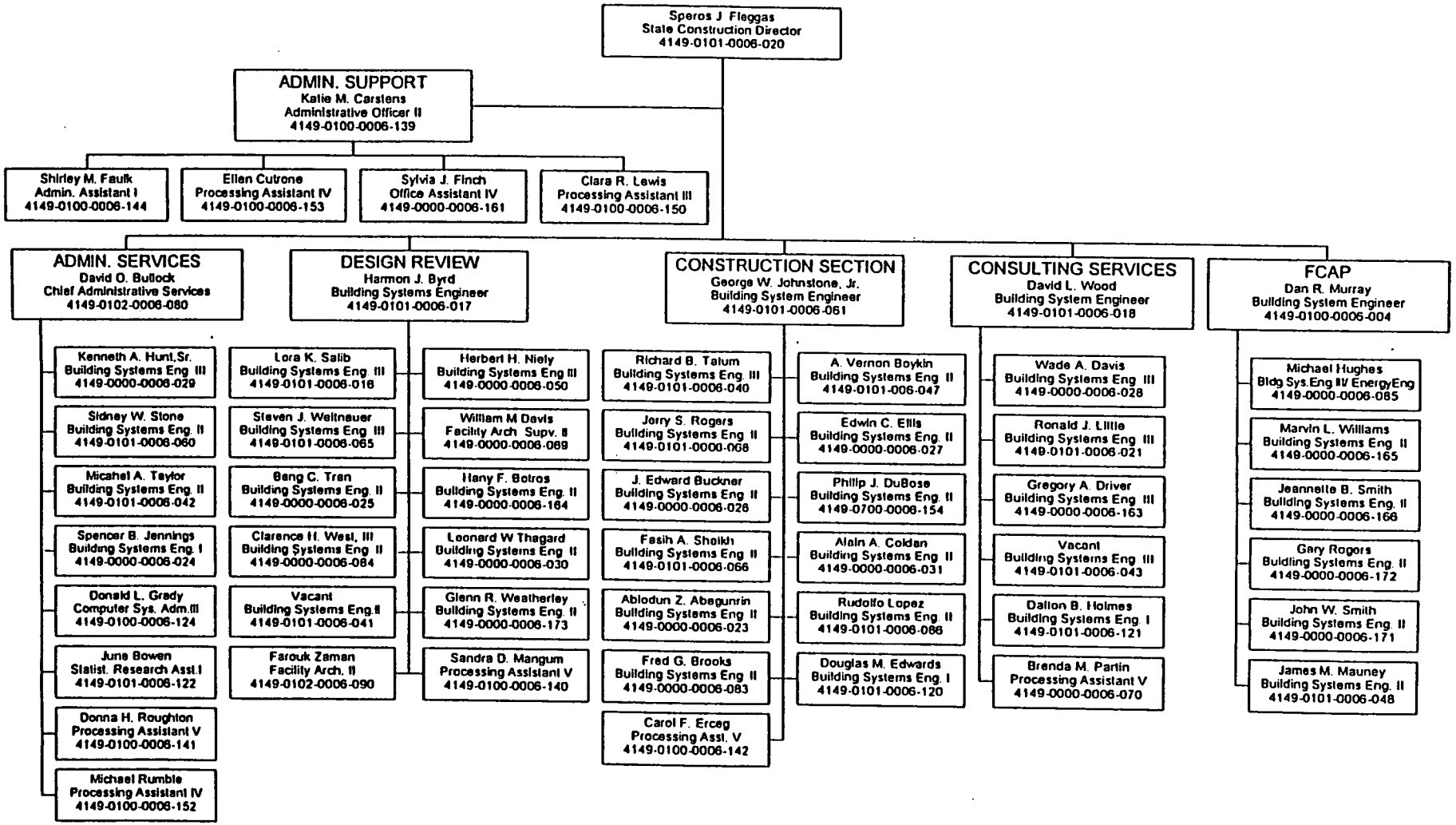
Agencies and institutions submit budget estimates to the State Construction Office. The State Construction Office reviews the proposed work scope and develops a detailed estimate of cost. This constitutes the budget estimate for the project and is the budget used, if the project is submitted to the General Assembly for funding. Designers are selected in accordance with the procedures adopted by the State Building Commission. The State Construction Office serves as staff to the State Building Commission. Our office negotiates the design fees, oversees the executed contract and provides for design and general supervision of the construction work.

Each design phase is reviewed by the State Construction Office and design does not proceed to the next phase until approval is made for the phase of design that has been submitted for review. There are some 40 possible state reviews, permits and approvals that may be required on a project and the review process may involve up to 17 different state agencies. Of course, most projects do not require nearly that many review agency approvals. Our office, in addition to performing reviews, also essentially serves as a clearinghouse for review comments generated by other agencies. We check to see that comments and concerns are resolved prior to approval for receipt of bids. The State Construction Office has quite a lot of responsibility and is involved with all aspects of the design and construction of state buildings.

As a result of SB1093, the SCO was charged with implementing this process. This bill requires that the SCO examine and approve all plans and specifications for the construction or renovation of all State buildings including Community Colleges for which public bidding is required as a prerequisite to funding of the project. Meetings with all State Agency CPCs and University CPCs to discuss the new process were conducted. New forms and check-lists for CPCs to complete prior to submittal of proposed projects were also produced by the office.

As of December 1998, the State Construction Office had 1140 projects statewide in various stages of design with a design budget scope of $1,582,471,730. We have under construction 352 active projects valued at $1,229,470,174. The State Construction Office currently oversees on a statewide basis a total of 1419 projects that are in some stage of either design or construction valued at $2,811,941,904.

Department of Administration
State Construction Office
1/1/99
Agency Head Sign: *Speros J. Fleggas*



STATE PROPERTY OFFICE

The State Property Office is responsible for state government's acquisition and disposition of all interest in real property whether by purchase, sale, exercise of power of eminent domain, lease or rental, with certain exceptions. This office is also responsible for the management of the submerged lands of the state, with the exception of aquaculture leases. The office maintains a computerized inventory of land and buildings owned or leased by the state and administers the allocation and reallocation of land and buildings among the various state agencies.

ACCOMPLISHMENTS

- We have managed a tremendous increase in work load while actually reducing out staff. in the early 1980's, the State Property Office was staffed with 27 positions and handled approximately 400 transactions per year. In 1996, the State Property Office was staffed with 21 positions and handled 1,232 transactions.

- The State Property Office has systematically developed methods to quicken the pace of transactions handled "in-house", and delegated more authority to State agencies to handle minor transactions. We have developed close working relationships with conservation groups who, under our direction, handle many of the transactions involving parks, natural areas and other sensitive lands.

- We have successfully implemented the provisions of Senate Bill 52 (Easements in State-owned Submerged Lands) without additional staff support and without any delays in the easement issuance process.

- We have upgraded the quality of our computerized land and building inventory and improved the mechanisms for acquiring and maintaining this information. The inventory and numerous reports are now available to the State agencies, the General Assembly and the public through the Internet. The inventory provides this office and the using agencies greater ability to "manage" the State's real property assets.

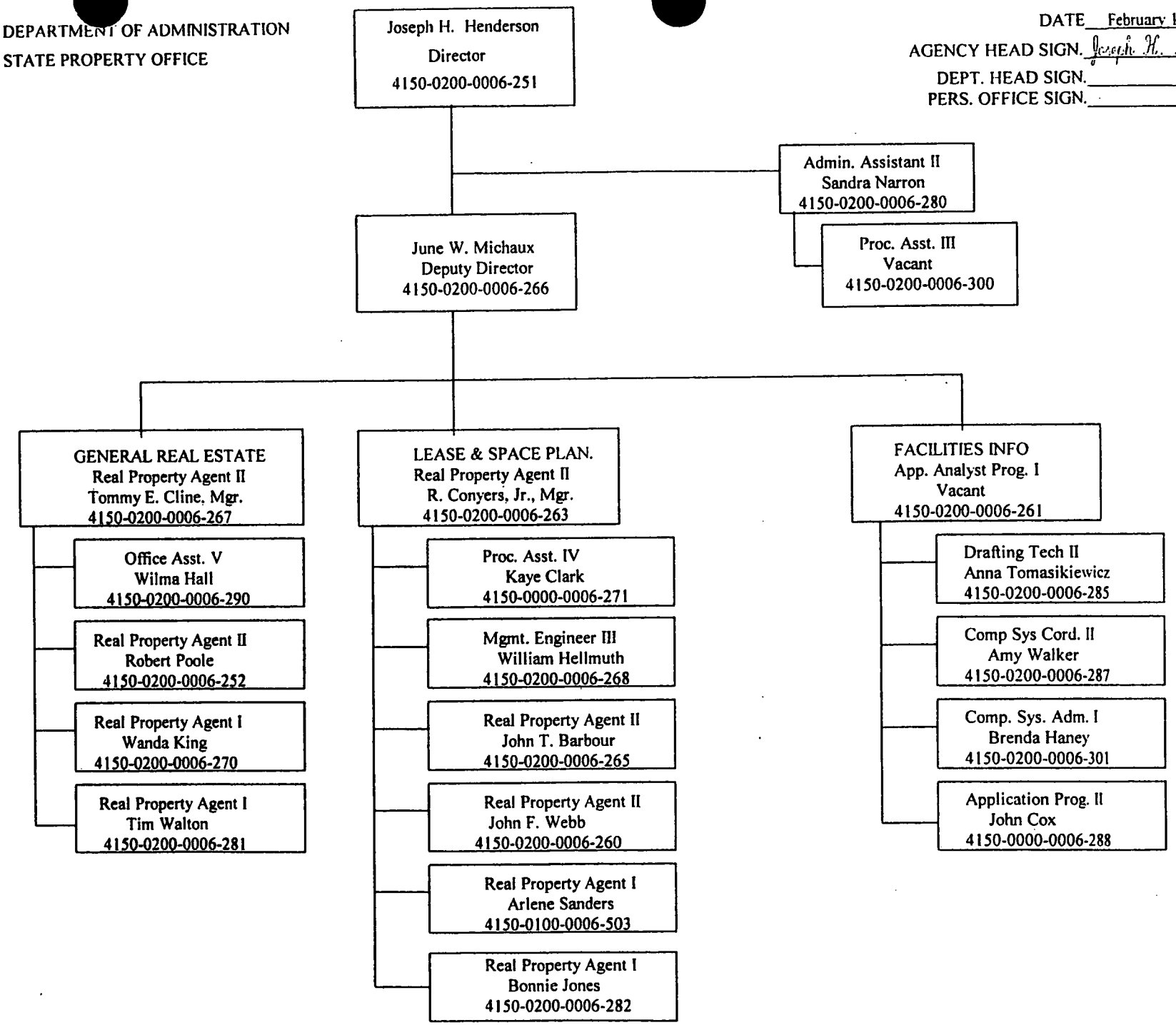
- We have developed strategies to consolidate agencies in both leased and owned buildings to effect savings in "shared facilities" such as receptionists, copy centers, mail and printing functions, etc., and to provide greater convenience to the public doing business with these offices.

- We have made significant progress in acquiring those properties funded by bonds issued for both the University System and the State Parks System.

- In general, we are seeking every conceivable way of "doing more with less", utilizing the resources of other agencies as opposed to increasing our in-house staff, and developing working relationships with conservation groups to handle land transactions for us. The next major step will be to "contract out" real estate acquisition to private firms on an experimental or "pilot project" basis and compare the costs with in-house acquisition.

DEPARTMENT OF ADMINISTRATION
STATE PROPERTY OFFICE

DATE February 19, 1999
AGENCY HEAD SIGN. Joseph H. Henderson
DEPT. HEAD SIGN. _____
PERS. OFFICE SIGN. _____



SP2-98

State Local Relations

The State-Local Relations Section works with local governments, regional and multi-state organizations, the public, and state agencies in a variety of areas involving intergovernmental cooperation. The section manages the Appalachian Regional Commission (ARC) grant program, coordinates interagency project reviews required by the North Carolina and National Environmental Policy Acts, assists the Governor and his staff in issues involving local governments, and operates a project notification, review, and comment system to provide state and local agencies and the public with information about projects supported with public funds. Environmental and project notification processes are coordinated through this unit's Intergovernmental Review Clearinghouse.

Recent Accomplishments

- During 1998, coordinated the development and approval of 22 ARC grants totaling $3.29 million, leveraging $7.1 million in additional funding. Grant assistance included:
    - Water and sewer assistance - $1.72 million in ARC grants, leveraging $5.8 million in additional funds, which aided in creating 518 new jobs. retaining 1629 existing jobs and securing $54.7 million in private investment.
    - Children's assistance - Aid for the NC Partnership for Children to initiate a demonstration in dental health promotion affecting children in 9 counties and involving local partnerships for children, the state Dental Health Section, and the Ruth and Billy Graham Children's Health Center.
    - Community capacity building - Assisting Handmade in America (a regional non-profit) in its work with the Institute of Government to train a leadership corps in seven small communities working on community revitalization (a program cited as a national model by the Pew Charitable Trust)

- The Intergovernmental Review Clearinghouse began work to better coordinate environmental reviews with the permitting process, to streamline the process used to insure state agency compliance with the State Environmental Policy Act (SEPA), and to make the process more user friendly. Initial steps have included revising the rules through the Administrative Procedures Act to expedite the review process.

- In 1998 the unit coordinated the review by state and local agencies of 459 environmental documents prepared in compliance with state and national environmental policy acts. Information about the documents (the *North Carolina Environmental Bulletin*) now is available electronically through the Department of Administration's web site.

- The intergovernmental review process also included action on 313 notices by state and local entities of their intention to apply for federal grants and loans. These documents supported requests for over $509 million.

exfires.doc

DEPARTMENT OF ADMINISTRATION

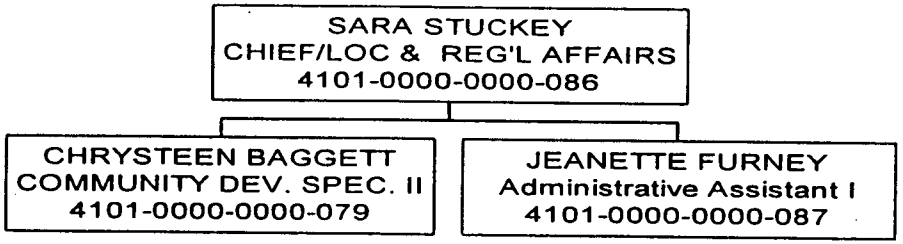
STATE & LOCAL GOVERNMENT AFFAIRS

DATE: February 1999

AGENCY HEAD SIGN: SARA STUCKEY

DEPT. HEAD SIGN: KATIE DORSETT

HUMAN RES. MGMT. SIGN: LINDA COLEMAN



Quality Coordinator

Overview

The Quality Coordinator is charged with providing technical assistance to leadership in leading, directing and developing Continuous Improvement in the Department of Administration. Continuous Improvement is a structured effort designed to re-focus the Department's commitment to provide outstanding service to our customers through continually improving the way we do business. Under the Secretary's leadership, the Department is raising awareness of "customer service" throughout its ranks.

Major Accomplishments

- Surveyed over 17,800 external and internal customers and received responses from over 2,800 customers.
- Identified and prioritized areas of department-wide concern and established three new improvement teams based on the prioritized issues.
- Established the Workplace Assessment Team which surveyed all DOA employees to gauge employee perceptions on their workplace environment.
- Increased involvement of employees in continuous improvement efforts from under 2% to near 10% of total employees.
- Trained fifteen employees to be team facilitators.
- Trained 40 employees to be team members.
- Trained all division directors and their direct reports in the areas of customer focus, surveys, and focus groups.
- Developed a strategic plan for the implementation of Continuous Improvement within the department.
- Hired a full time quality coordinator.
- Incorporated Continuous Improvement criteria into employees workplans.
- Restructured both the Quality Leadership Team and the Quality Design Team to provide for an increased number of members and rotate membership thus allowing all division directors to serve on the team.
- Developed a Continuous Improvement Communications Plan.
- Developed a Continuous Improvement web page.
- Placed monthly articles on Continuous Improvement in the department's newsletter.
- Provided an overview of the continuous improvement planning process at DOA to all employees.

NORTH CAROLINA COMMISSION OF INDIAN AFFAIRS
1997-1998 AGENCY ACCOMPLISHMENTS

AGENCY ACCOMPLISHMENTS

Z. SMITH REYNOLDS GRANT

The commission received a $25,000 grant from the Z. Smith Reynolds Foundation to develop capacity building of the commission membership, commission staff, and community Indian leaders for the N. C. Commission of Indian Affairs. The funding will foster a collaborative effort between commission members, commission staff, tribal administrators, and other Indian community leaders. The purpose of this project is to develop a strategic plan for the Year 2000. The plan requires the commission to establish a partnership with key non Indian stake holders in Indian communities, to bring additional resources and expertise to the commission in attempt to serve the future needs of North Carolina's American Indian communities.

AMERICAN INDIAN LICENSE PLATE

For the first time in the history of the state of North Carolina the General Assembly authorized the first American Indian Insignia License Plate. The newly passed legislation will generate new revenues for the state. In addition, the American Indian License Plate will bring new sense of pride and recognition to the Indian citizens of North Carolina.

AMERICAN INDIAN CELEBRATION

Approximately 3,000 citizens attended the 1998 American Indian celebration held November 7 in Raleigh. Activities included a mini pow-wow, traditional Indian storytelling, demonstrations, and traditional Indian foods. The highly success event was a collaborative effort among the NC Commission of Indian Affairs, the NC Museum of History, the NC Museum of Natural Science, and Triangle Native American Society.

GOVERNOR'S RACE RELATIONS CONFERENCE

The Commission participated in North Carolina's first Race Relations Conference which was designed to improve race relations in our state and local communities. The Commission played an integral role in the planning of the state's conference. Moreover, the Commission was a vital instrument in bringing focus and attention to state leaders that the President's Commission on Race Reconciliation did not include a representative from the American

Indian population. Although the Commission was not successful in getting an American Indian appointed to the President's Commission on Race Reconciliation, it was successful in terms of advocating for improved race relations in North Carolina.

APPOINTMENT TO YEAR 2000 CENSUS ADVISORY COMMITTEE

Commerce Secretary Daley appointed the Executive Director for the Commission of Indian Affairs to the Year 2000 American Indian and Alaskan Native American Census Advisory Committee. The Census Advisory Committee meets periodically to discuss and address issues and concerns relative to the Year 2000 Census, in addition to reviewing proposed regulations, plans and activities that are designed to assure maximum participation of American Indians in the Year 2000 Census.

NATIONAL INDIAN EDUCATION ASSOCIATION 2003 CONFERENCE STEERING COMMITTEE

The Commission's Substance Abuse, Educational Talent Search, and Community Services Program Directors assisted with the efforts to bring the National Indian Education Association Conference to NC in 2003. The National Indian Education Association (NIEA) is a national organization that promotes the educational advancement of Indian youth in public or reservated schools. North Carolina has never hosted a NIEA Conference.

WEAVING AN AGENDA FOR PROGRESS CONFERENCE

The commission was a co-sponsor of this conference. With collaborative efforts from six state agencies and numerous non-profit organizations, one of the conference goals was to provide participants with building blocks that can assist them as professionals to become more culturally responsive to the health care needs of minority populations. A second goal was to heighten awareness of cultural diversity from the American Indian perspective and to educate state agency personnel and non profits about issues, needs and concerns of North Carolina Indians. In addition, a proclamation from the Governor was presented to April Whittemore, Miss Indian World. April, a member of the Lumbee tribe, is the first American Indian east of the Mississippi be awarded such a prestigious title.

LEGISLATION REQUIRING CONSIDERATION OF INDIAN CHILD WELFARE ACT FOR AMERICAN INDIAN CHILDREN

The Adoption and Safe Families Act was amended by the NC General Assembly requires Social Services to consider the Indian Child Welfare Act when placing Indian children into foster care or adoptive services.

PROGRAM ACCOMPLISHMENTS

SUBSTANCE ABUSE

YOUTH CONFERENCE

The North Carolina Indian Youth Conference was held June 10-12, 1998, at Barton College, Wilson, NC. The conference had its largest participation in its 19 years of existence. Approximately 336 Indian students all over the state attended the conference. In addition, the North Carolina Department of Labor sponsored a majority of the conference participants, adding to the success of the annual event. Students were able to participate in cultural activities, gain valuable leadership skills, gain positive self-esteem, and be exposed to educational and career opportunities. One of the highlights of the conference was the presentation of two $500 educational scholarships that was awarded to students perusing secondary education.

FUNDING OBTAINED TO ADDRESS OTHER SUBSTANCE ABUSE RELATED ISSUES

The "Earn Your Feather" Substance Abuse Prevention and Awareness Program's funding was increased by $22,000. Such funding marks the first of its kind since implementation of the program eight years ago. The additional funding will allow the commission to hire a part-time staff person who will assist in coordinating a statewide substance abuse forum and an HIV, AIDS, and STD's forum within American Indian communities.

INTERNAL COLLABORATION BETWEEN COMMISSION PROGRAMS

In collaboration with the commission's Educational Talent Search Program, the substance abuse program director attended 27 schools across North Carolina, reaching over 600 students in delivering substance abuse prevention literature and providing oral presentations on the dangers and effects of substance abuse. Student participants varied from 11 years old to 18 years of age.

UNITED NATIONAL INDIAN TRIBAL YOUTH, Adult Head Advisor

The substance abuse program director was elected to serve as the Adult Head Advisor to the National UNITY organization. Responsibilities in this position include training for adult advisors, maintaining records on active chapters' accomplishments, developing a moral code of conduct for adult advisors and/or chaperones, and assisting with the planning of the National UNITY Conference. UNITY's headquarters are located in Oklahoma City, OK.

COMMUNITY SERVICES

CULTURALLY RESPONSIVE CARE INITIATIVE

The Commission received $75,000 from the Division of Social Services in its efforts to implement culturally responsive care initiative created and established by the Department of Health and Human Services. The Commission is responsible for conducting focus groups among the state's ten American Indian tribes and organizations. In addition to the focus groups, the commission will prepare reports, identify problems around policies and practices that omit the North Carolina American Indian community and provide consultation to multi-agency service providers focused on meeting the needs of American Indian children and families.

HEALTH CHOICE (FORMERLY CHILDREN'S HEALTH INSURANCE CHIP PROGRAM) STEERING COMMITTEE

In an effort to comply with one of Governor Hunt's priority to make sure that children go to school healthy and ready to learn, the commission took the lead in North Carolina in advocating for the Children's Health Insurance Program on behalf of state recognized American Indian tribes. The commission has provided information to Indian tribes and organizations regarding the benefits of the Health Choice Program. In addition, commission staff and tribal members have played an integral part of the Children's Health Insurance Steering Committee in providing information, as well as providing input in the crafting of mental health services and the comprehensive health care package for the state's approximately 71,000 uninsured children. The steering committee, composed of local, state, federal, and non-profit entities, was mandated to select the name for the newly legislated program and establish policy and eligibility procedures for the implementation of the program. One major outcome from serving as a member of the steering committee is that American Indian tribal offices will serve as centers for application taking and outreach.

WILDLIFE FORUM

The commission sponsored a forum for American Indian Representatives from the North Carolina federal and state recognized American Indian tribes and organizations, United States Department of Interior Fish and Wildlife Service agents, state legislator Representative Ronnie Sutton, North Carolina Wildlife Resource Commission officials, and Lumber River Legal Services on August 5 in Raleigh. The major objectives of the forum were to review and discuss state and federal regulations regarding the possession and use of feathers by American Indians and improve relations between wildlife officials and tribal leaders. In SFY 1997-98 numerous Indian citizens were arrested because they were found to be in violation of state fish and wildlife regulations. Traditionally, Indian citizens have hunted, fished, and trapped game as part of their heritage and used animal and bird parts in traditional celebrations. The history

making forum concluded with identifying future resolutions and strategies that tribes, state and federal agencies can implement to modify or create legislation that is inclusive of all American Indians.

INDIAN SENIOR CITIZENS CONFERENCE

The Commission coordinated the NC Indian Senior Citizens Conference. Over 150 American Indian senior citizens from across the state attended the annual North Carolina Indian Senior Citizens conference held in Fayetteville. The conference highlights issues and concerns of the elderly such as decent housing, nutrition, health care, and energy assistance, as well as featuring traditional and cultural accomplishments. The conference is sponsored by the NC Indian Senior Citizens Coalition, United Tribes of North Carolina, the NC Native American Youth Organization, and the Commission of Indian Affairs.

ARCHAEOLOGY FORUM

The commission hosted an Archaeology Forum on February 26 in Raleigh for the purpose of improving relations between tribal leaders and members of the Archaeology community in North Carolina. The state's leading archaeologists and anthropologists discussed issues of mutual interest, reported on the status of ongoing projects, addressed reinterment issues, issues revolved around the study and analysis of Indian burial remains and made presentations on new discoveries. The forum concluded with over twelve recommendations.

HOUSING

ADDITIONAL 25 UNITS IN PERSON COUNTY

The Commission's Section 8 Housing Program received additional funding to support 25 families living in Person County. The additional funding was in the amount of $63,746.00.

HOUSING ASSISTANCE FOR FAMILIES LIVING WITH AIDS

The Commission's Section 8 Housing Program entered into a Memorandum of Understanding with the NC Department of Health and Human Services to assist 35 families with rental assistance who were diagnosed HIV/AIDS. The benefit of this program is that the targeted families will be able to live in decent, safe and sanitary homes.

RURAL DEVELOPMENT INITIATIVE -- $2M IN FUNDS

The Commission worked in collaboration with the US Department of Agriculture and its Rural Development Program to develop a special set aside Home Loan Program for American

Indian citizens in North Carolina. As a result of this effort, the Rural Development Program has set aside $2 million dollars in home loan funds for American Indian. The purpose of this program is to assure that Indian citizens are able to obtain home loans and be able to occupy decent, safe and sanitary homes.

EXPANSION OF INDIAN HOUSING AUTHORITY BOARD

The commission worked with state recognized tribes and organization to address the need to increase the membership of the NC Indian Housing Authority Board. The enacted legislation assured that all of the state's American Indian tribes and organizations are represented on the Board.

EDUCATION

US DEPARTMENT OF EDUCATION AWARDS CONTINUATION FUNDING

The Educational Talent Search Project was awarded funding for an additional four years. The funding included a budgetary increase sufficient to raise the service population from 600 to 650 students. The Educational Talent Search Program will receive $216,529 in funding annually over the next four years. The program is targeted to provide services in the counties of Columbus, Cumberland, Guilford, Halifax, Harnett, Hoke Sampson, and Warren counties.

COLLABORATIVE EFFORT WITH STATE AND PRIVATE BUSINESSES IN OBTAINING COMPUTER EQUIPMENT

The Educational Talent Search Project has been the recipient of twelve computers that have been strategically placed in tribal communities for student access.

SECONDARY EDUCATION SUCCESSES

Ninety-seven percent of the Educational Talent Search participants completed their grade level for the 1997-98 academic year. This high percentage of graduates exceeded their projected goal of eighty-five percent.

Eighty-one percent of the Educational Talent Search participants who were graduating seniors enrolled in post-secondary educational program. This high percentage of graduates is significant because it exceeds the projected goal of seventy percent by eleven percent.

JTPA

SCHOLARSHIPS TO THE NINETEENTH ANNUAL NC INDIAN YOUTH UNITY CONFERENCE

In a collaborative effort between the commission and the North Carolina Department of Labor Bureau of Apprenticeship and Training, the Commission sponsored 250 American Indian youth to the conference. During the 1998 conference, youths were exposed to various educational, career, esteem building, and leadership development opportunities. The NC Indian Youth Unity Conference is hosted annually by the North Carolina Native American Youth Organization in collaboration with the NC Commission of Indian Affairs (Substance Abuse Prevention and Awareness Program), the state's Indian tribes and organizations, and the Title IX Indian Education Programs in the counties.

SCHOLARSHIPS TO FOURTEENTH ANNUAL ANDREW JOHNSON MEMORIAL APPRENTICESHIP AND TRAINING FORUM

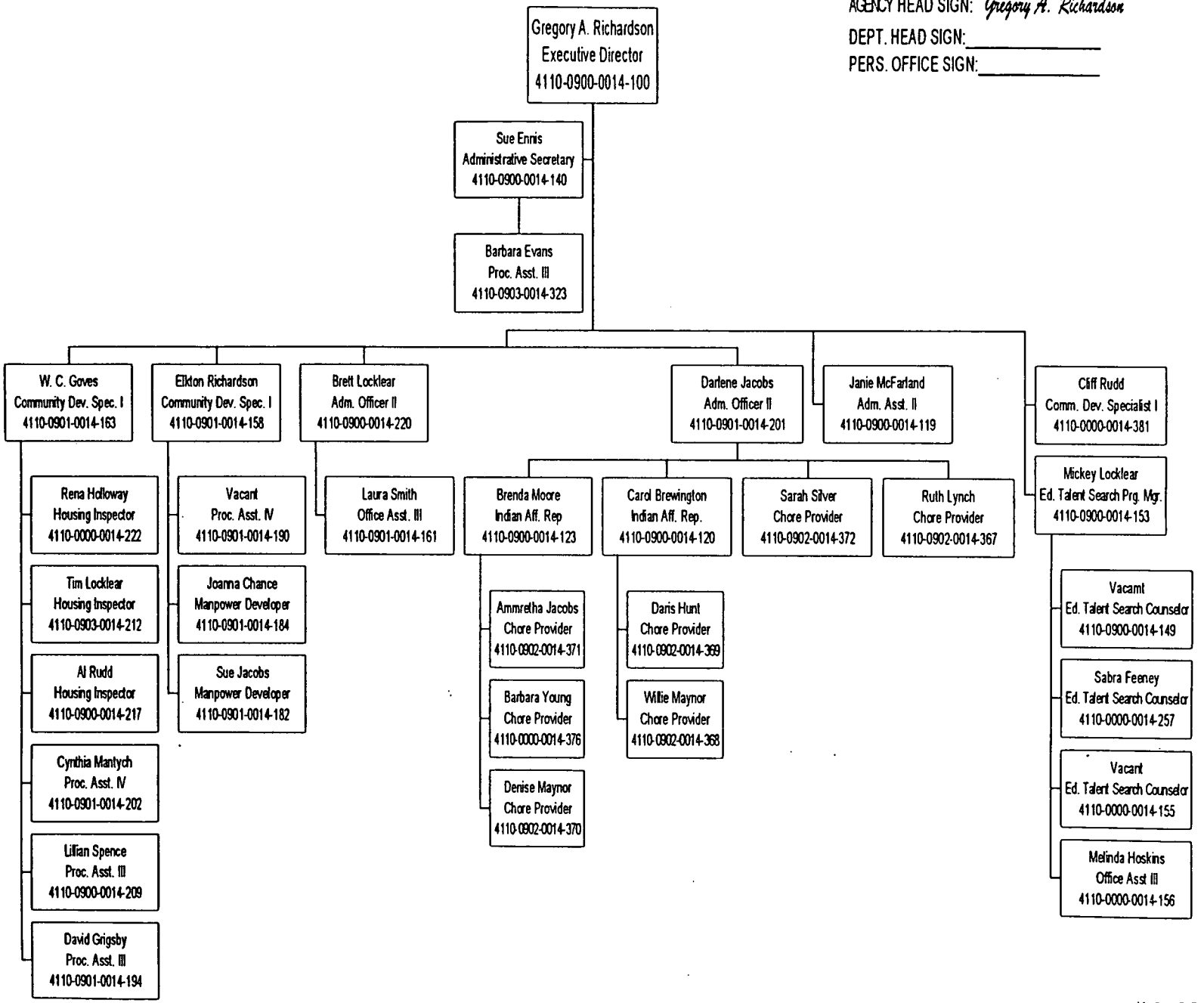
In an effort to increase American Indian participation and involvement in apprenticeship programs, the commission the North Carolina Department of Labor Bureau of Apprenticeship and Training jointly coordinated and sponsored representatives from the state's Indian tribal communities to attend the 1998 Andrew Johnson Memorial Apprenticeship and Training Forum. The forum is hosted annually by the North Carolina Department of Labor, and provided an exchange of ideas on training concepts, technologies, linkages and apprenticeship program activities between business, industry, education, and government. In addition to representatives from six of the state's ten Indian communities, two American Indian attendants were Section 401 JTPA (Indian & Native American) Program managers

JTPA PROGRAM DIRECTOR APPOINTMENT TO US DEPARTMENT OF LABOR INDIAN AND NATIVE AMERICAN PROGRAM REGULATIONS WORK GROUP

The commission's JTPA Program director was appointed by US Dept. of Labor officials and the chair of the Native American Programs Advisory Council to serve as part of a technical work group to devise program regulations for Indian programs under the new Workforce Investment Act of 1998. The work group has produced and revised drafts of the regulations, which are currently in the internal clearance process at Labor, are slated to go to OMB on February 3 for publishing as interim final regulations.

DEPARTMENT [redacted]TRATION
NC COMMISSION [redacted]IAN AFFAIRS
February 1999

AGENCY HEAD SIGN: *Gregory A. Richardson*
DEPT. HEAD SIGN:_____
PERS. OFFICE SIGN:_____



IA 2-99

North Carolina Indians

North Carolina Department of Administration
N.C. Commission of Indian Affairs • 217 W. Jones Street, Raleigh, N.C. 27603-1336 • (919) 733-5998
Fax (919) 733-1207 *http://www.doa.state.nc.us/doa/cia/indian.htm*

Population

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

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

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

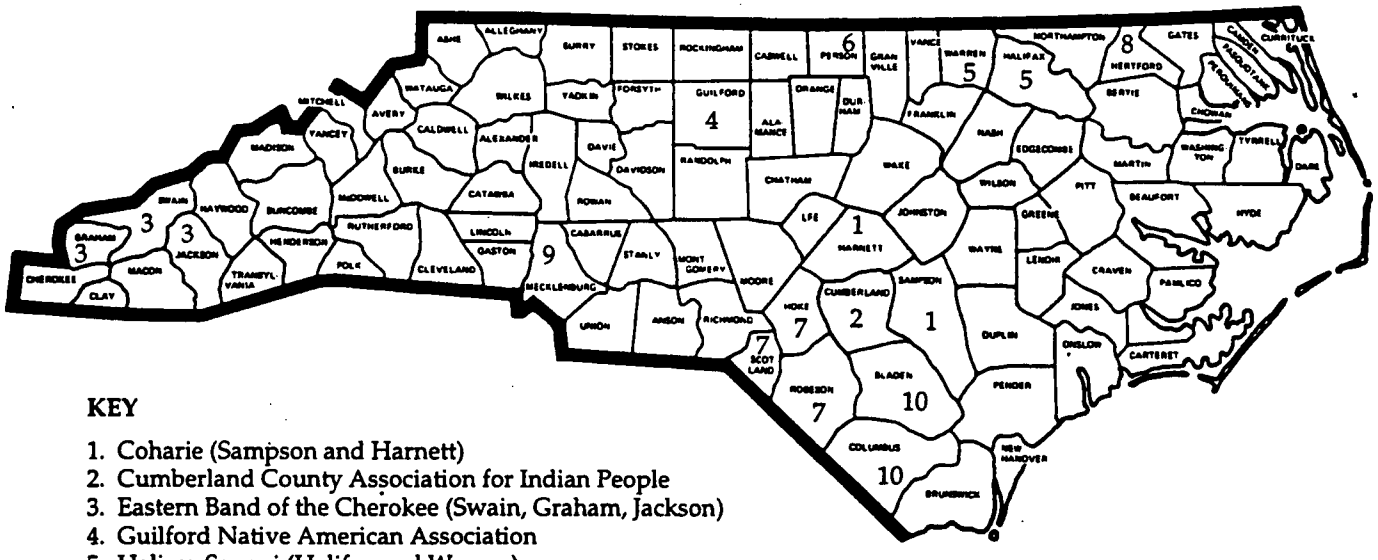
State Recognized

Coharie (Sampson and Harnett)
Haliwa-Saponi (Halifax and Warren)
Indians of Person County (Person)
Lumbee (Robeson, Hoke, Scotland)
Meherrin (Hertford)
Waccamaw-Siouan (Bladen and Columbus)

Federally Recognized

Eastern Band of Cherokee
(Swain, Graham, Jackson)

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



KEY

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

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

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

Age

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

Education

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

Income

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

For more information contact:
North Carolina Commission of Indian Affairs
North Carolina Department of Administration
217 W. Jones Street
Raleigh, North Carolina 27603-1336
(919) 733-5998
Fax (919) 733-1207
http://www.doa.state.nc.us/doa/cia/indian.htm

NORTH CAROLINA INDIAN ORGANIZATIONS

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

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

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

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

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

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

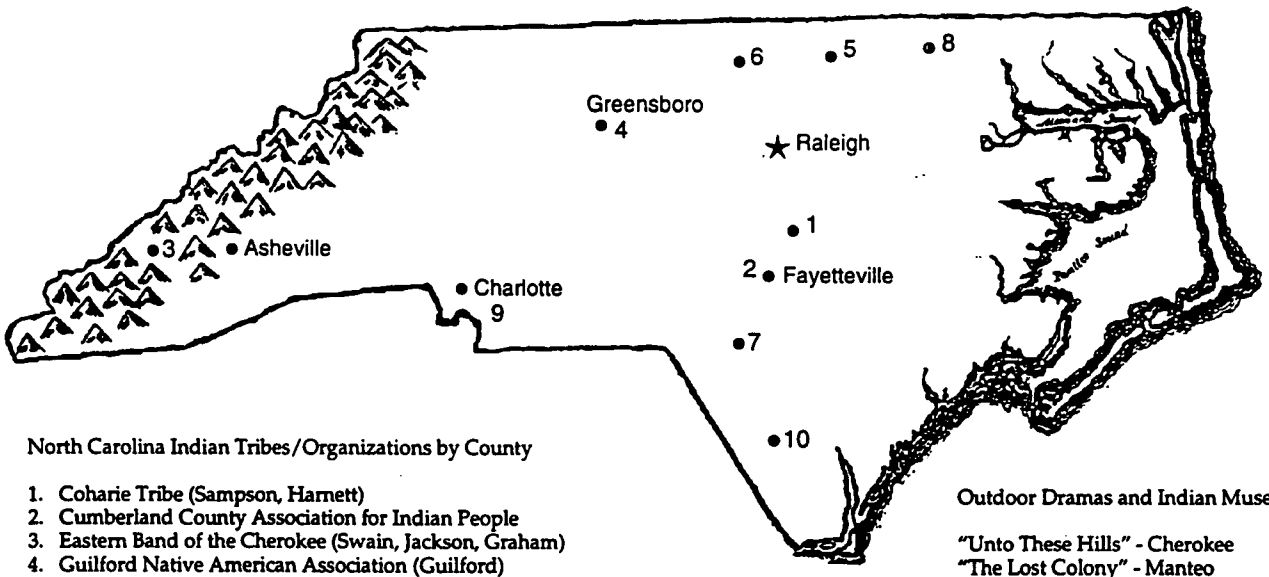
Indians of Person County
P.O. Box 3265
Roxboro, N.C. 27573
Phone: (336) 599-5020

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

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

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

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

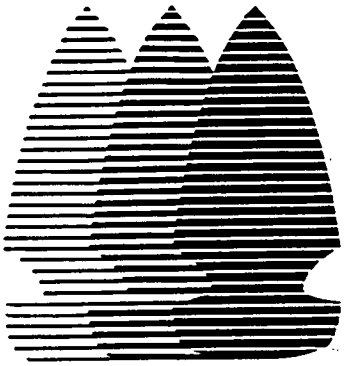


North Carolina Indian Tribes/Organizations by County

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

Outdoor Dramas and Indian Museums

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



North Carolina Indian Population (By County)

North Carolina Department of Administration
N.C. Commission of Indian Affairs • 217 West Jones Street, Raleigh, N.C. 27603-1336 (919) 733-5998
Fax (919) 733-1207 *http://www.doa.state.nc.us/doa/cia/indian.htm*

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

TOTAL 80,155

Source: 1990 U.S. Census

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Cumberland County Association for Indian People

The Cumberland County Association for Indian People (CCAIP) was established in 1965 to enhance and promote the self-sufficiency, socioeconomic development and self-determination of the approximately 4,000 American Indians living in the Fayetteville/Cumberland County area. The association is governed by a 10-member board of directors elected annually. CCAIP offices are located in the old Les Maxwell School Building which served Indian students from 1954 to 1967.

Programs offered by the association include Job Training Partnership Act (JTPA), cultural education, Head Start, child day care, a senior citizen meal site, adult and youth recreational services, small business development assistance, food pantry, information and referral, and a senior citizen program. The association also operates Four Feathers Enterprises, a furniture design and production business, and Four Feathers Arts and Crafts Center, a successful arts and crafts business.

Program services operated by the N.C. Commission of Indian Affairs in Cumberland County include Substance Abuse Prevention and Awareness, Educational Talent Search and in-home aide services for the elderly/physically challenged through the Community Services Program. In addition, Community Services Block Grant (CSBG) and Community Action Partnership Program (CAPP) funding is subcontracted to CCAIP by the commission each year. A cultural festival is sponsored by the Cumberland association each October.

Guilford Native American Association

Guilford Native American Association (GNAA) is a non-profit, urban organization established in 1975 to represent and serve the approximately 3,000 American Indians living in Guilford and surrounding counties. The mission of GNAA is to implement educational, cultural, social and economic programs and activities that will help American Indians achieve social and economic self-sufficiency and self-determination. GNAA is governed by a 10-member board of directors elected annually.

Major funding over the last several years from the Administration for Native Americans and the U.S. Department of Labor has assisted the association in the implementation of several successful economic development projects. These include Guilford Native Industries, a Job Training Partnership Act (JTPA) program; the GNAA Child Day Care Center; The Indian Property Initiative (T.I.P.I), a housing program; Rising Star Greetings, an all-occasion Indian greeting card enterprise; the Guilford Native American Art Gallery and Gift Shop; and Guilford Native Furniture Accessories. Community Services Block Grant (CSBG) and Community Action Partnership Program (CAPP) funding is subcontracted to GNAA by the N.C. Commission of Indian Affairs each year. In addition, the commission's Educational Talent Search Program serves eligible Indian students between the ages of 11 and 27 in Guilford County.

Special activities of GNAA include an annual powwow and cultural festival, youth and senior citizens projects, and the annual awarding of two $1,000 scholarships to worthy Indian students.

Metrolina Native American Association

Metrolina Native American Association (MNAA) was established in 1976 to address the needs and concerns and promote the self-sufficiency and self-determination of the 4,500 American Indians residing in the 10-county area of the southern piedmont known as Metrolina. The association is governed by a nine-member board of directors elected by the Indian community annually.

The association operates a Job Training Partnership Act (JTPA) program and also offers cultural enrichment programs and economic development assistance. All activities are coordinated with other Indian organizations and programs as well as with area agencies and businesses. Funding for the association is provided by the U.S. Department of Labor, the North Carolina Arts and Science Council, the Office of Economic Opportunity, community donations and various fundraisers held each year by the association. Community Services Block Grant (CSBG) and Community Action Partnership Program (CAPP) funding is subcontracted to MNAA by the N.C. Commission of Indian Affairs each year.

Metrolina Indian News, the association's monthly newsletter, keeps community members informed of MNAA-sponsored activities. Special activities include annual cultural festivals and powwows, an annual Captain's Choice Golf Tournament, an MNAA Princess Pageant, and activities for youth and senior citizens.

North Carolina Commission of Indian Affairs
217 W. Jones Street
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(919) 733-5998 Fax (919) 733-1207
http://www.doa.state.nc.us/doa/cia/indian.htm
Gregory A. Richardson, Executive Director
Paul Brooks, Chairman

Field Offices

Columbus County
Bolton
(910) 655-8778 (Section 8 Housing)
(910) 655-4689 (Community Services)
(910) 655-8708 (JTPA)

Cumberland County
Fayetteville
(910) 483-8442 (Community Services)

Granville County
Oxford
(919) 693-2456 (Section 8 Housing)

Halifax County
Hollister
(919) 586-4017
(Section 8 Housing)
(Community Services)

Hoke County
Raeford
(910) 875-2581 (Section 8 Housing)

Person County
Roxboro
(919) 599-0952 (Section 8 Housing)

Robeson County
Pembroke
(910) 521-0887 (Community Liaison)

Sampson County
Clinton
(910) 564-6152 (Community Services)
(910) 564-4941 (Section 8 Housing)
(910) 564-6726 (JTPA)

North Carolina Indian Tribes and Organizations

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

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

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

Guilford Native American Association
P.O. Box 5623
Greensboro, N.C. 27435
(910) 273-8686

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

Indians of Person County
P.O. Box 3265
Roxboro, N.C. 27573
Phone: (336) 599-5020

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

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

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

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

State of North Carolina - James B. Hunt Jr., Governor
N.C. Department of Administration - Katie G. Dorsett, Secretary
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NORTH CAROLINA INDIANS

North Carolina Commission of Indian Affairs

The North Carolina Commission of Indian Affairs is a state agency created by the N.C. General Assembly in 1971 to represent the interests and advocate for the rights and needs of the North Carolina Indian population. Commission programs are aimed at improving the educational, employment, health, and socioeconomic status of the American Indian citizens of the state. The commission operates under the direction and supervision of the N.C. Department of Administration and is one of five advocacy agencies housed within the department.

The membership of the commission is composed of 18 representatives from the state's six recognized Indian tribes and three urban Indian organizations, five state officials, and an appointee of both the speaker of the N.C. House of Representatives and the lieutenant governor. Ex-officio members include representatives from two statewide Indian youth organizations, the North Carolina Native American Youth Organization (NCNAYO) and the North Carolina Native American Council on Higher Education (NCNACOHE).

According to the 1990 U.S. Census, North Carolina's Indian population totals 80,155 giving the state the largest Indian population east of the Mississippi River and the seventh largest Indian population in the nation. Six Indian tribes call North Carolina home. The Lumbee, Coharie, Waccamaw-Siouan, Haliwa-Saponi and Meherrin Tribes are state recognized while the Eastern Band of the Cherokee possesses both state and federal recognition. In addition, three major urban Indian organizations serve the American Indian populations of Charlotte, Greensboro and Fayetteville.

Coharie

The Coharie Indian Tribe lives in Sampson and Harnett counties and has approximately 1,700 members. According to tradition, the Coharie are descended from Iroquoian-speaking tribes, the Ri-Coherrians or Saxapahaw who settled on the Cape Fear and Saxapahaw rivers and tributaries.

The Coharie Intra-Tribal Council Inc. is a non-profit agency established to promote the health, education, social and economic well-being of the Coharie people. It is housed in the old Eastern Carolina Indian School building, a school which served Indian people of Sampson, Harnett, Hoke, Columbus, Cumberland, Bladen and Person counties from 1942 to 1966. Programs operated by the Coharie Intra-Tribal Council include an arts and crafts/cultural enrichment program and VISTA. Economic development ventures include two day care centers serving children ages 0-12 and a fish farming operation.

Programs offered to the Coharie by the N.C. Commission of Indian Affairs include Section 8 Housing; Job Training Partnership Act (JTPA); Educational Talent Search; and Community Services, which provides volunteer transportation, a meal site and in-home aide services for the elderly/physically challenged. In addition, the commission subcontracts Low Income Energy Assistance Program (LIEAP) funding to the Coharie Intra-Tribal Council each year. The Coharie annual powwow is held each September.

Eastern Band of the Cherokee

The Eastern Band of the Cherokee live on the Qualla Boundary, a land area comprised of 56,572 acres directly adjacent to the Great Smoky Mountains National Park. The more than 10,000 members of the Eastern Band are descendants of those Cherokee who, in the late 1830s, remained in the mountains of North Carolina rather than be forced to march along the infamous "Trail of Tears" to Oklahoma.

Today, the Eastern Band of the Cherokee is the only tribe of North Carolina's six recognized tribes which possesses both state and federal recognition, lives on a reservation and is served by the Bureau of Indian Affairs in the U.S. Department of the Interior; the Indian Health Service in the U.S. Public Health Service; and the federal departments of Labor, Commerce, and Health and Human Services. The North Carolina Commission of Indian Affairs subcontracts Community Action Partnership Program (CAPP) funding to the Eastern Band of the Cherokee each year.

Favorite local attractions include annual cultural festivals, the Occanaluftee Indian Village, the outdoor drama "Unto These Hills," trout fishing and the Museum of the Cherokee Indian. Traditional Cherokee arts and crafts such as baskets, pottery, beadwork, finger weavings, stone carvings and wood carvings are sold at the Qualla Arts and Crafts Mutual, an artist cooperative on the Qualla Boundary. The Cherokee Fall Festival is held each October.

Haliwa-Saponi

The Haliwa-Saponi live primarily in Halifax and Warren counties in the northern part of the state and regard Hollister and Bethlehem as the centers of their community. The Haliwa-Saponi Tribe is the third largest tribe in North Carolina with approximately 3,000 tribal members. Records indicate that the Haliwa-Saponi are descended from the Saponi, Tuscarora and Nansemond native peoples. They have been in Halifax and Warren counties since the late 1700s.

During the early 1950s, the tribal members built and maintained their own independent Indian school. However, consolidation and integration forced the closing of the school in 1969. The building is presently used for tribal community meetings, arts and crafts classes, recreational activities, and as a senior citizen nutrition site.

Programs operated by the Haliwa-Saponi Tribe for the benefit of its members include a day care center for children ages 0-5; senior citizens program; federal recognition project; Job Training Partnership Act (JTPA) program; alcohol, drug and pregnancy prevention project; energy assistance program; and economic development. Program services offered to the Haliwa-Saponi by the N.C. Commission of Indian Affairs include Child Abuse and Neglect Prevention; Substance Abuse Prevention and Awareness; Section 8 Housing Assistance; and Community Services, which provides volunteer transportation and in-home aide services to the elderly/physically challenged. In addition, Low Income Energy Assistance Program (LIEAP) funding is subcontracted to the Haliwa-Saponi by the commission each year. The Haliwa-Saponi hold an annual powwow each April.

Indians of Person County

The Indians of Person County were reinserted into legislation as a state-recognized tribe in May of 1997. This legislation was based on prior legislation in 1911, when the tribe received original state recognition. As a result of this legislation, the Person County Indians now have representation on the North Carolina Commission of Indian Affairs.

The Indians of Person County are served by High Plains Indians Inc., a non-profit organization which serves approximately 900 enrolled members. The tribal council is made up of seven members - - a representative from each of the original seven families. The tribe is located along the Mayo Creek in what is referred to as the High Plains community. The community straddles the border of North Carolina and Virginia in the counties of Person and Halifax, respectively. Since the 1800s, the area has been a farming community of seven families of Indian descent. In 1888, the High Plains Indian School was built and remained open through 1962. The center of the community has historically been Calvary Baptist Church, which provided the organization of the governance for the Indian community. Funds from Title IX have been awarded to the Indians of Person County to enhance cultural enrichment programs.

The goal of this organization is "to offer and promote educational, economic and social opportunities while maintaining and preserving our history as an Indian people."

Lumbee

The over 40,000 members of the Lumbee Tribe reside primarily in Robeson, Hoke and Scotland counties. The Lumbee Tribe is the largest tribe in North Carolina, the largest tribe east of the Mississippi and the ninth largest tribe in the nation. The Lumbee take their name from the Lumber River which winds its way through Robeson County.

The ancestors of the Lumbee were mainly Cheraw and related Siouan-speaking Indians who lived in the area of what is now Robeson County. The Lumbee people have been recognized by the state of North Carolina since 1885. In 1956 a bill was passed by the U.S. Congress which recognized the Lumbee as Indian, but denied the tribe full status as a federally recognized Indian tribe. Federal recognition for the tribe is currently being sought through federal legislation.

The Lumbee Regional Development Association (LRDA) is a private, non-profit organization established in 1968 to provide needed services to the Lumbee people. Programs currently operated by LRDA include Job Training Partnership Act (JTPA), Low Income Energy Assistance (LIEAP), Head Start, Educational Talent Search, Child Day Care and Tribal Enrollment. Economic development projects operated by LRDA include WYRU, the strongest AM radio station in Robeson County, and the Lumbee Model Poultry Farm.

The Substance Abuse Prevention and Awareness and Child Abuse and Neglect Prevention programs of the N.C. Commission of Indian Affairs serve Robeson County while the commission's Educational Talent Search and Section 8 Housing Assistance programs serve Hoke County. In addition, Community Action Partnership Program (CAPP) funding is subcontracted to LRDA by the commission each year. Lumbee powwows are held each May and October.

Meherrin

The Meherrin Indians number approximately 600 and reside in several small communities in Hertford, Bertie, Gates and Northampton counties. The Meherrin are of the same linguistic grouping as the Cherokee, Tuscarora and other tribes of the Iroquois Confederacy of New York and Canada. "Meherrin" means "people of the muddy water" or "muddy water people."

The Meherrin Tribe is governed by a chief and a seven-member tribal council elected by the tribe's enrolled membership. Programs operated by the tribe include a Federal Acknowledgment Project; Cultural Retention; and the Meherrin Trading Post, a tribal arts and crafts shop. Tribal services are funded by the Administration for Native Americans and funds generated through private donations and tribal fund-raising activities. Job training and employment services are provided to tribal members through the Job Training Partnership Act (JTPA) program of the North Carolina Commission of Indian Affairs. The Meherrin hold an annual powwow each October and a cultural festival each April.

Waccamaw-Siouan

The Waccamaw-Siouan Tribe of 1,800 members is located in the southeastern counties of Bladen and Columbus. The Waccamaw-Siouan call themselves the "People of the Fallen Star," recalling an old legend which tells of a ball of fire falling to earth and creating Lake Waccamaw.

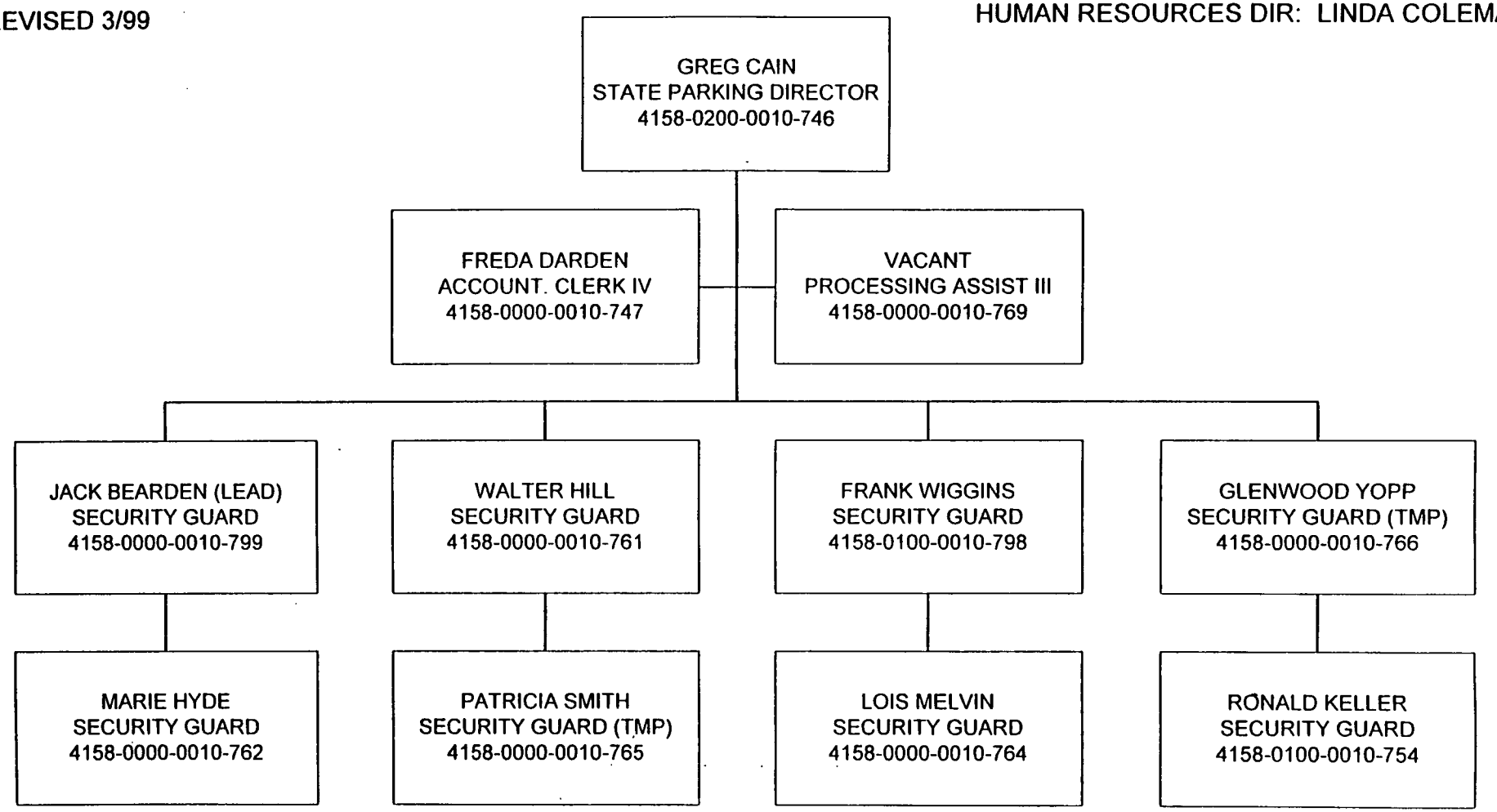
The Waccamaw-Siouan Development Association (WSDA) is a non-profit organization created in 1971 to identify and address the educational, health, social and economic development needs of the Waccamaw-Siouan people. The association is governed by a five-member board of directors elected annually by the Waccamaw-Siouan people.

Current programs operated by WSDA include housing development for low and moderate income families, child day care, economic development and cultural rediscovery. Programs offered to the Waccamaw-Siouan by the N.C. Commission of Indian Affairs include Job Training Partnership Act (JTPA); Educational Talent Search; Section 8 Housing Assistance; and Community Services, which provides volunteer transportation and in-home aide services to the elderly/physically challenged. In addition, Low Income Energy Assistance Program (LIEAP) and Community Action Partnership Program (CAPP) funds are subcontracted to WSDA by the commission each year. The Waccamaw-Siouan Tribe holds an annual powwow each October.

DEPARTMENT OF ADMINISTRATION
PARKING
REVISED 3/99

STATE PARKING SERVICES

AGENCY HEAD: GREG CAIN
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



THE NORTH CAROLINA COUNCIL FOR WOMEN

Mission Statement

The North Carolina Council for Women is the only state agency which advocates exclusively on behalf of women. Its mission is to advise the governor, the North Carolina Legislature and the principal state departments on the special needs of women in North Carolina by: identifying and assessing needs; collecting and distributing information and acting as a resource for the county and regional councils on the status of women; offering services to women in crisis, such as victims of sexual assault and domestic violence; cooperating with groups and individuals working on behalf of women, and working toward expanding equal opportunities in employment and education for women.

Major Program Accomplishments & Goals

Domestic Violence

* In 1993-94, the Council administered funding to 64 domestic violence programs at approximately $17,500 per program and presently, the Council is providing state funding to 76 domestic violence programs at $33,910 and the NC Coalition Against Domestic Violence receives $10,000. Additionally, marriage license fees were divided among all programs and the Coalition amounting to $16,935 each.
* To have the $1,000,000 which is in the 1998-99 budget for domestic violence placed in the continuation budget instead of the non-recurring budget. Attaining additional funding for existing domestic violence programs and funding for new programs with a goal of establishing a program in each of the 100 counties.

Sexual Assault

* In 1993-94, the Council administered state funding to 51 programs at $14,410 per program and presently, the amount per program is $18,940 for the 57 programs which includes state funds of $15,657 and federal funds of $3,283.
* Attain additional funding for existing sexual assault programs and funding for new programs.

Rape Prevention

* Under the Federal Violence Against Women Act, funds for rape prevention and education were allocated. In 1998-99, 61 programs received $15,000 each to use in providing education, training and prevention for their communities. The NC Coalition Against Sexual Assault received $60,000 to use in a campus rape prevention project
* Maintain federal funding for local programs to provide education and prevention in communities.

Displaced Homemakers

* In 1993, the Council succeeded in securing funding in the amount of $375,000 from the Legislature for a pilot program to serve the more than 500,000 displaced homemakers in North Carolina. Fifteen programs were funded at varying levels in the first year. Funding was included in the continuation budget for ongoing programming for this population, and now 24 programs serve women statewide. Three of these programs won national awards for innovation and service delivery to this population: Mecklenburg Women's Commission, HOPE4 program in Rutherfordton and Southeastern Community College for their One Stop Career Center. Senate Bill 475 introduced in the 1997 General Assembly was ratified the 29th day of October, 1998 establishing the Fund for Displaced Homemakers. This Act was effective December 1, 1998, and assesses a $20 fee from persons filing final divorce actions. It will generate approximately $740,000 a year and will be administered to Displaced Homemaker Programs by the NC Council for Women.

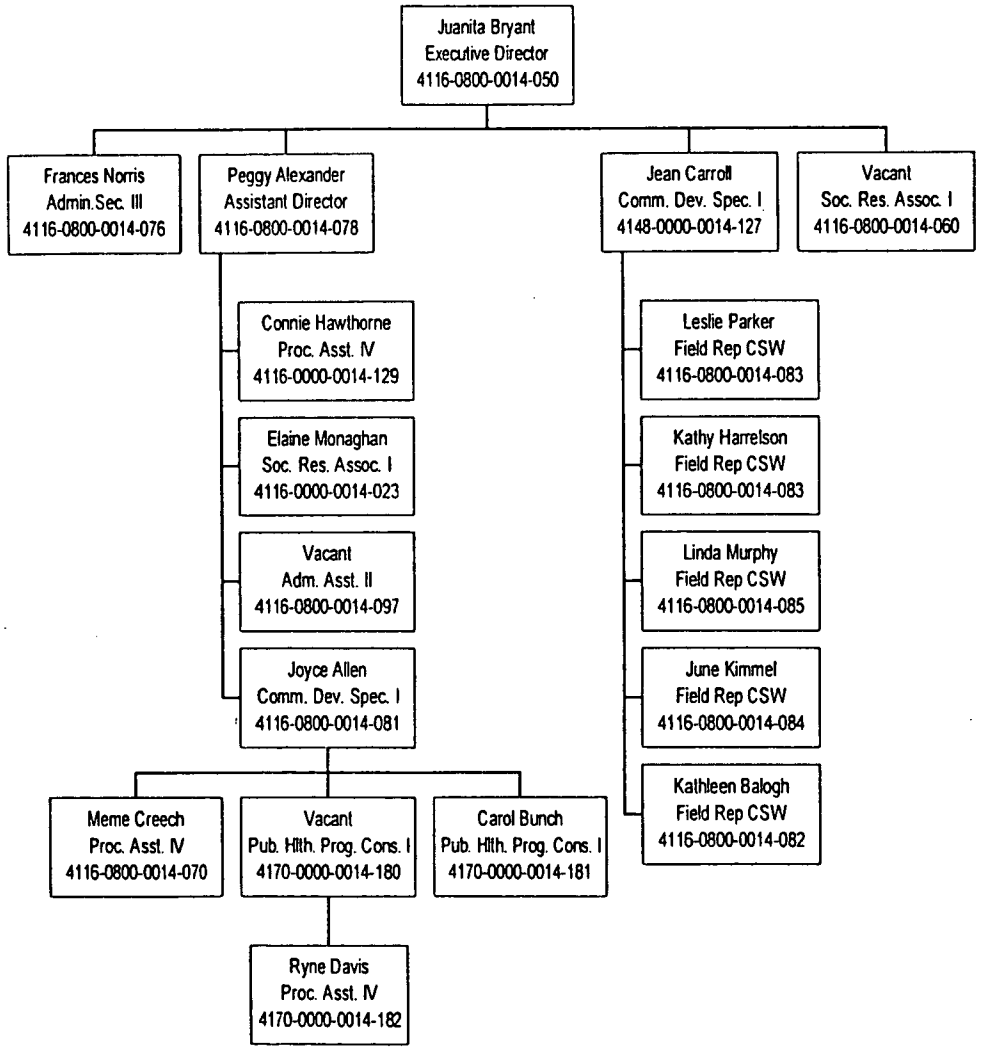
* The new steps for welfare reform are bringing a surge of new clients for our Displaced Homemaker Programs. We will be working harder than ever to attain adequate funding to service as many displaced homemakers as possible.

Local Councils/Commissions for Women

* Over the past four years, the Council has focused on strengthening its grassroots network, of which local councils are a strong component. One new local council has been established in Brunswick County, and 36 are functioning statewide.
* Continue to work towards establishment of Local Councils/Commissions. Our past achievements are a testament to the fact that there are opportunities out there if we can tap into the resources in each county or community to build these local councils and commissions.

N.C. Council for Women
Dept. of Administration
2/1/99

Agency Head _____
Dept. Head_____
Personnel Office_____



CFW2/99

Governor's Advocacy Council for Persons with Disabilities

The Governor's Advocacy Council for Persons with Disabilities (GACPD) is part of a nationwide system of protection and advocacy agencies. It is a civil rights protection agency committed to serving citizens with disabilities in North Carolina.

GACPD staff provide advocacy services to any citizen of North Carolina who has a physical or mental condition that substantially limits one major life activity and who falls within the agencies priorities and case selection criteria as set by the board each year.

GACPD, a division of the N.C. Department of Administration, is guided by a 21-member board comprised of volunteers appointed by the state's top leaders in government.

Accomplishments from October 1997 to date:

I. Development of a consistent information and referral service system.

- Studied the system that the state's information and referral agency, "Careline", uses.
- Examined linking with other service providers via the Internet.
- Provided information and referral services to 5,239 callers.

II. Promotion and enforcement of the right to receive services and supports which are free from abuse and neglect, and which provides access to due process, informed consent, confidentiality and privacy in 24 hour facilities.

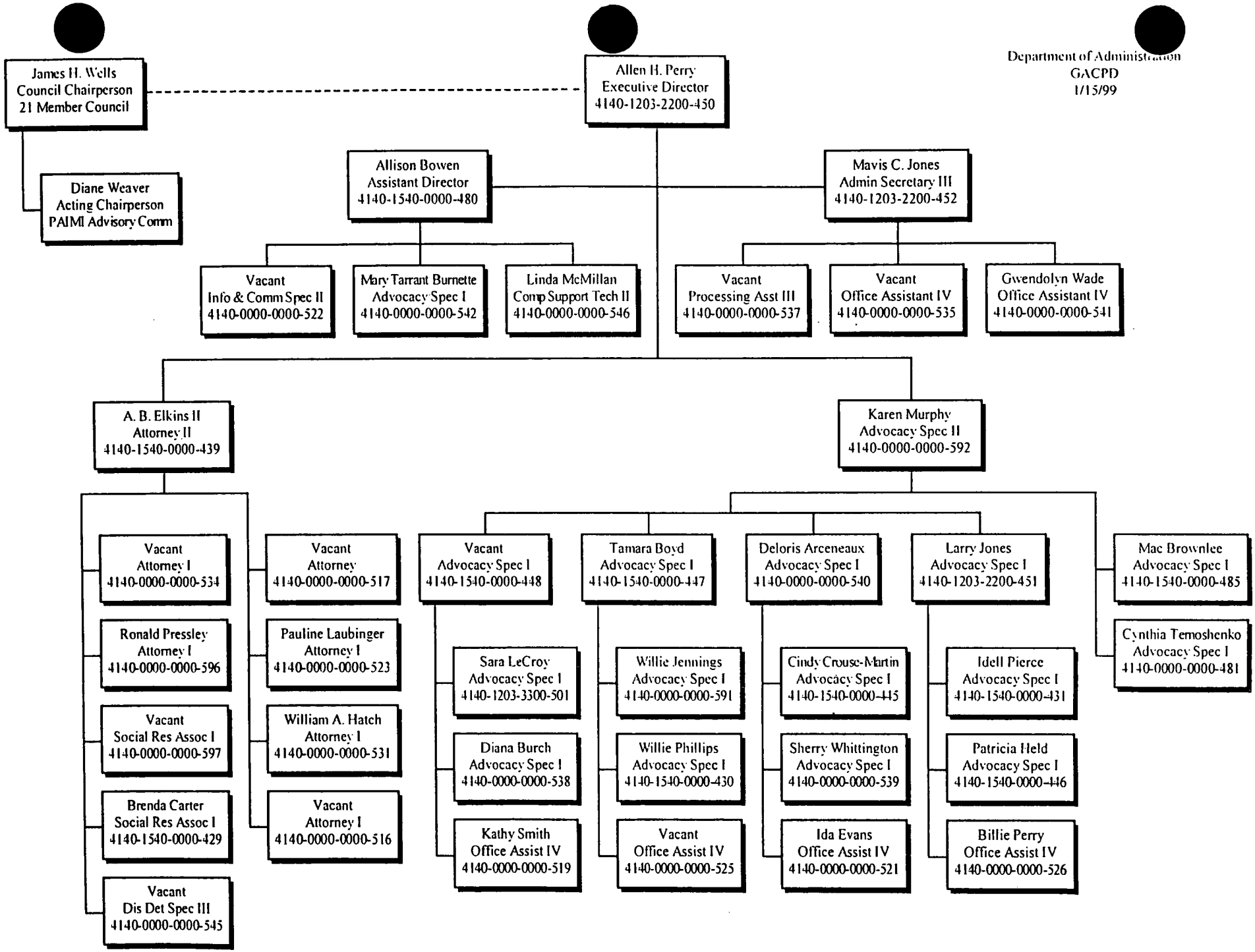
- Investigated 434 cases of abuse and/or neglect in state residential facilities.
- Investigated the death of two teens in psychiatric hospitals. One of these investigations will be featured in an upcoming documentary produced by "60 Minutes", to be broadcast nationally.
- Investigated allegations of sexual abuse in the state's schools for the deaf.
- Promoted the Health Care Personnel Registry, which allows employers to determine whether prospective employees have a history of substantiated acts of abuse and neglect at other institutions.

III. Enforcement of the rights of people with disabilities to choose where they live, work and recreate while retaining public moneys and supports.

- Provided training to 4,022 persons with disabilities, family members and service providers on the rights of persons with disabilities. Five workshops focused on ethnic minorities and rural or underserved populations
- Accepted as cases all denials of CAP slots, a Medicaid waiver which allows persons with disabilities to live outside an institution.
- Filed a class action lawsuit against the Health Care Financing Administration for denial of coverage for persons with severe disabilities.
- Obtained a graduate school intern from the Department of Rehabilitation Counseling UNC-Chapel Hill, to research barriers to living independently, particularly young people inappropriately placed in nursing homes.

IV Elimination of disability-based discrimination in education, medical/dental services, transportation and employment.

- Represented 158 clients in education cases and 62 in employment cases.
- Surveyed 7 beaches on North Carolina's coast for physically accessibility. Only one of the 7 was found to be fully accessible.
- Distributed over 700 "Parents Together", a manual for explaining a student's rights under IDEA (Individuals with Disabilities Education Act.)
- Pursued the NC Department of Transportation for failing to comply with the Americans with Disabilities Act requiring the installation of curb cuts when resurfacing streets. As of February 1999, 98.5% of the curb cuts had been completed.


James H. Wells
Council Chairperson
21 Member Council
Diane Weaver
Acting Chairperson
PAIMI Advisory Comm
Allen H. Perry
Executive Director
4140-1203-2200-450
Department of Administration
GACPD
1/15/99
Allison Bowen
Assistant Director
4140-1540-0000-480
Mavis C. Jones
Admin Secretary III
4140-1203-2200-452
Vacant
Info & Comm Spec II
4140-0000-0000-522
Mary Tarrant Burnette
Advocacy Spec I
4140-0000-0000-542
Linda McMillan
Comp Support Tech II
4140-0000-0000-546
Vacant
Processing Asst III
4140-0000-0000-537
Vacant
Office Assistant IV
4140-0000-0000-535
Gwendolyn Wade
Office Assistant IV
4140-0000-0000-541
A. B. Elkins II
Attorney II
4140-1540-0000-439
Karen Murphy
Advocacy Spec II
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Vacant
Attorney I
4140-0000-0000-534
Ronald Pressley
Attorney I
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Vacant
Social Res Assoc I
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Brenda Carter
Social Res Assoc I
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Vacant
Dis Det Spec III
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Vacant
Attorney
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Pauline Laubinger
Attorney I
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William A. Hatch
Attorney I
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Vacant
Attorney I
4140-0000-0000-516
Vacant
Advocacy Spec I
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Tamara Boyd
Advocacy Spec I
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Deloris Arceneaux
Advocacy Spec I
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Larry Jones
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Mac Brownlee
Advocacy Spec I
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Cynthia Temoshenko
Advocacy Spec I
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Sara LeCroy
Advocacy Spec I
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Diana Burch
Advocacy Spec I
4140-0000-0000-538
Kathy Smith
Office Assist IV
4140-0000-0000-519
Willie Jennings
Advocacy Spec I
4140-0000-0000-591
Willie Phillips
Advocacy Spec I
4140-1540-0000-430
Vacant
Office Assist IV
4140-0000-0000-525
Cindy Crouse-Martin
Advocacy Spec I
4140-1540-0000-445
Sherry Whittington
Advocacy Spec I
4140-0000-0000-539
Ida Evans
Office Assist IV
4140-0000-0000-521
Idell Pierce
Advocacy Spec I
4140-1540-0000-431
Patricia Held
Advocacy Spec I
4140-1540-0000-446
Billie Perry
Office Assist IV
4140-0000-0000-526

N.C. HUMAN RELATIONS COMMISSION

The purpose of the North Carolina Human Relations Commission is to advocate, enforce, and promote equality of opportunity in the areas of housing, fair employment practices, public accommodations, education, justice and governmental services for all people in North Carolina. The division serves as a focal point for developing, maintaining and improving human relations by fostering communication and encouraging the establishment of local human relations councils. The division also provides crisis intervention in potentially disruptive situations and promote the right of every person in the state to live and work in peace and to be free of violence and intimidation.

Accomplishments for 1997

Race Relations Training

In 1996, the Human Relations Commission received $35,000 from Z. Smith Reynolds Foundation to conduct race relations training. In 1997, a statewide race relations training and four regional sessions with over 350 participants were held as a result of this grant. Also in 1997, the Commission received an additional $50,000 from Z. Smith Reynolds Foundation to develop a manual and training videos that local human relations commissions and other organizations can use to conduct their own race relations training.

Fair Housing Law Enforcement

The North Carolina Human Relations Commission is charged with the administration and enforcement of the fair housing law, including the investigation, mediation and litigation of fair housing cases and the provision of fair housing education and training for North Carolina. In 1997, the Commission received approximately 865 housing inquiries. 79 cases alleging housing discrimination were dual-filed with the U. S. Department of Housing and Urban Development (HUD) and the Commission closed 63 cases. The Commission also successfully conciliated 18 out of 23 aged litigation cases in which a reasonable grounds determination had been made following an investigation.

Fair Housing Outreach

In an effort to affirmatively further fair housing, the Human Relations Commission conducted approximately 118 outreach efforts. The Commission has, in an outreach and educational effort, created a web page on the Internet making available the State Fair Housing Act in English and Spanish and allowing access to the complaint forms for use by the public. The Commission has also printed for distribution the State Fair Housing Act booklets, brochures and posters in English and Spanish.

Employment/Public Accommodations

The Human Relations Commission answered approximately 2,973 telephone inquiries with employment and public accommodations concerns by offering assistance and making referrals to other agencies.

Hate Violence Reporting/Investigation
The Human Relations Commission established and trained 31 Hate Violence Information Network affiliates across North Carolina. These affiliates signed a memorandum of understanding stating that they would contact the Commission when a hate incident has occurred in their community. 75 hate/violence incidents were reported and investigated by the Commission.

Police Community Relations Training
The Human Relations Commission trained 315 persons in 21 police community relations training sessions for law enforcement departments across the state.

Hispanic/Latino Meeting
On May 6, 1997, the Department of Administration, along with the NC Human Relations Commission, hosted a meeting with 39 Hispanic/Latino leaders to hear the issues and concerns for their community. As a result of this meeting, several Hispanics/Latinos have been appointed to state commissions including the NC Human Relations Commission.

Accomplishments for 1998

Fair Housing Law Enforcement
The North Carolina Human Relations Commission is charged with the administration and enforcement of the fair housing law, including the investigation, mediation and litigation of fair housing cases and the provision of fair housing education and training for North Carolina. In 1998, the Commission received approximately 796 housing inquiries. Forty-three cases alleging housing discrimination were dual-filed with the U. S. Department of Housing and Urban Development (HUD), and the Commission closed 68 cases. The Commission also successfully conciliated 10 aged litigation cases in which a reasonable grounds determination had been made following an investigation.

Fair Housing Outreach
In an effort to further fair housing affirmatively, the Human Relations Commission conducted approximately 80 outreach efforts. The Commission has, in an outreach and educational effort, created a web page on the Internet making available the State Fair Housing Act in English and Spanish and allowing access to the complaint forms for use by the public. The Commission has also printed for distribution the State Fair Housing Act booklets, brochures, and posters in English and Spanish.

Employment/Public Accommodations
The Human Relations Commission answered approximately 1,059 telephone inquiries with employment and public accommodations concerns by offering assistance and making referrals to other agencies.

Hate Violence Reporting/Investigation
The North Carolina Human Relations Commission established and trained 35 Hate Violence Information Network (HAVIN) affiliates across North Carolina. These affiliates signed a memorandum of understanding committing to informing the Commission when a hate incident occurs in their community. Fifty-nine incidents were reviewed and/or investigated by the Commission.

Police-Community Relations
The Human Relations Commission trained 195 police officers in five training sessions. In other diversity sessions conducted with fire departments and other agencies/organizations, 584 persons were trained in 15 sessions.

Special Projects
The Human Relations Commission cooperated with the Winston-Salem Urban League in conducting a session called "Bridging the Gap in Race Relations". One session was held per region which involved 174 people.

MARTIN LUTHER KING, JR. COMMISSION

The North Carolina Martin Luther King, Jr. Commission provides assistance and advice to local governments and private organizations across the State with respect to the observance of the Martin Luther King holiday and year-round activities regarding the philosophy of Dr. King. The Commission promotes an awareness and appreciation for the life and work of Dr. Martin Luther King, Jr. The Commission awards mini-grants to organizations that promote the philosophies of Dr. King on a year-round basis.

Accomplishments for 1997

Annual Bell Ringing Ceremony
The Martin Luther King, Jr. Commission sponsored a Bell Ringing Ceremony at the Bicentennial Plaza on the official holiday. Several hundred people observed the ceremony and public officials participated in the program.

MLK Mini-Grants
The Martin Luther King, Jr. Commission awarded $49,107 in mini-grants to 31 non-profit organizations to celebrate the life and philosophy of Dr. Martin Luther King, Jr. on a year-round basis.

Accomplishments for 1998

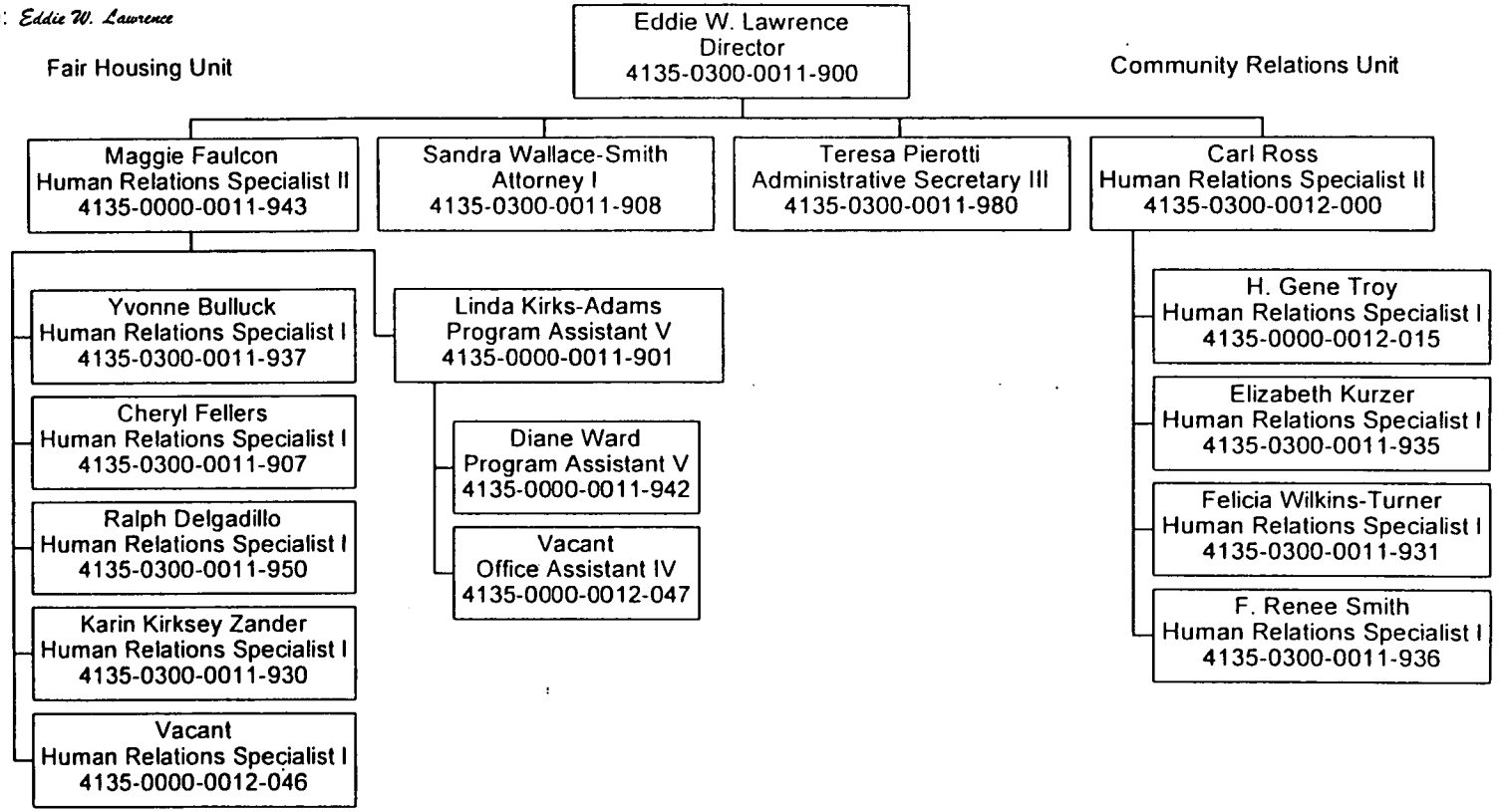
MLK Mini-Grants

The Martin Luther King, Jr. Commission awarded $54,709 in mini-grants to 28 non-profit organizations to celebrate the life and philosophy of Dr. Martin Luther King, Jr. throughout the year.

Annual Bell Ringing Ceremony

The Martin Luther King, Jr. Commission sponsored a Bell Ringing Ceremony at the Bicentennial Plaza on the official holiday. Several hundred people observed the ceremony and public officials participated in the program.

Department of Administration
Human Relations Commission
Date: 1/1/99
Agency Head Signature: *Eddie W. Lawrence*



HRC1-99

Youth Advocacy and Involvement Office

SUMMARY

The Youth Advocacy and Involvement Office (YAIO), under the leadership of advisory councils and in cooperation with public and private agencies, serves as an advocate for the children and youth of North Carolina. This agency seeks to enhance the quality of the lives of children and youth through individual and class advocacy intervention and by offering opportunities for leadership development and experiential education.

ACCOMPLISHMENTS

Mini-Grants:

- Last year, 18 youth organizations received $11,500 in mini-grants for youth-related projects (average $683)

Youth Legislative Assembly:

- 250 youth from 42 counties participated in this three-day event

Internship Program:

- Placed 100 interns each summer throughout North Carolina

Publications:

- VOICE FOR YOUTH, two editions (Summer '97, Winter '98) mailed 2,200 copies which included a comprehensive children and youth update

- Received grant funding of $10,000 to publish update of the YOUTH RIGHTS AND RESPONSIBILITIES handbook

Advocacy:

- Approximately 123 individual intervention cases were handled. We assisted "*Another Choice for Black Children,*" the state's only African-American Adoption agency secure a $600,000 federal adoption opportunities grant to help place older children and siblings for adoption. This office assisted *Another Choice* in becoming established.

- We led the way in advocating for the safety of children at North Carolina's three schools for the deaf by calling for an SBI investigation and making 17 recommendations to DHHS, many of which have been adopted.

- We successfully advocated for the smoke detector penalties law which will help prevent fire deaths of children.

- We opposed the closing of the Whitaker School for Emotionally Troubled Teens in Butner, North Carolina and successfully advocated for a $250,000 planning and design appropriation to replace this 1943 facility.

Students Against Destructive Decisions (SADD):

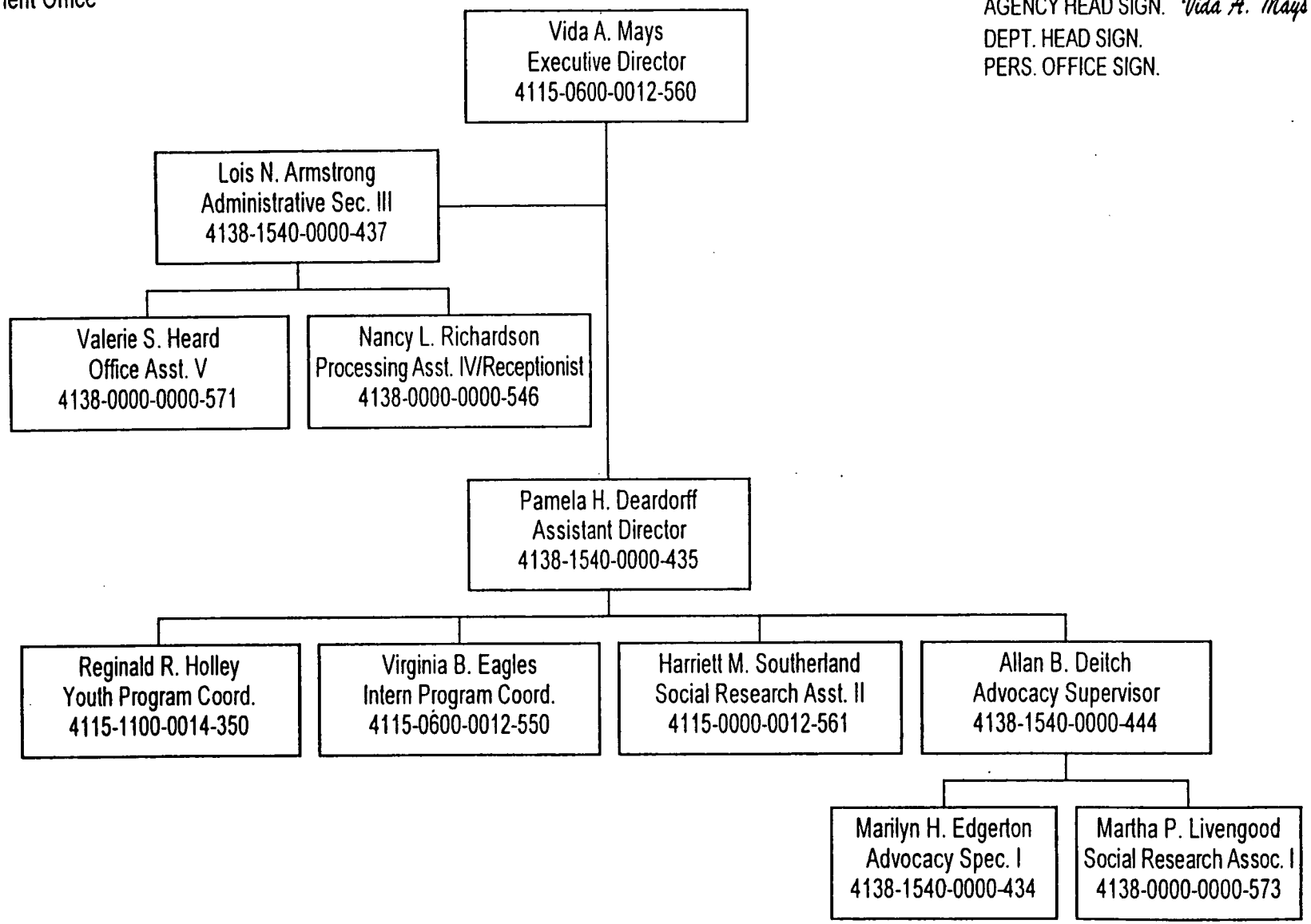
- 214 students representing 35 counties in the state and one (1) out of state attended a two-day conference sponsored by this office which also provides technical assistance to approximately 280 SADD chapters in North Carolina.

Outreach:

- Funding Resources for Children conference was held November 10, 1997, at McKimmon Center, Raleigh with 250 participants.

DEPARTMENT ADMINISTRATION
Youth Advocacy and Involvement Office
Revised 1/15/99

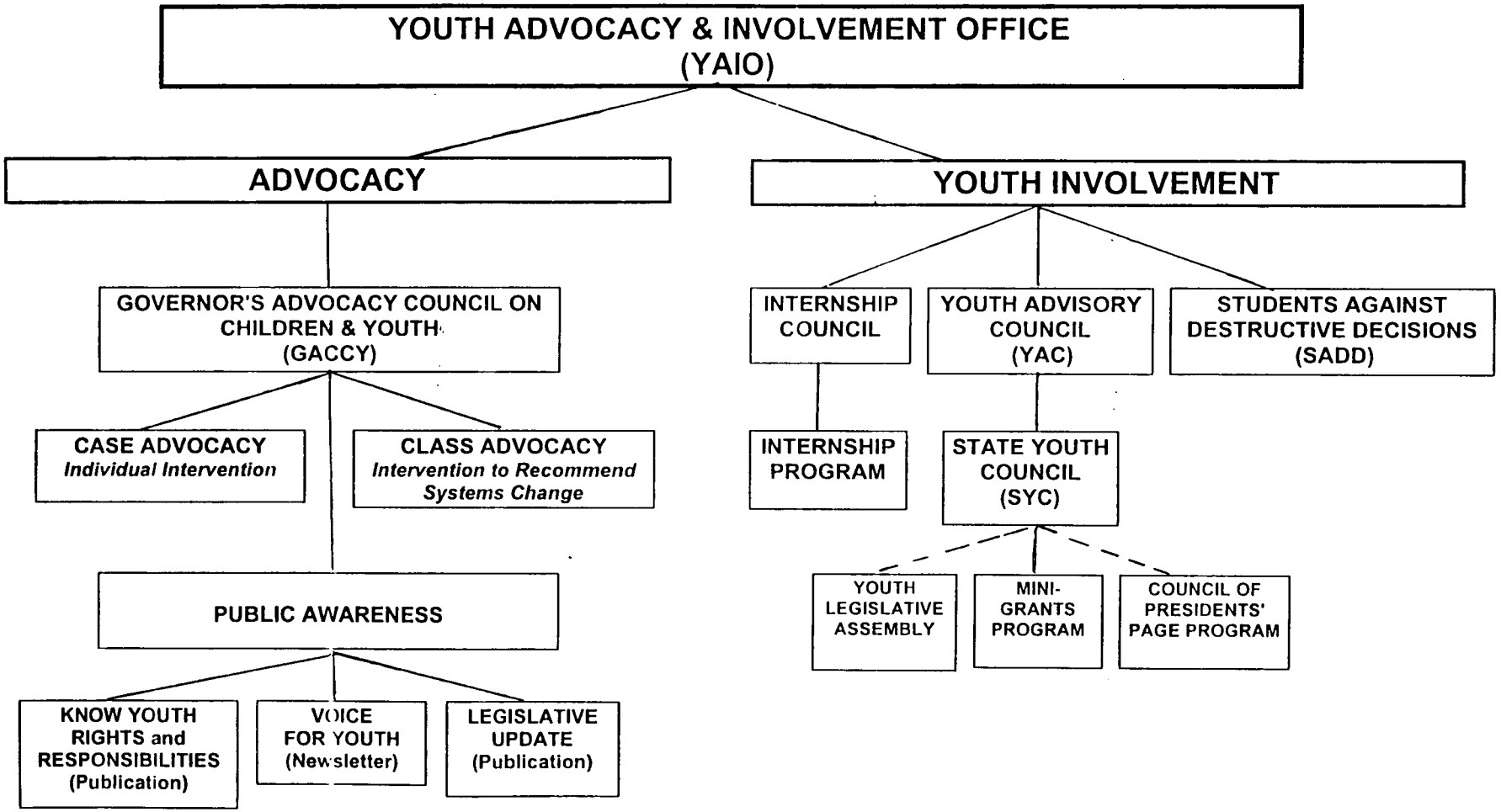
DATE: Jan 5, 1999
AGENCY HEAD SIGN. *Vida A. Mays*
DEPT. HEAD SIGN.
PERS. OFFICE SIGN.



YOU1-99

YOUTH ADVOCACY & INVOLVEMENT OFFICE

MISSION STATEMENT: *The Youth Advocacy and Involvement Office (YAIO), under the leadership of advisory councils and in cooperation with public and private agencies, serves as an advocate for the children and youth of North Carolina. This agency seeks to enhance the quality of the lives of children and youth through individual and class advocacy intervention and by offering opportunities for leadership development and experiential education.*



An 11-member staff provides support to each of these initiatives.

FACILITY MANAGEMENT DIVISION

SUMMARY

Facility Management Division provides preventive maintenance and repair services to the state government complex and some facilities used by government workers in outlying areas. Services include minor new construction, renovation, carpentry, cabinetry, painting, housekeeping, landscaping, steam plant, HVAC, electrical, plumbing, welding, elevator maintenance, lock shop operation, fire and pest services, and parking supervision.

ACCOMPLISHMENTS

1. Implemented a new Preventive Maintenance Program on July 1, 1995 in over 146 buildings and parking facilities consisting of over 1,950 equipment items.

2. Energy and Utility Savings Initiatives:

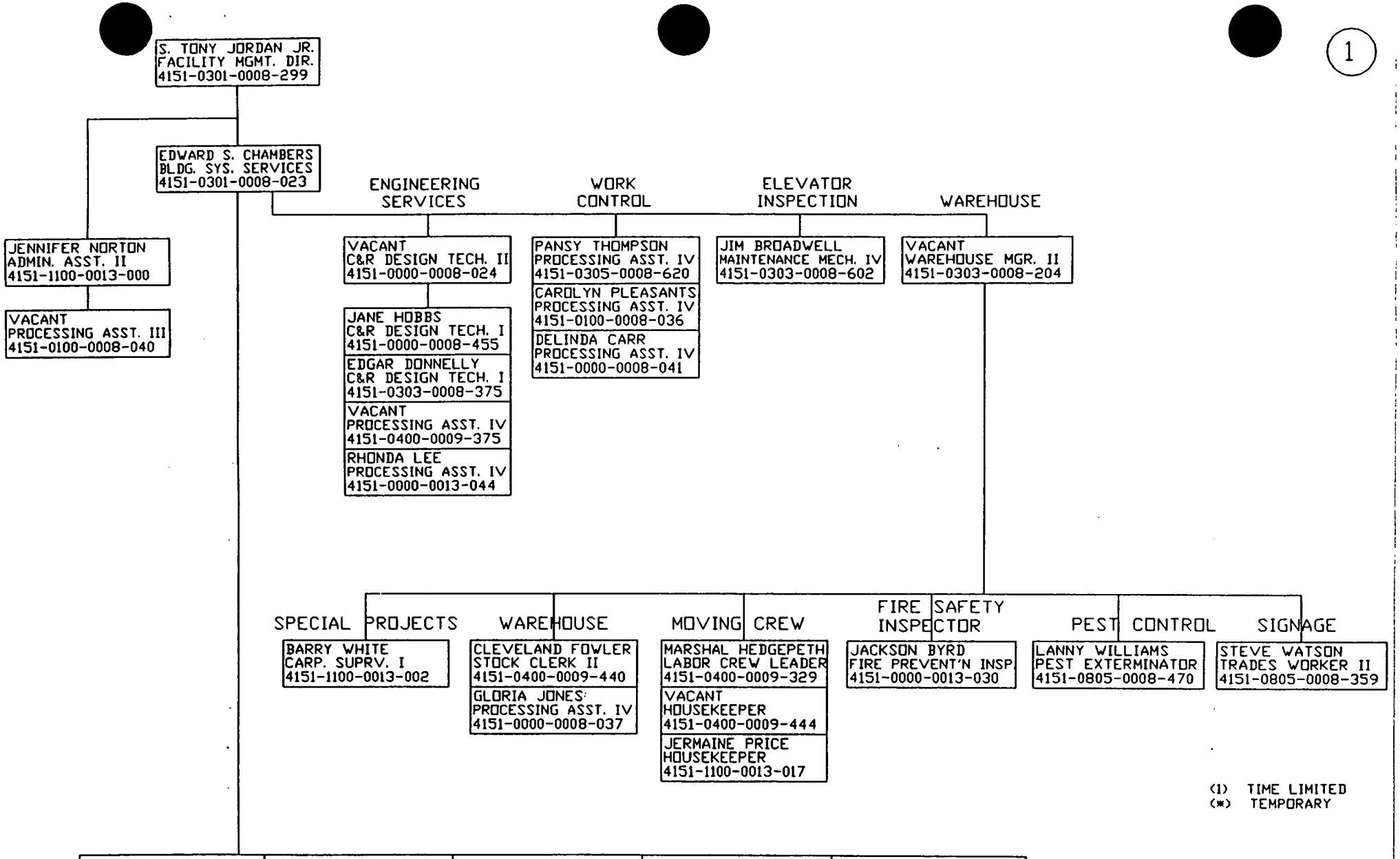
   - Reviewed and selected best rates for electricity usage.
   - Converted 1,840 fire exit signs and lights from incandescent to fluorescent and LED.
   - Changed purchasing of natural gas at the Central Heat Plant and saved over $100,000 during the past two years compared to previous way.
   - Changed water rate for irrigation systems and eliminated sewer charges.
   - Insulated 22 of 22 historic homes on Blount Street.
   - Realized a savings of over $387,000 in energy costs over the past two years despite rising energy prices.

3. Rebid elevator maintenance contract which resulted in a $93,000 savings per year over previous contract.

4. Increased the number of inmates worked on a daily basis from 15 to 60.

5. Assumed responsibility for recycling program in the State Government Complex.

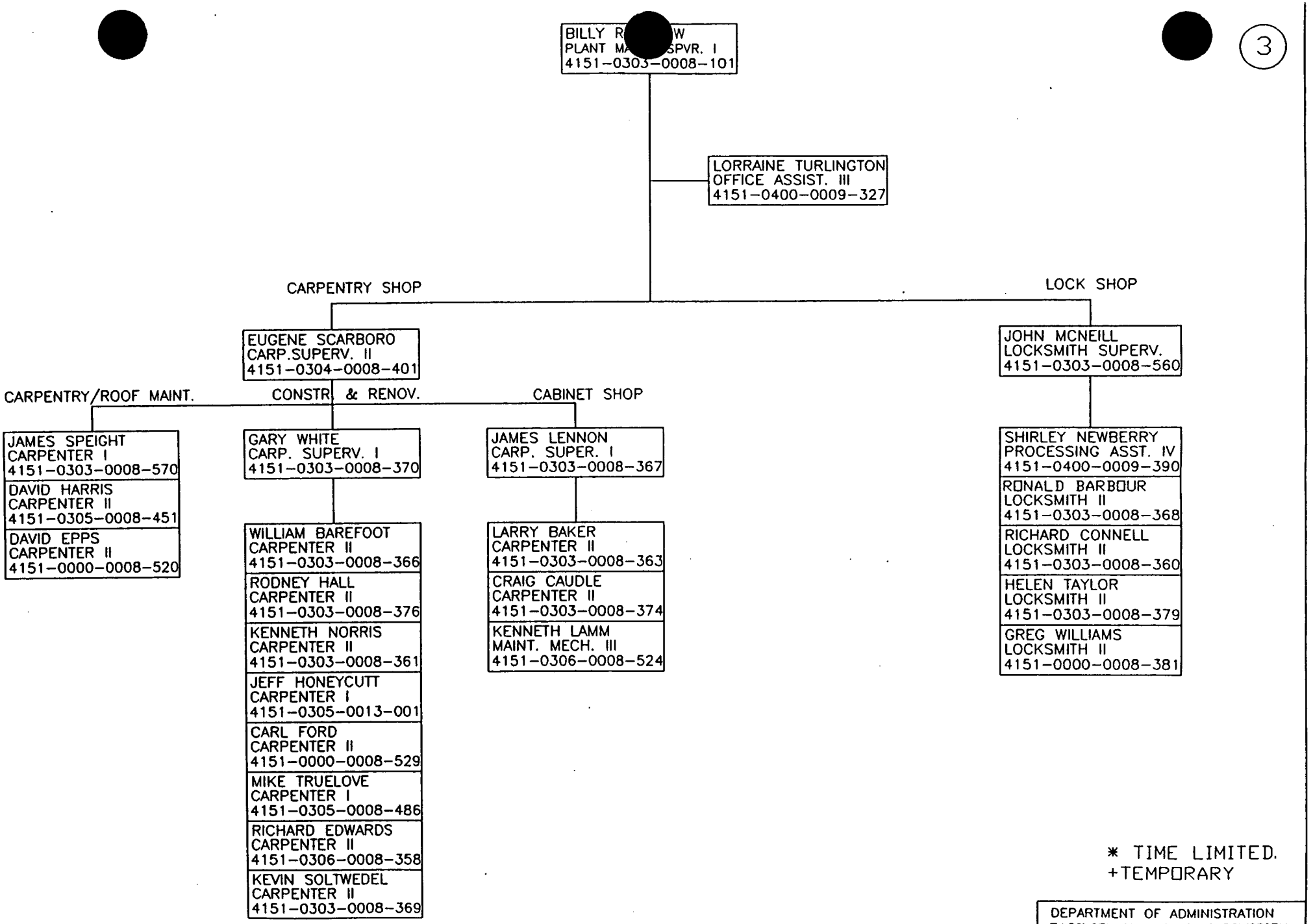
6. Completed an analysis of the current organization and received approval to implement a zonal maintenance concept for building systems equipment.



(1) TIME LIMITED
(*) TEMPORARY

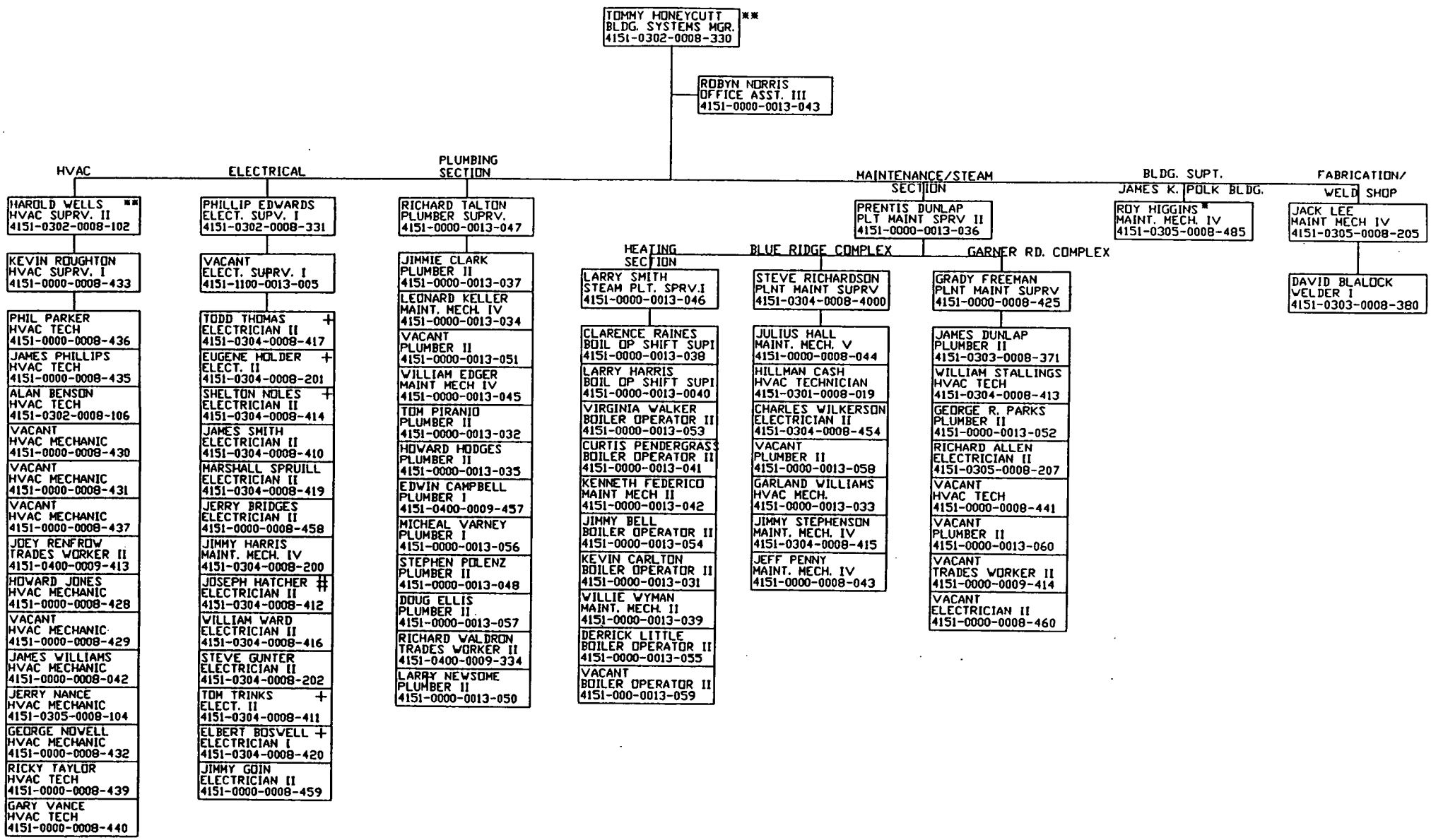
SEE P. 2 SEE P. 3 SEE P. 4 SEE P. 5 SEE P. 6

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD ADMINISTRATION
SIGNED:
REVISED: 1-11-99



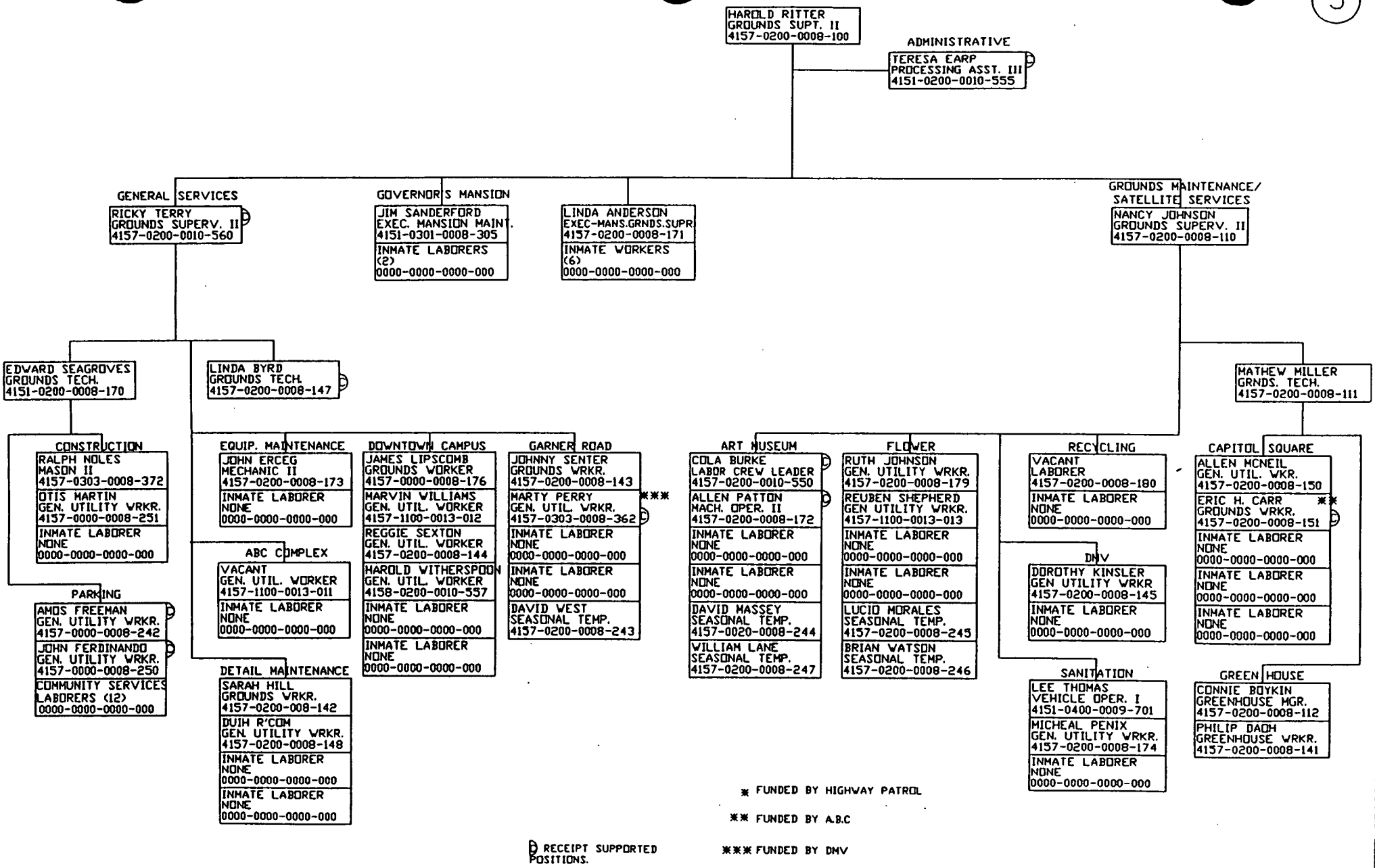
* TIME LIMITED.
+TEMPORARY

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD CONSTRUCTION SVCS.
SIGNED:
REVISED: 1-11-99



\+ N.C. ELECTRICAL LICENSE
++ CERTIFIED WELDER
* N.C. PLUMBING LICENSE
** CFC CERTIFIED TECHNICIAN
\# TEMPORARY

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD BUILDING SYSTEMS
SIGNED:
REVISED: 1-11-99



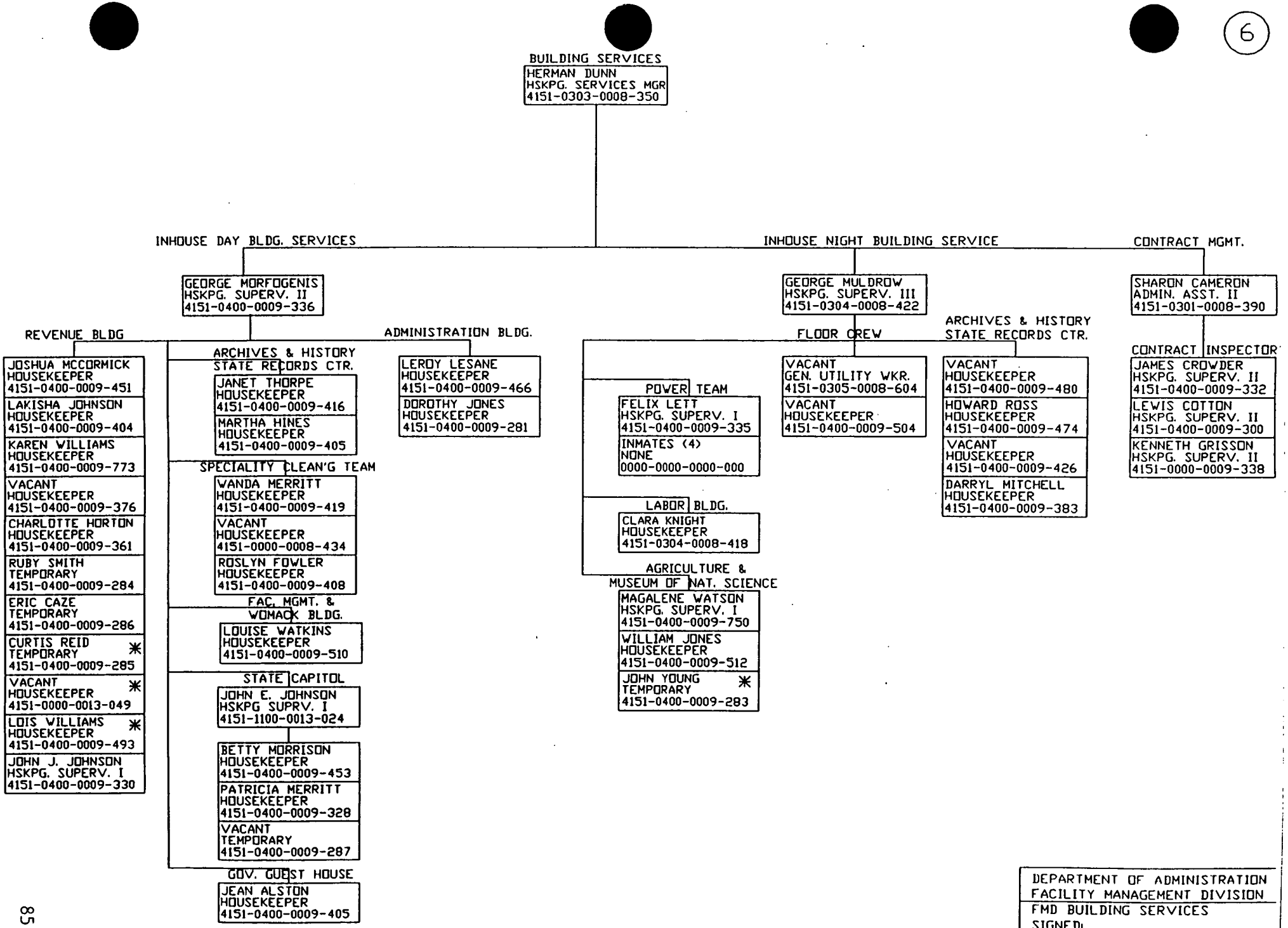
* FUNDED BY HIGHWAY PATROL

** FUNDED BY A.B.C

*** FUNDED BY DMV

RECEIPT SUPPORTED POSITIONS.

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD LANDSCAPE SERVICES
SIGNED:
REVISED: 7-21-98



DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD BUILDING SERVICES
SIGNED:
REVISED: 1-11-99

MANAGEMENT INFORMATION SYSTEMS

Token Ring to Ethernet Conversion

Management Information Systems converted the Administration building from token ring to switched ethernet in the spring of 1998. DOA has experienced multiple problems with our token ring local area network (LAN) within the Administration building for multiple years. As more computer devices were added to the network, technical problems increased and reliability decreased. The LAN was one large segment that was over it's rated capacity. There was a need to break the LAN into smaller segments to eliminate most of the local network traffic from other floors. A Baystack 350T Ethernet Switch was installed in the computer room and fiber was pulled to each floor from the switch. Token ring network cards were replaced with ethernet network cards in every PC and printer for DOA in the building. The switch has segmented each floor eliminating network traffic on floors where it is not needed. The Ethernet topology uses less overhead, thus eliminating additional conjestion. MIS also completed a simular conversion for Facility Management.

Year 2000 Projects

Management Information Systems has corrected several DOA LAN based account receivable systems and inventory tracking systems that were not year 2000 compliant. These are older systems that were written in Dbase IV and Foxpro for Windows.

Interactive Purchasing System

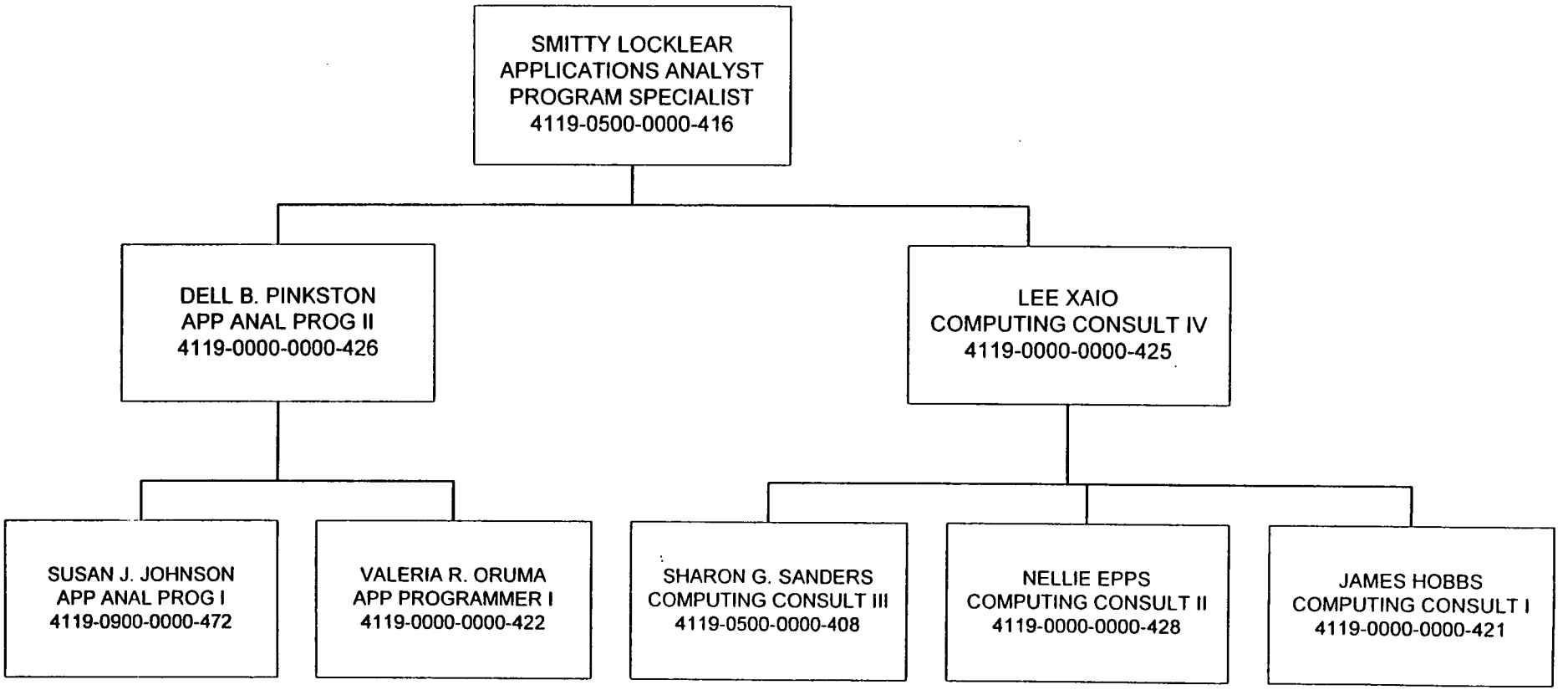
Management Information Systems has re-designed the functionality of the Interactive Purchasing System (IPS) for Purchasing and Contracts. MIS Staff has been assigned with additional contract staff to start application development on the new design. This design will allow agencies to electronically track the status of bids with more detail information. Vendor registration is also a part of the re-design allowing the IPS system to automatically notify qualified vendors via e-mail when new bids are electronically posted. Vendors may then choose to download the bid document from the IPS Web server, print the bid, fill it out and mail it back to Purchasing and Contracts. This eliminates mass paper mailings to vendors that may not be interested in bidding.

State Surplus Bids

Management Information Systems has added additional functionality to the State Surplus System that automatically updates their Web Page with surplus information that the public can bid on. The public can then decide what items they wish to bid on by downloading the system generated PDF document, printing it out, and mailing it back to State Surplus. After bid openings, the bids are then tabulated and displayed on their Web site for the public to view.

DEPARTMENT OF ADMINISTRATION
MANAGEMENT INFORMATION SYSTEMS
REVISED 3/99

AGENCY HEAD: SMITTY LOCKLEAR
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



STATE CAPITOL POLICE DIVISION

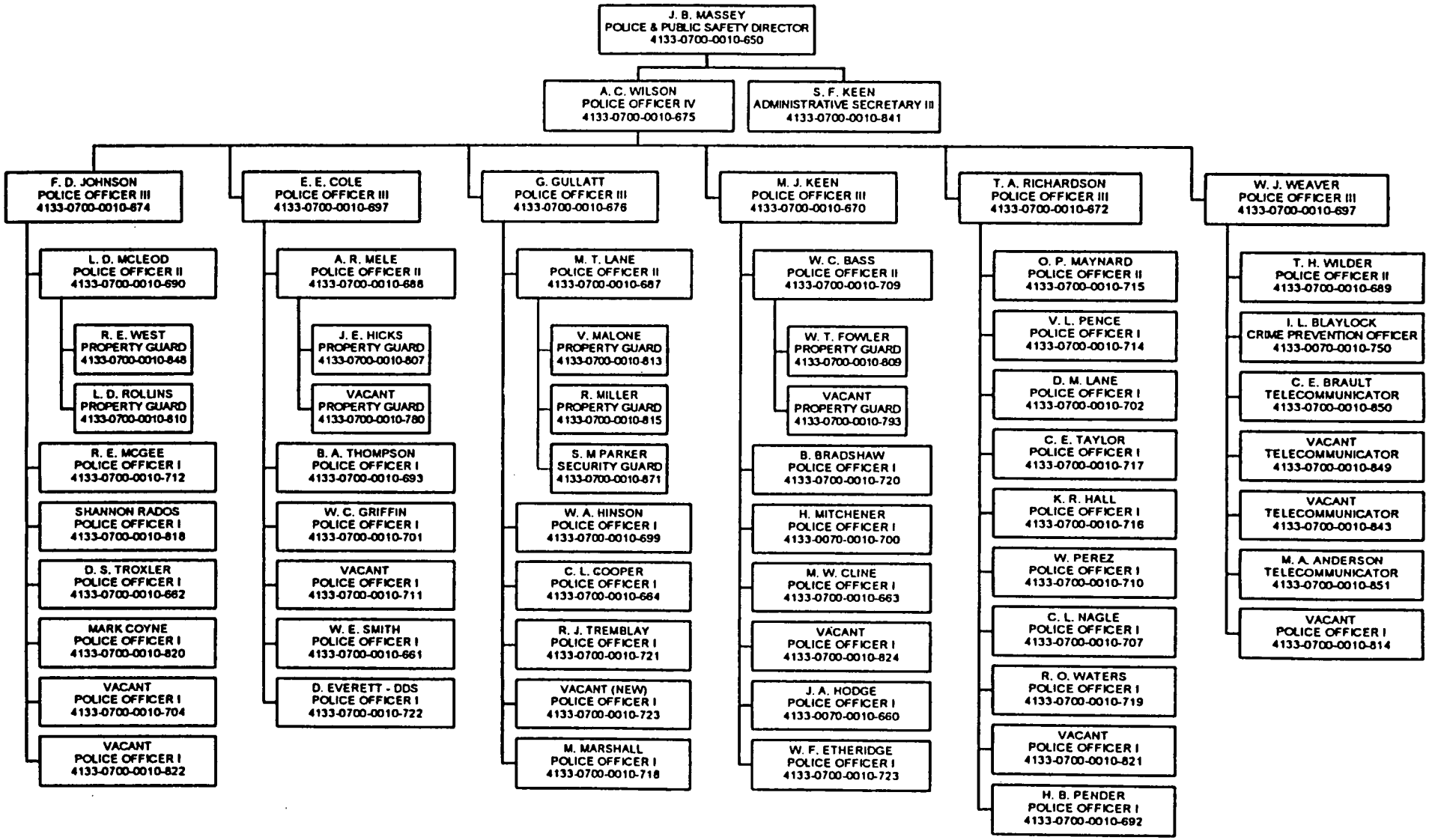
SUMMARY OF DIVISION

The State Capitol Police Division, a law enforcement agency with police powers throughout Raleigh and state property in Wake County, provides security and property protection for state government facilities in Raleigh, Garner, Cary and Wake County. The agency protects employees and visitors; secures state-owned property; provides security for demonstrations, inaugurations, prison executions, personnel hearings; assists visitors to state facilities; investigates crimes committed on state property; and monitors burglar and fire alarm systems statewide.

ACCOMPLISHMENTS

The Division places an emphasis on assisting persons and motorists, armed special details, suspected unauthorized entries, and suspicious persons throughout the state government complex, and outlying facilities. During fiscal year 1997-98, 22,926 contacts were made in these areas. In the same fiscal year, 414 investigations and traffic stops were made, resulting in 94 citations issued and 122 arrests for various criminal violations. The Division monitors fire, mechanical and burglar alarms for state facilities throughout the state at no charge. Today, there are 488 accounts on the alarm system.

NORTH CAROLINA DEPARTMENT OF ADMINISTRATION
STATE CAPITOL POLICE
431 N. SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603
919-733-4646
EFFECTIVE 1-15-99



NORTH CAROLINA BOARD OF ETHICS
116 WEST JONES STREET
RALEIGH, NC 27603-8003
919-733-2780
FAX: 919-919-733-2785

GEORGE F. BASON
CHAIRMAN

February 16, 1999

1998 ANNUAL REPORT OF ACTIVITIES

BACKGROUND INFORMATION

The NC Board of Ethics was established by Governor James B. Hunt Jr. in January 1977 by Executive Order Number I. By Executive Order, Governor Martin continued the Board.

In January 1998, Governor Hunt reestablished the Board by Executive Order Number 127, as amended by Executive Order 131 in March 1998. The Board was given additional duties such as developing an ethics education and awareness program; the ability to investigate complaints; and to issue sanctions. The Board has a staff of three and a budget of $258,146.

To ensure that the best interests of the public will be promoted, Executive Order Number 127 set out rules of conduct for public officials to help ensure the proper performance of their duties. The Order listed duties for the heads of state agencies ("heads of state agencies" include the chair of each board, commission, and council subject to the Order). For example, the chair of any board, commission, or council shall, at the beginning of any official meeting, remind the members of their duty to avoid conflicts of interest and appearances of conflict.

In addition to the ethics education and awareness program, the Board reviews statements of financial interest filed by persons subject to the Order to determine whether the financial interests and other information reported reveals an actual or potential conflict of interest. The Board can issue advisory opinions on conflict of interest and hear complaints on conflict of interest involving persons subject to the Order.

REPORT ON ACTIVITIES FOR 1998

The Board had four official meetings during 1998. Three persons addressed the Board on conflict of interest topics.

The Board did not formally investigate or hold complaint hearings. However, complaint investigations brought to the Board were handled as advisory opinions.

The Board investigated and handled twenty-eight advisory opinions.

Conflict of interest awareness presentations were made to ten different entities.

Many telephone calls were handled wherein the Order and Statement of Economic Interest were explained to persons subject to the Order and filing requirement.

We published one newsletter which was mailed to public officials subject to the Order.

We evaluated 1,597 statements of economic interest. Governor Hunt, his Department Heads, exempt employees in those departments, and the Public Officials listed in the section below are covered by the Order and file statements of economic interest. Our findings were:

No actual/potential/or appearance of conflict of interest	810
Potential for conflict of interest	629
Actual conflict of interest	4
Appearance of conflict of interest	15
Advisory Boards - no conflict of interest	139
	1,597

OTHER PRINCIPAL STATE AGENCIES AND LEGISLATIVE OFFICIALS SUBJECT TO THE ORDER BY INVITATION OF THE GOVERNOR WHO FILE STATEMENTS OF ECONOMIC INTEREST

Lt. Governor Dennis Wicker and Speaker of the House of Representatives Harold Brubaker covered their appointees to boards that are not advisory under the Order. President Pro Tem of the Senate Marc Basnight covered his appointees to advisory boards and non-advisory boards under the Order. The President, Vice Presidents, Chancellors, and Vice Chancellors are covered by the Order. The State Controller, Executive Director of the Housing Finance, and Director of State Personnel are covered by the Order. Exempt employees in the Offices of Lt. Governor Office, Attorney General, State Treasurer, and State Superintendent of Public Instruction are covered by the Order. The Commissioner of Agriculture, Commissioner of Labor, State Auditor, Attorney General, Lt. Governor, Commissioner of Labor, and State Superintendent of Public Instruction are covered by the Order.

GOALS FOR 1999

We will continue our work as mentioned in the activities section above. However, our major emphasis will be on developing and presenting the ethics education and awareness program.

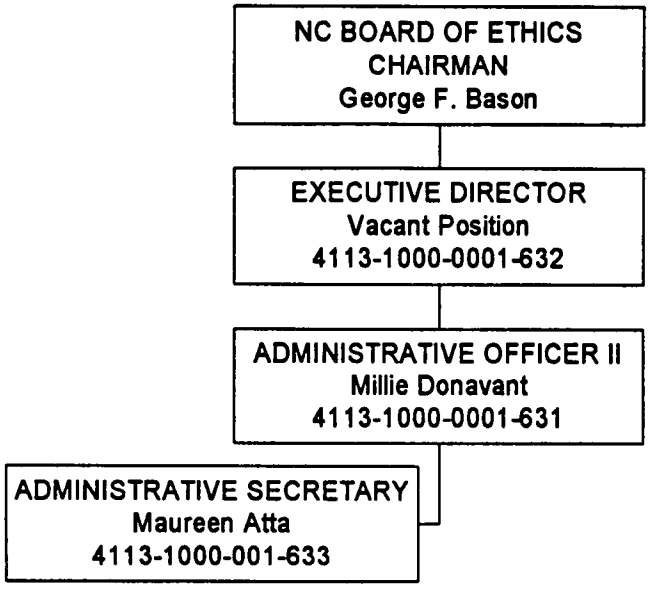
Respectfully Submitted By

George F. Bason md

George F. Bason, Chair

DEPARTMENT OF ADMINISTRATION
BOARD OF ETHICS

DATE: 02/18/99
AGENCY HEAD: EXECUTIVE DIRECTOR
DEPT HEAD: KATIE G. DORSETT
PERSONNEL DIR: LINDA D. COLEMAN



NORTH CAROLINA BOARD OF SCIENCE AND TECHNOLOGY
BIENNIAL REPORT

EXECUTIVE SUMMARY

The North Carolina General Assembly established the North Carolina Board of Science and Technology (the Board) in 1963 to encourage, promote, and support scientific, engineering, and industrial research applications in North Carolina. Consistent with its mission to assist in the proliferation of advanced science and technology into the state's economy, the North Carolina Board of Science and Technology pursued an active agenda in Fiscal Years 1998 and 1999 and is planning to be even busier in the next Biennium.

The Board commenced the 1997-98 fiscal year by revealing its one-year plan at a meeting in early September 1997. The plan was the product of a six-month effort by the Board to reexamine its role, refocus its objectives and plot out near, medium, and long-term goals. In its report, the Board emphasized five goals that it would pursue in the future. These are:

Technology, Innovation, and Knowledge are Critical Factors in Economic Growth. Research and Technological Innovation Account for More than Two-Thirds of U.S. Per-Capita Economic Growth (PPI 1998)

1. Assist North Carolinians in developing a clearer understanding of the impact of science and technology on their lives;
2. Stimulate economic development in North Carolina through identifying and developing major emerging technology areas;
3. Advise the Governor and the General Assembly on the most strategic science and technology directions for the state to target;
4. Act as a catalyst for new science and technology by bringing more university research to the commercial marketplace; and,
5. "Problem-solve" for North Carolina through examining various areas that impact the future of the state on a large scale and addressing possible structural limitations.

These goals are being met both through projects completed in fiscal years 1997-1998 and 1998-1999, and through projects that will continue into the next Biennium. Several notable projects of the Board are described below.

1997-1999 Biennium--Completed projects include:

1. ***At the Crossroads: North Carolina's Place in the 21st Century Knowledge Economy***—Report on Research and Development Spending and Investment in North Carolina. A formal briefing on this report was conducted in Raleigh in the spring of 1998. Regional public hearings took place in Greenville and Wilmington in the fall of 1998.
2. **Universal Service**—Presentations, Public Hearings, and Workshops on the Benefits of the Federal Telecommunications Act of 1996. The efforts of the Board in playing a coordinating role on the E-rate have led to the receipt of more than $25,000,000 for NC public and private schools.

3. **The North Carolina Global Partnership**—The North Carolina Global Gateway Website and the Governor's Global Forum III and IV.
4. **International Partnerships and Collaborations**—International Academic Research Collaborations and Partnerships between North Carolina and Japan, Singapore, Israel, and Germany.
5. **Digital Communities**—The Board has supported the efforts of Connect NC to work with the information infrastructure needs of communities across North Carolina. The Board also worked with Japan to hold a conference in November 1998 on the creation of digital communities, cosponsored by North Carolina, France and Germany. A proposed agreement between the countries is now pending to expand this program.
6. **The Interactive Visual Technologies Network (IVTN)**--Joint Research Collaborations Between Research Institutions Across the State in Telehealth, Medicine, Distance Learning, and Entertainment.
7. **Intellectual Property and Knowledge Management**—Workshops and discussions on KM/IP conducted by the Board with the goal of exploring the State's Interest in a coordinated government-industry-academic effort.
8. **Collaborative Research Partnerships**—An initial conference with the National Research Council was competed in August 1998. A new initiative is noted further in this report that is a follow on of this effort.
9. **The Aquatic Science and Biotechnology Consortium**--Commercial Development of Fresh-Water Aquaculture of Atlantic Flounder—A report on this work is now complete and will be released in the spring of 1999.
10. **Grassroots Science Program for Water Quality Testing**—Fall 1998 and Spring 1999 for project implementation. Analysis of these efforts will be reported in fall 1999.
11. **The Great Web Search 2**— Teachers Connect, an on-line gateway to educational resources, is managing The Great Web Search II to find useful pedagogical websites during the winter and spring of 1999.
12. **States Technology Survey**—Benchmarking North Carolina's technological infrastructure against that of other states. Completed spring 1999.
13. **NC Environmental Technologies Consortium**--Funding to assist the NCETC in completing its proposed organizational framework during the spring 1999.

1999-2001 Biennium—Projects to be Completed Include:

1. **Future's Science and Technology and the State of North Carolina in the Year 2030**—September 1999.
2. **Universal Service**—Continued Work on Universal Service through the Year 2002 to Monitor Progress and Provide Recommendations to the North Carolina Utilities Commission.
3. **At the Crossroads: North Carolina's Place in the 21st Century Knowledge Economy**—Research and Development Spending and Investment in North Carolina. Regional Presentations on Results of R&D Study--Public hearings were began in the Fall of 1998 and will continue through the Fall of 1999. Further work is being

undertaken in the major growth areas of North Carolina to identify potential future R&D investments.

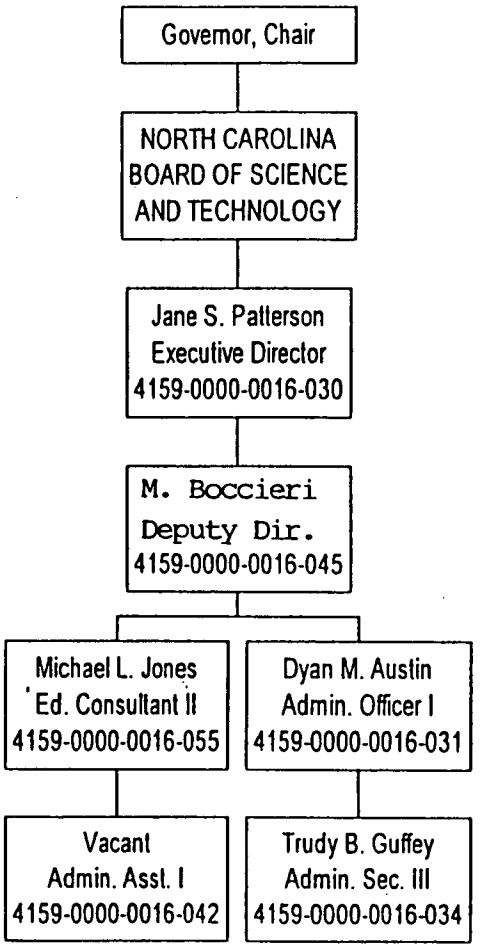
4. **Interactive Visual Technologies Network (IVTN)**—Ongoing.
5. **Technology Transfer Conferences**—Projected for 2000 in conjunction with the SBTDC and public and private research universities.
6. **International Partnerships**—Ongoing.
7. **Challenger Center Project**—The Board is conducting a feasibility study in partnership with the Centennial Campus-NCSU and the Fletcher Foundation.
8. **Work with Legislature to Review Science and Technology Efforts of Schools, Community Colleges, Universities, and Research Institutions**—Proposal Due for spring 2000.
9. **Partnerships with Scientific Communities in Identification of New Activities for Long-term Future of Science and Technology Development in North Carolina**—Follow On from the Futures Conference (fall 1999) during winter of 1999 and 2000.
10. **Intellectual Property and Knowledge Management**—New Center for Knowledge Management and Intellectual Property being designed by Task Force organized by the Board 1999.
11. **Virtual Collaboratories Project**—Design of this regional project with funding from the Federal Government is underway. Pilot project expected 1999-2000. Full funding of 2001 Federal Budget expected.
12. **National Advanced Telecommunications and Applications Program.** Project under design with focus on federal funding. Program development in partnership with the CTC Corporation a nonprofit, defense-related consulting firm. Federal pilot funding of $4.5 million anticipated in 1999 and $9 million/year anticipated thereafter.
13. **Genomics**—Research on the establishment of a cooperative Genome Center in the Research Triangle—1999.
14. **NCECONet**—Support for a North Carolina climate network in conjunction with the State Climatologist—1999-2000.

Staff of the NC Board of Science and Technology

- Jane Smith Patterson, Executive Director and Senior Advisor to the Governor for Science and Technology
- Margie Boccieri, Associate Director
- Michael Jones, Science and Mathematics Education Specialist
- Dyan Austin, Administrative Officer
- Trudy Guffey, Administrative Secretary

Department of Administration
NC Board of Science and Technology

Date: January 1, 1999
Agency Head: Jane S. Patterrson
Dept. Head: Katie G. Dorsett
Human Resources: Linda D. Coleman



SCI1-99

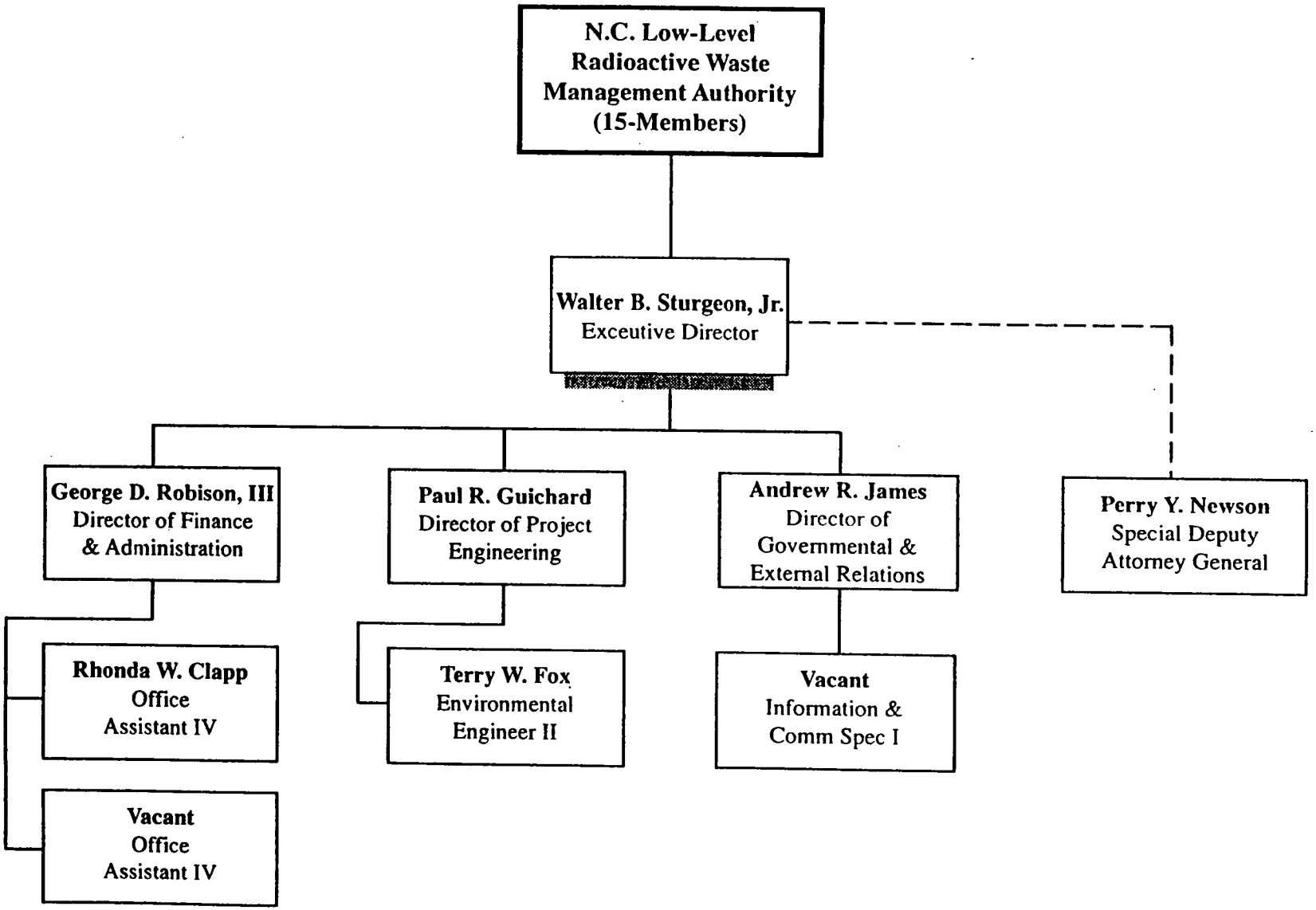
DEPARTMENT OF ADMINISTRATION

LOW-LEVEL RADIOACTIVE WASTE MANAGEMENT AUTHORITY (KAP031)

Budget Code(s) - 14100

Mission Statement

Provide adequate capacity for proper low-level radioactive waste management while protecting the public health, safety, and the environment. However, as a result of the Southeast Interstate Low-Level Radioactive Waste Management Commission's ("Compact Commission") unilateral and arbitrary decision to cease financial support of the project, the Authority was forced to suspend most project activities while maintaining the continuity of the ground water monitoring program with its existing staff. The Authority continues to try to resolve the funding impasse with the Compact Commission and explore possible alternative approaches.



N.C. Low-Level Radioactive Waste Management Authority
Staff Organizational Chart — January 1, 1999

State Health Plan Purchasing Alliance Board

Overview

The Health Alliance Board was created in 1993 as Article 66 of Chapter 143, a portion of the Jeralds-Ezzell-Fletcher Health Care Reform Act. The Board includes the Lieutenant Governor, the Commissioner of Insurance and 9 public members. The Board created and provides ongoing support for regional health purchasing cooperatives for small businesses (defined as a self-employed person to 50 employees). The health purchasing cooperatives or alliances function as a buying co-op for the purchase of health care coverage for these small firms.

Mission

The mission of the Board is to increase the affordability, efficiency and fairness of health care coverage for all small employers in the North Carolina.

Summary of Agency Functions

The Board's major functions are to ensure:

- fair and affirmative marketing of health coverage to small businesses
- alliance actions are in the best interests of small employers
- alliance actions are efficient and consistent with legislative intent
- each alliance continues to meet the criteria for certification

General policy goals

- Turn health insurance for small businesses into a "buyer's market"
- Show the small business community, providers and health plan carriers that a fairly structured, well-functioning buyer's market for health care coverage can operate better than bureaucratic regulation
- Empower small firms by showing them how grouping together can improve their general purchasing power

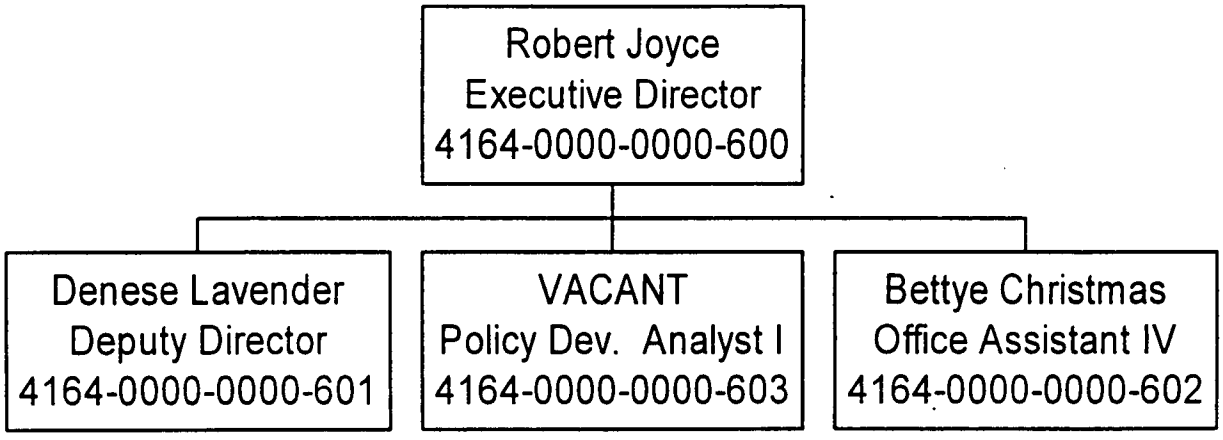
Strategies

- bring the market to the small business purchaser (owners and their employees)
- empower small employers by providing a benefits "apples-to-apples" comparison of health plans; making it easier to choose coverage based on price, quality of providers and care, and individual need
- provide a place in the small employer market where any buyer can be guaranteed that top-quality plans can be purchased
- empower more health insurance agents to show a full range of health plans to more small business buyers
- provide a place in the small employer market where all small firms can obtain fair and stable pricing over the long run

J/2bf/legis

Department of Administration
State Health Plan Purchasing Alliance Board

Date: February 1999
Agency Head: Robert Joyce
Dept. Head: Katie Dorsett



Duties of the
State Health Plan Purchasing Alliance Board*

(1) **MARKET AREAS.** Establish and modify market areas for alliances in the State.

Status: Complete/Ongoing

Comments: Six market areas were originally established within the State; consolidated to two regions in 1998.

(2) **ACCOUNTABLE HEALTH CARRIERS.** Accept, determine eligibility, and designate carriers as Accountable Health Carriers.

Status: Ongoing

Comments: Originally, fourteen insurance carriers or health plans applied to offer plans through the alliance program. Currently, only three carriers, Blue Cross Blue Shield, Kaiser, and Qualchoice are offering plans through the alliance network.

(3) **COMMUNITY SPONSORS.** Establish Alliances with community sponsors for each market area determined by the Board.

Status: Complete

Comments: Alliances incorporated and serving all areas of the state.

(4) **ANNUAL REVIEWS.** Conduct annual reviews of the performance of each Alliance a summary of which is to be provided to the General Assembly and each Alliance.

(a) Each Alliance shall submit data to the Board quarterly to assist the Board in its review. This data includes, but is not limited to, the following:
- (i) employer enrollment by employer size;
- (ii) industry sector;
- (iii) previous insurance status and number of employees within each insurance status;
- (iv) number of total eligible employers in the market area participating in the Alliance;
- (v) number of insured lives by county and insured category, including employees, dependents and other insured categories;
- (vi) profiles potential employer membership by county;
- (vii) premium ranges for each qualified health care plan for Alliance members categories;

(viii) type and resolution of member grievances;
(ix) surcharges; and
(x) Alliance financial statements.

Status: Ongoing

Comments: Alliances have contracted with a Third Party Administrator who will collect and report this information for alliances.

(5) **ENROLLMENT PROCEDURES.** Develop standard enrollment procedures to be used in enrolling small employers and their eligible employees.

Status: Complete

Comments: Developed cooperatively with carriers, agents and alliances.

(6) **CONDITIONS OF PARTICIPATION.** Establish conditions of participation for small employers and self-employed individuals that shall include, but not be limited to, the following:

(a) Assurances that the member small employer is a valid small employer group;
(b) Requirements involving qualified health plans;
(c) Minimum employer contribution requirements;
(d) Mechanism to provide for participation by eligible employees if their employer chooses not to participate; and
(e) Mechanisms, such a prepayment of premiums, to assure that payment will be made for coverage.

Status: Complete

Comments: Rules developed cooperatively with carriers, agents and third party administrator.

(7) **RIGHT TO PURCHASE HEALTH CARE COVERAGE.** Ensure that any small employer or any employee of a small employer who qualifies may purchase health care coverage.

Status: Complete

Comments: This has been accomplished through "guarantee issue" provisions and AHC participation requirements in the Request for Proposals. The alliances are the only entrance to the group market for guaranteed issue coverage for the self-employed individual

(8) **COMPLIANCE.** Ensure compliance with this Article by Alliances, small employers and employee enrollees.

Status: Ongoing

Comments: Alliances submit quarterly reviews and reports

(9) **FINANCIAL CONDITION OF CARRIER.** Request information concerning the financial condition of participating carriers consistent with what is required to be submitted by the carrier to the Department of Insurance.

Status: Complete

Comments: Information obtained through the Accountable Health Carrier designation process .

(10) **FAIR AND AFFIRMATIVE MARKETING.** Assure fair and affirmative marketing of the qualified health care plans.

Status: Complete/Ongoing

Comments: The Board has adopted a fair and affirmative marketing policy requiring carriers, agents and alliances to fairly market plans to small employers. NOTE: the Board and alliances do not function as regulators of fair marketing requirements under state or federal law.

(11) **ADOPT RULES.** Adopt rules necessary to administer the provisions of this article.

Status: Complete

Comments: Rules adopted. See Title 24, Chapter 5 of the North Carolina Administrative Code. 100 Series (Community Sponsors); 200 Series (Market Areas); 300 Series (Designation Process for Accountable Health Carriers); 400 Series (Participating Small Employers).

(12) **APPOINT ADVISORY COMMITTEES.** Appoint advisory committees that shall include persons with expertise in health benefits management and representatives of Accountable Health Carriers.

Status: Ongoing

Comments: A Designation Technical Review Committee and an AHC Advisory Committee have been utilized by the Board. At the regional level, advisory committees of providers and agents have been utilized to develop marketing programs.

(13) **DEVELOP UNIFORM STANDARDS.** Develop uniform standards for the data collected from Accountable Health Carriers.

Status: Ongoing

Comments: Currently using HEDIS data set. Further standards being developed in with cooperation carriers.

(14) **AUTHORITY TO SUE OR BE SUED.** Have the authority to sue or be sued, including taking action necessary for securing legal remedies on behalf of, or against Alliances, member small employers, or employee enrollees and their dependents.

Status: No action necessary

Comments: None

(15) **RECEIVE OR ACCEPT GRANTS.** Have the authority to receive or accept grants, funds or contributions.

Status: Ongoing

Comments: None

(16) **STANDARDIZED FORMS.** Develop and implement standardized forms for use by Accountable Health Carriers.

Status: Complete

Comments: Third-party administrator will manage and update forms with input from carriers and agents.

(17) **SURCHARGES.** Review, and limit if necessary, surcharges charged by each Alliance for administrative costs.

Status: Ongoing

Comments: Alliances provide quarterly financial statements including fee schedules. Board approves fees charged to members.

(18) **DEVELOP GUIDELINES FOR MARKETING.** Develop guidelines for marketing materials to be used in providing member small employers and their eligible employees with information regarding Accountable Health Carriers and their qualified health care plans.

Status: Complete

Comments: Marketing policy adopted; materials consistent with Department of Insurance standards.

(19) **GRIEVANCE PROCEDURES.** Develop grievance procedures to be used in resolving disputes between member small employers and Alliances.

Status: Ongoing

Comments: Carriers and alliances have grievance procedures in place.

(20) **UNRESOLVED GRIEVANCES.** Receive, review, and act on appeals of grievances not resolved.

Status: Ongoing

Comments: None to date

(21) **ANALYZE INFORMATION.** Analyze information collected from Accountable Health Carriers and other sources and report findings that assist in improving the delivery or purchase of cost-effective health care.

Status: Ongoing

Comments: None

(22) **ANNUAL REPORT.** Report annually on the operation of the of Board to the Joint Legislative Commission on Governmental Operations and the Governor.

Status: Ongoing

Comments: The Board reports to the Joint Commission on Governmental Operations annually.

VISITOR REGISTRATION SHEET

PM

Opp. General Government 3-17-99

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Robert Owens	DOA - Office on the ADA
Linda Coleman	DOA HRM - (Personnel)
Margie Boccieri	DOA - Science & Tech
Smitty Sublean	DOA - MIS
GREGORY CAIN	DOA - PARKING SYSTEMS
Jean Carrole	DOA - Council for Women
Juanita Bryant	DOA Council for Women
Kathie Austin PADGETT	OSPL Admin Bldg.
[illegible]	NCCADV
Walter Sturgess	NCLLEWMA

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 18, 1999
Room 425, LOB
8:30 a.m.

Chair: Representative Maggie Jeffus

Department of Administration

North Carolina Council for Women

Juanita Bryant
Director

Facility Management Division

Tony Jordan
Director

Governor's Advocacy Council
For Persons with Disabilities

Allen Perry
Executive Director

Human Relations Commission

Eddie Lawrence
Director

Commission of Indian Affairs 50

Gregory Richardson
Executive Director

Youth Advocacy and Involvement 76

Vida Mays
Executive Director

Department of Administration (cont.)

Low-Level Radioactive Waste Management Authority

Walter Sturgeon, Jr. 98
Executive Director

State Health Plan Purchasing Alliance Board

Robert Joyce 100
Executive Director

Board of Ethics

90
Millie Donavant

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

March 18, 1999
8:30 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Thursday, March 18, 1999, at 8:30 a.m. in room 425 of the Legislative Office Building. Four of the Senate members were present. Representatives present were as follows: Chair Maggie Jeffus, Vice Chair Marion McLawhorn, Daniel Barefoot, Sam Ellis, Bob Hensley, Mitchell Setzer and Gregg Thompson.

Representative Jeffus called the meeting to order and introduced the pages: Ashley Butler of McDowell County, sponsored by Representative Mitch Gillespie; Krystal Trice of Wake County, sponsored by Speaker James Black; and Brandy Brooks of Roxboro in Person County, sponsored by Senator Hugh Webster

Representative Jeffus recognized Mr. Kenneth Wilkins, Deputy Secretary, Department of Administration, who introduced the speakers for the meeting.

Ms. Juanita Bryant, Director, North Carolina Council for Women, presented an overview of her section. (See Attachment 1, page 6; Attachment 2, page 17; and Attachment 3, page 65-67)

Representative Jeffus stated that at a later date they may want to have Ms. Bryant come back because there appears to be some confusion about the different programs and funds and will need further clarification.

Mr. Tony Jordan, Director of Facility Management Division of the Department of Administration, was recognized to give an overview of his Division. They provide professional maintenance services and a pleasant work environment to agencies occupying state-owned facilities in the downtown Raleigh State government complex, Garner Road, Blue Ridge Road, and the James K. Polk Building in Charlotte. These areas include 146 buildings. The bulk of their daily work consists of repair and maintenance operations. Preventative maintenance is the key to reducing the costs of repairs. (See Attachment 3, page 80A [handout]; Attachment 1, page 5; Attachment 2, page 21, and Attachment 3, page 80-85)

Senator Lucas asked, "Is there some facilities that are not in the preventative maintenance program?" Mr. Jordan stated that they have tried, in all facilities, to shift facility management more toward preventative maintenance particularly to solve problems before they happen which is much cheaper.

Senator Lucas stated that it appears that one of the elevators in the Legislative Office Building had not been checked since December 1998. Mr. Jordan stated that they do the maintenance but the Labor Department does the checking.

Senator Lucas stated that she read that they use inmates, "How much are they paid and what is the budget." Mr. Jordan stated that they pay them one dollar per day and the budget is between $800 to $900 per month. They are screened and most of them work on the outside.

Representative Jeffus introduced the next presenter, Mr. Allen Perry, Executive Director for the Governor's Advocacy Council For Persons with Disabilities. (See Attachment 1, page 5; Attachment 2, page 18, and Attachment 3 pages 68-70) This Council is part of a nationwide system of protection and advocacy agencies. It is a civil rights protection agency committed to serving citizens with disabilities. It is guided by a twenty-one-member board comprised of volunteers appointed by the state's top leaders in government. They have a total staff of twenty-eight and four regional offices.

The next presenter was Mr. Eddie Lawrence, Director of Human Relations Commission in the Department of Administration. (See Attachment 1, page 6; Attachment 2, page 19, and Attachment 3, pages 71-73) This Commission is to advocate, enforce, and promote equality of opportunity in the areas of housing, fair employment practices, public accommodations, education, justice and governmental services. It is the focal point for developing, maintaining and improving human relations. It provides crisis intervention in potentially disruptive situations.

Representative Jeffus asked, "How many human relation commissions are located around the state?" He answered that there are fifty-eight commissions in forty-three counties.

Representative Jeffus introduced Mr. Gregory Richardson, Executive Director, of the Commission of Indian Affairs, and he presented an overview of his Commission. (See Attachment 1, page 6; Attachment 2, page 16; and, Attachment 3, pages 50-63) This Commission was created in 1971 by the North Carolina General Assembly. It was organized to give the state's Native Americans a voice in their own affairs. There have been many programs developed to better their living conditions and education. They have an economic development program to work with the tribes and businesses to try to bring more opportunities into the communities. They have three special projects in progress. First, is a planning process working on the needs for the year 2000; second, a program is needed because there is a lack in health care; and third, is special loan programs that will help an individual become a home owner.

Senator Warren has visited the casino in the Cherokee Reservation and was impressed with the people working there. He wanted to know what the people think of the gaming affect and how the money is used? Mr. Lawrence answered that there is not a

real strong support level by Indians for gambling; but in the past, there were basically no jobs in the wintertime because of their geographical location. He was not sure of the number of employees working for the casino. The exciting thing is that now they have money that they did not have in the past. The last pay out to each member of the tribe was in the neighborhood of five thousand dollars. The Cherokees are federally recognized and come under the National Bureau of Indian Affairs. There are many guidelines and restrictions. This funding generated through the casinos will allow them to do some very innovative types of projects in terms of housing, infrastructure and health care on the reservation. About fifty percent of the earnings go into programs and activities for the members. Senator Warren stated that he thought the Harrah's Group managed the casino, and they get a certain percentage. What percentage do they receive? Mr. Lawrence stated that they receive approximately 30 percent. He stated that the formula is very exciting and will mean a lot to the eastern band of Cherokees. Mr. Lawrence will forward information to Senator Warren regarding the amount received by the Harrah's Group.

Representative Jeffus introduced Ms. Vida Mays, Executive Director of Youth Advocacy and Involvement Office. It is under the leadership and directives of councils and advisory groups and in cooperation with public and private agencies, serves as an advocate for children and youth. (See Attachment 1, page 6; Attachment 2, pages 20-21; Attachment 3, pages 76-79) This office is charged with advocating for the approximately two million children and youth in the state. Also, they provide them with leadership development and experiential educational opportunities. They offer a blend of programs and services for children, youth and young adults. There is an eleven-member staff which provides support to four councils which are: The Governors Advocacy Council on Children and Youth, The State Youth Council, The Youth Advisory Council, and The North Carolina Internship Council. The primary functions of the agency are the advocacy and youth involvement.

Senator Foxx made a request to receive a copy of the information about youth internships each year as she may have someone she would like to recommend. Internship information is sent to the press, universities, colleges, and community colleges.

Next on the program was Mr. Walter Sturgeon, Jr., Executive Director of the Low-Level Radioactive Waste Management Authority. (See Attachment 3, pages 98-99) Legislation was passed in 1987 to establishing this authority. It has the responsibility for siting and development of a level waste disposal facility for the Southeast Interstate Low-Level Radioactive Waste Management Compact. North Carolina was chosen and accepted the responsibility for becoming the second state preceded by South Carolina's Barnwell's facility, which was already in operation before the Compact, was formed.

Senator Foxx asked which firms or organizations are storing low-level radioactive waste in our state? The answer was forwarded to Senator Fox. (See Attachment 4)

Senator Lucas inquired about the budget for this authority? Mr. Sturgeon stated that the budget is $550,000 and has a current staff of six.

Next on agenda was Mr. Robert Joyce, Executive Director, of the State Health Plan Purchasing Alliance Board. (See Attachment 3, pages 100-107) The Board was created to provide support for regional health purchasing cooperatives for small businesses. The health-purchasing cooperative functions as a buying co-op for the purchase of health care coverage for these small firms. It was created because small businesses were being charged twenty-five to thirty per cent more for their health insurance than larger businesses. The insurance companies say it is more expensive to administer.

Senator Foxx asked if there some are 1,800 business and 6,500 employees that have been covered since 1994 by this Alliance? Mr. Joyce answered in the affirmative. Senator Foxx continued, "How much per person is this costing the state government." Mr. Joyce stated that they were given a one-time appropriation of $3.5 million in 1994 and still have some of that money left and that operates the co-ops and the continuing appropriations operates the State Board and the oversight process. They generate about $14 Million in premiums and have paid about $850,000 to insurance agencies. He will forward further information to Senator Foxx.

Representative Jeffus introduced Ms. Millie Donavant of the Board of Ethics. There are currently six board members and a three person staff. Their emphasis in 2000 will be on education and training. They plan to visit or speak to all Boards, commissions and agencies in the executive branch and plan to develop newsletters and other documents to be used as educational tools for about 458 boards and commissions. They receive numerous calls about ethics in North Carolina. They can handle questions within their jurisdiction but refer the others to the appropriate agencies. Currently, they are investigating the events in the Division of Motor Vehicles. Recently investigated and issued a complaint opinion on a member of a licensing board. They have issued and investigated twenty-eight advisory opinions during 1998. Approximately, 2,000 individuals are required to file disclosure statements but each one of those statements we consider the duties of the position in conjunction with the disclosures in the statement to determine potential, actual, or appearance of conflict of interest. A report of their findings are sent by letter to the appropriate authority, the person filing, chairman of the board and some others. The chairman of the boards read their letters into the minutes for each board.

Representative Jeffus thanked the Secretary and her staff for bringing the fine reports and presenters. This completes the Department of Administration. The

Committee will not meet this afternoon but will meet at 8:30 A. M. on Tuesday, March 23. 1999.

Respectfully submitted,

Rep. Maggie Jeffus

Representative Margaret (Maggie) M. Jeffus, Chair

Mary Lee Robinson

Mary Lee Robinson, Committee Assistant

Attachment 1

North Carolina
Department of Administration

The Department of Administration is often referred to as the "business manager" of state government. Created in 1957, it provides numerous services for state government agencies. In addition to its role as service provider, the department is host to several councils and commissions that advocate for North Carolina's citizens with special needs.

As the state's business manager, the department oversees such operations as building construction, purchasing and contracting for goods and services, managing state vehicles, acquiring and disposing of real property, and operating auxiliary services such as courier mail delivery and the disbursement of state and federal surplus property. In addition, the department maintains state facilities and provides police service for the State Government Complex. The department offers still other services, including public service call-in programs provided by the Agency for Public Telecommunications and assistance to veterans through the Division of Veterans Affairs.

Several programs advocating for citizens of North Carolina with special needs are included in the Administration Department. They include the Governor's Advocacy Council for Persons with Disabilities, the N.C. Office on the Americans with Disabilities Act, the N.C. Human Relations Commission, the N.C. Commission of Indian Affairs, the Youth Advocacy and Involvement Office, and the N.C. Council for Women. Most of these programs have an appointed council and a state staff, which work on behalf of persons with disabilities, minorities, youth and women.

The Department of Administration was re-established by the Executive Organization Act of 1971, to bring more efficient and effective management to state government. Prior to its enactment, over 300 agencies reported directly to the governor. Recognizing the difficulty of providing good management under those conditions, the department was re-created by the reorganization bill. Now the department is expected "to serve as a staff agency to the governor and to provide for such ancillary services as other departments of state government might need to ensure efficient and effective operations."

The department has adopted the following mission statement:

The North Carolina Department of Administration shall provide high quality services effectively, efficiently and economically for our customers who are the citizens, agencies and communities of our state.

WE ARE COMMITTED TO:

- ***Quality***
- ***Service***
- ***Excellence***
- ***Integrity***

The Department of Administration serves all of state government, working to ensure that taxpayers' dollars are used wisely and that good management is pervasive. The State Employee Incentive Bonus Program was designed to increase productivity in the department and throughout state agencies by awarding employees a percentage of money saved when their cost-saving suggestions are implemented. The Continuous Improvement effort relies on input from departmental employees to improve services to other state agencies and to the public. The Human Resources Management Office offers training to department employees to help them perform their jobs more efficiently and effectively.

Office of the Secretary

Administration Building, 116 West Jones Street, Raleigh, North Carolina 27603-8003 ~ (919) 733-7232
(Addresses for all divisions within the department are the same as above unless otherwise noted.)

The department is led by the Secretary of Administration, an appointee of the governor. There are several officers who report directly to the secretary, including the deputy secretary for government operations, the deputy secretary for internal services and programs, the general counsel, the assistant secretary, the department's chief fiscal officer, the director of the department's Human Resources Management Office, the director of public information, the director of the Agency for Public Telecommunications, and the assistant secretary for veterans affairs. Some of these officers supervise divisions listed as follows:

Office of Fiscal Management

(919) 733-2650

The Office of Fiscal Management accounts for all fiscal activity of the department in conformity with requirements of the Office of State Budget and Management, the Office of State Controller, the Department of State Auditor, the Department of State Treasurer and federal funding agencies. It files timely financial reports, purchases and pays for goods and services, invoices user agencies for central services, and recommends and administers fiscal policy within the department. The office also provides the same services for the Low-Level Radioactive Waste Management Authority, Office of the Lieutenant Governor, Board of Ethics, Board of Science and Technology, State Health Plan Purchasing Alliance Board, Office of State Personnel and State Board of Elections.

Human Resources Management Office

(919) 733-4606

The Human Resources Management Office provides a range of services for the department, the Low-Level Radioactive Waste Management Authority, Office of the Lieutenant Governor, Board of Ethics, Board of Science and Technology, State Health Plan Purchasing Alliance Board and Office of State Personnel. With the exception of the Office of State Personnel, where only payroll services are provided, the Human Resources Management Office's services encompass all major areas of public personnel administration in accordance with the requirements of the State Personnel Act. The personnel division is responsible for employee selection and recruitment, position management, training and development, employee and management relations, and health benefits administration. The office also administers the State Employee Incentive Bonus Program and the department's Safety and Health Program.

Division of Non-Public Education

Watson House, 530 North Wilmington Street, Raleigh, North Carolina 27604-1198 ~ (919) 733-4276

The Division of Non-Public Education is the only legislatively authorized state government office giving oversight to conventional private elementary/secondary schools and home schools in North Carolina. The division has the legal responsibility to verify that certain educational requirements are being met. It maintains current statistical data and publishes the annual N.C. Directory of Non-Public Schools. The division was moved to the Department of Administration effective July 1, 1998, from the Office of the Governor and reports to the assistant secretary.

Public Information Office

(919) 733-6887

The Public Information Office (PIO) helps the department to communicate with its employees, other state agencies and the public about its services and programs. The PIO produces home pages, newsletters, brochures, booklets, graphics, etc., for the department's divisions, providing a centralized area offering writing, editing and design expertise. The PIO writes and distributes press releases about breaking news events, announcements and special programs. The office plans special events in the department. The PIO prepares speeches for the secretary of the department. In addition, the PIO responds to inquiries from the media and the public about departmental programs and services. The office is responsible for the State Capitol Area Telephone Directory and the BellSouth Blue Pages of state government telephone listings.

Agency for Public Telecommunications

(919) 733-6341

The mission of the Agency for Public Telecommunications (APT) is to increase public participation in government, to promote public access to government services, and to improve government efficiency through the use of telecommunications. In fulfilling that mission, APT produces live, public affairs, call-in programs on the Open Public Events Network (OPEN) and distributes them via satellite to North Carolina cable systems that carry the programs as a service to their subscribers. In addition, APT serves as the central media production facility for state government, offering a full range of telecommunications advice and assistance, as well as media production services and teleconferencing for other public agencies to improve their efficiency and productivity in public outreach, staff development and training.

Division of Veterans Affairs

Albemarle Building, Suite 1065, 325 North Salisbury Street, Raleigh, North Carolina 27603-5940 ~ (919) 733-3851

The Division of Veterans Affairs assists veterans, their dependents and the dependents of deceased veterans in obtaining and maintaining those rights and benefits to which they are entitled by law. The division also cooperates with the various governmental units and veterans organizations in seeking to serve veterans. The division is organized into the Assistant Secretary's Office, located in Raleigh; a State Service Office, located in the same building as the U.S. Department of Veterans Affairs Regional Office in Winston-Salem; and 15 district offices strategically located throughout the state. These district offices provide assistance to veterans, dependents and their survivors. They provide training and supervision to the county veterans service officers, part of an affiliated program that includes nearly all of the 100 counties in North Carolina. The division enjoys a close working relationship with the county veterans service officers and assists them in many ways. In addition, the Assistant Secretary's Office oversees the three state veterans cemeteries, located in Jacksonville, Black Mountain and Spring Lake, and a state veterans home in Fayetteville; staffs the Governor's Jobs for Veterans Committee which coordinates employment opportunities for veterans statewide; and administers a program of state scholarships for eligible children of certain deceased, disabled and prisoner of war/missing in action veterans.

Government Operations

Motor Fleet and Courier Service Division

1915 Blue Ridge Road, Raleigh, North Carolina 27607-6403 ~ (919) 733-6540

The Motor Fleet and Courier Service Division provides passenger vehicles to state agencies for employees in the performance of their duties. The division is a receipt-supported operation that purchases, maintains, assigns and manages the state's centralized fleet of approximately 7,400 vehicles. The division enforces state policy and regulations concerning the use of vehicles. The division also administers Courier Service.

- **Courier Service**

  Womack Building, 417 North Salisbury Street, Raleigh, North Carolina 27603-1361 ~ (919) 733-2913

  A receipt-supported operation, Courier Service provides delivery of mail between government offices in all 100 counties in North Carolina, as well as interoffice mail service for state government offices in Raleigh.

North Carolina Council for Women

Merrimon-Wynne House, 526 North Wilmington Street, Raleigh, North Carolina 27604-1199 ~ (919) 733-2455

The North Carolina Council for Women advises the governor, the General Assembly and the principal state departments on the special needs of women in North Carolina. The council works cooperatively with local women's organizations, develops innovative projects and policy initiatives, and conducts workshops and training sessions to address women's needs. It administers state and federal funds to local non-profit groups serving victims of sexual assault and domestic violence. The council also administers state funds which serve displaced homemakers. Staff in the Raleigh headquarters and six region directors provide technical assistance to individuals and public/private agencies.

North Carolina Human Relations Commission

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-7996

The North Carolina Human Relations Commission provides services and programs aimed at improving relationships among all citizens of the state, while seeking to ensure equal opportunities in the areas of employment, housing, public accommodations, recreation, education, justice and governmental services. The commission helps to establish and supports the work of local human relations commissions throughout the state. The commission provides police/community relations training, race relations training, and diversity training to governmental agencies, communities and schools. The commission also enforces the North Carolina Fair Housing Law and is substantially equivalent with the U.S. Department of Housing and Urban Development. The commission participates in writing and implementing the Impediments to Affirmatively Furthering Fair Housing for the North Carolina Consolidated Plan required by the federal government. Further, the commission serves as a resource to Community Development Block Grant recipients in helping them develop Fair Housing plans.

North Carolina Commission of Indian Affairs

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-5998

The North Carolina Commission of Indian Affairs was created by the North Carolina General Assembly in 1971 in response to the need of the state's Native American citizens to have a voice in their own affairs. Its purposes include bringing local, state and federal resources into focus for the implementation or continuation of meaningful programs for the state's Indian citizens; assuring the rights of Indians to pursue their cultural, social and religious traditions; and assisting in the development of social and economic opportunities for Indian people across the state.

Youth Advocacy and Involvement Office

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 733-9296

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

State of North Carolina
James B. Hunt Jr., Governor

North Carolina Department of Administration
Katie G. Dorsett, Secretary

Visit the Department of Administration's home page at:
http://www.doa.state.nc.us/doa/

Produced by the N.C. Department of Administration, Public Information Office

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Division of Purchase and Contract

(919) 733-3581

The Division of Purchase and Contract serves as the central purchasing authority for state government and certain other entities. Contracts are established for the purchase, lease and lease-purchase of the goods and services required by state agencies, institutions, public school districts, community colleges and the university system, totaling $3.7 billion annually. In addition, local governments, charitable non-profit hospitals, local non-profit community sheltered workshops, certain child placement agencies or residential child care facilities, volunteer non-profit fire departments and rescue squads may use the services of the Division of Purchase and Contract. The division also administers both Federal Surplus Property and State Surplus Property agencies.

- **Federal Surplus Property**
  1950 Garner Road, Raleigh, North Carolina 27610-3926 ~ (919) 733-3885
  Federal Surplus Property acquires and donates available federal surplus property to eligible state recipients -- government agencies, non-profit educational institutions and public health facilities. Operation costs are funded by receipts from sales.

- **State Surplus Property**
  Highway 54 West, Chapel Hill Road, P.O. Box 33900, Raleigh, North Carolina 27636-3900 ~ (919) 733-3889
  State Surplus Property sells supplies, materials and equipment owned by the state that is considered to be surplus, obsolete or unused. A service charge on goods sold provides funding for the agency.

State Construction Office

N.C. Education Building, Suite 450, 301 North Wilmington Street, Raleigh, North Carolina 27601-2827 ~ (919) 733-7962

The State Construction Office is responsible for the review and approval of all plans and specifications for the construction or renovation of all state buildings; preparation of cost estimates relating to appropriation requests for the construction or renovation of state buildings; supervision of the letting of all contracts for the design, construction or renovation of all state buildings; and inspection and acceptance of all work done and materials used in the construction or renovation of all state buildings.

State-Local Relations Section

(919) 733-7232

The State-Local Relations Section works with local governments, regional and multistate organizations, the public, and state agencies in a variety of areas involving intergovernmental cooperation. The division manages the Appalachian Regional Commission grant program; coordinates project reviews required by the state and national Environmental Policy Acts, aids the governor in responding to federal (congressional and executive branch) issues, provides staff support for the North Carolina Local Government Partnership Council, and operates a project notification, review and comment system to provide state and local agencies and the public with information about projects supported with public funds.

State Property Office

(919) 733-4346

The State Property Office is responsible for state government's acquisition and disposition of all interest in real property whether by purchase, sale, exercise of power of eminent domain, lease or rental, with the exception of highway rights of way, the State Ports Authority and the Wanchese Seafood Industrial Park. This office is also responsible for the management of the submerged lands of the state, with the exception of aquaculture leases. The office maintains a computerized inventory of land and buildings owned or leased by the state and administers the allocation and reallocation of land and buildings among the various state agencies.

Internal Services and Programs

Facility Management Division

Facility Management Building, 431 North Salisbury Street, Raleigh, North Carolina 27603-1361 ~ (919) 733-3514

The Facility Management Division provides preventive maintenance and repair services to the State Government Complex and some facilities used by government workers in outlying areas. Services include construction; renovation; housekeeping; landscaping; steam plant, HVAC and elevator maintenance; pest control; parking supervision; and lock shop operations.

Management Information Systems Division

(919) 733-0766

The Management Information Systems Division assists with the department's computer needs. This division provides consulting services with emphasis on analyses of current operations and recommendations for improving operations, dissemination of information, and reducing costs. The division designs, develops or acquires, and implements solutions for the department's automation needs.

State Capitol Police Division

Facility Management Building, 431 North Salisbury Street, Raleigh, North Carolina 27603-1376 ~ (919) 733-4646

The State Capitol Police Division, a law enforcement agency with police powers throughout Raleigh and state property in Wake County, provides security and property protection for state government facilities in Raleigh, Garner, Cary and Wake County. The agency protects employees and visitors; secures state-owned property; provides security for demonstrations, inaugurations, prison executions and personnel hearings; assists visitors to state facilities; investigates crimes committed on state property; and monitors burglar and fire alarms statewide.

Governor's Advocacy Council for Persons with Disabilities

Bryan Building, Suite 218, 2113 Cameron Street, Raleigh, North Carolina 27605-1344 ~ (919) 733-9250

The Governor's Advocacy Council for Persons with Disabilities (GACPD) is part of a nationwide system of protection and advocacy agencies. It is a civil rights protection agency committed to serving citizens with disabilities. GACPD staff members provide advocacy services, information and referral services, and legal representation to any citizen of North Carolina who has a physical or mental condition that substantially limits at least one major life activity and who feels he/she has been discriminated against because of a disability. Examples of disabilities include a mobility impairment, a learning disability, a developmental disability, a mental illness, or a neurological impairment. "Major life activities" are walking, seeing, speaking, learning, getting a job or an education, breathing, caring for oneself, hearing, and performing manual tasks. GACPD is guided by a 21-member board composed of volunteers appointed by the state's top leaders in government.

North Carolina Office on the Americans with Disabilities Act

Old YWCA Building, 217 West Jones Street, Raleigh, North Carolina 27603-1336 ~ (919) 715-2302

The North Carolina Office on the Americans with Disabilities Act was created by the General Assembly and began operation in September 1994 to help state and local governments, business and industry in complying with the Americans with Disabilities Act (ADA) of 1990. The office promotes compliance with the ADA through training and technical assistance. In addition to serving as a resource for government and business, the office assists individuals with disabilities and their families in understanding their rights under the law.

Attachment 2
(23 pages)

1998

ACCOMPLISHMENTS

DEPARTMENT OF ADMINISTRATION

STATE OF NORTH CAROLINA

OFFICE of the SECRETARY

KATIE G. DORSETT

Agency for Public Telecommunications
Leila Tvedt, Director

Human Resources Management Office
Linda Coleman, Director

Office of Fiscal Management
Kathy Crooke, Director

Office of Non-public Education
Rod Helder, Director

Public Information Office
Priscilla Smith, Director

Division of Veterans Affairs
Charles Smith, Director

Staff

Assistant Secretary and Legislative Liaison
Martha Glass

General Counsel
R. Glen Peterson

AGENCY for PUBLIC COMMUNICATIONS

Media Services Section Again Wins Major Awards

For the third year in a row, APT's Media Services staff won top honors for videotapes produced for our state agency clients. The regional chapter of an international association of non-broadcasters awarded our projects first place for a video for the State Board of Elections concerning the responsibilities of local election officials; second place for a training video regarding interviewing for DHHS social workers, and a special achievement award for work on a video for a community college about Tech Prep.

Teleconferences Helping Thousands

Working with the Department of Correction and the Department of Crime Control and Public Safety, and the Governor's Crime Commission, APT's State Services Network produced a two-day teleconference that reached 3000 probation and parole staff, victim assistance personnel, and prison staff at 17 locations for training on the state's new Statewide Automated Victim Assistance and Notification system.

Working with the Department of Public Instruction, APT's State Services Network continues to provide distance learning courses via satellite for thousands of teachers and administrators. In the past school year, teachers at 128 North Carolina high schools around the state earned several hundred hours of continuing education credits through their participation.

APT continues to work with state's Parole Commission to provide face-to-face meetings between Parole Commissioners in Raleigh and victims of crime via connections on the state's Information Highway. For the nine meetings in 1998, crime victims saved more than 32,000 miles and 550 work hours by *not* driving to Raleigh for parole hearings they were able to attend at locations closer to their homes.

***OPEN* Programs Provide Unique Connections**

The Open Public Events Network (OPEN) responded quickly to the threat of Hurricane Bonnie, producing several live call-in programs with federal and state emergency management personnel before, during, and after the storm. OPEN viewers had immediate access to information about disaster preparedness and relief activities during these programs. In addition, the teleconferencing section produced 10 conferences that connected state officials in Raleigh with their federal counterparts in Washington DC and Miami during daily hurricane briefings, allowing the state to take part in the dialogue, and assisting in providing the most timely information available.

In an effort to serve a growing cable viewing audience, APT's OPEN began this year to use private foundation funding to caption some of its live, call-in programs. In addition, OPEN offers captioning services to public agencies sponsoring call-in programs, with more than a dozen programs were captioned for viewers with hearing difficulties.

Beginning in 1998, for the first time OPEN included judicial candidates for statewide office on the Candidate Call-In series. All statewide candidates were offered the opportunity to participate in these prime time, call-in programs on cable. Viewers' response was positive.

HUMAN RESOURCES MANAGEMENT OFFICE

Compensation Package with Department Paycheck for Eleven Months

For 11 months, a special package of inserts came with employees' paychecks explaining the total compensation package which each employee is eligible to receive. Based on an employee making $19,000 a year with 10 years of service, the series included the following topics: Paid time off/Holiday/Vacation Pay/School Involvement Leave, Paid Time Off/Sick Leave, Health and Dental Insurance, Retirement/Death Benefit, Supplemental Retirement Income, Disability Income Plan, Worker's Compensation, Longevity Pay, NC Flex, and FMLA/Voluntary Shared Leave.

Spanish Classes Offered to Employees Working with Hispanic Community

In order for employees to better serve their customers and clients in the Hispanic community, two eight-week classes of basic Spanish was offered for 15 employees in each class. As a result of the improved communication ability, relationships were improved within our agency and the needs of our customers were better met.

State Employees Incentive Bonus Program (SEIBP)

As a result of new legislation, the new employee bonus system (SEIBP) was implemented to replace the old State Employees Suggestion System, which awarded a maximum of $5,000. The new awards are capped at $20,000 for individuals and $100,000 for group suggestions. Award amounts are now determined and paid from actual first-year savings. The program is constructed to reward not only the suggester(s), but also co-workers and the department with half the first-year savings returning to the general fund.

At this time, suggestions worth more than $1,700,000 are being evaluated. These include carry-overs from the former program. The program is designed to stimulate creative thinking and problem-solving processes, which in turn will result in a more cost-effective, efficient, and quality-directed state government.

This first winner in this new program was a 34-year employee of the Department of Revenue who received a check for $17,425. Her suggestion reduced data-processing time on 1997 personal income tax returns by using whole dollar entries, and saved the state 6000 employee hours, nearly $90,000 dollars, and the winnings amounted to over half of her annual salary.

OFFICE of FISCAL MANAGEMENT

Interactive Purchasing System

Fiscal Management implemented the Interactive Purchasing System initiated by Purchase and Contract in January 1998. This allows the department's purchasing office to post bids on the Internet. In this program, vendors are allowed equal access to bids advertised by the department and have the ability to view the award results on the bid via the Internet. This benefitted the purchasing office in cost savings by not having to incur bid printing and mailing costs associated

Fiscal Management, cont.

with each bid. Vendors now have immediate access to bids advertised by the Department, rather than having to wait for the bid to be received through the mail.

Consolidated Billing for Utilities

Fiscal Management negotiated with utility companies to provide consolidated billing and monthly payments of all charges for utilities that are billed to each of the facilities by each of the providers of such commodities. This billing process reduced the monthly invoices and payments to be processed each month. This billing process also afforded the ability to generate historical and current usage information and reports for all facilities and help identify any irregularities as revealed in these reports.

Procurement Card Program

Fiscal Management improved the efficiency of the procurement card program by implementing an on-line automated reconciliation process eliminating manual paperwork.

NC Public Employee Deferred Compensation Program

Fiscal Management negotiated a new third party administrator for the Deferred Compensation Plan, and monitored the transition from the old third party administrator to the new.

Budget Issues

Fiscal Management helped agencies redirect reduced budget resources to accomplish their missions.

DIVISION of NON-PUBLIC EDUCATION

The Division of Non-Public Education is staffed by the Director, his deputy, a secretary and a temporary clerical employee. The office, previously in the Office of the Governor, was relocated to the Department of Administration in July 1998.

Accomplishments from July - December 1998

* Registered an additional 5,298 new home schools

* Registered an additional 67 new conventional non-public schools

* Since August 1, 1998, mailed 11,368 student driving eligibility certificates to non-public school student driving eligibility certificate program

* Assisted the Secretary of Administration in developing rules for the non-public school Student driving eligibility certificate program

Non-Public Education, cont.

* In response to requests, distributed at least 10,639 non-public school information packets to people considering starting a home or conventional non-public school

* Conducted on-site record inspection visits to over 300 conventional non-public schools

* Reviewed student attendance and nationally standardized test result records for over 4,000 home schools through the Inspection By Mail Program

PUBLIC INFORMATION OFFICE

Marketing Efforts Bring Good Publicity to Department

The Public Information Office (PIO) worked with several divisions during 1998 on media events to publicize efforts the department was taking to make state government more efficient, cost effective, and customer friendly.

Motor Fleet Management

The PIO arranged a news conference for Motor Fleet Management to announce a pilot program to rebuild some of its state cars instead of purchasing new vehicles. The pilot program of 12 rebuilt cars and a subsequent 48 cars have saved the state millions of dollars. The cars provide an additional 100,000 miles or more and cost between $8,000 and $10,000 compared to approximately $21,000 for a new car. There was a great deal of media interest with coverage from four local television stations, several radio stations and statewide newspaper coverage.

Human Resources Management Office

The PIO assisted the Human Resources Management Office with the kickoff celebration of the State Employees Incentive Bonus Program (see Human Resources Management Office). Many state employees attended the celebration on the State Capitol grounds where Secretary Katie Dorsett presented the check to a 34-year veteran state employee. Also present were representatives from the State Employees Association of North Carolina and the General Assembly. The event received television, radio, and statewide newspaper coverage. The program is for employees in state agencies, community colleges, public schools, and the university system.

State Surplus Property Office

The PIO worked with the State Surplus Property Office to promote the Computers for Schools Program. Surplus computers from state agencies from state agencies, community colleges and the university system are refurbished by State Surplus and placed in public schools for a nominal service fee of only $20 per computer. The program has provided more than 2,000 computers to schools in 1998, and saved the state nearly $3 million. The program received coverage from two local television stations that ran feature stories with schools that received the

computers. Statewide coverage has allowed for more schools to learn about the program.

The State Surplus Property Office has also received coverage on the four awards it has received in 1998 for the program, including the Governor's Award for Excellence, the NC Recycling Association's Waste Reduction and Recycling Award, and the Department of Administration's Award for Excellence.

The Raleigh News and Observer did a feature story about the bargains at the surplus office which are available to the public, including office equipment, restaurant supplies, and automobiles.

Division of Facility Management

The Division of Facility Management received newspaper and television coverage on the Energy Star Building Partnership, a program partnering with the federal Environmental Protection Agency to identify energy waste and implement energy-efficient measures in state buildings.

DIVISION OF VETERANS AFFAIRS

Services Provided to Veterans, Their Dependents and Survivors

The district and county veterans service offices received 606,434 requests for services in 1998 from veterans, their dependents and survivors which resulted in new awards to clients in the amount of $7,200,000 from the US Department of Veterans Affairs. This same department paid $62.3 million monthly in direct payments to North Carolina's eligible beneficiaries in 1998. The new awards will improve the standard of living for the clients of the North Carolina office.

State Veterans Nursing Home Program

Construction on North Carolina's first State Veterans Nursing Home in Fayetteville was essentially completed in 1998, construction having started in late 1996. The home, adjacent to the VA Medical Center, has opened in January 1999. The 150-bed facility will serve the long-term health care needs in skilled and intermediate nursing care for veterans throughout the state.

The NC General Assembly appropriated $1 million for the establishment of a second State Veterans Nursing Home in Salisbury. An application was made to the federal Department of Veterans Affairs for federal matching funds of $1.8 million, and the proposal has been approved.

State Cemeteries Program

Three state veterans cemeteries located in Black Mountain, Jacksonville, and Spring Lake have provided interments for 519 veterans during 1998.

State Scholarships for Children of North Carolina War Veterans

The North Carolina Veterans Affairs Commission awarded 312 scholarships to children of deceased and disabled war veterans.

DEPUTY SECRETARY
for
GOVERNMENT OPERATIONS

CARLTON MYRICK

Motor Fleet Management & Courier Service
John Massey, Director

Division of Purchase & Contract
John Leaston, Director

State Construction
Speros Fleggas, Director

State Property
Joe Henderson, Director

State and Local Government Affairs
Sara Stuckey, Director

Office of Continuous Quality Improvement
George Millsaps

MOTOR FLEET MANAGEMENT
and
COURIER SERVICE

Motor Pool on Peace Street on Computer System

For the first time, a personal computer allows the Motor Pool to connect with Motor Fleet Management's mainframe computer system to enter repair work orders and other information. Access to word processing, spreadsheets, and e-mail allows more timely information flow between the two offices.

Rebuilt State Cars

Instead of purchasing all new vehicles, Motor Fleet Management has had approximately 60 Chevrolet Caprices refurbished and rebuilt, including new engines, new transmissions, rebuilt suspensions and brakes, and seat replacement, saving the state $8-10,000 per car. A similar new vehicle would cost approximately $21,000 or more. Motor Fleet has inspected all of these cars to insure the work was performed as expected. The drivers of rebuilt vehicles are being surveyed to determine their satisfaction with the vehicles they have driven. Potentially, another 240 or more Caprices will be rebuilt by a North Carolina company.

Purchase of Alternate Fuel Vehicles

Motor Fleet has purchased 390 vehicles that operate on alternative fuels in an effort to reduce pollution and lessen the state's dependence on foreign oil. Most of these vehicles are duel-fueled vehicles which can run on either ethanol or gasoline. Drivers are instructed to use ethanol whenever possible. Motor Fleet also has vehicles which operate on propane gas, compressed natural gas, and electricity.

Downsize Permanently Assigned Replacement Vehicles

When permanently assigned vehicles need to be replaced, Motor Fleet is reviewing the ability to downsize to a smaller vehicle if appropriate. To date, 94 assignments fall into this category, and a savings of $240,000 will be realized in lower purchase costs. Due to increased fuel economy, 81,278 gallons of fuel with an estimated cost of $48,767 can be saved over the life of the new vehicles.

Central Mail Service Implemented with Courier Service Involvement

After almost two years of planning, a Central Mail Service for the state government complex began on a small scale in late 1998. The plan includes centrally housing equipment and personnel for various mail rooms, and although the move to the old Textbook Warehouse on Blue Ridge Road will take place in early 1999, the mail service has started with 10 state agencies utilizing the current modified Courier Service facilities for processing outbound US mail. It is projected that full operation of the Central Mail Service will begin by July 1999, with the Courier Service incorporated into the operation.

DIVISION of PURCHASE and CONTRACT

Committee Formed to Develop Vendor Registration System

In September 1998, a committee was formed to develop an electronic vendor registration system that will enable any interested vendor to register for selected commodities via the Internet. Vendors will receive e-mail notification for those solicitations that are posted to commodity classes for which they will be registered. The Historically Underutilized Businesses (HUB) certification process will also be incorporated into one system, eliminating the dual system now in place. This system will also allow this office to find vendors registered for specific commodities by city, county, or HUB status. Vendors will also be able to change commodity selections at any time. The system is scheduled to begin the testing phase during the second quarter of 1999, and will save money in postage, mailing list maintenance costs, and duplicating expenses associated with current systems.

Committee Formed to Develop a Requisition Tracking System

In early 1998 a committee was formed to develop a requisition tracking system that will replace the IMS system that is non-Y2K compliant. The new system will track every phase of the purchasing process including requisition solicitation preparation, oversight review, bid tabulation, and award. Using this system, information can be transmitted to other agencies electronically, saving time. Other benefits include the ability to display accurately the time taken during each phase of the purchasing process, and the new process will save money by eliminating duplicate entry expenses. The requisition tracking system is scheduled for introduction during the third quarter of 1999. An extensive training program will be in place before implementation.

Computer Recycling Program

State Surplus Property implemented a Computer for Schools Program in 1997, and since its inception has placed almost 2,000 refurbished computers which had been designated state surplus property into the state public schools, with most of those distributed in 1998, saving the state an estimated $3 million. The cost to the schools is $20 per computer. In 1998, State Surplus has received four statewide awards for this program, including the Governor's Award for Excellence for Innovation, and for Waste Reduction, the NC Recycling Association's Waste Reduction and Recycling Award, and the Department of Administration's Award for Excellence. State Surplus is receiving cooperation from the Department of Community Colleges and the Department of Correction in refurbishing these surplus computers.

Textile Recycling

State Surplus Property has initiated a program to recycle worn-out prison uniforms and other textiles. Through a contract with a company which buys the old uniforms and turns them into cleaning rags, the state has received revenues of $15,000, versus paying $40 per ton for disposal. Also, elimination of landfill fees and a cleaner environment are results of this program. State Surplus is also reviewing other agencies where employees wear uniforms to join this program.

Division of Purchase & Contract, cont.

Historically Underutilized Businesses (HUB)

The HUB program conducted numerous activities and events designed to increase HUB vendor participation in the state's procurement process.

Outreach efforts included conducting five statewide training workshops to educate HUB vendors and contractors about the procurement process for state agencies, universities, institutions and public schools. Over 50 purchasers from across the state participated as panelists.

Technical assistance was provided to over 600 vendors in 1998. Request for certification applications increased and were sent to almost 500 vendors. Notices were sent to nearly 850 construction vendors highlighting upcoming project opportunities. Two issues of the HUB Quarterly Digest were sent to over 2,500 vendors to keep them abreast of ongoing changes in the HUB program.

STATE CONSTRUCTION OFFICE

Awards for Quality Initiative

The Design/Review Section received the Department of Administration Award for Excellence as a result of using Continuous Improvement methods to focus on review times in that office. The section successfully implemented internal changes in the review process which greatly improved turnaround time. The project was also a nominee for the Governor's Award for Excellence.

Public-Private Partnership with Carolina Power & Light (CP&L)

Through a public-private partnership with CP&L, a new utility-owned electrical distribution system was constructed at the Caswell Square complex to replace the existing state-owned system. Because the system required an extensive overhaul, State Construction provided a design which included work by both CP&L and another private contractor. The new system is expected to significantly reduce energy and maintenance costs and also reduce the state's liability associated with a high-voltage system. The work was performed with a minimum of disruption to the operations of the complex.

Implemented New DOA Certification Process

As a result of SB 1093, the State Construction Office (SCO) was charged with implementing this process. This bill requires that the SCO examine and approve all plans and specifications for the construction and renovation of all state buildings, including Community Colleges for which the public bidding is required as a prerequisite to funding the project. Meetings with all state agency CPCs and university CPCs to discuss the new process were conducted. New forms and check-lists for CPCs to complete prior to submittal of proposed projects were also produced by this office.

Successful State Construction Conference

The seventeenth State Construction Conference attracted more than 600 people, and overflow crowd. The conference, coordinated through SCO, brought together representatives from state agencies, architects, engineers, contractors and subcontractors to discuss mutual concerns related to the planning, design, and construction of state projects.

STATE PROPERTY OFFICE

Property Acquisitions and Dispositions

Two-story office building, 29,594 square feet, for the UNC Hospitals to establish primary care outpatient clinic in central Orange County

Leased 17 acres to Wake County for Wake County Schools for 40 years to construct a magnet middle school on Centennial Campus, facilitating a relationship with the county school system and NC State's College of Education and Psychology

Leased 3.07 acres to Carteret Community College, Morehead City, for 99 years for the construction of a 4-story building of approximately 51,000 square feet, to house NCSU's Center for Marine Sciences and Technology. The college will use space in the building to develop joint and complementary programs with NCSU.

Acquired an industrial building, 74,296 square feet, in Warren County for the relocation of the Department of Correction Janitorial Products Plant from Harnett County.

Acquired 64,439 acres for conservation, wildlife, environmental and recreational concerns. Significant acquisitions are

1) 6,459.56 acres (Morgan Watershed) in Burke County for inclusion in South Mountain State Park

2) 17,829 acres in Cleveland, Burke, McDowell and Rutherford counties for the Wildlife Resources Commission

3) 2,757.25 acres known as Roan Island, in Pender County, for the Wildlife Resources Commission

4) 8,041.95 acres for the Suggs Millpond complex, in Bladen and Cumberland counties, for the Wildlife Resources Commission

Negotiated and placed under contract the acquisition of 9,760.09 acres in Transylvania County for the creation of the Gorges State Park and expansion of the Toxaway Gamelands for the Division of Parks and Recreation and the Wildlife Resources Commission

Negotiated a five year lease for the operation of the State Fair Flea Market with an annual minimum revenue guarantee of $832,000 which will be used to enhance the operating budget of the State Fairgrounds

New lease space found for ten agencies relocated from the State Textbook Warehouse for the consolidation of the Central Mail Service, due to move into the building in April 1999.

A lease-purchase agreement was negotiated with the Board of Trustees of the Endowment

State Property, cont.

Fund of UNC-Chapel Hill for a 42,215 square foot building housing departments at UNC-CH. It is anticipated that this arrangement will yield long term rental savings for the university as well as lessen the number of short term leases in the area, both due to shortage of rental space. The rent payments will amortize the cost of building and the state will own the facility at the end of the 21-year term.

STATE - LOCAL RELATIONS OFFICE

Appalachian Regional Commission Grant Program Management

During 1998, State-Local Relations coordinated the development and approval of projects serving 29 western NC counties and 1.4 million of the state's residents. Projects are designed to enhance the economic development potential of this portion of the state, and priorities are those set out in the Governor's Agenda.

Appalachian Regional Commission (ARC) program management resulted in:

Nine water and sewer projects assisting seven counties. Total ARC funding of $1.72 million leveraged $5.8 million in additional funds, aided in creating 518 new jobs, retaining 1629 existing jobs, and securing $54.7 million in private investment.

Seven additional projects to provide training and technical assistance also were approved to serve 29 ARC counties. The $1.2 million ARC investment leveraged $1.2 million in additional funds. Examples of these projects are

1) helping the NC Partnership for Children initiate a multi-county dental health promotion program

2) assisting Handmade in America, a regional non-profit promoting heritage crafts-based tourism and marketing, in its continuing work with the Institute of Government to train a leadership corps of over 30 people in seven small communities aid local officials in community revitalization. This program has been cited as a national model by the Pew Charitable Trust.

3) three grants which aided in establishing NC Information Highway sites in the eligible communities. Two sites in Cherokee and Alleghany counties were cyber campuses for the NC School of Science and Math. The third site will be located at the Graham County campus of the Tri-County Community College. The new satellite campus has already increased in-county enrollment for the community college by 300%.

State Clearinghouse

The State Clearinghouse began implementation of the recommendations of the Environmental Policy Advisory Committee. The recommendations identified ways to streamline the process used to insure state agency compliance with the State Environmental Policy Act and make the process more user-friendly.

The Clearinghouse managed the intergovernmental review process, coordinating the review by state and local agencies of 459 environmental documents. The documents were

prepared in compliance with state and national environmental policy acts, and the reviews included projects such as South Brunswick Regional Wastewater System, Nucor Steel Recycling, and the Transco natural gas line at Jordan Lake.

In addition, the intergovernmental review process completed action on 313 notifications of intent to apply for federal funds (notices by state and local entities of their intention to apply for federal grants and loans). The documents supported requests for over $509 million.

OFFICE of CONTINUOUS QUALITY IMPROVEMENT

Overview

The Quality Coordinator is charged with providing technical assistance to leadership in the Department of Administration through leading, directing and developing Continuous Improvement. This is a structured effort designed to re-focus the Department's commitment to provide outstanding service to our customers through continually improving the way we do business. Under the Secretary's leadership, a raised awareness of "customer service" is taking place throughout the Department. This office has been in place slightly more than one year.

Major Accomplishments

* Surveyed over 17,800 external and internal customers and received responses from over 2,800 customers.

* Identified and prioritized areas of department concern and established three new quality improvement teams based on the prioritized issues.

* Established the Workplace Assessment Team which surveyed some 800-plus DOA employees to gauge employee perceptions of their workplace environment, with a response rate of 68 percent.

* Trained fifteen employees to be team facilitators.

* Trained 40 employees to be team members.

* Trained all division directors and their reports in the areas of customer focus, surveys, and focus groups.

* Incorporated Continuous Improvement criteria into employee workplans.

* Developed a Continuous Improvement Communications Plan, a Web page, placed monthly articles in the department newsletter.

DEPUTY SECRETARY
for
INTERNAL SERVICES and PROGRAMS

KENNETH WILKINS

Commission on Indian Affairs
Greg Richardson, Director

Council for Women
Juanita Bryant, Director

Governor's Advocacy Council for Persons with Disabilities
Allen Perry, Director

Human Relations Commission
Eddie Lawrence, Director

Office of The Americans with Disabilities Act
Robert Owens, Director

Youth Advocacy and Involvement Office
Vida Mays, Director

Division of Facility Management
Tony Jordan, Director

Management Information Systems
Smitty Locklear, Director

State Capitol Police
Chief Johnny Massey

COMMISSION of INDIAN AFFAIRS

Health Choice (formerly Children's Health Insurance Program) Steering Committee

In an effort to comply with one of Governor Hunt's priority to make sure that children go to school healthy and ready to learn, the Commission took the lead in North Carolina in advocating for the Children's Health Insurance Program on behalf of state-recognized American Indian tribes. The commission has provided information to Indian tribes and organizations regarding the benefits of the Health Choice program. In addition, Commission staff and tribal members have played an integral part of the Children's Health Insurance Steering Committee in providing information, as well as providing input in the crafting of mental health services and the comprehensive health care package for the state's approximately 71,000 uninsured children. One major outcome from serving as a member of the steering committee is that American Indian tribal offices will serve as centers for application taking and outreach.

Culturally Responsive Care Initiative

The Commission received $75,000 from the Division of Social Services in its efforts to implement culturally responsive care initiative created and established by the Department of Health and Human Services. The Commission is responsible for conducting focus groups among the state's ten American Indian tribes and organizations. In addition to the focus groups, the Commission will prepare reports, identify problems around policies and practices that omit the North Carolina American Indian community and provide consultation to multi-agency service providers focused on meeting the needs of American Indian children and families.

Z. Smith Reynolds Grant

The Commission was awarded a $30,000 grant from the Z. Smith Reynolds to develop a strategic plan for the year 2000. The plan requires the Commission to establish a partnership with key non-Indian stake holders in Indian communities, and to bring additional resources and expertise to the Commission through the enhancement of collaborative efforts between the commission staff, members, tribal leaders and other Indian community leaders in an attempt to serve the future needs of North Carolina's Indian communities.

American Indian Children Will Be Better Served

The Adoption and Safe Families Act was amended by the NC General Assembly to require local departments of Social Services to consider the Indian Child Welfare Act when placing American Indian children into foster care or adoptive services.

Educational Talent Search Receives Additional Funding

The US Department of Education awarded an additional annual funding of $215,500 for four years to increase the service population from 600 to 650 American Indian students in the Educational Talent Search Program. The program is targeted to Columbus, Cumberland, Guilford, Halifax, Harnett, Hoke, Sampson and Warren counties.

COUNCIL FOR WOMEN

Service Provider Funding

Through funding by the legislature in 1998 of an additional $1 million, **victims of domestic violence** have been served more effectively and new programs have been developed. The Council for Women administered funding to 78 domestic violence programs at more than $50,000 each. Included in this money were marriage license fees which are given to the domestic violence programs.

Victims of sexual assault were served through 57 sexual assault programs funded in the amount of $18,940 per program.

In addition, a **rape prevention project** funded at $15,000 per program was administered to 61 agencies. The purpose of these funds is to provide community education, awareness and prevention in civic groups, schools, churches, and throughout communities.

Also in 1998, 4,200 participants in **the displaced homemakers program** were served through an annual appropriation in the continuation budget of $375,000. The number of programs continues to be 24; however, the 1998 General Assembly enacted legislation which increased the divorce fee by $20. This additional revenue will go into a fund for distribution to existing programs as well as development of new programs.

These programs serve victims and clients statewide.

Displaced Homemakers Program

The short session of the 1999 legislature passed SB 475 which will add $20 to the existing divorce filing fee of $50. A special fund will be set up in the Department of Administration for the monies collected from the Clerks of Court in each county. It is anticipated that the fund will generate approximately $333,000 for fiscal year 1998-1999, and a net deposit of $666,000 for fiscal year 1999-2000. These funds will be distributed equally to the existing 24 displaced homemaker programs in the state. The program will also use these dollars to start one or two new displaced homemaker programs each year.

"Women with Purpose"

The Southeast Region hosted the first "Women with Purpose" event, recognizing women who made significant contributions to the lives of children. Thirteen women from Craven, Jones, Carteret an Pamlico counties were recognized for their unselfish contributions to the children of these areas. Approximately 150 attended, and children of various cultures entertained.

GOVERNOR'S ADVOCACY COUNCIL
for PERSONS with DISABILITIES

Investigation of the Death of a Teen at Charter Hospital in Greensboro

GACPD staff investigated the March 1998 death of a teenage patient at Charter Hospital in Greensboro. As a result of the investigations conducted by GACPD and the Division of Facility Services, which licensed the hospital, a *Notice of Intent to Revoke License* was served on the hospital in May 1998. The hospital was allowed to retain its operating license after hospital officials agreed to make several changes in personnel and procedures. The Guilford County grand jury charged one of the mental health workers in this case with involuntary manslaughter.

In October 1998, with the parents' permission, the investigating advocate and attorney met with a
CBS representative and the advocate was subsequently interviewed by Ed Bradley of CBS's "60Minutes." This interview is expected to be a part of a documentary on children in private psychiatric hospitals which is planned for early 1999.

Investigation of Alleged Sexual Abuse at Two NC Schools for the Deaf

In May 1998, after a highly publicized incident of alleged sexual abuse at the Eastern NC School for the Deaf (ENCSD), GACPD began receiving phone calls from parents and/or guardians of clients who alleged sexual abuse. GACPD subsequently investigated one allegation of sexual abuse at ENCSD and five at the Central NC School for the Deaf (CNCSD). Staff were able to substantiate neglect by both of these schools in all but one of the allegations investigated. The one unsubstantiated allegation occurred at the CNCSD. Staff also reviewed policies and established procedures at The School for the Deaf in Morganton.

In May 1998, the Department of Health and Human Services established a Safety and Security Committee to examine the safety and security of students at all of the state's residential schools. In June 1998, GACPD and Youth Advocacy and Involvement Office in the Department of Administration submitted recommendations to the Safety and Security Committee regarding improvements needed in the schools for the deaf in areas of supervision of students, in the reporting of abuse and/or neglect, and in the use of interpreters in instances of abuse and/or neglect. GACPD participated with the committee in the rewriting of Directive 61, which addresses reporting abuse and/or neglect in DHHS schools, divisions, and institutions. Staff also participated in establishing human rights committees in two of the schools for the deaf.

Training on the American with Disabilities Act

As part of a grant from the Disability and Business Technical Assistance Center, the GACPD staff held four workshops in rural eastern North Carolina to train key people in the community so that they could inform the citizens in nearby communities about their rights and responsibilities regarding the Americans with Disabilities Act. Workshops were held in New Bern, Elizabeth City, Williamston and Whiteville. Approximately 150 participants from North Carolina's underserved rural counties were trained, and most were Native American or African-American.

HUMAN RELATIONS COMMISSION

Fair Housing Law Enforcement

The NC Human Relations Commission is charged with the administration and enforcement of the fair housing law, including the investigation, mediation, and litigation of fair housing cases and the provision of fair housing education and training for the state. In 1998, the Commission received approximately 800 housing inquiries. Forty-three cases alleging housing discrimination were dual-filed with the US Department of Housing and Urban Development, and the Commission closed 68 cases. The Commission also successfully conciliated 10 litigation cases in which a reasonable grounds determination had been made following investigations enabling these to be settled.

Fair Housing Outreach

In an effort to increase the attention to the affirmative program of fair housing, the Commission conducted approximately 80 outreach efforts. The Commission has, in an outreach and educational effort, created a web page on the Internet making available the State Fair Housing Act in English and Spanish and allowing access to the complaint forms for use by the public.

Hate Violence Reporting/Investigation

The Commission established and trained 35 Hate Violence Information Network affiliates across the state. These affiliates signed a memorandum of understanding committing to inform the Commission when a hate incident occurs in their community. Fifty-nine incidents were reviewed and/or investigated in 1998.

Police-Community Relations

The Commission trained 195 police officers in five training sessions. In another 15 diversity sessions conducted with fire departments, other agencies and organizations, 584 persons were trained.

"Bridging the Gap in Race Relations"

In cooperation with the Winston-Salem Urban League, a special session on "Bridging the Gap in Race Relations" was held, involving 174 people.

Martin Luther King Jr. Commission Mini-Grants

The Martin Luther King Jr. Commission awarded $54,709 in mini-grants to 28 non-profit organizations to celebrate the life an philosophy of Dr. King throughout the year.

OFFICE of the AMERICANS with DISABILITIES ACT

Consultation and Technical Assistance

This Office provided consultation and technical assistance more than 400 times during 1998, including telephone and in-person contact. Over 40 mailings resulted from the telephone consultations, including technical assistance manuals and letters of opinion on ADA issues. Hands-on technical assistance to the Department of Environment and Natural Resources resulted in completion of their Transition Plan. Technical Assistance is ongoing with the Department of Cultural Resources on their Transition Plan.

ADA Training Sessions

Seventeen training sessions were conducted during 1998. The focus of most sessions was employment (Title 1). Two of the sessions were conducted in rural counties to provide technical assistance with accessibility improvements in those communities.

ADA Eighth Anniversary Observance

Twelve observances took place across the state giving North Carolina the second highest number of events in the nation behind Texas. The Director and the Community Services Consultant were the keynote speakers at several of the events, were interviewed and quoted in community newspapers.

YOUTH ADVOCACY and INVOLVEMENT OFFICE

Juvenile Justice Reform Act

Two staff members served as staff to the Governor's Commission on Juvenile Crime and Justice. The commission made recommendations for improvements to the Juvenile Justice System, many of which were incorporated in the Juvenile Justice Reform Act which was ratified in the 1998 Short Session of the General Assembly. One prevention initiative that resulted from the new law is the creation of Juvenile Justice Prevention Councils in every county. In addition, there will be limited funding available for community-based intervention and prevention initiatives.

Smoke Detector Penalties

Child advocates and a staff member advocated successfully for the smoke detector penalty bill to be included in the 1998 state budget. This bill fines landlords who fail to provide tenants with working smoke detectors, and tenants who disable or damage smoke detectors. The legislation will help prevent the deaths of children by fire in North Carolina.

Allegations of Sexual Abuse at Schools for the Deaf

Staff at this office collaborated effectively with the Governor's Advocacy Office for Persons with Disabilities to make improvements in the guidelines issued by the Department of

Youth Advocacy and Involvement, cont.

Health and Human Services' Safety and Security Committee, formed in June 1998, to protect students at the three schools for the deaf from alleged sexual assault. This interagency effort was the culmination of several years of review of this problem, and came to the forefront after an alleged incident in May 1998. As a result of this collaboration, operating policies have been reviewed and changes have been made at the state's residential schools including those for the deaf.

"Combating Underage Drinking" Grant

The office has been the recipient of a grant from the Federal Office of Juvenile Justice and Delinquency via the Department of Health and Human Services, Division of Mental Health and Substance Abuse, in the amount of $40,000. This grant assists the Students Against Destructive Decisions (SADD) with scholarships for the SADD conference and grants to middle and high schools for new and existing SADD chapters.

DIVISION of FACILITY MANAGEMENT

Safety and Preventive Maintenance

* Sidewalk and driveway cuts have been improved.

* Successful and well-planned preventive maintenance programs are in place for buildings and machinery reducing long-term costs.

* Zonal maintenance is in place with permanent shops at the Garner Road and Blue Ridge Road complexes. Each employee reports directly to these shop areas thereby reducing travel time and resulting in a stronger continuity of maintenance on systems.

Energy Savings

* All insulation in floors and attics of the historic houses in the Blount Street Historic District has been completed, thus noticeably reducing energy use.

* New HVAC systems (90% efficient) have been installed in ten historic houses considerably reducing electrical usage

MANAGEMENT INFORMATION SYSTEMS

Token Ring to Ethernet Conversion

Management Information Systems (MIS) converted the Administration Building from token ring to switched ethernet in the spring of 1998. The Department of Administration (DOA) has experienced multiple problems with the token ring local area network (LAN) within the Administration building for several years. As more computer devices were added to the network, technical problems increased and reliability decreased. The LAN was one large segment that was over its rated capacity. Further, there was a need to break the LAN into smaller segments to eliminate most of the local network traffic from other floors. The switch form token ring to Baystack Ethernet 350T Switch has segmented each floor eliminating network traffic on floors where it is not needed. The Ethernet topology uses less overhead, thus eliminating additional congestion. MIS also completed a similar conversion for the Division of Facility Management.

Y2K Projects

MIS has corrected several DOA LAN-based account receivable systems and inventory tracking systems that were not Y2K compliant.

Interactive Purchasing System

MIS has re-designed the functionality of the Interactive Purchasing System (IPS) for the Division of Purchase and Contract. MIS staff has been assigned with additional contract staff to start application development of the new design. This design will allow agencies to electronically track the status of bids with more detail information. Vendor registration is also a part of the re-design allowing the IPS system to automatically notify qualified vendors via e-mail when new bids are electronically posted. Vendors may then choose to download the bid document from the IPS Web server, print the bid, fill it out and mail it back to Purchase and Contract. This eliminates mass hard copy mailings to vendors who may not be interested in bidding.

State Surplus Bids

MIS has added additional functionality to the State Surplus Bid System that automatically updates their Web page with surplus information that the public can bid on. Citizens can then decide which items they wish to bid on by downloading the system-generated document, printing it out, and mailing it back to State Surplus. After bid openings, the bids are then tabulated and displayed on the individual's Web site for the public to view.

STATE CAPITOL POLICE

Implemented Crime Prevention Program

In July 1998, a Crime Prevention Officer was hired to implement the crime prevention program for the Department of Administration. Crime awareness and prevention presentations have been made throughout the State government complex. Security assessments for many

agencies, including buildings, grounds, and parking lots have been conducted. The Crime Prevention Officer makes personal contact with all agencies in which State Capitol Police have found unlocked or open. Walk through metal detectors have been purchased, with one placed at the Governor's Office in the State Capitol for all visitors to pass through when visiting the Governor's Office area. Another detector is available for use by any agency in State government for meetings, hearings, or when additional security needs are warranted.

Arrests for Bomb Threats

During 1998, State Capitol Police responded to and investigated ten bomb threats. Arrests were made for seven of these threats, and additional charges were made in conjunction with the arrests for bomb threats at the Department of Revenue.

Body Armor Purchased for All Law Enforcement Officers

Responding to growing concerns of safety for law enforcement officers throughout the nation, State Capitol Police received funding from the Department of Administration to purchase body armor for all law enforcement officers. All officers have been provided with safety vests and wear them as part of their official standard uniform.

Attachment 3

TABLE of CONTENTS

Office of the Secretary 1

Agency for Public Telecommunications 5

Human Resources Management 10

Office of Fiscal Management 11

Office of Non-public Education 13

Public Information Office 16

Division of Veterans Affairs 17

Deputy Secretary for Government Operations

Motor Fleet Management and Courier Service 21 & 27

Division of Purchase and Contract 29

State Construction Office 42

State Property Office 44

State and Local Government Relations 47

Office of Continuous Quality Improvement 49

Deputy Secretary for Internal Services and Programs

Commission of Indian Affairs 50

Council for Women 65

Governor's Advocacy Council for Persons with Disabilities 68

Human Relations Commission 71

Office of the Americans with Disabilities Act (Remarks by Deputy)

Youth Advocacy and Involvement Office 76

Division of Facility Management 80

Management Information Systems 86

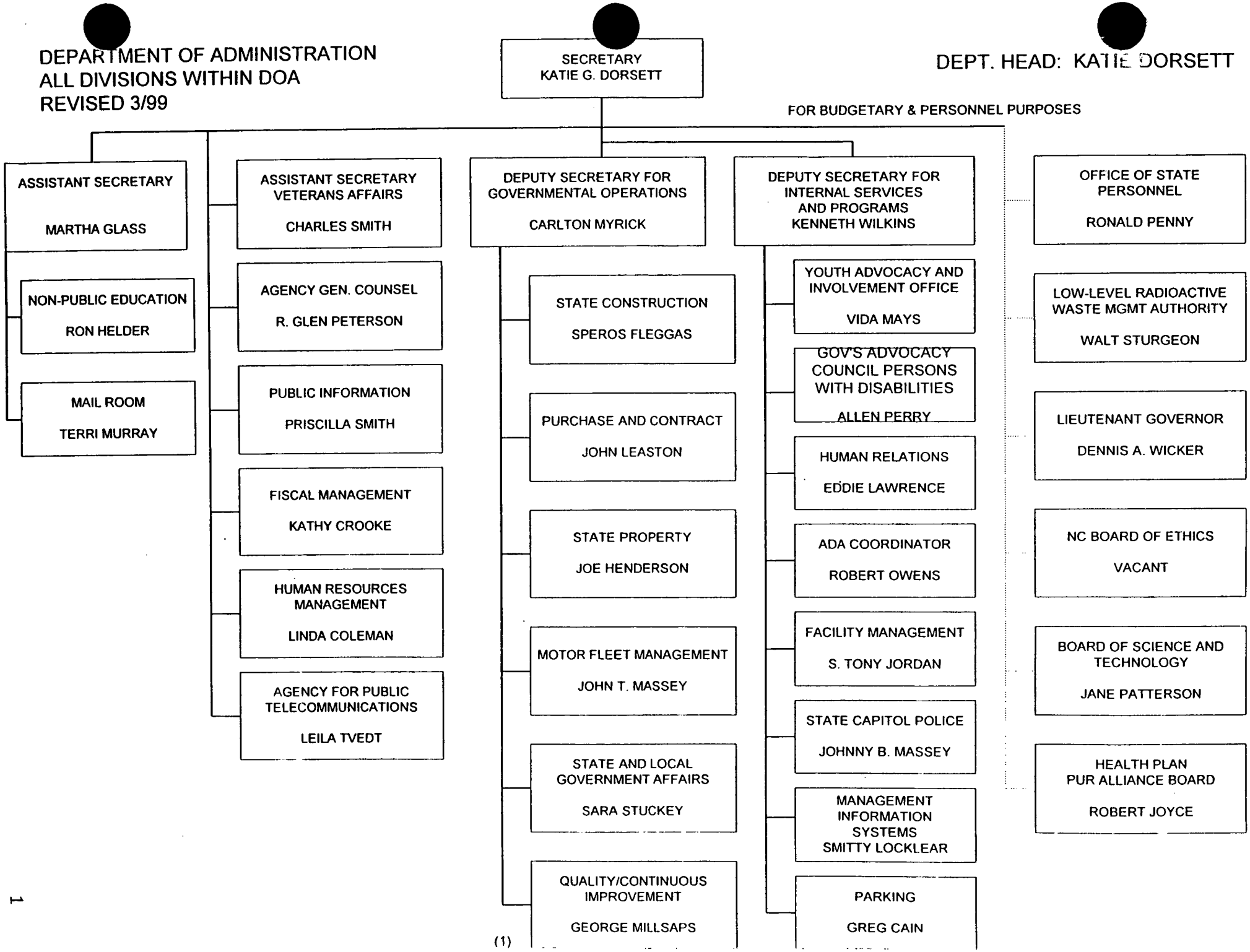
State Capitol Police 88

Affiliated Agencies

Board of Ethics	90
Board of Science and Technology	94
Low Level Radioactive Waste Management Authority	98
State Health Plan Purchasing Alliance Board	100

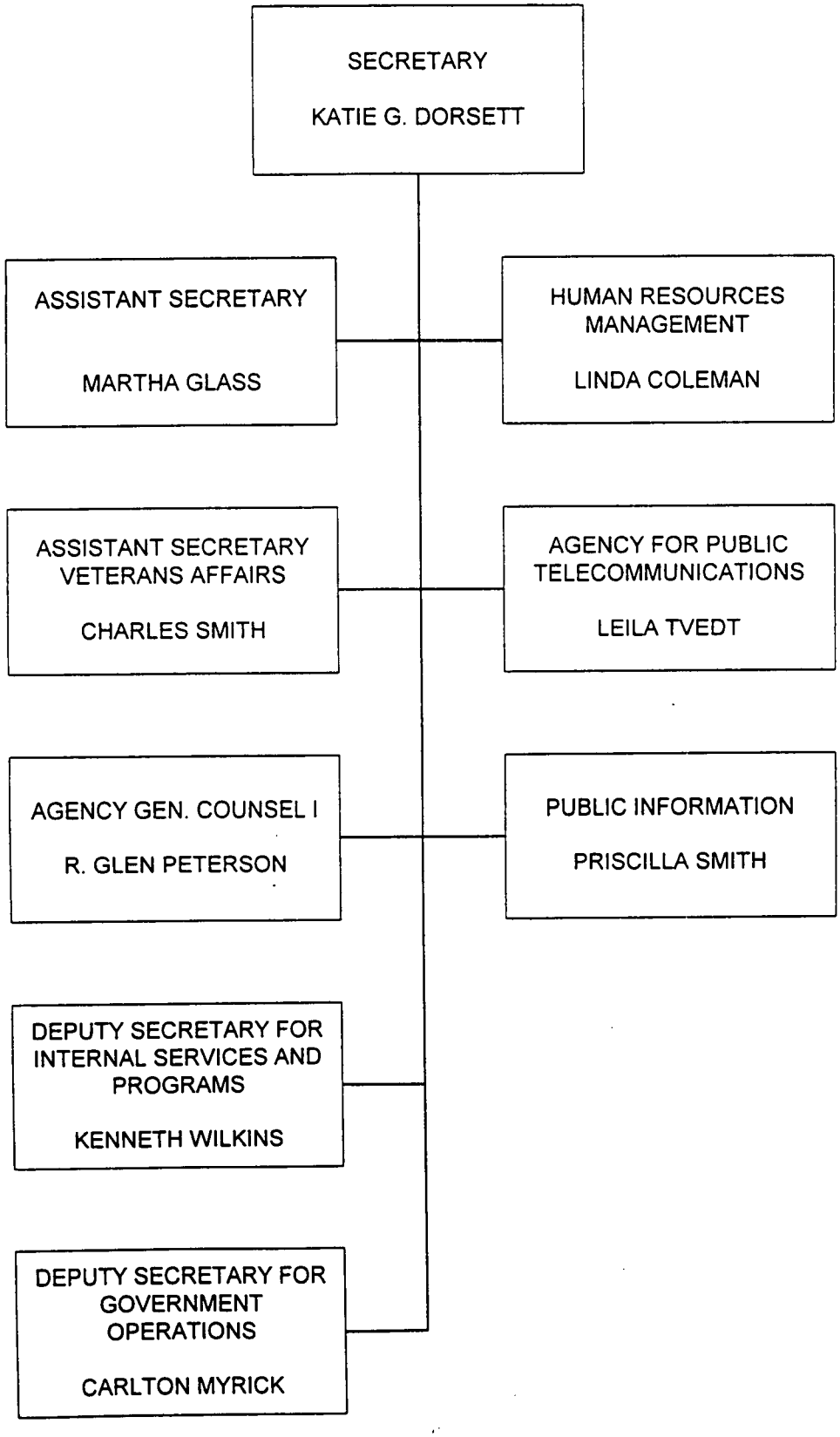
DEPARTMENT OF ADMINISTRATION
ALL DIVISIONS WITHIN DOA
REVISED 3/99

DEPT. HEAD: KATIE DORSETT



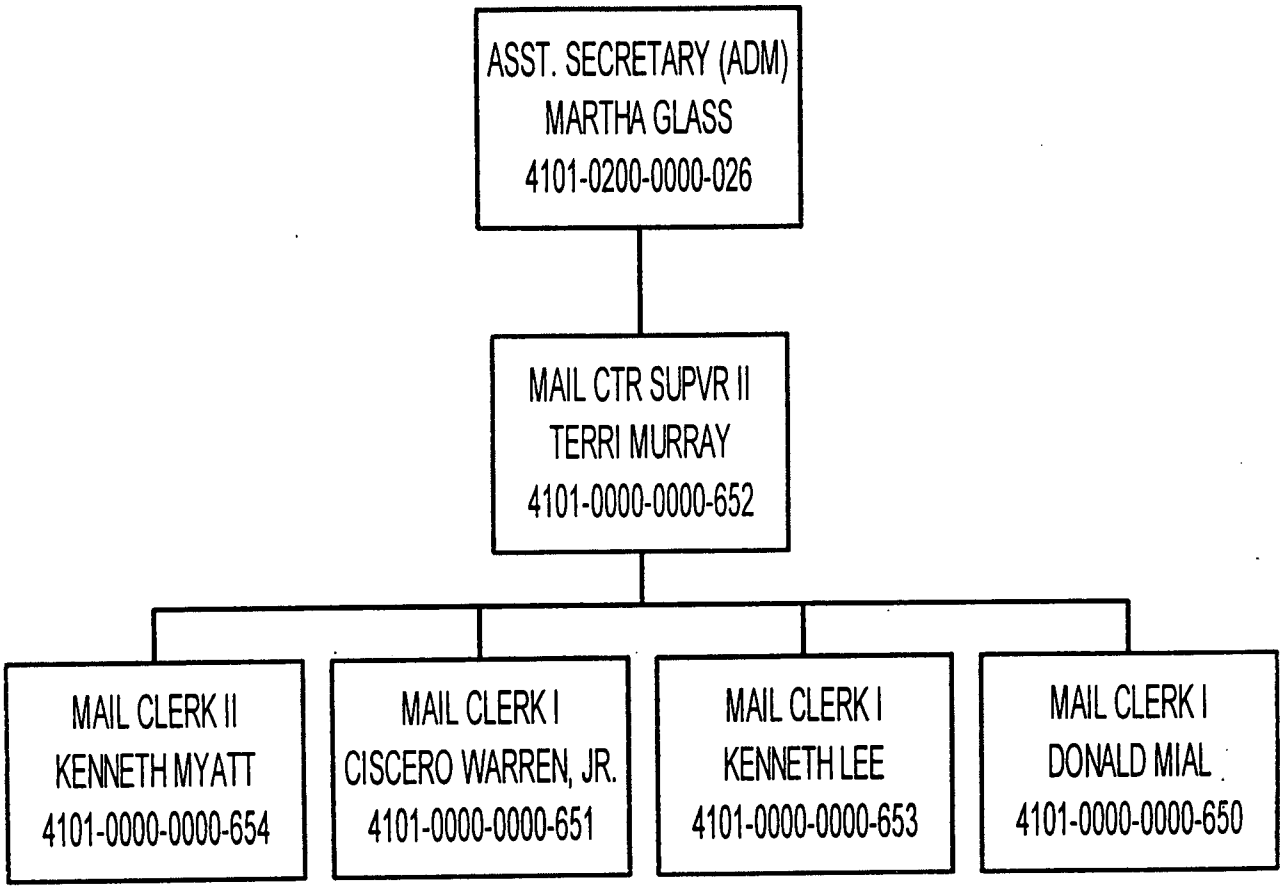
DEPARTMENT OF ADMINISTRATION
REVISED 3/99

DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



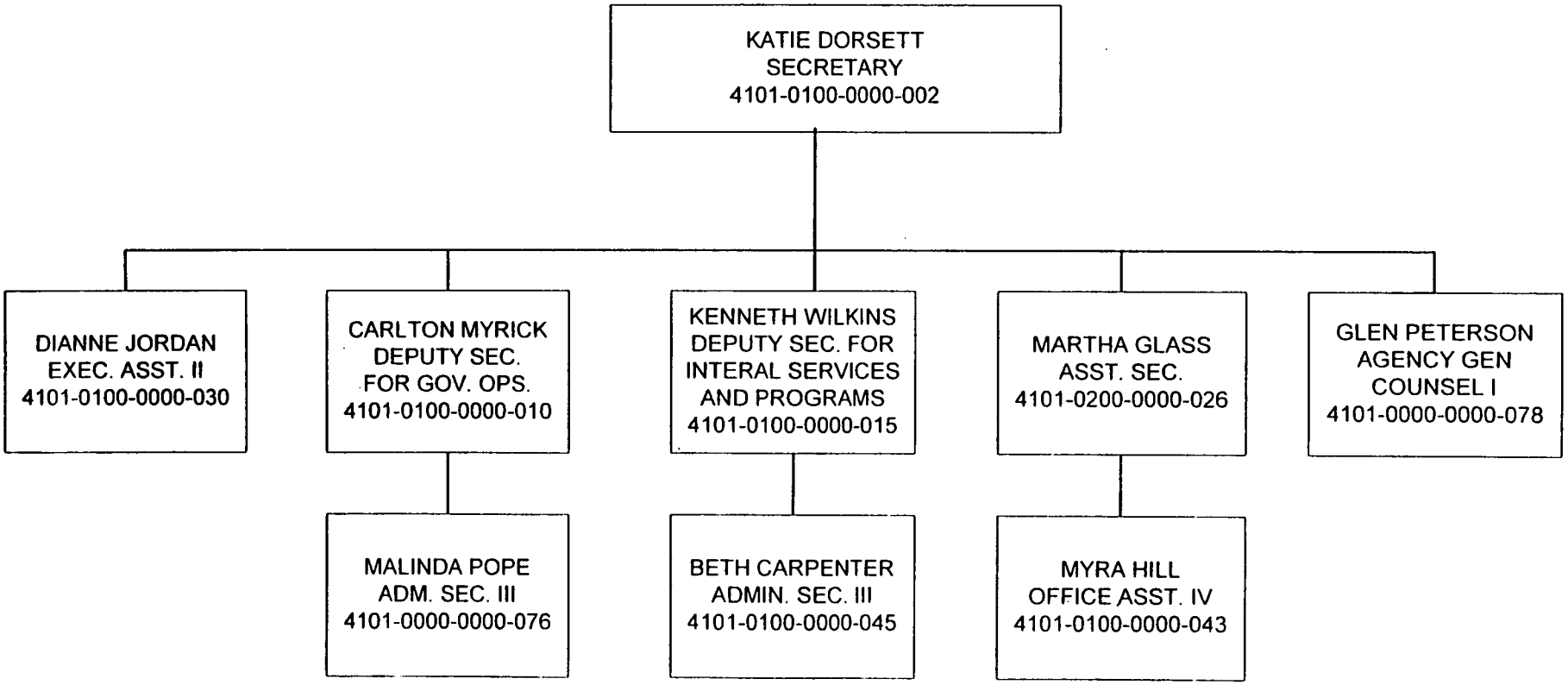
DOA MAILROOM

DATE _____
AGENCY HEAD SIGN. _____
DEPT. HEAD SIGN. _____
PERS. OFFICE SIGN. _____



T. OF ADMINISTRATION
CRETARY'S STAFF
REVISED 3/99

DEPT. HEAD: KATIE DORSETT



North Carolina
Department of Administration

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

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

OVERVIEW
AGENCY FOR PUBLIC TELECOMMUNICATIONS

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

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

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

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

BACKGROUND: APT is supported by a combination of legislative appropriations with corporate, foundation, and federal grants, and by receipts for teleconferencing and production services. Policy direction is provided by an appointed Board of Telecommunications Commissioners that meets quarterly . For further information, please contact: the Agency for Public Telecommunications by phone or e-mail at OPEN@mail.doa.state.nc.us

116 West Jones Street • Raleigh 27603-8003 • Telephone 919-733-6341 • Facsimile 919-715-3569
State Courier 51-01-00

Agency for Public Telecommunications (APT) -- 1998

Open Public Events Network (OPEN) -- In order to promote public participation in government, APT produces live, call-in programs on the Open Public Events Network and distributes them via satellite to North Carolina cable systems. Since 1984, when OPEN call-in programs began, more than 30,000 people have called from about 400 locations to talk with panelists in our Raleigh studio. Legislators and other public officials continue to affirm their commitment to a public dialogue with viewers by participating as panelists every Tuesday and Thursday evening. 58 cable systems carry OPEN programs as a public service to their viewers, providing an in-kind contribution of channel capacity and equipment use estimated at $1 million annually.

FY97-98 Highlights -- OPEN (1) began using a small private foundation grant to caption some call-in programs; (2) responded to the threat of Hurricane Bonnie with live, call-in programs before, during and after the storm stuck, giving people direct access to emergency management personnel and information about federal and state disaster preparation, relief and recovery activities; (3) continued the Candidate Call-In series offering time to all candidates for statewide office, including, for the first time, judicial candidates.

Media Services -- In order to promote increased productivity in government, APT's Media Services offers a full range of broadcast-quality media production services and a centralized production studio and facilities for public agencies' audio and video projects. Dozens of state agencies use these services to produce long- and short-form videos for training and staff development and for public outreach and information.

FY97-98 Highlights - For the third year in a row, Media Services staff won top honors for videotapes they produced for clients. The regional chapter of the international association of producers (ITVA) awarded our projects first place for the State Board of Elections' video about the responsibilities of local election officials; second place for a DHHS training video about interviewing techniques for social workers; and a special achievement award for work on a community college video about Tech Prep. In past years, APT's projects have gone on to win top honors in the national ITVA competition

State Services Network (SSN) - In order to promote increased efficiency in government, APT's SSN offers live, interactive teleconferencing services by phone, fiber, or satellite. Teleconferencing and distance education enable client agencies to avoid unnecessary travel and to save travel time and dollars by meeting simultaneously with dozens or hundreds of participants closer to their assigned duty stations. Clients in this fiscal year have included nearly 75 divisions in 20 agencies of state government.

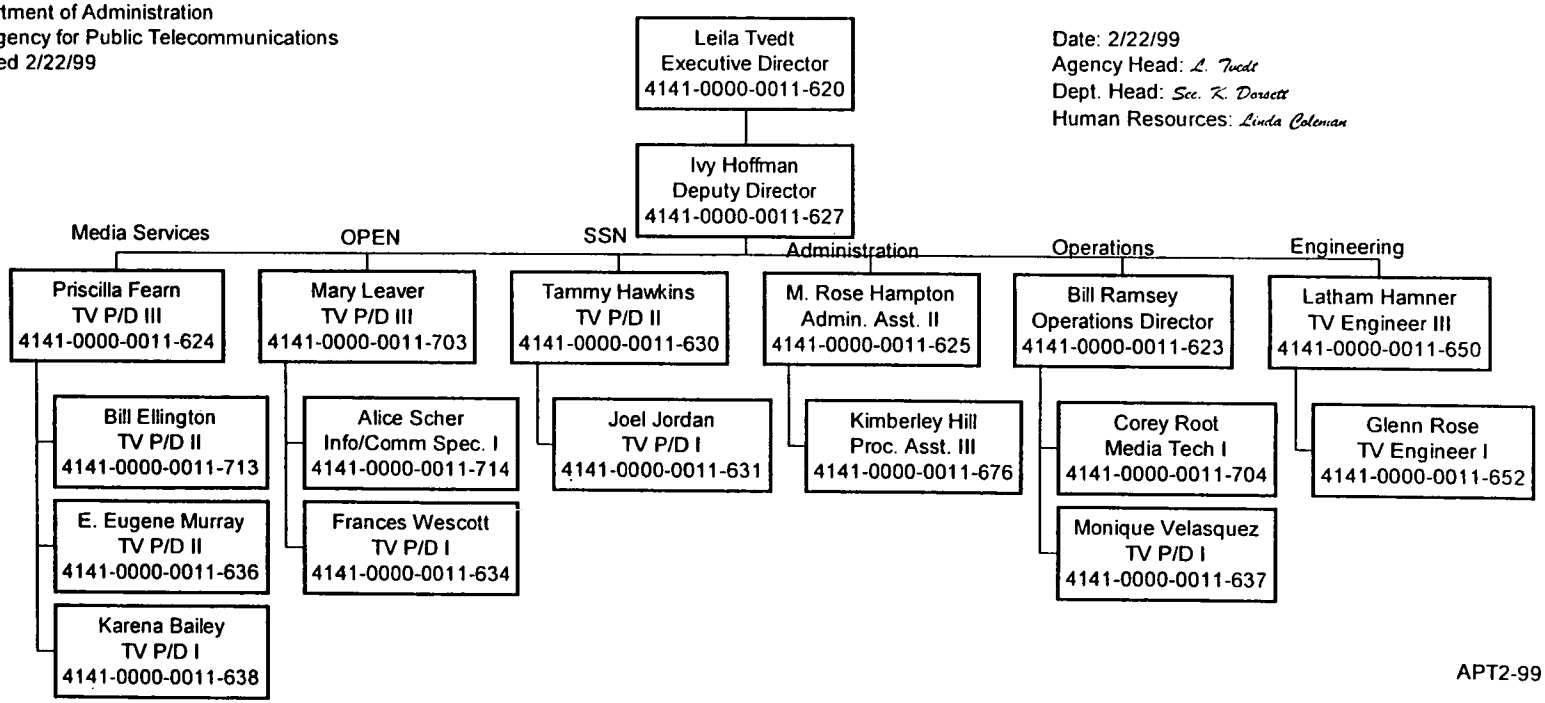
FY97-98 Highlights - SSN worked (1) with the Department of Correction and the Department of Crime Control and Public Safety to produce a two-day conference that reached 3000 probation and prison staff and victim assistance personnel at 17 locations for training on the new Statewide Automated Victim Assistance and Notification system; (2) with NC State University to connect Vet School students in our Raleigh studio with an astronaut in space on the Shuttle Columbia for a 10-minute conversation; (3) with the Department of Public Instruction to continue their training for thousands of teachers and administrators; (4) with the Parole Commission to offer hearings to crime victims at locations around the state. Crime victims say they saved 32,000 miles and 550 work hours by not driving to Raleigh for Parole Commission hearings and more crime victims participated in hearings for the first time closer to home.

Quality Improvements on Schedule

With legislative funding, APT completed the second phase of a long-range plan to improve the quality of our productions by replacing old, obsolete equipment which was no longer functioning adequately. With the new digital "chip" cameras from last year and this year's purchase of digital video recorders and heavy duty tripods, APT is now producing significantly improved video images for its live, call-in programs, teleconferences and media services projects. It is important to note that clients responding to our customer satisfaction survey site top quality production services as one of their top expectations in working with our sections. Replacing aging equipment with more functional, versatile gear helps us to meet or exceed that expectation.

Department of Administration
NC Agency for Public Telecommunications
Revised 2/22/99

Date: 2/22/99
Agency Head: *L. Tvedt*
Dept. Head: *See. K. Dorsett*
Human Resources: *Linda Coleman*



APT2-99

Open Public Events Network Cable Systems Participants

Asheboro
(Climax, Franklinville, [redacted], Seagrove, Sophia)
Time Warner
Cable.....8

Asheville
City of Asheville/
Intermedia.....20

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

Boone
(Blowing Rock)
ASU/Helicon
Cable.....20

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

Burlington
(Elon College, [redacted], Graham, [redacted], Village of Alamance)
Time Warner
Cable.....5

Cary
(Apex, Fuquay-Varina, Holly Springs, Morrisville)
Time Warner
Cable.....60

Chapel Hill
(Efland, Mebane, Orange Co., Pittsboro)
Time Warner
Cable.....23
The People's Channel
(Thurs. only).....8

Clinton
(Sampson County)
Sampson CC/
Multimedia
Cable.....13

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

Durham
Time Warner
Cable.....23

Elizabeth City
Pasquotank Co.
Schools/Adelphia
Cable
(Thurs. only).....8

Fayetteville
(Autryville, Dunn, Erwin, Falcon, Ft. Bragg, Godwin, Hope Mills, Parkton, Pope AFB, Spring Lake, Stedman, Wade)
Time Warner
Cable.....7

Garner
(Clayton)
Time Warner
Cable.....60

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

Gastonia
(Belmont, Bessemer City, Mt. Holly)
Time Warner Cable
(Thurs. only).....9

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

Greensboro
Guilford Educational
Television/Time
Warner Cable..... 2

Greenville
Cable 7/Multimedia
Cable.....7

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

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

High Point
(Jamestown)
Time Warner
Cable.....2

Holly Springs
Deacon Cable.....2

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

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

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

Kinston
(LaGrange, Walnut Creek, Lenoir Co., Wayne Co.)
TACC9 and
Multimedia
Cable.....9

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

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

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

Morehead City
(Atlantic Beach, Beaufort, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Havelock, Newport, Pine Knoll Shores, Swansboro, Carteret & Craven Counties)
Time Warner
Cable.....13

Morganton
WMNC/CoMPAS....2

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

Raleigh
City of Raleigh.... 22
Time Warner
Cable.....24

Rockingham
(Dobbins Heights, Ellerbe, Hamlet, Hoffman, Richmond County)
Time Warner
Cable.....16

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

Selma
(Four Oaks, Johnston County, Pine Level, Smithfield)
Time Warner
Cable.....60

Shelby
(Bellwood, Boiling Springs, Casar, Kingstown, Earl, Fallston, Grover, Lattimore, Lawndale, Mooresboro, Patterson, Polkville, Waco)
Cleveland CC/
Time Warner
Cable.....58

Tarboro
Multimedia
Cable.....13

Wake Forest
Time Warner
Cable.....24

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

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

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

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

Winston-Salem
(Bermuda Run, Clemmons, Kernersville, Lewisville, Rural Hall, Walkertown, Forsyth Co.)
City of Winston-
Salem/
Time Warner
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Ms. Jo Anne Sanford
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Ms. Jan Thompson
Mecklenburg Co. Sheriff's Office
Charlotte, NC

Dr. Mike Ward
Superintendent of Public Instruction
Raleigh, NC

Dr. Phail Wynn
President
Durham Technical Community College
Durham, NC

For further information, please call
Leila Tvedt
APT Executive Director
Raleigh, NC

DEPARTMENT OF ADMINISTRATION
HUMAN RESOURCES DIVISION
REVISED 2/16/99

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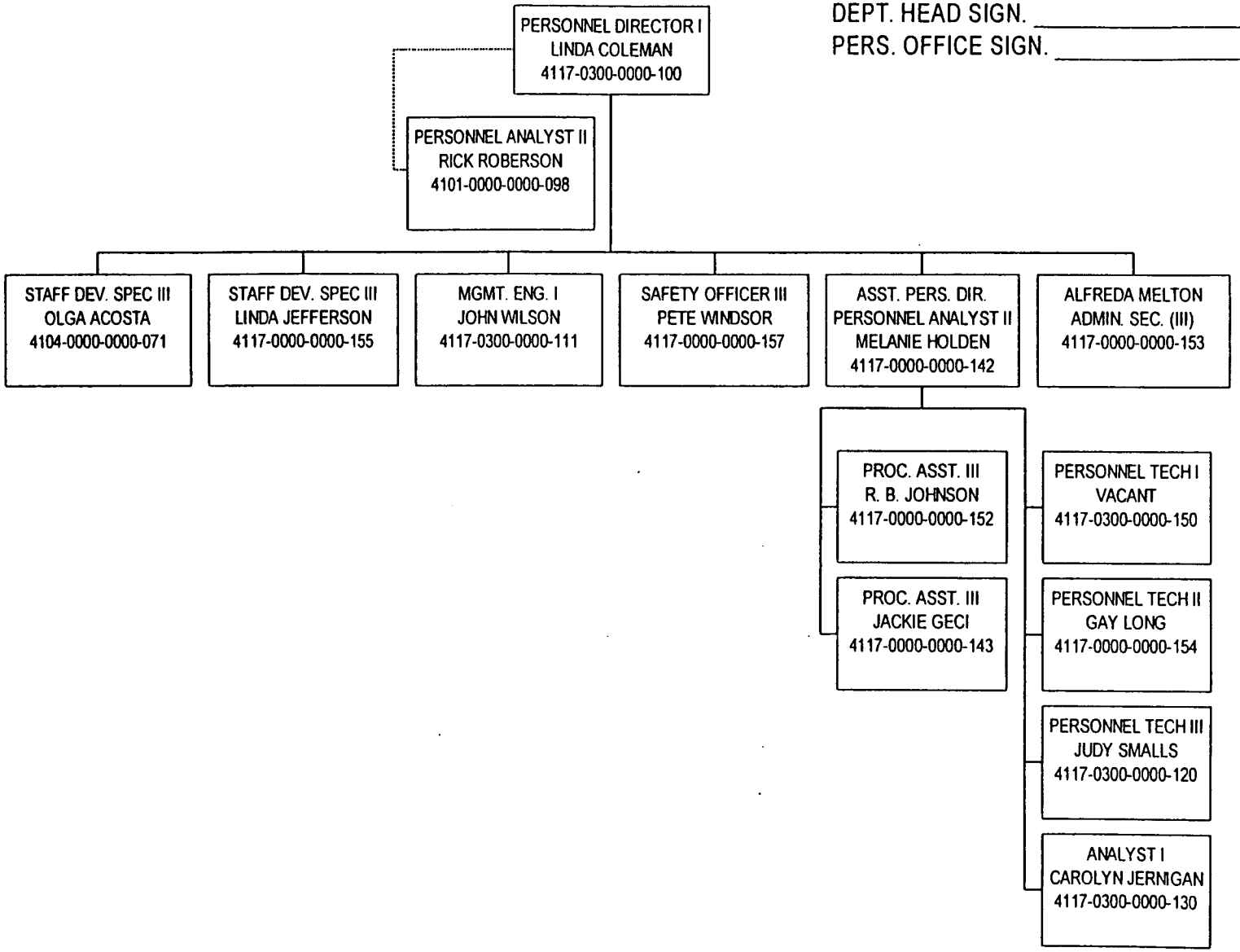
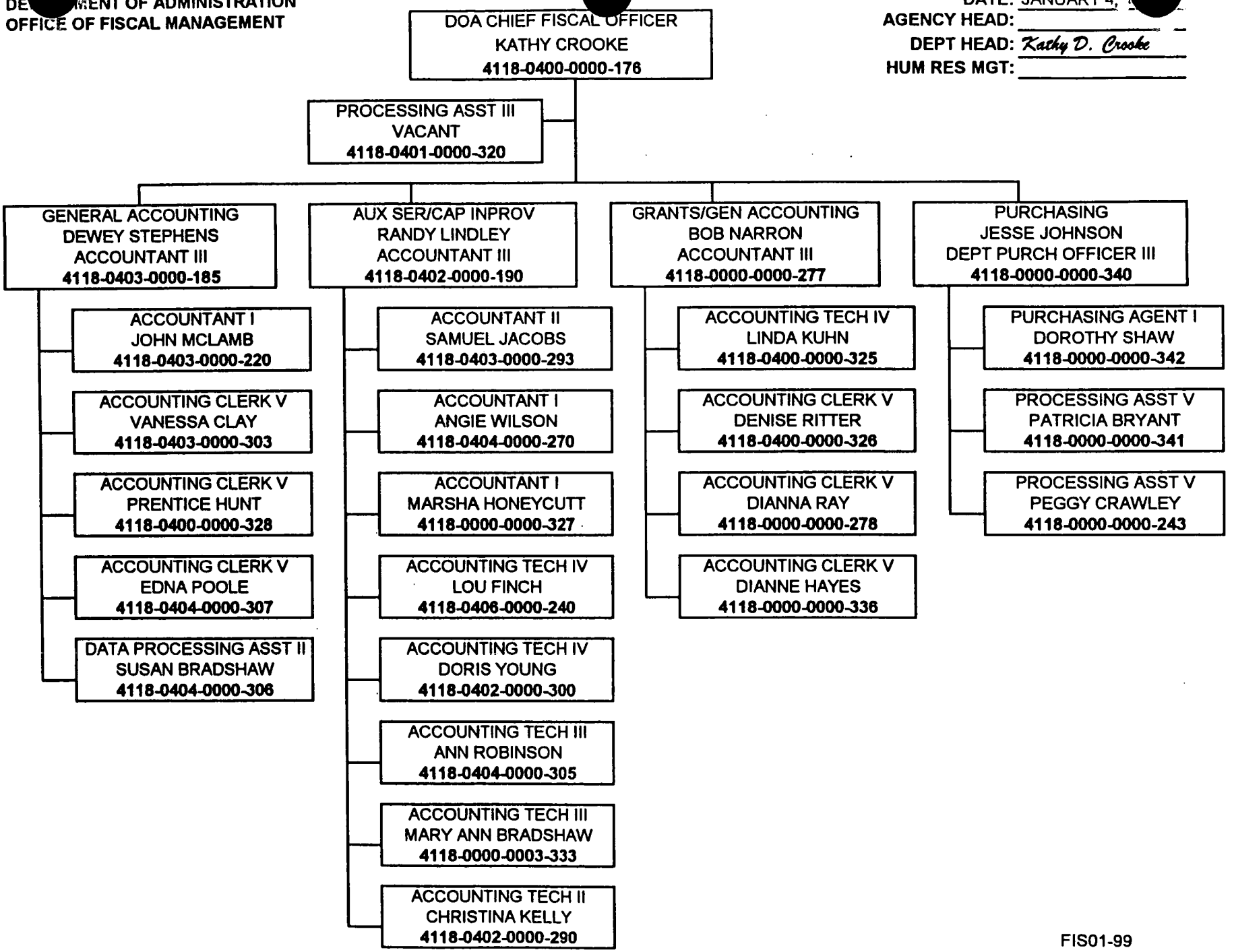


DEPARTMENT OF ADMINISTRATION
OFFICE OF FISCAL MANAGEMENT

DATE: JANUARY 4, 1
AGENCY HEAD: _____
DEPT HEAD: Kathy D. Crooke
HUM RES MGT: _____



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FIS01-99

DEPARTMENT OF ADMINISTRATION

Summary of Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$117,538,152	$124,552,501	$125,188,631	$125,320,019
Total Estimated Receipts	66,719,053	$63,423,655	$63,429,504	$63,429,504
Beginning Cash Balance	8,630,951	$11,724,530	$10,741,199	$10,741,199
Ending Cash Balance	11,724,530	$10,741,199	$10,741,199	$10,741,199
Increase/Decrease Cash Balance	3,093,570	($983,331)	$0	$0
Net Appropriations	53,912,678	$60,145,515	$61,759,127	$61,890,515
Number of Positions	953.95	973.31	984.31	984.31

Notes:

34% of the budgeted appropriations is for Fund 1421 Facility Management

15% of the budgeted appropriations are "pass through" monies for grants, scholarships, aid to local governments, etc.

23% of the budgeted positions are supported from receipts

13% of the budgeted appropriations and 15% of the total positions funded by appropriations are in support of the Office of State Personnel

OPERATION AND FUNCTION OF THE NC DIVISION OF NON-PUBLIC EDUCATION

HISTORY

The NC Division of Non-Public Education (hereafter referred to as DNPE) was originally established in 1961 as a regulatory agency within the NC Department of Public Instruction. In 1979, the General Assembly enacted legislation requiring the Governor to designate a "duly authorized representative of the State of North Carolina" to receive notices of intent to operate and/or to terminate private elementary/secondary schools in North Carolina and to inspect certain records of those schools. Governor James B. Hunt, Jr. subsequently assigned this responsibility to the Director of DNPE and its staff. DNPE operated as a monitoring agency under the direct jurisdiction of the Office of the Governor from October, 1979 until July, 1998 when Governor Hunt then transferred the division to the NC Department of Administration.

FUNCTION

DNPE is the only legislatively authorized NC state government office giving oversight to private elementary/secondary schools in North Carolina. It derives its authority from Chapter 115C, Subchapter X, Article 39 of the North Carolina General Statutes. See N.C.G.S. 115C - 553, 561 and 563(b). This article sets forth a list of requirements to be met by such schools. DNPE has the legal responsibility to verify that all private elementary/secondary schools (both conventional and home) are meeting those requirements by periodically inspecting certain school records.

DNPE maintains limited current statistical data on each private elementary/secondary school including the school's name, address, telephone number, chief administrator and type of school. Information relating to the range of grades taught, number of students enrolled, number of professional staff and student body composition is also maintained for conventional schools. Conventional school information is published each September in the *NC Directory of Non-Public Schools.* The *NC Home School Statistical Summary* containing home school data is also published each September.

DNPE serves as the state government liaison office between state government, the private elementary/secondary school community and the general public.

STAFF & WORKLOAD

DNPE currently operates with a staff of only three persons plus an office temporary. During FY97-98, there were 592 conventional and 10,925 home schools

registered with the division and being monitored for legal compliance. Two staff members traveled a total of 16,020 miles and spent 41 overnights in inspecting the records of 337 conventional schools. Due to inadequate funding, no home school visits were conducted. However, 4,288 home schools voluntarily participated in the Home School Inspection By Mail Program -- whereby home school administrators mail DNPE at the end of the school year a photocopy (keeping originals) of student attendance and nationally standardized achievement test results. The division staff handled an average of at least 2,494 incoming business telephone calls and at least 2,159 pieces of incoming business mail per month.

ADDITIONAL RESPONSIBILITIES IN FY98-99

In August, 1998, DNPE assumed administrative oversight of the newly-created non-public school student driving eligibility certificate (DEC) program. New duties involve dissemination of information and answering numerous questions about the program; receiving requests for certificates from and distributing them to non-public school administrators; and, handling recommendations from non-public school administrators for revocation of non-public school student learner's permits/driver's licenses. As of January 31, 1999, DNPE had already mailed out 12,022 certificates. It is anticipated that these new duties will now result in: (1) Dramatically increasing the division's FY98-99 expenditures for postage, printing and supplies; and, (2) Generating a larger than usual annual increase in the number of new home schools.

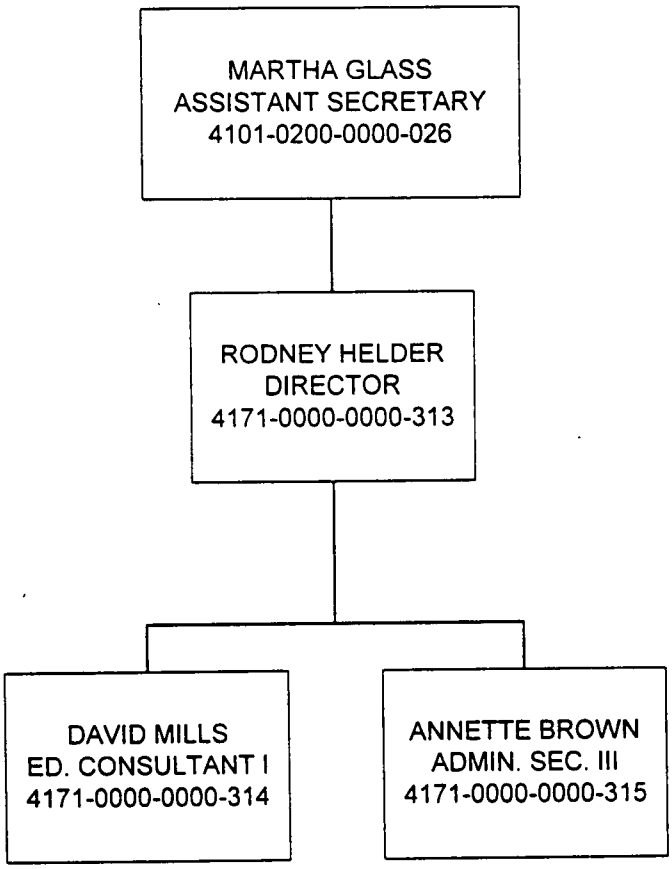
BUDGET

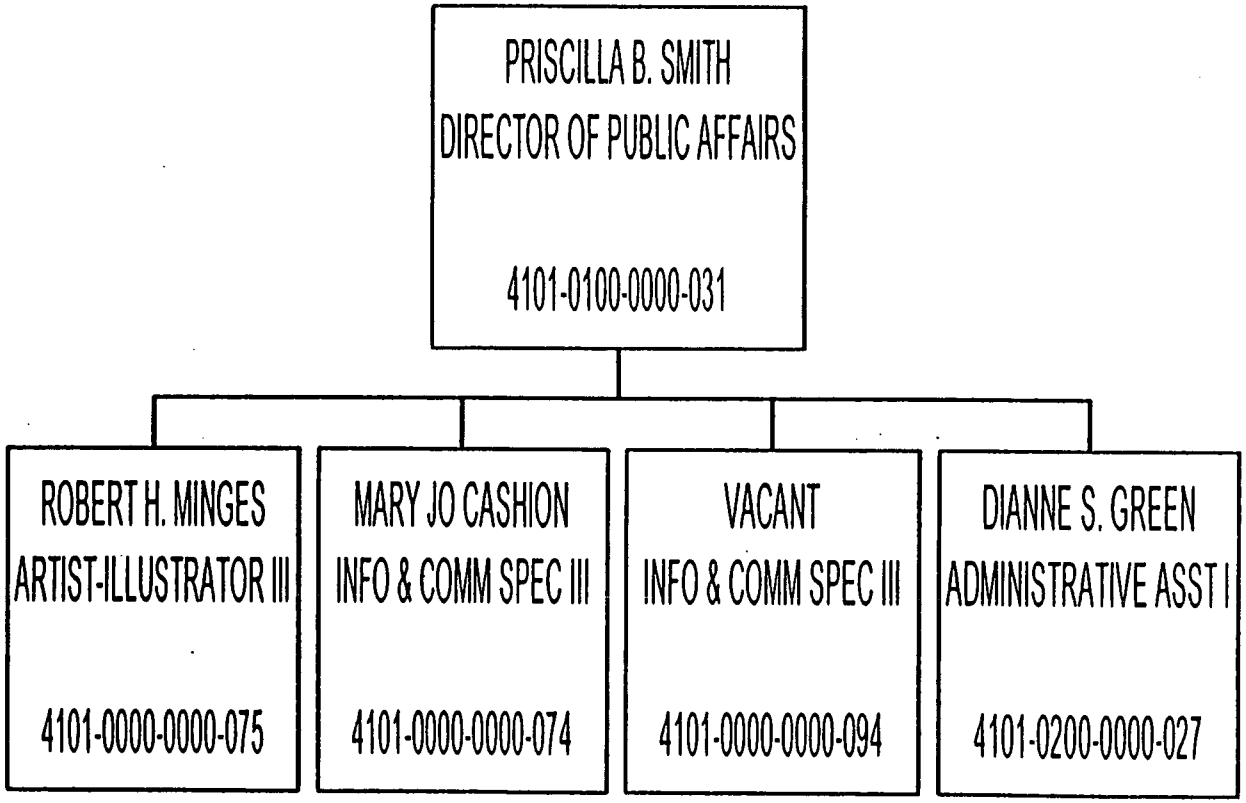
The DNPE FY97-98 fiscal expenditures totaled $175,362.61.

The division's growing workload requires urgent budgetary consideration for FY99-00 and beyond. In the past five years, the number of home schools has more than doubled -- from 5,415 in FY 93-94 to 10,925 in FY97-98. During that time period, the annual total of incoming pieces of business mail has risen from 10,595 to 25,919; the annual total number of incoming telephone calls has mushroomed from 9,027 to 29,930 while annual total postage costs have increased from $6,958 to $16,988. With the additional responsibilities starting in FY98-99 for the driving eligibility certificate program as described in the previous section, it is anticipated that these numbers and expenditures will escalate even more rapidly.

DEPARTMENT OF ADMINISTRATION
-PUBLIC EDUCATION
REVISED 3/99

AGENCY HEAD: RODNEY HELDER
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN

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DIANNE S. GREEN
ADMINISTRATIVE ASST I
4101-0200-0000-027

SUMMARY OF FUNCTIONS AND SERVICES AVAILABLE FROM THE NORTH CAROLINA DIVISION OF VETERANS AFFAIRS

The North Carolina Veterans Commission was created by unanimous vote of the 1945 General Assembly. In 1977, the North Carolina Division of Veterans Affairs was transferred to the Department of Administration. The function of Division is to assist veterans and their families in the presentation, processing, proof and establishment of claims, privileges, rights and benefits as they may be entitled to under Federal, State or Local laws. The Division also cooperates with the various governmental units and veterans organizations in seeking to serve veterans. The work if the Division does not supersede or duplicate similar efforts on behalf of veterans. It supplements and augments such efforts.

The Division is organized into the Assistant Secretary's Office located in Raleigh; a State Service Office located in the same building with the U.S. Department of Veterans Affairs Regional Office in Winston-Salem, 15 District Offices strategically located throughout the State, three State Veterans Cemeteries located at Jacksonville, Spring Lake, Black Mountain, and a 150 bed State Veterans Nursing Home in Fayetteville near the VA Medical Center. Construction of the nursing home was recently completed and the first resident was admitted March 8, 1999.

The Assistant Secretary's Office is chiefly concerned with administration, training and information. It directs the activities of all offices of the Division, maintains financial records and approves disbursements. It performs those other functions normally expected of the principal office of any State agency.

The State Service Office in Winston-Salem is charged with the responsibility of maintaining a day-by-day working relationship with the U.S Department of Veterans Affairs. Briefly, this office receives a veteran's claim, evidence and other information transmitted by the District Offices, personally presents the veteran's position to the appropriate U.S. Department of Veterans Affairs Section, and expedites action on all matters as necessary.

The District Offices are staffed by one or more District Service Officers, together with their clerical assistants. They are highly trained, full-time career personnel. These officers provide service directly to veterans and their dependents, and coordinate the activities of the affiliated County Service Officers within their districts. District Officers also assist counties by supplying publications, forms and reference permanent record. Nearly all of North Carolina's one hundred counties have County Service Officers. These persons are selected by their respective Board of County Commissioners and hold office at the pleasure of the Board.

The State Veterans Cemetery Program is staffed by a Program Manager located in the Assistant Secretary's Office. Each cemetery has a superintendent and three staff

members. The cemeteries are for the burial of qualified North Carolina veterans and their dependents.

In addition to rendering service, advice and assistance to veterans and dependents, the Division also administers an outstanding program of State scholarships for the eligible children of certain deceased, disable or prisoner of war/missing in action veterans. During 1998 the Division awarded 310 scholarships.

Funds were appropriated in the 1998 session of the General Assembly to establish operations of a State Veterans Nursing Home in Salisbury, North Carolina. We plan to lease building #10 on the VA Medical Center campus, Salisbury, to provide 100 intermediate skilled care nursing beds.

THE STATE NORTH CAROLINA VETERANS CEMETERY PROGRAM

This brochure is provided as an informal informational source and useful guide for those interested in learning more about the North Carolina State Veterans Cemetery Program, its requirements and operations. The information is written in general terms and should not be regarded nor taken as law or official regulation. The official law and rules guiding the State Veterans Cemetery System is established under Article 8A, Chapter 65, General Statutes of North Carolina.

ELIGIBILITY REQUIREMENTS

The following persons are eligible for interment at a North Carolina State Veterans Cemetery:

A Qualified Veteran

Any former member of the U. S. Armed Forces whose service on active duty, other than for training, was terminated under honorable conditions.

North Carolina Resident

Only those veterans who are legal residents of North Carolina (1) at the time of death, or (2) for at least a period of 10 years, or (3) at the time the veteran entered the Armed Forces of the United States are eligible for interment.

Dependent(s)

The legal spouse (or widow or widower) and/or an unmarried minor child who is dependent upon the qualified veteran (at the time of death) meet eligibility requirements. In addition, an unmarried adult child who, before the age of 18, became permanently incapable of self-support because of physical or mental disability may also be interred.

DEFINITIONS

For purposes of this article, the following definitions shall apply unless the context requires otherwise:

Honorable military service

- Service on active duty, other than for training, as a member of the Armed Forces of the United States, when the service was terminated under honorable conditions;
- Service on active duty as a member of the Armed Forces of the United States at the time of death, under honorable conditions;
- Service on active duty for training or full-time service as a member of the Reserve component of the Armed Forces; the Army National Guard; the Air National Guard; or the Reserve Officer Training Corps of the Army, Navy or Air Force at the time of death under honorable conditions.

Legal Resident

A person whose principal residence or abode is in this state, who uses this state to establish his right to vote and other rights in this state, and who intends to live in this state, to the exclusion of maintaining a legal residence in any other state.

PROOF OF ELIGIBILITY

Documentary evidence is required to provide proof and substantiate claim of military service, residence, marriage and children as well as dependent disability. It is the responsibility of the veteran, his survivors or legal representative to furnish any evidence necessary to establish the eligibility of the veteran or the family member before interment in a North Carolina State Veterans Cemetery can be accomplished.

Proof of Military Service

The best document used to verify military service is DD Form 214 or an equivalent (Report of Separation from Active Duty). This document is given to the veteran upon discharge from active duty. Other forms of proof are items such as copies of military orders, identification (ID or "dog") tags, ID cards or any official correspondence that contains the service member's name and military service number. If records are lost, the cemetery superintendent as well as the state's veteran service officers are available to assist in obtaining replacement copies of key documents.

North Carolina Residency

- Verification of residence at time of entry into military service is documented on DD Form 214, Certificate of Release or Discharge from active duty.
- Residence at time of death or 10-year residency can be verified by tax records, utility bills, hospital bills, bank records, driver's license and official records from U.S. government, state or municipality agencies.
- Other acceptable documents are voting records, employment and education records.

Dependents

The primary source for verification of a spouse is a marriage certificate. Dependent children may be verified by a birth certificate or other legal documents such as adoption papers, divorce degrees or certified affidavits.

Proof of Disability of an Adult Dependent

A letter is required from the dependent's physician certifying the dependent became permanently incapable of self-support because of a physical or mental disability before attaining the age of 18 years. Medical records and other documents will be considered only as supporting or corroborating documents.

NORTH CAROLINA STATE VETERANS CEMETERIES

The Western Carolina State Veterans Cemetery is located in the beautiful Swannanoa Valley in the town of Black Mountain, which is approximately 12 miles east of Asheville. With an entrance from Old U.S. Highway 70, this site is centrally located for the 28 counties which make up the western region of the state. The address for the cemetery is:

Western Carolina State Veterans Cemetery
1270 Old U.S. Hwy 70 West
Black Mountain, N.C. 28711

Telephone (704) 669-0684
Fax (704) 669-0685

The Coastal Carolina State Veterans Cemetery is located on the northern boundary of Camp Lejeune Marine Corps Base in the city of Jacksonville. Access to the state veterans cemetery begins at Montford Point Road and passes through Memorial Cemetery which fronts the state site. The street address for the cemetery is: 110 Montford Point Road, Jacksonville, N.C. The mailing address is:

Coastal Carolina State Veterans Cemetery
P.O. Box 1486
Jacksonville, N.C. 28541

Telephone (910) 347-4550
Fax (910) 347-3570

GENERAL INFORMATION

Assignment of Space

- Only one grave site is authorized for a qualified veteran and his eligible family members.
- A grave site may not be reserved until the death of a person who is eligible for interment. A grave site shall be assigned once death certificates are presented and eligibility is confirmed.
- When an eligible family member dies before the qualified veteran dies, the veteran must sign an agreement to be interred in the same grave plot before the deceased family member can be interred in the veterans cemetery.

Veterans Cemetery Operations and Services

- There is no charge for the grave site or necessary interment services for a qualified veteran at any of the state veterans cemeteries. There is, however, a minimum charge for the opening and closing of the grave or any additional interment services for an eligible family member.
- A concrete vault or liner is required for burial in a state veterans cemetery. All expenses related to the purchase and placement of the vault or liner shall be paid for by the veteran, family survivors or estate.
- Graveside services are not permitted. Committal services will be held in the chapel or at a committal shelter. Family members may return to the grave site after the burial of the casket or urn is completed and the area is cleared of all equipment and materials.
- Only government-furnished grave markers will be authorized for use in the state veterans cemeteries. Installment of grave markers are part of the interment services.
- All arrangements for burial at a state veterans cemetery shall be made through a funeral home (of the veteran's or family's choice). All funeral expenses are the sole responsibility of the veteran, family survivors or estate.
- The state shall not be responsible for any costs resulting from damage to, destruction or theft of a grave site, grave marker or any other grave monument on the cemetery grounds.
- The cemetery representative is available to assist the veteran, family or legal representative in the processing of applications for the headstone, flag or authorized DVA burial allowances.
- The cemetery staff will maintain the cemetery grounds to include grave sites and grave markers.

Not Eligible for Interment

- A person whose character of discharge was rated as dishonorable, bad conduct or undesirable.
- A veteran discharged or dismissed as a conscientious objector who refused to perform military duty, was a deserter, or an officer who accepted his resignation for the good of the service.
- A veteran who was convicted of subversive activities against the United States after separation from active military service.
- A veteran separated from the Armed Forces of the United States for the good of the service due to a willful and persistent unauthorized absence and issued a Clemency Discharge (DD Form 1993) pursuant to Presidential Proclamation No. 4313.
- Service members of National Guard or Reserve Forces of the United States who performed only "initial active duty training," "active duty for training" and/or "inactive duty training." Service rendered at the call of the governor of the state, unless subsequently federalized, does not constitute active duty.

Sandhills State Veterans Cemetery
400 Murchison Rd. / P. O. Box 39
Spring Lake, North Carolina 28390
Telephone (910) 436-5630
Fax (910) 436-5727

Division of Veterans Affairs
Albemarle Building, Suite 1065
325 N. Salisbury Street
Raleigh, North Carolina 27603-5941

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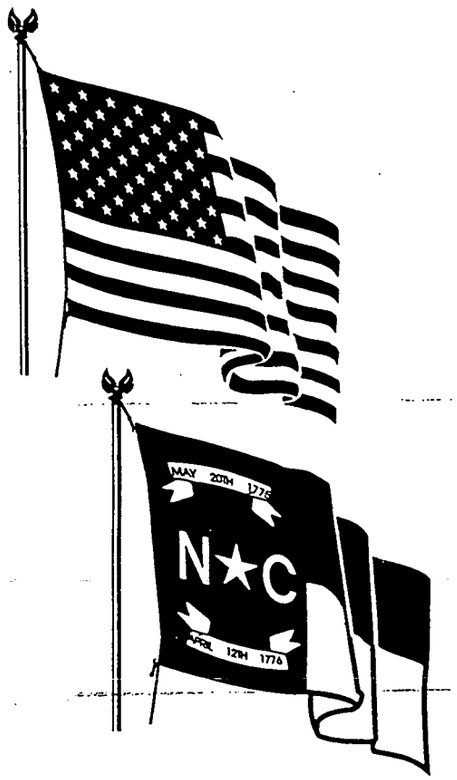
NORTH CAROLINA



STATE VETERANS CEMETERIES

N.C. Division of Veterans Affairs
N.C. Department of Administration

DEPARTMENT OF ADMINISTRATION
DIVISION OF VETERANS AFFAIRS
REVISED February 1999
PAGE 2

DATE: February 1999
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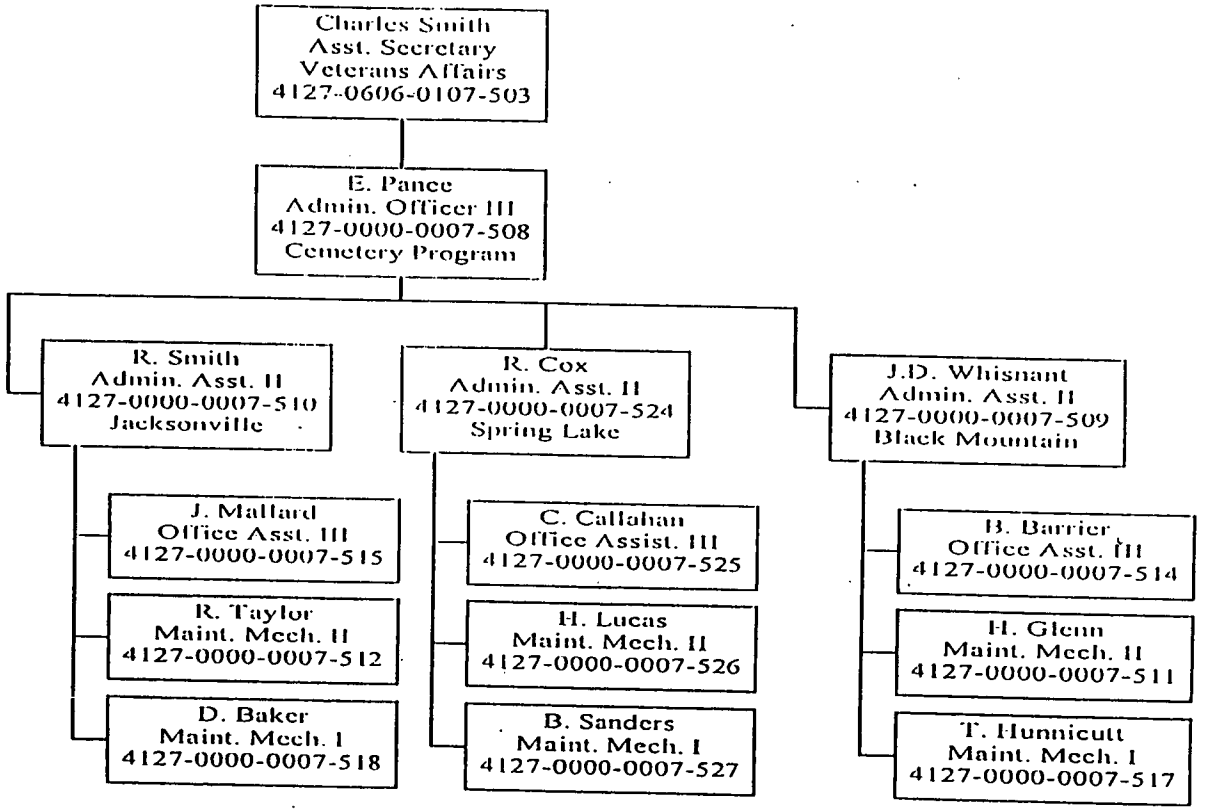

VA2-99

Department of Administration
Divisi[redacted]eterans Affairs
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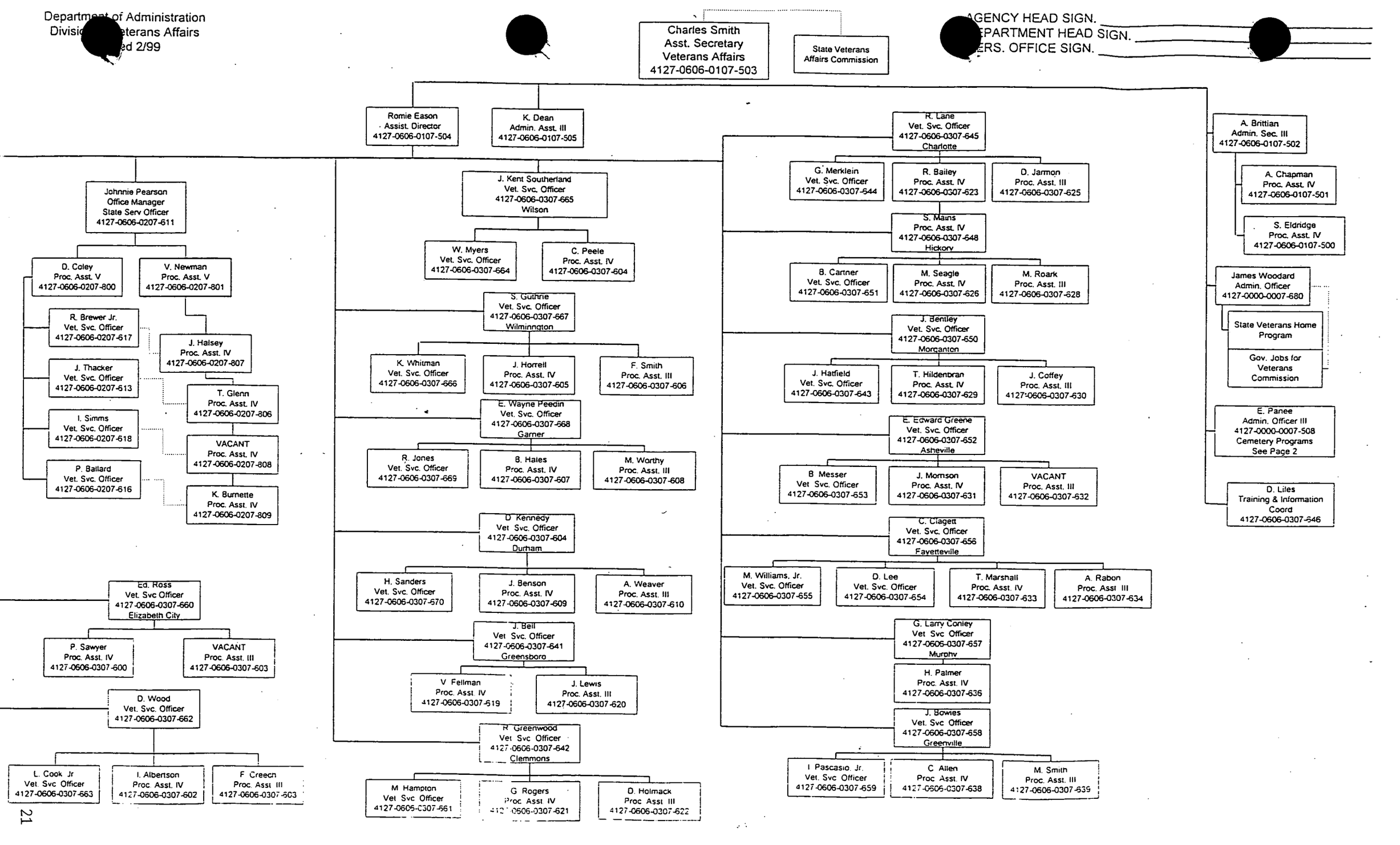


February 22, 1999

MOTOR FLEET MANAGEMENT
Background

The Motor Fleet Management Division was created by the legislature in January 1982 as the central fleet agency for all of state government. The purpose of Motor Fleet Management is to serve North Carolina state employees by acquiring, maintaining, storing, repairing, replacing and supplying passenger vehicular transportation needed in the performance of official duties, in the most efficient and cost effective way. All state agencies, including universities -- except for the State Bureau of Investigation and the State Highway Patrol -- are required to utilize Motor Fleet Management for their passenger vehicle transportation needs.

As of June 30, 1998, Motor Fleet Management had 7,510 active vehicles in its fleet, an increase of 235 vehicles over the previous year. Over the past nine years, Motor Fleet Management has had an average vehicle increase of 317 units a year. Projecting at 317 vehicles per year, by the June 2000 there will be 8,144 vehicles in the state fleet.

Motor Fleet Management charges agencies for the use of vehicles on a per mile basis. The largest group of vehicles (compact, sedan, four cylinders) are charged out at a 23 cents per mile rate. Mileage rates range as high as 38 cents per mile for a four-wheel drive Suburban. All rates include gas, oil, tires, repairs and insurance. Motor Fleet Management rates are very low when compared to the per mile driving costs, based on a composite national average of three domestically built cars: a subcompact, a mid-size and a full-size, issued by the American Automobile Association in ***May 1998***. According to the American Automobile Association, "motorists now spend an average of 56.5 cents per mile in vehicle related costs" (gasoline, oil maintenance, depreciation and insurance). When compared with Motor Fleet Management's average rate of 26.5 cents per mile for compact, mid-size and full-size vehicles, the Motor Fleet Management is providing passenger vehicles at approximately 47 per cent of the national average cost.

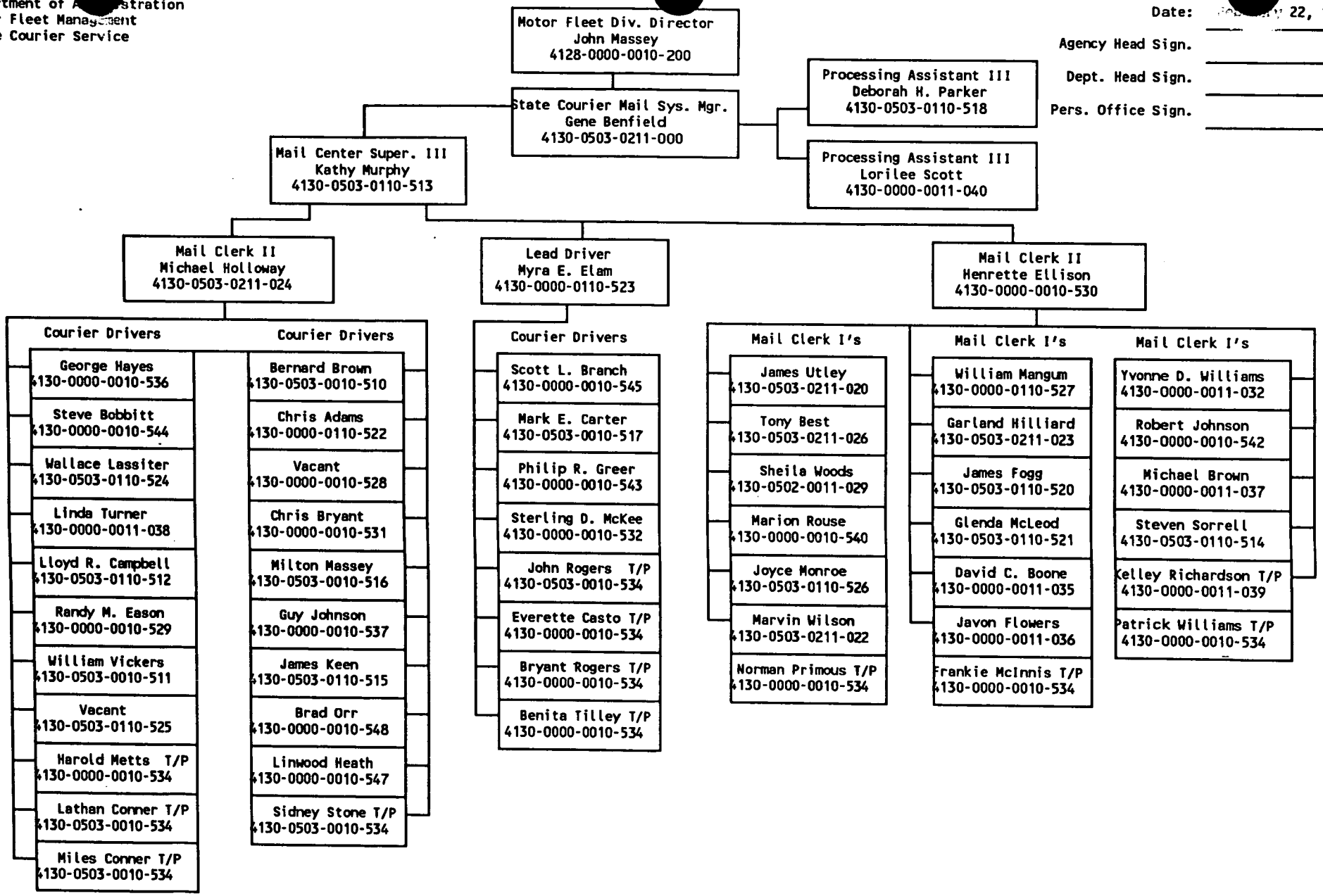
Department of Administration
Motor Fleet Management
State Courier Service

Date: January 22, 1999

Agency Head Sign. _____

Dept. Head Sign. _____

Pers. Office Sign. _____



ACCOMPLISHMENTS

Rebuild State Cars

Chevrolet Caprices are being rebuilt instead of purchasing new vehicles. Approximately one-half the cost of a new vehicle is required to rebuild a vehicle. The costs saved from not purchasing new full-sized vehicles has been $8,000 to $10,000 per vehicle. A total of 60 Caprices have been rebuilt and refurbished under contract All of these vehicles have been checked over by the garage to assure the work was performed as expected. The drivers of rebuilt vehicles are being followed up with a survey to determine their satisfaction with the vehicle.

A contract has been established for a vendor to handle rebuilding the remaining Chevrolet Caprices. Another 240+ Caprices may be rebuilt.

Purchase of Alternate Fuel Vehicles

To help in the state's effort to reduce pollution and to lessen our dependence on foreign oil, Motor Fleet Management has purchased 390 vehicles that operate on alternative fuels. Most of these vehicles are dual-fueled vehicles that can run on either Ethanol or Gasoline. Ethanol pumps have been built by the Dept. of Transportation at their site on Beryl Road in Raleigh. Motor Fleet Management is preparing to begin installation of ethanol pumps at the Motor Pool located at 220 E. Peace Street in Raleigh. Drivers will be instructed to use Ethanol fuel whenever possible. Motor Fleet Management also has vehicles that operate on Propane gas, Compressed Natural gas and Electricity.

Downsize Replacement Vehicles

Motor Fleet Management is reviewing permanently assigned vehicles that are being replaced. Whenever there is a possibility of replacing a full-size car with a mid-size car, a full-size van with a minivan, a full-size 4-wheel drive vehicle with a compact 4-wheel drive vehicle, etc. we are downsizing the assignment. So far we have identified 94 assignments that would not be adversely affected by downsizing. A savings of $240,000 will be realized in purchase costs because of the downsizing of these 94 vehicles. Due to the increased fuel economy of the downsized vehicles, 81,278 gallons of fuel with an estimated cost of $48,767 will be saved over the life of these vehicles.

Motor Pool on Peace Street Attached to Computer System

A personal computer was installed at the Motor Pool. For the first time ever, this allows the Motor Pool to use Word Processing, Spreadsheets, e-mail, and connect to Motor Fleet Management's mainframe computer systems. The Motor Pool now enters repair work orders at their site which eliminates the manual writing of the work orders and subsequent entry at the Motor Fleet Management garage.

Developed an In-House Parts Inventory System

Motor Fleet Management has relied on a parts inventory system provided by the Department of Transportation. Changes in DOT created a need for us to develop a system that would work separately from the DOT system. The Information Technology Services Division in the Department of Commerce modified our existing mainframe system to include a parts inventory system. This eliminated our need to enter information into two systems and made our operation more efficient.

REBUILD ESTIMATES OF CARS AT ASHEVILLE CHEVROLET

2/19/99

CAR NUMBER	ESTIMATE
31125	$8,476.09
51232	$11,500.00
52049	$10,957.38
51728	$9,334.48
41356	$8,877.88
41908	$9,569.05
41962	$9,054.30
52055	$10,659.47
41906	$9,993.49
41919	$9,603.23
51249	$8,834.97
51244	$9,970.82
41971	$10,236.56
42458	$9,961.14
52312	$9,153.10
41361	$7,889.03
AVG. ESTIMATE	$9,629.44

FEBRUARY 23, 1999

MOTOR FLEET MANAGEMENT DIVISION
PER MILE RATES

Class Code	Vehicle Type	Rate
CS4	ACCLAIM, SUNDANCE, CORSICA, ETC.(4 CYLINDER)	0.23
MS4	BREEZE, CUTLASS	0.23
MS6	ACCLAIM, CUTLASS, TAURUS, LUMINA (6 CYLINDER)	0.24
MW6	TAURUS, CUTLASS (STATION WAGON)	0.24
ML6	LUMINA, TAURUS (LAW ENFORCEMENT)	0.30
FS6	INTREPID	0.26
FS8	CROWN VICTORIA, CAPRICE	0.28
XS6	PARK AVE, DELTA 88, INTREPID	0.30
XS8	CROWN VICTORIA, CAPRICE (EXECUTIVE)	0.30
FW8	CAPRICE STATION WAGON	0.28
FL8	CROWN VICTORIA, CAPRICE LAW ENFORCEMENT	0.31
XL8	TAHOE (LAW ENFORCEMENT)	0.31
MP6	AEROSTAR, VENTURE, CARAVAN (MINIVAN)	0.24
FP8	12 PASSENGER VAN	0.34
XP8	15 PASSENGER VAN	0.33
FC8	CARGO VAN	0.29
XC8	LARGE CAPACITY CARGO VAN	0.31
MO4	TRACKER	0.31
MO6	BLAZER, CHEROKEE (FOUR WHEEL DRIVE), EXPLORER (2WD)	0.31
MO8	EXPLORER (FOUR WHEEL DRIVE)	0.31
FO8	TAHOE, BRONCO (FOUR WHEEL DRIVE)	0.38
MT6	RANGER, S-10 PICKUP	0.30
FT8	FORD, CHEVROLET PICKUP	0.32
XT8	FORD, CHEVROLET (EXTENDED CAB, DUAL WHEEL, ETC.)	0.34
XO8	SUBURBAN	0.38

STATE COURIER SERVICE

Currently the State Courier Service is a totally receipts supported within the Department of Administration in which state, county and other municipalities customers pay for the use of its services.

Agency Goals

The State Courier Service plans to continue providing service to all 100 counties and provide service at 50% less than the cost of US Postal Service rate.

Agency Accomplishments

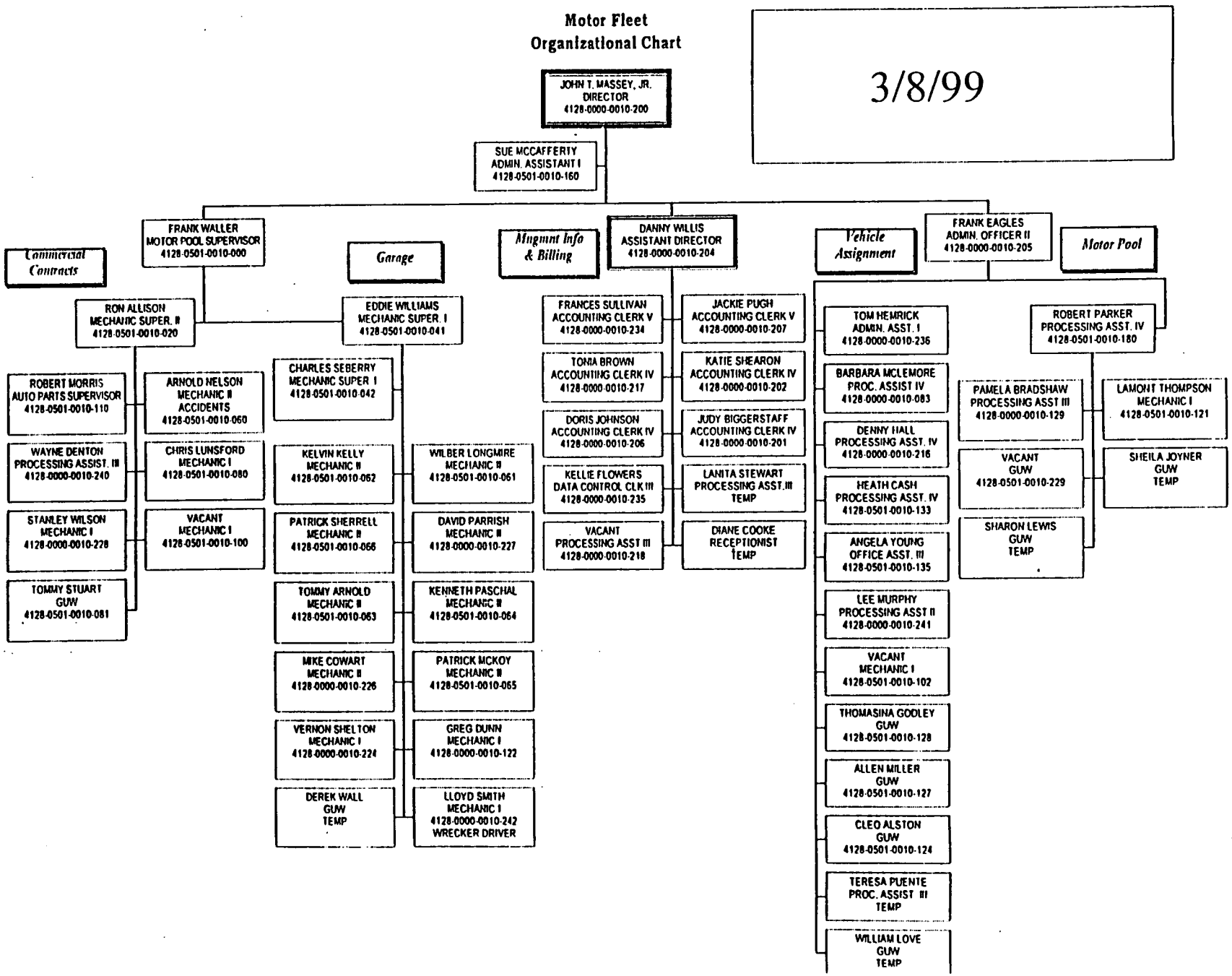
Currently the State Courier Service provides service to over 3900 different agency location throughout the 100 counties, moving more than 50,000 pieces of mail and freight daily at approximately 50% the cost of US Postal Service rates. In addition, the State Courier Service provides service at no charge for the movement of inter-office mail between agencies within Wake County.

Agencies receive economical overnight deliveries such as blood samples and health specimens that must be tested within 24 hours. Payroll checks to such agencies as the state's community colleges, university system, prisons, and Highway Patrol offices is delivered by State Courier Service.

State Courier Service delivers mail to numerous drop boxes where users retrieve and deposit courier mail. It operates 17 mail routes logging over 5,000 miles daily.

Program Budgeting

The main objective of the Courier Services' Performance Based Budget is to provide mail service at 50% less than the US Postal Service rates. By increasing participation in the State Courier Service by state, county and other municipalities a savings to the state will result. The resulting savings can then be made available for the Governor's initiatives.


Motor Fleet
Organizational Chart
3/8/99
JOHN T. MASSEY, JR.
DIRECTOR
4128-0000-0010-200
SUE MCCAFFERTY
ADMIN. ASSISTANT I
4128-0501-0010-160
Commercial Contracts
FRANK WALLER
MOTOR POOL SUPERVISOR
4128-0501-0010-000
Garage
Mngmnt Info & Billing
DANNY WILLIS
ASSISTANT DIRECTOR
4128-0000-0010-204
Vehicle Assignment
FRANK EAGLES
ADMIN. OFFICER II
4128-0000-0010-205
Motor Pool
RON ALLISON
MECHANIC SUPER. II
4128-0501-0010-020
EDDIE WILLIAMS
MECHANIC SUPER. I
4128-0501-0010-041
ROBERT MORRIS
AUTO PARTS SUPERVISOR
4128-0501-0010-110
WAYNE DENTON
PROCESSING ASSIST. III
4128-0000-0010-240
STANLEY WILSON
MECHANIC I
4128-0000-0010-228
TOMMY STUART
GUW
4128-0501-0010-081
ARNOLD NELSON
MECHANIC II
ACCIDENTS
4128-0501-0010-060
CHRIS LUNSFORD
MECHANIC I
4128-0501-0010-080
VACANT
MECHANIC I
4128-0501-0010-100
CHARLES SEBERRY
MECHANIC SUPER I
4128-0501-0010-042
KELVIN KELLY
MECHANIC II
4128-0501-0010-062
PATRICK SHERRELL
MECHANIC II
4128-0501-0010-066
TOMMY ARNOLD
MECHANIC II
4128-0501-0010-063
MIKE COWART
MECHANIC II
4128-0000-0010-226
VERNON SHELTON
MECHANIC I
4128-0000-0010-224
DEREK WALL
GUW
TEMP
WILBER LONGMIRE
MECHANIC II
4128-0501-0010-061
DAVID PARRISH
MECHANIC II
4128-0000-0010-227
KENNETH PASCHAL
MECHANIC II
4128-0501-0010-064
PATRICK MCKOY
MECHANIC II
4128-0501-0010-065
GREG DUNN
MECHANIC I
4128-0000-0010-122
LLOYD SMITH
MECHANIC I
4128-0000-0010-242
WRECKER DRIVER
FRANCES SULLIVAN
ACCOUNTING CLERK V
4128-0000-0010-234
TONIA BROWN
ACCOUNTING CLERK IV
4128-0000-0010-217
DORIS JOHNSON
ACCOUNTING CLERK IV
4128-0000-0010-206
KELLIE FLOWERS
DATA CONTROL CLK III
4128-0000-0010-235
VACANT
PROCESSING ASST III
4128-0000-0010-218
JACKIE PUGH
ACCOUNTING CLERK V
4128-0000-0010-207
KATIE SHEARON
ACCOUNTING CLERK IV
4128-0000-0010-202
JUDY BIGGERSTAFF
ACCOUNTING CLERK IV
4128-0000-0010-201
LANITA STEWART
PROCESSING ASST.III
TEMP
DIANE COOKE
RECEPTIONIST
TEMP
TOM HEMRICK
ADMIN. ASST. I
4128-0000-0010-236
BARBARA MCLEMORE
PROC. ASSIST IV
4128-0000-0010-083
DENNY HALL
PROCESSING ASST. IV
4128-0000-0010-216
HEATH CASH
PROCESSING ASST. IV
4128-0501-0010-133
ANGELA YOUNG
OFFICE ASST. III
4128-0501-0010-135
LEE MURPHY
PROCESSING ASST II
4128-0000-0010-241
VACANT
MECHANIC I
4128-0501-0010-102
THOMASINA GODLEY
GUW
4128-0501-0010-128
ALLEN MILLER
GUW
4128-0501-0010-127
CLEO ALSTON
GUW
4128-0501-0010-124
TERESA PUENTE
PROC. ASSIST III
TEMP
WILLIAM LOVE
GUW
TEMP
ROBERT PARKER
PROCESSING ASST. IV
4128-0501-0010-180
PAMELA BRADSHAW
PROCESSING ASST III
4128-0000-0010-129
VACANT
GUW
4128-0501-0010-229
SHARON LEWIS
GUW
TEMP
LAMONT THOMPSON
MECHANIC I
4128-0501-0010-121
SHEILA JOYNER
GUW
TEMP

Department of Administration
Division of Purchase and Contract
February 25, 1999

Overview

The Division of Purchase and Contract in the Department of Administration serves as the central purchasing authority for state government and certain other entities. Contracts are established for the purchase, lease, lease-purchase of the goods and services required by all state agencies, institution, universities, community colleges, city and county boards of education, and non-state agencies amounting to more than $4.1 billion annually. (1998 statistic) In addition, the Federal Surplus Property and State Surplus Property agencies manage the placement and disposition of surplus properties.

Our primary mission is to provide effective and efficient acquisition and disposal services for the State of North Carolina. This mission equates to savings to taxpayers and good customer service relationships. Long term strategies include improved accessibility to purchasing and materials management information, improved accountability, reduced costs, reduced processing time and enabling of employees. Short term strategies include improved communications, increased use of technology to perform work, and offering quality products and services

Major accomplishments

Average market savings accounted for through central purchasing for 1998 amounted to approximately $20 million.

Used technology to enhance the Division's Home Page and to provide more information:

- Public access to over 3000 Invitation for Bids and Requests for Proposals for goods and services over $10,000 ($35,000 for Universities) through our Interactive Purchasing System (IPS).
- Provided better customer service through easier access to, more information and flexibility in use of Statewide term contracts.
- Improved term contracts related to data projection devices, upholstered furniture, FAX machines to respond to customer needs.
- Provided easy reference on Internet to recycled, remanufactured and refurbished products on term contracts.
- Frequent additions of updated current events and purchasing information needed by State agencies in day-to-day job.

- Developed "catalog" type contracts to offer a wider variety of product to our customers
- Made "on-line" shopping and purchasing available to our customers on some contracts
- Developed contracts that allow the contractors to reduce prices, which fosters competition among the contractors and benefits the taxpayer
- Implemented "sustainability" concepts in term contract purchasing
- Displayed on Internet current list of available federal surplus property located in Raleigh warehouse.

Improve communications through use of Internet, electronic communications, internal Help Desk and "live" first response on telephone.

Used digital camera to make surplus property photographs and display on Internet with Newsletter/Sales flyer, and/or send to customers.

Enhanced our "agency training" effort in order to provide leadership on changes in purchasing rules, general statutes related to purchasing issues, use of Interactive Purchasing System for advertising requirements, Historically Underutilized Business program, and to listen to and respond to needs of our Agencies.

Promoted "central store concept" for designated state surplus property with increased sales. This has allowed for faster turnover of surplus items and better customer service.

Implemented procurement card program for more efficient processing of small orders (under $2,500) by agencies. Program has been piloted by fifteen agencies with very good results. Recommend statewide expansion April 1, 1999.

Established a task force to plan for and address "supply chain" issues for Year 2000.

COMPUTER RECYCLING PROGRAM - In 1997, State Surplus Property implemented a computer recycling program that placed equipment that had been designated as surplus property into the public school system. In 1998 it gained recognition as a progressive program that received four awards for its service and innovation. More than 2500 computer systems have now been placed in classrooms across the state saving an estimated $5 million.

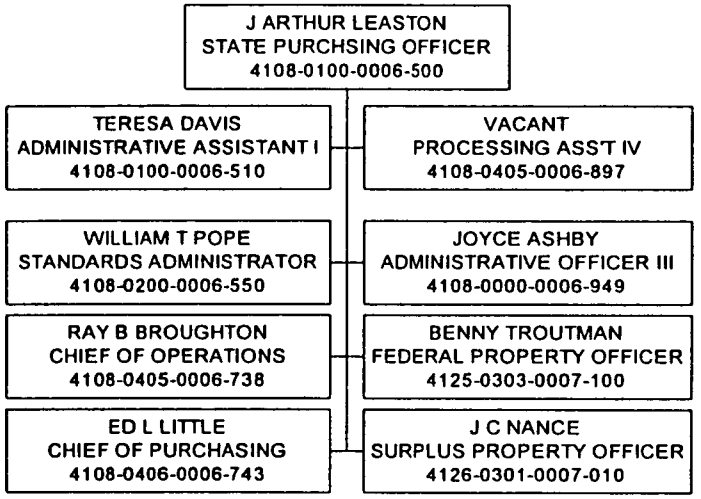
In 1998, State Surplus Property was presented the Governor's Award of Excellence for its innovation. In addition, the program received the Governor's Award of Excellence in Waste Reduction, the N.C. Recycling Association's Waste Reduction and Recycling Award, and the Department of Administration's Award for Excellence.

State Surplus Property is continuing to enhanced its service to public schools statewide by entering into a cooperative effort with the Departments of Community Colleges and Correction to assist in refurbishing computers.

TEXTILE RECYCLING - A primary objective of State Surplus Property is to research and identify a method of disposal of any and all kinds of surplus property. As the environment suffers from an excess of waste being generated daily, it is necessary that any type of waste be looked upon as a potential resource for the development of another useful product. Textiles have been identified as just that. Until recently, the state sent old work clothes worn by prisoners and paid $40 a ton for disposal. State Surplus Property has contracted with a company that buys the old work clothes and turns them into cleaning rags. Inmates go through about 1 million pounds of clothing and 100,000 pairs of shoes a year. At approximately $.04 per pound the state has received $15,000 in revenues, eliminated the cost of landfill tipping fees, and saved the environment of at least this much waste. State Surplus is also looking into shipping old clothes from other agencies that have employees who wear uniforms.

DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT

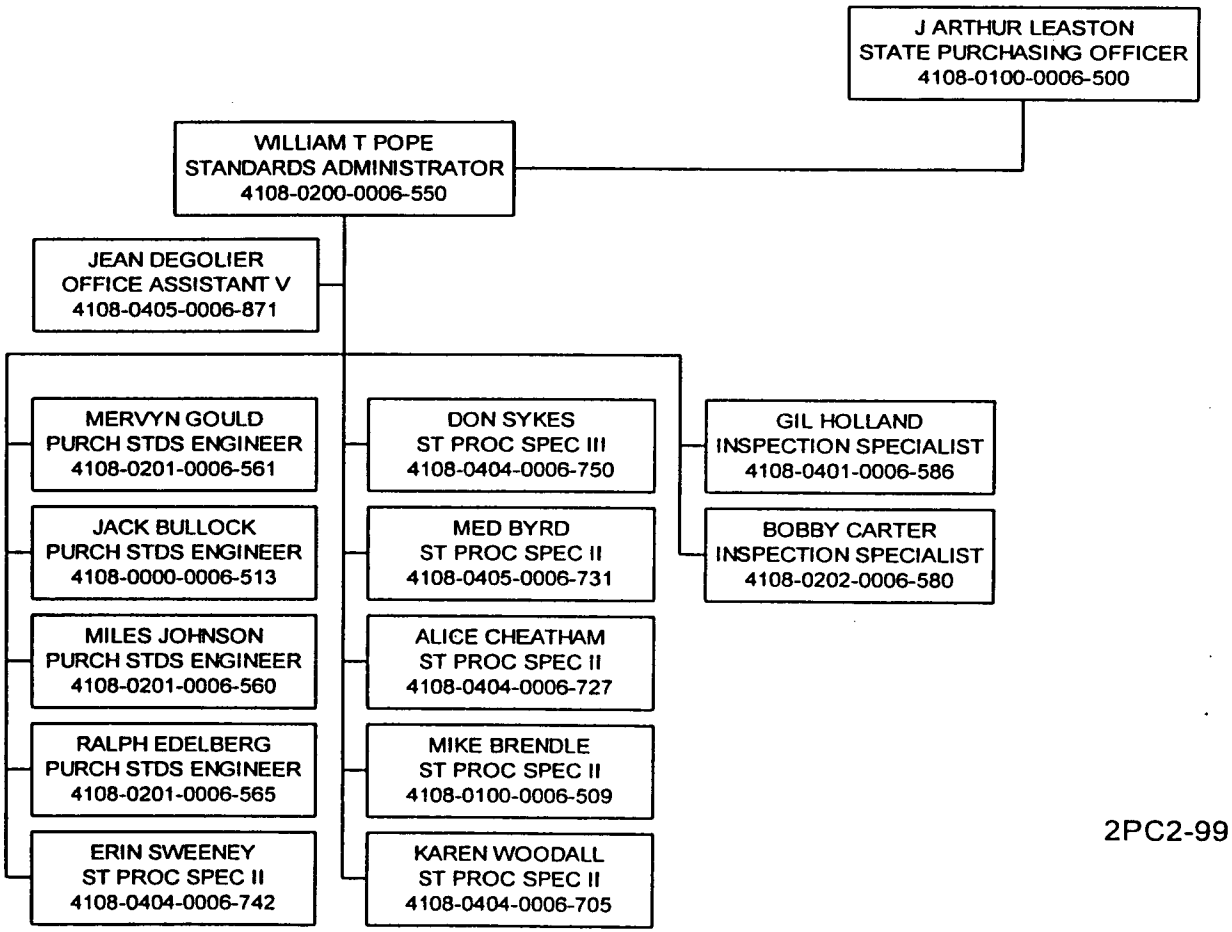
DATE 2/25/99
AGENCY HEAD SIGN _____
DEPT HEAD SIGN J Arthur Leaston
PERS OFFICE SIGN _____



1PC2-99

DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT
CONTRACTS & STANDARDS

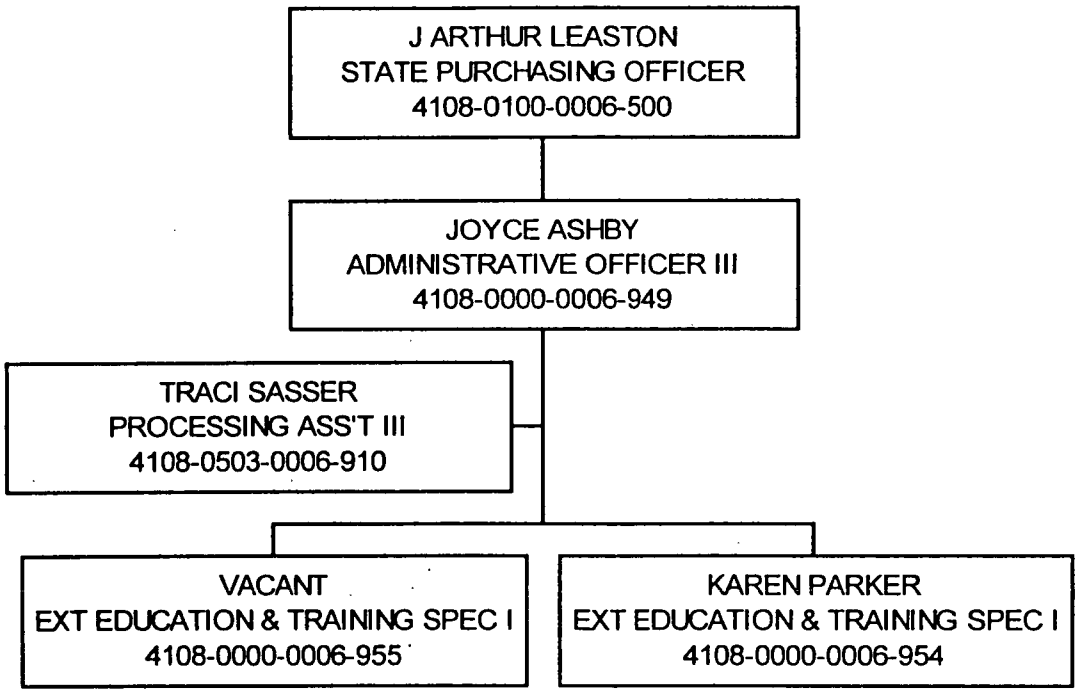
DATE 2/25/99
AGENCY HEAD SIGN
DEPT HEAD SIGN *J Arthur Leaston*
PERS OFFICE SIGN



2PC2-99

DIVISION OF PURCHASE AND CONTRACT
PURCHASE & CONTRACT
HISTORICALLY UNDERUTILIZED BUSINESS
(HUB) PROGRAM

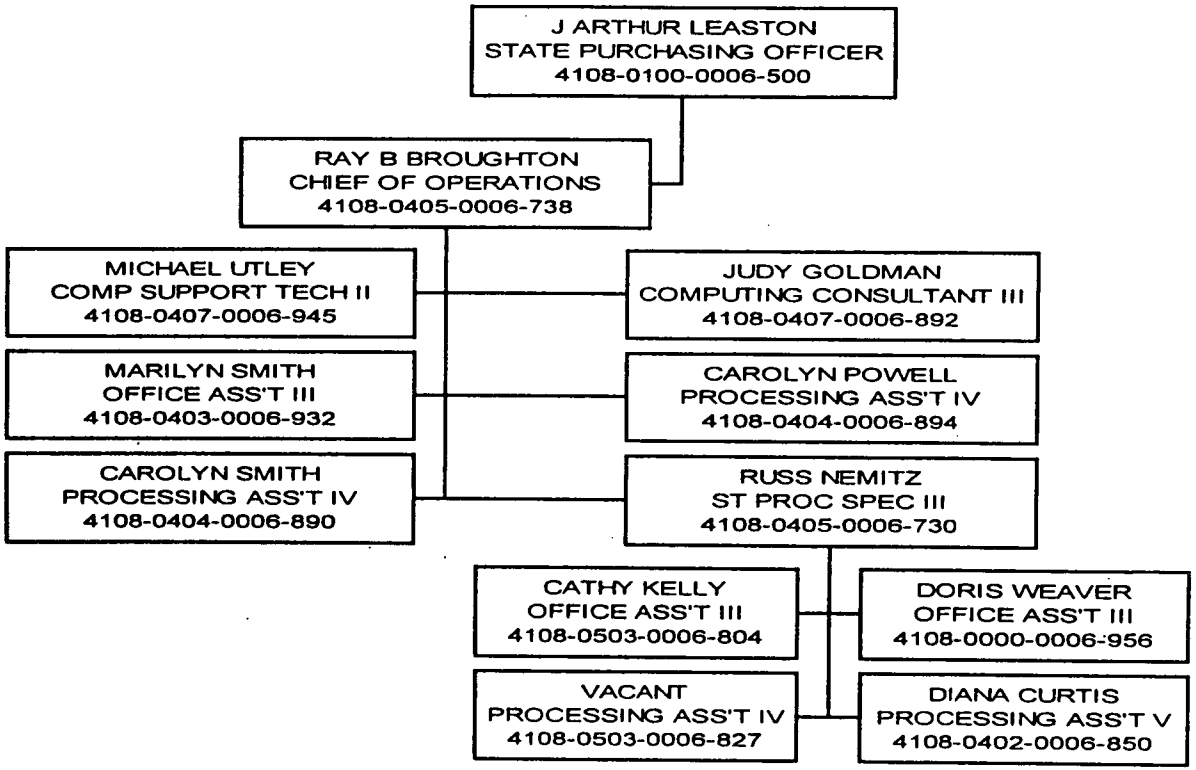
DATE_____ 2/25/99
AGENCY HEAD SIGN_____
DEPT HEAD SIGN *J. Arthur Leaston*
PERS OFFICER SIGN_____



3PC2-99

DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT
OPERATIONS

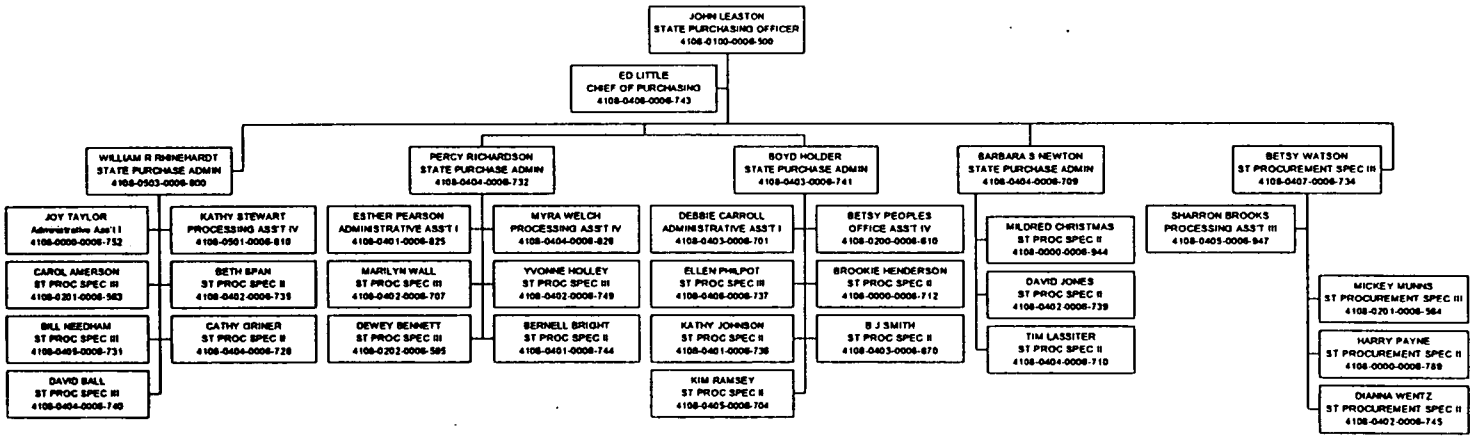
DATE 2/25/99
AGENCY HEAD SIGN _____
DEPT HEAD SIGN *J Arthur Leaston*
PERS OFFICE SIGN _____



4PC2-99

DEPARTMENT OF ADMINISTRATION
PURCHASE & CONTRACT
PURCHASING

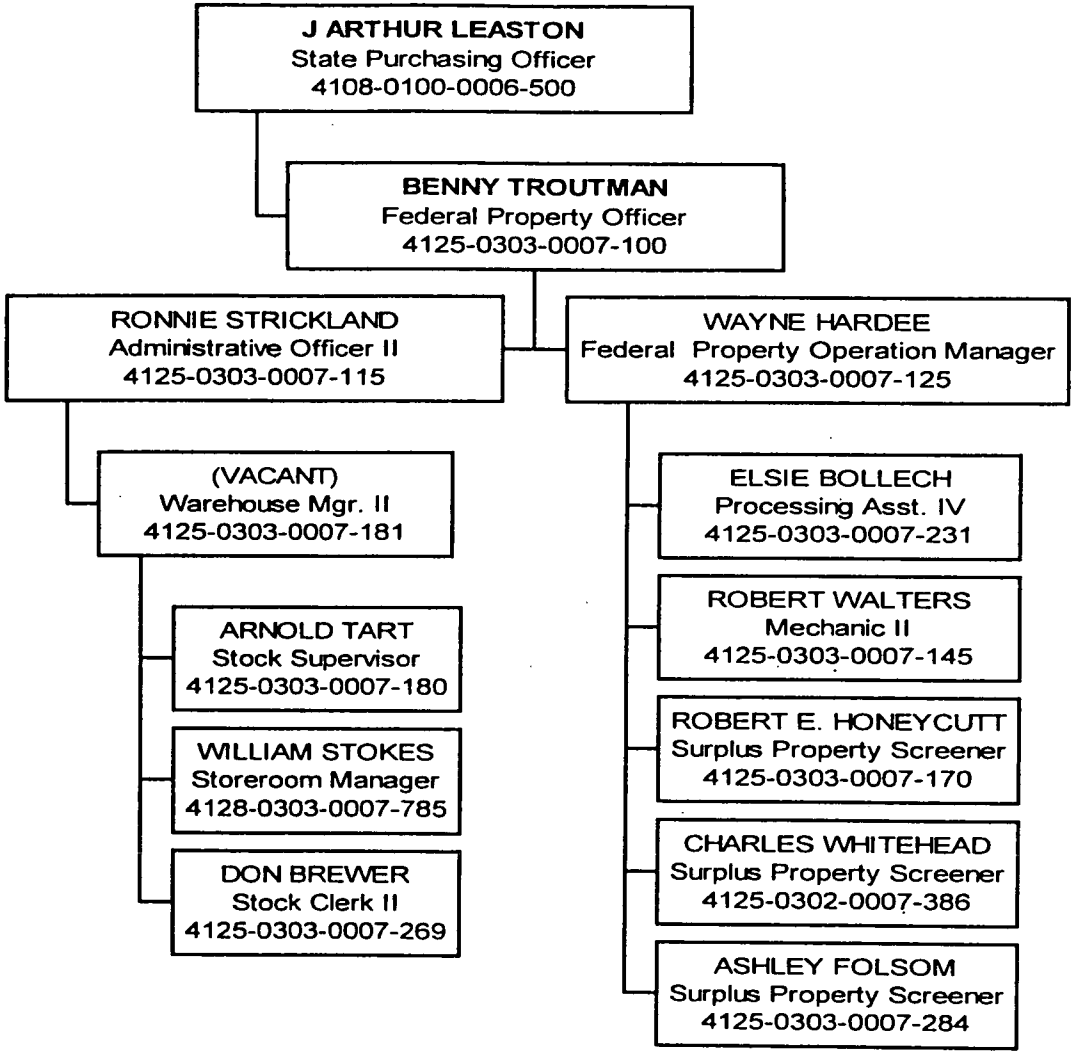
DATE 2/25/99
AGENCY HEAD SIGN _____
DEPT HEAD SIGN J Anthon Leaston
PERS OFFICE SIGN _____



5PC2-99

DEPARTMENT OF
ADMINISTRATION
Purchase and Contract
Federal Surplus Property

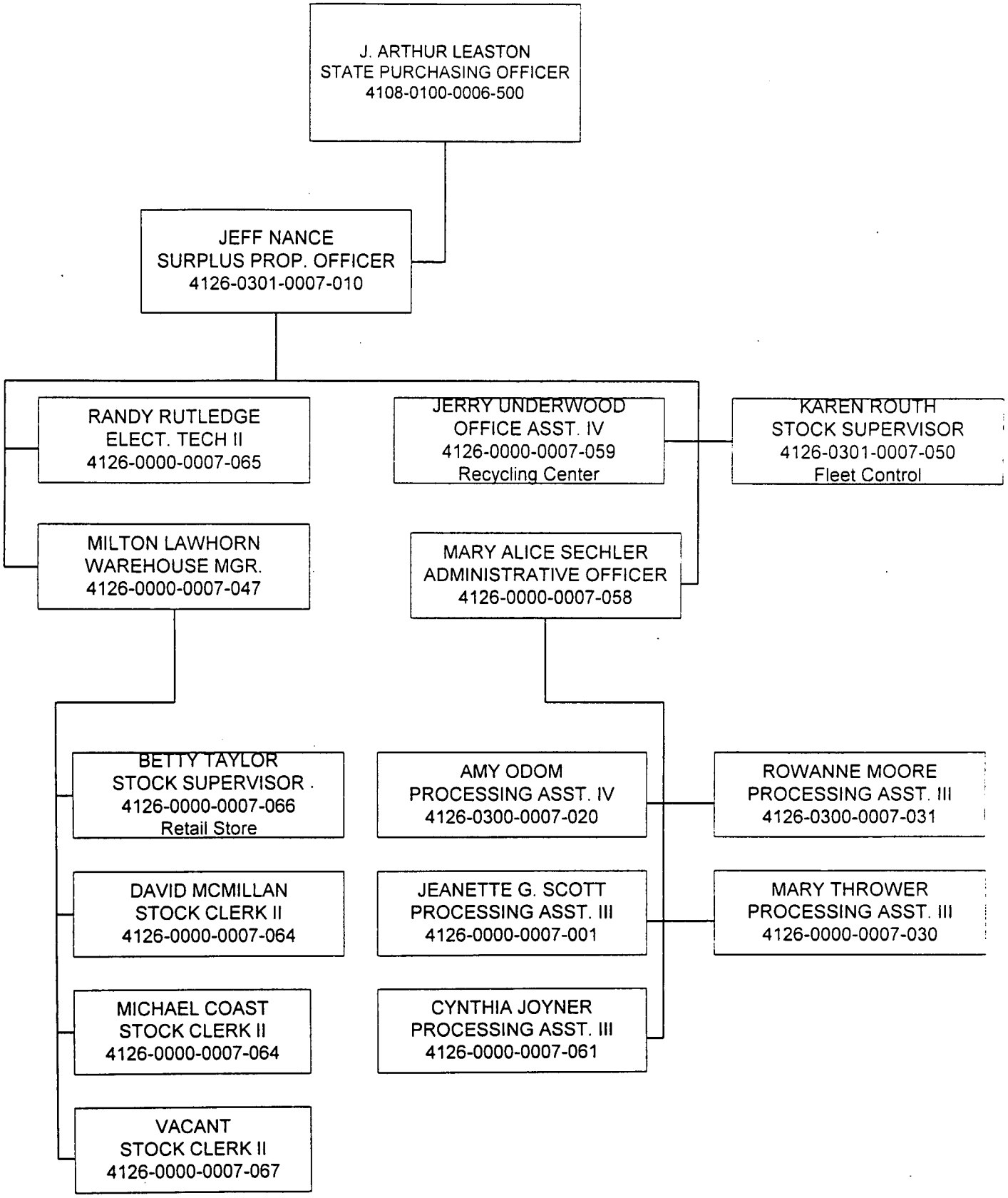
DATE: 2/25/99
AGENCY HEAD SIGN:
DEPT HEAD SIGN: J. Arthur Leaston
PERS OFFICE SIGN:



FSP2-99

DEPARTMENT OF ADMINISTRATION
PURCHASE AND CONTRACT DIVISION
REVISED 3/99

AGENCY HEAD: J. ARTHUR LEASTON
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



P&C'S STRATEGY MANAGEMENT PLANS

PART ONE

OUR FOCUS & DIRECTION

Our Principles

- *Satisfy Customer Needs*
- *Encourage Divisionwide Teamwork*
- *Support Continuous Improvement*
- *Promote Data Driven Decisions*

Our Mission

To provide effective and efficient acquisition and disposal services for the State of North Carolina.

Our Vision

The Division of Purchase & Contract will be recognized and relied upon as the leader in acquisition and disposal services for the State of North Carolina.

P&C'S STRATEGY MANAGEMENT PLANS

PART TWO

THE VOICE OF OUR CUSTOMERS & BUSINESS

External Customers:	Internal Customers:	Indirect Customers:
1. Non-Profit Organizations	1. Staff	1. OAH
2. State Agencies	2. DOA	2. Vendors
3. Vendors	3. Other State Agencies	3. EPA
4. Taxpayers	4. General Assembly	4. State Auditor
5. General Assembly	5. Secretary's Office	5. Federal Government
6. Advocacy Groups	6. Council Of State	6. State Agencies
7. Local Governments	7. The Governor	7. General Assembly
8. Professional Organizations	8. Board of Award	8. Voters
9. The Governor		9. OSHA
		10. Special Interest Groups
		11. Local Government
		12. State Budget
		13. Media
		14. The Governor

Our Macro Processes

- Term Contracts
- Bid Process
- Surplus Disposal
- Hub Program
- Compliance
- Inspection
- Provide Service

P&C'S STRATEGY MANAGEMENT PLANS

PART THREE

OUR STRATEGIES

Our Long Term Strategies

1. Improve Accessibility
2. Improve Accountability
3. Reduce Cost
4. Reduce Time
5. Enable Employees

Our Short Term Strategies

- Improve Teamwork
- Improve Organizational Structure
- Improve The Use Of Technology
- Improve The Administration of the Performance Management System in the Division
- Improve Customer Relations
- Maintain Reasonable Consistency and Stability in the Workplace
- Improve Communication

State Construction Office

OVERVIEW

The overall coordination and management responsibility for implementation of the state's capital improvement program rests with the State Construction Office. The State Construction Office operates under two statutes -- G.S. 143-31.1, the Executive Budget Act, and G.S. 143-341, the Department of Administration Act.

The D.O.A. Act requires that the Department of Administration, in addition to having the responsibility to examine and approve all plans and specifications, prepare preliminary studies and cost estimates and assist all agencies in the preparation of requests for construction appropriations, supervise the letting of all contracts for the design, construction or renovation of all state buildings, and supervise and inspect all work done and materials used in the construction of state buildings. No such work may be accepted by the state or by any state agency until it has been approved by the department. In addition, the Facility Condition Assessment Program (FCAP) is administered by the State Construction Office. This program is responsible for identifying deficiencies in all state facilities over 3000 gross square feet.

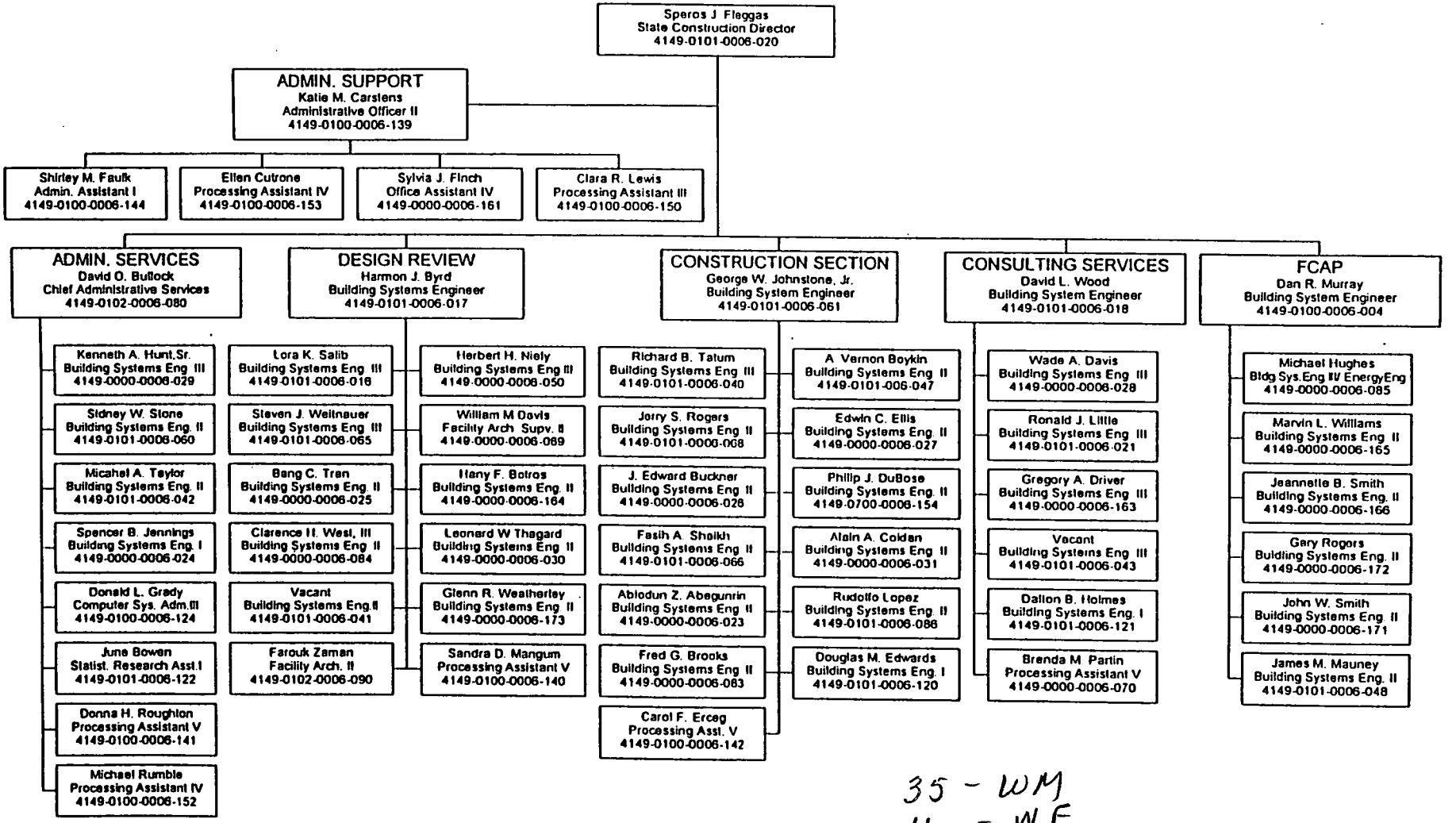
Agencies and institutions submit budget estimates to the State Construction Office. The State Construction Office reviews the proposed work scope and develops a detailed estimate of cost. This constitutes the budget estimate for the project and is the budget used, if the project is submitted to the General Assembly for funding. Designers are selected in accordance with the procedures adopted by the State Building Commission. The State Construction Office serves as staff to the State Building Commission. Our office negotiates the design fees, oversees the executed contract and provides for design and general supervision of the construction work.

Each design phase is reviewed by the State Construction Office and design does not proceed to the next phase until approval is made for the phase of design that has been submitted for review. There are some 40 possible state reviews, permits and approvals that may be required on a project and the review process may involve up to 17 different state agencies. Of course, most projects do not require nearly that many review agency approvals. Our office, in addition to performing reviews, also essentially serves as a clearinghouse for review comments generated by other agencies. We check to see that comments and concerns are resolved prior to approval for receipt of bids. The State Construction Office has quite a lot of responsibility and is involved with all aspects of the design and construction of state buildings.

As a result of SB1093, the SCO was charged with implementing this process. This bill requires that the SCO examine and approve all plans and specifications for the construction or renovation of all State buildings including Community Colleges for which public bidding is required as a prerequisite to funding of the project. Meetings with all State Agency CPCs and University CPCs to discuss the new process were conducted. New forms and check-lists for CPCs to complete prior to submittal of proposed projects were also produced by the office.

As of December 1998, the State Construction Office had 1140 projects statewide in various stages of design with a design budget scope of $1,582,471,730. We have under construction 352 active projects valued at $1,229,470,174. The State Construction Office currently oversees on a statewide basis a total of 1419 projects that are in some stage of either design or construction valued at $2,811,941,904.

Department of Administration
State Construction Office
1/1/99
Agency Head Sign: *Speros J. Fleggas*



35 - WM
11 - WF
2 - BM
1 - WF
1 - Hispanic
3 - Asian males

CON1/99

STATE PROPERTY OFFICE

The State Property Office is responsible for state government's acquisition and disposition of all interest in real property whether by purchase, sale, exercise of power of eminent domain, lease or rental, with certain exceptions. This office is also responsible for the management of the submerged lands of the state, with the exception of aquaculture leases. The office maintains a computerized inventory of land and buildings owned or leased by the state and administers the allocation and reallocation of land and buildings among the various state agencies.

ACCOMPLISHMENTS

- We have managed a tremendous increase in work load while actually reducing out staff. in the early 1980's, the State Property Office was staffed with 27 positions and handled approximately 400 transactions per year. In 1996, the State Property Office was staffed with 21 positions and handled 1,232 transactions.

- The State Property Office has systematically developed methods to quicken the pace of transactions handled "in-house", and delegated more authority to State agencies to handle minor transactions. We have developed close working relationships with conservation groups who, under our direction, handle many of the transactions involving parks, natural areas and other sensitive lands.

- We have successfully implemented the provisions of Senate Bill 52 (Easements in State-owned Submerged Lands) without additional staff support and without any delays in the easement issuance process.

- We have upgraded the quality of our computerized land and building inventory and improved the mechanisms for acquiring and maintaining this information. The inventory and numerous reports are now available to the State agencies, the General Assembly and the public through the Internet. The inventory provides this office and the using agencies greater ability to "manage" the State's real property assets.

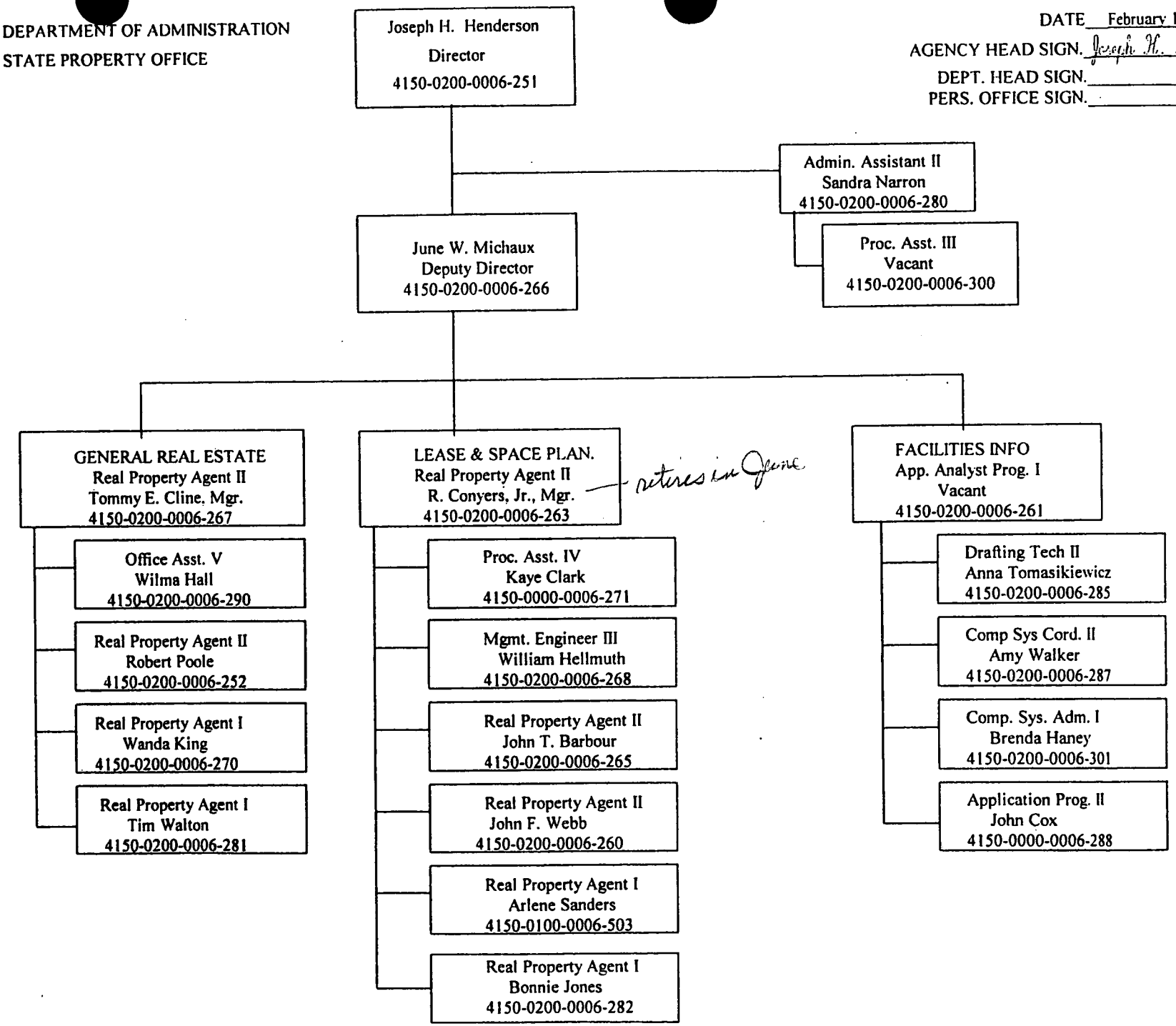
- We have developed strategies to consolidate agencies in both leased and owned buildings to effect savings in "shared facilities" such as receptionists, copy centers, mail and printing functions, etc., and to provide greater convenience to the public doing business with these offices.

- We have made significant progress in acquiring those properties funded by bonds issued for both the University System and the State Parks System.

- In general, we are seeking every conceivable way of "doing more with less", utilizing the resources of other agencies as opposed to increasing our in-house staff, and developing working relationships with conservation groups to handle land transactions for us. The next major step will be to "contract out" real estate acquisition to private firms on an experimental or "pilot project" basis and compare the costs with in-house acquisition.

DEPARTMENT OF ADMINISTRATION
STATE PROPERTY OFFICE

DATE February 19, 1999
AGENCY HEAD SIGN. Joseph H. Henderson
DEPT. HEAD SIGN. _____
PERS. OFFICE SIGN. _____



SP2-98

State Local Relations

The State-Local Relations Section works with local governments, regional and multi-state organizations, the public, and state agencies in a variety of areas involving intergovernmental cooperation. The section manages the Appalachian Regional Commission (ARC) grant program, coordinates interagency project reviews required by the North Carolina and National Environmental Policy Acts, assists the Governor and his staff in issues involving local governments, and operates a project notification, review, and comment system to provide state and local agencies and the public with information about projects supported with public funds. Environmental and project notification processes are coordinated through this unit's Intergovernmental Review Clearinghouse.

Recent Accomplishments

- During 1998, coordinated the development and approval of 22 ARC grants totaling $3.29 million, leveraging $7.1 million in additional funding. Grant assistance included:
    - Water and sewer assistance - $1.72 million in ARC grants, leveraging $5.8 million in additional funds, which aided in creating 518 new jobs, retaining 1629 existing jobs and securing $54.7 million in private investment.
    - Children's assistance - Aid for the NC Partnership for Children to initiate a demonstration in dental health promotion affecting children in 9 counties and involving local partnerships for children, the state Dental Health Section, and the Ruth and Billy Graham Children's Health Center.
    - Community capacity building - Assisting Handmade in America (a regional non-profit) in its work with the Institute of Government to train a leadership corps in seven small communities working on community revitalization (a program cited as a national model by the Pew Charitable Trust)

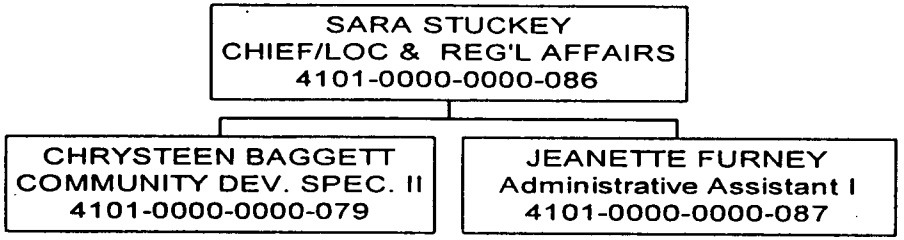
- The Intergovernmental Review Clearinghouse began work to better coordinate environmental reviews with the permitting process, to streamline the process used to insure state agency compliance with the State Environmental Policy Act (SEPA), and to make the process more user friendly. Initial steps have included revising the rules through the Administrative Procedures Act to expedite the review process.

- In 1998 the unit coordinated the review by state and local agencies of 459 environmental documents prepared in compliance with state and national environmental policy acts. Information about the documents (the *North Carolina Environmental Bulletin*) now is available electronically through the Department of Administration's web site.

- The intergovernmental review process also included action on 313 notices by state and local entities of their intention to apply for federal grants and loans. These documents supported requests for over $509 million.

DEPARTMENT OF ADMINISTRATION
STATE & LOCAL GOVERNMENT AFFAIRS

DATE: February 1999
AGENCY HEAD SIGN: SARA STUCKEY
DEPT. HEAD SIGN: KATIE DORSETT
HUMAN RES. MGMT. SIGN: LINDA COLEMAN



Quality Coordinator

Overview

The Quality Coordinator is charged with providing technical assistance to leadership in leading, directing and developing Continuous Improvement in the Department of Administration. Continuous Improvement is a structured effort designed to re-focus the Department's commitment to provide outstanding service to our customers through continually improving the way we do business. Under the Secretary's leadership, the Department is raising awareness of "customer service" throughout its ranks.

Major Accomplishments

- Surveyed over 17,800 external and internal customers and received responses from over 2,800 customers.
- Identified and prioritized areas of department-wide concern and established three new improvement teams based on the prioritized issues.
- Established the Workplace Assessment Team which surveyed all DOA employees to gauge employee perceptions on their workplace environment.
- Increased involvement of employees in continuous improvement efforts from under 2% to near 10% of total employees.
- Trained fifteen employees to be team facilitators.
- Trained 40 employees to be team members.
- Trained all division directors and their direct reports in the areas of customer focus, surveys, and focus groups.
- Developed a strategic plan for the implementation of Continuous Improvement within the department.
- Hired a full time quality coordinator.
- Incorporated Continuous Improvement criteria into employees workplans.
- Restructured both the Quality Leadership Team and the Quality Design Team to provide for an increased number of members and rotate membership thus allowing all division directors to serve on the team.
- Developed a Continuous Improvement Communications Plan.
- Developed a Continuous Improvement web page.
- Placed monthly articles on Continuous Improvement in the department's newsletter.
- Provided an overview of the continuous improvement planning process at DOA to all employees.

NORTH CAROLINA COMMISSION OF INDIAN AFFAIRS
1997-1998 AGENCY ACCOMPLISHMENTS

AGENCY ACCOMPLISHMENTS

Z. SMITH REYNOLDS GRANT

The commission received a $25,000 grant from the Z. Smith Reynolds Foundation to develop capacity building of the commission membership, commission staff, and community Indian leaders for the N. C. Commission of Indian Affairs. The funding will foster a collaborative effort between commission members, commission staff, tribal administrators, and other Indian community leaders. The purpose of this project is to develop a strategic plan for the Year 2000. The plan requires the commission to establish a partnership with key non Indian stake holders in Indian communities, to bring additional resources and expertise to the commission in attempt to serve the future needs of North Carolina's American Indian communities.

AMERICAN INDIAN LICENSE PLATE

For the first time in the history of the state of North Carolina the General Assembly authorized the first American Indian Insignia License Plate. The newly passed legislation will generate new revenues for the state. In addition, the American Indian License Plate will bring new sense of pride and recognition to the Indian citizens of North Carolina.

AMERICAN INDIAN CELEBRATION

Approximately 3,000 citizens attended the 1998 American Indian celebration held November 7 in Raleigh. Activities included a mini pow-wow, traditional Indian storytelling, demonstrations, and traditional Indian foods. The highly success event was a collaborative effort among the NC Commission of Indian Affairs, the NC Museum of History, the NC Museum of Natural Science, and Triangle Native American Society.

GOVERNOR'S RACE RELATIONS CONFERENCE

The Commission participated in North Carolina's first Race Relations Conference which was designed to improve race relations in our state and local communities. The Commission played an integral role in the planning of the state's conference. Moreover, the Commission was a vital instrument in bringing focus and attention to state leaders that the President's Commission on Race Reconciliation did not include a representative from the American

Indian population. Although the Commission was not successful in getting an American Indian appointed to the President's Commission on Race Reconciliation, it was successful in terms of advocating for improved race relations in North Carolina.

APPOINTMENT TO YEAR 2000 CENSUS ADVISORY COMMITTEE

Commerce Secretary Daley appointed the Executive Director for the Commission of Indian Affairs to the Year 2000 American Indian and Alaskan Native American Census Advisory Committee. The Census Advisory Committee meets periodically to discuss and address issues and concerns relative to the Year 2000 Census, in addition to reviewing proposed regulations, plans and activities that are designed to assure maximum participation of American Indians in the Year 2000 Census.

NATIONAL INDIAN EDUCATION ASSOCIATION 2003 CONFERENCE STEERING COMMITTEE

The Commission's Substance Abuse, Educational Talent Search, and Community Services Program Directors assisted with the efforts to bring the National Indian Education Association Conference to NC in 2003. The National Indian Education Association (NIEA) is a national organization that promotes the educational advancement of Indian youth in public or reservated schools. North Carolina has never hosted a NIEA Conference.

WEAVING AN AGENDA FOR PROGRESS CONFERENCE

The commission was a co-sponsor of this conference. With collaborative efforts from six state agencies and numerous non-profit organizations, one of the conference goals was to provide participants with building blocks that can assist them as professionals to become more culturally responsive to the health care needs of minority populations. A second goal was to heighten awareness of cultural diversity from the American Indian perspective and to educate state agency personnel and non profits about issues, needs and concerns of North Carolina Indians. In addition, a proclamation from the Governor was presented to April Whittemore, Miss Indian World. April, a member of the Lumbee tribe, is the first American Indian east of the Mississippi be awarded such a prestigious title.

LEGISLATION REQUIRING CONSIDERATION OF INDIAN CHILD WELFARE ACT FOR AMERICAN INDIAN CHILDREN

The Adoption and Safe Families Act was amended by the NC General Assembly requires Social Services to consider the Indian Child Welfare Act when placing Indian children into foster care or adoptive services.

PROGRAM ACCOMPLISHMENTS

SUBSTANCE ABUSE

YOUTH CONFERENCE

The North Carolina Indian Youth Conference was held June 10-12, 1998, at Barton College, Wilson, NC. The conference had its largest participation in its 19 years of existence. Approximately 336 Indian students all over the state attended the conference. In addition, the North Carolina Department of Labor sponsored a majority of the conference participants, adding to the success of the annual event. Students were able to participate in cultural activities, gain valuable leadership skills, gain positive self-esteem, and be exposed to educational and career opportunities. One of the highlights of the conference was the presentation of two $500 educational scholarships that was awarded to students perusing secondary education.

FUNDING OBTAINED TO ADDRESS OTHER SUBSTANCE ABUSE RELATED ISSUES

The "Earn Your Feather" Substance Abuse Prevention and Awareness Program's funding was increased by $22,000. Such funding marks the first of its kind since implementation of the program eight years ago. The additional funding will allow the commission to hire a part-time staff person who will assist in coordinating a statewide substance abuse forum and an HIV, AIDS, and STD's forum within American Indian communities.

INTERNAL COLLABORATION BETWEEN COMMISSION PROGRAMS

In collaboration with the commission's Educational Talent Search Program, the substance abuse program director attended 27 schools across North Carolina, reaching over 600 students in delivering substance abuse prevention literature and providing oral presentations on the dangers and effects of substance abuse. Student participants varied from 11 years old to 18 years of age.

UNITED NATIONAL INDIAN TRIBAL YOUTH, Adult Head Advisor

The substance abuse program director was elected to serve as the Adult Head Advisor to the National UNITY organization. Responsibilities in this position include training for adult advisors, maintaining records on active chapters' accomplishments, developing a moral code of conduct for adult advisors and/or chaperones, and assisting with the planning of the National UNITY Conference. UNITY's headquarters are located in Oklahoma City, OK.

COMMUNITY SERVICES

CULTURALLY RESPONSIVE CARE INITIATIVE

The Commission received $75,000 from the Division of Social Services in its efforts to implement culturally responsive care initiative created and established by the Department of Health and Human Services. The Commission is responsible for conducting focus groups among the state's ten American Indian tribes and organizations. In addition to the focus groups, the commission will prepare reports, identify problems around policies and practices that omit the North Carolina American Indian community and provide consultation to multi-agency service providers focused on meeting the needs of American Indian children and families.

HEALTH CHOICE (FORMERLY CHILDREN'S HEALTH INSURANCE CHIP PROGRAM) STEERING COMMITTEE

In an effort to comply with one of Governor Hunt's priority to make sure that children go to school healthy and ready to learn, the commission took the lead in North Carolina in advocating for the Children's Health Insurance Program on behalf of state recognized American Indian tribes. The commission has provided information to Indian tribes and organizations regarding the benefits of the Health Choice Program. In addition, commission staff and tribal members have played an integral part of the Children's Health Insurance Steering Committee in providing information, as well as providing input in the crafting of mental health services and the comprehensive health care package for the state's approximately 71,000 uninsured children. The steering committee, composed of local, state, federal, and non-profit entities, was mandated to select the name for the newly legislated program and establish policy and eligibility procedures for the implementation of the program. One major outcome from serving as a member of the steering committee is that American Indian tribal offices will serve as centers for application taking and outreach.

WILDLIFE FORUM

The commission sponsored a forum for American Indian Representatives from the North Carolina federal and state recognized American Indian tribes and organizations, United States Department of Interior Fish and Wildlife Service agents, state legislator Representative Ronnie Sutton, North Carolina Wildlife Resource Commission officials, and Lumber River Legal Services on August 5 in Raleigh. The major objectives of the forum were to review and discuss state and federal regulations regarding the possession and use of feathers by American Indians and improve relations between wildlife officials and tribal leaders. In SFY 1997-98 numerous Indian citizens were arrested because they were found to be in violation of state fish and wildlife regulations. Traditionally, Indian citizens have hunted, fished, and trapped game as part of their heritage and used animal and bird parts in traditional celebrations. The history

making forum concluded with identifying future resolutions and strategies that tribes, state and federal agencies can implement to modify or create legislation that is inclusive of all American Indians.

INDIAN SENIOR CITIZENS CONFERENCE

The Commission coordinated the NC Indian Senior Citizens Conference. Over 150 American Indian senior citizens from across the state attended the annual North Carolina Indian Senior Citizens conference held in Fayetteville. The conference highlights issues and concerns of the elderly such as decent housing, nutrition, health care, and energy assistance, as well as featuring traditional and cultural accomplishments. The conference is sponsored by the NC Indian Senior Citizens Coalition, United Tribes of North Carolina, the NC Native American Youth Organization, and the Commission of Indian Affairs.

ARCHAEOLOGY FORUM

The commission hosted an Archaeology Forum on February 26 in Raleigh for the purpose of improving relations between tribal leaders and members of the Archaeology community in North Carolina. The state's leading archaeologists and anthropologists discussed issues of mutual interest, reported on the status of ongoing projects, addressed reinterment issues, issues revolved around the study and analysis of Indian burial remains and made presentations on new discoveries. The forum concluded with over twelve recommendations.

HOUSING

ADDITIONAL 25 UNITS IN PERSON COUNTY

The Commission's Section 8 Housing Program received additional funding to support 25 families living in Person County. The additional funding was in the amount of $63,746.00.

HOUSING ASSISTANCE FOR FAMILIES LIVING WITH AIDS

The Commission's Section 8 Housing Program entered into a Memorandum of Understanding with the NC Department of Health and Human Services to assist 35 families with rental assistance who were diagnosed HIV/AIDS. The benefit of this program is that the targeted families will be able to live in decent, safe and sanitary homes.

RURAL DEVELOPMENT INITIATIVE -- $2M IN FUNDS

The Commission worked in collaboration with the US Department of Agriculture and its Rural Development Program to develop a special set aside Home Loan Program for American

Indian citizens in North Carolina. As a result of this effort, the Rural Development Program has set aside $2 million dollars in home loan funds for American Indian. The purpose of this program is to assure that Indian citizens are able to obtain home loans and be able to occupy decent, safe and sanitary homes.

EXPANSION OF INDIAN HOUSING AUTHORITY BOARD

The commission worked with state recognized tribes and organization to address the need to increase the membership of the NC Indian Housing Authority Board. The enacted legislation assured that all of the state's American Indian tribes and organizations are represented on the Board.

EDUCATION

US DEPARTMENT OF EDUCATION AWARDS CONTINUATION FUNDING

The Educational Talent Search Project was awarded funding for an additional four years. The funding included a budgetary increase sufficient to raise the service population from 600 to 650 students. The Educational Talent Search Program will receive $216,529 in funding annually over the next four years. The program is targeted to provide services in the counties of Columbus, Cumberland, Guilford, Halifax, Harnett, Hoke Sampson, and Warren counties.

COLLABORATIVE EFFORT WITH STATE AND PRIVATE BUSINESSES IN OBTAINING COMPUTER EQUIPMENT

The Educational Talent Search Project has been the recipient of twelve computers that have been strategically placed in tribal communities for student access.

SECONDARY EDUCATION SUCCESSES

Ninety-seven percent of the Educational Talent Search participants completed their grade level for the 1997-98 academic year. This high percentage of graduates exceeded their projected goal of eighty-five percent.

Eighty-one percent of the Educational Talent Search participants who were graduating seniors enrolled in post-secondary educational program. This high percentage of graduates is significant because it exceeds the projected goal of seventy percent by eleven percent.

JTPA

SCHOLARSHIPS TO THE NINETEENTH ANNUAL NC INDIAN YOUTH UNITY CONFERENCE

In a collaborative effort between the commission and the North Carolina Department of Labor Bureau of Apprenticeship and Training, the Commission sponsored 250 American Indian youth to the conference. During the 1998 conference, youths were exposed to various educational, career, esteem building, and leadership development opportunities. The NC Indian Youth Unity Conference is hosted annually by the North Carolina Native American Youth Organization in collaboration with the NC Commission of Indian Affairs (Substance Abuse Prevention and Awareness Program), the state's Indian tribes and organizations, and the Title IX Indian Education Programs in the counties.

SCHOLARSHIPS TO FOURTEENTH ANNUAL ANDREW JOHNSON MEMORIAL APPRENTICESHIP AND TRAINING FORUM

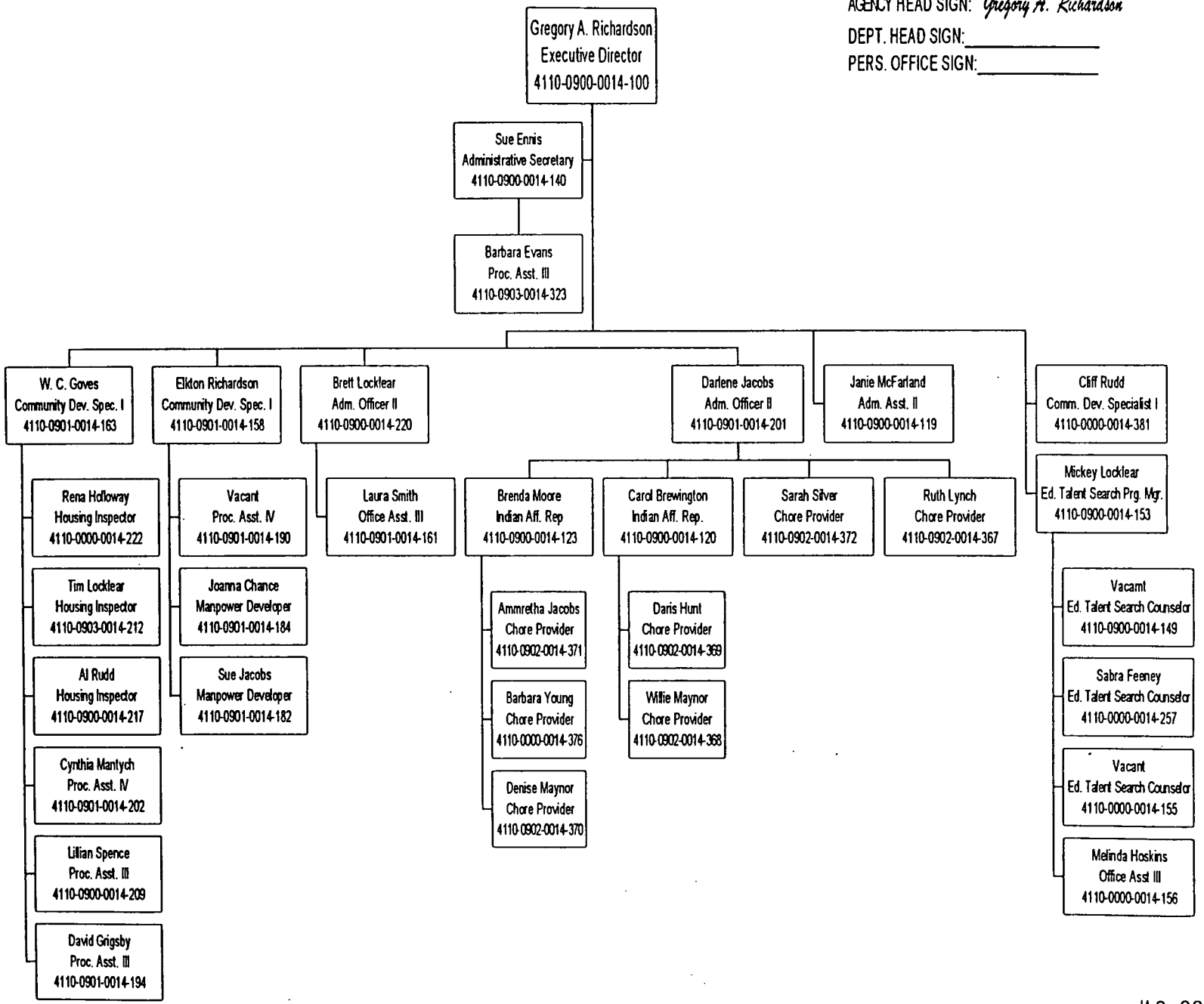
In an effort to increase American Indian participation and involvement in apprenticeship programs, the commission the North Carolina Department of Labor Bureau of Apprenticeship and Training jointly coordinated and sponsored representatives from the state's Indian tribal communities to attend the 1998 Andrew Johnson Memorial Apprenticeship and Training Forum. The forum is hosted annually by the North Carolina Department of Labor, and provided an exchange of ideas on training concepts, technologies, linkages and apprenticeship program activities between business, industry, education, and government. In addition to representatives from six of the state's ten Indian communities, two American Indian attendants were Section 401 JTPA (Indian & Native American) Program managers

JTPA PROGRAM DIRECTOR APPOINTMENT TO US DEPARTMENT OF LABOR INDIAN AND NATIVE AMERICAN PROGRAM REGULATIONS WORK GROUP

The commission's JTPA Program director was appointed by US Dept. of Labor officials and the chair of the Native American Programs Advisory Council to serve as part of a technical work group to devise program regulations for Indian programs under the new Workforce Investment Act of 1998. The work group has produced and revised drafts of the regulations, which are currently in the internal clearance process at Labor, are slated to go to OMB on February 3 for publishing as interim final regulations.

DEPARTMENT [redacted]ISTRATION
NC COMMISSION OF INDIAN AFFAIRS
February 1999

AGENCY HEAD SIGN: *Gregory A. Richardson*
DEPT. HEAD SIGN: _____
PERS. OFFICE SIGN: _____



IA 2-99

North Carolina Indians

North Carolina Department of Administration
N.C. Commission of Indian Affairs • 217 W. Jones Street, Raleigh, N.C. 27603-1336 • (919) 733-5998
Fax (919) 733-1207 *http://www.doa.state.nc.us/doa/cia/indian.htm*

Population

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

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

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

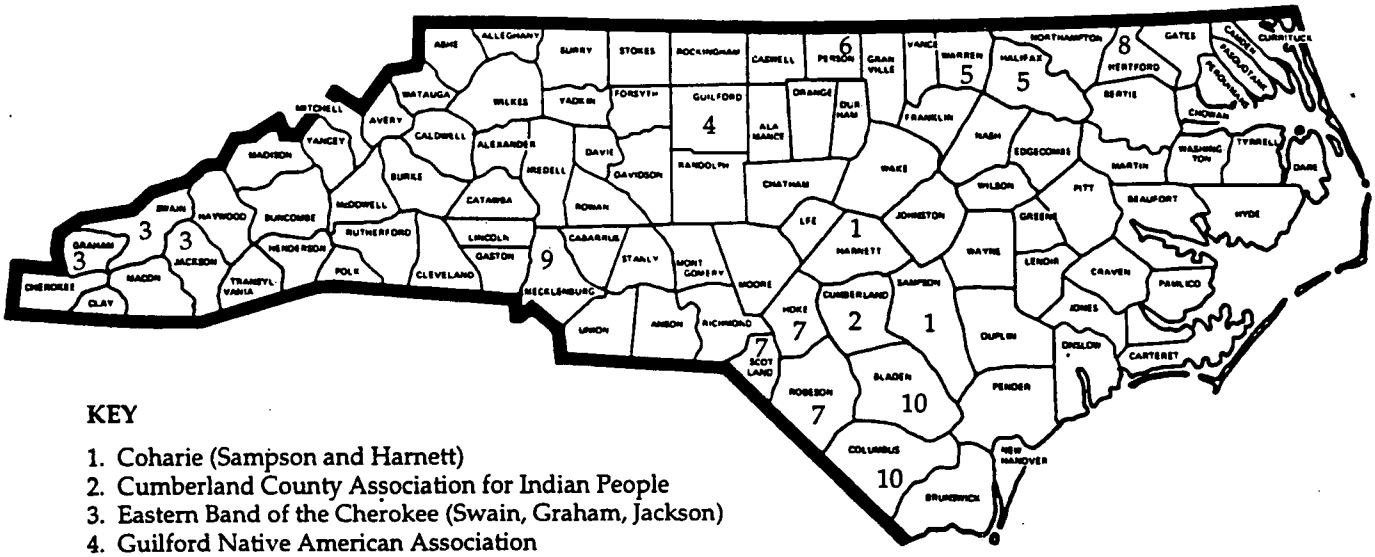
State Recognized

Coharie (Sampson and Harnett)
Haliwa-Saponi (Halifax and Warren)
Indians of Person County (Person)
Lumbee (Robeson, Hoke, Scotland)
Meherrin (Hertford)
Waccamaw-Siouan (Bladen and Columbus)

Federally Recognized

Eastern Band of Cherokee
(Swain, Graham, Jackson)

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



KEY

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

3,000 copies of this public document were printed at a cost of $93.55, or $.03 per copy.

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

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

Age

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

Education

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

Income

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

For more information contact:
North Carolina Commission of Indian Affairs
North Carolina Department of Administration
217 W. Jones Street
Raleigh, North Carolina 27603-1336
(919) 733-5998
Fax (919) 733-1207
http://www.doa.state.nc.us/doa/cia/indian.htm

NORTH CAROLINA INDIAN ORGANIZATIONS

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

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

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

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

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

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

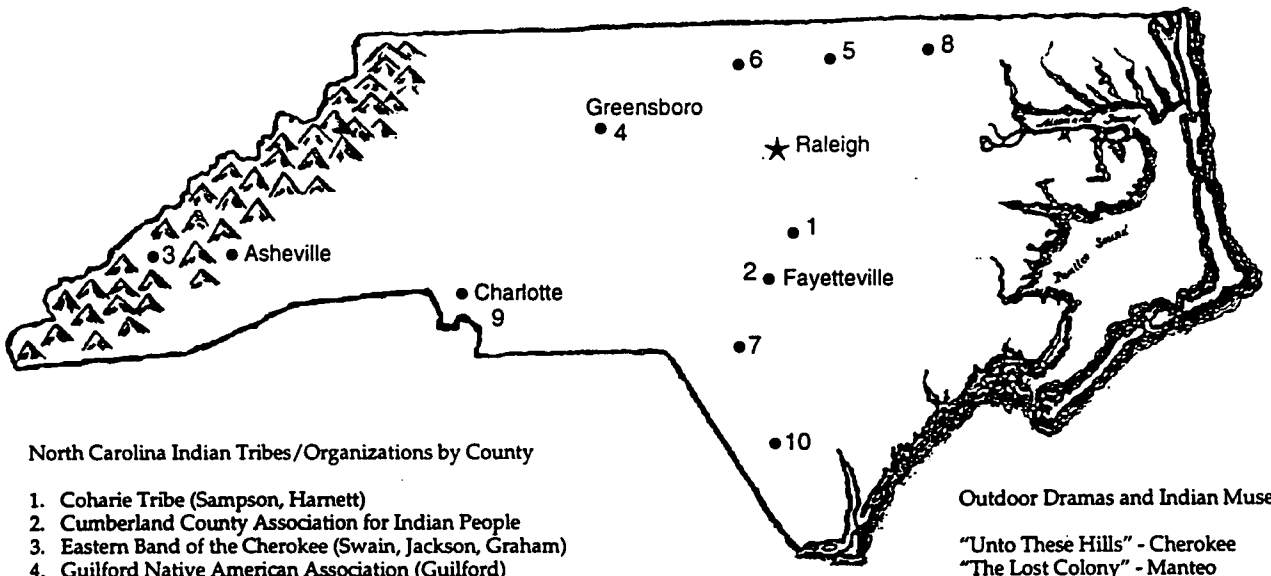
Indians of Person County
P.O. Box 3265
Roxboro, N.C. 27573
Phone: (336) 599-5020

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

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

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

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

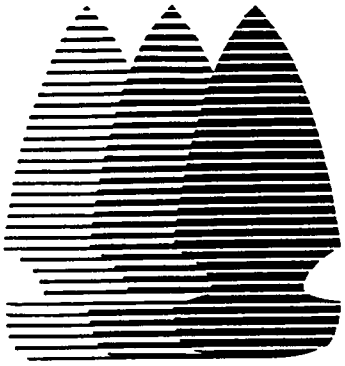


North Carolina Indian Tribes/Organizations by County

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

Outdoor Dramas and Indian Museums

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



North Carolina Indian Population (By County)

North Carolina Department of Administration
N.C. Commission of Indian Affairs • 217 West Jones Street, Raleigh, N.C. 27603-1336 (919) 733-5998
Fax (919) 733-1207 *http://www.doa.state.nc.us/doa/cia/indian.htm*

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

TOTAL 80,155

Source: 1990 U.S. Census

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Cumberland County Association for Indian People

The Cumberland County Association for Indian People (CCAIP) was established in 1965 to enhance and promote the self-sufficiency, socioeconomic development and self-determination of the approximately 4,000 American Indians living in the Fayetteville/Cumberland County area. The association is governed by a 10-member board of directors elected annually. CCAIP offices are located in the old Les Maxwell School Building which served Indian students from 1954 to 1967.

Programs offered by the association include Job Training Partnership Act (JTPA), cultural education, Head Start, child day care, a senior citizen meal site, adult and youth recreational services, small business development assistance, food pantry, information and referral, and a senior citizen program. The association also operates Four Feathers Enterprises, a furniture design and production business, and Four Feathers Arts and Crafts Center, a successful arts and crafts business.

Program services operated by the N.C. Commission of Indian Affairs in Cumberland County include Substance Abuse Prevention and Awareness, Educational Talent Search and in-home aide services for the elderly/physically challenged through the Community Services Program. In addition, Community Services Block Grant (CSBG) and Community Action Partnership Program (CAPP) funding is subcontracted to CCAIP by the commission each year. A cultural festival is sponsored by the Cumberland association each October.

Guilford Native American Association

Guilford Native American Association (GNAA) is a non-profit, urban organization established in 1975 to represent and serve the approximately 3,000 American Indians living in Guilford and surrounding counties. The mission of GNAA is to implement educational, cultural, social and economic programs and activities that will help American Indians achieve social and economic self-sufficiency and self-determination. GNAA is governed by a 10-member board of directors elected annually.

Major funding over the last several years from the Administration for Native Americans and the U.S. Department of Labor has assisted the association in the implementation of several successful economic development projects. These include Guilford Native Industries, a Job Training Partnership Act (JTPA) program; the GNAA Child Day Care Center; The Indian Property Initiative (T.I.P.I), a housing program; Rising Star Greetings, an all-occasion Indian greeting card enterprise; the Guilford Native American Art Gallery and Gift Shop; and Guilford Native Furniture Accessories. Community Services Block Grant (CSBG) and Community Action Partnership Program (CAPP) funding is subcontracted to GNAA by the N.C. Commission of Indian Affairs each year. In addition, the commission's Educational Talent Search Program serves eligible Indian students between the ages of 11 and 27 in Guilford County.

Special activities of GNAA include an annual powwow and cultural festival, youth and senior citizens projects, and the annual awarding of two $1,000 scholarships to worthy Indian students.

Metrolina Native American Association

Metrolina Native American Association (MNAA) was established in 1976 to address the needs and concerns and promote the self-sufficiency and self-determination of the 4,500 American Indians residing in the 10-county area of the southern piedmont known as Metrolina. The association is governed by a nine-member board of directors elected by the Indian community annually.

The association operates a Job Training Partnership Act (JTPA) program and also offers cultural enrichment programs and economic development assistance. All activities are coordinated with other Indian organizations and programs as well as with area agencies and businesses. Funding for the association is provided by the U.S. Department of Labor, the North Carolina Arts and Science Council, the Office of Economic Opportunity, community donations and various fundraisers held each year by the association. Community Services Block Grant (CSBG) and Community Action Partnership Program (CAPP) funding is subcontracted to MNAA by the N.C. Commission of Indian Affairs each year.

Metrolina Indian News, the association's monthly newsletter, keeps community members informed of MNAA-sponsored activities. Special activities include annual cultural festivals and powwows, an annual Captain's Choice Golf Tournament, an MNAA Princess Pageant, and activities for youth and senior citizens.

North Carolina Commission of Indian Affairs
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(919) 733-5998 Fax (919) 733-1207
http://www.doa.state.nc.us/doa/cia/indian.htm
Gregory A. Richardson, Executive Director
Paul Brooks, Chairman

Field Offices

Columbus County
Bolton
(910) 655-8778 (Section 8 Housing)
(910) 655-4689 (Community Services)
(910) 655-8708 (JTPA)

Cumberland County
Fayetteville
(910) 483-8442 (Community Services)

Granville County
Oxford
(919) 693-2456 (Section 8 Housing)

Halifax County
Hollister
(919) 586-4017
(Section 8 Housing)
(Community Services)

Hoke County
Raeford
(910) 875-2581 (Section 8 Housing)

Person County
Roxboro
(919) 599-0952 (Section 8 Housing)

Robeson County
Pembroke
(910) 521-0887 (Community Liaison)

Sampson County
Clinton
(910) 564-6152 (Community Services)
(910) 564-1941 (Section 8 Housing)
(910) 564-6726 (JTPA)

North Carolina Indian Tribes and Organizations

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

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

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

Guilford Native American Association
P.O. Box 5623
Greensboro, N.C. 27435
(910) 273-8686

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

Indians of Person County
P.O. Box 3265
Roxboro, N.C. 27573
Phone: (336) 599-5020

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

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

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

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

State of North Carolina - James B. Hunt Jr., Governor
N.C. Department of Administration - Katie G. Dorsett, Secretary
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NORTH CAROLINA INDIANS

North Carolina Commission of Indian Affairs

The North Carolina Commission of Indian Affairs is a state agency created by the N.C. General Assembly in 1971 to represent the interests and advocate for the rights and needs of the North Carolina Indian population. Commission programs are aimed at improving the educational, employment, health, and socioeconomic status of the American Indian citizens of the state. The commission operates under the direction and supervision of the N.C. Department of Administration and is one of five advocacy agencies housed within the department.

The membership of the commission is composed of 18 representatives from the state's six recognized Indian tribes and three urban Indian organizations, five state officials, and an appointee of both the speaker of the N.C. House of Representatives and the lieutenant governor. Ex-officio members include representatives from two statewide Indian youth organizations, the North Carolina Native American Youth Organization (NCNAYO) and the North Carolina Native American Council on Higher Education (NCNACOHE).

According to the 1990 U.S. Census, North Carolina's Indian population totals 80,155 giving the state the largest Indian population east of the Mississippi River and the seventh largest Indian population in the nation. Six Indian tribes call North Carolina home. The Lumbee, Coharie, Waccamaw-Siouan, Haliwa-Saponi and Meherrin Tribes are state recognized while the Eastern Band of the Cherokee possesses both state and federal recognition. In addition, three major urban Indian organizations serve the American Indian populations of Charlotte, Greensboro and Fayetteville.

Coharie

The Coharie Indian Tribe lives in Sampson and Harnett counties and has approximately 1,700 members. According to tradition, the Coharie are descended from Iroquoian-speaking tribes, the Ri-Coherrians or Saxapahaw who settled on the Cape Fear and Saxapahaw rivers and tributaries.

The Coharie Intra-Tribal Council Inc. is a non-profit agency established to promote the health, education, social and economic well-being of the Coharie people. It is housed in the old Eastern Carolina Indian School building, a school which served Indian people of Sampson, Harnett, Hoke, Columbus, Cumberland, Bladen and Person counties from 1942 to 1966. Programs operated by the Coharie Intra-Tribal Council include an arts and crafts/cultural enrichment program and VISTA. Economic development ventures include two day care centers serving children ages 0-12 and a fish farming operation.

Programs offered to the Coharie by the N.C. Commission of Indian Affairs include Section 8 Housing; Job Training Partnership Act (JTPA); Educational Talent Search; and Community Services, which provides volunteer transportation, a meal site and in-home aide services for the elderly/physically challenged. In addition, the commission subcontracts Low Income Energy Assistance Program (LIEAP) funding to the Coharie Intra-Tribal Council each year. The Coharie annual powwow is held each September.

Eastern Band of the Cherokee

The Eastern Band of the Cherokee live on the Qualla Boundary, a land area comprised of 56,572 acres directly adjacent to the Great Smoky Mountains National Park. The more than 10,000 members of the Eastern Band are descendants of those Cherokee who, in the late 1830s, remained in the mountains of North Carolina rather than be forced to march along the infamous "Trail of Tears" to Oklahoma.

Today, the Eastern Band of the Cherokee is the only tribe of North Carolina's six recognized tribes which possesses both state and federal recognition, lives on a reservation and is served by the Bureau of Indian Affairs in the U.S. Department of the Interior; the Indian Health Service in the U.S. Public Health Service; and the federal departments of Labor, Commerce, and Health and Human Services. The North Carolina Commission of Indian Affairs subcontracts Community Action Partnership Program (CAPP) funding to the Eastern Band of the Cherokee each year.

Favorite local attractions include annual cultural festivals, the Occanaluftee Indian Village, the outdoor drama "Unto These Hills," trout fishing and the Museum of the Cherokee Indian. Traditional Cherokee arts and crafts such as baskets, pottery, beadwork, finger weavings, stone carvings and wood carvings are sold at the Qualla Arts and Crafts Mutual, an artist cooperative on the Qualla Boundary. The Cherokee Fall Festival is held each October.

Haliwa-Saponi

The Haliwa-Saponi live primarily in Halifax and Warren counties in the northern part of the state and regard Hollister and Bethlehem as the centers of their community. The Haliwa-Saponi Tribe is the third largest tribe in North Carolina with approximately 3,000 tribal members. Records indicate that the Haliwa-Saponi are descended from the Saponi, Tuscarora and Nansemond native peoples. They have been in Halifax and Warren counties since the late 1700s.

During the early 1950s, the tribal members built and maintained their own independent Indian school. However, consolidation and integration forced the closing of the school in 1969. The building is presently used for tribal community meetings, arts and crafts classes, recreational activities, and as a senior citizen nutrition site.

Programs operated by the Haliwa-Saponi Tribe for the benefit of its members include a day care center for children ages 0-5; senior citizens program; federal recognition project; Job Training Partnership Act (JTPA) program; alcohol, drug and pregnancy prevention project; energy assistance program; and economic development. Program services offered to the Haliwa-Saponi by the N.C. Commission of Indian Affairs include Child Abuse and Neglect Prevention; Substance Abuse Prevention and Awareness; Section 8 Housing Assistance; and Community Services, which provides volunteer transportation and in-home aide services to the elderly/physically challenged. In addition, Low Income Energy Assistance Program (LIEAP) funding is subcontracted to the Haliwa-Saponi by the commission each year. The Haliwa-Saponi hold an annual powwow each April.

Indians of Person County

The Indians of Person County were reinserted into legislation as a state-recognized tribe in May of 1997. This legislation was based on prior legislation in 1911, when the tribe received original state recognition. As a result of this legislation, the Person County Indians now have representation on the North Carolina Commission of Indian Affairs.

The Indians of Person County are served by High Plains Indians Inc., a non-profit organization which serves approximately 900 enrolled members. The tribal council is made up of seven members - - a representative from each of the original seven families. The tribe is located along the Mayo Creek in what is referred to as the High Plains community. The community straddles the border of North Carolina and Virginia in the counties of Person and Halifax, respectively. Since the 1800s, the area has been a farming community of seven families of Indian descent. In 1888, the High Plains Indian School was built and remained open through 1962. The center of the community has historically been Calvary Baptist Church, which provided the organization of the governance for the Indian community. Funds from Title IX have been awarded to the Indians of Person County to enhance cultural enrichment programs.

The goal of this organization is "to offer and promote educational, economic and social opportunities while maintaining and preserving our history as an Indian people."

Lumbee

The over 40,000 members of the Lumbee Tribe reside primarily in Robeson, Hoke and Scotland counties. The Lumbee Tribe is the largest tribe in North Carolina, the largest tribe east of the Mississippi and the ninth largest tribe in the nation. The Lumbee take their name from the Lumber River which winds its way through Robeson County.

The ancestors of the Lumbee were mainly Cheraw and related Siouan-speaking Indians who lived in the area of what is now Robeson County. The Lumbee people have been recognized by the state of North Carolina since 1885. In 1956 a bill was passed by the U.S. Congress which recognized the Lumbee as Indian, but denied the tribe full status as a federally recognized Indian tribe. Federal recognition for the tribe is currently being sought through federal legislation.

The Lumbee Regional Development Association (LRDA) is a private, non-profit organization established in 1968 to provide needed services to the Lumbee people. Programs currently operated by LRDA include Job Training Partnership Act (JTPA), Low Income Energy Assistance (LIEAP), Head Start, Educational Talent Search, Child Day Care and Tribal Enrollment. Economic development projects operated by LRDA include WYRU, the strongest AM radio station in Robeson County, and the Lumbee Model Poultry Farm.

The Substance Abuse Prevention and Awareness and Child Abuse and Neglect Prevention programs of the N.C. Commission of Indian Affairs serve Robeson County while the commission's Educational Talent Search and Section 8 Housing Assistance programs serve Hoke County. In addition, Community Action Partnership Program (CAPP) funding is subcontracted to LRDA by the commission each year. Lumbee powwows are held each May and October.

Meherrin

The Meherrin Indians number approximately 600 and reside in several small communities in Hertford, Bertie, Gates and Northampton counties. The Meherrin are of the same linguistic grouping as the Cherokee, Tuscarora and other tribes of the Iroquois Confederacy of New York and Canada. "Meherrin" means "people of the muddy water" or "muddy water people."

The Meherrin Tribe is governed by a chief and a seven-member tribal council elected by the tribe's enrolled membership. Programs operated by the tribe include a Federal Acknowledgment Project; Cultural Retention; and the Meherrin Trading Post, a tribal arts and crafts shop. Tribal services are funded by the Administration for Native Americans and funds generated through private donations and tribal fund-raising activities. Job training and employment services are provided to tribal members through the Job Training Partnership Act (JTPA) program of the North Carolina Commission of Indian Affairs. The Meherrin hold an annual powwow each October and a cultural festival each April.

Waccamaw-Siouan

The Waccamaw-Siouan Tribe of 1,800 members is located in the southeastern counties of Bladen and Columbus. The Waccamaw-Siouan call themselves the "People of the Fallen Star," recalling an old legend which tells of a ball of fire falling to earth and creating Lake Waccamaw.

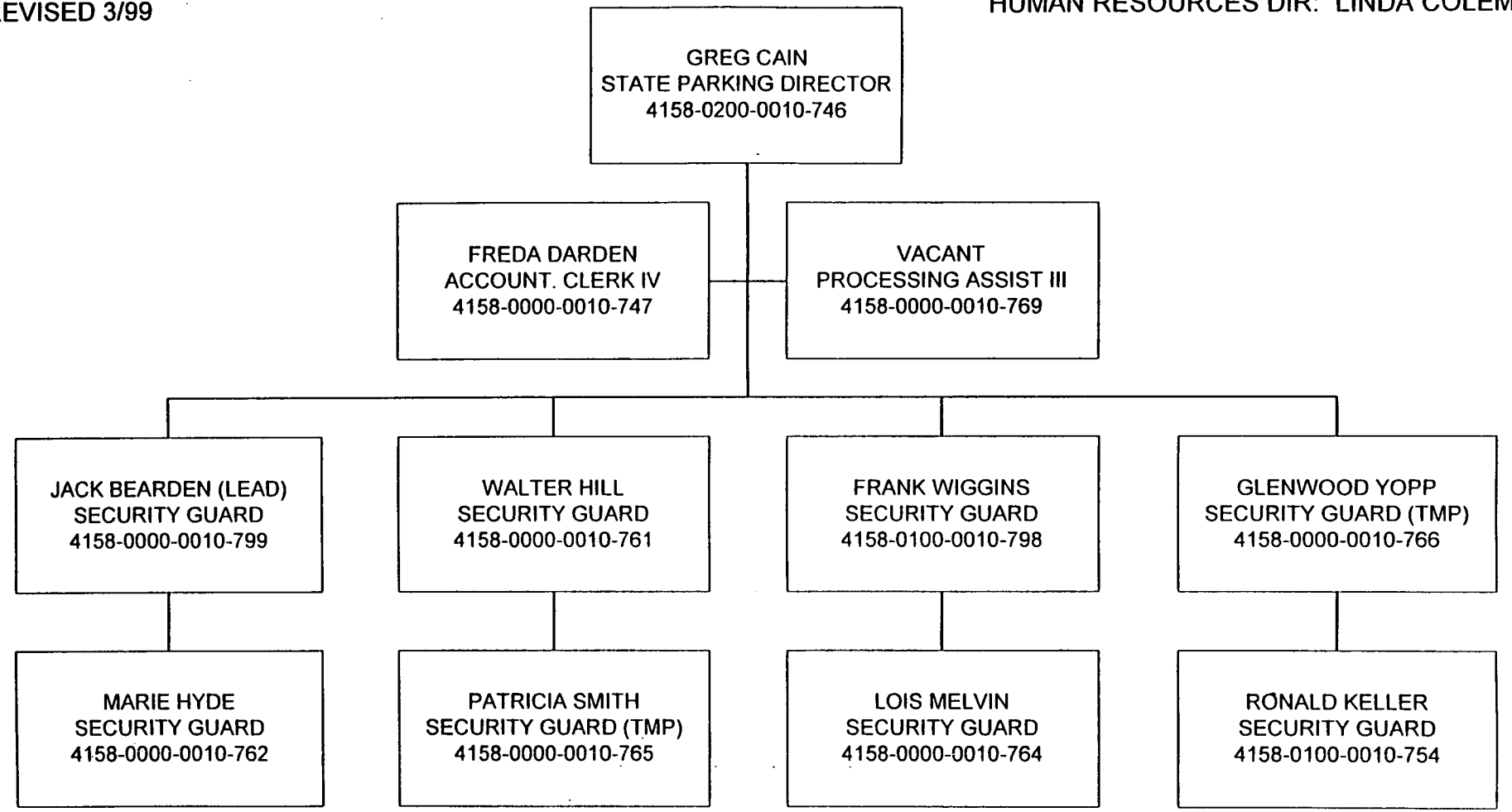
The Waccamaw-Siouan Development Association (WSDA) is a non-profit organization created in 1971 to identify and address the educational, health, social and economic development needs of the Waccamaw-Siouan people. The association is governed by a five-member board of directors elected annually by the Waccamaw-Siouan people.

Current programs operated by WSDA include housing development for low and moderate income families, child day care, economic development and cultural rediscovery. Programs offered to the Waccamaw-Siouan by the N.C. Commission of Indian Affairs include Job Training Partnership Act (JTPA); Educational Talent Search; Section 8 Housing Assistance; and Community Services, which provides volunteer transportation and in-home aide services to the elderly/physically challenged. In addition, Low Income Energy Assistance Program (LIEAP) and Community Action Partnership Program (CAPP) funds are subcontracted to WSDA by the commission each year. The Waccamaw-Siouan Tribe holds an annual powwow each October.

DEPARTMENT OF ADMINISTRATION
PARKING
REVISED 3/99

STATE PARKING SERVICES

AGENCY HEAD: GREG CAIN
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



THE NORTH CAROLINA COUNCIL FOR WOMEN

Mission Statement

The North Carolina Council for Women is the only state agency which advocates exclusively on behalf of women. Its mission is to advise the governor, the North Carolina Legislature and the principal state departments on the special needs of women in North Carolina by: identifying and assessing needs; collecting and distributing information and acting as a resource for the county and regional councils on the status of women; offering services to women in crisis, such as victims of sexual assault and domestic violence; cooperating with groups and individuals working on behalf of women, and working toward expanding equal opportunities in employment and education for women.

Major Program
Accomplishments & Goals

Domestic Violence

* In 1993-94, the Council administered funding to 64 domestic violence programs at approximately $17,500 per program and presently, the Council is providing state funding to 76 domestic violence programs at $33,910 and the NC Coalition Against Domestic Violence receives $10,000. Additionally, marriage license fees were divided among all programs and the Coalition amounting to $16,935 each.
* To have the $1,000,000 which is in the 1998-99 budget for domestic violence placed in the continuation budget instead of the non-recurring budget. Attaining additional funding for existing domestic violence programs and funding for new programs with a goal of establishing a program in each of the 100 counties.

Sexual Assault

* In 1993-94, the Council administered state funding to 51 programs at $14,410 per program and presently, the amount per program is $18,940 for the 57 programs which includes state funds of $15,657 and federal funds of $3,283.
* Attain additional funding for existing sexual assault programs and funding for new programs.

Rape Prevention

* Under the Federal Violence Against Women Act, funds for rape prevention and education were allocated. In 1998-99, 61 programs received $15,000 each to use in providing education, training and prevention for their communities. The NC Coalition Against Sexual Assault received $60,000 to use in a campus rape prevention project
* Maintain federal funding for local programs to provide education and prevention in communities.

Displaced Homemakers

* In 1993, the Council succeeded in securing funding in the amount of $375,000 from the Legislature for a pilot program to serve the more than 500,000 displaced homemakers in North Carolina. Fifteen programs were funded at varying levels in the first year. Funding was included in the continuation budget for ongoing programming for this population, and now 24 programs serve women statewide. Three of these programs won national awards for innovation and service delivery to this population: Mecklenburg Women's Commission, HOPE4 program in Rutherfordton and Southeastern Community College for their One Stop Career Center. Senate Bill 475 introduced in the 1997 General Assembly was ratified the 29th day of October, 1998 establishing the Fund for Displaced Homemakers. This Act was effective December 1, 1998, and assesses a $20 fee from persons filing final divorce actions. It will generate approximately $740,000 a year and will be administered to Displaced Homemaker Programs by the NC Council for Women.

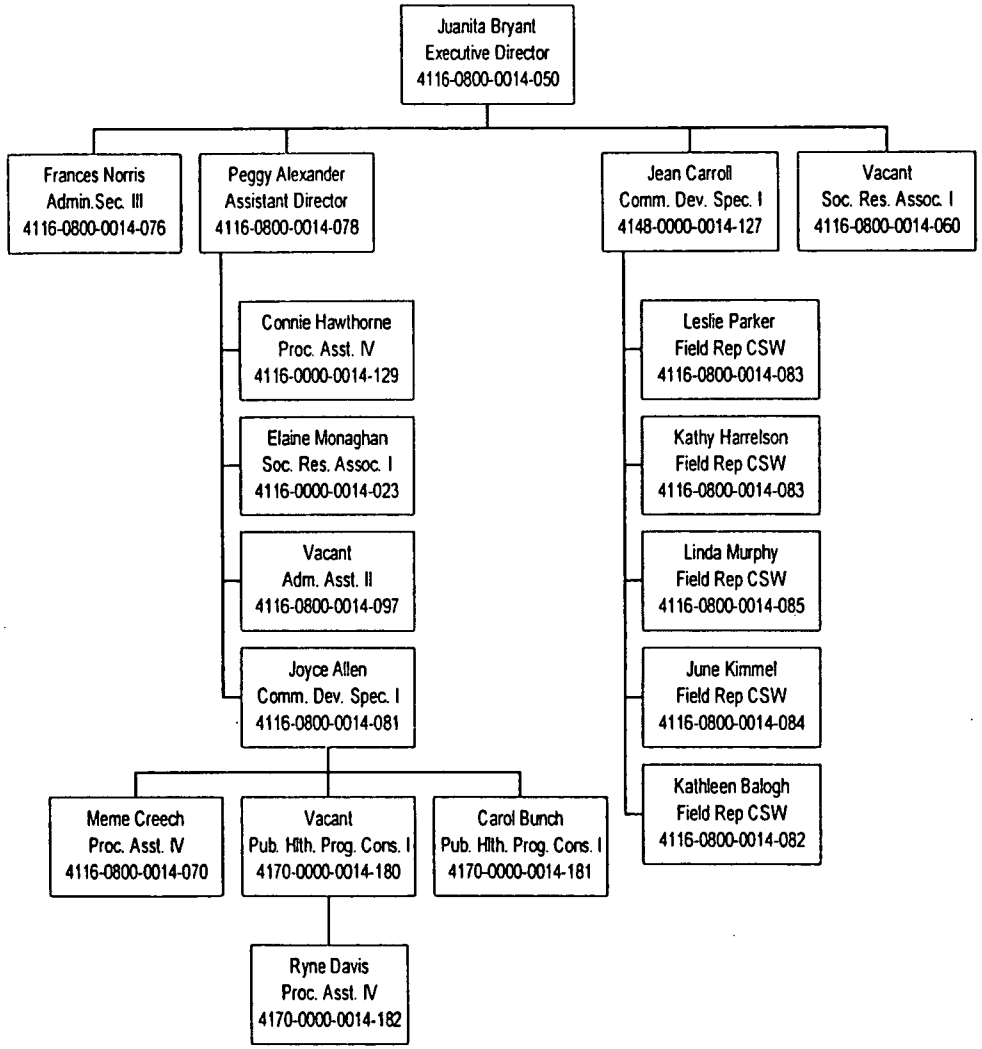
* The new steps for welfare reform are bringing a surge of new clients for our Displaced Homemaker Programs. We will be working harder than ever to attain adequate funding to service as many displaced homemakers as possible.

Local Councils/Commissions for Women

* Over the past four years, the Council has focused on strengthening its grassroots network, of which local councils are a strong component. One new local council has been established in Brunswick County, and 36 are functioning statewide.
* Continue to work towards establishment of Local Councils/Commissions. Our past achievements are a testament to the fact that there are opportunities out there if we can tap into the resources in each county or community to build these local councils and commissions.

N.C. Council for Women
Dept. of Administration
2/1/99

Agency Head _____
Dept. Head_____
Personnel Office_____



CFW2/99

Governor's Advocacy Council for Persons with Disabilities

The Governor's Advocacy Council for Persons with Disabilities (GACPD) is part of a nationwide system of protection and advocacy agencies. It is a civil rights protection agency committed to serving citizens with disabilities in North Carolina.

GACPD staff provide advocacy services to any citizen of North Carolina who has a physical or mental condition that substantially limits one major life activity and who falls within the agencies priorities and case selection criteria as set by the board each year.

GACPD, a division of the N.C. Department of Administration, is guided by a 21-member board comprised of volunteers appointed by the state's top leaders in government.

Accomplishments from October 1997 to date:

I. Development of a consistent information and referral service system.

- Studied the system that the state's information and referral agency, "Careline", uses.
- Examined linking with other service providers via the Internet.
- Provided information and referral services to 5,239 callers.

II. Promotion and enforcement of the right to receive services and supports which are free from abuse and neglect, and which provides access to due process, informed consent, confidentiality and privacy in 24 hour facilities.

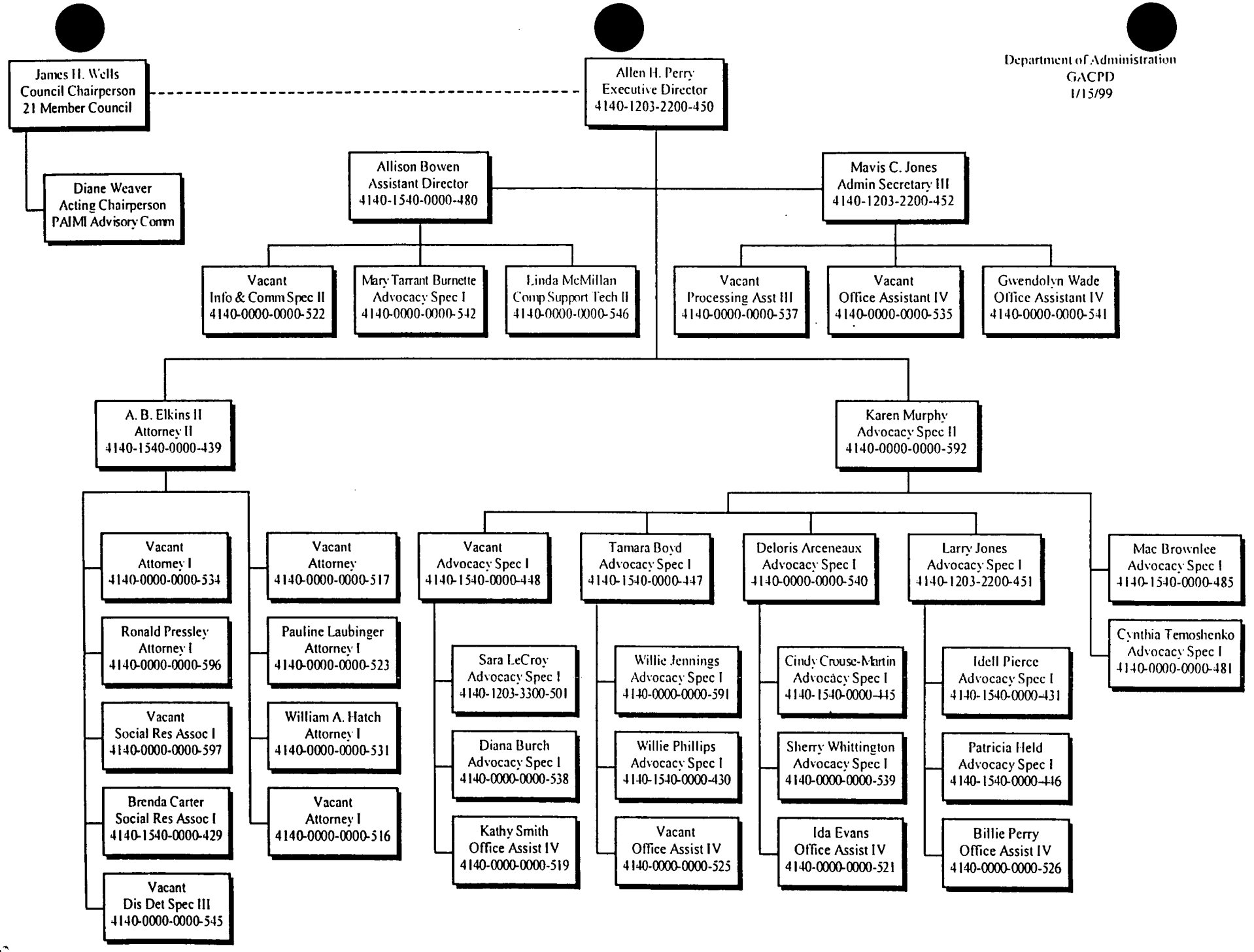
- Investigated 434 cases of abuse and/or neglect in state residential facilities.
- Investigated the death of two teens in psychiatric hospitals. One of these investigations will be featured in an upcoming documentary produced by "60 Minutes", to be broadcast nationally.
- Investigated allegations of sexual abuse in the state's schools for the deaf.
- Promoted the Health Care Personnel Registry, which allows employers to determine whether prospective employees have a history of substantiated acts of abuse and neglect at other institutions.

III. Enforcement of the rights of people with disabilities to choose where they live, work and recreate while retaining public moneys and supports.

- Provided training to 4,022 persons with disabilities, family members and service providers on the rights of persons with disabilities. Five workshops focused on ethnic minorities and rural or underserved populations
- Accepted as cases all denials of CAP slots, a Medicaid waiver which allows persons with disabilities to live outside an institution.
- Filed a class action lawsuit against the Health Care Financing Administration for denial of coverage for persons with severe disabilities.
- Obtained a graduate school intern from the Department of Rehabilitation Counseling UNC-Chapel Hill, to research barriers to living independently, particularly young people inappropriately placed in nursing homes.

IV Elimination of disability-based discrimination in education, medical/dental services, transportation and employment.

- Represented 158 clients in education cases and 62 in employment cases.
- Surveyed 7 beaches on North Carolina's coast for physically accessibility. Only one of the 7 was found to be fully accessible.
- Distributed over 700 "Parents Together", a manual for explaining a student's rights under IDEA (Individuals with Disabilities Education Act.)
- Pursued the NC Department of Transportation for failing to comply with the Americans with Disabilities Act requiring the installation of curb cuts when resurfacing streets. As of February 1999, 98.5% of the curb cuts had been completed.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21 Member Council
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Acting Chairperson
PAIMI Advisory Comm
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Executive Director
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GACPD
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Karen Murphy
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Ronald Pressley
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Vacant
Social Res Assoc I
4140-0000-0000-597
Brenda Carter
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Vacant
Dis Det Spec III
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Pauline Laubinger
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Advocacy Spec I
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4140-1203-3300-501
Diana Burch
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4140-0000-0000-538
Kathy Smith
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Tamara Boyd
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Willie Jennings
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Willie Phillips
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Sherry Whittington
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Ida Evans
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Mac Brownlee
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Advocacy Spec I
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N.C. HUMAN RELATIONS COMMISSION

The purpose of the North Carolina Human Relations Commission is to advocate, enforce, and promote equality of opportunity in the areas of housing, fair employment practices, public accommodations, education, justice and governmental services for all people in North Carolina. The division serves as a focal point for developing, maintaining and improving human relations by fostering communication and encouraging the establishment of local human relations councils. The division also provides crisis intervention in potentially disruptive situations and promote the right of every person in the state to live and work in peace and to be free of violence and intimidation.

Accomplishments for 1997

Race Relations Training

In 1996, the Human Relations Commission received $35,000 from Z. Smith Reynolds Foundation to conduct race relations training. In 1997, a statewide race relations training and four regional sessions with over 350 participants were held as a result of this grant. Also in 1997, the Commission received an additional $50,000 from Z. Smith Reynolds Foundation to develop a manual and training videos that local human relations commissions and other organizations can use to conduct their own race relations training.

Fair Housing Law Enforcement

The North Carolina Human Relations Commission is charged with the administration and enforcement of the fair housing law, including the investigation, mediation and litigation of fair housing cases and the provision of fair housing education and training for North Carolina. In 1997, the Commission received approximately 865 housing inquiries. 79 cases alleging housing discrimination were dual-filed with the U. S. Department of Housing and Urban Development (HUD) and the Commission closed 63 cases. The Commission also successfully conciliated 18 out of 23 aged litigation cases in which a reasonable grounds determination had been made following an investigation.

Fair Housing Outreach

In an effort to affirmatively further fair housing, the Human Relations Commission conducted approximately 118 outreach efforts. The Commission has, in an outreach and educational effort, created a web page on the Internet making available the State Fair Housing Act in English and Spanish and allowing access to the complaint forms for use by the public. The Commission has also printed for distribution the State Fair Housing Act booklets, brochures and posters in English and Spanish.

Employment/Public Accommodations

The Human Relations Commission answered approximately 2,973 telephone inquiries with employment and public accommodations concerns by offering assistance and making referrals to other agencies.

Hate Violence Reporting/Investigation
The Human Relations Commission established and trained 31 Hate Violence Information Network affiliates across North Carolina. These affiliates signed a memorandum of understanding stating that they would contact the Commission when a hate incident has occurred in their community. 75 hate/violence incidents were reported and investigated by the Commission.

Police Community Relations Training
The Human Relations Commission trained 315 persons in 21 police community relations training sessions for law enforcement departments across the state.

Hispanic/Latino Meeting
On May 6, 1997, the Department of Administration, along with the NC Human Relations Commission, hosted a meeting with 39 Hispanic/Latino leaders to hear the issues and concerns for their community. As a result of this meeting, several Hispanics/Latinos have been appointed to state commissions including the NC Human Relations Commission.

Accomplishments for 1998

Fair Housing Law Enforcement
The North Carolina Human Relations Commission is charged with the administration and enforcement of the fair housing law, including the investigation, mediation and litigation of fair housing cases and the provision of fair housing education and training for North Carolina. In 1998, the Commission received approximately 796 housing inquiries. Forty-three cases alleging housing discrimination were dual-filed with the U. S. Department of Housing and Urban Development (HUD), and the Commission closed 68 cases. The Commission also successfully conciliated 10 aged litigation cases in which a reasonable grounds determination had been made following an investigation.

Fair Housing Outreach
In an effort to further fair housing affirmatively, the Human Relations Commission conducted approximately 80 outreach efforts. The Commission has, in an outreach and educational effort, created a web page on the Internet making available the State Fair Housing Act in English and Spanish and allowing access to the complaint forms for use by the public. The Commission has also printed for distribution the State Fair Housing Act booklets, brochures, and posters in English and Spanish.

Employment/Public Accommodations
The Human Relations Commission answered approximately 1,059 telephone inquiries with employment and public accommodations concerns by offering assistance and making referrals to other agencies.

Hate Violence Reporting/Investigation
The North Carolina Human Relations Commission established and trained 35 Hate Violence Information Network (HAVIN) affiliates across North Carolina. These affiliates signed a memorandum of understanding committing to informing the Commission when a hate incident occurs in their community. Fifty-nine incidents were reviewed and/or investigated by the Commission.

Police-Community Relations
The Human Relations Commission trained 195 police officers in five training sessions. In other diversity sessions conducted with fire departments and other agencies/organizations, 584 persons were trained in 15 sessions.

Special Projects
The Human Relations Commission cooperated with the Winston-Salem Urban League in conducting a session called "Bridging the Gap in Race Relations". One session was held per region which involved 174 people.

MARTIN LUTHER KING, JR. COMMISSION

The North Carolina Martin Luther King, Jr. Commission provides assistance and advice to local governments and private organizations across the State with respect to the observance of the Martin Luther King holiday and year-round activities regarding the philosophy of Dr. King. The Commission promotes an awareness and appreciation for the life and work of Dr. Martin Luther King, Jr. The Commission awards mini-grants to organizations that promote the philosophies of Dr. King on a year-round basis.

Accomplishments for 1997

Annual Bell Ringing Ceremony
The Martin Luther King, Jr. Commission sponsored a Bell Ringing Ceremony at the Bicentennial Plaza on the official holiday. Several hundred people observed the ceremony and public officials participated in the program.

MLK Mini-Grants
The Martin Luther King, Jr. Commission awarded $49,107 in mini-grants to 31 non-profit organizations to celebrate the life and philosophy of Dr. Martin Luther King, Jr. on a year-round basis.

Accomplishments for 1998

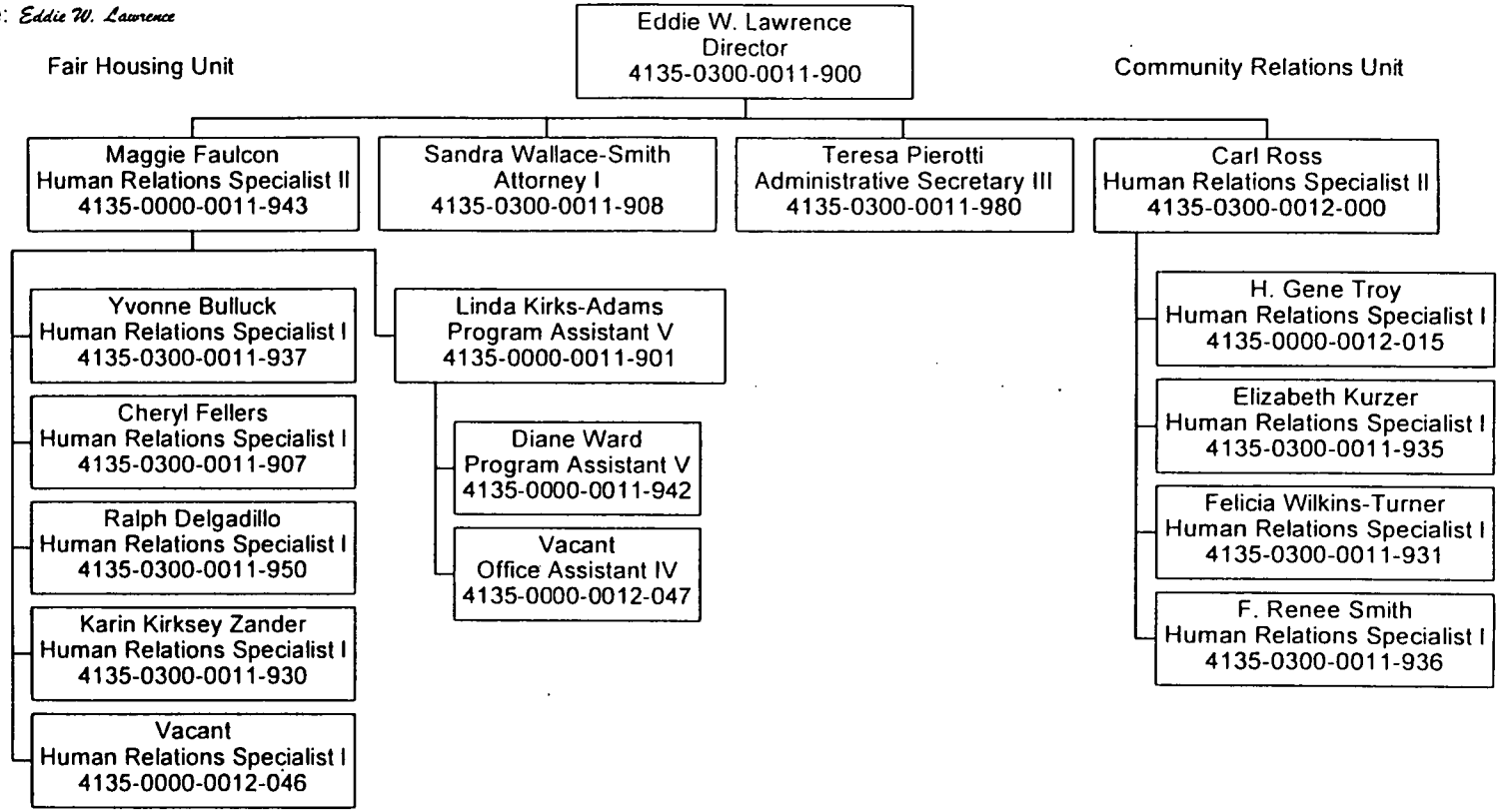
MLK Mini-Grants

The Martin Luther King, Jr. Commission awarded $54,709 in mini-grants to 28 non-profit organizations to celebrate the life and philosophy of Dr. Martin Luther King, Jr. throughout the year.

Annual Bell Ringing Ceremony

The Martin Luther King, Jr. Commission sponsored a Bell Ringing Ceremony at the Bicentennial Plaza on the official holiday. Several hundred people observed the ceremony and public officials participated in the program.

Department of Administration
Human Relations Commission
Date: 1/1/99
Agency Head Signature: *Eddie W. Lawrence*



HRC1-99

Youth Advocacy and Involvement Office

SUMMARY

The Youth Advocacy and Involvement Office (YAIO), under the leadership of advisory councils and in cooperation with public and private agencies, serves as an advocate for the children and youth of North Carolina. This agency seeks to enhance the quality of the lives of children and youth through individual and class advocacy intervention and by offering opportunities for leadership development and experiential education.

ACCOMPLISHMENTS

Mini-Grants:

- Last year, 18 youth organizations received $11,500 in mini-grants for youth-related projects (average $683)

Youth Legislative Assembly:

- 250 youth from 42 counties participated in this three-day event

Internship Program:

- Placed 100 interns each summer throughout North Carolina

Publications:

- VOICE FOR YOUTH, two editions (Summer '97, Winter '98) mailed 2,200 copies which included a comprehensive children and youth update

- Received grant funding of $10,000 to publish update of the YOUTH RIGHTS AND RESPONSIBILITIES handbook

Advocacy:

- Approximately 123 individual intervention cases were handled. We assisted "*Another Choice for Black Children,*" the state's only African-American Adoption agency secure a $600,000 federal adoption opportunities grant to help place older children and siblings for adoption. This office assisted *Another Choice* in becoming established.

- We led the way in advocating for the safety of children at North Carolina's three schools for the deaf by calling for an SBI investigation and making 17 recommendations to DHHS, many of which have been adopted.

- We successfully advocated for the smoke detector penalties law which will help prevent fire deaths of children.

- We opposed the closing of the Whitaker School for Emotionally Troubled Teens in Butner, North Carolina and successfully advocated for a $250,000 planning and design appropriation to replace this 1943 facility.

Students Against Destructive Decisions (SADD):

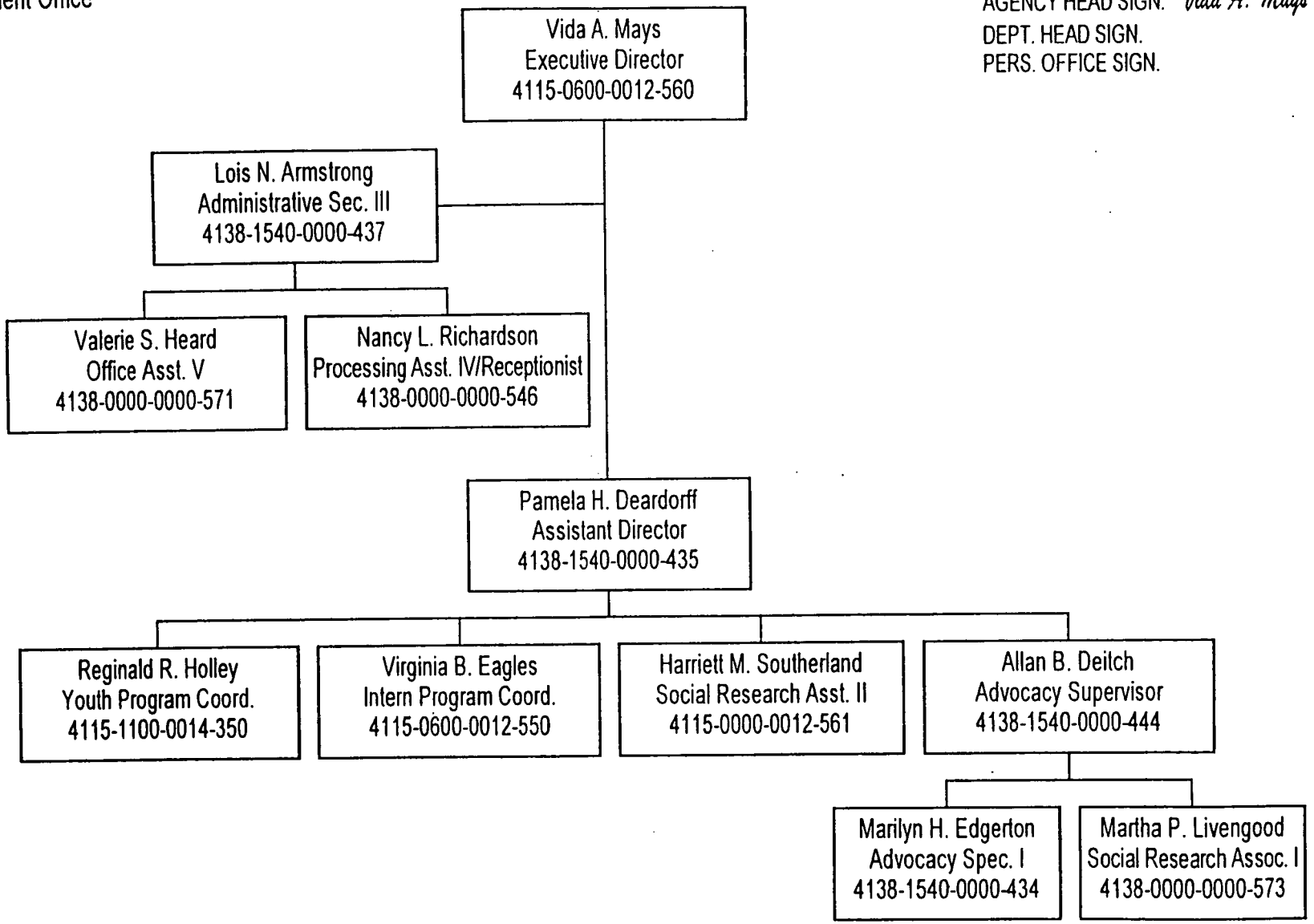
- 214 students representing 35 counties in the state and one (1) out of state attended a two-day conference sponsored by this office which also provides technical assistance to approximately 280 SADD chapters in North Carolina.

Outreach:

- Funding Resources for Children conference was held November 10, 1997, at McKimmon Center, Raleigh with 250 participants.

)EPARTMENT OF ADMINISTRATION
'outh Advocacy and Involvement Office
Revised 1/15/99

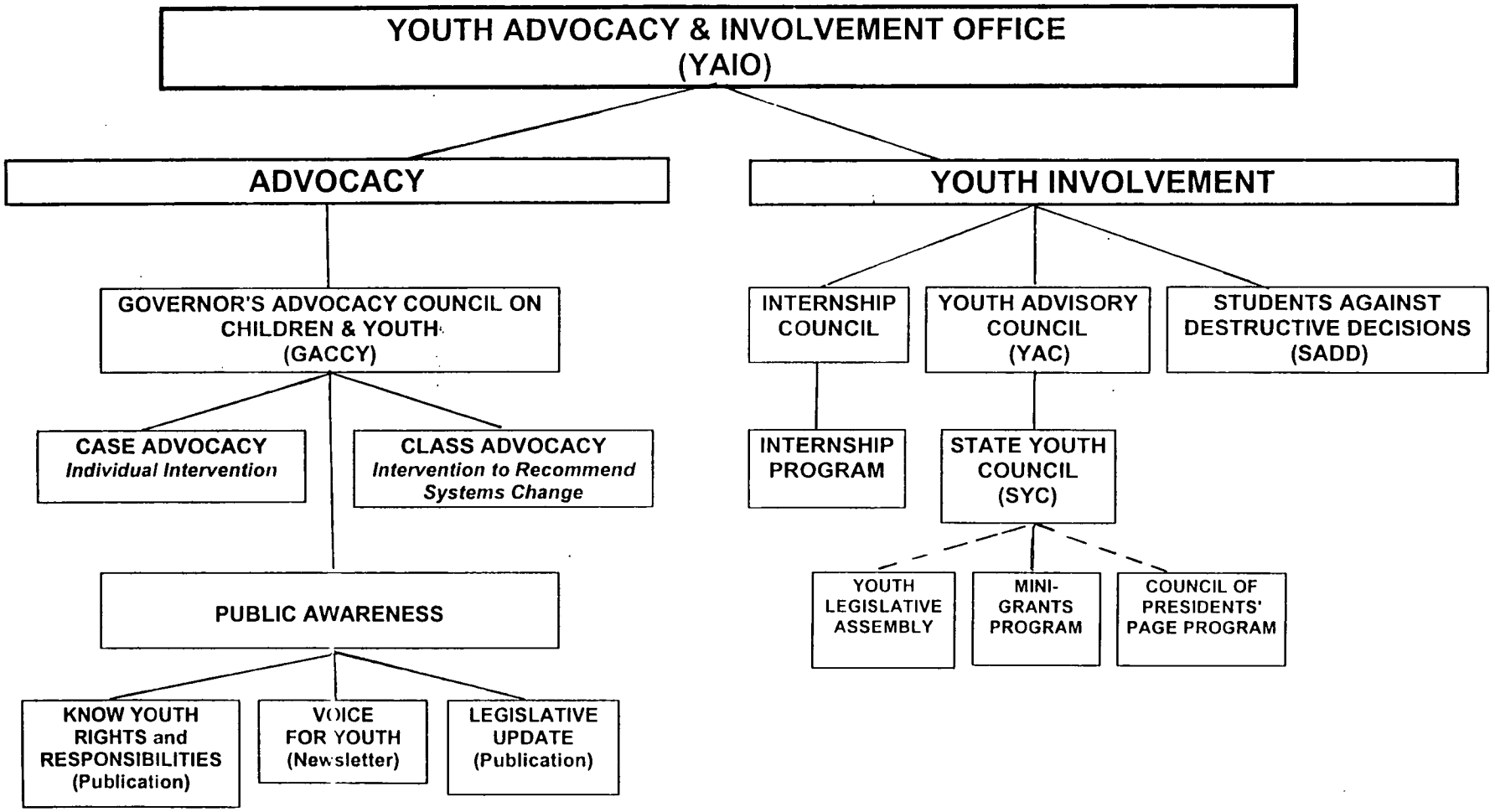
DATE: January 15, 1999
AGENCY HEAD SIGN. *Vida A. Mays*
DEPT. HEAD SIGN.
PERS. OFFICE SIGN.



YOU1-99

YOUTH ADVOCACY AND INVOLVEMENT OFFICE

MISSION STATEMENT: *The Youth Advocacy and Involvement Office (YAIO), under the leadership of advisory councils and in cooperation with public and private agencies, serves as an advocate for the children and youth of North Carolina. This agency seeks to enhance the quality of the lives of children and youth through individual and class advocacy intervention and by offering opportunities for leadership development and experiential education.*



An 11-member staff provides support to each of these initiatives.

FACILITY MANAGEMENT DIVISION

SUMMARY

Facility Management Division provides preventive maintenance and repair services to the state government complex and some facilities used by government workers in outlying areas. Services include minor new construction, renovation, carpentry, cabinetry, painting, housekeeping, landscaping, steam plant, HVAC, electrical, plumbing, welding, elevator maintenance, lock shop operation, fire and pest services, and parking supervision.

ACCOMPLISHMENTS

1. Implemented a new Preventive Maintenance Program on July 1, 1995 in over 146 buildings and parking facilities consisting of over 1,950 equipment items.

2. Energy and Utility Savings Initiatives:

   - Reviewed and selected best rates for electricity usage.
   - Converted 1,840 fire exit signs and lights from incandescent to fluorescent and LED.
   - Changed purchasing of natural gas at the Central Heat Plant and saved over $100,000 during the past two years compared to previous way.
   - Changed water rate for irrigation systems and eliminated sewer charges.
   - Insulated 22 of 22 historic homes on Blount Street.
   - Realized a savings of over $387,000 in energy costs over the past two years despite rising energy prices.

3. Rebid elevator maintenance contract which resulted in a $93,000 savings per year over previous contract.

4. Increased the number of inmates worked on a daily basis from 15 to 60.

5. Assumed responsibility for recycling program in the State Government Complex.

6. Completed an analysis of the current organization and received approval to implement a zonal maintenance concept for building systems equipment.

attachment 3, 80A page

Handout

The primary mission of Facility Management is to provide professional maintenance services and a pleasant work environment to agencies occupying state-owned facilities in the downtown Raleigh state government complex, Garner Road, Blue Ridge Road, and the James K. Polk Building in Charlotte.

These areas include 146 buildings with nearly 5 million square feet of floor space, 6 parking decks, 50 parking lots, and over 1,500 acres of landscaped grounds. Many of these facilities are historic structures and often require special attention.

We are a highly diverse and technically skilled organization of 200 people in 5 major areas. These areas are building systems, construction services, building services, landscape services, and administrative support staff.

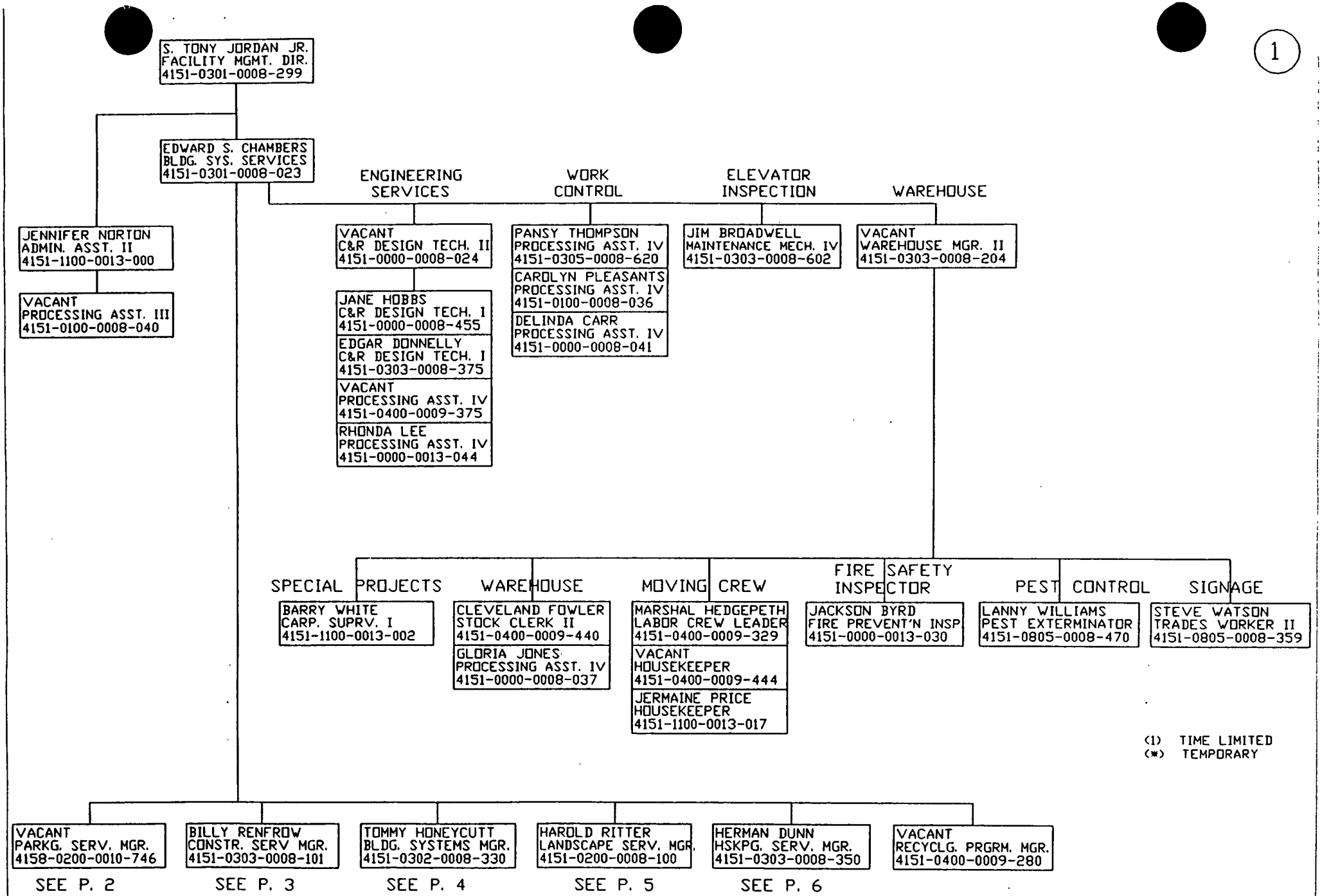
The bulk of our daily work consists of repair and maintenance operations. We average about a 100 calls every day for routine and emergency maintenance which adds up to about 22,000 calls each year.

In keeping with our energy savings initiatives, out short term goals include reducing water consumption an additional 10% by installing water saving devices in water closets.

For many years, the priority of work categories in this division was (1) billed service projects; (2) repair and maintenance work orders; and (3) preventive maintenance. According to industry standards for facility managers, these priorities were reversed consequently on July 1, 1995. We changed the highest priority of work to preventive maintenance after we had installed a fully integrated and computerized maintenance management software program called Work Information Management Systems or WIMS for short.

Preventive maintenance is the key to reducing the costs of repairs and maintenance. It is comparable to changing oil in your automobile on a regular basis instead of replacing the engine after it fails.

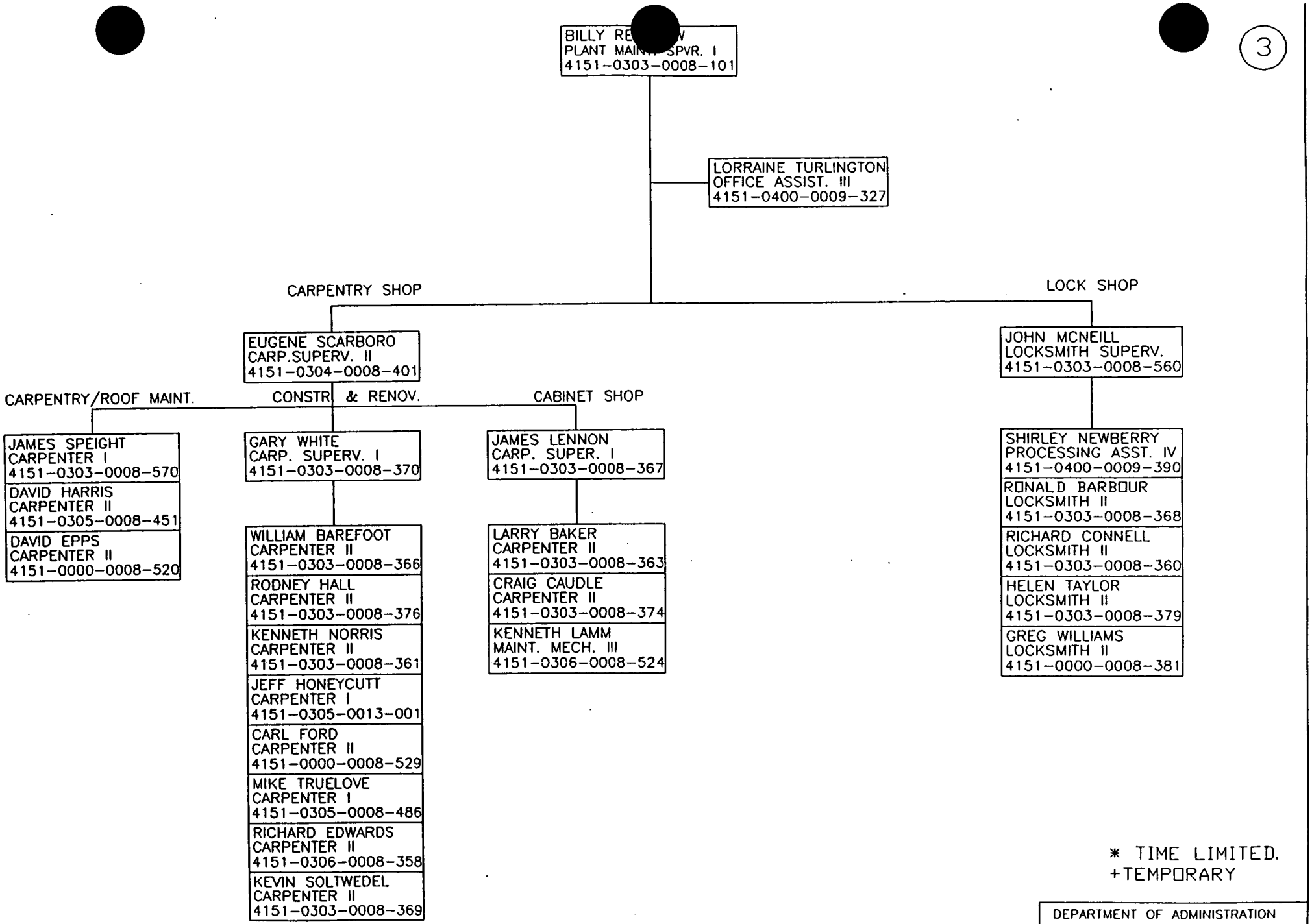
We will be exploring methods, technology, and equipment to transfer work orders electronically to individual technicians and reduce our time consuming paper trail process. Many companies such as Bell South already have this capability.



(1) TIME LIMITED
(*) TEMPORARY

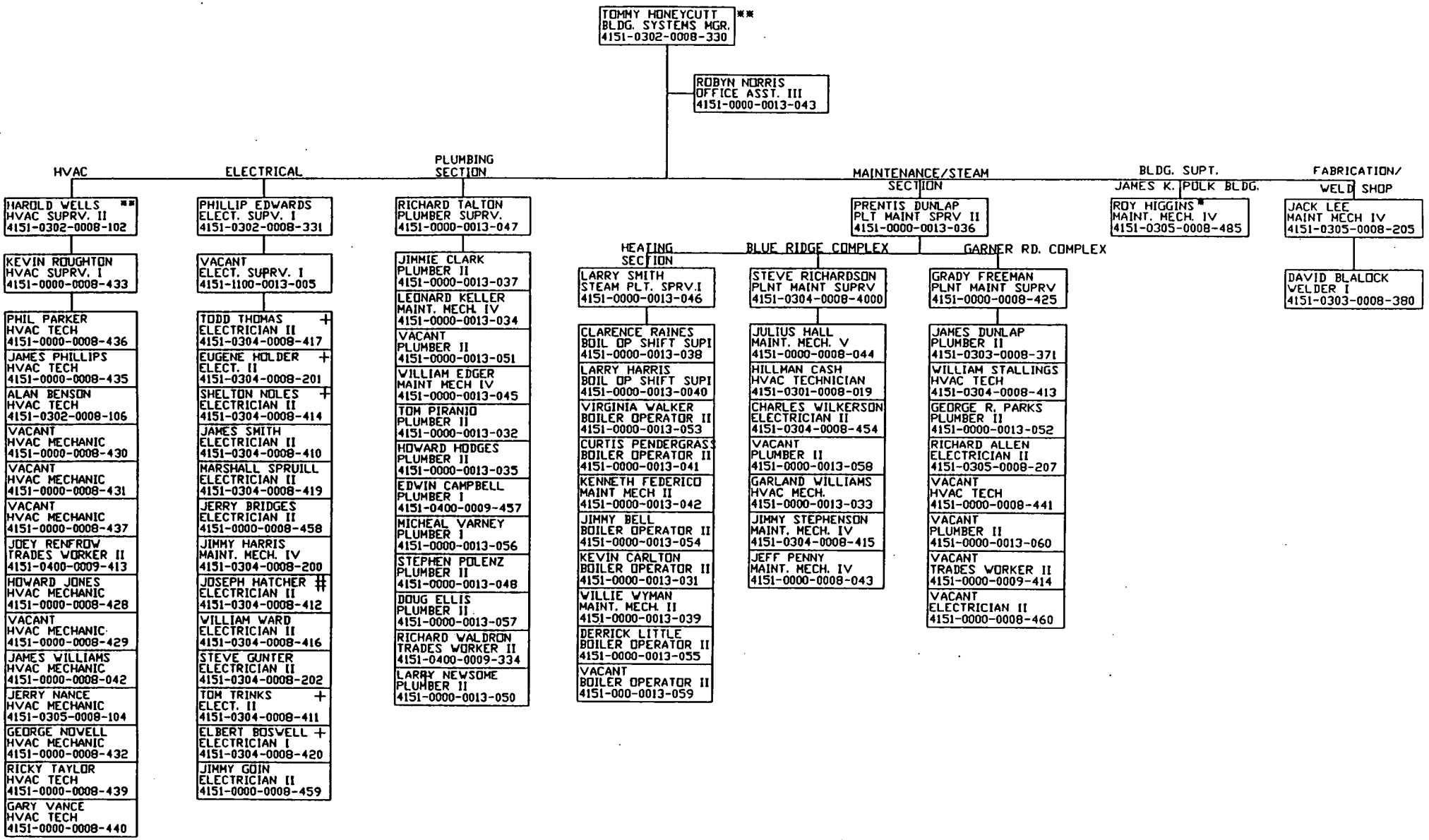
SEE P. 2 SEE P. 3 SEE P. 4 SEE P. 5 SEE P. 6

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD ADMINISTRATION
SIGNED:
REVISED: 1-11-99



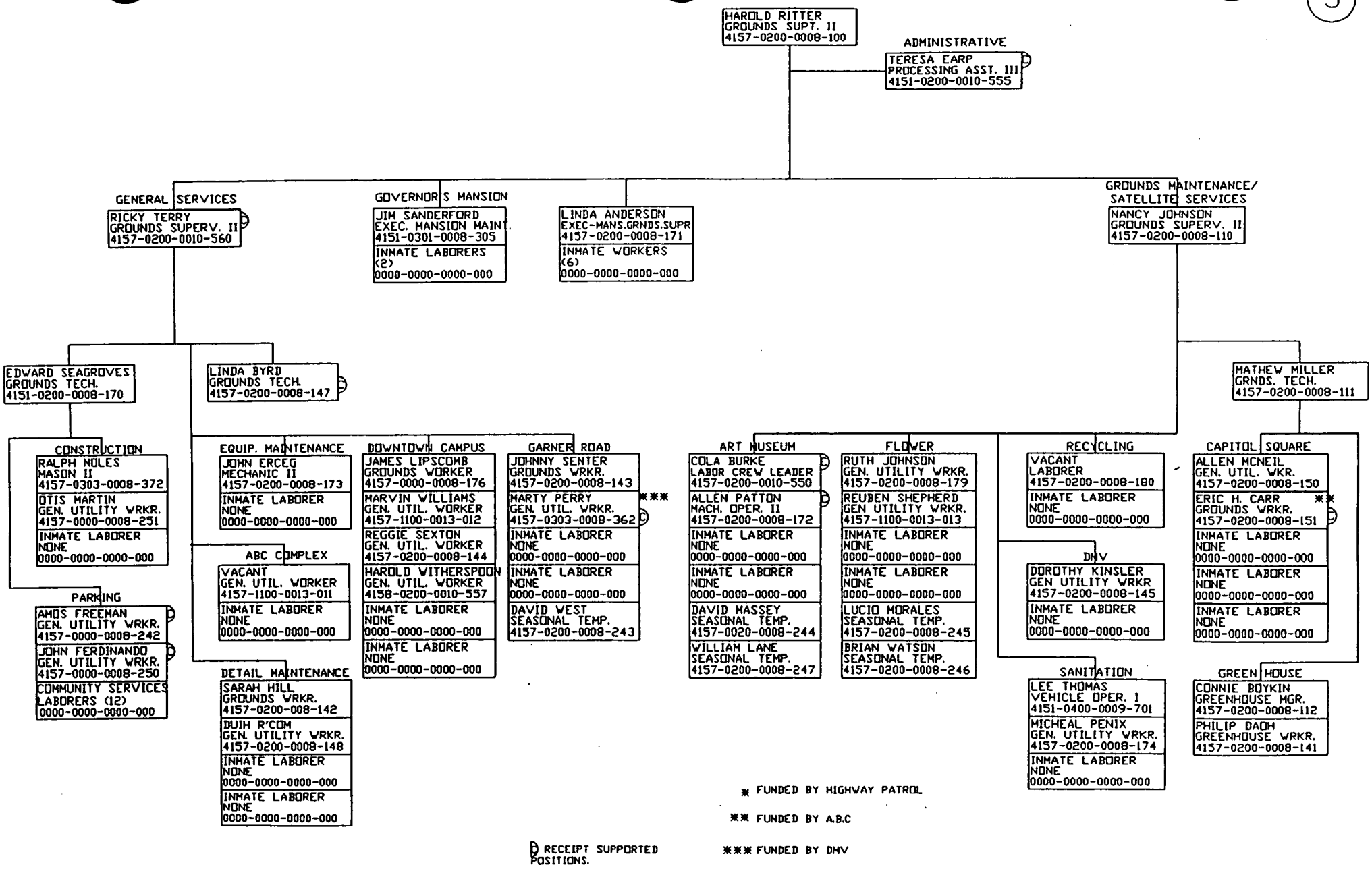
* TIME LIMITED.
+TEMPORARY

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD CONSTRUCTION SVCS.
SIGNED:
REVISED: 1-11-99



\+ N.C. ELECTRICAL LICENSE
++ CERTIFIED WELDER
* N.C. PLUMBING LICENSE
** CFC CERTIFIED TECHNICIAN
\# TEMPORARY

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD BUILDING SYSTEMS
SIGNED:
REVISED: 1-11-99



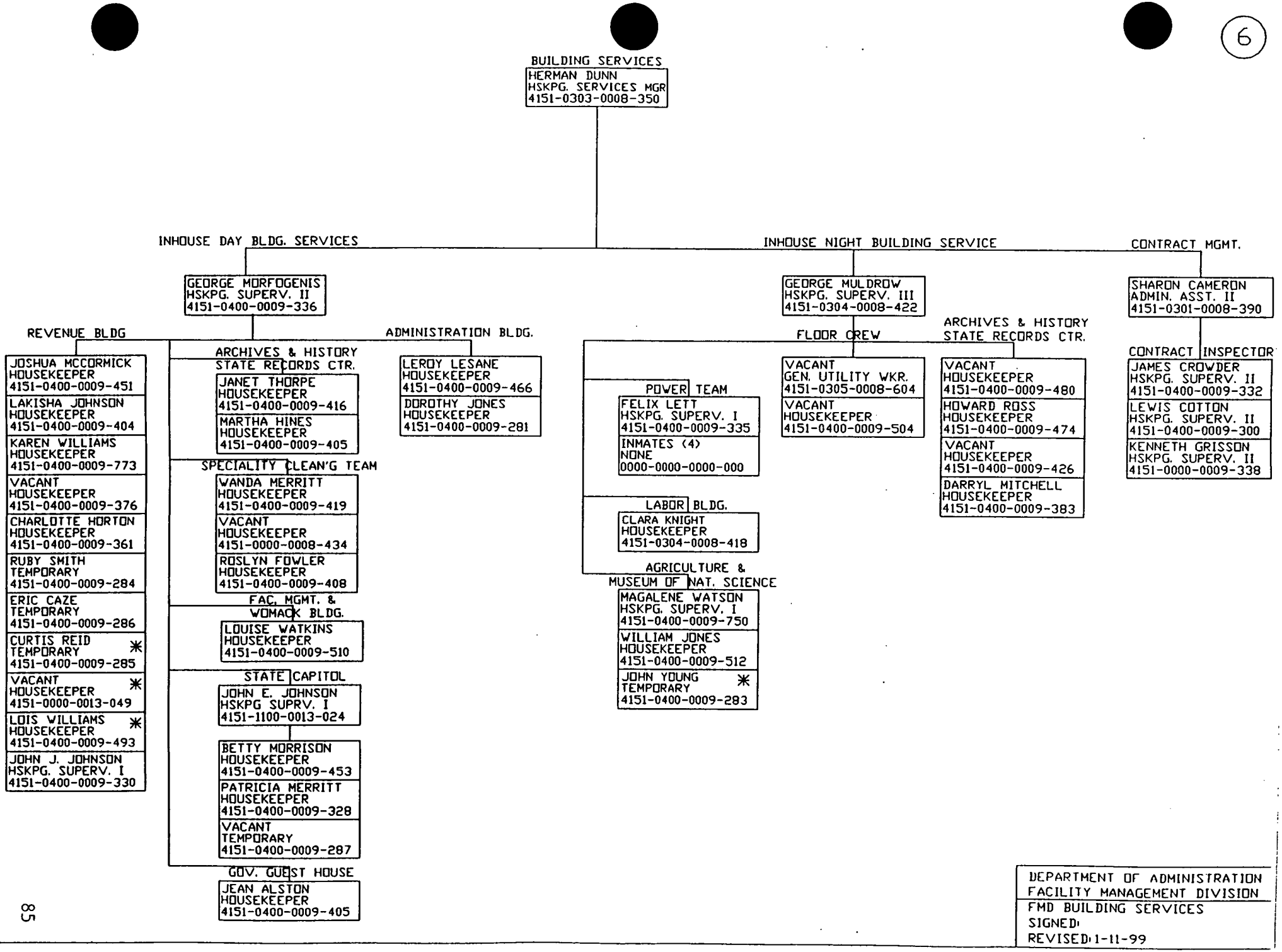
* FUNDED BY HIGHWAY PATROL

** FUNDED BY A.B.C

*** FUNDED BY DMV

D RECEIPT SUPPORTED POSITIONS.

DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD LANDSCAPE SERVICES
SIGNED:
REVISED: 7-21-98



DEPARTMENT OF ADMINISTRATION
FACILITY MANAGEMENT DIVISION
FMD BUILDING SERVICES
SIGNED:
REVISED: 1-11-99

MANAGEMENT INFORMATION SYSTEMS

Token Ring to Ethernet Conversion

Management Information Systems converted the Administration building from token ring to switched ethernet in the spring of 1998. DOA has experienced multiple problems with our token ring local area network (LAN) within the Administration building for multiple years. As more computer devices were added to the network, technical problems increased and reliability decreased. The LAN was one large segment that was over it's rated capacity. There was a need to break the LAN into smaller segments to eliminate most of the local network traffic from other floors. A Baystack 350T Ethernet Switch was installed in the computer room and fiber was pulled to each floor from the switch. Token ring network cards were replaced with ethernet network cards in every PC and printer for DOA in the building. The switch has segmented each floor eliminating network traffic on floors where it is not needed. The Ethernet topology uses less overhead, thus eliminating additional conjestion. MIS also completed a simular conversion for Facility Management.

Year 2000 Projects

Management Information Systems has corrected several DOA LAN based account receivable systems and inventory tracking systems that were not year 2000 compliant. These are older systems that were written in Dbase IV and Foxpro for Windows.

Interactive Purchasing System

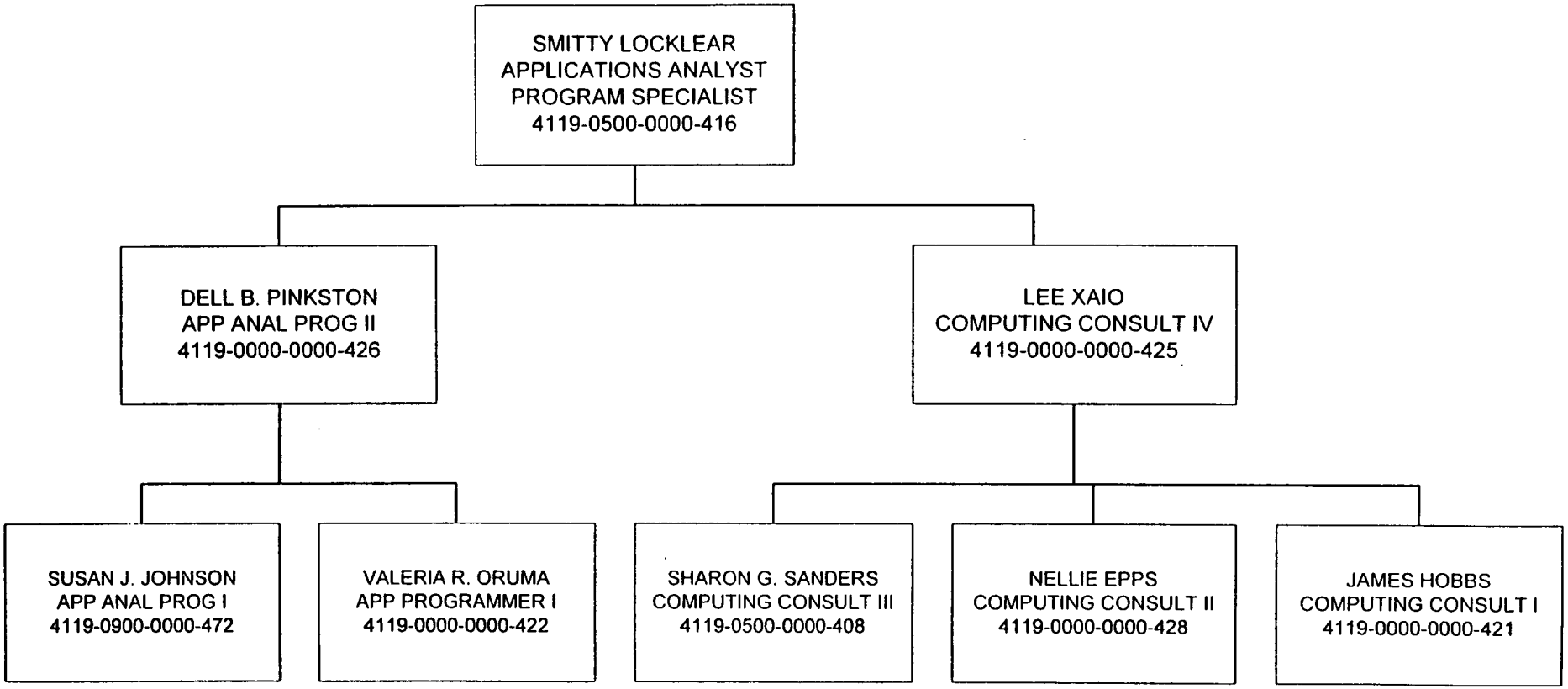
Management Information Systems has re-designed the functionality of the Interactive Purchasing System (IPS) for Purchasing and Contracts. MIS Staff has been assigned with additional contract staff to start application development on the new design. This design will allow agencies to electronically track the status of bids with more detail information. Vendor registration is also a part of the re-design allowing the IPS system to automatically notify qualified vendors via e-mail when new bids are electronically posted. Vendors may then choose to download the bid document from the IPS Web server, print the bid, fill it out and mail it back to Purchasing and Contracts. This eliminates mass paper mailings to vendors that may not be interested in bidding.

State Surplus Bids

Management Information Systems has added additional functionality to the State Surplus System that automatically updates their Web Page with surplus information that the public can bid on. The public can then decide what items they wish to bid on by downloading the system generated PDF document, printing it out, and mailing it back to State Surplus. After bid openings, the bids are then tabulated and displayed on their Web site for the public to view.

DEPARTMENT OF ADMINISTRATION
MANAGEMENT INFORMATION SYSTEMS
REVISED 3/99

AGENCY HEAD: SMITTY LOCKLEAR
DEPT. HEAD: KATIE DORSETT
HUMAN RESOURCES DIR: LINDA COLEMAN



STATE CAPITOL POLICE DIVISION

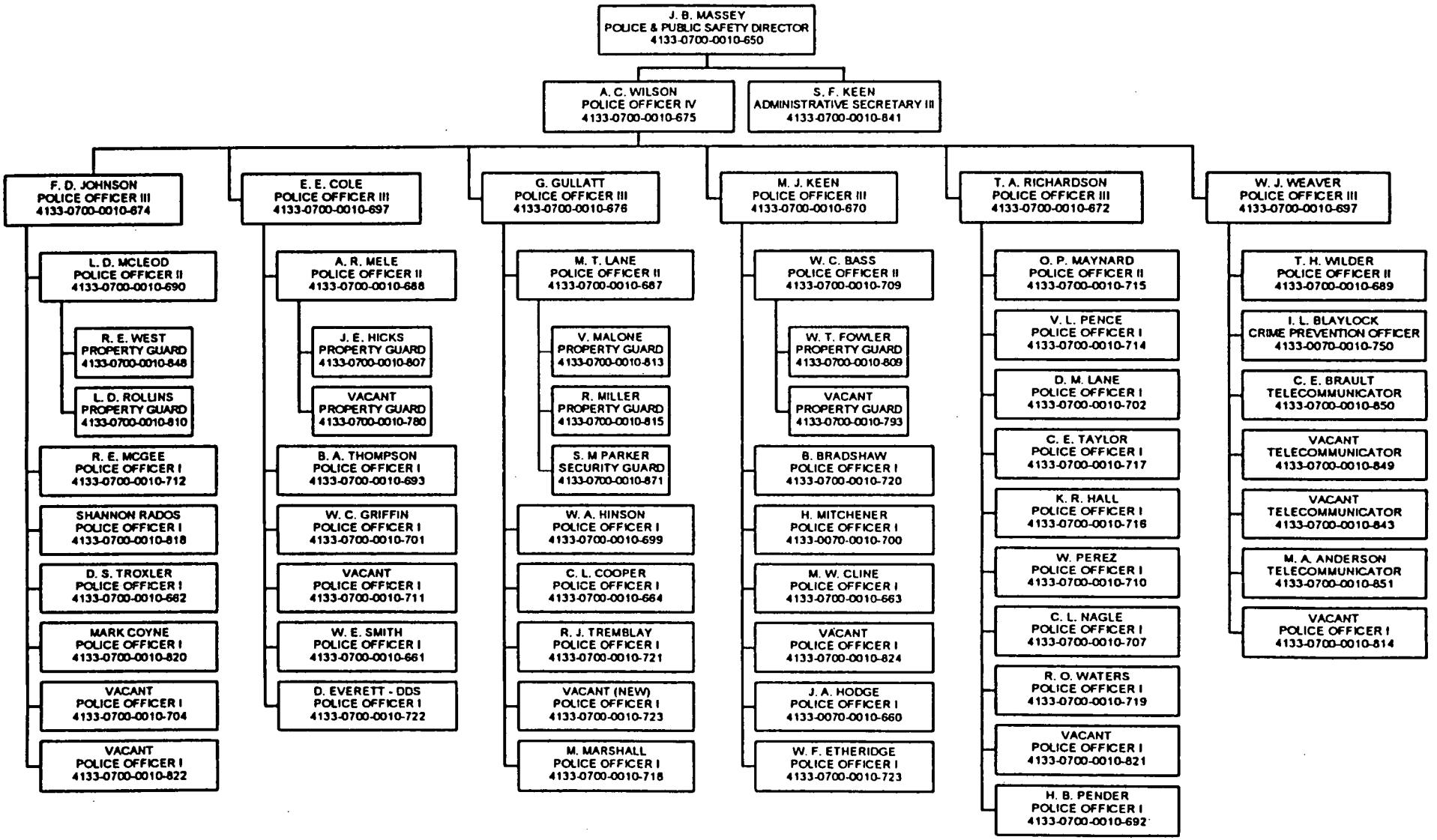
SUMMARY OF DIVISION

The State Capitol Police Division, a law enforcement agency with police powers throughout Raleigh and state property in Wake County, provides security and property protection for state government facilities in Raleigh, Garner, Cary and Wake County. The agency protects employees and visitors; secures state-owned property; provides security for demonstrations, inaugurations, prison executions, personnel hearings; assists visitors to state facilities; investigates crimes committed on state property; and monitors burglar and fire alarm systems statewide.

ACCOMPLISHMENTS

The Division places an emphasis on assisting persons and motorists, armed special details, suspected unauthorized entries, and suspicious persons throughout the state government complex, and outlying facilities. During fiscal year 1997-98, 22,926 contacts were made in these areas. In the same fiscal year, 414 investigations and traffic stops were made, resulting in 94 citations issued and 122 arrests for various criminal violations. The Division monitors fire, mechanical and burglar alarms for state facilities throughout the state at no charge. Today, there are 488 accounts on the alarm system.

NORTH CAROLINA DEPA[illegible]T OF ADMINISTRATION
STATE CA[illegible] POLICE
431 N. SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603
919-733-4646
EFFECTIVE 1-15-99



NORTH CAROLINA BOARD OF ETHICS
116 WEST JONES STREET
RALEIGH, NC 27603-8003
919-733-2780
FAX: 919-919-733-2785

GEORGE F. BASON
CHAIRMAN

February 16, 1999

1998 ANNUAL REPORT OF ACTIVITIES

BACKGROUND INFORMATION

The NC Board of Ethics was established by Governor James B. Hunt Jr. in January 1977 by Executive Order Number I. By Executive Order, Governor Martin continued the Board.

In January 1998, Governor Hunt reestablished the Board by Executive Order Number 127, as amended by Executive Order 131 in March 1998. The Board was given additional duties such as developing an ethics education and awareness program; the ability to investigate complaints; and to issue sanctions. The Board has a staff of three and a budget of $258,146.

To ensure that the best interests of the public will be promoted, Executive Order Number 127 set out rules of conduct for public officials to help ensure the proper performance of their duties. The Order listed duties for the heads of state agencies ("heads of state agencies" include the chair of each board, commission, and council subject to the Order). For example, the chair of any board, commission, or council shall, at the beginning of any official meeting, remind the members of their duty to avoid conflicts of interest and appearances of conflict.

In addition to the ethics education and awareness program, the Board reviews statements of financial interest filed by persons subject to the Order to determine whether the financial interests and other information reported reveals an actual or potential conflict of interest. The Board can issue advisory opinions on conflict of interest and hear complaints on conflict of interest involving persons subject to the Order.

REPORT ON ACTIVITIES FOR 1998

The Board had four official meetings during 1998. Three persons addressed the Board on conflict of interest topics.

The Board did not formally investigate or hold complaint hearings. However, complaint investigations brought to the Board were handled as advisory opinions.

The Board investigated and handled twenty-eight advisory opinions.

Conflict of interest awareness presentations were made to ten different entities.

Many telephone calls were handled wherein the Order and Statement of Economic Interest were explained to persons subject to the Order and filing requirement.

We published one newsletter which was mailed to public officials subject to the Order.

We evaluated 1,597 statements of economic interest. Governor Hunt, his Department Heads, exempt employees in those departments, and the Public Officials listed in the section below are covered by the Order and file statements of economic interest. Our findings were:

No actual/potential/or appearance of conflict of interest	810
Potential for conflict of interest	629
Actual conflict of interest	4
Appearance of conflict of interest	15
Advisory Boards - no conflict of interest	139
	1,597

OTHER PRINCIPAL STATE AGENCIES AND LEGISLATIVE OFFICIALS SUBJECT TO THE ORDER BY INVITATION OF THE GOVERNOR WHO FILE STATEMENTS OF ECONOMIC INTEREST

Lt. Governor Dennis Wicker and Speaker of the House of Representatives Harold Brubaker covered their appointees to boards that are not advisory under the Order. President Pro Tem of the Senate Marc Basnight covered his appointees to advisory boards and non-advisory boards under the Order. The President, Vice Presidents, Chancellors, and Vice Chancellors are covered by the Order. The State Controller, Executive Director of the Housing Finance, and Director of State Personnel are covered by the Order. Exempt employees in the Offices of Lt. Governor Office, Attorney General, State Treasurer, and State Superintendent of Public Instruction are covered by the Order. The Commissioner of Agriculture, Commissioner of Labor, State Auditor, Attorney General, Lt. Governor, Commissioner of Labor, and State Superintendent of Public Instruction are covered by the Order.

GOALS FOR 1999

We will continue our work as mentioned in the activities section above. However, our major emphasis will be on developing and presenting the ethics education and awareness program.

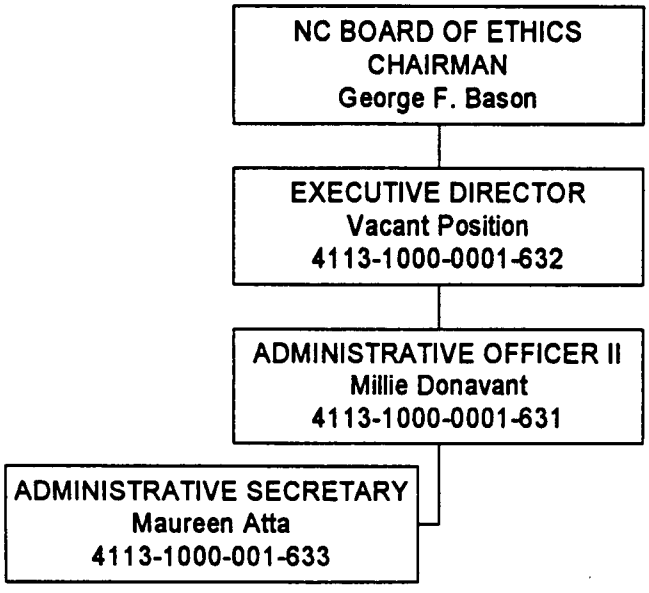
Respectfully Submitted By

George F. Bason md

George F. Bason, Chair

DEPARTMENT OF ADMINISTRATION
BOARD OF ETHICS

DATE: 02/18/99
AGENCY HEAD: EXECUTIVE DIRECTOR
DEPT HEAD: KATIE G. DORSETT
PERSONNEL DIR: LINDA D. COLEMAN



NORTH CAROLINA BOARD OF SCIENCE AND TECHNOLOGY
BIENNIAL REPORT

EXECUTIVE SUMMARY

The North Carolina General Assembly established the North Carolina Board of Science and Technology (the Board) in 1963 to encourage, promote, and support scientific, engineering, and industrial research applications in North Carolina. Consistent with its mission to assist in the proliferation of advanced science and technology into the state's economy, the North Carolina Board of Science and Technology pursued an active agenda in Fiscal Years 1998 and 1999 and is planning to be even busier in the next Biennium.

The Board commenced the 1997-98 fiscal year by revealing its one-year plan at a meeting in early September 1997. The plan was the product of a six-month effort by the Board to reexamine its role, refocus its objectives and plot out near, medium, and long-term goals. In its report, the Board emphasized five goals that it would pursue in the future. These are:

Technology, Innovation, and Knowledge are Critical Factors in Economic Growth. Research and Technological Innovation Account for More than Two-Thirds of U.S. Per-Capita Economic Growth (PPI 1998)

1. Assist North Carolinians in developing a clearer understanding of the impact of science and technology on their lives;
2. Stimulate economic development in North Carolina through identifying and developing major emerging technology areas;
3. Advise the Governor and the General Assembly on the most strategic science and technology directions for the state to target;
4. Act as a catalyst for new science and technology by bringing more university research to the commercial marketplace; and,
5. "Problem-solve" for North Carolina through examining various areas that impact the future of the state on a large scale and addressing possible structural limitations.

These goals are being met both through projects completed in fiscal years 1997-1998 and 1998-1999, and through projects that will continue into the next Biennium. Several notable projects of the Board are described below.

1997-1999 Biennium--Completed projects include:

1. ***At the Crossroads: North Carolina's Place in the 21st Century Knowledge Economy***—Report on Research and Development Spending and Investment in North Carolina. A formal briefing on this report was conducted in Raleigh in the spring of 1998. Regional public hearings took place in Greenville and Wilmington in the fall of 1998.
2. **Universal Service**—Presentations, Public Hearings, and Workshops on the Benefits of the Federal Telecommunications Act of 1996. The efforts of the Board in playing a coordinating role on the E-rate have led to the receipt of more than $25,000,000 for NC public and private schools.

3. **The North Carolina Global Partnership**—The North Carolina Global Gateway Website and the Governor's Global Forum III and IV.
4. **International Partnerships and Collaborations**—International Academic Research Collaborations and Partnerships between North Carolina and Japan, Singapore, Israel, and Germany.
5. **Digital Communities**—The Board has supported the efforts of Connect NC to work with the information infrastructure needs of communities across North Carolina. The Board also worked with Japan to hold a conference in November 1998 on the creation of digital communities, cosponsored by North Carolina, France and Germany. A proposed agreement between the countries is now pending to expand this program.
6. **The Interactive Visual Technologies Network (IVTN)**--Joint Research Collaborations Between Research Institutions Across the State in Telehealth, Medicine, Distance Learning, and Entertainment.
7. **Intellectual Property and Knowledge Management**—Workshops and discussions on KM/IP conducted by the Board with the goal of exploring the State's Interest in a coordinated government-industry-academic effort.
8. **Collaborative Research Partnerships—**An initial conference with the National Research Council was competed in August 1998. A new initiative is noted further in this report that is a follow on of this effort.
9. **The Aquatic Science and Biotechnology Consortium--**Commercial Development of Fresh-Water Aquaculture of Atlantic Flounder—A report on this work is now complete and will be released in the spring of 1999.
10. **Grassroots Science Program for Water Quality Testing**—Fall 1998 and Spring 1999 for project implementation. Analysis of these efforts will be reported in fall 1999.
11. **The Great Web Search 2**— Teachers Connect, an on-line gateway to educational resources, is managing The Great Web Search II to find useful pedagogical websites during the winter and spring of 1999.
12. **States Technology Survey**—Benchmarking North Carolina's technological infrastructure against that of other states. Completed spring 1999.
13. **NC Environmental Technologies Consortium--**Funding to assist the NCETC in completing its proposed organizational framework during the spring 1999.

1999-2001 Biennium—Projects to be Completed Include:

1. **Future's Science and Technology and the State of North Carolina in the Year 2030**—September 1999.
2. **Universal Service**—Continued Work on Universal Service through the Year 2002 to Monitor Progress and Provide Recommendations to the North Carolina Utilities Commission.
3. **At the Crossroads: North Carolina's Place in the 21st Century Knowledge Economy**—Research and Development Spending and Investment in North Carolina. Regional Presentations on Results of R&D Study--Public hearings were began in the Fall of 1998 and will continue through the Fall of 1999. Further work is being

undertaken in the major growth areas of North Carolina to identify potential future R&D investments.

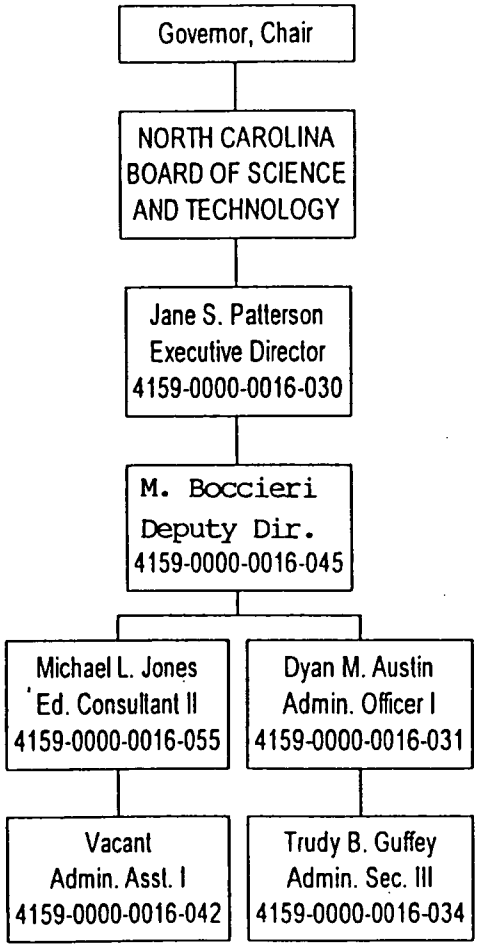
4. **Interactive Visual Technologies Network (IVTN)**—Ongoing.
5. **Technology Transfer Conferences**—Projected for 2000 in conjunction with the SBTDC and public and private research universities.
6. **International Partnerships**—Ongoing.
7. **Challenger Center Project**—The Board is conducting a feasibility study in partnership with the Centennial Campus-NCSU and the Fletcher Foundation.
8. **Work with Legislature to Review Science and Technology Efforts of Schools, Community Colleges, Universities, and Research Institutions**—Proposal Due for spring 2000.
9. **Partnerships with Scientific Communities in Identification of New Activities for Long-term Future of Science and Technology Development in North Carolina**—Follow On from the Futures Conference (fall 1999) during winter of 1999 and 2000.
10. **Intellectual Property and Knowledge Management**—New Center for Knowledge Management and Intellectual Property being designed by Task Force organized by the Board 1999.
11. **Virtual Collaboratories Project**—Design of this regional project with funding from the Federal Government is underway. Pilot project expected 1999-2000. Full funding of 2001 Federal Budget expected.
12. **National Advanced Telecommunications and Applications Program.** Project under design with focus on federal funding. Program development in partnership with the CTC Corporation a nonprofit, defense-related consulting firm. Federal pilot funding of $4.5 million anticipated in 1999 and $9 million/year anticipated thereafter.
13. **Genomics**—Research on the establishment of a cooperative Genome Center in the Research Triangle—1999.
14. **NCECONet**—Support for a North Carolina climate network in conjunction with the State Climatologist—1999-2000.

Staff of the NC Board of Science and Technology

- Jane Smith Patterson, Executive Director and Senior Advisor to the Governor for Science and Technology
- Margie Boccieri, Associate Director
- Michael Jones, Science and Mathematics Education Specialist
- Dyan Austin, Administrative Officer
- Trudy Guffey, Administrative Secretary

Department of Administration
NC Board of Science and Technology

Date: January 1, 1999
Agency Head: Jane S. Patterson
Dept. Head: Katie G. Dorsett
Human Resources: Linda D. Coleman



SCI1-99

DEPARTMENT OF ADMINISTRATION

LOW-LEVEL RADIOACTIVE WASTE MANAGEMENT AUTHORITY (KAP031)

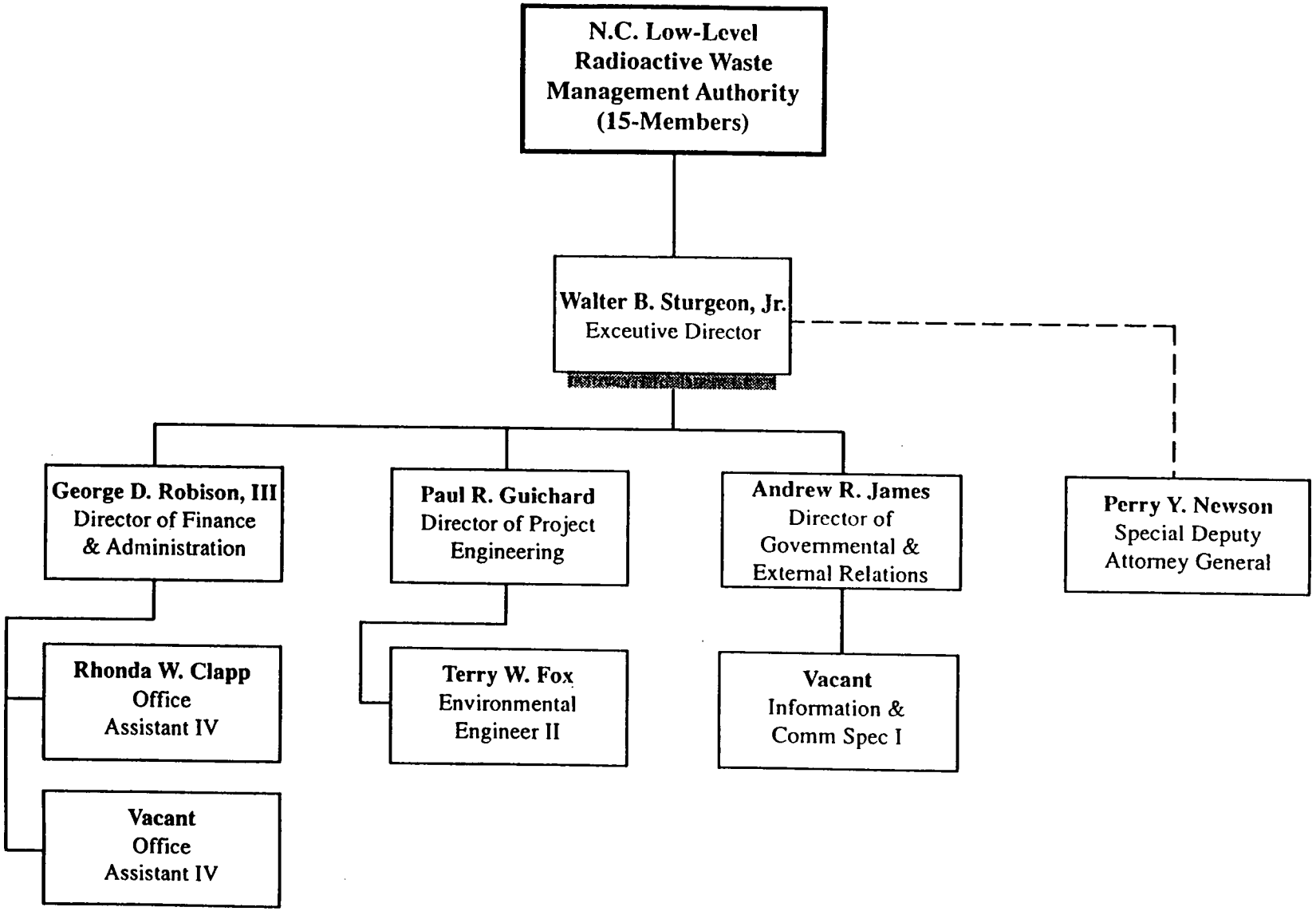
Budget Code(s) - 14100

Mission Statement

Provide adequate capacity for proper low-level radioactive waste management while protecting the public health, safety, and the environment. However, as a result of the Southeast Interstate Low-Level Radioactive Waste Management Commission's ("Compact Commission") unilateral and arbitrary decision to cease financial support of the project, the Authority was forced to suspend most project activities while maintaining the continuity of the ground water monitoring program with its existing staff. The Authority continues to try to resolve the funding impasse with the Compact Commission and explore possible alternative approaches.

N.C. needs to be host state
Wake Co (Dec. '93) - on hold - funding impasse
need $7 mil. to complete application

Low-level waste now being stored
in 90 sites around N.C.



N.C. Low-Level Radioactive Waste Management Authority
Staff Organizational Chart — January 1, 1999

State Health Plan Purchasing Alliance Board

Overview

The Health Alliance Board was created in 1993 as Article 66 of Chapter 143, a portion of the Jeralds-Ezzell-Fletcher Health Care Reform Act. The Board includes the Lieutenant Governor, the Commissioner of Insurance and 9 public members. The Board created and provides ongoing support for regional health purchasing cooperatives for small businesses (defined as a self-employed person to 50 employees). The health purchasing cooperatives or alliances function as a buying co-op for the purchase of health care coverage for these small firms.

Mission

The mission of the Board is to increase the affordability, efficiency and fairness of health care coverage for all small employers in the North Carolina.

Summary of Agency Functions

The Board's major functions are to ensure:

- fair and affirmative marketing of health coverage to small businesses
- alliance actions are in the best interests of small employers
- alliance actions are efficient and consistent with legislative intent
- each alliance continues to meet the criteria for certification

General policy goals

- Turn health insurance for small businesses into a "buyer's market"
- Show the small business community, providers and health plan carriers that a fairly structured, well-functioning buyer's market for health care coverage can operate better than bureaucratic regulation
- Empower small firms by showing them how grouping together can improve their general purchasing power

Strategies

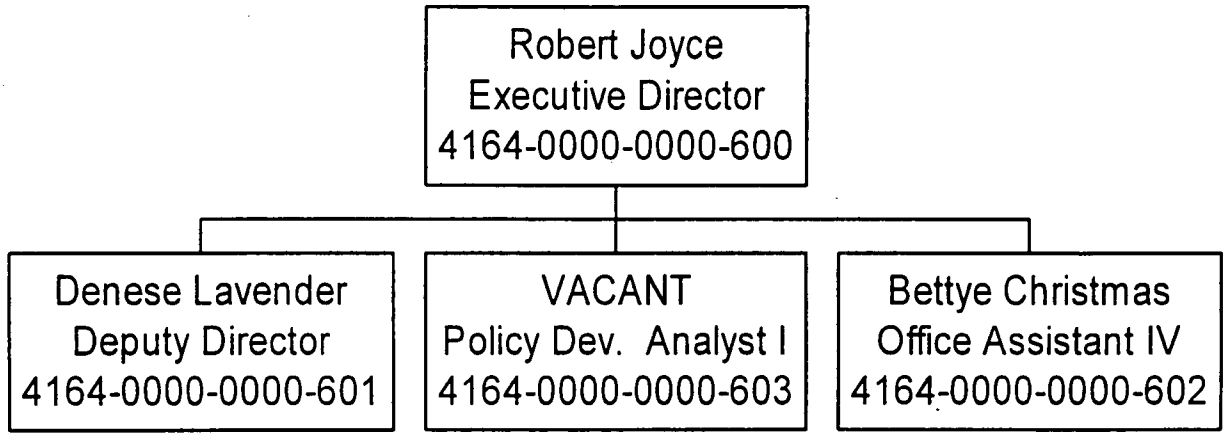
- bring the market to the small business purchaser (owners and their employees)
- empower small employers by providing a benefits "apples-to-apples" comparison of health plans; making it easier to choose coverage based on price, quality of providers and care, and individual need
- provide a place in the small employer market where any buyer can be guaranteed that top-quality plans can be purchased
- empower more health insurance agents to show a full range of health plans to more small business buyers
- provide a place in the small employer market where all small firms can obtain fair and stable pricing over the long run

J/2bf/legis

1,800 businesses use this since '96
6,500 employees covered since

Department of Administration
State Health Plan Purchasing Alliance Board

Date: February 1999
Agency Head: Robert Joyce
Dept. Head: Katie Dorsett



Duties of the
State Health Plan Purchasing Alliance Board*

(1) **MARKET AREAS.** Establish and modify market areas for alliances in the State.

Status: Complete/Ongoing

Comments: Six market areas were originally established within the State; consolidated to two regions in 1998.

(2) **ACCOUNTABLE HEALTH CARRIERS.** Accept, determine eligibility, and designate carriers as Accountable Health Carriers.

Status: Ongoing

Comments: Originally, fourteen insurance carriers or health plans applied to offer plans through the alliance program. Currently, only three carriers, Blue Cross Blue Shield, Kaiser, and Qualchoice are offering plans through the alliance network.

(3) **COMMUNITY SPONSORS.** Establish Alliances with community sponsors for each market area determined by the Board.

Status: Complete

Comments: Alliances incorporated and serving all areas of the state.

(4) **ANNUAL REVIEWS.** Conduct annual reviews of the performance of each Alliance a summary of which is to be provided to the General Assembly and each Alliance.

(a) Each Alliance shall submit data to the Board quarterly to assist the Board in its review. This data includes, but is not limited to, the following:
- (i) employer enrollment by employer size;
- (ii) industry sector;
- (iii) previous insurance status and number of employees within each insurance status;
- (iv) number of total eligible employers in the market area participating in the Alliance;
- (v) number of insured lives by county and insured category, including employees, dependents and other insured categories;
- (vi) profiles potential employer membership by county;
- (vii) premium ranges for each qualified health care plan for Alliance members categories;

(viii) type and resolution of member grievances;
(ix) surcharges; and
(x) Alliance financial statements.

Status: Ongoing

Comments: Alliances have contracted with a Third Party Administrator who will collect and report this information for alliances.

(5) **ENROLLMENT PROCEDURES.** Develop standard enrollment procedures to be used in enrolling small employers and their eligible employees.

Status: Complete

Comments: Developed cooperatively with carriers, agents and alliances.

(6) **CONDITIONS OF PARTICIPATION.** Establish conditions of participation for small employers and self-employed individuals that shall include, but not be limited to, the following:

(a) Assurances that the member small employer is a valid small employer group;
(b) Requirements involving qualified health plans;
(c) Minimum employer contribution requirements;
(d) Mechanism to provide for participation by eligible employees if their employer chooses not to participate; and
(e) Mechanisms, such a prepayment of premiums, to assure that payment will be made for coverage.

Status: Complete

Comments: Rules developed cooperatively with carriers, agents and third party administrator.

(7) **RIGHT TO PURCHASE HEALTH CARE COVERAGE.** Ensure that any small employer or any employee of a small employer who qualifies may purchase health care coverage.

Status: Complete

Comments: This has been accomplished through "guarantee issue" provisions and AHC participation requirements in the Request for Proposals. The alliances are the only entrance to the group market for guaranteed issue coverage for the self-employed individual

(8) **COMPLIANCE.** Ensure compliance with this Article by Alliances, small employers and employee enrollees.

Status: Ongoing

Comments: Alliances submit quarterly reviews and reports

(9) **FINANCIAL CONDITION OF CARRIER.** Request information concerning the financial condition of participating carriers consistent with what is required to be submitted by the carrier to the Department of Insurance.

Status: Complete

Comments: Information obtained through the Accountable Health Carrier designation process .

(10) **FAIR AND AFFIRMATIVE MARKETING.** Assure fair and affirmative marketing of the qualified health care plans.

Status: Complete/Ongoing

Comments: The Board has adopted a fair and affirmative marketing policy requiring carriers, agents and alliances to fairly market plans to small employers. NOTE: the Board and alliances do not function as regulators of fair marketing requirements under state or federal law.

(11) **ADOPT RULES.** Adopt rules necessary to administer the provisions of this article.

Status: Complete

Comments: Rules adopted. See Title 24, Chapter 5 of the North Carolina Administrative Code. 100 Series (Community Sponsors); 200 Series (Market Areas); 300 Series (Designation Process for Accountable Health Carriers); 400 Series (Participating Small Employers).

(12) **APPOINT ADVISORY COMMITTEES.** Appoint advisory committees that shall include persons with expertise in health benefits management and representatives of Accountable Health Carriers.

Status: Ongoing

Comments: A Designation Technical Review Committee and an AHC Advisory Committee have been utilized by the Board. At the regional level, advisory committees of providers and agents have been utilized to develop marketing programs.

(13) **DEVELOP UNIFORM STANDARDS.** Develop uniform standards for the data collected from Accountable Health Carriers.

Status: Ongoing

Comments: Currently using HEDIS data set. Further standards being developed in with cooperation carriers.

(14) **AUTHORITY TO SUE OR BE SUED.** Have the authority to sue or be sued, including taking action necessary for securing legal remedies on behalf of, or against Alliances, member small employers, or employee enrollees and their dependents.

Status: No action necessary

Comments: None

(15) **RECEIVE OR ACCEPT GRANTS.** Have the authority to receive or accept grants, funds or contributions.

Status: Ongoing

Comments: None

(16) **STANDARDIZED FORMS.** Develop and implement standardized forms for use by Accountable Health Carriers.

Status: Complete

Comments: Third-party administrator will manage and update forms with input from carriers and agents.

(17) **SURCHARGES.** Review, and limit if necessary, surcharges charged by each Alliance for administrative costs.

Status: Ongoing

Comments: Alliances provide quarterly financial statements including fee schedules. Board approves fees charged to members.

(18) **DEVELOP GUIDELINES FOR MARKETING.** Develop guidelines for marketing materials to be used in providing member small employers and their eligible employees with information regarding Accountable Health Carriers and their qualified health care plans.

Status: Complete

Comments: Marketing policy adopted; materials consistent with Department of Insurance standards.

(19) **GRIEVANCE PROCEDURES.** Develop grievance procedures to be used in resolving disputes between member small employers and Alliances.

Status: Ongoing

Comments: Carriers and alliances have grievance procedures in place.

(20) **UNRESOLVED GRIEVANCES.** Receive, review, and act on appeals of grievances not resolved.

Status: Ongoing

Comments: None to date

(21) **ANALYZE INFORMATION.** Analyze information collected from Accountable Health Carriers and other sources and report findings that assist in improving the delivery or purchase of cost-effective health care.

Status: Ongoing

Comments: None

(22) **ANNUAL REPORT.** Report annually on the operation of the of Board to the Joint Legislative Commission on Governmental Operations and the Governor.

Status: Ongoing

Comments: The Board reports to the Joint Commission on Governmental Operations annually.

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 23, 1999
Room 425, LOB
8:30 a.m.

Chair: Senator Ed Warren

Department of Elections

Overview and Remarks

Gary Bartlett
Executive Secretary-Director

Administration

Johnnie F. McLean
Deputy Director

Campaign Reporting

Yvonne Southerland
Deputy Director

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

March 23, 1999

The Joint Appropriations Subcommittee on General Government met Tuesday, March 23 at 8:30 a.m. in Room 425 of the Legislative Office Building. Five of the Senate members were present. Representatives present were: Co-Chair Jeffus , Vice Chair McLawhorn, and Barefoot, Ellis and Hensley. Pages were Nadine Eugelhorn, Mitch Gillespie, and Jimmy Coleman from Wake County. Senator Ed Warren chaired the meeting.

Chairman Warren introduced Gary Bartlett, Executive Secretary-Director of the Department of Elections, and asked him to give an overview of his department. Gary said that they were the only bi-partisan, independent agency in State Government. The Board is made up of three from the Governor's party and two from the opposition party, (each State Party Chairman presents five candidates), they serve four-year terms, and the Board appoints an Executive Director, he said.

Gary told the Committee that the Board of Elections was one of the most powerful Boards in North Carolina. They appoint the County Boards of Election, who serve two-year terms; and the County Boards appoint the Precinct judges, he said. He also noted that by a vote of four of five members, a new election can be called. Gary told the Committee that there were 470 agencies in North Carolina which deal with voter registration, and that they have to provide forms for 4.7 million registered voters. He said that they needed help in this area in order to meet their deadlines; that precincts had to be readjusted after the redistricting so that correct ballots could be given to the voters.

Gary proudly told the Committee that they had two award-winning training videos—one for precinct officials and one for County Board members. In describing other areas requiring work by his staff, he said that they had two court hearings last year, and that they also work with presidential elections (which in 1996 had five parties — Democratic, Republican, Independent, Reform and Natural Law Party).

Gary then introduced Ms. Johnnie McLean, Deputy Director of Administration for the Department. She said that the Board oversaw voter registration laws; heard appeals issued by county boards of elections and oversaw results on the night of elections. She noted that the third day after an election was the official canvas day.

Yvonne Southerland, Deputy Director of Campaign Reporting, was then introduced, and she said that her office served as the depository for Federal reports along with many, many State reports. They operate presently by paper and the Internet, but hope to become a part of the statewide voter registration system so that they will be able to scan reports onto the Internet, she said.

Gary then gave an update on the Statewide Computer System as follows: He stated that they had enough money to complete the implementation, but that the chosen vendor had had problems with the technical product. He noted that they had terminated their contract with Prism Systems and had hired Broadreach Consulting to finish the job. They hope to have the project completed by 3/1/0 so that it can be used for the presidential election.

Senator Kinnaird asked if it was possible to have split shifts for the precinct workers. Gary said that legislation would have to be passed in order to do that, that three judges had to be present at all times. However, he said there were ways to have shorter days. **The Senator wanted to know how to get that information.** Senator Kinnaird was also concerned that the workers had to take "vacation" days to serve at the polls. Gary said they had discussed having "teacher work days" and allowing credit for those teachers who volunteered. He also said that they were publishing a manual of good practices and assistance.

Senator Foxx wanted to know if the Statewide System would eliminate duplicate names on rolls. Gary said that now they do not have the ability to audit across county lines, and that the first thing they will do when the new system is working is to check for duplications. **Representative Ellis wanted to know what could be done to enable names of inactive persons to be purged from the rolls. Gary said that at**

present once a person registered they could not be taken off rolls, but that he would be glad to follow up to see what it would take to change this.

Senator Foxx complimented the Department for its courteous service, and the meeting adjourned to reconvene at 2:30 p.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

STATE BOARD OF ELECTIONS

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GARY O. BARTLETT
Executive Secretary-Director

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Mission Statement

The mission of the State Board of Elections is to promote among the citizens of North Carolina confidence in the integrity of the free election process through the consistent administration and equal application of all elections and campaign finance laws, rules, and regulations.

Agency Functions

The State Board of Elections is the state agency charged with overall responsibility for the administration of the elections process and campaign finance disclosure in North Carolina. The five-member Board, appointed by the Governor, is a statutory bi-partisan, quasi-judicial directory board-- the only one in state government. To fulfill its mission, the State Board of Elections office is comprised of three functional units: administration, campaign reporting, and information systems [State Election Information Management System (SEIMS) IS staff]. *See Appendix C for the agency's organizational chart.*

Administration

The Administration division serves the electorate by supervising all primary and general elections held in North Carolina. To this end, the State Board of Elections enforces election laws and promulgates reasonable rules and regulations governing the conduct of primaries and elections in the State.

The State Board of Elections determines the form and content of ballots, instruction sheets, poll books, tally sheets, abstract and return forms, certificates of election, and other forms to be used in the conduct of primary and general elections. The State Board prints and distributes to the counties certain ballots as required by law. The State Board certifies all district, state, and elections for federal office. Additionally, the Board certifies all voting equipment for use in the State.

The State Board of Elections appoints, trains, and supervises approximately **400** county board members and directors, an additional **300** county-level staff, and has oversight and training of **210** municipal board members and supervisors. Further, the State Board supervises the appointment and training of precinct officials and other election-day staff in excess of **20,000** people, not including precinct officials appointed by municipal

boards to serve in municipal elections. It compiles and issues voter registration statistics and other reports and certifies election results.

Voter Registration

The State Board administers all voter registration laws and is the agency responsible for coordinating and maintaining compliance with the National Voter Registration Act of 1993 (NVRA) and the State's compliance legislation. To ensure the proper administration of the State's various voter registration programs, the State Board supervises and coordinates the conduct of the programs at approximately 740 agency-based voter registration sites statewide (see Attachment entitled, *The National Voter Registration Act's Reporting Requirements*).

Additionally, the U.S. Congress passed the Higher Education Act in 1998. Part of that Act requires the State Board of Elections to distribute once a year to all institutes of trade and higher learning voter registration application forms for distribution to every student enrolled and physically present at the college, university or school. The Federal Election Commission has provided us with a list of over 160 institutions that will be required to comply with this Act (see Attachment 1, *Justification for Expansion Budget Request*).

As of December 31, 1998, 2,726,911 applications for voter registration have been generated and processed since the implementation of the NVRA (January 1, 1995). In the past two years (1997-1998) 1,277,258 applications have been generated and processed by county boards of elections (see Appendix A). Of that number, approximately 985,311 new registrants have been added to the State's voter lists. The balance of the total number of applications represent those determined to be duplicates, updates of personal information for registered voters, or invalid applications.

Table A details voter registration statistics for the last six calendar years, including a **10.5%** surge in voter registration in 1996 and a **6.4%** increase last year. It is noteworthy that the State has experienced a **30.5%** increase in voter registration in the last six years, while voting age population projections show an **8.1%** increase.

Table A.

Voter Registration Statistics 1993-1998:				% Change	
Year	Voting Age Population	Registered Voters	Raw Change	VAP	Reg.
1993	5,271,308	3,483,606	-	-	-
1994	5,359,333	3,635,875	152,269	1.7%	4.4%
1995	5,454,589	3,871,907	236,032	1.8%	6.5%
1996	5,499,000	4,277,000	405,093	0.8%	10.5%
1997	5,630,142	4,398,999	121,999	2.3%	2.7%
1998	5,716,429	4,700,779	301,780	1.5%	6.4%
Total			1,217,173	8.1%	30.5%

Chart A.1 shows the growth in Voting Age Population over the past six years. Chart A.2 shows the raw growth in voter registration. Although State's voting age population has grown an estimated **8.1%** in the last 6 years, registration has increased **30.5%.**

Chart A.1.

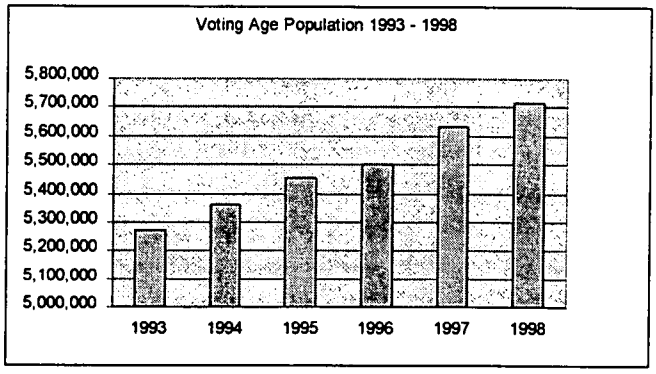
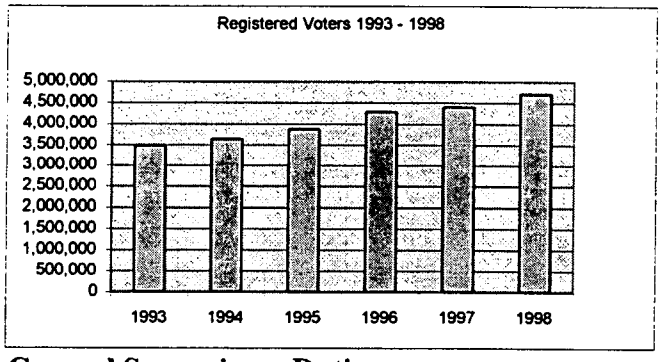


Chart A.2.



General Supervisory Duties

In addition, the State Board hears complaints arising from public concerns regarding the conduct of a county board of elections or a county board member. Upon a proper hearing, the State Board may remove any county board member for incompetence, neglect or failure to perform duties, fraud, or any other satisfactory cause. The Executive Secretary-Director may terminate the employment of any director of elections upon a determination that such action is warranted.

The State Board of Elections investigates, when necessary or advisable, the administration of election laws and any potential frauds and irregularities in elections. It conducts hearings of alleged violations and may request that the State Bureau of Investigation conduct investigations of alleged election fraud. The Board reports violations to the Attorney General and the appropriate district attorney or prosecutor of the district for further investigation and potential prosecution.

The State Board of Elections is empowered to order a new election upon the agreement of no less than four of the five members of the Board that sufficient evidence exists that alleged election irregularities, fraud, or violations of election laws have occurred and may have affected the outcome of the election.

Campaign Reporting

The Campaign Reporting division is responsible for educating and assisting the public, candidates and political committee treasurers, and county and municipal boards of elections and staff. The Campaign Reporting office is also responsible for investigating complaints, conducting research, and preparing analyses in preparation for the State Board to hold evidentiary hearings, training seminars, and make recommendations to the General Assembly (see Appendix B and Attachments).

The administration of Article 22, Chapter 163 of the North Carolina General Statutes is assigned to the State Board of Elections and the district attorneys. The Campaign Reporting division responds to complaints regarding the conduct of campaigns by candidates and by individual voters.

Central depository

The Campaign Reporting office is the depository for campaign financial disclosure reports filed by candidates for statewide offices, the General Assembly, Judicial offices, the political parties, and political action committees. Copies of the campaign financial disclosure reports by candidates for federal office, national political parties, and federal political action committees based in North Carolina are also filed at the office of the State Board of Elections.

Table B shows financial disclosure for the 1997-1998 election cycle to date. All reports received and audited from these committees show contributions in excess of $86 million and expenditures in excess of $85 million.

Table B.

1997-1998 Election Cycle Financial Disclosure

Type of Campaigns	Number	Contributions	Expenditures
Judicial	333	$ 5,207,559.61	$ 5,084,239.30
NC Senate	142	7,985,125.14	7,446.632.03
NC House	284	9,880,877.35	8,919,456.12
Gov, Lt Gov, Council of State	30	6,321,812.83	5,432,614.72
US Senate	21	18,835,755.25	18,901,989.24
US House	128	12,574,135.05	11,296,740.81
President	22	1,010,404.94	3,303,553.26
Misc Campaigns	11	84,134.00	77,629.18
State PACs	326	7,421,682.08	6,388,590.38
Federal PACs	136	59,759.44	1,052,940.17
Political Parties	550	15,806,774.09	16,064,934.97
Referendums	7	1,189,997.31	1,397,867.31
Totals	1990	$86,378,018.09	$85,367,187.49

Data from the 1997-1998 election cycle:

- Registered with the Campaign Reporting office
  - 971 Candidate Campaign Committees
  - 550 Political Party Committees
  - 462 State and Federal Political Action Committees
  - 7 Referendum Committees

- Contributions
  - Judicial Campaigns-- $5,207,559.61
  - General Assembly Campaigns-- $17,866,002.49
  - N.C. Candidates for U.S. Senate-- $12,323,702.97
  - N.C. Candidates for U.S. House-- $10,046,581.63
  - Political Party Committees-- $15,806,774.09
  - State Political Action Committees-- $7,421,682.08

  Note: Federally registered PACs expended $1,052,940.17 to In-State Candidates.

There were **272** In-State Candidates and Political Party Committees that certified under an intent to receive and expend no more than $3,000 and no amounts are included for their campaign receipts and expenditures. These committees are registered and their files contain all information except financial disclosure reports.

The Campaign Reporting division publishes informational materials for use by candidates and other political committees in complying with reporting requirements, the public, and county and municipal boards of elections. An instructional manual detailing the county and municipal boards' responsibilities in administering campaign reporting is prepared each year.

It is the policy of the State Board of Elections that the public must have access to the information on campaign financial disclosure reports within eight hours of receipt in the Campaign Reporting office. Immediately after recording, the paper copies of the reports are placed in the public viewing area. Information recorded in the campaign reporting database is used to respond to electronic and telephonic inquiries.

Reporting deadline notices are sent no more than 30 days, but at least 5 days before a report is due. A mailing usually consists of 1,200 to 1,500 pieces. In 1998, quarterly reports were required. Committees and candidates on a primary ballot filed a Pre-primary report as well. New political committees file Organizational Reports and closing committees file a final report. Approximately 10,000 financial disclosure reports were filed at the Campaign Reporting office for the 1997-1998 election cycle.

Table C offers a sample of the growth in the number of candidates, amount of money spent for NC General Assembly candidates, and minimum number of reports due from those candidates between 1990 and 1998. Note that the number of Campaign Reporting Staff has increased by 1 full-time position since 1990. Refer to Appendix B, Page 4 for the number of notices of reports due sent to committees.

Table C.

	Number	Receipts	Loan Balance	Disbursements	Minimum # of Reports Due	# of full-time Campaign Rep. Staff:
1990 Election Cycle						
NC Senate	122	2,573,764.23	108.569.46	2,614,095.31	**488**	
NC House	92	3,801,524.36	195,041.18	3,784,252.94	**368**	**3**
1992 Election Cycle						
NC Senate	152	2,761,583.36	34,795.33	2,704,746.33	**608**	
NC House	309	3,651,073.52	245,009.88	3,795,459.91	**1,236**	**4**
1994 Election Cycle						
NC Senate	119	3,191,972.88	419,444.58	3,219,120.78	**476**	
NC House	258	5,127,151.95	243,715.87	4,785,206.92	**1032**	**4**
1996 Election Cycle						
NC Senate	164	4,891,569.18	531,617.14	4,692,089.59	**656**	
NC House	316	6,232,687.79	369,156.19	5,539,023.77	**1,264**	**4**
1998 Election Cycle						
NC Senate	142	7,985,125.14	*	7,446,632.03	**710**	
NC House	284	9,880,877.35	*	8,919,456.12	**1,420**	**4**

**1998 Election Loan balances were included with receipt and disbursement totals*
Note: Candidates under threshold were not required to file disclosure reports.

Processing Reports

Upon receipt, reports are reviewed for compliance and recorded into a database containing basic committee information, the dollar amounts of contributions, loans, expenditures, and outstanding obligations. This database is used to determine who has to file, when the report has been received, and who has not filed a report.

Delinquent Process

The Campaign Reporting office maintains the delinquent follow-up for reports not filed, assesses penalties, and makes reports to the district attorneys for all candidate, political party, and political action committees that have not filed or paid a penalty assessed.

Notices of **noncompliance (NON)** and **notices of termination (NOT)** of active status are sent by certified mail with return receipt requested to political committees that have failed to file a report. If the report is not received and/or the **penalty assessment (PA)** paid, the political committee and the treasurer are reported to the appropriate **district attorney (DA)** for prosecution. Table D is a summary of the delinquent follow-up letters written for the 1997-1998 election cycle.

Table D.

Reports	NON	NOT	DA	PA	PW*
Organizational	18	0	0	1	59
1997 Annual	50	0	0	17	75
First Quarter	49	0	2	13	35
Pre-primary	60	0	0	1	14
Second Quarter	40	17	4	23	20
Third Quarter	42	2	0	0	48
Fourth Quarter**	37	0	0	0	0
Total	296	19	6	55	251

**Judge Boyle in NCRTL v. Bartlett struck down parts of the law that called into question the State Board of Elections' ability to administer the Campaign Reporting Act. When the 4th District Court of Appeals stayed Judge Boyle's ruling the State Board resumed its penalty assessment policy*
*** Due dates for delinquent follow-up except NON for the Fourth Quarter are in the future.*

Auditing

Once the reports are received, they are entered into the database and audited by staff. Contributions in excess of $100 are entered into the database by date, name and address, amount and election sum-to-date for the contributor. The job title or profession and the employer's name or the specific field of occupation of the contributor is required on the reports filed February 1, 1998, or later. All expenditures are entered. The database is used for balancing reports. This process requires two staff members and one temporary employee working for more than four months to complete all reports. The law allows for an audit and review within four months after the election. Discrepancies found on the reports are brought to the attention of the candidate or treasurer. The records are updated as discrepancies are corrected. Once complete, the balanced information is made available to the public.

Analyzing

After all reports are line item entered and audited, an analysis is prepared by type of committee, office, district, and candidate. This provides a comparison of funds for all candidates for each office.

Electronic filing

For elections to be held in 2000, electronic filing of reports that show in excess of $5,000 in contributions, in expenditures, or in loans is required for the following:

- Candidates for statewide office
- State, district, county or precinct executive political party committees (if the committee makes contributions or independent expenditures in excess of $5,000 for contests for statewide office
- Political committees (if the committee makes contributions in excess of $5,000 or independent expenditures to candidates for statewide office)

Campaign Finance Reporting System Electronic Reporting software was made available to treasurers at no cost January 1, 1999. After installation of the software on the committee's computer, the information required on a financial disclosure report is entered to develop a database and produce reports. The software has been prepared in a Windows environment and is compatible to the Campaign Finance Reporting System online in the Campaign Reporting office.

Internet Access

Detailed historical databases for reports filed for 1990 - 1996 elections are available in delimited ASCII format for downloading at www.sboe.state.nc.us/SBOE/. The State Board of Elections homepage has served as a retrieval site for the databases since 1995. The homepage site is presently under renovation to allow visitors to review the information by candidate and download portions of the information.

The electronic filing process will develop a current database by candidate or political committee that can be presented on Internet immediately after filing. Electronic filing and a more modern and convenient Internet accessing module will be incorporated into the Statewide Elections Information Management System (SEIMS).

Article 22B

The Campaign Reporting staff administers the distribution of appropriations from the North Carolina Political Parties Financing Fund. The checkoff fund accumulates from designations by taxpayers on their North Carolina tax returns, is invested by the Treasurer, and distributed by the State Board according to the requirements of Article 22B. The amortization of the fund and the interest earned is manually prepared by staff.

Article 22C

The Candidates Financing Fund established in 1988 and amended in 1991 to be effective in 1996 to provide campaign funds to candidates for Governor provided certain qualifications are met. The Fund is administered by Campaign Reporting staff and even though no applications were received in 1996, procedures and instructional materials must be developed and responses to inquiries made.

Current Litigation Issues

N.C. Gen. Stat. § 163-269 (Violations by Corporations) is one of the sections involved in *North Carolina Right To Life (NCRTL) v. Bartlett* presently before the United States Court of Appeals, Fourth District awaiting decision. The State Board of Elections order from the Farmers For Fairness evidentiary hearing was based in part on N.C. Gen. Stat. § 163-269 and is currently being litigated. Farmers for Fairness has joined the NCRTL suit.

Winborne v. Easley. This case involves the constitutionality of the prohibition against soliciting certain contributions during the legislative session. It is pending before the N.C. Court of Appeals. It is possible the case could be argued in the Spring, but more likely will be calendared in the Fall.

Information Systems

The National Voter Registration Act of 1993 and state compliance legislation (N.C. Gen. Stat. § 163-82.11) required the State Board of Elections to develop and implement a statewide computerized voter registration system to facilitate voter registration and to provide a central database containing voter registration information for each county. This system, entitled State Election Information Management System (SEIMS) is in its implementation phase.

The State Board employs four full-time information systems staff-- an information systems director, a help-desk operator, a database administrator, and an application developer. The State Board office is currently without an information systems director, however the position has been posted with the Office of State Personnel. Information Systems staff assist in SEIMS management, establishment, and on-going support.

The State Board of Elections and the Information Resource Management Commission (IRMC) have worked in partnership to develop and implement a new project management plan for SEIMS. An assessment was performed to detail the current status of the project as well as identify problem areas, technical, funding and personnel issues.

SEIMS is a State Board of Elections project, although various groups have vital roles in the project. ITS is assisting the State Board with the management aspect of the project. IS Staff and other project-critical State Board staff will remain in their current roles in the project-- informing county boards of elections and other involved county staff of project timelines and assist in the conversion and county implementation of the SEIMS software including training, responding to inquiries, troubleshooting, and communicating needs to the project management team. A 5-member project management team consisting of consultants will work with the State Board staff and ITS to ensure completion of the project (See Appendix A, Attachment 1).

Ultimately, SEIMS IS staff will have the responsibility of maintaining the state software and state central database which will involve responding to requests for reports and other information and providing information regarding voter status to the county boards of elections from the Division of Motor Vehicles, Administrative Office of the Courts, and Vital Records Division. The electronic flow of information will assist in ensuring removal of ineligible voters and provide more up-to-date voter lists.

1998: Year in Review

Training

N.C. Gen. Stat. § 163-82.24 mandates that the State Board of Elections conduct training programs in election law and procedures. The statutes mandate training for directors once in every odd-numbered year and twice in every even-numbered year-- and training for board members once during the first six months of their service and at least once more during the first two years of their service.

The State Board office completed a training video for members of boards of elections entitled, ***Protecting the Voice of Democracy-- North Carolina's County Board of Elections Orientation***. Approximately 25 minutes in duration, the video provides an orientation of the role of a county board of elections-- duties and responsibilities as mandated by the General Statutes, relationships within county government, and relationship to the State Board of Elections. The video won the *Silver Reels Award of Excellence* in the Training category at the International Television Association Awards ceremony.

The video is the second award-winning training video for the State Board. ***A Public Trust: North Carolina Precinct Official Training Video*** won the 1997 Sir Walter Raleigh award for Excellence in Communication. Most importantly, county boards of elections and staff have responded very positively to the quality and utility of training endeavors such as these.

To supplement mandatory training, the state certification program for election officials now has 104 graduates and 19 graduates who have achieved re-certification. Certification requires completing course work and passing a final examination. North Carolina's election officials are also at the forefront of national certification. North Carolina leads the nation in the number of election officials who have completed The

Election Center's Professional Education Program, a national certification program for elections officials conducted in conjunction with Auburn University.

The State Board of Elections has the statutory responsibility of conducting training of county board of elections members and directors. Prior to the May 1998 Primary election, State Board staff conducted seven separate training sessions. Four sessions were conducted in which statutory training, budget, and postal savings courses were taught. One teleconference was taught which covered board member duties. Additionally, there were two days of in-house training at the State Board office for new directors of elections.

In preparation for the September Congressional Primary election and the November General election, 7 training sessions were conducted by the State Board of Elections and staff. Three days of course training were conducted for all 100 counties including statutory training, auditing records, and voter registration. Two days of intensive in-house training were conducted with 5 separate courses being offered per day.

State Board staff also conducted precinct official training for all precinct officials in House District 10 and in Bertie County.

Voter Education and Outreach

Boards of elections make great efforts to educate and inform the public through the conduct of Citizens' Voter Registration Awareness Month and the broader efforts of registration programs implemented under the National Voter Registration Act. Voter registration levels continued to increase dramatically during 1998, with 4,700,779 voters eligible to cast ballots in the general election.

The State Board of Elections in 1998 launched new initiatives and continued existing programs for voter outreach and education. In September, the State Board coordinated activities held during Citizens' Voter Registration Awareness Month. Established by the General Assembly and proclaimed by the Governor, this event was designed to promote voter registration in North Carolina through registration drives conducted by the county boards of elections. County boards were provided copies of public service announcements developed by the State Board office to promote voter registration. Additionally, the county boards arranged special events in their counties for the event. Nearly 50 counties took part in the National Student/Parent Mock Election on October 29, 1998, with 22,158 students voting statewide on actual candidates and nationwide issues. Election night results were posted on the Internet.

Internet access

The State Board of Elections maintains a home page on the World Wide Web, at the location http://www.sboe.state.nc.us/SBOE/. The web page provides various elections-related information to the public in a convenient, electronic format.

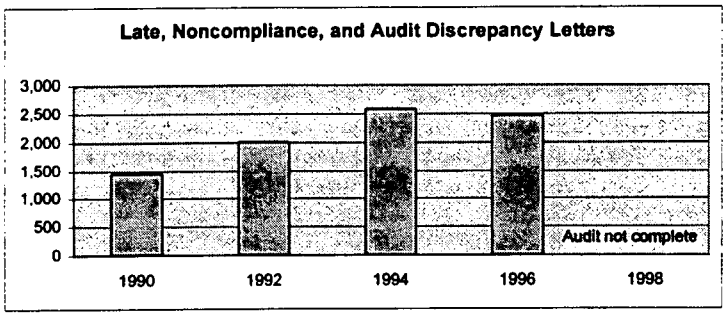
Campaign Reporting changes

Senate bill 1, 1997 Session, effective in 1998, made numerous changes to the Campaign Reporting Act. The changes appear to be broadly accepted by the filers. Compliance can be analyzed after the 1998 election cycle reports are audited.

The new campaign reporting software system was used for the first time during the 1996 election cycle. Historical databases for 1990, 1992, and 1994 were updated and the new system was fully operational in 1998. The system facilitates data entry, tracking and auditing of reports.

Table E details the growth in the number of late, noncompliance, and audit discrepancy letters sent from 1990 - 1996 (1998 Audit of Disclosure Reports is not complete, therefore no figures are available for number of letters written). Note that the number of Campaign Reporting Staff has increased by 1 full-time position since 1990. See Appendix B, Page 3 for detailed table.

Table E.



Soft money

A moratorium on transfers of any nonfederal (soft) money was declared by the State Board of Elections on June 1, 1998. The moratorium stated, "No nonfederal money, regardless of the source, shall be transferred from any National Political Party Committee to a North Carolina Political Party Committee." The Executive Secretary-Director issued a "Ruling and Procedures Pursuant to N.C. Gen. Stat. § 163-278.23 for Non-Federal Money in the State of North Carolina on June 15, 1998." The ruling restricted the incoming transfers to nonfederal money from individuals only and required separate dedicated bank accounts and extensive reporting by the contributing National Committees and the recipient State Committees.

Works in Progress

Campaign Reporting

The filer-side software of the campaign reporting system is currently going out to campaign and political committees. The new filer software will be used for the 1999-2000 election cycle and represents implementation of the last change from Senate Bill 1, that requires candidates for statewide office and committees with a report showing in excess of $5,000 for candidates for statewide office to file electronically.

Precinct Management

The State Board office took an aggressive approach to identify solutions to common problems encountered by the public and elections officials on election day. Five symposia were conducted and a compilation of the best solutions as determined by focus groups will be published this year. This "best of" precinct management compilation publication will provide several different models of specific practical methods for the administration of precincts.

Training Aids

Due in large part to the enormous success of other video projects, the State Board office would to produce up to four training videos prior to the year 2000 should budgetary constraints allow.

- Campaign reporting training video to train county boards of elections on campaign reporting laws, rules and requirements
- Campaign reporting training video to assist political committees and treasurers in understanding the reporting process and requirements.
- Voter list maintenance and fail-safe/provisional voting video for use by county boards of elections, precinct officials, candidates, and the general public in understanding the administration of voter registration and provisional voting.
- Hearing Process training video for county boards of elections, directors, and interested members of the public to clarify procedures regarding the conduct of hearings.

More Intensive Training

The State Board staff conduct more training in non-federal general election years (odd-numbered). The State Board office will conduct more teleconference training sessions and more intensive in-house training for new elections officials. There are several training projects this agency would undertake, should budget allow, to take the Certification Program to a higher level.

There is generally a 30% turnover per cycle in board members and about an 8% turnover in directors of elections. The State Board's commitment to equal application of election law across the state requires its staff to ensure that new members and staff are adequately trained.

SEIMS

The State Board staff plan to be able to provide voter registration and voting statistics statewide once SEIMS is implemented. These reports will be available in electronic format or hard copy and will include data from all 100 counties. For the first time in the history of North Carolina elections, the State Board will be able to provide information specific to multi-county districts in a variety of formats. Due to broad efforts to improve the accuracy of the voter registration lists, addresses will be uniform and will comply with records from the United States Postal Service, decreasing the number of undeliverable addresses in the database. This should cut down on the cost of administrative mailings, as well as mailings conducted by political organizations and candidates.

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 24, 1999
Room 425
8:30 a.m.

Chairman: Representative Maggie Jeffus

Department of Revenue

Overview
(Notebook pp. DOR 1 - DOR 10)

Administration (Fund 1600)
(Notebook pp. DOR 11 - DOR 16)
(Budget Book/Performance Measures: Planning, Development, & Technology pp.183- 184; Tax Research p. 184; and Criminal Investigations p.182)

Tax Administration (Fund 1620)
(Notebook pp. DOR 17 - DOR 21)
(Budget Book/Performance Measures: Personal Taxes p. 188; Sales and Use Taxes p. 188; Ad Valorem Taxes pp. 188 - 189; and Corporate, Excise, and Insurance Taxes p. 188)

Tax Compliance (Fund 1640)
(Notebook pp. DOR 22 - DOR 23)
(Budget Book/Performance Measures: Office Examinations p. 193; and Office Services p. 194)

Field Operations (Fund 1660)
(Notebook pp. DOR 24 - DOR 25)
(Budget Book/Performance Measures: Interstate Audit p. 198; Tax Collections p. 199; and Examinations p. 199)

Unauthorized Substance Tax (Fund 1670)
(Notebook pp. DOR 24 and DOR 26)
(Budget Book/Performance Measures p. 199)

(Over)

Legal and Administrative Services (Fund 1680)
(Notebook pp. DOR 27 - DOR 34)
(Budget Book/Performance Measures: Administrative Services p. 182; Accounting p. 183; and Returns Processing p. 183)

Motor Fuels (Fund 1700) and Fuel Compliance (Fund 1706)
(Notebook pp. DOR 35 - DOR 36 and p. DOR 39)
(Budget Book/Performance Measures p. 194)

White Goods (Fund 1800)
(Notebook p. DOR 40)

Scrap Tire (Fund 1820)
(Notebook p. DOR 41)

Muriel Offerman
Secretary

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

March 24, 1999
8:30 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Wednesday, March 24, 1999, at 8:30 a.m. in room 425 of the Legislative Office Building. Five of the Senate members were present. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, and Daniel Barefoot.

Representative Jeffus called the meeting to order and introduced the pages: Craig Simon, Michelle Carman, and Kai Davis of Wake County, sponsored by Speaker James B. Black, and Jake Earley of Charlotte, sponsored by Senator Fountain Odom.

Representative Jeffus introduced the Secretary of the Department of Revenue, Muriel K. Offerman to present an overview of the department. (See Attachment No. 1, pages DOR 1-10). She explained the functions of the Department of Revenue and the plans for the future. The Department moved into the new Revenue Building in December 1992. She extended an invitation for the members that have not toured the building to see first hand how the Department operates. Their focus is to collect revenue to allow the government to operate. She reviewed the goals and objectives of the Department on page DOR 2. She continued by introducing the Deputy Secretary, Mike Hodges, and briefly listed the divisions and introduced the directors of these divisions. She introduced Mr. Willie Reddick, the legislative liaison (special assistant) and public information officer.

Secretary Offerman was asked to bring back to the committee a copy of her remarks so they could follow along as she spoke since it would appear that there were some differences from the overview in Attachment No. 1.

Senator Virginia Foxx stated that taxpayers do not always get a response from the department in a timely manner. For example, she recently sent in some material and received an immediate response back from the department. She then waited three weeks to contact the taxpayer and learned they never received a letter from Revenue with the information that had been sent to her. She assumed what she received was also sent to the taxpayer.

Secretary Offerman responded by indicating that it is one of their major concerns. However, they are not there yet but have tools in place and have reduced the turn around on correspondence. She did not remember by how many days but it is still not good enough. It is far from where they want it to be and they are addressing it and have

made major improvements in responding to written correspondence. Ms. Offerman continued that when you receive over two million pieces of mail for the month of April alone, one should try to visualize what that means and how that mail moves through the department. It can take "x" amount of time to get to a desk for a response. They have twenty people who handle the really complicated correspondence and a support team of about twenty-two to deal with regular correspondence.

Senator Fox stated that it seems they could decrease the volume of correspondence if they would just answer the first letter. Her constituent sent her a stack of correspondence about an inch thick and if you answered the first letter your load would not be as heavy.

Senator Fox wanted to know if anyone outside the Department is helping to analyze what they are doing and is this all internal? Secretary Offerman stated that Budget Office Management and Productivity made a workforce assessment and that report was turned over to this Committee last year. They have a staff person that is working with these teams. It is a matter of prioritization; balancing the amount of work with the number of people available to do it.

Representative Wainwright stated that Secretary Offerman has given the committee an overview of the operations of the Department of Revenue, but would like for the departments to put their data and statistics in some written form for the afternoon meeting so it will be easier to follow. Representative Jeffus summed up by indicating that Representative Wainwright wants each department to give the committee a written document explaining a little more on what they are doing so they can follow them when it is presented and have the document to refer to later.

Mr. Keith McCombs, Assistant Secretary, stated that the material they brought is the performance for each division but can furnish the fiscal information by the next meeting.

Secretary Offerman stated that the performance measures are based upon outcome and not output. From what I am hearing, you want output, and they can provide that.

Senator Kinnaird stated that some years ago Revenue did a performance audit and discovered that you were sixty employees short and maybe that is part of your problem and when you came to the legislature, the legislature refused. We as legislatures come to demand one thing for our constituents, but if we do not provide them with tools, we are not going to get the results our constituents' request

Senator Jeanne H.Lucas stated that she would like the names of the people in Data Capture and in written form about ITAS. Data Capture was to receive some $12M last year. I need to know what has happened to the money, present status, and if stayed within budget? Let us know about ITAS its implementation, and status?

Senator Kinnaird agreed that they need a narrative.

Senator Ed Warren commended Secretary Offerman on the wonderful job she is doing. He had her in his district to speak and she did a wonderful job. He said that he would not have her job.

Representative Wainwright referred several questions to Mr. Mike Hodges. After reading the preface to the overview that the Secretary presented to the committee and its reference about the twelve hundred or so employees, Representative Wainwright wants to understand the temporary employee component and how many of those employees are temporary employees? He also wanted to know how many of those temporary employees only work from January to May; how many of the temporaries you keep beyond May, and why they are kept in those capacities? Rep. Wainwright would appreciate getting this in written form so he does not have to go through the divisions, trying to figure out how many in each division, how long employed for, how many actual permanent employees, and how many employees in each division? He would like this information at the afternoon meeting.

Senator Oscar N. Harris stated that they have had the lawsuits without additional help and that you can't train people to respond to situations in the court system. Where we are going from here in the changing technology and that is the only way to resolve this and to give them the people and the tools to resolve this. As a professional, he has been extremely pleased with working with the Department of Revenue over the years and found them to be a professional group. He has not had a problem in response time to correspondence anymore so than with the Internal Revenue Service so we need to provide them with tools that are necessary for them to eliminate the problems that are being proposed at this particular time.

Senator Lucas wanted to know how Revenue decides the workload for each field in responding to what the constituent's request? How do you break that out? This would give them an idea how to staff them for their workload. Please bring this back this afternoon.

Representative Jeffus asked Secretary Offerman if they could compile the information requested by the 2:30 p.m., meeting, and she responded in the affirmative.

Representative Jeffus stated that the Department has a very heavy load and we need to understand what they are doing and defend them to our constituents. She said that she has been very successful in obtaining answers through Mr. Willie Riddick.

The meeting adjourned at 9:50 a.m. until 2:30 p.m. today.

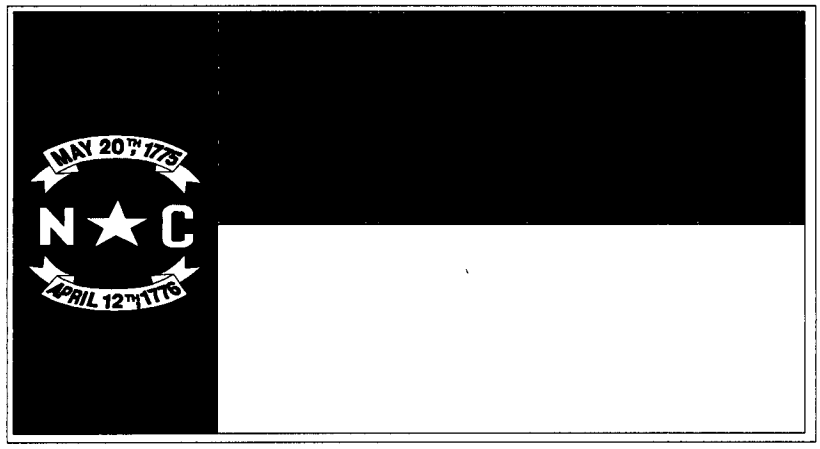
Respectfully submitted,

Rep. Maggie Jeffus
Representative Margaret (Maggie) M. Jeffus
Chair

Mary Lee Robinson
Mary Lee Robinson
Committee Assistant

Attachment 1

Overview of the North Carolina Department of Revenue



Presented to the Joint Subcommittee for General Government

February 1, 1999

DOR 1

OVERVIEW

North Carolina Department of Revenue

The Department of Revenue is responsible for the collection and accounting of the State's tax funds, insures uniformity of administration of the tax laws and regulations, conducts research on revenue matters, and exercises general and specific supervision over the valuation and taxation of property throughout the State.

The Department of Revenue was organized in May 1921, with sixteen persons on the payroll, operating expenses of $88,000 and collections of $3.1 million. Today the Department has annual collections of over $15.7 billion, a budget of $87 million and 1,243 employees. In 1992, the Department relocated from the old Revenue Building on Hillsborough Street to the new Revenue Building on Wilmington Street adjacent to the State Government Mall. At the time of relocation to the new facility in December 1992, the Department reorganized by functional responsibilities rather than an organization aligned according to the administration of specific tax schedules, i.e. individual income, sales and use, corporate and franchise, etc. The functional organization has permitted the Department to group "like" functions, i.e. auditing, accounts receivables, registrations, etc., regardless of a particular tax.

Since 1992 the Department has participated in the joint Federal-State Electronic Filing Program for individual income tax returns. The Department's program is one of the most successful in the nation. Last year, 541,282 taxpayers took advantage of this service. In January 1994 the Department implemented an electronic funds transfer program (EFT) for selected taxpayers to pay their taxes with an electronic transfer from their bank to the State's bank (see Graphs B and C for dollars deposited and interest earned). In 1993 the Department began development of an automated tax system to integrate all of the major taxes administered by the Department into a single system. The Department is currently replacing its remittance processing and returns processing systems to provide for a paper data capture process that includes document imaging,

retrieval and storage. Funding to begin this project was approved by the 1998 General Assembly.

Mission of the Department of Revenue

To administer the tax laws and collect the taxes due the State in an impartial, uniform and efficient manner.

Goals and Objectives of the Department of Revenue

The Department had identified seven primary goals as strategic directions for the agency.

1. Expand communication capability both internally and externally.
2. Provide comprehensive training and development.
3. Improve taxpayer services.
4. Improve compliance.
5. Analyze and prioritize resources.
6. Implement total quality management.
7. Develop a comprehensive business plan.

Related directly to the goals of the Department are the objectives and outcome measures established by the Department in the performance of its statutory duties. The three objectives and the objective's associated outcome measures are as follows:

1. **Objective** - Increase awareness and knowledge of taxpayers about tax issues.

   Outcome Measure - Taxpayer awareness and knowledge of tax issues as measured by customer surveys.

2. **Objective** - Provide timely and accurate services.

   Outcome Measure - Percent of letters/correspondence issued within standard.

3. **Objective** - Educate taxpayers on filing requirements and application of tax laws, rules and regulations, through audit, collections, workshops, publicity, and correspondence.

Outcome Measure - Voluntary dollars collected as a percent of total dollars collected.

Organization of the Department of Revenue

The Secretary of Revenue, who is appointed by the Governor, is responsible for management of the agency with a Deputy Secretary and five Assistant Secretaries having responsibility for the day-to-day activities required of various divisions throughout the Department. The agency also has a legislative liaison (special assistant) and a public information officer who report directly to the Secretary. **[See the attached Department of Revenue organization chart noted** on page DOR 10 **]**

The following is an alphabetical listing and brief explanation of responsibilities for each division identified on the Department's organization chart.

Accounting Division - Deposits/accounts for all tax receipts and refunds; responsible for the Department's budget and payroll.

Administrative Services Division - Prints forms, processes incoming and outgoing mail and purchases equipment and supplies.

Ad Valorem (Property) Tax Division - Responds to property tax valuation appeals; staffs the State Property Tax Commission and manages distribution of inventory and homestead monies to local governments.

Corporate, Excise and Insurance Tax Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Criminal Investigations Division - Pursues taxpayers who fraudulently fail to adhere to State tax laws.

Field Operations - Five geographic divisions; Interstate, Collection Division-East, Collection Division-West, Examination Division-East, and Examination Division-West. The auditors and revenue officers located throughout the state

outside the state administer the field audit and revenue collection programs. (The Assistant Secretary for Field Operations also has organizational responsibility for the activities associated with the Unauthorized Substance Tax Division.)

Motor Fuels Tax Division - Administers the motor fuels tax laws.

Office Examination Division - Performs audit functions and related audit activities.

Office Services Division - Provides taxpayer assistance and manages the bankruptcy program and accounts receivable.

Personal Taxes Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Personnel Division - Provides administrative and technical guidance and human resource services to Departmental employees.

Planning, Development and Technology - Comprised of four divisions, Business Systems Development and Support, Technology Services, Database Administration, and Production Systems Integration and Coordination. Provides electronic data processing services to Departmental personnel.

Returns Processing Division - Provides data entry services and has responsibility for records management of Departmental inactive files.

Sales and Use Tax Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Tax Research Division - Provides estimates of proposed legislative changes, complies statistical data and responds to inquiries from the Department of Commerce, other state agencies and general public.

Unauthorized Substance Tax Division - Administers the excise tax levied on unauthorized substances.

DOR 5

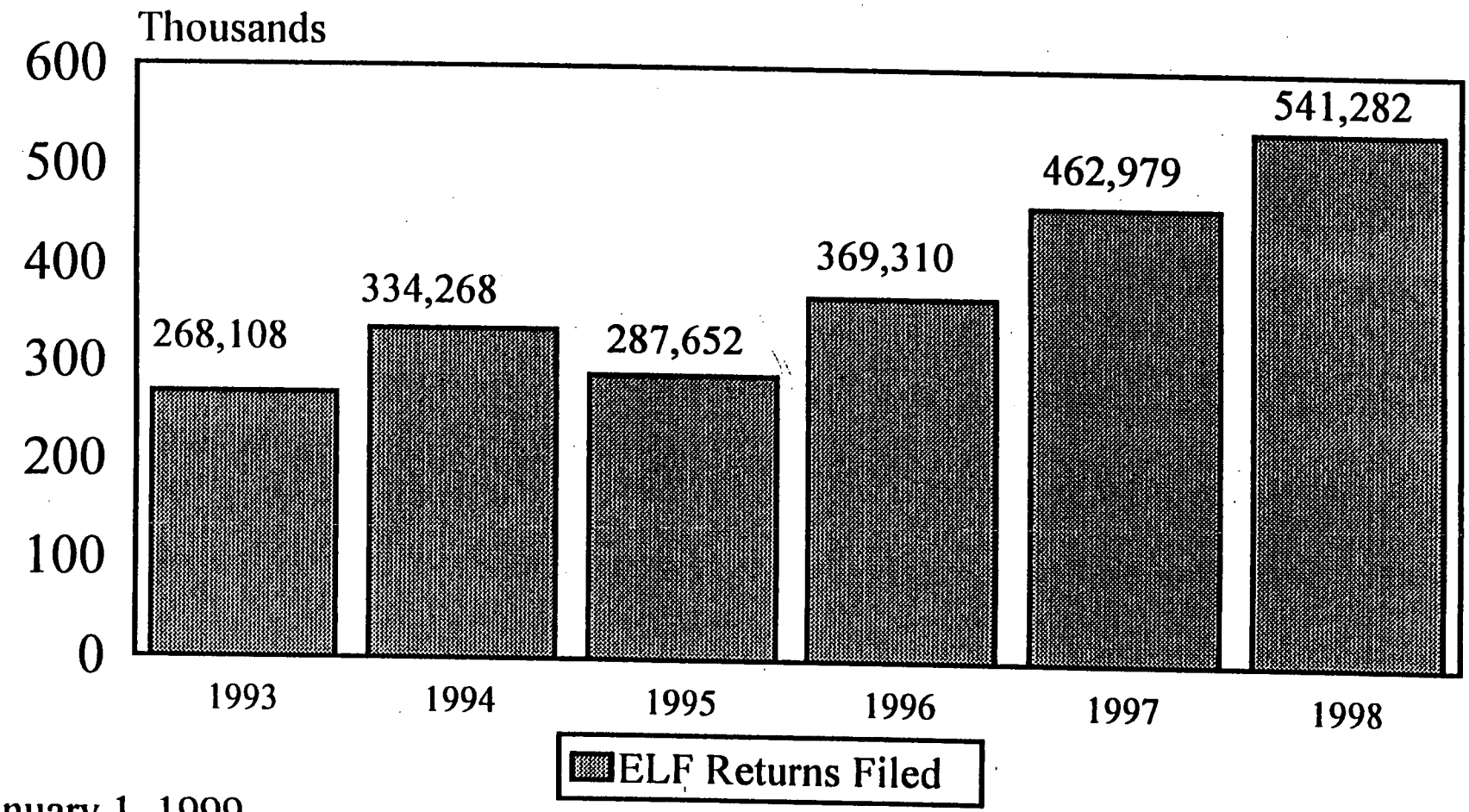
NC Department of Revenue
Facts & Figures

# of Departmental Employees FY 1998-99:	1,237
$ Department of Revenue Certified Budget for FY 1998-99:	$84.9 million
$ Gross Collections FY 1997-98:	$15.7 billion
$ Average Daily Deposit FY 1997-98:	$62.8 million
# of Pieces of Mail (Incoming) FY 1997-98:	10.9 million
# of Pieces of Mail (Outgoing) FY 1997-98:	9.4 million
# of Tax Returns Processed FY 1997-98:	9,445,630
# of Tax Payments Processed FY 1997-98:	5,703,005
$ Refunds (all tax schedules) FY 1997-98:	$1.4 billion
# of Refunds (all tax schedules) FY 1997-98:	2,505,633
$ Refunds (Individual Income) FY 1997-98:	$968.6 million
# of Refunds (Individual Income) FY 1997-98:	2,453,011
$ Distributions/Transfers to Local Governments/State Agencies FY 1997-98:	$2.1 billion
# of Individual Tax Refund Returns Filed Electronically in 1/1/98 - 12/31/98:	541,282
$ Gross Tax Deposits by Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/98:	$26.3 billion
$ Interest Earnings on Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/98:	$13.8 million
$ Gross EFT Collections for FY 1997-98	$8.2 billion

January 1, 1999

North Carolina Department of Revenue

Comparison of Electronically Filed Returns (ELF)



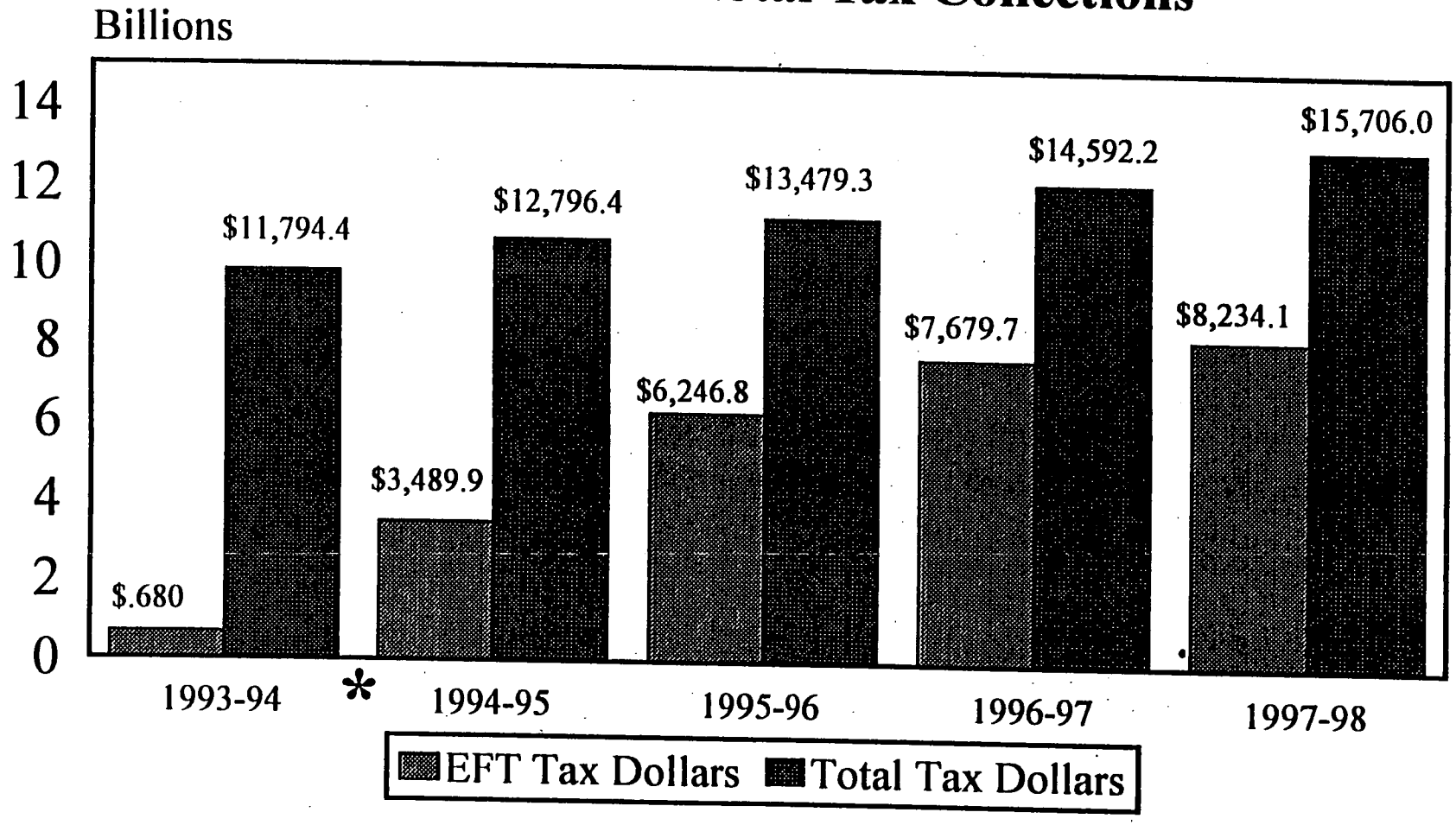
January 1, 1999

Graph A

Doc 6

North Carolina Department of Revenue

Comparison of Electronic Funds Transfer (EFT) Tax Collections to Total Tax Collections



* For the period 10/1/93 - 6/30/94

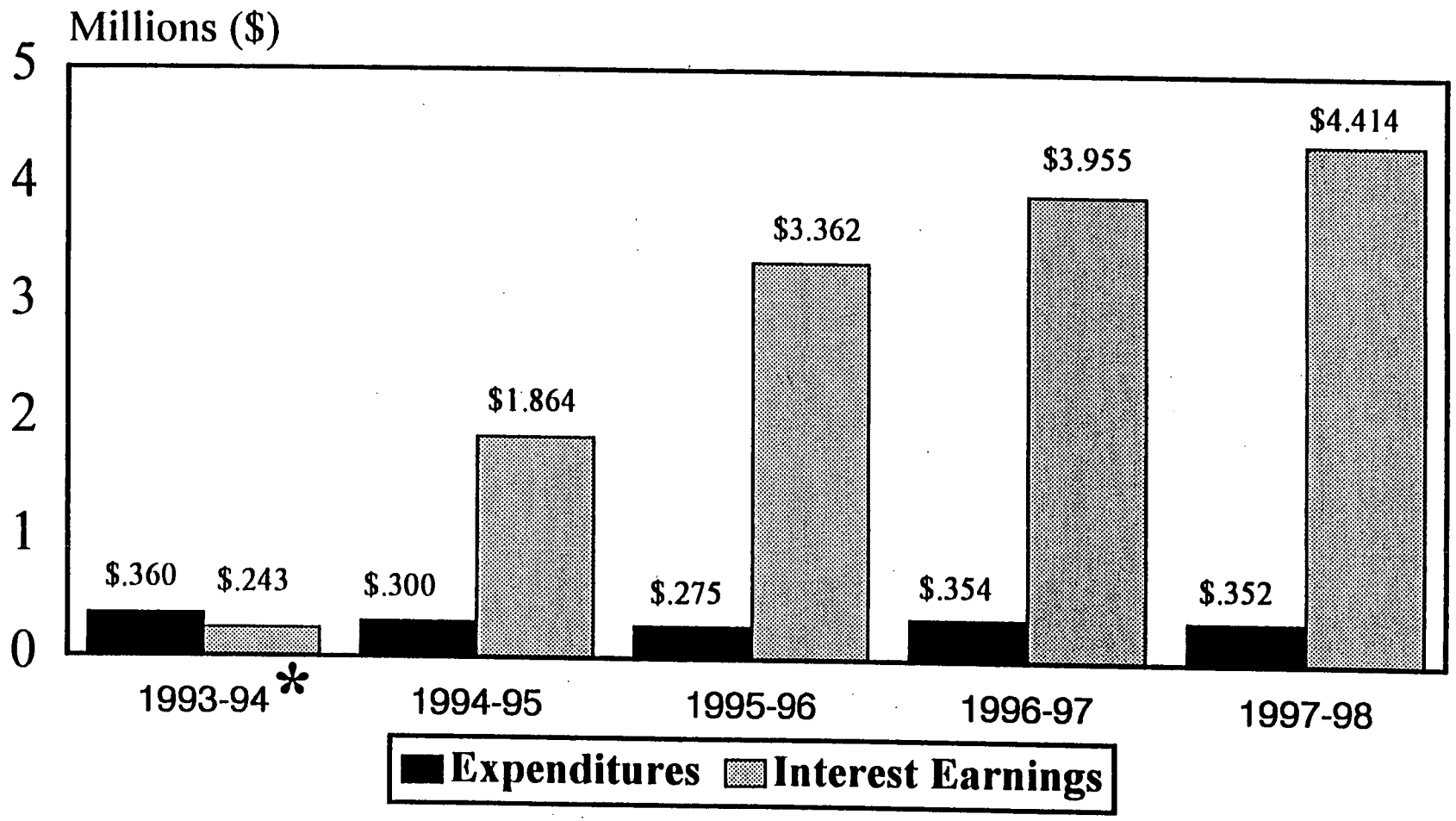
January 1, 1999

Graph B

DOR 7

North Carolina Department of Revenue

Comparison of EFT Expenditures to EFT Interest Earnings



*For the period 10/1/93 - 6/30/94

January 1, 1999

Graph C

DOR 8

DOR 9

FISCAL DATA

Department of Revenue

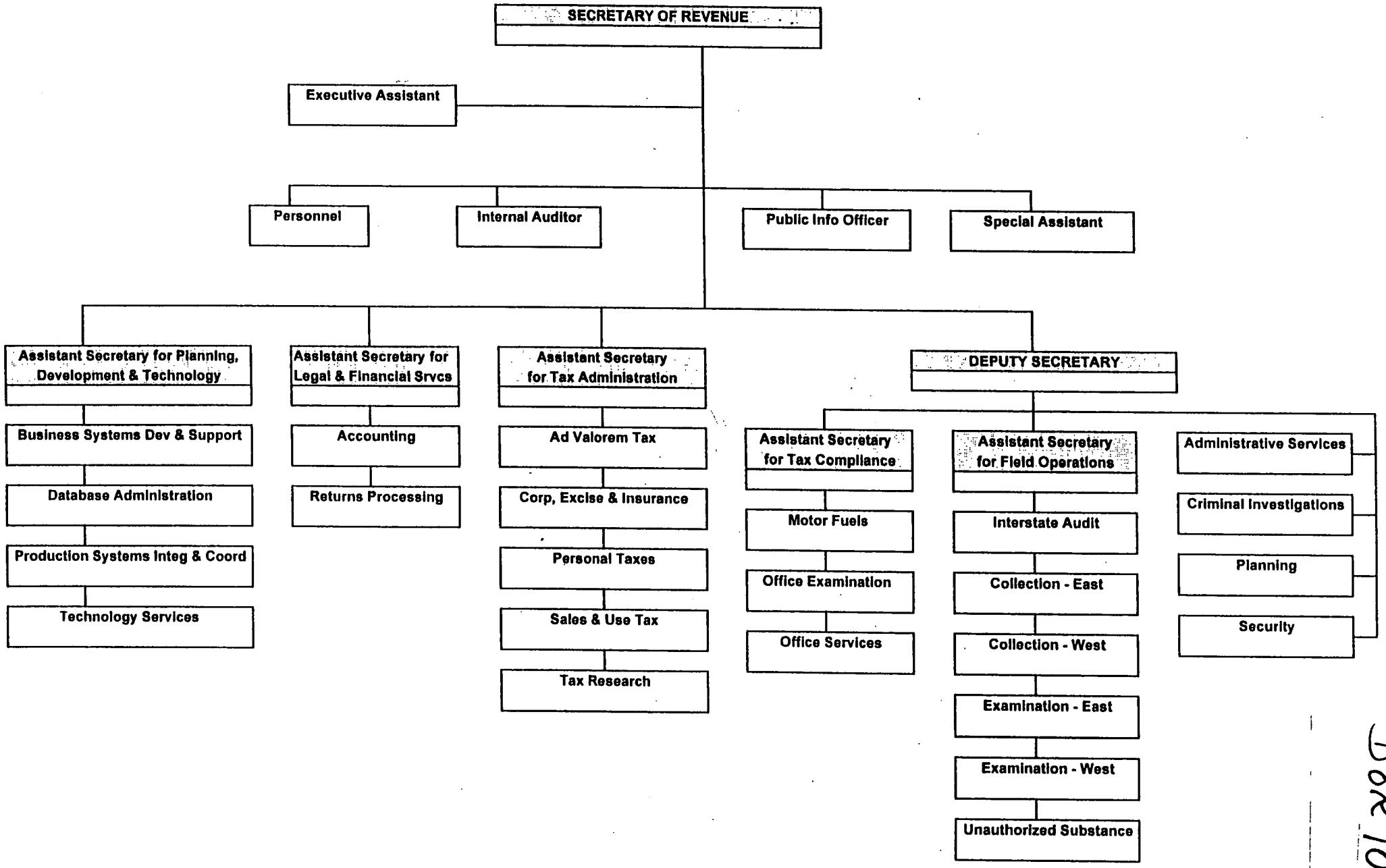
Budget Code 14700
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
General Fund				
Total Requirements	$76,489,374	$87,393,807	$83,143,192	$79,720,966
Receipts	8,827,825	4,735,734	4,815,004	4,815,004
Appropriation	$67,661,549	$82,658,073	$78,328,188	$74,905,962
Positions	1,237.0	1,243.0	1,243.0	1,243.0

NORTH CAROLINA DEPARTMENT OF REVENUE

January 1, 1999

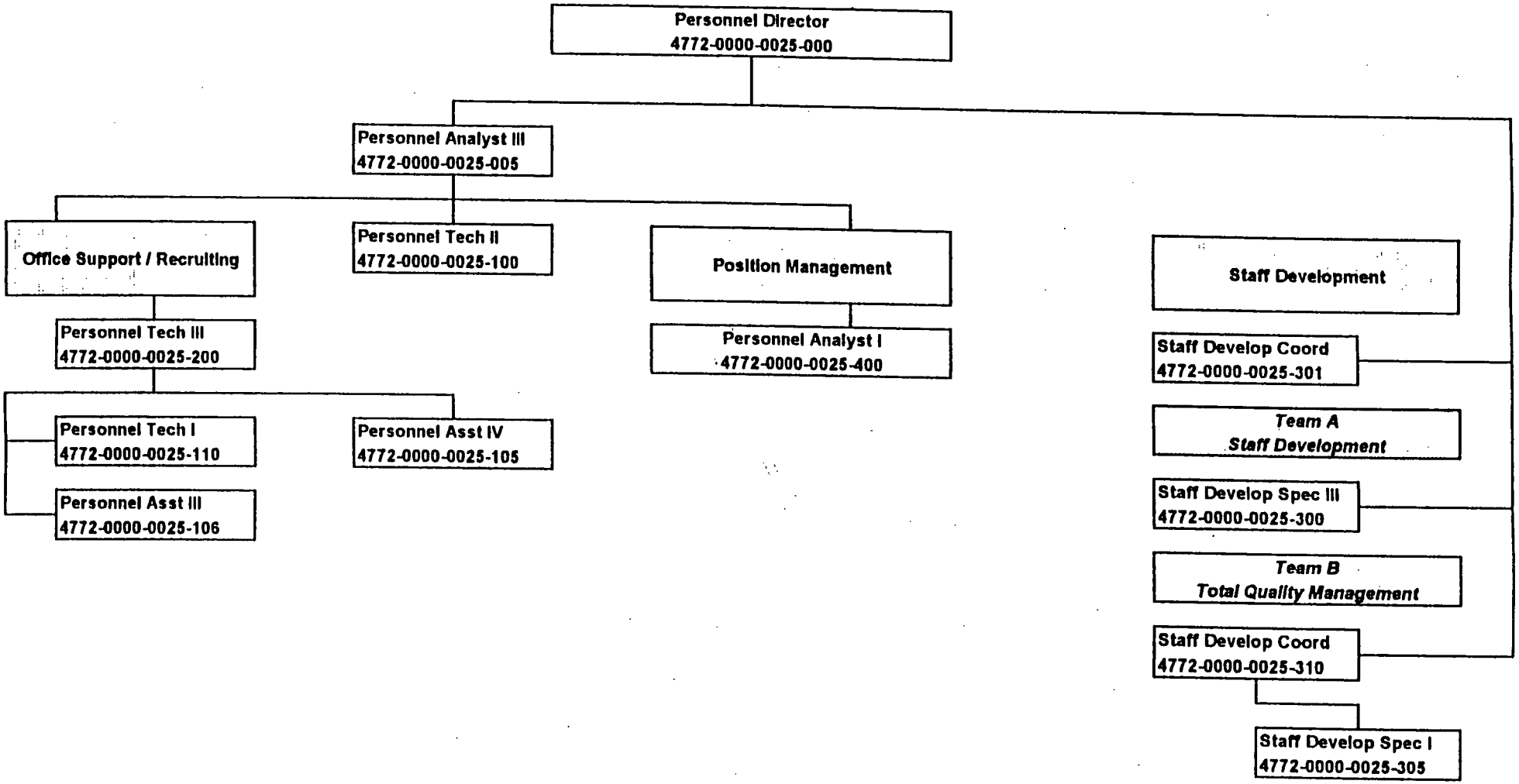


D2810

North Carolina Department of Revenue

PERSONNEL DIVISION

1/8/99

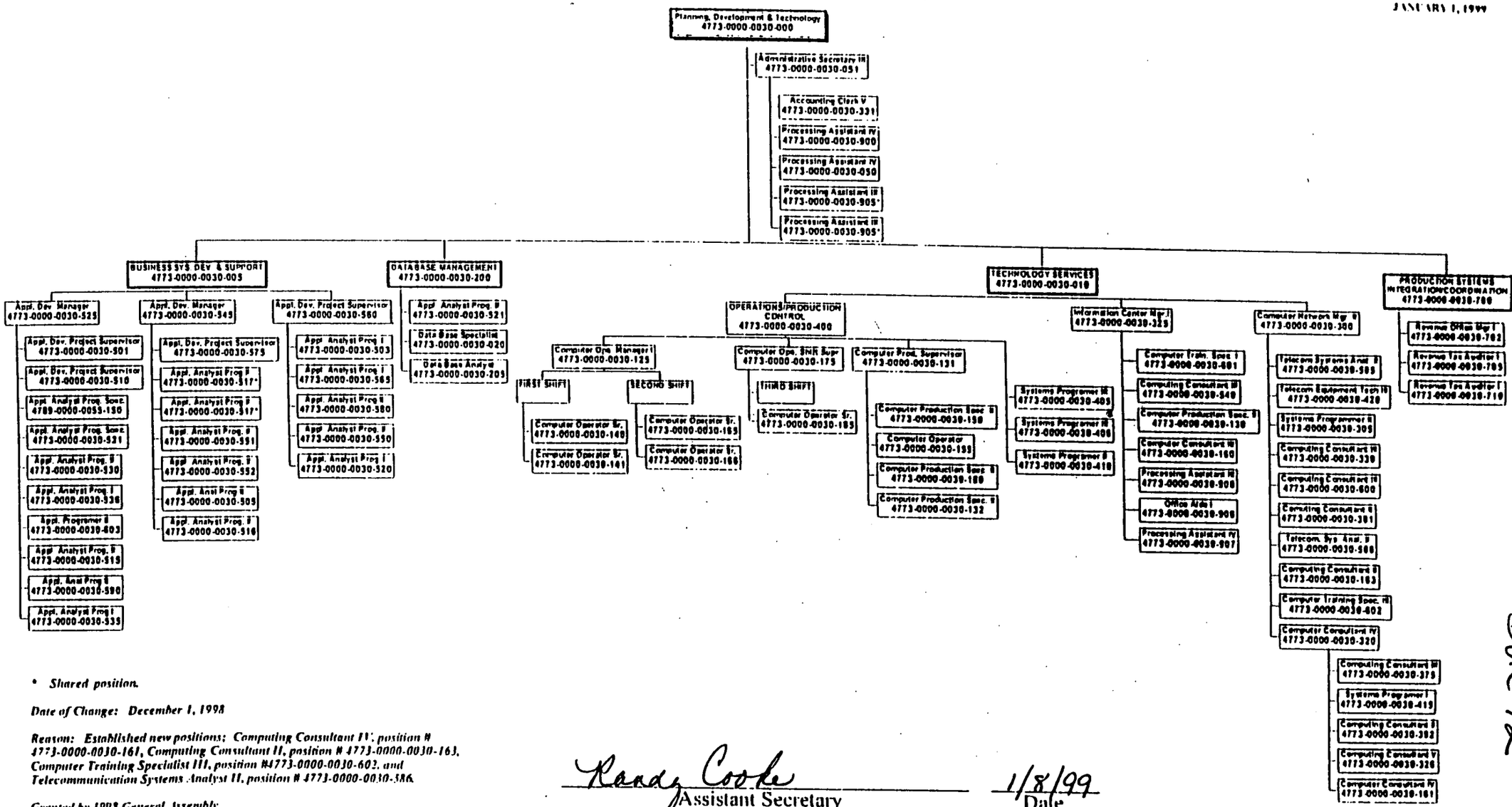


E. B. Hunt
Personnel Director

DOR 11

DOR Organization Chart

JANUARY 1, 1999



* *Shared position.*

Date of Change: December 1, 1998

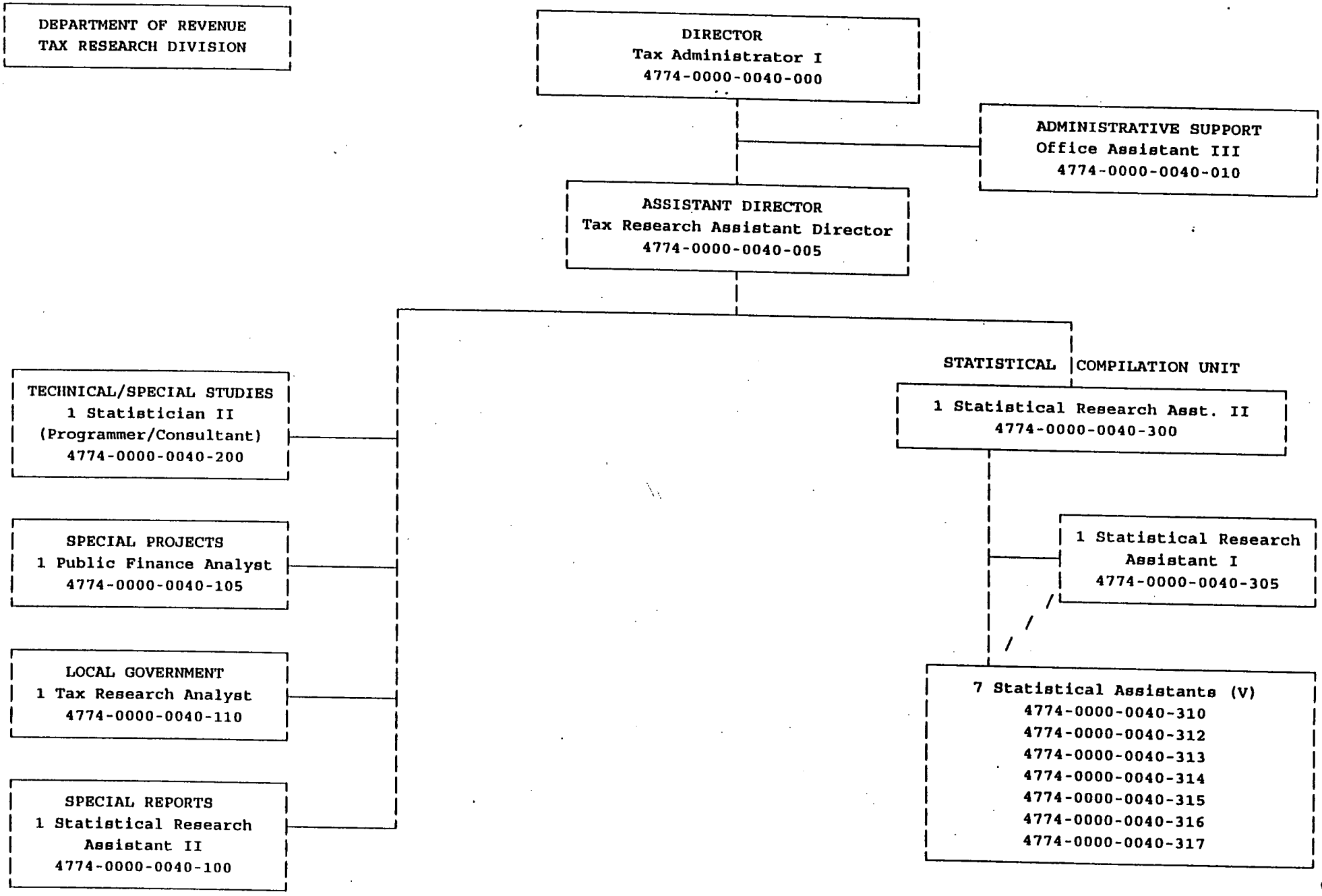
Reason: Established new positions; Computing Consultant IV, position # 4773-0000-0030-161, Computing Consultant II, position # 4773-0000-0030-163, Computer Training Specialist III, position #4773-0000-0030-602, and Telecommunication Systems Analyst II, position # 4773-0000-0030-586.

Granted by 1998 General Assembly

Randy Cooke
Assistant Secretary

1/8/99
Date

DOR 12



JANUARY 1999

[ATR]\PER\134

Patricia C. Seawell

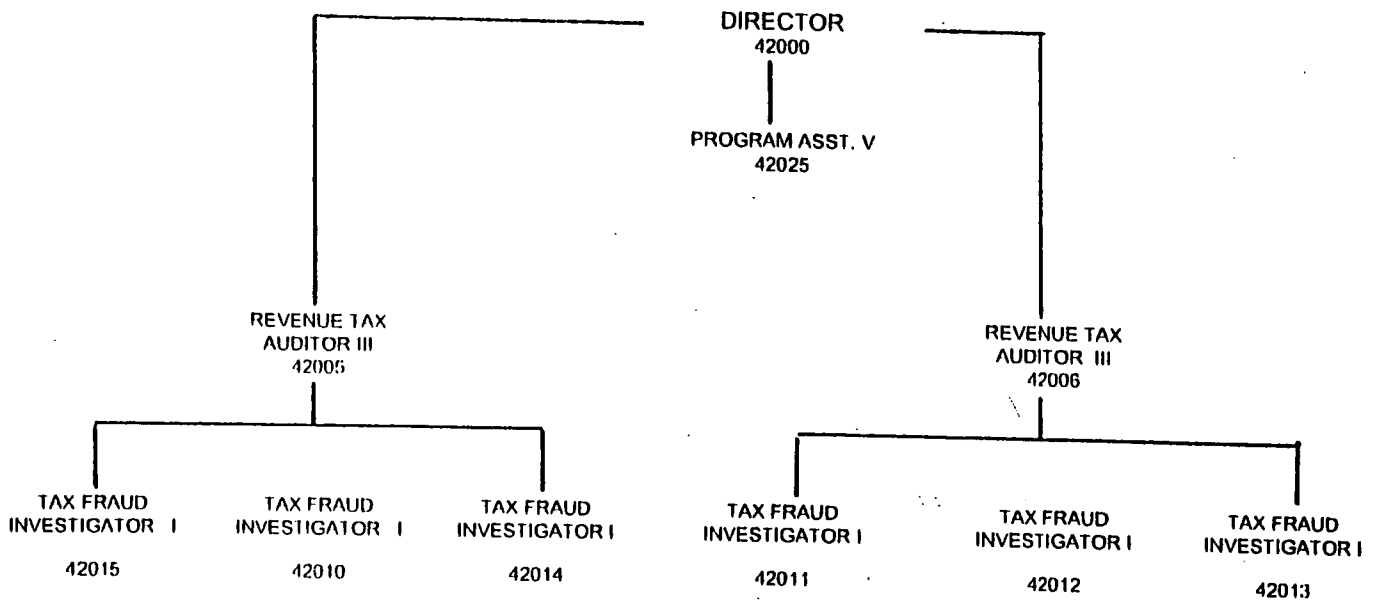
Patricia C. Seawell, Director, Tax Research Division

DOC/3

(EXISTING ORGANIZATION)
January 1999

NORTH CAROLINA DEPARTMENT OF REVENUE

CRIMINAL INVESTIGATIONS DIVISION



Thomas L. Dixon, Director

DOR 14

Department of Revenue
Administration - Center 1600 (Program Number 0540 - Revenue Collection

Administration includes the Secretary of Revenue's Office and those divisions/sections/programs reporting directly to either the Secretary or Deputy Secretary.

Secretary's Office
Personnel Division
Planning, Development and Technology
Data Capture Project
Tax Research Division
Criminal Investigations Division

The Secretary's Office includes the Secretary and Deputy Secretary, public information officer, legislative liaison, internal audit, planning, security (building and computer) and the administrative staff to the Secretary. The Secretary sets policy for the Department and reports directly to the Governor.

The **Personnel Division** has responsibility for all personnel related matters and oversees training for Departmental personnel.

Planning, Development and Technology manages the Department's information resources, and establishes resource management policies and procedures. The division develops and maintains standards, production software, and data processing and decision support systems, manages systems configurations, and gathers, stores, and processes data for tax administration, enforcement, and taxpayer assistance. MIS provides office automation systems, communication services, professional productivity systems, integrated database environments, enhanced data capture capabilities, and end-user training and computing for the Department.

The **Data Capture Project** for the Department is currently underway and will take approximately three years to design, develop and to fully implement. The new data capture technology will replace existing remittance processing equipment which is not Year 2000 compliant. The Department's new system will allow incoming documents to be imaged, retrieved and stored electronically. The system will interface to the Department's existing Integrated Tax Administration System.

The **Tax Research Division** estimates the revenue effect of proposed changes in the tax laws; compiles and publishes statistical data with respect to state tax schedules and local government taxation in North Carolina; works with the Department of Commerce in furnishing tax information to business and industrial prospects; and answers inquiries

about North Carolina taxes from state agencies, local governments, and the general public. (The Assistant Secretary for Tax Administration has organizational responsibility for this division.)

The **Criminal Investigations Division** has responsibilities for the auditing and prosecuting of taxpayers suspected of fraudulent noncompliance of State tax laws.

FISCAL DATA

Administration - Center 1600
Program Number 0540 - Revenue Collection

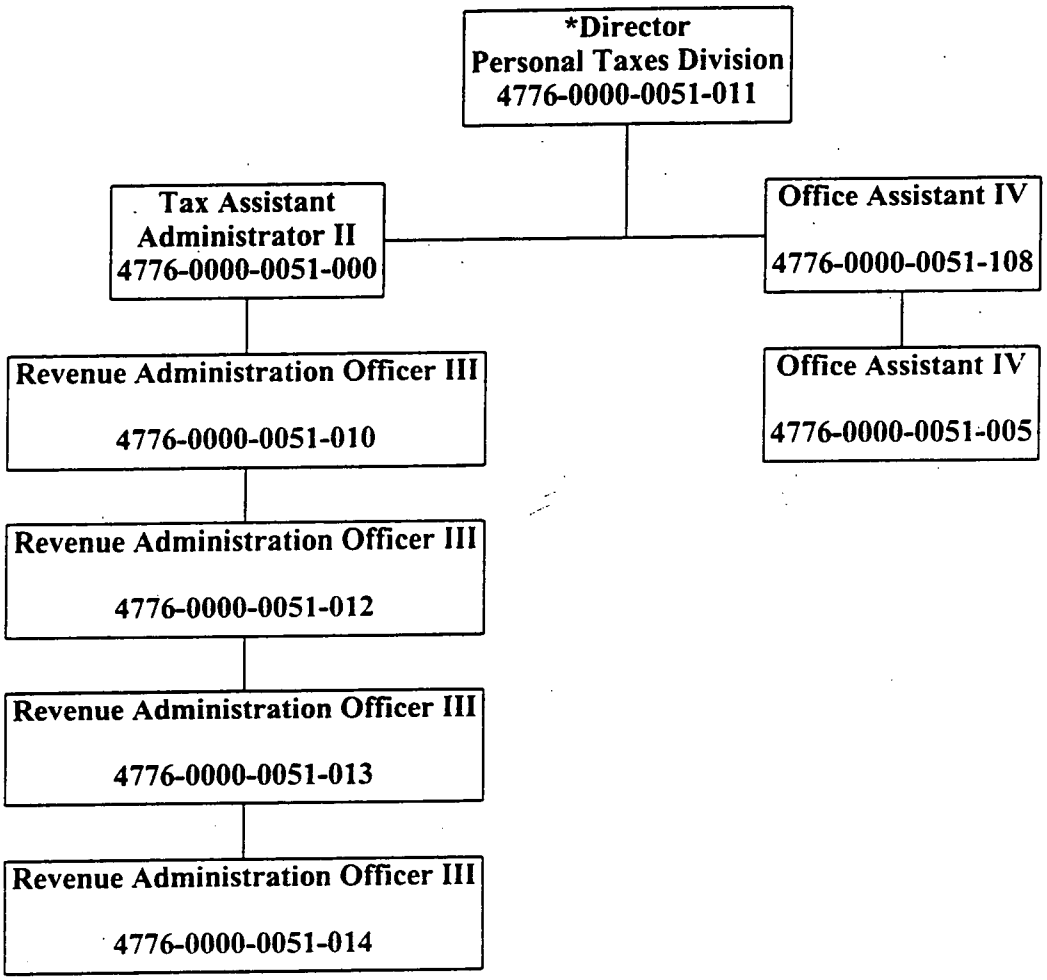
Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$19,365,622	$28,729,664	$23,553,770	$20,116,235
Receipts	3,663,857	0	0	0
Appropriation	$15,701,765	$28,729,664	$23,553,770	$20,116,235
Positions	132.0	136.0	136.00	136.0

DOR 17

January 1, 1999

NORTH CAROLINA DEPARTMENT OF REVENUE
PERSONAL TAXES DIVISION

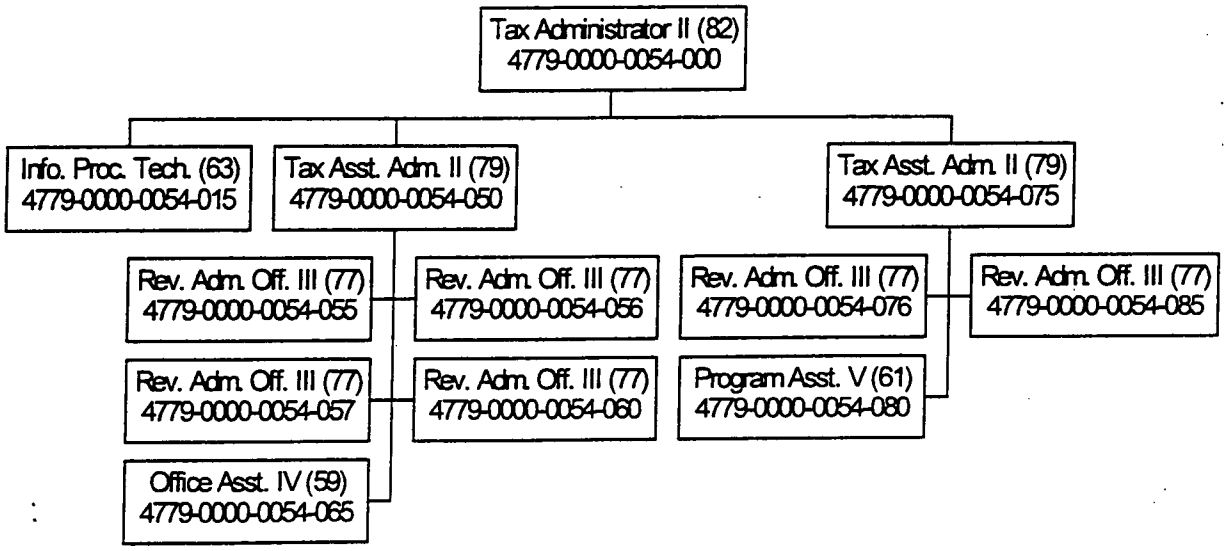


Nancy R. Pomeranz
Division Director

* Working Title - Classified
as Tax Administrator II

DOR 18

North Carolina Department of Revenue
Sales & Use Tax Divison



Signed: _____, Director, January 1, 1999.

North Carolina Department of Revenue

Property Tax Division

Tax Administrator I

4777-0000-0052-000

Property Tax Commission

Tax Assistant Administrator

4777-0000-0052-005

Agency Legal Specialist III

4777-0000-0052-010

Program Assistant (V)

4777-0000-0052-020

Property Tax Valuation Specialist II
4777-0000-0052-102
This position is located in the Hendersonville Revenue Office

Program Assistant (V)

4777-0000-0052-015

Real Property Valuation Branch

Property Tax Valuation Specialist I
4777-0000-0052-101
4777-0000-0052-103
4777-0000-0052-200

Utilities / Sales Ratio Valuation Branch

Property Tax Valuation Specialist II
4777-0000-0052-100

Processing Assistant (V)
4777-0000-0052-205

Personal Property Valuation Branch

Property Valuation Specialist II
4777-0000-0052-300

Property Valuation Specialist I
4777-0000-0052-305

Office Assistant (III)
4777-0000-0052-310

John C. Bailey, Director — 1-6-99 Date

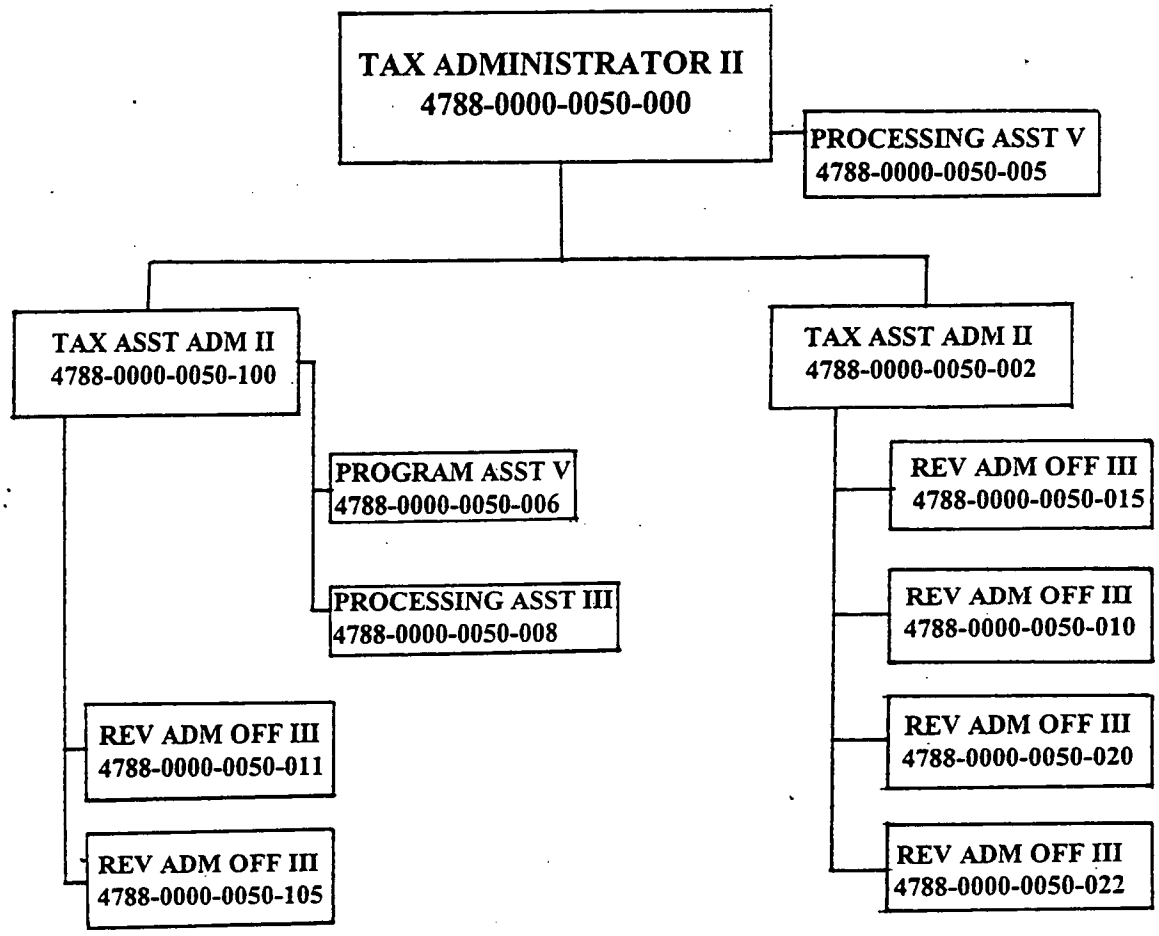
Rev. 1/5/99

DOR 20

NORTH CAROLINA DEPARTMENT OF REVENUE

CORPORATE, EXCISE & INSURANCE TAX DIVISION

January 1, 1999



SIGNED: Jack J. Hooper

DATE: 1/11/99

Department of Revenue
Tax Administration - Center 1620 (Program Number 0540 - Revenue Collection)

Tax Administration encompasses administrative personnel in the **divisions Personal Taxes; Sales and Use; Ad Valorem (Property); and Corporate, Excise and Insurance.** These divisions formulate procedures for administering tax policy and communicate these procedures to Departmental personnel and the taxpaying public. These divisions are also actively involved in critiques of proposed legislation and the effects of legislative bills. Additional administrative responsibilities are to resolve technical issues, issue letter rulings, represent the Department at administrative tax hearings and issue rulings relative to appeals brought before the Property Tax Commission. (The Tax Research Division for organization purposes reports to the Assistant Secetary for Tax Administration.)

FISCAL DATA

Tax Administration - Center 1620
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$3,006,944	$2,965,345	$3,017,047	$3,017,047
Receipts	4,705			
Appropriation	$3,002,239	$2,965,345	$3,017,047	$3,017,047
Positions	47.0	47.0	47.0	47.0

North Carolina Department of Revenue

Tax Compliance - Office Examination and Office Services Divisions

January 1, 1999

TOTAL POSITIONS

Administration:	5
Office Examination:	209
Office Services:	62
TOTAL:	276

Assistant Secretary for Tax Compliance

- 1 Program Assistant V
- 2 Processing Assistant III
- 1 Office Assistant III

OFFICE EXAMINATION DIVISION

Tax Administrator II

Tax Assistant Administrator II

EXAMINATION GROUPS I AND II
- 2 Revenue Tax Auditor III
- 15 Revenue Tax Auditor II
- 65 Revenue Tax Auditor I
- 28 Revenue Tax Technician
- 2 Revenue Administration Officer I
- 1 Processing Assistant V
- 1 Processing Assistant IV
- 1 Processing Assistant III
- 2 Office Assistant III

PROBLEM RESOLUTION
- 1 Revenue Tax Auditor II
- 4 Revenue Tax Auditor I

FRAUD IDENTIFICATION
- 1 Revenue Tax Auditor II
- 5 Revenue Tax Auditor I

Revenue Administration Officer II

EXAMINATION SUPPORT
- 1 Accounting Specialist I
- 3 Processing Unit Supervisor V
- 5 Processing Unit Supervisor IV
- 8 Processing Assistant IV
- 34 Processing Assistant III

BUSINESS LICENSE AND RETURNS
- 1 Revenue Administration Officer II
- 3 Administrative Assistant I
- 2 Administrative Assistant II
- 1 Processing Assistant V
- 9 Processing Assistant IV
- 7 Processing Assistant III
- 4 Accounting Clerk IV

OFFICE SERVICES DIVISION

Tax Administrator I

Revenue Administration Officer III

TAXPAYER ASSISTANCE
- 2 Revenue Administration Officer III
- 6 Revenue Administration Officer II
- 14 Revenue Administration Officer I

SPECIAL PROGRAMS
- 1 Revenue Administration Officer I
- 1 Revenue Tax Auditor I
- 1 Processing Assistant V
- 2 Processing Assistant IV
- 11 Processing Assistant III
- 1 Office Assistant IV
- 1 Information Systems Coordinator I

COLLECTIONS
- 1 Revenue Administration Officer II
- 2 Revenue Administration Officer I
- 2 Administrative Assistant I
- 6 Processing Assistant V
- 9 Processing Assistant IV

Bernice W. Thomas

Bernice W. Thomas

DOR 22

Department of Revenue
Tax Compliance - Center 1640 (Program Number 0540 - Revenue Collection)

Tax Compliance comprises the **divisions** of **Office Examination** and **Office Services**. These divisions administer the tax laws applicable to corporate income, estates and trusts, franchise, gift, individual income, inheritance, license and excise, sales and use, and withholding, and perform auditing functions, and assist in collecting taxes. (The Motor Fuels Tax Division for organization purposes reports to the Assistant Secretary for Tax Compliance.)

FISCAL DATA

Tax Compliance - Center 1640
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$11,073,077	$11,568,753	$11,569,978	$11,569,978
Receipts	597,573	305,799	305,799	305,799
Appropriation	$10,475,504	$11,262,954	$11,264,179	$11,264,179
Positions	276.0	275.0	275.0	275.0

NORTH CAROLINA DEPARTMENT
OF REVENUE
FIELD OPERATIONS

Dewey N. Sanders
ASSISANT SECRETARY
437 Total Staff

Charles Helms
ADMINISTRATIVE SECTION CHIEF
15 Total Staff

Ralph Foster
DIRECTOR - COLLECTION
WEST DIVISION
123Total Staff

- Asheboro - 3 RO
- Asheville - 10 RO
- Burlington - 4 RO
- Charlotte - 24 RO
- Concord - 3 RO
- Franklin - 2 RO
- Gastonia - 7 RO
- Greensboro - 13 RO
- Hendersonville - 4 RO
- Hickory - 10 RO
- High Point - 3 RO
- Lexington - 4 RO
- Monroe - 4 RO
- Murphy - 1 RO
- N. Wilkesboro - 2 RO
- Reidsville - 3 RO
- Salisbury - 4 RO
- Shelby - 4 RO
- Statesville - 3 RO
- Winston-Salem - 14 RO

Kaye Honecutt
DIRECTOR
INTERSTATE DIVISION
42 Total Staff

- California - 4 FA
- Connecticut - 1 FA
- Florida - 2 FA
- Georgia - 2 FA
- Illinoise - 3 FA
- Maryland - 1 FA
- Minnesota - 1 FA
- Missouri - 1 FA
- New Jersey - 1 FA
- New York - 1 FA
- Ohio - 1 FA
- Pennsyvannia - 2 FA
- Raleigh - 13 FA/5 SS
- Texas - 3 FA

Robie McLamb
DIRECTOR - COLLECTION
EAST DIVISION
106 Total Staff

- Clinton - 3 RO
- Durham - 12 RO
- Elizabeth City - 4 RO
- Fayetteville - 11 RO
- Goldsboro - 4 RO
- Greenville - 5 RO
- Henderson - 3 RO
- Jacksonville - 3 RO
- Kinston - 3 RO
- Lumberton - 5 RO
- Morehead City - 3 RO
- Nags Head - 3 RO
- New Bern - 3 RO
- Raleigh - 16 RO
- Rockingham - 5 RO
- Rocky Mount - 7 RO
- Sanford - 3 RO
- Shallotte - 2 RO
- Whiteville - 2 RO
- Wilmington - 8 RO

John Sadoff
DIRECTOR - EXAMINATION
WEST DIVISION
74 Total Staff

- Asheville - 11 FA
- Charlotte - 23 FA
- Greensboro - 17 FA
- Hickory - 7 FA
- Salisbury - 6 FA
- Winston-Salem - 9 FA

Ron Starling
DIRECTOR
UNAUTHORIZED SUBSTANCE
15 Total Staff

- Asheville - 1 EO
- Charlotte - 2 EO
- Fayetteville - 1 EO
- Greenville - 1 EO
- Raleigh - 2 EO/4 SS
- Sanford - 1 EO
- Wilmington - 1 EO
- Winston-Salem - 1 EO

Ron Wicker
DIRECTOR- EXAMINATION
EAST DIVISION
61 Total Staff

- Durham - 10 FA
- Elizabeth City - 4 FA
- Fayetteville - 10 FA
- New Bern - 9 FA
- Raleigh - 14 FA
- Rockingham - 1 FA
- Rocky Mount - 6 FA
- Wilmington - 6 FA

January 1, 1999

Dewey N. Sanders
Asst. Secretary for Field Operations

DOR 24

Department of Revenue
Field Operations - Center 1660 (Program Number 0540 - Revenue Collection)

Field Operations is comprised of field auditors and revenue officers and is divided into **five geographic divisions: Interstate, Collection Division-East, Collection Division-West, Examination Division-East, and Examination Division-West.** Auditors and officers are located in 41 offices throughout the state and 24 offices outside the state. Field Audit maintains an audit program to ensure compliance with tax laws, while revenue officers are responsible for taxpayer related services, obtaining delinquent returns and instituting forced collection procedures when necessary. (The Unauthorized Substance Tax Division for organization purposes reports to the Assistant Secretary for Field Operations.)

FISCAL DATA

Field Operations - Center 1660
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$20,541,807	$21,916,847	$21,996,964	$21,996,964
Receipts	500	0	0	0
Appropriation	$20,541,307	$21,916,847	$21,996,964	$21,996,964
Positions	416.0	419.0	419.0	419.0

Department of Revenue
Unauthorized Substance Tax - Center 1670 (Program Number 0540 - Revenue Collection)

The **Unauthorized Substance Tax Division** administers all aspects of assessments and collections of the excise tax levied on unauthorized substances as defined in the Statutes. The Unauthorized Substance Tax Act requires the Department to return 75% of all unencumbered monies to participatory law enforcement agencies and the remaining 25% to the General Fund. This division must locate assets for garnishment or seizure and/or for sale in order to satisfy the claims of the State. (The Assistant Secretary for Field Operations has organizational responsibility for this division.)

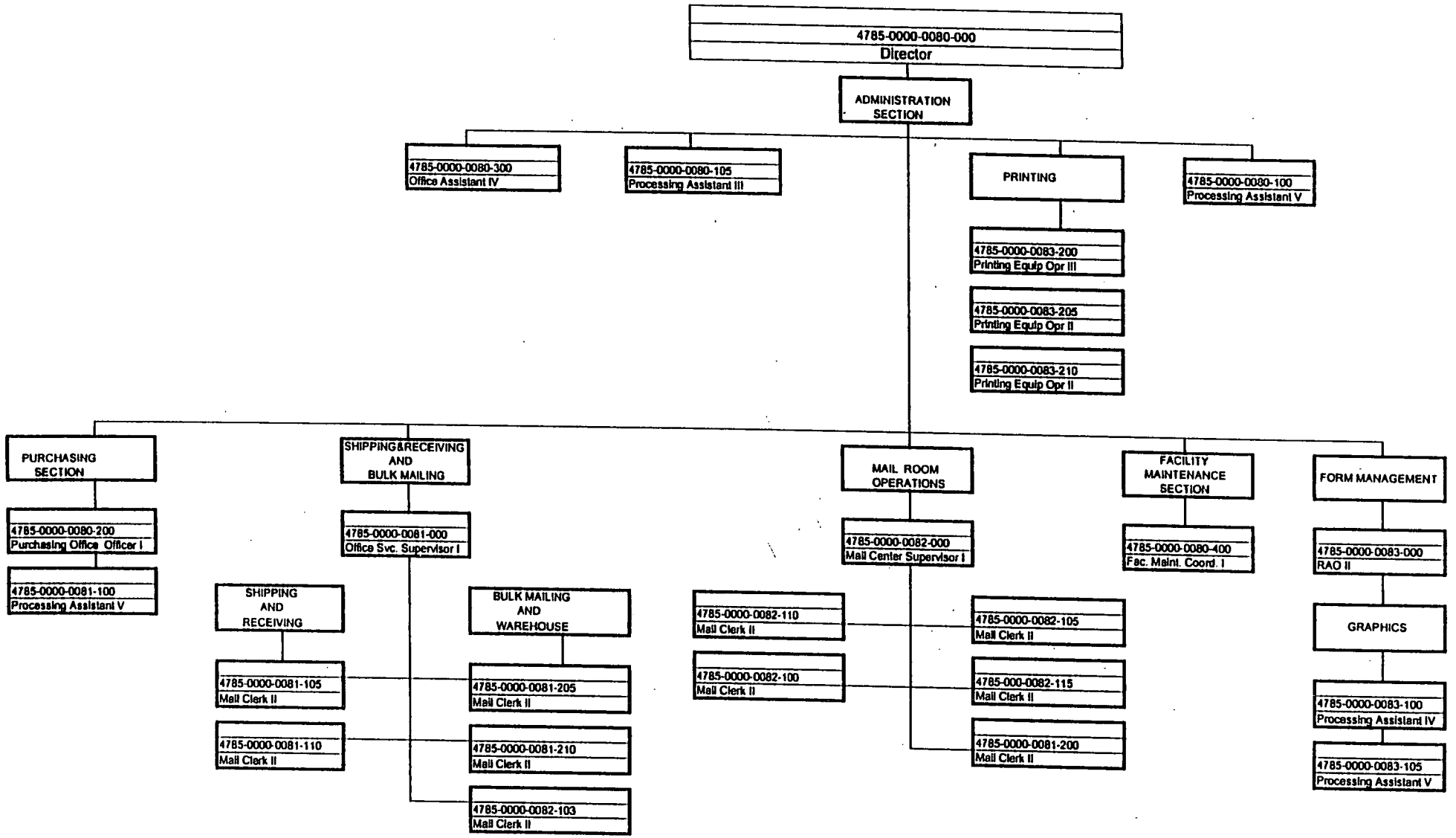
FISCAL DATA

Unauthorized Substance - Center 1670
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$818,539	$769,729	$789,614	$789,614
Receipts	0	0	0	0
Appropriation	$818,539	$769,729	$789,614	$789,614
Positions	14.0	14.0	14.0	14.0

North Carolina Department of Revenue
Administrative Services Division
Revised 1-1-99



Thomas C. Lamar Jr.
Director

15 JAN 99
Date

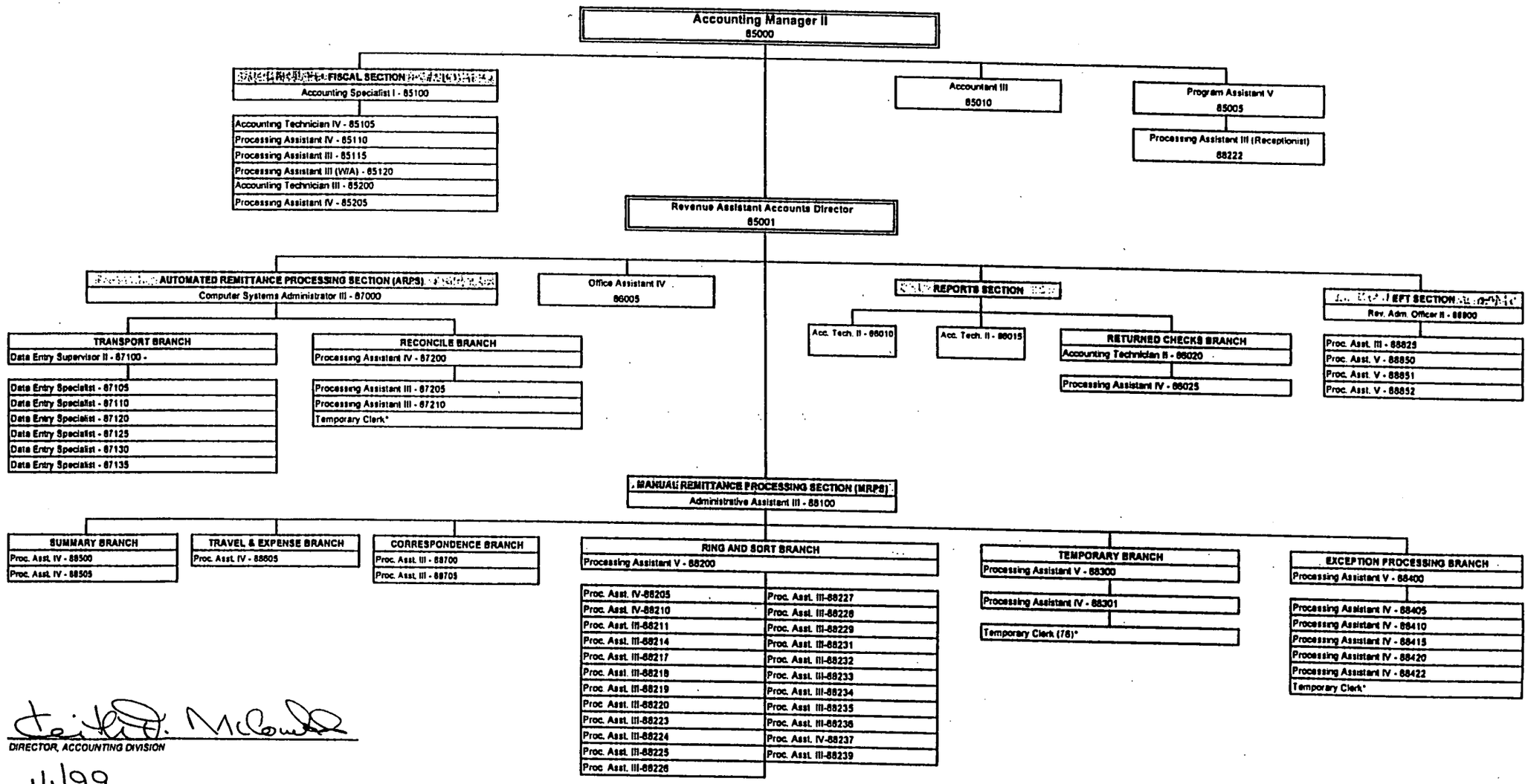
Doc 27

NORTH CAROLINA
DEPARTMENT OF REVENUE

ACCOUNTING DIVISION

71 Permanent Positions

1/1/99



DIRECTOR, ACCOUNTING DIVISION

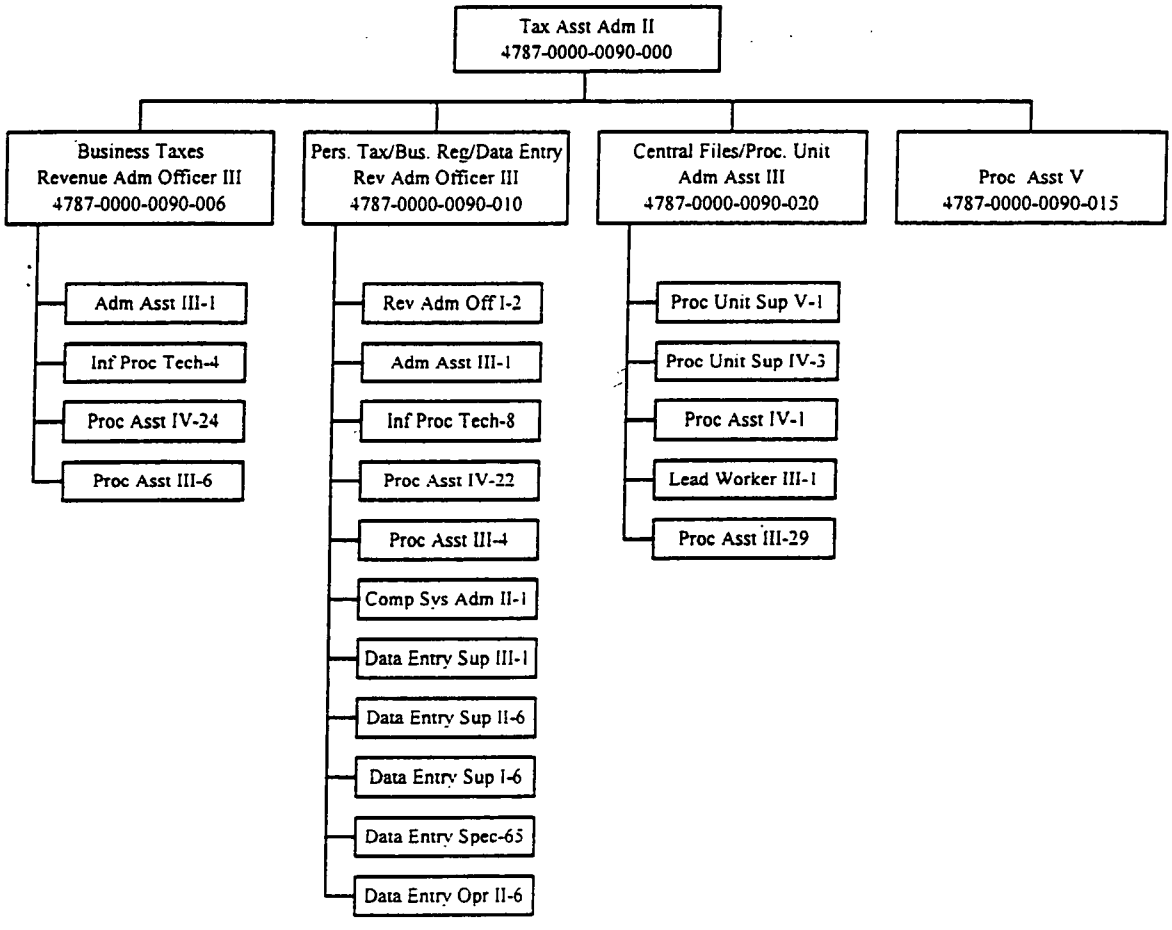
1/1/99
Date

*Accounting employs approximately 78 temporary employees during peak seasonal periods

DOR28

DOR29

NORTH CAROLINA DEPARTMENT OF REVENUE
RETURNS PROCESSING DIVISION
January 1, 1999

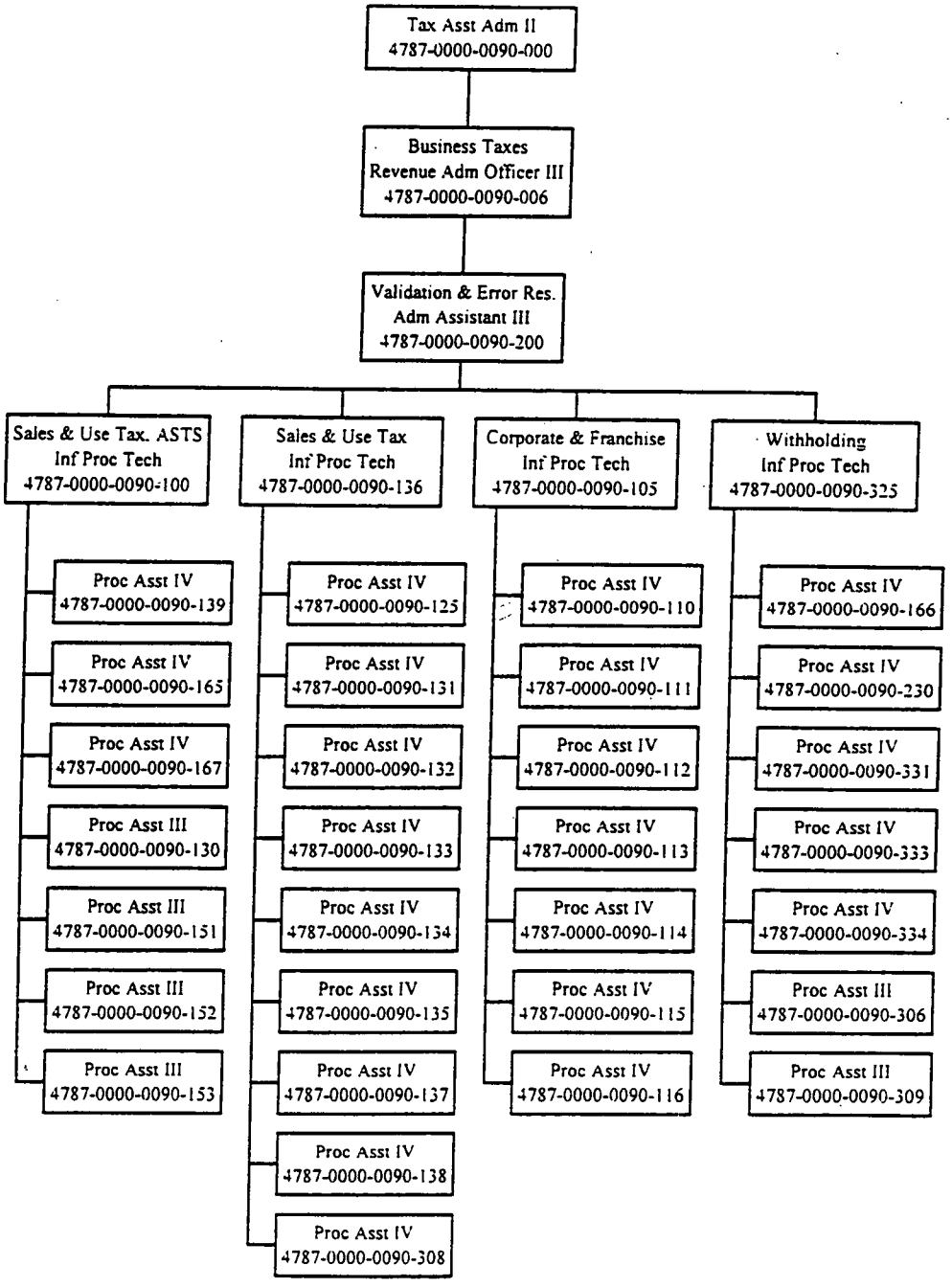


I

Edward H. Best
January 4, 1999

DOR 30

North Carolina Department of Revenue
Returns Processing Division
Business Taxes Section
January 1. 1999

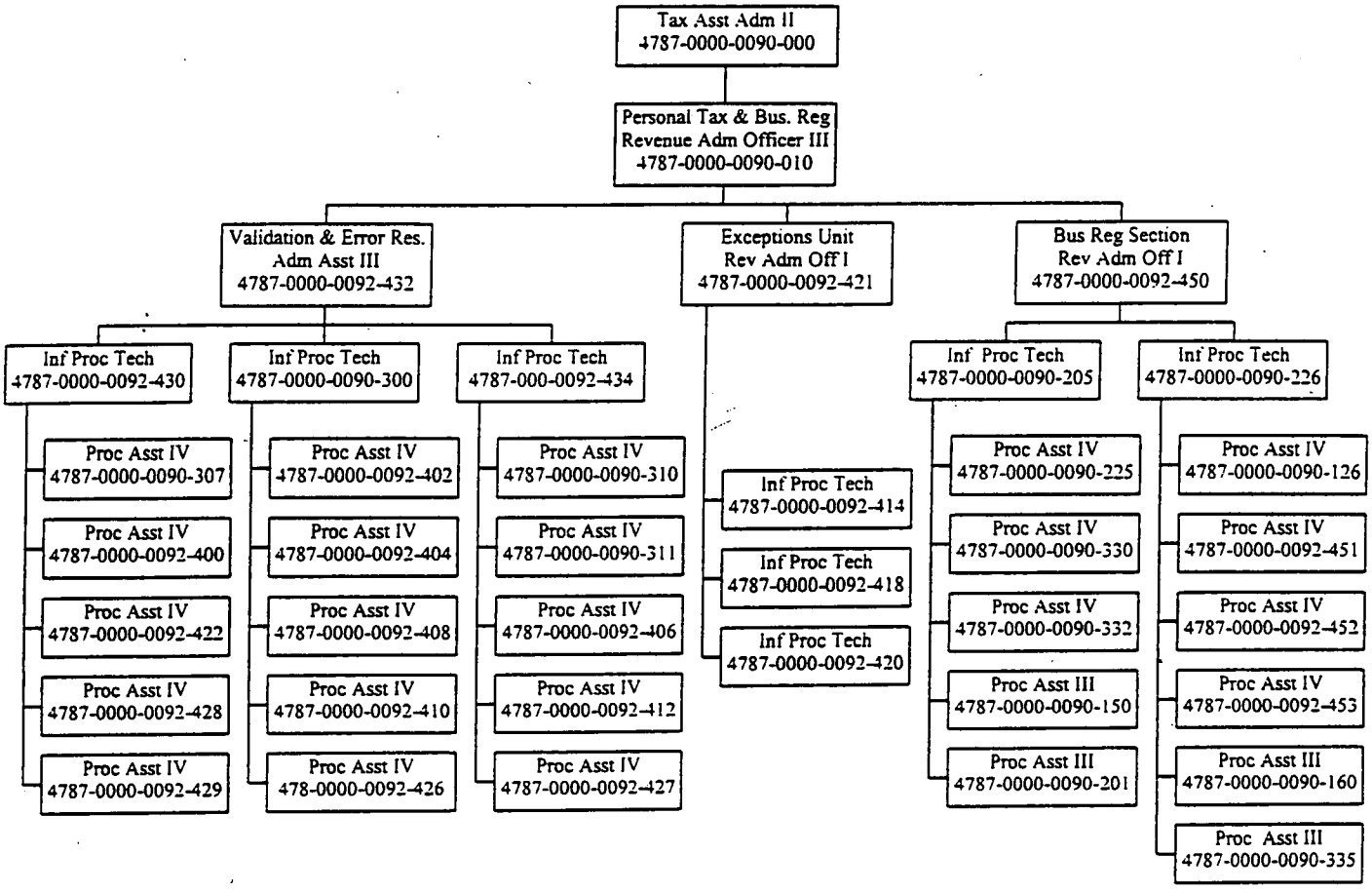


II

Edward H. Nest
January 4, 1999

North Carolina Department of Revenue
Returns Processing Division
Personal Taxes
January 1, 1999

DOR 31

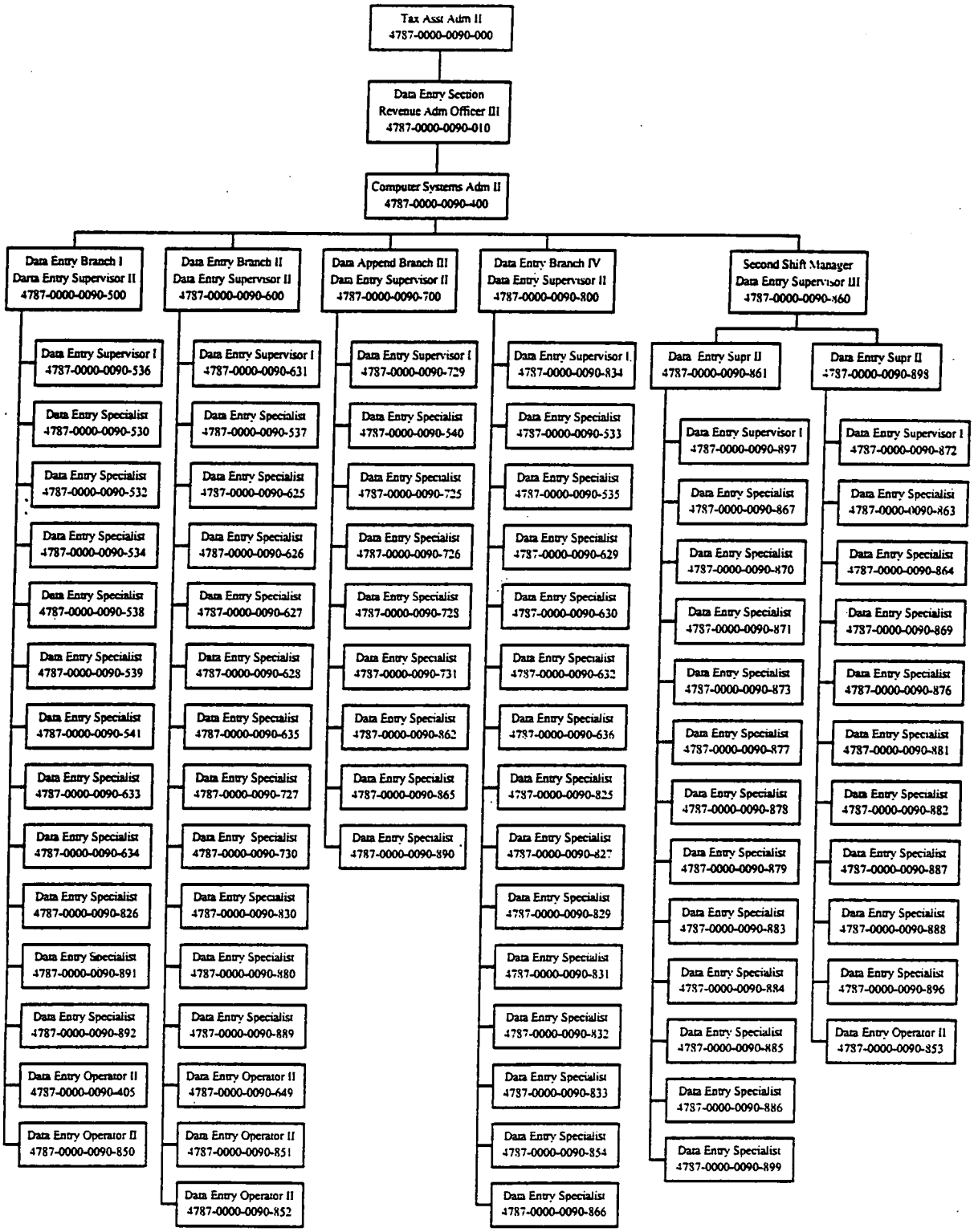


III

Edward H. Test
January 4, 1999

North Carolina Department of Revenue
Returns Processing Division
Data Entry Section
January 1, 1999

DOR 32

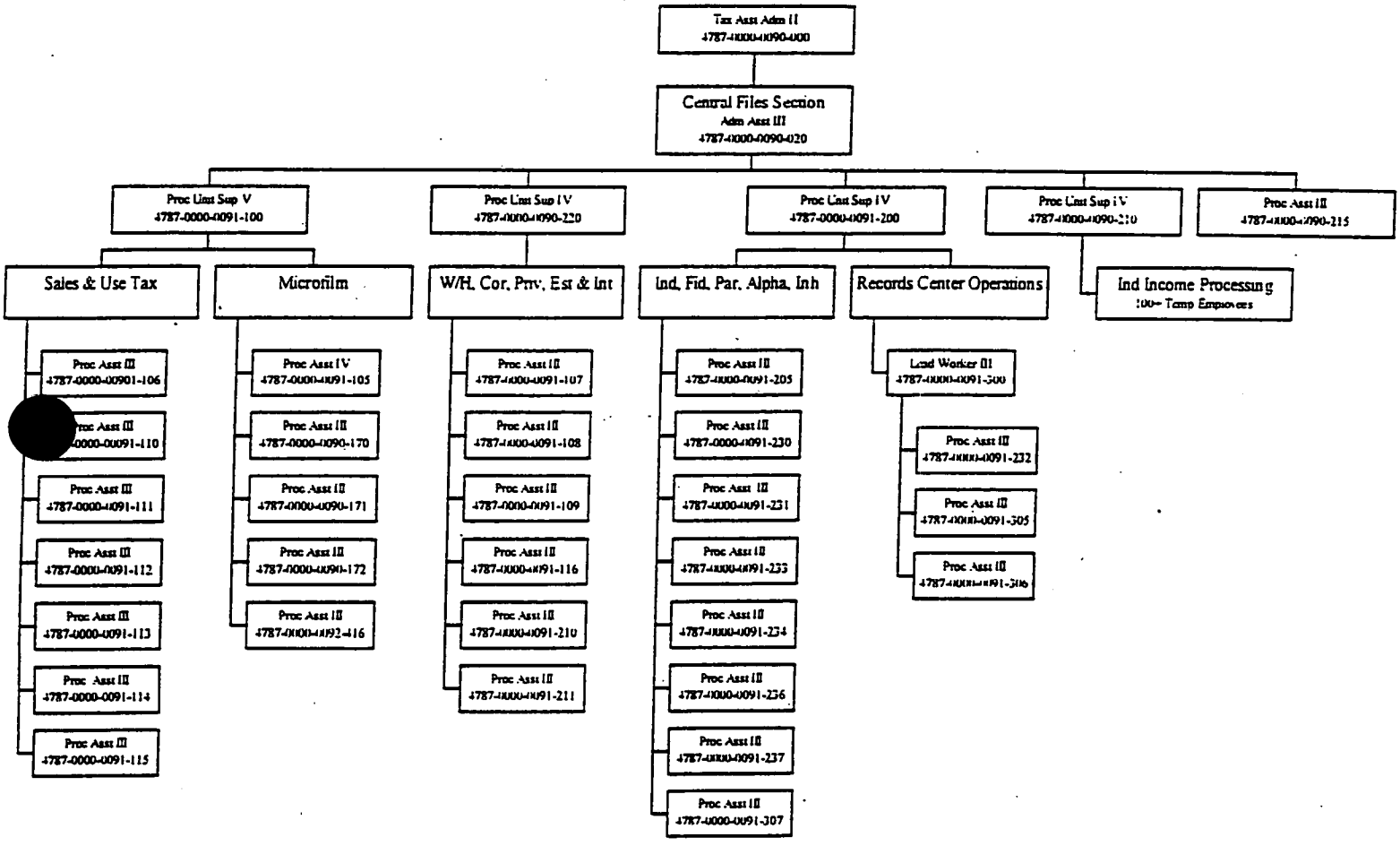


IV

Edward H. Nest
January 4, 1999

Returns Processing Division
Central Files Section
January 1, 1999

DOR 33



IV

Edward H. Nest
January 4, 1999

Department of Revenue

Legal & Administrative Services - Center 1680 (Program Number 0540 - Revenue Collection)

Legal and Administrative Services is for budgetary purposes comprised of the **Administrative Services, Accounting,** and **Returns Processing Divisions.** All three divisions provide support and processing services to other Departmental divisions.

The **Administrative Services Division** is responsible for securing equipment, printing forms (in-house and outside), overseeing repairs to equipment and the building, mailings from and to taxpayers, and other related departmental services. (The Deputy Secretary for the Department has organizational responsibility for this division.)

The **Accounting Division** receives, deposits, reports, and accounts for all tax receipts paid to the Department. The division assists in processing tax refunds for all tax schedules, maintains budgetary controls for the Department, keeps records of appropriations and disbursements, prepares payroll information, and maintains all time and pay records for the Department. It also maintains records of bonds placed with the Department as tax guarantees.

The **Returns Processing Division** processes data on tax returns and reports, maintains business registrations, and provides records management services for the Department's inactive files.

FISCAL DATA

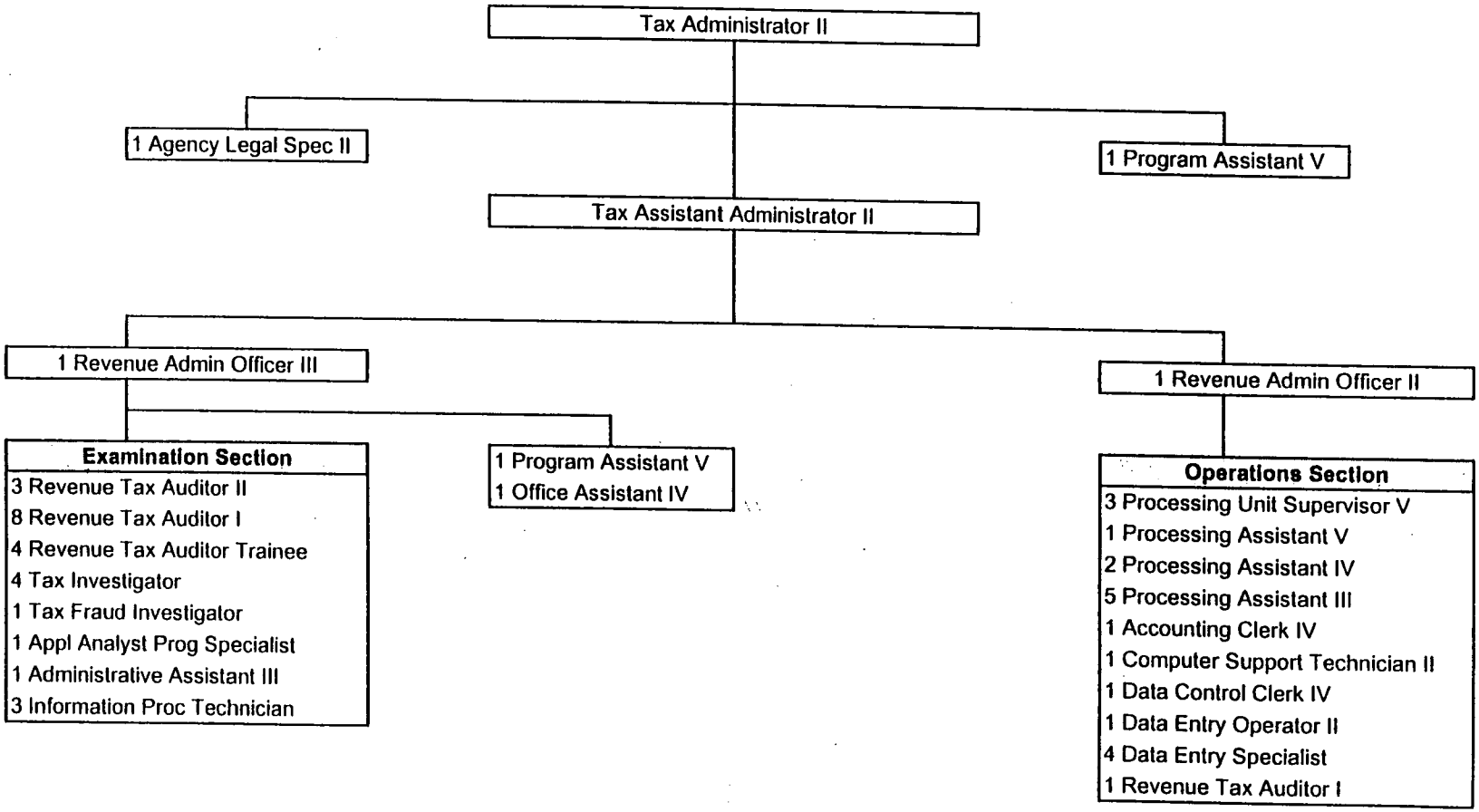
Legal & Administrative Services - Center 1680
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$17,744,512	$17,507,969	$18,201,049	$18,216,358
Receipts	619,730	494,435	494,435	494,435
Appropriation	$17,124,782	$17,013,534	$17,706,614	$17,721,923
Positions	289.0	289.0	289.0	289.0

North Carolina Department of Revenue

MOTOR FUELS TAX DIVISION



Julian W. Fitzgerald, Sr., Director

1/1/99
Date

DOR 35

Department of Revenue
Motor Fuels - Center 1700 (Program Number 0540 - Revenue Collection)

The **Motor Fuels Tax Division** administers and collects the gasoline, special fuels and highway fuel use taxes, and inspection fees due on motor fuels and kerosene. The division also disseminates motor fuels tax information and conducts field and office audits, and examinations to insure compliance. This division is supported entirely by tax receipts deposited by the Department of Revenue to the credit of the North Carolina Department of Transportation (Highway and Highway Trust Fund). (The Assistant Secretary for Tax Compliance has organizational responsibility for this division.)

FISCAL DATA

Motor Fuels - Center 1700
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$3,051,670	$2,764,939	$3,017,946	$3,017,946
Receipts	3,054,256	2,764,939	3,017,946	3,017,946
Appropriation	$ -2,586	$ 0	$ 0	$ 0
Positions	45.0	45.0	47.0	47.0

Department of Revenue

Federal Grant - Fuel Tax Evasion - Center 1702 (Program Number 0540 - Revenue Collection)

Grant monies have been provided by the Federal Highway Administration (FHWA) to address the problems associated with fuel tax evasion and to promote cooperation with other states and the Internal Revenue Service. The grant monies were authorized by the United States Congress in the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA). (This grant program is administered by the Motor Fuels Tax Division.)

FISCAL DATA

Federal Grant - Fuel Tax Evasion - Center 1702
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$114,618	$131,407	$ 0	$ 0
Receipts	114,618	131,407	0	0
Appropriation	$ 0	$ 0	$ 0	$ 0
Positions	2.0	2.0	0.0	0.0

Department of Revenue

Federal Grant - Motor Carriers - Center 1704 (Program Number 0540 - Revenue Collection)

Grant monies have been provided by the Federal Highway Administration (FHWA) to assist states with the cost associated with entering the International Fuel Tax Agreement (IFTA). IFTA is a base state compact where the base state collects fuel use taxes from its resident carriers for all member jurisdictions. This collected tax is then forwarded to each jurisdiction. IFTA has simplified registration and reporting requirements for all carriers based in IFTA jurisdictions. (This grant program is administered by the Motor Fuels Tax Division.)

FISCAL DATA

Federal Grant - Motor Carriers - Center 1704
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$34,254	$42,330	$ 0	$ 0
Receipts	34,253	42,330	0	0
Appropriation	$ 1	$ 0	$ 0	$ 0
Positions	0	0	0	0

Department of Revenue
Motor Fuels - Fuel Compliance - Center 1706 (Program Number 0540 - Revenue Collection)

Action by the Joint Legislative Transportation Oversight Committee in 1994 authorized monies to enhance computerization in the Motor Fuels Tax Division, develop procedures to exchange data with the Division of Motor Vehicles to detect under-reporting of North Carolina mileage by interstate truckers, and develop procedures to detect inaccurate reporting by gasoline distributors and special fuel suppliers. (This program is administered by the Motor Fuels Tax Division.)

FISCAL DATA

Motor Fuels - Fuel Compliance - Center 1706
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$380,693	$421,824	$421,824	$421,824
Receipts	380,694	421,824	421,824	421,824
Appropriation	$ -1	$ 0	$ 0	$ 0
Positions	6.0	6.0	6.0	6.0

Department of Revenue
White Goods - Center 1800 (Program Number 0540 - Revenue Collection)

The White Goods Disposal Tax Act imposes an additional sales and use tax of $3.00 for each white good sold. From the tax collected the Department can retain up to $225,000 a year for the cost of administration with the remaining net collections being paid as follows: eight percent to the Solid Waste Management Trust Fund, twenty percent to the White Goods Management Account and seventy-two percent to counties on a per capita basis. (This program is administered by the Office Examination Division.)

FISCAL DATA

White Goods - Center 1800
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$164,153	$225,000	$225,000	$225,000
Receipts	164,154	225,000	225,000	225,000
Appropriation	$ -1	$ 0	$ 0	$ 0
Positions	5.0	5.0	5.0	5.0

Department of Revenue
Scrap Tire - Center 1820 (Program Number 0540 - Revenue Collection)

The Scrap Tire Disposal Act imposes a scrap tire disposal tax of one or two percent on the retail sale of each new motor vehicle tire. From the taxes collected the Department can retain up to $225,000 a year for the cost of administration with the remaining net collections being paid as follows: five percent to the Solid Waste Management Trust Fund, twenty-seven percent to the Scrap Tire Disposal Account and sixty-eight percent to countries on a per capita basis. (This program is administered by the Office Examination Division.)

FISCAL DATA

Scrap Tire - Center 1820
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$193,485	$225,000	$225,000	$225,000
Receipts	193,485	225,000	225,000	225,000
Appropriation	$ 0	$ 0	$ 0	$ 0
Positions	5.0	5.0	5.0	5.0

Department of Revenue
Dry-Cleaning Solvent Tax - Center 1840 (Program Number 0540 - Revenue Collection)

The Dry-Cleaning Solvent Tax is a privilege tax that is imposed on each gallon of dry-cleaning solvent sold by a retailer to a dry-cleaning facility. The rate of the tax is $5.85 for each gallon of dry-cleaning solvent that is chlorine-based and .80 (cents) for each gallon that is hydrocarbon based. Collections from this tax are deposited to the "Dry-Cleaning Solvent Cleanup Fund". From the tax collected the Department can retain up to $125,000 a year for the cost of administration. (This program is administered by the Office Examination Division.)

FISCAL DATA

Dry-Cleaning Solvent Tax - Center 1840
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$ 0	$125,000	$125,000	$125,000
Receipts	0	125,000	125,000	125,000
Appropriation	$ 0	$ 0	$ 0	$ 0
Positions	0	0	0	0

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 24, 1999
Room 425
2:30 p.m.

Chairman: Representative Maggie

Department of Revenue

Administration (FUND 1600)
(Notebook pp. DOR 11 ⁂ DOR 16)
(Budget Book/Performance Measures: Planning, Development, & Technology pp.183- 184; Tax Research p. 184; and Criminal Investigations p.182)

Michael Hodges
Deputy Secretary

Tax Administration (Fund 1620)
(Notebook pp. DOR 17 - DOR 21)
(Budget Book/Performance Measures: Personal Taxes p. 188; Sales and Use Taxes p. 188; Ad Valorem Taxes pp. 188 - 189; and Corporate, Excise, and Insurance Taxes p. 188)

Nancy Pomeranz, Director
Personal Tax Division
(Substituting for Sabra Faires, Assistant Secretary)

Tax Compliance (Fund 1640)
(Notebook pp. DOR 22 - DOR 23)
(Budget Book/Performance Measures: Office Examinations p. 193; and Office Services p. 194)

Bernice Thomas
Assistant Secretary

(over)

Field Operations (Fund 1660)
(Notebook pp. DOR 24 - DOR 25)
(Budget Book/Performance Measures: Interstate Audit p. 198; Tax Collections p. 199; and Examinations p. 199)

AND

Unauthorized Substance Tax (Fund 1670)
(Notebook pp. DOR 24 and DOR 26)
(Budget Book/Performance Measures p. 199)

Dewey Sanders
Assistant Secretary

Legal and Administrative Services (Fund 1680)
(Notebook pp. DOR 27 - DOR 34)
(Budget Book/Performance Measures: Administrative Services p. 182; Accounting p. 183; and Returns Processing p. 183)

Michael Hannah
Assistant Secretary

Motor Fuels (Fund 1700) and Fuel Compliance (Fund 1706)
(Notebook pp. DOR 35 - DOR 36 and p. DOR 39)
(Budget Book/Performance Measures p. 194)

Julian Fitzgerald
Director

White Goods (Fund 1800)
(Notebook p. DOR 40)

Scrap Tire (Fund 1820)
(Notebook p. DOR 41)

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 24, 1999
Room 425
2:30 p.m.

Chairman: Representative Maggie

Department of Revenue

Administration (FUND 1600)
(Notebook pp. DOR 11 - DOR 16)
(Budget Book/Performance Measures: Planning, Development, & Technology pp.183- 184; Tax Research p. 184; and Criminal Investigations p.182)

Michael Hodges
Deputy Secretary

Tax Administration (Fund 1620)
(Notebook pp. DOR 17 - DOR 21)
(Budget Book/Performance Measures: Personal Taxes p. 188; Sales and Use Taxes p. 188; Ad Valorem Taxes pp. 188 - 189; and Corporate, Excise, and Insurance Taxes p. 188)

Nancy Pomeranz, Director
Personal Tax Division
(Substituting for Sabra Faires, Assistant Secretary)

Tax Compliance (Fund 1640)
(Notebook pp. DOR 22 - DOR 23)
(Budget Book/Performance Measures: Office Examinations p. 193; and Office Services p. 194)

Bernice Thomas
Assistant Secretary

(over)

Field Operations (Fund 1660)
(Notebook pp. DOR 24 - DOR 25)
(Budget Book/Performance Measures: Interstate Audit p. 198; Tax Collections p. 199; and Examinations p. 199)

AND

Unauthorized Substance Tax (Fund 1670)
(Notebook pp. DOR 24 and DOR 26)
(Budget Book/Performance Measures p. 199)

Dewey Sanders
Assistant Secretary

Legal and Administrative Services (Fund 1680)
(Notebook pp. DOR 27 - DOR 34)
(Budget Book/Performance Measures: Administrative Services p. 182; Accounting p. 183; and Returns Processing p. 183)

Michael Hannah
Assistant Secretary

Motor Fuels (Fund 1700) and Fuel Compliance (Fund 1706)
(Notebook pp. DOR 35 - DOR 36 and p. DOR 39)
(Budget Book/Performance Measures p. 194)

Julian Fitzgerald
Director

White Goods (Fund 1800)
(Notebook p. DOR 40)

Scrap Tire (Fund 1820)
(Notebook p. DOR 41)

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

March 24, 1999
2:30 p.m.

MINUTES

The Joint Appropriations subcommittee on General Government met Wednesday, March 24, 1999, at 2:30 p.m. in room 425 of the Legislative Office Building. Four of the Senate members were present. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, and Daniel Barefoot.

Representative Jeffus called the meeting to order and recognized the same pages that served the morning meeting. She recognized Secretary Muriel Offerman, N. C. Department of Revenue, to continue her report from the morning meeting. She stated that her department is delighted to be back and provide them with further information. They will continue by following the handout in the notebook. (Attachment No. 1) The first two pages are an overview, which is a short version of her statements this morning. At this point, her morning comments were given to the members. (Attachment No. 2) Secretary Offerman read out their goals and objectives for the department on page DOR 2. The assistant secretaries will cover the next few pages dealing with the organization of the department dealing with the various divisions. Secretary Offerman covered the fiscal data on page 9.

Representative Wainwright stated that he was reviewing 1997-98, 1998-99, 1999-00 and 2000-01 and saw a decrease. Does this represent the twelve million that was given to them. Secretary Offerman answered that a good bit of that is the twelve million used for Data Capture.

Secretary Offerman stated that a delegation from various financial institutions in Russia is here and is now visiting the Department of Revenue as previously planned while visiting the United States. Deputy Secretary Michael S. Hodges is giving them the grand tour of the department. Mr. Keith F. McCombs covered the areas that Mr. Hodges would have covered as well as the Division of Accounting.

Mr. McCombs referred to the chart on page DOR 10 and the handout (Attachment No. 3) which is in color and they added the names of the person in charge. The color to the right of each block is the number of permanent positions in each division. **Representative Wainwright had a question this morning about the number of permanent positions in the department**. The different colors relate to the different centers. For example, Center 1600, Administration (DOR 11-16) numbers are colored dark blue. This chart is done based on the budget of last year (July 1998). Overall number of people in the department is 1,243.

Administration is comprised of the Secretary's Office, Personnel Division, Planning, Development and Technology Division, Tax Research Division, and the Criminal Investigations Division. Also, included in Administration is the Center that was established specifically to administer the money the legislature appropriated for the Data Capture Project. Ms. Randy Cooke covered this project. The total personnel for all of these divisions are 136.

The Secretary's Office includes the Deputy, Public Information Officer, Special Assistant, Legislative Liaison, Internal Auditor, Planning, Security Personnel and Administrative Staff attached to the Secretary's Office. The Personnel Division handles the human resources issues as related to the Department of Revenue and responsible for the hiring of permanent and temporary personnel. As previously stated, there are 1,243 permanent positions and currently have 478 temporary positions. Mr. McCombs referred to the handout (Attachment No. 4) on temporary personnel. **He answered a question asked by Representative Wainwright this morning, regarding the tax rush number of personnel**. There are 405 people dedicated to the "tax rush" which is their busiest time of the year.

Mr. McCombs continued with the Tax Research Division which is budgetarial under the Administration. They perform physical analysis which are related to various tax schedules and they do the estimates for the proposed tax law changes. This division works closely with the Legislative Fiscal Research Division when legislation is proposed and they want to determine the financial impact of that particular piece of legislation.

The Criminal Investigations audits and prosecutes taxpayers who have made a fraudulently return or failed to adhere to State tax laws. Last year, they successfully prosecuted twenty-six fraudulent tax cases in the courts in Wake County.

Mr. McCombs stated that Planning, Development and Technology is the largest in the department and has four divisions. The Data Capture Project is under this division.

Representative Wainwright stated that his first question would be, "What are you doing or what have you done concerning the 2000 Compliance?" Next question, "You have 405 personnel for the "Tax Rush" season, and the tax rush period is January to November?" Mr. McCombs stated January to June really and some of the people stay on for various parts of the year because as you know they get automatic extensions up until August for individual income tax returns. There will be another rush in August. Another rush is in October when those extensions have expired by that time and they have to file in October so there are mini-tax rush going on at different times of the year. In Mr. McCombs' Division of Accounting most of his people have checks and returns to process and by the end of April they are about finished with the temporaries. In Returns and Processing Division, there are temporaries that will stay a month or two because they are still verifying the information on the returns on all the mail that is opened. Representative

Wainwright indicated that it appeared that some seventy-three temporary employees were kept year round. Mr. McCombs stated that it might be higher than that. The total of 478 is the number of positions that are allocated to the department if they were to fill all of them but they don't always keep the positions filled. Representative Wainwright was concerned about what kind of work the temporaries were doing following tax rush. Mr. McCombs said that there are a number of things to clean up and those people would be in Office of Examination Services. They could be answering the phone, opening correspondence and doing a number of activities in the department. They have suffered a number of position reductions so they have had to help the other employees out with temporaries. Representative Wainwright stated that is exactly where he is. If you all cut positions from the department. You have five temporaries in unauthorized positions: one in Corporate, twenty-one in Field Operations, four in Motor Fuel, and fifteen in Office Services. Mr. McCombs stated that they are positions that those divisions could fill because those positions are set up at this point in time. That does not mean that they are all filled. Representative Wainwright stated he understands that but it would appear to him that if you leave them there in a temporary status and those five positions were cut from unauthorized Substance Abuse Section and you have five temporary positions; then we have defeated the purpose. Mr. McCombs stated that they are not paid like permanent positions, with retirement, insurance, etc. They also use the money that is generated from vacant positions that is lapsed salaries. They could use this money toward funding a temporary position for maybe for a month or two. Representative Wainwright stated that during the budgetary process you are cut by five positions, if you establish five temporary positions in that department, no matter how you pay for them. I am just trying to make sure that is not an end around on what the intent of the General Assembly is as related to these particular positions. If they are open to year round availability that means you can put them there and use them year round and if the legislature cuts them, I don't think we want you to create a pool of temporary positions to fill in where in the best judgement of the legislature feel you do not need. Mr. McCombs stated that they did not get any more money to pay the temporaries they did it within the existing funds. Representative Wainwright stated that it seems to him that when positions are cut you use temporary positions.

Senate Kinnaird stated that the General Assembly does not cut positions, they cut money and that the Governor and legislature stated that you have this amount of money to work with to use it the best possible way.

Representative Wainwright stated that he is not opposed to it. Just seems something is wrong to remove positions and creating another vehicle to do the same thing that was done in the budgetary process. He stated that in this case he is not saying that it is being done; just trying to clarify in his mind that practice is not exactly what the practice is when you have 78 year-round temporary employees.

Secretary Offerman reiterated what Mr. McCombs said, and that in some cases, they have cut auditors, etc. She stated that they do not hire substitutes at a way of getting around any of the cuts. The study that was done by the Office of Management and Productivity last year, second part of the report pointed out that Revenue is short positions for the amount of work to be done. So as a way to handle the peak, the Department has engaged temporaries rather than full time positions to get the peak work done when it needs to be done. She gave an example – that if the Department came forward and said that they are cutting a certain position, they are not turning around and hiring temporaries to work as auditors. They need support people to help with the work so the other auditor will not be doing support work.

Representative Wainwright stated that he is going to take this up privately because it goes beyond him to comprehend but in the unauthorized Substance Abuse Section I am trying to understand why there are five temporaries doing what? Mr. McCombs stated that the five reflects the number they were set up over a number of years when they had a crunch of some particular work that had to be done and had to find the funding within the department. Representative Wainwright stated these are not permanently assigned temporary positions. You are not saying that you have five temporary positions assigned whether they are filled today or two months from now. This report is saying that at some given time you have had as many as five in there. Mr. McCombs answered that this is correct. Mr. McCombs stated that the question this morning was that we needed to show the number of temporary position in the department so what we did was list the positions that had been set up and are still out there but not necessarily filled.

Senator Lucas stated that when the Joint Appropriations Committees come together and hear a budget report and receive in writing the budget report, in those documents there is visible an analysis of each department's vacancies cut. What I am hearing is that those positions have been eliminated. She said if you tell it straight, then we will know how to budget and what to give you. If those positions are clean in terms of elimination then we want to know that. When you say five positions were cut that is clean. Is that what you are saying? Mr. McCombs answered, "Yes." But, they are also saying that since they were cut, they need the jobs done so they fill it with support temporary staff. Representative Wainwright summed up that the workload remains the same and we have taken action in the budgetary process that has negatively impacted the department then we need to clean up what we have done and not put a false perception out there that there is not a need and the department is saying that there is a need but since the legislature will not give them the positions, we have to hire temporary support people to manage the workload. There is a workload beyond the number of employees can effectively carry out their work. It seems we need to give them five positions to be sure the work gets done and if not having enough employees then the legislature needs to seriously examine what we are doing and make sure there are sufficient number of employees to accomplish that.

Senator Harris stated that he has a different philosophy when it comes to the Department of Revenue. For example, while the Departments of Transportation and Administration are spenders of the money and the Department of Revenue is the income producer. We should measure them by the cost to produce a dollar and in that way we should give them all the technology and all the personnel necessary in order to make sure that the tax laws are complied with and everybody is administered to smoothly and equally. Therefore by cutting them and not giving them the sixty people needed as recommended by the report, this is detrimental to our objectives.

Representative Wainwright stated that he does not disagree with that but what he does disagree with is the round and round approach to get done what should be done. If sixty positions are need over there, then the fact should be laid on the table of exactly what they need.

Senator Kinnaird stated that all of that was presented to the committee last year but you will recall there was a large fight that went on until October so we lost the budget fight.

Mr. McCombs final note referred to the workforce study done by the Office of State Budget. The Productivity Section was done at the request of this committee that was done over a two-year cycle. They recognized the shortfall of the personnel and addressed that in their study. It was presented to the committee in March of 1998.

Senator Harris asked that when the budget was put together this year was that request for increase in personnel placed in the budget? Michelle stated that all agencies generally submit expansion budget request to the Office of State Budget. Once they receive the information, do an assessment of it and talk with the Governor about what he would like to include in his budget. Most of the time, agencies will not get all that they request. In this particular package that you are going to review even further, the only agency that receives expansion is the Department of Revenue.

Representative Barefoot stated that in light of what the General Assembly did last fall with the Inheritance Tax, what shifts in personnel have been made in regards to the change in Inheritance Tax Laws. Ms. Nancy Pomeranz, Director of Personal Tax Division, answered that they are still administering that tax. They referred the question to Mr. Bernice Thomas, Assistant Secretary, Tax Compliance, He stated that when a tax schedule is repealed it still takes a number of months even years to get clear. Representative Barefoot followed up with a question based on the end Inheritance Tax and a reduction of the number of waivers, mail, etc. that the workforce be shifted elsewhere? Mr. Thomas responded that waivers have been cut some of these people have been shifted to correspondence.

Senator Kinnaird stated that she had a call about the Bailey case and where are the checks that were suppose to be due in March. Mr. Thomas stated there is a toll free number to call. Ms. Pomeranz stated that in March the State Retirees were suppose to receive some kind of claim form.

Representative Wainwright wanted to know how many employees are affected by the Intangibles Tax repeal? Mr. Thomas stated that in the Office of Examination that when they became functional toward that they probably had five or six auditors at that time and then had the support that came in with the group. What they have done over the years is to take those positions and cross-train as many of the employees as possible on all the schedules.

Senator Warren would like to see a printout to the committee of what has happened since the Inheritance Tax has been repealed. Understand only about 5,000 estates where affected. Where are the employees, etc?

Ms. M. Randy Cooke, Assistance Secretary for Planning, Development & Technology, was introduced. She stated that this division is comprised of four divisions, Business Systems Development and Support, Technology Services, Database Administration, and Production Systems Integration and Coordination. It also provides electronic data processing services to Departmental personnel. She presented a general overview of this division. (See Attachment No. 1, DOR 16A-1-4)

Representative Wainwright inquired if it represents all of the systems that you operate and that need brought up to year 2000 compliance. Ms. Cooke answered that they have some smaller less critical tax areas that have applications that they are in the process now and will be completed by the end of June. So, they do not anticipate have any difficulties with the year 2000.

Representative Wainwright inquired if the personal income tax scene would be in compliance? Ms. Cooke stated that ITAS handles all the major taxes and personal income tax is part of this and is 2000 compliance.

Ms. Cooke continued that the Data Capture Project is multi-faceted project and goes beyond technology. There are two primary phases: Remittance Processing and Large Document Processing. Their first concern is that their remittance processing equipment is old and in need of replacement and not Year 2000 compliant. They are replacing this equipment with newer and faster equipment that processes coupon size documents. Their goal is to have all checks deposited the same day they are received which is a lofty goal.

Representative Wainwright wanted to know where they are today from the time the checks received and then they are deposited? Mr. McCombs answered that it is in the sixteen to seventeen percent range.

The second phase is to replace the existing heads-down data entry processes with hardware and software that will process the full-size returns and checks submitted by taxpayers. Would have the ability to "read" the information from the return and to get that information into ITAS with less human intervention which will shorten the time required to process the return.

Senator Lucas made an inquiry about the cost of the project. They have $12M appropriated in the current fiscal year and they thought this would cover it but now the total cost of the project is estimated at $18.4M and then you are going to ask for $5.8M (FY99-00) and $2.3M (FY00-01). Representative Wainwright asked about the budget and inquired if it means the decreases is because you are not asking for the $12M and the response was, "That's right". But, when I look at this if it is $18.4M, you are going to be requesting $6M more, am I reading that right? Ms. Cooke stated that at the time, they asked for the original amount which was an estimate of what it would cost. After completing the study last summer, this is the balance between the $12M and $18.4M.

Representative Wainwright, "Did the Governor put your request in his budget?" Ms. Cooke stated that the $6M is in the Governor's budget.

Ms. Cooke continued that in addition to the hardware and software components, they need to include the installation of PCs with greater capacity to accommodate the document images. Another piece is to redesign all of the tax forms. It used to be done by someone putting the information in the machine but the software has the capability of reading it. The forms will have boxes to be filled in so the machine can read them. They are adding bar codes to speed up the projects. The Department hopes to have all of this completed for the tax filings in the Year 2000.

Ms. Cooke continued that ITAS was implemented in late 1994 with some of the Individual Income Tax returns. It has been in full operation since June, 1997. (See DOR 16-A-4)

Senator Lucas asked if they a release from the vendor? Ms. Cooke stated that they have the documentation that was turned over from the vendor to support the system at the time of the contractual obligations. Senator Lucas wanted to know if it was voluminous? Ms. Cooke answered, "Yes". (She did not request a copy.)

Representative Wainwright, "When ITAS came into existance, I understood then that this system was going to be the state of the art system that Revenue would improve their collection and generate more money but at the same time wasn't this system suppose to allow Revenue to decrease its number of employees?" Ms. Cooke stated that she would have to defer that question.

Representative Jeffus thanked the Secretary Offerman and her staff and invited them back for three more presentations at the 8:30 a.m., March 25, meeting.

The meeting adjourned at 3:50 p.m.

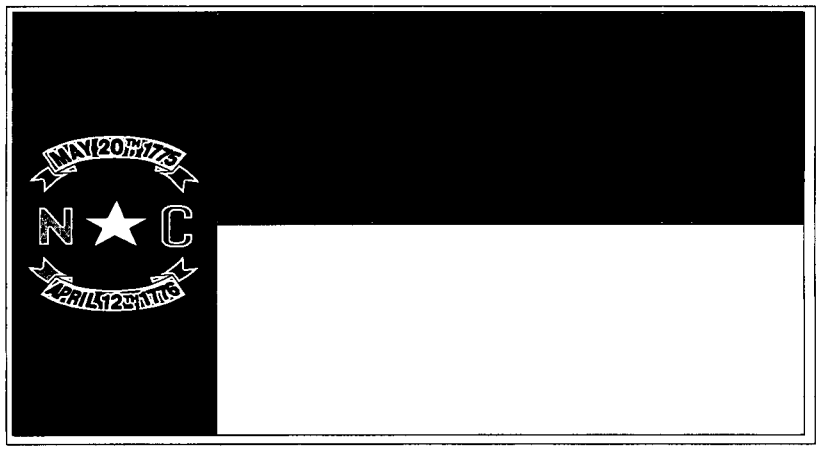
Respectfully submitted,

Rep. Maggie Jeffus
Representative Margaret (Maggie) M. Jeffus
Chair

Mary Lee Robinson
Mary Lee Robinson
Committee Assistant

Attachment 1

Overview of the North Carolina Department of Revenue



Presented to the Joint Subcommittee for General Government

February 1, 1999

DOR 1

OVERVIEW

North Carolina Department of Revenue

The Department of Revenue is responsible for the collection and accounting of the State's tax funds, insures uniformity of administration of the tax laws and regulations, conducts research on revenue matters, and exercises general and specific supervision over the valuation and taxation of property throughout the State.

The Department of Revenue was organized in May 1921, with sixteen persons on the payroll, operating expenses of $88,000 and collections of $3.1 million. Today the Department has annual collections of over $15.7 billion, a budget of $87 million and 1,243 employees. In 1992, the Department relocated from the old Revenue Building on Hillsborough Street to the new Revenue Building on Wilmington Street adjacent to the State Government Mall. At the time of relocation to the new facility in December 1992, the Department reorganized by functional responsibilities rather than an organization aligned according to the administration of specific tax schedules, i.e. individual income, sales and use, corporate and franchise, etc. The functional organization has permitted the Department to group "like" functions, i.e. auditing, accounts receivables, registrations, etc., regardless of a particular tax.

Since 1992 the Department has participated in the joint Federal-State Electronic Filing Program for individual income tax returns. The Department's program is one of the most successful in the nation. Last year, 541,282 taxpayers took advantage of this service. In January 1994 the Department implemented an electronic funds transfer program (EFT) for selected taxpayers to pay their taxes with an electronic transfer from their bank to the State's bank (see Graphs B and C for dollars deposited and interest earned). In 1993 the Department began development of an automated tax system to integrate all of the major taxes administered by the Department into a single system. The Department is currently replacing its remittance processing and returns processing systems to provide for a paper data capture process that includes document imaging,

retrieval and storage. Funding to begin this project was approved by the 1998 General Assembly.

Mission of the Department of Revenue

To administer the tax laws and collect the taxes due the State in an impartial, uniform and efficient manner.

Goals and Objectives of the Department of Revenue

The Department had identified seven primary goals as strategic directions for the agency.

1. Expand communication capability both internally and externally.
2. Provide comprehensive training and development.
3. Improve taxpayer services.
4. Improve compliance.
5. Analyze and prioritize resources.
6. Implement total quality management.
7. Develop a comprehensive business plan.

Related directly to the goals of the Department are the objectives and outcome measures established by the Department in the performance of its statutory duties. The three objectives and the objective's associated outcome measures are as follows:

1. **Objective** - Increase awareness and knowledge of taxpayers about tax issues.
   Outcome Measure - Taxpayer awareness and knowledge of tax issues as measured by customer surveys.

2. **Objective** - Provide timely and accurate services.
   Outcome Measure - Percent of letters/correspondence issued within standard.

3. **Objective** - Educate taxpayers on filing requirements and application of tax laws, rules and regulations, through audit, collections, workshops, publicity, and correspondence.

Outcome Measure - Voluntary dollars collected as a percent of total dollars collected.

Organization of the Department of Revenue

The Secretary of Revenue, who is appointed by the Governor, is responsible for management of the agency with a Deputy Secretary and five Assistant Secretaries having responsibility for the day-to-day activities required of various divisions throughout the Department. The agency also has a legislative liaison (special assistant) and a public information officer who report directly to the Secretary. **[See the attached Department of Revenue organization chart noted** on page DOR 10 **]**

The following is an alphabetical listing and brief explanation of responsibilities for each division identified on the Department's organization chart.

Accounting Division - Deposits/accounts for all tax receipts and refunds; responsible for the Department's budget and payroll.

Administrative Services Division - Prints forms, processes incoming and outgoing mail and purchases equipment and supplies.

Ad Valorem (Property) Tax Division - Responds to property tax valuation appeals; staffs the State Property Tax Commission and manages distribution of inventory and homestead monies to local governments.

Corporate, Excise and Insurance Tax Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Criminal Investigations Division - Pursues taxpayers who fraudulently fail to adhere to State tax laws.

Field Operations - Five geographic divisions; Interstate, Collection Division-East, Collection Division-West, Examination Division-East, and Examination Division-West. The auditors and revenue officers located throughout the state

outside the state administer the field audit and revenue collection programs. (The Assistant Secretary for Field Operations also has organizational responsibility for the activities associated with the Unauthorized Substance Tax Division.)

Motor Fuels Tax Division - Administers the motor fuels tax laws.

Office Examination Division - Performs audit functions and related audit activities.

Office Services Division - Provides taxpayer assistance and manages the bankruptcy program and accounts receivable.

Personal Taxes Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Personnel Division - Provides administrative and technical guidance and human resource services to Departmental employees.

Planning, Development and Technology - Comprised of four divisions, Business Systems Development and Support, Technology Services, Database Administration, and Production Systems Integration and Coordination. Provides electronic data processing services to Departmental personnel.

Returns Processing Division - Provides data entry services and has responsibility for records management of Departmental inactive files.

Sales and Use Tax Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Tax Research Division - Provides estimates of proposed legislative changes, complies statistical data and responds to inquiries from the Department of Commerce, other state agencies and general public.

Unauthorized Substance Tax Division - Administers the excise tax levied on unauthorized substances.

DOR 5

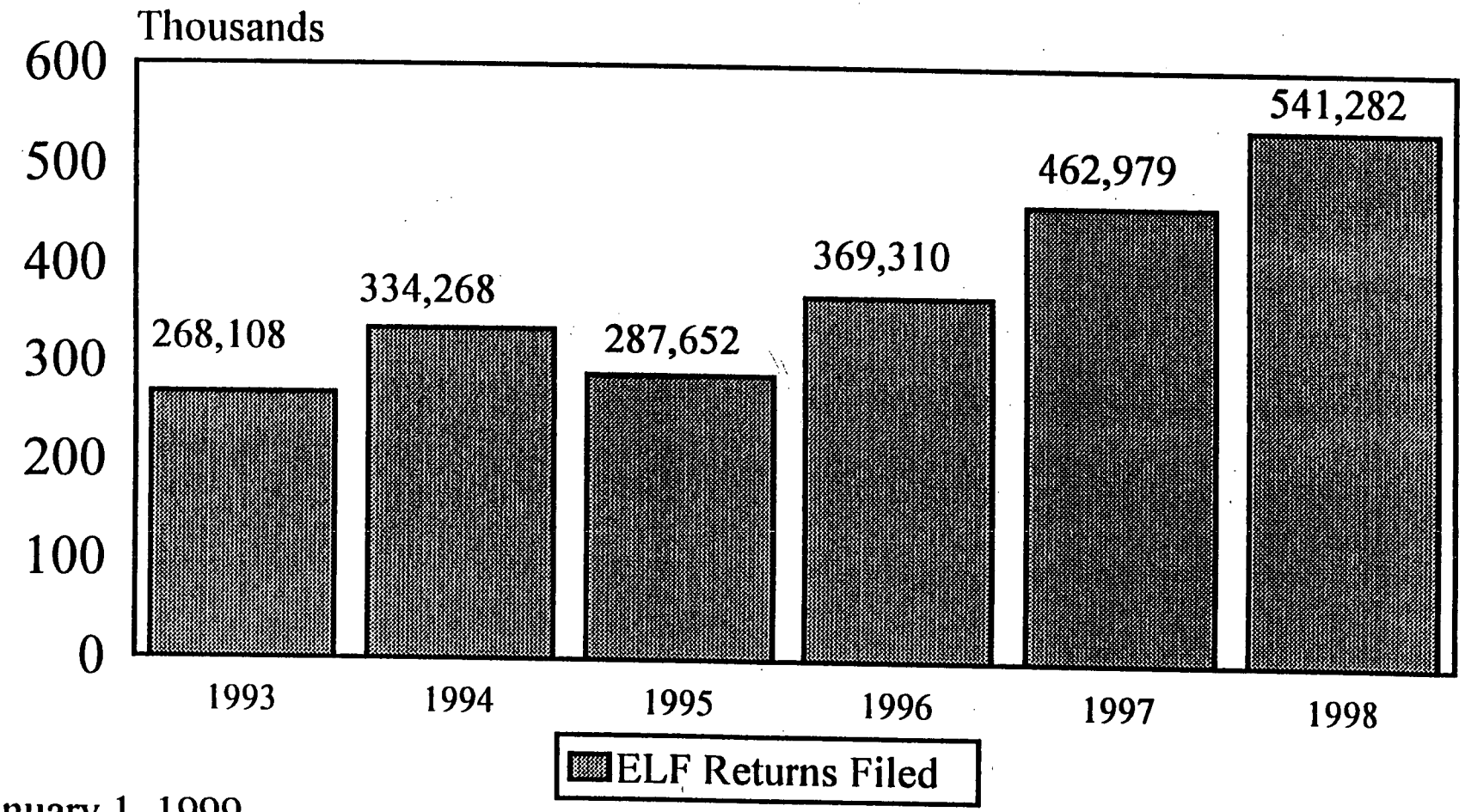
NC Department of Revenue
Facts & Figures

# of Departmental Employees FY 1998-99:	1,237
$ Department of Revenue Certified Budget for FY 1998-99:	$84.9 million
$ Gross Collections FY 1997-98:	$15.7 billion
$ Average Daily Deposit FY 1997-98:	$62.8 million
# of Pieces of Mail (Incoming) FY 1997-98:	10.9 million
# of Pieces of Mail (Outgoing) FY 1997-98:	9.4 million
# of Tax Returns Processed FY 1997-98:	9,445,630
# of Tax Payments Processed FY 1997-98:	5,703,005
$ Refunds (all tax schedules) FY 1997-98:	$1.4 billion
# of Refunds (all tax schedules) FY 1997-98:	2,505,633
$ Refunds (Individual Income) FY 1997-98:	$968.6 million
# of Refunds (Individual Income) FY 1997-98:	2,453,011
$ Distributions/Transfers to Local Governments/State Agencies FY 1997-98:	$2.1 billion
# of Individual Tax Refund Returns Filed Electronically in 1/1/98 - 12/31/98:	541,282
$ Gross Tax Deposits by Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/98:	$26.3 billion
$ Interest Earnings on Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/98:	$13.8 million
$ Gross EFT Collections for FY 1997-98	$8.2 billion

January 1, 1999

North Carolina Department of Revenue

Comparison of Electronically Filed Returns (ELF)



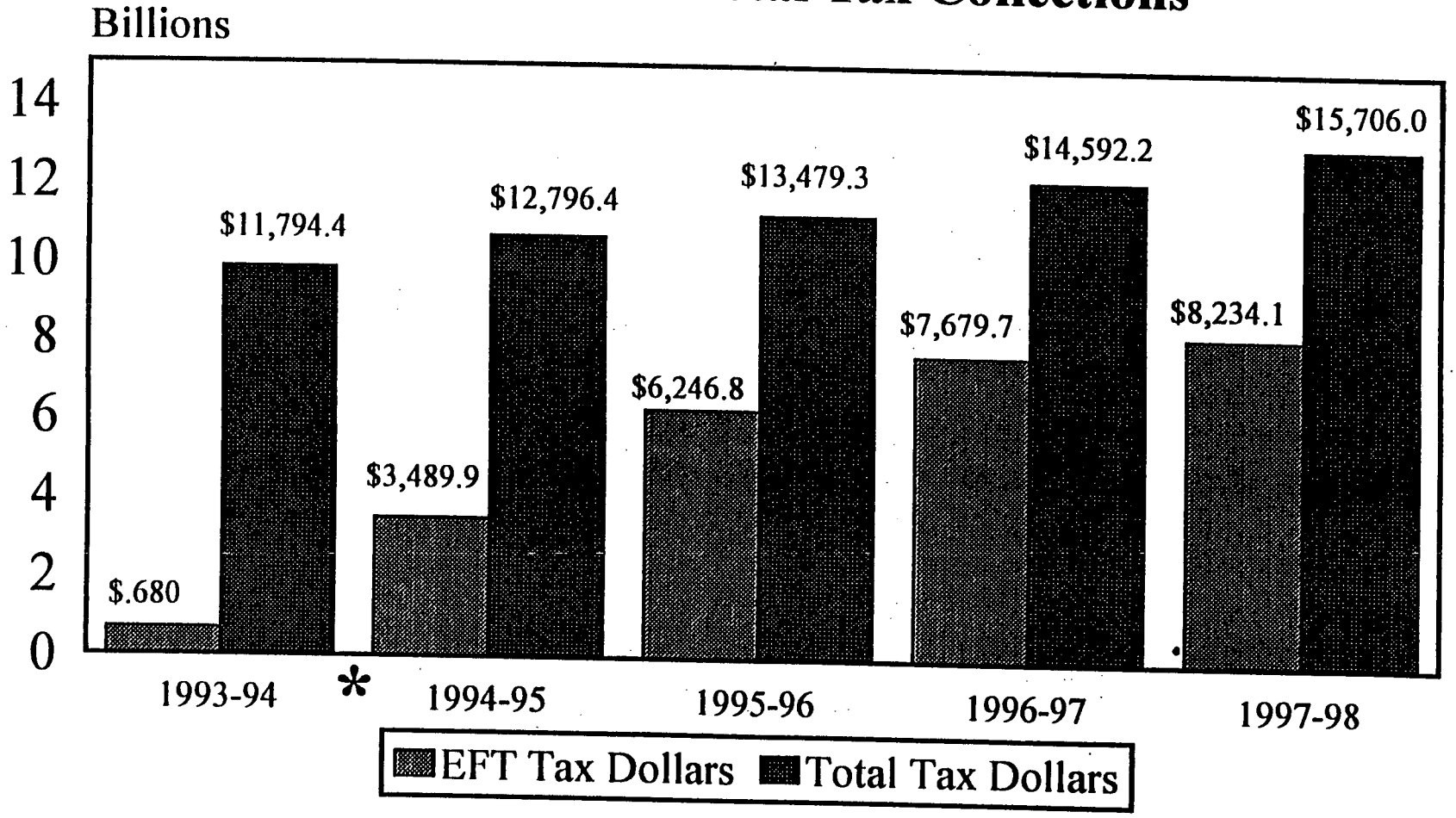
January 1, 1999

Graph A

Doc 6

North Carolina Department of Revenue

Comparison of Electronic Funds Transfer (EFT) Tax Collections to Total Tax Collections



* For the period 10/1/93 - 6/30/94

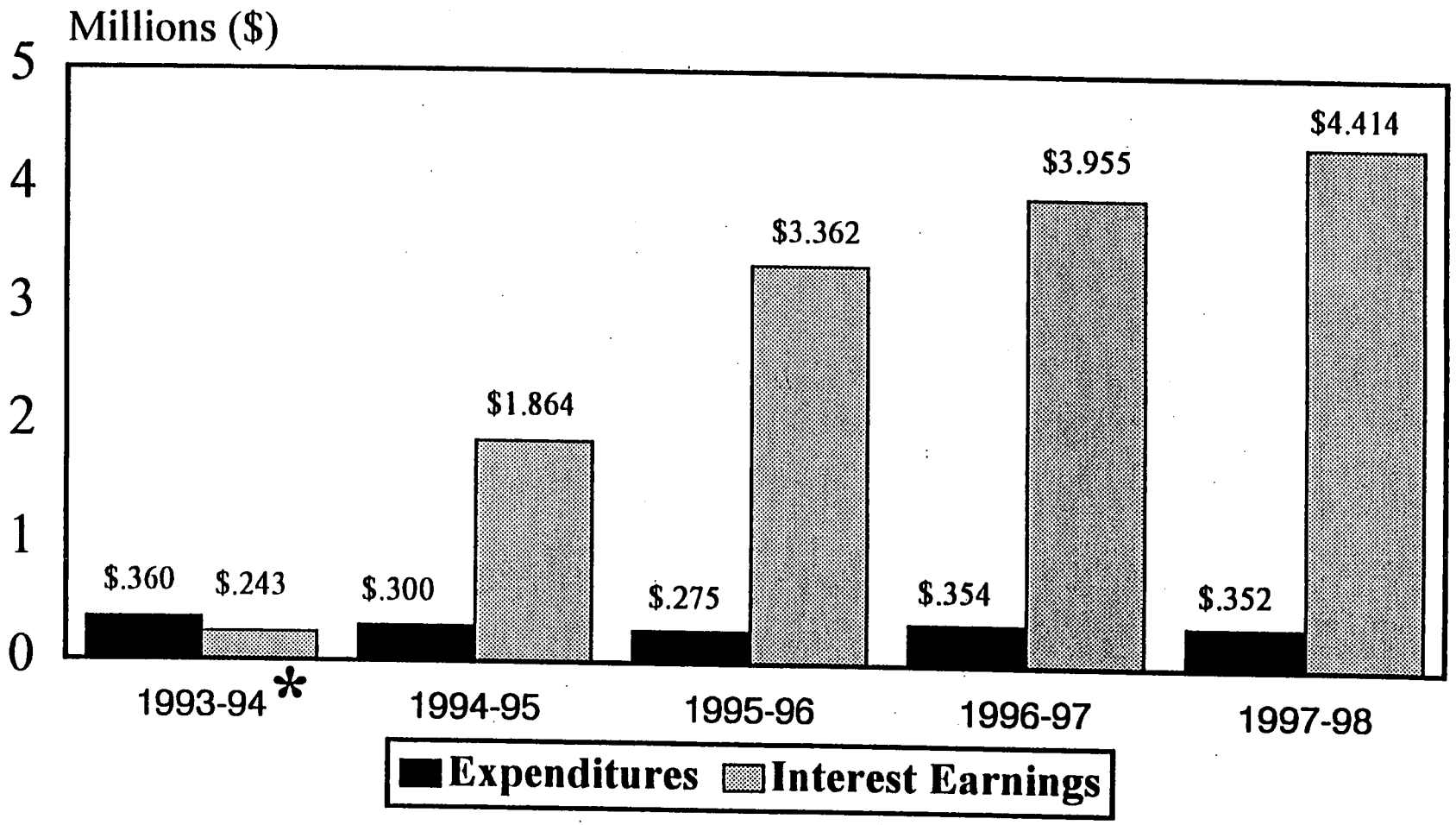
January 1, 1999

Graph B

DOR 7

North Carolina Department of Revenue

Comparison of EFT Expenditures to EFT Interest Earnings



*For the period 10/1/93 - 6/30/94

January 1, 1999

Graph C

Dor &

DOR 9

FISCAL DATA

Department of Revenue

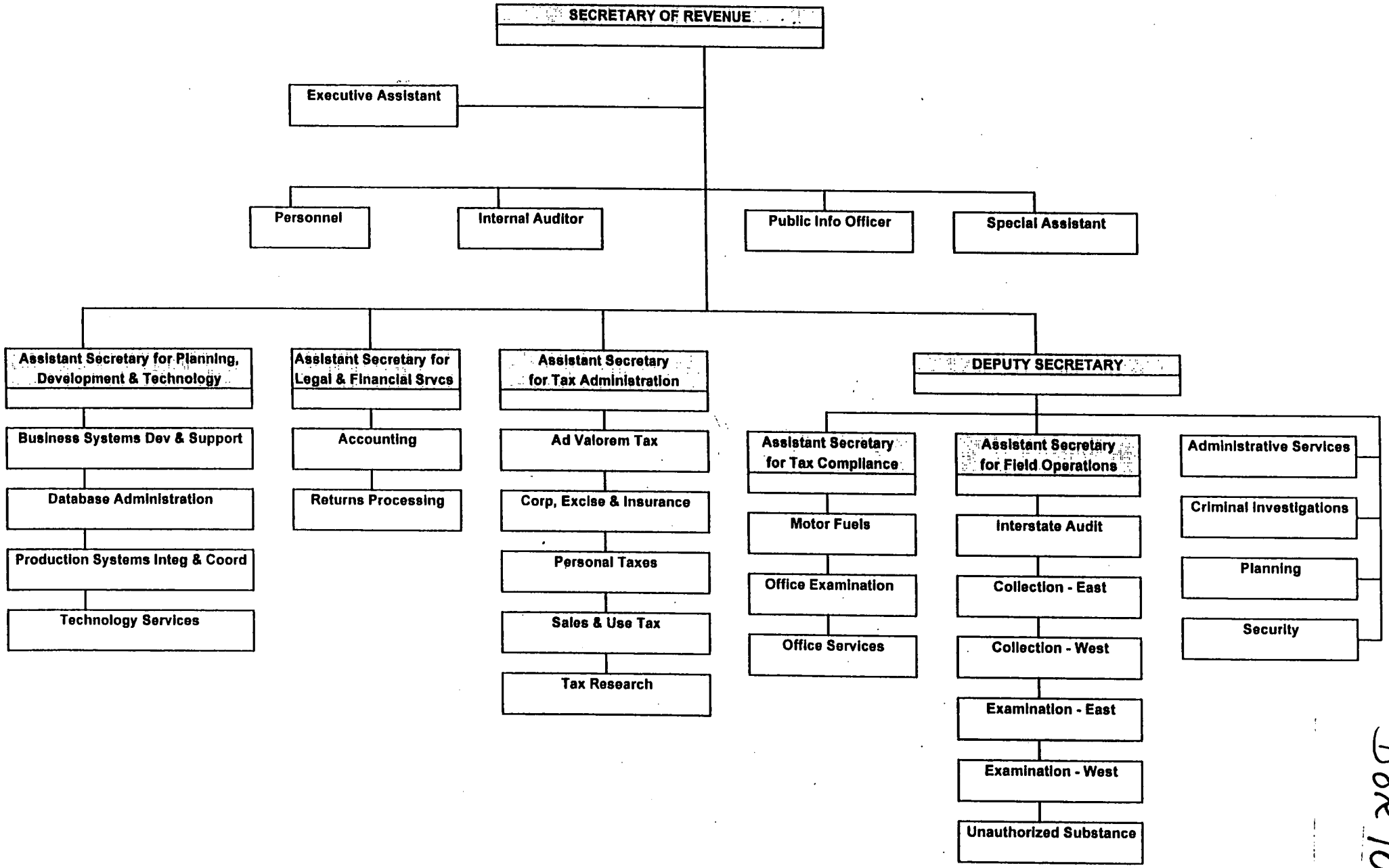
Budget Code 14700
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
General Fund				
Total Requirements	$76,489,374	$87,393,807	$83,143,192	$79,720,966
Receipts	8,827,825	4,735,734	4,815,004	4,815,004
Appropriation	$67,661,549	$82,658,073	$78,328,188	$74,905,962
Positions	1,237.0	1,243.0	1,243.0	1,243.0

NORTH CAROLINA DEPARTMENT OF REVENUE

January 1, 1999

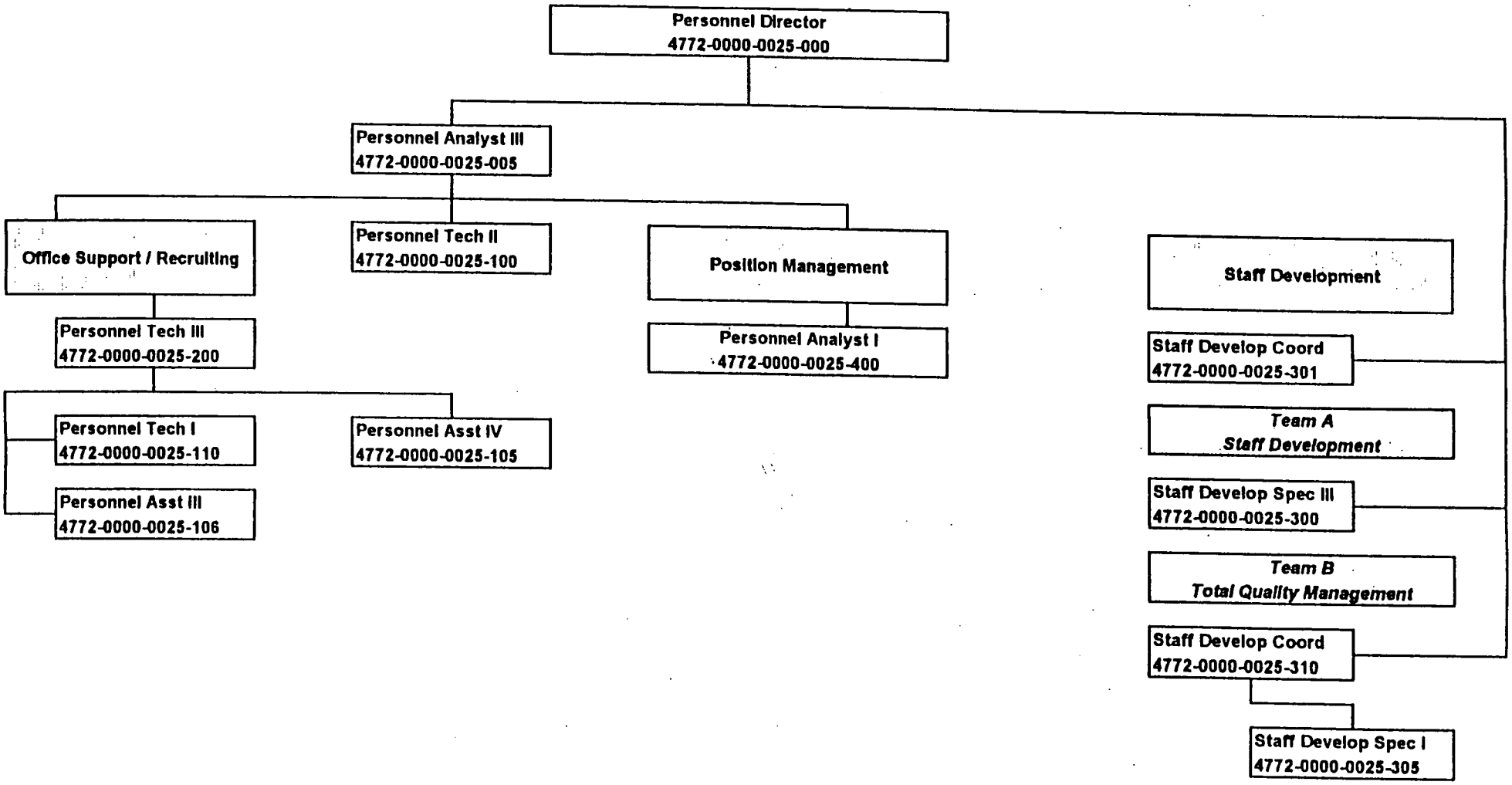


D of 10

North Carolina Department of Revenue

PERSONNEL DIVISION

1/8/99

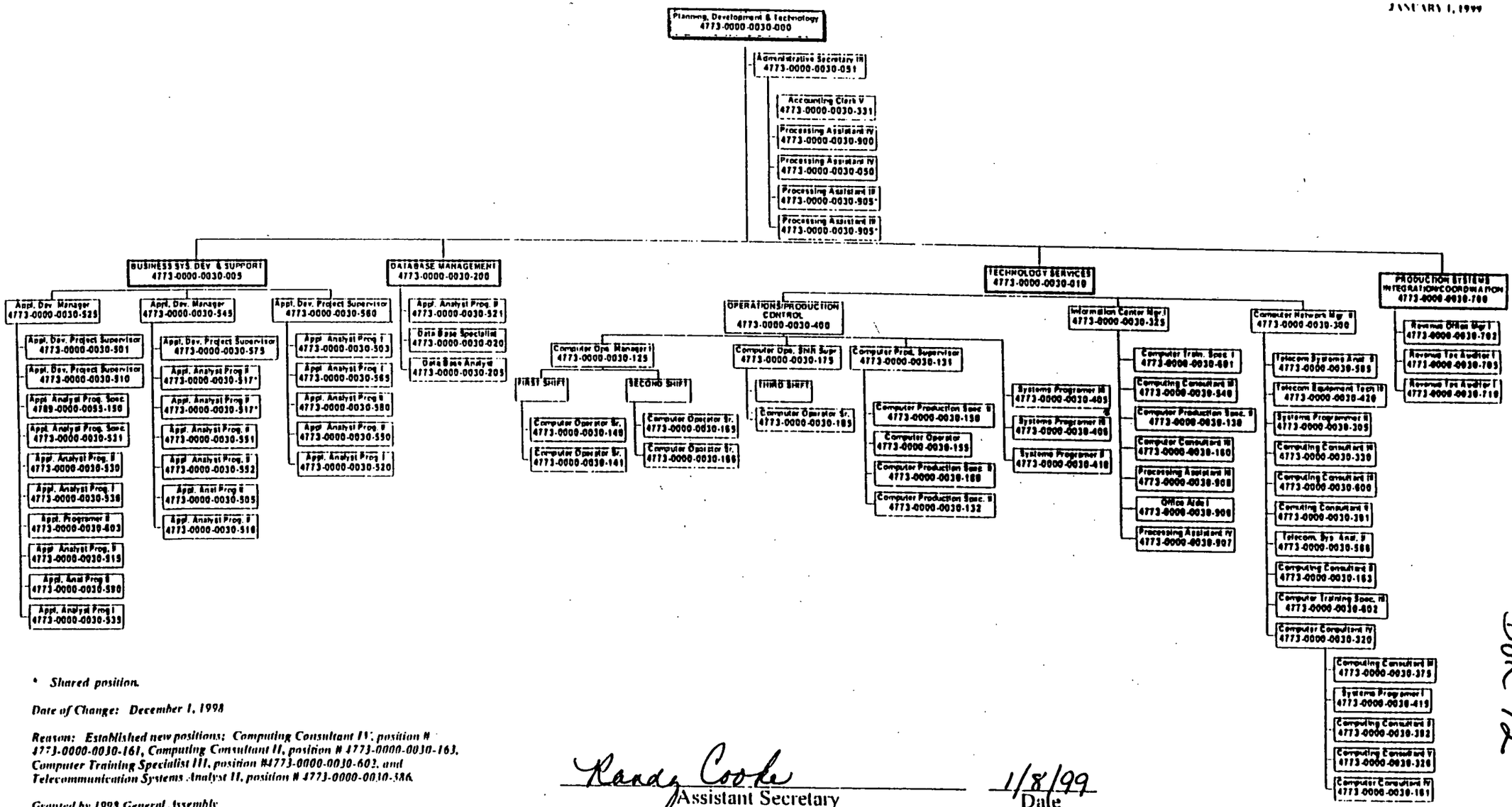


E. B. Hunt
Personnel Director

DOR 11

DOR Organization Chart

JANUARY 1, 1999



* *Shared position.*

Date of Change: December 1, 1998

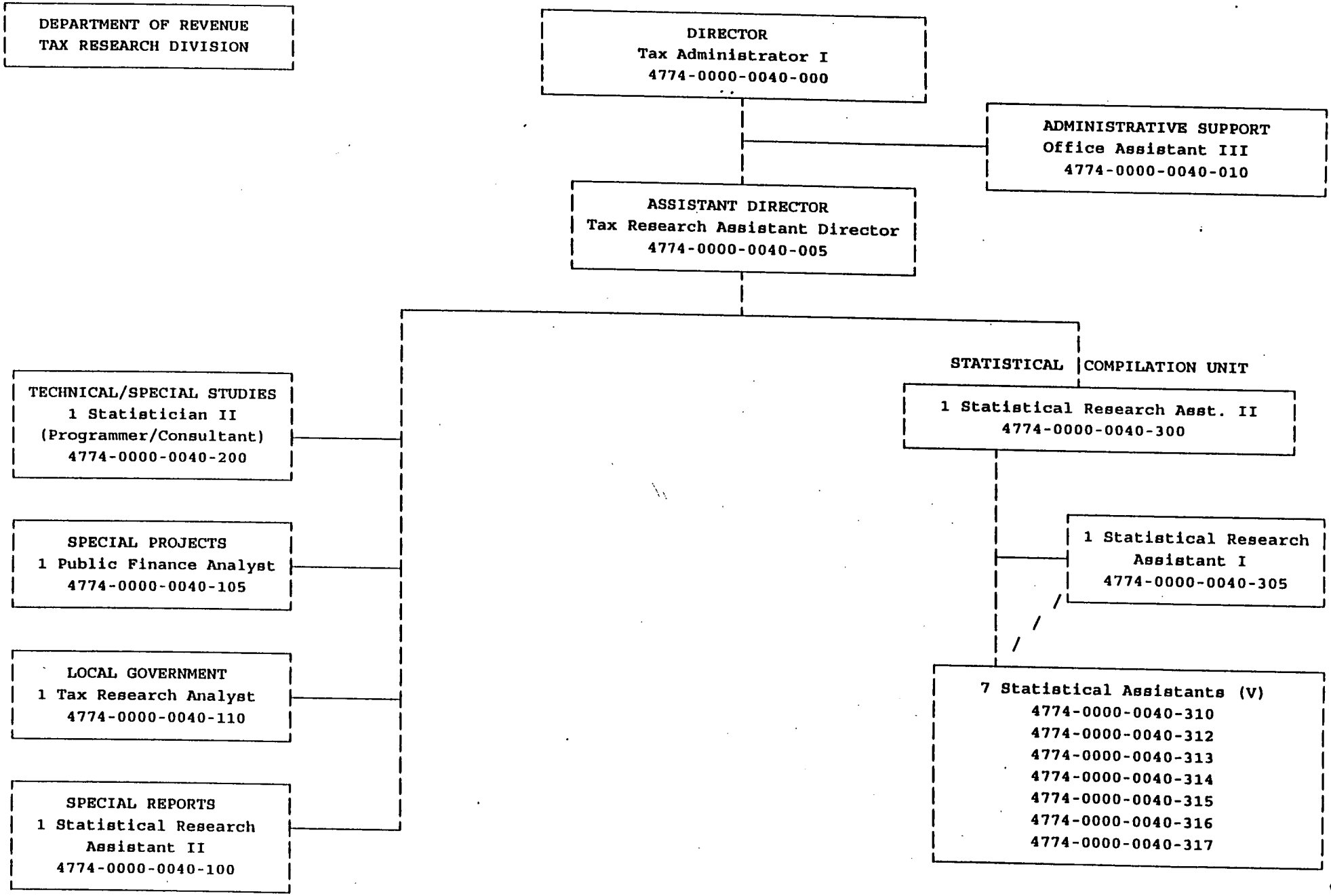
Reason: Established new positions; Computing Consultant IV, position # 4773-0000-0030-161, Computing Consultant II, position # 4773-0000-0030-163, Computer Training Specialist III, position #4773-0000-0030-602, and Telecommunication Systems Analyst II, position # 4773-0000-0030-586.

Granted by 1998 General Assembly

Randy Cooke
Assistant Secretary

1/8/99
Date

DOR 12



JANUARY 1999

[ATR]\PER\134

Patricia C. Seawell

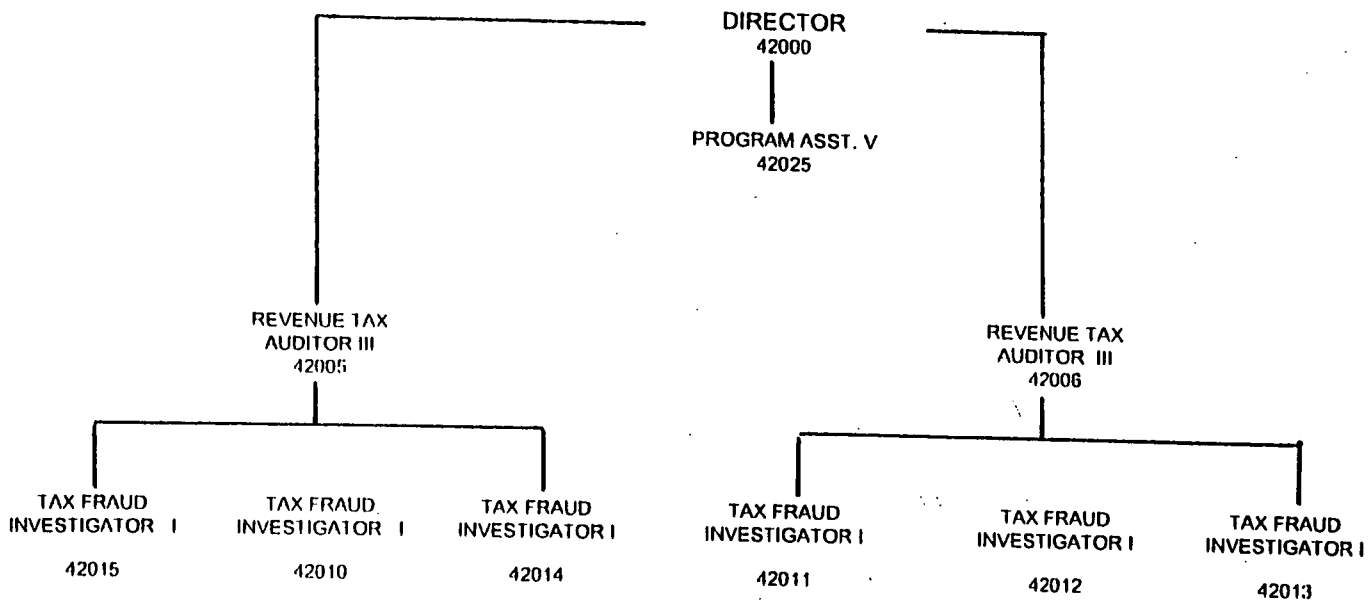
Patricia C. Seawell, Director, Tax Research Division

Doc 3

(EXISTING ORGANIZATION)
January 1999

NORTH CAROLINA DEPARTMENT OF REVENUE

CRIMINAL INVESTIGATIONS DIVISION



Thomas L. Dixon, Director

DOR 14

Department of Revenue
Administration - Center 1600 (Program Number 0540 - Revenue Collection

Administration includes the Secretary of Revenue's Office and those divisions/sections/programs reporting directly to either the Secretary or Deputy Secretary.

Secretary's Office
Personnel Division
Planning, Development and Technology
Data Capture Project
Tax Research Division
Criminal Investigations Division

The Secretary's Office includes the Secretary and Deputy Secretary, public information officer, legislative liaison, internal audit, planning, security (building and computer) and the administrative staff to the Secretary. The Secretary sets policy for the Department and reports directly to the Governor.

The **Personnel Division** has responsibility for all personnel related matters and oversees training for Departmental personnel.

Planning, Development and Technology manages the Department's information resources, and establishes resource management policies and procedures. The division develops and maintains standards, production software, and data processing and decision support systems, manages systems configurations, and gathers, stores, and processes data for tax administration, enforcement, and taxpayer assistance. MIS provides office automation systems, communication services, professional productivity systems, integrated database environments, enhanced data capture capabilities, and end-user training and computing for the Department.

The **Data Capture Project** for the Department is currently underway and will take approximately three years to design, develop and to fully implement. The new data capture technology will replace existing remittance processing equipment which is not Year 2000 compliant. The Department's new system will allow incoming documents to be imaged, retrieved and stored electronically. The system will interface to the Department's existing Integrated Tax Administration System.

The **Tax Research Division** estimates the revenue effect of proposed changes in the tax laws; compiles and publishes statistical data with respect to state tax schedules and local government taxation in North Carolina; works with the Department of Commerce in furnishing tax information to business and industrial prospects; and answers inquiries

about North Carolina taxes from state agencies, local governments, and the general public. (The Assistant Secretary for Tax Administration has organizational responsibility for this division.)

The **Criminal Investigations Division** has responsibilities for the auditing and prosecuting of taxpayers suspected of fraudulent noncompliance of State tax laws.

FISCAL DATA

Administration - Center 1600
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$19,365,622	$28,729,664	$23,553,770	$20,116,235
Receipts	3,663,857	0	0	0
Appropriation	$15,701,765	$28,729,664	$23,553,770	$20,116,235
Positions	132.0	136.0	136.00	136.0

Nelsen 3.24.99 pms

DOR 16A-1

FUND 1600

Department of Revenue
Planning, Development and Technology
March 25, 1999

The Planning, Development and Technology division consists of 4 units: Business Systems Development, Database Management, Technology Services and Production Systems Integration. The division currently has 80 employees and 30 contractors performing these functions. Our major initiatives are:

- Year 2000 readiness
- Data Capture Project
- ITAS enhancement and support

The division is responsible for the design, development, implementation, operation and support of the computer systems utilized by the department in the performance of its responsibilities. It also is responsible for the implementation, operation and support of our secure computer network, a vast array of computer hardware and peripherals, and our connectivity to the State Wide Area Network through secure lines.

Our major system is our Integrated Tax Administration System, ITAS. While this is by far our largest and most critical system, we also support approximately 20 other small and medium applications, and numerous interfaces with other agencies, such as child support, employment security commission, and the IRS. We support the applications that run the Electronic Filing and Electronic Funds Transfer programs and the Revenue Collection and Accounting system that keeps track of all the funds collected by appropriate budget category.

Our internal network is in a transition phase to newer technology. We are in the process of transitioning from an older VAX-based network to a newer, faster and more adaptable Novell network. Approximately 500 of our employees in the main office are connected to the Novell network. Our plans are to have the entire building transitioned by mid-2000. All of our field offices and staff are already connected to the Novell network through secure connectivity. Our networks support approximately 2000 devices, such as terminals, PCs, printers, servers, hubs and switches.

We also provide operational support in the running of the nightly jobs that process the tax returns, generate assessments and print the checks. These activities run across a variety of platforms located at the DOR site, as well as at the State's Information Technology Services computer center.

The key responsibility of PD&T is to meet the automation needs of the functional components of the organization. We have staff that is experienced in tax operations that work with the end users to ensure that the automation services we provide are meeting their daily needs.

Run report from IPMC

YEAR 2000

DOR has a very active Year 2000 readiness plan. Our most significant application, ITAS, was Year 2000 compliant when it was implemented. However, we are performing a Year 2000 compliancy test in conjunction with the Office of the State Auditor, on ITAS as a safeguard to ensure that there are no surprises. Many of our other applications have been remediated and we are moving along a plan that will have most of our applications compliant for Year 2000 by the end of June. At this time, we are confident that DOR will be in excellent shape for Year 2000 with our existing applications.

Data Capture Project

The most significant initiative underway within DOR is our Data Capture Project. This effort is multi-faceted and goes far beyond technology in its implementation. While technology will enable us to do many things better and faster, the true success of the effort is based on the people-component of the project. This project has two primary phases: Remittance Processing and Large Document Processing.

Our remittance processing equipment is extremely old and in need of replacement. The equipment is also not Year 2000 compliant. Our first phase is to replace the existing equipment with newer and faster equipment that will read the coupon size tax returns and checks submitted by taxpayers, implement software that will "read" the information from the tax form, balance the checks against the returns, prepare it for input into the ITAS system and encode and sort the checks for deposit to the bank. The images of the returns and the checks will be available online for access by appropriate DOR employees for problem resolution, taxpayer assistance and audit reviews. We will have this functionality in operation by November of this year.

The second phase of the Data Capture Project is to replace our existing heads-down data entry processes with hardware and software that will process the full-size returns and checks submitted by taxpayers. The system will image the tax returns and checks, "read" the information from the tax form, perform preliminary validation on the information and prepare it for input into the ITAS system. If checks are associated with the return, the information gathered will be passed to the remittance component for subsequent balancing, etc. As with the remittance component, the images of the returns will be available online for access by appropriate DOR employees. Portions of this phase are underway along with the remittance processing step. All the full-page scanners and associated process will be in operation by the middle of 2000.

The ability to "read" the information from the return and to get that information into ITAS with less human intervention will shorten the time required to process the return. The image capability will make it possible for taxpayer assistance to pull up the image of the return immediately when answering correspondence or phone inquiries, without the delay of having to requisition the hardcopy from storage or other filing location.

The Department signed a contract in mid-February with IBM to be the integration vendor for the Data Capture Project. IBM has experience in numerous states working with revenue agencies to implement similar environments. The total cost of the project is estimated at $18.4M over three fiscal years. This includes our contract costs with IBM and the other components for which DOR is responsible. We have $12M appropriated in the current fiscal year. Our budget request for this year is $5.8M (FY99-00) and $2.3M for next year (FY00-01).

In addition to the hardware and software components already mentioned, this project has many other components that are required for the successful implementation of this new technology. These components include the installation of PCs with greater capacity to accommodate the document images, the installation of an internal network that will provide the capacity needed to transport the large files associated with the images, and the re-engineering of how the business areas perform their day to day functions. This last item is critical to the success of this project. We have teams in place working on how the new environment will operate and how the current business will continue to function optimally while the new processes are being implemented.

As part of the Data Capture Project, it is also necessary for us to redesign what our tax forms look like. For the process to work most effectively, the machines must be able to "read" or distinguish the characters hand-written or typed on the form. Spacing and separation are critical to this. New forms will have boxes and tic-marks for entering information. There will also be barcodes to assist the system in identifying the form that it is reading. We have been doing extensive work on our forms to ensure the maximum performance of the new system, while attempting to make the forms easy for the taxpayer to complete. This process will be a continual refinement, but we expect all forms to be redesigned for this purpose in preparation for all filing in 2000. This will also include forms provided in packaged software by private vendors, such as TurboTax.

We have an aggressive schedule for the implementation of Data Capture. But we also have a very enthusiastic staff on the project, a dedicated vendor, and very excited employees throughout the organization. We are confident that we can meet our objectives.

ITAS

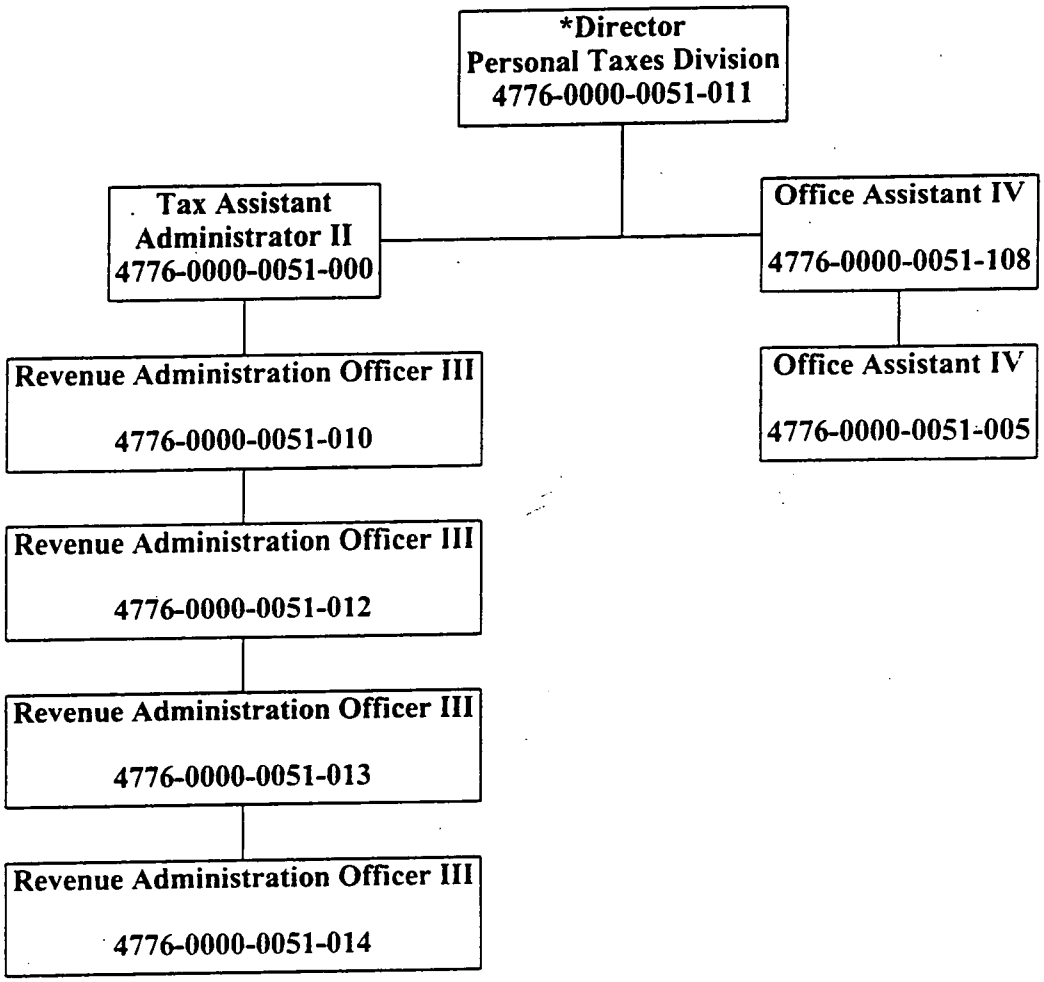
The Integrated Tax Administration System, ITAS, implementation began in late 1994 with the implementation of the Individual Income Tax. It has been in full operation since June, 1997. Since the original implementation, we have continued to enhance ITAS to improve the processing time, provide better information to the operating divisions and to add functionality to the existing tax processes. We also continue to expand the tax types processed by ITAS. Privilege License Tax was added to the system just this week. We are also in the process of transitioning Motor Fuels Tax processing to ITAS. The refund component is in production and the remainder of the effort will be completed by the end of the calendar year. With the completion of Motor Fuels Tax, all of the major tax types will be processed by ITAS.

For the fiscal year ending June, 1998, the gross collections for the tax schedules on ITAS represented $14.735 billion out of a total of $14.554 billion collected for the General Fund. This represents 94.4% of the total. It represents 87.5% of the total gross collections by the Department for the General Fund and the Highway Fund. With the inclusion of the Privilege License and Motor Fuels taxes, these percentages will rise significantly.

DOR 17

January 1, 1999

NORTH CAROLINA DEPARTMENT OF REVENUE
PERSONAL TAXES DIVISION

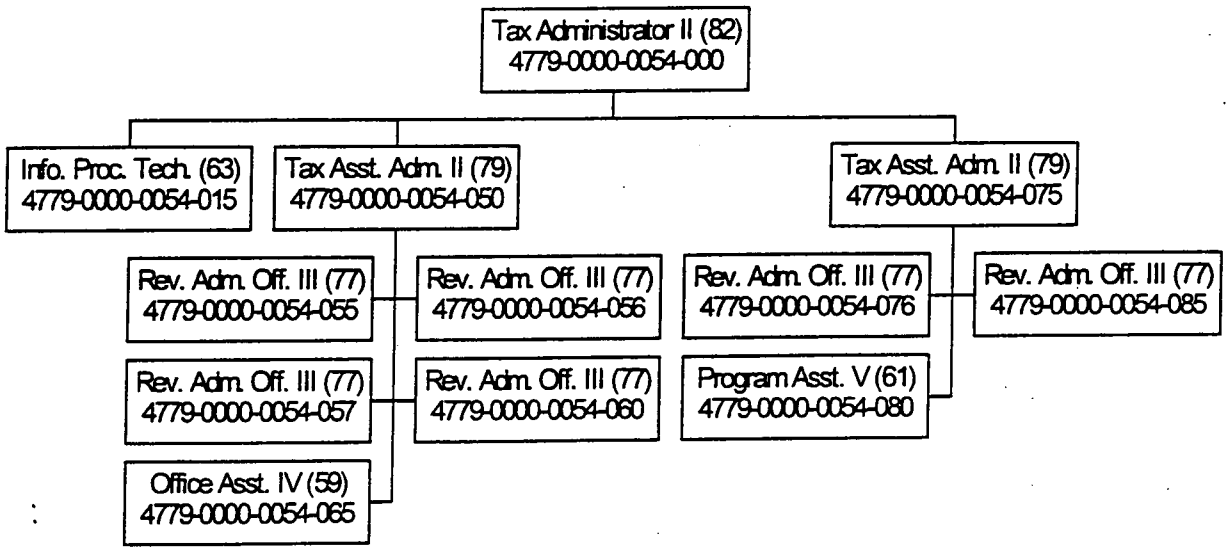


Division Director

* Working Title - Classified
as Tax Administrator II

DOR 18

North Carolina Department of Revenue
Sales & Use Tax Divison



Signed: _____, Director, January 1, 1999.

North Carolina Department of Revenue

Property Tax Division

Tax Administrator I

4777-0000-0052-000

Property Tax Commission

Tax Assistant Administrator

4777-0000-0052-005

Agency Legal Specialist III

4777-0000-0052-010

Program Assistant (V)

4777-0000-0052-020

Property Tax Valuation Specialist II
4777-0000-0052-102
This position is located in the Hendersonville Revenue Office

Program Assistant (V)

4777-0000-0052-015

Real Property Valuation Branch

Property Tax Valuation Specialist I
4777-0000-0052-101
4777-0000-0052-103
4777-0000-0052-200

Utilities / Sales Ratio Valuation Branch

Property Tax Valuation Specialist II
4777-0000-0052-100

Processing Assistant (V)
4777-0000-0052-205

Personal Property Valuation Branch

Property Valuation Specialist II
4777-0000-0052-300

Property Valuation Specialist I
4777-0000-0052-305

Office Assistant (III)
4777-0000-0052-310

John C. Bailey, Director — 1-6-99 Date

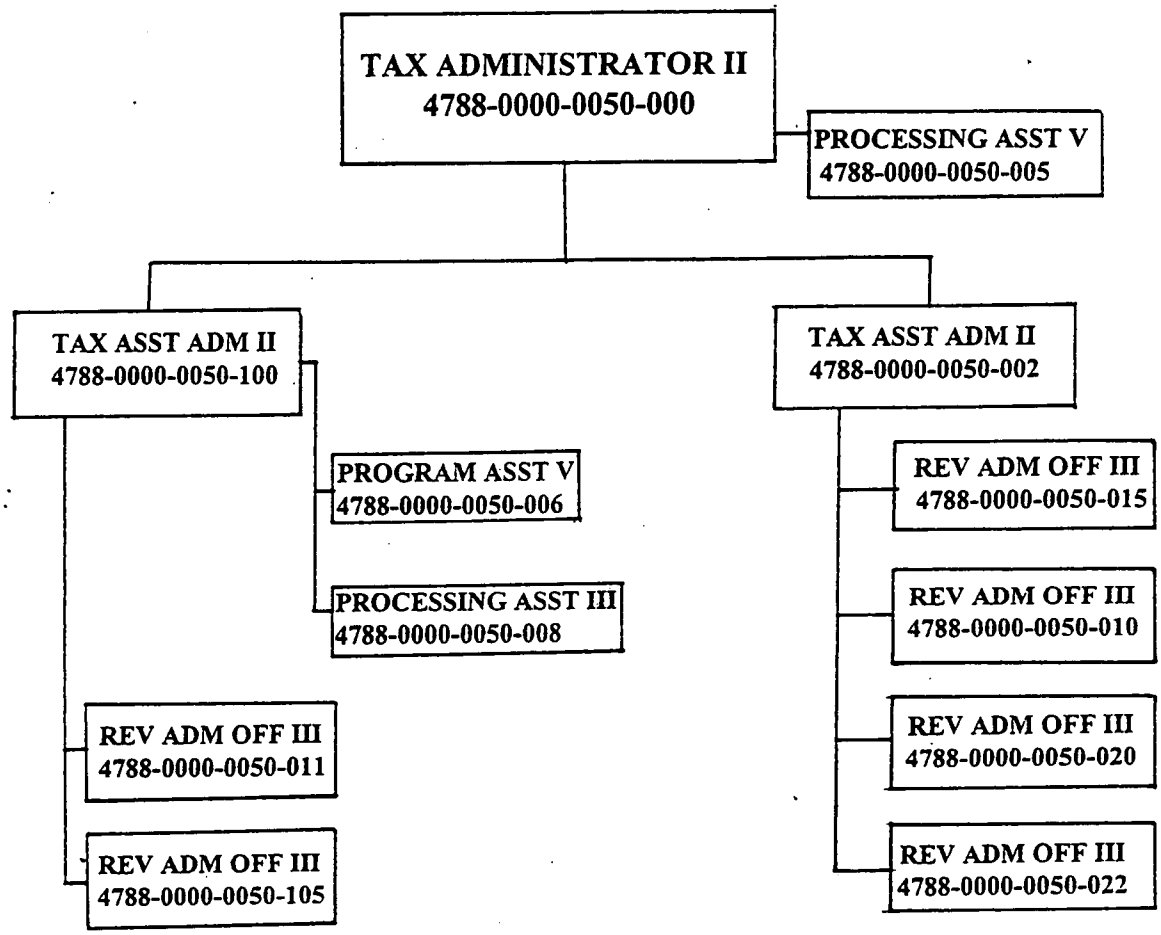
Rev. 1/5/99

DOR 20

NORTH CAROLINA DEPARTMENT OF REVENUE

CORPORATE, EXCISE & INSURANCE TAX DIVISION

January 1, 1999



SIGNED: Jack J. Hooper

DATE: 1/11/99

Department of Revenue
Tax Administration - Center 1620 (Program Number 0540 - Revenue Collection)

Tax Administration encompasses administrative personnel in the **divisions Personal Taxes; Sales and Use; Ad Valorem (Property); and Corporate, Excise and Insurance.** These divisions formulate procedures for administering tax policy and communicate these procedures to Departmental personnel and the taxpaying public. These divisions are also actively involved in critiques of proposed legislation and the effects of legislative bills. Additional administrative responsibilities are to resolve technical issues, issue letter rulings, represent the Department at administrative tax hearings and issue rulings relative to appeals brought before the Property Tax Commission. (The Tax Research Division for organization purposes reports to the Assistant Secetary for Tax Administration.)

FISCAL DATA

Tax Administration - Center 1620
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$3,006,944	$2,965,345	$3,017,047	$3,017,047
Receipts	4,705			
Appropriation	$3,002,239	$2,965,345	$3,017,047	$3,017,047
Positions	47.0	47.0	47.0	47.0

North Carolina Department of Revenue

Tax Compliance - Office Examination and Office Services Divisions

January 1, 1999

TOTAL POSITIONS	
Administration:	5
Office Examination:	209
Office Services:	62
TOTAL:	276

Assistant Secretary for Tax Compliance

- 1 Program Assistant V
- 2 Processing Assistant III
- 1 Office Assistant III

OFFICE EXAMINATION DIVISION

Tax Administrator II

Tax Assistant Administrator II

EXAMINATION GROUPS I AND II
- 2 Revenue Tax Auditor III
- 15 Revenue Tax Auditor II
- 65 Revenue Tax Auditor I
- 28 Revenue Tax Technician
- 2 Revenue Administration Officer I
- 1 Processing Assistant V
- 1 Processing Assistant IV
- 1 Processing Assistant III
- 2 Office Assistant III

PROBLEM RESOLUTION
- 1 Revenue Tax Auditor II
- 4 Revenue Tax Auditor I

FRAUD IDENTIFICATION
- 1 Revenue Tax Auditor II
- 5 Revenue Tax Auditor I

Revenue Administration Officer II

EXAMINATION SUPPORT
- 1 Accounting Specialist I
- 3 Processing Unit Supervisor V
- 5 Processing Unit Supervisor IV
- 8 Processing Assistant IV
- 34 Processing Assistant III

BUSINESS LICENSE AND RETURNS
- 1 Revenue Administration Officer II
- 3 Administrative Assistant I
- 2 Administrative Assistant II
- 1 Processing Assistant V
- 9 Processing Assistant IV
- 7 Processing Assistant III
- 4 Accounting Clerk IV

OFFICE SERVICES DIVISION

Tax Administrator I

Revenue Administration Officer III

TAXPAYER ASSISTANCE
- 2 Revenue Administration Officer III
- 6 Revenue Administration Officer II
- 14 Revenue Administration Officer I

SPECIAL PROGRAMS
- 1 Revenue Administration Officer I
- 1 Revenue Tax Auditor I
- 1 Processing Assistant V
- 2 Processing Assistant IV
- 11 Processing Assistant III
- 1 Office Assistant IV
- 1 Information Systems Coordinator I

COLLECTIONS
- 1 Revenue Administration Officer II
- 2 Revenue Administration Officer I
- 2 Administrative Assistant I
- 6 Processing Assistant V
- 9 Processing Assistant IV

Bernice W. Thomas

DOR 22

Department of Revenue
Tax Compliance - Center 1640 (Program Number 0540 - Revenue Collection)

Tax Compliance comprises the **divisions** of **Office Examination** and **Office Services**. These divisions administer the tax laws applicable to corporate income, estates and trusts, franchise, gift, individual income, inheritance, license and excise, sales and use, and withholding, and perform auditing functions, and assist in collecting taxes. (The Motor Fuels Tax Division for organization purposes reports to the Assistant Secretary for Tax Compliance.)

FISCAL DATA

Tax Compliance - Center 1640
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$11,073,077	$11,568,753	$11,569,978	$11,569,978
Receipts	597,573	305,799	305,799	305,799
Appropriation	$10,475,504	$11,262,954	$11,264,179	$11,264,179
Positions	276.0	275.0	275.0	275.0

NORTH CAROLINA DEPARTMENT
OF REVENUE
FIELD OPERATIONS

Dewey N. Sanders
ASSISANT SECRETARY
437 Total Staff

Charles Helms
ADMINISTRATIVE SECTION CHIEF
15 Total Staff

Ralph Foster
DIRECTOR - COLLECTION
WEST DIVISION
123Total Staff

- Asheboro - 3 RO
- Asheville - 10 RO
- Burlington - 4 RO
- Charlotte - 24 RO
- Concord - 3 RO
- Franklin - 2 RO
- Gastonia - 7 RO
- Greensboro - 13 RO
- Hendersonville - 4 RO
- Hickory - 10 RO
- High Point - 3 RO
- Lexington - 4 RO
- Monroe - 4 RO
- Murphy - 1 RO
- N. Wilkesboro - 2 RO
- Reidsville - 3 RO
- Salisbury - 4 RO
- Shelby - 4 RO
- Statesville - 3 RO
- Winston-Salem - 14 RO

Kaye Honecutt
DIRECTOR
INTERSTATE DIVISION
42 Total Staff

- California - 4 FA
- Connecticut - 1 FA
- Florida - 2 FA
- Georgia - 2 FA
- Illinoise - 3 FA
- Maryland - 1 FA
- Minnesota - 1 FA
- Missouri - 1 FA
- New Jersey - 1 FA
- New York - 1 FA
- Ohio - 1 FA
- Pennsyvannia - 2 FA
- Raleigh - 13 FA/5 SS
- Texas - 3 FA

Robie McLamb
DIRECTOR - COLLECTION
EAST DIVISION
106 Total Staff

- Clinton - 3 RO
- Durham - 12 RO
- Elizabeth City - 4 RO
- Fayetteville - 11 RO
- Goldsboro - 4 RO
- Greenville - 5 RO
- Henderson - 3 RO
- Jacksonville - 3 RO
- Kinston - 3 RO
- Lumberton - 5 RO
- Morehead City - 3 RO
- Nags Head - 3 RO
- New Bern - 3 RO
- Raleigh - 16 RO
- Rockingham - 5 RO
- Rocky Mount - 7 RO
- Sanford - 3 RO
- Shallotte - 2 RO
- Whiteville - 2 RO
- Wilmington - 8 RO

John Sadoff
DIRECTOR - EXAMINATION
WEST DIVISION
74 Total Staff

- Asheville - 11 FA
- Charlotte - 23 FA
- Greensboro - 17 FA
- Hickory - 7 FA
- Salisbury - 6 FA
- Winston-Salem - 9 FA

Ron Starling
DIRECTOR
UNAUTHORIZED SUBSTANCE
15 Total Staff

- Asheville - 1 EO
- Charlotte - 2 EO
- Fayetteville - 1 EO
- Greenville - 1 EO
- Raleigh - 2 EO/4 SS
- Sanford - 1 EO
- Wilmington - 1 EO
- Winston-Salem - 1 EO

Ron Wicker
DIRECTOR- EXAMINATION
EAST DIVISION
61 Total Staff

- Durham - 10 FA
- Elizabeth City - 4 FA
- Fayetteville - 10 FA
- New Bern - 9 FA
- Raleigh - 14 FA
- Rockingham - 1 FA
- Rocky Mount - 6 FA
- Wilmington - 6 FA

January 1, 1999

Dewey N. Sanders
Asst. Secretary for Field Operations

DOR 24

Department of Revenue
Field Operations - Center 1660 (Program Number 0540 - Revenue Collection)

Field Operations is comprised of field auditors and revenue officers and is divided into **five geographic divisions: Interstate, Collection Division-East, Collection Division-West, Examination Division-East, and Examination Division-West.** Auditors and officers are located in 41 offices throughout the state and 24 offices outside the state. Field Audit maintains an audit program to ensure compliance with tax laws, while revenue officers are responsible for taxpayer related services, obtaining delinquent returns and instituting forced collection procedures when necessary. (The Unauthorized Substance Tax Division for organization purposes reports to the Assistant Secretary for Field Operations.)

FISCAL DATA

Field Operations - Center 1660
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$20,541,807	$21,916,847	$21,996,964	$21,996,964
Receipts	500	0	0	0
Appropriation	$20,541,307	$21,916,847	$21,996,964	$21,996,964
Positions	416.0	419.0	419.0	419.0

Department of Revenue
Unauthorized Substance Tax - Center 1670 (Program Number 0540 - Revenue Collection)

The **Unauthorized Substance Tax Division** administers all aspects of assessments and collections of the excise tax levied on unauthorized substances as defined in the Statutes. The Unauthorized Substance Tax Act requires the Department to return 75% of all unencumbered monies to participatory law enforcement agencies and the remaining 25% to the General Fund. This division must locate assets for garnishment or seizure and/or for sale in order to satisfy the claims of the State. (The Assistant Secretary for Field Operations has organizational responsibility for this division.)

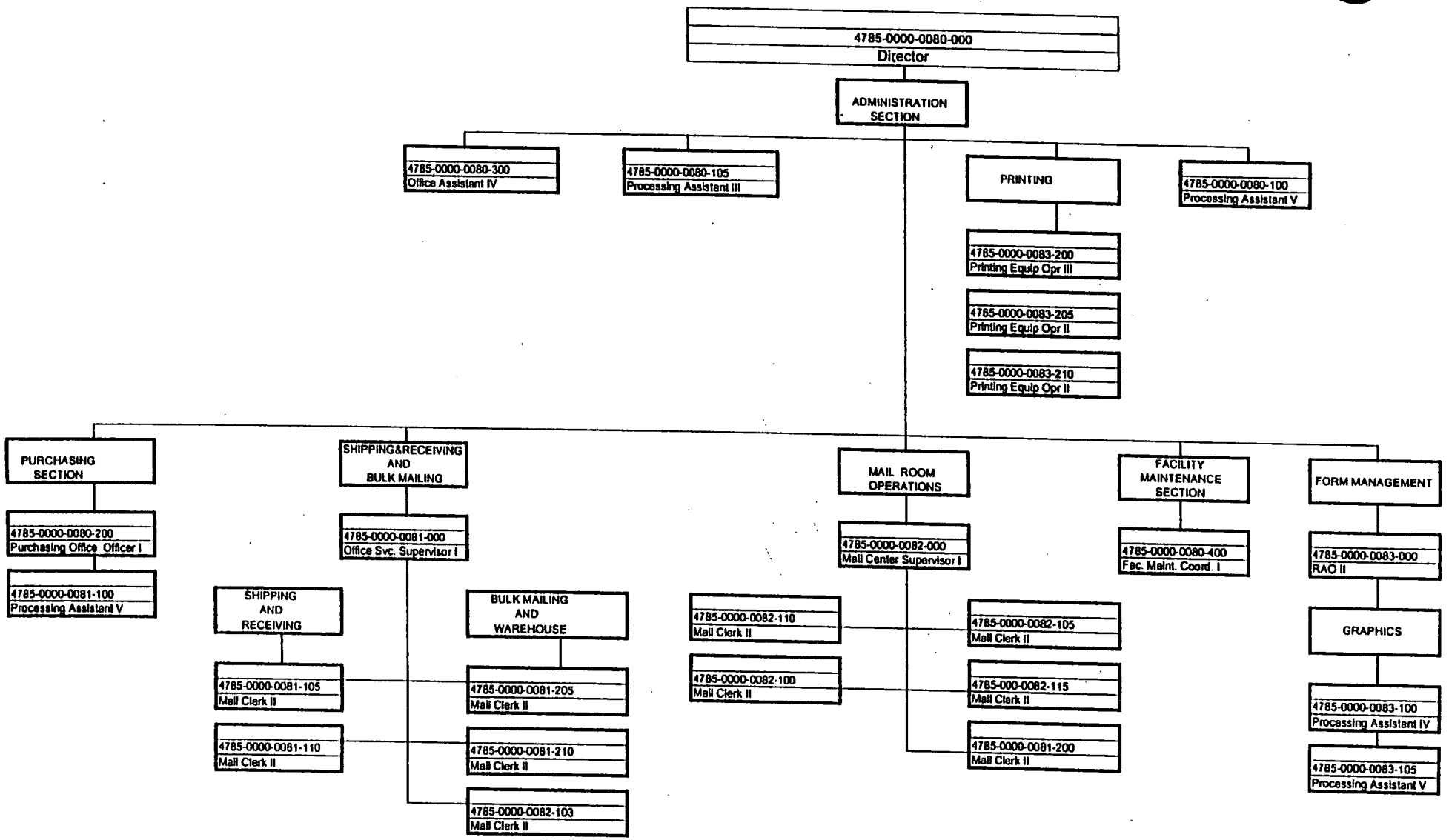
FISCAL DATA

Unauthorized Substance - Center 1670
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$818,539	$769,729	$789,614	$789,614
Receipts	0	0	0	0
Appropriation	$818,539	$769,729	$789,614	$789,614
Positions	14.0	14.0	14.0	14.0

North Carolina Department of Revenue
Administrative Services Division
Revised 1-1-99



Thomas C. Lamar Jr. 15JAN99
Thomas C. Lamar Jr. Date
Director

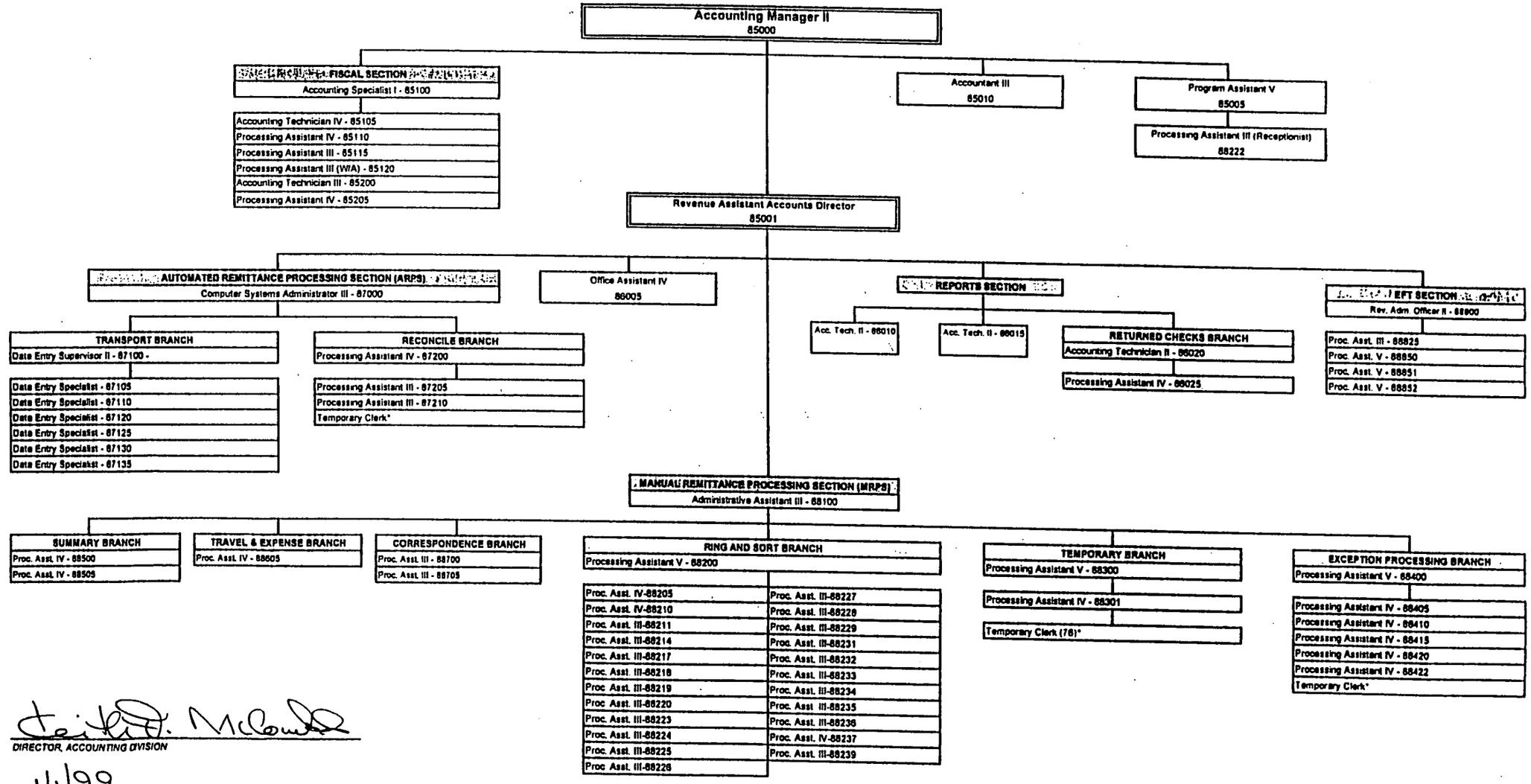
Doc 27

NORTH CAROLINA
DEPARTMENT OF REVENUE

ACCOUNTING DIVISION

71 Permanent Positions

1/1/99



DIRECTOR, ACCOUNTING DIVISION

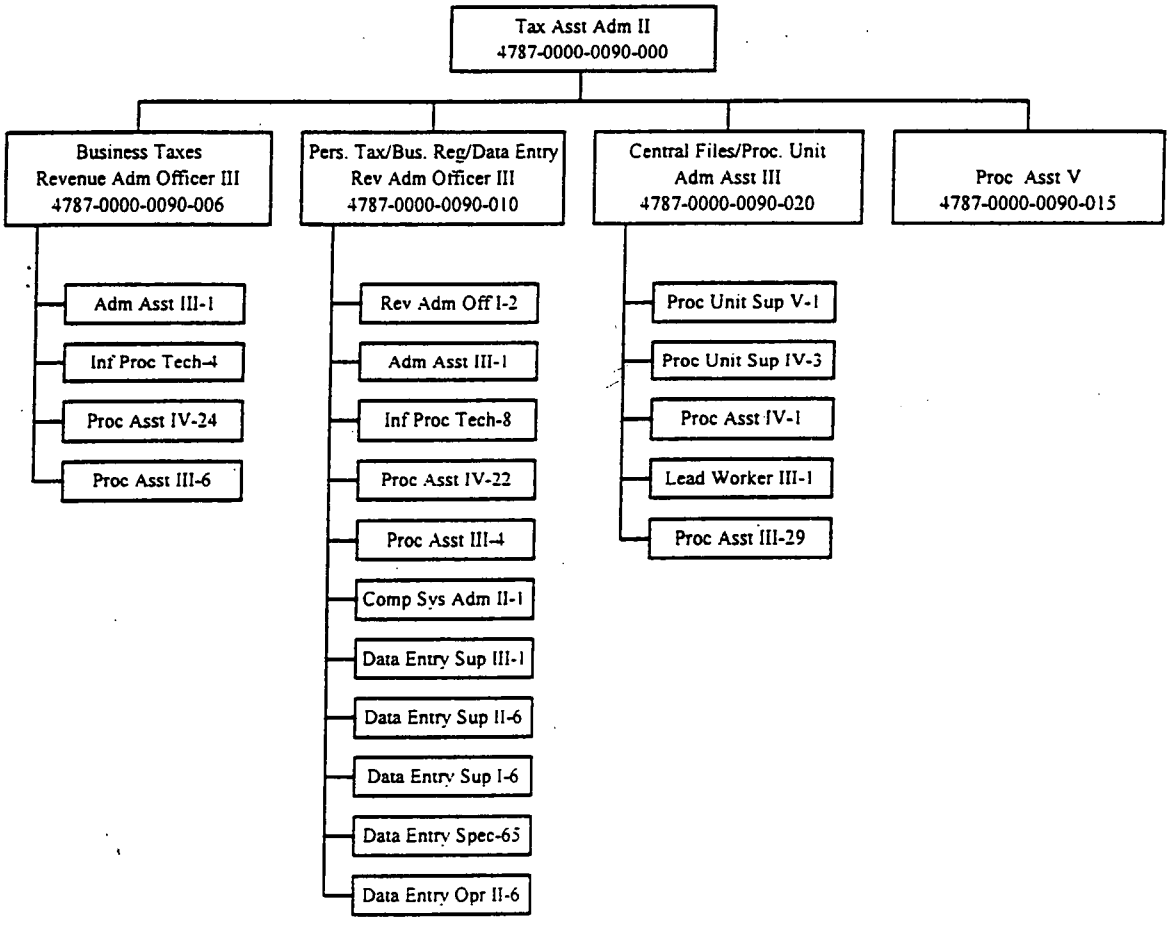
1/1/99
Date

*Accounting employs approximately 78 temporary employees during peak seasonal periods

DOR28

DOR29

NORTH CAROLINA DEPARTMENT OF REVENUE
RETURNS PROCESSING DIVISION
January 1. 1999

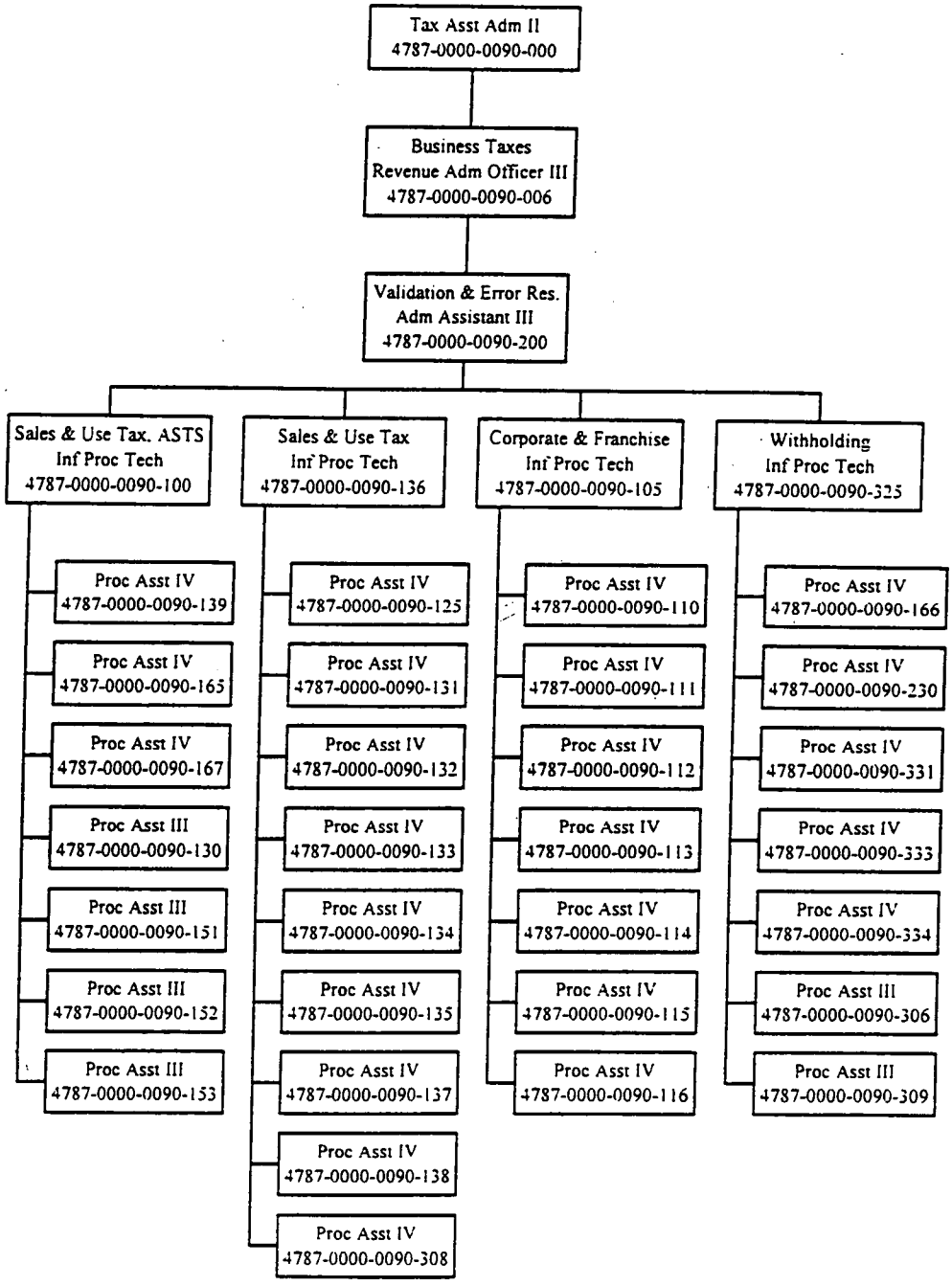


I

Edward H. Neat
January 4, 1999

DOR 30

North Carolina Department of Revenue
Returns Processing Division
Business Taxes Section
January 1, 1999

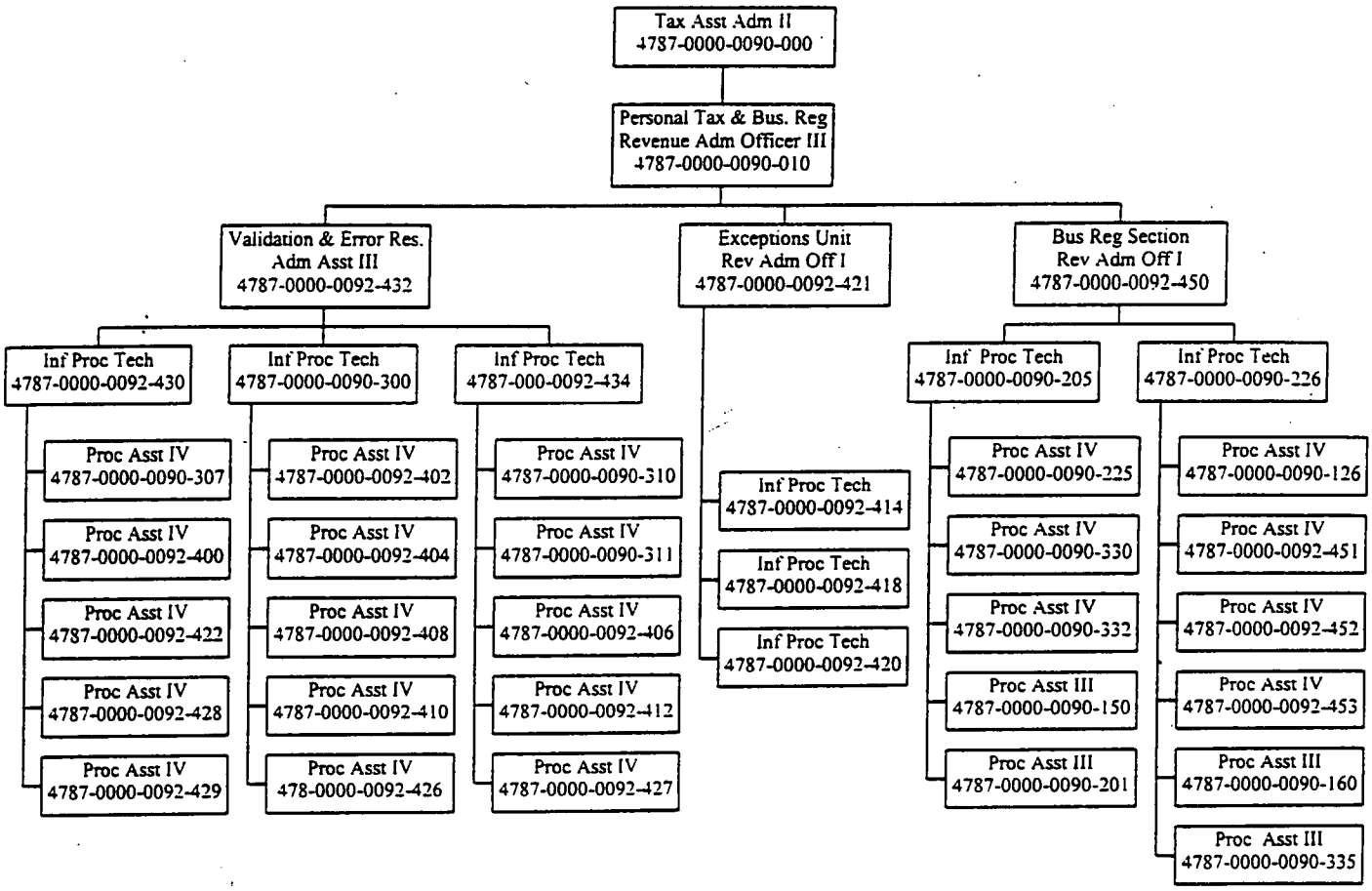


II

Edward H. Nest
January 4, 1999

North Carolina Department of Revenue
Returns Processing Division
Personal Taxes
January 1, 1999

DOR 31

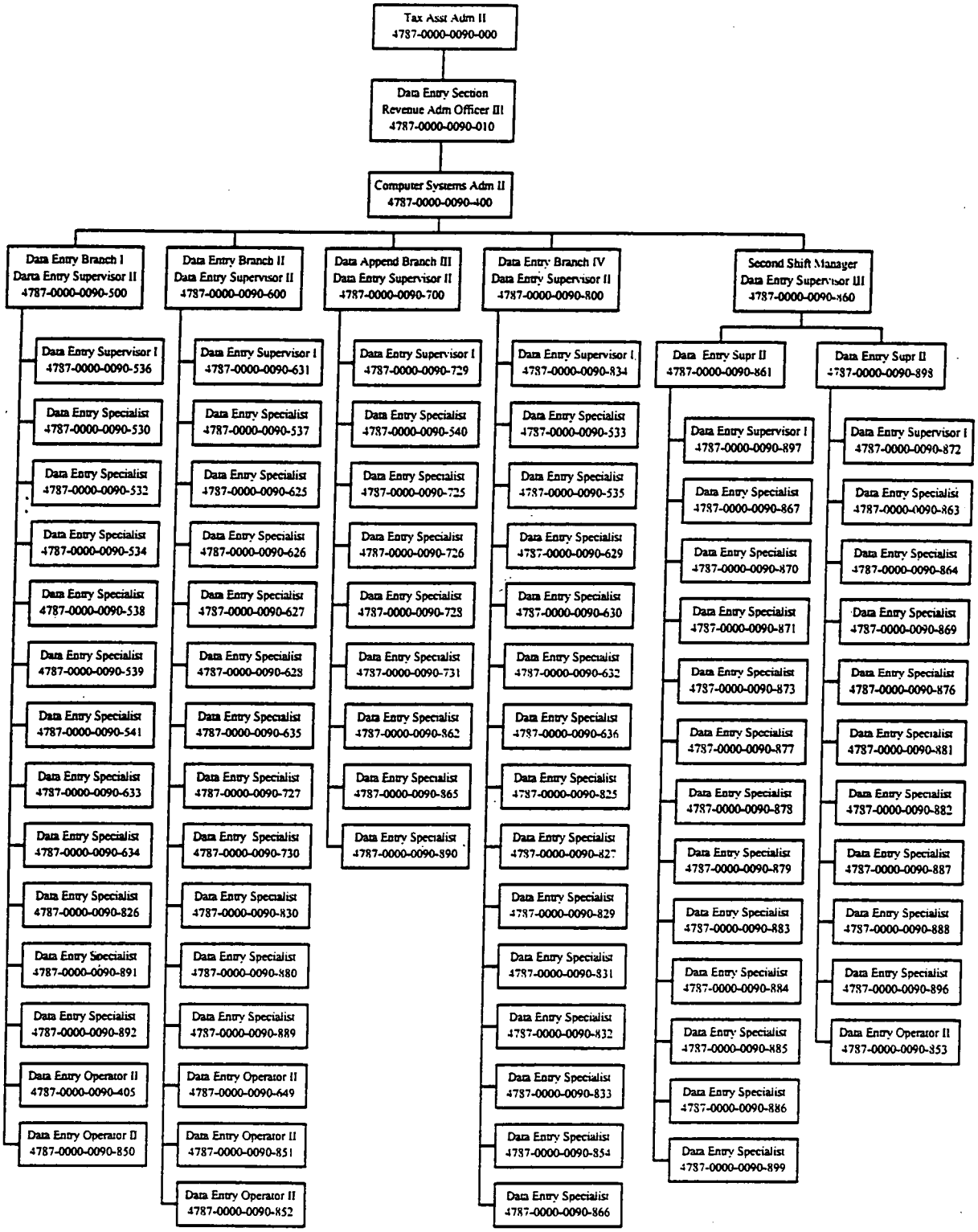


II

Edward H. Nest
January 4, 1999

North Carolina Department of Revenue
Returns Processing Division
Data Entry Section
January 1, 1999

DOR 32

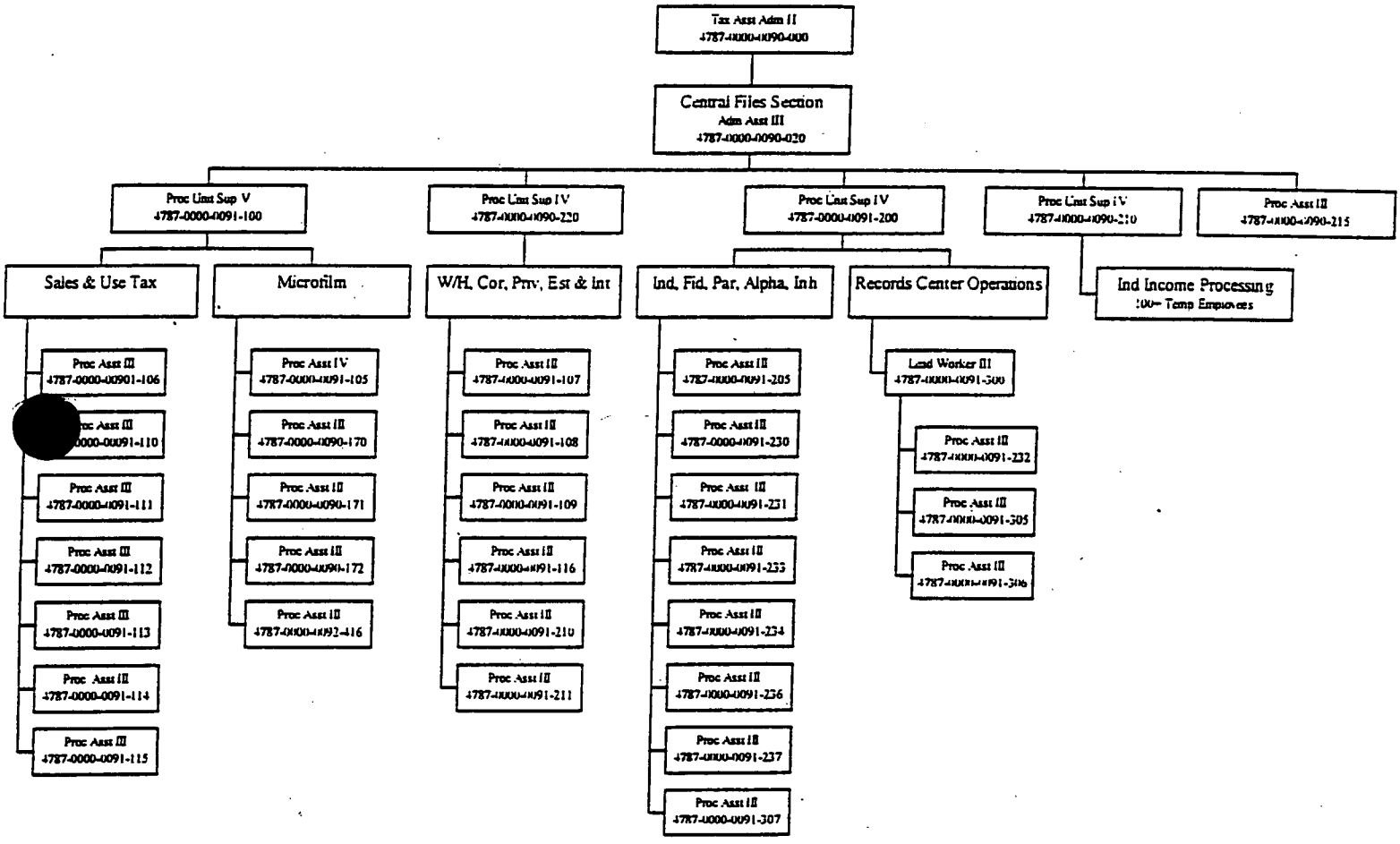


IV

Edward H. Nest
January 4, 1999

Returns Processing Division
Central Files Section
January 1, 1999

DOR 33



VI

Edward H. Nest
January 4, 1999

Department of Revenue

Legal & Administrative Services - Center 1680 (Program Number 0540 - Revenue Collection)

Legal and Administrative Services is for budgetary purposes comprised of the **Administrative Services, Accounting,** and **Returns Processing Divisions.** All three divisions provide support and processing services to other Departmental divisions.

The **Administrative Services Division** is responsible for securing equipment, printing forms (in-house and outside), overseeing repairs to equipment and the building, mailings from and to taxpayers, and other related departmental services. (The Deputy Secretary for the Department has organizational responsibility for this division.)

The **Accounting Division** receives, deposits, reports, and accounts for all tax receipts paid to the Department. The division assists in processing tax refunds for all tax schedules, maintains budgetary controls for the Department, keeps records of appropriations and disbursements, prepares payroll information, and maintains all time and pay records for the Department. It also maintains records of bonds placed with the Department as tax guarantees.

The **Returns Processing Division** processes data on tax returns and reports, maintains business registrations, and provides records management services for the Department's inactive files.

FISCAL DATA

Legal & Administrative Services - Center 1680
Program Number 0540 - Revenue Collection

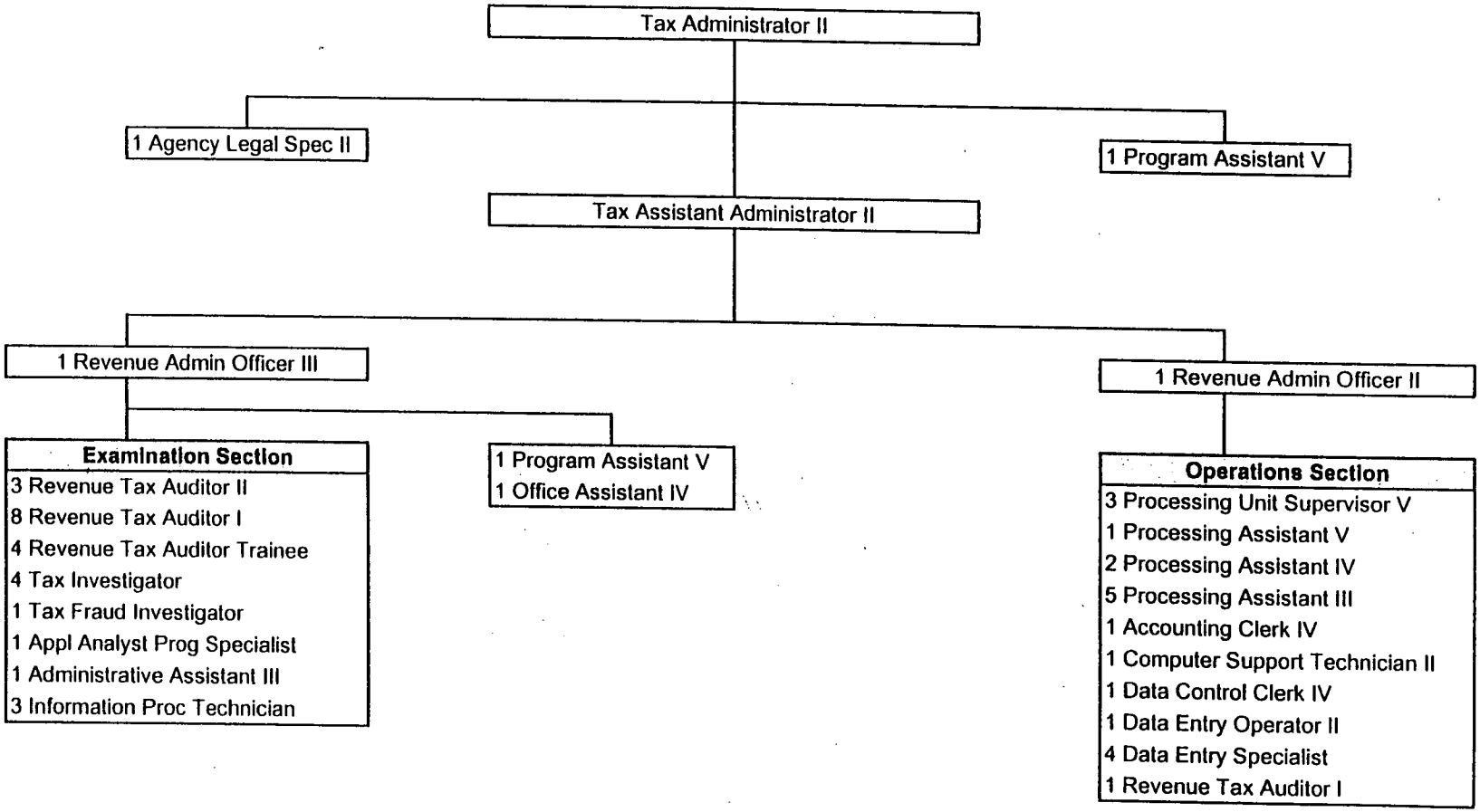
Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$17,744,512	$17,507,969	$18,201,049	$18,216,358
Receipts	619,730	494,435	494,435	494,435
Appropriation	$17,124,782	$17,013,534	$17,706,614	$17,721,923
Positions	289.0	289.0	289.0	289.0

1/1/99

North Carolina Department of Revenue

MOTOR FUELS TAX DIVISION



Julian W. Fitzgerald, Sr., Director

1/1/99
Date

DOR 35

Department of Revenue
Motor Fuels - Center 1700 (Program Number 0540 - Revenue Collection)

The **Motor Fuels Tax Division** administers and collects the gasoline, special fuels and highway fuel use taxes, and inspection fees due on motor fuels and kerosene. The division also disseminates motor fuels tax information and conducts field and office audits, and examinations to insure compliance. This division is supported entirely by tax receipts deposited by the Department of Revenue to the credit of the North Carolina Department of Transportation (Highway and Highway Trust Fund). (The Assistant Secretary for Tax Compliance has organizational responsibility for this division.)

FISCAL DATA

Motor Fuels - Center 1700
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$3,051,670	$2,764,939	$3,017,946	$3,017,946
Receipts	3,054,256	2,764,939	3,017,946	3,017,946
Appropriation	$ -2,586	$ 0	$ 0	$ 0
Positions	45.0	45.0	47.0	47.0

Department of Revenue

Federal Grant - Fuel Tax Evasion - Center 1702 (Program Number 0540 - Revenue Collection)

Grant monies have been provided by the Federal Highway Administration (FHWA) to address the problems associated with fuel tax evasion and to promote cooperation with other states and the Internal Revenue Service. The grant monies were authorized by the United States Congress in the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA). (This grant program is administered by the Motor Fuels Tax Division.)

FISCAL DATA

Federal Grant - Fuel Tax Evasion - Center 1702
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$114,618	$131,407	$ 0	$ 0
Receipts	114,618	131,407	0	0
Appropriation	$ 0	$ 0	$ 0	$ 0
Positions	2.0	2.0	0.0	0.0

Department of Revenue

Federal Grant - Motor Carriers - Center 1704 (Program Number 0540 - Revenue Collection)

Grant monies have been provided by the Federal Highway Administration (FHWA) to assist states with the cost associated with entering the International Fuel Tax Agreement (IFTA). IFTA is a base state compact where the base state collects fuel use taxes from its resident carriers for all member jurisdictions. This collected tax is then forwarded to each jurisdiction. IFTA has simplified registration and reporting requirements for all carriers based in IFTA jurisdictions. (This grant program is administered by the Motor Fuels Tax Division.)

FISCAL DATA

Federal Grant - Motor Carriers - Center 1704
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$34,254	$42,330	$ 0	$ 0
Receipts	34,253	42,330	0	0
Appropriation	$ 1	$ 0	$ 0	$ 0
Positions	0	0	0	0

Department of Revenue
Motor Fuels - Fuel Compliance - Center 1706 (Program Number 0540 - Revenue Collection)

Action by the Joint Legislative Transportation Oversight Committee in 1994 authorized monies to enhance computerization in the Motor Fuels Tax Division, develop procedures to exchange data with the Division of Motor Vehicles to detect under-reporting of North Carolina mileage by interstate truckers, and develop procedures to detect inaccurate reporting by gasoline distributors and special fuel suppliers. (This program is administered by the Motor Fuels Tax Division.)

FISCAL DATA

Motor Fuels - Fuel Compliance - Center 1706
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$380,693	$421,824	$421,824	$421,824
Receipts	380,694	421,824	421,824	421,824
Appropriation	$ -1	$ 0	$ 0	$ 0
Positions	6.0	6.0	6.0	6.0

Department of Revenue
White Goods - Center 1800 (Program Number 0540 - Revenue Collection)

The White Goods Disposal Tax Act imposes an additional sales and use tax of $3.00 for each white good sold. From the tax collected the Department can retain up to $225,000 a year for the cost of administration with the remaining net collections being paid as follows: eight percent to the Solid Waste Management Trust Fund, twenty percent to the White Goods Management Account and seventy-two percent to counties on a per capita basis. (This program is administered by the Office Examination Division.)

FISCAL DATA

White Goods - Center 1800
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$164,153	$225,000	$225,000	$225,000
Receipts	164,154	225,000	225,000	225,000
Appropriation	$ -1	$ 0	$ 0	$ 0
Positions	5.0	5.0	5.0	5.0

Department of Revenue
Scrap Tire - Center 1820 (Program Number 0540 - Revenue Collection)

The Scrap Tire Disposal Act imposes a scrap tire disposal tax of one or two percent on the retail sale of each new motor vehicle tire. From the taxes collected the Department can retain up to $225,000 a year for the cost of administration with the remaining net collections being paid as follows: five percent to the Solid Waste Management Trust Fund, twenty-seven percent to the Scrap Tire Disposal Account and sixty-eight percent to countries on a per capita basis. (This program is administered by the Office Examination Division.)

FISCAL DATA

Scrap Tire - Center 1820
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$193,485	$225,000	$225,000	$225,000
Receipts	193,485	225,000	225,000	225,000
Appropriation	$ 0	$ 0	$ 0	$ 0
Positions	5.0	5.0	5.0	5.0

Department of Revenue

Dry-Cleaning Solvent Tax - Center 1840 (Program Number 0540 - Revenue Collection)

The Dry-Cleaning Solvent Tax is a privilege tax that is imposed on each gallon of dry-cleaning solvent sold by a retailer to a dry-cleaning facility. The rate of the tax is $5.85 for each gallon of dry-cleaning solvent that is chlorine-based and .80 (cents) for each gallon that is hydrocarbon based. Collections from this tax are deposited to the "Dry-Cleaning Solvent Cleanup Fund". From the tax collected the Department can retain up to $125,000 a year for the cost of administration. (This program is administered by the Office Examination Division.)

FISCAL DATA

Dry-Cleaning Solvent Tax - Center 1840
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$ 0	$125,000	$125,000	$125,000
Receipts	0	125,000	125,000	125,000
Appropriation	$ 0	$ 0	$ 0	$ 0
Positions	0	0	0	0

Attachment 2

Joint Appropriations Subcommittee
General Government
Muriel Offerman
3/24/99

We are pleased to join you today to talk about the Department of Revenue and, how our Department functions and our plans for the future. We hope the information we share with you will offer insight into the current workings of state government's financial center.

As you know, the Department moved to its current facility in the state-of-the-art building on Wilmington Street, adjacent to the state government mall, in December 1992.

Many of you joined us last year for a tour of our facility to see firsthand how the Department operates. I hope that visit was interesting as well as beneficial to all of you who attended. I would like to extend another invitation for you to visit our Department so that you can learn more about the current efforts we have under way.

As you know, our focus is on collecting the revenue that allows the government of North Carolina to operate. We are committed to performing that task in the most effective and efficient manner possible.

Allow me to give you a brief synopsis of what the Department of Revenue has accomplished during the 1997-1998 fiscal year. The Department processed over 9.4 million returns and 5.7 million payments during that time. In addition, our gross collections totaled over 15.7 billion dollars, of which 2.1 billion dollars was returned to local governments.

To give you an idea of the actual volume this type of interaction creates, allow me to share with you a few more details. We received 10.9 million pieces of mail and sent out 9.4 million pieces during that time frame. We processed 2.5 million refunds totaling 1.4 billion dollars and in individual income tax alone, we issued 2.4 million refund totaling 968.6 million dollars.

The Department's average daily deposit totaled 62.8 million during the 1997-98 fiscal year.

As the financial center for state government, the Department of Revenue takes this work seriously and we take great pride in what we do. When we do our job well, we help all of state government and that in turn helps all the citizens of North Carolina.

To achieve our goals, the Department operates much like a business in the private sector. Our Department has a bottom line and our productivity is judged by the amount we collect in ratio to our costs. The cost of running the Department of Revenue today is one-half of 1 percent of its annual gross collections.

Like a business, we have a mission statement as well. Our mission is to administer North Carolina's tax laws and collect the taxes due the state in an impartial, uniform and efficient manner.

Our Department must also account for the state's tax funds and ensure uniformity of the administration of tax laws and regulations. We are also responsible for conducting research on revenue matters and exercising general and specific supervision over the valuation and taxation of property throughout the state.

We are committed to performing these tasks in a fair, uniform and impartial way.

To fulfill our mission, the Department has identified seven goals that provide strategic direction for the agency. These goals are designed to help us to lay a strong foundation for increasing our workload as our state continues to grow and the amount revenue we collect continues to increase.

Our goals are:

- To expand our communication capabilities -- both internally and externally;
- To provide training and development for our employees to ensure that they can perform at their best;
- To improve services to North Carolina's taxpayers;
- To improve compliance with North Carolina's tax laws;
- To analyze and prioritize our resources;
- To implement Total Quality Management; and
- To develop a comprehensive business plan.

By striving to reach these goals, we can ensure that the Department will operate as efficiently and effectivly as possible and that we will provide North Carolina's taxpayers with the quality of service that they deserve.

One of the ways we are working right now to bring the best quality service to the taxpayer and to improve the Department's efficiency with our Data Capture effort.

Data Capture is a significant step in improving the Department's technology, which will thereby increase our efficiency and effectiveness in collecting and processing taxes. Many of you have heard about our plans for Data Capture previously, but allow me to briefly describe what it entails.

The system will include document imaging and the electronic storage and retrieval of information such as individual income tax forms and the millions of tax documents the Department of Revenue is responsible for maintaining.

This new process will offer many ways to save time and effort, which will allow the Department's employees to accomplish more. For example, Data Capture will allow the Department to scan tax returns and other documents. Doing so will eliminate the need for employees to manually enter data from a form. The system will go a step further by allowing us to extract whatever information may be needed from a specific form immediately.

This will also help to reduce the potential for human error; and it will offer electronic safeguards to verify information and ensure accuracy. This technology will help us stay ahead of the curve as the number of taxpayers in our state continues to grow.

We are currently working on the first steps of this project and a contractor is now on-site developing plans for implementing this system.

We are working towards replacing our current remittance and returns processing systems with data capture technology and we are working toward having the system in place by next summer.

This technology will be another step in our efforts toward providing taxpayers with the most efficient service possible. To that end, the Department has also made great efforts to improve services for North Carolina taxpayers.

One of the ways we provide service to taxpayers across our state is through our 40 field offices. These locations provide a direct link to taxpayers for whatever needs may arise. Our field audit program, for example, involves the examination of taxpayer records and returns to determine taxpayer compliance and verify accuracy of tax returns.

Our field personnel also collect taxes, conduct audits, review record-keeping and examine the books on the site of the business as well. The Department's field operations staff also includes our interstate field auditors who are stationed in cities around the country.

No matter what the reason, we want taxpayers to know that their contact with the Department of Revenue can be beneficial and offers an opportunity to learn about our state's tax laws and what they are expected to do.

And as April 15 approaches, our field offices also offer walk-in assistance to taxpayers who need help with their income tax forms.

We want to provide our services to taxpayers in the most effective and efficient way possible. That means providing someone who can sit down to explain information about their taxes face to face. We have always done it that way and we will continue to do so.

Yet we are also expanding how we reach taxpayers and offer them information by providing the information they need in the way they need it. Often, these efforts are beneficial for the Department as well as for the taxpayer.

Our electronic filing program, for example, offers a faster and more efficient method to file income tax returns. Last year 541,282 individual income tax returns were filed electronically in North Carolina through the Federal-State Electronic Filing Program.

As of Tuesday, March 23, 1999, the Department had received 564,107 returns electronically -- an amount that surpasses last year's total. And this year, the Department expects to receive 630,000 individual income tax forms through our electronic filing effort.

Electronic filing allows taxpayers to receive their refunds faster because their state and federal forms are sent via computer. This benefits the department as well by reducing processing time and costs -- which in turn saves money for all North Carolina taxpayers.

Other benefits to taxpayers who file their state returns electronically include greater return accuracy. Taxpayers are also notified that their returns have been received.

A faster, more efficient method of collecting some categories of tax revenue was initiated by the Department in January 1994, when DOR implemented an electronic funds transfer program. This system selects taxpayers to pay their taxes with an electronic transfer from their bank to the state's bank.

From the time this effort began in January 1994 to June 30 of 1998, the state had earned more than $13 million in interest on Electronic Funds Transfers.

This is important because it means the state is getting the tax money it is owed faster. Less than one-half of 1 percent of all taxpayers pay more than half of all tax dollars the Department receives annually -- and these are the ones tied into the EFT effort.

As part of our efforts to ensure that taxpayers have access to the forms and other information they need we have increased the amount of information available on the Department' website.

This year, we have also made it possible for taxpayers to order forms directly from the Department via the internet if they choose not to print a form. Providing these

forms along with instructions and other pertinent information about the Department has been a tremendous benefit to taxpayers and we are continually working to expand the site.

To further our efforts to assist taxpayers, we have updated our "Tax Talk" program. The Department launched this 24-hour, pre-recorded message system last year to offer taxpayers explanations of some of the most commonly asked questions regarding their personal income tax.

This initiative has been met with an overwhelmingly positive response from taxpayers, many of whom may not otherwise have been able to get answers to their questions after business hours and on weekends.

To meet the needs of our customers -- the taxpayers -- we must give them the access to the information they need and offer them the top quality service they deserve.

That is why our Department has become a leader in implementing total quality management in state government. Total quality means bringing employees to the table so that they can help find ways to do their jobs more effectively. It means working continuously to improve. None of the initiatives I have just mentioned would have been possible without the feedback and input of the Department's employees.

It is a job that is never finished. And that is why our Department is a customer-focused, team-driven agency -- an agency that works to develop highly-skilled employees and empowers them to make informed decisions and improve processes in order to provide the best possible customer service.

We are guided by three TQM concepts and we try to integrate them in all of our efforts. They are: customer satisfaction; employee involvement; and continuous improvement.

The Department of Revenue is committed to improving work processes and involving our employees in decision-making and empowering them to take ownership of their duties and responsibilities.

Our employees will be key to ensuring that our Data Capture effort succeeds, and we have already brought teams of employees together to begin formulating the most efficient method for putting the system in place.

We utilize natural work teams and business process re-engineering techniques to continually analyze our work. The 1,200 Department of Revenue employees -- including those here in Raleigh and those in our offices across the state -- know best how to make their jobs more productive and more efficient.

One of the key ways the Department has been able to improve its efficiency is through our integrated tax administration system -- or ITAS which brings together the Department's separate computer operations into a seamless, modern, efficient central database.

By including data from various tax schedules, ITAS has given our employees faster and easier access to information and it allows us to increase our productivity, improve our efficiency, increase tax revenues and provide better customer service.

Yet, none of the achievements the Department has accomplished, nor the initiatives we have started recently could have been possible without our dedicated workforce. Throughout the year, but particularly as tax season approaches, we see our employees face the coming challenges with the "can do" attitude that breeds self confidence and instills a sense of teamwork – no matter what the odds.

I am very proud of all they can accomplish and I am proud to be a part of this organization.

Now, please allow me to introduce some of the members of our staff at the Department of Revenue who have made all of these accomplishments possible. Mike Hodges who has a career of 35 years with the Department is our deputy secretary. Randy Cooke is our assistant secretary for Planning, Development & Technology, and she and the members of her staff are playing a vital role in our Data Capture effort.

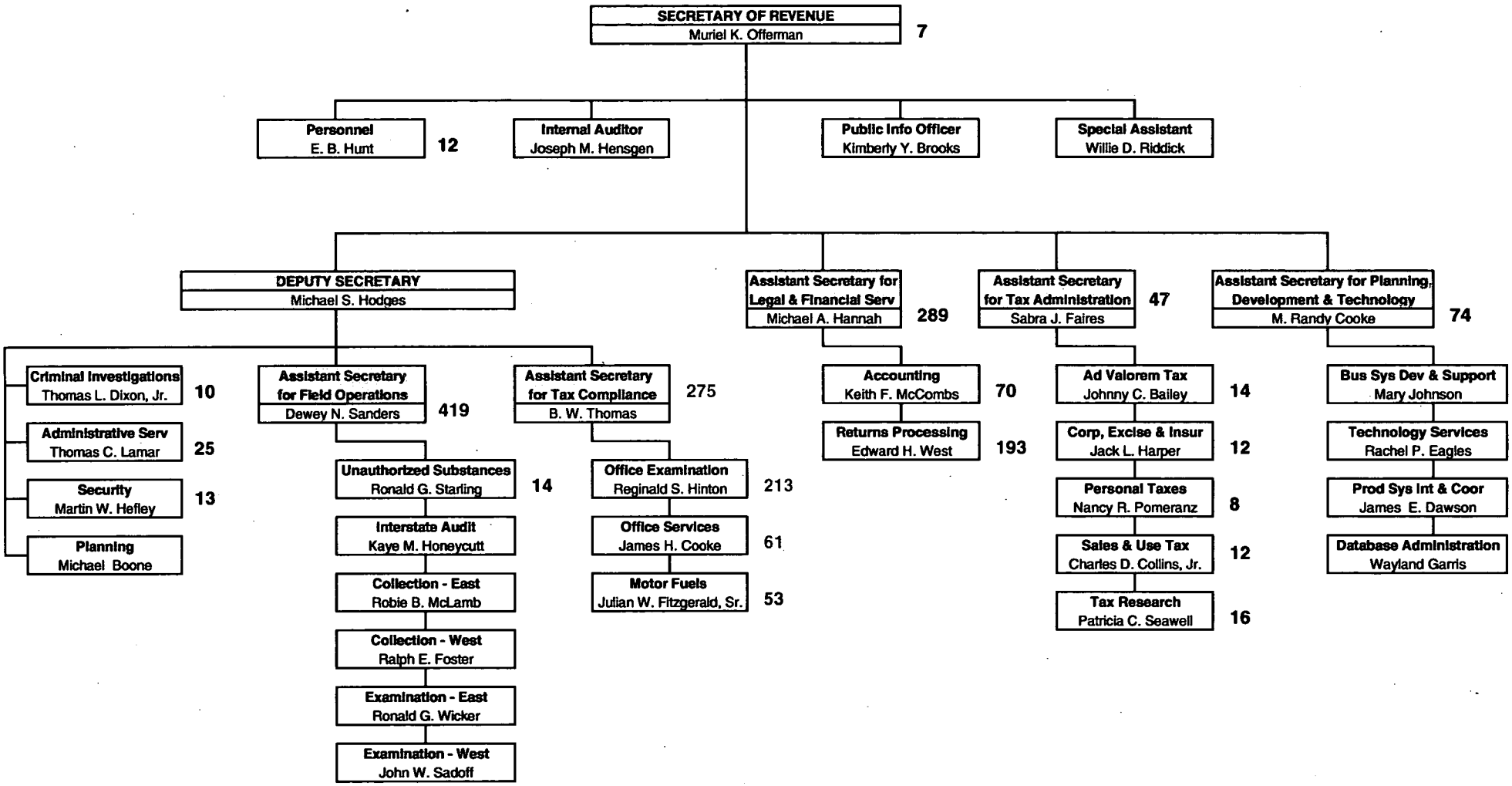
Sabra Faires is our assistant secretary for Tax Administration and Mike Hannah is our assistant secretary for Legal & Financial Services. Dewey Sanders is the assistant secretary for Field Operations which includes our field offices around North Carolina and in several other states. He has been with the Department of Revenue for 29 years.

Next is Bernice Thomas, our assistant secretary for Tax Compliance, who has been with the Department for 37 years. In addition to our deputy secretary and our assistant secretaries, also with us today are Keith McCombs, our director of accounting who has been with the Department for 22 years, and Willie Riddick, the Department's legislative liaison.

There is much more detailed information about the Department of Revenue in your handouts.

Thank you for your time and again, I invite you all to visit our Department for a tour. We will be happy to answer any questions you would like to ask.

NORTH CAROLINA DEPARTMENT OF REVENUE



Center 1600 - Administration {DOR 11 thru DOR 16}
Center 1620 - Tax Administration {DOR 17 thru DOR 21}
Center 1640 - Tax Compliance {DOR 22 thru DOR 23}
Center 1660 - Field Operations {DOR 24 thru DOR 25}
Center 1670 - Unauthorized Substance {DOR 26}
Center 1680 - Legal and Administrative Services {DOR 27 thru DOR 34}
Center 1700 - Motor Fuels {DOR 35 thru DOR 39}

Attachment 3

Attachment 4

North Carolina Department of Revenue
Temporary Personnel by Division

		Positions	
Accounting	Tax Rush	84	January -April
	Tax Rush	70	Month of April (6:00 pm - 10:00 pm)
Unauthorized Substance		5	
Corporate		1	
Field Operations		21	
Motor Fuels		4	
Office Services		15	
Office Examination		12	January - November
	Tax Rush	35	February - June
Planning Development & Technology		5	
Personnel		4	
Returns Processing	Tax Rush	156	January - June
	Tax Rush	52	January - November
	Tax Rush	8	February - May
Sales & Use		1	January - November
Tax Research		5	January - November
Total		**478**	

Department employs 405 people for the Tax Rush.

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 25, 1999
Room 425
8:30 a.m.

Chairman: Representative William Wainwright

Department of Revenue

Tax Administration (Fund 1620)
(Notebook pp. DOR 17 - DOR 21)
(Budget Book/Performance Measures: Personal Taxes p. 188; Sales and Use Taxes p. 188; Ad Valorem Taxes pp. 188 - 189; and Corporate, Excise, and Insurance Taxes p. 188)

Sabra Faires,
Assistant Secretary)
(Substitute: Nancy Pomeranz, Director
Personal Tax Division)

Tax Compliance (Fund 1640)
(Notebook pp. DOR 22 - DOR 23)
(Budget Book/Performance Measures: Office Examinations p. 193; and Office Services p. 194)

Bernice Thomas
Assistant Secretary

(over)

JOINT APPROPRIATIONS SUBCOMMITTEE
On
GENERAL GOVERNMENT
Minutes

March 25, 1999
8:30 a.m.

The Joint Appropriations Subcommittee on General Government met on March 25, 1999 in Room 425 of the Legislative Office Building. The House members present were Representatives Jeffus and Wainwright, Cochairs; Representatives Barefoot, McLawhorn, Setzer, and Hensley. Four Senate members were present.

Representative Jeffus and Representative Wainwright served as presiding CoChairs. Representative Jeffus opened the meeting with the introduction of the Pages.

A continuation of presentations by the Department of Revenue made up the agenda for this meeting. Ms. Muriel Offman was recognized for a presentation on Tax Administration. She gave a brief overview of the organizational chart of the Tax Administration Division referring to printed information provided to the members that had been previously placed in their notebooks.

Mr. Jimmy Cook of the Revenue Department was recognized for a report on Tax Compliance. He said there were questions from the previous meeting regarding statistics for the Tax Compliance area and he provided this additional information to the members. He spoke also on the Office Examination Division DOR 23A, functions of the Office Services Division DOR 23B, and the Special Program Section DOR 23C (ATTACHMENTS)

Representative Wainwright recognized Ms. Kaye Honeycutt of the Department of Revenue to speak on the Department's Field Operations. She referred to the handouts that are number 24A through 26A and are attached for the record. Ms. Honeycutt stated that Field Operations has 437 permanent employees with only 69 of these employees stationed in Raleigh. The remaining employees are located in 40 offices throughout North Carolina and 24 employees are represented in thirteen other states in satellite offices. The function of the Field Operations is to conduct tax examinations and compliance. In response to questions from Senator Lucas, the budget allocated to each field office is based on workload and minorities make up 25% of the Field Operations' staff. Ms. Honeycutt further reported that currently the in-state auditors have 1354 active audits in progress; the Raleigh Office has 194; and the out-of-state offices have 393. In 1997 the total delinquent collections were $94,667,645 and the daily operations collection was $102,187,371. In 1998 the total delinquent collections were $105,944,418. She spoke briefly on investment returns that are included in the 25A attachment.

Representative Wainwright announced that the unfinished business on today's agenda would be continued at the General Government Subcommittee meeting on Tuesday, March 30 at 8:30 a.m.

The meeting adjourned at 10:00 a.m.

William L. Wainwright

Representative William Wainwright
Presiding CoChair

Rep. Maggie Jeffus

Representative Maggie Jeffus
Presiding CoChair

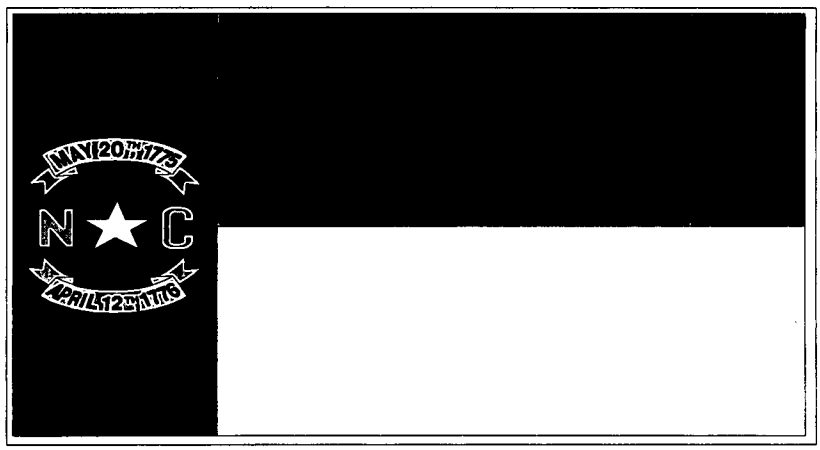
Senator Ed Warren, Chair

Anne M. Cole

Anne M. Cole
Minutes prepared from committee tapes

Attachments:
Agenda
Handouts noted in Minutes
Visitor Registration Sheet

Overview
of the
North Carolina
Department of Revenue



Presented to the
Joint Subcommittee
for
General Government

February 1, 1999

DOR 1

OVERVIEW

North Carolina Department of Revenue

The Department of Revenue is responsible for the collection and accounting of the State's tax funds, insures uniformity of administration of the tax laws and regulations, conducts research on revenue matters, and exercises general and specific supervision over the valuation and taxation of property throughout the State.

The Department of Revenue was organized in May 1921, with sixteen persons on the payroll, operating expenses of $88,000 and collections of $3.1 million. Today the Department has annual collections of over $15.7 billion, a budget of $87 million and 1,243 employees. In 1992, the Department relocated from the old Revenue Building on Hillsborough Street to the new Revenue Building on Wilmington Street adjacent to the State Government Mall. At the time of relocation to the new facility in December 1992, the Department reorganized by functional responsibilities rather than an organization aligned according to the administration of specific tax schedules, i.e. individual income, sales and use, corporate and franchise, etc. The functional organization has permitted the Department to group "like" functions, i.e. auditing, accounts receivables, registrations, etc., regardless of a particular tax.

Since 1992 the Department has participated in the joint Federal-State Electronic Filing Program for individual income tax returns. The Department's program is one of the most successful in the nation. Last year, 541,282 taxpayers took advantage of this service. In January 1994 the Department implemented an electronic funds transfer program (EFT) for selected taxpayers to pay their taxes with an electronic transfer from their bank to the State's bank (see Graphs B and C for dollars deposited and interest earned). In 1993 the Department began development of an automated tax system to integrate all of the major taxes administered by the Department into a single system. The Department is currently replacing its remittance processing and returns processing systems to provide for a paper data capture process that includes document imaging,

retrieval and storage. Funding to begin this project was approved by the 1998 General Assembly.

Mission of the Department of Revenue

To administer the tax laws and collect the taxes due the State in an impartial, uniform and efficient manner.

Goals and Objectives of the Department of Revenue

The Department had identified seven primary goals as strategic directions for the agency.

1. Expand communication capability both internally and externally.
2. Provide comprehensive training and development.
3. Improve taxpayer services.
4. Improve compliance.
5. Analyze and prioritize resources.
6. Implement total quality management.
7. Develop a comprehensive business plan.

Related directly to the goals of the Department are the objectives and outcome measures established by the Department in the performance of its statutory duties. The three objectives and the objective's associated outcome measures are as follows:

1. **Objective** - Increase awareness and knowledge of taxpayers about tax issues.

   Outcome Measure - Taxpayer awareness and knowledge of tax issues as measured by customer surveys.

2. **Objective** - Provide timely and accurate services.

   Outcome Measure - Percent of letters/correspondence issued within standard.

3. **Objective** - Educate taxpayers on filing requirements and application of tax laws, rules and regulations, through audit, collections, workshops, publicity, and correspondence.

Outcome Measure - Voluntary dollars collected as a percent of total dollars collected.

Organization of the Department of Revenue

The Secretary of Revenue, who is appointed by the Governor, is responsible for management of the agency with a Deputy Secretary and five Assistant Secretaries having responsibility for the day-to-day activities required of various divisions throughout the Department. The agency also has a legislative liaison (special assistant) and a public information officer who report directly to the Secretary. **[See the attached Department of Revenue organization chart noted** on page DOR 10 **]**

The following is an alphabetical listing and brief explanation of responsibilities for each division identified on the Department's organization chart.

Accounting Division - Deposits/accounts for all tax receipts and refunds; responsible for the Department's budget and payroll.

Administrative Services Division - Prints forms, processes incoming and outgoing mail and purchases equipment and supplies.

Ad Valorem (Property) Tax Division - Responds to property tax valuation appeals; staffs the State Property Tax Commission and manages distribution of inventory and homestead monies to local governments.

Corporate, Excise and Insurance Tax Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Criminal Investigations Division - Pursues taxpayers who fraudulently fail to adhere to State tax laws.

Field Operations - Five geographic divisions; Interstate, Collection Division-East, Collection Division-West, Examination Division-East, and Examination Division-West. The auditors and revenue officers located throughout the state

outside the state administer the field audit and revenue collection programs. (The Assistant Secretary for Field Operations also has organizational responsibility for the activities associated with the Unauthorized Substance Tax Division.)

Motor Fuels Tax Division - Administers the motor fuels tax laws.

Office Examination Division - Performs audit functions and related audit activities.

Office Services Division - Provides taxpayer assistance and manages the bankruptcy program and accounts receivable.

Personal Taxes Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Personnel Division - Provides administrative and technical guidance and human resource services to Departmental employees.

Planning, Development and Technology - Comprised of four divisions, Business Systems Development and Support, Technology Services, Database Administration, and Production Systems Integration and Coordination. Provides electronic data processing services to Departmental personnel.

Returns Processing Division - Provides data entry services and has responsibility for records management of Departmental inactive files.

Sales and Use Tax Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Tax Research Division - Provides estimates of proposed legislative changes, complies statistical data and responds to inquiries from the Department of Commerce, other state agencies and general public.

Unauthorized Substance Tax Division - Administers the excise tax levied on unauthorized substances.

DOR 5

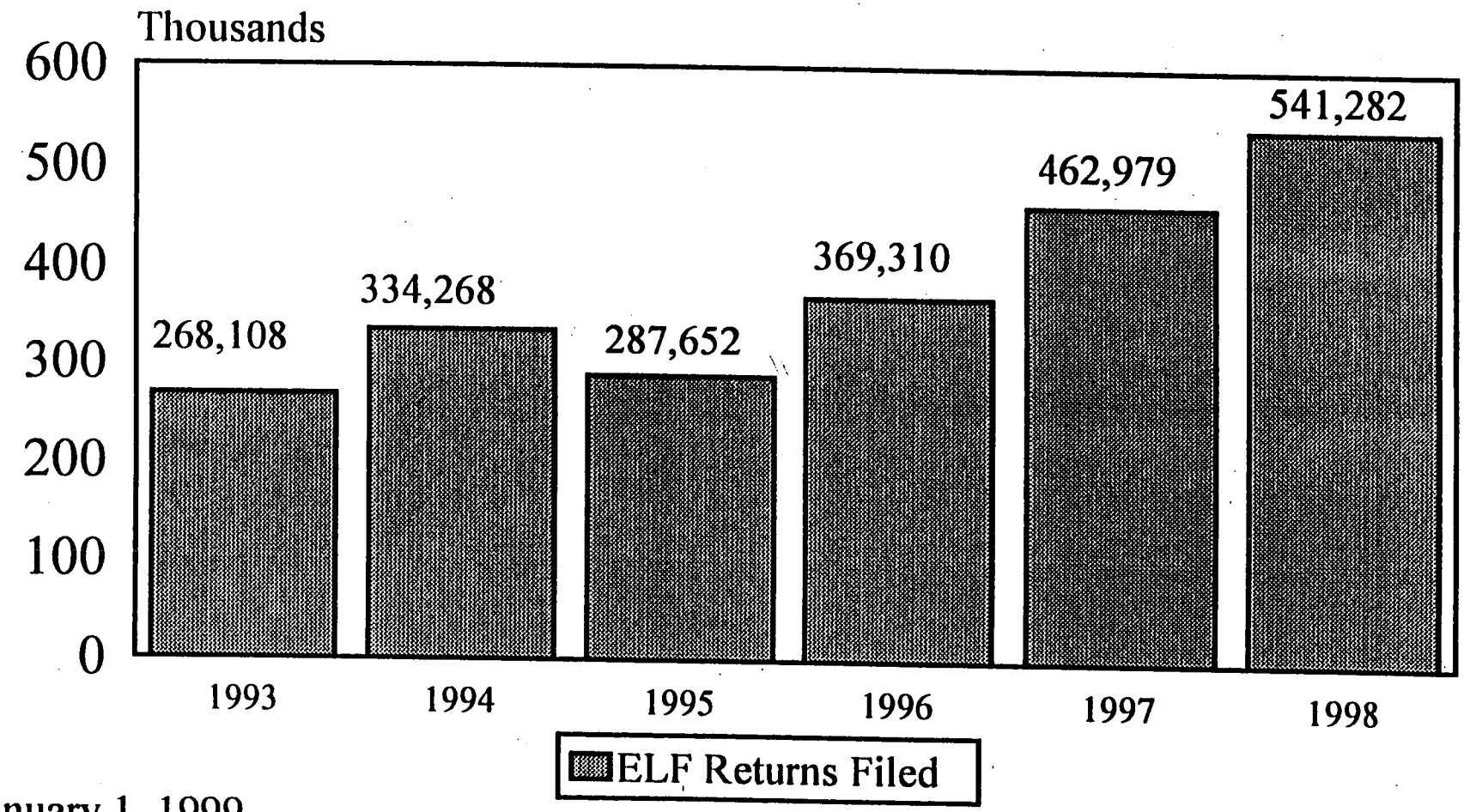
NC Department of Revenue
Facts & Figures

# of Departmental Employees FY 1998-99:	1,237
$ Department of Revenue Certified Budget for FY 1998-99:	$84.9 million
$ Gross Collections FY 1997-98:	$15.7 billion
$ Average Daily Deposit FY 1997-98:	$62.8 million
# of Pieces of Mail (Incoming) FY 1997-98:	10.9 million
# of Pieces of Mail (Outgoing) FY 1997-98:	9.4 million
# of Tax Returns Processed FY 1997-98:	9,445,630
# of Tax Payments Processed FY 1997-98:	5,703,005
$ Refunds (all tax schedules) FY 1997-98:	$1.4 billion
# of Refunds (all tax schedules) FY 1997-98:	2,505,633
$ Refunds (Individual Income) FY 1997-98:	$968.6 million
# of Refunds (Individual Income) FY 1997-98:	2,453,011
$ Distributions/Transfers to Local Governments/State Agencies FY 1997-98:	$2.1 billion
# of Individual Tax Refund Returns Filed Electronically in 1/1/98 - 12/31/98:	541,282
$ Gross Tax Deposits by Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/98:	$26.3 billion
$ Interest Earnings on Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/98:	$13.8 million
$ Gross EFT Collections for FY 1997-98	$8.2 billion

January 1, 1999

North Carolina Department of Revenue

Comparison of Electronically Filed Returns (ELF)



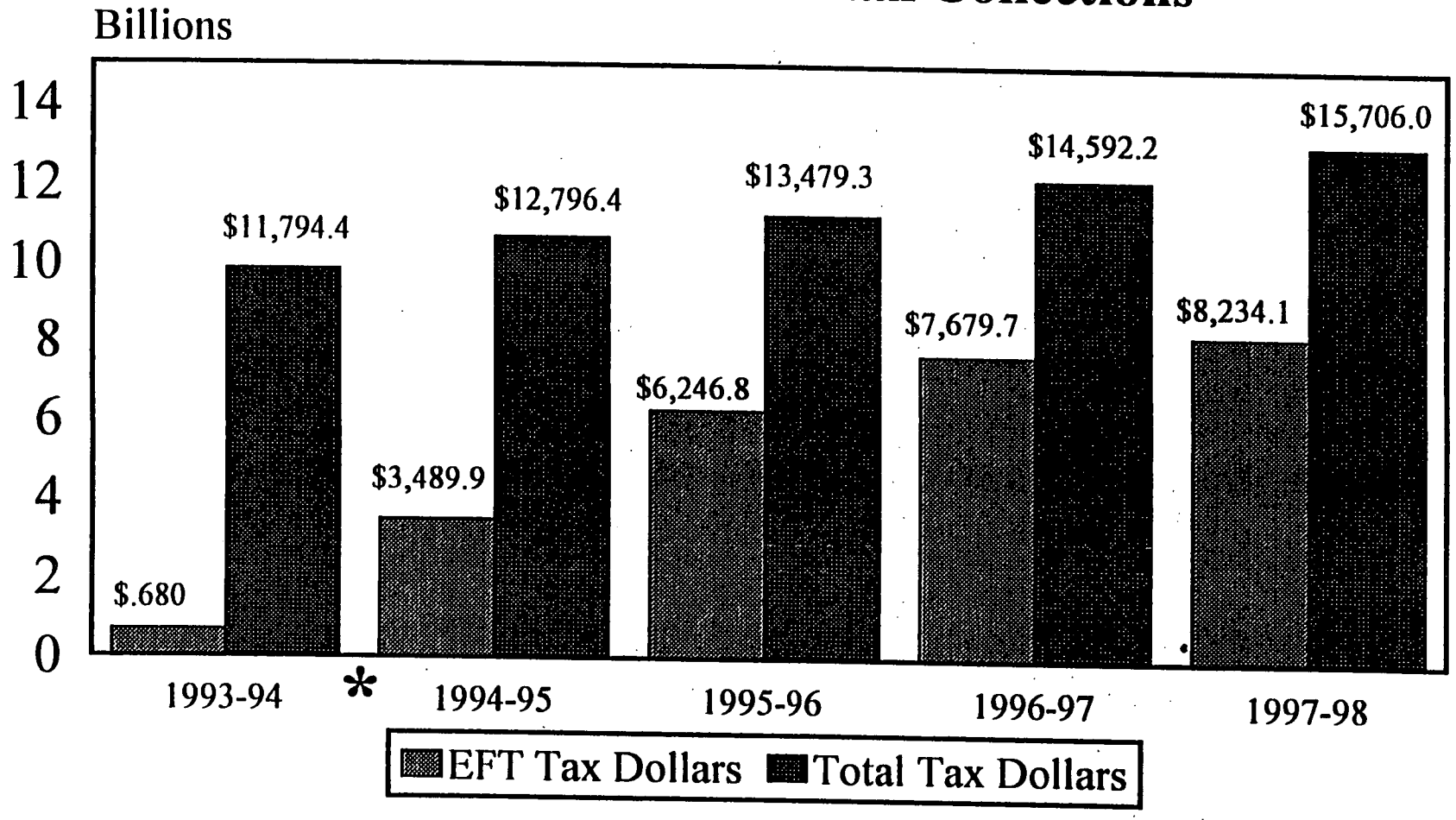
January 1, 1999

Graph A

Doc 6

North Carolina Department of Revenue

Comparison of Electronic Funds Transfer (EFT) Tax Collections to Total Tax Collections



*For the period 10/1/93 - 6/30/94

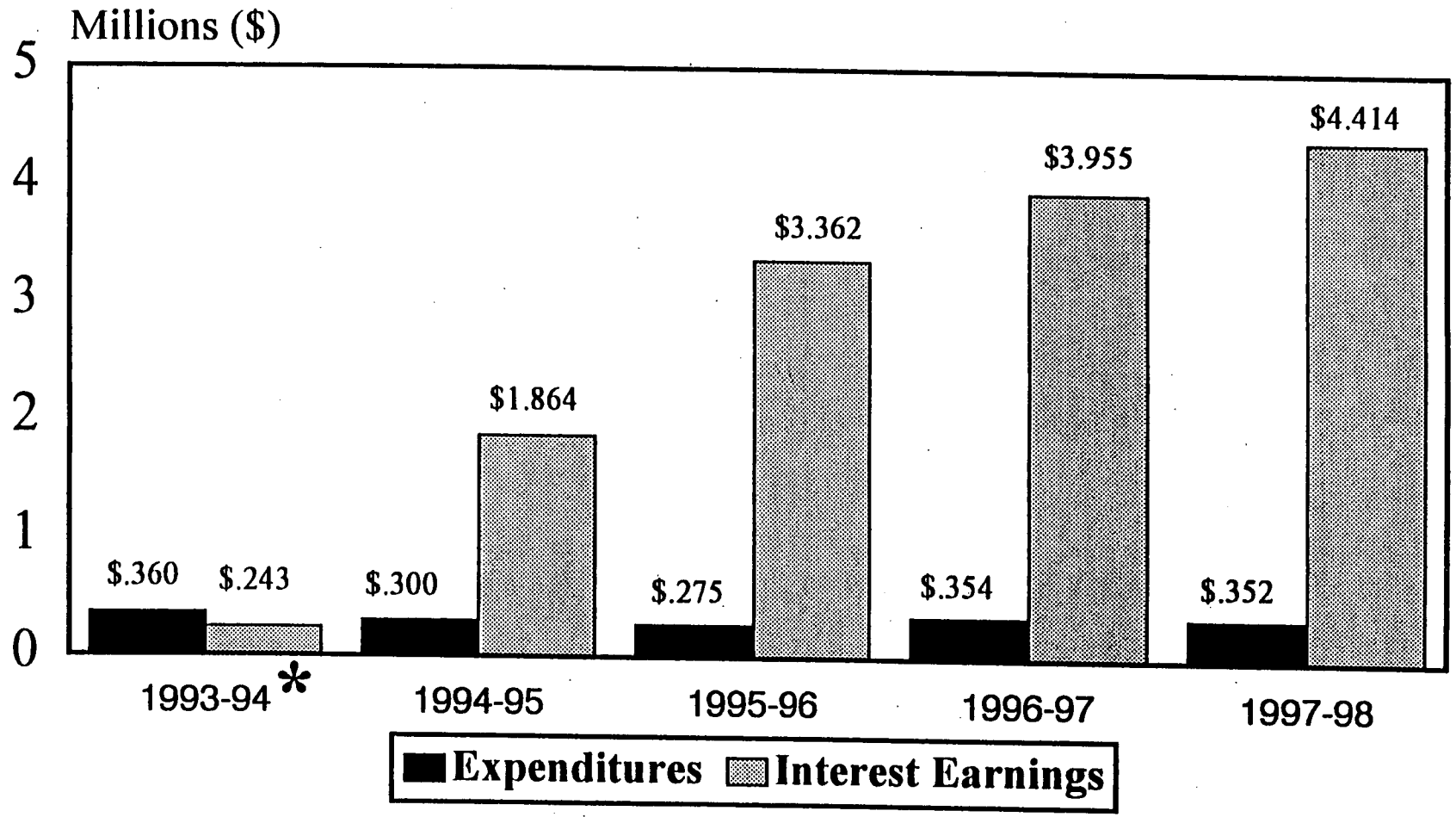
January 1, 1999

Graph B

DOR 1

North Carolina Department of Revenue

Comparison of EFT Expenditures to EFT Interest Earnings



*For the period 10/1/93 - 6/30/94

January 1, 1999

Graph C

Dor 8

DOR 9

FISCAL DATA

Department of Revenue

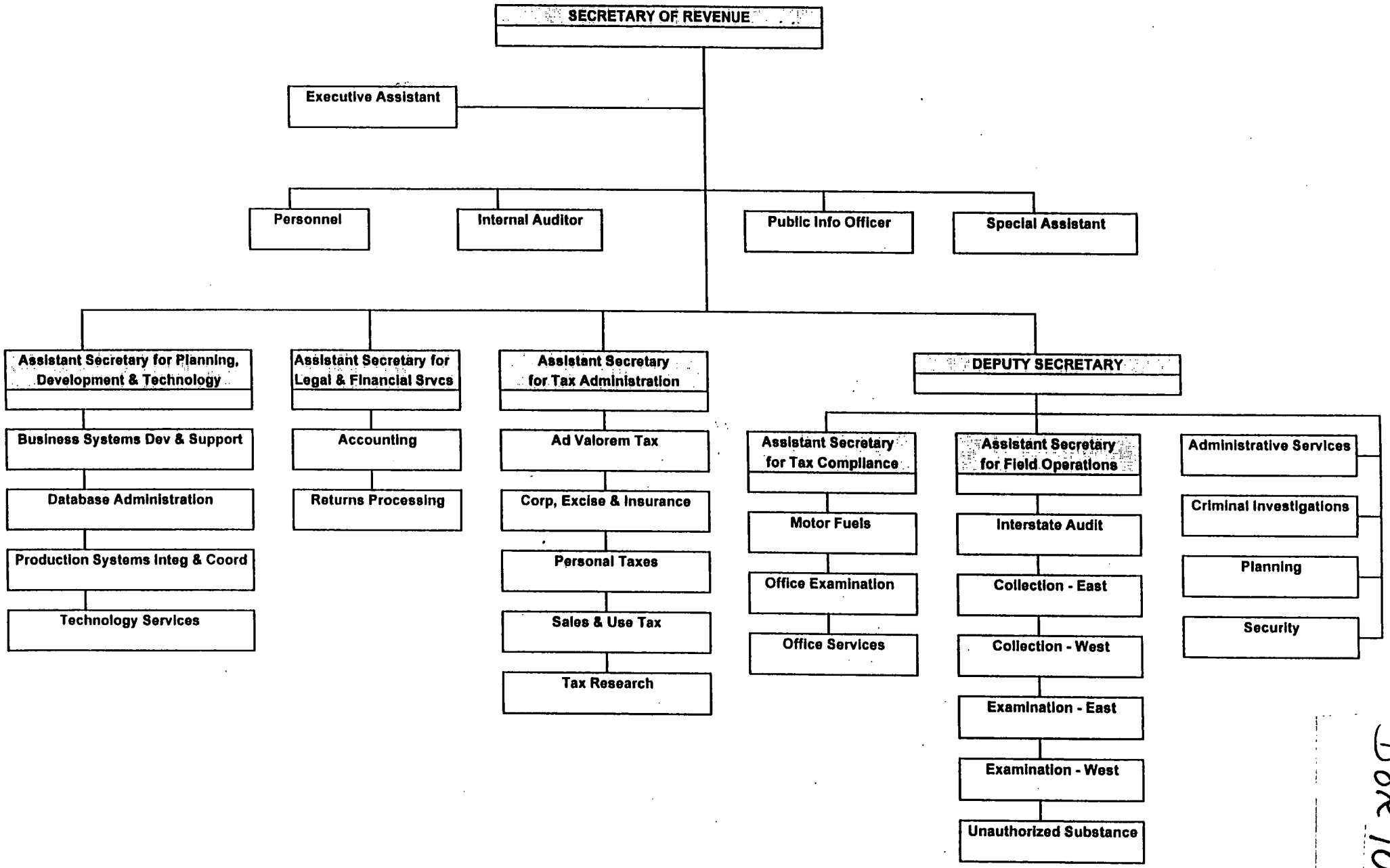
Budget Code 14700
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
General Fund				
Total Requirements	$76,489,374	$87,393,807	$83,143,192	$79,720,966
Receipts	8,827,825	4,735,734	4,815,004	4,815,004
Appropriation	$67,661,549	$82,658,073	$78,328,188	$74,905,962
Positions	1,237.0	1,243.0	1,243.0	1,243.0

NORTH CAROLINA DEPARTMENT OF REVENUE

January 1, 1999

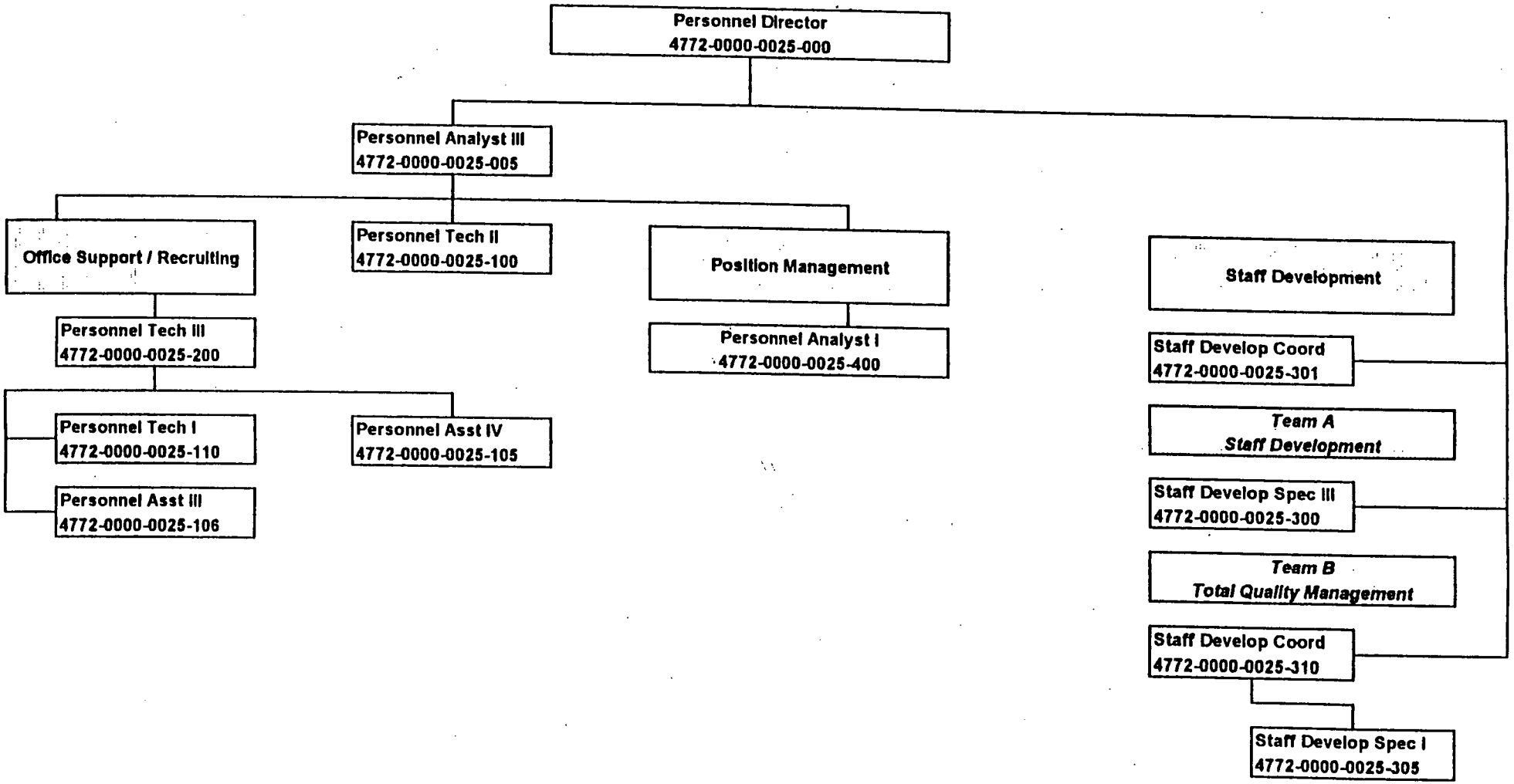


D&R 10

North Carolina Department of Revenue

PERSONNEL DIVISION

1/8/99

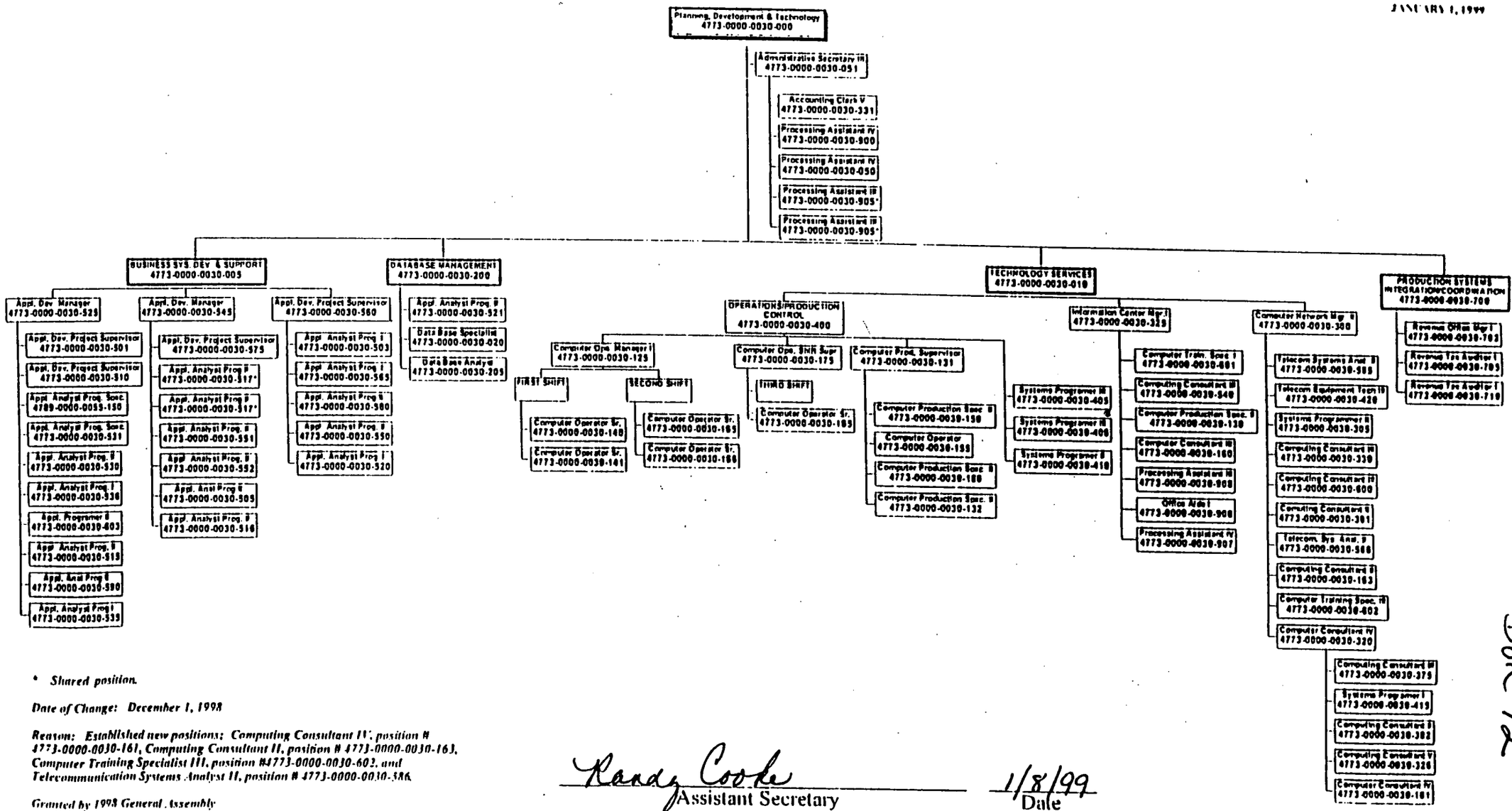


E. B. Hunt
Personnel Director

DOR 11

PDI Organization Chart

JANUARY 1, 1999



* *Shared position.*

Date of Change: *December 1, 1998*

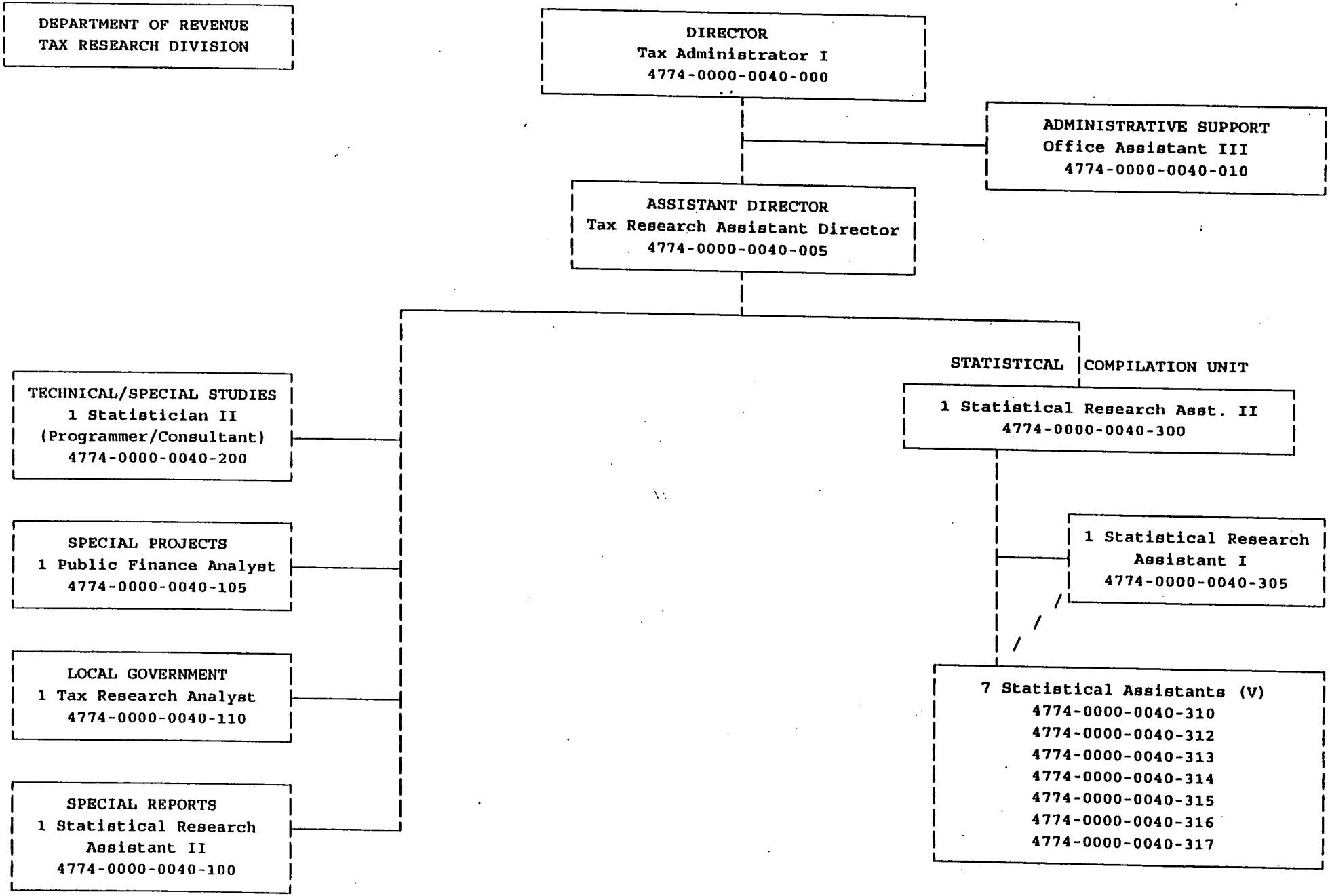
Reason: *Established new positions; Computing Consultant IV, position # 4773-0000-0030-161, Computing Consultant II, position # 4773-0000-0030-163, Computer Training Specialist III, position #4773-0000-0030-602, and Telecommunication Systems Analyst II, position # 4773-0000-0030-586.*

Granted by 1998 General Assembly

Randy Cooke
Assistant Secretary

1/8/99
Date

DOR 12



JANUARY 1999

[ATR]\PER\134

Patricia C. Seawell

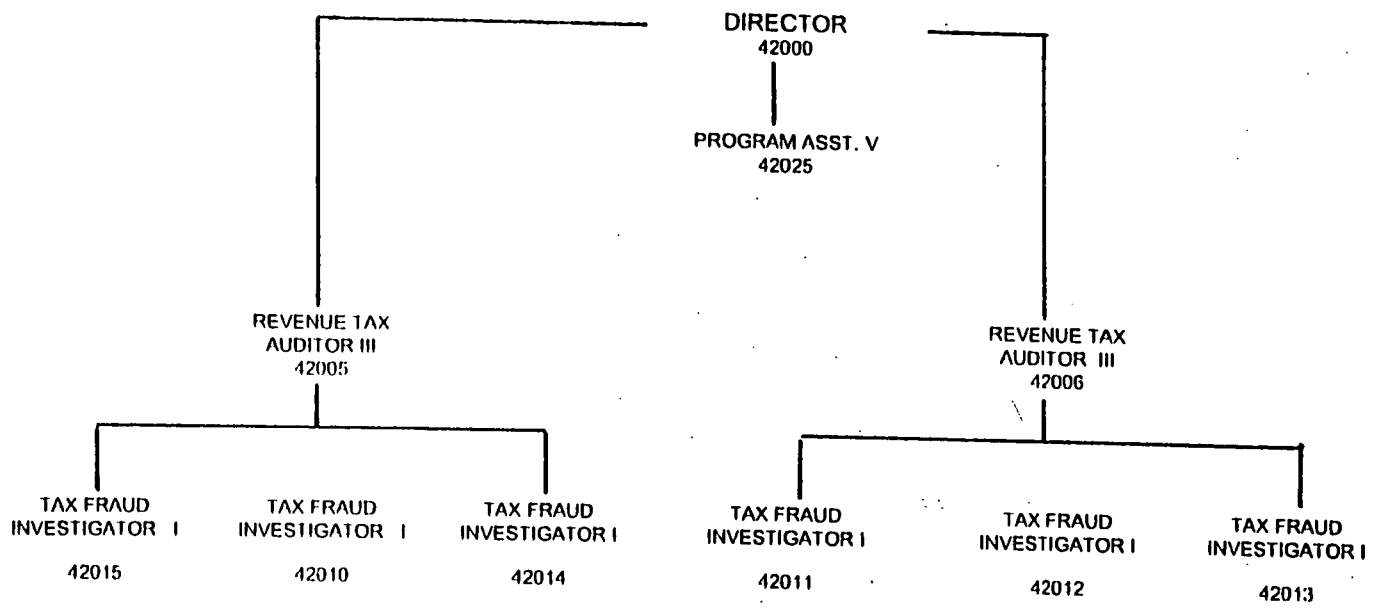
Patricia C. Seawell, Director, Tax Research Division

DOC/13

(EXISTING ORGANIZATION)
January 1999

NORTH CAROLINA DEPARTMENT OF REVENUE

CRIMINAL INVESTIGATIONS DIVISION



Thomas L. Dixon, Director

DOR 14

Department of Revenue
Administration - Center 1600 (Program Number 0540 - Revenue Collection

Administration includes the Secretary of Revenue's Office and those divisions/sections/programs reporting directly to either the Secretary or Deputy Secretary.

Secretary's Office
Personnel Division
Planning, Development and Technology
Data Capture Project
Tax Research Division
Criminal Investigations Division

The Secretary's Office includes the Secretary and Deputy Secretary, public information officer, legislative liaison, internal audit, planning, security (building and computer) and the administrative staff to the Secretary. The Secretary sets policy for the Department and reports directly to the Governor.

The **Personnel Division** has responsibility for all personnel related matters and oversees training for Departmental personnel.

Planning, Development and Technology manages the Department's information resources, and establishes resource management policies and procedures. The division develops and maintains standards, production software, and data processing and decision support systems, manages systems configurations, and gathers, stores, and processes data for tax administration, enforcement, and taxpayer assistance. MIS provides office automation systems, communication services, professional productivity systems, integrated database environments, enhanced data capture capabilities, and end-user training and computing for the Department.

The **Data Capture Project** for the Department is currently underway and will take approximately three years to design, develop and to fully implement. The new data capture technology will replace existing remittance processing equipment which is not Year 2000 compliant. The Department's new system will allow incoming documents to be imaged, retrieved and stored electronically. The system will interface to the Department's existing Integrated Tax Administration System.

The **Tax Research Division** estimates the revenue effect of proposed changes in the tax laws; compiles and publishes statistical data with respect to state tax schedules and local government taxation in North Carolina; works with the Department of Commerce in furnishing tax information to business and industrial prospects; and answers inquiries

about North Carolina taxes from state agencies, local governments, and the general public. (The Assistant Secretary for Tax Administration has organizational responsibility for this division.)

The **Criminal Investigations Division** has responsibilities for the auditing and prosecuting of taxpayers suspected of fraudulent noncompliance of State tax laws.

FISCAL DATA

Administration - Center 1600
Program Number 0540 - Revenue Collection

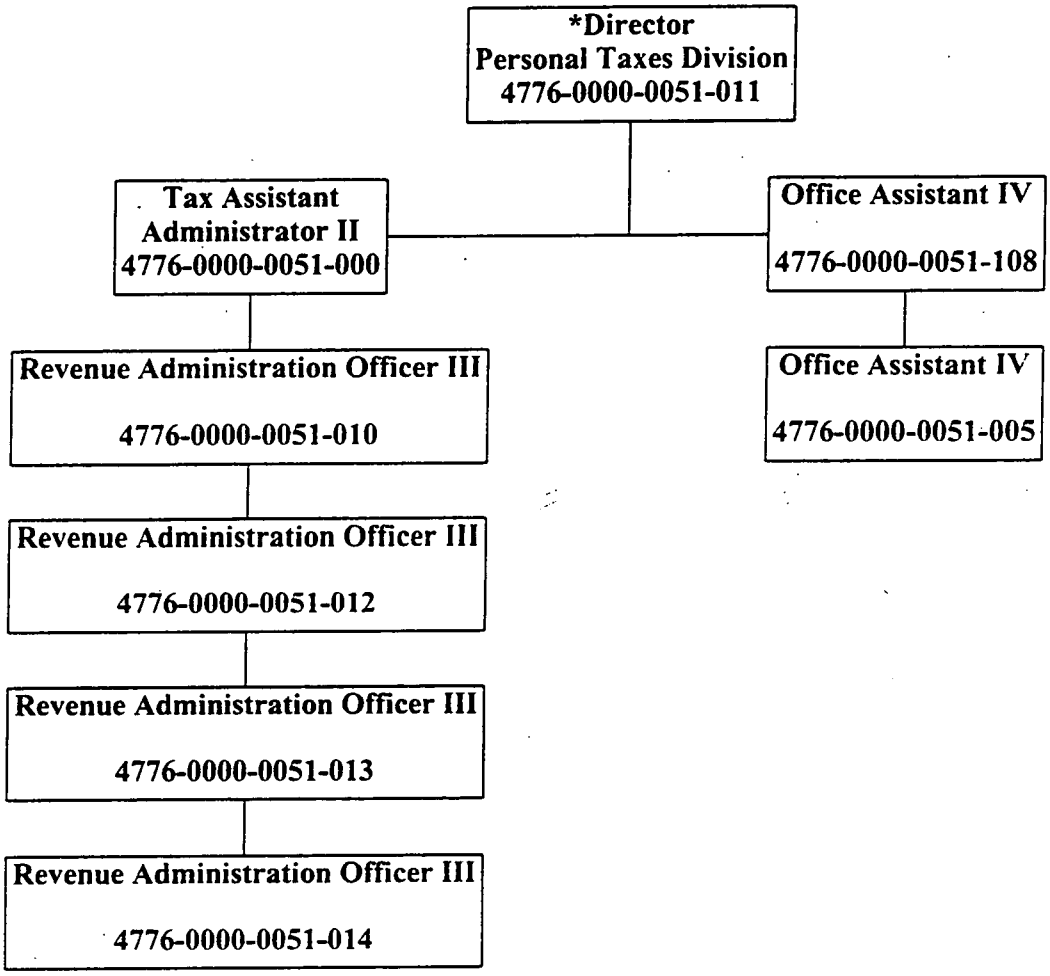
Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$19,365,622	$28,729,664	$23,553,770	$20,116,235
Receipts	3,663,857	0	0	0
Appropriation	$15,701,765	$28,729,664	$23,553,770	$20,116,235
Positions	132.0	136.0	136.00	136.0

DOR 17

January 1, 1999

NORTH CAROLINA DEPARTMENT OF REVENUE
PERSONAL TAXES DIVISION

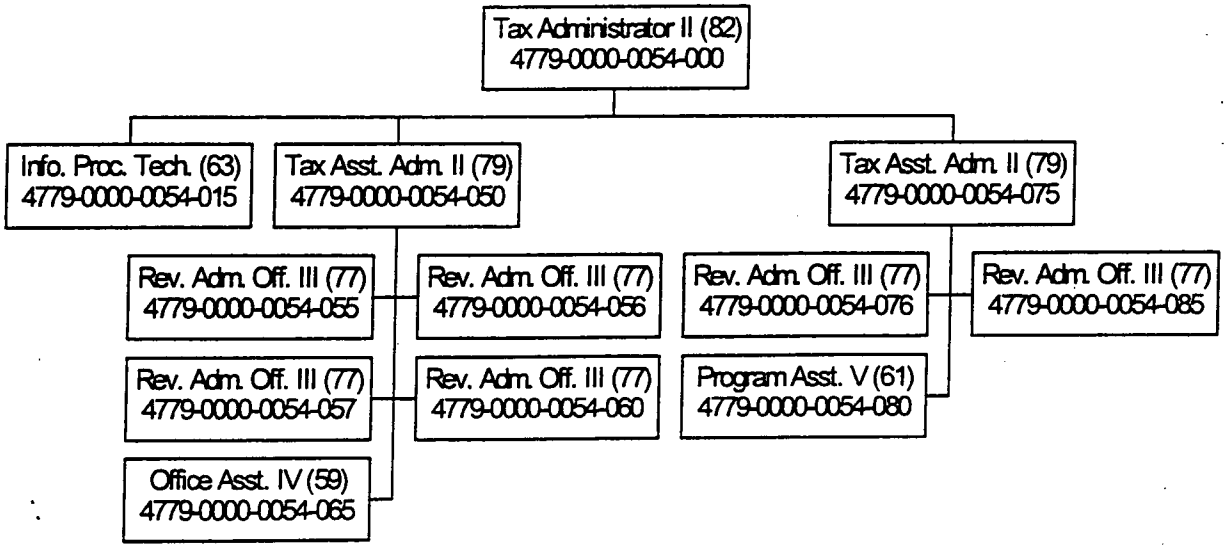


Nancy R Romeo
Division Director

* Working Title - Classified
as Tax Administrator II

DOR 18

North Carolina Department of Revenue
Sales & Use Tax Divison



Signed: _____, Director, January 1, 1999.

North Carolina Department of Revenue

Property Tax Division

Tax Administrator I

4777-0000-0052-000

Property Tax Commission

Tax Assistant Administrator

4777-0000-0052-005

Agency Legal Specialist III

4777-0000-0052-010

Program Assistant (V)

4777-0000-0052-020

Property Tax Valuation Specialist II
4777-0000-0052-102
This position is located in the Hendersonville Revenue Office

Program Assistant (V)

4777-0000-0052-015

Real Property Valuation Branch

Property Tax Valuation Specialist I
4777-0000-0052-101
4777-0000-0052-103
4777-0000-0052-200

Utilities / Sales Ratio Valuation Branch

Property Tax Valuation Specialist II
4777-0000-0052-100

Processing Assistant (V)
4777-0000-0052-205

Personal Property Valuation Branch

Property Valuation Specialist II
4777-0000-0052-300

Property Valuation Specialist I
4777-0000-0052-305

Office Assistant (III)
4777-0000-0052-310

John C. Bailey, Director — 1-6-99 Date

DoR 19

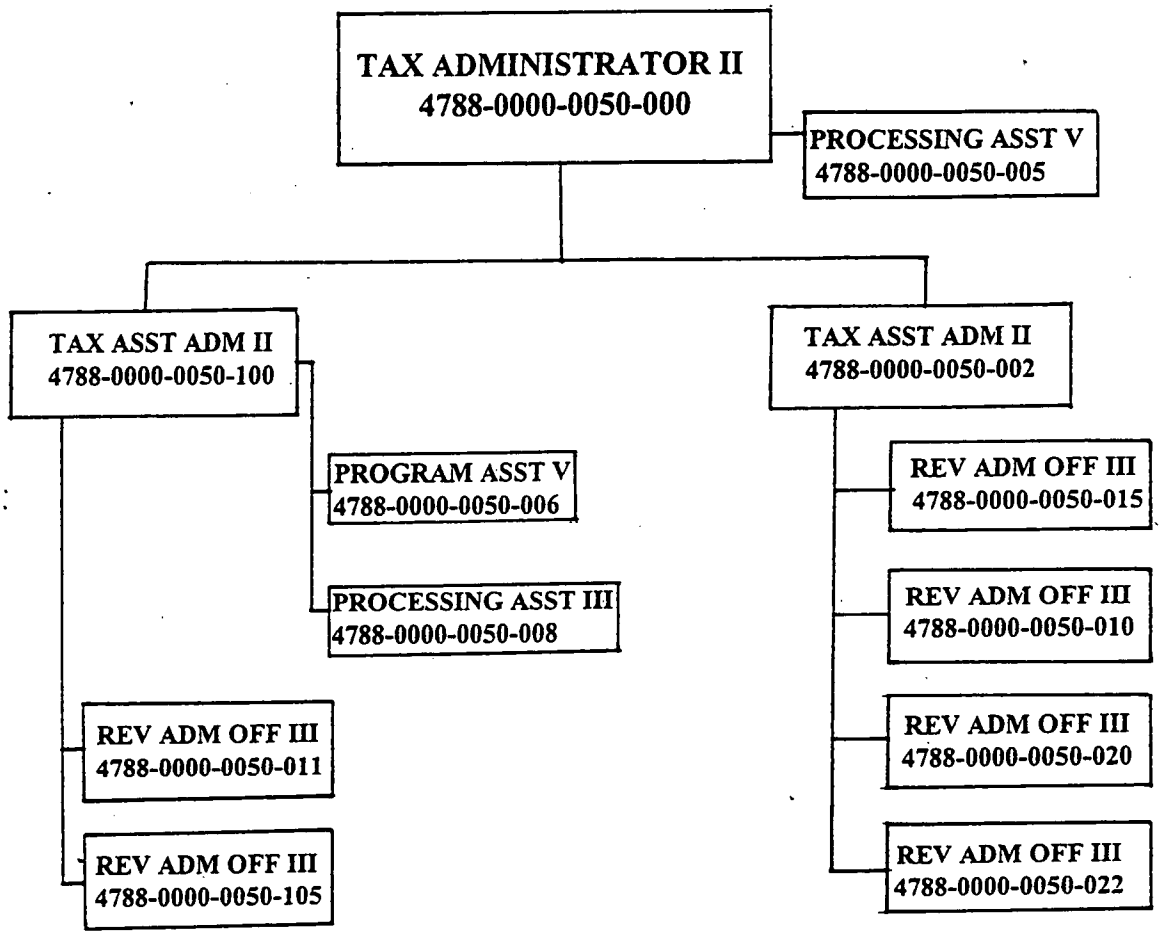
Rev. 1/5/99

DOR 20

NORTH CAROLINA DEPARTMENT OF REVENUE

CORPORATE, EXCISE & INSURANCE TAX DIVISION

January 1, 1999



SIGNED: Jack J. Hooper

DATE: 1/11/99

Department of Revenue
Tax Administration - Center 1620 (Program Number 0540 - Revenue Collection)

Tax Administration encompasses administrative personnel in the **divisions Personal Taxes; Sales and Use; Ad Valorem (Property); and Corporate, Excise and Insurance.** These divisions formulate procedures for administering tax policy and communicate these procedures to Departmental personnel and the taxpaying public. These divisions are also actively involved in critiques of proposed legislation and the effects of legislative bills. Additional administrative responsibilities are to resolve technical issues, issue letter rulings, represent the Department at administrative tax hearings and issue rulings relative to appeals brought before the Property Tax Commission. (The Tax Research Division for organization purposes reports to the Assistant Secetary for Tax Administration.)

FISCAL DATA

Tax Administration - Center 1620
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$3,006,944	$2,965,345	$3,017,047	$3,017,047
Receipts	4,705			
Appropriation	$3,002,239	$2,965,345	$3,017,047	$3,017,047
Positions	47.0	47.0	47.0	47.0

North Carolina Department of Revenue

Tax Compliance - Office Examination and Office Services Divisions

January 1, 1999

TOTAL POSITIONS	
Administration:	5
Office Examination:	209
Office Services:	62
TOTAL:	276

Assistant Secretary for Tax Compliance

- 1 Program Assistant V
  - 2 Processing Assistant III
  - 1 Office Assistant III

OFFICE EXAMINATION DIVISION

- Tax Administrator II
  - Tax Assistant Administrator II
    - **EXAMINATION GROUPS I AND II**
      - 2 Revenue Tax Auditor III
      - 15 Revenue Tax Auditor II
      - 65 Revenue Tax Auditor I
      - 28 Revenue Tax Technician
      - 2 Revenue Administration Officer I
      - 1 Processing Assistant V
      - 1 Processing Assistant IV
      - 1 Processing Assistant III
      - 2 Office Assistant III
    - **PROBLEM RESOLUTION**
      - 1 Revenue Tax Auditor II
      - 4 Revenue Tax Auditor I
    - **FRAUD IDENTIFICATION**
      - 1 Revenue Tax Auditor II
      - 5 Revenue Tax Auditor I
    - Revenue Administration Officer II
      - **EXAMINATION SUPPORT**
        - 1 Accounting Specialist I
        - 3 Processing Unit Supervisor V
        - 5 Processing Unit Supervisor IV
        - 8 Processing Assistant IV
        - 34 Processing Assistant III
      - **BUSINESS LICENSE AND RETURNS**
        - 1 Revenue Administration Officer II
        - 3 Administrative Assistant I
        - 2 Administrative Assistant II
        - 1 Processing Assistant V
        - 9 Processing Assistant IV
        - 7 Processing Assistant III
        - 4 Accounting Clerk IV

OFFICE SERVICES DIVISION

- Tax Administrator I
  - Revenue Administration Officer III
    - **TAXPAYER ASSISTANCE**
      - 2 Revenue Administration Officer III
      - 6 Revenue Administration Officer II
      - 14 Revenue Administration Officer I
    - **SPECIAL PROGRAMS**
      - 1 Revenue Administration Officer I
      - 1 Revenue Tax Auditor I
      - 1 Processing Assistant V
      - 2 Processing Assistant IV
      - 11 Processing Assistant III
      - 1 Office Assistant IV
      - 1 Information Systems Coordinator I
    - **COLLECTIONS**
      - 1 Revenue Administration Officer II
      - 2 Revenue Administration Officer I
      - 2 Administrative Assistant I
      - 6 Processing Assistant V
      - 9 Processing Assistant IV

Bernice W. Thomas

Bernice W. Thomas

DOR 22

Department of Revenue
Tax Compliance - Center 1640 (Program Number 0540 - Revenue Collection)

Tax Compliance comprises the **divisions** of **Office Examination** and **Office Services**. These divisions administer the tax laws applicable to corporate income, estates and trusts, franchise, gift, individual income, inheritance, license and excise, sales and use, and withholding, and perform auditing functions, and assist in collecting taxes. (The Motor Fuels Tax Division for organization purposes reports to the Assistant Secretary for Tax Compliance.)

FISCAL DATA

Tax Compliance - Center 1640
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$11,073,077	$11,568,753	$11,569,978	$11,569,978
Receipts	597,573	305,799	305,799	305,799
Appropriation	$10,475,504	$11,262,954	$11,264,179	$11,264,179
Positions	276.0	275.0	275.0	275.0

NORTH CAROLINA DEPARTMENT
OF REVENUE
FIELD OPERATIONS

Dewey N. Sanders
ASSISANT SECRETARY
437 Total Staff

Charles Helms
ADMINISTRATIVE SECTION CHIEF
15 Total Staff

Ralph Foster
DIRECTOR - COLLECTION
WEST DIVISION
123Total Staff

- Asheboro - 3 RO
- Asheville - 10 RO
- Burlington - 4 RO
- Charlotte - 24 RO
- Concord - 3 RO
- Franklin - 2 RO
- Gastonia - 7 RO
- Greensboro - 13 RO
- Hendersonville - 4 RO
- Hickory - 10 RO
- High Point - 3 RO
- Lexington - 4 RO
- Monroe - 4 RO
- Murphy - 1 RO
- N. Wilkesboro - 2 RO
- Reidsville - 3 RO
- Salisbury - 4 RO
- Shelby - 4 RO
- Statesville - 3 RO
- Winston-Salem - 14 RO

Kaye Honecutt
DIRECTOR
INTERSTATE DIVISION
42 Total Staff

- California - 4 FA
- Connecticut - 1 FA
- Florida - 2 FA
- Georgia - 2 FA
- Illinoise - 3 FA
- Maryland - 1 FA
- Minnesota - 1 FA
- Missouri - 1 FA
- New Jersey - 1 FA
- New York - 1 FA
- Ohio - 1 FA
- Pennsyvannia - 2 FA
- Raleigh - 13 FA/5 SS
- Texas - 3 FA

Robie McLamb
DIRECTOR - COLLECTION
EAST DIVISION
106 Total Staff

- Clinton - 3 RO
- Durham - 12 RO
- Elizabeth City - 4 RO
- Fayetteville - 11 RO
- Goldsboro - 4 RO
- Greenville - 5 RO
- Henderson - 3 RO
- Jacksonville - 3 RO
- Kinston - 3 RO
- Lumberton - 5 RO
- Morehead City - 3 RO
- Nags Head - 3 RO
- New Bern - 3 RO
- Raleigh - 16 RO
- Rockingham - 5 RO
- Rocky Mount - 7 RO
- Sanford - 3 RO
- Shallotte - 2 RO
- Whiteville - 2 RO
- Wilmington - 8 RO

John Sadoff
DIRECTOR - EXAMINATION
WEST DIVISION
74 Total Staff

- Asheville - 11 FA
- Charlotte - 23 FA
- Greensboro - 17 FA
- Hickory - 7 FA
- Salisbury - 6 FA
- Winston-Salem - 9 FA

Ron Starling
DIRECTOR
UNAUTHORIZED SUBSTANCE
15 Total Staff

- Asheville - 1 EO
- Charlotte - 2 EO
- Fayetteville - 1 EO
- Greenville - 1 EO
- Raleigh - 2 EO/4 SS
- Sanford - 1 EO
- Wilmington - 1 EO
- Winston-Salem - 1 EO

Ron Wicker
DIRECTOR- EXAMINATION
EAST DIVISION
61 Total Staff

- Durham - 10 FA
- Elizabeth City - 4 FA
- Fayetteville - 10 FA
- New Bern - 9 FA
- Raleigh - 14 FA
- Rockingham - 1 FA
- Rocky Mount - 6 FA
- Wilmington - 6 FA

January 1, 1999

Dewey N. Sanders
Asst. Secretary for Field Operations

DOR 24

Department of Revenue
Field Operations - Center 1660 (Program Number 0540 - Revenue Collection)

Field Operations is comprised of field auditors and revenue officers and is divided into **five geographic divisions: Interstate, Collection Division-East, Collection Division-West, Examination Division-East, and Examination Division-West.** Auditors and officers are located in 41 offices throughout the state and 24 offices outside the state. Field Audit maintains an audit program to ensure compliance with tax laws, while revenue officers are responsible for taxpayer related services, obtaining delinquent returns and instituting forced collection procedures when necessary. (The Unauthorized Substance Tax Division for organization purposes reports to the Assistant Secretary for Field Operations.)

FISCAL DATA

Field Operations - Center 1660
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$20,541,807	$21,916,847	$21,996,964	$21,996,964
Receipts	500	0	0	0
Appropriation	$20,541,307	$21,916,847	$21,996,964	$21,996,964
Positions	416.0	419.0	419.0	419.0

Department of Revenue
Unauthorized Substance Tax - Center 1670 (Program Number 0540 - Revenue Collection)

The **Unauthorized Substance Tax Division** administers all aspects of assessments and collections of the excise tax levied on unauthorized substances as defined in the Statutes. The Unauthorized Substance Tax Act requires the Department to return 75% of all unencumbered monies to participatory law enforcement agencies and the remaining 25% to the General Fund. This division must locate assets for garnishment or seizure and/or for sale in order to satisfy the claims of the State. (The Assistant Secretary for Field Operations has organizational responsibility for this division.)

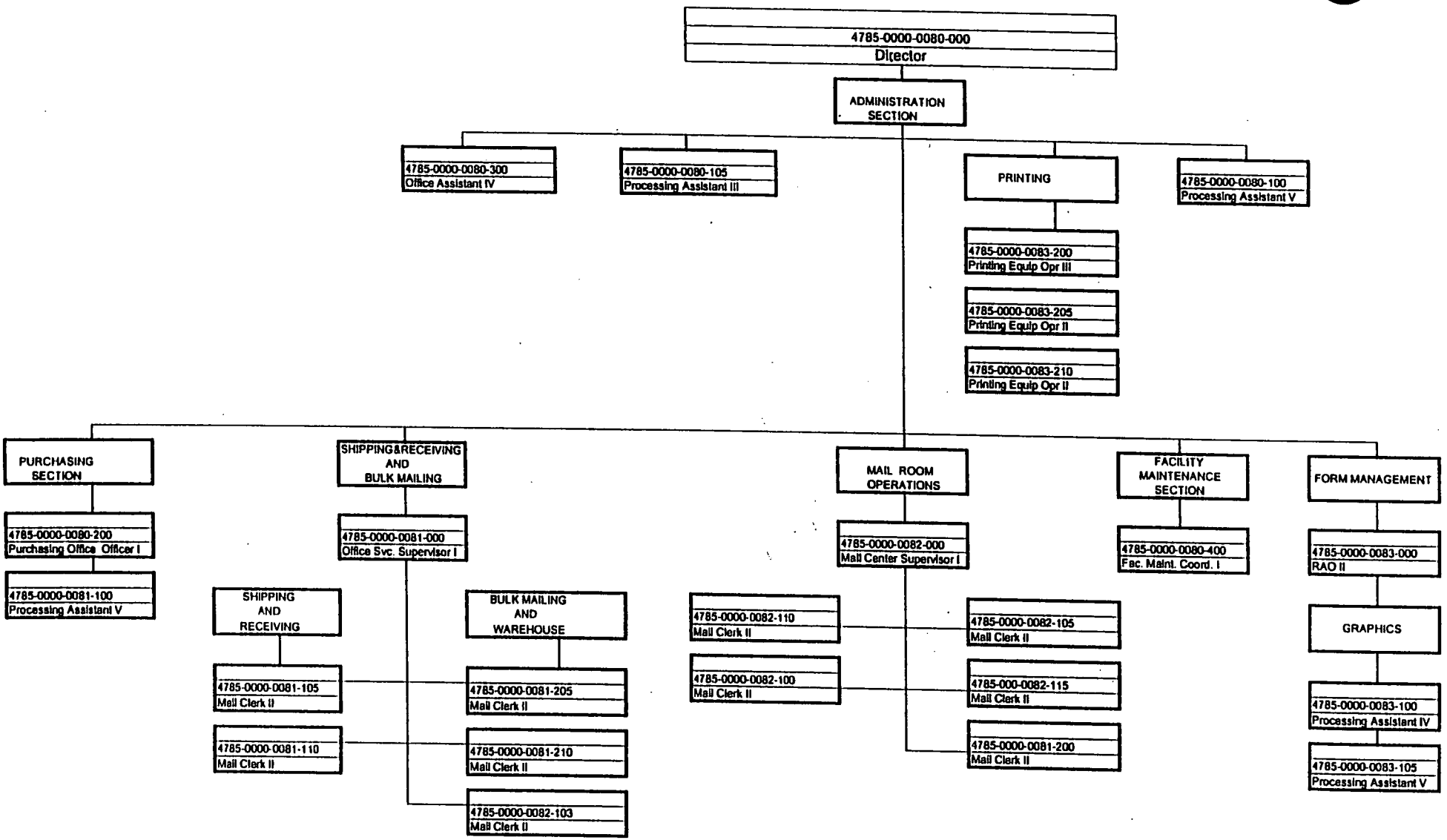
FISCAL DATA

Unauthorized Substance - Center 1670
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$818,539	$769,729	$789,614	$789,614
Receipts	0	0	0	0
Appropriation	$818,539	$769,729	$789,614	$789,614
Positions	14.0	14.0	14.0	14.0

North Carolina Department of Revenue
Administrative S[redacted] Division
Revised 1-1-99



Thomas C. Lamar Jr. 15 JAN 99
Director Date

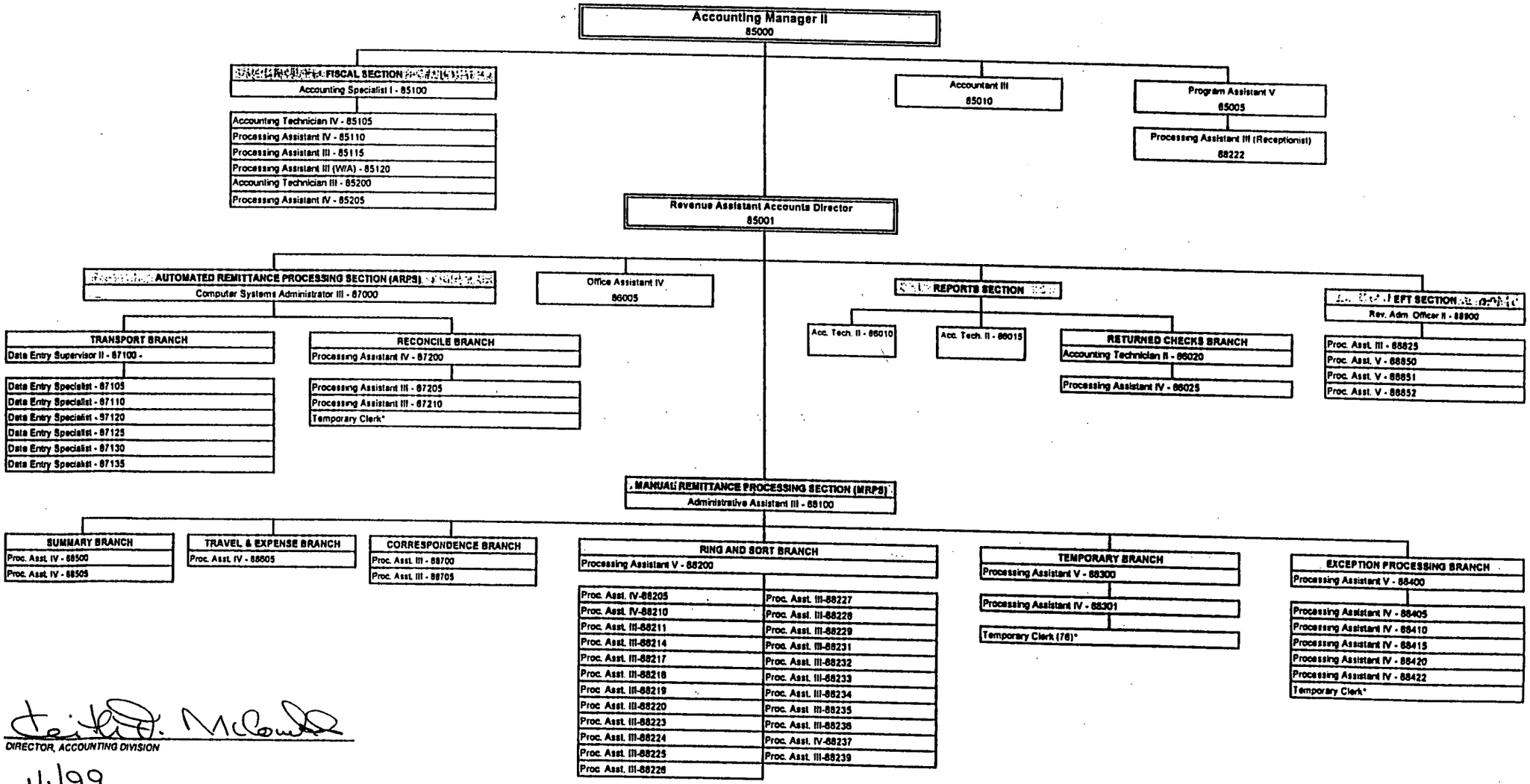
DOR 27

NORTH CAROLINA
DEPARTMENT OF REVENUE

ACCOUNTING DIVISION

71 Permanent Positions

1/1/99



DIRECTOR, ACCOUNTING DIVISION

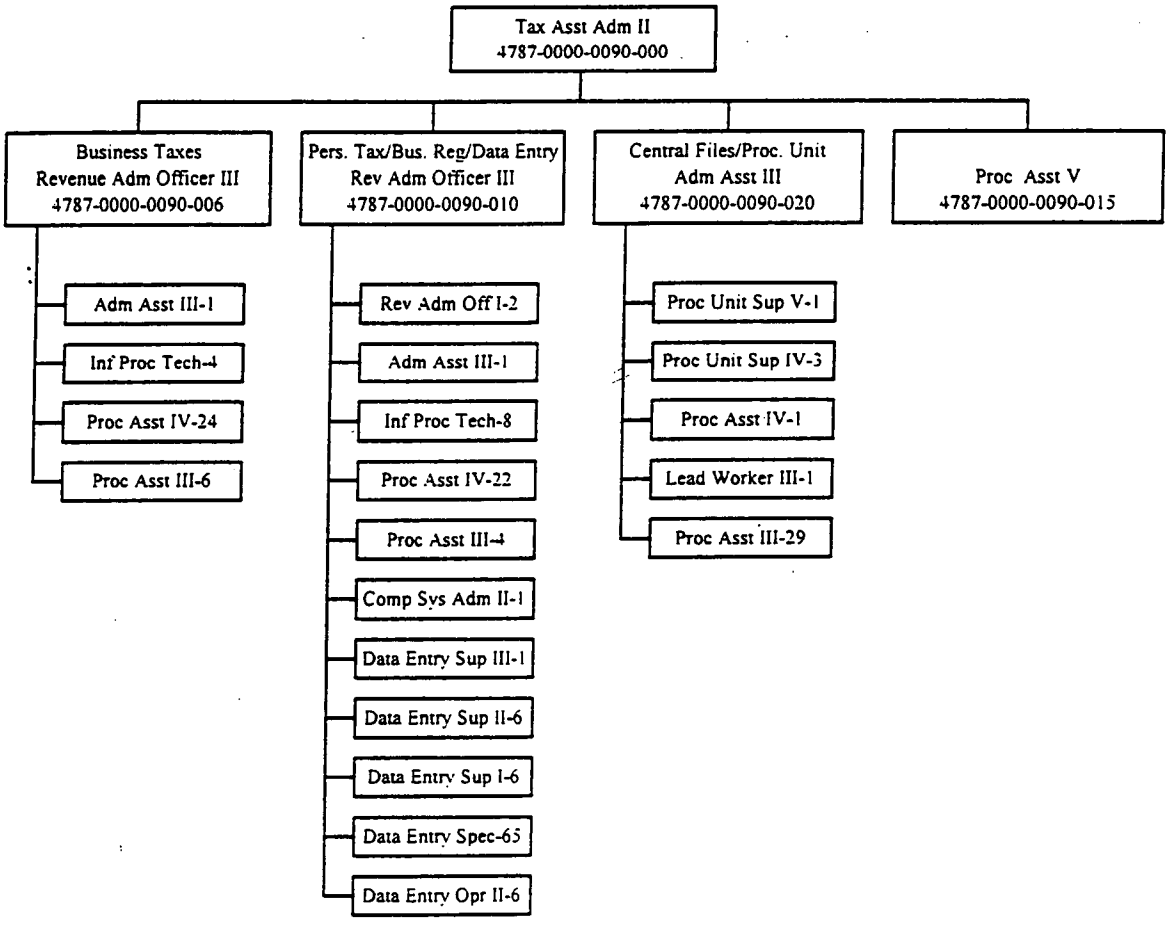
1/1/99
Date

*Accounting employs approximately 76 temporary employees during peak seasonal periods

DOR28

DOR29

NORTH CAROLINA DEPARTMENT OF REVENUE
RETURNS PROCESSING DIVISION
January 1, 1999

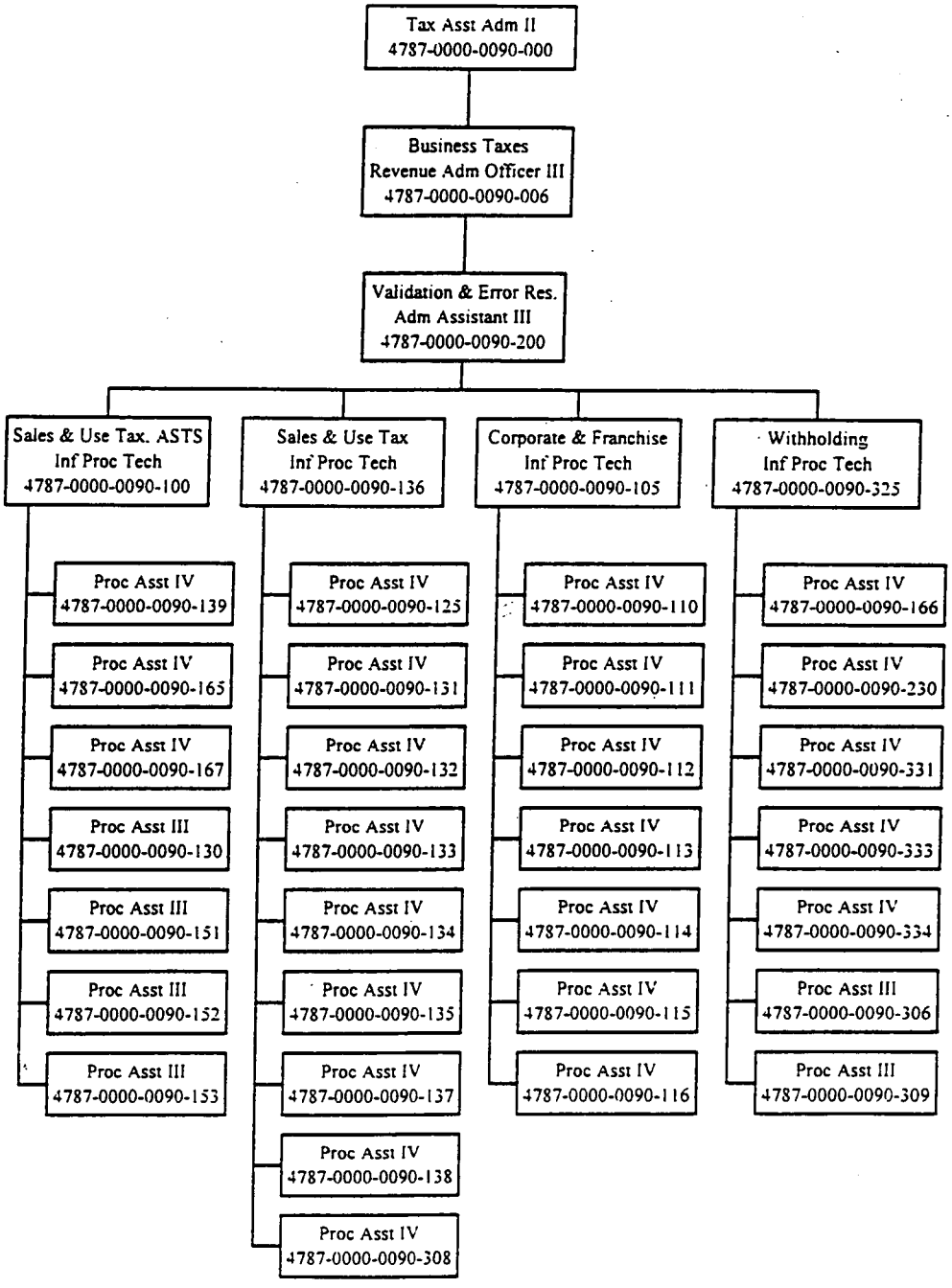


I

Edward H. Neat
January 4, 1999

DOR 30

North Carolina Department of Revenue
Returns Processing Division
Business Taxes Section
January 1. 1999

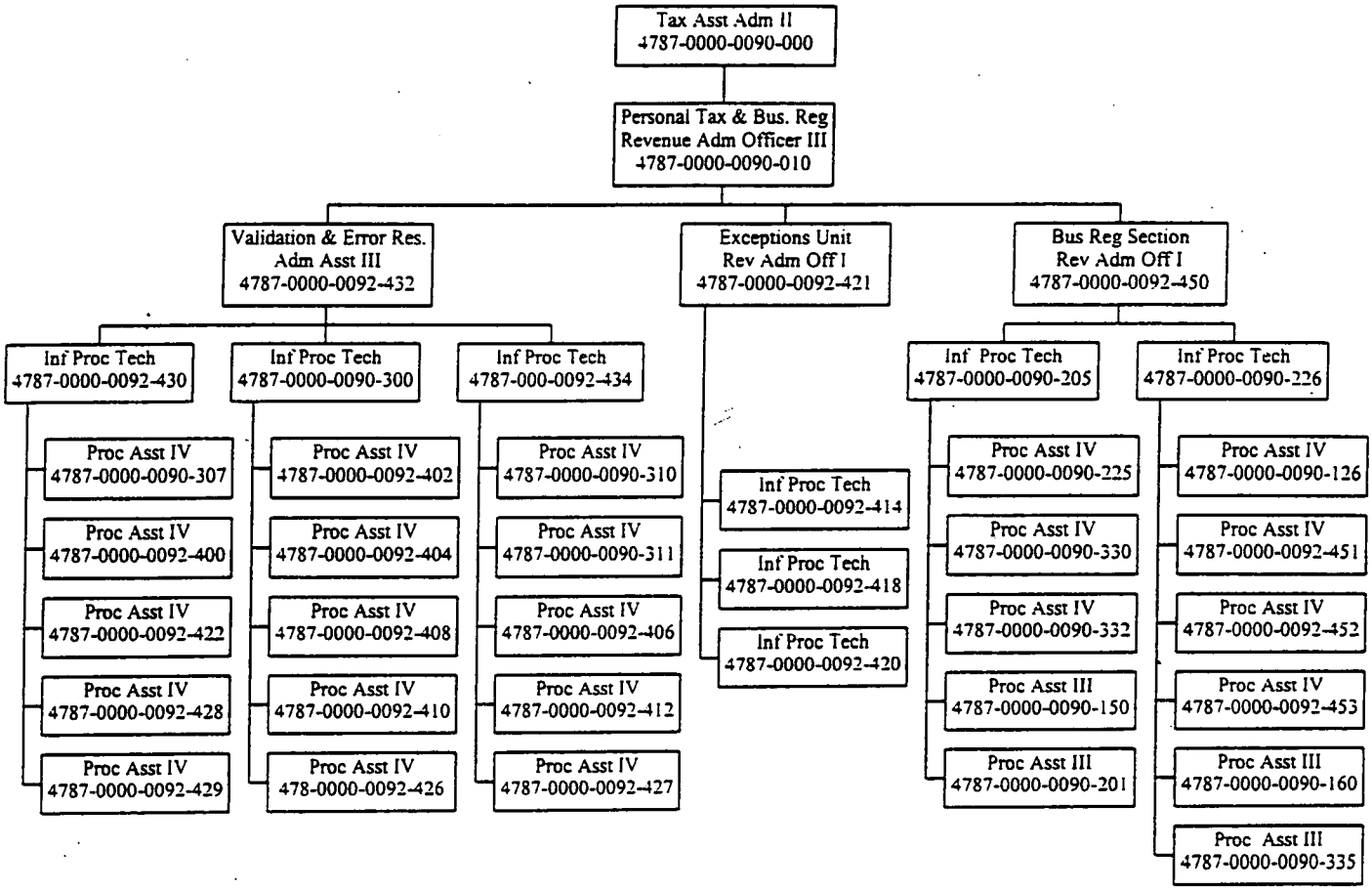


II

Edward H. Nest
January 4, 1999

North Carolina Department of Revenue
Returns Processing Division
Personal Taxes
January 1, 1999

DOR 31

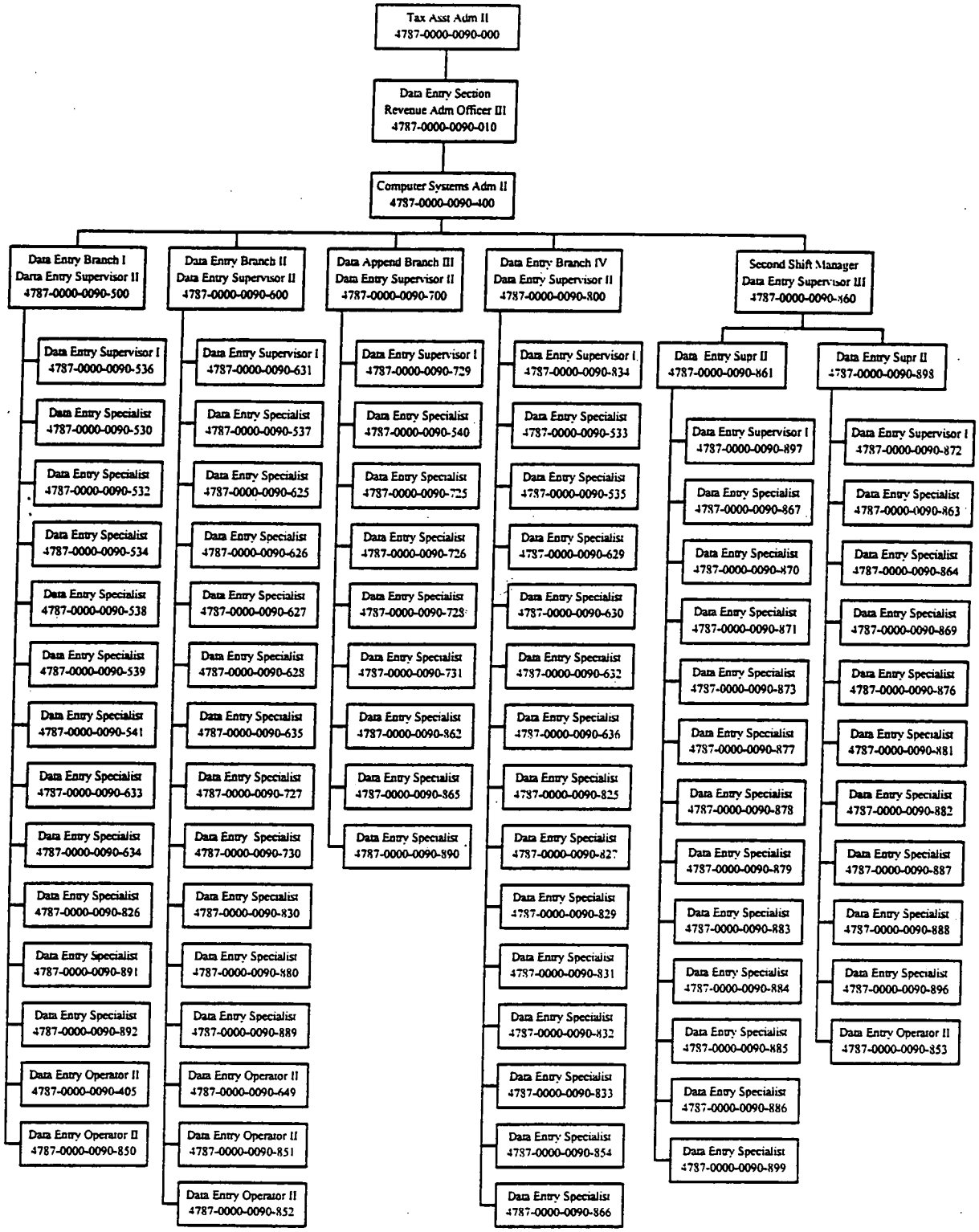


III

Edward H. Nest
January 4, 1999

North Carolina Department of Revenue
Returns Processing Division
Data Entry Section
January 1, 1999

DOR 32

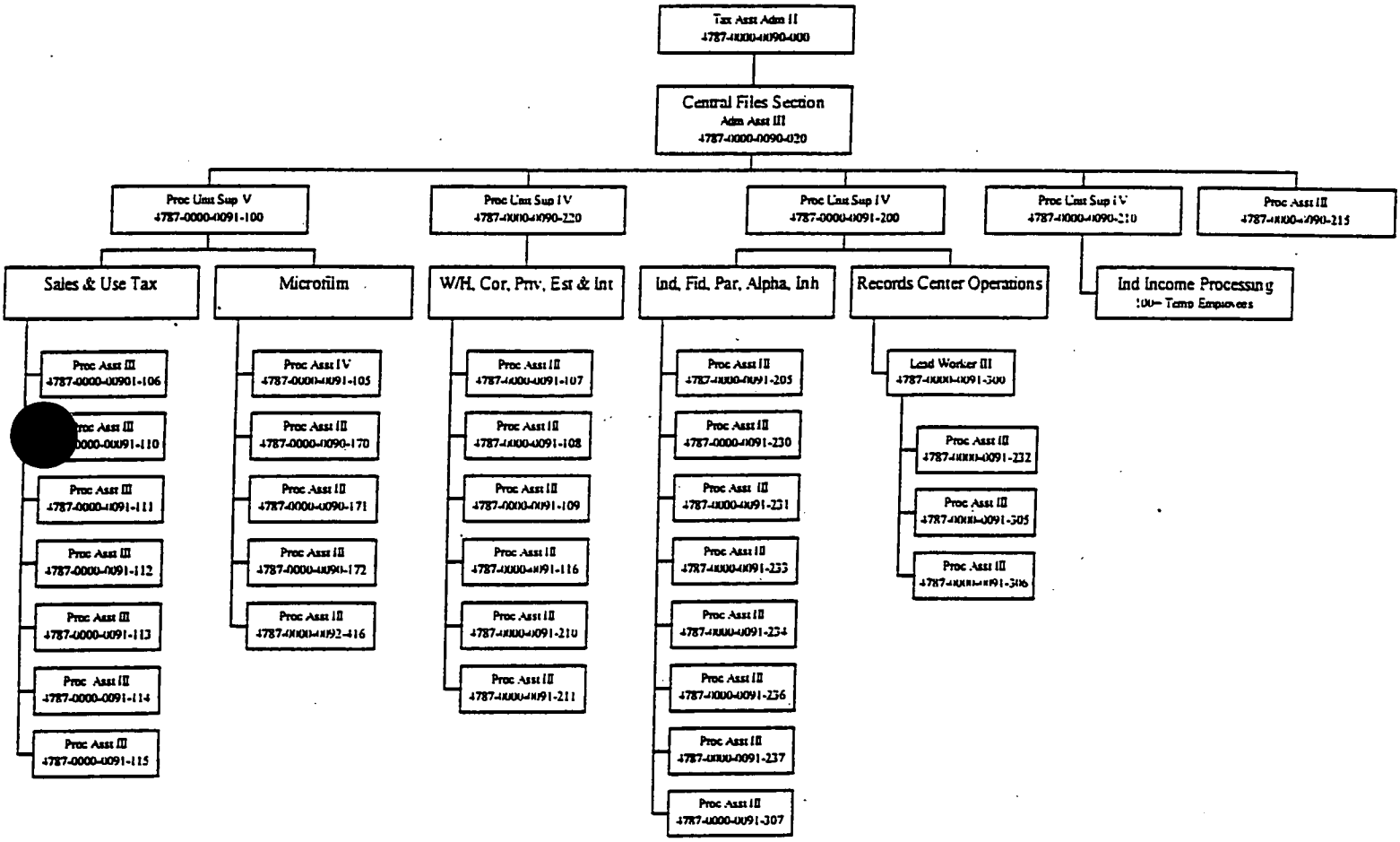


IV

Edward H. West
January 4, 1999

Returns Processing Division
Central Files Section
January 1, 1999

DOR 33



V

Edward H. Rest
January 4, 1999

Department of Revenue

Legal & Administrative Services - Center 1680 (Program Number 0540 - Revenue Collection)

Legal and Administrative Services is for budgetary purposes comprised of the **Administrative Services, Accounting,** and **Returns Processing Divisions.** All three divisions provide support and processing services to other Departmental divisions.

The **Administrative Services Division** is responsible for securing equipment, printing forms (in-house and outside), overseeing repairs to equipment and the building, mailings from and to taxpayers, and other related departmental services. (The Deputy Secretary for the Department has organizational responsibility for this division.)

The **Accounting Division** receives, deposits, reports, and accounts for all tax receipts paid to the Department. The division assists in processing tax refunds for all tax schedules, maintains budgetary controls for the Department, keeps records of appropriations and disbursements, prepares payroll information, and maintains all time and pay records for the Department. It also maintains records of bonds placed with the Department as tax guarantees.

The **Returns Processing Division** processes data on tax returns and reports, maintains business registrations, and provides records management services for the Department's inactive files.

FISCAL DATA

Legal & Administrative Services - Center 1680
Program Number 0540 - Revenue Collection

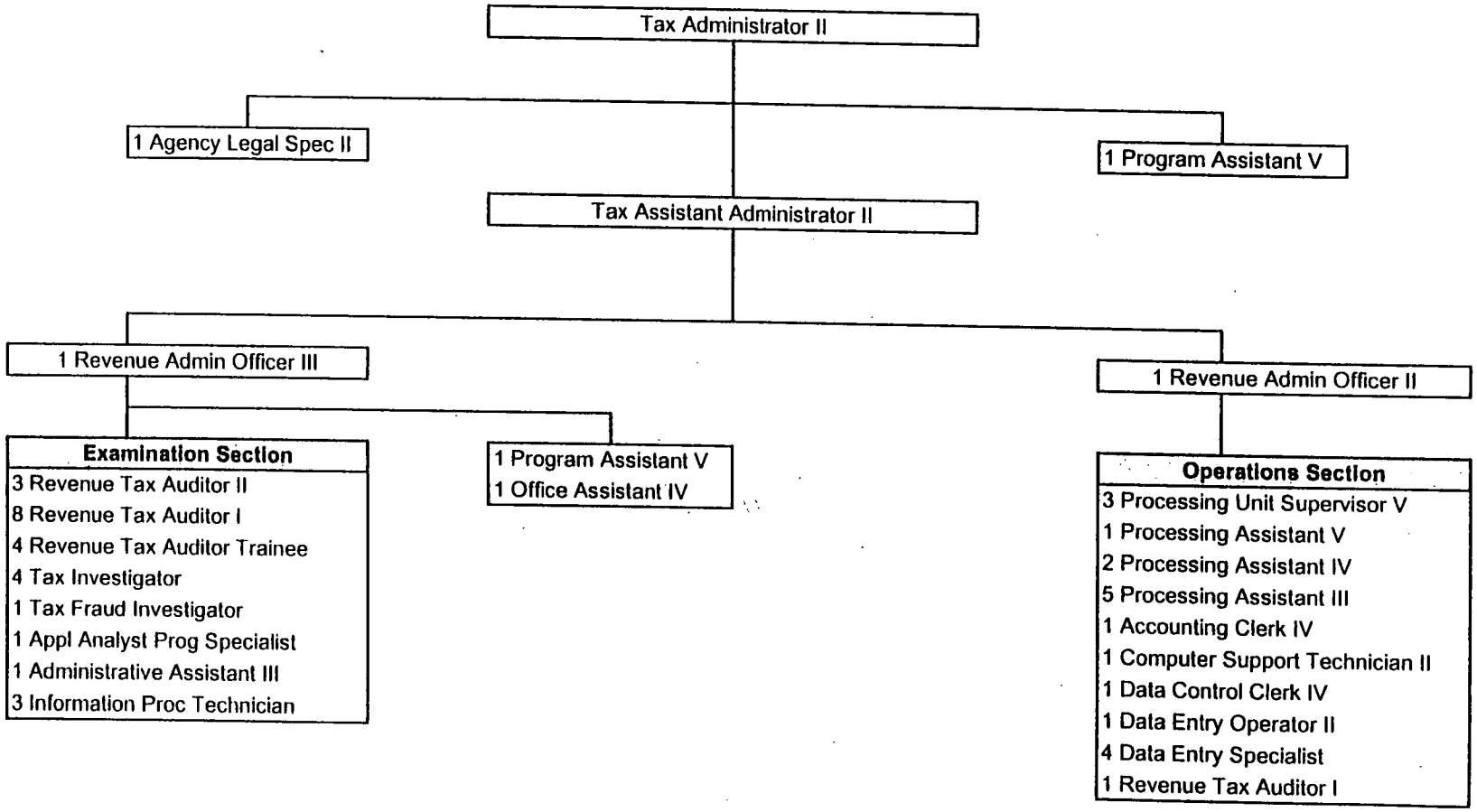
Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$17,744,512	$17,507,969	$18,201,049	$18,216,358
Receipts	619,730	494,435	494,435	494,435
Appropriation	$17,124,782	$17,013,534	$17,706,614	$17,721,923
Positions	289.0	289.0	289.0	289.0

1/1/99

North Carolina Department of Revenue

MOTOR FUELS TAX DIVISION



Julian W. Fitzgerald, Sr., Director

1/1/99
Date

DOR 35

Department of Revenue
Motor Fuels - Center 1700 (Program Number 0540 - Revenue Collection)

The **Motor Fuels Tax Division** administers and collects the gasoline, special fuels and highway fuel use taxes, and inspection fees due on motor fuels and kerosene. The division also disseminates motor fuels tax information and conducts field and office audits, and examinations to insure compliance. This division is supported entirely by tax receipts deposited by the Department of Revenue to the credit of the North Carolina Department of Transportation (Highway and Highway Trust Fund). (The Assistant Secretary for Tax Compliance has organizational responsibility for this division.)

FISCAL DATA

Motor Fuels - Center 1700
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$3,051,670	$2,764,939	$3,017,946	$3,017,946
Receipts	3,054,256	2,764,939	3,017,946	3,017,946
Appropriation	$ -2,586	$ 0	$ 0	$ 0
Positions	45.0	45.0	47.0	47.0

Department of Revenue

Federal Grant - Fuel Tax Evasion - Center 1702 (Program Number 0540 - Revenue Collection)

Grant monies have been provided by the Federal Highway Administration (FHWA) to address the problems associated with fuel tax evasion and to promote cooperation with other states and the Internal Revenue Service. The grant monies were authorized by the United States Congress in the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA). (This grant program is administered by the Motor Fuels Tax Division.)

FISCAL DATA

Federal Grant - Fuel Tax Evasion - Center 1702
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$114,618	$131,407	$ 0	$ 0
Receipts	114,618	131,407	0	0
Appropriation	$ 0	$ 0	$ 0	$ 0
Positions	2.0	2.0	0.0	0.0

Department of Revenue

Federal Grant - Motor Carriers - Center 1704 (Program Number 0540 - Revenue Collection)

Grant monies have been provided by the Federal Highway Administration (FHWA) to assist states with the cost associated with entering the International Fuel Tax Agreement (IFTA). IFTA is a base state compact where the base state collects fuel use taxes from its resident carriers for all member jurisdictions. This collected tax is then forwarded to each jurisdiction. IFTA has simplified registration and reporting requirements for all carriers based in IFTA jurisdictions. (This grant program is administered by the Motor Fuels Tax Division.)

FISCAL DATA

Federal Grant - Motor Carriers - Center 1704
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$34,254	$42,330	$ 0	$ 0
Receipts	34,253	42,330	0	0
Appropriation	$ 1	$ 0	$ 0	$ 0
Positions	0	0	0	0

Department of Revenue
Motor Fuels - Fuel Compliance - Center 1706 (Program Number 0540 - Revenue Collection)

Action by the Joint Legislative Transportation Oversight Committee in 1994 authorized monies to enhance computerization in the Motor Fuels Tax Division, develop procedures to exchange data with the Division of Motor Vehicles to detect under-reporting of North Carolina mileage by interstate truckers, and develop procedures to detect inaccurate reporting by gasoline distributors and special fuel suppliers. (This program is administered by the Motor Fuels Tax Division.)

FISCAL DATA

Motor Fuels - Fuel Compliance - Center 1706
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$380,693	$421,824	$421,824	$421,824
Receipts	380,694	421,824	421,824	421,824
Appropriation	$ -1	$ 0	$ 0	$ 0
Positions	6.0	6.0	6.0	6.0

Department of Revenue
White Goods - Center 1800 (Program Number 0540 - Revenue Collection)

The White Goods Disposal Tax Act imposes an additional sales and use tax of $3.00 for each white good sold. From the tax collected the Department can retain up to $225,000 a year for the cost of administration with the remaining net collections being paid as follows: eight percent to the Solid Waste Management Trust Fund, twenty percent to the White Goods Management Account and seventy-two percent to counties on a per capita basis. (This program is administered by the Office Examination Division.)

FISCAL DATA

White Goods - Center 1800
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$164,153	$225,000	$225,000	$225,000
Receipts	164,154	225,000	225,000	225,000
Appropriation	$ -1	$ 0	$ 0	$ 0
Positions	5.0	5.0	5.0	5.0

Department of Revenue
Scrap Tire - Center 1820 (Program Number 0540 - Revenue Collection)

The Scrap Tire Disposal Act imposes a scrap tire disposal tax of one or two percent on the retail sale of each new motor vehicle tire. From the taxes collected the Department can retain up to $225,000 a year for the cost of administration with the remaining net collections being paid as follows: five percent to the Solid Waste Management Trust Fund, twenty-seven percent to the Scrap Tire Disposal Account and sixty-eight percent to countries on a per capita basis. (This program is administered by the Office Examination Division.)

FISCAL DATA

Scrap Tire - Center 1820
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$193,485	$225,000	$225,000	$225,000
Receipts	193,485	225,000	225,000	225,000
Appropriation	$ 0	$ 0	$ 0	$ 0
Positions	5.0	5.0	5.0	5.0

Department of Revenue
Dry-Cleaning Solvent Tax - Center 1840 (Program Number 0540 - Revenue Collection)

The Dry-Cleaning Solvent Tax is a privilege tax that is imposed on each gallon of dry-cleaning solvent sold by a retailer to a dry-cleaning facility. The rate of the tax is $5.85 for each gallon of dry-cleaning solvent that is chlorine-based and .80 (cents) for each gallon that is hydrocarbon based. Collections from this tax are deposited to the "Dry-Cleaning Solvent Cleanup Fund". From the tax collected the Department can retain up to $125,000 a year for the cost of administration. (This program is administered by the Office Examination Division.)

FISCAL DATA

Dry-Cleaning Solvent Tax - Center 1840
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
Total Requirements	$ 0	$125,000	$125,000	$125,000
Receipts	0	125,000	125,000	125,000
Appropriation	$ 0	$ 0	$ 0	$ 0
Positions	0	0	0	0

Mr. Cook's Presentation

DOR 23A

Office Examination Division

The Office Examination Division ensures tax compliance at the office examination level for all tax schedules administered by the Department, except Motor Fuels and Unauthorized Substance. Returns and reports filed with the Department are examined, reviewed and audited for accuracy and compliance with state statutes. The Division also provides taxpayer assistance, responding to correspondence, telephone inquiries and face to face interviews concerning changes made to their returns or reports. The Division serves also as a clearinghouse for correspondence received by the Department, either responding to taxpayers' issues or routing the correspondence to the appropriate areas within the Department.

- Responsible for the examination and review of returns and reports filed with the Department to determine compliance
- Responsible for adjusting returns and reports to bring them into compliance
- Assessing taxpayers based on information furnished by the Internal Revenue Service
- Responding to taxpayer inquiries based on notices generated by ITAS explaining changes made to returns or reports by telephone and written correspondence
- Responsible for coordinating the local sales and use tax distribution
- Responsible for routing and responding to correspondence received

- Fiscal year 1997-1998 total number of returns, report, correspondence handled 1,465,751
- 104,205 pieces of correspondence worked
- 265,000 returns were adjusted by employees
- Net adjustments totaled $54,319,663.83
- RAR assessments totaled $21,285,102
- Automated CP2000 assessments totaled $21,934,409.

DOR 23B
Mr. Cook's presentation

Functions of the Office Services Division

The Office Services Division works in conjunction with the Office Examination Division to help ensure compliance of North Carolina's tax statutes. The Office Services Division is composed of 62 employees which make up four main areas: taxpayer assistance, special programs, bankruptcyand central collections.

Taxpayer Assistance Section

Although taxpayer assistance is handled in many areas of the Department (Tax Compliance, Tax Administration and Field Operations), the Taxpayer Assistance Section of the Office Services Division handles many of the more complex tax application questions, both through correspondence and by telephone. The first line of contact for a tax question is our tax technician. If the tax question cannot be handled by a tax technicians on the telephone, there are twenty-two professional employees (administrative officers) in the Taxpayer Assistance Section who assist taxpayers, tax practitioners, accountants and attorneys.

Telephone calls in 1998:

Individual Income Tax	136,188
Corporate Income and Franchise Tax	8,058
Sales and Use Tax	41,404
Withholding Tax	33,141

In addition to our regular assistance by employees, the Department has several automated telephone lines to further assist taxpayers, especially after normal working hours. During 1998, the following calls were answered through automation:

Individual Income Tax Refund Inquiry	569,839*

* (DOR employees available at this line between 8:00am and 5:00pm)

NC TAXTALK	81,373**

** (Pre-recorded messages of frequently asked income tax questions)

Correspondence in 1998:
(More complex correspondence handled by administrative officers)

Correspondence handled:	24,850

DOR 23C

M.W. Rooks presentation

Special Program Section

- Responsible for the Federal / State Electronic Filing Program
  - Number of income tax returns filed in 1998 — 541,297
  - Number of income tax returns as of 3-23-99 — 564,107
  - Total expected in 1999 — 630,000
  - Currently #1 in the nation in the number of state returns filed
- Set Off Debt Collection Program (income tax refunds applied to state debts)
  - number of claims filed by state agencies for 1998 — 522,039
  - number of refunds set off in 1998 — 79,530
  - Total amount set off in 1998 — $16,298,064.00
- Federal Offset Program (state tax refunds to IRS debts)
  - number of claims processed — 15,400
  - Total amount set off — $4,797,716.00

Bankruptcy Section

The Bankruptcy Section is responsible for processing information received from the Bankruptcy Courts regarding bankrupt taxpayers to prevent violations of the bankruptcy statutes and ensure nondischargeable liabilities are collected.

Bankruptcy statistics for fiscal year ending 6-30-98:

Number of bankruptcy cases notified by Courts	11,085
Number of cases for which claims were filed by DOR	4,611
Total amount of claims filed	$7,675,120.00
Collections received (includes claims filed in earlier years as well)	$4,353,681.00

Central Collections Section

- Responsible for administering the automated wage garnishment for taxpayers delinquent in paying their state taxes.
- Refer cases to field offices when accounts cannot be collected from the garnishment process.

24-A

Kay Honeycutt's Presentation

FIELD OPERATIONS
DEWEY N. SANDERS, ASSISTANT SECRETARY
MARCH 24, 1999

Field Operations Organization is presently staffed with 437 permanent employees, primarily professional staff employees. (36% of our workforce)

As the word "field" indicates, the majority of these employees are not located in Raleigh but in cities and towns throughout our State and in major cities outside North Carolina.(69 or 16% in Raleigh) (368 outside)

In North Carolina, we are positioned from Nags Head to Murphy and outside North Carolina in 13 states from San Francisco to Miami and Stamford,CT. to Houston, Tx.

States with North Carolina Offices

- Calif.
- Conn.
- Florida
- Ga.
- Ill.
- MD.
- MN.
- MO.
- NJ
- NY
- OH
- Pa.
- TX

Have oversight responsibility for five (5) major functions/divisions:

1. Field Examination Division (14 offices) 135 positions
   - Asheville
   - Charlotte
   - Greensboro

Hickory
Salisbury
Winston-Salem
Durham
Elizabeth City
Fayetteville
New Bern
Raleigh
Rockingham
Rocky Mount
Wilmington

2. Field Collection Division (40 offices) (229) positions

   (21 Suboffices Listing of locations attached)

3. Interstate Examination Division (24 out-of state offices & 24 positions) (42 positions total) Office locations attached

4. Unauthorized Substance Tax Division (8 offices) (14) positions
   Tax not only controlled subst., but mash & illegal spirituous liquors by the drink and not by the drink.
   Total Collections 11/98 - 2/99 $340,765.23
   Office locations:

   Raleigh (2)
   Asheville (1)
   Charlotte (2)
   Fayetteville (1)
   Greenville (1)
   Sanford (1)
   Wilmington (1)
   Winston-Salem (1)

5. Administrative Section - Supports the 4 divisions just mentioned.

25-A

Honeysuckle

	6-30-98	6-30-97	
Num. audits	5732	7473	
Audits per auditor	40	47	
Days/audit	5.5	4.7	
Ave. Assess. ($)	27,296	19,792	
Active Audit Cases (In-state auditors)			1,354
Active Audit Cases (Interstate)			
Raleigh Office			194
Out-of state offices			393

Collections Cases (See attached sheet)

Total Delinquent Collections (1997) $94,667,645.

Return on investment (Ave In-state/interstate auditor) (97-98) (Based on Salary, exp. & fringe benefits)	$ 18.71
Return on investment (In-state auditor) (97-98)	9.89
Return on investment (Interstate auditor (97-98)	27.84
Return investment (RO officer) (97-98)	9.55
Return on investment (Usub Officer) (97-98)	8.07

All above figures based on salary, expenses & fringe benefits.

1997 Daily Opinions
102,181,371.00

Feb 98 - Jan 99 Delinquent Accounts
105,944,418.00

24-C
Honeycutt

15 staff members

Some Duties:

(Do processing of all paper moving thru Org.)
(leases) (Over $12000. Approved by Council of State)
(purchasing equipment and expense items)
(personnel records, matters)
(control thru Case Mgt.-cases going to field)
(Develop and orchestrate training)
(Input all audit cases into ITAS)
(maintain statistical data bases for Organ.)
(Distribute payroll checks & expense checks)
(process daily reports, receipts, weekly reports)
(control security access for all personnel)
(perform complex ITAS adjustments for field pers.
(perf internal controls-review work & actions take
(Inventory Control)

25-B
Marquette's

Field Operations

Audit Statistics Comparison - Fiscal Year 1997-98

(# Audits) (Gross Assessments) (Net Assessment) (Salary & Expenses) (Profit) (Total) (Yield) (Percentage)

Examination Division East									
Durham	362	12,855,359	2,543,523	10,311,836	383,177	33,023	95,794	511,994	20.14	4.97
Elizabeth City	197	2,667,032	40,867	2,626,165	178,002	17,381	44,501	239,884	10.95	9.13
Raleigh	366	10,553,065	299,964	10,253,101	514,951	33,341	128,738	677,030	15.14	6.60
Rocky Mount	235	1,351,443	44,716	1,306,727	172,868	7,591	43,217	223,676	5.84	17.12
Fayetteville	281	4,401,373	389,930	4,011,443	401,177	20,534	100,294	522,005	7.68	13.01
New Bern	353	3,836,083	251,379	3,584,704	316,442	13,858	79,111	409,411	8.76	11.42
Rockingham	42	1,645,623	56,166	1,589,457	67,967	4,202	16,992	89,161	17.83	5.61
Wilmington	269	2,857,111	476,839	2,380,272	235,233	14,915	58,808	308,956	7.70	12.98
Total	2,105	40,167,089	4,103,384	36,063,705	2,269,817	144,845	567,454	2,982,116	12.09	8.27
Examination Division West										
Charlotte	711	10,224,284	1,488,175	8,736,109	964,705	39,512	241,176	1,245,393	7.01	14.26
Greensboro	486	5,840,353	811,357	5,028,996	596,719	27,596	149,180	773,495	6.50	15.38
Salisbury	355	4,424,743	1,205,614	3,219,129	272,832	9,613	68,208	350,653	9.18	10.89
Asheville	475	4,331,252	409,347	3,921,905	409,371	21,348	102,343	533,062	7.36	13.59
Hickory	235	4,039,468	330,859	3,708,609	220,278	8,519	55,070	283,867	13.06	7.65
Winston Salem	352	6,171,415	651,348	5,520,067	407,309	11,581	101,827	520,717	10.60	9.43
Total	2,614	35,031,515	4,896,700	30,134,815	2,871,214	118,169	717,804	3,707,187	8.13	12.30
Interstate										
Total	1,223	99,524,941	3,529,023	95,995,918	1,369,937	267,326	342,484	1,979,747	48.49	2.06
Grand Totals	5,942	174,723,545	12,529,107	162,194,438	6,510,968	530,340	1,627,742	8,669,050	18.71	5.34

25-C
Honeycutta

LIST OF SUBOFFICES

OFFICE	OFFICE DAY/HOURS/ADDRESS	TELEPHONE	MAIN OFFICE
Ahoskie	1st & 2nd Thursday/10 to 1 201 West Main St.	(252) 332-3763	Elizabeth City
Albemarle	1st & 2nd Tuesday/9 to 12 & 1 to 4 City Hall Annex, 157 N. 2nd St.	(704) 983-1909	Concord
Boone	Tuesday/9 to 12 & 2 to 4 Courthouse Annex	(828) 265-5404	Hickory
Burnsville	1st & 2nd Monday & 15th/9 to 12 116 North Main Street	(828) 682-2418	Asheville
Elizabethtown	Thursday/8:30 to 12:30 Bladen Co. Courthouse 166 E. Broad St., Room 22	(910) 862-6988	Lumberton
Laurinburg	Thursday/9 to 12 & 1 to 4 231 E. Cronly St., Room 306	(910) 276-3364	Rockingham
Lenoir	Monday, Thursday & 15th/8 to 12 & 1 to 5 506 Wilkesboro Blvd. S.E. Ste 230	(828) 757-5619	Hickory
Lillington	Monday/8 to 12 & 1 to 5 303 W. Duncan St.	(910) 893-3574	Fayetteville
Lincolnton	Monday/8:30 to 12 115 W. Main St., Citizens' Center	(704) 735-6416	Gastonia
Marion	Tuesday/10 to 1 McDowell County Adm. Bldg., Room 219	(828) 652-0189	Hickory
Morganton	Monday & 15th/8 to 12 & 1 to 5 203 W. Meeting Street	(828) 438-6280	Hickory
Mount Airy	Monday & 15th/8:30 to 12 & 1 to 4:30 300 South Main St., Municipal Bldg.	(336) 786-3533	Winston-Salem
Roxboro	1st Thursday & 15th/9 to 12 319 S. Main St.	None	Durham
Smithfield	Tuesday/8 to 12 & 1 to 5 SSS Plaza, 30 Noble Street	(919) 934-2810	Goldsboro
Southern Pines	Wednesday/9 to 12 & 1 to 4 Douglass Comm. Ctr., 1185 W. Penn. Ave.	(910) 692-1690	Rockingham
Thomasville	Wednesday/9:30 to 12:30 211 W. Colonial Drive, Room 199	(336) 474-2699	Lexington
Troy	1st & 2nd Tuesday/10 to 1 Any other Tuesday by appointment Highway Patrol Station, Prison Camp Road	(910) 572-3017	Rockingham
Wilson	Monday/8 to 12 & 1 to 5 113 East Nash Street	(252) 243-4320	Rocky Mount
Windsor	1st & 2nd Tuesday/9 to 12 Bertie Co. Office Bldg., 106 Dundee St., Rm. 201	(252) 794-5300 Ext. 407	Elizabeth City
Yadkinville	Monday & 15th/8:30 to 12 & 1 to 4:30 106 E. Elm Street	(336) 679-3381	Winston-Salem

WHITEVILLE TUESDAYS 112 WASHINGTON ST. (910) 642-2732 LUMBERTON
126 MEMORY PLAZA

25-D

The State at a Glance for the Quarter ending 1/31/99

			Delinquents		Assessments				
	Office	RO's	E	W	D	E	W	Total	Case/RO
1660103	Durham	12	1,017	463	3,858	319	280	5,937	495
1660104	Elizabeth City	4	477	240	1,229	114	91	2,151	538
1660105	Greenville	5	556	298	1,854	116	134	2,958	592
1660106	Henderson	3	271	144	1,045	50	39	1,549	516
1660107	Nags Head	6	615	106	620	112	38	1,191	397
1660108	Raleigh	17	1,046	701	4,565	254	258	6,824	401
1660109	Rocky Mount	7	499	230	1,983	204	210	3,126	447
1660201	Clinton	3	130	23	560	46	24	783	261
1660202	Fayetteville	10	694	366	2,208	189	189	3,646	365
1660203	Goldsboro	4	82	52	820	33	41	1,028	257
1660204	Jacksonville	3	92	25	306	39	15	477	159
1660205	Kinston	3	152	52	466	35	27	732	244
1660207	Lumberton	5	143	60	2,064	47	50	2,364	473
1660208	Morehead City	3	54	30	461	61	16	622	207
1660209	New Bern	3	263	211	791	105	79	1,449	483
1660210	Rockingham	5	337	75	1,013	69	63	1,557	311
1660211	Sanford	3	119	47	508	33	16	723	241
1660212	Shallotte	2	221	81	734	48	40	1,124	562
1660214	Whiteville	2	119	32	261	16	10	438	219
1660215	Wilmington	7	264	104	797	49	64	1,278	183
1660102	Burlington	4	618	246	1,316	118	75	2,373	593
1660301	Asheboro	3	160	39	363	41	31	634	211
1660302	Charlotte	23	3,201	2,378	5,727	728	850	12,884	560
1660303	Concord	4	1,361	827	1,447	166	216	4,017	1,004
1660304	Greensboro	13	978	623	2,948	298	317	5,164	397
1660305	High Point	3	276	75	401	73	55	880	293
1660306	Lexington	3	327	94	797	65	89	1,372	457
1660307	Monroe	4	347	441	1,080	81	137	2,086	522
1660308	Reidsville	3	892	274	437	60	54	1,717	572
1660309	Salisbury	3.5	257	74	662	54	56	1,103	315
1660401	Asheville	10	252	118	1,202	103	51	1,726	173
1660402	Franklin	2	38	7	119	2	3	169	85
1660403	Gastonia	6	972	379	1,574	276	189	3,390	565
1660404	Hendersonville	4	165	36	442	46	54	743	186
1660405	Hickory	10.5	359	152	1,773	405	138	2,827	269
1660409	Murphy	1	29	1	80	18	11	139	139
1660410	North Wilkesboro	2	182	71	336	107	70	766	383
1660411	Shelby	4	379	129	1,107	132	62	1,809	452
1660412	Statesville	4	101	50	462	38	16	667	167
1660414	Winston Salem	14	1,104	368	2,875	236	154	4,737	338
	Total	225	18,849	9,722	51,291	4,986	4,312	89,160	396
	schedule/RO		84	43	228	22	19	396	

Eastern RO stats schedule/RO	104	66	32	251	19	16	384
Western RO stats schedule/RO	121	99	53	208	25	22	407

Statistics	Population	Schedule D Filings	Sales Registrations
Eastern	3,528,896	1,316,108	72,903
average per RO	33,932	12,655	701
Western	3,902,265	1,629,764	93,993
average per RO	32,250	13,469	777
Statewide	7,431,161	2,945,872	166,896
average per RO	33,027	13,093	742

INTERSTATE EXAMINATION DIVISION

LOCATION	AUDITS IN PROGRESS
California, Carlsbad	17
California, Pleasanton	14
California, Santa Clara	18
California, Toluca Lake	10
Conecticutt, Stamford	25
Florida, Fort Lauderdale	35
Florida, North Miami	26
Georgia, Conyers	35
Georgia, Lithonia	14
Illinois, Algonquin	31
Illinois, Chicago	4
Illinois, Lake Zurich	25
Maryland, Baltimore	12
Minnesota, Mahtomedi	18
Missouri, Saint Louis	15
New Jersey, Plainfield	3
New York, Suffern	20
Ohio, Chagrin Falls	20
Pennsylvania, Homer City	31
Pennsylvania, Huntingdon Valley	4
Texas, Arlington	6
Texas, Houston	12
Texas, Plano	15
Total Satellite Offices	393
North Carolina, Raleigh	194
Total Interstate	587

INTERSTATE EXAMINATION DIVISION

LOCATION

California, Carlsbad
California, Pleasanton
California, Santa Clara
California, Toluca Lake
Conecticutt, Stamford
Florida, Fort Lauderdale
Florida, North Miami
Georgia, Conyers
Georgia, Lithonia
Illinois, Algonquin
Illinois, Chicago
Illinois, Lake Zurich
Maryland, Baltimore
Minnesota, Mahtomedi
Missouri, Saint Louis
New Jersey, Plainfield
New York, Suffern
Ohio, Chagrin Falls
Pennsylvania, Homer City
Pennsylvania, Huntingdon Valley
Texas, Arlington
Texas, Houston
Texas, Plano

AVERAGE WORKLOAD OF U-SUB ENFORCEMENT OFFICER

Submitted by Ron Starling on March 24, 1999

Date	Total Open Cases In Division	Number of Officers	Average Caseload Per Officer
1/11/98 (old law)	25,597	10	2,560
2/28/99 (new law)	902	8 *	113

* Division has ten officer positions but the Greenville location is vacant and Wilson Weathers assigned to Fayetteville is not working a territory since he is in law enforcement training.

DOR 39-A

NORTH CAROLINA DEPARTMENT OF REVENUE
MOTOR FUELS TAX DIVISION

The primary purpose of the Motor Fuels Tax Division is to administer and enforce the motor fuels, motor carrier and inspection tax laws of the State. The Division's responsibilities include examining and approving motor fuel licenses, issuing annual motor carrier licenses and identification markers, processing monthly, quarterly and annual reports from taxpayers, examining these reports to determine if proper taxes have been paid and processing refunds that are filed annually, quarterly and monthly.

Statutes administered by the Division are as follows:

Motor Fuels taxes	Article 36C	Gasoline, diesel and blended fuels.
Alternative Fuels taxes	Article 36D	Fuels other than gasoline and diesel used to propel motor vehicles.
Motor Carrier taxes	Article 36B	A tax on heavy vehicles. Vehicles with three or more axles or licensed for more than 26,000 pounds.
Inspection taxes	Chapter 119	A tax of 1/4 cent per gallon on all motor fuel.

- The Motor Fuels Tax Division consists of 55 employees.

- Auditors and investigators are located throughout the State:

Asheville	1 auditor	Raleigh	5 auditors, 2 investigators
Charlotte	2 auditors, 1 investigator	Rocky Mount	1 auditor
Fayetteville	1 auditor	Wilmington	1 auditor
Greensboro	1 auditor, 1 investigator	Winston-Salem	3 auditors
Hickory	1 auditor		

- Division activities include:

Returns Processing	Problem Resolution
Accounting	Field Audit
Taxpayer Support and Education	Administration

- 16,754 taxpayers registered who file returns.

- 54,678 returns filed for FY98.

- $1,060,436,730 gross collections for FY98.

- 1460 audits complete for FY98.

VISITOR REGISTRATION SHEET

Sen Gov. 3-25-99

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS	
Billy Bryan	RRC	
Mike Hannah	DOR	
Jim Cooke	DOR	
Landy Cooke	DOR	
Muriel Offerman	DOR	
Kaye M Honeycutt	DOR	
[illegible] FITZGERALD	DOR	
Willie Riddick	DOR	
Keith McLeod	DOR	
Kim Brooks	DOR	
Kathie Austin Padgett	OSPL	Admin Bldg.
Byron K. Harris	OSBM	
Jim Newell	OSBM	
J.W. Reel	OSBM	
Martha Glenn	DOA	
[illegible]	NCRA	

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 30, 1999
Room 425
8:30 a.m.

Chairman: Senator Ed Warren

Department of Revenue

Legal and Administrative Services (Fund 1680)
(Notebook pp. DOR 27 - DOR 34)
(Budget Book/Performance Measures: Administrative Services p. 182; Accounting p. 183; and Returns Processing p. 183)

Michael Hannah
Assistant Secretary

Motor Fuels (Fund 1700) and Fuel Compliance (Fund 1706)
(Notebook pp. DOR 35 - DOR 36 and p. DOR 39)
(Budget Book/Performance Measures p. 194)

Julian Fitzgerald
Director

White Goods (Fund 1800)
(Notebook p. DOR 40)

Scrap Tire (Fund 1820)
(Notebook p. DOR 41)

(over)

Rules Review Commission

Overview
(Notebook pp. RRC 1 - RRC 4)
(Budget Book/Performance Measures: p. 205)

Joseph DeLuca
Staff Director and Counsel

Office of Administrative Hearings

Overview/Budget/Issues
(Notebook pp. OAH 1 - OAH 4)

Administration Division
(Notebook pp. OAH 5 - OAH 6)

Hearings Division
(Notebook pp. OAH 7 - OAH 10)
(Budget Book/Performance Measures: Item 1, p. 205)

Rules Division
(Notebook pp. OAH 11 - OAH 14)
(Budget Book/Performance Measures: Item 2, p. 205)

(over)

Civil Rights Division
(Notebook pp. OAH 15 - OAH 18)
(Budget Book/Performance Measures: Item 3, p. 205)

Key Funding Issues and Expansion Budget Requests
(Notebook pp. OAH 19 - OAH 21)

Judge Julian Mann, III
Director

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

March 30, 1999

The Joint Appropriations Subcommittee on General Government met Tuesday, March 30 at 8:30 a.m. in Room 425 of the Legislative Office Building. Three of the Senate members were present. Representatives present were: Co-Chair Jeffus and Wainwright, Vice Chair McLawhorn, and Barefoot, and Setzer. Pages were Michael Farris, Jessica Weeks and Fisher Coan. Senator Ed Warren chaired the meeting.

Senator Warren told the members that Speaker Black promised to have a budget by the end of May, and that they needed to look at a one percent cut across the board. He then introduced Michael Hannah, Assistant Secretary for Legal and Financial Services of the Department of Revenue, who gave an executive summary of responsibilities by each of the divisions. Julian Fitzgerald, Director of the Motor Fuels Division, also gave a brief summary of his Division. (See Attachment 1)

Joseph DeLuca, Staff Director and Counsel of the Rules Review Commission, gave an overview of the Commission. (See Attachment 2) He stated that a one percent cut would be difficult since eighty four percent of their budget was fixed costs, such as personnel salaries, rent, etc., and that any funds not expended reverted back to the General Fund each year.

Senator Warren then introduced Judge Julian Mann, III, Director of the Office of Administrative Hearings to briefly explain the duties and budgetary needs of his department. Attachment 3 gives an overview of operations, Attachment 4 lists files opened by agency designation, and Attachment 5 is a brochure explaining the functions of the department.

After a brief question and answer period, Michele Nelson announced that the committee would discuss the Secretary of State's and the Treasurer's offices tomorrow morning at 8:30. The meeting adjourned at 9:50 a.m.

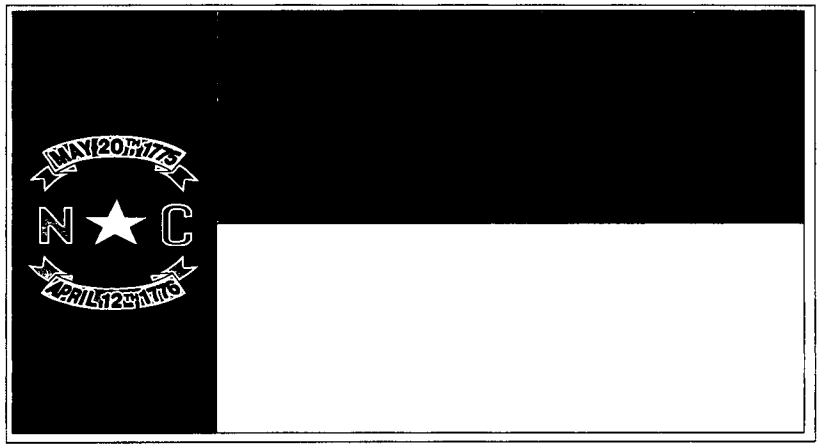
Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1
March 30, 1999

Overview of the North Carolina Department of Revenue



Presented to the Joint Subcommittee for General Government

February 1, 1999

DOR 1

OVERVIEW

North Carolina Department of Revenue

The Department of Revenue is responsible for the collection and accounting of the State's tax funds, insures uniformity of administration of the tax laws and regulations, conducts research on revenue matters, and exercises general and specific supervision over the valuation and taxation of property throughout the State.

The Department of Revenue was organized in May 1921, with sixteen persons on the payroll, operating expenses of $88,000 and collections of $3.1 million. Today the Department has annual collections of over $15.7 billion, a budget of $87 million and 1,243 employees. In 1992, the Department relocated from the old Revenue Building on Hillsborough Street to the new Revenue Building on Wilmington Street adjacent to the State Government Mall. At the time of relocation to the new facility in December 1992, the Department reorganized by functional responsibilities rather than an organization aligned according to the administration of specific tax schedules, i.e. individual income, sales and use, corporate and franchise, etc. The functional organization has permitted the Department to group "like" functions, i.e. auditing, accounts receivables, registrations, etc., regardless of a particular tax.

Since 1992 the Department has participated in the joint Federal-State Electronic Filing Program for individual income tax returns. The Department's program is one of the most successful in the nation. Last year, 541,282 taxpayers took advantage of this service. In January 1994 the Department implemented an electronic funds transfer program (EFT) for selected taxpayers to pay their taxes with an electronic transfer from their bank to the State's bank (see Graphs B and C for dollars deposited and interest earned). In 1993 the Department began development of an automated tax system to integrate all of the major taxes administered by the Department into a single system. The Department is currently replacing its remittance processing and returns processing systems to provide for a paper data capture process that includes document imaging,

retrieval and storage. Funding to begin this project was approved by the 1998 General Assembly.

Mission of the Department of Revenue

To administer the tax laws and collect the taxes due the State in an impartial, uniform and efficient manner.

Goals and Objectives of the Department of Revenue

The Department had identified seven primary goals as strategic directions for the agency.

1. Expand communication capability both internally and externally.
2. Provide comprehensive training and development.
3. Improve taxpayer services.
4. Improve compliance.
5. Analyze and prioritize resources.
6. Implement total quality management.
7. Develop a comprehensive business plan.

Related directly to the goals of the Department are the objectives and outcome measures established by the Department in the performance of its statutory duties. The three objectives and the objective's associated outcome measures are as follows:

1. **Objective** - Increase awareness and knowledge of taxpayers about tax issues.

   Outcome Measure - Taxpayer awareness and knowledge of tax issues as measured by customer surveys.

2. **Objective** - Provide timely and accurate services.

   Outcome Measure - Percent of letters/correspondence issued within standard.

3. **Objective** - Educate taxpayers on filing requirements and application of tax laws, rules and regulations, through audit, collections, workshops, publicity, and correspondence.

Outcome Measure - Voluntary dollars collected as a percent of total dollars collected.

Organization of the Department of Revenue

The Secretary of Revenue, who is appointed by the Governor, is responsible for management of the agency with a Deputy Secretary and five Assistant Secretaries having responsibility for the day-to-day activities required of various divisions throughout the Department. The agency also has a legislative liaison (special assistant) and a public information officer who report directly to the Secretary. **[See the attached Department of Revenue organization chart noted** on page DOR 10 **]**

The following is an alphabetical listing and brief explanation of responsibilities for each division identified on the Department's organization chart.

Accounting Division - Deposits/accounts for all tax receipts and refunds; responsible for the Department's budget and payroll.

Administrative Services Division - Prints forms, processes incoming and outgoing mail and purchases equipment and supplies.

Ad Valorem (Property) Tax Division - Responds to property tax valuation appeals; staffs the State Property Tax Commission and manages distribution of inventory and homestead monies to local governments.

Corporate, Excise and Insurance Tax Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Criminal Investigations Division - Pursues taxpayers who fraudulently fail to adhere to State tax laws.

Field Operations - Five geographic divisions; Interstate, Collection Division-East, Collection Division-West, Examination Division-East, and Examination Division-West. The auditors and revenue officers located throughout the state

outside the state administer the field audit and revenue collection programs. (The Assistant Secretary for Field Operations also has organizational responsibility for the activities associated with the Unauthorized Substance Tax Division.)

Motor Fuels Tax Division - Administers the motor fuels tax laws.

Office Examination Division - Performs audit functions and related audit activities.

Office Services Division - Provides taxpayer assistance and manages the bankruptcy program and accounts receivable.

Personal Taxes Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Personnel Division - Provides administrative and technical guidance and human resource services to Departmental employees.

Planning, Development and Technology - Comprised of four divisions, Business Systems Development and Support, Technology Services, Database Administration, and Production Systems Integration and Coordination. Provides electronic data processing services to Departmental personnel.

Returns Processing Division - Provides data entry services and has responsibility for records management of Departmental inactive files.

Sales and Use Tax Division - Formulates tax policy, and responds to technical issues, hearing requests and proposed legislation.

Tax Research Division - Provides estimates of proposed legislative changes, complies statistical data and responds to inquiries from the Department of Commerce, other state agencies and general public.

Unauthorized Substance Tax Division - Administers the excise tax levied on unauthorized substances.

DOR 5

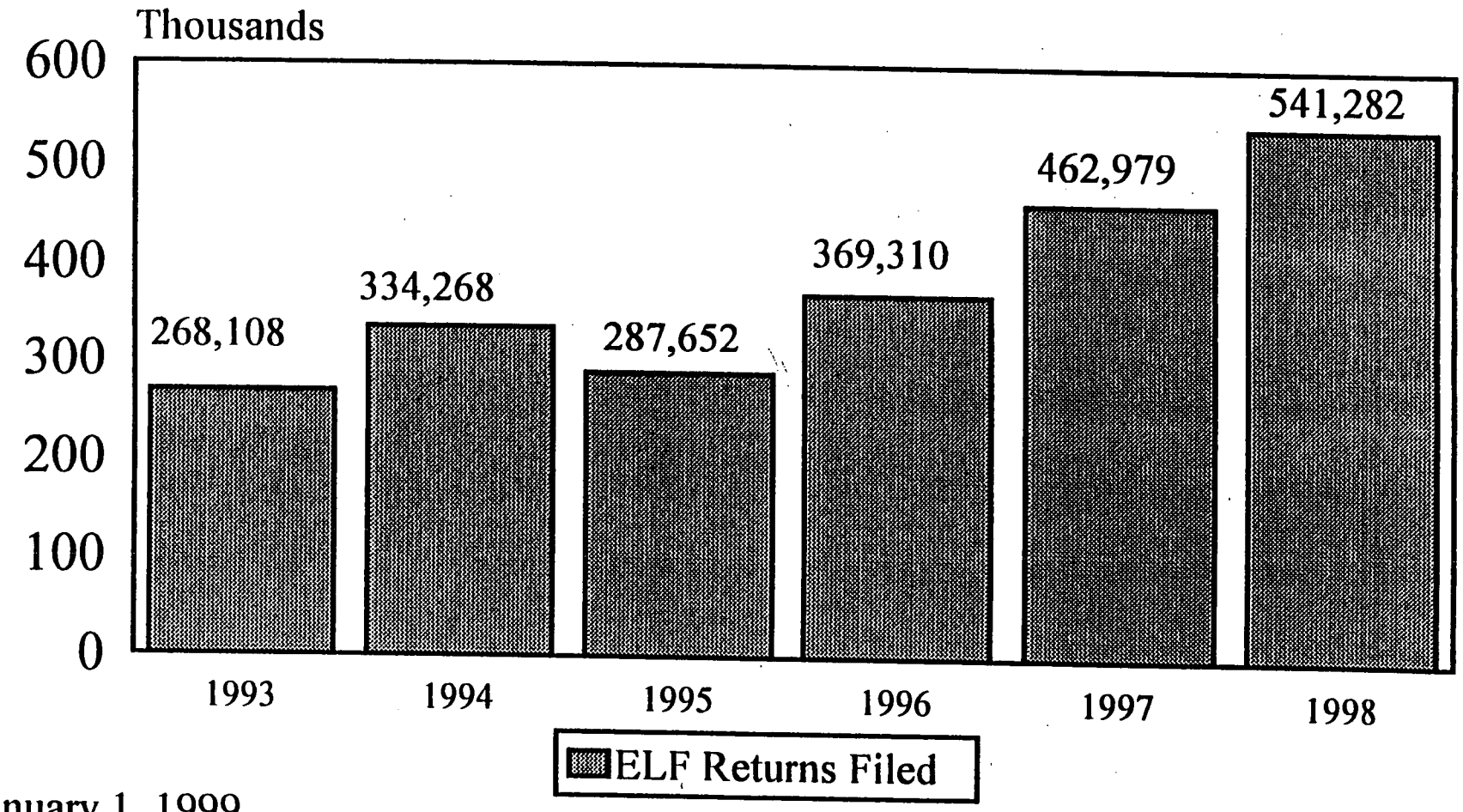
NC Department of Revenue
Facts & Figures

# of Departmental Employees FY 1998-99:	1,237
$ Department of Revenue Certified Budget for FY 1998-99:	$84.9 million
$ Gross Collections FY 1997-98:	$15.7 billion
$ Average Daily Deposit FY 1997-98:	$62.8 million
# of Pieces of Mail (Incoming) FY 1997-98:	10.9 million
# of Pieces of Mail (Outgoing) FY 1997-98:	9.4 million
# of Tax Returns Processed FY 1997-98:	9,445,630
# of Tax Payments Processed FY 1997-98:	5,703,005
$ Refunds (all tax schedules) FY 1997-98:	$1.4 billion
# of Refunds (all tax schedules) FY 1997-98:	2,505,633
$ Refunds (Individual Income) FY 1997-98:	$968.6 million
# of Refunds (Individual Income) FY 1997-98:	2,453,011
$ Distributions/Transfers to Local Governments/State Agencies FY 1997-98:	$2.1 billion
# of Individual Tax Refund Returns Filed Electronically in 1/1/98 - 12/31/98:	541,282
$ Gross Tax Deposits by Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/98:	$26.3 billion
$ Interest Earnings on Electronic Funds Transfer (EFT) from 1/1/94 - 6/30/98:	$13.8 million
$ Gross EFT Collections for FY 1997-98	$8.2 billion

January 1, 1999

North Carolina Department of Revenue

Comparison of Electronically Filed Returns (ELF)



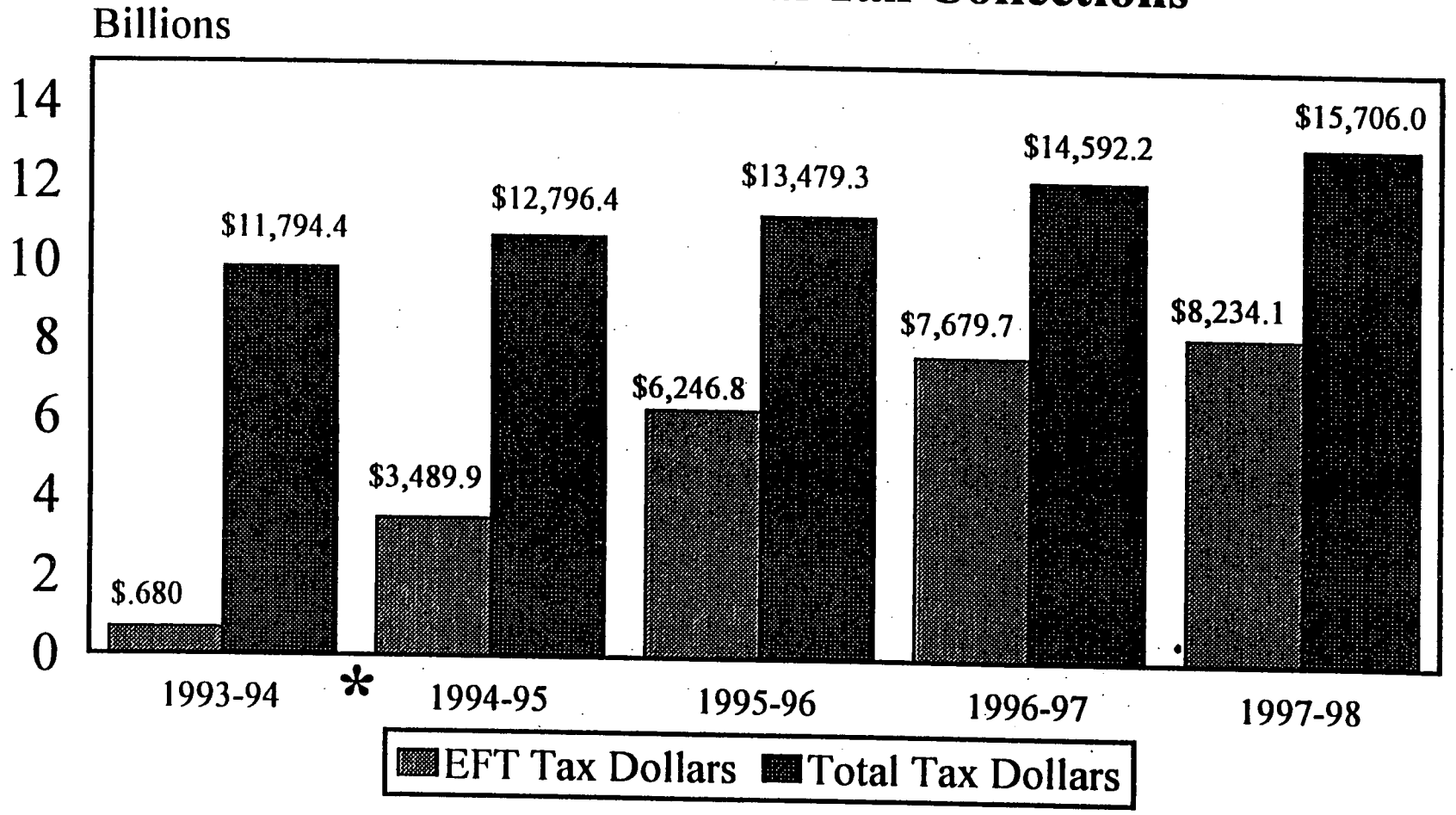
January 1, 1999

Graph A

Doc 6

North Carolina Department of Revenue

Comparison of Electronic Funds Transfer (EFT) Tax Collections to Total Tax Collections



* For the period 10/1/93 - 6/30/94

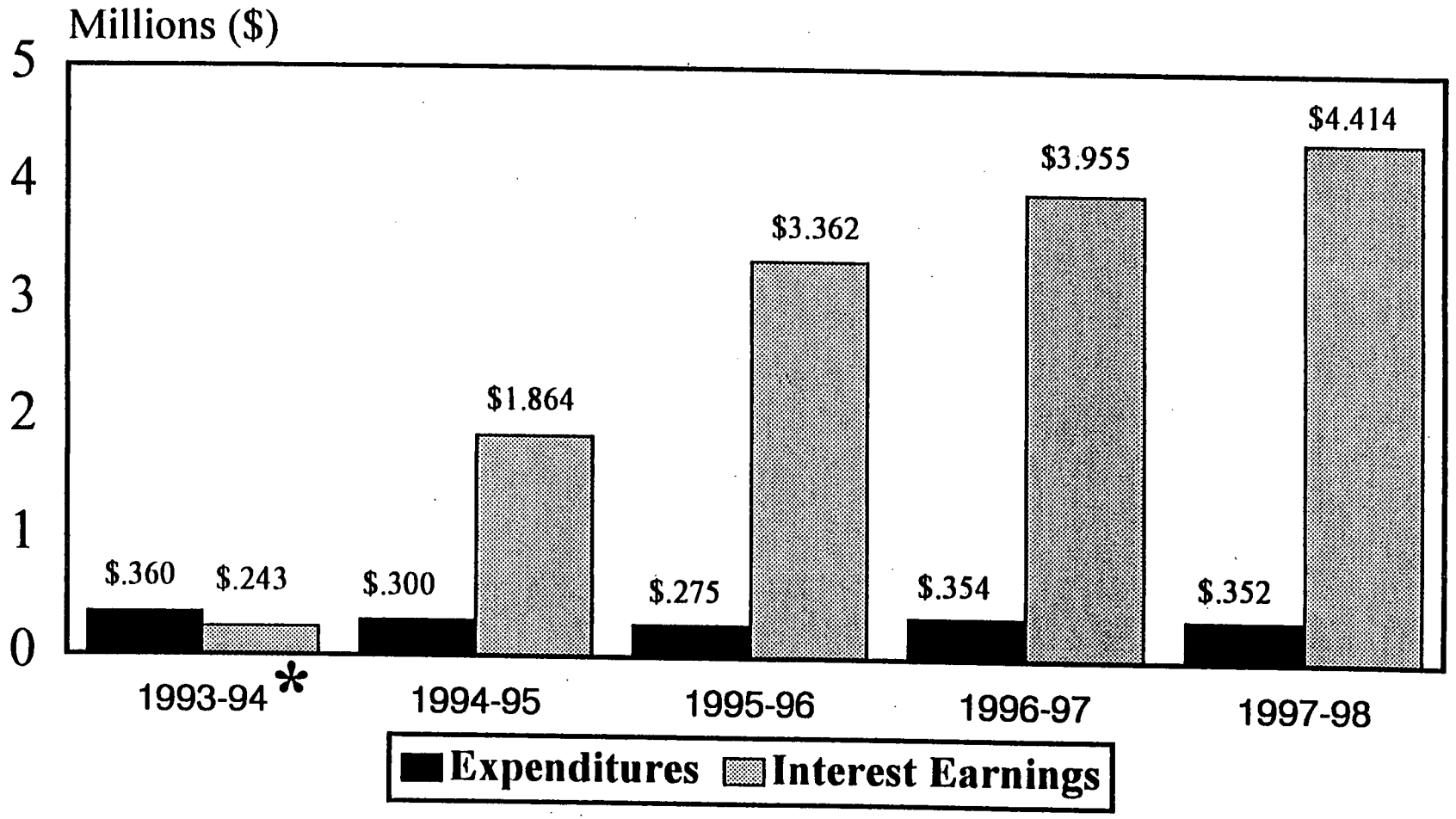
January 1, 1999

Graph B

DOR 7

North Carolina Department of Revenue

Comparison of EFT Expenditures to EFT Interest Earnings



***For the period 10/1/93 - 6/30/94**

January 1, 1999

Graph C

DOR 8

DOR 9

FISCAL DATA

Department of Revenue

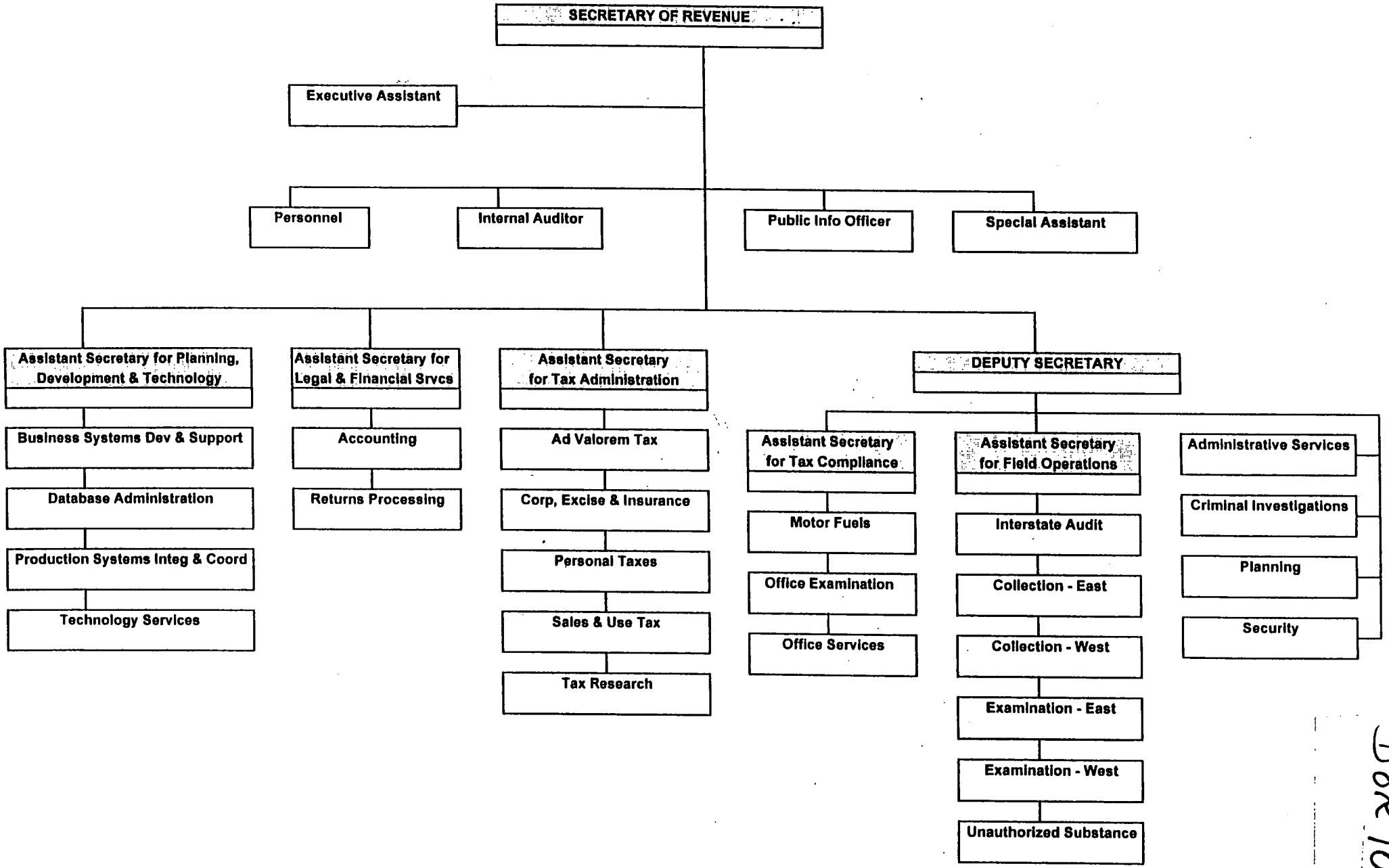
Budget Code 14700
Program Number 0540 - Revenue Collection

Continuation Budget

	1997-98 Actual	1998-99 Authorized	1999-00 Recommended	2000-01 Recommended
General Fund				
Total Requirements	$76,489,374	$87,393,807	$83,143,192	$79,720,966
Receipts	8,827,825	4,735,734	4,815,004	4,815,004
Appropriation	$67,661,549	$82,658,073	$78,328,188	$74,905,962
Positions	1,237.0	1,243.0	1,243.0	1,243.0

NORTH CAROLINA DEPARTMENT OF REVENUE

January 1, 1999

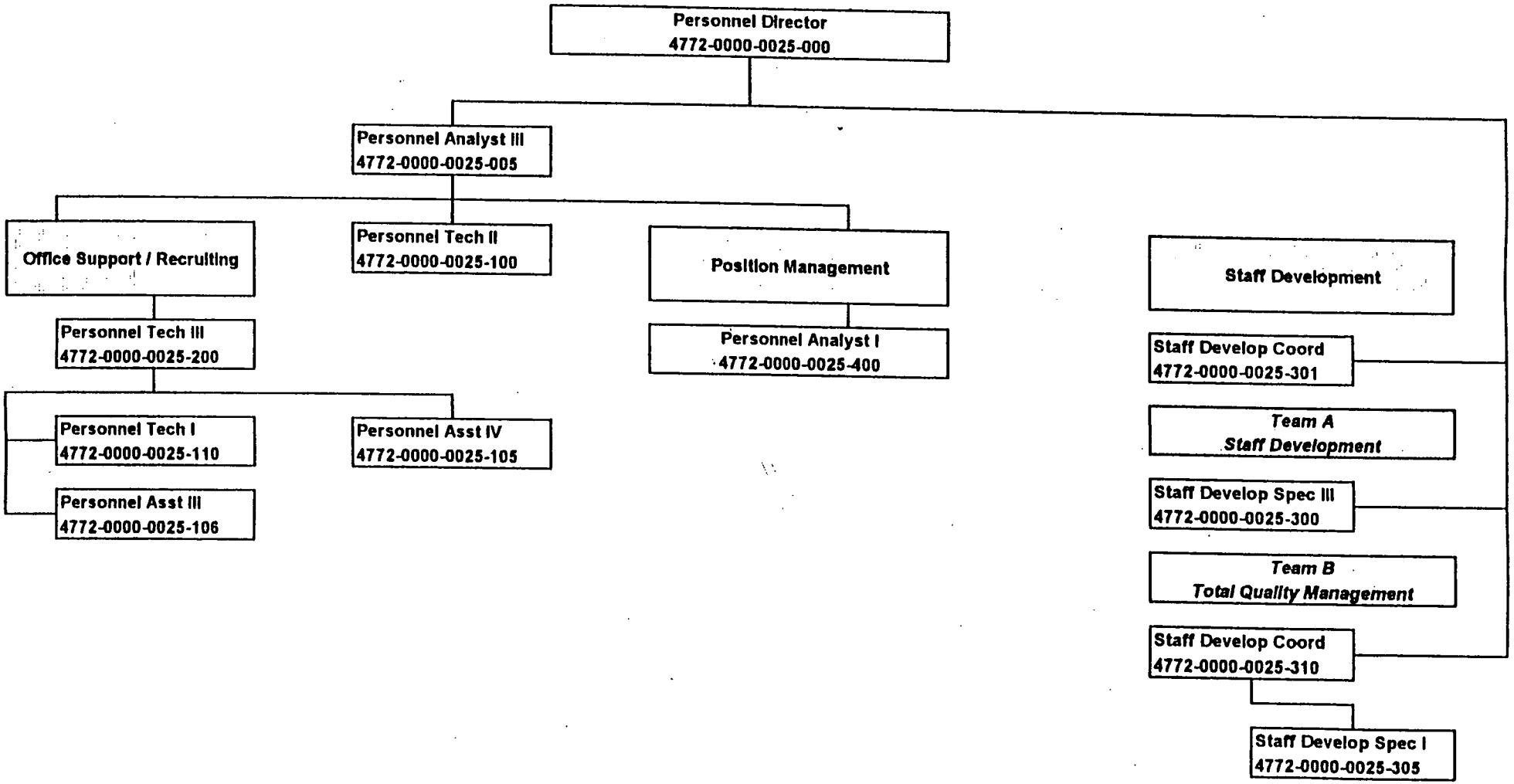


D2210

North Carolina Department of Revenue

PERSONNEL DIVISION

1/8/99



E. B. Hunt
Personnel Director

Doc 11

$18.71 returned for every $ spent

DOR 23A

Office Examination Division

The Office Examination Division ensures tax compliance at the office examination level for all tax schedules administered by the Department, except Motor Fuels and Unauthorized Substance. Returns and reports filed with the Department are examined, reviewed and audited for accuracy and compliance with state statutes. The Division also provides taxpayer assistance, responding to correspondence, telephone inquiries and face to face interviews concerning changes made to their returns or reports. The Division serves also as a clearinghouse for correspondence received by the Department, either responding to taxpayers' issues or routing the correspondence to the appropriate areas within the Department.

- Responsible for the examination and review of returns and reports filed with the Department to determine compliance
- Responsible for adjusting returns and reports to bring them into compliance
- Assessing taxpayers based on information furnished by the Internal Revenue Service
- Responding to taxpayer inquiries based on notices generated by ITAS explaining changes made to returns or reports by telephone and written correspondence
- Responsible for coordinating the local sales and use tax distribution
- Responsible for routing and responding to correspondence received

- Fiscal year 1997-1998 total number of returns, report, correspondence handled 1,465,751
- 104,205 pieces of correspondence worked
- 265,000 returns were adjusted by employees
- Net adjustments totaled $54,319,663.83
- RAR assessments totaled $21,285,102
- Automated CP2000 assessments totaled $21,934,409.

DOR 39-A

NORTH CAROLINA DEPARTMENT OF REVENUE
MOTOR FUELS TAX DIVISION

The primary purpose of the Motor Fuels Tax Division is to administer and enforce the motor fuels, motor carrier and inspection tax laws of the State. The Division's responsibilities include examining and approving motor fuel licenses, issuing annual motor carrier licenses and identification markers, processing monthly, quarterly and annual reports from taxpayers, examining these reports to determine if proper taxes have been paid and processing refunds that are filed annually, quarterly and monthly.

Statutes administered by the Division are as follows:

Motor Fuels taxes	Article 36C	Gasoline, diesel and blended fuels.
Alternative Fuels taxes	Article 36D	Fuels other than gasoline and diesel used to propel motor vehicles.
Motor Carrier taxes	Article 36B	A tax on heavy vehicles. Vehicles with three or more axles or licensed for more than 26,000 pounds.
Inspection taxes	Chapter 119	A tax of 1/4 cent per gallon on all motor fuel.

- The Motor Fuels Tax Division consists of 55 employees.

- Auditors and investigators are located throughout the State:

Asheville	1 auditor	Raleigh	5 auditors, 2 investigators
Charlotte	2 auditors, 1 investigator	Rocky Mount	1 auditor
Fayetteville	1 auditor	Wilmington	1 auditor
Greensboro	1 auditor, 1 investigator	Winston-Salem	3 auditors
Hickory	1 auditor		

- Division activities include:

Returns Processing	Problem Resolution
Accounting	Field Audit
Taxpayer Support and Education	Administration

- 16,754 taxpayers registered who file returns.

- 54,678 returns filed for FY98.

- $1,060,436,730 gross collections for FY98.

- 1460 audits complete for FY98.

N. C. Office of Administrative Hearings
Overview of Operations

Presentation to

General Government Appropriations Subcommittee

March 1999

Attachment 3
March 30, 1999

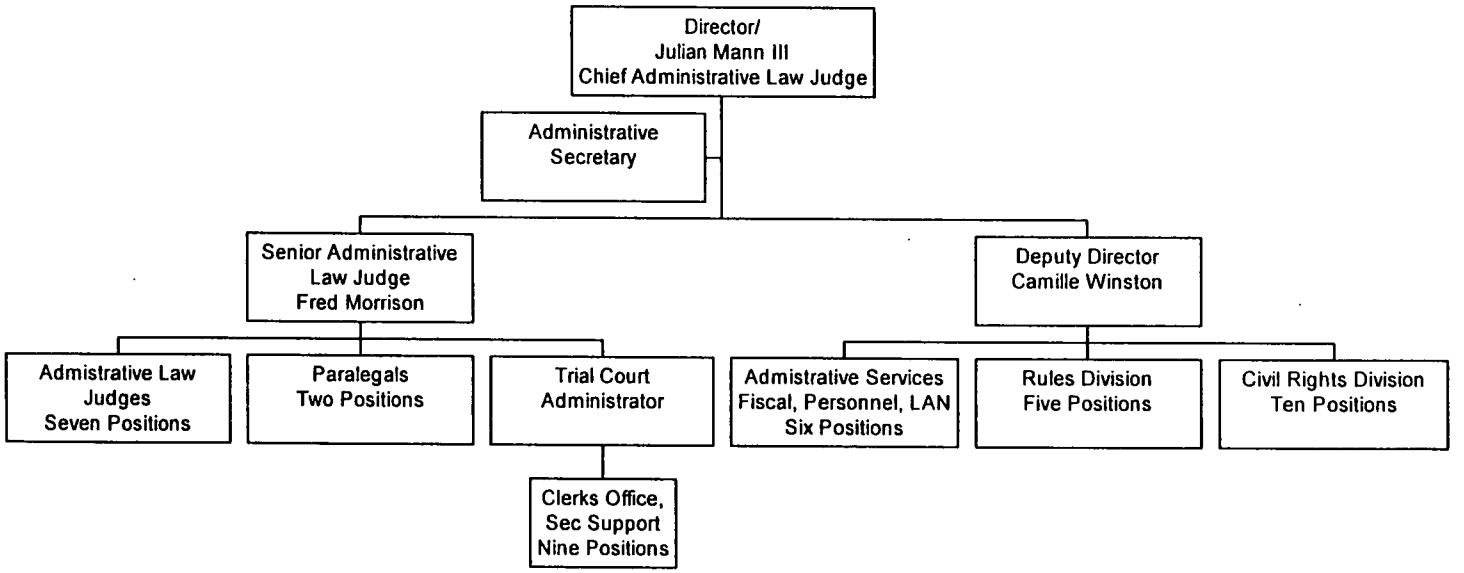
Office of Administrative Hearings
Mission Statement

To provide a forum for prompt and impartial resolution of disputes of administrative law involving state agencies, to investigate alleged acts of certain unlawful employment practices and to function as the state's codifier and publisher of all proposed and permanent administrative rules

Office of Administrative Hearings Goals

- *Increase fairness in the application of administrative law and in contested case hearings*
- *Reduce the incidence of discrimination in employment practices*
- *Increase citizen awareness of the existence and value of administrative rules and regulations*

Office of Administrative Hearings Organization Chart



Office of Administrative Hearings
Summary of Continuation Budget
1993-1999

	Requirements	***Receipts***	***Appropriations***	***FTE***
1993-94	*2,308,583*	*253,288*	*2,055,295*	*36*
1994-95	*2,167,252*	*171,391*	*1,995,861*	*36*
1995-96	*2,289,241*	*202,038*	*2,087,203*	*38*
1996-97	*2,612,645*	*199,783*	*2,412,862*	*38*
1997-98	*2,462,972*	*151,771*	*2,311,201*	*41*
1998-99	*2,873,373**	*94,216**	*2,779,157**	*44*

**Budget*

Administration Division Mission

To provide administrative services support to the divisions of the Office of Administrative Hearings in the areas of:

- Budget and Accounting
- Personnel Services
- Contract Administration
- Communication Services
- Local Area Network (LAN) Services
- Facility and Equipment Services

Administration Division Issues

- Current funding level does not allow the Agency to replace equipment on an accepted regular schedule. This causes obsolescence and breakdowns with equipment. Our newest computer equipment is over three years old and some of the equipment is over six years old.
- OAH office facilities are inadequate for the effective operation of the Agency. This causes problems in providing adequate support to all staff. A staff of only 44 employees is physically located in four different locations.
- Internet access to the NC Register and Administrative Code will greatly improve the rule making process and will provide better access to a wider user base than the current publication method.
- Adequate staff and facilities are needed to address the volume of charges being received by the Civil Rights Division.

Hearings Division Mission

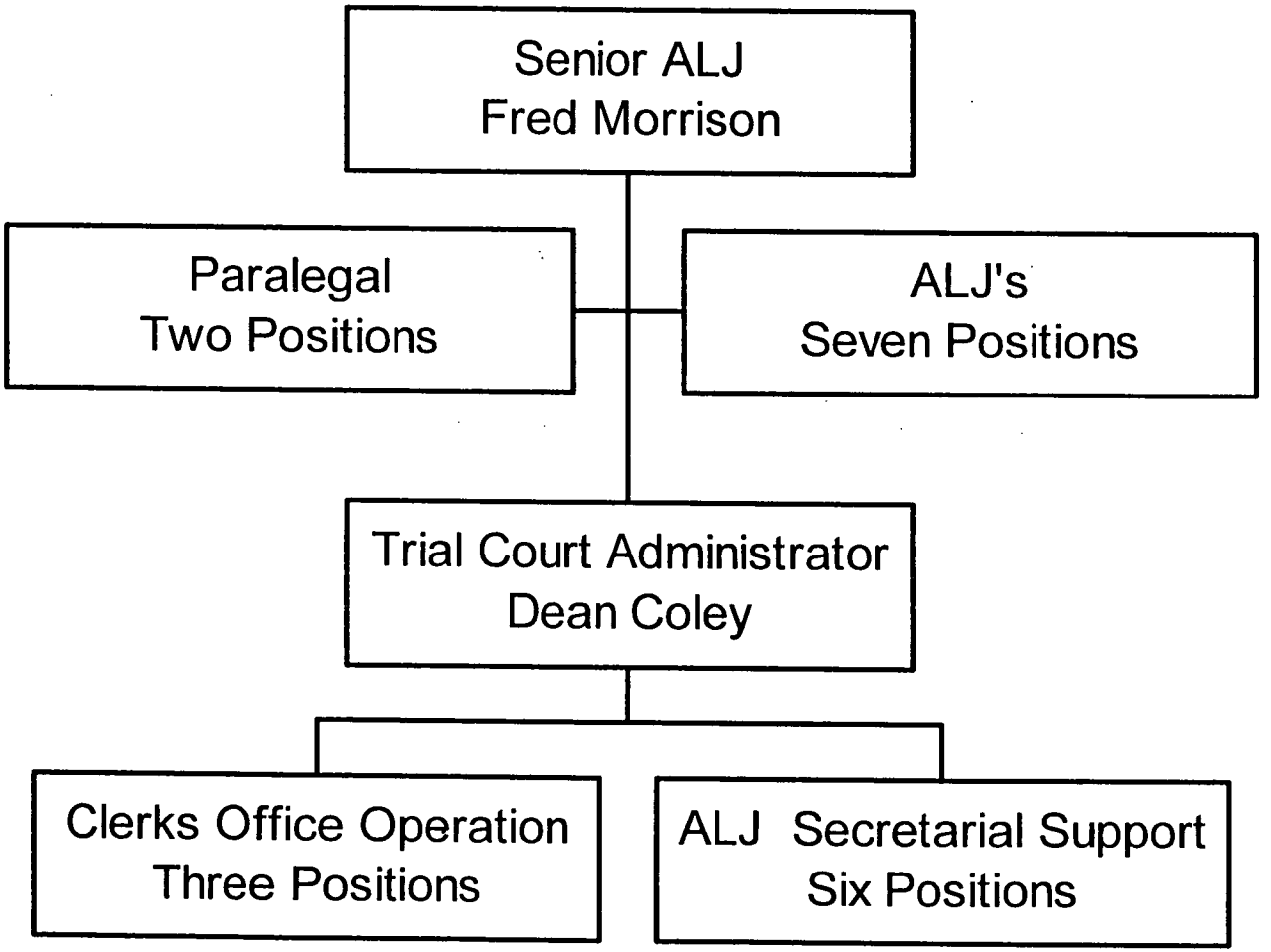
- To receive and maintain all contested cases and petitions filed and to hear contested cases by petitioners who file against state agencies and who believe they have been deprived of property; substantially prejudiced of rights; or required to pay a fine or civil penalty.

Hearings Division Issues

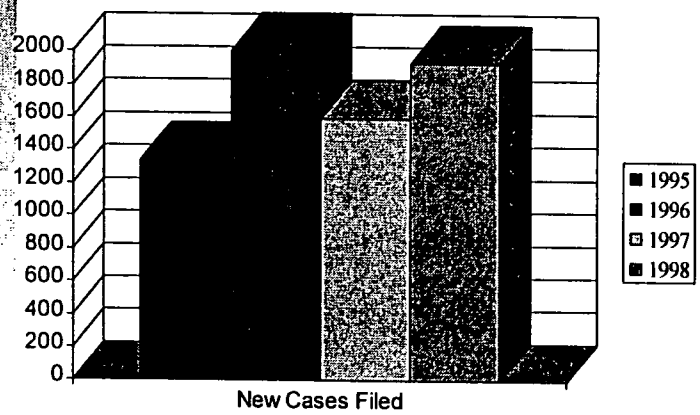
- Citizens' demand for government regulation (environment, day care, nursing homes, hog farms, etc.) adds extra burden on OAH to provide timely and competent hearings of contested cases.
- Growth in number and complexity of new cases increases the importance of a responsive OAH.
- Completion of automated case tracking system will provide Hearings Division with improved efficiency and will provide OAH with on-line current case information and statistics.

OA

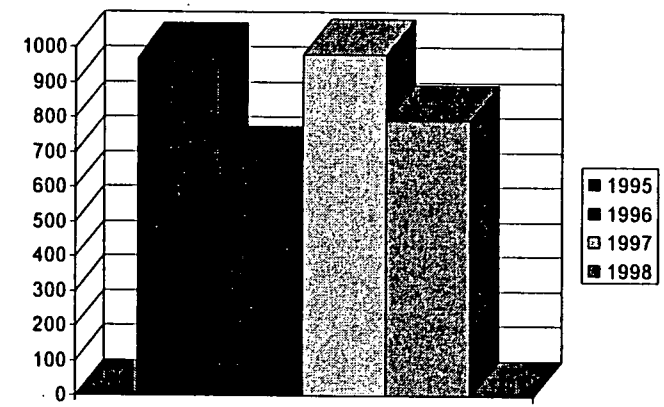
Hearings Division Organization



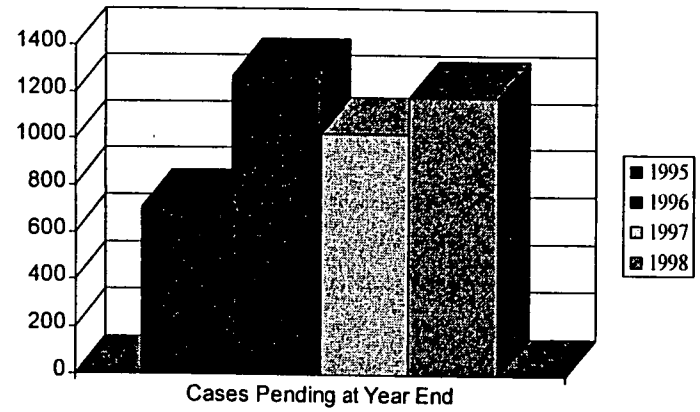
Hearings Division
Number of Cases



New Cases Filed



Cases Closed



Cases Pending at Year End

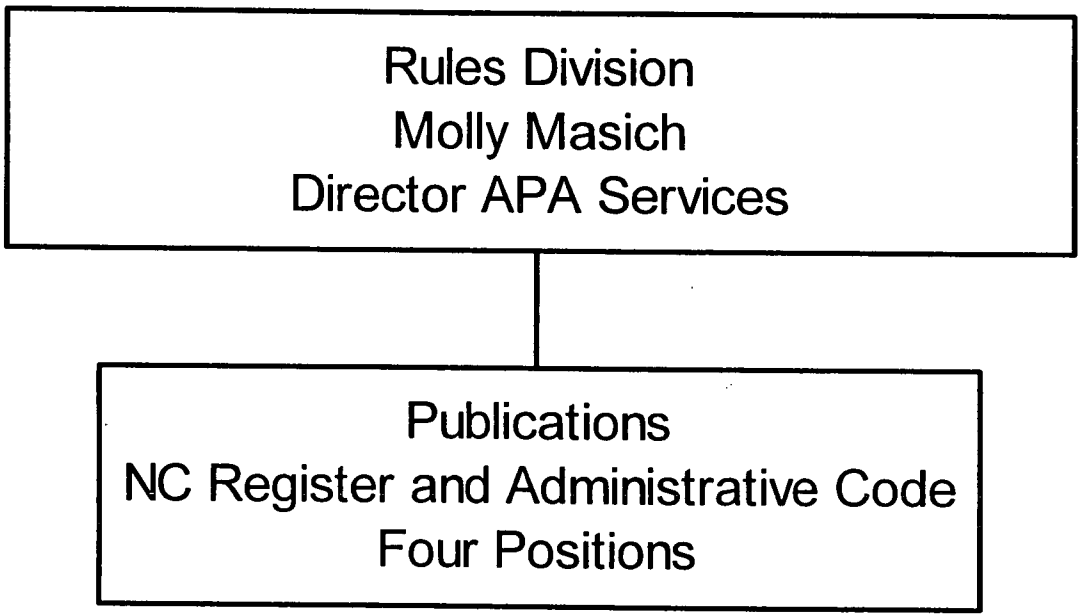
Rules Division Mission

- To provide means for citizen and public input into the rule-making process through notice and public hearing.
- To assist state agencies in publishing proposed rules and rule-making hearings (as required by law) in the NC Register before adopting the rule.
- To publish and maintain the official codification of all of North Carolina's agency rules - NC Administrative Code.
- This division serves a variety of users through these publications - the citizens of N.C., citizens and industries in other states, agencies of the State, the Rules Review Commission and the General Assembly .

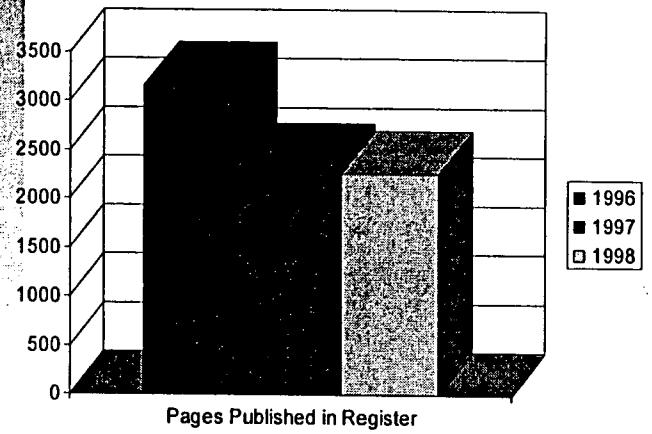
Rules Division Issues

- The growing complexity of government operations results in more complex agency rules.
- The current mode of distribution (printed copies provided by subscription) allows limited public access to the NC Administrative Code and Register. Internet access would provide for more timely distribution of rules. This mode of publication would be more readily accessible to the users and would be provided free of charge. The information would be in a searchable form and would incorporate all actions by all bodies on proposed and permanent rules.

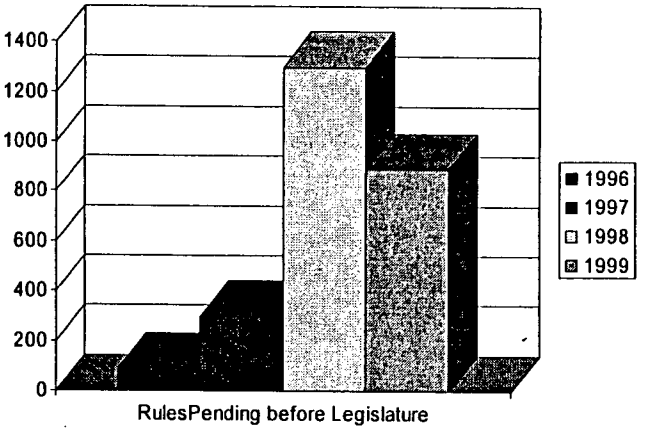
Rules Division Organization



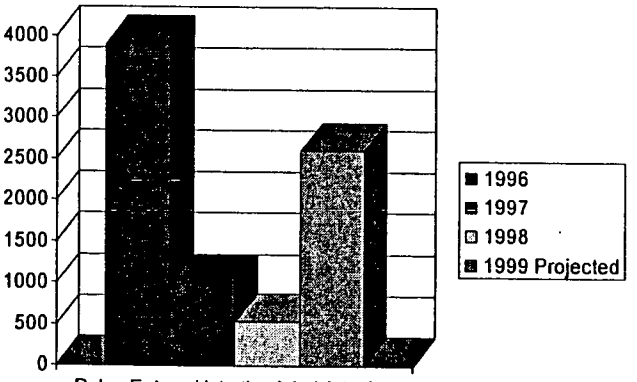
Rules Division
Volume of Rules Processed



Pages Published in Register



RulesPending before Legislature



Rules Entered into the Administrative Code

Note: A change was implemented in 1996-97 requiring published rules to be sent to Legislative Oversight Committee prior to entry into the Code.

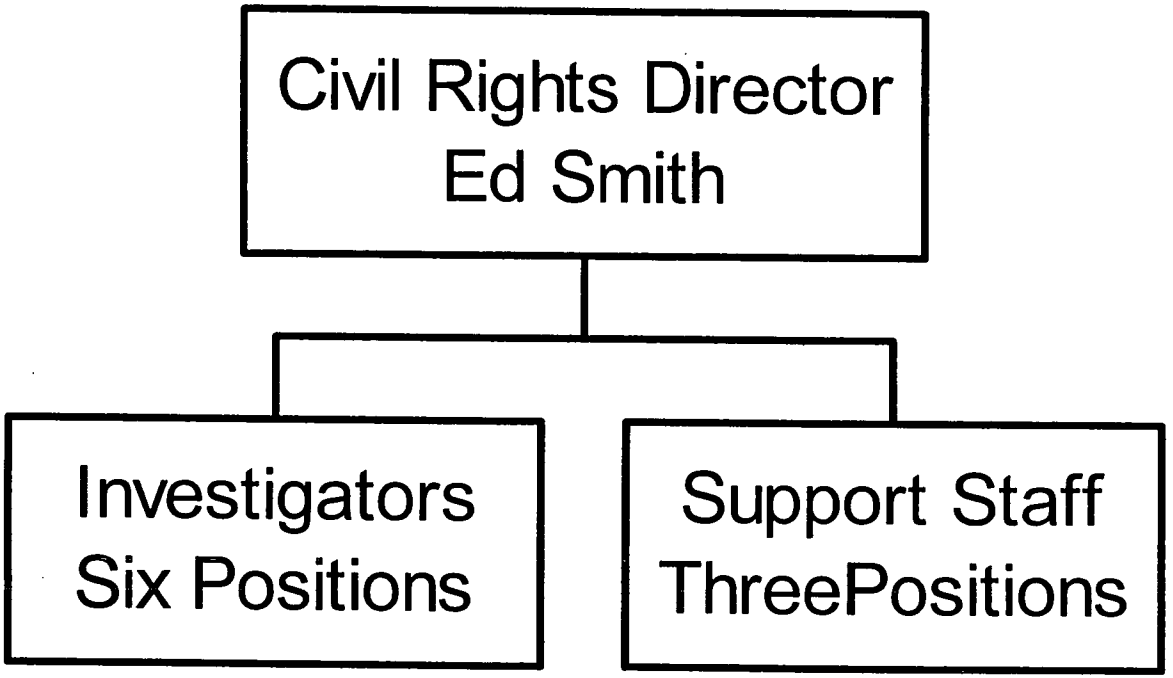
Civil Rights Division Mission

- To serve as the State's 706 Deferral Agency for investigations of alleged discrimination by State employees on the basis of race, color, sex, religion, age, national origin or disability in employment.
- To investigate charges alleging retaliation for opposition to such discrimination brought by previous and current state employees or applicants for employment.
- To investigate charges alleging political discrimination brought by previous and current state employees or applicants for employment.

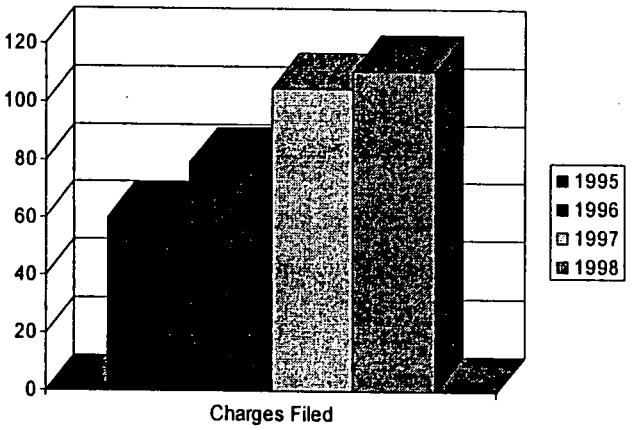
Civil Rights Issues

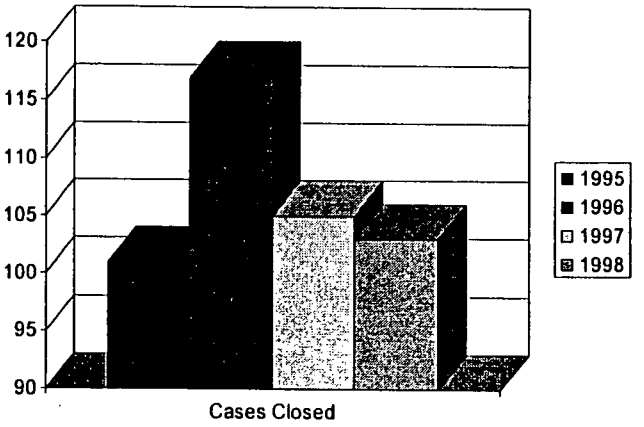
- The implementation of political discrimination cases has placed a tremendous burden on staff resources to resolve these cases within the statutorily mandated timeframe. This has contributed to the increased backlog of processing other cases of alleged discrimination.
- Additional personnel resources are needed to adequately address this backlog of cases and to allow the division to process future cases within the EEOC recommended timeframe of twelve months.

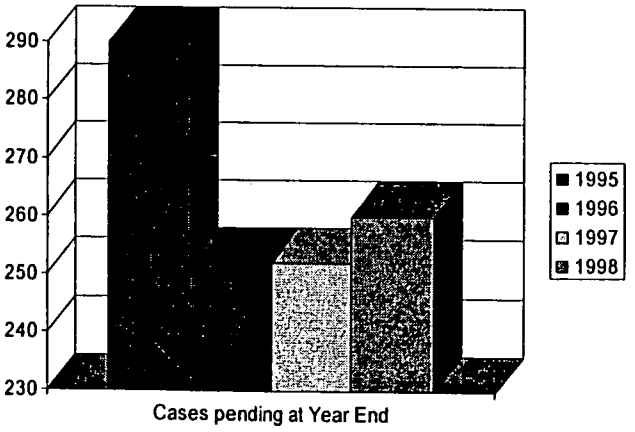
Civil Rights Division Organization



Civil Rights Division
Number of Investigations







Office of Administrative Hearings
Key Funding Issues

- Funding to allow OAH to be in a position to replace computer equipment on a scheduled three year basis.
- Funding to provide adequate work facilities for the Office of Administrative Hearings.
- Funding to allow the Rules Division to develop the programs needed to provide Internet access to the N. C. Register and Code.
- Provide additional positions to reduce Civil Rights caseload backlog.
- Provide additional Administrative Law Judge positions.

OFFICE OF ADMINISTRATIVE HEARINGS
SUMMARY OF EXPANSION BUDGET REQUEST
1999-2001 BIENNIUM

Priority Number	Program Description		Requested 1999-2000	Requested 2000-2001
1	**Funding to Replace Computer Equipment** This office has no continuing funding to provide for a planned replacement of our computer equipment. Most of our equipment is currently three (3) years old or older and we must be in a position to plan for the replacement of this equipment before it causes major problems. This will provide for us to replace and upgrade computers and software on a three to four year cycle, which is the industry average.	Total Requirements	$ 86,500	$ 48,500
		Receipts	0	0
		Appropriation	$ 86,500	$ 48,500
		Recurring	$ 48,500	$ 48,500
		Non Recurring	38,000	0
2	**Funding to Allow OAH to Lease Adequate Office Space** OAH currently has a staff of 42 employees and we are located in four (4) separate physical locations. Two of these locations are in historic houses which do not provide office space that is adequate for the efficient operations of the department.	Total Requirements	$ 527,559	$ 216,750
		Receipts	0	0
		Appropriation	$ 527,559	$ 216,750
		Recurring	$ 216,750	$ 216,750
		Non Recurring	310,809	0
3	**Funding to place N.C. Register and Administrative Code on Internet** The funding requested here will enable OAH to put the Register and Administrative Code on the Internet at no charge to any of its users. This will provide for a system that is searchable with the General Statutes, the Code and pending rules in the Register file.	Total Requirements	$ 381,297	$ 49,060
		Receipts	0	0
		Appropriation	$ 381,297	$ 49,060
		Recurring	$ 49,060	$ 49,060
		Non Recurring	332,237	0

OFFICE OF ADMINISTRATIVE HEARINGS
SUMMARY OF EXPANSION BUDGET REQUEST
1999-2001 BIENNIUM

Priority Number	Program Description		Requested 1999-2000	Requested 2000-2001
4	**Additional personnel for Civil Rights Division** These positions will enable the Civil Rights Division to be in a position to adequately address the the backlog of pending EEOC charges and also address the increasing numbers of charges of alleged political discrimination that are being received and must be investigated by this division.	Total Requirements	$ 190,434	$ 170,334
		Receipts	0	0
		Appropriation	$ 190,434	$ 170,334
		Recurring	$ 170,334	$ 170,334
		Non Recurring	20,100	0
		No. of Positions	3	continue 3
5	**Additional personnel-Administrative Law Judges** These positions will enable this Office to adequately address the increasing complexity of Special Education and Certificate of Need cases being filed.	Total Requirements	$ 215,121	$ 201,721
		Receipts	0	0
		Appropriation	$ 215,121	$ 201,721
		Recurring	$ 201,721	$ 201,721
		Non Recurring	13,400	
		No. of Positions	2	continue 2
TOTAL REQUIREMENTS			$ 1,400,911	$ 686,365
RECEIPTS			0	0
TOTAL EXPANSION BUDGET REQUEST-FROM APPROPRIATION			$ 1,400,911	$ 686,365
		TOTAL RECURRING	$ 686,365	686,365
		TOTAL NON-RECURRING	$ 714,546	0
		TOTAL POSITIONS	5	CONTINUE 5

A hearing may be continued or postponed but only for good cause. A request for a continuance of a hearing must be made in writing to the ALJ before the hearing and must be served on all parties.

THE HEARING

The ALJ will schedule the hearing in any one of three places:

(1) Petitioner's home county;
(2) the County where the state agency maintains its principal office;
(3) any county where the ALJ deems it necessary to accommodate witnesses or ensure justice.

At the hearing, each party has the right to testify on his or her own behalf. Each party may also present documents and records, have witnesses testify, question opposing party's witnesses, and explain or rebut evidence.

You must have at least two copies of each exhibit which will be kept by the ALJ if that exhibit is admitted into evidence.

The hearing is open to the public except in limited instances.

The hearing is recorded by a **Hearing Assistant** using a 4-track tape recorder. There is **no** charge for a hearing assistant. You may request a **Court Reporter**, but the party requesting a Court Reporter must pay for that Reporter's service.

You may purchase a transcript of the hearing by contacting OAH. Transcripts are often costly, but you also may purchase copies of the tapes of the hearing from OAH at a much lower cost.

If your hearing is recorded by a court reporter, requests for copies of the transcript must be made directly to the court reporter.

AFTER THE HEARING

The ALJ's decision is made in writing in the form of a **Recommended Decision**. In most instances, the decision of an ALJ is a **recommendation** to the state agency involved which will make the **Final Agency Decision**.

The ALJ has 45 days from the end of the hearing (or from the date of post-hearing submissions) to issue the Recommended Decision. The Recommended Decision is sent to the parties and a copy, as well as the Official Record, is sent to the final decision maker.
Before the agency issues a Final Agency Decision, both Parties will be given an opportunity to file exceptions and written arguments with the final decision maker.

APPEAL OF A DECISION

A party may appeal a Final Decision by filing a Petition in the Superior Court of Wake County or in the Superior Court of the county where the person resides.

DEFINITIONS

Certificate of Service - a signed statement certifying that a particular document was sent or delivered to the opposing party.

Continuance - a change to the scheduled time for a hearing or prehearing conference.

Discovery - the preparation time each party will need in order to be ready for hearing.

Document Constituting Agency Action - document which caused the filing of the petition.

Ex Parte - a prohibited conversation or communication between the ALJ and **one** of the parties, without notice to the other party and opportunity for them to participate.

Exhibits - any items which a party wishes to submit to the ALJ as part of the evidence in the hearing.

Filing - submission of a document to OAH as part of the record in a contested case. A document is filed when it has been accepted via date stamp at OAH.

Final Agency Decision - the decision of the state agency after review of the recommended decision.

Mediated Settlement Conference - A prehearing conference conducted by a neutral person, known as a mediator, who acts to encourage and facilitate settlement of the case.

Order - a ruling by an ALJ.

Pro Se - a party who is not represented by an attorney.

Proposal for Decision - a written decision of an ALJ in cases involving occupational licensing boards.

Recommended Decision - the written recommendation of an ALJ to the state agency involved.

Rule - a regulation established by an agency. Rules are found in the North Carolina Administrative Code.

Settlement - any agreement which is reached by the parties which resolves all or part of a contested case.

Statute - a law passed by the General Assembly and found in the N.C. General Statutes.

Subpoena - a command to a witness to appear and testify.

Subpoena Duces Tecum - a command to produce documents.

Venue - the county where the hearing will be held.

AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER

Fourth Printing (07/98)
Office of Administrative Hearings
2,000 copies of this public document were printed at a total cost of $247.00 or $0.1235 per copy. 99-20325

NORTH CAROLINA

OFFICE

OF

ADMINISTRATIVE

HEARINGS

Hearings Division

Attachment 5
March 30, 1999

OFFICE OF ADMINISTRATIVE HEARINGS

This brochure is provided as a service to the public. It contains explanatory information concerning the function of the Office of Administrative Hearings (OAH) and the contested case procedure.

This brochure is issued for informational purposes only. Nothing contained herein shall be construed to bind the presiding Administrative Law Judge or OAH as to any practice described herein.

A BRIEF HISTORY

The Office of Administrative Hearings (OAH) was created during the 1985 session of the North Carolina General Assembly. OAH is an independent, quasi-judicial agency. The purpose of OAH is to provide a forum for a prompt and impartial resolution of disputes involving certain state agencies.

GENERAL INFORMATION

The statutory procedures governing Administrative Hearings are found in Articles 3 and 3A of Chapter 150B, the Administrative Procedure Act (APA). Title 26, Chapter 3 of the North Carolina Administrative Code contains the rules which control the procedures for cases [redacted] in the Office of Administrative Hearings.

[redacted]Office of Administrative Hearings is located at 424 North Blount Street, Capehart-Crocker House, Raleigh, North Carolina 27601.

The mailing address is Post Office Drawer 27447, Raleigh, North Carolina 27611-7447.

The telephone numbers are:

Hearings Division
919/733-2698
Fax: 919/733-3407

Chief Hearings Clerk
919/733-0926
Fax: 919/733-3478

Rules Division
919/733-2678
Fax: 919/733-3462

HEARINGS - BACKGROUND

Some cases heard by the OAH are heard in less than an hour. Other cases may take several days. The procedures outlined below are designed to accommodate both the simple case and the complex case. Many of the procedures are, therefore, optional with the **Administrative Law Judge (ALJ)**. All cases do not proceed along exactly the same lines. If your case is a simple one, you may not be asked to submit some of the documents discussed below.

There are no filing fees or court costs for contested case hearings. However, once your hearing is scheduled, there is a cancellation fee if you cancel the hearing less than 24 hours before its scheduled time.

You may be represented by an attorney or you may appear on your own behalf. It is up to you to decide whether you will retain an attorney. OAH cannot advise you on this decision and cannot recommend an attorney.

You may not be represented by anyone who is not an attorney. You may, however, have someone assist you to the extent that is allowed by law.

The person or agency who files a petition is called the **"Petitioner"**. The person or agency against whom the case is filed is called the **"Respondent"**.

It is appropriate for the parties to discuss settlement and parties may resolve a contested case by settlement at any time.

If you are the Petitioner, you may close your case at any time by filing a Notice of Withdrawal of Petition.

Copies of rules may be obtained at a nominal fee by calling the Rules Division of OAH. Statutes may be found at the larger branches of the public library.

OPENING A CASE

To begin a contested case, a **petition** must be filed with the OAH. The petition should establish that the state agency did at least one of the following:

(1) deprived petitioner of property;
(2) required petitioner to pay a fine or civil penalty; or
(3) substantially prejudiced petitioner's rights.

AND in addition, that the state agency either:

(1) exceeded its authority or jurisdiction;
(2) acted erroneously;
(3) failed to use proper procedures;
(4) acted arbitrarily or capriciously; or
(5) failed to act as required by law or rule.

Petition forms are available at OAH. Petitions are not required to be on this form, but use of the form may assist you in including all necessary information.

An original and one copy of a Petition must be filed at OAH and the Petitioner **must serve a copy on the Respondent** either by U.S. Mail, hand-delivery, or some other method of delivery.

The Petitioner must also file **a Certificate of Service**, which is a short statement certifying that the Petitioner has served a copy of the Petition on the Respondent. It must also show the name and address of the party to whom the petition was delivered. The Petitioner may contact the agency to determine the name of the person to serve.

All contested case hearings are given a docket (identification) number. This will appear in the upper right-hand corner of all documents you receive from OAH. You must use this number on all correspondence or filings.

BEFORE THE HEARING

Once the Petition has been filed, the case is assigned to an ALJ.

A "Notice of Contested Case and Assignment" is sent to all parties. This Notice will show the name of the ALJ who has been assigned to the case and will also order the **agency** to submit the document containing the decision of the agency with which you disagree.

If you have an attorney, all correspondence or documents will be mailed to your attorney. Attorneys must file a Notice of Representation which indicates the name, address, telephone number, and State Bar Number of the attorney representing each party.

If you do not have an attorney, all correspondence or documents will be mailed to you at the address you provide OAH.

If you are appearing without an attorney, **YOU MUST KEEP OAH INFORMED OF YOUR CURRENT MAILING ADDRESS AND TELEPHONE NUMBER.**

Any document which you file in your case must be sent to OAH (original and one copy) and **one** copy to the opposing party.

You may also receive an "Order for Prehearing Statements". You must respond to this Order within 30 days. **The Prehearing Statement** is designed to give the Parties and the ALJ a better understanding of the case. It will also help the ALJ in scheduling the hearing.

One of the items on the Prehearing Statement is the time needed for **Discovery**. Discovery is part of the preparation before a hearing during which the parties collect and exchange information about their case with each other. You are asked to advise the ALJ of how much time you will need for discovery prior to the hearing.

After the Prehearing Statements are filed, the case may be set for a **Prehearing Conference**. The conference may be in person but is frequently conducted by telephone conference call. You will be notified if a conference is scheduled.

You may receive a **Scheduling Order** which will show the dates set for the close of discovery, the exchange of final witness lists and exhibits, the date of a prehearing conference, and the date of the hearing.

Soon after filing, you may be notified that your case has been selected for a **Mediated Settlement Conference**. If so, you and the other party must agree on a mediator. OAH maintains a directory of mediators to assist you with this decision. If you are unable to agree, the presiding ALJ will choose a mediator for you. The parties are required to pay the cost of the mediated settlement conference. The parties could be required to attend a settlement conference before another ALJ.

Any request to the ALJ for action in a case must be made by filing a written request **(Motion)**. If a party files a Motion, the other party has 10 days to respond.

In some cases, the ALJ may request a **Final Prehearing Order**. This will require that the parties discuss various items which can be resolved before the hearing.

Each party is responsible for arranging for the appearance of their witnesses. If you want to ensure the presence of your witnesses, you may **Subpoena** them. Subpoena forms with instructions are available from OAH's Clerk's Office.

Not less than 15 days before the hearing, you will receive a **Notice of Hearing**. This will be sent by certified mail to all parties. This Notice shows, among other things, the time, date and location of the hearing.

AGENDA

Joint Appropriations Subcommittee
on
General Government

March 31, 1999
Room 425, LOB
8:30 a.m.

Chair: Representative Wainwright

Department of the Secretary of State

Departmental Overview

Elaine Marshall
Secretary of State

Joint Appropriations Subcommittee
on
General Government

March 31, 1999
8:30 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met March 31, 1999 at 8:30 a.m. in Room 425 of the Legislative Office Building. Five Senate members were present and the following House members were present: Representatives Maggie Jeffus and William Wainwright, CoChairs; and Representatives Barefoot, McLawhorn and Thompson.

Representative Wainwright called the meeting to order and recognized the Pages. He informed the members of the committee that Mr. Sam LeRoy Ellis, father of Representative Sam Ellis, died Friday, March 26, and expressed condolences to the Ellis family.

The Chair recognized Secretary of State Elaine Marshall to present the departmental overview of the North Carolina Department of the Secretary of State. Secretary Marshall began by describing the duties of the Secretary of State's Office. She said the department registers, monitors and maintains the state's record on every business corporation, limited liability company and limited partnership and nonprofit corporation registered to do business in North Carolina. The department's attorneys and investigators protect North Carolina's investing public by regulating stockbrokers, security sealers, security offerings and investment advisors. They track and record uniform commercial codes (UCC) lending documents, write and produce reference material, monitor the charitable solicitation licensing unit, educate, regulate and commission North Carolina's 155,000 notaries public; and create and run a successful internet site. The Secretary further stated that a staff of 142 permanent employees with a budget of $8.6 million performs these duties.

Secretary Marshall told the committee that there were three top expansion budget priorities for the Secretary of States' Office and the first was in the area of information technology. The request was to establish two in-house computer programmers; to establish one position for an e-commerce specialist and establish a non-reverting technology trust fund for the department. Senator Foxx asked if existing funds could be used to fund the requested position since the new positions would save money by not using ITS. Secretary Marshall responded that some of the money would not be available in the recurring budget. Bruce Garner stated that the continuation money was needed to pay ITS while the new system was being developed. Senator Harris asked if there was a plan developed for the requested non-reverting technology trust fund. A two-year plan has been approved by IRM.

Minutes – March 31, 1900
Joint Appropriations Subcommittee on General Government

The second expansion budget request was $850, 534 for staff expansion in the Corporations Division. This translates to ten new permanent positions and five seasonal positions. The third priority budget request was for five positions and associated equipment in the Securities Division.

In response to Senator Warren's request for information about brokers license in the Security Division, Secretary Marshall told the committee that the federal law, Market Improvement Act, was changed in 1996 and that gave the Secretary's Office certain jurisdiction. It put a number of investment advisors under the state's regulation and others under federal regulation and the state had no one to enforce the law. A temporary staff person was hired with lapsed salary money to begin the investigations. The audits revealed that more than half of the houses audited had serious problems with the law. She said this division is seriously understaffed. A follow-up question from Senator Warren asked how many brokers, investment advisors have had their license revoked in North Carolina because of violation. Mr. David Massey spoke for the securities division and said there were 112,000 stockbrokers registered to do business in North Carolina and work for 2300 firms. He said five or six broker's licenses have been revoked by the state and these are the serious cases. Senator Lucas asked for an update on staff positions filled or vacant and where was the greatest need for expansion. Mr. Massey responded that in his opinion there was a great need for another person in the security registration office. Representative Jeffus asked what are the requirements of a registered investment advisor. Mr. Massey answered that a detailed registration form was required to be updated each year.

The meeting adjourned. The next scheduled meeting is April 1, 1999 at 8:30 a.m. to continue hearing the budget presentations from the Office of the Secretary of State.

Representative William Wainwright
Presiding CoChair

Anne M. Cole
Transcribed Minutes from tape

Representative Maggie Jeffus, CoChair
Senator Ed Warren, CoChair

Attachments:
Agenda
Visitor Registration Sheet

VISITOR REGISTRATION SHEET

General Gov.
Name of Committee

March 31 - 1999
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
George Jeter	N.C. Secretary of State
Charlene Dawkins	N.C. SOS
Elaine F. Marshall	NC SOS
Leonard Allen	SOS
Bruce Garner	SOS
Shelia Pope	SOS
Rodney Maddox	SOS
Cheri Myers	SOS
Ann K. Harris	SOS
Frank Lewis	SOS
Bryan K. Harris	OSBM

VISITOR REGISTRATION SHEET

Name of Committee _____ Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jim Nowell	OSBM
Jesse Templeton	Sec State
Pam Millward	Sec State
David A Massey	Secretary of State
Catherine Davis	ElectriCities
Vicky Young	OSA

AGENDA

Joint Appropriations Subcommittee
on
General Government

April 1, 1999
Room 425, LOB
8:30 a.m.

Chair: Representative Jeffus

Department of the Secretary of State

Departmental Overview

Rodney Maddox
Deputy Secretary

Recreated
July 24, 2000
(per minutes)

AGENDA

Joint Appropriations Subcommittee
on
General Government

April 1, 1999
Room 425
8:30 a.m.

Chairman: Representative Maggie Jeffus

Department of the Secretary of State

Overview of the Department
(Notebook pp. 1-10)

Rodney Maddox
Deputy Secretary

Information Technology Division
(Notebook pp. 11-13)

Bruce Garner
Deputy Secretary

Corporations Division
(Notebook pp. 14-23)

Charlene Dawkins
Director

Business License Information Office
(Notebook p. 24)

Amy Edwards
Director

Department of the Secretary of State (continued)

Securities Division
(Notebook pp. 25-27)

David Massey
Director

Notary Public Section
(Notebook p. 28)

Land Records Management Division
(Notebook p. 29)

Uniform Commercial Code Section
(Notebook p. 30)

Authentications Division
(Notebook pp. 31-32)

Solicitation Licensing Section
(Notebook p. 33)

Scott Templeton
Deputy Secretary

Trademark Section
(Notebook pp. 34-35)

Lobbyist Registration Division
(Notebook p. 36)

Sheila Pope
General Counsel

Public Information Services
(Notebook pp. 37-38)

George Jeter
Communications Director

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

April 1, 1999
8:30 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Thursday, April 1, 1999, at 8:30 a.m. in room 425 of the Legislative Office Building. Four of the Senate members were present. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marian McLawhorn, Daniel Barefoot, Sam Ellis and Gregg Thompson.

Representative Jeffus called the meeting to order and introduced the pages: Margret Jean Ruthkowsky of McDowell County, sponsored by Representative Mitch Gillespie; Ann Rand of Person County, sponsored by Representative James Crawford; and Aleca Hardy of Wake County, sponsored by Senate Eric Reeves.

Mr. Rodney Maddox, Deputy Secretary of State, was recognized by Representative Jeffus to make the presentation for the Department of the Secretary of State. Secretary of State Elaine Marshall was out of town.

In the handout material, Mr. Maddox made reference to the charts. (See Handout, pages 1-10) He covered some highlights of the department including technology that is becoming more and more significant. In terms of technology, they have gone to the customer and ask them how the department could be more helpful.

Mr. Maddox stated that the department's mission is not always clear. The units of the office function together in a system that are designed to provide sufficient informational disclosure and participant authentication so that prudent investors can make sound investment choices. The department is trying to protect the investors and indirectly it is trying to make sure there is sufficient financial capital so people can do business.

Mr. Maddox introduced Mr. Bruce Garner, Deputy Secretary for Information Technology, to present an overview of his section. They provide in-house information technology expertise, applications development and support, and administer local network. (See Handout pages 11-13)

Mr. Garner stated that if one wants to fill out business documents, the form could be printed out, filled in and mailed or delivered to the office but cannot be returned electronically.

Mr. Garner stated that they had considered opening more offices but could not do it with the resources they have been provided. In large part, there is only one set of the records. The path they have tried to go is to have those records imaged so that anybody, no matter their location in the state, can look at the records from their own computer screen. If a person does not have a computer they can go to the libraries that have computers.

Mr. Maddox stated that last year the General Assembly enacted the Electronic Commerce Act, which enables agencies to accept documents and authenticates them. There is a mechanism where one can file the form electronically and the Secretary of State office is the agency that would license people that provide that service. They are very close to the filing of a form and accepting fee electronically. Technically, it is already available. They need the resources to enable them to do it.

Ms. Charlene Dawkins, Director of the Corporations Division, continued with the Secretary of States' overview of the Department. The Corporation Division is responsible for the examination; custody and maintenance of the legal documents filed by more than 400,000 corporations, limited liability companies, limited partnerships, and limited liability partnerships. (See Handout, pages 14-23)

Mr. Maddox introduced Ms. Amy Edwards, Director, of the Business License Information Office, to present an overview of the office she oversees. (See Handout, page 24)

Mr. Maddox introduced Mr. David Massey, Director of the Securities Division. This division protects the investing public by regulating persons and firms doing business as stockbrokers and investment advisors. The office is charged with the reviewing proposals by promoters to sell investments in North Carolina and insuring that the communications and structure of the securities offerings meets the requirements of the state law. The Enforcement Section investigates allegations of securities fraud and cooperates with local District Attorneys in bringing criminal prosecutions. They are in charge of the Qualified Business Tax Credit Program that offers tax credits to persons investing in certain types of businesses in the state. (See Handout, pages 25-27)

Mr. Scott Templeton, Deputy Secretary, was introduced to speak about five of the programs in the department. Ms. Gail Holder, Director of Certification and Filing Division is out for surgery. He began with the Notary Public Section and introduced Ms. Cathy Wilson, Supervision. The primary function of this program is to protect citizens and businesses against fraud and forgery in important transactions and help those transactions occur more smoothly by verifying certain signatures of certain individuals. North Carolina is the only state in the nation with a mandatory Notary Public education program. (See Handout, page 28)

Mr. Templeton continued with the Land Records Management Division and introduced Director Rex Minneman. The function of this Division is to help local governments provide good reliable land record services to citizens and businesses. They do this so that land transactions can be done as quickly and reliable as possible with minimum extra cost. Much of their time is spent by working with Registrar of Deeds to make sure that the standards that are applied to their documents are the same no matter what county is involved. They administered a Grant Program and employed six employees until the mid nineties. Presently, House Bill 90 was introduced February 16, 1999, to appropriate funds for the land records management program for matching grants to complete mapping projects in every county. (See Handout, page 29)

Senator Foxx inquired as to why the state is operating this program. Mr. Templeton stated that the counties have requested this help. They need the central location. Without this, you would end up with each county doing it differently. This is why the Land Record Management Division enforces a uniform set of standards. It is a voluntary program but the benefits of following the standards are such that the counties recognize and follow them, even though there is no statutory authority for the standards.

Representative Ellis suggested that the Secretary of State's office recommend their standards and have them put it into statutory function since the standards are not covered in the statutes.

Mr. Templeton stated that in addition to the land records standards, they also work with property mapping regarding the land ownership records that are kept throughout the state.

Mr. Templeton continued with the Uniform Commercial Code Section and introduced Ms. Frances Wells, Supervisor. The function of this Division is to help businesses and citizens have easier access to loan funds. They perform credit check type of function as part of a national system of centralized filing of certain loan and tax lien information. (See Handout, page 30)

Mr. Templeton introduced Ms. Bernice Pruitt with the Authentication Service Office. The function of this office is a necessary component to many overseas transactions. The number of transactions the two member staff processes has tripled since 1996. (See Handout, Pages 31-32)

The newest Division in the Secretary of State's Office is the Solicitation Licensing Section and Mr. Templeton introduced Mr. Lionel Randolph, Program Manager. They License and regulate charitable solicitation and professional fundraising. (See Handout, Page 33)

Ms. Sheila Pope, General Counsel, gave a brief overview of the Trademark Section. (See Handout, Pages 34-35) They protect the consuming public and the business community.

Ms. Sheila Pope continued with the Lobbyist Registration Section, which has a total of one position. It regulates and maintains all filings for registered lobbyists in the state and investigates allegations of misconduct. This section also has other duties. (See Handout, page 36)

Senator Foxx inquired if it is necessary to publish the Lobbyist Directory every twenty days while the legislature is in session. Ms. Pope stated that they had found that the General Assembly members appreciated the updated information. She called their attention to the fact that you can access their web page and get the updated information. When Ms. Mary Kelly, Lobbyist Registrar, enters the information in her database it is also posted on the Internet. **Representative Jeffus suggested that they explore the idea of the directory being published once a year and update from the Internet.**

Mr. George Jeter, Communications Director, stated that they write, edit and publish brochures; keep many historical files for election results, deeds, etc.; and, operate the mailroom. (See Handout, pages 37-38)

Representative Jeffus stated that the Secretary of State has an excellent staff and she thanked Deputy Secretary Maddox and the staff for information about each department and their work with the committee.

The next meeting will be Tuesday, April 6, 1999, at 8:30 a.m. to hear from the Department of the State Treasurer.

Respectfully submitted,

Rep. Maggie Jeffus

Representative Margaret (Maggie) M. Jeffus, Chair

Mary Lee Robinson

Mary Lee Robinson, Committee Assistant

DEPARTMENT OF SECRETARY OF STATE

Budget Code(s)

Mission Statement

To serve and protect citizens, the business community and governmental agencies by facilitating business activities, by providing accurate and timely information, and by preserving documents and records.

Goals

- Provide the business community and the public with easy access to accurate and timely information.
- Assist the business community with accurate and timely filing of necessary documents.
- Update, create and distribute major publications.
- Provide technical assistance to local governments and implement statewide standards for indexing land records.
- Investigate all complaints concerning notaries public, lobbyists, securities, fraud, and trademark counterfeiting.
- Promote public awareness regarding securities fraud.
- Promote the public confidence and trust in the regulatory process.
- Facilitate growth and development of the state's economy.

Operations

The Department of the Secretary of State is one of the principal Council of State departments as defined by Article III, Sections 7-8 of the North Carolina Constitution. The Secretary of State is a member of the Council of State and is elected by the voters of the state every four years.

The administration division of the Secretary of State's office is responsible for all administrative and management functions in the department, including accounting, budgeting, purchasing, staff development, payroll management, personnel administration, and information management. Its main purpose is to streamline office operations and increase efficiency and productivity throughout the department.

The administrative division also handles miscellaneous statutory duties and responsibilities not assigned to one of the other divisions. This office is responsible for registering trademarks and service marks to protect the public against the fraudulent use marks; authenticating the principals and documents used in international commerce and private transactions; maintaining a registry of persons attempting to influence legislation (lobbyists); maintaining a registry of athlete agents; and regulating entities who solicit contributions in North Carolina. The Secretary's office also records information about new territory annexed by North Carolina municipalities, and helps counties modernize and standardize their indexing of land records to improve public access and use.

The Department of the Secretary of State is also responsible for organizing and maintaining public documents and records, licensing and maintaining records on corporations, administering the Uniform Commercial Code, registering securities and licensing and regulating securities dealers, salesmen, firms and commodity dealers, assisting businesses in identifying and securing needed licenses and permits, issuing commissions to notaries public.

Performance / Program Budget

Expenditures in the Department of Secretary of State are focused entirely on objectives that fall within the Economic Development and Commerce Program Area. (For more information, see Program Analysis chapter in Volume I.)

DEPARTMENT OF SECRETARY OF STATE (1479)
ADMINISTRATION (GWF009)

Budget Code(s)

Mission Statement

To operate the Secretary of State's office in an effective, efficient, and professional manner, to protect citizens against fraudulent use of trademarks, to authenticate the principals and documents used for international commerce and personal transactions, and to register and regulate lobbyists and athlete agents.

Operations

Central Staff (Administrative Support)

- Provide information and training to staff regarding the roles and responsibilities of the Secretary of State. (op_id:1108)
- Develop plans and policies and manage the administration of Secretary of State functions. Hold regular staff meetings and review issues and reports regarding the efficiency, effectiveness and quality of work. (op_id:1109)
- Provide information to the state legislature and information and referral services to the general public. Provide information technology services and maintain a web site to facilitate access to information. (op_id:1110)
- Monitor and interpret laws affecting the activities of the Secretary of State's office and provide general counsel to the Secretary. Provide liaison to the North Carolina General Assembly. (op_id:1111)
- Provide administrative support to staff through budget, financial and personnel management services. (op_id:1112)

Trademarks

- Distribute a handbook of statutory requirements for trademarks and service marks. (op_id:1135)
- Inform the public of legal requirements for trademarks and service marks. (op_id:1136)
- Receive, review and register applications for marks. (op_id:1137)
- Receive, review and register applications for renewal. (op_id:1138)
- Generate certificates of registered marks and mail to customers. (op_id:1139)
- Maintain an up-to-date database. (op_id:1140)

Authentications

- Certify official interstate and international documents. (op_id:1099)
- Certify the authenticity of international vital records. (op_id:1100)
- Issue Certificates of Authority. (op_id:1101)

Lobbyists

- Publish and distribute lobbying guidelines. (op_id:719)
- Receive applications for lobbying licenses and identify principle; assess fees and late fees. (op_id:720)
- Receive required lobbyists reports (within 10 days of application) and check for required information. (op_id:721)
- Review complaints and refer unlawful violations to the attorney general for investigation. (op_id:722)
- Accept process of service. (op_id:723)

Athlete Agent Registration

- Receive applications for athlete agents; assess fees and hold bonds. (op_id:1336)
- Review complaints and investigate unlawful violations. (op_id:1337)

Objectives and Key Performance Measures	1997-98 Actual	1998-99 Authorized	1999-00 Target	2000-01 Target
Central Staff (Administrative Support)				
Ensure the successful attainment of all the department's objectives. (obj_id:820) *PPB: 6998*				
(No measures have been developed.)				
Trademarks				
Maintain efficient processing of trademark registration and renewal applications. (obj_id:831) *PPB: 6998*				
Applications for marks processed (meas_id:7733)	617	655	605	738
Applications for trademark renewals processed (meas_id:7734)	143	161	181	203
Authentications				
Certify that principals and documents involved in certain domestic and international transactions are bona fide, that is, actually and precisely what is claimed. (obj_id:816) *PPB: 6998*				
Interstate documents; international documents-authentications (meas_id:7738)	3,401	3,700	3,800	3,900
Interstate documents; international documents-apostilles (meas_id:7739)	7,964	8,500	9,000	10,000
Issue timely and accurate Certificates of Authority. (obj_id:817) *PPB: 6998*				
Number of Certificates of Authority issued (meas_id:1177)	1,549	1,704	1,874	2,061
Lobbyists				
Register and regulate persons attempting to influence legislation (lobbyists). (obj_id:493) *PPB: 6998*				
Number of lobbyists registered in NC (Records on lobbying are kept on the two-year biennium schedule) (meas_id:1123)	610	620	620	640
Number of complaints regarding unregistered lobbyists (Records on lobbying are kept on the two-year biennium schedule) (meas_id:1124)	1			
Number of lobbyists reported to the Attorney General for apparent violations of Lobbyists Registration Act (Records on lobbying are kept on the two-year biennium schedule) (meas_id:1125)	1			
Athlete Agent Registration				
Register and regulate persons who represent the financial interest of athletes in North Carolina (athlete agents). (obj_id:944) *PPB: 6998*				
Number of athlete agents registered in North Carolina (meas_id:8082)	84	95	95	95
Number of complaints regarding unregistered athlete agents (meas_id:8083)	3			
Number of athlete agents reported to the Attorney General for apparent violations of Athlete Agent Registration Act (meas_id:8084)	0			

DEPARTMENT OF SECRETARY OF STATE (1479)
PUBLIC INFORMATION SERVICES (GWF010)

Budget Code(s)

Mission Statement

To provide accurate and accessible information to citizens, businesses and legislators about state government organizations and services; to inform citizens of the names and offices of elected state and county officials, and to provide ongoing safekeeping for certain designated public documents and records filed with the Secretary of State; to assist counties in modernizing and standardizing the indexing of land records; and to assist with communications within the department, between agencies, and with the general public.

Operations

Publications

- Receive, file and maintain custody of certain public documents and records. (op_id:1129)
- Distribute Session Laws and House and Senate Journals. (op_id:1130)
- Prepare, publish and distribute certain major publications. (op_id:1131)
- Provide information to state legislators and to the public. (op_id:1132)
- Provide technical assistance to Secretary of State staff in document design and production. (op_id:1133)
- Support internal communications, including the management of incoming and outgoing mail. (op_id:1134)

Land Records

- Adopt mapping standards; develop implementation plan. (op_id:1119)
- Provide training; certify property mappers. (op_id:1120)
- Provide ongoing consultation and technical assistance to counties. (op_id:1121)
- Provide public information regarding property maps. (op_id:1122)
- Evaluate performance. (op_id:1123)
- Help state agencies use of local land records information. (op_id:1124)

Objectives and Key Performance Measures	1997-98 Actual	1998-99 Authorized	1999-00 Target	2000-01 Target
Publications				
Organize and maintain public document archives as required by N.C.G.S. (obj_id:828) *PPB: 6998*				
Number of pages of candidates lists researched, written, published and distributed (meas_id:1131)		1,500		1,500
Number of copies of Certified Election Results State and County researched, written, published and distributed (meas_id:1135)	10	15	15	15
Number of copies of Governor's Executive Orders researched, written, published and distributed (meas_id:1130)	15	12	15	20
Number of page of documents received and filed for public record (meas_id:1136)	5,000	5,000	5,250	5,500
Create, update and distribute printed and electronic media products that support the operations and goals of the N.C. Department of the Secretary of State. (obj_id:829) *PPB: 6998*				
Number of copies of NC Manual researched, written, published and distributed (meas_id:1128)	5,000		5,000	
Number of pages of the "Directory of State and County Officials" written, published and distributed (meas_id:1129)	10,000	10,000	10,000	10,000
Number of pages of Session Laws distributed (meas_id:1132)	1,500	1,500	1,500	1,500
Number of pages of House and Senate Journal distributed (meas_id:1133)	1,100	1,100	1,100	1,100
Number of copies of "Directory of Board of Commissioners" researched, written, published and distributed (meas_id:1134)		2,500		2,500
Land Records				
Provide excellent technical assistance/consultation to Registers of Deeds, Tax Assessors/Mapping. (obj_id:824) *PPB: 6610*				
Requests for technical assistance/response to inquiries (meas_id:1178)	959	1,000	1,010	1,020
Maintain high level of responses to inquiries by use of Telephone/E-Mail/Fax. (obj_id:825) *PPB: 6610*				
Requests for technical assistance/response to inquiries (meas_id:1178)	959	1,000	1,010	1,020
Maintain excellent training and high standards for Registers of Deeds and Tax Assessors and Mapping. (obj_id:826) *PPB: 6610*				
On-site visits to counties (meas_id:1179)	79	85	90	100
Register of Deeds workshops/number trained (meas_id:1180)	300	350	375	400
Number of annexations recorded (meas_id:1127)				

DEPARTMENT OF SECRETARY OF STATE (1479)
BUSINESS ASSISTANCE PROGRAMS (GWF011)

Budget Code(s)

Mission Statement

To protect consumers and promote economic growth by registering corporations and corporate transactions, filing required corporate documents, and acting on complaints against corporations; by administering the Uniform Commercial Code and federal tax liens against commercial corporations and partnerships; by regulating the public sale of securities; by assisting new businesses through the state's licensure and permitting process; by appointing and regulating qualified notaries; and by regulating both professional and amateur boxing and kick-boxing events held in the State of North Carolina.

Operations

Corporations

- Review corporate filings for compliance with statutes, record annual reports, and file documents for public record. (op_id:1113)
- Register new NC business corporations, NC private and non-profit corporations, foreign corporations (business and non-profit), limited liability companies, limited partnerships, and limited liability partnerships. (op_id:1114)
- Accept "Process of Service" as a substitute registered agent for corporations. (op_id:1115)
- Provide public record information and technical assistance to the public and businesses. (op_id:1116)
- Record the information required to be kept as a public record. (op_id:1117)
- Maintain custody of the legal documents filed by corporations, limited liability corporations, limited partnerships, and limited liability partnerships. (op_id:1118)

Uniform Commercial Code

- Adopt standard forms and procedures for how filings will be filed, in compliance with the General Statutes of North Carolina. (op_id:724)
- Publish guidelines for commercial businesses; educate businesses, citizens and government agencies; and provide ongoing consultation. (op_id:725)
- Review all original filings for compliance with adopted standards and file acceptable filings of liens (including federal tax liens). (op_id:726)
- Record transactions (continuation, termination, assignment, amendment or release) throughout the life cycle of each filing. Review for continuation every 5 years, if not previously renewed or terminated. (op_id:727)
- Conduct records searches and collect appropriate fees in compliance with the North Carolina General Statutes. Assist public researches. (op_id:728)
- Maintain permanent federal tax lien filings and collect appropriate fees (G.S. 44-68.15). (op_id:729)

Securities

- Promulgate rules for regulating products and persons in the securities industry. (op_id:674)
- Maintain information databases to support the regulation of products and entities in the securities industry. (op_id:675)
- Provide information to entities seeking licenses. (op_id:676)
- Review and approve registered public offerings; receive mutual fund notice filings and fees. (op_id:677)
- Register/regulate securities dealers (brokerage firms). (op_id:678)
- Register/regulate securities salesmen (stock brokers). (op_id:679)
- Register/regulate investment adviser firms. (op_id:680)
- Evaluate, and approve or deny applications for registration of investment adviser representatives. (op_id:681)
- Review exempt securities offering filings. (op_id:682)
- Investigate and respond to complaints. (op_id:683)
- Enforce rules regarding misconduct and fraud-- issue orders for rules violations, refer criminal violations to law

enforcement and support prosecution. (op_id:684)

Business License Information

- Maintain an informational database of federal, state, local and private resources and requirements. (op_id:1102)
- Create, maintain and distribute the "Directory of NC State Business Licenses and Permits." (op_id:1103)
- Provide public information and receive inquiries and requests for assistance. (op_id:1104)
- Determine the types of business activities involved, identify which of the states licenses, resources, and tax information are needed, and prepare and distribute individualized packets of forms and information tailored to the needs of potential businesses. (op_id:1105)
- Issue Certificates of Notification giving certain qualifying businesses authority to conduct business operations for 30 days pending completion of the licensing process. (op_id:1106)
- Provide information to the Governor and the General Assembly and make recommendations for improving the licensure and permitting process. (op_id:1107)

Notary

- Appoint and re-appoint notaries at 5-year intervals. (op_id:1125)
- Maintain an up-to-date and accurate notary database. (op_id:1126)
- Conduct notary training workshops. (op_id:1127)
- Provide technical assistance to other states and the general public. (op_id:1128)

Charitable Solicitations

- Establish policies and procedures for licensing and regulating solicitation activities. (op_id:1813)
- File business reports of solicitation entities, issue licenses, and maintain a registry of solicitation activities. (op_id:1814)
- Investigate inquiries and complaints about solicitation entities; take appropriate action. (op_id:1815)
- Publish an Annual Report of Charitable Fund raising Activities. (op_id:1816)

Objectives and Key Performance Measures	**1997-98 Actual**	**1998-99 Authorized**	**1999-00 Target**	**2000-01 Target**
Corporations				
Reduce complaints from the business community related to services administered by Corporations Division. (obj_id:821) *PPB: 6910*				
(No measures have been developed.)				
Maintain 4-5 day turnaround time to obtain information and complete transactions. (obj_id:822) *PPB: 6910*				
Number of North Carolina business corporations formed (meas_id:1137)	17,891	18,480	19,219	19,998
Number of North Carolina non-profit corporations formed (meas_id:1138)	2,906	3,087	3,303	3,534
Number of foreign corporations domesticated (meas_id:1139)	4,287	4,587	4,908	5,252
Number of forms, copies, and certificates provided per year (meas_id:1144)	32,059	33,643	35,325	37,091
Increase public accessibility by use of faxes, mailboxes, internet web page. (obj_id:823) *PPB: 6910*				
(No measures have been developed.)				
Uniform Commercial Code				
Maintain a complete, accurate and accessible database of UCC filings, liens & other transactions. (obj_id:494) *PPB: 6910*				
(No measures have been developed.)				
Provide accurate and timely information to the business community, governmental agencies and the public. (obj_id:495) *PPB:*				

6910

(No measures have been developed.)

Securities

Provide assistance to the public with securities inquiries. (obj_id:379) *PPB: 6910*				
Number of action/interpretative opinion requests (meas_id:5864)	25	27	29	32
Number of requests for assistance (meas_id:1158)	1,214	1,445	1,720	2,045
Review securities, stockbrokers, and investment advisor filings to ensure compliance with statutes and regulations. (obj_id:380) *PPB: 6910*				
Number of securities offerings withdrawn or terminated due to non-compliance (meas_id:1152)	35	27	21	16
Number of investment advisor firms registered to conduct business in North Carolina (meas_id:1163)	843	902	965	1,033
BD applications for registration (meas_id:5855)	2,332	3,129	4,193	5,619
Salesman applications for registration (meas_id:5856)	112,664	125,057	138,813	171,032
Detect violations of Securities and Investment Advisor Acts and take remedial actions. (obj_id:381) *PPB: 6910*				
Number of securities offerings withdrawn or terminated due to non-compliance (meas_id:1152)	35	27	21	16
Number of matters under inquiry during the year (meas_id:1159)	57	57	57	57
Number of administrative enforcement orders issued (meas_id:7737)	3	7		
Facilitate investment in businesses designated by the General Assembly for tax-favored treatment. (obj_id:382) *PPB: 6910*				
Fairness hearings (meas_id:5865)	10	17	28	47

Business License Information

Achieve 100% satisfaction among clients using Business License Information Office. (obj_id:818) *PPB: 6910*				
Percent of clients satisfied with services provided by the Business License Information Office (meas_id:886)	99%	99%	99%	99%
Get zero customer complaints regarding the license and permit process. (obj_id:819) *PPB: 6910*				
Number of complaints regarding the licensing and permitting process administered by the Business License Office (meas_id:887)	0	0	0	0

Notary

Appoint well qualified notaries public to establish the authenticity of signatures for business and personal transactions. (obj_id:827) *PPB: 6910*				
Number of initial notary appointments (meas_id:1174)	14,147	15,552	17,107	18,818
Number of notary reappointments (meas_id:1173)	18,133	19,933	21,926	24,119
Number of name and county changes of notaries (meas_id:1172)	4,068	4,478	4,967	5,478
Cost of providing notary workshops (meas_id:1175)	$6,000	$6,600	$7,200	$7,986

Charitable Solicitations

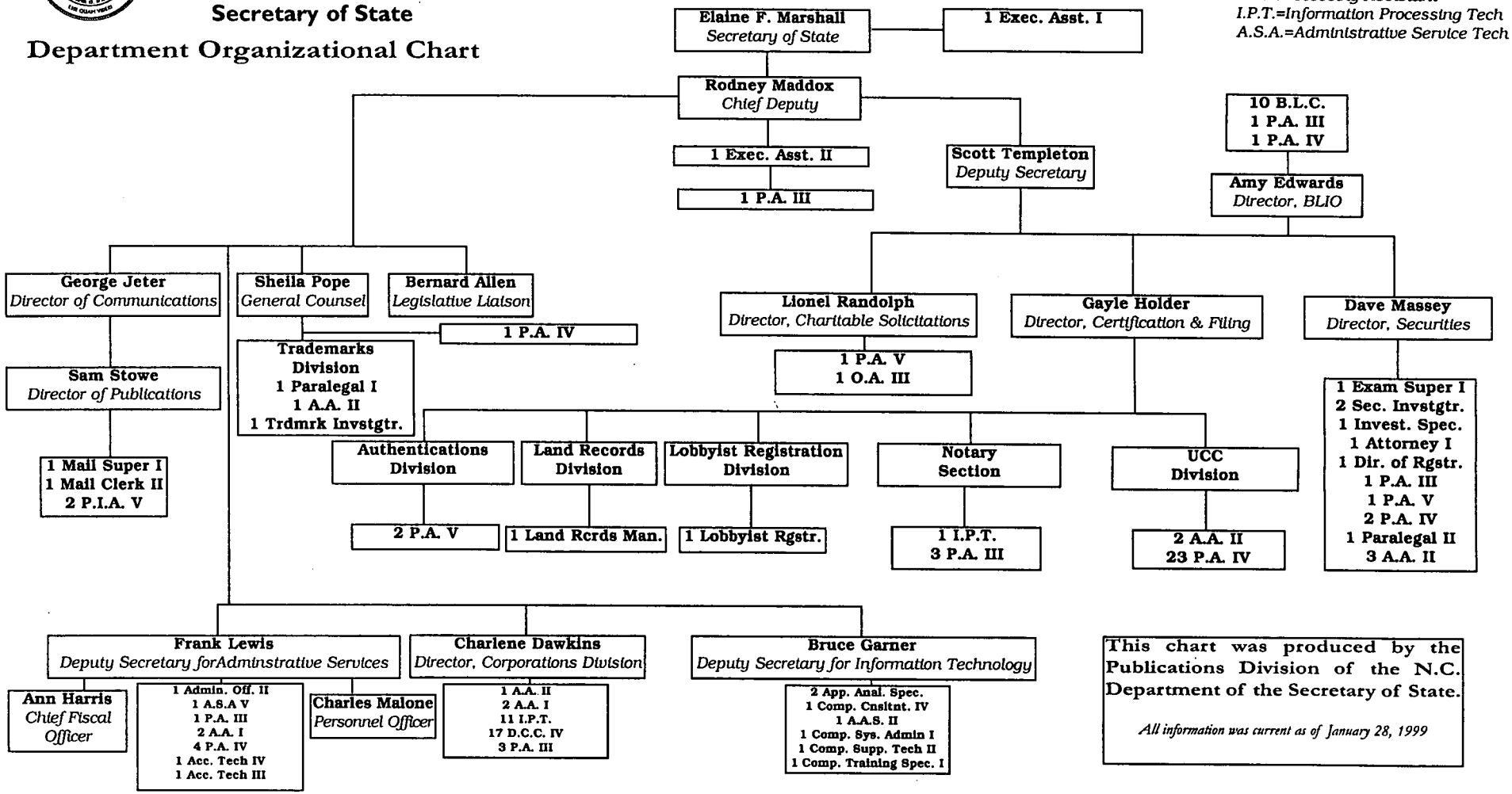
Maintain efficiency in licensing entities who solicit contributions in North Carolina. (obj_id:1291) *PPB: 6920*				
Number of solicitation licenses issued (meas_id:3607)	1,510	1,525	1,535	1,540
Identify solicitation entities who need to be brought into compliance. (obj_id:1292) *PPB: 6920*				

(No measures have been developed.)

N.C. Department of the Secretary of State
Elaine F. Marshall
Secretary of State

Department Organizational Chart

Legend
A.A.=Administrative Assistant
A.O.=Administrative Officer
D.C.C.=Data Control Clerk
P.A.=Processing Assistant
I.P.T.=Information Processing Tech
A.S.A.=Administrative Service Tech



This chart was produced by the Publications Division of the N.C. Department of the Secretary of State.

All information was current as of January 28, 1999

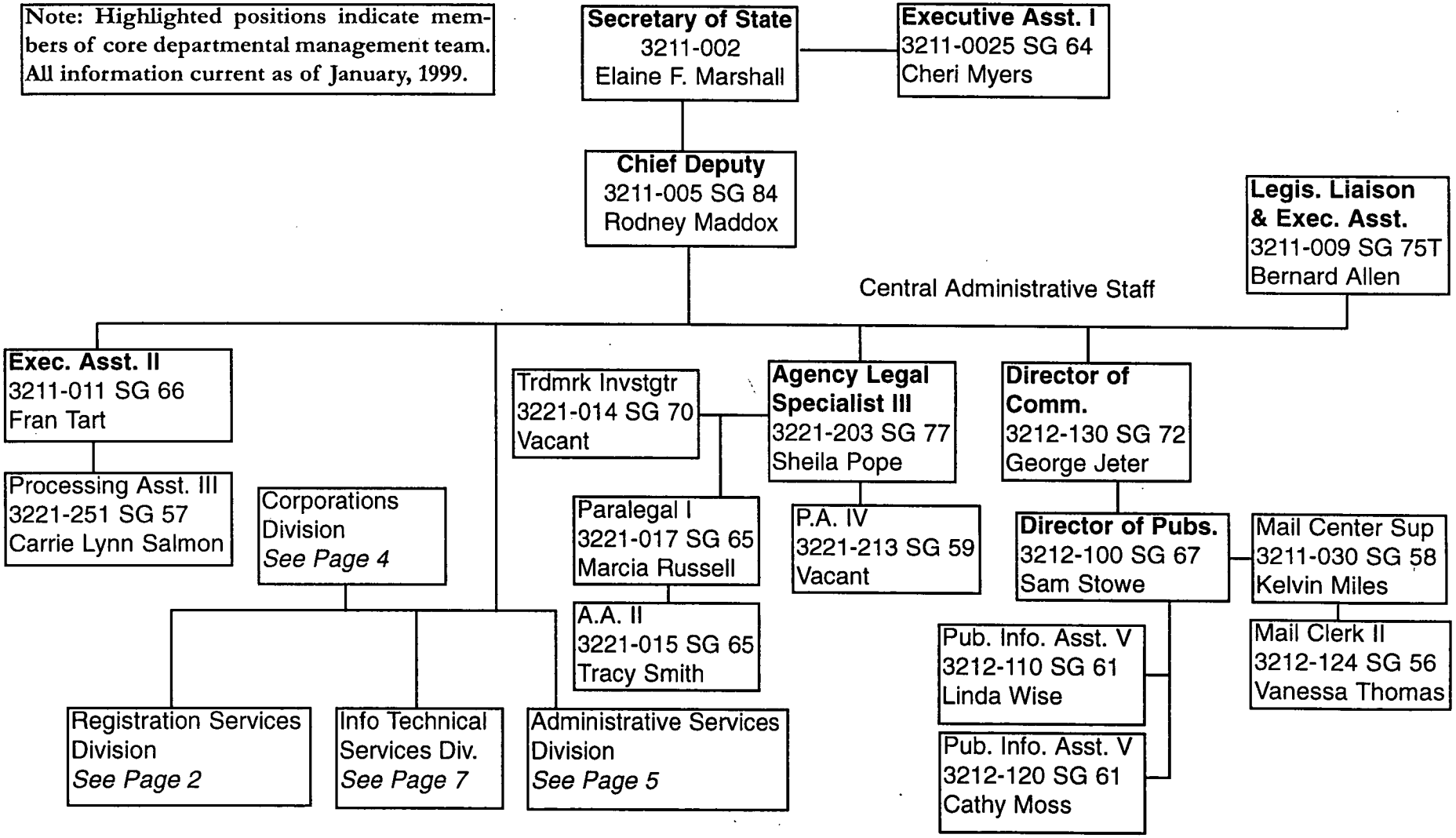
Department of the Secretary of State
Organizational Chart

Elaine F. Marshall, Secretary

Form PO-01

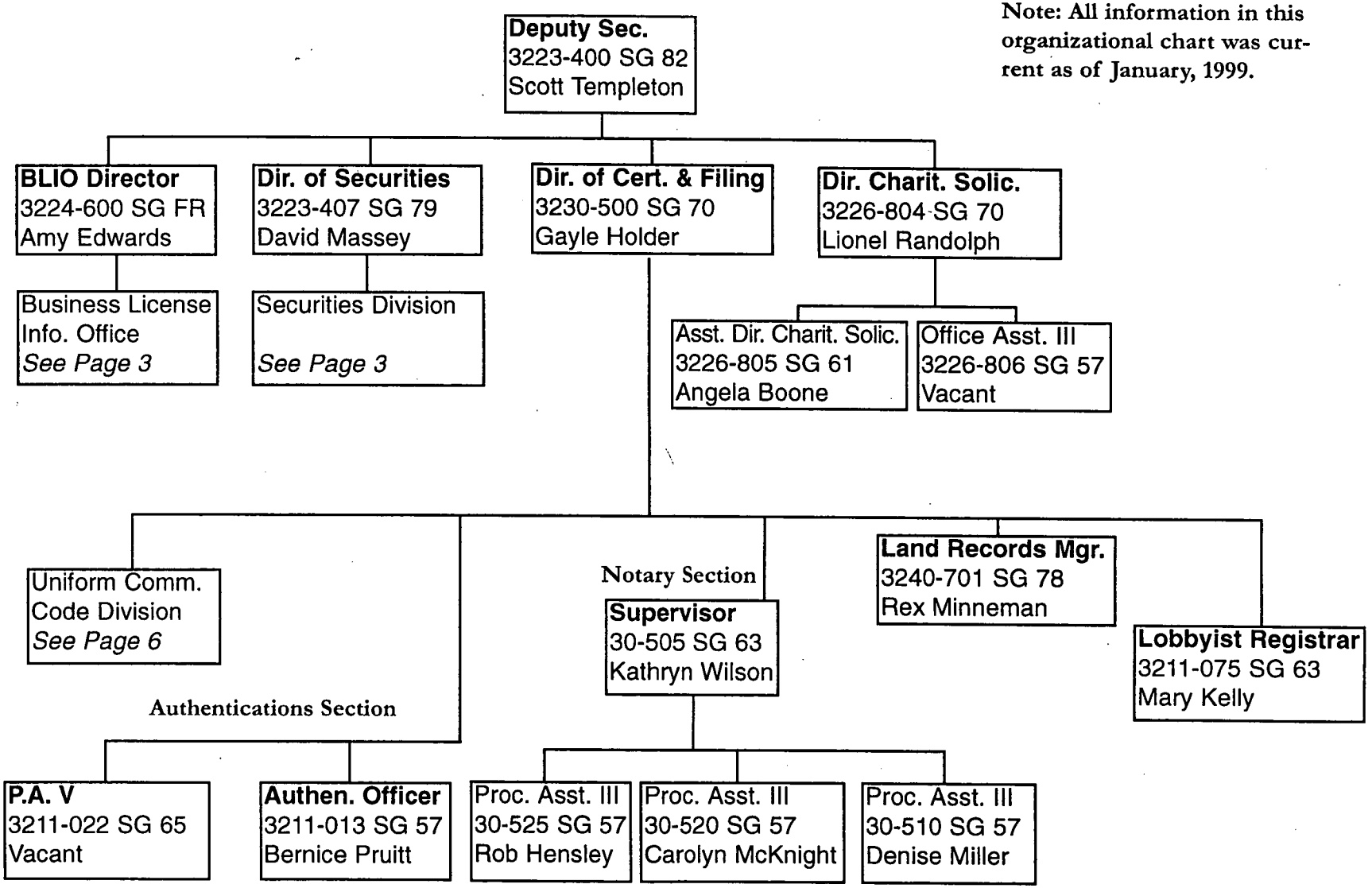
Produced by the Publications Division of the NC Department of the Secretary of State

Note: Highlighted positions indicate members of core departmental management team. All information current as of January, 1999.

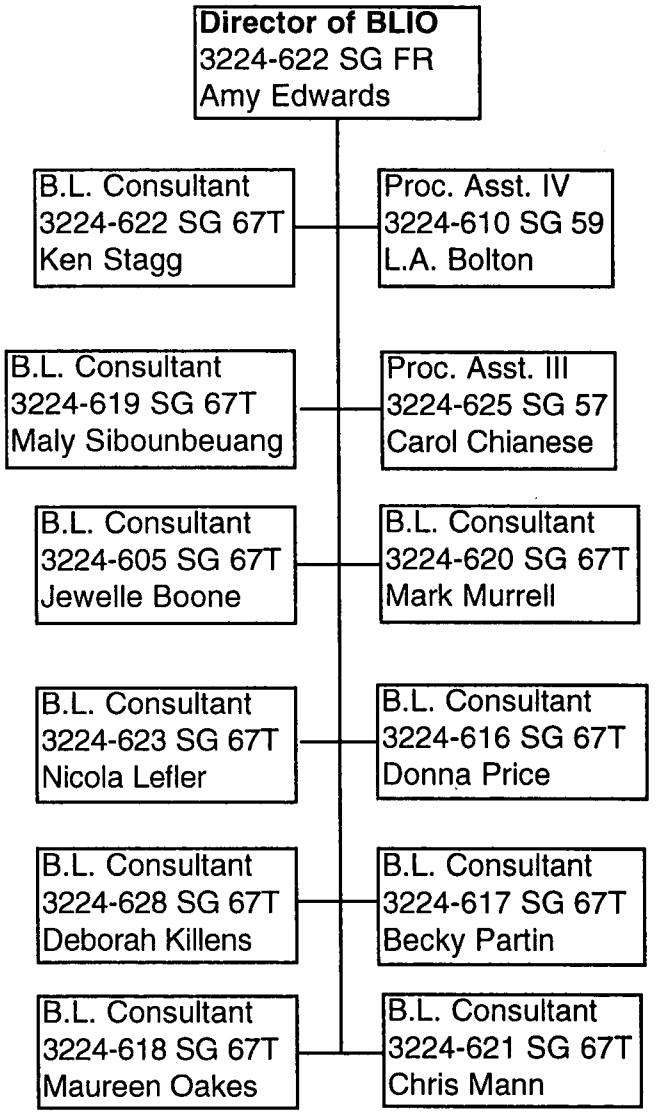


Registration Services Division

Note: All information in this organizational chart was current as of January, 1999.



Business License Information Office



Securities Division

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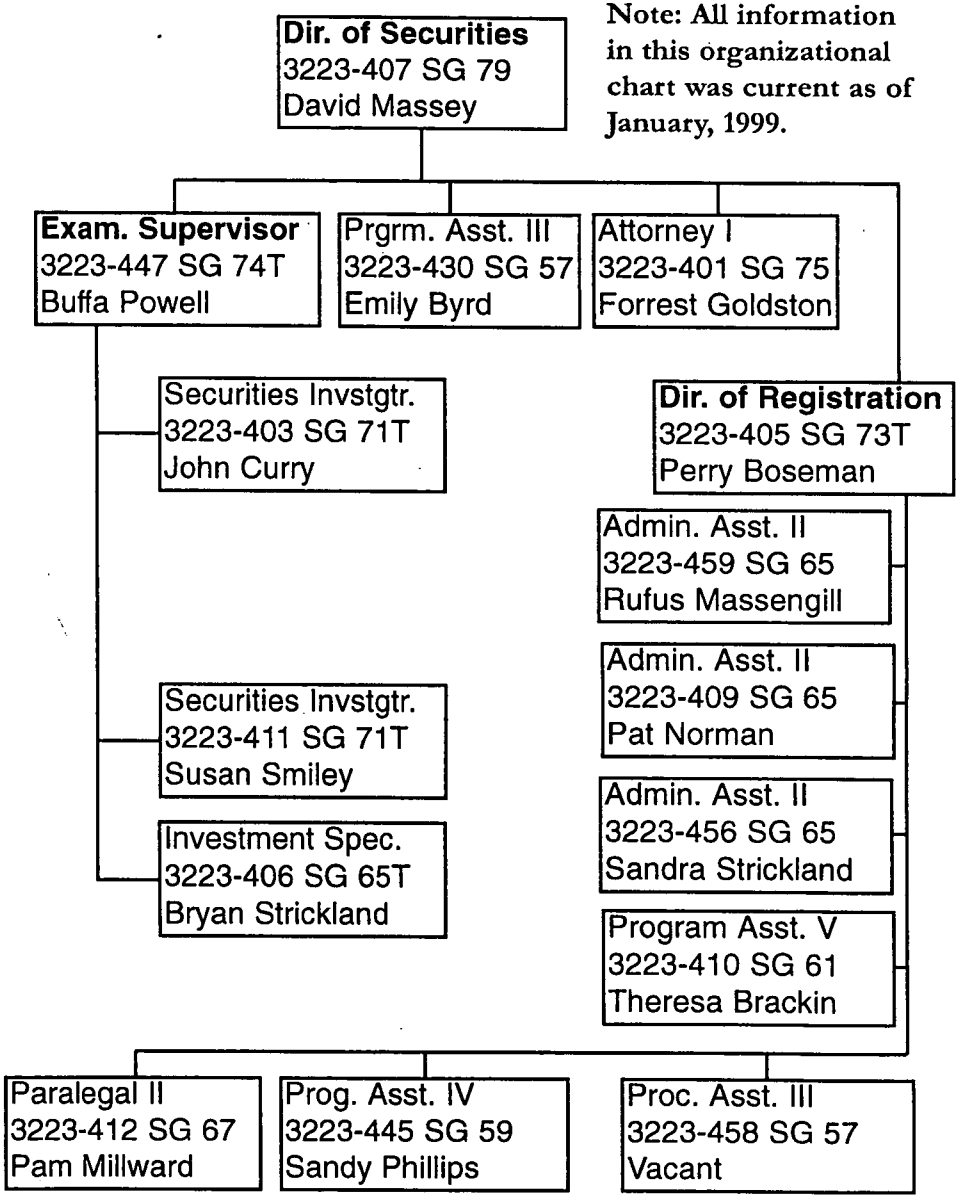
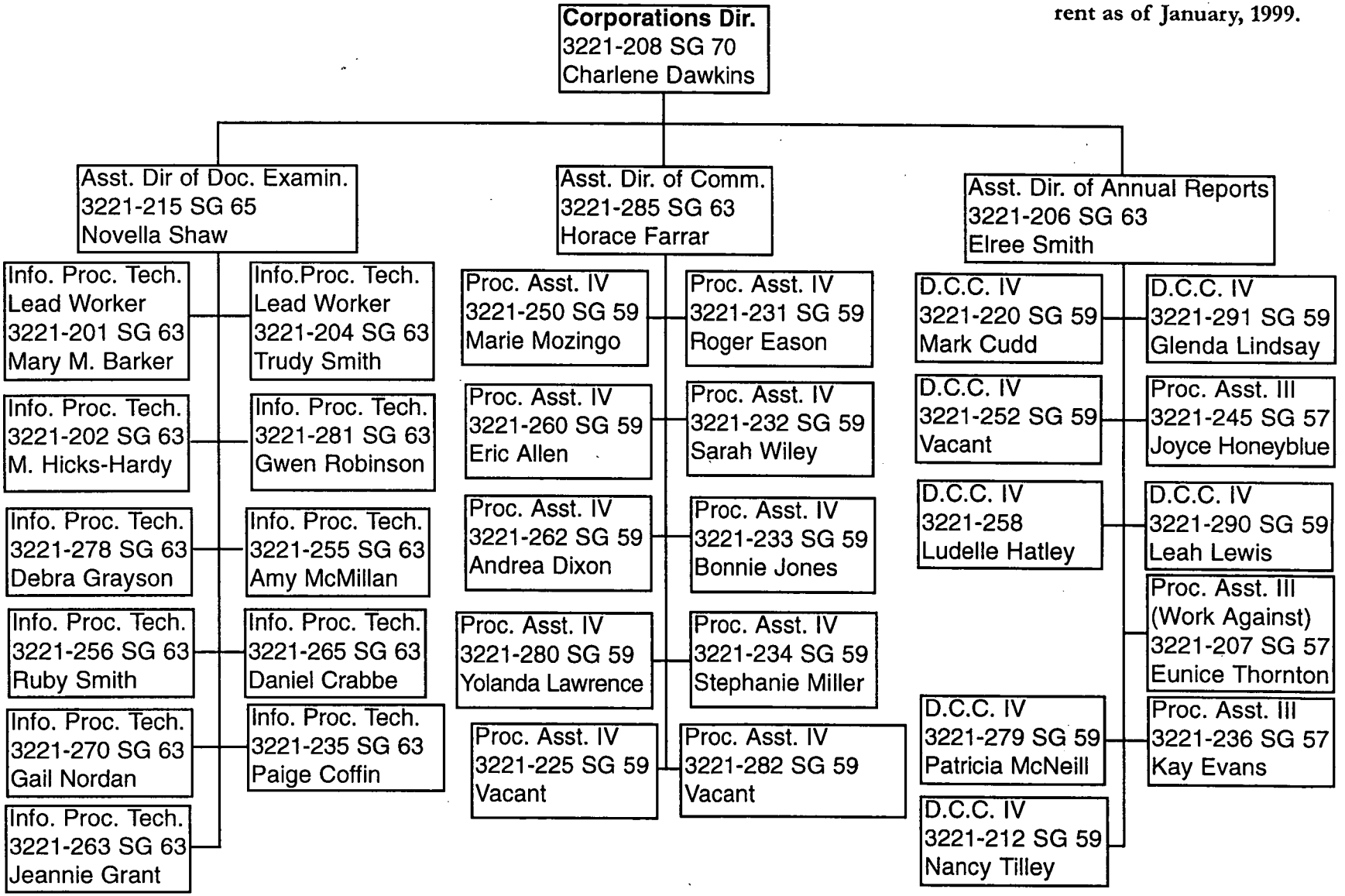


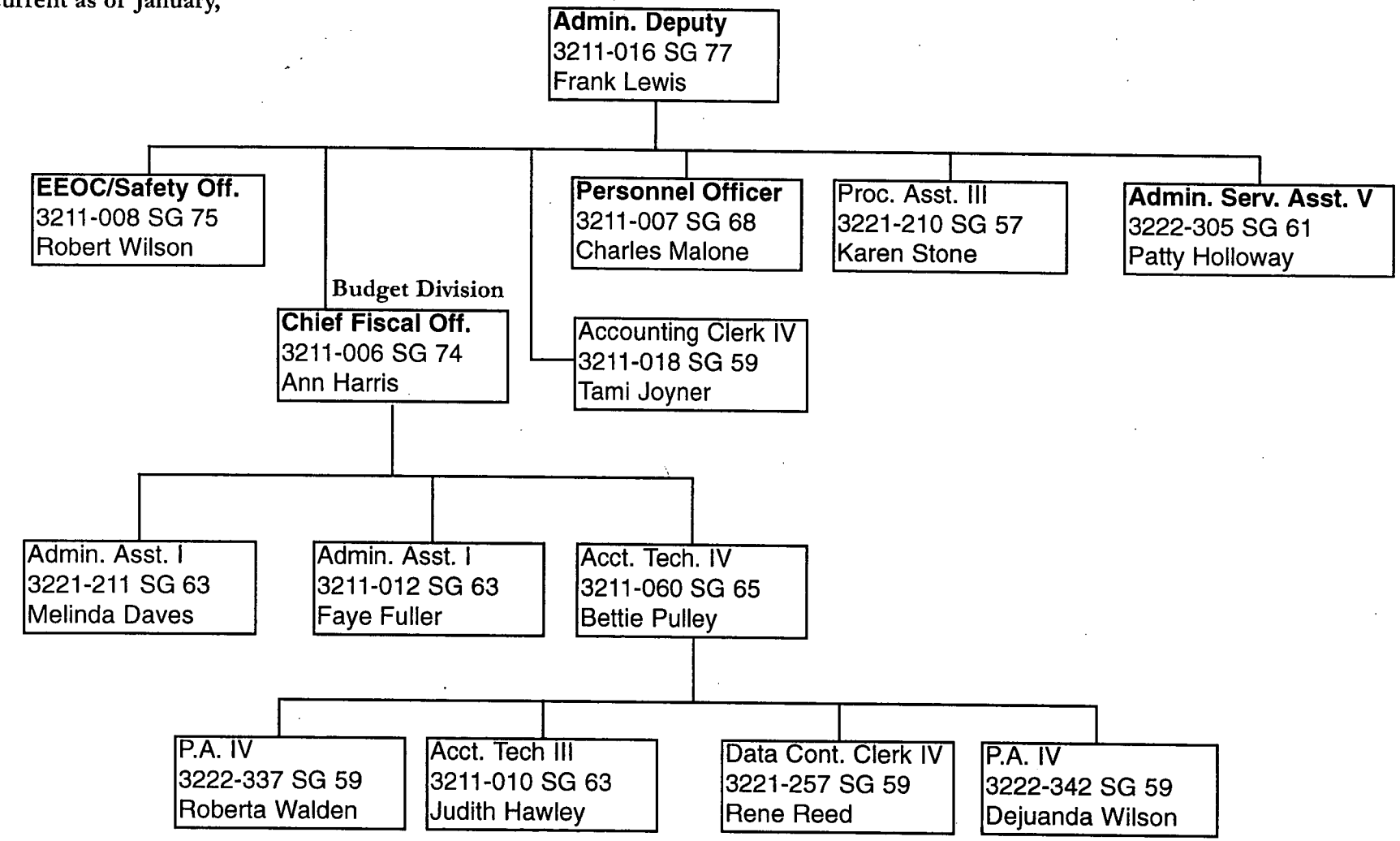
Corporations Division

Note: All information in this organizational chart was current as of January, 1999.



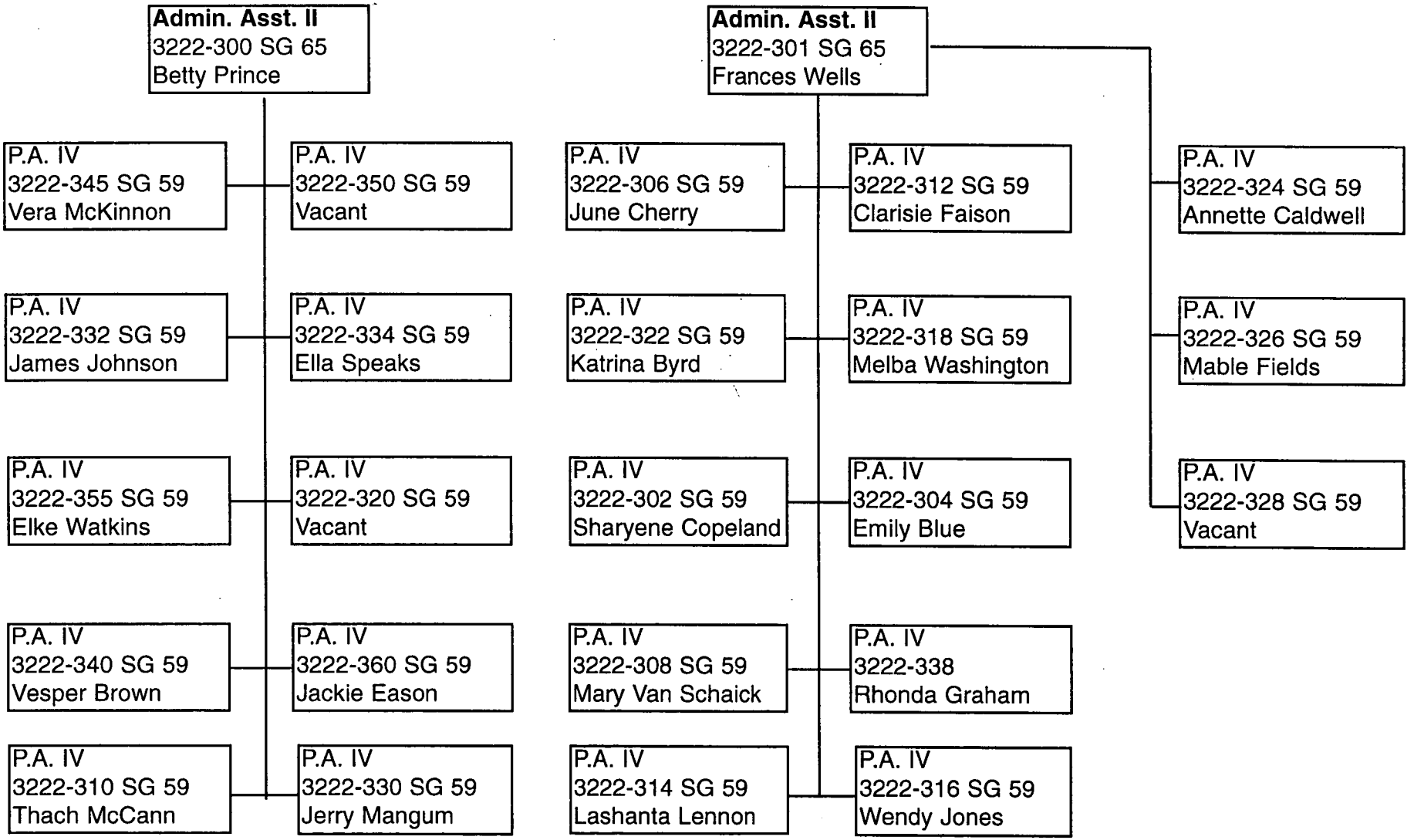
Note: All information in this organizational chart was current as of January, 1999.

Administrative Services Division



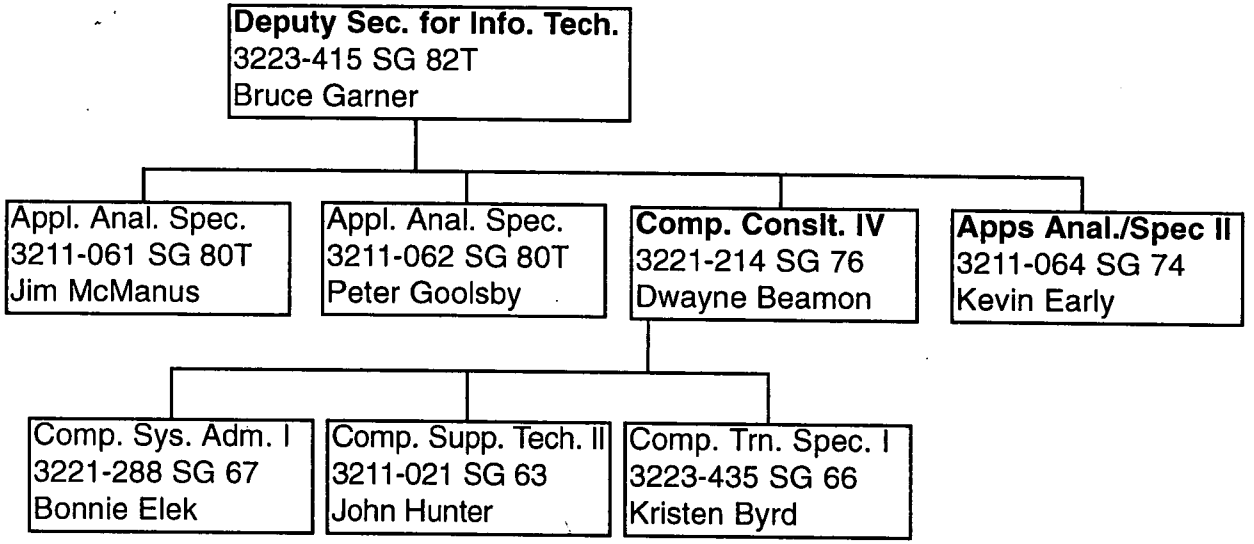
Note: All information in this organizational chart was current as of January, 1999.

Uniform Commercial Code Division

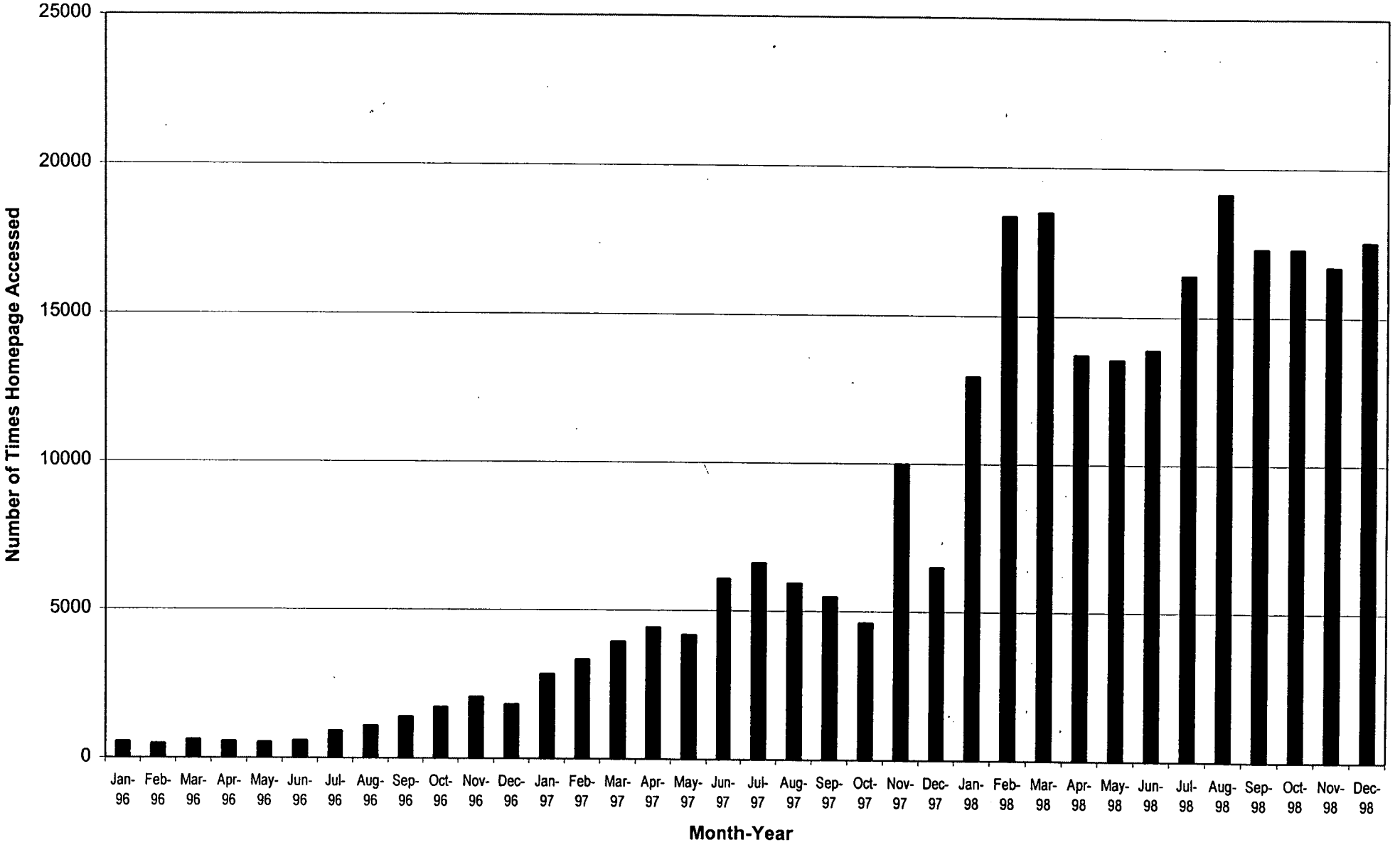


Note: All information in this organizational chart was current as of January, 1999.

Information Technology Division



Customers Using the Department of the Secretary of State's Internet Homepage (http://www.state.nc.us/secstate)



Secretary of State
Homepage Statistics

	A	B
1	**Month**	**Hits**
2	Jan-96	555
3	Feb-96	489
4	Mar-96	632
5	Apr-96	565
6	May-96	534
7	Jun-96	590
8	Jul-96	917
9	Aug-96	1095
10	Sep-96	1400
11	Oct-96	1720
12	Nov-96	2064
13	Dec-96	1822
14	Jan-97	2842
15	Feb-97	3341
16	Mar-97	3943
17	Apr-97	4431
18	May-97	4180
19	Jun-97	6083
20	Jul-97	6617
21	Aug-97	5937
22	Sep-97	5492
23	Oct-97	4614
24	Nov-97	9992
25	Dec-97	6499
26	Jan-98	12956
27	Feb-98	18366
28	Mar-98	18496
29	Apr-98	13714
30	May-98	13545
31	Jun-98	13888
32	Jul-98	16402
33	Aug-98	19148
34	Sep-98	17310
35	Oct-98	17300
36	Nov-98	16710
37	Dec-98	17550

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$6,743,849	$7,127,603	$6,576,878	$6,489,378
RECEIPTS	$218,216	$265,113	$317,063	$317,063
APPROPRIATIONS	$6,525,633	$6,862,490	$6,259,815	$6,172,315
NUMBER OF POSITIONS	117.75	141.75	141.75	141.75

SUMMARY OF TRUST FUND (63200)

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$38,700	$0	$0	$0
RECEIPTS	$6,204	$0	$0	$0
ENDING CASH BALANCE	$279,388	$279,388	$279,388	$279,388
CHANGE IN CASH BALANCE	($32,496)	$0	$0	$0
NUMBER OF POSITIONS	0	0	0	0

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF GENERAL ADMINISTRATION
GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$2,022,189	$2,116,341	$1,530,198	$1,505,198
RECEIPTS	$1,425	$1,000	$1,000	$1,000
GENERAL FUND APPROPRIATIONS	$2,020,764	$2,115,341	$1,529,198	$1,504,798
NUMBER OF POSITIONS	18	25	25	25

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF PUBLICATIONS DIVISION
GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$300,741	$334,949	$370,074	$342,574
RECEIPTS	$12,287	$21,700	$21,700	$21,700
GENERAL FUND APPROPRIATIONS	$288,454	$313,249	$348,374	$320,874
NUMBER OF POSITIONS	4	5	5	5

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF CORPORATIONS DIVISION
GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$1,732,773	$1,837,636	$1,838,744	$1,838,744
RECEIPTS	$64,291	$37,000	$64,000	$64,000
GENERAL FUND APPROPRIATION	$1,668,482	$1,800,636	$1,774,744	$1,774,744
NUMBER OF POSITIONS	42.75	42.75	42.75	42.75

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF UNIFORM COMMERCIAL CODE
GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$457,963	$925,650	$906,290	$886,290
RECEIPTS	$105,821	$69,000	$99,000	$99,000
GENERAL FUND APPROPRIATION	$352,142	$851,650	$807,290	$787,290
NUMBER OF POSITIONS	12	29	29	29

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF SECURITIES DIVISION
GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$884,526	$924,413	$922,968	$922,968
RECEIPTS	$1,270	$2,050	$2,000	$2,000
GENERAL FUND APPROPRIATION	$883,256	$922,363	$920,968	$920,968
NUMBER OF POSITIONS	18	18	18	18

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF BUSINESS LICENSE INFORMATION OFFICE
GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$545,740	$590,267	$607,921	$592,921
RECEIPTS	$132	$100	$100	$100
GENERAL FUND APPROPRIATION	$545,608	$590,167	$607,821	$592,821
NUMBER OF POSITIONS	13	13	13	13

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF NOTARY PUBLIC COMMISSION
GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$179,383	$204,841	$206,962	$206,962
RECEIPTS	$2,468	$0	$0	$0
GENERAL FUND APPROPRIATION	$176,915	$204,841	$206,962	$206,962
NUMBER OF POSITIONS	5	5	5	5

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF LAND RECORDS MANAGEMENT DIVISION
GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$141,626	$88,534	$88,749	$88,749
RECEIPTS	$0	$0	$0	$0
GENERAL FUND APPROPRIATION	$141,626	$88,534	$88,749	$88,749
NUMBER OF POSITIONS	2	1	1	1

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF CHARITABLE SOLICITATIONS
GENERAL FUND - 13200

DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$0	$129,263	$129,263	$129,263
RECEIPTS	$0	$129,263	$129,263	$129,263
GENERAL FUND APPROPRIATION	$0	$0	$0	$0
NUMBER OF POSITIONS	0	3	3	3

FISCAL DATA
DEPARTMENT OF THE SECRETARY OF STATE
CONTINUATION BUDGET

SUMMARY OF BOXING COMMISSION
GENERAL FUND - 13200

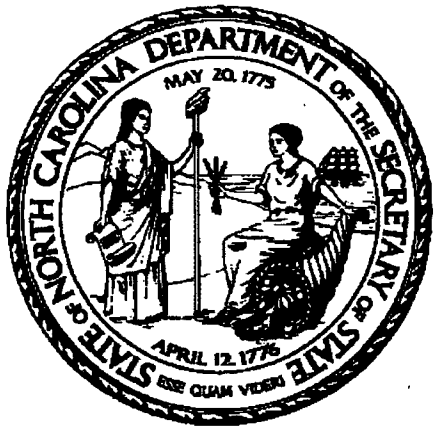
DESCRIPTIONS	1997-98 ACTUAL	1998-99 AUTHORIZED	1999-00 RECOMMENDED	2000-01 RECOMMENDED
TOTAL REQUIREMENTS	$214,569	($24,291)	$0	$0
RECEIPTS	$30,522	$0	$0	$0
GENERAL FUND APPROPRIATION	$184,047	($24,291)	$0	$0
NUMBER OF POSITIONS	3	0	0	0

Revised 1/13/99

Priority #	Description	1999-2000	2000-2001
1	Technology Enhancement	$418,169 (3.0)	$361,119 (3.0)
2	Uniform Commercial Code Microfilm Conversion	390,474	23,278
3	Corporations – Staff Expansion	1,169,340 (24.0)	854,852 (24.0)
4	Securities – Staff Expansion & Equipment	398,185 (5.0)	343,995 (5.0)
5	Notary Public Commission-Staff Expansion	147,521 (1.0)	93,442 (1.0)
6	Publications – Staff & Equipment	273,751 (2.0)	87,524 (2.0)
7	Establish & Support Business Info. Program	269,839 (2.0)	214,839 (2.0)
8	Land Records – Part-time Staff Support	15,000	15,000
	Total	$3,082,279 (37.0)	$1,994,049 (37.0)
	Amount Previously Submitted to General Assembly	$1,436,162 (23.0)	$ 906,209 (23.0)
	Amount of New Requests	$1,542,117 (14.0)	$ 983,840 (14.0)

Report to the General Government Subcommittee

April 1, 1999



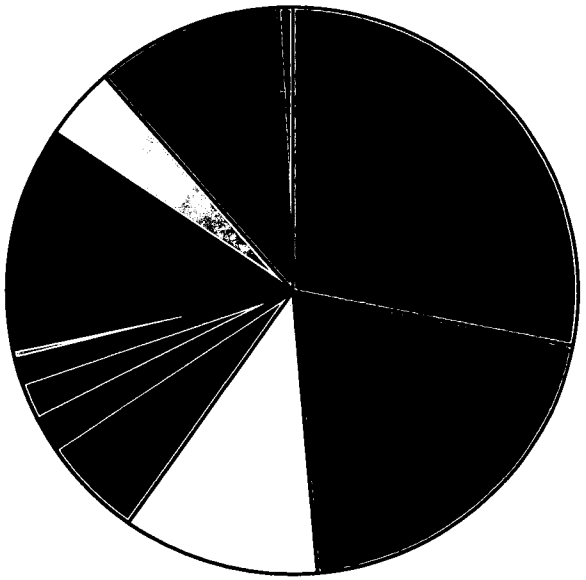
Department of the Secretary of State

Elaine F. Marshall, Secretary

NC DEPARTMENT OF THE SECRETARY OF STATE

TABLE OF CONTENTS

• Staff by Function	Rodney Maddox
• Organizational Chart	Rodney Maddox
• Revenue to Date	Rodney Maddox
• Internet Home Page	Rodney Maddox
• Technology	Bruce Garner
• Corporations	Charlene Dawkins
• Business License Information Office	Amy Edwards
• Securities	David Massey
• Notaries	Scott Templeton
• Land Records	Scott Templeton
• Uniform Commercial Code	Scott Templeton
• Authentications	Scott Templeton
• Solicitation Licensing	Scott Templeton
• Trademarks	Sheila Pope
• Lobbyists	Sheila Pope
• Publications	George Jeter



Distribution of NC Secretary of State Staff by Function

April 1,1999

- ■ Corporations
- □ Securities
- ■ Charitable Solicitations
- ■ Authentications
- ■ Business License Information Office
- □ Publications
- ■ Land Records
- ■ UCC
- ■ Information Technology
- ■ Trademarks
- □ Lobbyist Registration
- ■ Notary
- ■ Administration

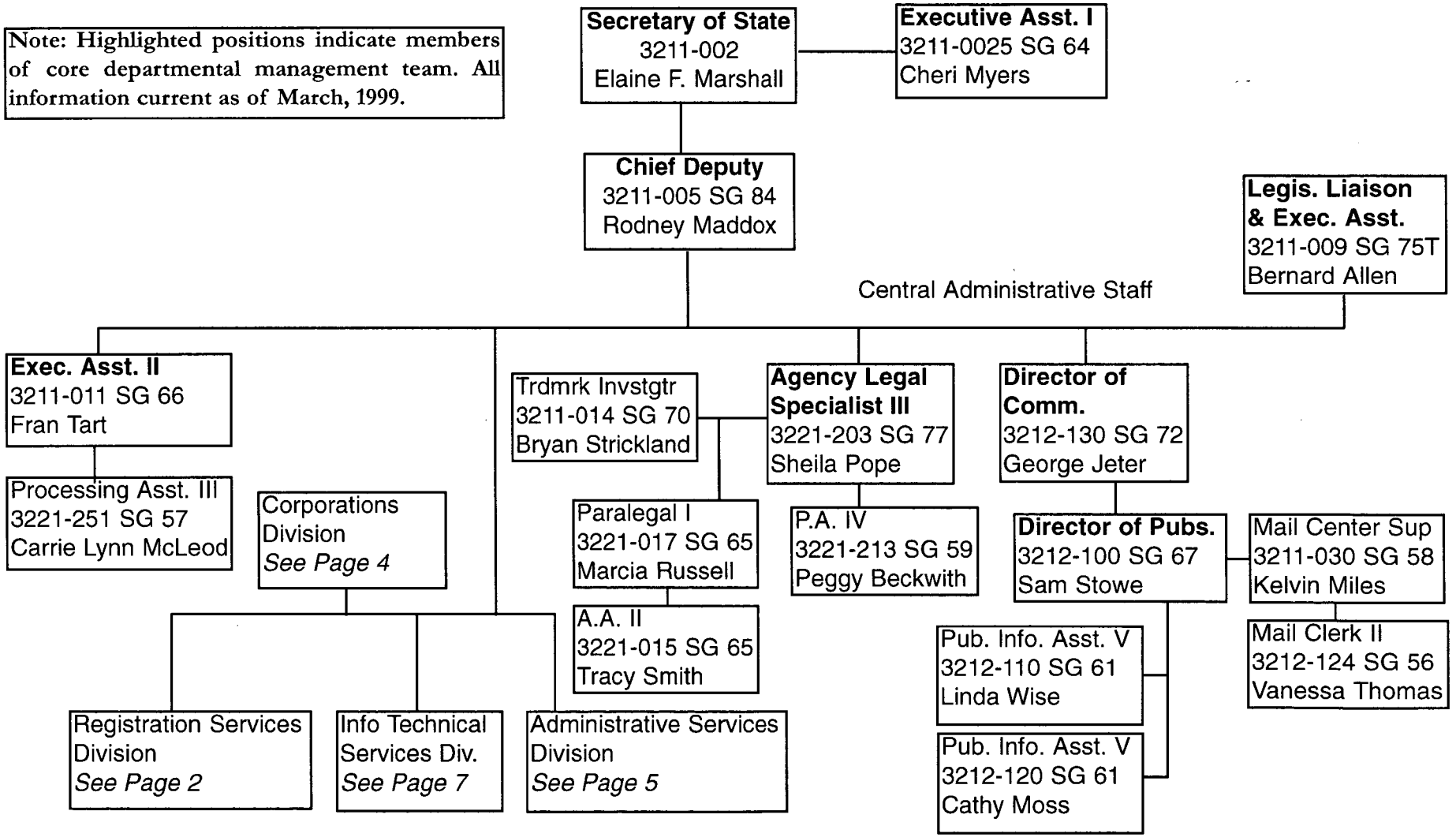
Department of the Secretary of State
Organizational Chart

Elaine F. Marshall, Secretary

Form PO-01

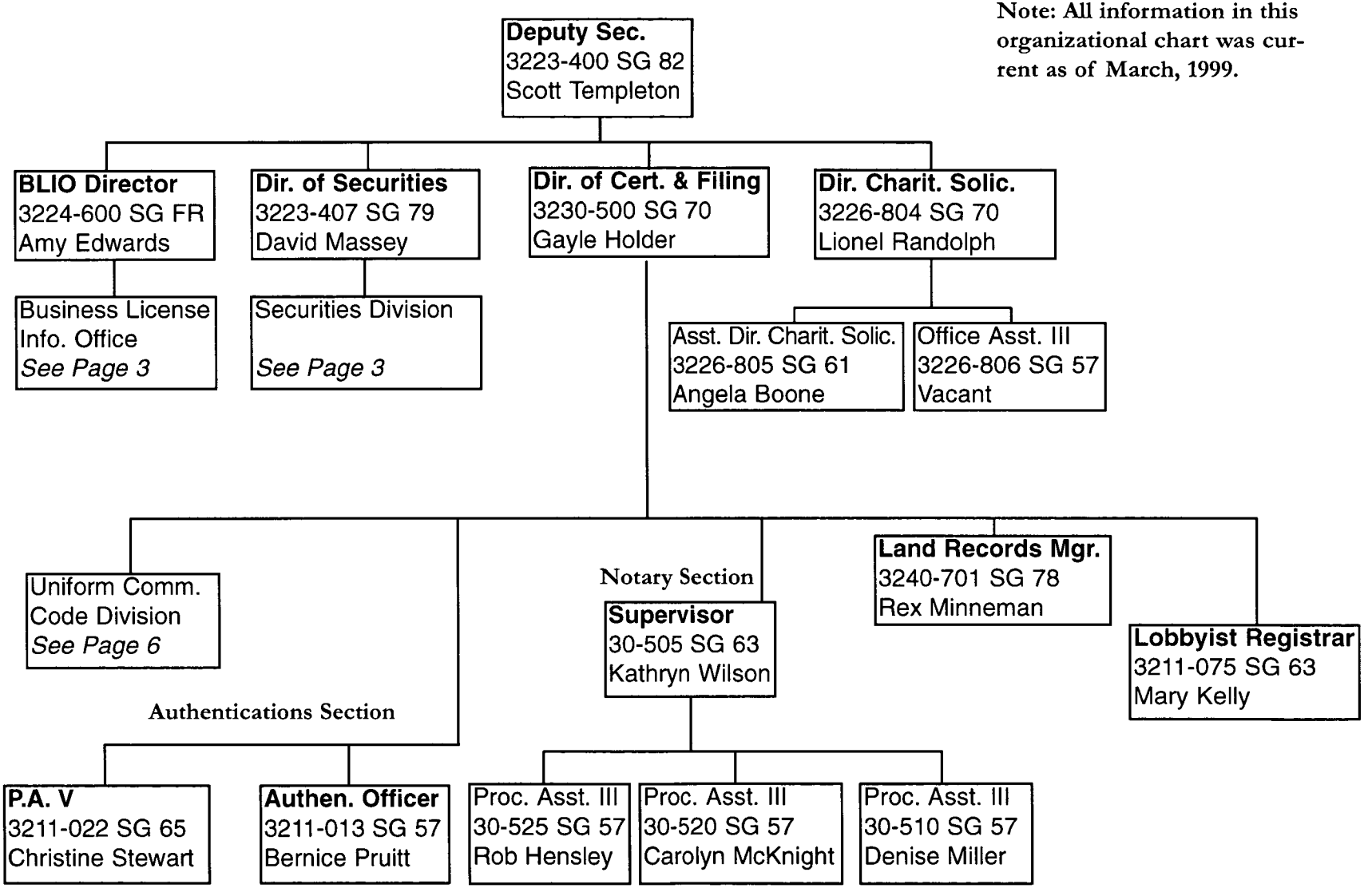
Produced by the Publications Division of the NC Department of the Secretary of State

Note: Highlighted positions indicate members of core departmental management team. All information current as of March, 1999.

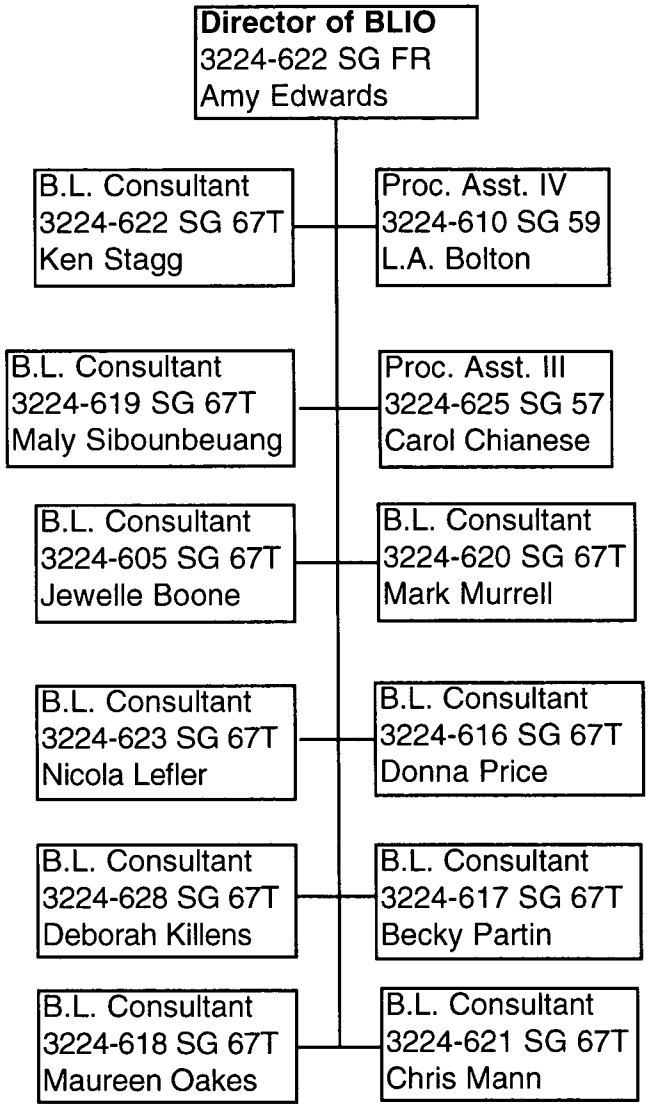


Registration Services Division

Note: All information in this organizational chart was current as of March, 1999.

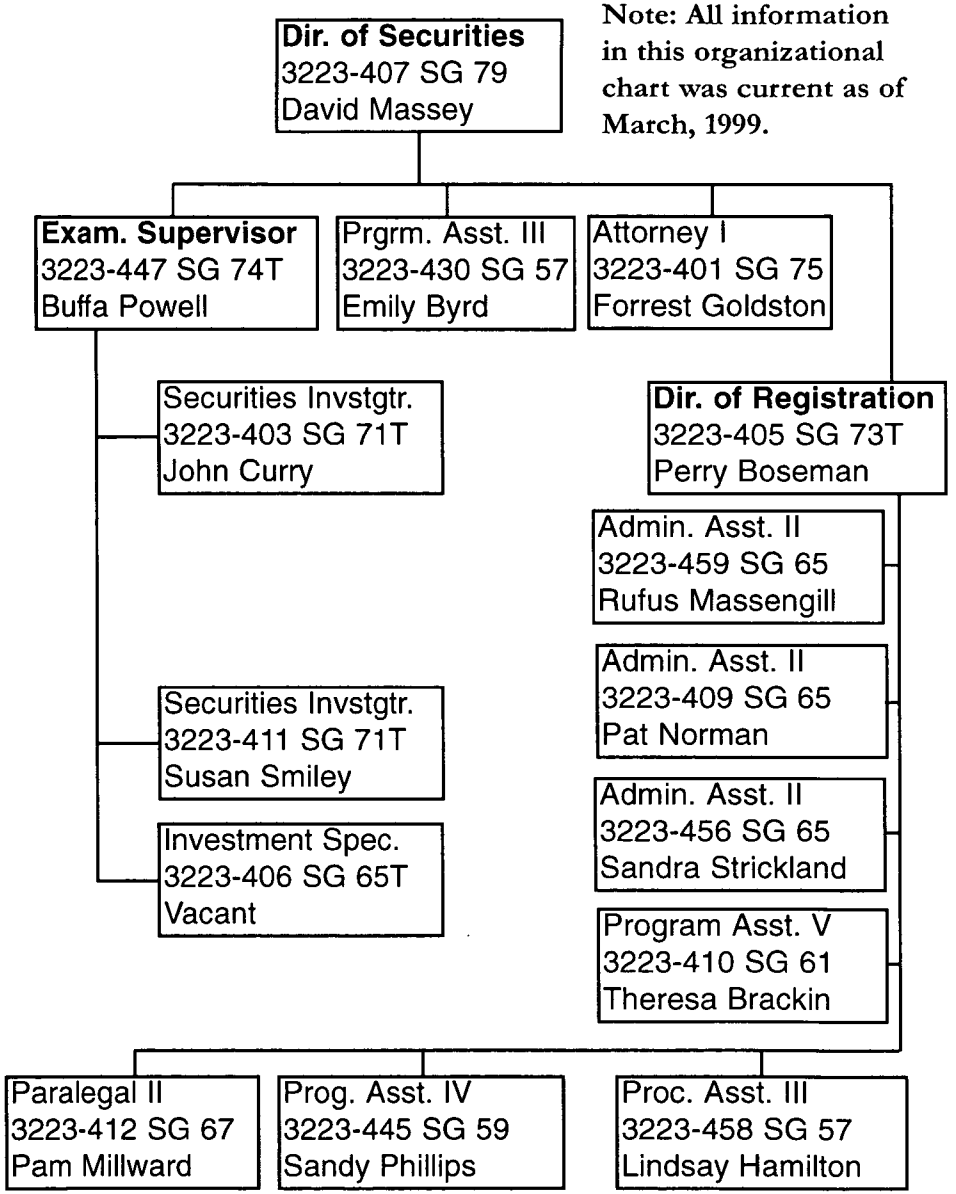


Business License Information Office



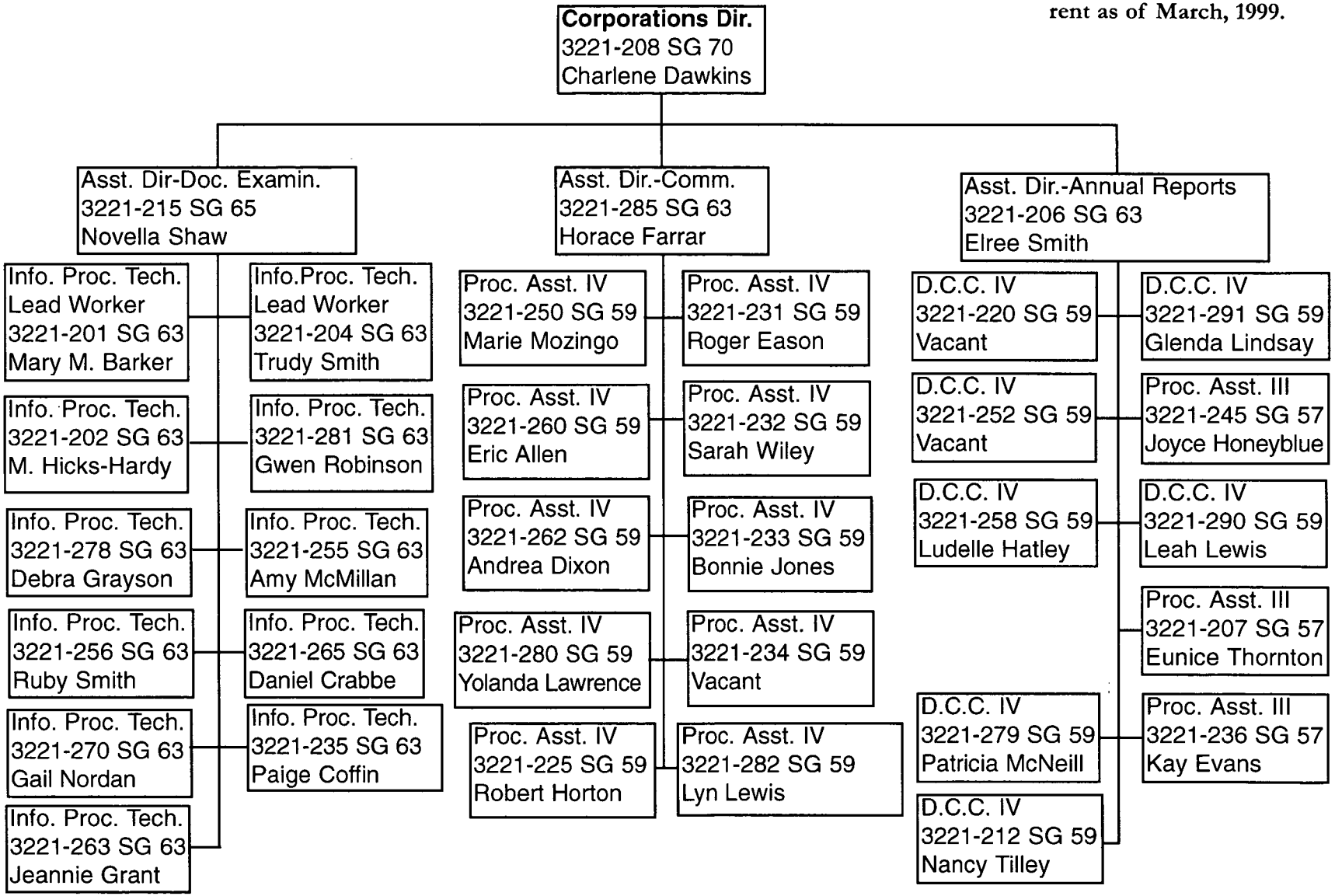
Securities Division

Note: All information in this organizational chart was current as of March, 1999.



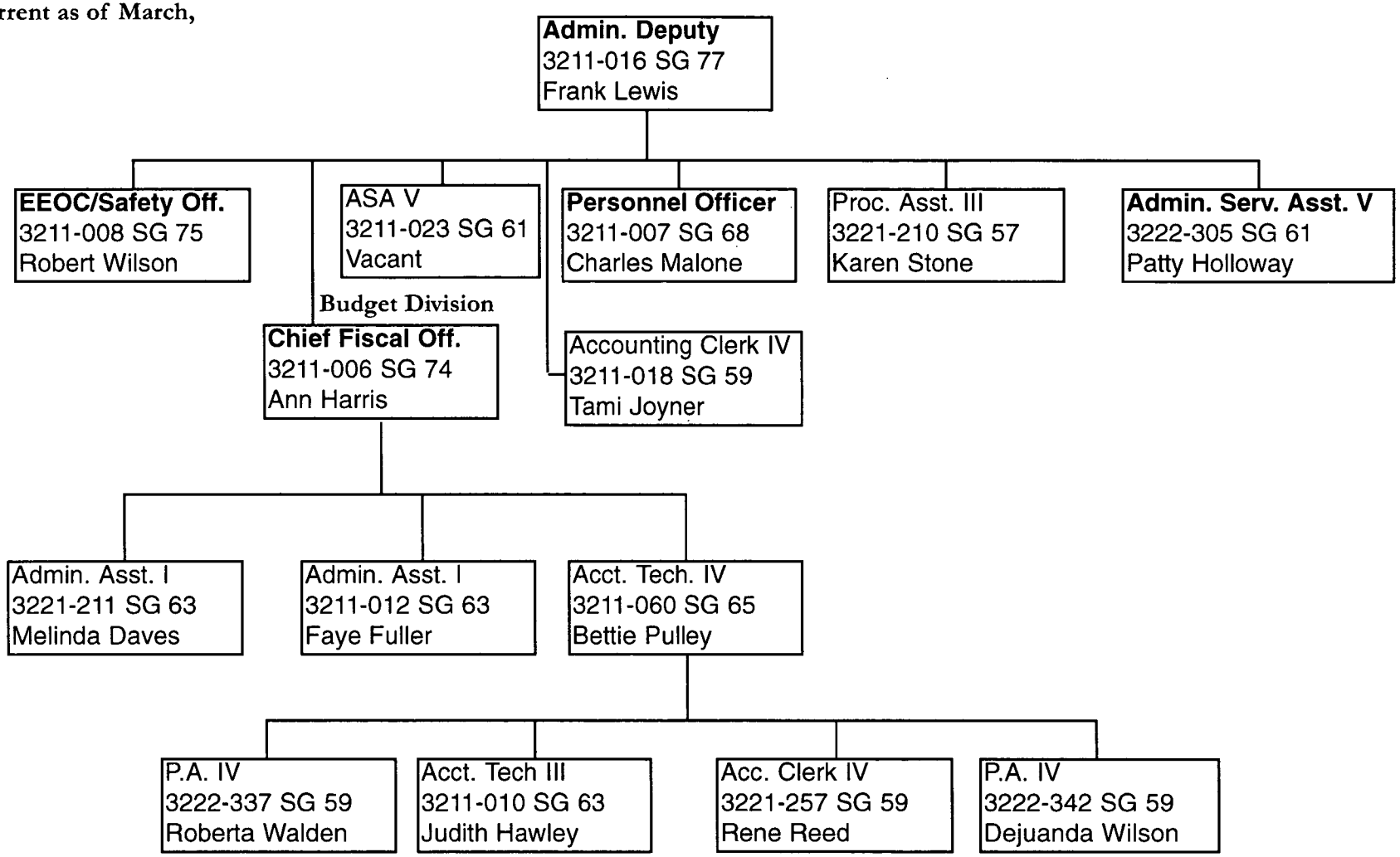
Corporations Division

Note: All information in this organizational chart was current as of March, 1999.



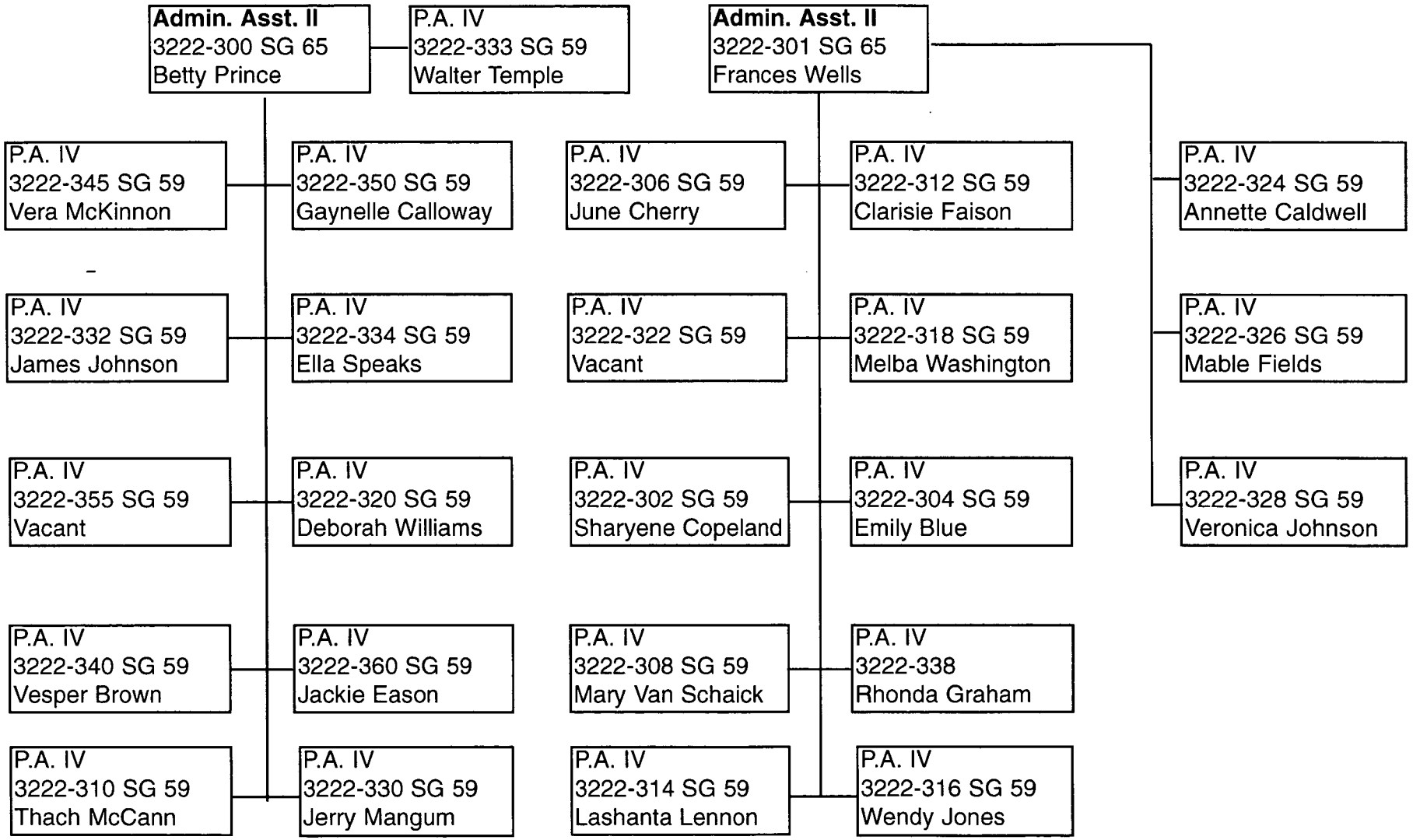
Note: All information in this organizational chart was current as of March, 1999.

Administrative Services Division



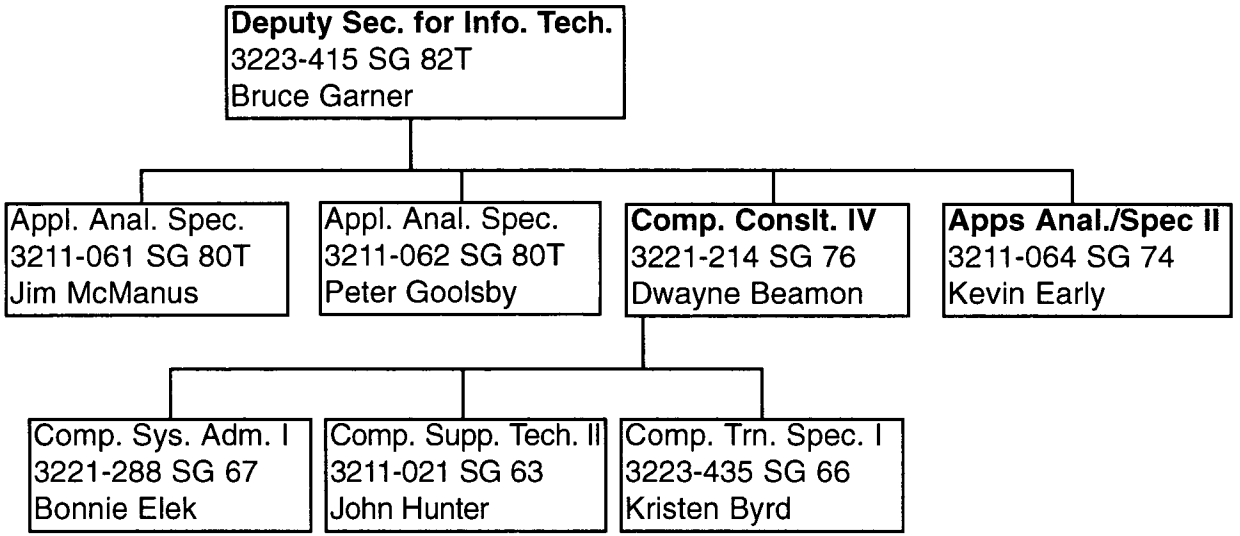
Note: All information in this organizational chart was current as of March, 1999.

Uniform Commercial Code Division



Note: All information in this organizational chart was current as of March, 1999.

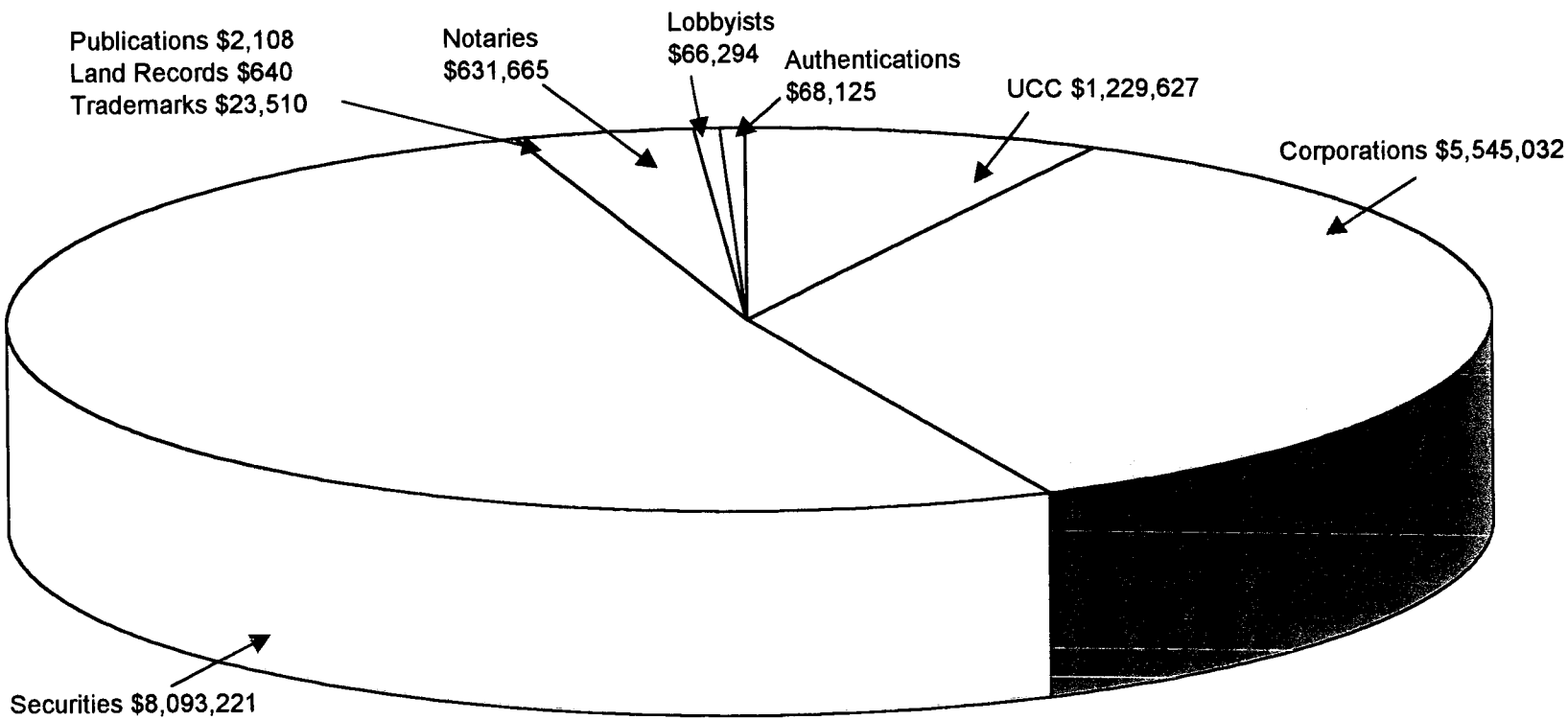
Information Technology Division



Department of the Secretary of State

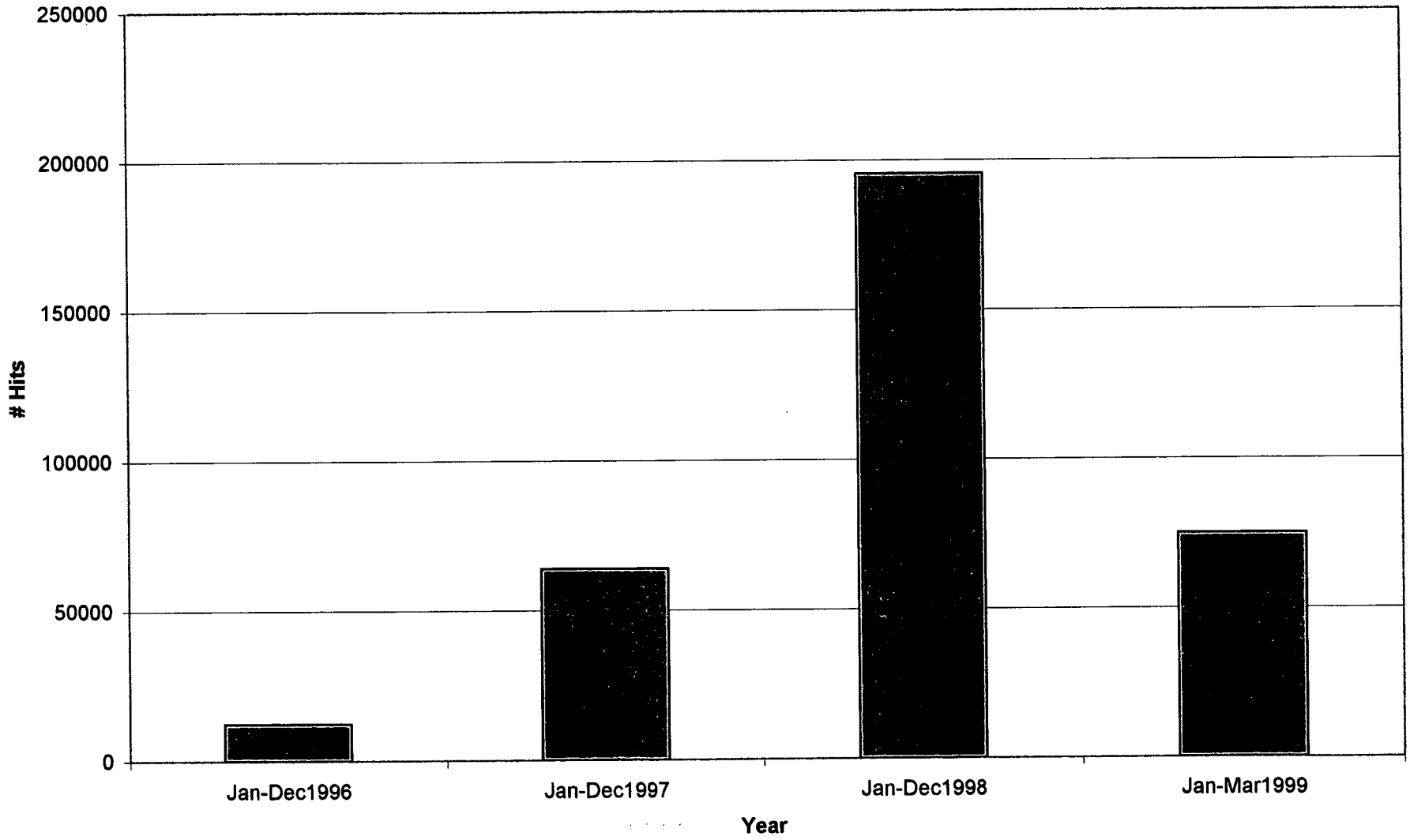
Total Revenue Generated - FY98-99 To Date

$15,660,222



3/31/99

North Carolina Dept. of the Secretary of State - Total Main Page Hits by Year



N.C. Secretary of State Information Technology Section

Presented by Bruce Garner, Deputy Secretary for Information Technology

Functions of Information Technology Section

- **Provide In-house Information Technology Expertise**
  - Develop short-term goals, long-term goals & IT objectives
  - IT guidance, direction, consultation, procurement
  - Manage department's in-house IT efforts
  - Insure adherence to State's IT policies and standards
- **Applications Development and Support**
  - Develop and maintain Web pages & forms download site
  - Develop and maintain In-house Web-enabled applications
  - Develop and maintain other In-house developed applications
  - Work with ITS staff to resolve problems with ITS developed applications
- **Administer local network**
  - **In-house network switches and connectivity**
    - Installation & configuration
  - **In-house Servers Printers, Scanners, and Desktop hardware**
    - Installation, moving, & configuration
    - Protection, backup & recovery of data
    - Maintenance, troubleshooting & repair
  - **Purchased Software**
    - Installing new/upgraded software
    - Add new users & equipment
    - Provide network security
    - Monitor Performance
    - Performance tuning
    - Train users to use software
    - Provide User Help Desk support
  - **Electronic Commerce Act Administration**
    - Develop administrative rules to implement and manage the Act
    - Implement and manage Certification Authorities Licensing Program
    - Promote and support electronic commerce in NC state government

Key Section Facts

- Developed first in-house client/server application in February 1999 in less than 4 weeks. It is real-time, Web-enabled. It experienced over 300 "hits" the first month in operation.

- Web main home page "hits" have increased from 60,000 in 1997 to 200,000 in 1998.

- Corporations name search Web page is consistently in the state's top 5 most active Web pages. The activity doubled from January 1998 to December 1998. In February 1999, it received over 75,000 "hits".

- The UCC research Web page went into production in October 1998. It is experiencing over 2,500 "hits" each month.

- Most official business forms to do business with the department can be downloaded from the Internet.

- All departmental computer applications are Year 2000 compliant.

- Have over 1,000,000 imaged documents on the imaging server.

- Improved response time at the desktop from mainframe applications from 10-20 seconds per screen in 1997 to less than 2 seconds.

- Maintain 180 active network connections and accounts (PCs, printers, servers), 140 PCs, 6 servers, 2 scanners, 1 minicomputer, 15 network switches, etc.

Functions of IT Section by Staff Member

- **Deputy Secretary for Information Technology:** actively oversees information technology in the department. Manages the IT section, provides short-term and long-term IT directions and guidance to the department, represents, supports, and advises the department on technical boards and committees, reviews and approves all technology purchases in the department to insure compliance with state standards and departmental directions in technology. (1 position)

- **Electronic Commerce Specialist:** when the Electronic Commerce Act was passed by the General Assembly in 1998, the department was designated as the agency to administer the Act. In the fall of 1998, a position in the department was "borrowed", reclassified, and moved to the IT Section to serve as the electronic commerce specialist and manage the state's Certification Authority (CA) licensing program. This position is also a state resource person to help promote electronic commerce in state government. (1 position)

- **Business Systems Analyst:** provides project management for computer projects and helps design and implement new in-house client/server applications. This position serves as the in-house business systems analyst, project manager for internal applications development projects, and the in-house systems integrator. This person provides day-to-day supervision and work assignments for other applications development staff. (1 position)

- **Applications Programmer:** develops and supports new in-house client/server applications. Develops prototypes for new computer applications and interprets system specifications and writes code to support the business rules for the applications. (1 position)

- **Local Area Network Administrator:** serves as senior LAN administrator, the network manager for the department, and departmental IT security administrator. Installs, configures, monitors, and fine tunes network hardware and servers. The position serves as the day-to-day

supervisor for the other LAN support and computer operations related positions and insures adherence to the state's network and security standards. Provides day-to-day LAN and PC support. (1 position)

- **Computer Support Technician:** serves as the minicomputer system administrator, computer operator, and departmental help desk person for the in-house imaging application. Provides printers, copiers, and fax machines maintenance and support. This person serves as the backup person for the computer systems administrator. When the new imaging system becomes operational, this person will become the system administrator for the new imaging system, primary support person for the new system, and the imaging expert who will train staff to use it and help them with imaging problems on a day-to-day basis. (1 position)

- **Computer Systems Administrator:** handles mainframe security administration and day-to-day requests from the business clients for connectivity and information for all of the department's mainframe computer applications. This person serves as the backup person for the computer support technician. As systems are moved to in-house servers, this person will continue to serve as the help desk person for external customers, such as Dun & Bradstreet, and handle customer requests for system connectivity, special reports, data distribution, and other information from our systems. (1 position)

- **Computer Training Specialist:** serves as the internal computer training resource and the assistant LAN administrator. Teaches computer courses for employees. Develops and maintains departmental Web pages. Provides LAN support backup for the LAN administrator. Helps employees with day-to-day LAN problems, PC problems, and software problems. Serves as the departmental E-mail & E-calendar administrator. Installs and configures new hardware and software on desktops. (1 position)

N.C. SECRETARY OF STATE CORPORATIONS DIVISION
Charlene P. Dawkins, Director

Division Functions

The Corporations division is responsible for the examination, custody and maintenance of the legal documents filed by more than 400,000 corporations, limited liability companies, limited partnerships, and limited liability partnerships. The duty of the Secretary of State is to ensure uniform compliance with the statutes governing the creation of these entities, record the information required to be kept as a public record and provide that information to the public.

Division Structure

Director of Corporations-

Three units:

1. Document Examination- examine all documents presented for filing to ensure compliance with North Carolina law
   A. One Assistant Director
   B. Eleven Examiners

2. Information Specialists- respond to the thousands of telephone inquiries that come into the office day
   A. One Assistant Director
   B. Ten telephone agents (includes the Front Counter agent who responds to the walk-in customers.)

3. Annual Reports and Order Processing
   A. One Assistant Director
   B. Five Data Control Clerk IV—examines, inputs and scans the hundreds of thousands of annual reports filed each year
   C. Two Data Control Clerk IV—creates specific certifications of Documents as requested by the public
   D. Three Processing Assistant III- maintains all the paper documents of the more than 400,000 entities record; creates the files and performs the copy work for customers requests.

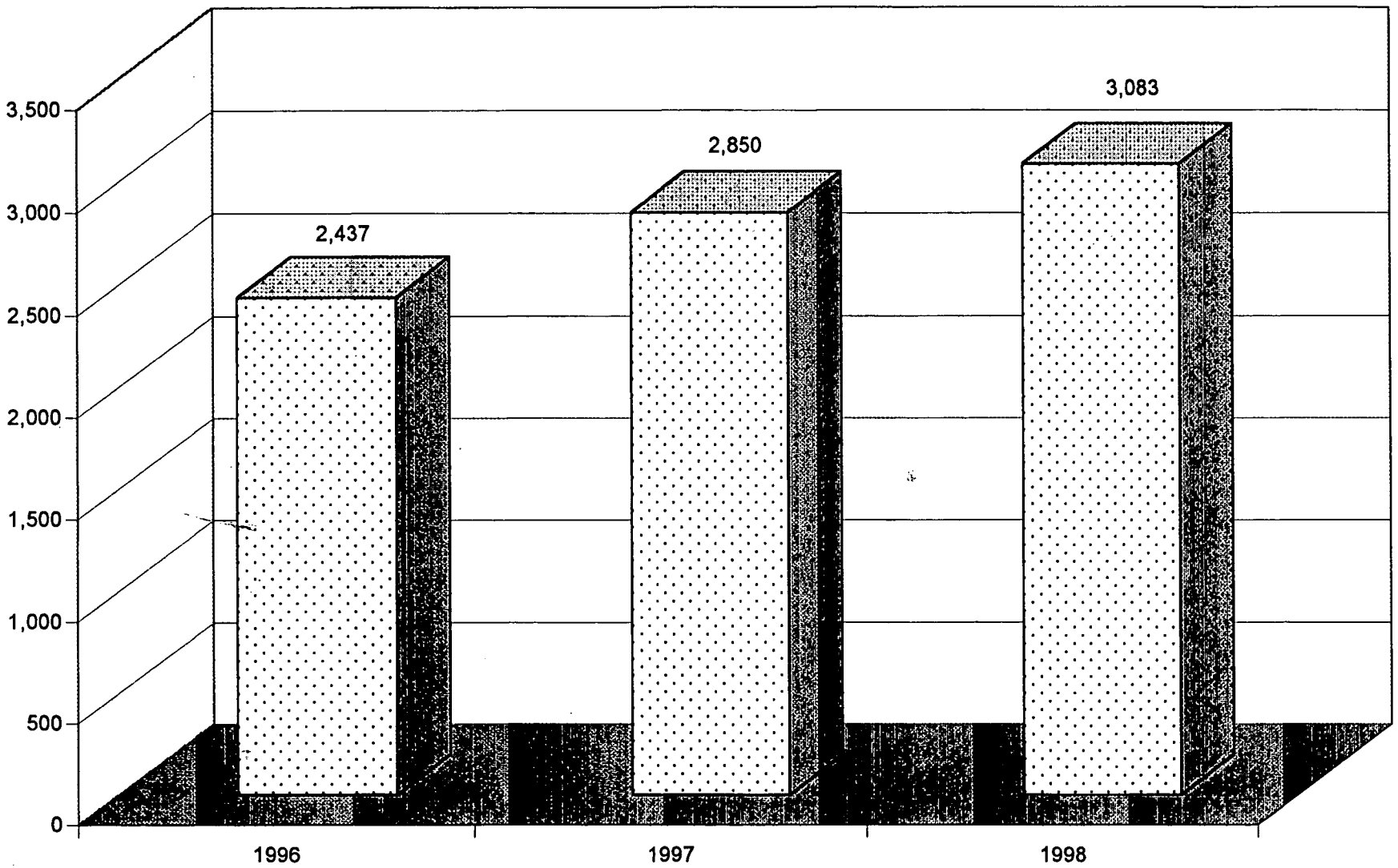
Total Positions: 35
Total Appropriation for FY 98-99 : $1,895,638.00
Total Revenue Generated as of March, 1999: $5,545,035.00

KEY CORPORATIONS DIVISION FACTS

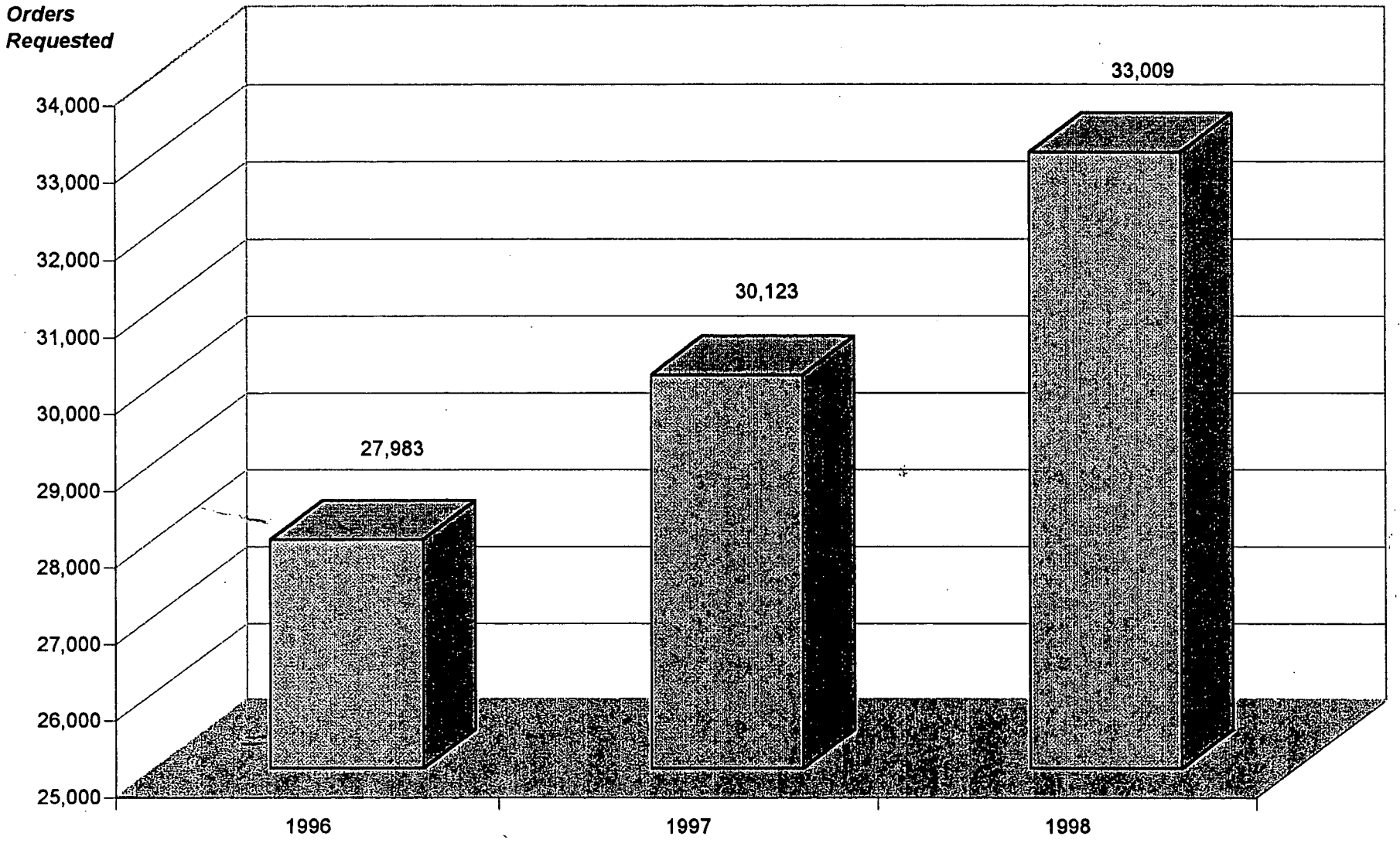
- There are 178,290 active business corporations currently on file as opposed to 159,968 in 1998
- The organization of Limited Liability Companies has increased by 59% in the last year
- The Corporations Division registers an average of 374 new foreign business each month
- Annual report filings have increased 24% since 1996
- Mergers of corporations are up 28% over last year
- Requests for orders have increased 24%
- Non profit corporations are up 27%
- The number of hits on our corporate forms page has increased from 1200 in June of 1998 to 4000 in February of this year
- Over 75,000 hits were made on our corporate name search in February this year as opposed to 35,000 in February 1998
- The corporate information toll free number installed in November of 1997 averages over 3,000 call a month—That is in addition to the 17,000 plus calls that come into our phone unit each month!
- This division of 35 employees processed more than 285,000 filings in Fiscal Year 97-98.

Corporations Division Statistics
April 1999

Articles of Incorporations for Non-Profit Corporations for the Years 1996-1998

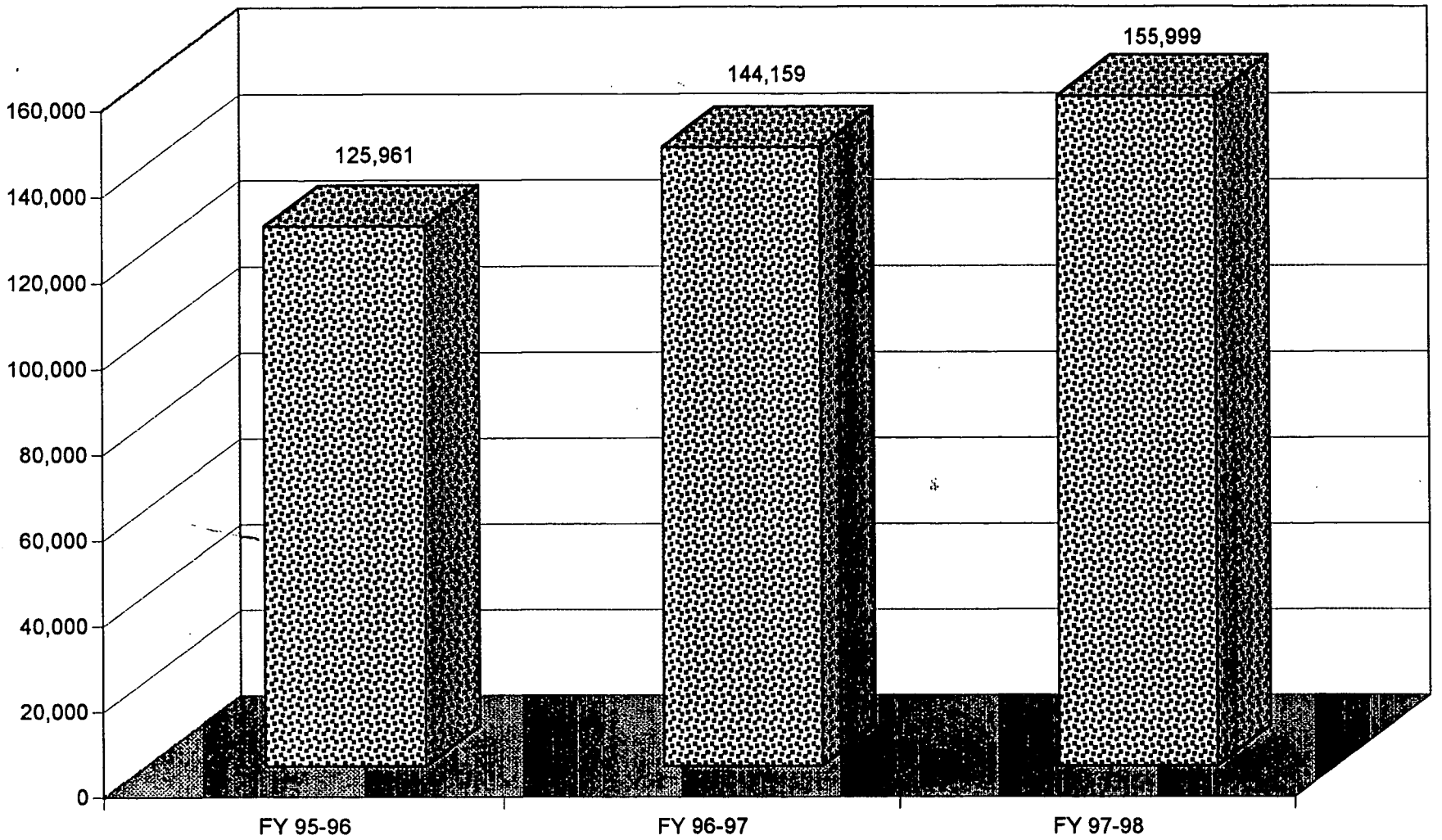


Increase in the Number of Corporate Product Orders for the Years 1996-1998

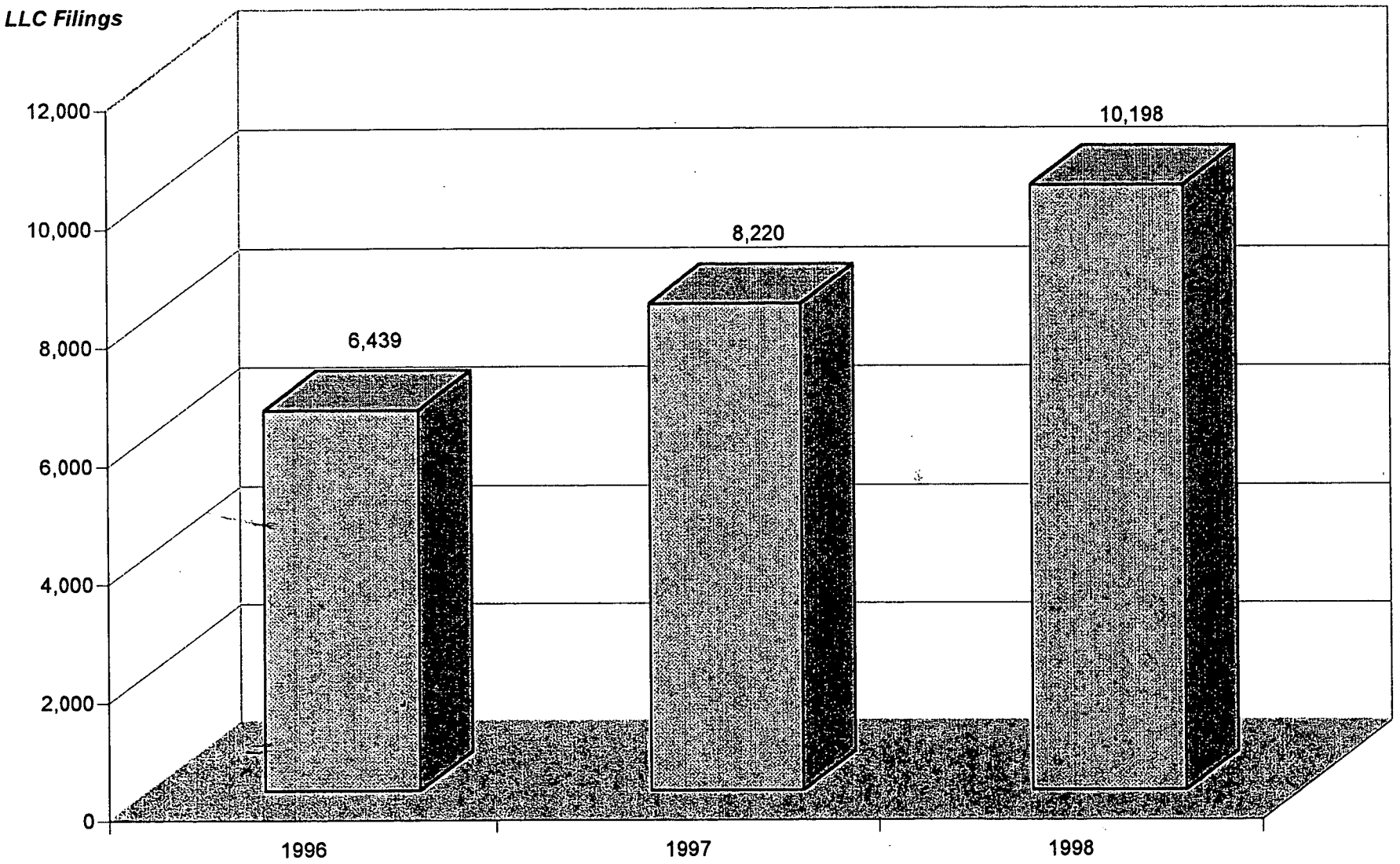


Source: Corporations Division Filing Statistics - Direct Reports

Increases in the Number of Annual Reports Filed FY 95-96 Through FY 97-98

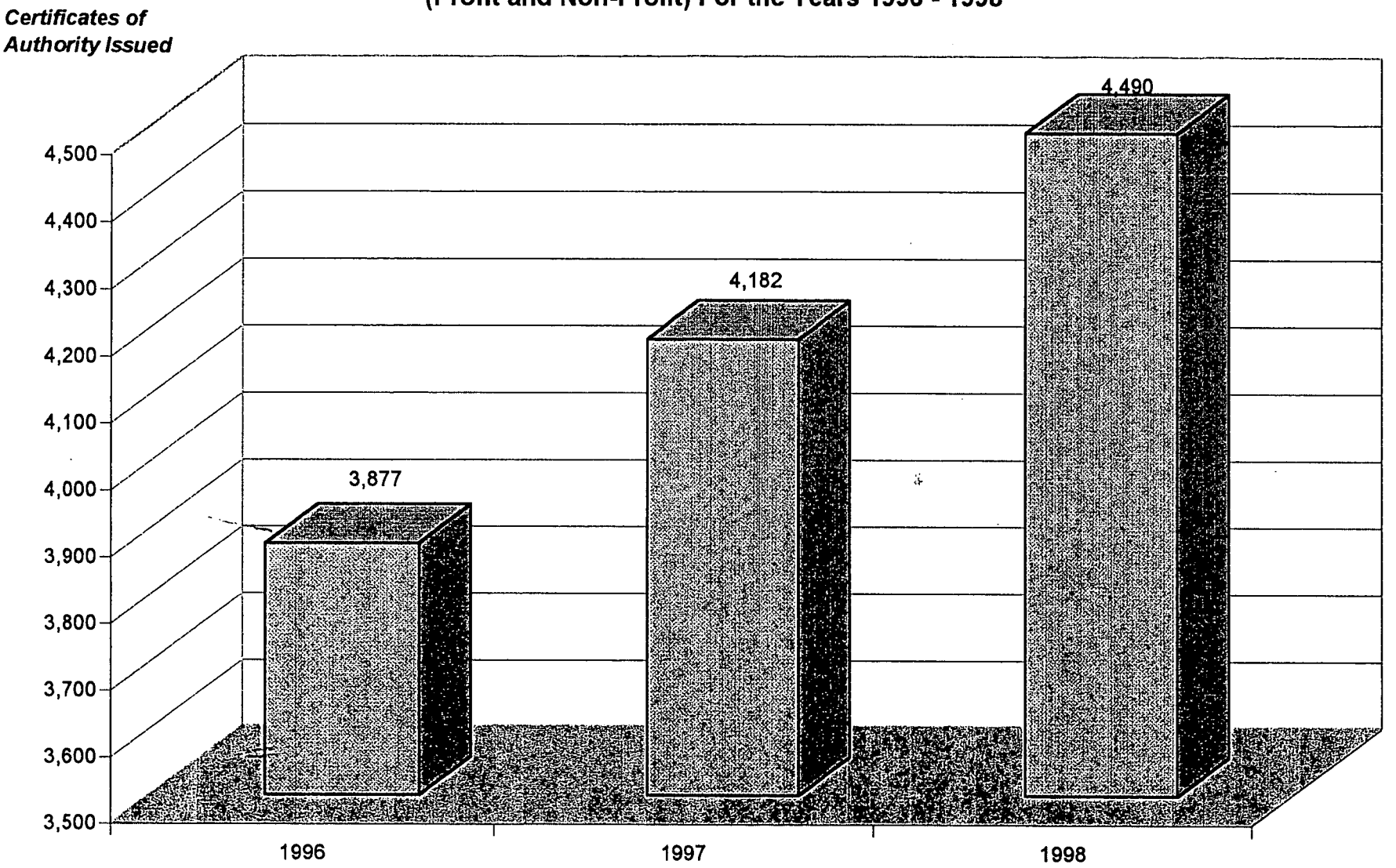


Increase in the Number of Limited Liability Filings for the Years 1996-1998



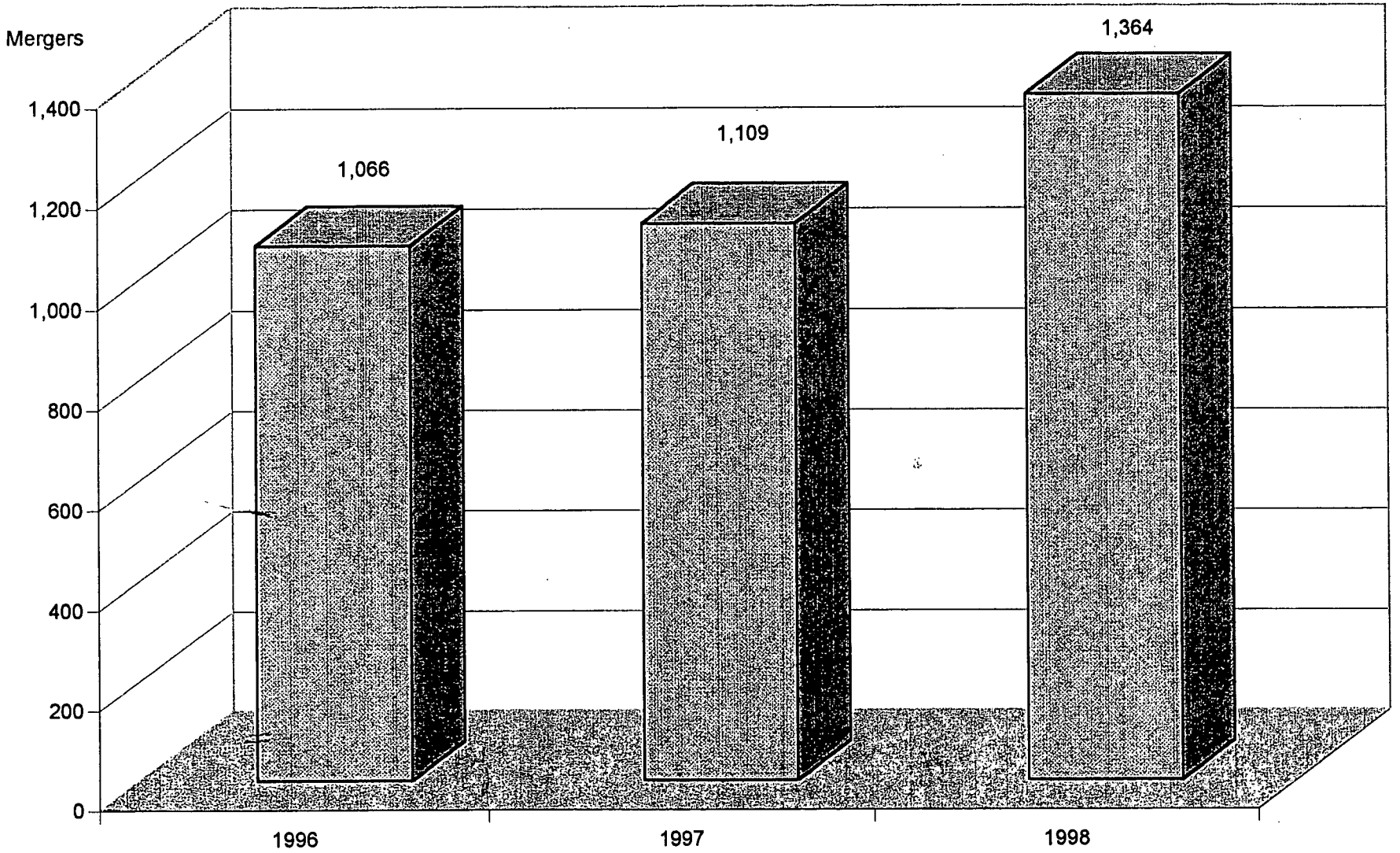
Source: Corporations Division Filing Statistics - Director's Reports

Increase in the Number of New Businesses Coming Into North Carolina from other States (Profit and Non-Profit) For the Years 1996 - 1998



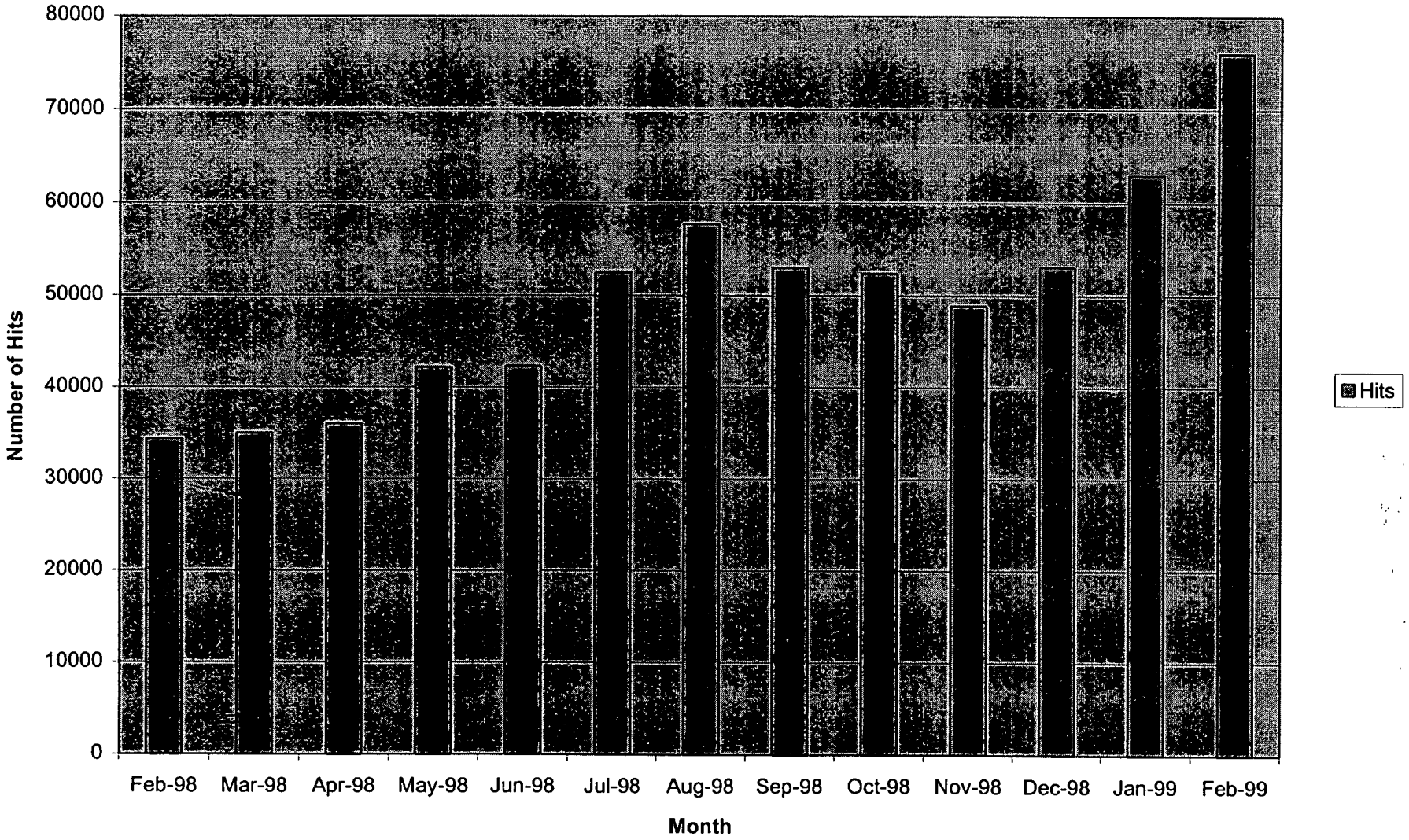
Source: Corporations Division Filing Statistics - Director's Reports

Increase in the Number of Corporate Mergers for the Years 1996 - 1998

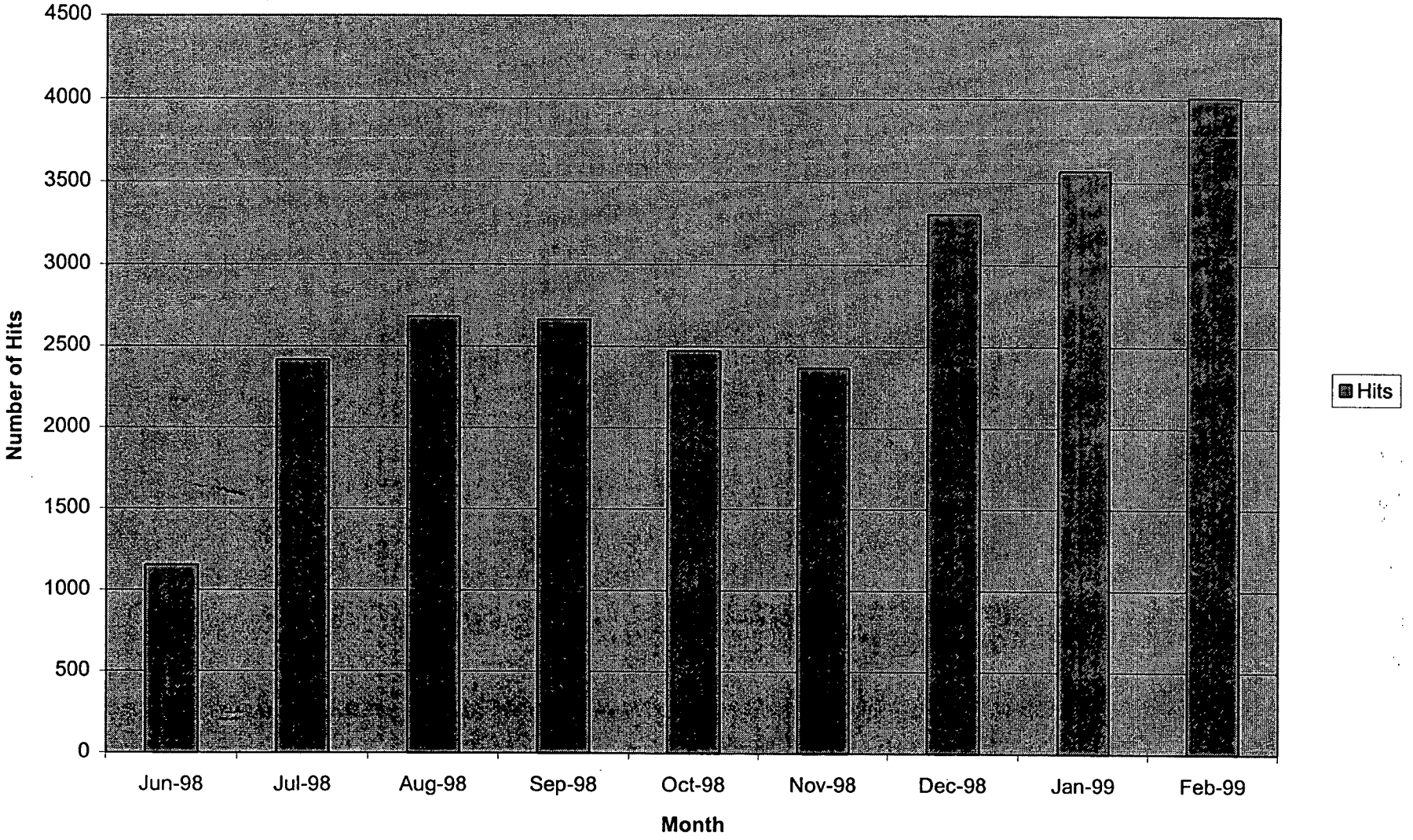


Source: Corporations Division Filing Statistics - Director's Reports

Number of Hits to the Corporate Name Search Site



Number of Hits to the Corporate Forms Site



Business License Information Office

Amy J. Edwards, Director

What We Do

The Business License Information Office cuts the red tape for the smallest and largest prospective and existing business operators by providing the following services:

- a one-stop-shop for identifying and meeting business related licensing and permitting requirements in North Carolina
- the clearinghouse for business licensing and permitting information
- one-on-one referrals to state, local and federal agencies and occupational licensing boards
- how-to guides on starting a business in our state
- customized assistance in identifying private and public resource groups
- customized packages of many state, local and federal forms necessary for conducting business, and
- the State Directory of Business Licenses and Permits.

How We Do It

The office has an operational structure consisting of:

- an annual budget of $559,430, and
- a staff of 10 business license consultants, two support staff and one director.

How Busy We Are

Publications: Every other year this division compiles, publishes and distributes over 2,000 copies of the State Directory of Business Licenses and Permits to the public schools, libraries, congressional, state legislative representatives and business resource partners in North Carolina. The division annually publishes a how-to booklet and various quick reference guides for prospective business owners and business resource groups.

Consultations: From July 1, 1998 to March 31, 1999 the business license consultants have personally served over 14,920 business operators through one-on-one consultations and personalized information packets. This is a 7% increase over the same period last fiscal year.

The Web: The web site for Business License Information is receiving an average of more than 1,000 hits per month just on the main page alone. The office strives to provide a single point of contact for all business information useful to prospective and existing small and large business operators in our state and all over the world.

SECURITIES DIVISION
N.C. SECRETARY OF STATE

FUNCTION OF THE SECURITIES DIVISION

The North Carolina Securities Division exists to protect the investing public by regulating persons and firms doing business as stockbrokers and investment advisors.

This regulation includes the review and approval of applications for licenses from stockbrokers and investment advisors as well as analyses and clearance of securities offerings proposed to be sold in North Carolina.

The Division has an Enforcement Section which investigates allegations of securities fraud and which cooperates with local District Attorneys in bringing criminal prosecutions.

The Division administers the Qualified Business Tax Credit Program, which offers tax credits to persons investing in certain types of businesses in North Carolina.

STAFF OF THE DIVISION

The Division currently has fourteen full-time employees and two temporary employees. They are:

1 Division Director
1 Stock Broker Firm/Salesman Examiner
2 Investment Advisor/Representative Examiners
1 Securities Examiner
3 Enforcement Investigators
1 Enforcement Attorney
1 Administrative Manager
4 Administrative Assistants
1 Temporary Securities Examiner
1 Temporary Field Auditor

16 Total Employees

*Note: There is currently one vacant position in the Division (for an Investigator).
The Division has no receptionist.

LEVEL OF ACTIVITY

During the last fiscal year, the Securities Division generated over $9 million in registration and filing fees.

Below are statistics relating to selected activities of the Division:

Applications/Requests	as of Jan 98 *	as of Jan 99 *	% Increase
Inquiries to Enforcement Section	704	824	14.6
Avg Monthly Requests July-Jan.	88	103	14.6
Number of Investigations Opened	31	36	13.9
Investment Advisor Firms	760	843	9.8
Investment Advisor Reps	7770	8340	6.8
Broker/Dealer Firms	1821	1899	4.1
Broker/Dealer Salesmen	91,261	104,465	12.6
Qualified Business Applications	212	235	9.8
Business Opportunity Filings	219	345	36.5

*January dates were utilized to filter data because Dec. 31 renewal deadlines produce the bulk of renewal applications submitted to our Division.

For the period beginning July 1 through March 31, 1999, the Division took the following enforcement actions:

8 Criminal Actions
These are actions taken or referred to DAs.
Some have been prosecuted by DAs.
59 Indictments have been returned.

10 Administrative Actions
3 of these were actions taken against licenses – revocations, denials, and postponements.
7 of these were Cease and Desist Orders.

SPECIAL CHALLENGES

Investment Advisor Field Auditor:

As a result of the National Securities Markets Improvement Act of 1996, which divided the regulation of investment advisor companies between the SEC and state securities agencies, the North Carolina Securities Division has become the sole regulatory agency mandated to examine the financial and business practices of approximately 245 investment advisor firms having their principal business operations in North Carolina. The Securities Division will need to perform field audits on these firms to detect:

- improper registrations of investment advisor firms or representatives
- misleading advertising
- conflicts of interest
- lack of disclosure
- investment recommendations
- proper documentation of records and information
- noncompliance with surety bond requirements
- unreasonable fees
- and many other legal and financial issues.

Since January of this year, we have employed a temporary worker who has begun implementing on-site examinations of these 245 firms. He has been able to make 3 **local** compliance visits in Raleigh each week since he started with the Division. At this rate, if the Division were allowed to employ a field auditor beyond July of 1999, it would take two years to audit the North Carolina-based investment advisor firms.

Securities Examiner:

The Division currently has one permanent employee and one temporary employee to examine applications for registration of securities offerings and applications for exemptions from registration. In the 9 months since July 1, 1998, the Division has processed 97 applications for registration of public offerings, which had an aggregate offering amount of $2.7 billion. The temporary employee has enabled the Division to clear *half* of the backlog of the pending registration files, review all of the private securities offerings filings (which previously went unexamined) and return 100% of the technical inquiries received by the registration section. The temporary employees' tenure is scheduled to end July 1 of this year.

Clerical:

Our 4 administrative assistants process over 15,000 registrations and renewals each year. For each new offering the staff must create a new folder, spend an average of 20 minutes doing data entry into our specialized database, log and tally any accompanying monies, and route the file to the proper examiner for review. These four staff members are called on to process not only files, but also checks totaling over nine million dollars each year. The increasing volume of paperwork and checks combined with the limited staff produces a delay in processing, gaps in the information available to our Securities Examiners and the general public, and more importantly, delays in the review and approval of new offerings in North Carolina.

EXAMPLES OF ENFORCEMENT CASES

Eric Stein Case: National securities fraud investigation where the individual sold unregistered securities in a non-existent business. After he stole approximately $60 million from investors - $1 million of which was bilked from at least 10 North Carolina investors- he disappeared and became a fugitive. One of America's most wanted, he was found in California and awaits trial. The money is gone.

Jack John Case: Registered broker who was fired for misuse of customers' funds. Although his license was revoked, he continued to operate a business in Raleigh by stating that he was duly licensed in this state. Over 2 years, he bilked over $2 million from 8 North Carolina victims. He awaits trial on multiple indictments.

Name Deleted Case: Currently under investigation, this unregistered securities dealer is selling nonexistent securities to persons identified by their Christian faith. Included in his informational packet are prayer instructions to insure a big payback. Over $1 million has been raised in a 12-month period. The promoter has apparently stolen $85,000 for himself and lost the other $915,000 in speculation securities.

N.C. Secretary of State Notary Public Section

Functions

- Commission North Carolina's Notaries Public – as of February 26, 1999, there were 155,399 notaries in the state *(review and act upon notary public applications; input information into notary public database; print and mail paperwork to Register of Deeds Offices and individual applicants)*
- Educate Notary Public instructors
- Investigate complaints involving conduct of Notaries Public
- Answer questions concerning the notarization of documents

Personnel

- One supervisor: oversees section, organizes notary public instructor classes, investigates complaints, answers inquiries about notary public program and notarizations
- Three processing technicians: review and process notary public commission paperwork, answers inquiries about notary public program and notarizations

What We've Done

- Notary public commissions processed:

FY 97-98	27,469
FY 98-99 (projected)	31,906

- Notary public instructors certified:

FY 97-98	70
FY 98-99	73

- Investigations:

  Since the start of calendar year 1998, we have received 153 alleged violations of the Notary Public Act:

  - 92 violations of the Notary Public Act were found, and disciplinary action was taken ranging from making the notary public correct the errors, to revoking notary commissions, to working with local law enforcement to seek felony charges against the notary
  - 29 investigations found no violation of the Notary Public Act
  - 32 files are still open

Average number of public inquiries per day: 160
(providing information on notary public program and how to notarize)

Budget 1998-99	Revenue 1998-99	
$227,841	$842,220 (FY98-99 projection)	$631,220 (actual through 3/29/99)

N.C. Secretary of State
Land Records Management Division

Division Functions

- Program to encourage modernization of land records systems at the county level
- Best defined as advisory, not regulatory
- Provides technical assistance to counties
- Establishes greater uniformity in local land records systems
  - Develops standards for indexing land records
  - Develops standards for uniform recording and indexing procedures for maps and condominiums
  - Develops standards for security and reproduction of land records
  - Develops mapping specifications
- Provides mapping and GIS (Geographic Information System) assistance
- Provides short-term consultant activities to registers of deeds and mapping offices
- Provides educational activities for registers of deeds and county mappers
- Conducts state property mappers certification
- Receives/records municipal annexation ordinances
- Receives/records municipal charter amendments
- Represents Department and county mapping agencies in mapping matters at state and federal level

Division Staff & Budget

- Currently the program staff is only the program director. He works primarily with county mapping agencies and registers of deeds; receives municipal annexation ordinances and charter amendments.
- FY 1998-99 Budget: $107,478

Key Land Records Management Division Facts

Modernization of Land Records

- All one hundred counties follow register of deeds indexing standards
- All one hundred counties have current computerized indexes
- 70 counties have completed basic cadastral (property ownership) mapping
- 61 counties have cadastral data in digital form
- 35 counties have digital orthophotos (special aerial photographs); 57 counties have hardcopy orthophotos
- 66 counties have GIS (geographic information system)

Measures of Output

Description	1998-99 (Projected)
Requests for Technical Assistance/Response to Inquiries	1450
On-site Visits	75
Registers of Deeds Workshops (and number trained)	4 (150)
Property Mappers Certified	230
Number of Counties Requesting Technical Assistance	75
Number of Municipal Annexation Ordinances/Charter Amendments Received/Recorded	950

AGENDA

Joint Appropriations Subcommittee
on
General Government

April 6, 1999
Room 425, LOB
8:30 a.m.

Chair: Senator Warren

Department of the State Treasurer

Departmental Overview & Remarks

Harlan Boyles
State Treasurer

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

April 6, 1999

The Joint Appropriations Subcommittee on General Government met Tuesday, April 6 at 8:30 a.m. in Room 425 of the Legislative Office Building. Three of the Senate members were present. Representatives present were: Co-Chair Jeffus , Vice Chair McLawhorn, and Barefoot, Hensley and Thompson. Pages were Kimberly Foster, Montrell Cherry, Brandon Hoover, and Kempton Healey. Senator Ed Warren chaired the meeting.

The Chair recognized State Treasurer Harlan Boyles and stated that he was recognized throughout the State and Nation for his expertise. A copy of the Treasurer's remarks is included with the minutes as Attachment 1. Mr. Boyles made the following statements regarding the duties of his office:

- As the State's banker they receive and serve as custodian of all the State's funds.
- They handle from $94 to $200 million a day.
- Trust fund portfolios are increasing at the rate of almost $15 million a day.
- Receipts generated by the Treasurer's earnings and charges for services provided support all programs.

He then introduced the directors of the four divisions which make up his office. They are: Charles Heatherly, Director, Administrative Services Division; Jack Pruitt, Director, Retirement Division; Bob High, Director, State and Local Government Finance Division; and Doug Chappell, Director, Investment Banking Division. Their duties are outlined in Attachment 1.

Mr. Boyles stated that the Escheat and Unclaimed Property program funds are invested and that the interest is used for student loans. He also noted that the State has a great credit rating of "AAA," which enables them to borrow money much easier and at a much lower rate.

When Senator Warren asked Mr. Boyles how the Intangible Tax was to be repaid, he said that they were awaiting the judge's decision. He said that he hopes the Governor will allow them to pay those tax refunds immediately from the Reserve Fund because the interest paid to the taxpayer will be eight percent, but the Reserve Fund is only accruing six percent.

Senator Warren then asked the Treasurer how much money there was in the Retirement System Fund. Mr. Boyles said that there was $52 to $55 billion. He also said that there could be no deficit spending in that fund. In response to Senator Warren's question regarding the payment of the retirees in the Bailey case, Mr. Boyles noted that that was being handled outside the State office. He said that they were encountering some problems in getting a handle on the number of retirees due refunds, but that he believed some claim forms were going out this week to State employees. Senator Foxx wanted to know how much would be paid to the lawyers. Mr. Boyles stated that they would be paid fifteen percent or $120 million. In response to Senator Harris' question as to how much the State would lose because of the Bailey Case, he said that it would lose $125 million plus per year by not being able to tax those retirees.

Representative Barefoot said that he agreed wholeheartedly with Chairman Warren's laudatory comments about Treasurer Boyles, that he was a distinguished son from his district, District 44, and that we have been very fortunate to have had him for so many years.

When questioned by Senator Harris about other lawsuits that might be lurking on the horizon, Mr. Boyles said that he would advise the General Assembly to carefully study every new tax levied.

The meeting adjourned at 9:50 a.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1
April 6, 1999

State of North Carolina
Department of the Treasurer

HARLAN E. BOYLES
STATE TREASURER

325 NORTH SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603-1385

Comments of State Treasurer Harlan Boyles
April 6, 1999
North Carolina House Appropriations Committee

Good Morning, Mr. Chairmen, Other Members of the Appropriations Committee and, and Ladies and Gentlemen.

We are honored that you would invite us here today to hear about our program in the Department of State Treasurer and to answer whatever questions you may have.

While we are here today to talk about the continuation budget, I hope you will indulge us some leeway in briefly speaking about our need to expand in response to the rapid growth of our State government and its operating budget.

As the State's banker it is our duty to receive and serve as custodian of all the State's funds. As you know that task has grown immensely in recent years. You are debating a total State budget of $23.4 billion. This means we are handling – receiving and disbursing – some $94 to $200 million a day.

Our trust fund portfolios are increasing as the rate of almost $15 million a day. That is good news for our public employee retirees who are the beneficial owners of the bulk of these funds. However, our capacity to manage these valuable assets have not increased accordingly.

You will receive requests for meeting these essential needs.

I would like to point out, however, that our budget does not cost the General Fund. All of our programs are supported by receipts generated by the Treasurer's earnings and charges for services provided. Two of the Divisions are receipt supported directly. Appropriations for the other two divisions are reimbursed from the Treasurer's earnings.

We hope that you will remember, as you consider our budget requests, that all of our operations in the Department of State Treasurer are funded from earnings of the Treasurer's investments.

There are four divisions within the Treasurer's Department.

The Investment and Banking Division performs our banking operations and manages the trust funds and other investments.

The Retirement Systems Division manages our public employee retirement system which serves some 135,000 retirees and an additional 500,000 active employee accounts.

The State and Local Government Finance Division manages all public debt in the State which now totals some $29 billion (including both issued and authorized) and is increasing at the rate of approximately $1billion a year. The work of this division is vitally important in the maintenance of North Carolina's coveted Triple-A rating as well as assisting the local government units that share this high honor in maintaining theirs. It is no accident that North Carolina has more Triple-A rated local units of government than any other state in the nation. In fact, we have 25 percent of all the Triple-A credit rated units of government in the entire nation.

And finally, the Administrative Services Division provides logistic, personnel, computer and other administrative support to the other divisions. In addition, the Escheat and Unclaimed Property program is located in this division.

We are proud of the work that we do in the Department of State Treasurer because we know that it impacts upon the life of each and every citizen.

We thank you for the support you've given us in the past and ask that you continue this good partnership that works to serve the best interest of our citizens.

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

April 13, 1999

The Joint Appropriations Subcommittee on General Government met Tuesday, April 13 at 8:30 a.m. in Room 425 of the Legislative Office Building. Five of the Senate members were present. Representatives present were: Co-Chair Jeffus , Vice Chair McLawhorn, and Barefoot. Pages were Melissa Barnette, Jenee Wentworth, and Aishah Abdullah. Senator Ed Warren chaired the meeting.

Senator Warren informed the committee that Dwayne Pinkney, Fiscal Analyst, had taken a position outside the General Assembly. He then introduced Marilyn Chism as his replacement.

The Committee will begin a review of the Expansion Budget today, Chairman Warren stated. The agencies had been asked to bring before the Committee their two top priorities. The Office of the State Controller's priorities, presented by Mr. Ed Renfrow, Controller, are listed in Attachment 1; the two top priorities for the Department of Insurance, presented by Commissioner Jim Long, may be found in Attachment 2; Judge - Director Julian Mann presented the priorities for the Office of Administrative Hearings, which may be found in Attachment 3; and the priorities for the Office of State Auditor, presented by Chief Deputy Jack Bond, are listed in Attachment 4.

The meeting adjourned at 9:40 a.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

AGENDA

Joint Appropriations Subcommittee
on
General Government

April 13, 1999
Room 425
8:30 a.m.

Chairman: Senator Ed Warren

Expansion Budget Review

Office of State Controller

Ed Renfrow, Controller

Department of Insurance

Jim Long, Commissioner

Office of Administrative Hearings

Julian Mann, Chief Judge-Director

Office of State Auditor
Jack Bond, Chief Deputy

Attachment 2
April 13, 1999

NC Department of Insurance

Budget Cuts 1999-2000

Net Operating Budget = $19,174,000

1% cut = $191,740

2% cut = $383,480

3% cut = $575,220

Proposed area to cut: Building Code Council Books' Sales

Some vacant positions - filling positions
Have top salaries

Office of Administrative Hearings
Budget Statistics

	Authorized Budget	Actual	Unexpended Balance	Expenditure Rate	Requested Budget Cut (% of Appropriation) %	Amount
1997-98 Budget						
Total Expenditures	2,610,393.00	2,462,972.00	147,421.00	0.94		
Receipts	183,224.00	151,771.00	31,453.00	0.83	1	24,271.69
					2	48,543.38
Appropriation	2,427,169.00	2,311,201.00	115,968.00	0.95	3	72,815.07

					Requested cut as % of non-salary budget
Expenditure Breakdown					
Personal Services (Salary & Salary Related)	2,125,261.00	1,983,778.00	141,483.00	0.93	4,851.32
Non Salary Expenditure Items	485,132.00	479,195.00	5,937.00	0.99	9,702.64
Total - as above	2,610,393.00	2,462,973.00	147,420.00	0.94	14,553.96

Attachment 3
April 13, 1999

Attachment 4
April 13, 1999

Office of the State Auditor
Budget Reductions

Budget cuts being considered by the Legislature of one, two, or three percent can only be handled within the Office of the State Auditor by the elimination of audit positions. Please note that the Office of the State Auditor respectfully does not recommend these reductions in our operations, as they will directly impact the number of audits performed by this office. This information is supplied to comply with your request. Below we have outlined the related costs and positions necessary for the reductions being considered:

Percentage Reduction	General Fund Appropriation	Positions
1%	$116,565	2
2%	$233,130	4
3%	$349,694	6

(Based on appropriated funds and an ASA II position.)

AGENDA

Joint Appropriations Subcommittee
on
General Government

April 14, 1999
Room 425
8:30 a.m.

Chairman: Representative Maggie Jeffus

Expansion Budget Review

State Board of Elections

Gary Bartlett, Executive Director

Department of Revenue

Muriel Offerman, Secretary

Department of Secretary of State

Elaine Marshall, Secretary of State

Department of the State Treasurer

Charles Heatherly, Director
Administrative Services

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

April 14, 1999
8:30 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Wednesday, April 14, 1999, at 8:30 a.m. in room 425 of the Legislative Office Building. Four of the Senate members were present. Representatives present were as follows: Chair Maggie Jeffus, Vice Chair Marian McLawhorn, Daniel Barefoot, Sam Ellis and Bob Hensley.

Representative Jeffus called the meeting to order and introduced the pages: Donnie Bowen of Wake County, sponsored by Representative Russell Capps; Genesis Wallace of Wake County, sponsored by Speaker James Black; and, Becca Lee of Wayne County, sponsored by Senator John Kerr.

Representative Jeffus stated that Ms. Johnnie McClain would fill in for Mr. Gary Bartlett, Executive Director, of the State Board of Elections. Mr. Bartlett asked her to bring two items to present for the expansion budget.

The first item was the request for travel and subsistence in the amount of $10,000 for the election investigators. They received funding for the positions but received no funding for the travel and subsistence. These two investigators will be required to go to county boards of elections throughout the state.

The second request is for $40,000 for the printing and shipping of additional voter registration forms. They normally print and ship voter registration application forms. In 1998 the U. S. Congress passed the Higher Education Act of 1998 which requires the distribution of voter registration applications forms at trade and higher education institutions. This includes universities, colleges and also includes barber and cosmetologist schools. They have no funding for that and their best estimate is that it would require $40,000 to print and distribute those forms that are mandatory.

Secretary Muriel Offerman of the Department of Revenue was introduced to present request for Revenue's expansion budget requests. She stated that Revenue was the only Cabinet agency that has expansion dollars in the governor's budget. (See Attachment 1)

Ms. Offerman introduced Mr. Dewey Sanders, Assistant Secretary Field Operations, to explain the need for extra positions. The positions are spread out in four different organizations. Senator Warren inquired about the number of field auditors and Mr. Sanders advised there were forty. **Senator Warren requested a copy of where they**

are located. Senator Harris would like to know which organizations they are in and how many?

Representative Jeffus recognized Secretary of State Elaine Marshall to present her expansion requests. She is bringing forth two expansion items. She stated that technology is the number one consideration for the Secretary of State's office. (See Attachment 2) The technology request that was previously made to the committee was in the sum of $438,000 plus $42,000 for fund service that they will need to depart their present location and move to the old Revenue and Brown-Rogers Building. This is a progressive move as some have already moved, some will move in the fall and funds have not been appropriated for the Brown-Rogers Building which they will need before they can completely vacate their offices in their present location. The technology request has been slimmed down to $394,130. Their continuation budget has a $394,130 appropriation that is basically spent by paying state information technology bills. These are for maintenance for their data base and systems application development. The agency spends nearly $400,000 a year with another state agency to do technology work for them. They would like the authority from the General Assembly to make a transfer so that those funds from their continuation budget will be modified to fulfill this technology request. The technology request will fulfill the electronic commerce specialist position that was created last year; give them two programs analyst/programmer positions; give them applications development/support; give them $19,700 for increased telephone bill for when they move over to the new facility; and, a small amount for an information technology trust fund that they would like to designate as a non-reverting trust fund, a figure of about $4,400. (See attachment 3)

Their second item is for staff expansion. The agency is requesting six additional personnel in Corporations and four in the Securities Division. The additional staff received committee approval in the last budget cycle was cut from the budget in September 1998. The work volume is increasing in these two divisions. The revenue that these two divisions are bringing in is also increasing. Corporations' receipts at the end of March 1999 are $600,000 approximately ahead of last year and the Securities Division is $856,000 ahead. This is $1.2 million so that pays for this appropriation request.

She pointed out that The Business Laws and The Economy Commission created by executive order by the governor continues to have 2-day turnaround in the Corporations Division as the goal. The agency is not close to that but is five to six days turnaround if no glitches. The requested staff increase will not get them to a two-day turnaround across the board but closer.

Due to changes in the law from 1996, the Securities Division is obligated to conduct certain field audits of certain investment advisors. They had no staffing for this but because of the lateness of the budget they had some additional salary money and

employed a temporary field auditor. The job will be ending at the end of this fiscal year. The agency has determined that sixty-five percent of the offices being audited had irregularities. The agency is also concerned with the number of people calling themselves investment advisors who are not registered with the Secretary of State and who do not know that they have an obligation to follow certain laws.

Representative Jeffus recognized Mr. Charles Heatherly, Director of Administrative Services Division, Department of the Treasurer. Mr. Harlan E. Boyles, State Treasurer had a prior commitment and could not be present. The services provided by the State Treasurer have no impact on the general fund so when the General Assembly approves their budget they are not taking away from any money that could be used for the general fund. The funding comes entirely from earnings of the Trust Funds administered by the State Treasurer. Each of the items in their expansion budget comes in direct response to the growth of state government. They are not asking for any money for any new programs but for money to expand their technology and staff to be able to do a better job of what is expected of them. (See Attachments 4 and 5)

Their first priority is to increase their staff and technology for the retirement system division so it can respond adequately to the needs and expectations of the public employee retirees. Mr. Jack Pruitt, Director of Retirement Division, was present to answer any questions. This request deals with the rapidly growing retirement system and the department's inability to keep up with its growth.

The second priority is to increase the technology and the staff for managing the state's money. The department is still using technology that was developed in the 1980's to manage the State's Budget. The need is urgent for a new core banking system that will accommodate today's budget and provide for future growth.

Mr. Heatherly introduced Mr. Steve Albright, Departmental Controller, to answer questions for the committee.

Next on the agenda was Secretary Betty McCain of the Department of Cultural Resources. (See Attachment 6)

Secretary McCain stated that what they really need is the other half of the grant money from last year in the amount of $3 million for the North Carolina Symphony to complete the acoustic in the new building project. She introduced Acting Executive Director Peter Smith and Assistant Conductor William Henry Curry and called on Mr. Curry to speak. He stated that the most important thing that he can tell them about the N. C. Symphony is that their number one mission is to be the greatest resource in the world for young people. Their plan to make sure that every child in the state be able to hear a live performance of the N. C. Symphony at least once. There is no other orchestra in the country that does this. They travel throughout the state and play for schools inside and outside, even on football fields. This would be wonderful for a field trip for the children

to come inside a real concert hall and give them a real concert hall experience while they are here to see the State Capitol, Legislative Building, etc. The acoustics is so very important to a musician and to those who come to enjoy the music.

Mr. Smith indicated that would be a grand experience for all to hear the symphony in the concert hall where the acoustics will be the best. They plan to invite children that can play with the symphony or some to simply sit on the stage.

Representative Jeffus thanked the people on the agenda for the good job that they are doing for the state and that the state is blessed with leadership in all of these departments. She announced that the committee wouldn't meet this afternoon since the committee has completed the expansion presentations. The committee will meet on Thursday, April 15, 1999, at 8:30 a.m., to hear reports.

Respectfully submitted,

Rep. Maggie Jeffus

Representative Margaret (Maggie) M. Jeffus, Chair

Mary Lee Robinson

Mary Lee Robinson, Committee Assistant

STATE BOARD OF ELECTIONS

133 Fayetteville Street Mall
Suite 100
Raleigh, North Carolina 27601

GARY O. BARTLETT
Executive Secretary-Director

Mailing Address:
P.O. BOX 2169
RALEIGH, NC 27602
(919) 733-7173
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JUSTIFICATION FOR EXPANSION BUDGET REQUEST

1) Request: Travel and Subsistence for Investigator positions-- $10,000

The cost of travel and subsistence for two Investigator positions is needed. While this agency received funding for the positions, travel and subsistence were not included. It will be the primary responsibility of these positions to travel to each of the 100 county board of elections offices to perform compliance audits within the year.

2) Request: Funding for printing and shipping additional forms as required by the Higher Education Act-- $40,000

The U.S. Congress passed the Higher Education Act in 1998. Part of that Act requires the State Board of Elections to distribute once a year to all institutes of higher learning and trade voter registration application forms for distribution to every student enrolled and physically present at the institute.

Attachment 1 is correspondence from the Federal Election Commission providing statutory language, guidelines, and a listing that includes but is not limited to institutions that may be required to participate in the Higher Education Act.

Attachment 1

Department of Revenue

Recommended Expansion:

	1999-00	2000-01
1. **Expand Audit Function** Funding is recommended for additional unauthorized substance tax enforcement officers, revenue officers, and revenue field auditors, including interstate auditors along with associated support staff positions. These positions are anticipated to generate additional state general fund revenue.	$ 994,937	$ 1,698,220
Number of Positions	21.0	39.0
Total Change for the Department of Revenue		
Requirements	$ 994,937	$ 1,698,220
Receipts	-	-
Appropriation	$ 994,937	$ 1,698,220
Number of Positions	21.0	39.0

Attachment 2

4/14/99

SECRETARY OF STATE
SUMMARY LIST OF EXPANSION REQUESTS

Priority #	Description	1999-2000	2000-2001
1	Technology Enhancement	$394,130 (3.0)	$394,130 (3.0)
2	Staff Expansion Corporations (6.0) Securities (4.0)	830,171* (10.0)	608,524* (10.0)
	Total	$1,224,301 (13.0)	$1,002,654 (13.0)

*Additional revenue from Corporations fee increase - $600,000
Additional revenue from Securities fee increase - $856,000

Attachment 3

North Carolina Department of the Secretary of State

Current Budget for Information Technology Services (ITS) Computer Support			
	1999-2000	*2000-2001*	*Future Years*
Continuation Budget for ITS for Mainframe Operation Costs	$ 239,130	$ 239,130	$239,130
Continuation Budget for ITS for Applications Development/Support	$ 155,000	$ 155,000	$ 155,000
Total Current Continuation Budget for ITS Operational and Applications Development/Support	$ 394,130	$ 394,130	$ 394,130

Proposed Restructured Information Technology Budget			
	1999-2000	*2000-2001*	*Future Years*
Continuation Budget for ITS for Mainframe Operation Costs	$ 100,000	$ 40,000	$ 19,894
Continuation Budget for ITS for Applications Development/Support	$ 30,000	$ 10,000	$ 5,000
Requested Funding for 2 new Analyst/ Programmer Positions and related support costs	$ 139,360	$ 144,060	$ 144,060
Requested Funding for Electronic Commerce Specialist Position to Administer Electronic Commerce Act and related support costs	$ 86,664	$ 101,964	$ 102,070
Additional funding required to support new telephone system when Department moves to Old Revenue Building	$ 20,106	$ 20,106	$ 20,106
Balance to Transfer to Information Technology Trust Fund (replace equipment) for Department	$ 18,000	$ 78,000	$ 103,000
Proposed Total Continuation Budget Funding	$ 394,130	$ 394,130	$ 394,130
Net Change in Information Technology Continuation Budget	$0	$0	$0

Attachment 4

State of North Carolina
Department of the Treasurer

HARLAN E. BOYLES
STATE TREASURER

325 NORTH SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603-1385

April 12, 1999

MEMORANDUM

TO: Co-Chairs: Senator Ed Warren: Representatives Maggie Jeffus and William Wainwright; And other members of the Joint Appropriations Committee on General Government

FROM: Harlan E. Boyles

SUBJECT: Department of the State Treasurer---Expansion Budget Requests

Attached are the expansion budget requests for the Department of State Treasurer. Two aspects of these requests deserve special emphasis.

First, these increases **will not affect the General Fund** and most of them are non-recurring. Our Department is entirely receipt-supported, meaning that all of our costs and expenditures are reimbursed from the programs we serve. Our funding comes entirely from earnings of the Trust Funds administered by the State Treasurer.

Second, all the additional funds requested by the State Treasurer are in direct response to the recent rapid growth of North Carolina State Government, in particular the State Budget and the additional resources and technology necessary to manage those resources. For example, our number one request deals with the rapidly growing retirement system and our inability to keep up with its growth.

Our second priority involves replacement of a 10-year-old accounting system with a modern core banking system, necessary to manage the State's $23.4 billion annual budget. While the State's Budget has more than doubled in the past decade, we are still managing those resources with obsolete technology. Unless we upgrade and modernize this technology our ability to manage and account for the State's money in the manner in which you and our taxpayers expect will deteriorate significantly. In addition, we also urgently need to upgrade our ability to manage the State's public debt that is increasing at the rate of $1 billion annually.

We submit these requests for your consideration, hoping that you will recognize the urgent and compelling need for enabling our Department to adequately serve the people of this State by managing their financial resources accurately and prudently.

These requests may be divided into two categories---Direct Support of Programs and Indirect Support of Programs. Direct Support Programs are those which are operated directly by the operating divisions, such as Investment Banking, Retirement Systems and State and Local Government Finance. The Indirect Support Expansion requests are for those services performed by the Administrative Services Division in support of the other Divisions and are essential services for those Division to operate. For your convenience we have organized our requests into the Direct/Indirect categories as listed below.

Direct Support of Programs		
(1) Retirement Systems	$1,119,170	Recurring
(3) Banking Operations	3,154,096	Non-recurring
(6) State and Local Government Finance	451,258	Recurring
(8) Investment Management	584,977	½ Recurring
	$5,309,501	
Indirect Support of Programs		
(2) Information Systems	398,585	Recurring
(4) Information Systems	398,000	Non-recurring
(5) Departmental Accounting	133,617	Recurring
(7) Information Systems	2,182,000	Non-recurring
(9) General Administration	92,106	Recurring
	$3,204,308	
TOTAL	$8,513,809	

Attachment 5

Department of State Treasurer
Summary of Expansion Budget Requests
Fiscal Years 1999-2000 and 2000-2001

		1999-2000	2000-2001
Request No. 1	Direct Support of Programs		
Subproject a.	Retirement Systems (Old priority 1) Personnel and other costs to enable us to answer more calls and provide more services to members of the Retirement Systems	$1,119,170	$1,126,393
Subproject b.	Banking Operations (Old priority 3) Purchase and install new computer system for the "core banking functions"	3,154,906	655,519
Subproject c.	State And Local Government Fin (Old priority 6) Personnel and other costs to enable us to handle our current duties	451,258	475,178
Subproject d.	Investment Management (Old priority 8) Purchase and install new trust fund accounting system	584,977	205,719
	Total Direct Support of Programs	5,309,501	2,462,809
Request No. 2	Indirect Support of Programs		
Subproject a	Information Systems (Old priority 2) Personnel and other costs to support new programs	398,585	441,488
Subproject b	Information Systems (Old priority 4) Reconfigure and upgrade the LAN to handle the new programs	398,000	40,000
Subproject c	Departmental Accounting (Old priority 5) Personnel and other costs to administer new systems and to respond to new accounting requirements	133,617	148,906
Subproject d	Information Systems (Old priority 7) Purchase and install new mainframe and storage systems	2,182,000	516,000
Subproject e	General Administration (Old priority 9) Personnel and other costs to assist with increased work due to new employees and transfers of responsibility from the Office of State Personnel	92,106	95,183
	Total Indirect Support of Programs	3,204,308	1,241,577
	Total Requests	8,513,809	3,704,386
Funding			
	Departmental receipts	2,839,478	2,212,970
	Non-tax revenue	5,674,331	1,491,416
	Total funding	8,513,809	3,704,386
Effect on General Fund Availability		$ 0	$ 0

DEPARTMENT OF STATE TREASURER

PRIORITY 1 OF 9

Retire[illegible] Operations Division
Budge[illegible]de 13410
Fund 1410
Expansion Budget Request

The year 1997 showed a spurt in requests for assistance from members of about 30% towering over the increases seen in prior years (for example the increase from 1995 to 1996 was about 11%). To date, the year 1998 has shown an increase in requests for assistance from members of 20% over the same period in 1997. For example, between 1,500 and 2,300 telephone callers sought the assistance of Retirement Benefits Counselors daily during the month of July 1998. In addition, an average of 40 persons visited the office daily also seeking the assistance of Retirement Benefits Counselors. We currently employ 16 permanent Retirement Benefits Counselors who are responsible for handling all member and employer inquiries (telephone, written and in person) and seminars across the State. Telephone and in person inquiries during July equated to between 96 and 146 inquiries daily per counselor. This, of course, does not consider the written inquiries received during this period and does not consider time a counselor may be out of the office (i.e. seminars, vacation, illness, etc.).

The unanticipated increase in requests for service has forced the Division to re-evaluate the organization needed to handle the increased demand as well as the anticipated higher future demand. We propose to increase the level of service to our members by increasing staff and by utilizing call center technology.

	1999-00	2000-01
TOTAL REQUIREMENTS	1,119,170	1,126,393
TOTAL RECEIPTS	1,119,170	1,126,393
NON-TAX REVENUE		
GENERAL FUND AVAILABILITY		
TOTAL POSITIONS	20.00	20.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries-Rec			342,889	457,185			
53	1512	Social Security Contributions-Rec			26,231	34,975			
53	1522	Retirement Contributions-Rec			37,135	49,513			
53	1562	Hospital Insurance			22,915	34,720			
53	2170	Adminstrative Expense			100,000	100,000			
53	2811	Telephone Services			10,000	10,000			
53	2821	Computer Services			400,000	400,000			
53	3120	Data Processing Supplies			20,000	20,000			
53	4511	Furniture-Office			80,000	10,000			
53	4522	Equipment-Computer			80,000	10,000			
		Requirements	8,504,650	6,736,282	1,119,170	1,126,393	1,126,393	1,126,393	1,126,393
		Number of F.T.E.	109.50	113.50	20.00	20.00	20.00	20.00	20.00
RECEIPTS:									
43	8113	Transfer In - Pension Funds			1,007,253	1,013,754			
43	8114	Transfer In - Other Trust Funds			111,917	112,639			
		Receipts	8,504,650	6,736,282	1,119,170	1,126,393	1,126,393	1,126,393	1,126,393
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER
Investment and Banking Division
Budget Code 13410
Fund 1220
Expansion Budget Request

PRIORITY 3 OF 9

Banking Operations is responsible for maintaining the "bank" accounts for every fund and account which is eligible to receive interest. These accounts serve both to prevent over-expenditure of the cash available and facilitate the distribution of interest earned by these accounts. The amounts and numbers of payments is increasing as well as the complexity and variety of payment methods. Currently we are operating on an old, out-dated and functionally poor banking system. There is software available, designed for small to medium community banks, that will give us all of the requirements needed, plus some additional functionality. This new system will also serve as the general ledger to the basic Cash Management Program portfolio. With the added funtionality of the new system, we believe it will pay for itself within three years, at no cost to the General Fund. All expenditures by Banking Operations are reimbursed from the State Treasurer's Investment Pool. In addition to savings by Banking Operations, each agency with an account with the State Treasurer should receive additional savings as a result of having more and better information readily available. Although no one agency will see a large increase in savings, the total impact on all agencies will be substantial. Also included in this request are operating expenses for the warrant truncation project approved for 1998-99 FY and a paraprofessional position needed to monitor the flow of cash in order to maximize the investment of available cash balances.

	1999-00	2000-01
TOTAL REQUIREMENTS	3,154,096	655,519
TOTAL RECEIPTS		
NON-TAX REVENUE	3,154,096	655,519
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	1.00	1.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries Appropriations			19,835	26,446			
53	1511	Social Security Contributions			1,517	2,023			
53	1521	Reg Retirement Contributions			2,148	2,864			
53	1562	Medical Ins Contributions			1,146	1,736			
53	2199	Microfilm Services			(23,050)	(23,050)			
53	3110	General Office Supplies			1,000	1,000			
53	2811	Telephone Services			500	500			
53	2821	Computer Services			303,000	303,000			
53	4511	Furn-Office			4,000	500			
53	4522	Equipment-Computers			504,000	500			
53		Federal Reserve Truncation			335,000	335,000			
53	2170	Adminstrative Service Fees			5,000	5,000			
53	4730	Externally Developed Software			2,000,000				
		Requirements	773,715	811,166	3,154,096	655,519	655,519	655,519	655,519
		Number of F.T.E.	12.50	12.50	1.00	1.00	1.00	1.00	1.00

RECEIPTS:

		Receipts	285,636	260,775					
		NON-TAX REVENUE	488,079	550,391	3,154,096	655,519	655,519	655,519	655,519
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER

PRIORITY 6 OF 9

State and Local Government Finance Division
Budget Code 13410
Fund 1310
Expansion Budget Request

The State and Local Finance Division is charged with the task of approving all local government debt, selling all general obligation local government debt, monitoring the debt, and assisting the local governments to maintain the necessary financial systems to make certain the debt is paid in a timely manner. In recent years, these tasks have become more and more difficult and complex. The reasons include the use of alternative forms of financing, the increasing number of new accounting standards and reporting requirements, and the use of tax-exempt borrowing by private entities. This request is to add senior and management level positions to the staff to help meet the growing requirements of this Division. Also included in this request are funds for additional computer services to support and enhance LoGiC's, an integrated database sytem, which is currently being installed. The net costs of the State and Local Government Finance Division are reimbursed to the General Fund from the reimbursements to local governments for tax reductions approved in earlier years.

	1999-00	2000-01
TOTAL REQUIREMENTS	451,258	475,178
TOTAL RECEIPTS		
NON-TAX REVENUE	451,258	475,178
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	4.00	4.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1211	SPA Salaries			125,486	167,314			
53	1511	Social Security Contributions			9,600	12,800			
53	1521	Retirement Contributions			13,590	18,120			
53	1561	Hospital Insurance			4,582	6,944			
53	2170	Administrative Expense			20,000	20,000			
53	2811	Telephone Service			2,000	2,000			
53	2821	Computer Services			240,000	240,000			
53	3120	Data Processing Supplies			4,000	4,000			
53	4511	Furniture-Office			16,000	2,000			
53	4522	Equipment-Computer			16,000	2,000			
		Requirements	3,451,964	2,820,540	451,258	475,178	475,178	475,178	475,178
		Number of F.T.E.	34.00	35.00	4.00	4.00	4.00	4.00	4.00

RECEIPTS:

		Receipts	1,482,339	640,986	0	0	0	0	0
		NON-TAX REVENUE	1,969,625	2,179,554	451,258	475,178	478,178	475,178	475,178
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER

PRIORITY 8 OF 9

Investment Management
Budget Code 13410
Fund 1210
Expansion Budget Request

Investment Management is responsible for tracking the daily cash flows that occur during the day and for the investment of the available, investable balances in the Cash Management Program ($8-9 billion) and the Trust Fund Investment Program ($50 billion). The Trust Fund Investment Program is constantly increasing. This increases the work to be done and the requirements for staff to both invest the funds and to account for the investments and the income from the investments. The expenditures are expected to result in an improved return by a minimum of .01% to .02%. This request is to provide staff and other resources to maintain the abiltiy of Investment Management to meet the requirements of the constantly increasing investment porfolios. In addition, we are requesting non-recurring funds to to purchase and install a commercially available application package to upgrade the accounting for the $50 billion Trust Fund Investment Program. The improvements will result in both greater availability of data and more timely reports at the fund level. All expenditures by Investment Management are reimbursed to the General Fund from the State Treasurer's Investment Pool, therefore the net effect on the General Fund is zero.

	1999-00	2000-01
TOTAL REQUIREMENTS	584,977	205,719
TOTAL RECEIPTS		
NON-TAX REVENUE	584,977	205,719
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	1.00	2.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1211	SPA Salaries- Appropriation			30,664	71,604			
53	1511	Social Security Contributions			2,346	5,477			
53	1521	Reg. Retirement Contributions			3,321	7,756			
53	1562	Medical Ins. Contributions			1,146	2,882			
53	3110	General Office Supplies			1,000	2,000			
53	2811	Telephone Services			500	1,000			
53	2821	Computer Services			63,000	66,000			
53	4511	Furniture-Office			4,000	4,500			
53	4522	Equipment-Computers			159,000	4,500			
53	2120	Research			15,000	30,000			
53	2170	Administrative Services			5,000	10,000			
53	4730	Externally Developed Software			300,000				
		Requirements	2,522,298	4,341,041	584,977	205,719	101,484	101,484	101,484
		Number of F.T.E.	23.00	23.00	1.00	2.00	2.00	2.00	2.00

RECEIPTS:

		Receipts	0	0	0	0	0	0	0
		NON-TAX REVENUE	2,522,298	4,341,041	584,977	205,719	101,484	101,484	101,484
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER

PRIORITY 2 OF 9

Information Systems
Budget C[redacted]13410
Fund 1150
Expansion Budget Request

Information Systems is responsible for maintaining the computer infrastructure of the Department; for providing, or monitoring contractors who are providing new automation projects to the Department; and for maintaining the on-going operation of the completed automation projects. We expect to have complete implementation of five previously approved automation projects and two infrastructure upgrade projects included in the 1999-2001 Expansion Budget. This request includes operating expenses, training and travel to training sites for new personnel needed to carry out and maintain our growing technological infrastructure.

	1999-00	2000-01
TOTAL REQUIREMENTS	398,585	441,488
TOTAL RECEIPTS	398,585	441,488
NON-TAX REVENUE		
GENERAL FUND AVAILABILITY		
TOTAL POSITIONS	5.00	5.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries			202,445	269,926			
53	1512	Social Security Cont-Rec			15,486	20,649			
53	1522	Retirement Cont.-Rec			21,925	29,233			
53	1562	Hosp. Insurance- Rec			5,729	8,680			
53	2821	Computer Services			50,000	50,000			
53	2811	Telephone Service			2,500	2,500			
53	2714	Trans-In State			1,625	1,625			
53	2715	Subsistence- In State			1,625	1,625			
53	2724	Trans- Out of State			1,625	1,625			
53	2725	Subsistence- Out of State			1,625	1,625			
53	5900	Misc Expense (Training)			39,000	39,000			
53	3110	Office Supplies			5,000	5,000			
53	4511	Furniture- Office			25,000	5,000			
53	4522	Equipment- Computer			25,000	5,000			
		Requirements	2,060,211	2,236,467	398,585	441,488	441,488	441,488	441,488
		Number of F.T.E.	27.00	27.00	5.00	5.00	5.00	5.00	5.00
RECEIPTS:									
53	8322	Sales and Service-Data Processing			398,585	441,488			
		Receipts	2,060,211	2,239,467	398,585	441,488	441,488	441,488	441,488
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER
Information Services
Budget C[redacted]13410
Fund 1150
Expansion Budget Request

This request is to upgrade the communications through a local area network (LAN) within the Department to a level which is adequate to provide the service necessary to permit the operating units to fulfill their ongoing responsibilities. Failing to upgrade the LAN could lead to widespread processing outages due to technologically insufficient components or components reaching the end of their normal productive life. Depending on where a failure may occur, the failure could impact negatively investment earnings, warrant processing or the ability of the Retirement Systems Division to process benefits or provide information to members or retirees in a timely manner. With this request we propose to increase the processing speed of the LAN, increase speed, capacity and security of the storage media used by the LAN, and replace servers and other components that have serious failure rates.

		1999-00	2000-01
Distribution of Recurring Costs	Fund 1150	8,000	40,000
Nonrecurring Costs	Fund 1210	60,000	
	Fund 1220	60,000	
	Fund 1310	80,000	
	Fund 1410	190,000	
Total		398,000	40,000

	1999-00	2000-01
TOTAL REQUIREMENTS	8,000	40,000
TOTAL RECEIPTS	8,000	40,000
NON-TAX REVENUE	0	0
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS 1150- INFORMATION SERVICES

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	2440	Maint. Agreement- DP Equipment			3,000	5,000			
53	2441	Maint. Agreement- Software			5,000	35,000			
		Requirements	2,060,211	2,236,467	8,000	40,000	40,000	40,000	40,000
		Number of F.T.E.	27.00	27.00	0.00	0.00	0.00	0.00	0.00
RECEIPTS:									
53	8322	Sales and Service- Data Processing			8,000	40,000			
		Receipts	2,060,212	2,236,467	8,000	40,000	40,000	40,000	40,000
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

	1999-00	2000-01
TOTAL REQUIREMENTS	60,000	0
TOTAL RECEIPTS	0	0
NON-TAX REVENUE	60,000	0
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS 1210- INVESTMENT MANAGEMENT

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	4522	Maint. Agreement- DP Equipment			32,300				
53	4730	Externally Developed Software			27,700				
		Requirements	2,522,298	4,341,041	60,000				
		Number of F.T.E.	23.00	23.00	0.00	0.00	0.00	0.00	0.00

RECEIPTS:

		Receipts							
		NON-TAX REVENUE	2,522,298	4,341,041	60,000				
		GENERAL FUND AVAILABILITY	0	0	0				
		CHANGE IN CASH BALANCE	0	0	0				

	1999-00	2000-01
TOTAL REQUIREMENTS	60,000	0
TOTAL RECEIPTS	0	0
NON-TAX REVENUE	60,000	0
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS 1220- BANKING OPERATIONS

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	4522	Maint. Agreement- DP Equipment			32,300				
53	4730	Externally Developed Software			27,700				
		Requirements	773,715	811,166	60,000				
		Number of F.T.E.	12.50	12.50	0.00	0.00	0.00	0.00	0.00

RECEIPTS:

		Receipts	285,636	260,775					
		NON-TAX REVENUE	488,079	550,391	60,000				
		GENERAL FUND AVAILABILITY	0	0	0				
		CHANGE IN CASH BALANCE	0	0	0				

	1999-00	2000-01
TOTAL REQUIREMENTS	80,000	0
TOTAL RECEIPTS	0	0
NON-TAX REVENUE	80,000	0
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS 1310-STATE AND LOCAL GOVERNMENT FINANCE DIVISION

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	4522	Maint. Agreement- DP Equipment			43,000				
53	4730	Externally Developed Software			37,000				
		Requirements	3,451,964	2,820,540	80,000				
		Number of F.T.E.	34.00	34.00	0.00	0.00	0.00	0.00	0.00

RECEIPTS:

		Receipts	1,482,339	640,986					
		NON-TAX REVENUE	488,079	550,391	80,000				
		GENERAL FUND AVAILABILITY	0	0	0				
		CHANGE IN CASH BALANCE	0	0	0				

	1999-00	2000-01
TOTAL REQUIREMENTS	190,000	0
TOTAL RECEIPTS	190,000	0
NON-TAX REVENUE	0	0
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS 1410-RETIREMENT OPERATIONS

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	4522	Maint. Agreement- DP Equipment			102,300				
53	4730	Externally Developed Software			87,700				
		Requirements	8,504,650	6,736,282	190,000				
		Number of F.T.E.	109.50	109.50	0.00	0.00	0.00	0.00	0.00
RECEIPTS:									
43	8113	Transfer In - Pension Funds			171,000				
43	8114	Transfer In - Other Trust Funds			19,000				
		Receipts	8,504,650	6,736,282	190,000				
		NON-TAX REVENUE							
		GENERAL FUND AVAILABILITY	0	0	0				
		CHANGE IN CASH BALANCE	0	0	0				

DEPARTMENT OF STATE TREASURER

PRIORITY 5 OF 9

Departmental Accounting
Budget C[redacted]13410
Fund 1120
Expansion Budget Request

The Departmental Accounting Section provides all General Ledger accounting for the $60+ billion State Treasurer Investment Pool, the $50+ billion state-administered retirement systems, the $200 million Escheat Fund, debt service operations and nine other trust funds. At the present time, an Accountant I supervises the retirement and other trust fund, the Escheat Fund, debt service operations, and budgetary accounting. By adding an Accountant II to supervise these areas, the Accountant I can assume certain of the budgeting and planning duties now done by the Controller. There is a need for experienced professional accountants to monitor the new and changing procedures, and increased reporting and disclosure needs.

Each year in the recent past and forseeable future, more and more of the operations are being automated. This automation has resulted in savings in clerical work but has increased the need for monitoring of the EDP programs to ensure that they continue to operate correctly and are meeting the constantly changing needs of the Department.

An increase in funding for intra departmental purchases of computer services will enable the Adminstrative Services Division to take better advantage of the growing technological infrastructure within the Department.

	1999-00	2000-01
TOTAL REQUIREMENTS	133,617	148,906
TOTAL RECEIPTS	133,617	148,906
NON-TAX REVENUE	0	0
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	2.00	2.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries- Rec			53,448	71,264			
53	1512	Social Security Contributions- Rec			4,089	5,452			
53	1521	Reg. Retirement Contributions- Rec			5,788	7,718			
53	1562	Med. Ins. Contributions			2,292	3,472			
53	3110	General Office Supplies			1,000	1,000			
53	2811	Telephone Services			500	500			
53	2821	Computer Services			58,500	58,500			
53	4511	Furniture-Office			4,000	500			
53	4522	Equipment-Computer			4,000	500			
		Requirements	620,131	668,174	133,617	148,906	148,906	148,906	148,906
		Number of F.T.E.	13.00	13.00	2.00	2.00	2.00	2.00	2.00

RECEIPTS:

53	8319	Adminstative Service Fees			133,617	148,906			
		Receipts	620,131	668,174	133,617	148,906	148,906	148,906	148,906
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER

PRIORITY 7 OF 9

Information Systems
Budget Code 13410
Fund 1150
Expansion Budget Request

Information Systems is relying currently on an aging mainframe with less efficient technology particularly with regard to electronic storage and printing. This computer is the backbone for processing investment, banking and retirement transactions. By upgrading at this time, the Department will both extend the life of the current applications on the computer mainframe but also permit a more orderly upgrade of the individual applications in the future. As the retirement investment and banking systems grow, storage and printing are becoming larger and larger problems. This request is for the purchase of the harware, software, and required maintenance for the upgrade. This request is supported by receipts from affected programs within the Department with a corresponding increase in computer services and receipts in those funds. The allocation is as shown below.

		1999-2000	2000-2001
Fund 1150	Information Services	258,000	258,000
Fund 1210	Investment Management	719,000	52,000
Fund 1220	Banking Operations	435,000	103,000
Fund 1410	Retirement Operations	770,000	103,000
	Total	2,182,000	516,000
Receipts	Intradepartmental	1,028,000	361,000
	Non-Tax Revenue	1,154,000	155,000
	Total	2,182,000	516,000
	General Fund Availability	0	0

	1999-00	2000-01
TOTAL REQUIREMENTS	258,000	258,000
TOTAL RECEIPTS	258,000	258,000
NON-TAX REVENUE		
GENERAL FUND AVAILABILITY		
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS:

Fund 1150 - Information Services

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	2441	Maint. Agreement- Software			75,500	151,000			
53	3120	DP Supplies			12,000	24,000			
53	2821	DP Services			170,500				
53	4522	Equipment - Computer				83,000			
		Requirements	2,060,212	2,236,467	258,000	258,000	258,000	258,000	258,000
		Number of F.T.E.	27.00	27.00	0.00	0.00	0.00	0.00	0.00
RECEIPTS:									
53	8322	Sales and Services- DP			258,000	258,000			
		Receipts	2,060,212	2,236,467	258,000	258,000	258,000	258,000	258,000
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

	1999-00	2000-01
TOTAL REQUIREMENTS	719,000	52,000
TOTAL RECEIPTS		
NON-TAX REVENUE	719,000	52,000
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS:

Fund 1210-Investment Management

ACCOUNT NO.	ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53 2821	DP Services			52,000	52,000			
53 4522	Equipment - Computers			667,000				
	Requirements	2,522,295	4,341,041	719,000	52,000	52,000	52,000	52,000
	Number of F.T.E.	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RECEIPTS:

	Receipts			0	0	0	0	0
	NON- TAX REVENUE	2,522,295	4,341,041	719,000	52,000	52,000	52,000	52,000
	GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
	CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

	1999-00	2000-01
TOTAL REQUIREMENTS	435,000	103,000
TOTAL RECEIPTS	0	0
NON-TAX REVENUE	435,000	103,000
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS:

Fund 1220-Banking Operations

ACCOUNT NO.	ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53 2821	DP Services			103,000	103,000			
53 4522	Equipment - Computers			332,000				
Requirements		773,715	811,166	435,000	103,000	103,000	103,000	103,000
Number of F.T.E.		12.50	12.50	0.00	0.00	0.00	0.00	0.00

RECEIPTS:

Receipts		285,636	260,775	0	0	0	0	0
NON-TAX REVENUE		488,079	550,391	435,000	103,000	103,000	103,000	103,000
GENERAL FUND AVAILABILITY		0	0	0	0	0	0	0
CHANGE IN CASH BALANCE		0	0	0	0	0	0	0

	1999-00	2000-01
TOTAL REQUIREMENTS	770,000	103,000
TOTAL RECEIPTS	770,000	103,000
NON-TAX REVENUE		
GENERAL FUND AVAILABILITY		
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS:

Fund 1410-Retirement Operations

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	2821	DP Services			103,000	103,000			
53	4522	Equipment - Computers			667,000				
		Requirements	8,504,649	6,736,282	770,000	103,000	103,000	103,000	103,000
		Number of F.T.E.	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RECEIPTS:

43	8113	Trnsfr-In-Admin. Pension			693,000	92,700			
43	8114	Trnsfr-In-Admin. Other Trust			77,000	10,300			
		Receipts	8,504,650	6,736,282	770,000	103,000	103,000	103,000	103,000
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER

PRIORITY 9 OF 9

Administrative Services Division
Budget 13410
Fund 1110
Expansion Budget Request

In recent years, the operations of the Department have been growing in size and complexity, both as the result of increased activity in our operating units, as required by law, and of the continuing automations of the operations. Technical and professional positions are on the rise in the Department as the compexity of the work increases. The added complexity makes it necessary for these technical and professional positions classifications to be watched closely. In addition, at the request of the General Assembly, the Office of State Personnel is decentralizing much of its operations. At the present time the personnel staff consists of three positions, (1) Personnel Officer I, (1) Personnel Technician II, and (1) Personnel Technician I handling all personnel matters in addition to special requirements(e.g.OSHA, workers' compensation, etc) all of which must be administered timely and accurately. A Personnel Analyst I will handle all new positions, as well as, upgrading current positions.
An increase in funding for intra departmental purchases of computer services will enable the Adminstrative Services Division to take better advantage of the growing technological infrastructure within the Department.

	1999-00	2000-01
TOTAL REQUIREMENTS	92,106	95,183
TOTAL RECEIPTS	92,106	95,183
NON-TAX REVENUE		
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	1.00	1.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries - Receipts			24,021	32,028			
53	1512	Social Security Contributions - Rec			1,838	2,450			
53	1521	Reg. Retirement Contributions- Rec			2,601	3,469			
53	1562	Med. Ins. Contributions			1,146	1,736			
53	3110	General Office Supplies			1,000	1,000			
53	2811	Telephone Services			500	500			
53	2821	Computer Services			53,000	53,000			
53	4511	Furniture-Office			4,000	500			
53	4522	Equipment-Computer			4,000	500			
		Requirements	812,877	882,198	92,106	95,183	95,183	95,183	95,183
		Number of F.T.E.	14.00	14.00	1.00	1.00	1.00	1.00	1.00
RECEIPTS:									
53	8319	Adminstative Service Fees			92,106	95,183			
		Receipts	812,877	882,198	92,106	95,183	95,183	95,183	95,183
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

attachment 6

NORTH CAROLINA SYMPHONY FACT SHEET

Basic Information

- The Symphony performs approximately 175 full-orchestra concerts for adults and children each year. Of those concerts, approximately 60-65 concerts each year are music education concerts for school children throughout North Carolina.

- The Symphony travels approximately 20,000 miles each year throughout the State. It performs in approximately 52 counties each year, one-half of which are low-per-capita-individual-income or seldom-visited counties.

- Approximately attendance last year was 320,000; Of the 320,000, 190,000 of those were outside Wake County and 80-90,000 were school children attending music education concerts and Young People's concerts.

- In the early 1980's, approximately 70% of the Symphony's operating budget was state funding, with **30% coming from the private sector**; in 1997-98, approximately 32% of the operating budget was state funding, with **68% coming from the private sector.**

New Symphony Hall

- Symphony Hall will be used for local and state musical events (state band, orchestra, and chorus events, young people's concerts, and other music education programs. This will be the only true concert hall in the state (the only one between Washington, DC and Atlanta).

- Symphony Hall will become the home of the North Carolina Symphony.

TOTAL COST OF PROJECT	**$28,000,000**
Funding sources:	
• Request of State of North Carolina	**3,000,000**
• Public (Interlocal Agreement, Wake County, and City of Raleigh)	**14,000,000**
• Private (Corporate, Foundation, Individuals)	**11,000,000**

Of $11 million, **$4 million committed to be raised by the North Carolina Symphony**

2 East South Street • Raleigh, North Carolina 27601-2337 • (919) 733-2750 • Telefax (919) 733-9920

AGENDA

Joint Appropriations Subcommittee on General Government

April 20, 1999
Room 425
8:30 a.m.

Chairman: Senator Ed Warren

Required Reports

Office of State Budget and Management

Report on the Assessment of the Need for Veterans Nursing Home Beds (SB 1366, Sec. 25.1, Session Law 1998-212)

Carl Byrd, Budget Analyst
Jeff Hibbard, Budget Analyst

✓Department of Administration and Office of State Controller

Report on Procurement Card Pilot SB 1366, Sec. 20.3, Session Law 1998-212)

John Leaston
State Purchasing Officer

Gwen Canady
Deputy State Controller

✓Office of State Controller

Report on Pilot Program on Collection of Bad Debts by State Agencies (SB 1366, Sec. 26, Session Law 1998-212)

Don Waugh
Assistant State Controller

STATE VETERANS NURSING HOME STUDY

Section 25.1. The Office of State Budget and Management, Management Section, shall conduct a study assessing the need for nursing home beds for veterans. In conducting the study, the Office of State Budget shall consult with the Department of Administration, Division of Veterans Affairs, and the Department of Health and Human Services. The study shall include the following:

(1) The size and number of facilities required to meet the needs of the present and predicted veterans population.

(2) The need for geographical diversity in the location of facilities across North Carolina to serve the veterans and their families.

(3) The estimated cost of constructing and operating new facilities and sources of funding for the construction and operations of the facilities.

(4) As an alternative to constructing new facilities, the feasibility of placing veterans in private nursing homes or other appropriate facilities where space is available and underutilized.

(5) Cost to the State and individual veterans for utilization of private facilities for veterans nursing home care, and comparison of such costs to the cost of construction, maintenance and provision of care in new facilities.

The Office of State Budget and Management shall report the findings of the study to the 1999 Session of the General Assembly by submitting a report to members of the House of Representatives Appropriations Subcommittee on General Government and the Senate Appropriations Committee on General Government by April 1, 1999.

PROCUREMENT CARD PILOT PROGRAM

Section 20.3. (a) Except as provided by this section, no State agency, community college, constituent institution of The University of North Carolina, or local school administrative unit may use procurement cards for the purchase of equipment or supplies before March 31, 1999.

(b) The Secretary of Administration shall designate no more than 15 governmental entities to participate in a pilot program on the purchase of supplies and equipment by procurement card. Those designated shall represent a cross section of governmental entities and shall include at least one State agency, one community college, two constituent institutions of The University of North Carolina, and one local school administrative unit.

(c) The Division of Purchase and Contract and the State Controller shall report to the Joint Legislative Commission on Governmental Operations and the Joint Appropriations Subcommittee on General Government on February 1, 1999, on this pilot program.

The report shall include all of the following:

(1) Estimates from the pilot program of:
   a. How many purchasing and accounts payable personnel hours could be saved or redirected or both as a result of the procurement card.
   b. The impact of the procurement card on accounting and budgeting records and on purchasing history records.

(2) A discussion of the effect of the procurement card on the State's ability to track both:
   a. Out-of-state sales taxes.
   b. North Carolina State and local sales tax payments by county.

(3) A discussion of any other costs and benefits of the procurement card.

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

PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES

Section 26. (a) The General Assembly finds that a significant number of bad debts are owed to State agencies, and even expansion of the Debt Collection Setoff Act scheduled for 2000 may still leave room for improvement. The General Assembly has been presented information on the extent of the debts but lacks sufficient information to determine if the lack of collection in some cases relates to inability to the debtor to pay, contractual discharges that may have been taken to receive partial recovery from third parties, or need to improve collection procedures within State agencies. Focusing on health care institutions within State government will allow maximum information without disrupting other agencies which have small amounts of bad debts.

(b) The Office of State Controller shall establish a procedure by which health care institutions under or affiliated with the Department of Health and Human Services or The University of North Carolina shall report on collection of bad debts. This pilot program is intended to concentrate on agencies that have a large amount of bad debts, in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government.

(c) The procedures shall require that in the case of each bad debt, that debt is reported to the Office of State Controller with its total amount and with standardized codes indicating the type of debt, the actions taken to collect the debt, and the estimate of the agency on the likelihood of being able to collect the bad debt.

(d) The Office of State Controller shall report the results of the pilot study to the General Assembly no later than April 1, 1999, along with recommendations on changes in law or procedure to better collect the bad debts.

Requested by: Representative Church

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

April 20, 1999

The Joint Appropriations Subcommittee on General Government met Tuesday, April 20 at 8:30 a.m. in Room 425 of the Legislative Office Building. Three of the Senate members were present. Representatives present were: Co-Chairs Jeffus and Wainwright , Vice Chair McLawhorn; Barefoot, Ellis, Hensley, Sherrill and Thompson. Pages were Adam Hurley, Amber Burwell, and Justin Hancock. Senator Ed Warren chaired the meeting.

Mr. Carl Byrd from the Office of State Budget and Management presented a report on the assessment of the need for Veterans nursing home beds. (See Attachment 1)

As directed by the 1998 session of the General Assembly, Mr. John Leaston, State Purchasing Officer, and Ms. Gwen Canady, Deputy State Controller, presented a report on the economic and financial reporting impact of the Procurement Card Program, based upon the pilot implementation to date. (See Attachment 2 for a full description of the Procurement Card Pilot Program.) In response to several questions from Representative Wainwright, Mr. Leaston stated the following:

- They have been working closely with the Office of the State Controller on a Procurement Card Reconciliation System.
- Next step would be to carefully implement the Program statewide by April 1, 1999.
- First Union Bank will administer the Card.
- No cost to State. Merchants using the Card will pay small fee.

Representative Sherrill said that she had had some real misgivings about the Card two years ago, but that she was impressed with the report and would like to go forward with it now.

Representative Hensley wanted to know the interest rate on the Card. Mr. Leaston said that the bills would have to be paid monthly; therefore, there was no interest.

Ms. Canady said that the Controller's Office was supportive of the current plan, and that the Reconciliation System would begin testing in May.

Mr. Don Waugh, Assistant State Controller, then reported on the pilot program on collection of bad debts by State agencies. A copy of the report, which was written in response to a special provision within Senate Bill 1366-Section 26 of the 1998 legislative session, is available as Attachment 3. Mr. Waugh especially asked the members of the Committee to study the "Conclusions and Recommendations" section beginning on Page 9 of the report.

The meeting adjourned at 9:50 a.m. to reconvene at 2:30 p.m. this afternoon.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1
April 20, 1999

An Assessment of the Need for Veterans Nursing Home Beds

As Directed by Senate Bill 1366, Section 25.1, of the 1998 Session of the North Carolina General Assembly

STATE OF NORTH CAROLINA
Office of State Budget and Management
Management Section
Raleigh, NC 27603-8005

April 1999

TABLE OF CONTENTS

		Page
I	Introduction	1
II.	Methodology	1
III.	Background	1
IV.	Needs of Present and Predicted Veteran's Population	2
V.	Geographical Diversity in Location of Facilities	3
VI.	Cost of Construction and Operating New Facilities	3
VII.	Alternatives to Constructing Facilities	5
VIII.	Cost to State and Individual Veterans in Use of Private Facilities	5
IX.	Conclusions	7

TABLES

1. – Projected Number of Beds Needed for Veterans, 1999-2005 3

2. – Estimated Construction Cost for Co-Located and Self-Supported Nursing Homes . . . 4

3. – Annual Cost for a Typical Veteran for State-Operated and Private Nursing Homes . . . 6

4. – Annual Medicaid Liability per Bed 6

5. - Estimated Annual Costs to State and Local Government for 422 Nursing Home Beds for Veterans in 2005 7

EXHIBITS

A. – North Carolina Projected General Population for Years 1999 through 2010 and North Carolina Projected Veterans Population for Years 1999 through 2010 8

B. - Projected North Carolina Veteran Nursing Home Need, 1999 to 2005 . 9

C. – Veterans Administration Medical Center Zone Map for North Carolina . 10

I. INTRODUCTION

Section 25.1 of Senate Bill 1366, 1998 Session, requires the Office of State Budget and Management, Management Section, to conduct a study assessing the need for nursing home beds for veterans. The legislation required that the study include the following:

(1) The size and number of facilities required to meet the needs of the present and predicted veterans population.
(2) The need for geographical diversity in the location of facilities across North Carolina to serve the veterans and their families.
(3) The estimated cost of construction and operating new facilities and sources of funding for the construction and operations of the facilities.
(4) As an alternative to constructing new facilities, the feasibility of placing veterans in private nursing homes or other appropriate facilities where space is available and underutilized.
(5) Cost to the State and individual veterans for utilization of private facilities for veterans nursing home care, and comparison of such costs to the cost of construction, maintenance and provision of care in new facilities.

For purposes of this study a veteran is a person who has had active duty in the Armed Forces and has been discharged under other than dishonorable conditions. This is the same definition used by the US Department of Veterans Affairs. A nursing home for veterans is defined as a facility for veterans that need aid and attendance of another person and qualify for skilled nursing care as indicated by a physician. Demographic forecasts and projections for this report include the year 2005.

II. METHODOLIGIES

Several methodologies were employed during the conduct of this study. Consultations were sought and information was received from the North Carolina Department of Health and Human Services (DHHS), Division of Facilities Services (DFS) and the Division of Medical Assistance (DMA). Additional information and assistance was received from the North Carolina Department of Administration, Division of Veterans Affairs (NCVA) and Office of State Construction, as well as the U.S. Department of Veterans Affairs (USVA). *"The North Carolina Veterans Home 1993 Study,"* produced for the Department of Administration by Smith Sinnett Associates, P.A., was also studied.

III. BACKGROUND

The North Carolina Department of Administration, Division of Veterans Affairs recently opened the first state-operated veterans nursing home in Fayetteville. This 150-bed facility is a

newly constructed building located adjacent to the USVA hospital. Approval has also been received from the federal government, and $1,000,000 in state funds have been appropriated and certified, to convert a building on the USVA hospital campus in Salisbury to a 100-bed state-operated veterans nursing home. In addition, the USVA currently operates veterans nursing homes at the four USVA hospitals located in the state:

- 120-bed facility in Asheville
- 120-bed facility in Durham,
- 39-bed facility in Fayetteville, and
- 300-bed facility in Salisbury.

IV. NEEDS OF PRESENT AND PREDICTED VETERANS POPULATION

According to the North Carolina Office of State Planning, the general population of North Carolina is expected to increase from 7,654,091 during the current year to 8,211,384 by the year 2005, an increase of 7.3% (See exhibit A). During that same period, North Carolina's veteran population is expected to decrease from 683,600 in 1999 to 629,600 by 2005, a decline of 7.9%. General Statutes regulate the number of nursing home beds in North Carolina approved (for construction) by the Department of Health and Human Services, Division of Facility Services. This number is calculated to meet the need of the state without having an overage. Therefore, there is a sufficient number of nursing home beds in the state to meet the need of the general population, including veterans.

The veteran population in North Carolina is estimated to be 683,600 for 1999, decreasing to 629,600 by the year 2005. An examination of the increases reveals that the number of beds for veterans increases because of the aging veteran population. In 1999, 14.0% of the veteran population is estimated to be 75 years and older, but by 2005, 19.1% will be 75 years and over. This increase in the over-75 year age group is expected to continue modestly each year until 2019. Applying the beds/1000 population[1] that is used by DHHS/DFS for the general population, the beds needed for veterans for 1999 are 6,688, increasing to 8,788 by 2005, an increase of 31.4% (See exhibit B, line D). In 2019, the projected population shows a slight decrease in the over 75 year age group of veterans, as does the year 2020 (the last year of current projections by USVA).

If the state decides to provide sufficient nursing home beds for veterans in state-operated facilities, it would need to have 5,431 beds in 1999, and 7,531 beds by 2005 available (see exhibit B, line J). These figures are generated based on the number of beds currently available to veterans through various USVA auspices and NCVA veterans nursing homes (Fayetteville and Salisbury).

Since the total forecasted need for veterans may seem overwhelming, the legislature might consider the model currently used by the USVA for their analyses to base the state's need. According to USVA projection methodologies, the USVA anticipates a market share of 16% of the

[1] The beds/1000 population data are based on the following ratios from DHHS/DFS: Under age 65 (0.47 beds/1000); Age 65-74 (9.93 beds/1000); Age 75-84 (41.99 beds/1000); Age 85 and up (153.69 beds/1000).

veterans average daily census, and 16% of the 30% is allocated to USVA nursing home care, 40% to community nursing home beds, and 30% to state nursing home beds. If this methodology were adopted by the legislature, the state would need to provide 322 beds for veterans in 1999, increasing to 423 by 2005 (see exhibit B line L). (Of the 322 beds needed in 1999, the state already provides 150 beds at Fayetteville, and has funds appropriated for a 100-bed facility in Salisbury.) Given that 250 beds are already allocated, the state would need to provide 173 additional beds for its veterans to place them in state-operated nursing homes.

V. GEOGRAPHICAL DIVERSITY IN LOCATION OF FACILITIES

Using the USVA regional configuration for dividing the state into geographic regions (see exhibit C), there are approximately 168,166 veterans in Region 1, 194,826 in Region 2, 216,701 in Region 3, and 103,907 in Region 4. The table below identifies the number of beds needed for each region for 1999 through 2005 based on the veterans population in the regions. When looking beyond to the year 2005 when there will be a projected need for 423 beds, and taking into consideration that a 150-bed facility is in Region 2 and a 100-bed facility is planned for Region 3, it seems that any additional facilities should be located in Regions 1 and 4. This would mean that the state would need approximately 173 beds in 2005 divided between Regions 1 and 4.

Table 1. Projected Number of Beds Needed for Veterans, 1999-2005

	1999	2000	2001	2002	2003	2004	2005
Region 1	77	81	85	90	93	97	101
Region 2	80	84	89	93	97	100	105
Region 3	97	103	108	114	118	123	128
Region 4	68	72	75	79	83	85	89
Total	**322**	**340**	**357**	**376**	**391**	**405**	**423**

VI. COST OF CONSTRUCTION AND OPERATING NEW FACILITIES

Two models were developed to assist in determining the construction and operating costs of new nursing homes facilities. Both models assume that the facility would be 100 beds, with 50% of the beds being skilled nursing beds, and 50% of the beds being intermediate care. In general, skilled beds are more expensive than intermediate care beds because the skilled beds require more medical and nursing care on average. Both models also assume that the land (site) will be donated or conveyed to the state at no cost, as was the case with the Fayetteville facility. Both models also assume that the USVA will continue to fund 65% percent of the construction cost and that the state will fund the remaining 35% through its State Nursing Home Program.

Co-Located Facility

The overall design concept of the Fayetteville facility was used as a design model for both the co-located and the self-supporting facility. The primary difference between the two models is that a facility located near a hospital could outsource contracts for such services as laundry, pharmacy, medical care, and some dietetics. This reduces the construction cost of the facility in that new facilities would not need a large laundry, pharmacy, kitchen, and medical examination areas. The cost of construction for a co-located facility, in 1999 dollars, is shown below in Table 2.

Self-Supported Facility

This model describes a facility that is not located near a local hospital, or near any medical or service facilities that can provide contracted support services such as laundry, dietetics, or medical examinations. This facility would have the capacity to provide its own laundry services, its own pharmacy, dietetics, and medical examination rooms for the residents. As a result, the expenditures per bed increase because the need for additional square footage increases. The cost for construction for a self-supported facility, 1999 dollars, is shown below in Table 2.

Table 2. Estimated Construction Cost for Co-Located and Self-Supported Nursing Homes (1999 Dollars)

	Co-Located Facility	Self-Supported Facility
Number of Beds	100	100
Gross Square Footage	57,000	65,000
Site Preparation	$ 855,000	$ 975,000
Construction: Utility Services	$ 57,000	$ 65,000
Construction: General Construction	$ 3,990,000	$ 4,550,000
Construction: Plumbing	$ 456,000	$ 520,000
Construction: HVAC	$ 855,000	$ 975,000
Construction: Electrical	$ 798,000	$ 910,000
Construction: Sprinkler System	$ 228,000	$ 260,000
Construction: Special	$ 114,000	$ 130,000
Equipment: Fixed	$ 228,000	$ 260,000
Equipment: Movable	$ 465,700	$ 465,400
Total Current Estimated Cost	**$ 8,046,700**	**$ 9,110,400**
Contingency	$ 241,401	$ 273,312
Design Fee	$ 580,167	$ 656,860
Total Estimated Project Cost	**$ 8,868,268**	**$ 10,040,572**
Federal Share of Project Cost (65%)	$ 5,764,374	$ 6,526,372
State Share of Project Cost (35%)	$ 3,103,894	$ 3,514,200
Total Estimated Cost per Bed	$ 88,683	$ 100,406
Federal Share of Project Cost per Bed	$ 57,644	$ 65,264
State Share of Project Cost per Bed	$ 31,039	$ 35,142

VII. ALTERNATIVES TO CONSTRUCTING FACILITIES

Three alternatives to the construction and operation of state veterans homes were analyzed for their feasibility as alternatives. As previously stated in Section IV of this report, the needs of present and predicted veterans population can presently be met through the existing number of private, state, and USVA nursing beds available in the state.

1. **Leasing Private-Sector Beds:** this option is currently utilized by the USVA in limited cases. The USVA contracts directly with a local nursing home for that facility to provide a bed for a veteran. The results from a recent USVA survey of nursing homes in North Carolina indicated overwhelmingly that long-term care facilities in the state were not interested in entering into additional agreements with the USVA to place veterans in private sector facilities.

2. **Leasing a Private Sector Facility:** From discussions with the USVA, it appears that the state could lease a qualified facility from a private sector firm, and then utilize it for veterans nursing home beds. It is likely that the state would be required to seek approval from the USVA in order to receive USVA reimbursements and allowances. The OSBM study team knows of no other state that presently leases a facility outright for use as a state veterans nursing home.

3. **Purchase an Existing Facility:** Again, from discussion with the USVA, it appears that the state could purchase a qualified existing nursing home facility, and then utilize if for veteran's nursing home beds. Again, approval from the USVA would likely be required in order for veterans to receive the USVA reimbursements and allowances. Again, the OSBM study team does not know of any other state that has pursued this option.

VIII. COST TO STATE AND INDIVIDUAL VETERANS IN USE OF PRIVATE FACILITIES

There are numerous categories that nursing home residents can be divided into, all of which carry different funding/costs associated with their care. Medicaid benefits are by far the most used method for paying a significant share of residents' stay in nursing homes. For example, approximately 70% of the residents in North Carolina nursing homes receive some level of assistance from Medicaid, and some receive benefits from Medicare (approximately 5%). As for veterans, the amount of money each individual may have to pay for staying in a private nursing home can be slightly reduced through the availability of a USVA supplement. If a veteran is a resident in a state-operated (or federally operated) nursing home, the USVA supplement is higher. The table below shows the difference in payments that a married veteran would receive if he were in a state-operated nursing home (such as Fayetteville) versus a private nursing home.

Table 3. Annual Cost for a Typical Veteran for State-Operated and Private Nursing Homes

	State-Operated Nursing Home	Private Nursing Home
Yearly Rate (cost) at Nursing Home[1]	$ 42,001	$ 35,927
Less: USVA Per Diem	$ 16,031	$ -
Less: USVA Aid & Attendance Allowance	$ 7,101	$ 7,101
Cost Less USVA Payments	$ 18,869	$ 28,826
Less: Average Annual Patient Liability	$ 7,551	$ 7,551
Costs/year to be recovered from Medicaid	$ 11,318	$ 21,275

1. The yearly rate (cost) for both types of facilities includes the annual contract or reimbursable Medicaid cost per bed. Also included in both figures is additional overhead, and construction cost, per bed for those facilities. The cost for the Fayetteville facility is reduced by $1,095 per bed per year as a result of the contractor's $3 per bed per day payment to the state for facility maintenance and renovation costs as stipulated in the contract. The figure shown includes this $1,095 reduction per bed per year.

In the above table, Average Annual Patient Liability is the amount of money that veterans in private North Carolina nursing homes receive from such sources as Social Security, disability payments, personal IRA withdrawals, military retirement, or any other sources available to him. Before Medicaid will become a contributor to the veteran's nursing home liability, all patient liability means must be expended. In the above table, Medicaid would assume the $11,318 amount for a veteran in a state-operated nursing home, and $21,275 for the same veteran if they are in a private nursing home. Since Medicaid requires state and local governments to pay a portion of Medicaid payments, the table below reflects which government would pay the remaining costs for the veteran. This assumes that the veteran has no other avenues for which he would use before Medicaid would come into play. Table 4 below describes the Medicaid liability to the federal, state, and local governments for both state-operated and private nursing homes.

Table 4. Annual Medicaid Liability per Bed

	State-Operated Nursing Home	Private Nursing Home
North Carolina's Medicaid Liability (31.56%)	$ 3,572	$ 6,714
Local Government's Medicaid Liability (3.5%)	$ 622	$ 1,170
Federal Government's Medicaid Liability (62.94%)	$ 7,124	$ 13,390
Cost/year to be recovered from Medicaid (100%)	$ 11,318	$ 21,275

IX. CONCLUSIONS

From data available from the USVA, DHHS/DMA, and DHHS/DFS, the following conclusions have been reached:

- The state at present has sufficient nursing beds to meet the needs of both the veteran's population and the general population.
- If the USVA model is applied, the state will have a need for an additional 173 nursing beds for veteran's in the year 2005.
- Any additional state-owned veteran's nursing beds should be located in Regions 1 and/or 4 (see Exhibit C).
- Veterans that require nursing care receive additional allowances and benefits from the USVA that would not be available to them in a private nursing home.
- State and local governments can realize modest savings in Medicaid expenditures by placing veterans in state-operated veteran's nursing homes versus placing them in private homes. However, the state would have to appropriate 35% of construction costs for the facilities. The state's share (in 1999) of the construction cost of a veteran's nursing home that is co-located with a local hospital would cost approximately $3.1 million. The state's share (in 1999) of the construction cost of a veteran's nursing home that is self-supported would cost approximately $3.5 million.
- The table below compares the estimated annual cost to the state for 422 nursing homes beds by the year 2005 for state homes versus the costs to the state to place those 422 veterans in private sector nursing homes. The figures shown have been inflated to the year 2003, assuming that those funds would be appropriated that year to place those veterans in facilities by 2005. The state would incur an estimated cash outflow of $3.9 million in one-time construction costs in 2003 in addition to the total first year's annual cost shown below.

Table 5. Estimated Annual Costs[1] to State and Local Government for 422 Nursing Home Beds for Veterans in 2005

	State Operated Facilities	Private Operated Facilities
Annual state contribution to Medicaid @90% occupancy	$ 691,483	$ 1,788,956
Annual local government to Medicaid @90% occupancy	$ 120,463	$ 329,665
Total First Year's Annual Costs	$ 811,946	$ 2,118,621

1. As mentioned in the paragraph above, in 2003 the state would incur a one-time $3.9 million cost for construction of the additional 173 beds.

There are some additional associated costs to state government for the operation of veterans nursing homes. The USVA requires one contract compliance officer be placed at each nursing

home. Also, the administrative costs to the Department of Administration will be increased in the fiscal office and, perhaps in the Division of Veterans Affairs, to provide proper services to the state-operated nursing homes. These costs are unknown at this time and are therefore not included in this report.

The Legislature should also remain aware that any and all costs associated with this report are subject to change. Such federal contributions as for Medicaid and USVA allowances and matching funds are subject to change. Also subject to change are the demographic information used. All demographic information in this report is based on the 1990 Census. When the 2000 Census is compiled there may be significant changes on veterans population.

North Carolina Projected General Population for Years 1999 through 2010

(in thousands)

Age	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Under 65	6672.6	6749.2	6823.4	6899.7	6976.2	7053.6	7130.1	7199.4	7269.5	7333.3	7398.6	7463.4
65-74	543.0	550.4	553.2	555.3	559.4	567.0	577.1	589.2	604.4	627.3	650.7	671.6
75-84	330.7	340.0	346.3	353.3	361.1	367.2	372.3	376.0	378.5	383.2	388.2	394.0
85 and Over	107.8	112.5	118.5	122.8	126.0	128.3	132.0	139.5	145.4	149.6	154.0	159.5
Total	7654.1	7752.1	7841.4	7931.1	8022.7	8116.1	8211.5	8304.1	8397.8	8493.4	8591.5	8688.5

Source: N. C. Office of State Planning - March 8, 1999
(Last update December 16, 1994)

North Carolina Projected Veterans Population for Years 1999 through 2010

(in thousands)

Age	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Under 65	440.0	430.9	422.4	414.5	406.7	399.2	391.3	383.5	375.1	365.0	354.7	343.6
65-74	147.9	142.5	136.8	131.1	126.2	122.5	118.3	114.0	110.9	109.7	110.0	111.9
75-84	86.8	92.1	95.9	98.7	99.9	98.9	98.6	97.8	96.4	95.0	92.6	89.5
85 and Over	8.9	10.4	12.1	14.1	16.3	18.8	21.4	24.3	27.0	29.2	31.0	32.7
Total	683.6	675.9	667.2	658.4	649.1	639.4	629.6	619.6	609.4	598.9	588.3	577.7

Source: U.S. Department of Veterans Affairs based on 1990 Census
(Last update July 1, 1996)

EXHIBIT A

ncpopul3.xls
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Projected North Carolina Veteran Nursing Home Need

Beds Needed for General Population

		1999	2000	2001	2002	2003	2004	2005
A	North Carolina General Population *(1)*	7,654,091	7,752,024	7,841,386	7,931,133	8,022,635	8,116,168	8,211,384
B	Beds Needed for General Population *(2)*	40,054 *(2)*	41,853 *(2)*	42,091 *(2)*	42,735 *(2)*	43,567 *(6)*	44,399 *(6)*	45,231 *(6)*

Beds Needed for Veterans Population

C	North Carolina Veteran Population *(3)*	683,600	675,900	667,200	658,400	649,100	639,400	629,600
D	Total Beds Needed for Veterans *(2)*	6,688	7,083	7,443	7,808	8,144	8,446	8,788
E	**Less:** USVA Beds Provided for Veterans *(3)*	579	579	579	579	579	579	579
F	**Less:** USVA Beds Provided thru Home Care *(3)*	313	313	313	313	313	313	313
G	**Less:** USVA Beds Provided thru Alternatives to In-patient Care *(3)*	130	130	130	130	130	130	130
H	**Less:** USVA Beds Provided thru Contracts w/Community Homes *(3)*	115	115	115	115	115	115	115
I	**Less:** NCVA Beds Provided for Veterans *(4)*	250	250	250	250	250	250	250
J	**Beds Needed for Veterans (adjusted for beds provided by NCVA and USVA)**	**5,431**	**5,826**	**6,186**	**6,551**	**6,887**	**7,189**	**7,531**
K	USVA Market Share (16% of veterans in need of care) *(5)*	1,070	1,133	1,191	1,249	1,303	1,351	1,406
L	**State Veterans Nursing Home Need (30% of USVA share)** *(5)*	**321**	**340**	**357**	**375**	**391**	**405**	**422**

Sources:

(1) N.C. Office of State Planning

(2) N.C. Department of Health and Human Services - Division of Facility Services

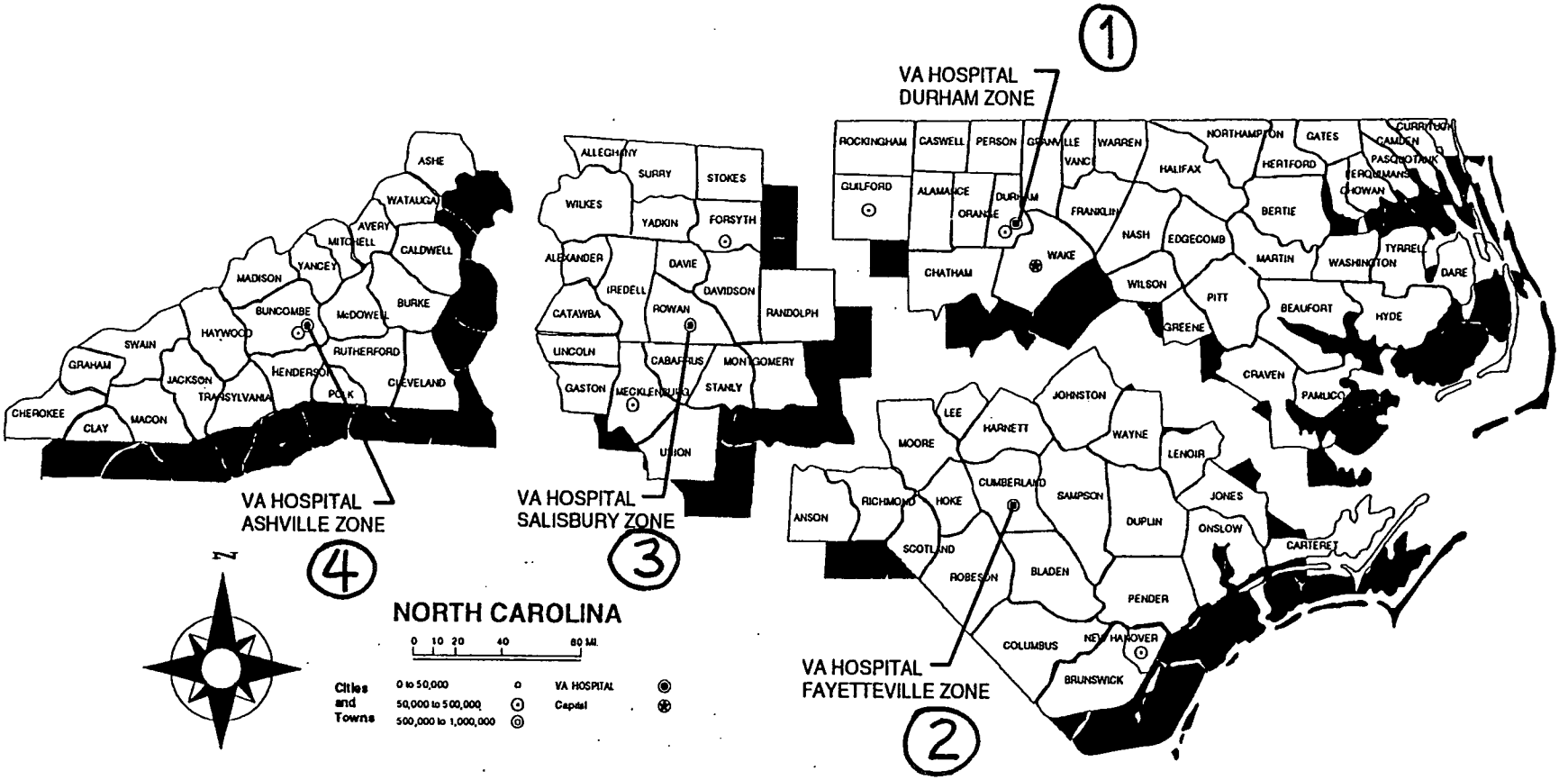
(3) U.S. Department of Veterans Affairs

(4) N.C. Department of Administration - Division of Veterans Affairs

(5) U.S. Department of Veterans Affairs - VA Nursing Home Model 92.0

(6) N.C. Office of State Budget and Management

projneed.xls
3/22/99



VETERANS ADMINISTRATION MEDICAL CENTER ZONE MAP FOR NORTH CAROLINA

EXHIBIT C

Attachment 2
April 20, 1999

State of North Carolina

James B. Hunt, Jr.
Governor

February 1, 1999

MEMORANDUM

To: **Joint Appropriations Subcommittee on General Government**
Joint Legislative Commission on Governmental Operations
North Carolina General Assembly

From: **Edward Renfrow**
State Controller

Katie Dorsett
Secretary, Department of Administration

Subject: **Procurement Card Pilot Program**

As directed by the 1998 session of the General Assembly, the Office of the State Controller (OSC) and the Division of Purchase & Contract (P&C) are reporting jointly on the economic and financial reporting impact of the procurement card program, based upon the pilot implementation to date.

As the administrator of the North Carolina Accounting System (NCAS), the OSC has prepared that portion of the report covering the impact of the procurement card program on the availability of business information to central management agencies and NCAS agencies for procurement card transactions. As the administrator of the Procurement Card Program, P&C is reporting on the economic and organizational impact of the procurement card. Copies of these analyses are attached for your review. Based on progress to date, we recommend the procurement card program be fully implemented beginning April 1, 1999.

We appreciate the opportunity to present this report to the General Assembly and look forward to continuing to assist in the evolution of the state's business practices and systems. We are available at your convenience for additional discussions.

Business Information Retention Impact
Of the Procurement Card
Prepared by the Office of the State Controller

As directed by the 1998 session of the General Assembly, the Office of the State Controller (OSC) and the Division of Purchase & Contract (P&C) are reporting on the procurement card pilot program. The pilot program has been directed by the Division of Purchase & Contract (P&C), with the OSC working to resolve several significant issues related to retention of business information needed by agencies and central managers who are users of the North Carolina Accounting System (NCAS). This report is submitted jointly with P&C's report on the economic impact of the procurement card pilot program and will provide assistance as the General Assembly evaluates the future scope and direction of the procurement card program.

The business information issues are being resolved by OSC with the design and implementation of the Procurement Card Reconciliation System. This system will allow agencies that use the North Carolina Accounting System (NCAS) to record and report on business information related to procurement card transactions, as well as to reconcile individual transactions against the card provider's monthly invoice. Information recorded on the new system will be interfaced automatically with the NCAS. An agency could utilize procurement cards without such an automated reconciliation system, as the Department of Health and Human Services (DHHS) has during the pilot, but manual information processing is so time-consuming that using the card is not cost effective.

The Procurement Card Reconciliation System will be fully operational by March 31, 1999. The total cost of developing the system will be approximately $150,000. Approximately $125,000 of that cost is for outside programming services, while the balance of the work is being performed by OSC employees. This system will be used by all NCAS agencies, with the exception of the Department of Administration (DOA), who already had developed their own system before OSC began this project. Both DOA and North Carolina State University already have developed reconciling systems for procurement card transactions. Other non-NCAS entities also are likely to develop some automated way to reconcile card transactions, thereby incurring some development cost. The ongoing cost for utilizing and maintaining this new NCAS system is expected to be offset by the cost savings due to the reduction in NCAS requisition and invoicing transactions.

In addition to the monthly reconciling functionality, the Procurement Card Reconciliation System provides a means to processing the following business data.

Detailed Accounting Records

Every card user's transactions will be recorded initially to a specific default accounting distribution. The Procurement Card Reconciling System will allow agencies to adjust the default distribution to reflect the correct account for recording the purchased materials or services. These adjusted distributions will be interfaced to the NCAS general ledger, so agency personnel and central managers will see accurate accounting information on reports, on-line inquiry and SmartStream Decision Support System (DSS) views.

Budgeting Records

Obviously, funds availability cannot be checked at the time a procurement card transaction takes place. However, the average transaction is small enough that any funds shortfall can be covered easily from other available money. In addition, daily reports from the Procurement Card Reconciliation System can be used to identify potential funds shortages quickly.

Sales Tax Payments by County

For every transaction, the Procurement Card Reconciliation System allows the agency to record the amount and percent of tax paid, as well as the county in which the transaction took place. This data can be retrieved from the new system and combined with NCAS tax information to produce the required reports for the Department of Revenue.

Out-of-State Sales Taxes

On purchases from out-of-state vendors, the agency must accrue the tax and remit it to the NC Department of Revenue. The Procurement Card Reconciliation System allows agencies to record accrued taxes and report this information as needed. With the information from these reports, coupled with information from NCAS, the agency can remit the correct amount of accrued taxes to the Department of Revenue.

Recycled Goods Reporting

The Procurement Card Reconciliation System allows agencies to indicate for each line of every card transaction whether the goods purchased were recycled paper or non-paper materials. In the past, agency buyers made buying decisions centrally, and they flagged transactions as recycled. Obviously, the accuracy of the data on the new system depends on the cardholder recognizing when purchased goods were made from recycled materials, which may be unlikely. Nevertheless, the new system at least provides a method of collecting this information, when available.

1099 Reporting

The Procurement Card Reconciliation System allows agencies to flag a transaction line as a service. However, determining whether the transaction is actually 1099 reportable and entering it into the NCAS is manual. Because the card will mostly be used to purchase goods, as opposed to services, this manual interface to the NCAS is not seen as a hardship.

Purchasing History Records

The Procurement Card Reconciliation System allows agencies to record a short description of each good or service purchased with the card. If this description is not entered, then the system defaults to the generic description provided by First Union. Even if agencies provide these descriptions, there will be no item number or commodity code with which to automate retrieval of detailed item purchasing history. The general consensus of central managers is that the information provided by the account distribution is sufficient detail for purchasing analysis. For example, instead of retaining detailed information on the purchases of pens, pencils, file folders, etc., agencies and central managers will utilize values in the "office supply" account in the general ledger.

In addition to the above, there are several other business information issues that are not addressed by the Procurement Card Reconciliation System, but which have been resolved in another way.

Historically Underutilized Business (HUB) Reporting

The card provider, First Union (previously CoreStates) has agreed to provide reports by agency of transactions by HUB category. First Union does maintain vendor codes for minority-owned and woman-owned vendors, but it does not have information on disabled-owned vendors. Agencies can use the reports provided by First Union to supplement the report produced quarterly by the NCAS.

Vendor Totals

The totals of business transactions with specific vendors will not be available through automation. Although the card provider does provide the vendor's name for each transaction, First Union cannot provide a unique vendor number for each vendor. As a result, any vendor analysis involving card transactions would have to be done manually.

Summary

In summary, there have been some compromises with respect to data collection for procurement card transactions, but the critical data can be collected via the Procurement Card Reconciliation System. All of the data to be collected, although automated, requires manual data entry by the agency. It is fair to say that this requirement for data entry and reconciliation offsets some, but not all, of the personnel savings to be provided by the procurement card program. Assuming the program is justified on an economic basis, there is no reason why the NCAS agencies cannot go forward with the procurement card program beginning April 1, 1999.

ECONOMIC and ORGANIZATIONAL IMPACT OF THE PROCUREMENT CARD

Prepared by the Division of Purchase & Contract

State agencies process small purchases in a variety of ways - purchase orders, local purchase authorizations, direct pay, petty cash, etc. University campuses, community colleges, and local school systems use their own methods and accounting systems. Within the broad limits of statute and the N.C. Administrative Code, each can set local policies and procedures. There is thus no typical agency, but rather a broad spectrum. Evaluation of the procurement card's impact must be viewed with this in mind.

The General Assembly directed the OSC and P&C to address a number of issues in this report. Our analyses answer most of these questions; however, it was not possible to determine precisely the impact of the program on purchasing and accounts payable personnel hours. Two of the reasons are: 1) As the OSC indicates, there will need to be some manual entry of data that may offset some of the personnel savings in other areas. Until reconciliation systems are operational in a variety of environments, the time required for data entry will not be known. 2) Universities and state agencies have new purchasing responsibilities (described below) that may utilize time saved through use of the cards and be difficult to capture for reporting. Nevertheless, the figures given are the best estimates we have at this time as to potential savings and costs of implementing the procurement card throughout State government.

The volume of small purchase transactions means that even small economies can add up to significant savings of time and materials. This will not be fully realized until the card moves beyond the very limited pilot phase and is available statewide. Based on agencies' experiences, we offer examples of potential savings:

Purchasing

Direct savings for purchasing will depend on what type(s) of transactions the card replaces. In some agencies, small purchases are handled with direct pay mechanisms and involve purchasing only through general oversight of procedures. In others, every purchase - no matter how small - has generated a purchase order. For the latter situation, use of the card saves most of an estimated $75-125.00 processing cost per order, which includes everything from initiation of request through payment to the vendor. If small purchases are not routinely processed through purchasing, savings are realized by the user and accounting.

Legislative action in the 1997 session enabled state agencies to request an increase in their purchasing delegation from $10,000 to $25,000. University campuses' delegations rose from $35,000 to as much as $250,000. Though this may allow more responsiveness to local needs, it also dramatically increases the purchasing staff's responsibilities, involving them in procurements of greater complexity and risk. Unless ways can be

found to streamline their operations, additional staff may be needed to manage these procurements properly. Use of the procurement card for small purchases is one means to redirect purchasers' skills to such larger procurements.

Accounts Payable

Whatever process is used to initiate a purchase, at some point payment to vendors must be made and expenses charged to the proper account. This does not change with the procurement card. Efficiencies can be realized through reducing the number of checks processed (particularly to those vendors with only one or a few transactions). Cost of processing a check is estimated at $35.00. Receiving transactions in a more consistent format also simplifies reconciliation for whoever does it. Adaptations of online reconciliation systems such as those developed by N.C. State University and the Department of Administration and OSC's system for NCAS users will also assist here.

End Users

Those employees who actually work with the tools, parts, supplies, etc., have more time to do their jobs because they spend less time filling out purchase or reimbursement requests. Many small purchases are for maintenance or repair parts needed around the clock, often on an emergency basis. The card empowers maintenance personnel to fix the problem as soon as possible, rather than waiting for paperwork or traveling to a central storeroom.

Management

Managers can obtain consolidated purchasing activity reports showing purchases by cost center and by vendor, allowing them to identify spending trends more easily than through the variety of small purchasing methods otherwise used. This helps with budgeting and may facilitate negotiations for volume discounts.

Vendors

Suppliers and potential suppliers are very enthusiastic about the card program. Informal surveys by using agencies have shown that simpler paperwork and prompt payment are definite advantages, thus improving relationships between their agencies and suppliers. In HUB forums around the state, the card concept was received quite positively by small and large businesses alike. P&C receives frequent inquiries from vendors willing to accept procurement cards.

Vendors need not process separate invoices or wait for "net 30" payment from individual agencies. Instead they receive payment from the card processing company within several business days after the transaction.

Examples of Savings

A large university, already highly automated, estimates that every transaction processed through the card, rather than its online small purchase system, saves at least $2.05 in direct labor and supplies. Based on current average volume of 1470 transactions per month, that is a savings of $35,200.00 annually. Savings are likely to increase in inverse proportion to the current level of streamlining in the small purchase process, so this is a very conservative figure if applied to campuses with more labor-intensive procedures.

A medium-sized state department averages just under 1,000 card transactions each month, 66% of which were less than $100.00. These replace small purchase procedures rather than more costly purchase order processes used by some agencies. In 1998, an average of 148 vendors per month had only one transaction (compared to an average of 121 with more than one). Rather than processing a check for each of those vendors, the department wrote one check to the card processor. Using the low estimate of $2.05 per transaction yields an annual cost avoidance of at least $24,000.00, which could increase dramatically if the card saves the cost of individual payment checks.

A large decentralized state department has piloted the card in two divisions and now projects that many of its 28,000 purchases under $500.00 (average amount $165.00) could be routed through the card program. Using even half of that total number would mean savings over $28,000.00

A community college campus reports just over 500 card transactions per month in late 1998, which equates to an annual savings of at least $12,000.00.

These examples emphasize that even a small cost avoidance per transaction yields important savings overall.

If card transactions replace the more costly purchase order process, savings can be much more dramatic:

A large school system, which has used the card in central operations and about 15% of its schools (soon to be expanded), realized a 10% reduction in purchase orders. They estimate a total cost per P.O. of $100.00, so these 15,000+ transactions mean a saving of approximately $750,000.00 (15,000 x 1/2 the cost of a purchase order).

Another large school system, which has recently begun its card pilot, expects to eliminate 30-60% of its 20,000 purchase orders annually. They estimate the total cost of processing a purchase order at over $75.00, so replacing 30% of P.O.'s and saving even half that amount per transaction adds up to $75,000 annually.

Summary

The pilot agencies have demonstrated that procurement cards are valuable tools for all involved - purchasing, accounts payable, management, end users and vendors. We look forward to working with the Office of the State Controller to complete training, policies and procedures to insure continued success as the program is implemented statewide.

Attachment 3
April 20, 1999

State of North Carolina
Office of the State Controller

James B. Hunt Jr.
Governor

Edward Renfrow
State Controller

April 20, 1999

MEMORANDUM

TO: Joint Appropriations Subcommittee on General Government

FROM: Edward Renfrow
State Controller

SUBJECT: Pilot Program on Collection of Bad Debts Report

The report provided is in response to a special provision within Senate Bill 1366-Section 26 of the 1998 legislative session. As an alternative to the State Controller's accounts receivable program funding request, the General Government Appropriations Subcommittee presented the special provision, *Pilot Program on Reporting on Collection of Bad Debts by State Agencies.* The subcommittee requested additional information to determine if bad debts result from the inability of the debtor to pay, from contractual discharges taken to receive partial recovery from third parties, or from a need to improve collection procedures within State agencies. As a result of no additional funding, the State Controller has focused limited resources on the redesign of processes to help better standardize bad debt collections and to document information in support of this report.

The report is divided into three sections and may be summarized as follows.

Background Information

- Current report has been influenced by the *Analysis of the Accounts Receivable Function Within the State of North Carolina Report,* dated May 8, 1998
- State Controller remains committed to the redesign of accounts receivable and debt setoff processes and systems to standardize bad debt collections, as well as maximize automation and minimize manual processing

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Current Debt Collection Environment

- Billing and collection processes at the health care agencies are effective; however the use of best practice technologies varies significantly
- Although overall processes are effective, a significant amount of A/R is over 240 days old
- Utilization of outside collection agencies prior to debt setoff has proven effective
- Account receivable write-offs are primarily a result of contractual adjustments and indigent care

Conclusions and Recommendations

- The *Pilot Program on Reporting on Collection of Bad Debts* by State Agencies should be extended and expanded to include additional agencies
- Consideration should be given to implementation of a Bad Debt Collection Clearinghouse Pilot Program
- Legislative issues in support of better collection efforts should be reviewed and addressed

A Pilot Program on Collection of Bad Debts Report discusses each of the aforementioned issues and is attached for your review. The OSC is prepared to address questions at your request.

Attachment

NORTH CAROLINA

PILOT PROGRAM ON COLLECTION OF BAD DEBTS REPORT

April 20, 1999

North Carolina Office of the State Controller

Edward Renfrow, State Controller

State of North Carolina
Office of the State Controller
Pilot Program on Collection of Bad Debts Report
April 20, 1999

The Office of the State Controller is responsible for the *Statewide Accounts Receivable Program* as authorized by North Carolina General Statute 147-86.20 -.27. The report provided is in response to a special provision within **Senate Bill 1366-Section 26, (Pilot Program on Reporting on Collection of Bad Debts by State Agencies).** The pilot program is intended to concentrate on health care related agencies that have a large amount of bad debts in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government. The special provision asks the Office of the State Controller to:

- Collect more information on accounts receivable bad debts to determine reason for the lack of collection.
- Establish a procedure by which health care institutions under the Department of Health and Human Services or the University of North Carolina System shall report on bad debts.
- Provide information in the case of the bad debt, type of bad debt, actions taken to collect and likelihood of debt being collected.
- Report the results of the pilot study to the General Assembly no later than April 1, 1999, along with recommendation on changes in law or procedures to better collect the bad debts.

Background Information

Senate Bill 39 (1997 Legislative Session) directed the State Controller to study whether it is desirable and feasible for the State to establish a central statewide clearinghouse for compiling tax setoff information required by the Department of Revenue to comply with Chapter 105A of the General Statutes. The State Controller broadened the scope of the study to include an analysis of the State's accounts receivable and debt collection environment. In spring 1998 Coopers and Lybrand L.L.P. (C&L), partnered with the Office of the State Controller, completed this study. The results of this study were published in the report, *Analysis of the Accounts Receivable Function Within the State of North Carolina*, dated May 8, 1998, and subsequently presented to various legislative committees during the 1998 session.

The report findings and observations led to several recommendations to redesign accounts receivable and tax setoff processes and to infuse accounts receivable systems with a greater amount of technology. Implementing these recommendations would ultimately redesign accounts receivable and tax setoff processes and systems to standardize bad debt collections, as well as maximize automation and minimize manual processing. The recommendations provide four phases in order for the State of North Carolina to fulfill the minimum requirements toward achieving Best Practice standards. The phases and steps recommended are as follows:

Phase 1: - Standardize

- Develop an integrated and standardized agency level technology plan for accounts receivable, to include agency billing requirements.
- Redesign accounts receivable and tax setoff processes and systems to standardize bad debt collections, maximize automation, and minimize manual processes.

- Continue the Requirements Analysis phase to determine the best way to implement new technologies related to accounts receivable.

Phase 2: - Infuse

- Implement an integrated accounts receivable system that utilizes imaging and workflow technologies.
- Implement an integrated accounts receivable system that utilizes EC/EDI technology.

Phase 3: - Implement

- Establish and administer a highly automated data warehouse for accounts receivable information for state government agencies.
- Continue to explore and analyze the possibilities of expanding wage garnishment to further increase bad debt collections.
- Implement statewide the ability to assess interest and penalties on accounts receivable.
- Establish and administer a highly automated and centralized clearinghouse for bad debt collection.

Phase 4: - Outsource

- Outsource, but administer under the control of DOR, the bad debt collection process.

During the 1998 session, the Office of the State Controller requested expansion funds to move forward with several of the study's recommendations. In particular the State Controller requested funds to continue analyzing accounts receivable requirements statewide and to design a centralized bad debt collection clearinghouse; however, no additional funds were authorized.

As an alternative to the State Controller's funding request, the General Government Appropriations Subcommittee presented the special provision, *Pilot Program on Reporting on Collection of Bad Debts by State Agencies*. The subcommittee requested additional information to determine if bad debts result from the inability of the debtor to pay, from contractual discharges taken to receive partial recovery from third parties, or from a need to improve collection procedures within State agencies. As a result of no additional funding, the State Controller focused limited resources on the redesign of processes to help better standardize bad debt collections and to document information in support of this report.

Pilot Program Participants

To satisfy the requirements of the special provision, the Office of the State Controller focused on the following state health care institutions:

- Department of Health and Human Services
  - Division of Mental Health hospital and patient treatment centers
  - Division of Medical Assistance recipient and provider programs
- University of North Carolina System
  - UNC Hospitals
  - UNC Physicians & Associates of UNC-Chapel Hill

– East Carolina University School of Medicine clinic (affiliated with Pitt County Memorial Hospital)

The Office of the State Controller gathered information through a combination of telephone interviews with key staff at each of the state health care institutions, analyzing agency responses to the June 30, 1998 *Statewide Accounts Receivable Report*, and by reviewing state policies and procedures related to bad debt collection.

Current Debt Collection Environment

This section summarizes the debt collection efforts at the state health care institutions. Information presented includes:

- An evaluation of the billing and collection processes
- A discussion of problems collecting old debt
- The use of outside collection agencies
- An explanation of the components of accounts receivable write-off processes.

Billing and Collection Processes at the State Health Care Institutions are Effective; However the Use of Best Practice Technologies Varies Significantly

State health care institutions must comply with an abundance of state and federal regulations and insurance company rules when billing and collecting medical receivables. Each state health care institution has an accounts receivable billing and processing system designed specifically to process medical receivables. Along with these systems, the state health care institutions have detailed procedures to aid their staff in collecting patient information and pursuing payments. All state health care institutions aggressively use either Attorney General staff, outside collection agencies, or both to aid in collecting delinquent accounts.

There are many similarities between the procedures used at each state health care institution. An example of the billing and collection procedures used by UNC Hospitals is summarized below:

Accounts Receivable Billing Cycle Process

- Intake staff establish patient record with patient account number and medical record number
- Staff verify insurance information through online access with payers or phone call
- Staff request authorizations and pre-certifications
- Service departments enter charges by date of service
- Charges are batched and interfaced nightly for billing
- Medical Records codes services to meet billing criteria

- Claims are final-billed (inpatient, 3-7 days) or billed (outpatient, 30-days)
- Claims are adjudicated to payers based on eligible mode of transmission, (Magnetic Tape, Electronic Data Interchange (EDI) format, ANSI standard, hard copy claims and manual key entry to payer claims terminals)

Debt Collection Cycle Process

- Claims filed to payer or patient
- Collection calls are placed after 21-days from bill date for demand payment
- Dunning messages on the monthly patient bill encourage payment from patients
- Accounts without payment resolution aged over 90-days get pre-collection notice
- Accounts without payment resolution aged over 120-days qualify for bad debt
- Bad Debt accounts are referred to the Attorney General (or outside collection agency) for professional collections
- For accounts worked by an outside collection agency, if payment is not satisfied within 6-months, the account is returned to UNC Hospitals
- Eligible accounts are referred to the Setoff Debt Collection Act program or the State Employee Debt Collection Act program

The 1998 *Analysis of the Accounts Receivable Function Within the State of North Carolina* report noted several deficiencies in receivables processing including:

- A small percentage of receivables systems (25%) have the ability to calculate interest and penalties on delinquent accounts.
- A large number of agencies report a low level of inter-agency and intra-agency data sharing.
- Best Practice technologies are rarely used in North Carolina. Technologies such as imaging, workflow, and EC/EDI can increase the turn around time and increase data accuracy.

The ability to assess penalties and interest, utilize Best Practices technology, and share information with other agencies varies among the state health care institutions. While the receivables system for one state health care institution automatically calculates penalties and interest on delinquent accounts, another state health care institution must manually calculate these amounts. All the state health care institutions have some difficulty in sharing information electronically among themselves and with other state agencies. The reason for this is partly confidentiality concerns as well as technology limitations. However, as funds permit, state health care institutions are working to implement advances in technology such as imaging patient records, utilizing voice response systems for billing inquiries, and contracting with banks for lockbox and other payment services. The goals of these initiatives are to increase customer satisfaction and to lower processing costs.

Although Overall Processes are Effective, A Significant Amount of Accounts Receivable is Over 240 Days Old

A receivable aging schedule shows the amount of time an item has been outstanding or held. The longer receivables are uncollected, the greater is the likelihood for uncollectability. Each state health care institution has its own standards for aging receivables and most receivable processing systems can not track beyond a particular aging category. This can make it difficult to compare receivables aging information among state health institutions. The following table lists receivables aging as of 1/31/99 for each of the state health care institutions.

	Current to 240 Days	Over 240 Days	Total Receivables	% Over 240 Days
ECU School of Medicine (**Note 1**)	$ 22,366,583	$ 9,504,209	$ 31,870,792	29.8%
UNC Hospitals (**Note 2**)	84,036,807	87,309,060	171,345,867	51.0%
UNC Physicians & Associates	43,772,747	7,224,916	50,997,663	14.2%
DHHS Div of Medical Assistance	47,653,134	5,258,173	52,911,307	9.9%
DHHS Div of Mental Health	45,969,259	20,668,902	66,638,161	31.0%
Total	$ 243,798,530	$ 128,965,260	$ 373,763,790	34.5%

Note 1: The amounts shown for ECU represent aging categories Current to 180 Days and Over 180 Days.
Note 2: Over 240 days amount includes $73,276,210 of bad debt that is not aged.

Information is limited on how old is the oldest debt. It is believed that a significant portion of the debt in the Over 240 Days category is at least several years old. Receivables for medical services tend to be older than other types of receivables in the state. Medical services are billed to insurance carriers first to determine the final amounts to be billed to the patient. This process can add an additional 30 to 90 days to the receivable collection process.

Based on a Price Waterhouse LLP survey of private collection agencies completed for the U.S. Treasury, the collectible amount of debts older than 240 days ranges from a low of 7% to high of 14%. Once the debt is 1-2 years delinquent, the collectible amount drops to a low of 2% to a high of 5% of the debt amount. At more than two years old, 1% or less of the delinquent debt is estimated to be collected.

Best business practices write off accounts when all collection procedures have been conducted without results and management deems the accounts uncollectible. In North Carolina all state agencies and institutions are required additionally to complete any collection procedures dictated by the Attorney General and to submit the debt to the Department of Revenue for tax setoff at least once. These requirements do not apply to contractual adjustments or indigent care write-offs. While the receivable balances on the financial statements are decreased when uncollectible accounts are written off, the legal obligation to pay the debts still remains. For uncollectible receivables greater than $25, all state agencies and institutions are required to maintain a summary level record of the accounts sufficient to

substantiate the debt indefinitely or until the debt has been collected or discharged by the Attorney General. Also after write-off, the state health care institutions must continue to submit these debts to the Department of Revenue for tax setoff processing. This requirement to report these debts indefinitely discourages state health care institutions from writing off uncollectible debts. Both the state health care institutions and the Department of Revenue are continually processing debts with a very low likelihood of collection. The costs of processing debts that are less likely to be collected should be reviewed to determine the most cost effective write-off policy.

Utilization of Outside Collection Agencies Prior to Tax Setoff has Proven Effective

Best business practices often utilize private collection agencies for bad debt collection. In North Carolina, accounts without payment resolution over 90 to 120-days are referred to the Attorney General or private collection agencies for professional collections. Contracts are initiated through the Request for Proposal process and typically contracted for 1-3 years with options to extend for additional periods. Their % recovery rate varies by account, age, and dollar-amount and ranges from 2% to 14%. The fee charged by the collection agencies ranges from 3%-28% of the recovery amount. Once an account is inactive (no payments or other contact with patient) for six months, the account is returned. Bad debt accounts are then submitted to the Department of Revenue for tax setoff. If the patient is a state employee, the account is submitted to the State Employee Debt Collection Act program.

Both UNC Hospitals and UNC Physicians & Associates maintain a central collection staff including Attorney General staff dedicated to pursuing delinquent accounts. These two state health care institutions selectively send delinquent accounts to their contracted collection agencies. ECU School of Medicine does not have Attorney General staff specifically assigned to pursue delinquent accounts. ECU sends all delinquent accounts to a private collection agency.

Neither DHHS hospital and patient treatment centers nor the Medicaid programs utilize private collection agencies due to confidential client information regulations. Based on State mental health laws contained within G.S. 122C-52, 55, the Confidentiality Rules in 10 NCAC 18D and an Attorney General's advisory memorandum dated April 16, 1996, it has been determined that accounts for DHHS institutions can not be released to a private collection agency without the consent of the client or a responsible party. The current consent form, Release of Confidential Information, used by the DHHS institutions does not include private collection agencies. DHHS currently maintains a central collection staff for pursuing bad debts and utilizes the Attorney General for collection suits.

Submitted to Collection Agencies as of January 31, 1999

	Amount
UNC Hospitals	$ 21,764,060
UNC Physicians & Associates (**Note 3**)	1,130,516
ECU School of Medicine	10,255,085
Total	$ 33,149,661

Note 3: Amount represents delinquent accounts submitted to private collection agencies since the beginning of the fiscal year.

Accounts Receivable Write-offs are Primarily a Result of Contractual Adjustments and Indigent Care

The accounts receivable write-offs, as presented in the annual A/R report, were a significant influence on the legislative special provision requiring this report. The major area for state write-offs relates directly to the health care programs. The June 30, 1998 Statewide Accounts Receivable Report reflected $276 million contractual adjustments, $180 million indigent care write-offs and $33 million bad debt write-offs for the last fiscal year.

Contractual Adjustments

Contractual adjustments are the differences between revenue at established rates and the amounts realizable from third-party payers under contractual agreements. These adjustments are made to patient accounts as the result of a contractual agreement to provide certain services or products at a previously negotiated price. The contractual adjustment is the difference between the value assigned by the State provider/supplier of the product or service, and the predetermined price as negotiated with a third-party payer.

Contractual adjustments occur with contractors such as Blue Cross Blue Shield, Champus, Medicaid, Medicare, and other HMO's. Most contracts prohibit charging a patient the difference between the normal rate and the contracted rate. State health care institutions have limited room to negotiate rates with these contractors. For example, Medicaid sets a North Carolina rate for each procedure. Medicare sets a national rate with a regional adjustment factor for each procedure. The only option is to either accept the rate proposed by the contractor or refuse to accept that contractor's insurance.

In order to cover operating costs, a state health care institution must control costs so that the contracted fee is sufficient. Because a state health care institution contracts with multiple insurance carriers, cost shifting occurs between the highest and lowest paying carriers. Carriers that pay more for a procedure subsidize the cost for patients whose carriers pay less for the procedure. Generally, a carrier that pays more for one procedure pays less for another procedure. In this way, carriers "cross-subsidize" each other's patients. Within a state health care institution, the medical services fee schedule is the same for all carriers. The fee schedule is set to accommodate the highest paying carriers. Therefore, the state health care institution recognizes a larger contractual adjustment for the lowest paying carriers.

Contractual Adjustment Amounts FYE June 30, 1998

	Amount	% of State Total
UNC Hospitals	$ 132,934,965	48.2%
UNC Physicians & Associates	87,111,039	31.6%
DHHS Div of Mental Health	14,599,440	5.3%
ECU School of Medicine	41,380,960	14.9%
Total	$ 276,026,404	100.0%

Indigent Care Write-offs

Indigent care write-offs are the differences between revenue at established rates and the amounts realizable from the financially responsible party for those receiving the State product or service. In this instance, the write-off is the result of the financially responsible party being **unable** to meet the financial obligations due to poverty or a lack of subsistence.

For the university institutions, indigent care allowances are based on the federal poverty guidelines. Patients whose income, dependents, etc., fall within these guidelines receive an indigent care write-off. DHHS hospital and patient treatment centers review assets and other financial obligations for each patient to determine the patient's ability to pay. Ability to pay is based on a formula that analyzes assets, income included, income exempted and applicable deductions. The difference between the ability to pay and the patient's responsible costs is written off as an indigent care adjustment. The number of patients receiving an indigent care adjustment varies among the state health care institutions. For example, while a majority of the patient bills at the DHHS hospitals and treatment centers receive an indigent care adjustment, only 1.5% of the patient bills are adjusted at ECU.

Indigent Care Write-off Amounts FYE June 30, 1998

	Amount	% of State Total
UNC Hospitals	$ 24,720,822	13.8%
UNC Physicians & Associates	5,763,751	3.2%
DHHS Div of Mental Health	147,337,172	82.0%
ECU School of Medicine	1,884,557	1.0%
Total	$ 179,706,302	100.0%

Bad Debt Write-offs

Bad debt write-offs are all write-offs other than those for contractual or indigent care reasons. Write-off occurs when an agency official determines, after using all appropriate collection tools, that a debt is not collectible. The debt is then removed from an agency's accounting and financial records, with the agency terminating its efforts to collect the debt.

Bad Debt Write-off Amounts FYE June 30, 1998

	Amount	% of State Total
UNC Hospitals	$ 8,020,377	24.2%
DHHS Div of Mental Health	911,951	2.7%
Other (**Note 4**)	24,271,741	73.1%
Total	$ 33,204,069	100.0%

Note 4: Other category relates to non-health care receivables.

Conclusions and Recommendations

The Pilot Program on Reporting on Collection of Bad Debts by State Agencies Should Be Extended and Expanded to Include Additional Agencies

Thus far we have concentrated on state health care institutions. Based on this review and the 1998 *Analysis of the Accounts Receivable Function Within the State of North Carolina*, best business practices suggest further collection efforts prior to submission to the Department of Revenue for tax [illegible]off may result in increased revenue to the state. Current agency utilization of private collection agencies should be analyzed further to determine whether statewide contracts could result in more favorable fee structures and improved recovery rates. Additional review of other material receivables related to the type of bad debt, actions taken to collect and likelihood of the debt being collected may identify specific problem areas and additional bad debt volume to support a Bad Debt Collection Clearinghouse Pilot Program discussed below. Department of Revenue out of state bad debts and student tuition receivables are examples of additional bad debt volume to be considered. In addition to extending the *Pilot Program on Reporting on Collection of Bad Debts*, a report to the legislative short session should be required to address additional findings and a recommendation concerning the potential for a Bad Debt Collection Clearinghouse Pilot Program.

Consideration Should be Given to Implementation of a Bad Debt Collection Clearinghouse Pilot Program

We have discussed debt collection processes that include submission of bad debts that are 90 to 120 days old to private collection agencies. These collection efforts vary both in recovery rates and collection fees charged. The 1998 *Analysis of the Accounts Receivable Function within North Carolina* report recommended that the State establish and administer a fully automated and centralized clearinghouse for bad debt collection. The report further recommended the clearinghouse be outsourced but administered under the control of the Department of Revenue. A one-year pilot Bad Debt Collection Clearinghouse, restricted to approximately $100 million of bad debts representing less than 10 types of accounts receivable, could begin sometime after July 1, 2000. The clearinghouse [illegible]ld utilize one or more private collection agencies and be administered jointly by the Department of Revenue and the Office of the State Controller. Provision should also be made to allow local government units to participate in this pilot program.

In order to collect information, the Department of Revenue and the State Controller jointly issued a Request for Information (RFI) in October 1998 for the operations and joint management of a debt collection clearinghouse. The purpose of this RFI was to gather initial information from private collection agencies with systems that meet North Carolina's debt collection clearinghouse requirements. Information gathered from eight RFI responses has provided further input to determining the clearinghouse feasibility and can be used to further refine a formal Request for Proposal if the pilot clearinghouse program is pursued.

Due to Year 2000 remedial efforts that have delayed most information technology projects, neither the Department of Revenue nor the Office of the State Controller is in position to begin the suggested pilot program until July 1, 2000. Interface systems will be necessary to pass fully automated bad debt account information to a private collection agency. The formal Bad Debt Collection Clearinghouse Pilot Program operation would not begin until January 1, 2001 at the earliest.

Legislative Issues in Support of Better Collection Efforts Should Be Reviewed and Addressed

Several issues have been identified that require either legislative action or further review of potential legislative action.

- Extend, through legislative special provision, the *Pilot Program on Reporting on Collection of Bad Debts.*
- Include language within the special provision to authorize the review of additional agency receivables and the potential for a one-year Bad Debt Collection Clearinghouse Pilot Program to include provision for local government units to participate in the pilot Bad Debt Collection Clearinghouse.
- Review confidential information requirements for all material receivables to determine their potential for private collection agency processing and legislative action that may be required.
- Review the potential for legislation to specifically allow the cost of collections for any type of debt to be paid by the debtor.
- Review general statutes related to interest and penalties applied to past due debt for consistent application of percentage used.

The Office of the State Controller will continue to redesign accounts receivable and tax setoff processes in an attempt to further standardize bad debt collections, as well as maximize automation and minimize manual processing. Please contact the Office of the State Controller if additional information is required.

Extend to short session

AGENDA

Joint Appropriations Subcommittee
on
General Government

April 20, 1999
Room 425
2:30 p.m.

Chairman: Senator Ed Warren

Agency Budget Reductions

- General Assembly
- Lieutenant Governor
- State Budget and Management
- State Planning

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

April 20, 1999

The Joint Appropriations Subcommittee on General Government met Tuesday, April 20 at 2:40 p.m. in Room 425 of the Legislative Office Building. Three of the Senate members were present. Representatives present were: Co-Chairs Jeffus and Wainwright , Vice Chair McLawhorn; Barefoot, and Setzer. Senator Ed Warren chaired the meeting.

Senator Warren said that they must finish the overview of the agencies reduction priorities today as they had to have a complete report of reductions and expansions to the Appropriations Chairs by Monday, April 26. He advised the agencies that if they asked for expansion funds, they must look for cuts in their General Fund budget.

Representative Wainwright reminded the Chairman that the Committee was going to prioritize the two items which the agencies had presented. The following is the results of their votes: (See Attachment 1 also)

- Administrative Hearings = 2 was first
- Auditor = 1 was first
- Controller = 2 was first (Draft bill)
- Cultural Resources = As stated
- Board of Elections = 2 was first
- Revenue = As stated on pages 15 & 16
- Secretary of State = There was much discussion about whether or not they should go away from SIPS (the centralized computer system). Their office stated that SIPS has not always been efficient or timely. Chairman Warren asked the Committee's permission to allow the Chairs to decide. It was granted.

- Insurance = Receipts supported – would not impact General Fund
- State Treasurer = Chairs would decide

Chairman Warren then asked for reductions. State Personnel Director Ronald Penny gave the following three from FICA: $70,000 first; $140,000 second; and $210,000 third. The Chairs would decide.

Mr. George Hall, Legislative Services Officer, presented the reductions listed in Attachment 2. The Chairs would decide.

Mr. John Dorman from the Lieutenant Governor's office told the Committee that 95 percent of their budget was personnel expenditures; and, therefore, any cuts would mean eliminating a position. He had no cuts to propose. The Chairs would decide.

Mr. Marvin Dorman offered the following cuts for the State Budget and Management Office: 1 percent = $41,000 to come out of printing budget

2 percent = $82,000 to come out of travel budget

3 percent - $140,000 which would be a combination of 1 and 2

Representative Wainwright asked if all their positions were presently filled. Mr. Dorman said that they had one vacancy as of last month.

The Committee agreed that the Chairs could make any additional decisions without calling another meeting. It was noted that Senator Harris was serving on the Information Technology Committee which would be looking into any other procedures that vary from established policy in the Secretary of State's office. **Representative Wainwright asked to revisit the Procurement Card, DOA, and its proposed savings.** He felt there should be some way established for each agency to track their savings. Senator Warren asked Mr. Dorman to check on that.

The meeting adjourned at 3:35 p.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

General Government Budget Recommendations
1999 Session

	FY 1999-00 Recurring	FY 1999-00 Nonrecurring	FY1999-00 Positions	FY 2000-01 Recurring	FY 2000-01 Nonrecurring	FY 2000-01 Positions
GENERAL FUND BUDGET TARGET	($3,900,000)	$0		$0	$0	
Administrative Hearings **pp. 4-5**						
1. NC Register and Administrative Code on Internet	$49,060	$332,237		$49,060	$0	
2. Additional Personnel in Civil Rights Division	$170,334	$20,100	Attach 4+5 3.00	$170,334		3.00
Subtotal for Administrative Hearings	*$219,394*	*$352,337*	*3.00*	*$219,394*	*$0*	*3.00*
Auditor **pp. 6-7**						
1. Information System Auditors	$272,455	$26,360	4.00	$544,910	$26,360	8.00
2.Information Resource Management Position	$68,114	$6,590	1.00	$68,114	$0	1.00
Subtotal for Auditor	*$340,569*	*$32,950*	*5.00*	*$613,024*	*$26,360*	*9.00*
Controller **pp. 8-12**						
1. NCAS Support Costs Increase	$1,400,000	$50,000		$1,400,000	$0	
2.Accounts Payable Program (Draft Bill) pg "	$2,500,000	$0		$3,000,000	$0	
Subtotal for Controller	*$3,900,000*	*$50,000*	*0.00*	*$4,400,000*	*$0*	*0.00*
Cultural Resources **p. 13**						
1. NC Symphony Grant as stated	$0	$1,500,000		$0	$0	
Subtotal for Cultural Resources	*$0*	*$1,500,000*	*0.00*	*$0*	*$0*	*0.00*

General Government Budget Recommendations
1999 Session

	FY 1999-00 Recurring	FY 1999-00 Nonrecurring	FY1999-00 Positions	FY 2000-01 Recurring	FY 2000-01 Nonrecurring	FY 2000-01 Positions
Elections **p.14**						
1. Travel and Subsistence for Investigators	$10,000	$0		$10,000	$0	
2. Increase Funds for Printing	$40,000	$0		$40,000	$0	
Subtotal for Elections	*$50,000*	*$0*	*0.00*	*$50,000*	*$0*	*0.00*
Revenue **pp.15-16**						
1. Expand Audit Function	$909,912	$85,025	21.00	$1,620,820	$77,400	39.00
Subtotal for Revenue	*$909,912*	*$85,025*	*21.00*	*$1,620,820*	*$77,400*	*39.00*
Secretary of State **pp. 17-18**						
1. ITS Computer Support	($394,130)	$0		($394,130)	$0	
2. Restructured Information Technology					$0	3.00
2a. ITS Mainframe Operation Cost	$40,000	$60,000		$40,000		
2b. ITS Applications Development/Support	$10,000	$20,000		$10,000		
2c. Analyst/Programmers and Related Cost	$134,112	$5,248	2.00	$144,060		2.00
2d. Information Technology Trust Fund/Reserve	$18,000			$98,000		
3. Electronic Commerce Specialist Position	$81,964	$4,700	1.00	$81,964		1.00
4. New Telephone System (when SOS relocates)	$20,106			$20,106		
5a. New Positions in Corporations Filing Division	$412,345	$176,617	6.00	$412,345		6.00
5b. New Positions in Securities Registration Division	$196,179	$45,030	4.00	$196,179		4.00
Subtotal for Secretary of State	*$518,576*	*$311,595*	*13.00*	*$608,524*	*$0*	*16.00*
GRAND TOTALS FOR GENERAL FUND	$5,938,451	$2,331,907	42.00	$7,511,762	$103,760	67.00
TOTAL NET AVAILABILITY (Target - Grand Total)	**($9,838,451)** ($12,170,358)	**($2,331,907)**		**($7,511,762)** ($7,615,522)	**($103,760)**	

Hold mt Echo

General Government Budget Recommendations
1999 Session

RECEIPT SUPPORTED ITEMS	FY 1999-00 Recurring	FY 1999-00 Nonrecurring	FY1999-00 Positions	FY 2000-01 Recurring	FY 2000-01 Nonrecurring	FY 2000-01 Positions
Insurance **pp.19-20**						
1.Information Service Requirements	$622,556		0.00	$604,056		3.00
2. Law Enforcement Officers Pay Plan	$158,889	$0	0.00	$158,889	$0	
Subtotal for Insurance	*$781,445*	*$0*	*0.00*	*$762,945*	*$0*	*3.00*
Department of State Treasurer **pp. 21-30**						
1. Retirement Operations						
1a. Personnel and Related Cost for Retirment System (#1)	$979,170	$140,000	20.00	$1,126,393		20.00
1b. Information System-personnel (#2)	$348,585	$50,000	5.00	$431,488	$10,000	5.00
1c. Information System-mainframe (#7)	$516,000	$1,666,000		$516,000		
1d. General Admin-personnel (#9)	$84,106	$8,000	1.00	$94,183	$1,000	1.00
2. Banking Operations						
2a. Core Banking System (#3)	$655,519	$2,498,577	1.00	$655,519		1.00
2b. Information System-LAN Upgrade (#4)	$40,000	$358,000		$40,000		
2c. Department Accounting-Personnel (#5)	$125,617	$8,000	2.00	$147,906	$1,000	2.00
2d. Investment Management-Trust Funds (#8)	$121,977	$463,000	1.00	$196,719	$9,000	2.00
3. Local Government Operations	$419,258	$32,000	4.00	$471,178	$4,000	4.00
Subtotal for Treasurer	*$3,290,232*	*$5,223,577*	*34.00*	*$3,679,386*	*$25,000*	*35.00*
GRAND TOTAL FOR RECEIPT SUPPORTED ITEMS	$4,071,677	$5,223,577	34.00	$4,442,331	$25,000	38.00

OFFICE OF ADMINISTRATIVE HEARINGS
SUMMARY OF EXPANSION BUDGET REQUEST
1999-2001 BIENNIUM

Priority Number	Program Description		Requested 1999-2000	Requested 2000-2001
1	**Funding to Replace Computer Equipment**	Total Requirements	$ 86,500	$ 48,500
	This office has no continuing funding to provide for a planned replacement of our computer equipment. Most of our equipment is currently three (3) years old or older and we must be in a position to plan for the replacement of this equipment before it causes major problems. This will provide for us to replace and upgrade computers and software on a three to four year cycle, which is the industry average.	Receipts	0	0
		Appropriation	$ 86,500	$ 48,500
		Recurring	$ 48,500	$ 48,500
		Non Recurring	38,000	0
	Funding to Allow OAH to Lease Adequate Office Space	Total Requirements	$ 527,559	$ 216,750
	OAH currently has a staff of 42 employees and we are located in four (4) separate physical locations. Two of these locations are in historic houses which do not provide office space that is adequate for the efficient operations of the department.	Receipts	0	0
		Appropriation	$ 527,559	$ 216,750
		Recurring	$ 216,750	$ 216,750
		Non Recurring	310,809	0
3	**Funding to place N.C. Register and Administrative Code on Internet**	Total Requirements	$ 381,297	$ 49,060
	The funding requested here will enable OAH to put the Register and Administrative Code on the Internet at no charge to any of its users. This will provide for a system that is searchable with the General Statutes, the Code and pending rules in the Register file.	Receipts	0	0
		Appropriation	$ 381,297	$ 49,060
		Recurring	$ 49,060	$ 49,060
		Non Recurring	332,237	0

OFFICE OF ADMINISTRATIVE HEARINGS
SUMMARY OF EXPANSION BUDGET REQUEST
1999-2001 BIENNIUM

Priority Number	Program Description		Requested 1999-2000	Requested 2000-2001
* 4	**Additional personnel for Civil Rights Division** These positions will enable the Civil Rights Division to be in a position to adequately address the the backlog of pending EEOC charges and also address the increasing numbers of charges of alleged political discrimination that are being received and must be investigated by this division.	Total Requirements	$ 190,434	$ 170,334
		Receipts	0	0
		Appropriation	$ 190,434	$ 170,334
		Recurring	$ 170,334	$ 170,334
		Non Recurring	20,100	0
		No. of Positions	3	continue 3
out 5	**Additional personnel-Administrative Law Judges** These positions will enable this Office to adequately address the increasing complexity of Special Education and Certificate of Need cases being filed.	Total Requirements	$ 215,121	$ 201,721
		Receipts	0	0
		Appropriation	$ 215,121	$ 201,721
		Recurring	$ 201,721	$ 201,721
		Non Recurring	13,400	
		No. of Positions	2	continue 2
TOTAL REQUIREMENTS			$ 1,400,911	$ 686,365
RECEIPTS			0	0
TOTAL EXPANSION BUDGET REQUEST-FROM APPROPRIATION			$ 1,400,911	$ 686,365
		TOTAL RECURRING	$ 686,365	686,365
		TOTAL NON-RECURRING	$ 714,546	0
		TOTAL POSITIONS	5	CONTINUE 5

EXPANSION REQUESTS - PRIORITY 1

Audit Resources-Information System Auditors

To provide additional Information System Audit positions to enable the Office to increase the audits of the growing number of computer applications and installations in State government and to provide appropriate follow-up to security breaches of the State of North Carolina's information systems.

	Requested 1999-00	Requested 2000-01
Requirements	$ 298,815	$ 571,270
Receipts		
Federal		
Local		
Other		
Appropriation	$ 298,815	$ 571,270
No. of Positions	4	8

EXPANSION REQUEST - PRIORITY 2

Information Resource Management Position

To provide an Information Resources Management Position to increase the technical support of the audit efforts and computer operations within the Office.

	Requested 1999-00	Requested 2000-01
Requirements	$ 74,704	$ 68,114
Receipts		
Federal		
Local		
Other		
Appropriation	$ 74,704	$ 68,114
No. of Positions	1	1

Office of the State Controller
Summary List of Expansion Budget Requests
FY 1999-01
Budget Code: 14160

	FY 1999-00	FY 2000-01
1) North Carolina Accounting System (NCAS) Support Costs Increase	$1,400,000 (R) $50,000 (NR)	$1,400,000 (R)
Totals	$1,450,000	$1,400,000
Total Recurring	$1,400,000 (R)	$1,400,000 (R)
Total Non-Recurring	$50,000 (NR)	$0 (NR)
	$1,450,000	$1,400,000

North Carolina Accounting System (NCAS) Support Costs Increase

Continuation funding is requested in the following line items to continue the level of support necessary for the successful daily production of the NCAS.

		FY 1999-00		FY 2000-01	
532140	System Implementation/Integration Srvc.	$300,000	(R)	$300,000	(R)
532440	Maint Agreement-Data Processing Equip.	$10,000	(R)	$10,000	(R)
532441	Maint Agreement-Software	$90,000	(R)	$90,000	(R)
532821	Computer/Data Processing Services	$1,000,000	(R)	$1,000,000	(R)
534710	Computer Software	$50,000	(NR)		
		$1,450,000		$1,400,000	

532140 The "Systems Implementation/Integration Services" ($300,000) is needed to provide minimal required level of resources to assist OSC technical staff in supporting and effecting changes to the NCAS in a timely manner by providing experienced enterprise server (mainframe) and client server expertise related to operational tasks. This line item recognizes that the NCAS is not a stagnant product, but must be constantly monitored, refined and improved to provide maximum benefit to the users of the system and the users of the financial and budgetary information that is created and maintained in the NCAS. Sufficient funds in this area assure that the 5000 plus users of the NCAS are appropriately supported.

532440 The "Maintenance Agreement - Data Processing Equipment" ($10,000) - The increase in this line item is due to the addition of computer equipment that must be protected by maintenance agreements. Due to the complexity of the NCAS network and technical environment and the number of clients being supported by this system, key hardware is under maintenance support from the original vendors. This provides protection for the state's investment in these key systems and assures rapid response if problems occur.

532441 The "Maintenance Agreement - Software" ($90,000) - The increase in this line item is needed to support additional NCAS software maintenance agreements. Due to the complexity of the NCAS network and software environment and the strategic direction to outsource software research and development, key software is under maintenance support from the original vendor. This provides protection for the state's investment in these key systems. This increase reflects the increase in annual maintenance due to the acquisition of client/server based NCAS software. This amount reflects a discount in the normal maintenance amount for this product due to the centralized support aspect and statewide contract licenses with the vendor.

532821 The "Computer/Data Processing Services" ($1,000,000) - Capacity planning for the NCAS has estimated the changes in the NCAS data processing budget due to the addition of state agency staff utilizing the extended financial functions, the increased number of overall users, and the increased overall utilization of the NCAS capabilities. The OSC has been monitoring the use and data processing costs of the NCAS since statewide implementation of the core financial functions in July 1995.

534710 The "Computer Software" ($50,000) - This line item is established to provided budget for LAN software upgrades to support NCAS. This includes migration to Ethernet and firewall protection to critical data housed on OSC LAN servers.

10

DRAFT

General Assembly of North Carolina

Session 1999

Short Title: Office of the State Controller Funds

Sponsors:

Referred to : Appropriations.

March 3, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE OFFICE OF THE STATE CONTROLLER.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Office of the State Controller, the sum of ($2,500,000) for the 1999-2000 fiscal year and ($3,000,0000) for the 2000-2001 fiscal year to cover expenditures for the following:

(1) Functional and technical contractual services to continue efforts related to the implementation of best business practices associated with accounts receivable processing and bad debt collection required by G.S. 147-86.22 (a).

(2) Functional and technical contractual services and related software to develop and implement electronic commerce business initiatives.

Section 2. Funding for these items shall be supported from receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors as required by G.S 147-86.22(c). Funds shall be transferred from the special reserve account to the Office of the State Controller in the sum of ($2,500,000) for the 1999-2000 fiscal year and ($3,000,000) for the 2000-2001 fiscal year.

Section 3. This act becomes effective July 1, 1999.

DRAFT

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER:

SHORT TITLE: Collection of Accounts Receivable, E-Commerce Initiatives

SPONSOR(S):

FISCAL IMPACT

Yes (X) **No( )** **No estimate Available ( )**

	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
REVENUES - (General Fund)					
Transfer from Special Revenue Fund	$2,500,000	$3,000,000			
EXPENDITURES - (General Fund)					
System Implementation/Integration Srvcs.	$2,000,000	$3,000,000			
Software	$ 500,000				
POSITIONS:	0				

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: All state agencies.

EFFECTIVE DATE: The act is effective when it becomes law.

BILL SUMMARY: This act increases the General Fund expenditures for the Office of the State Controller to support the cost of accounts receivable processing and bad debt collection implementation and Electronic Commerce Initiatives. This increase in expenditures will be supported by receipts transferred to the General Fund from the special reserve account for collecting of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors.

ASSUMPTIONS AND METHODOLOGY:

Section 26.1. G.S. 147-86.22(c) reads as rewritten:

"(c) Collection Techniques. -- The State Controller, in conjunction with the Office of the Attorney General, shall establish policies and procedures to govern techniques for collection of accounts receivable. These techniques may include use of credit reporting bureaus, judicial remedies authorized by law, and administrative setoff by a reduction of an individual's tax refund pursuant to the Setoff Debt Collection Act, Chapter 105A of the General Statues, or a reduction of another payment, other than payroll, due from the State to a person to reduce or eliminate an account receivable that the person owes the state."

Funding is requested for functional and technical contractual services to continue efforts related to the implementation of best business practices associated with accounts receivable processing and bad debt collection. Last year OSC, partnered with Coopers and Lybrand L.L.P. (C&L), conducted a study to examine opportunities for improvement for the State of North Carolina's accounts receivable (A/R) and debt collection functions. Major technology observations pertaining to the State's A/R and bad debt collection systems reflect the need for standardization of processes, implementation of new technologies and centralization of bad debt collections through the utilization of a centralized clearinghouse.

The Office of the State Controller is also involved with Electronic-Commerce initiatives: such as the Electronic Payment of Invoice, Web-based Purchasing, and Evaluated Receipt Settlement. The funding for the accounts receivable processing and bad debt collection implementation and the Electronic Commerce Initiatives can be supported from receipts generated from the special reserve account for inadvertent overpayments by State agencies to vendors. Section 26.1. G.S. 147-86.22(c) also states:

"No later than January 1, 1999, the State Controller shall negotiate a contract with a third party to perform an audit and collection process of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors. The third party shall be compensated only from funds recovered as a result of the audit. Savings realized in excess of costs shall be transferred from the agency to the Office of State Budget and Management and placed in a special reserve account for future direction by the General Assembly. Any disputed savings shall be settled by the State Controller. This paragraph does not apply to the purchase of medical services by State agencies or payments used to reimburse or otherwise pay for health care services."

OSC has entered into a contract on March 15,1999 with the Profit Recovery Group for collection of these overpayments. Based upon the experience of the Profit Recovery Group it is anticipated that approximately .05% to .1% of the payable volume ($2,500,000,000) of the State will be recovered. Based on this estimated projection, $1,250,000 to $2,500,0000 is anticipated to be collected annually in this special reserve account. This bill recommends that sufficient funds be transferred from this special reserve account to the OSC-General Fund to support the cost of accounts receivable processing and bad debt collection implementation and the Electronic Commerce Initiatives.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION
733-4910
PREPARED BY:

APPROVED BY:

DATE:

The North Carolina Symphony

NORTH CAROLINA SYMPHONY FACT SHEET

Basic Information

- The Symphony performs approximately 175 full-orchestra concerts for adults and children each year. Of those concerts, approximately 60-65 concerts each year are music education concerts for school children throughout North Carolina.

- The Symphony travels approximately 20,000 miles each year throughout the State. It performs in approximately 52 counties each year, one-half of which are low-per-capita-individual-income or seldom-visited counties.

- Approximately attendance last year was 320,000; Of the 320,000, 190,000 of those were outside Wake County and 80-90,000 were school children attending music education concerts and Young People's concerts.

- In the early 1980's, approximately 70% of the Symphony's operating budget was state funding, with **30% coming from the private sector**; in 1997-98, approximately 32% of the operating budget was state funding, with **68% coming from the private sector.**

New Symphony Hall

- Symphony Hall will be used for local and state musical events (state band, orchestra, and chorus events, young people's concerts, and other music education programs. This will be the only true concert hall in the state (the only one between Washington, DC and Atlanta).

- Symphony Hall will become the home of the North Carolina Symphony.

TOTAL COST OF PROJECT	**$28,000,000**
Funding sources:	
• Request of State of North Carolina 1998 Legislative Session approved $1.5 million **Request into 1999 budget process for remaining $1.5 million**	**3,000,000**
• Public (Interlocal Agreement, Wake County, and City of Raleigh)	**14,000,000**
• Private (Corporate, Foundation, Individuals) Of $11 million, **$4 million committed to be raised by the North Carolina Symphony**	**11,000,000**

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STATE BOARD OF ELECTIONS
133 Fayetteville Street Mall
Suite 100
Raleigh, North Carolina 27601

GARY O. BARTLETT
Executive Secretary-Director

Mailing Address:
P.O. BOX 2169
RALEIGH, NC 27602
(919) 733-7173
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JUSTIFICATION FOR EXPANSION BUDGET REQUEST

1) **Request: Travel and Subsistence for Investigator positions-- $10,000**

The cost of travel and subsistence for two Investigator positions is needed. While this agency received funding for the positions, travel and subsistence were not included. It will be the primary responsibility of these positions to travel to each of the 100 county board of elections offices to perform compliance audits within the year.

2) **Request: Funding for printing and shipping additional forms as required by the Higher Education Act-- $40,000**

The U.S. Congress passed the Higher Education Act in 1998. Part of that Act requires the State Board of Elections to distribute once a year to all institutes of higher learning and trade voter registration application forms for distribution to every student enrolled and physically present at the institute.

Attachment 1 is correspondence from the Federal Election Commission providing statutory language, guidelines, and a listing that includes but is not limited to institutions that may be required to participate in the Higher Education Act.

Presented 15
4.14.99

North Carolina Department of Revenue
Recommended Expansion

	FY 1999-2000	FY 2000-2001
Field Examinations	**7 Auditors** **1 Support Staff**	**14 Auditors** **2 Support Staff**
Center 1660 Field Operations		
531211 SPA Regular Salaries	$ 256,209	$ 512,418
531511 Social Security Contributions	19,600	39,200
531521 Retirement Contributions	27,747	55,495
531561 Medical Insurance Contributions	13,888	27,776
532714 Transportation - Ground - In State	25,200	50,400
Center 168081 Administrative Services		
532811 Telephone Services	2,800	5,600
533110 General Office Supplies	3,500	8,500
534511 Furniture - Office	14,000	14,000
534521 Office - Equipment	700	700
534522 Equipment - Computer	14,000	16,000
Total	**$ 377,644**	**$ 730,089**

Field Collections	**6 Revenue Officers** **1 Support Staff**	**11 Revenue Officers** **3 Support Staff**
Center 1660 Field Operations		
531211 SPA Regular Salaries	$ 200,971	$ 392,647
531511 Social Security Contributions	15,374	30,037
531521 Retirement Contributions	21,765	42,524
531561 Medical Insurance Contributions	12,152	24,304
532714 Transportation - Ground - In State	10,800	19,800
Center 168081 Administrative Services		
532811 Telephone Services	2,450	4,900
533110 General Office Supplies	3,500	7,000
534511 Furniture - Office	14,000	14,000
534521 Office - Equipment	700	700
534522 Equipment - Computer	14,000	14,000
Total	**$ 295,712**	**$ 549,912**

North Carolina Department of Revenue
Recommended Expansion

	FY 1999-2000	FY 2000-2001
Interstate Audit	**2 Auditors 1 Support Staff**	**2 Auditors 2 Support Staff**
Center 1660 Field Operations		
531211 SPA Regular Salaries	$ 113,960	$ 133,098
531511 Social Security Contributions	8,718	10,182
531521 Retirement Contributions	12,342	16,487
531561 Medical Insurance Contributions	5,208	6,944
Center 168081 Administrative Services		
532714 Transportation - Ground - In State	12,000	12,000
532811 Telephone Services	1,050	1,400
533110 General Office Supplies	4,000	3,300
534511 Furniture - Office	4,625	2,000
534521 Office - Equipment	300	333
534522 Equipment - Computer	9,000	6,000
Total	**$ 171,203**	**$ 191,744**

Unauthorized Substance	**2 Rev Enf Officers 1 Support Staff**	**4 Rev Enf Officers 1 Support Staff**
Center 1660 Field Operations		
531211 SPA Regular Salaries	$ 97,380	$ 157,456
531511 Social Security Contributions	7,450	12,045
531521 Retirement Contributions	10,546	17,052
531561 Medical Insurance Contributions	5,208	8,680
532714 Transportation - Ground - In State	11,544	15,392
532811 Telephone Services	1,050	1,750
533110 General Office Supplies	1,500	2,500
534511 Furniture - Office	6,000	4,000
534521 Office - Equipment	300	200
534522 Equipment - Computer	9,400	7,400
Total	**$ 150,378**	**$ 226,475**

Department of Revenue Total	**$ 994,937**	**$ 1,698,220**

4/14/99

SECRETARY OF STATE
SUMMARY LIST OF EXPANSION REQUESTS

Priority #	Description	1999-2000	2000-2001
1	Technology Enhancement	$394,130 (3.0)	$394,130 (3.0)
2	Staff Expansion Corporations (6.0) Securities (4.0)	830,171* (10.0)	608,524* (10.0)
	Total	$1,224,301 (13.0)	$1,002,654 (13.0)

*Additional revenue from Corporations fee increase - $600,000
Additional revenue from Securities fee increase - $856,000

North Carolina Department of the Secretary of State

Current Budget for Information Technology Services (ITS) Computer Support			
	1999-2000	*2000-2001*	*Future Years*
Continuation Budget for ITS for Mainframe Operation Costs	$ 239,130	$ 239,130	$239,130
Continuation Budget for ITS for Applications Development/Support	$ 155,000	$ 155,000	$ 155,000
Total Current Continuation Budget for ITS Operational and Applications Development/Support	$ 394,130	$ 394,130	$ 394,130

Proposed Restructured Information Technology Budget			
	1999-2000	*2000-2001*	*Future Years*
Continuation Budget for ITS for Mainframe Operation Costs	$ 100,000	$ 40,000	$ 19,894
Continuation Budget for ITS for Applications Development/Support	$ 30,000	$ 10,000	$ 5,000
Requested Funding for 2 new Analyst/ Programmer Positions and related support costs	$ 139,360	$ 144,060	$ 144,060
Requested Funding for Electronic Commerce Specialist Position to Administer Electronic Commerce Act and related support costs	$ 86,664	$ 101,964	$ 102,070
Additional funding required to support new telephone system when Department moves to Old Revenue Building	$ 20,106	$ 20,106	$ 20,106
Balance to Transfer to Information Technology Trust Fund (replace equipment) for Department	$ 18,000	$ 78,000	$ 103,000
Proposed Total Continuation Budget Funding	$ 394,130	$ 394,130	$ 394,130
Net Change in Information Technology Continuation Budget	$0	$0	$0

Department of Insurance

Expansion Budget Request 1999-2001

Priority	Issues	Description	Requirement		Positions
			1999	2000	
1	Information Service Crisis	Computers, servers, LAN and E-Mail communications are mandatory for use with interagency and industry purposes.	622,556	604,056	3
2	Law Enforcement Officers Pay Plan	Funding for a pay equity plan	158,889	158,889	-

DOI

In 1991 the General Assembly enacted legislation that made fundamental changes in the way in which the Department of Insurance is funded. G.S. 58-6-25 creates a special fund for the Department of Insurance in the State Treasury. It provides for a regulatory charge to be paid by insurance companies, which is a percentage of the dollar amounts of premium taxes they owe the State. The revenue from the charge goes into the special fund to support the operations of the Department. The special fund and the Department are subject to the Executive Budget Act.

The General Assembly retains control over the Department's budget. Each year the General Assembly approves the budget for the Department, makes an appropriation to the Department from the General Fund, and sets the percentage amount of the charge to support that budget. The charge is paid at the same times insurers pay their premium taxes. The General Fund is paid back by a transfer of money from the special fund to the General Fund.

For example, the premium tax rate on most types of insurance is a flat 1.9% of the premium dollars collected by an insurance company in a calendar year. If a company collects ten million dollars in premium, it owes the State $190,000 in premium tax. The regulatory charge for calendar year 1997 set by the 1997 General Assembly is 8.75% of the tax ($190,000), or $16,625. The tax ($190,000) goes to the General Fund to support State Government and the charge ($16,625) goes to the special fund to support the Department of Insurance.

Department of State Treasurer
Summary of Expansion Budget Requests
Fiscal Years 1999-2000 and 2000-2001

		1999-2000	2000-2001
Request No. 1	Direct Support of Programs		
* Subproject a.	Retirement Systems (Old priority 1) Personnel and other costs to enable us to answer more calls and provide more services to members of the Retirement Systems	$1,119,170	$1,126,393
* Subproject b.	Banking Operations (Old priority 3) Purchase and install new computer system for the "core banking functions"	3,154,906	655,519
Subproject c.	State And Local Government Fin (Old priority 6) Personnel and other costs to enable us to handle our current duties	451,258	475,178
Subproject d.	Investment Management (Old priority 8) Purchase and install new trust fund accounting system	584,977	205,719
	Total Direct Support of Programs	5,309,501	2,462,809
Request No. 2	Indirect Support of Programs		
Subproject a	Information Systems (Old priority 2) Personnel and other costs to support new programs	398,585	441,488
Subproject b	Information Systems (Old priority 4) Reconfigure and upgrade the LAN to handle the new programs	398,000	40,000
Subproject c	Departmental Accounting (Old priority 5) Personnel and other costs to administer new systems and to respond to new accounting requirements	133,617	148,906
Subproject d	Information Systems (Old priority 7) Purchase and install new mainframe and storage systems	2,182,000	516,000
Subproject e	General Administration (Old priority 9) Personnel and other costs to assist with increased work due to new employees and transfers of responsibility from the Office of State Personnel	92,106	95,183
	Total Indirect Support of Programs	3,204,308	1,241,577
	Total Requests	8,513,809	3,704,386
Funding			
Departmental receipts		2,839,478	2,212,970
Non-tax revenue		5,674,331	1,491,416
Total funding		8,513,809	3,704,386
Effect on General Fund Availability		$ 0	$ 0

DEPARTMENT OF STATE TREASURER
Retirement Operations Division
Budget Code 13410
Fund 1410
Expansion Budget Request

PRIORITY 1 OF 9

The year 1997 showed a spurt in requests for assistance from members of about 30% towering over the increases seen in prior years (for example the increase from 1995 to 1996 was about 11%). To date, the year 1998 has shown an increase in requests for assistance from members of 20% over the same period in 1997. For example, between 1,500 and 2,300 telephone callers sought the assistance of Retirement Benefits Counselors daily during the month of July 1998. In addition, an average of 40 persons visited the office daily also seeking the assistance of Retirement Benefits Counselors. We currently employ 16 permanent Retirement Benefits Counselors who are responsible for handling all member and employer inquiries (telephone, written and in person) and seminars across the State. Telephone and in person inquiries during July equated to between 96 and 146 inquiries daily per counselor. This, of course, does not consider the written inquiries received during this period and does not consider time a counselor may be out of the office (i.e. seminars, vacation, illness, etc.).

The unanticipated increase in requests for service has forced the Division to re-evaluate the organization needed to handle the increased demand as well as the anticipated higher future demand. We propose to increase the level of service to our members by increasing staff and by utilizing call center technology.

	1999-00	2000-01
TOTAL REQUIREMENTS	1,119,170	1,126,393
TOTAL RECEIPTS	1,119,170	1,126,393
NON-TAX REVENUE		
GENERAL FUND AVAILABILITY		
TOTAL POSITIONS	20.00	20.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries-Rec			342,889	457,185			
53	1512	Social Security Contributions-Rec			26,231	34,975			
53	1522	Retirement Contributions-Rec			37,135	49,513			
53	1562	Hospital Insurance			22,915	34,720			
53	2170	Adminstrative Expense			100,000	100,000			
53	2811	Telephone Services			10,000	10,000			
53	2821	Computer Services			400,000	400,000			
53	3120	Data Processing Supplies			20,000	20,000			
53	4511	Furniture-Office			80,000	10,000			
53	4522	Equipment-Computer			80,000	10,000			
		Requirements	8,504,650	6,736,282	1,119,170	1,126,393	1,126,393	1,126,393	1,126,393
		Number of F.T.E.	109.50	113.50	20.00	20.00	20.00	20.00	20.00
RECEIPTS:									
43	8113	Transfer In - Pension Funds			1,007,253	1,013,754			
43	8114	Transfer In - Other Trust Funds			111,917	112,639			
		Receipts	8,504,650	6,736,282	1,119,170	1,126,393	1,126,393	1,126,393	1,126,393
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER
Inform[illegible]ems
Budge[illegible]410
Fund 1150
Expansion Budget Request

PRIORITY 2 OF 9

Information Systems is responsible for maintaining the computer infrastructure of the Department; for providing, or monitoring contractors who are providing new automation projects to the Department; and for maintaining the on-going operation of the completed automation projects. We expect to have complete implementation of five previously approved automation projects and two infrastructure upgrade projects included in the 1999-2001 Expansion Budget. This request includes operating expenses, training and travel to training sites for new personnel needed to carry out and maintain our growing technological infrastructure.

	1999-00	2000-01
TOTAL REQUIREMENTS	398,585	441,488
TOTAL RECEIPTS	398,585	441,488
NON-TAX REVENUE		
GENERAL FUND AVAILABILITY		
TOTAL POSITIONS	5.00	5.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries			202,445	269,926			
53	1512	Social Security Cont-Rec			15,486	20,649			
53	1522	Retirement Cont.-Rec			21,925	29,233			
53	1562	Hosp. Insurance- Rec			5,729	8,680			
53	2821	Computer Services			50,000	50,000			
53	2811	Telephone Service			2,500	2,500			
53	2714	Trans-In State			1,625	1,625			
53	2715	Subsistence- In State			1,625	1,625			
53	2724	Trans- Out of State			1,625	1,625			
53	2725	Subsistence- Out of State			1,625	1,625			
53	5900	Misc Expense (Training)			39,000	39,000			
53	3110	Office Supplies			5,000	5,000			
53	4511	Furniture- Office			25,000	5,000			
53	4522	Equipment- Computer			25,000	5,000			
		Requirements	2,060,211	2,236,467	398,585	441,488	441,488	441,488	441,488
		Number of F.T.E.	27.00	27.00	5.00	5.00	5.00	5.00	5.00
RECEIPTS:									
53	8322	Sales and Service-Data Processing			398,585	441,488			
		Receipts	2,060,211	2,239,467	398,585	441,488	441,488	441,488	441,488
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER
Inform[redacted]stems
Budge[redacted]3410
Fund 1150
Expansion Budget Request

PRIORITY 7 OF 9

Information Systems is relying currently on an aging mainframe with less efficient technology particularly with regard to electronic storage and printing. This computer is the backbone for processing investment, banking and retirement transactions. By upgrading at this time, the Department will both extend the life of the current applications on the computer mainframe but also permit a more orderly upgrade of the individual applications in the future. As the retirement investment and banking systems grow, storage and printing are becoming larger and larger problems. This request is for the purchase of the harware, software, and required maintenance for the upgrade. This request is supported by receipts from affected programs within the Department with a corresponding increase in computer services and receipts in those funds. The allocation is as shown below.

		1999-2000	2000-2001
Fund 1150	Information Services	258,000	258,000
Fund 1210	Investment Management	719,000	52,000
Fund 1220	Banking Operations	435,000	103,000
Fund 1410	Retirement Operations	770,000	103,000
	Total	2,182,000	516,000
Receipts	Intradepartmental	1,028,000	361,000
	Non-Tax Revenue	1,154,000	155,000
	Total	2,182,000	516,000
	General Fund Availability	0	0

	1999-00	2000-01
TOTAL REQUIREMENTS	258,000	258,000
TOTAL RECEIPTS	258,000	258,000
NON-TAX REVENUE		
GENERAL FUND AVAILABILITY		
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS:
Fund 1150 - Information Services

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	2441	Maint. Agreement- Software			75,500	151,000			
53	3120	DP Supplies			12,000	24,000			
53	2821	DP Services			170,500				
53	4522	Equipment - Computer				83,000			
		Requirements	2,060,212	2,236,467	258,000	258,000	258,000	258,000	258,000
		Number of F.T.E.	27.00	27.00	0.00	0.00	0.00	0.00	0.00

RECEIPTS:

53	8322	Sales and Services- DP			258,000	258,000			
		Receipts	2,060,212	2,236,467	258,000	258,000	258,000	258,000	258,000
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER
Admi[redacted] Services Division
Budg[redacted]3410
Fund 1110
Expansion Budget Request

PRIORITY 9 OF 9

In recent years, the operations of the Department have been growing in size and complexity, both as the result of increased activity in our operating units, as required by law, and of the continuing automations of the operations. Technical and professional positions are on the rise in the Department as the compexity of the work increases. The added complexity makes it necessary for these technical and professional positions classifications to be watched closely. In addition, at the request of the General Assembly, the Office of State Personnel is decentralizing much of its operations. At the present time the personnel staff consists of three positions, (1) Personnel Officer I, (1) Personnel Technician II, and (1) Personnel Technician I handling all personnel matters in addition to special requirements(e.g.OSHA, workers' compensation, etc) all of which must be administered timely and accurately. A Personnel Analyst I will handle all new positions, as well as, upgrading current positions.
An increase in funding for intra departmental purchases of computer services will enable the Adminstrative Services Division to take better advantage of the growing technological infrastructure within the Department.

	1999-00	2000-01
TOTAL REQUIREMENTS	92,106	95,183
TOTAL RECEIPTS	92,106	95,183
NON-TAX REVENUE		
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	1.00	1.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries - Receipts			24,021	32,028			
53	1512	Social Security Contributions - Rec			1,838	2,450			
53	1521	Reg. Retirement Contributions- Rec			2,601	3,469			
53	1562	Med. Ins. Contributions			1,146	1,736			
53	3110	General Office Supplies			1,000	1,000			
53	2811	Telephone Services			500	500			
53	2821	Computer Services			53,000	53,000			
53	4511	Furniture-Office			4,000	500			
53	4522	Equipment-Computer			4,000	500			
		Requirements	812,877	882,198	92,106	95,183	95,183	95,183	95,183
		Number of F.T.E.	14.00	14.00	1.00	1.00	1.00	1.00	1.00

RECEIPTS:

53	8319	Adminstative Service Fees			92,106	95,183			
		Receipts	812,877	882,198	92,106	95,183	95,183	95,183	95,183
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER
Investment and Banking Division
Budget 13410
Fund 1220
Expansion Budget Request

PRIORITY 3 OF 9

Banking Operations is responsible for maintaining the "bank" accounts for every fund and account which is eligible to receive interest. These accounts serve both to prevent over-expenditure of the cash available and facilitate the distribution of interest earned by these accounts. The amounts and numbers of payments is increasing as well as the complexity and variety of payment methods. Currently we are operating on an old, out-dated and functionally poor banking system. There is software available, designed for small to medium community banks, that will give us all of the requirements needed, plus some additional functionality. This new system will also serve as the general ledger to the basic Cash Management Program portfolio. With the added funtionality of the new system, we believe it will pay for itself within three years, at no cost to the General Fund. All expenditures by Banking Operations are reimbursed from the State Treasurer's Investment Pool. In addition to savings by Banking Operations, each agency with an account with the State Treasurer should receive additional savings as a result of having more and better information readily available. Although no one agency will see a large increase in savings, the total impact on all agencies will be substantial. Also included in this request are operating expenses for the warrant truncation project approved for 1998-99 FY and a paraprofessional position needed to monitor the flow of cash in order to maximize the investment of available cash balances.

	1999-00	2000-01
TOTAL REQUIREMENTS	3,154,096	655,519
TOTAL RECEIPTS		
NON-TAX REVENUE	3,154,096	655,519
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	1.00	1.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries Appropriations			19,835	26,446			
53	1511	Social Security Contributions			1,517	2,023			
53	1521	Reg Retirement Contributions			2,148	2,864			
53	1562	Medical Ins Contributions			1,146	1,736			
53	2199	Microfilm Services			(23,050)	(23,050)			
53	3110	General Office Supplies			1,000	1,000			
53	2811	Telephone Services			500	500			
53	2821	Computer Services			303,000	303,000			
53	4511	Furn-Office			4,000	500			
53	4522	Equipment-Computers			504,000	500			
53		Federal Reserve Truncation			335,000	335,000			
53	2170	Adminstrative Service Fees			5,000	5,000			
53	4730	Externally Developed Software			2,000,000				
		Requirements	773,715	811,166	3,154,096	655,519	655,519	655,519	655,519
		Number of F.T.E.	12.50	12.50	1.00	1.00	1.00	1.00	1.00

RECEIPTS:

		Receipts	285,636	260,775					
		NON-TAX REVENUE	488,079	550,391	3,154,096	655,519	655,519	655,519	655,519
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER
Information Services
Budget 13410
Fund 1150
Expansion Budget Request

PRIORITY 4 OF 9

This request is to upgrade the communications through a local area network (LAN) within the Department to a level which is adequate to provide the service necessary to permit the operating units to fulfill their ongoing responsibilities. Failing to upgrade the LAN could lead to widespread processing outages due to technologically insufficient components or components reaching the end of their normal productive life. Depending on where a failure may occur, the failure could impact negatively investment earnings, warrant processing or the ability of the Retirement Systems Division to process benefits or provide information to members or retirees in a timely manner. With this request we propose to increase the processing speed of the LAN, increase speed, capacity and security of the storage media used by the LAN, and replace servers and other components that have serious failure rates.

		1999-00	2000-01
Distribution of Recurring Costs	Fund 1150	8,000	40,000
Nonrecurring Costs	Fund 1210	60,000	
	Fund 1220	60,000	
	Fund 1310	80,000	
	Fund 1410	190,000	
Total		398,000	40,000

	1999-00	2000-01
TOTAL REQUIREMENTS	8,000	40,000
TOTAL RECEIPTS	8,000	40,000
NON-TAX REVENUE	0	0
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	0.00	0.00

REQUIREMENTS 1150- INFORMATION SERVICES

ACCOUNT NO.	ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53 2440	Maint. Agreement- DP Equipment			3,000	5,000			
53 2441	Maint. Agreement- Software			5,000	35,000			
	Requirements	2,060,211	2,236,467	8,000	40,000	40,000	40,000	40,000
	Number of F.T.E.	27.00	27.00	0.00	0.00	0.00	0.00	0.00
RECEIPTS:								
53 8322	Sales and Service- Data Processing			8,000	40,000			
	Receipts	2,060,212	2,236,467	8,000	40,000	40,000	40,000	40,000
	NON-TAX REVENUE	0	0	0	0	0	0	0
	GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
	CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPART[redacted]NT OF STATE TREASURER
Depart[redacted]ccounting
Budget[redacted]3410
Fund 1120
Expansion Budget Request

PRIORITY 5 OF 9

The Departmental Accounting Section provides all General Ledger accounting for the $60+ billion State Treasurer Investment Pool, the $50+ billion state-administered retirement systems, the $200 million Escheat Fund, debt service operations and nine other trust funds. At the present time, an Accountant I supervises the retirement and other trust fund, the Escheat Fund, debt service operations, and budgetary accounting. By adding an Accountant II to supervise these areas, the Accountant I can assume certain of the budgeting and planning duties now done by the Controller. There is a need for experienced professional accountants to monitor the new and changing procedures, and increased reporting and disclosure needs.

Each year in the recent past and forseeable future, more and more of the operations are being automated. This automation has resulted in savings in clerical work but has increased the need for monitoring of the EDP programs to ensure that they continue to operate correctly and are meeting the constantly changing needs of the Department.

An increase in funding for intra departmental purchases of computer services will enable the Adminstrative Services Division to take better advantage of the growing technological infrastructure within the Department.

	1999-00	2000-01
TOTAL REQUIREMENTS	133,617	148,906
TOTAL RECEIPTS	133,617	148,906
NON-TAX REVENUE	0	0
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	2.00	2.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1212	SPA Salaries- Rec			53,448	71,264			
53	1512	Social Security Contributions- Rec			4,089	5,452			
53	1521	Reg. Retirement Contributions- Rec			5,788	7,718			
53	1562	Med. Ins. Contributions			2,292	3,472			
53	3110	General Office Supplies			1,000	1,000			
53	2811	Telephone Services			500	500			
53	2821	Computer Services			58,500	58,500			
53	4511	Furniture-Office			4,000	500			
53	4522	Equipment-Computer			4,000	500			
		Requirements	620,131	668,174	133,617	148,906	148,906	148,906	148,906
		Number of F.T.E.	13.00	13.00	2.00	2.00	2.00	2.00	2.00

RECEIPTS:

53	8319	Adminstative Service Fees			133,617	148,906			
		Receipts	620,131	668,174	133,617	148,906	148,906	148,906	148,906
		NON-TAX REVENUE	0	0	0	0	0	0	0
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER
Investment Management
Budget 3410
Fund 1210
Expansion Budget Request

PRIORITY 8 OF 9

Investment Management is responsible for tracking the daily cash flows that occur during the day and for the investment of the available, investable balances in the Cash Management Program ($8-9 billion) and the Trust Fund Investment Program ($50 billion). The Trust Fund Investment Program is constantly increasing. This increases the work to be done and the requirements for staff to both invest the funds and to account for the investments and the income from the investments. The expenditures are expected to result in an improved return by a minimum of .01% to .02%. This request is to provide staff and other resources to maintain the abiltiy of Investment Management to meet the requirements of the constantly increasing investment porfolios. In addition, we are requesting non-recurring funds to to purchase and install a commercially available application package to upgrade the accounting for the $50 billion Trust Fund Investment Program. The improvements will result in both greater availability of data and more timely reports at the fund level. All expenditures by Investment Management are reimbursed to the General Fund from the State Treasurer's Investment Pool, therefore the net effect on the General Fund is zero.

	1999-00	2000-01
TOTAL REQUIREMENTS	584,977	205,719
TOTAL RECEIPTS		
NON-TAX REVENUE	584,977	205,719
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	1.00	2.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1211	SPA Salaries- Appropriation			30,664	71,604			
53	1511	Social Security Contributions			2,346	5,477			
53	1521	Reg. Retirement Contributions			3,321	7,756			
53	1562	Medical Ins. Contributions			1,146	2,882			
53	3110	General Office Supplies			1,000	2,000			
53	2811	Telephone Services			500	1,000			
53	2821	Computer Services			63,000	66,000			
53	4511	Furniture-Office			4,000	4,500			
53	4522	Equipment-Computers			159,000	4,500			
53	2120	Research			15,000	30,000			
53	2170	Administrative Services			5,000	10,000			
53	4730	Externally Developed Software			300,000				
		Requirements	2,522,298	4,341,041	584,977	205,719	101,484	101,484	101,484
		Number of F.T.E.	23.00	23.00	1.00	2.00	2.00	2.00	2.00

RECEIPTS:

		Receipts	0	0	0	0	0	0	0
		NON-TAX REVENUE	2,522,298	4,341,041	584,977	205,719	101,484	101,484	101,484
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

DEPARTMENT OF STATE TREASURER
State and Local Government Finance Division
Budget 3410
Fund 1310
Expansion Budget Request

PRIORITY 6 OF 9

The State and Local Finance Division is charged with the task of approving all local government debt, selling all general obligation local government debt, monitoring the debt, and assisting the local governments to maintain the necessary financial systems to make certain the debt is paid in a timely manner. In recent years, these tasks have become more and more difficult and complex. The reasons include the use of alternative forms of financing, the increasing number of new accounting standards and reporting requirements, and the use of tax-exempt borrowing by private entities. This request is to add senior and management level positions to the staff to help meet the growing requirements of this Division. Also included in this request are funds for additional computer services to support and enhance LoGiC's, an integrated database sytem, which is currently being installed. The net costs of the State and Local Government Finance Division are reimbursed to the General Fund from the reimbursements to local governments for tax reductions approved in earlier years.

	1999-00	2000-01
TOTAL REQUIREMENTS	451,258	475,178
TOTAL RECEIPTS		
NON-TAX REVENUE	451,258	475,178
GENERAL FUND AVAILABILITY	0	0
TOTAL POSITIONS	4.00	4.00

REQUIREMENTS:

ACCOUNT NO.		ACCOUNT TITLE	Actual 1997-98	Authorized 1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
53	1211	SPA Salaries			125,486	167,314			
53	1511	Social Security Contributions			9,600	12,800			
53	1521	Retirement Contributions			13,590	18,120			
53	1561	Hospital Insurance			4,582	6,944			
53	2170	Administrative Expense			20,000	20,000			
53	2811	Telephone Service			2,000	2,000			
53	2821	Computer Services			240,000	240,000			
53	3120	Data Processing Supplies			4,000	4,000			
53	4511	Furniture-Office			16,000	2,000			
53	4522	Equipment-Computer			16,000	2,000			
		Requirements	3,451,964	2,820,540	451,258	475,178	475,178	475,178	475,178
		Number of F.T.E.	34.00	35.00	4.00	4.00	4.00	4.00	4.00

RECEIPTS:

		Receipts	1,482,339	640,986	0	0	0	0	0
		NON-TAX REVENUE	1,969,625	2,179,554	451,258	475,178	478,178	475,178	475,178
		GENERAL FUND AVAILABILITY	0	0	0	0	0	0	0
		CHANGE IN CASH BALANCE	0	0	0	0	0	0	0

3C

Attachment 2
April 20, 1999
P.M. mtg.

NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE SERVICES OFFICE
2129 STATE LEGISLATIVE BUILDING
RALEIGH 27603-5925

GEORGE R. HALL, JR.
LEGISLATIVE SERVICES OFFICER

LEGISLATIVE SERVICES OFFICE
TELEPHONE: (919) 733-7044
FAX: (919) 733-2599

April 19, 1999

MEMORANDUM

TO: Appropriations Subcommittee on General Government

FROM: George Hall

SUBJECT: General Assembly Budget Reduction

To meet the requested reduction in the 1999-2000 General Assembly budget we propose to reduce the amount budgeted for the 2000 short session as follows:

1% ($356,956) reduce session budget by six (6) days ($390,000)

2% ($713,912) reduce session budget by eleven (11) days ($715,000)

3% ($1,070,868) reduce session budget by sixteen (16) days ($1,000,000)

Copy to: President Pro Tempore Marc Basnight, Chairman
Speaker Jim Black, Cochairman
Legislative Services Commission

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

NORTH CAROLINA GENERAL ASSEMBLY

4/16/99

Net Appropriation FY 1999-2000		1%	2%	3%
$35,695,575		$356,956	$713,912	$1,070,868
	**	6 days = $390,000	11 days = $715,000	16 days = $1,040,000

**based on additional daily cost of $65,000 to operate the General Assembly during sessions

AGENDA

Joint Appropriations Subcommittee
on
General Government

April 21, 1999
Room 425
8:30 a.m.

Chairman: Representative William Wainwright

Agency Budget Reductions

Administrative Hearings

Governor

Cultural Resources

Controller

Insurance

Auditor

Administration

Elections

Revenue

Rules Review Commission

Secretary of State

Treasurer

Joint Appropriations Subcommittee
On
General Government

April 21, 1999
8:30 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met March 21, 1999 at 8:30 a.m. in Room 425 of the Legislative Office Building. Four Senate members were present and the following House members were present: Representatives William Wainwright, Maggie Jeffus, CoChairs; and Representatives Barefoot, Ellis, Hensley, McLawhorn, Setzer, Sherrill and Thompson.

CoChair Wainwright called the meeting to order and stated the purpose for the meeting was State Agency Proposed Budget Reductions and recognized the pages and Sgt. At Arms. He stated that the subcommittee had been given a target of $3.9 million in reductions and had been instructed to reduce the General Government budget down to $326 million and that was why each department was asked to give 1, 2, and 3% proposed reductions in their budgets.

The first agency recognized was the Office of Administrative Hearings. Judge Mann gave a very brief presentation. He stated that any types of cuts would mean positions having to be cut and stated that the department would leave that up to the committee. (See attachment 3). Representative Jeffus asked whether or not there were any vacancies in the agency and he answered there were some but they were in the process of being filled and budget cuts would mean many would have to be left vacant.

The next agency recognized was the Governor's Office, Mr. David McCoy. He distributed a handout (see attachment 4) and noted the significant obligation of dues to National Organizations and said the state benefits from this greatly. He also told the members that their budget includes maintaining offices for the Governor in Raleigh, Washington, DC, offices in the eastern and western part of the state, the mansion and the western residence. He further stated that the Governor's office wanted to be treated the same as all the other agencies and if they were to take the 1% cut, they would have to cut back on travel, operating supplies, equipment and then offer up one position. The 2% cut would require not filling the open position of Director of Operations; 3% would require not filling the director's position and one other along with the cut backs in travel, equipment, supplies, etc.

The next agency recognized was the Department of Cultural Resources. Secretary Betty McCain started by telling the committee that the Governor had cut $3.5 million from the department's 1999 – 2000 budget before it ever came to the General Assembly, which

meant 66 positions. She further stated that the cuts would certainly impact most of their operations including the State Capitol Visitor Services, Tryon Palace, the State Museums, and more. The cuts would also include temporary salaries, social security contributions, building and equipment repairs, property insurance, and much more. (See attachment 5). She stated that a significant percentage of their annual certified budget goes directly to grants and pass through funds, which impact the department's overall budget greatly. She went on to say the only place the department could cut would be the library grants-in-aid funds.

The next agency recognized was Office of the State Controller. Mr. Ed Renfrow told the committee that the department was 99 and 3/4 positions and had very specific statutory responsibilities to carry out. 81% of their budget is either salary and related benefits (52%) or data processing (29%), and the only way to make these cuts would be losing more positions. (See attachment 6). Mr. Renfrow further stated that the department would have a very difficult time in maintaining the state's accounting system with the proposed cuts.

The next agency the committee heard from was the Department of Insurance. Commissioner Jim Long called upon Starlett McKinney, special assistant, to give the committee the department's briefing. Ms. McKinney began by telling the committee that the department is a receipt-supported agency therefore any appropriations or cuts would not have a direct impact on the general fund. However, when looking at areas that could possibly be cut, the building code sales area would be the only thing that would not require cutting positions. Within the department, they sell the NC State building code. The estimated sales cover the costs of producing the building code books and sometimes they overestimate those costs. This year it looks like there is an additional $185,000 that may not be needed. Therefore the 1% cut for their $19 million budget would almost be covered by this overestimate on building code books. A 2% cut would mean that probably seven or eight months into the year, they would just have to close up the store on the books; at 3% cut they would not be able to produce the books at all.
Mr. Jim Newman stated to the committee that they sell approximately $910,000 worth of books a year.

CoChairman Wainwright then told committee members that he had asked all agency heads to be back at 2:30 to answer any questions on proposed reductions. He again reminded members that the committee was charged with reducing the General Government budget by $3.9 million and that he intended to accomplish this before the next day as the House had to generate a subcommittee report on Monday and staff would need the weekend to prepare the report.

Secretary Elaine Marshall was recognized to quickly give her department's proposed reductions. (See attachment 7). She told the committee that there were overrealized receipts from the Charitable Fundraising budget that would cover the 1%. (See attachment 7).

CoChairman Wainwright adjourned the meeting again stating that the committee would meet at 2:30, afternoon.

Representative William Wainwright
Presiding CoChair

Donna Abu Harb
Transcribed Minutes from tape

Representative Maggie Jeffus, CoChair
Senator Ed Warren, CoChair

Attachments:
Agenda
Visitor Registration Sheet
Office of Administrative Hearings Handout
Office of the Governor Handout
Department of Cultural Resources Handout
Office of the State Controller Handout
Secretary of State Handout
Office of the State Auditor Handout
Department of Administration Handout
Department of Revenue Handout

Office of Administrative Hearings
Budget Statistics

	Authorized Budget	Actual	Unexpended Balance	Expenditure Rate	Requested Budget Cut (% of Appropriation) %	Amount
1997-98 Budget						
Total Expenditures	2,610,393.00	2,462,972.00	147,421.00	0.94		
Receipts	183,224.00	151,771.00	31,453.00	0.83	1	24,271.69
					2	48,543.38
Appropriation	2,427,169.00	2,311,201.00	115,968.00	0.95	3	72,815.07

					Requested cut as % of non-salary budget
Expenditure Breakdown					
Personal Services (Salary & Salary Related)	2,125,261.00	1,983,778.00	141,483.00	0.93	4,851.32
Non Salary Expenditure Items	485,132.00	479,195.00	5,937.00	0.99	9,702.64
Total - as above	2,610,393.00	2,462,973.00	147,420.00	0.94	14,553.96

Office of the Governor Appropriation
Reductions at 1%, 2%, 3%

1998-99 Appropriation		5,367,829
1% reduction	53,678	
2% reduction	107,356	
3% reduction	161,034	
1998-99 Non Salary Items Appropriation		1,419,948
1% reduction		53,678
		1,366,270
1998-99 Non Salary Items Appropriation		1,419,948
2% reduction		107,356
		1,312,592
1998-99 Non Salary Items Appropriation		1,419,948
3% reduction		161,034
		1,258,914

Dues to National Organizations:

Appropriation @ 1% reduction	1,366,270
Minus Dues to National Organizations	342,346
Remaining available funding	1,023,924
Appropriation @ 2% reduction	1,312,592
Minus Dues to National Organizations	342,346
Remaining available funding	970,246
Appropriation @ 3% reduction	1,258,914
Minus Dues to National Organizations	342,346
Remaining available funding	916,568

dmc 4/21/99

North Carolina Department of Cultural Resources

Office of the Secretary

James B. Hunt, Jr., Governor | MEMORANDUM | **Betty Ray McCain, Secretary**

TO: Senator Ed Warren
Representative Maggie Jeffus
Representative William Wainwright

FROM: Secretary Betty Ray McCain BRMcC

DATE: April 20, 1999

SUBJECT: Your memorandum of April 15, 1999

Governor Hunt's recommended cuts for the Department of Cultural Resources are as follows:

1999-00	**$3,517,594 (66 positions)**	Page 16, "Governor's Summary of Recommendations"
2000-01	**$3,214,380 (63 positions)**	Page 21, "Governor's Summary of Recommendations"

These cuts impact most of our operations, including the State Capitol/Visitor Services, Tryon Palace, Archives and Records, Historic Sites, the North Carolina Museum of History, Museum of the Cape Fear, Museum of the Albemarle, North Carolina Museum of Art, and Office of the Secretary. Items being cut include temporary salaries/Social Security contributions, contract services, building and equipment repairs, maintenance agreements, utilities, in-state travel, phone service, telecommunications charges, postage, property insurance, computers and software, vehicle maintenance, and janitorial service agreements. **We are willing to take these cuts.**

As we look at an additional 1-3% of our budget, we must remind the subcommittee that a significant percentage of our annual certified budget is direct pass-through grants. These include grants-in-aid to the State Library, North Carolina Arts Council, North Carolina Symphony, North Carolina Museum of Art, and Vagabond School of Drama, as well as special one-time grants; i.e. Exploris, Charlotte Visual Arts Project, Shakespeare Festival, Durham Arts Council, Museum of the New South, Charlotte Museum of History, Mint Museum of Art, Old Salem, Roseboro, Salemburg, Sanford House, proposed Military Museum, and Morehead Commission.

109 East Jones Street • Raleigh, North Carolina 27601-2807
(919) 733-4867

These pass-through funds impact the overall budget of the Department of Cultural Resources as follows:

	1999-00	2000-01
Governor's Proposed Appropriation	$58.9 million	$59.8 million
Includes appropriated Grants-In-Aid -- State Library Grants-in-Aid, Arts Council Grants, North Carolina Symphony, Confederate Cemetery, Vagabond School of Drama, Special one-time grants	$23.7 million	$23.7 million
Actual operations budget for DCR	**$35.2 million**	**$35.2 million**

If you require additional cuts from this department, we would like to take 1%, 2%, or 3% cuts based on our **actual operations budget** as opposed to our certified budget, due to the tremendous amount of pass-through funds. The cuts would come from Line 6390 – Library grants-in-aid to counties. The General Government Subcommittee has cut from this line item in the past. The cuts would be:

1% = $352,00 2% = $704,000 3% = $1,056,000

We hope you will not find it necessary to take these additional cuts from our budget. Thank you.

cc: Michele Nelson

State of North Carolina

Office of the State Controller

James B. Hunt Jr.
Governor

Edward Renfrow
State Controller

April 20, 1999

MEMORANDUM

TO: Senator Ed Warren
Representative Maggie Jeffus
Representative William Wainwright

FROM: Edward Renfrow
State Controller

SUBJECT: Budget Cuts

In your April 15, 1999 letter, you requested that the Office of the State Controller identify a 1%, 2% and 3% cut in our operating budget. While I appreciate the opportunity for input, I must tell you that the OSC really has no choices. In an agency where 81% of the budget is either salary and related fringes (52%) or data processing (29%), we have little left to cut other than positions. You have already heard about our severe shortages in meeting our continuing data processing needs. Now I'd like to share with you the negative impact of cutting positions.

The OSC is staffed at 99 and 3/4 positions. It is a small staff to carry out the numerous statutory responsibilities. But we have good people who work hard for state government, we have a very streamlined organizational structure and we rely on some outside consultants to help get the job done, primarily because of difficulty in filling the technical positions. We manage to support the North Carolina Accounting System, keep central payroll operating properly, respond to numerous legal and regulatory changes that impact the systems and implement a few technology efficiencies along the way. However, when we start cutting positions, we stop moving forward. In fact, if we cut to the extent requested (3%) we run the risk of not being able to support the existing system.

While the positions we have identified for cuts are currently vacant, we do have people that are ready to be promoted into some of the higher level positions based on the experience and knowledge they have gained working with the OSC. We anticipate that we will have better success filling the lower level positions; however, it is very difficult to compete in the technical market today with the salary and benefits we have to offer. As the Year 2000 problem is abated, technical resources should be more abundant, so we should have better success in filling our vacancies later in the year.

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An Equal Opportunity/Affirmative Action Employer With Disabilities Employees

If you cut the positions we have outlined, and if the OSC experiences any existing technical staff turnover, it would significantly impact our ability to do our job. Consequently, we could find ourselves with no choice but to outsource the NCAS technical support function. We already do some of this at an hourly rate of more than twice what we pay existing staff. Therefore, I strongly urge this committee, given the history of budget cuts the OSC has experienced in the previous years, to forgo any cut in the OSC budget.

Attachment

ER/als

Office of the State Controller
Budget Cut B/C 14160

	1999-2000		
Continuation Budget	$ 10,798,673	x 1%	$ 107,987

Position #		531211 Salary	531511 FICA	531521 Retirement	531561 Hospitalization	Total
5008-0000-0000-066	APP ANAL PROG SPECIALIST	$54,080	$4,137	$5,462	$1,736	$65,415
5008-0000-0000-041	STATE MANAGEMENT ANALYST	$37,500	$2,869	$3,788	$1,736	$45,893
		$91,580.	$7,006	$9,250	$3,472	$111,308

Office of the State Controller
Budget Cut B/C 14160

	1999-2000		
Continuation Budget	$ 10,798,673	x 2%	$ 215,973

Position #		531211 Salary	531511 FICA	531521 Retirement	531561 Hospitalization	Total
5008-0000-0000-066	APP ANAL PROG SPECIALIST	$54,080	$4,137	$5,462	$1,736	$65,415
5008-0000-0000-041	STATE MANAGEMENT ANALYST	$37,500	$2,869	$3,788	$1,736	$45,893
5008-0000-0000-082	DATA BASE ANALYST	$53,068	$4,060	$5,360	$1,736	$64,224
5008-0000-0000-117	STATE MANAGEMENT ANALYST	$32,983	$2,523	$3,331	$1,736	$40,573
		$177,631	$13,589	$17,941	$6,944	$216,105

Office of the State Controller
Budget Cut B/C 14160

	1999-2000		
Continuation Budget	$ 10,798,673	x 3%	$ 323,960

Position #		531211 Salary	531511 FICA	531521 Retirement	531561 Hospitalization	Total
5008-0000-0000-066	APP ANAL PROG SPECIALIST	$54,080	$4,137	$5,462	$1,736	$65,415
5008-0000-0000-041	STATE MANAGEMENT ANALYST	$37,500	$2,869	$3,788	$1,736	$45,893
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5008-0000-0000-068	APPLICATIONS ANAL PROG II	$49,899	$3,817	$5,040	$1,736	$60,492
5008-0000-0000-073	APPLICATIONS PROGRAMMER II	$40,803	$3,121	$4,121	$1,736	$49,781
		$268,333	$20,527	$27,102	$10,416	$326,378

April 21, 1999

Secretary of State
Proposed Budget Reductions

Secretary of State 1999-2000 continuation budget appropriations - $6,284,106

1% - $62,841

Overrealized receipts from the Charitable Fundraising budget. Charitable Fundraising budget is $129,263. Current overrealized receipts are $155,000. Receipts in excess of the targeted 1% will be needed to further enhance this program.

2% - $125,682

1% as indicated above plus the following reductions:

532199	Misc. Contractual Services	$20,000
532512	Rent/Lease office Buildings	29,540
532942	Employee Educational Expense	13,301

3% - $188,523

G. S. 25 addresses fees for the Uniform Commercial Code Division which includes the cost of $1.00 per page to be charged for copies. Those copy receipts are currently deposited in the GF Non Tax revenue reverting budget code (19952) . Those year-to-date receipts as of March 31, 1999 are $169,277.25.

These fees should be included in the agency's general fund with the following rationale. Although this is a part of the fee schedule in the statutes, the agency should be allowed to recoup its copy and/or supply costs. Therefore, the receipts should be deposited in the agency's general fund budget code as 75% receipts and 25% refund of expenditures. Based on this theory, the current year-to-date amounts above would be an increase of $126,958 to agency receipts, thereby reducing our appropriations. By the end of the fiscal year, it is estimated that the reduction would be much closer to the 3% target.

Office of the State Auditor
Budget Reductions

Budget cuts being considered by the Legislature of one, two, or three percent can only be handled within the Office of the State Auditor by the elimination of audit positions. Please note that the Office of the State Auditor respectfully does not recommend these reductions in our operations, as they will directly impact the number of audits performed by this office. This information is supplied to comply with your request. Below we have outlined the related costs and positions necessary for the reductions being considered:

Percentage Reduction	General Fund Appropriation	Positions
1%	$116,565	2
2%	$233,130	4
3%	$349,694	6

(Based on appropriated funds and an ASA II position.)

N.C. Department of Administration
Continuation Budget - 1999-2000
1% Proposed Reduction

Item 1. Facility Mgmt.- Reduction in Reserve for New Facility - Museum of Natural Science

531211	SPA Regular Salaries	92,430
531511	Social Security Contri.	7,070
531521	Retirement Contri.	8,778
531561	Hospitalization	6,080
532110	Electricity	134,773
532230	Water and Sewer	3,036
532184	Janitorial Contract	65,871
532310	Building Repairs	24,568
533210	Janitorial Supplies	10,830
533900	Other Materials & Supp.	10,976
533150	Security & Safety Supp.	-529
533510	Clothing & Uniforms	1,126
533690	Other Drug/Phar. Supp.	23
534528	Equip. Communication	687
534529	Equip. Custody & Secur.	370

Total Proposed 1% Budget Reduction for Dept. of Administration Reduction $367,147

The opening date of the New Museum of Natural Science has been delayed until the early part of the Year 2000.

The 1999-20 Continuation Budget submitted in the Fall of 1998 was based on a projected opening date of July 1999.

Budgeted Positions

Facility Management:

Position	Pay Grade	Salary & FB
(1) HVAC	67	$39,948
(1) Electrician II	63	$34,492
(2) Boiler Operator	59	$55,171

State Capitol Police:

(1) Police Officer	63	$34,493
(2)Property Guard	50	$52,564

N.C. Department of Administration

Continuation Budget - 1999-2000
3% Proposed Reduction

Item 1. Facility Mgmt.- Reduction in Reserve for New Facility - Museum of Natural Science

531211	SPA Regular Salaries	92,430
531511	Social Security Contri.	7,070
531521	Retirement Contri.	8,778
531561	Hospitalization	6,080
532110	Electricity	134,773
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534528	Equip. Communication	687
534529	Equip. Custody & Secur.	370
	Total Reduction - Reserve for New Facility	$367,147

The opening date of the New Museum of Natural Science has been delayed until the early part of the Year 2000.

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Facility Management -Reduction in Utility Budget

532110	Electricity	$432,556

Seek additional energy saving techniques

Facility Management -Reduction in Repair to Buildings

532310	Repairs to Building	$125,000

Accelerate Preventive Maintenance of Buildings

Item2. State Health Purchasing Alliance - Reduction in Operating Expenses

532140	System Implementation-Integration	5000
532731	Board/Non-Employee Transportation	25,000
532811	Telephone Expense	8,000
532840	Postage	2,000
532850	Printing	2,000
534521	Equipment	1,632
		$43,632

Reduce and align projected budget in accordance with actual expenditures

Item 3. Board of Ethics - Reduction in Operating Expenses

532199	Misc. Contractual Services	10,000
535900	Other Expenses	25,000
		$35,000

Reduce and align projected budget in accordance with actual expenditures

Item 4. Veterans Affairs-Abolish (1) position -Jobs for Vet. Committee, Chair

53XXXX	Salaries and Fringe Benefits	$40,573

Reduce vacant position due to reassignment of duties within the agency

Total Proposed 3% Budget Reductions for Dept. of Administration **$1,043,908**

North Carolina Department of Revenue
1% Budget Reductions
Fiscal Years 1999-2000 and 2000-2001

	Fiscal Year 1999-2000	Fiscal Year 2000-2001
160005 - Planning Development & Technology		
531411 Overtime Pay - Appro	$62,902	$62,902
531511 Social Security- Appro	4,812	4,812
531521 Reg Retirement - Appro	6,812	6,812
532812 Telecomm Data Charges	22,511	37,583
1660 - Field Operations		
531311 Reg Temp Wages - Appro	87,426	87,426
531511 Social Security- Appro	6,688	6,688
168081 - Administrative Services		
531411 Overtime Pay - Appro	9,904	9,904
531511 Social Security- Appro	758	758
531521 Reg Retirement - Appro	1,073	1,073
168085 - Returns Processing		
531311 Reg Temp Wages - Appro	342,427	342,427
531411 Overtime Pay - Appro	105,836	105,836
531511 Social Security- Appro	34,292	34,292
531521 Reg Retirement - Appro	48,547	48,547
Total Budget Reductions	**$733,988** ◆	**$749,060** ◆
Total Positions	-0-	-0-

◆**The 1% reduction is based on a net General Fund Appropriation of $73,398,793 and $74,905,962 for FY 1999-2001, respectively. The calculation for the reduction does not include the nonrecurring amount of $4,929,395 and $1,491,860 for FY 1999-2001, respectively, for the Data Capture Project.**

Accounting Division
April 21, 1999

North Carolina Department of Revenue
2 % Budget Reductions
Fiscal Years 1999-2000 and 2000-2001

	Fiscal Year 1999-2000		Revenue Loss	Fiscal Year 2000- 2001		Revenue Loss
160005 - Planning Development & Technology						
531411 Overtime Pay - Appro	$62,902			$62,902		
531511 Social Security- Appro	4,812			4,812		
531521 Reg Retirement - Appro	6,812			6,812		
532812 Telecomm Data Charges	28,903			29,209		
1660 - Field Operations						
531311 Reg Temp Wages - Appro	87,426			87,426		
531511 Social Security- Appro	6,688			6,688		
168081 - Administrative Services						
531411 Overtime Pay - Appro	9,904			9,904		
531511 Social Security- Appro	758			758		
531521 Reg Retirement - Appro	1,073			1,073		
168085 - Returns Processing						
531311 Reg Temp Wages - Appro	342,427			342,427		
531411 Overtime Pay - Appro	105,836			105,836		
531511 Social Security- Appro	34,292			34,292		
531521 Reg Retirement - Appro	48,547			48,547		
[redacted] - Field Operations						
[redacted]rstate - Auditors						
Salaries/Benefits - Appro	55,375	(1)	$1,613,154	55,375	(1)	$1,613,154
Travel	24,000			24,000		
Field Auditors						
Salaries/Benefits - Appro	150,312	(3)	1,163,181	150,312	(3)	1,163,181
Travel	10,800			10,800		
Revenue Officers						
Salaries/Benefits - Appro	176,332	(4)	1,752,731	176,332	(4)	1,752,731
Travel	7,200			7,200		
164041 - Office Examination						
Office Auditors						
Salaries/Benefits - Appro	97,750	(2)		97,750	(2)	
1600 - 1670 Various Divisions						
Administrative Officers						
Salaries/Benefits - Appro	119,958	(2)		119,958	(2)	
1600 - 1680 Various Divisions						
Support Staff						
Salaries/Benefits - Appro	85,869	(3)		85,869	(3)	
Total Budget Reductions	**$1,467,976**	◆	$4,529,066	**$1,468,282**	◆	$4,529,066
Total Positions	**(15)**			**(15)**		

[redacted]e 2% reduction is based on a net General Fund Appropriation of $73,398,793 and $74,905,962 for FY 1999-2001, respectively. The calculation for the [redacted]duction does not include the nonrecurring amount of $4,929,395 and $1,491,860 for FY 1999-2001, respectively, for the Data Capture Project.

Accounting Division
April 21, 1999

North Carolina Department of Revenue
3 % Budget Reductions
Fiscal Years 1999-2000 and 2000-2001

	Fiscal Year 1999-2000		Revenue Loss	Fiscal Year 2000-2001		Revenue Loss
160005 - Planning Development & Technology						
531411 Overtime Pay - Appro	$62,902			$62,902		
531511 Social Security- Appro	4,812			4,812		
531521 Reg Retirement - Appro	6,812			6,812		
532812 Telecomm Data Charges	32,462			32,921		
1660 - Field Operations						
531311 Reg Temp Wages - Appro	87,426			87,426		
531511 Social Security- Appro	6,688			6,688		
168081 - Administrative Services						
531411 Overtime Pay - Appro	9,904			9,904		
531511 Social Security- Appro	758			758		
531521 Reg Retirement - Appro	1,073			1,073		
168085 - Returns Processing						
531311 Reg Temp Wages - Appro	342,427			342,427		
531411 Overtime Pay - Appro	105,836			105,836		
531511 Social Security- Appro	34,292			34,292		
531521 Reg Retirement - Appro	48,547			48,547		
[redacted] Field Operations						
Interstate - Auditors						
Salaries/Benefits - Appro	110,750	(2)	$3,226,308	110,750	(2)	$3,226,308
Travel	48,000			48,000		
Field Auditors						
Salaries/Benefits - Appro	501,040	(10)	3,877,268	501,040	(10)	3,877,268
Travel	36,000			36,000		
Revenue Officers						
Salaries/Benefits - Appro	308,581	(7)	3,067,279	308,581	(7)	3,067,279
Travel	12,600			12,600		
164041 - Office Examination						
Office Auditors						
Salaries/Benefits - Appro	146,625	(3)		146,625	(3)	
1600 - 1670 Various Divisions						
Administrative Officers						
Salaries/Benefits - Appro	179,937	(3)		179,937	(3)	
1600 - 1680 Various Divisions						
Support Staff						
Salaries/Benefits - Appro	114,492	(4)		114,492	(4)	
Total Budget Reductions	**$2,201,964**	◆	**$10,170,854**	**$2,202,423**	◆	**$10,170,854**
[redacted] Positions	**(29)**			**(29)**		

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Accounting Division
April 21, 1999

State of North Carolina

Office of the State Controller

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Governor

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Office of the Governor Appropriation
Reductions at 1%, 2%, 3%

1998-99 Appropriation		5,367,829
1% reduction	53,678	
2% reduction	107,356	
3% reduction	161,034	
1998-99 Non Salary Items Appropriation		1,419,948
1% reduction		53,678
		1,366,270
1998-99 Non Salary Items Appropriation		1,419,948
2% reduction		107,356
		1,312,592
1998-99 Non Salary Items Appropriation		1,419,948
3% reduction		161,034
		1,258,914

Dues to National Organizations:

Appropriation @ 1% reduction	1,366,270
Minus Dues to National Organizations	342,346
Remaining available funding	1,023,924
Appropriation @ 2% reduction	1,312,592
Minus Dues to National Organizations	342,346
Remaining available funding	970,246
Appropriation @ 3% reduction	1,258,914
Minus Dues to National Organizations	342,346
Remaining available funding	916,568

dmc 4/21/99

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Minus Dues to National Organizations	342,346
Remaining available funding	916,568

dmc 4/21/99

Office of Administrative Hearings
Budget Statistics

	Authorized Budget	Actual	Unexpended Balance	Expenditure Rate	Requested Budget Cut (% of Appropriation) %	Amount
1997-98 Budget						
Total Expenditures	2,610,393.00	2,462,972.00	147,421.00	0.94		
Receipts	183,224.00	151,771.00	31,453.00	0.83	1	24,271.69
					2	48,543.38
Appropriation	2,427,169.00	2,311,201.00	115,968.00	0.95	3	72,815.07

					Requested cut as % of non-salary budget
Expenditure Breakdown					
Personal Services (Salary & Salary Related)	2,125,261.00	1,983,778.00	141,483.00	0.93	4,851.32
Non Salary Expenditure Items	485,132.00	479,195.00	5,937.00	0.99	9,702.64
Total - as above	2,610,393.00	2,462,973.00	147,420.00	0.94	14,553.96

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3% reduction		161,034
		1,258,914

Dues to National Organizations:

Appropriation @ 1% reduction	1,366,270
Minus Dues to National Organizations	342,346
Remaining available funding	1,023,924
Appropriation @ 2% reduction	1,312,592
Minus Dues to National Organizations	342,346
Remaining available funding	970,246
Appropriation @ 3% reduction	1,258,914
Minus Dues to National Organizations	342,346
Remaining available funding	916,568

dmc 4/21/99

North Carolina Department of Cultural Resources

Office of the Secretary

James B. Hunt, Jr., Governor | MEMORANDUM | **Betty Ray McCain, Secretary**

TO: Senator Ed Warren
Representative Maggie Jeffus
Representative William Wainwright

FROM: Secretary Betty Ray McCain BRMcC

DATE: April 20, 1999

SUBJECT: Your memorandum of April 15, 1999

Governor Hunt's recommended cuts for the Department of Cultural Resources are as follows:

1999-00	**$3;517,594 (66 positions)**	Page 16, "Governor's Summary of Recommendations"
2000-01	**$3,214,380 (63 positions)**	Page 21, "Governor's Summary of Recommendations"

These cuts impact most of our operations, including the State Capitol/Visitor Services, Tryon Palace, Archives and Records, Historic Sites, the North Carolina Museum of History, Museum of the Cape Fear, Museum of the Albemarle, North Carolina Museum of Art, and Office of the Secretary. Items being cut include temporary salaries/Social Security contributions, contract services, building and equipment repairs, maintenance agreements, utilities, in-state travel, phone service, telecommunications charges, postage, property insurance, computers and software, vehicle maintenance, and janitorial service agreements. **We are willing to take these cuts.**

As we look at an additional 1-3% of our budget, we must remind the subcommittee that a significant percentage of our annual certified budget is direct pass-through grants. These include grants-in-aid to the State Library, North Carolina Arts Council, North Carolina Symphony, North Carolina Museum of Art, and Vagabond School of Drama, as well as special one-time grants; i.e. Exploris, Charlotte Visual Arts Project, Shakespeare Festival, Durham Arts Council, Museum of the New South, Charlotte Museum of History, Mint Museum of Art, Old Salem, Roseboro, Salemburg, Sanford House, proposed Military Museum, and Morehead Commission.

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These pass-through funds impact the overall budget of the Department of Cultural Resources as follows:

	1999-00	2000-01
Governor's Proposed Appropriation	$58.9 million	$59.8 million
Includes appropriated Grants-In-Aid -- State Library Grants-in-Aid, Arts Council Grants, North Carolina Symphony, Confederate Cemetery, Vagabond School of Drama, Special one-time grants	$23.7 million	$23.7 million
Actual operations budget for DCR	**$35.2 million**	**$35.2 million**

If you require additional cuts from this department, we would like to take 1%, 2%, or 3% cuts based on our **actual operations budget** as opposed to our certified budget, due to the tremendous amount of pass-through funds. The cuts would come from Line 6390 – Library grants-in-aid to counties. The General Government Subcommittee has cut from this line item in the past. The cuts would be:

1% = S352,00 2% = $704,000 3% = $1,056,000

We hope you will not find it necessary to take these additional cuts from our budget. Thank you.

cc: Michele Nelson

North Carolina Department of Revenue
1% Budget Reductions
Fiscal Years 1999-2000 and 2000-2001

	Fiscal Year 1999-2000	Fiscal Year 2000-2001
160005 - Planning Development & Technology		
531411 Overtime Pay - Appro	$62,902	$62,902
531511 Social Security- Appro	4,812	4,812
531521 Reg Retirement - Appro	6,812	6,812
532812 Telecomm Data Charges	22,511	37,583
1660 - Field Operations		
531311 Reg Temp Wages - Appro	87,426	87,426
531511 Social Security- Appro	6,688	6,688
168081 - Administrative Services		
531411 Overtime Pay - Appro	9,904	9,904
531511 Social Security- Appro	758	758
531521 Reg Retirement - Appro	1,073	1,073
168085 - Returns Processing		
531311 Reg Temp Wages - Appro	342,427	342,427
531411 Overtime Pay - Appro	105,836	105,836
531511 Social Security- Appro	34,292	34,292
531521 Reg Retirement - Appro	48,547	48,547

9 vacant positions

Total Budget Reductions	**$733,988** ◆	**$749,060** ◆
Total Positions	-0-	-0-

◆The 1% reduction is based on a net General Fund Appropriation of $73,398,793 and $74,905,962 for FY 1999-2001, respectively. The calculation for the reduction does not include the nonrecurring amount of $4,929,395 and $1,491,860 for FY 1999-2001, respectively, for the Data Capture Project.

Accounting Division
April 21, 1999

North Carolina Department of Revenue
2 % Budget Reductions
Fiscal Years 1999-2000 and 2000-2001

	Fiscal Year 1999-2000		Revenue Loss	Fiscal Year 2000- 2001		Revenue Loss
160005 - Planning Development & Technology						
531411 Overtime Pay - Appro	$62,902			$62,902		
531511 Social Security- Appro	4,812			4,812		
531521 Reg Retirement - Appro	6,812			6,812		
532812 Telecomm Data Charges	28,903			29,209		
1660 - Field Operations						
531311 Reg Temp Wages - Appro	87,426			87,426		
531511 Social Security- Appro	6,688			6,688		
168081 - Administrative Services						
531411 Overtime Pay - Appro	9,904			9,904		
531511 Social Security- Appro	758			758		
531521 Reg Retirement - Appro	1,073			1,073		
168085 - Returns Processing						
531311 Reg Temp Wages - Appro	342,427			342,427		
531411 Overtime Pay - Appro	105,836			105,836		
531511 Social Security- Appro	34,292			34,292		
531521 Reg Retirement - Appro	48,547			48,547		
[redacted] Field Operations						
[redacted]tate - Auditors						
Salaries/Benefits - Appro	55,375	(1)	**1,613,154**	55,375	(1)	**1,613,154**
Travel	24,000			24,000		
Field Auditors						
Salaries/Benefits - Appro	150,312	(3)	**1,163,181**	150,312	(3)	**1,163,181**
Travel	10,800			10,800		
Revenue Officers						
Salaries/Benefits - Appro	176,332	(4)	**1,752,731**	176,332	(4)	**1,752,731**
Travel	7,200			7,200		
164041 - Office Examination						
Office Auditors						
Salaries/Benefits - Appro	97,750	(2)		97,750	(2)	
1600 - 1670 Various Divisions						
Administrative Officers						
Salaries/Benefits - Appro	119,958	(2)		119,958	(2)	
1600 - 1680 Various Divisions						
Support Staff						
Salaries/Benefits - Appro	85,869	(3)		85,869	(3)	
Total Budget Reductions	**$1,467,976**	◆	**$4,529,066**	**$1,468,282**	◆	**$4,529,066**
Total Positions	**(15)**			**(15)**		

[redacted]2% reduction is based on a net General Fund Appropriation of $73,398,793 and $74,905,962 for FY 1999-2001, respectively. The calculation for the [redacted]uction does not include the nonrecurring amount of $4,929,395 and $1,491,860 for FY 1999-2001, respectively, for the Data Capture Project.

Accounting Division
April 21, 1999

North Carolina Department of Revenue
3 % Budget Reductions
Fiscal Years 1999-2000 and 2000-2001

	Fiscal Year 1999-2000		Revenue Loss	Fiscal Year 2000-2001		Revenue Loss
160005 - Planning Development & Technology						
531411 Overtime Pay - Appro	$62,902			$62,902		
531511 Social Security- Appro	4,812			4,812		
531521 Reg Retirement - Appro	6,812			6,812		
532812 Telecomm Data Charges	32,462			32,921		
1660 - Field Operations						
531311 Reg Temp Wages - Appro	87,426			87,426		
531511 Social Security- Appro	6,688			6,688		
168081 - Administrative Services						
531411 Overtime Pay - Appro	9,904			9,904		
531511 Social Security- Appro	758			758		
531521 Reg Retirement - Appro	1,073			1,073		
168085 - Returns Processing						
531311 Reg Temp Wages - Appro	342,427			342,427		
531411 Overtime Pay - Appro	105,836			105,836		
531511 Social Security- Appro	34,292			34,292		
531521 Reg Retirement - Appro	48,547			48,547		
[redacted] Field Operations						
Interstate - Auditors						
Salaries/Benefits - Appro	110,750	(2)	**$3,226,308**	110,750	(2)	**$3,226,308**
Travel	48,000			48,000		
Field Auditors						
Salaries/Benefits - Appro	501,040	(10)	**3,877,268**	501,040	(10)	**3,877,268**
Travel	36,000			36,000		
Revenue Officers						
Salaries/Benefits - Appro	308,581	(7)	**3,067,279**	308,581	(7)	**3,067,279**
Travel	12,600			12,600		
164041 - Office Examination						
Office Auditors						
Salaries/Benefits - Appro	146,625	(3)		146,625	(3)	
1600 - 1670 Various Divisions						
Administrative Officers						
Salaries/Benefits - Appro	179,937	(3)		179,937	(3)	
1600 - 1680 Various Divisions						
Support Staff						
Salaries/Benefits - Appro	114,492	(4)		114,492	(4)	
Total Budget Reductions	**$2,201,964**	◆	**$10,170,854**	**$2,202,423**	◆	**$10,170,854**
[redacted] Positions	**(29)**			**(29)**		

◆ **The 3% reduction is based on a net General Fund Appropriation of $73,398,793 and $74,905,962 for FY 1999-2001, respectively. The calculation for the reduction does not include the nonrecurring amount of $4,929,395 and $1,491,860 for FY 1999-2001, respectively, for the Data Capture Project.**

Accounting Division
April 21, 1999

VISITOR REGISTRATION SHEET

Gen Gov — 4-21-99

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
Johnnie McLean	State Bd. of Elections
Steve Albright	NC DST
Charles Heatherly	NC DST
Molly Masick	OAH
JOE DELUCA	RULES REVIEW
Charlie Smith	NC Div. of Veterans Affairs.
Jim Nowell	OSBM
Perry Newson	Board of Ethics
Millie Donavant	" "
Tony Jordan	Facility Management DOA
Deborah Smith	N.C. OFC. OF THE STATE Controller
John Morgan	OSC
Martha Glass	DOA
Dewey Sanders	DOR
Keith McCoy	DOR

VISITOR REGISTRATION SHEET

Name of Committee

April 21, 1999
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kathy Cook	Dept of Admin
Katie Bassett	Dept. of Admin.
Bob Joyce	Dept of Admin.
Mike Hodges	Dept of Revenue
Daniel K. Offerman	DOR
Zeke Pardin	OSC
Gwen Canady	OSC
Ed Renfrow	OSC
Donna Rosefield	DCR
Betty Ray McCain	DCR
Betsy Buford	DCR
Kenneth Wilkins	DOA
Byron K. Harris	OSBM

VISITOR REGISTRATION SHEET

Name of Committee	April 22, 1999
	Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Willie Riddick	DOR
Ralph Campbell, Jr.	OSA
Vicky Zimmerman	OSA

AGENDA

Joint Appropriations Subcommittee
on
General Government

April 21, 1999
Room 425
2:30 p.m.

Chairman: Representative William Wainwright

Agency Budget Reductions

Joint Appropriations Subcommittee
On
General Government

April 21, 1999
2:30 p.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met again March 21, 1999 after lunch in Room 425 of the Legislative Office Building. Five Senate members were present and the following House members were present: Representative William Wainwright, CoChair; and Representatives Barefoot, McLawhorn and Setzer.

CoChairman Wainwright called the meeting to order and stated that they would take the agency budgets in the order in which the committee heard the agency reduction presentations so as to allow committee members to ask questions and make alternative reduction requests.

Representative Wainwright then went through the following list of agencies:
Office of State Personnel, the reductions that were offered by the General Assembly and the Lt. Governor's Office were left standing. Administrative Hearings, and the Office of the Governor, the reductions offered by the agency were left standing. The Department of Cultural Resources, the Secretary put forth 2 proposals (see attachment 2). The Controllers Office, the Department of Insurance, the Auditors Office, the Department of Administration, the Department of Revenue, the Rules Review Commission (see attachment 3), the Secretary of State's office, the Treasurer's Office (see attachment 4) all reductions by the agency were left standing.

CoChairman Wainwright then told the committee that all four Committee CoChairs would request a written explanation concerning the Treasurer and the Department of Insurance since all agencies were requested to submit reduction information. He further stated that he would request the department heads to submit to staff the amounts remaining in salary reserve budgets. Also, he requested printing line item information be submitted as well.

The committee adjourned.

Representative William Wainwright
Presiding CoChair

Donna Abu Harb
Transcribed Minutes from tape

Representative Maggie Jeffus, CoChair
Senator Ed Warren, CoChair

Attachments:
Visitor Registration Sheet
Department of Cultural Resources Proposed Budget Reductions
N.C. Rules Review Commission Proposed Budget Reductions
Department of State Treasurer Proposed Budget Reductions

Department of Cultural Resources—Reductions 4-21-99

Governor's Recommended Budget (appropriation)

FY 1999-2000 Continuation Request: $60,635,211
Minus Reduction 3,517,594 (66 positions)
Recommended Budget $57,117,617

FY 2000-2001 Continuation Request: $61,226,384
Minus Reduction 3,214,380 (63 positions)
Recommended Budget $58,012,004

These totals do not include the Roanoke Island Commission budget of $1.8 million.

The **$3.5 million reductions** in the Governor's Recommended Budget impact the operations of the following DCR agencies: State Capitol/Visitor Services, Tryon Palace, Archives and Records, Historic Sites, N.C. Museum of History, Museum of the Cape Fear, Museum of the Albemarle, N.C. Museum of Art, and the Office of the Secretary. **The department is willing to take these reductions.**

The Department of Cultural Resources' budget includes pass-through grants totaling $22,163,550 or 38% of the DRC budget. This leaves an actual annual operating budget of $34.9 million. If additional budget reductions are required, we propose to apply the percentages to the actual operating budget ($34.9 million), as follows:

1% reduction: $349,540 2%: $699,081 3% $1,048,622 in each fiscal year

Reduction Proposal #1:
Take entire budget reduction from State Aid to Public Libraries ($14.9 million)
1% reduction: $349,540 2%: $699,081 3% $1,048,622 in each fiscal year

Reduction Proposal #2:
Reduce State Appropriations to the largest DCR divisions by the following amounts for each fiscal year:

Archives & History Administration (total appropriation: $2 million)
1%: $34,954 2%: $69,908 3%: $104,862

State Historic Sites (total appropriation: $7.2 million)
1%: $132,825 2%: $265,650 3%: $398,476

Tryon Palace (total appropriation: $2.5 million)
1%: $27,963 2%: $55,926 3%: $83,889

Museum of Art (total appropriation: $3.8 million)
1%: $66,412 2%: $132,825 3%: $199,238

Museum of History (total appropriation: $4.7 million)
1%: $87,386 2%: $174,772 3%: $262,157

N.C. RULES REVIEW COMMISSION

Proposed Budget Reductions

Current Appropriation (1999-2000):		$291,935
1% Reduction:		2,919
531211	2,479	
531511	250	
531521	190	
2% Reduction:		5,839
531211	4,959	
531511	501	
531521	379	
3% Reduction:		8,758
531211	7,438	
531511	751	
531521	569	

All of these reductions would be made from 531xxx line items pertaining to personal services (salary, social security, retirement). The effect would be to cut a currently employed secretary's authorized hours to approximately 35 hours per week (1%), 31 hours per week (2%), or 27 hours per week (3%).

Respectfully submitted,
Joseph J. DeLuca, Jr.
Staff Director

STATE OF NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
ADMINISTRATIVE SERVICES DIVISION

HARLAN E. BOYLES
TREASURER

CHARLES HEATHERLY
DEPUTY TREASURER

April 21, 1999

MEMORANDUM

TO: Co-Chairs: Senator Ed Warren: Representatives Maggie Jeffus and William Wainwright; And other members of the Joint Appropriations Committee on General Government

FROM: Harlan E. Boyles

SUBJECT: Department of the State Treasurer---Proposed Budget Cuts

In accordance with the Committee's guidance, we propose that any cuts from the Department of State Treasurer come from line item # 53-21-20110 entitled "Fin/Aud-Invest Admin Svc. The reduction of this line item will not harm the operation of the Department of State Treasure since the equity fund managers are compensated from the asset base they manage.

The cuts you have stipulated would reduce our budget in the following amounts.

1% = $210,000

2% = $420,000

3% = $630,000

P.S. As a reminder, our department is entirely receipt supported; therefore, any cuts in the budget would be offset by a corresponding reduction in receipts and would not impact the General Fund.

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VISITOR REGISTRATION SHEET

General Government ♡ ☆ ♡ ☆ ♡ ☆ April 21, 1999

Name of Committee Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Robert Powell	OSBM
Joe DeLuca	Rules Review
Tony Jordan	Facility Management - DOA
Kathy Crooke	Dept of Admin
Katie Dorsett	Dept of Admin.
Dewey Sanders	DOR
Daniel Kifferman	DOR
Mike Hodges	DOR
Ed Renfrow	OSC
Gwen Canady	OSC
John Morgan	OSC
Steve Albright	DST
Charles Heathcote	DST
Rex Minneman	SOS
Bob Joyce	DOA
Ken Wilkins	DOA
Randy Barnes	DOR
Keith McCoachie	DOR
Kathie Austin Padgett	OSPL - Adm Bldg
Jennie McLean	St. Bd. of Elections
Martha Glass	DOA

VISITOR REGISTRATION SHEET

Name of Committee | Date

VISITORS: Please sign below and return to Committee Clerk.

NAME	FIRM OR STATE AGENCY AND ADDRESS
Charles F. Smith	NC Div. of Veterans Affairs
Starla-McKenney	NC Dept. of Insurance

AGENDA

Joint Appropriations Subcommittee
on
General Government

April 22, 1999
Room 425
15 Minutes After Session

Chairman: Representative Maggie Jeffus

HOUSE BILLS

Bill #	Sponsor	Bill Title
17	Jeffus	Sexual Assault Program (Dept. of Admin.)
55	Cansler	Tax Analysts in Tax Research Div. of Revenue
92	Goodwin	DVA County Office Increase
176	Nesbitt	Absentee Ballot Funds (Assistance to County Boards)
196	Sutton	Indian Recognition Process Funds (Indian Affairs)
197	Sutton	Native American Data Funds
213	Jeffus	NC Humanities Council Funds (Grant)
318	Redwine	Domestic Violence Funds
361	Mosley	Visiting Artists Funds (Community Colleges/Cultural Resources)
386	Rayfield	State Veterans Allowance Upped
452	Nesbitt	Century of NC Women
527	Baddour	NC Arts Council Funds

532	Cox	Averasboro Battlefield Funds
601	Culpepper	Historic Preservation of NC, Inc. Funds
969	Tolson	Kay Kyser - A Life in Motion
976	Smith	Military Museum Study Funds

HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

April 22, 1999
15 minutes after Session

MINUTES

The House Appropriations Subcommittee on General Government met on Thursday, April 22, 1999, at 6:15 p.m. in Room 425 of the Legislative Office Building. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, Daniel Barefoot, Bob Hensley, Mitchell Setzer, Wilma Sherrill, and Gregg Thompson.

Representative Jeffus called the meeting to order and announced that there were sixteen bills to be heard. The members were given a sheet to rank the bills one, two or three. She asked the bill sponsor or the one speaking for the bill to limit their dialogue to two to three minutes.

HOUSE BILL 386, AN ACT TO INCREASE THE VETERAN'S ALLOWANCE TO COUNTIES FOR VETERANS SERVICES AUTHORIZED TO BE PAID BY THE DIVISION OF VETERANS AFFAIRS, is sponsored by Representative John Rayfield. This bill allows a larger allowance to be paid to the counties by the Division of Veterans Affairs. The fee is being raised from $2,000 to $4,000. This sounds like a large fee jump but $1,000 was authorized in 1948, another $1,000 was authorized fifteen years ago. It has not kept up with inflation. He pointed out that over the years, since 1948, there have been ten different engagements. The veterans are increasing in numbers. He stated that in order for the state to keep up and honor our veterans that this bill is in order. (Attachment 1 and Handout 1-A)

HOUSE BILL 976, AN ACT TO APPROPRIATE FUNDS TO STUDY THE FEASIBILITY OF ESTABLISHING A STATE MILITARY MUSEUM, is sponsored by Representative Ronnie Smith. He stated that this bill appropriates $20,000 to study the feasibility of a military museum. (Attachment 2)

HOUSE BILL 196, AN ACT TO APPROPRIATE FUNDS TO THE COMMISSION ON INDIAN AFFAIRS TO FUND THE COMMISSION'S STATE RECOGNITION PROCESS, is sponsored by Representative Ronnie Sutton. They are asking for a specific amount of money but if this amount is not available they will accept any amount that is available. He stated that in 1977 the Commission on Indian Affairs was granted the authority to process both state and federal procedures for Indian tribes in North Carolina. Unfortunately, it was never staffed and presently the staff at the Indian Commission has been handling that process but over the last couple years they have lost staff members. The money is to fund a staff to research and help the six or so Indian

Tribes that are seeking Federal recognition. It is a problem that needs to be corrected (Attachment 3)

HOUSE BILL 197, AN ACT TO APPROPRIATE FUNDS TO IMPLEMENT THE COLLECTION OF NATIVE AMERICAN DATA ON ALL STATE LEVELS, sponsored by Representative Ronnie Sutton. He stated that this is to appropriate funds to enable the State departments and agencies to collect and maintain Native American mechanisms and for employing personnel. For data on Indians in North Carolina, it is mostly incorrect. We need all agencies to collect data and it can be used for unemployment rates, mental health needs, utilization rate services, substance abuse, lack of housing needs, Indian owned business, etc. (Attachment 4)

Representative McLawhorn asked Rep. Sutton which of his two bills would he rank to be funded? He called on Mr. Gregg Richardson, Director of Indian Affairs to answer. He said this was a tough call for him but he would say House Bill 196 would be his top priority.

HOUSE BILL 55, AN ACT TO ADD FOUR NEW TAX ANALYSTS IN THE TAX RESEARCH DIVISION OF THE DEPARTMENT OF REVENUE, is sponsored by Lanier Cansler. He stated that this is a recommendation of the Revenue Law Study Commission. He briefly gave an overview of the reasons for the request. (Attachment 5 and Attachment 5-A)

HOUSE BILL 532, AN ACT TO APPROPRIATE FUNDS FOR THE AVERASBORO BATTLEFIELD COMMISSION, is sponsored by Representatives Leslie Cox, Donald Davis and Daniel Barefoot. Representative Davis spoke on the bill. The Averasboro Battlefield and the museum are in Harnett County. They recently renovated the cemetery and a lot of private funds have been put into this effort. It is located just off Interstate 95 and has many visitors. Several hundred acres of land is in this area. They recently purchased a farm and made the down payment and making payments. There is another farm nearby that has the old confederate hospital and battlefield. The Commission hopes to purchase that property. They are asking for $250,000 through the department of Cultural Resources so they can move forth and purchase the additional land and also obtain the hospital. (Attachment 6)

HOUSE BILL 452, AN ACT TO APPROPRIATE FUNDS FOR THE PURPOSE OF HONORING AND RECOGNIZING A CENTURY OF GOVERNMENT AND CIVIC LEADERSHIP BY NORTH CAROLINA WOMEN, was reviewed for the committee by Representative Wilma Sherrill, a primary sponsor. This bill appropriates $25,000 for 1999-2000 from the General Fund to the Department of Secretary of State to update and reprint the directory of women in the General Assembly. Next, it appropriates $25,000 to the Department of Administration for the Council for Women to fund "A Century of Women" statewide celebrations. It also appropriates $25,000 to Western

Carolina Women's Coalition to support expansion of regional network in 25 westernmost counties. This bill asks for a total of $75,000. (Attachment 7)

HOUSE BILL 527, AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO SUPPORT THE NORTH CAROLINA ARTS COUNCIL is sponsored by Representatives Philip Baddour and Maggie Jeffus. Representative Baddour requested that the committee be told that his partner's wife passed away suddenly and felt he should return to Goldsboro. Mr. Al Adams came forward to speak for the legislation. The bill requests $5 million for 1999-2000 and $5 million for 2000-2001 from the General Fund to the Department of Cultural Resources to support the North Carolina Arts Council. The funds will be allocated as follows: $1.5 million for Primary arts organizations, $1.5 million for Arts in communities, $500,000 for Rural arts leadership, $900,000 for Cultural tourism, $400,000 for Arts information and research, and $200,000 for Basic operating support. (Attachment 8)

HOUSE BILL 318, AN ACT TO APPROPRIATE FUNDS FOR DOMESTIC VIOLENCE PROGRAMS, is sponsored by Representative David Redwine. Since he could not be present, Ms. Anne Winner spoke for the bill. She represents the North Carolina Coalition Against Domestic Violence. The funding over the past two biennium cycles has been $1.8265 million in continuation funding; and for 1997-98 and 1998-99, there was appropriated roughly $1 million in non-recurring funds. They have seventy-six programs in the state that averaged a grant of $33,910 to help the victims of domestic violence. This bill is trying to get them up to $60,000 per program that would add $1,937,000 in appropriations. If they do not get the extra funds they would feel like they are stepping back. The number of victims keeps increasing. Representative Sherrill stated that she did not know anything more important than funding for domestic violence. (Attachment 9)

HOUSE BILL 17, AN ACT TO APPROPRIATE FUNDS FOR SEXUAL ASSAULT PROGRAMS, is sponsored by Representatives Jeffus and Sherrill. Representation Jeffus recognized Ms. Anne Fishburne, Executive Director, North Carolina Coalition Against Sexual Assault to speak. They represent the sixty-seven rape crisis centers across North Carolina. The centers received about $18,900 to run a center in each of the sixty-seven counties, actually only fifty-four of the rape crisis programs get any state money. The last time that the rape crisis centers received any additional moneys from the state was in 1994-95. The three biggest age groups of people who are sexual assaulted and raped are children, teenagers and college students. The request for additional funding this year is to open ten new rape crisis programs, to increase the funding for each of the programs in North Carolina from $18,900 to $28,900, and money to support the state coalition office so they can serve as a resource. They have the only college rape prevention office of any public or private sector group in the state and provide free training for emergency room nurses to improve evidence collection procedures so they can convict and lockup the rapist. (Attachment 10)

HOUSE BILL 92, AN ACT TO INCREASE THE ALLOCATION TO EACH VETERANS' AFFAIRS OFFICE IN THE STATE, is sponsored by Representatives Wayne Goodwin and Pryor Gibson. Representative Goodwin was recognized to give an overview of funds requested for the Veterans' Affairs Office in North Carolina. There are ninety-four counties with offices and those without an office are close enough to be served by other counties. There was a request made by the N. C. Order of the Purple Heart, Veteran Affairs offices and the association that is affiliated with Veteran Affairs offices for this funding. In 1949, those offices began receiving funds from North Carolina in the amount of $1,000 each. Approximately twenty-five years later it was increased to $2,000 for each Veterans' Affair Office in the State. The money is used by the offices to assist veterans and their family members in obtaining services and benefits. The Federal Government does not allocate any money to these offices. They get some money from the County. No position has been taken by the state to raising these funds to take into account cost of living, etc. since 1973. This bill would increase the funding from $2,000 to $5,000 per year per office. (Attachment 11)

HOUSE BILL 213, AN ACT TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA HUMANITIES COUNCIL, is sponsored by Representatives Jeffus and Wainwright. Representative Jeffus recognized Ms. Theresa Kostrzewa to speak. First, she thanked the state for the support of $100,000 for each of the past two years. The Humanities Council is a shining example of a public/private partnership. For every dollar the General Assembly has given them they have gotten $7 from other sources. This is a very frugal group. They have given this money out into seventy counties and will do more. They are requesting $100,000 for 1999-2000. (Attachment 12)

HOUSE BILL 361, AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES AND THE DEPARTMENT OF COMMUNITY COLLEGES TO JOINTLY FUND AND SPONSOR A NEW VISITING ARTISTS PROGRAM, is sponsored by Representative Jane Mosely. She stated that the appropriation is for $1,300,000 for 1999-2000 from the General Fund to the Department of Cultural Resources to be allocated to the North Carolina Arts Council to fund a program that will place artists in communities throughout the state. In 1972, the North Carolina Arts Council and the North Carolina Department of Community Colleges cosponsored the first visiting artist program in the nation that was most successful. In 1995, because of the budget crunch the program was cut. Now, because of the budget situation, instead of requesting the full $1,300,000, Representative Mosely suggested that they restart the visiting artists program on a smaller scale by having three visiting artist in western North Carolina, three in the Piedmont, and three in eastern North Carolina. Therefore, the request is for $450,000 instead of $1,300,000. (Attachment 13)

HOUSE BILL 176, AN ACT TO MAKE APPROPRIATIONS TO THE STATE BOARD OF ELECTIONS TO IMPLEMENT NO-EXCUSE ABSENTEE VOTING, is sponsored by Representatives Martin Nesbitt and Martha Alexander. In absence of Representative Nesbitt, Representative Wainwright explained the appropriation request.

Representative Nesbitt has filed a bill for no-excuse absentee voting statewide that would allow registered voters to vote without an excuse. If that bill passes, these funds would assist the local board of elections in implementing the no-excuse absentee voting. Therefore, this appropriates $500,000 for 1999-2000 from the General Fund to the State Board of Elections to implement a no-excuse absentee voting which is different from the present law. (Attachment 14)

HOUSE BILL 601, AN ACT TO APPROPRIATE FUNDS TO THE HISTORIC PRESERVATION FOUNDATION OF NORTH CAROLINA TO HELP EXPAND NORTH CAROLINA'S STATEWIDE REVOLVING FUND FOR HISTORIC PRESERVATION, is sponsored by Representative Bill Culpepper. Representative Barefoot spoke on behalf of the bill in Representative Culpepper's absence. Over the past decades this foundation has done an excellent job of preserving structures in North Carolina. There is a proud history and heritage in North Carolina but yet we see many that are in decay. This appropriation would create a $2 million revolving fund for Historic Preservation. In the past they have received grants and aids. A revolving fund would give them the funds to be able to purchase the historic structure and save it until such time that a owner or person could be found to buy it, restore it, and also restrictive covenants be placed to make sure that it is preserved. (Attachment 15)

HOUSE BILL 969, AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA MUSEUM OF ART FOUNDATION TO ASSIST IN THE DEVELOPMENT OF THE FILM, KAY KYSER-A LIFE IN MOTION, is sponsored by Representative Joe Tolson. Representative Barefoot, co-sponsor, explained the bill in Representative Tolson's absence. This legislation is seeking an appropriation for $100,000 to produce a movie in honor of Kay Kyser who is one of the greatest musicians that North Carolina has ever produced. This movie would document his life and would be a great educational value to North Carolinians and people around the United States. (Attachment 16)

Representative Jeffus reminded the members of the committee to leave the forms which they have ranked the bills without signing them.

Representative Jeffus thanked the many people and the staff that have served the committee and the committee members. She stated that budget money was tight and the chairs were trying hard to find the money to fund some of the budget requests from the members.

Representative Jeffus asked the committee members to check -mail messages for future meeting announcements of the General Government Subcommittee.

Representative Wainwright stated that there is an effort to generate additional money for expansion programs. These bills represent some worthwhile projects and programs that need to be funded.

The meeting adjourned at 7:15 p.m.

Respectfully submitted,

Rep. Maggie Jeffus — Representative Maggie Jeffus, Chair

Mary Lee Robinson — Mary Lee Robinson, Legislative Assistant

attachment 1

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 386

Short Title: State Veterans Allowance Upped. (Public)

Sponsors: Representatives Rayfield, McCombs, Teague; and Smith.

Referred to: Military, Veterans and Indian Affairs.

March 10, 1999

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE VETERANS ALLOWANCE TO COUNTIES FOR VETERANS SERVICES AUTHORIZED TO BE PAID BY THE DIVISION OF VETERANS AFFAIRS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 165-6 reads as rewritten:

"**§ 165-6. Powers and duties of the Department.**

In furtherance of the stated purpose of this Article, the Department is hereby authorized and empowered to do the following:

(1) To assist veterans, their families, and dependents in the presentation, processing, proof, and establishment of such claims, privileges, rights, and benefits as they may be entitled to under federal, State, or local laws, rules, and regulations.

(2) To aid persons in active military service and their dependents with problems arising out of said service which come reasonably within the purview of the Department's program of assistance.

(3) To collect data and information as to the facilities and services available to veterans, their families, and dependents and to cooperate with agencies furnishing information or services throughout the State in order to inform such agencies regarding the availability of (i) education, training and retraining facilities, (ii) health, medical, rehabilitation, and housing services and facilities, (iii) employment and reemployment services, (iv) provisions of federal, State, and local laws, rules, and regulations

affording rights, privileges, and benefits to veterans, their families, and dependents, and in respect to such other matters of similar, related, or appropriate nature not herein set out.

(4) To establish such field offices, facilities and services throughout the State as may be necessary to carry out the purposes of this Article.

(5) To cooperate, as the Department deems appropriate, with governmental, private and civic agencies and instrumentalities in securing services or benefits for veterans, their families, dependents and beneficiaries.

(6) To accept any property, funds, service, or facilities from any source, public or private, granted in aid or furtherance of the administration of the provisions of this Article.

(7) To enter into any contract or agreement with any person, firm, or corporation, or governmental agency or instrumentality in furtherance of the purposes of this Article, and to make all rules and regulations necessary for the proper and effective administration of its duties.

(8) It shall be the duty of the Department to train, supervise and assist the employees of any county, city or town who are engaged in veterans service. Authority is hereby granted the governing body of any county, city or town to appropriate such amounts as it may deem necessary to provide a veterans service program and the expenditure of such funds is hereby declared to be for a public purpose; such program shall be operated in affiliation with this Department and under its supervision as set forth above.

(9) The Department may, in its discretion, contribute to each county an amount not to exceed ~~two thousand dollars ($2,000)~~ four thousand dollars ($4,000) on a matching basis for any fiscal year for the maintenance and operation of a county veterans service program. Participating counties shall furnish the Department such reports, accountings and other information at such times and in such form as the Department may require.

(10) Repealed by Session Laws 1973, c. 620, s. 9."

Section 2. This act becomes effective July 1, 1999.

attachment 1A

Wars and Conflicts since World War II — 10 plus minor conflicts

Wars

Korean	1950-53
Vietnam	1964-75

Conflicts

Granada	1988
Panama	1989
The Gulf War (Desert Storm)	1990-1993
Somalia	1994
Haiti	1997
Bosnia	1997-1999
Iraq-Kuwait	1998-1999 (extension of the Gulf War)
Yugoslavia - Kosovo	Now-1999

And on-going minor conflicts in Africa, Uganda. Also problems continue in Korea.

ALSO NOTE:

When the National Guard and reservists are called to active duty in these areas of conflict, their service there gains them veterans' benefits. The President has called up 30,000 reservists for the Kosovo conflict.

Attachment 2

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 976*

Short Title: Military Museum Study Funds. (Public)

Sponsors: Representative Smith.

Referred to: Appropriations.

April 12, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO STUDY THE FEASIBILITY OF ESTABLISHING A STATE MILITARY MUSEUM.

The General Assembly of North Carolina enacts:

Section 1. The Department of Cultural Resources shall study the feasibility of establishing a State Military Museum. The Department shall report its findings, including any recommendations, to the General Assembly no later than February 1, 2000.

Section 2. There is appropriated from the General Fund to the Department of Cultural Resources the sum of twenty thousand dollars ($20,000) for the 1999-2000 fiscal year to study the feasibility of establishing a State Military Museum.

Section 3. This act becomes effective July 1, 1999.

Attachment 3

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 196

Short Title: Indian Recognition Process Funds. (Public)

Sponsors: Representatives Sutton, Yongue, and Bonner.

Referred to: Appropriations.

March 1, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE COMMISSION ON INDIAN AFFAIRS TO FUND THE COMMISSION'S STATE RECOGNITION PROCESS.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration, Commission on Indian Affairs, the sum of one hundred thousand dollars ($100,000) for the 1999-2000 fiscal year and the sum of one hundred thousand dollars ($100,000) for the 2000-2001 fiscal year to fund the Commission's State recognition process. These funds may also be used to fund a full-time Policy Research Analyst.

Section 2. This act becomes effective July 1, 1999.

Attachment 4

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 197

Short Title: Native American Data Funds. (Public)

Sponsors: Representatives Sutton, Yongue, and Bonner.

Referred to: Appropriations.

March 1, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO IMPLEMENT THE COLLECTION OF NATIVE AMERICAN DATA ON ALL STATE LEVELS.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration, Commission on Indian Affairs, the sum of one hundred twenty thousand dollars ($120,000) for the 1999-2000 fiscal year and the sum of one hundred twenty thousand dollars ($120,000) for the 2000-2001 fiscal year to enable all State departments and agencies to collect and maintain Native American-specific data. These funds may be used for designing and modifying data collection mechanisms and for employing personnel.

Section 2. This act becomes effective July 1, 1999.

Attachment 5

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 55*

Short Title: Add Tax Research Positions. (Public)

Sponsors: Representatives Cansler, Capps, Gray, Hill, Neely, Ramsey, and C. Wilson.

Referred to: Appropriations.

February 10, 1999

A BILL TO BE ENTITLED

AN ACT TO ADD FOUR NEW TAX ANALYSTS IN THE TAX RESEARCH DIVISION OF THE DEPARTMENT OF REVENUE.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Revenue the sum of three hundred nine thousand seven hundred ninety-four dollars ($309,794) for the 1999-2000 fiscal year and the sum of two hundred eighty-two thousand four hundred ninety-four dollars ($282,494) for the 2000-2001 fiscal year for four Tax Analyst positions, grade 79, in the Tax Research Division. These funds shall be used for salary, benefits, office equipment, and related costs.

Section 2. This act becomes effective July 1, 1999.

Attachment 5A

HOUSE BILL 55:
Add Tax Research Positions

BILL ANALYSIS

Committee:	Appropriations/General Gov't	**Introduced by:**	Rep. Cansler
Date:	April 22, 1999	**Summary by:**	Cindy Avrette
Version:	1st Edition		Committee Counsel

SUMMARY: ***House Bill 55 appropriates funds for four new Tax Analyst positions in the Tax Research Division of the Department of Revenue, effective July 1, 1999. The bill is a recommendation of the Revenue Laws Study Committee. The Committee determined that there is a need for in-depth tax research that cannot be met by the current three-person staff. This bill would provide a tax research resource capable of serving the needs of the legislative and executive branches for analyses of various tax proposals and of the effect of changes in the economy on the tax base.***

In an effort to maintain revenue neutrality, the Revenue Laws Study Committee also recommended a bill that raises more than enough money to fund the four new Tax Analyst positions. House Bill 62 requires corporations that pay federal income tax estimated payments by electronic funds transfer to also pay state income tax estimated payments by EFT. That bill has passed the House and is in Senate Finance. The annual estimated gain from House Bill 62 is $557,621. The annual estimated cost of HB 55 is $282,494.

BACKGROUND: The Tax Research Division compiles and publishes statistical and descriptive information on State and local taxes, analyzes the impact of proposed changes in the tax laws, and answers inquiries from other State agencies and the public about the tax laws. In recent years, the General Assembly had made additional demands on the Division for reports and estimates, and this trend will undoubtedly continue. With additional tax analysts, the Tax Research Division could develop tax databases and models to provide quick estimates of various tax proposals as they arise. There are many important issues facing the General Assembly at this time and extensive tax research will be required to provide the information necessary to evaluate these issues. Examples of these issues are:

- The effect on the current tax structure of the change from a manufacturing and farming economy to a service economy
- The effectiveness and cost of tax incentives
- The impact that utility deregulation will have on State and local taxes
- The effect of allowing combined or consolidated corporate income tax returns, rather than the current single-entity returns
- The effect on revenues and on various taxpayers groups of changing the 3-factor corporate apportionment formula to a single-factor formula
- Whether to adopt the Multistate Tax Commission's uniform apportionment formula for financial institutions in place of the current single-factor formula
- How to simplify the formulas for distribution of State-shared revenues

The Department of Revenue surveyed other states to determine the number of tax research personnel each employs in its executive branch. The following table shows the number of tax research employees for twenty states, ranked by size of state population. For those states that have positions devoted partly to tax research and partly to other duties, the number represents the portion of staff time dedicated to forecasting.

State	Number of Employees
California	10
Texas	81
New York	16
Florida	12
Pennsylvania	9
Illinois	4
Ohio	5
Michigan	11
New Jersey	6
Georgia	1
North Carolina	**3**
Virginia	6
Massachusetts	5
Indiana	1
Washington	13
Missouri	5
Tennessee	3
Wisconsin	11
Maryland	3
Minnesota	14

attachment 6

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 532*

Short Title: Averasboro Battlefield Funds. (Public)

Sponsors: Representatives Cox, Davis, and Barefoot.

Referred to: Appropriations.

March 23, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE AVERASBORO BATTLEFIELD COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Cultural Resources the sum of two hundred fifty thousand dollars ($250,000) for the 1999-2000 fiscal year for the Averasboro Battlefield Commission, Inc., for the purchase of land, maintenance, and expansion of facilities, and the enhancement of educational activities in furtherance of the Commission's efforts to preserve, interpret, and promote awareness of the Averasboro Civil War Battlefield.

Section 2. This act becomes effective July 1, 1999.

attachment 7

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 452

Short Title: Century of NC Women Funds. (Public)

Sponsors: Representatives Nesbitt; Sherrill, Walend (Primary Sponsors), Adams, Alexander, Baddour, Barefoot, Cansler, Easterling, Gibson, Jarrell, Jeffus, Mosley, Redwine, Smith, and Wright.

Referred to: Appropriations.

March 15, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE PURPOSE OF HONORING AND RECOGNIZING A CENTURY OF GOVERNMENT AND CIVIC LEADERSHIP BY NORTH CAROLINA WOMEN.

The General Assembly of North Carolina enacts:

Section 1.(a) There is appropriated from the General Fund to the Department of Secretary of State the sum of twenty-five thousand dollars ($25,000) for the 1999-2000 fiscal year to update and reprint the directory of women in the North Carolina General Assembly, in partnership with the Western Carolina Women's Coalition and the North Carolina Council for Women.

Section 1.(b) There is appropriated from the General Fund to the Department of Administration the sum of twenty-five thousand dollars ($25,000) for the 1999-2000 fiscal year for the North Carolina Council for Women to fund "A Century of Women" statewide celebrations and to strengthen resources and support of women's organizations and coalitions.

Section 1.(c) There is appropriated from the General Fund to the Western Carolina Women's Coalition, Inc., a nonprofit corporation, the sum of twenty-five thousand dollars ($25,000) for the 1999-2000 fiscal year to support expansion of the regional network in the 25 westernmost counties among women and women's organizations aimed at fostering communication and collaboration and building capacity for economic self-sufficiency, leadership, and service and to support

a major Women's Conference and Women's Equality Day event which the coalition has sponsored since 1989.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H **1**

HOUSE BILL 527*

Short Title: NC Arts Council Funds. (Public)

Sponsors: Representatives Baddour and Jeffus (Primary Sponsors); Alexander, Barefoot, Blue, Bowie, Boyd-McIntyre, Brown, Buchanan, Cansler, Church, Cunningham, Davis, Easterling, Esposito, Fox, Gray, Hackney, Haire, Hensley, Horn, Hunter, Hurley, Insko, Jarrell, Justus, Luebke, McCrary, McLawhorn, McMahan, Melton, Miller, Miner, Morris, Mosley, Nye, Owens, Redwine, Rogers, Russell, Sherrill, Smith, Starnes, Thomas, Thompson, Tolson, Tucker, Wainwright, Walend, Warner, Warren, Womble, and Wright.

Referred to: Appropriations.

March 22, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO SUPPORT THE NORTH CAROLINA ARTS COUNCIL.

Whereas, North Carolina is known throughout the world for its pottery traditions, literary legacy, Southern Appalachian music traditions, jazz, blues, and gospel heritage, and an abundance of artists and arts institutions; and

Whereas, at the approach of the 21st century, North Carolina's arts community is strong and vibrant and it contributes greatly to the rich quality of life and to the healthy economy that this State enjoys; and

Whereas, for 32 years, the North Carolina Arts Council has worked to build a community of artists and arts organizations so that all of our citizens and visitors to our State will have the opportunity to enjoy the arts; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Cultural Resources, Division of the Arts Council, the sum of five million dollars ($5,000,000) for the 1999-2000 fiscal year and the sum of five million dollars ($5,000,000) for the 2000-2001 fiscal year to support the programs of the North Carolina Arts Council. These funds shall be allocated as follows:

(1) Primary Arts Organizations	$1,500,000
(2) Arts in Communities	1,500,000
(3) Rural Arts Leadership	500,000
(4) Cultural Tourism	900,000
(5) Arts Information and Research	400,000
(6) Basic Operating Support	200,000
TOTAL	$5,000,000

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H **1**

HOUSE BILL 318

Short Title: Domestic Violence Funds. (Public)

Sponsors: Representatives Redwine; Alexander, Cansler, Clary, Goodwin, Hill, Jeffus, Luebke, McComas, Melton, Morris, Mosley, Russell, Smith, Thompson, and Wainwright.

Referred to: Appropriations.

March 4, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR DOMESTIC VIOLENCE PROGRAMS.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration the sum of four million six hundred twenty thousand dollars ($4,620,000) for the 1999-2000 fiscal year to be allocated to the North Carolina Council for Women for the continuation of domestic violence programs within the State. Of these funds, the North Carolina Council for Women shall allocate sixty thousand dollars ($60,000) to each of the 76 existing domestic violence programs and to the North Carolina Coalition Against Domestic Violence, Inc. Of the funds appropriated in this section, two million six hundred eighty-two thousand five hundred dollars ($2,682,500) shall be recurring funds and one million nine hundred thirty-seven thousand five hundred dollars ($1,937,500) shall be nonrecurring funds.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H **2**

HOUSE BILL 17
Corrected Copy 2/3/99

Short Title: Sexual Assault Funds. (Public)

Sponsors: Representatives Jeffus, Sherrill (Primary Sponsors); Adams, Alexander, Allred, Barefoot, Boyd-Mcintyre, Cole, Cox, Goodwin, Insko, Jarrell, Luebke, McCrary, McLawhorn, Mosley, Nesbitt, Preston, Redwine, Sexton, Smith, Teague, Tolson, Tucker, Wainwright, and Walend.

Referred to: Appropriations.

February 2, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR SEXUAL ASSAULT PROGRAMS AND SEXUAL ASSAULT PREVENTION.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration the sum of nine hundred fifty-nine thousand four hundred dollars ($959,400) for the 1999-2000 fiscal year and the sum of nine hundred fifty-nine thousand four hundred dollars ($959,400) for the 2000-2001 fiscal year to be used by the North Carolina Council for Women for the continuation of sexual assault programs and the prevention of sexual assault within the State. These funds shall be allocated as follows:

(1) $570,000 for the 1999-2000 fiscal year and $570,000 for the 2000-2001 fiscal year for the 57 existing sexual assault programs.

(2) $289,400 for the 1999-2000 fiscal year and $289,400 for the 2000-2001 fiscal year for 10 new sexual assault programs.

(3) $100,000 for the 1999-2000 fiscal year and $100,000 for the 2000-2001 fiscal year for the North Carolina Coalition Against Sexual Assault.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 92

Short Title: Veterans' Affairs Offices Funds. (Public)

Sponsors: Representatives Goodwin, Gibson (Primary Sponsors); Allen, Barefoot, Bonner, Bridgeman, Buchanan, Church, Cox, Cunningham, Dedmon, Hackney, Haire, Hill, Horn, Hunter, Hurley, Jarrell, Justus, Melton, Moore, Morris, Preston, Saunders, Sexton, Sutton, Thomas, Tolson, Tucker, Wainwright, Warner, Warren, and Yongue.

Referred to: Appropriations.

February 17, 1999

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE ALLOCATION TO EACH VETERANS' AFFAIRS OFFICE IN THE STATE.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration, Division of Veterans Affairs, the sum of two hundred eighty-two thousand dollars ($282,000) for the 1999-2000 fiscal year and the sum of two hundred eighty-two thousand dollars ($282,000) for the 2000-2001 fiscal year to increase by three thousand dollars ($3,000) the allocation to each of the Veterans' Affairs Offices in the State to assist the offices in providing adequate service to veterans and their families.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H **1**

HOUSE BILL 213

Short Title: NC Humanities Council Funds. (Public)

Sponsors: Representatives Jeffus, Wainwright (Primary Sponsors); Luebke, Sherrill, Hunter, Adams, McLawhorn, Mosley, Insko, Jarrell, Easterling, Boyd-McIntyre, and Wright.

Referred to: Appropriations.

March 2, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA HUMANITIES COUNCIL.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the North Carolina Humanities Council, a nonprofit corporation, the sum of one hundred thousand dollars ($100,000) for the 1999-2000 fiscal year for the programs of the North Carolina Humanities Council.

Section 2. This act becomes effective July 1, 1999.

NC Humanities Council

FACT SHEET

Statewide Service * Better Informed North Carolinians * Stronger Communities

---

With a $100,000 appropriation from the North Carolina General Assembly, the NCHC will be able:

- *To increase grants funds available to local communities by 50%.*
- *To allocate funds for technical assistance for local humanities organizations.*
- *To increase program services in underserved regions of the State.*

JUSTIFICATIONS:

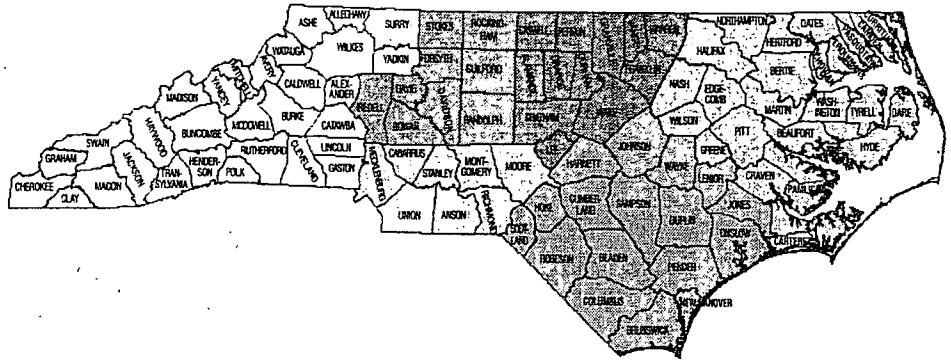
- *No other organization in North Carolina has the mission to bring FREE public humanities programs to its citizens.*
- *Every dollar awarded to local sponsors is matched with in-kind contributions.*
- *NCHC programs foster a better understanding of the changing faces of North Carolina, while preserving the culture and heritage that have made our State unique.*
- *Thousands of North Carolinians participate actively in these programs each year.*

NCHC invests in the future of North Carolina through its people and communities with the support of State funds.

- $14.6 million to North Carolina communities in all 100 counties since 1972.
- Programs are **free** and **open** to the public.
- Each state dollar is matched through in-kind contributions.
- State funds frequently leverage private gifts.

NCHC-Sponsored Programs, 1998

The 23-member volunteer board of the North Carolina Humanities Council meets three times annually to allocate grant funds, plan, and promote the programs of NCHC. Just in the last year, NCHC has sponsored the following programs across the state:



Northeastern Region

Concerned Citizens of Tillery, "Celebrating 20 Years of Social Change in the Tillery"

George H. & Laura Brown Library, "Using Readers' Theater as a Vehicle for Community Discussions about Medicine"

Lilly Pike Sullivan Municipal Library, "Family—The Way We Were, The Way We Are"

Museum of the Albemarle, "'My Pleasure Got to be Working in the Shop': The Artistry of Emmett P. Jones and the Role of Rural Craftsmen"

New Bern-Craven County Public Library, "Mysteries: Clues to Who We Are"

PeopleAct, "'An American Café' Video Project"

Pettigrew Regional Library, "Rebirth of a Nation: Nationalism and the Civil War"

Sheppard Memorial Library, "Let's Talk About It: Not for Children Only"

Southern Media Fund, "Tobacco Money Feeds My Family"

The North Carolina Film Foundation, "Movies of Color: Black Southern Cinema"

Thomas H. Braswell Memorial Library, "The Journey Inward: Women's Autobiography"

Southeastern Region

1708 Gallery, "Benson Sings"

Anson Community College, "Life Review in a Correctional Setting: A Collaborative Oral History"

Cape Fear Museum Associates, "Join the Jonkannu"

Friends of New Hanover County Public Library, "Exploring the West: Whose West?"

Friends of New Hanover County Public Library, "Let's Talk About It: 20th Century African-American Literature"

History Department, UNC Wilmington, "The 1898 Wilmington Racial Violence and Its Legacy: A Symposium"

Onslow County Public Library, "Tar Heel Fiction: A Second Look"

UNC-Wilmington, "Sacred Spaces: Religion and Architecture"

Western Region

Avery-Mitchell-Yancey Regional Library, "The West and the Frontier in American Culture: Exploring the West...Whose West?"

Avery County Historical Society & Museum, "The Weaving Room at Crossnore School"

Caldwell Community College and Technical College, "Understanding South Asian Cultures: An Introduction to Teacher and Students"

Friends of The Transylvania County Library, Let's Talk about It: Tar Heel Fiction—a Second Look

Haywood County Library, "Twentieth Century African-American Literature"

Hickory Public Library, "Faith Differences and Different Faiths: Exploring Religion in Modern America"

John C. Campbell Folk School, "In the Spirit of Shaker—1998"

Key Players, "'The Choice Is Yours' Robeson County Tour"

Macon County Public Library, Let's Talk about It: Tar Heel Fiction, a Second Look

One Dozen Who Care, "A Festival of African American Gospel Music"

Pegasus Press, "An Oral History of Enka Village"

Saluda Community Library, "Tar Heel Fiction: Literary Perspectives"

Surry Arts Council, "Old Time Music on Radio (OTR) Conference—1998"

The Learning Community, "Let's Make History"

The Hiddenite Center, "The Unifour Community Oral History Project"

UNC Asheville, "Houseless Is Not Homeless: Stories and Photographs of a Community Effort to Break the Cycle of Homelessness"

Western Carolina University, "Cherokee Women Studies Conference"

Women's Studies Program, Appalachian State University, "Women's Realities: A Five-Week Documentary Film Series in Celebration of Women"

Southern Piedmont

English Department, Queens College, "Ray and Rosa Hicks: Window into Our Past"

Museum of the New South, "'Out in the Country': Tenant Farming in the New South"

Stanly County Public Library, "Twentieth Century African-American Literature"

UNC Charlotte, "'Right on the Wall' Graffiti Art as Visual Language"

UNC Charlotte, "Mecklenburg at the Millennium: Cataloguing a Community's Voices"

Van Every/Smith Galleries—Davidson College, "From Table to Tomb: Ancient Maya Ceramic Masterpieces from the Collection of the Mint Museum of Art"

Northwest Piedmont

African American Studies Program, UNCG, "A Public Discussion of The Play, 'Miss Evers' Boys: The Tuskegee Syphilis Experiment"

Archdale Public Library, "What America Reads: Myth Making in Popular Fiction"

Davie County Public Library, "Not for Children Only"

Department of History, NC A&T State University, "Infusing East Asian Studies into the Public Schools and College Curricula in Central North Carolina"

North Carolina Transportation Museum, "Commercial Aviation History of North Carolina"

Romance Languages Department, Wake Forest University, "Narratives of Bicultural Identity: A Special Panel on US Latino Literature"

Northeastern Piedmont

Asian Voices, "Communities Are Us: An Oral History of South Asian Immigrants Living in Chapel Hill, Carrboro, NC"

Capital Area Preservation Inc., Lecture & Book Signing for "The Last of the Jews: Assimilation and Survival"

Carolina Friends School, "Shine On: Richard Trice and the Bull City Blues"

Chapel Hill-Carrboro Public School Foundation, "Chapel Hill High School: Documenting the Journey to Integration"

Democracy South, "Overcoming Division in Eastern North Carolina: Learning from History and Making History"

Department Of Music, UNC Chapel Hill, "Beyond Category: A Symposium on the Life, Works, and Orchestra of Duke Ellington"

Even Exchange Dance Theater, "Even Exchange/ Motheread Tales of Strength Tour"

Friends of the Library—Person County Library, "Tar Heel Fiction: Literary Perspectives on North Carolina"

Institute for Southern Studies, "The Northside Community History Project"

Institute for Southern Studies, "We Are All Housekeepers"

Interfaith Alliance of Wake County, "The Diversity of Faiths in the Triangle"

Museum of the Jewish Family, "Migrations: Jewish Settlers of Eastern North Carolina"

North State Public Video, "St. Phillips Video Project"

North Carolina State Museum of Natural Science, "North Carolina's Natural Treasures Oral History Project"

North Carolina Museum of History, "North Carolina Pottery: Educator Kits"

Piedmont HIV Health Care Consortium, "Life Review with People with HIV: A Collaborative Oral History Project"

Sculpture Apprentice Parents' Ad Hoc Team, "Exploris Apprentice Program Series II"

St. Joseph's Historical Foundation, "Celluloid Sounds: Black Music Traditions in Film"

UNC Hospitals Ethics Committee, "Families Helping Families: Using Oral Histories as a Teaching Tool for Making Ethical Decisions"

Vietnamerica Committee, "Vietnamerica"

Williams High School, "Exploring North Carolina Folklore: From the Mountains to the Sea"

An Investment in the North Carolina Humanities Council is An Investment in the Future of North Carolina Through its People and Communities

EDUCATION LIFELONG

The North Carolina Humanities Council supports education lifelong for all North Carolinians regardless of educational level, economic status, or geographic location. The NCHC encourages a civic life that can be shared by explicitly connecting education to citizenship.

FUNDING LOCAL INTERESTS

The NCHC funds public humanities programs, a unique form of public education shaped by local interests and concerns and implemented in collaboration with the best scholars and teachers from the state's colleges and universities.

CONNECTING THE FUTURE TO TRADITIONS OF THE PAST

Public humanities programs connect the future to the traditions of the past and through the questions of the present. The heart of a public humanities program is realized when North Carolina citizens engage one another in thoughtful dialogue and conversation.

$14.6 MILLION TO COMMUNITIES MATCHED BY CITIZENS

Since 1972, the North Carolina Humanities Council has brought over $14.6 million to North Carolina communities in all 100 counties. Each dollar has been matched by the citizens of North Carolina, usually through in-kind contributions. These funds have also help the Council and its grantees leverage private money to supplement program budgets.

ADDRESSING BROAD ISSUES

NCHC also addresses broadly recognized educational issues in North Carolina such as illiteracy and content based professional development activities for the state's public school teachers.

SUPPORTING NORTH CAROLINA'S CULTURAL AND EDUCATIONAL INFRASTRUCTURE

By awarding program funds to community institutions which struggle with small budgets and few staff, NCHC supports the cultural and educational infrastructure of North Carolina. Libraries, museums, schools, senior centers, and some offices of state and local government, such as arts councils and social service agencies are frequent recipients of NCHC dollars.

BUILDING COMMUNITY

NCHC-funded programs are free and open to all North Carolina citizens. NCHC funded programs build *community* and communities by improving the quality of life for our citizens.

NCHC'S MISSION

North Carolinians live in a world defined by more than geographical boundaries. The state's culture & heritage are alive in the diversity of its traditions, its peoples & places, its history & art, its stories & music. As expressions of culture and heritage, the humanities are all around us, in our conversations, in the different ways we see the world, in the many ways we shape our lives. More than expressing our lives, the humanities offer us ways to ask our most fundamental questions about the meaning of what we say and do, about who we are.

The mission of the NCHC is to bring North Carolinians together to make sense of this world we share.

Some Sample NCHC Grants Awarded During 1998

1. NCHC awarded a large grant to the Hiddenite Center for "The Unifour Community Oral History Project." In collaboration with Lenoir-Rhyne College and the Hickory Community Relations Council, The Hiddenite Center is working to use local oral histories as one method of building community among the four-county area that includes Alexander, Burke, Caldwell and Catawba Counties. As the project director noted, the project is rooted in the belief that "by sharing the stories of our lives and diverse cultures, we come to know ourselves and each other and are better able to build community." This oral history project is one part of a larger effort to explore and understand how the area's increasing cultural diversity, especially from recent immigrations of Hmong and Latino residents, is helping to transform the meaning of community, identity and civic participation.

Specifically, the oral history component will develop two sets of oral histories about the experiences of local residents. NCHC funding is helping project leaders to gather these histories through two tracks: a formal course open to the community being taught at Lenoir-Rhyne College and a series of oral history training workshops held for residents in several local communities.

2. NCHC awarded a large grant to the African-American Studies Program at UNC Greensboro to support performances and discussions of a reader's theater production of "Miss Evers; Boys." The play recounts the history and impact of the Tuskeegee Syphilis Experiment conducted on African-American men between 1932 and 1972. In 1932, the US Public Health Service used about 400 African-American men as guinea pigs by exposing them to syphilis to learn whether the disease affected black males differently than white males. The general public did not learn about these experiments until 1972, and among its lasting consequences has been an intense distrust and anger among African Americans at the medical community at large. It was only in 1997 that President Clinton apologized for this crime, 64 years after the experiment started.

Adapting this play for a staged-reading, participants in this project offered a powerful and moving review of these events in order to examine moral issues of race and economic difference in the provision of health care. A discussion about these issues was led by two scholars at each of the six performances. Originally, the project emerged from scholars in the eastern part of the state. Four of the performances/discussions were in Greensboro, while two were in Pitt County, one of the original six demonstration sites at which the experiment was conducted.

3. NCHC awarded a mini-grant to Pegasus Press, a nonprofit organization in Asheville, to support an oral history of Enka Village. Established between 1929 and 1931 in the Hominy River Valley outside Asheville, Enka was the unique experiment of a planned, industrial community and was established through a Dutch corporation that owned the Enka plant, one of the largest rayon manufacturing sites in the world. Along with the plant, the Dutch company also exported European notions of a planned community, which it perceived as being more very different than industrial communities and villages in the US. Unlike many US manufacturing-based towns, such as mill villages, Enka included housing, medical and recreational facilities, shops and stores and green spaces.

4. NCHC awarded a mini-grant to the Joyner Library at East Carolina University to help public school teachers in the eastern part of the state learn about primary research materials available for "Local History in the Classroom." According to the project directors, social studies teachers came from Jacksonville, Southport, Bethel, Robersonville, Greenville, New Bern and several other cities to "examine how community history and the lives of everyday people can illuminate important themes in social studies courses." In addition to having the opportunity to work directly with resources such as manuscripts, old newspapers, maps, pamphlets and photographs at the library, teachers also heard presentations from a North Carolina historian who has written widely on local history and from a Currituck County teacher who already uses local primary sources in her classroom. For the project directors, the primary purpose of this effort was learning "to think critically and creatively about the future of their hometown because they are more firmly rooted in the past."

1998 NCHC Projects

- **Teachers Institutes**
  - "Enriching the Agenda for American Cultures II" (1997-1999) are intensive summer institutes and in-service seminars for public school teachers in Hoke, Scotland & Robeson counties. Since 1997, over 50 educators have participated in this 3-year program.
- **Literacy Connections**
  - NCHC's Program Development Resource for Motheread, Inc.
  - Works statewide to assist local communities in developing their own Motheread/Fatheread literacy programs.
  - As many as 11,845 adults and children were assisted through 63 different programs in 40 counties in 1998.
- **Humanities Forum**
  - 2,035 people enjoyed speakers from the NCHC's speakers bureau in 45 events in 1998..
- **NC Crossroads - a quarterly publication**
  - A bi- monthly publication in a broadside-newspaper format that examines issues of cultural identity and community in North Carolina.
  - 15,000 copies distributed to public libraries, grocery stores, DSS, bookstores, museums, coffee shops, gas stations, tiendas, etc.
- **WFDD 88.5 FM Cultural Reports**
  - Weekly cultural reports on WFDD Radio, 88.5 FM, the Winston-Salem affiliate of National Public Radio. Stories explore fundamental issues that sometimes feature NCHC programs. Reaches approximately 600,000 people.

1998 NCHC Audience

Total # of participants: 759,840

- Community-Initiated Projects - 27,910
- Humanities Forum - 2,035
- Literacy Connections - 11, 845
- *NC Crossroads* - 15,000
- Radio/Media Projects - 700,000
- Teachers' Institutes - 3,050

celebrating HUMANITY

Founded in 1972 to bring North Carolinians together to make sense of our world, the North Carolina Humanities Council is bringing the humanities — and the scholars who teach them — out of academia and into communities and cultures.

by Susan L. Comer

Lucy Allen fell in love with history when she discovered that it's more than just facts — it's also perception. Since we each view the world through our own lens, we each have a different reality. Therein lies the "story" in history.

Through a grant from the North Carolina Humanities Council (NCHC), Allen is recording oral histories of Catawba Valley residents to bring together the area's culturally diverse population. "By knowing our respective stories, we come to know ourselves and each other better," says Allen, folklorist for the Hiddenite Center in Alexander County, the area's arts hub. "This shared knowledge gives us confidence and trust in our neighbors and reasons to care for and help each other."

A joint effort of the Hiddenite Center, Lenoir-Rhyne College, and the Hickory Community Relations Council, the project embodies the NCHC's mission: bringing North Carolinians together to make sense of our world.

North Carolina was among the first states to have a humanities council; the NCHC was founded in 1972, under the auspices of the National Endowment for the Humanities, through a piece of legislation designed to bring the humanities — and the scholars who teach them — out of academia into communities. As NCHC Executive Director Alice Barkley says, "to bring the general public into programs where the disciplines of history, literature, philosophy, anthropology, and religious studies ... play a role in the construction or the concept behind the program."

Grant proposals can be submitted to the NCHC by any state nonprofit organization — museums, historical societies, libraries, churches, college academic departments, even ad hoc committees. Barkley says the NCHC has particularly encouraged proposals on cultural diversity as North Carolina is growing into a more multicultural society.

Story seekers

The Catawba Valley — also known as the Unifour — where Allen is serving as director of the "Unifour Community Oral History Project," is a frequent destination for immigrants, due to its low unemployment rate and need for unskilled workers. In 1995, the *Charlotte Observer* reported that the Hispanic population in the Unifour — Burke, Caldwell, Alexander, and Catawba counties — was more than 13,000. The area also is considered the Hmong capital of North Carolina. That ethnic

population is estimated to be near 10,000. In Burke County alone, the number of English as a Second Language students rose from 25 in 1989 to 975 in 1995.

With such a rapidly changing population, the Unifour faces a critical juncture, and community response to these changes will help decide the region's future. Consequently, Allen and others are training Lenoir-Rhyne students and community members as oral historians. Collected histories will be transcribed and housed at the college library, as well as area public libraries that request them.

Allen says our affinity for stories is what makes oral history an effective tool for bridging cultural gaps. Powerful stories can unfold, she says, through such questions as, "How did you get here from Mexico or Guatemala?" "What are some struggles you faced?" "What is the benefit of living in Burke County?" and "What can you share with those of us who aren't familiar with the Latino lifestyle or cultural attitudes?"

History lessons

Allen recently conducted a workshop in Lenoir's traditionally African-American community of Freedman. "It used to be self-sufficient, basically until school integration," she says. "It was a community of freed slaves. A lot of kids in elementary schools now don't know why it's called Freedman." She urged students to interview parents and grandparents. "You know, 'What was it like to go to an all-black high school?' and 'Could you tell us about the clubs that used to be here and the grocery store that was on the corner?'

"That's part of collecting their own history," she says, "and I think it's work that needs to be done, because they're forgetting why they're there."

Allen hopes that Unifour residents, both new and established, will uncover, as she did, the often missing link in history lessons: the concept of perception. "If you get 10 different stories about how the Freedman community got its name and what used to be there, or 10 different stories of people's experiences crossing the border, those are all valid," she says. "They're all seen through different lenses, and through listening to all of them, you get a better sense of all of it."

An oral history workshop is planned in Catawba County this month. (Call the Hiddenite Center for more information.)

The project will culminate in a three-day celebration, symposium on March 18-20 in downtown Hickory.

Students compile oral histories of Freedman, a community of freed slaves. Their work is part of the Building Community from Diversity project in the Catawba Valley.

Big wheels keep on turning

Across the state, another NCHC-funded project also seeks to tell a previously undocumented story. "Fixing the Farm," an exhibit at Museum of the Albemarle in Elizabeth City, explores the contribution of artisans to rural culture through the craftsmanship of 85-year-old Emmett Parker Jones, one of the last practicing wheelwrights in northeastern North Carolina.

"As far as the common perception of farmers being self-contained, self-sufficient people — they really weren't," says Don Pendergraft, project director and MOA exhibit designer. "They could do most of the things they needed to run a farm, but then they needed the craftsworker ... to come to the farm and maintain their equipment."

Jones, a fourth-generation wheelwright, began learning the craft from his father at age three. Says Jones in the October 18, 1998, *Virginian-Pilot*, "When I'd get off the school bus, Daddy'd stick his head out of the shop and say, 'Get your school clothes off and get out here as quick as you can. I need you bad.' " Otis Jones taught his son that repairing farm equipment isn't just a matter of repairing the break, but of knowing what caused the break in the first place.

According to Pendergraft, the trade involves woodworking, welding, and blacksmithing. Because of Jones' mastery of all three, his work is an art form, "although it was a utilitarian thing for the generation it was necessary for."

A case in point is the Albemarle dump cart — sometimes called the Gates County dump cart. Similar to the traditional two-wheeled English cart, "it was made so that it could travel through the sandy, loamy soil of the Albemarle region, and it only requires one horse," says Pendergraft. The hinged design of the cart allowed a farmer to yank the pins out of the front, tilt the cart back, and dump a load — all without detaching the mule from the cart.

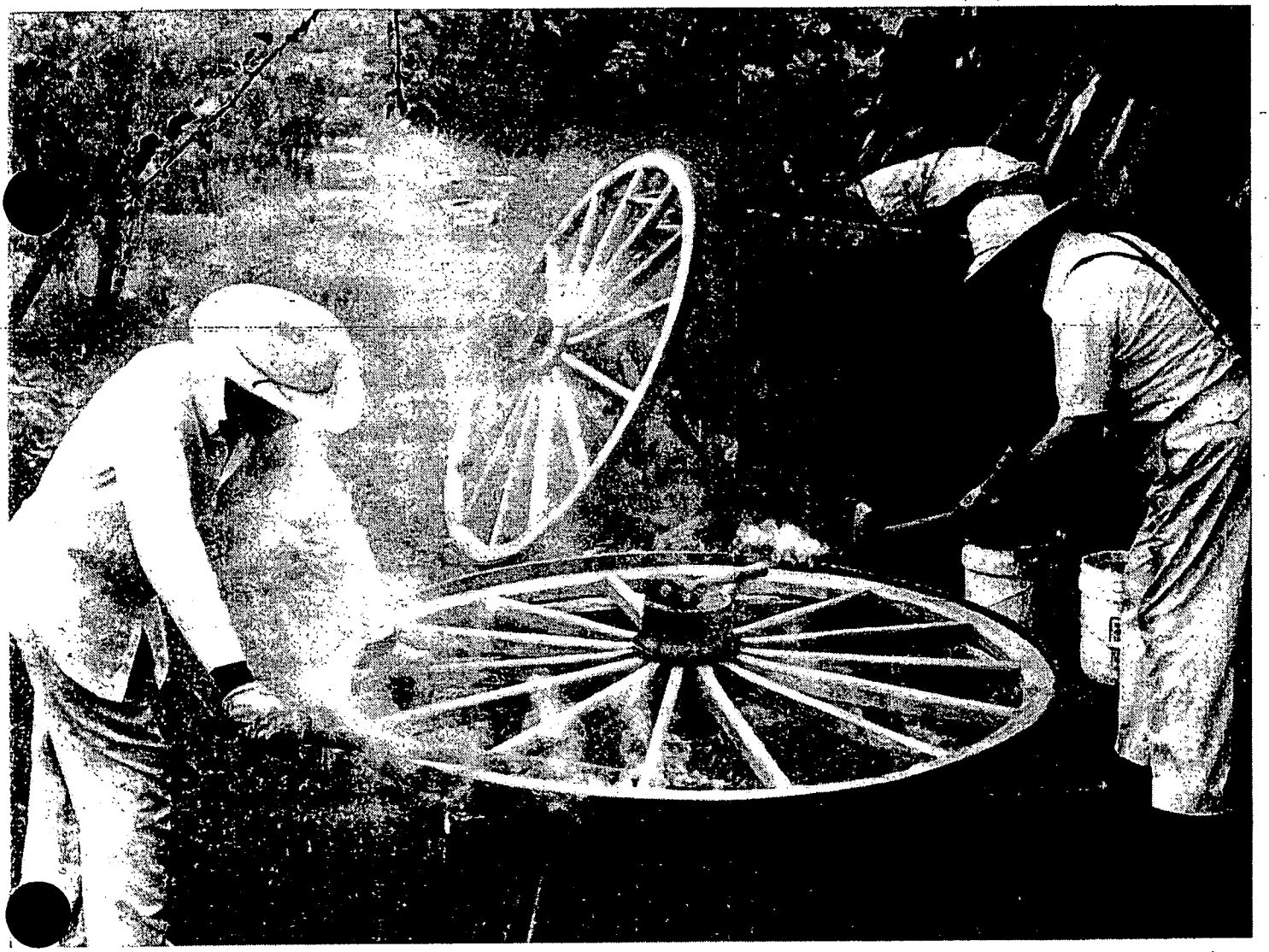
"If you came up with an invention or a device that would help save time or labor and make [farmers] more productive, you were almost in the same status as a sports hero is today," says Pendergraft.

As many of today's workers must adapt their skills to meet the demands of computer technology, artisans in Jones' day had to keep applying old skills to new situations as innovations in farm equipment emerged. Jones' career, which included a stint in Norfolk, Virginia, as both a construction and aircraft

Chiseling the mortises in the wheel's hub ...

... connecting the ends of an iron band ...

... driving the last spoke into the hub ...



... and wheelwright Emmett Jones (right), with friend Arnie Riddick, put the finishing touches on a completed wagon wheel.

welder, represents successful response to change. Says Jones, "If anybody ever enjoyed his life's work, it's been me."

According to Pendergraft, Jones is part of a dying breed of craftsworkers. "His son went into another field," he says. "Emmett Jr.'s not going to be a wheelwright. There's no one left to pass the torch to, and so we thought it was important to document as much as possible and collect as much material as possible for future generations, so they will be able to appreciate the way our ancestors lived, and the way that they tried to improve on the conditions they knew so our conditions would be better."

The exhibit, with farm-related crafts demonstrations, runs through September 5, 1999.

And now a few words about our speakers

The Speakers' Bureau is yet another example of how the NCHC brings the humanities out of the academic into the public realm. Folklorist Thomas McGowan, a professor at Appalachian State University, describes a recent engagement in which he and local storyteller Orville Hicks spoke before a meeting of the Surry County Historical Society:

"Society members gather for a pleasant supper before our program [in the Franklin-Edwards House, an 18th-century frame dwelling restored by the society]. ... The house is where Hardin E. Taliaferro used to come to read books. He was a writer who depicted local Surry County storytellers in his local-color writing. And there I was introducing a storyteller who continues the rich rural traditions of North Carolina oral narrative.

"After dinner, I flash slides on the whitewashed back wall of the sitting room. ... In the audience are relatives of the house's original family. Orville comes up to weave his tales — and expressive lies. The local audience reacts powerfully to his rapport and the fun of his comic stories. A wonderful evening where storytelling and its appreciation come together in a special setting."

Through the speakers' forum, nonprofit groups have access to speakers on everything from the history of dancing in Latin America to what's Southern about Southern literature, from the stories of North Carolina place names to stock car racing.

Author MariJo Moore of Candler, who is of Eastern Cherokee, Irish, and Dutch ancestry, speaks on American Indian spirituality, traditions, and literature. "So much has been written about us by non-Indians and so many stereotypes prevail," she says, "it is rewarding to actually have an audience interested in the truth."

The forum is made up of people who represent each region of the state in a variety of disciplines. Most are professors. NCHC designates funds each year for appearances and processes requests; topics and speakers are listed in a catalog published every other year by the council. On average, close to 3,000 North Carolinians attend humanities forum presentations annually.

N.C. State University's Lucinda MacKethan gives such distinctively titled talks as "Huck Finn among the Bigots" and "Is Scarlett Gone with the Wind or Still Here?" She points out the forum's opportunity to help set in motion societal growth. "When I can tell people about things they have never heard before, information that helps them to develop or change their judgments — that's rewarding" she says.

Emily Seelbinder of Queens College, speaks on, among other topics, poet Emily Dickinson's exploration of faith and religion. Seelbinder welcomes the opportunity to instill in her audiences "a lifelong love of learning."

"Developing a shared passion for texts and subjects is what I love most about teaching," she says. "In many ways, participating in the forum puts me in touch with more students than I might reach in my classroom alone."

MacKethan adds that the benefits aren't just for audience members. "When I talked to an interdenominational seniors group at Binkley Baptist Church in Chapel Hill about Huck Finn and racism," she says, "the participants, who came from all professions and all regions of the country, gave me important challenges to broaden my own understanding of the effects of racism."

In a society that prizes fast answers, the NCHC places value on thoughtful questions. Most of us, at some point in our lives, ask ourselves who we are, where we come from, and what is important to us. We ponder privately — as people. But "weaving cultures and communities," as the NCHC has sought to do for more than 25 years, requires asking these questions together — alongside our fellow citizens.

Freelance editor and writer Susan L. Comer lives in Winston-Salem.

To find out more ...

For information about the NCHC programs, contact:

- Unifour Community Oral History Project
  Lucy Allen
  Hiddenite Center Inc.
  P.O. Box 311
  Hiddenite, N.C. 28636
  (828) 632-6966
- "Fixing the Farm" Exhibit
  Museum of the Albemarle
  1116 U.S. 17 South
  Elizabeth City, N.C. 27909-9806
  (252) 335-1453
- For information on the Speakers' Bureau or NCHC programs:
  North Carolina Humanities Council
  425 Spring Garden Street
  Greensboro, N.C. 27401
  (336) 334-5325

WINTER 1999

Newsletter of the North Carolina Humanities Council, a nonprofit foundation promoting public programs in the humanities.

NORTH CAROLINA Humanities

Weaving Cultures and Communities

Remembering for Reconciliation and Healing

Melton McLaurin, UNC Wilmington

In two days of rioting during November 1898, a mob of white citizens led by some of Wilmington's most respected and influential residents fundamentally changed race relations in the city, the state and the nation. In this short period, the white mob destroyed the state's only African-American daily newspaper, killed at least nine blacks and drove hundreds from their homes, forcefully expelled black and white political and business leaders opposed to Conservative Democratic rule and white supremacy, and used paramilitary forces to remove from office Wilmington's duly elected city government. This violent episode initiated a successful statewide campaign by the Democratic Party to disenfranchise the state's African-American citizens and bring North Carolina into the ranks of the Jim Crow South. It also signaled to African Americans throughout the South the futility of appealing to the federal government for protection from the white segregationist onslaught upon their political and civil rights.

On a cold winter's day early in 1996, a group of scholars met in the Hawk's Nest, a fast food style cafeteria on the campus of UNC Wilmington. Amidst the normal hustle and bustle of such a setting, the group discussed the fast approaching centennial of Wilmington's 1898 racial violence. As scholars of the American South and race relations, they fully appreciated the historical significance of the events in Wilmington almost one hundred years ago. They were convinced that the centennial of those violent events would not, and should not, go unobserved. And, the scholars also were aware that there were individuals with considerable influence within the Wilmington community who hoped that past would be ignored and unexamined.

The planning group's challenge was to develop a program that would commemorate the bloody and divisive events of 1898 while accomplishing a number of additional objectives. The program had to address the events of 1898 and their consequences with accuracy, yet in a manner that would improve, rather than further deteriorate, racial relations in Wilmington. It had to appeal to Wilmington's African-American community and to at least a large segment of the city's long-term white residents. The program also would need to engage the attention of not just Wilmingtonians, but of people throughout North Carolina and the South. Finally, the program had to be accessible to a general public audience.

These scholars decided to plan a symposium on 1898 that would bring to the city the nation's best scholars of race relations in North Carolina and devise a means to give the general public direct access to these scholars. Following-up on their ideas, the planning group expanded to include local residents from the Centennial 1898 Foundation, historians at the NC Division of Archives and History, and interested independent scholars.

With financial support from the North Carolina Humanities Council, the Division of Archives and History and the NC Literary and Historical Society, this group held one of the most successful symposiums on race relations in America. None of the major sessions drew an audience of less than 300 people, and an overflow crowd of more than 1,200 persons heard

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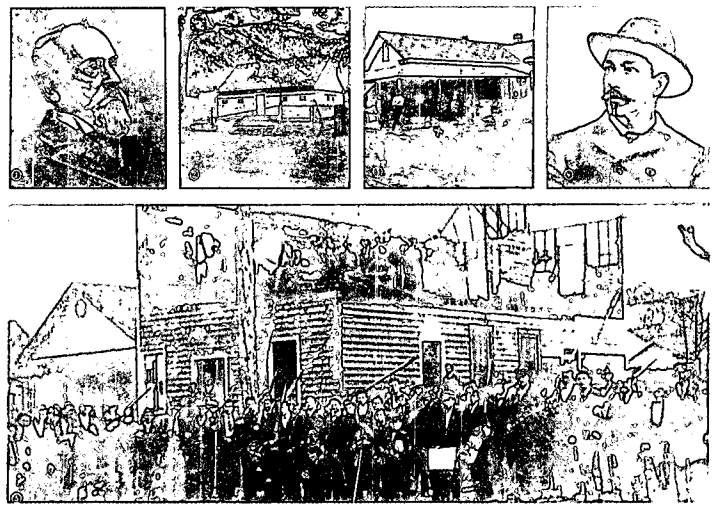

November 26, 1898, Collier's Weekly. *Photo generously provided by the NC Division of Archives and History.*

conference was successful in a way that we rarely see in academe—a conference that really drew in and drew from the community. We often say we 'd like to do something like that, but we seldom pull it off.

C. David Perry
Editor-in-Chief
UNC Press

Grant Proposal Application Deadlines

PLANNING GRANTS (up to $750)
Due in the NCHC office any time.

MINI-GRANTS ($1,200 or less)
Due in the NCHC office on the first day of any month.

LARGE GRANTS (over $1,200)
Due in the NCHC office according to the following schedule:

For projects beginning after December 15:
Draft proposals: September 1
Final Proposals: October 1

For projects beginning after March 28:
Draft proposals: December 15
Final Proposals: January 15

For projects beginning after July 15:
Draft proposals: April 1
Final Proposals: May 1

North Carolina Humanities
Weaving Cultures and Communities

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New Members Elected to NCHC

Peter J. Caulfield, who lives in Asheville, has a DA in English from the University of Michigan. He is an Associate Professor of English at UNC Asheville, and currently is the Chair of the Literature and Language Department, as well as Co-coordinator of the university's Writing Across the Curriculum program. Dr. Caulfield teaches and writes about rhetoric and theories of knowledge, and twice has received the Mills Award for Creative Research at UNCA. An active member of his local community, Dr. Caulfield has done significant volunteer work at the Hillcrest Headstart Center in Asheville, and has participated in several NCHC programs. Dr. Caulfield is working on a novel, *Hear the Voices Calling*.

Rebecca Reyes, who lives in Durham, is an ordained Presbyterian Minister with an MSW degree from UNC Chapel Hill. Formerly a campus minister at UNCCH, the Reverend Reyes is a clinical social worker at Duke University Medical Center. A Texas native, the Reverend Reyes is very active in her local community and has served on the Durham Human Relations Commission and the Resource Center for Women and Ministry in the South, as well as other boards. Currently she serves on the Latino Advisory Council for the City of Durham. The Reverend Reyes is a trained MOTHEREAD literacy instructor.

John H. Haley, who lives in Fuquay-Varina, is a retired US Army Colonel. With a PhD in history from UNC Chapel Hill, Dr. Haley is Associate Professor of History at UNC Wilmington. His areas of specialty are African-American and US history, as well as race relations and the American South. Dr. Haley has been a frequent participant in NCHC programs from the Humanities Forum, to being a core faculty member of the 1993 Teacher's Institute, to participating as a presenter at the Symposium on the Wilmington racial violence of 1898. In addition to NCHC, Dr. Haley also serves on the board of Preservation North Carolina and the editorial board of the *NC Historical Review*.

Sally Dalton Robinson, who lives in Charlotte, was born in that New South city. A graduate of Duke University, Ms. Robinson is a community activist and volunteer who has worked on a wide range of issues of public importance. Serving on the Executive Committee of the Museum of the New South and as chair of the museum's Capital Campaign Drive, Ms. Robinson has been a major force in making this museum an important cultural institution in our state. Currently, Ms. Robinson serves on the Board of Trustees of Duke University, of MDC, Inc. and the Charlotte-Mecklenburg Public Arts Commission. She helped found and continues to serve on the board of the Bridge Jobs Programs.

And, NCHC welcomes back former Council member and chair, **Henry S. Levinson** as an ex-officio member and Co-Chair of the Program Committee. Currently on leave from his post as Professor and Chair of the Department of Religious Studies at UNC Greensboro, Dr. Levinson received his PhD in Religious Studies from Princeton University. A Danforth Fellow, Mellon Faculty Fellow at Harvard and Fellow at the National Humanities Center, Levinson taught at Stanford University before coming to UNC Greensboro. A significant contribtor to NCHC, Levinson was on the Council from 1989 to 1996.

Literacy Connections

Literacy Connections, NCHC's program resource for Motheread/Fatheread instructors, sponsored two regional meetings this fall, one in the western part of the state and a second in northeast North Carolina. A total of twenty-two persons attended these meetings, only the first two in a planned series of regional meetings.

The purpose of these meetings was two-fold: (1) to provide MR/FR instructors in particular geographic regions with an opportunity to meet together and determine how they can be resources to and for each other; and (2) to discuss directly with MR/FR instructors just what types of assistance they needed and how Literacy Connections can be a more effective resource as they continue to develop and strengthen their own community literacy programs.

The western regional meeting was held on October 6 in Morganton, and was hosted by Mary Marcia Salsbury and Kathy Garrou, Executive Director and Program Director of the Burke County Literacy Council. Salsbury and Garrou are both certified MR/FR instructors.

The northeastern regional meeting in Winton, NC, was hosted by instructors Audrey Moore of the Hertford County Partnership for Children and George Holley and Jackie Ward from the Department of Social Services. Instructors from programs in Bertie, Chowan, Gates and Perquimans Counties attended, as did visitors from Elizabeth City State University, the College of the Albemarle and NCHC member Dana Hay.

For both meetings, MR/FR instructor Phyllis D'Agostino, Program Director for the Smart Start Technical Assistance Center in Forsyth County, joined Dr. Lynn Wright-Kernodle, NCHC's Literacy Connections Director. D'Agostino spoke with participants about the very successful collaboration of MR/FR instructors in Winston-Salem/Forsyth. This group of instructors has recently completed the process for becoming Motheread/Fatheread of Forsyth County, Inc. and has hired a part-time coordinator for the county's MR/FR program.

There was an overwhelming request from instructors, especially those trained 4-5 years ago, for Literacy Connections to provide "refresher" workshops and orientation to new MR/FR curricula. Participants also requested help in program evaluation, observation and critique of the MR/FR classes they teach, as well as with assistance in adult curriculum implementation.

NCHC Member Dana Hay talks with MOTHEREAD instructors Grace Bean and Nann Ambrose.

"The support we feel from Literacy Connections and the North Carolina Humanities Council gives us confidence that our [Motheread/Fatheread] program is on the right track."

Mary Marcia Salsbury
Executive Director
Burke County Literacy Council

Teachers' Institutes

NCHC is now in its third year of work with educators from the Hoke, Robeson and Scotland County schools. This staff development program, "Enriching the Agenda of American Culture," offers teachers opportunities for rigorous intellectual work in their respective academic disciplines.

This fall's seminars focused on the rapidly growing Latino population in North Carolina in general and in the southern Piedmont specifically. At East Hoke Middle School in October, Dr. John Chasteen from UNC Chapel Hill spoke on "Basic Keys to Understanding Latin America." With a clearer understanding of the history, cultures and geography of this area, teachers were ready for the December panel discussion about current "Latino Issues in NC: Education and Community," which was held at Pembroke Elementary School in Robeson County. Panel members were Libby Manly, Program Director of Student Action with Farmworkers; Andrea Bazan Manson, Research Associate in the NC Office of Minority Health; and Katie Pomerans, Hispanic Ombudsman for the NC Department of Health and Human Services.

Additional seminars are planned for the spring, one of which will examine the Highland Scots heritage of the area and will be held on the campus of St. Andrews Presbyterian College campus in Laurinburg. The entire project will conclude in June when teachers will participate in a final week-long residential institute.

Participants in the Teachers' Institute In-service Workshop on Latin American History.

"This seminar gave me some good insights into the backgrounds of my Hispanic students' cultures and heritage. It helps me understand where my students and their families come from and gives me a personal appreciation of Latin American cultures."

Workshop Participant

"Bringing North Carolinians together

"The state's culture and heritage are alive in its people and places, its history

June 1998 provided some extraordinary opportunities to celebrate, honor and learn about the people and places of three different parts of the state through their history, art, stories, and, especially, their music.

Enjoying the 78th State Annual Singing Convention in Benson, NC June 26-28, 1998. Photo by Katie Adams Parrish.

In the beginning of June, NCHC funded **a planning grant to develop a larger project examining the seventy-eight year-old Annual Singing Convention in Benson**, which still takes place annually in Johnston County in the east. Sponsored by the 1708 Gallery, project director James Parrish organized a meeting of scholars to consider a plan to document the very rich history of this cultural event. Held at the NCHC office in Greensboro, the meeting included Mr. Parrish, Dr. Glenn Hinson (UNC, Department of Anthropology and Folklore), Ms. Ellen Walters (independent film maker) and Dr. Harlan Gradin (history, NCHC Assistant Director).

The Surles Twins of Angier, NC at the State Annual Singing Convention in Benson, NC, circa 1957. Photo by Carlie Tart.

The group discussed the advantages and disadvantages of different documentary approaches including oral history interviews, film and video. Equally important, the group worked with Parrish to consider what the specific focus of the project should be and why—singers, convention directors, audience members, and/or local residents. And, Parrish began to detail some of the major tasks and priorities, as well as who might become potential partners and funders.

As part of the meeting, the planning group viewed pictures of the Sing, heard some of the interviews and music Parrish already had collected, and viewed Walter's own documentary film, *Firehouse Women*, about workers at a diner in Laurinburg who often sing gospel music to their clientele. This helped the group talk through some of the particulars of the intended project, as well as offering some guidelines about budget expenses.

As Parrish observed, "The NCHC planning grant reminded me of how valuable it is to involve others...with experiences and knowledge. My planning meeting was productive, fun and encouraging" and "invaluable."

Also in the first part of June, **NCHC helped to fund the Old-Time Music and Radio (OTR) Conference sponsored by the Surry County Arts Council.** This was the third conference that brought together people passionate about the richness and importance of traditional folk music. Its purpose is to bring together radio program producers from large cities and those from small, rural community-based radio stations to share with and learn from each other, [illegible]ell as from folk musician[illegible] folklorists, ethnomusicologists and record and CD producers.

According to Tanya Reese, Executive Director of the local Arts Council, the "OTR is the single most important gathering of persons who perform and produce folk music...[defined] as a grassroots traditional music passed on orally and informally through relationships such as family, community, the Church and occupation." Over 300 people attended parts of the conference.

Held at the Andy Griffith Playhouse in Mt. Airy, the locale is especially appropriate. Mt. Airy is the location of WPAQ radio, which has supported a live traditional music show since World War II, and is the site of the Old-Time Fiddlers Convention, which followed immediately after OTR. As Reese notes, the coincidence of events makes this special week in June "one of the premiere gatherings of Appalachian musicians and music."

With help fr[illegible] folklorists and practitioners of the craft, the humanities played an important role at the event because of the powerful

Clyde Johnson with family at Old-Time Music and Radio Conference, Mt. Airy.

Performance at Old-Time Music and Radio Conference, Mt. Airy.

to make sense of this world we share..."

and art, its stories and music...."

Audience members dancing at Wednesday night performance at OTR, Mount Airy.

ways—both implicit and explicit—in which folk music and folk ballads have functioned historically to convey culture. Reese observes that the OTR focuses on "the inter-relationships between the music and folklore, the communities within which these cultural materials were first created, and the persons who continue in its use and performance." OTR events included lectures, panel discussions, field trips and performances.

Perhaps the highlight of the conference was the Wednesday evening program that included performances by classic old time musicians such as the Slate Mountain Ramblers, George Shuffler and Hall Twins, a presentation by renowned folklorist and musician Mike Seeger to Wade and Julia Mainer for Lifetime Achievement, and, a keynote talk by folklorist Hal Canon. Canon is the producer of the "Cowboy Poetry Gathering" and the "Voices of the West Radio Show." The OTR received major support from the Folklife Division of the NC Arts Council.

"I have a dream that the mountain people will sing together," declared Ann Miller Woodford of Andrews, North Carolina. "My belief," she continued, "is that we could get along better if we could sing our different styles together. This may even change the lives of our troubled young people...and older people." With that vision in front of her and her colleagues, Ms. Woodford and the other members of **"One Dozen Who Care" (ODWC) received NCHC funding for the first festival of African-American gospel music** in the far western part of the state, "When All God's Children Get Together." Held at the Valleytown Cultural Arts Center in Andrews, the inaugural festival was sponsored jointly by ODWC, the Valleytown Cultural Arts and Historical Society and the Cherokee County Arts Council. According to Ms. Woodford, ODWC is "a group of African-American women in Clay and Cherokee Counties dedicated to raising the self-esteem of young people and honoring the elders...through common cultural situations." ODWC includes professionals as well as factory workers.

There are very few African-American communities in the far western part of the state, and those that exist are small. As Ms. Woodford explains, "The church has long been the only place in the rural mountains to gather for social, political and economic, as well as, spiritual contact with one another. The most special glue that has held us together all these years is our music–especially the singing."

Gathering of elders for oral history in Andrews, NC.

Ms. Woodford observes that the purpose of this first festival was to document traditional styles of "singing and praising" and "to explore the ways that music can bring about greater understanding among people of diverse cultural heritages." For this sponsor, music is the way of making cross-generational connections and weaving old-time traditions into the future of the African-American communities in the west: "I dream of keeping a part of their souls for generations to come," says Ms. Woodford. "The richness of expression embodied in Gospel music can help our older folks to build a better rapport with our youth, the consequences of which will be to make them into better citizens."

Performance by one of the groups at "When All God's Children Get Together," Andrews, NC.

North Carolina Humanities Council

Weaving Cultures and Communities

NCHC'S MISSION

The mission of the North Carolina Humanities Council is to bring North Carolinians together to make sense of this world we share. North Carolinians live in a world defined by more than geographical boundaries. The state's culture and heritage are alive in the diversity of its traditions, its people and places, its history and art, its stories and music. As expressions of culture and heritage, the humanities are all around us, in our conversations, in the different ways we see the world, in the many ways we shape our lives. More than expressing our lives, the humanities offer us ways to ask our most fundamental questions about the meaning of what we say and do, about who we are.

Randall Kenan

Randall Kenan is currently a Visiting Professor of Writing at the University of Memphis in Tennessee. He has also been Visiting Professor of Creative Writing at the University of North Carolina at Chapel Hill and Duke University, and a lecturer at Columbia University and Sarah Lawrence College. He is the author of five books, including *A Visitation of Spirits* (1989), *Let the Dead Bury the Dead and Other Stories* (1992), and *Walking on Water: Black American Lives at the Turn of the Twenty-First Century* to be published in 1999. He is the recipient of numerous awards for his writing, including the Simon Guggenheim Memorial Foundation Fellowship, the Whiting Writers Award and the Sherwood Anderson Award.

This piece is excerpted from his keynote address at the 1998 Caldwell Award Banquet.

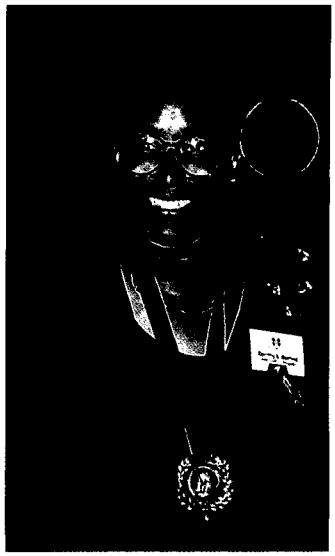
"The North Carolina Humanities Council is honoring Dorothy Spruill Redford for work that goes to the very heart and soul of understanding slavery, work in words and in organizing and in preservation that enhance our nation's sense of self-understanding."

Dorothy Spruill Redford

Something is in the air. Can you feel it? Events are afoot that would have been unimaginable ten years ago. Documentaries such as *Africans in America* are being shown in prime time and not simply in February; record numbers of new books about slavery are pouring from presses such as Edward Balls's *Slaves in the Family* and Ira Berlin's *Many Thousand Gone*, books that are adding new understandings and new information to a 300 year old topic yet to be fully comprehended; *Remembering Slavery*, digitally re-mastered recordings of actual interviews with survivors of slavery has been released by the Smithsonian Institute; in the last year, not one, but two major motion pictures about slaves, *Amistad* and *Beloved*, have been released in national theaters. And now, as if anticipating the shift in American sensitivity, the North Carolina Humanities Council is honoring Dorothy Spruill Redford for work that goes to the very heart and soul of understanding slavery, work in words and in organizing and in preservation that enhance our nation's sense of self-understanding.

In the wake of these positive happenings is a little discussed, but important phenomenon: The worry about how certain Americans are to deal with these often heart-rending facts and information about a very real time in our history. A few years ago, I was teaching at Sarah Lawrence College. For one of my classes I used an anthology called *The Third Woman*, which was composed of stories by African American, Native American, Asian American and Latin American women. On the whole my class responded favorably to these works of fiction, eagerly engaging in discussions, having their own creativity spurred by these fresh pieces that provoked new ideas about their own lives and backgrounds. However, I remember one young man, who was of Irish American background, and who remained silent throughout the discussions. He even looked a bit dejected.

At the end of one class I took him aside and asked if something was wrong. Was the matter to do with the stories we were reading? After a spell he told me the subject matter made him uncomfortable. He didn't know how to deal with these stories of women of color whose fates in the world were often complicated by their color, by discrimination, by poverty, by sexism, by hardship. He felt, as a young white male, as if he were being blamed for these women's plights, as if he should feel guilty for acts he did not commit.



Dorothy Spruill Redford

We spoke often over the semester. I tried my best to show him that these stories at once had nothing to do with him, that they were the witness and the stories of these women, not meant to implicate anyone, but to demonstrate another way of being in the world. And I also tried to convey that they had everything to do with him, for when he read these tales and felt something, he was acknowledging his humanity and his connection to those women whose lives seemed initially so foreign and distant from his own. It's not about blame and guilt, I explained to him, it's about a deeper understanding of what it means to be a human being.

Reading *Somerset Homecoming* by Dorothy Spruill Redford, one cannot but be overwhelmed by the profound sense of humanity present in her work, her effort, and her achievement in telling the story of the Creswell plantation and the descendants of the slaves who lived there. This is not a story about hatred though it could easily have been such. Rather, it is a narrative about preserving, glimpsing, making whole a sense of those men and women and how they maintained their humanity. Her work, both on the page and in reality, is shot through with the tenacity of remembrance, of the importance of family, with the unwavering call for dignity and recognition. Larger than recrimination and blame, her work strives to re-vivify and make an addition to the complete record of America. For in making the reality of their lives tangible, she makes it possible for all people to recognize their kinship, and perhaps in that understanding find ways of making certain such a Peculiar Institution never revisits us.

By honoring Ms. Spruill Redford's extraordinary work, the North Carolina Humanities Council joins in this exciting time of recovery and remembrance, where, step by step, by fits and starts, we grapple more seriously and honestly and completely with obscured and forgotten history of African Americans and of Americans of all hues.

1998 Caldwell Award Banquet "A Smashing Success"

Alice Barkley, Deputy Secretary Betsy Buford, NC Dept. of Cultural Resources, and former NCHC member, Dorothy Spruill Redford, Secretary Betty Ray McCain, NC Dept. of Cultural Resources.

"There is a spirit of Homecoming in the air th[illegible]ning," Alice Barkley, NCHC's Executive Di[illegible]r observed; it's "not surprising, Dot Redford is here." And, in fact, all those present felt it, for something remarkable and exciting was in the air that night as citizens assembled from all over the state to celebrate someone who has taught us about the complex ways we all are connected to each other.

On October 24, 1998, at the Gateway Conference Centre in Rocky Mount, NCHC presented Dot Redford with the John Tyler Caldwell Award in the Humanities. This award is the highest honor in the state given to a person who has made an outstanding and enduring contributions to our public life through humanities programming. As the manager of the Somerset Place Historic Site, founder of the bi-annual Somerset Homecomings and public historian, Ms. Redford has helped North Carolinians to understand the ways in which the humanities are present in everyday life.

The 1998 ceremony was hosted by NCHC and Dr. and Mrs. John McCain. Betty Ray McCain is the Secretary of the NC Department of Cultural Resources. The large, multiracial audience of some 140 people were enthusiastic in their support for Ms. Redford, and for the evening's program which included a keynote address by distinguished author Randall Kenan, and by the moving and powerful spirituals sung by the Badgett Sisters. A significant force in our state's cultural life, Ms. Redford also received high praise from Representative Bill Culpepper of the NC General Assembly, who brought greetings from Senator Marc Basnight, the Senate President Pro-Tem.

As NCHC member James Roy Moody wrote after the event, it "was a smashing success...[I] congratulate all of you. It was a special evening."

Dot Redford has taught oral history, encouraging her students to collect not just the stories and facts, but to listen for the wisdom and genius of their elders, to value not just our public heroes, but the ordinary folks who are the fabric of this state and nation. Dorothy Spruill Redford started as an inquisitive citizen, and became a scholar of her own heritage weaving together threads of information and anecdote. And she brought out of this weaving a whole cloth, a new community, and gave people both a place and a past to identify with. A most incredible grassroots application of the humanities.

Georgann Eubanks
Chair, NCHC

William Friday to Receive 1999 John Tyler Caldwell Award in the Humanities

NC Collection, UNC Library at Chapel Hill

NCHC is proud to announce that the 1999 recipient of the Council's highest honor is Dr. William C. Friday. Long considered one of the most influential forces in higher education in North Carolina and the nation, Dr. Friday served for thirty years as the President of the UNC system. Currently, Dr. Friday continues to serve the state as the Executive Director of the William R. Kenan, Jr. Charitable Trust and host of the public television show, *North Carolina Now.*

Born in Raphine, VA in 1920, Dr. Friday is the son of a manufacturer of textile machinery. He graduated from NCSU and the Law School of UNC Chapel Hill, and served in the Navy during World War II.

As President of the state's public university sy[illegible] Dr. Friday played a major role in helping t[illegible] Dr. John Tyler Caldwell to North Carolina to become Chancellor of NCSU. Dr. Friday also was instrumental in the creation of the National Humanities Center in Research Triangle Park, which is an important research center for scholars from across the country. In his work with the William R. Kenan, Jr. Charitable Trust, Dr. Friday helped to establish the National Center for Family Literacy. And, as chair of the Knight Commission, he led a national examination of the role money plays in college athletics. Among his numerous awards are eighteen honorary degrees and the 1997 National Humanities Medal.

As Mr. Leslie Boney, Jr. of Wilmington observed in his letter nominating Dr. Friday for the Caldwell Award, "When the history of North Carolina is written for the last half of the Century, Bill Friday's name will have to appear in the boldest type." Echoing that sentiment, Dr. Molly Corbett Broad, the current President of the UNC system, noted that Dr. Friday's career "exemplifies all of those ideals and achievements that this award was established to honor. [Dr. Friday has helped to demonstrate] how dedication to the values encouraged and stimulated by humanities education can inform and enlighten our public policy."

The award ceremony will take place in October 1999.

Mini and Planning Grants funded June to October 1998

Lilly Pike Sullivan Municipal Library, Enfield. Let's Talk About It: Family—The Way We Were, The Way We Are.

Hickory Public Library, Hickory. Let's Talk About It: Faith Differences and Different Faiths.

UNC Wilmington, Wilmington. Sacred Spaces: Religion and Architecture.

Concerned Citizens of Tillery, Tillery. Celebrating 20 years of Social Change in Tillery.

Braswell Memorial Library, Rocky Mount. Let's Talk About It: The Journey Inward—Women's Autobiography.

Pettigrew Regional Library, Plymouth. Let's Talk About It: Rebirth of a Nation—Nationalism and the Civil War.

Haywood County Public Library, Waynesville. Let's Talk About It: Twentieth Century African-American Literature.

Onslow County Public Library, Jacksonville. Let's Talk About It: Tar Heel Fiction—A Second Look.

Avery-Mitchell-Yancey Regional Library, Burnsville. Let's Talk About It: Exploring the West—Whose West?

Saluda Community Library, Saluda. Let's Talk About It: Tar Heel Fiction —Literary Perspectives on NC.

Cape Fear Museum, Wilmington. Join the Jonkannu.

Capital Area Preservation, Raleigh. Lecture & Book Signing for *The Last of the Jews.*

Friends of New Hanover County Library, Wilmington. Let's Talk About It: Exploring the West—Whose West?

New Bern-Craven County Public Library, New Bern. Let's Talk About It: Mysteries—Clues to Who We Are.

Vietnamerica Committee, Chapel Hill. Vietnamerica.

Friends of Brown Library, Washington. Using Readers' Theater as a Vehicle for Community Discussions about Medicine

UNC Charlotte, Charlotte. Mecklenburg at the Millennium: Cataloguing a Community's Voices.

Pegasus Press, Asheville. An Oral History of Enka Village.

N.C. Museum of History, Raleigh. North Carolina Pottery: Education Kits.

The John C. Campbell Folk School, Brasstown. In the Spirit of Shaker-1998.

The Institute for Southern Studies, Durham. We Are All Housekeepers.

Humanities Day at the State Legislature a Great Success!

On May 20, 1998, NCHC held its first-ever Humanities Day at the North Carolina State Legislature in Raleigh. According to the Council's Executive Director, Alice Barkley, "The purpose of Humanities Day was to promote state support for public humanities programs in North Carolina, and to thank the Legislature for its generous support in 1997." That appropriation was the state's first to NCHC in the Council's twenty-five year history.

Senator Fountain Odom and Representative Wilma Sherril receiving NCHC awards.

Friends of NCHC traveled from across the state to Raleigh that day to explain to their local legislators why the Council's programming is so important and deserves continued support. These friends included Council members past and present, program participants and audience members, project directors and program scholars. As Executive Director Alice Barkley explained, "the most effective and genuine expression of the Council's relevance to our state is conveyed by the people who have participated in our programs. As an institution, the NCHC lives and breathes within the projects and grants, which the Council funds across all of North Carolina. Only these folks can explain the concrete and multiple ways that public humanities programs contribute to the cul[redacted] and intellectual life of the state."

After a full day of meeting with legislators, the friends and staff of NCHC were welcomed warmly and acknowledged publicly by both the House and Senate, as each went into session in the late afternoon. Following a desert reception organized by the Council at the NC Museum of History, Council members lead a short program to honor the NCHC Legislators of the Year. Mr. Wallace Kuralt was the keynote speaker.

The 1997 Legislators of the Year were Representative Wilma Sherrill (R-Buncombe County) and Senator Fountain Odum (D-Mecklenburg County). Representative Sherrill was honored for "repeatedly demonstrating her generosity as a volunteer and representative of the people in the State" and for "her outstanding citizenship and leadership by lending her considerable influence and support to public humanities programming." Senator Odum was honored "for giving all North Carolinians an opportunity to bear witness to the richness of our culture, heritage and history as diverse pe[redacted] and deepening our sense of community." [redacted]y observed that both Sherrill and Odum played "key roles in organizing support for the appropriation, which will enable the Council to expand its free, public education programs across the state."

Funds from the 1997 appropriation were used to support community-initiated projects throughout the state. During the past legislative session, the State Legislature awarded NCHC a second appropriation of $100,000 for public programs.

New, updated grant proposal packets are now available. Please call, write or e-mail us for a copy. You also can download the pages from the NCHC web site.

Be sure to see the NC Humanities Council on the Internet at www.nchumanities.org

NCHC Welcomes New Staff Member Kelly Swindell. A native of the Piedmont region of North Carolina, Ms. Swindell works as the Administrative Assistant for the Council. She graduated with a B.A. in History from UNC Greensboro. Before joining the Council staff, Ms. Swindell was a Library Assistant at Jackson Library at UNCG. She is also a performer with the Van Dyke Dance Group, of which she is a founding member.

Recent Council News

Congratulations Nancye Gaj and MOTHEREAD/FATHEREAD!

NCHC is very pleased to tell our friends that Nancye B. Gaj, President of MOTHEREAD, Inc., received the 1998 National Humanities Medal on November 5 at a White House ceremony. The Council is especially proud and grateful to have been associated with this creative literacy program for eleven years. Initially through planning and program grants and later through direct involvement in shaping MOTHEREAD's training institutes, NCHC has seen MOTHEREAD grow from a small, but exciting, beginning to its status as a national force in literacy development.

From the beginning, NCHC was attracted to MOTHEREAD because its approach to reading and learning to read was significantly different from other programs. What could be more straightforward than a parent's love for her/his child and the desire to be able to read to that child? The genius of Nancye Gaj and her vision for MOTHEREAD lies in transforming this heartfelt desire into the parent's motivation to become a better reader. Connecting these intellectual and emotional desires in themselves, parents begin to "read" their connection in stories as well as bringing their own life experiences to the interpretation of meaning in a text.

Learning with MOTHEREAD is all the more interesting because it is rooted in a curriculum of carefully chosen children's literature whose content reflects the lives of MOTHEREAD students and their children. Indeed, this unique humanities-based curriculum empowers its participants to ask the most fundamental questions about the meaning of what we say and do and about who we are.

The North Carolina Humanities Council congratulates Nancye Gaj and her MOTHEREAD staff. We look forward to future service to North Carolina's citizens through our partnership with this distinguished organization.

"Corridors of Change"

NCHC is proud of a major award won by the continued work of Rob Amberg and Sam Gray documenting the building of I-26 in the western part of the state. Amberg and Gray received the prestigious 1998 Dorothea Lange-Paul Taylor Prize from the Center for Documentary Studies for the best collaboration of documentary photography and journalism. Some of the early work on this project was supported by a major grant from NCHC to the Appalachian Consortium in February 1997 for the project "Corridors of Change," directed by Amberg and Gray.

Book Publication

NCHC salutes publication of the acclaimed book by Bill Bamberger and Cathy N. Davidson, ***Closing: The Life and Death of an American Factory,*** published by Norton in collaboration with the Center for Documentary Studies. The first public exhibition of the book's photographs and collection of some of the oral histories were supported by a major grant from NCHC in June 1993. The grant was to the Documentary Studies Working Group, UNC Chapel Hill, for "Community and Memory: The White Furniture Company, 1881-1993," directed by Bill Bamberger.

***Start looking for the newest issue of NC CROSSROADS. The December/January 1999 issue, "Wholeness and Holiness" is just out. The next issues will be: February/March 1999, "Vietnamerica," by Howard Henry Chen, photographs and oral histories of Vietnamese refugees who have resettled in North Carolina; and, April/May 1999, "Reflections on Being a Cancer Survivor," by Linda Flowers, Professor of English, NC Weslyan College, former NCHC board member, and author of* Throwed Away.

Continued from page 1

Dr. John Hope Franklin's stirring keynote address. Scholars at the symposium had their papers greeted with standing ovations, a unique experience for most. Equally important, members of the audience engaged directly with the scholars in break-out sessions. Descendants of individuals forced to flee from Wilmington in 1898 talked to descendants of those who had forced them to flee. Scholars and townspeople stood in clusters between sessions discussing what they heard, creating a buzz of excited conversation. Most of the presentations appear in the new book, *Democracy Betrayed: The Wilmington Race Riot of 1898 and Its Legacy,* edited by David S. Cecelski and Timothy B. Tyson (UNC Press, 1998).

The effort to execute an academic event for the general public had exceeded everyone's most optimistic expectations. And the symposium helped the citizenry of Wilmington to reclaim a significant part of their history, restoring the racial violence of 1898 as part of public memory that needs to be discussed and understood in the effort to improve race relations within the community.

Dr. McLaurin, an historian and one of the symposium's planners, is a former chair of NCHC.

"Congratulations on the extraordinary success of the Wilmington event...I'm grateful to have been a witness, much less an actual participant."
Dr. Richard Yarborough, historian, UCLA, descendant of Wilmington citizens forced to flee in 1898.

This event "has been a FIRST here in Wilmington... Attending such an event... exceeded my wildest dreams."
Bertha Todd, Co-chair, 1898 Centennial Foundation.

Large Grants Funded by NCHC June and November 1998

•NCHC
*Sponsor Gift-Match

CH-Carrboro Public School Foundation, Chapel Hill. Chapel Hill High School: Documenting the Journey to Integration •$5,000.

Southern Media Foundation, Durham. Tobacco Money Feeds My Family •$5,000.

Carolina Friends School, Durham. Shine On: Richard Trice and The Bull City Blues • $5,518.

Museum of the Jewish Family, Durham. Migrations: Jewish Settlers of Eastern North Carolina •$11,000 *$8,000.

UNC Greensboro, Greensboro. A Public Discussion of the Play, "Miss Evers' Boys" •$10,250.

Democracy South, Chapel Hill. Overcoming Division in Eastern North Carolina •$4,000.

Piedmont HIV Health Care Consortium, Durham. Life Review with People with HIV •$10,300.

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This fall, the NCHC is creating a new, exciting group to help us do our work. It will be composed of corporations, foundations, businesses, and most importantly, private individuals we call FRIENDS OF NCHC...because that's exactly what they are...our FRIENDS.

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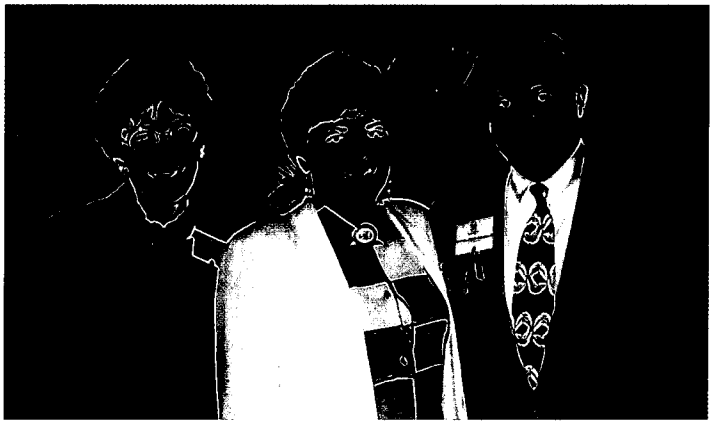

Alice Barkley, NCHC Executive Director, Georgann Eubanks, NCHC Chair, and Representative Bill Culpepper, III (D-Chowan) at the 1998 Caldwell Award Banquet.

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The Life, Music and Times of Duke Ellington

Chapter 1 in a series of 5

Duke Ellington and Jazz

By Annette Wright

Director, Carolina Jazz Festival, UNC-CH

Born in Washington, D.C., one hundred years ago this April, Edward Kennedy "Duke" Ellington is the most important American composer of the twentieth century.

Raised in a middle-class African-American family Ellington knew luxuries that other minority families of his day could not imagine. His father's business sense was so keen that he could afford to buy his family two pianos. Born in Lincolnton, North Carolina, Ellington's father moved to Washington as a boy and held a number of positions as a driver, butler, and caterer for the city's white elite. He sometimes worked at White House events.

Ellington's mother was determined to educate her son well. His piano lessons began at age seven. She was also determined that her son exhibit proper behavior, self-confidence, and racial pride. Ellington's good manners led to the nickname, "Duke," one he later used as a musician because he wanted to project himself as suave, fashionable, and elegant.

Ellington started earning money as a musician in high school, playing piano at dances and parties. He discovered that his young audiences wanted to hear "ragtime," so he learned the rollicking rhythms of that new music. As a well-trained and talented pianist, Ellington could quickly pick up new trends. In high school, he even began to write songs himself – his first work was entitled "Soda Fountain Rag."

Recognizing that being a musician was his calling, Ellington formed his own small band to take advantage of the increasing social activities during World War I. It was not very long before Duke was playing for Washington's white audiences at society balls, fox hunts, and horse shows. Always a shrewd businessman, he began acting as his own manager and accumulated enough wealth to buy a house and marry a neighborhood sweetheart in 1918. Their only child, Mercer Ellington, was born in 1919.

Early Years of Jazz

As a professional musician, Ellington first played ragtime to please his audiences. As the 1920s progressed, his music became closer to blues and jazz. Blues music from the rural South emerged as a popular music just before World War I. Jazz, its urban cousin, spread to Chicago, New York, and Washington after World War I. One of Ellington's greatest talents was finding the right musicians to play riverboat ragtime, Mississippi blues or New Orleans jazz. Below are short descriptions of music from the early twentieth-century that shaped Ellington's compositions.

Blues. Blues singing, rooted in black American slave songs, originated in the deep South during the late 19th century. Singers typically accompanied themselves on guitar or harmonica and sang of life's hardships and the tribulations of love. In 1912, with the publication of "Memphis Blues" by W.C. Handy, blues entered the arena of popular song. Blues and jazz overlap, but blues is considered a forerunner of jazz.

Blues lyrics have a three-line stanza consisting of an initial line, its repetition, and a new third line (A A B). Classic blues music is generally 12 bars long, falling into three phrases of four bars each (one phrase for each line of text). After singing the lyrics, the blues artist follows with instrumental improvisation, creating a call-and-response pattern between his voice and his instrument. Blues music uses a scale in which notes are freely "slurred," "bent," or "flattened" in comparison with the standard major scale (called the "blue note").

Blues lyrics are usually written in iambic pentameter. Here is an example from Billie Holiday:

A – My man/don't love/me treats/me aw-/ful mean

A – Line repeats

B – Oh he's/the low-/est man/I've ev-/er seen.

Ragtime, popularly known as OM-PAH music, was played mainly on piano and had its greatest popularity between the 1890s and World War I. Usually in 2/4 time, it is characterized by syncopated melodies over a regularly accented bass. Its roots are in minstrel shows, banjo playing, and black folk music. It also drew on nineteenth-century popular European music. Created by professional performers in saloons and honky-tonks, ragtime spread across the nation through piano rolls and printed sheet music. Its complex and unusual rhythm (syncopation) was its critical contribution to jazz. The best known ragtime composer was Scott Joplin, whose "Maple Leaf Rag" (1899), made the music a national craze.

Early jazz musicians in New Orleans drew their styles from a variety of sources. The city had a large African-American population that gathered in public places (one was called "Congo Square") to play music that could be traced back to West Africa or to the plantations where their parents had been slaves. From the African tradition, jazz musicians took vocal styles with great freedom and expressiveness; a tradition of improvisation; call-and-response patterns; and rhythmic complexity. From southern and Caribbean plantations, they remembered field hollers, rowing chants, lullabies, spirituals and the blues.

Some early New Orleans Creole musicians such as "Jelly Roll" Morton had had formal music lessons as children and brought the European music of hymns, marches, waltzes, light theatrical music, and Italian opera to jazz. Jazz also drew from minstrel-show banjos; Latin-American music; the barrelhouse piano of taverns; and marches and hymns played by New Orleans brass bands.

Around the turn of the century, all these musical traditions jelled into jazz. The instruments were those of a marching band. A trumpet played the melody. A clarinet countered with a higher, ornamental melodic line. A trombone provided a lower melody tied to the piano. The trumpet, clarinet, and trombone were called the band's "frontline," whose players stood in front of the piano and drums. Musicians played all of these instruments at once (polyphony) and as a collective improvised their music. The first jazz bands played loud, rhythmic, and happy music on the streets and in the dance halls of New Orleans.

As one of the musical forms that originated in the United States, you can follow the path of jazz from from the African-American communities and cities of the South and the Caribbean to New Orleans. Then it moved up the Mississippi River on riverboats and trains to Kansas City, St. Louis, and Chicago. Then traveling musicians took it to the East Coast cities of Washington and New York. It was from the African-American communities of Chicago and New York – especially Harlem – that jazz reached out to a wide popular and white audience.

Activities

1. Terms to Learn

The Blue Note - slurred notes, derived from blues as sung; sliding between major and minor. Usually not written down. Imagine a pianist playing two notes 1/2 step apart (side by side) at the same time. This is an attempt to find a "non-existant" blue note in between the two notes.

Call and Response - questions and answers in a musical conversation.

Creoles - Persons of mixed French and African-American or Spanish and African-American ancestry, many of whom lived in New Orleans when jazz emerged.

Improvisation - Spontaneously composing as the musician is playing- doing variations on old themes directly on the instrument without writing them down. Depends on the talent and personality of the individual performer.

Polyphony - Music with multiple melodies or voices sounded at the same time.

Syncopation - Surprising offbeats; interweaving of rhythms, one over the other. Shifting of the normal rhythm from an accent on the strong beat to the weak, accenting the offbeat, and playing one rhythm against another. Base for the complex rhythms of jazz and its early popularity as a dance music. The music moves and then it moves the audience.

2. On the U.S. weather map in today's newspaper, trace the path of jazz music as it spread out from New Orleans.

3. Listen to popular songs today to see if you can identify some of the techniques on which jazz is based. Can you hear call and response, complex rhythms, or the blues? Bring in your own CDs to make your point.

4. Now write a music review on your CD. Read a review or any other article in the newspaper to learn how to incorporate the who, what, when, where, why or how in your review.

5. Find an article of interest in the newspaper. Develop your own blues lyrics from the information in the story.

For examples of this early jazz, see the Smithsonian's Collection of Early Jazz on CD. For descriptions of early musicians and styles, see *The Grove Dictionary of Jazz*, found in the reference room of many libraries.

For information on the 1999 Carolina Jazz Festival, Feb. 22-28, visit our website at www.unc.edu/depts/music/jazz or call 919-929-3148.

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Printed in a Series in the Durham Herald-Sun

Feb. 15, 1999

The Life, Music and Times of Duke Ellington

Chapter 2 in a series of 5

Duke Ellington and Race Relations

It is remarkable that Duke Ellington emerged as a world-class composer during the early years of the twentieth century. An African-American born in 1899, he grew up during a time of violence and turmoil in U.S. race relations. His father probably left North Carolina in 1886 because he had few economic opportunities open to him as a southern black.

For African Americans, the world of the 1890s and early 1900s was a dangerous place. Many whites of the day believed that the blacks should be kept in a secondary and diminished role. There was widespread discrimination and violence. Whites turned to race riots and lynchings to make their point. Even in the north and more western states, a racism prevailed that was based on what many thought was scientific evidence of black inferiority. Three years before the musician was born, the Supreme Court in Plessy vs. Ferguson (1896) upheld the notion that segregation of the races was constitutional. And just as Ellington was beginning his career as a bandleader after World War I, there were a series of anti-black riots and lynchings that made it clear that whatever freedoms blacks expected after the war were to be denied them.

How did African Americans like Ellington become internationally acclaimed? In Ellington's case, it was fortunate that he was born and raised in Washington, D.C. Even though the city was surrounded by slave-owning states of the former Confederacy, by 1900 it had become an important center for African-American life. In that year, Washington had the largest black population of any American city. Even though segregated, Washington's African-Americans were able to create their own schools, universities, businesses, and cultural traditions. And they were able to instill racial pride and independence into their children.

Ellington Moves to Harlem

In 1923 Ellington moved to New York City where he found a more exciting and lucrative music scene. He later wrote that Harlem, the African-American section of New York, "did indeed have the world's most glamorous atmosphere. We had to go there." Harlem by the 1920s had become the capital of black America, a center of cultural, political, and intellectual life that created what is called the Harlem Renaissance.

The African-American music of the Harlem Renaissance as staged in revues and nightclubs gained immense popularity among whites. The "Charleston," a popular dance based on African-American sensibility, became all the rage and spurred public interest in social dancing. This craze created jobs for "black jazzy" bands and musicians.

For Ellington, the "Roaring Twenties" also opened up opportunities. His first Harlem gigs were at rent parties staged in private apartments. Luckily for Ellington, the piano was the primary instrument for these gatherings. When together at parties, the leading Harlem musicians vied for attention competing against one another in "carving" or "cutting" contests, taking turns with improvising. As practiced by Willie "The Lion" Smith, James P. Johnson, and Thomas "Fats" Waller, this style became known as the Harlem stride piano. Growing out of ragtime, stride piano used fast, supple, intricate handwork, and the full range of the piano's sound. Named "stride" for the large strides or leaps of the left hand, the style had a hard, driving rhythm.

Quickly Ellington established himself playing in a nightclub band where he could absorb the new musical current around him. Ellington's sound became jazzier because of the musicians who could bring influences from the Caribbean, New Orleans, or Mississippi. Two crucial additions were Arthur "Bubber" Miley, a trumpet player, and Charlie Irvis, a trombonist, who brought a "growling," "low-down," guttural form sound to the band. For a short time in the 1920s, Sidney Bechet, one of jazz's greatest early saxophonists, played with Ellington's group. Bechet was not with the band very long, but his jazz left a lasting impression. And as a result, Ellington left "polite" music behind.

The Cotton Club

Ellington's orchestra started playing at the Cotton Club in 1927. A famous nightclub in Harlem owned by white mobsters, it catered to a fashionable white audience eager to hear and see the latest in "exotic" black entertainment. With a clientele of the rich and famous, it openly served liquor during Prohibition. It was a large club that could hold between 600 and 700 customers at tables. The club had a log cabin exterior with jungle decor inside. The bandstand was a replica of a southern mansion with large white columns and a backdrop painted with weeping willows and slave quarters. The band played on the veranda of the mansion. The waiters dressed in tuxedos as if they were butlers in a southern mansion. The shows contained music, dancing, vaudeville, and burlesque. The female dancers had to be under 21, at least 5' 11", attractive, and light skinned. Elaborate sets and costumes reminded the audience of an opera. While Ellington played there, he put on two shows nightly, one at midnight and one at 2 a.m., and accompanied all the acts.

The Cotton Club served as an expensive (and illegal) way for whites of the 1920s to encounter African-American culture. For the African-American men and women who worked there, it was a good job because one could make money and earn fame in show business. However, the Cotton Club was also a demeaning place for men and women, decorated as if the staff were still slaves on a plantation or Africans living in a jungle. The women dancers were scantily dressed. The jazz sounds of Cotton Club bands were even called "jungle music." We have no record of Ellington's reaction to his surroundings at the Cotton Club, but he always made certain that his orchestra displayed a high degree of professionalism and polish and was elegantly dressed. He used his nickname "Duke" to enhance this image of himself and his orchestra.

The Harlem Renaissance

The Harlem Renaissance refers to the intellectual and cultural life of Harlem during the 1920s. It was a time marked by an astonishing outpouring of literature, theater, and music from black artists and intellectuals who lived and worked in New York's black neighborhood.

This flowering of intellectual and cultural life took place even though race relations remained tense and violent during the 1920s. When black soldiers returned from World War I, they quickly faced hostility from whites. Some African-Americans in uniform were attacked and killed by whites seeking to maintain white supremacy. During the summer of 1919, anti-black riots took place in Texas; Washington, D.C.; Chicago; Tennessee; and Nebraska.

African Americans, as a result, still lived in segregated neighborhoods. Yet within those confines, racial pride and awareness grew. In places like Harlem during the 1920s, black were able to create a life for themselves without the constant surveillance of whites. For example, in politics in 1916 Marcus Garvey organized a militant international organization with headquarters in Harlem. His Universal Negro Improvement Association (UNIA) had a membership ranging from two to four million people. He preached self-reliance among blacks and a return to African roots.

Among writers, Claude McKay was the first black literary figure of the 1920s to attract a large white audience. The novel *Cane* (1923) by Jean Toomer attempted to draw its readers into the life and concerns of the southern black poor, a common theme of the Harlem Renaissance. Zora Neale Hurston, a novelist and folklorist, also stressed the vitality of life among the black poor in *Their Eyes Were Watching God* and *Mules and Men*.

As in literature, blacks in theater proudly displayed African-American cultural distinctiveness. Musical comedies produced in the 1920s by Eubie Blake allowed black performers to prove their talents. One African American, Paul Robeson, became a major star in parts written for whites, but he also became famous for singing black spirituals and folk songs.

It was in this world that Ellington and his orchestra thrived drawing attention from both white and black audiences.

Activities:

1. In today's story, race relations in the late 1800s and early 1900s were in a turmoil. Using the newspaper, see if you can find an article that depicts these same problems today.
2. Many famous jazz musicians adopted nicknames. Look through the newspaper and see if you can find nicknames. Do you or anyone you know have a nickname? What purpose can nicknames serve?
3. Where was Duke Ellington born and raised? Find an article in the newspaper about his hometown.
4. What was the name of the famous club that Duke Ellington played in during the 1920's? Where was it? Look in the newspaper and see if you can find a musician or group of musicians scheduled to perform in our area. Discuss with your classmates the style or styles these musicians are playing. Are their styles linked to any one place?

For information on the 1999 Carolina Jazz Festival, Feb. 22-28, visit our website at www.unc.edu/depts/music/jazz or call 919-929-3148.

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The Life, Music and Times of Duke Ellington

Chapter 3 in a series of 5

What was the Ellington Sound?

By Annette Wright
Co-Director, Carolina Jazz Festival, UNC-CH

Working at the Cotton Club forced Ellington to learn how to write and arrange music for all kinds of performances and strengthened his disposition toward theatrical elements in music. His band members became cast members in a play, dramatic characters whose solos lent meaning and dynamics to the music.

Unlike other composers, he did not write for sections of instruments within the orchestra. Instead he concentrated on individual musicians or combinations of individuals. He drew instruments from different sections of the band and put them together as a unit to create rich and unusual music. For example, his popular song "Mood Indigo" is played by a group that includes a bass clarinet, a muted trumpet, and a trombone. Some of his best-known soloists were trumpeter Cootie Williams, saxophonist Johnny Hodges, and bassist Jimmy Blanton.

Ellington also solved the problem of integrating solo improvisations into an orchestra. He allowed his musicians solo spaces for improvisation by designing specific openings and accompaniments. Even Ellington's loosest, jazziest-sounding pieces had a hidden script and structure. He also wrote solos that sounded improvised.

The sounds that became most often associated with Ellington's orchestra during the 1930s were the growls of his trombonist and his trumpeter, an effect achieved by using mutes and plungers. His female vocalists sometimes sang without words, what is called vocalese, so that their voices would become just another instrument. Some early examples of vocalese are found in "Creole Love Call" (1927) and "Transblucency" (1946).

Ellington's own piano style returned to the early jazz sound of the stride piano. He relied on the piano to give tone color, and hard rhythm as well as melody to a song.

Ellington was also well known for recycling or returning to musical ideas again and again, reworking them into new compositions.

The composer wrote more than 1,000 works for orchestras, films, operas, ballets, Broadway shows, and church services. He also wrote pieces that included dancers and chorusee. Some compositions were done in collaboration with band members or associates. His most famous collaborator was Billy Strayhorn who wrote "Take the 'A' Train" and "Lush Life."

Ellington's goal was to paint a picture, tell a story, or describe feelings. Another way to think of his music is as "program music" -- music that tries to arouse certain emotions or to describe musically certain places and situations. His orchestra was an artist's studio, a workshop, and a laboratory. His best musicians were "painters." The titles of many of his works demonstrate his desire to paint with sound. "Echoes of Harlem," "Daybreak Express," and "Mood Indigo," Ellington said this about one piece he wrote, "Harlem Air Shaft." "You hear fights, you smell dinner, you hear people making love. You hear the radio. You smell coffee. You hear people praying, fighting, snoring. I tried to put all that in Harlem Air Shaft."

List of Best-Known Works Gives Flavor of His Sound

(Many were written with collaborators.):

Black and Tan Fantasy
Black Beauty
Black, Brown and Beige
Caravan
Concerto for Cootie
Cotton Tail
Creole Rhapsody
Diminuendo in Blue/Crescendo in Blue
East St Louis Toodle-O
I Got It Bad and That Ain't Good
In a Sentimental Mood
It Don't Mean a Thing If It Ain't Got That Swing
Ko-Ko
Mood Indigo
Reminiscing in Tempo
Satin Doll
Sophisticated Lady
Take the 'A' Train

Two terms closely associated with Ellington during the 1930s and 1940s are "big band" and "swing."

Big Bands: The first New Orleans jazz bands marched in parades, accompanied social dancing, or played in nightclubs and brothels. As jazz spread, it became more closely linked with social dancing, especially with the hotter, sexier dances of the early 20s. Later when jazz bands appeared in New York or Chicago, the groups were larger and began to develop more elaborate musical arrangements. For concerts aimed at white audiences, this was called symphonic jazz. This was in part an attempt to make jazz more respectable since it had originated on the streets and in poor or disrespectable neighborhoods.

During the 1920s when these large symphonic jazz groups took center stage, they became known as "the big bands." Their leaders quickly learned that audiences were not there to hear "symphonic" music but the hot exotic sounds to which they could dance. By the early 1930s, most big bands had three trumpets, three trombones, three or four saxophones, and a four-piece rhythm section. In New Orleans, jazz bands had banjos and tubas but in the northern cities these instruments were replaced with guitar and double bass which could play sharper, brighter, and faster. One of the most common ways to arrange big band music was to play one section of the orchestra off against another, a new version of "call and response." Ellington's arrangements were more sophisticated because he treated each instrument and each musician individually and used thicker harmonic textures.

At first the Great Depression struck a harsh blow on the live performance of music. Only when Prohibition ended in 1933 did the entertainment industry make a comeback. The big-band tradition revived in 1936 when Benny Goodman's band created a sensation. Other popular bands of the 1920s and 1930s were led by Paul Whiteman, Fletcher Henderson, Red Nichols, Count Basie, Jimmie Lunceford, Charlie Barnet, Bob Crosby, Woody Herman, and Chick Webb.

The big-band era (1920s-early 1940s) was also called the swing era. Swing has no specific definition. Like the term "jazz," it covers a lot of territory. Ellington wrote one of the first songs to use the term – "It Don't Mean a Thing If It Ain't Got That Swing (1932)." Most attempts to define it refer to it as a kind of rhythm that results from the conflict of a fixed pulse and the wide variety of beats that a jazz performer plays against that pulse. In addition swing refers to a sense of the driving, forward movement that music can provide.

During the 1930s, it referred more precisely to the jazz style that used solo improvisation, large ensembles, and a repertory based on popular songs. Swing was much faster than early jazz had been and had more instrumental virtuosity. When white big bands adopted the swing music developed by African Americans, its audience expanded more and more. Even though bands led by Glenn Miller, Benny Goodman, and the Dorsey Brothers shared the spotlight with Ellington, his band survived the swing craze. Ellington was able to keep his orchestra together for many more years because as the composer of many popular tunes, he was able to collect royalties. He used his own income to pay his band because it was his laboratory for further composition.

After World War II, tastes changed among young people who danced in ballrooms, bought records, and listened to radio. The big bands gave way to rhythm and blues and then to rock and roll.

Activities

1. Duke Ellington's music was written to evoke feelings. Listen to one of Duke Ellington's songs or one of your own favorite songs. How does it make you feel? Find a story in the newspaper that makes you feel the same way as the song.

2. After World War II, how did young people change the way they listened to music? Look through the newspaper and find examples of how young people listen to music today.

3. Using the list of best-known works by Duke Ellington, see how many of the titles you can incorporate into sentences.

4. After reading the Duke Ellington article, make a list of all the instruments mentioned in the article. Look through the newspaper and see if you can find out how much each instrument would cost.

5. After listening to one of your favorite songs, list all the adjectives you would use to describe its tone and its voice. Find these same adjectives in today's Herald-Sun. How are they used?

For information on the 1999 Carolina Jazz Festival, Feb. 22-28, visit our website at www.unc.edu/depts/music/jazz or call 919-929-3148.
For information on Newspapers-in-Education call Bonnie McKnight at 419-6538 or Jim Cribbs at 419-6539. You may also call toll-free at 1-888-786-7604 or email us at read@herald-sun.com.

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North Carolina Humanities Council
Weaving Cultures and Communities
1999 Carolina Jazz Festival
The Herald Newspapers

Printed in a Series in the Durham Herald-Sun
Feb. 17, 1999

The Life, Music and Times of Duke Ellington

Chapter 4 in a series of 5

tep Up to the Microphone

ANNETTE WRIGHT
DIRECTOR, CAROLINA JAZZ FESTIVAL, UNC-CH

Ellington's work has endured because he was one of
e first composers to realize that the new medium of the
entieth century offered opportunities to
press audiences.

Ellington made his first recordings in 1923. The first
ictical sound-recording machines had appeared
lier during the 1870s, and electrical recording was
d by inventors such as Thomas Edison. The first
rkable phonograph, or gramophone, appeared during the
1890s. While the inventors believed that their
chines would be most useful for business, the
erican public found phonographs a great way to
en to music. Records were flat discs made of shellac.
t could play a tune of three to four minutes at 78
olutions per minute (hence the nickname, "78s").

Jazz more than any other type of music came to rely
records. First a recording caught the improvisations
l spontaneity essential to jazz, capturing in a
apshot" a music that might not be duplicated again.
z also spread through recordings. An improvised
sic played for ill-educated audiences could only be
rd when musicians traveled to new towns or when
ords appeared in stores.

n 1917 the first jazz record was made. Performed
a group of white New Orleans musicians called the
ginal Dixieland Jazz Band, the record created a
sation overseas and in the United States. The term
ieland jazz" eventually came to mean the New
eans style as played by white musicians. The most
uential records of the 1920s, however, were made by
usician nurtured in New Orleans, King Oliver's
nd trumpeter, Louis Armstrong. The recordings
strong made during the late 1920s, the Hot Five
the Hot Seven series, are some of the most
ortant in jazz.

he popularity of recorded blues and jazz led to the
lopment of a department within the recording industry
ed music records. These 78s were marketed to black
mers in the urban North through shops and in the
l South through mail order.

ortunately, many of these early recordings do not
esent the music created by the early jazz
s. Records sometimes obscured more than they
aled. Some instruments such as the piano were
cult to record on the early equipment. Percussion
ruments sometimes rattled the recording devices.

Early musicians knew how to position the band around the recording equipment.

Ellington was quick to see the potential of 78s. Immediately he began to bring some of his effort to recordings. He was very serious with his recording, crafting each of his performances. He was also one of the first musicians to understand how to use the microphone. Ellington's band also rehearsed more than most and used their own arrangements and compositions. He devoted great care to tailoring his compositions for the time limit of the 78. Each work was to be as close to three minutes long as possible. He knew what he had to make it listenable over and over again. He thought of each three-minute piece as an exact structure with an introduction, interlude, and coda. He also aimed at high sonic quality.

When Ellington wanted to compose longer pieces, he recorded on both sides of a 78. "Tiger Rag" released in 1929 was one of the first double-sided pieces lasting six minutes. "Creole Rhapsody" of 1931 was eight minutes long. In 1935, he wrote another song, "Reminiscing in Tempo" that spread over four sides of two 78s. After World War II, he could record even longer works when the long-playing record (LP) appeared.

Ellington's band was one of the first African-American groups whose music was broadcast over the radio. Commercial radio broadcasts began in 1920. By 1926, stations were broadcasting a mixture of news, drama, and music, most of it live. As a result, radio became more than a hobby for tinkerers and emerged as a [illegible] form of entertainment. To gain national audiences, stations joined together in networks. By 1928 the National Broadcasting Company (NBC) had fifty-six stations.

Radio [illegible] instantaneous communication [illegible] nation, linking [illegible] with [illegible] with [illegible] the public [illegible] own entertainment at home.

When Ellington's band began to play at the Cotton Club, it already had a microphone connected to radio stations. After an early broadcast, a music critic called Ellington's group "the hottest band on the air." Its sound, unique in many ways, [illegible] that [illegible] to the audiences when calling on broadcasts from the Cotton Club, [illegible] the superior [illegible] jazz [illegible]

sweeter sounding music. His first years on radio were with CBS, but by 1930 he was broadcasting on several different networks at different times during the week.

In 1930 Ellington wrote one of his first works just for the radio microphone. It proved to be so popular that lyrics were added and it was issued as a recording under the title "Mood Indigo."

When motion pictures with sound debuted in 1927, Ellington made a few appearances on film. Some of the first sound films were shorts made of musical groups. Ellington made one of those in 1929, a nineteen-minute piece called "Black and Tan." His first feature length film was *Check and Double Check* starring Amos and Andy, two white comedians who performed in blackface. Ellington's band also had to be all-black. No southern audience would permit the showing of a film with a racially-mixed orchestra. His band had no white players at the time, but the studio ordered that two of his light-skinned musicians wear blackface in the film.

Activites:

1. Look in the newspaper to find what kind of music is popular today on the radio and television.

2. Look up some of today's popular movies in the newspaper. Do any of them use music in a significant way?

3. Most early radio broadcasts were live. Look in the television listings to see how many broadcasts are live today.

4. Look for advertisements for CDs. How many minutes can a CD play? How does that differ from the 78s on which Ellington first recorded.

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The Life, Music and Times of Duke Ellington

Chapter 5 in a series of 5

Billy Strayhorn – Ellington's Partner in Composition

ANNETTE WRIGHT
DIRECTOR, CAROLINA JAZZ FESTIVAL, UNC-CH

When Ellington's orchestra played at a Pittsburgh nightclub in 1938, a bright, young local musician went backstage to meet the band leader. In Ellington's dressing room, the young man, Billy Strayhorn, sat down at a piano and played one of Ellington's songs, "Sophisticated Lady," just as Ellington had played it a few minutes before. After finishing the song, Strayhorn boldly announced: "Now, this is the way I would play it." At the end of Strayhorn's version in which he had changed keys and sped up the tempo, Ellington asked for another song. By the end of the evening, Ellington had asked Strayhorn to begin arranging tunes for his orchestra and vocalists.

Strayhorn became Ellington's consistent collaborator throughout their association (from 1939 until his death in 1967). The combination of Ellington's "poolroom education" and Strayhorn's classical training produced a highly individual blend of the self-taught and the academic. Strayhorn's piano arrangements brought a new lightness and airiness to the band without losing its swinging tempo. Strayhorn composed the theme song for the orchestra, the song most closely associated with Ellington, "Take the 'A' Train," and was the collaborator with Ellington on "Satin Doll" and other standards. He was so close to Ellington that on one occasion, they separately began composing a piece ("In the Beginning, God") using the very same notes.

Strayhorn composed music for jazz, concerts, films, and Broadway shows. Urbane and well-traveled, he enjoyed the life of a jazz musician. He lived in Harlem and Paris; his best friend was Lena Horne.

Strayhorn was born in 1915, the son of a college-educated woman (Shaw University) from Mars Hill, N.C. and a father from a middle-class black family of Hillsborough, North Carolina. Looking for opportunity, the family moved north to Ohio and then to Pittsburgh. Always struggling economically, the family never achieved its dreams. Five children were born to the marriage, one that suffered from the father's alcoholism. To insulate the small and quiet Billy from his father's rages, his mother sent him to live in Hillsborough during the summers from age 8 to 11 (1923-1926). His grandmother introduced Billy to music allowing him to play her piano and letting him take long walks in the country. He also greatly admired her flower garden. These experiences later influenced some of his compositions – "Lush Life" and "Passion Flower," for example.

Ellington's Principal Sidemen

Highly personal styles marked the members of Ellington's band. He recruited them from around the world to give his orchestra a universal sound. Below are some of the most notable band members and the styles they brought to the band.

Ivie Anderson – vocalist – 1931-1942
– Emotional, yet dignified singer; comfortable with both slow and fast tempos.

William "Cat" Anderson – trumpeter – 1944-1971
– Lead trumpeter with wide range and ability to play simple melodies or Latino acrobatics.

Sidney Bechet – soprano saxophonist and clarinetist – 1924. Blues master and jazz original from New Orleans, example for other musicians for his forceful, throbbing vibrato.

Barney Bigard – clarinetist and tenor saxophonist – 1927-1942. After playing with jazz pioneers Joe "King" Oliver, he brought Ellington's band a fluid, pure tone to his improvisations and solos. Collaborated with Ellington on compositions such as Mood Indigo.

Jimmy Blanton – double bass – 1939-1941
– First virtuoso double bass player in jazz.

Lawrence Brown – trombonist – 1932-1970
– With Tizol and Nanton, known as "God's Trombones."

Harry Carney – baritone saxophonist, clarinetist, and bass clarinetist – 1927-1974. Depth and tonal richness, direct melodic style.

Paul Gonsalves – tenor saxophonist – 1950-1974
– Delicate, lyrical blues or frenetic up-tempo compositions. Important in latter years of Ellington's band.

Sonny Greer – drummer – 1923-1951
– One of the original band members that Ellington first met in Washington, D.C.

Johnny Hodges – alto saxophonist – 1928-1970
– Ellington's most important soloist and interpreter of his music. Silky tone, exceptional command of glissando and portamenti and a large supply of ravishing melodic phrases. Serene, simple, majestic playing. Sultry solos.

James "Bubber" Miley – trumpeter – 1924-1929
– Plunge and growl effect; trumpet as human voice. Early "jungle" sound. Laid the foundation for Ellington's sound.

Ray "Floorshow" Nance – trumpeter, cornetist, violinist, and singer – 1940-1965. Sweet and melodic style. On original recording of "Take the 'A' Train."

Joe "Tricky Sam" Nanton – trombonist – 1926-1946
– Adept plunger and use of wah-wah mutes. Top register of trombone close to human voice. Provided blues and jungle sound.

Clark Terry – trumpeter – 1951-1959
– Prodigious legato technique. Rapid, double-tempo improvisations, blusey playing, growls and half-valve effects. Unusual intervals.

Juan Tizol – valve trombonist – 1929-1961
– Added Latin American idioms. Worked with Ellington on compositions and arrangements. Often served as a copyist.

Ben Webster – tenor saxophonist – 1940-1949
– Forceful and almost guttural, breathy and smooth.

Charles "Cootie" Williams – trumpeter – 1929-1973
– Influenced by Louis Armstrong; magnificent, round, full, thick tone; muted trumpet with growls of the jungle tradition or delicate melodies. One of most important players.

Activities:

1. Billy Strayhorn became Duke Ellington's arranger. How many years did Strayhorn work with the Duke? By reading through today's newspaper, find examples of other people who have worked together for a long period of time.
2. Look in the Preview section inserted in today's newspaper. List the names of all the movies and write beside the name of each movie the type or types of music that should be included in the soundtrack.
3. If you wanted to find a job as a musician, how would you go about it? Look in the newspaper's Help Wanted section for job openings for musicians.
4. Duke Ellington and his sidemen will be remembered as some of the greatest musicians of the twentieth century. Look through your newspaper to try to identify other men and women who will be remembered on their 100th birthday.

Reading

For more detailed information on Ellington, Strayhorn, their music, and their times, see the following works:

Duke Ellington, *Music is My Mistress* (Doubleday, 1973) is his autobiography.
Mercer Ellington and Stanley Dance, *Duke Ellington in Person: An Intimate Memoir* (Houghton Mifflin, 1978) is a memoir of Duke by his son.
John E. Hasse, *Beyond Category: The Life and Genius of Duke Ellington* (Simon And Schuster, 1993) is the best biography of the composer.
David Hadju, *Lush Life: A Biography of Billy Strayhorn* (North Point Press, 1996)
Mark Tucker, *Ellington: The Early Years:* Champaign-Urbana: University of Illinois Press, 1991.
Mark Tucker, editor, *The Duke Ellington Reader*. Oxford University Press, 1993.

For an introduction to jazz, see
James Collier, *Jazz: The American Theme Song* (Oxford, 1993).
Langston Hughes, *The First Book of Jazz* (Ecco Press, 1982).
Ingrid Monson, *Saying Something: Jazz Improvisation and Interaction* Chicago: University of Chicago Press, 1996.

Ellington Websites:
http://duke.fuse.net/ (The Duke Ellington Society)
http://www.ilinks.net/~holmesr/duke.htm

Jazz Website:
jazzcentralstation.com (a great all-round jumping-off point)

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GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H **1**

HOUSE BILL 361

Short Title: Visiting Artists Funds. (Public)

Sponsors: Representatives Mosley; and Wainwright.

Referred to: Appropriations.

March 8, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES AND THE DEPARTMENT OF COMMUNITY COLLEGES TO JOINTLY FUND AND SPONSOR A NEW VISITING ARTISTS PROGRAM.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Cultural Resources the sum of one million three hundred thousand dollars ($1,300,000) for the 1999-2000 fiscal year to be allocated to the North Carolina Arts Council to fund a new Visiting Artists Program that will place artists in communities throughout the State to build an appreciation for the importance of the arts in community life and to develop the cultural resources of those communities.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H **1**

HOUSE BILL 176

Short Title: Absentee Ballot Funds. (Public)

Sponsors: Representatives Nesbitt, Alexander (Primary Sponsors); Baddour, Hackney, Hensley, Hunter, Jarrell, Jeffus, Luebke, McAllister, Melton, Owens, Wainwright, and Warwick.

Referred to: Appropriations.

March 1, 1999

A BILL TO BE ENTITLED

AN ACT TO MAKE APPROPRIATIONS TO THE STATE BOARD OF ELECTIONS TO IMPLEMENT NO-EXCUSE ABSENTEE VOTING.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the State Board of Elections the sum of five hundred thousand dollars ($500,000) for the 1999-2000 fiscal year to assist county boards of elections in implementing no-excuse absentee voting.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

HOUSE BILL 601

Short Title: Expand Historic Preservation Funds. (Public)

Sponsors: Representatives Culpepper; Wainwright and Barefoot.

Referred to: Appropriations.

March 25, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE HISTORIC PRESERVATION FOUNDATION OF NORTH CAROLINA TO HELP EXPAND NORTH CAROLINA'S STATEWIDE REVOLVING FUND FOR HISTORIC PRESERVATION.

Whereas, North Carolina has created the nation's first and most successful statewide revolving fund for historic preservation through the work of a nonprofit corporation known as The Historic Preservation Foundation of North Carolina, Inc., (Preservation North Carolina); and

Whereas, the 1977, 1981, 1983, 1984, 1985, 1986, and 1987 Sessions of the North Carolina General Assembly recognized the value of a statewide revolving fund for saving many important historic buildings in North Carolina by appropriating funds to Preservation North Carolina for grants-in-aid; and

Whereas, Preservation North Carolina has succeeded in saving more than 400 endangered historic properties in more than 60 counties throughout the State;

Whereas, Preservation North Carolina is currently working to save more than 60 endangered historic properties throughout North Carolina, including several large historic industrial properties, and it is working with numerous local preservation organizations to save other properties through the Association of North Carolina Revolving Funds; and

Whereas, the Department of Cultural Resources relies heavily on Preservation North Carolina, although a separate, independent organization, to serve as its ally in the purchase of endangered properties and their resale under protective covenants; and

Whereas, Preservation North Carolina has carried on programs since 1939 in support of the Division of Archives and History, local preservation organizations, and local governments through the dissemination of technical information about historic preservation and the recognition of worthy preservation activities; and

Whereas, the State of North Carolina should help this private organization, which is encouraging quality economic development in North Carolina communities, with a one-time nonrecurring appropriation to aid in recapitalizing its revolving funds; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to The Historic Preservation Foundation of North Carolina, Inc., a nonprofit corporation, the sum of two million dollars ($2,000,000) for the 1999-2000 fiscal year for the purpose of expanding North Carolina's statewide revolving fund for historic preservation.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H **1**

HOUSE BILL 969*

Short Title: Kay Kyser-A Life in Motion Funds. (Public)

Sponsors: Representatives Tolson; Jeffus and Barefoot.

Referred to: Appropriations.

April 12, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA MUSEUM OF ART FOUNDATION TO ASSIST IN THE DEVELOPMENT OF THE FILM, KAY KYSER-A LIFE IN MOTION.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to North Carolina Museum of Art Foundation, Inc., a nonprofit corporation, the sum of one hundred thousand dollars ($100,000) for the 1999-2000 fiscal year to be allocated to Mortarboard Productions to assist in developing the film, Kay Kyser-A Life in Motion, to document the life of Kay Kyser, one of North Carolina's most admired citizens and one of the nation's most gifted entertainers.

Section 2. This act becomes effective July 1, 1999.

AGENDA

House Appropriations Subcommittee
on
General Government

May 6, 1999
Room 425
9:00 a.m.

Chairman: Representative ~~William Wainwright~~ Jeffus

HOUSE BILLS

Bill #	Sponsor	Bill Title
224	Adams	Afican American Atelier Funds
1129	Tolson	Electronic Commerce Demo. Funds
1293	Wainwright	Tryon Computer Funds
1299	Church	Office of the State Controller Funds
1307	Edwards	Office of Consumer Advocate
1316	Adams	Visual/Performing Arts Funds
1393	Insko	Sr. Health Insurance Info Funds

HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 6, 1999
9:00 A.M.

MINUTES

The House Appropriations Subcommittee on General Government met on Thursday, May 6, 1999, at 9:00 A.M. in Room 425 of the Legislative Office Building. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, Daniel Barefoot, Sam Ellis, Bob Hensley, Mitchell Setzer, and Gregg Thompson.

Representative Jeffus called the meeting to order and announced that there were seven bills to be heard. The members were given a sheet to prioritize the bills one, two, or three. She requested that the one presenting the bill to limit their remarks to no more than three minutes. Representative Jeffus reminded the members of the committee that they are having problems with the money situation. There are no promises but hopeful that something will change and the forecast will be brighter.

The pages were recognized by Representative Jeffus as follows: Allison Dillard sponsored by Representative Gene Wilson, Wataga County and Bruce White sponsored by Representative Mickey Michaux, Durham County.

HOUSE BILL 224, AN ACT TO APPROPRIATE FUNDS TO ASSIST AFRICAN AMERICAN ATELIER, INC., IN PROVIDING ITS ARTS PROGRAMS AND EXHIBITS TO THE CITIZENS IN THE GREENSBORO AREA is sponsored by Representative Alma Adams. (See Attachment 1) It appropriates funds to a nonprofit organization in Guilford County and operates out of the Greensboro Cultural Center as one of the components in that community. It provides outreach and educational activities that work to enhance and promote the work of the African-American culture and heritage, and to work as the vehicle for providing information and outreach to individuals who are very young and also to those that are considered the very elderly citizens including individuals with special needs. Since 1992, the facility has provided a youth program to children who reside in the public housing community. There are very few programs that provide this kind of outreach at no cost to them. It is a way to provide preventive programs to keep young people off the street and involve them in meaningful activities that would enable them to enhance their self-esteem. The organization is operating mostly with part-time staff and a host of volunteers, such as professionals in the community, by educators and by lay persons. Funding is being sought to assist with improving the programs and helping to increase the staffing to full time persons to act in the executive directors position as well as program activities, especially for the youth program.

HOUSE BILL 1316, AN ACT TO APPROPRIATE FUNDS FOR VARIOUS NONPROFIT VISUAL AND PERFORMING ARTS ORGANIZATIONS IN THE GUILFORD COUNTY AREA is sponsored by Representative Alma Adams. (See Attachment 2) This bill provides for outreach activities to African-American organizations and to other ethnic groups. These organizations are located in Counties of Forsythe, Durham, Guilford and New Hanover. They have to share the income in promoting cultural awareness through visual and performing outreach activities. These funds will enable those organizations to continue their present programs and to expand and to upgrade their facilities and staffing. The youngest program is nine years old and the oldest is about twenty-two years.

HOUSE BILL 1129, AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF THE SECRETARY OF STATE FOR THE IMPLEMENTATION OF THE ELECTRONIC COMMERCE DEMONSTRATION PROJECT is sponsored by Representative Joe P. Tolson. (See Attachment 3) Representative Tolson stated that this appropriation of ninety-eight thousand dollars allows the Secretary of State's office to set-up an electronic process to deliver certificates of existence by means of electronics. The Secretary of State wants to put in this technology process so citizens may go to the computer, call into the office, and request this certificate. Eventually, they would want to make it possible that citizens can pay for the certificate by credit card and receive the certificate at the same time. They are not asking for an increase in fee. For this expenditure, it will pay the state approximately eighty thousand dollars per year, once the program is in place. It would be a savings in the long run.

Representative Hensley inquired if this program would be a savings of eighty thousand dollars a year? Representative Tolson stated that this is correct.

Representative Ellis asked why the Secretary of State failed to present this when she gave her report to the committee? Representative Tolson stated that he had initiated the bill after he called her office and inquired as to what could he do to help the department.

HOUSE BILL 1299, AN ACT TO APPROPRIATE FUNDS FOR THE OFFICE OF THE STATE CONTROLLER is sponsored by Representative Walter G. Church, Sr. (See Attachment 4) Representative Church stated that this legislation appropriates $2.5 million for 1999-2000 and $3 million for 2000-2001 for contractual services to continue efforts to implement best business practices, and to develop electronic commerce business initiatives. Funding to be supported by collection of inadvertent overpayments by state agencies to vendors.

Representative Church introduced Ms. Gwen Canady, Chief Deputy State Controller. This legislation would enable the State Controller to make some more investment enhancements in the North Carolina accounting system to move forward with

an electronic commerce iniatative and accounts receivable requirement definition. The special study of accounts receivable goes back to last year when it was recommended that there be a pilot for another year but some work that has to be done through that pilot stage. There is a lot of enhancement that they can make to the accounting system that would benefit all of state government. When this special provision was introduced there was a discussion that the savings would all go into a central fund to be used only by directions from the General Assembly. There was some discussion that the fund could be reinvested into the state's infrastructure and would benefit agencies across the board. That is basically what this bill is. If money were not generated from the current study, then they would not get anything. It is a source of money that is yet to be generated and the State Controller's office would not get the money unless it was generated.

Rep. Hensley stated that there may be 5 million dollars or there may be 15 million dollars in overpayments out to vendors from agencies, and the Controller's Office is going to review those payments. If the Office of State Controller's Office find overpayments and recoups those payments then that first 3 million dollars would go to the Controller's office. Is that correct? Ms. Canady answered that the first 2.5 million dollars for the next fiscal year and 3 million dollars for the 2000-2001 fiscal year would go to the Office of State Controller. Rep. Hensley asked if this was to pay for software for them to recoup this? Ms. Canady answered that the money that would be appropriated by the General Assembly would basically be for services. She stated that they have a five-year contract with Profit Recovery Group. The first year they will review three fiscal years beginning with 1995-96. Their past experience indicates that they would generate about .05 to .1 per cent of an of an agency's expenditures which is about 2.5 billion dollars for North Carolina State Government.

Ms. Canady stated they were contracting with an outside agency instead of the Controller's office doing the work. Rep. Hensley wanted to know if they do not recover what they think they will recover, will the state have to pay them additional funds? She stated that the way the contract is written they get 31 per cent of recovered money. Representative Ellis asked what the controller's motivations are in trying to recover these overpayments? Ms. Canady referred to the Special Provision by Representative Church enacted in the General Assembly last year which states that the money will be placed in a special account for future direction by the General Assembly.

HOUSE BILL 1307, AN ACT TO DEVELOP A PROPOSAL FOR THE ESTABLISHMENT OF THE OFFICE OF CONSUMER ADVOCATE AND TO APPROPRIATE FUNDS FOR THAT PURPOSE is sponsored by Representatives Zeno Edwards and Wayne Goodwin. (See Attachment 5) Representative Edwards stated that every health care, management care or HMO bill that he has worked on there seems to be a crying need for an independent consumer advocate. The State of Georgia has just passed a massive bill for the purpose of forming the Office of Consumer Advocacy. It is

not just insurance claims or Medicare disputes but it is a consumer's advocacy bill. We are asking that some money be appropriated, put it in the Governor's office to do a study on how best could we create an Office of Consumer Advocacy. Representative Edwards turned it over to Representative Goodwin to present his thoughts. Representative Goodwin stated that our state and this nation has become more attuned to the needs and the health insurance industry. Health care has become one of the leading or one of the primary issues of this day. This bill proposes the establishment of an office but first it asks that the Governor report on or before April 1, 2000, on a study to see how this can be done. We are all concerned with deceptive and unfair practices and we need to look at the side of the average citizen. Making sure the citizen has all the information they need about a particular insurance company or an HMO. Citizens need this information in terms of any proceedings they become involved in either judicial or administrative proceedings and with regard to proposed changes to insurance rates and coverage. He had looked at having this in the Department of Insurance but the other states, particularly Georgia, had it placed in the Office of the Governor.

Representative Hensley stated that the Governor already has an ombudsman that overlooks state government and takes complaints from everywhere. When you start creating individual ombudsman for every type of situation, not only do you add to the state government bureauracy but move it away from the Attorney General's office or a department office. He does not see any problem with studying the situation but it seems there are already adequate offices in place to take care of any situation.

Representative Goodwin stated that the Attorney General's office certainly has its role and also the Department of Insurance. One of the key roles here is educating and informing the public about the services that are available and providing accurate and up-to-date information. I understand the Attorney General's office does not do that. They take care of problems that are reported. This is providing information before these problems occur. One final thing, ombudsmen positions deal with a wide array of issues. This is a very specialized matter.

Representative Ellis thinks that this should go to the Attorney General's office or the Department of Insurance.

Representative Goodwin stated that the need exists and it does not matter where the office is located to protect the consumer. This office would make the public aware of the status of HMO's, Managed Care and other related companies. It just needs to be addressed.

Representative Wainwright suggested that the bill be referred to a committee that is already established rather than give it to the Office of the Governor and a special provision be written referring it to the Legislative Research Commission Consumer Protection Study. The sponsors agreed to the proposal.

Representative Ellis inserted that the issue of surcharge on HMO's is tied directly to this issue and the Department of Insurance is already dealing with this and may want to tie the two issues together.

HOUSE BILL 1393, AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF INSURANCE TO EXPAND THE SENIORS' HEALTH INSURANCE INFORMATION PROGRAM is sponsored by Representative Verla Insko. (See Attachment 6) She stated that this would allow an existing program which is located in the Department of Insurance to maintain its current level of service for an anticipated fifty per cent increase in usage. In 1997, the Federal Government instituted a major change in the Medicare program. Part of that major change was to institute a new Part C that will significantly alter the health plan options available to Medicare beneficiaries. In North Carolina there are over one million beneficiaries. Nine hundred thousand of those are senior beneficiaries. In the Department of Insurance, there is a senior health information program that is currently operated by volunteers. They train volunteers to provide education and information to seniors about their Medicare benefits. It helps them make the right choices and they currently have one thousand, one hundred, and one-volunteers in that program. Due to the changes at the Federal level, they anticipate a fifty per cent increase in the usage. This appropriation would help that program keep up with the new education and counseling needs. She introduced Mr. Ben Douglas, Chair of the Senior Tar Heel Legislators, and Mrs. Fannie Williams, a Delegate, and Mrs. Carla Obiol, Director of the SHIP Program. Representative Hensley asked if the $104,000 will be used for training or whatever? Ms. Obiol stated that seniors in the State are looking at options in the Managed Care arena. Last year, the Federal Government sent out a bulletin to seniors about these options and they gave the SHIP toll free number for people to call with their questions. There were numerous phone calls. There will be another mailing this year which will give Medicare beneficiaries an option to sign an enrollment form with their option and a high volume of calls are anticipated. They need a full time position and more training of volunteers on Medicare plus choice so they could respond on the local level.

HOUSE BILL 1293, AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES FOR TRYON PALACE FOR COMPUTER UPGRADES AND JOB RECLASSIFICATIONS is sponsored by Representative William Wainwright. (See Attachment 7) He requested that the legislation be heard at a later date.

Representative Jeffus reminded the members of the committee to leave their unsigned ranking sheets with the committee staff.

Representative Jeffus announced to the members there would be another meeting and to watch the E-mail for the date and time.

Meeting adjourned at 10:25 A.M.

Respectfully submitted,

Rep Maggie Jeffus
Representative Maggie Jeffus, Chair

Mary Lee Robinson
Mary Lee Robinson, Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

HOUSE BILL 224

Short Title: African American Atelier Funds. (Public)

Sponsors: Representatives Adams; McAllister, Jeffus, Wainwright, and Jarrell.

Referred to: Appropriations.

March 3, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO ASSIST AFRICAN AMERICAN ATELIER, INC., IN PROVIDING ITS ARTS PROGRAMS AND EXHIBITS TO THE CITIZENS IN THE GREENSBORO AREA.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to African American Atelier, Inc., a nonprofit corporation, the sum of seventy-five thousand dollars ($75,000) for the 1999-2000 fiscal year and the sum of seventy-five thousand dollars ($75,000) for the 2000-2001 fiscal year for operating expenses in providing its arts programs to underprivileged youth and exhibits to the citizens in the Greensboro area.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1316

Short Title: Visual/Performing Arts Funds. (Public)

Sponsors: Representatives Adams, Womble, Michaux, and Hunter.

Referred to: Appropriations.

April 22, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR VARIOUS NONPROFIT VISUAL AND PERFORMING ARTS ORGANIZATIONS IN THE GUILFORD COUNTY AREA.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Cultural Resources the sum of one hundred fifty-five thousand dollars ($155,000) for the 1999-2000 fiscal year and the sum of one hundred fifty-five thousand dollars ($155,000) for the 2000-2001 fiscal year to be allocated to the nonprofit visual and performing arts organizations listed below for security, gallery upfit and upgrade, management operations, and to support regional exhibitions and programming. These funds shall be allocated as follows:

(1) $35,000 to St. Joseph's Historic Foundation, Inc.
(2) $30,000 to The C.S. Brown School Auditorium Restoration Association, Incorporated.
(3) $30,000 to African American Atelier, Inc.
(4) $30,000 to The Healing Force Ministries, Inc.
(5) $30,000 to the Guilford Native American Association.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1129

Short Title: Electronic Commerce Demonstration Funds. (Public)

Sponsors: Representative Tolson.

Referred to: Appropriations.

April 15, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF THE SECRETARY OF STATE FOR THE IMPLEMENTATION OF THE ELECTRONIC COMMERCE DEMONSTRATION PROJECT.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of the Secretary of State, the sum of ninety-eight thousand dollars ($98,000) for the 1999-2000 fiscal year for the implementation of the Department's Electronic Commerce Demonstration Project. The purpose of the Project shall be the production and delivery of certificates of existence by means of electronic media, including the Internet and World Wide Web. The funds appropriated may be used for design, programming, and other functions necessary for or associated with the electronic production and delivery of certificates of existence by the Department pursuant to the North Carolina Business Corporation Act, Nonprofit Corporation Act, and Limited Liability Company Act.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H **1**

HOUSE BILL 1299*

Short Title: Office of the State Controller Funds. (Public)

Sponsors: Representatives Church, Allen, Tallent; and Crawford.

Referred to: Appropriations.

April 20, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE OFFICE OF THE STATE CONTROLLER.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Office of the State Controller, the sum of two million five hundred thousand dollars ($2,500,000) for the 1999-2000 fiscal year and three million dollars ($3,000,000) for the 2000-2001 fiscal year to cover expenditures for the following:

(1) Functional and technical contractual services to continue efforts related to the implementation of best business practices associated with accounts receivable processing and bad debt collection required by G.S. 147-86.22(a).

(2) Functional and technical contractual services and related software to develop and implement electronic commerce business initiatives.

Section 2. Funding for these items shall be supported from receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors as required by G.S. 147-86.22(c). Funds shall be transferred from the special reserve account to the Office of the State Controller in the sum of two million five hundred thousand dollars ($2,500,000) for the 1999-2000 fiscal year and three million dollars ($3,000,000) for the 2000-2001 fiscal year.

Section 3. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

HOUSE BILL 1307

Short Title: Office of Consumer Advocate. (Public)

Sponsors: Representatives Edwards, Goodwin (Primary Sponsors); and Barefoot.

Referred to: Appropriations.

April 21, 1999

A BILL TO BE ENTITLED

AN ACT TO DEVELOP A PROPOSAL FOR THE ESTABLISHMENT OF THE OFFICE OF CONSUMER ADVOCATE AND TO APPROPRIATE FUNDS FOR THAT PURPOSE.

The General Assembly of North Carolina enacts:

Section 1. The Office of the Governor shall develop a proposal for the establishment of the Office of Consumer Advocate ("Office") to protect the citizens of the State from deceptive and unfair practices of the insurance industry by providing consumers of insurance products and services with a fair, impartial, and effective advocate in judicial and administrative proceedings and with regard to proposed changes to insurance rates and coverage. In developing the proposal, the Office of the Governor shall review similar offices or divisions in other states. The proposal shall include recommendations regarding:

(1) The organizational and administrative structure of the Office of Consumer Advocate;

(2) The functions and duties of the State's consumer advocate. In developing the proposed functions and duties of the consumer advocate, the Office of the Governor shall consider authorizing the advocate to (i) initiate and appear in judicial and administrative proceedings on behalf of consumers of insurance services or products provided by any person or corporation licensed by the State, (ii) obtain discovery, present evidence, and advocate in matters or proceedings involving proposed changes in insurance rates, coverage amounts, or benefits, and inform the public of those

changes, and (iii) educate and inform the public about services available to consumers of insurance products and services in the State;

(3) The staffing of the Office, including a list of proposed personnel positions, the desired qualifications of personnel, and the proposed salaries of those positions;

(4) The proposed budget for the Office, including the source of funds, any fee schedule that would be instituted by the Office, and the cost of contracting with actuarial consultants, accountants, investigators, and expert witnesses to fulfill the functions and duties of the Office;

(5) Any reporting requirements of the Office; and

(6) The date by which the Office is expected to be functioning effectively and efficiently.

Section 2. On or before April 1, 2000, the Governor shall report the proposal for establishment of the Office of Consumer Advocate, including any legislative proposals and funding requirements that are required to implement the purposes and functions of the Office, to the General Assembly.

Section 3. There is appropriated from the General Fund to the Office of the Governor the sum of fifty thousand dollars ($50,000) for the 1999-2000 fiscal year to implement this act.

Section 4. Section 3 of this act becomes effective July 1, 1999. The remainder of this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

HOUSE BILL 1393

Short Title: Sr. Hlth. Ins. Info. Funds. (Public)

Sponsors: Representatives Insko; and Mosley.

Referred to: Appropriations.

April 29, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF INSURANCE TO EXPAND THE SENIORS' HEALTH INSURANCE INFORMATION PROGRAM.

Whereas, as of July 1, 1996, North Carolina had more than 1,051,000 Medicare beneficiaries, including 892,000 older adults, who needed information, counseling, assistance, and advocacy in understanding the changes in the Medicare program and in making decisions about coverage options; and

Whereas, the Seniors' Health Insurance Information Program projects a fifty percent (50%) increase in beneficiary initiated calls and other contacts during 1999 which will exceed its existing capacity; and

Whereas, funding is needed to enable the Seniors' Health Insurance Information Program to maintain the basic level of education and counseling necessary to assist the State's Medicare beneficiaries with the changes associated with Medicare + Choice; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Insurance the sum of one hundred four thousand dollars ($104,000) for the 1999-2000 fiscal year and the sum of one hundred four thousand dollars ($104,000) for the 2000-2001 fiscal year to enable the Seniors' Health Insurance Information Program to expand education and counseling services to North Carolina's Medicare beneficiaries regarding Medicare + Choice.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1293

Short Title: Tryon Palace Computer Funds. (Public)

Sponsors: Representatives Wainwright and Thomas.

Referred to: Appropriations.

April 19, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES FOR TRYON PALACE FOR COMPUTER UPGRADES AND JOB RECLASSIFICATIONS.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Cultural Resources the sum of one hundred sixty thousand dollars ($160,000) for the 1999-2000 fiscal year and the sum of sixty thousand dollars ($60,000) for the 2000-2001 fiscal year for Tryon Palace. Of the funds appropriated in this section for the 1999-2000 fiscal year, the sum of one hundred thousand dollars ($100,000) shall be used for a computer upgrade at Tryon Palace. The sum of sixty thousand dollars ($60,000) appropriated for the 1999-2001 biennium shall be used for a job reclassification of positions at Tryon Palace.

Section 2. This act becomes effective July 1, 1999.

1999

JOINT APPROPRIATIONS – GENERAL GOVERNMENT

MINUTES

AGENDA

Joint Appropriations Subcommittee
on
General Government

May 12, 1999
Room 425
9:00 a.m.

Chairman: Representative William Wainwright

HOUSE BILLS

Bill #	Sponsor	Bill Title
636	Owens	Consumer Service Quality Assurance
671	Eddins	Legislator Guides
751	Gardner	Moratorium on New Technology - Y2K
1399	Earle	Afro. Am. Cultural Ctr. Funds

Joint Appropriations Subcommittee
On
General Government

May 12, 1999
9:00 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met on May 12, 1999 at 9:00 a.m. in Room 425 of the Legislative Office Building. The House members present were: Representative Wainwright and Representative Jeffus, Cochairs; Representative(s) McLawhorn, Barefoot, Ellis, Hensley, Setzer, Sherrill, and Thompson.

Representative Wainwright called the meeting to order and announced that the following four bills remain in Subcommittee and that they would be heard at today's meeting. He informed the members that a form had been provided on which to prioritize each bill following its explanation, and the forms are to be submitted to staff upon adjournment.

HB 636 A BILL TO BE ENTITLED AN ACT TO SET UP A CUSTOMER SERVICE QUALITY ASSURANCE PROGRAM WITHIN THE STATE AUDITOR'S OFFICE, SO AS TO ENSURE THAT PERSONS RECEIVE QUALITY SERVICES FROM STATE AGENCIES. HB 636 was explained in brief by the bill sponsor, Representative Owens, and in more detail by State Auditor Ralph Campbell. (HB636 ATTACHMENT)

HB 671 A BILL TO BE ENTITLED AN ACT TO DIRECT THE LEGISLATIVE SERVICES COMMISSION TO PROVIDE VOLUNTEER LEGISLATORS TO BE AVAILABLE IN THE STATE LEGISLATIVE BUILDING BETWEEN LEGISLATIVE SESSIONS TO TALK TO GROUPS TOURING THE GENERAL ASSEMBLY AND TO APPROPRIATE FUNDS FOR THAT PURPOSE. The bill sponsor, Representative Eddins, explained HB 671. (HB671 ATTACHMENT)

HB 751 A BILL TO BE ENTITLED AN ACT TO IMPOSE A MORATORIUM ON NEW TECHNOLOGY INITIATIVES UNTIL AFTER JANUARY 1, 2000, AS RECOMMENDED BY THE STATE AUDITOR. Representative Wainwright stated it was his opinion that HB 751 should be re-referred to the Subcommittee on Natural and Economic Resources since it deals with commerce and technology service. Without objection, he announced that HB 751 would be re-referred back to the full Appropriations' Chairs with the request that they re-refer it to the NER Subcommittee. (HB 751 ATTACHMENT)

HB 1399 A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE CITY OF CHARLOTTE FOR THE AFRO-AMERICAN CULTURAL CENTER. Representative Earle , Sponsor, explained the bill. (HB 1399 ATTACHMENT)

Representative Wainwright reminded the members to submit their prioritized forms to staff. There being no further business, the meeting was adjourned at 10:00 a.m.

Representative Wainwright
Presiding Cochair

Jacquelyn A. Hamby
Transcribing Clerk (Tape I of I)

ATTACHMENTS:
-Agenda
-HB 636
-HB 671
-HB 751
-HB 1399
-Notes
-Visitor Registration Sheet

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 2

HOUSE BILL 636
Committee Substitute Favorable 5/6/99

Short Title: Consumer Service Quality Assurance. (Public)

Sponsors:

Referred to:

March 29, 1999

A BILL TO BE ENTITLED

AN ACT TO SET UP A CUSTOMER SERVICE QUALITY ASSURANCE PROGRAM WITHIN THE STATE AUDITOR'S OFFICE, SO AS TO ENSURE THAT PERSONS RECEIVE QUALITY SERVICES FROM STATE AGENCIES.

The General Assembly of North Carolina enacts:

Section 1. Article 5A of Chapter 147 of the General Statutes is amended by adding a new section to read:

"**§ 147-64.15. Customer Service Quality Assurance Program.**

There is established within the Office of the State Auditor the Customer Service Quality Assurance Program. The purpose of the program is for the State Auditor to monitor the performance of State agencies from the perspective of the consumer. In such role, the State Auditor's office may respond to consumer complaints or act as a consumer of services or permit applicant before State agencies to verify the quality of services. The State Auditor shall report periodically to the Joint Legislative Commission on Governmental Operations on the positive and negative aspects of the review. In the case of deficiencies, the State Auditor shall note whether the deficiencies are the result of inadequate resources or training being provided to State employees providing the services, or from the performance of the employee. The Auditor shall also report on positive or negative service experiences. Employing agencies may place the information received from the State Auditor's Customer Service Quality Assurance reviews in the employee's personnel file."

Section 2. There is appropriated from the General Fund to the Department of State Auditor for fiscal year 1999-2000 the sum of two hundred

fifty-four thousand dollars ($254,000) in recurring funds and twenty-six thousand three hundred sixty dollars ($26,360) in nonrecurring funds to implement this act.

Section 3. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 2

HOUSE BILL 671
Committee Substitute Favorable 5/6/99

Short Title: Legislator Guides. (Public)

Sponsors:

Referred to:

March 29, 1999

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE LEGISLATIVE SERVICES COMMISSION TO PROVIDE VOLUNTEER LEGISLATORS TO BE AVAILABLE IN THE STATE LEGISLATIVE BUILDING BETWEEN LEGISLATIVE SESSIONS TO TALK TO GROUPS TOURING THE GENERAL ASSEMBLY AND TO APPROPRIATE FUNDS FOR THAT PURPOSE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 120-32 is amended by adding a new subdivision to read:

"(14) When the General Assembly is not in regular or extra session, provide one volunteer member of the General Assembly who will be available on each nonholiday weekday to greet and address groups touring the General Assembly. Legislators performing this task shall be paid the travel and subsistence allowances allowed under G.S. 120-3.1(a)(2) and (3)."

Section 2. There is appropriated from the General Fund to the Legislative Services Commission twenty-four thousand dollars ($24,000) for the 1999-2000 fiscal year for the purpose of implementing the provisions of this act.

Section 3. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 751

Short Title: Moratorium on New Technology--Y2K. (Public)

Sponsors: Representatives Gardner; Barefoot, Cansler, Clary, Culp, Esposito, Hensley, Howard, Morris, Preston, Smith, Tolson, C. Wilson, and G. Wilson.

Referred to: Rules, Calendar and Operations of the House.

March 31, 1999

A BILL TO BE ENTITLED

AN ACT TO IMPOSE A MORATORIUM ON NEW TECHNOLOGY INITIATIVES UNTIL AFTER JANUARY 1, 2000, AS RECOMMENDED BY THE STATE AUDITOR.

Whereas, the State Auditor submitted a performance audit of the Department of Commerce, Information Technology Services, Year 2000 Project Office, on March 18, 1999; and

Whereas, the State Auditor has noted that:

"Since there are no guarantees that some systems will not fail, contingency planning in the face of potential failures should take precedence over other activities. At the same time agency efforts should not be diluted by the development of new or drastically modified automated systems within State government."; and

Whereas, the State Auditor recommended that the General Assembly should place a moratorium on all major new technology initiatives until after January 1, 2000, ensuring that precious resources are directed to meeting the highest needs; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. Notwithstanding any other provision of law, there is imposed a moratorium on all agencies of the State on all major new technologies, the development of new automated systems, and the drastic modification of automated systems in State government. This moratorium shall not apply to systems and

technologies directly related to the Year 2000 Conversion Effort. The moratorium shall expire on January 3, 2000.

Section 2. The Information Resources Management Commission shall take all necessary actions to enforce the moratorium imposed by Section 1 of this act.

Section 3. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1399

Short Title: Afro. Am. Cultural Ctr. Funds. (Public)

Sponsors: Representatives Earle; Cunningham (Primary Sponsors), Easterling, Gulley, McMahan, Moore, Saunders, and C. Wilson.

Referred to: Appropriations.

April 29, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE CITY OF CHARLOTTE FOR THE AFRO-AMERICAN CULTURAL CENTER.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the City of Charlotte the sum of five hundred thousand dollars ($500,000) for the 1999-2000 fiscal year to be allocated to the Afro-American Cultural Center to study and assess the future of the center, prepare a concept design to define the various functions, needs, size, and other special requirements for each space within the proposed new building, and to study the feasibility of the community's readiness for a capital campaign to expand the center.

Section 2. This act becomes effective July 1, 1999.

VISITOR REGISTRATION SHEET

Gen-Govt. 5-12-99

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ben McLawhorn	OSC
Clifton McCoy	[illegible] SA
Martha Glass	DOA
Katie G. Dorsett	DOA
Bernard Allen	SOS
Mark Brasson	Capital Group
[illegible]	OSA
Rob Hillman	OSA
Kathie [illegible]	OSPL - Adm. Bldg
Jim Nowell	OSBM
[illegible]	[illegible]
Sheila McKinney	DOI
Ron [illegible]	[illegible]
Willie Riddick	DOR

SENATE APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

June 9 & June 15, 1999

The Senate Appropriations Subcommittee on General Government met Wednesday, June 9, and Tuesday, June 15 at 12:00 noon in Room 425 of the Legislative Office Building. Five of the Senate members were present on June 9 and six on June 15. Pages were Lauren Feldman, Cary; and Tiffany Hall, Spruce Pine on June 9; and Scott Denton, Greenville; and Alex Parke, Raleigh on June 15. Senator Ed Warren chaired the meetings.

The agenda was to review the House Appropriations Committee Unofficial Report on the Continuation, Expansion and Capital Budget and Special Provisions on June 9 (Attachment 1) and to go over the Senate's recommended changes on June 15. (See Attachment 2 with notations of changes in margin)

Chairman Warren stated that the June 15th meeting would be the final Committee meeting as the recommendations would be presented to the Senate Appropriations Chairs tomorrow, June 16th; and, hopefully, there would be a budget bill on the Senate floor Thursday, June 17th. He thanked the Committee and staff for all their hard work.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1

HOUSE APPROPRIATIONS COMMITTEE

UNOFFICIAL REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGET

(ENTRIES REFLECT TECHNICAL CORRECTIONS AND JUNE 2, 1999 AMENDMENTS)

JUNE 8, 1999

General Assembly

GENERAL FUND

	FY 99-2000	FY 2000-01
Recommended Budget	$35,695,575	$39,518,408
Legislative Changes		
1900 Reserves and Transfers		
1 **Reduce Reserves and Transfers**		
Reduce funding in reserve.	($715,000) NR	
Total Legislative Changes	($715,000) NR	
Total Position Changes		
Revised Budget	$34,980,575	$39,518,408

Governor

		GENERAL FUND			
		FY 99-2000		**FY 2000-01**	
Recommended Budget		**$5,317,042**		**$5,335,850**	
Legislative Changes					
1110 Administration					
2 **Operating Budget Reductions**		($53,678)	R	($53,678)	R
Reduce operating budget as noted below:					
5327XX Travel	$30,000				
533110 Supplies	$8,678				
5345XX Equipment	$10,000				
534710 Computer Software	$5,000				
Total Legislative Changes		**($53,678)**	R	**($53,678)**	R
Total Position Changes					
Revised Budget		**$5,263,364**		**$5,282,172**	

State Budget and Management

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$7,247,118		$7,348,782	
Legislative Changes				
1310 Office of State Budget				
3 **Reduce Operating Expenses**	($41,000)	R	($41,000)	R
Reduce funding for 532850-Printing, Binding & Duplicating $15,000 532821-Computer/Data Proc. Services $23,000 533110-Supplies $3,000				
4 **NC Humanities Council Funds**				
Provide funds to the North Carolina Humanities Council, a nonprofit corporation, for the programs of the Council.	$100,000	NR		
5 **Western Carolina Women's Coalition**				
Provide funds to the Western Carolina Women's Coalition to support expansion of the regional network in the 25 westernmost counties among women and women's organizations aimed at fostering communication and collaboration and building capacity for economic self-sufficiency, leadership, and service and to support a major Women's Conference and Women's Equality Day Event.	$25,000	NR		
Total Legislative Changes	**($41,000)**	R	**($41,000)**	R
	$125,000	NR		
Total Position Changes				
Revised Budget	**$7,331,118**		**$7,307,782**	

Secretary of State

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$6,284,106		$6,196,606	

Legislative Changes

1110 General Administration

6 Electronic Commerce Specialist Position	$79,964	R	$79,964	R
Providing funding for an Applications Analyst/Programmer Specialist position. This position will serve as the Department's Electronic Commerce Specialist responsible for regulating electronic signatures and certification authorities as provided for in the Electronic Commerce Act.	$6,700 1.00	NR	1.00	
7 Operating Budget Reductions	($21,199)	R	($21,199)	R
Reduce operating budgets for 532199 - Misc. Contractual Services $1,841 532942 - Employee Educational Expense $15,625 531311 - Temporary Wages $3,733				

1120 Publications Division

8 Directory of Women in the NC General Assembly				
Provide funds to update and reprint the directory of women in the NC General Assembly in partnership with the Western Carolina Women's Coalition and the NC Council for Women.	$10,000	NR		
9 Operating Budget Reductions	($9,193)	R	($9,193)	R
Reduce operating budgets for 532199 - Misc. Contractual Services $2,000 532942 - Employee Educational Expense $4,125 531311 - Temporary Wages $3,068				

1210 Corporations Division

10 Operating Budget Reductions	($14,125)	R	($14,125)	R
Reduce operating budgets for 532199 - Misc.Contractual Services $10,000 532942 - Employee Educational Expense $4,125				

	FY 99-2000		FY 2000-01	
1220 Uniform Commercial Code Division				
11 Operating Budget Reductions Reduce operating budgets for 532199 - Misc.Contractual Services $30,000 532942 - Employee Educational Expense $3,125	($33,125)	R	($33,125)	R
1230 Securities Registration Division				
12 Operating Budget Reduction Reduce operating budgets for 532199 - Misc.Contractual Services $5,000 532942 - Employee Educational Expense $3,125	($8,125)	R	($8,125)	R
13 Securities Registration Division Staff Expansion Provide funding for a Registration Analyst position to examine securities registration applications. This position is needed to help meet the increase in the number of public offerings registered in the State.	$40,149 $9,677 1.00	R NR	$40,149 1.00	R
1240 Business License Division				
14 Operating Budget Reductions Reduce operating budget for employee educational expense (532942)	($3,125)	R	($3,125)	R
15 Rent/Lease Office Buildings Reduce the budget for rental and lease of office buildings. The Secretary of State offices will relocate to the old Dept. of Revenue Building during the 1999-2000 fiscal year.	($29,540)	R	($29,540)	R
1300 Notary Public Commission				
16 Operating Budget Reductions Reduce operating budgets for 532199 - Misc. Contractual Services $1,000 532942 - Employee Educational Expense $3,125	($4,125)	R	($4,125)	R

	FY 99-2000		FY 2000-01	
1400 Land Records Management				
17 **Operating Budget Reductions** Reduce operating budget for employee educational expense (532942)	($3,125)	R	($3,125)	R
Total Legislative Changes	**($5,569)**	**R**	**($5,569)**	**R**
	$26,377	**NR**		
Total Position Changes	2.00		2.00	
Revised Budget	**$6,304,914**		**$6,191,037**	

Auditor

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	**$11,656,492**		**$11,656,492**	
Legislative Changes				
1120 Support Services				
18 **Reduce Operating Expenses**	($4,500)	R	($4,500)	R
Reduce the operating expenses to correspond to the reduction in field audit staff.				
532942 Other Employee Education Expense $1,500				
5328XX Communication $1,800				
533110 General Office Supplies $1,200				
1210 Field Audit Division				
19 **Reduce Personnel**	($112,065)	R	($112,065)	R
Eliminate 2 Assistant State Auditor II positions and related operating cost as noted:	-2.00		-2.00	
531XXX Salary and Benefits $103,465				
5327XX Travel $8,000				
53XXXX General Expense $600				
20 **Information System Auditor**	$68,114	R	$68,114	R
Providing funding for an additional Information System Auditor position to enable the Office to increase the audits of the growing number of computer applications and installations in State government.	$6,590	NR		
	1.00		1.00	
Total Legislative Changes	**($48,451)**	R	**($48,451)**	R
	$6,590	NR		
Total Position Changes	-1.00		-1.00	
Revised Budget	**$11,614,631**		**$11,608,041**	

Treasurer

GENERAL FUND

	FY 99-2000	FY 2000-01
Recommended Budget	$19,515,232	$19,515,232

Legislative Changes

1150 Information Systems Division

21 Information System Personnel

	$157,561	R	$195,033	R
	$22,600	NR	$0	NR
	5.00		5.00	

Provide funding for 1 Database Administrator II, 2 Applications Analyst Programmer IIs, 1 Computer Consultant IV, and 1 Computer Network Coordinator. These positions will help maintain the Department's growing technological infrastructure.

The total cost is $348,585 recurring and $50,000 nonrecurring for 1999-2000 with positions effective October 1, 1999. The annualized recurring cost of positions is $431,488 for 2000-2001. The cost of these positions will be allocated among the divisions within the State Treasurer's Office as noted below.

	99-2000		2000-01
Receipt Supported Divisions			
1130- Escheats	$33,813R	$4,850NR	$41,855R
1210- Retirement	$157,211R	$22,500NR	$194,600R
Total Receipts	$191,024R	$27,350NR	$236,455R
General Fund Supported Divisions			
1210- Inv. Mgmt	$63,791R	$9,150NR	$78,962R
1220- Banking	$23,704R	$3,400NR	$29,341R
1310- Local Govt	$70,066R	$10,050NR	$86,730R
Total Gen. Fund	$157,561R	$22,600NR	$195,033R

Non-tax revenue will be increased by the amount of the cost allocated to the general fund divisions.

1210 Investment Management

22 Investment Management Funds

	($1,085,128)	R	($1,085,128)	R

Reduce the amount budgeted for financial investment administrative services (532120) to more accurately reflect actual requirements for custodial services. Non-tax revenue will be reduced by an offsetting amount.

	FY 99-2000		FY 2000-01	
1410 Retirement Operations Division				
23 **Retirement Operations**	$0	R	$0	R
Provide recurring funding of $979,170 and nonrecurring funds of $140,00 for 1999-2000 for 20 positions effective October 1, 1999. The annualized cost of the 20 positions for 2000-2001 is $1,126,393. The positions are needed to meet the level of demand from members of the state's retirement system. The 20 positions include 7 Retirement Benefits Counselors, 4 Processing Assistant Vs, 2 Accounting Clerks, and 7 Processing Assistant IVs. Retirement Operations is a receipt supported function of the Department.	$0 20.00	NR	$0 20.00	NR
Total Legislative Changes	**($927,567)**	R	**($890,095)**	R
	$22,600	NR	**$0**	NR
Total Position Changes	25.00		25.00	
Revised Budget	**$18,610,265**		**$18,625,137**	

Insurance

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	**$25,973,947**		**$25,984,721**	
Legislative Changes				
1200 Company Services				
24 **Information Service Needs** Provide funds to replace outdated computer equipment. Also provide funds to establish 2 Computer Systems Analyst III positions and 1 Computer Support Technician II position for the Information Services Division. The Division supports the other divisions within the Department that audit, regulate and control insurance operations in the state. The general fund will be reimbursed from the insurance regulatory fund for the total cost.	$202,056 $420,500 3.00	R NR	$202,056 $0 3.00	R NR
1500 Safety Services Group				
25 **Building Code Book Sales** Reduce the expenditure (53-2850) for producing the Building Code to reflect actual needs. The Department overestimated the demand for the books.	($191,740)	R	($191,740)	R
Total Legislative Changes	**$10,316** **$420,500**	R NR	**$10,316** **$0**	R NR
Total Position Changes	3.00		3.00	
Revised Budget	**$26,404,763**		**$25,995,037**	

Administration

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$60,161,435		$60,425,982	

Legislative Changes

1111 Office of the Secretary

26 **Domestic Violence Commission**	$150,000	R	$150,000	R
Provide funding for an executive director, an administrative assistant, and operating cost for the Domestice Violence Commission.	2.00		2.00	

1225 State Health Purchasing Alliance

27 **State Health Purchasing Alliance**	($43,632)	R	($43,632)	R

Reduce the operating budget for the Alliance in accordance with actual expenditures. The following budget line items are to be reduced:

532140 System Implementation	$5,000
532721 Board/Non-employee Trans	$25,000
532811 Telephone	$8,000
532840 Postage	$2,000
532850 Printing	$2,000
534521 Equipment	$1,632

1311 Office of State Personnel

28 **Reduce Personnel and Other Personal Services**	($81,000)	R	($81,000)	R
Eliminate one (1) Human Resources Consultant position (#4065) and related benefits:	-1.00		-1.00	

531211 Salaries	$46,425
531511 Social Security	$3,552
531521 Retirement	$5,028
531561 Medical Insurance	$1,736
531572 Unemployment Comp	$7,016
531625 State Disability Payment	$8,000
531632 Worker's Comp	$4,900
532199 Misc. Contractual Serv	$4,344

	FY 99-2000		FY 2000-01	
29 Operating Budget Reductions	($30,000)	R	($30,000)	R

Reduce funds in the following line items:

532714 Trans - Grnd-In-State	$3,000
532721 Lodging, In-State	$2,000
532850 Printing	$10,000
533720 Education Supplies	$5,000
535830 Membership Dues & Sub	$2,000
535900 Other Expenses	$3,000
537102 Reserve Employee Survey	$5,000

1412 State Property Office

30 Eliminate Vacant Position	($22,948)	R	($22,948)	R
Elimate the Processing Assistant III (0300) position included in the Governor's recommended adjustments as a reduction. This position has been vacant since May 1996.	-1.00		-1.00	

1421 Facilities Management Division

31 Reserve for New Facility				
Reduce the funding to support the operation of the new Museum of Natural Science. Funding in the reserve is based on July 1, 1999 opening date. However, the opening has been delayed until Spring 2000. Reductions will be taken in the following line items:	($367,147)	NR	$0	NR

531XXX SPA Salaries and Benefits	$114,358
532110 Electricity	$134,773
532230 Water and Sewer	$3,036
532184 Janitorial Contract	$65,871
532310 Building Repairs	$24,568
533210 Janitorial Supplies	$10,830
533900 Other Materials and Supplies	$10,976
533150 Security and Safety Supplies	$529
533510 Clothing and Uniforms	$1,126
533690 Other Drug/Phar. Supplies	$23
534528 Equip. Communication	$687
534529 Equip. Custody and Security	$370

32 Reduce Utilities Budget	($209,587)	R	($209,587)	R
Reduce funding for electricity (532110). Mild weather as well as pilot energy saving programs implemented in state buildings have resulted in cost savings.				

	FY 99-2000		FY 2000-01	
1511 Purchase and Contract				
33 Eliminate Vacant Position Eliminate the Processing Assistant III (6931)position included in the Governor's recommended adjustments as a reduction. This position has been vacant since January 1998.	($23,916) -1.00	R	($23,916) -1.00	R
1731 NC Council for Women				
34 Sexual Assault Funds Provide funds for the continuation of sexual assault programs and the prevention of sexual assault within the state.	$175,000	NR		
35 Domestic Violence Prevention Funds Provide funding to the Department of Administration for the North Carolina Council for Women. The Council for Women shall provide grants from these funds to existing domestic violence programs, including the NC Coalition Against Domestic Violence, Inc., and for the development of new domestic violence programs. The Department of Administration or the Council for Women shall not use any of the funds for operating expenses.	$1,000,000	NR		
36 Century of Women Celebrations Provide funds to support "A Century of Women" statewide celebrations and to strengthen resources and support of women's organizations and coalitions.	$15,000	NR		
1771 Veterans Affairs - Administration				
37 Veteran Affairs Eliminate the Jobs for Veteran Committee Chair position. The functions of this position can be fully performed through the field offices.	($40,573) -1.00	R	($40,573) -1.00	R
1810 Ethics Board				
38 Operating Budget Reductions Reduce the budget to reflect actual expenditures and activity. Actual expenditures are less than the estimates upon which the original budget was based. 532199 Misc. Contractual Services $10,000 535900 Other Expenses $25,000	($35,000)	R	($35,000)	R

	FY 99-2000		FY 2000-01	
1871 Science and Technology Research				
39 **Board of Science and Technology**				
Provide additional funds to be used as matching money to support research collaborations among NC researchers and those in other states and countries.	$250,000	NR		
Total Legislative Changes	**($336,656)**	R	**($336,656)**	R
	$1,072,853	NR	**$0**	NR
Total Position Changes	-2.00		-2.00	
Revised Budget	**$60,897,632**		**$60,089,326**	

State Controller

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$10,798,673		$10,804,420	
Legislative Changes				
1000 Departmentwide				
40 **Adjustments in Personnel**	($216,105)	R	($216,105)	R
Eliminate four vacant positions: Applications Analyst Program Specialist (#0066), Data Base Analyst (#0082), and two (2) State Management Analysts (#0041 and #0117).	-4.00		-4.00	
41 **North Carolina Accounting System Support**	$900,000	R	$900,000	R

Provide $1.45 million to support additional requirements of the accounting system with the appropriation of $900,000 and $550,000 in receipts available from the revenue transferred from the Special Reserve Account (24172). Total funding is allocated for the following items:

532140 Syst Implementation/Integration	$300,000
532440 Maint Agreement-Data Proc. Equip	$10,000
532441 Maint Agreement-Software	$90,000
532821 Computer/Data Proc. Srvcs	$1,000,000
534710 Computer Software	$50,000
Total	$1,450,000
Receipts	$550,000

Total Legislative Changes	**$683,895**	R	**$683,895**	R
Total Position Changes	-4.00		-4.00	
Revised Budget	**$11,482,568**		**$11,488,315**	

Revenue

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$78,328,188		$74,905,962	
Legislative Changes				
1600 Planning, Development & Technology				
42 **Reduce Overtime**	($103,429)	R	($103,429)	R
Adjust the following line items:				
531411 Overtime Pay $62,902 531511 Social Security $ 4,812 531521 Reg. Retirement $ 6,812 532812 Telecommunication Data Charges $28,903				
43 **Adjust Operating Budget**	($659,335)	R	($659,335)	R
Reduce funds in two line items:				
532140 Contractual Services $599,356 532714 In-State Transportation $ 59,979				
1640 Tax Compliance				
44 **Office Services**	($59,979)	R	($59,979)	R
Eliminate salary and benefits for an Administrative Officer position.	-1.00		-1.00	
1660 Field Operations				
45 **Reduce Temporary Wages**	($94,114)	R	($94,114)	R
Adjust line items 531311 ($87,426) and 531511 ($6,688).				
46 **Interstate Audit Personnel**	$152,228	R	$152,228	R
Add three positions: two (2) Interstate auditors and one (1) support to expand audit functions.	3.00		3.00	

	FY 99-2000		FY 2000-01	
47 Field Collections Add six (6) Revenue Officers and one (1) support position to expand audit capability.	$261,062 7.00	R	$261,062 7.00	R
48 Field Examinations Appropriate funds for seven (7) additional Revenue Field Auditors and one (1) support position to expand audit functions.	$342,644 8.00	R	$342,644 8.00	R
1670 Unauthorized Substance				
49 Unauthorized Substance Tax Enforcement Appropriate funds to add two (2) Revenue Enforcement Officers and one (1) support position.	$134,978 $15,400 3.00	R NR	$134,978 3.00	R
1680 Legal & Administrative Services				
50 Administrative Services Reduce the following line items: 531411 Overtime Pay $ 9,904 531511 Social Security $ 758 531521 Reg. Retirement $ 1,073	($11,735)	R	($11,735)	R
51 Administrative Services Increase operating funds related to new Revenue Field Officer, Interstate Auditor, and Revenue Officer positions: Interstate Audit $5,350 R / $13,625 NR Field Collections $6,650 R / $28,000 NR Field Examinations $7,000 R / $28,000 NR	$19,000 $69,625	R NR	$19,000	R
52 Accounting Eliminate salary and benefits for a Processing Assistant IV position (#5206).	($24,888) -1.00	R	($24,888) -1.00	R

House Subcommittee on General Government		FY 99-2000		FY 2000-01	
53 **Returns Processing**		($531,102)	R	($531,102)	R
Reduce the following line items:					
531311 Reg Temporary Wages	$342,427				
531411 Overtime Pay	$105,836				
531511 Social Security	$ 34,292				
531521 Reg Retirement	$ 48,547				
Total Legislative Changes		**($574,670)**	R	**($574,670)**	R
		$85,025	NR		
Total Position Changes		19.00		19.00	
Revised Budget		**$77,838,543**		**$74,331,292**	

Cultural Resources

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$58,943,774		$59,838,161	

Legislative Changes

1110 Secretary's Office

54 **Grants to Local Organizations**
Appropriate funds for local arts, cultural, and historical organizations, and local museums as grants-in-aid. — $8,000,000 NR

1120 Administrative Services

55 **Increase Operating Funds**
Appropriate funds to replace computers. — $100,000 NR

1210 Archives & History - Administration

56 **Travel** — ($10,000) R — ($10,000) R
Reduce funding in line item 532714.

1230 Archives and Records

57 **Travel** — ($10,000) R — ($10,000) R
Reduce funding in line item 532714.

1241 State Historic Sites

58 **Reduce Line Item Expenditures** — ($162,825) R — ($162,825) R
Reduce the following line items:

532714 Trans - Ground-In-State	$30,000
534610 Art & Artifacts	$132,825

	FY 99-2000		FY 2000-01	
1320 Museum of Art				
59 **Personal Services** Reduce funds for miscellaneous contractual services - 532199.	($66,412)	R	($66,412)	R
1330 NC Arts Council				
60 **Travel** Reduce funds in line item 532714.	($5,000)	R	($5,000)	R
61 **Basic Grants Program** Funding provides a one-time increase in the continuation budget for grants to local arts organizations: Primary Arts Organizations $300,000 Rural Arts Leadership $200,000 Cultural Tourism $100,000	$600,000	NR		
62 **Grassroots Arts Program** Provides one-time increase in the continuation budget for grants awarded to local arts councils.	$400,000	NR		
63 **Shakespeare Festival Funds** Provide funds for the Educational Outreach Touring Program.	$260,000	NR		
1360 Grants-in-Aid to Arts				
64 **NC Symphony Grant-Memorial Auditorium** Provide balance of State funding as grant-in-aid to NC Symphony Society for acoustical enhancements.	$750,000	NR		
1410 State Library				
65 **Travel** Reduce funds in line item 532714.	($2,000)	R	($2,000)	R

House Subcommittee on General Government	FY 99-2000		FY 2000-01	
1500 Museum of History				
66 **Adjust Various Line Items** Reduce funds in the following line items:	($93,303)	R	($93,303)	R
531311 Temp Salaries $40,000 531511 Social security $3,060 532714Tran - Ground-In-State $5,917 533990 Other Supplies and Materials $22,326 534610 Art and Artifacts $22,000				
Total Legislative Changes	**($349,540)**	R	**($349,540)**	R
	$10,110,000	NR		
Total Position Changes				
Revised Budget	**$68,704,234**		**$59,488,621**	

State Board of Elections

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$3,159,660		$3,159,660	
Legislative Changes				
1100 Administration				
67 **Voter Registration Forms** Providing funding for the annual distribution of voter registration forms to all institutions of higher learning for every enrolled student. The Higher Education Act passed by Congress in 1998 requires higher education institutions to offer voter registration to each enrolled student.	$40,000	R	$40,000	R
Total Legislative Changes	**$40,000**	R	**$40,000**	R
Total Position Changes				
Revised Budget	**$3,199,660**		**$3,199,660**	

Office of Administrative Hearings

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$2,687,664		$2,721,970	
Legislative Changes				
1100 Administration and Operations				
68 **Reduce Civil Rights Caseload**	$64,485	R	$64,485	R
Appropriate funding for a Senior Civil Rights Investigator to reduce caseload backlog, improve timeliness of investigations, and provide expertise in investigating political discrimination cases.	$5,050	NR		
	1.00		1.00	
Total Legislative Changes	**$64,485**	R	**$64,485**	R
	$5,050	NR		
Total Position Changes	1.00		1.00	
Revised Budget	**$2,757,199**		**$2,786,455**	

PART XXII. GENERAL ASSEMBLY

NOTE: Two more provisions to be added and may need to add reference to information highway.

99GA-H22

Requested by: Representatives Tolson, Easterling, Hardaway, Redwine

JOINT SELECT COMMITTEE ON INFORMATION TECHNOLOGY

Section 22.(a) Chapter 120 of the General Statutes is amended by adding the following new Article to read:

"ARTICLE 26.

"Joint Select Committee on Information Technology.

"**§ 120-230. Creation and purpose of the Joint Select Committee on Information Technology.**

There is established the Joint Select Committee on Information Technology. The Committee shall review current information technology that impacts public policy, including electronic data processing and telecommunications, software technology, and information processing. The goals and objectives of the Committee shall be to develop electronic commerce in the State and to coordinate the use of information technology by State agencies in a manner that assures that the citizens of the State receive quality services from all State agencies and that the needs of the citizens are met in an efficient and effective manner.

"**§ 120-231. Committee duties; reports.**

(a) The Joint Select Committee on Information Technology may:

(1) Evaluate the current technological infrastructure of State government and information systems use and needs in State government and determine potential demands for additional information staff, equipment, software, data communications, and consulting services in State government during the next 10 years. The evaluation may include an assessment of ways technological infrastructure and information systems use may be leveraged to improve State efficiency and services to the citizens of the State, including an enterprise-wide infrastructure and data architecture.

(2) Evaluate information technology governance, policy and management practices, including policies and practices related to personnel and acquisition issues, on both a statewide and project level.

(3) Study, evaluate, and recommend changes to the North Carolina General Statutes relating to electronic commerce.

(4) Study, evaluate, and recommend action regarding reports received by the Committee.

(b) The Committee may consult with the Information Resource Management Commission on statewide technology strategies and initiatives and review all legislative proposals and other recommendations of the Information Resource Management Commission.

(c) The Committee shall report by March 1 of each year to the Appropriations Committees of the Senate and the House of Representatives concerning the Committee's activities and findings and any recommendations for statutory changes.

"**§ 120-232. Committee membership; terms; organization; vacancies.**

(a) The Committee shall consist of 14 members as follows:

(1) Four members of the Senate at the time of their appointment, appointed by the President Pro Tempore of the Senate.

(2) Four members of the House of Representatives at the time of their appointment, appointed by the Speaker of the House of Representatives.

(3) Three members of the public, appointed by the President Pro Tempore of the Senate.

(4) Three members of the public, appointed by the Speaker of the House of Representatives.

The members appointed to the Committee from the public shall be chosen from among individuals who have the ability and commitment to promote and fulfill the purposes of the Committee, including individuals who have expertise in the field of computer technology or commercial transactions.

(b) Members of the Committee shall serve terms of two years beginning on August 15 of each odd-numbered year, with no prohibition against being reappointed, except initial appointments shall be for terms as follows:

(1) The public members shall serve terms of three years.

(2) The members who are members of the General Assembly shall serve terms of two years.

Initial terms shall commence on August 15, 1999.

(c) Members who are elected officials may complete a term of service on the Committee even if they do not seek reelection or are not reelected, but resignation or removal from service constitutes resignation or removal from service on the Committee.

(d) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each select a legislative member from their appointees to serve as cochair of the Committee.

(e) The Committee shall meet at least once a quarter and may meet at other times upon the call of the cochairs. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of the Committee shall be necessary for action to be taken by the Committee.

(f) All members shall serve at the will of their appointing officer. A member continues to serve until the member's successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"**§ 120-233. Assistance; per diem; subsistence; and travel allowances.**

(a) The Committee may contract for consulting services as provided by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Committee. The professional staff shall include the appropriate staff from the Fiscal Research, Research, Legislative Drafting, and Information Systems Divisions of the Legislative Services Office of the General Assembly. Clerical staff shall be furnished to the Committee through the offices of the Senate and the House of Representatives Supervisors of Clerks. The expenses of employment of the clerical staff shall be borne by the Committee. The Committee may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission.

(b) Members of the Committee shall receive per diem, subsistence, and travel allowances as follows:

(1) Committee members who are members of the General Assembly, at the rate established in G.S. 120-3.1.

(2) Committee members who are officials or employees of the State or of local government agencies, at the rate established in G.S. 138-6.

(3) All other Committee members, at the rate established in G.S. 138-5.

"**§ 120-234. Committee authority.**

The Committee may obtain information and data from all State officers, agents, agencies, and departments, while in discharge of its duties, under G.S. 120-19, as if it were a committee of the General Assembly. The provisions of G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a committee of the General Assembly. Any cost of providing information to the Committee not covered by G.S. 120-19.3 may be reimbursed by the Committee from funds appropriated to it for its continuing study.

"**§ 120-235. Committee subcommittees; noncommittee membership.**

The Committee cochairs may establish subcommittees for the purpose of making special studies pursuant to its duties, and may appoint noncommittee members to serve on each subcommittee as resource persons. Resource persons shall be voting members of the subcommittee and shall receive subsistence and travel expenses in accordance with G.S. 138-5 and G.S. 138-6."

Section 22.(b) Of the funds appropriated in this act to the General Assembly the sum of fifty thousand dollars ($50,000) for the 1999-2000 fiscal year shall be allocated by the Legislative Services Commission to implement this act.

PART XXIII. DEPARTMENT OF STATE TREASURER

NOTE: Technically changed as follows:

99TREAS-H23

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

DUES DEDUCTION FOR RETIREE ORGANIZATIONS AUTHORIZED

Section 23. G.S. 135-18.8 reads as rewritten:

"**§ 135-18.8. Deduction for payments to certain employees' associations allowed.**

Any member who is a member of a domiciled employees' **or retirees'** association that has at least 2,000 members, the majority of whom are active or retired employees of the State or public school employees, may authorize, in writing, the periodic deduction from the member's retirement benefits a designated lump sum to be paid to the employees' **or retirees'** association. The authorization shall remain in effect until revoked by the member. A plan of deductions pursuant to this section shall become void if the employees' **or retirees'** association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit."

PART XXIV. DEPARTMENT OF ADMINISTRATION

99ADMIN-H24

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

PROCUREMENT CARD PILOT PROGRAM EXTENSION/SAVINGS

Section 24.(a) Section 20.3(a) of S.L. 1998-212 reads as rewritten:

"Section 20.3. (a) Except as provided by this section, no State agency, community college, constituent institution of The University of North Carolina, or local school administrative unit may use procurement cards for the purchase of equipment or supplies before ~~March 31, 1999.~~ August 1, 2000."

Section 24.(b) The Department of Administration, Division of Purchase and Contract, and the Office of State Budget and Management shall develop a system for identifying the savings realized by governmental entities by the use of the Procurement Card Pilot Program. Each entity participating in the pilot program shall identify these savings and report on the amount and nature of these savings on a quarterly basis to the Office of State Budget and Management and to the Fiscal Research Division of the General Assembly.

Section 24.(c) Section 24.(a) becomes effective March 30, 1999.

99ADMIN-24.1

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

COST-BENEFIT ANALYSIS OF CONSTRUCTING STATE FACILITIES INSTEAD OF LEASING PROPERTY FOR STATE OPERATIONS

Section 24.1. The State Property Office and the State Construction Office, in consultation with the Office of State Budget and Management, shall conduct a cost benefit analysis of constructing new State-owned facilities instead of leasing property for State government operations. The analysis shall consider:

(1) Factors relating to the cost of State-owned facilities including (i) the cost and availability of land, (ii) design, planning, and construction costs in Raleigh and throughout the State, (iii) projected ongoing operation and maintenance costs, and (iv) projected repairs and renovation costs; and

(2) Factors relating to the cost of leased space including (i) lease rates within Raleigh and throughout the State, (ii) availability of property for lease within Raleigh and throughout the State, taking into account the various types of space needed by State agencies including office, laboratory, warehouse, storage, conference and meeting space, and other types of property, (iii) renewal options and costs, (iv) utility, janitorial, and other operating expenses, and (v) relocation expenses, including moving and upfit expenses.

The State Property Office and the State Construction Office shall report on the results of the cost-benefit analysis to the Joint Legislative Commission on Governmental Operations prior to March 30, 2000.

NOTE: FLAG

99ADMIN-24.2

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

ESTABLISH DOMESTIC VIOLENCE COMMISSION

Section 24.2.(a) Of the funds appropriated in this act to the Department of Administration for the 1999-2000 fiscal year, the sum of one hundred fifty thousand dollars ($150,000) shall be used for an executive director, an administrative assistant, and operating costs of the Domestic Violence Commission.

Section 24.2.(b) Article 9 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 10C. Domestic Violence Commission.

"**§ 143B-394.15. Commission established; purpose; membership; transaction of business.**

(a) Establishment. -- There is established the Domestic Violence Commission. The Commission shall be located within the Department of Administration for organizational, budgetary, and administrative purposes.

(b) Purpose. -- The purpose of the Commission is to assess statewide needs related to domestic violence and to assure that necessary services, policies, and programs are provided to those in need.

(c) Membership. -- The Commission shall consist of 33 members, who reflect the geographic and cultural regions of the State, as follows:

(1) Seven persons appointed by the Governor, one of whom is a clerk of superior court; one of whom is an academician who is knowledgeable about domestic violence trends and treatment; one of whom is a member of the medical community; one of whom is a United States Attorney for the State of North Carolina or that person's designee; one of whom is a member of the North Carolina Bar Association who has studied domestic violence issues; one of whom is a representative of a local victims' assistance program; and one of whom is a member of the North Carolina Coalition Against Domestic Violence.

(2) Seven persons appointed by the General Assembly, upon recommendation of the President Pro Tempore of the Senate, one of whom is a member of the Senate; one of whom is a district court judge; one of whom is a district attorney or assistant district attorney; one of whom is a representative of the law enforcement community with specialized knowledge of domestic violence issues; one of whom is a county manager; one of whom is a representative of a community legal services agency who works with domestic violence victims; and one of whom is a representative of the linguistic and cultural minority communities.

(3) Seven persons appointed by the General Assembly, upon recommendation of the Speaker of the House of Representatives, one of whom is a member of the House of Representatives; one of whom is a magistrate; one of whom is a member of the business community; one of whom is a district court judge; one of whom is a representative of a local victims' assistance program; one of whom is a representative of the law enforcement community with specialized knowledge of domestic violence issues; and one of whom is a representative of the linguistic and cultural minority communities.

(4) The following persons or their designees, ex officio:

a. The Governor.

b. The Lieutenant Governor.

c. The Attorney General.

d. The Secretary of the Department of Administration.

e. The Secretary of the Department of Crime Control and Public Safety.

f. The Superintendent of Public Instruction.

g. The Secretary of the Department of Correction.

h. The Secretary of the Department of Health and Human Services.

i. The Director of the Office of State Personnel.

j. The Executive Director of the North Carolina Council for Women.

k. The Director of the Institute of Government.

l. The Chairman of the Governor's Crime Commission.

(d) Terms. -- Members shall serve for two-year terms, with no prohibition against being reappointed, except initial appointments shall be for terms as follows:

(1) The Governor shall initially appoint four members for terms of two years and three members for terms of three years.

(2) The President Pro Tempore of the Senate shall initially appoint four members for terms of two years and three members for terms of three years.

(3) The Speaker of the House of Representatives shall initially appoint four members for terms of two years and three members for terms of three years.

Initial terms shall commence on September 1, 1999.

(e) Chair. -- The chair shall be appointed biennially by the Governor from among the membership of the Commission. The initial term shall commence on September 1, 1999.

(f) Vacancies. -- A vacancy in the Commission or as chair of the Commission resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made, and the term shall be for the balance of the unexpired term.

(g) Compensation. -- The Commission members shall receive no salary as a result of serving on the Commission but shall receive per diem, subsistence, and travel expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable. When approved by the Commission, members may be reimbursed for subsistence and travel expenses in excess of the statutory amount.

(h) Removal. -- Members may be removed in accordance with G.S. 143B-13 as if that section applied to this Article.

(i) Meetings. -- The chair shall convene the Commission. Meetings shall be held as often as necessary, but not less than four times a year.

(j) Quorum. -- A majority of the members of the Commission shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of the Commission shall be necessary for action to be taken by the Commission.

(k) Office Space. -- The Department of Administration shall provide office space in Raleigh for use as offices by the Domestic Violence Commission, and the Department of Administration shall receive no reimbursement from the Commission for the use of the property during the life of the Commission.

"**§ 143B-394.16. Powers and duties of the Commission; reports.**

(a) Powers and Duties. -- The Commission shall have the following powers and duties:

(1) As recommended in the January 15, 1999, final report of the Governor's Task Force on Domestic Violence, to develop and recommend to the General Assembly the 'Safe Families Act' and to promote adequate funding to promote victim safety and accountability of perpetrators.

(2) To develop and recommend domestic violence training initiatives for law enforcement and judicial personnel and for all persons who provide treatment and services to domestic violence victims.

(3) To develop training initiatives for and make recommendations and provide information and advice to State agencies in the areas of child protection, education, employer/employee relations, criminal justice, and subsidized housing.

(4) To provide information and advice to any private entities that request assistance in providing services and support to domestic violence victims.

(5) To design, coordinate, and oversee a statewide public awareness campaign.

(6) To design and coordinate improved data collection efforts for domestic violence crimes and acts in the State.

(7) To research, develop, and recommend proposals of how best to meet the needs of domestic violence victims and to prevent domestic violence in the State.

(b) Report. -- The Commission shall report its findings and recommendations, including any legislative or administrative proposals, to the General Assembly no later than April 1 each year."

Section 24.2.(c) If it recommends the adoption in North Carolina of a "Safe Families Act", the Domestic Violence Commission shall report its legislative proposal to the General Assembly on or before April 1, 2000.

99ADMIN-H24.3

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

CONSOLIDATED MAIL SERVICE FACILITY/SAVINGS RESERVE

Section 24.3. The Office of State Budget and Management shall identify all savings resulting from the establishment of the Consolidated Mail Service Facility under the management of the Department of Administration. All savings in excess of the one million dollars ($1,000,000) included in the Governor's recommended budget adjustments for the 1999-2000 fiscal year and the one million five hundred thousand dollars ($1,500,000) included in the Governor's recommended budget adjustments for the 2000-2001 fiscal year shall be placed in a special reserve in the Office of State Budget and Management. The funds in this reserve shall be spent only as authorized by the General Assembly.

The Department of Administration and the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations on the changes in positions resulting from the establishment of the Consolidated Mail Service Facility. The report shall include (i) a list of positions that were transferred from other agencies, (ii) the salary for each such position prior to and subsequent to the transfer and whether the employee was transferred with the position, (iii) the number and type of new positions created including the salary, and (iv) the number and type of positions that were abolished, including the salaries and the status of the employees in the positions. The Department of Administration and the Office of State Budget and Management shall also report on the expenditures, including any capital expenditures, related to the establishment of the Consolidated Mail Service Facility. The reports on positions and expenditures shall be made prior to January 1, 2000.

PART XXV. OFFICE OF STATE CONTROLLER

99CONT-H25

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

EXTEND PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES

Section 25.(a) In addition to its review under Section 26 of S.L. 1998-212, the Office of State Controller shall conduct a review of other material accounts receivable related to the type of bad debt in order to determine actions taken to collect and the likelihood of the debt being collected, and to identify specific problem areas and additional bad debt volume that may support the implementation of a Bad Debt Collection Clearinghouse Pilot Program.

Section 25.(b) The Office of State Controller shall establish a procedure by which State agencies or institutions with a material amount of accounts receivable shall report on collection of bad debts. The pilot program is intended to concentrate on agencies that have a large amount of bad debts, in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government.

Section 25.(c) The Office of State Controller shall study the feasibility of establishing a one-year Bad Debt Collection Clearinghouse Pilot Program. The study shall be restricted to approximately one hundred million dollars ($100,000,000) in bad debts representing appropriate types of accounts receivable. The study shall address the use of one or more private collection agencies and whether the potential pilot should be administered jointly by the Department of Revenue and the Office of State Controller. The study shall also address local government participation in the pilot program.

Section 25.(d) The Office of State Controller shall report the results of the extended pilot study to the General Assembly not later than May 1, 2000, along with recommendations on changes in law or procedure to better collect the bad debts including the feasibility of implementing a Bad Debt Collection Clearinghouse Pilot Program.

NEW

99CONT-H25.1

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

NCAS SUPPORT, AR/OVERPAYMENTS PROJECT

Section 25.1.(a) During the 1999-2000 fiscal year there is transferred from the Special Reserve Account 24172 to the Office of the State Controller, the sum of two million five hundred thousand dollars ($2,500,000) for the 1999-2000 fiscal year. Receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors as required by G.S. 147-86.22(c) are to be deposited in the Special Reserve Account 24172. These funds are to be used to cover expenditures for the following:

(1) For the 1999-2000 fiscal year, five hundred fifty thousand dollars ($550,000) of the funds transferred from the Special Reserve Account shall be used for data processing costs.

(2) Functional and technical contractual services to continue the efforts related to the implementation of best business practices associated with accounts receivable processing and bad debt collection, as required by G.S. 147-86.22(a).

(3) Functional and technical contractual services and related software to develop and implement electronic commerce business initiatives.

Section 25.1.(b) No funds shall be allocated or expended for any of the purposes listed in subdivision (2) or (3) of subsection (a) of this section until all funds have been expended under subdivision (1) of that subsection.

Section 25.1.(c) The Office of the State Controller may not obligate more funds than are generated from the revenue of the Overpayments Project to support either the NCAS or the new accounts receivable projects.

Section 25.1.(d) Any unobligated funds in the Special Reserve Account are subject to appropriation by the General Assembly in the 2000 Short Session.

Section 25.1.(e) The State Controller shall report monthly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited into the Special Reserve Account, and the disbursement of that revenue for items listed in subsection (a) of this section.

PART XXVA. DEPARTMENT OF REVENUE

NEW; floor amendment

99REV-H25A

Requested by: Representatives Jeffus, Wainwright

DEPARTMENT OF REVENUE BUDGET ADJUSTMENTS

Section 25A. Regarding Department of Revenue budget reductions in the House Appropriations Committee Report on the Continuation, Expansion and Capital Budget, dated June 1, 1999:

(1) In lieu of the following budget reductions for (i) Fund 1600, Item 43, Adjust Personnel ($328,722), four positions; (ii) Fund 1600, Item 44, Personnel Reduction ($59,979), one position; and Fund 1640, Item 46 Office Examinations ($155,174), four positions; for each fiscal year of the 1999-2001 biennium, and

(2) In lieu of the following budget reduction for Fund 1600, Item 43, Adjust Personnel ($115,460) for the 1999-2000 fiscal year,

the Department of Revenue shall reduce Fund 1600-532140, Contractual Services ($599,356) and Fund 1600-532714, In-State Transportation ($59,979) for each fiscal year of the 1999-2001 biennium.

PART XXVI. DEPARTMENT OF CULTURAL RESOURCES

99CULRES-H26

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

A.A. CUNNINGHAM AIR MUSEUM

Section 26.(a) Funds appropriated to the A.A. Cunningham Air Museum Foundation, Inc., shall not revert at the end of the 1998-99 fiscal year but shall remain available for expenditure by the City of Havelock for the display of aircraft and other memorabilia reflecting the history of the United States Marine Corps. The expenditure of these funds is not subject to a matching requirement.

Section 26.(b) This section becomes effective June 30, 1999.

99CULRES-H26.1

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

MARITIME MUSEUM

Section 26.1.(a) Chapter 121 of the General Statutes is amended by adding a new section to read:

"**§ 121-7.2. Maritime museum; branch museum.**

The Department of Cultural Resources shall assume from the Southport Maritime Museum, Inc., the administration of the Southport Maritime Museum in Brunswick County and shall operate it as a branch of the North Carolina Maritime Museum."

Section 26.1.(b) This section is effective only if the Southport Maritime Museum, Inc., transfers and conveys to the State all its assets.

99CULRES-H26.2

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS

Section 26.2. Of the funds appropriated to the Department of Cultural Resources, the sum of eight million dollars ($8,000,000) for the 1999-2000 fiscal year shall be used for grants to nonprofit organizations or local governmental entities throughout the State for cultural, historical, or artistic organizations, for cultural, historical, or artistic projects, including visiting artist programs, and for museums.

In awarding grants, the Secretary shall consider the merits of the project, the cultural, historical, or artistic significance of the project, the benefit to the State and local communities of the project, and the cost of the project. These grants are not subject to review by the Historical Commission. Grants shall be limited to amounts of one hundred thousand dollars ($100,000) or less per project.

99CULRES-H26.3

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

DEPARTMENT OF CULTURAL RESOURCES MAY RETAIN HISTORICAL PUBLICATIONS RECEIPTS

Section 26.3. The Historical Publications Section, Division of Archives and History, Department of Cultural Resources, may retain the receipts, including over-realized receipts, from the sale of its publications during each year of the 1999-2001 biennium. The receipts from the sale of those publications retained by the Historical Publications Section shall not revert but shall be used to reprint the publications.

NEW

99CULRES-H26.4

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine, Baddour

GRASSROOTS ARTS PROGRAM

Section 26.4. Of the funds appropriated to the Division of Arts Council, Department of Cultural Resources, for the Grassroots Arts Program, the sum of one hundred thousand dollars ($100,000) for the 1999-2000 fiscal year shall be allocated equally among the 100 counties for grassroots arts programs. The remaining funds shall be distributed in compliance with G.S. 143B-122.

99CULRES-H26.5

Requested by: Representatives Jeffus, Wainwright, Easterling, Hardaway, Redwine

STUDY USE OF INTERNET FOR AGENCY PUBLICATIONS

Section 26.5.(a) Each of the State agencies listed in subsection (b) of this section shall review its printing and publication requirements and schedules and develop a plan to reduce the cost of printing, publishing, and distributing agency information and materials, including documents, reports, and other publications by using computer technology and the internet, in particular, to distribute information and materials to the public. In developing the plan, each State agency shall review the statutory and regulatory requirements of the agency with regard to publishing and distributing information to the public and make recommendations on any statutory revisions needed to publish and distribute agency information over the internet or by other computer-related means. Each agency shall submit a written report to the Fiscal Research Division of the General Assembly by April 1, 2000.

Section 26.5.(b) This section applies to the the Office of the Governor, the Office of the Lieutenant Governor, the Department of Administration, the Office of the State Auditor, the Board of Elections, the Department of Insurance, the Office of the Secretary of State, the Office of the Treasurer, the Office of Administrative Hearings, the Office of the State Controller, the Department of Cultural Resources, the General Assembly, the Office of State Personnel, the Department of Revenue, and the Rules Review Commission.

Attachment 2
June 15, 1999

Senate Subcommittee on General Government

General Assembly

GENERAL FUND

	FY 99-2000	FY 2000-01
Recommended Budget	$35,695,575	$39,518,408
Legislative Changes		
1900 Reserves and Transfers		
1 **Reduce Reserves and Transfers**		
Reduce funding in reserve.	($715,000) NR	
Total Legislative Changes	($715,000) NR	
Total Position Changes		
Revised Budget	$34,980,575	$39,518,408

Governor

GENERAL FUND

		FY 99-2000		FY 2000-01	
Recommended Budget		$5,317,042		$5,335,850	
Legislative Changes					
1110 Administration					
2 **Operating Budget Reductions**		($53,678)	R	($53,678)	R
Reduce operating budget as noted below:					
5327XX Travel	$30,000				
533110 Supplies	$8,678				
5345XX Equipment	$10,000				
534710 Computer Software	$5,000				
Total Legislative Changes		($53,678)	R	($53,678)	R
Total Position Changes					
Revised Budget		$5,263,364		$5,282,172	

State Budget and Management

GENERAL FUND

Recommended Budget	FY 99-2000 $7,247,118		FY 2000-01 $7,348,782	
Legislative Changes				
1022 1999 Special Appropriations				
3 **NC Humanities Council Funds** Provide funds to the North Carolina Humanities Council, a nonprofit corporation, for the programs of the Council.	$100,000	NR		
4 **Western Carolina Women's Coalition** Provide funds to the Western Carolina Women's Coalition to support expansion of the regional network in the 25 westernmost counties among women and women's organizations aimed at fostering communication and collaboration and building capacity for economic self-sufficiency, leadership, and service and to support a major Women's Conference and Women's Equality Day Event.	$25,000	NR		
Special Events Funds Provide funds to establish a reserve for the promotion of special events throughout the state.	$500,000	NR	new	
6 **Graveyard of the Atlantic** Provide funds to match federal funds for the Graveyard of the Atlantic.	$750,000	NR	new	
7 **Regional Soccer Funds** Provide matching funds for regional soccer facilities in Cumberland County.	$1,000,000	NR	new	
8 **Community Learning Center Grant-in-Aid** Provide funds to Wake County to expand the Community Learning Center services in Wake County and the region.	$200,000	NR	new	
1310 Office of State Budget				
9 **Reduce Operating Expenses** Reduce funding for 532850-Printing, Binding & Duplicating $15,000 532821-Computer/Data Proc. Services $23,000 533110-Supplies $3,000	($41,000)	R	($41,000)	R
10 **Advisory Budget Commission** Provide additional funding for the Advisory Budget Commission's annual statewide tours.	$20,000	R	$20,000	R new

	FY 99-2000		FY 2000-01	
Total Legislative Changes	($21,000)	R	($21,000)	R
	$2,575,000	NR		
Total Position Changes				
Revised Budget	$9,801,118		$7,327,782	

Secretary of State

GENERAL FUND

Recommended Budget	FY 99-2000 $6,284,106		FY 2000-01 $6,196,606	
Legislative Changes				
1110 General Administration				
11 Electronic Commerce Specialist Position	$79,964	R	$79,964	R
Providing funding for an Applications Analyst/Programmer Specialist position. This position will serve as the Department's Electronic Commerce Specialist responsible for regulating electronic signatures and certification authorities as provided for in the Electronic Commerce Act.	$6,700 1.00	NR	1.00	
12 Operating Budget Reductions	($21,199)	R	($21,199)	R
Reduce operating budgets for 532199 - Misc. Contractual Services $1,841 532942 - Employee Educational Expense $15,625 531311 - Temporary Wages $3,733				
Publications Division				
13 Directory of Women in the NC General Assembly				
Provide funds to update and reprint the directory of women in the NC General Assembly in partnership with the Western Carolina Women's Coalition and the NC Council for Women.	$10,000	NR		
14 Operating Budget Reductions	($9,193)	R	($9,193)	R
Reduce operating budgets for 532199 - Misc. Contractual Services $2,000 532942 - Employee Educational Expense $4,125 531311 - Temporary Wages $3,068				
1210 Corporations Division				
15 Electronic Commerce Demonstration Project				
Provide funding to implement an Electronic Commerce Demonstration Project. This purpose of this Project is to allow the ordering, production, and delivery of Certificates of Existence by electronic media including the Internet and the World Wide Web.	$98,000	NR	New	
16 Operating Budget Reductions	($14,125)	R	($14,125)	R
Reduce operating budgets for 532199 - Misc. Contractual Services $10,000 532942 - Employee Educational Expense $4,125				

	FY 99-2000		FY 2000-01	
1220 Uniform Commercial Code Division				
17 Operating Budget Reductions Reduce operating budgets for 532199 - Misc. Contractual Services $30,000 532942 - Employee Educational Expense $3,125	($33,125)	R	($33,125)	R
1230 Securities Registration Division				
18 Operating Budget Reduction Reduce operating budgets for 532199 - Misc. Contractual Services $5,000 532942 - Employee Educational Expense $3,125	($8,125)	R	($8,125)	R
19 Securities Registration Division Staff Expansion Provide funding for a Registration Analyst position and 2 Investment Advisor Field Auditor positions to examine securities registration applications and to audit investment advisor firms. These positions are needed to help meet the increase in the number of public offerings in the State.	$130,045 $29,985 3.00	R NR 	$130,045 3.00	R
1240 Business License Division				
20 Operating Budget Reductions Reduce operating budget for employee educational expense (532942)	($3,125)	R	($3,125)	R
21 Rent/Lease Office Buildings Reduce the budget for rental and lease of office buildings. The Secretary of State offices will relocate to the old Dept. of Revenue Building during the 1999-2000 fiscal year.	($29,540)	R	($29,540)	R
1300 Notary Public Commission				
22 Operating Budget Reductions Reduce operating budgets for 532199 - Misc. Contractual Services $1,000 532942 - Employee Educational Expense $3,125	($4,125)	R	($4,125)	R
1400 Land Records Management				
23 Operating Budget Reductions Reduce operating budget for employee educational expense (532942)	($3,125)	R	($3,125)	R
Total Legislative Changes	**$144,685**	NR		
Total Position Changes	4.00		4.00	
Revised Budget	**$6,513,118**		**$6,280,933**	

Auditor

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$11,656,492		$11,656,492	
Legislative Changes				
1120 Support Services				
24 **Reduce Operating Expenses**	($4,500)	R	($4,500)	R
Reduce the operating expenses to correspond to the reduction in field audit staff.				
532942 Other Employee Education Expense $1,500				
5328XX Communication $1,800				
533110 General Office Supplies $1,200				
1210 Field Audit Division				
25 **Information System Auditor**	$68,114	R	$68,114	R
Providing funding for an additional Information System Auditor position to enable the Office to increase the audits of the growing number of computer applications and installations in State government.	$6,590	NR		
	1.00		1.00	
26 **Reduce Personnel**	($112,065)	R	($112,065)	R
Eliminate 2 Assistant State Auditor II positions and related operating cost as noted:	-2.00		-2.00	
531XXX Salary and Benefits $103,465				
5327XX Travel $8,000				
53XXXX General Expense $600			-	
Total Legislative Changes	**($48,451)**	R	**($48,451)**	R
	$6,590	NR		
Total Position Changes	-1.00		-1.00	
Revised Budget	**$11,614,631**		**$11,608,041**	

Treasurer

GENERAL FUND

	FY 99-2000	FY 2000-01
Recommended Budget	$19,515,232	$19,515,232

Legislative Changes

1150 Information Services

27 Information System Mainframe

Provide funding for the annual payment on the lease-purchase agreement for the Department's mainframe and storage system. The General Assembly's Select Committee on Information Technology will assess and report on the information technology needs for the Department prior to the start of the 2000 Session of the General Assembly. Non-tax revenue will be increased by an offsetting amount.

$268,000	NR	New

1150 Information Systems Division

28 Information System Personnel

Provide funding for 1 Database Administrator II, 2 Applications Analyst Programmer IIs, 1 Computer Consultant IV, and 1 Computer Network Coordinator. These positions will help maintain the Department's growing technological infrastructure.

The total cost is $348,585 recurring and $50,000 nonrecurring for 1999-2000 with positions effective October 1, 1999. The annualized recurring cost of positions is $431,488 for 2000-2001. The cost of these positions will be allocated among the divisions within the State Treasurer's Office as noted below.

$157,561	R	$195,033 R
$22,600	NR	$0 NR
5.00		5.00

	99-2000		2000-01
Receipt Supported Divisions			
1130- Escheats	$33,813R	$4,850NR	$41,855R
1210- Retirement	$157,211R	$22,500NR	$194,600R
Total Receipts	$191,024R	$27,350NR	$236,455R
General Fund Supported Divisions			
1210- Inv. Mgmt	$63,791R	$9,150NR	$78,962R
1220- Banking	$23,704R	$3,400NR	$29,341R
1310- Local Govt	$70,066R	$10,050NR	$86,730R
Total Gen. Fund	$157,561R	$22,600NR	$195,033R

Non-tax revenue will be increased by the amount of the cost allocated to the general fund divisions.

	FY 99-2000		FY 2000-01	
1210 Investment Management				
29 **Investment Management Funds** Reduce the amount budgeted for financial investment administrative services (532120) to more accurately reflect actual requirements for custodial services. Non-tax revenue will be reduced by an offsetting amount.	($1,085,128)	R	($1,085,128)	R
1310 Local Government Operations				
30 **Local Government Operations Staff Expansion** Provide funding for 1 Local Government Financial Consultant III position and 1 Local Government Financial Consultant II position to help meet the growing demands of the Division. The funding includes salaries and benefits and the related operating cost. The positions are effective October 1, 1999. Non-tax revenue will be increased by an offsetting amount.	$211,359 $16,000 2.00	R NR	$237,896 2.00	R New
1410 Retirement Operations Division				
31 **Retirement Operations** Provide recurring funding of $979,170 and nonrecurring funds of $140,00 for 1999-2000 for 20 positions effective October 1, 1999. The annualized cost of the 20 positions for 2000-01 is $1,126,393. The positions are needed to meet the level of demand from members of the state's retirement system. The 20 positions include 7 Retirement Benefits Counselors, 4 Processing Assistant Vs, 2 Accounting Clerks, and 7 Processing Assistant IVs. Retirement Operations is a receipt supported function of the Department.	$0 $0 20.00	R NR	$0 $0 20.00	R NR
Total Legislative Changes	Chgd from ($716,208)	To R (927,567)	($890,095) ($652,199)	R
	Chgd to $306,600	from NR $22,600	$0	NR
Total Position Changes	" " 27.00	from 25	27.00	
Revised Budget	" " $19,105,624	from $18,610,265	$18,863,033	from $18,625,137

Insurance

	GENERAL FUND			
Recommended Budget	FY 99-2000		FY 2000-01	
	$25,973,947		$25,984,721	
Legislative Changes				
1200 Company Services				
32 **Information Service Needs**	$202,056	R	$202,056	R
Provide funds to replace outdated computer equipment. Also provide funds to establish 2 Computer Systems Analyst III positions and 1 Computer Support Technician II position for the Information Services Division. The Division supports the other divisions within the Department that audit, regulate and control insurance operations in the state. The general fund will be reimbursed from the insurance regulatory fund for the total cost.	$420,500	NR	$0	NR
	3.00		3.00	
1300 Technical Services Group				
33 **Senior Health Insurance Information Program**	$104,000	R	$104,000	R) New
Appropriate funds to allow the Program to expand education and counseling services to North Carolina Medicare beneficiaries regarding Medicare+Choice.				
1500 Safety Services Group				
34 **Building Code Book Sales**	($191,740)	R	($191,740)	R
Reduce the expenditure (53-2850) for producing the Building Code to reflect actual needs. The Department overestimated the demand for the books.				
Total Legislative Changes	Changed to $114,316 from $10,316	R	$114,316 $10,316	R
	$420,500	NR	$0	NR
Total Position Changes	3.00		3.00	
Revised Budget	" " $26,508,763 from $26,404,763		$26,099,037 from $25,995,037	

Administration

GENERAL FUND

Recommended Budget	FY 99-2000 $60,161,435		FY 2000-01 $60,425,982	
Legislative Changes				
1111 Office of the Secretary				
35 **Domestic Violence Commission** Provide funding for an executive director, an administrative assistant, and operating cost for the Domestic Violence Commission.	Change to $200,000 from $150,000	R	$200,000 from $150,000	R
	2.00		2.00	
1225 State Health Purchasing Alliance				
36 **State Health Purchasing Alliance** Reduce the operating budget for the Alliance in accordance with actual expenditures. The following budget line items are to be reduced:	($43,632)	R	($43,632)	R
532140 System Implementation $5,000 532721 Board/Non-employee Trans $25,000 532811 Telephone $8,000 532840 Postage $2,000 532850 Printing $2,000 534521 Equipment $1,632				
1311 Office of State Personnel				
37 **Reduce Personnel and Other Personal Services** Eliminate one (1) Human Resources Consultant position (#4065) and related benefits:	($81,000)	R	($81,000)	R
	-1.00		-1.00	
531211 Salaries $46,425 531511 Social Security $3,552 531521 Retirement $5,028 531561 Medical Insurance $1,736 531572 Unemployment Comp $7,016 531625 State Disability Payment $8,000 531632 Worker's Comp $4,900 532199 Misc. Contractual Serv $4,344				

	FY 99-2000		FY 2000-01	
38 Operating Budget Reductions	($30,000)	R	($30,000)	R
Reduce funds in the following line items:				
532714 Trans - Grnd-In-State $3,000				
532721 Lodging, In-State $2,000				
532850 Printing $10,000				
533720 Education Supplies $5,000				
535830 Membership Dues & Sub $2,000				
535900 Other Expenses $3,000				
537102 Reserve Employee Survey $5,000				
1412 State Property Office				
39 Eliminate Vacant Position	($22,948)	R	($22,948)	R
Eliminate the Processing Assistant III (0300) position included in the Governor's recommended adjustments as a reduction. This position has been vacant since May 1996.	-1.00		-1.00	
1421 Facilities Management Division				
40 Reserve for New Facility				
Reduce the funding to support the operation of the new Museum of Natural Science. Funding in the reserve is based on July 1, 1999 opening date. However, the opening has been delayed until Spring 2000. Reductions will be taken in the following line items:	($367,147)	NR	$0	NR
531XXX SPA Salaries and Benefits $114,358				
532110 Electricity $134,773				
532230 Water and Sewer $3,036				
532184 Janitorial Contract $65,871				
532310 Building Repairs $24,568				
533210 Janitorial Supplies $10,830				
533900 Other Materials and Supplies $10,976				
533150 Security and Safety Supplies $529				
533510 Clothing and Uniforms $1,126				
533690 Other Drug/Phar. Supplies $23				
534528 Equip. Communication $687				
534529 Equip. Custody and Security $370				
41 Reduce Utilities Budget	($209,587)	R	($209,587)	R
Reduce funding for electricity (532110). Mild weather as well as pilot energy saving programs implemented in state buildings have resulted in cost savings.				
1511 Purchase and Contract				
42 Eliminate Vacant Position	($23,916)	R	($23,916)	R
Eliminate the Processing Assistant III (6931)position included in the Governor's recommended adjustments as a reduction. This position has been vacant since January 1998.	-1.00		-1.00	

	FY 99-2000		FY 2000-01	
1731 NC Council for Women				
43 Domestic Violence Prevention Funds Provide funding to the Department of Administration for the North Carolina Council for Women. The Council for Women shall provide grants from these funds to existing domestic violence programs, including the NC Coalition Against Domestic Violence, Inc., and for the development of new domestic violence programs. The Department of Administration or the Council for Women shall not use any of the funds for operating expenses.	$1,000,000	NR		
44 Sexual Assault Funds Provide funds for the continuation of sexual assault programs and the prevention of sexual assault within the state.	Chgd to $225,000	NR	from $175,000	
45 Century of Women Celebrations Provide funds to support "A Century of Women" statewide celebrations and to strengthen resources and support of women's organizations and coalitions.	$15,000	NR		
1771 Veterans Affairs - Administration				
46 Veteran Affairs Eliminate the Jobs for Veteran Committee Chair position. The functions of this position can be fully performed through the field offices.	($40,573) -1.00	R	($40,573) -1.00	R
1810 Ethics Board				
47 Operating Budget Reductions Reduce the budget to reflect actual expenditures and activity. Actual expenditures are less than the estimates upon which the original budget was based. 532199 Misc. Contractual Services $10,000 535900 Other Expenses $25,000	($35,000)	R	($35,000)	R
1871 Science and Technology Research				
48 Board of Science and Technology Provide additional funds to be used as matching money to support research collaborations among NC researchers and those in other states and countries.	$250,000	NR		
Total Legislative Changes	Chgd to ($286,656)	from R ($336,656)	($286,656)	from R ($336,656)
	" " $1,122,853	from NR $1,072,853	$0	NR
Total Position Changes	-2.00		-2.00	
Revised Budget	" " $60,997,632	from $60,897,632	$60,139,326	from $60,089,326

State Controller

GENERAL FUND

Recommended Budget	FY 99-2000 $10,798,673		FY 2000-01 $10,804,420	
Legislative Changes				
1000 Departmentwide				
49 **Adjustments in Personnel**	($216,105)	R	($216,105)	R
Eliminate four vacant positions: Applications Analyst Program Specialist (#0066), Data Base Analyst (#0082), and two (2) State Management Analysts (#0041 and #0117).	-4.00		-4.00	
50 **North Carolina Accounting System Support**	$900,000	R	$900,000	R
Provide $1.45 million to support additional requirements of the accounting system with the appropriation of $900,000 and $550,000 in receipts available from the revenue transferred from the Special Reserve Account (24172). Total funding is allocated for the following items:				
532140 Syst Implementation/Integration $300,000				
532440 Maint Agreement-Data Proc. Equip $10,000				
532441 Maint Agreement-Software $90,000				
532821 Computer/Data Proc. Srvcs $1,000,000				
534710 Computer Software $50,000				
Total $1,450,000				
Receipts $550,000				
Total Legislative Changes	**$683,895**	R	**$683,895**	R
Total Position Changes	-4.00		-4.00	
Revised Budget	**$11,482,568**		**$11,488,315**	

Revenue

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$78,328,188		$74,905,962	
Legislative Changes				
1660 Field Operations				
51 **Interstate Audit Personnel**	$216,137	R	$216,137	R
Add four positions: three (3) Interstate auditors and one (1) support to expand audit functions.	4.00		4.00	
52 **Field Collections**	$261,062	R	$261,062	R
Add six (6) Revenue Officers and one (1) support position to expand audit capability.	7.00		7.00	
53 **Field Examinations**	$342,644	R	$342,644	R
Appropriate funds for seven (7) additional Revenue Field Auditors and one (1) support position to expand audit functions.	8.00		8.00	
1670 Unauthorized Substance				
54 **Unauthorized Substance Tax Enforcement**	$134,978	R	$134,978	R
Appropriate funds to add two (2) Revenue Enforcement Officers and one (1) support position.	$15,400	NR		
	3.00		3.00	
1680 Legal & Administrative Services				
55 **Administrative Services**	$19,850	R	$19,850	R
Increase operating funds related to new Revenue Field Officer, Interstate Auditor, and Revenue Officer positions:	$74,725	NR		
Interstate Audit	$6,200 R $18,725 NR			
Field Collections	$6,650 R $28,000 NR			
Field Examinations	$7,000 R $28,000 NR			
Total Legislative Changes	**$974,671**	R	**$974,671**	R
	$90,125	NR		
Total Position Changes	22.00		22.00	
Revised Budget	**$79,392,984**		**$75,880,633**	

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J18

Cultural Resources

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$58,943,774		$59,838,161	
Legislative Changes				
1110 Secretary's Office				
56 **Grants to Local Organizations**				
Appropriate funds for local arts, cultural, and historical organizations, and local museums as grants-in-aid.	$8,000,000	NR		
1120 Administrative Services				
57 **Increase Operating Funds**				
Appropriate funds to replace computers.	$100,000	NR		
1210 Archives & History - Administration				
58 **Travel**	($10,000)	R	($10,000)	R
Reduce funding in line item 532714.				
1230 Archives and Records				
59 **Travel**	($10,000)	R	($10,000)	R
Reduce funding in line item 532714.				
1241 State Historic Sites				
60 **Reduce Line Item Expenditures**	($162,825)	R	($162,825)	R
Reduce the following line items:				
532714 Trans - Ground-In-State $30,000 534610 Art & Artifacts $132,825				
61 **Old Salem Funds**				
Provide funds for the restoration and reconstruction of historic St. Phillips Church and the construction of the North Carolina Heritage Education Center at Old Salem.	$1,000,000	NR	added	
1320 Museum of Art				
62 **Personal Services**	($66,412)	R	($66,412)	R
Reduce funds for miscellaneous contractual services - 532199.				

1330 NC Arts Council

63 **Travel** ($5,000) R ($5,000) R
Reduce funds in line item 532714.

64 **Basic Grants Program**
Funding provides a one-time increase in the continuation budget for grants to local arts organizations: $1,200,000 NR Chged from #600,000

Primary Arts Organizations	$600,000	- chged from #300,000
Rural Arts Leadership	$400,000	- " " 200,000
Cultural Tourism	$200,000	- " " 100,000

65 **Grassroots Arts Program**
Provides one-time increase in the continuation budget for grants awarded to local arts councils. $800,000 NR Chged from #400,000

66 **Shakespeare Festival Funds** $260,000 R Chged from NR $260,000 R
Provide funds for the Educational Outreach Touring Program.

67 **The Lost Colony** $260,000 R $260,000 R added
Appropriate funds to the Roanoke Island Historical Association to support operations of the the Lost Colony outdoor drama production.

1360 Grants-in-Aid to Arts

68 **NC Symphony Grant-Memorial Auditorium**
Provide balance of State funding as grant-in-aid to NC Symphony Society for acoustical enhancements. $1,500,000 NR Chged from #750,000

1410 State Library

69 **Travel** ($2,000) R ($2,000) R
Reduce funds in line item 532714.

1500 Museum of History

70 **Adjust Various Line Items** ($93,303) R ($93,303) R
Reduce funds in the following line items:

531311 Temp Salaries	$40,000
531511 Social security	$3,060
532714Tran - Ground-In-State	$5,917
533990 Other Supplies and Materials	$22,326
534610 Art and Artifacts	$22,000

Total Legislative Changes	Chgd from ($349,540) to	$170,460	R	$170,460	R
	Chgd from $10,110,000 to	$12,600,000	NR		
Total Position Changes					
Revised Budget	Chgd from $68,704,234 to	$71,714,234		$60,008,621	

State Board of Elections

GENERAL FUND

	FY 99-2000		FY 2000-01	
Recommended Budget	$3,159,660		$3,159,660	
Legislative Changes				
1100 Administration				
71 **Voter Registration Forms** Providing funding for the annual distribution of voter registration forms to all institutions of higher learning for every enrolled student. The Higher Education Act passed by Congress in 1998 requires higher education institutions to offer voter registration to each enrolled student.	$40,000	R	$40,000	R
Total Legislative Changes	**$40,000**	R	**$40,000**	R
Total Position Changes				
Revised Budget	**$3,199,660**		**$3,199,660**	

No Chge.

Office of Administrative Hearings

GENERAL FUND

Recommended Budget	FY 99-2000 $2,687,664		FY 2000-01 $2,721,970	
Legislative Changes				
1100 Administration and Operations				
72 **Reduce Civil Rights Caseload**	$64,485	R	$64,485	R
Appropriate funding for a Senior Civil Rights Investigator to reduce caseload backlog, improve timeliness of investigations, and provide expertise in investigating political discrimination cases.	$5,050	NR		
	1.00		1.00	
Total Legislative Changes	**$64,485**	R	**$64,485**	R
	$5,050	NR		
Total Position Changes	1.00		1.00	
Revised Budget	**$2,757,199**		**$2,786,455**	

No Chge

Box 3

1. 2000 Joint Appropriations – General Government
2. 1999 Joint Appropriations – Health & Human Services
3. 2000 Joint Appropriations – Health & Human Services
4. 1999 Joint Appropriations – Justice & Public Safety

2000

JOINT APPROPRIATIONS – GENERAL GOVERNMENT

MINUTES

ATTENDANCE

Committee: JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

1999 Senate Dates DATES NAMES	2/26	3/4	3/9	3/16 AM	3/16 PM	3/23	3/30	4/6	4/13	4/20 AM	4/20 PM					
Rep. Maggie Jeffus, Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
Rep. William Wainwright, Chair	✓	✓			✓		✓			✓	✓					
Rep. Marion McLawhorn, V. Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
Rep. Daniel Barefoot	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
Rep. Sam Ellis	✓	✓			✓	✓				✓						
Rep. Bob Hensley	✓		✓			✓		✓		✓						
Rep. Mitchell Setzer	✓	✓					✓				✓					
Rep. Wilma Sherrill	✓									✓						
Rep. Gregg Thompson		✓			✓			✓		✓						
Ex Officio Members:																
Rep. Philip Baddour, Jr.																
Rep. Pete Cunningham																
Rep. Andy Dedmon																
Rep. Beverly Earle																
Rep. Joe Hackney																

ATTENDANCE

APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

2000 (Name of Committee)

DATES / NAMES	5/23	5/30	5/31 1130	5/31 4:50	6/1	6/2		5/25	5/31						
Rep. Maggie Jeffus, Chair	✓	✓	✓	✓	✓	✓		✓	✓						
Rep. William Wainwright, Chair	✓	✓	✓	✓	✓			✓	✓						
Rep. Marian McLawhorn, V. Chair	✓	✓	✓	✓	✓	✓		✓	✓						
Rep. Daniel Barefoot	✓	✓	✓	✓	✓	✓		✓	✓						
Rep. Sam Ellis	✓	✓	✓	✓		✓		✓	✓						
Rep. Bob Hensley	✓	✓	✓		✓	✓									
Rep. Mitchell Setzer	✓	✓	✓	✓		✓		✓	✓						
Rep. Wilma Sherrill	✓	✓	✓	✓	✓	✓		✓	✓						
Rep. Gregg Thompson	✓	✓	✓			✓		✓							
Ex officio members:															
Rep. Philip Baddour, Jr.						✓									
Rep. Pete Cunningham															
Rep. Andy Dedmon															
Rep. Beverly Earle															
Rep. Joe Hackney						✓									

HOUSE COMMITTEE
APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT
1999-2000

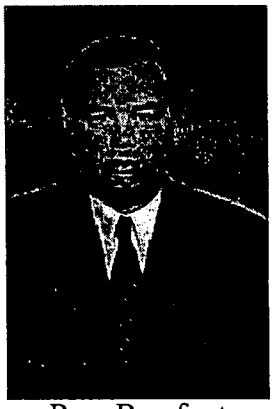
MEMBER	ASSISTANT	TELEPHONE	OFFICE
JEFFUS, Maggie (Chair)	Mary Lee Robinson	733-5191	1013
WAINWRIGHT, William (Chair)	Blinda Edwards	715-3001	405
MC LAWHORN, Marian (Vice Chair)	Daphne McLawhorn	715-3017	417B
BAREFOOT, Daniel	Jackie Pittman	715-3021	416B
ELLIS, Sam	Alice Falcone	733-5755	607
HENSLEY, Bob	Margie K. Penven	733-5780	610
SETZER, Mitchell	Joanna Mills	733-5886	1015
SHERRILL, Wilma	Rosa Kelley	715-4466	602
THOMPSON, Gregg	Edna Sykes	733-5828	1002

Michele Nelson , Committee Counsel	733-4910	619
Marilyn Chism, Committee Counsel	733-4910	619

Rep. Jeffus
Chair

Rep. Wainwright
Chair

Rep. McLawhorn
Vice Chair



Rep. Barefoot

Rep. Ellis

Rep. Hensley

Rep. Setzer

Rep. Sherrill

Rep. Thompson

APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

CHAIR

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Asst. Wilma Caldwell

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Jeanne Hopkins Lucas

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Jeanne and Bill

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Raleigh Residence Phone No.
Asst. Kathie Young

2000 SESSION

JOINT MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

May 23, 2000
May 25, 2000
May 30, 2000 A.M.
May 30, 2000 P.M.
May 31, 2000
June 1, 2000

HOUSE MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

May 31, 2000 1:30 P.M.
May 31, 2000 4:50 P.M.
June 12, 2000

SENATE MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

June 15, 2000
June 20, 2000

VISITOR REGISTRATION SHEET

APPROPRIATIONS Subcommittee on General Government May 23, 2000
Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Seth Whitaker	House Appropriations Staff
Keith McCoubl	DOR
Mike Hodges	DOR
Muriel Offerman	DOR
Betty Ray McCain	DCR
Norma Rosefield	DCR
Mary Regan	DCR - Arts Council
Sona Shandilya	Anne Winner
[illegible] Vance	DCR
Kaye Honeycutt	DOR
Kindy Baines	DOR
Burel Summers	NC Equity
Nellie Riley	OSP
Carl Goodwin	OSP
Robert Wilson	S.O.S
[illegible]	OAH
Katherine Joyce	SEANC
[illegible]	OAH
Paul Pulley	NCATL
Carolyn [illegible]	DOA
Katie G. Dorsett	DOA
Marsha Glass	DOA
Tony Jordan	DOA
Kathy [illegible]	DOA
Ben McLawhorn	OSC
Crissy Porter	Bone & Associates
Sandy Freeman	City of G'bow Greenshoro Public Library
Kem B. Ellis	High Point Public Library -
Jim Howell	OSBM
Beckie Street	[illegible]
[illegible]	Cuts NC.

VISITOR REGISTRATION SHEET

APPROPRIATIONS Subcommittee on General Government **May 23, 2000**
Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sandy Cooper	DCR/State Library
Sonia McCranny	NC DOI
Byron K. Harris	OSBM
Anne Wm...	NCCADV

AGENDA

Joint Appropriations Subcommittee
on
General Government

May 23, 2000
9:00 a.m.
Room 425

Chairman: Representative Maggie Jeffus

Overview of the Governor's Recommended Changes to the 2000-2001 State Budget

Department of Administration

Office of Administrative Hearings

Department of Cultural Resources

Department of Revenue

Review of Department of Cultural Resources' and Museum of History 's Relationship with the Museum of History Associates

JOINT APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 23, 2000
9:00 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Tuesday, May 23, 2000, at 9:00 a.m. in room 425 of the Legislative Office Building. Three of the Senate members were present. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, Daniel Barefoot, Sam Ellis, Bob Hensley, Mitchell Setzer, Wilma Sherrill, and Greg Thompson.

Representative Jeffus called the meeting to order at 9:00 a.m. and introduced the pages: Kendra Ellis of Durham County, sponsored by Representative Wainwright, Becca Lee of Wayne County sponsored by Representative Carolyn Russell, and Paul O'Donohue of Gastonia, sponsored by Senator David Hoyle. Since this is the first meeting of the session, she asked the members to introduce themselves for the visitors and Rep. Jeffus introduced the staff.

Since today is library day in the legislature, Rep. Jeffus recognized Ms. Sandra M. Cooper, Directory of the State Library of North Carolina and two librarians from her district, Ms. Sandy Neerman of the Greensboro Public Library and Ms. Kem Ellis of the High Point Public Library.

Rep. Jeffus stressed that the committee is a week behind schedule. She indicated that they do not have a lot of information at this time but more information will be available very soon. We all know this is a "lean" year. The target date is to finish the House portion of the budget by June 2.

Senator Warren stated that there is not a lot of money to play with and the target date to adjourn is the first of July and he believes that this can be done.

OVERVIEW OF THE GOVERNOR'S RECOMMENDED CHANGES TO THE 2000-2001 STATE BUDGET

Department of Administration

(See Attachment 1, p. 23) Ms. Marilyn Chism, Staff, stated that they will start with the recommendation and changes that appear in the Governors recommended budget. The Low-Level Radioactive Waste Management Authority is included as a reduction of $893,072 in requirements, less reducing receipts by $400,025 for a net reduction of appropriations of $493,047 and eight positions. This reduction is consistent with Senate Bill 247 and through that bill North Carolina withdrew from membership in

the Southeast Interstate Low-Level Radioactive Waste Management Compact. The Authority was directed to finalize all of their responsibilities and business before June 30, 2000.

The second item is to reduce operating funds in the Facilities Management Division and is specifically for building repairs of $221,846.

The total of these two items for the Department of Administration is $1,114,918 and receipts of $400,025 for a net of $714,893. (Eight positions were cut.)

Representative Sherrill wanted to know if the eight employees had been placed elsewhere. Secretary Katie G. Dorsett, Department of Administration, stated that they were actively trying to place them.

Representative Ellis stated that the committee might want to suggest to the agency heads to look a little deeper. Representative Jeffus stated that when they received further directions this might be an option.

Office of Administrative Hearings

Director-Chief Administrative Law Judge Julian Mann III was recognized. He referred the committee to the recommended adjustments (Attachment 1, page 23). The reduction is to correct the continuation budget error of a non-recurring appropriations inadvertently left in the 2000-01 fiscal year budget for $45,780. This reduction was an oversight. The members of the committee asked no questions and made no comments.

Department of Cultural Resources
Division of Arts Council

Ms. Mary B. Regan, Director of Administration, Division of Arts Council, thanked the committee and the legislature for giving them $2,000,000 last year to distribute across the state. (See Attachment 2) All of the counties benefited and she brought a list to show the committee how that money was distributed. The governor chose to continue what was done last year in his budget recommendation this year. She thought this would be useful to the committee to see how we might be able to spend the money this year. It is broken into four categories, which is the way the legislature allocated it last year.

The first categary is The Grassroots Arts Program that goes into every county in the state on a per capita basis. (See Attachment 3) In a few of the counties there is more than one organization that is receiving the money and these are the counties where there is not a local arts council to distribute the money for the Arts Council so the decisions are made at the state level.

Ms. Regan advised that the Primary Arts Organization is a combination of the organizations, including multi-cultural, that are the oldest and most established who pay

all of their artist and actors or who have reached a leadership position in that art form. (See Attachment 4) The allocation was generally decided based on the budget sizes of the organizations. All of these organizations have been reviewed and been rated very highly.

Ms. Regan stated that the Rural Arts Programs chose counties that are at least fifty percent rural and did not take into account the per capita income of the county, which they sometime do in some of their other programs. (See Attachment 5) There are a few exceptions that are not rural. On the first page, New Hanover is where the organization was doing a program out in the surrounding rural county. Buncombe County is listed on the next page and the Asheville Art Museum was doing a program in partnership with school systems in five counties. It is doing really well and is a national model.

Ms. Regan continued that the Cultural Tourism Program is something they have been working toward in the last two or three years. (See Attachment 6) These are projects, in many cases, that are designed to bring about sustainable economic development in those counties. There is a heavy emphasis on rural areas and develop programs that will encourage tourism while preserving the culture of the area.

Ms. Regan concluded that the other item of $260,000 included in the governor's budget is used an operating expense. (See Attachment 7) This support money will last for four months, and after that time, they become dependent on the federal government for all of their operations. The governor has included this so that our basic operation would be covered by the state for all twelve months. We have been paying this out of a federal grant that is given to them on a formula basis. If the state takes over the full cost of their operation they can use that money to give out in grants or for special projects.

Department of Revenue

Secretary Muriel K. Offerman, stated that while Revenue can only deposit what they receive, she promised that the department will continue to try to get these funds in the bank as quickly as possible. We, too, want you to know what funds that you will have to work with for the rest of this fiscal year and for the next year. (See Attachment 8) The first page of the handout is a summary of the reductions they are suggesting for the Department. The second page is a continuation of the Department's reductions. (See Attachment 9) The third page notes the additional personnel that are being requested in the expansion budget for the Department of Revenue. (See Attachment 10)

Representative Ellis referred to page one, (Attachment 8) second item, "State/Federal Retirees -- Cost of Administration," in the amount of $100,000, apparently that is for storage of the tax records of persons that paid this tax and shouldn't have, is that correct? Secretary Offerman responded that this is correct and also that the pertinent information was transferred to the law firm but the documents are in storage.

Department of Cultural Resources

Representative Jeffus called on Secretary Betty R. McCain to explain the Museum of History's relationship with the Museum Associates. Secretary McCain gave the following explanation: Twenty-five years ago non-profit organization was begun at the Museum of History. At that time, the organization was asked to see about building a new museum. The Museum Associates have really brought a lot of good will and a great deal of education in the work that they do across the state in history. The News and Observer article printed recently was totally misleading. They have given much more money than $56,000 a year. The Museum Associates in December realized that they had a problem with one of their employees. They had an accounting firm looking after all of it and thought and had a financial analyst that came in on a regular basis at considerable costs. How they found this embezzlement was going on was that another employee found it? The alleged embezzler was immediately fired before Christmas. Another CPA firm was asked to come in and look at all the books. This has taken a long time because the employee was very creative and they had to recreate records. Hopefully, this will be finished by mid-June and see how much is missing. What they have has been turned over to the District Attorney, Colon Willoughby. The articles in the newspaper have damaged them. Only one person is a suspect and no longer employed by the Associates. The reporter wants to see the books but the reason he cannot see them is because the books are a part of a very serious criminal investigation. The Associates do a great outreach job but they have been severely damaged. It will take years to come back and she had no idea how much it will affect the fund raising.

Representative Jeffus announced that the committee would not meet this afternoon. The intent is to meet in the morning but members should watch their e-mail and listen for the announcement in the Chamber.

Meeting adjourned at 10:15 A.M.

Respectfully Submitted,

Mary Lee Robinson

Representative Margaret (Maggie) M. Jeffus
Chair

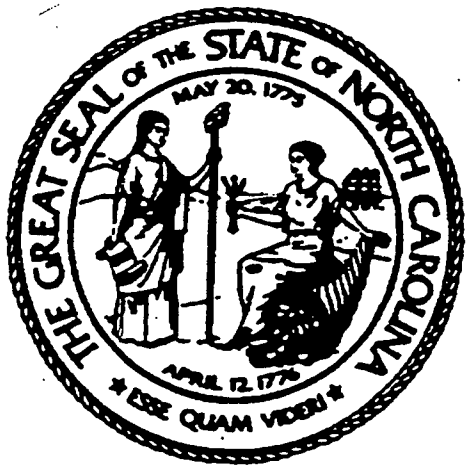
Mary Lee Robinson
Committee Assistant

(attachment 1)

North Carolina

Recommended Changes to the 2000-2001 State Budget

1999-2001 Biennium



James B. Hunt Jr.
Governor

Department of Administration

Recommended Adjustments

	2000-01
1. Low-Level Radioactive Waste Management Authority	
In accordance with Senate Bill 247, North Carolina withdrew from membership in the Southeast Interstate Low-Level Radioactive Waste Management Compact. The Authority is to close and restore the proposed Wake County low-level radioactive waste site, and finalize all other responsibilities and business of the Authority on or before June 30, 2000. It is therefore recommended that the General Fund appropriation for the operating expenses of the Authority be eliminated.	
Requirements	$ (893,072)
Receipts	(400,025)
Appropriation	$ (493,047)
Number of Positions	(8.0)
2. Reduce Operating Funds	
It is recommended that funds for building repairs in the Facilities Management Division be reduced.	(221,846)
Total Recommended Adjustments for Department of Administration	
Requirements	$ (1,114,918)
Receipts	(400,025)
Appropriation	$ (714,893)
Number of Positions	(8.0)

Office of Administrative Hearings

Recommended Adjustments

1. Reduce Reserve Account - Correction of Continuation Budget Error	
Non-recurring appropriations were inadvertently left in the 2000-01 fiscal year. This reduction corrects for that oversight.	$ (45,780)
Total Recommended Changes to the 2000-01 Expansion for the Office of Administrative Hearings	$ (45,780)
Number of Positions	0.0

Department of Cultural Resources

Recommended Changes to the 2000-01 Expansion

		2000-01	
1.	**Arts Council - Operating Support** A substantial portion of the Arts Council's formula-based federal grant must be used to cover operating costs. It is recommended that funds be provided to cover the operating costs currently paid from the federal grant, to allow all available federal funds to be used for grants to non-profit organizations and for special one-time programs and projects.	$ 260,000	
2.	**Arts Council – Grant Programs** Funding is recommended to provide an increase in grants awarded to local arts programs and organizations.		
	Grassroots Arts Program $800,000 Primary Arts Organization $600,000 Rural Arts Programs $400,000 Cultural Tourism $200,000	2,000,000	NR
	Total Recommended Changes to the 2000-01 Expansion for Department of Cultural Resources		
	Requirements	$ 2,260,000	
	Receipts	-	
	Appropriation	$ 260,000	
		2,000,000	NR

NR - Nonrecurring

Department of Revenue

Recommended Adjustments

	2000-01	
1. Federal Retirees – Refund Legislation in 1996 (House Bill 30) provided an appropriation of $25 million to the Department of Revenue to make refunds to certain taxpayers whose federal pensions were determined not to be taxable. The balance of these as of March 31, 2000, was $287,985. The department does not anticipate future refunds to exceed $37,985. These funds are in budget code 24701.	$ (250,000)	NR
2. State/Federal Retirees – Cost of Administration As the department continues to incur costs in assisting with the refunds to state and federal retirees as a result of the Bailey/Emory/Patton Lawsuit, reimbursements for these costs are requested from Womble, Carlyle, Sandridge and Rice, Attorneys at Law. The reimbursement anticipated for the 1999-00 fiscal year is $100,000.	(100,000)	NR
3. Transportation – Ground - In-State Reductions can be made in the travel budget for the Field Operations Division.	(150,000)	
4. Computer/Data Processing Services The department anticipates a rate reduction in transactions processing by ITS (Information Technology Services) for fiscal year 2000-01. Provided this reduction in rates does occur and utilization remains flat, savings are estimated to be $200,000.	(200,000)	
5. Abolish Positions in Various Centers The department proposes to abolish 11 positions in various divisions.	(715,113)	
Number of Positions	(11.00)	
Total Recommended Adjustments for the Department of Revenue	$ (1,415,113)	
	(350,000)	NR
Number of Positions	(11.0)	

NR – Nonrecurring

Recommended Changes to the 2000-01 Expansion

	2000-01	
1. **Additional Interstate Audit Personnel** Each Interstate Auditor position is projected to generate in excess of $1.5 million dollars in the first year of employment. Funding is recommended to add eight Interstate Auditor positions and three support positions.	$751,208	
Number of Positions	53,100 11.0	NR
Total Recommended Changes to the 2000-01 Expansion for Department of Revenue	$751,208	
Number of Positions	$53,100 11.0	NR

NR - Nonrecurring

North Carolina Arts Council

Department of Cultural Resources

Raleigh, NC 27601-2807

(Attachment 2)

$2 Million Non-Recurring Appropriation for FY 99 - 00

Grassroots Arts Program	$ 800,000
Primary Arts Programs	600,000
Rural Arts Programs	400,000
Cultural Tourism	200,000
	$2,000,000

Attachment 3

$2 Million Non-Recurring Appropriation Allocation by County as of 5/11/2000

Grassroots Arts Program

NAME	COUNTY	AWARDED AMOUNT
Alamance County Arts Council	Alamance	11698
Hiddenite Center	Alexander	4508
Alleghany Arts Council	Alleghany	2774
Anson County Arts Council	Anson	3900
Ashe County Arts Council	Ashe	3898
Avery Arts Council	Avery	3240
Beaufort County Arts Council	Beaufort	5457
Bertie County Arts Council	Bertie	3599
Arts Council of Bladen County	Bladen	4430
Brunswick County Arts Council	Brunswick	7364
Arts Alliance	Buncombe	17306
Burke Arts Council	Burke	8680
Cabarrus Arts Council	Cabarrus	11503
Caldwell Arts Council	Caldwell	7987
Camden County Schools Community Schools Program	Camden	2503
Arts Council of Carteret County	Carteret	6762
Caswell Council for the Arts	Caswell	3781
Catawba County Council for the Arts	Catawba	12439
Chatham County Arts Council	Chatham	5671
Cherokee County Arts Council	Cherokee	3805

NAME	COUNTY	AWARDED AMOUNT
Chowan Arts Council	Chowan	3139
Clay County Historical and Arts Council	Clay	2653
Cleveland County Arts Council	Cleveland	9270
Columbus County Arts Council	Columbus	6156
Craven Arts Council and Gallery	Craven	9122
Arts Council of Fayetteville / Cumberland County	Cumberland	25466
Currituck County Arts Council	Currituck	3348
Dare County Arts Council	Dare	4244
Arts Council for Davidson County	Davidson	13334
Davie County Arts Council	Davie	4535
Duplin County Arts Council	Duplin	5550
Durham Arts Council	Durham	17923
Edgecombe County Cultural Arts Council	Edgecombe	6364
Arts Council of Winston-Salem/Forsyth County, The	Forsyth	25127
Franklin County Arts Council	Franklin	5532
United Arts Council of Gaston County	Gaston	16397
Gates County Community Center	Gates	2794
Stecoah Valley Arts Crafts and Educational Center	Graham	2599
Granville Arts Council	Granville	5471
Greene County Schools	Greene	3437
United Arts Council of Greensboro	Guilford	32899
Halifax County Arts Council	Halifax	6389

NAME	COUNTY	AWARDED AMOUNT
Harnett County Arts Council	Harnett	8634
Haywood County Arts Council	Haywood	6129
Henderson County Arts Council	Henderson	8407
Gallery Theatre, The	Hertford	1935
Meherrin Indian Tribe	Hertford	1790
Hawkeye Indian Cultural Center	Hoke	826
Hoke County Schools	Hoke	3530
Hyde County Grassroots Arts Council	Hyde	2422
Iredell Arts Council	Iredell	10877
Jackson County Arts Council	Jackson	4335
Johnston County Arts Council	Johnston	10503
Jones County Arts Council	Jones	2699
Lee County Arts Council	Lee	5933
Community Council for the Arts	Lenoir	6694
Lincoln Arts Council	Lincoln	6702
Arts Council of Macon County	Macon	4255
Madison County Arts Council	Madison	3479
Martin County Arts Council	Martin	4032
McDowell Arts and Crafts Association	McDowell	5218

NAME	COUNTY	AWARDED AMOUNT
Arts and Science Council	Mecklenburg	51664
Toe River Arts Council	Mitchell	3170
Montgomery Arts Council	Montgomery	3961
Arts Council of Moore County	Moore	7634
Castalia	Nash	500
Nash County Arts Council	Nash	6536
Rocky Mount Arts Center	Nash	1000
Tar River Orchestra and Chorus	Nash	1000
Arts Council of the Lower Cape Fear	New Hanover	13927
Northampton County Education Foundation	Northampton	3657
Council for the Arts	Onslow	13796
Orange County Arts Council	Orange	10649
Pamlico County Arts Council	Pamlico	2957
Pasquotank Arts Council	Pasquotank	4795
Pender County	Pender	5056
Perquimans Arts League	Perquimans	2878
Person County Arts Council	Person	4651

NAME	COUNTY	AWARDED AMOUNT
Ayden Arts Center	Pitt	1000
Farmville Community Arts Council	Pitt	1000
Greenville Museum of Art	Pitt	1150
Grifton	Pitt	1000
PeopleAct	Pitt	1000
Pitt County Arts Council	Pitt	5645
Pitt County Schools Community Schools Program	Pitt	1000
Polk County Schools Community Schools Program	Polk	2800
Stearns Park Committee	Polk	527
Randolph Arts Guild	Randolph	11897
Richmond County Arts Council	Richmond	5642
Fairmont Farmers Festival Committee	Robeson	1000
Lumbee Regional Development Association	Robeson	2000
Lumberton Parks and Recreation	Robeson	800
North Carolina Indian Cultural Center	Robeson	1000
Public Schools of Robeson County	Robeson	1000
Red Springs Arts Council	Robeson	1100
Robeson Little Theatre	Robeson	1000
University of North Carolina - Pembroke Givens Performing Arts Center	Robeson	3141

NAME	COUNTY	AWARDED AMOUNT
Rockingham County Arts Council	Rockingham	9119
United Arts Council of Rowan	Rowan	11916
Rutherford County Arts Council	Rutherford	6737
Sampson County Arts Council	Sampson	6265
Scotland Arts Council	Scotland	4799
Stanly County Arts Council	Stanly	6434
Stokes County Arts Council	Stokes	5471
Surry Arts Council	Surry	7377
Swain County Schools Community Schools Program	Swain	2970
Transylvania County Arts Council	Transylvania	4243
Tyrrell County Schools	Tyrrell	2288
Union County Community Arts Council	Union	10748
Vance County Arts Council	Vance	5296
United Arts Council of Raleigh and Wake County	Wake	47785
Lakeland Cultural Arts Center	Warren	532
Warren County Arts Council	Warren	2913
Washington County Arts Council	Washington	3040
Watauga County Arts Council	Watauga	5273
Arts Council of Wayne County	Wayne	11086
Wilkes Arts Council	Wilkes	7063

NAME	COUNTY	AWARDED AMOUNT
Rockingham County Arts Council	Rockingham	9119
United Arts Council of Rowan	Rowan	11916
Rutherford County Arts Council	Rutherford	6737
Sampson County Arts Council	Sampson	6265
Scotland Arts Council	Scotland	4799
Stanly County Arts Council	Stanly	6434
Stokes County Arts Council	Stokes	5471
Surry Arts Council	Surry	7377
Swain County Schools Community Schools Program	Swain	2970
Transylvania County Arts Council	Transylvania	4243
Tyrrell County Schools	Tyrrell	2288
Union County Community Arts Council	Union	10748
Vance County Arts Council	Vance	5296
United Arts Council of Raleigh and Wake County	Wake	47785
Lakeland Cultural Arts Center	Warren	532
Warren County Arts Council	Warren	2913
Washington County Arts Council	Washington	3040
Watauga County Arts Council	Watauga	5273
Arts Council of Wayne County	Wayne	11086
Wilkes Arts Council	Wilkes	7063

NAME	COUNTY	AWARDED AMOUNT
Arts Council of Wilson	Wilson	7498
Yadkin Arts Council	Yadkin	4850
Toe River Arts Council	Yancey	3310
		800000

Primary Arts Organizations

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Actor's Theatre of Charlotte	Mecklenburg	General operating support	5000
African-American Atelier	Guilford	Administrative support	5000
African-American Dance Ensemble	Durham	General operating support	10200
Afro-American Children's Theatre	Mecklenburg	Administrative and program support	5000
Afro-American Cultural Center	Mecklenburg	General operating support	10200
Alleghany Arts Council	Alleghany	One-day residency of "Globeworks" by the North Carolina Shakespeare Festival	400
American Dance Festival	Durham	General operating support	15050
Appalachian State University Office of Cultural Affairs	Watauga	General operating support	5000
ARTS North Carolina	Statewide	General operating support	7500
ArtsCenter, The	Orange	General operating support	10200
ArtsPlosure	Wake	Performances at First Night Raleigh 2000	5000
Asheville Art Museum	Buncombe	General operating support	7500
Asheville Symphony	Buncombe	General operating support	10200
Blowing Rock Stage Company, The	Watauga	General operating support	7500

Attachment 4

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Brevard Music Center	Transylvania	General operating support	12750
C. S. Brown Regional Cultural Arts	Hertford	Administrative and program support	5000
Carolina Ballet	Wake	Rehearsal time	5000
Carolina Theatre (Durham)	Durham	1999-2000 Stress Reduction Series and the Family Series	5000
Charlotte Repertory Theatre	Mecklenburg	General operating support	12750
Charlotte Symphony	Mecklenburg	General operating support	15050
Children's Theatre Board	Forsyth	General operating support	7500
Children's Theatre of Charlotte	Mecklenburg	General operating support	12750
Coalicion Latinoamericana	Mecklenburg	Program support	2500
Contemporary Art Museum	Wake	General operating support	7500
Cumberland County Association for Indian People	Cumberland	Administrative, artistic, and program support	2500
Duke University Institute of the Arts	Durham	General operating support	5000
Eastern Music Festival	Guilford	General operating support	12750
Edgecombe County Cultural Arts Council	Edgecombe	Concerts for school children and Albemarle Retirement Community residents and a Swamp Gravy Institute residency as a result of Hurricane Floyd	2100

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Edgemont Community Center	Durham	Part-time Arts Coordinator support	5000
El Pueblo	Orange	1999 La Fiesta del Pueblo and administratrative support and a management/technical assistance program	5000
Fayetteville Museum of Art	Cumberland	General operating support	7500
Flat Rock Playhouse	Henderson	General operating support	12750
Green Hill Center for North Carolina Art	Guilford	General operating support	7500
Greensboro Chinese Association	Guilford	Administrative, artistic, and program support	2500
Greensboro Symphony	Guilford	General operating support	12750
Guilford Native American Association	Guilford	Administrative, artistic, and program support	7500
Haliwa-Saponi Indian Tribe	Halifax	Cultural arts program	5000
Hickory Museum of Art	Catawba	General operating support	5000
Hiddenite Center	Alexander	General operating support	7500
Horn in the West	Watauga	General operating support	7500

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
John C. Campbell Folk School	Clay	General operating support	12750
KEY Players	Catawba	General operating support	7500
Light Factory, The	Mecklenburg	General operating support	7500
Mallarme Chamber Players	Durham	General operating support	5000
Manbites Dog Theater Company	Durham	General operating support	7500
Metrolina Native American Association	Mecklenburg	Traditional dance, crafts, and storytelling workshops and a management/technical assistance program	2500
Mint Museum of Art	Mecklenburg	General operating support	15050
North Carolina Alliance for Arts Education	Statewide	General operating support	5000
North Carolina Black Repertory Company	Forsyth	General operating support	10200
North Carolina Dance Theatre	Mecklenburg	General operating support	12750
North Carolina Indian Cultural Center	Robeson	Arts and Crafts Co-op program and administrative and program support	7500
North Carolina State University Center Stage	Wake	General operating support	5000
North Carolina State University Gallery of Art and Design	Wake	General operating support	5000
North Carolina Theatre Conference	Statewide	General operating support	5000
North Carolina Writers' Network	Statewide	General operating support	7500

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Opera Carolina	Mecklenburg	General operating support	12750
Penland School of Crafts	Mitchell	General operating support	12750
Piedmont Opera Theatre	Forsyth	General operating support	10200
PineCone - Piedmont Council of Traditional Music	Wake	General operating support	7500
Playmakers Repertory Company	Orange	General operating support	5000
Rocky Mount/Edgecombe Community Development Corporation	Edgecombe	Cultural Arts Program	2500
Sawtooth Center for Visual Art	Forsyth	General operating support	10200
Seeds of Sheba	Orange	Administrative and program support	2500
Snow Camp Historical Drama Society	Alamance	General operating support	7500
Southeastern Center for Contemporary Art	Forsyth	General operating support	12750
Southern Appalachian Repertory Theatre	Madison	General operating support	5000
St. John's Museum of Art	New Hanover	General operating support	7500
St. Joseph's Historic Foundation	Durham	General operating support	10200
Sun Publishing Company, The	Orange	General operating support	5000

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Temple Theatre Company	Lee	General operating support	7500
Touring Theatre Ensemble	Guilford	General operating support	5000
United Tribes of North Carolina	Statewide	Cultural arts programs	5000
University of North Carolina - Greensboro Weatherspoon Art Gallery	Guilford	General operating support	5000
Unto These Hills	Swain	General operating support	12750
Waterworks Visual Arts Center	Rowan	General operating support	5000
Western Piedmont Symphony	Catawba	General operating support	7500
Winston-Salem Delta Fine Arts	Forsyth	Administrative and program support	2500
Winston-Salem Piedmont Triad Symphony	Forsyth	General operating support	12750
Winston-Salem State University Diggs Gallery	Forsyth	General operating support	5000
YMI Cultural Center	Buncombe	Administrative and program support	7500
			600000

Rural Arts Programs

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Alexander Central High School	Alexander	Performance series with residency components	2500
Anson County Arts Council	Anson	Five- and six-day residencies in the schools in opera, theater, and fiber arts	2000
Arts Council for Davidson County	Davidson	Celebration Series	3000
	Davidson	ARTSMART program, in partnership with the	2650
Arts Council of the Lower Cape Fear	New Hanover	Development of a strategic plan to strengthen arts education through the Arts Education Community Partnerships Project	1000
Arts Council of Wayne County	Wayne	Series of visual art classes for residents of Mar Mac and Seven Springs devasted by Hurricane Floyd	4500
Ashe County Arts Council	Ashe	Professional development of artists in Alleghany, Ashe, Watauga, and Wilkes counties	500
	Ashe	Southern Arts Federation's Southern Arts Exchange: Jane Lonon	500
	Ashe	Artsfusion II arts education program, in partnership with Ashe County Middle School, Ashe County Schools, and Ashe Services for Aging	3000
	Ashe	Community Concert Series	3000

Attachment 5

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Asheville Art Museum	Buncombe	Development of a curriculum package for its Literacy through Art Rural Outreach Initiative, in partnership with school systems in five counties	10000
Avery Arts Council	Avery	One-week residency by the African-American Dance Ensemble in the schools and community	1110
Beaufort County Arts Council	Beaufort	counties	8085
Bertie County Arts Council	Bertie	Cashie River Folk Life Series, "Arts in the Park" series, and the African-American Celebrarion in Bertie	1500
	Bertie	Photography and craft workshops for persons severely affected by Hurricane Floyd	7000
Bertie County Schools	Bertie	Integrated arts curriculum using writers/artists in residence, staff development, and extended day and other arts programs, in partnership with the Bertie County Arts Council and the Historic Hope Foundation	10000
Blowing Rock Stage Company, The	Watauga	Production of a play, that was translated and adapted from a Chilean play, entitled "Daylight Spirits" by playwright Charles Thomas	2000
Branchettes, The	Wake	Recording and production of a compact disc and cassette tapes	1000
Brasstown Concert Association	Cherokee	1999-2000 concert series	4765
Caswell Council for the Arts	Caswell	Two concerts from the Caswell Performing Arts Series and one residency from the Arts-in-Education Program	8000

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Children's Museum of Iredell County	Iredell	Ethnic Fair, in partnership with the Iredell-Statesville Schools, the Alexander County Schools, Hiddenite Center, and Mitchell Community College	4000
	Iredell	Magical Nights Performing Arts Series	1500
Chowan Arts Council	Chowan	Development of a strategic plan to strengthen arts education through the Arts Education Community Partnerships Project	7275
	Chowan	Position of Assistant Director for the third year	500
Cleveland County Arts Council	Cleveland	Performing arts series	2500
Coastal Jazz Society, The	Carteret	Concert by the North Carolina Jazz Repertory Orchestra, with a documentary showing on Duke Ellington	2000
Columbus County Schools	Columbus	Celebrate the Arts weekend	5703
Core Sound Waterfowl Museum	Carteret	Development of exhibitions and educational programs which interpret the folklife traditions of the coastal communities	25000
Dare County PTA Council	Dare	Four-day residency by the African-American Dance Ensemble	1000
Davie County Arts Council	Davie	Symphony in the Schools Project with the Winston-Salem Piedmont Triad Symphony	1500
Down East FolkArts Society	Carteret	Concert/Dance Series	4500
Dunn Center for the Performing Arts	Nash	Jazz and Blues Series	1000

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
E. M. Rollins School	Vance	Series of four performing arts residencies	1000
Edgecombe County Cultural Arts Council	Edgecombe	Concerts for school children and Albemarle Retirement Community residents and a Swamp Gravy Institute residency as a result of Hurricane Floyd	6400
Edgecombe County Schools	Edgecombe	Continued development of an integrated curriculum with residencies in writing, theater, music, and movement in two elementary schools	6540
Folkmoot USA	Haywood	International Folk Festival	6500
Foothills Arts Council	Surry	Position of Facility Manager for the first year	1500
Gallery Theatre, The	Hertford	Youth Summer Workshop and in-school performance by the Tarradiddle Players	1000
Gates County Schools	Gates	Music, theater, and writing residencies and interdisciplinary curriculum development	9945
Haywood County Arts Council	Haywood	Position of Development and Marketing Coordinator for the first year	2000
Heart of Carolina Jazz Orchestra and Society	Lee	Jazz series and clinics	2500

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Henderson County Arts Council	Henderson	Professional development of artists in Haywood, Henderson, Jackson, Polk, and Transylvania counties	815
Hiddenite Center	Alexander	Arts and recycling project, in partnership with the Alexander County Schools and six other community agencies	4000
	Alexander	Production of an exhibit of handmade instruments, with intrument-making workshops and concerts using the instruments	4698
Hinson, Glenn D.	Granville	Documentation of community stories about wood carver Arliss Watford	4100
Iredell Museum of Art and Heritage	Iredell	Cataloging and condition reporting of collection:	1849
Johnston County Arts Council	Johnston	Development of a comprehensive artists-in-the-schools program, in partnership with the Johnston County Schools and United Arts Council of Raleigh and Wake County	4500
Jones County Arts Council	Jones	Art equipment replacement and a storytelling program at Jones Middle School as a result of Hurricane Floyd	8000
KEY Players	Catawba	Presentation of Owie!/Ouch! violence prevention/character education programs, in partnership with the Public Schools of Robeson County	5000
McDowell Arts and Crafts Association	McDowell	General operating support from McDowell County	1000
McDowell Technical Community College	McDowell	Photography Speakers Series	3000
Moore County Schools	Moore	Dance residencies for third-grade students, in partnership with Footprints Contemporary Ballet	1500

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Museum of the Cherokee Indian	Swain	Classes in traditional Cherokee Indian arts and crafts which are taught by Cherokee people for Cherokee people	2000
Music Academy of Eastern Carolina	Pitt	Financial aid for students and replacement of lost income as a result of Hurricane Floyd	2000
Nash County Arts Council	Nash	General operating support from Nash County	2000
North Carolina Folklore Society	Statewide	Printing and distribution of publications	4300
North Carolina Literary Consortium	Statewide	Word Wide: Writers of the Americas, a ten-week Latin American residency at ten sites across the state	5000
North Carolina Pottery Center	Randolph	Development of a fourth-grade interdisciplinary pottery unit and a related "travel trunk" program	975
	Randolph	Artist-in-Residency program	12500
Old Theater Corporation	Pamlico	In-school performances in music, dance, and theater	1500
Opera Carolina	Mecklenburg	Integration of opera into the school curriculum, in partnership with West Montgomery High School	8000
Pamlico Musical Society	Pamlico	Concert series	2151
Penland School of Crafts	Mitchell	Evaluation of its educational outreach program by Harvard University's Project Zero	1500

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Pfeiffer University	Stanly	Two-day writing residency with poet Glenis Redmond	765
Pocosin Arts	Tyrrell	Community Arts Connection program and development of a capital campaign	12500
	Tyrrell	Three residencies under the Community Arts Connection Program	15000
Randolph Arts Guild	Randolph	North Carolina Pottery Conference	1000
Richmond County Arts Council	Richmond	Arts and the Earth series	3000
Rocky Mount/Edgecombe Community Development Corporation	Edgecombe	Harambee Festival and Jazz Concert	3000
Salisbury-Rowan Symphony	Rowan	Increased artistic and administrative fees	3000
Sharkey, Jim	Randolph	Production of a thirty-minute video tape documentary of the life and work of Seagrove potter Sid Luck	2000
Snow Hill Primary School	Greene	Week-long residency by a Japanese musician/dancer	1400
Southern Appalachian Repertory Theatre	Madison	World premiere of the play entitled "The Gratuity" and the Southern Appalachian Playwrights' Conference	2000
Southern Media Foundation	Durham	Production of a feature-length documentary film entitled "Tobacco Money Feeds My Family"	4000

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
St. John's Museum of Art	New Hanover	Traveling exhibition, artists workshops, and related activities, in partnership with schools in the southeast region	3284
Stanly County Arts Council	Stanly	Traveling exhibition aboard the Michigan Artrain entitled "Artistry of Space"	1500
	Stanly	Three residencies in sculpture, puppetry, and music/maskmaking in the schools	2750
State Annual Singing Convention	Johnston	Research and preproduction of a sixty-minute documentary of this gospel singing convention	3000
Stokes County Arts Council	Stokes	Five-week theater residency in the schools by Sheila Kerrigan	1318
Student Action with Farmworkers	Durham	Documentation of folklife traditions of Spanish-speaking migrant workers	1500
SummerMusic Chamber Music Festival	Watauga	Weekend of five concerts with related events	2000
Surry Arts Council	Surry	Family Theatre Series	1500

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
Toe River Arts Council	Mitchell	Development of a strategic plan to strengthen arts education through the Arts Education Community Partnerships Project	5090
	Yancey	Math and Art Integration Program, in partnership with the Mitchell and Yancey County Schools	5800
Transylvania County Arts Council	Transylvania	Development of an after-school arts program in the new Community Arts Center	4817
	Transylvania	The Center Series	2000
Union County Community Arts Council	Union	One-day event for fifth-grade students in Latin American culture	1487
United Arts Council of Rowan	Rowan	Position of Arts Awareness and Promotional Director for the second year	3580
	Rowan	Development of a strategic plan to strengthen arts education through the Arts Education Community Partnerships Project	1635
University of North Carolina - Chapel Hill School of Education	Orange	Expansion of the Curriculum, Music, and Community project to six counties in western North Carolina through a summer teacher workshop	20000
	Orange	Development of public school curriculum that utilizes local music traditions as a model for statewide use	2500

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
University of North Carolina - Pembroke Givens Performing Arts Center	Robeson	Five two-week residencies in dance and theater at Tanglewood Elementary School	5500
	Robeson	Family Night Out/On Stage for Youth series	8500
Washington County Schools	Washington	Development of a countywide "arts in education" program	1500
Watauga County Arts Council	Watauga	Touring Arts Program in the schools	7500
	Watauga	Position of Community Arts Education Coordinator for the second year	885
Western Arts Agencies of North Carolina	Statewide	Block Booking Series	10000
Western Carolina University Mountain Heritage Center	Jackson	Production of a compact disc featuring musicians who have performed on the traditional stage at Mountain Heritage Day	1078
X Factor	Watauga	Three dance outreach programs	1000
	Watauga	Commissioning of a multidisciplinary work by company members and a videographer	1250
Yadkin Arts Council	Yadkin	Performances by Opera Carolina and the Kruger Brothers and a residency by tinsmith Mike Folk	1000
			400000

Cultural Tourism

NAME	COUNTY	PROJECT SUMMARY/TITLE	AWARDED AMOUNT
African-American Cultural Trails Project	Durham	project	10000
Core Sound Waterfowl Museum	Carteret	Documentation of heritage tourism assets in a nineteen-county region of Eastern North Carolina	10000
North Carolina Craft Trail Consortium	Statewide	Planning for a statewide craft trail	25000
North Carolina Folklife Institute	Statewide	Marketing phase of the Cherokee and music heritage tourism trails through the Blue Ridge Heritage Initiative	80000
North Carolina Heritage	Statewide	General operating support	15000
North Carolina Summer Performing Arts	Statewide	Second year of a marketing plan as a joint cultural tourism initiative by fifteen major summer performing arts organizations and the development of a statewide cultural tourism marketing plan	60000
			200000

Attachment 6

Attachment 7

NORTH CAROLINA ARTS COUNCIL
FY 2000-2001 EXPANSION BUDGET
OPERATING SUPPORT

532140	Systems Imp & Integration	22,150
532192	Honorariums	18,000
532199	Contracted Services	35,240
5327XX	Staff Travel	49,000
5327XX	Board Travel	13,000
532821	Data Processing Service	24,480
532840	Postage	37,500
532850	Printing	28,250
533XXX	Supplies	4,100
532490	Maintenance Agreement	650
532911	Property Insurance	160
532942	Employee Educ. Expense	970
534511	Office Equipment	650
534522	Computer Equipment	7,000
534710	Software	7,000
535830	Subscriptions and Dues	11,850
	Operating Support Total:	**260,000**

Attachment 8

North Carolina Department of Revenue
Recommended Budget Reductions
Fiscal Year 2000-2001

1	**Federal Retirees – Refunds** (Center 2000) Legislation in 1996 (House Bill 30) provided an appropriation of $25 million to the Department of Revenue to make refunds to certain taxpayers whose federal pensions were determined not to be taxable. Currently there is a balance of $287,985 in the federal retiree refund account. The Department continues to make refunds as taxpayers' claims are substantiated. The Department does not anticipate future refunds to exceed $37,985 ($287,985 – $250,000). Funds are in Budget Code 24701.	$ 250,000 (NR)
2	**State/Federal Retirees – Cost of Administration** (Center 1681, Account 8304) The Department continues to incur costs in assisting with the refunds to state and federal retirees as a result of the Bailey/Emory/Patton Lawsuit. The Department has been requesting reimbursement for costs from Womble, Carlyle, Sandridge and Rice, Attorneys at Law. The Department anticipates a request for reimbursement of expenditures to total $100,000 for Fiscal Year 1999-2000. (Budget Code 24701)	100,000 (NR)
3	**Transportation – Ground, In-State** (Center 1660, Account 2714) A reduction in travel in the Field Operations Division.	150,000
4	**Computer/Data Processing Services** (Center 1605, Account 2821) The Department anticipates a rate reduction in transactions processing by ITS (Information Technology Services) for Fiscal Year 2000-2001. Provided this reduction in rates does occur and utilization remains flat, the Department estimates savings of $200,000.	200,000
5	**Abolish Positions** (Various Centers – See Attachment) Abolish 11 positions in various divisions.	715,113
	Total Budget Reductions	**$1,415,113**
		$865,113 (R) $350,000 (NR)
	Number of Positions	(11)

Financial Services Division
May 22, 2000

North Carolina Department of Revenue
Abolishment of Positions
Fiscal Year 2000-2001

1605	Planning , Development & Technology					
15-digit Number	Position Title	Salary	Social Security	Retirement	Hospitalization	Total
4773-0000-0030-161	Computing Consultant IV	$59,000	$4,514	$6,390	$2,256	$72,160
4773-0000-0030-535	Application Analyst Programmer I	50,919	3,895	5,515	2,256	62,585
4773-0000-0030-551	Application Analyst Programmer II	57,572	4,404	6,235	2,256	70,467
4773-0000-0030-565	Application Analyst Programmer I	49,558	3,791	5,367	2,256	60,972
4773-0000-0030-405	Systems Programmer III	63,624	4,867	6,890	2,256	77,637

1607	Tax Research					
4774-0000-0040-250	Economist III	$48,500	$3,710	$5,253	$2,256	$59,719

1627	Corporate, Excise & Insurance					
4788-0000-0050-100	Tax Assistant Administrator II	$69,528	$5,319	$7,530	$2,256	$84,633

1641	Office Examination					
4781-0000-0060-382	Revenue Tax Auditor I	$40,885	$3,128	$4,428	$2,256	$50,697

1660	Field Operations					
4784-0000-0072-032	Revenue Field Auditor II	$47,691	$3,648	$5,165	$2,256	$58,760
4784-0000-0074-120	Revenue Field Audit Supervisor	46,442	3,553	5,030	2,256	57,281
4784-0000-0076-237	Revenue Field Auditor I	41,780	3,196	4,525	2,256	51,757
531461	Longevity	8,445	0	0	0	8,445

Grand Total	$583,944	$44,025	$62,328	$24,816	$715,113

Attachment 9

May 22, 2000

Attachment 10

North Carolina Department of Revenue
Recommended Changes
Fiscal Year 2000-2001

Center 1660 - Field Operations

Account 531211 - SPA - Regular Salaries - Appropriations		
Revenue Field Auditor II Grade 76	$50,616	
Revenue Field Auditor II Grade 76	50,616	
Revenue Field Auditor II Grade 76	50,616	
Revenue Field Auditor II Grade 76	50,616	
Revenue Field Auditor II Grade 76	50,616	
Revenue Field Auditor II Grade 76	50,616	
Revenue Field Auditor II Grade 76	50,616	
Revenue Field Auditor II Grade 76	50,616	
Processing Assistant IV Grade 59	24,078	
Processing Assistant IV Grade 59	24,078	
Processing Assistant IV Grade 59	24,078	
Account 531511 - Social Security Contribution - Appropriations	36,503	
Account 531521 - Reg Retirement Contribution - Appropriations	51,677	
Account 531561 - Medical Insurance Contribution - Appropriations	24,816	
Account 532714 -Transportation - Ground - In State	144,000	
Total Field Operations Costs	**$734,158**	

Center 1681 - Administrative Services

Account 532811 - Telephone Service	$3,850	
Account 533110 - General Office Supplies	13,200	
Account 534511 - Furniture-Office (Workstation and Chair)	22,000	(NR)
Account 534521 - Office Equipment	1,100	(NR)
Account 534522 - Equipment - Computers	30,000	(NR)
Total Administrative Services Costs	**$70,150**	
Grand Total	**$804,308**	
	$751,208	(R)
	$53,100	(NR)
Number of Positions	**(11)**	

Financial Services Division
May 22, 2000

AGENDA

Joint Appropriations Subcommittee
on
General Government

May 25, 2000
8:30 a.m.
Room 425

Chairman: Senator Ed Warren

Review of the Recurring Reversions for FY 1999-2000 Targeted for the Hurricane Floyd Reserve Fund

Department of Administration

Office of Administrative Hearings

Office of the State Auditor

Office of State Controller

Department of Cultural Resources

State Board of Elections

Office of the Governor

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

May 25, 2000

The Joint Appropriations Subcommittee on General Government met Thursday, May 25, 2000 at 8:30 a.m. in Room 425 of the Legislative Office Building. Five of the Senate members were present. Representatives present were: Co-Chair Jeffus, Vice Chair McLawhorn, and Barefoot, Ellis, Setzer, Sherrill and Thompson.

Senator Warren presided. He informed the Committee that various agencies would walk through the reversions asked for after Hurricane Floyd hit Eastern North Carolina. Fiscal Analyst, Michele Nelson, went through the budget for General Government. (See Attachment 1)

Kathy Crooke, Chief Fiscal Officer, presented for the Department of Administration. (Attachment 2) In response to a question from Senator Foxx regarding the reversion of building and repair dollars, Kathy said that they were not delaying items which would cost the State more at a later date. Kathy assured Representative Ellis that the only payments being delayed until next year were the utility payments, and that the weather determines how much is spent.

Julian Mann, Director, Office of Administrative Hearings, said that they took their reversions from lapsed salaries, and that that was the only way they could meet their target. He noted that those monies came from vacancies created by staff leaving for more lucrative positions, and that they are understaffed. (Attachment 3)

(Senator Warren had to leave to defend a bill, and Representative Jeffus chaired the remainder of the meeting.)

Vicky Young gave the report for the Auditor's office. (See Attachment 4)

Ed Renfrow, State Controller, presented for his agency. He said that since 1995 they have reduced their staff from 113 to 95. (See attachment 5)

Secretary McCain quoted a poem for the Committee before turning the Cultural Resources presentation over to Renne Vance. Renne said that they had no lapsed salaries at the time of the request, so all of their reversions had to come from their operating budget. (Attachment 6) She noted that they had also reverted $8 million in grant money, which when added to the $941,000 equaled 12 percent of their budget. Sandy Cooper, State Library Director, stated that they could not sustain the $77,784 reversion another year as it would be needed to match a gift from the Gates Foundation scheduled for 2001. She said that this money would be used to inter-connect all the libraries in the State.

Gary Bartlett, Director, Board of Elections, stated that they were asked to revert $87,000, which came directly out of the budget for the new system which was being implemented. He reminded the Committee that we were in a presidential election year, that we were having a runoff, and that they must complete the new system by August—in other words, it would be very difficult to revert any more money. In response to Representative Ellis' question about printing ballots, Gary said that they contracted out the printing.

Representative Jeffus noted that the Governor's Office would report next week. She announced the next meeting for Tuesday morning, May 30, at 8:30 a.m.

The meeting adjourned at 9:10 a.m.

Respectfully submitted,

Senator Ed Warren, Chair

Wilma Caldwell, Committee Clerk

Attachment 1 - Gen. Gov.
5-25-00

General Government Budget
(Millions)

2000-01 Certified Budget	$	331.6
Governor's Recomm Cuts	$	(2.2)
2000-01 Expansion	$	1.5
Expenditure Target	**$**	**330.9**
2000-01 Recomm Budget	$	332.5
Net Availability	$	(1.6)

N.C. DEPARTMENT OF ADMINISTRATION
JUNE 30, 2000 TARGETED REVERSION

TOTAL TARGETED REVERSION	**$4,282,000**

PROPOSED REDUCTIONS AS OF 5/24/00

Lapsed Salaries and Fringe Benefits	$ 1,278,000
Reserve for New Buildings (created by delay in opening new Museum)	666,871
Utilities (electrical, water, gas, etc) (delaying June payment till July) of St.	850,000
Equipment Purchases - froze budgets beg. Jan.	520,000
Veteran Scholarship Awards - Vietnam Vets phasing out	300,000
Temporary Personnel - froze	100,000
Building Repair and Maintenance -	100,000
Earned Indirect Cost	200,000
Supplies - office, janitorial, data processing (reduction in inventory stock)	100,000
Computer Technology Services - froze contractual services	80,000
Employee Travel	20,000
Misc. Unexpended Line Items	67,129
TOTAL TARGETED REVERSION	**$ 4,282,000**

Attachment 2 Rem. Doc.
5-25-00

OFFICE OF ADMINISTRATIVE HEARINGS
ANALYSIS OF REVERSIONS
FISCAL YEARS ENDED JUNE 30, 1996 THROUGH JUNE 30, 1999

	Total Reversion	Salaries	Reversion other than Salaries
Fiscal year ended June 30, 1996	51,786.81	24,097.68	27,689.13
Fiscal year ended June 30, 1997	288,055.51	252,992.98	35,062.53
Fiscal year ended June 30, 1998	147,420.72	141,483.78	5,936.94
Fiscal year ended June 30, 1999	367,767.48	285,553.46	82,214.02

Attachment 3 - Rev. Rev.
5-25-00

Attachment 4 - Den. Dav.
5-25-00

Office of the State Auditor
Reversion Relating to Hurricane Floyd
25-May-00

Lapsed Salaries	$ 425,000.00
Over-Realized Receipts	$ 382,210.00

Reversion for Hurricane Floyd	$ 807,210.00

Attachment 5 - Gen. Gov.
5-25-00

Office of the State Controller
Hurricane Floyd Reserve
B/C 14160
May 25, 2000

OSBM Hurricane Floyd Expenditure Reserve	$ 462,775
Anticipated Lapsed Salaries & Fringes	$ (462,775)

Attachment 6 - Gen. Gov.
5-25-00

DEPARTMENT OF CULTURAL RESOURCES-REPORT ON REVERSIONS TRANSFERRED TO THE HURRICANE FLOYD DISASTER RELIEF FUND

1. REVERSIONS FROM OPERATING BUDGETS

Fund #	Fund Name	Amount	
1210	Archives & History-Director's Office	$ 5,170	
1220	Historical Publications (Printing $)	$ 4,847	
1230	Archives & Records	$ 68,178	
1241	Historic Sites - Equip $	$ 184,283	
1242	Tryon Palace - Printing, travel,	$ 33,980	
1245	Maritime Museum	$ 16,404	
1330	Arts Council - Printing, travel	$ 15,884	
1410	State Library - Internet access	$ 77,784	
1500	Museum of History -	$ 74,014	
1241	Civil War Sites-Reserve	$ 345,000	nonrecurring funds
	previous FY reversions	$ 115,456	nonrecurring funds
		$ 941,000	*

The $941,000 included $460,456 in nonrecurring funds.

$ 3m for grants was also reverted.

VISITOR REGISTRATION SHEET

Gen. Gov. 5-25-00

Name of Committee Date

VISITORS:. PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jimmy Benson	OSA
Cindy Gillman	OSA
Vicky Young	OSA
Robert Wilson	Sec. of State
Carl Goodwin	OSA
Marsha Glass	DOA
Kathy Cooke	DOA
John Morgan	OSC
Gwen Canady	OSC
Ed Renfrow	OSC
Julie Mitchell	OSBM
Sandy Cooper	DCR/State Library
Donna Rosefield	DCR
Camille Winston	OAH
Julian Mann	OAH
Jim Johnson	FRD
Sonya Shandilya	Annex Winner
[illegible]	B&H
Gary Bartlett	Bd of Elections

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT MINUTES OF MEETING Tuesday, May 30, 2000 8:30 A.M.

The subcommittee met in Room 425 of the Legislative Office Building. The members attending the meeting were Representatives Wainwright, Jeffus, McLawhorn, Barefoot, Setzer, Sherrill, Ellis, Thompson and Hensley. There were six Senators in attendance.

Representative Wainwright called the meeting to order and he recognized the Pages, Whitney Atkinson and Bethany Andrews for the House, and Lee Willey, III, and Dana Jackson for the Senate. He also recognized the Sergeants at Arms, Mr. Richard Telefare and Mrs. Martha Parish, along with Staff Attorneys, Michelle Nelson and Marilyn Chisholm. The purpose of the meeting was to receive reports from the various state agencies regarding the recurring reversions targeted for the Hurricane Floyd Reserve Fund.

Mr. Marvin Dorman was recognized to speak on behalf of the Office of the Governor. Mr. Dorman stated that the Office of the Governor was not prepared to make a report at this time regarding where the final reversions within the office would be. A full report would be provided at a later date. The Hurricane Floyd Reversion Target for the Governor's Office was $148,000.

Mr. Dorman was recognized to speak on behalf of the Office of State Budget and Management. Mr. Dorman stated that the target given to the agencies was one percent more than the average for the previous five years. The Hurricane Floyd Reversion Target for the Office of State Budget and Management was $165,000. That amount would come from lapsed salaries. Please refer to Exhibit A.

Mr. Dorman also spoke on behalf of the Office of State Planning. Their Hurricane Floyd Reversion Target was $81,000. That amount would come from money that had been appropriated for county boundary surveys. There had been some delays in getting started on the surveys this fiscal year, and that amount would be reverted to the Hurricane Floyd Reserve Fund.

Mr. Mack Paul from the Office of the Lieutenant Governor was recognized to speak on behalf of that office. The Hurricane Floyd Reversion Target for the Office of the Lieutenant Governor was $13,000. That reversion would come from lapsed salaries. Please refer to Exhibit B.

Mr. Ronald Penny was recognized to speak on behalf of the Office of State Personnel. The Hurricane Floyd Reversion Target for the Office of State Personnel was $611,000. He recognized Mr. Carl Goodwin to explain the handout from their office. The Office of State Personnel had current funds to revert of $375,000. That amount would come from salaries and fringe benefits. Please refer to Exhibit C.

Muriel Offerman from the Department of Revenue was recognized to speak on behalf of that department. The Hurricane Floyd Reversion Target for the Department of Revenue was $2,217,737. That amount would come from various sources. Please refer to Exhibit D.

Representative Wainwright stated that the Rules Review Commission would make their report at another time.

Mr. Dwayne Pinkney was recognized to speak on behalf of the Office of the Secretary of State. The reversion amount for the Secretary of State was $360,864. That amount would come from various sources. Please refer to the attached Exhibit E.

That concluded the items on the agenda. A Press Release from the Department of Cultural Resources regarding the retirement of Eve R. Williamson, Executive Director of the North Carolina Museum of History Associates, Inc., was passed out to the committee. Please refer to Exhibit F. Secretary Betty Ray McCain commented on the release. Secretary McCain stated that an article had appeared in the News and Observer that bore no resemblance to the truth. Some of the committee members had not seen the article that the Secretary referred to, and Staff was asked to provide a copy of that article to the members. Rep. Wainwright stated that questions regarding the relationship of the Museum of History Associates, Inc. to the Museum of History and the Department of Cultural Resources would be addressed at another time.

The members were asked to check their e-mail messages for a possible meeting at 1:30 p.m. There being no further business before the committee, the meeting was adjourned at 9:30 a.m. The Agenda and Visitor Registration Sheet are attached hereto and made a part of the minutes.

Respectfully submitted,

Blinda Edwards, Committee Assistant

Rep. William L. Wainwright, Chair

AGENDA

Joint Appropriations Subcommittee
on
General Government

May 30, 2000
8:30 a.m.
Room 425

Chairman: Representative William Wainwright

Review of the Recurring Reversions for FY 1999-2000 Targeted for the Hurricane Floyd Reserve Fund

Office of the Governor

Office of State Budget and Management

Office of State Planning

Office of the Lieutenant Governor

Office of State Personnel

Department of Revenue

Rules Review Commission

Secretary of State

Office of State Budget and Management

Hurricane Floyd Reversion Target	$ 165,000
Source: Lapsed Salaries Reversions	$ 165,000
Estimated Reversions beyond Floyd	$ 4,700

STATE OF NORTH CAROLINA
OFFICE OF THE LIEUTENANT GOVERNOR

DENNIS A. WICKER
LIEUTENANT GOVERNOR

May 30, 2000

Ms. Michelle Nelson
Fiscal Research
North Carolina General Assembly
Raleigh, North Carolina 27601

Re: Funding for Hurricane Floyd Recovery Efforts (Memo of 9-29-99 from State Budget Officer, Marvin K. Dorman)

Dear Ms. Nelson:

Please be advised that we complied with the above referenced memo in November 1999. We were able to calculate the amount of $13,000, which came from lapsed salaries, for funding of Hurricane Floyd Recovery efforts.

During fiscal year 2000-2001, we anticipate this amount to again be available for these efforts.

If you need additional information, please let me know.

Yours truly,

Mack A. Paul, IV

Mailing Address: State Capitol • 116 West Jones Street • Raleigh, NC 27603-8006

5/30/00

Office of State Personnel

Designated Reversion for Floyd Fund	$611,000
Current Funds to revert * From salaries and fringe benefits	$375,000
Projected Fiscal Year End Reversion	$475,000

Current Operational Budget	$190,000
Current Expense Obligation * PMIS Fees	$250,000

NC Department of Revenue
Hurricane Floyd Reductions
FY 1999-2000

Fiscal Year 1999-2000

Anticipated Sources of Funding Hurricane Floyd Reductions (by Division):

Security	Center 1602 – Lapse Salaries/Benefits	$ 10,000
Personnel	Center 1603 – Lapse Salaries/Benefits	34,000
Data Capture	Center 1604 – Lapse Salaries/Benefits	25,000
PD&T	Center 1605 – Lapse Salaries/Benefits	125,000
Tax Research	Center 1607 – Lapse Salaries/Benefits	195,000
Corporate, Excise	Center 1621 – Lapse Salaries/Benefits	75,000
Personal Taxes	Center 1623 – Lapse Salaries/Benefits	10,000
Sales & Use	Center 1627 – Lapse Salaries/Benefits	25,000
Office Examination	Center 1641 – Lapse Salaries/Benefits	150,000
Office Services	Center 1643 – Lapse Salaries/Benefits	150,000
Field Operations	Center 1660 – Lapse Salaries/Benefits	1,000,000
Unauthorized Sub.	Center 1670 – Lapse Salaries/Benefits	20,000
Administrative Services	Center 1681 – Lapse Salaries/Benefits	8,000
Subtotal of Lapse Salaries/Benefits		$1,827,000
Operating Expenses		390,737
GRAND TOTAL (2.8% of Certified General Fund Budget)		**$2,217,737**

In addition to the above:

- The hurricane recovery effort required a transfer of $232,500 in monies that the Department was to receive for the health insurance benefits of its employees.

- The Department is required to return 30% in salaries and benefits from positions vacated by retirement. Through April 2000, $512,076 has been transferred from the Department's budget. This amount will exceed $600,000 by June 30, 2000.

- The Department's temporary salaries were reduced by $375,000 for budget reductions.

- The Department was required to transfer $173,000 in postage monies.

Total reductions to the Department's General Fund appropriations as originally certified by the General Assembly for Fiscal Year 1999-2000 are in excess of $3.5 million (4.4% of the Department's certified budget).

NC Department of Revenue
Hurricane Floyd Reductions (Continued)

Fiscal Year 2000-2001

- Budget reductions of $1,415,113 (1.9% of the Department's certified budget) are included in the Governor's budget recommendations for FY 2000-2001.

- An additional reduction of $2,217,737 as a continuation of the Hurricane Floyd reduction plus the reduction of $1,415,113 recommended in the Governor's budget would represent total reductions of more than $3.6 million in the Department's budget. These two reductions would be in addition to the $512,076 and $375,000 reductions already scheduled next fiscal year as a repeat of this year's reductions. These four reductions would total 6% or $4,519,926 of the Department's General Fund appropriations as certified by the General Assembly.

- If the Department were to continue the Floyd reductions from similar funding sources for Fiscal Year 2000-2001 and the recommended reductions recently presented to the subcommittee were also implemented, then the results of these four reductions of more than $4.5 million would have a severe impact on the Department's ability to meet its statutory obligations of administering the tax laws.

- A $4.5 million reduction would:

  (1) Require the Department to maintain a large number of positions vacant to generate sufficient lapse salaries. There are currently more than 65 vacancies in the agency now, due to the uncertainty of pending reductions. The more vacancies which exist, the more difficult it becomes to respond to taxpayer inquiries timely, either by telephone or by correspondence, to audit returns, to collect delinquent taxes and to process tax refunds.

  (2) Because of a lack of sufficient permanent staff in our technology areas, the Department must currently contract with outside vendors to provide analyst and programming support. Funding for contractual services from appropriations is not sufficient to meet these requirements and as a result, the Department must use lapse salaries for required services. Without

(outside) contractual services, legislative initiatives, ongoing Departmental projects (electronic commerce, etc.) and maintenance of operating systems, networks and programs will be substantially affected in an adverse manner.

(3) This tax season the Department has been unable to recruit and hire sufficient temporary staff because of a low hourly wage and low unemployment in Wake and surrounding counties. Lapse salaries will be more critical next fiscal year to help address paying a more competitive higher wage to attract sufficient temporaries to assist in getting monies deposited and refunds processed.

(4) Overtime pay to permanent and temporary employees are paid from lapse salaries when appropriated funds are exhausted.

- If additional reductions to the Department's budget are made from lapse salaries, the effect will be the same as abolishing positions. The 55 (current) General Fund vacancies in the agency total only $1.9 million with benefits. Using lapse salaries, abolishing positions, reducing postage, not printing forms, reducing the maintenance we should pay on equipment, etc., to continue Floyd reductions will only serve to further diminish the Department's ability to perform its required and expected duties. Taxpayers <u>deserve more</u> for their required contributions to the State's tax system.

Secretary of State Mandatory Reversions - FY 1999-2000 - $360,864

Account	Amount	
1110-531211	27,000	
1110-531221	7,000	
1110-531511	10,000	
1110-531521	8,000	
1120-531221	900	
1120-531311	1,400	
1120-531511	600	
1210-531311	1,400	
1210-531511	5,000	
1210-531521	6,000	
1210-531561	1,000	
1220-531211	5,000	
1220-531221	2,000	
1220-531311	264	
1220-531511	2,500	
1220-531521	3,600	
1220-531561	3,600	
1230-531211	16,600	
1230-531311	200	
1230-531511	4,600	
1230-531521	4,300	
1230-531561	4,700	
1300-531211	3,000	
1300-531311	1,400	
1300-531511	500	
1300-531521	800	
1600-531212	14,000	
1600-531512	2,000	
1600-531522	2,000	
1600-531562	1,500	
Subtotal	140,864	(Lapsed salaries & fringes)
1210-532821	50,000	(Computer/DP Services)
1240-532850	20,000	(Printing-Directory of Business Licenses & Permits)
1600-435100	150,000	(Overrealized receipts - Charitable Fundraising Program)
Total	360,864	

James B. Hunt, Jr., Governor

Betty Ray McCain, Secretary

North Carolina
Department of Cultural Resources

Release: Immediately

Date: May 26, 2000

Contact: Jackie Ogburn 919-733-5722

Museum Associates Director Retires

Eve R. Williamson, for 22 years the Executive Director of the North Carolina Museum of History Associates, Inc. has announced her retirement.

"Eve has been talking about the possibility of at least cutting back her involvement for well over a year with a number of her close friends on the Board." said Betsy Carr, incoming President of the Associates. "But in truth, I never imagined the day would actually come when she'd leave altogether."

Mrs. Williamson is generally credited with the lion's share of the success in building the Associates into the formidable support group it has become. "Our 15,000 members statewide," said Mrs. Carr, "are right behind the Smithsonian and the Minnesota Historical Society in size among all history museums in the country."

"It simply is time," said Mrs. Williamson. "Time to slow down -- it' been around-the-clock more often than not these past 20 plus years. It's so I can spend more time with my now retired husband, Bob, and with my grandchildren, and exploring my other interests. And the timing seems just right. A new millennium, a new slate of officers and we're coming off one of the most successful years we've ever had. Time for the Associates to tap into some new thinking."

The Associates recently made news when it came to light there is an ongoing investigation into alleged embezzlement of Associates' funds by a former staff member. "That investigation is still on-going," said Mrs. Carr, "and is in the hands of the District Attorney's office. Period. That event has absolutely nothing to do with Eve's departure. Indeed it was Eve's diligence and that of her staff that uncovered the bookkeeping irregularities to begin with."

"In that matter as in all her other activities over the years, she's demonstrated a steady hand, extraordinary energy and great, great purpose. I have asked Eve to consider serving on the statewide Board of Directors beginning in July, so that we can benefit from her years of experience."

Janice C. Williams, Interim Director of the museum, said, " I have had the opportunity to know and work with Eve for 22 years and have witnessed the growth and success of the Associates that came from her energy, creativity and commitment to the North Carolina Museum of History."

Cultural Resources Secretary Betty Ray McCain said, "I have worked with Eve for 22 years for the benefit of the museum. It's been a wonderful experience; we value her competence, integrity and friendship. She will be sorely missed."

# # #

Office of Public Affairs
109 E. Jones Street, 4604 MSC
Raleigh, NC 276999-4604
(919) 733-5722 FAX (919) 733-1620

Mary Cook
Director

VISITOR REGISTRATION SHEET

Gen Gov. 5-30-2000

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
J. W. Reel	OSBM
Jim Newell	OSBM
Ben McLaughlin	OSC
Robert Wilson	S.O.S
Ann K. Harris	SOS
Bruce [illegible]	"
Scott Templeton	Sec State
Keith McCoachman	DOR
Sona Shandilya	NCAADV
David zum Brunnen	NCTC
Muriel Offerman	DOR
Mike Hodgson	"
Randy Barnes	DOR
Charlene Dawkins	SOS
[illegible]	SOS
Dwayne Pinkney	SOS
Mary Regan	DCR / Arts Council
Renée Vance	DCR
Donna Rosefield	DCR
Sandy [illegible]	DCR / State Library
Mack Paul	Office of Lt Gov.
Simmie Kastner	NCTC / Burning Coal Theatre Co
Jean Carroll	DOA / NCCFW
Marthan Glass	DOA
Jim White	ARTS North Carolina
Celia Cox	Rules Review Commission
Byron K. Harris	OSBM
Marvin Donnan	OSBM
John Donnan	OSPL

JOINT APPROPRIATIONS SUBCOMMITTEE
ON GENERAL GOVERNMENT
MINUTES
Tuesday, May 30, 2000
4:00 P. M.

A Joint Subcommittee meeting was called for Tuesday, May 30, 2000. A quorum was not possible for this meeting and the meeting was cancelled until Wednesday, May 31, 2000 at 8:30 a.m.

Respectfully submitted,

Blinda Edwards, Committee Assistant

Representative William L. Wainwright, Chair

Representative Maggie Jeffus, Chair

AGENDA

Joint Appropriations Subcommittee
on
General Government

May 30, 2000
4:00 p.m.
Room 425

Chairman: Representative William Wainwright

Agency Expansion Item Requests

and

Continued Reductions in FY 2000-2001 from Funds Targeted for the Hurricane Floyd Reserve

AGENDA

Joint Appropriations Subcommittee
on
General Government

May 31, 2000
8:30 a.m.
Room 425

Chairman: Senator Ed Warren

Agency Expansion Item Requests
and
Continued Reductions in FY 2000-2001 from Funds Targeted for the Hurricane Floyd Reserve

Department of Administration

Office of Administrative Hearings

Office of the State Auditor

Office of State Controller

Department of Cultural Resources

State Board of Elections

Office of the Governor

Office of State Budget and Management

Office of State Planning

Office of State Personnel

Department of Revenue

Rules Review Commission

Secretary of State

JOINT APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

May 31, 2000

The Joint Appropriations Subcommittee on General Government met Tuesday, May 31, 2000 at 8:30 a.m. in Room 425 of the Legislative Office Building. Three of the Senate members were present. Representatives present were: Co-Chairs Jeffus and Wainwright, Vice Chair McLawhorn, Barefoot, Ellis, Setzer, and Sherrill.

Senator Warren chaired the meeting.. The Departments were asked to present their expansion item requests and their continued reductions in FY 2000-2001 from funds targeted for the Hurricane Floyd Reserve.

Administration: No expansion requested. Have offered lapsed salaries and fringe benefits as reductions. Do not know what amount that will be. Presented by Secretary Katie Dorsett.

Administrative Hearings: No expansion requested. No more deductions available. Presented by Julian Mann, III, Director and Chief Law Judge.

Auditor: There are two bills coming out of the Information Technology Committee with expansion items. They have offered up lapsed salaries and over-realized receipts as reductions. Amount unknown. Presented by Auditor Ralph Campbell, Jr.

State Controller: No expansion requested. They would like to offer up 80 to 100 percent of negative reserves. Presented by Gwen Canady, Chief Deputy.

Cultural Resources: Asked for $260,000 for operating support for the Arts Council. (See attachment 1) They offered up $100,000. The cut would be distributed among their biggest divisions in the department. (Attachment 2). Secretary McCain said the money for the salvage of the Queen Anne's Revenge was really needed. Presented by Secretary McCain, Renee Vance, Business Officer and Mary Regan, Director of Administration.

Board of Elections: No expansion requested. No additional reductions. Presented by Gary Bartlett, Director.

Governor's Office: No expansion requested. Expect to offer up $4,700 in lapsed salaries. Presented by Marvin Dorman, State Budget Officer.

State Planning: No expansion requested. No deductions offered up. Presented by John Dorman, Deputy Director.

State Personnel: No expansion requested. Most of their reversions came from lapsed salaries which occurred from vacancies they hope to fill. Cannot determine amount available for reversion. Presented by Carl Goodwin, Director, Employee Risk Control Services.

Rules Review Commission: No expansion requested. Reductions of approximately $43,026 were offered up. (Will not know exact figures until end of fiscal year.) See Attachment 3 for budget reductions and Attachment 4 for the history of the NC Board of Pharmacy v. NC Rules Review Commission et al suit. Which is estimated to cost between $235,000 and $285,000 in attorneys' fees.) The Labor Department is also bringing suit against them on the ergonomics issue, which will address similar legal matters. Therefore, the attorneys' fees should not be quite as much for it. The Attorney General's Office is not representing them in this case because they have taken a stand against Rules. Presented by Joe DeLuca, Staff Director Counsel.

Representative Ellis expressed dismay that one State agency was suing another, and that the tax payers were paying for it. In response to Senator Kinnaird's question about the out-of-state travel items, Mr. DeLuca said that that was for attending conferences, and he noted that much of that was not used. (See Attachment 3)

Secretary of State: Asking for 8 positions in their Corporate Division to handle increased work load. This Division generated $6,000,000 by April of 1999 and $8,000,000 in 2000 for an increase of $2,000,000—which was a good return on investment, and which takes people to process and examine the volume of documents involved, Mr. Pinkney said. No reductions were offered up. Presented by Dwayne Pinkney, Deputy of Administration..

In response to Representative Sherrill's query about delay in getting corporate papers processed, Secretary Marshall said that they were inundated with applications in December, and that they are short on staff. She noted that they are now borrowing 6 people from another section, which decreased productivity in that section. She also pointed out that the law changed and computer programs had to be changed in the middle of December (their busiest month), there was the big snow in January, and they moved in April.

Treasurer's Office: Three expansion items: 1) NuCor software; 2) Upgrade in computer payroll system; and 3) Technology Committee item. No reductions offered up. Presenter Charles Heatherly, Director of Administrative Services Division, reminded the Committee that their entire budget was receipt supported.

General Assembly: No expansion items. Offered up $200,000 to $300,000 from their reserves. Presenter George Hall, Legislative Services Officer, cautioned the Committee about holding special sessions if they used these reserves. He noted that the special session to address the child insurance issue cost $2.5 million.

Senator Warren asked Mr. Hall about the status of a legislative exercise room. We just offered it up as a deduction, Mr. Hall responded.

Senator Warren announced that the House would meet at 1:30 p.m. to discuss individual bills.

The meeting adjourned at 9:15 a.m.

Respectfully submitted,

Senator Ed Warren, Chair

Wilma Caldwell, Committee Clerk

Attachment 1. (5-31-00)

North Carolina Arts Council

Department of Cultural Resources

Raleigh, NC 27601-2807

$2 Million Non-Recurring Appropriation for FY 99 - 00

Grassroots Arts Program	$ 800,000
Primary Arts Programs	600,000
Rural Arts Programs	400,000
Cultural Tourism	200,000
	$2,000,000

NORTH CAROLINA ARTS COUNCIL
FY 2000-2001 EXPANSION BUDGET
OPERATING SUPPORT

532140	Systems Imp & Integration	22,150
532192	Honorariums	18,000
532199	Contracted Services	35,240
5327XX	Staff Travel	49,000
5327XX	Board Travel	13,000
532821	Data Processing Service	24,480
532840	Postage	37,500
532850	Printing	28,250
533XXX	Supplies	4,100
532490	Maintenance Agreement	650
532911	Property Insurance	160
532942	Employee Educ. Expense	970
534511	Office Equipment	650
534522	Computer Equipment	7,000
534710	Software	7,000
535830	Subscriptions and Dues	11,850
	Operating Support Total:	**260,000**

Attachment 2 (5-31)

Department of Cultural Resources

The Department of Cultural Resources proposes a **$100,000 budget cut for fiscal year 2000-2001.** The cut would be distributed among our biggest divisions in the department.

We believe this is a fair reduction due to the cuts the department sustained during the current fiscal year. We desperately need to maintain all the funds we can for the next fiscal year's budget or else we will have to adopt the plan, **"SDS": Stop Doing Stuff**.

We began the current fiscal year with **$349,540** in budget reductions enacted by the 1999 session of the General Assembly.

Then, during the fiscal year, there were the following budget reductions:

- **$ 56,963** in postage savings transferred to the Mail Service Center.
  We will transfer **$70,236** in postage funds next fiscal year.
- **$73,052** thus far for the 30% reduction of budgeted salaries of retiring employees.
- **$136,000** reduction in health benefits budget.
- **$442,530** reduction in retirement contribution budget.

Our Hurricane Floyd reversion from our operating budget was **$941,000**, which we transferred to the Disaster Relief Fund in November, 1999. Over $460,000 of this amount was nonrecurring money.

We were one of the first agencies to transfer our required reduction in total to this fund. We were happy to transfer these funds to begin to immediately assist victims of the flood.
We also transferred nearly **$8 million** in grant money to the Disaster Relief Fund.
In total, the department transferred **12% of our operating budget** to Hurricane Floyd relief efforts.

We also transferred over **$5 million** in our Capital Projects budget to the Disaster Relief Fund.

The department sustained many reductions in the current fiscal year and we were hoping to regroup in fiscal year 2000-2001. We appreciate your assistance in this effort to maintain our operating budget and our current staffing levels to serve the public.

Summary of Fiscal Year 1999-2000 DCR Budget Reductions:

Hurricane Floyd Reversions/Reductions: $14,002,704

Other Reductions/Reversions: $1,058,085

Attachment 3 (5-31-00)

Rules Review Commission Budget Reductions

Attached are the anticipated reductions in the 1999-2000 budget of the North Carolina Rules Review Commission as dictated by the necessity to provide funds for the Hurricane Floyd recovery effort. The actual figures, including reversions not mandated by OSBM, won't be determined until the close of the fiscal year. But these figures are expected to be quite close.

Also attached are suggestions by the RRC for reductions in the 2000-2001 budget. Some further explanation and requests are in order as far as this page goes.

Historically, the RRC has reverted a high percentage of its budget. This was largely from lapsed salaries. But this was because of a unique situation involving two highly skilled employees in a four employee agency. Both worked part-time schedules although their positions were fully funded.

The first, our administrative assistant, retired prior to the reductions but after five years of lapses of portions of her salary allotments. Her position was filled by another state employee experienced in the position, earning less, who agreed to a lateral transfer for no salary increase only because the position seemed more challenging. Of course she came over on a full-time basis. At the time this did not present any problem. In fact, our budget could be reduced, normally a praiseworthy goal. But the next fiscal year soon presented Hurricane Floyd and we were called on to return, in a sense, part of her salary. We did this even though we had to find the money to pay her from other parts of the budget. (Some of the money came from the difference between the higher paid and budgeted-for retired employee and the new employee. And some of this is still available in this coming year's budget.)

The other situation presents even more of a problem. For many years Sandy Webster has done the same secretarial work involving administrative rules. First she worked for the legislature when administrative rules were under legislative committee review. Later, in 1989, after the RRC was created (1986), she came to work for us. She is the only person in the state who has the knowledge of the job and the process, the agency contacts, and the administrative and secretarial abilities to do the full time job of organizing and putting out the monthly materials on a part-time basis...the only one. And like the administrative assistant's position, her position was fully funded. Unlike the A.A. position, she was working so few hours that we were reverting a large amount in unused benefits each year. Before the call for reductions was sent out, she had announced her retirement from state government effective the early part of the year. When she realized we would not be able to fill the position with the funds that would be left and get the work out, she volunteered to stay through the fiscal year.

We had already begun to fill Ms. Webster's position, on a full-time basis of course, before the latest reduction request was made last week. That is now on hold,

waiting to see what happens in the budget process. (Her retirement however, is not on hold; it comes the end of June, ready or not.) We cannot offer the position to our candidate, have him or her resign a job, and then say, "Oops, we goofed; we don't have the money we said we had."

RRC Proposal

The second attached page shows a projected RRC budget with the original budget set out along with a second column, the "Floyd Reduction" column. The total of those reductions is almost $40,000. When you add in the amount that this budget is ALREADY REDUCED from the 1999-2000 original budget, you arrive at $43,026, over 80% of the amount of the original "Floyd Reduction." That is the most that we can reasonably propose and continue to function with a plan. Beyond that, I don't have a good idea of what will happen. Maybe it will work. Or maybe the agency ends up with its $49.95 answering machine taking ALL the calls.

That figure includes $8,540+ that we will cross our fingers and hope we might be able to save on a replacement for Ms. Webster. The rest will come from someplace ... perhaps another year of being (the only?) state agency whose employees don't have email access ... we will accept that the state mandate to make its agencies and their material internet accessible does not apply to us ... and we will continue to do our job.

One relief that we request is that you do not reduce our Personal Services (531XXX) component as much as indicated. Although we might find that we can hire a replacement secretary within the reduced budget, we would ask that this not be imposed. We do not have any room to move money from one position to another; this is the only fund available for this position. We have reverted large amounts in the past. We ask for you to reward our prior good faith and conscientious stewardship of its citizens' moneys by not penalizing us in our search for one good employee. Please leave us with only half of our proposed reduction in the Personal Services area and we will find the rest of the reductions as set out for 2000-2001.

Sincerely,

Joseph J. DeLuca Jr.

Joe DeLuca
Staff Director
N.C. Rules Review Commission

Account	Description	1999-2000 Original Budget	Floyd Reduction	% of Red.
531211	SPA-Reg Salaries	198520.00	17800.00	
531461	EPA&SPA Longevity	3311.00		
531511	Social Security contrib.	15522.00	2100.00	
531521	Reg Retirement contrib.	18170.00	3600.00	
531561	Med Ins. Contrib.	7724.00	200.00	
531651	Board Member Compens.	26000.00	6600.00	
531XXX	**Personal Services**	**269247.00**	**30300.00**	**11.25%**
532430	Maint Agreement - Equip	1038.00		
532512	Rent/Lease -Office Bldg	17344.00	1600.00	
532524	Rent/Lease -Office Equip	500.00		
532712	Trans Air - Out State	1500.00	1300.00	
532714	Trans Grnd - In State	250.00	200.00	
532715	Trans Grnd Out State	200.00	200.00	
532717	Trans Other - In State	20.00		
532722	Lodging Out State	1500.00	900	
532724	Meals In State	50.00		
532725	Meals Out State	400.00	300.00	
532731	Bd/Non-Employee Trans	7000.00	1700.00	
532732	Bd/Non-Employee Subsis	1830.00	400.00	
532811	Telephone	3454.00	1700.00	
532821	Computer/Data Process	5000.00	4800.00	
532840	Postage, Freight & Deliv	1500.00	1000.00	
532850	Print, Bind, Duplicate	1625.00	100.00	
532930	Registration Fees	400.00		
532942	Other Emp Educational Ex	600.00	600.00	
532XXX	**Purchased Services**	**44211.00**	**14800.00**	**33.48%**
533110	General Office Supplies	1650.00	250	
533120	Data Processing Supplies	401.00	150.00	
533XXX	**Supplies**	**2051.00**	**400.00**	**19.50%**
534511	Furn-Office	833.00	833.00	
534521	Office Equipment	1000.00	1000.00	
534522	Equip-Computers	11060.00	3385.00	
534630	Library & Learning	3570.00	0.00	
534710	Computer Software	1000.00	1000.00	
534XXX	**Property, Plant & Equipment**	**17463.00**	**6218.00**	**35.61%**
535830	Membership Dues & Subscr	350.00	90.00	
535890	Other Admin Expense	210.00	35.00	
535XXX	**Other Expenses & Adjust**	**560.00**	**125.00**	**22.32%**
538010	Dependent Care	400.00	140.00	
538XXX	**Intragovernmental Trans**	**400.00**	**140.00**	**35.00%**
	TOTALS FOR 1999-2000	**333932.00**	**51983.00**	**15.57%**

Changes identified

Account	Description	2000-2001 Original Budget	Floyd Reduction	% of Red.
531211	SPA-Reg Salaries	198073.00	8540.00	
531461	EPA&SPA Longevity	3311.00		
531511	Social Security contrib.	15487.00	1300.00	
531521	Reg Retirement contrib.	21813.00	6500.00	
531561	Med Ins. Contrib.	9024.00		
531651	Board Member Compens.	26000.00	2000.00	
531XXX	**Personal Services**	**273708.00**	**18340.00**	**6.70%**
532430	Maint Agreement - Equip	1022.00		
532512	Rent/Lease -Office Bldg	17360.00	1600.00	
532524	Rent/Lease -Office Equip	500.00	60.00	
532712	Trans Air - Out State	1500.00	1500.00	
532714	Trans Grnd - In State	250.00	250.00	
532715	Trans Grnd Out State	200.00	200.00	
532722	Lodging Out State	1500.00	760.00	
532724	Meals In State	50.00	50.00	
532725	Meals Out State	420.00	350.00	
532731	Bd/Non-Employee Trans	7000.00	1700.00	
532732	Bd/Non-Employee Subsis	1400.00		
532811	Telephone	3454.00	1700.00	
532821	Computer/Data Process	1604.00	1400.00	
532840	Postage, Freight & Deliv	1500.00	1000.00	
532850	Print, Bind, Duplicate	1300.00		
532930	Registration Fees	1575.00	1000.00	
532942	Other Emp Educational Ex	600.00	600.00	
532XXX	**Purchased Services**	**41235.00**	**12170.00**	**29.51%**
533110	General Office Supplies	1400.00		
533120	Data Processing Supplies	100.00		
533XXX	**Supplies**	**1500.00**		
534511	Furn-Office	833.00	833.00	
534521	Office Equipment	1000.00	1000.00	
534522	Equip-Computers	6740.00	6740.00	
534630	Library & Learning	3400.00		
534710	Computer Software	1000.00	1000.00	
534XXX	**Property, Plant & Equipment**	**12973.00**	**8740.00**	**67.37%**
535830	Membership Dues & Subscr	350.00	90.00	
535890	Other Admin Expense	210.00	10.00	
535XXX	**Other Expenses & Adjust**	**560.00**	**100.00**	**17.86%**
538010	Dependent Care	400.00	120.00	
538XXX	**Intragovernmental Trans**	**400.00**	**120.00**	**30.00%**
	TOTALS FOR 2000-2001	**330376.00**	**39470.00**	**11.95%**
	1999 -2000 BUDGET	333932.00		
	DIFFERENCE	**-3556.00**	3556.00	
			43026.00	
	Hurricane Floyd Reduction	**51983.00**	[redacted]	

Attachment 4 (5-31-00)

N.C. Board of Pharmacy v. N.C. Rules Review Commission et al
(Wake County Superior Court)
(99 CvS 06558)

What follows is a brief history of the origin of this lawsuit and the issues involved:

The Pharmacy Board has proposed a rule that forbids pharmacies from requiring pharmacists to work more than certain shift hours. That rule was sent to us for consideration at our December meeting of last year. The RRC objected to the rule primarily based on lack of authority. Since the rule was binding on the pharmacies, and not the pharmacists, the RRC looked to the Board's authority to regulate the stores themselves. The RRC felt that although there is some limited rulemaking authority over the pharmacies, that it was not sufficient authority to allow the Board to adopt this rule.

The Board then asked us to issue a declaratory ruling on exactly what kind and how much authority the Board did possess over pharmacies. The Commission refused to issue a ruling on this matter. It did not feel that it would be good policy for the Commission to begin giving declaratory rulings as a matter of policy. More to the point in this particular case it did not see how it could give a meaningful ruling that would be helpful to the agency and yet not bind the RRC in ways that could not be accurately anticipated and dealt with in the ruling.

It is my understanding that in the course of all this the Board attempted to amend their practice act so as to specify that the Board did have the authority they claimed over pharmacies. (The Board does not concede that the RRC is correct and that they do not have such authority at present. What they sought, as I understand it, was "clarifying" language about their authority.) The RRC Commissioners, in the course of the debate over this rule, had indicated that they were not making a policy judgment about the wisdom of this rule. In fact, I believe that if specific authority were found within their practice act, my Commission would have approved the rule, even though there were opponents arguing against it for reasons other than lack of authority.

The legislature did not give the Board any additional or clarifying authority (although proposed legislation is still pending before the 2000 session) and the RRC did not change its mind about the rule. So the Pharmacy Board instituted a lawsuit against the Commissioners (in their official capacity) in June. The Board has six claims. It asks the court to declare certain portions of the Administrative Procedure Act (APA) unconstitutional. Those portions include the RRC's "power to prevent an agency from implementing a rule that is not approved by the RRC," and the portion that it claims "permits the General Assembly to exercise its legislative powers ... without enacting a bill...." The Board also asks the court to declare the changes unconstitutional in that it

takes too long to make a rule efffective and that it gives a single member of the General Assembly the ability to bring about an "inordinate and unreasonable delay in the effective date of ... a rule" by simply filing a bill to disapprove the rule.

The complaint goes on to ask the court to declare that the board has the authority to enact the rule (21 NCAC 46 .2506) they adopted and that the rule is reasonably necessary. It goes beyond that and asks the court to declare that the Board has (presumably broad) authority to regulate pharmacies as well as pharmacists. It asks the court to order the RRC to remove its objection to .2506. Finally, it petitions the court for judicial review of the RRC's denial of the Board's Petition (to the RRC) for a Declaratory Ruling and an outcome favorable to the Board in that petition.

This suit is much more likely to progress than the previous one. First of all it is procedurally in a much better situation. In the previous suit the plaintiffs were not a party before the RRC and the Commission actually approved the rule in question. Second this suit's underlying problem is less likely to get settled since they do not appear confident of getting the action they desire from the legislature.

Gen Gov

VISITOR REGISTRATION SHEET

~~HOUSE TECHNOLOGY COMMITTEE MEETING~~ ~~July 8, 1999~~ May 31 - 2000

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ralph Campbell Jr	OSA
Vicky Young	OSA
WES Taylor	NCGA
E. Robinson	G.A.
G. Hall	G.A.
Gary O. Bartlett	SBoE
Sona Shandilya	NCCADV
ROBERT POWELL	OSBM
CRAIG BARFIELD	TREASURER
STEVE ALBRIGHT	"
Charles Heatherly	DST
Jim Johnson	FRD
Cheri Myers	SOS
Charlene Dawkins	SOS
Bruce Garner	SOS
Dwayne Pinkney	SOS
Scott Templeton	Sec State
Carlton Myrick	DOA
Katie Dorsett	DOA
Kelly Crooks	DOA
Martha Glass	DOA
Celia S. Cox	RRC
JOE DELUCA	RRC
Jim Nowell	OSBM
Carl Goodwin	OSP
Marvin Dorman	OSBM
Anita Francis	OSBM
John Donnen	OSPL

1:30 P.M.

VISITOR REGISTRATION SHEET

APPROPRIATIONS Subcommittee on General Government 5/31 2000 ~~, 1999~~

Name of Committee | Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jim Newman	Insurance
Shila McKenney	Insurance
Sona Shandilya	NCCADV
Willie Riddick	Revenue
Mike Hodges	"
Keith McCormick	DOR
John Morgan	OSC
Danny McGuire	Commerce/ITS/IRM
J. Golden Godan	ARTS NC

APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 31, 2000
1:30 p.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Wednesday, May 31, 2000, at 1:30 p.m. in room 425 of the Legislative Office Building. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, Daniel Barefoot, Sam Ellis, Bob Hensley, Mitchell Setzer, Wilma Sherrill, and Greg Thompson.

Representative William Wainwright called the meeting to order and introduced the pages for the committee, Ashley Burleston and Elizabeth Dunn from Rowan County and sponsored by Representative Eugene McCombs

Representative Wainwright stated that it is the intent of the committee to hear a very brief explanation of the bills that will be presented by the sponsors. After the bills have been heard, the members of the committee should rank these bills according to a ranking system of one, two, or three with one being the highest. We realize that all of these ideas and projects are good and noble ideas but we do not have enough money to fund all of these. Representative Wainwright requested that the bill sponsors be as brief as possible with their explanations.

House Bill 1512, AN ACT TO APPROPRIATE FUNDS FOR THE EDUCATION CENTER AT THE CONTEMPORARY ART MUSEUM IN THE CITY OF RALEIGH (See Attachment 1)

Representative Jennifer Weiss stated that they are asking for $500,000 from the General Fund to go to the Contemporary Art Museum. This money is to be used for the Education Center that would house the Art Institute for Educators. It will serve the needs of art educators statewide, contain a preschool with a visual art focus for children from Wake County, and conduct educational programs designed for middle and high school students from across the state.

Representative Ellis asked if the City of Raleigh and the Wake County Commissioners had endorsed this request? Representative Weiss called on Ms. Ruth Cook, lobbyist with Capital City art Gallery Association, Inc., to respond. She stated that there is some operating money that goes to the Art Museum but have not brought it to the attention of the city. They are trying to get some money from the hotel tax and that decision has not been made.

House Bill 1533, AN ACT TO APPROPRIATE FUNDS TO THE DIVISION OF VETERANS AFFAIRS TO FUND THE VOLUNTARY CONTRIBUTION OF THE STATE OF NORTH CAROLINA TOWARD THE CONSTRUCTION OF THE NATIONAL WORLD WAR II MEMORIAL IN WASHINGTON, D. C. (See Attachment 2)

Representative Zeno L. Edwards, Jr. and Representative Larry Justice are the sponsors of the legislation. Representative Edwards stated that there is no World War II Memorial in Washington, D. C. It is suggested that it be placed between the Lincoln Memorial and the Washington Monument and will cost $100,000,000 in donated funds. Each state has been asked to contribute one dollar for every man and woman who served in World War II. In North Carolina that is 392,000. Twenty-one states have already passed such legislation. Representative Edwards believes that it is appropriate that this be considered today during the week of Memorial Day. Representative Justice reminded the committee that over the years that North Carolina has been slack in supporting their veterans and this is a find opportunity to make up for what has not been done in past years. Representative Ellis spoke in favor of the bill.

House Bill 1649, AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO SUPPORT THE JOHN MOTLEY MOREHEAD MEMORIAL COMMISSION (See Attachment 3)

Representative Joanne Bowie and Representative Jeffus are primary sponsors. Representative Jeffus stated that the money would support the John Motley Morehead Memorial Commission to preserve Blandwood Mansion. Blandwood has statewide implications. It was named a National Historic Landmark in 1988 by the National Park Services and is the only National Historic Landmark in Greensboro and in Guilford County. It is one of only thirty-three in North Carolina. The renowned architect Alexander Jackson Davis designed it in 1844 for then Governor John Motley Morehead. Mr. Davis also was the initial designer of the Capitol Building in Raleigh. Blandwood is the oldest standing example of the Italian Villa style of architecture in the United States and is owned by the John Motley Morehead Memorial Commission, which was created by the General Assembly in 1959. The purpose of the Morehead Commission is to establish a memorial at Blandwood to one of North Carolina's more forward thinking governors, John Motley Morehead. The Morehead Commission has never been funded and has no staff. Blandwood is maintained entirely through grants and donation from local citizens to Preservation Greensboro, Inc. Representative Bowie stated that the persons in the community are really trying to do their best and through the Blandwood Ball had raised over $300,000 but most of this went towards expenses. They are really trying to be self-sustaining but do need some help from the state.

House Bill 1655, AN ACT TO APPROPRIATE FUNDS FOR DOMESTIC VIOLENCE PROGRAMS. (See Attachment 4)

The sponsor of the bill, Representative E. David Redwine, was unable to be present. Representative Wainwright stated that all of us know the importance and need of this fund. The General Assembly has annually appropriated funds to assist the domestic violence programs for the North Carolina Council for Women for non-recurring appropriation of four million seven hundred forty thousand dollars and allocate the funds for domestic violence program to the North Carolina Coalition Against Domestic Violence, Inc.

House Bill 1661, AN ACT TO APPROPRIATE FUNDS FOR THE AID TO PUBLIC LIBRARIES FUND (See Attachment 5)

The primary sponsors of this legislation are Representative Jeffus and Representative Wainwright. Representative Jeffus stated that the current appropriation is $14.9 million for 1999-2000. The fund was at its highest level ever in 1998-99 ($16.9 million); however, the $2 million was non-recurring money that was not appropriated last year. The libraries' goal is to reach $25 million to take care of needs across the state. She stated that the libraries provide something for everyone. She is aware that money is very tight but she wanted everyone to know that this is what is needed. Representative Jeffus stated that it's an extension of education because it does serve the school children after school.

House Bill 1664, AN ACT TO APPROPRIATE FUNDS TO BLADEN COUNTY FOR PRESERVATION OF HISTORIC BUILDINGS IN THE COUNTY (See Attachment 6)

Representative Edd Nye is the sponsor of this bill but is unable to be present. Representative Wainwright stated that this bill would appropriate $100,000 to Bladen County for the preservation of three historic buildings including the East Arcadia Multipurpose Building, Bladenboro Historical Building, and Clarkton Depot Building.

House Bill 1718, AN ACT TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER (See Attachment 7)

Representative Ronnie Sutton stated that this bill is for $100,000 for the North Carolina Indian Cultural Center, Inc., in Robeson County. Representative Sutton advised that a quarter million dollars was in last year's budget, but when the storm came, the governor took the entire amount. At this point, they are in desperate need of money and he requested the full $100,000 to be used for the administration and operating expenses.

House Bill 1719, AN ACT TO APPROPRIATE FUNDS FOR THE LUMBEE TRIBE SELF-DETERMINATION COMMISSION (See Attachment 8)

Representative Ronnie Sutton stated that for ranking purposes, he says this one has higher priority. There has been an ongoing battle for the leadership for the Lumbee people for a number of years. We have two elected bodies and both are vying to be the leadership of the Lumbee people. It reached a climax when one group against the other

filed a lawsuit. The lawsuit is before Superior Court Judge Howard E. Manning to resolve the issue. He now has court control over the situation and has appointed a thirty-nine-member commission to resolve the issue of who is going to be the governing body of the Lumbee people. Unfortunately, the governor did not have any money but he appointed the commission and they in the process of doing some things. Representative Sutton was able to get them $10,000 through Secretary Dorsett's office. They are about seventy percent through their administrative process but they have a survey that they have to complete and an election to conduct and they desperately need this money. The election has been set to be in coordination with the general election November 7 and after that the Judge will decree who will the leadership of the Lumbee people are. The requirement is that there be a thirty percent voter participation. Lumbee Indians are all over this country and they will have to be contacted to survey and petition and also vote by absentee vote. There is no reimbursement for travels or salaries but lots of postage and other expenses. Representative Sutton believes this is a high priority request.

House Bill 1745, AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA HUMANITIES COUNCIL (See Attachment 9)

The Primary sponsors of this legislation are Representatives Maggie Jeffus and William Wainwright. Rep. Wainwright stated that appropriating this money would provide a statewide service by having a better-informed North Carolinians and stronger communities. With a $100,000 appropriation from the North Carolina General Assembly, the North Carolina Humanities Council will be able to increase grants funds available to local communities by fifty percent, to allocate funds for technical assistance for local humanities organizations, and to increase programs services in under-served regions of the state. No other organization in North Carolina has the mission to bring free public humanities programs to its citizens. Every dollar that is awarded to local sponsors is matched with in-kind contributions. North Carolina Humanities programs foster a better understanding of the changing faces of North Carolina, while preserving the culture and heritage that have made our State unique. Thousands of North Carolinians participate actively in these programs each year. By the General Assembly appropriating $100,000, it allows the North Carolina Humanities Council to do the following as far as participation (1998 figures): Community-initiated projects - 32,709 people, Humanities forum - 2,035 people, Literacy connections - 11,845 people, N. C. Crossroads - 55,000 people, Teachers' institutes - 3, 050 people, Let's Talk About It - 1,626 people, and in Radio/media projects - 700,000 people served. Traditionally on an annual basis, the North Carolina General Assembly has provided $100,000 appropriations to the North Carolina Humanities Council.

House Bill 1776, AN ACT TO APPROPRIATE FUNDS TO SAMPSON COUNTY TO RELOCATE THE CLAUDE MOORE CABIN MUSEUMS (See Attachment 10)

Representative Nurham Warwick, sponsor of the bill, was recognized to present the legislation to the members. The bill calls for $150,00 for the relocating the Claude Moore Cabin Museum in Sampson County, Faison, North Carolina. This project is supported by a cross-section of all the people in Sampson County. The title and the

writing of the bill are a bit misnamed. It says confederate memorabilia and artifacts but in fact, the money would go to pull together a collection of 1800 to 1900 material made up of like knives, swords, rifles, uniforms, clothing of that era, pictures, letters and other written material. The cabin itself is an early 1800 cabin. The museum has to be moved and secured and Sampson County has offered to contribute the land. The items need to be cataloged and will become a part of the Sampson County Museum network. Another point, maybe make another ranking, Mr. Chairman, making this one "1A" and give them a little money to keep the project alive. The bill request $150,000 and the contents of that cabin and work of that cabin would be worth more like a million dollars. It is a valuable collection.

Representative McLawhorn inquired if it could be done in portions? Representative Warwick stated that they did not have any money to do anything with and the cabin is sitting in the country on the homesite where Claude Moore lived and is now deceased.

House Bill 1780, AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO PROVIDE HOLOCAUST EDUCATION IN THE PUBLIC SCHOOLS (See Attachment 11)

Representatives Stanley Fox and Martin Nesbitt, Jr. are primary sponsors of the bill. Representative Nesbitt was recognized to speak on the legislation. He presented some background information on the bill. An appointee to the Holocaust Council this year brought the issue to him. Representative Nesbitt stated that he knew that there is not much money available at this time but this is an issue for all, and is not a local bill. The Council realized that in a lot of the schools the Holocaust is being taught like any other piece of history, just read it in a book. We live in a culture today where we don't see people taking advantage of other people. Young people find it extremely difficult to really grasp the magnitude of what occurred by simply reading it in a book or hearing it from a teacher that did not experience it. This money would go to the council for them to develop experimental type instructions for the schools that would include using Holocaust victims to go to the schools. It would include cataloging and documenting the history from Holocaust victims and perhaps it would be on tapes, etc. which would create a more vibrant curriculum for the schools. It may be just a one-hour course but at the end the students would understand what could happen in this world if people are left to do what they would to other people. Representative Sherrill asked if $50,000 would cover this project? Representative Nesbitt responded that it is starting point. Representative Nesbitt indicated that when he was contacted, it was about getting some seed money to see what they can develop.

House Bill 1828, AN ACT TO APPROPRIATE FUNDS FOR SEXUAL ASSAULT PROGRAMS AND SEXUAL ASSAULT PREVENTION (See Attachment 12)

The primary sponsors of this bill are Representatives Jeffus and Wainwright. Representative Jeffus stated that last session there was a bill for more money but were not able to fund it. However, there was an allocation of $225,000 in non-recurring sexual

assault funds. The Governor did not include this in his budget this year. We decided to introduce another bill for $225,000, which is just a small amount, compared to the amount that is really needed. Last year the money allowed them to continue the ten rape crisis centers and fifty-seven other rape crisis centers received a small increase. Representative Jeffus stated that one in five North Carolina women have been sexually assaulted, and one in four girls will be sexually assaulted before they turn eighteen years old. She continued that the Rape Victim Assistance Fund is empty and this shows the urgency for these funds. South Carolina just gave $600,000 to sexual assault funding.

Ms. Anne Fishburne, Executive Director, North Carolina Coalition Against Sexual Assault, was introduced to speak on the importance of this funding. The state sexual assault funds are the only stable money that the rape crisis programs have to use to respond to rape in their communities. The return on the investment is good. Their volunteers were the equivalent of ninety people working full time for free. There are not rape crisis programs in every county. If someone is raped in an unserved county, that person will go alone to the emergency room alone and through the court process alone.

Ms. Fishburne stated that the domestic violence funds couldn't be used as sexual assault funds. This is the reason they need the $225,000.

Representative Sherrill gave her support for the funds.

House Bill 1829, AN ACT TO APPROPRIATE FUNDS FOR THE LEGACY OF JOHN COLTRANE JAZZ FESTIVAL. (See Attachment 13)

Representatives Jeffus and Wainwright are the primary sponsors of the bill. Representative Jeffus stated that this was a request from her area from the High Point Area Arts Council in response to the community's need and to recognize the contributions of jazz musicians and High Point resident, John Coltrane. The High Point Areas Arts Council plans to hold a jazz festival in the summer of 2001. There is another Coltrane Jazz Festival in Hamlet, but the one in High Point will be an educational project and not simply for entertainment. The festival is driven by the arts council and in collaboration with members of the John Coltrane Workshop, Parkview A+ Magnet School, and individual members of the community. It will be held over a six-week period during the summer of 2001 and designed for multi-cultural, mixed aged audience. The culminating event for this program will be a weekend Jazz Fest appealing to a diverse community.

Representative Jeffus continued that students, regional jazz groups, and a major name in the field of Jazz will offer performances during the final week. Opening acts for the main performer will come from the summer program and students of the John Coltrane Workshop. Instructional classes will be held in area schools, recreational centers, or other public areas. The final event will be held either in High Point Theatre or in a city park.

Representative Jeffus stated that this is great opportunity to provide this for our children to learn about one of the "greats" in our area.

Representative Wainwright respectfully asked that the members rank the bills based on what they consider the ranking priority for these bills.

Representative Wainwright announced that the committee would meet again today at approximately 4:15-4:30 p.m. Hopefully, at this meeting we will have established the net availability of money for the subcommittee. He announced that there are other expansion items and in April the Subcommittee Chairs meeting with the four chairs of the House requested that we put forth some expansion items that we thought would be critical for the 2000-2001 fiscal year. They did this based on some input from the agencies. We are going to put that list before the subcommittee at the afternoon meeting to show you what we thought were critical items which we recommended for possible funding to the four chairs in April. We are going to allow you to rank those expansion items just as you have on the bills. Then we will pull all of this together and we will try to establish a report and put it before the four chairs and them bring it back to the subcommittee for a vote of approval of the subcommittees report sometime early next week. Many of the agencies stated that they did not have expansion items to offer this morning. Some of the items that you will see on this list are tentative expansion agency type items that we were hoping more revenue would be available. Critical needs will be shared at that time. Those items will be put before the committee for ranking this afternoon.

The committee adjourned at 2:30 p.m. to reconvene at 4:30 p.m. this afternoon.

Respectively submitted,

William Wainwright, Chair

Mary Lee Robinson, Committee Assistant

HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

House Bills - May 31, 2000

Bill #	Sponsor	Bill Title	Priority (1, 2 or 3)
1512	Weiss	Contemporary Art Museum Funds	
1533	Edwards	National World War II Memorial Funds	
1649	Jeffus, Bowie	Morehead Commission Funds	
1655	Redwine	Domestic Violence Funds	
1661	Jeffus, Wainwright	Aid to Public Libraries Funds	
1664	Nye	Bladen Historic Buildings Funds	
1718	Sutton	Indian Culture Center Funds	
1719	Sutton	Lumbee Self-Determination Funds	
1745	Jeffus, Wainwright	NC Humanities Council Funds	
1776	Warwick, Cox	Claude Moore Cabin Museum Funds	
1780	Fox, Nesbitt	Holocaust Education Funds	
1828	Jeffus, Wainwright	Sexaual Assault	
1829	Jeffus, Wainwright	John Coltrane Jazz Festival	

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1512

Short Title: Contemporary Art Museum Funds. (Public)

Sponsors: Representatives Weiss; Alexander, Baddour, Blue, Hensley, Insko, Jeffus, Luebke, Michaux, Miller, Miner, Smith, and Wainwright.

Referred to: Appropriations.

May 11, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE EDUCATION CENTER AT THE CONTEMPORARY ART MUSEUM IN THE CITY OF RALEIGH.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to Contemporary Art Museum, Inc., a nonprofit corporation, the sum of five hundred thousand dollars ($500,000) for the 2000-2001 fiscal year for the Education Center at the Contemporary Art Museum in the City of Raleigh. The Center will house the Art Institute for Educators which will serve the needs of art educators statewide in North Carolina's public schools, contain a preschool with a visual art focus for children from Wake County, and conduct educational programs designed for middle and high school students from across the State of North Carolina.

Section 2. This act becomes effective July 1, 2000.

May 11, 2000

H 1512. CONTEMPORARY ART MUSEUM FUNDS. *TO APPROPRIATE FUNDS FOR THE EDUCATION CENTER AT THE CONTEMPORARY ART MUSEUM IN THE CITY OF RALEIGH.* Appropriates $500,000 for 2000-2001 from General Fund to Contemporary Art Museum, Inc. for purpose indicated in title. Center will house Art Institute for Educators. Effective July 1, 2000. **Intro. by Weiss.**

Ref. to Appropriations	APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1533*

Short Title: National W.W. II Memorial Funds. (Public)

Sponsors: Representatives Edwards, Justus; Barefoot, Cole, Davis, Dedmon, Goodwin, Jeffus, Mitchell, Setzer, Smith, Thomas, Wainwright, and Warner.

Referred to: Appropriations.

May 16, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DIVISION OF VETERANS AFFAIRS TO FUND THE VOLUNTARY CONTRIBUTION OF THE STATE OF NORTH CAROLINA TOWARD THE CONSTRUCTION OF THE NATIONAL WORLD WAR II MEMORIAL IN WASHINGTON, D.C.

Whereas, on May 25, 1992, Public Law 103-32 authorized the American Battle Monuments Commission to establish a World War II Memorial in Washington, D.C., or its environs as the first national memorial dedicated to all who served during World War II and acknowledging the commitment and achievement of the entire nation; and

Whereas, the Memorial, which will honor the 16 million who served in the armed forces of the United States during World War II, the more than 400,000 who died, and the millions who supported the war effort from home, will be constructed at the east end of the Reflecting Pool between the Lincoln Memorial and the Washington Monument and will be constructed using $100,000,000 of donated funds; and

Whereas, the American Battle Monuments Commission, first established in 1923, and currently made up of distinguished Americans, challenged the states to voluntarily contribute $1.00 for each resident who served during World War II; and

Whereas, according to the records of the United States Veterans Administration, of the more than 392,000 who served during World War II from this State, the 6,367 North Carolinians killed in action had made the ultimate sacrifice

toward ensuring freedom throughout the world and should be honored at a national World War II Memorial; and

Whereas, as of May, 1999, 22 other states have already appropriated their voluntary contributions toward the construction of the national World War II Memorial; Now, therefore,

The General Assembly of North Carolina enacts:

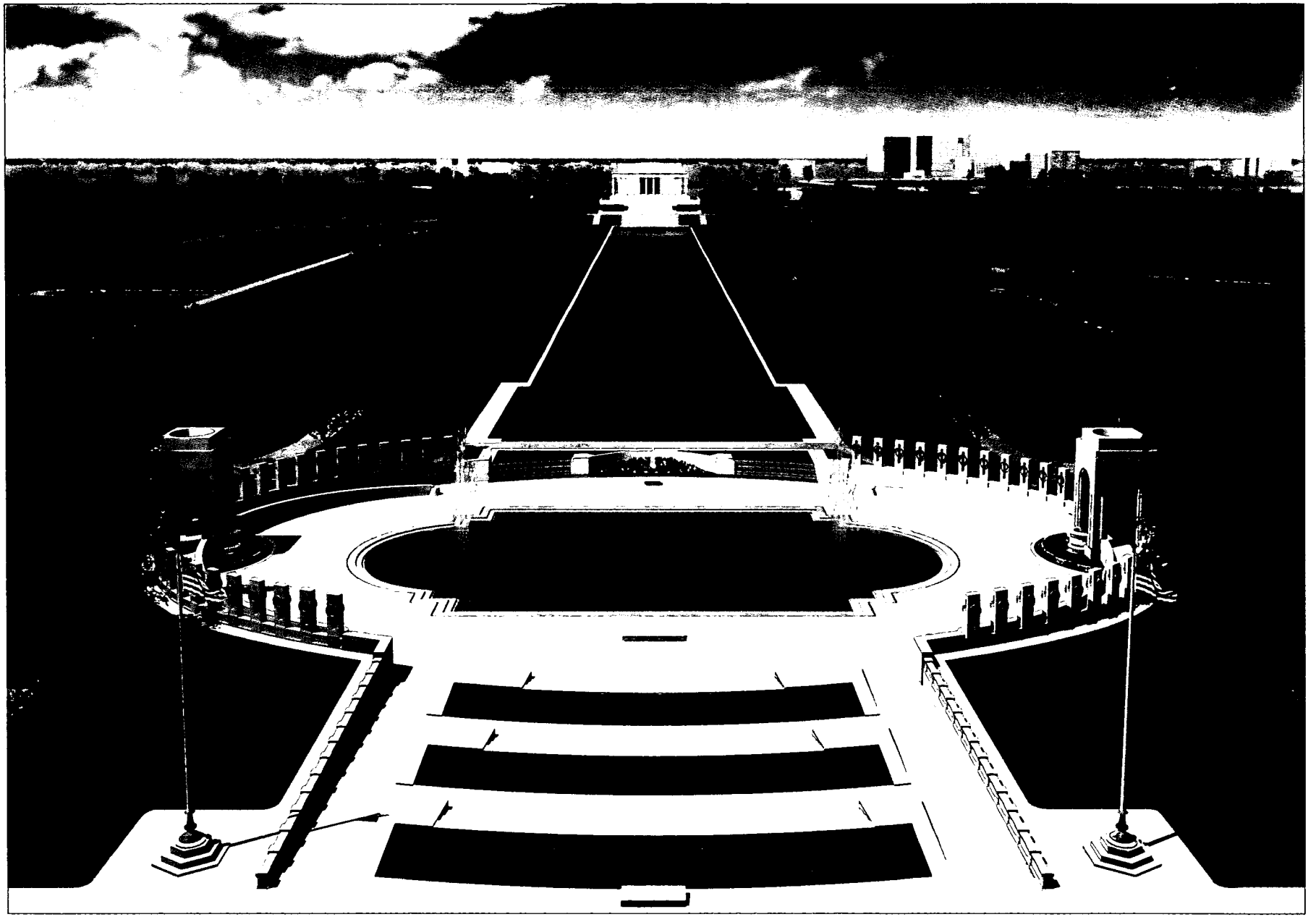
Section 1. There is appropriated from the General Fund to the Division of Veterans Affairs the sum of three hundred ninety-two thousand dollars ($392,000) for the 2000-2001 fiscal year to fund the voluntary contribution of the State of North Carolina toward the construction of the national World War II Memorial in Washington, D.C.

Section 2. This act becomes effective July 1, 2000.

May 16, 2000

H 1533. NATIONAL W.W. II MEMORIAL FUNDS (=S 1202). *TO APPROPRIATE FUNDS TO THE DIVISION OF VETERANS AFFAIRS TO FUND THE VOLUNTARY CONTRIBUTION OF THE STATE OF NORTH CAROLINA TOWARD THE CONSTRUCTION OF THE NATIONAL WORLD WAR II MEMORIAL IN WASHINGTON, D.C.* Identical to S 1202, introduced 5/10/00. **Intro. by Edwards and Justus.**

Ref. to Appropriations	APPROP



THE NATIONAL WORLD WAR II MEMORIAL

WASHINGTON, DC
PRELIMINARY DESIGN-JUNE 1999

AERIAL VIEW FROM WASHINGTON MONUMENT

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1649

Short Title: Morehead Commission Funds. (Public)

Sponsors: Representatives Jeffus, Bowie (Primary Sponsors); Adams, Boyd-McIntyre, Brubaker, Culp, Goodwin, Jarrell, Miller, Morris, Wainwright, and Wright.

Referred to: Appropriations.

May 22, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO SUPPORT THE JOHN MOTLEY MOREHEAD MEMORIAL COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Cultural Resources the sum of seventy thousand dollars ($70,000) for the 2000-2001 fiscal year to support the John Motley Morehead Memorial Commission.

Section 2. This act becomes effective July 1, 2000.

May 22, 2000

H 1649. MOREHEAD COMMISSION FUNDS. *TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO SUPPORT THE JOHN MOTLEY MOREHEAD MEMORIAL COMMISSION.* Appropriates $70,000 for 2000-2001 from General Fund to Dep't of Cultural Resources as title indicates. Effective July 1, 2000.

Intro. by Jeffus and Bowie.

Ref. to Appropriations	APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1655

Short Title: Domestic Violence Funds. (Public)

Sponsors: Representatives Redwine; Barefoot, Hackney, Wainwright, Luebke, Cox, Easterling, Esposito, Gardner, Insko, Jeffus, Morris, Preston, Russell, Sexton, Sherrill, Thomas, Warren, and Weiss.

Referred to: Appropriations.

May 23, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR DOMESTIC VIOLENCE PROGRAMS.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration the sum of four million seven hundred forty thousand dollars ($4,740,000) in recurring funds for the 2000-2001 fiscal year to be allocated to the North Carolina Council for Women for the continuation of domestic violence programs within the State. Of these funds, the North Carolina Council for Women shall allocate sixty thousand dollars ($60,000) to each of the 78 existing domestic violence programs and to the North Carolina Coalition Against Domestic Violence, Inc.

Section 2. This act becomes effective July 1, 2000.

May 23, 2000

H 1655. DOMESTIC VIOLENCE FUNDS. *TO APPROPRIATE FUNDS FOR DOMESTIC VIOLENCE PROGRAMS.* Appropriates $4,740,000 for 2000-2001 from General Fund to Dep't of Administration as title indicates. Effective July 1, 2000.

Intro. by Redwine.

Ref. to Appropriations	APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1661

Short Title: Aid to Public Libraries Funds. (Public)

Sponsors: Representatives Jeffus, Wainwright (Primary Sponsors); Barefoot, McCrary, Miller, Hurley, Smith, Cansler, Cox, Culp, Davis, Decker, Edwards, Esposito, Gardner, Gibson, Hackney, Insko, Jarrell, Luebke, McLawhorn, Morris, Preston, Russell, Sexton, Sherrill, Thomas, Warren, and Weiss.

Referred to: Appropriations.

May 23, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE AID TO PUBLIC LIBRARIES FUND.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Cultural Resources, Division of State Library, the sum of ten million one hundred thousand dollars ($10,100,000) for the 2000-2001 fiscal year to increase the amount allocated to libraries from the Aid to Public Libraries Fund.

Section 2. This act becomes effective July 1, 2000.

May 23, 2000

H 1661. AID TO PUBLIC LIBRARIES FUNDS. *TO APPROPRIATE FUNDS FOR THE AID TO PUBLIC LIBRARIES FUND.* Appropriates $10,100,000 for 2000-2001 from General Fund to Dep't of Cultural Resources. Effective July 1, 2000.

Intro. by Jeffus and Wainwright.

Ref. to Appropriations	APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1664

Short Title: Bladen Historic Bldgs. Funds. (Public)

Sponsors: Representative Nye.

Referred to: Appropriations.

May 23, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO BLADEN COUNTY FOR PRESERVATION OF HISTORIC BUILDINGS IN THE COUNTY.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to Bladen County the sum of one hundred thousand dollars ($100,000) for the 2000-2001 fiscal year to help preserve historic buildings in the county including the East Arcadia Multipurpose Building, Bladenboro Historical Building, and Clarkton Depot Building.

Section 2. This act becomes effective July 1, 2000.

May 23, 2000

H 1664. BLADEN HISTORIC BLDGS FUNDS. *TO APPROPRIATE FUNDS TO BLADEN COUNTY FOR PRESERVATION OF HISTORIC BUILDINGS IN THE COUNTY.* Appropriates $100,000 for 2000-2001 from General Fund to Bladen County for preservation of specified buildings. Effective July 1, 2000.

Intro. by Nye.

Ref. to Appropriations	APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1718

Short Title: Indian Cultural Center Funds. (Public)

Sponsors: Representatives Sutton, Bonner, Yongue; Alexander and Goodwin.

Referred to: Appropriations.

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration the sum of one hundred thousand dollars ($100,000) for the 2000-2001 fiscal year to be used for the administration and operating expenses of the North Carolina Indian Cultural Center, Inc. in Robeson County.

Section 2. This act becomes effective July 1, 2000.

May 25, 2000

H 1718. INDIAN CULTURAL CENTER FUNDS. *TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER.* Appropriates $100,000 for 2000-2001 from General Fund to Dep't of Administration. Effective July 1, 2000.

Intro. by Sutton, Bonner, and Yongue.

Ref. to Appropriations	APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1719

Short Title: Lumbee Self-Determination Funds. (Public)

Sponsors: Representatives Sutton, Bonner, Yongue; and Goodwin.

Referred to: Appropriations.

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE LUMBEE TRIBE SELF-DETERMINATION COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration the sum of one hundred thousand dollars ($100,000) for the 2000-2001 fiscal year to partially fund the activities of the Lumbee Tribe Self-Determination Commission, which was established by Superior Court Judge Howard E. Manning to resolve the issue of determining the legitimate government of the Lumbee people as a result of the Lumbee Tribe v. Lumbee Regional Development Association (LRDA) lawsuit. The funds will be used to assist the Commission in:

(1) Determining whether the Lumbee people desire a tribal government;

(2) If so, determining the type of government they favor; and

(3) Preparing for and conducting any elections necessary as a result of that determination.

Section 2. This act becomes effective July 1, 2000.

May 25, 2000

H 1719. LUMBEE SELF-DETERMINATION FUNDS. *TO APPROPRIATE FUNDS FOR THE LUMBEE TRIBE SELF-DETERMINATION COMMISSION.* Appropriates $100,000 for 2000-2001 from General Fund to Lumbee Tribe Self-Determination Comm'n. Effective July 1, 2000.
Intro. by Sutton, Bonner, and Yongue.

Ref. to Appropriations	APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1745

Short Title: NC Humanities Council Funds. (Public)

Sponsors: Representatives Jeffus, Wainwright (Primary Sponsors); Adams, Alexander, Barefoot, Blue, Boyd-McIntyre, Cox, Earle, Ford, Goodwin, Hall, Hensley, Hunter, Jarrell, Luebke, McLawhorn, Michaux, Miller, Oldham, Sherrill, Sossamon, Weiss, Womble, and Wright.

Referred to: Appropriations.

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA HUMANITIES COUNCIL.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the North Carolina Humanities Council, a nonprofit corporation, the sum of one hundred thousand dollars ($100,000) for the 2000-2001 fiscal year for the programs of the North Carolina Humanities Council.

Section 2. This act becomes effective July 1, 2000.

May 25, 2000

H 1745. NC HUMANITIES COUNCIL FUNDS (=S 1388). *TO APPROPRIATE FUNDS TO THE NORTH CAROLINA HUMANITIES COUNCIL.* Identical to S 1388, introduced 05/22/00.

Intro. by Jeffus and Wainwright.

Ref. to Appropriations	APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1776

Short Title: Claude Moore Cabin Museums Funds. (Public)

Sponsors: Representatives Warwick; and Cox.

Referred to: Appropriations.

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO SAMPSON COUNTY TO RELOCATE THE CLAUDE MOORE CABIN MUSEUMS.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to Sampson County the sum of one hundred fifty thousand dollars ($150,000) for the 2000-2001 fiscal year to relocate the Claude Moore Cabin Museums, buildings containing Civil War artifacts and memorabilia, to a site that is more secure and accessible to the public.

Section 2. The Sampson County Commissioners and the elected officers of the Sampson County Museum shall jointly decide on a location to which the Claude Moore Cabin Museums will be located.

Section 3. This act becomes effective July 1, 2000.

May 25, 2000

H 1776. CLAUDE MOORE CABIN MUSEUMS FUNDS. *TO APPROPRIATE FUNDS TO SAMPSON COUNTY TO RELOCATE THE CLAUDE MOORE CABIN MUSEUMS.* Appropriates $150,000 for 2000-2001 from General Fund to Sampson County as title indicates. Effective July 1, 2000.

Intro. by Warwick.

Ref. to Appropriations	LOCAL APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1780

Short Title: Holocaust Education Funds. (Public)

Sponsors: Representatives Fox, Nesbitt; Luebke, Miller, Sossamon, and Weiss.

Referred to: Appropriations.

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO PROVIDE HOLOCAUST EDUCATION IN THE PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Cultural Resources the sum of fifty thousand dollars ($50,000) for the 2000-2001 fiscal year to be used by the North Carolina Council on the Holocaust to provide Holocaust education in the public schools in North Carolina.

Section 2. This act becomes effective July 1, 2000.

May 25, 2000

H 1780. HOLOCAUST EDUCATION FUNDS. *TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO PROVIDE HOLOCAUST EDUCATION IN THE PUBLIC SCHOOLS.* Appropriates $50,000 for 2000-2001 from General Fund to Dep't of Cultural Resources as title indicates. Effective July 1, 2000.

Intro. by Fox and Nesbitt.

Ref. to Appropriations	APPROP

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 1828

Short Title: Sexual Assault Funds. (Public)

Sponsors: Representatives Jeffus, Wainwright (Primary Sponsors); Adams, Alexander, Barefoot, Cansler, Luebke, Sexton, Sherrill, Sossamon, and Weiss.

Referred to: Appropriations.

May 30, 2000

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR SEXUAL ASSAULT PROGRAMS AND SEXUAL ASSAULT PREVENTION.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration the sum of two hundred twenty-five thousand dollars ($225,000) for the 2000-2001 fiscal year to be used by the North Carolina Council for Women for the continuation of sexual assault programs and the prevention of sexual assault within the State.

Section 2. This act becomes effective July 1, 2000.

May 30, 2000

H 1828. SEXUAL ASSAULT FUNDS. *TO APPROPRIATE FUNDS FOR SEXUAL ASSAULT PROGRAMS AND SEXUAL ASSAULT PREVENTION.* Appropriates $225,000 for 2000-2001 from General Fund to Dep't of Administration as title indicates. Effective July 1, 2000.
Intro. by Jeffus and Wainwright.

Ref. to Appropriations	APPROP

1829

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H D

HOUSE ~~DRH5057-LG491(5.18)~~ Bill 1829

Short Title: Coltrane Jazz Festival Funds. (Public)

Sponsors: Representatives Jeffus and Wainwright (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE LEGACY OF JOHN COLTRANE JAZZ FESTIVAL.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Cultural Resources the sum of sixty-three thousand five hundred dollars ($63,500) for the 2000-2001 fiscal year to assist the High Point Area Arts Council with costs related to its Legacy of John Coltrane Jazz Festival, which will recognize High Point native John Coltrane and other jazz musicians. The festival will be held over a six-week period during the summer of 2001.

Section 2. This act becomes effective July 1, 2000.

May 30, 2000

H 1829. COLTRANE JAZZ FESTIVAL FUNDS. *TO APPROPRIATE FUNDS FOR THE LEGACY OF JOHN COLTRANE JAZZ FESTIVAL.* Appropriates $63,500 for 2000-2001 from General Fund to Dep't of Cultural Resources as title indicates. Effective July 1, 2000.

Intro. by Jeffus and Wainwright.

Ref. to Appropriations	APPROP

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPROPRIATIONS Subcommittee on General Government** will meet as follows:

DAY & DATE: **Wednesday, May 31, 2000**

TIME: **8:30 a.m. and 1:30 p.m.**

LOCATION: **Legislative Office Building, Room 425**

Respectfully,

Representative Jeffus, Chair
Representative William Wainwright, chair

I hereby certify this notice was filed by the committee clerk at the following offices at **4:14 p.m.** on **May 30, 2000**.

___Principal Clerk
___Reading Clerk - House Chamber

Mary Lee Robinson, Committee Assistant

Principal Clerk ___
Reading Clerk ___

SENATE
NOTICE OF JOINT SUBCOMMITTEE MEETING

The Joint Appropriations Subcommittee on **GENERAL GOVERNMENT** will meet at the following time:

DATE: **Wednesday, May 31, 2000**
TIME: **8:30 a.m. and 1:30 p.m.**
ROOM: **425, LOB**

The following agenda item(s) will be considered:

•

Senator Warren, Chair

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPROPRIATIONS Subcommittee on General Government** will meet as follows:

DAY & DATE: **Wednesday, May 31, 2000**

TIME: **8:30 a.m. and 1:30 p.m.**

LOCATION: **Legislative Building, Room 425**

Respectfully,

Representative Jeffus, Chair
Representative William Wainwright, chair

I hereby certify this notice was filed by the committee clerk at the following offices at **4:14 p.m.** on **May 30, 2000**.

___Principal Clerk
___Reading Clerk - House Chamber

Mary Lee Robinson, Committee Assistant

REFERRAL FORM

NORTH CAROLINA HOUSE OF REPRESENTATIVES
ASSIGNMENT OF BILLS TO SUBCOMMITTEE

COMMITTEE: HOUSE APPROPRIATIONS

CHAIRMAN: Representatives Easterling and Redwine

DATE: 5/30/2000

Bill Number (Indicate H or S): H 1512 Weiss

Short Title: Contemporary Art Museum Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1533 Edwards

Short Title: National World War II Memorial Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1649 Jeffus

Short Title: Morehead Commission Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1655 Redwine

Short Title: Domestic Violence Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1661 Jeffus

Short Title: Aid to Public Libraries Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1664 Nye

Short Title: Bladen Historic Buildings Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1718 Sutton

Short Title: Indian Culture Center Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1719 Sutton

Short Title: Lumbee Self-Determination Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1745 Jeffus

Short Title: NC Humanities Council Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1776 Warwick

Short Title: Claude Moore Cabin Museum Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1780

Short Title: Holocaust Education Funds For

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

H-1828 Sexual Assault Funds - Jeffus / Wainwright
H-1829 Coltrane Jazz Festival Funds - Jeffus / Wainwright

REFERRAL FORM

NORTH CAROLINA HOUSE OF REPRESENTATIVES
ASSIGNMENT OF BILLS TO SUBCOMMITTEE

COMMITTEE: HOUSE APPROPRIATIONS

CHAIRMAN: Representatives Easterling and Redwine

DATE: 5/30/2000

Bill Number (Indicate H or S): H 1512

Short Title: Contemporary Art Museum Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1533

Short Title: National World War II Memorial Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1649

Short Title: Morehead Commission Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1655

Short Title: Domestic Violence Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1661

Short Title: Aid to Public Libraries Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1664

Short Title: Bladen Historic Buildings Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1718

Short Title: Indian Culture Center Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1719

Short Title: Lumbee Self-Determination Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1745

Short Title: NC Humanities Council Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1776

Short Title: Claude Moore Cabin Museum Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

Bill Number (Indicate H or S): H 1780

Short Title: Holocaust Education Funds

Assigned to Subcommittee on: **Appropriations Subcommittee on General Government**

H. 1828
H-1829

Mary Lee Robinson (Rep. Jeffus)

From: Mary Lee Robinson (Rep. Jeffus)
Sent: Wednesday, May 31, 2000 12:15 PM
To: Susan Doty (Rep. Weiss); Jo Hinton (Rep. Edwards); Nancy Brantley (Rep. Redwine); Jo Bobbitt (Rep. Nye); Juanita Coley (Rep. Sutton); Carolyn Honeycutt (Rep. Warwick); Mary Capps (Rep. Fox)
Subject: SPONSOR NOTICE: APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT 5/31 at 1:30 p.m.

NOTICE 5 31 00.doc

Please read the attached committee meeting notice to note that your bill/bills will be heard in the Appropriation/General Government meeting today at 1:30 p.m. in Room 425

Tracking:

Recipient	Read
Susan Doty (Rep. Weiss) 3. 578/ called	
Jo Hinton (Rep. Edwards)	Read: 05/31/2000 12:15 PM
Nancy Brantley (Rep. Redwine) 3 58 29 called	
Jo Bobbitt (Rep. Nye)	Read: 05/31/2000 12:15 PM
Juanita Coley (Rep. Sutton) called	
Carolyn Honeycutt (Rep. Warwick) called.	
Mary Capps (Rep. Fox)	Read: 05/31/2000 12:17 PM

PLEASE NOTE THAT THE HOUSE ONLY WILL BE MEETING AT 1:30 P.M. TODAY TO HEAR HOUSE BILLS THAT ARE LISTED BELOW: (NOT A JOINT MEETING)

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **APPROPRIATION on General Government** will meet as follows:

DAY & DATE: **Wednesday, May 31, 2000**

TIME: **1:30 p.m.**

LOCATION: **Room 425, LOB**

The following bills will be considered (Bill # & Short Title):
HB 1512 Contemporary aret Museum Funds
HB 1533 National World War II Memorial Funds
HB 1649 Morehead Commission Funds
HB 1655 Domestic Violence Funds
HB 1661 Aid to Public Libraries Funds
HB 1664 Bladen Historic Buildings Funds
HB 1718 Indian Culture Center Funds
HB 1719 Lumbee Self-Determination Funds
HB 1745 NC Humanities Council Funds
HB 1776 Claude Moore Cabin Museum Funds
HB 1780 Holocaust Education Funds
HB 1828 Sexual Assault Funds
HB 1829 Coltrane Jazz Festival Funds

Respectfully,

Representative Maggie Jeffus, Chair
Representative William Wainwright, Chair

I hereby certify this notice was filed by the committee clerk at the following offices at **12 noon** on May 31, **2000**.

___Principal Clerk
___Reading Clerk - House Chamber
Mary Lee Robinson , Committee Assistant

Mary Lee Robinson (Rep. Jeffus)

From: Mary Lee Robinson (Rep. Jeffus)
Sent: Wednesday, May 31, 2000 12:07 PM
To: Alice Falcone (Rep. Ellis); Anne Cole (House Legislative Assistants Director); Blinda Edwards (Rep. Wainwright); Bob Samuels (House Sgt. at Arms); Carolyn Bowden (House Sgt. at Arms Office); Cynthia Giles (House Page Supervisor)); Daphne McLawhorn (Rep. McLawhorn); Edna Sykes (Rep. Thompson); HCALENDAR (HPC's Office); Jackie Pittman (Rep. Barefoot); James Peyton (House Deputy Sgt. at Arms); Joanna Mills (Rep. Setzer); Legislative Press; Margie Penven (Rep. Hensley); Marilyn Chism (Fiscal Research); Mary Lee Robinson (Rep. Jeffus); Michele Nelson (Fiscal Research); Rosa Kelley (Rep. Sherrill); UNCTV Press; Valerie Rustin (Rep. Cunningham); Wilma Caldwell (Sen. Warren)
Subject: APPRORIATION/GENERAL GOVERNMENT 5/31/00 1:30 pm mtg

Doc1.doc

Tracking:

Recipient	Read
Alice Falcone (Rep. Ellis)	Read: 05/31/2000 12:07 PM
Anne Cole (House Legislative Assistants Director)	
Blinda Edwards (Rep. Wainwright)	
Bob Samuels (House Sgt. at Arms)	
Carolyn Bowden (House Sgt. at Arms Office)	Read: 05/31/2000 12:18 PM
Cynthia Giles (House Page Supervisor))	Read: 05/31/2000 12:28 PM
Daphne McLawhorn (Rep. McLawhorn)	
Edna Sykes (Rep. Thompson)	
HCALENDAR (HPC's Office)	Read: 05/31/2000 12:07 PM
Jackie Pittman (Rep. Barefoot)	Read: 05/31/2000 12:07 PM
James Peyton (House Deputy Sgt. at Arms)	
Joanna Mills (Rep. Setzer)	
Legislative Press	
Margie Penven (Rep. Hensley)	Read: 05/31/2000 12:07 PM
Marilyn Chism (Fiscal Research)	Read: 05/31/2000 12:07 PM
Mary Lee Robinson (Rep. Jeffus)	
Michele Nelson (Fiscal Research)	
Rosa Kelley (Rep. Sherrill)	Read: 05/31/2000 12:07 PM
UNCTV Press	
Valerie Rustin (Rep. Cunningham)	
Wilma Caldwell (Sen. Warren)	Read: 05/31/2000 12:26 PM

PLEASE NOTE THAT THE HOUSE ONLY WILL BE MEETING AT 1:30 P.M. TODAY TO HEAR HOUSE BILLS THAT ARE LISTED BELOW:

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **APPROPRIATION on General Government** will meet as follows:

DAY & DATE: **Wednesday, May 31, 2000**

TIME: **1:30 p.m.**

LOCATION: **Room 425, LOB**

The following bills will be considered (Bill # & Short Title):
HB 1512 Contemporary aret Museum Funds
HB 1533 National World War II Memorial Funds
HB 1649 Morehead Commission Funds
HB 1655 Domestic Violence Funds
HB 1661 Aid to Public Libraries Funds
HB 1664 Bladen Historic Buildings Funds
HB 1718 Indian Culture Center Funds
HB 1719 Lumbee Self-Determination Funds
HB 1745 NC Humanities Council Funds
HB 1776 Claude Moore Cabin Museum Funds
HB 1780 Holocaust Education Funds
HB 1828 Sexual Assault Funds
HB 1829 Coltrane Jazz Festival Funds

Respectfully,

Representative Maggie Jeffus, Chair
Representative William Wainwright, Chair

I hereby certify this notice was filed by the committee clerk at the following offices at **12 noon** on May 31, **2000**.

___Principal Clerk
___Reading Clerk - House Chamber

Mary Lee Robinson , Committee Assistant

VISITOR REGISTRATION SHEET

APPROPRIATIONS Subcommittee on General Government 5/31, ~~1999~~ 2000 ~~4:30 mtg~~ 4:50 pm.

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	GRZA North Carolina, Inc.
K Wilkins	DOA
John Dorman	OSPL
Maurice Dorman	OSBM
Byron Harris	OSBM
J.W. Reel	OSBM
[illegible]	DOA
[illegible]	DOA
[illegible]	DOA
Vicky Young	OSA
Carlton Myrick	DOA
Mary Regan	DCR/Arts Council
John Morgan	OSC
Mike Hodges	DOR
[illegible]	DOR
Willie Riddick	DOR

APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

May 31, 2000
4:50 p.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Wednesday, May 31, 2000, at 4:50 p.m. in room 425 of the Legislative Office Building. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, Daniel Barefoot, Sam Ellis, Mitchell Setzer, and Wilma Sherrill.

Representative William Wainwright called the meeting to order and introduced the pages for the committee, which were Ashley Burleston and Elizabeth Dunn from Rowan County and sponsored by Representative Eugene McCombs

House Bill 452, AN ACT TO APPROPRIATE FUNDS FOR THE PURPOSE OF HONORING AND RECOGNIZING A CENTURY OF GOVERNMENT AND CIVIC LEADERSHIP BY NORTH CAROLINA WOMEN. Section 1.(c) (See Attachment 1)

Representative Martin Nesbitt was recognized to explain the bill. The primary sponsors are Representatives Martin Nesbitt, Wilma Sherrill, and Trudi Walend.

Representative Nesbitt related the following information:

Section 1.(c) of this bill is for funding for the Western Carolina Women's Coalition, Inc. All of the women's groups in their area have pulled together under one banner. The legislature helped out a little bit last year. They put on the finest demonstration last year. They had a weekend conference on leadership and women. They put on a three-hour skit on Friday night on the history of women in the Western part of the state. The women in his region are really pulling together, exploring their roots, holding functions where they learn about leadership where they can free their minds and spirits to where they can dream and improve their lot in life. The money that was received last year went a long way and we would like to get a little bit more for them this year.

Rep. Sherrill stated that she wanted to echo what Representative Nesbitt had said.

Members were asked to rank this bill as they had done at the previous meeting and pass to the staff.

Representative Wainwright stated that he mentioned before the recess that in April, the co-chairs of Appropriations asked them to submit what we thought would be

some critical expansion items for the various agencies and non-profits. This has been passed out to the members. (Attachment 2) This is an opportunity to look at the list that Representatives Wainwright and Jeffus submitted in April to the Appropriations co-chairs and ask you to rank them based on the critical status of these particular expansion items. If the members have any questions, the agency representatives are present. These figures came from some discussion with the agency personnel.

Representative Sherrill wanted to know, "Where is the rest of the story?" She wondered how could this be put together in April before the committee heard from the agencies. Representative Wainwright stated that they wanted to get some tentative idea of what they would be dealing with. The staff put forth a request to the agencies to let us know what they wanted, at that particular point, what their critical needs were. Some of the agencies responded. The executive cabinet member agencies did not respond at the request of The Governor. So given the amount of money that we had, we requested the staff to ask the agencies to put forth one critical need that could be considered by the subcommittee for what available funding that the subcommittee might have available. This morning, some of the agencies stated that they had no expansion. The Secretary of State put forth an expansion.

Representative Wainwright stated that the Appropriations co-chairs gave the General Government Committee $1.5 million of available resources to be used for expansion . In order to create the $1.5 million of available money, the Cultural Resources $2.2 million, and the Department of Revenue, $804.000 requests were removed because there was not sufficient funding to cover their requests. The expansion items requested from Revenue and from Cultural Resources will compete along with the items to be ranked.

Representative Ellis stated that he supposes the best way to rank the requests is to post them on the wall and throw darts at them. He stated that he does not understand how we can discuss expansion when he sees a huge hole in the revenue available to continue to operate the government.

Representative Wainwright spoke that they had $330.9 million that was handed to us for the General Government's subcommittee's budget. We have available in funds to appropriate any expansion item that we choose totaling $3.4 million. All the items in the bills and on this list include Cultural Resources $2.2 million and Revenue $804,000. We have available for any expansion item about $3.4 million. $1.5 million was generated from the targeted amount and $1.9 million that was generated from the reductions from the agencies. Representative Wainwright continued that the Subcommittee on General Government is assigned a target amount of money for its budget and in that amount of money there is an availability of funds for expansion items that has been established to be $3.4 million. All requests for appropriations heard in the General Government are eligible for all or any part of the $3.4 million.

Representative Wainwright advised that the Secretary of State office has come up with an amended expansion request. Instead of the eight positions they requested at the

morning meeting, they are asking the committee to consider three or four positions for them. If not four, they would appreciate three. (See Attachment 3 and 4) Representative Wainwright asks the members to rank this request.

Representative Wainwright requested the members to write $2.2 million for Cultural Resources and $804,000 for Revenue and give them a ranking as they are competing for part of the $3.4 million.

Representative Sherrill stated that she was not prepared to rank these items at the present time. Representative Wainwright reminded the members that the subcommittee report has to be finished by tomorrow so this is the reason for the meeting this afternoon.

Representative Wainwright paused in the meeting for the members to finish the ranking report of the expansion items and hand it in to staff. Representative Wainwright stated that they would take the rankings with the amount of available resources and generate a report. The committee will have an opportunity to see the results of the rankings and will vote on this report before it is presented to the full appropriation committee early next week.

Representative Wainwright announced that the committee will meet at 8:30 a.m., as a joint meeting to hear from the Department of Insurance and to hear two required reports that this committee is suppose to hear in the Short Session of 1999-2000 biennium.

Representative Sherrill asked if there were any special provisions? Representative Wainwright reminded the committee that if they have a special provision that you want to be part of this report, get with the staff and tell them what it is and in what area. Ms. Michele Nelson, Staff, stated that at this point the only ones required for continuation for next year have been prepared. Several members asked what the deadline was for special provisions? Representative Wainwright indicated that the report has to be voted out of the subcommittee probably on Tuesday or Wednesday of next week. So, when the report comes for a vote by the subcommittee we will accept special provisions to be included in the report at that time. The subcommittee will vote on the special provisions when they vote on the dollar part of the package.

Joint Appropriations Subcommittee on General Government will meet at 8:30 a.m., Thursday, June 1in Room 425, 8:30 a.m. The Committee will hear from the Department of Insurance and also hear the two required reports. The meeting adjourned at 5:25 p.m.

Respectively submitted,

Representative William Wainwright
Chair

Mary Lee Robinson
Committee Assistant

Attachment 1

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 452

Short Title: Century of NC Women Funds. (Public)

Sponsors: Representatives Nesbitt; Sherrill, Walend (Primary Sponsors), Adams, Alexander, Baddour, Barefoot, Cansler, Easterling, Gibson, Jarrell, Jeffus, Mosley, Redwine, Smith, and Wright.

Referred to: Appropriations.

March 15, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE PURPOSE OF HONORING AND RECOGNIZING A CENTURY OF GOVERNMENT AND CIVIC LEADERSHIP BY NORTH CAROLINA WOMEN.

The General Assembly of North Carolina enacts:

Section 1.(a) There is appropriated from the General Fund to the Department of Secretary of State the sum of twenty-five thousand dollars ($25,000) for the 1999-2000 fiscal year to update and reprint the directory of women in the North Carolina General Assembly, in partnership with the Western Carolina Women's Coalition and the North Carolina Council for Women.

Section 1.(b) There is appropriated from the General Fund to the Department of Administration the sum of twenty-five thousand dollars ($25,000) for the 1999-2000 fiscal year for the North Carolina Council for Women to fund "A Century of Women" statewide celebrations and to strengthen resources and support of women's organizations and coalitions.

Section 1.(c) There is appropriated from the General Fund to the Western Carolina Women's Coalition, Inc., a nonprofit corporation, the sum of twenty-five thousand dollars ($25,000) for the 1999-2000 fiscal year to support expansion of the regional network in the 25 westernmost counties among women and women's organizations aimed at fostering communication and collaboration and building capacity for economic self-sufficiency, leadership, and service and to support

a major Women's Conference and Women's Equality Day event which the coalition has sponsored since 1989.

Section 2. This act becomes effective July 1, 1999.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H 1

HOUSE BILL 452

Short Title: Century of NC Women Funds. (Public)

Sponsors: Representatives Nesbitt; Sherrill, Walend (Primary Sponsors), Adams, Alexander, Baddour, Barefoot, Cansler, Easterling, Gibson, Jarrell, Jeffus, Mosley, Redwine, Smith, and Wright.

Referred to: Appropriations.

March 15, 1999

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE PURPOSE OF HONORING AND RECOGNIZING A CENTURY OF GOVERNMENT AND CIVIC LEADERSHIP BY NORTH CAROLINA WOMEN.

The General Assembly of North Carolina enacts:

Section 1.(a) There is appropriated from the General Fund to the Department of Secretary of State the sum of twenty-five thousand dollars ($25,000) for the 1999-2000 fiscal year to update and reprint the directory of women in the North Carolina General Assembly, in partnership with the Western Carolina Women's Coalition and the North Carolina Council for Women.

Section 1.(b) There is appropriated from the General Fund to the Department of Administration the sum of twenty-five thousand dollars ($25,000) for the 1999-2000 fiscal year for the North Carolina Council for Women to fund "A Century of Women" statewide celebrations and to strengthen resources and support of women's organizations and coalitions.

Section 1.(c) There is appropriated from the General Fund to the Western Carolina Women's Coalition, Inc., a nonprofit corporation, the sum of twenty-five thousand dollars ($25,000) for the 1999-2000 fiscal year to support expansion of the regional network in the 25 westernmost counties among women and women's organizations aimed at fostering communication and collaboration and building capacity for economic self-sufficiency, leadership, and service and to support

a major Women's Conference and Women's Equality Day event which the coalition has sponsored since 1989.

Section 2. This act becomes effective July 1, 1999.

Attachment 2

General Government - Priority Expansion List			
			Rank
			1,2, or 3
Operating Budget Items			
Office of the State Auditor			
1. Funds to continue audit of Department of Revenue.	$144,144	NR	
Department of Cultural Resources	#2.2 million		
1. Services for the Blind	$ 89,604	R	
2. Southport Maritime Museum - 3 positions	$ 199,898	R	
3. Queen Anne's Revenge	$ 250,000	NR	
4. Storage Space for Records Storage	$ 148,000	R	
5. Technical Support (MARS) - 2 positions	$ 78,549	R	
	$ 8,470	NR	
Department of Revenue	$ 804,000		
1. Property Tax Commission	$ -	R	
Requirements -$3,800			
Receipts - $3,800			
GF Approp - $ 0			
Rules Review Commission			
1. Other Expenses - Lawsuits	$ 440,000	NR	
Secretary of State			
1. Electronic Demonstration Project	$ 53,000	NR	
State Treasurer			
1. Information System Mainframe	$ 487,000	NR	
TOTAL - OPERATING	**$516,051**	**R**	
	$1,382,614	**NR**	

Attachment 3

THE DEPARTMENT OF THE SECRETARY OF STATE
REVISED EXPANSION BUDGET REQUEST
Three Positions

ACCOUNT NO.	ACCOUNT TITLE	2000-01	2001-02
531211	SPA-REG Salaries-Appro	68,721	68,721
531511	Social Security Contrib-Appro	5,257	5,257
531521	Reg Retirement Contrib-Appro	6,068	6,068
531561	Medical Ins. Contrib-Appro	6,768	6,768
532811	Telephone Service	1,620	1,620
533110	Office Supplies	450	450
534511	Office Furniture	11,262	
534522	Equip-Computers	15,537	
534521	Office Equipment	987	987
532942	Other Emp Educational Exp	3,000	3,000
533120	Computer Supplies	13,089	13,089
	Requirements	132,759	105,960
	Number of FTE	3	3

Attachment 4

THE DEPARTMENT OF THE SECRETARY OF STATE
REVISED EXPANSION BUDGET REQUEST
Four Positions

ACCOUNT NO.	ACCOUNT TITLE	2000-01	2001-02
531211	SPA-REG Salaries-Appro	91,628	91,628
531511	Social Security Contrib-Appro	7,010	7,010
531521	Reg Retirement Contrib-Appro	8,091	8,091
531561	Medical Ins. Contrib-Appro	9,024	9,024
532811	Telephone Service	2,160	2,160
533110	Office Supplies	600	600
534511	Office Furniture	15,015	
534522	Equip-Computers	20,716	
534521	Office Equipment	1,318	
532942	Other Emp Educational Exp	4,000	4,000
533120	Computer Supplies	17,450	17,450
	Requirements	177,012	139,963
	Number of FTE	4	4

General Government - Priority Expansion List			
			Rank
			1,2, or 3
Operating Budget Items			
Office of the State Auditor			
1. Funds to continue audit of Department of Revenue.	$144,144	NR	
Department of Cultural Resources Expansion	2.2m.		
1. Services for the Blind	$ 89,604	R	
2. Southport Maritime Museum - 3 positions	$ 199,898	R	
3. Queen Anne's Revenge	$ 250,000	NR	
4. Storage Space for Records Storage	$ 148,000	R	
5. Technical Support (MARS) - 2 positions	$ 78,549	R	
	$ 8,470	NR	
Department of Revenue Expansion	804,000		
1. Property Tax Commission	$ -	R	
Requirements -$3,800			
Receipts - $3,800			
GF Approp - $ 0			
Rules Review Commission			
1. Other Expenses - Lawsuits	$ 440,000	NR	
Secretary of State			
1. Electronic Demonstration Project	$ 53,000	NR	
State Treasurer			
1. Information System Mainframe	$ 487,000	NR	
TOTAL - OPERATING	**$516,051**	**R**	
	$1,382,614	**NR**	

THE DEPARTMENT OF THE SECRETARY OF STATE
REVISED EXPANSION BUDGET REQUEST
Four Positions

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THE DEPARTMENT OF THE SECRETARY OF STATE
REVISED EXPANSION BUDGET REQUEST
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	Number of FTE	3	3

VISITOR REGISTRATION SHEET DATE 6/1/00

APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Katie D. Dorsett	DOA
Kate Crake	DOA
Marilyn Glass	DOA
Don Waugh	OSC
Ruth Cook	Contemporary Gov't Mediation
Gwen Conrad	OSC
John Morgan	OSC
Sherwin Kostrzewa	—
Charles Simmers	Rep Easterling
Jim Johnson	FRD
Camille Winston	OAH
K Wilkins	DOA
S Partin	OAL
Willie Riddick	DOR
JOHN DORMAN	OSPL
Robert Wilson	S.O.S

AGENDA

Joint Appropriations Subcommittee
on
General Government

June 1, 2000
8:30 a.m.
Room 425

Chairman: Representative Maggie Jeffus

Office of the State Controller

Status of Extended Pilot Program on Collection of Bad Debts by State Agencies (Section 25, S.L. 1999-237)

Don Waugh
Assistant State Controller

Office of the State Auditor

Status Report on Performance Audit of the Department of Revenue (S.L.1999-415)

Ralph Campbell
State Auditor

Expansion Budget Requests

Department of Insurance

Office of Administrative Hearings

APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT

June 1, 2000
8:30 a.m.

MINUTES

The Joint Appropriations Subcommittee on General Government met Thursday, June 1, 2000, at 8:30 A.M. in room 425 of the Legislative Office Building. Four Senators were present. Representatives present were as follows: Chairs Maggie Jeffus and William Wainwright, Vice Chair Marion McLawhorn, Daniel Barefoot, Bob Hensley, and Wilma Sherrill.

Representative Maggie Jeffus called the meeting to order and introduced the pages for the committee, which were Dana Jack of Dunn, sponsored by Senator Oscar Harris and Janet Reinhardt of Maiden, sponsored by Senator Austin Allran.

OFFICE OF THE STATE CONTROLLER Status of Extended Pilot Program on Collection of Bad Debts by State Agencies (Section 25, S. L. 1999-237)

Representative Jeffus introduced Mr. Don Waugh, Assistant State Controller. His report is in response to a special provision within House Bill 168, Section 25 of the 1999 legislative session. The special provision was to extend a pilot program on reporting on collection of bad debts by state agencies. (See Attachment 1) He read the paragraph entitled, BACKGROUND, to the members and continued with an overview of the attachment. The report provided the committee with information on how they approached the pilot program.

They decided to implement a very limited prototype clearinghouse to determine if it was worth pursuing on a one-year basis. (See Attachment 2) The attachment summarizes what has been done to date.

In summarizing, they have been moderately successful to date on this limited prototype, and it appears to be worthwhile to address it for next year.

Mr. Waugh stated that there is a due process outlined and they suggest a thirty-day billing notice, and in the next thirty days, the second notice, and there is a third notice, sixty days after that. At that point, the process should move to an outside collection agency. Currently, they are waiting until after a six months waiting period and that is a problem. They continue to work with the agencies.

OFFICE OF THE STATE AUDITOR Status Report on Performance Audit of the Department of Revenue (S.L. 1999-415)

Representative Jeffus introduced Ms. Janet Hayes, Performance Audit Manager for the State Auditor's Office.

Ms. Hayes reviewed and explained several areas included in the attachments.

She directed the members' attention to the Interim Report (See Attachment 3) and presented them with an overview of the report.

The next handout (See Attachment 4) contains a list of areas where they do believe that it would be beneficial to conduct additional work and also have on page 3 the cost associated with more work.

(See Attachment 5) This is a flow chart showing the ITAS environment and the subsystems with which it interacts. KPMG's current focus is on ITAS only. Many of the items on the additional lists would be work that helps to identify on how the subsystems feed into and interact and whether or not they are giving ITAS correct information.

(See Attachment 6) This is on additional work. The first column is the potential area for review. The section is priority and they are their assessment of whether or not this should be a priority item. The third column sets forth the basis why we believe this is an area that does need additional detailed work. The last column is a rough outline of exactly what they think needs to be done. On the next page, Department of Revenue's potential additions are covered.

Ms. Hayes stated that to look at all of the potential areas that have been identified for additional work, it is estimated to cost an additional $144,144.

EXPANSION BUDGET REQUESTS - DEPARTMENT OF INSURANCE

Representative Jeffus recognized Ms. Starla McKenney, Special Assistant with the Department of Insurance. Ms. McKenney stated that Mr. Dascheil Propes, Chief Deputy Commissioner, and Mr. Jim Newman, Controller, were also present.

(See Attachment 7) This is a summary of the expansion requests and (See Attachment 8) the other is their anticipated one percent budget cut. The expansion item relates to three positions, a programmer and two support positions. This would help their department become more interactive with industry and with consumers using the Internet. These three positions are part of an overall plan to make their website and department more interactive using the Internet.

The next item deals with the one percent cut. As a reminder, last year they cut one percent ($190, 000) from the *Building Code Book Sales* and were ask to look at that same line and to see if there was any additional room based on the expenditures and the sales for the building code books for this year. They anticipate being able to do that. This would be a $220,000 reduction.

To sum up, they are asking for $198,597 for three positions and offering up $220,000 for a cut.

EXPANSION BUDGET REQUESTS - OFFICE OF ADMINISTRATIVE HEARINGS

Judge Julian Mann II, Chief Director of the Office of Administrative Hearings, provided the members with a sheet identifying their expansion request. (See Attachment 9)

Item one identifies the additional personnel needed.

Item two identifies the need to consolidate their offices into one location. They have been told by State Property that there is no available space in state owned office buildings. If they were, because of their hearings division and functions, they sometimes find it difficult to judicate cases sitting in the very office of those that are a party to the case and that have been a problem. They have three divisions, Hearing Division, Rules Division, and the Civil Rights Division. They are scattered in four locations but principally three in Raleigh. They would like to provide one location for the public to go and handle the public demands of the Office of Administrative Hearings. The old historic houses on Blount Street are architectural masterpieces but they do not always work real well as offices. They have many hearings in Wake County but have only two rooms that are really an old dining room and a parlor. It just doesn't work very well, and they need courtrooms that are designed for hearings.

Senator Foxx requested information on the amount of space that the State has added in the last five years and how many people have been added. The question was directed to Secretary Katie G. Dorsett of the Department of Administration. Secretary Dorsett will forward the information to Senator Foxx.

Judge Mann was asked why they didn't move into space in the renovated Education Building? He answered that as far as he knows that space has been filled.

Ms. Marilyn Chism, Staff, answered Senator Foxx's inquiry. In the 1999 budget there was a special provision directing the State property and State Construction to look at leasing versus construction and they asked for an extension on their report. That report is due in January 2001.

Representative Jeffus announced that there would not be a meeting this afternoon but watch your e-mail and listen for announcements in Session. There being no further business, the meeting adjourned at 9:30 A.M.

Respectfully submitted,

Rep. Maggie Jeffus
Representative Maggie Jeffus
Presiding Chair

Mary Lee Robinson
Mary Lee Robinson
Committee Assistant

Attachment 1

State of North Carolina
Office of the State Controller

James B. Hunt, Jr., Governor

Edward Renfrow, State Controller
Gwen Canady, Chief Deputy

May 31, 2000

MEMORANDUM

TO: Joint Appropriations Subcommittee on General Government

FROM: Edward Renfrow
State Controller

SUBJECT: Pilot Program on Collection of Bad Debts Report

The report provided is in response to a special provision within House Bill 168-Section 25 of the 1999 legislative session. The General Government Appropriations Subcommittee presented the special provision, *Extend Pilot Program on Reporting on Collection of Bad Debts by State Agencies*. The subcommittee requested additional information to determine specific debt collection problem areas and if additional bad debt volume may support the implementation of a Bad Debt Collection Clearinghouse Pilot Program. As a result of the special provision, the Office of the State Controller (OSC) has focused limited resources on reviewing agency accounts receivable activity and creating a limited 90-day Bad Debt Clearinghouse Proof of Concept Prototype that could provide information as to the feasibility of establishing a one-year Bad Debt Collection Clearinghouse Pilot Program. An attached PowerPoint presentation summarizes the prototype findings to date, lessons learned and recommended next steps.

BACKGROUND

The State Controller remains committed to the redesign of accounts receivable, debt setoff processes and systems to standardize bad debt collections, as well as maximize automation and minimize manual processing. However, in recent years there have been limited financial resources for implementation of an integrated accounts receivable system that utilizes imaging and workflow technologies, modern e-commerce electronic data interface technology and a highly automated data warehouse for centralized accounts receivable information. The above mentioned special provision reflects an effort to continue some level of effort towards updating the State's accounts receivable and debt collection environment.

In 1999 the OSC was mandated by House Bill 168, Section 25 to investigate the feasibility of a bad debt clearinghouse. The mandate reads in part:

> *The Office of the State Controller shall study the feasibility of establishing a one-year Bad Debt Collection Clearinghouse Pilot Program. The study shall be restricted to approximately one hundred million dollars in bad debts representing appropriate types of accounts receivable. The study shall address the use of one or more private*

MAILING ADDRESS
1410 Mail Service Center
Raleigh, NC 27699-1410

Telephone: (919) 981-5454
Fax Number: (919) 981-5567
State Courier: 56-50-10
Website: www.osc.state.nc.us/OSC/
An Equal Opportunity/Affirmative Action/Americans With Disabilities Employer

LOCATION
3512 Bush Street
Raleigh, NC

collection agencies and whether the potential pilot should be administered jointly by the Department of Revenue and the OSC. The study shall also address local government participation in the pilot program.

As a result of this mandate, the Office of the State Controller decided to look into the concept of a Bad Debt Collection Prototype project. **PriceWaterhouseCoopers** (PwC) was contracted from a previously established convenience contract to create a prototype system that would allow a feasibility study on centralized outsourcing of debt collection activities. The outsourcing of debt collection activities is necessary because no infrastructure exist within the State to support extensive in-house collection of challenging debt and expansion funding for new systems is extremely limited. Therefore, PwC and OSC developed a strategy to implement a limited 90-day Bad Debt Clearinghouse Proof of Concept Prototype to provide input into the feasibility of extending this concept to a larger volume one-year pilot program.

PROTOTYPE CONCEPT

Initially, the project team focused on securing agency participation from both state and local governments. Agencies with debt for which common collection processes had been executed were sought. As these debts were officially "uncollectible", state pursuit had already been suspended on these debts. In order to streamline prototype functionality, a standard agreement was created between OSC and the participating agency. This agreement documented the agency commitment to participation as well as the OSC requirements. Although several agencies were interested in participating, the ability to participate was limited by legislative, security, and/or technological restrictions. For example, ESC has severely restrictive data security issues that disallowed participation in this study. DHHS Mental Health was also unable to participate due to patient confidentiality agreements. Some smaller agencies, however, were limited by the inability to collect or transfer the data to the prototype. These issues should be further investigated during the next phase of the prototype.

In addition to securing participation within the State, a collection agency was required. With the cooperation of the Attorney General's office, the prototype was able to take advantage of existing contracts with two collection agencies. After interviewing both NCO Collections and Windham Collections, it was determined that, under these circumstances, Windham Collections would be the more appropriate agency. Arrangements were established with Windham to initiate the data transfer, collection management, and revenue distribution with the participating state agencies. A memo of understanding was executed between Windham Collections and each state agency.

An initial database was designed, and all agencies were asked to approve the design. As agencies began to see the actual design, several issues arose. There were questions about security, and special arrangements were made. All agency issues were addressed utilizing solutions such as: a standalone unconnected PC; debt identifiers to reduce debtor confusion; and data transfer by diskette or CD. The prototype was developed and test runs were made with the State and collection agencies.

In tandem to this project described above, the NC Department of Revenue (DOR) was required to conduct a study to identify and evaluate efficient tax collection processes. As this project aligned closely with the OSC project, the PwC team executed both projects. Preliminary DOR results have shown that the use of a collection agency for out of state and "uncollectible" debt is a common and recommended practice. The results of the DOR study were presented to the Revenue Laws Committee on April 27th. A copy of the DOR report is available through DOR or legislative support staff.

BAD DEBT CLEARINGHOUSE PROOF of CONCEPT PROTOTYPE RESULTS THUS FAR

The prototype was executed on March 15th, 2000. There has been a steady stream of daily collections on North Carolina accounts. Although overall collections for the prototype have been somewhat low initially (approximately two and one-half percent of debt submitted), the collections have been deemed successful due to the previously determined "uncollectible" nature of the accounts submitted. We have included a brief synopsis of the initial 60 days collection activity. It is important to note in reviewing these numbers that the debt submitted by the City of Raleigh was for

utilities. These debts are typically smaller and more difficult to collect. These debts may reduce the overall impact of the success rate.

Following is a summary of the participation by agency:

Department of Revenue

- Sent:
  - Accounts: 1033
  - Amount: $927,170.46
- Collected:
  - Accounts: 71
  - Amount: $47,119.94
  - Avg. Debt: $663.66

Department of Labor

- Sent:
  - Accounts: 147
  - Amount: $233,392.49
- Collected:
  - Accounts: 35
  - Amount: $21,683.25
  - Avg. Debt: $619.52

City of Raleigh

- Sent:
  - Accounts: 12,604
  - Amount: $1,602,999.60
- Collected:
  - Accounts: 32
  - Amount: $1,924.88
  - Avg. Debt: $60.15

RECOMMENDED NEXT STEPS

The existing database has been designed to address collection requirements for the remainder of the 90-day prototype and an additional one-year expanded pilot. It has been created to accept additional debts during this period with the anticipation that additional agencies would be interested in contributing their outstanding debts to this system. As the existing collection agency contract expires on June 30th, the Attorney General's office is pursuing arrangements with additional agencies. Under this agreement, the agency collection costs will be paid through successful collections in the form of collection agency fees. Additional project costs to maintain the central database in OSC; however, are not addressed within these agreements.

Due to limited in-house resources, the OSC intends to solicit information from collection agencies concerning the possibility of these agencies maintaining a centralized bad debt database for the State. The OSC will further analyze the issue of state agency restrictive data security and/or confidentiality issues to determine whether non-disclosure and required security contractual terms and conditions could allow these bad debts to be included in a centralized database. Those agencies prohibited from participating in the centralized bad debt database will be accommodated through procedures for direct access to qualified collection agencies when legal and contractual authority permits this action.

In closing, the Bad Debt Collection Prototype project has been moderately successful to date. Continuation for a one-year period on an expanded basis would allow additional feasibility determination. The additional year will be used to further clarify participation requirements, refine the standard data formats that must be used to centrally manage these debts, and continue to research the concept of outsourcing the centralized debt collection clearinghouse to the extent possible in order to limit the state resources required to support this program.

Additional legislative special provision language necessary to extend these efforts is suggested below:

PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES EXTENDED

Section XX. (a) The General Assembly having been presented additional information related to a limited 90 day Bad Debt Clearinghouse Proof of Concept Prototype for the collection of previously determined "uncollectible" accounts now request that additional state agencies with a material amount of accounts receivable bad debts be included in a one year pilot to further determine the feasibility of implementing a centralized Bad Debt Collection Clearinghouse Program.

(b) The Office of State Controller shall establish a procedure by which state agencies/institutions with a material amount of accounts receivable shall report on collection of bad debts. This pilot program is intended to concentrate on agencies that have a large amount of bad debts, in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of state government. The OSC may solicit information from collection agencies concerning the possibility of these agencies maintaining a central debt collection database limited to those state agencies without restrictive data security or confidentiality issues. Procedures for direct access to qualified collection agencies may be established for agencies with restrictive data security or confidentiality issues when legal and contractual authority permits this action.

(c) The Office of State Controller shall administer a one-year Bad Debt Collection Clearinghouse Pilot. The pilot shall address the use of one or more private collection agencies and may make provision to allow local government units to participate in this pilot program. The pilot shall further address whether the potential Bad Debt Collection Clearinghouse Program should be administered jointly by the Department of Revenue and the Office of the State Controller.

(d) The Office of State Controller shall report the results of the Bad Debt Collection Clearinghouse Pilot to the General Assembly no later than May 15, 2001, along with recommendations on changes in law or procedure to better collect the bad debts including the feasibility of implementing a centralized Bad Debt Collection Clearinghouse.

Thank you for your time and consideration in this matter. If you have any further questions or concerns please contact Don Waugh at (919)981-5465.

Attachment

North Carolina Office of the State Controller

Bad Debt Clearinghouse

Proof of Concept Prototype

May 31, 2000

Attachment 2

Agenda

- Section 1 - Introduction
- Section 2 - Agency Participation
- Section 3 - Prototype Findings
- Section 4 - Potential Benefits
- Section 5 - Lessons Learned
- Section 6 - Recommendations
- Section 7 - Next Steps

Introduction- Overview

- The North Carolina Office of the State Controller (OSC) in response to Session Law 1999-237 is required to investigate the feasibility of a bad debt clearinghouse.
- Why are we doing the study?
  - External infrastructure does not exist to support extensive in-house collection of challenging debt
  - Significant debt (approximately $300M) is not being pursued
  - Agreements have been secured by the Attorney General's Office with two collection agencies.* Previously, these contracts were most often employed by state universities and colleges .

** The Attorney General's office is currently in negotiations to secure agreements with up to 5 agencies*

Agency Participation

As the legislation allowed for state and local government participation, the prototype participants included the following :

Department of Revenue
- Out-of-State taxes
- 1000 cases
- $1,500,000 debt

Department of Labor
- OSHA penalties and fees
- 562 cases
- $1,412,777 debt

City of Raleigh
- Water and sewer debt
- 17,106 cases
- $1,600,500 debt

Their ~~rate~~ fee is 16.5% of what is collected
They will take debts as low as $25

An agreement was reached with Windham Collections to perform all collection functions for the prototype phase.

Prototype Findings

As a result of the initial 90-day prototype, the following findings were observed:

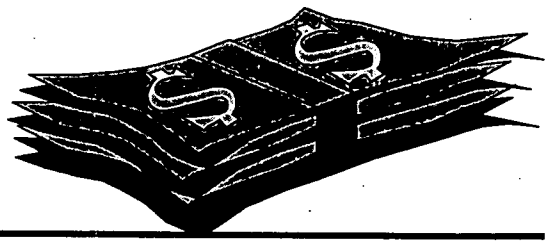
- Agency participation was restricted due to privacy issues (ESC, DHHS Mental Health, and DOR)
- Several collection accounts were removed from the prototype (up to 20%) after submission as invalid.
- Successful debt collection dramatically decreases over time
- After the initial 60-day trial period, the following results were seen:
  - Debt submitted: $2.7M
  - Debt collected to date: $71K
- Additional collections are expected in next 30-day period

Potential Benefit

Source	Estimated Revenue
Dept. of Revenue	$292K
Dept. of Labor	$64K
City of Raleigh	$179K
Additional Agency participation	$200K
Total	**$735K**

Intangible

- Centralized resource commitment
- Reduced collection time



Lessons Learned

Some North Carolina state agencies were unable to participate due to the following reasons:

- Technical restrictions did not allow electronic data interchange.
- Information sensitivity restricted the sharing of debtor information.
- Collections fees cannot be levied against certain debts.

Summary Recommendations

Recommendation	Projected Result
Define participation criteria for state agencies facilitating independent and central collections.	• Increased collectibility • Fewer debts removed from the system
Continue Prototype for 1 year, and expand current participation to include additional agencies.	• Increased measurement
Use debt collections to fund ongoing collection activities through collection agency fees.	• No new allocations required for collections

Next Steps

The following are tasks still to be completed:

• Work with the AG's office in securing new collection agency relationships	6/00
• Register additional agencies for prototype	6/00-6/01
• Define qualification criteria	6/00-9/00
• Continue prototype for 1 year period	6/00-6/01
• Review clearinghouse management	6/00-6/01

The State of North Carolina will increase revenue while defining a state-wide collection strategy by maintaining the Bad Debt Clearinghouse for one year.

STATE OF NORTH CAROLINA
Office of the State Auditor

Attachment 3

Ralph Campbell, Jr.
State Auditor

2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0601
Telephone: (919) 807-7500
Fax: (919) 807-7647
Internet http://www.osa.state.nc.us

May 30, 2000

Senator Edward Warren, Co-Chair
Representative Margaret Jeffus, Co-Chair
Representative William Wainwright, Co-Chair
Members, Joint Legislative Appropriations
Subcommittee on General Government
Legislative Office Building
Raleigh, North Carolina 27603

Ladies and Gentlemen:

Pursuant to Chapter 415 of the 1999 Session Laws, we are submitting this **Interim Report** on the performance audit of the North Carolina Department of Revenue (Department). Specifically, the legislation directed us to review:

- tax collection and tax auditing activity, with particular attention to the cost, efficiency, and effectiveness of the Integrated Tax Administration System (ITAS) and subsequent automation projects;
- current methods of processing tax returns and payments and the ability to employ the latest technology in this processing;
- internal organization and management structure;
- budgeting and fiscal management;
- and such other issues as may be deemed necessary or desirable by the State Auditor.

Audit Status

Preliminary discussions with legislators and Fiscal Research staff brought out the possible need for outside assistance to evaluate the specific ITAS questions raised in the legislation. In October 1999, the Office of the State Auditor (OSA) began the preliminary research on the Department of Revenue necessary to develop the audit plan. During this period, we confirmed a need for specialized assistance to review and evaluate the Department's ITAS operations. As a result, a Request for Proposal was developed.

In the meantime, an audit team from the Office of the State Auditor, composed of performance, financial, and information system auditors, began on-site work in mid-November 1999. The team conducted interviews with Department staff to gain an understanding of the Department's operations. Previous reports and studies on Department operations were obtained and reviewed. This information was used to identify specific areas where further audit work needed to be conducted and to refine the scope of work detailed in the RFP.

The RFP was issued in early January 2000, requesting proposals be submitted by February 9. Due to the heavy snowstorm experienced in January, the receipt of proposals was delayed until late-February. After review of the proposals, the Office of the State Auditor entered into a contract with KPMG LLP in March 2000.

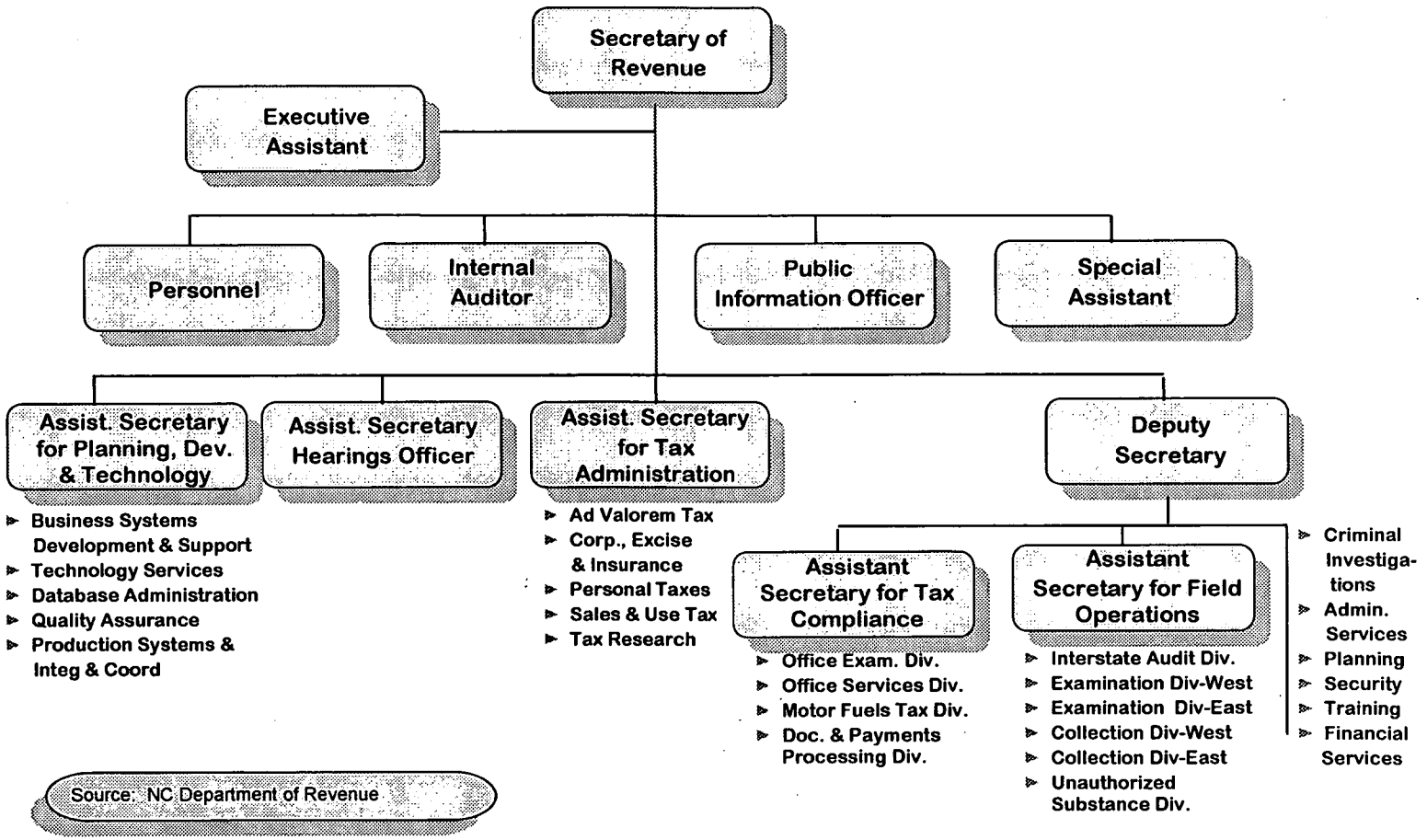
KPMG began on-site work at the Department March 22, 2000, working in conjunction with the State Auditor's audit team. Work is underway in the following areas:

KPMG Focus	OSA Focus
• ITAS functionality • Procedures for system changes • ITAS operational performance • Information security • Business continuity planning • Resources and costs • Using automation in the auditing function • Best practices in other states	• Budget and finance • Taxpayer assistance • Bankruptcy procedures • Amended returns • Distribution of local taxes • Refund process • Handling of returned mail • Internal controls over receipt of payments • Motor fuels tax distribution • Procedures for negotiating tax assessment conflicts • Organizational structure and staffing issues

Department Overview

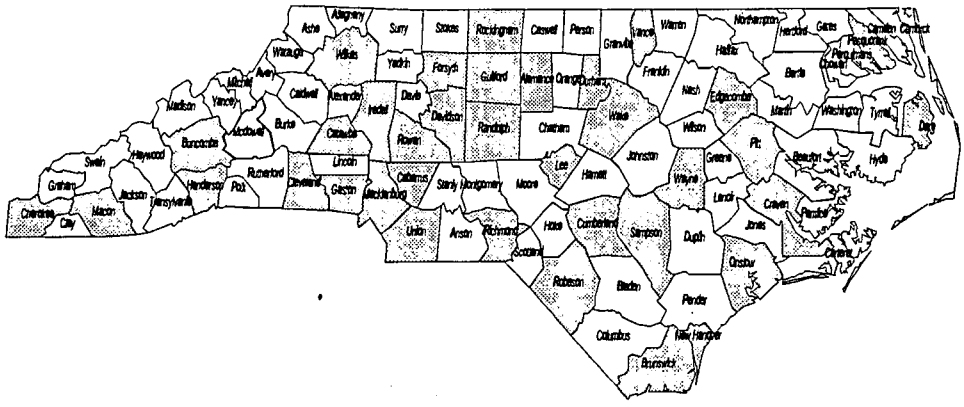
The North Carolina Department of Revenue is charged under GS 143B-217 with responsibility for administering the tax laws of the State of North Carolina and with collecting the taxes due the State. The Department's organizational structure at the beginning of the on-site work featured 17 divisions, totaling 1,279 positions. Exhibit 1 shows the organizational structure as of May 2000. The Department is currently in the process of restructuring and shifting responsibilities.

EXHIBIT 1
NORTH CAROLINA DEPARTMENT OF REVENUE
CURRENT ORGANIZATIONAL STRUCTURE
AS OF MAY 2000



As of May 2000, Department personnel are located in 37 cities and towns across the State (see Exhibit 2) and 27 out-of-state field auditors in 18 major metropolitan areas across the Untied States (Exhibit 3).

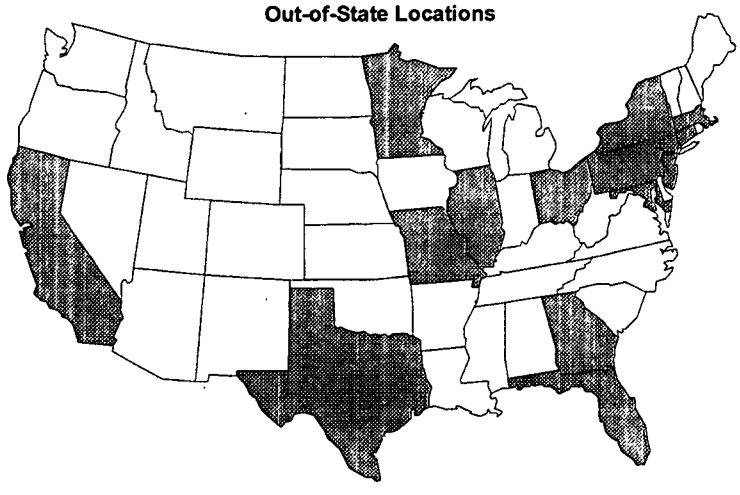
EXHIBIT 2
North Carolina Locations



Source: NC Department of Revenue

EXHIBIT 3
Out-of-State Locations

State	# of Positions
California	4
Connecticut	2
Florida	2
Georgia	3
Illinois	2
Maryland	1
Massachusetts	1
Minnesota	1
Missouri	1
New Jersey	1
New York	2
Ohio	2
Pennsylvania	2
Texas	3



Source: NC Department of Revenue

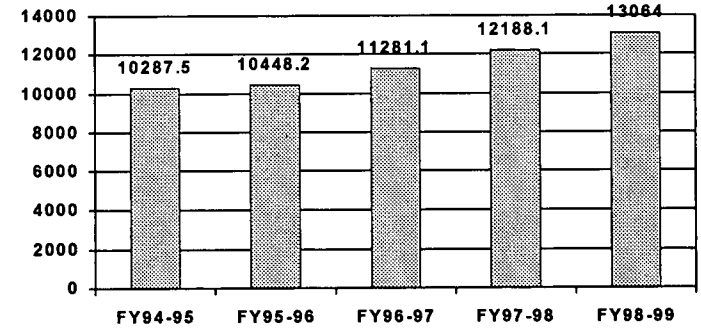
TABLE 1 Number of Returns by Tax Type for FY98-99	
Tax Type	Number of Returns
Inheritance Tax	8,385
Privilege License Tax	79,719
Tobacco Products Tax	4,878
Soft Drink Tax	7,792
Franchise Tax	177,706
Individual Income Tax	
Individual Income*	3,561,871
Estimated Income	808,635
Withholding	2,285,999
Corporate Income Tax	264,220
Sales and Use Tax	2,349,059
Beverage Tax	16,428
Gift Tax	5,862
Intangibles Tax	4
Freight Car Lines Tax	125
Insurance Tax	7,551
Real Estate Conveyance Excise Tax	410
Dry-Cleaning Solvent Tax	196
Primary Forest Products Tax	1,035
Scrap Tire Disposal Tax	37,263
White Goods Disposal Tax	14,878
Motor Fuels Tax	56,444
TOTAL	9,688,460
*Includes partnerships and fiduciary returns Source: NC Department of Revenue	

The Department's certified budget for fiscal year 1999-00 is $84.1 million. Gross collections for fiscal year 1998-99 were $16.8 billion, with net revenues being $13.1 billion. For the same period, average daily deposits were $67.4 million.

The Department processed 9,445,630 returns for fiscal year 1997-98, increasing to 9,688,460 for fiscal year 1998-99. From those, the Department processed 5,897,822 payments, representing 60.9% of the total number of returns.

Approximately 26% of the total returns filed for fiscal year 1998-99 resulted in a refund to the taxpayer. Total refunds for the year were $1.6 billion, with refunds to individual taxpayers accounting for $1.053 billion of that amount. Table 1 shows a breakdown of the type of returns filed in fiscal year 1998-99. Net tax revenues collected by the Department for fiscal years 1994-95 through 1998-99 are shown in Exhibit 4. Distributions and transfers to local governments and State agencies equaled $2.2 billion for fiscal year 1998-99.

EXHIBIT 4
NET TAX REVENUES FY94-95 TO FY98-99
(in millions)



Source: NC Department of Revenue

In 1987, the Department embarked on a major initiative to redesign and modernize its aging automation environment. Since that time, records indicate that the Department has expended approximately $54 million, composed of Department reserves and appropriations from the General Assembly, as shown in Table 2. (Note: The numbers in this area are still being confirmed.) A large portion of these funds was used to purchase, modify, and implement the Integrated Tax Administration System (ITAS) and for the Data Capture Project. During this same period, the General Assembly has approved the creation of 193 new permanent positions, as shown in Table 3.

TABLE 2
COSTS OF COMPUTERIZATION
FY87-88 TO FY98-99
(numbers shown in bold are for ITAS and Data Capture)

87-88	$ 732,720
88-89	4,651,536
89-90	5,091,431
90-91	3,047,331
91-92	0
92-93	0
93-94	**3,009,800**
94-95	**10,558,294**
95-96	**10,612,862**
96-97	**4,255,874**
97-98	**0**
98-99	**12,272,148**
TOTAL	$54,231,996

Source: NC Department of Revenue

TABLE 3
CHANGES IN NUMBER OF POSITIONS
FY87-88 TO FY98-99

Fiscal year	Permanent Full-Time	Temporary Full Time	Temporary Part-Time	Temporary Time Limited
87-88	25	20	23	0
88-89	11	17	6	0
89-90	152*	45	3	0
90-91	-31	13	4	0
91-92	-8	107	-25	0
92-93	-12	18	3	0
93-94	9	6	9	0
94-95	41	1	1	0
95-96	-15	9	0	2
96-97	9	68	-10	0
97-98	4	17	41	-2
98-99	8	2	0	1
TOTALS	193	323	55	1

*135 of these positions were for the Taxpayer Amnesty Program
Source: NC Office of State Personnel

These automation upgrades have allowed the Department to initiate electronic filings of returns and electronic transfers of funds (EFT). For fiscal year 1998-99, 652,744 individual income tax returns were filed electronically. Since January 1994, $35.5 billion have been deposited using electronic funds transfer. Gross EFT collections for business taxes for fiscal year 1998-99 totaled $9.2 billion.

We now have a good understanding of the operational procedures used by the Department, and we are in the process of assessing the effectiveness and efficiency of those procedures. We are not at a point, however, where we can detail for you any specific findings or recommendations. The legislation mandated that the final report be submitted by January 1, 2001. Since we realize the importance of this audit to the Joint Appropriations Subcommittee, we are making every effort to complete the work earlier and have the final report to you in October 2000.

We wish to thank Secretary Offerman and the staff at the Department of Revenue for their cooperation thus far in the audit. As always, we stand ready to discuss this interim report with the Joint Appropriations Subcommittee.

Respectfully submitted,

Ralph Campbell, Jr.

Ralph Campbell, Jr.
State Auditor

NORTH CAROLINA DOR
SCOPE DOCUMENT – POTENTIAL ADDITIONS
MAY 2000

Potential Areas for Review	Priority	Basis	Scope
Data Capture Project	High	$18 million projected cost Key to lowering processing cost / increasing revenue collection / speed of processing	Project Risk Assessment *Project Planning *Project Organization *Task Management *Change Management *Resource Management *Ongoing issues *Reporting and communication *Cost / benefit
Functionality	High	Feedback to date indicates user concern regarding ITAS capabilities to support case management relative to collections and withholding tax	Perform a business process assessment to identify control weaknesses and processes for improvement or reengineering case management and withholding (collaborative with OSA efforts)
DOR Information Security	High	High level administrative processes reviewed to date; Limited technical review of DOR infrastructure (servers, imaging, network)	Review of technical security controls for data transfer / receipt from ITS, Fed, Field Offices, other external parties Technical security review of hardware / software supporting subsystems, DOR network
Cost / Benefit	Medium	initial costing data obtained inconsistent – limited time allocation to date to obtain / review detailed costing data Needed to support report conclusions and respond to legislature / Campbell concern	Examine in more detail costing data to determine ITAS costs vs. other IT-related costs in comparison to budgeted dollars; review of historical cost trends Additional collaboration with OSA regarding processing controls
ITAS Future Software Release	Medium	Pending software changes key to additional revenue collection and productivity enhancement	Review changes in next planned release Analyze release changes vs. functionality gaps identified in previous surveys

Attachment 4

NORTH C[redacted]OLINA DOR
SCOPE DOCUMENT – POTENTIAL ADDITIONS
MAY 2000

Potential Areas for Review	Priority	Basis	Scope
DOR Technical Infrastructure	Medium	DOR subsystems and server / network / PC environment not emphasized to date Key to reliability and effectiveness of subsystems feeding ITAS and connecting external sites	Technical controls review and performance management (security, change management, backup / recovery capabilities) for DOR infrastructure
DOR Technical Skills / Experience	Low	Not covered to date; Trend to contract services for newer technologies noted; Internal FTE allocations noted to fill perceived skillset needs	Perform a skills and experience review of DOR technical personnel Detailed comparison to other DOR's / governmental agencies

NORTH CAROLINA DOR
SCOPE DOCUMENT – POTENTIAL ADDITIONS
MAY 2000

Potential Areas for Review	Hours Allocated	Professional Fee Estimate	Administrative Costs (11%)	Travel Costs (15%)	Total Estimated Cost
Data Capture Project	150	$ 26,400	$ 2,904	$ 3,960	$ 33,264
Functionality	100	$17,600	$ 1,936	$ 2,640	$ 22,176
DOR Information Security	150	$ 26,400	$ 2,904	$ 3,960	$ 33,264
Cost / Benefit	50	$ 8,800	$ 968	$ 1,320	$ 11,088
ITAS Future Software Release	50	$ 8,800	$ 968	$ 1,320	$ 11,088
DOR Technical Infrastructure	100	$ 17,600	$ 1,936	$ 2,640	$ 22,176
DOR Technical Skills / Experience	50	$ 8,800	$ 968	$ 1,320	$ 11,088
TOTALS	**650**	$114,400.00	$12,584.00	$17,160.00	**$144,144.00**

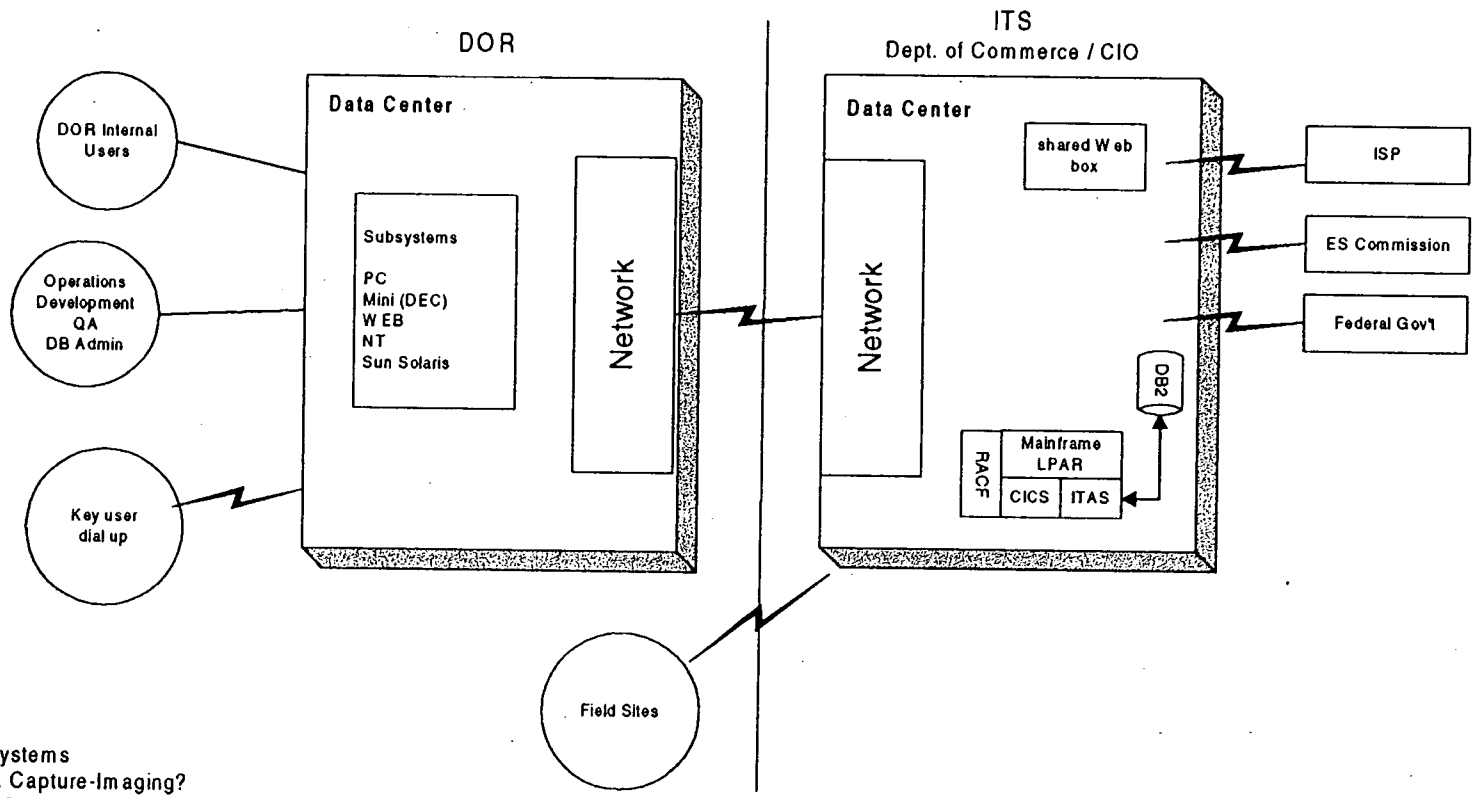
Notes:

Pricing in chart above is consistent with pricing for the original engagement

- professional fee costs in above chart were calculated at $176 per hour
- administrative charges calculated at 11% of professional fees
- travel costs calculated at 15% of professional fees

Overview - ITAS and Supporting IT

NC DOR Review / ITAS Review
April 2000



Subsystems
-Data Capture-Imaging?
- JETS-Java Enabled Tax System(WWW), on DOR
Sun Solaris- Tax Payer Database
-RCA-Revenue Collection and Analysis - DOR Box
-ELF - Electronic Filing
-EFT - Electronic Fund Transfer - Business Tax
-Tartan - Data Entry
-Intangible - PC Based?
-Unauthorized Substance - Feeds ITAS (PC Based?)
-MRPS - Mail opening/Some deposits
-ARPS - Deposit subsystem

Attachment 5

NORTH C[illegible]OLINA DOR
SCOPE DOCUMENT – POTENTIAL ADDITIONS
MAY 2000

Potential Areas for Review	Priority	Basis	Scope
Data Capture Project	High	$18 million projected cost Key to lowering processing cost / increasing revenue collection / speed of processing	Project Risk Assessment *Project Planning *Project Organization *Task Management *Change Management *Resource Management *Ongoing issues *Reporting and communication *Cost / benefit
Functionality	High	Feedback to date indicates user concern regarding ITAS capabilities to support case management relative to collections and withholding tax	Perform a business process assessment to identify control weaknesses and processes for improvement or reengineering case management and withholding (collaborative with OSA efforts)
DOR Information Security	High	High level administrative processes reviewed to date; Limited technical review of DOR infrastructure (servers, imaging, network)	Review of technical security controls for data transfer / receipt from ITS, Fed, Field Offices, other external parties Technical security review of hardware / software supporting subsystems, DOR network
Cost / Benefit	Medium	initial costing data obtained inconsistent – limited time allocation to date to obtain / review detailed costing data Needed to support report conclusions and respond to legislature / Campbell concern	Examine in more detail costing data to determine ITAS costs vs. other IT-related costs in comparison to budgeted dollars; review of historical cost trends Additional collaboration with OSA regarding processing controls
ITAS Future Software Release	Medium	Pending software changes key to additional revenue collection and productivity enhancement	Review changes in next planned release Analyze release changes vs. functionality gaps identified in previous surveys

Attachment 6

NORTH [redacted]ROLINA DOR
SCOPE DOCUMENT – POTENTIAL ADDITIONS
MAY 2000

Potential Areas for Review	Priority	Basis	Scope
DOR Technical Infrastructure	Medium	DOR subsystems and server / network / PC environment not emphasized to date Key to reliability and effectiveness of subsystems feeding ITAS and connecting external sites	Technical controls review and performance management (security, change management, backup / recovery capabilities) for DOR infrastructure
DOR Technical Skills / Experience	Low	Not covered to date; Trend to contract services for newer technologies noted; Internal FTE allocations noted to fill perceived skillset needs	Perform a skills and experience review of DOR technical personnel Detailed comparison to other DOR's / governmental agencies

NORTH C[illegible]OLINA DOR
SCOPE DOCUMENT – POTENTIAL ADDITIONS
MAY 2000

Potential Areas for Review	Hours Allocated	Professional Fee Estimate	Administrative Costs (11%)	Travel Costs (15%)	Total Estimated Cost
Data Capture Project	150	$ 26,400	$ 2,904	$ 3,960	$ 33,264
Functionality	100	$17,600	$ 1,936	$ 2,640	$ 22,176
DOR Information Security	150	$ 26,400	$ 2,904	$ 3,960	$ 33,264
Cost / Benefit	50	$ 8,800	$ 968	$ 1,320	$ 11,088
ITAS Future Software Release	50	$ 8,800	$ 968	$ 1,320	$ 11,088
DOR Technical Infrastructure	100	$ 17,600	$ 1,936	$ 2,640	$ 22,176
DOR Technical Skills / Experience	50	$ 8,800	$ 968	$ 1,320	$ 11,088
TOTALS	**650**	$114,400.00	$12,584.00	$17,160.00	**$144,144.00**

Notes:

Pricing in chart above is consistent with pricing for the original engagement

- professional fee costs in above chart were calculated at $176 per hour
- administrative charges calculated at 11% of professional fees
- travel costs calculated at 15% of professional fees

SUMMARY LIST OF EXPANSION REQUESTS

1 Agency: Insurance

	Priority Number	Program Description (Concise Sentences)			Requested 2000-01
2	1	Establish three (3) computer positions.			
3			Requirements	$	198,597
			Receipts		
4a			Federal		
4b			Local		
4c			Other		
5			Appropriation	$	198,597
6			No. of Positions		3.000
7			Total Requirements	$	198,597
			Total Receipts		
8a			Federal		-
8b			Local		-
8c			Other		-
9			Total Appropriation	$	198,597
10			Total No. of Positions		3.000

Submit 4 copies on 8 1/2 x 11-inch green paper.

Attachment 1

WORKSHEET II EXPANSION BUDGET REQUEST

Priority No. 1 of 1

BUDGET CODE: 13900 DEPARTMENT: Department of Insurance DIVISION/ INSTITUTION:
FUND NUMBER: 1200 FUND TITLE: Company Services
PROGRAM NUMBER: COC NUMBER:
TITLE OF REQUEST:

STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?
YES [ ] NO [X]
IF YES, ATTACH A COPY OF THE DRAFT.

		2000-01
6b	TOTAL REQUIREMENTS	198,597
7b	TOTAL RECEIPTS	-
8b	APPROPRIATION	198,597
9b	TOTAL POSITIONS	3.00

NARRATIVE:

Needs
Establish two computer support positions and one computer programming position to automate various core insurance functions so that the Department may offer public access to its databases via the internet.

Changes to current operations
Appropriate funds available to provide adequate level programming, support and anti-virus protection.

Anticipated outcomes
-Development position: Support for electronic rates and forms filings system, on-line consumer complaints system, web access to department databases, consumer and industry-related information.
-Computer support positions to maintain the web-site and provide support for desktop and laptop users.

Does this request require additional resources from another agency [ ] Yes [X] No

Name the agency and the funds required: _____ Agency Funds Requested: _____ 2000-2001

Priority No. 1 of 1

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

REQUIREMENTS:

ACCOUNT NO.	ACCOUNT TITLE	Actual 1998-99	Authorized 1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
531211	SPA Regular Salaries			142,918				
531511	Social Security Contributions			10,933				
531521	Retirement Contributions			15,478				
531561	Medical Insurance Contributions			6,768				
532	Purchases Serv			1,500				
533	Supplies			4,500				
53451	Furn-Office			9,000				
534522	Equip-Comp			7,500				
	Requirements	68,517,730	7,693,401	198,597	182,097	182,097	182,097	182,097
	Number of F.T.E.*	92.18	94.68	3.00	0.00	0.00	0.00	0.00

RECEIPTS:

	Receipts	0	0	0	0	0	0	0
	APPROPRIATION	68,517,730	7,693,401	198,597	182,097	182,097	182,097	182,097
	CHANGE IN CASH BALANCE							

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

Priority No. 1 of 1

POSITIONS REQUESTED: *Detail of the positions included in this expansion request.*

GRADE	CLASSIFICATION/EFFECTIVE DATE:	2000-01 F.T.E	Annual Salary**	2000-01 Budgeted Salary
77	Computing Consultant IV (SER)	2.000	$46,749	$ 93,498
78	Applications Analyst Programmer II (SER)	1.000	$49,420	$ 49,420
	Total#	3.000		$142,918

** *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.

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

SPACE REQUIREMENTS: G.S. 120-36.7 (c)
DOES THIS REQUEST REQUIRE ADDITIONAL SPACE? YES [X] NO [ ] IF YES, COMPLETE THE FOLLOWING:

	Office	Storage	Other	2000-01	2001-02	2002-03	2003-04	2004-05
Type of Space:	X							
Additional Square Footage Required				360	360	360	360	360
Estimated Cost of Space Requirements				$4,680.00	$4,680.00	$4,680.00	$4,680.00	$4,680.00

MOTOR POOL REQUIREMENTS:
DOES THIS REQUEST REQUIRE ADDITIONAL VEHICLES FROM THE STATE MOTOR POOL YES [ ] NO [X]
IF YES, HOW MANY? [ ]

Department of Insurance
2000-2001
Line Item Detail

Recommended Fund		FY2000-2001
1500-Fund		
#1. Building Code Book Sales Reduce the Expenditure (53-2850) for producing the Building Code to reflect actual needs. The Department overestimated the demand for the books.		-220,000
	Total 1% cut	-220,000

Attachment 8

Attachment 9

OFFICE OF ADMINISTRATIVE HEARINGS
SUMMARY OF EXPANSION BUDGET REQUEST
2000-2001 FISCAL YEAR

Priority Number	Program Description		Requested 2000-2001
1	**Additional Personnel and Realignment of Positions** The Office of Administrative Hearings critically needs two positions to support the operations of the Agency. One of these positions is for an agency legal specialist to assist in daily operations which frequently require legal interpretations and opinions. The remaining position is to support the agency in computer operations. Additionally, this agency needs to address the level of some of our management positions, all of which are still at the level they were created in 1986. However, the leve responsibility and functions assigned to these positions have changed drastically since that time.	Total Requirements Receipts Appropriation Recurring Non Recurring No. of Positions	$ 222,497 0 $ 222,497 $ 207,097 15,400 2
2	**Funding to Allow OAH to Lease Adequate Office Space** OAH currently has a staff of 42 employees and we are located in four (4) separate physical locations. Two of these locations are in historic houses which do not provide office space that is adequate for the efficient and safe operations of the department. This would also allow OAH to replace old office furnishings	Total Requirements Receipts Appropriation Recurring Non Recurring	$ 527,559 0 $ 527,559 $ 216,750 310,809
3	**Additional personnel-Civil Rights Division** These positions will enable the Civil Rights Division to be in a position to adequately address the the increasing numbers of charges of alleged discrimination, including alleged political discriminatior that are being received and must be investigated by this division. These positions will also allow this division to clear the current backlog of pending cases and keep all cases on a more current basis.	Total Requirements Receipts Appropriation Recurring Non Recurring No. of Positions	$ 183,808 0 $ 183,808 $ 163,708 20,100 3

TOTAL REQUIREMENTS		$ 933,864
RECEIPTS		0
TOTAL EXPANSION BUDGET REQUEST-FROM APPROPRIATION		$ 933,864
	TOTAL RECURRING	587,555
	TOTAL NON-RECURRING	326,209
	TOTAL POSITIONS	5

HOUSE APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT MINUTES Monday, June 12, 2000 2:00 P.M.

The subcommittee met in Room 425 of the Legislative Office Building. The members attending the meeting were Representatives Jeffus, McLawhorn, Barefoot, Setzer, Sherrill, Ellis, Thompson, Hensley, Redwine, Hackney, and Baddour.

Representative Jeffus called the meeting to order and recognized the Committee Assistant, Blinda Edwards, and the Sergeants at Arms, Martha Parish and Maxine Holly. The purpose of the meeting was to consider the General Government Budget Report. Representative Jeffus stated that Staff Persons, Michelle Nelson and Marilyn Chisholm, would explain the Budget Report and Special Provisions in their entirety. After their explanations, the committee members would be allowed to ask questions and to make comments.

Representative Ellis asked if the Expansion Request could be made available to the committee. Representative Jeffus responded that the expansion request could be made available, but it was not available at this time. The Subcommittee Chairs and the Appropriations Chairs agreed that the items listed in the Proposed Budget Report were those that would have statewide implications. The Budget Report and Special Provisions were passed out to the committee. Please refer to Exhibits A and B for the explanations provided by Staff. The committee began the discussion of the Proposed Budget Report and Special Provisions.

Representative Ellis had some questions regarding the Reserve for the Attorney's Fees of the Rules Review Commission. He cited an issue in which the Attorney General's Office is representing the Labor Commissioner in a lawsuit against the Rules Review Commission. The Labor Commissioner was denied the ability to forward rules. Joe Delucca from the Rules Review Commission stated that the Commission decided that based on the provision in last year's budget bill, that the Labor Commissioner did not have the authority to move forward with those rules. Representative Redwine stated that the money in the budget had been put into reserve for the Rules Review Commission to defend themselves. If the Rules Review Commission prevails in the lawsuit brought by a State agency, then the State agency shall deposit to the reserve an amount equal to the Commission's actual attorneys' fees.

Representative Thompson asked about Page J2, Item 3, regarding funding for the National Association of County Commissioners. He wanted to know if we had given money to the County Commissioners before. Representative Jeffus responded that this was the first year. This was the first National Convention to be held in North Carolina. The House and Senate felt good about helping with this project.

Representative Thompson asked how much money was in the reserve fund. Staff responded that there was over $3 Million in the reserve fund and $1.4 Million in the contingency fund.

Representative Thompson asked about Page J15, Item 49, Aid to Counties. He wanted to know if the amount to the Public Libraries in each county was based on a formula. Staff responded that there is a formula. Sandy Cooper from the State Libraries said that she would get the information on the formula and would provide it to the committee.

Representative Thompson offered an amendment to Special Provisions (See Exhibit C). This amendment would allow for the illumination of the nighttime display of the United States and North Carolina Flags at the Legislative Building. Representative Thompson moved for the adoption of the amendment. The motion carried.

Representative Sherrill had a question in regard to Page J12, Item 40. The committee had been told earlier that the new positions would generate $12 Million. She wanted to know if that amount was included in this year's budget, and if so, where. Representative Redwine responded that it was included in general availability.

Rep. Sherrill asked if the Basic Grants Program on Page J14, Item 46, had always been broken down into Primary Arts, Rural Arts, and Cultural Tourism. Mary Ragan, Director of the Arts Council, stated that it was broken out this way in last year's budget. This money was not given out on a formula basis. Panels review the grant requests and decide the amounts for the individual grants. Representative Sherrill requested a copy of where the $1.2 Million went the last time. Ms. Ragan said she would provide that information.

There was further discussion on the Budget Report. Representative McLawhorn made a motion to accept the Budget Report and Special Provisions as amended. The motion carried.

There being no further business before the committee, the meeting was adjourned at 3:10 p.m.

Respectfully submitted,

Blinda Edwards
Blinda Edwards,
Committee Assistant

Rep. Maggie Jeffus
Representative Maggie Jeffus,
Presiding Chair

EXHIBIT A

House Appropriations Subcommittee

on

GENERAL GOVERNMENT

Budget Report

June 12, 2000

General Assembly

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$39,518,408**
Budget Changes	
1900 Reserves and Transfers	
1 Reserves and Transfers	
Reduce contingency reserve funds.	($522,500) NR
Budget Changes	**($522,500) NR**
Total Position Changes	
Revised Total Budget	**$38,995,908**

State Budget and Management

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$7,327,782**
Budget Changes	
1022 2000 Special Appropriations	
2 **NC Humanities Council** Provides funds to the North Carolina Humanities Council, a nonprofit corporation, for the programs of the council.	$100,000 NR
3 **NACC Annual National Convention** Provides funding for the National Association of County Commissioner's Annual National Convention. The convention will be held in Charlotte.	$200,000 NR
Reserves and Transfers	
4 **Reserve for Rules Review Commission Lawsuits** Provides a reserve to fund lawsuits brought against the Rules Review Commission. (HB 1840, Sec. 24)	$200,000 NR
Budget Changes	**$500,000 NR**
Total Position Changes	
Revised Total Budget	**$7,827,782**

Secretary of State

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$6,455,933**	
Budget Changes		
1110 General Administration Division		
5 **Operating Budget Reductions** Reduces the operating budget for computer and data processing services (532821).	($14,000)	R
1210 Corporations Division		
6 **Operating Budget Reductions** Reduces the operating budgets for: 532821- Computer/Data Processing Services $35,559 533110- General Office Supplies $ 5,000	($40,559)	R
7 **Corporations Division Staff Expansion** Provides funding for three Information Processing Technician positions. The additional staff will help the Division meet the filing demands placed upon it by the growing economy and recent statutory changes.	$91,884 $27,786 3.00	R NR
1220 Uniform Commercial Code Division		
8 **Operating Budget Reductions** Reduces the operating budget for computer and data processing services (532821).	($5,000)	R
1230 Securities Division		
9 **Operating Budget Reductions** Reduces the operating budget for computer and data processing services (532821).	($5,000)	R
Budget Changes	**$27,325** **$27,786**	R NR
Total Position Changes	3.00	
Revised Total Budget	**$6,511,044**	

Auditor

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$11,608,041**	
Budget Changes		
1210 Field Audit Division		
10 **Over-realized Receipts** Reduces the General Fund appropriation for field audits. The Department has over-realized its budgeted receipts for audit work related the single audit and CAFR. Increasing budgeted receipts in line items 538301 and 538302 to more accurately reflect actual receipts will result in a reduction in the required General Fund appropriation.	($116,090)	R
11 **Performance Audit Funds** Provides funding to continue the performance audit of the Department of Revenue. Session Law 1999-415 (House Bill 1476) directed the State Auditor to conduct a performance audit of the Department. This funding allows the State Auditor to complete the audit.	$144,144	NR
Budget Changes	**($116,090)**	R
	$144,144	NR
Total Position Changes		
Revised Total Budget	**$11,636,095**	

Treasurer

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$18,863,033**

Budget Changes

1150 Information Services Division

12 Information System Mainframe $243,500 NR

Provides funding to buy out the lease for the Department's mainframe and storage system. The General Assembly's Select Committee on Information Technology will assess the information technology needs for the Department and report prior to the start of the 2001 Session of the General Assembly (HB 1840, Sec. 20).

The total cost to buy out the lease is $487,000. The cost will be allocated among the divisions within the State Treasurer's Office as noted below:

Receipt Supported Division
1410 Retirement $243,500

General Fund-Supported Division
1210 Investment and Banking $243,500
Nontax revenue will be increased by the amount allocated to the General Fund division.

1210 Investment and Banking Division

13 Operating Budget Reductions ($65,683) R

Reduces the operating budget for computer and data processing services (532821).

14 Federal Reserve Fees $390,000 R

Provides funding for the fees paid to the Federal Reserve for providing processed warrants in the dual form of electronic records and electronic images. Nontax revenue will be increased by an offsetting amount.

Budget Changes	**$324,317**	R
	$243,500	NR
Total Position Changes		
Revised Total Budget	**$19,430,850**	

Insurance

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$26,099,037**	
Budget Changes		
1200 Company Services		
15 Computer Personnel	$182,097	R
Provides funding to establish two Computer Consultant IV positions and one Applications Analyst Programmer II position to automate various core insurance functions so that the Department may offer public access to its databases via the Internet. The General Fund will be reimbursed from the Insurance Regulatory Fund for the total cost.	$16,500	NR
	3.00	
1500 Safety Services Group		
16 Building Code Book Sales		
Reduces the operating budget for producing the Building Code to reflect actual needs in line item 532850. The Department overestimated the demand for the books.	($220,000)	NR
Budget Changes	**$182,097**	R
	($203,500)	NR
Total Position Changes	3.00	
Revised Total Budget	**$26,077,634**	

Administration

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$60,089,326**

Budget Changes

1225 State Health Plan Purchasing Alliance

17 Eliminate Health Plan Purchasing Alliance Board ($250,000) R

Eliminate the appropriation for the operating expenses of the State Health Plan Purchasing Alliance Board. The Health Care Purchasing Alliance Act (Article 66 of Chapter 143 of the General Statutes) will sunset on December 31, 2000. The Board is to finalize its business on or before December 31, 2000. The remaining appropriation for the 2000-2001 fiscal year shall be used for salaries and benefits, allowable separation allowances, and the necessary expenses required to phase out the operations of the Board (HB 1840, Sec. 21.2). -4.00

1311 Office of State Personnel

18 Adjust Agency Positions ($64,679) R

Eliminate salary and related benefits for a vacant position - Office Assistant III, #4000-1002-0104-510. Reduce the salary level and related benefits of the Deputy Director position, #4000-0301-0004-302. Transfer an Administrative Secretary II position, #4000-0700-0004-763, to receipt support -1.00

1411 State Construction Office

19 Operating Budget Reductions ($20,000) R

Reduces the operating budget for the following:

532110 - Legal Services	$10,000
532199 - Misc. Contractual Services	$10,000

1421 Facilities Management Division

20 Operating Budget Reductions ($221,846) R

Reduces funding for building repairs in the Facilities Management Division as recommended by the Governor.

1511 Division of Purchase and Contract

21 Operating Budget Reductions ($18,000) R

Reduces the operating budget for printing, binding and duplicating (532850).

1731 North Carolina Council for Women

22 Domestic Violence Prevention Funds — $1,000,000 NR

Provides funding to the Department of Administration for the North Carolina Council for Women. The Council for Women shall provide grants from these funds to existing domestic violence programs, including the NC Coalition Against Domestic Violence, Inc., and for the development of new domestic violence programs. The Department of Administration or the Council for Women shall not use any of the funds for operating expenses.

23 Sexual Assault Funds — $225,000 NR

Provides funds for the continuation of sexual assault programs and the prevention of sexual assault within the State.

1771 Division of Veterans Affairs

24 National World War II Memorial Funds — $150,000 NR

Provides funding to the Department of Administration for the Division of Veterans Affairs. The funds will be used for a portion of the State's voluntary contribution to the American Battle's Monuments Commission for the construction of the National World War II Memorial in Washington, DC. The Commission has challenged each state to contribute $1.00 for each resident who served during World War II. The total requested from North Carolina is $392,000 (HB 1840, Sec. 21).

1810 Ethics Board

25 Operating Budget Reductions — ($10,000) R

Reduces the operating budget for other expenses (535900).

1851 Surviving Spouse Pension

26 Reduce Surviving Spouse Pension Fund — ($12,000) R

Reduce funding in the Surviving Spouse Pension fund. This fund provides $1,000 per month to the surviving spouse of former Governors of the State. Currently, funding is only needed to provide a pension for one surviving spouse.

1861 Commission on Indian Affairs

27 Lumbee Self-Determination Funds — $100,000 NR

Provides partial funding for the activities of the Lumbee Tribe Self-Determination Commission established to resolve the issue of determining the legitimate government of the Lumbee people as a result of the Lumbee Tribe v. Lumbee Regional Development Association (LRDA) lawsuit.

1872 Low-Level Radioactive Waste Authority

28	**Eliminate Low-Level Radioactive Waste Authority** Eliminate the appropriation for the operating expenses of the Authority. In accordance with Senate Bill 247, North Carolina withdrew from membership in the Southeast Interstate Low-Level Radioactive Waste Management Compact. The Authority is to close and restore the proposed Wake County low-level radioactive waste site and finalize all other responsibilities and business of the Authority on or before June 30, 2000. Requirements $(893,072) Receipts $(400,025) Appropriation $(493,025)	($493,047) -8.00	R
	Budget Changes	**($1,089,572)**	R
		$1,475,000	NR
	Total Position Changes	-13.00	
	Revised Total Budget	**$60,474,754**	

State Controller

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$11,488,315**
Budget Changes	
1000 Departmentwide	
29 Operating Budget Adjustment	
Reduce data processing funds.	($115,000) NR
Budget Changes	**($115,000) NR**
Total Position Changes	
Revised Total Budget	**$11,373,315**

Revenue

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$75,755,633**

Budget Changes

1605 Planning, Development & Technology

30 2821 Computer/Data Processing Services ($200,000) R

Adjust budget as a result of rate reduction in transactions processing by Information Technology Services and no increase in utilization.

31 Adjust Personnel ($343,821) R

Eliminate salaries and related benefits of vacant positions: -5.00

Computing Consultant IV (#4773-0000-0030-161)	($72,160)
Application Analyst Programmer I (#4773-0000-0030-535)	($62,585)
Application Analyst Programmer II (#4773-0000-0030-551)	($70,467)
Application Analyst Programmer I (#4773-0000-0030-565)	($60,972)
Systems Programmer III (#4773-0000-0030-405)	($77,637)

32 Reduce Operating Funds

Reduce funding for contractual services (System Implementation/Integration Services) - 532140. ($475,000) NR

1607 Tax Research Division

33 Reduce Personnel ($59,719) R

Eliminate salary and related benefits of vacant position - Economist III, #4774-0000-0040-250. -1.00

1621 Corporate, Excise & Insurance

34 Adjust Personnel ($84,633) R

Eliminate salary and related benefits of vacant position - Tax Assistant Administrator II, #4788-0000-0050-100. -1.00

1629 Property Tax Division

35 Training Funds for Commission Members $0 R

Provide funding to reimburse commission members for travel and subsistence costs when attending training seminars.

Requirements - $3,800
Receipts - $3,800
GF Appropriation - $ 0

1641 Office Examinations

36 Reduce Personnel ($50,697) R

Abolish salary and benefits of vacant position - Revenue Tax Auditor I, #4781-0000-0060-382. -1.00

1660 Field Operations

37 Adjust Personnel ($176,243) R

Eliminate salaries and related benefits of vacant positions: -3.00

Revenue Field Auditor II (#4784-0000-0072-032)	($58,760)
Revenue Field Audit Supervisor (#4784-0000-0074-120)	($57,281)
Revenue Field Auditor I (#4784-0000-0076-237)	($51,757)
Longevity	($ 8,445)

38 2714 Transportation ($150,000) R

Reduce in-state travel funds.

39 Additional Interstate Audit Staff $734,158 R

Appropriate funds to support four Revenue Field Auditor II positions and one Processing Assistant IV. 11.00

1681 Administrative Services

40 Costs Related to New Audit Positions $17,050 R

Increase operating funds related to new Interstate Auditor positions: $53,100 NR

2811 Telephone Service	$ 3,850 R
3110 General Office Supplies	$ 13,200 R
4511 Office Furniture	$22,000 NR
4521 Office Equipment	$ 1,100 NR
4522 Computer Equipment	$30,000 NR

41 **Reduce Operating Expense**
Reduce funds for legal services (532110). ($25,000) NR

Budget Changes	**($313,905)**	**R**
	($446,900)	**NR**
Total Position Changes	0.00	
Revised Total Budget	**$74,994,828**	

Cultural Resources

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$60,008,621**

Budget Changes

1210 Archives and History - Administration

42 Queen Anne's Revenge — $249,818 NR

Provide funding only for continued recovery and preservation of artifacts from the extremely fragile remains of the shipwreck, "Queen Anne's Revenge".

1230 Archives and Records

43 Leased Space for Records Storage — $148,000 R

Appropriate funds to continue the lease for storage of agency records.

1245 NC Maritime Museum

44 NC Maritime Museum at Southport — $199,898 R

Provide funds for personnel and operating costs of the branch museum, which has the following budget: 3.00

Total Requirements	$209,898
Receipts	$ 10,000
Appropriation	$199,898

1330 NC Arts Council

45 Operating Support — $260,000 R

Appropriate State funds for administrative costs to allow federal funds to be used as match for additional grant funding.

46 Basic Grants Program — $1,200,000 NR

Funding provides one-time increase in the continuation budget for grants to local arts organizations in the following categories:

Primary Arts Programs	$600,000
Rural Arts Programs	$400,000
Cultural Tourism	$200,000

47 Grassroots Arts Program — $800,000 NR

Provides one-time increase in the continuation budget for grants awarded to local arts councils.

1480 Statewide Programs & Grants

48	**Services to the Blind and Physically Handicapped** Appropriate funds to continue operation of the automated library system.	$89,604	R
49	**Aid to Counties** Provide additional funds to support grants to public libraries based upon the formula for State-Aid to Libraries.	$500,000	NR

1992 Continuation Reserve

50	**Museum of History-Reserve** Reduce funds to outfit the Museum of the Albemarle as construction will not be completed in FY 2000-01.	($340,178)	NR

Budget Changes	**$697,502**	R
	$2,409,640	NR
Total Position Changes	3.00	
Revised Total Budget	**$63,115,763**	

Office of Administrative Hearings

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$2,786,455**	
Budget Changes		
1100 Administration and Operations		
51 **Reduce Reserve Account** Eliminate funds that inadvertently were left in the FY 2000-01 continuation budget.	($45,708)	R
52 **Reduce Personnel** Eliminate salary and related benefits of a vacant position.	($27,470) -1.00	R
Budget Changes	**($73,178)**	R
Total Position Changes	-1.00	
Revised Total Budget	**$2,713,277**	

Rules Review Commission

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$309,326**
Budget Changes	
1100 Administration	
53 Other Expenses	
Appropriate funds to finalize legal expenses resulting from the lawsuit brought by the NC Board of Pharmacy.	$48,000 NR
Budget Changes	**$48,000 NR**
Total Position Changes	
Revised Total Budget	**$357,326**

EXHIBIT B

House Appropriations Subcommittee

on

GENERAL GOVERNMENT

Special Provisions

June 12, 2000

PART XX. GENERAL ASSEMBLY

CODE NO. 2000GA-H002A-P
Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine
EXTEND TECHNOLOGICAL INFRASTRUCTURE STUDY REPORTING DATE

Section 20. Section 22.2 of S.L. 1999-237 reads as rewritten:

"Section 22.2. The Joint Select Committee on Information Technology, established pursuant to Section 22 of this act, shall study, evaluate, and recommend changes in the current technological infrastructure of the Department of the Secretary of State and the Department of the State Treasurer. The Committee shall:

(1) Consider the feasibility and advisability of moving the Secretary of State's applications from the ITS mainframe to in-house servers and allowing the Secretary of State to develop and support its own computer applications;

(2) Consider the need to replace, update, or modify the information technology infrastructure within the Department of the State Treasurer and existing banking system which supports the State Treasurer's Investment and Banking Operations Division; and

(3) Study, evaluate, and recommend the level of audit staff needed in the Office of the State Auditor to provide for adequate audit coverage of the computer applications and installation in State government.

The Committee shall report by ~~April 1, 2000,~~ December 1, 2000, to the Appropriations Committees of the Senate and House of Representatives."

PART XXI. DEPARTMENT OF ADMINISTRATION

CODE NO. 2000ADMIN-H004-P
Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine, Edwards
NATIONAL WORLD WAR II MEMORIAL FUNDS

Section 21. Of the funds appropriated in this act to the Department of Administration for the 2000-2001 fiscal year, the sum of one hundred fifty thousand dollars ($150,000) shall be used by the Division of Veterans Affairs to fund the voluntary contribution of the State toward the construction of the National World War II Memorial in Washington, D.C. It is the intent of the General Assembly to appropriate the remaining balance of the State's voluntary contribution in the 2001-2003 biennium.

CODE NO. 2000ADMIN-H001-P
Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine
COST-BENEFIT ANALYSIS OF CONSTRUCTING STATE FACILITIES INSTEAD OF LEASING PROPERTY FOR STATE OPERATIONS

Section 21.1. Section 24.1 of S.L. 1999-237 reads as rewritten:

"Section 24.1. The State Property Office and the State Construction Office, in consultation with the Office of State Budget and Management, shall conduct a cost benefit analysis of constructing new State-owned facilities instead of leasing property for State government operations. The analysis shall consider:

(1) Factors relating to the cost of State-owned facilities including (i) the cost and availability of land, (ii) design, planning, and construction costs in Raleigh and throughout the State, (iii) projected ongoing operation and maintenance costs, and (iv) projected repairs and renovation costs; and

(2) Factors relating to the cost of leased space including (i) lease rates within Raleigh and throughout the State, (ii) availability of property for lease within Raleigh and throughout the State, taking into account the various types of space needed by State agencies including office, laboratory, warehouse, storage, conference and meeting space, and other types of property, (iii) renewal options and costs, (iv) utility, janitorial, and other operating expenses, and (v) relocation expenses, including moving and upfit expenses.

The State Property Office and the State Construction Office shall report on the results of the cost-benefit analysis to the Joint Legislative Commission on Governmental Operations prior to ~~March 30, 2000.~~ January 1, 2001."

CODE NO. 2000ADMIN-H002-P
Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine
REPEAL HEALTH CARE PURCHASING ALLIANCE ACT

Section 21.2.(a) Article 66 of Chapter 143 of the General Statutes is repealed.

Section 21.2.(b) This section becomes effective December 31, 2000.

CODE NO. 2000ADMIN-H007-P
Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine
PROCUREMENT CARD PILOT PROGRAM EXTENSION/SAVINGS

Section 21.3. Section 20.3(a) of S.L. 1998-212, as rewritten by Section 24 of S.L. 1999-237, reads as rewritten:

"(a) Except as provided by this section, no State agency, community college, constituent institution of The University of North Carolina, or local school administrative unit may use procurement cards for the purchase of equipment or supplies before ~~August 1, 2000.~~ August 1, 2001."

PART XXII. OFFICE OF THE STATE CONTROLLER

CODE NO. 2000CONT-H001B-P
Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine
OVERPAYMENTS PROJECT

Section 22.(a) During the 2000-2001 fiscal year, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors as required by G.S. 147-86.22(c) are to be deposited in the Special Reserve Account 24172.

Section 22.(b) For the 2000-2001 fiscal year, five hundred fifty thousand dollars ($550,000) of the funds transferred from the Special Reserve Account 24172 shall be used by the Office of the State Controller for data processing, debt collection, or e-commerce costs.

Section 22.(c) All funds available in the Special Reserve Account 24172 on July 1, 2000, are transferred to the General Fund on that date.

Section 22.(d) Any unobligated funds in the Special Reserve Account 24172 that are realized above the allowance in subsection (b) of this section are subject to appropriation by the General Assembly in the 2001 Session.

Section 22.(e) The State Controller shall report monthly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited into the Special Reserve Account, and the disbursement of that revenue.

CODE NO. 2000CONT-H002-P
Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine
PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES EXTENDED

Section 22.1.(a) The General Assembly, having been presented additional information related to a limited 90-day Bad Debt Clearinghouse Proof of Concept Prototype for the collection of previously determined "uncollectible" accounts, now requests that additional State agencies with a material amount of accounts receivable bad debts be included in a one-year pilot to further determine the feasibility of implementing a centralized Bad Debt Collection Clearinghouse Program.

Section 22.1.(b) The Office of State Controller shall establish a procedure by which State agencies/institutions with a material amount of accounts receivable shall report on collection of bad debts. This pilot program is intended to concentrate on agencies that have a large amount of bad debts in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government. The Office of State Controller may solicit information from collection agencies concerning the possibility of these agencies maintaining a central debt collection database limited to those State agencies without restrictive data security or confidentiality issues. Procedures for direct access to qualified collection agencies may be established for agencies with restrictive data security or confidentiality issues when legal and contractual authority permits this action.

Section 22.1.(c) The Office of State Controller shall administer a one-year Bad Debt Collection Clearinghouse Pilot. The pilot shall address the use of one or more private collection agencies and may make provision to allow local government units to participate in this pilot program. The pilot shall further address whether the potential Bad Debt Collection Clearinghouse Program should be administered jointly by the Department of Revenue and the Office of the State Controller.

Section 22.1.(d) The Office of State Controller shall report the results of the Bad Debt Collection Clearinghouse Pilot to the General Assembly no later than May 15, 2001, along with recommendations on changes in law or procedure to better collect the bad debts including the feasibility of implementing a centralized Bad Debt Collection Clearinghouse.

PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT

CODE NO. 2000OSBM-H001-P
Requested by: Representatives Easterling, Redwine
CONSOLIDATION OF THE OFFICE OF STATE BUDGET AND MANAGEMENT AND THE OFFICE OF STATE PLANNING

Section 23. Effective July 1, 2000, the Office of State Budget and Management and the Office of State Planning are consolidated into the Office of State Budget, Planning, and Management under the Office of the Governor. General Fund budget codes 13005 and 13006 shall be consolidated in the certified budget for the 2000-2001 fiscal year to reflect the consolidation of the offices.

PART XXIV. RULES REVIEW COMMISSION

CODE NO. 2000RRC-H002-P
Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine
RESERVE FOR ATTORNEYS' FEES OF RULES REVIEW COMMISSION

Section 24.(a) A reserve is established in the Office of State Budget and Management. This reserve shall consist of appropriations from the General Assembly and funds received from any State agency in accordance with this section.

Section 24.(b) When a State agency files a petition for judicial review of a final decision of the Rules Review Commission under Article 4 of Chapter 150B of the General Statutes and the Rules Review Commission prevails in that action, that State agency shall deposit to the reserve under subsection (a) of this section a sum equal to the Commission's actual attorneys' fees.

EXHIBIT C

CODE NO. 2000GA-H006

Requested by: Representative Thompson

ILLUMINATE THE NIGHTTIME DISPLAY OF THE UNITED STATES AND NORTH CAROLINA FLAGS AT THE LEGISLATIVE BUILDING

Section @. The citizens of this State are proud of the federal and and State flags, but neither flag is flown during darkness at the Legislative Building, the center of North Carolina's State government.

Of funds appropriated to the General Assembly the sum of four thousand eight hundred dollars ($4,800) for the 2000-2001 fiscal year shall be used to allow for the illumination of both the federal and State flags at the Legislative Building during darkness.

VISITOR REGISTRATION SHEET DATE 12 June 2000

APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ben McLawhorn	OSC
John O'Morgan	OSC
CRAIG BARFIELD	Treasurer
Simmie Kastner	Burning Coal Theatre Co / NCTC
Marjorie Terry	ARTS North Carolina, Inc.
Phil Conrad	Lt. Governor's Office
Travis Hill	Lt. Governor's Office
Kaye Honeycutt	DOR
Muriel Offerman	DOR
Mike Hodges	DOR
Keith McLeod	DOR
Butch Cook	Controller's Office
Robert Wilson	Sec. of State
Bobby Bryan	RRC
Carol Heathcock	Dept of State Treasurer
Mary Regan	DCR / Arts Council
Wanda Robinson	DCR
Sandy Cooper	DCR / State Library
Sheila H. McInerney	NC Dept. Insurance
Katherine Joyce	SEANC
Christina Medlin	NC Equity
Martha Glass	DOA
Anne Wimer	NCCASA
Steve Albright	DST

VISITOR REGISTRATION SHEET DATE 12 June 2000

APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Renner Vance	DCR
Maurice Kim	OSBM
Byron Harris	OSBM
Stuart Russell	Science and Tech
Joaquin Davis	Science and Tech
Willie Riddick	DOR
Paul Miller	N.C. State Firemen's Assoc.
[illegible] Bowe	Bowe & Assoc.

SENATE APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

June 15, 2000

The Senate Appropriations Subcommittee on General Government met Thursday, June 15, 2000 at 8:40 a.m. in Room 425 of the Legislative Office Building. Five of the Senate members were present. Senator Ed Warren chaired the meeting.

Michele Nelson and Marilyn Chism, Fiscal Analysts, went over the **House Appropriations Committee Report on the Continuation, Expansion and Capital Budgets**, dated June 13, 2000, and the **Senate Appropriations Subcommittee on General Government Special Provisions from House Bill 1840, Committee Substitute Favorable,** dated June 15, 2000. See attached.

The meeting adjourned at 9:05 a.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

June 15 Meeting
Senate Only

HOUSE APPROPRIATIONS COMMITTEE REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGETS

June 13, 2000

Ruth M. Easterling

Representative Ruth Easterling
Chair

Representative David Redwine
Chair

Section J: General Government

House Subcommittee on General Government

General Assembly

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$39,518,408**
Budget Changes	
1900 Reserves and Transfers	
1 **Reserves and Transfers**	
Reduce contingency reserve funds.	($522,500) NR
Budget Changes	($522,500) NR
Total Position Changes	
Revised Total Budget	**$38,995,908**

State Budget and Management

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	$7,327,782
Budget Changes	
1022 2000 Special Appropriations	
2 NC Humanities Council Provides funds to the North Carolina Humanities Council, a nonprofit corporation, for the programs of the council.	$100,000 NR
3 NACo Annual National Convention Provides funding for the 2000 Annual Conference of the National Association of Counties. The conference will held in July 2000 in Charlotte, NC.	$200,000 NR
Reserves and Transfers	
4 Reserve for Rules Review Commission Lawsuits Provides a reserve to fund lawsuits brought against the Rules Review Commission. (HB 1840, Sec. 24)	$200,000 NR
Budget Changes	$500,000 NR
Total Position Changes	
Revised Total Budget	$7,827,782

Secretary of State

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$6,455,933**	
Budget Changes		
1110 General Administration Division		
5 Operating Budget Reductions Reduces the operating budget for computer and data processing services (532821).	($14,000)	R
1210 Corporations Division		
6 Operating Budget Reductions Reduces the operating budgets for: 532821- Computer/Data Processing Services $35,559 533110- General Office Supplies $ 5,000	($40,559)	R
7 Corporations Division Staff Expansion Provides funding for three Information Processing Technician positions. The additional staff will help the Division meet the filing demands placed upon it by the growing economy and recent statutory changes.	$91,884 $27,786 3.00	R NR
1220 Uniform Commercial Code Division		
8 Operating Budget Reductions Reduces the operating budget for computer and data processing services (532821).	($5,000)	R
1230 Securities Division		
9 Operating Budget Reductions Reduces the operating budget for computer and data processing services (532821).	($5,000)	R
Budget Changes	**$27,325** **$27,786**	R NR
Total Position Changes	3.00	
Revised Total Budget	**$6,511,044**	

Auditor

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$11,608,041**	
Budget Changes		
1210 Field Audit Division		
10 Over-realized Receipts Reduces the General Fund appropriation for field audits. The Department has over-realized its budgeted receipts for audit work related the single audit and CAFR. Increasing budgeted receipts in line items 538301 and 538302 to more accurately reflect actual receipts will result in a reduction in the required General Fund appropriation.	($116,090)	R
11 Performance Audit Funds Provides funding to continue the performance audit of the Department of Revenue. Session Law 1999-415 (House Bill 1476) directed the State Auditor to conduct a performance audit of the Department. This funding allows the State Auditor to complete the audit.	$144,144	NR
Budget Changes	**($116,090)**	
	$144,144	**NR**
Total Position Changes		
Revised Total Budget	**$11,636,095**	

Treasurer

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	$18,863,033

Budget Changes

1150 Information Services Division

12 Information System Mainframe $243,500 NR

Provides funding to buy out the lease for the Department's mainframe and storage system. The total cost to buy out the lease is $487,000. The cost will be allocated among the divisions within the State Treasurer's Office as noted below.

Also, the General Assembly's Select Committee on Information Technology will assess the information technology needs for the Department and report prior to the start of the 2001 Session of the General Assembly. Upon approval of the Information Resources Management Commission and concurrence of the Select Committee on Information Technology, the Department may use its departmental receipts for the 2000-2001 fiscal year to continue improvement of its investment and banking operations system, the retirement payroll systems and other information technology infrastructure needs.(HB 1840, Sec. 20 and Sec. 24A).

Receipt Supported Division

1410 Retirement	$243,500NR
Various Divisions	$1,222,249R
Various Divisions	$10,951,222NR

General Fund-Supported Division

1210 Investment and Banking	$243,500

Nontax revenue will be increased by the amount allocated to the General Fund division.

1210 Investment and Banking Division

13 Operating Budget Reductions ($65,683) R

Reduces the operating budget for computer and data processing services (532821).

14 Federal Reserve Fees $390,000 R

Provides funding for the fees paid to the Federal Reserve for providing processed warrants in the dual form of electronic records and electronic images. Nontax revenue will be increased by an offsetting amount.

Budget Changes	**$324,317**	
	$243,500	**NR**
Total Position Changes		
Revised Total Budget	**$19,430,850**	

Insurance

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$26,099,037**	
Budget Changes		
1200 Company Services		
15 Computer Personnel	$182,097	R
Provides funding to establish two Computer Consultant IV positions and one Applications Analyst Programmer II position to automate various core insurance functions so that the Department may offer public access to its databases via the Internet. The General Fund will be reimbursed from the Insurance Regulatory Fund for the total cost.	$16,500	NR
	3.00	
1500 Safety Services Group		
16 Building Code Book Sales		
Reduces the operating budget for producing the Building Code to reflect actual needs in line item 532850. The Department overestimated the demand for the books.	($220,000)	NR
Budget Changes	**$182,097**	R
	($203,500)	NR
Total Position Changes	3.00	
Revised Total Budget	**$26,077,634**	

Administration

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$60,089,326**

Budget Changes

1225 State Health Plan Purchasing Alliance

17 Eliminate Health Plan Purchasing Alliance Board ($250,000) R

-4.00

Eliminate the appropriation for the operating expenses of the State Health Plan Purchasing Alliance Board. The Health Care Purchasing Alliance Act (Article 66 of Chapter 143 of the General Statutes) will sunset on December 31, 2000. The Board is to finalize its business on or before December 31, 2000. The remaining appropriation for the 2000-2001 fiscal year shall be used for salaries and benefits, allowable separation allowances, and the necessary expenses required to phase out the operations of the Board (HB 1840, Sec. 21.2).

150,000 remaining to finish out year.

1311 Office of State Personnel

18 Adjust Agency Positions ($64,679) R

-1.00

Eliminate salary and related benefits for a vacant position - Office Assistant III, #4000-1002-0104-510. Reduce the salary level and related benefits of the Deputy Director position, #4000-0301-0004-302. Transfer an Administrative Secretary II position, #4000-0700-0004-763, to receipt support

1411 State Construction Office

19 Operating Budget Reductions ($20,000) R

Reduces the operating budget for the following:

532110 - Legal Services	$10,000
532199 - Misc. Contractual Services	$10,000

1421 Facilities Management Division

20 Operating Budget Reductions ($221,846) R

Reduces funding for building repairs in the Facilities Management Division as recommended by the Governor.

1511 Division of Purchase and Contract

21 Operating Budget Reductions ($18,000) R

Reduces the operating budget for printing, binding and duplicating (532850).

1731 North Carolina Council for Women

22 Domestic Violence Prevention Funds HB 1655 — $1,000,000 NR

Provides funding to the Department of Administration for the North Carolina Council for Women. The Council for Women shall provide grants from these funds to existing domestic violence programs, including the NC Coalition Against Domestic Violence, Inc., and for the development of new domestic violence programs. The Department of Administration or the Council for Women shall not use any of the funds for operating expenses.

23 Sexual Assault Funds HB-1828 — $225,000 NR

Provides funds for the continuation of sexual assault programs and the prevention of sexual assault within the State.

1771 Division of Veterans Affairs

24 National World War II Memorial Funds HB-1533 — $150,000 NR

Provides funding to the Department of Administration for the Division of Veterans Affairs. The funds will be used for a portion of the State's voluntary contribution to the American Battle's Monuments Commission for the construction of the National World War II Memorial in Washington, DC. The Commission has challenged each state to contribute $1.00 for each resident who served during World War II. The total requested from North Carolina is $392,000 (HB 1840, Sec. 21).

1810 Ethics Board

25 Operating Budget Reductions — ($10,000) R

Reduces the operating budget for other expenses (535900).

1851 Surviving Spouse Pension

26 Reduce Surviving Spouse Pension Fund — ($12,000) R

Reduce funding in the Surviving Spouse Pension fund. This fund provides $1,000 per month to the surviving spouse of former Governors of the State. Currently, funding is only needed to provide a pension for one surviving spouse.

1861 Commission on Indian Affairs

27 Lumbee Self-Determination Funds HB 1719 — $100,000 NR

Provides partial funding for the activities of the Lumbee Tribe Self-Determination Commission established to resolve the issue of determining the legitimate government of the Lumbee people as a result of the Lumbee Tribe v. Lumbee Regional Development Association (LRDA) lawsuit.

1872 Low-Level Radioactive Waste Authority SB 247

28 Eliminate Low-Level Radioactive Waste Authority ($493,047) R

Eliminate the appropriation for the operating expenses of the Authority. In accordance with Senate Bill 247, North Carolina withdrew from membership in the Southeast Interstate Low-Level Radioactive Waste Management Compact. The Authority is to close and restore the proposed Wake County low-level radioactive waste site and finalize all other responsibilities and business of the Authority on or before June 30, 2000. -8.00

Requirements	$(893,072)
Receipts	$(400,025)
Appropriation	$(493,025)

Budget Changes	**($1,089,572)**	R
	$1,475,000	NR
Total Position Changes	-13.00	
Revised Total Budget	**$60,474,754**	

State Controller

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$11,488,315**
Budget Changes	
1000 Departmentwide	
29 Operating Budget Adjustment Reduce data processing funds.	($115,000) NR
Budget Changes	**($115,000) NR**
Total Position Changes	
Revised Total Budget	**$11,373,315**

Revenue

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	$75,755,633

Budget Changes

1605 Planning, Development & Technology

30 2821 Computer/Data Processing Services — ($200,000) R

Adjust budget as a result of rate reduction in transactions processing by Information Technology Services and no increase in utilization.

31 Adjust Personnel — ($343,821) R

Eliminate salaries and related benefits of vacant positions: -5.00

Computing Consultant IV (#4773-0000-0030-161)	($72,160)
Application Analyst Programmer I (#4773-0000-0030-535)	($62,585)
Application Analyst Programmer II (#4773-0000-0030-551)	($70,467)
Application Analyst Programmer I (#4773-0000-0030-565)	($60,972)
Systems Programmer III (#4773-0000-0030-405)	($77,637)

32 Reduce Operating Funds — ($475,000) NR

Reduce funding for contractual services (System Implementation/Integration Services) - 532140.

1607 Tax Research Division

33 Reduce Personnel — ($59,719) R

Eliminate salary and related benefits of vacant position - Economist III, #4774-0000-0040-250. -1.00

1621 Corporate, Excise & Insurance

34 Adjust Personnel — ($84,633) R

Eliminate salary and related benefits of vacant position - Tax Assistant Administrator II, #4788-0000-0050-100. -1.00

1629 Property Tax Division

35 **Training Funds for Commission Members** — $0 R

Provide funding to reimburse commission members for travel and subsistence costs when attending training seminars.

Requirements	$3,800
Receipts	$3,800
GF Appropriation	$ 0

1641 Office Examinations

✓ 36 **Reduce Personnel** — ($50,697) R

Abolish salary and benefits of vacant position - Revenue Tax Auditor I, #4781-0000-0060-382. -1.00

1660 Field Operations

✓ 37 **Adjust Personnel** — ($176,243) R

Eliminate salaries and related benefits of vacant positions: -3.00

Revenue Field Auditor II (#4784-0000-0072-032)	($58,760)
Revenue Field Audit Supervisor (#4784-0000-0074-120)	($57,281)
Revenue Field Auditor I (#4784-0000-0076-237)	($51,757)
Longevity	($ 8,445)

X 38 **2714 Transportation** — ($150,000) R

Reduce in-state travel funds.

39 **Additional Interstate Audit Staff** - *Expansion* — $734,158 R

Appropriate funds to support eight Revenue Field Auditor II positions and three Processing Assistant IV. 11.00

1681 Administrative Services

40 **Costs Related to New Audit Positions** - *Expansion* — $17,050 R, $53,100 NR

Increase operating funds related to new Interstate Auditor positions:

2811 Telephone Service	$ 3,850 R
3110 General Office Supplies	$ 13,200 R
4511 Office Furniture	$22,000 NR
4521 Office Equipment	$ 1,100 NR
4522 Computer Equipment	$30,000 NR

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House Subcommittee on General Government

41 Reduce Operating Expense
Reduce funds for legal services (532110). ($25,000)

Budget Changes	**($313,905)**	R
	($446,900)	NR
Total Position Changes	0.00	
Revised Total Budget	**$74,994,828**	

Cultural Resources

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	$60,008,621

Budget Changes

1210 Archives and History - Administration

42 Queen Anne's Revenge — $249,818 NR

Provide funding only for continued recovery and preservation of artifacts from the extremely fragile remains of the shipwreck, "Queen Anne's Revenge".

1230 Archives and Records

43 Leased Space for Records Storage — $148,000 R

Appropriate funds to continue the lease for storage of agency records.

1245 NC Maritime Museum

44 NC Maritime Museum at Southport — $199,898 R

Provide funds for personnel and operating costs of the branch museum, which has the following budget: 3.00

Total Requirements	$209,898
Receipts	$ 10,000
Appropriation	$199,898

1330 NC Arts Council

45 Operating Support — $260,000 R

Appropriate State funds for administrative costs to allow federal funds to be used as match for additional grant funding.

46 Basic Grants Program — $1,200,000 NR

Funding provides one-time increase in the continuation budget for grants to local arts organizations in the following categories:

Primary Arts Programs	$600,000
Rural Arts Programs	$400,000
Cultural Tourism	$200,000

47 Grassroots Arts Program — $800,000 NR

Provides one-time increase in the continuation budget for grants awarded to local arts councils.

1410 State Library Services		
48 Services to the Blind and Physically Handicapped Appropriate funds to continue operation of the automated library system.	$89,604	R
1480 Statewide Programs & Grants		
49 Aid to Counties Provide additional funds to support grants to public libraries based upon the formula for State-Aid to Libraries.	$500,000	NR
1992 Continuation Reserve		
50 Museum of History-Reserve Reduce funds to outfit the Museum of the Albemarle as construction will not be completed in FY 2000-01.	($340,178)	NR
Budget Changes	**$697,502**	**R**
	$2,409,640	**NR**
Total Position Changes	3.00	
Revised Total Budget	**$63,115,763**	

Office of Administrative Hearings

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	$2,786,455	
Budget Changes		
1100 Administration and Operations		
51 Reduce Reserve Account Eliminate funds that inadvertently were left in the FY 2000-01 continuation budget.	($45,708)	R
52 Reduce Personnel Eliminate salary and related benefits of a vacant position.	($27,470)	R
	-1.00	
Budget Changes	**($73,178)**	**R**
Total Position Changes	-1.00	
Revised Total Budget	**$2,713,277**	

Rules Review Commission

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	$309,326
Budget Changes	
1100 Administration	
53 Other Expenses	
Appropriate funds to finalize legal expenses resulting from the lawsuit brought by the NC Board of Pharmacy.	$48,000 NR
Budget Changes	$48,000 NR
Total Position Changes	
Revised Total Budget	$357,326

June 15 meeting
Senate only

SENATE APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Special Provisions

From

House Bill 1840
Committee Substitute Favorable 6/13/00

June 15, 2000

Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine, Baddour

TRANSFER OF GUARD RESPONSE ALTERNATIVE SENTENCING PROGRAM TO THE OFFICE OF JUVENILE JUSTICE

Section 19.7. The Guard Response Alternative Sentencing Program developed pursuant to S.L. 1998-202, and all functions, powers, duties, and obligations vested in the Department of Crime Control and Public Safety for the Guard Response Alternative Sentencing Program, are hereby transferred to the Office of Juvenile Justice. This transfer has all the components of a Type I transfer as that term is defined in G.S. 143A-6(a). The Program shall continue to function as an additional probation option for certain first-time juveniles who have been adjudicated delinquent and who are subject to Level 2 disposition.

Requested by: Representatives Easterling, Redwine, Baddour

TRANSFER FUNDS TO DEPARTMENT OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

Section 19.8. If either House Bill 1804 or Senate Bill 1462 of the 1999 General Assembly becomes law, all funds appropriated in this act to the Office of Juvenile Justice shall be transferred to the Department of Juvenile Justice and Delinquency Prevention.

Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

FORSYTH DETENTION CENTER

Section 19.9. The sum of one million seven hundred fifty thousand dollars ($1,750,000) appropriated in the 1999-2000 fiscal year to the Office of Juvenile Justice for a grant-in-aid for construction of the Forsyth Detention Center may be carried forward to the 2000-2001 fiscal year to allow adequate time for completion of a needs assessment by Forsyth County and for review and evaluation by the Office of Forsyth County's plan for the Center.

PART XX. GENERAL ASSEMBLY

Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine

EXTEND TECHNOLOGICAL INFRASTRUCTURE STUDY REPORTING DATE

Section 20. Section 22.2 of S.L. 1999-237 reads as rewritten:

"Section 22.2. The Joint Select Committee on Information Technology, established pursuant to Section 22 of this act, shall study, evaluate, and recommend changes in the current technological infrastructure of the Department of the Secretary of State and the Department of the State Treasurer. The Committee shall:

(1) Consider the feasibility and advisability of moving the Secretary of State's applications from the ITS mainframe to in-house servers and allowing the Secretary of State to develop and support its own computer applications;

(2) Consider the need to replace, update, or modify the information technology infrastructure within the Department of the State Treasurer and existing banking system which supports the State Treasurer's Investment and Banking Operations Division; and

(3) Study, evaluate, and recommend the level of audit staff needed in the Office of the State Auditor to provide for adequate audit coverage of the computer applications and installation in State government.

The Committee shall report by ~~April 1, 2000~~, December 1, 2000, to the Appropriations Committees of the Senate and House of Representatives."

Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine, Thompson
ILLUMINATE THE NIGHTTIME DISPLAY OF THE UNITED STATES AND NORTH CAROLINA FLAGS AT THE LEGISLATIVE BUILDING

Section 20.1. The citizens of this State are proud of the federal and State flags, but neither flag is flown during darkness at the Legislative Building, the center of North Carolina's State government.

Of funds appropriated to the General Assembly, the sum of four thousand eight hundred dollars ($4,800) for the 2000-2001 fiscal year shall be used to allow for the illumination of both the federal and State flags at the Legislative Building during darkness.

PART XXI. DEPARTMENT OF ADMINISTRATION

Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine, Edwards
NATIONAL WORLD WAR II MEMORIAL FUNDS

Section 21. Of the funds appropriated in this act to the Department of Administration for the 2000-2001 fiscal year, the sum of one hundred fifty thousand dollars ($150,000) shall be used by the Division of Veterans Affairs to fund the voluntary contribution of the State toward the construction of the National World War II Memorial in Washington, D.C. It is the intent of the General Assembly to appropriate the remaining balance of the State's voluntary contribution in the 2001-2003 biennium.

Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine
COST-BENEFIT ANALYSIS OF CONSTRUCTING STATE FACILITIES INSTEAD OF LEASING PROPERTY FOR STATE OPERATIONS

Section 21.1. Section 24.1 of S.L. 1999-237 reads as rewritten:

"Section 24.1. The State Property Office and the State Construction Office, in consultation with the Office of State Budget and Management, shall conduct a cost benefit analysis of constructing new State-owned facilities instead of leasing property for State government operations. The analysis shall consider:

(1) Factors relating to the cost of State-owned facilities including (i) the cost and availability of land, (ii) design, planning, and construction costs in Raleigh and throughout the State, (iii) projected ongoing operation and maintenance costs, and (iv) projected repairs and renovation costs; and

(2) Factors relating to the cost of leased space including (i) lease rates within Raleigh and throughout the State, (ii) availability of property for lease within Raleigh and throughout the State, taking into account the various types of space needed by State agencies including office, laboratory, warehouse, storage, conference and meeting space, and other types of property, (iii) renewal options and costs, (iv) utility, janitorial, and other operating expenses, and (v) relocation expenses, including moving and upfit expenses.

The State Property Office and the State Construction Office shall report on the results of the cost-benefit analysis to the Joint Legislative Commission on Governmental Operations prior to ~~March 30, 2000.~~ January 1, 2001."

Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine
REPEAL HEALTH CARE PURCHASING ALLIANCE ACT

Section 21.2.(a) Article 66 of Chapter 143 of the General Statutes is repealed.

Section 21.2.(b) This section becomes effective December 31, 2000.

Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine
PROCUREMENT CARD PILOT PROGRAM EXTENSION/SAVINGS

Section 21.3. Section 20.3(a) of S.L. 1998-212, as rewritten by Section 24 of S.L. 1999-237, reads as rewritten:

"(a) Except as provided by this section, no State agency, community college, constituent institution of The University of North Carolina, or local school administrative unit may use procurement cards for the purchase of equipment or supplies before ~~August 1, 2000.~~ August 1, 2001."

Requested by: Representative Sutton
AUTHORIZE THE COMMISSION OF INDIAN AFFAIRS TO USE FUNDS FOR REPAIRS, RENOVATIONS, AND OTHER CAPITAL IMPROVEMENTS TO THE RIVERSIDE GOLF COURSE ON STATE PROPERTY IN ROBESON COUNTY

Section 21.4. Funds received by the North Carolina Commission of Indian Affairs pursuant to the lease executed between the State of North Carolina and the Riverside Golf Course in Robeson County may be expended for repairs, renovations, or other capital improvements to the leased property.

Funds held by the Commission pursuant to that lease on July 1, 2000, shall be provided to the Riverside Golf Course for those purposes as soon as practicable. The Department of Administration and the Commission of Indian Affairs shall develop a procedure by which the Riverside Golf Course can apply to the Commission for the use of future funds deposited with the Commission pursuant to the lease for any proposed repairs, renovations, or other capital improvements to the property.

PART XXII. OFFICE OF THE STATE CONTROLLER

Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine
OVERPAYMENTS PROJECT

Section 22.(a) During the 2000-2001 fiscal year, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors as required by G.S. 147-86.22(c) are to be deposited in the Special Reserve Account 24172.

Section 22.(b) For the 2000-2001 fiscal year, five hundred fifty thousand dollars ($550,000) of the funds transferred from the Special Reserve Account 24172 shall be used by the Office of the State Controller for data processing, debt collection, or e-commerce costs.

Section 22.(c) All funds available in the Special Reserve Account 24172 on July 1, 2000, are transferred to the General Fund on that date.

Section 22.(d) Any unobligated funds in the Special Reserve Account 24172 that are realized above the allowance in subsection (b) of this section are subject to appropriation by the General Assembly in the 2001 Session.

Section 22.(e) The State Controller shall report monthly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited into the Special Reserve Account, and the disbursement of that revenue.

Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine
PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES EXTENDED

Section 22.1.(a) The General Assembly, having been presented additional information related to a limited 90-day Bad Debt Clearinghouse Proof of Concept

Prototype for the collection of previously determined "uncollectible" accounts, now requests that additional State agencies with a material amount of accounts receivable bad debts be included in a one-year pilot to further determine the feasibility of implementing a centralized Bad Debt Collection Clearinghouse Program.

Section 22.1.(b) The Office of State Controller shall establish a procedure by which State agencies/institutions with a material amount of accounts receivable shall report on collection of bad debts. This pilot program is intended to concentrate on agencies that have a large amount of bad debts in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government. The Office of State Controller may solicit information from collection agencies concerning the possibility of these agencies maintaining a central debt collection database limited to those State agencies without restrictive data security or confidentiality issues. Procedures for direct access to qualified collection agencies may be established for agencies with restrictive data security or confidentiality issues when legal and contractual authority permits this action.

Section 22.1.(c) The Office of State Controller shall administer a one-year Bad Debt Collection Clearinghouse Pilot. The pilot shall address the use of one or more private collection agencies and may make provision to allow local government units to participate in this pilot program. The pilot shall further address whether the potential Bad Debt Collection Clearinghouse Program should be administered jointly by the Department of Revenue and the Office of the State Controller.

Section 22.1.(d) The Office of State Controller shall report the results of the Bad Debt Collection Clearinghouse Pilot to the General Assembly no later than May 15, 2001, along with recommendations on changes in law or procedure to better collect the bad debts including the feasibility of implementing a centralized Bad Debt Collection Clearinghouse.

PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT

Requested by: Representatives Easterling, Redwine

CONSOLIDATION OF THE OFFICE OF STATE BUDGET AND MANAGEMENT AND THE OFFICE OF STATE PLANNING

Section 23. Effective July 1, 2000, the Office of State Budget and Management and the Office of State Planning are consolidated into the Office of State Budget, Planning, and Management under the Office of the Governor. General Fund budget codes 13005 and 13006 shall be consolidated in the certified budget for the 2000-2001 fiscal year to reflect the consolidation of the offices.

Requested by: Representatives Wainwright, Jeffus

NORTH CAROLINA YOUTH LEGISLATIVE ASSEMBLY FUND

Section 23.1. Part 7 of Article 9 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-387.1. North Carolina Youth Legislative Assembly Fund.**

The North Carolina Youth Legislative Assembly Fund is created as a special and nonreverting fund. North Carolina Youth Legislative Assembly registration fees, gifts, donations, or contributions shall be credited to the North Carolina Youth Legislative Assembly Fund.

The fund shall be used solely to support planning and execution of the North Carolina Youth Legislative Assembly."

PART XXIV. RULES REVIEW COMMISSION

Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine

RESERVE FOR ATTORNEYS' FEES OF RULES REVIEW COMMISSION

Section 24.(a) A reserve is established in the Office of State Budget and Management. This reserve shall consist of appropriations from the General Assembly and funds received from any State agency in accordance with this section.

Section 24.(b) When a State agency files a petition for judicial review of a final decision of the Rules Review Commission under Article 4 of Chapter 150B of the General Statutes and the Rules Review Commission prevails in that action, that State agency shall deposit to the reserve under subsection (a) of this section a sum equal to the Commission's actual attorneys' fees.

If the Department of Labor or the Commissioner of Labor has filed a petition for judicial review of a final decision of the Rules Review Commission under Article 4 of Chapter 150B of the General Statutes and that petition is pending on the date this section becomes effective, then unless there is deposited from funds available to the Department of Labor to the reserve under subsection (a) of this section the amount of one hundred ninety-six thousand dollars ($196,000), which is the estimated costs of the legal expenses of the Commission, upon petition of the Rules Review Commission, the petition shall be dismissed. If the amount is deposited and the petitioner prevails, the deposit shall be refunded.

PART XXIVA. DEPARTMENT OF STATE TREASURER

Requested by: Representative Redwine

DEPARTMENT OF STATE TREASURER INFORMATION TECHNOLOGY SYSTEMS

Section 24A. Upon approval by the Information Resources Management Commission and concurrence by the Select Committee on Information Technology, the Department of State Treasurer may spend departmental receipts for the 2000-2001 fiscal year to continue improvement of the Department's investment banking operations system, retirement payroll systems, and other information technology infrastructure needs.

PART XXV. DEPARTMENT OF TRANSPORTATION

Requested by: Representatives Cole, Crawford, Easterling, Redwine

CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

Section 25.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

FY 2001-2002	$1,281.1 million
FY 2002-2003	$1,303.7 million
FY 2003-2004	$1,331.0 million
FY 2004-2005	$1,336.2 million.

The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

FY 2001-2002	$1,042.1 million
FY 2002-2003	$1,083.6 million
FY 2003-2004	$1,127.6 million
FY 2004-2005	$1,176.5 million.

Section 25.(b) Section 27 of S.L. 1999-237 is repealed.

Requested by: Representatives Cole, Crawford, Easterling, Redwine, Davis

DEPARTMENT OF TRANSPORTATION CONTRACT GOALS FOR BUSINESSES OWNED BY DISABLED VETERANS

SENATE APPROPRIATIONS SUBCOMMITTEE

ON

GENERAL GOVERNMENT

Minutes

June 20, 2000

The Senate Appropriations Subcommittee on General Government met Tuesday, June 20, 2000 at 8:30 a.m. in Room 425 of the Legislative Office Building. Four of the Senate members were present. Senator Ed Warren chaired the meeting.

Chairman Warren asked the Fiscal Analysts to discuss the Senate changes made in the House Appropriations Committee Report and Special Provisions handouts from the June 15 meeting. They are as follow: (In the attached Budget Report for June 20, 2000)

Page J1 - #2 is new

Page J2 - #5 is new

Page J5 – Deleted second paragraph under J5 #12 and the two "Various Divisions items listed in the 6/15 handout.

Page J8-#26 funds the entire amount requested from NC. House Special Provision, Part XXI, Section 21 in June 15 handout is deleted.

Page J12 –Items 41 and 42 agree with the House expansion items #39 and 40 in the June 15 handout.

Page J14-Item 47, recurring funds for the Arts Council, agreed with Item 45 in the June 15 handout.

There was discussion pertaining to the need for the Section 21.5 Special Provision allowing the Department of Administration to adopt temporary rules to approve abuser treatment programs that apply to the NC Council for Women. The majority agreed that it should stay in. In Part XXIV, Section 24 of the House Special Provisions in the June 15 handout, the last paragraph was deleted. (See Attachment 2)

Attachment 3 lists the Special Provisions of the Senate Committee Substitute for House Bill 1840, gives a summary of each and the Section Number.

Senator Warren said that he was to take these changes back to the Appropriations Chairs today, that the full Appropriations Committee planned to meet tomorrow, Wednesday, and that they hoped to have a bill on the Senate floor Thursday, June 22. He thanked the Committee members and the Department and Agency personnel for their cooperation and assistance in the budget process for General Government.

The meeting adjourned at 9:10 a.m.

Respectfully submitted,

Senator Ed Warren, Chairman

Wilma Caldwell, Committee Clerk

Attachment 1
June 20, 2000

Senate Appropriations Subcommittee

on

GENERAL GOVERNMENT

Budget Report

June 20, 2000

General Assembly

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$39,518,408**	
Budget Changes		
1900 Reserves and Transfers		
1 **Reserves and Transfers**		
Reduce contingency reserve funds.	($522,500)	NR
New Item 2 **Prescription Drug Study**		
Provide funds to study prescription drug cards.	$250,000	NR
Budget Changes	**($272,500)**	NR
Total Position Changes		
Revised Total Budget	**$39,245,908**	

State Budget and Management

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$7,327,782**
Budget Changes	
1022 2000 Special Appropriations	
3 **NC Humanities Council** Provides funds to the North Carolina Humanities Council, a nonprofit corporation, for the programs of the council.	$100,000 NR
4 **NACo Annual National Convention** Provides funding for the 2000 Annual Conference of the National Association of Counties. The conference will held in July 2000 in Charlotte, NC.	$200,000 NR
new 5 **Southern Regional Educational Board** Provides funding for the annual meeting to be held in Asheville, NC.	$20,000 NR
Reserves and Transfers	
6 **Reserve for Rules Review Commission Lawsuits** Provides a reserve to fund lawsuits brought against the Rules Review Commission. (HB 1840, Sec. 24)	$200,000 NR
Budget Changes	**$520,000** NR
Total Position Changes	
Revised Total Budget	**$7,847,782**

Secretary of State

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$6,455,933**	
Budget Changes		
1110 General Administration Division		
7 **Operating Budget Reductions** Reduces the operating budget for computer and data processing services (532821).	($14,000)	R
1210 Corporations Division		
8 **Operating Budget Reductions** Reduces the operating budgets for: 532821- Computer/Data Processing Services $35,559 533110- General Office Supplies $ 5,000	($40,559)	R
9 **Corporations Division Staff Expansion** Provides funding for three Information Processing Technician positions. The additional staff will help the Division meet the filing demands placed upon it by the growing economy and recent statutory changes.	$91,884 $27,786 3.00	R NR
1220 Uniform Commercial Code Division		
10 **Operating Budget Reductions** Reduces the operating budget for computer and data processing services (532821).	($5,000)	R
1230 Securities Division		
11 **Operating Budget Reductions** Reduces the operating budget for computer and data processing services (532821).	($5,000)	R
Budget Changes	**$27,325** **$27,786**	R NR
Total Position Changes	3.00	
Revised Total Budget	**$6,511,044**	

Auditor

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$11,608,041**	
Budget Changes		
1210 Field Audit Division		
12 **Performance Audit Funds** Provides funding to continue the performance audit of the Department of Revenue. Session Law 1999-415 (House Bill 1476) directed the State Auditor to conduct a performance audit of the Department. This funding allows the State Auditor to complete the audit.	$144,144	NR
13 **Over-realized Receipts** Reduces the General Fund appropriation for field audits. The Department has over-realized its budgeted receipts for audit work related the single audit and CAFR. Increasing budgeted receipts in line items 538301 and 538302 to more accurately reflect actual receipts will result in a reduction in the required General Fund appropriation.	($116,090)	R
Budget Changes	**($116,090)**	R
	$144,144	NR
Total Position Changes		
Revised Total Budget	**$11,636,095**	

Treasurer

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$18,863,033**	
Budget Changes		
1150 Information Services Division		
14 Information System Mainframe	$243,500	NR
Provides funding to buyout the lease for the Department's mainframe and storage system. The General Assembly's Select Committee on Information Technology will assess the information technology needs for the Department and report prior to the start of the 2001 Session of the General Assembly (HB 1840 Sec. 20).		
The total cost to buy out the lease is $487,000. The cost will be allocated amount the divisions within the State Treasurer's Office as noted below:		
Receipt Supported Division 1410 Retirement $243,500NR		
General Fund-Supported Division 1210 Investment and Banking $243,500NR Nontax revenue will be increased by the amount allocated to the General Fund division.		
1210 Investment and Banking Division		
15 Operating Budget Reductions	($65,683)	R
Reduces the operating budget for computer and data processing services (532821). Nontax revenue will be decreased by an offsetting amount.		
16 Federal Reserve Fees	$390,000	R
Provides funding for the fees paid to the Federal Reserve for providing processed warrants in the dual form of electronic records and electronic images. Nontax revenue will be increased by an offsetting amount.		
Budget Changes	**$324,317**	R
	$243,500	NR
Total Position Changes		
Revised Total Budget	**$19,430,850**	

Insurance

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$26,099,037**	
Budget Changes		
1200 Company Services		
17 **Computer Personnel**	$182,097	R
Provides funding to establish two Computer Consultant IV positions and one Applications Analyst Programmer II position to automate various core insurance functions so that the Department may offer public access to its databases via the Internet. The General Fund will be reimbursed from the Insurance Regulatory Fund for the total cost.	$16,500	NR
	3.00	
1500 Safety Services Group		
18 **Building Code Book Sales**		
Reduces the operating budget for producing the Building Code to reflect actual needs in line item 532850. The Department overestimated the demand for the books.	($220,000)	NR
Budget Changes	**$182,097**	R
	($203,500)	NR
Total Position Changes	3.00	
Revised Total Budget	**$26,077,634**	

Administration

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$60,089,326**

Budget Changes

1225 State Health Plan Purchasing Alliance

19 Eliminate Health Plan Purchasing Alliance Board ($250,000) R

Eliminate the appropriation for the operating expenses of the State Health Plan Purchasing Alliance Board. The Health Care Purchasing Alliance Act (Article 66 of Chapter 143 of the General Statutes) will sunset on December 31, 2000. The Board is to finalize its business on or before December 31, 2000. The remaining appropriation for the 2000-2001 fiscal year shall be used for salaries and benefits, allowable separation allowances, and the necessary expenses required to phase out the operations of the Board (HB 1840, Sec. 21.2). -4.00

1311 Office of State Personnel

20 Adjust Agency Positions ($64,679) R

Eliminate salary and related benefits for a vacant position - Office Assistant III, #4000-1002-0104-510. Reduce the salary level and related benefits of the Deputy Director position, #4000-0301-0004-302. Transfer an Administrative Secretary II position, #4000-0700-0004-763, to receipt support -1.00

1411 State Construction Office

21 Operating Budget Reductions ($20,000) R

Reduces the operating budget for the following:

532110 - Legal Services	$10,000
532199 - Misc. Contractual Services	$10,000

1421 Facilities Management Division

22 Operating Budget Reductions ($221,846) R

Reduces funding for building repairs in the Facilities Management Division as recommended by the Governor.

1511 Division of Purchase and Contract

23 Operating Budget Reductions ($18,000) R

Reduces the operating budget for printing, binding and duplicating (532850).

1731 North Carolina Council for Women

24 Sexual Assault Funds — $225,000 NR

Provides funds for the continuation of sexual assault programs and the prevention of sexual assault within the State.

25 Domestic Violence Prevention Funds — $1,000,000 NR

Provides funding to the Department of Administration for the North Carolina Council for Women. The Council for Women shall provide grants from these funds to existing domestic violence programs, including the NC Coalition Against Domestic Violence, Inc., and for the development of new domestic violence programs. The Department of Administration or the Council for Women shall not use any of the funds for operating expenses.

1771 Division of Veterans Affairs

26 National World War II Memorial Funds — $392,000 NR

H. 150,000 Sp. Prov.

Provides funding to the Department of Administration for the Division of Veterans Affairs. The funds will be used for the State's voluntary contribution to the American Battle's Monuments Commission for the construction of the National World War II Memorial in Washington, DC. The Commission has challenged each state to contribute $1.00 for each resident who served during World War II. The total requested from North Carolina is $392,000 (HB 1840, Sec. 21).

1810 Ethics Board

27 Operating Budget Reductions — ($10,000) R

Reduces the operating budget for other expenses (535900).

1851 Surviving Spouse Pension

28 Reduce Surviving Spouse Pension Fund — ($12,000) R

Reduce funding in the Surviving Spouse Pension fund. This fund provides $1,000 per month to the surviving spouse of former Governors of the State. Currently, funding is only needed to provide a pension for one surviving spouse.

1861 Commission on Indian Affairs

29 Lumbee Self-Determination Funds — $100,000 NR

Provides partial funding for the activities of the Lumbee Tribe Self-Determination Commission established to resolve the issue of determining the legitimate government of the Lumbee people as a result of the Lumbee Tribe v. Lumbee Regional Development Association (LRDA) lawsuit.

1872 Low-Level Radioactive Waste Authority

30	**Eliminate Low-Level Radioactive Waste Authority** Eliminate the appropriation for the operating expenses of the Authority. In accordance with Senate Bill 247, North Carolina withdrew from membership in the Southeast Interstate Low-Level Radioactive Waste Management Compact. The Authority is to close and restore the proposed Wake County low-level radioactive waste site and finalize all other responsibilities and business of the Authority on or before June 30, 2000. Requirements $(893,072) Receipts $(400,025) Appropriation $(493,025)	($493,047) -8.00	R

Budget Changes	**($1,089,572)** **$1,717,000**	R NR
Total Position Changes	-13.00	
Revised Total Budget	**$60,716,754**	

State Controller

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$11,488,315**
Budget Changes	
1000 Departmentwide	
31 Operating Budget Adjustment	
Reduce data processing funds.	($115,000) NR
Budget Changes	**($115,000) NR**
Total Position Changes	
Revised Total Budget	**$11,373,315**

Revenue

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$75,755,633**

Budget Changes

1605 Planning, Development & Technology

32 Reduce Operating Funds ($475,000) NR

Reduce funding for contractual services (System Implementation/Integration Services) - 532140.

33 Adjust Personnel ($343,821) R

Eliminate salaries and related benefits of vacant positions: -5.00

Computing Consultant IV (#4773-0000-0030-161)	($72,160)
Application Analyst Programmer I (#4773-0000-0030-535)	($62,585)
Application Analyst Programmer II (#4773-0000-0030-551)	($70,467)
Application Analyst Programmer I (#4773-0000-0030-565)	($60,972)
Systems Programmer III (#4773-0000-0030-405)	($77,637)

34 2821 Computer/Data Processing Services ($200,000) R

Adjust budget as a result of rate reduction in transactions processing by Information Technology Services and no increase in utilization.

1607 Tax Research Division

35 Reduce Personnel ($59,719) R

Eliminate salary and related benefits of vacant position - Economist III, #4774-0000-0040-250. -1.00

1621 Corporate, Excise & Insurance

36 Adjust Personnel ($84,633) R

Eliminate salary and related benefits of vacant position - Tax Assistant Administrator II, #4788-0000-0050-100. -1.00

Subcom.
Chairs meeting
@ 9:00 in
Plyler's Office

1629 Property Tax Division

37 Training Funds for Commission Members — $0 R

Provide funding to reimburse commission members for travel and subsistence costs when attending training seminars.

Requirements	$3,800
Receipts	$3,800
GF Appropriation	$ 0

1641 Office Examinations

38 Reduce Personnel — ($50,697) R

Abolish salary and benefits of vacant position - Revenue Tax Auditor I, #4781-0000-0060-382. -1.00

1660 Field Operations

39 Adjust Personnel — ($176,243) R

Eliminate salaries and related benefits of vacant positions: -3.00

Revenue Field Auditor II (#4784-0000-0072-032)	($58,760)
Revenue Field Audit Supervisor (#4784-0000-0074-120)	($57,281)
Revenue Field Auditor I (#4784-0000-0076-237)	($51,757)
Longevity	($ 8,445)

40 2714 Transportation — ($150,000) R

Reduce in-state travel funds.

41 Additional Interstate Audit Staff — $734,158 R

Appropriate funds to support eight Revenue Field Auditor II positions and three Processing Assistant IV. 11.00

1681 Administrative Services

42 Costs Related to New Audit Positions — $17,050 R / $53,100 NR

Increase operating funds related to new Interstate Auditor positions:

2811 Telephone Service	$ 3,850 R
3110 General Office Supplies	$ 13,200 R
4511 Office Furniture	$22,000 NR
4521 Office Equipment	$ 1,100 NR
4522 Computer Equipment	$30,000 NR

43 Reduce Operating Expense

Reduce funds for legal services (532110). ($25,000) NR

Budget Changes	**($313,905)**	R
	($446,900)	NR
Total Position Changes	0.00	
Revised Total Budget	**$74,994,828**	

Cultural Resources

GENERAL FUND

	FY 00-01
Total Budget Approved 1999 Session	**$60,008,621**

Budget Changes

1210 Archives and History - Administration

44 Queen Anne's Revenge — $249,818 NR

Provide funding only for continued recovery and preservation of artifacts from the extremely fragile remains of the shipwreck, "Queen Anne's Revenge".

1230 Archives and Records

45 Leased Space for Records Storage — $148,000 R

Appropriate funds to continue the lease for storage of agency records.

1245 NC Maritime Museum

46 NC Maritime Museum at Southport — $199,898 R

Provide funds for personnel and operating costs of the branch museum, which has the following budget: 3.00

Total Requirements	$209,898
Receipts	$ 10,000
Appropriation	$199,898

1330 NC Arts Council

47 Operating Support — $260,000 R

Appropriate State funds for administrative costs to allow federal funds to be used as match for additional grant funding.

48 Basic Grants Program — $1,200,000 NR

Funding provides one-time increase in the continuation budget for grants to local arts organizations in the following categories:

Primary Arts Programs	$600,000
Rural Arts Programs	$400,000
Cultural Tourism	$200,000

49 Grassroots Arts Program — $800,000 NR

Provides one-time increase in the continuation budget for grants awarded to local arts councils.

1410 State Library Services

50 Services to the Blind and Physically Handicapped — $89,604 R

Appropriate funds to continue operation of the automated library system.

1480 Statewide Programs & Grants

51 Aid to Counties — $500,000 NR

Provide additional funds to support grants to public libraries based upon the formula for State-Aid to Libraries.

1992 Continuation Reserve

52 Museum of History-Reserve — ($340,178) NR

Reduce funds to outfit the Museum of the Albemarle as construction will not be completed in FY 2000-01.

Budget Changes	**$697,502**	R
	$2,409,640	NR
Total Position Changes	3.00	
Revised Total Budget	**$63,115,763**	

Office of Administrative Hearings

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$2,786,455**	
Budget Changes		
1100 Administration and Operations		
53 **Reduce Reserve Account** Eliminate funds that inadvertently were left in the FY 2000-01 continuation budget.	($45,708)	R
54 **Reduce Personnel** Eliminate salary and related benefits of a vacant position.	($27,470) -1.00	R
Budget Changes	**($73,178)**	R
Total Position Changes	-1.00	
Revised Total Budget	**$2,713,277**	

Rules Review Commission

GENERAL FUND

	FY 00-01	
Total Budget Approved 1999 Session	**$309,326**	
Budget Changes		
1100 Administration		
55 Other Expenses		
Appropriate funds to finalize legal expenses resulting from the lawsuit brought by the NC Board of Pharmacy.	$48,000	NR
Budget Changes	**$48,000**	**NR**
Total Position Changes		
Revised Total Budget	**$357,326**	

Attachment 2
June 20, 2000

PART XX. GENERAL ASSEMBLY

CODE NO. 2000GENGOV-H20 =
Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom
EXTEND TECHNOLOGICAL INFRASTRUCTURE STUDY REPORTING DATE

Section 20. Section 22.2 of S.L. 1999-237 reads as rewritten:

"Section 22.2. The Joint Select Committee on Information Technology, established pursuant to Section 22 of this act, shall study, evaluate, and recommend changes in the current technological infrastructure of the Department of the Secretary of State and the Department of the State Treasurer. The Committee shall:

(1) Consider the feasibility and advisability of moving the Secretary of State's applications from the ITS mainframe to in-house servers and allowing the Secretary of State to develop and support its own computer applications;

(2) Consider the need to replace, update, or modify the information technology infrastructure within the Department of the State Treasurer and existing banking system which supports the State Treasurer's Investment and Banking Operations Division; and

(3) Study, evaluate, and recommend the level of audit staff needed in the Office of the State Auditor to provide for adequate audit coverage of the computer applications and installation in State government.

The Committee shall report by ~~April 1, 2000,~~ December 1, 2000, to the Appropriations Committees of the Senate and House of Representatives."

CODE NO. 2000GENGOV-H20.1 =
Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom, Reeves, Miller
ILLUMINATE THE NIGHTTIME DISPLAY OF THE UNITED STATES AND NORTH CAROLINA FLAGS AT THE LEGISLATIVE BUILDING

Section 20.1. The citizens of this State are proud of the federal and State flags, but neither flag is flown during darkness at the Legislative Building, the center of North Carolina's State government.

Of funds appropriated to the General Assembly, the sum of four thousand eight hundred dollars ($4,800) for the 2000-2001 fiscal year shall be used to allow for the illumination of both the federal and State flags at the Legislative Building during darkness.

PART XXI. DEPARTMENT OF ADMINISTRATION

CODE NO. 2000GENGOV-H21/S21
Requested by: Senators Warren, Lucas, Rand, Albertson, Robinson, Plyler, Perdue, Odom, Rand, Robinson, Kerr, Albertson
NATIONAL WORLD WAR II MEMORIAL FUNDS

Section 21. Of the funds appropriated in this act to the Department of Administration for the 2000-2001 fiscal year, the sum of three hundred ninety-two thousand dollars ($392,000) shall be used by the Division of Veterans Affairs to fund the voluntary contribution of the State toward the construction of the National World War II Memorial in Washington, D.C.

CODE NO. 2000GENGOV-H21.1 =
Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

COST-BENEFIT ANALYSIS OF CONSTRUCTING STATE FACILITIES INSTEAD OF LEASING PROPERTY FOR STATE OPERATIONS

Section 21.1. Section 24.1 of S.L. 1999-237 reads as rewritten:

"Section 24.1. The State Property Office and the State Construction Office, in consultation with the Office of State Budget and Management, shall conduct a cost benefit analysis of constructing new State-owned facilities instead of leasing property for State government operations. The analysis shall consider:

(1) Factors relating to the cost of State-owned facilities including (i) the cost and availability of land, (ii) design, planning, and construction costs in Raleigh and throughout the State, (iii) projected ongoing operation and maintenance costs, and (iv) projected repairs and renovation costs; and

(2) Factors relating to the cost of leased space including (i) lease rates within Raleigh and throughout the State, (ii) availability of property for lease within Raleigh and throughout the State, taking into account the various types of space needed by State agencies including office, laboratory, warehouse, storage, conference and meeting space, and other types of property, (iii) renewal options and costs, (iv) utility, janitorial, and other operating expenses, and (v) relocation expenses, including moving and upfit expenses.

The State Property Office and the State Construction Office shall report on the results of the cost-benefit analysis to the Joint Legislative Commission on Governmental Operations prior to ~~March 30, 2000.~~ January 1, 2001."

CODE NO. 2000GENGOV-H21.2 =
Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom
REPEAL HEALTH CARE PURCHASING ALLIANCE ACT

Section 21.2.(a) Article 66 of Chapter 143 of the General Statutes is repealed.

Section 21.2.(b) This section becomes effective December 31, 2000.

CODE NO. 2000GENGOV-H21.3 =
Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom
PROCUREMENT CARD PILOT PROGRAM EXTENSION/SAVINGS

Section 21.3. Section 20.3(a) of S.L. 1998-212, as rewritten by Section 24 of S.L. 1999-237, reads as rewritten:

"(a) Except as provided by this section, no State agency, community college, constituent institution of The University of North Carolina, or local school administrative unit may use procurement cards for the purchase of equipment or supplies before ~~August 1, 2000.~~ August 1, 2001."

CODE NO. 2000ADMIN-S001
Requested by: Senators Perdue, Warren, Lucas, Plyler, Odom
NORTH CAROLINA COUNCIL FOR WOMEN/ABUSER TREATMENT PROGRAMS

Section 21.5. Notwithstanding the provisions of G.S. 150B-21.1(a), the Department of Administration may adopt temporary rules to approve abuser treatment programs that apply to the North Carolina Council for Women.

PART XXII. OFFICE OF THE STATE CONTROLLER

CODE NO. 2000GENGOV-H22 =
Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom
OVERPAYMENTS PROJECT

Section 22.(a) During the 2000-2001 fiscal year, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors as required by G.S. 147-86.22(c) are to be deposited in the Special Reserve Account 24172.

Section 22.(b) For the 2000-2001 fiscal year, five hundred fifty thousand dollars ($550,000) of the funds transferred from the Special Reserve Account 24172 shall be used by the Office of the State Controller for data processing, debt collection, or e-commerce costs.

Section 22.(c) All funds available in the Special Reserve Account 24172 on July 1, 2000, are transferred to the General Fund on that date.

Section 22.(d) Any unobligated funds in the Special Reserve Account 24172 that are realized above the allowance in subsection (b) of this section are subject to appropriation by the General Assembly in the 2001 Session.

Section 22.(e) The State Controller shall report monthly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited into the Special Reserve Account, and the disbursement of that revenue.

CODE NO. 2000GENGOV-H22.1 =

Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom

PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES EXTENDED

Section 22.1.(a) The General Assembly, having been presented additional information related to a limited 90-day Bad Debt Clearinghouse Proof of Concept Prototype for the collection of previously determined "uncollectible" accounts, now requests that additional State agencies with a material amount of accounts receivable bad debts be included in a one-year pilot to further determine the feasibility of implementing a centralized Bad Debt Collection Clearinghouse Program.

Section 22.1.(b) The Office of State Controller shall establish a procedure by which State agencies/institutions with a material amount of accounts receivable shall report on collection of bad debts. This pilot program is intended to concentrate on agencies that have a large amount of bad debts in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government. The Office of State Controller may solicit information from collection agencies concerning the possibility of these agencies maintaining a central debt collection database limited to those State agencies without restrictive data security or confidentiality issues. Procedures for direct access to qualified collection agencies may be established for agencies with restrictive data security or confidentiality issues when legal and contractual authority permits this action.

Section 22.1.(c) The Office of State Controller shall administer a one-year Bad Debt Collection Clearinghouse Pilot. The pilot shall address the use of one or more private collection agencies and may make provision to allow local government units to participate in this pilot program. The pilot shall further address whether the potential Bad Debt Collection Clearinghouse Program should be administered jointly by the Department of Revenue and the Office of the State Controller.

Section 22.1.(d) The Office of State Controller shall report the results of the Bad Debt Collection Clearinghouse Pilot to the General Assembly no later than May 15, 2001, along with recommendations on changes in law or procedure to better collect the bad debts including the feasibility of implementing a centralized Bad Debt Collection Clearinghouse.

PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT

CODE NO. 2000GEN-H23/S23
Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom
CONSOLIDATION OF THE OFFICE OF STATE BUDGET AND MANAGEMENT AND THE OFFICE OF STATE PLANNING

Section 23.(a) Effective July 1, 2000, the Office of State Budget and Management and the Office of State Planning are consolidated into the Office of State Budget, Planning, and Management under the Office of the Governor. General Fund budget codes 13005 and 13006 shall be consolidated in the certified budget for the 2000-2001 fiscal year to reflect the consolidation of the offices.

Section 23.(b) The Department of Environment and Natural Resources shall transfer from the Division of Land Resources to the Office of State Budget, Planning, and Management:

(1) The responsibility for development of topographic mapping through a cooperative agreement with the U.S. Geological Survey, and

(2) Funds in the amount of one hundred seventy-seven thousand dollars ($177,000) to match the federal funding under the cooperative agreement.

CODE NO. 2000GENGOV-H23.1 =
Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom
NORTH CAROLINA YOUTH LEGISLATIVE ASSEMBLY FUND

Section 23.1. Part 7 of Article 9 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-387.1. North Carolina Youth Legislative Assembly Fund.**

The North Carolina Youth Legislative Assembly Fund is created as a special and nonreverting fund. North Carolina Youth Legislative Assembly registration fees, gifts, donations, or contributions shall be credited to the North Carolina Youth Legislative Assembly Fund.

The fund shall be used solely to support planning and execution of the North Carolina Youth Legislative Assembly."

PART XXIV. RULES REVIEW COMMISSION

CODE NO. 2000GENGOV-H24/S24
Requested by: Senators Warren, Lucas, Plyler, Perdue, Odom
RESERVE FOR ATTORNEYS' FEES OF RULES REVIEW COMMISSION

Section 24.(a) A reserve is established in the Office of State Budget and Management. This reserve shall consist of appropriations from the General Assembly and funds received from any State agency in accordance with this section.

Section 24.(b) When a State agency files a petition for judicial review of a final decision of the Rules Review Commission under Article 4 of Chapter 150B of the General Statutes and the Rules Review Commission prevails in that action, that State agency shall deposit to the reserve under subsection (a) of this section a sum equal to the Commission's actual attorneys' fees.

Deleted Paragraph

Wilma C.
6.2000
Attachment 3
June 20, 2000

Special Provisions SCS House Bill 1840: General Government

Department:

1 Title: **Extend Technological Infrastructure Study Reporting Date** Section Number: 20

Summary: Continues language from the 1999 Session and extends the report date for the study of the State Treasurer's and Secretary of State's technology infrastructure needs from April 1, 2000 to December 1, 2000. The study will be done by the Joint Select Committee on Information Technology.

2 Title: **Illuminate the Nighttime Display of the United States and North Carolina Flags at the Legislative Building** Section Number: 20.1

Summary: Directs the General Assembly to use $4,800 in the FY 2000-01 budget to install the necessary lighting to illuminate the flags at the Legislative Building at night.

3 Title: **National World War II Memorial Funds** Section Number: 21

Summary: Specifies that $392,000 of the funds appropriated to the Department of Administration is to be used to fund the State's voluntary contribution toward the construction of the National World War II Memorial in Washington, DC.

4 Title: **Cost-Benefit Analysis of Constructing State Facilities Instead of Leasing Property for State Operations** Section Number: 21.1

Summary: Continues language from the 1999 Session and extends the report date from March 30, 2000 to January 1, 2001 for reporting on the cost benefit of constructing state facilities versus leasing space for state operations.

5 Title: **Repeal Health Care Purchasing Alliance Act** Section Number: 21.2

Summary: Repeals the Health Care Purchasing Alliance Act effective December 31, 2000.

6 Title: **Procurement Card Pilot Program Extension/Savings** Section Number: 21.3

Summary: Continues language from the 1999 Session and extends the procurement card pilot program from August 1, 2000 to August 1, 2001.

7 Title: **North Carolina Council for Women/Abuser Treatment Programs** Section Number: 21.5

Summary: Permits the Department of Administration to adopt temporary rules to approve abuser treatment programs that apply to the NC Council for Women.

8 Title: **Overpayments Project** Section Number: 22

Summary: Continues language from the 1999 Session, and from the funds deposited into the Special Reserve Account allows OSC to use $550,000 in FY 2000-01 for either data processing, debt collection, or e-commerce costs.

Directs that funds available in the Special Reserve Account after providing for the OSC allowance will be either deposited into the General Fund (at the end the current fiscal year) or subject to appropriation by the General Assembly in the 2001 Session.

OSC will continue to report to Governmental Operations and the Fiscal Research Division during the interim.

9 Title: **Pilot Program on Reporting on Collection of Bad Debts by State Agencies Extended** Section Number: 22.1

Summary: Continues language from the 1999 Session to further consider the feasibility of creating a Bad Debt Collection Clearinghouse, and allows:

OSC to include additional State agencies with a material amount of accounts receivable in the pilot [considering HHS and the universities].

OSC to solicit information from collection agencies concerning the possibility of these agencies maintaining a central debt collection database limited to those State agencies [in the pilot] without restrictive data security or confidentiality issues.

By the 2001 Session the General Assembly should be able to decide whether or not to create a Clearinghouse, and which agency should administer this effort.

Final report due on May 15, 2001.

10 Title: **Consolidation of the Office of State Budget and Management and the Office of State Planning** Section Number: 23

Summary: Consolidates the Office of State Budget & Management and the Office of State Planning into the Office of State Budget, Planning and Management under the Office of the Governor effective July 1, 2000.

Also directs the Department of Environment and Natural Resources to transfer $177,000 and the responsibility for development of topographic mapping to the Office of State Budget, Planning, and Management.

11 Title: **North Carolina Youth Legislative Assembly Fund** Section Number: 23.1

Summary: Establishes the fund as a special and nonreverting fund and directs that all registration fees, gifts, donations, or contributions are to be credited to the fund and used solely for the support, planning and execution of the North Carolina Youth Legislative Assembly.

12 Title: **Reserve for Attorneys' Fees of Rules Review Commission** Section Number: 24

Summary: Establishes a reserve in the Office of State Budget and Management to provide funds for the Commission's legal fees. Also directs state agencies that file suits against the Commission to pay the Commission's legal expenses when the Commission prevails in the lawsuit.