

PERSONAL SERVICES CONTRACTS
For Fiscal Year July 1, 2013-June 30, 2014

As Directed by Session Law 2007-322

March 2015



Prepared By:

Office of State Budget and Management
Office of State Human Resources

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INTRODUCTION

North Carolina General Statutes 143-64.70 requires the Office of State Budget and Management (OSBM) and the Office of State Human Resources (OSHR) to report annually on the use of personal services contracts¹ by State departments, agencies, institutions, and other State entities, hereafter referred to as “State agencies”, that have annual expenditures greater than \$25,000. The report should include information on the type, number, duration, cost, and effectiveness of the personal services contracts. The report must be submitted to the Joint Legislative Commission on Governmental Operations Committee by March 15 of each year.

METHODOLOGY

OSBM requested State agencies to provide information on the personal services contracts which they used during fiscal year (FY) 2013-14, hereafter referred to as FY 2014, with expenditures greater than \$25,000. The requested information included general agency details, contract specifications, the nature of the services, the duration of the contracts, financial data, and other contractual information. The information submitted to OSBM by the State agencies, universities, and licensing boards was assembled, verified, and analyzed to ensure its completeness and accuracy. Additionally, the personal service contract data for previous fiscal year reports has been included in this report for comparative purposes.

RESULTS

Summary Tables and Charts

The tables and graphs on the following pages provide summary data on the types, number, and costs of personal services contracts for FY 2014, in addition to historical information for the four previous fiscal years. Appendix A provides the definitions for the types of personal services contracts.

Table 1 summarizes the personal services contract information for FY 2010-FY 2014 for contracts greater than \$25,000. The summary includes the number of contracts, costs, and duration of contracts as well as the number of contractors, average number of contracts per contractor, number of state employees overseeing the contracts, and the average length of contracts. The last column of Table 1 also shows a decrease in data for all categories between FY 2010-FY 2014. The average number of months for all contract categories decreased from 17.1 months for FY 2010 to 12.7 months for FY 2014.

Table 1–Summary of Personal Services Contracts for FY 2010-FY 2014

Description of Data	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Percent Change FY 2010 to FY 2014
Total Number of Contracts > \$25,000	534	509	466	462	403	-24.53%
Total Paid on Contracts -- All Funding Sources	\$ 27,731,481	\$ 27,288,937	\$ 25,091,110	\$ 28,685,898	\$ 23,322,592	-15.90%
Total Paid on Contracts -- Only General Funds	\$ 22,066,862	\$ 21,861,793	\$ 19,377,696	\$ 23,421,049	\$ 17,194,740	-22.08%
Number of Individual Contractors	521	500	454	458	398	-23.61%
Average Number of Contracts per Contractor	1.025	1.018	1.026	1.009	1.013	-1.21%
Number of State Employees Overseeing Contracts	257	240	214	191	195	-24.12%
Average Length of Contract (<i>in months</i>)	17.1	16.0	14.2	15.9	12.7	-25.73%

¹ Title 01 North Carolina Administrative Code Chapter 05 Subchapter A .0112 states “...A service contract shall mean any agreement in which an independent contractor performs services requiring specialized knowledge, experience, expertise or similar capabilities for a state agency for compensation involving an expenditure of public funds. The services may include (by way of illustration, not limitation) services such as maintenance of buildings or equipment, auditing, film production, employee training and food services...”

Table 2 shows the number of contracts, amounts spent, and average expenditure for personal services contracts by personal service category for FY 2014. Although Health & Medical Services contracts out number Business & Financial Services contracts by 52.1%, the average cost per Business & Financial Services contract is 27.2% larger than a Health & Medical Services contract. Appendix B provides a breakdown for each agency.

Table 2

Type of Contract	Number of Contracts	Percent of Contracts Issued	Amount Spent	Percent of Amount Spent	Average Cost per Contract
Business & Financial Services	45	11.2%	\$ 3,872,856	16.6%	\$ 86,063
Information Technology Services	32	7.9%	\$ 2,694,718	11.6%	\$ 84,210
Health & Medical Services	94	23.3%	\$ 5,886,706	25.2%	\$ 62,625
Communications & Media Services	10	2.5%	\$ 621,430	2.7%	\$ 62,143
Management Services	34	8.4%	\$ 1,889,184	8.1%	\$ 55,564
Human Services	18	4.5%	\$ 876,781	3.8%	\$ 48,710
Legal & Law Enforcement Services	30	7.4%	\$ 1,452,615	6.2%	\$ 48,421
Other	77	19.1%	\$ 3,408,531	14.6%	\$ 44,267
Educational Services	38	9.4%	\$ 1,662,294	7.1%	\$ 43,745
Scientific Services	7	1.7%	\$ 303,567	1.3%	\$ 43,367
Architectural Services (prof. & non prof.)	3	.7%	\$ 129,598	.6%	\$ 43,199
Interpretation Services	5	1.2%	\$ 183,776	.8%	\$ 36,755
Engineering Professional Services	10	2.5%	\$ 340,536	1.5%	\$ 34,054
Transportation	-	.0%	\$ -	.0%	\$ -
Grand Total	403	100.0%	\$ 23,322,592	100.0%	\$ 57,872

Table 3, shows the personal services contracts data for a five year period including average length of time for a contract. Communications & Media Services contracts, on average, were for a period longer than twenty months in FY 2014.

Table 3—Average Term by Type of Personal Services Contracts for FY 2010-FY 2014

Type of Contract	FY 2010			FY 2011			FY 2012			FY 2013			FY 2014		
	Amount Spent *	No.	Average Months per Contract	Amount Spent *	No.	Average Months per Contract	Amount Spent *	No.	Average Months per Contract	Amount Spent *	No.	Average Months per Contract	Amount Spent *	No.	Average Months per Contract
Communications & Media Services	\$.4	9	11.1	\$.3	9	11.7	\$.2	5	12.7	\$.3	3	15.9	\$.6	10	21.3
Engineering Professional Services	\$.5	11	15.9	\$.5	13	15.6	\$.3	7	12.1	\$.3	7	10.0	\$.3	10	16.1
Other Services	\$ 3.0	74	9.2	\$ 3.2	68	3.7	\$ 2.9	67	16.4	\$ 3.1	72	15.2	\$ 3.4	77	15.1
Health & Medical Services	\$ 10.1	181	21.6	\$ 8.7	150	24.9	\$ 8.2	132	17.4	\$ 6.5	112	20.7	\$ 5.9	94	14.7
Interpretation Services	\$.2	5	15.4	\$.2	4	10.4	\$.1	2	11.7	\$.0	1	11.2	\$.2	5	13.0
Business & Financial Services	\$ 3.9	46	11.1	\$ 3.1	29	11.7	\$ 3.4	46	12.8	\$ 2.2	31	12.7	\$ 3.9	45	12.1
Human Services	\$ 2.2	54	21.5	\$ 2.1	47	18.7	\$.9	24	12.8	\$ 1.0	24	12.2	\$.9	18	12.0
Legal & Law Enforcement Services	\$ 1.7	28	18.5	\$ 1.7	33	11.0	\$ 1.6	31	11.1	\$ 1.5	32	16.5	\$ 1.5	30	11.8
Management Services	\$.4	12	11.0	\$ 1.2	31	12.8	\$ 1.2	32	11.2	\$ 1.3	33	10.9	\$ 1.9	34	11.5
Educational Services	\$ 2.6	67	10.5	\$ 2.6	63	10.8	\$ 2.6	62	10.8	\$ 2.9	66	11.5	\$ 1.6	38	10.7
Scientific Services	\$.2	5	7.3	\$.1	3	7.4	\$.2	4	16.5	\$.2	3	12.5	\$.3	7	10.3
Information Technology Services	\$ 2.2	29	18.9	\$ 2.5	36	19.6	\$ 2.3	30	16.1	\$ 8.8	65	17.6	\$ 2.7	32	9.0
Architectural Services (prof. & non-prof.)	\$.5	12	11.3	\$.9	20	18.1	\$ 1.0	21	12.6	\$.4	10	18.6	\$.1	3	7.6
Transportation Services	\$.0	1	12.2	\$.2	3	15.9	\$.2	3	19.9	\$.2	3	28.4	\$.0	0	.0
Total	\$ 27.7	534	17.1	\$ 27.3	509	16.0	\$ 25.1	466	14.2	\$ 28.7	462	15.9	\$ 23.3	403	12.7

*Dollars in Millions

Graph 1 shows the percent of the FY 2014 expenditures by type of contract. Health & Medical Services and Business & Financial Services used the most personal services contracts. Both accounted for 41.8% or \$ 9.8 million dollars of all contract expenditures.

Graph 1–Percent of Expenditures by Type of Personal Services Contracts for FY 2014

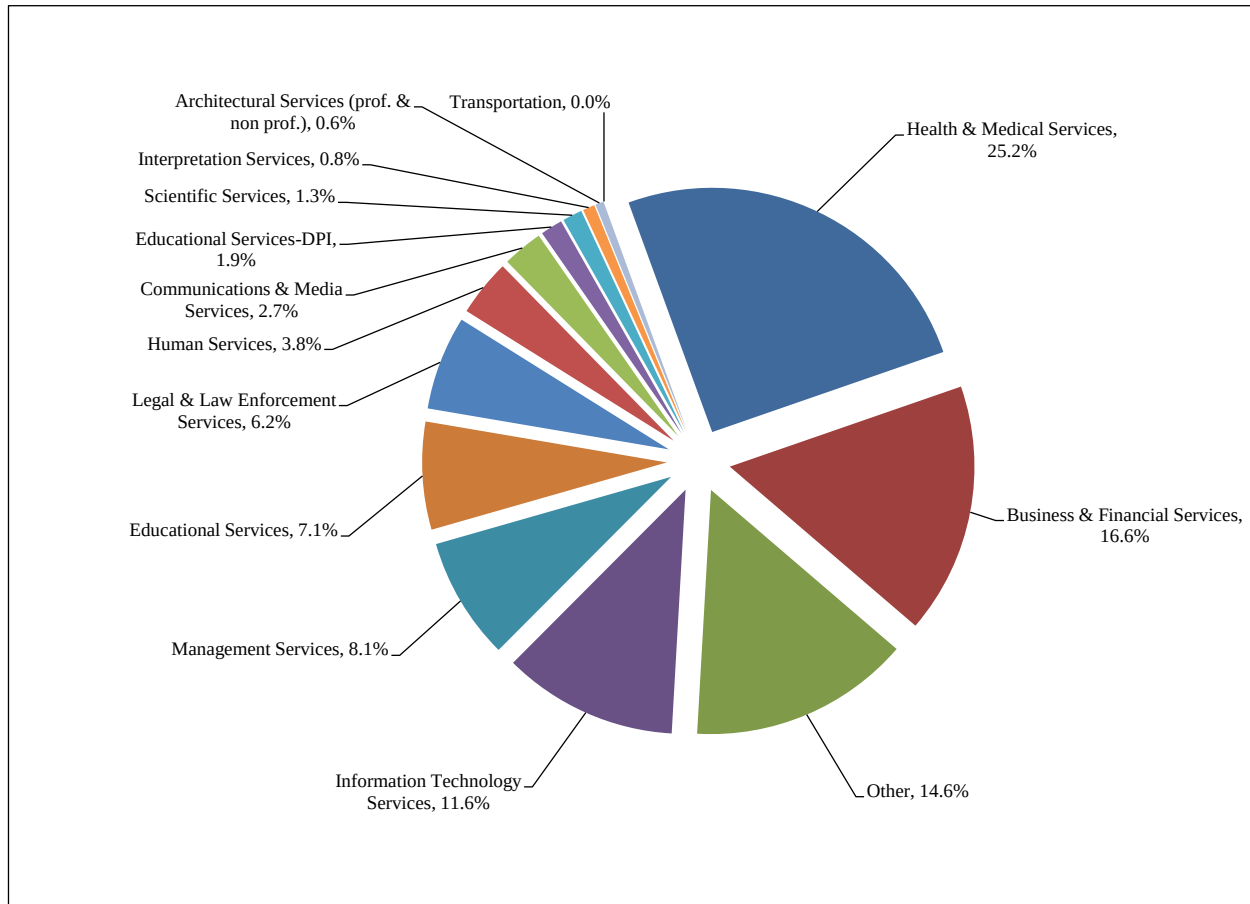


Table 4, page 4, shows the dollar amount expended and number of contracts by category for FY 2010-FY 2014. The Justice & Public Safety category had the largest number of contracts and amount spent on personal services contracts. These contracts were primarily in the Department of Public Safety for providing health and medical services. Appendix C provides information at the agency level for FY 2010-FY 2014.

Table 4–Personal Services Contracts Legislative Appropriations Committee Category for FY 2010-FY 2014

Category	FY 2010		FY 2011		FY 2012		FY 2013		FY 2014	
	Number of Contracts	Amount Spent *	Number of Contracts	Amount Spent *	Number of Contracts	Amount Spent *	Number of Contracts	Amount Spent *	Number of Contracts	Amount Spent *
Justice & Public Safety	361	\$ 17.1	327	\$ 15.3	283	\$ 13.4	262	\$ 11.8	233	\$ 11.2
Education-University System	102	\$ 5.2	102	\$ 5.6	97	\$ 5.0	112	\$ 10.9	90	\$ 4.6
General Government	20	\$ 1.2	26	\$ 2.0	23	\$ 1.9	31	\$ 2.3	36	\$ 2.7
Natural & Economic Resources	14	\$ 2.3	16	\$ 2.0	16	\$ 1.4	8	\$.5	14	\$ 2.6
Health & Human Services	23	\$ 1.3	21	\$ 1.6	27	\$ 2.0	29	\$ 1.8	14	\$ 1.4
Education-Public Instruction	7	\$.3	11	\$.5	8	\$.7	15	\$.7	12	\$.6
Transportation	7	\$.3	1	\$.04	12	\$.7	5	\$.7	4	\$.2
Education-Community Colleges	0	\$ -	5	\$.3	0	\$ -	0	\$ -	0	\$ -
Total	534	\$ 27.7	509	\$ 27.3	466	\$ 25.1	462	\$ 28.7	403	\$ 23.3

*Dollars in Millions

Graph 2 shows the percent of expenditures by category for FY 2014. Justice & Public Safety and Education-University accounted for 67.9% of all the personal services contract expenditures.

Graph 2–Percent of Expenditures by Legislative Appropriations Committee Category for FY 2014

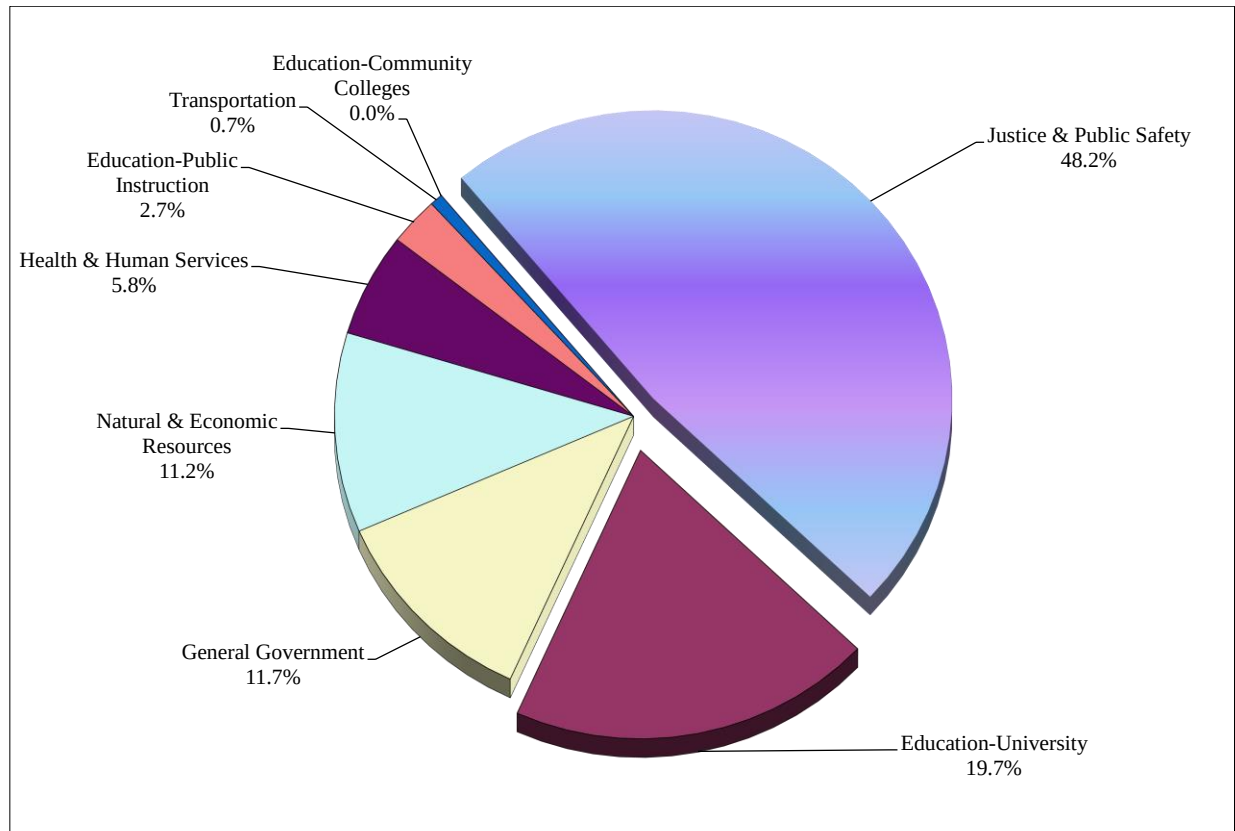


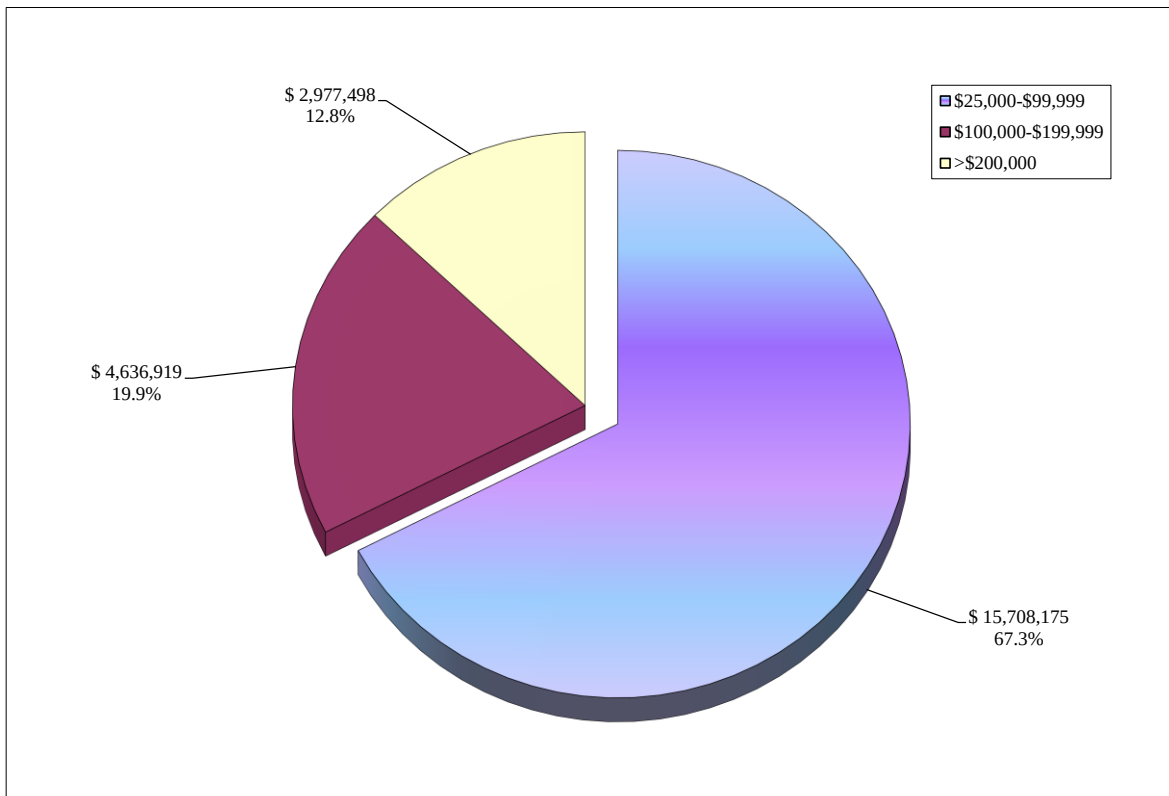
Table 5, page 5, shows the number of contracts and amount expended by dollar-range by type of contract for FY 2014. Information Technology Services, Business & Financial Services, Management Services, Communications & Media Services, and Health & Medical Services are the types of contracts over \$200,000.

Table 5—Personal Services Contracts by Dollar-Range and Type of Contract for FY 2014

Type of Contract	\$25,000-\$99,999		\$100,000-\$199,999		\$200,000 and Over		Total	
	Number of Contracts	Amount Spent	Number of Contracts	Amount Spent	Number of Contracts	Amount Spent	Number of Contracts	Amount Spent
Health & Medical Services	78	\$ 3,620,414	15	\$ 2,061,717	1	\$ 204,575	94	\$ 5,886,706
Business & Financial Services	32	\$ 1,608,729	9	\$ 1,247,193	4	\$ 1,016,934	45	\$ 3,872,856
Other Services	75	\$ 3,164,450	2	\$ 244,081	0	\$ -	77	\$ 3,408,531
Information Technology Services	27	\$ 1,231,770	2	\$ 271,295	3	\$ 1,191,653	32	\$ 2,694,718
Management Services	30	\$ 1,072,178	3	\$ 470,098	1	\$ 346,908	34	\$ 1,889,184
Educational Services	37	\$ 1,525,120	1	\$ 137,174	0	\$ -	38	\$ 1,662,294
Legal & Law Enforcement Services	28	\$ 1,247,254	2	\$ 205,361	0	\$ -	30	\$ 1,452,615
Human Services	18	\$ 876,781	0	\$ -	0	\$ -	18	\$ 876,781
Communications & Media Services	9	\$ 404,002	0	\$ -	1	\$ 217,428	10	\$ 621,430
Engineering Professional Services	10	\$ 340,536	0	\$ -	0	\$ -	10	\$ 340,536
Scientific Services	7	\$ 303,567	0	\$ -	0	\$ -	7	\$ 303,567
Interpretation Services	5	\$ 183,776	0	\$ -	0	\$ -	5	\$ 183,776
Architectural Services (prof. & non-prof.)	3	\$ 129,598	0	\$ -	0	\$ -	3	\$ 129,598
Transportation Services	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Total	359	\$ 15,708,175	34	\$ 4,636,919	10	\$ 2,977,498	403	\$ 23,322,592

As shown in graph 3, the contracts ranging from \$25,000 to \$99,999 accounted for 67.3% of expenditures and 89.1% of all contracts during FY 2014.

Graph 3—Personal Services Contract Expenditures by Dollar-Range for FY 2014

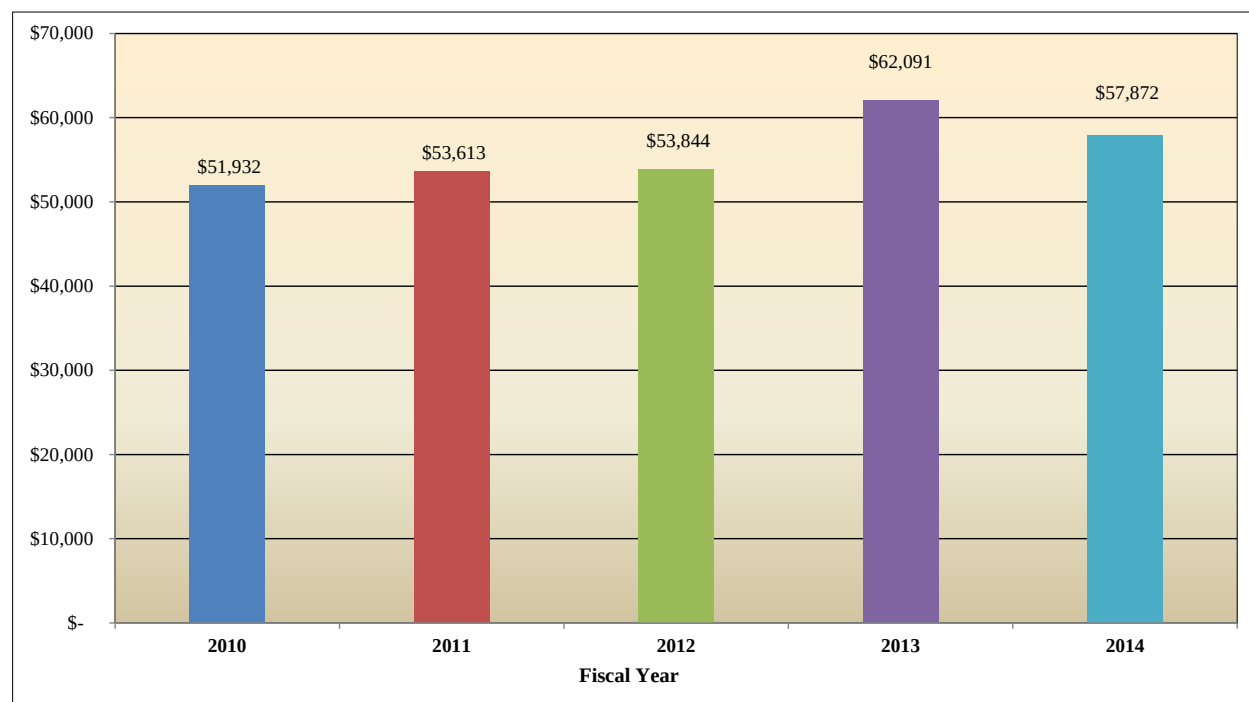


The data reported to OSBM were also compiled by budget code categories to show the type of funds used for the personal services contracts. Table 6 shows General Funds accounted for 73.7% of total expenditures for FY 2014. Over five years personal services contract expenditures decreased by 15.9%. However, over the last year, expenditures decreased by 18.7% and the total number of contracts decreased by 12.8%. This was due to the average cost of a contract going from \$62,091 in FY 2013 to \$57,872 in FY 2014. Graph 4 shows the average cost of a contract increased 11.4% over the last five years.

Table 6–Personal Services Contract Expenditures by Budget Code for FY 2010-FY 2014

Budget Code	FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		Net Change from FY 2010 to FY 2014	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
General Funds	\$ 22,066,862	79.6%	\$ 21,861,793	80.1%	\$ 19,377,696	77.2%	\$ 23,421,049	81.6%	\$ 17,194,740	73.7%	\$ (4,872,122)	-22.1%
Institutional Funds	\$ 2,371,283	8.6%	\$ 2,687,411	9.8%	\$ 2,248,717	9.0%	\$ 2,372,261	8.3%	\$ 2,339,451	10.0%	\$ (31,832)	-1.3%
Special Funds	\$ 1,309,124	4.7%	\$ 1,634,409	6.0%	\$ 1,911,501	7.6%	\$ 1,380,196	4.8%	\$ 1,670,591	7.2%	\$ 361,467	27.6%
Enterprise Funds	\$ 1,182,160	4.3%	\$ 832,315	3.1%	\$ 478,486	1.9%	\$ 397,361	1.4%	\$ 836,938	3.6%	\$ (345,222)	-29.2%
Highway Funds	\$ 294,877	1.1%	\$ 273,009	1.0%	\$ 727,943	2.9%	\$ 704,691	2.5%	\$ 164,729	0.7%	\$ (130,148)	-44.1%
Trust and Agency Funds	\$ 89,820	0.3%	\$ -	0.0%	\$ 346,768	1.4%	\$ 263,160	0.9%	\$ 157,525	0.7%	\$ 67,705	75.4%
Internal Service Funds	\$ 127,358	0.5%	\$ -	0.0%	\$ -	0.0%	\$ 26,400	0.1%	\$ 38,830	0.2%	\$ (88,528)	-69.5%
Federal Funds	\$ 289,997	1.0%	\$ -	0.0%	\$ -	0.0%	\$ 88,967	0.3%	\$ -	0.0%	\$ (289,997)	-100.0%
Capital Project Funds	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 31,813	0.1%	\$ -	0.0%	\$ -	0.0%
Blank									\$ 919,788	3.9%	\$ -	0.0%
TOTAL	\$ 27,731,481	100.0%	\$ 27,288,937	100.0%	\$ 25,091,110	100.0%	\$ 28,685,898	100.0%	\$ 23,322,592	100.0%	\$ (4,408,889)	-15.9%
Number of Contracts	534		509		466		462		403			
Average Costs per Contract	\$ 51,932		\$ 53,613		\$ 53,844		\$ 62,091		\$ 57,872		\$ 5,941	11.4%

Graph 4-Personal Services Contracts Average Costs for FY 2010- FY 2014



Effectiveness of Contracts

Use of personal services contracts enables state agencies to acquire professional services for short term durations without incurring the costs to establish state positions. It also provides agencies with an opportunity to obtain professional services that can be difficult to recruit and might otherwise not be available. Without this type of contracting vehicle, the Department of Public Safety (DPS), for example, would find it extremely difficult to provide required medical and health services to inmates. Because of the nature of this work, the often remote locations and the working environment, these roles are extremely difficult to fill and are best addressed through personal services contracts. In these cases, it is more efficient for them to contract with the same individuals year after year.

Further, for personal services contracts in which the contractor is classified as an “independent contractor” as defined by the Fair Labor Standards Act (FLSA) and the Internal Revenue Service (IRS), agencies do not have to pay the costs of benefits, withholding tax, Social Security contribution, workers’ compensation, and overtime. The difference between the amount paid to an employee or to an independent contractor doing the same work can be substantial. Use of personal services contracts can offer more flexibility as agency work demands change.

Agencies using personal services contracts should be careful not to abuse or misuse this service method. Agencies should annually evaluate their personal services contracts to ensure compliance with FLSA and IRS regulations as well as with the applicable NC Administrative Codes and what is in the best interest of the State. For example, the administrative codes related to personal service contracts do not provide clear instructions. According to the NC Administrative Codes, subchapter 5B-Purchase Procedures that deal specifically with personal service contracts:

- 01 NCAC 05B .0203, states that (b) North Carolina’s purchasing program shall be built on the principle of competition.
- 01 NCAC 05B .1401, Policy states “Under conditions listed in this Rule, otherwise if deemed to be in the public interest by the SPO or the agency, if under its delegation or benchmark, competition may be waived.
- 01 NCAC 05B .1402, Approval and Documentation, states that “Although competition may be waived pursuant to Rule .1401 of this Section, its use is required wherever practicable.”

Data analyzed over the past five fiscal years (FY 2010, 2011, 2012, 2013, and 2014) found that 14% of contractors were used three or more times in the last five years. This 14% made up 32% of the personal services contract spend over the five years. Table 7 breaks down the individual contractors by spend over the past five years.

Table 7				
# of Times Contractor Used in Last 5 Years	Percent of Contractors Used in Last 5 Years	Five year spend	% of five year spend	AVG Contact
1	67%	\$ 55,696,327	42%	\$ 54,712
2	20%	\$ 34,568,532	26%	\$ 114,465
3	8%	\$ 17,763,078	13%	\$ 149,270
4	4%	\$ 15,442,155	12%	\$ 245,114
5 or more	2%	\$ 8,649,926	7%	\$ 320,368
TOTAL	100 %	\$ 132,120,018	100 %	\$ 86,109

Conclusion

The percentage change from the last fiscal year decreased in a number of areas for this fiscal year. The total number of contracts executed decreased by 13%; the total spend on personal services contracts decreased by 19%; the average cost per contract decreased by 7%; and, the average duration of a contract decreased by 20%. Over the past five years 14% of contractors were used three or more times and accounted for 32% of the total contract spend.

There are three primary recommendations for this fiscal year. First, to provide a more precise picture of personal services contract spending, move the present \$25,000 reporting threshold to \$10,000. In FY 2009, OSBM collected data based on personal services contracts greater than \$10,000. This change in data collection increased the findings greatly. For example, the number of contracts increased by 120% and the dollar amount of contracts increased by 37% when changing the threshold from \$25,000 to \$10,000. Second, agencies should annually evaluate their personal services contracts to ensure compliance with FLSA and IRS regulations as well as with the applicable NC Administrative Codes and what is in the best interest of the State. Finally, administrative codes related to personal service contracts do not provide clear instructions. Purchasing rules should be improved to better define and regulate personal services contracts.

APPENDIX A

DEFINITION OF TYPES OF PERSONAL SERVICES CONTRACTS

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A Personal Services Contract is defined as:

Section II, page 3 of the State Purchasing Manual provides the definition of a personal services contract: "...services provided by a professional individual (person) on a temporary or occasional basis, including (by way of illustration, not limitation) those provided a by doctor, dentist, attorney, architect, professional engineer, scientist or performer of the fine arts and similar professions; the exemption applies only if the individual is using his/her professional skills to perform a professional task; a personal service may also be a consultant service, in which case consultant contracting procedures shall be followed." Specifically excluded from this definition were "service contracts" between an agency and a company that provides services, such as lawn or housekeeping.

Type of Service Contract	Description
Architectural Services (professional & non-professional)	Building design, interiors, space use, site planning, utilities architecture, energy management, landscape, flood control, drafting, and surveying.
Business & Financial Services	Accounting, auditing, cash management, financial advisory, investment consulting, collection services, and organizational and other general management consulting services.
Communications & Media Services	Motion picture/television/video/audio production, journalistic/professional writer services, speechwriting, graphic arts, and advertising services.
Educational Services	Teaching and instruction services, workshop facilitation, workshop organization and management, and course development.
Engineering Professional Services	Civil, geological, machine, electrical, structural, general, agricultural, foundation, energy management, and other engineering services.
Information Technology Services	Telecommunication consulting, Electronic Data Interchange, and applications and systems analysis.
Interpretation Services	Signing, interpreting, and translation.
Health & Medical Services	Physician, nursing, dental, mental health, x-ray, laboratory, pharmacy, audiology, hygiene, vaccination, and waste disposal.
Human Services	Barber/beautician, funeral services, referral services, working with special populations, counseling, case management, and community relations.
Legal & Law Enforcement Services	Attorneys, paralegal, other court-related services such as court stenography services, as well as security analysts, security personnel, and other law enforcement or correctional system specialists.
Management Services	Parking management, records management, insurance/risk management, exhibition/market management, building management, and waste management services.
Scientific Services	Laboratory services, sampling, leak detection, and other specialty services.
Transportation Services	Self-explanatory.
Other Services	All others.

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APPENDIX B

**FY 2014 PERSONAL SERVICES CONTRACT EXPENDITURES
BY LEGISLATIVE APPROPRIATIONS COMMITTEE & CONTRACT CATEGORY**

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APPENDIX B
FY 2014 Personal Services Contract Expenditures by Legislative Appropriations Committee/Contract Category

Legislature Appropriations Committee	Agency Name	Total	Architectural Services (professional & non professional)	Business & Financial Services	Communications & Media Services	Educational Services	Engineering Professional Services	Health & Medical Services	Human Services	Information Technology Services	Interpretation Services	Legal & Law Enforcement Services	Management Services	Scientific Services	Transportation Services	Other Services
Education	University System															
	Appalachian State University	\$ 72,210				\$ 72,210										
	East Carolina University	\$ 273,099		\$ 39,200		\$ 42,499		\$ 191,400								
	Fayetteville State University	\$ 156,005		\$ 78,304				\$ 77,701								
	NC A&T State University	\$ 92,431			\$ 30,413	\$ 33,018		\$ 29,000								
	NC School of the Arts	\$ 168,005				\$ 39,906		\$ 27,948		\$ 26,536			\$ 46,918			\$ 26,697
	NC State University	\$ 1,338,018			\$ 330,050	\$ 388,514		\$ 237,625		\$ 112,243				\$ 26,785		\$ 242,801
	UNC Chapel Hill	\$ 316,355		\$ 40,000	\$ 110,000					\$ 166,355						
	UNC Charlotte	\$ 158,720		\$ 55,038							\$ 42,863					\$ 60,819
	UNC General Administration	\$ 276,115		\$ 42,341		\$ 61,350				\$ 102,424			\$ 70,000			
	UNC Greensboro	\$ 500,679				\$ 42,000		\$ 313,167	\$ 40,800		\$ 42,452					\$ 62,260
	UNC Hospitals	\$ 801,728		\$ 202,170				\$ 49,105	\$ 49,626	\$ 177,146	\$ 98,461					\$ 225,220
	UNC Pembroke	\$ 65,450				\$ 29,872			\$ 35,578							
	UNC Wilmington	\$ 235,376		\$ 44,780	\$ 40,000	\$ 50,430		\$ 63,875						\$ 36,291		
	Winston-Salem State University	\$ 139,270		\$ 35,210	\$ 74,727	\$ 29,333										
	University System Total	\$ 4,593,461	\$ -	\$ 537,043	\$ 585,190	\$ 789,132	\$ -	\$ 989,821	\$ 126,004	\$ 584,704	\$ 183,776	\$ -	\$ 116,918	\$ 63,076	\$ -	\$ 617,797
	Dept. of Public Instruction	\$ 629,005		\$ 64,095		\$ 448,660				\$ 79,584		\$ 36,666				
	Total	\$ 5,222,466	\$ -	\$ 601,138	\$ 585,190	\$ 1,237,792	\$ -	\$ 989,821	\$ 126,004	\$ 664,288	\$ 183,776	\$ 36,666	\$ 116,918	\$ 63,076	\$ -	\$ 617,797
General Government	Dept. of Administration	\$ 167,273		\$ 52,597						\$ 38,720		\$ 75,956				
	Dept. of Cultural Resources	\$ 57,520					\$ 25,994									\$ 31,526
	Dept. of Insurance	\$ 35,558						\$ 35,558								
	Dept. of State Treasurer ¹	\$ 1,561,297		\$ 1,115,090	\$ 36,240			\$ 45,675		\$ 364,292						
	General Assembly	\$ 260,820		\$ 158,820								\$ 102,000				
	Housing Finance Agency	\$ 95,740				\$ 95,740										
	Office of Information Technology Services	\$ 80,830								\$ 80,830						
	Office of State Auditor	\$ 250,595		\$ 250,595												
	Office of State Controller	\$ 191,052								\$ 159,052						\$ 32,000
	Office of the Governor	\$ 32,175		\$ 32,175												
	Total	\$ 2,732,860	\$ -	\$ 1,609,277	\$ 36,240	\$ 95,740	\$ 25,994	\$ 81,233	\$ -	\$ 642,894	\$ -	\$ 177,956	\$ -	\$ -	\$ -	\$ 63,526

APPENDIX B
FY 2014 Personal Services Contract Expenditures by Legislative Appropriations Committee/Contract Category

Legislature Appropriations Committee	Agency Name	Total	Architectural Services (professional & non professional)	Business & Financial Services	Communications & Media Services	Educational Services	Engineering Professional Services	Health & Medical Services	Human Services	Information Technology Services	Interpretation Services	Legal & Law Enforcement Services	Management Services	Scientific Services	Transportation Services	Other Services
Health and Human Services	Dept. of Health & Human Services-Central Management includes: NC Council on Dev. Disabilities, Office of Medicaid MIS, Office of Public Affairs, Office of Secretary, & Office of Internal Audit	\$ 898,088							\$ 196,974				\$ 701,114			
	Dept. of Health & Human Services-Division of Health Services	\$ 157,996						\$ 74,750	\$ 83,246							
	Dept. of Health & Human Services-Division of Medical Assistance	\$ 32,500						\$ 32,500								
	Dept. of Health & Human Services-Division of Mental Health	\$ 196,575											\$ 196,575			
	Dept. of Health & Human Services-Division of Public Health	\$ 38,400						\$ 38,400								
	Dept. of Health & Human Services-Division of Vocational Rehabilitation	\$ 32,100						\$ 32,100								
	Total	\$ 1,355,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,750	\$ 280,220	\$ -	\$ -	\$ -	\$ 897,689	\$ -	\$ -	\$ -
Justice and Public Safety	Administrative Office of the Courts	\$ 2,594,971														\$ 2,594,971
	Dept. of Justice	\$ 364,972		\$ 57,597								\$ 307,375				
	Dept. of Public Safety ²	\$ 7,408,505	\$ 129,598	\$ 213,001		\$ 328,762	\$ 281,483	\$ 4,506,232	\$ 470,557	\$ 169,981		\$ 61,586	\$ 874,577	\$ 240,491		\$ 132,237
	Indigent Defense Services	\$ 869,032										\$ 869,032				
	Total	\$ 11,237,480	\$ 129,598	\$ 270,598	\$ -	\$ 328,762	\$ 281,483	\$ 4,506,232	\$ 470,557	\$ 169,981	\$ -	\$ 1,237,993	\$ 874,577	\$ 240,491	\$ -	\$ 2,727,208
Natural and Economic Resources	Dept. of Agriculture & Consumer Services	\$ 174,181		\$ 45,000						\$ 129,181						
	Dept. of Commerce ³	\$ 1,346,843		\$ 1,346,843												
	Dept. of Labor	\$ 1,088,374								\$ 1,088,374						
	Total	\$ 2,609,398	\$ -	\$ 1,391,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,217,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	Dept. of Transportation ⁴	\$ 164,729					\$ 33,059	\$ 131,670								
	Total	\$ 164,729	\$ -	\$ -	\$ -	\$ -	\$ 33,059	\$ 131,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total		\$ 23,322,592	\$ 129,598	\$ 3,872,856	\$ 621,430	\$ 1,662,294	\$ 340,536	\$ 5,886,706	\$ 876,781	\$ 2,694,718	\$ 183,776	\$ 1,452,615	\$ 1,889,184	\$ 303,567	\$ -	\$ 3,408,531
Percentage		100%	1%	17%	3%	7%	1%	25%	4%	12%	1%	6%	8%	1%	0%	15%

¹ State Health Plan transferred to the Department of State Treasurer in FY 2012.

² The Departments of Correction, Crime Control and Public Safety, and Juvenile Justice and Delinquency Prevention consolidated to create the Department of Public Safety in FY 2012.

³ Employment Security Commission merged into the Department of Commerce in FY 2012.

⁴ Global TransPark transferred into the Department of Transportation in FY 2012.

APPENDIX C

**FY 2010-FY 2014 SUMMARY OF
PERSONAL SERVICES CONTRACTS
BY STATE AGENCY**

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APPENDIX C
FY 2010-FY 2014 Summary of Personal Services Contracts by State Agency

Legislative Appropriations Committee	State Agency	FY 2014		FY 2013		FY 2012		FY 2011		FY 2010	
		Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount
Education	University System										
	Appalachian State University	2	\$ 72,210	1	\$ 35,000	3	\$ 86,647	1	\$ 38,295	4	\$ 162,409
	East Carolina University	6	\$ 273,099	5	\$ 224,986	8	\$ 392,193	8	\$ 342,002	11	\$ 543,480
	Elizabeth City State University					1	\$ 25,137	2	\$ 77,606	3	\$ 95,738
	Fayetteville State University	2	\$ 156,005	3	\$ 225,975	4	\$ 236,755	6	\$ 310,870	2	\$ 126,640
	NC A&T State University	3	\$ 92,431	1	\$ 57,250	1	\$ 68,688			2	\$ 114,820
	NC Central University							2	\$ 89,225	5	\$ 169,639
	NC School of Science & Math			13	\$ 549,118	11	\$ 401,107	8	\$ 339,928	5	\$ 197,747
	NC School of the Arts	5	\$ 168,005	6	\$ 193,261	8	\$ 252,234	3	\$ 89,671	5	\$ 160,439
	NC State University	21	\$ 1,338,018	16	\$ 974,204	20	\$ 1,096,860	23	\$ 1,335,508	14	\$ 910,682
	UNC Asheville							1	\$ 25,610		
	UNC Chapel Hill	9	\$ 316,355	39	\$ 6,683,673	10	\$ 591,298	13	\$ 510,331	4	\$ 162,475
	UNC Charlotte	5	\$ 158,720	4	\$ 142,584	6	\$ 223,264	5	\$ 189,877	4	\$ 159,178
	UNC General Administration	6	\$ 276,115	3	\$ 117,288	3	\$ 128,965	2	\$ 126,264	4	\$ 226,448
	UNC Greensboro	7	\$ 500,679	7	\$ 576,690	6	\$ 470,819	15	\$ 820,962	13	\$ 796,251
	UNC Hospitals	14	\$ 801,728	5	\$ 397,361	6	\$ 431,799	5	\$ 590,315	11	\$ 837,385
	UNC Pembroke	2	\$ 65,450			1	\$ 94,880			3	\$ 116,070
	UNC Wilmington	5	\$ 235,376	5	\$ 453,135	5	\$ 247,974	5	\$ 531,617	7	\$ 249,356
	Winston-Salem State University	3	\$ 139,270	4	\$ 235,826	4	\$ 210,274	3	\$ 183,115	5	\$ 195,010
	Total University System	90	\$ 4,593,461	112	\$ 10,866,351	97	\$ 4,958,894	102	\$ 5,601,196	102	\$ 5,223,768
	Dept. of Community Colleges							1	\$ 35,000		
	Dept. of Public Instruction	12	\$ 629,005	15	\$ 749,219	16	\$ 716,539	11	\$ 455,340	7	\$ 327,301
	Total Education	102	\$ 5,222,466	127	\$ 11,615,570	113	\$ 5,675,433	114	\$ 6,091,536	109	\$ 5,551,068
General Government	Dept. of Administration	3	\$ 167,273	1	\$ 61,383			3	\$ 93,002	3	\$ 130,765
	Dept. of Cultural Resources	2	\$ 57,520	1	\$ 25,000	2	\$ 92,273	1	\$ 41,538	3	\$ 95,604
	Dept. of Insurance	1	\$ 35,558	1	\$ 37,905	1	\$ 38,266	1	\$ 38,627	1	\$ 40,660
	Dept. of Secretary of State					1	\$ 50,857	1	\$ 30,137		
	Dept. of State Treasurer ¹	17	\$ 1,561,297	13	\$ 866,616	12	\$ 903,605	10	\$ 736,455	4	\$ 228,554
	Education Lottery							1	\$ 200,000	2	\$ 127,275
	General Assembly	2	\$ 260,820	2	\$ 217,125	1	\$ 137,500	1	\$ 54,950	2	\$ 81,493
	Housing Finance Agency	2	\$ 95,740	2	\$ 150,468	3	\$ 249,208	2	\$ 175,820		
	Office of Information Technology Services	2	\$ 80,830	1	\$ 26,400						
	Office of State Auditor	4	\$ 250,595	2	\$ 214,397						
	Office of State Controller	2	\$ 191,052	2	\$ 263,673	2	\$ 433,538	2	\$ 394,173	2	\$ 410,314
	Office of the Governor	1	\$ 32,175	5	\$ 358,010	1	\$ 28,838				
	State Ethics Commission			1	\$ 41,962			2	\$ 90,000		
	State Health Plan ¹							2	\$ 160,049	3	\$ 102,588
	Total General Government	36	\$ 2,732,860	31	\$ 2,262,939	23	\$ 1,934,085	26	\$ 2,014,751	20	\$ 1,217,253

APPENDIX C
FY 2010-FY 2014 Summary of Personal Services Contracts by State Agency

Legislative Appropriations Committee	State Agency	FY 2014		FY 2013		FY 2012		FY 2011		FY 2010	
		Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount	Number of Contracts	Amount
Health and Human Services	Dept. of Health & Human Services-Central Management	8	\$ 898,088	10	\$ 913,043	6	\$ 592,229	8	\$ 602,265	6	\$ 316,234
	Dept. of Health & Human Services-Division of Aging			1	\$ 44,391	1	\$ 64,307				
	Dept. of Health & Human Services-Division of Child Development			9	\$ 363,901	5	\$ 239,298			1	\$ 29,346
	Dept. of Health & Human Services-Division of Health Services	2	\$ 157,996	1	\$ 71,600	2	\$ 139,762	3	\$ 237,153	4	\$ 196,430
	Dept. of Health & Human Services-Division of Information Resource Management					1	\$ 159,453	2	\$ 220,014	2	\$ 291,408
	Dept. of Health & Human Services-Division of Medical Assistance	1	\$ 32,500	2	\$ 182,337	4	\$ 264,766	1	\$ 150,930	2	\$ 64,534
	Dept. of Health & Human Services-Division of Mental Health	1	\$ 196,575	4	\$ 157,017	6	\$ 413,674	7	\$ 351,427	7	\$ 321,296
	Dept. of Health & Human Services-Division of Public Health	1	\$ 38,400	1	\$ 43,709	2	\$ 94,334				
	Dept. of Health & Human Services-Division of Social Services	1	\$ 32,100							1	\$ 107,652
	Dept. of Health & Human Services-Division of Vocational Rehabilitation Services			1	\$ 30,900						
	Total Health and Human Services	14	\$ 1,355,659	29	\$ 1,806,898	27	\$ 1,967,823	21	\$ 1,561,789	23	\$ 1,326,899
Justice and Public Safety	Administrative Office of Courts	59	\$ 2,594,971	52	\$ 2,028,086	48	\$ 1,857,170	46	\$ 1,708,663	50	\$ 1,922,298
	Dept. of Correction ²							177	\$ 9,024,232	6	\$ 461,312
	Dept. of Crime Control and Public Safety ²							57	\$ 2,084,726	58	\$ 1,792,165
	Dept. of Juvenile Justice & Delinquency Prevention ²							21	\$ 982,027	32	\$ 1,461,248
	Dept. of Public Safety ²	148	\$ 7,408,505	181	\$ 8,470,568	207	\$ 10,086,674				
	Dept. of Justice	8	\$ 364,972	3	\$ 179,889	8	\$ 427,688	9	\$ 617,214	197	\$ 10,410,735
	Indigent Defense Services	18	\$ 869,032	26	\$ 1,134,912	20	\$ 1,028,583	17	\$ 912,015	18	\$ 1,026,496
	Total Justice & Public Safety	233	\$ 11,237,480	262	\$ 11,813,455	283	\$ 13,400,115	327	\$ 15,328,877	361	\$ 17,074,255
Natural and Economic Resources	Dept. of Agriculture & Consumer Services	3	\$ 174,181	3	\$ 149,136	4	\$ 152,793	6	\$ 307,243	6	\$ 307,553
	Dept. of Commerce ³	7	\$ 1,346,843	3	\$ 215,309	8	\$ 1,232,918	9	\$ 1,682,681	8	\$ 1,959,576
	Dept. of Environmental & Natural Resources										
	Dept. of Labor	4	\$ 1,088,374	2	\$ 117,900						
	Employment Security Commission ³							1	\$ 29,052		
	Total Natural and Economic Resources	14	\$ 2,609,398	8	\$ 482,345	12	\$ 1,385,711	16	\$ 2,018,976	14	\$ 2,267,128
Transportation	Dept. of Transportation ⁴	4	\$ 164,729	5	\$ 704,691	8	\$ 727,943	4	\$ 177,798	6	\$ 260,792
	Global Transpark Authority ⁴							1	\$ 95,211	1	\$ 34,086
	Total Transportation	4	\$ 164,729	5	\$ 704,691	8	\$ 727,943	5	\$ 273,009	7	\$ 294,877
TOTAL ALL AGENCIES		403	23,322,592	462	28,685,898	466	25,091,110	509	27,288,937	534	27,731,481

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