

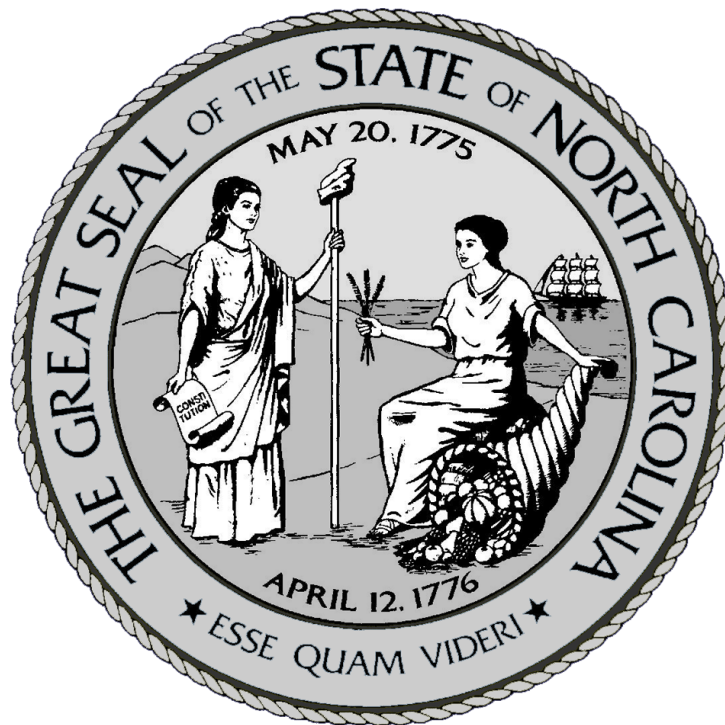
The North Carolina State Budget

RECOMMENDED OPERATING BUDGET

with Performance Management Information

2009-2011

General Government
Volume 2



Beverly Eaves Perdue
Governor

The North Carolina State Budget

RECOMMENDED OPERATING BUDGET

with Performance Management Information

2009-2011

General Government
Volume 2

Office of State Budget and Management
Office of the Governor
Raleigh, North Carolina

www.osbm.state.nc.us

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March 2009

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<http://www.osbm.state.nc.us>

Preface

The North Carolina State Budget: Recommended Operating Budget with Performance Management Information, 2009-2011 reflects the work of multiple people within the Office of State Budget and Management (OSBM) and the Office of Economic Recovery and Investment. Budget administrators and analysts, economists, technical staff, and paraprofessionals are listed below by administrative area.

This document is available online at www.osbm.state.nc.us. For additional information about its contents, please contact the appropriate administrator at the e-mail address cited below or by telephone at 919/807-4700. The mailing address for OSBM is 20320 Mail Service Center, Raleigh, NC 27699-0320.

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Introduction

Operating budget by department

The North Carolina State Budget: Recommended Operating Budget with Performance Management Information, 2009-2011 is a six-volume document that details Governor Perdue's recommended fiscal plan for the budgets of each department in the State of North Carolina for the upcoming biennium.

Performance management information

Integrated with the budget details for each department are mission statements, goals, strategies, fund descriptions, key services supported by each fund, costs of services in dollars and staff, and performance measures. These performance management elements are intended to improve the reader's understanding of why an agency exists, what the agency does, how much money its services cost, and how effective its services are. The inclusion of these elements is part of the effort to provide members of the North Carolina General Assembly and the public with expanded budget and operational information. Ultimately, this information is designed to improve funding, planning, and management decisions in state government.

Line item details

Line item base budget details for all budgeted budget codes and their component funds are available in PDF files on the Web site of the Office of State Budget and Management, www.osbm.state.nc.us.

Order of presentation, explanation of codes

For publication of the recommended operating budget, the various departments are grouped by function within the following volumes:

Volume 1: Education

Volume 2: General Government

Volume 3: Health and Human Services

Volume 4: Justice and Public Safety

Volume 5: Natural and Economic Resources

Volume 6: Transportation

Each volume is organized by department, by budget code, and then by fund code. Each department is assigned a unique five-digit budget code or set of budget codes (except for the Department of Health and Human Services, which has a unique budget code for each of its divisions). Each budget code is further divided into four-character fund codes that represent a group of activities for accounting purposes.¹ Within budget codes, the recommended base budget is presented in order by fund code. For budget code 14300, Department of Environmental and Natural Resources, funds are presented within each division.

Presentation of base budget and recommended adjustments

The governor's recommended operating budget is comprised of two distinct components: 1) the base budget, or continuation budget, which enables a department to continue existing services and activities at current levels, and 2) recommended adjustments to the base budget, which include new programs and expansions to current activities, as well as reductions and eliminations. The base budget combined with any recommended adjustments yields the recommended operating budget for the biennium.

For each budget code in the General Fund that begins with "1" and for budget codes in Transportation, Reserves and Transfers, and Capital Improvements, summarized information shows recommended changes to the base budget's appropriations and positions. Brief descriptions of

1. For example, the Department of Environment and Natural Resources (budget code 14300) has numerous fund codes corresponding to each of its programs. The budget for the Division of Marine Fisheries appears in three fund codes, one for each of its major activities, administration (14300-1315), research (14300-1320), and law enforcement (14300-1325).

recommended adjustments to the base budget are included with associated costs in dollars and positions. These costs are specified as recurring or nonrecurring. This section of information for the budget code is titled "Governor's Recommended Adjustments to Base Budget."

Following the display of recommendations for adjustments to the base budget² is a section for the budget code titled "Base Budget and Performance Management Information." This base budget section begins with graphs of expenditure and position histories that illustrate funding and staffing trends over the last several years.

The graphs are followed by a summary base budget table. The summary base budget table displays the requirements, receipts, appropriation, and positions for the following:

- Actual expenditures for FY 2007-08 (the most recent year for which actual information is available)
- Certified budget for FY 2008-09
- Authorized budget for FY 2008-09
- Allowable adjustments, such as inflationary increases, to the current authorized budget for each fiscal year of the 2009-11 biennium
- Totals for each fiscal year of the 2009-11 biennium

Following the base budget table for a budget code is a display of base budget information for each fund within the budget code, in order by fund code. The presentation for each fund begins with a base budget for the fund followed by a fund description that explains the major activities being funded.

Performance management information presented with base budget

To explain and justify the expenditure of state taxpayers' money, agencies have prepared supporting performance management information. This information includes service statements; actual requirements (expenditures) and personnel requirements (FTEs) for each service statement; and performance measures that tie specifically to

2. For budget codes that do not begin with "1", there are no adjustments to the base budget except for transportation budget codes.

the services provided in the fund. The positions are those actually budgeted, not necessarily those filled.

Further information

Questions about *The North Carolina State Budget: Recommended Operating Budget with Performance Management Information, 2009-2011* or requests for further information may be directed to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-0320, or telephone (919) 807-4700. The document may also be downloaded from the Office of State Budget and Management's Web site at www.osbm.state.nc.us.

Glossary

Agency Indicators. Quantifiable measures that reflect outcomes critical to an agency's success. These indicators ideally help to determine whether an agency is making progress towards its goals and fulfilling its mission.

Authorized budget. The certified budget plus revisions delegated to the Office of State Budget and Management and to agencies by the State Budget Act (G.S. 143C).

Base budget. That portion of the recommended operating budget that maintains existing, authorized levels of recurring services in agencies for a biennium. The base budget, or continuation budget, is based on the current year's authorized budget and may be adjusted for inflationary increases, annualization of programs, reductions for nonrecurring programs, and adjustments for receipts. The State Budget Act specifically mandates that enrollment increases in public schools, community colleges, and the university system be reflected in the continuation budget submitted for the legislature's review.

Budget code. A five-digit number established for budgetary reporting. This number generally identifies major fund types and the responsible entity for reporting. The first digit is the fund type. Budget codes are established for the following fund types:

-
- 0xxxx - Institutional Funds Revenue
 - 1xxxx - General Fund
 - 2xxxx - Special Funds
 - 3xxxx - Federal Funds
 - 4xxxx - Capital Project Funds
 - 5xxxx - Enterprise Funds
 - 6xxxx - Trust and Agency Funds
 - 7xxxx - Service Funds
 - 8xxxx - Highway Funds

Certified budget. The budget as enacted by the General Assembly, including adjustments made for (1) distributions to state agencies from statewide reserves appropriated by the General Assembly, (2) distributions of reserves appropriated to a specific agency by the General Assembly, and (3) organizational or budget changes directed by the legislature but left to the governor to carry out.

Continuation budget. Another term for the base budget.

Expansion budget. That portion of the recommended operating budget that presents additional operating funds for expansion of existing services or activities, including inflationary costs for the state's share of locally-operated programs, new programs, or pilot projects; proposals to change a statutorily-controlled program by redirecting funds from one program to another; one-time major equipment purchases; and continued phase-in of new programs initiated in a previous biennium.

FTE (full-time equivalent). FTE is the percentage of time that a staff member works represented as a decimal.

Fund code. A four-character code that, with its parent budget code, uniquely identifies the fund. Most budget codes have multiple fund codes that may reflect a department's organizational structure and are created for each division within a department and/or for specific programs or purposes of a division. Fund codes are established as a result of authorization by the General Assembly; changes in the accounting standards; authorizations by OSBM; and/or grant awards from federal, state, local, or private agencies, or from individuals.

Fund description. A description of the purpose of the programs, services, activities, or functions funded in the fund code. It provides justification for the expenditure of the funds.

Goal. A broad statement of what a department wants to achieve over a long period of time. Goals explain how an agency fulfills its mission.

Mission statement. A description of an organization's basic purpose (its fundamental reason for being) that specifies its major functional role and communicates its values.

Performance measure. A quantitative characterization of the quality of, need for, or impact of a service provided, ideally to help determine whether a desired outcome has been attained.

Recommended operating budget. Total of the base budget and recommended expansions and reductions submitted by the governor to the General Assembly for a biennium beginning with an odd-numbered year, for example, 2009-11. The six budget volumes described previously do not include the capital improvements budget, which is found in the accompanying budget publication entitled, *The North Carolina State Budget: Summary of Recommendations*. Also, a Six-Year Capital Improvements Plan that supports and explains all proposed capital improvements is prepared as a separate document.

Service analysis. A description of the relationship between an activity supported by a fund or budget code and the dollars and personnel allocated to those activities.

Service statement. A description of the set of specific activities, lines of business, or work processes that are funded by a particular budget code or fund code.

Strategies. Actions the agency will take over the next few years in order to make progress toward achieving identified goals. Strategies serve as a foundation for decisions regarding budget expansions and reductions, resource allocations, and operational changes.

General Assembly

Mission

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

Goals

Ensure that each member of the North Carolina General Assembly has the opportunity to fulfill his/her legislative duties and responsibilities as defined by the North Carolina Constitution and General Statutes.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Drafting requests received by the North Carolina Legislative Staff ¹	-	5,367	-	5,693	-
Special Provisions that were drafted	-	-	742	1,039	790
Bills ratified	219	350	405	427	465

¹Total Drafting requests for each biennial session

Governor's Recommended Adjustments to Base Budget

General Assembly (11000)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$63,433,312	\$65,216,860
Receipts	<u>\$1,086,246</u>	<u>\$1,160,316</u>
Appropriation	\$62,347,066	\$64,056,544
Adjustments		
Requirements	(\$4,685,280)	(\$4,685,280)
Receipts	=	=
Appropriation	(\$4,685,280)	(\$4,685,280)
Total		
Requirements	\$58,748,032	\$60,531,580
Receipts	<u>\$1,086,246</u>	<u>\$1,160,316</u>
Recommended Appropriation	<u>\$57,661,786</u>	<u>\$59,371,264</u>
<hr/>		
Positions		
Base Budget Positions	353.000	353.000
Reductions	-	-
Expansion	-	-
Recommended Positions	<u>353.000</u>	<u>353.000</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting Reform (Budget Salaries at Less than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes along with budget flexibility will allow the agency to operate more efficiently. General Fund salaries in the General Assembly are recommended to be reduced by 2.5%.

Appropriation (\$632,000) (\$632,000)

2. Reduce Various Accounts

It is recommended that various operating accounts be reduced and that a savings be realized by delaying the filling of positions. In addition, it is recommended that reductions be made to the number of budgeted session days and interim weeks.

Appropriation (\$1,661,726) (\$1,743,916)

Appropriation - Nonrecurring (\$1,141,554) (\$984,364)

Reserves and Transfers

1. Reduce Reserves

It is recommended that agency and contingency reserves be reduced.

Appropriation (\$1,250,000) (\$1,325,000)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements (\$3,543,726) (\$3,700,916)

Receipts - -

Appropriation (\$3,543,726) (\$3,700,916)

Positions - -

Nonrecurring

Requirements	(\$1,141,554)	(\$984,364)
Receipts	-	-
<hr/>		
Appropriation	(\$1,141,554)	(\$984,364)
Positions	-	-

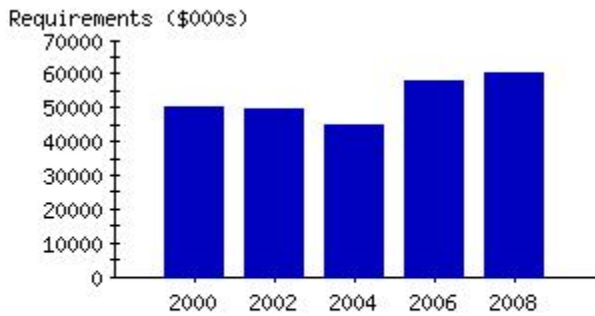
**Total Recommended Adjustments for
 General Assembly (11000)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$3,543,726)	(\$3,700,916)
Receipts	-	-
<hr/>		
Appropriation	(\$3,543,726)	(\$3,700,916)
Positions	-	-
Nonrecurring		
Requirements	(\$1,141,554)	(\$984,364)
Receipts	-	-
<hr/>		
Appropriation	(\$1,141,554)	(\$984,364)
Positions	-	-
Total Appropriation Adjustments	(\$4,685,280)	(\$4,685,280)
Total Position Adjustments	-	-

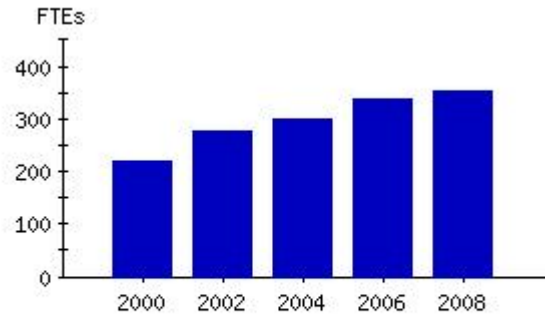
Base Budget and Performance Management Information

Budget Code 11000 General Assembly - General

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$60,197,481	\$59,047,788	\$59,047,788	\$4,385,524	\$63,433,312	\$6,169,072	\$65,216,860
Receipts	\$13,808,680	\$1,143,807	\$1,143,807	(\$57,561)	\$1,086,246	\$16,509	\$1,160,316
Appropriation	\$46,388,801	\$57,903,981	\$57,903,981	\$4,443,085	\$62,347,066	\$6,152,563	\$64,056,544
Positions	353.000	353.000	353.000	-	353.000	-	353.000

Budget Code 11000 General Assembly - General

Fund 11000-1110 Senate — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$8,332,708	\$11,408,136	\$11,408,136	(\$562,241)	\$10,845,895	\$415,426	\$11,823,562
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$8,332,708	\$11,408,136	\$11,408,136	(\$562,241)	\$10,845,895	\$415,426	\$11,823,562
Positions	49.000	49.000	49.000	-	49.000	-	49.000

Fund description

Carry out the legislative power of the State vested in the Senate by the North Carolina Constitution and General Statutes through the enactment of bills and legislative resolutions including all appropriations and revenue bills as well as substantive legislation establishing public policy for the state.

Services for the fund

Provide professional and administrative support to all members of the Senate including staff assigned to members' offices to assist them with scheduling constituent and committee meetings, responding to constituent mail, researching policy and budget issues, and coordinating and facilitating committee meetings. Provide reimbursement for per diem and travel to Senate members during the legislative session and during the interim when conducting legislative business.

	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Actual Totals	\$8,332,708	49.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Bills introduced in the Senate Chamber	2,066	-	2,172

Fund 11000-1120 House of Representatives — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$11,960,587	\$19,451,836	\$19,451,836	(\$1,338,756)	\$18,113,080	\$424,476	\$19,876,312
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$11,960,587	\$19,451,836	\$19,451,836	(\$1,338,756)	\$18,113,080	\$424,476	\$19,876,312
Positions	50.000	50.000	50.000	-	50.000	-	50.000

Fund description

Carry out the legislative power of the State vested in the House of Representatives by the North Carolina Constitution and General Statutes through the enactment of bills and legislative resolutions including all appropriations and revenue bills as well as substantive legislation establishing public policy for the state.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide professional and administrative support to members of the House of Representatives including staff assigned to members' offices to assist with scheduling constituent and committee meetings, responding to constituent mail, researching policy and budget issues, and coordinating and facilitating committee meetings. Provide reimbursement for per diem and travel to House members during the legislative session and during the interim when conducting legislative business.	\$11,960,587	50.000
Actual Totals	\$11,960,587	50.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Bills introduced in House Chamber	2,895	-	2,808

Fund 11000-1211 Administrative — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,398,206	\$4,983,895	\$4,983,895	\$252,323	\$5,236,218	\$382,734	\$5,366,629
Receipts	\$14,761	\$6,000	\$6,000	\$2,000	\$8,000	\$2,000	\$8,000
Appropriation	\$4,383,445	\$4,977,895	\$4,977,895	\$250,323	\$5,228,218	\$380,734	\$5,358,629
Positions	43.000	43.000	43.000	-	43.000	-	43.000

Fund description

The Administrative Division provides general administrative support including administrative management, budgeting, personnel, security, and production and storage of legislative documents for the North Carolina General Assembly.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administrative Service - Human Resource Management. Oversee the recruitment and management of personnel; develop and implement HR strategy; coordinate and execute staff acquisition, organization and position management, compensation management, benefits management, employee development, and performance management; and regulate employee relations, separation management, and health and safety activities.	\$613,703	6.000
Administrative Service - Fiscal Management. Manage and analyze financial information; account for and forecast the use of department resources; conduct general ledger accounting; maintain accounts payable, collections and accounts receivable, payroll services, cash management, program payments, and contracts and grants management; provide asset and liability management; and execute financial reporting.	\$1,431,974	14.000
Administrative Service - Budget and Analysis. Conduct resource planning and allocation activities; develop and execute the budget; and analyze issues impacting the department's budgets and management.	\$102,284	1.000
Administrative Service - Security. Ensure physical protection of the department's personnel, assets, and facilities.	\$1,943,393	19.000

Oversee administrative units serving the General Assembly.	\$102,284	1.000
Manage and operate the legislative printing.	\$204,568	2.000
Actual Totals	\$4,398,206	43.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of financial reporting completed by deadline	100 %	100 %	100 %
Incidents logged and reported	8	9	12

Fund 11000-1212 Bill Drafting Division — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,560,738	\$3,109,799	\$3,109,799	(\$157,100)	\$2,952,699	\$76,152	\$3,185,951
Receipts	\$9,500	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$2,551,238	\$3,109,799	\$3,109,799	(\$157,100)	\$2,952,699	\$76,152	\$3,185,951
Positions	18.000	18.000	18.000	-	18.000	-	18.000

Fund description

The Bill Drafting Division drafts bills for members and committees of the North Carolina General Assembly.

Services for the fund

Draft bills for members and committees of the General Assembly and respond to members' requests for legal assistance. Draft special provisions for the annual budget bill, coordinate the production of the budget bill, and provide legal assistance to members of the House and Senate appropriations committees. Read and make corrections in bills and amendments through a professional proofreading.

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
	\$2,560,738	18.000
Actual Totals	\$2,560,738	18.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Drafting requests received for bills, proposed committee substitutes, amendments, conference committee substitutes, conference reports, and special provisions	5,367	-	5,693

Fund 11000-1213 General Research — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,671,850	\$4,828,015	\$4,828,015	\$201,419	\$5,029,434	\$266,332	\$5,094,347
Receipts	\$2,560	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$4,669,290	\$4,828,015	\$4,828,015	\$201,419	\$5,029,434	\$266,332	\$5,094,347
Positions	46.000	46.000	46.000	-	46.000	-	46.000

Fund description

The Research Division provides research support for the North Carolina General Assembly and a reference library for use by legislators and the public.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide legal and research support to all members of the General Assembly including staff support to the substantive committees of the legislature during session and various study committees during the interim.	\$4,164,040	41.000
Maintain two legislative libraries staffed with professional librarians to support the research and information needs of the Legislature, its committees, and staff. Offer library services to other state agencies and provide reference services to the public.	\$507,810	5.000
Actual Totals	\$4,671,850	46.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Drafting requests received by the General Research Division ¹	-	707	-

¹Biennial Years

Fund 11000-1214 Fiscal Research Division — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,443,732	\$4,596,124	\$4,596,124	\$98,866	\$4,694,990	\$158,361	\$4,754,485
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$4,443,732	\$4,596,124	\$4,596,124	\$98,866	\$4,694,990	\$158,361	\$4,754,485
Positions	40.000	40.000	40.000	-	40.000	-	40.000

Fund description

The Fiscal Research Division supplies fiscal data for the North Carolina General Assembly and recommends appropriations for state departments and agencies.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide budget and policy support to members including staff support to the appropriations committees during the legislative sessions and to various study committees during the interim. Analyze the fiscal impact of introduced bills. Provide revenue estimates and tax support to the finance committees during the legislative sessions, write fiscal notes on introduced bills impacting tax revenues, and provide staff support to revenue study committees during the interim.	\$4,443,732	40.000
Actual Totals	\$4,443,732	40.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Cost to print Fiscal and Budgetary Actions (dollars)	\$6,125	\$6,540	-

Fund 11000-1215 Building Maintenance — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,257,385	\$2,415,763	\$2,415,763	\$98,245	\$2,514,008	\$150,369	\$2,566,132
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$2,257,385	\$2,415,763	\$2,415,763	\$98,245	\$2,514,008	\$150,369	\$2,566,132
Positions	29.000	29.000	29.000	-	29.000	-	29.000

Fund description

The Building Maintenance Division provides building maintenance and landscaping for the North Carolina General Assembly complex.

Services for the fund

Provide preventive maintenance and repairs of buildings and respond to routine and emergency work requests made by legislative members and staff. Provide landscaping and grounds maintenance.

<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
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\$389,204 5.000

Provide cleaning, trash removal, and moving services through a full-time housekeeping staff to maintain a clean and safe environment for members, staff, and the general public visiting the legislative buildings.

\$1,868,181 24.000

Actual Totals

\$2,257,385 29.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Square footage cleaned per custodial staff	125,000	125,000	125,000
Injuries ¹	8	1	5

¹Cases related only to Housekeeping staff.

Fund 11000-1216 Food Service — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,622,827	\$1,753,133	\$1,753,133	\$76,800	\$1,829,933	\$93,356	\$1,846,489
Receipts	\$806,365	\$997,838	\$997,838	(\$74,070)	\$923,768	\$0	\$997,838
Appropriation	\$816,462	\$755,295	\$755,295	\$150,870	\$906,165	\$93,356	\$848,651
Positions	26.000	26.000	26.000	-	26.000	-	26.000

Fund description

The Food Services Division makes food readily available during working hours for the North Carolina General Assembly and the public.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Operate main cafeteria and two snack bars for members, staff, and the public.	\$1,622,827	26.000
Actual Totals	\$1,622,827	26.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Customers who purchase food from the legislative cafeteria and snack bars	832,014	852,766	806,365

Fund 11000-1217 Information Systems — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,051,485	\$5,725,020	\$5,725,020	\$494,592	\$6,219,612	\$793,581	\$6,518,601
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$5,051,485	\$5,725,020	\$5,725,020	\$494,592	\$6,219,612	\$793,581	\$6,518,601
Positions	40.000	40.000	40.000	-	40.000	-	40.000

Fund description

The Information Systems Division provides automated information systems support and services to the North Carolina General Assembly.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Purchase computer equipment to replace outdated items and/or upgrade to industry standards and maintain software licenses and maintenance agreements.	\$5,051,485	40.000
Actual Totals	\$5,051,485	40.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Help desk tickets	7,109	8,917	8,897

Fund 11000-1219 Program Evaluation Division — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,126,560	\$42,509	\$42,509	\$1,785,327	\$1,827,836	\$1,785,936	\$1,828,445
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$1,126,560	\$42,509	\$42,509	\$1,785,327	\$1,827,836	\$1,785,936	\$1,828,445
Positions	10.000	10.000	10.000	-	10.000	-	10.000

Fund description

The Program Evaluation Division evaluates whether public services are delivered in an effective and efficient manner and in accordance with the law. The Joint Legislative Program Evaluation Oversight Committee, in consultation with the Division Director, determines evaluation topics and establishes the work plan of the Division. Evaluations examine what work state programs are performing, at what cost, and to what effect, if any. The Division recommends policy for consideration by the General Assembly for programs that are determined ineffective or no longer necessary. The Division follows up to determine if recommendations have been implemented by agencies or if further action is needed by the General Assembly in order to ensure well-functioning and cost-effective government services.

Services for the fund

Develop a biennial work plan through collaboration with the Joint Legislative Program Evaluation Oversight Committee, the Division Director, and division staff. Conduct extensive research through the collection of data, interviews, site visits and analysis of information in order to develop report findings and recommendations.

Develop the North Carolina Accountability Report, a comparative inventory of individual services and activities of state government and quantitative indicators, including unit costs for measuring State activities.

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
\$84,492	.750
\$1,042,068	9.250
\$1,126,560	10.000

Actual Totals

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Reports produced	-	-	7
Estimated cost per report (\$ thousand)	-	-	\$3.78

Fund 11000-1220 Legislative Research — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$96,300	\$96,300	\$353,700	\$450,000	\$0	\$96,300
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$0	\$96,300	\$96,300	\$353,700	\$450,000	\$0	\$96,300
Positions	-	-	-	-	-	-	-

Fund description

The Legislative Research program researches and reports on subjects that are, or promise to be, major issues for the next legislative session of the North Carolina General Assembly.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide funding support to legislative study committees that need specialized support that cannot be provided by the permanent staff.	\$0	-
Actual Totals	\$0	-

Fund 11000-1230 Institute of Government — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$201,398	\$89,106	\$89,106	\$70,894	\$160,000	\$95,894	\$185,000
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$201,398	\$89,106	\$89,106	\$70,894	\$160,000	\$95,894	\$185,000
Positions	-	-	-	-	-	-	-

Fund description

The Institute of Government furnishes information on bills and legislative actions to members of the North Carolina General Assembly, state, and local government officials.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Contracts with the Institute of Government to produce daily bulletins and weekly status reports during the session, and an index of legislation at the end of session.	\$201,398	-
Actual Totals	\$201,398	-

Fund 11000-1900 Committees and Other Reserves — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$13,570,005	\$548,152	\$548,152	\$3,011,455	\$3,559,607	\$1,526,455	\$2,074,607
Receipts	\$12,975,494	\$139,969	\$139,969	\$14,509	\$154,478	\$14,509	\$154,478
Appropriation	\$594,511	\$408,183	\$408,183	\$2,996,946	\$3,405,129	\$1,511,946	\$1,920,129
Positions	2.000	2.000	2.000	-	2.000	-	2.000

Fund description

This fund is treated as a program solely for accounting purposes.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Committee and other Reserves are treated as a program solely for accounting purposes.	\$13,570,005	2.000
Actual Totals	\$13,570,005	2.000

Office of the Governor

Mission

The Governor, as the chief executive officer of the State, ensures the smooth and efficient administration of State government through formulating and administering the policies of the executive branch of the State government, managing a comprehensive budget for all State agencies, and executing the laws of the United States and the State of North Carolina.

Goals

Invest in education from pre-K to the university through high-quality curricular offerings and reform efforts to prepare all students for the demands of college and work in the 21st Century.

Expand economic opportunities through job creation, job retention, and workforce development to ensure long-term economic growth across the state.

Provide the opportunity for all North Carolinians to be self-sufficient, productive, and healthy individuals by offering to the state's most vulnerable populations child and family initiatives, social supports, and programs that increase the availability of quality health care.

Promote the efficient and effective management of taxpayer resources through budgetary, management, and data services.

Assure the proper management of the state's IT resources through the development and administration of a comprehensive long range plan and technical standards, the efficient procurement of IT resources, the delivery of IT services, and the oversight of major technology projects to improve the delivery of governmental services.

Serve the citizens of North Carolina whose needs are not met by the market by creating affordable housing opportunities.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Households served through the Housing Finance Agency's (HFA) homebuyer assistance and homeowner preservation activities	-	-	-	4,180	4,225
Households served through the HFA's rental production and preservation activities	-	-	-	1,117	876
State employees using shared services available at an enterprise level	-	-	-	-	13,200
State agencies utilizing the Western Data Center	-	-	-	-	19
Percent of bond rating agencies giving North Carolina the highest rating.	66%	66%	66%	100%	100%

Governor's Recommended Adjustments to Base Budget

Office of the Governor (13000)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$7,048,476	\$7,055,122
Receipts	<u>\$432,243</u>	<u>\$432,243</u>
Appropriation	\$6,616,233	\$6,622,879
Adjustments		
Requirements	(\$502,702)	(\$503,167)
Receipts	=	=
Appropriation	(\$502,702)	(\$503,167)
Total		
Requirements	\$6,545,774	\$6,551,955
Receipts	<u>\$432,243</u>	<u>\$432,243</u>
Recommended Appropriation	<u>\$6,113,531</u>	<u>\$6,119,712</u>
<hr/>		
Positions		
Base Budget Positions	63.710	63.710
Reductions	-	-
Expansion	-	-
Recommended Positions	<u>63.710</u>	<u>63.710</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting Reform (Budget Salaries at Less than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes along with budget flexibility will allow the agency to operate more efficiently. General Fund salaries for the Governor's Office are recommended to be reduced by 5%.

Appropriation (\$230,710) (\$230,710)

2. Reduce Various Operating Accounts

It is recommended that funding for various operating accounts be reduced across the agency.

Appropriation (\$271,992) (\$272,457)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements (\$502,702) (\$503,167)

Receipts - -

Appropriation (\$502,702) (\$503,167)

Positions - -

Nonrecurring

Requirements - -

Receipts - -

Appropriation - -

Positions - -

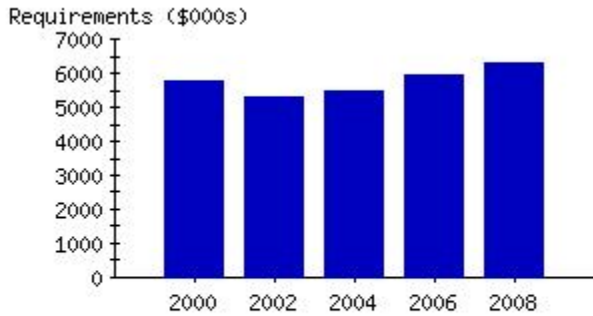
**Total Recommended Adjustments for
 Office of the Governor (13000)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$502,702)	(\$503,167)
Receipts	-	-
	(\$502,702)	(\$503,167)
Appropriation		
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	(\$502,702)	(\$503,167)
Total Position Adjustments	-	-

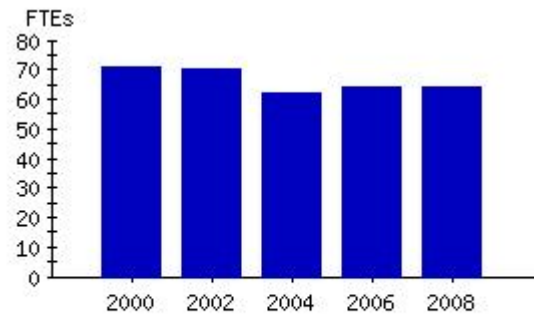
Base Budget and Performance Management Information

Budget Code 13000 Governor's Office - General Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$6,297,282	\$6,976,523	\$6,981,700	\$66,776	\$7,048,476	\$73,422	\$7,055,122
Receipts	\$456,595	\$427,066	\$432,243	\$0	\$432,243	\$0	\$432,243
Appropriation	\$5,840,687	\$6,549,457	\$6,549,457	\$66,776	\$6,616,233	\$73,422	\$6,622,879
Positions	63.700	63.710	63.710	-	63.710	-	63.710

Budget Code 13000 Governor's Office - General Fund

Fund 13000-1110 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,563,167	\$4,152,608	\$4,075,436	\$35,082	\$4,110,518	\$38,510	\$4,113,946
Receipts	\$209,205	\$163,745	\$168,922	\$0	\$168,922	\$0	\$168,922
Appropriation	\$3,353,962	\$3,988,863	\$3,906,514	\$35,082	\$3,941,596	\$38,510	\$3,945,024
Positions	41.000	43.000	41.000	-	41.000	-	41.000

Fund description

The Administration Unit provides resources and support to enable the Governor to fulfill the duties of Chief Executive of the state as set forth by law. These duties include supervising the official conduct of executive offices, making appointments for vacancies of executive offices and memberships on all boards and commissions, and serving as Director of the Budget with final authority over state expenditures. Further, the Governor is charged with employing counsel for cases in which the state is interested, granting pardons and commutations, issuing warrants in extradition of fugitives from North Carolina, having certain emergency war powers as Commander-in-Chief of the state military, and entering into interstate compacts and agreements with the federal government on various subjects ranging from nuclear energy to National Guard activities to child custody.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Fulfill all duties as Governor including Chief Executive, Director of the Budget, Commander-in-Chief of the state military, and Chairman of the Council of State.	\$170,501	1.000
Manage the internal operations and staff of the Governor's Office, serve as the Governor's liaison to the Executive Cabinet and Council of State, and advise the Governor on all key issues. Also provide administrative support to the Governor's executive staff.	\$1,066,562	10.000
Develop key policy initiatives, including those presented to the General Assembly for enactment or funding and those implemented by executive action or in Cabinet agencies, through research and analysis and working with state and non-state entities and community and business leaders.	\$544,886	7.000
Monitor all legal issues related to the Governor, her cabinet, and the Council of State. Advise the Governor when policy developments involve legal issues, coordinate judicial appointments and the preparation and execution of all Executive Orders, and investigate the merits of pardon requests, communications, reprieves, extraditions, and rewards.	\$468,971	4.000
Establish and maintain a working relationship with members of the General Assembly on all legislative matters of importance to the Governor. Track legislation and report to the Governor.	\$187,773	3.000
Manage media relations by drafting speeches and press releases, coordinating daily communications with reporters, and providing staff support during press events and conferences.	\$588,257	8.000
Advise the Governor on policy, legislation, and personnel issues of concern to North Carolina's minority citizens and serve as liaison with minority populations.	\$172,790	2.000
Assist the Governor in making appointments to more than 400 boards and commissions established by statute or executive order, including managing the application process, recommending proposed appointees, and maintaining a boards and commission database.	\$131,380	2.000

Maintain the Governor's calendar and staff the Governor's office in the State Capitol.	\$187,916	3.000
Provide administrative support to Intergovernmental Relations.	\$44,131	1.000
Actual Totals	\$3,563,167	41.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
More at Four slots (total funded)	15,200	18,583	27,881
Appointments/Reappointments to state boards and commissions made by the governor	733	-	-
Press releases issued by the Governor's Office	711	-	-

Fund 13000-1120 Dues to National Associations — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$454,355	\$464,975	\$464,975	\$0	\$464,975	\$0	\$464,975
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$454,355	\$464,975	\$464,975	\$0	\$464,975	\$0	\$464,975
Positions	-	-	-	-	-	-	-

Fund description

The Dues to National Associations fund code is used exclusively to provide payment of dues for memberships in national organizations to keep the Governor aware of new procedures in state governments and to exchange information on common problems to find effective solutions.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Pay dues to national associations to keep the office up-to-date on current legislation.	\$454,355	-
Actual Totals	\$454,355	-

Fund 13000-1130 Intergovernmental Relations — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$477,526	\$520,888	\$510,888	\$14,462	\$525,350	\$16,322	\$527,210
Receipts	\$28,000	\$28,125	\$28,125	\$0	\$28,125	\$0	\$28,125
Appropriation	\$449,526	\$492,763	\$482,763	\$14,462	\$497,225	\$16,322	\$499,085
Positions	4.000	4.000	4.000	-	4.000	-	4.000

Fund description

The Intergovernmental Relations Unit coordinates federal, state, and state-local government matters for the Governor and responds to citizens' concerns by working with relevant federal, state, and local agencies and elected officials at all levels of

government. The Unit operates four offices, three in North Carolina and one in Washington, DC. This Unit also acts as the liaison to Local Government Partnership Council, which in turn advises the Governor and cabinet members on the effect of policies and programs that directly affect local government; identifies problem areas and recommends policies with respect to state, regional, and local relations; and functions as an ombudsman.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Serve as an advocate, resource, and communication link between the Governor's office and local governments, local elected officials, and local government associations.	\$75,540	1.000
Maintain and staff the Washington, DC office, track federal legislation, and advocate the state's view to Congress, the state's congressional delegation, and federal agencies.	\$235,283	1.000
Maintain and staff the Governor's offices in Eastern and Western North Carolina, investigate and resolve local citizen complaints and concerns with state government, and advise them of appropriate resources when the issue does not come under the state's jurisdiction.	\$166,703	2.000
Actual Totals	\$477,526	4.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Estimated calls from citizens to the Western Office and the Eastern Office to ask questions or address their concerns on issues of importance to them	1,200	-	-

Fund 13000-1210 Citizens' Affairs — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$349,021	\$279,078	\$380,331	\$4,073	\$384,404	\$4,653	\$384,984
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$349,021	\$279,078	\$380,331	\$4,073	\$384,404	\$4,653	\$384,984
Positions	6.700	4.700	6.700	-	6.700	-	6.700

Fund description

The Governor's Office of Citizens' Affairs increases citizen participation in the communities of North Carolina by encouraging citizen volunteer involvement and providing prompt response to citizen concerns. Services provided by Citizens' Affairs include toll-free information and referral, training and technical assistance, citizen awards, recognition awards, and proclamations. The office also coordinates the Governor's Disaster Hotline in times of emergency. This is one of two funds that support the North Carolina Commission on Volunteerism and Community Service (Budget 23000, Funds 2126, 2127, 2131).

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Respond to inquires on state government matters, recognize outstanding achievement through awards and proclamations, and ensure the Governor's correspondence is responded to in a timely manner.	\$283,099	5.000
Manage the office and staff to the Commission on Volunteerism and Community Support. Administer a number of federally funded grants that support volunteer efforts in the state and coordinate the Governor's Page Program.	\$65,922	1.700
Actual Totals	\$349,021	6.700

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Certificates to the citizens of North Carolina to recognize their contribution to public service	803	-	-
Proclamations issued to recognize contributions of state service and/or to recognize special events	133	-	-
North Carolina students who participated in the Governor's Page Program ¹	453	367	-

¹Data is not currently available for 2007-08.

Fund 13000-1230 Education — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$511,394	\$569,772	\$562,026	(\$2,708)	\$559,318	(\$2,708)	\$559,318
Receipts	\$113,495	\$116,899	\$116,899	\$0	\$116,899	\$0	\$116,899
Appropriation	\$397,899	\$452,873	\$445,127	(\$2,708)	\$442,419	(\$2,708)	\$442,419
Positions	7.000	7.000	7.000	-	7.000	-	7.000

Fund description

The Governor's Education Policy Office is responsible for advising the Governor and developing the Governor's key policy initiatives on education from K-12 through higher education. The Education Policy Office works with the state's public school, community college, and university systems, private colleges and universities, interest groups, nonprofit organizations, community and business leaders, and others to develop the Governor's education initiatives.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide policy advice and recommendations to the Governor regarding all aspects of education for North Carolina citizens through the formation and staffing of task forces and advisory committees, research and analysis of current data, and examination of the latest trends.	\$164,996	3.000
Assist the Governor in her efforts to improve North Carolina schools and teaching conditions by conducting a statewide teacher worker conditions survey, analyzing responses, summarizing findings, and making policy recommendations.	\$155,328	2.000
Provide staff support to the North Carolina Business Committee on Education including leading regional meetings to discuss how North Carolina can remain economically competitive, representing the Governor at relevant business meetings and conferences, and facilitating the creation of innovative education initiatives such as Teach4NC.	\$191,070	2.000
Actual Totals	\$511,394	7.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Class size reductions: Average number of second grade students per teacher	18	19	19
Class size reductions: Average number of third grade students per teacher	18	19	19
Beginning teacher salary (dollars)	\$26,260	\$28,510	\$29,750

Fund 13000-1240 Center 21st Century Skills — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$214,508	\$260,180	\$258,519	\$0	\$258,519	\$0	\$258,519
Receipts	\$11,000	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$203,508	\$260,180	\$258,519	\$0	\$258,519	\$0	\$258,519
Positions	1.000	1.000	1.000	-	1.000	-	1.000

Fund description

The Center for 21st Century Skills was created in 2005 as a public-private partnership that works actively with business leaders, educators, and policymakers to create new curricula, new assessments, and new ways of linking student work in the classroom to the workplace in the 21st century to ensure that students leave school better prepared to succeed in the global economy.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Manage the development of new curriculum, teacher training, and student assessments; research and propose options for math and science programs; and work with existing educational organizations to develop recommendations for high school reform initiatives.	\$55,793	1.000
Contract with nonprofit entities for the development of a multimedia student assessment tool and the evaluation of high schools' progress toward teaching quality, educational equity, and academic success.	\$158,715	-
Actual Totals	\$214,508	1.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
High schools redesigned through Governor's Specialty Schools Pilot	11	-	-
Cumulative number of high schools participating in Learn and Earn initiative	15	-	-

Fund 13000-1631 Raleigh Executive Residence — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$702,710	\$712,918	\$713,421	\$10,870	\$724,291	\$11,539	\$724,960
Receipts	\$84,220	\$111,297	\$111,297	\$0	\$111,297	\$0	\$111,297
Appropriation	\$618,490	\$601,621	\$602,124	\$10,870	\$612,994	\$11,539	\$613,663
Positions	4.000	4.000	4.000	-	4.000	-	4.000

Fund description

The Raleigh Executive Residence serves as the primary residence of the First Family, the official entertainment and meeting place for the Governor, and a historic site for the public.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Manage all the Governor's public and private functions including event planning and coordination, catering services, and related activities. Also supports the personal needs of the first family.	\$209,443	3.000
Provide staff support to the First Gentleman.	\$79,114	1.000
Purchase services to maintain the operations and grounds of the executive residence including utilities, telephones, and travel.	\$275,295	-
Transfer funds to Crime Control and Public Safety to provide police protection to the Governor and first family.	\$138,858	-
Actual Totals	\$702,710	4.000

Fund 13000-1632 Western Executive Residence — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$24,601	\$16,104	\$16,104	\$4,997	\$21,101	\$5,106	\$21,210
Receipts	\$10,675	\$7,000	\$7,000	\$0	\$7,000	\$0	\$7,000
Appropriation	\$13,926	\$9,104	\$9,104	\$4,997	\$14,101	\$5,106	\$14,210
Positions	-	-	-	-	-	-	-

Fund description

The Western Executive Residence provides a secondary residence for the First Family and is a vacation residence for former first families in the western part of the state. It provides a site for official functions for the Governor and for area-wide governmental and civic organizations.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Purchase utility, telecommunication, pest control, and repair services to maintain the Governor's secondary residence.	\$18,225	-
Purchase supplies necessary to maintain a secondary residence.	\$6,376	-
Actual Totals	\$24,601	-

Governor's Recommended Adjustments to Base Budget

Office of State Budget and Management (13005)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$7,466,446	\$7,470,153
Receipts	<u>\$322,225</u>	<u>\$322,225</u>
Appropriation	\$7,144,221	\$7,147,928
Adjustments		
Requirements	(\$550,375)	(\$550,634)
Receipts	=	=
Appropriation	(\$550,375)	(\$550,634)
Total		
Requirements	\$6,916,071	\$6,919,519
Receipts	<u>\$322,225</u>	<u>\$322,225</u>
Recommended Appropriation	<u>\$6,593,846</u>	<u>\$6,597,294</u>
<hr/>		
Positions		
Base Budget Positions	70.000	70.000
Reductions	-	-
Expansion	-	-
Recommended Positions	<u>70.000</u>	<u>70.000</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting Reform (Budget Salaries at Less Than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes, along with budget flexibility, will allow the agency to operate more efficiently. General Fund salaries for the Office of State Budget and Management are recommended to be reduced by 4%.

Appropriation (\$215,304) (\$215,304)

2. Reduce Various Operating Accounts

It is recommended that funding for various operating accounts be reduced across the agency.

Appropriation (\$235,071) (\$235,330)

Reserve

1. Eliminate Reserve for Rules Impact Review

It is recommended that the Reserve for Rules Impact Review be eliminated.

Appropriation (\$100,000) (\$100,000)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements (\$550,375) (\$550,634)

Receipts - -

Appropriation (\$550,375) (\$550,634)

Positions - -

Nonrecurring

Requirements - -

Receipts - -

Appropriation - -

Positions - -

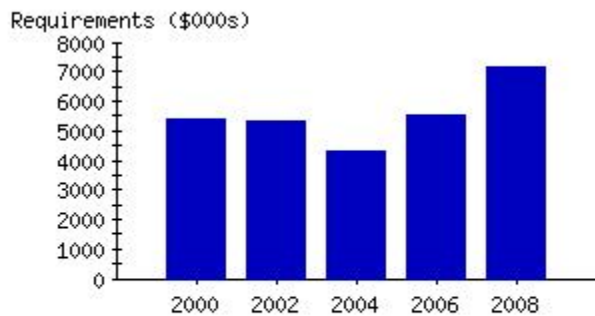
**Total Recommended Adjustments for
 Office of State Budget and Management (13005)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$550,375)	(\$550,634)
Receipts	-	-
	(\$550,375)	(\$550,634)
Appropriation		
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	(\$550,375)	(\$550,634)
Total Position Adjustments	-	-

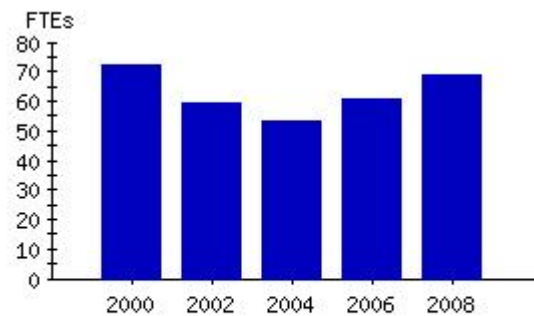
Base Budget and Performance Management Information

Budget Code 13005 Office of State Budget and Management - General Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$7,163,901	\$7,469,800	\$7,463,360	\$3,086	\$7,466,446	\$6,793	\$7,470,153
Receipts	\$1,078,002	\$327,352	\$320,912	\$1,313	\$322,225	\$1,313	\$322,225
Appropriation	\$6,085,899	\$7,142,448	\$7,142,448	\$1,773	\$7,144,221	\$5,480	\$7,147,928
Positions	69.000	69.000	70.000	-	70.000	-	70.000

Budget Code 13005 Office of State Budget and Management - General Fund

Fund 13005-1310 Office of State Budget and Management — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$6,757,523	\$6,616,358	\$6,609,918	(\$248)	\$6,609,670	\$3,459	\$6,613,377
Receipts	\$871,139	\$266,004	\$259,564	\$1,313	\$260,877	\$1,313	\$260,877
Appropriation	\$5,886,384	\$6,350,354	\$6,350,354	(\$1,561)	\$6,348,793	\$2,146	\$6,352,500
Positions	62.000	62.000	63.000	-	63.000	-	63.000

Fund description

This fund is used to support the personnel and operations of the Office of State Budget and Management (OSBM). OSBM promotes the use of statewide standards for budgeting procedures and the sharing of common budgeting and planning data across the state. OSBM delivers these services in a manner consistent with the objectives of the administration and in accordance with the General Statutes and the Constitution of the State of North Carolina.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide fiscal advice to the Governor to carry out her constitutional and statutory duties as Director of the Budget; supervise the development of statewide budget and revenue data used to inform decision making and to prepare and present the Governor's budget to the General Assembly; consult with agency officers on budget execution; coordinate North Carolina's economic and financial report presented annually to bond rating agencies; and serve as Secretary to the Council of State.	\$535,985	4.000
Prepare the Governor's recommended operating and capital budget through budget and policy research and analysis to ensure the efficient use of taxpayer dollars; administer the legislatively certified budget by monitoring state agencies' expenditures to ensure adherence to state laws and executive and/or legislative intent; monitor and evaluate programs, policies, and legislation that affect state resources; and interpret budgeting policy and procedures to assist state agencies.	\$3,348,755	30.000
Forecast and monitor state revenues through research and modeling of tax and economic information to ensure the proper basis for budgeting; analyze and approve fiscal notes on rule changes; prepare and publish economic and tax reports; and respond to ad hoc requests for economic data and analysis.	\$618,586	5.000
Conduct management analysis services and productivity studies to state and local agencies and education entities to help them work more effectively and efficiently by assessing organization, staffing, systems, processes, and service delivery and quality. All these services and reports are initiated at the direction of the Governor, the General Assembly, or at the request of an agency, LEA, college, or by OSBM.	\$489,661	5.000
Design, build, and maintain statewide budgeting, statistical, and management applications and provide comprehensive IT administration for OSBM. Train users of applications.	\$713,334	5.550
Oversee, review, and evaluate state agency information technology system requests to ensure that the state derives value from these IT investments. Partner with the state's Information Technology Services to drive consolidation of information technology infrastructure across agencies.	\$123,051	1.000
Assist government agencies and the public in using socioeconomic data and provide census and state-agency statistics about North Carolina geographies. Respond to internal and external needs for statistical information through analysis, special reports, consultation, training, research, and data finding tools.	\$197,948	2.650

Develops and tests mathematical models to produce official population estimates and projections for the state, counties, and municipalities for revenue sharing and as a basis for statewide planning, budgeting, and research.	\$182,143	1.800
Provide fiscal, personnel, and support services to both the Governor's Office and the Office of State Budget and Management to ensure efficient internal office operations through reception, budgeting, accounting, purchasing, payroll, and human resource functions.	\$442,841	6.000
Provide for the uniform administration of state grants to non-state entities by ensuring compliance with state laws, rules, and reporting requirements including the withholding of state funds from entities found in noncompliance.	\$105,219	1.000
Actual Totals	\$6,757,523	62.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Management reports completed annually	25	15	20
Budget revision requests	10,998	10,163	12,787
Percent of training participants who agreed or strongly agreed OSBM trainings were effective	-	-	85.7 %

Fund 13005-1311 Senate Bill 7 Hurricane Recovery Act — Base Budget

	<u>2007-08</u> Actual	<u>2008-09</u> Certified	<u>2008-09</u> Authorized	<u>2009-10</u> Adjustments	<u>2009-10</u> Total	<u>2010-11</u> Adjustments	<u>2010-11</u> Total
Requirements	\$0	\$61,348	\$61,348	\$0	\$61,348	\$0	\$61,348
Receipts	\$0	\$61,348	\$61,348	\$0	\$61,348	\$0	\$61,348
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	1.000	1.000	1.000	-	1.000	-	1.000

Fund description

The Hurricane Recovery Act of 2005 (2005 Session Laws, Chapter 1, Section 5.3) authorizes the establishment of time-limited exempt positions to implement the Act. This temporary fund accounts for reserve funds to support one time-limited Emergency Management Analyst position in the Office of State Budget and Management.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Coordinate the State's disaster recovery efforts resulting from six hurricanes (Frances, Ivan, Alex, Bonnie, Charlie, and Jeanne) that impacted the State during 2004, including the administration of the Disaster Relief Reserve Fund, the monitoring of the implementation of assistance programs and compliance with statutorily required reports.	\$0	.500
Research and compile a guide that differentiates the roles, responsibilities, and types of assistance provided by federal, state, and community organizations involved in disaster recovery to assist in recovery and rebuilding efforts following a disaster. Develop a network of leaders and service providers to facilitate the exchange of information for stronger and speedier recovery.	\$0	.500
Actual Totals	\$0	1.000

Fund 13005-1312 Internal Audit Efficiency Review — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$406,378	\$692,094	\$692,094	\$3,334	\$695,428	\$3,334	\$695,428
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$406,378	\$692,094	\$692,094	\$3,334	\$695,428	\$3,334	\$695,428
Positions	6.000	6.000	6.000	-	6.000	-	6.000

Fund description

The purpose of the Office of Internal Audit is to promote and provide the most effective use of internal audit efforts throughout the state by providing support to the Council of Internal Auditing and state agency internal audit functions. This Office conducts research and surveys to identify and promote the best internal audit practices and provides professional development, quality assurance, and internal audit services.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Conduct research and surveys as requested by the Council of Internal Auditing to identify and promote best practices for internal auditing.	\$161,526	6.000
Facilitate training and professional development opportunities to enhance the knowledge, skills, and competencies of state internal auditors.	\$74,500	-
Administer a Peer Review Program for state internal audit functions to conduct external quality assurance reviews.	\$85,176	-
Provide internal audit services to shared pool state agencies to help identify improvements within the agency's operations.	\$85,176	-
Actual Totals	\$406,378	6.000

Fund 13005-1910 Reserve — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$100,000	\$100,000	\$0	\$100,000	\$0	\$100,000
Receipts	\$206,863	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	(\$206,863)	\$100,000	\$100,000	\$0	\$100,000	\$0	\$100,000
Positions	-	-	-	-	-	-	-

Fund description

This fund is used to deposit General Fund appropriations reserved to pay attorney fees for the Rules Review Commission in the Office of Administrative Hearings.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Pay Office of Administrative Hearing legal fees.	\$0	-
Actual Totals	\$0	-

Governor's Recommended Adjustments to Base Budget

OSBM - Reserve for General Assembly Appropriation (13085)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$5,622,700	\$5,622,700
Receipts	<u>\$1,342,700</u>	<u>\$1,342,700</u>
Appropriation	\$4,280,000	\$4,280,000
Adjustments		
Requirements	\$993,000	(\$7,000)
Receipts	=	=
Appropriation	\$993,000	(\$7,000)
Total		
Requirements	\$6,615,700	\$5,615,700
Receipts	<u>\$1,342,700</u>	<u>\$1,342,700</u>
Recommended Appropriation	<u>\$5,273,000</u>	<u>\$4,273,000</u>

Positions

Base Budget Positions	-	-
Reductions	-	-
Expansion	<u>-</u>	<u>-</u>
Recommended Positions	<u>-</u>	<u>-</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Grants to Non-Government Agencies

1. Reduce Pass-Through Funding

It is recommended that Grants to the NC Humanities Council be reduced by 7%.

Appropriation (\$7,000) (\$7,000)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements (\$7,000) (\$7,000)

Receipts - -

Appropriation (\$7,000) (\$7,000)

Positions - -

Nonrecurring

Requirements - -

Receipts - -

Appropriation - -

Positions - -

Expansion

2009-10 2010-11

Reserves and Transfers

1. Military Morale and Welfare Fund

The Governor recommends funding to sustain historical grants to military installations to provide community service and quality-of-life programs for military members and their families.

Appropriation - Nonrecurring \$1,000,000 -

Total Recommended Expansion

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	-	-
Receipts	-	-
	<hr/>	<hr/>
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	\$1,000,000	-
Receipts	-	-
	<hr/>	<hr/>
Appropriation	\$1,000,000	-
Positions	-	-

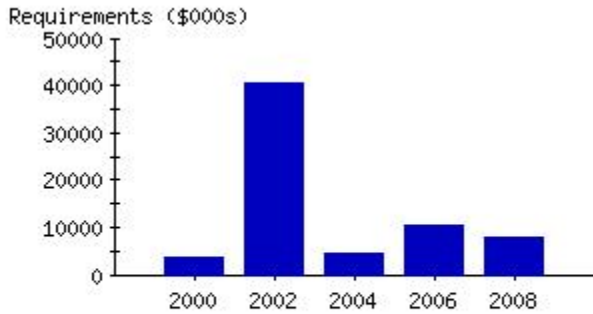
**Total Recommended Adjustments for
 OSBM - Reserve for General Assembly
 Appropriation (13085)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$7,000)	(\$7,000)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$7,000)	(\$7,000)
Positions	-	-
Nonrecurring		
Requirements	\$1,000,000	-
Receipts	-	-
	<hr/>	<hr/>
Appropriation	\$1,000,000	-
Positions	-	-
Total Appropriation Adjustments	\$993,000	(\$7,000)
Total Position Adjustments	-	-

Base Budget and Performance Management Information

Budget Code 13085 OSBM - Reserve for General Assembly Appropriation

**Actual Expenditures
 by Fiscal Year**



2002 data includes a \$36 million transfer to the State Employees Health Plan.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$7,930,274	\$22,084,456	\$22,084,456	(\$16,461,756)	\$5,622,700	(\$16,461,756)	\$5,622,700
Receipts	\$3,957,206	\$1,120,000	\$1,120,000	\$222,700	\$1,342,700	\$222,700	\$1,342,700
Appropriation	\$3,973,068	\$20,964,456	\$20,964,456	(\$16,684,456)	\$4,280,000	(\$16,684,456)	\$4,280,000
Positions	-	-	-	-	-	-	-

Budget Code 13085 OSBM - Reserve for General Assembly Appropriation

Fund 13085-1022 Special Appropriations — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$513,246	\$15,784,456	\$15,784,456	(\$15,684,456)	\$100,000	(\$15,684,456)	\$100,000
Receipts	\$1,367,159	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	(\$853,913)	\$15,784,456	\$15,784,456	(\$15,684,456)	\$100,000	(\$15,684,456)	\$100,000
Positions	-	-	-	-	-	-	-

Fund description

This fund is used to collect and distribute special appropriations made to non-state entities as directed by the General Assembly. Funds in this account are allocated to specific non-state entities in accordance with Session Law and/or the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Disburse special appropriations to nonprofit organizations identified by the General Assembly.	\$150,000	-
Provide expenditures for military affairs.	\$17,893	-
Carry forward unexpended funds for Military Affairs and a rent reserve.	\$345,353	-
Actual Totals	\$513,246	-

Fund 13085-1023 Fire Protection Grant Fund — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,417,028	\$5,300,000	\$5,300,000	\$222,700	\$5,522,700	\$222,700	\$5,522,700
Receipts	\$1,590,047	\$1,120,000	\$1,120,000	\$222,700	\$1,342,700	\$222,700	\$1,342,700
Appropriation	\$3,826,981	\$4,180,000	\$4,180,000	\$0	\$4,180,000	\$0	\$4,180,000
Positions	-	-	-	-	-	-	-

Fund description

This fund is statutorily established in the Office of State Budget and Management (G.S. 58-85A-1) for the purpose of compensating local fire districts and political subdivisions of the State for providing local fire protection to state owned buildings and their contents.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Provide aid to North Carolina fire departments.	\$5,417,028	-
Actual Totals	\$5,417,028	-

Fund 13085-1900 Reserves and Transfers — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,000,000	\$1,000,000	\$1,000,000	(\$1,000,000)	\$0	(\$1,000,000)	\$0
Receipts	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$1,000,000	\$1,000,000	\$1,000,000	(\$1,000,000)	\$0	(\$1,000,000)	\$0
Positions	-	-	-	-	-	-	-

Fund description

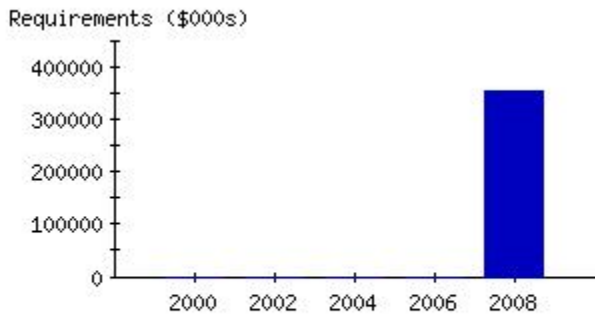
This fund is used to deposit General Fund appropriations reserved for a specific purpose as directed by the General Assembly. Funds in this account are transferred to state agencies and institutions in accordance with Session Law and/or the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Disburse special appropriation to NC Military bases for the Military, Morale, Welfare and Recreation fund.	\$1,000,000	-
Litigation reserve transfer to the Department of Justice. Funds receipted from DENR.	\$1,000,000	-
Actual Totals	\$2,000,000	-

Base Budget and Performance Management Information

Budget Code 23003 OSBM - Education Lottery Fund

**Actual Expenditures
 by Fiscal Year**



	Base Budget						
	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$351,984,338	\$473,424,565	\$405,250,000	(\$37,179,793)	\$368,070,207	(\$37,179,793)	\$368,070,207
Receipts	\$350,012,386	\$473,424,565	\$405,250,000	(\$37,179,793)	\$368,070,207	(\$37,179,793)	\$368,070,207
Chng Fund Bal	(\$1,971,952)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Budget Code 23003 OSBM - Education Lottery Fund

Fund 23003-2B01 Class Size Reduction DPI — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$175,000,000	\$246,587,283	\$212,500,000	(\$28,464,896)	\$184,035,104	(\$28,464,896)	\$184,035,104
Receipts	\$175,000,001	\$246,587,283	\$212,500,000	(\$28,464,896)	\$184,035,104	(\$28,464,896)	\$184,035,104
Chng Fund Bal	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund is to receive 50 percent of the proceeds from the North Carolina Education Lottery for class size reduction. Once received, proceeds are transferred to the Department of Public Instruction.

Fund 23003-2B02 PS Building Capital Fund - DPI — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$140,000,000	\$181,469,826	\$154,200,000	(\$6,971,917)	\$147,228,083	(\$6,971,917)	\$147,228,083
Receipts	\$140,012,384	\$181,469,826	\$154,200,000	(\$6,971,917)	\$147,228,083	(\$6,971,917)	\$147,228,083
Chng Fund Bal	\$12,384	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund is to receive 40 percent of the proceeds from the North Carolina Education Lottery for public school building capital funds. Once received, proceeds are transferred to the Department of Public Instruction.

Fund 23003-2B03 State Education Assistance Authority — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$36,984,338	\$45,367,456	\$38,550,000	(\$1,742,980)	\$36,807,020	(\$1,742,980)	\$36,807,020
Receipts	\$35,000,001	\$45,367,456	\$38,550,000	(\$1,742,980)	\$36,807,020	(\$1,742,980)	\$36,807,020
Chng Fund Bal	(\$1,984,337)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

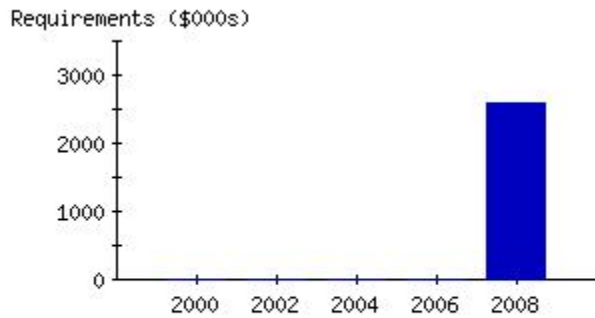
Fund description

The purpose of this fund is to receive 10 percent of proceeds from the North Carolina Education Lottery for state educational assistance. Once received, proceeds are transferred to UNC-General Administration.

Base Budget and Performance Management Information

Budget Code 23004 OSBM - Education Lottery Reserve

**Actual Expenditures
 by Fiscal Year**



	Base Budget						
	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,594,265	\$22,344,265	\$22,344,265	(\$19,750,000)	\$2,594,265	(\$19,750,000)	\$2,594,265
Receipts	\$2,594,265	\$2,594,265	\$2,594,265	\$0	\$2,594,265	\$0	\$2,594,265
Chng Fund Bal	\$0	(\$19,750,000)	(\$19,750,000)	\$19,750,000	\$0	\$19,750,000	\$0
Positions	-	-	-	-	-	-	-

Budget Code 23004 OSBM - Education Lottery Reserve

Fund 23004-2C01 Education Lottery Reserve — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,594,265	\$22,344,265	\$22,344,265	(\$19,750,000)	\$2,594,265	(\$19,750,000)	\$2,594,265
Receipts	\$2,594,265	\$2,594,265	\$2,594,265	\$0	\$2,594,265	\$0	\$2,594,265
Chng Fund Bal	\$0	(\$19,750,000)	(\$19,750,000)	\$19,750,000	\$0	\$19,750,000	\$0
Positions	-	-	-	-	-	-	-

Fund description

The NC State Education Lottery was established in 2005 to generate funds for the following public purposes: to reduce class size in early grades; to support academic pre-kindergarten programs for at risk four year olds; to support public school construction; and to fund college and university scholarships. As part of the Act (S.L. 2005-344) that created the lottery, an Education Lottery Reserve was established that could be used in the event net revenues from the lottery fell short of the annual appropriation for the public purposes listed above. The Education Lottery Reserve receives a transfer from the Education Lottery Fund equal to five percent (5%) of the net revenue of the prior year and is capped at \$50 million. (Note: Lottery proceeds generated from the first four months of the start-up year (March 2006- June 2006) were transferred at the end of FY 2005-06 to fully fund the reserve at \$50 million. The General Assembly made the first lottery appropriation for education using lottery proceeds generated during FY 2006-07, the first full year of lottery activity).

Governor's Recommended Adjustments to Base Budget

North Carolina Housing Finance Agency (13010)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$14,608,417	\$14,608,417
Receipts	=	=
Appropriation	\$14,608,417	\$14,608,417
Adjustments		
Requirements	-	-
Receipts	=	=
Appropriation	-	-
Total		
Requirements	\$14,608,417	\$14,608,417
Receipts	=	=
Recommended Appropriation	<u>\$14,608,417</u>	<u>\$14,608,417</u>
<hr/>		
Positions		
Base Budget Positions	-	-
Reductions	-	-
Expansion	=	=
Recommended Positions	<u>=</u>	<u>=</u>

Base Budget and Performance Management Information

Budget Code 13010 NC Housing Finance - Home Match

**Actual Expenditures
 by Fiscal Year**



State Tax Credit began (2006 -- \$32.5 million), plus one-time appropriation for Housing Trust Fund and Home Protection Pilot in 2006.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$18,608,417	\$21,608,417	\$21,608,417	(\$7,000,000)	\$14,608,417	(\$7,000,000)	\$14,608,417
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$18,608,417	\$21,608,417	\$21,608,417	(\$7,000,000)	\$14,608,417	(\$7,000,000)	\$14,608,417
Positions	-	-	-	-	-	-	-

Budget Code 13010 NC Housing Finance - Home Match

Fund 13010-1100 Housing Finance Agency - Appropriations — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$18,608,417	\$21,608,417	\$21,608,417	(\$7,000,000)	\$14,608,417	(\$7,000,000)	\$14,608,417
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$18,608,417	\$21,608,417	\$21,608,417	(\$7,000,000)	\$14,608,417	(\$7,000,000)	\$14,608,417
Positions	-	-	-	-	-	-	-

Fund description

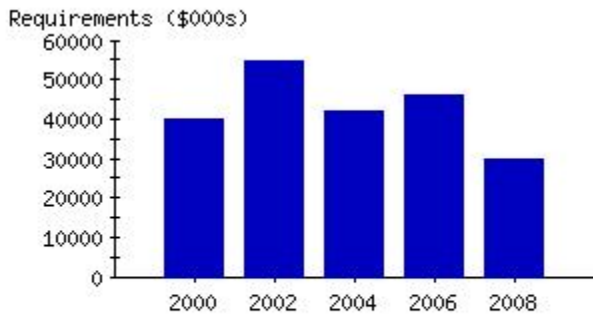
This fund receives and disburses appropriations made by the General Assembly. The funds are then transferred to other accounts that are actively managed by the North Carolina Housing Finance Agency (NCHFA). The fund receives appropriations for the state's partial matching support for the federal HOME Program, the annual Housing Trust Fund, and the Home Protection Program. These funds are used to increase the supply of housing for North Carolinians who have very low or low to moderate incomes. The agency provides financing and technical assistance for the development, rehabilitation, or purchase of affordable housing, both rental and home ownership. In addition, it coordinates rental and mortgage assistance.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Transfer state match for the federal Home Program to budget code 23010 fund 2200.	\$1,608,417	-
Transfer appropriation for the Housing Trust Fund to budget codes 63010 and 63011.	\$15,500,000	-
Transfer General Fund appropriations for the Home Protection Pilot to budget code 23010 fund 2950.	\$1,500,000	-
Actual Totals	\$18,608,417	-

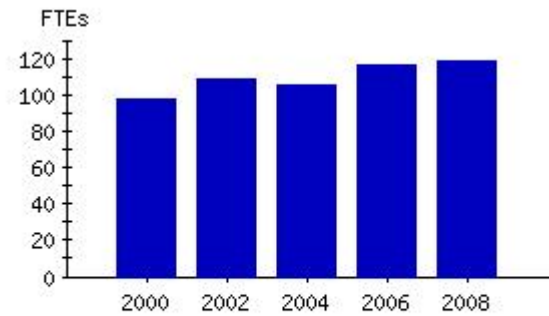
Base Budget and Performance Management Information

Budget Code 23010 NC Housing Finance - Special

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



2004 - Hurricane Floyd Disaster Relief winding down.
 \$100,628 cash adjustment for 2005-06, plus increase in
 state funding for Housing Trust Fund, Home Protection
 Pilot and Apartment Housing.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$24,217,877	\$27,194,604	\$26,270,752	\$0	\$26,270,752	\$0	\$26,270,752
Receipts	\$33,820,641	\$27,194,604	\$26,270,752	\$0	\$26,270,752	\$0	\$26,270,752
Chng Fund Bal	\$9,602,764	\$0	\$0	\$0	\$0	\$0	\$0
Positions	118.000	118.000	118.000	-	118.000	-	118.000

Budget Code 23010 NC Housing Finance - Special

Fund 23010-2100 North Carolina Housing Finance Agency — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$11,491,081	\$13,013,831	\$13,025,229	\$0	\$13,025,229	\$0	\$13,025,229
Receipts	\$10,454,472	\$13,013,831	\$13,025,229	\$0	\$13,025,229	\$0	\$13,025,229
Chng Fund Bal	(\$1,036,609)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	118.000	118.000	118.000	-	118.000	-	118.000

Fund description

This fund is used for the operational transactions of the North Carolina Housing Finance Agency. The agency is a self-supporting agency with an independent board of directors. The agency was created to increase the supply of housing for North Carolinians who have very-low or low to moderate incomes. The agency provides financing and technical assistance for the development, rehabilitation, or purchase of affordable housing, both rental and home ownership. In addition, it coordinates rental and mortgage assistance. All operational functions are in support of the above listed activities, as well as those of other funds. The North Carolina Housing Finance Agency uses a cost allocation system that distributes all personnel and operating costs to its program areas. The distribution of dollars listed below not only includes the direct program staff for that service area, but also includes the time spent by support staff, human resources, accounting, budgeting, and upper management.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Provide financing and technical assistance for the development of affordable rental housing (including operational funding for funds 2200 and 2800). Programs supported include the Rental Production Program (RPP), the Supportive Housing Development Program (SHDP), the Supportive Housing Development Program 400 (SHDP400), the Supportive Housing Predevelopment Loan program (SHPL), and the Housing Credit program.	\$4,202,000	43.150
Provide financing and technical assistance for the rehabilitation of affordable rental housing (including operational funding for funds 2200 and 2800). Programs supported include the Rental Production Program (RPP), the Supportive Housing Development Program (SHDP), the Supportive Housing Development Program 400 (SHDP400), the Supportive Housing Predevelopment Loan program (SHPL), the Housing Credit program, the Preservation Loan Program (PLP), and the Preservation Loan Program 400 (PLP400).	\$666,000	6.839
Provide financing and technical assistance for affordable home ownership activities (including operational funding for fund 2200). Programs supported include the New Homes Loan Pool (NHLP), the Self Help Loan Pool (SHLP), the Individual Development Account Loan Pool (IDAP), the Downpayment Assistance Program (DAP), the FirstHome Program, and the Rural Opportunities Mortgage Program (ROM).	\$4,477,000	45.974
Provide financing and technical assistance for rehabilitation of individually owned homes to preserve affordable housing (including operational funding for fund 2200). Programs supported include the Single-Family Rehabilitation Program (SFR) and the Urgent Repair Program (URP).	\$735,000	7.550
Provide financing and technical assistance for rental assistance (including operational funding for funds 2101, 2102, 2500). Programs supported include KEY (which provides a bridge subsidy for households on disability income who have not yet received a Section 8 housing choice voucher), the Supportive Housing Development Program 400 (SHDP400), the Preservation Loan Program 400 (PLP400), Section 8, and Section 8 Rehabilitation.	\$623,000	6.393

Provide financing and technical assistance for mortgage assistance for existing homeowners through the Home Protection Pilot Program and counseling reimbursement to assist homeowners under the National Foreclosure Mitigation Counseling program (NFMC), including operational funding for funds 2950 and 2600.	\$788,081	8.094
Actual Totals	\$11,491,081	118.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Rental housing units developed or rehabilitated	552	534	278
Homeownership units financed	1,842	2,673	2,955
Owner-occupied homes repaired or rehabilitated	678	726	629

Fund 23010-2101 Section 8 — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,951,535	\$1,686,645	\$1,686,645	\$0	\$1,686,645	\$0	\$1,686,645
Receipts	\$2,015,378	\$1,686,645	\$1,686,645	\$0	\$1,686,645	\$0	\$1,686,645
Chng Fund Bal	\$63,843	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The Section 8 rental assistance program is a federal project-based rental assistance program that helps eligible North Carolinians with low incomes gain access to housing in new construction or substantially rehabilitated developments. Payments are made to property managers, not individual tenants.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Disburse federal funds in compliance with Section 8 regulation to ensure that each property receives an accurately calculated amount of rental assistance each month.	\$1,951,535	-
Actual Totals	\$1,951,535	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of Section 8 funds disbursed to properties within 2 business days of receipt	100 %	100 %	100 %
Percentage of properties visited annually by agency staff to ensure compliance with Section 8 regulations ¹	66 %	17 %	17 %
Percentage of properties with unsatisfactory results on the annual monitoring visits	-	0.0 %	0.0 %
Percentage of properties with unsatisfactory REAC (property condition) scores	-	0.0 %	0.0 %

¹The agency's goal is to visit every property at least once every 3 years.

Fund 23010-2102 Section 8 Rehabilitation — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$332,110	\$322,095	\$322,095	\$0	\$322,095	\$0	\$322,095
Receipts	\$322,327	\$322,095	\$322,095	\$0	\$322,095	\$0	\$322,095
Chng Fund Bal	(\$9,783)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The Section 8 Rehabilitation rent assistance program is a federal project-based rental assistance program that helps eligible North Carolinians who have low incomes gain access to housing in moderately rehabilitated developments. Payments are made to property managers, not individual tenants.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Disburse federal funds in compliance with Section 8 regulation to ensure that each property receives an accurately calculated amount of rental assistance each month.	\$332,110	-
Actual Totals	\$332,110	-

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of Section 8 funds disbursed to properties within 2 business days of receipt	100 %	100 %	100 %
Percentage of properties visited annually by agency staff to ensure compliance with Section 8 regulations ¹	100 %	100 %	0.0 %
Percentage of properties with unsatisfactory results on the annual monitoring visits	-	0.0 %	0.0 %
Percentage of properties with unsatisfactory REAC (property condition) scores	-	0.0 %	0.0 %

¹The agency's goal is to visit every property at least once every 3 years.

Fund 23010-2200 NCHFA - Home Program — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$8,360,763	\$7,993,783	\$7,993,783	\$0	\$7,993,783	\$0	\$7,993,783
Receipts	\$13,471,755	\$7,993,783	\$7,993,783	\$0	\$7,993,783	\$0	\$7,993,783
Chng Fund Bal	\$5,110,992	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The HOME program is a federal block grant, based on population and housing needs. The funds can be used to finance the acquisition, construction, and rehabilitation of affordable housing, down payment assistance, and rent subsidies. The North Carolina Housing Finance Agency administers the state's share of HOME Program funds to finance affordable housing in partnership with local governments, nonprofit organizations, and for-profit developers. The North Carolina General Assembly annually appropriates a portion of the 25% matching funds required to receive the federal funds.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide financing for the development and rehabilitation of affordable rental housing and owner-occupied housing.	\$4,879,000	-
Provide subordinate mortgage financing for affordable homeownership activities.	\$3,481,763	-
Actual Totals	\$8,360,763	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Rental housing units developed or rehabilitated	543	583	598
Homeownership units financed	900	687	436
Owner-occupied homes repaired or rehabilitated	14	21	85

Fund 23010-2500 Key Program — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$169,618	\$170,000	\$170,000	\$0	\$170,000	\$0	\$170,000
Receipts	\$4,714,895	\$170,000	\$170,000	\$0	\$170,000	\$0	\$170,000
Chng Fund Bal	\$4,545,277	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

This is a new program that enables extremely-low, very-low, and low-income disabled persons to have access to affordable housing by providing rental assistance payments for disabled households in specific developments. Payments are generally of amounts smaller than \$300.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide rental assistance payments for disabled persons in specific rental housing developments.	\$169,618	-
Actual Totals	\$169,618	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Households which received rental assistance payments	19	156	296

Fund 23010-2600 National Foreclosure Mitigation Counseling Grant — Base Budget

	<u>2007-08</u> Actual	<u>2008-09</u> Certified	<u>2008-09</u> Authorized	<u>2009-10</u> Adjustments	<u>2009-10</u> Total	<u>2010-11</u> Adjustments	<u>2010-11</u> Total
Requirements	\$408,231	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$1,237,590	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$829,359	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

This fund is an award from NeighborWorks (a national nonprofit which received a federal appropriation) to the North Carolina Housing Finance Agency to fund a consortium of counseling organizations in North Carolina. These funds expand North Carolina's ability to provide foreclosure prevention counseling services to home owners at risk of losing their homes.

Services for the fund

Provide reimbursement funds to counseling organizations for counseling homeowners to increase the likelihood of the homeowners not undergoing foreclosure.

	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
	\$408,231	-
Actual Totals	\$408,231	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Counseling organizations funded	-	-	20

Fund 23010-2800 State Disaster — Base Budget

	<u>2007-08</u> Actual	<u>2008-09</u> Certified	<u>2008-09</u> Authorized	<u>2009-10</u> Adjustments	<u>2009-10</u> Total	<u>2010-11</u> Adjustments	<u>2010-11</u> Total
Requirements	\$0	\$935,250	\$0	\$0	\$0	\$0	\$0
Receipts	\$0	\$935,250	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

This fund has been eliminated.

Fund 23010-2950 Home Protection Pilot — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,504,539	\$3,073,000	\$3,073,000	\$0	\$3,073,000	\$0	\$3,073,000
Receipts	\$1,604,224	\$3,073,000	\$3,073,000	\$0	\$3,073,000	\$0	\$3,073,000
Chng Fund Bal	\$99,685	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund is to help North Carolina homeowners at risk of losing their homes due to job loss caused by layoffs by providing counseling and interim loans (both short term assistance and longer term assistance) to help residents maintain their homes while regaining employment. Assistance can equal up to 18 months worth of mortgage payments and interest, property insurance, and taxes.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Provide loans as short term assistance for homeowners at risk of foreclosure to assist clients to cover missed payments and bring their mortgage up to current good standing.	\$273,000	-
Provide loans for up to 18 months as longer term assistance for homeowners at risk of foreclosure.	\$1,231,539	-
Actual Totals	\$1,504,539	-

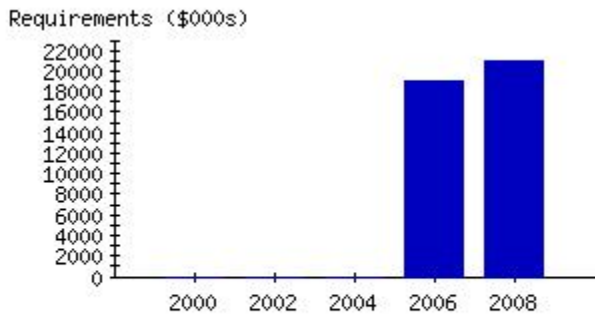
Measures for the fund

	2005-06	2006-07	2007-08
Loans made to homeowners	114	73	120

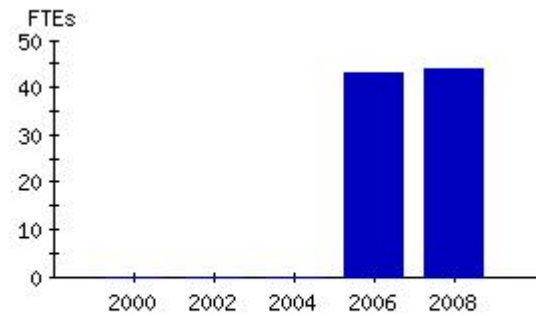
Base Budget and Performance Management Information

Budget Code 24667 Information Technology Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



IT Fund established in June of 2004, with first expenditures starting in 2005.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$21,046,473	\$13,581,140	\$13,581,140	(\$499,105)	\$13,082,035	(\$499,105)	\$13,082,035
Receipts	\$23,433,280	\$12,740,000	\$12,740,000	(\$3,017,384)	\$9,722,616	(\$3,017,384)	\$9,722,616
Chng Fund Bal	\$2,386,807	(\$841,140)	(\$841,140)	(\$2,518,279)	(\$3,359,419)	(\$2,518,279)	(\$3,359,419)
Positions	44.000	44.000	44.000	-	44.000	-	44.000

Budget Code 24667 Information Technology Fund

Fund 24667-2700 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$11,319,311	\$2,045,894	\$2,027,463	(\$2,027,463)	\$0	(\$2,027,463)	\$0
Receipts	\$13,706,122	\$12,740,000	\$12,740,000	(\$3,017,384)	\$9,722,616	(\$3,017,384)	\$9,722,616
Chng Fund Bal	\$2,386,811	\$10,694,106	\$10,712,537	(\$989,921)	\$9,722,616	(\$989,921)	\$9,722,616
Positions	9.000	9.000	9.000	(9.000)	-	(9.000)	-

Fund description

The purpose of Administrative Services for the Information Technology (IT) Fund is to provide oversight, from State Chief Information Officer (CIO) and Deputy CIO, and supporting ITS staff, to the enterprise services and initiatives supported by this fund, including the Enterprise Project Management Office, Strategic Initiatives, Enterprise Technology Services, the State Portal, and Enterprise Identity Management.

Services for the fund

Provide administrative oversight by both the State Chief Information Officer (CIO) and Deputy CIO for all ITS (includes salary, support cost, and some large IT maintenance agreement payments).

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
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\$1,605,182	9.000
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Execute a one-time transfer from the agency's Internal Service Fund to support the start-up of Enterprise Project Management Office, Strategic Initiatives, Enterprise Technology Services, the State Portal, and Enterprise Identity Management (funds were transferred to other funds in this budget code).

\$9,714,129	-
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Actual Totals

\$11,319,311	9.000
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Fund 24667-2710 Business Infrastructure — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$0	\$0	\$1,759,945	\$1,759,945	\$1,759,945	\$1,759,945
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$0	\$0	\$0	(\$1,759,945)	(\$1,759,945)	(\$1,759,945)	(\$1,759,945)
Positions	2.000	-	-	9.000	9.000	9.000	9.000

Fund description

This fund was established to support the Statewide IT Consolidation Program by transforming the way the state conducts business by modernizing and standardizing key business processes.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide training and advisory services to assist ITS in scoping and providing architecture services for a future data warehousing shared service.	\$0	2.000
Actual Totals	\$0	2.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of feasibility studies that led to additional funding ¹	100 %	-	-

¹Information not available for FY2006-2007 and FY2007-2008.

Fund 24667-2720 Enterprise Security and Risk Management — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,654,074	\$1,537,078	\$1,696,491	(\$199,193)	\$1,497,298	(\$199,193)	\$1,497,298
Receipts	\$1,654,073	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	(\$1)	(\$1,537,078)	(\$1,696,491)	\$199,193	(\$1,497,298)	\$199,193	(\$1,497,298)
Positions	7.000	3.000	3.000	4.000	7.000	4.000	7.000

Fund description

Provide leadership in the development, delivery, and maintenance of an enterprise information security and risk management program that safeguards the state's information assets and the supporting infrastructure against unauthorized use, disclosure, modification, damage, or loss. Provide education, training, tools, and consulting help to agencies in the areas of information protection and disaster recovery/business continuity (DR/BC). The intent is to improve IT risk management at the agency and statewide levels by providing knowledge and tools and assisting in obtaining and protecting required data.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Oversee the statewide security program to improve agency security posture by setting security standards, increasing security awareness through training, strategic planning, project review, and expert advisory support.	\$1,042,066	3.000
Manage information security risks to help agencies identify cyber security threats and enable rapid responses and recovery from cyber security incidents by providing expert advisory and forensic support.	\$306,004	2.000
Offer training, advisory services, and tools for assisting agencies to perform business impact analysis (BIAs) and preparing annual disaster recovery and business continuity plans and reviewing these plans.	\$306,004	2.000
Actual Totals	\$1,654,074	7.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of information security consulting and support services incidents and requests resolved within target time frame	95 %	85 %	99 %
Percentage of information security cyber security incidents/cases and requests resolved within target time frame	85 %	99 %	99 %
Disaster recovery/business continuity plans reviewed	28	28	28

Fund 24667-2730 Strategic Initiatives — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,315,209	\$1,408,659	\$2,152,904	(\$89,213)	\$2,063,691	(\$89,213)	\$2,063,691
Receipts	\$1,315,209	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$0	(\$1,408,659)	(\$2,152,904)	\$89,213	(\$2,063,691)	\$89,213	(\$2,063,691)
Positions	4.000	5.000	5.000	(1.000)	4.000	(1.000)	4.000

Fund description

The purpose of the Strategic Initiatives group is to assist the State CIO to improve the management of IT in state government through statewide implementation projects and ongoing advisory activities. The focus is to provide education, training, tools, and consulting help to agencies in the areas of investment, project, and applications portfolio management; disaster recovery/business continuity (DR/BC); and infrastructure asset management. The intent is to improve the planning, budgeting, and management of IT at the agency and statewide levels by providing knowledge and tools and assisting in obtaining required data.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide a portfolio management tool and employ the concepts and best practices of this discipline to assist agencies in identifying the best IT investments, implementing projects successfully, and managing applications to optimize costs/benefits over their useful lives.	\$112,558	1.000
Offer training, advisory services, and tools for assisting agencies to perform business impact analyses (BIAs) and preparing annual disaster recovery and business continuity plans and reviewing these plans.	\$4,108	-
Procure an asset management system to assist agencies in managing infrastructure assets (PCs, servers, network devices, software, etc.) and conducting service management initiatives (e.g., ITIL) through a Configuration Management Database.	\$1,198,543	3.000
Actual Totals	\$1,315,209	4.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Disaster recovery/business continuity plans reviewed ¹	28	-	-
Desktops, laptops, and extra monitors tracked ²	-	-	2,165
Portfolio management system users ³	150	370	420

¹Information not available for FY2006-2007 through FY2007-2008.

²Information not available for FY2003-2004 through FY2006-2007. 1,283 desktops, 531 laptops, 351 extra monitors for FY2007-2008.

³The project portfolio management system currently contains over 100 active major projects, over 90 smaller (registered) projects, and over 1,200 applications.

Fund 24667-2740 Project Management — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,568,204	\$1,955,528	\$2,185,706	(\$485,420)	\$1,700,286	(\$485,420)	\$1,700,286
Receipts	\$1,568,204	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$0	(\$1,955,528)	(\$2,185,706)	\$485,420	(\$1,700,286)	\$485,420	(\$1,700,286)
Positions	13.000	15.000	15.000	(2.000)	13.000	(2.000)	13.000

Fund description

The purpose of this fund is to provide leadership for the improvement and expansion of project management throughout the enterprise through coordination/communication, standardization/measurement, and mentoring/coaching/consulting.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide leadership for the improvement and expansion of project management throughout the enterprise through coordination and communication.	\$454,779	2.000
Provide leadership for the improvement and expansion of project management throughout the enterprise through standardization and measurement.	\$611,600	4.000
Provide leadership for the improvement and expansion of project management throughout the enterprise through mentoring, coaching, and consulting.	\$501,825	7.000
Actual Totals	\$1,568,204	13.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of projects that need the state Chief Information Officer's attention	7.3 %	6.3 %	5.4 %
Percentage of projects that need agency attention	12.2 %	13.4 %	17.6 %
Percentage of Project Management Professionals (PMP) Certification Pass Rate	94.1 %	90.0 %	90.9 %

Fund 24667-2750 Enterprise Technology Strategies — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$911,293	\$1,172,336	\$1,189,214	(\$232,078)	\$957,136	(\$232,078)	\$957,136
Receipts	\$911,291	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	(\$2)	(\$1,172,336)	(\$1,189,214)	\$232,078	(\$957,136)	\$232,078	(\$957,136)
Positions	7.000	6.000	6.000	1.000	7.000	1.000	7.000

Fund description

The A&E Architecture group has four principal objectives: 1) Develop, publish, and maintain the Statewide Technical Architecture (STA), which guides the development and deployment of state IT resources; 2) Perform oversight functions on state agency IT RFPs and projects from planning to procurement to deployment; 3) Develop IT strategies in conjunction with the state's IT planning agenda, and 4) Provide solution blueprints and educational materials to the STA user community.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Develop, maintain, and publish the statewide technical architecture.	\$419,194	3.000
Perform project oversight on agency IT projects.	\$282,500	3.000
Develop IT strategies in conjunction with the state's IT planning agenda.	\$209,599	1.000
Actual Totals	\$911,293	7.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of Statewide Technical Architecture (STA) sections reviewed or updated once each quarter to reflect changes in architecture	75.0 %	25.0 %	10.0 %
Percentage of project reviews completed within 7 working days of receipt	90.0 %	90.0 %	90.0 %

Fund 24667-2760 State Portal — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$154,628	\$549,308	\$163,000	\$262,807	\$425,807	\$262,807	\$425,807
Receipts	\$154,629	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$1	(\$549,308)	(\$163,000)	(\$262,807)	(\$425,807)	(\$262,807)	(\$425,807)
Positions	-	1.000	1.000	1.000	2.000	1.000	2.000

Fund description

ITS is statutorily required to maintain the state web page. The purpose of this fund is to support ITS efforts to maintain and enhance www.ncgov.com and to manage its governance mechanism.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Provide easy citizen, business, and state employee access to relevant state government information.	\$154,628	-
Actual Totals	\$154,628	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
E-mail comments on the portal ¹	3,120	-	-
State Portal Council meetings attended ¹	20	-	-

¹Information not available for FY2006-2007 through FY2007-2008.

Fund 24667-2770 Enterprise Identity Management — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$2,129,318	\$3,519,323	\$2,219,314	(\$802,483)	\$1,416,831	(\$802,483)	\$1,416,831
Receipts	\$2,129,318	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$0	(\$3,519,323)	(\$2,219,314)	\$802,483	(\$1,416,831)	\$802,483	(\$1,416,831)
Positions	-	4.000	4.000	(4.000)	-	(4.000)	-

Fund description

This fund is used to provide an enterprise Identity Management solution for North Carolina government agencies (state and local) that provides a consistent, reliable, and highly available means for user authentication and authorization to services and resources. This service is founded on proven industry technologies that secure the identity information and maximize system availability through multiple points of redundancy in the systems.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Maintain the enterprise-wide identity management services (NCID) for government agencies (state and local). Provide a reliable and secure means for authenticating users and managing resource authorizations.	\$2,129,318	-
Actual Totals	\$2,129,318	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of reliance on third-party support for service development and maintenance	20.0 %	20.0 %	20.0 %
Percentage of Priority 1, 2, and 3 incidents resolved in target timeframe	75.0 %	60.0 %	65.0 %
Simultaneous users that can be tested on the system	3,000	3,000	3,000

Fund 24667-2780 IT Fund for Enterprise Licensing — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$999,941	\$601,100	\$797,500	(\$197,500)	\$600,000	(\$197,500)	\$600,000
Receipts	\$999,940	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	(\$1)	(\$601,100)	(\$797,500)	\$197,500	(\$600,000)	\$197,500	(\$600,000)
Positions	-	-	-	-	-	-	-

Fund description

Provide initial financing for the development of statewide shared services, thus removing the burden of high pricing (cost recovery) from early adopters.

Services for the fund

Leverage existing infrastructure and support resources.

Actual Totals

<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
\$999,941	-
\$999,941	-

Fund 24667-2790 IT Consolidation — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$994,495	\$791,914	\$1,149,548	\$1,511,493	\$2,661,041	\$1,511,493	\$2,661,041
Receipts	\$994,494	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	(\$1)	(\$791,914)	(\$1,149,548)	(\$1,511,493)	(\$2,661,041)	(\$1,511,493)	(\$2,661,041)
Positions	2.000	1.000	1.000	1.000	2.000	1.000	2.000

Fund description

The purpose of the IT Consolidation Fund is to provide funding for the project resources time (labor hours), material (hardware and software), and licensing. The purpose of IT Consolidation is to improve information technology investments by focusing on the consolidation of IT infrastructure equipment and services, allowing agencies to focus on applications to meet business and citizen needs. This will be a measured, phased approach.

Services for the fund

Consolidate the network, security, data center operations, and desktop/LAN services where appropriate.

Actual Totals

<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
\$994,495	2.000
\$994,495	2.000

Measures for the fund

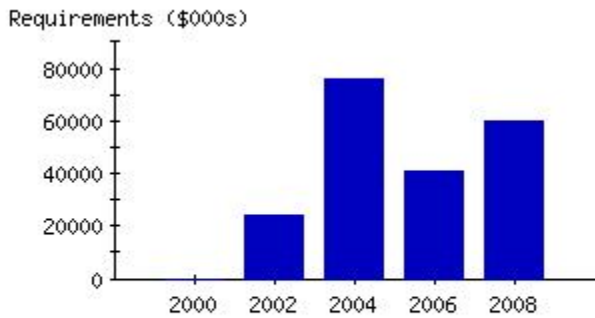
	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Agencies consolidated ¹	-	5	3
Amount of cost savings per agency consolidated (dollars) ¹	-	(\$6,952)	\$6,391

¹Information not available for FY2003-2004 through FY2005-2006.

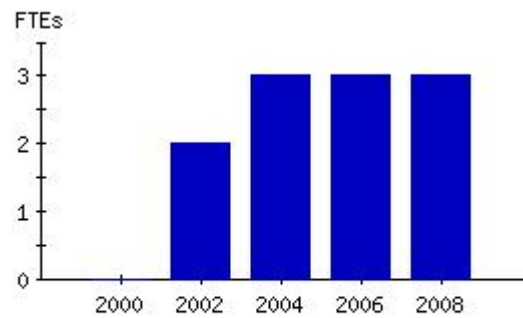
Base Budget and Performance Management Information

Budget Code 24669 Office of Governor - Information Technology-Wireless Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$59,831,172	\$103,614,754	\$98,596,354	(\$140,591)	\$98,455,763	(\$140,591)	\$98,455,763
Receipts	\$71,650,660	\$105,408,389	\$89,757,600	(\$2,982,000)	\$86,775,600	(\$2,982,000)	\$86,775,600
Chng Fund Bal	\$11,819,488	\$1,793,635	(\$8,838,754)	(\$2,841,409)	(\$11,680,163)	(\$2,841,409)	(\$11,680,163)
Positions	3.000	-	3.000	-	3.000	-	3.000

Budget Code 24669 Office of Governor - Information Technology-Wireless Fund

Fund 24669-2900 Wireless 911 Fund — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$52,537,898	\$96,233,264	\$91,084,254	(\$140,591)	\$90,943,663	(\$140,591)	\$90,943,663
Receipts	\$64,424,511	\$98,026,899	\$82,245,500	(\$2,982,000)	\$79,263,500	(\$2,982,000)	\$79,263,500
Chng Fund Bal	\$11,886,613	\$1,793,635	(\$8,838,754)	(\$2,841,409)	(\$11,680,163)	(\$2,841,409)	(\$11,680,163)
Positions	3.000	-	3.000	-	3.000	-	3.000

Fund description

This fund provides specific use funding to local 911 centers, called PSAPs (Public Safety Answering Points), 911 deployment cost recovery to wireless phone providers referred to as CMRS (Commercial Mobile Radio Service) providers, and supports the administrative costs of operating the North Carolina 911 Board. The goal for this fund is to provide seamless statewide access to first responders with accurate location and contact information of persons requiring emergency response. The fund has restricted uses for both the PSAPs and the CMRS providers. These restrictions are limited to the deployment and maintenance of 911 systems in North Carolina.

To ensure funds are distributed and expended properly, the administrative portion of the fund provides for staffing and support of the 17 member 911 Board. Staff provides liaison support to the PSAPs and to the CMRS providers. Also, financial oversight for distribution to, and expenditures by, both the PSAPs and CMRS providers is provided by the 911 staff.

Fund 24669-2910 Telecommunications Relay Surcharge — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$7,293,274	\$7,381,490	\$7,512,100	\$0	\$7,512,100	\$0	\$7,512,100
Receipts	\$7,226,149	\$7,381,490	\$7,512,100	\$0	\$7,512,100	\$0	\$7,512,100
Chng Fund Bal	(\$67,125)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

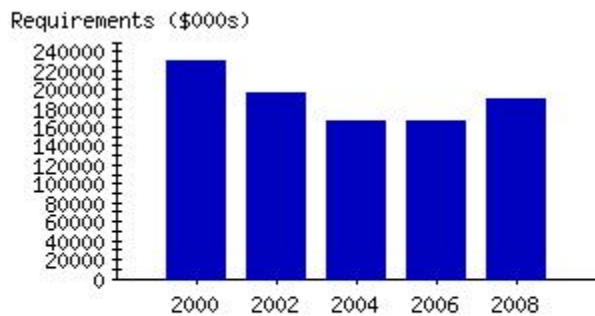
Fund description

Telecommunications Relay Service (TRS) provides specific use funding for relay services for speech, hearing and vision impaired persons to communicate with others via telephone. These funds are collected from wireless subscribers at a rate determined by the North Carolina Utilities Commission and remitted by wireless carriers to the North Carolina 911 Board. These funds are then remitted in whole by the North Carolina 911 Board to the Department of Health and Human Services for administration of the statewide Telecommunications Relay Service.

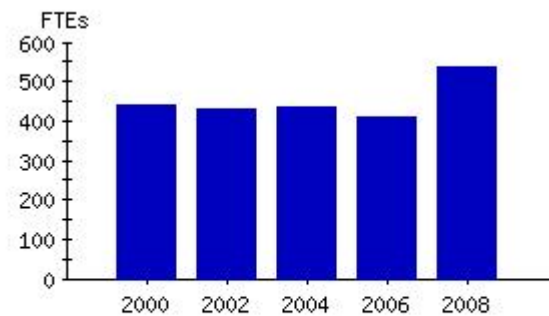
Base Budget and Performance Management Information

Budget Code 74660 Governor-Information Technology Services-Internal Service

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



	Base Budget						
	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$190,148,357	\$241,685,699	\$241,685,699	\$9,302,332	\$250,988,031	\$9,302,332	\$250,988,031
Receipts	\$202,780,754	\$241,393,253	\$241,393,253	\$9,418,454	\$250,811,707	\$9,418,454	\$250,811,707
Chng Fund Bal	\$12,632,397	(\$292,446)	(\$292,446)	\$116,122	(\$176,324)	\$116,122	(\$176,324)
Positions	534.000	542.000	561.000	5.000	566.000	5.000	566.000

Budget Code 74660 Governor-Information Technology Services-Internal Service

Fund 74660-7100 ITS - Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$9,678,683	\$12,235,581	\$12,565,205	\$1,392,729	\$13,957,934	\$1,392,729	\$13,957,934
Receipts	\$9,604,982	\$11,943,134	\$11,943,134	\$1,413,405	\$13,356,539	\$1,413,405	\$13,356,539
Chng Fund Bal	(\$73,701)	(\$292,447)	(\$622,071)	\$20,676	(\$601,395)	\$20,676	(\$601,395)
Positions	76.000	77.000	77.000	9.000	86.000	9.000	86.000

Fund description

The Office of Information Technology Services' (ITS) administration fund provides oversight and support to the agency's program areas. This support includes financial administration (budgeting, fiscal, and human resources management), agency purchasing, IT statewide procurement administration, and the agency's around the clock facilities operations. The administrative fund also includes the Operational Excellence Program (OEP), which provides a strategic and standardized approach to managing IT services.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide support to ITS through the oversight and operation of the following items: electrical, HVAC, space allocation, building layout, furniture, cubicles, construction, landscaping, janitorial, fire suppression, security access control system, warehousing (on-site and off-site), shipping and receiving, uninterrupted power supply (UPS) maintenance, and generator maintenance.	\$2,608,160	8.000
Provide executive/program management techniques for ITS staff, through program oversight styles, strategic planning, scope development, project planning and tracking, and development of design teams that develop tailored processes for program implementation. Operational Excellence Program also provides multi-tiered training programs for state agencies, from familiarization to expert training on the Information Technology Infrastructure Library (ITIL) and its associated processes and functions.	\$985,030	3.000
Provide procurement services for ITS purchasing needs as well as statewide IT procurement for all state agencies to achieve better pricing through bulk purchasing.	\$1,321,025	17.000
Provide personnel/accounting services to support the operation of ITS. Services include, but are not limited to, the following: human resource management; budgeting; accounts payable/accounts receivable, payroll, cash management, Comprehensive Annual Financial Report (CAFR), monthly and year-end close out processing; and agency position control and salary reserve management.	\$4,764,468	48.000
Actual Totals	\$9,678,683	76.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of incident resolutions meeting industry standard timeframes	35.0 %	91.0 %	95.0 %
Percentage increase in first call resolution rates	2.0 %	39.0 %	35.0 %
Percentage decrease in emergency/urgent changes required	18.0 %	-33.0 %	-47.0 %

Fund 74660-7102 Project Management Office (PMO) — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$512,561	\$1,887,715	\$1,975,067	(\$87,352)	\$1,887,715	(\$87,352)	\$1,887,715
Receipts	\$549,487	\$1,887,715	\$1,887,715	\$0	\$1,887,715	\$0	\$1,887,715
Chng Fund Bal	\$36,926	\$0	(\$87,352)	\$87,352	\$0	\$87,352	\$0
Positions	11.000	11.000	12.000	1.000	13.000	1.000	13.000

Fund description

This fund is used to provide project management leadership and services to the Office of Information Technology Services as well as other state agencies via the Office of Information Technology Services' Project Management (PMO) Office. The PMO's mission is to provide ITS and its clients with professional, experienced, qualified project managers with one consistent approach for project management that embodies core methodologies, practices, tools, and techniques which result in disciplined solutions for customer success and optimization of resources. Within ITS, the PMO is responsible for overall project execution, standardizing project management processes and tools, improving project management capabilities and skills, monitoring and reporting on project status, and improving project success. It is also responsible for portfolio management for ITS and functional activities to include best practice collection and dissemination, agency education on project management and associated processes, and project manager coaching and development.

Services for the fund

Provide certified Project Management Professionals (PMP) for timely and material project management services to the Office of Information Technology Services and other State agencies.

Actual Totals

<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
\$512,561	11.000
\$512,561	11.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Certified (PMP) project managers ¹	-	-	6
Percent of project managers on staff that are certified (ones not "in progress" of attaining PMP) ¹	-	-	60 %
ITS projects managed (18 ongoing at June 30, 21 others closed in FY) ¹	-	-	39
Non-ITS projects managed (across DPI, DOJ, DOT, NCIC, NCCCS, DOA, OSP) ¹	-	-	14
Percent of projects completed successfully ¹	-	-	100 %

¹Information not available for FY2005-2006 through FY2006-2007.

Fund 74660-7105 Business Relations Management — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$565,348	\$1,053,379	\$1,053,379	\$0	\$1,053,379	\$0	\$1,053,379
Receipts	\$568,684	\$1,053,379	\$1,053,379	\$0	\$1,053,379	\$0	\$1,053,379
Chng Fund Bal	\$3,336	\$0	\$0	\$0	\$0	\$0	\$0
Positions	9.000	9.000	9.000	-	9.000	-	9.000

Fund description

This fund is used to ensure strong partnerships and relationships are built and maintained between ITS and its customers; act as a liaison to the business side of its customers' organizations; and assist customers in successful engagements with various ITS organizations and ITS Services.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Engage with customers to understand their businesses and bring this understanding back to ITS.	\$565,348	9.000
Actual Totals	\$565,348	9.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percent of improved customer relationships and partnerships resulting in increased levels of satisfaction with ITS services (SLA Achievement)	86.0 %	90.0 %	91.4 %
Service review meetings held with customers and/or ITS service owners ¹	-	20	61
Documented and signed/active SLAs ¹	-	6	8
Documented and signed/active OLAs ¹	-	26	26
SLA Performance Based Reports produced ¹	-	128	324

¹Information not available for FY2005-2006.

Fund 74660-7110 Customer Public Relations Management — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,484,550	\$2,778,173	\$2,778,173	\$48,024	\$2,826,197	\$48,024	\$2,826,197
Receipts	\$3,458,618	\$2,778,173	\$2,778,173	\$48,024	\$2,826,197	\$48,024	\$2,826,197
Chng Fund Bal	(\$25,932)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	33.000	33.000	33.000	1.000	34.000	1.000	34.000

Fund description

This fund is used to provide expert technical (Service Desk) support to ITS customers; assist in processing requests for service; assist customers in successful problem resolution and provide information about service offerings and operational successes.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Respond to customer requests and incidents and provide first and second level support as appropriate to ensure successful Problem Resolution.	\$2,057,124	29.000
Own, coordinate, and support the Incident and Problem Management Processes and support the Operational Excellence Program to ensure a strategic and standardized approach in managing IT services.	\$195,068	4.000
Provide governance for the Service Management Application Tool (Remedy) on behalf of ITS.	\$1,232,358	-
Actual Totals	\$3,484,550	33.000

Measures for the fund	2005-06	2006-07	2007-08
Incidents responded to	41,000	50,949	55,315
Service requests responded to	20,205	32,267	55,705
Percent of all incidents resolved within Service Level Agreement (SLA)	86.0 %	90.0 %	91.4 %

Fund 74660-7210 Engineering Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$617,314	\$745,780	\$856,464	\$94,478	\$950,942	\$94,478	\$950,942
Receipts	\$617,313	\$745,780	\$745,780	\$94,478	\$840,258	\$94,478	\$840,258
Chng Fund Bal	(\$1)	\$0	(\$110,684)	\$0	(\$110,684)	\$0	(\$110,684)
Positions	8.000	6.000	7.000	1.000	8.000	1.000	8.000

Fund description

The A&E Engineering group has 4 principal objectives: 1) develop IT infrastructure standards and technology roadmaps, 2) provide implementable designs, 3) review and validate technology designs in support of the SB991 project oversight process, and 4) provide ad hoc domain expertise and systems integration services to agencies as necessary.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Develop and publish IT infrastructure standards and roadmaps.	\$617,314	8.000
Actual Totals	\$617,314	8.000

Measures for the fund	2005-06	2006-07	2007-08
Percent of project reviews (domain expertise) completed by Architecture group within 7 days	90 %	90 %	90 %

Fund 74660-7217 Computing Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$64,004,438	\$88,907,532	\$88,886,953	\$4,406,426	\$93,293,379	\$4,406,426	\$93,293,379
Receipts	\$78,356,685	\$88,907,533	\$88,907,533	\$4,406,426	\$93,313,959	\$4,406,426	\$93,313,959
Chng Fund Bal	\$14,352,247	\$1	\$20,580	\$0	\$20,580	\$0	\$20,580
Positions	186.000	185.000	199.000	(2.000)	197.000	(2.000)	197.000

Fund description

This fund is used for ITS to provide enterprise-class, highly efficient, around-the-clock operations in the ITS Data Centers as well as at remote computer room locations; implementation and support of hardware and software systems for government agencies, state and local; provide consultation services and manage requests for mainframe and server services; provide diagnostic capabilities for infrastructure troubleshooting; provide support and managed services including systems selection and implementation; offer distributed computer services across several platforms; and drive server consolidation initiatives.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Manage mainframe hosting solutions for mission-critical applications for state and local governments. Build and maintain highly available systems that ensure key agency business functions perform reliably.	\$31,189,348	85.560
Provide centrally managed distributed hosting services for state agency applications. Build and maintain hosting services in a reliable, efficient manner that leverages economies of scale.	\$24,291,205	38.130
Deliver core system software services for database, middleware, and programming tools. Install and maintain software solutions that provide a technology framework for agency business applications.	\$3,855,256	33.850
Maintain an integrated, statewide directory service that provides global access to network resources. Provide a flexible and secure means for storing, accessing, and managing user and resource data.	\$4,668,629	28.460
Actual Totals	\$64,004,438	186.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of Priority 1, 2, and 3 incidents resolved in target timeframe	75.0 %	92.0 %	86.5 %
Documented change management requests (monthly average)	310	365	439
Percentage of mainframe availability (up-time)	99.4 %	99.9 %	99.9 %

Fund 74660-7224 State Telecommunications — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$85,957,728	\$99,575,143	\$99,328,382	\$2,489,696	\$101,818,078	\$2,489,696	\$101,818,078
Receipts	\$86,932,016	\$99,575,143	\$99,575,143	\$2,550,526	\$102,125,669	\$2,550,526	\$102,125,669
Chng Fund Bal	\$974,288	\$0	\$246,761	\$60,830	\$307,591	\$60,830	\$307,591
Positions	142.000	148.000	146.000	(4.000)	142.000	(4.000)	142.000

Fund description

This fund is used to provide secure data network connections, an array of telephone services, contact center capabilities, and video collaboration services to the agencies and institutions of North Carolina state government. These services enable the daily operation of all agencies by providing access to information and the ability to communicate with constituents. Using rigorous business analysis, State Telecommunications determines the best value for the state to deliver these services through the acquisition and operation of systems or contracting to outside providers. Resources in this fund are used to determine the application, interoperability, and cost of technology required to meet agencies' business needs as well as the ongoing operation, maintenance, and management of the aforementioned services.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Provide, support, and contract for voice telecommunications services for state agencies and authorized local governmental entities that enable them to communicate effectively and efficiently with their constituents.	\$47,326,765	59.010
Provide Wide Area Network (WAN) and Local Area Network (LAN) service to any authorized government entity. The WAN Service offers statewide internet protocol (IP) connectivity at commercially available data rates and connects customers' LANs to other resources connected to the WAN or Internet. LAN Service provides network infrastructure within a building or campus environment, enabling data communications among local computing and printing resources.	\$36,037,468	69.750
Provide videoconferencing technologies, allowing face-to-face interaction with two-way video and audio communications. Video applications supported over the network include distance learning for K-12 and higher education, state agency meetings, statewide training activities, emergency response assistance, public hearings, and many more. Web Conferencing and Video streaming services are also available.	\$2,593,495	13.240
Actual Totals	\$85,957,728	142.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of services meeting SLA commitments ¹	-	-	9 %
Percentage of WAN available connections to customers (based on percentage of weekly network up-time) ²	99.30 %	-	99.81 %
Placement in peer group of state telecommunication networks of similar size and scope based on cost (for example, top 10%, top 20%, etc.) ³	10.00 %	-	-
Percentage of incidents responded to in 4 hours ⁴	95.00 %	-	-

¹Information not available for FY2005-06 through FY2006-2007.

²Information not available for FY2006-2007.

³The goal is to be in the top 20% of peer group as measured by independent benchmark group. Information not available for 2006-07 through 2007-08.

⁴Information not available for FY2006-07 through FY2007-08.

Fund 74660-7228 Enterprise Solutions — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$7,930,175	\$12,335,845	\$12,385,845	(\$50,000)	\$12,335,845	(\$50,000)	\$12,335,845
Receipts	\$8,038,792	\$12,335,845	\$12,335,845	(\$50,000)	\$12,285,845	(\$50,000)	\$12,285,845
Chng Fund Bal	\$108,617	\$0	(\$50,000)	\$0	(\$50,000)	\$0	(\$50,000)
Positions	37.000	37.000	40.000	-	40.000	-	40.000

Fund description

This fund is used to provide statewide IT applications via a shared services or "Software-as-a-Service (SaaS) delivery model. This fund also provides web application development, support, and consulting services to state and local agencies. The current and in-process offering portfolio for this fund includes the following : e-Mail and Calendar Services; Common Payment Services for

credit card and ACH transaction processing; Web application development; Electronic Document Management Services; Project Collaboration Services; Data Warehouse Services; IT Service Management and IT Asset Management Services; and Software Quality Assurance Services.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Provide the state with an e-mail messaging, calendar, e-mail relay, spam filtering, and virus filtering solution delivered via a shared service model that maximizes economies of scale and reduces overall costs for providing these services to state and local agencies.	\$2,091,941	10.000
Monitor and maintain a Common Payment shared service infrastructure for performing payment gateway services in support of credit card and ACH transaction processing needs for the state in a highly cost effective manner. Drive the adoption and use of the Common Payment Service by providing technical assistance and support to new state agencies added to the service.	\$483,522	3.000
Provide analysis, design, development, implementation, and technical support for web based applications and web sites in order to facilitate the deployment of these applications when it is not within the capabilities of any given agency to perform these services internally.	\$1,835,996	7.000
Provide the state with a highly reliable, scalable, secure, and feature rich electronic document management shared service platform delivered via the Internet that will provide state agencies with the capability to store, retrieve, workflow, and manage their electronic document assets, which in turn will reduce agency operating costs, increase employee productivity, and improve customer/citizen service and satisfaction.	\$769,466	4.000
Provide the state with a highly reliable, scalable, secure, and feature rich project collaboration service platform delivered via the Internet that will provide state agencies with the ability to conduct on-demand collaboration activities between project participants who are not co-located.	\$167,146	-
Provide the state with a highly reliable, scalable, secure, and cost effective data warehousing shared service platform that includes integrated and feature rich tools that state agencies can use to capture, store, and leverage information for monitoring, measuring, and optimizing current agency/program performance with the goal of delivering enhanced services and value to the citizens of the state.	\$600,200	3.000
Provide the state with a highly reliable, scalable, secure, and feature rich IT Service Management and IT Asset Management shared service platform that permits the creation, workflow, and resolution of various incident, change, and problem tickets associated with IT operations. This same service also provides for the creation, maintenance, management, and support for various assets being utilized within any given IT operation.	\$701,485	4.000
Provide a highly reliable, scalable, secure, and cost effective Software Quality Assurance (SQA) shared service platform that will be leveraged by state agency IT organizations to support and execute functional and performance related software testing tasks for agency IT business applications in a comprehensive and consistent manner. Improve the quality of software applications while reducing the costs associated with software defects on a post production basis.	\$1,086,629	4.000
Provide administrative and clerical support for all service areas within Enterprise Solutions Services.	\$193,790	2.000
Actual Totals	\$7,930,175	37.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Calendar accounts provided	11,094	11,200	21,200
E-mail accounts provided	30,711	31,300	39,800
Credit card transactions processed	1,482,092	1,770,392	2,013,606
Pre-authorized debits transactions processed	1,332,044	1,657,519	2,052,551

Fund 74660-7230 Security and Business Recovery — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$735,021	\$1,110,737	\$1,110,737	\$0	\$1,110,737	\$0	\$1,110,737
Receipts	\$736,028	\$1,110,737	\$1,110,737	\$0	\$1,110,737	\$0	\$1,110,737
Chng Fund Bal	\$1,007	\$0	\$0	\$0	\$0	\$0	\$0
Positions	7.000	7.000	7.000	-	7.000	-	7.000

Fund description

The purpose of the ITS Information Security fund is to safeguard the state's information technology infrastructure against unauthorized use, disclosure, modification, or loss. This fund is used to help identify, mitigate, and manage risks to support the secure and sustainable delivery of IT services to help agencies meet the needs of citizens. It oversees the information protection of the state's telecommunications, networking, computing, and enterprise business applications.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Oversee strategic planning and policy development for the security of the state's information technology infrastructure to coordinate the deployment of security technology to benefit from economies of scale, improve agency security, and protect citizens' data.	\$132,304	2.000
Preserve the security of the state's IT infrastructure by providing an in-depth, multi-layered security approach, including vulnerability management, external and internal policy compliance scans, network intrusion prevention/detection support, risk-based asset security management, and expert analysis with metrics and reports.	\$602,717	5.000
Actual Totals	\$735,021	7.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of information security incidents and requests resolved within targeted timeframe	89 %	97 %	99 %
Percentage of change tasks resolved within targeted timeframe	93 %	100 %	100 %

Fund 74660-7240 Oracle ULA — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$9,849,576	\$10,002,325	\$10,002,325	\$0	\$10,002,325	\$0	\$10,002,325
Receipts	\$7,251,699	\$10,002,325	\$10,002,325	\$0	\$10,002,325	\$0	\$10,002,325
Chng Fund Bal	(\$2,597,877)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

Provide centralized, cost-effective universal software licensing for the full range of Oracle database and other products used by state agencies. Individual agency licensing and software maintenance agreements have been consolidated into one state agreement, and agencies have the ability to consume an unlimited amount of software license for covered products through June 2009.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Optimize the Oracle ULA.	\$9,849,576	-
Actual Totals	\$9,849,576	-

Fund 74660-7250 Desktop Support Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,312,963	\$7,453,489	\$7,143,169	\$1,008,331	\$8,151,500	\$1,008,331	\$8,151,500
Receipts	\$4,166,450	\$7,453,489	\$7,453,489	\$955,595	\$8,409,084	\$955,595	\$8,409,084
Chng Fund Bal	(\$146,513)	\$0	\$310,320	(\$52,736)	\$257,584	(\$52,736)	\$257,584
Positions	25.000	29.000	31.000	(1.000)	30.000	(1.000)	30.000

Fund description

This fund is used to provide the state with a managed environment for client desktop computing services. This service provides statewide procurement, delivery, installation, configuration, break/fix and technical support, equipment life cycle support, asset retirement, and response to customer moves/additions/changes of desktop support. Also, this fund provides the client with desktop security protections and common standard software applications.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide the client with desktop computing equipment that includes equipment lifecycle support, procurement, delivery/installation, configuration, break/fix and technical support, asset retirement, response to customer moves, adds, and changes (MAC) requests.	\$2,841,070	25.000
Provide the state with desktop security protections: Anti-Virus, Malware/Spyware, Security configuration, Personal Firewall, and User ID administration. Provide the state with common desktop standard software: office productivity suite, compact discs (CD) authoring tools, e-mail client, calendar client, and 3270 terminal emulation.	\$1,471,893	-
Actual Totals	\$4,312,963	25.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Managed desktop seats ¹	-	-	3,716

¹Information not available for FY2005-06 through FY2006-2007.

Fund 74660-7260 SAS Licensing — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,500,000	\$3,600,000	\$3,600,000	\$0	\$3,600,000	\$0	\$3,600,000
Receipts	\$2,500,000	\$3,600,000	\$3,600,000	\$0	\$3,600,000	\$0	\$3,600,000
Chng Fund Bal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the SAS Licensing Fund is to provide an enterprise approach for state agencies to attain unlimited (mainframe and desktop) licenses at a discounted cost.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Optimize the SAS ELA.	\$2,500,000	-
Actual Totals	\$2,500,000	-

Office of the Lieutenant Governor

Mission

The mission of the Lieutenant Governor's office is to perform the duties as set forth in the North Carolina State Constitution as well as other duties/responsibilities assigned by the Governor and the General Assembly that support North Carolina's top imperatives: Healthy Children and Families, Quality Education for All, A High Performance Workforce, A Prosperous Economy, A Sustainable Environment, 21st Century Infrastructure, Safe and Vibrant Communities, and Active Citizenship/Accountable Government.

Goals

Stay abreast of emerging issues and current trends and actively engage in discussions and various forums to support the Lieutenant Governor in fulfilling the duties and responsibilities of the office.

Develop and advocate for emerging and needed policies that address the state's imperatives, including growing North Carolina's military economy, improving the health and wellness of citizens, and supporting education efforts from preschool to higher education to ensure a vibrant and prosperous economy and a healthy and educated population.

Assist constituents, in a timely and professional manner, with various concerns and needs to resolve their problems, answer their questions, and provide information.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of policy initiatives developed and implemented	25%	35%	50%	60%	75%
Average number of weeks to respond to constituent problems and concerns (thousands)	2.5	2.5	2.0	2.0	1.5

Governor's Recommended Adjustments to Base Budget

Office of the Lieutenant Governor (13100)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$966,706	\$966,706
Receipts	=	=
Appropriation	\$966,706	\$966,706
Adjustments		
Requirements	(\$28,854)	(\$28,854)
Receipts	=	=
Appropriation	(\$28,854)	(\$28,854)
Total		
Requirements	\$937,852	\$937,852
Receipts	=	=
Recommended Appropriation	<u>\$937,852</u>	<u>\$937,852</u>
<hr/>		
Positions		
Base Budget Positions	12.000	12.000
Reductions	-	-
Expansion	-	-
Recommended Positions	<u>12.000</u>	<u>12.000</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Reduce Various Operating Accounts

It is recommended that various operating accounts be reduced, including PC Printer Support (\$14,490), LAN Support (\$2,341), Travel (\$2,500), Communication and Data Processing (\$3,523), and other General Supplies and Expenses (\$6,000).

Appropriation (\$12,023) (\$12,023)

Appropriation - Nonrecurring (\$16,831) (\$16,831)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements (\$12,023) (\$12,023)

Receipts - -

Appropriation (\$12,023) (\$12,023)

Positions - -

Nonrecurring

Requirements (\$16,831) (\$16,831)

Receipts - -

Appropriation (\$16,831) (\$16,831)

Positions - -

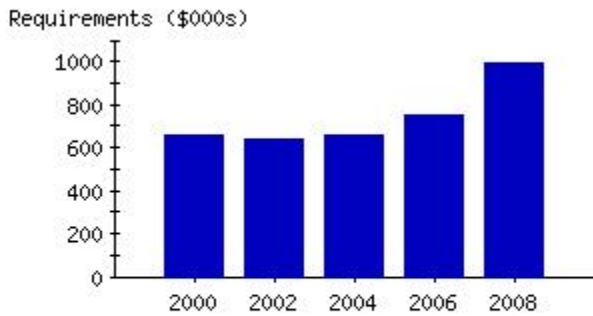
**Total Recommended Adjustments for
 Office of the Lieutenant Governor (13100)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$12,023)	(\$12,023)
Receipts	-	-
	(\$12,023)	(\$12,023)
Appropriation	(\$12,023)	(\$12,023)
Positions	-	-
Nonrecurring		
Requirements	(\$16,831)	(\$16,831)
Receipts	-	-
	(\$16,831)	(\$16,831)
Appropriation	(\$16,831)	(\$16,831)
Positions	-	-
Total Appropriation Adjustments	(\$28,854)	(\$28,854)
Total Position Adjustments	-	-

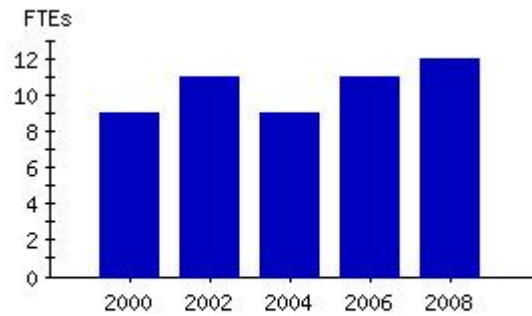
Base Budget and Performance Management Information

Budget Code 13100 Office of the Lieutenant Governor - General Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$993,135	\$961,796	\$961,796	\$4,910	\$966,706	\$4,910	\$966,706
Receipts	\$37,377	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$955,758	\$961,796	\$961,796	\$4,910	\$966,706	\$4,910	\$966,706
Positions	12.000	12.000	12.000	-	12.000	-	12.000

Budget Code 13100 Office of the Lieutenant Governor - General Fund

Fund 13100-1110 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$993,135	\$961,796	\$961,796	\$4,910	\$966,706	\$4,910	\$966,706
Receipts	\$37,377	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$955,758	\$961,796	\$961,796	\$4,910	\$966,706	\$4,910	\$966,706
Positions	12.000	12.000	12.000	-	12.000	-	12.000

Fund description

The purpose of the Administration program is to provide support that enables the Lieutenant Governor to fulfill the duties of the office as set forth in the State Constitution and laws, including serving as President of the State Senate and as a member of the Council of State, chairing the North Carolina Health and Wellness Trust Fund Commission and the Business Education Technology Alliance, and serving on the North Carolina Economic Development Board, the State Board of Education, and the State Board of Community Colleges.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Research, develop, and assist in implementation of policy for the State of North Carolina within those areas for which the Lieutenant Governor has responsibility or authority.	\$145,067	2.000
Receive and reply to constituent communications, needs, and concerns.	\$85,179	1.000
Represent the Lieutenant Governor's Office and the State of North Carolina at national, state, and local level events and programs.	\$214,134	3.000
Support the Lieutenant Governor in fulfilling the constitutional responsibility to preside over the Senate and serve as a member of the Council of State by reviewing and researching agenda items, providing relevant information, and briefing on issues and matters of particular interest or concern.	\$198,001	1.500
Support the Lieutenant Governor with respect to responsibilities for appointments to state boards and commissions assigned by the Governor or the General Assembly. Receive all invitations and requests and coordinate the Lieutenant Governor's schedule, including all travel and meetings.	\$133,929	2.000
Prepare communications for release to the media and the public at large.	\$121,685	1.000
Provide administrative services, manage personnel, and coordinate activities with other agencies.	\$95,140	1.500
Actual Totals	\$993,135	12.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Average number of weeks to respond to constituent problems and concerns	2.0	2.0	1.5
Percentage of policy initiatives developed and implemented	50 %	60 %	75 %

Department of Secretary of State

Mission

This agency's mission is to support economic growth, promote the public trust and fulfill statutory mandates by providing initial infrastructure for corporate organizations and transactions, protecting citizens and businesses from misrepresentation and fraud by providing public access to accurate and timely information, through law enforcement and through the issuance of professional credentials. The department fosters a well informed citizenry, business community and government, by promoting a responsive, transparent, competitive, and ethical business climate.

Goals

Facilitate economic growth and investment in North Carolina by maintaining a state of the art system of business document filings to provide continuous real-time online access to the public.

Protect the integrity of commercial and personal documents used by the legal, real estate, business, and financial communities by ensuring the reliability of the signatures on those transaction documents to protect North Carolina's citizens and businesses against fraud.

Build public confidence in state government and its policy decisions through the regulation of lobbying and related activities and by bringing increased disclosure and transparency to those activities.

Protect the investing and charitable giving public, as well as innovators, intellectual property owners and others, from misrepresentations and fraud through enforcement of the state's civil and criminal laws, ensuring citizens have the best possible information when making financial decisions.

Advance the delivery of e-government services to the public to maximize efficiency and accessibility of services while reducing costs and enabling North Carolina businesses to become more competitive.

Bolster North Carolina's image in the international community by assisting other North Carolina governmental agencies, businesses, and institutions in their efforts to engage in international educational, cultural, and business development activities to improve the quality of life for North Carolina citizens.

Work closely with customers, understand and respond to their needs in a courteous and professional manner, and exceed their expectations for service, incorporating quality, responsiveness and cost efficiency.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Web site page views	26,100,000	32,000,000	62,600,000	51,800,000	58,000,000
Percentage of electronic transactions	37%	45%	48%	-	-
Critical Process Turnaround Index (CPTI) ¹	-	-	-	-	95%

¹This measure is a weighted mix of key service turnaround performance in the Corporations, UCC, Notary, and Lobbyist Divisions

Governor's Recommended Adjustments to Base Budget

Department of Secretary of State (13200)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$12,495,289	\$12,570,327
Receipts	<u>\$640,633</u>	<u>\$641,797</u>
Appropriation	\$11,854,656	\$11,928,530
Adjustments		
Requirements	(\$743,936)	(\$743,936)
Receipts	=	=
Appropriation	(\$743,936)	(\$743,936)
Total		
Requirements	\$11,751,353	\$11,826,391
Receipts	<u>\$640,633</u>	<u>\$641,797</u>
Recommended Appropriation	<u>\$11,110,720</u>	<u>\$11,184,594</u>
<hr/>		
Positions		
Base Budget Positions	191.750	191.750
Reductions	(2.000)	(2.000)
Expansion	=	=
Recommended Positions	<u>189.750</u>	<u>189.750</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting Reform (Budget Salaries at Less than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes along with budget flexibility will allow the agency to operate more efficiently. General Fund salaries in the Department of Secretary of State are recommended to be reduced by 5%.

Appropriation (\$426,000) (\$426,000)

2. Reduce Various Operating Accounts

It is recommended that funding be reduced for various operating accounts across the agency.

Appropriation (\$243,454) (\$243,454)

3. Eliminate Vacant Positions

It is recommended that two vacant positions be eliminated across the agency.

Appropriation (\$74,482) (\$74,482)
Positions (2,000) (2,000)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements (\$743,936) (\$743,936)

Receipts - -

Appropriation (\$743,936) (\$743,936)

Positions (2,000) (2,000)

Nonrecurring

Requirements - -

Receipts - -

Appropriation - -

Positions - -

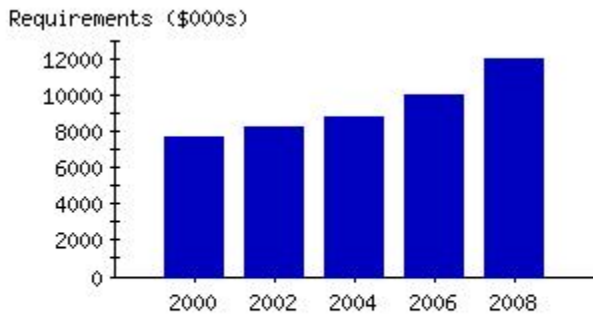
**Total Recommended Adjustments for
 Department of Secretary of State (13200)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$743,936)	(\$743,936)
Receipts	-	-
	(\$743,936)	(\$743,936)
Appropriation	(\$743,936)	(\$743,936)
Positions	(2.000)	(2.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	(\$743,936)	(\$743,936)
Total Position Adjustments	(2.000)	(2.000)

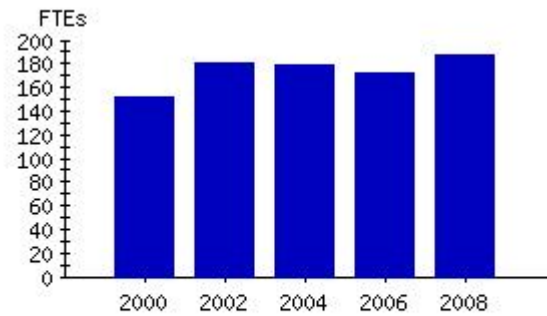
Base Budget and Performance Management Information

Budget Code 13200 Secretary of State - General Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$11,958,160	\$12,435,534	\$12,455,885	\$39,404	\$12,495,289	\$114,442	\$12,570,327
Receipts	\$1,114,669	\$719,415	\$739,766	(\$99,133)	\$640,633	(\$97,969)	\$641,797
Appropriation	\$10,843,491	\$11,716,119	\$11,716,119	\$138,537	\$11,854,656	\$212,411	\$11,928,530
Positions	187.750	191.750	191.750	-	191.750	-	191.750

Budget Code 13200 Secretary of State - General Fund

Fund 13200-1110 General Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,037,200	\$3,191,160	\$3,202,898	\$1,022	\$3,203,920	\$4,827	\$3,207,725
Receipts	\$17,244	\$1,000	\$1,000	\$0	\$1,000	\$0	\$1,000
Appropriation	\$3,019,956	\$3,190,160	\$3,201,898	\$1,022	\$3,202,920	\$4,827	\$3,206,725
Positions	37.000	38.000	38.000	-	38.000	-	38.000

Fund description

The purpose of General Administration is to provide executive management and administrative management for the department that enables the Secretary of State to implement statutory responsibilities and establish and achieve strategic goals and excellence in delivery of the services that the department offers. In addition to the Office of the Secretary and overall department management, General Administration includes information technology functions, and support for all IT infrastructure, applications, and web services. Also, departmental auditing, fiscal management, accounting, budgeting, purchasing, payroll, legislative liaison, facilities services, employee safety, EEO, training and HR administration functions are included in this category.

Services for the fund

Administrative Service - Human Resource Management. Oversee the recruitment and management of personnel; develop and implement HR strategy; coordinate and execute staff acquisition, organization and position management, compensation management, benefits management, employee development, and performance management; and regulate employee relations, separation management, and health and safety activities.

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
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\$410,432	5.000
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Administrative Service - Fiscal Management. Manage and analyze financial information; account for and forecast the use of department resources; conduct general ledger accounting; maintain accounts payable, collections and accounts receivable, payroll services, cash management, program payments, and contracts and grants management; provide asset and liability management; and execute financial reporting.

\$492,521	6.000
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Administrative Service - Budget and Analysis. Conduct resource planning and allocation activities; develop and execute the budget; and analyze issues impacting the department's budgets and management.

\$82,086	1.000
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Administrative Service - Purchasing. Coordinate and execute the acquisition of equipment, materials, services and supplies for the department.

\$82,086	1.000
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Administrative Service - Internal Auditing. Provide independent assessments to department management; ensure operations and programs comply with applicable laws and regulations; prevent inefficiency, fraud, and abuse; analyze exposure to risk and determine appropriate countermeasures; and ensure accounting, administrative, and other information systems have the proper controls.

\$82,086	1.000
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Administrative Service - Legal. Provide legal representation and litigation functions for the department.

\$164,173	2.000
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Executive Management. Provide executive leadership to staff, develop and communicate strategic vision to stakeholders, and provide agency level management in support of all functions and responsibilities of the department, ensuring effective and responsive services are provided to customers.	\$820,865	10.000
Information Technology. Coordinate information and technology resources and systems required to support departmental programs and services, including computer forensics, e-commerce, systems development, systems maintenance, IT infrastructure maintenance, IT security, and information management services to enhance customer service and quality and enhance productivity of departmental operations.	\$902,951	11.000
Actual Totals	\$3,037,200	37.000

Measures for the fund	2005-06	2006-07	2007-08
IT "help tickets" satisfactorily executed	2,833	3,934	3,395
Web visits to Department of Secretary of State website	62,600,000	51,800,000	58,000,000

Fund 13200-1120 Publications Division — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$463,251	\$473,874	\$473,874	\$1,560	\$475,434	\$46,918	\$520,792
Receipts	\$60,951	\$21,700	\$21,700	\$0	\$21,700	\$0	\$21,700
Appropriation	\$402,300	\$452,174	\$452,174	\$1,560	\$453,734	\$46,918	\$499,092
Positions	6.000	6.000	6.000	-	6.000	-	6.000

Fund description

The Publications Division assists state legislators, state agencies, schools, and the general public to develop a better knowledge and understanding of state government through the preparation and distribution of books such as the North Carolina Manual and the Directory of State and County Officials of North Carolina and other media releases and informational efforts. The division also serves state legislators, state agencies, schools, and the general public as custodian of public documents and records filed with the Secretary of State in accordance with General Statutes and by making access to these records available to state legislators, state agencies, schools, and the general public.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Major Publications. Research, write, edit, and publish the North Carolina Manual every two years and the Directory of State and County Officials each year for use by North Carolina's legislators, state agencies, colleges, universities, schools, and public libraries.	\$154,417	2.000
Other Publications. Create, edit, and print brochures for distribution to the department's target audience including investors, students, and businesses seeking to incorporate in North Carolina. Provide technical editorial and publishing assistance to other parts of the agency that publish books and manuals such as the Electronic Notarization Manual (Notary Section) to enhance departmental outreach efforts.	\$38,604	.500
Media/Public Information. Answer questions about departmental activities from the media and public of North Carolina, other state agencies, and from state legislators. Conduct proactive outreach to inform North Carolina citizens about the functions of the department.	\$173,719	2.250

Mail, Materials and Logistics. Coordinate mail routing, supplies, and materials, including time sensitive items that are delivered and picked up by overnight services, in support of division activities.	\$77,209	1.000
North Carolina Kids Page. Edit and maintain the Kids Page on the departmental website for use as a major resource for children and young people who are looking for North Carolina themed historical and governmental information.	\$19,302	.250
Actual Totals	\$463,251	6.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Average rank of the department's major publications on a five point grade by the Institute of Government's affiliated Civic Education Consortium ¹	4.42	4.68	-

¹Median rank on a scale of 1-5 (5=Very Useful; 1= Not Useful at All) of the perceived usefulness of the Department's Directory of State and County Officials of North Carolina by a sampling of end users.

Fund 13200-1150 Lobbyist Registration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$581,192	\$619,608	\$612,073	(\$77,041)	\$535,032	(\$77,041)	\$535,032
Receipts	\$99,255	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$481,937	\$619,608	\$612,073	(\$77,041)	\$535,032	(\$77,041)	\$535,032
Positions	8.000	9.000	9.000	-	9.000	-	9.000

Fund description

The purpose of the Lobbyist Compliance Division is to provide transparency for the public into the activities of those seeking to influence governmental policy decision making through the expenditure of money. This function enhances public confidence in state government as well as the regulated community itself. This function also provides reliable data to the media and public policy groups that they consider crucial to their missions. This is done by administering the laws and rules related to registering, expenditure reporting, investigating and imposing penalty sanctions on lobbyists, lobbyist principals, solicitors, and liaisons, and others who are required to report and to disclose their lobbying activities in the legislative and executive branches of state government.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Receive electronically and manually filed registrations and related fees from lobbyists, principals, solicitors, liaisons, and others required to report; and, make the registration information accessible to the public and designated individuals, enabling them to identify those authorized to lobby and to affect public policy decisions for compensation.	\$145,298	2.000
Conduct Tier 1 and 2 review phases of required expense reports in paper and electronic form which are filed by lobbyists, principals, solicitors, liaisons, and others required to report to determine if the required information is provided and to make accurate reports available to the public to ensure transparency of expenditures.	\$145,298	2.000
Conduct Tier 3 and 4 review phases of expense reports filed by lobbyists, principals, liaisons, and others required to report in order to compare and analyze filings to identify discrepancies between filers' filings and to identify the need for further investigative or enforcement action, which acts as a deterrent to concealment of lobbying activity.	\$72,649	1.000

Investigate irregularities found during divisional reviews of filings and complaints of violations from outside the department by reviewing files, interviewing witnesses, and analyzing evidence to identify alleged violations for enforcement sanction activity. Beneficiaries of this activity include the public, appointing entities, law enforcement agencies, designated individuals, and competitors of those engaged in illegal lobbying activities.	\$145,298	2.000
Evaluate alleged violations and take and/or impose enforcement sanctions based upon the nature and gravity of the offense. Utilizing the investigative reports and legal memoranda, either implement the sanction or refer the case to another agency for action up to and including criminal prosecution. This will benefit the designated individuals, the public, and the media by encouraging greater disclosure compliance and greater confidence in impartial public policy development.	\$72,649	1.000
Actual Totals	\$581,192	8.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of the registrations for lobbyists, principals, and solicitors that need correction or amendment	-	-	10 %
Percentage of reports submitted by lobbyists and principals that are indexed and verified within one week of receipt	-	-	75 %
Percentage of total reports reviewed and audited for compliance	-	-	25 %

Fund 13200-1210 Corporations Division — Base Budget

	<u>2007-08</u> Actual	<u>2008-09</u> Certified	<u>2008-09</u> Authorized	<u>2009-10</u> Adjustments	<u>2009-10</u> Total	<u>2010-11</u> Adjustments	<u>2010-11</u> Total
Requirements	\$2,729,259	\$2,668,476	\$2,668,196	(\$7,722)	\$2,660,474	(\$4,655)	\$2,663,541
Receipts	\$17,502	\$2,100	\$2,100	\$0	\$2,100	\$0	\$2,100
Appropriation	\$2,711,757	\$2,666,376	\$2,666,096	(\$7,722)	\$2,658,374	(\$4,655)	\$2,661,441
Positions	51.870	52.870	52.870	-	52.870	-	52.870

Fund description

The purpose of this fund is to serve and protect the general public, business owners, and legal and international communities by providing expert technical assistance and ensuring that documents and applications are examined, filed, registered, or served according to statutory requirements, maintained according to set standards, and available as public record. A concurrent purpose is to ensure the proper cash management functions within the division are completed accurately and in a timely fashion on a daily basis.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Advance Health Care Directive Registry. Maintain an Advance Health Care Directive Registry where the general public may place their Advance Health Care Directive online via the Internet to make these documents immediately available to health care providers and to ensure wishes for medical treatment and care are known and can be honored.	\$0	-
Authentications. Ensure documents presented for authentication or apostille by the general public for use in international jurisdictions are processed according to statutory requirements, processed in a timely manner, and an event is created within two days for each document logged.	\$105,235	2.000

Corporations Unit. Maintain a positive business climate by ensuring that business filings contain all statutory requirements, are filed on record, are maintained and archived per set standards, are made available at public record in a timely manner, and by providing certified documents and expert business assistance in a timely manner on a daily basis.	\$2,104,692	40.000
Receipting. Receive and prepare the division deposit for the business documents entering the division via regular mail or courier, approving the fee, endorsing the check, entering onto a mail log, and preparing the deposit for the agency cash management unit by a specific time daily. This activity includes front counter services for walk in customers.	\$210,469	4.000
Service of Process. Perfect service of legal documents serviced by law enforcement officers or the legal community of the Secretary of State's Office per statutory requirements on behalf of business entities on a daily basis.	\$52,617	1.000
Statewide Cable Franchise Filings. Examine and accept filings from cable operators according to statutory requirements and maintain those filings as a listing on an electronic register which is available on the Internet and make the complete filing available as public record in-house in paper form within five days.	\$0	-
Trademark Registration. Ensure that trademark and service mark applications from the business community are complete and examined per North Carolina statutes, and are registered and maintained in the State Trademark database. Ensure that the statutory requirements for affidavit of use and renewal are in compliance by the business entities or individuals. Maintain the official records of the trademark office per the current records retention schedule.	\$157,852	3.000
Trademark Enforcement. Protect the intellectual property rights of the business community and the general public by training local law enforcement and educating the public in regard to identifying counterfeit products and enforcement of the state's criminal trademark laws.	\$98,394	1.870
Actual Totals	\$2,729,259	51.870

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percent of creation documents received, reviewed, and committed within five days of receipt	99 %	92 %	99 %
Percent of expedited filings (24 hour and same day)	90 %	13 %	12 %
Percent of online annual report filings (includes B2B, Web and web/mail filings)	18 %	19 %	24 %

Fund 13200-1220 Certification and Filing Division — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,018,403	\$3,201,965	\$3,202,926	\$142,196	\$3,345,122	\$158,244	\$3,361,170
Receipts	\$58,545	\$34,825	\$34,825	\$0	\$34,825	\$0	\$34,825
Appropriation	\$2,959,858	\$3,167,140	\$3,168,101	\$142,196	\$3,310,297	\$158,244	\$3,326,345
Positions	54.000	54.000	54.000	-	54.000	-	54.000

Fund description

The Certification and Filing Division provides the business, financial, governmental, and legal community with timely and efficient service in the certification and registration of documents relating to commercial lending under Article 9 of the Uniform Commercial Code, the Notary Public Act and Land Records. The division provides a searchable public database of filings and provides technical assistance in order to accelerate and increase access to financial capital formation data and reduce the transactional risk to both businesses and individuals.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
File and examine UCC liens, Federal Tax Liens, Notary and eNotary filings according to statutory requirements; index and convert to electronic form; resolve complex issues of individuals and businesses regarding filed documents via phone, fax, mail, and e-mail; and archive the records per state standards so that all disclosable information and document images are available for public inspection.	\$2,277,776	40.750
Review complaints filed against North Carolina Notaries and eNotaries. Investigate, enforce, and sanction Notaries and eNotaries for violations of Chapter 10B, and maintain the quality and reliability of Notary services.	\$503,067	9.000
Examine and process Land Records document filings; index and convert to electronic form, provide training, technical assistance, and consultation to local governments to facilitate the creation, enhancement, and maintenance of state of the art and reliable Land Records systems, uniform land transfer recording processes, and accessibility of documents stored in their facilities to support establishment of legal title by facilitating real estate transactions.	\$125,767	2.250
Examine and process registrations for Business Opportunities, Loan Brokers, Telephonic Sellers, Campground Memberships, and their salespersons according to statutory requirements in order to provide public access to these records.	\$27,948	.500
Provide eNotary education through seminars, workshops, and instructor training to citizens, businesses, and local and state governments to promote electronic transactions in North Carolina ensuring proper utilization of e-Notary technology by the public.	\$83,845	1.500
Actual Totals	\$3,018,403	54.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percent of UCC filings received, processed, examined, scanned, indexed, verified and filed within 48 hours	-	96 %	97 %
Percent of Notary Public initial appointments, reappointments, and amendments processed within 48 hours	-	82 %	84 %
Percent of local mappers who are successfully certified as State Certified Property Mappers	-	98 %	98 %

Fund 13200-1230 Securities Division — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$1,517,155	\$1,722,661	\$1,717,777	(\$21,478)	\$1,696,299	(\$15,882)	\$1,701,895
Receipts	\$11,401	\$2,000	\$2,000	\$0	\$2,000	\$0	\$2,000
Appropriation	\$1,505,754	\$1,720,661	\$1,715,777	(\$21,478)	\$1,694,299	(\$15,882)	\$1,699,895
Positions	21.750	22.750	22.750	-	22.750	-	22.750

Fund description

The Securities Division protects the investing public and capital markets by preventing fraud in the sale of securities. The division reviews applications for registration of securities, regulates individuals licensed as security dealers, securities sales representatives, investment advisers, and investment advisor representatives through investigation and prosecution of violations; investigates and resolves violations of securities laws by negotiation, administrative hearings, or criminal prosecution; and provides investor education materials and programs.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Analyze investment related complaints received from the public or other sources, establish jurisdiction, respond to inquiries, and make referrals. Conduct investigations and initiate enforcement actions appropriate to protect investors from fraudulent securities activities.	\$819,612	11.750
Register securities dealers, salesmen, investment advisers, and investment adviser representatives; provide information on compliance requirements; and make registration information available to the investing public, the business community, and other enforcement agencies.	\$160,435	2.300
Audit investment adviser firms headquartered in North Carolina for compliance with state laws and regulations established for the protection of investors.	\$188,336	2.700
Analyze, assist with, and approve filings for proposed securities offerings, ensuring compliance with laws and regulations to prevent fraud and ensure fair dealing with investors.	\$285,992	4.100
Administer the qualified business tax credit program, including review and evaluation of applications, consultations with applicants for registration, and certification of qualified businesses to enable investors in certain types of businesses to receive a tax credit from the North Carolina Department of Revenue.	\$62,780	.900
Actual Totals	\$1,517,155	21.750

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Defective securities offerings not disapproved by deadline ¹	-	-	0
Deficient applications for licensure not disapproved by deadline ²	-	-	0
Administrative enforcement orders ³	-	-	30

¹The number of proceedings required to be instituted in order to deny the effectiveness of a securities filing that has become effective automatically.

²The number of proceedings required to be instituted in order to retroactively deny the effectiveness of a license that has become effective automatically.

³The number of actions to stop or prevent ongoing violations of the securities and investment adviser laws.

Fund 13200-1600 Charitable Fund Raising Licensure — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$611,700	\$557,790	\$578,141	\$867	\$579,008	\$2,031	\$580,172
Receipts	\$849,771	\$657,790	\$678,141	(\$99,133)	\$579,008	(\$97,969)	\$580,172
Appropriation	(\$238,071)	(\$100,000)	(\$100,000)	\$100,000	\$0	\$100,000	\$0
Positions	9.130	9.130	9.130	-	9.130	-	9.130

Fund description

The Charitable Solicitation Licensing Division conducts the registration of charitable organizations and paid fundraising professionals, including solicitors and fundraising consultants, as required by NCGS 131F, the Charitable Solicitations Act. The CSL Division also responds to and investigates inquiries and complaints from the public, the media, and other government agencies relating to potential violations of the Charitable Solicitations Act. This Division works to protect the charitable gifts of North Carolina citizens and to ensure that charitable donations are made to licensed or exempt organizations through efforts to educate the public and disclose information on file.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
License charitable organizations that solicit contributions from the citizens of North Carolina and the professional fundraisers they hire for the process of fundraising through the statutorily required registration process in order to prohibit deception, fraud, and misrepresentation.	\$301,495	4.500
Receive, process, and publish contracts and final accounting reports describing relationships between charitable organizations and professional fundraisers to provide public access to information regarding charitable enterprises operating in North Carolina.	\$53,599	.800
Respond to inquiries from the public, media, and government entities. Initiate investigations into inquiries by collecting evidence and conducting interviews to make case conclusions. Initiate appropriate enforcement actions and collect corresponding penalties to guard against deceptive, dishonest practices and the improper use of funds intended for charitable purposes.	\$122,608	1.830
Educate the public on their rights under the Charitable Solicitation Act through 1) the production and distribution of an Annual Report; 2) maintenance of an on-line search function of records on file with this office; and 3) sponsoring and presenting public education seminars to vulnerable communities within the state's population including senior citizens and minorities to protect the population vulnerable to dishonest practices or improper use of charitable contributions.	\$66,999	1.000
Educate charitable organizations and fundraising professionals of obligations under the Charitable Solicitation Act by participation in gatherings/conferences of this population, correspondence to newly formed charitable corporations, and providing easy access to forms and documents via the division's website to protect the population vulnerable to dishonest practices or improper use of charitable contributions.	\$66,999	1.000
Actual Totals	\$611,700	9.130

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of CSL inquiries/complaints resulting in enforcement action (i.e., fine or penalty, cease and desist, revocation of license, etc.)	-	25.0 %	9.7 %

Office of the State Auditor

Mission

To provide assurance to interested parties that state resources are properly accounted for and managed and to improve the performance and accountability of state government through the independent examination of the state's financial affairs and program services.

Goals

Conduct and coordinate timely audits of state government and publicly-funded programs as required in the statutory duties of the State Auditor and to comply with federal requirements. Specifically, the office audits the State of North Carolina's financial statements and major federal programs, financial statements of individual agencies and institutions with identified financial statement users, as well as the effectiveness and efficiency of publicly-funded programs to help ensure financial accountability to resource providers and other interested parties, such as taxpayers and their advocates, federal grantor agencies, and creditors. Each audit is conducted in accordance with applicable professional standards.

Investigate and report on allegations of improper government activities that may be initiated by anonymous calls, agency personnel, or request from legislators through on-site visits, records analysis, personal interviews, and documentation review to determine the validity of the allegations, and make recommendations on ways to correct the improper activities.

Implement initiatives identified as a result of audits and investigations which proactively strengthen management of state resources, thereby helping ensure interested parties that state resources are economically, efficiently, and effectively utilized.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Comments received from peer reviews ¹	-	-	0	-	-
Percent of time the issuance of report on the state's financial statements and major federal programs issued by mandated deadlines	100%	100%	100%	100%	100%
Percent of time the state's Single Audit Report accepted by the federal clearinghouse by the required deadline	100%	100%	100%	100%	100%

¹External peer reviews occur every 3 years

Governor's Recommended Adjustments to Base Budget

Office of the State Auditor (13300)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$18,754,449	\$18,772,661
Receipts	<u>\$4,365,338</u>	<u>\$4,367,278</u>
Appropriation	\$14,389,111	\$14,405,383
Adjustments		
Requirements	(\$1,164,599)	(\$1,164,599)
Receipts	=	=
Appropriation	(\$1,164,599)	(\$1,164,599)
Total		
Requirements	\$17,589,850	\$17,608,062
Receipts	<u>\$4,365,338</u>	<u>\$4,367,278</u>
Recommended Appropriation	<u>\$13,224,512</u>	<u>\$13,240,784</u>
<hr/>		
Positions		
Base Budget Positions	202.000	202.000
Reductions	(5.000)	(5.000)
Expansion	—	—
Recommended Positions	<u>197.000</u>	<u>197.000</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting Reform (Budget Salaries at Less than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes along with budget flexibility will allow the agency to operate more efficiently. General Fund salaries in the Office of the State Auditor are recommended to be reduced by 6%.

Appropriation (\$763,536) (\$763,536)

2. Reduce Various Operating Accounts

It is recommended that funding be reduced for various operating accounts across the agency.

Appropriation - Nonrecurring (\$100,266) (\$100,266)

Field Audit Division

1. Eliminate Grants Training Unit

It is recommended that the Grants Training Unit be eliminated, including the elimination of five positions.

Appropriation (\$300,797) (\$300,797)

Positions (5.000) (5.000)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements (\$1,064,333) (\$1,064,333)

Receipts - -

Appropriation (\$1,064,333) (\$1,064,333)

Positions (5.000) (5.000)

Nonrecurring

Requirements (\$100,266) (\$100,266)

Receipts - -

Appropriation (\$100,266) (\$100,266)

Positions - -

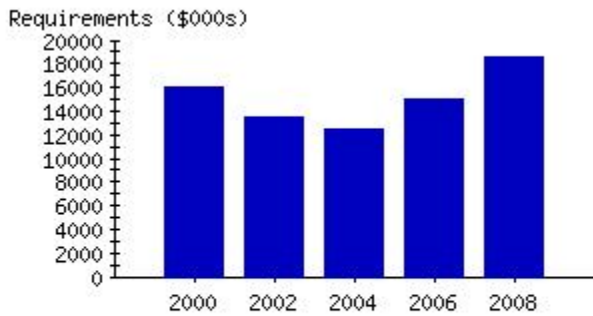
**Total Recommended Adjustments for
 Office of the State Auditor (13300)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$1,064,333)	(\$1,064,333)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$1,064,333)	(\$1,064,333)
Positions	(5.000)	(5.000)
Nonrecurring		
Requirements	(\$100,266)	(\$100,266)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$100,266)	(\$100,266)
Positions	-	-
Total Appropriation Adjustments	(\$1,164,599)	(\$1,164,599)
Total Position Adjustments	(5.000)	(5.000)

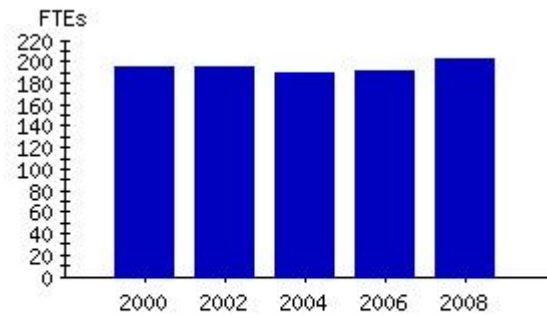
Base Budget and Performance Management Information

Budget Code 13300 Office of the State Auditor - General Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$18,559,947	\$17,289,791	\$18,107,284	\$647,165	\$18,754,449	\$665,377	\$18,772,661
Receipts	\$5,524,956	\$3,921,048	\$4,738,541	(\$373,203)	\$4,365,338	(\$371,263)	\$4,367,278
Appropriation	\$13,034,991	\$13,368,743	\$13,368,743	\$1,020,368	\$14,389,111	\$1,036,640	\$14,405,383
Positions	202.000	194.000	202.000	-	202.000	-	202.000

Budget Code 13300 Office of the State Auditor - General Fund

Fund 13300-1110 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,262,141	\$1,290,065	\$1,295,065	\$5,155	\$1,300,220	\$5,155	\$1,300,220
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$1,262,141	\$1,290,065	\$1,295,065	\$5,155	\$1,300,220	\$5,155	\$1,300,220
Positions	14.000	14.000	14.000	-	14.000	-	14.000

Fund description

The purpose of the Administration and Budget Division is to provide the administrative support and direction necessary to assure the efficient performance of all statutory responsibilities of the Office of the State Auditor. To carry out this responsibility, the division 1) maintains all departmental records in accordance with generally accepted accounting principles, 2) prepares and submits to the Office of State Budget and Management the annual and biennial budget requests for the department, 3) assures departmental compliance with the rules and regulations of the Offices of State Personnel and State Budget and Management as well as other central regulatory offices, and 4) approves agency contracts for audit services which impact the state's Comprehensive Annual Financial Report.

Services for the fund

Administrative Service - Human Resource Management. Oversee the recruitment and management of personnel; develop and implement HR strategy; coordinate and execute staff acquisition, organization and position management, compensation management, benefits management, employee development, and performance management; and regulate employee relations, separation management, and health and safety activities.

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
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\$175,404	2.500
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Administrative Service - Fiscal Management. Manage and analyze financial information; account for and forecast the use of department resources; conduct general ledger accounting; maintain accounts payable, collections and accounts receivable, payroll services, cash management, program payments, and contracts and grants management; provide asset and liability management; and execute financial reporting.

\$137,827	1.750
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Administrative Service - Budget and Analysis. Conduct resource planning and allocation activities; develop and execute the budget; and analyze issues impacting the department's budgets and management.

\$68,816	.650
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Administrative Service - Purchasing. Coordinate and execute the acquisition of equipment, materials, services and supplies for the department.

\$39,037	.700
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Administrative Service - Internal Auditing. Provide independent assessments to department management; ensure operations and programs comply with applicable laws and regulations; prevent inefficiency, fraud, and abuse; analyze exposure to risk and determine appropriate countermeasures; and ensure accounting, administrative, and other information systems have the proper controls.

\$7,474	.050
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Administrative Service - Legal. Provide legal representation and litigation functions for the department.

\$107,294	1.000
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Administrative Service - Public Information/Communication. Exchange information and communication between the department, citizens, and stakeholders; establish and promote media relations; prepare and publish press releases and other publications; and coordinate events and conference delivery.	\$92,611	1.000
Senior Management. Provide the administrative support and direction necessary to assure the efficient performance of all statutory responsibilities of the Office of the State Auditor.	\$633,678	6.350
Actual Totals	\$1,262,141	14.000

Fund 13300-1120 Support Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$463,087	\$361,045	\$394,825	\$0	\$394,825	\$0	\$394,825
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$463,087	\$361,045	\$394,825	\$0	\$394,825	\$0	\$394,825
Positions	-	-	-	-	-	-	-

Fund description

The Support Services Division is established solely to account for general expenditures of the department. To carry out this responsibility, this fund is used to account for expenditures that cannot be readily designated to a specific fund.

Fund 13300-1210 Field Audit Division — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$16,834,719	\$15,638,681	\$16,417,394	\$642,010	\$17,059,404	\$660,222	\$17,077,616
Receipts	\$5,524,956	\$3,921,048	\$4,738,541	(\$373,203)	\$4,365,338	(\$371,263)	\$4,367,278
Appropriation	\$11,309,763	\$11,717,633	\$11,678,853	\$1,015,213	\$12,694,066	\$1,031,485	\$12,710,338
Positions	188.000	180.000	188.000	-	188.000	-	188.000

Fund description

The purpose of the Field Audit Division is to perform and coordinate all audits of governmental organizations, programs, activities, and functions funded wholly or in part with state funds to ensure that all resources are appropriately used and used in accordance with applicable laws and regulations. To carry out this responsibility, the division conducts the following activities: 1) annual audit of the state's Comprehensive Annual Financial Report, 2) annual audit of federal programs administered by the state as required by the federal Single Audit Act, 3) annual or biennial financial statement audits of universities, community colleges, Smart Start organizations, and certain state authorities, 4) on a periodic basis, fiscal control audits of clerks of superior court and general government agencies, 5) performance audits of selected state programs and activities, 6) information systems audits of computer services centers and applications, 7) investigative audits of alleged fraud, waste, and abuse, 8) oversight responsibilities for the reporting requirements of nongovernmental entities receiving state funds, and 9) quality control and continuing professional education program for audit staff.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Conduct and coordinate timely financial and financial-related audits of state government and state funded programs as required as part of the statutory duties of the State Auditor and to comply with requirements of the federal government to ensure accurate financial accounting and reporting; compliance with laws, regulations and provisions of contracts or grant agreements; and prudent financial management practices.	\$9,686,758	121.000
Investigate and report on allegations of fraud, waste, and abuse or other improper government activities which may be initiated by anonymous calls to the telephone hotline, by e-mail, by agency personnel, or through requests from legislators; conduct investigations of such allegations; develop recommendations for corrective actions; and report to interested parties.	\$1,024,940	10.000
Assist the audit staff in retrieving financial and statistical data for analysis within their respective audits, to provide technical expertise on the auditee's electronic data processing systems, to perform audits on selected state entity's computer's general and applications controls (controls that protect an agency's data), and to perform intrusion testing at selected entities at the request of the audit staff or entity.	\$2,778,572	19.000
Conduct and coordinate performance audits selected through mandates from the General Assembly, Governor, members of the General Assembly, department/agency heads, or private citizens and areas of concern identified in other audits performed by the State Auditor and to examine evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function and in order to provide information and improve public accountability.	\$1,589,903	20.000
Assess state grantee compliance with state grant reporting requirements by reviewing submitted reports; reporting results identified; providing grantee specific training and best practices data to state agencies and grantees; identifying and implementing proactive methods of improving state agency services to the public; and monitoring grantor agency responsibilities and grantees' use of state and federal pass-through grant funds through investigations and reviews of grants.	\$807,069	10.000
Provide technology support for the Office of State Auditor (OSA) auditors; provide oversight of Senate Bill 991 compliance; provide Enterprise Technology planning and implementation; and automate OSA's critical business functions to increase productivity by conducting test cases, interviewing staff and resource personnel, and reacting to the feedback of both the audit and administrative staff.	\$947,477	8.000
Actual Totals	\$16,834,719	188.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Adjusted number of financial and financial-related audits performed each year per auditor	1.67	1.82	1.75
Performance audit reports issued	5	5	8
Investigative audit cases closed during year	170	139	140
Investigative audit new cases received during year	137	123	125
Investigative audit reports/management letters released	24	16	17
Agency and grantee monitoring and compliance audits completed by the Management Services and Nongovernmental Compliance Division ¹	-	26	30

¹Division began in July 2005

Department of State Treasurer

Mission

The mission of the Department of the State Treasurer is to protect the financial health of the State and its citizenry by serving as the state's banker and chief investment officer, administering the public employee retirement systems and other employee benefit plans for public employees assigned to the department, assisting units of local government in the state in maintaining strong fiscal health, and administering the escheat and abandoned property program.

Goals

Safeguard the state's financial resources as the state's banker and chief investment officer by maximizing returns through sound investment practices.

Provide sound fiscal counsel to local governmental units by assisting them in the sale of local government obligations and in using good budgeting, accounting, reporting, and related fiscal procedures in order to maintain good fiscal health.

Obtain the lowest cost of capital to finance additions and improvements to the infrastructure of the state and its municipalities by selecting the debt vehicle and sale date that are most beneficial to the borrower.

Provide the security of a guaranteed retirement benefit by administering the public employee retirement systems and other fringe benefit programs assigned to the department in an effective and efficient manner.

Maximize the return of escheated and abandoned property to rightful owners by administering an Unclaimed Property Program in an effective and efficient manner.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of returns on investments achieving benchmarks established by the State Treasurer (Actual/Benchmark)	96.9%	97.1%	106.0%	98.1%	109.3%
Percentage of benefits paid within target timeframes	-	90.0%	78.0%	90.2%	79.5%
Annual Escheat receipts (\$ million)	\$77,346	\$80,628	\$98,885	\$159,036	\$111,952

Governor's Recommended Adjustments to Base Budget

Department of State Treasurer (13410)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$41,604,338	\$41,689,410
Receipts	<u>\$30,454,336</u>	<u>\$30,525,620</u>
Appropriation	\$11,150,002	\$11,163,790
Adjustments		
Requirements	(\$779,358)	(\$779,358)
Receipts	=	=
Appropriation	(\$779,358)	(\$779,358)
Total		
Requirements	\$40,824,980	\$40,910,052
Receipts	<u>\$30,454,336</u>	<u>\$30,525,620</u>
Recommended Appropriation	<u>\$10,370,644</u>	<u>\$10,384,432</u>
<hr/>		
Positions		
Base Budget Positions	357.940	357.940
Reductions	(1.000)	(1.000)
Expansion	=	=
Recommended Positions	<u>356.940</u>	<u>356.940</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting Reform (Budget Salaries at Less than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operating were increased in the continuation budget. These changes along with budget flexibility will allow the agency to operate more efficiently. General Fund salaries in the Department of State Treasurer are recommended to be reduced by 6%.

Appropriation (\$302,328) (\$302,328)

2. Reduce Various Operating Accounts

It is recommended that funding be reduced for various operating accounts across the agency.

Appropriation (\$308,376) (\$308,376)

Appropriation - Nonrecurring (\$119,053) (\$119,053)

3. Eliminate Vacant Position

It is recommended that one vacant position be eliminated.

Appropriation (\$49,601) (\$49,601)

Positions (1.000) (1.000)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements (\$660,305) (\$660,305)

Receipts - -

Appropriation (\$660,305) (\$660,305)

Positions (1.000) (1.000)

Nonrecurring

Requirements (\$119,053) (\$119,053)

Receipts - -

Appropriation (\$119,053) (\$119,053)

Positions - -

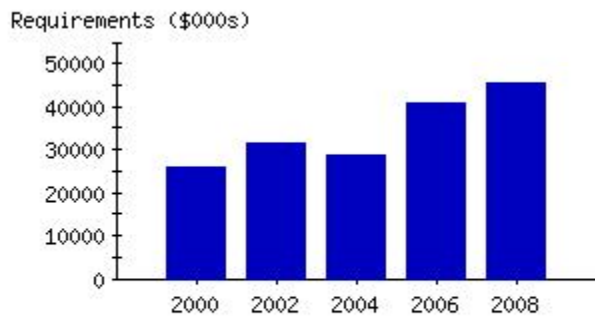
**Total Recommended Adjustments for
 Department of State Treasurer (13410)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$660,305)	(\$660,305)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$660,305)	(\$660,305)
Positions	(1.000)	(1.000)
Nonrecurring		
Requirements	(\$119,053)	(\$119,053)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$119,053)	(\$119,053)
Positions	-	-
Total Appropriation Adjustments	(\$779,358)	(\$779,358)
Total Position Adjustments	(1.000)	(1.000)

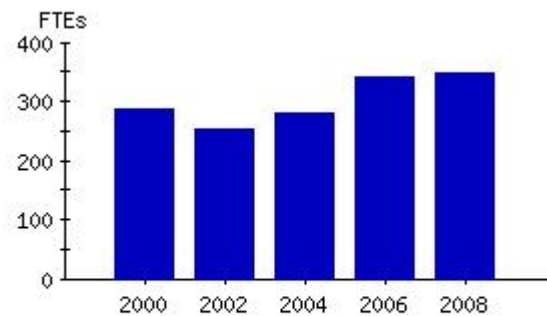
Base Budget and Performance Management Information

Budget Code 13410 Office of State Treasurer - General Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Position increases largely due to new positions in the Retirement Systems Division.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$45,321,086	\$43,338,324	\$43,887,507	(\$2,283,169)	\$41,604,338	(\$2,198,097)	\$41,689,410
Receipts	\$36,058,195	\$32,524,153	\$33,073,336	(\$2,619,000)	\$30,454,336	(\$2,547,716)	\$30,525,620
Appropriation	\$9,262,891	\$10,814,171	\$10,814,171	\$335,831	\$11,150,002	\$349,619	\$11,163,790
Positions	347.940	358.000	357.940	-	357.940	-	357.940

Budget Code 13410 Office of State Treasurer - General Fund

Fund 13410-1110 General Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,356,293	\$1,433,346	\$1,488,472	\$1,145	\$1,489,617	\$819	\$1,489,291
Receipts	\$1,356,293	\$1,433,346	\$1,488,472	\$1,145	\$1,489,617	\$819	\$1,489,291
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	17.300	16.390	17.300	-	17.300	-	17.300

Fund description

The purpose of the General Administration Division is to provide executive leadership and management to the Department of State Treasurer and the program divisions within the department to assure the efficient performance of all statutory responsibilities. This division also supports the Human Resources Office and provides mail services and supplies department wide.

Services for the fund

Administrative Service - Human Resource Management. Oversee the recruitment and management of personnel; develop and implement HR strategy; coordinate and execute staff acquisition, organization and position management, compensation management, benefits management, employee development, and performance management; and regulate employee relations, separation management, and health and safety activities.

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
\$378,055	5.000

Administrative Service - Public Information/Communication. Exchange information and communication between the department, citizens, and stakeholders; establish and promote media relations; prepare and publish press releases and other publications; and coordinate events and conference delivery.

\$176,147	2.000
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Provide executive management for departmental activities and set strategic goals for the department.

\$679,284	8.300
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Provide supply room, mail, and courier services on a department wide basis.

\$122,807	2.000
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Actual Totals

\$1,356,293	17.300
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Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Personnel actions processed during the year	583	532	446

Fund 13410-1130 Escheat Fund Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,341,534	\$2,968,159	\$2,980,205	\$1,804	\$2,982,009	\$3,837	\$2,984,042
Receipts	\$3,341,534	\$2,968,159	\$2,980,205	\$1,804	\$2,982,009	\$3,837	\$2,984,042
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	29.700	29.700	29.700	-	29.700	-	29.700

Fund description

The purpose of the Unclaimed Property Division is to collect escheated and abandoned property, refund the property to its owner when found, and provide the interest earnings for student loans and financial aid. The division works to locate the owners of the property by various means, including listing names on the department's website, earning media coverage through television and newspapers, mailings lists to Clerks of Court, and attending outreach events, such as the North Carolina State Fair, throughout the state to promote public awareness about the program.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Obtain reporting compliance and payment of abandoned and unclaimed property belonging to North Carolina citizens.	\$1,429,764	13.000
Attempt to locate owners of unclaimed property and return to those owners upon their claim the value of escheated and abandoned property previously remitted.	\$1,506,751	13.700
Provide administrative management and support for the Unclaimed Property Program.	\$405,019	3.000
Actual Totals	\$3,341,534	29.700

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Funds transferred to the State Educational Assistance Authority to make loans and provide financial aid to needy and worthy students (\$ million)	\$24,726	\$22,731	\$27,484
Refunds to rightful owners (\$ million)	\$24,045	\$27,180	\$28,341

Fund 13410-1150 Information Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$6,624,798	\$6,867,418	\$7,124,601	\$12,794	\$7,137,395	\$20,468	\$7,145,069
Receipts	\$6,624,799	\$6,867,418	\$7,124,601	\$12,794	\$7,137,395	\$20,468	\$7,145,069
Appropriation	(\$1)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	44.000	47.810	48.000	-	48.000	-	48.000

Fund description

The primary purposes of the Information Technology Division of the Department of the State Treasurer are to plan, develop, implement, enhance, and support the automated systems that meet the programmatic requirements of the department and to ensure that the information resources are utilized in the most efficient and cost effective manner. The division operates a technology helpdesk, develops progressive technology solutions, advises senior management on technology matters, and implements technology solutions for the department.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide network, mainframe, hardware, and software support for the department in an efficient and timely manner while ensuring full compliance with the North Carolina Statewide Technical Architecture.	\$2,872,460	19.000
Create, maintain, and develop technical solutions to support applications development of dynamic technology for departmental projects.	\$3,147,610	21.000

Provide disaster recovery/business continuity, network security, technology procurement, and budgeting for the department as well as administrative management of the Information Technology division.	\$604,728	4.000
Actual Totals	\$6,624,798	44.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
IT Help Desk tickets issued	3,079	4,042	7,143
Projects completed	7	13	18

Fund 13410-1210 Investment Management — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,247,131	\$4,414,349	\$4,414,349	(\$27)	\$4,414,322	\$3,287	\$4,417,636
Receipts	\$18,491	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$3,228,640	\$4,414,349	\$4,414,349	(\$27)	\$4,414,322	\$3,287	\$4,417,636
Positions	22.000	28.000	28.000	-	28.000	-	28.000

Fund description

The purpose of the fund is to protect the assets of the North Carolina Retirement System (NCRS), to maintain reasonable costs relating to managing the investments of NCRS, and to ensure retirement contributions are prudently invested in accordance with North Carolina General Statutes and Department of State Treasurer policies and guidelines. The division models a policy portfolio that should, over time, produce a return that exceeds actuarial requirements with prudent risk guidelines.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Oversee the department's investment funds and manage the Investment Division. Monitor investment activity for compliance with policy and develop operating budgets.	\$811,782	5.500
Ensure UNC Hospital contributions in equity portfolios and Unclaimed Property contributions in long term investment portfolio are traded and processed.	\$73,798	.500
Identify multiple public equity strategies, select the external managers to implement these strategies, and monitor those managers on an ongoing basis to ensure that the \$38 billion managed by 16 firms produce consistently strong annual returns.	\$590,388	4.000
Manage the state's Long Term Investment Portfolio internally with more than 1,300 securities totaling more than \$25.8 billion, including determining asset allocation, judging relative value, performing credit analysis, and trading in government, corporate and mortgage debt.	\$664,186	4.500
Manage the state's Short Term Investment Portfolio internally with more than 160 securities totaling over \$10 billion. Portfolio management includes determining asset allocation, judging relative value, performing credit analysis, and trading in government and corporate debt.	\$221,395	1.500
Identify multiple real estate strategies, select the external managers to implement these strategies, and monitor those managers on an ongoing basis to ensure the more than \$2.5 billion managed by 34 firms produce consistently strong annual returns.	\$442,791	3.000
Identify multiple alternative investment strategies, select external managers to implement these strategies, and monitor those managers on an ongoing basis to ensure the more than \$1.5 billion managed by 44 firms produce consistently strong annual returns.	\$442,791	3.000
Actual Totals	\$3,247,131	22.000

Measures for the fund	2005-06	2006-07	2007-08
Percentage of returns on investments achieving benchmarks established by the State Treasurer (actual/benchmark)	106.0 %	98.1 %	109.3 %
Benefits paid out (\$ million) ¹	\$3,255.0	\$3,475.0	\$3,705.0
Percentage of risk on investments compared to benchmarks established by the State Treasurer (Actual/Benchmark) ²	112.3 %	108.2 %	108.6 %

¹It is necessary to structure the portfolio in a manner that sufficient cash flow exists to pay these obligations as they become due, without the requirement for unplanned liquidation of securities.

²Risk is measured by the way the fund performs in up and down markets as compared to assigned benchmarks. The portfolio is structured in a manner to maintain low volatility as it relates to price fluctuations.

Fund 13410-1310 Local Government Operations — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,966,875	\$4,197,106	\$4,197,106	\$331,996	\$4,529,102	\$339,619	\$4,536,725
Receipts	\$984,132	\$975,346	\$975,346	\$711	\$976,057	\$935	\$976,281
Appropriation	\$2,982,743	\$3,221,760	\$3,221,760	\$331,285	\$3,553,045	\$338,684	\$3,560,444
Positions	37.000	37.000	37.000	-	37.000	-	37.000

Fund description

Local Government Operations provide for the approval and sale of local government bonds and assistance to local governments in improving their fiscal policies and financial positions as provided in the Local Government Budget and Fiscal Control Act (G.S. Chapter 159). Local Government Operations also provide approval and sale of tax-exempt financing through the North Carolina Capital Facilities Finance Agency pursuant to G.S. 159D and the planning and sale of state bonds. The division is organized to provide the State Treasurer, the Local Government Commission, the North Carolina Infrastructure Finance Corporation, and North Carolina Capital Facilities Finance Agency with staff assistance in fulfilling their respective statutory functions.

Services for the fund

	Actual Requirements 2007-08	Actual FTEs 2007-08
Counsel and assist local governments in determining the feasibility of a project, the size of the financing, and the most expedient form of financing; conduct the sale and delivery of local government debt and monitors its repayment; issue and monitor all state debt, conduct the debt affordability analysis, and develop recommendations to executive and legislative branches; and process local government financing applications for approval by Local Government Commission.	\$1,929,830	18.000
Monitor the fiscal health of local governments and public authorities in North Carolina by review of each unit's annual audit and other financial reports; provide consultative services on fiscal management, accounting, reporting, and compliance issues; and ensure the integrity of local government and public authority financial operations by proactive oversight.	\$1,822,618	17.000
Conduct activities of the North Carolina Capital Facilities Finance Agency in accordance with G.S. 159D including providing tax-exempt conduit financing for eligible entities within the state.	\$214,427	2.000
Actual Totals	\$3,966,875	37.000

Measures for the fund	2005-06	2006-07	2007-08
State and local government debt issues (\$ million)	\$5,530	\$7,676	\$7,516
Local government audits reviewed	1,218	1,238	1,188
Debt issues approved by the North Carolina Capital Facilities Finance Agency (\$ million)	\$129.6	\$922.4	\$1,031.5

Fund 13410-1320 State Bond Issuance — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$12,550	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$12,550	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

This fund is used to account for the cost of issuing state debt, i.e., bonds. All bond issuance costs are recorded in this fund. Interest earnings on bond proceeds are transferred in to cover the costs.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Bond sale and Arbitrage.	\$12,550	-
Actual Totals	\$12,550	-

Fund 13410-1410 Retirement Operations — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$22,185,270	\$18,769,398	\$18,994,226	(\$2,633,792)	\$16,360,434	(\$2,575,717)	\$16,418,509
Receipts	\$22,185,269	\$18,769,398	\$18,994,226	(\$2,633,792)	\$16,360,434	(\$2,575,717)	\$16,418,509
Appropriation	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Positions	161.940	163.090	161.940	-	161.940	-	161.940

Fund description

The consolidated Retirement Systems administer the several public pension plans for the State of North Carolina and Local Governmental entities and administers the State's Long Term Disability program. The many processes performed by the agency include benefit payments to approximately 200,000 recipients, system enrollment, refund payments, cost estimates, service purchases, and member contact and counseling for the systems approximately 750,000 members. The purpose of the retirement systems and benefit plans is to recruit and retain skilled employees for a career in public service by providing a replacement income for retirement, disability, or an employee's survivors.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Provide accurate and efficient financial data and benefit payroll services to members of the various retirement systems in a customer driven environment.	\$3,128,709	23.000
Deliver prompt contribution refunds, disability and death benefits to employees, retirees, and their beneficiaries in an effective and efficient manner.	\$3,400,771	25.000
Deliver customer focused service to public employees and employers by providing accurate, efficient, and timely information and education through call center operations, email, correspondence, visitor appointments, and public meetings.	\$7,221,878	52.940
Ensure timely and accurate processing, internal distribution, storage, and protection of personal member information for the purpose of paying retirement and retirement related benefits.	\$3,400,771	25.000
Deliver prompt retirement benefits to employees and retirees in an efficient manner through the accurate and timely processing of retirement benefit estimates and final retirement benefit calculations, and deliver support to employees and retirees by processing requests to purchase service and other related calculations.	\$5,033,141	36.000
Actual Totals	\$22,185,270	161.940

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Benefits paid out (\$ million)	\$3,255	\$3,475	\$3,705
Retirement systems membership	756,000	780,000	820,000
Budget expenditure per member compared to the peer average of approximately \$70 per member (dollars)	\$17.36	\$18.02	\$17.82

Fund 13410-1510 Financial Operations Division — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,586,635	\$4,688,548	\$4,688,548	\$2,911	\$4,691,459	\$9,590	\$4,698,138
Receipts	\$1,535,127	\$1,510,486	\$1,510,486	(\$1,662)	\$1,508,824	\$1,942	\$1,512,428
Appropriation	\$3,051,508	\$3,178,062	\$3,178,062	\$4,573	\$3,182,635	\$7,648	\$3,185,710
Positions	36.000	36.000	36.000	-	36.000	-	36.000

Fund description

The purpose of the Financial Operations Division is to provide financial oversight and accounting control over all state funds for which the State Treasurer serves as banker and investment officer. The division also works to ensure that these funds are properly accounted for and reported.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administrative Service - Fiscal Management. Manage and analyze financial information; account for and forecast the use of department resources; conduct general ledger accounting; maintain accounts payable, collections and accounts receivable, payroll services, cash management, program payments, and contracts and grants management; provide asset and liability management; and execute financial reporting.	\$820,085	8.000
Administrative Service - Budget and Analysis. Conduct resource planning and allocation activities; develop and execute the budget; and analyze issues impacting the department's budgets and management.	\$73,406	1.000
Administrative Service - Purchasing. Coordinate and execute the acquisition of equipment, materials, services and supplies for the department.	\$69,636	1.000
Monitor and audit the departments' custodial financial activity to ensure accurate and timely financial reporting and compliance with statutory requirements.	\$530,454	6.000
Provide banking services to state departments, agencies, institutions, local school units, community colleges, and universities including managing funds belonging to the General Fund, the Highway Fund, and various pension and trust funds and performing cash management functions relating to the receipt and disbursement of funds.	\$3,093,054	20.000
Actual Totals	\$4,586,635	36.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Debt Service wire transfer payments processed	54	66	63
Investment assets at year end at market value (\$ million)	\$77,821	\$87,671	\$85,082
Transaction amount of electronic warrants processed by Banking Operations (billion) (dollars)	\$102.9	\$108.4	\$116.8

Governor's Recommended Adjustments to Base Budget

State Treasurer - Retirement for Fire and Rescue Squad Workers and Line of Duty Death Benefits (13412)

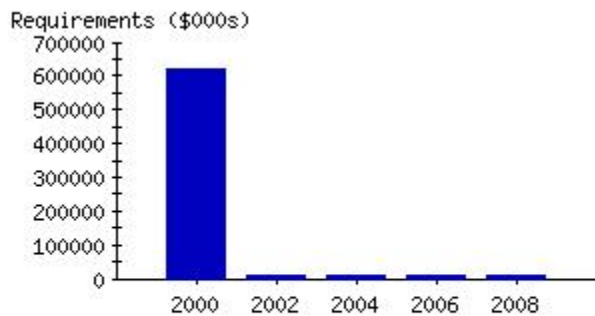
Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$10,804,671	\$10,804,671
Receipts	=	=
Appropriation	\$10,804,671	\$10,804,671
Adjustments		
Requirements	-	-
Receipts	=	=
Appropriation	-	-
Total		
Requirements	\$10,804,671	\$10,804,671
Receipts	=	=
Recommended Appropriation	<u>\$10,804,671</u>	<u>\$10,804,671</u>
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Positions		
Base Budget Positions	-	-
Reductions	-	-
Expansion	<u>-</u>	<u>-</u>
Recommended Positions	<u>-</u>	<u>-</u>

Base Budget and Performance Management Information

Budget Code 13412 State Treasurer - Transfer Retirement System

Actual Expenditures by Fiscal Year



Data for 2000 reflect one-time legal settlement.

	Base Budget						
	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$9,253,957	\$10,486,808	\$10,486,808	\$317,863	\$10,804,671	\$317,863	\$10,804,671
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$9,253,957	\$10,486,808	\$10,486,808	\$317,863	\$10,804,671	\$317,863	\$10,804,671
Positions	-	-	-	-	-	-	-

Budget Code 13412 State Treasurer - Transfer Retirement System

Fund 13412-1412 General Fund Contribution to Fire Pension — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$7,631,050	\$8,658,901	\$8,658,901	\$279,719	\$8,938,620	\$279,719	\$8,938,620
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$7,631,050	\$8,658,901	\$8,658,901	\$279,719	\$8,938,620	\$279,719	\$8,938,620
Positions	-	-	-	-	-	-	-

Fund description

This fund accounts for the General Fund appropriation in support of the Firemen's Pension Fund. These funds are transferred to Budget Code 63434, where the pension benefits are recorded. The payment of these pension benefits is made pursuant to G.S. 58-86.

Services for the fund	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Firemen and Rescue	\$7,631,050	-
Actual Totals	\$7,631,050	-

Fund 13412-1413 General Fund Contribution to Rescue Squad — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,102,907	\$1,102,907	\$1,102,907	\$38,144	\$1,141,051	\$38,144	\$1,141,051
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$1,102,907	\$1,102,907	\$1,102,907	\$38,144	\$1,141,051	\$38,144	\$1,141,051
Positions	-	-	-	-	-	-	-

Fund description

This fund accounts for the General Fund appropriation in support of the Rescue Squad Workers' Pension Fund. These funds are transferred to Budget Code 63435, where the pension benefits are recorded. The payment of these pension benefits is made pursuant to G.S. 58-86.

Services for the fund	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Firemen and Rescue	\$1,102,907	-
Actual Totals	\$1,102,907	-

Fund 13412-1432 Line of Duty Death Benefits — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$520,000	\$725,000	\$725,000	\$0	\$725,000	\$0	\$725,000
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$520,000	\$725,000	\$725,000	\$0	\$725,000	\$0	\$725,000
Positions	-	-	-	-	-	-	-

Fund description

This fund accounts for the General Fund appropriation to pay benefits provided to families of certain public servants who die in the line of duty. The payment of these death benefits is made pursuant to G.S. 143-12A.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Claim-Death Benefits	\$520,000	-
Actual Totals	\$520,000	-

Department of Insurance

Mission

Assist, protect, and educate North Carolina citizens with respect to their dealings with insurers and other industries under the department's oversight through a variety of regulatory activities which ensure consumers a choice of competitive, sound products fairly-serviced. Protect the citizens through education and inspection activities related to fire and loss prevention, safety and rescue awareness as well as development of life safety standards to mitigate the amount of property loss and personal injury.

Goals

Ensure that consumers' insurance investments are protected through company licensure, solvency surveillance, and rate and policy form regulation to assure that products offered meet appropriate state and federal laws and industry standards, and are priced fairly but sufficiently to support a sustainable business for the insurers offering them.

Ensure that the purchasers of insurance and other products sold by other regulated entities are treated fairly at the time of marketing and sale and over the life of their purchase by licensing and enforcing continuing education requirements for the individuals and entities who engage in sales, investigating complaints received from consumers and licensees about the conduct of a licensee, and performing market conduct surveillance to confirm that those who sell and issue the products purchased comply with applicable regulatory requirements.

Protect consumers, policyholders, and insurance companies from fraud and illegal behavior by investigating and seeking criminal prosecution of parties who commit fraudulent acts against consumers, policyholders, or insurers.

Assist consumers who have questions or problems about insurance or other products regulated by the department or about the federal Medicare Program and its related products, by deploying staff and, for certain products, a network of trained volunteer counselors to provide information and investigate complaints as appropriate.

Provide general educational information about insurance products and their availability and the rights of the public and of policyholders with respect to insurance and the federal Medicare Program and Medicare-related insurance in order to inform and empower consumers by publishing and distributing print and electronic newsletters and brochures and by engaging in public speaking, building networks of partner organizations, and other effective forms of outreach.

Create and maintain a regulatory organization that employs balanced policies and efficient processes for the benefit of North Carolina citizens by promoting an attractive business climate for insurance companies, insurance agents, and other entities and individuals regulated by the department, who are vital in serving the public.

Protect the well-being and safety of citizens and visitors to North Carolina through the creation and maintenance of building codes, annual building inspection, training of fire and rescue personnel, inspections and ratings of fire departments, and the promotion of injury prevention education to reduce property loss and improve public safety.

Protect state agencies and local governments and their capital investments by insuring and procuring insurance and providing risk management consulting for government entities, conducting fire, life safety, and electrical code inspections of state facilities, and providing interpretations of state electrical code to protect and reduce property loss.

Maintain and enhance the existence of a well-trained knowledgeable staff through training and development opportunities to achieve the department's goals of protecting consumers and public safety and promoting an attractive business climate for the types of entities and individuals that it regulates.

Conduct all administrative functions effectively and in compliance with state and federal laws and regulations, and departmental policies, ensuring the safeguarding of state resources while achieving departmental missions and goals.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Consumers/public directly assisted by the department's actions	278,248	266,399	356,192	288,799	263,978
Weighted average time to final disposition for all types of filings made to the department for required review and/or approval (in days)	-	-	11.5	9.7	14.2
Safety professionals, emergency responders, and inspectors certified by the department	9,657	10,286	14,258	13,407	13,028

Governor's Recommended Adjustments to Base Budget

Department of Insurance (13900)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$39,294,778	\$39,356,962
Receipts	<u>\$5,469,956</u>	<u>\$5,469,956</u>
Appropriation	\$33,824,822	\$33,887,006
Adjustments		
Requirements	(\$2,179,969)	(\$2,179,969)
Receipts	=	=
Appropriation	(\$2,179,969)	(\$2,179,969)
Total		
Requirements	\$37,114,809	\$37,176,993
Receipts	<u>\$5,469,956</u>	<u>\$5,469,956</u>
Recommended Appropriation	<u>\$31,644,853</u>	<u>\$31,707,037</u>
<hr/>		
Positions		
Base Budget Positions	418.100	418.100
Reductions	-	-
Expansion	-	-
Recommended Positions	<u>418.100</u>	<u>418.100</u>

Appropriation Items -- Recommended Adjustments

Reductions

	<u>2009-10</u>	<u>2010-11</u>
Department-Wide		
1. Truth-in-Budgeting Reform (Budget Salaries at Less than 100%)		
<p>The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes along with budget flexibility will allow the agency to operate more efficiently. General Fund salaries in the Department of Insurance are recommended to be reduced 4%.</p>		
Appropriation	(\$995,180)	(\$995,180)
2. Reduce Various Operating Accounts		
<p>It is recommended that funding be reduced for various operating accounts across the agency.</p>		
Appropriation	(\$888,592)	(\$888,592)
Appropriation - Nonrecurring	(\$296,197)	(\$296,197)

Total Recommended Reductions

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$1,883,772)	(\$1,883,772)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$1,883,772)	(\$1,883,772)
Positions	-	-
Nonrecurring		
Requirements	(\$296,197)	(\$296,197)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$296,197)	(\$296,197)
Positions	-	-

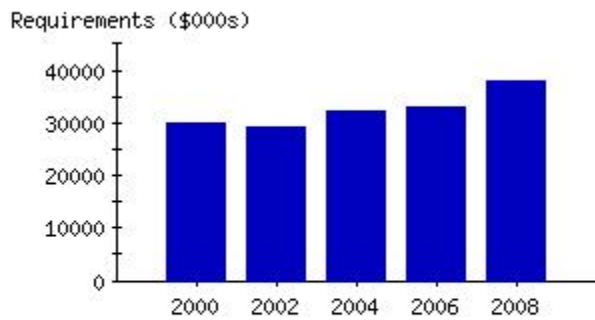
**Total Recommended Adjustments for
 Department of Insurance (13900)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$1,883,772)	(\$1,883,772)
Receipts	-	-
	-	-
Appropriation	(\$1,883,772)	(\$1,883,772)
Positions	-	-
Nonrecurring		
Requirements	(\$296,197)	(\$296,197)
Receipts	-	-
	-	-
Appropriation	(\$296,197)	(\$296,197)
Positions	-	-
Total Appropriation Adjustments	(\$2,179,969)	(\$2,179,969)
Total Position Adjustments	-	-

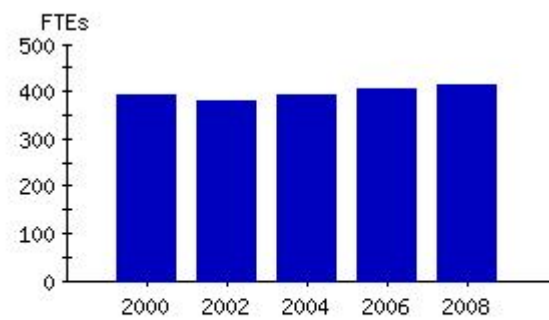
Base Budget and Performance Management Information

Budget Code 13900 Insurance - General Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$37,876,947	\$38,871,977	\$38,968,820	\$325,958	\$39,294,778	\$388,142	\$39,356,962
Receipts	\$7,913,833	\$5,373,113	\$5,469,956	\$0	\$5,469,956	\$0	\$5,469,956
Appropriation	\$29,963,114	\$33,498,864	\$33,498,864	\$325,958	\$33,824,822	\$388,142	\$33,887,006
Positions	412.100	414.920	418.100	-	418.100	-	418.100

Budget Code 13900 Insurance - General Fund

Fund 13900-1100 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,446,218	\$5,819,700	\$5,899,867	\$120,399	\$6,020,266	\$149,714	\$6,049,581
Receipts	\$107,567	\$111,320	\$111,320	\$0	\$111,320	\$0	\$111,320
Appropriation	\$5,338,651	\$5,708,380	\$5,788,547	\$120,399	\$5,908,946	\$149,714	\$5,938,261
Positions	58.770	58.390	58.770	-	58.770	-	58.770

Fund description

The purpose of Administration is to provide executive leadership and management, administrative support, and direction necessary to assure the efficient performance of all statutory responsibilities of the Department of Insurance. To carry out this responsibility, the agency staff 1) maintains all departmental records in accordance with generally accepted accounting principles; 2) prepares and submits the annual and biennial budget requests and all required reports with Office of State Budget and Management, Office of State Controller, Department of Administration, and Office of Information Technology Services; and 3) assures departmental compliance with the statutory requirement, rules, and regulations for the agency.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administrative Service - Human Resource Management. Oversee the recruitment and management of personnel; develop and implement HR strategy; coordinate and execute staff acquisition, organization and position management, compensation management, benefits management, employee development, and performance management; and regulate employee relations, separation management, and health and safety activities.	\$389,963	5.600
Administrative Service - Fiscal Management. Manage and analyze financial information; account for and forecast the use of department resources; conduct general ledger accounting; maintain accounts payable, collections and accounts receivable, payroll services, cash management, program payments, and contracts and grants management; provide asset and liability management; and execute financial reporting.	\$534,035	9.000
Administrative Service - Budget and Analysis. Conduct resource planning and allocation activities; develop and execute the budget; and analyze issues impacting the department's budgets and management.	\$192,897	2.000
Administrative Service - Purchasing. Coordinate and execute the acquisition of equipment, materials, services and supplies for the department.	\$201,235	4.000
Administrative Service - Legal. Provide legal representation and litigation functions for the department.	\$159,117	1.600
Administrative Service - Public Information/Communication. Exchange information and communication between the department, citizens, and stakeholders; establish and promote media relations; prepare and publish press releases and other publications; and coordinate events and conference delivery.	\$588,893	9.570

Administrative Service - Executive Management. Includes activities associated with the development and implementation of department policies and procedures, management of department operations, legislative liaison, execution of the department's mission, contingency planning, continuity of operations in the event of disaster, develop of department goals and objectives.	\$1,820,437	10.000
Administrative Service - Information Technology Services. Involves the coordination of information and technology resources and systems required to support departmental programs and services and includes systems development, systems maintenance, IT infrastructure maintenance, IT security, and information management.	\$1,559,641	17.000
Actual Totals	\$5,446,218	58.770

Measures for the fund	2005-06	2006-07	2007-08
Percentage of deposits entered in NCAS within 24 hours of receipt	100 %	100 %	-
Annual payroll processed per 1.0 FTE in payroll staff (dollars)	\$24,100,296	\$25,970,898	-
Employee turnover rates	8.4 %	10.4 %	-

Fund 13900-1200 Company Services Group — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$7,153,514	\$7,630,871	\$7,639,481	(\$20,565)	\$7,618,916	(\$12,375)	\$7,627,106
Receipts	\$149,312	\$162,516	\$162,516	\$0	\$162,516	\$0	\$162,516
Appropriation	\$7,004,202	\$7,468,355	\$7,476,965	(\$20,565)	\$7,456,400	(\$12,375)	\$7,464,590
Positions	77.100	79.100	79.100	-	79.100	-	79.100

Fund description

The Company Services Group protects insurance consumers in North Carolina through the operation of a solvency surveillance program used to regulate insurance companies and other entities under the department's purview in order to effectively and efficiently minimize the risk of loss to insurance consumers in the state. This is accomplished by ensuring compliance with state laws, conducting reviews for the purpose of identifying early insurers with potential financial trouble, and, when necessary, executing appropriate regulatory action on a timely basis. These activities are performed in accordance with applicable professional standards and guidelines established by the Department of Insurance, the National Association of Insurance Commissioners (NAIC), and North Carolina law. The fund also provides actuarial support for all of the department's rate making and rate review activities.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Provide actuarial analysis of rate filings, financial statements, actuarial reports, and proposed legislation.	\$1,098,631	9.000
Analyze company license filings (i.e. applications) to determine if company complies with North Carolina requirements for admission to do business.	\$292,969	3.500
Analyze annual, quarterly, and special filings of insurance companies to ensure compliance with North Carolina laws and department and National Association of Insurance Commissioners standards.	\$2,422,903	26.767

Perform audits of insurance companies and other similar or related entities to determine financial condition, legality, and propriety of operations and fair and equitable treatment of all policyholders. A report, with conclusion as to whether or not the examined entity meets the minimum capital and surplus of the North Carolina state laws, is prepared based on the results of the examination. The work is guided by the state laws and regulations, departmental policies and procedures, and the NAIC.	\$2,013,580	24.333
Evaluate other insurance-related entities [Multiple Employer Welfare Arrangements (MEWA), Third Party Administrators (TPAs) servicing Life & Health (L&H) business, Professional Employer Organizations (PEOs), Self-Funded Workers Comp plans (SFWC), and Risk Retention Group (RRG)] to ensure financial health and statutory compliance with North Carolina laws.	\$623,140	7.500
Supervise troubled insurance companies and related entities and administer insurance receiverships for rehabilitations and liquidations in order to protect the interest of the policyholders, claimants, and creditors of the troubled company and (since the industry at large may be assessed to pay the cost of certain unpaid claims and, subsequently, pass this expense on to policyholders) the interest of the insurance-buying public.	\$702,291	6.000
Actual Totals	\$7,153,514	77.100

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Aggregate premium dollars saved for North Carolina insurance consumers as a result of Actuarial Services Division review of rate filings for personal auto, homeowners, workers compensation, and other insurance products (\$ million)	\$489.2	\$840.8	\$738.0
Reviews performed of scheduled and other required filings made by insurers and other regulated entities such as Professional Employer Organizations, Continuing Care Retirement Communities, and entities that self-insure their workers compensation liabilities (i.e. quarterly and annual statements and related materials plus other filings required because of regulated company transactions)	7,355	9,731	11,682
Percentage of domestic companies classified as "troubled" attaining an improved financial condition as a result of the actions of the Regulatory Actions Division and, consequently, no longer being considered a troubled entity	17.00 %	50.00 %	25.00 %

Fund 13900-1300 Technical Services Group — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$8,298,088	\$6,988,224	\$6,806,373	\$489	\$6,806,862	\$6,162	\$6,812,535
Receipts	\$2,787,373	\$792,106	\$792,106	\$0	\$792,106	\$0	\$792,106
Appropriation	\$5,510,715	\$6,196,118	\$6,014,267	\$489	\$6,014,756	\$6,162	\$6,020,429
Positions	79.000	79.000	79.000	-	79.000	-	79.000

Fund description

The Technical Services Group protects insurance consumers through regulation of insurance products and premiums, the licensing and registration of selected insurance-related entities, and surveillance of insurers' regulatory compliance and conduct in the marketplace. This group also provides direct assistance, counseling, and education to insureds denied coverage under their health insurance policy and to senior citizens and others regarding Medicare, Medicare alternatives, and Medicare-related insurance products and long-term care insurance. Enrollment services are also provided for certain Medicare alternatives and

Medicare-related services. In reviewing the marketplace through these numerous activities, recommendations are made for legislative reforms needed to protect consumers. The fund also collects and reviews premium tax filings submitted on behalf of surplus lines (i.e., non-admitted) insurers doing business in North Carolina.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Review and approve filings for rates, rules, and policy forms of Life, Health, Property and Casualty insurers and form provider contracts for health plan networks, as required by law and regulation. Review of policy forms and provider contracts ensures that regulatory requirements such as minimum benefits and disclosures of limitations of a policy are complied with. Review of premiums ensures that premiums are not excessive for the benefit provided and meet other applicable standards.	\$1,576,915	22.000
Assist consumers whose health plan has denied coverage for medical services through counseling on insurer appeals and arranging for external review by medical professionals as is provided by state statute to consumers.	\$369,710	4.000
Assist persons on Medicare and other consumers with Medicare, Medicare-related insurance, and long-term care insurance through direct counseling, maintaining a volunteer force, educational materials, and outreach activities. The services are provided to ensure Medicare beneficiaries in the state understand Medicare and other health insurance options in order to make reasonable decisions about health care insurance and be less vulnerable consumers in the marketplace.	\$2,726,535	20.000
Monitor market practices of insurance companies of all kinds to enforce compliance with State law through activities such as data analysis and examinations.	\$3,410,807	30.000
License and register Third Party Administrators, Multiple Employer Welfare Associations, Health Maintenance Organizations, and Viatical Settlement Providers in order to identify the companies conducting business in the state and to assure compliance with statutory requirements regarding such matters as company organization and operations, financial protections for customers, and consumer treatment.	\$136,751	2.000
Collect required premium taxes on policies sold by surplus lines (non-admitted) insurers.	\$77,370	1.000
Actual Totals	\$8,298,088	79.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of approved life, health, property, and casualty filings for which review was conducted within 20 days or less ¹	72.0 %	74.0 %	72.6 %
Consumers receiving assistance via toll-free line for the Senior's Health Insurance Information Program (SHIIP)	79,954	41,810	40,491
Dollar value of previously-denied medical claims by insurers as a result of external review (dollars)	\$875,360	\$317,835	\$332,009

¹Compare to National Association of Insurance Commissioners' goal of 50%.

Fund 13900-1400 Public Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$7,266,370	\$7,563,437	\$7,648,120	\$184,642	\$7,832,762	\$184,642	\$7,832,762
Receipts	\$1,708,219	\$1,324,783	\$1,324,783	\$0	\$1,324,783	\$0	\$1,324,783
Appropriation	\$5,558,151	\$6,238,654	\$6,323,337	\$184,642	\$6,507,979	\$184,642	\$6,507,979
Positions	90.800	93.000	94.800	-	94.800	-	94.800

Fund description

The Public Services Group directly assists and protects consumers in their dealings with insurers and other companies and individuals regulated by the department through the investigation of complaints against licensed companies and individuals to determine whether consumers are being treated fairly and licensees are complying with applicable laws. Criminal investigations conducted by the group of cases involving fraud in industries regulated by the department not only assists and prevents direct victims of fraud, but also reduces the cost of fraud that is borne by all policyholders. The group administers the licensing program and continuing education requirements for individuals engaged in the sale of insurance to ensure that the insurance sales force from whom the public purchases insurance are knowledgeable and treat customers in a fair and honest manner. Where warranted, insurance agency examinations are conducted as part of a complaint investigation. Also administered are the licensing programs for the bail bonding, collection agency, premium finance and motor club industries, to ensure that these licensees conduct their business in a manner that complies with all applicable laws. Licensees are assisted with inquiries regarding regulatory requirements in order to assist them and protect consumers. Because an educated consumer is better able to navigate the marketplace, the group educates consumers about insurance matters by developing helpful information and disseminating in print and electronic media and through speaking engagements and other forms of public outreach.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Provide law enforcement assistance to the citizens and businesses of North Carolina and other state and federal government agencies relative to insurance fraud; perform similar duties for collection agencies, bail bondsmen, motor clubs, and premium finance companies.	\$1,946,770	22.000
Promptly acknowledge, investigate, and respond to consumers having questions and concerns about insurance and non-insurance matters regulated by the group; scrutinize potential unauthorized insurers and take action as appropriate.	\$2,199,387	35.000
Produce and disseminate information that increases consumer empowerment with respect to their insurance dealings by increasing their knowledge of products, their rights with respect to insurance transactions, and department resources available to assist them.	\$171,827	2.800
Assure that individuals and entities engaged in the solicitation and negotiation of insurance meet and maintain statutory requirements and are properly licensed and appointed to represent insurance companies; perform similar functions for the bail bondsmen, premium finance, motor clubs, and collection agency industries.	\$2,948,386	31.000
Actual Totals	\$7,266,370	90.800

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Monetary recoveries for citizens and businesses in North Carolina resulting from prosecution of fraud cases and the investigation of complaints received from consumers and regulated entities (\$ million)	\$23.1	\$23.9	\$15.1
Consumers assisted with insurance matters via consumer and agents and other licensees assisted with licensing and compliance matters by the Agent Services Division	193,661	168,041	183,061
Individuals and entities licensed and monitored for regulatory and continuing education compliance	160,320	197,521	239,579

Fund 13900-1500 Office of State Fire Marshal — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$8,977,757	\$10,384,745	\$10,489,979	\$40,993	\$10,530,972	\$59,999	\$10,549,978
Receipts	\$3,161,362	\$2,982,388	\$3,079,231	\$0	\$3,079,231	\$0	\$3,079,231
Appropriation	\$5,816,395	\$7,402,357	\$7,410,748	\$40,993	\$7,451,741	\$59,999	\$7,470,747
Positions	106.430	105.430	106.430	-	106.430	-	106.430

Fund description

Office of State Fire Marshal prepares, establishes, and provides programs and policies in the area of codes, building standards, fire and rescue training, fire department inspections, injury prevention, and code inspections in an effort to protect the health, safety, and welfare of the citizens of North Carolina. This is one of two funds (budget 23901 fund 2556) that support the Manufactured Building Division.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide training programs for emergency services, hospital personnel, health personnel, and community groups or members that promote the safety of citizens of North Carolina through injury prevention initiatives.	\$883,609	7.000
Promulgate and interpret the building codes for accuracy and consistency statewide; provide code-related training; perform plan reviews for state, county, and city owned properties and larger commercial properties; certify and maintain the proficiency of North Carolina code officials; and respond as technical experts in emergencies. This work results in more efficient building design and construction processes and a standardized level of construction that is considered safe.	\$2,627,961	31.300
Provide for the general welfare and safety of manufactured building consumers and ensure compliance with the North Carolina Warranty Statue for manufactured buildings by on-site inspections to ensure that building construction standards are maintained by the manufacturers. Serve as staff to the North Carolina Manufactured Housing Board.	\$970,489	13.000
Certify, train, and provide customer service to over 45,000 fire and rescue personnel, volunteers, and delivery agencies including representatives of federal, state, and local governments using the National Qualification Standards to ensure emergency responders are qualified in necessary skills for public safety. Provide education, resources, technical knowledge, and customer service to assist in the full participation in US Fire Administration, National Fire Incident Reporting System program.	\$2,410,344	30.000
Administer the State Property Fire Insurance Fund to pay for property losses to the State's buildings, structures, and business personal property and procure from private insurance companies various insurance policies needed by state agencies and universities. Perform fire and life safety inspections on state buildings and perform electrical inspections on all new electrical installations in state buildings.	\$2,085,354	25.130
Actual Totals	\$8,977,757	106.430

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Fire departments inspected	335	345	329
Percentage of fire and life safety facilities inspections conducted on schedule	94 %	83 %	83 %
Percentage of electrical inspections conducted on schedule	97 %	97 %	97 %

Fund 13900-1900 Reserves and Transfers — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$735,000	\$485,000	\$485,000	\$0	\$485,000	\$0	\$485,000
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$735,000	\$485,000	\$485,000	\$0	\$485,000	\$0	\$485,000
Positions	-	-	-	-	-	-	-

Fund description

This fund is used as a clearing account for budgeting reserves that are later distributed to support operational programs and for recording non-operational transfers.

Governor's Recommended Adjustments to Base Budget

Insurance - General Fund Direct (13901)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$4,500,000	\$4,500,000
Receipts	=	=
Appropriation	\$4,500,000	\$4,500,000
Adjustments		
Requirements	(\$2,500,000)	(\$2,500,000)
Receipts	=	=
Appropriation	(\$2,500,000)	(\$2,500,000)
Total		
Requirements	\$2,000,000	\$2,000,000
Receipts	=	=
Recommended Appropriation	<u>\$2,000,000</u>	<u>\$2,000,000</u>
<hr/>		
Positions		
Base Budget Positions	-	-
Reductions	-	-
Expansion	=	=
Recommended Positions	<u>=</u>	<u>=</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Reserves and Transfers

1. Volunteer Safety Workers' Compensation Fund

It is recommended that funding be reduced for the Volunteer Safety Workers' Compensation Fund on a nonrecurring basis.

Appropriation - Nonrecurring (\$2,500,000) (\$2,500,000)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements - -

Receipts - -

Appropriation - -

Positions - -

Nonrecurring

Requirements (\$2,500,000) (\$2,500,000)

Receipts - -

Appropriation (\$2,500,000) (\$2,500,000)

Positions - -

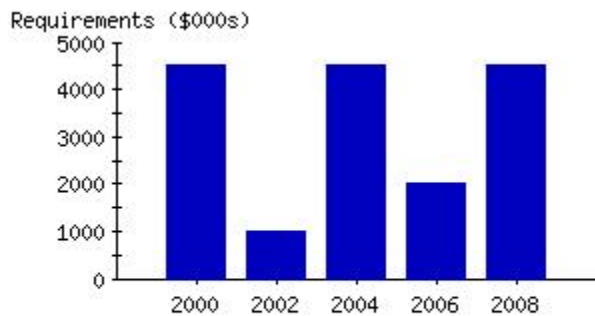
**Total Recommended Adjustments for
 Insurance - General Fund Direct (13901)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	-	-
Receipts	-	-
	-	-
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	(\$2,500,000)	(\$2,500,000)
Receipts	-	-
	-	-
Appropriation	(\$2,500,000)	(\$2,500,000)
Positions	-	-
Total Appropriation Adjustments	(\$2,500,000)	(\$2,500,000)
Total Position Adjustments	-	-

Base Budget and Performance Management Information

Budget Code 13901 Insurance - General Fund Direct

**Actual Expenditures
 by Fiscal Year**



Data for 2002 and 2006 include non-recurring reductions in appropriations for Volunteer Safety Workers' Compensation Fund.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,500,000	\$3,350,000	\$3,350,000	\$1,150,000	\$4,500,000	\$1,150,000	\$4,500,000
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$4,500,000	\$3,350,000	\$3,350,000	\$1,150,000	\$4,500,000	\$1,150,000	\$4,500,000
Positions	-	-	-	-	-	-	-

Budget Code 13901 Insurance - General Fund Direct

Fund 13901-1900 Reserves and Transfers — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,500,000	\$3,350,000	\$3,350,000	\$1,150,000	\$4,500,000	\$1,150,000	\$4,500,000
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$4,500,000	\$3,350,000	\$3,350,000	\$1,150,000	\$4,500,000	\$1,150,000	\$4,500,000
Positions	-	-	-	-	-	-	-

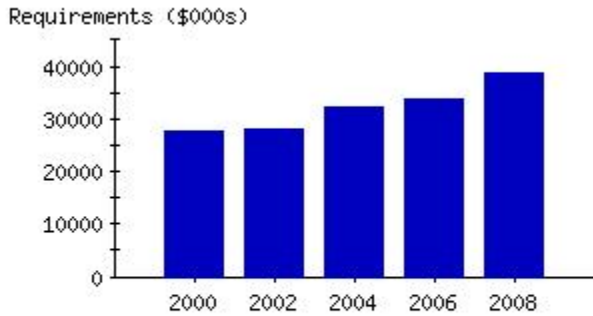
Fund description

Accounting fund to transfer \$4.5 million in annual appropriations authorized by G.S. 58-87-10, starting September 1, 1997, to support the operating costs of the Volunteer Safety Workers Compensation Fund (Budget Code 63902/Fund 6000).

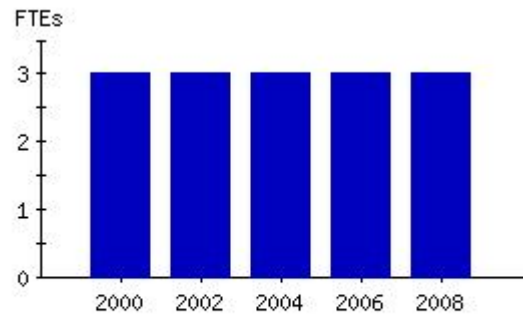
Base Budget and Performance Management Information

Budget Code 23900 Insurance - Special Fund - Interest Bearing

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$38,545,317	\$33,489,985	\$33,489,985	\$0	\$33,489,985	\$0	\$33,489,985
Receipts	\$41,909,364	\$34,259,465	\$34,259,465	\$0	\$34,259,465	\$0	\$34,259,465
Chng Fund Bal	\$3,364,047	\$769,480	\$769,480	\$0	\$769,480	\$0	\$769,480
Positions	3.300	3.300	3.300	-	3.300	-	3.300

Budget Code 23900 Insurance - Special Fund - Interest Bearing

Fund 23900-2000 The Insurance Regulatory Fund — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$31,449,922	\$27,514,618	\$27,514,618	\$0	\$27,514,618	\$0	\$27,514,618
Receipts	\$31,396,570	\$28,284,098	\$28,284,098	\$0	\$28,284,098	\$0	\$28,284,098
Chng Fund Bal	(\$53,352)	\$769,480	\$769,480	\$0	\$769,480	\$0	\$769,480
Positions	-	-	-	-	-	-	-

Fund description

The Insurance Regulatory Fund was established in statute (G.S. 58-6-25) by the 1991 General Assembly as an interest bearing account used to collect regulatory charges on insurance company premium taxes (1.9%) and other fees collected under G.S. 58-69 through 58-71 and G.S. 143-9 and 143-9C such as receipts collected for continuing education, manufactured housing, and building code book sales. Funds are used to reimburse the General Fund for money appropriated to the DOI to pay for expenses incurred in regulating the insurance industry. Reimbursement to the state's General Fund is made by deposits to DOI budget code 19951 for repayment of DOI's actual expenses plus interest.

Fund 23900-2001 Consumer Protection Fund — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$543,569	\$485,000	\$485,000	\$0	\$485,000	\$0	\$485,000
Receipts	\$510,049	\$485,000	\$485,000	\$0	\$485,000	\$0	\$485,000
Chng Fund Bal	(\$33,520)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	3.300	3.300	3.300	-	3.300	-	3.300

Fund description

The Consumer Protection Fund pays for outside actuaries, economists, attorneys, consultants, court reporters, and others to work in support of highly technical and complex insurance rate review and rate litigation, other insurance regulatory work, asset recovery in connection with insurance company delinquency proceedings, and the defense of civil litigation brought against the Commissioner and his deputies. The rate work supported by this fund results in administrative hearing orders, appellate court decisions, and other legal documents which set the amount of premium that insurers can charge North Carolina insureds and/or must refund to North Carolina insureds. Monies are appropriated from the State's General Fund and are refunded by DOI Regulatory Surcharge Fund. G.S. 58-2-215.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide technical, legal, and other support necessary to conduct effective rate review and rate litigation and to make sure that insurance rates or loss costs are not excessive, inadequate, or unfairly discriminatory.	\$472,905	2.871
Provide technical, legal, and other support for other insurance regulatory work to ensure that the insurance laws are properly enforced and that the public is protected from insurance law violations.	\$65,228	.396

Provide services, when appropriate, for asset recovery in connection with insurance company delinquency proceedings and provide technical, legal, and other support for defense in civil litigation against the Commissioner and his deputies.	\$5,436	.033
Actual Totals	\$543,569	3.300

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Dollar savings resulting from requested industry rate increases less increases allowed by the Commissioner (dollars)	\$467,037,892	\$825,775,281	\$735,000,000

Fund 23900-2035 NC Health Insurance High Risk — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$577	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$255,894	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$255,317	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

This fund relates to Session 2007 HB265, an act to establish the North Carolina Health Insurance Risk Pool. The state start-up reserve was established in fund 2035. Any unspent and unencumbered State funds, interest, or investment income earned on these funds shall not revert to the General Fund but shall be transferred to the North Carolina Health Insurance Risk Pool Special Fund.

Fund 23900-2123 Volunteer Rescue/EMS Fund — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,153,100	\$1,019,758	\$1,019,758	\$0	\$1,019,758	\$0	\$1,019,758
Receipts	\$1,489,628	\$1,019,758	\$1,019,758	\$0	\$1,019,758	\$0	\$1,019,758
Chng Fund Bal	(\$663,472)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The Volunteer Rescue/EMS Fund is established in statute (G.S. 58-87-5) as an interest bearing account. A portion of the proceeds collected from the Division of Motor Vehicles (DMV) vehicle inspection program (G.S. 20-183.7) are deposited into the fund to support programmatic and administrative expenses. The fund provides matching grants of up to \$25,000 and non-matching grants of up to \$3,000 to volunteer rescue/emergency medical service squads to purchase equipment and make capital improvements. As allowed per statute, DOI retains 2% of funds for administration and 4% for expenses of the North Carolina Fire and Rescue Commission (G.S. 58-88-1 through 58-88-30).

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Develop, maintain, and disburse funds through a dollar-for-dollar matching grant and a non-matching grant program to volunteer rescue and/or EMS organizations to purchase equipment and to make capital improvements.	\$2,153,100	-
Actual Totals	\$2,153,100	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Grant applications received from rescue and EMS units	145	153	175
Percentage of grant applications received that were awarded	92 %	99 %	98 %

Fund 23900-2133 Volunteer Fire Department Fund — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$4,398,149	\$4,470,609	\$4,470,609	\$0	\$4,470,609	\$0	\$4,470,609
Receipts	\$8,257,223	\$4,470,609	\$4,470,609	\$0	\$4,470,609	\$0	\$4,470,609
Chng Fund Bal	\$3,859,074	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The Volunteer Fire Department Fund is established in statute (G.S. 58-87-1) to provide matching grants of up to \$20,000 to volunteer fire departments. Grants may be used to purchase equipment, pay the highway use tax on those purchases or make capital improvements or capital expenditures necessary to provide fire protection services. Funding is received from a portion of insurance company premium taxes collected pursuant to G.S. 105-228.5. As allowed by statute, DOI retains 2% of funds for administration expenses.

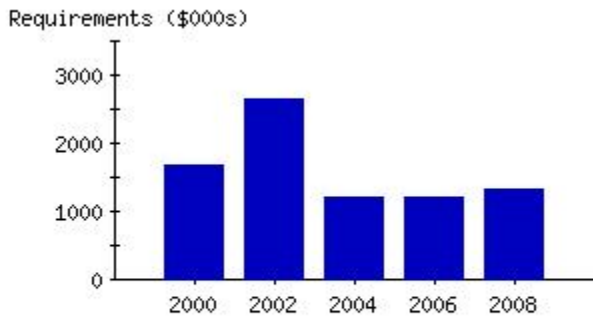
Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide matching grants to volunteer fire departments to purchase equipment and make capital improvements.	\$4,398,149	-
Actual Totals	\$4,398,149	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Grant applications received from volunteer fire departments	568	568	641
Percentage of grant applications received that were awarded	87 %	87 %	87 %

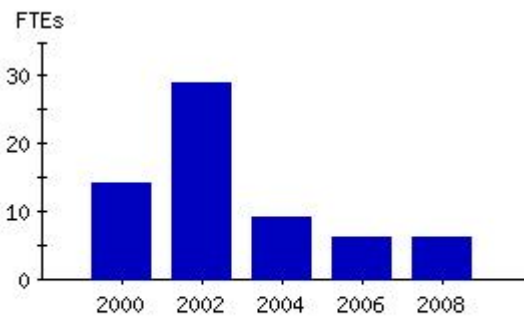
Base Budget and Performance Management Information

Budget Code 23901 Insurance - Special Fund - Non-Interest Bearing

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Decrease in expenditures and positions largely due to reduced license receipts from the manufactured housing industry.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,311,151	\$1,354,983	\$1,354,983	\$0	\$1,354,983	\$0	\$1,354,983
Receipts	\$1,372,524	\$1,354,983	\$1,354,983	\$0	\$1,354,983	\$0	\$1,354,983
Chng Fund Bal	\$61,373	\$0	\$0	\$0	\$0	\$0	\$0
Positions	6.000	6.000	6.000	-	6.000	-	6.000

Budget Code 23901 Insurance - Special Fund - Non-Interest Bearing

Fund 23901-2122 Rescue Squad Worker's Relief — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$926,799	\$800,172	\$800,172	\$0	\$800,172	\$0	\$800,172
Receipts	\$926,799	\$644,838	\$644,838	\$0	\$644,838	\$0	\$644,838
Chng Fund Bal	\$0	(\$155,334)	(\$155,334)	\$0	(\$155,334)	\$0	(\$155,334)
Positions	-	-	-	-	-	-	-

Fund description

The Rescue Squad Workers' Relief Fund is created in statute (G.S. 58-88-5) for the following purposes: 1) to safeguard any rescue or EMS worker in active service from financial loss, occasioned by sickness contracted or injury received while in the performance of his or her duties as a rescue or EMS worker, 2) to provide a reasonable support for the dependents of any rescue or EMS worker who may lose his or her life in the provision of service, 3) to award educational scholarships to children of members, deceased members, or retired members in good standing, 4) to pay death benefits to dependents of any member killed in the line of duty, or 5) to pay additional benefits approved by the Board of Trustees of the fund to rescue and EMS workers who are eligible pursuant to G.S. 58-88-10 and who are members of the association. The fund consists of revenue credited to it from a portion of the vehicle inspection fee collected under G.S. 20-183.7(c). As allowed by statute, DOI transfers 2% into its operating code (fund code 1500) for the administration of the fund and the North Carolina Association of Rescue and Emergency Medical Services, Inc. can retain 10% for the administration of the fund (G.S. 58-88-30).

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Transfers into operating code budget for administrative expenses.	\$926,799	-
Actual Totals	\$926,799	-

Fund 23901-2552 Home Inspector Licensure — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$315,675	\$384,086	\$384,086	\$0	\$384,086	\$0	\$384,086
Receipts	\$363,196	\$539,420	\$539,420	\$0	\$539,420	\$0	\$539,420
Chng Fund Bal	\$47,521	\$155,334	\$155,334	\$0	\$155,334	\$0	\$155,334
Positions	4.000	4.000	4.000	-	4.000	-	4.000

Fund description

The Home Inspector Licensure Fund established in G.S. 143-151 regulates the practice of Home Inspections. The purpose is to safeguard health and safety by licensing qualified individuals to perform home inspections, verifying that inspectors receive the proper training, and ensuring inspectors perform services within the statutory authority of the General Statutes. The goal of this service is to protect the public by preventing unqualified individuals from performing inspections and subsequently not identifying a health or safety issue. Funding is provided by initial and renewal licenses fees.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Administer the Licensing Program (home inspector and associate inspector licenses), administer the education program, and investigate complaints resulting in suspension of licensing privilege or no basis in fact.	\$315,675	4.000
Actual Totals	\$315,675	4.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Home inspectors licenses issued	408	361	256
Home inspector complaints investigated	46	44	40

Fund 23901-2556 Manufactured Building Division-Federal Receipt Supported — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$68,677	\$170,725	\$170,725	\$0	\$170,725	\$0	\$170,725
Receipts	\$82,529	\$170,725	\$170,725	\$0	\$170,725	\$0	\$170,725
Chng Fund Bal	\$13,852	\$0	\$0	\$0	\$0	\$0	\$0
Positions	2.000	2.000	2.000	-	2.000	-	2.000

Fund description

The Manufactured Building Division provides for the general welfare and safety of manufactured building purchasers to ensure manufactured building construction standards are maintained and comply with the North Carolina Warranty Statute for manufactured buildings. Serves as staff to the North Carolina Manufactured Housing Board. This is one of two funds (budget 13900, fund 1500) that support the Manufactured Building Division.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Ensure compliance with the manufactured building construction standards as adopted by the U.S. Housing and Urban Development, and ensure compliance with regulations for manufactured home installation.	\$68,677	2.000
Actual Totals	\$68,677	2.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Licenses issued to manufacturers, dealers, salesmen, and contractors that set up manufactured homes as required by statute (thousands)	3,119	2,521	2,320

Department of Administration

Mission

To provide high quality services effectively, efficiently, and economically for our customers who are the citizens, agencies, and communities of our state.

Goals

Assure cost-effective oversight of construction and renovation of state-owned buildings.

Acquire and develop properties and facilities and maintain a safe and suitable work environment.

Develop and maintain an efficient system for the purchase and disposition of goods and services to meet the needs of government agencies.

Achieve fair and equitable opportunities and representation for various segments of the population that have special needs.

Provide administrative support to independent state government agencies, including the State Ethics Commission, Commission on State Property, the License to Give Trust Fund Commission, the Office of State Personnel, the Office of the Lieutenant Governor, and the State Board of Elections.

Provide management and administrative support to the divisions within the department to maximize efficiencies.

Provide quality service for citizens, public agencies, and cable affiliates through interactive teleconferencing, media productions, and live programming.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of cost savings to total procurement	16.3%	17.8%	21.0%	11.5%	13.8%
Displaced homemaker clients served	4,609	4,132	5,545	4,896	4,129
Percentage of critical state government facilities with sworn law enforcement officers assigned	11.0%	11.0%	10.0%	10.0%	10.0%
New and returning clients that request services that lead to greater public understanding of topics	86	70	64	111	72

Governor's Recommended Adjustments to Base Budget

Department of Administration (14100)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$116,874,734	\$117,070,822
Receipts	<u>\$38,704,571</u>	<u>\$38,707,941</u>
Appropriation	\$78,170,163	\$78,362,881
Adjustments		
Requirements	(\$4,467,269)	(\$4,873,579)
Receipts	=	=
Appropriation	(\$4,467,269)	(\$4,873,579)
Total		
Requirements	\$112,407,465	\$112,197,243
Receipts	<u>\$38,704,571</u>	<u>\$38,707,941</u>
Recommended Appropriation	<u>\$73,702,894</u>	<u>\$73,489,302</u>
<hr/>		
Positions		
Base Budget Positions	728.650	728.650
Reductions	(29.000)	(29.000)
Expansion	____-	____-
Recommended Positions	<u>699.650</u>	<u>699.650</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting Reform (Budget Salaries at Less Than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes, along with budget flexibility, will allow the agency to operate more efficiently. General Fund salaries for the Department of Administration are recommended to be reduced by 6%.

Appropriation (\$2,141,784) (\$2,141,784)

2. Reduce Various Operating Accounts

It is recommended that funding for various operating accounts be reduced across the department.

Appropriation (\$839,546) (\$839,546)

Appropriation - Nonrecurring (\$315,011) (\$315,011)

3. Eliminate Vacant Positions

It is recommended that 19 vacant positions be eliminated across the department.

Appropriation (\$896,196) (\$896,196)

Positions (19.000) (19.000)

4. Reduce Temporary Wages

It is recommended that temporary wages be reduced across the department.

Appropriation (\$11,842) (\$11,842)

Governor's Page Program/Intern Programs

1. Reduce Governor's Page Program

It is recommended that funding for the Governor's Page Program be reduced. The number of participants and their weekly stipend amounts will not be affected by this recommended reduction.

Appropriation (\$14,000) (\$14,000)

2. Reduce State Government Internship Program

It is recommended that the State Government Internship Program be reduced from 100 to 50 interns. The reduction will be effective beginning with the 2010 Summer Internship Program.

Appropriation (\$14,190) (\$170,500)

3. Reduce Office of State Personnel Summer Intern Program

It is recommended that funding be reduced for Aid and Public Assistance (OSP Summer Intern Program).

Appropriation	(\$9,945)	(\$9,945)
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NC Council for Women and Domestic Violence Program

1. Close Two Regional Offices

It is recommended that two of the six regional offices for the NC Council for Women/Domestic Violence Program be closed. The offices to be closed are at the department's discretion.

Appropriation	(\$165,090)	(\$165,090)
Positions	(3.000)	(3.000)

Veterans Affairs

1. Shift Three Positions to Receipt Support

It is recommended that three appropriated Veterans Affairs positions be shifted to receipt support. The positions will now be supported through burial fee receipts that are collected by veterans cemeteries operated by the Department of Administration.

Appropriation	(\$114,175)	(\$114,175)
Positions	(3.000)	(3.000)

2. Aid to Counties

It is recommended that funding for Aid to Counties be reduced by 7%.

Appropriation	(\$13,160)	(\$13,160)
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Office of State Personnel

1. Eliminate Scanning Function of Applications

It is recommended that funding be eliminated that supports the scanning of all North Carolina state government job applications. This recommendation includes the elimination of one filled position.

Appropriation	(\$36,535)	(\$36,535)
Positions	(1.000)	(1.000)

State Capitol Police

1. Eliminate Investigations Unit

It is recommended that the State Capitol Police Investigations Unit be eliminated due to the low volume of recent investigations. This recommendation includes the elimination of two filled positions.

Appropriation	(\$97,437)	(\$97,437)
Positions	(2.000)	(2.000)

2. Eliminate Criminal Justice Planning Program

It is recommended that the State Capitol Police Criminal Justice Planning Program be eliminated. This recommendation includes the elimination of one filled position.

Appropriation	(\$48,358)	(\$48,358)
Positions	(1.000)	(1.000)

Total Recommended Reductions

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$4,402,258)	(\$4,558,568)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$4,402,258)	(\$4,558,568)
Positions	(29.000)	(29.000)
Nonrecurring		
Requirements	(\$315,011)	(\$315,011)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$315,011)	(\$315,011)
Positions	-	-

Expansion

<u>2009-10</u>	<u>2010-11</u>
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Sterilization Victims Foundation

1. Justice for Sterilization Victims Foundation

The Governor recommends that funds be appropriated to support planning efforts associated with the establishment of the Justice for Sterilization Victims Foundation. This foundation will provide justice and compensate victims who were forcibly sterilized by the State of North Carolina between 1929 and 1974.

Appropriation - Nonrecurring	\$250,000	-
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State Parking System

1. Restore Funding for the State Parking System

It is recommended that funding be restored for the State Parking System. This is a receipt-supported program (in budget code 74103) that is currently under a legislatively required Continuation Review. Funding will be restored at the current level of funding (\$1,667,708 recurring), which includes support for 12.75 positions.

Total Recommended Expansion

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	-	-
Receipts	-	-
	<hr/>	<hr/>
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	\$250,000	-
Receipts	-	-
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Appropriation	\$250,000	-
Positions	-	-

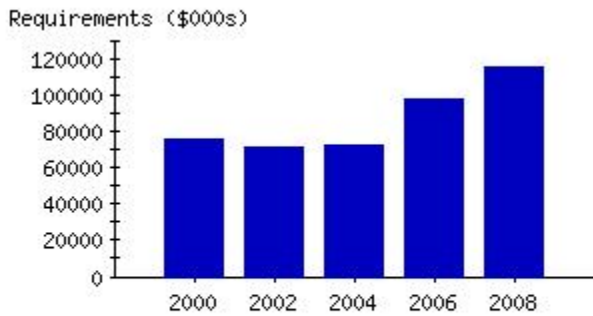
**Total Recommended Adjustments for
 Department of Administration (14100)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$4,402,258)	(\$4,558,568)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$4,402,258)	(\$4,558,568)
Positions	(29,000)	(29,000)
Nonrecurring		
Requirements	(\$65,011)	(\$315,011)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$65,011)	(\$315,011)
Positions	-	-
Total Appropriation Adjustments	(\$4,467,269)	(\$4,873,579)
Total Position Adjustments	(29,000)	(29,000)

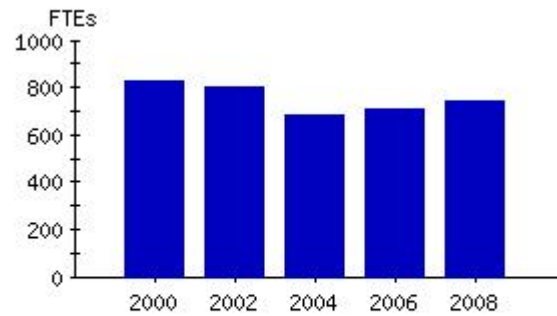
Base Budget and Performance Management Information

Budget Code 14100 Department of Administration - General

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Funding increases due, in part, to increases in APT receipts, Veteran Scholarships. Increases also for HUB and Domestic Violence.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$115,245,728	\$110,369,657	\$112,478,339	\$4,396,395	\$116,874,734	\$4,592,483	\$117,070,822
Receipts	\$40,496,020	\$36,947,564	\$39,056,246	(\$351,675)	\$38,704,571	(\$348,305)	\$38,707,941
Appropriation	\$74,749,708	\$73,422,093	\$73,422,093	\$4,748,070	\$78,170,163	\$4,940,788	\$78,362,881
Positions	737.660	727.100	728.650	-	728.650	-	728.650

Budget Code 14100 Department of Administration - General

Fund 14100-1111 Office of the Secretary — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,320,445	\$1,282,815	\$1,324,447	\$1,578,122	\$2,902,569	\$1,578,677	\$2,903,124
Receipts	\$79,018	\$70,533	\$74,992	(\$490)	\$74,502	(\$490)	\$74,502
Appropriation	\$1,241,427	\$1,212,282	\$1,249,455	\$1,578,612	\$2,828,067	\$1,579,167	\$2,828,622
Positions	14.000	14.000	14.000	-	14.000	-	14.000

Fund description

The purpose of the Office of the Secretary is to set policy and to supervise departmental operations and services to assure that programs serve the needs of State agencies and institutions and the people of North Carolina. The Secretary's Office provides leadership for effective management, efficient and economical operations, and the fair and equitable conduct of State Government agencies to assist their efforts to render services to the public. It also provides management oversight and support for advocacy efforts on behalf of underrepresented citizens. The Secretary's Office also provides administrative and management oversight for the upkeep, security, maintenance, and repair of state government facilities in the Downtown Government Complex.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide for continuous operations of the business functions of state government in construction, real property, and purchasing of goods and services through setting policy, managing personnel, employing information technology, and providing administration and oversight.	\$301,959	3.200
Oversee the department's advocacy efforts for underrepresented citizens of North Carolina through participation in the work of the various boards and commissions dedicated to advocacy work.	\$301,959	3.200
Pursuant to N.C.G.S. § 113A-4 and 01 NCAC 25.0209, .0211: advise and assist state agencies in meeting compliance requirements and provide coordinated project reviews required by the North Carolina and National Environmental Policy Acts to notify state/local agencies and the public of proposed activities with potential environmental impacts, and provide decision-makers with information on the environmental consequences of proposed actions.	\$278,378	2.950
Provide legal consultation and advice to agencies, principals, and executive officers of the department, using state and federal statutes, codes, and administrative rules to ensure departmental compliance with applicable state and federal statutes, thus minimizing legal risk to the department.	\$230,510	2.450
Provide coordinated communications for the department through news releases and other publications to meet the communication mission and function for divisions within the department to ensure consistent, current, and accurate content for internal and external audiences.	\$207,639	2.200
Actual Totals	\$1,320,445	14.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Environmental contract and grant applications reviewed	385	402	393

Fund 14100-1121 Department of Administration Fiscal Management — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,598,002	\$1,513,965	\$1,611,001	\$3,242	\$1,614,243	\$5,741	\$1,616,742
Receipts	\$396,098	\$376,696	\$409,191	\$250	\$409,441	\$1,345	\$410,536
Appropriation	\$1,201,904	\$1,137,269	\$1,201,810	\$2,992	\$1,204,802	\$4,396	\$1,206,206
Positions	25.000	24.000	25.000	-	25.000	-	25.000

Fund description

The purpose of Fiscal Management is to administer the budgeting, accounting, payroll, and purchasing functions for the Department of Administration. The office provides the same services for the Lieutenant Governor, State Ethics Commission, Office of State Personnel, State Board of Elections, Commission on State Property, and the License to Give Trust Fund Commission. These services involve accounting for all fiscal activities for the aforementioned agencies in accordance with requirements of the Office of State Budget and Management, Office of State Controller, the Department of State Auditor, Federal Agencies, Administrative Codes, and applicable General Statutes as set forth by the North Carolina Legislature. The office files timely financial reports; invoices for central receipt-supported services; purchases and pays for goods and services; prepares budgets; and recommends and administers fiscal policy within the Department of Administration.

Services for the fund

	Actual Requirements 2007-08	Actual FTEs 2007-08
Administer payroll functions including monthly, temporary, part-time, premium, longevity, law allowances, and garnishments.	\$159,800	2.200
Devise techniques and procedures in accordance with the statewide cash management policy for the receipt, deposit, and disbursement of moneys coming into the control and custody of the four agencies, which are designed to maximize interest-bearing investment of cash and to minimize idle and nonproductive cash balances.	\$95,880	1.000
Direct the acquisition of goods and services based on sound competitive purchasing procedures in accordance with state law, rules, and regulations.	\$223,720	3.300
Budget and allocate funds to expense categories necessary to meet program operations and objectives. Formulate and present the continuation, expansion, and capital budgets to the Office of State Budget and Management and the General Assembly.	\$207,740	3.100
Process payments to vendors and to employees in a timely manner and deposit all receipts daily in accordance with the Office of State Controller Cash Management Policy.	\$767,042	12.300
Maintain internal control of assets by processing data into Fixed Asset Inventory Data System.	\$31,960	.300
Prepare all annual financial statements and special projects as they arrive on daily basis in accordance with generally accepted accounting principles.	\$111,860	2.800
Actual Totals	\$1,598,002	25.000

Measures for the fund

	2005-06	2006-07	2007-08
Purchase orders issued	1,856	1,853	1,897
Percentage of month-end budgetary reports prepared and sent to agencies	100.0 %	100.0 %	100.0 %
Percentage of payments to vendors and employees made on time	98.0 %	98.0 %	98.0 %

Fund 14100-1122 Department of Administration Personnel — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$567,892	\$735,067	\$745,288	(\$1,171)	\$744,117	\$1,896	\$747,184
Receipts	\$1,261	\$400	\$400	\$0	\$400	\$0	\$400
Appropriation	\$566,631	\$734,667	\$744,888	(\$1,171)	\$743,717	\$1,896	\$746,784
Positions	11.000	11.000	11.000	-	11.000	-	11.000

Fund description

The Human Resources Management (HRM) Office provides a range of services for the Department of Administration and the Office of Lieutenant Governor. These services encompass all major areas of personnel administration in accordance with the requirements of the N.C.G.S. 126, State Personnel Act. The HRM Office is responsible for employee recruitment and selection, position management, salary administration, training and development, employee and management relations, EEO / affirmative action, safety and health, and health benefits administration.

Services for the fund

Respond to questions and inquiries from other State agencies, employees, managers and supervisors alike within DOA and the Lt. Governor's Office to answer questions on pay, job design, benefits and leave administration, status of vacancies advertised or applications, training opportunities, credentials verification, records maintenance, and discipline and grievance policies by researching problems, explaining procedures, and informing parties of deadlines.

Actual Requirements 2007-08	Actual FTEs 2007-08
\$456,066	9.150

Create and deliver mandatory and customized training in the Americans with Disabilities Act (ADA), Drug Free Workplace, Merit Based Recruitment, Performance Management System, and Unlawful Workplace Harassment in order to comply with Office of State Personnel requirements and familiarize employees with policy standards and processes and procedures.

\$64,893	1.100
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Create, transmit, and approve personnel actions to implement employee and position changes affecting pay, job title and level, promotion, transfer, demotion, separation for retirement, and reinstatement from leaves of absence.

\$46,933	.750
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Actual Totals	\$567,892	11.000
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Measures for the fund

	2005-06	2006-07	2007-08
Percentage of new employees receiving Americans with Disability Act training	45 %	46 %	100 %
Percentage of new employees receiving Drug Free Workplace training	95 %	100 %	100 %
Percentage of new employees receiving Unlawful Workplace Harassment training	75 %	100 %	100 %

Fund 14100-1123 Office for Historically Underutilized Businesses — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,182,083	\$907,924	\$866,027	\$4,428	\$870,455	\$6,058	\$872,085
Receipts	\$427,213	\$1,000	\$1,000	\$0	\$1,000	\$0	\$1,000
Appropriation	\$754,870	\$906,924	\$865,027	\$4,428	\$869,455	\$6,058	\$871,085
Positions	13.000	13.000	13.000	-	13.000	-	13.000

Fund description

The Office for Historically Underutilized Businesses (HUB) serves as an advocate to increase opportunities for minorities, women and persons with disabilities in state government procurement and contracting. The HUB Office works to increase the amount of goods and services acquired by state agencies from HUB vendors; works to eliminate barriers that limit HUB participation; promotes the State's online vendor registration and HUB certification; provides training to purchasers and HUB vendors; and encourages state purchasing officials to identify and utilize HUB vendors.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide certification to businesses seeking to become certified as Historically Underutilized Businesses.	\$102,841	2.000
Provide training, assistance, and outreach to HUB vendors, including conducting and/or participating in "How to do Business" sessions, vendor fairs, exhibits, and business opportunity conferences.	\$108,266	2.000
Provide assistance to state reporting entities on how to use the HUBSCO construction reporting system, and how to enter information. Review and compile these reports and generate comprehensive HUB reports to be submitted to the Secretary of Administration and the Governor's Office.	\$65,602	1.500
Provide training to state purchasing entities on the state's HUB program, legislation, and policies. Assist state and other public entities with identifying HUB vendors for prospective bid and contracts, and with interpreting rules and procedures. Review state entities for compliance. Research and develop policy and serve as a clearinghouse on HUB resources.	\$663,322	3.000
Assist state entities' construction managers with outreach for construction projects. Attend construction project pre-bid and information session to promote HUB and good faith effort initiatives.	\$24,934	.500
Advocate for legislation and policies that promote utilization of historically underutilized businesses and eliminate barriers and constraints that prevent HUB firms from bidding and participating in state government contracting.	\$52,067	1.000
Receive and reply to communications, needs and concerns of historically underutilized businesses participating or seeking to participate in state government purchasing and contracting. Receive and reply to constituent communications, needs, and concerns on behalf of the Governor or Secretary of Administration.	\$24,338	.500
Coordinate and facilitate meetings of Minority Business Capital Projects Advisory Board. Implement recommendations and suggestions of board, approved by Secretary of Administration. Coordinate and facilitate meetings of Purchasers Roundtable, comprised of state agency and university purchasers.	\$20,434	.500

Provide administrative services including managing personnel and office management and administration.	\$86,359	1.000
Develop and implement programs and initiatives to assist historically underutilized businesses. Partner with other advocacy and resource organizations to promote HUB firms and utilization of these firms in public and private sector contracting.	\$33,920	1.000
Actual Totals	\$1,182,083	13.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Historically Underutilized Businesses (HUB) certifications	2,400	1,715	3,246
Training sessions offered to HUB vendors and purchasing entities	99	55	33
HUBSCO Construction Reporting System Users (State and Public Entities)	273	293	300

Fund 14100-1230 Non-Public Education — Base Budget

	<u>2007-08</u> Actual	<u>2008-09</u> Certified	<u>2008-09</u> Authorized	<u>2009-10</u> Adjustments	<u>2009-10</u> Total	<u>2010-11</u> Adjustments	<u>2010-11</u> Total
Requirements	\$354,940	\$343,116	\$354,553	\$2,098	\$356,651	\$2,870	\$357,423
Receipts	\$5,425	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$349,515	\$343,116	\$354,553	\$2,098	\$356,651	\$2,870	\$357,423
Positions	5.000	5.000	5.000	-	5.000	-	5.000

Fund description

The Division of Non-Public Education (DNPE) is a legislatively authorized monitoring agency that determines if non-public schools (both conventional and home) are meeting the statutory requirements of G.S. 115C, Article 39. DNPE assesses non-public schools to verify that all private elementary and secondary schools are meeting those requirements by periodically inspecting certain school records; by performing annual on-site school inspections and home school record review visits; by compiling and maintaining statistical data; and by sending and receiving annual reports. DNPE also oversees the non-public school student driving eligibility certificate program.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Respond to questions and requests for information, provide limited school statistical data, and investigate complaints about non-public schools.	\$110,031	1.750
Receive and acknowledge receipt of Notices of Intents to initially open a new school or notifications of school termination.	\$102,933	1.500
Meet annually with school administrators to determine their school's legal compliance.	\$56,791	.750
Fulfill requests from non-public school administrators for student driving eligibility certificates and process their recommended revocations of student driving privileges.	\$53,241	.500
Maintain a division Web site with vital informational tools for local compulsory attendance enforcement and answers to over 100 of the most frequently asked non-public school related questions.	\$31,944	.500
Actual Totals	\$354,940	5.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Schools receiving oversight by Non-Public Education	34,350	36,739	39,050
Incoming business phone calls received	25,401	23,110	24,358
Incoming pieces of business mail handled	-	32,207	32,201

Fund 14100-1241 Management Information Systems — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,124,276	\$1,172,161	\$1,073,957	(\$2,786)	\$1,071,171	(\$2,786)	\$1,071,171
Receipts	\$384,888	\$153,617	\$218,151	\$3,578	\$221,729	\$3,578	\$221,729
Appropriation	\$739,388	\$1,018,544	\$855,806	(\$6,364)	\$849,442	(\$6,364)	\$849,442
Positions	11.000	11.000	10.000	-	10.000	-	10.000

Fund description

The Management Information Systems division designs, develops, and implements automated solutions for all divisions within DOA. To carry out this responsibility, this division (1) researches the latest application development technology, (2) conducts feasibility studies, (3) develops, with the client, business requirements, (4) designs new business workflows, incorporating creative solutions, (5) develops and writes computer systems/programs to implement business requirements, (6) maintains the computer systems/applications, and (7) trains clients in the utilization of newly implemented technology and systems. It also designs, develops, and implements Web pages for all divisions within DOA. To carry out this responsibility, this division (1) researches the latest Web presentation technology, (2) develops, with the client, page content, and (3) designs and implements Web pages in the standardized format. It also provides technical support for DOA users who experience problems with their NCID or NC Mail. This includes (1) administration of NCID and NC Mail accounts and (2) assisting users with the Outlook client on their desktop.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Design, build, and maintain applications and provide training upon the initial implementation of new systems to enable the businesses within DOA to efficiently perform their functions.	\$664,345	6.500
Design, build, and maintain Web pages that enable businesses within DOA to effectively share information internally and with the citizens of North Carolina.	\$281,069	2.750
Act as NCID and NC Mail manager for all users within DOA. Assist users with the Outlook client and its features so that they can more efficiently use email in the performance of their duties.	\$178,862	1.750
Actual Totals	\$1,124,276	11.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
New or rewritten applications developed for the business operations of DOA	6	6	4
Applications maintained and/or supported by the division	20	21	22
Department of Administration Web updates processed (thousands)	-	2,011	2,978

Fund 14100-1264 Telecommunications Office — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,918,641	\$6,126,158	\$5,203,611	(\$64,516)	\$5,139,095	(\$64,516)	\$5,139,095
Receipts	\$4,262,331	\$5,490,704	\$4,552,882	(\$69,408)	\$4,483,474	(\$69,408)	\$4,483,474
Appropriation	\$656,310	\$635,454	\$650,729	\$4,892	\$655,621	\$4,892	\$655,621
Positions	13.000	12.000	13.000	-	13.000	-	13.000

Fund description

The purpose of the Agency for Public Telecommunications (APT) is to provide telecommunications services to other public agencies as they seek to deliver messages to their constituencies (the public, employees, businesses, etc). Through use of APT's services, public participation in government is increased, public access to government services is enhanced, and government efficiency is improved. APT's services and the results of those services can be categorized in three ways: (1) by producing live, public affairs call-in programs on the Open Public Events Network (OPEN/net) and distributing them via satellite to North Carolina cable systems and live over the Internet, citizens are invited to participate in government and learn about accessing government services; (2) by serving as the central media production facility for state government and offering a full range of audio/video production options (including purchase of advertising time on television, radio, cable, print, billboards, newspapers, etc), public agencies are able to reach broad or targeted audiences with training, information, and other services; and (3) by providing audio and video conferencing services to other public agencies for staff development or public/media outreach and increased governmental efficiency and productivity.

Services for the fund

	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Produce weekly, live call-in programs designed to link citizens with policy-makers for an exchange of ideas and information. Individual programs or program series may be sponsored by public agencies as part of their public outreach efforts (OPEN/net).	\$207,000	2.000
Provide full-motion video teleconferencing via satellite to receiving sites across North Carolina and the nation through the Internet, by phone, and/or by fiber optics. In addition, use teleconferencing technologies to reach media outlets for media tours or media briefings. Network development, studio equipment, and production oversight is offered to client agencies (State Services Network).	\$66,000	1.000
Provide public agencies with state-of-the-art media production services for both audio and video projects. Services include creative development, research and scriptwriting, location or studio taping, digital nonlinear editing, and media duplication. Services also include coordinating with media outlets to purchase advertising slots to maximize reach to the clients' targeted audiences (Media Services).	\$4,248,641	4.000
Provide administrative, engineering, and operations support to the three client service areas. Staff operate and maintain APT's television production and distribution facilities, handle staffing requirements, and perform accounting functions and other specific support activities (Engineering/Operations/Administration).	\$397,000	6.000
Actual Totals	\$4,918,641	13.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
OPEN/net programs	108	108	108
Households reached	2,200,000	2,500,000	2,600,000
Audio/video productions completed	92	90	93

Fund 14100-1311 Office of State Personnel — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$8,571,589	\$8,158,233	\$8,122,850	(\$132,198)	\$7,990,652	(\$124,057)	\$7,998,793
Receipts	\$532,570	\$240,654	\$205,271	(\$1,991)	\$203,280	(\$1,991)	\$203,280
Appropriation	\$8,039,019	\$7,917,579	\$7,917,579	(\$130,207)	\$7,787,372	(\$122,066)	\$7,795,513
Positions	80.170	81.400	80.170	-	80.170	-	80.170

Fund description

The purpose of the Office of State Personnel (OSP) General Fund is to establish and maintain a modern system of human resources (HR) administration, including recruitment and selection; classification; compensation; and employee/employer relations for the state of North Carolina, under the direction of the Governor. OSP provides leadership and supports agencies and universities in creating and sustaining dynamic human resource systems to attract, retain, develop, and motivate a diverse and competent workforce. The system is based on accepted and successful principles of human resources administration used in government and industry.

Services for the fund

	Actual Requirements 2007-08	Actual FTEs 2007-08
Provide consulting services to agency and university HR offices and employees.	\$2,905,600	33.000
Monitor agency and university HR functions for compliance with applicable laws, rules, and policies.	\$1,444,793	13.000
Maintain Human Resource Information System (HRIS) database of all SPA employees.	\$1,060,000	4.000
Provide administrative, operational, and training services for OSP.	\$1,500,000	10.000
Develop and implement HR programs such as career-banding.	\$1,661,196	20.170
Actual Totals	\$8,571,589	80.170

Measures for the fund

	2005-06	2006-07	2007-08
Employee turnover rate for state agencies	12.0 %	12.3 %	11.8 %
Percentage of agency HR actions monitored	9.5 %	8.7 %	9.3 %
Percentage of HR actions monitored that contain errors	9.4 %	6.5 %	8.9 %

Fund 14100-1411 State Construction Office — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,462,613	\$4,743,559	\$4,717,193	(\$10,982)	\$4,706,211	(\$1,334)	\$4,715,859
Receipts	\$234,872	\$950	\$950	\$0	\$950	\$0	\$950
Appropriation	\$4,227,741	\$4,742,609	\$4,716,243	(\$10,982)	\$4,705,261	(\$1,334)	\$4,714,909
Positions	54.000	56.000	54.000	-	54.000	-	54.000

Fund description

The purpose of the State Construction Office is to provide professional architectural and engineering services, management, and leadership to state agencies. This work is performed through reviews, inspections, and construction in order to ensure that the state buildings are built efficiently and in the state's best interest.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Manage the state's capital improvement program by setting policy, planning programs, and providing oversight to State Construction staff. Also, provide staff support to the State Building Commission.	\$382,446	6.000
Provide in-house design services and projects, monitor and inspect all project construction in the Raleigh downtown complex, and provide consulting services to other state agencies.	\$928,669	10.000
Process cost estimates and contracts relating to construction or renovation of state buildings.	\$114,689	1.500
Review and approve all plans and specifications for the construction or renovation of state buildings.	\$1,249,085	15.750
Supervise the letting of all contracts for the design, construction, or renovation of state buildings.	\$265,974	3.500
Inspect and accept all work completed and materials used in the construction or renovation of state buildings.	\$957,676	10.750
Conduct assessments of state facilities to identify deficiencies.	\$564,074	6.500
Actual Totals	\$4,462,613	54.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Capital improvement projects completed	215	191	177
Percentage of projects completed within budget	80 %	56 %	50 %
State buildings assessed (over 3,000 square feet in size)	627	768	1,327

Fund 14100-1412 State Property Office — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,295,852	\$1,995,087	\$2,431,974	(\$5,701)	\$2,426,273	(\$4,719)	\$2,427,255
Receipts	\$1,350,564	\$694,692	\$1,124,722	\$2,806	\$1,127,528	\$2,806	\$1,127,528
Appropriation	\$945,288	\$1,300,395	\$1,307,252	(\$8,507)	\$1,298,745	(\$7,525)	\$1,299,727
Positions	34.000	27.040	34.000	-	34.000	-	34.000

Fund description

The purpose of the State Property Office is to acquire and dispose of state property on behalf of state agencies by deed, lease, easement, license, or otherwise; to manage the state's unappropriated and submerged lands; and to maintain a complete and accurate inventory of state owned lands, buildings, and space in buildings for use by state agencies in managing their allocated properties in an efficient and effective matter.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Act as the real estate broker for real property transactions, including all acquisitions and disposals, for most state agencies and the university system. Evaluate the property and the agency's need for the property and negotiate the purchase.	\$981,556	16.000
Maintain a complete and accurate inventory of the state's real estate holdings (includes funding for database updates and mapping of building footprints).	\$530,647	6.000

Acquire conservation easements for the restoration and enhancement of streams and waterways and to mitigate environmental impact to the state's wetlands due to DOT road projects and other impacts.	\$392,905	6.000
Manage real estate leases, including processing and evaluating bids and negotiating the terms of leases. Determine space needs of state agencies.	\$390,744	6.000
Actual Totals	\$2,295,852	34.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Administrative cost as a percent of total dollar volume of acquisition and disposition transactions	1.7 %	3.0 %	3.9 %
Percentage of state land inventory updated (annual updates to inventory database compared to total inventory records)	9.1 %	9.7 %	9.8 %
Acres acquired for the establishment or expansion of State Parks, including natural areas	7,712	7,526	8,042

Fund 14100-1413 Commission of State Property — Base Budget

	<u>2007-08</u> Actual	<u>2008-09</u> Certified	<u>2008-09</u> Authorized	<u>2009-10</u> Adjustments	<u>2009-10</u> Total	<u>2010-11</u> Adjustments	<u>2010-11</u> Total
Requirements	\$17,977	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$18,000	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	(\$23)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Commission on State Property is to identify state-owned real property that is surplus and suitable for sale on the private market or suitable for sale and leaseback and to make recommendations concerning the disposition of that property. The commission shall consult with real estate salespersons and brokers, real estate appraisers, and other knowledgeable persons in determining its recommendations. Fund is no longer with the Department of Administration and is closed out as of June 2008.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Provide administrative support (staff, services, supplies, and equipment) for the commission.	\$17,977	-
Conduct meetings of the commission.	\$0	-
Actual Totals	\$17,977	-

Fund 14100-1416 State Building Commission — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$11,634	\$8,202	\$11,634	\$0	\$11,634	(\$159)	\$11,475
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$11,634	\$8,202	\$11,634	\$0	\$11,634	(\$159)	\$11,475
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the State Building Commission is to establish standard procedures for designer selection; coordinate plan review and approval; post occupancy evaluations, designer, and contractor evaluations; and to study and recommend ways to improve the effectiveness and efficiency of the State's capital improvement program.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide reimbursement to commission members for travel associated with conducting monthly or bi-monthly commission meetings to approve designer selections and review and improve procedures utilized in the capital improvement program.	\$2,910	-
Identify and establish procedures for evaluations of contractors and designers.	\$2,908	-
Provide administrative support to board such as preparing and transmitting reports to the General Assembly, preparing and publishing minutes of meetings, coordinating and scheduling meetings for board and subcommittees, researching various issues, arranging training for members, and coordinating mass mailings for the board.	\$2,908	-
Purchase awards for contractors and designers.	\$2,908	-
Actual Totals	\$11,634	-

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Design contracts awarded by the State Building Commission	184	286	169

Fund 14100-1421 Facilities Management Division — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$28,981,585	\$25,160,600	\$25,303,811	\$3,975,410	\$29,279,221	\$4,114,423	\$29,418,234
Receipts	\$4,011,083	\$3,751,380	\$3,751,380	\$815	\$3,752,195	\$1,707	\$3,753,087
Appropriation	\$24,970,502	\$21,409,220	\$21,552,431	\$3,974,595	\$25,527,026	\$4,112,716	\$25,665,147
Positions	182.000	180.000	179.000	-	179.000	-	179.000

Fund description

The purpose of the Facilities Management Division is to provide a safe and healthful work environment for employees and the public in a cost effective and energy efficient manner by performing routine, preventive, and emergency maintenance to state facilities owned by and allocated to the Department of Administration. The Facilities Management Division also provides alteration services for renovations and other requests as a billed service to state agencies. This purpose is accomplished by five functional areas: Administration/Operations, Building Services, Building Systems, Construction Services, and Landscape Services.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide preventive maintenance programs and respond to routine and emergency work requests from state agencies in assigned state facilities for carpentry, electrical, elevator, fire inspection, housekeeping, HVAC, landscape, moving, pest control, plumbing, recycling, security systems, sign, warehouse, and welding trade shops.	\$6,695,895	94.000
Process alteration requests from state agencies using general construction and painting contractors in combination with in-house services.	\$197,748	4.000
Provide facility security by administering key control, card access, and alarm monitoring systems in assigned state facilities.	\$482,082	8.000
Maintain grounds and landscape areas.	\$1,356,712	30.000
Provide administrative support, vehicle maintenance, computer hardware, computer software, uniforms, safety equipment, and warehouse operations in support of division responsibilities.	\$6,127,692	12.000
Provide funds for pass-through utility costs for energy and related utilities (electricity, gas, #2 fuel oil, water, and sewer).	\$10,826,970	-
Provide in-house janitorial services and administer janitorial and waste management contracts for state agencies.	\$3,294,486	34.000
Actual Totals	\$28,981,585	182.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of equipment items scheduled for preventative maintenance program that were completed	86 %	89 %	88 %
Routine and emergency service requests received from state agencies and processed	14,308	14,865	11,500
Cost of energy and related utilities for managed state facilities in dollars per square foot (dollars)	\$2.15	\$1.98	\$2.00

Fund 14100-1466 State Energy Office — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$7,343,783	\$3,961,942	\$3,953,643	\$2,176	\$3,955,819	\$3,002	\$3,956,645
Receipts	\$4	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$7,343,779	\$3,961,942	\$3,953,643	\$2,176	\$3,955,819	\$3,002	\$3,956,645
Positions	8.000	8.000	8.000	-	8.000	-	8.000

Fund description

The purpose of this fund is to administer the Utility Savings Initiative; to deploy energy efficiency and renewal energy programs in state, university, and community college facilities that will reduce energy usage and save money for the state of North Carolina; to provide on-site surveys, energy audits, and training; to provide technical assistance to deploy energy saving capital improvements in public buildings; to deploy renovations for public buildings using sustainable methods to avoid resource depletion of energy, water, and raw materials; and to prevent environmental degradation caused by facilities infrastructure throughout their life cycle.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Administer the Utility Savings Initiative programs and services and provide technical assistance to state, university, and community college facilities.	\$3,671,892	4.000
Monitor, track, and provide funding for projects designed to make state agencies, universities, and community colleges more energy efficient.	\$3,671,891	4.000
Actual Totals	\$7,343,783	8.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Energy costs avoided in state facilities with the implementation of the Utility Savings Initiative Program (\$ thousand) ¹	-	-	\$35,500,000
Compact fluorescent light bulbs distributed to state projects executed with Energy Reserve Funds ²	-	-	7,700
Water aerators distributed to state projects executed with Energy Reserve Funds ²	-	-	4,500
Low flow shower heads distributed to state projects executed with Energy Reserve Funds ²	-	-	1,600

¹Program funded out of 24100 2466 in 2005-06 and 2006-07

²Energy Reserve Fund started in 2007-08

Fund 14100-1511 Purchasing and Contract — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,651,604	\$3,967,323	\$3,746,114	\$2,758	\$3,748,872	\$10,732	\$3,756,846
Receipts	\$73,379	\$13,429	\$1,429	\$0	\$1,429	\$0	\$1,429
Appropriation	\$3,578,225	\$3,953,894	\$3,744,685	\$2,758	\$3,747,443	\$10,732	\$3,755,417
Positions	50.000	52.000	48.000	-	48.000	-	48.000

Fund description

The purpose of the Division of Purchase and Contract is to serve as the procurement management authority for all state departments, institutions, and agencies, including universities and community colleges. To carry out this purpose, this division (1) provides purchasing services for effective and economical acquisition of goods and services; (2) makes purchasing services available to local governments, local education agencies, charitable non-profit hospitals, local non-profit community sheltered workshops, volunteer fire departments and rescue squads, and eligible private colleges and universities; (3) provides purchasing training to state personnel; (4) conducts compliance reviews; (5) administers the State's E-Procurement program; (6) maintains the online bid distribution system; and (7) supports the Historically Underutilized Business (HUB) goals program.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide cost effective and efficient acquisition of goods and services for state agencies, community colleges, and constituent institutions of The University of North Carolina in compliance with all state purchasing laws, rules and regulations. Statewide term contracts established by the Division are also available to public school systems and local administrative units.	\$2,775,219	36.000
Ensure state agencies, community colleges, constituent institutions of The University of North Carolina comply with all state purchasing laws, rules and regulations by providing educational training sessions and conducting compliance reviews.	\$438,193	8.000
Inspect equipment for compliance with specifications upon request and as required by state purchasing laws, rules and regulations for State agencies, community colleges, and constituent institutions of The University of North Carolina (plus public school systems and local administrative units, by request).	\$146,064	2.000
Create and maintain standard specifications, and qualified products lists for state agencies, community colleges, constituent institutions of The University of North Carolina, and local administrative units.	\$292,128	4.000
Actual Totals	\$3,651,604	50.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Product inspections performed	505	719	794
Purchasers and vendors participating in training sessions	1,445	2,761	1,402
Estimated cost savings for cost avoidance and average market savings (dollars)	\$32,663,327	\$15,529,882	\$18,081,373

Fund 14100-1623 State Capital Police — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,436,602	\$3,889,994	\$4,272,913	\$97,032	\$4,369,945	\$100,562	\$4,373,475
Receipts	\$1,095,195	\$629,861	\$969,164	\$2,762	\$971,926	\$3,024	\$972,188
Appropriation	\$3,341,407	\$3,260,133	\$3,303,749	\$94,270	\$3,398,019	\$97,538	\$3,401,287
Positions	87.000	82.000	83.000	-	83.000	-	83.000

Fund description

The purpose of the State Capital Police is to provide law enforcement services to the State Government Complex to ensure the consistent operation of North Carolina State Government, prevent criminal activity, and ensure a safe environment for state employees and citizens. Funding provides law enforcement and support staff personnel, uniform equipment, protective law enforcement equipment, weapons, ammunition, emergency radios and communication equipment, police patrol vehicles and emergency lighting equipment, administrative office equipment, training hours, training aids, computers, and other necessary items.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Patrol state property within the defined jurisdiction through law enforcement and security officer foot and vehicular patrols to ensure safety and prevent criminal activity.	\$2,757,695	37.000
Conduct visitor and state employee security screenings at state facilities. Check visitor identification cards to confirm authenticity. Provide law enforcement and security services for special and recurring state government events. Respond to calls for services from state employees and visitors to state facilities.	\$1,276,957	35.000
Manage a 24-hour emergency communications center to effectively receive and dispatch emergency and non-emergency calls to law enforcement, fire, and rescue personnel throughout the state. Conduct video surveillance throughout the complex. Provide Division of Criminal Information (DCI) support for various state law enforcement agencies.	\$218,000	10.000
Provide specialized law enforcement training for State Capitol Police and various state law enforcement officers. Provide education and awareness seminars to state employees to ensure their safety and well being while on state-owned property.	\$75,250	2.000
Conduct criminal investigations and threat assessments (bomb sweeps, K-9 operations, security reviews, etc.) at state facilities. Make security enhancement recommendations to ensure the safety and security of state facilities.	\$35,700	1.000
Provide administrative support for the agency director and perform human resource duties for agency employees. Correspond with departmental officials, vendors, and other public officials.	\$73,000	2.000
Actual Totals	\$4,436,602	87.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Calls for service answered	16,615	17,705	17,555
Visitors screened at state facilities	-	90,267	92,901
Criminal investigations conducted	-	50	44

Fund 14100-1731 NC Council for Women and Domestic Violence Commission — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$800,663	\$886,843	\$914,785	\$776	\$915,561	\$616	\$915,401
Receipts	\$11,702	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$788,961	\$886,843	\$914,785	\$776	\$915,561	\$616	\$915,401
Positions	14.000	14.000	14.000	-	14.000	-	14.000

Fund description

It is the mission of the North Carolina Council for Women/Domestic Violence Commission (CFW/DVC) to build strong families and communities by assessing, coordinating, advising, and implementing strategies promoting safety, economic security, education, and wellness of women in North Carolina. The agency certifies Abuser Treatment programs utilized by the North Carolina Court system to assist batterers, distributes state funding for Domestic Violence, Sexual Assault, and Displaced Homemaker community-based programs across the state, and provides training and technical assistance to those programs. This fund is one of five operating funds (funds 1731, 1732, 1734, 1781, and 1782) for the North Carolina Council for Women/Domestic Violence Commission.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Distribute state funding for Domestic Violence, Sexual Assault, and Displaced Homemaker community-based programs across North Carolina through grant appropriations to provide services to victims and survivors throughout the state.	\$60,434	2.000
Provide field staff personnel to monitor and assist all programs funded by the CFW/DVC to increase efficiency and effectiveness of programs and to enhance service delivery for victims/clients across the state.	\$281,854	4.500
Analyze issues and develop recommendations for the Governor, the General Assembly, and other policy-making groups on ways to improve funding for local service providers and improve the services provided to victims/clients across the state.	\$79,729	1.000
Provide information and education to the public and funded programs on issues related to domestic violence, sexual assault, displaced homemakers, and other women's issues.	\$167,459	2.500
Staff the Domestic Violence Commission by developing agenda, scheduling presenters, arranging for meeting space, recording minutes of the meeting, and attending subcommittee meetings.	\$111,131	2.000
Staff the Council for Women by developing agenda, scheduling presenters, arranging for meeting space, recording minutes of the meeting, and attending subcommittee meetings.	\$100,056	2.000
Actual Totals	\$800,663	14.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Domestic Violence, Sexual Assault, and Displaced Homemaker Programs funded	200	212	214
Domestic Violence and Sexual Assault victims, and Displaced Homemaker clients served	62,439	59,645	56,088
Abuser Treatment programs certified	-	67	4

Fund 14100-1732 Displaced Homemakers — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,235,393	\$2,111,704	\$2,151,291	\$0	\$2,151,291	\$0	\$2,151,291
Receipts	\$2,087,790	\$1,800,000	\$1,838,796	\$0	\$1,838,796	\$0	\$1,838,796
Appropriation	\$147,603	\$311,704	\$312,495	\$0	\$312,495	\$0	\$312,495
Positions	1.000	-	1.000	-	1.000	-	1.000

Fund description

The purpose of the Displaced Homemaker fund is to provide state grants, training, and technical assistance to community-based displaced homemaker programs across the state. The displaced homemaker programs provide training and support for displaced homemakers, preparing them for the labor market. This fund is one of five operating funds (funds 1731, 1732, 1734, 1781, and 1782) for the North Carolina Council for Women/Domestic Violence Commission.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Distribute state funding for Displaced Homemaker programs across North Carolina through grant appropriations to provide services to displaced homemaker clients throughout the state.	\$2,052,760	.500
Provide administrative fiscal support to monitor and assist Displaced Homemaker programs funded by the CFW/DVC to increase efficiency and effectiveness of programs and to enhance service delivery for victims/clients across the state.	\$182,633	.500
Actual Totals	\$2,235,393	1.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Displaced Homemaker programs funded	25	35	35
Displaced Homemaker clients served	5,545	4,896	3,845
Displaced homemaker clients securing employment	-	1,611	1,296

Fund 14100-1734 Rape Crisis Program — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$2,033,290	\$3,047,478	\$3,049,322	\$287	\$3,049,609	\$370	\$3,049,692
Receipts	\$2,357	\$200	\$200	\$0	\$200	\$0	\$200
Appropriation	\$2,030,933	\$3,047,278	\$3,049,122	\$287	\$3,049,409	\$370	\$3,049,492
Positions	.360	.360	.360	-	.360	-	.360

Fund description

The purpose of the Sexual Assault Program is to provide state grants, training, and technical assistance to community-based sexual assault programs that provide 24-hour confidential crisis hotline, crisis intervention, emergency shelter, and counseling for women, men, and child victims of sexual assault. The programs also provide community education, advocacy, and referrals to other community resources as needed by survivors. This fund is one of five operating funds (funds 1731, 1732, 1734, 1781, and 1782) for the North Carolina Council for Women/Domestic Violence Commission.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Distribute state funding for Sexual Assault programs across North Carolina through grant appropriations to provide services to victims and survivors of Sexual Assault.	\$2,030,488	.360
Provide field staff personnel to monitor and assist all Sexual Assault programs funded by the CFW/DVC to increase efficiency and effectiveness of programs and to enhance service delivery for victims/clients across the state.	\$2,802	-
Actual Totals	\$2,033,290	.360

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Sexual assault programs funded in the fiscal year	73	75	76
Sexual assault victims served in the fiscal year	8,721	7,444	5,563
Sexual assault crisis calls handled	-	25,756	17,976

Fund 14100-1741 Human Relations Commission — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$830,221	\$766,723	\$782,834	\$4,207	\$787,041	\$6,407	\$789,241
Receipts	\$85,919	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$744,302	\$766,723	\$782,834	\$4,207	\$787,041	\$6,407	\$789,241
Positions	10.680	10.680	10.680	-	10.680	-	10.680

Fund description

The purpose of the Human Relations Commission is to provide services and programs aimed at improving relationships among all citizens of the state, while seeking to ensure equal opportunity in the areas of housing, public accommodations, education, justice, government services and employment. The commission's target population includes all people whose civil rights have been violated or are perceived to have been violated. To execute these responsibilities, this division uses: 1) persuasion and legal action to enforce the State Fair Housing Act (N.C.G.S. Ch. 41A); 2) outreach presentations conducted throughout the state to increase awareness of the State Fair Housing Act; 3) training in diversity appreciation to governmental agencies, their staff, local Human Relations Commissions, Community-Based organizations and Statewide Social Services and law enforcement associations to promote understanding and respect; 4) detection to prevent potentially disruptive situations which could lead to group violence and effectively intervenes to prevent escalation; 5) support and collaboration with local autonomous Human Relations Commissions throughout the State; and 6) disseminate information via a clearinghouse to assist agencies in ensuring equal employment.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Enforce the North Carolina State Fair Housing Act, participate in writing and implementing the Fair Housing goals for the Comprehensive Housing Affordability Strategy (CHAS) and the Consolidated Housing Plan, and serve as a resource to Community Development Block Grant recipients in helping them develop adequate Fair Housing plans.	\$599,914	5.680
Provide staff support to North Carolina Human Relations Commission and North Carolina Martin Luther King Jr. Commission. Support and work with 57 local autonomous human relations commissions throughout the state. Serve as a clearinghouse to disseminate information concerning North Carolina's employment law to citizens.	\$230,307	5.000
Actual Totals	\$830,221	10.680

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Presentations given to local Martin Luther King Jr. Commissions and non-profit civic groups	290	30	8
Hate crimes reported to local and state law enforcement agencies	160	265	170

Fund 14100-1742 Martin Luther King Commission — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$98,544	\$67,585	\$67,585	\$0	\$67,585	(\$52)	\$67,533
Receipts	\$49,155	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$49,389	\$67,585	\$67,585	\$0	\$67,585	(\$52)	\$67,533
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Martin Luther King Commission is to provide funds for support of the activities of the Martin Luther King Commission and to carry out its responsibilities of promoting the agenda and philosophy of the late Dr. Martin Luther King, Jr. This commission provides grants for local Martin Luther King Commissions, nonprofit organizations, and other organizations operating under the auspices of local governments to further its cause of goodwill and equality among all citizens.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide funds for support of the activities of the Martin Luther King Commission and to carry out its responsibilities of promoting the agenda and philosophy of the late Dr. Martin Luther King, Jr.	\$98,544	-
Actual Totals	\$98,544	-

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Grants to nonprofits and other governmental entities	7	8	8
Amount of grants (dollars)	\$42,000	\$42,000	\$46,000
MLK meetings held	5	5	5

Fund 14100-1761 Youth Involvement Office — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,003,199	\$994,239	\$1,013,293	\$1,747	\$1,015,040	\$3,584	\$1,016,877
Receipts	\$57,381	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$945,818	\$994,239	\$1,013,293	\$1,747	\$1,015,040	\$3,584	\$1,016,877
Positions	10.000	10.000	10.000	-	10.000	-	10.000

Fund description

The purpose of the Youth Advocacy and Involvement Office (YAIO) is to promote positive programs for youth; to provide college and law students with state government internship experiences; to act as an advocate for children and youth in state and local government; to identify unmet needs of children and youth and recommend new programs or improvements in existing programs required by law; and to provide administrative and staff support for four councils (State Youth Council, Youth Advisory Council, North Carolina Internship Council, and the Governor's Advocacy Council on Children and Youth) and the Students Against Destructive Decisions (SADD) program (G.S. 143B-385-388 and G.S. 143B-414-419).

Services for the fund	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Administer the State Government Internship Program that provides 100 paid summer internships to college and law students in state government agencies across North Carolina.	\$422,557	1.300
Act as an advocate in state and local government for North Carolina's two million children and youth and recommend new programs and improvements to existing programs.	\$126,809	2.000
Develop and administer statewide programs and funds that benefit high school age youth through participation in community service programs.	\$54,362	.800
Enhance youth involvement in current issues by conducting an annual mock legislature, the Youth Legislative Assembly.	\$61,882	1.100
Promote statewide prevention activities that educate teens about destructive decisions such as smoking, drug use, drinking and driving, teen pregnancy, youth violence, and youth suicide.	\$113,853	1.800
Cooperate and collaborate with other children and youth agencies and organizations to avoid duplication of services and to best serve clients.	\$223,736	3.000
Actual Totals	\$1,003,199	10.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of students extremely satisfied with internship experience and supervisors as revealed in evaluation	93 %	93 %	94 %
Individual child and advocacy cases completed with satisfactory resolution	150	178	219
Youth exposed to positive community service experiences and anti-destructive teen decision education	12,000	12,500	12,800

Fund 14100-1771 Veterans Affairs - Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$12,191,229	\$14,335,115	\$14,388,635	\$26,214	\$14,414,849	\$35,940	\$14,424,575
Receipts	\$6,382,339	\$7,371,712	\$7,414,728	(\$290,891)	\$7,123,837	(\$290,891)	\$7,123,837
Appropriation	\$5,808,890	\$6,963,403	\$6,973,907	\$317,105	\$7,291,012	\$326,831	\$7,300,738
Positions	89.000	89.000	89.000	-	89.000	-	89.000

Fund description

The purpose of the North Carolina Division of Veterans Affairs is to oversee all veterans service activities, to ensure full participation in all benefits programs by eligible clientele, to effectively administer the state program of scholarships for children of veterans as provided for in G.S. 165-4, and to operate three State Veterans Cemeteries. To accomplish these responsibilities, this Division administers a statewide network of offices to deal with requests for assistance related to the full range of veterans' benefits.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administer the State Veterans Scholarship Program by receiving applications, determining eligibility, performing duties prescribed by law and rule, and processing awards and payments to schools.	\$7,472,944	2.000
Deliver assistance to veterans, their dependents, and survivors through District and County Veteran Service Officers and a statewide network of field offices. Provide training for County and District Service Officers.	\$3,093,106	56.000
Act as liaison between the U.S. Department of Veterans Affairs and the North Carolina Division of Veterans Affairs.	\$477,763	11.000
Provide appropriate burial services for deceased veterans and their dependents and maintain perpetual care for their burial plots, including maintenance of facilities and grounds.	\$770,817	16.000
Manage activities of the State Veterans Affairs programs by formulating and administering agency policies; providing support and assistance to State veterans organizations; furnishing administrative support to the NC Veterans Affairs Commission; and monitoring veterans' issues brought before the General Assembly.	\$376,599	4.000
Actual Totals	\$12,191,229	89.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Requests for assistance received by district offices from veterans, their dependents, and survivors	164,937	100,800	105,076
Claims from all field offices processed by State Service Office	48,864	41,300	38,200
Burials conducted	773	834	866

Fund 14100-1772 State Veterans' Home Program — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$16,162,350	\$14,175,814	\$16,285,926	(\$3,652)	\$16,282,274	(\$2,056)	\$16,283,870
Receipts	\$16,162,347	\$14,175,814	\$16,285,926	\$894	\$16,286,820	\$2,015	\$16,287,941
Appropriation	\$3	\$0	\$0	(\$4,546)	(\$4,546)	(\$4,071)	(\$4,071)
Positions	4.000	4.000	4.000	-	4.000	-	4.000

Fund description

The purpose of the State Veterans' Home Program is to provide quality health care services in a professional and ethical manner, insuring the trust, confidence, and respect of the people and communities served; promote, advertise and publish documentation for dissemination for the North Carolina State Veterans Homes through public and organizational meetings; and administer federal grants projects in order to offer better services to our veteran residents.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Direct, administer, and manage the statewide veteran's home program for the North Carolina Division of Veterans Affairs. Provide leadership for the development and management of the Homes' strategic plan for service delivery, including participation in policy development for the care and improvement of the lives of veterans.	\$116,698	2.500
Coordinate and oversee the establishment, construction, and management of North Carolina's Veterans Homes. Work with the Federal Government and other state agencies in acquiring and monitoring grants for the construction and renovation of State Veterans' Homes.	\$14,686,631	.500
Manage federal grants, repair and renovation projects, and miscellaneous construction projects to maintain the services and facilities; prepare budget documentation; procure equipment and supplies; seek quotes and other related information for E-Procurement purchases; request checks for services and purchases for the State Veterans Homes; and deposit all funds collected.	\$1,276,021	.500
Provide services to veterans, their dependents, and survivors of veterans seeking information and assistance on claims for federal, state and local veterans' benefits and admission to the North Carolina State Veterans' Nursing Home.	\$83,000	.500
Actual Totals	\$16,162,350	4.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Repair and renovation projects completed	6	-	2
Veterans served in two existing State Veterans Nursing Homes	357	421	393

Fund 14100-1781 Domestic Violence Program — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,300,903	\$2,958,433	\$5,319,661	(\$834)	\$5,318,827	(\$857)	\$5,318,804
Receipts	\$3	\$8,500	\$8,500	\$0	\$8,500	\$0	\$8,500
Appropriation	\$5,300,900	\$2,949,933	\$5,311,161	(\$834)	\$5,310,327	(\$857)	\$5,310,304
Positions	6.640	6.640	6.640	-	6.640	-	6.640

Fund description

The purpose of the Domestic Violence Program is to provide state grants, training, and technical assistance to community-based domestic violence programs that provide 24-hour confidential crisis hotline, crisis intervention, emergency shelter, and counseling for women, men, and child victims of domestic violence. This fund also provides community education, advocacy, and referrals to other community resources as needed by the survivors. Through this program, there are domestic violence programs for men, women, and children in all 100 counties of the state. This fund is one of five operating funds (funds 1731, 1732, 1734, 1781, and 1782) for the North Carolina Council for Women/Domestic Violence Commission.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Distribute state funding for Domestic Violence programs across North Carolina through grant appropriations to provide services to victims and survivors of domestic violence.	\$5,067,028	.640
Provide field staff personnel to monitor and assist all Domestic Violence programs funded by the CFW/DVC to increase efficiency and effectiveness of programs and to enhance service delivery for victims of Domestic Violence across the state.	\$203,008	5.500
Analyze issues and develop recommendations for the Governor, the General Assembly, and other policy-making groups on ways to improve funding for local Domestic Violence service providers and improve services provided to the victims/survivors of Domestic Violence across the state.	\$3,953	-
Provide information and education through research to the public and funded programs on issues related to domestic violence.	\$17,568	.300
Staff the Domestic Violence Commission by developing agenda, scheduling presenters, arranging for meeting space, recording minutes of the meeting, and attending subcommittee meetings.	\$2,313	-
Oversee approval of abuser treatment programs, which must be attended and completed by domestic violence offenders as a condition of probation.	\$7,033	.200
Actual Totals	\$5,300,903	6.640

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Domestic violence programs funded	102	102	103
Domestic violence victims served	48,173	47,305	46,680
Domestic violence crisis calls handled	-	119,348	85,861

Fund 14100-1782 Domestic Violence Center — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,311,489	\$4,417,400	\$2,067,400	\$0	\$2,067,400	\$0	\$2,067,400
Receipts	\$1,311,490	\$2,067,400	\$2,067,400	\$0	\$2,067,400	\$0	\$2,067,400
Appropriation	(\$1)	\$2,350,000	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The Domestic Violence Center Fund is established in statute (G.S. 50B-9) to make grants to centers for victims of domestic violence and to The North Carolina Coalition Against Domestic Violence, Inc. As directed by statute (G.S. 161-11.2), a portion of each fee collected by a register of deeds for issuance of a marriage license is deposited into the fund. This is an additional source of funding to meet the needs of programs providing services to domestic violence victims. The other source of funding for domestic violence grants comes from General Fund appropriations. This fund is one of five operating funds (funds 1731, 1732, 1734, 1781, and 1782) for the North Carolina Council for Women/Domestic Violence Commission.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Distribute state appropriated funds and marriage license fee collections as grant funds to community-based domestic violence programs to operate hotlines, transportation services, community education programs, daytime services, and call forwarding services during the night.	\$1,311,489	-
Actual Totals	\$1,311,489	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Domestic violence funding from marriage license fees (dollars)	\$1,337,870	\$1,350,000	\$1,196,378
Domestic violence centers receiving funds	103	102	103

Fund 14100-1810 State Ethics Commission — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$831,220	\$1,186,902	\$1,195,060	(\$227,851)	\$967,209	(\$228,045)	\$967,015
Receipts	\$93,952	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$737,268	\$1,186,902	\$1,195,060	(\$227,851)	\$967,209	(\$228,045)	\$967,015
Positions	9.000	10.000	10.000	-	10.000	-	10.000

Fund description

The State Ethics Commission's purpose is to implement, administer, and enforce North Carolina's ethics and lobbying laws by providing education; issuing advisory opinions; receiving, investigating, and resolving complaints; and receiving, reviewing, and evaluating financial and personal interest disclosure forms called statements of economic interest (SEIs). The Commission serves all three branches of state government with the overall goal of identifying, preventing, and addressing conflicts of interest in public service and thereby fostering public confidence in all aspects of state government.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Advisory Opinions. Issue confidential advisory opinions, both formal and informal, to public officials, lobbyists, lobbyist principals, and other persons subject to or impacted by the Ethics Act and Lobbying Law.	\$290,504	3.000
Education. Develop and implement ethics and lobbying educational programs and materials to educate public officials, lobbyists, lobbyist principals, and others impacted by the Ethics Act and Lobbying Law in order to instill a keen and continuing awareness of their ethical and legal obligations as well as sensitivity to situations that might result in real or potential conflicts of interest.	\$204,854	2.000
Statements of Economic Interest (SEIs). Develop, disseminate, collect, record, and evaluate public officials' SEIs in order to identify actual or potential conflicts of interest between their official duties and their personal or business interests.	\$238,806	3.000
Complaints. Receive, review, evaluate, investigate, resolve and/or refer complaints against covered public officials to ensure ethical conduct throughout state government.	\$97,056	1.000
Actual Totals	\$831,220	9.000

Measures for the fund	2005-06	2006-07	2007-08
Formal and informal advisory opinions issued ¹	0	839	1,200
Persons educated at mandatory ethics and lobbying education programs ²	0	13,000	3,140
SEIs evaluated ³	0	1,288	1,702

¹Measures reported beginning in FY 2007-08. Estimated 100 opinions per month.

²Measures reported beginning in FY 2007-08. 47 programs in FY 2007-2008.

³Measures reported beginning in FY 2007-08. 2007 numbers for calendar year (Commission start-up year).

Fund 14100-1811 Persons with Disabilities — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$692,445	\$1,217	\$0	\$0	\$0	\$0	\$0
Receipts	\$995,310	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	(\$302,865)	\$1,217	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

Governor's Advocacy Council for Persons with Disabilities (GACPD) advocates for the protection and rights of disabled citizens of North Carolina through the fiscal, administrative, and programmatic support of seven annually funded Federal Grants. This fund provides administrative support for seven (7) funds supported with Federal Grant Funds (2832, 2833, 2834, 2835, 2836, 2837, and 2839). Fund is no longer with the Department of Administration and is closed out as of June 2008.

Services for the fund

	Actual Requirements 2007-08	Actual FTEs 2007-08
Provide protection and advocacy for individuals with traumatic brain injury.	\$98,921	-
Provide protection and advocacy for individuals with developmental disabilities.	\$98,915	-
Provide protection and advocacy for individual rights.	\$98,920	-
Provide protection and advocacy for assistive technology.	\$98,921	-
Provide protection and advocacy for voting accessibility.	\$98,920	-
Provide protection and advocacy for individuals with mental illness.	\$98,925	-
Provide protection and advocacy for beneficiaries of social security.	\$98,924	-
Actual Totals	\$692,445	-

Measures for the fund	2005-06	2006-07	2007-08
Value of all federal grant awards disbursed by and employing GACPD administrative supervision (dollars)	\$3,313,964	-	-
Federal grants received employing GACPD administrative support	7	-	-
Federal agencies providing funding	3	-	-

Fund 14100-1851 Pension - Surviving Spouse — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$12,000	\$12,000	\$12,000	\$0	\$12,000	\$0	\$12,000
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$12,000	\$12,000	\$12,000	\$0	\$12,000	\$0	\$12,000
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund is to provide a monthly pension of \$1,000 for each surviving spouse of a former Governor of North Carolina.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide monthly pension for each surviving spouse of a former Governor of North Carolina.	\$12,000	-
Actual Totals	\$12,000	-

Fund 14100-1861 Commission on Indian Affairs — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$665,762	\$626,189	\$644,520	(\$131,534)	\$512,986	(\$128,937)	\$515,583
Receipts	\$109,006	\$2,000	\$2,000	\$0	\$2,000	\$0	\$2,000
Appropriation	\$556,756	\$624,189	\$642,520	(\$131,534)	\$510,986	(\$128,937)	\$513,583
Positions	5.810	5.980	5.800	-	5.800	-	5.800

Fund description

The purpose of the Commission of Indian Affairs is to advocate for the advancement of American Indians, Indian tribes, Indian organizations, and Indian communities located in the state of North Carolina. The division accomplishes its legislative mandate by bringing local, state, and federal resources into the state. The division administers and implements programs to address employment and training; housing; education; substance abuse and prevention; economic development; and health of American Indians and Indian communities. The division also addresses issues related to the state recognition procedures. The division aims to prevent undue hardships; assists Indian communities in social and economic development; and promotes unity among American Indians and Indian communities. The division also promotes cultural diversity in state government and the rights of American Indians to pursue cultural and religious traditions considered by them to be sacred and meaningful (G.S. 143B 404-422).

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Study, consider, accumulate, compile, assemble, and disseminate information on any aspect of North Carolina Indian Affairs.	\$111,146	1.000
Investigate relief needs of American Indians in North Carolina and provide technical assistance in the preparation of plans for the alleviation of needs.	\$111,146	1.000
Confer with appropriate officials of local, state and federal governments and agencies of these governments, and with such congressional committees that may be concerned with Indian Affairs, to encourage and implement the coordination of applicable resources to meet the needs of North Carolina Indians.	\$166,719	1.320

Cooperate with and secure the assistance of local, state and federal governments or other agencies to develop or coordinate programs designed to meet the needs of North Carolina's American Indian population.	\$55,573	.500
Act as trustee for any interest in real property that may be transferred to the commission for the benefit of state-recognized Indian tribes in accordance with a trust agreement approved by the commission.	\$27,787	.250
Review all proposed or pending state legislation and amendments to existing legislation that affect North Carolina Indians. Conduct public hearings on matters relating to Indian Affairs and subpoena any information or documents deemed necessary by the commission.	\$111,146	1.000
Study the existing status of recognition of all Indian groups, tribes, and communities presently existing in North Carolina. Establish procedures to provide for legal recognition for unrecognized groups by the state and initiate procedures for recognition of unrecognized groups by the federal government.	\$82,245	.740
Actual Totals	\$665,762	5.810

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
American Indian citizens who benefit from advocacy services	120,457	131,405	109,509
Percentage of commission members attending quarterly commission meetings	98 %	99 %	97 %
Percentage of management staff participating in the Annual Indian Unity Conference	60 %	65 %	55 %

Fund 14100-1881 Transition Team — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$170,000	\$170,000	(\$170,000)	\$0	(\$170,000)	\$0
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$0	\$170,000	\$170,000	(\$170,000)	\$0	(\$170,000)	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Transition Team fund is to account for all fiscal activities within the department associated with the transition of the Office's of the Governor, Lieutenant Governor, and Council of State.

Fund 14100-1882 Governor's Inauguration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$250,000	\$250,000	(\$250,000)	\$0	(\$250,000)	\$0
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$0	\$250,000	\$250,000	(\$250,000)	\$0	(\$250,000)	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Governor's Inauguration fund is to account for all fiscal activities within the department associated with the Governor's Inauguration.

Fund 14100-1900 Reserves and Transfers — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$237,502	\$395,869	\$427,011	(\$300,877)	\$126,134	(\$300,877)	\$126,134
Receipts	\$275,368	\$98,022	\$129,164	\$0	\$129,164	\$0	\$129,164
Appropriation	(\$37,866)	\$297,847	\$297,847	(\$300,877)	(\$3,030)	(\$300,877)	(\$3,030)
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Reserves and Transfers fund is to budget and transfer specific amounts of money for distribution to certain inter and intra agencies such as indirect cost, State Employee Incentive Bonus Program, etc.

Services for the fund

Distribute monies to certain inter and intra agencies.

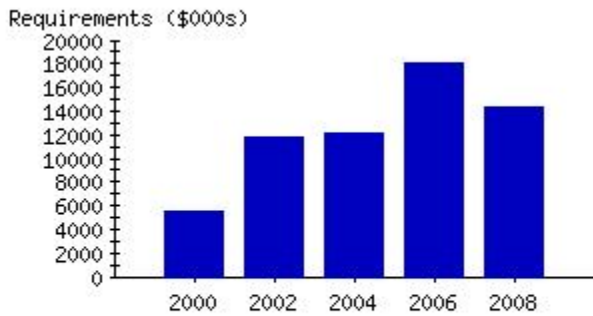
Actual Totals

<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
\$237,502	-
\$237,502	-

Base Budget and Performance Management Information

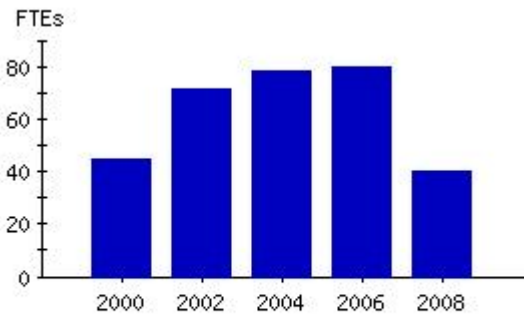
Budget Code 24100 Department of Administration - Special Fund

**Actual Expenditures
 by Fiscal Year**



2006 increase due to growth in NC Flex program, State Energy Office, and Protection and Advocacy services.

**Actual Positions
 by Fiscal Year**



Decrease due to movement of State Energy Office positions to 14100 and expiration of funding for a Developmental Disabilities program.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$14,292,827	\$13,174,089	\$12,010,099	\$0	\$12,010,099	\$0	\$12,010,099
Receipts	\$14,598,273	\$12,619,423	\$11,896,126	\$0	\$11,896,126	\$0	\$11,896,126
Chng Fund Bal	\$305,446	(\$554,666)	(\$113,973)	\$0	(\$113,973)	\$0	(\$113,973)
Positions	39.750	37.750	39.350	-	39.350	-	39.350

Budget Code 24100 Department of Administration - Special Fund

Fund 24100-2313 Office of State Personnel Computer Lab — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$198,163	\$250,133	\$250,133	\$0	\$250,133	\$0	\$250,133
Receipts	\$252,556	\$250,133	\$250,133	\$0	\$250,133	\$0	\$250,133
Chng Fund Bal	\$54,393	\$0	\$0	\$0	\$0	\$0	\$0
Positions	2.000	2.000	2.000	-	2.000	-	2.000

Fund description

The purpose of the Office of State Personnel Computer Lab is to provide extensive computer skills training classes for state employees to enhance their ability to perform their job task. The receipt-supported fund is comprised of registration fees and related publication sales.

Services for the fund	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Provide Microsoft training classes to state agency employees.	\$97,210	1.000
Provide administrative services for registrations, instructors, and training locations.	\$100,953	1.000
Actual Totals	\$198,163	2.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Participants in computer skills training sessions	3,833	2,868	2,500

Fund 24100-2314 Office of State Personnel - Supervisory Training Program — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,420	\$103,307	\$70,587	\$0	\$70,587	\$0	\$70,587
Receipts	\$30,460	\$103,307	\$70,587	\$0	\$70,587	\$0	\$70,587
Chng Fund Bal	\$27,040	\$0	\$0	\$0	\$0	\$0	\$0
Positions	.500	.500	.500	-	.500	-	.500

Fund description

The purpose of this receipts based fund is to administer the fundamental management training program provided to supervisors and managers. The fund is supported by registration fees and the sale of publications related to the management training program.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide administrative services for registrations, instructors, and training locations.	\$2,194	.250
Provide supervisory training classes to state agency employees through contract services.	\$1,226	.250
Actual Totals	\$3,420	.500

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Participants in supervisory training programs	2,954	4,382	3,347

Fund 24100-2317 Personnel Development Center User Fee — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$11,550	\$12,000	\$12,000	\$0	\$12,000	\$0	\$12,000
Receipts	\$14,055	\$12,000	\$12,000	\$0	\$12,000	\$0	\$12,000
Chng Fund Bal	\$2,505	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

This center serves as a pass through account. Funds are used to pay the Department of Administration for client parking at the Personnel Development Center (PDC).

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Pay the Department of Administration for client parking at the Personnel Development Center.	\$11,550	-
Actual Totals	\$11,550	-

Fund 24100-2318 Professional Development and Training — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$97,557	\$89,286	\$89,286	\$0	\$89,286	\$0	\$89,286
Receipts	\$27,753	\$26,886	\$26,886	\$0	\$26,886	\$0	\$26,886
Chng Fund Bal	(\$69,804)	(\$62,400)	(\$62,400)	\$0	(\$62,400)	\$0	(\$62,400)
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this center is to pay for state employees' professional development and critical skills training provided through contract. This center is supported by registration fees and related sales of publications.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Pay registration fees for professional development and critical skills training to state employees.	\$97,557	-
Actual Totals	\$97,557	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Employees trained	1,300	5,605	3,173

Fund 24100-2325 State Employee Incentive Bonus Program — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$56,744	\$119,379	\$119,379	\$0	\$119,379	\$0	\$119,379
Receipts	\$3,985	\$119,379	\$119,379	\$0	\$119,379	\$0	\$119,379
Chng Fund Bal	(\$52,759)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	2.000	2.000	2.000	-	2.000	-	2.000

Fund description

The purpose of the receipts based State Employee Incentive Bonus Program (SEIBP) operating fund is for the administrative cost of coordinating the incentive bonus program. SEIBP provides financial bonuses to state employees who make suggestions/improve processes that increase the efficiency in state government. The receipts that support the administration of SEIBP come from the savings gained from implementing approved suggestions.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Review agency approved suggestions for award purposes.	\$31,744	1.000
Market program services to state agencies and employees.	\$25,000	1.000
Actual Totals	\$56,744	2.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Suggestions approved with monetary savings	6	4	2
Savings from approved suggestions (dollars)	\$141,116	\$40,523	\$6,351

Fund 24100-2326 State Employee Incentive Bonus Program-Education/Training — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$100,065	\$128,646	\$128,646	\$0	\$128,646	\$0	\$128,646
Receipts	\$3,976	\$20,193	\$20,193	\$0	\$20,193	\$0	\$20,193
Chng Fund Bal	(\$96,089)	(\$108,453)	(\$108,453)	\$0	(\$108,453)	\$0	(\$108,453)
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this center is to provide training to supervisors on effective and efficient methods of administering employee programs. The source of funds to support the training comes from the savings gained from implementing approved SEIBP suggestions.

Services for the fund	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Pass through account to designated training and educational line items.	\$100,065	-
Actual Totals	\$100,065	-

Fund 24100-2327 NC Flex Program — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,504,994	\$2,713,342	\$2,713,342	\$0	\$2,713,342	\$0	\$2,713,342
Receipts	\$2,700,080	\$2,700,000	\$2,700,000	\$0	\$2,700,000	\$0	\$2,700,000
Chng Fund Bal	\$195,086	(\$13,342)	(\$13,342)	\$0	(\$13,342)	\$0	(\$13,342)
Positions	4.000	4.000	4.000	-	4.000	-	4.000

Fund description

The purpose of the receipts based NCFlex Program operating fund is to pay for administrative cost of pre-tax benefits programs for state employees. Funds are derived from FICA savings derived from pre-tax premiums for benefit products and spending accounts.

Services for the fund	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Administer and monitor third party contracts for service providers.	\$75,000	1.000
Administer program and develop benefits plans and requests for proposals for plan products.	\$929,994	3.000
Administer plan components for spending accounts.	\$1,500,000	-
Actual Totals	\$2,504,994	4.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Program participants	146,233	161,551	171,191
FICA savings (dollars)	\$4,094,524	\$5,509,944	\$5,387,856

Fund 24100-2328 NC Flex Contingency Fund — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$175,635	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	(\$175,635)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

This is a revenue accounting fund to maintain unused employee premiums from a dormant dental plan account that was previously used under the NCFlex program.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Decrease future dental benefit plan administrative costs by paying a portion of provider administrative costs thereby lowering employee premiums.	\$175,635	-
Actual Totals	\$175,635	-

Fund 24100-2466 State Energy Program — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,043,256	\$3,476,668	\$4,235,167	\$0	\$4,235,167	\$0	\$4,235,167
Receipts	\$2,961,927	\$3,476,668	\$4,235,167	\$0	\$4,235,167	\$0	\$4,235,167
Chng Fund Bal	(\$81,329)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	9.000	9.000	9.000	-	9.000	-	9.000

Fund description

The purpose of this fund is to deploy energy efficiency, renewable energy, and alternative fuel programs in state government, local government, residential, industrial, and commercial sectors that will address the problems and concerns of potential energy shortages, environmental pollution, and the need for economic development; to develop, recommend, and implement state energy policies for the effective management and use of present and future sources of energy through programs, services, and demonstrations relating to energy efficiency; to deploy energy conservation and renewable energy technologies within businesses as an economic development initiative aimed at improving the competitiveness of the business; to develop and deliver projects designed to promote technology transfer through workshops, on-site surveys, and demonstrations of commercially available sustainable technologies; and to provide technical assistance to deploy energy saving capital improvements in government and education buildings.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Direct North Carolina's energy programs and services and serve as the official source for energy information and assistance for consumers, businesses, government agencies, community colleges, and schools and the residential, commercial, and industrial sectors.	\$1,521,628	4.000
Execute and monitor energy efficiency, renewable energy, and energy conservation programs with internal and third party contracts to reduce energy usage, save energy dollars, reduce environmental pollution, and promote economic development. Funding for the energy programs is distributed through aid and public assistance grant award process.	\$1,521,628	5.000
Actual Totals	\$3,043,256	9.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Energy costs avoided in state facilities with the implementation of the Utility Savings Initiative Program (\$ thousand) ¹	\$33,200,000	\$34,550,000	-
Percentage reduction in gallons of gasoline used by state fleets since start of Petroleum Reduction Plan and expansion of alternative fuels usage (baseline year 2004-05)	6.47 %	7.50 %	8.72 %
Percentage reduction in annual energy costs per home when constructed as an energy efficient home under the Residential Energy Program	30 %	30 %	30 %

¹Program funded out of 14100 1466 in 2007-08

Fund 24100-2467 State Energy Program-Stripper Well Fees-Special Funds — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$308,223	\$51,505	\$329,101	\$0	\$329,101	\$0	\$329,101
Receipts	\$291,407	\$51,505	\$329,101	\$0	\$329,101	\$0	\$329,101
Chng Fund Bal	(\$16,816)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund is to deploy energy efficiency, renewable energy, and alternative fuel programs in state government, local government, residential, industrial, commercial, and transportation sectors that operate outside of the State Energy Program formula grant. These programs address the problems and concerns of potential energy shortages, environmental pollution, and the need for economic development.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Execute energy efficiency, renewable energy, and energy conservation programs with internal and third party contracts to reduce energy usage, save energy dollars, reduce environmental pollution, provide technical training, and promote economic development through funding for energy programs distributed through aid and public assistance grant award processes. The funding for this center is provided from Federal Petroleum Violation Escrow (PVE) funds known as Stripper Well.	\$154,112	-
Monitor, track and provide technical support for all energy programs funded by conducting site visits, completing written documents on project status, approving all changes in project scope and work and schedule, processing payments for services, and inspecting projects for completion.	\$154,111	-
Actual Totals	\$308,223	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Energy dollars saved from industrial and commercial programs (dollars)	\$2,228,000	\$1,837,000	\$1,173,861
Residential energy audits conducted	-	448	584
Attendees receiving technical training during State Energy Office's Annual Sustainable Energy Conference	470	700	770

Fund 24100-2468 State Energy Program-Revolving Loans-Special Grants — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$930,015	\$40,780	\$1,274,053	\$0	\$1,274,053	\$0	\$1,274,053
Receipts	\$872,640	\$40,780	\$1,262,653	\$0	\$1,262,653	\$0	\$1,262,653
Chng Fund Bal	(\$57,375)	\$0	(\$11,400)	\$0	(\$11,400)	\$0	(\$11,400)
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund is to offer low-interest loans to industry, commercial businesses, local government units, and nonprofit organizations to install energy cost-saving capital improvements in buildings and industrial manufacturing processes, install renewable energy technologies, and provide technical assistance to deploy these improvements in local government and education agency buildings.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide low interest loans, secured by bank letters of credit for eligible energy conservation measures for industry, commercial businesses, local governments, community colleges, K-12 school systems, and non-profit organizations through the Energy Improvement Loan Program (ELP).	\$465,008	-
Provide technical assistance to loan applicants regarding application procedures, criteria for loan approval, loan documents, and reporting requirements for the Energy Improvement Loans.	\$465,007	-
Actual Totals	\$930,015	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Loans Executed	2	3	3
Energy costs saved over the life of the loans (\$ thousand)	\$217,230	\$696,446	\$901,402

Fund 24100-2469 DOE - Special Grants — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$579,933	\$481,331	\$977,855	\$0	\$977,855	\$0	\$977,855
Receipts	\$378,023	\$418,802	\$926,726	\$0	\$926,726	\$0	\$926,726
Chng Fund Bal	(\$201,910)	(\$62,529)	(\$51,129)	\$0	(\$51,129)	\$0	(\$51,129)
Positions	-	(1.000)	-	-	-	-	-

Fund description

The purpose of this fund is to implement specific US DOE Office of Energy Efficiency and Renewable Energy deployment activities and initiatives as special projects under the State Energy Program. In North Carolina, the State Energy Office (SEO) is the only agency eligible to receive these funds, although collaborations with different state agencies and nonstate partners occur in most of these special projects. Implemented projects and activities relate to a number of programmatic areas such as building energy codes and standards, alternative fuels, industrial energy efficiency, building efficiency, and renewable energy technology. This fund is allocated to the State Energy Office on a yearly basis through a national competitive process.

Services for the fund

Apply for and secure US DOE grant funding for proposals that address specified programmatic areas. Award individual grants and execute agreements for the grant funds received.

<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
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\$289,967 -

Execute and monitor all funded agreements by providing technical assistance in the areas of energy efficiency, renewable energy, and energy conservation.

\$289,966 -

Actual Totals

\$579,933 -

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Special project grants received	6	2	3
Amount of special grants dollars awarded to North Carolina to fund energy programs (dollars)	\$330,697	\$120,000	\$325,000

Fund 24100-2470 Energy Special Projects — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$5,875	\$5,875	\$0	\$5,875	\$0	\$5,875
Receipts	\$0	\$5,875	\$5,875	\$0	\$5,875	\$0	\$5,875
Chng Fund Bal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund to deploy sustainability and energy efficiency projects which operate outside of the State Energy Program formula grant. The two projects previously funded were the North Carolina Climate Wise project and the Solar Charging Center. The State Energy Office collaborated with the US Environmental Protection Agency (EPA) on the North Carolina Climate Wise project and with the Department of Environmental and Natural Resources on the Solar Charging Center. Both of these projects were completed in 2005 and this funding account is no longer active.

Fund 24100-2471 State Energy Program - Old Special Projects — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$24,768	\$24,768	\$0	\$24,768	\$0	\$24,768
Receipts	\$0	\$24,768	\$24,768	\$0	\$24,768	\$0	\$24,768
Chng Fund Bal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund was for the implementation of three specific Special Projects under the State Energy Program that were implemented before the current State Energy Program Formula grant. These projects were Rebuild America, Motor Challenge, and Clean Cities. The Rebuild America project accelerated energy efficiency improvements for existing commercial, institutional, and multifamily residential buildings through private-public partnerships. The Motor Challenge project provided a training tool to facilitate energy conservation to a target audience in promoting efficient alternating current electric motors. The Clean Cities project promoted and introduced the use of alternative transportation fuels to the public and private fleet management sectors of the Triangle. This center is no longer active.

Fund 24100-2472 State Energy Prgm - Occidental Petroleum Violation Escrow — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$308,096	\$0	\$198,975	\$0	\$198,975	\$0	\$198,975
Receipts	\$308,096	\$0	\$198,975	\$0	\$198,975	\$0	\$198,975
Chng Fund Bal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund is to deploy energy efficiency, renewable energy, and alternative fuel programs in the state government, local government, residential, industrial, commercial, and transportation sectors which operate outside of the State Energy Program formula grant. These programs will address the problems and concerns of potential energy shortages, environmental pollution, and the need for economic development.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Execute energy efficiency, renewable energy, and energy conservation programs with internal and third party contracts to reduce energy usage, save energy dollars, reduce environmental pollution, provide technical training, and promote economic development through funding for energy programs distributed through aid and public assistance grant award processes. The funding for this center is provided from Federal Petroleum Violation Escrow (PVE) funds known as Occidental.	\$154,048	-
Monitor, track, and provide technical support for all energy programs funded by conducting site visits, completing written documents on project status, approving all changes in project scope and work and schedule, processing payments for services, and inspecting projects for completion.	\$154,048	-
Actual Totals	\$308,096	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Attendees receiving industrial and commercial technical training	96	555	87
Energy management surveys conducted at institutional, industrial, and commercial facilities	9	62	51

Fund 24100-2745 Fair Housing Assistance — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$352,483	\$446,323	\$465,582	\$0	\$465,582	\$0	\$465,582
Receipts	\$78,184	\$446,323	\$465,582	\$0	\$465,582	\$0	\$465,582
Chng Fund Bal	(\$274,299)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	5.000	5.000	5.000	-	5.000	-	5.000

Fund description

The purpose of the Fair Housing Assistance fund is to provide education and services relative to fair housing. To carry out this responsibility, this division provides training for the staff of the Human Relations Commission in the enforcement of the State Fair Housing Act (G.S. Ch 41A) by sending them to annual HUD Fair Housing workshops, and enforces the act through litigation and administration. Along with the three Fair Housing Investigators, a supervisor provides oversight and guidance ensuring adherence to the State and Federal Fair Housing Acts.

Services for the fund	<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
Provide education and services relative to fair housing to civic organizations, real estate, and property management groups.	\$317,483	3.000
Litigate cases of fair housing discrimination.	\$35,000	2.000
Actual Totals	\$352,483	5.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Presentations to staff of the Human Relations Commission	23	50	39
Cases closed	63	24	95
Cases waived	25	0	9

Fund 24100-2764 NC Youth Legislative Assembly Fund — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$89,625	\$83,263	\$83,263	\$0	\$83,263	\$0	\$83,263
Receipts	\$95,821	\$83,263	\$83,263	\$0	\$83,263	\$0	\$83,263
Chng Fund Bal	\$6,196	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this special and non-reverting fund is to collect and distribute conference registration fees, gifts, donations, grants, or contributions to or for the North Carolina Youth Legislative Assembly (YLA) and the North Carolina Students Against Destructive Decisions (SADD) program. The Fund is used solely to support planning and execution of the YLA and SADD programs.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administer the annual Youth Legislative Assembly and SADD conference.	\$89,625	-
Actual Totals	\$89,625	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Grants, gifts, and contributions raised to support SADD and YLA conference (dollars)	\$28,850	\$23,610	\$32,575
Students and advisors participating in Youth Legislative Assembly and SADD conference	424	501	517

Fund 24100-2791 License to Give Trust Fund Commission — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$292,197	\$768,401	\$349,238	\$0	\$349,238	\$0	\$349,238
Receipts	\$493,573	\$460,459	\$481,989	\$0	\$481,989	\$0	\$481,989
Chng Fund Bal	\$201,376	(\$307,942)	\$132,751	\$0	\$132,751	\$0	\$132,751
Positions	1.000	-	.600	-	.600	-	.600

Fund description

Established in 2004 and effective in November 2004, funds in the License to Give Trust (G.S. 20-7.4) are authorized to be used for the following purposes: (1) grants-in-aid for initiatives that educate about and promote organ and tissue donation and health care decision making at life's end, and (2) expenses of the License to Give Trust Fund Commission as authorized in G.S. 20-7.5.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Establish grant criteria and guidelines for the distribution of grants-in-aid to nonprofit entities to conduct education and awareness activities on organ and tissue donation and advance care planning. Provide administrative service to support the commission.	\$292,197	1.000
Actual Totals	\$292,197	1.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Grants Awarded ¹	-	268	463
Percentage of driver's licenses with donor hearts	43.7 %	45.1 %	47.0 %
Non-living donors providing organs	256	253	269

¹The License to Give Trust Fund Commission held its first meeting in January 2006. They began distributing grants in 2007.

Fund 24100-2832 Traumatic Brain Injury Program — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$14,602	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$12,870	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	(\$1,732)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

Provide for a statewide, federally-authorized protection and advocacy system for North Carolina residents disabled as result of traumatic brain injury (TBI). The TBI program: (1) provides case advocacy services that investigate complaints of and pursue remedies on behalf of persons with disabilities or parents of children with disabilities; (2) advocates for administrative, procedural, and policy changes that impact positively on public awareness of the issues regarding persons with disabilities; and, (3) provides disability-based support, technical assistance, and information and referral services. Fund is no longer with the Department of Administration and is closed out as of June 2008.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Recommend appropriate levels of treatment, supports, and affordable choice of providers for persons who have disabilities and who are insured, uninsured, regardless of whether or not they have Medicaid or Medicare and protect them from exploitation.	\$3,651	-
Investigate issues and, where appropriate, represent individuals with disabilities, including those with traumatic brain injury, who have lost public funding which permits them to live at home or in the least restrictive environment.	\$3,651	-

Collaborate with individuals with TBI and organizations such as the Brain Injury Association of North Carolina (BIANC) to identify and develop solutions to community integration barriers encountered by persons with TBI.	\$3,649	-
Research conditions and trends of suspensions and homebound services that inhibit students with disabilities from receiving a free appropriate public education and develop a report with recommendations to share with advocacy organizations, school based agencies, the Department of Juvenile Justice, and other law enforcement agencies.	\$3,652	-
Actual Totals	\$14,602	-

Fund 24100-2833 Protection & Advocacy-Individuals with Dev. Disabilities — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,172,040	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$1,130,607	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	(\$41,433)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The Protection and Advocacy for Persons with Developmental Disabilities (PADD) program: (1) provides case and advocacy services which investigate complaints of and pursue remedies on behalf of persons with disabilities or parents of children with disabilities; (2) advocates for administrative, procedural and policy changes which impact positively on persons with disabilities and improve the quality of service they receive; (3) conducts activities to increase public awareness of the issues regarding persons with disabilities; and (4) provides disability-based support, technical assistance and information and referral services. Fund is no longer with the Department of Administration and is closed out as of June 2008.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Participate in the development of rules for mental health facilities and long term care facilities and advocate for changes to strengthen client rights.	\$130,226	-
Review and track trends based on deaths reported from mental health facilities and long term health care facilities to ensure that meaningful recommendations are made and implemented.	\$130,226	-
Review and/or investigate incidents of deaths reported to the agency by the federally-based Center for Medicare/Medicaid Services (CMS) and the NC Division of Facility Services (DFS), and issue death investigation reports in select cases.	\$130,226	-
Monitor and enforce NC DHHS implementation of the Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT), including any necessary litigation.	\$130,226	-
Recommend appropriate levels of treatment, supports and affordable choice of providers for persons who have disabilities and who are insured, uninsured or underinsured, regardless of whether or not they have Medicaid or Medicare and to protect them from exploitation.	\$130,230	-
Investigate issues and provide representation to those who have been denied Medicaid and/or CAP services, which permits them to live at home or in the least restrictive environment.	\$130,230	-
Research conditions and trends of suspensions and homebound services that inhibit students with disabilities from receiving a free appropriate public education and to develop a report with recommendations to share with all appropriate advocacy organizations, school based agencies, the Department of Juvenile Justice and other law enforcement agencies.	\$130,226	-

Collaborate with all the law schools located in North Carolina to educate law students regarding special education laws, issues and procedures, with the ultimate goal of developing present and future attorneys to whom special education cases can be referred.	\$130,230	-
Investigate issues and, where appropriate, represent individuals with disabilities who have lost public funding which permits them to live at home or in the least restrictive environment.	\$130,220	-
Actual Totals	\$1,172,040	-

Fund 24100-2834 Protection and Advocacy for Individuals — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$23,063	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$28,516	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$5,453	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

Provide for a statewide federally-authorized protection and advocacy system for the assistive technology services and/or support for disabled North Carolina citizens. The Protection and Advocacy for Individuals (PAIR) program: (1) provides case advocacy services which investigate complaints of and pursue remedies on behalf of persons with disabilities or parents of children with disabilities; (2) advocates for administrative, procedural and policy changes which impact positively on persons with disabilities and improve the quality of service they receive; (3) conducts activities to increase public awareness of the issues regarding persons with disabilities; and, (4) provides disability-based support, technical assistance and information and referral services. Fund is no longer with the Department of Administration and is closed out as of June 2008.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Advocate for more vigorous enforcement of residents' rights by the NC Division of Facility Services.	\$3,843	-
Recommend appropriate levels of treatment, supports and affordable choice of providers for persons who have disabilities and who are insured, uninsured or underinsured, regardless of whether or not they have Medicaid or Medicare and protect them from exploitation.	\$3,843	-
Make annual visits to residential facilities for individuals with mental illness, psychiatric units of private hospitals, and large community intermediate care facilities of the mentally retarded to provide annual training on client rights. Develop and expand a system of volunteer facility monitors to enhance rights protections and accountability within community-based facilities.	\$3,843	-
Conduct quarterly workshops to inform parents about the rights of students with disabilities under federal law and investigate allegations of violations of the new seclusion and restraint law in public schools.	\$3,844	-

Develop, publish, and dispense a handbook for students with disabilities in North Carolina colleges and universities outlining their rights and responsibilities, and investigate and enforce the rights of disabled students who have been denied accommodations or not provided effective accommodations in NC's colleges and universities.	\$3,844	-
Investigate and enforce the rights of persons with disabilities who have been denied appropriate accommodations in the community, including electronic accessibility and assistive technology supports and services.	\$3,846	-
Actual Totals	\$23,063	-

Fund 24100-2835 Assistive Technology Project — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,685	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$17,289	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$15,604	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

Provide for a statewide federally-authorized protection and advocacy system for the Assistive Technology services and/or support for disabled North Carolina citizens. The Protection and Advocacy for Assistance Technology (PAAT) program: (1) provides case advocacy services which investigate complaints of and pursue remedies on behalf of persons with disabilities or parents of children with disabilities; (2) advocates for administrative, procedural and policy changes which impact positively on public awareness of the issues regarding persons with disabilities; and, (3) provides disability-based support, technical assistance and information and referral services. Fund is no longer with the Department of Administration and is closed out as of June 2008.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Collaborate with the NC Association of the Deaf and others to advocate teaching American Sign Language as a language in public schools and colleges, and visit and dispense agency brochures to grassroots groups in rural counties.	\$337	-
Research conditions and trends of suspensions and homebound services that inhibit students with disabilities from receiving a free appropriate public education and develop a report with recommendations to keep children who have been suspended from school and referred to the criminal justice system, in school by addressing their special education needs.	\$337	-
Increase the provision of and the prompt delivery of assistive technology for students with disabilities and serve as a resource to parents by providing information and guidance on the inclusion of assistive technology in the individualized education plan.	\$337	-
Investigate and enforce the rights of students and other persons with disabilities who have been denied appropriate accommodations in the community, including electronic accessibility and assistive technology supports and services.	\$337	-
Provide technical assistance to persons with disabilities who allege discrimination in employment, both in hiring and in termination, including the need for electronic accessibility and assistive technology supports and services.	\$337	-
Actual Totals	\$1,685	-

Fund 24100-2836 Protection and Advocacy Program for Voting Accessibility — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	(\$3)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The Protection and Advocacy Program for Voting Accessibility (PAVA) monitors the state's compliance with the federal Help America Vote Act (HAVA) to ensure that individuals are able to vote both independently and privately. PAVA tracks accessibility of all phases of the voting process, including voting machines that can be used by all voting eligible persons with disabilities. The fund is no longer with the Department of Administration and is closed out as of June 2008.

Fund 24100-2837 Protection and Advocacy for Mentally Ill — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$84,656	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$31,347	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	(\$53,309)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

Provide for a statewide federally-authorized protection and advocacy system for North Carolina citizens with mental illness. The Protection and Advocacy for the Mentally Ill program: (1) provides case advocacy services which investigate complaints of and pursue remedies on behalf of persons with disabilities or parents of children with disabilities; (2) advocates for administrative, procedural and policy changes which impact positively on persons with disabilities and improve the quality of service they receive; (3) conducts activities to increase public awareness of the issues regarding persons with disabilities; and, (4) provides disability-based support, technical assistance and information and referral services. The fund is no longer with the Department of Administration and is closed out as of June 2008.

Services for the fund

	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Participate in the development of regulations of all Rules in G.S. 122-C and G.S. 131-D and advocate that any changes not reduce client rights, but strengthen them.	\$7,696	-
Review and track trends based on deaths reported from G.S. 122-C (Mental Health Facilities) and G.S. 131-D (Long Term Health Care) facilities to ensure that meaningful recommendations are made and implemented.	\$7,696	-
Review and/or investigate incidents of deaths reported to the agency by the federally-based Center for Medicare/Medicaid Services (CMS) and the NC Division of Facility Services (DFS), issue death investigation reports in select cases, and ensure that recommendations are implemented.	\$7,696	-
Review client safety incident reports submitted by psychiatric residential treatment facilities to ensure they comply with the reporting requirements for serious occurrences, i.e. all deaths, serious injuries and suicide attempts, specified in 42 CFR 483.374.	\$7,696	-
Ensure that the LME's/area mental health programs participate in an effective discharge planning process from the state psychiatric hospitals as specified in 10 NCAC 28 D. 0105.	\$7,696	-

Monitor and enforce NC DHHS implementation of the Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT), including any necessary litigation.	\$7,696	-
Advocate for and facilitate the development of legislation concerning the humane treatment of persons with mental illness when being transported by law enforcement officials and others during commitment and discharge procedures.	\$7,696	-
Continue to monitor the implementation of the terms of the deaf/mentally ill settlement agreement.	\$7,696	-
Recommend appropriate levels of treatment, supports and affordable choice of providers for persons who have disabilities and who are insured, uninsured or underinsured, regardless of whether or not they have Medicaid or Medicare and protect them from exploitation.	\$7,696	-
Conduct a jail study identifying the experiences of persons with a mental illness or developmental disability in the North Carolina county jails, including their special needs, challenges/impediments and successes, when incarcerated.	\$7,696	-
Make annual visits to residential facilities for individuals with mental illness, psychiatric units of private hospitals, and large community ICF/MR facilities to ensure that protection and advocacy (P&A) posters are displayed, that the residents have been informed about the P&A's services, and that there is evidence of an active clients' rights committee.	\$7,696	-
Actual Totals	\$84,656	-

Fund 24100-2839 Rehab./Employment - Protection/Advocacy SS Beneficiaries — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$23,473	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$63,266	\$0	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$39,793	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of this fund is to assist individuals with disabilities who are beneficiaries of social security and desire employment under the Ticket-to-Work Act. The fund is no longer with the Department of Administration and is closed out as of June 2008.

Services for the fund	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Provide information and referrals to of Supplemental Security Income (SSI) and Social Security Disability Income (SSDI) beneficiaries with disabilities about work incentives and employment.	\$7,824	-
Investigate and review complaints of improper or inadequate services provided to a beneficiary with a disability by a service provider, employer or other entity.	\$7,825	-
Provide consultation to and legal representation on behalf of beneficiaries with disabilities when such services become necessary to protect the rights of the beneficiary.	\$7,824	-
Actual Totals	\$23,473	-

Fund 24100-2865 Indian Talent Search — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$315,490	\$92,742	\$334,586	\$0	\$334,586	\$0	\$334,586
Receipts	\$356,005	\$92,742	\$334,586	\$0	\$334,586	\$0	\$334,586
Chng Fund Bal	\$40,515	\$0	\$0	\$0	\$0	\$0	\$0
Positions	5.000	5.000	5.000	-	5.000	-	5.000

Fund description

The goal of Educational Talent Search is to increase the number of American Indian youth who complete high school and enroll in postsecondary education institutions of their choice. This program identifies and assists individuals from disadvantaged backgrounds who have the potential to succeed in higher education. The program provides academic, career, and financial counseling to 650 participants and encourages them to graduate from high school and continue on to the postsecondary institution of their choice. Talent Search also serves high school dropouts by encouraging them to reenter the education system and complete their education.

Services for the fund

	Actual Requirements 2007-08	Actual FTEs 2007-08
Conduct workshops for American Indian students to develop study skills, test-taking skills, time management, career exploration, and academic and career decision-making as well as provide tutorial service for middle school students to increase high school graduation rates.	\$157,745	2.500
Provide academic, financial, career, and personal counseling, assistance in registering and preparing for college entrance examinations and completing college admissions and financial aid applications, and campus and career site visits and cultural enrichment opportunities to increase high school graduation rates.	\$87,636	1.500
Assist high school students by providing specialized workshops such as a two-day High School Survival Skills workshop to rising 9th graders, a four-day College Survival Skills workshop to graduating participants, and financial aid workshops for students and parents in order to increase high school graduation rates.	\$70,109	1.000
Actual Totals	\$315,490	5.000

Measures for the fund

	2005-06	2006-07	2007-08
Percentage of high school senior ETS participants that graduate from secondary school during budget period	90 %	99 %	95 %
Percentage of college-ready participants that enroll in a program of postsecondary education during budget period	85 %	88 %	85 %

Fund 24100-2868 HUD Section 8 Voucher Program — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,384,266	\$4,037,939	\$0	\$0	\$0	\$0	\$0
Receipts	\$4,176,202	\$4,037,939	\$0	\$0	\$0	\$0	\$0
Chng Fund Bal	\$791,936	\$0	\$0	\$0	\$0	\$0	\$0
Positions	8.000	8.000	8.000	-	8.000	-	8.000

Fund description

The purpose of the Section 8 Housing Choice Voucher Program is to provide decent, safe, and sanitary housing through rental and utility assistance for 936 low income families in the counties of Columbus, Granville, Halifax, Hoke, Person, Sampson, and Warren with funding from the US Department of Housing and Urban Development Regulations.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Conduct an annual inspection of 936 privately owned rental units to determine if they meet the requirements of the program.	\$3,384,266	8.000
Actual Totals	\$3,384,266	8.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percent of rental units that pass inspection	95 %	95 %	98 %
Percentage of units leased	80 %	80 %	95 %
Percentage of housing assistance payments paid to eligible families	100 %	100 %	100 %

Fund 24100-2884 Workforce Investment Act Program - Indian Affairs — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$221,593	\$248,401	\$348,263	\$0	\$348,263	\$0	\$348,263
Receipts	\$269,635	\$248,401	\$348,263	\$0	\$348,263	\$0	\$348,263
Chng Fund Bal	\$48,042	\$0	\$0	\$0	\$0	\$0	\$0
Positions	3.250	3.250	3.250	-	3.250	-	3.250

Fund description

The purpose of the American Indian Workforce Development program authorized by Section 166 of the Workforce Investment Act (WIA) is to provide job training and employment opportunities for low income, unemployed, and underemployed American Indians and to assure that training and other services lead to maximum employment opportunities to enhance self-sufficiency. Per federal regulations at § 668.100(a), these programs support comprehensive employment and training activities for American Indian, Alaska Native, and Native Hawaiian individuals. The Commission of Indian Affairs WIA program is one of seven Indian-controlled WIA Section 166 grant recipients directly funded by the U.S. Department of Labor. Program services are provided in collaboration with the State-legislated Job Link Career Centers in each grantee's local area.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide vocational and basic skills training assistance to American Indians to increase and maximize educational opportunities for American Indians in North Carolina and address strategic planning objectives of obtaining marketable skills and the necessary credentials American Indians need to compete in the workforce.	\$90,854	1.340
Provide subsidized work experience for low-income American Indian adults with the objectives of increasing job performance ability, providing gainful employment, and increasing economic self-sufficiency of American Indians in North Carolina.	\$35,455	.500

Provide job search and placement assistance services for unemployed American Indians to achieve parity in employment for American Indians in North Carolina.	\$50,966	.750
Provide general employment and training advocacy for North Carolina's American Indian tribes and population through a process of networking, collaborating with Job Link Career Centers, other nationally administered workforce development programs, and local services providers (public and private) to facilitate the effective, efficient, and economical provision of quality services to NC American Indian communities.	\$44,318	.660
Actual Totals	\$221,593	3.250

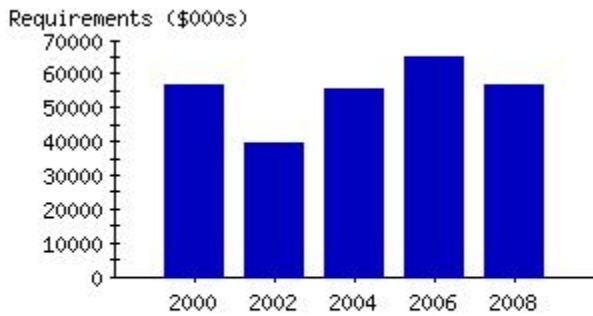
Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of program participants placed in jobs (US Department of Labor's Entered Employment Rate performance measure for the Section 166 Indian WIA Program)	69.7 %	57.1 %	90.0 %

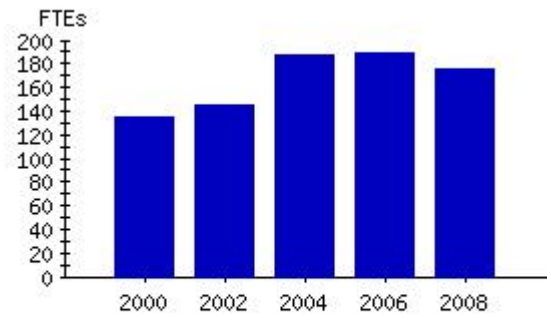
Base Budget and Performance Management Information

Budget Code 74100 Department of Administration - Internal

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Increase largely due to the creation of the Mail Service Center.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$56,917,391	\$58,728,261	\$63,260,533	(\$4,818,503)	\$58,442,030	(\$2,649,562)	\$60,610,971
Receipts	\$63,946,162	\$58,728,261	\$63,260,533	\$1,724,660	\$64,985,193	\$3,210,069	\$66,470,602
Chng Fund Bal	\$7,028,771	\$0	\$0	\$6,543,163	\$6,543,163	\$5,859,631	\$5,859,631
Positions	174.730	189.250	174.730	-	174.730	-	174.730

Budget Code 74100 Department of Administration - Internal

Fund 74100-7211 Motor Fleet Management — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$38,202,102	\$43,213,073	\$43,395,825	(\$4,850,782)	\$38,545,043	(\$2,684,404)	\$40,711,421
Receipts	\$45,990,118	\$43,213,073	\$43,395,825	\$1,692,381	\$45,088,206	\$3,175,227	\$46,571,052
Chng Fund Bal	\$7,788,016	\$0	\$0	\$6,543,163	\$6,543,163	\$5,859,631	\$5,859,631
Positions	46.000	46.000	46.000	-	46.000	-	46.000

Fund description

The Motor Fleet Management Division serves North Carolina state employees by acquiring, maintaining, storing, repairing, replacing, and supplying passenger vehicular transportation needed for the performance of official duties in the most efficient and cost effective way. Motor Fleet Management develops, coordinates, and enforces state policy regarding the use of state-owned vehicles.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Perform regular preventive maintenance and repair on vehicles at the Motor Fleet Garage for vehicles physically located in and around Raleigh. Authorize preventive maintenance and repairs statewide for vehicles not physically located near Raleigh.	\$1,007,203	17.000
Receive new vehicles and prepare them for assignment. Process vehicles, obtain tags, registration, fuel keys, and fleet fueling cards. Instruct drivers on regulations and procedures. Assign vehicles to drivers. Surplus vehicles to be sold.	\$799,048	7.000
Verify and pay invoices for maintenance, repairs, fuel car washes, and insurance for fleet vehicles statewide. Provide secure storage for vehicles and maintain fueling facility. Enter all data into computer system.	\$22,399,659	9.000
Manage fleet operation and supply state agencies and universities with reliable, economical, suitable, and safe vehicular transportation for temporary assignments, agency assignments, and permanent assignments.	\$384,365	6.000
Invoice state agencies for their vehicle use. Invoice state agencies for fuel and repairs to vehicles not owned by Motor Fleet Management. Reconcile payments from state agencies to the amount invoiced.	\$76,455	2.000
Acquire replacement vehicles from contracts awarded by the State's Purchase and Contract Division. (Replaced vehicles are driven at least 100,00 plus miles) Establish quantity of vehicles to be purchased based on the age and condition of vehicles in the fleet and the availability of funds. Create purchase requisitions for approval.	\$13,535,372	5.000
Actual Totals	\$38,202,102	46.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of annual repair cost to total operating cost	7 %	10 %	8 %
Percentage of annual gasoline cost to total operating cost	25 %	31 %	43 %
Percentage of annual usage of permanently assigned vehicles	93 %	99 %	99 %

Fund 74100-7215 State Surplus Property — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,718,046	\$1,679,468	\$1,760,122	\$10,173	\$1,770,295	\$10,835	\$1,770,957
Receipts	\$1,505,270	\$1,679,468	\$1,760,122	\$10,173	\$1,770,295	\$10,835	\$1,770,957
Chng Fund Bal	(\$212,776)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	29.750	29.750	29.750	-	29.750	-	29.750

Fund description

State Surplus Property is responsible for the sale and disposition of all vehicles, supplies, materials, and equipment owned by the state and declared as surplus. Facilitation of the process requires collection, storage, management, and government of property owned by state government agencies to be made available to other state agencies. Access to available property is granted to political subdivisions and qualifying non profit organizations, first and second respectively, prior to the general public being granted access. Programs supported within the agency include State Surplus Recycling (7215-2151), Computer Recycling (7215-2152), Outside Store Sales (7215-2153) and Drug Seizure (7215-2154).

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administer all services associated with the disposal of property declared surplus to include marketing, fiscal policies while complying with state policies on the transfer, title, disposal, and recycling of state property ,and ensure training of staff in compliance with support of programs.	\$414,700	7.500
Provide services to facilitating the transportation and storage of property seized by the North Carolina Department of Revenue pending final decisions by the North Carolina Judicial System authorizing sale or return of property.	\$236,972	4.000
Provide services to accommodate the disposal of computers and computer related equipment declared surplus and prepare for usage or disposal in accordance to federal, state, local, and county technology guidelines.	\$177,729	3.000
Facilitate access by general public in the acquisition of property declared surplus, market value less than \$150, where needs of state agencies have been fulfilled.	\$118,486	2.000
Facilitate access to property declared surplus at most economical costs where available in addition to extending access to nonprofit agencies, political subdivisions, and the general public where needs of state agencies have been satisfied at a nominal fee or assented price.	\$414,701	7.250
Facilitate access to motorized vehicles declared surplus for state agencies, firstly, while making property available to nonprofit organizations, counties, and municipalities prior to granting access to the public, using economically efficient means to maximize returns to state agencies and upholding North Carolina Department of Transportation guidelines.	\$177,729	3.000
Facilitate access to outside vendor services supporting the disposal of non-biodegradable products through environmentally safe and economically efficient means in compliance with federal, state, local, or county recycle guidelines.	\$177,729	3.000
Actual Totals	\$1,718,046	29.750

Measures for the fund	2005-06	2006-07	2007-08
Gross Cash Sales (dollars) ¹	\$20,882,817.82	\$20,003,421.10	\$20,049,470.00
Expenses (dollars)	\$1,768,397.37	\$1,723,415.74	\$1,718,045.00
Revenue (dollars)	\$1,589,923.43	\$1,579,005.88	\$1,505,270.00
Raw Net (Exp/Revenue) (dollars)	(\$178,476.00)	(\$144,410.00)	(\$212,775.00)

¹74100-7215 is 100% receipt supported. That being the case, controlling expenses and revenue are key measurements.

Fund 74100-7218 Mail Service Center — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,018,999	\$4,379,388	\$4,928,356	\$7,940	\$4,936,296	\$9,331	\$4,937,687
Receipts	\$3,913,345	\$4,379,388	\$4,928,356	\$7,940	\$4,936,296	\$9,331	\$4,937,687
Chng Fund Bal	(\$105,654)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	82.500	83.500	82.500	-	82.500	-	82.500

Fund description

The Mail Service Center provides a full range of postal needs to and from all state agencies, providing the highest quality service in the most cost efficient manner and with the highest degree of customer satisfaction.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Transport odd size freight, which would have been rejected by USPS, FedEx, and UPS, thereby insuring state agencies' abilities to perform their required functions.	\$220,242	32.000
Provide protection against the receipt of explosive material and other terrorist threats by screening all incoming USPS, FedEx, and UPS mail before effecting delivery to state agencies.	\$50,056	2.000
Provide discounts to USPS rates on all first class correspondence by consolidating each agency's outgoing mail and processing it on the JetStar sorter.	\$198,702	6.000
Provide each state agency a 50-65% savings on all processing and delivery service from and to each state agency by eliminating the need of USPS for these services.	\$2,050,999	25.500
Utilize the unique zip code established by USPS for all state agencies through mail center consolidation to reduce the state's need for staffing, equipment, and floor space, thereby reducing the cost related to these resources.	\$1,499,000	17.000
Actual Totals	\$4,018,999	82.500

Measures for the fund	2005-06	2006-07	2007-08
Savings realized on discount USPS sorter mail (dollars)	-	\$1,239,027	\$1,300,978
Percentage of total mail processed that is sorted for discount ¹	74.5 %	72.8 %	82.0 %
Savings realized by use of Courier Service rather than USPS (thousands)	-	424,608	445,838

¹Mail sorted for discount is sorted by the JetStar sorter, and is metered not stamped.

Fund 74100-7310 Federal Surplus Property — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$639,685	\$671,478	\$681,662	\$14,163	\$695,825	\$14,673	\$696,335
Receipts	\$786,515	\$671,478	\$681,662	\$14,163	\$695,825	\$14,673	\$696,335
Chng Fund Bal	\$146,830	\$0	\$0	\$0	\$0	\$0	\$0
Positions	9.250	9.250	9.250	-	9.250	-	9.250

Fund description

Federal Surplus Property is responsible for the distribution of federal surplus property to eligible North Carolina public agencies, including state, county, and local governments, non-profit educational and public health institutions, and Small Business Administration (SBA) contractors. Distribution requires identification and relocation of property using various resources to identify property available and based on customer needs. The agency also facilitates the relocation, storage, and preparation of property to service needs of eligible "donees". Programs (RCC) supported within the program include Federal Surplus Administration (7310-3101), Federal Surplus Warehouse (7310-3102) and Federal Surplus Transportation (7310-3103).

Services for the fund

Administer General Services Administration (GSA) federal property disposal program including screening of applicants, declaring needs of property as an economical resource for customers deemed "eligible donee" by federal surplus guidelines, ensuring ongoing compliance with the usage and retention of property.

Provide resources to store, maintain, and physically restore property to operable status after disposition by federal government and prior to transfer to "donee".

Travel to designated locations to review and transport property declared surplus and relocate to holding site prior to disposal to eligible "donee".

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
\$319,842	4.000
\$239,882	3.000
\$79,961	2.250
\$639,685	9.250

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Expenses (\$ thousand) ¹	\$492,904.89	\$667,340.04	\$639,683.00
Revenue (\$ thousand)	\$358,627.08	\$598,459.46	\$784,516.00
Raw Net (Exp/Revenue)	-134,278	-68,881	144,833

¹74100-7310 is 100% receipt supported. That being the case, controlling expenses and revenues are key measurements.

Fund 74100-7511 Temporary Solutions Program — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$12,338,559	\$8,784,854	\$12,494,568	\$3	\$12,494,571	\$3	\$12,494,571
Receipts	\$11,750,914	\$8,784,854	\$12,494,568	\$3	\$12,494,571	\$3	\$12,494,571
Chng Fund Bal	(\$587,645)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	7.230	7.000	7.230	-	7.230	-	7.230

Fund description

The purpose of the receipts based Temporary Solutions Fund is to provide temporary staffing services to state agencies. Temporary Solutions does this through providing a fee-based service that connects qualified temporary employees to state agencies in need of assistance.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Maintain database of temporary employee applications.	\$494,568	4.000
Provide administrative services for assigning temporaries to agencies to fulfill agency time-limited needs including payment of temporary salaries.	\$11,843,991	3.230
Actual Totals	\$12,338,559	7.230

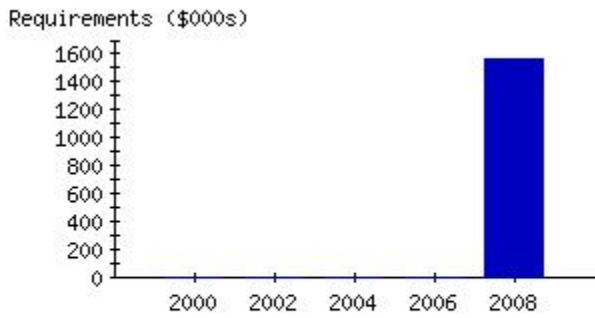
Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of job requests filled	97 %	98 %	98 %

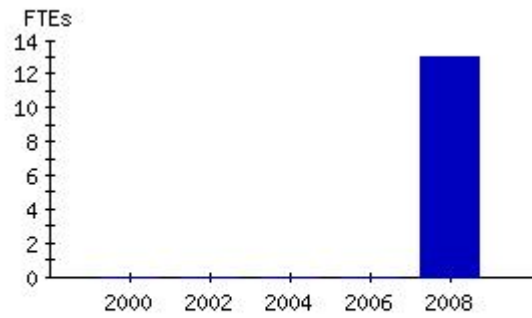
Base Budget and Performance Management Information

Budget Code 74103 Department of Administration - Internal Service - Special

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,565,112	\$1,667,708	\$1,671,068	(\$1,671,068)	\$0	(\$1,671,068)	\$0
Receipts	\$1,573,000	\$1,667,708	\$1,671,068	(\$1,671,068)	\$0	(\$1,671,068)	\$0
Chng Fund Bal	\$7,888	\$0	\$0	\$0	\$0	\$0	\$0
Positions	12.750	-	12.750	(12.750)	-	(12.750)	-

Budget Code 74103 Department of Administration - Internal Service - Special

Fund 74103-7251 State Parking System — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,565,112	\$1,667,708	\$1,671,068	(\$1,671,068)	\$0	(\$1,671,068)	\$0
Receipts	\$1,573,000	\$1,667,708	\$1,671,068	(\$1,671,068)	\$0	(\$1,671,068)	\$0
Chng Fund Bal	\$7,888	\$0	\$0	\$0	\$0	\$0	\$0
Positions	12.750	-	12.750	(12.750)	-	(12.750)	-

Fund description

The purpose of the State Parking System is to provide cost effective automobile parking in designated areas to meet the needs of state employees, elected state government officials, and general visitors. State Parking maintains accurate accountability of an ongoing computerized system of more than 8,700 parking spaces in accordance with state law G.S. 143-340(18) and (19) and state rules and regulations. The State Parking System monitors visitor lots and assures good public relations with visitors and volunteers to the State Government Complex.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administer, monitor, and control existing parking spaces for state agencies.	\$930,369	2.500
Maintain database of space assignments, revenue, and payables.	\$49,625	1.500
Administer, monitor, and control visitor parking spaces including staffing of ticket booths, collecting and securing parking fees, accounting for and preparing submittal for deposit process by DOA Fiscal Management.	\$259,252	7.750
Coordinate inspections, maintenance, and repairs to all parking lots and decks.	\$325,866	1.000
Actual Totals	\$1,565,112	12.750

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of parking spaces pro-rated and allotted to state agencies	96.00 %	99.00 %	99.00 %
Percentage of parking spaces out of service or not allotted	4.000 %	1.000 %	0.003 %
Percentage of rented visitor spaces to total visitor space capacity ¹	44 %	35 %	39 %

¹Actual receipts compared to potential receipts were 39% due in part to the magnitude of requests for validated parking.

Office of the State Controller

Mission

The Mission of the Office of State Controller is to ensure the financial integrity of the state by providing exceptional enterprise accounting, disbursing, payroll, internal control, and financial reporting systems that serve state agencies, employees, and the public; maximizing financial return to the state by implementing a uniform statewide cash management plan and an accounts receivable program; delivering quality services that achieve efficiencies and enable partnerships that result in an exceptional customer experience; and provide relevant oversight, consultation, and training through leadership that embraces the core values of the office.

Goals

Promote fiscal responsibility for financial reporting by the various state agencies and institutions by issuing statewide policy and procedures; providing consultation and guidance to government entities to incorporate these technical accounting standards; establishing and maintaining a continuous operation of the comprehensive North Carolina Accounting System to ensure that Generally Accepted Accounting Principles (GAAP) are properly interpreted and implemented; and preparing and publishing the Comprehensive Annual Financial Report (CAFR) and other financial reports for the State of North Carolina.

Promote fiscal responsibility for cash management by the various state agencies and institutions to ensure the maximization of cash availability and ensure compliance with all applicable state and federal requirements by providing an effective statewide cash management program.

Promote the expansion of the utilization of ecommerce programs by the various state agencies and institutions by providing consultation and guidance to government entities, establishing and maintaining a communication system, and securing statewide enterprises in order to increase efficiency in the processing of government payments, both disbursed and collected, and to provide citizens with payment options readily available in the private arena.

Implement a strong and effective internal control program within the state of North Carolina that will provide all state agencies and institutions with the guidance and tools necessary to assist in their assessment efforts and serve as the catalyst to improving transparency and fiscal accountability within state government.

Modernize and standardize key business processes through the implementation of BEACON (Building Enterprise Access for Core Operational Needs) to better manage human, financial, and information resources for state agencies and state employees.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Obtaining an Unqualified Audit Opinion on State's Comprehensive Annual Financial Report. (Yes = 1, No = 2)	1	1	1	1	1
Receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (Yes = 1, No = 2) ¹	1	1	1	1	-
Retaining the highest credit rating from the major bond rating agencies (Yes = 1, No = 2)	2	2	2	1	1

¹Award issued in February 2009.

Governor's Recommended Adjustments to Base Budget

Office of the State Controller (14160)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$25,307,769	\$25,340,075
Receipts	<u>\$771,167</u>	<u>\$771,167</u>
Appropriation	\$24,536,602	\$24,568,908
Adjustments		
Requirements	(\$925,447)	(\$325,447)
Receipts	=	=
Appropriation	(\$925,447)	(\$325,447)
Total		
Requirements	\$24,382,322	\$25,014,628
Receipts	<u>\$771,167</u>	<u>\$771,167</u>
Recommended Appropriation	<u>\$23,611,155</u>	<u>\$24,243,461</u>
<hr/>		
Positions		
Base Budget Positions	204.500	204.500
Reductions	(5.750)	(5.750)
Expansion	<u>5.000</u>	<u>10.000</u>
Recommended Positions	<u>203.750</u>	<u>208.750</u>

Appropriation Items -- Recommended Adjustments

Reductions

	<u>2009-10</u>	<u>2010-11</u>
Department-Wide		
1. Truth-in-Budgeting Reform (Budget Salaries at Less than 100%)		
The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes along with budget flexibility will allow the agency to operate more efficiently. General Fund salaries in the Office of the State Controller are recommended to be reduced by 4%.		
Appropriation	(\$534,440)	(\$534,440)
2. Reduce Various Operating Accounts		
It is recommended that funding be reduced for various operating accounts across the agency.		
Appropriation	(\$724,502)	(\$724,502)
Appropriation - Nonrecurring	(\$55,965)	(\$55,965)
3. Fund-shift Positions to Receipt Support		
It is recommended that 1.25 appropriated positions that support the NCFlex Benefits Program be shifted to receipts generated by the program.		
Appropriation	(\$91,488)	(\$91,488)
Positions	(1.250)	(1.250)
4. Eliminate Internship Program		
It is recommended that the agency's internship program be eliminated.		
Appropriation	(\$119,052)	(\$119,052)
Positions	(4.500)	(4.500)
<hr/>		
Total Recommended Reductions		
	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$1,469,482)	(\$1,469,482)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$1,469,482)	(\$1,469,482)
Positions	(5.750)	(5.750)

Nonrecurring

Requirements	(\$55,965)	(\$55,965)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$55,965)	(\$55,965)
Positions	-	-

Expansion

2009-10 2010-11

Office of State Controller - General

1. Operational Support for HR/Payroll System (BEACON)

The Governor recommends an appropriation to stabilize the BEACON payroll system. This funding will support recurring expenses for software maintenance, the telephone application system (Shared Service Center), ticket-tracking, system hosting, disaster recovery, and data storage costs. Funding is also recommended for ten new positions, which are needed to reduce dependence on contractors.

Appropriation	\$600,000	\$1,200,000
Positions	5.000	10.000

Total Recommended Expansion

2009-10 2010-11

Recurring

Requirements	\$600,000	\$1,200,000
Receipts	-	-
	<hr/>	<hr/>
Appropriation	\$600,000	\$1,200,000
Positions	5.000	10.000

Nonrecurring

Requirements	-	-
Receipts	-	-
	<hr/>	<hr/>
Appropriation	-	-
Positions	-	-

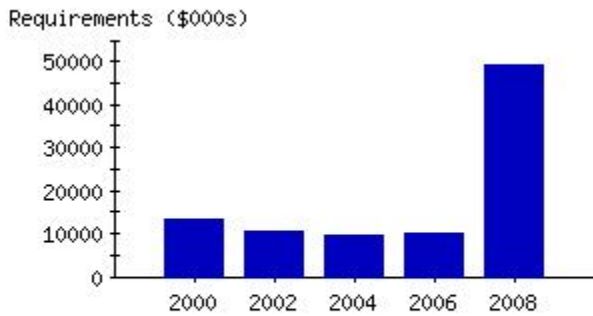
**Total Recommended Adjustments for
 Office of the State Controller (14160)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$869,482)	(\$269,482)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$869,482)	(\$269,482)
Positions	(.750)	4.250
Nonrecurring		
Requirements	(\$55,965)	(\$55,965)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$55,965)	(\$55,965)
Positions	-	-
Total Appropriation Adjustments	(\$925,447)	(\$325,447)
Total Position Adjustments	(.750)	4.250

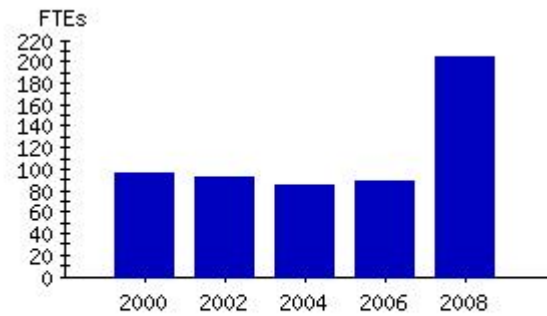
Base Budget and Performance Management Information

Budget Code 14160 Office of State Controller - General Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Increase due to implementation of BEACON HR/Payroll System and transfer of HR positions from other agencies to centralize some functions.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$48,982,381	\$25,317,102	\$25,317,102	(\$9,333)	\$25,307,769	\$22,973	\$25,340,075
Receipts	\$1,172,494	\$766,751	\$766,751	\$4,416	\$771,167	\$4,416	\$771,167
Appropriation	\$47,809,887	\$24,550,351	\$24,550,351	(\$13,749)	\$24,536,602	\$18,557	\$24,568,908
Positions	204.500	204.500	204.500	-	204.500	-	204.500

Budget Code 14160 Office of State Controller - General Fund

Fund 14160-1000 Office of State Controller — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$48,982,381	\$25,317,102	\$25,317,102	(\$9,333)	\$25,307,769	\$22,973	\$25,340,075
Receipts	\$1,172,494	\$766,751	\$766,751	\$4,416	\$771,167	\$4,416	\$771,167
Appropriation	\$47,809,887	\$24,550,351	\$24,550,351	(\$13,749)	\$24,536,602	\$18,557	\$24,568,908
Positions	204.500	204.500	204.500	-	204.500	-	204.500

Fund description

The purpose of the Office of the State Controller with respect to the subprogram of financial management is to properly safeguard the state's assets and ensure that financial information is timely, consistent, fully integrated, easily accessible, and accurate. To that end, OSC prescribes and maintains the North Carolina Accounting System along with its functional management reports, enforces the manner in which disbursements are made, operates the state's central payroll system, and provides reliable periodic financial reports, including the state's Comprehensive Annual Financial Report. Special efforts are concentrated on maintaining the Certificate of Achievement for Excellence in financial reporting, and implementation of e-commerce initiatives, risk mitigation services, and the BEACON program.

Services for the fund

Administrative Service - Human Resource Management. Oversee the recruitment and management of personnel; develop and implement HR strategy; coordinate and execute staff acquisition, organization and position management, compensation management, benefits management, employee development, and performance management; and regulate employee relations, separation management, and health and safety activities.

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
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\$185,514	2.000
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Administrative Service - Fiscal Management. Manage and analyze financial information; account for and forecast the use of department resources; conduct general ledger accounting; maintain accounts payable, collections and accounts receivable, payroll services, cash management, program payments, and contracts and grants management; provide asset and liability management; and execute financial reporting.

\$130,561	1.600
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Administrative Service - Budget and Analysis. Conduct resource planning and allocation activities; develop and execute the budget; and analyze issues impacting the department's budgets and management.

\$51,486	.500
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Administrative Service - Purchasing. Coordinate and execute the acquisition of equipment, materials, services and supplies for the department.

\$51,528	.550
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Administrative Service - Internal Auditing. Provide independent assessments to department management; ensure operations and programs comply with applicable laws and regulations; prevent inefficiency, fraud, and abuse; analyze exposure to risk and determine appropriate countermeasures; and ensure accounting, administrative, and other information systems have the proper controls.

\$23,826	.200
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Administrative Service - Public Information/Communication. Exchange information and communication between the department, citizens, and stakeholders; establish and promote media relations; prepare and publish press releases and other publications; and coordinate events and conference delivery.

\$25,080	2.000
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Administrative Service - Security. Ensure physical protection of the department's personnel, assets, and facilities.

\$90,723	1.600
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Financial Systems Division. Design and implement business processes for the North Carolina Accounting System (NCAS). Develop and prescribe financial management policies and procedures for agency use with the NCAS system. Provide client (agency) support for using the NCAS system, including training. Provide technical and functional system administration of the NCAS system and information access.	\$5,571,627	35.000
Statewide Accounting Division. Maintain accounting control and uniform statewide financial data. Provide timely and consistent financial reporting. Provide leadership and consulting in accounting matters, conduct research, and ensure compliance. Provide timely and consistent disbursement of state funds through agency disbursing agreements. Provide risk mitigation services including administration of the statewide internal control program (EAGLE).	\$2,557,050	26.800
EAGLE. (Enhancing Accountability in Government through Leadership and Education) Provide risk mitigation services including administration of EAGLE, the Statewide Internal Control Program, Payment Card Industry security compliance, continuity of operations planning and testing, and various reviews and special investigations.	\$151,434	5.000
BEACON. (Building Enterprise Access for Core Operational Needs) Provide project management oversight, maintain appropriate staffing levels, manage vendors, and work with state agencies for all projects that fall under the BEACON Program. Projects include: stabilizing the human resources/payroll system, replacing NCAS with a new financials system, implementing data migration, implementing learning solutions/training, and implementing e-recruitment. (\$25,000,000 of funding was non-recurring in FY 2008).	\$34,739,328	55.750
BEST Shared Services. (BEACON Enterprise Support Team) Provide human resources, benefits, time, and payroll administration services based on standard processes, policies, and systems. Provide accurate, consistent, and timely answers to human resources, benefits, time, and payroll questions. Provide support for reporting activities.	\$3,060,215	70.000
Central Administration. Provide leadership, direction, and set policy for all areas of the Office of State Controller. This area also houses most of the funding for rent and lease of the main facility, computer data, and telephone charges, along with supplies.	\$2,344,009	3.500
Actual Totals	\$48,982,381	204.500

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of agencies meeting prescribed guidelines for month-end closeout and timely reporting	61 %	70 %	68 %
Average number of calls per week for BEST (BEACON Enterprise Support Team) Shared Services	-	-	3,650
Average number of incidents per week (emails, faxes, forms, etc.) for BEST Shared Services	-	-	1,750
Average number of BEACON transactions per week for BEST Shared Services	-	-	5,600

Department of Revenue

Mission

Administer the tax laws and collect the taxes due the state in an impartial, uniform, and efficient manner.

Goals

Maximize tax compliance and state tax revenue for the citizens of North Carolina by leveraging analytical tools and repositories of tax data to improve return on investment of the department's compliance programs.

Improve constituent services for North Carolina taxpayers by increasing accessibility, speed, and accuracy through electronic and educational services so as to make it easier to comply with the tax laws and do business with the department.

Improve agency efficiency and effectiveness to provide more services to the taxpayers of North Carolina at reduced costs through education, process improvement, and automation.

Maximize public trust through strong security, well designed systems, and quality customer service so as to encourage the use of e-services.

Build a more customer-centric, innovative culture at the Department of Revenue to enable and sustain an e-government organization by becoming an employer of choice, understanding customer needs, and empowering employees with the authority, information, and training to resolve taxpayer issues.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of Individual Income Tax returns filed electronically to total Individual Income Tax returns filed	36%	39%	42%	51%	51%
Percentage of calls answered by Taxpayer Assistance Call Center Agents	93%	89%	91%	93%	95%

Governor's Recommended Adjustments to Base Budget

Department of Revenue (14700)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$120,937,151	\$121,045,565
Receipts	<u>\$29,589,648</u>	<u>\$29,605,092</u>
Appropriation	\$91,347,503	\$91,440,473
Adjustments		
Requirements	(\$6,426,907)	(\$6,426,907)
Receipts	=	=
Appropriation	(\$6,426,907)	(\$6,426,907)
Total		
Requirements	\$114,510,244	\$114,618,658
Receipts	<u>\$29,589,648</u>	<u>\$29,605,092</u>
Recommended Appropriation	<u>\$84,920,596</u>	<u>\$85,013,566</u>
<hr/>		
Positions		
Base Budget Positions	1,546.250	1,546.250
Reductions	(31.000)	(31.000)
Expansion	=	=
Recommended Positions	<u>1,515.250</u>	<u>1,515.250</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting (Budget Salaries at Less Than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes, along with budget flexibility, will allow the agency to operate more efficiently. General Fund salaries for the Department of Revenue are recommended to be reduced by 5%.

Appropriation (\$3,101,620) (\$3,101,620)

2. Reduce Various Operating Accounts

It is recommended that various operating accounts be reduced across the department.

Appropriation (\$589,493) (\$589,493)

3. Eliminate 14 Vacant Positions

It is recommended that 14 vacant positions be eliminated across the department.

Appropriation (\$767,020) (\$767,020)
Positions (14.000) (14.000)

Interstate Auditors

1. Eliminate \$300 Per Month Stipend for Interstate Auditors

It is recommended that the \$300 per month stipend for 37 interstate auditors be eliminated.

Appropriation (\$132,030) (\$132,030)

Guest Worker Program

1. Adjust Appropriation for Guest Worker Program

It is recommended that the appropriation for the Guest Worker Program be adjusted to better reflect actual expenditure needs. This program provides information to non-English speaking people regarding their obligation to file taxes and how to obtain assistance in filing taxes.

Appropriation (\$375,000) (\$375,000)

Property Tax Division

1. Conversion of Property Tax Division to Receipt Support

It is recommended that the Property Tax Division be converted from appropriation to receipt support. G.S. 105-501 allows the department to recover certain costs from local sales and use tax collections.

Appropriation (\$1,461,744)	(\$1,461,744)
Positions (17.000)	(17.000)

Total Recommended Reductions

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$6,426,907)	(\$6,426,907)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$6,426,907)	(\$6,426,907)
Positions	(31.000)	(31.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
	<hr/>	<hr/>
Appropriation	-	-
Positions	-	-

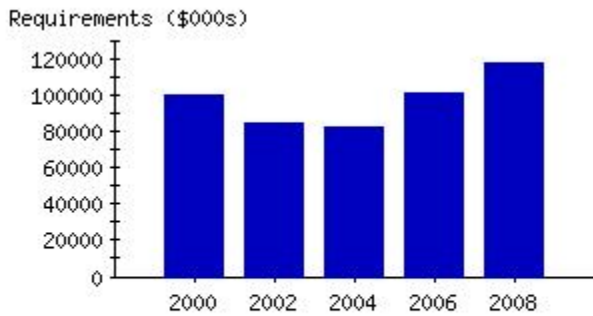
**Total Recommended Adjustments for
 Department of Revenue (14700)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$6,426,907)	(\$6,426,907)
Receipts	-	-
	(\$6,426,907)	(\$6,426,907)
Appropriation	(\$6,426,907)	(\$6,426,907)
Positions	(31.000)	(31.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	(\$6,426,907)	(\$6,426,907)
Total Position Adjustments	(31.000)	(31.000)

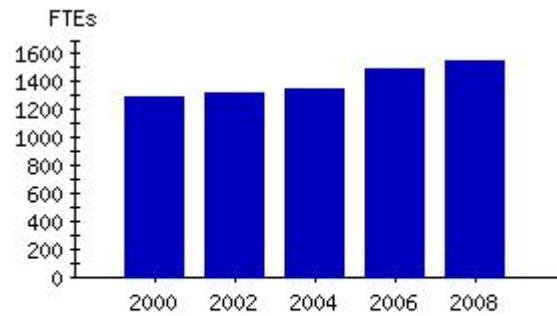
Base Budget and Performance Management Information

Budget Code 14700 Revenue - General

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$117,183,206	\$118,451,349	\$118,296,574	\$2,640,577	\$120,937,151	\$2,748,991	\$121,045,565
Receipts	\$25,023,484	\$29,087,476	\$28,932,701	\$656,947	\$29,589,648	\$672,391	\$29,605,092
Appropriation	\$92,159,722	\$89,363,873	\$89,363,873	\$1,983,630	\$91,347,503	\$2,076,600	\$91,440,473
Positions	1,549.250	1,520.500	1,546.250	-	1,546.250	-	1,546.250

Budget Code 14700 Revenue - General

Fund 14700-1600 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,366,149	\$2,307,489	\$2,486,700	\$1,228,972	\$3,715,672	\$1,232,208	\$3,718,908
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$2,366,149	\$2,307,489	\$2,486,700	\$1,228,972	\$3,715,672	\$1,232,208	\$3,718,908
Positions	28.000	23.000	28.000	-	28.000	-	28.000

Fund description

The purpose of Administration is to establish departmental policies, to provide direction in the administration of all tax laws, and to oversee departmental operations in order to ensure compliance with the revenue laws of North Carolina. Additional functions include internal audit, legislative tracking, oversight and delivery of employee training, legal representation, enterprise project management, strategic planning with department personnel, and communications with the media.

Services for the fund

Administrative Service - Internal Auditing. Provide independent assessments to department management; ensure operations and programs comply with applicable laws and regulations; prevent inefficiency, fraud, and abuse; analyze exposure to risk and determine appropriate countermeasures; and ensure accounting, administrative, and other information systems have the proper controls.

Actual Requirements
2007-08

\$165,630

Actual FTEs
2007-08

2.000

Administrative Service - Legal. Provide legal representation and litigation functions for the department.

\$118,307

1.000

Administrative Service - Public Information/Communication. Exchange information and communication between the department, citizens, and stakeholders; establish and promote media relations; prepare and publish press releases and other publications; and coordinate events and conference delivery.

\$118,307

2.000

Set agency policies and departmental direction in administering the revenue laws of North Carolina and operating the agency.

\$709,847

5.000

Perform administrative support functions for senior executives.

\$212,953

4.000

Coordinate legislative relationships between the department and legislative members; track legislation; and respond to legislative inquiries regarding constituent issues.

\$70,984

1.000

Provide strategic planning to senior management and staff development to department employees to enhance their ability to perform assigned duties.

\$520,553

8.000

Provide program management for agency initiatives to ensure timely completion and cost containment for enterprise projects.

\$449,568

5.000

Actual Totals

\$2,366,149

28.000

Measures for the fund

	2005-06	2006-07	2007-08
Internal audit reports	6	4	8
Special project reports	23	25	27

Fund 14700-1602 Security — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$1,212,283	\$0	\$0	\$0	\$0	\$0
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$0	\$1,212,283	\$0	\$0	\$0	\$0	\$0
Positions	-	19.000	-	-	-	-	-

Fund description

Funds spent in the first two months of the 2007-08 fiscal year were allocated to funds 1603, 1605 and 1681. The State CIO mandated IT Security Directors report to the Department CIO's, therefore FTE's in 1602 were transferred to funds 1603, 1605 and 1681.

Fund 14700-1603 Human Resources — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$773,287	\$698,071	\$766,322	\$44,598	\$810,920	\$45,184	\$811,506
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$773,287	\$698,071	\$766,322	\$44,598	\$810,920	\$45,184	\$811,506
Positions	11.000	10.000	11.000	-	11.000	-	11.000

Fund description

The purpose of Human Resources is to provide assistance related to pay, benefits, job opportunities, employee assistance programs, and workplace policies to all departmental employees. Human Resources also provides consultation to managers and supervisors, including administrative and technical support in recruitment, salary administration, employee relations, benefits, classification, and policy, in order to achieve a competent and highly motivated workforce.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administer a variety of benefits programs for all department employees.	\$140,598	2.000
Administer a recruitment program to ensure staffing needs are met throughout the department for both permanent and temporary workforce needs. Services include assisting managers in defining recruitment needs, advertising vacancies, receiving and screening employment applications, attending recruitment/job fairs, and providing management consultation on all related policies and procedures. Conduct background investigations and create badges for new employees.	\$175,747	2.500
Administer an employee relations program for departmental managers and employees (1,520 total staffing), including consultation, review, and approval for employee disciplinary actions; administration of applicable procedures; guidance to employees regarding grievance rights and procedures; and maintenance of departmental HR policies/Employee Handbook.	\$105,448	1.500
Provide consultation and policy interpretation to managers and employees on a variety of departmental, state, and/or federal human resources laws, policies, and procedures.	\$140,598	2.000
Administer a classification and salary administration program for all managers and employees in the department. Complete all employment transactions including reviewing and approval for initial pay and pay initiatives, ensuring adherence to policies and procedures, and consulting with management on problematic or unusual salary administration issues.	\$210,896	3.000
Actual Totals	\$773,287	11.000

Measures for the fund	2005-06	2006-07	2007-08
Voluntary turnover of all employees annually	5.7 %	5.2 %	5.0 %
Permanent full-time agency staff to each person on HR staff	143	141	141

Fund 14700-1605 Information Technology — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$18,245,107	\$16,433,042	\$17,076,221	(\$137,826)	\$16,938,395	(\$127,733)	\$16,948,488
Receipts	\$151,953	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$18,093,154	\$16,433,042	\$17,076,221	(\$137,826)	\$16,938,395	(\$127,733)	\$16,948,488
Positions	100.250	97.500	100.250	-	100.250	-	100.250

Fund description

The purpose of Information Technology (IT) is to promote and provide secure quality information services and technology to the Department of Revenue to facilitate the administration of tax laws and the collection of taxes due the state. IT achieves this goal by implementing technology that allows the department to efficiently capture and utilize data to support state, department, and public needs. IT also provides all employees with powerful work management and office automation tools to improve employee productivity and protects information technology systems from unauthorized access, modification, disclosure, and intentional or unintentional loss or destruction.

Services for the fund

	Actual Requirements 2007-08	Actual FTEs 2007-08
Design, develop, implement, maintain, and support both custom and off-the-shelf software applications for the department including conducting product assessments for security compliance. This service area assists divisions in applying software applications to meet business needs and facilitates the improvement and automation of business processes in order to improve efficiency and streamline service delivery.	\$5,514,243	35.750
Deploy and maintain secure desktop PCs, infrastructure hardware and software support for the Raleigh headquarters, local field offices, and interstate and intrastate telework sites to ensure efficiency in performance of new and existing applications.	\$1,564,607	10.500
Operate and maximize the processing effectiveness of the Integrated Tax Administration System (ITAS) mainframe, UNIX servers, and Windows servers to minimize downtime and improve employee productivity while proactively protecting the integrity, confidentiality, and availability of the environment from a security perspective.	\$9,014,244	30.500
Provide the agency with timely, reliable, and efficient access to agency database information and quality customer support. Dispense knowledge and skills in the efficient use of database technology.	\$837,755	5.500
Respond to service requests for system and application development efforts by working with subject matter experts throughout the agency to analyze and define functional requirements and to ensure that technology supports business operations and goals.	\$754,439	10.000
Develop and oversee an incident management process that ensures that reported technical problems and requests for service by department employees are addressed and that the IT services provided can continue and/or improve employee productivity.	\$217,002	4.000
Ensure compliance with federal, statutory, and regulatory requirements for the Department of Revenue information system environment and investigate security incidents, criminal acts, and internal and external digital threats against the department.	\$342,817	4.000
Actual Totals	\$18,245,107	100.250

Measures for the fund	2005-06	2006-07	2007-08
Percentage of ITAS and CICS transaction responses completed in less than one second	99.5 %	99.5 %	99.5 %
Percentage of service desk (help) tickets closed per month	92.4 %	88.4 %	86.9 %
Percentage of outside attacks against the department's web servers that were diverted or stopped without damage to the systems	100.0 %	100.0 %	100.0 %

Fund 14700-1607 Policy Analysis and Statistics — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$557,257	\$627,367	\$648,265	\$1,283	\$649,548	\$2,849	\$651,114
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$557,257	\$627,367	\$648,265	\$1,283	\$649,548	\$2,849	\$651,114
Positions	10.000	10.000	10.000	-	10.000	-	10.000

Fund description

The purpose of Policy Analysis and Statistics is to conduct analyses and provide statistical reports to support the development of a tax system for North Carolina taxpayers that is understandable, easy to comply with, and responsive to economic and demographic conditions. The analyses include estimates of the fiscal impact of current and proposed tax policies. Information is also provided to other states, the federal government, local governments, and the public in order to improve understanding of the North Carolina tax system.

Services for the fund

	Actual Requirements 2007-08	Actual FTEs 2007-08
Assist the General Assembly and executive branch by preparing analyses of the fiscal impact of current and proposed tax policies and undertaking research on tax policy options.	\$362,217	7.500
Produce statistical reports, tax guides, statutorily-mandated tax credit disclosure lists, and other documents to help policy-makers, other governments, and the public better understand the North Carolina state and local tax system.	\$167,177	2.250
Prepare statistical reports, law summaries, and methodology explanations requested by North Carolina governmental units, citizens, and other states.	\$27,863	.250
Actual Totals	\$557,257	10.000

Measures for the fund

	2005-06	2006-07	2007-08
Revenue impact estimates and statistical reports prepared at the request of the General Assembly, Governor, and Lt. Governor	30	31	42
Statutorily mandated reports issued	13	23	28
Statistical reports, law summaries, and methodology explanations prepared at the request of other states	39	48	38

Fund 14700-1609 Criminal Investigations — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$993,383	\$1,116,923	\$1,111,718	\$18,328	\$1,130,046	\$20,109	\$1,131,827
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$993,383	\$1,116,923	\$1,111,718	\$18,328	\$1,130,046	\$20,109	\$1,131,827
Positions	13.000	13.000	13.000	-	13.000	-	13.000

Fund description

The purpose of Criminal Investigations is to enforce the criminal provisions of the revenue laws of North Carolina in order to encourage and achieve the highest degree of voluntary compliance with the state's tax statutes and deter tax evasion, thereby enhancing voluntary compliance and increasing tax collections. This includes investigating suspected criminal tax violations, making prosecution recommendations, assisting the North Carolina Attorney General in the prosecution of these violations, and supporting the department in the civil resolution of these cases.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Identify taxpayers suspected of intentionally violating the revenue laws.	\$79,471	1.000
Investigate businesses for possible criminal violations of the revenue laws.	\$417,221	5.500
Investigate individuals for possible criminal violations of the revenue laws.	\$417,221	5.500
Assist the Attorney General and act as the state's chief witness in the prosecution of criminal tax cases.	\$39,735	.500
Support the department in the civil resolution of criminal investigation cases.	\$39,735	.500
Actual Totals	\$993,383	13.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of completed cases that received media coverage	83 %	79 %	78 %
Percentage of successful prosecutions (taxpayer found or plead guilty)	98 %	100 %	100 %

Fund 14700-1621 Corporate, Excise and Insurance Tax — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,051,589	\$1,049,157	\$1,088,606	\$29,374	\$1,117,980	\$31,040	\$1,119,646
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$1,051,589	\$1,049,157	\$1,088,606	\$29,374	\$1,117,980	\$31,040	\$1,119,646
Positions	13.000	13.000	13.000	-	13.000	-	13.000

Fund description

The purpose of Corporate, Excise, and Insurance Tax is to formulate tax policy, respond to technical questions, and resolve tax issues in order to administer corporate income, franchise, insurance premiums, privilege license, alcoholic beverage, and tobacco taxes. The division also evaluates proposed tax legislation and educates taxpayers concerning application of the revenue laws of North Carolina. The objective is to maximize tax compliance through these activities.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Interpret tax statutes and respond to requests from department personnel, legislators and their staffs, and taxpayers and their representatives seeking information regarding application of tax statutes.	\$378,572	4.500
Serve as first level of administrative appeal in protested tax assessments or refund denials to resolve issues without the need for a contested tax case hearing at the Office of Administrative Hearings.	\$294,445	3.500
Research specific tax issues and prepare briefs in defense of the department's position before an Administrative Law Judge at the Office of Administrative Hearings and provide technical support to the Revenue Section of the Attorney General's office in contested case hearings and for cases in litigation.	\$168,254	2.000
Monitor current trends in state taxation in order to recommend statutory modifications to keep North Carolina's tax policy up-to-date.	\$73,611	1.000
Track proposed legislation to determine likely effects of law changes on taxpayers and Department of Revenue personnel.	\$136,707	2.000
Actual Totals	\$1,051,589	13.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of appeals cases resolved without formal hearing	99 %	95 %	100 %
Percentage of legislative recommendations passed into law	87 %	79 %	55 %
Policy questions answered by division personnel	2,741	4,632	3,273

Fund 14700-1623 Personal Taxes — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$725,388	\$728,831	\$728,503	(\$4,816)	\$723,687	(\$4,089)	\$724,414
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$725,388	\$728,831	\$728,503	(\$4,816)	\$723,687	(\$4,089)	\$724,414
Positions	9.000	9.000	9.000	-	9.000	-	9.000

Fund description

The purpose of Personal Taxes is to administer individual income, gift, and estate tax laws by formulating tax policy, resolving disputed tax cases, and designing tax forms and instructions to facilitate simplicity and enhance compliance by taxpayers and practitioners. Personal Taxes also provides technical expertise to agency employees, the public, and practitioners via rules, regulations, publications, educational opportunities, and technical direction to the General Assembly.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Conduct informal conferences with taxpayers and their representatives on protested tax cases to facilitate mutual resolutions without the need for a contested tax case at the Office of Administrative Hearings.	\$290,154	3.500
Design tax forms and instructions that are easy for taxpayers and professional preparers to understand in order to minimize errors and to maximize compliance.	\$145,078	3.500

Suggest proposals to the General Assembly to amend or enact laws that promote tax simplification and fairness to North Carolina citizens.	\$72,539	.500
Participate in seminars and focus groups with the accounting community to foster relationships with practitioners and to improve compliance.	\$72,539	.500
Administer programs and collect information from taxpayers to ensure that only eligible taxpayers claim credits or receive certain tax benefits.	\$145,078	1.000
Actual Totals	\$725,388	9.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of protested cases resolved without a contested case hearing	94 %	97 %	98 %
Percentage of Qualified Business Tax Credit Applications denied	6 %	6 %	7 %
Percentage of suggested legislative proposals enacted by the General Assembly	100 %	100 %	100 %

Fund 14700-1627 Sales and Use Taxes — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$985,946	\$999,535	\$1,009,606	\$3,421	\$1,013,027	\$4,661	\$1,014,267
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$985,946	\$999,535	\$1,009,606	\$3,421	\$1,013,027	\$4,661	\$1,014,267
Positions	13.000	13.000	13.000	-	13.000	-	13.000

Fund description

The purpose of Sales and Use Tax is to formulate state and local sales and use tax policy, provide technical direction and assistance in the administration of Revenue laws, and educate taxpayer groups about law changes in order to provide accurate tax documentation and information and maximize compliance with tax laws. Sales and Use Tax is also responsible for resolving taxpayer protests and collaborates with members of the Attorney General's staff in representing the department at contested case hearings before the Office of Administrative Hearings.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Resolve taxpayer protests to assessments of tax and denials of refunds of tax.	\$276,065	4.000
Respond in writing to written requests for information from taxpayers.	\$147,892	2.500
Respond to requests for information via the telephone from taxpayers and other department personnel.	\$147,892	2.000
Publish notices, directives, bulletins, and other written information and conduct educational forums on meaningful topics and law changes to taxpayers and to other department personnel.	\$118,313	1.500
Interact with members of the General Assembly and their staff in formulating tax laws and providing information on the effect of enacted legislation.	\$138,032	1.500

Develop and update returns and other forms to encourage compliance.	\$59,157	.500
Participate in national projects promoting tax uniformity and simplification such as the Streamlines Sales Tax Project.	\$98,595	1.000
Actual Totals	\$985,946	13.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of taxpayers' protests resolved in nine months ¹	69 %	58 %	62 %
Taxpayers' protests resolved	182	216	174
Telephone calls received	20,691	18,422	17,678

¹This measure has changed beginning with the 2007-08 fiscal year data based on Senate Bill 242. Data prior to FY 2007-08 is based on protests resolved within six months.

Fund 14700-1629 Property Tax — Base Budget

	<u>2007-08</u> Actual	<u>2008-09</u> Certified	<u>2008-09</u> Authorized	<u>2009-10</u> Adjustments	<u>2009-10</u> Total	<u>2010-11</u> Adjustments	<u>2010-11</u> Total
Requirements	\$1,406,949	\$1,446,493	\$1,461,744	\$7,517	\$1,469,261	\$8,469	\$1,470,213
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$1,406,949	\$1,446,493	\$1,461,744	\$7,517	\$1,469,261	\$8,469	\$1,470,213
Positions	17.000	17.000	17.000	-	17.000	-	17.000

Fund description

The purpose of Property Tax is to oversee the valuation and taxation of property by local government taxing units to assure fair and uniform assessment of property throughout the state. In doing so, the division employees in this fund serve as staff to the North Carolina Property Tax Commission.

Services for the fund

	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Provide day-to-day technical assistance to local units of government, taxpayers, and tax practitioners concerning listing property; appraisal and assessment of property; and property tax policies and collection.	\$331,047	4.000
Process, investigate, resolve, and schedule appeals filed with the North Carolina Property Tax Commission.	\$434,498	5.250
Appraise all public service companies and certify the assessed values to the local units of government throughout North Carolina, and conduct yearly sales ratio studies in all 100 counties.	\$289,666	3.500
Maintain a certification program that complies with the legal requirements for county assessors and appraisers. The program includes providing education, maintaining a database of certified assessors and appraisers, and conducting yearly compliance reviews.	\$103,452	1.250
Develop and publish guidelines and manuals used by county tax offices in appraising and assessing property throughout the State.	\$82,762	1.000

Represent the department in various committee meetings of the General Assembly. Assist in the development of fiscal estimates and provide assistance in the drafting of proposed bills by General Assembly staff.	\$82,762	1.000
Administrative Service - Legal. Provide legal representation and litigation functions for the department.	\$82,762	1.000
Actual Totals	\$1,406,949	17.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Requests processed for assistance from taxpayers, local governmental units, and tax practitioners	18,187	19,973	20,518
Percentage of courses and seminars taught by department personnel that received an overall "above average" or "excellent" rating from class participants	100 %	100 %	100 %
Percentage of property tax appeals investigated and resolved without a hearing before the Property Tax Commission	95 %	94 %	94 %

Fund 14700-1643 Taxpayer Assistance — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$9,466,091	\$10,198,444	\$10,203,725	\$257,746	\$10,461,471	\$267,640	\$10,471,365
Receipts	\$232,753	\$257,951	\$257,951	\$18,448	\$276,399	\$18,448	\$276,399
Appropriation	\$9,233,338	\$9,940,493	\$9,945,774	\$239,298	\$10,185,072	\$249,192	\$10,194,966
Positions	184.000	184.000	184.000	-	184.000	-	184.000

Fund description

The purpose of Taxpayer Assistance is to provide assistance for taxpayers by resolving tax problems, explaining and interpreting tax law, completing tax forms and returns, conducting outreach and education programs, and responding to taxpayer inquiries. These efforts increase taxpayer compliance by providing citizens with the services that they need in order to comply with the revenue laws of North Carolina.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Respond to taxpayer correspondence by letter or telephone to answer questions, provide information, or resolve tax problems.	\$3,786,436	74.000
Provide tax assistance over the telephone on account resolution, tax filing requirements, tax questions, refund inquiries, and other services that assist taxpayers with complying with the tax laws.	\$4,733,046	92.000
Assist walk-in taxpayers at 11 service centers throughout the state by completing registrations, answering tax questions, filing returns and reports, accepting payments, assisting with proposed and final assessments, and providing tax forms.	\$851,948	16.000
Perform public outreach and taxpayer education by participating in workshops, seminars, and tax programs on television and radio, and responding to requests for speakers for various groups and entities.	\$94,661	2.000
Actual Totals	\$9,466,091	184.000

Measures for the fund	2005-06	2006-07	2007-08
Percentage of taxpayer telephone calls answered (Calls not answered were abandoned by taxpayer)	94.9 %	93.4 %	91.1 %
Average time (measured in days) that correspondence from taxpayers is worked from date of receipt	4.1	3.8	3.1
Average time (in seconds) that telephone calls waited in queue before being answered by an agent	35	44	54

Fund 14700-1660 Examination and Collection — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$28,558,394	\$30,674,606	\$30,240,170	\$93,339	\$30,333,509	\$119,878	\$30,360,048
Receipts	\$5,815,858	\$7,751,265	\$7,722,727	\$9,753	\$7,732,480	\$12,465	\$7,735,192
Appropriation	\$22,742,536	\$22,923,341	\$22,517,443	\$83,586	\$22,601,029	\$107,413	\$22,624,856
Positions	460.000	435.000	460.000	-	460.000	-	460.000

Fund description

The purpose of Examination and Collection is to administer the tax laws, to determine the correct tax liability through audits, and to collect taxes from delinquent taxpayers and those who failed to file taxes. All examination and collection activities center around increasing compliance with state tax laws and collecting the full amount of taxes due to the state. Examinations are conducted on individuals, businesses, and governmental entities by employing professional audit methods, standards, and procedures and collecting taxes through a variety of methods, including voluntary payment, tax account reviews/liability adjustments, forced collection procedures, legal action in accordance with federal bankruptcy statutes, and offers-in-compromise.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Identify areas of non-compliance with state tax laws.	\$5,997,263	90.000
Conduct audits of individuals, businesses, and governmental entities for compliance with state tax laws.	\$11,137,774	168.000
Collect past due taxes in the most efficient manner.	\$3,427,007	61.000
Account for and administer the collection of General Fund tax receivables.	\$3,998,175	71.000
Identify and secure non-filed business tax returns.	\$3,427,007	60.000
Perform special collection related activities such as bankruptcy processing, offers-in-compromise, liability transfers, etc.	\$571,168	10.000
Actual Totals	\$28,558,394	460.000

Measures for the fund	2005-06	2006-07	2007-08
Field and office audits completed	184,946	154,714	134,612
Net dollar of assessments from field and office audits (dollars)	\$458,445,443	\$497,054,008	\$650,563,726

Past-due collections collected in (dollars)	\$401,048,053	\$495,218,279	\$633,674,743
Percentage of increase in (net) accounts receivables	6 %	-4 %	4 %
Amount of revenue from the collection assistance fee (dollars)	\$12,700,000	\$14,700,000	\$15,419,910

Fund 14700-1661 Project Collect Tax — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,782,621	\$3,676,829	\$3,713,193	\$33,793	\$3,746,986	\$37,639	\$3,750,832
Receipts	\$3,782,622	\$3,676,829	\$3,713,193	\$33,793	\$3,746,986	\$37,639	\$3,750,832
Appropriation	(\$1)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	49.000	48.000	49.000	-	49.000	-	49.000

Fund description

The purpose of Project Collect Tax is to enhance the delinquent tax collection program for the department. In 2001, the General Assembly enacted a 20% collection assistance fee designed to shift the cost of collecting delinquent taxes to those taxpayers who failed to pay. The proceeds of the 20% fee are used to resolve delinquent tax cases. The division resolves these cases through a variety of methods, including voluntary payment, tax account reviews/liability adjustments, forced collection procedures, installment payment plans, legal action in accordance with Federal bankruptcy statutes, and offers-in-compromise.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Collect past due taxes in the most efficient manner.	\$1,134,786	14.000
Account for and administer the collection of General Fund tax receivables.	\$1,323,918	18.000
Identify and secure non-filed business tax returns.	\$1,134,786	14.000
Perform special collection related activities such as bankruptcy processing, offers-in-compromise, liability transfers, etc.	\$189,131	3.000
Actual Totals	\$3,782,621	49.000

Measures for the fund

	2005-06	2006-07	2007-08
Past-due collections collected (dollars)	\$94,073,000	\$116,162,312	\$148,639,755
Percentage of increase in (net) accounts receivables	6 %	-4 %	4 %
Revenue from the collection assistance fee (dollars)	\$3,000,000	\$3,500,000	\$3,617,016

Fund 14700-1662 Taxpayer Call Center — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,529,909	\$6,445,374	\$6,438,509	(\$55,518)	\$6,382,991	(\$54,957)	\$6,383,552
Receipts	\$5,529,908	\$6,445,374	\$6,438,509	(\$55,518)	\$6,382,991	(\$54,957)	\$6,383,552
Appropriation	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Positions	109.000	109.000	109.000	-	109.000	-	109.000

Fund description

The purpose of the Taxpayer Assistance and Collection Center (TACC) is to serve as the main gateway for interaction between taxpayers and Department of Revenue employees. The TACC focuses on increasing tax collection and compliance by collecting taxes due the state and assisting taxpayers with tax related questions via the telephone.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Collect taxes due the state by having call agents submit current and delinquent payments via the web or persuading taxpayers to send by mail.	\$2,764,954	54.500
Assist taxpayers with tax and/or account related questions over the telephone as quickly as possible.	\$2,764,955	54.500
Actual Totals	\$5,529,909	109.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Delinquent and past due cases filed and/or collected by the Taxpayer Assistance Call Center staff	197,392	246,980	204,969
Average wait time (in seconds) to speak to a call agent	96	76	53

Fund 14700-1663 Project Compliance — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,236,228	\$6,091,663	\$6,040,525	\$88,445	\$6,128,970	\$91,381	\$6,131,906
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$5,236,228	\$6,091,663	\$6,040,525	\$88,445	\$6,128,970	\$91,381	\$6,131,906
Positions	87.000	87.000	87.000	-	87.000	-	87.000

Fund description

The purpose of Project Compliance as enacted by the 2003 General Assembly is to increase the examination of individuals, partnerships, corporations, estates, and trusts to increase compliance with state tax laws. The auditors funded through Project Compliance focus on various areas of non-compliance. The auditors use analytical audit selection tools to identify non-compliance areas. Auditors conduct field or office audits which result in the assessment and collection of additional tax or the refund of overpayments of taxes.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Identify areas of non-compliance with state tax laws.	\$1,832,680	30.000
Conduct audits of individuals, businesses, and governmental entities for compliance with state tax laws.	\$3,403,548	57.000
Actual Totals	\$5,236,228	87.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Field and office audits completed	46,237	38,679	33,653
Net dollar of assessments from field and office audits (dollars)	\$114,611,361	\$124,263,502	\$162,640,932
Direct audit hours expended	54,606	50,426	56,096

Fund 14700-1664 Guest Worker — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$462,994	\$500,000	\$500,000	\$0	\$500,000	\$0	\$500,000
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$462,994	\$500,000	\$500,000	\$0	\$500,000	\$0	\$500,000
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Guest Worker Compliance Project is to improve compliance among North Carolina's growing immigrant population. North Carolina is the fastest growing state with respect to Hispanic immigrants, and this wave of immigration is having a large public policy impact on the state. The Guest Worker Compliance Project is a multi-faceted compliance program that is focused on immigration, including illegal immigrant tax compliance. (This fund was established in FY 2006-07 to account for the Guest Worker Compliance Program. Prior to FY 2006-07, the FTEs associated with administering this program were assigned to various divisions.)

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Assess the proper amount of tax liability for guest workers earning income in North Carolina.	\$224,958	-
Collect all tax due to the state from guest workers.	\$224,958	-
Provide community outreach and education to the guest worker community.	\$13,078	-
Actual Totals	\$462,994	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Assessments against guest workers	13,037	16,648,214	10,691,471
Outreach and education events for guest workers	20	19	23
Tax collections from guest workers (dollars)	\$2,031,959	\$6,667,090	\$2,682,129

Fund 14700-1665 Data Warehouse Project — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$132,296	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$134,578	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	(\$2,282)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

On behalf of the Department of Revenue, the Office of State Controller received \$500,000 in non-recurring monies in 2006 to expand the data warehouse efforts of the Department of Revenue. The purpose of the Data Warehouse Project was to use software tools to provide improved statistical information on taxes paid by corporations, improve the accuracy of fiscal impact statements for corporate tax changes, and identify areas of non-compliance by corporations. The project consolidated data related to ITAS, William S. Lee Act, the Business Master File from the IRS, cleansed corporate tax data from the Policy Analysis and Statistics Division, and the Employment Security Commission. The balance of \$134,578 was carried forward to the FY 2007-08 and was exhausted by this project.

Fund 14700-1670 Unauthorized Substance Tax — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,573,439	\$1,667,678	\$1,709,594	\$53,192	\$1,762,786	\$55,036	\$1,764,630
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$1,573,439	\$1,667,678	\$1,709,594	\$53,192	\$1,762,786	\$55,036	\$1,764,630
Positions	24.000	24.000	24.000	-	24.000	-	24.000

Fund description

The purpose of Unauthorized Substance Tax is to administer an excise tax to generate revenue for state and local law enforcement agencies and the General Fund. The excise tax is levied on controlled substances possessed, either actually or constructively, by dealers at rates set by the revenue laws. Seventy-five percent of tax collections are returned to state or local law enforcement agencies whose investigation led to the assessment. The remaining twenty-five percent is paid to the General Fund.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Assess and collect the state's excise tax on illicit drugs and alcohol.	\$1,180,079	18.000
Resolve disputed assessments in a manner beneficial to the state.	\$314,688	5.000
Distribute unencumbered tax proceeds to law enforcement agencies and the General Fund.	\$39,336	.500
Educate state and local law enforcement agencies to increase program efficiency.	\$39,336	.500
Actual Totals	\$1,573,439	24.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Average tax assessment (dollars)	\$17,260	\$18,919	\$15,831
Average number of assessments per enforcement agent	502	420	489

Fund 14700-1681 Administrative Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$8,792,827	\$8,550,243	\$9,096,961	\$38,242	\$9,135,203	\$60,467	\$9,157,428
Receipts	\$391,577	\$47,155	\$47,155	\$0	\$47,155	\$0	\$47,155
Appropriation	\$8,401,250	\$8,503,088	\$9,049,806	\$38,242	\$9,088,048	\$60,467	\$9,110,273
Positions	38.000	26.000	38.000	-	38.000	-	38.000

Fund description

The purpose of Administrative Services is to provide purchasing, graphic design, printing, overall repairs and renovations to the building, shipping and receiving, monitoring of IT fixed asset management, mailing operations, and physical security for the Department of Revenue. The division provides these services in order to facilitate tax processing, compliance and to support the Department to obtain its goals.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administrative Service - Purchasing. Coordinate and execute the acquisition of equipment, materials, services and supplies for the department.	\$1,674,316	4.000
Administrative Service - Security. Ensure physical protection of the department's personnel, assets, and facilities.	\$562,696	11.000
Sort and distribute all incoming mail, and process and apply postage to all of the department's outgoing mail.	\$2,795,276	7.000
Ship, receive, store, and distribute office supplies and equipment for all divisions.	\$1,670,658	5.500
Manage all maintenance agreements for copiers and building equipment; label and account for all non-IT fixed assets from purchasing to surplus of the equipment; and provide graphic support and printing for the department.	\$2,089,882	10.500
Actual Totals	\$8,792,827	38.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Incoming mail processed	7,986,688	8,092,899	8,636,219
Outgoing mail processed	9,206,342	7,844,614	9,194,775
Supply and equipment requests processed	2,355	2,285	2,363

Fund 14700-1683 Financial Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$772,481	\$822,874	\$833,741	(\$15,059)	\$818,682	(\$15,059)	\$818,682
Receipts	\$1,036	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$771,445	\$822,874	\$833,741	(\$15,059)	\$818,682	(\$15,059)	\$818,682
Positions	13.000	13.000	13.000	-	13.000	-	13.000

Fund description

The purpose of Financial Services is to properly account for and report all tax and budgetary financial transactions of the Department of Revenue. Tax collection and disbursements data is made available electronically to internal customers and to agencies and organizations external to the department. Taxes collected are critical to the budgetary recommendations by the Office of the Governor and to the allocation of funds by the General Assembly.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Administrative Service - Fiscal Management. Manage and analyze financial information; account for and forecast the use of department resources; conduct general ledger accounting; maintain accounts payable, collections and accounts receivable, payroll services, cash management, program payments, and contracts and grants management; provide asset and liability management; and execute financial reporting.	\$356,530	6.000
Administrative Service - Budget and Analysis. Conduct resource planning and allocation activities; develop and execute the budget; and analyze issues impacting the department's budgets and management.	\$74,277	1.250
Interact with the Office of State Budget and Management and the General Assembly to provide relevant tax data and to provide specific departmental data to support budgetary requests. Prepare annual financial statements of all revenues and disbursements as required by the Office of the State Controller.	\$103,988	1.750
Account for and report tax collections and disbursements accurately to allow for budget analysis and changes in tax laws.	\$118,843	2.000
Process taxpayer refunds and transfer statutorily required funds to local governments and state agencies using the state accounting system.	\$118,843	2.000
Actual Totals	\$772,481	13.000

Measures for the fund	2005-06	2006-07	2007-08
Percentage of total tax deposits that are electronic	66 %	66 %	68 %
Percentage of total individual income tax refunds processed that are direct deposit	29 %	33 %	37 %
Ratio of electronic vendor payments to vendor payments made by paper check mailed through the US Postal Service	24 %	25 %	31 %

Fund 14700-1685 Documents and Payments Processing — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$12,888,557	\$12,867,986	\$12,944,709	\$817,614	\$13,762,323	\$828,402	\$13,773,111
Receipts	\$1,222,378	\$759,508	\$759,508	\$513,734	\$1,273,242	\$514,722	\$1,274,230
Appropriation	\$11,666,179	\$12,108,478	\$12,185,201	\$303,880	\$12,489,081	\$313,680	\$12,498,881
Positions	251.000	250.000	248.000	-	248.000	-	248.000

Fund description

The purpose of Documents and Payments Processing is to ensure that all taxpayer tax returns and payments are processed in a timely and accurately manner. This includes extracting and fine-sorting incoming mail, preparing taxpayer documents and payments for processing, depositing taxpayer payments with various banks, capturing taxpayer data from returns and payments, processing exception returns and payments, registering new taxpayers, and managing the department's inactive taxpayer records.

Additional duties performed by this division include preparing the distribution of many local taxes including the local sales and use taxes, tax on piped natural gas, franchise tax on electric power, sales tax on telecommunication services, scrap tire disposal tax, white goods disposal tax, and beer and wine excise tax collected. The division is also responsible for the Setoff Debt

Collection program and the Federal Offset Programs, the development of tax forms, including developing and administering specific guidelines for software developer forms and approval of software developer forms. This division also develops, processes, reviews, and tests data for preparation software and online web applications and assists taxpayers with e-services applications.

Services for the fund	<u>Actual Requirements</u> 2007-08	<u>Actual FTEs</u> 2007-08
Provide organizational support to division personnel such as timekeeping, personnel actions, and customer service activities in order to ensure accurate and timely divisional reporting requirements.	\$359,442	7.000
Extract and fine-sort departmental incoming mail via an automated and manual process in order to process all documents and payments.	\$718,884	14.000
Perform document preparation processing for all taxpayer documents and payments in order to ensure timely and accurate processing.	\$2,772,837	54.000
Deposit taxpayer payments into banks and capture taxpayer data from returns and payments via electronic, automated, and manual processes in order to ensure timely and accurate processing.	\$1,694,511	33.000
Process exception returns and payments in a timely and accurate manner, which includes resolving document discrepancies, payments/ returns received without taxpayer documents, suspended transactions, and registering new taxpayers.	\$5,648,371	110.000
Manage the department's inactive taxpayer records in order to provide them to agency representatives and to outside agencies that submit subpoena and court order requests.	\$410,791	8.000
Calculate and prepare various taxes to local governments. Administer the Setoff Debt Collection program and the Federal Offset program in order to distribute funds from these programs in a timely and accurate manner.	\$359,442	7.000
Develop and provide guidelines for replication of state tax forms to software developer companies.	\$308,093	6.000
Develop, process, review, and test data for tax preparation software and online web applications in a timely and accurate manner.	\$616,186	12.000
Actual Totals	\$12,888,557	251.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Tax returns processed as defined by agency management	10,437,669	10,386,112	11,260,200
Tax payments processed as defined by agency management	6,683,384	6,016,584	7,737,768

Fund 14700-1700 Motor Fuels — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,265,926	\$5,711,332	\$5,711,932	\$136,330	\$5,848,262	\$142,186	\$5,854,118
Receipts	\$5,265,931	\$5,711,332	\$5,711,932	\$136,330	\$5,848,262	\$142,186	\$5,854,118
Appropriation	(\$5)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	69.000	69.000	69.000	-	69.000	-	69.000

Fund description

The purpose of Motor Fuels fund is to administer the motor fuels (gasoline and diesel), alternative fuels, motor carrier, and inspection tax laws. The motor fuels excise tax and motor carrier road use tax are collected and transferred to the Department of Transportation (DOT) for road construction and maintenance. Fuel suppliers, distributors, and trucking companies operating and based in North Carolina pay these taxes.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administer and collect motor fuel taxes and inspection fees.	\$2,369,668	3.000
Examine tax returns for compliance with state tax laws.	\$789,889	12.000
Perform audits of motor fuels and motor carrier tax returns.	\$1,053,185	40.000
Issue licenses and registrations to motor carriers and motor fuels taxpayers.	\$263,296	5.000
Approve and monitor bonds to cover motor fuels tax liability.	\$263,296	2.000
Assist taxpayers with their tax related questions and issues.	\$263,296	5.000
Enforce collections and provide assistance in collection of taxes.	\$263,296	2.000
Actual Totals	\$5,265,926	69.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Audits completed	622	528	664
Net dollar of assessments (dollars)	\$3,163,000	\$3,129,940	\$2,591,027
Tax returns processed	44,000	55,973	58,206

Fund 14700-1702 Federal Grant - Motor Fuels - Fuel Tax Evasion — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$43,014	\$189,768	\$189,768	\$0	\$189,768	\$0	\$189,768
Receipts	\$43,013	\$189,768	\$189,768	\$0	\$189,768	\$0	\$189,768
Appropriation	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Federal Grant - Motor Fuels - Fuel Tax Evasion fund is to promote cooperation between the IRS and other states to reduce fuel tax evasion at the state and federal level. This is carried out by attending multi-state conferences on Fuel Tax Evasion initiatives and participating in multi-state projects relative to Fuel Tax Evasion.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Reimburse travel to regional and national meetings to partner with other states and federal government to address motor fuels non-compliance issues.	\$43,014	-
Actual Totals	\$43,014	-

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Joint task force meetings attended	3	3	2
Workshops attended	2	7	10

Fund 14700-1708 International Registration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$340,178	\$392,215	\$392,215	(\$1,124)	\$391,091	(\$1,124)	\$391,091
Receipts	\$340,176	\$392,215	\$392,215	(\$1,124)	\$391,091	(\$1,124)	\$391,091
Appropriation	\$2	\$0	\$0	\$0	\$0	\$0	\$0
Positions	6.000	6.000	6.000	-	6.000	-	6.000

Fund description

The purpose of the International Registration Plan (IRP) is to administer the IRP audit functions required to meet the jurisdictional membership responsibilities of the plan. IRP is a vehicle (qualified motor vehicle) registration program designed to allow motor carriers to operate internationally. Audits are conducted on IRP registrants to ensure registration fees are paid to coincide with miles traveled in all affected jurisdictions.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Perform audits of International Registration Plan (IRP) participants.	\$272,142	5.000
Attend IRP training classes and meetings to assist in building a more efficient and effective audit program.	\$68,036	1.000
Actual Totals	\$340,178	6.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Audits completed	315	539	108
Net amount of assessments (dollars)	\$30,000	\$94,407	\$28,437

Fund 14700-1710 Fuel Tax Compliance — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,051,653	\$1,636,645	\$1,636,645	\$771	\$1,637,416	\$1,380	\$1,638,025
Receipts	\$1,051,653	\$1,636,645	\$1,636,645	\$771	\$1,637,416	\$1,380	\$1,638,025
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	19.000	19.000	19.000	-	19.000	-	19.000

Fund description

The purpose of Fuel Tax Compliance is to engage in projects and initiatives to combat motor fuels tax evasion and promote increased motor fuels tax compliance. This is accomplished through taxpayer education, joint projects with other agencies, and audit and investigative activities.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Develop fuel tax compliance programs within the state, with other states, and the IRS.	\$262,913	4.750
Initiate projects and programs to address motor fuels non-compliance.	\$788,740	14.250
Actual Totals	\$1,051,653	19.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Investigation inspections competed	1,734	1,398	1,535
Assessments completed	92	462	509

Fund 14700-1800 White Goods Disposal Tax — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$233,836	\$425,000	\$425,000	\$0	\$425,000	\$0	\$425,000
Receipts	\$233,835	\$425,000	\$425,000	\$0	\$425,000	\$0	\$425,000
Appropriation	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Positions	6.000	5.000	6.000	-	6.000	-	6.000

Fund description

The purpose of White Goods Disposal Tax is to process all white goods tax returns and payments in a timely and accurate manner. This includes extracting and sorting incoming white goods mail, preparing white goods taxpayer documents and payments for entry into the department's Data Capture system, depositing white goods tax payments into various banks, capturing white goods taxpayer data from returns and payments, processing exception white goods returns and payments, registering new white goods taxpayers, managing the department's inactive white goods taxpayer records, and calculating the distribution of the white goods disposal tax after reviewing the returns. By statute (G.S. 105-187.24), the department is allowed to retain \$425,000 a year to administer the program.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Extract and sort incoming white goods mail via an automated and manual process in order to submit all white goods documents and payments to be processed in a timely fashion.	\$38,974	1.000
Prep and deposit white goods taxpayer payments into banks and capture taxpayer data from returns and payments via automated and manual processes in order to ensure timely and accurate processing.	\$77,945	2.000
Process exception white goods returns and payments in a timely and accurate manner, which includes resolving document discrepancies, payments/returns received without taxpayer documents, suspended transactions, and registering new white goods taxpayers.	\$77,945	2.000

Manage the department's inactive white goods taxpayer records in order to provide them in a timely manner to agency representatives and outside agencies that submit subpoena and court order requests.	\$19,486	.500
Distribute white goods disposal taxes to local municipalities.	\$19,486	.500
Actual Totals	\$233,836	6.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Payments processed (dollars)	\$4,926,720	\$5,246,858	\$5,002,619

Fund 14700-1820 Scrap Tire Disposal Tax — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$262,892	\$425,000	\$425,000	\$0	\$425,000	\$0	\$425,000
Receipts	\$262,892	\$425,000	\$425,000	\$0	\$425,000	\$0	\$425,000
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	6.000	5.000	6.000	-	6.000	-	6.000

Fund description

The purpose of Scrap Tire Disposal Tax is to process all scrap tire taxpayer returns and payments in a timely and accurate manner. This includes extracting and sorting incoming scrap tire mail, preparing scrap tire taxpayer documents and payments for entry into the department's Data Capture system, depositing scrap tire tax payments into various banks used by the department, capturing scrap tire taxpayer data from returns and payments, processing exception scrap tire returns and payments, registering new scrap tire taxpayers, managing the department's inactive scrap tire taxpayer records, and calculating the distribution of the scrap tire disposal taxes to local municipalities after reviewing the returns. By statute (G.S. 105-187.19), the department is allowed to retain \$425,000 a year to administer the program.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Extract and sort incoming scrap tire mail via an automated and manual process in order to submit all scrap tire documents and payments to be processed in a timely fashion.	\$43,814	1.000
Prep and deposit scrap tire tax payments into banks and capture taxpayer data from returns and payments via automated and manual processes in order to ensure timely and accurate processing.	\$87,631	2.000
Process exception scrap tire returns and payments in a timely and accurate manner, which includes resolving document discrepancies, payments/returns without taxpayer documents, suspended transactions, and registering new scrap tire taxpayers.	\$87,631	2.000
Manage the department's inactive scrap tire taxpayer records in order to provide them in a timely manner to agency representatives and outside agencies that submit subpoena and court order requests.	\$21,908	.500
Distribute scrap tire disposal tax to local municipalities.	\$21,908	.500
Actual Totals	\$262,892	6.000

Measures for the fund	2005-06	2006-07	2007-08
Payments processed (dollars)	\$13,142,841	\$13,875,393	\$14,574,042

Fund 14700-1830 Public Transit Tax — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$414,873	\$614,397	\$660,502	\$760	\$661,262	\$1,632	\$662,134
Receipts	\$414,873	\$614,397	\$660,502	\$760	\$661,262	\$1,632	\$662,134
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	8.000	7.000	8.000	-	8.000	-	8.000

Fund description

The purpose of Public Transit Tax is to process all public transit collections on sales and use tax returns in a timely and accurate manner. This includes extracting and sorting incoming public transit mail, preparing sales and use tax returns with public transit tax information included on the documents for entry into the department's Data Capture system, depositing sales and use tax collections including the public transit tax collections into various banks used by the department, and capturing public transit taxpayer data from sales and use returns and payments.

Services for the fund

	Actual Requirements 2007-08	Actual FTEs 2007-08
Extract and sort all departmental incoming public transit mail via an automated and manual process in order to provide all public transit tax information in a timely fashion.	\$77,789	1.500
Prep and deposit sales and use tax returns including the public transit collection information from taxpayer payments into banks and capture public transit tax data from sales and use returns and payments via electronic, automated, and manual processes in a timely manner in order to distribute the public transit tax collections to the appropriate local government agency.	\$129,648	2.500
Process exception sales and use returns containing public transit information in a timely and accurate manner, which includes resolving document discrepancies, payments/returns received without taxpayer documents, and suspended transactions.	\$155,577	3.000
Manage the department's inactive public transit taxpayer records in order to provide them in a timely manner to agency representatives and outside agencies that submit subpoena and court order requests.	\$51,859	1.000
Actual Totals	\$414,873	8.000

Measures for the fund	2005-06	2006-07	2007-08
Taxpayers remitting the Public Transportation Tax ¹	25,164	25,538	26,337

¹This tax is paid by businesses that either sell or deliver items into Mecklenburg County and is used to fund the county's rail system.

Fund 14700-1840 Dry Cleaning Solvent Tax — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$125,000	\$125,000	\$0	\$125,000	\$0	\$125,000
Receipts	\$0	\$125,000	\$125,000	\$0	\$125,000	\$0	\$125,000
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Dry Cleaning Solvent Tax program is to ensure that all dry cleaning taxpayer payments are processed in a timely and accurate manner. By statute (G.S. 105-187.34), the department is allowed to retain \$125,000 a year as reimbursement to the Department. (The FTEs associated with administering this program are assigned to Documents Payments and Processing.)

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Extract and sort incoming dry cleaning solvent mail via an automated and manual process to ensure all dry cleaning solvent documents and payments are processed in a timely manner.	\$0	-
Perform document preparation processes for all dry cleaning solvent taxpayer documents and payments in order to ensure timely and accurate processing.	\$0	-
Actual Totals	\$0	-

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Dry-Cleaning Solvent Tax collected (dollars)	\$815,822	\$754,409	\$644,602

Fund 14700-1850 Lee Tax Credits — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$269,942	\$592,104	\$406,700	\$1,195	\$407,895	\$1,792	\$408,492
Receipts	\$120,231	\$405,037	\$202,596	\$0	\$202,596	\$0	\$202,596
Appropriation	\$149,711	\$187,067	\$204,104	\$1,195	\$205,299	\$1,792	\$205,896
Positions	6.000	9.000	6.000	-	6.000	-	6.000

Fund description

The purpose of the William S. Lee Tax Credits Program is to administer the compliance requirements in state tax laws with respect to tax incentives for new and expanding businesses provided under the William S. Lee Act. Audits are conducted to determine eligibility and allowable tax credits as prescribed in the law. Reports are prepared annually as required by law to analyze Lee Act credit activity.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Identify areas of non-compliance with regards to the Bill Lee Act tax credits.	\$134,970	3.000
Conduct audits of individuals, corporations, estates, trusts, and insurance companies for compliance with state tax laws with regard to the Bill Lee Act tax credits.	\$67,486	1.500
Publish mandated annual lists of tax credit recipients, conduct analyses of tax credit use, and identify tax returns with questionable credit claims.	\$67,486	1.500
Actual Totals	\$269,942	6.000

Measures for the fund	2005-06	2006-07	2007-08
Field and office audits completed	314	263	184
Reduction in taxes owed due to tax credit claims (dollars)	\$1,978,445	\$4,108,345	\$4,342,109
Reduction in future installments of tax credits (dollars)	\$13,024,198	\$15,677,767	\$7,229,106

Fund 14700-1870 Solid Waste Disposal Tax — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$225,000	\$225,000	\$0	\$225,000	\$0	\$225,000
Receipts	\$0	\$225,000	\$225,000	\$0	\$225,000	\$0	\$225,000
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Solid Waste Disposal Tax is to process all solid waste disposal tax returns and payments in a timely and accurate manner. This includes extracting and sorting incoming solid waste disposal tax mail, preparing solid waste disposal tax documents and payments for entry into the department's Data Capture system, depositing solid waste disposal tax payments into various banks, capturing tax data from the returns and payments, processing exception returns and payments, registering new taxpayers, and calculating the distribution of the solid waste disposal tax after reviewing the returns. By statute (G.S. 105-187.63), the department is allowed to retain \$225,000 to administer the program.

Fund 14700-1900 Reserves and Transfers — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0
Receipts	\$28,217	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$4,971,783	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The Department of Revenue was allowed to use up to \$2,434,270.71 of its unexpended budget as of June 30, 2006 for the purpose of paying the Civil Penalty and Forfeiture fund. The amount expended represented the Unauthorized Substance Tax penalty collections that were paid to local law enforcement agencies for the period July 1, 2005 through December 31, 2005. Through FY 2008-09, the department shall reduce the succeeding distributions to law enforcement agencies to offset the amount that was improperly distributed to each agency. The funds collected from the law enforcement agencies are deposited to the reserve account, Fund 1900-Reserves and Transfers, and revert at fiscal year-end.

Department of Cultural Resources

Mission

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.

Goals

Make cultural assets available to all citizens of the state, regardless of where they live, through facilities, touring performances, digital or web based access or any other means where cultural resources can be disseminated to many people.

Manage and make available the state's historic resources on behalf of present and future generations.

Acquire, preserve, and exhibit works of art for the education and enjoyment of the people of the state.

Enrich the cultural life of the state by nurturing and supporting excellence in the arts through monetary grants, residencies, and fellowships.

Foster musical awareness, enjoyment, and education by performing both major orchestral and educational concerts for the citizens of the state.

Provide public library services, give professional consultation to all libraries, and distribute funds to the state's local libraries as well as furnish books, tapes, and videotapes to the disabled.

Manage the state's network and distribution of library and archival resources.

Acquire, preserve, and exhibit material culture from the state's history.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Economic impact of the non-profit creative sector in North Carolina (dollars)	\$835,500,000	\$898,000,000	\$942,900,000	\$990,000,000	\$915,750,000
Public visitation or number of public interactions in programs administered by the department (includes art museums, history museums, state historic sites, public libraries, and performances by NC Symphony)	33,399,692	34,597,477	34,433,718	36,967,754	54,684,026
Grants-in-aid supporting non-profit cultural organizations statewide (including direct appropriations, arts grants, and aid to public libraries)	1,363	1,355	1,710	1,534	1,539

Governor's Recommended Adjustments to Base Budget

Department of Cultural Resources (14800)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$86,399,443	\$87,794,215
Receipts	<u>\$8,466,406</u>	<u>\$8,464,606</u>
Appropriation	\$77,933,037	\$79,329,609
Adjustments		
Requirements	(\$5,113,777)	(\$5,113,777)
Receipts	=	=
Appropriation	(\$5,113,777)	(\$5,113,777)
Total		
Requirements	\$81,285,666	\$82,680,438
Receipts	<u>\$8,466,406</u>	<u>\$8,464,606</u>
Recommended Appropriation	<u>\$72,819,260</u>	<u>\$74,215,832</u>
<hr/>		
Positions		
Base Budget Positions	788.280	788.280
Reductions	(17.250)	(17.250)
Expansion	=	=
Recommended Positions	<u>771.030</u>	<u>771.030</u>

Appropriation Items -- Recommended Adjustments

Reductions	<u>2009-10</u>	<u>2010-11</u>
Department-Wide		
1. Truth-in-Budgeting (Budget Salaries at Less Than 100%)		
The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes, along with budget flexibility, will allow the agency to operate more efficiently. General Fund salaries for the Department of Cultural Resources are recommended to be reduced by 6%.		
Appropriation	(\$2,029,836)	(\$2,029,836)
2. Reduce Various Operating Accounts		
It is recommended that various operating accounts be reduced, including travel (\$787,500), telephone (\$51,100), registration fees (\$8,000), utilities (\$94,000), furniture/equipment (\$262,200), and other materials and supplies (\$244,674).		
Appropriation	(\$1,077,030)	(\$1,077,030)
Appropriation - Nonrecurring	(\$370,444)	(\$370,444)
3. Reduce Temporary Wages		
It is recommended that temporary wages be reduced across the department.		
Appropriation	(\$320,596)	(\$320,596)
4. Eliminate Filled and Vacant Positions		
It is recommended that 6.5 filled and 9.75 vacant positions be eliminated across the department.		
Appropriation	(\$634,491)	(\$634,491)
Positions	(16.250)	(16.250)
<hr/>		
NC Arts Council		
1. Reductions to Grant Programs		
It is recommended that the following grants be reduced: Vagabond School of Drama (\$3,018), Lost Colony (\$16,133), Shakespeare Festival (\$16,133), Basic Grants Program (\$329,960), and Grassroots Arts Program (\$231,710).		
Appropriation	(\$596,954)	(\$596,954)

State Library Services

1. Eliminate NC ECHO Program

It is recommended that the NC ECHO Program (Exploring Cultural Heritage Online) be eliminated, including the elimination of one vacant position.

Appropriation	(\$67,232)	(\$67,232)
Positions	(1.000)	(1.000)

Archives and History

1. Eliminate History Bowl Program

It is recommended that the History Bowl Program, a trivia tournament with regional and state bowls, be eliminated.

Appropriation	(\$17,194)	(\$17,194)
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Total Recommended Reductions

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$4,743,333)	(\$4,743,333)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$4,743,333)	(\$4,743,333)
Positions	(17.250)	(17.250)
Nonrecurring		
Requirements	(\$370,444)	(\$370,444)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$370,444)	(\$370,444)
Positions	-	-

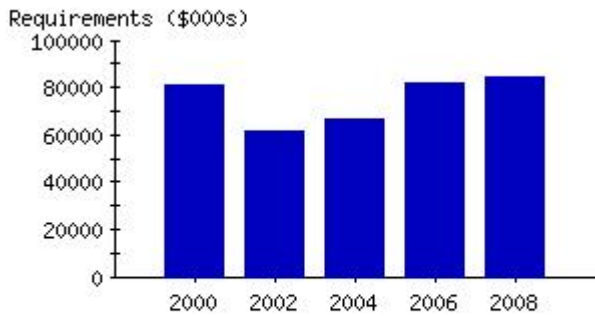
**Total Recommended Adjustments for
 Department of Cultural Resources (14800)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$4,743,333)	(\$4,743,333)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$4,743,333)	(\$4,743,333)
Positions	(17.250)	(17.250)
Nonrecurring		
Requirements	(\$370,444)	(\$370,444)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$370,444)	(\$370,444)
Positions	-	-
Total Appropriation Adjustments	(\$5,113,777)	(\$5,113,777)
Total Position Adjustments	(17.250)	(17.250)

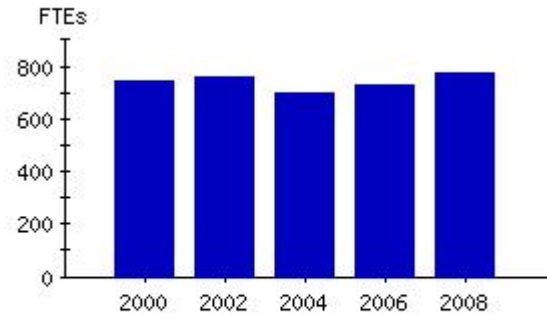
Base Budget and Performance Management Information

Budget Code 14800 Cultural Resources - General Fund

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$84,083,885	\$86,860,908	\$86,985,041	(\$585,598)	\$86,399,443	\$809,174	\$87,794,215
Receipts	\$8,077,703	\$8,336,773	\$8,460,906	\$5,500	\$8,466,406	\$3,700	\$8,464,606
Appropriation	\$76,006,182	\$78,524,135	\$78,524,135	(\$591,098)	\$77,933,037	\$805,474	\$79,329,609
Positions	772.520	793.410	788.280	-	788.280	-	788.280

Budget Code 14800 Cultural Resources - General Fund

Fund 14800-1110 Office of the Secretary — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,477,509	\$1,871,713	\$2,095,297	(\$8,235)	\$2,087,062	(\$6,240)	\$2,089,057
Receipts	\$135,454	\$15,150	\$15,150	\$0	\$15,150	\$0	\$15,150
Appropriation	\$2,342,055	\$1,856,563	\$2,080,147	(\$8,235)	\$2,071,912	(\$6,240)	\$2,073,907
Positions	25.000	22.000	25.000	-	25.000	-	25.000

Fund description

The purpose of the Office of the Secretary is to set policy and to supervise operations and public information activities of the department to assure departmental programs serve the cultural needs of the people of North Carolina. The Office of the Secretary also administers the North Carolina Awards program, the highest honor the state can bestow on a citizen. This office supervises the operation of the public information office, the human resources office, information technology services, and oversees the state boards and commissions.

Services for the fund

Administrative Service - Human Resource Management. Oversee the recruitment and management of personnel; develop and implement HR strategy; coordinate and execute staff acquisition, organization and position management, compensation management, benefits management, employee development, and performance management; and regulate employee relations, separation management, and health and safety activities.

Administrative Service - Internal Auditing. Provide independent assessments to department management; ensure operations and programs comply with applicable laws and regulations; prevent inefficiency, fraud, and abuse; analyze exposure to risk and determine appropriate countermeasures; and ensure accounting, administrative, and other information systems have the proper controls.

Administrative Service - Legal. Provide legal representation and litigation functions for the department.

Administrative Service - Public Information/Communication. Exchange information and communication between the department, citizens, and stakeholders; establish and promote media relations; prepare and publish press releases and other publications; and coordinate events and conference delivery.

Administrative Service - Construction/Engineering. Provide design, construction, major maintenance, and administrative oversight for the department's capital improvement projects and physical plant operations.

Preserve, develop, promote, and share the state's artistic, historic, and informational treasures in order to increase cultural awareness and enrich citizens and visitors. These services are carried out through setting policy, planning programs, employing information technology, and providing administrative and oversight operations.

Oversee state boards and commissions to coordinate all efforts that foster cultural enrichment for visitors to the state's cultural resources.

Recognize outstanding citizen contributors to the state's cultural resources through awards that promote cultural resources.

Actual Totals

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
\$669,281	7.000
\$104,670	1.000
\$108,752	1.000
\$297,301	3.000
\$396,601	4.000
\$577,694	6.000
\$239,367	2.500
\$83,843	.500
\$2,477,509	25.000

Measures for the fund	2005-06	2006-07	2007-08
Attendees at annual North Carolina awards banquet	478	477	475
Personnel Action Requests processed by DCR Human Resources ¹	1,314	944	1,618
Press releases issued by DCR Public Information Office	106	225	173

¹Requests processed include all personnel and position actions, including new hires, promotions, transfers, and separations.

Fund 14800-1120 Administrative Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,342,458	\$2,379,051	\$2,624,292	\$851,406	\$3,475,698	\$851,406	\$3,475,698
Receipts	\$28,277	\$23,206	\$23,709	\$0	\$23,709	\$0	\$23,709
Appropriation	\$2,314,181	\$2,355,845	\$2,600,583	\$851,406	\$3,451,989	\$851,406	\$3,451,989
Positions	19.000	20.990	18.000	-	18.000	-	18.000

Fund description

The purpose of Administrative Services is to provide budgeting, accounting, purchasing, and payroll services to all divisions within the department, and to assure the fiscal and audit accountability of all state, federal, and private funds entrusted to the department.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Administrative Service - Fiscal Management. Manage and analyze financial information; account for and forecast the use of department resources; conduct general ledger accounting; maintain accounts payable, collections and accounts receivable, payroll services, cash management, program payments, and contracts and grants management; provide asset and liability management; and execute financial reporting.	\$649,092	5.000
Administrative Service - Budget and Analysis. Conduct resource planning and allocation activities; develop and execute the budget; and analyze issues impacting the department's budgets and management.	\$297,395	2.350
Administrative Service - Purchasing. Coordinate and execute the acquisition of equipment, materials, services and supplies for the department.	\$327,944	2.650
Provide information technology support to agency staff in order to resolve computing questions or problems in a highly satisfactory, efficient manner.	\$1,013,832	8.000
Provide Departmental mailroom services for DCR employees located in Raleigh, NC.	\$54,195	1.000
Actual Totals	\$2,342,458	19.000

Measures for the fund	2005-06	2006-07	2007-08
Payments processed either through issuance of written checks or electronic funds transfers	10,277	11,457	12,011
Purchase orders issued through E-Procurement system	2,723	2,743	2,889

Fund 14800-1210 Archives and History - Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,138,040	\$1,695,842	\$1,731,036	(\$568,580)	\$1,162,456	(\$566,936)	\$1,164,100
Receipts	\$55,553	\$64,649	\$64,649	\$0	\$64,649	\$0	\$64,649
Appropriation	\$2,082,487	\$1,631,193	\$1,666,387	(\$568,580)	\$1,097,807	(\$566,936)	\$1,099,451
Positions	14.000	14.000	14.000	-	14.000	-	14.000

Fund description

The fund supports the operational and personnel costs of the Administrative Office of the Office of Archives and History. The Administration Office renders overall management and support, including planning, budgeting, and reporting, to the three divisions of the Office of Archives and History in their work to collect, preserve, and utilize the state's historic resources so that present and future residents of the state may better understand their history. The three divisions supported and managed are: 1) the Division of Historical Resources that includes state programs for archives and records, archaeology, historic preservation, and historical publications, 2) the Division of State Historic Sites and Properties that maintains important state historic sites and landmarks, and 3) the Division of State History Museums that collects, preserves, and displays artifacts to educate the public about the state's past. The fund also supports the Administration Office's research and educational services that in turn assist and complement the research and educational work of the three divisions of the Office of Archives and History, and the educational initiatives of the Department of Cultural Resources.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide management and support to the public history programs of the Office of Archives and History through overall direction and coordination of planning, budgeting, and reporting activities.	\$986,786	7.000
Provide research services to all professional level staff of the Office of Archives and History, other state agencies, and the public by preparing in-depth reports, memoranda, websites, and manuscript reviews.	\$657,861	4.000
Promote the teaching and learning of history through National History Day in North Carolina by recruiting teachers and students to participate.	\$493,393	3.000
Actual Totals	\$2,138,040	14.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Students entering National History Day projects at the state competition	348	254	262
Public requests for historical information answered	960	975	885
Historical markers erected	23	39	34

Fund 14800-1220 Historical Publications — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$703,703	\$719,357	\$716,929	\$1,183	\$718,112	\$2,958	\$719,887
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$703,703	\$719,357	\$716,929	\$1,183	\$718,112	\$2,958	\$719,887
Positions	12.690	12.500	12.690	-	12.690	-	12.690

Fund description

The purpose of the Historical Publications Section, as mandated under G.S. 121-4 (4), is to foster, promote, and encourage the study and appreciation of North Carolina history by editing, publishing, marketing, and selling material related to North Carolina history. Receipts are generated through orders placed by global consumers, which earn revenue for reprinting of selected existing publications and first print of new publications.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Review, select, edit, and proofread manuscripts for publication, either as books or articles, to a high scholarly standard in order to provide fresh analyses or new information about a specific aspect of North Carolina history.	\$246,290	5.000
Publish, through typesetting, printing, and binding, edited manuscripts on topics pertinent to North Carolina history, such as county histories, governors' papers, colonial records, and Civil War rosters in order to provide resources for historians and genealogists.	\$302,596	4.000
Market and distribute books, documentaries, posters, maps, and facsimile documents about North Carolina history through exhibits, an online store, a printed catalog, and printed bookmarks to a global audience.	\$91,482	2.690
Sell publications to a global customer base by taking and processing orders, preparing invoices, and packing and shipping orders to generate revenue for reprinting publications and publishing new ones.	\$63,335	1.000
Actual Totals	\$703,703	12.690

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Manuscripts (books and articles) received	32	27	24
Percentage of manuscripts received that are accepted for publication	34 %	37 %	54 %
Titles (new and reprints) published	9	8	11
Orders received and processed	2,342	2,130	2,303
Annual receipts (dollars)	\$172,736	\$162,156	\$189,201

Fund 14800-1230 Archives and Records — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,923,566	\$4,194,566	\$4,175,965	(\$3,063)	\$4,172,902	\$1,842	\$4,177,807
Receipts	\$369,615	\$343,556	\$343,556	\$0	\$343,556	\$0	\$343,556
Appropriation	\$3,553,951	\$3,851,010	\$3,832,409	(\$3,063)	\$3,829,346	\$1,842	\$3,834,251
Positions	73.000	74.760	74.000	-	74.000	-	74.000

Fund description

The purpose of the Archives and Records Section as mandated by G.S. 121 and G.S. 132 is to promote and safeguard the documentary heritage of North Carolina, particularly as it pertains to public records. This mission is accomplished by managing and collecting the records of state and local governments and providing comprehensive records management services to agencies, including public universities, in administering their records. The section also collects and maintains private papers and non-textual records that document the history of the state. Archives and Records provides assistance to citizens and government entities in accessing and using information in the State Archives and preserves those records of enduring value to the highest archival standards. The section administers the Outer Banks History Center, a regional archives and research facility, located in Manteo.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Provide access to, preserve, and duplicate historical and public records of enduring value through multiple points of access to records for citizens and public inquiries. Additional archival services include collecting archival records; accessioning, arranging, and describing holdings; preparing finding aids; digitizing records; and preserving archival records as a resource for the citizens of North Carolina and for researchers worldwide.	\$2,062,909	38.250
Assist state and local governments, community colleges, and universities in recordkeeping activities by performing consultations pertaining to the management of public records; producing records retention and disposition schedules; operating storage facilities for semi-current records; performing retrieval services; issuing guidelines; creating web-based publications; and holding training and best practices workshops.	\$1,860,657	34.750
Actual Totals	\$3,923,566	73.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Postal and e-mail research inquiries handled by State Archives	19,878	26,108	26,339
Researchers using archival records in the State Archives and the Outer Banks History Center ¹	10,483	8,467	7,997
Records management consultations with state and local agencies and universities	1,325	1,458	1,991
Individual researchers using Archives and Records Section Web site	124,355	148,376	206,062

¹State Archives search room was closed for three months during the 2006-07 fiscal year, and one month during the 2007-08 fiscal year due to renovations in the Archives and History/State Library Building

Fund 14800-1241 State Historic Sites — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$9,167,598	\$9,262,242	\$9,171,381	\$166,168	\$9,337,549	\$172,353	\$9,343,734
Receipts	\$264,096	\$113,794	\$113,794	\$5,500	\$119,294	\$3,700	\$117,494
Appropriation	\$8,903,502	\$9,148,448	\$9,057,587	\$160,668	\$9,218,255	\$168,653	\$9,226,240
Positions	150.000	151.000	149.250	-	149.250	-	149.250

Fund description

The purpose of the Division of State Historic Sites and Properties is to preserve, develop, interpret, operate, and maintain historic properties and historic resources significant to the state's overall history. The Division of State Historic Sites and Properties provides educational programs about the history of North Carolina through its 27 state historic sites. There are 23 historic attractions budgeted in fund 1241. The state historic sites are the foundation of North Carolina's heritage tourism industry, and historic sites serve as tourism anchors for each region of the state. The Division is comprised of 4 funds: 1241, 1242 (Tryon Palace), 1243 (State Capitol), and 1584 (Roanoke Island Commission).

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Present the state's historic sites and informational treasures in order to increase the historical awareness of citizens and visitors by keeping the 23 historic sites in this fund open to the public up to six days per week.	\$7,326,075	117.000
Preserve the state's historic sites and informational treasures by maintaining historic structures and planning the long term care of structures to ensure their continuing availability to the public.	\$467,880	7.000
Promote historic sites and informational treasures in order to increase the historical awareness of citizens and visitors through timely media notices and articles, maintaining web pages, and keeping publications up to date.	\$91,576	1.000
Interpret the state's historic sites and informational treasures in order to increase the historical awareness of citizens and visitors through the design, preparation, and maintenance of exhibits and publications at the 23 historic sites.	\$183,156	4.000
Provide curatorial services, including the creation of research tools and catalogs made available to the public via the world wide web.	\$366,303	6.000
Provide equipment maintenance and IT service support for all 23 historic sites.	\$91,576	6.000
Provide professional administrative and fiscal support to all historic sites in fund 1241, their support groups, and the public.	\$274,728	6.000
Provide special programs in coordination with NC public schools and educational facilities that directly assist in the teaching of North Carolina History.	\$366,304	3.000
Actual Totals	\$9,167,598	150.000

Measures for the fund	2005-06	2006-07	2007-08
Percentage of hours all sites are open to the public with programs available ¹	83 %	84 %	84 %

¹Percentage is relative to total possible opening hours assuming a seven day a week, seven hours a day schedule.

Fund 14800-1242 Tryon Palace Historic Sites and Gardens — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,799,458	\$3,389,794	\$3,289,259	\$38,998	\$3,328,257	\$43,871	\$3,333,130
Receipts	\$244,750	\$538,926	\$465,166	\$0	\$465,166	\$0	\$465,166
Appropriation	\$2,554,708	\$2,850,868	\$2,824,093	\$38,998	\$2,863,091	\$43,871	\$2,867,964
Positions	55.510	56.020	55.500	-	55.500	-	55.500

Fund description

The purpose of Tryon Palace Historic Sites and Gardens is to engage present and future generations in the history of North Carolina from early settlement and development of statehood through the mid-twentieth century by collecting, interpreting and preserving objects, buildings, landscapes and events that enrich understanding of the making of our state and nation.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Collect, conserve, and protect historic objects, such as paintings, furniture, textiles, and ceramics, in order to increase cultural awareness and enrichment of citizens and visitors to the site. These services are carried out through setting policy, planning, object acquisition, physical object conservation and security, managing personnel, and providing administrative and oversight operations.	\$503,902	8.000
Preserve and protect historic buildings and properties contributing to the overall visitor experience through setting policy, planning, physical preservation of buildings and security, managing personnel, and providing administrative and oversight operations.	\$419,919	6.000
Engage and educate present and future generations in the history of North Carolina through research, historical interpretation and demonstrations, interactive programming, and events.	\$755,854	17.510
Develop and cultivate gardens and landscapes appropriate and integral to the historical interpretation of Tryon Palace Historic Sites and Gardens and North Carolina history through setting policy, planning, physical garden maintenance, managing personnel, and providing administrative and oversight operations.	\$391,924	9.000
Protect state historical resources and assets, human resources, and visitors by providing physical security of Tryon Palace Historic Sites and Gardens on a continuous basis (24 hours per day, 365 days per year) to provide a functional, safe, and accessible environment.	\$307,940	9.000
Advertise and market Tryon Palace Historic Sites and Gardens to diverse audiences in order to increase visitation through press releases, brochures, print advertising, publications, billboards, radio, and television.	\$419,919	6.000
Actual Totals	\$2,799,458	55.510

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of objects from overall collection requiring conservation within one year	14 %	18 %	23 %
Percentage of visitor surveys ranking their Tryon Palace Historic Sites and Gardens experience as excellent	81 %	84 %	84 %
Percentage of annual goal visitation (goal is 100,000 visitors) achieved through daily tours, events, and programs	92.0 %	98.5 %	98.0 %

Fund 14800-1243 State Capitol — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$380,243	\$449,696	\$411,456	\$2,476	\$413,932	\$2,476	\$413,932
Receipts	\$3,568	\$100	\$100	\$0	\$100	\$0	\$100
Appropriation	\$376,675	\$449,596	\$411,356	\$2,476	\$413,832	\$2,476	\$413,832
Positions	8.000	8.980	8.000	-	8.000	-	8.000

Fund description

The purpose of the State Capitol branch of the Museum and Visitor Services Section (Division of State Historic Sites) is to preserve, interpret, and administer the State Capitol Building, its monuments, the historic furnishings and works of art, and its historical setting. To carry out this mission, the Capitol staff strives to enhance visitor knowledge of North Carolina history, the founding of Raleigh as the state's capital city, the evolution of North Carolina government, and the building's role in those functions. The Capitol's historical significance is highlighted by the production of a series of educational programs and special events annually, and by conducting an extensive educational outreach program for schools, government, community, and civic organizations. This fund is one of four that comprise the Division of State Historic Sites: 1241 (State Historic Sites), 1242 (Tryon Palace), 1243 (State Capitol), and 1584 (Roanoke Island Commission).

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Share the state's historic sites and informational treasures in order to increase the historical awareness of citizens and visitors by keeping the historic State Capitol open and in good order to the public up to six days per week on a regularly schedule basis.	\$311,801	4.500
Provide ad hoc Living History Programs and focused programs on the history associated with five annually scheduled special events: July 4th; Veteran's Day; the Governor's Tree Lighting; the Holiday Open House; and Memorial Day.	\$68,442	3.500
Actual Totals	\$380,243	8.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Average number of students per week taking part in school tours at the State Capitol	700	895	990
Special events held as part of the State Capitol's mission	73	114	50
"Walk-In" visitors to the State Capitol	34,934	32,725	35,225

Fund 14800-1245 NC Maritime Museum — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,343,686	\$1,324,759	\$1,320,718	\$52,446	\$1,373,164	\$57,252	\$1,377,970
Receipts	\$8,029	\$10,150	\$10,150	\$0	\$10,150	\$0	\$10,150
Appropriation	\$1,335,657	\$1,314,609	\$1,310,568	\$52,446	\$1,363,014	\$57,252	\$1,367,820
Positions	22.000	22.000	22.000	-	22.000	-	22.000

Fund description

This fund supports the North Carolina Maritime Museums in Beaufort, Southport, and Manteo. These museums provide interpretive exhibits, conferences, seminars, field trips, and classes focused on the natural, cultural, and maritime history of North Carolina for the educational benefit of citizens and visitors to North Carolina. The Maritime Museum preserves and displays boating vessels and conducts classes in traditional boatbuilding as practiced in North Carolina. This is one of two funds that support the Division of State History Museums. The other is Fund 1500, which supports the North Carolina Museum of History and its three regional branches.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Collect and preserve artifacts and natural specimens for use in exhibits and study collections for the education and enjoyment of museum visitors.	\$107,495	2.000
Plan, research, design, fabricate, and install exhibits and present educational programming that complements and enhances the museum experience for visitors and participants.	\$819,648	14.000
Administer and support the programming operations of the division's museums.	\$416,543	6.000
Actual Totals	\$1,343,686	22.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Visitations	239,054	271,881	220,685
Public programs presented	492	442	544
Media programs loaned	5	13	13

Fund 14800-1250 Historic Preservation — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,846,801	\$2,042,902	\$1,899,993	\$1,600	\$1,901,593	\$2,222	\$1,902,215
Receipts	\$815,059	\$956,111	\$820,107	\$0	\$820,107	\$0	\$820,107
Appropriation	\$1,031,742	\$1,086,791	\$1,079,886	\$1,600	\$1,081,486	\$2,222	\$1,082,108
Positions	29.000	31.010	17.870	-	17.870	-	17.870

Fund description

The Historic Preservation Office identifies, protects, and enhances the state's historic buildings and sites through a coordinated program of assistance, education, technical information, and project review to state and federal agencies, local governments, non-profit organizations, property developers, and private citizens. In addition, the fund administers federal and state historic preservation tax credit programs that provide significant incentives for preserving and renovating historic properties through the work of private developers, resulting in substantial economic development and revitalization in the state's historic downtowns and neighborhoods.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administer the statewide architectural survey and National Register programs through comprehensive surveys of counties and municipalities, and review and process nominations of properties determined eligible for the National Register.	\$749,803	12.500
Perform environmental reviews of all development projects that are funded, licensed, permitted, or assisted by state or federal agencies to determine their effect on the state's historic properties in order to ensure that due consideration is given to historic properties in the project planning and construction process as directed by state and federal laws.	\$365,665	5.500

Administer federal and state historic preservation tax credit programs and provide technical assistance to promote the preservation and rehabilitation of historic buildings and private residences listed on the National Register or located in historic districts across the state.	\$565,118	8.500
Provide technical services and training to all of the state's local historic preservation commissions and administer the federal Certified Local Government program, including National Park Service grants for architectural surveys and National Register nominations, with the goal of ensuring that historic preservation is an integral part of the local planning process.	\$166,215	2.500
Actual Totals	\$1,846,801	29.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
National Register nominations reviewed by staff and approved by the National Register Advisory Committee (includes historic districts)	58	43	59
Environmental Review Project review comments provided	3,499	3,154	3,241
Federal and State Historic Preservation tax credit projects reviewed and completed ¹	182	191	151

¹Total value of projects statewide by year: 2004 - \$109,897,063; 2005 - \$100,097,574; 2006 - \$207,603,650; 2007 - \$107,879,000.

Fund 14800-1255 Historic Preservation - Federal — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$21,986	\$21,986	\$0	\$21,986	\$0	\$21,986
Receipts	\$0	\$21,986	\$21,986	\$0	\$21,986	\$0	\$21,986
Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	11.140	-	11.140	-	11.140

Fund description

This fund was established effective July 1, 2008. No activity to report for 2007-08.

Fund 14800-1260 Office of State Archaeology — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,226,406	\$1,141,244	\$1,218,659	(\$111,799)	\$1,106,860	(\$111,799)	\$1,106,860
Receipts	\$22,753	\$2,629	\$44,833	\$0	\$44,833	\$0	\$44,833
Appropriation	\$1,203,653	\$1,138,615	\$1,173,826	(\$111,799)	\$1,062,027	(\$111,799)	\$1,062,027
Positions	19.000	17.000	19.000	-	19.000	-	19.000

Fund description

The Office of State Archaeology (OSA) serves the department's statewide interests in prehistoric, historic, and underwater archaeology, and is a vital link among local, state, and federal agencies for all aspects of regulatory compliance, public education, and archaeological research in North Carolina. Underwater archaeology, including the Queen Anne's Revenge project, is a major OSA program. OSA helps protect endangered archaeological sites on private or public lands through enforcement of the North

Carolina and federal archaeology laws, and maintains a statewide inventory of archaeological sites and the maps, photographs, and artifact collections that support the inventory. OSA records significant archaeological sites listed in the National Register of Historic Places. Staff archaeologists give lectures, demonstrate archaeological techniques, and prepare publications for school groups, amateur archaeological and historical societies, and government agencies. With the State Historic Preservation Office, OSA reviews permit applications and construction plans receiving state or federal assistance. Staff archaeologists administer grants for archaeological surveys and research, and help museums, universities, and local governments with technical questions on project planning, contract reviews, and archaeological sites protection.

Services for the fund	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Protect endangered archaeological sites on private or public lands through enforcement of the North Carolina archaeological protection laws and work with private citizens, local governmental bodies and law enforcement officials, and federal and state agencies to ensure land is protected.	\$34,067	.500
Maintain a statewide inventory of archaeological sites along with maps, photographs, artifact collections, and other data sources that support the inventory and share those resources with agencies, businesses, researchers, landowners, and other affected groups. Convert OSA inventories to GIS data layers and maintain GIS system(s).	\$442,917	7.000
Demonstrate archaeological techniques, conduct lectures, and prepare publications on North Carolina archaeology for school groups, amateur archaeological and historical societies, and government agencies. Share important information on North Carolina through web pages, workshops, symposia, and professional papers at state, regional, and national archaeological meetings.	\$119,284	1.750
Maintain records of significant archaeological sites, including sites listed on the National Register of Historic Places (NRHP) and inventoried by OSA, and share that information for purposes of resource protection and scientific research.	\$17,033	.250
Review permit applications and construction plans receiving state or federal assistance (in concert with the State Historic Preservation Office), under pertinent laws or regulations, and make recommendations to agencies, project sponsors, and landowners.	\$408,761	6.500
Work with researchers, local governments, agencies, and private landowners to administer federal, state, and private grants for archaeological surveys, excavations, and research.	\$17,033	.250
Provide museums, universities, and local government agencies with technical assistance on project planning, contract reviews, grant reports, and protection of archaeological sites. Maintain and distribute a list of professional archaeological consultants, and help agencies and businesses prepare and review technical proposals and reports.	\$187,311	2.750
Actual Totals	\$1,226,406	19.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Archaeological permit applications received, processed with criminal background checks, and subsequently approved or extended	12	14	18
Archaeological site records, reports, images, maps, and related sources added to the statewide inventory	7,380	8,200	8,215
New environmental review cases	2,765	2,894	2,546

Fund 14800-1290 Western Office — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$329,742	\$560,393	\$530,050	\$1,104	\$531,154	\$1,241	\$531,291
Receipts	\$1,198	\$150	\$150	\$0	\$150	\$0	\$150
Appropriation	\$328,544	\$560,243	\$529,900	\$1,104	\$531,004	\$1,241	\$531,141
Positions	5.000	9.000	8.000	-	8.000	-	8.000

Fund description

The Western Office is a regional service branch of the Office of Archives and History, Division of Historical Resources, covering the 25 western-most North Carolina counties. The office provides professional expertise in cultural and historic resource management to museums, historic sites, and other historical organizations in the areas of planning, development, interpretation, exhibit design and photography, and administers the West Region National History Day program. In addition, administrative support and management services are provided to employees stationed in the Western Office from 1) The North Carolina State Historic Preservation Office, 2) The North Carolina Office of State Archaeology, and 3) The North Carolina State Archives.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Represent the Department of Cultural Resources and the Office of Archives and History to promote citizen awareness in western North Carolina of departmental programs and services.	\$32,992	.500
Provide organizational and staff development services to local historical organizations in western North Carolina in order to increase heritage tourism in western North Carolina. Organizational development includes consultations on governance for nonprofits, grants, strategic planning, and ethics. Staff development includes workshops for volunteers and staff of historical organizations in western North Carolina in the areas of interpretation and visitor services.	\$32,992	.500
Serve on Friends of Mountain History Board of Directors and assist with Heritage Matching Grant Program to ensure qualified programs and organizations receive funding.	\$16,474	.250
Provide technical and consultative services concerning curatorial care, archival storage, and handling of material artifacts and iconographic collections to local history agencies so the history of Western North Carolina is preserved and documented.	\$49,422	.750
Provide photographic services for Western Office staff and county inventory consultants to ensure photographic documentation of National Register and State Study List properties.	\$32,992	.500
Present historical, architectural, and photographic programs to local groups to provide educational opportunities to learn about the history of western North Carolina.	\$32,992	.500
Provide administrative and technical support to all staff members stationed in the Western Office including two with salaries paid from funds 1250 and 1260.	\$65,894	1.000
Provide customer services to individuals requesting information concerning the Western Office and its attendant programs with a high level of customer satisfaction.	\$32,992	.500
Administer West Region History Day program for all students in grades six through twelve, which promotes interest in history among students.	\$32,992	.500
Actual Totals	\$329,742	5.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Requests for information concerning the Western Office and its attendant programs	244	276	1,750
Students participating in West Region History Day program	175	251	310

Fund 14800-1320 Museum of Art — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,370,410	\$6,514,838	\$6,610,379	(\$196,586)	\$6,413,793	(\$194,014)	\$6,416,365
Receipts	\$314,960	\$259,587	\$517,338	\$0	\$517,338	\$0	\$517,338
Appropriation	\$5,055,450	\$6,255,251	\$6,093,041	(\$196,586)	\$5,896,455	(\$194,014)	\$5,899,027
Positions	92.690	105.500	105.440	-	105.440	-	105.440

Fund description

The North Carolina Museum of Art acquires, preserves, and exhibits works of art for the education and enjoyment of the people of North Carolina and visitors to the state, and conducts 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. To carry out these responsibilities, the museum (1) seeks to increase the quality of the museum's collections through gifts, bequests, and other means; (2) ensures the preservation and safekeeping of the collection through conservation and security measures; (3) conducts programs of exhibitions to present works of art; (4) provides educational opportunities with tours, classes, lectures, concerts, and publications; and (5) provides outreach programs including educational opportunities, workshops, conservation, consultation, and membership opportunities, etc. to individuals and other institutions statewide.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide executive leadership, administrative support, and organizational infrastructure to the employees of the North Carolina Museum of Art in order to carry out the mission of the art museum.	\$1,079,567	11.000
Enhance, conserve, research, display, and promote the art in the state's collection, supplementing, when appropriate, by loans from outside sources, for the enjoyment and education of the people of North Carolina.	\$2,084,901	33.500
Provide art education programming through museum visits, structured classes, community outreach, and the use of technology to all counties in the state of North Carolina.	\$564,711	10.000
Maintain standards of safety, security, and cleanliness throughout the Museum buildings and surrounding park area for the benefit of the art collections, museum staff, and visiting public.	\$1,641,231	38.190
Actual Totals	\$5,370,410	92.690

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Annual attendance	237,000	442,699	232,003
Counties served by education department	60	50	53
Education Web Site (ArtNC) users	10,000	19,780	19,834

Fund 14800-1330 NC Arts Council — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$11,332,857	\$11,506,504	\$11,505,955	(\$1,801,538)	\$9,704,417	(\$1,801,538)	\$9,704,417
Receipts	\$828,760	\$776,450	\$778,320	\$0	\$778,320	\$0	\$778,320
Appropriation	\$10,504,097	\$10,730,054	\$10,727,635	(\$1,801,538)	\$8,926,097	(\$1,801,538)	\$8,926,097
Positions	25.250	25.240	25.250	-	25.250	-	25.250

Fund description

The North Carolina Arts Council works to make North Carolina a better state through the arts by building vibrant communities, creating opportunities for citizens to be more creative and productive, and ensuring that the state's culture remains strong and vital. The Arts Council accomplishes this in partnership with artists and arts organizations, other organizations that use the arts to make their communities stronger, and North Carolinians - young and old - who enjoy and participate in the arts.

The Arts Council provides leadership, guidance, planning assistance, information resources, technical support, and funding to artists, arts and civic organizations, learning institutions, government agencies, and the public. It promotes excellence in the many forms of artistic expression, supports the exemplary artists and organizations that make up the state's robust arts industry, builds sustainable place-based economic development strategies, enhances student learning by putting artists in the classrooms and in after school programs, works throughout the continuum of lifelong learning, and expands the range of opportunities for North Carolinians to experience the arts.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Administration. Provide leadership to create and achieve a statewide vision for the arts by designing goals, policies, and programs that make high quality arts experiences available to citizens in all 100 counties. Manage available board, staff, and financial resources so that citizen taxpayers receive maximum return on their investment in the arts.	\$360,619	4.000
Artists and Organizations. Build capacity and encourage development of high quality artistic productions and services by providing funding, resources, and technical support to artists and arts organizations in film, literary, performing, and visual arts. Develop and administer programs, such as the Poet Laureate program, that highlight the state's artistic assets and provide new models for educating the public about different art forms and expressions.	\$3,303,825	3.750
Communities. Integrate arts and living traditions into local and regional planning efforts statewide. Work from the grassroots level up to design and implement initiatives that showcase local arts and cultural resources, strengthen community identity, and support sustainable place-based economic development.	\$3,655,181	5.000
Participation. Create opportunities for citizens to participate in the arts by providing programs and technical and financial resources to arts organizations and learning institutions. Advance life-long learning experiences through arts in education for pre-K through 12, adult learning, accessibility for people with disabilities, and audience development.	\$2,353,290	4.000
Marketing. Market the arts to citizens and visitors. Serve as the primary resource on arts and culture in North Carolina through the development and maintenance of www.ncarts.org, an integrated, free resource on the state's arts industry. Provide citizens and visitors the opportunity to learn about the state's rich arts and cultural assets and encourage participation in the arts by developing and marketing themed driving tours, such as the Blue Ridge Music Trail and the Cherokee Heritage Trail.	\$490,854	6.500

Grants. Manage a comprehensive grants program that annually awards over 1,000 grants to approximately 450 arts organizations, 300 education, civic and community organizations, and 130 artists. Ensure that funded programs are developed and managed consistent with contractual requirements and that all state and federal accounting and reporting requirements are met.	\$109,572	2.000
Line Items. Oversee funding to three theaters designated by the Legislature to receive financial support to stabilize their operations and to make their programs widely available to citizens across the state. Line items exist for The Lost Colony in Manteo, Shakespeare Festival in High Point, and Vagabond School of Drama in Flat Rock.	\$1,059,516	-
Actual Totals	\$11,332,857	25.250

Measures for the fund	2005-06	2006-07	2007-08
Participants in funded programs	12,000,000	9,000,000	10,700,000
Non-state funds matching each dollar of state grant funds (dollars)	\$18	\$16	\$18

Fund 14800-1340 NC Symphony — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,803,406	\$2,734,123	\$2,753,090	(\$449,883)	\$2,303,207	(\$449,883)	\$2,303,207
Receipts	\$0	\$0	\$18,767	\$0	\$18,767	\$0	\$18,767
Appropriation	\$2,803,406	\$2,734,123	\$2,734,323	(\$449,883)	\$2,284,440	(\$449,883)	\$2,284,440
Positions	7.500	8.000	7.500	-	7.500	-	7.500

Fund description

The mission of the North Carolina Symphony is to present an orchestra of the highest artistic standard that enriches, entertains, and educates diverse audiences in a variety of settings and represents North Carolina as a leader in performance and music education. The Symphony has carried out this mission since 1932. It is the first orchestra to receive state funding on a continuing basis. The North Carolina Symphony is singularly unique in its commitment to statewide service and music education. Today, it travels more than 14,000 miles per year and performs more than half of its annual concerts outside the Triangle area. Each season the orchestra performs 45 to 50 full-orchestra music education concerts for fourth and fifth grade students.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Provide a grant to the North Carolina Symphony Society to support the performance of more than 175 annual concerts statewide including 40 to 45 full-orchestra music education concerts for fourth and fifth graders.	\$2,422,595	-
Provide administrative support and organizational infrastructure to the employees of the North Carolina Symphony in order to carry out the mission of the orchestra.	\$380,811	7.500
Actual Totals	\$2,803,406	7.500

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Education concerts performed	49	42	40
Children served	71,050	60,900	58,000
Concerts performed	179	174	172

Fund 14800-1410 State Library Services — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$5,240,483	\$5,746,157	\$5,672,070	\$63,341	\$5,735,411	\$63,437	\$5,735,507
Receipts	\$23,850	\$45,015	\$39,939	\$0	\$39,939	\$0	\$39,939
Appropriation	\$5,216,633	\$5,701,142	\$5,632,131	\$63,341	\$5,695,472	\$63,437	\$5,695,568
Positions	87.830	86.380	87.820	-	87.820	-	87.820

Fund description

This fund supports the management of the State Library of North Carolina and provides the organization and delivery of information and library materials to state government, North Carolina citizens (including those with physical and visual handicaps), and libraries across the state. It also serves as the official depository and clearinghouse for North Carolina state government publications, and provides services that improve, stimulate, increase, and equalize library service to all the people of North Carolina. (G.S. 125-1 to 125-11.13). This is one of two funds (1410 and 1480) that provide assistance to libraries statewide.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide library and information resources for North Carolinians through print and digital collections, the State Depository Library System, and specialized research and consultative services.	\$2,220,785	38.430
Provide public library services for persons who cannot use regular printed materials because of a visual or physical disability.	\$1,478,033	29.400
Work directly with local communities in the development of public library services and coordinate activities among all types of libraries to provide the best possible use of library and information programs, resources, and services for the people of North Carolina.	\$948,367	13.000
Provide management direction and oversight, budgeting, purchasing, and human resource activities in support of all State Library programs and services.	\$593,298	7.000
Actual Totals	\$5,240,483	87.830

Measures for the fund	2005-06	2006-07	2007-08
Library resources used (in-house, checked out to individuals, sent to libraries through interlibrary loan program, and internet database sessions) during the fiscal year ¹	108,444	67,921	85,353
Braille, large print, and recorded books circulated to blind and physically handicapped North Carolinians during the fiscal year	486,524	464,774	458,530
Consultations with staff in libraries across the state (in-office, telephone, and site visits) during the fiscal year	12,415	13,354	14,718

¹The State Library was closed for 6 months (from December 2006 through May 2007) and offered limited access to materials for another 3 months due to renovations in the Archives and History/State Library Building.

Fund 14800-1480 Statewide Programs and Grants — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$23,130,175	\$23,710,113	\$23,707,020	(\$138,952)	\$23,568,068	(\$138,952)	\$23,568,068
Receipts	\$4,595,455	\$4,910,807	\$4,910,807	\$0	\$4,910,807	\$0	\$4,910,807
Appropriation	\$18,534,720	\$18,799,306	\$18,796,213	(\$138,952)	\$18,657,261	(\$138,952)	\$18,657,261
Positions	5.170	6.000	5.170	-	5.170	-	5.170

Fund description

This fund is used to provide programs and grants that help local libraries deliver service and assure equal access to information for all the people of North Carolina through improved public library services, cooperation among all types of libraries in the state, and electronic library networks. (G.S. 125.2(10), 7. and 8.; G.S. 153A-261).

Measures for the fund	2005-06	2006-07	2007-08
Visitors to North Carolina public libraries	34,033,118	36,110,034	37,417,566
Uses of NC LIVE resources by public library users	736,610	848,720	769,480
Library staff attending continuing education workshops sponsored by the State Library	796	960	2,014

Fund 14800-1500 Museum of History — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$7,365,025	\$7,405,650	\$7,339,528	\$57,832	\$7,397,360	\$69,913	\$7,409,441
Receipts	\$173,004	\$64,529	\$82,407	\$0	\$82,407	\$0	\$82,407
Appropriation	\$7,192,021	\$7,341,121	\$7,257,121	\$57,832	\$7,314,953	\$69,913	\$7,327,034
Positions	121.880	123.030	122.650	-	122.650	-	122.650

Fund description

This fund promotes understanding of the history and material culture of North Carolina for the educational benefit of the people through collections and historical interpretation at the North Carolina Museum of History in Raleigh, the Mountain Gateway Museum in Old Fort, the Museum of the Cape Fear in Fayetteville, and the Museum of the Albemarle in Elizabeth City. These

museums develop, produce, and maintain long and short-term exhibits and associated programs, publications, audiovisual service outreach, and distance learning opportunities to schools and community groups throughout the state. The Division collects, conserves, and documents historical objects significant to North Carolina history and provides assistance to local and regional museums and historic sites. This is one of two funds that support the division of State History Museums. The other is Fund 1245, which supports the three locations of the North Carolina Maritime Museum.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Collect and preserve artifacts and natural specimens for use in exhibits and study collections for the education and enjoyment of museum visitors.	\$1,737,899	33.210
Plan, research, design, fabricate, and install exhibits and present educational programming that complements and enhances the museum experience for visitors and participants.	\$3,445,723	55.290
Administer and support the programming operations of the division's four museums.	\$2,181,403	33.380
Actual Totals	\$7,365,025	121.880

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Museum Visitations	370,874	274,076	408,327
Public programs presented	399	312	704
Media programs loaned	814	595	746

Fund 14800-1991 Indirect Reserve — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$162,319	\$189,978	\$189,978	\$0	\$189,978	\$0	\$189,978
Receipts	\$193,322	\$189,978	\$189,978	\$0	\$189,978	\$0	\$189,978
Appropriation	(\$31,003)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

This is an accounting device for holding funds to be transferred to operating programs of the department.

Fund 14800-1992 Continuation Reserve — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$0	\$0	\$0	\$1,456,484	\$1,456,484	\$2,809,565	\$2,809,565
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$0	\$0	\$0	\$1,456,484	\$1,456,484	\$2,809,565	\$2,809,565
Positions	-	-	-	-	-	-	-

Fund description

This is an accounting device for holding funds for transfer to the operating budgets of the Art Museum, History Museum, and selected Historic Sites.

Governor's Recommended Adjustments to Base Budget

Roanoke Island Commission (14802)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$2,095,402	\$2,095,402
Receipts	=	=
Appropriation	\$2,095,402	\$2,095,402
Adjustments		
Requirements	(\$140,352)	(\$140,352)
Receipts	=	=
Appropriation	(\$140,352)	(\$140,352)
Total		
Requirements	\$1,955,050	\$1,955,050
Receipts	=	=
Recommended Appropriation	<u>\$1,955,050</u>	<u>\$1,955,050</u>
<hr/>		
Positions		
Base Budget Positions	-	-
Reductions	-	-
Expansion	<u>-</u>	<u>-</u>
Recommended Positions	<u>-</u>	<u>-</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Reduce Various Operating Accounts

It is recommended that various operating accounts be reduced across the agency.

Appropriation (\$136,764)	(\$136,764)
Appropriation - Nonrecurring (\$3,588)	(\$3,588)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements	(\$136,764)	(\$136,764)
--------------	-------------	-------------

Receipts	-	-
----------	---	---

Appropriation	(\$136,764)	(\$136,764)
---------------	-------------	-------------

Positions	-	-
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Nonrecurring

Requirements	(\$3,588)	(\$3,588)
--------------	-----------	-----------

Receipts	-	-
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Appropriation	(\$3,588)	(\$3,588)
---------------	-----------	-----------

Positions	-	-
-----------	---	---

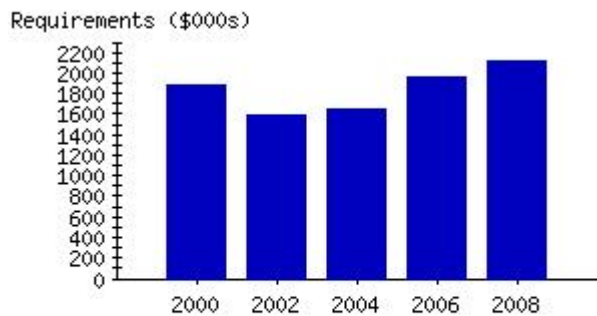
**Total Recommended Adjustments for
 Roanoke Island Commission (14802)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$136,764)	(\$136,764)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$136,764)	(\$136,764)
Positions	-	-
Nonrecurring		
Requirements	(\$3,588)	(\$3,588)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$3,588)	(\$3,588)
Positions	-	-
Total Appropriation Adjustments	(\$140,352)	(\$140,352)
Total Position Adjustments	-	-

Base Budget and Performance Management Information

Budget Code 14802 Cultural Resources - Roanoke Island Commission

**Actual Expenditures
 by Fiscal Year**



General funds are appropriated to budget code 14802 and immediately transferred to 24802 where operating costs and positions are budgeted.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,108,824	\$2,095,402	\$2,095,402	\$0	\$2,095,402	\$0	\$2,095,402
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$2,108,824	\$2,095,402	\$2,095,402	\$0	\$2,095,402	\$0	\$2,095,402
Positions	-	-	-	-	-	-	-

Budget Code 14802 Cultural Resources - Roanoke Island Commission

Fund 14802-1584 Roanoke Island Commission — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,108,824	\$2,095,402	\$2,095,402	\$0	\$2,095,402	\$0	\$2,095,402
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$2,108,824	\$2,095,402	\$2,095,402	\$0	\$2,095,402	\$0	\$2,095,402
Positions	-	-	-	-	-	-	-

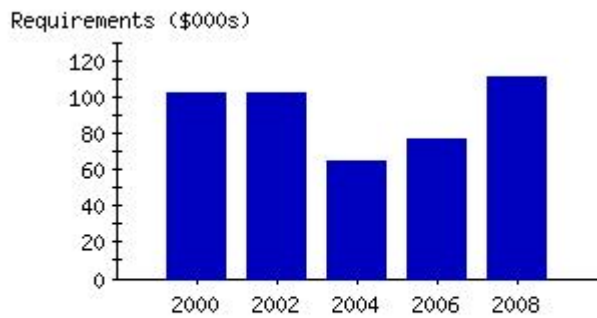
Fund description

The mission of the Roanoke Island Commission is to involve residents and visitors of all ages in a creative and stimulating exploration of Roanoke Island's historical, cultural, and natural resources. The commission operates and administers the 16th century ship Elizabeth II, the Visitors Center, and all other facilities comprising Roanoke Island Festival Park, which commemorates the Roanoke Voyages of 1584-1587. Appropriations received into this fund are transferred and spent from fund 2584 in budget code 24802. There are a total of 35 FTEs funded in budget code 24802. To carry out these responsibilities the Roanoke Island Commission and staff provide programming, customer service, and historical accounts of Roanoke Island to visitors, colleagues and partners with authenticity and respect. The commission and staff provide innovative, creative, experience-based programming that entertains and educates a diverse audience and aims to be inclusive and appeal to a broad cross section of individuals and interests thereby fostering a community where diverse backgrounds are celebrated.

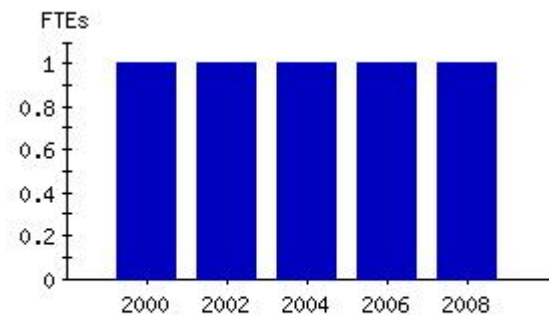
Base Budget and Performance Management Information

Budget Code 54800 Cultural Resources - Enterprise

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$111,298	\$94,032	\$94,111	\$0	\$94,111	\$0	\$94,111
Receipts	\$90,332	\$94,032	\$94,111	\$0	\$94,111	\$0	\$94,111
Chng Fund Bal	(\$20,966)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	1.000	3.000	3.000	-	3.000	-	3.000

Budget Code 54800 Cultural Resources - Enterprise

Fund 54800-5241 Historic Sites Sales — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$111,298	\$94,032	\$94,111	\$0	\$94,111	\$0	\$94,111
Receipts	\$90,332	\$94,032	\$94,111	\$0	\$94,111	\$0	\$94,111
Chng Fund Bal	(\$20,966)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	1.000	3.000	3.000	-	3.000	-	3.000

Fund description

The purpose of the North Carolina Historic Sites Enterprise Fund is to operate sales desks at various state historic sites including: Alamance Battleground, Historic Halifax, President James K. Polk Memorial, Reed Gold Mine, and Vance Birthplace, for the benefit and education of the public and students about the history of North Carolina. Receipts/Revenues are used to benefit the site (where sales occur), its programs, and exhibits.

Services for the fund

Provide merchandise for the operation of sales desks at several historic sites that is appropriate to the thematic content of the collections and programs of these sites.

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
	\$111,298	1.000
Actual Totals	\$111,298	1.000

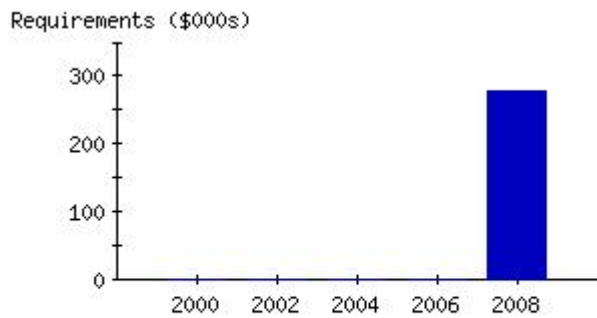
Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Ratio of actual sales to goods purchased for resale	55 %	68 %	59 %

Base Budget and Performance Management Information

Budget Code 54801 Cultural Resources - USSNC Battleship Commission

**Actual Expenditures
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$276,366	\$0	\$1,165,302	\$0	\$1,165,302	\$0	\$1,165,302
Receipts	\$276,367	\$0	\$1,165,302	\$0	\$1,165,302	\$0	\$1,165,302
Chng Fund Bal	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Budget Code 54801 Cultural Resources - USSNC Battleship Commission

Fund 54801-5500 Battleship Payroll — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$276,366	\$0	\$1,165,302	\$0	\$1,165,302	\$0	\$1,165,302
Receipts	\$276,367	\$0	\$1,165,302	\$0	\$1,165,302	\$0	\$1,165,302
Chng Fund Bal	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The purpose of the Battleship Payroll fund is to record payroll information for the USS North Carolina Battleship Commission staff.

State Board of Elections

Mission

Promote confidence among the citizens of North Carolina 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.

Goals

Promote and expand voter registration and participation by all qualified, eligible citizens of North Carolina in all elections through training for elections officials and education for voters about the voting process to maximize voter turnout.

Educate and assist the public, candidates and political committee treasurers, county and municipal boards of election and staff of campaign finance disclosure laws to increase political transparency and accountability through treasurer training.

Ensure fair elections and protect the constitutional rights of voters and candidates through equal application of Federal and State laws, the approval of all voting systems used in NC elections, administration of the Public Campaign Fund, and the investigation of complaints to increase public confidence and limit discrimination in the voting process.

Facilitate voter registration through the maintenance of a statewide computerized voter registration system and the provision of voter registration information to each county to register all eligible voters.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of North Carolina registered voters compared to North Carolina voting age population	80%	85%	82%	-	88%

Governor's Recommended Adjustments to Base Budget

State Board of Elections (18025)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$10,175,736	\$10,179,529
Receipts	<u>\$3,548,635</u>	<u>\$3,548,635</u>
Appropriation	\$6,627,101	\$6,630,894
Adjustments		
Requirements	(\$443,279)	(\$443,279)
Receipts	=	=
Appropriation	(\$443,279)	(\$443,279)
Total		
Requirements	\$9,732,457	\$9,736,250
Receipts	<u>\$3,548,635</u>	<u>\$3,548,635</u>
Recommended Appropriation	<u>\$6,183,822</u>	<u>\$6,187,615</u>
<hr/>		
Positions		
Base Budget Positions	67.000	67.000
Reductions	-	-
Expansion	-	-
Recommended Positions	<u>67.000</u>	<u>67.000</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting Reform (Budget Salaries at Less than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes along with budget flexibility will allow the agency to operate more efficiently. General Fund salaries in the State Board of Elections are recommended to be reduced 6%.

Appropriation (\$222,744) (\$222,744)

2. Reduce Various Operating Accounts

It is recommended that budgets be reduced for various operating accounts.

Appropriation (\$180,528) (\$180,528)

Appropriation - Nonrecurring (\$40,007) (\$40,007)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements (\$403,272) (\$403,272)

Receipts - -

Appropriation (\$403,272) (\$403,272)

Positions - -

Nonrecurring

Requirements (\$40,007) (\$40,007)

Receipts - -

Appropriation (\$40,007) (\$40,007)

Positions - -

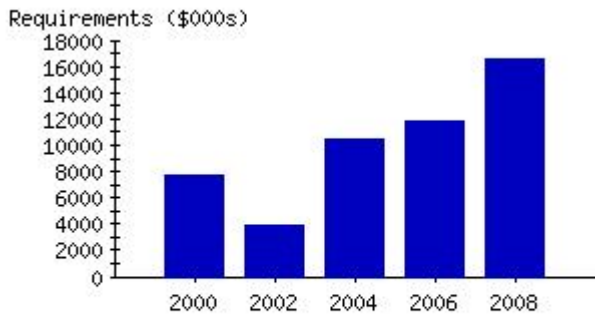
**Total Recommended Adjustments for
 State Board of Elections (18025)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$403,272)	(\$403,272)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$403,272)	(\$403,272)
Positions	-	-
Nonrecurring		
Requirements	(\$40,007)	(\$40,007)
Receipts	-	-
	<hr/>	<hr/>
Appropriation	(\$40,007)	(\$40,007)
Positions	-	-
Total Appropriation Adjustments	(\$443,279)	(\$443,279)
Total Position Adjustments	-	-

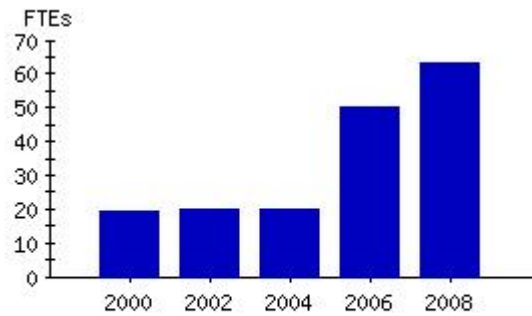
Base Budget and Performance Management Information

Budget Code 18025 State Board of Elections - General

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Changes due to Help America Vote Act (HAVA) and maintenance of effort (MOE) requirements.

In FY2005-06, 12 positions moved from budget code 28025 and 19 new positions were created with maintenance of effort (MOE) funds.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$16,528,056	\$14,025,274	\$14,038,621	(\$3,862,885)	\$10,175,736	(\$3,859,092)	\$10,179,529
Receipts	\$9,705,494	\$3,535,664	\$3,549,011	(\$376)	\$3,548,635	(\$376)	\$3,548,635
Appropriation	\$6,822,562	\$10,489,610	\$10,489,610	(\$3,862,509)	\$6,627,101	(\$3,858,716)	\$6,630,894
Positions	63.000	67.000	67.000	-	67.000	-	67.000

Budget Code 18025 State Board of Elections - General

Fund 18025-1100 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,383,507	\$1,473,648	\$1,505,208	\$2,765	\$1,507,973	\$4,984	\$1,510,192
Receipts	\$217,671	\$37,000	\$37,000	\$0	\$37,000	\$0	\$37,000
Appropriation	\$1,165,836	\$1,436,648	\$1,468,208	\$2,765	\$1,470,973	\$4,984	\$1,473,192
Positions	16.000	11.000	11.000	-	11.000	-	11.000

Fund description

The Administration Division serves the electorate by supervising all elections held in North Carolina. The State Board of Elections appoints, trains, and supervises approximately 400 county and municipal elections officials and supervises the appointment and training of approximately 20,000 local elections officials. It issues voter registration statistics and certifies all elections results. In addition, the State Board investigates, when necessary or advisable, the administration of elections laws and any potential fraud and irregularities in elections (G.S. 163-19).

Services for the fund

Oversee all aspects of all elections conducted in North Carolina including, but not limited to, certification of candidate filings, appointment of county election board members, and the administration of Help America Vote Act (HAVA) funds.

Develop rules and regulations for all aspects of North Carolina elections.

Investigate claims of violation of election laws.

Actual Totals

<u>Actual Requirements</u> <u>2007-08</u>	<u>Actual FTEs</u> <u>2007-08</u>
\$1,213,081	13.000
\$91,229	1.000
\$79,197	2.000
\$1,383,507	16.000

Measures for the fund

County election officials trained to oversee elections and administer election laws ¹

Percentage of complaints of election law violations that require in-depth investigation with results forwarded to the District Attorney and/or to law enforcement agencies

¹Fewer training sessions are offered in odd-numbered years when only municipal elections are held.

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
County election officials trained to oversee elections and administer election laws ¹	3,258	-	2,180
Percentage of complaints of election law violations that require in-depth investigation with results forwarded to the District Attorney and/or to law enforcement agencies	40	-	40

Fund 18025-1200 Campaign Reporting — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,249,477	\$1,672,101	\$1,645,807	(\$86,541)	\$1,559,266	(\$86,538)	\$1,559,269
Receipts	\$50,338	\$41,078	\$54,425	(\$376)	\$54,049	(\$376)	\$54,049
Appropriation	\$1,199,139	\$1,631,023	\$1,591,382	(\$86,165)	\$1,505,217	(\$86,162)	\$1,505,220
Positions	12.000	19.000	19.000	-	19.000	-	19.000

Fund description

The Campaign Finance Division provides the public with campaign disclosures of money spent for political activity, and provides supervision of campaign reporting disclosure in the county boards of elections (G.S. 163-278).

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Audit and provide public access to candidate and political committee reports.	\$1,001,203	9.000
Investigate claims of violation of campaign finance laws, negligence, or other misconduct.	\$164,650	2.000
Administer the Public Campaign Fund.	\$83,624	1.000
Actual Totals	\$1,249,477	12.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of counties with verifiable paper trail audit record	100 %	100 %	100 %

Fund 18025-1300 Voter Registration and Voting Systems — Base Budget

	<u>2007-08 Actual</u>	<u>2008-09 Certified</u>	<u>2008-09 Authorized</u>	<u>2009-10 Adjustments</u>	<u>2009-10 Total</u>	<u>2010-11 Adjustments</u>	<u>2010-11 Total</u>
Requirements	\$9,437,486	\$3,673,231	\$3,681,312	(\$30,401)	\$3,650,911	(\$28,830)	\$3,652,482
Receipts	\$9,437,485	\$3,457,586	\$3,457,586	\$0	\$3,457,586	\$0	\$3,457,586
Appropriation	\$1	\$215,645	\$223,726	(\$30,401)	\$193,325	(\$28,830)	\$194,896
Positions	35.000	37.000	37.000	-	37.000	-	37.000

Fund description

The Voter Registration and Voting Systems Division developed, implemented, and now maintains and supports a statewide computerized voter registration system and provides a central database of voter registration information for the county boards of election.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Maintain the Statewide Election Information Management System (SEIMS).	\$9,058,211	30.000
Maintain the State Board website with access to voter registration records and campaign report filings.	\$88,200	1.000
Provide computer and technology support to the divisions of the State Board.	\$72,000	1.000
Maintain the Campaign Finance Central and Campaign Finance Remote software.	\$130,710	2.000
Maintain expenditures of the state for activities funded by the payment at a level equal to or greater than the level of such expenditures in State FY 2000 through the HAVA Maintenance of Effort accounting fund.	\$88,365	1.000
Actual Totals	\$9,437,486	35.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Calls handled by the IT Help Desk to provide technical assistance to counties	5,000	-	5,800
Percentage of counties with verifiable paper trail audit	100 %	100 %	100 %

Fund 18025-1900 Reserves and Transfers — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$1,000,000	\$3,748,708	\$3,748,708	(\$3,748,708)	\$0	(\$3,748,708)	\$0
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$1,000,000	\$3,748,708	\$3,748,708	(\$3,748,708)	\$0	(\$3,748,708)	\$0
Positions	-	-	-	-	-	-	-

Fund description

Provides funding to support the NC Public Campaign Financing Fund. Funds appropriated to this center are transferred to the NC Public Campaign Financing Fund and used to provide rescue funding for certified candidates as provided for in Article 22 of Chapter 163 of the General Statutes.

Fund 18025-1901 Help America Vote Act Maintenance of Effort — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$3,457,586	\$3,457,586	\$3,457,586	\$0	\$3,457,586	\$0	\$3,457,586
Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriation	\$3,457,586	\$3,457,586	\$3,457,586	\$0	\$3,457,586	\$0	\$3,457,586
Positions	-	-	-	-	-	-	-

Fund description

This is an accounting fund used to certify the state appropriation that provides maintenance of effort (MOE) funds required by the federal Help America Vote Act (HAVA). Funds are subsequently transferred to the Voter Registration & Voting Systems Division (fund code 1300) to pay for qualified HAVA activities/expenditures.

Services for the fund

Maintain expenditures of the state for activities funded by the payment at a level equal to or greater than the level of such expenditures in State FY 2000 through the HAVA Maintenance of Effort accounting fund.

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
	\$3,457,586	-
Actual Totals	\$3,457,586	-

North Carolina Occupational Licensing Boards

Mission

To encourage a positive business climate for businesses, to protect consumers from fraud and injurious practices, and to ensure compliance with the various laws, regulations, and standards of the state.

NC Board of Barber Examiners

Mission

The mission of the State Board of Barber Examiners is to protect the public safety and welfare by adopting sanitary regulations concerning barber schools and shops, conducting inspections of barbershops and schools to ensure compliance with those sanitary regulations, and investigating consumer complaints. The Board also conducts examinations of applicants for certificate of registration as a registered barber, registered apprentice, and barber school instructor, and reviews the barber licensing laws of other states to determine reciprocity to ensure professional barber standards are maintained. The Board also adopts regulations prohibiting the use of commercial chemicals of unknown content by persons registered by the Board.

Goals

Adopt sanitary regulations concerning schools, shops, and licensees to ensure compliance with sanitary regulations.

Protect the public safety and welfare by ensuring that the sanitary conditions of barbershops meet the standards of G.S. 86A.

Investigate all valid, written complaints in an effort to eliminate the practice of illegal, unsanitary, or unsafe barbering and if necessary, conduct an administrative hearing before the Board.

Conduct barbershop inspections a minimum of twice each year to ensure barber shops and barbers adhere to the standards of the profession.

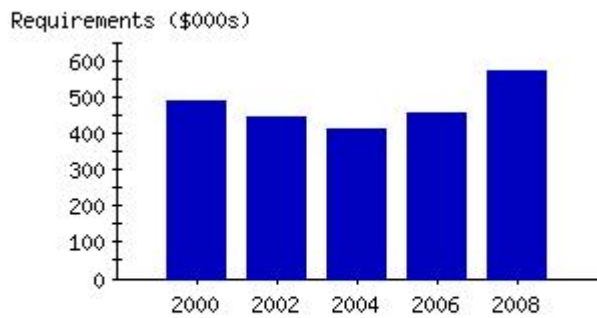
Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
New shops inspected to obtain a shop permit	240	201	165	251	382
Apprentice certificates issued	810	780	690	853	1,058
New registered barber certificates (licenses) issued	5,926	6,053	5,273	5,524	5,800

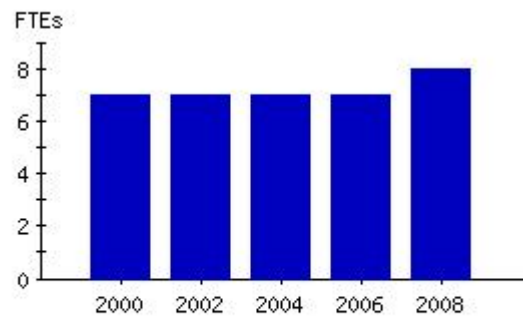
Base Budget and Performance Management Information

Budget Code 28101 North Carolina State Board of Barber Examiners

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$568,364	\$694,536	\$694,536	(\$25,536)	\$669,000	(\$25,536)	\$669,000
Receipts	\$586,128	\$709,288	\$709,288	\$0	\$709,288	\$0	\$709,288
Chng Fund Bal	\$17,764	\$14,752	\$14,752	\$25,536	\$40,288	\$25,536	\$40,288
Positions	8.000	8.000	8.000	-	8.000	-	8.000

Budget Code 28101 North Carolina State Board of Barber Examiners

Fund 28101-2100 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$568,364	\$694,536	\$694,536	(\$25,536)	\$669,000	(\$25,536)	\$669,000
Receipts	\$586,128	\$709,288	\$709,288	\$0	\$709,288	\$0	\$709,288
Chng Fund Bal	\$17,764	\$14,752	\$14,752	\$25,536	\$40,288	\$25,536	\$40,288
Positions	8.000	8.000	8.000	-	8.000	-	8.000

Fund description

The State Board of Barber Examiners protects the barber student from potential harm due to unethical practices and/or poor academic preparation. The board helps barber schools to adequately and effectively prepare students according to specifications established by the North Carolina General Assembly. Additionally, through its inspectors, the board regularly monitors the performance of practicing apprentice and licensed barbers as well as the shops in which they practice. Inspectors and board members investigate complaints against shops, barbers, schools, and barbering students. If warranted, the board may place on probation, restrict the activities of, and/or revoke the licenses of barbers, schools, and barbershops. The board meets regularly to deal with these issues, to hear from barbering students who have been convicted of committing a felony, to hear complaints about the barber profession, and to do whatever is necessary and proper to pursue the goals of the State Board of Barber Examiners.

Services for the fund	Actual Requirements 2007-08	Actual FTEs 2007-08
Administer the following exams: Instructor's Written Exam (five times/year), Oral Exam (12 times/year), Regular Exam (12 times/year), and Instructor's Practical Exams (five times/year).	\$113,746	2.225
Inspect new barbershops prior to opening, existing barbershops, permanently closing barbershops, and barber schools twice a year to ensure compliance with sanitary regulations.	\$365,705	4.250
Issue annual permits to barbershops and barber schools and students. Issue annual certificates (licenses) to instructors, apprentices and registered barbers. Investigate complaints against shops, barbers, schools, and barbering students.	\$73,872	.275
Prepare agendas and materials for State Board of Examiners meetings and participate in meetings. Conduct a "School Day" once a year for all owners to meet and discuss any concerns as well as ask questions and go over any new changes in the profession.	\$15,041	1.250
Actual Totals	\$568,364	8.000

Measures for the fund

	2005-06	2006-07	2007-08
Student permits issued	578	569	600
School permits issued	18	17	19

NC State Board of Cosmetic Art Examiners

Mission

To establish and maintain authorized, sanitary, healthful, and professional standards for the ever-expanding and technologically advancing cosmetic art profession through the development, inspection, and enforcement of industry standards to ensure the safety and protection of the public.

Goals

Promote the safety and protection of the public through timely inspection of new and existing cosmetic schools and shops in the industry to ensure compliance with sanitary standards and monitor new products and services offered in the industry for safety and sanitation standards.

Ensure quality cosmetology training by licensing schools and teachers, providing curriculum, certifying continuing education offerings, and auditing student instruction hours.

Maintain the professional standards of the cosmetic art profession through timely and thorough investigations of complaints by the public and by licensees, the aggressive pursuit of unlicensed individuals and shops, and monitoring of business of cosmetic art education to ensure students are provided minimum training levels.

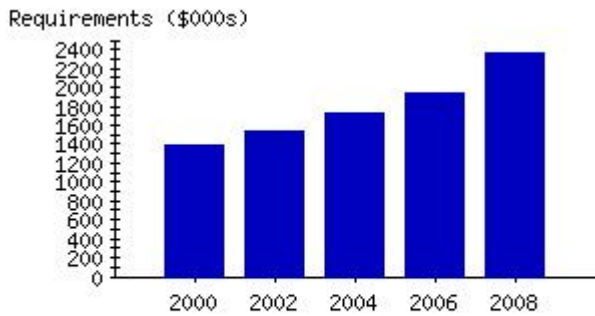
Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Persons taking the exam	3,979	3,656	4,639	4,432	4,128
Initial licenses issued	6,619	4,512	10,391	9,969	9,784
Licenses renewed	21,217	65,255	7,247	6,900	65,452
Renewals meeting licensing deadlines	6,768	22,276	5,931	6,904	64,344
Percentage of revenue generated from renewals/initial licensees/civil penalties/exams	-	-	-	-	72%
Percentage of renewals made online	-	-	-	-	37%

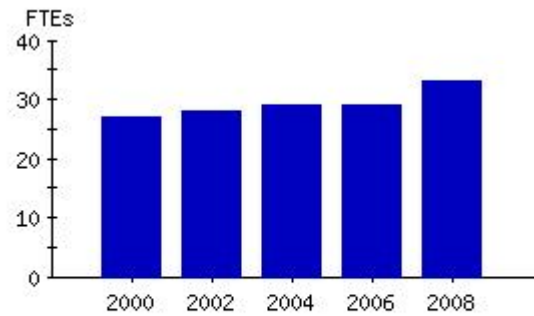
Base Budget and Performance Management Information

Budget Code 28102 North Carolina State Board of Cosmetic Art Examiners

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,362,197	\$2,344,202	\$2,344,202	\$49,230	\$2,393,432	\$52,455	\$2,396,657
Receipts	\$3,684,300	\$1,282,826	\$1,282,826	\$49,230	\$1,332,056	\$52,455	\$1,335,281
Chng Fund Bal	\$1,322,103	(\$1,061,376)	(\$1,061,376)	\$0	(\$1,061,376)	\$0	(\$1,061,376)
Positions	33.000	33.000	33.000	-	33.000	-	33.000

Budget Code 28102 North Carolina State Board of Cosmetic Art Examiners

Fund 28102-2100 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$2,362,197	\$2,344,202	\$2,344,202	\$49,230	\$2,393,432	\$52,455	\$2,396,657
Receipts	\$3,684,300	\$1,282,826	\$1,282,826	\$49,230	\$1,332,056	\$52,455	\$1,335,281
Chng Fund Bal	\$1,322,103	(\$1,061,376)	(\$1,061,376)	\$0	(\$1,061,376)	\$0	(\$1,061,376)
Positions	33.000	33.000	33.000	-	33.000	-	33.000

Fund description

The North Carolina State Board of Cosmetic Art Examiners establishes and maintains sanitary and professional standards in the cosmetic art industry. The Board's agency is charged with ensuring the health, safety, and sanitation of the cosmetic art industry and its patrons through candidate examination, licensing, salon licensing and inspection, cosmetic art school licensing and inspection, and the regulation of individual licensees. In addition, the agency maintains the continuing education program for the industry, including course approval, individual attendance, and monitoring of licensee credit status.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Inspect cosmetic art shops to ensure compliance with all state rules and laws regarding the practice of cosmetology standards and issue permits to operate shops in North Carolina.	\$730,044	10.000
Inspect and issue letters of approval to operate a cosmetic art schools to ensure compliance with space and equipment requirements, curriculum, staff ratios, and financial viability of the school.	\$459,715	6.000
Issue licenses to cosmetologists, estheticians, manicurists, and teachers of cosmetic arts to ensure professional standards and understanding of the state sanitation and safety requirements. Determine reciprocity for individuals holding licenses from other states.	\$344,144	5.000
Conduct examinations of students to demonstrate minimum state competency levels consistent with established national minimum standards before being allowed to offer services to the public to ensure the qualifications and fitness of applicants for licensure.	\$135,990	2.000
Monitor development, administration, documentation, and certification of continuing education program requirements.	\$77,394	1.000
Enforce the rules and laws regarding the practice of cosmetology through investigation of complaints made by the public or licensees and taking action against unlicensed individuals and shops.	\$74,836	1.000
Provide management and support services to the Board and staff through administrative, budgeting, accounting, payroll, and director functions.	\$540,074	8.000
Actual Totals	\$2,362,197	33.000

Measures for the fund	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
New licenses issued annually to cosmetic practitioners and instructors	5,512	5,948	5,392
Licenses renewed annually to cosmetic practitioners and instructors ¹	15,754	16,151	52,374
Active licenses for individuals, shops, and schools	87,083	84,605	4,432
Student exams administered	4,639	4,370	4,128
Shops inspected annually	15,858	16,389	17,692
Schools inspected annually	463	437	443

¹Cosmetic practitioners and instructors licenses are renewed annually except for cosmetologist and teacher licenses, which are renewed every three years and every two years respectively.

NC State Board of Opticians

Mission

The North Carolina State Board of Opticians is charged with oversight of the practice of opticianry through regulated training, examination, and licensure of opticians, and authorized discipline, thereby ensuring that the consumers of optical services in North Carolina are protected from injurious and/or unethical business practices and behavior.

Goals

Identify and execute needed improvements to training/licensing requirements and associated statutes and administrative rules for modernization and development of the profession and strengthening of regulations for public protection.

Maintain and enhance the existence of effective management oversight and a well-trained knowledgeable staff to achieve the Board's goals of protecting consumers, public safety, and promoting an attractive business climate for the types of entities and individuals that it regulates.

Foster consumer awareness of the roles of opticians, optometrists, and ophthalmologists, the services provided, and the limitations of the opticianry profession in order to reduce complaints against licensed opticians.

Provide public information regarding licensed opticians, optical places of business, board initiatives, and timely updates on items of interest for the optical services consumer.

Increase automation and electronic information to improve efficiency and overall performance by developing in-house systems and utilizing to the fullest extent possible web-based technology available to the Board.

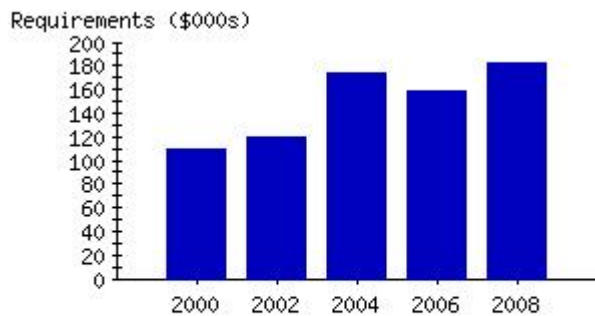
Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Optical business inspections investigations performed	593	610	645	818	887
Total licenses registered	1,113	1,081	1,109	1,113	1,130
Percentage of complaints and disciplinary actions resulting in civil penalties/fines greater than \$100	13%	78%	13%	78%	42%

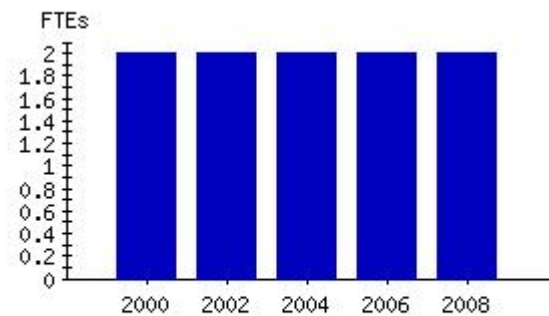
Base Budget and Performance Management Information

Budget Code 28103 North Carolina State Board of Opticians

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$183,430	\$219,005	\$219,005	\$19,300	\$238,305	\$19,300	\$238,305
Receipts	\$186,403	\$185,813	\$185,813	\$15,000	\$200,813	\$15,000	\$200,813
Chng Fund Bal	\$2,973	(\$33,192)	(\$33,192)	(\$4,300)	(\$37,492)	(\$4,300)	(\$37,492)
Positions	2.000	2.000	2.000	-	2.000	-	2.000

Budget Code 28103 North Carolina State Board of Opticians

Fund 28103-2100 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$183,430	\$219,005	\$219,005	\$19,300	\$238,305	\$19,300	\$238,305
Receipts	\$186,403	\$185,813	\$185,813	\$15,000	\$200,813	\$15,000	\$200,813
Chng Fund Bal	\$2,973	(\$33,192)	(\$33,192)	(\$4,300)	(\$37,492)	(\$4,300)	(\$37,492)
Positions	2.000	2.000	2.000	-	2.000	-	2.000

Fund description

By statutory authority of G.S. 90-17, the Board governs the licensing of opticians; annual renewal of opticians' licenses, optical businesses, and any change in ownership or in licensed optician in charge; and registration of new businesses, training establishments, apprentices, and interns. Through site visits and inspections, the board ensures that all optical places of business are registered and are operated by qualified, licensed people. This program prepares and administers the examination for licensure of opticians upon request from applicants and in accordance with the laws and rules.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Register optical businesses annually including those qualified to act as training establishments (TEs).	\$41,125	.500
Conduct semiannual inspections of businesses and TEs to verify availability of equipment and proper licensure/registration of individuals practicing ophthalmology.	\$33,690	.200
Register and track training time of approximately 200 apprentice and 100 intern opticians statewide.	\$41,123	.600
Administer licensure examinations twice a year and issue annual renewals for approximately 1,100 licenses.	\$47,182	.500
Enforce opticianry statutes and rules, imposing penalties and fines as necessary.	\$20,310	.200
Actual Totals	\$183,430	2.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Optical businesses and training establishments registered statewide	467	453	506
Apprentices/interns registered and progressed to licensure	226	248	242
Licensure exam applications received/accepted	78	103	103
Pass rate for exam participants who completed Board apprenticeship program (percentage)	16 %	14 %	43 %

NC Psychology Board

Mission

The mission of the North Carolina Psychology Board is to protect the public from the practice of psychology by unqualified persons and from unprofessional conduct by persons licensed to practice psychology through the enforcement of laws which specify the requirements for licensure and the penalties for unprofessional and unlicensed practice.

Goals

Promote the protection of the public by maintaining standards of the psychology profession through credential review, examination, and resolution of complaints.

Protect the public by requiring psychologists to remain current with practice and ethical issues through compliance with continuing education requirements.

Educate and provide timely and accurate information to the public, licensees, and applicants by maintaining a licensee database and website, and regularly publishing a newsletter.

Agency Indicators

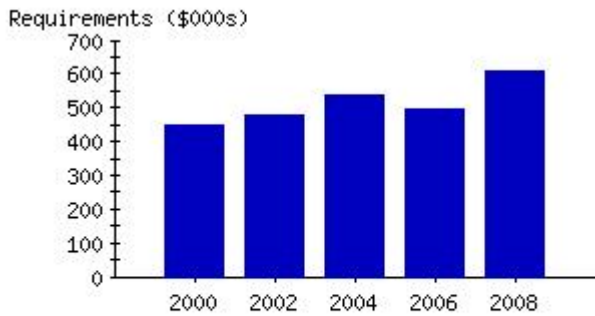
	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Complaints pending as of June 30	36	47	53	52	46
Percentage of audited licensees not meeting continuing education requirements ¹	-	-	-	19%	-

¹Data not available prior to 2004-06 renewal cycle and only available in even-numbered years.

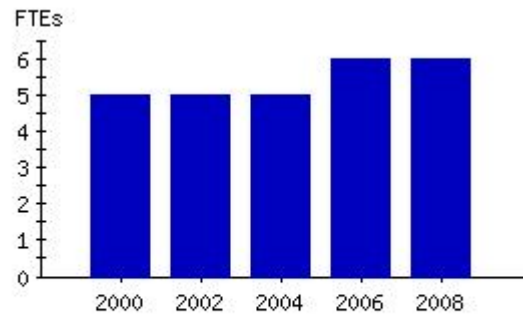
Base Budget and Performance Management Information

Budget Code 28104 North Carolina State Psychology Board

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$608,075	\$627,201	\$627,201	\$1,520	\$628,721	\$1,520	\$628,721
Receipts	\$132,306	\$809,796	\$809,796	(\$688,136)	\$121,660	\$688,136	\$1,497,932
Chng Fund Bal	(\$475,769)	\$182,595	\$182,595	(\$689,656)	(\$507,061)	\$686,616	\$869,211
Positions	6.000	6.000	6.000	-	6.000	-	6.000

Budget Code 28104 North Carolina State Psychology Board

Fund 28104-2100 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$608,075	\$627,201	\$627,201	\$1,520	\$628,721	\$1,520	\$628,721
Receipts	\$132,306	\$809,796	\$809,796	(\$688,136)	\$121,660	\$688,136	\$1,497,932
Chng Fund Bal	(\$475,769)	\$182,595	\$182,595	(\$689,656)	(\$507,061)	\$686,616	\$869,211
Positions	6.000	6.000	6.000	-	6.000	-	6.000

Fund description

The purpose of this fund is to protect consumers by ensuring that persons who are practicing psychology are appropriately educated, trained, and ethically qualified to serve the public. To carry out this responsibility, the Psychology Board licenses only qualified persons to practice psychology and investigates and resolves complaints against licensed psychologists and unlicensed practitioners.

Services for the fund

Regulate and license psychologists who are qualified by education and experience through an application process, which includes a full review of educational credentials, professional references, and past supervisor reports, followed by examinations to determine that minimum scores for licensure requirements are met.

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
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\$120,386	1.900
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Enforce statutory requirements regarding the practice of psychology through detailed investigations of all complaints made by the general public and psychologists including board meeting presentations, administrative hearings, and the assessment of disciplinary action, if and when unprofessional conduct or other violations warrant action.

\$245,390	1.600
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Provide administrative services and management that includes daily support to other staff members, board members, the public, vendors, the budget and reporting system contacts with the State of North Carolina, as well as the licensees. This area encompasses all expenses for the operation of the office.

\$242,299	2.500
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Actual Totals

\$608,075	6.000
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Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Percentage of applicants who did not qualify for examination for licensure	6 %	5 %	9 %
Percentage of closed investigation cases which resulted in Board action	-	-	28 %

NC Auctioneer Licensing Board

Mission

The mission of the North Carolina Auctioneer Licensing Board is to assure that the qualifications and activities of those engaged in auctioneering are in accord with the law and in the best interest of the public; to receive and act upon license applications; issue, suspend, or revoke licenses; adopt rules and regulations, and take such actions as may be necessary to enforce the laws that govern auctions and auctioneers (G.S. 85B).

Goals

Increase public confidence in the auction profession by providing a means of determining the ability, general knowledge, integrity, and good character of those permitted to practice through examination and criminal background checks.

Deter fraudulent or dishonest dealings and unethical conduct through investigations and by adopting rules and regulations that are necessary to enforce the provisions of the Auctioneers Law to increase both the public's and licensees' confidence in the auction profession.

Advance the auction profession in North Carolina by sponsoring and underwriting educational seminars and other forms of educational projects to be offered across North Carolina for the purpose of easy accessibility for all licensees.

Agency Indicators

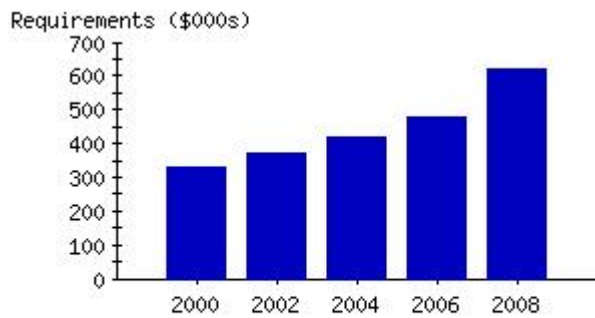
	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Formal complaints per year	23	13	17	25	12
Disciplinary actions per year	3	4	2	8	0
Percentage of disciplinary actions compared to formal complaints	13.0%	31.0%	12.0%	32.0%	0.0 %
Visits to website per year ¹	-	-	-	16,542	76,617
Auctioneer examination passing rate	82.0%	79.5%	77.6%	74.1%	74.2%

¹Data only available for January 2007 thru June 2007 for Fiscal Year 2006/2007. Data only available for July 2007 thru February 2008 for Fiscal Year 2007/2008.

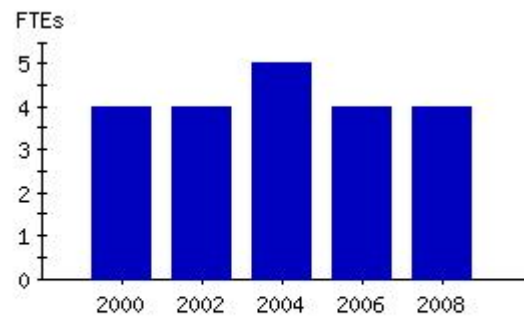
Base Budget and Performance Management Information

Budget Code 28106 Auctioneer Licensing Board

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$620,255	\$508,657	\$508,657	\$0	\$508,657	\$0	\$508,657
Receipts	\$581,358	\$509,539	\$509,539	\$0	\$509,539	\$0	\$509,539
Chng Fund Bal	(\$38,897)	\$882	\$882	\$0	\$882	\$0	\$882
Positions	4.000	4.000	4.000	-	4.000	-	4.000

Budget Code 28106 Auctioneer Licensing Board

Fund 28106-2100 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$620,255	\$508,657	\$508,657	\$0	\$508,657	\$0	\$508,657
Receipts	\$581,358	\$509,539	\$509,539	\$0	\$509,539	\$0	\$509,539
Chng Fund Bal	(\$38,897)	\$882	\$882	\$0	\$882	\$0	\$882
Positions	4.000	4.000	4.000	-	4.000	-	4.000

Fund description

The purpose of this program is to administer and enforce G.S. 85B, which establishes specific standards of conduct for licensed auctioneers and firms. This is accomplished by training auctioneers in legal and ethical procedures that will benefit the public and those licensed; by protecting the public from monetary loss or mental anguish by providing a means to redress grievances due to auctioneering misconduct; and by increasing public confidence in the profession by determining the ability, general knowledge, integrity, and character of those currently licensed or applying for licensure. Fees received from licenses support the activities of the North Carolina Auctioneer Licensing Board.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Receive and act upon auctioneer, apprentice auctioneer, and auction firm license applications by determining the ability, general knowledge, integrity, and good character of those permitted to practice through examination and criminal background checks.	\$217,084	2.000
Administer and enforce G.S. 85B by deterring fraudulent or dishonest dealings and unethical conduct through investigations and by adopting rules and regulations that are necessary to enforce this provision.	\$112,084	1.000
Investigate complaints against auctioneers, apprentice auctioneers, and auction firms and issue reprimands, suspensions and revocation of licenses and assess civil penalties as applicable.	\$155,842	.750
Sponsor and underwrite educational seminars and other forms of educational projects for advancement of the auction profession in North Carolina.	\$135,245	.250
Actual Totals	\$620,255	4.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Auctioneer, apprentice auctioneer, and auction firm new licenses issued in the fiscal year	181	205	191
Auctioneer, apprentice auctioneer, and auction firm licenses renewed in the fiscal year	2,335	2,388	2,377
Educational seminars offered free of charge to those in the auction profession through the Auctioneers Association of NC	8	8	8
Complaints registered against licensees in the fiscal year	28	32	17
Disciplinary/corrective actions taken as a result of completed investigations in the fiscal year	10	14	2

NC State Board of Electrolysis Examiners

Mission

To establish and maintain sanctioned, sanitary, healthful, and professional standards for the expanding and technologically advancing electrolysis and laser hair removal profession through education, development, inspection, and enforcement of industry standards to ensure safety and protection for the public.

Goals

Adopt standards that are consistent with standards precaution for infection control as recommended by the Centers for Disease Control and Prevention (CDC).

Approve testing of new applicants through International Board of Electrologist Certification (IBEC).

Revises old rules and formulate guidelines consistence with new legislation HB426.

Agency Indicators

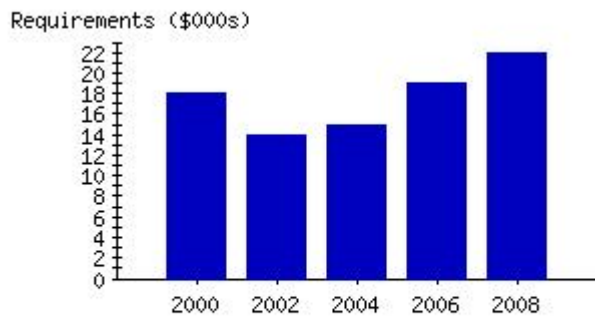
	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
License renewals processed	-	-	-	11,625	11,000
Inspections conducted ¹	-	-	-	-	7,125
Fines and penalties levied	-	-	-	-	650

¹Data includes re-inspections.

Base Budget and Performance Management Information

Budget Code 28107 North Carolina State Board of Electrolysis Examiners

**Actual Expenditures
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$21,998	\$22,900	\$22,900	\$5,279	\$28,179	\$5,279	\$28,179
Receipts	\$19,615	\$22,900	\$22,900	\$6,690	\$29,590	\$6,690	\$29,590
Chng Fund Bal	(\$2,383)	\$0	\$0	\$1,411	\$1,411	\$1,411	\$1,411
Positions	-	-	-	-	-	-	-

Budget Code 28107 North Carolina State Board of Electrolysis Examiners

Fund 28107-2100 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$21,998	\$22,900	\$22,900	\$5,279	\$28,179	\$5,279	\$28,179
Receipts	\$19,615	\$22,900	\$22,900	\$6,690	\$29,590	\$6,690	\$29,590
Chng Fund Bal	(\$2,383)	\$0	\$0	\$1,411	\$1,411	\$1,411	\$1,411
Positions	-	-	-	-	-	-	-

Fund description

This fund is used to license qualified electrologists, renew licenses, make inspections, and investigate and resolve complaints in accordance with the Electrolysis Practice Act (G.S. 88A).

Services for the fund

Provide office support to maintain records on licensees, applicant information, and education; process invoices and deposits; answer questions and respond to requests from the public, licensees, and prospective electrologists; and keep the Board informed and up to date.

<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
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\$15,208	-
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Execute enforcement of periodic inspections by an agent of the state.

\$4,390	-
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Conduct outside annual audits.

\$2,400	-
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Actual Totals

\$21,998	-
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Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Amount of fees collected from schools and applicants (dollars)	\$575.00	\$100.00	\$325.00

Office of Administrative Hearings

Mission

Serve the citizens of North Carolina, with quality and efficiency, by providing an independent forum for impartial resolution of disputes of administrative law involving state agencies; investigating alleged acts of unlawful employment practices in state government; functioning as the State's codifier and publisher of all administrative rules; and reviewing rules before the Rules Review Commission.

Goals

Improve service to the public by proactively working toward enhancing the internal and external responsibilities of the agency and maximizing productivity through implementing career development initiatives.

Develop positive and constructive relationships with agencies, the public, and among Office of Administrative Hearings (OAH) employees through regularly scheduled updates, meetings, seminars, and communication approaches.

Improve service to the public by enhancing business processes through new technologies and information systems.

Improve both the service to the public and employee efficiency by acquiring professional and adequate facilities that will accommodate the needs of OAH staff and the public.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Case Closures - Hearings	927	1,241	1,159	1,193	1,309
Case Closures - Civil Rights Investigations	109	114	84	61	76

Governor's Recommended Adjustments to Base Budget

Office of Administrative Hearings (18210)

Recommended General Fund Budget and Positions

	<u>2009-10</u>	<u>2010-11</u>
Base Budget		
Requirements	\$4,321,266	\$4,334,101
Receipts	<u>\$54,859</u>	<u>\$54,859</u>
Appropriation	\$4,266,407	\$4,279,242
Adjustments		
Requirements	(\$298,952)	(\$298,952)
Receipts	=	=
Appropriation	(\$298,952)	(\$298,952)
Total		
Requirements	\$4,022,314	\$4,035,149
Receipts	<u>\$54,859</u>	<u>\$54,859</u>
Recommended Appropriation	<u>\$3,967,455</u>	<u>\$3,980,290</u>
<hr/>		
Positions		
Base Budget Positions	44.000	44.000
Reductions	-	-
Expansion	-	-
Recommended Positions	<u>44.000</u>	<u>44.000</u>

Appropriation Items -- Recommended Adjustments

Reductions

2009-10 2010-11

Department-Wide

1. Truth-in-Budgeting Reform (Budget Salaries at Less than 100%)

The Governor recommends budgetary reform by reducing the budgeted salaries to more closely match the actual salary expenditures. Budget line items which normally use lapsed salaries for the agency's operation were increased in the continuation budget. These changes along with budget flexibility will allow the agency to operate more efficiently. General Fund salaries for the Office of Administrative Hearings are recommended to be reduced by 7%.

Appropriation (\$214,263) (\$214,263)

2. Reduce Various Operating Accounts

It is recommended that various operating accounts be reduced, including travel (\$5,500), lease expense (\$23,300), telephone (\$4,000), PC/printer and other equipment (\$5,000), software purchases (\$8,000), data processing and desktop support services (\$7,300), maintenance agreements and contracts (\$7,000), and miscellaneous materials and supplies (\$24,589).

Appropriation (\$84,689) (\$84,689)

Total Recommended Reductions

2009-10 2010-11

Recurring

Requirements	(\$298,952)	(\$298,952)
Receipts	-	-
<hr/>		
Appropriation	(\$298,952)	(\$298,952)

Positions	-	-
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Nonrecurring

Requirements	-	-
Receipts	-	-
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Appropriation	-	-
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Positions	-	-
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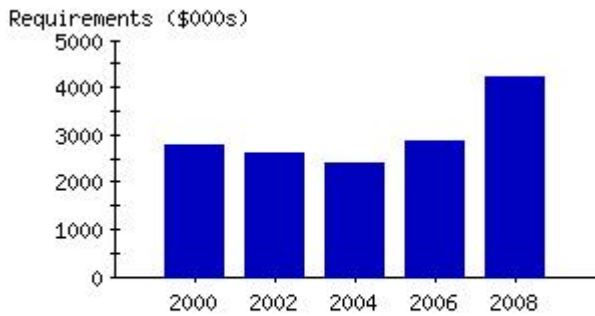
**Total Recommended Adjustments for
 Office of Administrative Hearings (18210)
 2009-11**

	<u>2009-10</u>	<u>2010-11</u>
Recurring		
Requirements	(\$298,952)	(\$298,952)
Receipts	-	-
	(\$298,952)	(\$298,952)
Appropriation		
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	(\$298,952)	(\$298,952)
Total Position Adjustments	-	-

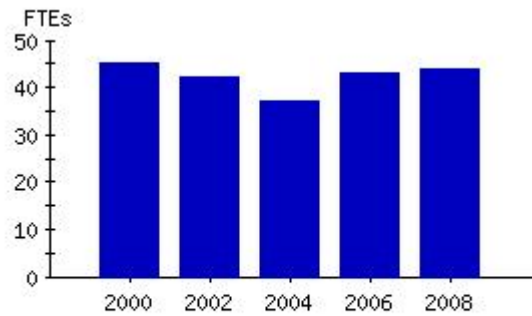
Base Budget and Performance Management Information

Budget Code 18210 Office of Administrative Hearings

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,217,430	\$4,542,717	\$4,542,717	(\$221,451)	\$4,321,266	(\$208,616)	\$4,334,101
Receipts	\$35,420	\$54,859	\$54,859	\$0	\$54,859	\$0	\$54,859
Appropriation	\$4,182,010	\$4,487,858	\$4,487,858	(\$221,451)	\$4,266,407	(\$208,616)	\$4,279,242
Positions	44.000	44.000	44.000	-	44.000	-	44.000

Budget Code 18210 Office of Administrative Hearings

Fund 18210-1100 Administration and Operations — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$4,217,430	\$4,542,717	\$4,542,717	(\$221,451)	\$4,321,266	(\$208,616)	\$4,334,101
Receipts	\$35,420	\$54,859	\$54,859	\$0	\$54,859	\$0	\$54,859
Appropriation	\$4,182,010	\$4,487,858	\$4,487,858	(\$221,451)	\$4,266,407	(\$208,616)	\$4,279,242
Positions	44.000	44.000	44.000	-	44.000	-	44.000

Fund description

The purpose of Administration and Operations is all inclusive of the functions of the agency. These functions are: to provide support functions in the areas of finance, information technology, human relations, and other areas as needed to operate OAH; to receive, compile, edit, review, codify, and publish all filed rules, public notices, and related documents; to provide staffing to make recommendations on the items before the Rules Review Commission; to provide independent administrative law judges and necessary support positions to conduct hearings on grievous issues covered by administrative law; and to conduct investigations and seek resolutions or conciliations of all discrimination cases referred by and in accordance with the Equal Employment Opportunity Commission for individuals covered by G.S 126.

Services for the fund

	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Provide services to the public by furnishing a forum for impartial resolutions of disputes of administrative law involving state agencies and serve as knowledgeable points of contact for questions or concerns from citizens.	\$2,352,818	24.000
Serve as the state's codifier and publisher of all administrative rules and provide administrative and legal support to the Rules Review Commission.	\$616,170	7.000
Serve, assist, and educate the public by enforcement of employment discrimination laws through investigation, conciliation, negotiation, and settlement of disputes.	\$772,238	9.000
Provide a contemporary and comprehensive system of administrative management within OAH to support and enhance agency operations in the areas of strategic planning, technology, fiscal operations, and human resources.	\$476,204	4.000
Actual Totals	\$4,217,430	44.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Rules published in NC Register and NC Administrative Code	2,518	4,570	4,315
Contested Case Petitions filed ¹	2,671	2,256	2,291
EEOC charges filed	69	58	59

¹2006 case count is an annualized figure based on petitions filed through October 31, 2006.

Teachers' and State Employees' Comprehensive Major Medical Plan

Mission

The State Health Plan for Teachers and State Employees partners with the North Carolina General Assembly, the Plan's Board of Trustees, and other key stakeholders to provide quality health care products and services for the health and well-being of Plan members. (See Division of Medical Assistance (budget code 58410) for the Child Health Insurance Program's mission statement.)

Goals

Maintain quality, accessible and affordable health care.

Ensure fiscal responsibility and transparency.

Enhance health and wellness.

Provide high-level customer service.

Foster a high-performing organization.

Agency Indicators

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Total Plan's Expenditures (dollars)	\$1,527,824,973.00	\$1,786,662,322.00	\$1,894,893,552.00	\$2,212,257,852.00	\$2,411,589,296.00
Percentage increase in Plan's total expenditures	-	17.0%	6.0%	17.0%	9.0%
Contract administration expense (dollars)	\$42,965,094.87	\$55,068,093.41	\$62,918,251.39	\$95,620,753.58	\$115,414,298.65
Percentage growth in contract administration expenses from prior year	29.0%	28.0%	14.0%	52.0%	21.0%

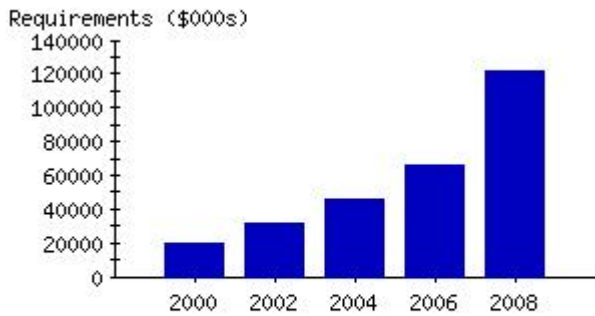
	3.0%	3.0%	3.0%	4.0%	5.0%
Percentage of total contract expenses to total Plan's expenditures	3.0%	3.0%	3.0%	4.0%	5.0%
Total Plan's Average Membership by Year	-	563,481	576,854	614,803	643,066
Total Plan's expenditures per member per year (dollars)	-	\$3,171.00	\$3,285.00	\$3,598.00	\$3,750.00
Total contract administration expenses per member per year (dollars)	-	\$97.73	\$109.07	\$155.53	\$179.48

¹Included in this total are the expenses for the Plan's other major budget codes, 68410 & 68411, used to record medical and pharmacy claims expenditures.

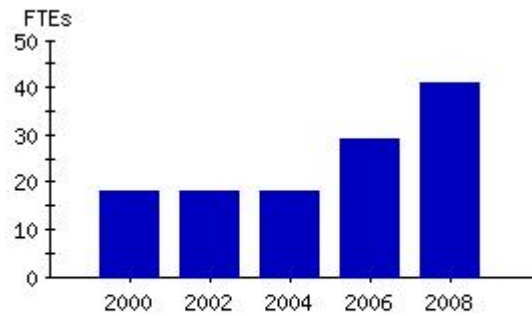
Base Budget and Performance Management Information

Budget Code 28410 Major Medical - Special

**Actual Expenditures
 by Fiscal Year**



**Actual Positions
 by Fiscal Year**



Increases largely due to increased administrative costs and the establishment of the Care Management and Wellness/Prevention programs.

Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$121,221,082	\$129,994,484	\$298,691,356	\$0	\$298,691,356	\$0	\$298,691,356
Receipts	\$121,221,082	\$129,994,484	\$298,691,203	\$0	\$298,691,203	\$0	\$298,691,203
Chng Fund Bal	\$0	\$0	(\$153)	\$0	(\$153)	\$0	(\$153)
Positions	41.000	34.000	42.000	-	42.000	-	42.000

Budget Code 28410 Major Medical - Special

Fund 28410-2100 Administration — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$36,499,568	\$56,444,999	\$63,105,707	\$0	\$63,105,707	\$0	\$63,105,707
Receipts	\$69,204,833	\$56,444,999	\$69,738,209	\$0	\$69,738,209	\$0	\$69,738,209
Chng Fund Bal	\$32,705,265	\$0	\$6,632,502	\$0	\$6,632,502	\$0	\$6,632,502
Positions	41.000	34.000	42.000	-	42.000	-	42.000

Fund description

The State Health Plan Administration fund provides for the executive-level oversight of the health care benefits, programs, and expenditures made available to active and retired teachers, state employees, and their eligible dependents.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Operational Services. Perform and manage all operational aspects of the Plan including customer relations, communications, human resources, legal, information technology, data reporting and facilities management. Total expenditures include applicable cost incurred to operate each area.	\$2,301,000	19.000
Finance Administration. Perform and manage all financial transactions, financial reporting, product development and vendor contractual agreements on behalf of the Plan.	\$3,424,000	7.000
Medical Administration. Manage medical claims utilization, key health and wellness programs, develop medical policies, provide utilization reports to internal and external customers and manage medical contracts for the Plan.	\$17,382,568	11.000
Pharmacy Administration. Manage the Plan's pharmacy benefits, pharmacy contract and pharmacy metrics.	\$13,042,000	1.000
Executive Administration. Manage the financial and operational aspects for the Plan. Interact with Legislative Oversight committee and Governor's Office regarding Plan's budgetary needs, benefit changes, premium increases, and statutory changes.	\$350,000	3.000
Actual Totals	\$36,499,568	41.000

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Total administration expense (dollars)	\$49,891,681.15	\$36,269,075.21	\$36,499,568.83
Percentage growth in administration expenses from prior year	-4.0 %	-27.0 %	-1.0 %

Fund 28410-2200 Care Management — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$21,411,179	\$18,124,685	\$34,280,670	\$0	\$34,280,670	\$0	\$34,280,670
Receipts	\$0	\$18,124,685	\$34,280,670	\$0	\$34,280,670	\$0	\$34,280,670
Chng Fund Bal	(\$21,411,179)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-

Fund description

The Care Management fund comprises medical management programs implemented by the State Health Plan. These programs are implemented to support the continuing improvement of a member's quality of life and assist in reducing costs of health care services without compromising quality of care.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Health Care Management. Provide contracted chronic disease management services for Plan's members.	\$21,411,179	-
Actual Totals	\$21,411,179	-

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Total care management expenses (dollars)	\$16,140,438.19	\$20,704,338.20	\$21,411,178.72
Percentage growth in care expenses from prior year	286.0 %	28.0 %	19.0 %

Fund 28410-2300 Wellness/Prevention — Base Budget

	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$590,251	\$5,424,800	\$5,724,800	\$0	\$5,724,800	\$0	\$5,724,800
Receipts	\$0	\$5,424,800	\$7,928,875	\$0	\$7,928,875	\$0	\$7,928,875
Chng Fund Bal	(\$590,251)	\$0	\$2,204,075	\$0	\$2,204,075	\$0	\$2,204,075
Positions	-	-	-	-	-	-	-

Fund description

The Wellness/Prevention fund accounts for the contractual cost associated with proactive wellness programs. These programs focus on the preventive aspects of health care by identifying high-risk individuals and aiding in the monitoring and maintenance of these members to help postpone more severe chronic conditions.

Services for the fund	<u>Actual Requirements 2007-08</u>	<u>Actual FTEs 2007-08</u>
Wellness/Prevention. Provide worksite wellness programs to employees through contracts with selected vendors.	\$590,251	-
Actual Totals	\$590,251	-

Measures for the fund

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Total wellness expenses (dollars)	\$421,596.59	\$2,738,889.28	\$590,251.59
Percentage increase in wellness expenses from prior year ¹	-63.0 %	550.0 %	-78.0 %

¹Wellness programs are enacted through legislation and thus will fluctuate from year to year.

Fund 28410-2400 PPO Administration — Base Budget

	<u>2007-08</u> <u>Actual</u>	<u>2008-09</u> <u>Certified</u>	<u>2008-09</u> <u>Authorized</u>	<u>2009-10</u> <u>Adjustments</u>	<u>2009-10</u> <u>Total</u>	<u>2010-11</u> <u>Adjustments</u>	<u>2010-11</u> <u>Total</u>
Requirements	\$62,720,084	\$50,000,000	\$195,580,179	\$0	\$195,580,179	\$0	\$195,580,179
Receipts	\$52,016,249	\$50,000,000	\$186,743,449	\$0	\$186,743,449	\$0	\$186,743,449
Chng Fund Bal	(\$10,703,835)	\$0	(\$8,836,730)	\$0	(\$8,836,730)	\$0	(\$8,836,730)
Positions	-	-	-	-	-	-	-

Fund description

The State Health Plan Administration fund provides for the executive-level oversight of the health care benefits, programs, and expenditures made available to active and retired teachers, state employees, and their eligible dependents.

Services for the fund

	<u>Actual</u> <u>Requirements</u> <u>2007-08</u>	<u>Actual</u> <u>FTEs</u> <u>2007-08</u>
Claim processor's administrative costs for processing claims for the PPO plan, collecting premiums, billing premiums, providing financial reports to the Plan, and miscellaneous administrative functions. Also, includes the cost of auditing PPO claims by independent auditor.	\$62,720,083	-
Actual Totals	\$62,720,084	-

Measures for the fund

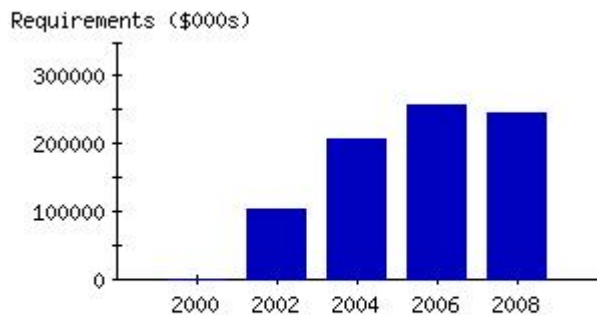
	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
PPO claim administration expenses (\$ thousand) ¹	\$0	\$40,446,989.76	\$62,720,083.04
Percentage growth in PPO claims administration expenses from prior year	-	100.0 %	55.0 %

¹PPO plans were offered to members for the first time for the 2007 enrollment period and coverage was effective on October 1, 2006.

Base Budget and Performance Management Information

Budget Code 58410 Child Health Insurance Fund

**Actual Expenditures
 by Fiscal Year**



	Base Budget						
	2007-08 Actual	2008-09 Certified	2008-09 Authorized	2009-10 Adjustments	2009-10 Total	2010-11 Adjustments	2010-11 Total
Requirements	\$245,372,888	\$214,619,300	\$214,619,300	\$0	\$214,619,300	\$0	\$214,619,300
Receipts	\$242,488,781	\$214,619,300	\$214,619,300	\$0	\$214,619,300	\$0	\$214,619,300
Chng Fund Bal	(\$2,884,107)	\$0	\$0	\$0	\$0	\$0	\$0
Positions	-	-	-	-	-	-	-
