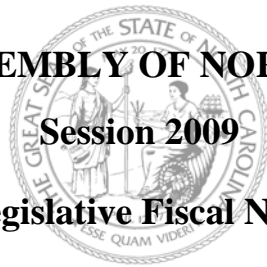


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 1491 (First Edition)

SHORT TITLE: ITS/SPA and Exempt Position Clarifications.

SPONSOR(S): Representatives Tolson and Harrell

| <b>FISCAL IMPACT</b>  |  |                          |                                  |                          |                          |
|---|--|--------------------------|----------------------------------|--------------------------|--------------------------|
|   | <b>Yes (X)</b>   | <b>No ( )</b>            | <b>No Estimate Available ( )</b> |                          |                          |
|   | <b><u>FY 2009-10</u></b>   | <b><u>FY 2010-11</u></b> | <b><u>FY 2011-12</u></b>         | <b><u>FY 2012-13</u></b> | <b><u>FY 2013-14</u></b> |
| <b>REVENUES</b>   | <b>n/a</b>   |                          |                                  |                          |                          |
| <b>EXPENDITURES</b>   | <b>Exact amount cannot be determined - See Assumptions and Methodology</b> |                          |                                  |                          |                          |
| <b>POSITIONS (cumulative):</b>                                | <b>undeterminable</b>  |                          |                                  |                          |                          |
| <b>PRINCIPAL DEPARTMENT(S) &amp;<br/>PROGRAM(S) AFFECTED:</b> | <b>Office of Information Technology Services</b>                           |                          |                                  |                          |                          |
| <b>EFFECTIVE DATE:</b>  | <b>When it becomes law.</b>  |                          |                                  |                          |                          |

**BILL SUMMARY:**

Section 1 amends GS 126-5(c1) by adding a new subdivision that exempts deputy chief information officers, a general counsel, and a chief financial officer, who are appointed by the State Chief Information Officer, from the State Personnel Act (except Articles 6 and 7, equal employment and compensation opportunity and privacy of State employee personnel records). Section 2 rewrites GS 147-33.77(a) to authorize the State Chief Information Officer to appoint more than one chief deputy information officer, a general counsel, and a chief financial officer and authorizes the State Chief Information Officer to set the salaries of these positions. Also clarifies that all other employees are subject to the State Personnel Act except those designated as policy-making exempt under G.S. 126-5(c).

**ASSUMPTIONS AND METHODOLOGY:**

The Office of Information Technology Services reports it initiated this Bill as an agency bill in an attempt to clarify governing statutes to reflect current practice. The Office of Information Technology Services currently employs two chief deputy information officers, one general counsel, and one chief financial officer. The current salary and benefit expenditures for these positions are indicated below:

|   |                  |
|---|------------------|
| Chief Deputy Information Officers (2 positions) | \$377,746        |
| General Counsel                                 | \$119,087        |
| Chief Financial Officer                         | <u>\$142,863</u> |
| Total   | \$639,696        |

As indicated above, Section 2 of the Bill authorizes the State Chief Information Officer to appoint multiple Chief Deputy Information Officers, a General Counsel, and a Chief Financial Officer and to set the salaries of employees appointed to these positions. The Office of Information Technology Services reports the current State Chief Information Officer has no intentions to appoint additional Chief Deputy Information Officers or to increase the salaries of the current Chief Deputy Information Officers, the General Counsel, or the Chief Financial Officer. If this holds true, there would be no fiscal impact related to this Bill. As a side note, the Governor, on April 9, 2009, issued a directive prohibiting the filling of vacant positions and prohibiting any salary increases through June 30, 2009.

This Bill, however, has the potential for fiscal impact if the current intentions of the State Chief Information Officer do not hold true or if a new State Chief Information Officer is appointed by the Governor. Any potential impact is undeterminable as it would be related to salary and benefit costs associated with newly created Chief Deputy Information Officer positions or salary and benefit costs attributable to salary increases granted by the State Chief Information Officer to employees employed in these positions.

**SOURCES OF DATA:** Office of Information Technology Services and Office of State Budget and Management

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

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**APPROVED BY:**

Marilyn Chism, Director  
Fiscal Research Division

**DATE:** April 22, 2009



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