

LEGISLATIVE RESEARCH COMMISSION

USER FEES AT STATE FACILITIES



REPORT TO THE
1985 GENERAL ASSEMBLY
OF NORTH CAROLINA



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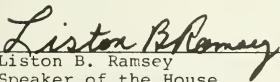


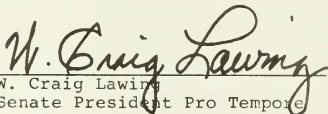
December 13, 1984

TO THE MEMBERS OF THE 1985 GENERAL ASSEMBLY:

This is the Legislative Research Commission's report to the 1985 General Assembly on User Fees at State-owned facilities. This report is made pursuant to Chapter 905 of the 1983 Session Laws, was prepared by the Legislative Research Commission's Study Committee on User Fees at State Facilities, and is transmitted by the Legislative Research Commission for your consideration.

Respectfully submitted,


Liston B. Ramsey
Speaker of the House


W. Craig Lawing
Senate President Pro Tempore

Cochairmen
Legislative Research Commission

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INTRODUCTION

In the last ten years, the General Assembly has paid increasing attention to fees charged by agencies for direct services rendered by the agencies to individuals. Beginning with the 1975 Legislative Session, General Assembly members became interested in raising fees that had not been adjusted for many years. The impetus for the 1975 and later efforts was the budget crisis resulting from recessions. Most of the early fee increases were in motor vehicle titling and registration.

During the 1983 Legislative Session, the various appropriations subcommittees were charged with trying to find ways to reduce the budget shortfall caused by the 1981-82 recession. A number of fee increases resulted from this review and some were incorporated into the omnibus tax bill and the appropriations bill.

The 1983 General Assembly authorized, in Section 3 of 1983 Session Laws Chapter 905 (Appendix A), the Legislative Research Commission (a general-purpose legislative study group empowered by General Statutes Chapter 120, Article 6B; Appendix B contains a list of the Commission Members) to "study the potential for user charges and admission fees at State-owned cultural, recreational and historical facilities." The idea for this study originated in the 1983 Report of the Appropriations Base Budget Committee on General Government to the full Joint Appropriations Base Budget Committee.

COMMITTEE PROCEEDINGS

The Legislative Research Commission's Study Committee on User Fees at State Facilities (Appendix C contains a list of its members) met five times: February 9, 1984; March 13, 1984; May 15, 1984; October 31, 1984; and November 29, 1984. (The Committee minutes for each meeting are on file in the Legislative Library.) After hearing from representatives of the Departments of Cultural Resources, Natural Resources and Community Development, and Agriculture regarding fees charged at the various State-owned cultural, historical, and recreational facilities they administer, the Committee focused its attention on possible methods of periodic legislative review and adjustment of agency user fees and on various approaches to reducing the State costs of operating the facilities.

A. State Facilities and User Fees Studied

1. Cultural Resources

The Department of Cultural Resources administers the State's historical sites, the Museum of Art, the History Museum, the State Capitol, and the Capital Area Visitor Center. The only historical sites at which an admission fee is charged are Historic Bath, The Thomas Wolfe Memorial, and Tryon Palace. Secretary Sara Hodgkins told the Committee that the State continued charging the fees already in effect at Historic Bath and the Thomas Wolfe Memorial when the State assumed the responsibilities of operating these two facilities. (Historic Bath in 1963 and Thomas Wolfe Memorial in 1974). One reason given for continuing the fees was to provide revenue for security. An admission fee is charged at Tryon Palace,

a reconstructed historical site, because tourist visitation is very high there and people obviously believe the site is worth paying an admission fee to visit. According to Department representatives, Tryon Palace is the only State historical site that is a featured stop for tour buses traveling up and down the coast.

No admission fees are charged at the other State historical sites. Department officials believe that admission fees would discourage attendance at these sites, which were established and are operated to increase knowledge of State history. A fee is charged at Reed Gold Mine for a service, the panning of gold.

No admission fee is charged at the North Carolina Museum of Art, Museum of History, State Capitol, and Capital Area Visitor Center.

Appendix D, prepared by the Department of Cultural Resources in response to Committee questions, provides a detailed discussion and cost analysis of the site operations and fees.

2. Natural Resources and Community Development and Wildlife Resources

The Department of Natural Resources and Community Development operates the State park and reservoir recreational system. No fees are charged for admission to the park and reservoir areas or for the general use of park lands. User fees are charged at those areas for camping, swimming, boating, and the use of cabins, because these activities require additional staff and funds. Other park activities such as picnicking, hiking, fishing, nature study, interpretive programs, and special events are generally free to visitors because these activities require little supervision, the maintenance costs associated with them are low, and fee

collection in these instances would be difficult.

The Department also operates the North Carolina Zoological Park in Asheboro. An entrance fee there is charged, permitting access to all of the animal and plant collections. One additional charge is made for use of the Park's tram system. Public parking, picnicking, and attendance at the amphitheater are free. According to Park officials, the purpose of the user fees and concession sales is to generate between 40% and 50% of annual Park operating costs, while keeping the amounts charged within the reach of all citizens.

Appendix E, prepared by the Department of Natural Resources and Community Development in response to Committee questions, provides a detailed discussion and cost analysis of the State park system and Zoo fees and operations.

The Wildlife Resources Commission, which operates within the Department of NRCD but which exercises all its prescribed statutory powers independently of the Secretary of NRCD (G.S. 143B-281), supervises the operation and maintenance of the State's 141 boat ramps. Use of the ramps is free to the general public. The Commission finances the operation of the boat ramps in part by registration fees for motorboats and for sailboats over fourteen feet long. Commission officials believe that because owners of these boats use the ramps and parking facilities, they should help finance them. The owners of the approximately 200,000 registered boats pay \$5.50 per boat for one year or \$13.50 for three years. The Commission uses the revenue to maintain the ramps and parking areas, to enforce the boat regulations, and to instruct in boating safety. Most of the Commission's operating funds come from hunting and fishing licenses. The Commission also receives annual General Fund appropriations. (See Appendix C)

3. Agriculture

The Department of Agriculture operates the Farmer's Markets in Raleigh and Asheville; the Livestock Facilities in Raleigh and Asheville; the State Fair Grounds in Raleigh; and the North Carolina Museum of Natural History and its extension, the Maritime Museum.

Fees charged at the Farmer's Markets are based on the Department's determination of fair market value after consultation with persons in the various industries using the facilities. The Farmer's Market in Raleigh receives no General Fund appropriations. The Western Farmer's Market in Asheville received \$35,268 in fiscal year 1982-83 from the General Fund to cover some of its operating expenses. Department representatives told the Committee that State funds were needed for the Western Farmer's Market because periodically inclement weather keeps it from operating the entire year.

User fees at the Livestock Facilities are set by the Board of Agriculture in a public hearing. These rates are based on recommendations from the general public, revenue needs to meet operating expenses, and rates charged by similar facilities in other states. Construction of the Raleigh and Asheville Livestock Facilities was completed in 1983. The Raleigh facility is completely self supporting, while the Asheville facility receives General Fund appropriations to cover part of its operating costs. Mr. Maurice Weaver, Department of Agriculture Budget Officer, said that any excess revenue generated by the facilities would be used to pay for the construction bonds.

At the State Fair Grounds, an annual State Fair is held to display and promote North Carolina agriculture. Gate admission fees, rental charges for the buildings used, entry fees for livestock exhibitors,

vendor privilege license fees, and concessionaire and exhibitor space charges constitute the user fees at the Fair. These fees are charged to pay the costs of administrative services, personnel, and other operating costs.

A Flea Market is operated at the Fair Grounds during eleven months of the year. The Department charges rent and other user fees for the use of six buildings for this purpose at the Fair Grounds. Neither the Flea Market nor the State Fair receives State appropriations.

The North Carolina Museum of Natural History and the Maritime Museum have never charged admission fees. Agriculture Commissioner Jim Graham stated in a letter to the Committee: "We believe that an admission fee would be inconsistent with the purposes for which the Museum of Natural History was established, and would discourage many citizens from visiting a facility which belongs to all the people of North Carolina."

Appendix F, prepared by the Department in response to Committee questions, provides a detailed discussion and cost analysis of the user fees and operations of the agricultural facilities.

B. Review, Adjustment, and Cost Reduction Approaches

1. Periodic Review and Adjustment Mechanisms

Although the General Assembly has reviewed the fees of almost all State agencies in the last ten years, the reviews have been on an ad hoc basis. There is no mechanism in place to ensure that fees are periodically reviewed and adjusted as costs change. The Committee studied several possible approaches.

a) The budget preparation sections of the Executive Budget Act spell out the types of information to be submitted by state agencies to

substantiate their requests for additional funds, G.S. 143-6 specifies that on or before September 1 in even-numbered years agencies shall furnish the Governor "all the information, data, and estimates which he may request with reference to past, present and future appropriations and expenditures, receipts, revenue, and income." The Governor and the Advisory Budget Commission, with the staff assistance of the State Budget Office, review the information submitted by the agencies; the Advisory Budget Commission then makes revenue and spending recommendations to the General Assembly. The appropriations and finance committees review the Commission recommendations and make their own recommendations to the full General Assembly.

User fee decisions are not a part of the usual budget-making process. The State Budget Office does not formally request fee data in its "instructions" to the agencies for submitting spending requests.

The Committee decided to recommend legislation (Appendix H) that would require State agencies to submit, along with other budget information supplied biennially to the Governor, detailed information regarding user fees. This proposed legislation would require that the information also be submitted to the Legislative Fiscal Research Division Director, so that it would be immediately available for any user fee review by General Assembly members or committees. "User fees" would be defined as "all fees, charges, tuition and other revenue that is received in exchange for services provided."

b) The Committee then considered the possible use of an indexing mechanism. Under indexing, fees would automatically be adjusted according to changes in the cost of living. For example, fee charges could be tied to the Consumer Price Index. Committee members, Fiscal

Research staff, and State Budget Office representatives all saw problems with this approach. First, not all agencies experience cost increases at the same rate. Thus, a uniform increase would overcompensate in some areas and not be sufficient in others. Second, this approach might inadvertently price some facilities out of the visitation market. Third, indexing would pre-empt legislative prerogative: While one General Assembly would use its authority to establish the original formula, future legislatures would play no role in reviewing and approving the changes.

c) The Committee also discussed the possibility of requiring that each user fee be authorized and set by the General Assembly and codified. While many fees are in the statutes, most are not. Agency representatives argued that codification of all fees and the requirement that the General Assembly re-examine particular fees each time a change is sought would remove much of the flexibility of the agencies, which deal with the fees on a daily basis. Committee members agreed that the agencies need this flexibility and noted that this approach would also substantially increase the demands on legislators' time and energy during the legislative sessions.

d) It would also be possible to require all agencies to promulgate rules to establish or change user fee rates. Most but not all fees are specified in the Administrative Code. The advantage of requiring all fees to be in the rules would be that they would all be subject to scrutiny by the public, the Governor's Office, and the Attorney General's Office. The General Assembly, however, no longer plays a role in the rules review process. Also, Committee members were concerned that the Administrative Code was already voluminous enough.

2. Cost Reduction Approaches

The Committee examined possible approaches to reducing the State's costs of operating the cultural, recreational, and historical facilities.

a) Fiscal Research Division staff told the committee that reducing the public access hours at the State historical sites from 56 to 40 hours per week could substantially reduce the amount paid for temporary employee salaries at the sites. Dr. Lawrence Wheeler, Deputy Secretary of the Department of Cultural Resources, said that certain work is necessary to keep the sites functioning, such as ground and facility maintenance, updating records, housekeeping, and security. These operational functions are not confined to the hours that the sites are open to the public. Reducing public access hours, he said, would decrease overhead costs relatively by a very small amount. Secretary Sara Hodgkins added that the purpose of the sites is to educate citizens about the history of North Carolina and that to reduce public visitation hours would thwart this purpose. Furthermore, lowering visitation hours would likely have a negative impact on the tourist trade from other states. She cited a survey conducted by the State Office of Travel and Tourism indicating that people from out-of-state visit North Carolina, first to view its natural beauty, second to visit its historical sites, and third to visit its museums.

Senator Jim Speed, Committee Cochairman, noted that the visitation hours at the State historical sites were increased last year from 44 to 56 hours per week (See Appendix I). He said that although the total number of visitors had increased substantially overall, the visitation at some sites had actually dropped. He urged Department officials to persist in efforts to ensure cost effectiveness in all site operations.

b) The Committee discussed the possibility of establishing

admission fees at sites where currently none are charged and increasing existing fees elsewhere. Department of Cultural Resources representatives expressed their concern that establishing or increasing the fees would discourage attendance at the historical sites and museums. Dr. William Price, Jr., Director of the Division of Archives and History, said that the additional personnel and red tape involved in collecting fees would increase operating costs. Secretary Hodgkins stated that to charge admission fees at the Museum of Art, for example, would have the effect of charging the public three times: tax dollars and private contributions already fund the Museum. Several Committee members added that free admission to the State's cultural, recreational, and historical facilities is something North Carolina citizens expect from State government and that existing charges should remain low enough so that the average citizen can attend the facilities.

The Committee was also told that "contributions suggested" plans have not been effective in generating significant revenues for the historical sites and museums.

c) Committee members asked representatives of the Cultural Resources Department about the possibility of phasing out facilities that are undeveloped, need major renovations, or have low visitation. A report the Department prepared for the Committee (Appendix D) states that the only facility it administers that meets these criteria is Fort Dobbs (in Iredell County) which is largely undeveloped but which has considerable historical significance. For its development, approximately \$300,000 in capital improvements would be needed. Secretary Hodgkins added that the Department has been very selective in determining

which sites it has recommended for State funding: A site must have statewide historical significance rather than a primarily local one.

d) The Committee considered recommending that all revenue collected from admission fees be applied to reduce the General Fund appropriation and not be permitted to increase the budget of a particular facility. Cultural Resources Department officials said that the Department needs the flexibility to use the fees to enhance the facilities and attendance. Mr. Marvin Dorman, Jr., Deputy State Budget Officer, added that if excess admission fee revenues must be placed in the General Fund, private organizations may place similar restrictions on the money they contribute to the sites.

Committee members felt that the cost reduction approaches discussed with regard to facilities operated by the Department of Cultural Resources should also be addressed by the Department of Agriculture and the Department of Natural Resources & Community Development concerning the facilities they administer. Their responses to similar questions are found in Appendix F (Agriculture) and Appendix E (NRCD).

FINDINGS AND RECOMMENDATIONS

1. The Committee finds that the State historical sites, administered by the Department of Cultural Resources, educate the public about the historical and cultural heritage of North Carolina and promote the tourist industry in this State.

THE COMMITTEE RECOMMENDS that the General Assembly further support the development of all State historical sites.

2. The Committee finds that the State agencies charging user fees at State facilities should supply the General Assembly on a regular basis with certain detailed information regarding those fees.

THE COMMITTEE RECOMMENDS that the Executive Budget Act be amended by adding a section to read:

" 143-6.1 Information from departments and agencies regarding user fees. --

On or before the first day of September biennially, in the even-numbered years, each of the departments, bureaus, divisions, officers, boards, commissions, institutions, and other State agencies and undertakings shall in addition to the information submitted to the Director of the Budget pursuant to G.S. 143-6, submit to the Director of the Budget and the Director of the Legislative Fiscal Research Division information regarding user fees it charges. This information shall include:

- (1) the type of fee and service provided in exchange for the fee;
- (2) the amount of the current fee;
- (3) the year the fee was last increased;

- (4) the number of fee transactions;
- (5) the operating budget of each site or unit receiving fee revenues; and
- (6) the agency's recommendation as to whether the fee should be increased or reduced, and if so, the amount.

The words, "user fees," as used in this section shall include all fees, charges, assessments, tuition and other revenue that is received in exchange for services provided."

3. The Committee finds that proposed legislation that would establish or expand a State cultural, recreational, or historical facility requiring a continuing appropriation warrants separate and close scrutiny by General Assembly standing committees.

THE COMMITTEE RECOMMENDS that the Senate and House Rules Committees adopt rules providing that any proposed legislation that would establish or expand a State cultural, recreational, or historical facility requiring a continuing appropriation from the General Fund be considered separately from special bills for one-time grants-in-aid.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1983
RATIFIED BILL

CHAPTER 905
HOUSE BILL 1142

AN ACT AUTHORIZING STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION AND BY THE COMMISSION ON CHILDREN WITH SPECIAL NEEDS AND MAKING TECHNICAL AMENDMENTS RELATING THERETO.

The General Assembly of North Carolina enacts:

Section 1. The Legislative Research Commission may study the topics listed below. Listed with each topic is the 1983 bill or resolution that originally proposed the study and the name of the sponsor. The Commission may consider the original bill or resolution in determining the nature, scope and aspects of the study. The topics are:

- (1) Continuation of the Study of Revenue Laws (H.J.R. 16 - Lilley); and the ramifications, if enacted, of H.B. 746, Appraisal of Subdivided Tract (Auman) and H.B. 1250, No Intangible Tax/Income Surtax (Auman),
- (2) Continuation of the Study on the Problems of the Aging (H.J.R. 44 - Economos; S.J.R. 16 - Gray),
- (3) Continuation of the Study on Insurance Regulation (H.B. 63 - Seymour) and Insurance Laws and Regulation of Insurance Industry (H.B. 1243 - Hightower),
- (4) Teaching of Computer Literacy in the Public Schools and Community Colleges (H.J.R. 191 - Berry) and the Continuation of Study of College Science Equipment (H.J.R. 898 - Enloe),
- (5) Adequacy of State Management of Large-Scale Land Clearing and Peat Mining (H.J.R. 220 - Evans),
- (6) Adequacy of Existing Water Pollution Control Programs to Improve and Protect Water Quality in the State (H.J.R. 232 - Evans),
- (7) Marketing of Seafood by Fishermen (H.J.R. 896 - Chapin),
- (8) Continuation of Study on the Economic Social and Legal Problems and Needs of Women (H.J.R. 904 - Easterling; S.J.R. 329 - Marvin),
- (9) Regulation of Nonpublic and Public Post-Secondary Educational Institutions (Joint Resolution 33 (H.J.R. 988 - Thomas)),
- (10) Readable Insurance Policies (H.B. 1069 - Ballance),
- (11) State Government Risk Management (H.J.R. 1083 - Seymour),
- (12) Biotechnology Development (H.B. 1122 - Etheridge, Bobby and H.J.R. 1282 - Etheridge, Bobby; S.J.R. 620 - Hancock),
- (13) Continuation of Study of the State's Interest in Railroad Property (H.B. 1142 - Hunt),
- (14) Restricting Driving by Minors (H.J.R. 1149 - J. Jordan),

- (15) Health Professionals (H.J.R. 1194 - Diamond),
- (16) Water Quality in Haw River and B. Everett Jordan Reservoir (H.J.R. 1257 - Hackney),
- (17) Regulation of Alcoholic Beverages on State Property (H.J.R. 1292 - Clark),
- (18) Disposition of Animals by Animal Shelters and Pounds (H.J.R. 1309 - Stamey),
- (19) Boards, Commissions, and Councils in the Executive Branch (H.J.R. 1321 - Hunt),
- (20) Feasibility of a Food Distribution Facility on Dix Farm Property in Raleigh (H.J.R. 1334 - James),
- (21) Implementation of Identification and Labelling of Toxic or Hazardous Substances as Proposed by House Bill 1339 (Payne),
- (22) Water Resources Issues Involving North Carolina and Virginia (H.J.R. 1404 - Church),
- (23) Investment Guidelines for Eleemosynary Institutions and Funds (H.J.R. 1423 - Musselwhite),
- (24) Child Support Collection Procedures (H.J.R. 1439 - Easterling; S.J.R. 675 - Woodard, W.),
- (25) Contamination of Unpackaged Foods (H.J.R. 1441 - Stamey),
- (26) Legislative Communications Confidentiality (H.R. 1461 - Miller),
- (27) Continuation of the Study of Information Processing Resources in State Government (S.J.R. 44 - Alford),
- (28) Regulation and Taxation of Banks, Savings and Loans and Credit Unions (S.J.R. 381 - Edwards of Caldwell),
- (29) District Attorney Standards (S.B. 496 - Hipps),
- (30) Cost of Providing Attorneys and Guardians Ad Litem to Indigents (S.J.R. 643 - Swain),
- (31) Public Health Facility Laws (S.J.R. 656 - Hancock), and Review of Certificate of Need Procedures (H.J.R. 1294 - Economos),
- (32) Life Care Arrangements (S.J.R. 657 - Hancock),
- (33) Worthless Checks (S.J.R. 661 - Thomas of Henderson),
- (34) State-owned Rental Housing as contained in Section 2 of this act,
- (35) User Fees at State-owned Facilities, as contained in Section 3 of this act,
- (36) Motorboat Titles and Liability Insurance, as contained in Section 4 of this act,
- (37) Motor Vehicle Inspection Program, as contained in Section 5 of this act,
- (38) Continuation of the Study of Day Care (H.J.R. 594 - Colton),
- (39) Continuation of the Study on Twelfth Grade (H.J.R. 753 - Mauney; S.J.R. 343 - Tally),
- (40) Procedure for Incorporating Municipalities (S.J.R. 445 - J. Edwards),
- (41) Solar Law (S.J.R. 670 - Walker),

- (42) Statutory Liens (S.J.R. 680 - Edwards of Caldwell),
- (43) In-service Training of Teachers in North Carolina History, the American Economic System, Free Enterprise Concepts, and Legal Topics (H.B. 1281 - Foster).

Sec. 2. State-owned Rental Housing. (a) The Legislative Research Commission is authorized to conduct a study of all State-owned rental housing during the 1983-84 fiscal year and to recommend a comprehensive statewide rental policy, to be administered by the Department of Administration, to the 1984 Session of the General Assembly. This study shall be conducted in consultation with the department that owns the housing. In conducting this study, the Commission shall first determine the amount of nonessential rental housing currently owned by the State using the following criteria: The geographic location of the State property on which the housing is located and its proximity to alternative privately owned housing; the amount of time that would be required for employees to arrive at the State property on which housing is now located in the event of an emergency; the amount of security necessary for State property that is now being provided by State employees living in State-owned rental housing; and any other benefits to the State for employees to occupy said housing: The Commission shall recommend the disposition of nonessential rental property by one of three means: sale of the housing and property on which it is located; sale of the housing unit only with the stipulation that the house be removed from State property; and conversion of the housing unit to an alternative use.

(b) It is the policy of the State of North Carolina that the State provide rental housing only in cases in which an essential State purpose is served. Nothing in these sections shall be construed to mean that State departments may not continue to divest themselves of nonessential rental housing during the course of the Legislative Research Commission study.

*
Sec. 3. User Fees. The Legislative Research Commission is authorized to study the potential for user charges and admission fees at State-owned cultural, recreational and historical facilities. The study may cover museums, historic sites, marine resource centers as well as other facilities. The Legislative Research Commission may make an interim report to the 1984 Regular Session of the 1983 General Assembly and may make a final report to the 1985 General Assembly.

Sec. 4. Motorboat Titles and Liability Insurance. The Legislative Research Commission of the General Assembly is authorized to study the issue of motorboat titles and liability insurance. The study may include start-up and administrative costs, potential revenues, phase-in plans, financial institution requirements, etc. The Commission may report to the 1984 Session.

Sec. 5. Motor Vehicle Inspection Program Study. The Legislative Research Commission may study the effectiveness of the motor vehicle inspection program required by Article 3A of Chapter 20 of the General Statutes. The study may consider, among other aspects, the impact on highway safety, cost

effectiveness of the program, and probable impact of eliminating part or all of the program.

Sec. 6. For each of the topics the Legislative Research Commission decides to study, the Commission may report its findings, together with any recommended legislation, to the 1984 Session of the General Assembly or to the 1985 General Assembly, or the Commission may make an interim report to the 1984 Session and a final report to the 1985 General Assembly.

Sec. 7. G.S. 120-30.17 is amended by adding two new subsections to read:

"(7) to obtain information and data from all State officers, agents, agencies and departments, while in discharge of its duty, pursuant to the provisions of G.S. 120-19 as if it were a committee of the General Assembly.

(8) to call witnesses and compel testimony relevant to any matter properly before the Commission or any of its committees. The provisions of G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Commission and its committees as if each were a joint committee of the General Assembly. In addition to the other signatures required for the issuance of a subpoena under this subsection, the subpoena shall also be signed by the members of the Commission or of its committee who vote for the issuance of the subpoena."

Sec. 8. Section 1 of Chapter 1372, Session Laws of 1981, is amended by deleting "as authorized in Section 2 of Resolution 61, Session Laws of 1981".

Sec. 9. Section 1(3) of Chapter 1372, Session Laws of 1981, is amended by deleting "1983 Session", and inserting in lieu thereof "1983 and 1985 Sessions".

Sec. 10. G.S. 124-5 is amended by deleting "June 1, 1983", and inserting in lieu thereof "the date of convening of the 1985 Regular Session of the General Assembly".

Sec. 11. The last sentence of G.S. 124-5 is amended by deleting "11-month period", and inserting in lieu thereof "period ending on convening of the 1985 Regular Session."

Sec. 12. Deaf/Blind School Move--Commission on Children with Special Needs. (a) The Commission on Children with Special Needs, established by Article 12 of Chapter 120 of the General Statutes, may study the issue of transferring the State schools for the Deaf and the Governor Morehead School for the Blind to the jurisdiction of the State Board of Education.

(b) The Commission may make a final report to the Second Session of the 1983 General Assembly. (H.J.R. 246 - Fenner)

Sec. 13. Bills and Resolution References. The listing of the original bill or resolution in this act is for references purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.

Sec. 14. This act is effective upon ratification.
In the General Assembly read three times and ratified,
this the 21st day of July, 1983.

JAMES C. GREEN

James C. Green
President of the Senate

LISTON B. RAMSEY

Liston B. Ramsey
Speaker of the House of Representatives

STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



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STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING

APPENDIX D

RALEIGH 27611



MEMORANDUM

TO: Secretary Sara W. Hodgkins
Department of Cultural Resources

FROM: Senator James D. Speed, Cochairman
Representative Gerald L. Anderson, Cochairman
Legislative Research Commission Study Committee on
User Fees at State Facilities

SUBJECT: Information and Recommendations Requested by the
User Fees Study Committee

Thank you and your staff for the cooperation and assistance you have provided the User Fees Study Committee.

At its May 15 meeting, the Committee concluded reviewing the user fee information provided by you and the other department heads and found it to be very useful. We determined that additional information is necessary to enable us to make a decision on the final recommendations the Committee will include in its report to the Legislative Research Commission.

Attached is a list of possible approaches to reducing the costs of operating the State historic sites (#1 through #4) and of certain information the Committee would like to have (#5 and #6).

- 1) Please develop a feasibility report containing an analysis of the possible approaches in #1 through #4 with regard to each historic site.
- 2) Please supply the Committee with the evaluation requested in #5 and the information requested in #6.
- 3) Please submit the Department's recommendations regarding #1 through #6.

We would appreciate your sending a copy of your report and recommendations to Dennis Bryan, Committee Counsel, by September 14, 1984 (Room 545, Legislative Office Building).

Thank you for your assistance in this matter.

Department of Cultural Resources

1. Establish the maximum hours for public access to the State Historic Sites at forty hours per week.

The operating schedule for each site shall be determined upon information relevant to the site; the days of highest visitation by season, school groups, vacationers, etc. in lieu of straight Monday through Friday schedule.

Example: Tuesday, Wednesday, Thursday, Friday, Saturday
 10:00 A.M. - 5:00 P.M.
 Sunday 1:00 P.M. - 5:00 P.M.
 Monday Closed

2. Encourage the support and participation of local citizens, businesses, and organizations in the operation of the sites in whatever manner feasible, including soliciting volunteers to assist during periods of increased visitation, special events, etc.
3. Establish admission fees where feasible and implement a "Contribution Suggested" plan at others.
 - a. To determine the sites at which an admission fee is to be charged and the amount of the fee(s), give consideration to the annual number of visitors, site location, etc.

Example: (Not all inclusive)

<u>Site</u>	<u>Visitors 1982-83</u>
Fort Fisher	148,973
Spencer Shops	20,242
Brunswick Town	60,648
Historic Halifax	25,265

- b. All other sites, "Contribution Suggested".
4. Amend the fees at Sites now charging a fee if analysis indicates it would be cost effective.
 - a. Tryon Palace
 - b. Historic Bath
 - c. Thomas Wolfe
 - d. Reed Gold Mine (panning charge)
5. Evaluate the impact of requiring that all revenue collected from admission fees be applied to reduce the General Fund Appropriation and not be permitted to increase the budget.
6. List facilities that are undeveloped, need major renovations, or have low visitation and that could be phased out, offered to local government and/or non-profit organizations for continued operations, diverted to other State use or sold.

September 7, 1984

MEMORANDUM

TO: William S. Price, Jr.
 Director
 Division of Archives and History

FR: R.W. Sawyer, Jr., Administrator *RWS*
 Larry Misenheimer, Assistant Administrator *LM*
 Historic Sites Section

RE: Information Requested by the Legislative Research Commission Study
 Committee on User Fees at State Facilities

With reference to the memorandum to Secretary Hodgkins from Senator Speed and Representative Anderson:

1) The feasibility report on possible approaches is attached.

2) Evaluations

5. "...requiring that all revenue collected from admissions fees be applied to reduce the General Fund Appropriation..."

If presently-collected fees were receipted to the General Fund, there would be an 8-1/4% reduction in budgeted amounts for all expenditures other than permanent-employee wages and fringe benefits. This reduction would not be spread across the board; the Elizabeth II site would be most directly affected, with 28.1% reduction in its operating budget. (Also see recommendations in a later section of this report.)

6. "List facilities that are underdeveloped, need major renovation, or have low visitation and that could be phased out..."

The only site which meets these criteria is Fort Dobbs, Iredell County, which is largely undeveloped. This site, however, has considerable historical significance; approximately \$300,000 in capital improvements are needed for development.

3) DEPARTMENT'S RECOMMENDATIONS

1. "Establish the maximum hours for public access to the State Historic sites at forty hours per week."

"The operating schedule for each site shall be determined upon information relevant to the site; the days of highest visitation by season, school groups, vacationers, etc. in lieu of straight Monday through Friday schedule."

A. This section recommends that the maximum number of hours for public access NOT be limited to 40 hours per week as a general policy.

(continued)

This limitation would have an adverse affect on the program's cost-benefit ratio--overhead costs would be reduced by a very small amount (perhaps 2-3%), while reducing the economic and cultural benefits by a much larger factor.

Security, preservation, maintenance, and similar operational necessities are only slightly affected by hours of public operation--e.g. climate control in historic structures. Unattended sites are prime targets for theft and vandalism, so staff members are on-site seven days per week, with security checks provided during the few days per year (Thanksgiving, Christmas, New Year's) when the sites are actually closed.

The cultural and economic payoffs of sites are directly proportional to the to the number of visitors served, and the school groups, in-state families, tourists, and other visitor subgroups have different "peak visitation" patterns (see B below). From the marketing standpoint, irregular or reduced hours most negatively affect tourists, the "richest" group in terms of economic benefit a site's service area and to the state as a whole.

For a number of years, the sites were closed to the public on Monday, and this day was set aside for the staff to perform special maintenance, prepare reports, attend classes, and the like. This policy was changed last year and the sites placed on a 7-day "public operation" week because the majority of the sites had already adopted a local policy of serving Monday visitors, this in response to visitor pressure and adverse public comment.

B. That, insofar as possible, all state historic sites operate on a uniform schedule for public visitation.

Irregular hours at individual state historic sites would adversely affect both the program's internal management and its appeal to visitors.

The Historic Sites Section has a very small central staff with broad range of duties (archaeology, engineering, education, research, restoration, etc.). Thus, most field projects are carried out jointly by central staff members and "crews" of field personnel drawn from several sites. For example, when a historic structure needs repair, a crew of experienced staff members travel in from nearby sites to work under the general supervision of the section's one restoration carpenter. Similarly, training sessions, special site events, staff emergencies, and the sharing of equipment items require the pooling of staff resources. If permanent staff is given irregular work hours, such pooling would be very difficult. Also, the majority of staff members have been hired to work a regular schedule; altering this schedule would alter their terms of employment.

The program has no advertising budget, and the 1978-79 SOVAS study pointed out that a large percentage of site visitors (particularly tourists) are "drop-ins" who base their decision to visit on highway signs and personal recommendations. The program's printing budget allows for the reprinting of site brochures about once every three years, with the majority of this money going to one "multiple" brochure listing all state historic sites. Thus, irregular and/or widely-varying hours of operation would require additional public notice and would reduce the "reliability" of site access to drop-in visitors.

(continued)

Other considerations include the amount of bureaucratic pencil-pushing which would be required to administer an "irregular-hours" program and the fact that we now have public complaints that the sites are not open late enough in the summer.

2. "Encourage the support and participation of local citizens, businesses, and organizations in the operation of the sites..."

The section concurs with this recommendation, noting that volunteers require recruitment, training and management and that site locations and area populations create situations unique to an individual site's volunteer program.

3. "Establish admission fees where feasible and implement a 'Contribution Suggested' plan at others."

The feasibility report contains our recommendations on admissions fees at individual sites.

It has been our experience that 'Contribution Suggested' plans are generally ineffective. While some visitors contribute, the revenues realized are insignificant and undependable. Instead we recommend that, as individual sites are upgraded in both their program content and physical facilities, reasonable admission fees be instituted based on the value and variety of the program and facilities offered the visitor. This is being done at the Elizabeth II site and is planned for Spencer Shops. Reed Gold Mine is another likely possibility.

4. "Amend the fees at Sites now charging a fee..."

This is addressed in the feasibility report.

We note that the panning charge at Reed Gold Mine is mentioned. The panning activity is provided visitors on a self-supporting basis, requiring no outlay of state funds or staff time other than the collection and disbursement of the money. The fees charged are already on par with those charged by private operations, our "profit" is spent providing more attention to children and making certain that every visitor works with good ore.

5. "Evaluate the impact of requiring that...admissions fees be applied to reduce the General Fund Appropriation..."

The dollar impact is discussed in another section of this report. However, even in government, the "profit motive" affects employee attitudes. If increased visitation (and hence increased revenues) offers no possibility of benefiting a site or its program, employees will perform more by directive than incentive. Yet, the nature of this "business" requires dedicated and motivated employees.

6. "List facilities that are underdeveloped..."

The facilities list is addressed above.

(continued)

Although the sites are organizationally under a single administration, they are unique entities to citizens and legislators of their home areas, and are supported as such. Quite frankly, we would expect legislative "retribution" for any existing site closed, and would anticipate that the cost-saving benefits realized from such closings would be more than offset by mandated decreases in an already-strained overall program budget.

We believe that the state's investment in existing sites can be better used by increasing the program/service content of these sites which, after all, serve as regional history centers. The largest block of state money expended for a site is for its acquisition and development, and it is this investment which should produce dividends.

We believe that the acceptance of any future sites should be undertaken cautiously, with due consideration given the likely "returns" not only in historic preservation but also in educational services and economic benefit. The larger and more-varied sites offer more of these benefits.

Finally, we have considered making a formal recommendation that some sites (both existing and proposed) be "affiliates"--that only a portion of their costs and administration be borne by the state and that local organizations and/or governmental units be responsible for the remainder. This idea has not been fully developed, but could be studied further if so desired.

If additional information is needed, please contact Larry Misenheimer.

RWS/LGM/ws
enc: (1)

SURVEY OF NORTH CAROLINA PUBLIC SCHOOLS

SCHOOLS	PERSON PROVIDING INFORMATION	COST OF TRIP PER STUDENT	IF THERE WERE A \$.50 A PERSON CHARGE AT EACH BUILDING YOU VISITED WOULD THIS INFLUENCE YOUR TRIP? IF SO, HOW?
Bunn Elementary Bunn	Charlotte Doyle	\$1.50 per person--brought bag lunch, can drink at school bus.	<u>Yes.</u> Neither the students or the school systems could afford any additional expense.
Mills Road Elem., Jamestown	Elizabeth Graham	\$6.00 per person--plus bag lunch. Grade mother provided drinks and dessert.	<u>Yes.</u> It would make the trip difficult. Students already collect aluminum cans to help defray cost of the trip. An extra \$2.00 might make the trip impossible.
Cramerton JHS Cramerton	Nan Horowitz	\$13.00 per person --plus lunch and dinner.	<u>Yes.</u> They would still come, but would visit fewer spots.
Midway Elem. Lexington	Brenda Jones	\$8.00 per person--plus a bag lunch. Came on a school activity bus.	<u>Possibly.</u> Might not be able to make the trip, or would be forced to visit fewer spots.
Wilmington Christian Sch. Wilmington	Sherri Johnson	\$6.00 per person--plus lunch and snack on the way homes. They used school owned bus.	<u>No.</u> They would still make the trip and visit the same places.
Pungo Christian Belhaven	School secretary	\$7.87 per person--plus food.	Did not know.
Fairview Elem. Sylva	School secretary	\$40 per person--plus food. Additional money raised by sale of yearbooks, special ballgames etc.	<u>No.</u> This group spends two nights, visits Raleigh, Old Salem, the Planetarium and sees a movie. They raise approximately \$60 per student, so \$3 more would not make a difference.
York Elementary Raleigh	Wilsona Burke	No charge.	<u>No.</u> They would still come.
Kings Creek Elem. - Lenoir	Rebecca Pipkins	\$16.50 per person--plus food.	<u>Yes.</u> It would provide the school with a hardship. They might not be able to come.

IF THERE WERE A \$50 A PERSON CHARGE AT EACH BUILDING YOU VISITED WOULD THIS INFLUENCE YOUR TRIP? IF SO, HOW?

COST OF TRIP PER STUDENT

PERSON PROVIDING INFORMATION

SCHOOLS

Shady Grove
Elem., Advance

Mr. Potts

\$10 per person--plus food.

Possibly. Some years they might not be able to come. The economic level of the students would be the determining factor.

Kannapolis M.S.
Kannapolis

Ms. Boswell

\$9.00 per person--plus lunch and dinner (\$15 total).

No. Teacher always help defray the extra cost. She felt they would still be able to do this.

Monroe Avenue
Elem. Hamlet

Mrs. Mackie

\$10 per person--plus a bag lunch. A chartered bus was used.

Yes. She felt the additional cost would be questioned by parents, and that possibly half the children would be unable to participate.

Carolina Beach
Elementary
Carolina Beach

Audrey Albright

\$5.00 per person--The PTA paid \$13 per person.

Yes. The trip is already expensive. She did not know if a \$2.50 charge once they were here could be absorbed.

Kenersville
Elementary
Kenersville

Shirley White

\$8.50 per person--plus a bag lunch.

Yes. Probably would make the trip difficult to make.

(Currituck High School of Barco, Elizabeth City Jr. High School of Elizabeth City, R. L. Vann Elementary of Ahoskie, Lake Forest Jr. High School of Wilmington, Tabernacle Elementary of Maysville, Yadkinville Elementary of Yadkinville, E. J. Hayes Elementary of Williamston, and Montlieu Avenue Elementary of High Point were also contacted. Due to changes in staff, teachers attending workshops, and other circumstances, I was unable to get responses from these schools.)

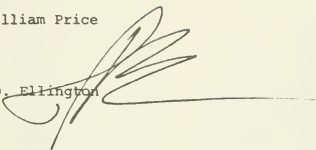
STATE OF NORTH CAROLINA
Department of Cultural Resources
Raleigh 27611

Memorandum

Date: August 31, 1984

TO Dr. William Price

FROM John D. Ellington



SUBJECT: User Fees at the North Carolina Museum of History

A survey of state history museums of a size similar to the North Carolina Museum of History shows that none charge admission fees. The museums surveyed were: The Museum of Florida History, Tallahassee; The Florida State Museum, Gainesville; The Tennessee State Museum, Nashville; The William Penn Memorial Museum (The State Museum of Pennsylvania), Harrisburg; The New York State Museum, Albany; The Mississippi State Historical Museum, Jackson; The Missouri Historical Society, St. Louis; and The New Jersey Historical Society, Newark. In addition, none of the above museums indicated any intention of charging admissions in the future.

I feel very strongly that the institution of charges for the taxpayers of the state to see their museum would create a very adverse public reaction. In effect, we would be charging them twice for the services of the museum. In addition, additional costs for visiting the state facilities in Raleigh (the Capitol, the Museum of Natural History, the North Carolina Museum of Art, and possibly the Mansion and the Legislative Building) would result in severely restricted school group visits, especially for those groups traveling from a greater distance than 150 miles.

Many private museums do charge admission. Normally, however, when a fee is charged, the public expects salaried interpreters to be available, not volunteers. With 16,000 tours given annually (the projected museum tour schedule) by interpreters paid at a minimum wage of \$3.50 per hour, a budget of \$84,000 would be needed as well as additional funds for bookkeeping and administration.

Finally, fees high enough to cover the expenses created by the fees plus assist minimally with the operational expenses of the museum would restrict visitation. This restriction would fall especially hard on the very groups and individuals who most critically need an interesting presentation of the state's history: school groups, the urban disadvantaged, and minorities.

I do feel that user fees could be charged to outside agencies utilizing the facilities of the Archives and History/State Library Building. Fees could also be charged for selected special programs.

JDE/drm

Attachment

Site Name	Visitor Patterns	Volunteer Support	Fees/Contributions	Fee Amendments	Visitation	FY E-84
BLANCKE BATTLEGROUND	Heavier towards end of week and on weekends but also has tourist visits 'from I-85) all week.	Volunteers used for special weekend activities--about 5 held per year.	Do not recommend charging No fee charged.			14,216
AYCOCK BIRTHPLACE	Visitation heaviest towards end of week and weekends. Site has school-group visitation usually scheduled for the beginning of the week. Bath tends to have with visitation especially heavy in the summer months during the late summer when an outdoor drama is presented in the town. A new visitor center recently opened (April, 1984) at Bennett Place; visitation patterns thus are in transition--we controlled "daily" survey of the site since 1977.	Volunteers used for extensively on site projects. Bath tends of Historic Bath) and assist in all special events.	No fee charged.			28,259
PISTORIC BATH		Volunteers work with the If charges were imposed for the historic house, many visitors would be unwilling to and instead use only the Visitor Center; it is not practical to charge an admission fee to the Center itself.	The imposition of additional fees would require additional development, since fees are charged on a "per house" basis.			34,562
FENNETT PLACE		Volunteers work with the If charges were imposed for the historic house, many visitors would be unwilling to and instead use only the Visitor Center; it is not practical to charge an admission fee to the Center itself.	No fees currently charged.			19,606
BENTONVILLE BATTLEGROUND	Bentonville has several large-scale "living history" events during the year; volunteers which draw from 2-10,000 people.	Bentonville has several large-scale "living history" events during the year; volunteers which draw from 2-10,000 people.	No fees charged.			35,471
BRUNSWICK TOWN	Several groups, including the North Carolina Garden Club and the Brunswick County Historical Group, are used for special public events. Volunteers assist with special site events; several Kinston-area groups provide program support.	Several groups, including the North Carolina Garden Club and the Brunswick County Historical Group, are used for special public events. Volunteers assist with special site events; several Kinston-area groups provide program support.	No fee currently charged.			54,221
CASWELL/NEUSE	The site tends to draw its visitors from within a 70 mile radius, plus visitors traveling on US 70. No strong weekly visitor pattern has been noted.	There are actually two "sites" here--the Richard Caswell Memorial and the Memorial. The imposition of a fee would require additional staff time to provide a guided tour, as well as	No fee charged.			17,168

Site Name.....	Visitation Patterns.....	Volunteer Support.....	Fees/Contributions.....	Fee Amendments.....	Visitation, FY 83-84
DUKE HOMESTEAD	Located in the Triangle and very near I-85, the site draws a wide variety of visitors during its entire year. Seasonal variations are normal, except for Jan. and Feb.	Tobacco History Corporation, representing both the community and the site, has provided some \$500,000 in cash and artifact-donation support; area volunteers serve at the 8-10 special events each year.	Local civic groups sponsor special site events.	Additional construction. Unless the fee were established for admission to the site, it would be unprofitable. In create much revenue--many visitors would decide not to visit the grounds.	No fee charged. 22,062
FORT DOBBS	The site hours of remains largely undeveloped and is used primarily by school children and area residents. During the winter months, site operation are reduced.	Ft. Fisher has extremely heavy visitation during the "beach season" and normal/heavy visitation is expected. Visitation is heaviest on the weekends.	Several civic groups including the Halifax Restoration Association and the Halifax Garden Club, provide planning and development support and assist with special site events of which "Halifax Day" is the most notable.	The site simply does not have enough "attraction" to warrant fee charges.	No fee charged. 2,509
FORT FISHER	Ft. Fisher has extremely heavy visitation during the "beach season" and normal/heavy visitation is expected. Visitation is heaviest on the weekends.	The Friends of Fort Fisher have provided some \$100,000 in cash and artifact-donation support; area volunteers serve at the 8-10 special events each year.	The grounds, which constitute the major attraction at the site, are well developed and accessible from US 421; it would be difficult to collect fees under present circumstances.	No fee charged.	131,019
HISTORIC HALIFAX	Halifax has fairly steady visitation year round; visitation is slightly heavier on weekends and during the spring and fall.	Several groups, including the Halifax Restoration Association and the Halifax Garden Club, provide planning and development support and assist with special site events of which "Halifax Day" is the most notable.	Several groups, including the Halifax Restoration Association and the Halifax Garden Club, provide planning and development support and assist with special site events.	Present circumstances. Fees could be charged for No fee charged. However, it is unlikely this would be cost effective.	25,396
HOUSE IN THE HORSESHOE	The site has medium visitation, peaking in the spring and fall and slightly heavier on weekends. Visitation is mainly by school groups and area residents.	The site includes only one historical structure; charging a fee would probably result in considerably less visitation to the house.	The site includes only one historical structure; charging a fee would probably result in considerably less visitation to the house.	No fee charged.	66,973
IREDELL HOUSE	The Iredeell House is included in a tour of Historic Edenton, which draws medium visitation during the entire week; more than 300 miles away.	The Edenton Historical Commission and Historic Sites work in partnership; the Commission charge members or volunteer workers.	The Edenton Historical Commission and Historic Sites work in partnership; the Commission charge members or volunteer workers.	A \$1.00 fee at the Iredeell House is upper pricing point unless additional program elements are added.	21,364
POLK MEMORIAL	This site especially serves school groups from Charlotte/Mecklenburg and surrounding counties, with heavier-than-normal tourism during the summer	The Town of Pinewville area civic clubs provide be cost-effective, lowering visitation considerably.	The Town of Pinewville area civic clubs provide assistance for Polk's programs and special events.	Fees probably would not be cost-effective, lowering visitation considerably.	26,590

Site Name..... Visitation Patterns..... Volunteer Support..... Fee/Contributions..... Fee Amendments..... Visitation, FY 83-84

months. Weekly visitation is fairly evenly spread. The site is very popular and has high visitation during its entire 7-day week. Visitation drops during Dec.-Feb.	Gold History Corporation and other area groups provide program support and support for special events with special site events.	It is probable that \$1.00 No fee now charged. for adults and \$.50 for children. Fees charged will be raised to affect visitation. The Fanning operation is a separate, self-supporting operation.	76,644
SOMERSET PLACE The site is 16 miles from a major highway, school groups and family tourists are itinerant. Expect for the winter months. Visitation is spread fairly evenly across the 7-day week. The site has been opened only a few months; visitation has been huge; many school groups are expected for the entire fall. We have insufficient data on yearly and weekly visitation patterns. Town Creek is popular year-round and has strong weekend and weekend visitation.	The site suffers from its remote, rural location; civic clubs in the area are unable to assist with special events.	This probably would not be cost effective; the present and needs additional development.	10,325
ELIZABETH II The site, located in a high-tourism area, draws visitors during the entire 7-day week; visitation decreases during the winter months, when the staff performs major maintenance and repair work. Visitation is similar to that for Vance Birthplace; the clientele tends to come from greater distances.	The Friends of Elizabeth II provide program and operational support.	Admission fees of \$2.00 for adults and \$1.00 for children may be raised; these may be raised to cover the cost of needed additional labor.	0
TOON CREEK INDIAN MOUND The site, located in a high-tourism area, draws visitors during the entire 7-day week; visitation decreases during the winter months, when the staff performs major maintenance and repair work. Visitation is similar to that for Vance Birthplace; the clientele tends to come from greater distances.	Civic clubs and citizens from Ft. Glenn support the site through work at special site events.	Given the site layout, it No fees charged.	32,916
VANCE BIRTHPLACE The site, located in a high-tourism area, draws visitors during the entire 7-day week; visitation decreases during the winter months, when the staff performs major maintenance and repair work. Visitation is similar to that for Vance Birthplace; the clientele tends to come from greater distances.	Numerous groups assist in "Pioneer Living Days" and other special site events.	It probably would not be cost-effective to charge admission fees at this site.	26,119
WOLFE MEMORIAL This site has had a long history of low visitation. Only a few visits a year; visitation patterns have not yet "firmed"; visitation is heaviest on weekends and during	An organized volunteer group assists with many aspects of the operation of the site.	A fee is now charged at new visitor center is opened, it is probable that the admission fee at Wolfe Memorial can be raised.	16,496
SPENCER SHOPS This site has had a long history of low visitation. Only a few visits a year; visitation patterns have not yet "firmed"; visitation is heaviest on weekends and during	Transportation History Corporation provides program support and many artifacts; other area groups assist on heavy weekends and during	No fees now charged.	40,954

Site Name..... Visitation Patterns..... Volunteer Support..... Fees/Contributions..... Fee Amendments..... Visitation, FY 83-84

weekends, when volunteers assist,
special events,
self-supporting.

activities
self-supporting.

2* record(s) listed.

664,872

Questions for the Parks and Recreation Division

The following questions are an attempt to understand the fee-setting decision-making process, and the methods used in setting fees:

- (1) How does the Division of Parks and Recreation determine when and for what purposes to charge a user fee at the State parks and reservoirs?
- (2) When the division decides to charge a user fee, how does it determine which park or reservoir will offer these services or facilities?
- (3) How does the division determine when not to charge user fees for park services or use of park facilities? For example, what criteria would a park facility or service have to comply with an order to be ineligible for a user fee?
- (4) After user fees are initially established, how are changes in the user fee structure determined? For example, is there a periodic review of all user fees charged by the Parks and Recreation Division, or are user fee changes initiated when additional revenues are needed due to budget constraints.
- (5) Does the revenue from each user fee cover the cost of providing the park services or maintaining the park facilities covered by fees? If not, please indicate the proportion of operating costs covered by user fees.
- (6) Is revenue from user fees used to increase the level of service offered by the Parks and Recreation Division, or are fees used only to maintain the existing level of service?
- (7) If State budget cutbacks caused reductions in the Parks and Recreation Division's State appropriation, and increasing existing fees or charging additional fees was not a viable option, what methods would the division use to reduce operating costs while still trying to maintain the same level of service to the public? For example, if the division chose to reduce the operating hours of its parks and reservoirs by 10% or even 25%, how would the division determine what days and/or hours each park and reservoir would be open under these conditions?

RESPONSE TO QUESTIONS BY USER FEE STUDY COMMISSION

DIVISION OF PARKS AND RECREATION

1. The State park and recreation system operates on the philosophy that the facilities belong to the public since public funds are used to develop and operate the parks. Therefore, no entrance fees are charged for the general use of the park lands. When a fee is charged for an activity, every effort is made to keep the cost down to ensure that the parks are available and affordable for all citizens.

A user fee is charged in State parks and recreation areas for camping, swimming, cabins, or boating. There is a charge for these activities since additional staff and funds are required to provide and maintain the activity. On the other hand, picnicking, hiking, fishing, nature study, interpretive programs and special events are free for park visitors. These activities require little supervision and the maintenance cost associated with them are low. Also, fee collection would be difficult for these activities.

The purpose of the user fee is first, to collect revenues from the park activity or facility user to help decrease the total amount of the appropriation needed to operate and manage the park system. The second purpose of the user fee is to use it as a management tool enabling the staff to better control, protect, and maintain park visitors, facilities, and resources.

These general guidelines are followed in our State parks. Because of the design of some of the facilities at the reservoirs, a single fee is charged for the use of the multiple facilities in the same area.

2. As discussed above, the type of activity is the primary consideration in determining if a user fee is charged. The determination of activities is based on a master plan, or in the absence of a master plan, an administrative decision. Master plans consider the natural features of the park, the demand for various facilities, and other resources in the area.
3. If a new park area does not have an activity or facility up to the standards set for other park areas, a user fee may not be charged. For example, swimming may be offered, without charge, if a change facility or bathhouse is not available for visitors use. If adequate staff is not available or if the cost of collection exceeds the user fee revenues, the user fee may be delayed until adequate staff and facilities are available. There are no specific criteria to exempt an area from user fees.

4. User fees are reviewed annually to determine if the charge is reasonable when compared with other State or local parks. The staff level, quality of service and overall types of facilities offered must be reviewed to determine if facilities are comparable. The cost of providing services in private parks is reviewed when possible. However, it is not a factor in setting fees since in most cases there is little comparability between private and public parks.

In reviewing user charges, consideration is also given to the level of "estimated receipts" for the current year. The budget projections may require increases in revenue producing activities or services. The ability to raise significant revenue through the charging of user fees has been limited and is insufficient to make up for budget reductions. (This will be discussed in more detail in later questions.)

The division director recommends any changes in fees to the Secretary of the Department for his approval. User fee increases are also reviewed by the Park and Recreation Council.

5. User fees do not cover the total cost of providing an activity or operating the park facilities. Currently (1983-84), the revenues produced from user fees and non-user fees such as refreshment stands account for nearly 20 percent of the operating costs. If personnel costs were excluded, this accounting would rise to 60 percent of the operating costs. A large part of the operating budget goes into the protection, preservation, and maintenance of the natural resource and providing the non-user fee services and facilities for park visitors. (Examples: toilet buildings, picnic facilities, parking areas, park office, maintenance, and service area, etc.)

It is difficult to establish the exact cost of any single activity and to assess what percentage of the cost may be recouped through user fees. Each park offers multiple services and fee activities are not isolated enough to be separated from the total park operation. All revenues collected go into the general funds receipts and are used for operating and maintaining the total park.

6. Since the user fees become part of the operating budget, the fees are used only to maintain the existing level of service. However, if our revenues exceed the estimated amount needed for appropriations, the surplus may be used in the current fiscal year to meet other operational needs which might then increase the level of services offered. Fees collected at the reservoirs must be used at those reservoirs.
7. The management responsibilities associated with protecting the park lands and the limited resources available for this purpose would make it exceedingly difficult to reduce costs and maintain the same level of services to park visitors.

Reducing the hours of operation would not result in a proportionate reduction in the total costs. For example, a park ranger would still be needed to patrol, protect, and maintain the grounds and facilities. Also, reducing operating hours or days may decrease revenues because of a decline in visitors using the facilities and paying user fees. For example, if a park is closed at 7:00 p.m. rather than 9:00 p.m., it would not effect a reduction in operating costs, but it would certainly reduce the number of campers and user fees.

Rather than curtail the hours of operation, if a significant cutback in funds was experienced, it might be necessary to close certain parks. Of course, this action would be taken only if it was determined that there would be inadequate funds to protect the visitors and natural resources.

Questions for the N. C. Zoological Park

The following questions are an attempt to understand the fee-setting decision-making process and the methods used on setting fees:

- (1) How does the N. C. Zoological Park determine when and for what purposes to charge user fees for the zoo's facilities or services provided by zoo personnel?
- (2) How does the N. C. Zoological Park determine when not to charge a fee for a zoo facility or a service provided by zoo personnel? For example, what criteria would a zoo facility have to comply with in order to be ineligible for a fee?
- (3) After user fees are initially established, how are changes in the user fee structure determined? For example, is there a periodic review of all user fees charged by the zoo or are user fee changes considered when additional revenues are needed due to budget constraints?
- (4) Does revenue from each user fee cover the cost of providing zoo services or maintaining zoo facilities? If not, please indicate the proportion of operating costs covered by user fees.
- (5) Is revenue from user fees used to increase the level of service offered by the zoo, or are fees used only to maintain the existing level of service?
- (6) If state budget cutbacks caused reductions in the zoo's state appropriation, and increasing existing fees or charging additional fees was not a viable option, what methods would the zoo use to reduce operating costs, while still trying to maintain the same level of service to the public? For example, if the zoo staff chose to reduce the operating hours of the zoo by 10% or even 25%, how would the zoo staff determine what days and/or hours the zoo would be open under these conditions?

North Carolina Zoological Park

Answers to Questions on User Fees

(1) Zoological Parks are unique among our nation's cultural institutions in that they have generally accepted the need to offset operating expenses with modest user fees. Determination of when and for what purposes fees will be charged are based on study by the zoo staff and recommendations made to the Secretary through the Zoological Park Advisory Council. The present concept of charging user fees is to charge a one-time admission fee that permits access to all of the animal and plant collections. Those facilities and services available to the public but outside of such areas are not charged a fee. Examples of such exemptions are public parking, picnicking, and the amphitheater. The current zoo user fee is set at a level low enough to ensure that the zoo remains financially accessible to North Carolina low income families and competitive with other general family entertainment (generally considered going to the movies). Annual review of zoo admission fees nationwide is conducted. The present goal of user fees combined with concession sales is to generate between 40% and 50% of annual operating costs. The exception to this "one-charge" policy is for services not always available to all visitors. At present, that is the tram system. The system is not adequate to carry all visitors on demand, therefore, a separate charge is made for those who prefer not to walk. The tram system has a present capacity less than 40% of annual visitors.

(2) The Zoological Park charges one user fee for access to all public exhibits and services. It is the policy of the Park and the Advisory Council to always avoid "added charges" once visitors gain admission to the Park. Addition of facilities or services to the public accessible to all would result in changes to general admission fees. Facilities and services which are exempted from fees generally are restricted to those facilities and services considered necessary in order for the visitor to use the exhibit facilities, i.e., parking, some restrooms, picnicking and entry areas.

(3) User fees are reviewed at least annually by the staff and compared with national averages for zoos as well as other family recreational activities used by the general public in North Carolina. Additions to, or changes in, facilities and services for the public initiates a review of the admission fee by the Park Advisory Council based on that change in service. User fees are reviewed based on changing budget needs but only in the context that they remain affordable to the general public at all income strata and do not jeopardize the Park's role as a public institution.

In addition to protecting the zoo's position as a public institution accessible to all, analysis of proposed changes in user fees must weigh the effect of price increases on potential attendance. The user fee must always remain competitive with other recreational outlets for the public's disposable dollars. Raising anticipated gain in revenue and have the additional negative impact of fragmenting the potential visitor public by economic strata. It is the goal of the zoo

page 2

to meet its revenue needs by serving a larger volume of the public rather than demanding that each patron pay a higher share of the operating cost. Where this balance is reached at any time is difficult to ascertain, but we try to monitor our position through comments from the public, visitor surveys, and analysis of the public's recreational spending. There is also the risk that raising user fees, depending on the increase, may not significantly reduce attendance but will reduce the per capita concession spending as the visitor reaches his limits of disposable income and thereby offset any anticipated gains in revenue.

(4) Revenues from user fees do not cover the cost of operating the Park. User fees are combined with concession charges to reach a goal of contributing 40% to 50% of the annual operating budget. This strategy allows the Park to keep user fees within the reach of all citizens and to generate the balance of our needs with optional spending at the choice of the visitor. Of the approximately 50% of operating budget generated from revenues, admission user fees account for 52%, tram user fee 10% and concession sales 38%. Thus user fees are accounting for approximately 31% of the operating budget in any fiscal year, while concession sales are paying for 19% of the operating budget.

(5) User fees and concession revenues are used to offset across-the-board operating expenses and maintain existing levels of service. Expansion budget requests for increased services generally include an offsetting increase in expected revenues to maintain our goal of 40% to 50%.

(6) Offsetting state budget cutbacks which were considered temporary in nature, i.e., one biennium or less, would be in part accomplished by deferring purchases and delaying repairs. Offsetting cutbacks intended to be permanent, without reducing services, would require changes in operating hours. The staff would determine the hours and days in which to curtail operations by analysis of compiled statistical data for each day/month of operation. The Park has collected precise statistical information for each day of the year for a five-year period and would have the minimum impact on revenues and services. This statistical data is recorded daily throughout each year.

It is important to note that reducing daily operating hours or closing on certain days does not provide a payback in budget savings equal to the number of hours reduced. Because of the nature of the institution, i.e., collection of living animals and plants, major facilities with sophisticated operating equipment requiring constant monitoring, and security requirements it is not possible to effect large salary, utility, or food cost savings whether the zoo is open to the public or not. Most of these functions have to remain seven-day a week operations regardless of the public hours. Reducing hours seasonally also jeopardizes availability of skilled employees required during peak seasons. Reliable trained employees will not be available for key positions if they can not maintain the security and benefits of full-time, long-term employment. In the final analysis there is probably no visible way in which to effect significant budget cuts which do not include reducing service to the public and thereby reducing expected revenues from the public.

Questions for the Department of Agriculture

The following questions are an attempt to understand the fee-setting decision-making process and the method used for setting fees. All of the questions, unless specifically stated, apply to the State Fairgrounds, the Farmer's Markets, the Horse and Livestock Facilities and Museums operated by the Department of Agriculture.

- (1) How does the Department of Agriculture determine when and for what purposes to charge user fees at the State Fairgrounds, the Farmers Markets in Charlotte, Raleigh, and Asheville, and the Horse and Livestock Facilities in Raleigh and Asheville?
- (2) In the case of the North Carolina Maritime Museum, how has the Department of Agriculture determined that fees will not be charged at these facilities? Recommend an admission fee structure for the museum, and project how much revenue could be generated from these fees.
- (3) After user fees are initially established, how are changes in the fee structure determined at all of the Department of Agriculture's facilities? For example, is there a periodic review of all fees charged by the Department of Agriculture, or are fee changes initiated when additional revenues are needed due to budget constraints?
- (4) Does the revenue from fees cover the cost of providing the services or maintaining the facilities covered by fees? If not, please indicate the proportion of operating costs covered by the fees?
- (5) Is revenue from user fees used to increase the level of service offered by the Department of Agriculture or are fees used only to maintain the existing level of service?
- (6) If State budget cutbacks caused reductions in the Department of Agriculture State appropriations for the State Fairgrounds, the Farmer's Markets, the Horse and Livestock Facilities, and the Museums, and increasing existing fee or charging additional fees was not a viable option, what methods would the division use to reduce operating costs while still trying to provide the same level of service to the public? For example, if the Department of Agriculture chose to reduce the operating hours of all the facilities listed above by 10% or even 25%, how would the department determine what days and/or hours each facility would be open under these conditions?

The following questions apply only to the Annual State Fair held at the State Fairgrounds:

- (7) Has the Department of Agriculture considered charging State Fair visitors parking fees when they park on state property? If not, please explain why. Recommend a parking fee structure for the annual State Fair, and project how much revenue could be generated from the parking fees. Also determine how much it would cost to collect these fees and compare that cost to the current cost of providing public parking during the State Fair.
- (8) During the annual State Fair, there is nightly headliner entertainment in Dorton Arena which is free to all who have paid the State Fair Admission fee. Why does the Department of Agriculture not charge an additional admission fee for these special shows? Recommend an admission fee for these shows at the State Fair, and project how much revenue could be generated from charging this fee. Also, include how much it has cost to provide this free entertainment for the past three annual State Fairs.
- (9) The "Village of Yesteryear" operates during the State Fair each year by providing craftsmen free space for selling and showing their crafts and paying them a part of their expenses. Since all other exhibitors and concessionaires must pay rent on the spaces they occupy during the annual State Fair, how has the Department of Agriculture determined not to charge fees at the "Village of Yesteryear"? If these craftsmen were charged the same rental fee as the other exhibitors at the fair and their expenses were not paid by the State Fair, how much revenue could be generated by this building during the annual State Fair? Also, include the total amount the State Fair has spent paying the expenses for the craftsmen at the "Village of Yesteryear" for the past three years.

User Fee Study Committee Questions

September 14, 1984

North Carolina Department of Agriculture

1) QUESTION: HOW DOES THE DEPARTMENT OF AGRICULTURE DETERMINE WHEN AND FOR WHAT PURPOSES TO CHARGE USER FEES AT THE STATE FAIRGROUNDS, THE FARMERS MARKETS IN CHARLOTTE, RALEIGH, AND ASHEVILLE, AND THE HORSE AND LIVESTOCK FACILITIES IN RALEIGH AND ASHEVILLE?

Answer:

Farmers Markets

Fees for the farmers markets are reviewed at least once annually. This review is performed by the managers and division director after consulting with citizens in the various industries as to what is a fair and reasonable charge. Fees are also compared to those charged at other public facilities that are similar in nature to the ones operated by this Department. Wholesale facilities at the markets are operated under three year leases. On these we also receive input as to fair market rental value from the State Property Office before these leases are presented to the Council of State for approval.

Horse and Livestock Facilities

At the two horse and livestock facilities, fees are charged according to rates established by the N.C. Board of Agriculture. These rates are adopted by the Board in a public hearing, and are based on recommendations from the general public, revenue needs to meet operating expenses, and rates charged by similar facilities in other states. The rate schedule is attached (Attachment #1). After the event, the user is given a single bill (Attachment #2) based on buildings, stalls, and services used according to the rate schedule.

It should also be noted that revenues from the Horse and Livestock Facilities are obligated to repay a bond of \$1.6 million to complete construction of these facilities. Thus, the fees for the Horse and Livestock Facilities must be high enough to pay the principal and interest on the bonds in addition to the normal operating costs of the facilities.

NC State Fair

User fees such as rental charges for the buildings, gate admissions for people attending the Fair, Concessionaires and Exhibitors space charges, entry fees for Livestock Exhibitors, privilege license fees for vendors are all used to generate revenue to pay the costs of administrative services, personnel, and operating costs. Users fees are annually reviewed by State Fair Management and recommendations are made to the North Carolina Board of Agriculture for their approval. In case of building rental rates, recommendations are also made by the State Property Office, N.C. Department of Administration, to the Fair Manager who then makes his recommendations to the Board of Agriculture for their approval.

2) QUESTION: IN THE CASE OF THE NORTH CAROLINA MARITIME MUSEUM, HOW HAS THE DEPARTMENT OF AGRICULTURE DETERMINED THAT FEES WILL NOT BE CHARGED AT THESE FACILITIES? RECOMMEND AN ADMISSION FEE STRUCTURE FOR THE MUSEUM, AND PROJECT HOW MUCH REVENUE COULD BE GENERATED FROM THESE FEES.

Answer :

The North Carolina Maritime Museum is a satellite of the North Carolina State Museum of Natural History. For administrative purposes it is considered a section of the Museum Division of the N.C. Department of Agriculture. Since the Museum of Natural History, along with the Museum of Art and Museum of History have never charged admission fees, we have not felt that it would be appropriate to charge a fee for the Maritime Museum. It should also be noted that two other state facilities in Carteret County, Fort Macon State Park and the Marine Resources Center do not charge admission fees. A factor to consider in establishing admission fees to these facilities is the fact that the cost of the additional staff and increased burden on our budget office, also requiring more staff, would probably equal or exceed the income from such fees. A fee structure and revenue projections are attached as Attachment #3 .

3) QUESTION: AFTER USER FEES ARE INITIALLY ESTABLISHED, HOW ARE CHANGES IN THE FEE STRUCTURE DETERMINED AT ALL OF THE DEPARTMENT OF AGRICULTURE'S FACILITIES? FOR EXAMPLE, IS THERE A PERIODIC REVIEW OF ALL FEES CHARGED BY THE DEPARTMENT OF AGRICULTURE, OR ARE FEE CHANGES INITIATED WHEN ADDITIONAL REVENUES ARE NEEDED DUE TO BUDGET CONSTRAINTS?

Answer :

Fees for all facilities are reviewed at least annually, usually in conjunction with the budget process.

Factors considered in reviewing fees include operating costs and fees charged by similar facilities.

4) QUESTION: DOES THE REVENUE FROM FEES COVER THE COST OF PROVIDING THE SERVICES OR MAINTAINING THE FACILITIES COVERED BY FEES? IF NOT, PLEASE INDICATE THE PROPORTION OF OPERATING COSTS COVERED BY THE FEES?

Answer :

Farmers Markets and WNC Horse and Livestock Facility-

Percentage of operating costs covered by fees for 1983--84: WNC Farmers Market - 81%, State Farmers Market - Raleigh 100%, Charlotte Regional Market 7% (only operated 2 months), WNC Agricultural Center 50.5% (includes WNC Horse and Livestock Facility).

NC State Fair and State Fair Horse and Livestock Facility

Revenue received from fees covers the cost of providing the services, paying the utilities and providing general maintenance when needed. All operating funds for the State Fair, including the State Fair Horse Complex, are derived from receipts.

5) QUESTION: IS REVENUE FROM USER FEES USED TO INCREASE THE LEVEL OF SERVICE OFFERED BY THE DEPARTMENT OF AGRICULTURE OR ARE FEES USED ONLY TO MAINTAIN THE EXISTING LEVEL OF SERVICE?

Answer:

Since fees are designed primarily to recover the costs of operating the facility, our answer to this question would be that fees are used to maintain the existing level of service, rather than increasing the level of service.

6) QUESTION: IF STATE BUDGET CUTBACKS CAUSED REDUCTIONS IN THE DEPARTMENT OF AGRICULTURE STATE APPROPRIATIONS FOR THE STATE FAIRGROUNDS, THE FARMER'S MARKETS, THE HORSE AND LIVESTOCK FACILITIES, AND THE MUSEUMS, AND INCREASING EXISTING FEES OR CHARGING ADDITIONAL FEES WAS NOT A VIABLE OPTION, WHAT METHODS WOULD THE DIVISION USE TO REDUCE OPERATING COSTS WHILE STILL TRYING TO PROVIDE THE SAME LEVEL OF SERVICE TO THE PUBLIC? FOR EXAMPLE, IF THE DEPARTMENT OF AGRICULTURE CHOSE TO REDUCE THE OPERATING HOURS OF ALL THE FACILITIES LISTED ABOVE BY 10% OR EVEN 25%, HOW WOULD THE DEPARTMENT DETERMINE WHAT DAYS AND/OR HOURS EACH FACILITY WOULD BE OPEN UNDER THESE CONDITIONS?

Answer:

Farmers Markets

Since we attempt to operate these facilities as efficiently as possible it is very unlikely that we would be able to reduce operating costs and still maintain the same level of service to the public. In the case of the Farmers Markets, the length of operating hours each day would have to be reduced or simply close down on certain days. This would create a real problem for those wholesale facilities that operate full time businesses at the markets.

Horse and Livestock Facilities

The nature of operation of the Horse and Livestock Facilities dictate that the hours of operation follow the needs of each individual event. Once the event moves onto the grounds, the gates cannot be closed until the event is over, which may be a week later, when move in and out time is considered. Sometimes it is even necessary to have all night crews cleaning stalls and buildings when there is a short turnover time between events. While a grounds crew is required for all these events, it does vary in size according to the needs of each event in order to trim expense.

Rates charged at our facilities are presently among the highest in the country. Since these facilities are in competition with other such facilities (Oklahoma City, Louisville, Syracuse, Atlanta, Albuquerque) and because events must show a profit in order to return, our rates are set at about the highest level to remain competitive. The largest events pay as high as \$25,000 per 3-5 day event.

Museum of Natural History

The State Museum, which includes the museum of Natural History and the Maritime Museum, currently operates on an austere budget which is less than half the individual operating budgets for the History Museum and the Art Museum. In spite of this fact the State Museum provides services annually to more than twice as many visitors as the other two museums combined, has an extensive hands-on education program which includes summer classes, week-end programs, teacher training programs, and programs for the general public. The State Museum also offers a wide variety of field trips and extension programs across the state.

Both the Museum of Natural History and the Maritime Museum are open seven days a week and are closed only on official State holidays. In addition, since neither is closed routinely to the public on Mondays as are the Art and History Museums, between the two museums, we provide over 100 more days of service to the people of the State than our sister museums. Both Agriculture museums are also open virtually every evening for meetings of clubs such as Fossil Clubs, Gem and Mineral Clubs, Aquarium societies, and other natural history organizations.

Although our "official" hours are 9-5 Monday thru Saturday and 1-5 on Sunday, the museum doors are always open and the staff available to the public at 9 o'clock.

If we had to reduce our operating hours, the first step would be to open at 9 o'clock instead of 8 o'clock and to close on Mondays to the public. We would also close the facilities at five o'clock each day and no longer serve as a meeting place for natural history organizations. We would also eliminate our week-end programs for the public, including our field trips and extension programs, which are offered on weekends so the public can participate.

If these reductions in operating hours were not sufficient, we would have to close another day, in addition to closing on Monday.

While all of these actions would reduce operating costs, they would obviously not allow us to maintain the same level of service to the public.

THE FOLLOWING QUESTIONS APPLY ONLY TO THE ANNUAL STATE FAIR HELD AT THE STATE FAIRGROUNDS:

(7) HAS THE DEPARTMENT OF AGRICULTURE CONSIDERED CHARGING STATE FAIR VISITORS PARKING FEES WHEN THEY PARK ON STATE PROPERTY? IF NOT, PLEASE EXPLAIN WHY. RECOMMEND A PARKING FEE STRUCTURE FOR THE ANNUAL STATE FAIR, AND PROJECT HOW MUCH REVENUE COULD BE GENERATED FROM THE PARKING FEES. ALSO DETERMINE HOW MUCH IT WOULD COST TO COLLECT THESE FEES AND COMPARE THAT COST TO THE CURRENT COST OF PROVIDING PUBLIC PARKING DURING THE STATE FAIR.

Answer:

F-7

Yes. The N.C. State Fair did charge for parking prior to the early sixties. It was an auditor's nightmare due to the parking facilities. The State Fair can only accommodate approximately 200 cars for the general public on State Fair property. The majority of parking area is located on N.C. State University property (Carter-Finley Stadium and the N.C. Veterinary School.) It was recommended by State Fair Management that an increase in the general admission fee was a more workable solution. Public parking is all outside the fenced area of the grounds.

A parking fee of \$2.00 per vehicle would generate approximately \$1,200.00 per day (Approximately 200 cars that would turn over 3 times per day.) on State Fair property only. This would generate approximately \$10,800.00. The costs of providing parking services for the Fair has been:

1983 - \$36,572.02
1982 - \$32,143.87
1981 - \$35,135.61

Weather or rain days affects the number of employees required. This covers the cost of providing parking services at both the Stadium parking lot and the Vet School. It is estimated that it would cost approximately forty percent (40%) of parking fees collected to administer this service. On Saturdays when football games are held, it would be nearly an impossible situation to try to separate football traffic and State Fair traffic in order to collect parking fees.

(8) DURING THE ANNUAL STATE FAIR, THERE IS NIGHTLY HEADLINER ENTERTAINMENT IN DORTON ARENA WHICH IS FREE TO ALL WHO HAVE PAID THE STATE FAIR ADMISSION FEE. WHY DOES THE DEPARTMENT OF AGRICULTURE NOT CHARGE AN ADDITIONAL ADMISSION FEE FOR THESE SPECIAL SHOWS? RECOMMEND AN ADMISSION FEE FOR THESE SHOWS AT THE STATE FAIR, AND PROJECT HOW MUCH REVENUE COULD BE GENERATED FROM CHARGING THIS FEE. ALSO, INCLUDE HOW MUCH IT HAS COST TO PROVIDE THIS FREE ENTERTAINMENT FOR THE PAST THREE ANNUAL STATE FAIRS.

Answer:

See attachment #4

(9) THE "VILLAGE OF YESTERYEAR" OPERATES DURING THE STATE FAIR EACH YEAR BY PROVIDING CRAFTSMEN FREE SPACE FOR SELLING AND SHOWING THEIR CRAFTS AND PAYING THEM A PART OF THEIR EXPENSES. SINCE ALL OTHER EXHIBITORS AND CONCESSIONAIRES MUST PAY RENT ON THE SPACES THEY OCCUPY DURING THE ANNUAL STATE FAIR, HOW HAS THE DEPARTMENT OF AGRICULTURE DETERMINED NOT TO CHARGE FEES AT THE "VILLAGE OF YESTERYEAR"? IF THESE CRAFTSMEN WERE CHARGED THE SAME RENTAL FEE AS THE OTHER EXHIBITORS AT THE FAIR AND THEIR EXPENSES WERE NOT PAID BY THE STATE FAIR, HOW MUCH REVENUE COULD BE GENERATED BY THIS BUILDING DURING THE STATE FAIR? ALSO, INCLUDE THE TOTAL AMOUNT THE STATE FAIR HAS SPENT PAYING THE EXPENSE FOR THE CRAFTSMEN AT THE "VILLAGE OF YESTERYEAR" FOR THE PAST THREE YEARS.

The Village of Yesteryear is an educational division of the State Fair. This division was established in 1951 with the objective of renewing interest in our age old arts and heritage crafts. This division differs from the Commercial exhibits that are operated solely for profit making with sales their only objective. This department features craftsmen at work in the many varied crafts from wood carving to weaving, and basketry to candle wicking. These craftsmen, which are selected by a qualified standards committee, demonstrate their art by actually making their crafts using traditional hand operated tools. Commercial or mechanically reproduced crafts are not allowed.

The purpose of the Village of Yesteryear and its objectives are as follows:

Purpose: To preserve Heritage Crafts by developing public awareness and appreciation for these crafts. To challenge and encourage craftspersons to continually practice and improve these time honored skills.

Objective: To select from within the State of North Carolina and a few Southern States, skilled crafts persons who will present to the general public during the annual N.C. State Fair a comprehensive educational program that emphasizes the cultural value of handicrafts.

There are 100 standard size booths in this building, measuring 100 sq. ft. per booth...which would rent for approximately \$40,000.00. Total expenses paid during 1983 was \$17,590.00. Total amount of revenue could be projected at \$57,590.00. The total amount of expenses the N.C. State Fair has paid the craftspersons for the past three years are as follows:

1983	-	\$17,590.00
1982	-	\$18,425.00
1981	-	\$18,625.00

In closing, this exhibit draws more people than any other Educational or Commercial Exhibit on the grounds.

RENTAL RATES FOR HORSE COMPLEXHORSE ARENA:

The rental rates for the Horse Arena include the use of covered Ring A, Warm Up Ring B and Warm Up Ring C, and the Mobile Office Trailer.

	<u>COMMERCIAL RATE</u>	<u>NON-COMMERCIAL RATE</u>
<u>Horse Arena:</u>	\$500.00 or 10%	\$500.00
<u>Covered Ring A:</u>	\$200.00	\$200.00
<u>Warm Up Ring B:</u>	\$100.00	\$100.00
<u>Warm Up Ring C:</u>	\$100.00	\$100.00

NOTE: The rental rate for Covered Ring A included the use of Warm Up Ring B and Warm Up Ring C and Mobile Office Trailer.

Agricultural youth organizations may receive a 50% discount for stall rentals and Main Arena rental when participation is restricted to youth. Educational clinics and seminars may receive a 50% discount on Arena rental rates with the lessee being responsible for clean-up.

ADDITIONAL SERVICES:

1. Horse Stalls: State Fair to clean stalls before and after use. No bedding furnished.

1 or 2 days	\$20.00 per stall (minimum rental)
3 days	\$28.00 per stall
4 days	\$34.00 per stall
5 days	\$36.00 per stall (\$2.00 per additional day thereafter)

 - a) Additional per stall charge of \$10.00 for bedding other than straw.
 - b) Stall charges computed on days of actual event (except where event is held elsewhere, then stalls rented on actual days use).
 - c) Arrival of livestock more than two days prior to show dates or remaining more than one day following show dates, must be planned in advance with State Fair Management and will result in additional days charged for stalls and applicable facilities.

- d) Lessee shall be charged \$5.00 per truck or trailer per day for horses being worked out of trucks and trailers.
- 2. Grounds Security Officers and/or Nightwatchmen: Fees to be charged on a cost basis with the need for security to be determined by Facility Management in consultation with Show Management.
- 3. Camper Parking as Available: Charges at the rate of Five Dollars (\$5.00) per unit/per night. This includes water, power, sewer or any one of these. When more than one event is held on grounds simulataneously, one lessee may reserve all camper spaces in advance by contracting State Fair Management. State Fair Management reserves the right to make this final decision.
- 4. Horse Show Jumps: Fifty Dollars (\$50.00) per day, must be used on Fairgrounds in conjunction with event in State Fair Facilities: lessee responsible for any loss or damage.
- 5. Draperies: Curtains 8' high or 30" high. Charges based on per foot calculation as specified by the supplier plus handling cost applicable at time of event.
- 6. Staging: 4' high - 4' by 8' sections. Thirty cents (\$.30) per square foot: installed and removed by State Fair, staging complete with steps and curtain backdrop. 2' staging twenty cents (\$.20) per square foot.
- 7. Tables: One Dollar and Fifty cents (\$1.50) per day each, 6' or 8' folding or rigid tables, set up and removed by State Fair as available and arranged for in advance with State Fair Management.
- 8. Chairs: Thirty cents (\$.30) each, metal folding or straight wood, set up and removed by State Fair as available and arranged for in advance with State Fair Management.
- 9. Table Covers: Fifty cents (\$.50) each consisting of paper covers.
- 10. Cattle or Swine Pens: Two dollars and Fifty cents (\$2.50) per section.
- 11. Lessee shall be responsible for any and all damages.
- 12. Any and all other services or equipment requested by lessee may be supplied at the current rate schedule if available with approval of State Fair Management.

2 NCAC 43 J WESTERN NORTH CAROLINA HORSE AND LIVESTOCK FACILITY FEE SCHEDULE

.0001 HORSE FACILITY

(a) Fees for use of the arena are \$400.00 per show day or 10% of the gate, whichever is greater; provided that for the arena to be opened before 6:00 a.m. or after midnight requires an additional fee of \$50.00 per hour or part thereof for a maximum of \$200.00. Fees for rental of the arena include the outside ring.

(b) The outside ring may be rented separately for \$150.00 per show day if a show is held within 120 days of the booking date.

(c) The outside ring may be rented separately for \$150.00 per show day if a show is held more than 120 days from the booking date; provided that a minimum of \$1,000.00 revenue is guaranteed to the Agricultural Center.

(d) Fees for stalls are set according to the following schedule:

	<u>DAYS</u>	<u>FEES</u>
(1)	1, 2	\$16.00;
(2)	3	\$24.00;
(3)	4	\$28.00; and
(4)	\$2.00 per additional day thereafter.	

(e) Agricultural youth organizations may receive a 50% discount for stall rentals and a 25% discount on main arena rental when participation is restricted to youth. Educational clinics and seminars may receive a 50% discount on arena rates when left in clean condition. Manager will decide what qualifies as educational clinics and seminars.

(f) A fee of \$50.00 per day is required for use of the facility's jumps.

(g) A fee of \$10.00 per hour is required for use of the facility's motorized grounds equipment.

(h) Fees for use of the facility's office equipment, if available, is charged on an expense incurred basis.

(i) Fees for security at any event is charged on a cost plus 10% basis, with the need for security to be determined by facility management in consultation with show management.

(j) A fee of \$5.00 per night is required for use of the facility's camper hook-ups.

(k) Miscellaneous horse facility equipment is available according to the following fee schedule:

- (1) chairs - \$.30 each;
- (2) tables - \$1.50 each;
- (3) livestock panels - \$2.00 each; and
- (4) paper table coverings - \$.35 each.

(l) A fee of \$25.00 per concessionaire is required.

(m) Notwithstanding any other provision of these Rules, the maximum fee for any show shall not exceed \$6,000.00 if:

- (1) the show lasts seven days or less; and
- (2) the show uses 200 stalls or less; and
- (3) the show is held before June 30, 1984.

NORTH CAROLINA STATE FAIR
DIV. N. C. DEPT. OF AGRICULTURE
1025 BLUE RIDGE BLVD.
RALEIGH, NORTH CAROLINA 27607

TELEPHONE (919) 821-7400

JAMES A. GRAHAM
Commissioner

SAM G. RA
Manager

INVOICE DATE: _____

EVENTS INVOICE NO. 0153

TO: _____

"WE APPRECIATE THE
OPPORTUNITY TO SERVE YOU"

PLEASE RETURN DUPLICATE COPY WITH REMITTANCE WITHIN 15 DAYS

EVENT: _____

EVENT DATE: _____

CHARGES

PORTON ARENA RENTAL	(_____ DAYS	● _____ PER DAY)	\$ _____
GRAHAM BLDG. RENTAL	(_____ DAYS	● _____ PER DAY)	\$ _____
COTT BLDG. RENTAL	(_____ DAYS	● _____ PER DAY)	\$ _____
HOLSHOUSER BLDG. RENTAL	(_____ DAYS	● _____ PER DAY)	\$ _____
OTHER BLDG. RENTAL _____)	(_____ DAYS	● _____ PER DAY)	\$ _____
OTHER BLDG. RENTAL _____)	(_____ DAYS	● _____ PER DAY)	\$ _____
ROUNDS RENTAL	(_____ DAYS	● _____ PER DAY)	\$ _____
HORSE ARENA RENTAL	(_____ DAYS	● _____ PER DAY)	\$ _____
HORSE STALL RENTAL	(_____ DAYS	● _____ PER DAY)	\$ _____
OUTDOOR HORSE SHOW RING RENTAL	(_____ STALLS	● \$ _____ STALL/DAY)	\$ _____
CAMPER HOOKUPS	(_____ UNITS	● \$ _____ /UNIT/NIGHT)	\$ _____
SECURITY CHARGES	(_____ HOURS	● \$ _____ HOUR)	\$ _____
TAGGING	(_____ SQ. FT.	● \$ _____ /SQ. FT.)	\$ _____
TABLES	(_____ TABLES	● \$ _____ EACH)	\$ _____
CHAIRS	(_____ CHAIRS	● \$ _____ EACH)	\$ _____
EQUIPMENT RENTAL	(_____)		\$ _____
ELECTRICAL CHARGES	(_____)		\$ _____
OTHER CHARGES:			
1. (_____)			\$ _____
2. (_____)			\$ _____
3. (_____)			\$ _____
4. (_____)			\$ _____
5. (_____)			\$ _____
6. (_____)			\$ _____

GROSS TOTAL \$ _____

PREVIOUS DEPOSITS RECEIVED - (LESS) \$ _____

NET AMOUNT DUE \$ _____

ESTIMATED ATTENDANCE _____

A Recommended Admission Fee Structure for the N.C. State Museum

In the 1984 Official Museum Directory published by the American Association of Museums there are 158 listings of North Carolina cultural institutions. These institutions represent a wide variety of federal, state, local government and privately funded museums, historic sites, historic homes, state parks, etc.

Only 27 of the 158 North Carolina institutions listed charge fees of which 7 are state supported; five under the direction of Cultural Resources, the other two associated with UNC. The highest admission fee charged by a state institution is that for Tryon Palace, which charges \$6.00 for adults and \$2.00 for children. Highest charge by a private institution is by Biltmore House and Gardens, which charges \$12.00 for adults and \$9.00 for children. Second highest private institutions fees are Old Salem, which charges \$6.00 and \$3.00.

Fee structures range from such complex listings as that of the N.C. Zoological Park in Asheboro which states:

Adults \$3.00; senior citizens and
children 2-15, \$1.00; children under
2 and handicapped, no charge; school
groups in grades K-12, no charge week-
days except holidays

to the Western Carolina Nature Center in Asheville, which charges a flat \$1.00 General Admission fee.

The lowest fee charged is that for the New Bern Fireman's Museum which charges 50¢ for adults and 25¢ for children.

The following fee structure is based on averages of the fees of the seven state supported institutions which charge fees. Averages have been rounded to the nearest dollar since fees structures which charge 50¢, 75¢, \$1.50 etc. per person require keeping a tremendous amount of change on hand and processing thousands of such transactions each week consumes an inordinate amount of staff time. If a fee structure is instituted the below fee structure seems reasonable.

Adults - \$2.00

Children K-12 - \$1.00

Senior Citizens - \$1.00

Children Under 4 and Handicapped - No charge

School Groups - No charge

I would also recommend that, if the General Assembly decides to establish a fee structure for state-supported museums and other cultural institutions that all such institutions be required to charge the same fees and that there be no exemption from such charges.

STATE FAIR ENTERTAINMENT

During the annual State Fair, there is nightly entertainment in Dorton Arena which is free to our State Fair visitors on a first-come, first-serve basis.

Prior to 1972, the Arena shows were ticketed; however, it was concluded that the State Fair was losing money so the management decided to have free entertainment, thus, making the money at the gate since the entertainment is a big drawing attraction.

The following factors must be considered:

1. When booking the entertainment, the artist's price can now be negotiated at a reasonable flat. If the show is ticketed, the price is much higher plus a percentage of ticket sales enters the picture. In discussing this with the American Management Agency, Jim Wagner, President, located in Encino, California, they advise that it can sometimes be as high as 60% to the artist. The rider requirements can be more expensive as there is no room for negotiation regarding the availability of requests, such as specified sound, other than house sound; background scenery; stage curtains; and other items which most concert halls have.
2. Dorton arena can now accommodate 9,000 (standing room only). If the show were ticketed, we could only accommodate 7,000 persons. When a show is ticketed, it is required that each person be seated.
3. Staffing for a ticketed event will be very expensive. Ticket sellers, ticket takers, auditors, and other additional personnel will be required. Estimated cost: \$30,000.00 plus additional security as requested.
4. Dorton Arena is not equipped (structurally) to handle a ticketed show at the Fair. The upper and lower concourses are rented (booths) for exhibitors. The rental fees from Dorton Arena is approximately \$17,000.00.

ARENA ENTERTAINMENT
PAGE 2

It would be necessary to discontinue the rental of the arena lobbies. It would be mass confusion to attempt to take tickets at the doors into the arena because the exhibitors would be blocked off for hours and their products and promotional response nil.

5. We need to look at today's economy. In my opinion, the fair visitors would not look favorable upon paying \$10 or \$15 a ticket to see a performer after paying gate admission (ages 13 to 65). With the cost of food items, rides, travel expenses to and from the fair, and in some instances, overnight lodging, this would not be practical or feasible. The revenue derived from ticket sales would not pay the artist's fee. On April 14, 1984, a prominent promoter, Varnell Enterprises, Nashville, Tennessee, scheduled Barbara Mandrell who is a very popular female country performer, to be in concert at Dorton Arena. Ticket prices were \$10 and \$12.50. Total ticket sales were 18,000.00 dollars and total number of tickets sold were 1450. It was necessary for the promoter to cancel the show due to lack of ticket sales. It was comforting to know that this was not a State Fair promotion and this was not a State Fair loss.

6. In order to fill a 7000 seated building on a paid basis, you would have to buy attractions or packaged shows, comprising artists in the semi-Super Star Category. In other words, you cannot buy an artist for our current maximum daily budget and expect them to sell 7,000 tickets. People will walk across the street to see a medium-star act for free but will not pay.

7. If ticketed, State Fair would be in competition with the various local and national promoters. These types of promoters, because they control multiple cities on Super-Star acts, are not going to give a show to the Fair facility for non-fair rental.

8. If ticketed, the shows would have to be a two or two and one half hour performance. Additional monies would be necessary as an opening act would have to be booked in addition to the main attraction. This would be

ARENA ENTERTAINMENT
PAGE 3

necessary in order to compete with other musical promotions because patrons are accustomed to a two or two and one half hour promotion with intermission. Intermission, again, would affect the lobbies of the arena (see Item # 4). Presently, our concerts have a duration of one hour to one hour fifteen minutes.

We have had no complaints regarding the entertainment program in Dorton Arena and the fact that the State Fair visitors are offered an evening of free entertainment.

For the past three years, the costs of providing free entertainment has been as follows:

1983 - \$94,200.00

1982 - \$79,250.00

1981 - \$61,000.00

Our budget for 1984 is \$76,250.00.

Below is listed an estimate projection of a ticketed show costs. Please keep in mind that this is projected on the basis that 7,000 seats are sold. It is not likely that 7,000 seats would be sold; however, since information included in this report indicates that our visitors would not attend the shows if ticketed. Gate receipts would decrease rapidly if the shows were ticketed and this factor is to be considered.

ARENA ENTERTAINMENT

PAGE 4

Artists fee (minimum) \$35,000.00 x nine days-----	\$315,000.00
percentage, when applicable, could not be figured until total ticket sales settlement is made, based on contract specifics.	
Ticket sales @\$5.00 per ticket-----	315,000.00
7,000 total tickets x 9 days	
Lights and sound-----	10,800.00
\$1,200.00 per show x 9 shows	
Ticket sellers-----	2,592.00
\$6.00 per hour for 6 sellers/8 hrs/day x 9 days	
Ticket takers-----	3,456.00
\$6.00 per hour for 8 takers/8 hrs/day x 9 days	
Security Officers-----	10,800.00
20 officers @ \$7.50 hr (4 hrs minimum x 9 days	
Ticket printing-----	2,554.47
7,000 tickets x 9 shows	
Extensive advertising for 9 arena shows	
Conservative minimal advertising via radio & newspapers only--no TV.	75,000.00
	<u>\$105,202.47 deficit</u>

It is important to note that gate receipts increase on nights that a highly popular headliner is appearing in the arena. On a packed house (9,000) in Dorton Arena, the gate receipts would be \$27,000.00. Consideration must also be given to the fact that an overflow is created by the lack of availability to handle more than 9,000 persons in the arena. Additional monies is received at the rate of \$3.00 per person at the gate since the money is not paid to see the show but merely gate admission which entitles you to see the shows, first-come, first-serve. There are many shows that have overflows, sometimes as much as 3,000 to 5,000 persons. If the shows did not sell out (7,000) and perhaps 3,500 tickets were sold at \$5.00 each- with a revenue of \$17,500.00, we would have lost \$17,500.00 per show on ticket sales alone. Should this happen for even five days out of the nine days, our loss on ticket sales could be \$ 87,500.00. The risk is too great for the State Fair to operate on such an unstable potential.

THE WILDLIFE RESOURCES COMMISSION

Boat Ramps

Like the State Parks and Reservoirs, the Wildlife Resources Commission maintains boat ramps across N.C. Currently, the commission has built 141 boat ramps, and all of the ramps are free to the general public.

The majority of the Commission's budget comes from hunting and fishing licenses. Motor boat registrations generated an additional \$855,553 during fiscal year 1982-83. The fees for motor boat registration are \$5.50 for one year and \$13.50 for three years. The Wildlife Fund also has been receiving General Fund monies for the past five years for operating costs. The table below shows the General Fund appropriations since fiscal year 1980-81.

Fiscal Year	State Appropriation
1980-81	\$ 702,299
1981-82	1,150,000
1982-83	1,000,000
1983-84	990,000
1984-85	990,000

The Commission estimates that the maintenance of its boat ramps costs \$43,200 per year. The Wildlife Commission also estimates that 1,000,000 people use the boat ramps annually.

February 1984

SESSION 79

ST: Agency User Fees Information

INTRODUCED BY:

*

Referred to:

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2

A BILL TO BE ENTITLED

3

AN ACT TO REQUIRE STATE AGENCIES TO SUBMIT CERTAIN USER FEES
INFORMATION TO THE GOVERNOR AND TO THE DIRECTOR OF THE
LEGISLATIVE FISCAL RESEARCH DIVISION.

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The General Assembly of North Carolina enacts:

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Section 1. Article 1 of Chapter 143 of the

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General Statutes is amended by adding a new section to read:

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"§143-6.1. Information from departments and agencies
regarding user fees. --

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On or before the first day of September biennially, in
the even-numbered years, each of the departments, bureaus,
divisions, officers, boards, commissions, institutions, and
other State agencies and undertakings shall, in addition to
the information submitted to the Director of the Budget
pursuant to G.S. 143-6, submit to the Director of the Budget
and the Director of the Legislative Fiscal Research Division
information regarding user fees it charges. This
information shall include:

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(1) the type of fee and service provided in exchange
for the fee;

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(2) the amount of the current fee;

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(3) the year the fee was last increased;

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(4) the number of fee transactions;

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- (5) the operating budget of each site or unit receiving fee revenues; and
- (6) the agency's recommendation as to whether the fee should be increased or reduced, and if so, the amount of the increase.

The words, "user fees," as used in this section shall include all fees, charges, assessments, tuition and other revenue that is received in exchange for services provided."

Sec. 2. This act is effective upon ratification.

VISITATION AND HOURS OF OPERATION AT STATE HISTORIC SITES

Fiscal Years 1982-83 and 1983-84

Site	VISITATION				HOURS OF OPERATION	
	Highest Month	Lowest Month	Total	Total	FY 1982-83	FY 1983-84
	FY 1982-83	FY 1982-83	FY 1982-83	FY 1983-84	FY 1982-83	FY 1983-84
Alamance Battleground	Oct 2,060	Dec 499	13,216	14,218	44	56
Aycock Birthplace	Nov 4,731	March 1,362	30,620	28,259	44	56
Historic Bath	May 6,146	Feb 948	30,672	34,562	44	56
Bennett Place	Aug 1,353	March 685	12,918	19,606	44	56
Bentonville Battleground	Nov 8,021	Feb 672	27,306	35,471	44	56
Brunswick Town	June 11,255	Jan 1,111	60,648	54,221	44	56
Caswell-Neuse	Aug 5,070	Jan 554	20,058	17,168	44	56
Duke Homestead	Oct 4,465	Jan 812	25,803	22,062	44	56
Fort Dobbs	June 1,895	Jan 176	7,807	8,509	32	56
Fort Fisher	July 34,265	Feb 1,980	148,973	131,019	44	56
Historic Halifax	July 5,156	Jan 464	25,265	28,396	44	56
House in the Horseshoe	Aug 5,142	Feb 561	15,391	17,973	44	56
Iredell House	April 2,833	Jan 537	20,651	21,364	33	56
Polk Memorial	April 4,455	Nov 660	25,015	26,590	44	56
Reed Gold Mine	Oct 14,590	Jan 648	76,193	78,644	44	56
Somerset Place	Aug 1,280	Feb 137	8,502	10,325	52	56
Spencer Shops	June 5,047	Dec 496	20,242	40,954	32	56
Town Creek Indian Mound	July 4,167	Jan 919	32,606	32,916	44	56
Vance Birthplace	Sept 4,144	Jan 533	24,932	26,119	44	56
Thomas Wolfe Memorial	June 5,047	Jan 291	19,480	16,496	44	56
TOTALS	131,122	14,045	646,298	664,872		
Tryon Palace	Apr. 8,540	Jan 769	59,161	69,677	44	*53

*7 day schedule implemented 4/1/84.

STATE HISTORIC SITES

GENERAL FUND APPROPRIATION AND AVERAGE COST/VISITOR

	<u>FY 1982-83</u>	<u>FY 1983-84</u>
<u>State Historic Sites</u>		
Total Operating Expense	\$2,059,265	\$2,383,829
Less: Receipts	<u>51,605</u>	<u>76,593</u>
General Fund Appropriation	2,007,660	2,307,236
General Fund - Average Cost/Visitor	\$ 3.11	\$ 3.47
<u>Tryon Palace</u>		
Total Operating Expense	\$ 687,211	\$ 807,493
Less: Receipts	<u>250,121</u>	<u>339,524</u>
General Fund Appropriation	\$ 437,090	\$ 467,969
General Fund - Average Cost/Visitor	\$ 7.39	\$ 6.72

