

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 1729

**SHORT TITLE:** State Employees Telecommunications Cost

**SPONSOR(S):** Rep. Thompson

**FISCAL IMPACT**

**Yes ( ) No ( ) No Estimate Available (X )**

**FY 2000-01 FY 2001-02 FY 2002-03 FY 2003-04 FY 2004-05**

**REVENUES** None

**EXPENDITURES** No Estimate Available

**POSITIONS:** 0

**PRINCIPAL DEPARTMENT(S) &**

**PROGRAM(S) AFFECTED:** Office of State Budget and Management and all other state departments, agencies and institutions.

**EFFECTIVE DATE:** July 1, 2000

**BILL SUMMARY:** This bill adds new GS 138-9 to provide that each State department, agency, and institution shall reimburse its employees for personal telecommunications services costs incurred as a requirement of their State government employment. It provides that rules and policies for such reimbursement be adopted by the Office of State Budget and Management and approved by the Director of the Budget. The reimbursement applies to “basic service cost” (the monthly charge imposed for private local service) of “personal telecommunications services” (standard line telephone service maintained for a

charge by a State employee for the employee's private residential use). The bill directs each State department or agency to adopt policies for when employees may be required to maintain personal telecommunications services as a requirement of employment.

#### **ASSUMPTIONS AND METHODOLOGY:**

##### ***Office of State Budget and Management***

Under this bill the Office of State Budget and Management would adopt rules, regulations, and policies for the reimbursement to State employees for the basic service cost of personal telecommunications services they incur as a requirement of their employment. The Office of State Budget and Management is responsible for the execution of the budget and preparation of the State Budget Manual. Therefore, the adoption of the rules, regulations and policies governing the reimbursement for personal telecommunications services cost would be performed as a part of the existing duties of the Office of State Budget and Management would have no fiscal impact on the Office.

##### ***All State Departments, Agencies, and Institutions***

This bill requires State departments, agencies, and institutions to reimburse their employees for personal telecommunications services costs incurred as a requirement of their employment with the State. To determine how many state employees are currently required to maintain a residential phone line, the Fiscal Research Division made inquiries of the Office of State Personnel (responsible for position classifications) and the Office of Information Technology Services (responsible for providing and maintaining all state telephone products and services).

The Office of State Personnel (OSP) is not aware of any positions for which maintaining a residential phone line is an employment requirement. OSP believes that very few, if any, State employees must maintain residential telephone lines as a requirement of their employment. OSP cited information technology personnel as an example of a class of employees for which maintaining a residential phone line or other connectivity mechanism *may* be necessary for their jobs because of the need for remote access to their respective computer systems at any time. Also, with the implementation of teleworking on a pilot basis, employees must have a means of accessing their computer systems from home. However, the individual teleworking agreement defines what equipment/software, if any, will be paid for by the State. Thus, whether the State or the employee will cover the cost of any additional phone lines is covered in each employee's agreement.

The Office of Information Technology Services (ITS) provides various telecommunication mechanisms that include pagers, cellular phones, telephone lines, and digital subscriber lines. ITS does not have statewide data on the number of lines in the homes of State employees for work use. However, they reported that there are 18,916 pagers and 12,503 cellular phones contracted via ITS and issued to State employees. The Fiscal Research Division believes these numbers include the pagers and phones issued to employees with whom their employers need to maintain contact while they are away from or working outside of the office. We do not believe these numbers are indicative of the number of employees who would be required to maintain residential telephone service.

In addition to requiring State departments, agencies and institutions to reimburse employees for personal telecommunications services costs, the bill also requires them to adopt policies for when employees may be required to maintain personal telecommunications services as a requirement of their employment. Until these policies are developed, the Fiscal Research Division cannot determine the number of employees who would be required to maintain personal telecommunications service. Without this data or data on the number of employees currently required to maintain residential telephone service, we cannot estimate the fiscal impact this will have on State departments, agencies and institutions.

**TECHNICAL CONSIDERATIONS:**

**FISCAL RESEARCH DIVISION 733-4910**

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**DATE:** July 6, 2000



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