

State-Aid Overview

**Joint Appropriations Subcommittee
on Natural and Economic Resources**

February 19, 2013

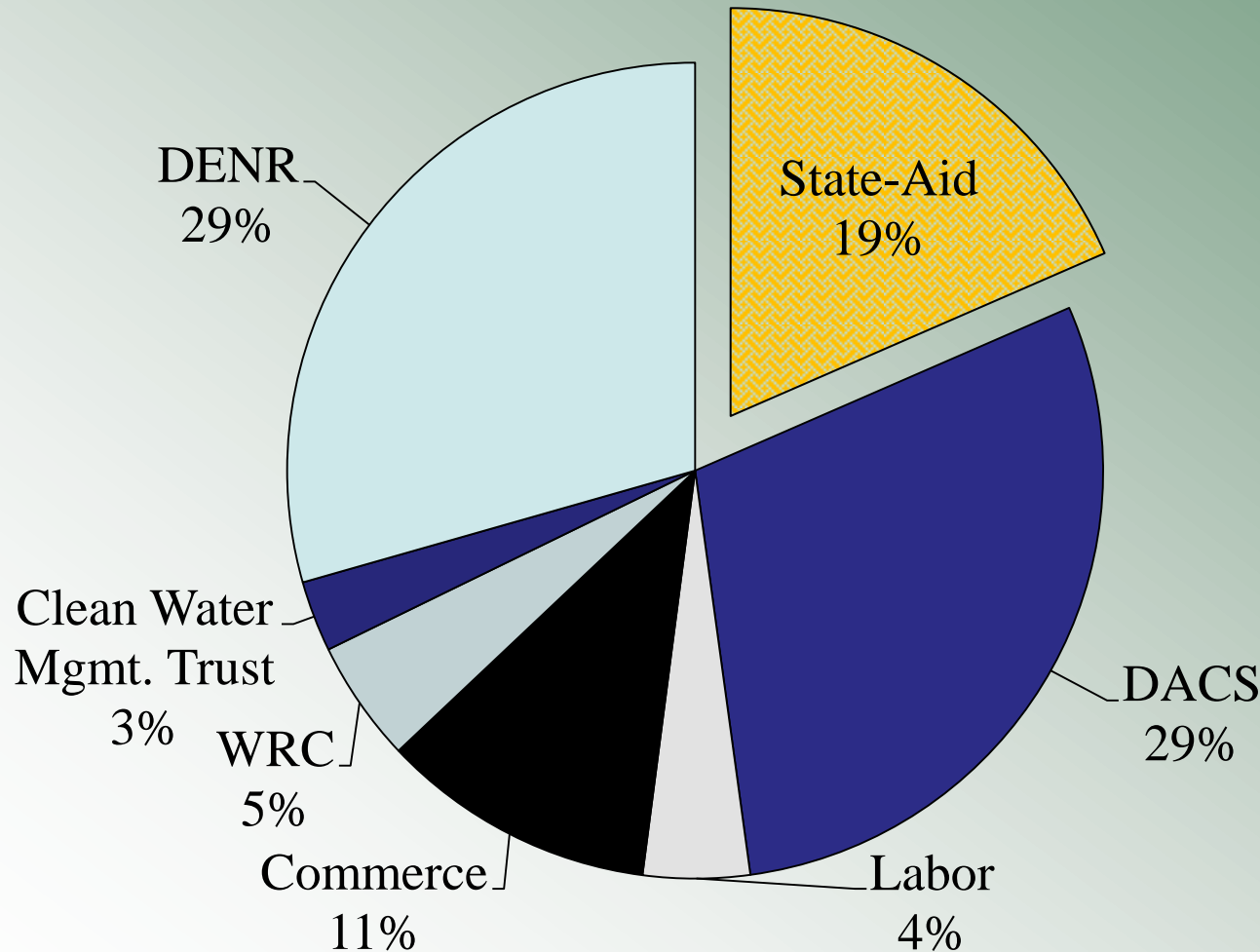


FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

NER State-Aid to Nonprofits

- Association of CDCs
- Biofuels Center
- Biotechnology Center
- Community Development Initiative
- COGs
- High Point Furniture Market
- Inst. For Regenerative Medicine
- Inst. of Minority Econ. Devel.
- Land Loss Prevention Project
- Indian Econ Devel Initiative
- The Support Center
- Regional Econ. Dev. Comms.
- Rural Economic Devel. Center
- Grassroots Science Museums
- Partnership for the Sounds
- Future Farmers of America
- Farm Bureau (Ag in the Classroom)
- Research Triangle Institute-NR
- Johnson & Wales – NR
- Defense & Security Technology Accelerator - NR

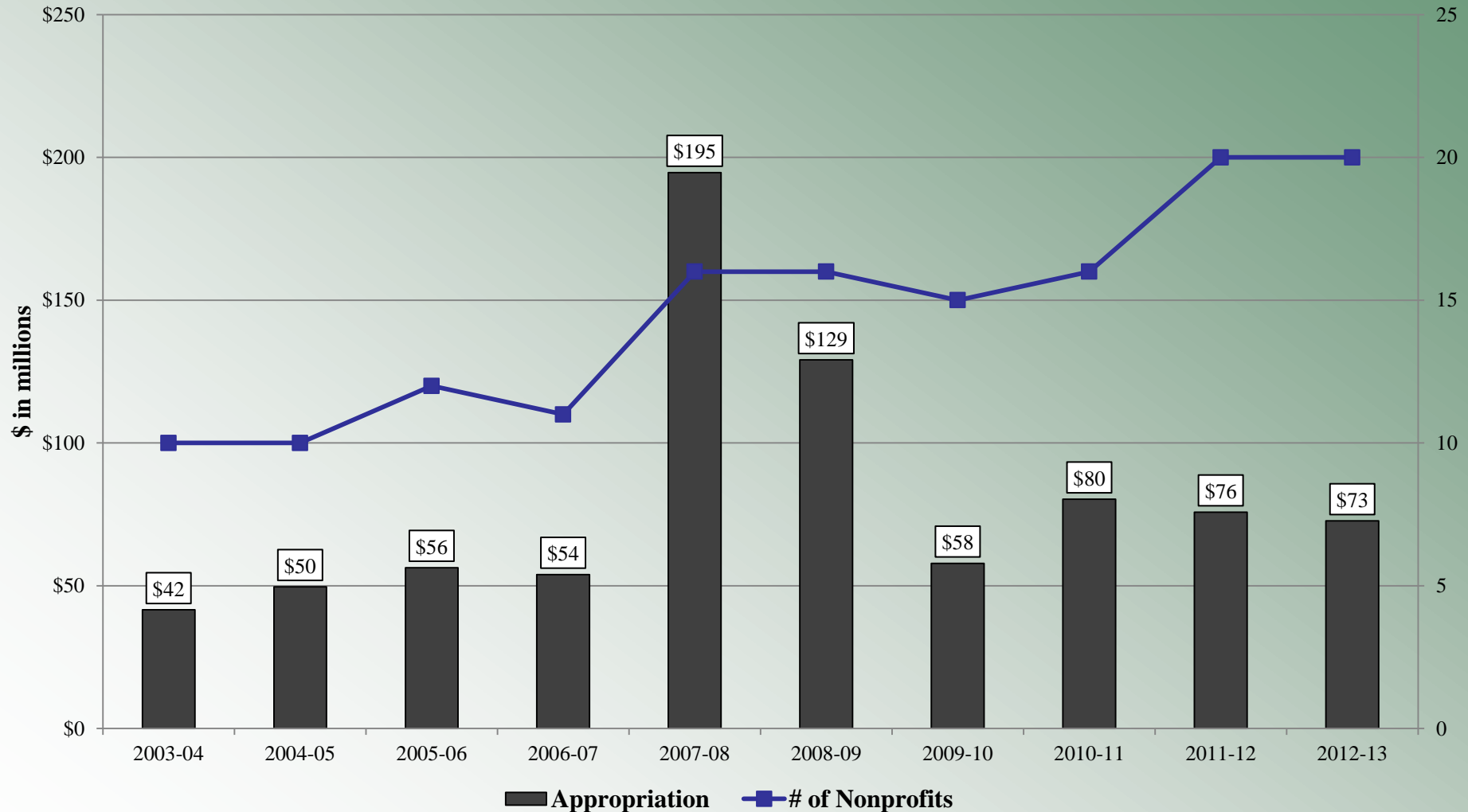
NER General Fund Appropriations



State-Aid
\$72.7 million

**Authorized
Budget**
\$383.1 million

NER State-Aid Funding History



Different than State Agencies?

- Established in G.S. 55A
- Operate outside of regulations governing state agencies (procurement, capital, personnel)
- General Assembly cannot “micromanage” nonprofit administration
- Unspent appropriations do not revert to the General Fund

General Assembly Actions

FY 2011-12

- Moved nonprofits funded through DACS and DENR to Commerce State-Aid budget
- *Most* entities received recurring reductions ranging from 10-20%
- Eliminated funding for e-NC Authority and transferred federal grants to Commerce
- Placed \$120,000 salary limit on state funds beginning in FY 2012-13

General Assembly Actions

FY 2011-12 (cont.)

- Provided additional \$5M nonrecurring to Rural Center

FY 2012-13

- Implemented across the board management flexibility reductions

Nonprofit Considerations

- 107,063 nonprofits registered in NC¹, how are the 20 NER nonprofits different?
- Are organizational missions aligned with NER objectives?
- If the nonprofit serves an ongoing public need, should the state assume responsibility?
- Should funding be used to support certain programs/ projects instead of operating costs?

¹ NC Secretary of State's Office

State Auditor's Report

- Report FCA-2012-460
- Reviewed Commerce's oversight of nonprofits receiving pass-through funding from the General Assembly
- Findings:
 - Inadequate grant monitoring
 - Inadequate review of grantee reports

Nonprofit Presentations

- Fiscal Research staff will provide brief appropriation overviews
- Presenters have between 15-20 minutes to discuss four topics:
 1. Organizational Mission & Programs
 2. Key Performance Indicators
 3. Similar Organizations/ Service Duplication
 4. Budgetary Impact
- Q&A Session to follow each presentation

Nonprofit Handouts

- Five page document prepared by each nonprofit that addresses additional questions:
 - Customer/ Target population
 - Inception date
 - Geographic footprint
 - Organizational budget
 - Salary compliance (\$120,000 limit on NC funds)
 - Lobbying services

Contact Information

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