



Office of the State Controller

OFFICIAL MEMORANDUM

To: Chief Fiscal Officers, Vice Chancellors, and Business Managers
From: Dr. Linda Combs, State Controller *Linda Combs*
Date: October 18, 2017
Subject: 2017 OSC Financial Conference

I am pleased to announce that on December 12, 2017, the Office of the State Controller will hold its annual Financial Conference for Chief Fiscal Officers and agency designated representatives at NCSU's McKimmon Center in Raleigh. This year's conference will include topics such as the State of the States (fiscal outlook), State budget and audit updates, economic outlook for the State and nation, SEC enforcement related to bond offering statements, and professional development.

In addition, the recipients of the State Controller Fiscal Integrity Award and the Internal Audit Award of Excellence will be announced during the conference. Attendance will qualify for eight hours of CPE credit. The course announcement is attached for your review. Instructor biographies are available on OSC's website (see link below).

The registration fee is **\$65 per attendee** and includes a mini-breakfast and buffet lunch. To register for this conference, visit the Office of the State Controller website at <https://www.osc.nc.gov/2017-osc-financial-conference>. **Registration deadline is Tuesday November 28, 2017. Payment must be received by this date or you will be removed from the registration.** No request for refunds will be considered after this date.

Agencies should register attendees individually (with separate email addresses) but can submit one payment to cover all registration fees. **When registering more than one participant, click "Add another registrant"**. This will allow multiple individuals to be registered and payment made with one credit card. Payments can be made by credit card, check, or electronic transfer in the Cash Management Control System (CMCS) **to NC State University**.

If you are paying by electronic transfer, please follow the instructions below:

- **NCAS agencies:** Use IGO vendor number 566000756-10. For the cash management transfer – in the description or remit message line **you must include the following for proper processing:** Attendee full name; Attendee confirmation number; Reference 2017 OSC Financial Conference.
- **Non-NCAS agencies paying through CMCS:** Use department code 6030 for payment – in the description or remit message line **you must include the following for proper processing:** Attendee full name; Attendee confirmation number; Reference 2017 OSC Financial Conference.

If you have questions, please contact Jan Prevo at jan.prevo@osc.nc.gov or 919-707-0714. We look forward to your participation in the conference, and thank you for your service to our State.

Attachment

SA 18-21

DR. LINDA COMBS, STATE CONTROLLER
MAILING ADDRESS: 1410 Mail Service Center, Raleigh, North Carolina 27699-1410
STREET ADDRESS: 3512 Bush Street, Raleigh, North Carolina 27609
Phone (919) 707-0500 ~ Fax (919) 981-5444
<http://www.osc.nc.gov> ~ An EEO/AA/AWD Employer



AGENDA

OSC Financial Conference

December 12, 2017

- 8:15 – 8:20 Call to Order – Michael Euliss, Office of the State Controller, Communications/Government Relations/Training Director
- 8:20 – 8:30 Opening Remarks – Dr. Linda Combs, State Controller
- 8:30 – 9:30 State of the States – John Hicks, National Association of State Budget Officers (NASBO) Executive Director
- 9:30 – 9:50 Break
- 9:50 – 10:50 State Budget Update – Charlie Perusse, State Budget Director
- 10:50 – 11:00 Internal Audit Award of Excellence Presentation – Beth Wood, State Auditor
Fiscal Integrity Award Presentation – Dr. Linda Combs, State Controller
- 11:00 – 12:00 State Auditor Update – Beth Wood, State Auditor
- 12:00 – 1:00 Lunch
- 1:00 – 1:05 Call to Order – Michael Euliss, Office of the State Controller
- 1:05 – 1:55 National and State Economic Outlook – Dr. Michael Walden, N.C. State University
- 1:55 – 2:45 Bond Disclosures and SEC Enforcement – Amy Johnson, Moore & Van Allen PLLC; William H. McBride, Hunton & Williams LLP; Dora Fazzini and Lewis Andrews, Department of State Treasurer
- 2:45 – 3:05 Break
- 3:00 – 3:55 Developing Emotional Intelligence in the Workplace – Holly Sullenger, N.C. State University
- 3:55 – 4:45 Owner-Renter-Prisoner – It’s All a Choice – Michael Euliss, Office of the State Controller
Closing Remarks – Michael Euliss, Office of the State Controller

Upcoming Training Dates:

May 10, 2018 – 2018 Governmental Accounting Update

December 11, 2018 – 2018 OSC Financial Conference



2017 OSC Financial Conference

Continuing Professional Education
North Carolina Office of the State Controller

- Date:** December 12, 2017
8:15 a.m. to 4:45 p.m.
- Location:** The McKimmon Conference and Training Center
N.C. State University
1101 Gorman Street
Raleigh, NC 27606
- Objective:** To offer training on recent topics of interest to Chief Fiscal Officers and agency representatives including State of the States fiscal outlook, State and national economic outlook, State budget and audit updates, SEC enforcement of bond disclosures, and other current topics.
- Content:**
- State of the States (State Fiscal Update)
 - State Budget Director Updates
 - State Auditor Updates
 - Economic Update
 - SEC Enforcement and Bond Offering Statement Disclosures
 - Developing Emotional Intelligence in the Workplace
 - Owner-Renter-Prisoner – It’s All a Choice
- Instructors:** John Hicks – National Association of State Budget Officers (NASBO) Executive Director
Charlie Perusse – State Budget Director
Beth Wood – State Auditor
Dr. Michael Walden – Professor and Extension Economist, N.C. State University
Amy Johnson – Partner, Moore & Van Allen PLLC and Co-Disclosure Counsel to the Department of State Treasurer
William H. McBride – Partner, Hunton & Williams LLP and Co-Disclosure Counsel to the Department of State Treasurer
Dora Fazzini and Lewis Andrews – State and Local Government Finance Division, Department of State Treasurer
Holly Sullenger – Assistant Director, Technology Training Solutions, N.C. State University
Michael Euliss – Communications/Government Relations/Training Director, Office of the State Controller
- CPE Credit Offered:** Eight hours
- Materials:** Will be available in advance on the OSC web page
- Teaching Method:** Lecture
- Mini-breakfast:** Available beginning at 7:30 a.m. (biscuits, muffins, and fruit)
- Lunch:** 12:00 p.m. – 1:00 p.m. (barbeque, fried chicken, sides, and dessert)
- Prerequisites:** Employed by a State agency or institution that is part of the State financial reporting entity (i.e., an entity included in the State’s Comprehensive Annual Financial Report)
- Advance Preparation:** None
- Level:** Basic
-



Office of the State Controller

2017 OSC Financial Conference – Speaker Introductions



John Hicks is the Executive Director of the National Association of State Budget Officers (NASBO) in Washington, D.C. He joined NASBO in April, 2016.

Founded in 1945, NASBO serves as the professional organization for all state budget officers of the fifty states and U.S. territories. NASBO collects data and publishes numerous reports on state fiscal conditions and organizes meetings and training for budget and finance officials. The organization also provides public officials, the media and citizens detailed information on state financial management and budgeting.

Prior to coming to NASBO, Hicks served in Kentucky state government for 32 years, including 25 years in Kentucky's Office of State Budget Director. For the last ten years, he served as the Deputy State Budget Director. In that position, Hicks oversaw the budget development and budget execution processes.

Hicks graduated from Murray State University in Murray, Kentucky and received his master of public administration degree from the University of Kentucky's Martin School of Public Policy and Administration.

As a past member of NASBO, Hicks served on the association's Executive Committee (board of directors) from 2007 to 2013, and was NASBO's President from 2011 to 2012. Hicks is the recipient of NASBO's 1987 George A. Bell Service award and the 2013 Gloria Timmer award, which each recognize outstanding contributions and service to public budgeting and management in state government.



**Charles Peruse, State Budget Director
North Carolina Office of State Budget and Management**

On January 1, 2017, Governor Roy Cooper appointed Charlie to his second stint as State Budget Director. Charlie, a 25-year state employee, returns to the Governor's Budget Office after serving six years as the Senior Vice President and Chief Operating Officer of the University of North Carolina System. In his earlier work with the Budget Office, he served as State Budget Director for three years and Deputy Director for six years. Charlie also spent eight years in the General Assembly's Fiscal Research Division, serving three years as budget coordinator for the House of Representatives.

Charlie's notable career accomplishments include: assisting with the development of UNC's recently adopted Strategic Plan; balancing the state's budget each year of the Great Recession; maintaining North Carolina's AAA bond rating with all rating agencies; and transitioning the state to a market and competency-based compensation program for employees.

Charlie received a Master's degree in Public Administration from the University of North Carolina at Chapel Hill and a Bachelor of Arts degree in Political Science from North Carolina State University. He lives in Raleigh, NC with his wife, Wendy, and two sons.



**The Honorable Beth A. Wood, CPA
North Carolina State Auditor**

Beth Wood is a Certified Public Accountant in her third term as North Carolina's elected State Auditor. She is a long-time public servant with nearly 25 years of auditing experience, having worked in the Auditor's Office for nearly 10 years before her election in 2008 and in the State Treasurer's Office.

Before that, she worked for several companies in the private sector. She is the first woman elected State Auditor in North Carolina.

Through her work as State Auditor, Beth has helped strengthen and improve state government. Audit teams across the state watch every area of state government for potential savings and smart use of taxpayer dollars. The office has focused particularly on healthcare spending and contracting practices that favored vendors at the expense of taxpayers. As a result, audits published by OSA during her tenure have identified millions of dollars of potential savings.

Additionally, the office is following up on prior audits, evaluating the use of best practices by state agencies, and working to attract and retain highly skilled auditors.



Dr. Michael L. Walden is a William Neal Reynolds Distinguished Professor and Extension Economist at North Carolina State University and a member of the Graduate Economics faculty with The Poole College of Management. His Ph.D. degree is from Cornell University and he has been at N.C. State since 1978. He has also been a Visiting Professor at Duke University.

Dr. Walden has teaching, research, and extension responsibilities at NCSU in the areas of consumer economics, economic outlook, and public policy. He has published ten books and over 300 articles and reports, including the book *North Carolina in the Connected Age*, published by the UNC Press. He has served on several local and state level commissions. With his wife, he is the co-author of three “economic thrillers”, *Macro Mayhem*, *Micro Mischief*, and *Fiscal Fiasco*, designed to teach economics in an entertaining way.

Dr. Walden can be frequently seen, heard, and read in the media. He has daily radio programs aired on stations around North Carolina for which he has won two national awards. He is often interviewed on local TV and radio news broadcasts, has appeared on *NBC*, *CBS*, *The Fox Report*, and the *Newshour With Jim Lehrer*, and is frequently quoted in such newspapers as *USA Today*, *The News and Observer*, *The Charlotte Observer*, *The Boston Globe*, *The Wall Street Journal*, and *The Washington Post*. His biweekly column, *You Decide*, is carried by over forty newspapers in the state. He has made over 2500 personal presentations.

Dr. Walden directs the semiannual economic forecast, *The North Carolina Economic Outlook*. He has won numerous academic and public awards, including two Champion-Tuck Awards for Excellence in Broadcasting, the UNC Board of Governor’s Award for Excellence in Public Service in 2010, the Order of the Long Leaf Pine in 2013, and the Holladay Medal for Excellence from North Carolina State University in 2014.

His newest book, *North Carolina Beyond the Connected Age: The Tar Heel State in 2050*, was published in late 2017.



Amy K. Johnson

Partner - Moore & Van Allen PLLC

EDUCATION

Clerk, United States Court of Appeals for the Fourth Circuit, 1994-1995

JD with highest honors, The University of North Carolina, School of Law, Editor-in-Chief, Law Review,

1994 BBA with high distinction, University of Michigan, 1991

BAR ADMISSIONS

North Carolina, 1994

United States Court of Appeals for the Fourth Circuit, 1995

Supreme Court of the United States, 2016

Concentrating her practice on public finance, Amy Johnson serves clients in the capacity of underwriter's counsel, disclosure counsel, bank counsel, borrower's counsel and trustee's counsel. She has considerable experience with the workout of troubled bond financings.

Representative Experience

- Disclosure counsel to State of North Carolina.

Bar Activities

- National Association of Bond Lawyers (NABL).
- Inaugural Chair, 2006-2008, Charlotte Legal Diversity Clerkship Initiative, Mecklenburg County Bar.
- Board of Directors, 2009-2012, Mecklenburg County Bar Foundation.

Awards & Recognition

- Named Best Lawyers' 2014 Charlotte Public Finance Law "Lawyer of the Year."
- Named among The Best Lawyers in America for Banking and Finance Law and Public Finance Law, 2007-2008.
- Nominated for inaugural Charlotte ATHENA Young Leader Award.
- Charlotte Business Journal "40 Under 40" winner for 2008.



William H. McBride "Wally" is highly regarded for his securities law disclosure knowledge and his work with complicated trust agreement matters, primarily acting as bond counsel or tax counsel reviewing arbitrage and other matters. He has particular experience in swaps and derivatives, indenture covenants, permissible amendments and restructurings, bondholder approvals and legal challenges to indenture provisions.

Wally has been the senior Hunton & Williams attorney responsible for more than 500 bond counsel, disclosure counsel and tax counsel representations of which the following are especially notable:

- Smallest Tax-Exempt: \$10,000 Town of Newland, North Carolina Waste Water Treatment Bonds
- Large Tax-exempt: Five transactions, each in excess of \$1 billion – as either bond counsel, underwriters counsel, tax counsel or company counsel
- Largest Taxable: \$223,875,000 Carolina Corrections, LLC Taxable Bonds, Series 2001 Select Auction Variable Rate Securities (SAVRS) (State of North Carolina Correctional Facilities Projects)
- Derivatives: \$675,395,000 State of North Carolina Swap/Swaption, March 2005 – followed by termination with funding through \$701,925,000 State of North Carolina General Obligation Refunding Bonds, Series 2013C and D
- Tender Offer: \$200,000,000 Covenant Health (Tennessee) tender for outstanding Auction Rate Securities

Wally has contributed to comments by the National Association of Bond Lawyers (NABL) on Internal Revenue Service proposed regulations, including on Issue Price Regulations, Political Subdivision Regulations, Circular 230, Preparer Penalties, Private Activity Regulations, Credit Bond Structures and Arbitrage, and authored numerous area outlines for presentations at the Bond Attorney Workshop and NABL Seminars. He has spoken at meetings or seminars hosted by NABL, the North Carolina Institute of Government, the North Carolina Association of County Commissioners (County Attorneys), the North Carolina Association of County Finance Officers, the Southern Municipal Finance Analysts Association, the Southeastern Securities Transfer Association, the Government Finance Officers Association, The Bond Buyer and the Bond Market Association.

EDUCATION

- JD, The University of Texas School of Law, Associate Editor, Law Review, 1976
- AB, Princeton University, 1970

BAR ADMISSIONS

- District of Columbia
- North Carolina
- Texas
- Virginia



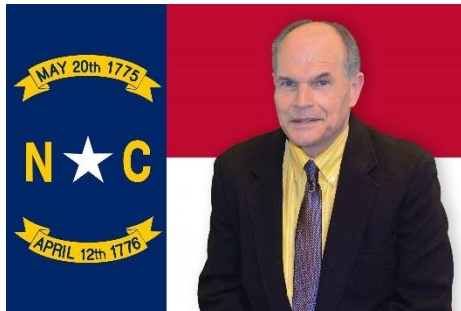
Michael Euliss is the Director of Communications, Government Relations, and Training for the North Carolina Office of the State Controller. Mr. Euliss is also a motivational teacher and holds numerous nationally-recognized certifications in training, teaching, and organizational health. He has provided educational events to hundreds of governmental, church, corporate, and civic groups across North America to help them develop a culture of servant leadership and displace ineffective and autocratic leadership practices.

He is internationally-recognized for practical but powerful motivational and inspirational learning experiences. His expertise is in leadership development, public and interpersonal communication skills, strategic direction, and group dynamics. He uses a variety of methods to equip today's leaders with the tools they need to excel and make others around them better.

He has been featured as a guest speaker at hundreds of venues in almost every state in the US. His other appearances include many television and other radio shows, the Texas Ministry Conference, the Christian Management Association Annual Convention, WFX, the Social Security Administration, the Oklahoma State Bureau of Investigation, the Wisconsin Law Enforcement Trainer's Association, and the Institute for Church Leadership.

Mr. Euliss has experiences in the corporate world as well as the public sector. He is retired from local government after 20 years and served in executive management in the private sector for 10 years before founding a non-profit organization focused on leadership development where he served for 7 years. He is the author of *Advanced Church Leadership*, *On Eagle's Wings - Developing the Leader in You*, as well as *Developing the Leader in You for Law Enforcement Professionals* and created the *BulletProof™* Initiative for the encouragement of public servants across America.

He has been married to his high-school sweetheart since 1984 and is the father of three children and a grandfather of three. He resides with his family in North Carolina.



Lewis Andrews joined the North Carolina Department of State Treasurer in 2002 as an Accounting and Financial Management Advisor in the State and Local Government Finance Division's Fiscal Management section where he assisted local governments with various financial management and compliance initiatives.

In early 2005, he assumed a new role as Senior Financial Analyst of State Debt. During his tenure as State Debt Analyst, he has played a key role in the issuance of over \$10 billion of bonds and other financing vehicles for the State.

He is responsible for annual disclosure of the State's indebtedness in the State CAFR and for other post issuance compliance disclosures that are required to be filed with various regulatory entities. Prior to joining the North Carolina Department of State Treasurer, he was a senior financial analyst in the telecommunications industry.

Lewis is a graduate of North Carolina State University and is a Certified Public Accountant.



Dora Fazzini joined the North Carolina Department of State Treasurer in 2005 as the State’s Debt Director and as the Director of the NC Capital Facilities Finance Agency. During her tenure, she has issued over \$10 billion of bonds and other financing vehicles for the state. Prior to joining NC, she was the Director of Debt Management for the Commonwealth of Virginia, another “triple A” rated entity. Dora has been a Sr. fixed income portfolio manager in the private sector

and issued mortgage-backed securities for the Federal Home Loan Mortgage Corp. (Freddie Mac).

Dora received her B.A. from the University of Pennsylvania and M.B.A. from Cornell University.



Holly A. Sullenger, M Ed, ABD PhD describes herself as a knowledge broker. She currently works as the Assistant Director for NC State University's Technology Training Solutions, a unit within the Division of Continuing and Professional Education. Her unit delivers both technology and professional development courses to members of business and industry who need additional knowledge to get ahead in their fields.

Holly is also a sought-after speaker for many organizations and professional associations, having done both technical and professional training for over 25 years. During that time, she also managed five different training centers, provided business software solutions to corporations across the country, and still runs her own consulting business. Holly specializes in the Microsoft products, and is known for her Excel Tips and Tricks seminar, which is sold-out each time it runs.

Holly believes strongly in the benefits of participating in lifelong education. She is currently in the dissertation phase of PhD studies in Adult Education at NC State University. Her previously earned degrees in Adult Education, Business Administration, Computer Science, and Liberal Arts, work together to provide Holly with a diverse knowledge base and an uncanny ability to connect with her audiences.

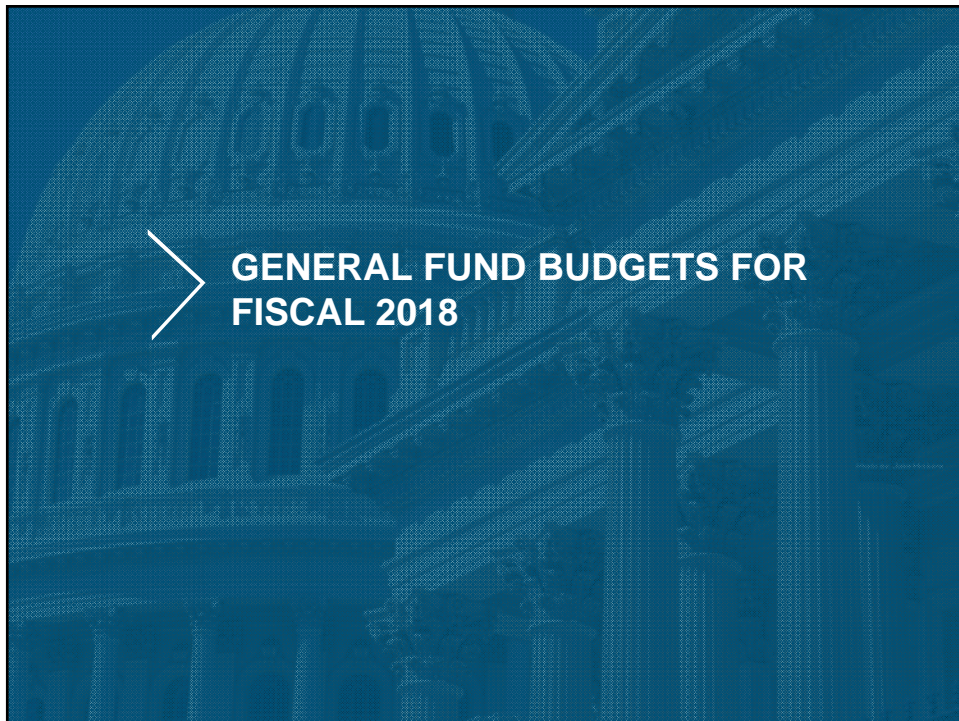


> December 12, 2017
**North Carolina
OSC Financial
Conference**

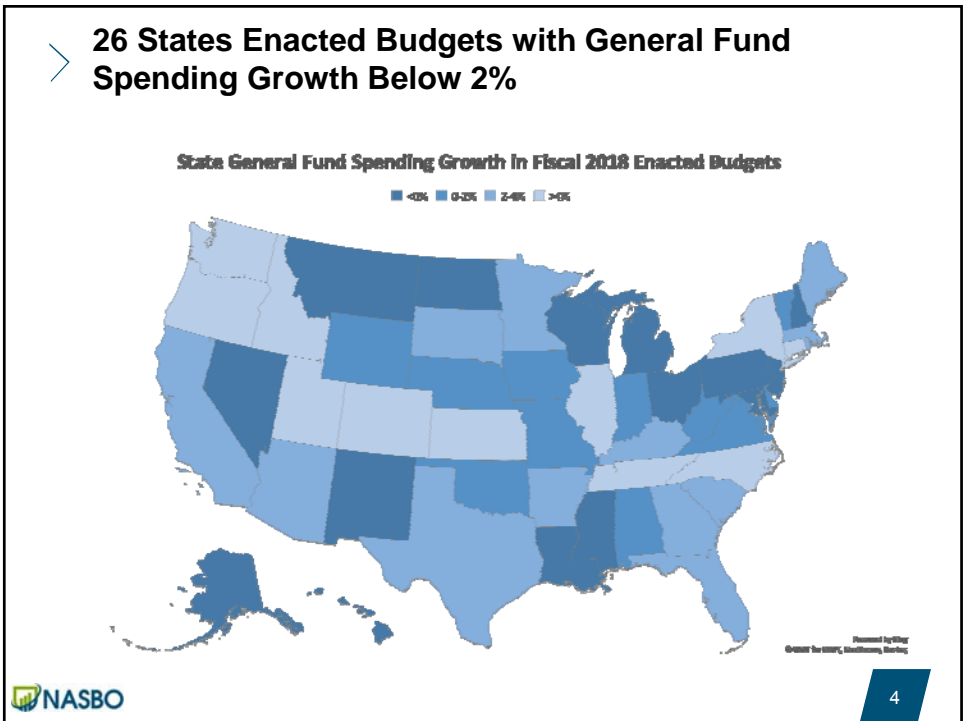
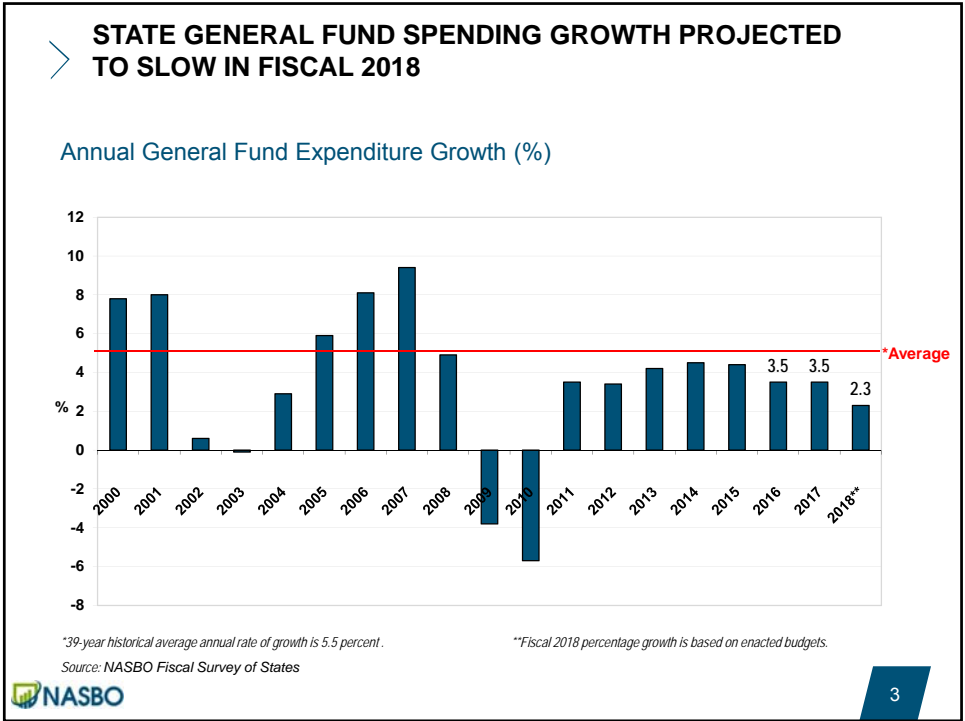
**FISCAL CONDITION OF
THE STATES**

John Hicks
Executive Director

National Association of State Budget Officers | NASBO

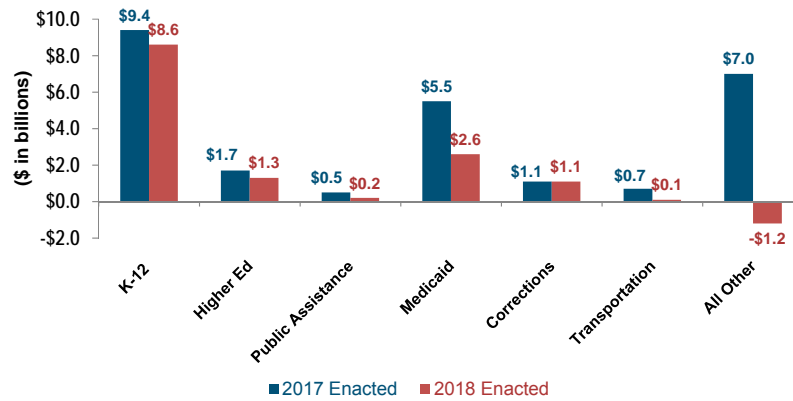


> **GENERAL FUND BUDGETS FOR
FISCAL 2018**



➤ **STATES ENACT VERY MODEST SPENDING INCREASES**
 Fiscal 2018 Increase of \$12.7B Compared to \$25.8B in Fiscal 2017

Enacted General Fund Spending Changes by Program Area

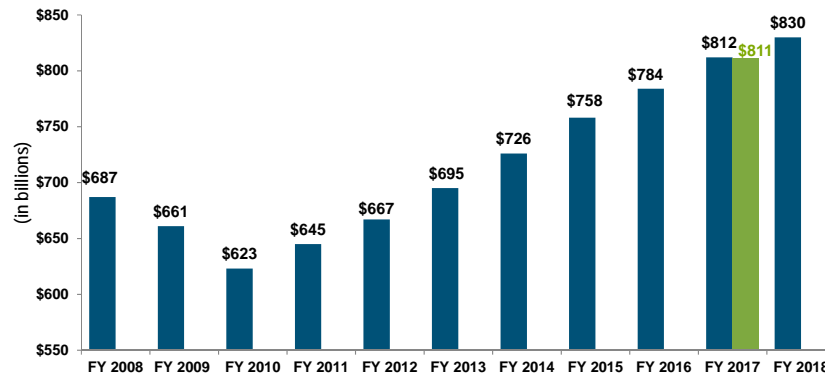


Source: NASBO Fiscal Survey of States



➤ **FISCAL 2017 GENERAL FUND SPENDING**
 BARELY EXCEEDS INFLATION-ADJUSTED PRE-RECESSION PEAK

General Fund Spending: FY 2008 – FY 2018



Source: NASBO Fiscal Survey of States; Fiscal 2018 figure is based on states' enacted budgets.

*Aggregate spending level needed to total at least \$811 billion in fiscal 2017 to be equivalent with or exceed real 2008 spending level.





STATE BUDGET THEMES

FY 2018 Budgets

- **Improving Structural Budget Balance**
- **Reserves/Rainy Day Fund Increases**
- **Trimming Spending – some states still cutting; many still belt-tightening – flat funding**
- **Efficiency Efforts**
- **Reorganization/Consolidation of Services**



STATE BUDGET THEMES

FY 2018 BUDGETS



Elementary and Secondary Education

- › Teachers' Salaries
- › Kindergarten/Early Learning
- › Funding Formula Re-examination




Workforce Development

- › Career Pathways – secondary and post-secondary
- › Addressing “Skills gap”
- › Adult upskilling
- › Free/Last Dollar post-secondary credential up to Associate's









Child Welfare Services

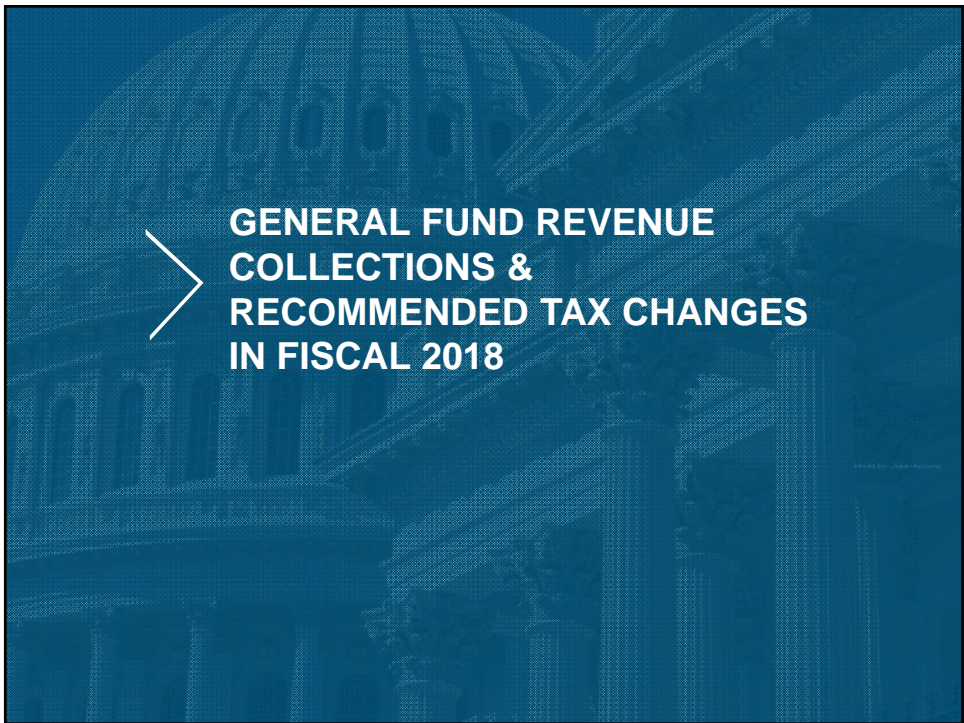
- › Lowering caseloads
- › Foster care improvements and reform



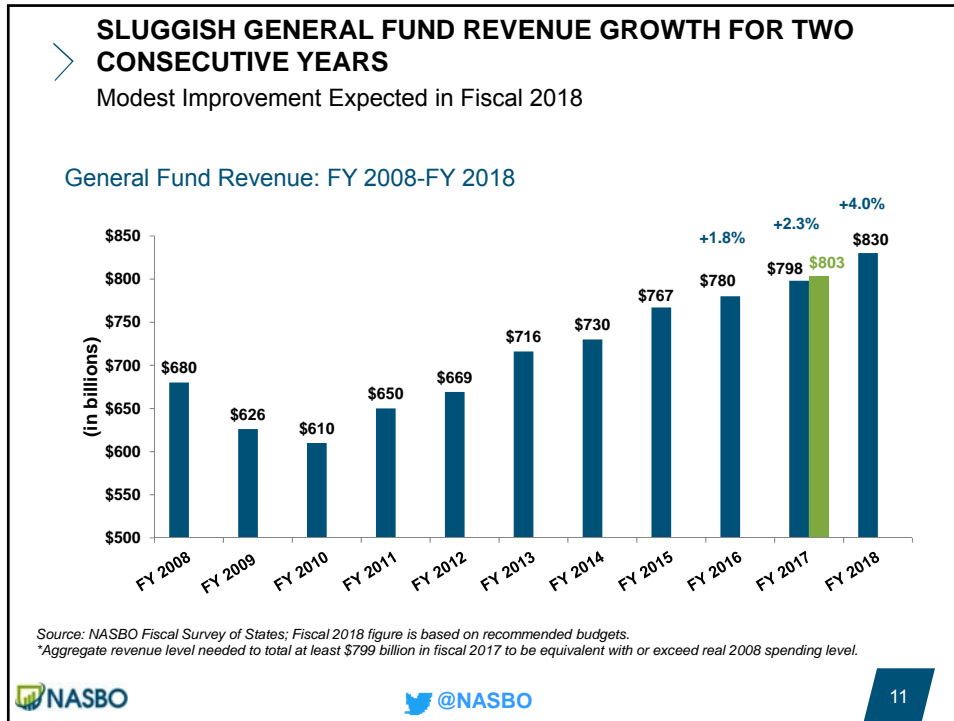
STATE BUDGET THEMES FY 2018 BUDGETS

-  **Medicaid**
 - › 31 “expansion” states – state match 5% 2017, 6% 2018
 - › Payment delivery change initiatives
 - › Waiver population “slot” increases & home-based care emphasis
-  **Pension Funding and Reforms**
 - › Getting out the checkbook
 - › New employee plans – defined contribution/hybrid cash balance
 - › Lower assumed investment rates of return
-  **Transportation**
 - › Multi-year needs assessments pushing resource decisions
 - › Area of largest percentage spending increases in last 2 years
-  **Opioids**
 - › Continued investment in substance abuse and life-saving efforts

  @NASBO 9



GENERAL FUND REVENUE COLLECTIONS & RECOMMENDED TAX CHANGES IN FISCAL 2018



FY 2017 GENERAL FUND REVENUE UPDATE

35 States Revised their Revenue Forecasts Downward

- 9 of 11 Eastern States
- 10 of 15 Southern States
- 11 of 11 Midwestern States
- 5 of 13 Western States

- › Average Downward Revision of -2.0%
- › Economic forecasts of GDP and income were rosier than what actually happened
- › 5 states with a -4% or more downward revision

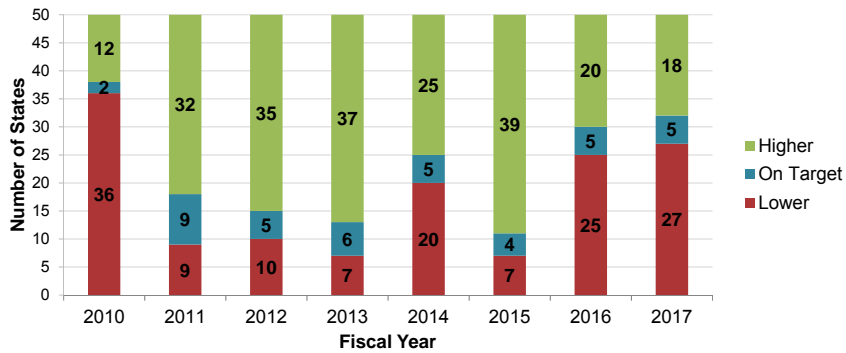
14 States Revised Forecasts Upward

- › Average Upward Revision of +2.3%

NASBO 12

➤ 27 STATES REPORT REVENUE SHORTFALLS IN FISCAL 2017

General Fund Revenue Collections Compared to Original Budget Projections

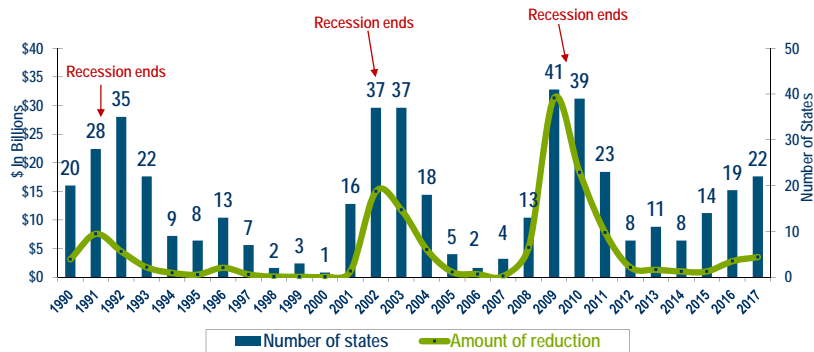


Source: NASBO Fiscal Survey of States.



➤ 22 STATES MADE MID-YEAR BUDGET CUTS IN FISCAL 2017, TOTALING \$3.5 BILLION

Enacted Budget Cuts Made After the Budget Passed



Source: NASBO Fiscal Survey of States



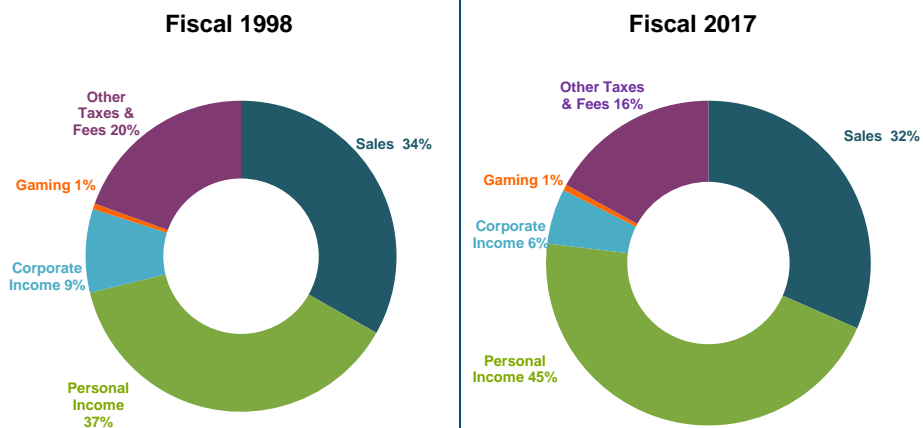
➤ **STATES ENACTED TAX AND FEE CHANGES THAT ADD \$9.9 BILLION IN NEW REVENUE (\$5.7 BILLION GENERAL FUND)**

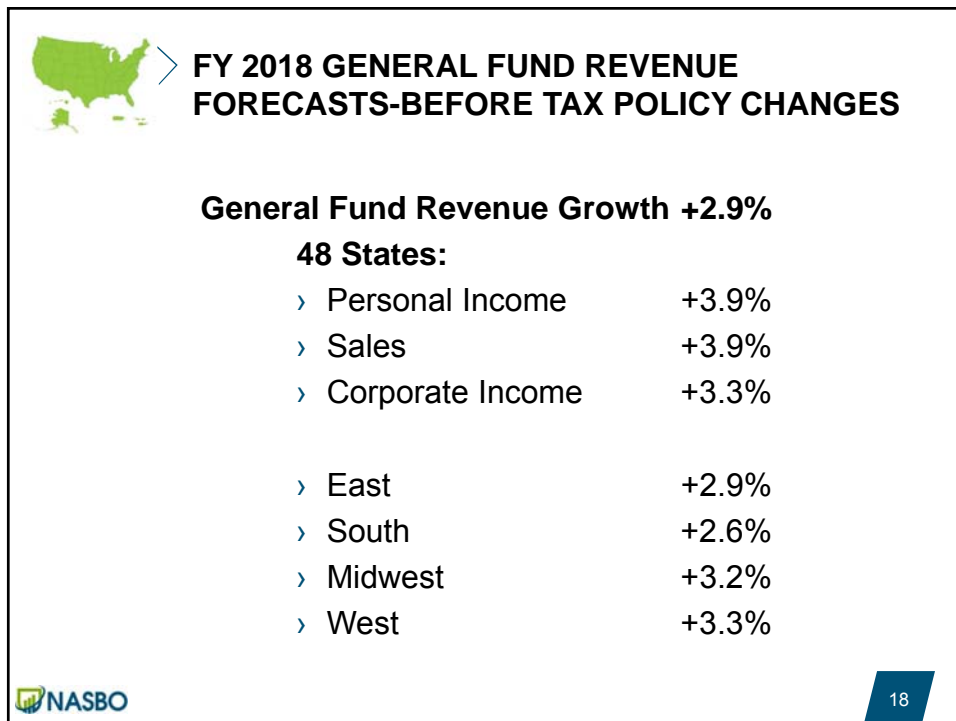
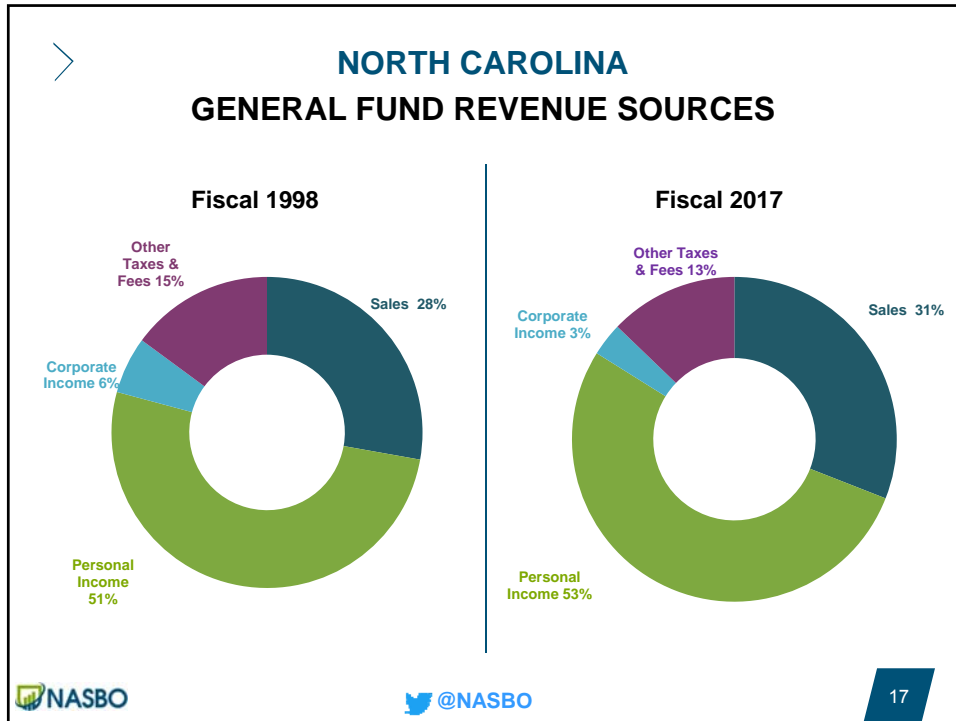
Revenue Type	# of States Enacting Increases	# of States Enacting Decreases	Fiscal 2018 Net Change (\$ in millions)	FY18 Change (General Fund Only)
Sales Tax	11	11	+\$13	-\$107
Personal Income Tax	8	13	+\$4,114	+\$4,133
Corporate Income Tax	5	8	+\$545	+\$552
Cigarette/Tobacco Tax	3	2	+\$51	+\$51
Motor Fuel Tax	8	1	+\$2,895	\$0
Alcohol Tax	2	1	+\$7	+\$7
Other Tax	10	7	+\$1,176	+\$1,009
Fees	14	2	+\$1,117	+\$56
NET TOTAL	21	13	+\$9,917	+\$5,700

Source: NASBO Fiscal Survey of States



➤ **GENERAL FUND REVENUE SOURCES ALL 50 STATES**







FY 2019 GENERAL FUND REVENUE FORECASTS - 17 States BEFORE TAX POLICY CHANGES

General Fund Revenue Growth +3.8%
17 Biennial Budget States:

- › Personal Income +4.7%
- › Sales +4.0%
- › Corporate Income +2.6%



2017 State Ratings & Outlooks - July 2017

State	Moody's	S&P	Fitch	State	Moody's	S&P	Fitch
Alabama	Aa1 Stable	AA Stable	AA+ Stable	Missouri	Aaa Stable	AAA Stable	AAA Stable
Alaska	Aa3 Negative	AA Negative	AA+ Negative	Montana	Aa1 Stable	AA Stable	AA+ Stable
Arizona	(Aa2) Stable	(AA) Stable	* N/A	Nebraska	Aa2 ⁽¹⁾ Stable	(AAA) Stable	* N/A
Arkansas	Aa1 Stable	AA Stable	* N/A	Nevada	Aa2 Stable	AA Stable	AA+ Stable
California	Aa3 Stable	AA- Stable	AA- Stable	New Hampshire	Aa1 Stable	AA Stable	AA+ Stable
Colorado	(Aa1) Stable	(AA) Stable	* N/A	New Jersey ⁽²⁾	A3 Stable	A- Negative	A Stable
Connecticut ⁽²⁾	A1 Stable	A+ Stable	A+ Stable	New Mexico	Aa1 Negative	AA Negative	* N/A
DC	Aa1 Stable	AA Stable	AA Stable	New York ⁽²⁾	Aa1 Stable	AA+ Stable	AA+ Stable
Delaware	Aaa Stable	AAA Stable	AAA Stable	North Carolina	Aaa Stable	AAA Stable	AAA Stable
Florida	Aa1 Stable	AAA Stable	AAA Stable	North Dakota	(Aa1) Negative	(AA+) Stable	* N/A
Georgia	Aaa Stable	AAA Stable	AAA Stable	Ohio	Aa1 Stable	AA+ Stable	AA+ Stable
Guam	* N/A	BB- Stable	* N/A	Oklahoma	Aa2 Negative	AA Stable	AA Stable
Hawaii	Aa1 Stable	AA+ Stable	AA Stable	Oregon	Aa1 Stable	AA+ Stable	AA+ Stable
Idaho	(Aa1) Stable	(AA+) Stable	(AA+) Stable	Pennsylvania	Aa3 Stable	AA- Negative	AA- Stable
Illinois	Baa3 RUR**	BBB- Stable	BBB Negative	Puerto Rico	C Negative	D NM	D -
Indiana	(Aaa) Stable	(AAA) Stable	(AAA) Stable	Rhode Island	Aa2 Stable	AA Stable	AA Stable
Iowa	(Aaa) Stable	(AAA) Stable	(AAA) Stable	South Carolina	Aaa Stable	AA+ Stable	AAA Stable
Kansas	(Aa2) Stable	(AA-) Negative	* N/A	South Dakota	(Aaa) Stable	(AAA) Stable	(AAA) Stable
Kentucky	(Aa2) Stable	(A+) Negative	(AA-) Stable	Tennessee	Aaa Stable	AAA Stable	AAA Stable
Louisiana	Aa3 Negative	AA- Negative	AA- Stable	Texas	Aaa Stable	(AAA) Stable	AAA Stable
Maine	Aa2 Stable	AA Stable	AA Stable	Utah	Aaa Stable	AAA Stable	AAA Stable
Maryland	Aaa Stable	AAA Stable	AAA Stable	Vermont	Aaa Stable	AA+ Stable	AAA Stable
Massachusetts	Aa1 Stable	AA Stable	AA+ Stable	Virginia	Aaa Stable	AAA Stable	AAA Stable
Michigan	Aa1 Stable	AA- Stable	AA Stable	Washington	Aa1 Stable	AA+ Stable	AA+ Stable
Minnesota	Aa1 Stable	AA+ Positive	AAA Stable	West Virginia	Aa2 Stable	AA- Stable	AA Negative
Mississippi	Aa2 Negative	AA- Negative	AA Stable	Wisconsin ⁽²⁾	Aa2 Positive	AA Stable	AA Stable
				Wyoming	* N/A	(AAA) Negative	* N/A

Ratings in parentheses are issuer credit ratings or implied General Obligation ratings.
 Note: Green shaded box indicates upgrade and red shaded box indicates downgrade since January 1, 2017.
 * No general obligation, implied general obligation or equivalent issuer credit ratings.
 (1) Lease revenue and/or Certificate of Participation ("COP") rating.
 (2) Kroll Bond Rating Agency also assigns ratings to Connecticut (AA-/stable), Wisconsin (AA/stable), New York (AA+/Stable) and New Jersey (A/Stable).
 **Ratings Under Review



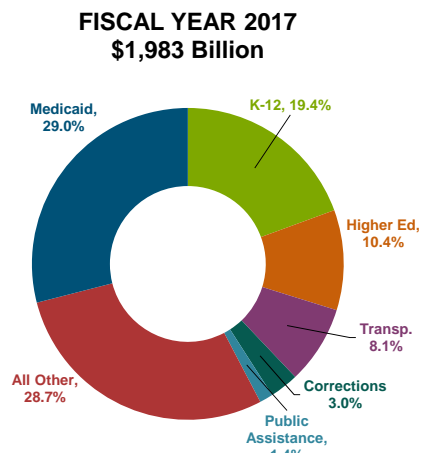
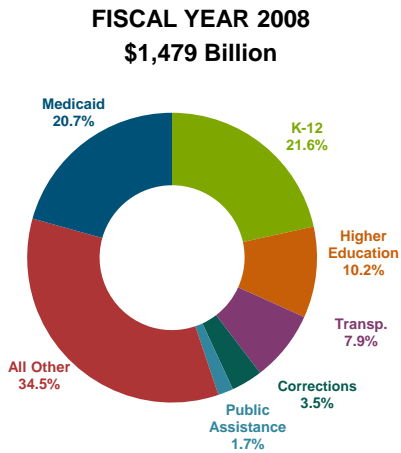
2016 State Ratings & Outlooks – Dec 2016

State	Moody's	S&P	Fitch	State	Moody's	S&P	Fitch
Alabama	Aa1 Stable	AA Stable	AA+ Stable	Missouri	Aaa Stable	AAA Stable	AAA Stable
Alaska	Aa2 Negative	AA+ Negative	AA+ Negative	Montana	Aa1 Stable	AA Stable	AA+ Stable
Arizona	(Aa2) Stable	(AA) Stable	* N/A	Nebraska	Aa2 ⁽¹⁾ Stable	(AAA) Stable	* N/A
Arkansas	Aa1 Stable	AA Stable	* N/A	Nevada	Aa2 Stable	AA Stable	AA+ Stable
California	Aa3 Stable	AA- Stable	AA- Stable	New Hampshire	Aa1 Stable	AA Stable	AA+ Stable
Colorado	(Aa1) Stable	(AA) Stable	* N/A	New Jersey ⁽²⁾	A2 Negative	A Negative	A Stable
Connecticut ⁽²⁾	Aa3 Negative	AA- Stable	AA- Stable	New Mexico	Aaa CWN	AA+ Negative	* N/A
DC	Aa1 Stable	AA Stable	AA Stable	New York ⁽²⁾	Aa1 Stable	AA+ Stable	AA+ Stable
Delaware	Aaa Stable	AAA Stable	AAA Stable	North Carolina	Aaa Stable	AAA Stable	AAA Stable
Florida	Aa1 Stable	AAA Stable	AAA Stable	North Dakota	(Aa1) Negative	(AA+) Stable	* N/A
Georgia	Aaa Stable	AAA Stable	AAA Stable	Ohio	Aa1 Stable	AA+ Stable	AA+ Stable
Guam	* N/A	BB- Stable	* N/A	Oklahoma	Aa2 Negative	AA+ Negative	AA+ Negative
Hawaii	Aa1 Stable	AA+ Stable	AA Stable	Oregon	Aa1 Stable	AA+ Stable	AA+ Stable
Idaho	(Aa1) Stable	(AA+) Stable	(AA+) Stable	Pennsylvania	Aa3 Negative	AA- Negative	AA- Stable
Illinois	Baa2 Negative	BBB+ Negative	BBB+ CWN	Puerto Rico	Caa3 Negative	C Negative	C CWN
Indiana	(Aaa) Stable	(AAA) Stable	(AAA) Stable	Rhode Island	Aa2 Stable	AA Stable	AA Stable
Iowa	(Aaa) Stable	(AAA) Stable	(AAA) Stable	South Carolina	Aaa Stable	AA+ Stable	AAA Stable
Kansas	(Aa2) Negative	(AA-) Stable	* N/A	South Dakota	(Aaa) Stable	(AAA) Stable	(AAA) Stable
Kentucky	(Aa2) Stable	(A+) Stable	(AA-) Stable	Tennessee	Aaa Stable	AAA Stable	AAA Stable
Louisiana	Aa3 Negative	AA Negative	AA- Stable	Texas	Aaa Stable	(AAA) Stable	AAA Stable
Maine	Aa2 Stable	AA Stable	AA Stable	Utah	Aaa Stable	AAA Stable	AAA Stable
Maryland	Aaa Stable	AAA Stable	AAA Stable	Vermont	Aaa Stable	AA+ Stable	AAA Stable
Massachusetts	Aa1 Stable	AA+ Negative	AA+ Stable	Virginia	Aaa Stable	AAA Stable	AAA Stable
Michigan	Aa1 Stable	AA- Stable	AA Stable	Washington	Aa1 Stable	AA+ Stable	AA+ Stable
Minnesota	Aa1 Stable	AA+ Positive	AAA Stable	West Virginia	Aa1 Negative	AA- Stable	AA+ Stable
Mississippi	Aa2 Stable	AA Stable	AA Stable	Wisconsin ⁽²⁾	Aa2 Positive	AA Stable	AA Stable
				Wyoming	* N/A	(AAA) Negative	* N/A

Ratings in parentheses are issuer credit ratings or implied General Obligation ratings
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 (2) Kroll Bond Rating Agency also assigns ratings to Connecticut (AA-/stable), Wisconsin (AA/stable), New York (AA+/Stable) and New Jersey (A/Stable).
 CWN stands for Credit Watch Negative
 Sources: Moody's Investors Service, Standard & Poor's Ratings Services, Fitch Ratings, Kroll Bond Rating Agency; As of December, 2016.



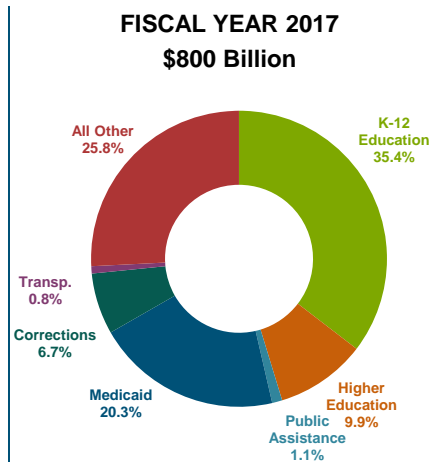
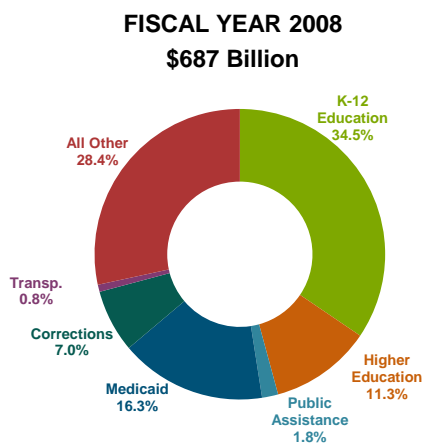
TOTAL STATE EXPENDITURES BY FUNCTION

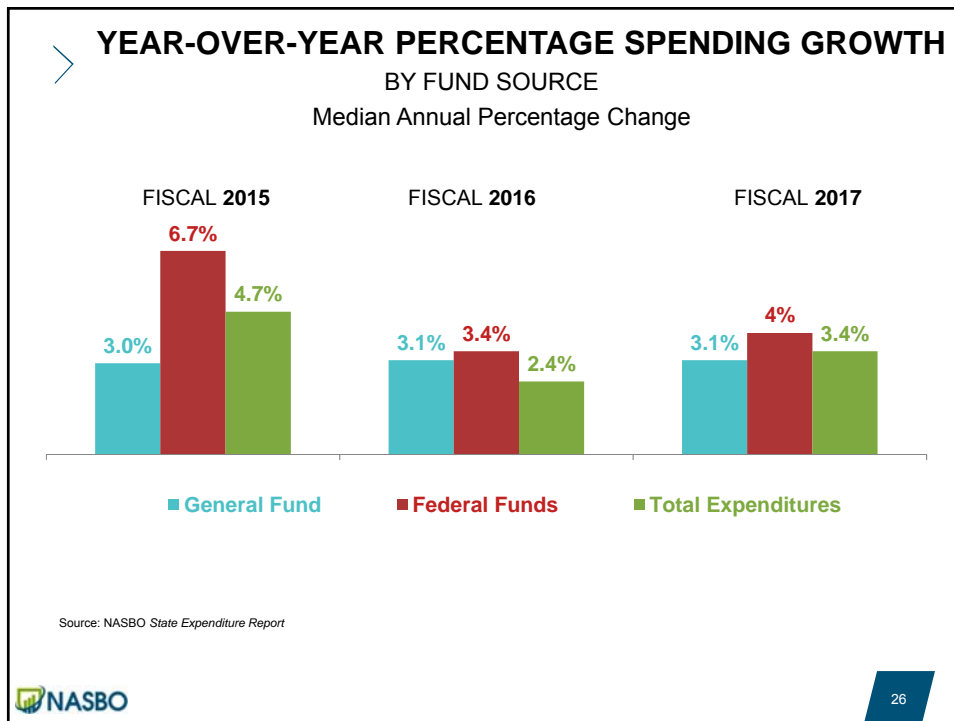
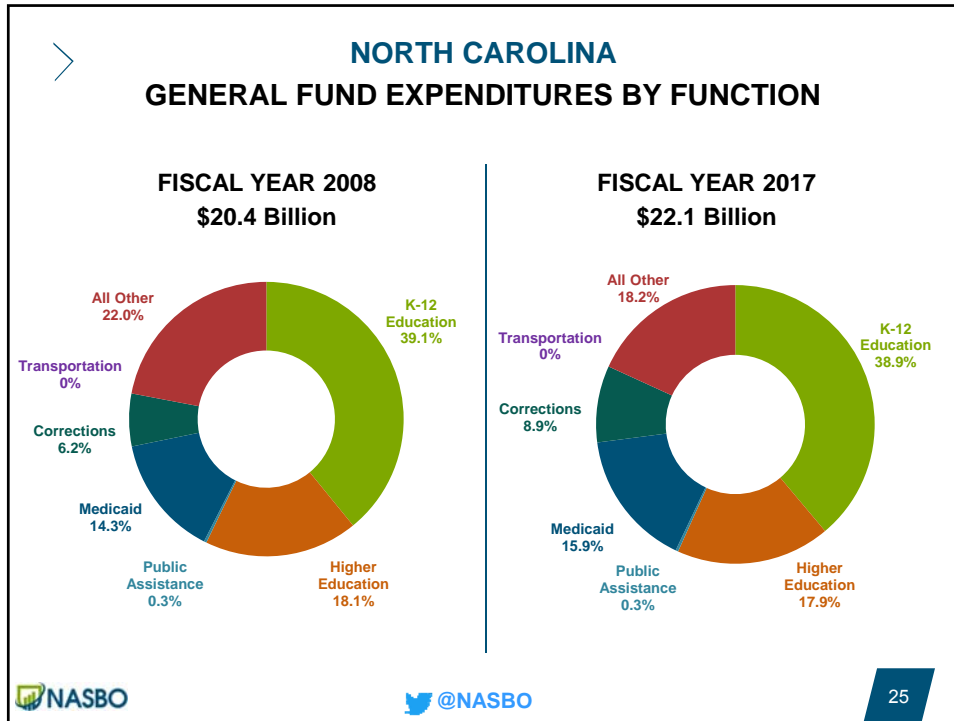


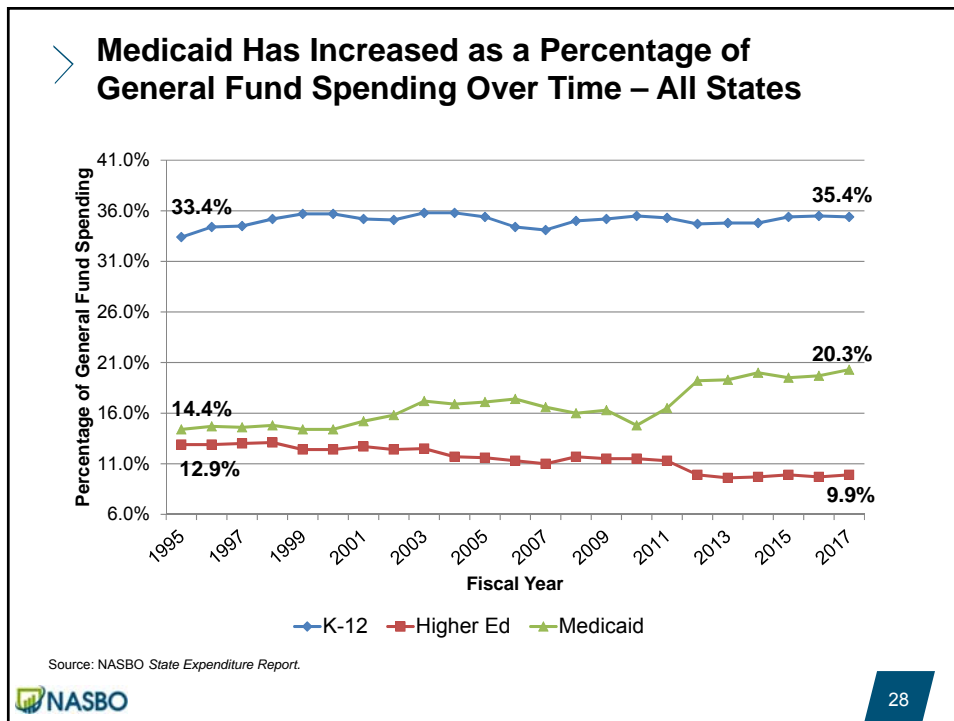
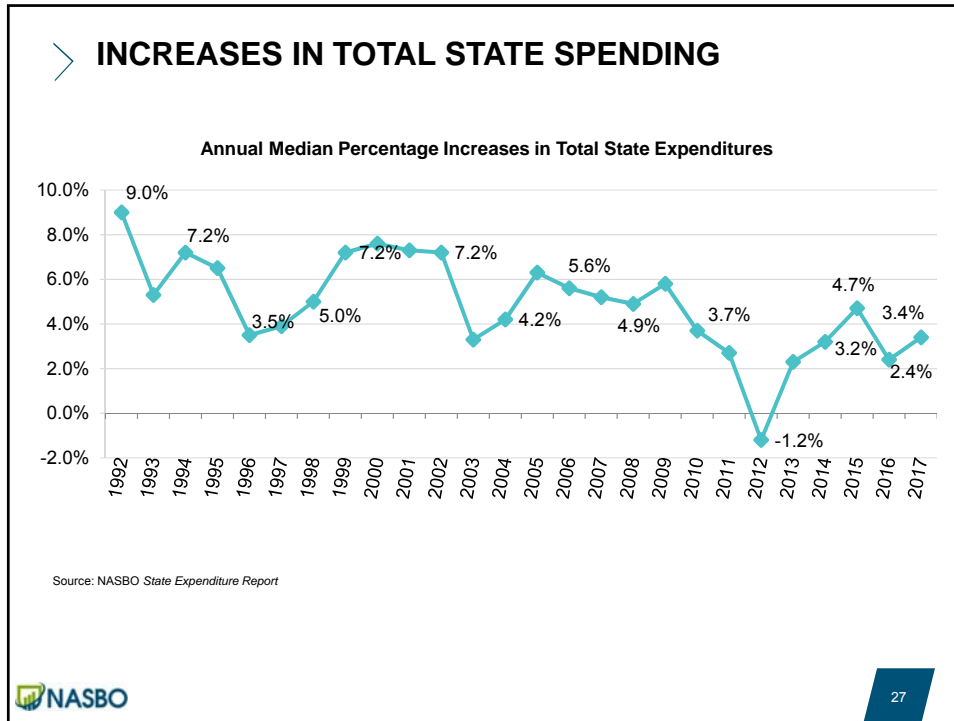
Source: NASBO State Expenditure Report. Total state expenditures include all federal and state funds. Percentages based on 50-state totals.



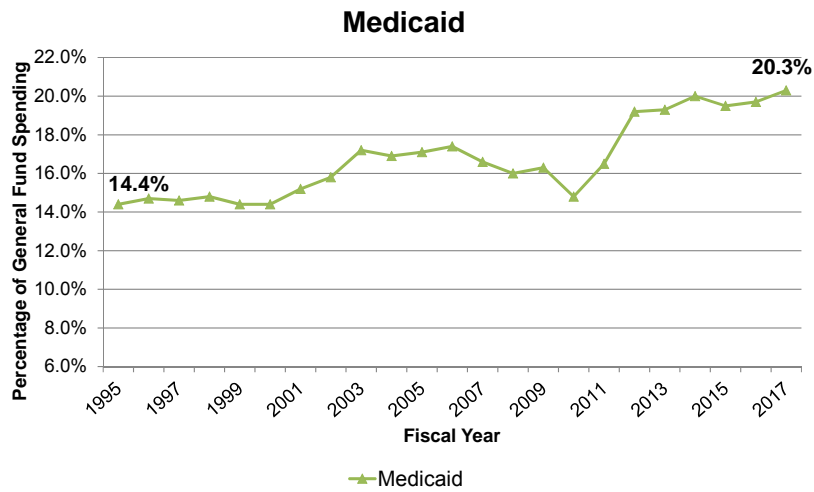
GENERAL FUND EXPENDITURES BY FUNCTION All 50 States







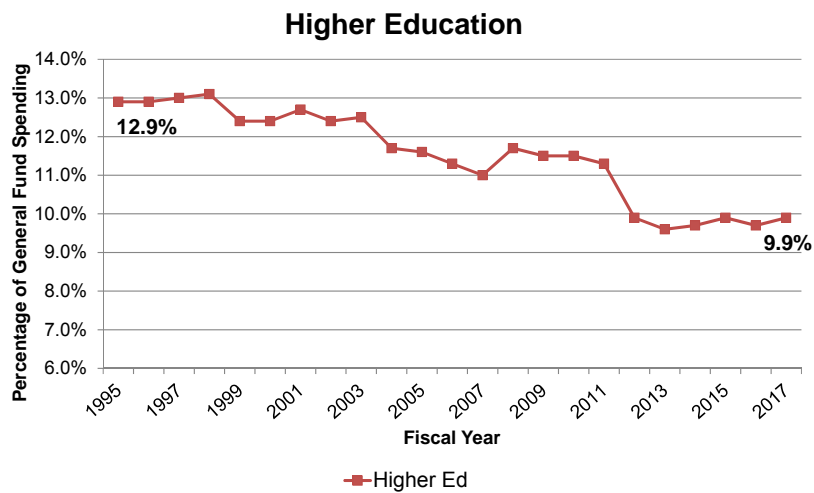
Medicaid Has Increased as a Percentage of General Fund Spending Over Time – All States



Source: NASBO State Expenditure Report.

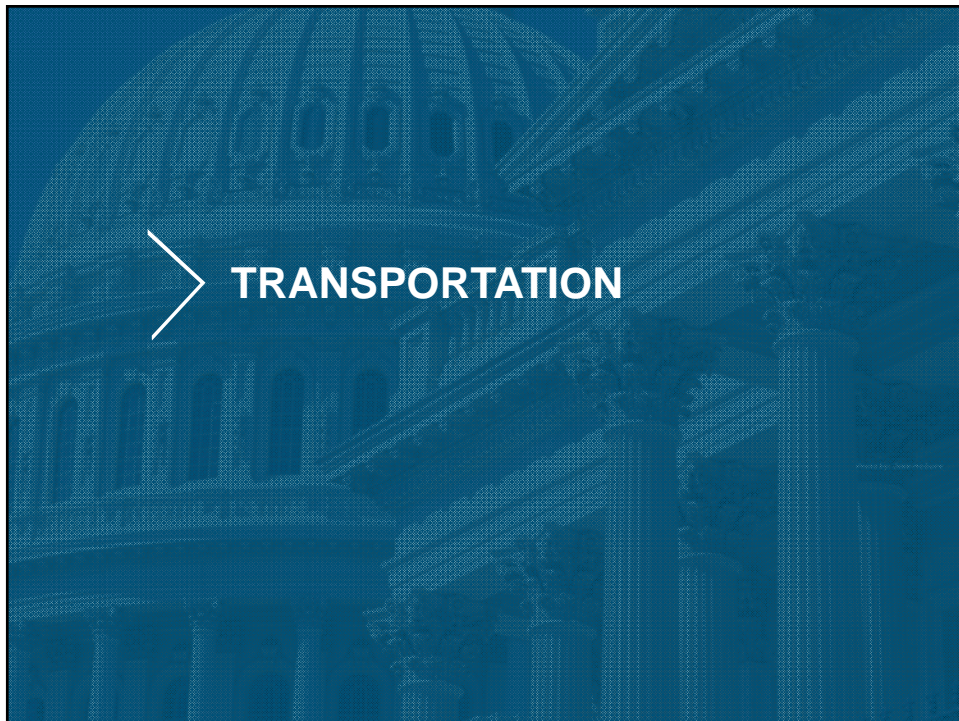
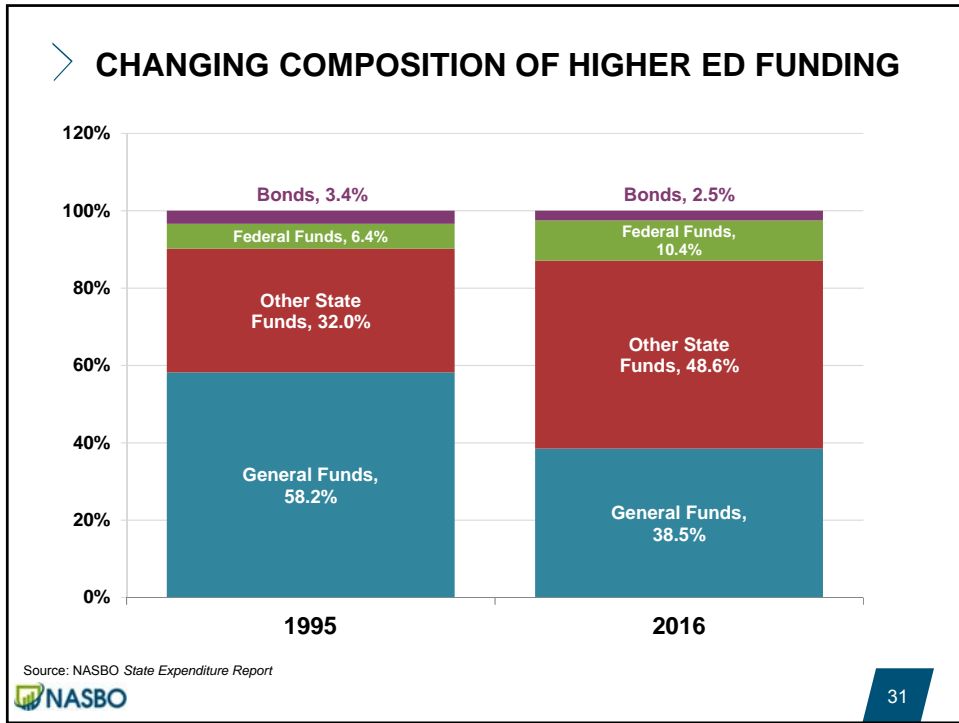


Higher Education Decreased as a Percentage of General Fund Spending Over Time – All States



Source: NASBO State Expenditure Report.



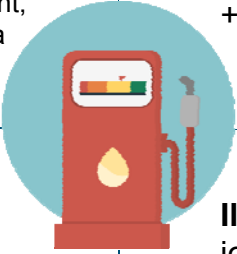


Gas taxes raised in 26 states since 2013

-8 states in 2017 Sessions (Rate increases: Cal, Ind, Mont, Ore, SC, Tenn. Formula change: Utah, W Va)


Average Number of Years since last increase = 25

Average Increase +10 cents

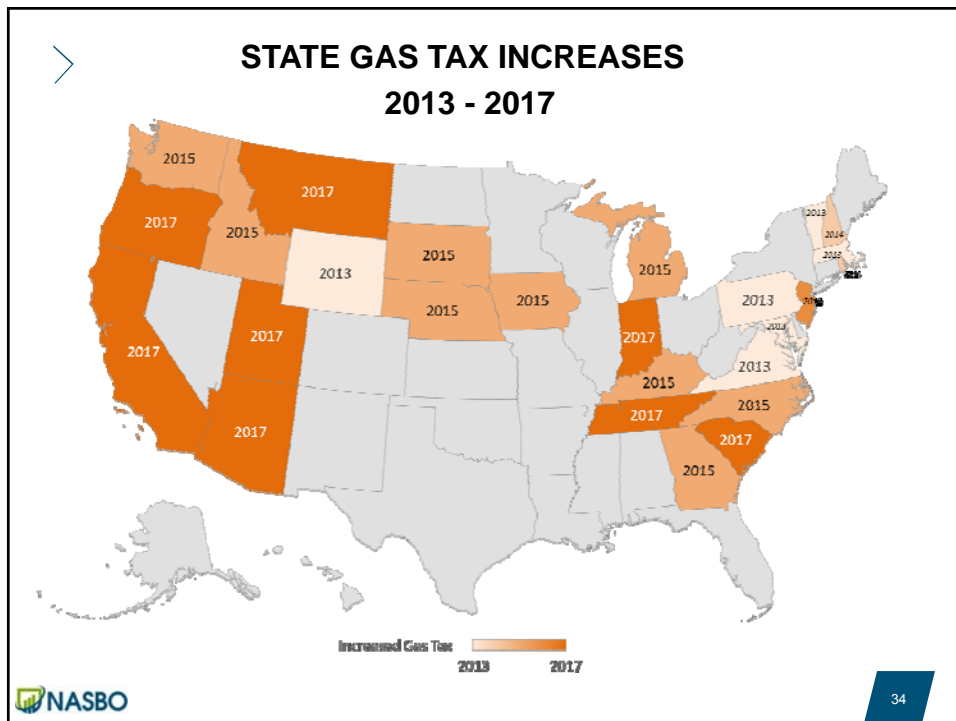


32 states have Constitutional restrictions on how revenues in transportation fund can be spent

Illinois & New Jersey joined them through 2016 ballot measures, **Connecticut** ballot measure in 2018



33





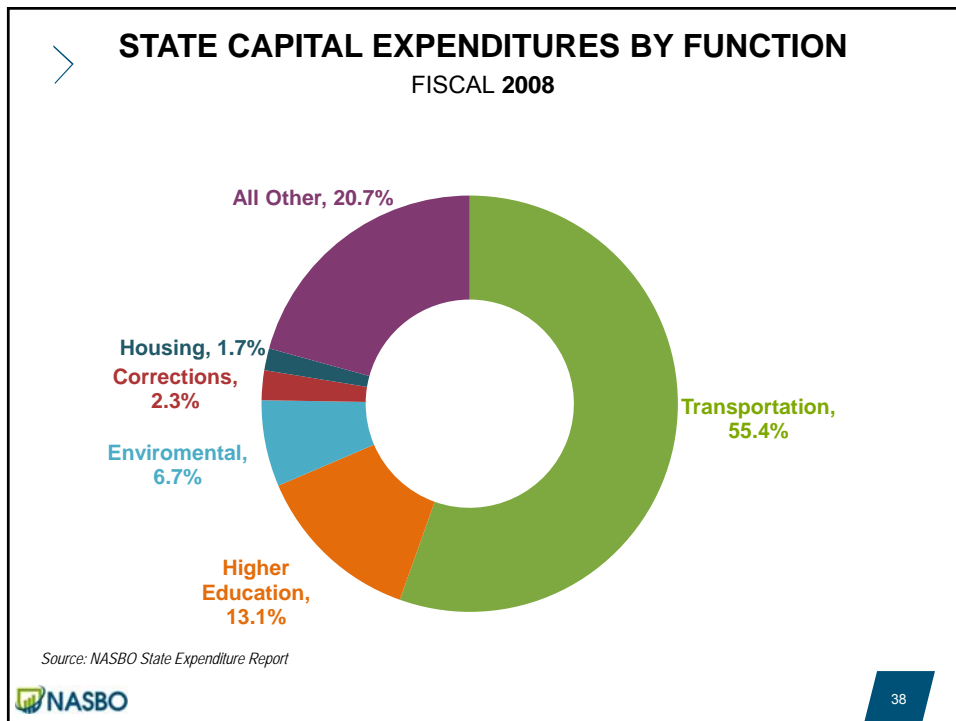
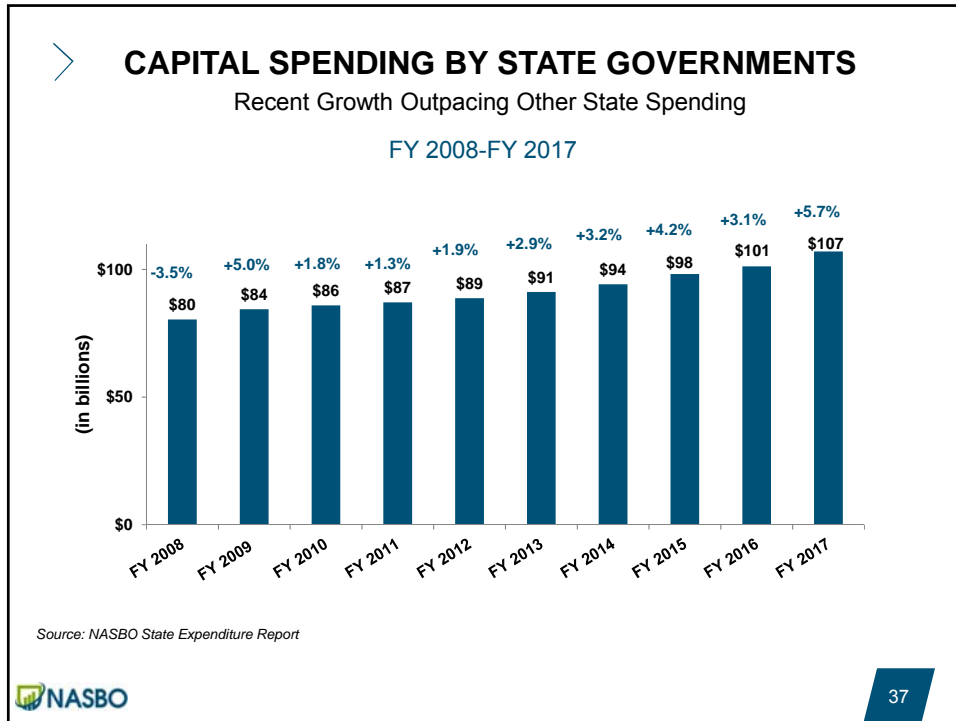
TRANSPORTATION FUNDING – Other than Fuel Tax Increases – 2017 Sessions

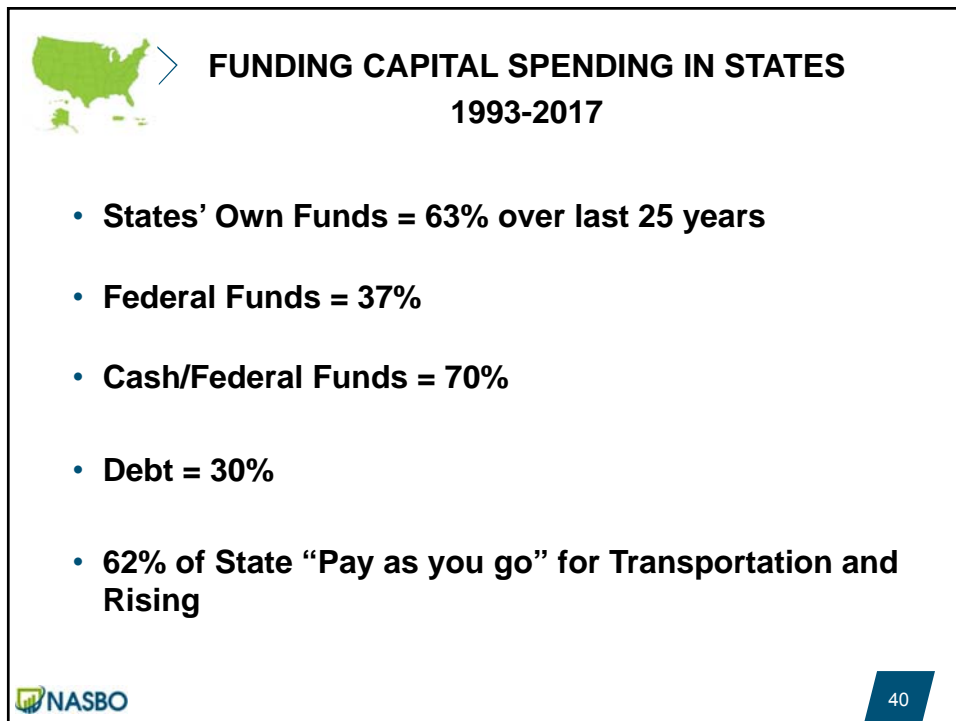
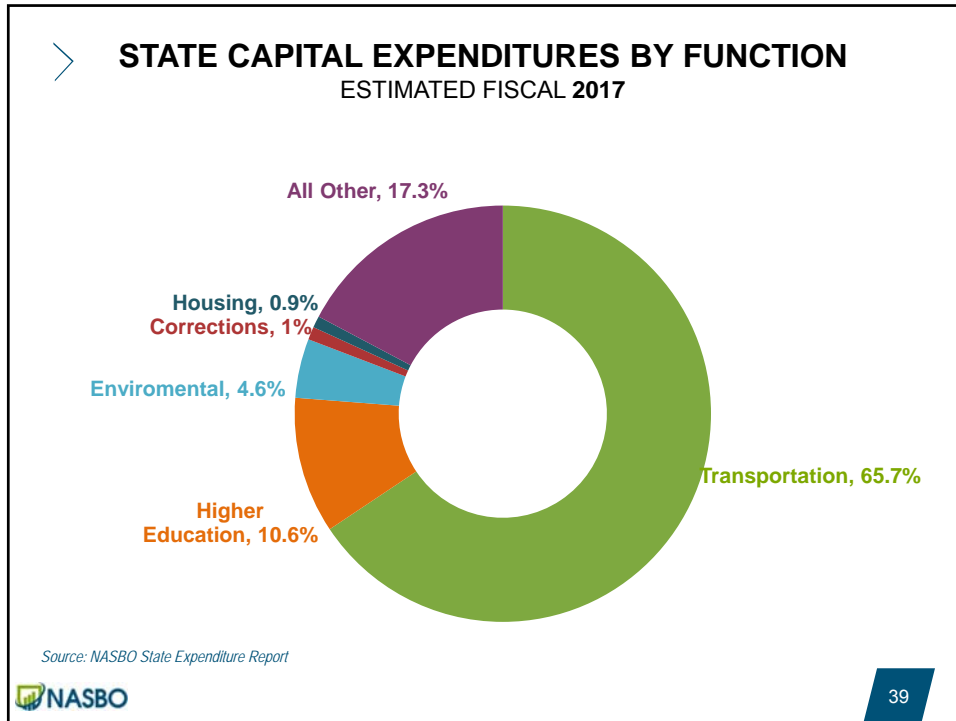
- **Fees**
- **Increase in Vehicle Registration Fee:** Mont, Ore, SC, Tenn, Utah
- **New Electric Vehicle Fee:** Cal, Ind, Minn, Mont, Okla, SC, W Va
- **New Hybrid Vehicle Fee:** Cal, Ind, Mont, Okla, SC, W Va
- **New Transportation Improvement Fee:** Cal (based on vehicle value), Ind, Mont (for vehicles > \$150,000)
- **Truck Use/Weight Fee:** SC, Wyo

- **Vehicle Use/Sales Tax:** Okla, Ore, SC, W Va
- **Pay Back Past General Fund Transfers:** Cal
- **Divert Revenue Stream to Transp Fund:** Minn
- **Rental Car Charge:** Tenn
- **Toll Authorization:** Ind

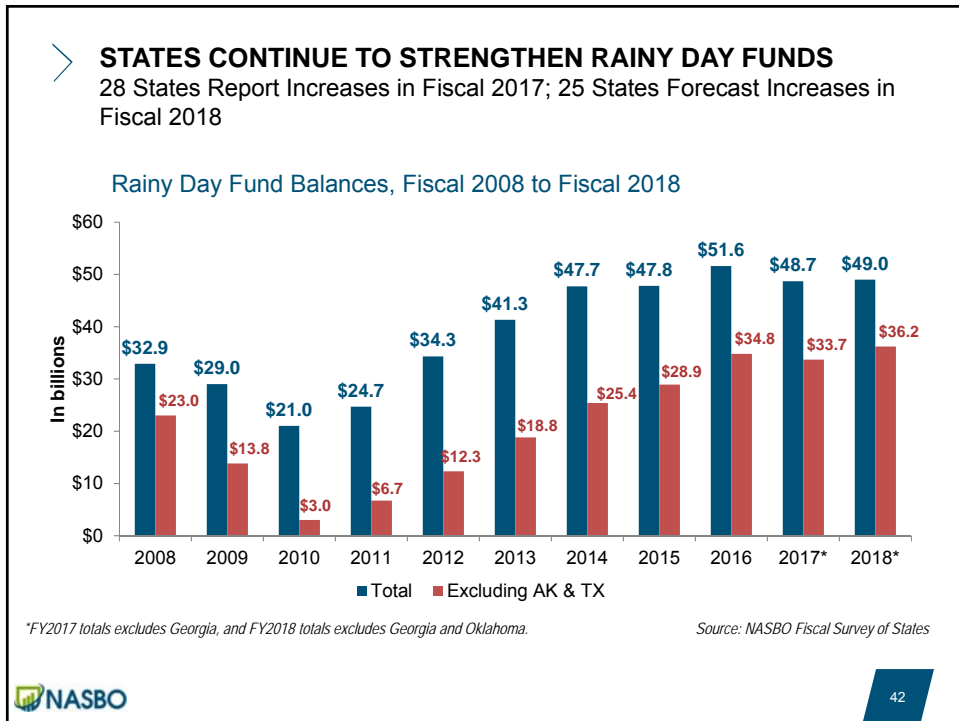


STATE CAPITAL SPENDING

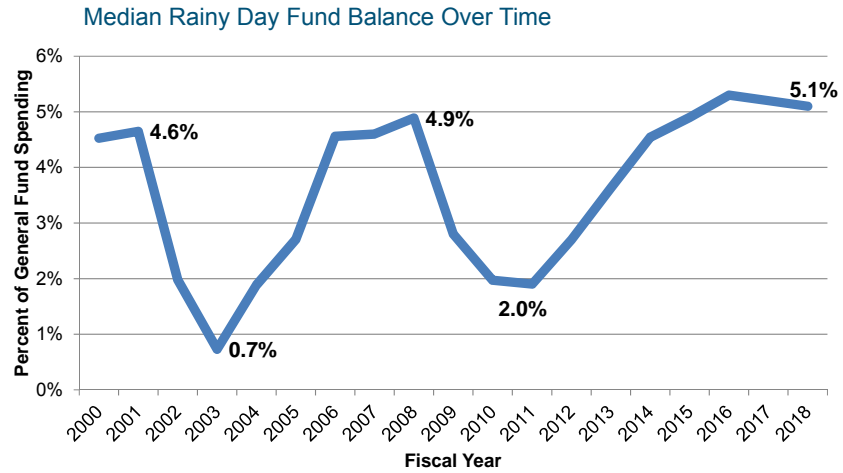




STATE SAVINGS ACCOUNTS (RAINY DAY FUNDS)

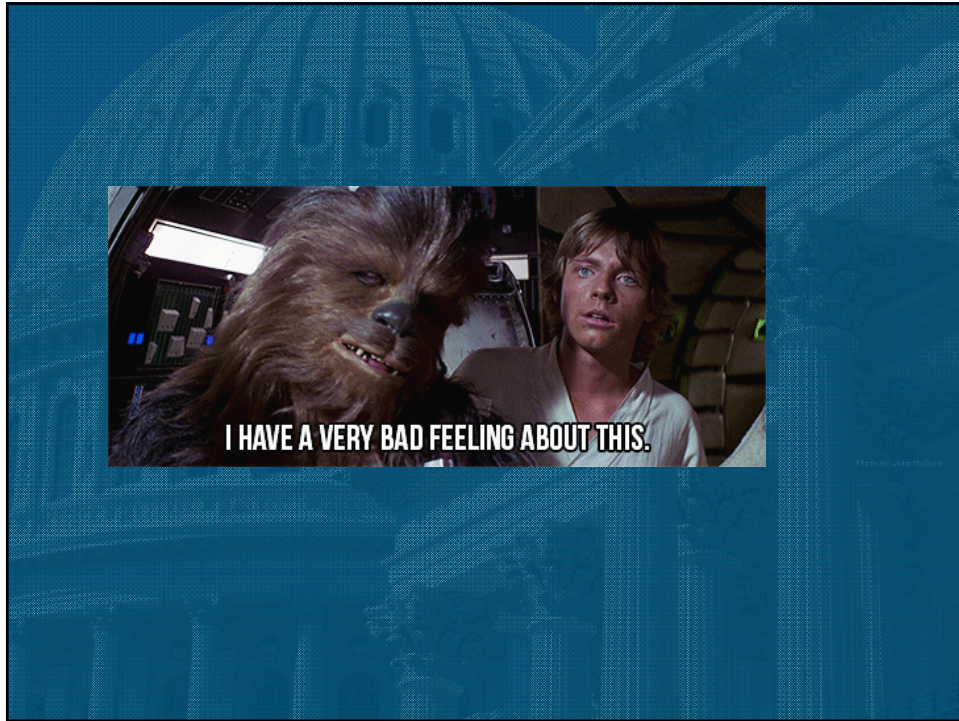



➤ **STATES CONTINUE TO STRENGTHEN RAINY DAY FUNDS SINCE HITTING RECENT LOW IN FISCAL 2010-2011**




Source: NASBO Spring 2017 Fiscal Survey

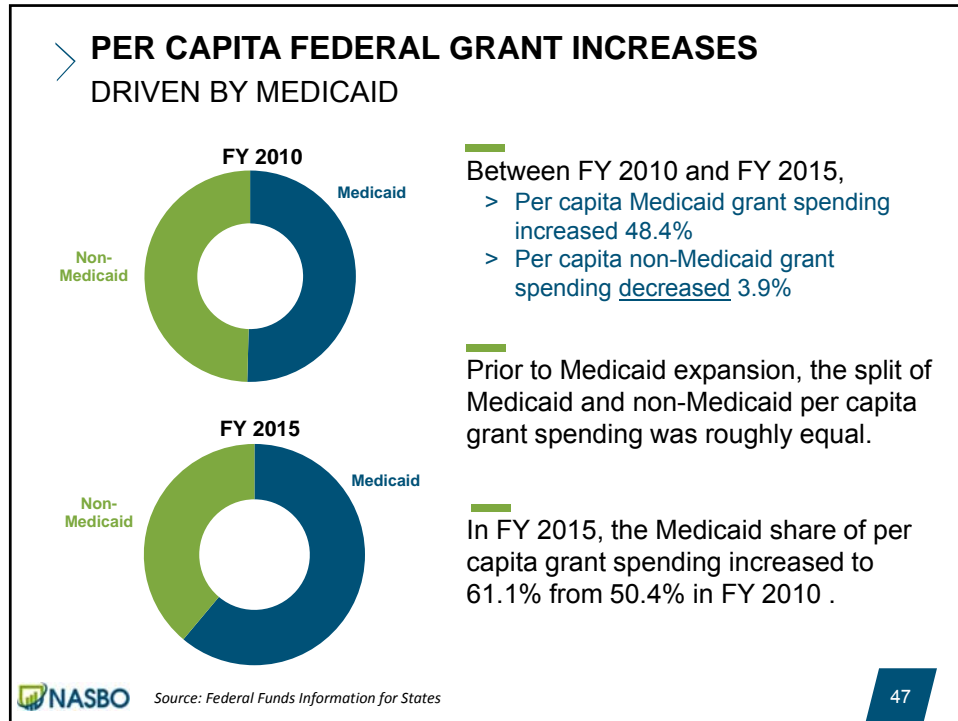




 > **FEDERAL UNCERTAINTY FOR STATES**

<p>1</p> <p>The Affordable Care Act, especially Medicaid – Per capita caps, Expansion, Flexibility</p>	<p>2</p> <p>Tax Policy Considerations – personal & corporate tax, state/local tax deductibility</p>
<p>3</p> <p>Infrastructure</p>	<p>4</p> <p>The Fiscal 2018 Budget Continuing Resolution Budget Caps What will 2019 bring?</p>

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FEDERAL TAX LAW CHANGES WHAT ARE STATES GOING TO DO?

- **Very Little Time to React in 2018 Sessions**
- **Uncertainty on the Real Impact – Not Easy**
- **Most States tie to Federal Tax (Adjusted Gross Income or Taxable Income)**
- **Conformity Will be a New Word in Your Vocabulary**

NASBO

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CHALLENGES: LONG TERM BEGINS NOW

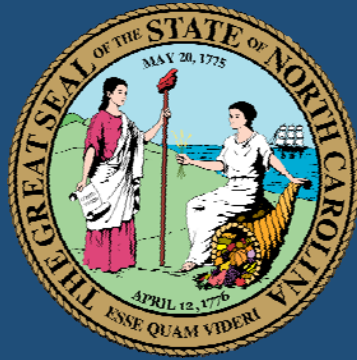
- **Tighter Resources for Years**
- **Debt and Pension Liability**
- **Infrastructure**
- **Medicaid Changes**
- **Federal Tax Law Changes and Budget Cuts**



WWW.NASBO.ORG

John Hicks
Executive Director

National Association of State Budget Officers | NASBO



Budget & Economic Outlook and OSBM Updates

Office of State Budget and Management

OSC Financial Conference
December 12, 2017

1



Outline

- **North Carolina Today**
 - Population & Demographics
 - Economy
- State Budget
- Recent Policy Changes & Impact on Future Budgets
- OSBM Updates
 - Common Sense Government
 - Performance Management
 - Results First

2



Population and Demographics

- Approaching 10.3 million people and 9th most populous state
- North Carolina is growing by 318 people per day; 110k+ per year
 - Adding the equivalent population of a city the size of High Point this year
- The state's population has grown by more than 7% since 2010
- Approximately a quarter of the population is 18 years of age or younger
- Nearly a sixth of North Carolinians are 65 or older
- Ranked 4th highest for net population migration in 2016 after Florida, Texas, and Washington

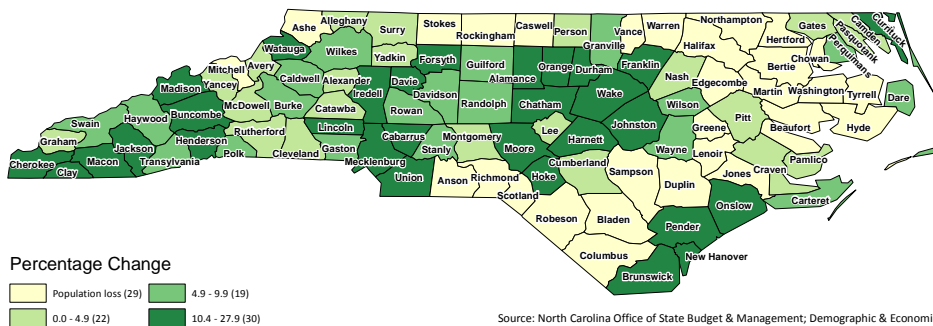
3



Population Considerations

- State population projected to grow by 1.1 million (11.2%) by 2027
 - 29 counties will lose population
 - 41 counties will grow between 0-10%
 - 30 counties will grow by more than 10%, some as much as 28%
- Population 65+ will grow three times faster than total population

Projected Percentage Population Change in North Carolina Counties, 2017 - 2027



4

Snapshot of North Carolina's Economy

- Total Labor Force: 4.95 million
- Non-Farm Employment: 4.4 million
- Unemployment Rate: 4.1%
- Total State GDP: \$522 billion (2.8% of U.S.; ranked #10)
 - Manufacturing 19.8% of state GDP, 10.5% of employment
- 2016 Annual Wages: \$33,920 median (ranked #36 highest) & \$45,280 mean
 - Lowest to Highest Median County Annual Wage: \$25,595 (Bertie) to \$46,004 (Durham)
- Largest Private Employers (2017 Q1)
 1. Walmart
 2. Duke University
 3. Food Lion
 10. Smithfield Foods, Inc. (Largest Manufacturer)

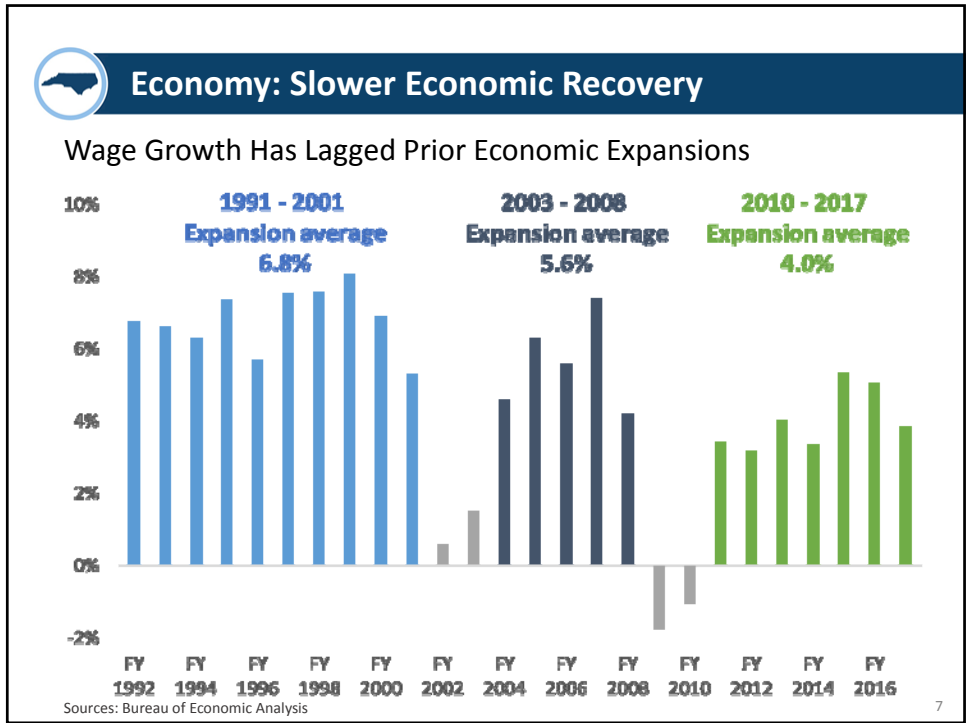
Sources: October 2017, Bureau of Labor Statistics; 2016 Annual Average, Bureau of Economic Analysis

Economy: Regional Employment

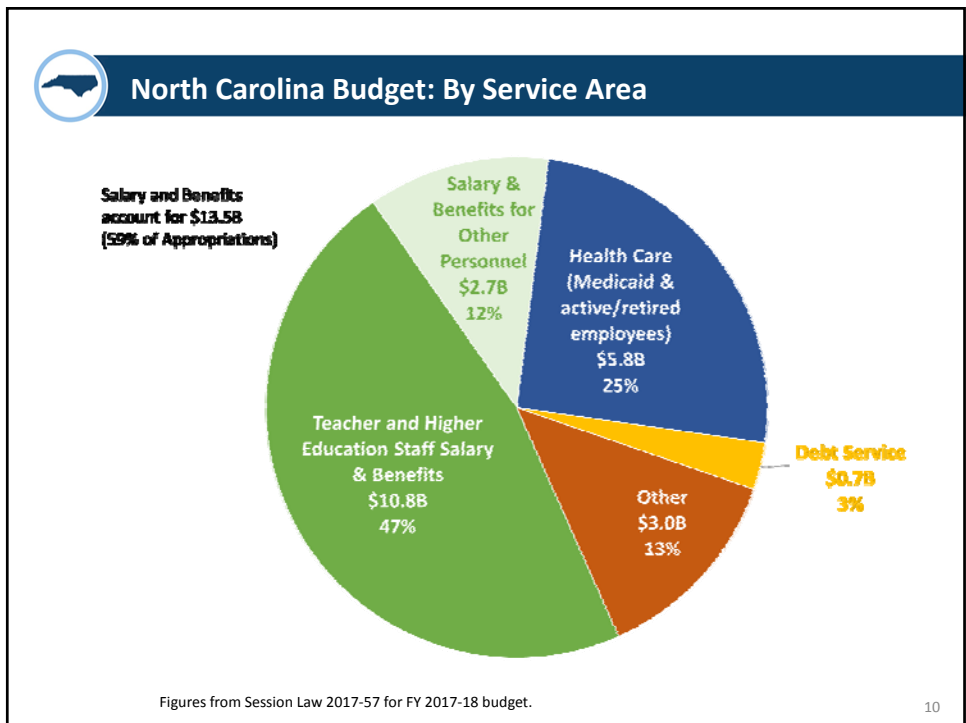
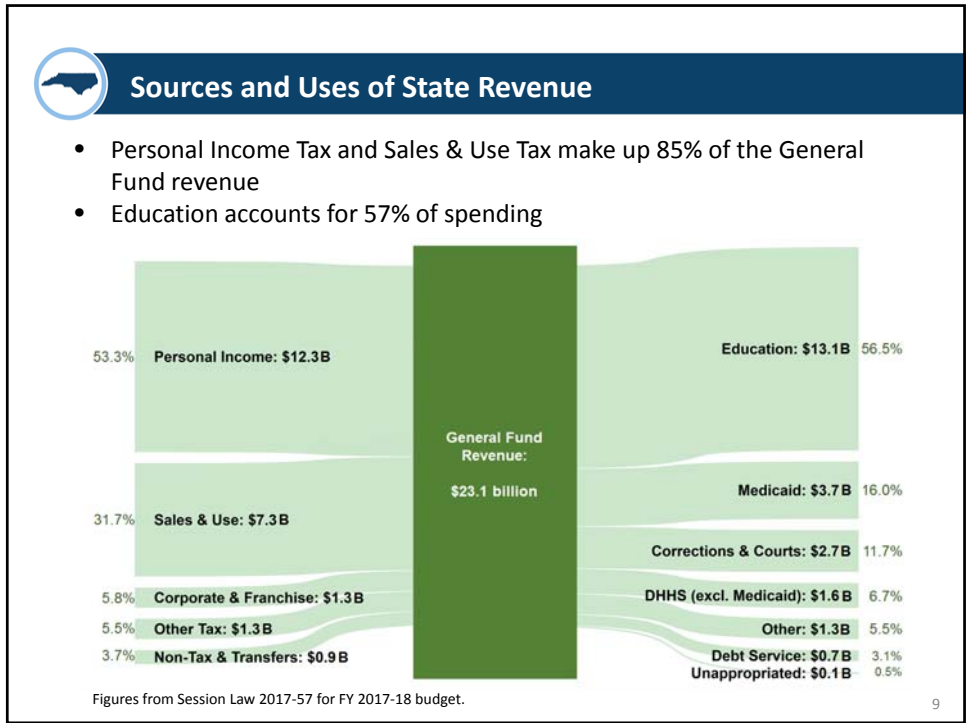
Job Growth Has Been Uneven Across Different Regions of the State
Change in Nonfarm Payroll Employment by Metropolitan Area

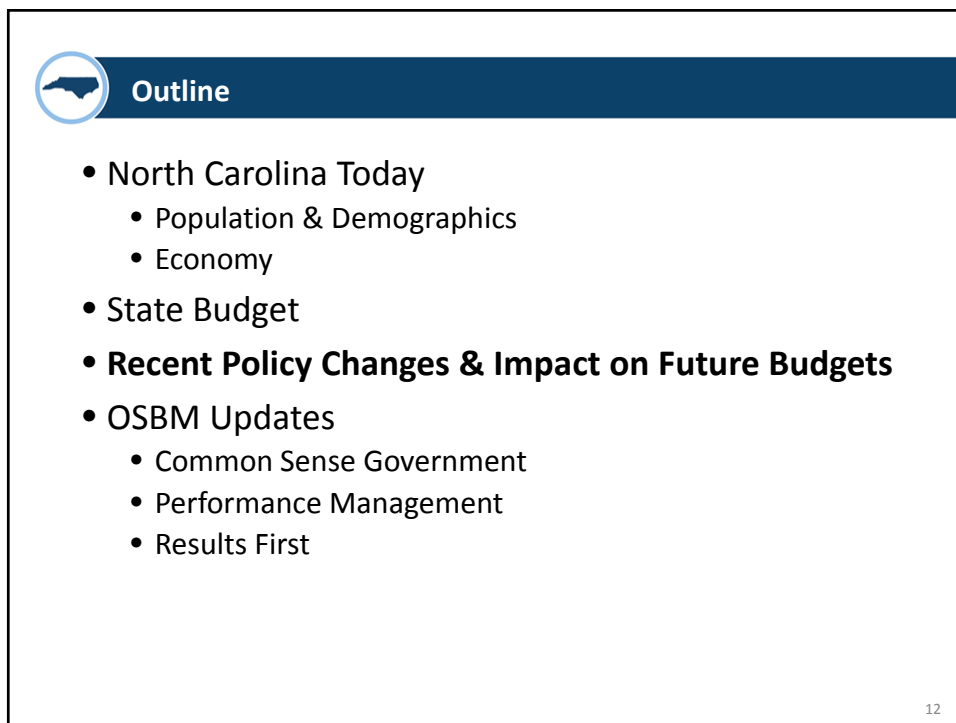
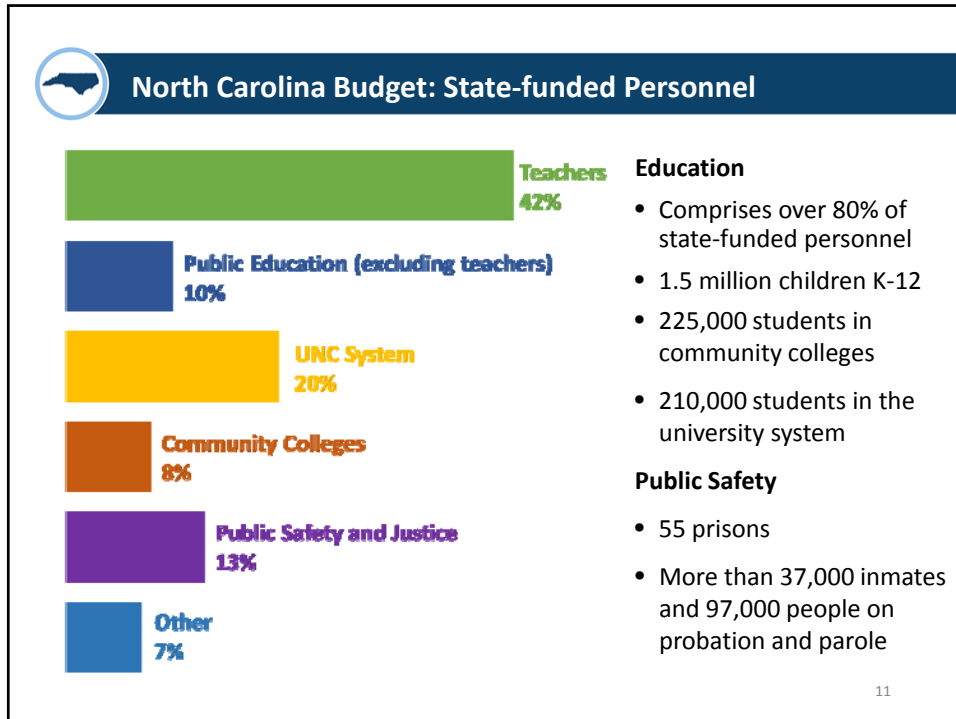
Metropolitan Area	Change in Nonfarm Payroll Employment
Raleigh	+19.0%
Charlotte	+14.4%
Durham-Chapel Hill	+11.0%
Wilmington	+8.0%
Asheville	+7.1%
North Carolina	+6.3%
Jacksonville	+4.6%
Greenville	+1.5%
Fayetteville	+1.3%
Winston-Salem	-0.2%
Roe-Metropolitan Areas	-0.5%
Burlington	-0.8%
Greensboro-High Point	-2.8%
New Bern	-5.3%
Hickory	-7.2%
Goldsboro	-9.0%
Rocky Mount	-14.8%

Sources: Bureau of Labor Statistics, IHS-Markit
Note: The Goldsboro and Rocky Mount Metropolitan Statistical Areas had fewer jobs in July 2017 than at any point during the period from 2007 through 2010.



-
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Recent and Upcoming Major Tax Changes

Individual Income Tax

- Rate will fall from 5.499% (lowest among neighbors with income tax) to 5.25% in TY 2019, unless it is changed
 - Prior to 2014, three income tax brackets with rates of 6%, 7%, 7.75%
- Standard deduction will increase in TY 2019 from \$17,500 to \$20,000 for married, filing jointly (head of household increase is proportionately lower), unless it is changed
- Child tax credit will be converted to a deduction effective tax year 2018
- State Earned Income Tax Credit sunset after 2013

Sales and Use Tax

- Base broadened by extending general sales tax rate to service contracts, live entertainment, piped natural gas, and electricity effective in 2014
- Base expanded to include repair, maintenance, and installation services in 2016

Corporate Taxes

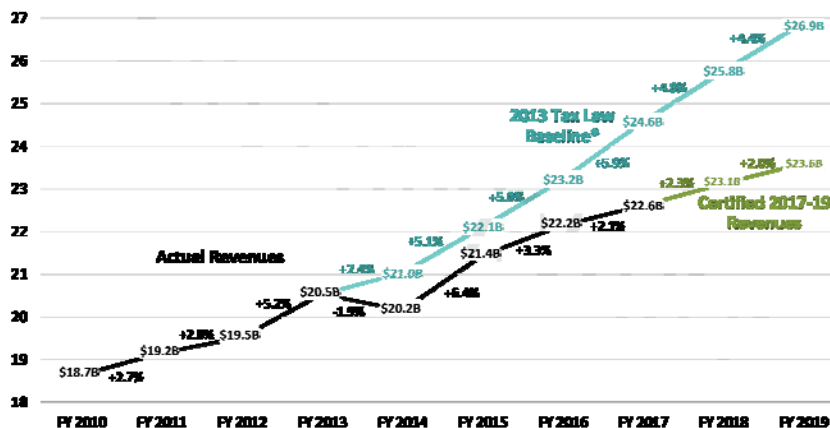
- Corporate tax rate will fall from 3.0% (lowest among states levying the tax) to 2.5% in TY 2019, unless it is changed
 - Since 2012, rate has gradually decreased from 6.9%
- Phase in change to reduce corporate taxes on corporations with low in-state sales but more in-state payroll and property to corporations with higher in-state sales
- Franchise tax for S corporations will decrease in 2019 to flat \$200 tax on the first \$1 million of net worth (0.15% rate on net worth above \$1 million)

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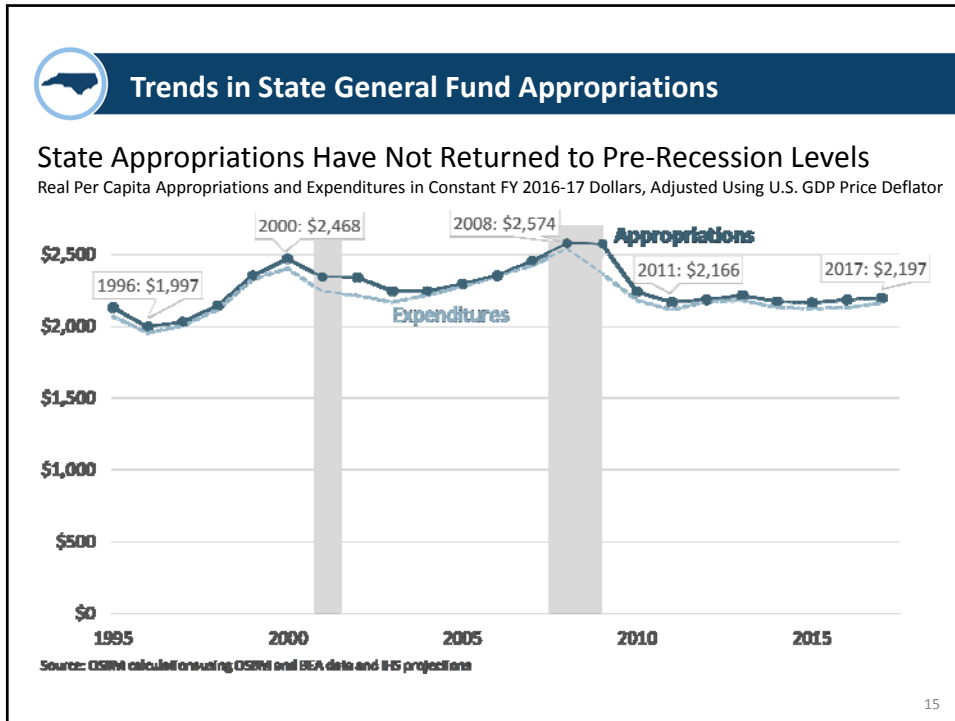
Taxes & Revenue

Tax Changes Since 2013 Reduce General Fund Revenues by More Than \$3 Billion in FY 2018-19 and Nearly \$4 Billion in FY 2019-20
Billions of Current-Year Dollars

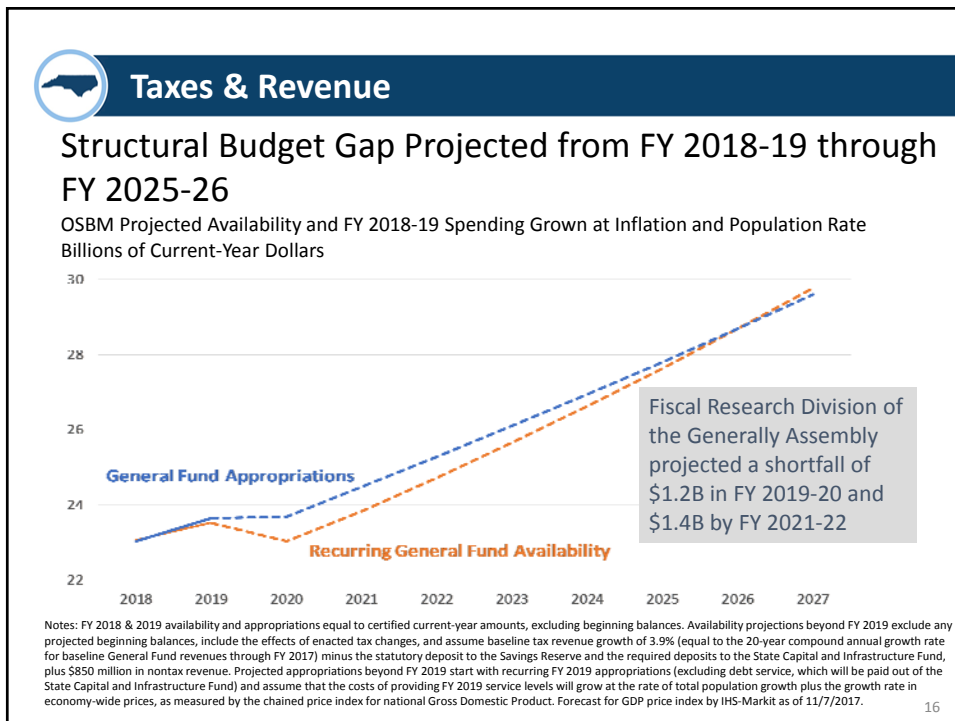


Source: CSIM data and projections. Note: 2015 Tax Law Baseline figures are preliminary estimates based on FY12 fiscal rules and fiscal revenues for tax changes enacted between 2013 and 2017 for various sources other than individual and corporate income taxes. Fiscal estimates for years that include the current CSIM estimates of the fiscal impact of tax changes enacted during 2013.

14



15



16



Structural Imbalance for FY 2018-19

Certified Revenue:	\$23,594,800,000
Enacted Budget:	\$23,652,171,951

Structural Imbalance: \$57.4 million

*\$23.65 billion budget includes \$46.2 million in nonrecurring cuts: imbalance is even greater than it appears.

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Preliminary Budget Pressures for FY 2018-19

- Medicaid Federal Financial Participation Rate Reduction - \$40M
- Top Ten Educated State: Improving Student Outcomes – each 1% increase in funding requires \$130M
- Critical Needs – at least \$300M
 - Hurricane Matthew Recovery
 - Current and Future Workforce Demands, Rural Economic Development, and Business Innovation
 - Mental Health, Opioid Crisis
 - Prison Safety
 - Environment and Water Quality
- Pay Plan Adjustments for Teachers and Principals - \$30-40M
- State Employee COLA – each 1% is \$85M
- Retiree COLA – each 1% is \$50M

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Common Sense Government

Establish policies and processes that promote:

- Greater agency flexibility and accountability
- Less time spent processing transactions
- Proactive forecasting and planning

Identify strategies to:

- Eliminate non-value added administrative processes
- Simplify processes and allow agencies to conduct business efficiently
- Focus central agencies on executive level strategy and oversight

Four areas identified:

- Budget (first focus area)
- Procurement
- Capital
- HR

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Common Sense Government

Phase I Budget Administration Changes

1. **Quarterly Allotments**
2. **Lapsed Salary Changes**
 - May transfer lapsed salary through 535XXX accounts within a fund on a Type 14 budget revision
 - Can prospectively budget up to 50% of a fund's anticipated lapsed salaries
 - Additional lapsed salary in excess of the first 50% projected can be budgeted once it has been generated
3. **Automatic Upload of Repeat Budget Revisions at the start of the 2019-21 Biennium**
4. **New Receipt Supported Position form is no longer required**

Quarterly Review Pilot with DNCR

Goals:

1. Improve efficiency of analyst financial/budget reviews
2. Improve evaluation and understanding of agency financial performance and resource levels
3. Encourage legislative, financial conditions, external factors and capital projects/issues discussions
4. Incorporate ongoing program performance metrics and integrate into budget development recommendations (long-term)

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Performance Management

ADVANCE

MOVING NORTH CAROLINA FORWARD

- Performance management system modeled on best practices from other states, in particular Utah
- Building metrics and reports that inform decision-making (not just create new boxes to check)
- Piloting the process next year with select agencies
- Forming an Advisory Committee of key stakeholders

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Results First Initiative

- **Results First** is an initiative founded by the Pew Charitable Trusts and the MacArthur Foundation
- Pew works with states and local governments to implement an innovative **cost-benefit analysis** approach
- North Carolina is the **27th state** to partner with Pew
- OSBM was directed in S.L. 2017-57, Section 26.3 to be the lead agency for Results First in North Carolina
- OSBM has partnered with DHHS and Governor's Office to select first topic area in **Public Health**. Will look at programs that focus on the following outcomes:
 - Reducing the incidence of Type 2 diabetes and obesity
 - Improving maternal and child health outcomes

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Results First and ADVANCE Work Together

These initiatives are complimentary.

Results First answers:

- Are our programs the most effective options?
- Do the benefits provided outweigh the costs?

ADVANCE answers:

- Are we seeing the expected benefits?
- How do we continue to improve our programs?

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Questions

Charlie Perusse
State Budget Director
Office of State Budget and Management
osbm.nc.gov
919-807-4700



Office of State Controller Financial Conference State Auditor's Update

December 12, 2017

Beth A. Wood, CPA, State Auditor

1

State Auditor's Update Objectives



-
- ✓ **Gain an Understanding of OSA Audits Performed**
 - ✓ **Review Dollars at Risk**
 - ✓ **Discuss "Pervasive" Issues Uncovered in Audits Published**

2

State Auditor's Update
Dollars At Risk



✓ **\$22 B – State Appropriations**

✓ **Spend:**

- ✓ **\$10B – K-12 Education**
- ✓ **4B – Medicaid**
- ✓ **3B – Universities**
- ✓ **1B – Community Colleges**

3

State Auditor's Update
Dollars At Risk



✓ **\$21 B – Federal Grants**

✓ **Spend:**

- ✓ **\$ 10B – Medicaid**
- ✓ **1.2B – Dept. Transportation**
- ✓ **1.5B – Dept. Public Instruction**
- ✓ **2.6B - Universities**
- ✓ **.5B – Community Colleges**

4

State Auditor's Update
Audits Performed



- ✓ **Financial Statement Audits (756)**
- ✓ **Compliance Audits – Federal Grants (216)**
- ✓ **Performance/Financial Related Audits (53/255)**
- ✓ **Information Technology Audits (30)**

5

State Auditor's Update
Audits Performed – Financial Statement



- ✓ **Financial Statements As of Certain Date**
- ✓ **Financial Statements Prepared by Auditee**
- ✓ **Account Balances/Notes Fairly Stated**
- ✓ **Opinions/Reports**
- ✓ **Users Use**

6

State Auditor's Update **Audits Performed – Federal Grants**



- ✓ **Compliance Not Numbers**
- ✓ **Programs Administered in Accordance w/ Federal Law/Requirements**
- ✓ **Report to:**
 - ✓ **Federal Government**
 - ✓ **General Assembly**
- ✓ **Federal Government Determines Finding/Consequences**

7

State Auditor's Update **Audits Performed – Performance/FRU**



- ✓ **Looking at Performance – Efficiencies/Effective**
- ✓ **Process/Program/Agency/Division**
- ✓ **No “Pie-in-the-Sky Topics**
- ✓ **Practical Application/Big Dollar Impact**

8

State Auditor's Update

Audits Performed – IT Audits



- ✓ **Support For All Other Divisions**
- ✓ **Information Technology General Controls Audits**
- ✓ **“Pre” Implementation of New Software**
- ✓ **“Post” Implementation of New Software**

9

State Auditor's Update

Pervasive Issues



- ✓ **Unwarranted Reliance on Financial Statement Audits**
- ✓ **Contract Administration/Oversight**
- ✓ **Incomplete/Inaccurate/Unreliable Data**
- ✓ **No “Real” Accountability for How Taxpayer Dollars are Used/Spent/Reported/Accounted For**

State Auditor's Update Pervasive Issues



✓ Unwarranted Reliance on Financial Statement Audits

- Audit of Financial statements - Fairly Stated
- Nothing to do with efficient use of resources/cheating on time sheets/quality of work performed/
- Not All Accounts Audited
- Too Many Board Members Aren't Aware

11

State Auditor's Update Pervasive Issues Not Corrected



✓ Contract Administration/Oversight

- No Inventory of Contracts w/ North Carolina
- Contract RFP/Negotiation/Terms
- Waiver of Competition Contracts
- Contract Administration/Monitoring

✓ Subrecipient Monitoring

NOTE: Still no way to know if contracts being reviewed by appropriate persons...

12

State Auditor's Update

Pervasive Issues Not Corrected



✓ **Incomplete/Inaccurate/Unreliable Data**

- Organization Cannot Prepare Financial Statements
- Data Not Readily Available
- Data Not Complete/Not Accurate
- Data Does Not Reconcile to NCAS

✓ **Begs the Question – What is Management Using to Manage By??**

13

State Auditor's Update

Pervasive Issues Not Corrected



✓ **No Accountability/No Consequences**

- Performance Evaluations
- Lack of Documentation For Poor Performance
- Must Set Expectations and Hold People/Staff Accountable....

14

State Auditor's Update
State Controller's Financial Conference



Questions?



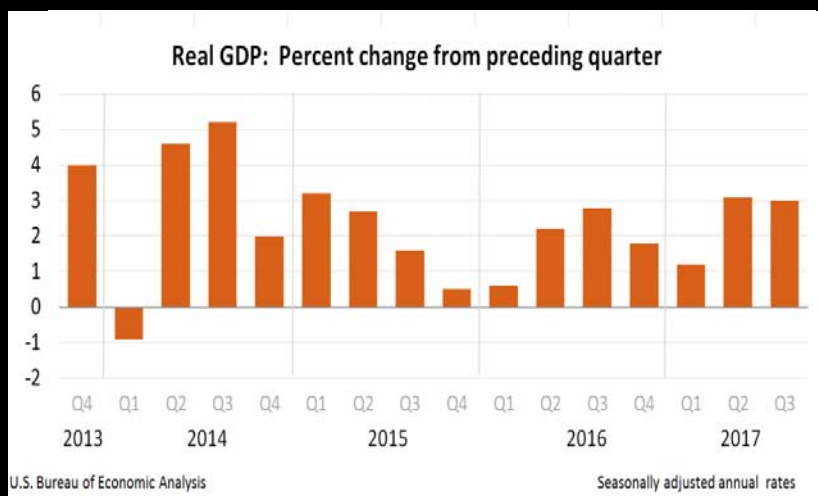
ECONOMIC OUTLOOK: ARE WE STUCK WITH SLOW GROWTH?

Dr. Michael L. Walden

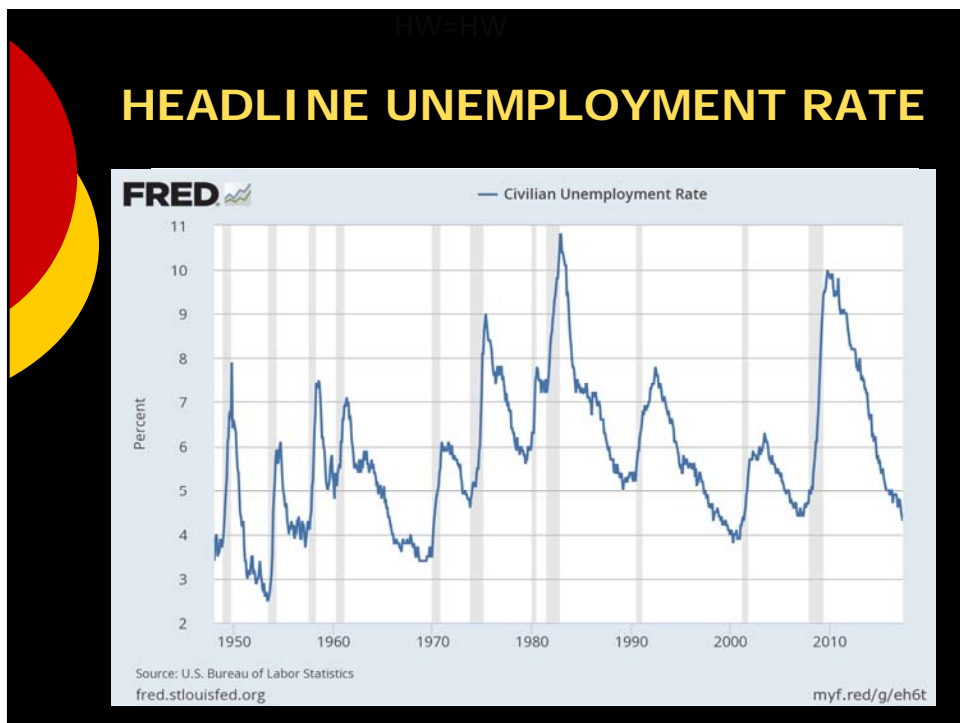


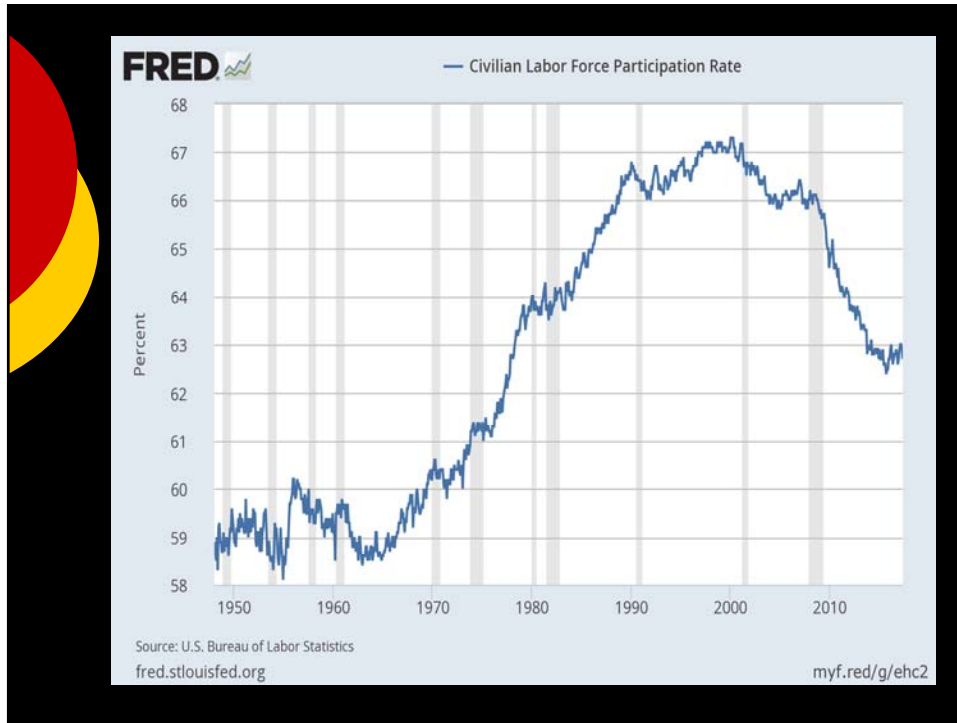
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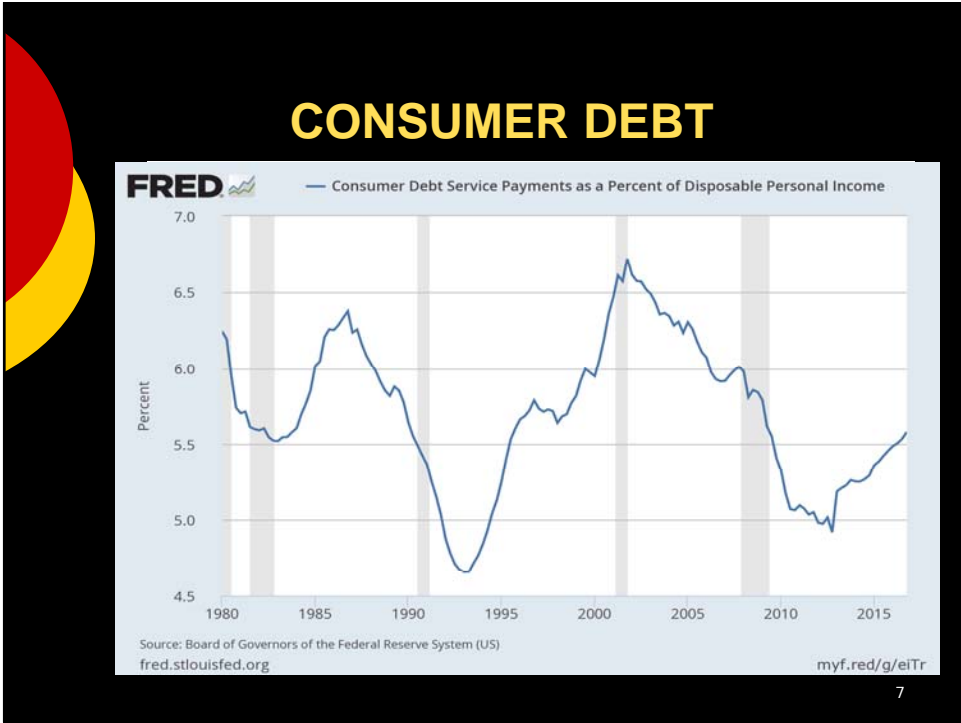
GROSS DOMESTIC PRODUCT GROWTH RATE



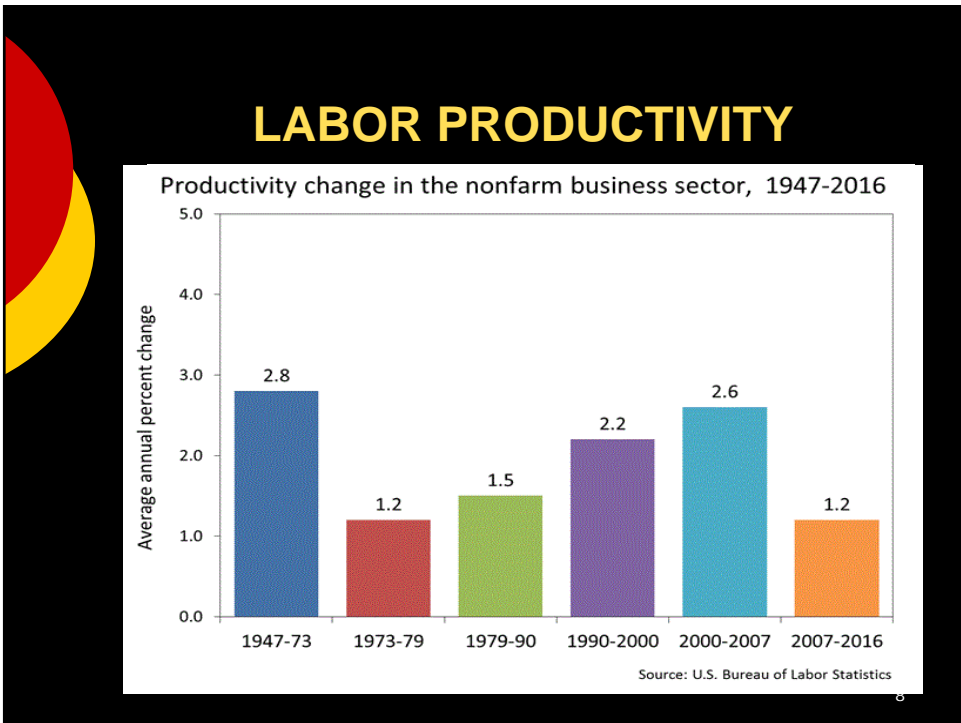
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7



6

CONSTRAINT ON ECONOMIC GROWTH



= LABOR FORCE GROWTH
PLUS PRODUCTIVITY GROWTH

$$0.5\% + 1.5\% = 2.0\%$$

9

FACTORS BEHIND SLOWDOWN

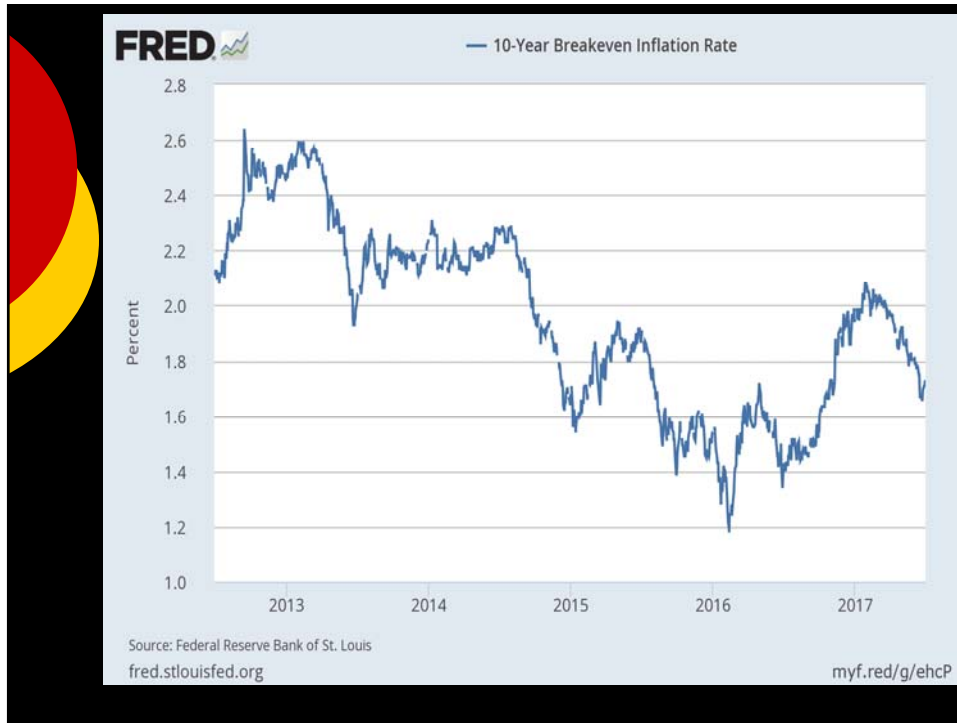


DECLINING BIRTHRATE
AND AGING POPULATION

PEAKING OF
EDUCATIONAL GAINS

SOCIAL MEDIA??

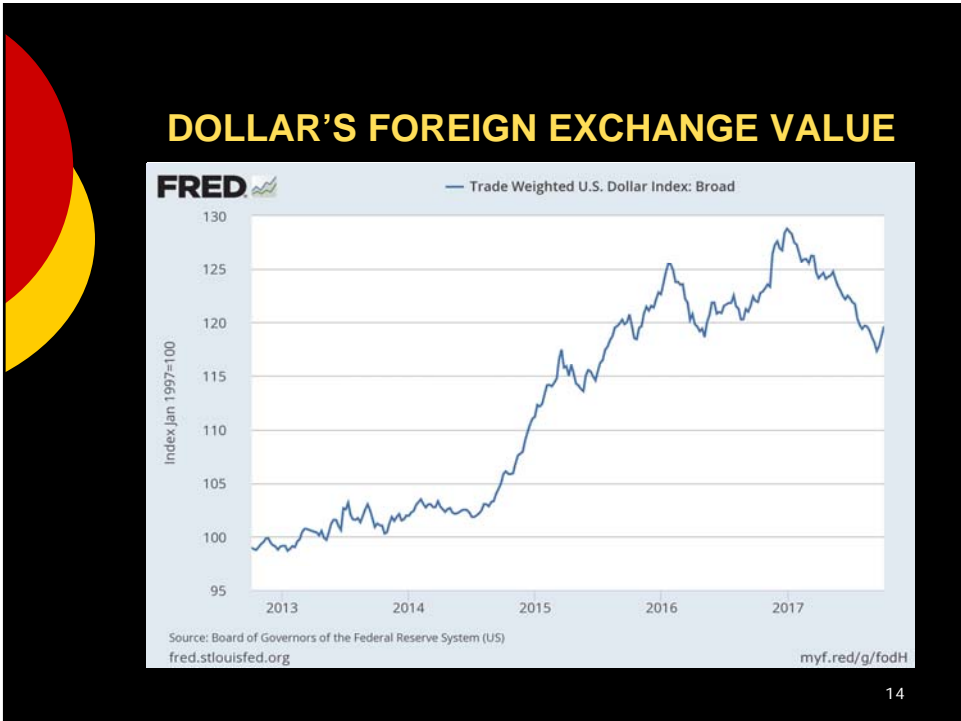
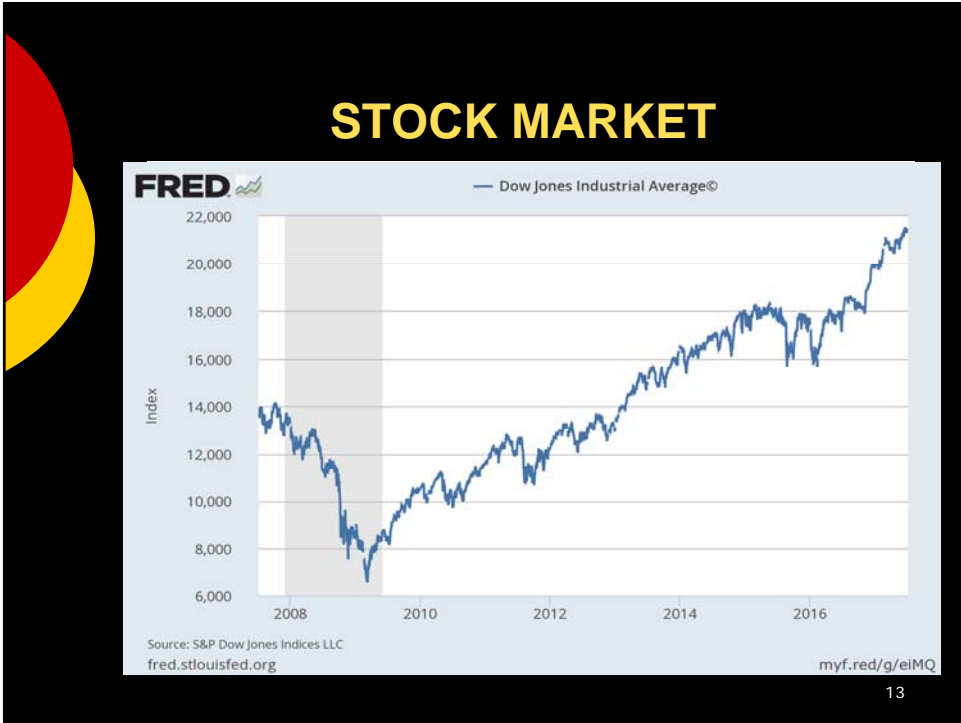
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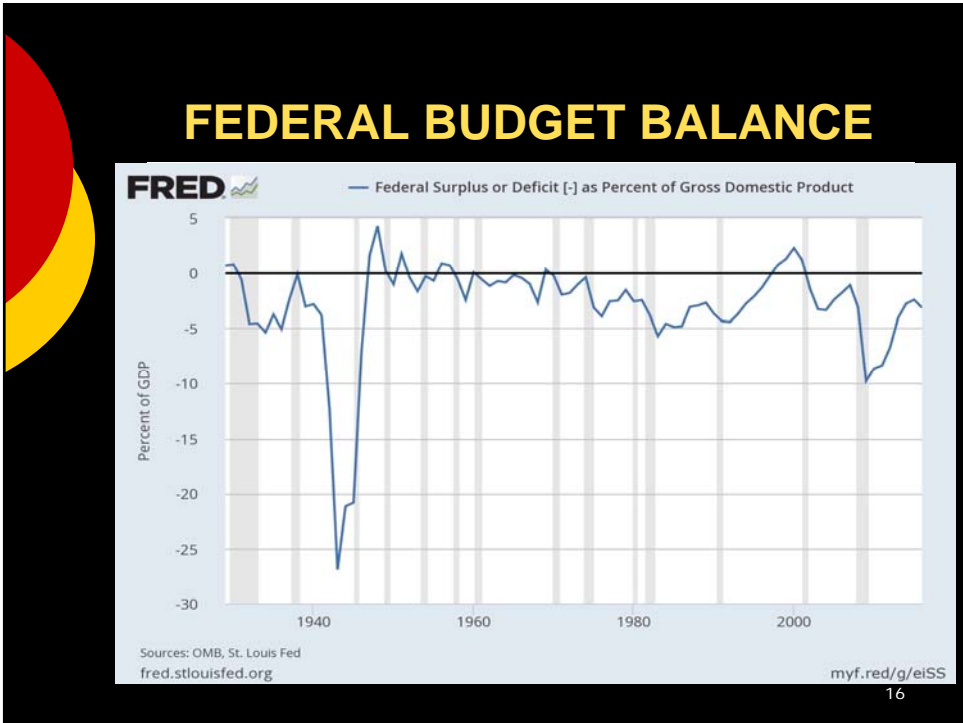


INTEREST RATES

	September	March	December
Short	0.30%	0.75%	1.30%
Long	1.60%	2.60%	2.30%

12







BOTTOM LINES

TOO EARLY TO TELL IF GROWTH RATE
HAS PERMANENTLY ACCELERATED

JOB MARKET CONTINUES TO IMPROVE

PRODUCTIVITY IS AN ISSUE –LONG RUN

INFLATION AND INTEREST RATES
INDICATE CONTINUED MODEST GROWTH

17



MAJOR GOAL OF TRUMP ADMINISTRATION: INCREASE ANNUAL ECONOMIC GROWTH RATE

WANTS TO INCREASE GROWTH RATE TO AT
LEAST 3%

POLICIES TO ACCOMPLISH:

- * TAX RATE REDUCTIONS
- * INFRASTRUCTURE PROJECTS
- * REDUCE REGULATIONS
- * INCREASE ENERGY PRODUCTION
- * REDUCE TRADE DEFICIT

18

TAX PLAN OUTLINE



RATE REDUCTIONS

LIMIT ITEMIZED DEDUCTIONS

CHANGE METHOD OF TAXING
FOREIGN CORPORATE EARNINGS

SPECIAL LOW TAX ON
REPATRIATED FOREIGN \$

WILL PLAN "PAY FOR ITSELF"?

19

INFRASTRUCTURE PROGRAM



\$1 TRILLION OVER 10 YRS.

REDUCE REGULATIONS TO
SPEED PROCESS

20% GOVERNMENT FINANCE,
80% PRIVATE FINANCE

HOW?

20

REDUCE REGULATIONS



SEVERAL EXECUTIVE ORDERS

ALREADY REDUCING

ENVIRONMENTAL, ENERGY,
AND HEALTH CARE
REGULATIONS

21

INCREASE ENERGY PRODUCTION



APPROVED KEYSTONE
PIPELINE

LIFTED BAN ON EAST
COAST ENERGY
EXPLORATION

IMPACT FOR NORTH
CAROLINA

22

REDUCE TRADE DEFICIT AND SHIFT PRODUCTION TO THE U.S.



WITHDREW FROM PACIFIC
PARTNERSHIP

TARGETTED TARIFFS

RENEGOTIATE NAFTA

NEGOTIATE ONE-ON-ONE
TRADE DEALS

NO BORDER TAX

23

POLICY REPORT CARD



ALL PENDING

EXCEPT
EXECUTIVE
ORDERS

24

OUTLOOK



ECONOMIC GROWTH LIKELY
IN THE 2.5% TO 3.0% RANGE

JOBLESS RATE IS ALMOST AT
BOTTOM

BUT ESTIMATED 7 MILLION
NATIONALLY AND 200,000 IN
NORTH CAROLINA WHO HAVE
DROPPED OUT OF WORKFORCE

25

IS A RECESSION AHEAD?



ENTERING 9TH YEAR OF
CURRENT GROWTH PERIOD

BUT NON-GOVERNMENT
DEBT IS NOT WORRISOME

STILL, WATCH THE STOCK
AND BOND MARKETS

ALSO, CHINA HAS ISSUES

26

A WORD ON THE FEDERAL RESERVE



FED WILL CONTINUE TO CAUTIOUSLY RAISE SHORT-TERM INTEREST RATES

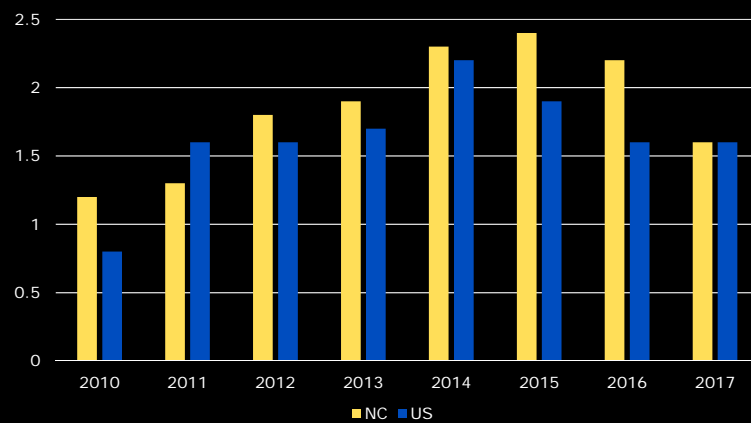
FED HAS ANNOUNCED A PLAN TO REDUCE ITS INVESTMENTS

THREE VACANCIES ON GOVERNING BOARD

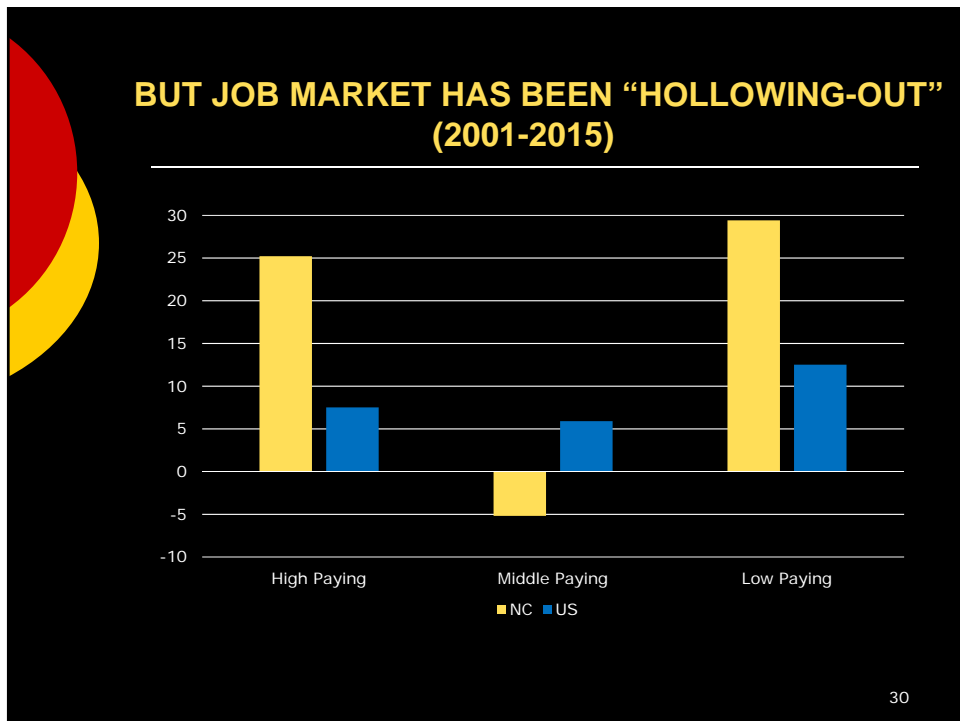
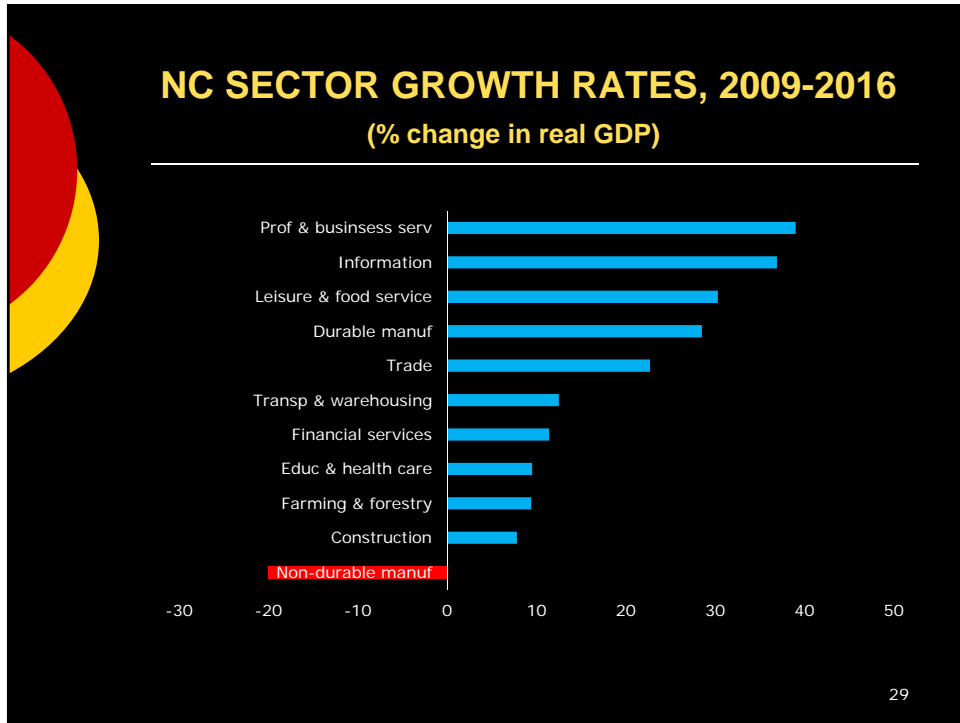
POWELL NOMINATED TO BE NEW CHAIR

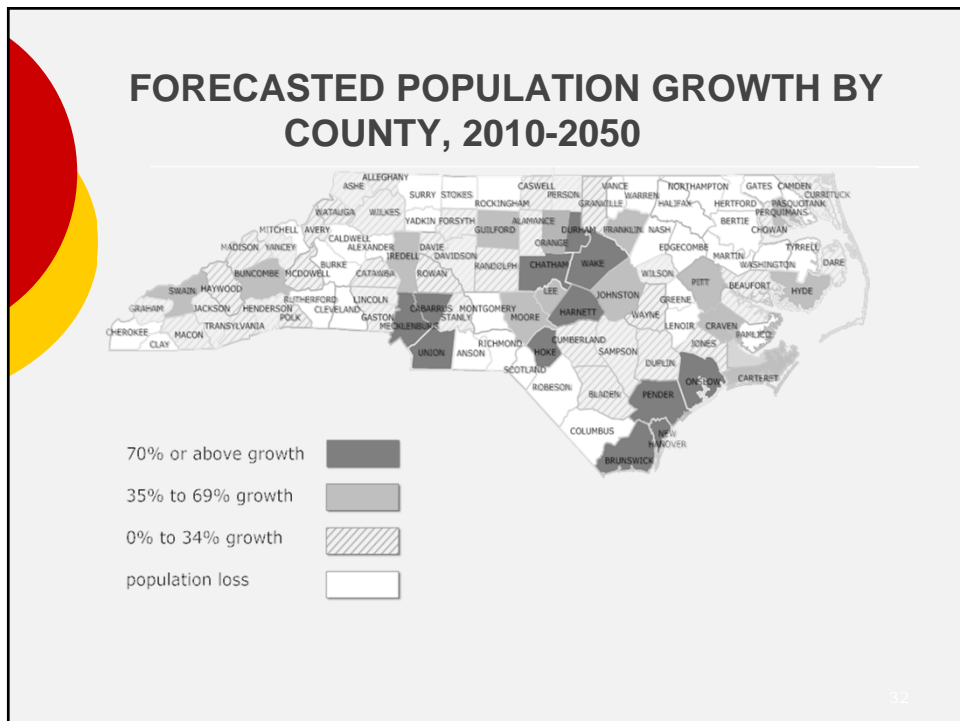
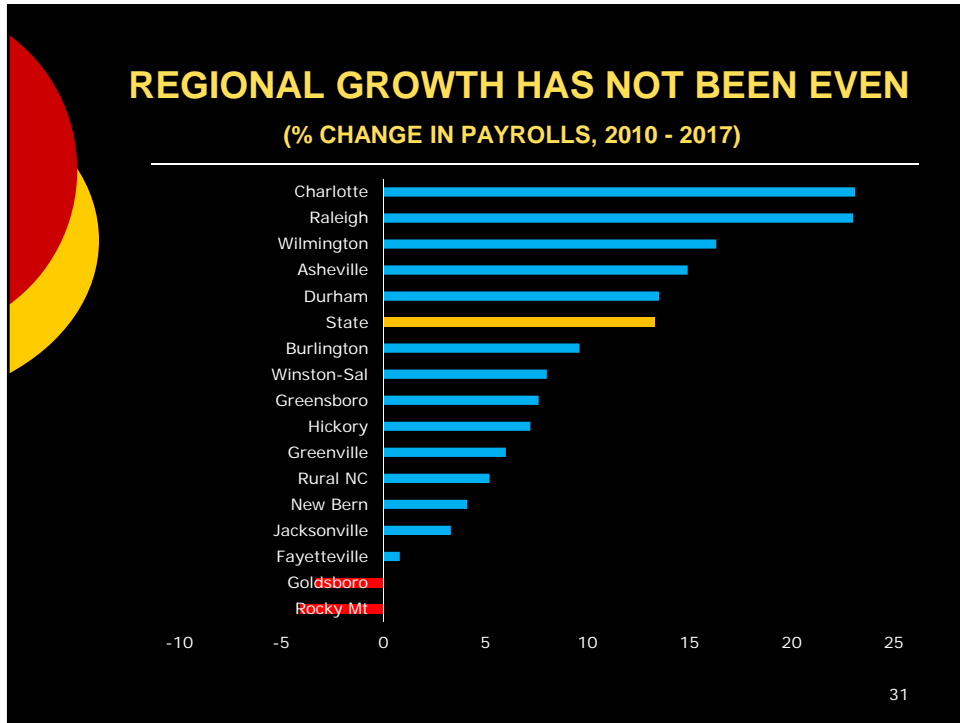
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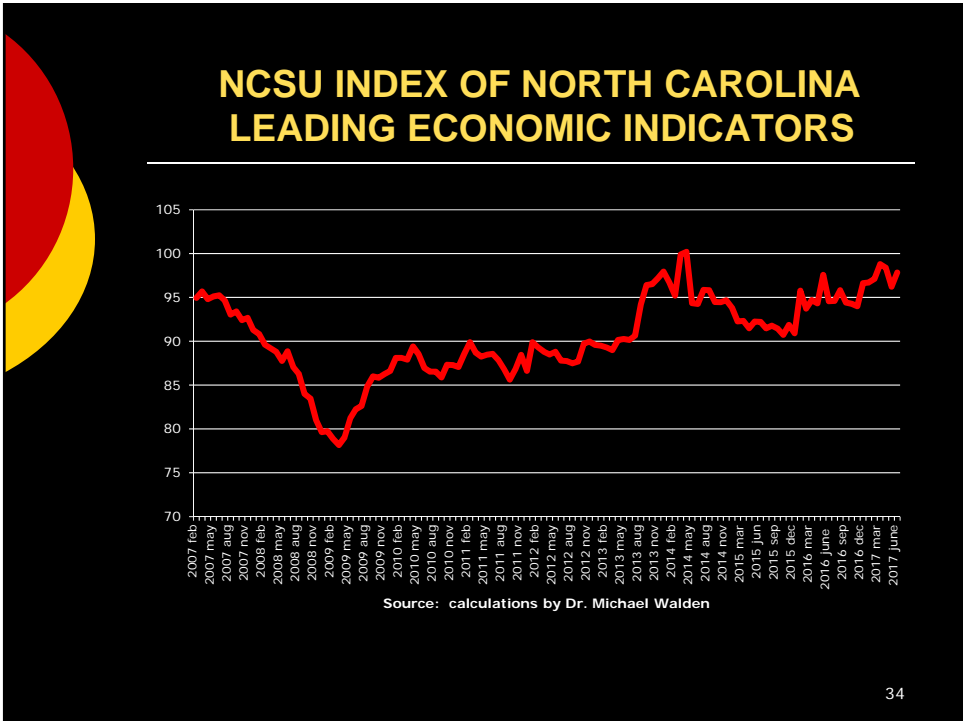
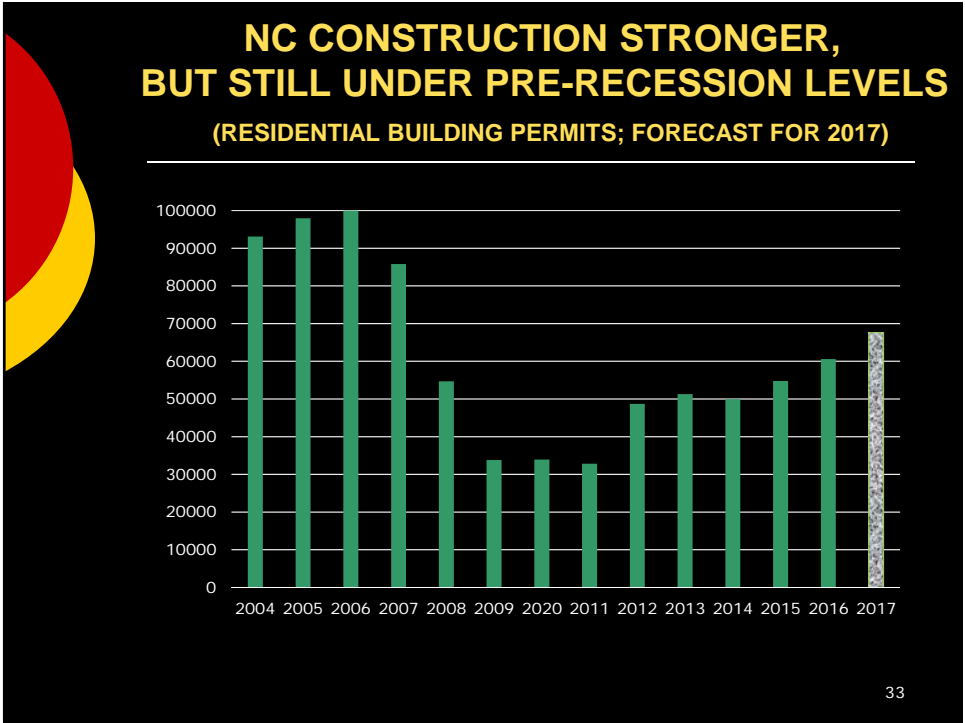
NC AND US JOB GROWTH RATES



28









ISSUES FOR THE FUTURE

1. TECHNOLOGICAL UNEMPLOYMENT
2. URBANIZATION OF THE STATE
3. SUPPORT IN DEPOPULATING COUNTIES
4. ACCOMMODATING 3 MILLION MORE RESIDENTS BY 2050
5. POWERING OUR FUTURE
6. TAX SYSTEM FOR A DYNAMIC ECONOMY
7. IMPROVING EDUCATION & RE-SKILLING

35



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION

Bond Disclosures and SEC Enforcement
December 12, 2017



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

State and Local Government Finance Division



STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA
Dale R. Folwell, CPA

1) Dora D. Fazzini – Director
NC Capital Facility Finance Agency
North Carolina Department of State Treasurer

2) Amy K. Johnson (Co-Disclosure Counsel)
Partner - Moore & Van Allen PLLC

3) William H. McBride (Co-Disclosure Counsel)
Partner - Hunton & Williams, LLP

4) C. Lewis Andrews – Senior Financial Analyst
North Carolina Department of State Treasurer

SEC ENFORCEMENT

THE RULE

- Issuers may not make a misstatement of material fact nor make a statement that is misleading due to the omission of a material fact.

- Any statement “in connection with the purchase or sale of securities” even if not intended for investors, can be problematic (e.g., websites, press releases, speeches).
- The SEC does not have to show monetary losses.

**SIGNIFICANT
SEC DEVELOPMENTS
FOR MUNICIPAL
ISSUERS**

- In 2010 the SEC established Office of Municipal Securities.
- In 2013 alone, the SEC charges more municipal issuers than it had in the previous 10 years combined.

Who?

- State of New Jersey (2010)
- State of Illinois (2013)
- State of Kansas (2014)

PENSION LIABILITIES

- The offering documents failed to disclose that the state's pension system was significantly underfunded, and the unfunded pension liability created a repayment risk for investors.



In 2010 ...
it got personal.

SAN DIEGO, CALIFORNIA

- The SEC imposed civil penalties against municipal officials for the first time in 2010.
- The SEC alleged that the officials knew the city had been intentionally under-funding its pension obligations so that it could increase pension benefits but defer the costs.

How bad was it?

- The SEC alleged that the officials knew the city's unfunded liability to its pension plan was projected to dramatically increase, growing from \$284 million at the beginning of fiscal year 2002 to an estimated \$2 billion by 2009, and that the city's liability for retiree health care was estimated to be an additional \$1.1 billion.

The Penalties

- City Manager (\$25,000)
- City Auditor and Comptroller (\$25,000)
- Deputy City Manager for Finance (\$25,000)
- Treasurer (\$5,000)



The lesson?
You can't be a rubber stamp.

HARVEY, ILLINOIS

- The SEC alleged that the city illegally diverted at least \$1.7 million from past bonds whose proceeds had been earmarked for hotel development to use for operations.
- Comptroller had received large fees.



Harvey Regional Conference Center

RAMAPO, NEW YORK

- In April 2016, the SEC brought fraud charges against officials from the town of Ramapo, New York, for allegedly hiding the town's severe financial strain from investors.
- The SEC alleged that the officials knowingly changed numbers to depict a positive balance between \$1.4 million and \$4.2 million during a six-year period when the town had actually accrued balance deficits of minus \$249,000 to minus \$13.9 million.

How?

- Inflated the general fund balance by using phony receivables, omitting unpaid liabilities and improperly recording transfers from other funds.
- In 2010, for example, the town included a false \$3.6 million receivable.



Too far?

"We're going to have to all be magicians to get to some of those numbers."



Westlands Water District (California)

After reclassifying funds from reserve accounts and recording it as additional revenue, the General Manager called it a "little Enron accounting" to the Board of Directors.

MIAMI, FLORIDA

On Sept. 14, 2016, the SEC conducted its first federal jury trial against a municipality, the city of Miami, and its former budget director.

MISLEADING CAFRS

- In 2007 and 2008 CAFRs Miami shuffled as much as \$37.5 million from the Capital Projects Fund to the General Fund to mask losses in the city's General Fund.
- Miami did not disclose to bondholders that the transferred funds included legally restricted dollars which, under city code, could not be commingled with any other funds or revenues of the city. Miami also failed to disclose that the transferred funds were allocated to specific capital projects that still needed those funds as of the end of the fiscal year, or in some instances already had spent that.



The SEC Ask?

\$450,000

PRIMARY TAKEAWAYS

- Accurate financial disclosure is a fundamental obligation.
- Omissions matter.
- Report irregularities up the chain.

July 20, 2017

NEW ISSUE—BOOK-ENTRY ONLY

Ratings: Moody's: Aa1
S&P: AA+
Fitch: AA+
(See "RATINGS" herein)

This Official Statement has been prepared by the State of North Carolina (the "State") to provide information on the State of North Carolina Limited Obligation Refunding Bonds, Series 2017B (the "Series 2017B Bonds"). Selected information is presented on this cover page for the convenience of the user. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

\$618,415,000

**STATE OF NORTH CAROLINA
LIMITED OBLIGATION REFUNDING BONDS,
SERIES 2017B**

Dated: Date of Delivery
Nature of the State's Payment
Obligation:

Due: May 1, as shown on the inside cover

The payment of amounts by the State with respect to the Series 2017B Bonds shall be limited to funds appropriated for that purpose by the North Carolina General Assembly in its discretion. The obligation to make payments with respect to the Series 2017B Bonds is not a general obligation of the State, and the taxing power of the State is not pledged directly or indirectly to secure any monies due to the owners of the Series 2017B Bonds.

Tax Treatment:

In the opinion of Bond Counsel, which is based on existing law and assumes continuing compliance by the State with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2017B Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation and will not be a specific preference item for purposes of computing alternative minimum tax imposed by the Code on corporations and other taxpayers, including individuals; however, such interest will be includable in the adjusted current earnings of corporations for purposes of computing alternative minimum tax imposed by the Code on corporations. In the opinion of Bond Counsel, interest on the Series 2017B Bonds will be exempt from all State of North Carolina income taxes. See "TAX TREATMENT" herein.

Optional Redemption:
Interest Payment Dates:
Denominations:
Sale Date:
Expected Delivery Date:
Trustee:
Bond Counsel:
Financial Advisor:

Certain Series 2017B Bonds are subject to optional redemption prior to maturity as described herein.
May 1 and November 1 of each year, commencing November 1, 2017
\$5,000 or integral multiples thereof
July 20, 2017
August 3, 2017
U.S. Bank National Association
Womble Carlyle Sandridge & Rice, LLP, Raleigh, North Carolina
Hilltop Securities Inc.

The date of this Official Statement is July 20, 2012

APPENDIX A — TABLE OF CONTENTS

STATE OF NORTH CAROLINA

- Economic Characteristics
- State Government Organization and Major Responsibilities
- Education
 - Public School System
 - Community College System
 - University of North Carolina System
- Health and Human Services
- Department of Public Safety

REVENUE STRUCTURE

- General Fund
 - Tax Revenue
 - Non-Tax Revenue
- Highway Fund and Highway Trust Fund

APPENDIX A — TABLE OF CONTENTS (cont)

STATE GOVERNMENT EXPENDITURES

REQUIREMENTS FOR BALANCED BUDGET

- Constitutional Provision
- State Budget Act

BUDGETS

- State Budget
 - 2016-17 General Fund Budget
 - Comments on 2016-17 Budget — Second Year of the 2015-17
- Biennium Budget
 - Reserves
 - Proposed 2017-19 Biennium Budget
 - Highway Fund and Highway Trust Fund
 - Prior Years (2014-15 Actual), (2015-16 Actual) and (2016-17 Authorized)

PROPERTY AND POPULATION STATISTICS

APPENDIX A — TABLE OF CONTENTS (cont)**NORTH CAROLINA EMPLOYMENT INFORMATION**

Major Employers

STATE INDEBTEDNESS

General Obligation Indebtedness

General Obligation Indebtedness Outstanding

General Obligation Bonds Authorized and Unissued

Special Indebtedness

Outstanding Special Indebtedness Subject to Annual Appropriation

Special Indebtedness Authorized and Unissued at June 1, 2017

Annual Debt Service Requirements for General Obligation Bonds and

Special Indebtedness

Comparison Statistics

Related Matters

Legal Debt Limit

Moral Obligation Bonds

Refunding Bonds

Revenue Bonds

Guaranteed State Energy Contracts

No Swap Agreements

North Carolina Turnpike Authority

Capital Financing Outlook

APPENDIX A — TABLE OF CONTENTS (cont)**REVENUE BONDS AND OTHER INDEBTEDNESS OF STATE**

AUTHORITIES AND INSTITUTIONS AT JUNE 30, 2016

RETIREMENT AND PENSION PLANS

General

Defined Benefit Plans

Other Plans

Funding Progress

Financial Reporting under New GASB Statements

Contributions

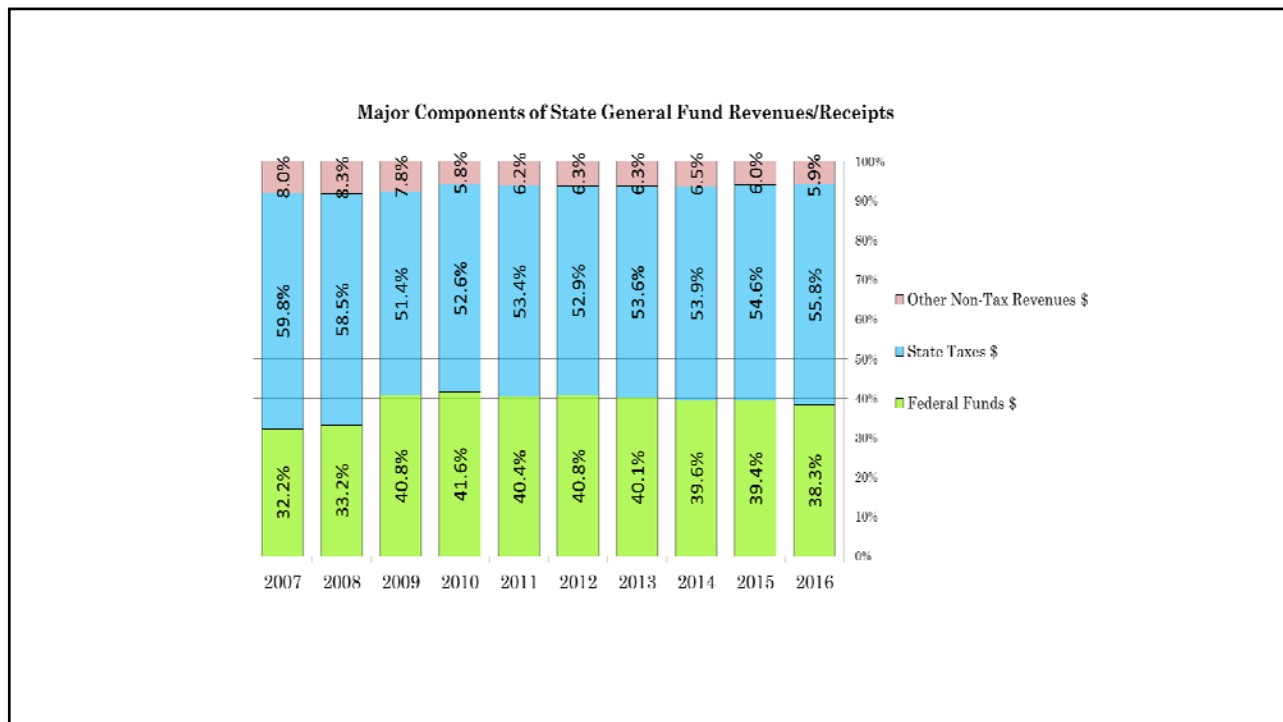
OTHER POST-EMPLOYMENT BENEFITS

Retiree Health Benefit

Disability Income Plan of North Carolina

New GASB Statements

LITIGATION**SEAL OF THE STATE OF NORTH CAROLINA**



State Tax Payments into General Fund (\$ millions)

Fiscal year	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Taxes:										
Individual Income Tax	11,980.8	11,288.6	10,576.6	11,111.5	10,457.2	10,018.0	9,343.3	8,658.6	10,672.4	10,737.5
Sales and Use Tax	7,177.8	6,858.5	5,838.0	5,554.1	5,516.3	6,133.9	5,871.2	4,872.3	5,125.7	5,079.0
Corporate Income Tax	1,118.0	1,271.0	1,331.9	1,224.7	1,194.9	1,139.6	1,245.5	941.5	1,265.6	1,357.5
Franchise Tax	525.0	552.2	890.7	857.9	797.6	793.1	905.0	797.1	739.9	669.2
Insurance Tax	503.4	529.9	476.4	521.5	463.6	486.0	495.1	483.8	492.7	475.6
Beverage Tax	380.0	360.1	343.0	330.7	322.2	311.8	295.3	263.6	257.4	245.4
Tobacco Products Tax	287.0	277.8	277.7	283.6	293.3	290.8	278.3	242.1	249.7	241.7
Other Taxes	181.9	180.8	246.7	268.3	210.7	190.5	241.0	267.4	344.1	342.5
Total	22,153.9	21,318.9	19,981.0	20,152.3	19,255.8	19,363.7	18,674.7	16,526.4	19,147.5	19,148.4

Source: Drawn from NC CAFR for fiscal year 2016, Schedule of Revenues by Source — General Fund, Table 5, in Statistical Section of CAFR.

State Indebtedness 10-Year Payout Ratio

Fiscal Year End June 30	10-Year Payout Ratio
2012	65.5%
2013	67.0%
2014	71.0%
2015	65.0%
2016	67.2%

Source: Debt Affordability Studies (2013-2017) of North Carolina Debt Affordability Advisory Committee.

Per Capita General Fund Supported State Indebtedness

As of June 30	Population	Outstanding General Obligation Debt and Special Indebtedness Subject to Annual Appropriation	Per Capita	Percentage of Per Capita Income
2012	9,762,639	\$6,854,400,000	\$702.11	1.82%
2013	9,860,149	6,522,735,000	661.52	1.75
2014	9,953,687	5,990,925,000	601.88	1.54
2015	10,054,722	5,718,515,000	568.74	1.40
2016	10,146,243	5,160,555,000	508.62	1.21

Source: North Carolina Department of State Treasurer.

Percentage of Annual General Obligation and Special Indebtedness Debt Service to General Expenditures

Fiscal Year Ended June 30	Debt Service (Principal and Interest)	Total Governmental Expenditures	Percentage
2012	\$867,809,000	\$41,849,159,000	2.07%
2013	909,164,000	42,389,158,000	2.14
2014	885,660,000	41,729,774,000	2.12
2015	869,301,000	42,992,112,000	2.02
2016	882,529,000	43,495,798,000	2.03

Source: Comprehensive Annual Financial Report, N.C. Office of the State Controller.

SEC Requirements for Continuing Disclosure

Annually by End of January

- Audited financial statements of the State for the prior fiscal year, and
- Particular financial and statistical data relating to the credit behind the bond issue.

For general obligation bonds –

- Revenue Structure (tax rates only);
- Budgets – General Fund, Highway Fund and Highway Trust Fund; and
- State Indebtedness

For revenue bonds – specific history of relevant revenues received.

Event Disclosure –

not in excess of ten days following its occurrence, notice of any of the following events with respect to the bonds:

- Certain specified events with respect to the bonds (will be known to DST); and
- Material change in any security for the bonds or serious event affecting State financial status.



State and Local Government Finance Division



The Bond Official Statement

- The Official Statement is the primary offering document used by the underwriters to sell the bonds to potential investors.
- Recent State of NC General Obligation Official Statements have 5 sections.

The Official Statement - Continued

1. Front Section of the OS – discloses the authorization, purpose, security of the bonds, continuing disclosure obligations, legal and tax treatment, ratings, underwriting etc.
2. Appendix A – Collection of financial and statistical information about the unit of government issuing the bonds.

Appendix A Information Contributors

At least 12 State Agencies along with the UNC and Community College Systems.

- Department of Commerce
- Department of Public Instruction
- Department of Health & Human Services
- Department of Public Safety
- Department of Revenue
- Department of Transportation
- Department of Agriculture
- Office of State Budget and Management
- Department of Justice
- Department of State Treasurer
- Office of State Controller
- NC Education Lottery
- Community College System
- University of North Carolina System



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

State and Local Government Finance Division

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA
Dale R. Folwell, CPA

The Official Statement - Continued

- 3) Appendix B - Audited Financial Statements from the most recent fiscal year end.
 - a) add new additional Subsequent Events Note (note 24)
 - b) this new additional Subsequent Events Note requires a new auditor's opinion
 - c) new auditor's opinion goes in the front of Appendix B.



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

State and Local Government Finance Division

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA
Dale R. Folwell, CPA

The Official Statement - Continued

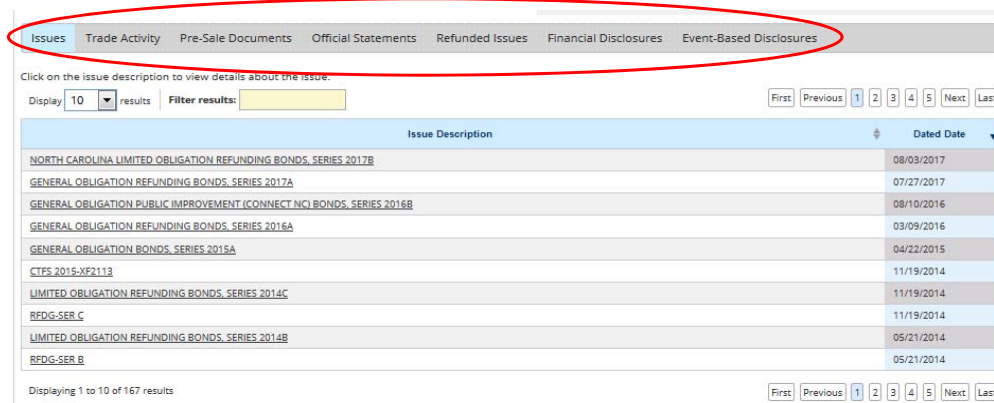
- 4) Appendix C – Bond Counsel's Opinion Letter
- 5) Appendix D – Book Entry Only System (Beneficial Ownership)
 - Discusses how bonds are processed through a central securities depository.
 - Investors no longer hold the physical bonds.

Electronic Municipal Market Access (EMMA)

<https://emma.msrb.org/>

Electronic Municipal Market Access (EMMA)

Electronic Municipal Market Access (EMMA)



Click on the issue description to view details about the issue.

Display 10 results Filter results:

First Previous 1 2 3 4 5 Next Last

Issue Description	Dated Date
NORTH CAROLINA LIMITED OBLIGATION REFUNDING BONDS, SERIES 2017B	08/03/2017
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017A	07/27/2017
GENERAL OBLIGATION PUBLIC IMPROVEMENT (CONNECT NC) BONDS, SERIES 2016B	08/10/2016
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A	03/09/2016
GENERAL OBLIGATION BONDS, SERIES 2015A	04/22/2015
CTFS 2015-XF2113	11/19/2014
LIMITED OBLIGATION REFUNDING BONDS, SERIES 2014C	11/19/2014
RFDG-SER C	11/19/2014
LIMITED OBLIGATION REFUNDING BONDS, SERIES 2014B	05/21/2014
RFDG-SER B	05/21/2014

Displaying 1 to 10 of 167 results

First Previous 1 2 3 4 5 Next Last

- **Dora D. Fazzini – Director**
 NC Capital Facility Finance Agency
 North Carolina Department of State Treasurer
 dora.fazzini@nctreasurer.com
- **Amy K. Johnson (Co-Disclosure Counsel)**
 Partner - Moore & Van Allen PLLC
 amyjohnson@mvalaw.com
- **William H. McBride (Co-Disclosure Counsel)**
 Partner - Hunton & Williams, LLP
 wmcbride@hunton.com
- **C. Lewis Andrews – Senior Financial Analyst**
 NC Department of State Treasurer
 lewis.Andrews@nctreasurer.com



State and Local Government Finance Division

GOVERNOR ROBERT BEECHER
DALE R. FOLWELL, CPA
Dale R. Folwell, CPA

Questions?

Thank You!



Emotional Intelligence

Facilitator:
Holly A. Sullenger,
M Ed, ABD PhD



- Understand emotional intelligence (EI)
- Recognize high EI characteristics
- Understand the four stages of EI
- Apply the four stages to our personal and professional lives

What is Emotional Intelligence (EI)?



the capacity to be aware of, control, and express one's emotions

the ability to understand, interpret, and respond to the emotions of others

the adeptness to handle interpersonal relationships judiciously and empathetically



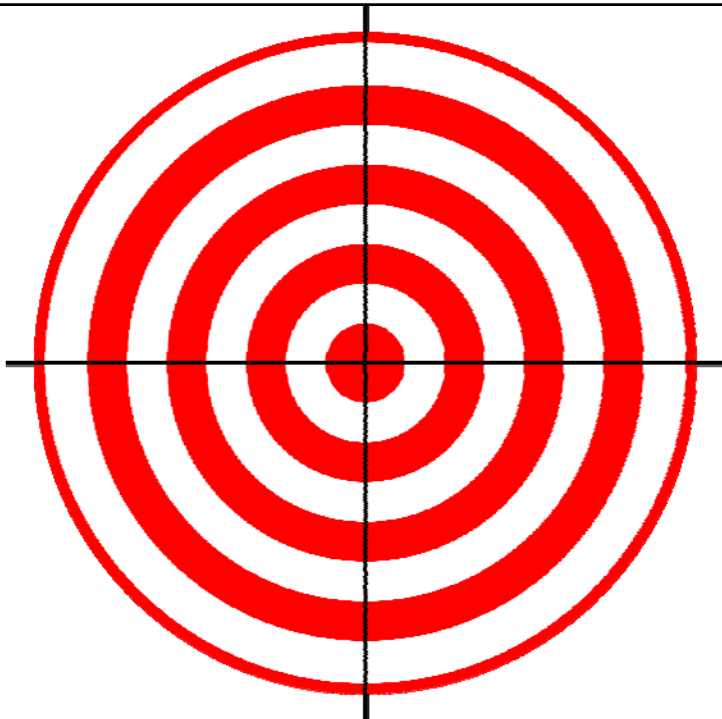
✓ *Learned*

IQ = 10% to 25%

IQ + EQ = SUCCESS

EQ = 75% to 90%

(Bressert, 2007)

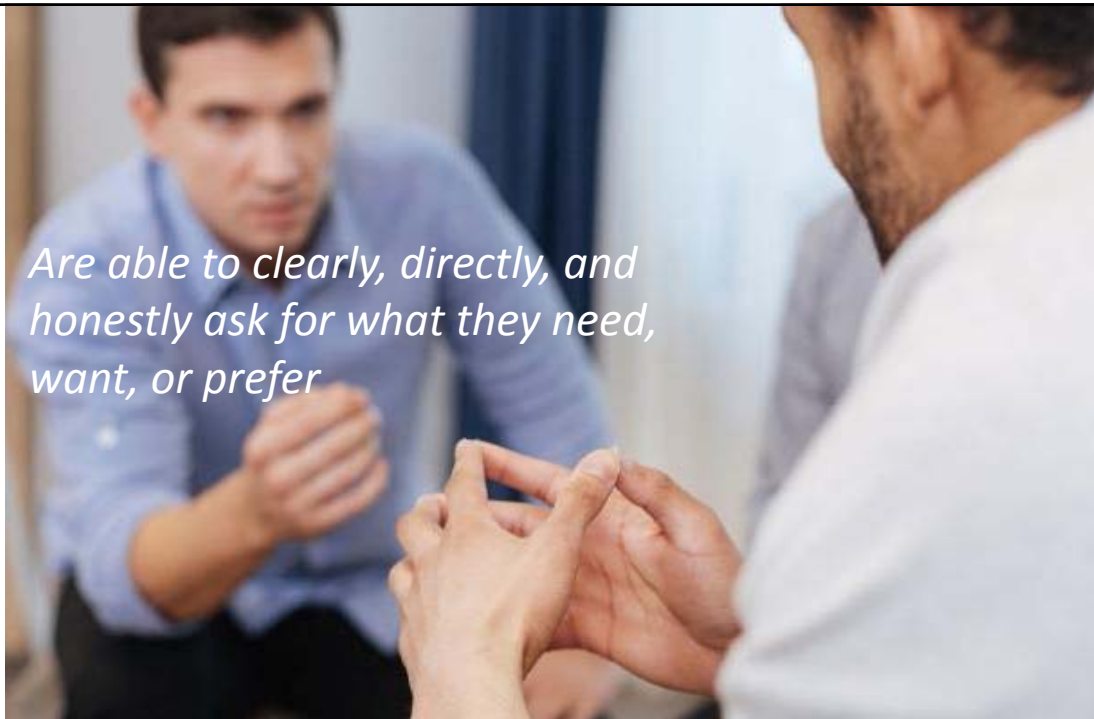


**10
Characteristics
of Adults
with Fully
Developed EI**

Respect others

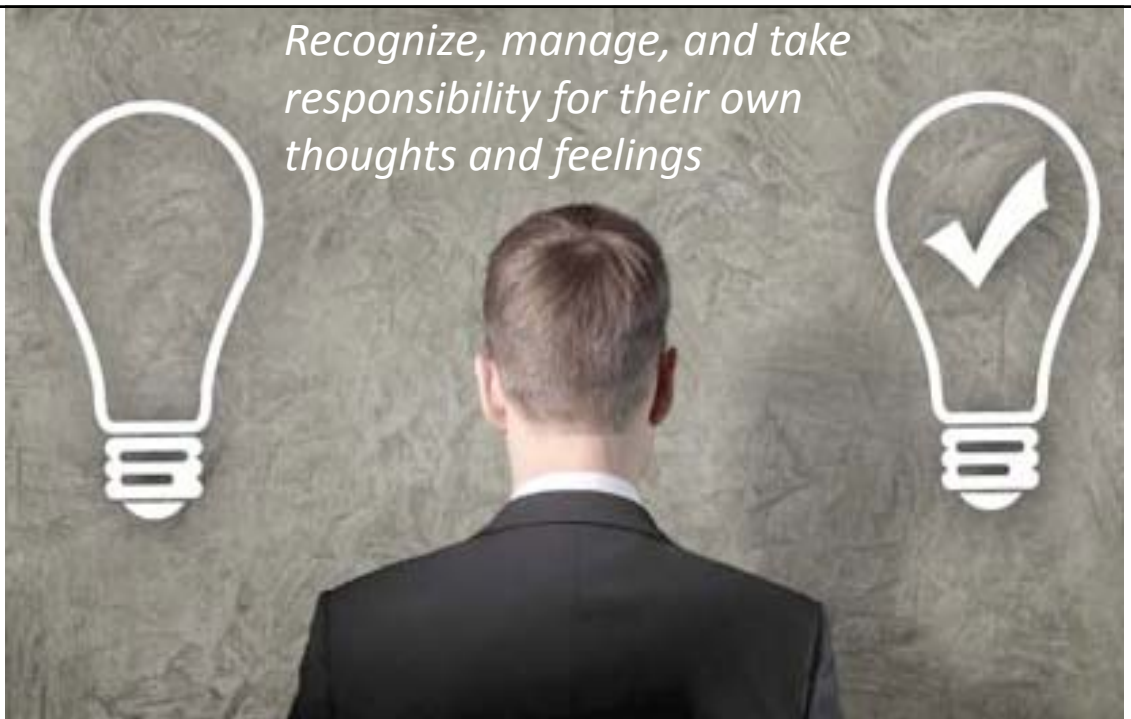


*Are able to clearly, directly, and
honestly ask for what they need,
want, or prefer*



NC STATE
UNIVERSITY

Are deeply in tune with their own emotional world and are able to enter into the feelings, needs, and concerns of others without losing themselves

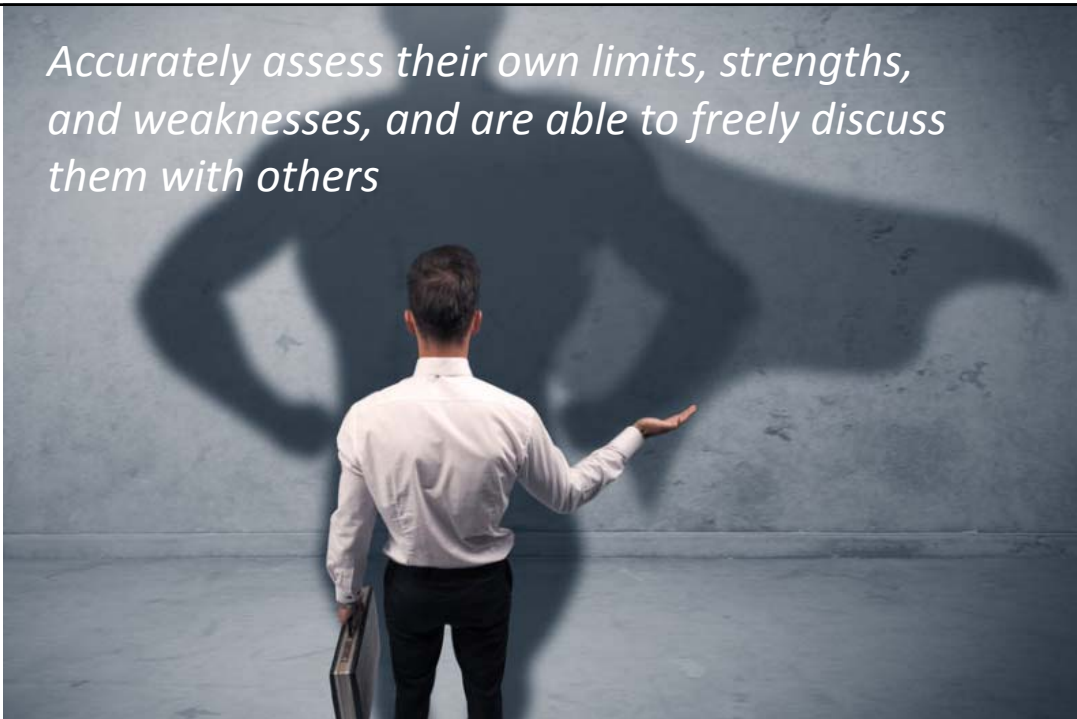
NC STATE
UNIVERSITY

Recognize, manage, and take responsibility for their own thoughts and feelings



Have the capacity to resolve conflict maturely and negotiate solutions that consider the perspectives of others

Accurately assess their own limits, strengths, and weaknesses, and are able to freely discuss them with others



Can, when under stress, state their own beliefs and values without becoming adversarial



Appreciate people for who they are

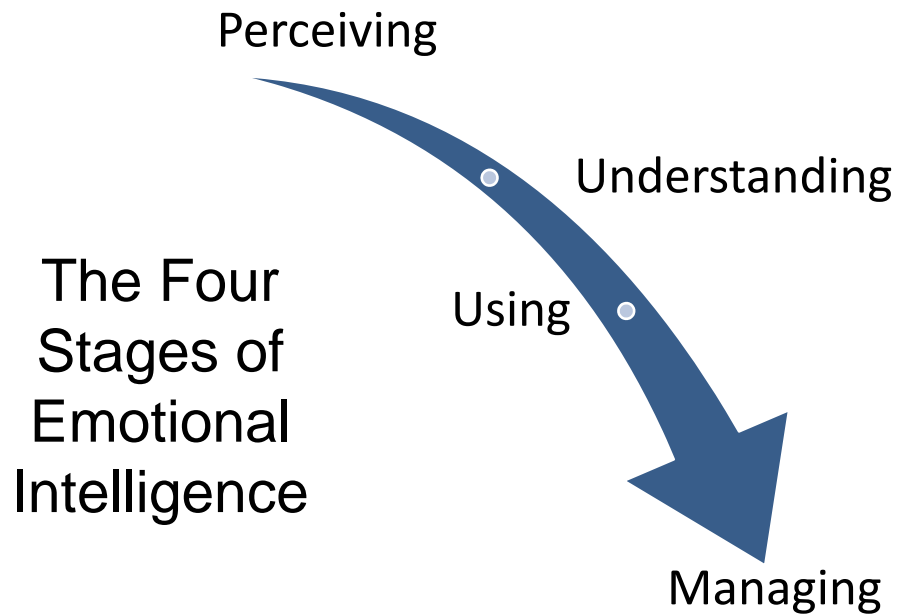




*Allow others to
make mistakes*



*Do not expect others to
be perfect*



Perceiving

Sensing how both you and others are feeling.

- Deducing emotions from behavior
- Observing others' emotions
- Observing our own emotions



WHAT IS IT?



75%



93%



7%

Words

Understanding Emotions

Assigning meaning to observed emotions.

- Know your own emotions and their cause.
- Understand the emotions of others and their cause.
- Know how to *relate* to the emotions of others.



Using, Reasoning and Regulating

Creating a plan to deal with the observed and understood emotions.

- Create a constructive plan or goal.
- Seek the input of others if necessary.
- Communicate the plan to others.
- Enlist their help.



Managing and Directing

*Directing emotions toward
constructive activities to use them
to optimal advantage.*

- Emotions are controlled.
- Difficulties are handled rationally.
- Able to calm any situation quickly.
- Plan/goal is implemented.




Applying the Stages




Emotions are Action Signals

Emotion	Understanding	High EI Response
Anger		



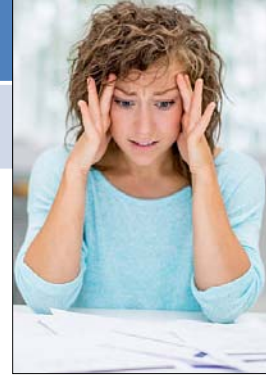
Emotions are Action Signals

Emotion	Understanding	High EI Response
Anger	Rule has been violated	



Emotions are Action Signals

Emotion	Understanding	High EI Response
Anger	Rule has been violated	Clarify and/or adjust rules Learn to manage the anger



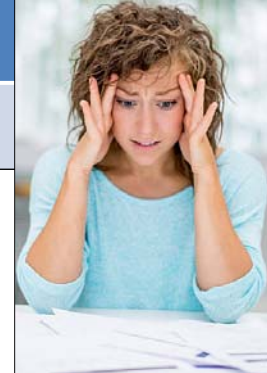
Emotions are Action Signals

Emotion	Understanding	High EI Response
Uncomfortable		



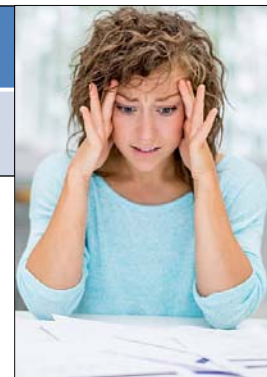
Emotions are Action Signals

Emotion	Understanding	High EI Response
Uncomfortable	Need to change your state	



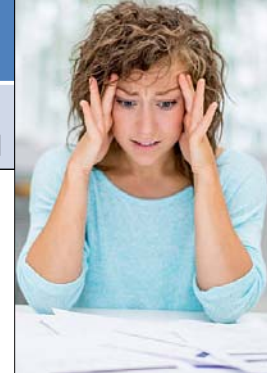
Emotions are Action Signals

Emotion	Understanding	High EI Response
Uncomfortable	Need to change your state	Clarify what you want Take action toward your goal



Emotions are Action Signals

Emotion	Understanding	High EI Response
Uncomfortable	Need to change your state	Clarify what you want Take action toward your goal



Avoid:

Public displays

Not listening to your inner voice


Emotions are Action Signals

Emotion	Understanding	High EI Response
Guilt		




Emotions are Action Signals

Emotion	Understanding	High EI Response
Guilt	You violated your own standards	



Emotions are Action Signals

Emotion	Understanding	High EI Response
Guilt	You violated your own standards	Make things right Set new rules for yourself



Emotions are Action Signals

Emotion	Understanding	High EI Response
Inadequacy		



Emotions are Action Signals

Emotion	Understanding	High EI Response
Inadequacy	You aren't enough	



Emotions are Action Signals

Emotion	Understanding	High EI Response
Inadequacy	You aren't enough	Educate yourself Improve areas that you can



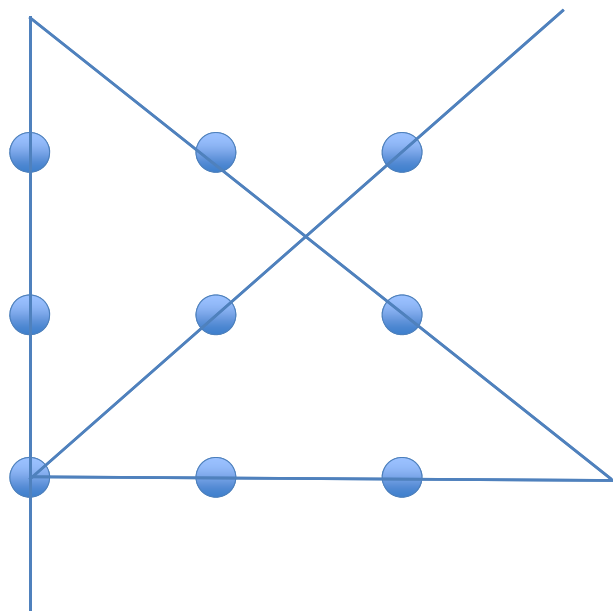
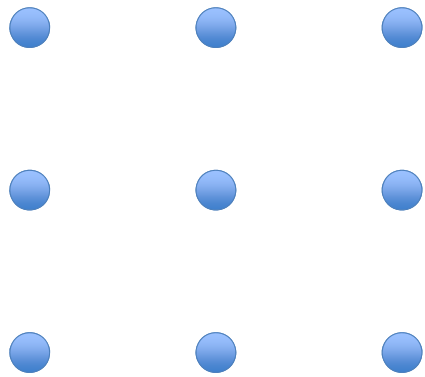
Emotions are Action Signals

Emotion	Understanding	High EI Response
Inadequacy	You aren't enough	Educate yourself Improve areas that you can



Avoid:

***Keeping negative emotions
Perfectionism***



Emotions are Action Signals

Emotion	Understanding	High EI Response
Frustration		



Emotions are Action Signals

Emotion	Understanding	High EI Response
Frustration	Upset because of the inability to change or achieve	



Emotions are Action Signals

Emotion	Understanding	High EI Response
Frustration	Upset because of the inability to change or achieve	Change your approach Set different goals



Emotions are Action Signals

Emotion	Understanding	High EI Response
Disappointment		



Emotions are Action Signals

Emotion	Understanding	High EI Response
Disappointment	Sad something didn't happen	



Emotions are Action Signals

Emotion	Understanding	High EI Response
Disappointment	Sad something didn't happen	Change your goals Change your focus



Emotions are Action Signals

Emotion	Understanding	High EI Response
Disappointment	Sad something didn't happen	Change your goals Change your focus



Avoid:

*Giving up
Long-term focus*

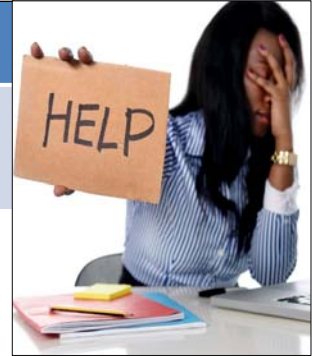
Emotions are Action Signals

Emotion	Understanding	High EI Response
Overloaded		



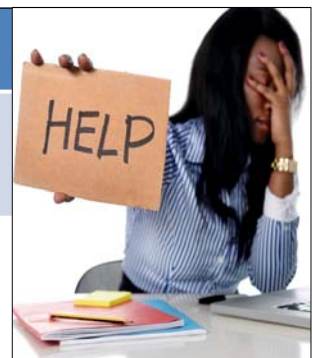
Emotions are Action Signals

Emotion	Understanding	High EI Response
Overloaded	Stretched thin because of too much work / too many expectations	



Emotions are Action Signals

Emotion	Understanding	High EI Response
Overloaded	Stretched thin because of too much work / too many expectations	Communicate Set new goals Delegate if possible



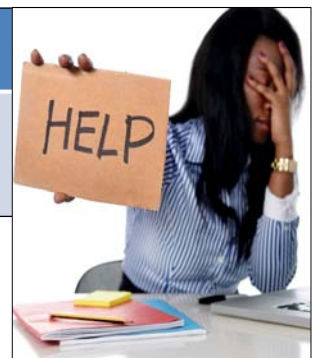
Emotions are Action Signals

Emotion	Understanding	High EI Response
Loneliness		



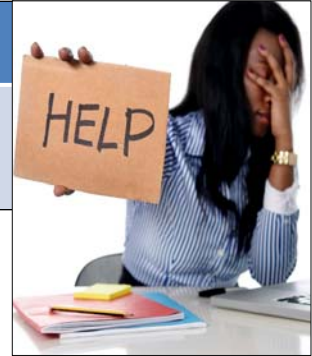
Emotions are Action Signals

Emotion	Understanding	High EI Response
Loneliness	Anxiety about lack of connection and/or communication with others	



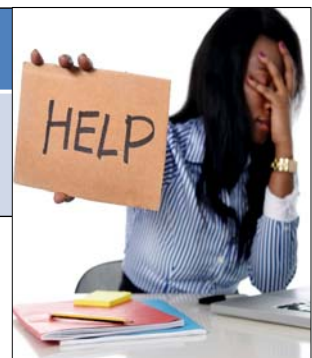
Emotions are Action Signals

Emotion	Understanding	High EI Response
Loneliness	Anxiety about lack of connection and/or communication with others	Clarify needs Set goals to remediate



Emotions are Action Signals

Emotion	Understanding	High EI Response
Loneliness	Anxiety about lack of connection and/or communication with others	Clarify needs Set goals to remediate



Avoid:

*Trying to carry too much
Ignoring feelings*

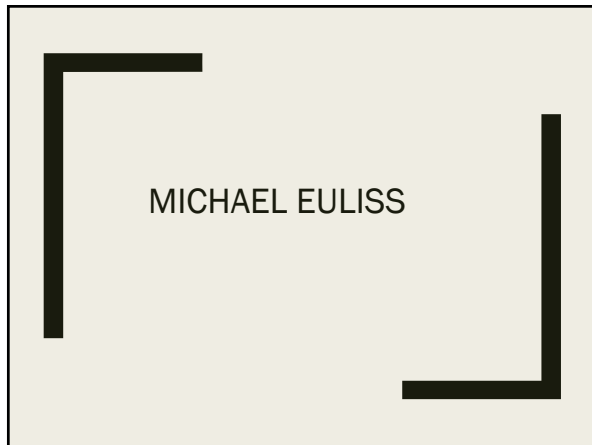
In the workplace, “High EI” individuals are known for:

- Knowledge
- Experience
- Visibility
- Action
- Relationships
- Creativity
- Communication
- Appearance
- Attitude
- Maturity



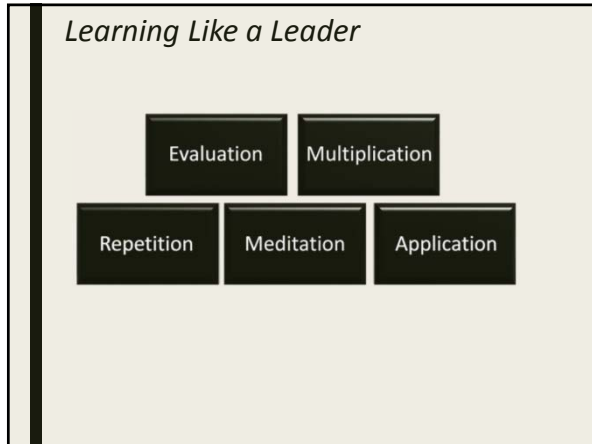
*Thank
You*

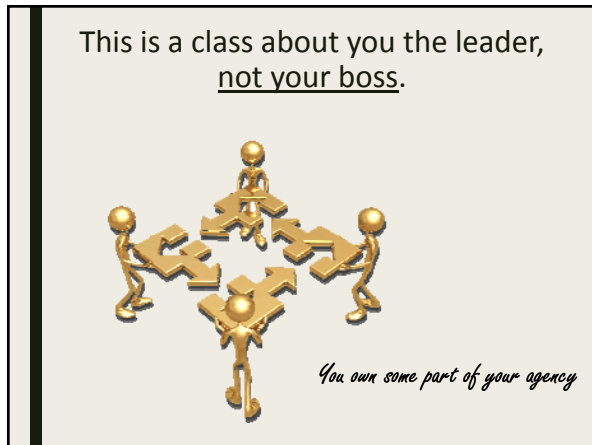




Objectives

- Understand the concept of ownership as it relates to performance, and satisfaction
- Understand the importance of belief systems and how they affect our everyday lives.
- Understand that we are all leaders and, that we are all leading, all the time.







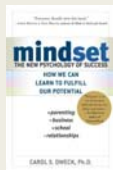
Ownership / 'ōnər, SHip/

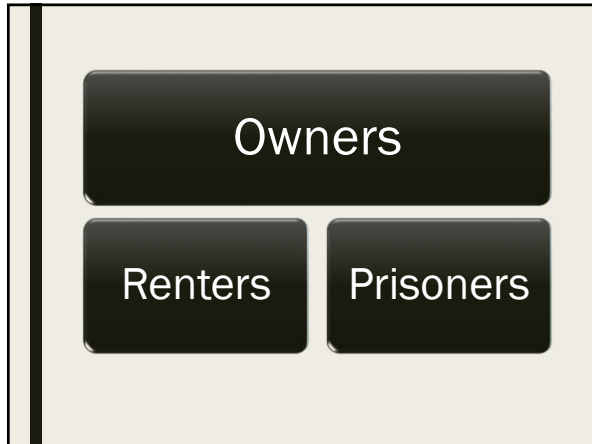
- Latin root is the word “dominium”
- “To be the master of” or,
- “Complete power to use”



What's your "Mindset"?

- | | |
|-----------------|-------------------|
| ■ Growth | ■ Fixed |
| ■ Moldable | ■ Carved in Stone |
| ■ Humble | ■ Arrogant |
| ■ Happy | ■ Miserable |
| ■ Owner | ■ Prisoner |





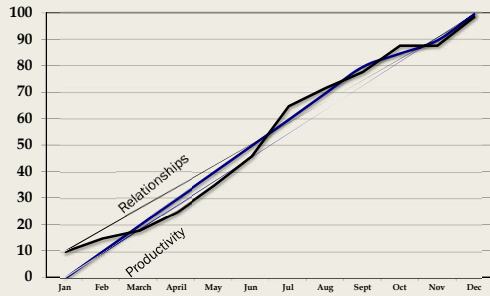
Leadership - *lē-dār-ship*

- Typical definition: "Getting things done through people"
- Leadership does not require a title or perfection.
- There are many people "in charge" who are not leaders.
- There are many leaders who are not "in charge".
- "We are all leading, all the time" (Remove "Just")
- "Leadership is about who I am as much as it is about what I do"
- Leaders see the people they serve as heirs, not slaves.
- Remember: Great leadership is an art.

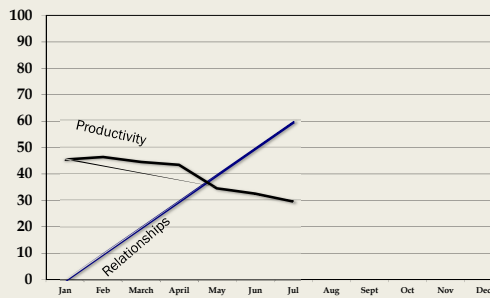
Leadership is a Balance of Two Things...

- *Relationships*
- *Productivity in relation to the mission*
- **Questions ALL leaders must ask:**
 - (How well do we get along?)
 - (How productive are we?)

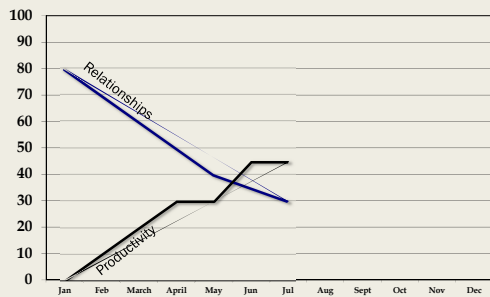
One affects the other...

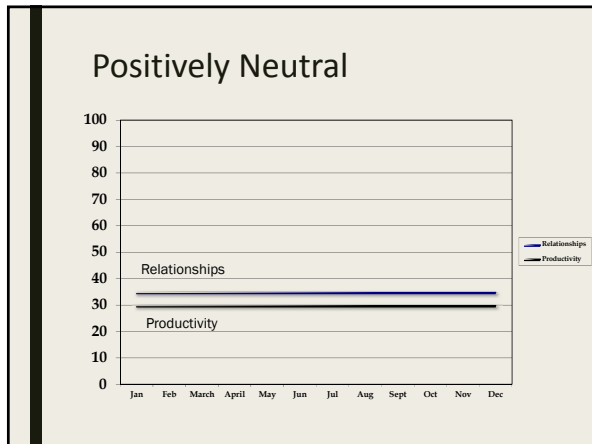


Relationship-Focused



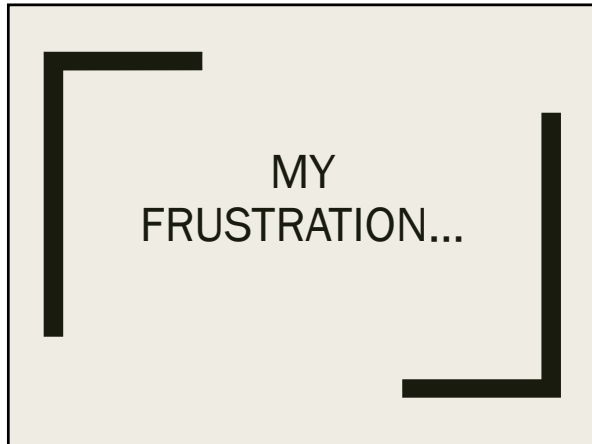
Production-Focused

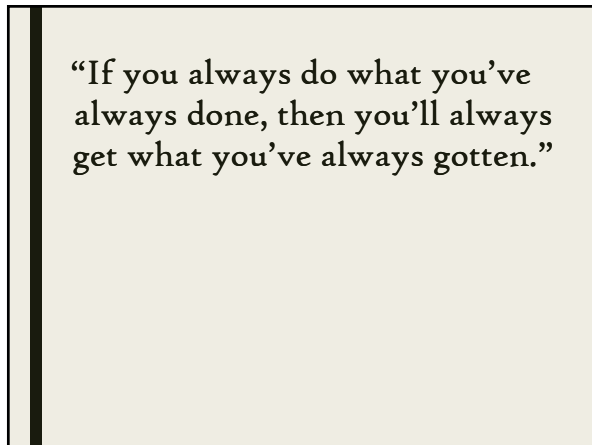


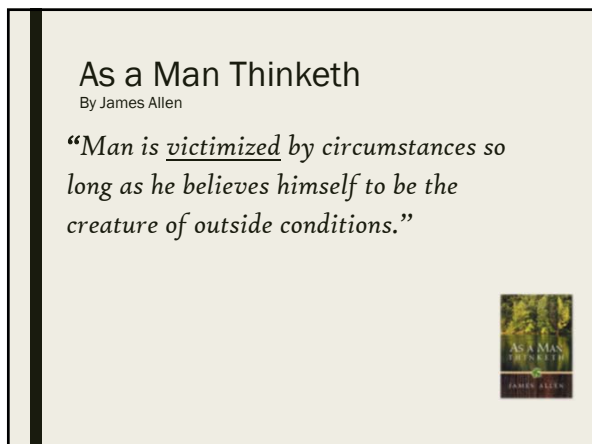


Does this job ever frustrate you?

- ### Your Sources...
- Spouse/Significant Other
 - Boss
 - Co-Workers
 - Press/Media
 - General Assembly/Elected Officials
 - Workplace Committees
 - New "Rookie" Employees
 - OSHR/Rules
 - Other Agencies
 - Inefficient Processes
 - Lack of Resources
 - "Slackers"
 - People who only look for the "wrongs"
 - Bureaucracy
 - Constant GASB Changes









As a Man Thinketh
By James Allen

Man is made or unmade by himself; in the armory of thought he forges the weapons by which he destroys himself.”




As a Man Thinketh
By James Allen

Man is made or unmade by himself; in the armory of thought he forges the weapons by which he (improves or) destroys himself.”



As a Man Thinketh
By James Allen

“But when he realizes that he may command the hidden soil and seeds of his being out of which circumstances grow, he then becomes the rightful master of himself.”



As a Man Thinketh

By James Allen

The vision that you glorify in your mind,
the ideal that you enthrone in your heart,
...this you will build your life by, ...this
you will become.”



“When service is unto people,
the bones can grow weary;
the frustration, deep.”

Ann Voskamp

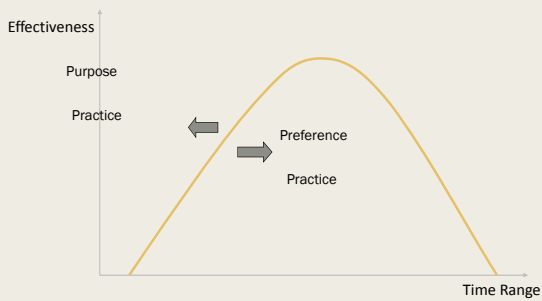
Jack Welch On Bureaucracy

“Bureaucracy frustrates people...

Jack Welch On Bureaucracy

“Bureaucracy frustrates people, distorts their priorities, limits their dreams and turns the face of the enterprise inward.”

Cycle of Effectiveness



“The longer I focus on me, the harder it becomes to see the needs of others.”

Jack Welch on Bureaucracy

“But the allure of bureaucracy...
(Power! Greed! Selfish ambition!)
...is part of human nature and hard
to resist.”

Jack Welch
CEO General Electric

HOW DO WE GET OUT OF THE
BLAME GAME?

Charlie Plumb

- ✓ 24 Year Old Naval Academy Graduate
- ✓ Top Gun Graduate
- ✓ Shot down on May 19, 1967 on his 75th combat mission
- ✓ Spent five years and nine months undergoing torturous treatment

Other Notables who were there...

- Admiral James Stockdale - USN (CDR)
- Senator John McCain - USN (LTCDR)
- General Norman Gaddis - USAF (Col)
- Admiral Bob Shumaker - USN (LTCDR)

Shumaker's Prison Code

	C1	C2	C3	C4	C5
R1	A	B	C/K	D	E
R2	F	G	H	I	J
R3	L	M	N	O	P
R4	Q	R	S	T	U
R5	V	W	X	Y	Z

Plumb

7 Feet

7 Feet

Charlie Plumb

“Faith, Commitment, and Pride...
...more important than the rice we ate...the
water we drank.”

-Charlie Plumb

The Need For Belief Systems

“This is not a prison camp and you are not a prisoner, this is a
duty station....it is a lousy, rotten duty station but a duty
station none the less and you have a duty especially to
each other.”

James Stockdale

Lessons of Charlie Plumb

1. We all will play the **blame game** at some point of our lives.
2. However, the **only person** over which I exercise control is **myself**. (What part do I **own**?)
3. We must **establish, sustain** and **celebrate** a strong **belief system** in who we are what we do.

The Power Of The Belief System

“Beliefs drive behaviors or performance.”

The Power Of The Belief System

“As a scientist who has studied the brain, I consider belief to be the most important factor in determining human performance.”

Dr. Richard W. Sperry

Remember...

We must establish, sustain and celebrate a strong belief system in who we are and what we do.

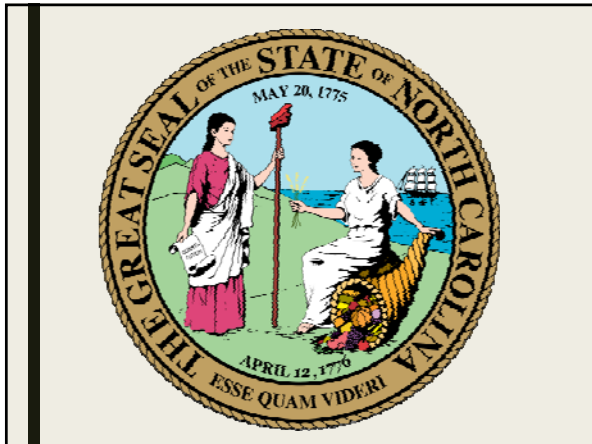
LESSONS OF SEAMAN HEGDAHL

The Lessons Of Seaman Hegdahl

- **Commitment** to something bigger than you.
- We often **underestimate** our potential and the potential of our people.
- There is a need for **leadership** at every level.
- You need to begin **today** to develop your leadership/management skills in yourselves and your people even before they are **in charge**.

Test Answers

- A four-letter word that paralyzes us all: **FEAR**
- We all will play the **BLAME GAME** at some point of our lives.
- However, the only person over which I exercise control is **MYSELF**. (What part do I **OWN**?)
- We must establish, sustain, and celebrate a strong **BELIEF SYSTEM** in who we are what we do.
- **COMMITMENT** to something bigger than you
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- The concept of a **PERFECT LEADER** is a myth. Don't hold people to unrealistic expectations.



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**2017 OSC Financial Conference
December 12, 2017**

Attendees by Last Name (355)

Jennifer Addison-UNC at Pembroke
Robbie Alford-Office of State Controller
Daysi Allen-UNC at Chapel Hill
Robert Allen-NC School of Science & Mathematics
Lisa Allnut-Department of Health & Human Services
Shelly Alman-Gaston College
Greg Alvord-Department of Health & Human Services
Kokila Amin-Office of State Controller
Nirav Amin-NC Education Lottery
Lewis Andrews-Department of State Treasurer
Lamees Asad-UNC at Chapel Hill
Cyndi Autenrieth-UNC at Charlotte
Kristina Autio-Retiree
Khalid Awan-Department of Public Safety
Debra Bailey-East Carolina University
Donnamarie Baldwin-Dept of Health & Human Services
Matthew Banko-Alamance Community College
Lorrie Barbee-Department of Transportation
Kim Battle-Office of State Controller
Suzanne Beasley-Dept of Health & Human Services
Sharon Bell-Appalachian State University
Randy Bennett-UNC at Greensboro
Thomas Berryman-Dept of Health & Human Services
Jeannie Betts-Department of Health & Human Services
Jeffrey Birdsong-UNC at Chapel Hill
Linda Blackmon-Office of State Controller
Leslie Blankenship-Isothermal Community College
Judy Blount-Department of Public Instruction
Michael Bonner-UNC Health Care System
Floyd Bowen-Department of Health & Human Services
Desiree Bowling-East Carolina University
Amy Bowman-Department of Administration
Jennifer Brady-NC State University
Bryan Brannon-Department of Administration
Bob Brinson-Department of Public Safety
Kevin Brodie-NC Housing & Finance
Madelene Brooks-NC State University
Sharon Brooks-NC State University
Barry Brown-Office of State Controller

Angela Brown-Office of State Controller
Tonia Brown-Department of Commerce
Leon Browning-UNC General Administration
Taylor Brumbeloe-Office of State Controller
Ryan Brummeyer-Dept of Health & Human Services
Derek Bryan-NC State University
Helen Buck-NC A&T University
Anita Bunch-Department of Revenue
Katherine Burckley-NC A&T University
Jean Burke-Department of Public Safety
James Burke-Department of State Treasurer
Dottie Burns-Department of Health & Human Services
Joannie Burtoft-Office of State Controller
Timothy Byrd-UNC Health Care System
Edith Cannady-Office of State Controller
Wynona Cash-Office of State Controller
Mark Causey-UNC Health Care System
Angelika Chafalovitch-Department of Public Safety
Steve Chase-Wildlife Resources Commission
Thomas Cheek-Office of State Budget Management
Jeannie Chen-NC State University
James Cherokee-Department of Public Safety
Tommy Clark-Department of Secretary of the State
Elizabeth Colcord-Office of State Controller
Bruce Cole-Gaston College
Crystal Cole-Office of State Controller
Lorie Coley-Department of Transportation
Jennifer Coltrane-NC State University
Katie Condit-Jang-UNC at Greensboro
Dwayne Cook-NC State University
Adrienne Covington-Nash Community College
Joy Darden-Office of State Controller
Clayton Darnell-Office of State Controller
Lana Davidson-UNC Health Care System
Ross Davidson-NC Education Lottery
Diane Davis-NC A&T University
Steven Davis-Department of Public Safety
Angela Davis-UNC at Chapel Hill
Rod Davis-Department of Health & Human Services
Cheryl Davis-Department of Commerce
Joshua Davis-Department Natural & Cultural Resources
Yolanda Deaver-NC Central University
Robin Deaver-Fayetteville Technical Community College

John DelGreco-Department of Public Safety
Irene Deng-UNC at Chapel Hill
George Dennis-Other/Retiree
Dana Denton-Department of Transportation
Arnetha Dickerson-Office of State Budget Management
Michael Dickerson-NC State University
Gandy Dorsainvil-Economic Development Partnership
Debbie Dryer-UNC General Administration
Dana Dupree-UNC School of the Arts
Ken Durham-Department of State Treasurer
Gwen Earp-Department of Justice
Melissa Earp-Wildlife Resources Commission
Beth Edmondson-Retiree
Mike Edwards-NC State University
Felicia Edwards-NC Central University
James Einloth-NC Partnership for Children
Bivian Ejimakor-NC A&T University
Jolene Elkins-Department of Health & Human Services
Leah Englebright-NC School of Science & Mathematics
Michael Euliss-Office of State Controller
Laresia Everett-Department of Insurance
Vincent Falvo-East Carolina University
Melissa Fenton-UNC Rex Healthcare
Cliff Flood-UNC General Administration
Susan Flowers-Dept of Natural & Cultural Resources
Joyce Flowers-Office of State Auditor
Aretino Fluker-Department of Health & Human Services
Joan Fontes-Department of State Treasurer
Paul Forte-Appalachian State University
Rebecca Fouts-Economic Development Partnership
Carrie Freeman-NC Housing & Finance
Elaine Freeman-Department of Commerce
Samiel Fuller-Department of Public Instruction
Joe Futima-Department of State Treasurer
John Gagnon-Office of State Budget Management
Robert Gaines-NC Central University
Linda Garr-UNC Rex Healthcare
A.J. Gentile-UNC Rex Healthcare
Tami George-Robeson Community College
Anne Godwin-Office of State Controller
Bonnie Godwin-Department of Agriculture
Jacob Green-UNC at Chapel Hill
Martha Greene-Forsyth Technical Community College

Christina Greene-Cape Fear Community College
Larna Griffin-State Education Assistance Authority
Providence Hakizimana-State Budget Management
Jericho Hallimore-UNC Rex Healthcare
Keith Hammonds-Department of State Treasurer
Brenda Hampshire-UNC at Greensboro
Jeffrey Harding-NC A&T University
Jennifer Harkness-Economic Development Partnership
Luke Harris-Department of Transportation
Elizabeth Haynes-USS NC Battleship Commission
Sybil Henderson-NC Central University
Freda Hilburn-Department of Commerce
Shannon Hobby-Dept Natural & Cultural Resources
Sim Hodges-NC Housing & Finance
Mark Hoffman-UNC Health Care System
Douglas Holbrook-Department of Public Safety
Milburn Holbrook-NC State University
Linda Hollar-Office of State Auditor
David Holman-Caldwell Community College
Susan Holton-NC State University
Tereasa Hopkins-East Carolina University
James Horne-General Assembly
Heather Horton-Department of Commerce
Teresa Hosford-Dept of Health & Human Services
William Hosterman-UNC Hospitals
John House-Centennial Authority
Tammy Hubbell-Department of Revenue
Cindy Hucks-UNC-Wilmington
Larry Huffman-Department of Health & Human Services
John Hulmes-Department of Health & Human Services
Scott Hummel-NC A&T University
Heather Hummer-UNC General Administration
Prentice Hunt-Department of Administration
Cheryl Hunt-Department of Health & Human Services
Jessica Hwang-Strickland-UNC at Chapel Hill
Sani Ibrahim-Department of Health & Human Services
Rokos Isaak-Office of State Controller
Brenda Jackson-Sandhills Community College
Michael Jackson-NC A&T University
Lacie Jacobs-Bladen Community College
Carla Jacobs-Office of State Auditor
Carmen Jarmon-Administrative Office of the Courts
Bryan Jenkins-NC Community College System

Baker Jesse-UNC at Chapel Hill
Patricia Jeter-Department of Commerce
Brad Johnson-Office of State Controller
Angela Johnston-Office of State Controller
Wayne Jones-UNC at Greensboro
Susan Kearney-Department of Agriculture
Patcha Kidking-Office of State Auditor
Kathy Kikendall-Department of Justice
David King-Department of Health & Human Services
Gloria King-Department of Health & Human Services
Andrew Kleitsch-Durham Technical Community College
Laura Klem-Office of State Controller
Jim Knight-NC Education Lottery
Gina Knight-Elizabeth City State University
Ariana Kudlats-NC Housing & Finance
Laura LaBree-UNC at Wilmington
Kathy Lagana-Office of State Controller
Karin Langbehn-Pecaut-UNC at Chapel Hill
Darlene Langston-Department of Public Safety
Fran Lawrence-Department of State Treasurer
Kizzy Lea-Rowan-Cabarrus Community College
Rachel Leaptrot-Dept of Health & Human Services
Judy LeDoux-UNC at Chapel Hill
Charonda Lee-Wildlife Resources Commission
Linda Lejnar-Wake Technical Community College
Lauren Lemons-Office of State Controller
John Leskovec-Office of State Budget Management
Jennifer Leung-UNC at Greensboro
Adam Levinson-Department of Public Instruction
Peizhu Liu-UNC Hospitals
Cathy Lively-Office of Information Technology Services
Quita Loflin-UNC at Greensboro
Christopher Long-Department of Revenue
Barry Long-Office of State Auditor
Matthew Longobardi-Department of Justice
Tami Luckwaldt-Department of Insurance
Rory Mackin-Department of Health & Human Services
Arun Malik-UNC at Chapel Hill
Cheryl Manning-Office of State Controller
Sharon Marsalis-Information Technology Services
Lisa Martin-Department of Justice
Marvin Massey-Department of Revenue
Tabitha Mbaka-Dept of Health & Human Services

Marcus McAllister-Office of State Controller
Beth McAndrew-UNC at Chapel Hill
Lisa McClinton-UNC School of the Arts
Jackie McKoy-Department of Revenue
Rachel McDonald-Office of State Auditor
Benjamin McGilvray-Department of Transportation
Luke McHale-NC Central University
Leanne McLaughlin-Office of State Auditor
Ben McLawhorn-Office of State Controller
Joel Mercer-Department of Health & Human Services
Erwin Mialkowski-NC Education Lottery
Courtney Michelle-Office of State Controller
Matt Miller-UNC General Administration
Marvin Miller-Department of Public Safety
William Miller-UNC Health Care System
Laketha Miller-Department of Health & Human Services
Mary Mims-NC A&T University
Kim Mitchell-Department of Military & Veterans Affairs
Cynthia Modlin-East Carolina University
LaTasha Moore-James Sprunt Community College
Roberta Morgart-Department of Public Safety
Tim Morris-East Carolina University
Barbara Moses-NC State University
Dannie Moss-East Carolina University
Beatrice Muganda-UNC at Chapel Hill
Mary Nails-Office of State Controller
Lettie Navarrete-Robeson Community College
Lisa Neal-Bladen Community College
Debra Neal-Department of Public Safety
Hans Norland-Department of Public Safety
H. Norris-Department of State Treasurer
Tony Norwood-Department of Administration
Gwen Norwood-UNC at Chapel Hill
Lori Oldham-Dept Natural & Cultural Resources
Brooke O'Neal-UNC at Chapel Hill
Jennifer Pacheco-Office of State Controller
Kim Padfield-Department of Transportation
Bridget Paschal-Department of Commerce
Dwayne Patterson-Natural & Cultural Resources
Tracy Patty-NC State University
Amy Penson-Isothermal Community College
Malinda Peters-Department of State Treasurer
Johnny Peterson-Craven Community College

Phyllis Petree-UNC at Chapel Hill
Stephanie Pflum-UNC at Greensboro
Meera Phaltankar-Department of Public Instruction
Tina Pickett-Department of Health & Human Services
Rick Pieringer-Office of State Controller
Lynn Powell-Department of Transportation
Jan Prevo-Office of State Controller
David Price-NC State University
Phillip Price-Central Carolina Community College
Chandrika Rao-UNC at Chapel Hill
Monica Reid-Department of State Treasurer
Ann Reinking-UNC at Chapel Hill
Paula Ricard-Retiree
Joanne Rich-UNC Hospitals
Jeremy Roberts-Office of State Controller
Priscilla Roberts-Department of Secretary of the State
Michelle Robinson-Office of State Controller
Ellen Rockefeller-Office of State Controller
Wayne Rogers-Department of Transportation
Tim Romocki-Department of State Treasurer
Jessica Rosera-UNC Hospitals
Janet Rupert-UNC at Chapel Hill
Camilla Sandlin-NC Education Lottery
Joan Saucier-Department of Public Safety
Jennifer Savage-Department of Justice
Cher Savas-Retiree
Elizabeth Schiavone-UNC
William Schmidt-Natural & Cultural Resources
Troy Scoggins-Office of State Controller
Bill Scott-Department of Health & Human Services
Dilip Shah-NC Education Lottery
Peta-Gaye Shaw-Department of Administration
Teresa Shingleton-Office of State Controller
DP Singla-UNC General Administration
Vanessa Singleary-Robeson Community College
Virginia Sisson-Office of State Controller
Donald Skeen-UNC at Greensboro
Michael Sledge-UNC at Chapel Hill
Randy Smith-Office of State Controller
Patricia Smith-Department of Revenue
Jonathan Smith-Winston-Salem State University
Laurie Smith-Department of Transportation
Shawn Smith-NC State University

Kelly Smith-UNC at Chapel Hill
Debra Smith-NC Community College System
Brian Smith-UNC at Chapel Hill
Charles Smith-Fayetteville Technical CC
Susan Soques-Wildlife Resources Commission
Kenneth Spayd-UNC at Pembroke
Lisa Stubbs-Office of State Controller
Jay Stanley-Bladen Community College
Faye Steele-East Carolina University
Danny Stewart-Dept of Health & Human Services
Justin Stiles-UNC at Chapel Hill
Catherine Stogner-Department of Agriculture
John Storment-UNC Health Care System
Amy Strange-Retiree
Jacqueline Stringfellow-NC A&T University
Bill Sturmer-UNC at Charlotte
Bill Styres-Office of State Auditor
Michael Sullivan-UNC Rex Healthcare
Hannah Sullivan-Dept of Health & Human Services
Shirley Swanson-Catabwa Valley CC
Dawei Tang-UNC at Chapel Hill
Marsha Tapler-Information Technology Services
Marla Tart-Wake Technical Community College
Wesley Taylor-General Assembly
Krissie Taylor-Department of Health & Human Services
Eric Thanos-Natural & Cultural Resources
Kimberly Thomas-NC Education Lottery
Nancy Thomas-Office of State Controller
Roy Thompson-Bladen Community College
Debbie Todd-Fayetteville Technical Community College
Jim Tulenko-Office of State Controller
David Tyeryar-Department of Transportation
Kim Van Metre-Department of Environmental Quality
Sam Veraldi-UNC at Chapel Hill
Robert Vickery-UNC General Administration
Prabhavathi Vijayaraghavan-Administrative Hearings
Karen Visnosky-NC State University
Helen Vozzo-NC State University
Darlene Waddell-NC Global TransPark Authority
Michael Walker-NC State University
Megan Wallace-Office of State Controller
Yiwen Wang-UNC at Chapel Hill
Gary Ward-NC Central University

Sherma Weekes-Office of State Controller
Mary Jane Westphal-NC Global TransPark Authority
Rex Whaley-Department of Environmental Quality
Lorraine Whitman-Office of State Controller
Melanie Whittington-UNC at Greensboro
Anderson Wicker-Department of Revenue
Susan Williams-UNC at Chapel Hill
Joseph Wilson-Department of Transportation
Misty Wilson-NC State University
Jennifer Wimmer-Department of State Treasurer
Linda Worth-Office of Administrative Hearings
Melanie Wright-UNC at Chapel Hill
David Yokley-Department of Revenue
Michael Zanchelli-Dept of Health & Human Services
Fenge Zhang-Department of Commerce

**2017 OSC Financial Conference
December 12, 2017**

Attendees by Agency (355)

Carmen Jarmon-Administrative Office of the Courts
Matthew Banko-Alamance Community College
Sharon Bell-Appalachian State University
Paul Forte-Appalachian State University
Lacie Jacobs-Bladen Community College
Lisa Neal-Bladen Community College
Jay Stanley-Bladen Community College
Roy Thompson-Bladen Community College
David Holman-Caldwell Community College
Christina Greene-Cape Fear Community College
Shirley Swanson-Catawba Valley Community College
John House-Centennial Authority
Phillip Price-Central Carolina Community College
Johnny Peterson-Craven Community College
Amy Bowman-Department of Administration
Bryan Brannon-Department of Administration
Prentice Hunt-Department of Administration
Tony Norwood-Department of Administration
Peta-Gaye Shaw-Department of Administration
Bonnie Godwin-Department of Agriculture
Susan Kearney-Department of Agriculture
Catherine Stogner-Department of Agriculture
Tonia Brown-Department of Commerce
Cheryl Davis-Department of Commerce
Elaine Freeman-Department of Commerce
Freda Hilburn-Department of Commerce
Heather Horton-Department of Commerce
Patricia Jeter-Department of Commerce
Bridget Paschal-Department of Commerce
Fenge Zhang-Department of Commerce
Kim Van Metre-Department of Environmental Quality
Rex Whaley-Department of Environmental Quality
Lisa Allnutt-Department of Health & Human Services
Greg Alvord-Department of Health & Human Services
Donnamarie Baldwin-Dept of Health & Human Services
Suzanne Beasley-Department of Health & Human Services
Thomas Berryman-Department Health & Human Services

Jeannie Betts-Department of Health & Human Services
Floyd Bowen-Department of Health & Human Services
Ryan Brummeyer-Department of Health & Human Services
Dottie Burns-Department of Health & Human Services
Rod Davis-Department of Health & Human Services
Jolene Elkins-Department of Health & Human Services
Aretino Fluker-Department of Health & Human Services
Teresa Hosford-Department of Health & Human Services
Larry Huffman-Department of Health & Human Services
John Hulmes-Department of Health & Human Services
Cheryl Hunt-Department of Health & Human Services
Sani Ibrahim-Department of Health & Human Services
David King-Department of Health & Human Services
Gloria King-Department of Health & Human Services
Rachel Leaptrot-Department of Health & Human Services
Rory Mackin-Department of Health & Human Services
Tabitha Mbaka-Department of Health & Human Services
Joel Mercer-Department of Health & Human Services
Laketha Miller-Department of Health & Human Services
Tina Pickett-Department of Health & Human Services
Bill Scott-Department of Health & Human Services
Danny Stewart-Department of Health & Human Services
Hannah Sullivan-Department of Health & Human Services
Krisie Taylor-Department of Health & Human Services
Michael Zanchelli-Department of Health & Human Services
Laresia Everett-Department of Insurance
Tami Luckwaldt-Department of Insurance
Gwen Earp-Department of Justice
Kathy Kikendall-Department of Justice
Matthew Longobardi-Department of Justice
Lisa Martin-Department of Justice
Jennifer Savage-Department of Justice
Kim Mitchell-Department of Military & Veterans Affairs
Joshua Davis-Department of Natural & Cultural Resources
Susan Flowers-Department of Natural & Cultural Resources
Shannon Hobby-Department of Natural & Cultural Resources
Lori Oldham-Department of Natural & Cultural Resources
Dwayne Patterson-Natural & Cultural Resources
William Schmidt-Department of Natural Cultural Resources

Eric Thanos-Department of Natural & Cultural Resources
Judy Blount-Department of Public Instruction
Samiel Fuller-Department of Public Instruction
Adam Levinson-Department of Public Instruction
Meera Phaltankar-Department of Public Instruction
Khalid Awan-Department of Public Safety
Bob Brinson-Department of Public Safety
Jean Burke-Department of Public Safety
Angelika Chafalovitch-Department of Public Safety
James Cherokee-Department of Public Safety
Steven Davis-Department of Public Safety
John DeIGreco-Department of Public Safety
Douglas Holbrook-Department of Public Safety
Darlene Langston-Department of Public Safety
Marvin Miller-Department of Public Safety
Roberta Morgart-Department of Public Safety
Debra Neal-Department of Public Safety
Hans Norland-Department of Public Safety
Joan Saucier-Department of Public Safety
Anita Bunch-Department of Revenue
Tammy Hubbell-Department of Revenue
Christopher Long-Department of Revenue
Marvin Massey-Department of Revenue
Jackie McKoy-Department of Revenue
Patricia Smith-Department of Revenue
Anderson Wicker-Department of Revenue
David Yokley-Department of Revenue
Tommy Clark-Department of Secretary of the State
Priscilla Roberts-Department of Secretary of the State
Lewis Andrews-Department of State Treasurer
James Burke-Department of State Treasurer
Ken Durham-Department of State Treasurer
Joan Fontes-Department of State Treasurer
Joe Futima-Department of State Treasurer
Keith Hammonds-Department of State Treasurer
Fran Lawrence-Department of State Treasurer
H. Norris-Department of State Treasurer
Malinda Peters-Department of State Treasurer
Monica Reid-Department of State Treasurer
Tim Romocki-Department of State Treasurer

Jennifer Wimmer-Department of State Treasurer
Lorrie Barbee-Department of Transportation
Lorie Coley-Department of Transportation
Dana Denton-Department of Transportation
Luke Harris-Department of Transportation
Benjamin McGilvray-Department of Transportation
Kim Padfield-Department of Transportation
Lynn Powell-Department of Transportation
Wayne Rogers-Department of Transportation
Laurie Smith-Department of Transportation
David Tyeryar-Department of Transportation
Joseph Wilson-Department of Transportation
Andrew Kleitsch-Durham Technical Community College
Debra Bailey-East Carolina University
Desiree Bowling-East Carolina University
Vincent Falvo-East Carolina University
Tereasa Hopkins-East Carolina University
Cynthia Modlin-East Carolina University
Tim Morris-East Carolina University
Dannie Moss-East Carolina University
Faye Steele-East Carolina University
Gandy Dorsainvil-Economic Development Partnership
Rebecca Fouts-Economic Development Partnership
Jennifer Harkness-Economic Development Partnership
Gina Knight-Elizabeth City State University
Robin Deaver-Fayetteville Technical Community College
Charles Smith-Fayetteville Technical Community College
Debbie Todd-Fayetteville Technical Community College
Martha Greene-Forsyth Technical Community College
Shelly Alman-Gaston College
Bruce Cole-Gaston College
James Horne-General Assembly
Wesley Taylor-General Assembly
Leslie Blankenship-Isothermal Community College
Amy Penson-Isothermal Community College
LaTasha Moore-James Sprunt Community College
Adrienne Covington-Nash Community College
Helen Buck-NC A&T University
Katherine Burckley-NC A&T University

Diane Davis-NC A&T University
Bivian Ejimakor-NC A&T University
Jeffrey Harding-NC A&T University
Scott Hummel-NC A&T University
Michael Jackson-NC A&T University
Mary Mims-NC A&T University
Jacqueline Stringfellow-NC A&T University
Yolanda Deaver-NC Central University
Felicia Edwards-NC Central University
Robert Gaines-NC Central University
Sybil Henderson-NC Central University
Luke McHale-NC Central University
Gary Ward-NC Central University
Bryan Jenkins-NC Community College System
Debra Smith-NC Community College System
Nirav Amin-NC Education Lottery
Ross Davidson-NC Education Lottery
Jim Knight-NC Education Lottery
Erwin Mialkowski-NC Education Lottery
Camilla Sandlin-NC Education Lottery
Dilip Shah-NC Education Lottery
Kimberly Thomas-NC Education Lottery
Darlene Waddell-NC Global TransPark Authority
Mary Jane Westphal-NC Global TransPark Authority
Kevin Brodie-NC Housing & Finance
Carrie Freeman-NC Housing & Finance
Sim Hodges-NC Housing & Finance
Ariana Kudlats-NC Housing & Finance
James Einloth-NC Partnership for Children
Robert Allen-NC School of Science & Mathematics
Leah Englebright-NC School of Science & Mathematics
Jennifer Brady-NC State University
Madelene Brooks-NC State University
Sharon Brooks-NC State University
Derek Bryan-NC State University
Jeannie Chen-NC State University
Jennifer Coltrane-NC State University
Dwayne Cook-NC State University
Michael Dickerson-NC State University
Mike Edwards-NC State University

Milburn Holbrook-NC State University
Susan Holton-NC State University
Barbara Moses-NC State University
Tracy Patty-NC State University
David Price-NC State University
Shawn Smith-NC State University
Karen Visnosky-NC State University
Helen Vozzo-NC State University
Michael Walker-NC State University
Misty Wilson-NC State University
Prabhavathi Vijayaraghavan-Office of Administrative Hearings
Linda Worth-Office of Administrative Hearings
Cathy Lively-Office of Information Technology Services
Sharon Marsalis-Office of Information Technology Services
Marsha Tapler-Office of Information Technology Services
Joyce Flowers-Office of State Auditor
Linda Hollar-Office of State Auditor
Carla Jacobs-Office of State Auditor
Patcha Kidking-Office of State Auditor
Barry Long-Office of State Auditor
Rachel McDonald-Office of State Auditor
Leanne McLaughlin-Office of State Auditor
Bill Styres-Office of State Auditor
Thomas Cheek-Office of State Budget Management
Arnetha Dickerson-Office of State Budget Management
John Gagnon-Office of State Budget Management
Providence Hakizimana-Office of State Budget Management
John Leskovec-Office of State Budget Management
Robbie Alford-Office of State Controller
Kokila Amin-Office of State Controller
Kim Battle-Office of State Controller
Linda Blackmon-Office of State Controller
Angela Brown-Office of State Controller
Barry Brown-Office of State Controller
Taylor Brumbeloe-Office of State Controller
Joannie Burtoft-Office of State Controller
Edith Cannady-Office of State Controller
Wynona Cash-Office of State Controller
Elizabeth Colcord-Office of State Controller
Crystal Cole-Office of State Controller

Joy Darden-Office of State Controller
Clayton Darnell-Office of State Controller
Michael Euliss-Office of State Controller
Anne Godwin-Office of State Controller
Rokos Isaak-Office of State Controller
Brad Johnson-Office of State Controller
Angela Johnston-Office of State Controller
Laura Klem-Office of State Controller
Kathy Lagana-Office of State Controller
Lauren Lemons-Office of State Controller
Cheryl Manning-Office of State Controller
Marcus McAllister-Office of State Controller
Ben McLawhorn-Office of State Controller
Courtney Michelle-Office of State Controller
Mary Nails-Office of State Controller
Jennifer Pacheco-Office of State Controller
Rick Pieringer-Office of State Controller
Jan Prevo-Office of State Controller
Jeremy Roberts-Office of State Controller
Michelle Robinson-Office of State Controller
Ellen Rockefeller-Office of State Controller
Troy Scoggins-Office of State Controller
Teresa Shingleton-Office of State Controller
Virginia Sisson-Office of State Controller
Randy Smith-Office of State Controller
Lisa Stubbs-Office of State Controller
Nancy Thomas-Office of State Controller
Jim Tulenko-Office of State Controller
Megan Wallace-Office of State Controller
Sherma Weekes-Office of State Controller
Lorraine Whitman-Office of State Controller
Kristina Autio-Retiree
George Dennis-Retiree
Beth Edmondson-Retiree
Paula Ricard-Retiree
Cher Savas-Retiree
Amy Strange-Retiree
Lettie Navarrete-Robeson Community College
Vanessa Singletary-Robeson Community College
Kizzy Lea-Rowan-Cabarrus Community College

Brenda Jackson-Sandhills Community College
Larna Griffin-State Education Assistance Authority
Elizabeth Schiavone-UNC
Daysi Allen-UNC at Chapel Hill
Lamees Asad-UNC at Chapel Hill
Jeffrey Birdsong-UNC at Chapel Hill
Angela Davis-UNC at Chapel Hill
Irene Deng-UNC at Chapel Hill
Jacob Green-UNC at Chapel Hill
Jessica Hwang-Strickland-UNC at Chapel Hill
Baker Jesse-UNC at Chapel Hill
Karin Langbehm-Pecaut-UNC at Chapel Hill
Judy LeDoux-UNC at Chapel Hill
Arun Malik-UNC at Chapel Hill
Beth McAndrew-UNC at Chapel Hill
Beatrice Muganda-UNC at Chapel Hill
Gwen Norwood-UNC at Chapel Hill
Brooke O'Neal-UNC at Chapel Hill
Phyllis Petree-UNC at Chapel Hill
Chandrika Rao-UNC at Chapel Hill
Ann Reinking-UNC at Chapel Hill
Janet Rupert-UNC at Chapel Hill
Michael Sledge-UNC at Chapel Hill
Brian Smith-UNC at Chapel Hill
Kelly Smith-UNC at Chapel Hill
Justin Stiles-UNC at Chapel Hill
Dawei Tang-UNC at Chapel Hill
Sam Veraldi-UNC at Chapel Hill
Yiwen Wang-UNC at Chapel Hill
Susan Williams-UNC at Chapel Hill
Melanie Wright-UNC at Chapel Hill
Cyndi Autenrieth-UNC at Charlotte
Bill Sturmer-UNC at Charlotte
Randy Bennett-UNC at Greensboro
Katie Condit-Jang-UNC at Greensboro
Brenda Hampshire-UNC at Greensboro
Jennifer Leung-UNC at Greensboro
Quita Loflin-UNC at Greensboro
Stephanie Pflum-UNC at Greensboro

Donald Skeen-UNC at Greensboro
Melanie Whittington-UNC at Greensboro
Jennifer Addison-UNC at Pembroke
Kenneth Spayd-UNC at Pembroke
Laura LaBree-UNC at Wilmington
Leon Browning-UNC General Administration
Debbie Dryer-UNC General Administration
Cliff Flood-UNC General Administration
Heather Hummer-UNC General Administration
Matt Miller-UNC General Administration
DP Singla-UNC General Administration
Robert Vickery-UNC General Administration
Michael Bonner-UNC Health Care System
Timothy Byrd-UNC Health Care System
Mark Causey-UNC Health Care System
Lana Davidson-UNC Health Care System
Mark Hoffman-UNC Health Care System
William Miller-UNC Health Care System
John Storment-UNC Health Care System
William Hosterman-UNC Hospitals
Peizhu Liu-UNC Hospitals
Joanne Rich-UNC Hospitals
Jessica Rosera-UNC Hospitals
Melissa Fenton-UNC Rex Healthcare
Linda Garr-UNC Rex Healthcare
A.J. Gentile-UNC Rex Healthcare
Jericho Hallimore-UNC Rex Healthcare
Michael Sullivan-UNC Rex Healthcare
Dana Dupree-UNC School of the Arts
Lisa McClinton-UNC School of the Arts
Cindy Hucks-UNC Wilmington
Elizabeth Haynes-USS NC Battleship Commission
Linda Lejnar-Wake Technical Community College
Marla Tart-Wake Technical Community College
Steve Chase-Wildlife Resources Commission
Melissa Earp-Wildlife Resources Commission
Charonda Lee-Wildlife Resources Commission
Susan Soques-Wildlife Resources Commission
Jonathan Smith-Winston-Salem State University