

1 released except for law enforcement purposes or to the Office of the State Controller for the
2 purposes of G.S. 143B-426.38A."

3 **SECTION 2.** G.S. 105-259(b) is amended by adding a new subdivision to read:

4 "(44) To furnish tax information to the Office of the State Controller under
5 G.S. 143B-426.38A. The use and reporting of individual data may be
6 restricted to only those activities specifically allowed by law when potential
7 fraud or other illegal activity is indicated."

8 **SECTION 3.(a)** Part 28 of Article 9 of Chapter 143B of the General Statutes is
9 amended by adding a new section to read:

10 "**§ 143B-426.38A. Government Data Analytics Center; State data-sharing requirements.**

11 (a) State Government Data Analytics. – The State shall initiate across State agencies,
12 departments, and institutions a data integration and data-sharing initiative that is not intended to
13 replace transactional systems but is instead intended to leverage the data from those systems for
14 enterprise-level State business intelligence.

15 (1) Creation of initiative. – In carrying out the purposes of this section, the
16 Office of the State Controller shall conduct an ongoing, comprehensive
17 evaluation of State data analytics projects and plans in order to identify data
18 integration and business intelligence opportunities that will generate greater
19 efficiencies in, and improved service delivery by, State agencies,
20 departments, and institutions. The Office of the State Controller may partner
21 with current vendors and providers to assist in the initiative. However, to
22 limit the cost to the State, the Office of the State Controller shall use current
23 licensing agreements wherever feasible.

24 (2) Application to State government. – The initiative shall include all State
25 agencies, departments, and institutions, including The University of North
26 Carolina.

27 (3) Governance. – The State Controller shall lead the initiative established
28 pursuant to this section. The Chief Justice of the North Carolina Supreme
29 Court and the Legislative Services Commission each shall designate an
30 officer or agency to advise and assist the State Controller with respect to
31 implementation of the initiative in their respective branches of government.
32 The judicial and legislative branches shall fully cooperate in the initiative
33 mandated by this section in the same manner as is required of State agencies.

34 (b) Government Data Analytics Center. –

35 (1) GDAC established. – There is established in the Office of the State
36 Controller the Government Data Analytics Center (GDAC). GDAC shall
37 assume the work, purpose, and resources of the current data integration
38 effort in the Office of the State Controller and shall otherwise advise and
39 assist the State Controller in the management of the initiative. The State
40 Controller shall make any organizational changes necessary to maximize the
41 effectiveness and efficiency of GDAC.

42 (2) Powers and duties of the GDAC. – The State Controller shall, through the
43 GDAC, do all of the following:

44 a. Continue and coordinate ongoing enterprise data integration efforts,
45 including:

46 1. The deployment, support, technology improvements, and
47 expansion for CJLEADS.

48 2. The pilot and subsequent phase initiative for NC FACTS.

49 3. Individual-level student data and workforce data from all
50 levels of education and the State workforce.

51 4. Other capabilities developed as part of the initiative.

- 1 b. Identify technologies currently used in North Carolina that have the
2 capability to support the initiative.
- 3 c. Identify other technologies, especially those with unique capabilities,
4 that could support the State's business intelligence effort.
- 5 d. Compare capabilities and costs across State agencies.
- 6 e. Ensure implementation is properly supported across State agencies.
- 7 f. Ensure that data integration and sharing is performed in a manner
8 that preserves data privacy and security in transferring, storing, and
9 accessing data, as appropriate.
- 10 g. Immediately seek any waivers and enter into any written agreements
11 that may be required by State or federal law to effectuate data sharing
12 and to carry out the purposes of this section.
- 13 h. Coordinate data requirements and usage for State business
14 intelligence applications in a manner that (i) limits impacts on
15 participating State agencies as those agencies provide data and
16 business knowledge expertise and (ii) assists in defining business
17 rules so the data can be properly used.
- 18 i. Recommend the most cost-effective and reliable long-term hosting
19 solution for enterprise-level State business intelligence as well as
20 data integration, notwithstanding Section 6A.2(f) of S.L. 2011-145.
- 21 (c) Implementation of the Enterprise-Level Business Intelligence Initiative. –
- 22 (1) Phases of the initiative. – The initiative shall cycle through these phases on
23 an ongoing basis:
- 24 a. Phase I requirements. – In the first phase, the State Controller
25 through GDAC shall:
- 26 1. Inventory existing State agency business intelligence projects,
27 both completed and under development.
- 28 2. Develop a plan of action that does all of the following:
- 29 I. Defines the program requirements, objectives, and end
30 state of the initiative.
- 31 II. Prioritizes projects and stages of implementation in a
32 detailed plan and benchmarked time line.
- 33 III. Includes the effective coordination of all of the State's
34 current data integration initiatives.
- 35 IV. Utilizes a common approach that establishes standards
36 for business intelligence initiatives for all State
37 agencies and prevents the development of projects
38 that do not meet the established standards.
- 39 V. Determines costs associated with the development
40 efforts and identifies potential sources of funding.
- 41 VI. Includes a privacy framework for business
42 intelligence consisting of adequate access controls and
43 end user security requirements.
- 44 VII. Estimates expected savings.
- 45 3. Inventory existing external data sources that are purchased by
46 State agencies to determine whether consolidation of licenses
47 is appropriate for the enterprise.
- 48 4. Determine whether current, ongoing projects support the
49 enterprise-level objectives.
- 50 5. Determine whether current applications are scalable or are
51 applicable for multiple State agencies or both.

- 1 b. Phase II requirements. – In the second phase, the State Controller
2 through the GDAC shall:
3 1. Identify redundancies and determine which projects should be
4 discontinued.
5 2. Determine where gaps exist in current or potential
6 capabilities.
7 c. Phase III requirements. – In the third phase:
8 1. The State Controller through GDAC shall incorporate or
9 consolidate existing projects, as appropriate.
10 2. The State Controller shall, notwithstanding G.S. 147-33.76 or
11 any rules adopted pursuant thereto, eliminate redundant
12 business intelligence projects, applications, software, and
13 licensing.
14 3. The State Controller through GDAC shall complete all
15 necessary steps to ensure data integration in a manner that
16 adequately protects privacy.
17 (2) Commencement of projects. – The State Controller may expand existing
18 data integration or business intelligence contracts with current data
19 integration efforts, as appropriate, in order to implement the plan required by
20 this section in accordance with the schedule established and the priorities
21 developed during Phase I of the initiative and may use public-private
22 partnerships as appropriate to implement the plan.
23 (d) Funding. – The Office of the State Controller, with the support of the Office of State
24 Budget and Management, shall identify and make all efforts to secure any matching funds or
25 other resources to assist in funding this initiative. Savings resulting from the cancellation of
26 projects, software, and licensing, as well as any other savings from the initiative, shall be
27 returned to the General Fund and shall remain unexpended and unencumbered until
28 appropriated by the General Assembly in a subsequent fiscal year. It is the intent of the General
29 Assembly that expansion of the initiative in subsequent fiscal years be funded with these
30 savings and that the General Assembly appropriate funds for projects in accordance with the
31 priorities identified by the Office of the State Controller in Phase I of the initiative.
32 (e) Reporting. – The Office of the State Controller shall:
33 (1) Submit and present quarterly reports on the implementation of Phase I of the
34 initiative and the plan developed as part of that phase to the Chairs of the
35 House of Representatives Appropriations and Senate Base
36 Budget/Appropriations Committees, to the Joint Legislative Oversight
37 Committee on Information Technology, and to the Fiscal Research Division
38 of the General Assembly. The State Controller shall submit a report prior to
39 implementing any improvements, expending funding for expansion of
40 existing business intelligence efforts, or establishing other projects as a
41 result of its evaluations, and quarterly thereafter, a written report detailing
42 progress on, and identifying any issues associated with, State business
43 intelligence efforts.
44 (2) Report the following information as needed:
45 a. Any failure of a State agency to provide information requested
46 pursuant to this section. The failure shall be reported to the Joint
47 Legislative Committee on Information Technology and to the Chairs
48 of the House of Representatives Appropriations and Senate Base
49 Budget/Appropriations Committees.
50 b. Any additional information to the Joint Legislative Commission on
51 Governmental Operations and the Joint Legislative Oversight

1 Committee on Information Technology that is requested by those
2 entities.

3 (f) Data Sharing. –

4 (1) General duties of all State agencies. – The head of each State agency,
5 department, and institution shall do all of the following:

6 a. Grant the Office of the State Controller access to all information
7 required to develop and support State business intelligence
8 applications pursuant to this section. The State Controller and the
9 GDAC shall take all necessary actions and precautions, including
10 training, certifications, background checks, and governance policy
11 and procedure, to ensure the security, integrity, and privacy of the
12 data in accordance with State and federal law and as may be required
13 by contract.

14 b. Provide complete information on the State agency's information
15 technology, operational, and security requirements.

16 c. Provide information on all of the State agency's information
17 technology activities relevant to the State business intelligence effort.

18 d. Forecast the State agency's projected future business intelligence
19 information technology needs and capabilities.

20 e. Ensure that the State agency's future information technology
21 initiatives coordinate efforts with the GDAC to include planning and
22 development of data interfaces to incorporate data into the initiative
23 and to ensure the ability to leverage analytics capabilities.

24 f. Provide technical and business resources to participate in the
25 initiative by providing, upon request and in a timely and responsive
26 manner, complete and accurate data, business rules and policies, and
27 support.

28 g. Identify potential resources for deploying business intelligence in
29 their respective State agencies and as part of the enterprise-level
30 effort.

31 h. Immediately seek any waivers and enter into any written agreements
32 that may be required by State or federal law to effectuate data sharing
33 and to carry out the purposes of this section, as appropriate.

34 (2) Specific requirements. – The State Controller and the GDAC shall enhance
35 the State's business intelligence through the collection and analysis of data
36 relating to workers' compensation claims for the purpose of preventing and
37 detecting fraud, as follows:

38 a. The North Carolina Industrial Commission shall release to GDAC, or
39 otherwise provide electronic access to, all data requested by GDAC
40 relating to workers' compensation insurance coverage, claims,
41 appeals, compliance, and enforcement under Chapter 97 of the
42 General Statutes.

43 b. The North Carolina Rate Bureau (Bureau) shall release to GDAC, or
44 otherwise provide electronic access to, all data requested by GDAC
45 relating to workers' compensation insurance coverage, claims,
46 business ratings, and premiums under Chapter 58 of the General
47 Statutes. The Bureau shall be immune from civil liability for
48 releasing information pursuant to this subsection, even if the
49 information is erroneous, provided the Bureau acted in good faith
50 and without malicious or willful intent to harm in releasing the
51 information.

- 1 c. The Department of Commerce, Division of Employment Security
2 (DES), shall release to GDAC, or otherwise provide access to, all
3 data requested by GDAC relating to unemployment insurance
4 coverage, claims, and business reporting under Chapter 96 of the
5 General Statutes.
- 6 d. The Department of Labor shall release to GDAC, or otherwise
7 provide access to, all data requested by GDAC relating to safety
8 inspections, wage and hour complaints, and enforcement activities
9 under Chapter 95 of the General Statutes.
- 10 e. The Department of Revenue shall release to GDAC, or otherwise
11 provide access to, all data requested by GDAC relating to the
12 registration and address information of active businesses, business
13 tax reporting, and aggregate federal tax Form 1099 data for
14 comparison with information from DES, the Rate Bureau, and the
15 Department of the Secretary of State for the evaluation of business
16 reporting. Additionally, the Department of Revenue shall furnish to
17 the GDAC, upon request, other tax information, provided that the
18 information furnished does not impair or violate any information-
19 sharing agreements between the Department and the United States
20 Internal Revenue Service. Notwithstanding any other provision of
21 law, a determination of whether furnishing the information requested
22 by GDAC would impair or violate any information-sharing
23 agreements between the Department of Revenue and the United
24 States Internal Revenue Service shall be within the sole discretion of
25 the Secretary of the Department of Revenue. The Department of
26 Revenue and the Office of the State Controller shall work jointly to
27 assure that the evaluation of tax information pursuant to this
28 subdivision is performed in accordance with applicable federal law.
- 29 (3) All information shared with GDAC and the State Controller under this
30 subdivision is protected from release and disclosure in the same manner as
31 any other information is protected under this section.
- 32 (g) Provisions on Privacy and Confidentiality of Information. –
- 33 (1) Status with respect to certain information. – The State Controller and the
34 GDAC shall be deemed to be all of the following for the purposes of this
35 section:
- 36 a. With respect to criminal information, and to the extent allowed by
37 federal law, a criminal justice agency (CJA), as defined under
38 Criminal Justice Information Services (CJIS) Security Policy. The
39 State CJIS Systems Agency (CSA) shall ensure that CJLEADS
40 receives access to federal criminal information deemed to be
41 essential in managing CJLEADS to support criminal justice
42 professionals.
- 43 b. With respect to health information covered under the Health
44 Insurance Portability and Accountability Act of 1996 (HIPAA), as
45 amended, and to the extent allowed by federal law:
- 46 1. A business associate with access to protected health
47 information acting on behalf of the State's covered entities in
48 support of data integration, analysis, and business
49 intelligence.
- 50 2. Authorized to access and view individually identifiable health
51 information, provided that the access is essential to the

- 1 enterprise fraud, waste, and improper payment detection
2 program or required for future initiatives having specific
3 definable need for the data.
4 c. Authorized to access all State and federal data, including revenue and
5 labor information, deemed to be essential to the enterprise fraud,
6 waste, and improper payment detection program or future initiatives
7 having specific definable need for the data.
8 d. Authorized to develop agreements with the federal government to
9 access data deemed to be essential to the enterprise fraud, waste, and
10 improper payment detection program or future initiatives having
11 specific definable need for such data.
12 (2) Release of information. – The following limitations apply to (i) the release
13 of information compiled as part of the initiative, (ii) data from State agencies
14 that is incorporated into the initiative, and (iii) data released as part of the
15 implementation of the initiative:
16 a. Information compiled as part of the initiative. – Notwithstanding the
17 provisions of Chapter 132 of the General Statutes, information
18 compiled by the State Controller and the GDAC related to the
19 initiative may be released as a public record only if the State
20 Controller, in that officer's sole discretion, finds that the release of
21 information is in the best interest of the general public and is not in
22 violation of law or contract.
23 b. Data from State agencies. – Any data that is not classified as a public
24 record under G.S. 132-1 shall not be deemed a public record when
25 incorporated into the data resources comprising the initiative. To
26 maintain confidentiality requirements attached to the information
27 provided to the State Controller and GDAC, each source agency
28 providing data shall be the sole custodian of the data for the purpose
29 of any request for inspection or copies of the data under Chapter 132
30 of the General Statutes.
31 c. Data released as part of implementation. – Information released to
32 persons engaged in implementing the State's business intelligence
33 strategy under this section that is used for purposes other than official
34 State business is not a public record pursuant to Chapter 132 of the
35 General Statutes."

36 **SECTION 3.(b)** G.S. 143B-426.39 is amended by adding a new subdivision to
37 read:

38 "(17) Coordinate data integration and data sharing pursuant to G.S. 143B-426.38A
39 across State agencies, departments, and institutions to support the State's
40 enterprise-level business intelligence initiative."

41 **SECTION 3.(c)** The purpose of this section is to codify provisions of Section
42 6A.7A of S.L. 2012-142, and to the extent that any provision of that section conflicts with
43 G.S. 143B-426.38A, as enacted by this act, then the provisions of the statute shall be construed
44 to prevail over any conflicting noncodified provisions.

45 **SECTION 4.(a)** The Revisor of Statutes shall replace the name of the Government
46 Business Intelligence Competency Center with the name Government Data Analytics Center
47 wherever it is used in S.L. 2012-142.

48 **SECTION 4.(b)** The Revisor of Statutes shall replace the acronym GBICC with
49 the acronym GDAC wherever it is used in S.L. 2012-142.

50 **SECTION 5.** This act is effective when it becomes law.