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SENATE DRS45169-MM-34 (02/11)

Short Title: Accountability for Taxpayer Investment Board. (Public)

Sponsors: Senator Hise (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE STATE AGENCIES AND CERTAIN NON-STATE ENTITIES TO
3 DEVELOP, IMPLEMENT, AND MAINTAIN INFORMATION SYSTEMS THAT
4 PROVIDE UNIFORM, PROGRAM-LEVEL ACCOUNTABILITY INFORMATION
5 REGARDING THE PROGRAMS OPERATED BY THOSE AGENCIES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Chapter 143 of the General Statutes is amended by adding a new
8 Article to read:

9 "Article 2E.

10 "Accountability for Taxpayer Investment Act.

11 "**§ 143-47.30. Definitions.**

12 (1) Board. – The Taxpayer Investment Accountability Board established by this
13 Article.

14 (2) Non-State entity. – Any of the following that is not a State agency and that
15 must be discretely presented as a component unit in the State
16 Comprehensive Annual Financial Report by the Governmental Accounting
17 Standards Board: an individual, a firm, a partnership, an association, a
18 corporation, or any other organization or group acting as a unit. The term
19 does not include a local government unit or any other non-State entity that is
20 subject to the audit and other requirements of the Local Government
21 Commission.

22 (3) Principal executive officer. – Executive head of a State agency or non-State
23 entity.

24 (4) State agency. – Any department, institution, board, commission, committee,
25 division, bureau, board, council, or other entity for which the State has
26 oversight responsibility, including The University of North Carolina, the
27 University of North Carolina Health Care System, the Area Health
28 Education Centers Program (AHEC), and the Community College System.

29 (5) Taxpayer. – Any person subject to taxation by the State or by a unit of local
30 government.

31 "**§ 143-47.31. Purpose; scope.**

32 (a) The purpose of this Article is to require uniform, program-level accountability
33 information in State government.

34 (b) This Article applies to any State agency in the executive branch of State
35 government. This Article also applies to any non-State entity that receives State funds.

36 "**§ 143-47.32. Taxpayer Investment Accountability Board.**



1 (a) There is established the Taxpayer Investment Accountability Board (Board). The
2 members of the Board shall be as follows:

3 (1) The State Controller, or the Controller's designee, who shall serve ex officio.

4 (2) The Director of the Office of State Budget and Management, or the
5 Director's designee, who shall serve ex officio.

6 (3) The State Auditor, or the Auditor's designee, who shall serve ex officio as a
7 nonvoting member.

8 (4) The State Chief Information Officer, or the Officer's designee, who shall
9 serve ex officio.

10 (b) The State Controller shall be the Chair of the Board.

11 (c) The Office of the State Controller shall provide staff and adequate meeting space to
12 the Board and shall provide any other type of support required by the Board.

13 (d) The Board shall meet at least four times a year and may meet as often as necessary.
14 A majority of the members of the Board constitutes a quorum for the transaction of business.
15 The affirmative vote of a majority of the members present at a meeting of the Board is required
16 for action to be taken by the Board.

17 (e) The Board shall design and establish a framework to provide to the citizens of North
18 Carolina uniform, program-level accountability information in State government. The Board
19 shall establish comprehensive standards, policies, and procedures, including recurring oversight
20 procedures, as part of the framework to provide uniform, program-level accountability
21 information in State government. The framework shall be designed to ensure that the
22 information is accessible through the main State government Web site.

23 (f) The Board members shall receive no salary or other monetary compensation for
24 serving on the Board.

25 (g) The Board shall publish an annual report by January 1 of each year setting out the
26 standards, policies, and procedures to be used by agencies in establishing, implementing, and
27 maintaining the information systems required by this Article. The Board shall provide a copy of
28 the report to each State agency and each non-State entity subject to this Article and to the
29 Program Evaluation and Fiscal Research Divisions of the General Assembly.

30 **"§ 143-47.33. Required State agency and non-State entity information.**

31 (a) Each State agency shall establish, implement, and maintain within that State agency
32 a system that provides uniform, program-level accountability information that accurately
33 conveys the mission, responsibilities, and activities of the State agency and any other
34 information deemed necessary or appropriate by the Board. Each non-State entity, as a
35 condition of receiving State funds, shall establish, implement, and maintain within that
36 non-State entity a system that provides uniform, program-level accountability information that
37 accurately conveys the mission, responsibilities, and activities of the non-State entity and any
38 other information deemed necessary or appropriate by the Board. The system shall comply with
39 the framework design and the standards, policies, and procedures established by the Taxpayer
40 Accountability Board. The information shall be updated on a timely basis. Each information
41 system shall be readily and easily accessible to the citizens of North Carolina.

42 The principal executive officer of each State agency and the principal executive officer of
43 each non-State entity is responsible for ensuring that the State agency or non-State entity, as
44 appropriate, complies with the requirements of this Article.

45 (b) Each State agency and each non-State entity shall include the following information
46 in its information system:

47 (1) For each program, a clear statement of what condition exists in North
48 Carolina that the program is designed to address.

49 (2) For each program, a logic model that describes the sources of program
50 resources, total resources invested, activities and processes, outputs, and
51 outcomes.

- 1 (3) A statement describing the availability or absence of evidence confirmed
2 independently that changes in the conditions addressed are attributable to the
3 programs, services, and activities.
- 4 (4) Performance measures for each program sufficient for a citizen to determine
5 all of the following:
- 6 a. Outcome. – The verifiable quantitative effects or results attributable
7 to the program compared to a performance standard.
- 8 b. Output. – The verifiable number of units of services or activities
9 provided by the program.
- 10 c. Efficiency. – The verifiable total direct and indirect cost per output
11 and per outcome.
- 12 d. Performance standards. – The metrics based upon best practices,
13 generally recognized standards, or comparisons with relevant peer
14 entities in other states or regions for gauging achievement of
15 efficiency, output, and outcomes.
- 16 e. Benchmarks. – A broad societal indicator used for gauging ultimate
17 outcomes of programs, such as U.S. Census data. Multiple programs
18 among several agencies may be benchmarked to the same indicator.
- 19 (5) Organization charts and manager-to-employee ratios in a format specified by
20 the Office of State Human Resources. In addition to a comprehensive chart,
21 each State agency and non-State entity shall have separate charts for each
22 organizational division and in turn for each subordinate division or work unit
23 in specific detail so that a citizen may determine the organizational location
24 of every employee position.
- 25 (6) Revenues by source and expenditures by purchasing category aligned with
26 each program individually.
- 27 (7) Effective July 1, 2017, a Web-based dashboard that reports all required
28 performance information in a graphical gauging format. The format shall
29 also be uniform and shall be sufficient to inform a citizen how the State is
30 investing money consistent with understandable purposes.
- 31 (8) A listing of all employees. Each employee record shall contain the following
32 fields: last name; first name; job title; State agency or non-State entity, as
33 appropriate; organizational division; program; telephone number; e-mail
34 address; office mailing address including 9-digit postal zip code; and
35 building name and room number if not in the mailing address. The directory
36 shall have a search feature to enable searching or listing by field. Each State
37 agency and non-State entity subject to this Article shall also list its
38 employees in the directory available through the main State government
39 Web site.

40 **§ 143-47.34. Verification of compliance by State Auditor.**

41 (a) Each agency or non-State entity that must comply with this Article shall file a
42 certificate of compliance with the Article requirements, which shall be signed by the principal
43 executive officer of each State agency and the principal executive officer of each non-State
44 entity. The initial certificate shall be filed on or before June 30, 2017, and subsequent
45 certificates filed annually by June 30.

46 (b) Internal auditors in State agencies required to have auditors pursuant to Article 79 of
47 Chapter 143 of the General Statutes shall conduct annual audits for compliance with the
48 requirements of this Article. The internal auditor shall submit an audit report annually to the
49 State Auditor and the State Controller no later than April 1. The initial compliance audit shall
50 be filed on or before April 1, 2017, and subsequent reports filed annually by April 1.

1 (c) The State Auditor may verify compliance with this Article by each State agency and
2 each non-State entity on an annual basis. Upon the determination of the State Auditor that a
3 State agency or non-State entity has failed to substantially comply with the provisions of this
4 Article, the State Auditor shall report the noncompliance to the Board, the Governor, the Joint
5 Legislative Commission on Governmental Operations, and the Fiscal Research Division of the
6 General Assembly.

7 **"§ 143-47.35. Remedy for noncompliance.**

8 (a) Any taxpayer may institute a suit in the superior court requesting the entry of a
9 judgment that a State agency or a non-State entity, as appropriate, has failed to comply with
10 this Article. Specific performance compelling the State agency or non-State entity to comply
11 with this Article shall be the available remedy. The taxpayer need not allege or prove special
12 damage different from that suffered by the public at large.

13 (b) Upon the presentation by the taxpayer plaintiff of a prima facie case that a State
14 agency or non-State entity has failed to comply with this Article, the burden shall be on the
15 State agency or non-State entity, as appropriate, to show that it is in compliance with this
16 Article.

17 (c) No State agency or non-State entity shall be held in noncompliance with this Article
18 if it establishes that it has made a good faith effort to comply with the provisions of this Article.

19 (d) In any action brought pursuant to this section in which a party successfully compels
20 compliance, the court shall allow the plaintiff to recover plaintiff's reasonable attorneys' fees.
21 Any attorneys' fees assessed against a State agency or non-State entity under this section shall
22 be charged against the operating expenses of the State agency or non-State entity, as
23 appropriate.

24 (e) If the court determines that an action brought pursuant to this section was filed in
25 bad faith or was frivolous, the court shall assess reasonable attorneys' fees against the person
26 instituting the action and award it to the State agency or non-State entity, as appropriate, as part
27 of the costs.

28 **"§ 143-47.36. Availability of technical assistance.**

29 (a) The Office of State Human Resources shall adopt rules setting the standards and
30 format for the organization charts and manager-to-employee ratios required by G.S. 143-47.33.
31 The Office of State Human Resources also shall provide templates and technical assistance to
32 State agencies and non-State entities as needed to assure the uniformity required by this Article.

33 (b) The Office of State Budget and Management and the Office of Information
34 Technology shall also provide technical assistance and software to State agencies and non-State
35 entities as needed to assure the uniformity required by this Article."

36 **SECTION 2.** G.S. 150B-1(c) is amended by adding a new subdivision to read:

37 "(9) The Taxpayer Investment Accountability Board established in
38 G.S. 143-47.32."

39 **SECTION 3.** If a State agency or a non-State entity subject to this act is not in
40 compliance with Article 2E of Chapter 143 of the General Statutes, as enacted by Section 1 of
41 this act, then the State agency or non-State entity shall revise its information system to comply
42 with this act. Each State agency, whether implementing a new information system or revising
43 an existing system to bring it into compliance with the provisions of this act, shall use the State
44 agency's existing resources allocated for computers and computer maintenance to comply with
45 this act.

46 **SECTION 4.** This section and G.S. 143-47.32, as enacted by Section 1 of this act,
47 become effective July 1, 2015. The remainder of this act becomes effective July 1, 2016, except
48 as otherwise provided.