JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON INFORMATION TECHNOLOGY
December 2, 2013
Room 544 of the Legislative Office Building

The Joint Legislative Oversight Committee on Information Technology met on Monday, December 2, 2013 at 9:00 AM. The meeting was held in Room 544 of the Legislative Office Building. Members present were: Senator Andrew Brock, Representative Jason Saine, Senator Chad Barefoot, Senator Ben Clark, Senator Ralph Hise, Representative Dean Arp, Representative John Bell, Representative George Cleveland, Representative Paul Tine, and Representative Joe Tolson.

Chairman Andrew Brock called the meeting to order and thanked everyone for being at the meeting on Cyber Monday.

The Sergeants at Arms for today's meeting from the House was Reggie Sills and Martha Gadison and from the Senate, Ed Kesler, Steve Wilson, and Billy Fritscher.

Chairman Brock asked for comments from Chairman Saine. Chairman Saine stated that he hoped all had a nice Thanksgiving and appreciated everyone being in attendance. He also stated that he knew it was tough during the holidays to make it to committee meetings but for those in attendance, glad they made it.

Chairman Brock introduced Philip Price, CFO, Department of Public Instruction for Department of Public Instruction.

PRESENTATION 1 - PowerSchool/Home Base – Philip Price, CFO, DPI

Mr. Price stated that today he was here to go over a little bit of information about Home Base which is a technology project being put into public schools. The first slide is sort of a summary of what's been happening with our transition from NCWISE which was technology that's been in place since the mid 1990's to the new PowerSchool platform. What this slide pretty much outlines is that they are on budget and they have operated within what they had anticipated operating. PowerSchool has been rolled out and was accomplished in eight months. The NCWISE transition was eight years. The PowerSchool contract was signed in September of last year. Some of the comments on the slide indicate that this was a very aggressive schedule and there were several reasons that they had to make the decision to move forward with such a schedule. First off, they were fortunate enough to receive a Federal Grant called Race to the Top which enabled them to put in place an instructional improvement system that could be intergraded with a very powerful student information system which would give tools to the teachers in the classroom that would help them personalize their instruction for each of their students. The key was to raise the top funds by August, 2014. The system's foundation is PowerSchool for a strong student information system which needs to feed all the data to the instructional improvement system. The current NCWISE product that they transitioned from was data possessive, which is a good way of describing it. School districts had a very difficult time in getting any information out of it. Some spent a significant amount of money building extracts that enabled them to do the reporting that they felt was needed. There is no front end edits on NCWISE which meant there was a lot of bad data in the system and then a lot of the data was not necessarily aligned with what the state had required. Therefore, there were some problems in the data they had built and interfaced with NCWISE. There were also additional costs to extend for another year of 2.1 million dollars which would have been an increase in the Pearson Contracts to do a conversion at a later time. Therefore, they weighed all those three items. They knew they would have to build another interface into PowerSchool if they waited another year and that would be an additional cost in addition to the one they had to pay for the NCWISE conversion. Based on all the information that was available at the time, it was decided to move forward with an aggressive schedule. It put a huge burden on the school districts and Charter Schools. They have really stepped up and really taken on ownership of the product. They have spent countless hours trying to make sure this transition works. It has been very challenging for them and for us and for the software vendors themselves.

Mr. Price stated that he was going to briefly give a sense of what Home Base is plus sort of a general overview of what they hope to accomplish, what it actually costs to accomplish it and what the recurring costs will be. Also, what, in fact, are they building that has never been built anywhere else in the world and where they currently stand and some of the challenges that they have faced and some of the challenges they still face as it certainly has not gone perfect in their processes.

The first step is what were they trying to deliver? Mr. Price stated that for the first time in his life (has been with DPI for 35 years and CIO for the last 3) the real purpose of this project is getting into the classroom and getting a tool to teachers is something they have really never attempted to accomplish. The first step is giving the teachers something they can use, something that will save them time and effort, something they will find useful and understand how to use. In other words, give the teachers something they understand why they need to press the enter key on the system. The second and the middle piece is to give them something that works so that when they press the enter key it doesn't just spin. It doesn't bring back tons of data like a Google search. It focuses on what they are specifically after and make sure they understand and receive the tools necessary. Mr. Price said they had done a great job with the General Assembly's help in putting piping, if you will, into the school buildings, but the classrooms themselves are necessarily up to date in their wireless. So, can the teacher actually access the material in their classroom? What is the structure necessary to make this work when they press enter? Finally, they have to give them devices; they have to have something to press enter on. That has never really been a driver of the state. It has really been a local initiative. They are trying to establish statewide contracts. The General Assembly helped last year with establishing some legislation that allows them to build what Mr. Price calls convenient contracts which are really the ability to go out and try to secure services that the school districts can purchase more efficient and effectively. That, they hope, will help establish some kind of guidelines to help them with some of the device management, but that is still to be seen. The bottom line is you got to know why you want to press enter, its got to work when you press enter, and you have got to have something to press enter on. That is the guiding principle of what they were trying to accomplish.

In summary, this is a tool for teachers for them to reach their students. It is designed 100% to be a local product. It is 100% meant to be their tool and what they need to customize it to be and it is to come together with Home Base. The initial foundation, what did this product cost? This is broken into Non-Recurring One-time Costs and Recurring Costs.

The Non-Recurring Cost (conversion to PowerSchool) was 3.6 million dollars which contractually was required. NCWISE was actually purchased by the eSIS software which was the product that ran NCWISE and was purchased by Pearson and they asked that they phase out the eSIS product. They worked very closely with ITS in various ways on how they would proceed in that particular situation and finally determined that a sole source process transitioning to PowerSchool would be the most effective way. Just for reference, NCWISE cost somewhere around 168 million dollars to implement over the 10 year period. This conversion was 3.6 million dollars. The other key parts of Home Base are the components that make up the whole product which is the instructional delivery system that Mr. Price keeps mentioning. That funding for the development and implementation was and is being paid for by the Federal Grant, Race to the Top, which is scheduled to end in August, 2014.

The Recurring Costs, what is this going to cost going forward? You can see that it will cost around 21.7 million dollars on a recurring basis. There will not be any federal funding available with Race to the Top for the recurring footprint. All the funding can be covered from existing resources. They do not anticipate at this time asking for any additional revenue to support any of the systems that they are putting in on base. There is a cost to school districts that elect into the Home Base product. There are parts of Home Base that are required and parts that are elected to be a part of. One of the things that had to be done when the product was bought was to try to secure some kind of content that the teacher would find very useful. They did so at a cost of around six million dollars per year, $4.00 /adm total cost. If you elect to participate in the program, that is a cost share model. The General Assembly helped out last year by authorizing that the school districts can utilize their funding that is appropriated by the General Assembly if they so choose to help offset that cost. The General Assembly also helped with language that enabled DPI if they were collecting the funding and it came just short of the actual bill, DPI was authorized to go to the State Budget Office and utilize the reversion of help offset that initial cost, so the cost could be consistent, not fluctuate and enable the school districts to know that it is going to cost them only $4.00/year to have the entire package.

Mr. Price gave more information specifically about the various products. PowerSchool – what is being done? Mr. Price stated that he needed to reference back to other legislation as the General

Assembly has been giving guidance quite often. Specifically on Digital Learning, HB 44, Session Law of 2/13/12 outlined some digital learning and required that it be done in public schools by 2017. To do that, there has to be a lot of technologies in place. There is a whole process of planning and other procedures being done outside of the Home Base product. However, Power School is certainly the foundation and the start for that particular initiative. One thing that is important to note is that PowerSchool is a LEA and charter owned product. NCWISE was a state owned product and they had to operate within DPI's guidelines and operations. PowerSchool is designed to be an LEA based or Charter School based product so therefore, the controls of the product, the data in the system, the reporting that's able to get out of the system is all theirs and it's easy to get access to all the data as opposed to NCWISE; no one, including the state could not get data out of it. What the LEA's will find, (they have not found it yet) that most of the customization work, the massive amount of money they spent on extracting to sub-systems to get data out that they can report off of is not really going to be required once they get their feet under them and understand all the powers that PowerSchool brings to them. That will save them cost in the future. It is designed to really give access to and bring more people into the education community. The parent module and the student module is all part of Home Base and PowerSchool. Teachers put their data in about their students and their parents and students have access to that data instantly and can monitor what is going on. The actual election to implement the parent module and student module is done at the school building level. It is there, it's already turned on, but schools have to decide when they want to make it accessible to their parents and some school districts have not done so yet. Most have already turned it on.

Another thing that was done which was extremely important during this consolidation, NCWISE did not have systems available to add for a limited English proficiency, children with special needs, child nutrition modules. They had very little ability to add things, so 14 different systems had to be developed that were collecting data from local school districts in addition to the data that was being collected from NCWISE. Therefore, one of the main goals and one of the main priorities was to get rid of those sub-systems and consolidate them into a singular reporting system that would increase the quality of the data, cut back on the actual maintenance of the data and all the data would be collected into one place, therefore, fed instantly to the information systems that were being developed with the Race to the Top funds which make up the whole Home Base product.

The Instructional Improvement system is a Pearson product just like PowerSchool. It is where teachers can do lesson plans, and collect resources. They can actually develop the lesson plans. It will do an assessment for them automatically. It will show them how to grade the assessment. It hopefully facilitates the work of the teacher in the classroom. There is a lot of content available, huge volumes of information have already been posted. It is also being used as the evaluation tool. Many years ago McREL was an evaluation tool that collected information on teachers. It is important to know that the General Assembly has requested that DPI look at pay for performance and other ways of making sure of how the teachers are doing. The evaluation system is not a Pearson product, it is a product from True North Logic that is a part of the Home Base system and integrated in. It allows the teachers to be evaluated and it also collects information related on how the student is performing. It has a staff development module that if the teacher is having students that are struggling in a particular area, they can identify what staff development tools are available to help them with that particular area. It is all integrated into a complete package called Home Base.

There is also another piece being developed to the Race to the Top process called the Cloud. That is a commonly used term and in this case, it is being used to figure ways of getting services to school districts that are cost effective and more efficient than what they can do in obtaining them on their own. Some school districts are extremely sophisticated like Wake Co. Schools and Guilford Co. Schools that have the ability to hire an employee and negotiate what they need to negotiate. Others are not quite as sophisticated and it's a process through the Cloud that went out and surveyed every school district and Charter School to determine what it is that they needed services and support with. With that, it was broken into three major areas –

1. Enterprise – gives them ability and access to email which is often free in the education world, firewalls, etc. People are taking advantage of those particular processes quite rapidly. Hoping to be able to secure, again that legislation passed during the last session in the budget bill allows us to go out and obtain various options for school districts at a cost savings with Voice over IP, and mobile device management which is a key component of all the devices that have to be in our schools. It is important to recognize that process is just starting. There is a quarterly report done for the General Assembly and are close to progress being made with the mobile device and management portion.
2. Shared Service is another piece of the Cloud that is trying to help the school districts. In that regard, there is an identity and access management which is kind of a single sign on type process which is integrated with the Home Base solution. The learning object repository which is where all this data is stored is another Pearson product called Equella. It is actually the product being used in the entire Home Base solution. The learning management system – the process where assignments can be placed for students. Right now, the product is open class which is a part of the Home Base solution.
3. Business Tools – This has been exceptionally exciting and successful. The iSeries is getting rid of the AS400 products that are in every local school district and allowing them to have those same services through a Cloud operation which happens to be located at SAS. School districts do not have to therefore buy machines, and pay maintenance on the machines which is a huge cost savings. There are more and more school districts that are getting excited about this, over 30 now and it is escalating quickly as people realize the advantages and cost savings that they will occur by getting rid of their AS400. There is data integration, how you integrate all the product within the LEA and local school district. A lot of them have purchased software and things that need to be integrated into the total solution. There are some products that are being used to support the school districts like HRMS – human resource system. That needs to move into a better platform and into a better place. DPI is in the process of working with school districts to figure out what that needs to be.

Home Base Architecture shows the complexity or the integration of lots of different technologies and lots of different communication trails required to make Home Base work. There are a lot of different platforms which Mr. Price did not go over today but said he could in the future. It is one that captures all the different pieces and parts. The big clump is the 215 instances of PowerSchool that are in our local school districts and Charter Schools other places like School of Math and Science.

To break down Home Base, it is giving better information and data to public schools, tools for instruction and tools to help them get more efficient and effective. Not all the parts are required. The required parts of Home Base are PowerSchool. PowerSchool is a data information system for the basis of all the different reporting, classroom activity and accountability. Also required is an Evaluation System which is a True North Logic Product. The General Assembly has made it very clear they wanted an evaluation system in place that helps evaluate teacher effectiveness so this is a mandated system. Testing – Test Nav – DPI is transitioning to a new product to deliver online assessments end of grade and of course which are required testing for the performance of our schools, which will all be operated through Test Nav. When the state delivers the testing online, they will be utilizing this system. The Professional Development module will be coming in March, 2014 and testing module will be coming in next fiscal year starting in July, 2014. This is designed to be a tool for teachers to help them support their students. It is completely for their work.

There are Online Learning Modules. A lot of these are supplied by the vendor and a lot are being developed by DPI. How do you use these different pieces so teachers can go in and look and get information? There is a train to trainer model where they go out and work with teachers. DPI cannot train all 80,000 teachers; they have to have some kind of process in place and recurring support for that. There are webinars that are helping the teachers. This process called a partnership where they go out to school districts that might have different types of learning management systems or different types of content to integrate into Home Base to make it their product. DPI is working with them on how they do that. It is being documented and put on the web to enable everybody else to be able to see how they make this work and how they need to change things in their system to make this work to help them start moving forward. A support center has been created for personalized support for the school districts. It is designed to talk to them about Home Base and address their needs. This is a local system. This is not a state system. The locals have to own it and the teams putting it into place have stepped up. They have worked very hard and have done an amazing job in getting this done. Home Base is optional in most pieces; therefore, this makes it so most people could get a sense of what the tool can do. It is free for a year. They previously used to use something called Class Scape which is also a testing group. That has been rolled into the product and given to school districts free. That was a $9.00 /adm historically but is not costing them this year. They will have to opt in July, 2014 whether they want to continue the product or not. The exciting part about what they are doing is if they can put this product in place and give the tools to the teachers, then the teachers will grow it at a very rapid rate. They will lead the way and figure out ways to make this even a more powerful tool to help them in their classroom to deliver the instruction necessary.

DPI has not been without their challenges. These challenges are very real to the school districts that are living with them. One of the big challenges was the process of converting the data from NCWISE to PowerSchool. If you have ever moved from one house to another house, you have to go in and identify all the things that you have, decide whether or not you are going to keep some of the stuff or throw it away. You got to figure out how to box it up and where it needs to go in the new house and make sure that it gets to the right place. Some people hire movers that take the boxes that they have already boxed up. Others hire the movers to actually box up their stuff. DPI had all these types of situations and did it 1.5 million times for every student in North Carolina. That conversion did leave data in places where it was not supposed to be, wrong rooms, or some of it did not get delivered. Data problems in an information system create reporting issues, problems with report cards, problems with the principal's monthly report which is the average daily membership. These are very important systems and it is very important that the data be accurate and in the correct location. There is also Configuration. This is a locally controlled system. Before the state would say, this is the way it is going to be set up and it was set up that way. Now, school districts have access to and ability to make changes to the configuration to their school. They can change how they collect attendance. Can it be by home-room or should it be by period. They can make these decisions historically which has not been something that they had the ability to control. When you do make these decisions, they sometime create errors in the reporting structure and problems with different things. To address this, DPI contacted all the school districts in recent weeks and talked to them about their specific problems. They put a team of 24 people into place to call each of them and work them through their problems to make sure they get this data stuff fixed and corrected. If it was an import problem, they reimported. If it was a systematic problem, they addressed issues with that. Has everything been solved? No, but they do have a handle on the configuration. They can run scripts to see which LEA's and schools have particular structural problems. They can contact them and tell them how it has to be set to be able to run. They can advise what level of explorer they need to enable them to run report cards. If they have a different level, they cannot run them. There have been some configuration and data problems. Because of that, you can easily say there has been training problems. If the job that needed to be done was done with training, a lot of these issues would not have necessarily popped up. They would have known better about what they needed to get done. There were problems going back to the data. They decided that single entry was extremely important meaning that you only have to enter data in this vast system one time and it is maintained in all the different parts. Therefore, they needed consistent data for example, which teachers need to be evaluated. They know how you code teachers, they know where they are located, they are all paid and therefore, they went to the payroll system as the feeder system. One thing they did not do was asked if they were using this field to see if this person is active or inactive. Therefore, when they first imported all the payroll data, people that had died ten years ago or people that had moved away were still in the data system. They were still considered active. Therefore, the schools were getting huge amounts of people to evaluate. They would go in and delete them, doing their due diligence as they do. The next day it would come back because the system is built to re-feed everyday on changes that are changed in the system. That was not a school district problem, not a software problem, that was the department's problem in not properly documenting and figuring out what exactly what had happened. There is plenty of activity that can be done but they have to minimize the frustration on the teachers and the school district. The product itself has its challenges at times. PowerSchool was designed to be a school district centric product. It is now being used as a state product. Therefore, there is a need in NCVPS (North Carolina Virtual Public Schools) – a kid could be in Wake County taking courses and also in the virtual school taking courses. The department needs to be able to register through NCWISE that student and that student needs be in multiple LEA's at the same time registered. But, the software is not designed that way and it was a core product adjustment agreed to by Pearson that they are still having trouble making sure gets delivered. Therefore, the department is still having to operate their NCVPS world the way it has been operated for years.

The department is also transferring people from one school district to another. That's been problematic and a self-contained system and that was a modification that was required. They are still struggling with getting all the data to come over. Pearson has recognized it and has identified the date in which these will be delivered. There are maintenance week-ends and the next one will be December 7th and that will be the one where a lot of these problems that are outlined as far as products are concerned are being taken care of.

Mr. Price encouraged members if they wanted to read more about the exciting things going on in DPI related to technology, there is a link that you can go to – http://www.ncpublicschools.org/techservices/

This was the conclusion of Mr. Price presentation and the floor was opened up for questions.

Senator Hise asked Mr. Price to expand on student transcripts. He has been contacted by individuals, has even heard several shows about students who now can't qualify for early admission in the private schools and others because their transcripts can't be sent out by the school. Senator Hise is also hearing that there is an issue with the GPA as well as class rank that is being calculated and put on several of those transcripts which could and may lead to massive problems down the road if they have sent one in with an incorrect GPA or incorrect class rank that is used for an admission decision somewhere. What are you seeing in relations to transcripts and when will that be fixed? Mr. Price answered that the transcript issue is back to that data issue. How you record attendance has a direct relation on how it's going to be recorded as far as absents and will also hit the transcript, how you have done your courses, how you import your grades. What the department has found is the basic transcripts work. Mr. Price stated that he worked with CFMC and that electronic transcript works; so, the products are actually working but what has been happening is (an extreme concern to everyone) that if there is bad data related to how a student came in from Alabama, are you able to put that in there? How does that impact your class rank, how does that impact the GPA calculation for that individual? Those issues are data driven. The department is working very closely with the school districts, a blitz that was started two weeks ago. There have been three calls with them. The data issues are being addressed. Dr. Atkinson, State Superintendent, did send a communication to the independents and to the UNCG systems outlining that there could be problems with transcripts that they might be revised once sent in. That was received by the various universities with an appreciative email saying "we appreciate the heads up". The department does not anticipate that the level of errors is going to be tremendous, but there will be problems and that is a concern. The data has to be corrected and that is the No. 1 priority that they are working one on one with school districts to fix.

Senator Hise followed up with asking if the communication has been only with in-state institutions or have out-of-state institutions been included as well where students may apply?

Mr. Price answered that they have only directly contacted the in-state institutions. They sent the communication to each of the school districts and the guidance counselors to make sure they would share them with other universities out-of-state where their students might be applying. CFMC do supply their transcript to outside entities. They are also very much aware of some of the issues. The department did have a bit of a problem getting the electronic transcript to work because of having to convert it into a different format but they were successful in getting it done on the deadline that was subscribed by CFMC but still, if you have some bad information on your transcript, it will still produce some incorrect information which is a concern.

Representative Tolson asked, when Mr. Price was talking about recurring costs, he used the term, some required and some elected. Can you give me an example of an elected service? Mr. Price responded that the actual school net product itself. The instructional improvement system where they go in and build lesson plans, they are able to access and build assessments that they can see how the kids are doing related to the standards that are already outlined in the system. The staff development module which is being used by teachers to help get data related to or what kinds of services they can obtain that would be able to help them deliver specific lesson plans. Those are elected services; they are not mandated in the system. The department felt it would be difficult with school districts who have established their own smaller systems to come in and say this is a mandated process that you need to use. The department needs to make the product and the integration of the product so that everyone is excited about and elects to use. That is the goal. Early results have been amazing related to people's interest in buying the total package, but that will be the department's requirement to make sure they want to pay the $4.00.

Representative Tolson followed up asking what the elective, can you give me an example of the elective. Mr. Price responded by saying the elective is the school net product within Home Base. **Representative Tolson** followed up by asking what districts are not electing to do those services. Mr. Price responded that the selection is not made until July because they have been given a free year to test it out and to get use to the system or to see what their issues are. Mr. Price said the department had heard from some who indicated that they are not necessarily going to jump in, most being Charters; however, the department is sending teams of people to meet with them to see what their concerns are and why they do not want to elect in.

Representative Tolson stated this is something that really needs to be tracked as he was concerned that some of the smaller school districts, because of money or lack of funding or whatever, may have to opt out on some of these things which would shortchange our students so I am hoping that this will be closely watched and let this committee know why they are not electing those services. Mr. Price responded that they will check it out.

Representative Saine stated that his concern comes with the frustration that is happening with the new rollout. From a teacher's standpoint and also from a parent's standpoint, and as a parent, looking at his app now, his child's grades. The problem is he did really well in Spanish, he has 100. But, the other issue, as a parent, he can't get the rest of the data- its kind of working and not working and he is hearing from different LEA's that with the problems we're seeing, his theory is that we lose them. New product, we want to get involved, and as a parent, teachers tell us that

they need more parental involvement. Representative Saine said he thought that was a great tool and it works to do that. He likes to track to see what his child is doing as well as other parents. They are getting some great data when it works. As a product that is being rolled out and trying to get the school districts to buy into, if they are not buying into it from a teacher's standpoint, if they get frustrated with it, parents get frustrated with it and then we lose the value of the tool. How quickly can we address these issues and get it working and second question on that, the data that we put in when we were talking, some of the data that was added, was it scrubbed and cleaned when it was put in or was bad data put in? Is that why we are seeing some of the issues? Mr. Price responded, there was bad data imported. The lack of front end edits on the NCWISE product, there was a good effort made to try and cleanse it and to get the data correct but there was bad data imported. There are also imports of double import of grades, and they had to go back and refresh those imports so there have been problems with that. Going back to the first part of the question, the data that a parent can access has to be, one of the reason that it was an elected at the school site to have access to the parent module was because it is very important that the teachers put the data into the system and maintain it which goes back to your question that if they get frustrated, maybe they will quit using the data and quit putting it in. Mr. Price stated that has been one of his biggest concerns about this whole process because he sees it the same way. Mr. Price stated that he quit using the new Windows product because he got too frustrated so he went back and he was also lazy. School districts have to see this product as something that is good for them and they can to use it. Mr. Price stated "When are we going to have everything operational?" His target has been with the vendor working very closely with all the various vendors and working very closely with the school districts and his staff which quite frankly, everybody is working extremely hard. In January, they will have the PowerSchool issues pretty much resolved. That is a couple of months later than he was hoping. They knew this product was going to be a challenge because of the speed. He was not expecting some of the challenges that they have incurred related to the import of data and some of the incorrect data that actually
resided in some of the sub-systems in the districts. He was not anticipating that level of corrections, but again that goes back to inappropriate training. There were a lot of problems,ou had to have your scheduling done by May which was very frustrating for middle schools and high schools because it is very difficult for them to get that kind of item done. If you did not do that, there was a real problem when school started which created a lot of frustration. Mr. Price stated that he had heard from the Teachers of the Year that are on the State Board and the Principal of the Year and others. The teachers say the product is saving them time and is better than what they left from and since this is a driving force behind this, (the principals are very frustrated because of the evaluation system, the Central Office is frustrated because of the fast ranks), if we can keep the teachers from the point of frustration and get this thing a workable tool for them, he believes they will have a successful implementation.

Representative Saine followed up with "agreed". He told Mr. Price that he was glad to hear him say that as he really cannot stress enough just how quickly as a parent that we need to make this happen very quickly. Again, he said he liked the data, as he was a geek as well as Mr. Price by trade, so he likes this. But, again, for those teachers that won't embrace technology and are not necessarily astute to it, he does not want to lose them, therefore, the quicker we get this fixed, the better because he stated that he could see that his child was tardy where he failed to get him to school, so that reports on him. My wife found out that I got him there late which put him in the dog house, but we both want to see his grades, even weekly and it has a nice feature where I can email the grandparents automatically as well. Representative Saine likes all this and thinks it is great, but again, if it does not work, it's just like anything which you alluded to with other products, you quit using it. You go to something else. That's just human nature. In an age when we really do need parental involvement and teachers to embrace it as well, you know the challenges, but as a parent, I wanted you to hear it from me that we really need to get this thing to work very fast, as this is the talk of the parents saying I tried this and it didn't work so I deleted the app. At this point, we know we have lost them and getting them reintroduced to that is going to be a challenge as well.

Senator Brock stated that when you put in bad data, he and Chairman Saine discussed that on the keyboard a,s,d, and f are very close to one another that our grades were messed from a's and satisfactory to d's and f's. He reiterated that there is a real need to get that data cleaned up.

Representative Cleveland asked about the $6,000,000 shortfall in funding. He asked Mr. Price if this shortfall would be made up by charging for electives to the schools. Representative Cleveland said he assumed it was to each individual school. How many electives do you think you will actually have that you will charge for? You mentioned two, one was $4.00 and one was $9.00. Are you charging per school or by LEA's and how do you adjust the cost to cover your $6,000,000 if folks can just say "I don't want it". Mr. Price responded by saying he did not do a very good job of explaining it. Mr. Price referred back to the slide which was a schematic of the Home Base product. If you elect into anything outside of the three "R's", if you elect to buy into the total family of products, you will be charged $4.00 for average daily membership and that $4.00 will cover the entire schematic. This is a significant cost saving over even just ClassScape which was $9.00/student and there are a lot of other products there are built into the system that would be of significant savings. Of course, it has to work which is what the school districts are concerned about. If you elect into the Home Base product, which your selection point is going to be in July, that will trigger the $4.00 charge. The General Assembly authorized school districts to utilize funding from the State Public School Fund, funding that has been appropriated. The Limited Text Book Fund supply money and other funds could be used that $4.00 /adm. They could also use their local funding. Most are electing in the first year to use up the rest of their Race to the Top funding and they have already communicated to the department that they are planning to use those funds for the first year to opt into the program. The shortage – the department does not want a cost. This has been confusing to school districts. You don't want a cost that fluctuates based on participation if you can help it because then, what happens if Mecklenburg or Wake decides not to participate, that would be 20% of the student population and who could absorb that kind of cost? Mr. Price stated that it was his job to make sure that Wake and Mecklenburg are excited about participating and he thinks they will be. Billing is only for the content based on participation so if everybody in the state participates, it will be $6,000,000.

If less ADM is participating in the content, the cost will be less. The General Assembly authorized the department, if there is a delta and what they are able to collect and what they are being charged to the vendor, they can make that up by working with the State Budget Office to use reversions. That was built in the last budget bill. There will not be an additional cost to school districts. The cost to school districts will stay stable at $4.00/ADM to the length of the contracts which extend out three more years. At this time, there is a re-negotiation and hopefully, the department can negotiate with the General Assembly to pay for this $6,000,000 content and or get the content cost reduced significantly in future negotiations.

Representative Arp responded to Mr. Price that he was still trying to process the answer to Representative Cleveland's question because the $4.00 cost he thought was calculated was based on $6,000,000 divided by 1.5 million students, so that would be a total cost. Is that where the $4.00 comes from? Mr. Price responded that the contract for content is a scaled contract meaning that if they have 20% of the school districts participating, it would be $7.00 and some cents per average daily membership and it scales up to when there is 1.5 million participating, it does get to $4.00. Therefore, for the total implementation, the max cost would be $6,000,000. Representative Arp followed up by saying one of the areas was cost and in tracking, it looks like about 50% of the budget has been spent on this project, is there about $50% in implementation? It looks like that you are green on budget and yellow on the schedule. Mr. Price responded that the PowerSchool project is implemented and operational. The maintenance and these hosting contracts are costs coming due so the department is fully operating within that one. The Schoolnet product is operational. They are getting ready to roll out the open class part which completely connects all the different pieces to the School Net product which is really the instructional improvement system. That one is just starting, so that is more in the 50% ranked. The Evaluation System, which is the Truenorthlogic part of the equation is out there, principals and teachers and is working. The part that has not been delivered which is coming in March is the piece that does the staff development portion. If you look at that being half of it, they are probably in the 50% in the evaluation product. The LOR (Learning Object Repository) is operational. They are working with tops at NC State. There is a huge need to tag and place data so it can be retrieved from the system in some kind of consistent system. They partner with other states that are also doing the similar information management system and they are sharing their data. There is a common tagging system so there is a lot of data that is being added. Mr. Price said that was probably in the 10% to 15% range as far as having what they had hoped to have out there available. The identity access management piece goes live in March. It is starting to pilot now. It is really LEA centric piece that helps them connect their different products with a single sign on. This one is right at its infancy and getting ready to roll out. Overall, since the foundation piece, which is PowerSchool, the big part, they are probably in the 65% range. Representative Arp followed up concerning Slide 10 in terms of the online testing that the districts must be ready for. Are the district's ready and do they have the hardware and the infrastructure ready to take all the required online testing that is coming up for next year? Mr. Prices responded that the simple answer would be "Not yet". They did online testing this year so that is being implemented across the board. The infrastructure within schools, they have a partnership with MCNC, helped with the Friday Institute that helps them dispatch professionals to the different districts to help them make sure their wireless and other things in the school have the bandwidth to be able to do the online testing. Mr. Price said has everything been completed to the level that would assure that everyone has the capability of doing at this point, and he said "no". Devices are also a challenge. You can't use certain devices for assessments. You specifically have to have other ones. You can't just bring your own device to school; it will not work with testing. There are a lot of issues, but they do have labs and the structure in a school building to enable them to do online testing, it just becomes another scheduling nightmare for them, therefore there is a lot of work to do. That is why it is going to be July, 2014 before they start rolling out that particular product.

Representative Saine asked if DPI is informing school systems in terms of paying for this by using lottery money where we freed up on digital learning. It is certainly not the intent. Mr. Price responded that the question did come before them about using lottery money. It cannot be used this year to pay for anything because it has to be appropriated for the year in which the funding will be used so the answer is "No. The legal experts have stated that in future years it could be used based on the current language for paying the $4.00. Representative Saine followed up by saying that he was not a legal expert either, but he can say that as one of the co-authors of the bill, it is not the intent. The intent of the bill and the intent of this legislature is to allow that money to go back into the classroom away from brick and mortars if the school systems need to do that and choose to do that and fund digital learning, not record keeping. The lottery money is to assist teachers and students in learning. Whatever the General Assembly needs to do to make that more clear, is incumbent upon us, but that money is to be used to teach. Representative Saine stated that he wanted to put that out there and it will be addressed however it need be. Mr. Price responded that the $4.00 is for content related to the Instructional Improvement System; it is not for the record keeping which is PowerSchool. PowerSchool is free. The Evaluation System is free, the Testing System is free, but if you buy the entire integrated package called Home Base, there is content that the DPI is having to subscribe to make that a viable product for the teacher, mostly in Science. The products are related to for Science instruction that requires a fee to be paid for that content. That is above and beyond the appropriations that the department has to support the base systems. The base IIS System recurring cost, the base Equella System, the base Identity Access Management System are all paid for out of funding but this content piece which is used to supplement the programs which is for classroom instruction is, in fact, the $4.00 cost.
Representative Saine responded by saying he appreciated the explanation, but again, he stated that he did not want to see this as old new found money to pay for software that is not necessarily teaching. Again, if they need to be clearer about it, then they will.

Representative Tolson asked that when Mr. Price was talking about the Cloud, that he could offer services to these LEA's at a cheaper price. Is that right? Mr. Price responded "Yes sir". Representative Tolson followed up asking "Are you tracking to see if any system decides if they want to run their own or have their own process rather than utilizing your service that you could save them money? Mr. Price responded "yes sir, the AS400 and other particular parts, yes sir". Representative Tolson followed up by asking if Mr. Price would be able to report to the committee eventually that some LEA's are spending more than they should if they were using the Cloud process. Mr. Price responded by saying that he could probably report what their products that the Clouds group and the Friday Institute has worked on and how that cost would be compared to what the school district is spending. Representative Tolson stated to Chairman

Brock by saying that is something that the committee really needs to track because if we can save money, we ought to do that. Representative Tolson followed up to Mr. Price, asking as he had described the programs that he was working with, has a vendor delivered a product to you that was problem free? Mr. Price responded “No”.

NOTE: Mr. Price’s presentation is posted to the website.

Chairman Brock introduced Richard Taylor, Executive Director of 911 Board for his presentation on the History of the 911 Board

PRESENTATION 2 - History of the 911 Board – Richard Taylor, Executive Director

Mr. Taylor thanked the committee for allowing him to be present to give a little bit of history of the 911 Board and talk about what they do and what their future looks like.

The 911 Board was created actually back in 1998 as the wireless No. 1 Board and that was in response to the FCC order which asked for the wireless companies or the cellular companies to provide 911 service to the 911 centers. Up to that time, the only 911 service was coming from the wire line companies. The wireless companies did have to provide the location ability as well as the telephone number to our 911 centers. In North Carolina, the General Assembly required the wireless companies not only to do that, but also to provide a 911 fee to provide that service as well. At that time, the Wireless Board was created only to handle that fee and the work with the wireless companies. The Board was not assigned to any state agency but the Secretary of Commerce or his or her designee was assigned to be the chair of that Wireless Board. In 2008, the 911 Board was created which was to oversee not only the wireless fee, but also the wire line fee and that Board was assigned to the office of the Information Technology services where the State CIO or their designee was to serve as the chair. A lot of folks ask why is 911 assigned to ITS? Why is it not something that would fall under Emergency Management or Department of Public Safety? That is a great question. 911 has always been kind of a D mark between the public and public safety. Since 911 was created back in 1968, it has been that little D mark between the public safety. Mr. Taylor stated that the he gets a lot of folks calling him and complaining that they dialed 911 and it took 30 minutes for 911 to get to their house. He responds back to these people, “I am sorry mam, it did not take 911 20 minutes or 30 minutes or an hour to get to your house. 911 never left, it stayed right at the office.” He explained that it may have taken 30 minutes, 45 minutes, or an hour for the police, sheriff, fire truck or the ambulance to get there, but 911 never left. That is a confusion that a lot of folks have. 911 is a telephone number, it is not police, fire, or EMS. It is a technology and that is the big difference that a lot of folks do not understand that it is a technology that we have to work with, not part of police, fire, or EMS.

When we talk about technology, back in 1968, back in 1988, when 911 started in North Carolina and even in 1998 when wireless 911 came along, it was a very simple technology but in 2008 when the General Assembly combined wireless and wire 911, that is when there was an explosion with technology. Now people, today, communicate in a lot of different ways. They are tweeting, using VoIP, the deft and hard of hearing community are using video phones, our cars today are equipped with telematics, you see the ON Star buttons on the screen. Chrysler just announced a couple of months ago their version of telematics which is called You Connect. There are all types of communications that are being used today. We are not sure what type of communication is on the horizon for tomorrow. The problem with that is an always different type of communication we are talking about, tweeting, texting and telematics which cannot be communicated with the 911 centers. You cannot tweet or text to the 911 centers. That is a problem with the 911 centers, that is not public safety, that is technology and it is a real serious problem that the 911 centers are facing today.

How do our neighboring states handle 911? This is a question that a lot of legislators have been asked many times. In the state of Florida, 911 falls under the Department of Management Services; Georgia does not have a state agency to manage 911; South Carolina, 911 falls under the State Budget and Control Board; Tennessee, 911 falls under the Dept. of Commerce and Insurance; Virginia is like North Carolina, 911 falls under Information Technology, and Maryland, 911 falls under the Department of Public Safety and Corrections. If you look across the entire country, you will see that 911 falls under the Administration in five states, Information Technology in seven states, Utility Commission in six states, Public Safety/Emergency Management in 20 states and seven states in other categories and that is in different agencies that Mr. Taylor could not really fit them into any one particular agency. There are 5 states that have no state governance. Out of 50 states, there are only 27 states that actually have 911 Boards. When you look at North Carolina, there is a 911 Board made up of seventeen members. Four of those members are appointed by the Governor, six are appointed by the Speaker of the House, six are appointed by the President Pro Tem of the Senate, and the State Chief Information Officer or designee is Chairman of the Board. The Board is made up of eight members from the Public Safety community and eight members are made up from the Information Technology side. It is a very even split and a good split because they have the practitioners of Public Safety and the practitioners of Technology coming together and it makes for a very good board working together. The Public Safety side has representatives from city management, county management, police chiefs, sheriffs, EMS, and NENA and APCO are representatives from the 911 centers. On the Technology side, there are the telephone companies (large companies as well as small companies), the cellphone companies as well as the void providers. When you get down to the local level, 39 nine of the 911 centers are managed directly by the city or county mangers, 29 are managed by the sheriffs, 27 are managed by emergency managers, 25 by police chiefs, 3 managed by Information Technology and 4 under other categories, totaling 127 911 centers in North Carolina.

The duties, powers and responsibility of the 911 Board can be found in the statute. The Governing Statute is 62A-42.(a)(1) and the very first power and duty is to develop a state 911 plan. That duty came about in 2010 and the first 911 plan was created in 2010. The 911 Board established a committee made up of subject matter experts from local government and came up with 13 recommendations. The very first one was to create a sustainable PSAP funding model and that has been accomplished. They wanted to expand the definition of the 911 system which has also been accomplished. They wanted to expand the use of the 911 fee by the PSAP or the public safety answering point which is an acronym for 911 center. They wanted to establish PSAP operational standards which this has been a tough one. They have established the standards but have had a bit of a rocky road trying to get those standards established. There have been two bills introduced in the Legislature to delay those standards. The last bill delayed it until January of 2014. They are on track for that to occur. The rules are being reviewed through the Rules Commission and they are hoping that everything will be okay for those to be approved this coming year. They have hired a 911 Technical and Project Management staff, they have created a Next Generation 911 person. Next Generation is all the new technology which is called Next Generation 911. They also were able to grant 911 Board the ability to pay for a 911 Network and they have established a Grant Fund for PSAP consolidation. They have done a lot out of that first study and that first plan developed in 2010.

In 2012, they updated the plan and two items have been accomplished out of that plan. They created a NG911 which is the Next Generation 911 Committee to help develop and maintain a specific plan and deployment model. Also, one of the biggest problems they have run into is funding for secondary PSAPs which gets into a real technical issue when you talk about secondary. These are centers that do not answer 911 calls directly. They are usually small police departments. They receive the call as it is transferred down so they do not receive initial funding and that has been a problem since they came up with the new funding model in 2008. The board has been working and they think they have a good model developed and hopefully that will take effect in July 2014. Just because the others on the plan have not been accomplished does not mean they will not be done. It just means they are still working on them but have not accomplished them at this point.

The other items they are responsible for is to investigate and incorporate GIS mapping. The folks from CGIA and the CICC are here today and they will be talking about this later.

Their next responsibility is to administer the 911 Fund and the monthly 911 service charge as authorized by G.S. 62-A-43. The 911 Board is completely receipts based. They do not receive any appropriations. All of their funding comes from the 911 fee that you see on your telephone bill, any telephone that is able to access 911 is charged a 60 cent fee and that fee goes directly to the 911 Board. Back in 2007 before the fee was consolidated, the wireline fee ranged anywhere from twenty five cents to $3.50 and that was based on a city or county setting that specific fee. The wireless fee was seventy cents statewide. In 2008 when it became one fee, it became seventy cents for all devices statewide. In 2010, the 911 Board voted to lower that fee to sixty cents and that is where the fee is today on all devices. They have been able to lower that fee and keep the fee as well as funding all their 911 centers without causing any harm. They are able to continue to buy all the equipment they need to keep the centers in top notch equipment and still have money to operate with the best equipment. In fiscal year 2013, they collected $70,370,083. They are also responsible for distributing that money to the CMRS providers and the PSAPs. The CMRS is another word for wireless telephone companies or cellphone companies and PSAPs are the 911 Centers. This past year, $8,695,989 was distributed to the wireless carriers, to the 911 centers $61,030,436 and for the administration of the 911 Board, $643,658. That is not what the expenditures were; those were the funds that were designated for those particular accounts. Mr. Taylor stated that he would speak to what was not spent in each of these accounts later in this presentation.

They are responsible to establish policies and procedures to fund advisory services and training for the 911 centers. Last year, the 911 Board funded training for the 911 centers to the National Center for Missing & Exploited Children which is a huge program. They presented the CEO course which is a course designed for police chiefs, sheriffs, and 911 center managers. That course roughly cost $55,000 to provide statewide. The idea was to provide it so that each one of the 127 911 centers would become certified and be enabled to provide for missing and exploited children training. It is not as simple as one may think until you go through the training and find out exactly how that works. It is amazing at what goes on with missing and exploited children and how that is reported and really what goes on that does not get reported. That is a great program and the board was behind it 100%. They also presented the crisis negotiations for telecommunicators and that was done two times as well as presenting the trainer courses for the telecommunicators.

One of the biggest responsibilities the 911 Board has is to investigate the expenditures of the 911 fund that the 911 centers receive. The 911 Fund is a very restricted fund. When it is distributed to the 911 centers, they have certain things they can spend that money on and things they cannot spend the money on. It is the board's responsibility to make sure they spend the money properly. Looking at the slide, you will see a form that shows over a five year period of time everything that a 911 center is allowed to spend the funds on. This form shows each of the items they spent and what is really good about this particular form, the board is able to see what it actually cost for 911. Up until they started doing this, there was no one that knew what 911 cost in North Carolina. They knew what was being collected, but they did not know what it actually cost. They found out what was being collected vs. what it cost was a huge difference and that's why they were able to lower to 911 fee. Also, the form is great as they can see when major capital expenditures are made and are able to determine life expectancy therefore; they can see when the life expectancy on telephone equipment or reporting equipment is. They can see when those expenditures are coming up and are able to expect capital expenditures for the 911 centers and can see spikes and can anticipate those expenditures. This is great analysis for them to work with.

They are responsible to use funds for the 911 Board to pay obligations incurred for statewide 911 projects. This is where they start talking about the extra funds that are left over when we saw the funding earlier. Any fund that is left over in the Wireless or the 911 Center Fund or the Administration Fund, they are used for grants for statewide projects. One of the projects is the Statewide Orthoimagery Project. This is their crown jewel that they provide ortho's to every 911 center in every county across the state. The latest project they have undertaken is Emergency Call Tracking. Up until this past year, they have never been able to really look at the 911 calls across the state. They never knew exactly how many 911 calls the system was handling. They never knew what the performance was with their 911 system. This system has just been installed and they are starting to receive good data. For example if you will look at the top half of the page, it shows the top 6 performing 911 centers. The goal is for everyone to have their 911 call answered within 10 seconds and you can see that the top performers 99.9% of their calls are answered within 10 seconds. The bottom six are the low performers and this is not to show anything bad. They are not trying to embarrass anyone, but what this shows them is they need to go out and work with some of their 911 centers. This is the first time they have ever had this information and now they know that they have some weaknesses in the system. This information is to help the board and their trainers go out and sit down with these 911 centers and see what they can do to help them provide better 911 services to the citizens. The Board did not know they had this type of performance until they received this data and their goal is to get everyone up into that top category where all calls in North Carolina are answered within the first 10 seconds. In talking about grants, there have been a lot of grants awarded over the last few years and to mention a few, Mitchell Co., Raleigh Wake Co., Beaufort Co., Durham Co., Wilson Co., Washington Co., Hoke Co. and Lenoir Co. Since 2010, the 911 Board has awarded 61.2 million dollars in grants to 911 centers across the state. These are just a handful of the 911 centers that have received grants. Again, this is what happens to the remaining fund balances that they collect each year. They give it out in grants.

They are responsible to adopt rules to implement this Article such as operating standards for the 911 centers. They have been working on this since 2010. Those rules right now are going through the rules making process. Their standards have been rolled into the rules and they are being reviewed by the Office of State Budget and Management going through the fiscal process and hopefully they will be through any day now and continue through that process.

One of the problems they have had this year are a lot of 911 outages and they do not know if this has been a problem that has increased this past year or not as records have never been kept in the past. They have never noticed this in the past. They do not have anything to compare it to so they can't say it has been more or less, but since January 2013, they had 21 outages in the 911 centers. Twelve of those outages can be attributed to outages with the telephone companies, four attributed to accidental cable cuts, five attributed actually to the 911 centers. There have been 62 total hours of outages since January. This has become such an issue, not only here in North Carolina, but also across the country. In June, the FCC established an email address that they wanted to hear about outages across the country. Therefore, all of North Carolina's outages are being reported to the FCC. In March when the 911 Board started hearing about all the outages, they wanted to know what was going on. They created a focus group to find out what was going on. The questions the board was asking, why was there an increase in outages, why was there a lack of back up centers, what are the possible solutions and what can the 911 Board do to assist. Their focus group consisted of twenty two 911 centers across the state, they were large centers, medium centers and small centers and they also called in folks from State Emergency Management to see if there was anything they could do to assist them. There were three things that they needed to address. It was not as simple as just saying well we needed a back-up center because having a back-up center does not really answer the problem. 911 calls have to be immediately routed even though you might have a back-up center across town; when your center goes down, you have to man that center across town. What happens in the 20 minutes it takes you to go from here to there? Who's answering the 911 calls? 911 calls have to be answered immediately so what's happening? They have to be able to answer that question which is not a simple question or solution that there is a back-up center across town. They have to be able to answer those calls immediately. The second question – the calls that are rerouted must be processed in a similar fashion. In other words, someone has got to answer but they also have to be able to process the call. The third question is that the calls have to be dispatched. In other words, you answer the call but you have also got to dispatch law enforcement, fire or EMS at the same time. You can't just answer the call; you have got to do something with it. All three of these have to be dealt with. It is not as simple as saying that we have a back-up center across town. They realize that the answer to each one of these three is a technology answer. They have the solution, but again it is a technology answer, not a brick or mortar answer. They are working on it and it is something that is a very high priority with the 911 Board.

The 911 Board's next steps – several things. The 911 Board has made a backup PSAPs a part of their proposed standards they are working on. One of the things they want to look at doing is requiring annual failure simulations to include the telephone companies to participate in. They have found that right now with 127 911 centers, they actually only have 23 approved back-up plans and with those 23, they have actually never had the telephone companies participate in any type of back-up plan. They are also thinking a statutory change requiring a full redundancy of the 911 centers. Even though they may make a standard requiring it, if a center does not do that, what is the penalty? They don't know. Do you slap them on the hand or hold their money? That does not serve the purpose. They have to come up with a reason to make folks want to have a backup center and maybe a statutory requirement would do that. They also want to partner with the state CIO office since all these solutions are technology related and see if they can help the board in coming up with the great answer with these technology solutions.

As the 911 Board moves forward, some of the things that would help them would be (1) When they talk about the money piece of it, that is a huge part of their responsibility. They would like to see another fiscal analyst. At present, there is only one and she is working day and night and that would be a great addition to the staff. (2) Having full redundancy as a statutory requirement for the 911 centers. The scariest thought is not having a 911 call answered. They had one center go down in January, 2013 and was down for four hours and the calls were not answered. That is a scary thought. Mr. Taylor said he did not want to be the one to go on the 6 o'clock news saying why the calls were not answered. They should not ever have that. (3) Being able to have Emergency Medical Dispatch (EMD). That is the ability to provide pre-arrival medical instructions. You see this a lot on TV, when you call 911 and someone is having a baby, being able to give the instructions to how to deliver a child or somebody has been shot or stabbed, those minutes before EMS arrives, being able to administer CPR or the ability to give medical instruction. Not everyone can do that, you have to be qualified to do that and it is not a requirement in North Carolina. Out of 127 911 centers, only 78 are qualified to do that. That is a voluntary thing. It would be all 127 centers going from Murphy to Manteo qualified to do this. Regardless of what county you are in, if you have a medical emergency and you dial 911, you will get the same level of service. The 911 Board has strived to get the same level of service across the state from Murphy to Manteo.

Please note that Mr. Taylor’s presentation is posted on the website.

With this being the conclusion of Mr. Taylor’s presentation, Chairman Brock opened the floor up for questions.

Representative Cleveland – We had five failures of 911 centers for power. I thought all 911 centers were built with back-up power. **Mr. Taylor** responded, “No sir**”. Representative Cleveland** followed up with “If you have an emergency center of any type, it has to have redundancy built into it and power would be the first redundancy that I would require or anyone that was looking at it, I would think it would be the first they would require. Why did we have 5 that did not have back-up power”? **Mr. Taylor** stated that’s where the requirements that the 911 Board has in their standards, but right now, today there is no requirement for a 911 center to have any type of back-up power in their center. **Representative Cleveland** followed up saying he would also go back to cable cutting and pole hitting, there should be redundancy there. You should also have redundancy for a loss of phone lines. The idea that you lost 21 outages and one was down for 4 hours and is not sure how long the others were down, but it appears to him that if there were outages, it is becoming a problem because people aren’t paying attention to their business. **Mr. Taylor** responded by saying that he did not disagree with Representative Cleveland and one thing that he could say again was that there was 23 911 centers that have approved back-up plans, approved meaning that the 911 Board’s staff has approved out of 127. None of those outages occurred at any of the approved centers. One of the things when the 911 Board approves a center is to make sure they have a back-up plan that has power. They would like to see a four hour UPS system in place. They would like to see telephone lines come from two separate sources so they are not coming from the same place. They look for no single point of failure and unfortunately a lot of the centers don’t have that. A lot of the centers UPS system consists of a five or ten minute little UPS that you buy from a local office supply story. It is unfortunate and that is why their standards are so important. That is why they have been pushing to have those standards in place because they will require that you have these types of requirements in place. Some of the centers have them already, but many of the centers do not as you can tell by the number of outages.

Senator Hise said that he would like to make a motion that they would direct staff to draft legislation addressing the three recommendations that they have put forward as well as a recommendation that all boards would have plans for back-up approved by the 911 Board. If those four drafted into legislation, it would make it eligible for the short session and could go ahead and move forward. Chairman Brock responded that the believed that the whole committee would agree on that.

Representative Saine, in terms of the authorization of PSAPs to provide pre-arrival medical instruction, as we look at the legislation, he feels that there needs to be some protection for those dispatchers as they provide medical advice. He said that as they look at the legislation, they need to make sure this is included.

Chairman Brock introduced Stan Duncan, Chair of N.C. Geographic Information and Analysis

<u>PRESENTATION 3 - N.C. Geographic Information and Analysis – Stan Duncan, Chair</u>

Mr. Duncan began by thanking the committee for having him here today. In addition to being named chair of the NC Geographic Information and Analysis, he is the sitting Henderson County Assessor and Tax Collector; therefore he is used to getting bullets fired at him. He asked the members to just fire straight.

Mr. Duncan stated that this starting the process to get into GIS and the IT world actually started back in the early 1970's. He was working with tax offices and contractors across the state and did not have computers and orthoimagery. In fact, for most of the appraisals done back at that time, they would photocopy maps out of the Register of Deeds office and they would have to tape them together to have a map of a sub-division or a downtown. Rural areas were not part of the mapping. In the late 70's, what happened in North Carolina is that they started the Land Records Management Program that was very successful but it was very slow to get implemented around the state so what you see on the slide up on the screen is the way the imagery looked at that time. Most of the mylars and orthoimergry was black and white and was produced on a single mylar layer that had to be a separate mylar layer created with the landownership lines and that was the extent of Lands Records Management and the available technology at that time. Just as a reference, the Henderson County first orthoimagery came about in 1984. It was black and white again. That was followed up in 1991, also in 2001. It wasn't until 2007 that Henderson County got color digital imagery. That is a good barometer as to how it was around the state. Today, they have color digital orthoimagery. The landlines and the lands records base has been rectified to that. It's a much more accurate way for terms of assessment to use the same yardstick on everyone's property in order to come about a fair and uniform assessment standard.

The Council was established initially by Executive Order by Governor James Martin in 1991 followed up by one by Governor Jim Hunt in 1993, but was not really formalized until 2001 when the General Assembly saw the benefit for the Council and saw the benefit of what it could do with GIS. Bottom line, to develop the policies, protocols regarding utilization of geographic information, the GIS systems and other related technologies is way ahead of its time. The Council is responsible for strategic planning, resolution of policy, coordination, direction and oversight and advising the Governor, the General Assembly (members of this committee), and the State Chief Information Officer about needed directions, responsibilities, challenges and funding regarding geographic information.

The main thrust of the statutory direction and the most important aspect of what the Council does is to further the cooperation among state, federal and local government agencies. In other words, not to have the same level of government doing the same thing. It could be done in a consolidation fashion. Academic institutions and the private sector, they want to pull in the various other interest that exist around the state to improve the quality of the imagery of the GIS technologies, the data that can be made available, the cost effectiveness, the access to that and the utility of the geographic information and to promote and advocate the geographic information of North Carolina as being a very strategic resource for the state. We are not alone, he would like to tell the committee that we are so far out there ahead of the game, ahead of other states that we are plowing new ground, but that is just simply not the case. North Carolina was among the first to recognize the benefit of a coordinating council but a lot of the states now do have coordinating councils. Pennsylvania, Florida, South Dakota do not have them at this time, but are in the process of working on this. The only state that is not actively pursuing this at this time is South Dakota. The last states that enacted it were Minnesota in 2008 and Wisconsin in 2009. We are part of a national group that looks at GIS technologies, and the data that can be made available as being a resource for each of those states. We are in a competition for the commerce, the agricultural benefits that can come from GIS. We are in a competition for how people can access our data, make it available and incorporate into their private enterprises. It is a competition and we have to remain competitive and we have to compete.

Mr. Duncan stated he could not talk about the Council without mentioning the role of Center for Geographic Information and Analysis (CGIA). These two are interlinked. The CGIA staff actually serves as staff by statute to the Council and the Council seeks to bring in all these different stakeholders identified around the hub. Again, its participation, and interest and investment by these different departments at both the state and local level. It transcends pure levels of government. To give an example - Survey and Engineering. There is a professional surveying magazine in North Carolina. In the July 2010 issue, they highlighted the use of the North Carolina Railroad using digital technology to upgrade their records to make them more efficient in the market place. Cities and towns are dependent upon the information. They rely on the data that comes through NC1 Map. Agriculture, Mr. Duncan stated that he could probably do an entire program on Agriculture. Forest Services – the last time Mr. Duncan made a trip to Raleigh, he had to drive on I-40 and he could smell the fire coming down from the Linville Gorge. They actually track the origins of the fire and the movement of the fire. They also try to identify improvements or structures that are in harms way and they use GIS technology to do that. Most are familiar with the Sheriff's websites across the state dealing with sex offenders. That is using GIS technologies.

The structure of the Council. At the very top of the slide, Geographic Information Coordinating Council. There are about 34 members. Out of that, there are 13 that are required by stature. There are executive offices, which includes President of the UNC System as well as the Community College System. There are 9 that come from local government that have seats on the Council. There are appointment- 3 by Speaker of the House, 3 by the Senate Pro-Tem, and 6 by the Governor. The Governor also makes the appointment on the chair. There is one person from Federal Government on the Council, 2 come from Education and 4 from the private sector, but these relationships cross boundaries and lives. For example, 2 of these fall under the state classification, but they also meet educational needs. They have seen a tremendous improvement in the number of courses that have been offered at universities, graduate degree programs and

GIS and related technologies. Therefore, it is important to have all these players hit the table. All the stakeholders deserve a place at the table to be heard.

The CGIA staff is required to lead us. They provide the expertise to deal with all the vendors that they are involved with, folks from orthoimagery to identifying the people that can help with standards and head up the standards efforts. They have a good relationship with the military installations in North Carolina which is very important when you are flying over a military installation. Some will fly over and take inventory and report that imagery back to the base. Some will let you fly over but not take inventory. Having that professional relationship has been developed over a number of years over a number of different flights. It is certainly efficient in terms of getting these flights organized and the vendors aware of what they can do and cannot do on a very a timely basis and not create friction certainly between the military and the state or the purpose of the flights. By statute, they are to staff the Council and committees.

Prior to 2010, you will see from the slide what orthoimagery looked like in North Carolina. Senator Hise has got a district that really runs pretty much North South from the Tennessee line down to the South Carolina line. You can see there is a lot of disparity between the dates of the orthoimagery in particular districts. This is true of any that had a district that covers more than one or two counties. What the Council had at that point was that the local funding had to be in place so certain counties were able to fund better than other counties could fund. It was not a high priority in some counties, so some of that imagery that goes back to 2003 and 2004 would have still been in all likelihood black and white imagery. It might have been digital or it might not have been digital, but it could have been very old imagery. Now with what has been initiated, and this funding comes from the E91 Board as Richard Taylor mentioned. There is a four step four year process. In looking at the slide, the light blue on the coast indicates that imagery has been delivered to the counties in that area. It is being used by the PSAPs in those counties as well. The area in green is now going through quality control checks. That's part of the staff's job (CGIA staff). They have the expertise make sure the vendors are held to the carpet. If there is a problem with some of the imagery, they can work with them to get that rectified and there is a uniform standard of quality imagery that is available now to those counties and actually statewide; before, they had quality control being done primarily at the responsibility of the county. This is a much improved area in terms of getting better bang for the buck. They are now working on the contracts for the areas you see in yellow. That is the northern mountains and piedmont. Those will occur very shortly and they will be turning over that imagery in 2014. The purple area is scheduled for 2015, the last portion of this and they see tremendous benefit. As each section is flown, they feel they see tremendous increases in the quality. Technology again is moving ahead of what they do. For the current schedule (yellow) they are going to be using a different type camera, fly to higher altitude with better resolution than what they were able to fly before. As technology advances, CGIA staff is able to take advantage of that and incorporate those advancements so that we are not behind the curve. They are, in fact, trying to save pace or anticipate being ahead of the curve.

The biggest accomplishment is the NC OneMap (managed by CGIA staff). It is a one-stop access point for the general public and for a lot of people. As they learn about this the word spreads. The NC OneMap is built on a premise that we can take local information, combine it with orthoimagery flown from a state level and produce a better product by which to serve our citizens. It is better documented. They have good data for this. This is the shinning jewel and without the help from the E91 Board, this would not have been possible. The benefits of going to the portal itself, people have indicated, as a result of a survey, they save time and money. They can do more and they satisfy at least one or more of their business needs when they come onto the website. The overwhelming majority of users currently (a broad spectrum) is engineering, surveying and environmental type users. About 74% fall into that category. You would think they were talking about small shops. There are some of those there but about 42.5% of the visitors actually come in from companies of 100 or more employees. There was one from Duke Energy that indicated they visit the site from different departments, get information, make the downloads four to five times per day. Mr. Duncan stated that they have heard this from a good cross section of the respondents. What are they showing them? They start with Orthoimagery, the base layer, everything springs from this. Secondly, is the Land Ownership Records, that is the cresdial layer. That comes up from the land records program at the local level. That is all they had back in the late 70's or early 80's. Now they can add a lot more information. They can add a lot of information and add a lot more data because it is GIS. They can add the geodetic controls, they can add elevation, and they can do the tophotography. They can add jurisdictional boundaries of any description. They can name the surface waters and they can add the roads and the streets for transportation. The more data they collect, the more they can make available to the public and to the business interest of the state. The growth in NC OneMap has been tremendous. Mr. Duncan emphasized that the slide shows visits and not hits on the website. You can go to a website and you Google it and go to that first page, the number of hits that is recorded is based on how many images are there and whatever text might be there. You could have 25 or 30 depending on the website. What he is referring to is visits, meaning people came and spent time. One of the things they have learned in talking to the respondents is that during the course of the business week, they get a high number of visits but they don't last long. They get what they want, they become accustomed to the site, they download the files they need and then they move on and do other things. On the week-ends, they get visits as well but those tend to take longer and they think of them more as browsers. There are probably more individuals that are doing that. They are not downloading so much as they are researching and looking for information. Certainly, the tremendous growth really occurred in the jump from 2010 to 2011 when they opened the GO Portal and then the imagery from 2010 that was provided by the E91 Board, was flown in 2010, and became available in 2011 and they saw another increase in the number of visits.

The current project is the NC Seamless Parcels project. The Department of Commerce has a website where they have all the available industrial commercial sites that are available for sale or for lease. What they can do with Seamless Parcels Project is identify all the potential sites that might be of interest to someone at Commerce or some business thinking about relocating to North Carolina. They can identify all the vacant parcels of 100 acres or more located within a half mile of the major traffic artery, four lane highway, or close to within so many miles of an airport. They can identify those things by the GIS once they get the Seamless Parcels Project completed and they expect completion by the early part of 2014. This is also a collaboration between local government providing the data for the parcels itself, both land data and improvement data and the imagery from NC OneMap.

Another accomplishment – 2013 NC GIS Conference. There is a big interest now in the state for GIS top degrees, geography degrees. Mr. Duncan said that back in the 80's someone did an entrance as students would trickle into college on geography and a lot of people did not know where the Pacific Ocean was. Mr. Duncan feels we are past that. The have reinstituted an interest in geography. A lot of the attendees are coming from the private sector. That speaks to the increased interest again and the business applications they can see for that information. This was the largest attended. There will be another one in 2015.

Standards – We live in an age where people think they can go to the internet and click on something and get the definitive answer for just about anything. That is simply not the case. It is easy but you can get misled easily. The best way to fight that is with Development of a Metadata Standard. This has been discussed for many, many years. Mr. Duncan indicated that he remembered hearing about this in the early 80's. Essentially what it is it tells the user the who, what, when, where, why, and how that data comes from. What's the source? It is something that a user or a business can rely on when they use that date or they download those files, it becomes something they can trust, has integrity behind it and they can feel assured they are getting the real information (most current, most uniform and most consistent). They are expecting to adopt the Standard in early 2014. There has been a sub-group working on this for over a year.

Mr. Duncan mentioned briefly the Lidar which is tremendous technology. It is being used extensively by Agriculture, being used by the surveying and engineering community. That was adopted by the Secretary of State's office back in 2013 after some endorsements and work with the Council.   Mr. Duncan stated that he could do a whole program on Agriculture. Everyone wants to think that GIS is a geek kind of thing. It is not. The tractor that your father had back in the day is not the tractor that is in the field today. One of the assistants to Commissioner Troxler believes that Agriculture uses more GIS information than probably any other discipline or profession in the state. Mr. Duncan said that he had surveying friends that think they use it more than anyone else in the state also. It is not to be overlooked. The truer the set of rows are in any field, if you have ever tried to steer a tractor across a field manually, your father would always beat you up beside the head because your rows were not very straight. With GIS and GPS combined, there are truer rows which mean there is less balk in between the rows sets; there are greater profits for the farmer, more product being delivered to the market place. In addition, Lidar can tell the farmer where he needs to increase his fertilizer output as he is going across the field and where he needs to back it off. It makes a much better use of the chemical, etc. than what was available back in the day. It also can tell where they need to increase the seed density for plants because of the productivity of the soil. When you talk about GIS, you cannot overlook that Agriculture is a very, very large user and depends on the GIS data. Mr. Duncan gave credit to Dan Matting for the slide.

GIS for Economic Development – we are in a competition. In Henderson County, they were not on the radar. They have just recently had Sierra Nevada Brewery come in. They wanted to be on the East Coast. They had over 200 sites listed before they decided to come to Western North Carolina and take a look. A lot of information was made available to them with regards to tophotography and the things they were looking for; one of those being excellent water resources. They are now in the construction phase trying to finish that up. It is over $115,000,000 investment of real and personal property bringing over 100 jobs full time and about 85 part-time jobs to the county. They are located adjacent to the Asheville airport. They are less than two miles from Interstate 26 and less than ten miles from Interstate 40. They are at a place where they can get their product out and get their raw materials in. Because Sierra Nevada is in Henderson and New Belgium Brewery is planning to locate in Asheville, area farmers are now looking at growing pox and in growing barley grains specifically for the beer industry. Things have a way, there's a ripple effect that takes place.

Street Centerlines – This is a DOT project. It is being built from county supplied data. Currently about 84 counties have supplied that information to them. It is going to be incorporated into the Rome Project (Roads Operation and Management Effort Project). Again, it is data coming from the locals being integrated with statewide data to be able to provide answers to transportation, DOT funding, etc.

The big one coming up is the 2020 Census. Yes, it is 2013 but 2020 is not that far ahead and getting an accurate population count is paramount to going forward. The article in the Wall Street Journal highlighted two things, (1) a lot of students are graduating from college and not being able to find jobs currently and they are coming back home; (2) the grandparents are moving back to that same domicile in many case because the cost of living on their own has become too great. They need to be able to identify statewide where all the residences are. They need to be able to identify them specifically to a point on the ground so that they can provide that data to the Census and North Carolina is one of two states that will be providing a dump of address data for the Census. Mr. Duncan has met with Tim Trainor, Chief of the Geography Division of the U.S. Census Bureau.

Mr. Trainor has taken a dump of North Carolina's data because it is good and better than a lot of other states. However, they want to make it better because they want to make sure they get the full representation of North Carolina in the US Congress and House of Representatives. They also want to maximize the federal dollars that can come back into North Carolina with better population data. As we look ahead to the 2020 Census, they are looking at getting an accurate count through GIS. As a part of that, they will build a Master Address Data file. They have just appointed Bob Coats from the State Data Center to head up a working group for the 2020 Census GO Special Effort. As a part of that, they are looking at building a master address data bank. They are not alone. Mr. Duncan stated that he had heard from Oregon, Arkansas, Maryland and one other state that he could not remember. It is an important issue because every state agency, and every county has an address data base and they are not always the same. We need to look for ways to make sure that we are not all paying the scrubbing service. Mr. Duncan said there was one in his county for which he would not name, but they do a lot of business with a lot of counties and a lot of state agencies. They scrub address data before it goes out. The Council can reduce that. They can halt that expenditure at both the local level and the state level by building a good reliable master level database. It would be certainly important for NextGen and E911 and again, Mr. Duncan stated that he hoped he had illustrated that there is collaboration in the Council between the members, the stakeholders, the users of this data. This is what sets the C Council apart.

Going forward, most people think of GIS of being a pretty map. It is something they can produce and they produce a lot of those and send them out to people. It is really more than that. They are moving from product to services. GIS is making big steps away from just delivering a product and looking at a continuing service for both individuals in our state and the businesses. Imagery by itself is becoming obsolete. It has to be accompanied by meaningful and accurate data for people to rely on.
This concluded Mr. Duncan's presentation.

Please note that Mr. Duncan's presentation is posted to the website

Chairman Brock opened the floor for questions

Chairman Brock -"When you or someone from the web is requesting information, what do we do to track that person and track what request as far as detailed information?" Mr. Duncan responded that they ask for input back and some of them do provide it. They tell who they are with. They do not ask them to identify who they are initially. They get that as the secondary part of the process. A lot of the users have had questions about how to use the data and when will it be updated in case of Orthoimagery or something like that. The CGIA staff in particular establishes relationships with those users and gradually over time, they find out even more about how they use it and what they are expecting. It allows them to meet the future demands that they see in the market place. **Chairman Brock** followed up stating that in his first term in the Senate, they had a presentation on how a bio-terrorism attack had against our milk supply and this meeting was being broadcast around the world, and as former Senator John Kerr would say, "In China, they are listening to us" which they are. Looking at the website, what information we have on there, please make sure that some of the information is not easily accessible because of the sensitive information it has or what it could be used for. Chairman Brock said that he just wanted to make that point clear. Mr. Duncan responded by saying that was always a concern that they have as well.

Representative Arp asked a question regarding the standards as it relates to land surveyors and professional GIS. He asked if there were any conflict between the standards they survey and the incorrect use of this data in other venues that are requiring a greater precision, in other words, do you see any conflicts of people going to improper places to receive this data? Mr. Duncan responded that any time data is available, it is always subject to some abuse and misuse. The main thing they try to do with regards to Orthoimagery and save the property ownership lines is make sure people understand that this is now just a two dimensional representation of what's out there on the ground. The actual control points of the survey are without question the authoritative data source that people should rely on. This gives people what's being made available. They are not saying it is a survey. They are saying it is a representation of the public record that is available. Mr. Duncan said that people will tend to take something off the internet and think it means more than it really does without doing the additional research. The only thing that he tries to do is to remind people what they are providing them, and how it can be used. **Representative Arp** followed up asking about property tax maps and things that are based on taxes and size of land, is there a conflict there? Mr. Duncan responded that in speaking for his county, they record the deeded acreage that comes across on a deed and also record the calculated acreage, and then they have an accessed acreage. That is because property owners still have the right to come in and contest a listing decision that he has made based on the size of that property and they try to make sure that those three elements are considered. The bottom line is to try to have the same yardstick applied to everyone for assessment purposes. It does not replace a good survey that someone is getting from a certified land surveyor in North Carolina and it does not replace the title work done by a good attorney in North Carolina.

Senator Hise had a question about where this is going and what's in the future. He stated that there are incredible things with survey maps and surface water, etc., but how do you expand this to begin to show where the municipal water lines are, the sewer lines are, the electrical lines are, and where the fiber is in the ground for high speed internet. How do we get to a point because that is the really top things that businesses are looking for? How do we begin to partner together and get that information as part of this. Mr. Duncan responded that if he could go back to the chairman's comment regarding sensitive information, there is a lot of data that is in the right of way of roads. You have to be very careful with what you put out there because once it is out there, then it is available for everyone to see. Mr. Duncan said that he did not feel that, in particular, the gas company wants to see their lines portrayed on a map. They have been very reluctant for that. Mr. Duncan said that he thought that there was a resurgence of rail interest in the state and across the nation so he would be more in favor of trying to get the rail corridors properly mapped and shown on the maps first. The high tension lines for Duke Power, etc., those are plainly visible from orthophotography. Some counties do a better job than others in terms of mapping whatever that right-of-way width is and it can vary. They do not map the single pole that runs up between his property and his uncle's property, where the line runs to his barn. That is not really appropriate for this kind of product. If the information is in the public sector, then they are chances and potential down the road to include some of that. Mr. Duncan does think that they have to be very careful about how much they show because a lot of people are watching. They do look at what other states are doing to try to keep pace with that, but again, it is a balancing act.

Representative Saine – Representative Avila is listening to the meeting from home as she could not be here today and asked if Mr. Duncan could clarify the competition statement? How does this square with the Umstead limitation? Mr. Duncan's comment about competition really has to do with how we are competing with other states across this country and in fact now, the world. Businesses have the opportunity to go anywhere in the world they want to go to locate and they move. In the case with Sierra Nevada, they were looking at over 200 sites before they even considered the site in Henderson County. The work of The Council is in part to make information available so that people can come and see what is available. Retirees are a big part of the research that goes on or the contacts that go on with the website because they can look into what the terrain is like, what the homes are like, etc. before they decide to relocate from another place. We are in a competition with other states and we are in competition at the Department of Commerce level, Department of Agriculture level and with any other state agencies within our counties. When you are talking about competition, you are talking only about trying to provide the information necessary to get the people into the right place. Chairman Saine followed up on behalf of Representative Avila; she asked to raise the question of charging for data that for profit business use. How can you rectify that since we are giving away something free to a for profit business. Mr. Duncan responded by saying he wished he had the magic answer for that. North Carolina's public record law is currently a law of exception. If it is not identified as something that we have to keep private and not make public then they make it public. In Mr. Duncan's county, when he started putting more information on the internet with regards to the imagery in terms of property records, the tax bills and things of that nature, a lot of people helped him clean up some of his records. It helped in that sense. Also, people found that they could go to the website and get information without having to come in and visit the tax office. Since Mr. Duncan's 10 years in Henderson County, he has seen a big reduction. They actually get compliments from the general public about visiting their website vs. some other websites, therefore it is a matter of making sure they provide the right and accurate information and not to overstep what is in violation of the Public Records Law. As far as he being able to charge for it, tax payers have already paid one time through his budget process for him to want to collect the data and put it into a form that can be presented on the internet. They do charge only for those times when they have to do something extra. If they can direct a citizen to the website and walk them through it over the phone even, that helps tremendously. The citizen appreciates it and it benefits Mr. Duncan's staff not having to get up and answer it. Where there is a requirement that someone wants something in the database that they have to write a script, they do charge a minimal charge for that.

Chairman Brock commented regarding other states and their mapping system primarily due to the mineral rights, looking at shale gas exploration and the issues they had with people who thought they owned the mineral rights and did not. Some of those maps with that information is antiquated and something that has not been used for a long time for various reasons. Looking at where we are as far as bringing that data in as well as the state of Arkansas where they had their state divided up in quadrats which made it easier for them not only for them to do their mapping but also when it came time to pay royalties for the shale gas, it made it a lot easier for the companies to pay royalties. How are, as far as the state, especially those areas we are looking at in the Piedmont around Pinehurst and maybe even the eastern part of the state as far as tracking our mineral rights and who owns the mineral rights? Mr. Duncan responded that with regards to mineral rights, they had two opportunities back in the mid 80's. The General Assembly passes two different bills for the extinguishment of mineral rights at that time and several counties didn't pick up on that. He understands that there is a renewed interest and it comes again from the interest in shale and fracking, etc. Mr. Duncan stated that he did not know where that stands. That is something he has been meaning to look into but has not yet. With regards to what other states are doing, probably the state of West Virginia has the most comprehensive mapping program that he is aware of because they are looking at coal deposits and fossil gas deposits. He is not sure if they had gotten into the issue with shale and fracking. He stated that he did attend a demonstration about two years ago and their mapping for sub-surface deposits is very strong. **Chairman Brock** followed up with saying that we need to take an in-depth look at that.

PRESENTATION 4 – Update on House Bill 701 -Krissy Culler, Deputy State CIO –

House Bill 70l was amended in 2013 to allow a process by which the state can benefit from contracts that are already in place across the state. If an agency did not normally have the ability to use another agency's contract, for example, this allows a process by which the state CIO can approve that first for specific reasons in what's called a cooperative agreement. Since that was enacted, a few of examples on how that has actually been able to benefit the state, one in which there was an urgent operational need by an agency and they did not have a contract vehicle in place to buy some specific equipment they needed; they used the ITS Agency contract to be able to do that. Similarly, they had an agreement with a local education agency and DPI to utilize an existing contract for learning management. Ms. Cullers stated that the committee might be familiar with the federal General Services Administration (GSA) contract which is authorized for use. They always look at that as a possibility which is authorized for use. They always look at that as a possibility when they are establishing contracts especially with major vendors. In a recent negotiation with a vendor, they did look at the comparative pricing of GSA vs. what they are able to establish and found that their contracting process gave a better price, but they are always looking at that as a possible vehicle in a cooperative agreement.

Similarly, there is something called WSCA (Western States Contracting Alliance). That is something that they look at as a possible means by which to obtain goods for the state if that pricing is better than what they could do through their competitive process.

Finally, you might be aware of a project known as SCUBI, the Southeast Consortium Unemployment Benefits Initiate that is ongoing right now where three states, North Carolina, South Carolina, and Georgia have created a collaborative effort to utilize federal funds to upgrade the unemployment insurance systems across all three states.
This will save an enormous amount of money by allowing the three states to collaborate on that effort. This concluded the update on HB 701.

Note: Ms. Cullers presentation can be seen on the website

Chairman Brock opened the floor for questions

Chairman Saine asked Ms. Cullers how have we notified all the different agencies that they can utilize that. Is that something that we have done a good job in letting them know that they can now look at those contracts? Ms. Cullers responded "yes sir". She believes that they are aware that they can utilize contracts. The current problem is that they do not have a good tracking mechanism across the state for all the agency IT contracts and so it is a matter of knowing what's

out there and what's available. Therefore, one of the initiatives in moving forward is to try to do a better job, gain some tools and some processes by which they can catalog those and make them known. Right now, the agencies manage all their contracts. They do come through statewide IT procurement if they are over their delegation, but they do not keep the central repository other than access database so it is just not really user friendly. That is one of their efforts moving forward. Chairman **Saine** followed up; does this not also open up a whole line of products that we didn't have necessarily catalogued prior to using the WSCA's and those type of things? Chairman **Saine** further stated that he wanted to help the agencies understand that by utilizing these contracts, they can purchase better technology that is out there rather than purchasing something old. He stressed that he wanted to make sure that this is available. Ms. Cullers responded that they would be sure that they stress that to the agencies.
These are all alternatives that typically are competitive processes actually, in a lot of cases, gets this better pricing than some of the existing contracts, but they always look at those things as possible ways of purchasing.

Chairman Brock introduced Chris Estes, State CIO

PRESENTATION 5 - Update on Executive Order 30 -Chris Estes, State CIO -

Executive Order is tied to the Governor's vision of breaking down the silos and the cabinet agencies working closer together. The Governor rolled this out in January, 2013 when he took office. Part of the IT Executive Order has five elements. It applies specifically to the cabinet agencies return to the Governor's authority. Asked that the Secretary and the State CIO work together to identify a cabinet Chief Information Officer, which is complete. It asked that by November 15, 2013 that a one IT Executive Leadership Team be established and this is complete.

In February, 2014, the Cabinet CIO's will be developing a collaboration and innovation plan to account for the new innovation capability that the state has.

In March, 2014, the plans are that the eight Cabinet CIO's will be merged into a single Unite IT Strategy.

The one IT Executive Leadership team, the CIO's for each of the cabinet agencies have been named and there are eight. There is a CIO for the budget office listed as a ninth. They have aligned to the plan to operate and share functions that were identified earlier this year as part of the reorganization of the State CIO's office. This will align to the biennial planning process that the State CIO is responsible for. The chart shows that the two executive orders are stepping stones into the overall biennial plan. There are eight elements listed. Some of those are statutory required and some of those are part of the Executive Order. This concluded Mr. Este's presentation.

Note: Mr. Estes presentation is posted on the website.

Chairman Brock *asked if there were any questions from the committee.*

Representative Arp thanked Mr. Estes for his presentation and stated that he felt this was exactly where we needed to go in terms of the whole silos concept. Representative Arp further stated that there was a terrible tragedy in Union County regarding a child abuse case with DSS. Representative Arp's particular question, and he apologized for hitting Mr. Estes cold with it, but it involves Executive Order 21 where it talks about a coordination between DSS and law enforcement and it is imperative for us for the safety of our children to have those agencies talk in a very collaborative way and to make sure those partnerships are strong. Is there any information on the plan to develop the sharing between the CIO and the DHSS on the Executive Order 21 which falls in line under the office of what you are trying to do overall as well?
Mr. Estes responded that he was not familiar with Executive Order 21 so he would be remiss to say that he could speak to it intelligently. He said he was happy to have a follow up specific to that question as it relates to the collaboration tools that allow the agencies to work together and part of Executive Order 30 is to get that collaboration going. Mr. Estes further stated that he was not sure that Executive Order 30 would apply directly to what Representative Arp was asking. Chairman Brock interrupted by acknowledging that Joe Cooper from DHSS was in the audience and asked Mr. Cooper if he would like to comment on the question. Mr. Cooper responded that he was not familiar to that particular Executive Order but would partner with Mr. Estes and get back to Representative Arp**.** Representative **Arp** followed up with specifically under Section 3 of Executive Order 21, it says the office of CIO and the Department of Health is directed to study and develop a plan and recommendation whereby data basis of criminal data basis will be shared between Law Enforcement, Dept. of Public Safety, etc. Representative Arp again expressed what a terrible tragedy of child abuse in his area and would like to know as quickly as possible what the plan is to share that information to help out the law enforcement coordination. Mr. Estes responded that now that Representative Arp had read the clause, he was a little more familiar with it. He did not know it by number. Specifically, the CJ Leads effort is one of the areas that they are looking at as part of the overall program called GDAC which is currently managed by the State Controller and will move to the State CIO's office in July, 2014. At this time, they will see a coordination point with DHSS in that category. Representative Arp asked Mr. Estes if he could get a follow up at least by the next meeting. Mr. Estes responded that he would follow up directly with Representative Arp's office.

PRESENTATION 6 – NC Tracks Provider Panel

Chairman Brock stated that there had been a joint meeting with IT Oversight and HHS earlier in the interim regarding NC Tracks and he further stated that he felt it had been very beneficial for the committees as a state, especially in IT Oversight. Chairman Brock was in a recent meeting in which he was talking to a local provider about the technical side of NC Tracks. He knows that we have talked about how things are being done on the policy side of it. What are some of the technical issues with implementation of NC Tracks and the how the providers have dealt with it and some of the things that have actually gone very well? The improvements we have had in the process overtime in seeing, since there is so much emphasis on this project, how it could be implemented and how we could use this IT project we have currently, but future ones, especially in regards to customer service and the technical side of it. This panel is not to bring up some of the issues on the part of the policy side, but on the IT and implementation of it, the actual structural side. Chairman Brock noted that one thing that was brought up, Sherry Williams mentioned about the ability to have the people in support to have a screen in front of them which mimics the screen that is in front of the provider at the same time. We have all seen where you have been able to have the person with remote access to the desktop where they can see that. In a state as diverse as the State of North Carolina is from Murphy to Manteo where we have counties such as Wake to rural counties which may not have that same type of expertise, Chairman Brock said just on the IT side of these projects, we need to explore that because when we are dealing with our different agencies of the state, we all come from different backgrounds, and different districts. Chairman Brock felt that it was very important to bring this panel together after his meeting with the medical society and the providers that were there. He stated that he hears about these issues of how we can not make only this project, but other IT projects on a daily basis, especially through his wife's practice.

Chairman Brock introduced the following panel participants to the committee. All participants' comments are below:

Panelist 1 – Larissa Lankford – The Ruby Pardue Blackburn Adult Day Care Center in North Wilkesboro, NC

Larissa was unable to be with the committee in person but she did provide her comments:

My name is Larissa Lankford, I represent The Ruby Pardue Blackburn Adult Day Care Center in North Wilkesboro, North Carolina. Our facility currently serves close to 55 families in our town and adjoining communities by providing a secure environment for adults with disabilities who need someone to look over them while their family members work or run errands. This service prevents premature nursing home placement as well as keeping people in the workforce as long as possible.

I am the office manager at our facility and am responsible for submitting the billing for payment.

Our financing comes from private pay, community block grants, state adult day care funding, and Medicaid MR/IDD as well as Medicaid CAP. The Medicaid CAP that we bill now goes through NCTracks, rather it was supposed to be going through NCTracks starting July 1st. On July 3rd I contacted the "help desk" to determine why the taxonomy code for adult day care services (the code we use for billing) that is registered to our National Provider Identification number was not on the claims entry form on line. I was directed to submit a manage change request, which I did, following step by step instructions. We were told it would be approved and ready within two weeks' time. It was September before it was approved, and even then it was incorrect. July through November has been full of phone calls from me to NCTracks where I am continually told "we will submit a service ticket for you and someone will be in touch with you in 24 to 48 hours." I have submitted around 20 "tickets" and received 3 phone calls back – none of them resolving the simple issue of changing a code. I have followed all of the online training

available on the NCTracks website, as well as webinar's and despite following what they all say to do there has been no resolution.
Just this past week I was told to "delete all of my previous manage change request information on our profile and start a new manage change request – that should fix the problem" something I am hesitant to do seeing the history that they have had processing information. There is no easy fix to the situation, because of the multiple layers of problems. The issues begin at the "help desk" with staff only trained to respond by submitting a service ticket, all the way up to employees in Virginia whose answer has been to use a code that our provider identification is not registered for. The website has had several "glitches" and errors that should have been corrected prior to going live on July first. I truly do not know how to fix this but greatly appreciate you looking into a valid solution as well as finding out how many small practices in our State have gone out of business due to this switch over. We are fortunate to have several payer sources but other providers have not been. Thank you for your time and help.

Sincerely,
Larissa Lankford

Larissa Lankford

Office Manager
Adult Enrichment Services of Wilkes, Inc.
d.b.a The Ruby Pardue Blackburn Adult Day Health Care Center
1915 West Park Drive, Suite 200

Panelist 2 – Kim Sparks- Practice Administrator for Nash OB-GYN Associates, Rocky Rocky Mount, N.C.

Good morning.

My name is Kim Sparks and I am the Practice Administrator for Nash OB-GYN Associates located in Rocky Mount. For the past 40 years the doctors of Nash OB-GYN have provided care to the women of Nash, Edgecombe, Wilson, Halifax, and Franklin Counties.

Having implemented new electronic systems of our own, we understood the importance of the preparation and training that needed to be completed prior to July 1st. My staff was extremely diligent in complying with every request and following all instructions to be ready for NC

Tracks. For months in advance forms were completed and documents submitted. Staff were sent to Raleigh for 2 days to participate in the training sessions which were offered. Many of the questions that were asked during these training sessions could not be answered. However, we did everything that we were asked to do to be ready.

Unfortunately on July 1st we found that we were unable to perform even the simplest of tasks which was to login to the NC Tracks system – our practice information did not cross over correctly and our IDs and passwords were locked. For weeks we waited for someone to determine what was wrong. We were at a complete standstill with regards to being able to do anything with Medicaid claims. Many, many hours were spent holding for help only to be told that no one knew how to help us resolve these problems. Ticket numbers were assigned with the promise of someone returning our calls and most often that did not happen and if we did get a call back it was literally weeks later.

Once we were finally able to access the NC Tracks portal and submit Medicaid claims we were faced with additional challenges.

- Taxonomy code issues – no one could seem to agree on what codes should be used. CSC had doctors assigned with taxonomy codes for specialties they had never practiced.

- Surgical Procedure Consent Forms were not received – these have been mailed, faxed, and attached electronically to claims, but yet we are denied payment for services because no consent form is found. No one can tell us what the process is for these consent forms to be attached to claims or what the time line is, other than there are different departments handling consent forms and claims, and that there is a backlog. What this means to us is that payment will not be processed and after the claim "cycles" in the NC Tracks system is it kicked out. We in turn must start all over with the process. It is difficult to understand why with the technology that is available that something as simple as a consent form cannot be submitted electronically with the claim. Wouldn't this streamline the process for everyone?

- Ultrasound authorizations – our claims are submitted with the MedSolutions authorization as required but payment is denied. We are told to check with MedSolutions as it is their problem, but we did not hire MedSolutions so why should we have to tell them what is wrong with their system?

- Labs are denied for an invalid CLIA certificate – every claims support staff and supervisor that we have spoken with has confirmed that we have a valid certificate on file, but yet the denials continue.

The lack of knowledge and ability to help that we have encountered from both the support staff and their supervisors is frightening. We have received conflicting information from the staff and the supervisors and often they readily admit that they don't know how to help us. We rarely have any conclusion or resolution to the problems that we report.

Sadly the burden of all of this is put back on the physician practices. We are the ones who must continuously follow-up on the unanswered questions. The time and energy that is being exerted to collect payment for services provided is hindering our ability to manage our practices and take care of patients.

Thank you for your time today and most especially I appreciate the concern and attention that you are giving to the problems that the North Carolina Medicaid providers continue to be challenged by on a daily basis. We want to work with everyone involved to do whatever we can to help be a part of the problem solving process.

Panelist 3 – Sherry Williams- Assistant Administrator in Business Services, Piedmont Triad Anesthesia, Winston Salem, N.C.

My name is Sherry Williams and I am the Assistant Administrator in Business Services at Piedmont Triad Anesthesia in Winston-Salem. Currently, we have over 100 providers, consisting of 26 anesthesiologists and 76 certified registered nurse anesthetists rendering anesthesia services at 7 facilities. I have worked for this practice for over 30 years, and for 22 of them I have been responsible for provider credentialing and enrollment. I have also been responsible for installing and working with several different computer systems and working with various IT support departments, but none have come close to being the challenge that NC Tracks has been for me.

NC Tracks has consumed way too much of my time this year. First, our practice volunteered to participate in the POP testing. We completed all the necessary steps and when we tested, it failed. Our password would not work even after Technical Support changed it. We were told that others were having the same problem and the issue would be escalated. Time passed and we were never able to test. My question is, how many actually did test and what were the results?

Next, my staff and I underwent all the training available to us but for two of the audio sessions I participated in, the call was ended before the Q & A session started and for the other, the trainer talked so fast that there was no way humanly possible to take any notes whatsoever. I was frustrated and in disbelief. Our billing manager and Medicaid Patient Account Representative also participated in training sessions as well.

Registration of the providers in NC Tracks was lengthy but was completed before the go live date of July 1. After registration, there was a necessary second step, which was affiliating the providers to the practice in order to be paid. The Help desk told us we would need to wait until after July 1 to do the second step and that we would use the Manage Change Request to do so, thus delaying payment because we would have to wait for it to be processed and approved before filing claims. Most of the providers had already been affiliated to the practice for years and had been getting paid but had to do it again. This second step placed an undue burden on our providers and delayed their payment.

Recognizing the overwhelming tasks of affiliating providers and adding Users and User Groups to each provider for which is still not totally understood, I enlisted the efforts of two part-time employees and one is now permanently assigned the duties of maintaining the providers in NC Tracks, including doing affiliations, and handling requests for license updates and Reverifications to meet the deadlines. And…each submission has to be processed before you can do another in the system. It requires checks and rechecks to see if each has been completed so you can do another. We run scared that a provider will be terminated for not meeting a deadline for which we'll have to pay $100 to re-enroll. And, if so, how would we EVER get it straightened out? Something new is that the provider is now required to update his license or certification in NC Tracks as it approaches expiration and I believe that this requirement should be eliminated. All are available online and Medicare doesn't even put that burden on the provider…. to keep sending licenses in. So perhaps the NC Tracks staff's time could be better utilized if they would do the online searches and update the provider themselves. Then, they would not have to handle terminations due to deadlines not met, wrong licenses submitted, problems with the system, etc.

We have several providers that work at multiple practices and some could not be affiliated to our practice until we got in touch with the one and only Office Administrator (OA). Locating OAs and getting the affiliation done can be difficult. The limitations of the system to allow only one Office Administrator (OA) to be responsible for the provider's entire enrollment needs to be changed. For any change, the provider needs to be allowed to sign a form attesting to the validity of the change and then have it uploaded in NC Tracks. This would be similar to the Provider Change Form that was used previously. The provider signed it, it was faxed, mailed, or e-mailed, and it worked. Can the same be done today and uploaded online as described?

We also discovered that if a provider was registered with the wrong DOB, SS#, or gender in NC Tracks, the Manage Change Request will not allow you to change it at all. The Help desk told us we would have to **mail** a letter requesting the change because of the flaw in the system to not allow it. Can the provider just submit the Manage Change Request without any change made and upload the letter rather than mail it until this problem is fixed?

Provider Enrollment and maintenance is currently our biggest challenge and needs to be perfected to be a more efficient process. It is costing my practice additional money in employee hours. It is chaotic and stressful and our NC providers do not deserve to be faced with the cumbersome processes in this complex system that I've just described in order to be paid.

Regarding the Help Desk, we followed up on a provider enrollment issue just last week and when asked for a turnaround time for resolution, we were told that it is "progressing nicely" but we were not given any hope for when it would be resolved nor when we would receive a call back. Is there no time restriction on when applications should complete processing? We need to know how long we can expect to wait before we think there must be a problem…somewhere.

There is no billing policy manual online as in the past. The billing policy manual is a necessity for billing and needs to be available without delay.

I am happy to report, though, that for the bulk of our claims, we are finally receiving payment on most providers when Medicaid is the primary payer.

However, like other practices, we do have some claim and provider enrollment problems that we are working on but I'm glad to say we have seen improvement over the past several weeks. I am encouraged that more is on the way. But it can't stop now.
In summary, the NC Tracks system needs to be enhanced immediately in order to meet the needs of the providers and get them paid for the work they do in a timely manner and to save taxpayer dollars. If not already done, my suggestion would be for CSC to consider a creating a user type group, consisting of CSC and 15 – 20 or more managers from across the state representing most major specialties and anybody else that would be an asset. All would meet on a regular basis, including by phone, to discuss the issues, exchange ideas for enhancements to the system or processes, and confirm if "fixes" have truly been fixed. With the right people involved, surely this system can work properly.

My ophthalmologist is no longer accepting primary Medicaid patients, but my providers have no choice, as their specialty is anesthesia and they are there to serve all patients, all day regardless of insurance.

We are appreciative of the efforts of everyone involved so far to improve the NC Tracks system and we remain hopeful that they will stay on track to try to meet all the needs of all the providers very soon. Thank you.

Panelist 4 – Christina B. Young – Cabarrus Eye Center & Eye Surgery and Laser Clinic, Concord, N.C.

Experience with NC Tracks, July 1 to present

December 2, 2013

Presented by: Christina B. Young, MBA, CMPE, Administrator

1. Background: CEC is a physician-owned medical practice providing eye care and surgery to patients in the specialty of ophthalmology and optometry. We have 7 physicians and 2 optometrists, with 70 employees. We have 34,000+ patient visits per year and serve Cabarrus, Stanly, Rowan and North Mecklenburg counties.

Our practice percentage of Medicaid patients is roughly 7%. Of that 7%, we have a pediatric ophthalmologist, Dr. Sandra Brown, whose practice is about 60% Medicaid patients.

2. As Administrator, I am responsible for all aspects of the business operations, patient service, financial management and governance and compliance. I have managed practices for over 20 years and have implemented computer systems and managed staff training of more than 200 employees over the years.

3. I have 2 key staff members who attended several NC Tracks training sessions and another Financial Manager who attended as well. One of those, Shelia, was to be our lead administrator for NC Tracks. Note: many instructions given during training would not work when tried in our office! Our over-riding problems seem to relate to Information Technology issues. It became clear in the first 3 weeks after transition that NC Tracks/CSC (1). Did not have staff with the knowledge to resolve issues and (2) the instructions for work processes in the computer system on the website were not properly working and had lots of “bugs”.

Help desk: First asked practices to email-this communication did not work immediately.

1. Asked callers to log problems online and receive a ticket #
2. ticket #’s did not mean anything and repeated calls were not returned
3. Eventually asked for supervisors and representatives would refer us “up” the chain-as they stated-“our call would be elevated”. We found about 4 helpful people through weeks of calling. Would get a promise of hearing back the next day and it would take a week. Follow up calls would result in getting voice mail. **It took my calling our Senator Hartsell and involving the Program Evaluator to get attention to our problems. Only after that time did we receive follow up calls from NC Tracks-around the first week of August.
4. Recently, Shelia has spoken with Jeremy and John multiple times to get one physician, Jason Handler, MD set up for claims to be paid. He has not yet been paid on any claims due to computer fields that will not allow errors in his file set up to be corrected by us. My impression was that CSC staff members were not properly trained and were also overwhelmed by a system that would not function correctly. Of note: we have sent screen shots with our phones to show the CSC representatives what we see on our side. Someone mentioned the use of technology to dial in to our PCs while on a technical call to see our screens. This is widely used technology in other applications and a good idea.

Summary of issues: Physician Taxonomy numbers were entered or transferred incorrectly by CSC resulting in denied claims. First substantial payment received August 23 of $34,000 mostly for our pediatric ophthalmologist. Normally had received $12,000 weekly on average prior to July 1. We waited

2 weeks in June and additionally 7 weeks for payments to begin, at a total of over $200,000 outstanding claims payments due for those weeks. This represented major financial impact in not getting paid for the patients we cared for. Doctor's payments processed incorrectly under social security # instead of Group NPI. Incorrect NPI for ESLC and no payments for about 3 months to our surgery center. Secondary crossover claims from Medicare only working sporadically even now. Optometrists not receiving payment on claims until early October. Accumulated more than 350 orders for glasses over first two months for children, delaying their receipt more than a month beyond school starting. CSC system kept voiding orders with no explanation. Only help desk representatives could correct on their end.

<u>Last issue and a big one</u>: With the launch of NC Tracks on July 1, Medicaid implemented a new methodology for calculating payment rates on crossover claims where Medicare provides primary coverage and payment. Medicaid calls the new methodology "Lesser-of Logic." According to CSC, the attached information (which I do not believe amounted to sufficient notice) was published sometime last spring; note the explanation in Example 2.

In all examples seen so far, the Lesser-of Logic generates payment rates on Medicaid secondary claims that are lower - and often dramatically lower - than the rates paid prior to July 1.

<u>Ideas for Improvement</u>: 1. System testing! The system should have been piloted by a small number of practices as Beta sites. 2. Staff training-designated super users should train other staff members to correct system problems. Staff should give accurate timelines for returning calls and follow through on return calls promised. 3. Allow for claims to be paid and reconciled later with some system over-rides. We received an advance of $12,000 to help with our accounts receivable of about $260,000 and instead of paying us our usual amount on claims in the weeks following this, the advance was deducted from claim amounts owed to us, reducing our payments further during the next 4 weeks. So, really there was no reason to send an advance in the first place!
4. Go back to the method of calculating Medicaid secondary payments due prior to July 1. (Our retina physician treats most patients in his practice with injections to stop or slow loss of sight due to Age related Macular degeneration. We already lose about $20 per patient on Medicaid patients due to the cost of medication for which we are not properly reimbursed. Under the new payment calculation, we will lose something close to $200 per patient on two of the three drug therapies, and cannot treat these patients with this substantial revenue loss.
5. I concur with the comments made by another Administrator during this discussion: bring together a team of managers and CSC staff members to solve the remaining issues working together!

Thank you for the opportunity to speak on these issues today.

Respectfully submitted,
Christina Young

Panelist 5 – Teresa Sloan-Oudeh, Administrator of Odom Medical Plaza, Dunn, N.C.

Good morning members of the Legislative Oversight Committee:
I am Teresa Sloan-Oudeh and I have been. chosen to share ~y experience with you today, regarding the NC Tracks program. I was happy to do it when I was told that the only requirement for me was to be totally honest. I immediately thought, I can do that, with ease. After that immediate thought, I began thinking ...how can I tell you in public what a tragic nightmare I had gone through; in all of my years of managing Medicaid policy and billing and coding; I don't remember anything more challenging that NC Tracks (yes! That would be "my worse story" of my entire career). All my friends in the business had the same feelings, -it is just a nightmare-; when will it end? We will get paid in time to make payroll, our mortgages, paid for medical supplies and medicines that we used ~n giving service to NC Medicaid recipients. We couldn't stop providing service, that just wasn't ethical, or professional, and just would not e an option for our office. After all these were the same innocent patients that come to us for services for all these years when things were GREAT! l:\.gain, business decisions.ag~inst Medicaid decisions, ethical decisions. Would this be the end of our career as we know it? Uncertainty and fea~ overcame us all July 1st, 2013. Looking back, for me and our clinic, July 1st, 2013 would be as normal as any other day; after all we all knew NC Tracks would go "Live" I was confident that our clinic was Ready without flaws :-) We always prided ourselves on being "Ready", £or any changes affecting our practice and we always where, for the past 20 plus years that I was in this business.
July 1st was here-our clinic received 2 vouchers write payments back to back. It did seem that NC Tracks was a Success! '" a few unknown denial codes, eligibility software a bit shaky, and Medicare crossovers would not "cross over" correctly. These are minor issues.that you can expect from any software upgrade or vendor change.

Then something happened <no check write>, application missing "online" > calls quickly going into the Customer Service, at NC Tracks left us feeling helpless. Everyone was very professional and was eager to Expedite over Tickets to

the Teams of Technicians working on these "Glitches". There became multiple glitches, most I learned since, was the fault of our own staff giving wrong information to some of our "Affiliates", not setting up our Individual account along with our Group Account and choosing a wrong taxonomy code that did not match our practice at all. So of course, this issue had to be addressed one at a time.
As we became increasingly impatient, our billing Team traveled to Raleigh for "one on one" assistance,where we met Angeline Sligh, her Team and CSC Team, obvious experienced Medicaid in Medicaid Medical Review and Billing Specialist came to our office and worked one on one with myself and our Billing Specialist, very diligently with all our concerns and did not abandon one issue until it was resol ved correctly. After her visit to our office and he'r assessment was complete, Our Check Writes Resumed. Not once did she waste time to figure who was "at fault"- she just assisted us with corrections. Even going beyond her responsibility to assist us with 3rd party Vendors who had obviously not completed their paperwork with DMA & DHHS. Although, there remains a few glitches, I am now certain they can be corrected, and we will soon be completely "on track" with Medicaid billing.
Ya know-We must remember none of us here actually went through a Vendor change in NC Medicaid when we came in this field, the vendor was already perfected although they continued to make changes and upgrade-I am sure they had many glitches, we never experienced the start up of a complete Vendor change. We came in sorts spoiled, ground work already laid, so to speak, I believe if Providers; CSC, DHHS, DMA will work closely together, we can move forward with confidence that contractual agreements will be fulfilled timely and efficiently!
I look forward to a continued relationship with the NC Tracks Team, Division of Medical Assistance and Department of Health and Human Services and CSC, as we all strive to serve our NC Medicaid Recipients.
In a economy that seems to be in a Downward Spiral, we -MUST- all do everything is our power to be certain that those needing assistance do not fall through any cracks of political or self interest.

This concluded the comments from the panelists’

Chairman Brock asked for questions from the committee.

Representative Cleveland stated that he believed that Mr. Joe Cooper could answer his question. Representative Cleveland has had a couple of discussions with Mr. Sholar on what they call the Five and Out Program where five calls are made to providers and they don't get a response from the provider, they consider the problem is resolved. It has been brought to Representative Cleveland's attention that these calls are being made late in the day, calls were made and no return numbers were left for people to return the calls. Is this policy still in effect?
Mr. Copper responded that the policy is not in effect any longer in some respects. The point about not leaving return phone numbers was fixed by CSC. They now leave a return number. The second thing is that they make all calls before 4:00 each day. They basically do not make a call after 4:00. Using those two things, leaving return phone call number and calling before 4:00, the Five and Out will continue but they have to change those two things to make if more effective.
Representative Cleveland followed up stating that he did not quite understand the rationale for Five and Out outstide of the fact that it probably makes your statistics look a little better. He further stated that they were here to provide a service and we should be providing the service and if you can't get a response from the provider, then there is something wrong. He is not sure what the problem is, but there is something wrong, so if you can't get a response on the phone, are there any other communications being sent to try and get a response from them? Mr. Cooper responded that in addition to the two changes that he mentioned earlier, on the fourth call, they are now sending an email. Basically, it is a combination of five phone calls and an email. When all that fails (adding that they do leave a return phone number and a call before 4:00), they believe that is sufficient. Representative Cleveland followed up by asking if they have any data on how many vendors or how many providers are not returning calls? Mr. Cooper responded that he did not but would certainly try to have CSC get that data for him.

Representative Cleveland asked about the time frame for outstanding issues. Do we still have providers with claims that are in excess of 30 days? Mr. Cooper deferred this question to Mr. Joel Mercer, Deputy Director of CSC Operations. Mr. Mercer responded that there were some claims that are beyond the 30 day period. They have some address issues. Those are being tracked by the team. Each provider has multiple site locations and in some cases, the system can't determine which of the two site locations the claim should pay against. Those are in the vast majority of claims that have been submitted. Those claims are paying less than the 30 days they have to pay a clean claim. Representative Cleveland followed up with a comment stating that he was feeling a little more comfortable about NC Tracks until he heard a few of the presentations today. It sounds to him that we are far from having an efficient system for making Medicaid payments and it sound like we're possibly rebuilding the same wheel over and over again for some reason that he cannot understand. I think in hearing these people mentioning the same problems in different practices, and if you find it in one practice and correct it, it should take care of the rest of them. Are we going to be here six months from now talking about the same thing? He realizes that the NC Tracks was a monster from the past that has come forward and put into existence, but we should have had this thing resolved and should not be talking the same thing over and over again.

Representative Tolson stated that a couple of presenters suggested a group of providers and managers and DHHS personnel get together and work on these. Is this being considered? Chairman Brock responded that he thought so. Any type of device or software project, you have to have beta testers and people that not only know the procedure but also the policy side of it which he feels that is something that the vendor, the agency, and the providers all come together and find out how to work through issues as this is the only way you get something completed. Representative Tolson followed up by saying that the only solution is to get these people that work with it every day to help work out the solutions and solve these problems.

Chairman Brock stated that when this thing was born two administrations ago, it was born out of confusion and those around here know that was the process and over the last four years and before that, it was left wondering in the wilderness even though we do have some victories that we are working on. Everybody is working together and that wasn't the case. He said he was glad that we do have the agency working when we could not get response to our questions as either chairs of IT or chairs of HHS. Two years ago, they could not get their questions answered. It has been a long time coming and it has been a monster, but as with the Frankenstein, we are teaching it some manners and it is becoming a better process and a better issue, but also not only do we have it with this project itself but all the other IT projects we have in the state of getting that type of feedback and to make sure that the projects from here on out won't cause these problems. This has been a high profile one and there are a lot of lessons to be learned from it. He feels everyone is learning from it and from the comment that if one provider has found a solution, then we should be able to pass that information along as a fact. Chairman Brock said we were all working together and we are getting there. Anytime when you have these issues, it is tough when you are looking at the impacts it has on particular practices, especially before the holidays if you are not getting paid, how do you pay your employees and how do you keep them on staff if you don't have the receipts coming in.

There being no further business, the meeting adjourned at 12:26 p.m.

Senator Andrew Brock, Presiding

Judy Edwards, Committee Clerk