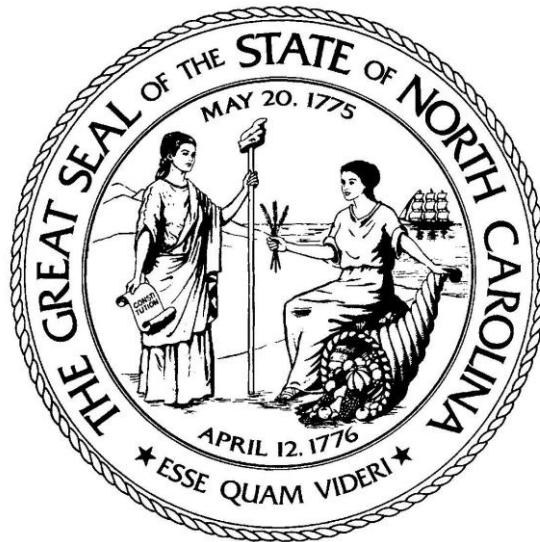


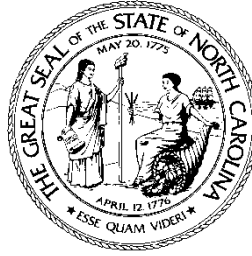
# **House Appropriations Committee on Information Technology**

## **Proposed Special Provisions for H.B. 1030, 2016 Appropriations Act**



**May 12, 2016**

# GENERAL ASSEMBLY OF NORTH CAROLINA



## SPECIAL PROVISIONS HOUSE APPROPRIATIONS, INFORMATION TECHNOLOGY REPORT

**MAY 12, 2016**

Report Last Updated: May 12, 2016 12:28 p.m.

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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H2-P

Department of Information Technology  
House Appropriations, Information Technology

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**INFORMATION TECHNOLOGY FUND**

**SECTION #.** Section 7.1 of S.L. 2015-241 reads as rewritten:

**"SECTION 7.1.** The availability used to support appropriations made in this act from the Information Technology Fund established in G.S. 147-33.72H is as follows:

	FY 2015-2016	FY 2016-2017
General Fund Appropriation for IT Fund	\$21,755,191	<del>\$21,681,854</del> <u>\$21,975,001</u>

Appropriations are made from the Information Technology Fund for the 2015-2017 fiscal biennium as follows:

Criminal Justice Information Network	\$193,085	\$193,085
Center for Geographic Information and Analysis	\$503,810	\$503,810
Enterprise Security Risk Management	\$871,497	<del>\$871,497</del> <u>\$1,021,497</u>
Staffing and Strategic Projects	\$7,873,903	<del>\$7,873,903</del> <u>\$7,846,385</u>
First Net (State Match)	\$140,000	\$140,000
Enterprise Project Management Office	\$1,501,234	\$1,501,234
IT Strategy and Standards	\$865,326	\$865,326
State Portal	\$233,510	\$233,510
Process Management	\$398,234	\$398,234
IT Consolidation	—	—
Government Data Analytics Center	\$9,101,255	<del>\$9,101,255</del> <u>\$9,771,920</u>
Compensation Reserve	\$73,337	

Unless a change is approved by the State Chief Information Officer after consultation with the Office of State Budget and Management, funds appropriated to the Information Technology Fund shall be spent only as specified in this section. Changes shall not result in any degradation to the information technology operations or projects listed in this section for which the funds were originally appropriated.

Any changes to the specified uses shall be reported in writing to the chairs of the Joint Legislative Oversight Committee on Information Technology, the chair and cochair of the House Appropriations Committee on Information Technology, and the Fiscal Research Division."

GENERAL ASSEMBLY OF NORTH CAROLINA

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2016-DIT-H4A-P

Department of Information Technology  
House Appropriations, Information Technology

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**INFORMATION TECHNOLOGY RESERVE**

**SECTION #.** Section 7.3(a) of S.L. 2015-241, as amended by Section 2.1 of S.L. 2015-268, reads as rewritten:

**"SECTION 7.3.(a)** The appropriations for the Information Technology Reserve Fund for the 2015-2017 fiscal biennium are as follows:

	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
Government Data Analytics Center	\$8,100,000	\$8,100,000
Improve Efficiency and Customer		
Service through IT Modernization	\$8,127,991	<del>\$8,061,512</del> <u>\$8,061,512</u>
IT Restructuring	\$2,775,184	<del>\$2,978,812</del> <u>\$2,563,334</u>
Economic Modeling Initiative	\$500,000	\$500,000
Maintenance Management System Replacement	\$173,180	\$129,901
NC Connect	\$593,899	<del>\$788,503</del> <u>\$736,899</u>
E-Forms/Digital Signatures	\$762,115	<del>\$762,115</del> <u>\$436,050</u>
Law Enforcement Information Exchange	\$288,474	0"

GENERAL ASSEMBLY OF NORTH CAROLINA

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2016-DIT-H10-P

Department of Information Technology  
House Appropriations, Information Technology

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***ESTABLISH GENERAL FUND BUDGET***

**SECTION #.(a)** Notwithstanding G.S. 143C-6-4, the Office of State Budget and Management shall transfer the IT Fund fund codes (27xx) from budget code 24667 to budget code 14660 in order to establish the Department of Information Technology's operating budget. The Office of State Budget and Management shall also establish a reserve in budget code 14660 for the transfer of IT Reserve appropriation to budget code 24667. The changes authorized by this section shall be completed by September 30, 2016, but are effective from July 1, 2016, and shall be reflected in the base budget for the 2017-2019 fiscal biennium.

**SECTION #.(b)** It is the intent of the General Assembly to appropriate funds during the 2017 Regular Session for Department of Information Technology internal service fund overhead costs upon removal of agency costs from the service rate structure, thereby eliminating the use of a subscription fee to agencies.

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Session 2016

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2016-DIT-H1-P

Department of Information Technology  
House Appropriations, Information Technology

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**IT REPORTING CHANGES**

**SECTION #.(a)** G.S. 105-259(b)(43), 120-123(81), 143B-1321(a)(31), 143B-1322(c)(21), and Chapter 116E of the General Statutes are repealed.

**SECTION #.(b)** G.S. 143B-1355(c) reads as rewritten:

**"§ 143B-1355. Award review.**

...

(c) The State CIO shall provide a report of all contract awards approved through the Statewide Procurement Office as indicated below. The report shall include the amount of the award, the contract term, the award recipient, the using agency, and a short description of the nature of the award, as follows:

(1) For contract awards greater than twenty-five thousand dollars (\$25,000), to the cochair of the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on a monthly basis as requested.

(2) For all contract awards outside the established purchasing system, to the Department of Administration, Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division on a quarterly basis. March 1 and September 1 of each year."

**SECTION #.(c)** G.S. 143B-1360 reads as rewritten:

**"§ 143B-1360. Data on reliability and other issues; report.**

The Department of Information Technology shall maintain data on equipment reliability, potential cost savings, and any issues associated with the refurbished computer equipment initiative and shall report the results of the initiative to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by March 1, 2016, and then quarterly annually thereafter."

**SECTION #.(d)** G.S. 143B-1344 reads as rewritten:

**"§ 143B-1344. Legacy applications.**

Participating agency legacy applications shall be moved to the Department once a detailed plan is coordinated and in place for the successful transition of a specific application to the Department. The Department shall identify situations where multiple agencies are using legacy systems with similar capabilities and shall prepare plans to consolidate these systems. ~~Initial identification of similar capabilities shall be reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by March 1, 2016. The initial report shall include a schedule for the consolidation. The report shall also include the costs for operating and maintaining the current systems, the estimated costs for an enterprise replacement system, and the operations and maintenance costs associated with an enterprise system."~~

**SECTION #.(e)** G.S. 143B-1333 reads as rewritten:

**"§ 143B-1333. Internal Service Fund.**

...

~~(b) Receipts shall be used solely for the purpose for which they were collected. Any uses of the Information Technology Internal Service Fund not specifically related to providing~~

1 receipt-supported services to State agencies shall immediately be reported to the Joint Legislative  
2 Oversight Committee on Information Technology and the Fiscal Research Division.

3 (c) Receipts shall be used solely for the purpose for which they were collected. In  
4 coordination with the Office of the State Controller and the Office of State Budget Management,  
5 the State CIO shall ensure processes are established to manage federal receipts, maximize those  
6 receipts, and ensure that federal receipts are correctly utilized. ~~By September 1 of each year, the~~  
7 ~~State CIO shall certify that federal receipts for participating agency information technology~~  
8 ~~programs have been properly used during the previous State fiscal year."~~

9 **SECTION #.(f)** G.S. 143B-1334 is repealed.

10 **SECTION #.(g)** Section 7.22(c) of S.L. 2015-241 reads as rewritten:

11 "SECTION 7.22.(c) Beginning January 1, 2016, and ~~quarterly~~ semiannually thereafter, the  
12 DIT, in conjunction with OSC and OSBM, shall report to the Joint Legislative Oversight  
13 Committee on Information Technology and the Fiscal Research Division on the status of the  
14 program. The report shall include all of the following:

15 ...."

16 **SECTION #.(h)** Section 7.24(b) of S.L. 2015-241 reads as rewritten:

17 "SECTION 7.24.(b) On or before March 1, 2016, the State CIO shall provide the completed  
18 plan to the Joint Legislative Oversight Committee on Information Technology and the Fiscal  
19 Research Division. On or before March 1, 2016, and then at least ~~semiannually~~ annually each  
20 January 1 for the duration of the 2015-2017 fiscal biennium, the State CIO shall provide progress  
21 reports regarding the establishment and use of the business Internet Web site to the Joint  
22 Legislative Oversight Committee on Information Technology and the Fiscal Research Division."

23 **SECTION #.(i)** G.S. 143B-1330(a)(2) reads as rewritten:

24 "**§ 143B-1330. Planning and financing State information technology resources.**

25 (a) The State CIO shall develop policies for agency information technology planning and  
26 financing. Agencies shall prepare and submit such plans as required in this section, as follows:

27 ...

28 (2) The State CIO shall develop a biennial State Information Technology Plan  
29 (Plan)-(Plan), including, but not limited to, the use of cloud-based utility  
30 computing for use by State agencies."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H6

Department of Information Technology  
House Appropriations, Information Technology

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**USE OF CASH BALANCE FOR IT RATE CREDITS**

**SECTION #.(a)** The Department of Information Technology shall use funds available in cash balance available in fund code 24667 as a credit to the following agencies for subscription fees, telephone rates, and computer rates billed to the agency for the Internal Service Fund for the 2016-2017 fiscal year:

- (1) North Carolina Community Colleges System Office – \$102,023
- (2) Department of Public Instruction – \$1,534,623
- (3) The University of North Carolina System – \$97,483
- (4) The Department of Administration – \$190,187
- (5) The Department of Insurance – \$26,504
- (6) The Department of Revenue – \$972,197
- (7) General Assembly – \$14,432
- (8) Office of State Budget and Management – \$176,700
- (9) Office of Lieutenant Governor – \$6,474
- (10) Office of Administrative Hearings – \$38,405
- (11) Department of State Auditor – \$20,832
- (12) Office of State Controller – \$619,802
- (13) Department of Secretary of State – \$4,346
- (14) State Board of Elections – \$43,880
- (15) Department of State Treasurer – \$6,491
- (16) Department of Health and Human Services – \$559,461
- (17) Administrative Office of the Courts – \$101,812
- (18) Department of Public Safety – \$693,292
- (19) Department of Agriculture – \$30,556
- (20) Department of Environmental Quality – \$910,564
- (21) Department of Natural and Cultural Resources – \$665,262



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H8-P

Department of Information Technology  
House Appropriations, Information Technology

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***INFORMATION TECHNOLOGY SPENDING TRANSPARENCY***

**SECTION #.(a)** The Office of State Budget and Management shall prepare a plan for realigning State agency information technology budgets within existing programs and divisions to provide transparency for information technology budgeting. The Office of State Budget and Management shall submit the plan on or before February 1, 2017, to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H9-P

Department of Information Technology  
House Appropriations, Information Technology

Requested by

***APPRENTICESHIPS AND CAREER-BASED OPPORTUNITIES IN CYBERSECURITY  
FOR DISABLED VETERANS***

**SECTION #.(a)** The Department of Information Technology shall create a cybersecurity apprenticeship program to provide training, apprenticeships, and career-based opportunities for disabled veterans within the State. Opportunities may be offered to qualifying veterans who have at least a ten percent (10%) disability rating as established by the Veterans Administration.

**SECTION #.(b)** The State Chief Information Officer shall conduct a competitive process to select disabled veterans to participate in the cybersecurity apprenticeship program. Participants will have the opportunity to apply concepts, protocols, and tools acquired through the program by working side by side with experts in cybersecurity within the State of North Carolina.

**SECTION #.(c)** Of the funds appropriated by this act for the support of the cybersecurity apprenticeship program, the Department of Information Technology shall select up to five disabled veterans to participate in the program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H7-P

Department of Information Technology  
House Appropriations, Information Technology

Requested by

***ADJUST IT BUDGETS AS NECESSARY DUE TO TRANSFER OF FUNCTIONS***

**SECTION #.(a)** Notwithstanding G.S. 143C-6-4, the Office of State Budget and Management, after coordination with the Department of Information Technology, the Department of Environmental Quality, the Department of Natural and Cultural Resources, and the Fiscal Research Division, may adjust information technology budgets, as appropriate, within the Department of Natural and Cultural Resources and the Department of Environmental Quality.

**SECTION #.(b)** All information technology budget adjustments authorized by this section shall be completed by December 1, 2016, and shall be reflected in the base budget for the 2017-2019 fiscal biennium. Adjustments may be made only for the information technology budgets of the Department of Environmental Quality and the Department of Natural and Cultural Resources for the purposes stated in this section.

**SECTION #.(c)** The Office of State Budget and Management shall report any adjustments made pursuant to this section to the Joint Legislative Oversight Committee on Information Technology, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on or before January 15, 2017.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H13-P

Department of Information Technology  
House Appropriations, Information Technology

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***DATA CENTER CONSOLIDATION EXEMPTION FOR CLOUD-BASED SOLUTIONS***

**SECTION #.** Section 7.9(b) of S.L. 2015-241 reads as rewritten:

**"SECTION 7.9.(b)** State agencies shall use the State infrastructure to host their projects, services, data, and applications, except that the State Chief Information Officer may grant an exception if the State agency demonstrates any of the following:

- (1) Using an outside contractor would be more cost effective for the State.
- (2) The Department of Information Technology does not have the technical capabilities required to host the application.
- (3) Valid security requirements preclude the use of State infrastructure, and a vendor can provide a more secure environment.

Applications that are natively or commercially sold and delivered as cloud-based solutions are not subject to the requirements of this subsection."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H11-P

Department of Information Technology  
House Appropriations, Information Technology

Requested by

**ENTERPRISE RESOURCE PLANNING DESIGN AND IMPLEMENTATION**

**SECTION #.(a)** The Department of Information Technology, in coordination with the Office of the State Controller and the Office of State Budget and Management, shall conduct the planning and design of an enterprise resource planning system (ERP) for State agencies by utilizing business process reengineering to identify and organize processes and workflow in order to prioritize and link work activities to realize efficiencies and organize around outcomes. The ERP system shall address, at a minimum, core financial management, grants, assets and inventory, fleet management, and human resource management. A request for proposal for a replacement system implementation shall be prepared for release no later than July 1, 2017. If the funding needs exceed the funds allocated for the planning and request for proposal development efforts, the Department of Information Technology may use savings generated through efficiencies gained through overall Department operations, including procurement, to supplement the project; provided, that the total amount expended for the project does not exceed five hundred thousand dollars (\$500,000).

**SECTION #.(b)** The Department of Information Technology, in coordination with the Community College System Office, shall begin planning and design of an ERP for the State's 58 community colleges. The ERP system shall address, at a minimum, student administration, core financial management, grants, human resource management, and payroll. A request for proposal for a replacement system implementation shall be prepared for release no later than July 1, 2017. If the funding needs exceed the funds allocated for the planning and request for proposal development efforts, the Department of Information Technology may use funds from the North Carolina Community College IT Systems budget code 26802; provided, that the total amount expended for the project does not exceed one million dollars (\$1,000,000).

**SECTION #.(c)** The Department of Information Technology shall submit a report to the Joint Legislative Oversight Committee on Information Technology on or before January 15, 2017. The report shall identify results from the business process reengineering efforts for State agencies and the Community College System and shall include at least all of the following:

- (1) Proposed sequence of functional and site implementation.
- (2) A phased-in contracting plan with checkpoints to facilitate budgeting and program management.
- (3) The feasibility of a cloud-based component.
- (4) Cost estimate for full implementation.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H14-P

Department of Information Technology  
House Appropriations, Information Technology

Requested by

**EXEMPT SBI & DPS FROM DIT OVERSIGHT**

**SECTION #.(a)** G.S. 143B-1320(b) reads as rewritten:

"(b) Exemptions. – Except as otherwise specifically provided by law, the provisions of this Chapter do not apply to the following entities: the General Assembly, the Judicial Department, the State Bureau of Investigation, the Department of Public Safety, and The University of North Carolina and its constituent institutions. These entities may elect to participate in the information technology programs, services, or contracts offered by the Department, including information technology procurement, in accordance with the statutes, policies, and rules of the Department. The election must be made in writing, as follows:

- (1) For the General Assembly, by the Legislative Services Commission.
- (2) For the Judicial Department, by the Chief Justice.
- (3) For The University of North Carolina, by the Board of Governors.
- (4) For the constituent institutions of The University of North Carolina, by the respective boards of trustees.
- (5) For the State Bureau of Investigation, by the Director.
- (6) For other divisions or sections of the Department of Public Safety, by the Secretary."

**SECTION #.(b)** G.S. 143B-1325(d) reads as rewritten:

"(d) Report on Transition Planning. – ~~The Department of Public Safety, the~~ The Community College System Office, and the State Board of Elections shall work with the State CIO to plan their transition to the Department. By October 1, 2018, these agencies, in conjunction with the State CIO, shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on their respective transition plans."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H15-P

Department of Information Technology  
House Appropriations, Information Technology

Requested by

1 ***EXEMPT SBI & DPS FROM ENTERPRISE ACTIVE DIRECTORY PARTICIPATION***

2 **SECTION #.** Section 7.25 of S.L. 2015-241 reads as rewritten:

3 **"AGENCY USE OF ENTERPRISE ACTIVE DIRECTORY**

4 **"SECTION 7.25.(a)** On or before July 1, 2016, unless exempted by the Governor, all State  
5 agencies identified as principal departments under G.S. 143B-6 shall become direct members of  
6 and shall use the Enterprise Active Directory. A principal department may submit to the State  
7 Chief Information Officer a written request to deviate from certain requirements of the Enterprise  
8 Active Directory, provided that any deviation shall be consistent with available funding and shall  
9 be subject to any terms and conditions specified by the State Chief Information Officer.

10 **"SECTION 7.25.(b)** Subsection (a) of this section shall not apply to the State Bureau of  
11 Investigation or to the Department of Public Safety."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

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SPECIAL PROVISION



2016-DIT-H12-P

Department of Information Technology  
House Appropriations, Information Technology

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**CRASH REPORTING PROGRAM MAINTENANCE**

**SECTION #.(a)** Establishment. – The Department of Transportation, Division of Motor Vehicles (Division), shall, through an open request for proposal process, seek to procure a contract with a private vendor for the statewide maintenance of the Crash Reporting Program. The Crash Reporting Program shall include at least all of the following components:

- (1) A comprehensive data repository for collision data.
- (2) A document repository for all collision reports in the State.
- (3) The capability to process paper reports, including scanning, data entry, validation of data against business edits, quality control application for reviewing reports, the ability to return or reject reports, and the ability to reprocess corrected reports.
- (4) The creation of an electronic submission application that incorporates all State validation rules to ensure that submitted reports are complete, accurate, and error-free.
- (5) A database capable of sharing statewide collision data with state and federal traffic safety partners, State law enforcement agencies, and the public.
- (6) A Web portal capability allowing authorized users to perform search functions and data extraction, obtain statistical traffic safety reports, map collision result sets, review configurable collision data dashboards, and perform data analysis against statewide collision data.
- (7) Compatibility with all data file formats and submission requirements for state and federal entities that require access to State collision data.

The request for proposal should seek to identify a vendor with a demonstrated history of providing substantially similar statewide services in at least three other states. The Division shall enter into a contract with a qualified vendor on or before October 31, 2016.

**SECTION #.(b)** Reports. – The Division shall provide the following reports:

- (1) By April 30, 2017, a report to the Office of State Budget and Management and chairs of the House of Representatives Committee on Transportation Appropriations and the Senate Appropriations Committee on Department of Transportation on (i) the completion of the RFP process, including the name and qualifications of the firm awarded the contract, (ii) progress on the transition of the maintenance of the Program, and (iii) any other findings of interest determined by the Division.
- (2) By April 30, 2018, a report to the Office of State Budget and Management and chairs of the House of Representatives Committee on Transportation Appropriations and the Senate Appropriations Committee on Department of Transportation on (i) the number of accident reports purchased through the e-commerce site, (ii) the revenue generated to the Division through the contract with the vendor, and (iii) any savings realized by the Division from implementation of the Program.