

2015

**SENATE
INFORMATION
TECHNOLOGY**

MINUTES

NORTH CAROLINA GENERAL ASSEMBLY

Senate Committee on Information Technology 2015 – 2016 SESSION



**Senator Andrew Brock
Chair**



**Senator Ralph Hise
Chair**



**Senator Jeff Tarte
Chair**



Senator Tamera Barringer



Senator Joel Ford



Senator Valerie Foushee



Senator Jeff Jackson



Senator Michael Lee



Senator Buck Newton



Senator Shirley Randleman



Senator Norman Sanderson



Senator Trudy Wade



Senator Mike Woodard

Senate Committee on Information Technology
Wednesday, April 22, 2015 at 12:00 PM
Room 421 of the Legislative Office Building

MINUTES

The Senate Committee on Information Technology met at 12:15 PM on April 22, 2015 in Room 421 of the Legislative Office Building. 8 members were present.

Senator Andrew C. Brock, Chair, presided.

Senator Brock welcomed and recognized the Senate page and Sergeant at Arms.

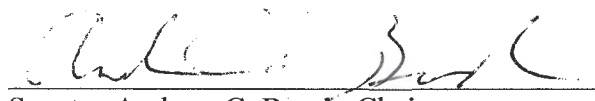
Senator Brock recognized Senator Hise to speak on **SB 560 GDAC Amendments**. Senator Wade made the motion to have the PCS before the committee. Vote was called and the motion passed. Senator Hise explained the PCS before the committee. Senator Brock recognized Senator Wade who motioned for a favorable report as the PCS, unfavorable to the original bill with a referral to Judiciary I. Vote was called and motion passed.

Senator Brock recognized Senator Hise to speak on **SB 420 Accountability for Taxpayer Investment Board**. Senator Wade made the motion to have the PCS before the committee. Vote was called and the motion passed. Senator Hise explained the PCS before the committee. Senator Brock recognized Senator Ford who motioned for a favorable report as the PCS, unfavorable to the original bill with a referral to Appropriations/Base Budget. Vote was called and motion passed.

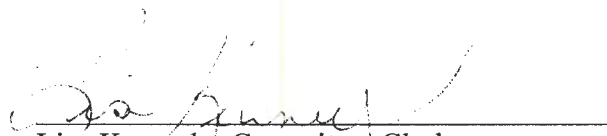
Senator Brock recognized Senator Hise to speak on **SB 698 State IT/Utility-Based Cloud Computing**. Senator Hise explained the bill before the committee. Discussion and debate on the bill. Senator Brock recognized Senator Ford who motioned for a favorable report. Vote was called and motion passed.

Senator Brock recognized Senator Barefoot to speak on **SB 534 Study Student Online Data Privacy**. Senator Ford made the motion to have the PCS before the committee. Vote was called and the motion passed. Senator Barefoot explained the PCS before the committee. Discussion and debate on the bill. Senator Brock recognized Senator Wade who motioned for a favorable report as the PCS, unfavorable to the original bill. Vote was called and motion passed.

The meeting adjourned at 12:24pm.



Senator Andrew C. Brock, Chair
Presiding



Lisa Kennedy, Committee Clerk



**Senate Committee on Information Technology
Wednesday, April 22, 2015, 12:00 PM
421 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages and Sergeant at Arms

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 534	Study Student Online Data Privacy.	Senator Barefoot
SB 560	GDAC Amendments.	Senator Hise
SB 698	State IT/Utility-Based Cloud Computing.	Senator Hise
SB 420	Accountability for Taxpayer Investment Board.	Senator Hise

Other Business

Adjournment



Principal Clerk _____
Reading Clerk _____

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The Senate Committee on Information Technology will meet at the following time:

DAY	DATE	TIME	ROOM
Wednesday	April 22, 2015	12:00 PM	421 LOB

The following will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 534	Study Student Online Data Privacy.	Senator Barefoot
SB 560	GDAC Amendments.	Senator Hise

Senator Andrew C. Brock, Co-Chair
Senator Ralph Hise, Co-Chair
Senator Jeff Tarte, Co-Chair

Principal Clerk _____
Reading Clerk _____

Corrected #1: **Bill Added**

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Information Technology** will meet at the following time:

DAY	DATE	TIME	ROOM
Wednesday	April 22, 2015	12:00 PM	421 LOB

The following will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 534	Study Student Online Data Privacy.	Senator Barefoot
SB 560	GDAC Amendments.	Senator Hise
SB 698	State IT/Utility-Based Cloud Computing.	Senator Hise
SB 420	Accountability for Taxpayer Investment Board.	Senator Hise

Please remember to bring your laptops and Ipads!

Senator Andrew C. Brock, Co-Chair
Senator Ralph Hise, Co-Chair
Senator Jeff Tarte, Co-Chair



From: Sherry Pearson (Senate LA Office)
Sent: Tuesday, April 21, 2015 06:14 PM
To: Sen. Chad Barefoot; Sen. Ralph Hise
Cc: Eric Naisbitt (Sen. Chad Barefoot); Susan Fanning (Sen. Ralph Hise)
Subject: <NCGA> Senate Information Technology Committee Meeting Notice for Wednesday, April 22, 2015 at 12:00 PM - CORRECTED #1
Attachments: Add Meeting to Calendar_LINC_.ics

Principal Clerk _____
Reading Clerk _____

Corrected #1: Bill Added

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Information Technology** will meet at the following time:

DAY	DATE	TIME	ROOM
Wednesday	April 22, 2015	12:00 PM	421 LOB

The following will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 534	Study Student Online Data Privacy.	Senator Barefoot
SB 560	GDAC Amendments.	Senator Hise
SB 698	State IT/Utility-Based Cloud Computing.	Senator Hise
SB 420	Accountability for Taxpayer Investment Board.	Senator Hise

Please remember to bring your laptops and Ipads!

Senator Andrew C. Brock, Co-Chair
Senator Ralph Hise, Co-Chair
Senator Jeff Tarte, Co-Chair



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

1

SENATE BILL 560

Short Title: GDAC Amendments.

(Public)

Sponsors: Senators Hise (Primary Sponsor); Clark and Tarte.

Referred to: Rules and Operations of the Senate.

March 30, 2015

A BILL TO BE ENTITLED
AN ACT TO RECODIFY, REORGANIZE, AND CLARIFY THE PROVISIONS OF THE
GOVERNMENT DATA ANALYTICS CENTER STATUTE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-426.38A is recodified as G.S. 147-33.77A and reads as
rewritten:

~~"§ 143B-426.38A. § 147-33.77A. Government Data Analytics Center; State data-sharing
requirements. Center.~~

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

(1) ~~Creation of initiative. In carrying out the purposes of this section, the
Office of the State Chief Information Officer (CIO) shall conduct an
ongoing, comprehensive evaluation of State data analytics projects and plans
in order to identify data integration and business intelligence opportunities
that will generate greater efficiencies in, and improved service delivery by,
State agencies, departments, and institutions. The State CIO shall continue to
utilize public private partnerships and existing data integration and analytics
contracts and licenses as appropriate to continue the implementation of the
initiative.~~

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

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

(a) Definitions. – The following definitions apply in this section:

(1) Business intelligence. – The process of collecting, organizing, sharing, and
analyzing data through integrated data management, reporting, visualization,
and advanced analytics to discover patterns and other useful information that





- 1 will allow policymakers and State officials to make more informed
2 decisions. Business intelligence also includes both of the following:
- 3 a. Broad master data management capabilities such as data integration,
4 data quality and enrichment, data governance, and master data
5 management to collect, reference, and categorize information from
6 multiple sources.
- 7 b. Self-service query and reporting capabilities to provide timely,
8 relevant, and actionable information to business users delivered
9 through a variety of interfaces, devices, or applications based on their
10 specific roles and responsibilities.
- 11 (2) Data analytics. – Data analysis, including the ability to use the data for
12 assessment and extraction of policy-relevant information.
- 13 (3) Enterprise-level data analytics. – Standard analytics capabilities and services
14 leveraging data throughout all State agencies, departments, and institutions.
- 15 (b) Government Data Analytics Center. – The Government Data Analytics Center
16 (GDAC) is established in the Office of Information Technology Services.
- 17 (1) ~~GDAC established. – There is established in the Office of the State CIO the~~
18 ~~Government Data Analytics Center (GDAC).~~ Purpose. – The purpose of the
19 GDAC is to utilize public-private partnerships as part of a statewide data
20 integration and data-sharing initiative and to identify data integration and
21 business intelligence opportunities that will generate greater efficiencies in,
22 and improved service delivery by, State agencies, departments, and
23 institutions. The intent is not to replace transactional systems but to leverage
24 the data from those systems for enterprise-level State business intelligence.
25 The GDAC shall continue the work, purpose, and resources of the previous
26 data integration effort in the Office of the State Controller efforts and shall
27 otherwise advise and assist the State CIO in the management of the
28 initiative. The State CIO shall make any organizational changes necessary to
29 maximize the effectiveness and efficiency of the GDAC.
- 30 (2) ~~Powers and duties of the GDAC.~~ duties. – The State CIO shall, through the
31 GDAC, do all of the following:
- 32 a. Continue and coordinate ongoing enterprise data integration efforts,
33 including:
- 34 1. The deployment, support, technology improvements, and
35 expansion for the Criminal Justice Law Enforcement
36 Automated Data System (CJLEADS).
- 37 2. The pilot and subsequent phase initiative for the North
38 Carolina Financial Accountability and Compliance
39 Technology System (NCFACTS).
- 40 3. Individual-level student data and workforce data from all
41 levels of education and the State workforce.
- 42 4. ~~Other capabilities~~ capabilities as developed as part of the
43 initiative by the GDAC.
- 44 b. Identify technologies currently used in North Carolina that have the
45 capability to support the initiative.
- 46 c. Identify other technologies, especially those with unique ~~capabilities,~~
47 capabilities that are complementary to existing technology standards,
48 and that could support the State's business intelligence effort.
- 49 d. Compare capabilities and costs across State agencies.
- 50 e. Ensure implementation is properly supported across State agencies.



- 1 f. Ensure that data integration and sharing is performed in a manner
2 that preserves data privacy and security in transferring, storing, and
3 accessing data, as appropriate.
- 4 g. Immediately seek any waivers and enter into any written agreements
5 that may be required by State or federal law to effectuate data sharing
6 and to carry out the purposes of this section.
- 7 h. Coordinate data requirements and usage for State business
8 intelligence applications in a manner that (i) limits impacts on
9 participating State agencies as those agencies provide data and
10 business knowledge expertise and (ii) assists in defining business
11 rules so the data can be properly used.
- 12 i. Recommend the most cost-effective and reliable long-term hosting
13 solution for enterprise-level State business intelligence as well as
14 data integration, notwithstanding ~~Section 6A.2(f) of S.L.~~
15 ~~2011-145~~ any other provision of State law or regulation.
- 16 j. Utilize a common approach that establishes standards for business
17 intelligence initiatives for all State agencies and prevents the
18 development of projects that do not meet the established standards.
- 19 k. The creation of efficiencies in State government by ensuring that
20 State agencies use the GDAC for agency business intelligence
21 requirements.
- 22 (3) Application to State government. – The initiative shall include all State
23 agencies, departments, and institutions, including The University of North
24 Carolina, as follows:
- 25 a. All State agency business intelligence requirements, including any
26 planning or development efforts associated with creating business
27 intelligence capability, as well as any master data management
28 efforts, shall be implemented through the GDAC.
- 29 b. The Chief Justice of the North Carolina Supreme Court and the
30 Legislative Services Commission each shall designate an officer or
31 agency to advise and assist the State CIO with respect to
32 implementation of the initiative in their respective branches of
33 government. The judicial and legislative branches shall fully
34 cooperate in the initiative mandated by this section in the same
35 manner as is required of State agencies.
- 36 (4) Project management. – The State CIO, with the assistance of the Office of
37 State Budget and Management, shall identify potential funding sources for
38 expansion of existing projects or development of new projects. No GDAC
39 project shall be initiated, extended, or expanded:
- 40 a. Without the specific approval of the General Assembly, unless the
41 project can be implemented within funds appropriated for GDAC
42 projects.
- 43 b. Without prior consultation to the Joint Legislative Commission on
44 Governmental Operations and a report to the Joint Legislative
45 Oversight Committee on Information Technology if the project can
46 be implemented within funds appropriated for GDAC projects.
- 47 (e) Implementation of the Enterprise-Level Business Intelligence Initiative. –
- 48 (1) Phases of the initiative. – The initiative shall cycle through these phases on
49 an ongoing basis as follows:
- 50 a. Phase I requirements. – In the first phase, the State CIO through
51 GDAC shall:

1. ~~Inventory existing State agency business intelligence projects, both completed and under development.~~
 2. ~~Develop a plan of action that does all of the following:~~
 - I. ~~Defines the program requirements, objectives, and end state of the initiative.~~
 - II. ~~Prioritizes projects and stages of implementation in a detailed plan and benchmarked time line.~~
 - III. ~~Includes the effective coordination of all of the State's current data integration initiatives.~~
 - IV. ~~Utilizes a common approach that establishes standards for business intelligence initiatives for all State agencies and prevents the development of projects that do not meet the established standards.~~
 - V. ~~Determines costs associated with the development efforts and identifies potential sources of funding.~~
 - VI. ~~Includes a privacy framework for business intelligence consisting of adequate access controls and end user security requirements.~~
 - VII. ~~Estimates expected savings.~~
 3. ~~Inventory existing external data sources that are purchased by State agencies to determine whether consolidation of licenses is appropriate for the enterprise.~~
 4. ~~Determine whether current, ongoing projects support the enterprise level objectives.~~
 5. ~~Determine whether current applications are scalable or are applicable for multiple State agencies or both.~~
 - b. ~~Phase II requirements. In the second phase, the State CIO through the GDAC shall:~~
 1. ~~Identify redundancies and recommend to the General Assembly any projects that should be discontinued.~~
 2. ~~Determine where gaps exist in current or potential capabilities.~~
 - e. ~~Phase III requirements. In the third phase:~~
 1. ~~The State CIO through GDAC shall incorporate or consolidate existing projects, as appropriate.~~
 2. ~~The State CIO shall, notwithstanding G.S. 147-33.76 or any rules adopted pursuant thereto, eliminate redundant business intelligence projects, applications, software, and licensing.~~
 3. ~~The State CIO through GDAC shall complete all necessary steps to ensure data integration in a manner that adequately protects privacy.~~
- (2) ~~Project management. The State CIO shall ensure that all current and new business intelligence/data analytics projects are in compliance with all State laws, policies, and rules pertaining to information technology procurement, project management, and project funding and that they include quantifiable and verifiable savings to the State. The State CIO shall report to the Joint Legislative Oversight Committee on Information Technology on projects that are not achieving projected savings. The report shall include a proposed corrective action plan for the project.~~
- ~~The Office of the State CIO, with the assistance of the Office of State Budget and Management, shall identify potential funding sources for~~



expansion of existing projects or development of new projects. No GDAC project shall be initiated, extended, or expanded:

- a. ~~Without the specific approval of the General Assembly unless the project can be implemented within funds appropriated for GDAC projects.~~
- b. ~~Without prior consultation to the Joint Legislative Commission on Governmental Operations and a report to the Joint Legislative Oversight Committee on Information Technology if the project can be implemented within funds appropriated for GDAC projects.~~

(c) Data Sharing. –

(1) General duties of all State agencies. – Except as limited or prohibited by federal law, the head of each State agency, department, and institution shall do all of the following:

- a. Grant the State CIO and the GDAC access to all information required to develop and support State business intelligence applications pursuant to this section. The State CIO and the GDAC shall take all necessary actions and precautions, including training, certifications, background checks, and governance policy and procedure, to ensure the security, integrity, and privacy of the data in accordance with State and federal law and as may be required by contract.
- b. Provide complete information on the State agency's information technology, operational, and security requirements.
- c. Provide information on all of the State agency's information technology activities relevant to the State business intelligence effort.
- d. Forecast the State agency's projected future business intelligence information technology needs and capabilities.
- e. Ensure that the State agency's future information technology initiatives coordinate efforts with the GDAC to include planning and development of data interfaces to incorporate data into the initiative and to ensure the ability to leverage analytics capabilities.
- f. Provide technical and business resources to participate in the initiative by providing, upon request and in a timely and responsive manner, complete and accurate data, business rules and policies, and support.
- g. Identify potential resources for deploying business intelligence in their respective State agencies and as part of the enterprise-level effort.
- h. Immediately seek any waivers and enter into any written agreements that may be required by State or federal law to effectuate data sharing and to carry out the purposes of this section, as appropriate.

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

- a. The North Carolina Industrial Commission shall release to the GDAC, or otherwise provide electronic access to, all data requested by the GDAC relating to workers' compensation insurance coverage, claims, appeals, compliance, and enforcement under Chapter 97 of the General Statutes.
- b. The North Carolina Rate Bureau (Bureau) shall release to the GDAC, or otherwise provide electronic access to, all data requested by the



- GDAC relating to workers' compensation insurance coverage, claims, business ratings, and premiums under Chapter 58 of the General Statutes. The Bureau shall be immune from civil liability for releasing information pursuant to this subsection, even if the information is erroneous, provided the Bureau acted in good faith and without malicious or willful intent to harm in releasing the information.
- c. The Department of Commerce, Division of Employment Security (DES), shall release to the GDAC, or otherwise provide access to, all data requested by the GDAC relating to unemployment insurance coverage, claims, and business reporting under Chapter 96 of the General Statutes.
- d. The Department of Labor shall release to the GDAC, or otherwise provide access to, all data requested by the GDAC relating to safety inspections, wage and hour complaints, and enforcement activities under Chapter 95 of the General Statutes.
- e. The Department of Revenue shall release to the GDAC, or otherwise provide access to, all data requested by the GDAC relating to the registration and address information of active businesses, business tax reporting, and aggregate federal tax Form 1099 data for comparison with information from DES, the Rate Bureau, and the Department of the Secretary of State for the evaluation of business reporting. Additionally, the Department of Revenue shall furnish to the GDAC, upon request, other tax information, provided that the information furnished does not impair or violate any information-sharing agreements between the Department and the United States Internal Revenue Service. Notwithstanding any other provision of law, a determination of whether furnishing the information requested by the GDAC would impair or violate any information-sharing agreements between the Department of Revenue and the United States Internal Revenue Service shall be within the sole discretion of the State Chief Information Officer. The Department of Revenue and the Office of the State CIO shall work jointly to assure that the evaluation of tax information pursuant to this sub-subdivision is performed in accordance with applicable federal law.
- (3) All information shared with the GDAC and the State CIO under this subsection is protected from release and disclosure in the same manner as any other information is protected under this subsection.
- (d) Provisions on Privacy and Confidentiality of Information. –
- (1) Status with respect to certain information. – The State CIO and the GDAC shall be deemed to be all of the following for the purposes of this section:
- a. With respect to criminal information, and to the extent allowed by federal law, a criminal justice agency (CJA), as defined under Criminal Justice Information Services (CJIS) Security Policy. The State CJIS Systems Agency (CSA) shall ensure that CJLEADS receives access to federal criminal information deemed to be essential in managing CJLEADS to support criminal justice professionals.



- 1 b. With respect to health information covered under the Health
2 Insurance Portability and Accountability Act of 1996 (HIPAA), as
3 amended, and to the extent allowed by federal law:
4 1. A business associate with access to protected health
5 information acting on behalf of the State's covered entities in
6 support of data integration, analysis, and business
7 intelligence.
8 2. Authorized to access and view individually identifiable health
9 information, provided that the access is essential to the
10 enterprise fraud, waste, and improper payment detection
11 program or required for future initiatives having specific
12 definable need for such data.
13 c. Authorized to access all State and federal data, including revenue and
14 labor information, deemed to be essential to the enterprise fraud,
15 waste, and improper payment detection program or future initiatives
16 having specific definable need for the data.
17 d. Authorized to develop agreements with the federal government to
18 access data deemed to be essential to the enterprise fraud, waste, and
19 improper payment detection program or future initiatives having
20 specific definable need for such data.
21 (2) Release of information. – The following limitations apply to (i) the release
22 of information compiled as part of the initiative, (ii) data from State agencies
23 that is incorporated into the initiative, and (iii) data released as part of the
24 implementation of the initiative:
25 a. Information compiled as part of the initiative. – Notwithstanding the
26 provisions of Chapter 132 of the General Statutes, information
27 compiled by the State CIO and the GDAC related to the initiative
28 may be released as a public record only if the State CIO, in that
29 officer's sole discretion, finds that the release of information is in the
30 best interest of the general public and is not in violation of law or
31 contract.
32 b. Data from State agencies. – Any data that is not classified as a public
33 record under G.S. 132-1 shall not be deemed a public record when
34 incorporated into the data resources comprising the initiative. To
35 maintain confidentiality requirements attached to the information
36 provided to the State CIO and the GDAC, each source agency
37 providing data shall be the sole custodian of the data for the purpose
38 of any request for inspection or copies of the data under Chapter 132
39 of the General Statutes.
40 c. Data released as part of implementation. – Information released to
41 persons engaged in implementing the State's business intelligence
42 strategy under this section that is used for purposes other than official
43 State business is not a public record pursuant to Chapter 132 of the
44 General Statutes.
45 d. Data from North Carolina Rate Bureau. – Notwithstanding any other
46 provision of this section, any data released by or obtained from the
47 North Carolina Rate Bureau under this initiative relating to workers'
48 compensation insurance claims, business ratings, or premiums are
49 not public records, and public disclosure of such data, in whole or in
50 part, by the GDAC or State CIO, or by any State agency, is
51 prohibited.

~~(d)(e)~~ Funding. – The Office of ~~the State CIO, Information Technology Services,~~ with the support of the Office of State Budget and Management, shall identify and make all efforts to secure any matching funds or other resources to assist in funding ~~this initiative, the GDAC.~~ Savings resulting from the cancellation of projects, software, and licensing, as well as any other savings from the ~~initiative, utilization of the GDAC,~~ shall be returned to the General Fund and shall remain unexpended and unencumbered until appropriated by the General Assembly in a subsequent fiscal year. It is the intent of the General Assembly that expansion of the ~~initiative~~ GDAC in subsequent fiscal years be funded with these savings and that the General Assembly appropriate funds for projects in accordance with the priorities identified by the ~~Office of the State CIO in Phase I of the initiative, CIO.~~

~~(d1)~~ Repealed by Session Laws 2014-100, s. 7.6(a), effective July 1, 2014.

~~(e)(f)~~ Reporting. – The ~~Office of the State CIO~~ shall:

- (1) Submit and present quarterly reports on ~~implementation of Phase I of the initiative and the plan developed as part of that phase~~ the activities described in this section to the Chairs of the House of Representatives Appropriations and Senate Base Budget/Appropriations Committees, to the Joint Legislative Oversight Committee on Information Technology, and to the Fiscal Research Division of the General Assembly. ~~The State CIO shall submit a report prior to implementing any improvements, expending funding for expansion of existing business intelligence efforts, or establishing other projects as a result of its evaluations, and quarterly thereafter, a written report detailing progress on, and identifying any issues associated with, State business intelligence efforts.~~

- (2) Report the following information ~~as needed~~ upon its occurrence or as requested:

- a. Any failure of a State agency to provide information requested pursuant to this section. The failure shall be reported to the Joint Legislative Oversight Committee on Information Technology and to the Chairs of the House of Representatives Appropriations and Senate Base Budget/Appropriations Committees.
- b. Any additional information to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Oversight Committee on Information Technology that is requested by those entities.
- c. The State CIO shall report to the Joint Legislative Oversight Committee on Information Technology on projects that are not achieving projected savings. The report shall include a proposed corrective action plan for the project.

~~(f)~~ Data Sharing. –

- (1) ~~General duties of all State agencies. – Except as limited or prohibited by federal law, the head of each State agency, department, and institution shall do all of the following:~~

- a. ~~Grant the Office of the State CIO access to all information required to develop and support State business intelligence applications pursuant to this section. The State CIO and the GDAC shall take all necessary actions and precautions, including training, certifications, background checks, and governance policy and procedure, to ensure the security, integrity, and privacy of the data in accordance with State and federal law and as may be required by contract.~~
- b. ~~Provide complete information on the State agency's information technology, operational, and security requirements.~~



- e. ~~Provide information on all of the State agency's information technology activities relevant to the State business intelligence effort.~~
 - d. ~~Forecast the State agency's projected future business intelligence information technology needs and capabilities.~~
 - e. ~~Ensure that the State agency's future information technology initiatives coordinate efforts with the GDAC to include planning and development of data interfaces to incorporate data into the initiative and to ensure the ability to leverage analytics capabilities.~~
 - f. ~~Provide technical and business resources to participate in the initiative by providing, upon request and in a timely and responsive manner, complete and accurate data, business rules and policies, and support.~~
 - g. ~~Identify potential resources for deploying business intelligence in their respective State agencies and as part of the enterprise-level effort.~~
 - h. ~~Immediately seek any waivers and enter into any written agreements that may be required by State or federal law to effectuate data sharing and to carry out the purposes of this section, as appropriate.~~
- (2) ~~Specific requirements. The State CIO and the GDAC shall enhance the State's business intelligence through the collection and analysis of data relating to workers' compensation claims for the purpose of preventing and detecting fraud, as follows:~~
- a. ~~The North Carolina Industrial Commission shall release to GDAC, or otherwise provide electronic access to, all data requested by GDAC relating to workers' compensation insurance coverage, claims, appeals, compliance, and enforcement under Chapter 97 of the General Statutes.~~
 - b. ~~The North Carolina Rate Bureau (Bureau) shall release to GDAC, or otherwise provide electronic access to, all data requested by GDAC relating to workers' compensation insurance coverage, claims, business ratings, and premiums under Chapter 58 of the General Statutes. The Bureau shall be immune from civil liability for releasing information pursuant to this subsection, even if the information is erroneous, provided the Bureau acted in good faith and without malicious or willful intent to harm in releasing the information.~~
 - e. ~~The Department of Commerce, Division of Employment Security (DES), shall release to GDAC, or otherwise provide access to, all data requested by GDAC relating to unemployment insurance coverage, claims, and business reporting under Chapter 96 of the General Statutes.~~
 - d. ~~The Department of Labor shall release to GDAC, or otherwise provide access to, all data requested by GDAC relating to safety inspections, wage and hour complaints, and enforcement activities under Chapter 95 of the General Statutes.~~
 - e. ~~The Department of Revenue shall release to GDAC, or otherwise provide access to, all data requested by GDAC relating to the registration and address information of active businesses, business tax reporting, and aggregate federal tax Form 1099 data for comparison with information from DES, the Rate Bureau, and the Department of the Secretary of State for the evaluation of business~~

reporting. Additionally, the Department of Revenue shall furnish to the GDAC, upon request, other tax information, provided that the information furnished does not impair or violate any information-sharing agreements between the Department and the United States Internal Revenue Service. Notwithstanding any other provision of law, a determination of whether furnishing the information requested by GDAC would impair or violate any information-sharing agreements between the Department of Revenue and the United States Internal Revenue Service shall be within the sole discretion of the State Chief Information Officer. The Department of Revenue and the Office of the State CIO shall work jointly to assure that the evaluation of tax information pursuant to this subdivision is performed in accordance with applicable federal law.

- (3) All information shared with GDAC and the State CIO under this subdivision is protected from release and disclosure in the same manner as any other information is protected under this section.

(g) Provisions on Privacy and Confidentiality of Information.

- (1) Status with respect to certain information. The State CIO and the GDAC shall be deemed to be all of the following for the purposes of this section:

a. With respect to criminal information, and to the extent allowed by federal law, a criminal justice agency (CJA), as defined under Criminal Justice Information Services (CJIS) Security Policy. The State CJIS Systems Agency (CSA) shall ensure that CJLEADS receives access to federal criminal information deemed to be essential in managing CJLEADS to support criminal justice professionals.

b. With respect to health information covered under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and to the extent allowed by federal law:

1. A business associate with access to protected health information acting on behalf of the State's covered entities in support of data integration, analysis, and business intelligence.

2. Authorized to access and view individually identifiable health information, provided that the access is essential to the enterprise fraud, waste, and improper payment detection program or required for future initiatives having specific definable need for the data.

c. Authorized to access all State and federal data, including revenue and labor information, deemed to be essential to the enterprise fraud, waste, and improper payment detection program or future initiatives having specific definable need for the data.

d. Authorized to develop agreements with the federal government to access data deemed to be essential to the enterprise fraud, waste, and improper payment detection program or future initiatives having specific definable need for such data.

- (2) Release of information. The following limitations apply to (i) the release of information compiled as part of the initiative, (ii) data from State agencies that is incorporated into the initiative, and (iii) data released as part of the implementation of the initiative:

- a. ~~Information compiled as part of the initiative. Notwithstanding the provisions of Chapter 132 of the General Statutes, information compiled by the State CIO and the GDAC related to the initiative may be released as a public record only if the State CIO, in that officer's sole discretion, finds that the release of information is in the best interest of the general public and is not in violation of law or contract.~~
- b. ~~Data from State agencies. Any data that is not classified as a public record under G.S. 132-1 shall not be deemed a public record when incorporated into the data resources comprising the initiative. To maintain confidentiality requirements attached to the information provided to the State CIO and GDAC, each source agency providing data shall be the sole custodian of the data for the purpose of any request for inspection or copies of the data under Chapter 132 of the General Statutes.~~
- c. ~~Data released as part of implementation. Information released to persons engaged in implementing the State's business intelligence strategy under this section that is used for purposes other than official State business is not a public record pursuant to Chapter 132 of the General Statutes.~~
- d. ~~Data from North Carolina Rate Bureau. Notwithstanding any other provision of this section, any data released by or obtained from the North Carolina Rate Bureau under this initiative relating to workers' compensation insurance claims, business ratings, or premiums are not public records and public disclosure of such data, in whole or in part, by the GDAC or State CIO, or by any State agency, is prohibited.~~

(h) ~~Definition/Additional Requirements. For the purposes of this section, the term "business intelligence (BI)" means the process of collecting, organizing, sharing, and analyzing data through integrated data management, reporting, visualization, and advanced analytics to discover patterns and other useful information that will allow policymakers and State officials to make more informed decisions. The term also includes (i) broad master data management capabilities such as data integration, data quality and enrichment, data governance, and master data management to collect, reference, and categorize information from multiple sources and (ii) self-service query and reporting capabilities to provide timely, relevant, and actionable information to business users delivered through a variety of interfaces, devices, or applications based on their specific roles and responsibilities. All State agency business intelligence requirements, including any planning or development efforts associated with creating BI capability, as well as any master data management efforts, shall be implemented through GDAC. The State Chief Information Officer shall ensure that State agencies use the GDAC for agency business intelligence requirements."~~

SECTION 2. G.S. 20-7(b2)(6) reads as rewritten:

"(6) To the Office of the State Chief Information Officer for the purposes of G.S. 143B-426.38A-G.S. 147-33.77A."

SECTION 3. G.S. 20-43(a) reads as rewritten:

"(a) All records of the Division, other than those declared by law to be confidential for the use of the Division, shall be open to public inspection during office hours in accordance with G.S. 20-43.1. A signature recorded in any format by the Division for a drivers license or a special identification card is confidential and shall not be released except for law enforcement purposes. A photographic image recorded in any format by the Division for a drivers license or a special identification card is confidential and shall not be released except for law enforcement



1 purposes or to the ~~Office of the~~ State Chief Information Officer for the purposes of
2 ~~G.S. 143B-426.38A; G.S. 147-33.77A.~~"

3 **SECTION 4.** G.S. 105-259(b)(45) reads as rewritten:

4 "(45) To furnish tax information to the ~~Office of the~~ State Chief Information
5 Officer under ~~G.S. 143B-426.38A; G.S. 147-33.77A.~~ The use and reporting of
6 individual data may be restricted to only those activities specifically allowed
7 by law when potential fraud or other illegal activity is indicated."

8 **SECTION 5.** The Revisor of Statutes shall substitute statute number
9 "G.S. 147-33.77A" for statute number "G.S. 143B-426.38A" wherever it appears in the General
10 Statutes.

11 **SECTION 6.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

D

SENATE BILL 560
PROPOSED COMMITTEE SUBSTITUTE S560-CSSA-34 [v.3]

4/21/2015 8:41:39 PM

Short Title: GDAC Amendments.

(Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED
AN ACT TO RECODIFY, REORGANIZE, AND CLARIFY THE PROVISIONS OF THE
GOVERNMENT DATA ANALYTICS CENTER STATUTE AND TO AMEND THE
LAW TO GENERATE GREATER EFFICIENCIES IN, AND IMPROVED SERVICE
DELIVERY BY, STATE AGENCIES, DEPARTMENTS, AND INSTITUTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-426.38A is recodified as G.S. 147-33.77A and reads as
rewritten:

"§ 147-33.77A. Government Data Analytics Center; ~~State data-sharing~~
requirements.Center.

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

(1) ~~Creation of initiative.~~ In carrying out the purposes of this section, the
Office of the State Chief Information Officer (CIO) shall conduct an
ongoing, comprehensive evaluation of State data analytics projects and plans
in order to identify data integration and business intelligence opportunities
that will generate greater efficiencies in, and improved service delivery by,
State agencies, departments, and institutions. The State CIO shall continue to
utilize public private partnerships and existing data integration and analytics
contracts and licenses as appropriate to continue the implementation of the
initiative.

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

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

Definitions. – The following definitions apply in this section:

(1) Business intelligence. – The process of collecting, organizing, sharing, and
analyzing data through integrated data management, reporting, visualization.





- and advanced analytics to discover patterns and other useful information that will allow policymakers and State officials to make more informed decisions. Business intelligence also includes both of the following:
- a. Broad master data management capabilities such as data integration, data quality and enrichment, data governance, and master data management to collect, reference, and categorize information from multiple sources.
 - b. Self-service query and reporting capabilities to provide timely, relevant, and actionable information to business users delivered through a variety of interfaces, devices, or applications based on their specific roles and responsibilities.
- (2) Data analytics. – Data analysis, including the ability to use the data for assessment and extraction of policy-relevant information.
 - (3) Enterprise-level data analytics. – Standard analytics capabilities and services leveraging data throughout all State agencies, departments, and institutions.
 - (4) Operationalize. – The implementation process whereby a state agency, department, or institution integrates analytical output into current business processes and systems in order to improve operational efficiency and decision-making.
- (b) Government Data Analytics Center. – The Government Data Analytics Center (GDAC) is established in the Office of Information Technology Services.
- (1) GDAC established. – There is established in the Office of the State CIO the Government Data Analytics Center (GDAC). Purpose. – The purpose of the GDAC is to utilize public-private partnerships as part of a statewide data integration and data-sharing initiative and to identify data integration and business intelligence opportunities that will generate greater efficiencies in, and improved service delivery by, State agencies, departments, and institutions. The intent is not to replace transactional systems but to leverage the data from those systems for enterprise-level State business intelligence. The GDAC shall continue the work, purpose, and resources of the previous data integration effort in the Office of the State Controller efforts and shall otherwise advise and assist the State CIO in the management of the initiative. The State CIO shall make any organizational changes necessary to maximize the effectiveness and efficiency of the GDAC.
 - (2) Public-private partnerships. – The State CIO shall continue to utilize public-private partnerships and existing data integration and analytics contracts and licenses as appropriate to continue the implementation of the initiative. Private entities that partner with the State shall make appropriate contributions of funds or resources, including but not limited to, knowledge transfer and education activities, software licensing, hardware and technical infrastructure resources, personnel resources, and such other appropriate resources as agreed upon by the parties.
 - (2)(3) Powers and duties of the GDAC duties. – The State CIO shall, through the GDAC, do all of the following:
 - a. Continue Manage and coordinate ongoing enterprise data integration efforts, including:
 1. The deployment, support, technology improvements, and expansion for of the Criminal Justice Law Enforcement Automated Data System (CJLEADS) and related intelligence-based public safety initiatives.



2. ~~The pilot and subsequent phase initiative for deployment, support, technology improvements, and expansion of the North Carolina Financial Accountability and Compliance Technology System (NCFACTS).~~ (NCFACTS) in order to collect data that will create efficiencies and detect fraud, waste, and abuse across State government.
 3. The development, deployment, support, technology improvements, and expansion of the GDAC Enterprise Solutions.
 - 3.4. Individual-level student data and workforce data from all levels of education and the State workforce.
 5. The integration of all available financial data to support more comprehensive State budget and financial analyses.
 - 4.6. ~~Other capabilities~~ capabilities as developed as part of the initiative by the GDAC.
- b. Identify technologies currently used in North Carolina that have the capability to support the initiative.
 - c. Identify other technologies, especially those with unique ~~capabilities~~, capabilities that are complementary to existing GDAC analytic solutions that could support the State's business intelligence effort.
 - d. Compare capabilities and costs across State agencies.
 - e. Ensure implementation is properly supported across State agencies.
 - f. Ensure that data integration and sharing is performed in a manner that preserves data privacy and security in transferring, storing, and accessing data, as appropriate.
 - g. Immediately seek any waivers and enter into any written agreements that may be required by State or federal law to effectuate data sharing and to carry out the purposes of this section.
 - h. Coordinate data requirements and usage for State business intelligence applications in a manner that (i) limits impacts on participating State agencies as those agencies provide data and business knowledge ~~expertise and expertise~~, (ii) assists in defining business rules so the data can be properly ~~used~~, used, and (iii) ensures participating State agencies operationalize analytics and report outcomes.
 - i. Recommend the most cost-effective and reliable long-term hosting solution for enterprise-level State business intelligence as well as data integration, notwithstanding ~~Section 6A.2(f) of S.L. 2011-145~~ any other provision of State law or regulation.
 - j. Utilize a common approach that establishes standards for business intelligence initiatives for all State agencies and prevents the development of projects that do not meet the established standards.
 - k. Create efficiencies in State government by ensuring that State agencies use the GDAC for agency business intelligence requirements.
 - l. Assist State agencies in developing requirements for the integration or creation of an interface with State agencies' workflow processes and transactional systems to operationalize GDAC analytic solutions.
 - m. Establish clear metrics and definitions with participating State agencies for reporting outcomes for each GDAC project.



- 1 n. Evaluate State agency business intelligence projects to determine the
2 feasibility of integrating analytics and reporting with the GDAC and
3 to determine what GDAC services may support the projects.
- 4 (4) Application to State government. – The initiative shall include all State
5 agencies, departments, and institutions, including The University of North
6 Carolina, as follows:
- 7 a. All State agency business intelligence requirements, including any
8 planning or development efforts associated with creating business
9 intelligence capability, as well as any master data management
10 efforts, shall be implemented through the GDAC.
- 11 b. The Chief Justice of the North Carolina Supreme Court and the
12 Legislative Services Commission each shall designate an officer or
13 agency to advise and assist the State CIO with respect to
14 implementation of the initiative in their respective branches of
15 government. The judicial and legislative branches shall fully
16 cooperate in the initiative mandated by this section in the same
17 manner as is required of State agencies.
- 18 (5) Project management. – The State CIO and State agencies, with the assistance
19 of the Office of State Budget and Management, shall identify potential
20 funding sources for expansion of existing projects or development of new
21 projects. No GDAC project shall be initiated, extended, or expanded:
- 22 a. Without the specific approval of the General Assembly, unless the
23 project can be implemented within funds appropriated for GDAC
24 projects.
- 25 b. Without prior consultation to the Joint Legislative Commission on
26 Governmental Operations and a report to the Joint Legislative
27 Oversight Committee on Information Technology if the project can
28 be implemented within funds appropriated for GDAC projects.
- 29 (c) Implementation of the Enterprise Level Business Intelligence Initiative. –
- 30 (1) Phases of the initiative. – The initiative shall cycle through these phases on
31 an ongoing basis as follows:
- 32 a. Phase I requirements. – In the first phase, the State CIO through
33 GDAC shall:
- 34 1. Inventory existing State agency business intelligence projects,
35 both completed and under development.
- 36 2. Develop a plan of action that does all of the following:
- 37 I. Defines the program requirements, objectives, and end
38 state of the initiative.
- 39 II. Prioritizes projects and stages of implementation in a
40 detailed plan and benchmarked time line.
- 41 III. Includes the effective coordination of all of the State's
42 current data integration initiatives.
- 43 IV. Utilizes a common approach that establishes standards
44 for business intelligence initiatives for all State
45 agencies and prevents the development of projects
46 that do not meet the established standards.
- 47 V. Determines costs associated with the development
48 efforts and identifies potential sources of funding.
- 49 VI. Includes a privacy framework for business
50 intelligence consisting of adequate access controls and
51 end user security requirements.



- VII. ~~Estimates expected savings.~~
3. ~~Inventory existing external data sources that are purchased by State agencies to determine whether consolidation of licenses is appropriate for the enterprise.~~
4. ~~Determine whether current, ongoing projects support the enterprise-level objectives.~~
5. ~~Determine whether current applications are scalable or are applicable for multiple State agencies or both.~~
- b. ~~Phase II requirements. — In the second phase, the State CIO through the GDAC shall:~~
1. ~~Identify redundancies and recommend to the General Assembly any projects that should be discontinued.~~
2. ~~Determine where gaps exist in current or potential capabilities.~~
- e. ~~Phase III requirements. — In the third phase:~~
1. ~~The State CIO through GDAC shall incorporate or consolidate existing projects, as appropriate.~~
2. ~~The State CIO shall, notwithstanding G.S. 147-33.76 or any rules adopted pursuant thereto, eliminate redundant business intelligence projects, applications, software, and licensing.~~
3. ~~The State CIO through GDAC shall complete all necessary steps to ensure data integration in a manner that adequately protects privacy.~~
- (2) ~~Project management. — The State CIO shall ensure that all current and new business intelligence/data analytics projects are in compliance with all State laws, policies, and rules pertaining to information technology procurement, project management, and project funding and that they include quantifiable and verifiable savings to the State. The State CIO shall report to the Joint Legislative Oversight Committee on Information Technology on projects that are not achieving projected savings. The report shall include a proposed corrective action plan for the project.~~
- ~~The Office of the State CIO, with the assistance of the Office of State Budget and Management, shall identify potential funding sources for expansion of existing projects or development of new projects. No GDAC project shall be initiated, extended, or expanded:~~
- a. ~~Without the specific approval of the General Assembly unless the project can be implemented within funds appropriated for GDAC projects.~~
- b. ~~Without prior consultation to the Joint Legislative Commission on Governmental Operations and a report to the Joint Legislative Oversight Committee on Information Technology if the project can be implemented within funds appropriated for GDAC projects.~~

Data Sharing. —

- (1) General duties of all State agencies. — Except as limited or prohibited by federal law, the head of each State agency, department, and institution shall do all of the following:
- a. Grant the State CIO and the GDAC access to all information required to develop and support State business intelligence applications pursuant to this section. The State CIO and the GDAC shall take all necessary actions and precautions, including training, certifications, background checks, and governance policy and procedure, to ensure



- the security, integrity, and privacy of the data in accordance with State and federal law and as may be required by contract.
- b. Provide complete information on the State agency's information technology, operational, and security requirements.
 - c. Provide information on all of the State agency's information technology activities relevant to the State business intelligence effort.
 - d. Forecast the State agency's projected future business intelligence information technology needs and capabilities.
 - e. Ensure that the State agency's future information technology initiatives coordinate efforts with the GDAC to include planning and development of data interfaces to incorporate data into the initiative and to ensure the ability to leverage analytics capabilities.
 - f. Provide technical and business resources to participate in the initiative by providing, upon request and in a timely and responsive manner, complete and accurate data, business rules and policies, and support.
 - g. Identify potential resources for deploying business intelligence in their respective State agencies and as part of the enterprise-level effort.
 - h. Immediately seek any waivers and enter into any written agreements that may be required by State or federal law to effectuate data sharing and to carry out the purposes of this section, as appropriate.

(2) Specific agency requirements. – The following agency-specific requirements are designed to illustrate but not limit the type and extent of data and information required to be released under subdivision (1) of this subsection:

- a. The North Carolina Industrial Commission shall release to the GDAC, or otherwise provide electronic access to, all data requested by the GDAC relating to workers' compensation insurance coverage, claims, appeals, compliance, and enforcement under Chapter 97 of the General Statutes.
- b. The North Carolina Rate Bureau (Bureau) shall release to the GDAC, or otherwise provide electronic access to, all data requested by the GDAC relating to workers' compensation insurance coverage, claims, business ratings, and premiums under Chapter 58 of the General Statutes. The Bureau shall be immune from civil liability for releasing information pursuant to this subsection, even if the information is erroneous, provided the Bureau acted in good faith and without malicious or willful intent to harm in releasing the information.
- c. The Department of Commerce, Division of Employment Security (DES), shall release to the GDAC, or otherwise provide access to, all data requested by the GDAC relating to unemployment insurance coverage, claims, and business reporting under Chapter 96 of the General Statutes.
- d. The Department of Labor shall release to the GDAC, or otherwise provide access to, all data requested by the GDAC relating to safety inspections, wage and hour complaints, and enforcement activities under Chapter 95 of the General Statutes.
- e. The Department of Revenue shall release to the GDAC, or otherwise provide access to, all data requested by the GDAC relating to the registration and address information of active businesses, business



1 tax reporting, and aggregate federal tax Form 1099 data for
2 comparison with information from DES, the Rate Bureau, and the
3 Department of the Secretary of State for the evaluation of business
4 reporting. Additionally, the Department of Revenue shall furnish to
5 the GDAC, upon request, other tax information, provided that the
6 information furnished does not impair or violate any
7 information-sharing agreements between the Department and the
8 United States Internal Revenue Service. Notwithstanding any other
9 provision of law, a determination of whether furnishing the
10 information requested by the GDAC would impair or violate any
11 information-sharing agreements between the Department of Revenue
12 and the United States Internal Revenue Service shall be within the
13 sole discretion of the State Chief Information Officer. The
14 Department of Revenue and the Office of the State CIO shall work
15 jointly to assure that the evaluation of tax information pursuant to
16 this sub-subdivision is performed in accordance with applicable
17 federal law.

18 (3) All information shared with the GDAC and the State CIO under this
19 subsection is protected from release and disclosure in the same manner as
20 any other information is protected under this subsection.

21 (d) Provisions on Privacy and Confidentiality of Information. –

22 (1) Status with respect to certain information. – The State CIO and the GDAC
23 shall be deemed to be all of the following for the purposes of this section:

24 a. With respect to criminal information, and to the extent allowed by
25 federal law, a criminal justice agency (CJA), as defined under
26 Criminal Justice Information Services (CJIS) Security Policy. The
27 State CJIS Systems Agency (CSA) shall ensure that CJLEADS
28 receives access to federal criminal information deemed to be
29 essential in managing CJLEADS to support criminal justice
30 professionals.

31 b. With respect to health information covered under the Health
32 Insurance Portability and Accountability Act of 1996 (HIPAA), as
33 amended, and to the extent allowed by federal law:

34 1. A business associate with access to protected health
35 information acting on behalf of the State's covered entities in
36 support of data integration, analysis, and business
37 intelligence.

38 2. Authorized to access and view individually identifiable health
39 information, provided that the access is essential to the
40 enterprise fraud, waste, and improper payment detection
41 program or required for future initiatives having specific
42 definable need for such data.

43 c. Authorized to access all State and federal data, including revenue and
44 labor information, deemed to be essential to the enterprise fraud,
45 waste, and improper payment detection program or future initiatives
46 having specific definable need for the data.

47 d. Authorized to develop agreements with the federal government to
48 access data deemed to be essential to the enterprise fraud, waste, and
49 improper payment detection program or future initiatives having
50 specific definable need for such data.



(2) Release of information. – The following limitations apply to (i) the release of information compiled as part of the initiative, (ii) data from State agencies that is incorporated into the initiative, and (iii) data released as part of the implementation of the initiative:

a. Information compiled as part of the initiative. – Notwithstanding the provisions of Chapter 132 of the General Statutes, information compiled by the State CIO and the GDAC related to the initiative may be released as a public record only if the State CIO, in that officer's sole discretion, finds that the release of information is in the best interest of the general public and is not in violation of law or contract.

b. Data from State agencies. – Any data that is not classified as a public record under G.S. 132-1 shall not be deemed a public record when incorporated into the data resources comprising the initiative. To maintain confidentiality requirements attached to the information provided to the State CIO and the GDAC, each source agency providing data shall be the sole custodian of the data for the purpose of any request for inspection or copies of the data under Chapter 132 of the General Statutes.

c. Data released as part of implementation. – Information released to persons engaged in implementing the State's business intelligence strategy under this section that is used for purposes other than official State business is not a public record pursuant to Chapter 132 of the General Statutes.

d. Data from North Carolina Rate Bureau. – Notwithstanding any other provision of this section, any data released by or obtained from the North Carolina Rate Bureau under this initiative relating to workers' compensation insurance claims, business ratings, or premiums are not public records, and public disclosure of such data, in whole or in part, by the GDAC or State CIO, or by any State agency, is prohibited.

~~(d)(e)~~ Funding. – The Office of the State CIO, Information Technology Services, with the support of the Office of State Budget and Management, shall identify and make all efforts to secure any matching funds or other resources to assist in funding this initiative. The GDAC Savings resulting from the cancellation of projects, software, and licensing, as well as any other savings from the initiative, utilization of the GDAC, shall be returned to the General Fund and shall remain unexpended and unencumbered until appropriated by the General Assembly in a subsequent fiscal year. It is the intent of the General Assembly that expansion of the initiative GDAC in subsequent fiscal years be funded with these savings and that the General Assembly appropriate funds for projects in accordance with the priorities identified by the Office of the State CIO in Phase I of the initiative. CIO.

~~(e)(f)~~ Reporting. – The Office of the State CIO shall:

(1) Submit and present quarterly reports on implementation of Phase I of the initiative and the plan developed as part of that phase. On or before March 1 of each year, submit and present a report on the activities described in this section to the Chairs of the House of Representatives Appropriations and Senate Base Budget/Appropriations Committees, to the Joint Legislative Oversight Committee on Information Technology, and to the Fiscal Research Division of the General Assembly. The State CIO shall submit a report prior to implementing any improvements, expending funding for expansion of existing business intelligence efforts, or establishing other

projects as a result of its evaluations, and quarterly thereafter, a written report detailing progress on, and identifying any issues associated with, State business intelligence efforts. The report shall include the following:

- a. A description of project funding and expenditures, cost savings, cost avoidance, efficiency gains, process improvements, and major accomplishments. Cost savings and cost avoidance shall include immediate monetary impacts as well as on-going projections.
- b. A description of the contribution of funds or resources by those private entities which are participating in public-private partnerships under this section, including but not limited to, knowledge transfer and education activities, software licensing, hardware and technical infrastructure resources, personnel resources, and such other resources as agreed upon by the State and the private entity.

(2) Report the following information ~~as needed~~ upon its occurrence or as requested:

- a. Any failure of a State agency to provide information requested pursuant to this section. The failure shall be reported to the Joint Legislative Oversight Committee on Information Technology and to the Chairs of the House of Representatives Appropriations and Senate Base Budget/Appropriations Committees.
- b. Any additional information to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Oversight Committee on Information Technology that is requested by those entities.

(f) ~~Data Sharing.~~

(1) ~~General duties of all State agencies. Except as limited or prohibited by federal law, the head of each State agency, department, and institution shall do all of the following:~~

- a. ~~Grant the Office of the State CIO access to all information required to develop and support State business intelligence applications pursuant to this section. The State CIO and the GDAC shall take all necessary actions and precautions, including training, certifications, background checks, and governance policy and procedure, to ensure the security, integrity, and privacy of the data in accordance with State and federal law and as may be required by contract.~~
- b. ~~Provide complete information on the State agency's information technology, operational, and security requirements.~~
- c. ~~Provide information on all of the State agency's information technology activities relevant to the State business intelligence effort.~~
- d. ~~Forecast the State agency's projected future business intelligence information technology needs and capabilities.~~
- e. ~~Ensure that the State agency's future information technology initiatives coordinate efforts with the GDAC to include planning and development of data interfaces to incorporate data into the initiative and to ensure the ability to leverage analytics capabilities.~~
- f. ~~Provide technical and business resources to participate in the initiative by providing, upon request and in a timely and responsive manner, complete and accurate data, business rules and policies, and support.~~



- 1 g. ~~Identify potential resources for deploying business intelligence in~~
2 ~~their respective State agencies and as part of the enterprise-level~~
3 ~~effort.~~
- 4 h. ~~Immediately seek any waivers and enter into any written agreements~~
5 ~~that may be required by State or federal law to effectuate data sharing~~
6 ~~and to carry out the purposes of this section, as appropriate.~~
- 7 (2) ~~Specific requirements. The State CIO and the GDAC shall enhance the~~
8 ~~State's business intelligence through the collection and analysis of data~~
9 ~~relating to workers' compensation claims for the purpose of preventing and~~
10 ~~detecting fraud, as follows:~~
- 11 a. ~~The North Carolina Industrial Commission shall release to GDAC, or~~
12 ~~otherwise provide electronic access to, all data requested by GDAC~~
13 ~~relating to workers' compensation insurance coverage, claims,~~
14 ~~appeals, compliance, and enforcement under Chapter 97 of the~~
15 ~~General Statutes.~~
- 16 b. ~~The North Carolina Rate Bureau (Bureau) shall release to GDAC, or~~
17 ~~otherwise provide electronic access to, all data requested by GDAC~~
18 ~~relating to workers' compensation insurance coverage, claims,~~
19 ~~business ratings, and premiums under Chapter 58 of the General~~
20 ~~Statutes. The Bureau shall be immune from civil liability for~~
21 ~~releasing information pursuant to this subsection, even if the~~
22 ~~information is erroneous, provided the Bureau acted in good faith~~
23 ~~and without malicious or willful intent to harm in releasing the~~
24 ~~information.~~
- 25 e. ~~The Department of Commerce, Division of Employment Security~~
26 ~~(DES), shall release to GDAC, or otherwise provide access to, all~~
27 ~~data requested by GDAC relating to unemployment insurance~~
28 ~~coverage, claims, and business reporting under Chapter 96 of the~~
29 ~~General Statutes.~~
- 30 d. ~~The Department of Labor shall release to GDAC, or otherwise~~
31 ~~provide access to, all data requested by GDAC relating to safety~~
32 ~~inspections, wage and hour complaints, and enforcement activities~~
33 ~~under Chapter 95 of the General Statutes.~~
- 34 e. ~~The Department of Revenue shall release to GDAC, or otherwise~~
35 ~~provide access to, all data requested by GDAC relating to the~~
36 ~~registration and address information of active businesses, business~~
37 ~~tax reporting, and aggregate federal tax Form 1099 data for~~
38 ~~comparison with information from DES, the Rate Bureau, and the~~
39 ~~Department of the Secretary of State for the evaluation of business~~
40 ~~reporting. Additionally, the Department of Revenue shall furnish to~~
41 ~~the GDAC, upon request, other tax information, provided that the~~
42 ~~information furnished does not impair or violate any~~
43 ~~information-sharing agreements between the Department and the~~
44 ~~United States Internal Revenue Service. Notwithstanding any other~~
45 ~~provision of law, a determination of whether furnishing the~~
46 ~~information requested by GDAC would impair or violate any~~
47 ~~information-sharing agreements between the Department of Revenue~~
48 ~~and the United States Internal Revenue Service shall be within the~~
49 ~~sole discretion of the State Chief Information Officer. The~~
50 ~~Department of Revenue and the Office of the State CIO shall work~~
51 ~~jointly to assure that the evaluation of tax information pursuant to~~



- 1 this subdivision is performed in accordance with applicable federal
2 law.
- 3 (3) All information shared with GDAC and the State CIO under this subdivision
4 is protected from release and disclosure in the same manner as any other
5 information is protected under this section.
- 6 (g) ~~Provisions on Privacy and Confidentiality of Information.~~
- 7 (1) Status with respect to certain information. The State CIO and the GDAC
8 shall be deemed to be all of the following for the purposes of this section:
- 9 a. With respect to criminal information, and to the extent allowed by
10 federal law, a criminal justice agency (CJA), as defined under
11 Criminal Justice Information Services (CJIS) Security Policy. The
12 State CJIS Systems Agency (CSA) shall ensure that CJLEADS
13 receives access to federal criminal information deemed to be
14 essential in managing CJLEADS to support criminal justice
15 professionals.
- 16 b. With respect to health information covered under the Health
17 Insurance Portability and Accountability Act of 1996 (HIPAA), as
18 amended, and to the extent allowed by federal law:
- 19 1. A business associate with access to protected health
20 information acting on behalf of the State's covered entities in
21 support of data integration, analysis, and business
22 intelligence.
- 23 2. Authorized to access and view individually identifiable health
24 information, provided that the access is essential to the
25 enterprise fraud, waste, and improper payment detection
26 program or required for future initiatives having specific
27 definable need for the data.
- 28 c. Authorized to access all State and federal data, including revenue and
29 labor information, deemed to be essential to the enterprise fraud,
30 waste, and improper payment detection program or future initiatives
31 having specific definable need for the data.
- 32 d. Authorized to develop agreements with the federal government to
33 access data deemed to be essential to the enterprise fraud, waste, and
34 improper payment detection program or future initiatives having
35 specific definable need for such data.
- 36 (2) Release of information. The following limitations apply to (i) the release
37 of information compiled as part of the initiative, (ii) data from State agencies
38 that is incorporated into the initiative, and (iii) data released as part of the
39 implementation of the initiative:
- 40 a. Information compiled as part of the initiative. Notwithstanding the
41 provisions of Chapter 132 of the General Statutes, information
42 compiled by the State CIO and the GDAC related to the initiative
43 may be released as a public record only if the State CIO, in that
44 officer's sole discretion, finds that the release of information is in the
45 best interest of the general public and is not in violation of law or
46 contract.
- 47 b. Data from State agencies. Any data that is not classified as a public
48 record under G.S. 132-1 shall not be deemed a public record when
49 incorporated into the data resources comprising the initiative. To
50 maintain confidentiality requirements attached to the information
51 provided to the State CIO and GDAC, each source agency providing



data shall be the sole custodian of the data for the purpose of any request for inspection or copies of the data under Chapter 132 of the General Statutes.

e. ~~Data released as part of implementation. Information released to persons engaged in implementing the State's business intelligence strategy under this section that is used for purposes other than official State business is not a public record pursuant to Chapter 132 of the General Statutes.~~

d. ~~Data from North Carolina Rate Bureau. Notwithstanding any other provision of this section, any data released by or obtained from the North Carolina Rate Bureau under this initiative relating to workers' compensation insurance claims, business ratings, or premiums are not public records and public disclosure of such data, in whole or in part, by the GDAC or State CIO, or by any State agency, is prohibited.~~

(h) ~~Definition/Additional Requirements. For the purposes of this section, the term "business intelligence (BI)" means the process of collecting, organizing, sharing, and analyzing data through integrated data management, reporting, visualization, and advanced analytics to discover patterns and other useful information that will allow policymakers and State officials to make more informed decisions. The term also includes (i) broad master data management capabilities such as data integration, data quality and enrichment, data governance, and master data management to collect, reference, and categorize information from multiple sources and (ii) self-service query and reporting capabilities to provide timely, relevant, and actionable information to business users delivered through a variety of interfaces, devices, or applications based on their specific roles and responsibilities. All State agency business intelligence requirements, including any planning or development efforts associated with creating BI capability, as well as any master data management efforts, shall be implemented through GDAC. The State Chief Information Officer shall ensure that State agencies use the GDAC for agency business intelligence requirements.~~

SECTION 2. G.S. 20-7(b2)(6) reads as rewritten:

"(6) To the ~~Office of the~~ State Chief Information Officer for the purposes of ~~G.S. 143B-426.38A-G.S. 147-33.77A.~~"

SECTION 3. G.S. 20-43(a) reads as rewritten:

"(a) All records of the Division, other than those declared by law to be confidential for the use of the Division, shall be open to public inspection during office hours in accordance with G.S. 20-43.1. A signature recorded in any format by the Division for a drivers license or a special identification card is confidential and shall not be released except for law enforcement purposes. A photographic image recorded in any format by the Division for a drivers license or a special identification card is confidential and shall not be released except for law enforcement purposes or to the ~~Office of the~~ State Chief Information Officer for the purposes of ~~G.S. 143B-426.38A-G.S. 147-33.77A.~~"

SECTION 4. G.S. 105-259(b)(45) reads as rewritten:

"(45) To furnish tax information to the ~~Office of the~~ State Chief Information Officer under ~~G.S. 143B-426.38A-G.S. 147-33.77A.~~ The use and reporting of individual data may be restricted to only those activities specifically allowed by law when potential fraud or other illegal activity is indicated."

SECTION 5. The Revisor of Statutes shall substitute statute number "G.S. 147-33.77A" for statute number "G.S. 143B-426.38A" wherever it appears in the General Statutes.

SECTION 6. This act is effective when it becomes law.



SENATE BILL 560: GDAC Amendments

2015-2016 General Assembly

Committee:	Senate Re-ref to Information Technology. If fav, re-ref to Judiciary I	Date:	April 22, 2015
Introduced by:	Sen. Hise	Prepared by:	Susan Sitze
Analysis of:	PCS to First Edition S560-CSSA-34		Committee Counsel

SUMMARY: *The Proposed Committee Substitute (PCS) for Senate Bill 560 would recodify, reorganize, and clarify the provisions of the Government Data Analytics Center (GDAC) statute and amend the law with the aim of generating greater efficiencies in, and improved service delivery by, State agencies, departments, and institutions.*

[As introduced, this bill was identical to H767, as introduced by Rep. Saine, which is currently in Rules, Calendar, and Operations of the House.]

BACKGROUND: The Government Data Analytics Center (GDAC) was codified in 2013 under the Office of the State Controller with a provision for the transfer to the office of the State Chief Information Officer (State CIO) on July 1, 2014. 2014 modifications require that all State agency business intelligence requirements, including any planning or development efforts associated with creating business intelligence capability, as well as any master data management efforts to be implemented through the GDAC.

BILL ANALYSIS:

The PCS for Senate Bill 560 would recodify the GDAC statute from the Office of State Controller portion of Chapter 143B to Chapter 147, where statutes governing the Office of Information Technology Services (OITS) and the State CIO are located and would clarify that the GDAC is located in OITS. The statute would also be reorganized and clarified to reflect that the initiative is ongoing and not a new initiative.

Some of the specific issues the PCS would address include:

- Identifies the purpose of the GDAC as utilizing public-private partnerships as part of a statewide data integration and data-sharing initiative and to identify data integration and business intelligence opportunities that will generate greater efficiencies in, and improved service delivery by, State agencies, departments, and institutions.
- Clarifies the GDAC is to advise and assist the State CIO in managing this initiative and identifies the powers and duties of the State CIO that are to be carried out via the GDAC, and adds the following powers and duties:
 - Utilizing a common approach to establish standards for business intelligence initiatives
 - Create efficiencies in State government by ensuring State agencies use GDAC for business intelligence requirements.

O. Walker Reagan
Director



Research Division
(919) 733-2578



Senate Bill 560

Page 2

- Assist State agencies in developing requirements for integration or creation of an interface with State agencies' workflow processes and transactional systems to operationalize GDAC analytic solutions.
 - Establish clear metrics and definitions with participating State agencies for reporting outcomes for each GDAC project.
 - Evaluate State agency business intelligence projects to determine the feasibility of integrating analytics and reporting with the GDAC.
- Provides the initiative shall include all State agencies, departments and institutions, including The University of North Carolina.
- Directs the State CIO and State agencies, with the assistance of the Office of State Budget and Management, to identify potential funding sources for expansion of existing projects and development of new ones.
- Sets forth the general duties of all State agencies regarding data sharing.
- Includes provisions on privacy and confidentiality.

EFFECTIVE DATE: This act is effective when it becomes law.



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

1

SENATE BILL 534

Short Title: Study Student Online Data Privacy. (Public)

Sponsors: Senators Barefoot (Primary Sponsor); and Krawiec.

Referred to: Rules and Operations of the Senate.

March 30, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE JOINT LEGISLATIVE EDUCATION OVERSIGHT
3 COMMITTEE TO STUDY AND MAKE RECOMMENDATIONS TO THE GENERAL
4 ASSEMBLY ON ISSUES RELATED TO ENSURING PRIVACY OF ONLINE
5 STUDENT DATA.
6 The General Assembly of North Carolina enacts:
7 **SECTION 1.** The Joint Legislative Education Oversight Committee shall study
8 issues related to protecting elementary and secondary student data and personal information
9 online, in cloud-based services, and in other electronic applications which collect student data.
10 The study shall include, but is not limited to, the use of elementary and secondary student data
11 and personal information by third parties, sale of elementary and secondary student data and
12 personal information, and transparency in disclosure of privacy policies in online, cloud-based,
13 or electronic application services targeted at students in elementary and secondary schools.
14 The Joint Legislative Education Oversight Committee shall report on its findings,
15 including any recommended legislation, to the 2016 Session of the 2015 General Assembly.
16 **SECTION 2.** This act is effective when it becomes law.



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

D

SENATE BILL 534
PROPOSED COMMITTEE SUBSTITUTE S534-CSTC-18 [v.1]

4/17/2015 11:54:59 AM

Short Title: Study Student Online Data Privacy.

(Public)

Sponsors:

Referred to:

March 30, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION TO STUDY AND MAKE
3 RECOMMENDATIONS TO THE GENERAL ASSEMBLY ON ISSUES RELATED TO
4 ENSURING PRIVACY OF ONLINE STUDENT DATA.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** The State Board of Education shall study issues related to protecting
7 elementary and secondary student data and personal information online, in cloud-based
8 services, and in other electronic applications which collect student data. The study shall
9 include, but is not limited to, the use of elementary and secondary student data and personal
10 information by third parties, sale of elementary and secondary student data and personal
11 information, and transparency in disclosure of privacy policies in online, cloud-based, or
12 electronic application services targeted at students in elementary and secondary schools.

13 The State Board of Education shall report on its findings, including any
14 recommended legislation, to the Joint Legislative Education Oversight Committee and the Joint
15 Legislative Oversight Committee on Information Technology no later than February 15, 2016.

16 **SECTION 2.** This act is effective when it becomes law.



* S 5 3 4 - C S T C - 1 8 - V - 1 *





SENATE BILL 534: Study Student Online Data Privacy

2015-2016 General Assembly

Committee: Senate Information Technology
Introduced by: Sen. Barefoot
Analysis of: PCS to First Edition
S534-CSTC-18

Date: April 22, 2015
Prepared by: Susan Sitze
Committee Counsel

SUMMARY: *The Proposed Committee Substitute (PCS) would require the State Board of Education to study and make recommendations to the General Assembly on issues related to ensuring privacy of online student data.*

[As introduced, this bill was identical to H632, as introduced by Rep. Saine, which is currently in Rules, Calendar, and Operations of the House.]

BILL ANALYSIS: The PCS for Senate Bill 534 would direct the State Board of Education to study issues relating to protecting elementary and secondary student data and personal information online, in cloud-based services, and in other electronic applications. The Board shall report its findings and any legislative recommendations to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Information Technology no later than February 15, 2016.

EFFECTIVE DATE: This act is effective when it becomes law.

O. Walker Reagan
Director



* S 5 3 4 - S M S A - 3 9 C S T C - 1 8 - V 1 *

Research Division
(919) 733-2578

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015**

S

1

SENATE BILL 698

Short Title: State IT/Utility-Based Cloud Computing. (Public)

Sponsors: Senators Hise (Primary Sponsor); Brock and Tarte.

Referred to: Rules and Operations of the Senate.

March 30, 2015

A BILL TO BE ENTITLED
AN ACT DIRECTING THE OFFICE OF INFORMATION TECHNOLOGY SERVICES TO
STUDY STATE AGENCY USE OF UTILITY-BASED COMPUTING.

The General Assembly of North Carolina enacts:

SECTION 1. The Office of Information Technology Services (OITS) shall study use of and cost savings associated with the adoption of utility-based cloud computing services by State agencies. For the purposes of this section, "utility-based computing" means the process of providing computing service through an on-demand, pay-per-use billing method, metering the offered services. At a minimum, the review conducted by the OITS shall:

- (1) Evaluate the actual and potential usefulness of commercial cloud computing services by State agencies and whether expedited transition to cloud computing would offer significant savings to State agencies.
- (2) Evaluate how giving State agencies the ability to purchase information technology (IT) services in a utility-based model would result in savings from paying for only the IT services consumed.
- (3) Identify the capabilities required to implement utility-based computing, storage, and applications, including a rate structure.

By October 1, 2015, the State Chief Information Officer shall make a written report to the Joint Legislative Oversight Committee on Information Technology on the results of the OITS review of utility-based computing as mandated by this act.

SECTION 2. This act is effective when it becomes law.







SENATE BILL 698: State IT/Utility-Based Cloud Computing

2015-2016 General Assembly

Committee: Senate Information Technology
Introduced by: Sen. Hise
Analysis of: First Edition

Date: April 22, 2015
Prepared by: Susan Sitze
Committee Counsel

SUMMARY: *Senate Bill 698 would direct the Office of Information Technology Services (OITS) to study State agency use of utility-based computing.*

BILL ANALYSIS:

Senate Bill 698 would direct OITS to study the use of and cost savings associated with the adoption of utility-based cloud computing services by State agencies. For purposes of this study, "utility-based computing" means the process of providing computing service through an on-demand, pay-per-use billing method, metering the offered services.

The State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology on the results of the study by October 1, 2015.

EFFECTIVE DATE: This act is effective when it becomes law.

O. Walker Reagan
Director



* S 6 9 8 - S M S A - 4 3 E 1 - V 1 *

Research Division
(919) 733-2578



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

1

SENATE BILL 420

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

Sponsors: Senator Hise (Primary Sponsor).

Referred to: Rules and Operations of the Senate.

March 25, 2015

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

The General Assembly of North Carolina enacts:

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

"Article 2E.

"Accountability for Taxpayer Investment Act.

"§ 143-47.30. Definitions.

- (1) Board. – The Taxpayer Investment Accountability Board established by this Article.
- (2) Non-State entity. – Any of the following that is not a State agency and that must be discretely presented as a component unit in the State Comprehensive Annual Financial Report by the Governmental Accounting Standards Board: an individual, a firm, a partnership, an association, a corporation, or any other organization or group acting as a unit. The term does not include a local government unit or any other non-State entity that is subject to the audit and other requirements of the Local Government Commission.
- (3) Principal executive officer. – Executive head of a State agency or non-State entity.
- (4) State agency. – Any department, institution, board, commission, committee, division, bureau, board, council, or other entity for which the State has oversight responsibility, including The University of North Carolina, the University of North Carolina Health Care System, the Area Health Education Centers Program (AHEC), and the Community College System.
- (5) Taxpayer. – Any person subject to taxation by the State or by a unit of local government.

"§ 143-47.31. Purpose; scope.

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

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

"§ 143-47.32. Taxpayer Investment Accountability Board.



* S 4 2 0 - V - 1 *



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

- 3 (1) The State Controller, or the Controller's designee, who shall serve ex officio.
4 (2) The Director of the Office of State Budget and Management, or the
5 Director's designee, who shall serve ex officio.
6 (3) The State Auditor, or the Auditor's designee, who shall serve ex officio as a
7 nonvoting member.
8 (4) The State Chief Information Officer, or the Officer's designee, who shall
9 serve ex officio.

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

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

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

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

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

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

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

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

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

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

- 47 (1) For each program, a clear statement of what condition exists in North
48 Carolina that the program is designed to address.
49 (2) For each program, a logic model that describes the sources of program
50 resources, total resources invested, activities and processes, outputs, and
51 outcomes.

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

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

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

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

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

"§ 143-47.35. Remedy for noncompliance.

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

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

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

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

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

"§ 143-47.36. Availability of technical assistance.

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

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

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

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

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

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

D

SENATE BILL 420
PROPOSED COMMITTEE SUBSTITUTE S420-CSSA-39 [v.2]

4/21/2015 7:57:15 PM

Short Title: Accountability for Taxpayer Investment Board.

(Public)

Sponsors:

Referred to:

March 25, 2015

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

6 The General Assembly of North Carolina enacts:

7 **PART I. TAXPAYER INVESTMENT ACCOUNTABILITY.**

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

10 "Article 2E.

11 "Accountability for Taxpayer Investment Act.

12 **"§ 143-47.30. Definitions.**

- 13 (1) Board. – The Taxpayer Investment Accountability Board established by this
14 Article.
15 (2) Non-State entity. – Any of the following that is not a State agency and that
16 must be discretely presented as a component unit in the State
17 Comprehensive Annual Financial Report by the Governmental Accounting
18 Standards Board: an individual, a firm, a partnership, an association, a
19 corporation, or any other organization or group acting as a unit. The term
20 does not include a local government unit or any other non-State entity that is
21 subject to the audit and other requirements of the Local Government
22 Commission.
23 (3) Principal executive officer. – Executive head of a State agency or non-State
24 entity.
25 (4) State agency. – Any department, institution, board, commission, committee,
26 division, bureau, board, council, or other entity for which the State has
27 oversight responsibility, including The University of North Carolina, the
28 University of North Carolina Health Care System, the Area Health
29 Education Centers Program (AHEC), and the Community College System.
30 (5) Taxpayer. – Any person subject to taxation by the State or by a unit of local
31 government.

32 **"§ 143-47.31. Purpose; scope.**

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

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



* S 4 2 0 - C S S A - 3 9 - V - 2 *



"§ 143-47.32. Taxpayer Investment Accountability Board.

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

- (1) The State Controller, or the Controller's designee, who shall serve ex officio.
- (2) The Director of the Office of State Budget and Management, or the Director's designee, who shall serve ex officio.
- (3) The State Auditor, or the Auditor's designee, who shall serve ex officio as a nonvoting member.
- (4) The State Chief Information Officer, or the Officer's designee, who shall serve ex officio.

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

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

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

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

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

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

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

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

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

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

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



1 State Auditor and the State Controller no later than April 1. The initial compliance audit shall
2 be filed on or before April 1, 2017, and subsequent reports filed annually by April 1.

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

9 **"§ 143-47.35. Remedy for noncompliance.**

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

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

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

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

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

30 **"§ 143-47.36. Availability of technical assistance.**

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

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

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

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

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

48 **PART II. NORTH CAROLINA ACCOUNTABILITY REPORT.**

49 **SECTION 4.** G.S. 120-36.12 is amended by adding a new subdivision to read as
50 follows:

51 **"§ 120-36.12. Duties of Program Evaluation Division.**



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

"§ 143-47.34. Verification of compliance by State Auditor.

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

(b) Internal auditors in State agencies required to have auditors pursuant to Article 79 of Chapter 143 of the General Statutes shall conduct annual audits for compliance with the requirements of this Article. The internal auditor shall submit an audit report annually to the



1 The Program Evaluation Division of the Legislative Services Commission has the
2 following powers and duties:

3 ...
4 (11) To create and maintain the North Carolina Accountability Report, as
5 required by G.S. 120-36.19."

6 SECTION 5. Article 7C of Chapter 120 of the General Statutes is amended by
7 adding a new section to read as follows:

8 "**§ 120-36.19. North Carolina Accountability Report.**

9 (a) The Program Evaluation Division shall create and maintain the North Carolina
10 Accountability Report. The report shall be published in a publically available web-based
11 format. The report shall list the inventory of programs in each State department and State
12 agency and a profile of each program. The profile shall (i) describe why it exists, how it is
13 funded, and what current issues exist and (ii) include references to pertinent information,
14 including technical studies, audit reports, Program Evaluation Division reports, and similar
15 research. The report shall be easily searchable and shall be indexed by categories defined by the
16 Program Evaluation Division.

17 (b) Each program profile shall contain an accountability rating based on the degree of
18 compliance with the standards established by the Taxpayer Investment Accountability Board.

19 (c) The definitions in G.S. 143-47.30 apply to this section."

20 SECTION 6. The Program Evaluation Division shall complete the initial North
21 Carolina Accountability Report required under G.S. 120-36.19, as enacted by Section 5 of this
22 act, no later than July 1, 2018. The Division shall establish a schedule for ongoing review and
23 update of the Report.

24 SECTION 7. The Governor shall include in the Governor's Recommended Budget
25 for the 2019-2020 biennium the accountability rating established by the Program Evaluation
26 Division for each program and a list of programs by department or agency.

27 **PART III. EFFECTIVE DATE.**

28 SECTION 8. Sections 4, 5, 6, & 7, G.S. 143-47.32 as enacted by Section 1 of this
29 act, and this section become effective July 1, 2015. The remainder of this act becomes effective
30 July 1, 2016, except as otherwise provided.





SENATE BILL 420: Accountability for Taxpayer Investment Board

2015-2016 General Assembly

Committee:	Senate Re-ref to Information Technology. If fav, re-ref to Appropriations/Base Budget	Date:	April 22, 2015
Introduced by:	Sen. Hise	Prepared by:	Susan Sitze
Analysis of:	PCS to First Edition S420-CSSA-39		Committee Counsel

SUMMARY: *The Proposed Committee Substitute (PCS) for Senate Bill 420 would require State agencies and certain non-State entities to develop, implement, and maintain information systems that provide uniform, program-level accountability information regarding the programs operated by those agencies.*

BILL ANALYSIS:

Part I of the PCS would create a new Article 2E in Chapter 143 of the General Statutes entitled "Accountability for Taxpayer Investment Act".

The Article would apply to any State agency in the executive branch of State government and any non-State entity that receives State funds.

A Taxpayer Investment Accountability Board (Board) would be created with the responsibility of designing and establishing a framework to provide to the citizens of North Carolina uniform, program-level accountability information in State government by establishing comprehensive standards, policies, and procedures, including recurring oversight procedures and ensuring the information is available through the main State government website. The Board would be required to publish an annual report by January 1 of each year.

State agencies and non-State entities subject to the requirements of the Article would be required to establish and maintain a system that provides uniform, program-level accountability information that accurately conveys the mission, responsibilities, and activities of the agency or entity. The PCS would provide specific information that must be included in the systems and these systems would be required to comply with the standards and framework created by the Board. Each agency or entity would be required to file an annual report beginning July 1, 2017. Each agency or entity would also be required to comply with audit requirements as verified by the State Auditor.

The PCS would authorize any taxpayer to institute a suit in superior court requesting a judgment that a State agency or non-State entity has failed to comply with this Article and specific performance compelling compliance would be the available remedy.

Part II of the PCS would direct the Program Evaluation Division (PED) of the North Carolina General Assembly to create and maintain the North Carolina Accountability Report, which would inventory the programs covered by the requirements of Part I of the PCS, and would provide a program profile, information on funding, audits, and other reports, as well as an accountability rating based on the degree of compliance with the standards established by the Board. The initial Report would be required to be completed no later than July 1, 2018 with a schedule established for ongoing review and update of the report.

O. Walker Reagan
Director



Research Division
(919) 733-2578

* S 4 2 0 - S M S A - 4 6 C S S A - 3 9 - V 1 *



Senate Bill 420

Page 2

Part II of the PCS would also require the Governor to include in the Governor's Recommended Budget for the 2019-2020 biennium the accountability rating established by PED for each program and a list of programs by department or agency.

EFFECTIVE DATE: Part II of the PCS, and the portion of Part I creating the Taxpayer Investment Accountability Board would become effective July 1, 2015. The remainder of the act would become effective July 1, 2016, except as otherwise provided.

**NORTH CAROLINA GENERAL ASSEMBLY
SENATE**

INFORMATION TECHNOLOGY COMMITTEE REPORT

Senator Brock, Co-Chair

Senator Hise, Co-Chair

Senator Tarte, Co-Chair

Wednesday, April 22, 2015

Senator Brock,
submits the following with recommendations as to passage:

FAVORABLE

SB 698

State IT/Utility-Based Cloud Computing.

Draft Number: None

Sequential Referral: None

Recommended Referral: None

Long Title Amended: No

TOTAL REPORTED: 1

Senator Ralph Hise will handle SB 698



* C M R 2 1 7 - V - 1 *



**NORTH CAROLINA GENERAL ASSEMBLY
SENATE**

INFORMATION TECHNOLOGY COMMITTEE REPORT

Senator Brock, Co-Chair

Senator Hise, Co-Chair

Senator Tarte, Co-Chair

Wednesday, April 22, 2015

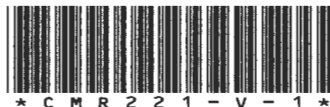
Senator Brock,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

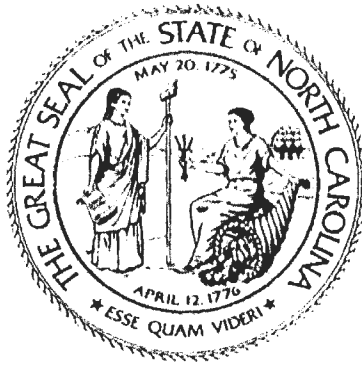
SB 420	Accountability for Taxpayer Investment Board. Draft Number: S420-PCS35268-SA-39 Sequential Referral: Appropriations/Base Budget Recommended Referral: None Long Title Amended: No
SB 534	Study Student Online Data Privacy. Draft Number: S534-PCS45355-TC-18 Sequential Referral: None Recommended Referral: None Long Title Amended: Yes
SB 560	GDAC Amendments. Draft Number: S560-PCS25240-SA-34 Sequential Referral: Judiciary I Recommended Referral: None Long Title Amended: Yes

TOTAL REPORTED: 3

Senator Ralph Hise will handle SB 420
Senator John Barefoot will handle SB 534
Senator Ralph Hise will handle SB 560







SENATE SERGEANT-AT-ARMS

COMMITTEE: INFORMATION TECHNOLOGY

DATE: 4-22-15 ROOM: 421

1. CANTON LEWIS
2. MARCUS KITT
3. _____
4. _____
5. _____
6. _____



SENATE PAGES ATTENDING

COMMITTEE:

Information Tech

ROOM:

42/40B
Noon

DATE:

4-22

TIME:

Noon

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!.....or else!

	Page Name	Hometown	Sponsoring Senator
1.	Ashley King	Rocky Mount	Bryant
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Do not add names below the grid.

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.





VISITOR REGISTRATION SHEET

INFORMATION TECHNOLOGY

(Committee Name)

4-22-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY</u>
Sarah Kuncie	NCDOJ
Kathy Gensberg	Governors Office
Doug Miskew	PSG
Drew Moretz	CNC AN
Dr. Gabe Vogel	WCLM
Tanya HOAON	TSS
Doug Kelbrook	NC SBA
Paige Sayles	FCBOE
Meghan Cook	OITS
John Corvelli	OITS
Lisa Martin	Capital Advantage

**Senate Committee on Information Technology
Wednesday, June 10, 2015 at 12:30 PM
Room 544 of the Legislative Office Building**

MINUTES

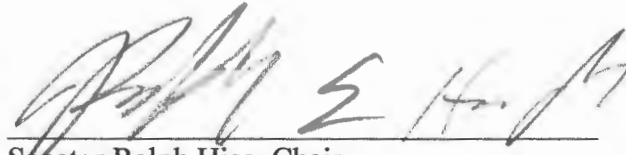
The Senate Committee on Information Technology met at 12:30 PM on June 10, 2015 in Room 544 of the Legislative Office Building. 8 members were present.

Senator Ralph Hise, Chair, presided.

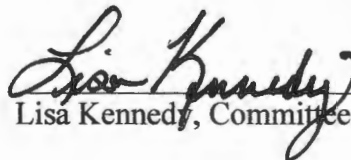
Senator Hise recognized the Pages and Sergeant at Arms.

Senator Hise recognized Representative Riddle and Representative Bradford to explain **HB 812 Grant Recipients Posted on Grantor Web Site. (Representatives Riddell, Saine, Bradford, Bishop)**. Discussion and debate on the bill. Senator Hise recognized Senator Ford who motioned for a favorable report. Vote was called and the motion passed.

The meeting adjourned at 12:35 p.m.



Senator Ralph Hise, Chair
Presiding



Lisa Kennedy, Committee Clerk

**Senate Committee on Information Technology
Wednesday, June 10, 2015, 12:00 PM
544 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages and Sergeant at Arms

Bills

BILL NO. SHORT TITLE

SPONSOR

HB 812 Grant Recipients Posted on Grantor
Web Site.

Representative Riddell
Representative Saine
Representative Bradford
Representative Bishop

Other Business

Adjournment



Principal Clerk _____
Reading Clerk _____

Corrected #1: Changed time and Removed H401

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Information Technology** will meet at the following time:

DAY	DATE	TIME	ROOM
Wednesday	June 10, 2015	12:30 PM	544 LOB

The following will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 812	Grant Recipients Posted on Grantor Web Site.	Representative Riddell Representative Saine Representative Bradford Representative Bishop

Senator Andrew C. Brock, Co-Chair
Senator Ralph Hise, Co-Chair
Senator Jeff Tarte, Co-Chair



Principal Clerk _____
Reading Clerk _____

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Information Technology** will meet at the following time:

DAY	DATE	TIME	ROOM
Wednesday	June 10, 2015	12:00 PM	544 LOB

The following will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 401	Authorize Data Sharing for NCLDS.	Representative Blackwell Representative Saine Representative Cleveland
HB 812	Grant Recipients Posted on Grantor Web Site.	Representative Riddell Representative Saine Representative Bradford Representative Bishop

Senator Andrew C. Brock, Co-Chair
Senator Ralph Hise, Co-Chair
Senator Jeff Tarte, Co-Chair



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H

2

HOUSE BILL 812
Second Edition Engrossed 4/29/15

Short Title: Grant Recipients Posted on Grantor Web Site. (Public)

Sponsors: Representatives Riddell, Saine, Bradford, and Bishop (Primary Sponsor).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Regulatory Reform.

April 15, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO ENSURE THAT INFORMATION ON GRANT FUNDS AWARDED BY
3 STATE AGENCIES IS READILY AVAILABLE ON STATE AGENCY WEB SITES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 143C-2-5 reads as rewritten:

6 **"§ 143C-2-5. Grants and contracts database.**

7 (a) The Director of the Budget shall require the Office of State Budget and
8 Management, with the support of the Office of Information Technology Services, to build and
9 maintain a database and Web site for providing a single, searchable Web site on State spending
10 for grants and contracts to be known as NC OpenBook.

11 (b) ~~Each head of a principal department listed in G.S. 143B-6~~ The head of each State
12 institution, department, bureau, agency, or commission, or a designee, shall conduct a quarterly
13 review ~~monthly~~ of all State contracts and grants administered by that ~~principal~~
14 ~~department, agency.~~

15 (c) All State institutions, departments, bureaus, agencies, or commissions ~~subject to the~~
16 ~~authority of the Director of the Budget~~ that maintain a Web site shall be required to include an
17 access link to the NC OpenBook Web site on the home page of the agency Web site. Each
18 agency shall also prominently display a search engine on the agency Web site home page to
19 allow for ease of searching for information, including contracts and grants, on the agency's
20 Web site."

21 **SECTION 2.** The State Chief Information Officer, through the Digital Commons
22 Project, shall ensure that the data on grants or awards of public funds to non-State entities that
23 is available on the NC OpenBook Web site is displayed in a consistent and easily accessible
24 manner on the Web sites of all State institutions, departments, bureaus, agencies, and
25 commissions.

26 The State Chief Information Officer shall fully implement this act by December 31,
27 2015.

28 The State Chief Information Officer shall report to the Joint Legislative Oversight
29 Committee on Information Technology and the Fiscal Research Division prior to August 1,
30 2015, on a time line for implementing this act.

31 **SECTION 3.** This act is effective when it becomes law.







HOUSE BILL 812: Grant Recipients Posted on Grantor Web Site

2015-2016 General Assembly

Committee: Senate Information Technology
Introduced by: Reps. Riddell, Saine, Bradford, Bishop
Analysis of: Second Edition

Date: June 10, 2015
Prepared by: Susan Sitze*
Committee Counsel

SUMMARY: *House Bill 812 would amend the law that authorizes NC OpenBook, the State's searchable website on spending for grants and contracts, to ensure that information on grant funds awarded by State agencies is readily available on the agencies' websites. The bill also directs the State Chief Information Officer to ensure that the information is displayed on all agency websites in a consistent and accessible manner by December 31, 2015.*

CURRENT LAW: The Office of State Budget and Management, with support from the Office of Information Technology Services, maintains a database and website which provides a single searchable site on State spending on grants and contracts, known as NC OpenBook.

Under current law, the heads of the principal departments of State government are required to conduct a monthly review of all the grants and contracts administered by their departments. The principal departments are the Governor's cabinet agencies and the Community College System. In addition, all State government entities that are subject to the authority of the Director of the Budget and have a website are required to include an access link to the NC OpenBook website on their home page.

BILL ANALYSIS: House Bill 812 amends the law to require that all State institutions, departments, bureaus, agencies, or commissions conduct a review of their State grants and contracts, not just the principal departments, and changes the frequency of that review to a quarterly review instead of a monthly review.

Section 2 of the bill directs the State Chief Information Officer to ensure that information on grants and contracts is displayed in a consistent and accessible manner on all State entity websites by December 31, 2015. The State Chief Information Officer is also directed to report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division before August 1, 2015, on a time line for implementing the act.

EFFECTIVE DATE: This act is effective when it becomes law.

**Karen Cochrane-Brown, Staff Attorney, contributed substantially to this summary.*

O. Walker Reagan
Director



Research Division
(919) 733-2578



**NORTH CAROLINA GENERAL ASSEMBLY
SENATE**

INFORMATION TECHNOLOGY COMMITTEE REPORT

Senator Brock, Co-Chair

Senator Hise, Co-Chair

Senator Tarte, Co-Chair

Wednesday, June 10, 2015

Senator Hise,
submits the following with recommendations as to passage:

FAVORABLE

HB 812

Grant Recipients Posted on Grantor Web Site.

Draft Number: None

Sequential Referral: None

Recommended Referral: None

Long Title Amended: No

TOTAL REPORTED: 1

Senator Andrew Brock will handle HB 812



* C M R 4 3 3 - V - 1 *



Gray Keith - Wilmington
Lee .

Pages

Cassidy Baker - North Wilkesboro
Randleman

Joan Bickley - Lenoire
Hise

Barbi Bunting - Newport
Sanderson

Andrew Grierson - Hope Mills
Meredith

Michael Davis - Wilkesboro
Randleman

Taylor Payne IV - Burlington
Gunn

Narren Bradley - Wilkesboro
Randleman

Rebecca Lepore - Fuquay Varina
Brock

Committee Sergeants at Arms

NAME OF COMMITTEE Information & Tech

DATE: 6-10-15 Room: 544

~~XXXXXXXXXX~~

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: MARCUS KITTs

2. Name: CHARLES MARSALEs

3. Name: Giles JEFFERYs

4. Name: _____

5. Name: _____



VISITOR REGISTRATION SHEET

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Cheri Myers	NC SOS
Haley Haynes	NCSOS
Mike Arnold	SOS
John Correllus	OITS
Madison Cook	OITS
Ed Imbry	BP
Kam Poon	NC DPI
Louis M. Fabrizio	NC DPI
Jack M. Volney	NCAR
Chris Agner	DOT
Chris McLane	ROB



VISITOR REGISTRATION SHEET

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Darryl Black	NC DPS
James B. Clark	UNC Dept 600.
Vicki Byer	self
Don St	mwc
Paul H.	THW
David Heinen	NC Center for Nonprofits
Tom West	NCICU
Sue Ann Forrest	NCICU
Buffie Rodri	Accenture
Joseph Rodri	Student

