

GENERAL ASSEMBLY OF NORTH CAROLINA  
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SENATE DRS75137-LR-52B (02/06)

Short Title: OSC/GBICC/State Data Sharing. (Public)

Sponsors: Senator Hise (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT AUGMENTING THE WORK OF THE GOVERNMENT BUSINESS  
3 INTELLIGENCE COMPETENCY CENTER, OFFICE OF STATE CONTROLLER, BY  
4 CODIFYING ITS MISSION, POWERS, AND DUTIES AND AMENDING THE  
5 REVENUE AND MOTOR VEHICLE LAWS TO ENHANCE THE DATA SHARING  
6 REQUIRED TO INCREASE THE STATE'S BUSINESS INTELLIGENCE.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** G.S. 20-7(b2) reads as rewritten:

9 "(b2) Disclosure of Social Security Number. – The social security number of an applicant  
10 is not a public record. The Division may not disclose an applicant's social security number  
11 except as allowed under federal law. A violation of the disclosure restrictions is punishable as  
12 provided in 42 U.S.C. § 408, and amendments to that law.

13 In accordance with 42 U.S.C. 405 and 42 U.S.C. 666, and amendments thereto, the Division  
14 may disclose a social security number obtained under subsection (b1) of this section only as  
15 follows:

- 16 (1) For the purpose of administering the driver's license laws.
- 17 (2) To the Department of Health and Human Services, Child Support  
18 Enforcement Program for the purpose of establishing paternity or child  
19 support or enforcing a child support order.
- 20 (3) To the Department of Revenue for the purpose of verifying taxpayer  
21 identity.
- 22 (4) To the Office of Indigent Defense Services of the Judicial Department for  
23 the purpose of verifying the identity of a represented client and enforcing a  
24 court order to pay for the legal services rendered.
- 25 (5) To each county jury commission for the purpose of verifying the identity of  
26 deceased persons whose names should be removed from jury lists.
- 27 (6) To the Office of the State Controller for the purposes of  
28 G.S. 143B-426.38A."

29 **SECTION 1.(b)** G.S. 20-43(a) reads as rewritten:

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



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

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

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

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

10 **"§ 143B-426.38A. Government Business Intelligence Competency Center; State data**  
11 **sharing requirements.**

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

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

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

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

35 (b) Government Business Intelligence Competency Center. –

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

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

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

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

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

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

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

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

- 1                    b. Any additional information to the Joint Legislative Commission on  
2                    Governmental Operations and the Joint Legislative Oversight  
3                    Committee on Information Technology that is requested by those  
4                    entities.
- 5        (f) Data Sharing. –
- 6                    (1) General Duties of All State Agencies. – The head of each State agency,  
7                    department, and institution shall do all of the following:
- 8                    a. Grant the Office of the State Controller access to all information  
9                    required to develop and support State business intelligence  
10                    applications pursuant to this section. The State Controller and the  
11                    GBICC shall take all necessary actions and precautions, including  
12                    training, certifications, background checks, and governance policy  
13                    and procedure, to ensure the security, integrity, and privacy of the  
14                    data in accordance with State and federal law and as may be required  
15                    by contract.
- 16                    b. Provide complete information on the State agency's information  
17                    technology, operational, and security requirements.
- 18                    c. Provide information on all of the State agency's information  
19                    technology activities relevant to the State business intelligence effort.
- 20                    d. Forecast the State agency's projected future business intelligence  
21                    information technology needs and capabilities.
- 22                    e. Ensure that the State agency's future information technology  
23                    initiatives coordinate efforts with the GBICC to include planning and  
24                    development of data interfaces to incorporate data into the initiative  
25                    and to ensure the ability to leverage analytics capabilities.
- 26                    f. Provide technical and business resources to participate in the  
27                    initiative by providing, upon request and in a timely and responsive  
28                    manner, complete and accurate data, business rules and policies, and  
29                    support.
- 30                    g. Identify potential resources for deploying business intelligence in  
31                    their respective State agencies and as part of the enterprise-level  
32                    effort.
- 33                    h. Immediately seek any waivers and enter into any written agreements  
34                    that may be required by State or federal law to effectuate data sharing  
35                    and to carry out the purposes of this section, as appropriate.
- 36                    (2) Specific Requirements. –
- 37                    a. The State Controller and the GBICC shall enhance the State's  
38                    business intelligence through the collection and analysis of data  
39                    relating to workers' compensation claims for the purpose of  
40                    preventing and detecting fraud, as follows:
- 41                    1. The North Carolina Industrial Commission shall release to  
42                    GBICC, or otherwise provide electronic access to, all data  
43                    requested by GBICC relating to workers' compensation  
44                    insurance coverage, claims, appeals, compliance, and  
45                    enforcement under Chapter 97 of the General Statutes.
- 46                    2. The North Carolina Rate Bureau (Bureau) shall release to  
47                    GBICC, or otherwise provide electronic access to, all data  
48                    requested by GBICC relating to workers' compensation  
49                    insurance coverage, claims, business ratings, and premiums  
50                    under Chapter 58 of the General Statutes. The Bureau shall be  
51                    immune from civil liability for releasing information pursuant

- 1 to this subsection, even if the information is erroneous,  
2 provided the Bureau acted in good faith and without  
3 malicious or willful intent to harm in releasing the  
4 information.
- 5 b. The Department of Commerce, Division of Employment Security  
6 (DES), shall release to GBICC, or otherwise provide access to, all  
7 data requested by GBICC relating to unemployment insurance  
8 coverage, claims, and business reporting under Chapter 96 of the  
9 General Statutes.
- 10 c. The Department of Labor shall release to GBICC, or otherwise  
11 provide access to, all data requested by GBICC relating to safety  
12 inspections, wage and hour complaints, and enforcement activities  
13 under Chapter 95 of the General Statutes.
- 14 d. The Department of Revenue shall release to GBICC, or otherwise  
15 provide access to, all data requested by GBICC relating to the  
16 registration and address information of active businesses, business  
17 tax reporting, and aggregate federal tax Form 1099 data for  
18 comparison with information from DES, the Rate Bureau, and the  
19 Department of the Secretary of State for the evaluation of business  
20 reporting. The Department of Revenue and the Office of the State  
21 Controller shall work jointly to assure that the evaluation of tax  
22 information pursuant to this subdivision is performed in accordance  
23 with applicable federal law.
- 24 (3) All information shared with GBICC and the State Controller under this  
25 subdivision is protected from release and disclosure in the same manner as  
26 any other information is protected under this section.
- 27 (g) Provisions on Privacy and Confidentiality of Information. –
- 28 (1) Status with respect to certain information. – The State Controller and the  
29 GBICC shall be deemed to be all of the following for the purposes of this  
30 section:
- 31 a. With respect to criminal information, and to the extent allowed by  
32 federal law, a criminal justice agency (CJA), as defined under  
33 Criminal Justice Information Services (CJIS) Security Policy. The  
34 State CJIS Systems Agency (CSA) shall ensure that CJLEADS  
35 receives access to federal criminal information deemed to be  
36 essential in managing CJLEADS to support criminal justice  
37 professionals.
- 38 b. With respect to health information covered under the Health  
39 Insurance Portability and Accountability Act of 1996 (HIPAA), as  
40 amended, and to the extent allowed by federal law:
- 41 1. A business associate with access to protected health  
42 information acting on behalf of the State's covered entities in  
43 support of data integration, analysis, and business  
44 intelligence.
- 45 2. Authorized to access and view individually identifiable health  
46 information, provided that the access is essential to the  
47 enterprise fraud, waste, and improper payment detection  
48 program or required for future initiatives having specific  
49 definable need for the data.
- 50 c. Authorized to access all State and federal data, including revenue and  
51 labor information, deemed to be essential to the enterprise fraud,

1 waste, and improper payment detection program or future initiatives  
2 having specific definable need for the data.

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

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

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

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

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

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

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

36 **SECTION 3.(c)** The purpose of this section is to codify provisions of Section  
37 6A.7A of S.L. 2012-142, and to the extent that any provision of that section conflicts with  
38 G.S. 143B-426.38A as enacted by this act, then the provisions of the statute shall be construed  
39 to prevail over any conflicting noncodified provisions.

40 **SECTION 4.** This act is effective when it becomes law.