

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 284  
Commerce Committee Substitute Adopted 4/30/13

Short Title: OSC/Gov't Data Analytics/State Data Sharing.

(Public)

Sponsors:

Referred to:

March 14, 2013

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

8 The General Assembly of North Carolina enacts:

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

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

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

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

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

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



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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 Data Analytics Center; State data-sharing requirements.**

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

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

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

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

34 (b) Government Data Analytics Center. –

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

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

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

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

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

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

51 4. Other capabilities developed as part of the initiative.

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

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

1 Committee on Information Technology that is requested by those  
2 entities.

3 (f) Data Sharing. –

4 (1) General duties of all State agencies. – The head of each State agency,  
5 department, and institution shall do all of the following:

6 a. Grant the Office of the State Controller access to all information  
7 required to develop and support State business intelligence  
8 applications pursuant to this section. The State Controller and the  
9 GDAC shall take all necessary actions and precautions, including  
10 training, certifications, background checks, and governance policy  
11 and procedure, to ensure the security, integrity, and privacy of the  
12 data in accordance with State and federal law and as may be required  
13 by contract.

14 b. Provide complete information on the State agency's information  
15 technology, operational, and security requirements.

16 c. Provide information on all of the State agency's information  
17 technology activities relevant to the State business intelligence effort.

18 d. Forecast the State agency's projected future business intelligence  
19 information technology needs and capabilities.

20 e. Ensure that the State agency's future information technology  
21 initiatives coordinate efforts with the GDAC to include planning and  
22 development of data interfaces to incorporate data into the initiative  
23 and to ensure the ability to leverage analytics capabilities.

24 f. Provide technical and business resources to participate in the  
25 initiative by providing, upon request and in a timely and responsive  
26 manner, complete and accurate data, business rules and policies, and  
27 support.

28 g. Identify potential resources for deploying business intelligence in  
29 their respective State agencies and as part of the enterprise-level  
30 effort.

31 h. Immediately seek any waivers and enter into any written agreements  
32 that may be required by State or federal law to effectuate data sharing  
33 and to carry out the purposes of this section, as appropriate.

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

38 a. The North Carolina Industrial Commission shall release to GDAC, or  
39 otherwise provide electronic access to, all data requested by GDAC  
40 relating to workers' compensation insurance coverage, claims,  
41 appeals, compliance, and enforcement under Chapter 97 of the  
42 General Statutes.

43 b. The North Carolina Rate Bureau (Bureau) shall release to GDAC, or  
44 otherwise provide electronic access to, all data requested by GDAC  
45 relating to workers' compensation insurance coverage, claims,  
46 business ratings, and premiums under Chapter 58 of the General  
47 Statutes. The Bureau shall be immune from civil liability for  
48 releasing information pursuant to this subsection, even if the  
49 information is erroneous, provided the Bureau acted in good faith  
50 and without malicious or willful intent to harm in releasing the  
51 information.

- 1           c.     The Department of Commerce, Division of Employment Security  
2           (DES), shall release to GDAC, or otherwise provide access to, all  
3           data requested by GDAC relating to unemployment insurance  
4           coverage, claims, and business reporting under Chapter 96 of the  
5           General Statutes.
- 6           d.     The Department of Labor shall release to GDAC, or otherwise  
7           provide access to, all data requested by GDAC relating to safety  
8           inspections, wage and hour complaints, and enforcement activities  
9           under Chapter 95 of the General Statutes.
- 10          e.     The Department of Revenue shall release to GDAC, or otherwise  
11          provide access to, all data requested by GDAC relating to the  
12          registration and address information of active businesses, business  
13          tax reporting, and aggregate federal tax Form 1099 data for  
14          comparison with information from DES, the Rate Bureau, and the  
15          Department of the Secretary of State for the evaluation of business  
16          reporting. Additionally, the Department of Revenue shall furnish to  
17          the GDAC, upon request, other tax information, provided that the  
18          information furnished does not impair or violate any information-  
19          sharing agreements between the Department and the United States  
20          Internal Revenue Service. Notwithstanding any other provision of  
21          law, a determination of whether furnishing the information requested  
22          by GDAC would impair or violate any information-sharing  
23          agreements between the Department of Revenue and the United  
24          States Internal Revenue Service shall be within the sole discretion of  
25          the Secretary of the Department of Revenue. The Department of  
26          Revenue and the Office of the State Controller shall work jointly to  
27          assure that the evaluation of tax information pursuant to this  
28          subdivision is performed in accordance with applicable federal law.
- 29          (3)     All information shared with GDAC and the State Controller under this  
30          subdivision is protected from release and disclosure in the same manner as  
31          any other information is protected under this section.
- 32          (g)     Provisions on Privacy and Confidentiality of Information. –
- 33          (1)     Status with respect to certain information. – The State Controller and the  
34          GDAC shall be deemed to be all of the following for the purposes of this  
35          section:
- 36               a.     With respect to criminal information, and to the extent allowed by  
37               federal law, a criminal justice agency (CJA), as defined under  
38               Criminal Justice Information Services (CJIS) Security Policy. The  
39               State CJIS Systems Agency (CSA) shall ensure that CJLEADS  
40               receives access to federal criminal information deemed to be  
41               essential in managing CJLEADS to support criminal justice  
42               professionals.
- 43               b.     With respect to health information covered under the Health  
44               Insurance Portability and Accountability Act of 1996 (HIPAA), as  
45               amended, and to the extent allowed by federal law:
- 46                   1.     A business associate with access to protected health  
47                   information acting on behalf of the State's covered entities in  
48                   support of data integration, analysis, and business  
49                   intelligence.
- 50                   2.     Authorized to access and view individually identifiable health  
51                   information, provided that the access is essential to the

- 1                                    enterprise fraud, waste, and improper payment detection  
 2                                    program or required for future initiatives having specific  
 3                                    definable need for the data.  
 4                    c.        Authorized to access all State and federal data, including revenue and  
 5                                    labor information, deemed to be essential to the enterprise fraud,  
 6                                    waste, and improper payment detection program or future initiatives  
 7                                    having specific definable need for the data.  
 8                    d.        Authorized to develop agreements with the federal government to  
 9                                    access data deemed to be essential to the enterprise fraud, waste, and  
 10                                    improper payment detection program or future initiatives having  
 11                                    specific definable need for such data.  
 12        (2)        Release of information. – The following limitations apply to (i) the release  
 13                    of information compiled as part of the initiative, (ii) data from State agencies  
 14                    that is incorporated into the initiative, and (iii) data released as part of the  
 15                    implementation of the initiative:  
 16                    a.        Information compiled as part of the initiative. – Notwithstanding the  
 17                                    provisions of Chapter 132 of the General Statutes, information  
 18                                    compiled by the State Controller and the GDAC related to the  
 19                                    initiative may be released as a public record only if the State  
 20                                    Controller, in that officer's sole discretion, finds that the release of  
 21                                    information is in the best interest of the general public and is not in  
 22                                    violation of law or contract.  
 23                    b.        Data from State agencies. – Any data that is not classified as a public  
 24                                    record under G.S. 132-1 shall not be deemed a public record when  
 25                                    incorporated into the data resources comprising the initiative. To  
 26                                    maintain confidentiality requirements attached to the information  
 27                                    provided to the State Controller and GDAC, each source agency  
 28                                    providing data shall be the sole custodian of the data for the purpose  
 29                                    of any request for inspection or copies of the data under Chapter 132  
 30                                    of the General Statutes.  
 31                    c.        Data released as part of implementation. – Information released to  
 32                                    persons engaged in implementing the State's business intelligence  
 33                                    strategy under this section that is used for purposes other than official  
 34                                    State business is not a public record pursuant to Chapter 132 of the  
 35                                    General Statutes."

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

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

41        **SECTION 3.(c)** The purpose of this section is to codify provisions of Section  
 42 6A.7A of S.L. 2012-142, and to the extent that any provision of that section conflicts with  
 43 G.S. 143B-426.38A, as enacted by this act, then the provisions of the statute shall be construed  
 44 to prevail over any conflicting noncodified provisions.

45        **SECTION 4.(a)** The Revisor of Statutes shall replace the name of the Government  
 46 Business Intelligence Competency Center with the name Government Data Analytics Center  
 47 wherever it is used in S.L. 2012-142.

48        **SECTION 4.(b)** The Revisor of Statutes shall replace the acronym GBICC with  
 49 the acronym GDAC wherever it is used in S.L. 2012-142.

50        **SECTION 5.** This act is effective when it becomes law.