

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017**

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**HOUSE BILL 516**

Short Title: Results First Framework. (Public)

Sponsors: Representatives Riddell, Blackwell, S. Martin, and White (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Appropriations

March 30, 2017

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE OFFICE OF STATE BUDGET AND MANAGEMENT TO PARTICIPATE IN THE PEW-MACARTHUR RESULTS FIRST INITIATIVE AND 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:

**PART I. RESULTS FIRST PROJECT**

**SECTION 1.1.** The General Assembly finds and declares that a nationally recognized cost-benefit analysis model will allow the General Assembly to direct public resources to cost-effective programs that deliver the best outcomes for residents. The Office of State Budget and Management shall receive periodic updates that incorporate new research and enhancements identified through work in participating states and practical technical assistance to implement this cutting-edge approach for identifying policy and budget options. The General Assembly also intends to provide necessary assistance for State agencies to align their individual efforts and resources to achieve statewide priority outcomes.

**SECTION 1.2.** The Office of State Budget and Management may consult and work with staff from the Pew-MacArthur Results First Initiative to implement a cost-benefit analysis model for use in crafting policy and budget decisions. The goal of the project is to obtain a model that will help the State invest in policies and programs that can be shown to work.

The Office of State Budget and Management shall take the model into account in developing the framework required by G.S. 143-47.32, as enacted in Section 2.1 of this act, to the extent the model has relevance to that framework.

**SECTION 1.3.** The Office of State Budget and Management shall file an interim report with the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on General Government, and the Joint Legislative Program Evaluation Oversight Committee by April 8, 2018, on progress in implementing the cost-benefit analysis model and a final report by October 1, 2018. The reports may include recommendations for legislation.

**SECTION 1.4.** There is appropriated from the General Fund to the Office of State Budget and Management for fiscal year 2017-2018 the sum of one hundred thousand dollars (\$100,000) to implement the provisions of this part.



**PART II. RESULTS FIRST FRAMEWORK**

**SECTION 2.1.** Chapter 143 of the General Statutes is amended by adding a new Article to read:

"Article 2E.

"Results First Framework.

**"§ 143-47.30. Definitions.**

The following definitions apply in this Article:

- (1) Benchmark. – 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.
- (2) Efficiency. – The verifiable total direct and indirect cost per output and per outcome.
- (3) Evidence-based. – Having had multiple-site, random controlled trials across heterogeneous populations that demonstrate that a program or practice is effective for the populations.
- (4) 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.
- (5) OSBM. – The Office of State Budget and Management.
- (6) Outcome. – The verifiable quantitative effects or results attributable to a program compared to a performance standard.
- (7) Output. – The verifiable number of units of services or activities provided by a program.
- (8) 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.
- (9) Principal executive officer. – Executive head of a State agency or non-State entity.
- (10) Program. – An activity or set of activities intended to achieve an outcome that benefits the public.
- (11) Promising practices. – Practices that present, based upon preliminary information, potential for becoming research-based.
- (12) Research-based. – Having some research demonstrating effectiveness that does not yet meet the standard for being evidence-based.
- (13) 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 Community College System, and any mental or specialty hospital.

**"§ 143-47.31. Purpose; scope.**

(a) The purpose of this Article is to require uniform, program-level accountability information in State government that is readily accessible to the citizens of North Carolina.

(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. Information framework.**

1        (a) OSBM shall design and establish a framework for providing the citizens of North  
2 Carolina uniform, program-level accountability information in State government. As part of the  
3 framework, OSBM shall adopt comprehensive standards, policies, and procedures, including  
4 recurring oversight procedures, to implement the framework's use. OSBM shall consult and  
5 coordinate with the State Auditor, the State Controller, the State Chief Information Officer, and  
6 the Office of State Human Resources in designing and establishing the framework.

7        (b) The framework shall provide a way for each State agency and each non-State entity  
8 to provide the following information in a uniform manner on a Web site:

9            (1) The mission, responsibilities, and activities of the State agency or non-State  
10 entity.

11            (2) An inventory of programs administered by the State agency or non-State  
12 entity, consisting of a title and a summary description of each program.

13            (3) For each program, a clear description of the problem the program is seeking  
14 to remedy or the public service the program is seeking to provide.

15            (4) For each program, a statement identifying the program as evidence-based,  
16 research-based, based on promising practices, or, if none of these apply, a  
17 statement describing the basis for the program and the reasons why the  
18 program is expected or perceived to be successful.

19            (5) Revenues by source and expenditures by purchasing category aligned with  
20 each program individually.

21            (6) Organization charts in the format specified by the Office of State Human  
22 Resources under G.S. 143-47.36. In addition to a comprehensive chart,  
23 OSBM shall require each State agency and non-State entity to have separate  
24 charts for each organizational division and in turn for each subordinate  
25 division or work unit in sufficient detail that a citizen may determine the  
26 organizational location of every employee position.

27            (7) At least one telephone number that complies with the requirements of  
28 G.S. 143-162.1 that members of the public may use to contact the State  
29 agency or non-State entity for service or information.

30            (8) A list of the reports required by law to be prepared and submitted by the  
31 State agency or non-State entity, organized by recipient and by due date.

32            (9) Any additional information deemed necessary or appropriate by OSBM.

33        (c) The standards, policies, and procedures adopted by OSBM shall include all of the  
34 following:

35            (1) Policies and standards to determine when a non-State entity may limit the  
36 information required under this Article to those programs and activities for  
37 which the non-State entity received State funds.

38            (2) A policy allowing State agencies and non-State entities to withhold or redact  
39 information about individual employees, including telephone listings, when  
40 the disclosure of the information would foreseeably result in harm to the  
41 employee, when required by law or a court order, or for other good cause  
42 described in the policy.

43        (d) OSBM shall design the framework to ensure that the information required in  
44 subsection (b) of this section is accessible through the main State government Web site. The  
45 framework shall require each State agency and non-State entity to include in its information  
46 system a Web-based dashboard that uses a uniform format and reports all required performance  
47 information in a graphical format. The format shall be sufficient to inform a citizen how the  
48 State is investing money consistent with purposes described in subsection (b) of this section.

49        (e) OSBM shall provide an explanation in clear, simple language of key terms to be  
50 used by State agencies.

1 **"§ 143-47.33. Opportunity for State agency and non-State entity comments on proposed**  
2 **framework.**

3 After OSBM completes its initial framework design and draft of implementing standards,  
4 policies, and procedures, OSBM shall cause the framework design and draft standards, policies,  
5 and procedures to be posted on its Web site. OSBM shall then notify each State agency and  
6 each non-State entity subject to this Article of the posting. The notification may be sent to (i)  
7 the principal executive officer of a State agency or the principal executive officer of a non-State  
8 entity, (ii) the State agency's rule-making coordinator, or (iii) another individual designated by  
9 the State agency or non-State entity. OSBM shall allow a period of at least 30 days after the  
10 notice required in this section is sent for a State agency or non-State entity to comment, and  
11 OSBM shall review and consider all comments received before finalizing the framework and  
12 the standards, policies, and procedures. OSBM in its discretion may allow other opportunities  
13 for comment.

14 **"§ 143-47.34. Report.**

15 OSBM shall publish an annual report by January 1 of each year setting out the standards,  
16 policies, and procedures to be used by agencies in providing and maintaining the information  
17 required by this Article within the framework established by OSBM. OSBM shall provide a  
18 copy of the report to each State agency and each non-State entity subject to this Article and to  
19 the Program Evaluation and Fiscal Research Divisions of the General Assembly.

20 **"§ 143-47.35. Required State agency and non-State entity information.**

21 (a) Each State agency shall establish, implement, and maintain within that State agency  
22 a system that provides the information required under G.S. 143-47.32 within the framework  
23 established by OSBM. Each non-State entity, as a condition of receiving State funds, shall  
24 establish, implement, and maintain within that non-State entity a system that provides the  
25 information required pursuant to G.S. 143-47.32 within the framework established by OSBM.  
26 The system shall comply with the framework design and the standards, policies, and procedures  
27 established by OSBM.

28 The information shall be updated on a timely basis. Each information system shall be  
29 readily and easily accessible to the citizens of North Carolina.

30 (b) The principal executive officer of each State agency and the principal executive  
31 officer of each non-State entity are responsible for ensuring that the State agency or non-State  
32 entity, as appropriate, complies with the requirements of this Article.

33 (c) Except as permitted under a policy adopted by OSBM under G.S. 143-47.32(c)(2),  
34 each State agency and non-State entity subject to this Article shall also list its employees in the  
35 directory available through the main State government Web site.

36 **"§ 143-47.36. Availability of technical assistance from OSBM, the Office of State Human**  
37 **Resources, and the Office of Information Technology.**

38 (a) The Office of State Human Resources shall adopt rules setting the standards and  
39 format for the organization charts required by G.S. 143-47.32. The Office of State Human  
40 Resources also shall provide templates and technical assistance to State agencies and non-State  
41 entities as needed to assure the uniformity required by this Article.

42 (b) OSBM, the Office of State Human Resources, and the Office of Information  
43 Technology shall also provide technical assistance and software to State agencies and non-State  
44 entities as needed to assure the uniformity required by this Article."

45 **SECTION 2.2.** G.S. 150B-1(c) is amended by adding a new subdivision to read:

46 "(9) The Office of State Budget and Management with respect to acts pursuant to  
47 Article 2E of Chapter 143 of the General Statutes."

48 **SECTION 2.3.** Each State agency or non-State entity subject to this act shall, if  
49 necessary, revise its information system to comply with this act. Each State agency, whether  
50 implementing a new information system or revising an existing system to bring it into

1 compliance with the provisions of this act, shall use the State agency's existing resources  
2 allocated for computers and computer maintenance to comply with this act.

3 **SECTION 2.4.(a)** The Office of State Budget and Management shall finalize the  
4 framework and associated standards, policies, and procedures required under G.S. 143-47.32,  
5 as enacted in Section 2.1 of this act, no later than April 8, 2018, and shall file the initial report  
6 required by G.S. 143-47.34, as enacted in Section 2.1 of this act, by January 1, 2019.

7 **SECTION 2.4.(b)** G.S. 143-47.35, as enacted in Section 2.1 of this act, becomes  
8 effective with respect to all State agencies and non-State entities subject to this act on January  
9 1, 2019.

10  
11 **PART III. EFFECTIVE DATE**

12 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes  
13 law.