

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

FILED SENATE
Feb 28, 2017
S.B. 138
PRINCIPAL CLERK

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SENATE BILL DRS15039-MM-27 (02/09)

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

Sponsors: Senator Hise (Primary Sponsor).

Referred to:

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

9 "Article 2E.

10 "Accountability for Taxpayer Investment Act.

11 "**§ 143-47.30. Definitions.**

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

30 "**§ 143-47.31. Purpose; scope.**

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

33 (b) This Article applies to any State agency in the executive branch of State government.

34 This Article also applies to any non-State entity that receives State funds.

35 "**§ 143-47.32. Taxpayer Investment Accountability Board.**



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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 Director's
5 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 serve
9 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 the
12 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. A
14 majority of the members of the Board constitutes a quorum for the transaction of business. The
15 affirmative vote of a majority of the members present at a meeting of the Board is required for
16 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 shall
19 establish comprehensive standards, policies, and procedures, including recurring oversight
20 procedures, as part of the framework to provide uniform, program-level accountability information
21 in State government. The framework shall be designed to ensure that the information is accessible
22 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 Program
29 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 a
32 system that provides uniform, program-level accountability information that accurately conveys
33 the mission, responsibilities, and activities of the State agency and any other information deemed
34 necessary or appropriate by the Board. Each non-State entity, as a condition of receiving State
35 funds, shall establish, implement, and maintain within that non-State entity a system that provides
36 uniform, program-level accountability information that accurately conveys the mission,
37 responsibilities, and activities of the non-State entity and any other information deemed necessary
38 or appropriate by the Board. The system shall comply with the framework design and the
39 standards, policies, and procedures established by the Taxpayer Accountability Board. The
40 information shall be updated on a timely basis. Each information system shall be readily and
41 easily accessible to the citizens of North Carolina.

42 The principal executive officer of each State agency and the principal executive officer of each
43 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 in
46 its information system:

47 (1) For each program, a clear statement of what condition exists in North Carolina
48 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 all
5 of the following:
- 6 a. Outcome. – The verifiable quantitative effects or results attributable to
7 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 and
11 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 efficiency,
15 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 in
23 specific detail so that a citizen may determine the organizational location of
24 every employee position.
- 25 (6) Revenues by source and expenditures by purchasing category aligned with each
26 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 also
29 be uniform and shall be sufficient to inform a citizen how the State is investing
30 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 building
35 name and room number if not in the mailing address. The directory shall have a
36 search feature to enable searching or listing by field. Each State agency and
37 non-State entity subject to this Article shall also list its employees in the
38 directory available through the main State government Web site.

39 **"§ 143-47.34. Verification of compliance by State Auditor.**

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

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

50 (c) The State Auditor may verify compliance with this Article by each State agency and
51 each non-State entity on an annual basis. Upon the determination of the State Auditor that a State

1 agency or non-State entity has failed to substantially comply with the provisions of this Article,
2 the State Auditor shall report the noncompliance to the Board, the Governor, the Joint Legislative
3 Commission on Governmental Operations, and the Fiscal Research Division of the General
4 Assembly.

5 **"§ 143-47.35. Remedy for noncompliance.**

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

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

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

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

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

24 **"§ 143-47.36. Availability of technical assistance.**

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

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

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

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

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

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

43 **"§ 120-36.12. Duties of Program Evaluation Division.**

44 The Program Evaluation Division of the Legislative Services Commission has the following
45 powers and duties:

46 ...

47 **(11)** To create and maintain the North Carolina Accountability Report, as required
48 by G.S. 120-36.19."

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

51 **"§ 120-36.19. North Carolina Accountability Report.**

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

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

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

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

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

18 **SECTION 8.** Sections 4, 5, 6, 7, and G.S. 143-47.32, as enacted by Section 1 of this
19 act, and this section become effective July 1, 2017. The remainder of this act becomes effective
20 July 1, 2018.