

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 389

Short Title: Amend Duties of State Controller/AB.

(Public)

Sponsors: Senator Hoyle.

Referred to: Commerce

March 16, 1995

A BILL TO BE ENTITLED

AN ACT TO AMEND THE STATE CONTROLLER'S DUTIES WITH RESPECT TO
TELECOMMUNICATIONS AND OTHER SERVICES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143B-426.39 reads as rewritten:

"§ 143B-426.39. Powers and duties of the State Controller.

The State Controller shall:

(1) Prescribe, develop, operate, and maintain in accordance with generally accepted principles of governmental accounting, a uniform state accounting system for all state agencies. The system shall be designed to assure compliance with all legal and constitutional requirements including those associated with the receipt and expenditure of, and the accountability for public funds.

(2) On the recommendation of the State Auditor, prescribe and supervise the installation of any changes in the accounting systems of an agency that, in the judgment of the State Controller, are necessary to secure and maintain internal control and facilitate the recording of accounting data for the purpose of preparing reliable and meaningful statements and reports. The State Controller shall be responsible for seeing that a new

- 1 system is designed to accumulate information required for the
2 preparation of budget reports and other financial reports.
- 3 (3) Maintain complete, accurate and current financial records that set out all
4 revenues, charges against funds, fund and appropriation balances,
5 interfund transfers, outstanding vouchers, and encumbrances for all
6 State funds and other public funds including trust funds and institutional
7 funds available to, encumbered, or expended by each State agency, in a
8 manner consistent with the uniform State accounting system.
- 9 (4) Prescribe the uniform classifications of accounts to be used by all State
10 agencies including receipts, expenditures, assets, liabilities, fund types,
11 organization codes, and purposes. The State Controller shall also, after
12 consultation with the Office of State Budget and Management, prescribe
13 a form for the periodic reporting of financial accounts, transactions, and
14 other matters that is compatible with systems and reports required by the
15 State Controller under this section. Additional records, accounts, and
16 accounting systems may be maintained by agencies when required for
17 reporting to funding sources provided prior approval is obtained from
18 the State Controller.
- 19 (5) Prescribe the manner in which disbursements of the State agencies shall
20 be made, in accordance with G.S. 143-3.
- 21 (6) Operate a central payroll system, in accordance with G.S. 143-3.2 and
22 143-34.1.
- 23 (7) Keep a record of the appropriations, allotments, expenditures, and
24 revenues of each State agency, in accordance with G.S. 143-20.
- 25 (8) Make appropriate reconciliations with the balances and accounts kept by
26 the State Treasurer.
- 27 (9) Develop, implement, and amend as necessary a uniform statewide cash
28 management plan for all State agencies in accordance with G.S. 147-
29 86.11.
- 30 (9a) Implement a statewide accounts receivable program in accordance with
31 Article 6B of Chapter 147 of the General Statutes.
- 32 (10) Prepare and submit to the Governor, the State Auditor, the State
33 Treasurer, and the Office of State Budget and Management each month,
34 a report summarizing by State agency and appropriation or other fund
35 source, the results of financial transactions. This report shall be in the
36 form that will most clearly and accurately set out the current fiscal
37 condition of the State. The State Controller shall also furnish each State
38 agency a report of its transactions by appropriation or other fund source
39 in a form that will clearly and accurately present the fiscal activities and
40 condition of the appropriation or fund source.
- 41 (11) Prepare and submit to the Governor, the State Auditor, the State
42 Treasurer, and the Office of State Budget and Management, at the end
43 of each quarter, a report on the financial condition and results of

1 operations of the State entity for the period ended. This report shall
2 clearly and accurately present the condition of all State funds and
3 appropriation balances and shall include comments, recommendations,
4 and concerns regarding the fiscal affairs and condition of the State.

5 (12) Prepare on or before October 31 of each year, a Comprehensive Annual
6 Financial Report of the preceding fiscal year, in accordance with G.S.
7 143-20.1.

8 (13) Perform additional functions and duties assigned to the State Controller,
9 within the scope and context of the Executive Budget Act, Chapter 143,
10 Article 1 of the General Statutes.

11 (14) With respect to State agencies, exercise general coordinating authority
12 for all telecommunications matters relating to the internal management
13 and operations of these agencies. In discharging that responsibility the
14 State Controller may in cooperation with affected State agency heads,
15 do such of the following things as he deems necessary and advisable:

16 a. Provide for the establishment, management, and operation,
17 through either State ownership or commercial leasing, of the
18 following systems and services as they affect the internal
19 management and operation of State agencies:

- 20 1. Central telephone systems and telephone networks;
- 21 2. ~~Teleprocessing~~ Data communications network systems;
- 22 3. ~~Teletype and facsimile~~ services;
- 23 4. Satellite services;
- 24 5. ~~Closed circuit TV~~ Video services;
- 25 6. ~~Two-way radio~~ Wireless services;
- 26 7. Microwave systems;
- 27 8. Related systems based on telecommunication
28 technologies.

29 b. With the approval of the ~~Information Technology Council,~~
30 Resource Management Commission, coordinate the development
31 of cost-sharing systems for respective user agencies and develop
32 rates that charge the respective users for their proportionate parts
33 of the cost of development, implementation, maintenance and
34 operation of the systems and services listed in item 'a.' of this
35 subdivision.

36 c. ~~Assist in~~ Manage the development of coordinated
37 telecommunications services or systems within and among all
38 State agencies and ~~recommend,~~ implement, where appropriate,
39 cooperative utilization of telecommunication facilities by
40 aggregating users.

41 d. Perform traffic analysis and engineering for all
42 telecommunications services and systems listed in item 'a.' of this
43 subdivision.

- 1 e. Pursuant to G.S. 143-49, establish telecommunications
2 specifications and designs so as to promote and support
3 compatibility of the systems within State agencies.
- 4 f. Pursuant to G.S. 143-49 and G.S. 143-50, coordinate the review
5 of requests by State agencies for the procurement of
6 telecommunications systems or services.
- 7 g. Pursuant to G.S. 143-341 and Chapter 146 of the General
8 Statutes, coordinate the review of requests by State agencies for
9 State government property acquisition, disposition, or
10 construction for telecommunications systems requirements.
- 11 h. Provide a periodic inventory of telecommunications costs,
12 facilities, systems, and personnel within State agencies.
- 13 i. Promote, coordinate, and assist in the design and engineering of
14 emergency telecommunications systems, including but not
15 limited to the 911 emergency telephone number program,
16 Emergency Medical Services, and other emergency
17 telecommunications services.
- 18 j. Perform frequency coordination and management for State
19 agencies and local governments, including all public safety radio
20 service frequencies, in accordance with the rules and regulations
21 of the Federal Communications Commission or any successor
22 federal agency.
- 23 k. Advise all State agencies on telecommunications management
24 planning and related matters and provide through the State
25 Personnel Training Center or the State Information Processing
26 Services training to users within State agencies in
27 telecommunications technology and systems.
- 28 l. Assist and coordinate the development of policies and long-range
29 plans, consistent with the protection of citizens' rights to privacy
30 and access to information, for the acquisition and use of
31 telecommunications systems; and base such policies and plans on
32 current information about State telecommunications activities in
33 relation to the full range of emerging technologies.
- 34 m. Work cooperatively with the North Carolina Agency for Public
35 Telecommunications in furthering the purpose of this
36 subdivision.
- 37 n. Provide access to the State's telecommunications services to all
38 eligible users on a cost-shared basis. All State agencies shall
39 participate in cost-shared services. This participation requires
40 that all commissions paid on telecommunications services and all
41 telecommunications access agreement fees, either originating or
42 terminating, paid as a result of a contract involving a State
43 agency shall be paid directly to the Office of the State Controller

1 and the funds generated from these commissions and access
2 agreements shall be used to lower the cost of the service from
3 which the commissions or fees were generated or to develop new
4 cost-shared telecommunications services. The provisions of this
5 subsection shall not apply to funds generated as a result of
6 payphone commissions in the Department of Correction or to
7 funds generated in association with student long-distance
8 services in The University of North Carolina System.

9 The provisions of this subdivision shall not apply to the Criminal
10 Information Division of the Department of Justice or to the Judicial
11 Information System in the Judicial Department.

12 (15) Provide the Microelectronics Center of North Carolina ('MCNC'), cities,
13 counties, and other local governmental units with access to a central
14 telecommunications system or service established under subdivision
15 (14) of this section for State agencies. Access shall be provided on the
16 same cost basis that applies to State agencies.

17 (16) Establish ~~switched broadband telecommunications services~~ Synchronous
18 Optical Network/Asynchronous Transfer Mode ('SONET/ATM')
19 telecommunications services and interoperable gateway services and
20 permit in addition to State agencies, cities, counties, and other local
21 government units, the following organizations and entities to share on a
22 not-for-profit basis:

- 23 a. Nonprofit educational institutions;
- 24 b. ~~The Microelectronics Center of North Carolina ('MCNC');~~
- 25 c. Research affiliates of MCNC for use only in connection with
26 research activities sponsored or funded, in whole or in part, by
27 MCNC, if such research activities relate to health care or
28 education in North Carolina;
- 29 d. Agencies of the United States government operating in North
30 Carolina for use only in connection with activities that relate to
31 health care or education in North Carolina; or
- 32 e. Hospitals, clinics, and other health care facilities for use only in
33 connection with activities that relate to health care or education
34 in North Carolina.

35 Provided, however, that sharing of the ~~switched broadband~~
36 ~~telecommunications~~ SONET/ATM telecommunications services and
37 interoperable gateway services by State agencies with entities or
38 organizations in the categories set forth herein shall not cause the State,
39 the Office of State Controller, or the MCNC to be classified as a public
40 utility as that term is defined in G.S. 62-3(23)a.6. Nor shall the State,
41 the Office of State Controller, or the MCNC engage in any activities
42 that may cause those entities to be classified as a common carrier as that
43 term is defined in the federal Communications Act of 1934, 47 U.S.C. §

1 153(h). Provided further, authority to share the ~~switched broadband~~
2 ~~telecommunications—SONET/ATM telecommunications services and~~
3 ~~interoperable gateway services~~ with the non-State agencies set forth
4 above in subdivision (16)a. through subdivision (16)e. shall terminate
5 one year from the effective date of a ~~tariff that makes the broadband~~
6 ~~services available to any customer.~~ general subscribers' tariff that provides
7 equivalent or greater capability to communicate on a statewide basis
8 with State agencies, entities defined in subdivision (15) of this section,
9 and non-State agencies set forth in subsections a. through e. of
10 subdivision (16) of this section, without compromising the security of
11 access to the State's data communications networks and computer
12 systems or allowing the unauthorized use of State resources. The
13 security capabilities shall not require the State to expend State resources
14 to implement or maintain. The filer of such a general subscribers' tariff
15 shall provide to the Office of the State Controller a documented plan
16 that clearly defines how the service will ensure the security of the State's
17 network without requiring the State to expend resources, and the Office
18 of the State Controller shall agree that the plan is valid and has been
19 implemented before the authority to share the service is terminated."
20

Sec. 2.