

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013**

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SENATE BILL 284

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

Sponsors: Senators Hise (Primary Sponsor); and Brock.

Referred to: Commerce.

March 14, 2013

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 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,

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

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

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

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

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

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

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

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

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

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