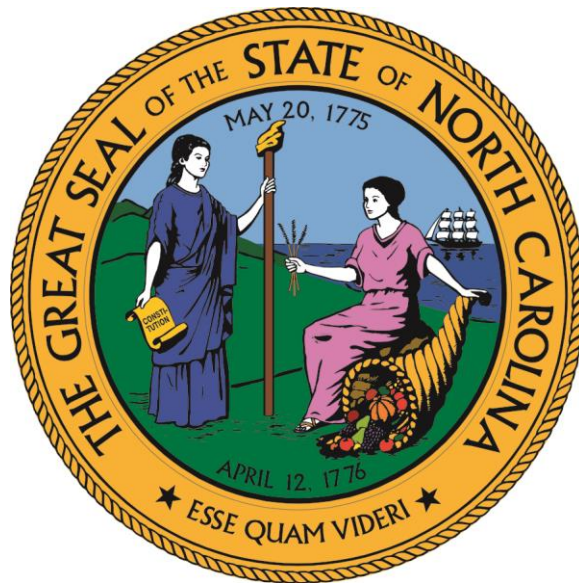


State of North Carolina



N.C. Government Efficiency and Reform (NC GEAR) **Interim Report**

Presented by the

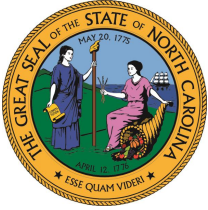
Office of State Budget & Management

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NC GEAR Interim Report

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NC GEAR Interim Report

“We have the opportunity to transform our culture of government through a top-to-bottom assessment of efficiency, effectiveness and more than anything else, a culture of customer service.”

- Governor Pat McCrory from his Inaugural Address

Once-in-a-Generation Reform

The Governor’s first budget recommended and the General Assembly enacted the NC Government Efficiency and Reform initiative (NC GEAR) with the express intent “to develop a strategic transformation plan for state government.” This demands an examination of the Executive Branch in its entirety, not just its components.

This report is to meet the requirement of Session Law 2013-360, Section 6.5.(e): “The Office of State Budget and Management shall submit an interim report of the NC GEAR’s analysis, findings, and recommendations to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Program Evaluation Division by February 15, 2014.”

As enacted by the General Assembly, NC GEAR’s charge is a top-to-bottom review and analysis to see that state government is providing services as effectively and efficiently as possible. It has the authority to evaluate, “All executive branch departments, agencies, boards, commissions, authorities, and institutions in the executive branch of State government, including receipt-supported agencies, and all non-State entities receiving State funds.”

NC GEAR will prepare a comprehensive package of reforms for consideration by the Governor and General Assembly. Its final report is due by February 15, 2015.

NC GEAR acts as a clearinghouse of successful reforms and a catalyst for action to transform state government. Its goal is to direct state resources to their best use for all the people of our state, and so restore faith in the efficiency and effectiveness of state government. All North Carolinians are encouraged to provide their suggestions by email to ncgear@osbm.nc.gov or on Twitter using #ncgear.

This initiative is not just about the next biennial budget cycle. North Carolina faces significant challenges that, if not dealt with now, will hamper our ability to address higher priorities in the near future. Unfunded liabilities, Medicaid, infrastructure needs, and the reliance on federal receipts all demand our attention. NC GEAR will be seeking long-term solutions to long-term problems.

Governor McCrory appointed agency leaders who share his vision to reform state government. This report describes a few of the reforms already underway that provide a foundation for NC GEAR's efforts. Each agency can only review its own programs and functions, but NC GEAR takes an overarching view of state government. It is evaluating the overall structure, major functions, and interrelationship with federal and local governments. The initiative will then identify opportunities for state government to perform more efficiently and effectively. It is the next step in the reform process.

NC GEAR is developing recommendations for consideration before July 1 on the organization, structure and scope of the Department of Health and Human Services; the organization of Medicaid; the organization and focus of the Law Enforcement Division in the Department of Public Safety; and other areas of state government.

This is not simply a cost-cutting exercise. It is focused on better serving citizens with the most effective government possible for all taxpayers. Every North Carolinian can agree that, however much we spend and tax, government should use each dollar wisely.

For programs, systems, and structures throughout state government, NC GEAR asks, "Would we still do this if we weren't already doing it?" In most cases, the answer will be yes. But in some, the answer may be no. With those, NC GEAR will follow Peter Drucker's imperative to then ask, "How can we get out; or at least, how can we stop putting additional resources in?"

A culture of customer service in state government will be the final measure for NC GEAR. Better efficiency should result in better service for anyone who interacts with state government, whether they are state employees, taxpayers, businesses, or recipients of services. If it does not, then it is not likely to be a sustainable change.

The initiative builds on strategic planning and program budgeting efforts currently underway and on reports and studies of state government from previous reviews, the Program Evaluation Division, and the Office of the State Auditor. NC GEAR has the advantage of a broader perspective across programs and agencies.

It also builds on a history of reforms. Twenty years ago, the General Assembly conducted the first Government Performance and Accountability Commission (GPAC) to audit state government. It followed the 1985 Governor's Efficiency Study

Commission under Gov. Jim Martin. Since that time, there have been periodic attempts to reform state government, including GPAC II in 2006. But none has had been as far-reaching as the original GPAC. The legislative mandate and executive authority of NC GEAR gives it the opportunity to propel significant reforms.

Article I, Section 35 of the State Constitution states, “A frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty.” This is our next transformational moment.

Methodology

NC GEAR will evaluate the effectiveness of government programs and procedures; measure programs against their missions; and review the impact of federal funds on our state budget. The NC GEAR team will work with staff in the Office of State Budget and Management (OSBM) and throughout state government to find opportunities for efficiency and reform. We used a competitive bidding process to hire a team of consultants from Deloitte Consulting LLP. The consultants will provide additional expertise and insights based on their previous work with governments in Canada, Minnesota, Mecklenburg County, and other public and private sector clients.

Legislation creating NC GEAR identified enterprise-wide functions such as purchasing, personnel, and technology as part of a broader mandate to review government programs based on their statutory authority, funding sources, organization, and outcomes. NC GEAR will compare North Carolina’s programs to other states on cost, coverage, quality, and effectiveness to see that we are following national best practices. The General Assembly authorized \$2 million for each year of the biennium to fund the project.

One of the most important resources that NC GEAR will draw on is the expertise and experience of state government workers. Many have spent their careers working daily with the public and managing state government’s programs. They understand where improvements can be made and want to contribute to making the state’s services better. NC GEAR will provide that opportunity.

Strategic Planning and Program Budgeting

NC GEAR is examining strategic goals and programs in the executive branch to help understand where work is being done and how effectively that work is meeting goals for the agency or institution and the state.

The Office of State Budget and Management (OSBM) has been working with agencies to refine their program structures and strategic plans since the Integrated Budget Information System (IBIS) went live on July 1, 2013. IBIS provides the first opportunity for agencies to see their budgets by program area, regardless of fund structure; the process has already provided insights for budget and agency staff.

The Governor’s budget authority allows OSBM to work with all of state government on program budgets. OSBM budget analysts, budget officers, and members of the NC GEAR team meet on a regular basis with agencies to review program budget information, ask strategic questions about programs, and build relationships that can only come from meeting together in the same room. This process is vital to the implementation and future success of reforms.

This effort will be useful in developing the 2015-17 biennial budget. Program data and strategic planning information should be available for government agencies through IBIS by August 1, 2014.

NC GEAR Team

The NC GEAR team is built on a strong foundation of policy and performance evaluation in state, federal, and local government. The team will work with consultants, budget office staff, executive branch heads, and the legislature to develop and implement reforms including any statutory changes.

The six-member team is led by Joe Coletti, who has ten years’ experience working with state policy professionals in North Carolina and across the country. Joe focused on budget and health policy, including state employee compensation and Medicaid, and served on the 2010 Future of Retirement Commission. Other members of the team have experience in OSBM, the US Senate, the federal Office of Management and Budget, local law enforcement, and agriculture.

Four positions are time-limited with the project. The remaining two members are permanent staff and will remain at OSBM after the project ends.

Time Line

November 2013	Begin hiring new staff
December 2013	Issue Request for Proposal
January to March 2014	Review bids, negotiate consultant contract, and perform preliminary research
April 2, 2014	Hire consultant
April to December 2014	Identify reforms, develop implementation plans
August to December 2014	Develop budget and legislative action plans
February 2015	Submit final report to General Assembly
February to June 2015	Work with executive and legislative branch to ensure success of reform proposals
June 2015	Transition / close NC GEAR

Consultants

On April 2, 2014, NC GEAR hired a team of consultants from Deloitte Consulting LLP to provide additional resources to the effort. Deloitte was selected from four bidders after a competitive bidding process. This team has done similar work in Canada, Minnesota, and Mecklenburg County. Their combination of skills, experience, and cost was unsurpassed. NC GEAR and Deloitte have begun meeting with leaders throughout the executive branch to evaluate organization and operations, establish priorities, and develop reforms that can be implemented by agencies. The bulk of their work should be completed by October 2014, though they will continue to provide assistance throughout the initiative.

Coordination

The NC GEAR team, in concert with the consultants, will work with executive branch agencies to identify and implement reforms that can be accomplished under existing authorities. The Governor will work with the legislature this session and the next to enact any reform requiring statutory changes. The team has already begun meeting with agencies, legislators and staff, and other outside groups to solicit ideas and shape plans for the NC GEAR initiative.

Sources

The NC GEAR team has already conducted an extensive literature review, examined a number of written sources and spoken to people across the country to guide the task of reforming state government in North Carolina. This review includes five major studies of government efficiency, numerous reports from the State Auditor and the Program Evaluation Division, continuation and justification reviews for the General Assembly, reform efforts in other states and countries, research papers from academic and policy institutions, and conversations with government officials and experts from across North Carolina and across the country.

Agency Reforms Currently Underway

State government reform began before NC GEAR and will continue beyond June 2015. The team surveyed previous efforts in other states, and reforms begun during the first fourteen months of the McCrory Administration. Cabinet agency efforts to find better, more cost effective ways to offer services provide a firm foundation for future reforms.

Some of the initiatives are large in scope. Some are quite small. But each is an example of the mindset that NC GEAR will emulate: encouraging a culture of customer service and accountability.

Like the agencies, NC GEAR will take a fresh look at how state government performs its services and ask how it can perform them better. Yet, the agencies can only take the process to the limits of their authority. NC GEAR was created to break down silos within government, look at the Executive Branch as a whole, and push the reform process to the next level.

Department of Administration

Procurement and Contract Reform: e-Sourcing

In 2013, the Department of Administration (DOA) revived a project to streamline state procurement. This e-Sourcing initiative considers the lifecycle cost of a product, not just its initial purchase price. Four key spending categories are being strategically sourced as part of e-Sourcing: Food; Office Supplies; Medical and Laboratory Supplies; and Maintenance, Repair and Operations Supplies. The office supplies contract alone is expected to save \$5 million a year for each of the next three years.

Savings will occur as products under new three-year state term contracts are purchased. Early indicators show that this project will achieve its goal of saving \$9 million, or 10 percent of the allotted budget annually over the chosen categories. Any savings will revert to the General Fund at the end of the year. The payback period on this project is only three to four months.

DOA is identifying term contract opportunities to expand this initiative to other agencies across state government. The e-Sourcing project is expected to continue for another two to three years and to include at least six more categories.

Better Management of Family Violence Prevention Grants

The NC Council for Women administers two domestic violence and sexual assault funds; its staff work closely with domestic violence shelters and prevention services programs. The Department of Health and Human Services had administered \$2.2

million in federal grants to shelters and programs under the Family Violence Prevention Act. Leadership of DOA and DHHS agreed that the Council could provide great focus and expertise with lower overhead, and transferred administration in March 2014. NC GEAR will work with agencies to identify similar opportunities for efficiency and to evaluate the efficacy of all grant programs.

[Human Relations Commission Settles Fair Housing Cases Faster](#)

The Human Relations Commission (HRC) works with tenants and landlords to resolve discrimination disputes under the NC Fair Housing Act. The Commission gets paid by the federal Department of Housing and Urban Development after it closes a case. From July 2012 to July 2013, the team closed just 23 percent of its open cases. Realizing the slow pace frustrated all parties to the disputes and cost the state government revenue, DOA management worked to better train staff and streamline the process. HRC has been able to reduce staff by 18 percent while more than doubling the closed rate to 62 percent of their open cases in the second half of 2013.

[Office of Information Technology Services](#)

[Capital Area High Speed Fiber Network](#)

State agencies have needed to maintain local servers. The Office of Information Technology Services (ITS) identified existing fiber that could provide a reliable 20 Gigabit per second (Gbps) connection between ITS and the Administration Building. Most government buildings in downtown Raleigh are connected by fiber, so ITS can now centralize and virtualize 76 servers with a net saving of \$88,400 over the next four years.

[Consumption-Based Licensing Reduces Costs](#)

The Office of Information Technology Services was able to redirect \$3 million to other priorities in 2013 with consumption-based “pay for what we use” licensing agreements. Previous agreements charged agencies pro-rated amounts that varied based on the number of users across state government. One new agreement provided immediate net savings of \$834,900. Another new agreement allows the state to renew maintenance and support only for the licenses that are currently being used: saving \$2,146,900. ITS will continue to move toward a “pay for what we use” licensing model. NC GEAR will work with ITS to identify other opportunities to improve technology purchasing.

[Office of State Human Resources](#)

The Office of State Human Resources partnered with agency secretaries and human resource directors to identify opportunities and challenges within the HR function.

This collaboration led to several revisions to the State Personnel Act that were passed by the General Assembly and signed into law by Governor McCrory on August 21, 2013.

State government now has more ability to attract, retain, develop, and motivate a high-performing, diverse workforce because the revised State Human Resources Act includes efficiencies that make the HR function collaborative, strategic, and customer focused.

[Office of State Personnel Now Reports Directly to the Governor](#)

The Office of State Personnel is now known as the Office of State Human Resources (OSHR) and the State Personnel Commission is the State Human Resources. The Office of State Human Resources moved from under the Department of Administration and now reports directly to the Office of the Governor. This move reflects the strategic importance of people to the success of state government.

[New Directions at OSHR](#)

Value in Performance: OSHR plans to implement a new performance management system consistently across state government in early 2015. Performance measurement standards varied across state government, but there was a tendency across state government to inflate performance ratings. The Department of Environment and Natural Resources (DENR) began to pilot the new Value in Performance (VIP) program in 2013. This new approach should empower employees to define what career success looks like for them; strengthen the supervisor-employee relationship; provide a consistent framework for evaluating job performance; and recognize employees who make significant contributions to state goals.

Reorganization through Reduction (RTR) gives employees the opportunity for voluntary separation from their cabinet agency or department to accomplish reorganization and restructuring needs. The program is available for Cabinet agencies until June 30, 2014. In the five agencies that have used RTR, 36 people have participated.

[Finding and Keeping Better Workers](#)

HB834 created a mandatory 90-day internal **Grievance Process**. Under the new process, any proposed agency final decision will not be issued nor become final until reviewed and approved by the Office of State Human Resources. Both the agency and Office of State Human Resources review must be completed within 90 days. The grievant can then file a contested case with the Office of Administrative Hearings (OAH). All grievances (including those having allegations of discrimination) must go through the internal process prior to going to OAH.

Compensation Study: Employees, supervisors, and HR directors are confused by the two compensation systems for state jobs. Some positions have salary bands; others

have narrower salary grades. The combination is cumbersome for all. OSHR will work with NC GEAR to recommend reforms based on results from OSHR's annual compensation survey.

Recruitment: Traditionally, state agencies would post a job online and wait for applications. In June 2013, OSHR added positions in the Talent Management Division to actively recruit the best talent with the right skills for a position. A robust talent management program streamlines the hiring and will help employees develop skills throughout their state government careers.

Department of Commerce

Partnership for Prosperity

The North Carolina Partnership for Prosperity is the proposed public-private partnership that will be responsible for the sales and marketing functions of economic development statewide. The Department of Commerce created an interim Partnership for Prosperity Board to strategically market the state to prospective employers who can bring economic growth and job opportunities.

Cross-Training for Better Customer Service

Job seekers and others who wanted assistance with government programs available to them often had to wait because state employees knew one program well, but had limited knowledge of other available services. The Division of Workforce Solutions began cross-training employees so that each staff member can provide consistent service to any customer on all programs. The Division is working with NC GEAR and local partners to improve operations.

Fewer Unemployment Insurance Overpayments

The Division of Employment Security (DES) had a problem collecting overpayments from individual claimants. Before July 1, 2013, unemployment insurance benefits would go out after a one-week waiting period, but employers had two weeks to challenge an award. The Division could not stop payment without adjudication, even in the case of a challenge, and then would have to seek repayment from the individual.

The system now holds initial payments until the end of the 14-day period for employers to respond. This simple process change has reduced the number of overpayments and the number of collection notices, with no significant impact to first pay timeliness. The Division should be able to reallocate \$500,000 a year to other needs.

Individuals Can Now Use Credit and Debit Cards to Return Overpayments

For many years, DES has been able to process payments with credit and debit cards to

collect taxes from employers, but not from individuals who received an Unemployment Insurance overpayment. DES only accepted certified checks, bank checks and money orders or it garnished both state and federal tax returns. In December 2013, that situation was rectified and individuals can now take advantage of a much more convenient method to return the money.

[Reducing Time to Issue Higher Authority Appeals](#)

North Carolina has consistently ranked last among states in meeting federal standards for unemployment appeals. “Higher Authority” decisions should be issued within 40 days from the filing date. The Division of Employment Services implemented a number of process improvements that reduced the average age of Higher Authority cases from 279 days in December 2012 to 33 days in February 2014. Some of the improvements were very simple, such as creating a dedicated P.O. Box and email address for appeals and properly training personnel to address the issue. For the first time in more than 30 years, the average age of the appeals has fallen below the federal standard.

[New Videos Answer FAQs on Website](#)

DES began a new video program in autumn 2013 based on frequently asked questions (FAQs) to help claimants and small employers better understand how the unemployment insurance program works. Visitors to the website will soon be able to watch a one-minute video to get an answer to their question, rather than searching through long documents. Currently, the first 7 of a planned 25 videos are in production. Videos will be posted to the Division’s YouTube page and can be accessed directly from www.ncesc.com beginning in late April 2014.

[Telephone Call Center Project Reduces Busy Signals](#)

In the first quarter of 2013, nearly 90 percent of approximately 350,000 callers received a busy signal. That number has dropped to 10 percent of callers and redials have become almost non-existent. After a review of call system processes, the Division of Employment Security, in cooperation with the Office of Information Technology Services and AT&T, implemented a new cloud-based system that dramatically improved the call answer rate. DES is continuing to review the incoming call flow volumes to improve call routing. Other phone systems in state government may benefit from this approach

[Department of Cultural Resources](#)

[Live Streaming Online Education](#)

The Department of Cultural Resources (DCR) is able to bring experts directly to classrooms across the state through live online streaming education. DCR launched “Cultural Resources TV” with three online field trips that reached thousands of

students in North Carolina and other states in 2013. Students could see and ask questions of experts who are working on Blackbeard's pirate ship, the *Queen Anne's Revenge*, and Civil War uniforms and flags. The Department is working to identify future topics for what could become a monthly series of classes.

[Cross-Marketing Efforts to Attract Tourists and Businesses](#)

DCR is actively engaged with the Department of Commerce to identify partnership opportunities to grow tourism and to attract new business to North Carolina. One example is the Vacation of a Lifetime promotion in which one lucky person won the chance to explore Blackbeard's rich history with a scuba diving excursion to the shipwreck site. With a focus on jobs and the economy, the Department of Cultural Resources, the North Carolina Symphony, and the Department of Commerce collaborated to offer a promotional CD featuring the NC Symphony's recording of Beethoven's Fifth Symphony to be distributed to business leaders considering North Carolina as a potential relocation site. NC GEAR will promote similar cooperation between departments.

[Strategic Planning Introduces New Measures](#)

DCR recently introduced new methods to define success in order to help with future exhibit decisions. Historic Sites and Museums have traditionally focused on the number of visitors, but the Department is expanding its evaluation to include customer satisfaction, cost per visitor, return on investment, and comparisons to national best practices. This information helps the Department better understand what products and services to offer in the future. Overall, DCR is trying to create a culture that utilizes the concept of return on investment to improve its decisions on new programs and events.

[Department of Environment and Natural Resources](#)

[Reduced Paperwork for Stormwater Program](#)

In August 2013, DENR merged the state Stormwater Permitting Program into the Division of Energy, Mineral, and Land Resources; a move that makes the permitting process less cumbersome for construction and development projects statewide.

Now, instead of having to contact two separate DENR divisions, applicants have a single point of contact for obtaining permits. A new consolidated inspection report allows one inspection to cover both programs and a combined self-monitoring form reduces paperwork. Customers now also have the convenience of scheduling project submittal meetings online with the combined staff. To further improve service, an online e-permitting program is under development. NC GEAR will work with departments to ensure they rethink the process for e-permitting and e-forms instead of just putting a paper form online.

Combining Programs Improves Services

The General Assembly moved the state Energy Office from the Department of Commerce to DENR in 2013. The Utility Savings Initiative (USI) from Commerce was merged with DENR's existing Waste Reduction Partners (WRP) program. USI helps local governments and state agencies reduce energy and water consumption. WRP engages 60 volunteer engineers to perform utility cost-cutting studies for both public and private buildings. Combined, the two programs can serve more and different customers than was possible separately. USI helped public facilities save \$27.9 million on energy costs via pay-for-performance contracts.

Department of Health and Human Services

Statewide Telepsychiatry Improves Emergency Room Care

Growing numbers of mental health and substance abuse patients came to emergency rooms in rural areas with needs beyond the hospital's capabilities. Of the 108 emergency rooms in North Carolina, about 60 do not have access to a full-time psychiatrist. Many patients waited hours, or even days, to receive appropriate care.

To address the problem, the General Assembly added a provision in the budget bill to create the Statewide Telepsychiatry System. DHHS built the statewide system based on two strong programs already in operation. It connects board-certified psychiatrists to patients at referring sites with real-time, secure video. Patients should receive needed care sooner with the improved technology.

DHHS Leadership Takes Action on Problems with Medical Examiner System

The Office of the Chief Medical Examiner (OCME) is responsible for autopsies in criminal cases, but large caseloads and poor systems led to problems, which DHHS has begun to address. Higher autopsy fees for regional medical examiner centers and higher salaries for forensic pathologists increased the number of autopsies that can be performed without overwork.

OCME has also begun to implement process improvements from the 2001 "Strategic Plan for Improving the Medical Examiner System" that did not involve money. For example, medical examiners and pathologists now must include an incident history along with any specimen submitted for toxicology testing. NC GEAR is working to identify similar recommendations from older reports.

Youth Mental Health First Aid Addresses Mental Illness and Substance Abuse Problem

The NC Center for Safer Schools recommended training in Youth Mental Health First Aid. DHHS graduated its first class of 32 instructors in February 2014. The program has the potential to equip thousands of teachers, coaches, and parents with the skills to help teenagers struggling with mental health and substance abuse issues. Each of the

new instructors is charged with leading at least six training sessions in their own communities in the program's first year. NC GEAR will look for similar opportunities in state government to break down silos.

Stronger DHHS Office of Internal Audit

The Office of Internal Audit (OIA) in early 2013 had not proactively initiated an audit in almost a decade and its auditors were a year behind in responding to annual audits. OIA began supplementing permanent staff with contractors through a convenience contract with the Council of Internal Auditors. As of March 2014 the Office had undertaken 36 investigations in the previous twelve months and closed 32 of them, including seven proactive audits.

OIA has other process improvements underway to reduce response time to the state auditor, meet accepted professional standards, and develop a multi-year audit plan. NC GEAR will track their success.

Improved Management of DHHS Information Technology Projects

DHHS had many expensive information technology projects behind schedule and over budget, lacked proper management, and had been pursued without adequate business justification. DHHS re-established an IT governance committee in July 2013 to prioritize and vet new IT initiatives, then to oversee their implementation. The committee must approve any IT project in DHHS that costs more than \$100,000. It will also review major changes or cost increases to projects.

Department of Public Safety

North Carolina Center for Safer Schools

The North Carolina Center for Safer Schools serves as a safety and crisis prevention resource for school systems throughout the state. It started this work with an eight-stop listening tour. The Center compiled a list of low-cost security measures and 80 other recommendations to improve school safety in a report to the Governor.

The Governor's Task Force for Safer Schools will provide guidance to the Center for Safer Schools and consider future policy and legislative changes needed to improve school safety in North Carolina.

Highway Patrol School Visits

With the higher priority placed on school safety, the State Highway Patrol began tracking how often troopers visit schools for presentations to classes or student groups. Troopers gave 4,100 school talks in 2013, the first year of tracking this outreach. NC GEAR will work with DPS to ensure the Department has the right measures in place for its strategic priorities.

[Adult Correction and Juvenile Justice Integration](#)

DPS integrated the Divisions of Adult Correction and Juvenile Justice to reduce overhead for common services such as medical care and maintenance, without sacrificing critical field operations. The merger did not change the way Juvenile Justice employees work with children. This is an example of the efficiencies NC GEAR will seek.

[Fraud, Waste, Abuse and Misconduct Hotline](#)

In January 2014, the Department of Public Safety launched a new telephone hotline (844.208.4018) and webpage to allow employees and members of the public to anonymously report suspected fraud, waste, abuse, or misconduct within the Department. DPS' Internal Audit section or another appropriate division or agency will conduct a confidential investigation of each allegation.

[ReadyNC website and mobile app for Emergencies](#)

NC Emergency Management developed ReadyNC.org and the ReadyNC mobile app as all-in-one emergency preparedness tools. Before an emergency, users can find tips on preparing emergency plans. During an emergency, ReadyNC has the latest weather, traffic, and hazard information. After an emergency, the site and app provide information on basic services available to help people recover from a disaster.

[Highway Patrol Pilot Project Speeds Accident Reports](#)

The new e-Crash accident reporting software will allow drivers involved in collisions and their insurers to retrieve copies of reports directly from the web several days faster than the old system. The software allows supervisors to electronically check automobile crash reports for accuracy and completeness before they are submitted to the DMV. The Patrol will then be able to post copies of approved crash reports directly to its public web site. The pilot program has been approved by the Division of Motor Vehicles and e-Crash will go live in late-April 2014.

Patrolmen were trained in the new system using the Patrol's distance learning and online training programs. This allowed them to train during their regularly assigned shifts without having to travel to a central classroom. The program keeps troopers in the field, saves money, and improves public safety.

[Strategic Capital Planning](#)

The Department of Public Safety developed a long-term plan to improve the condition of its buildings and seek ways to operate them more efficiently. The first phase developed a data-driven system to prioritize all new repair, renovation, and capital expansion projects by objective standards. In December 2013, the department began the second phase to improve the efficient use of DPS buildings and facilities statewide. The North Carolina National Guard is also developing a strategic plan for its facility and infrastructure needs that should produce future benefits.

Department of Revenue

Replacing the Current Tax Processing System

In August 2008, the Department of Revenue (DOR) awarded a contract to CGI to develop the Taxpayer Information Management System (TIMS). The goal was to replace the Department's current tax processing system with an updated one that would provide better service to North Carolina taxpayers.

Since 2008, the initiative has experienced delays. DOR has had to employ a hybrid process, utilizing both the old system and TIMS. During 2013, DOR leadership closely evaluated the status and future prospects of the TIMS project. When certain contractual milestones were not achieved in 2013, the Department concluded that a new approach was needed. On January 10, 2014, DOR and CGI mutually agreed to terminate the TIMS contract and not to pursue future phases of the project.

The Department remains committed to developing a new, modernized tax processing system. As it moves forward with the procurement process, the Department will work to ensure the contract and requirements placed before a new vendor best protect the interests of the state.

Adding Corporate Electronic Filing

In 2012, the Department of Revenue partnered with the Internal Revenue Service and began participation in the Modernized Electronic Filing (MeF) program for personal income tax returns, but not for corporate returns. The MeF platform gives taxpayers the opportunity to submit both federal and state tax filings electronically in one combined action.

The Department plans to add corporate income filings to the MeF program in 2014 in time for the 2015 filing season, providing the business community with an easier and quicker method to file annual tax returns, more efficient customer service, and faster refunds.

Department of Transportation

Strategic Transportation Investment Law

North Carolina's population growth fuels greater transportation needs, but transportation revenue is falling. The Strategic Transportation Investment Law and Strategic Mobility Formula should help meet the State's top priorities faster without sacrificing local needs. The formula will address urban congestion and rural connection to get people to jobs, doctors, schools, or fun safer and quicker. Political influence will be reduced in the new data-driven process. The Department worked

with the legislature, local government officials, and other stakeholders to develop the law.

The Strategic Mobility Formula will allow NCDOT greater flexibility to use existing funding to complete more projects. Forty percent of funds will go to state-level projects and sixty percent in more targeted areas so initiatives at all levels receive adequate support. NC GEAR is working with the Department on its next steps.

[Helicopter for Sale](#)

NCDOT is issuing a Request for Proposal to contract for helicopter services so it can sell the helicopter currently owned by the state. In 2013, the helicopter had just 14 flight hours, and NCDOT believes it will be more cost efficient to contract for this service in the future. NCDOT will continue to evaluate the use of the three remaining airplanes and consider other cost saving measures.

[New Business for the Ports](#)

North Carolina ports receive only 1.8 percent of the container flow on the eastern seaboard. NCDOT and the Ports Authority moved to secure three multimillion-dollar deals in 2013 to attract new traffic to the ports.

In February 2014, the Council of State voted to approve a lease that permits a public-private partnership to construct a cold storage facility at the Port of Wilmington. The project is expected to bring an initial investment of \$13 million and create approximately 110 jobs.

In June 2013, the Council of State also approved lease agreements that allow the ports to enter the highly competitive wood pellet industry. The agreements could allow for construction of wood pellet export facilities at the Ports of Wilmington and Morehead City. These agreements could bring an estimated \$2.5 million in annual revenue and at least \$1.25 million in annual operating earnings, along with about 70 new jobs.

[Wi-Fi on the Ferry](#)

Last September, The Ferry Division leadership added a limited wireless internet service on five boats that make runs between Ocracoke, Cedar Island, and Swan Quarter. The free service was the first of its kind on the North Carolina Ferry System. Passengers can use their time more productively or more enjoyably on the two hour ferry trips.

[Fortify \(The I-40/440 Rebuild Project\)](#)

Major construction projects, like rebuilding an 11.5-mile stretch of I-40/440 in and around Raleigh, typically mean major problems for drivers. Before awarding the contract, the new DOT leadership ordered a full review of the project that led to significant changes to minimize impact on traffic.

NCDOT is working with the contractor to keep three lanes open for most of the project instead of two. To reduce traffic in the construction zone by 30,000 vehicles during peak times, NCDOT is promoting alternate routes and work schedules, and is investing \$12 million to provide public transit options.

[DMV Works to Reduce Wait Time and Improve Customer Service](#)

For four months, the Division of Motor Vehicles (DMV) studied each stage of their processes to reduce wait times and relieve customer frustration. NC GEAR will catalyze similar reviews elsewhere. Some of the results at DMV: a pilot project testing different techniques, extended hours at 19 strategic offices, reduced testing for those transferring an out-of-state license or renewing an expired license, and a centralized appointment calendar covering all locations. Wait times at some pilot offices are 50 percent shorter and more than 30,000 customers have been served on Saturdays. DMV is now using Lean Six Sigma analysis tools to further reduce wait times and increase efficiency in the Bladen Call Center.