

NC Digital Government Summit

2014 General Assembly Session-- 10 Things IT Leaders Should Know

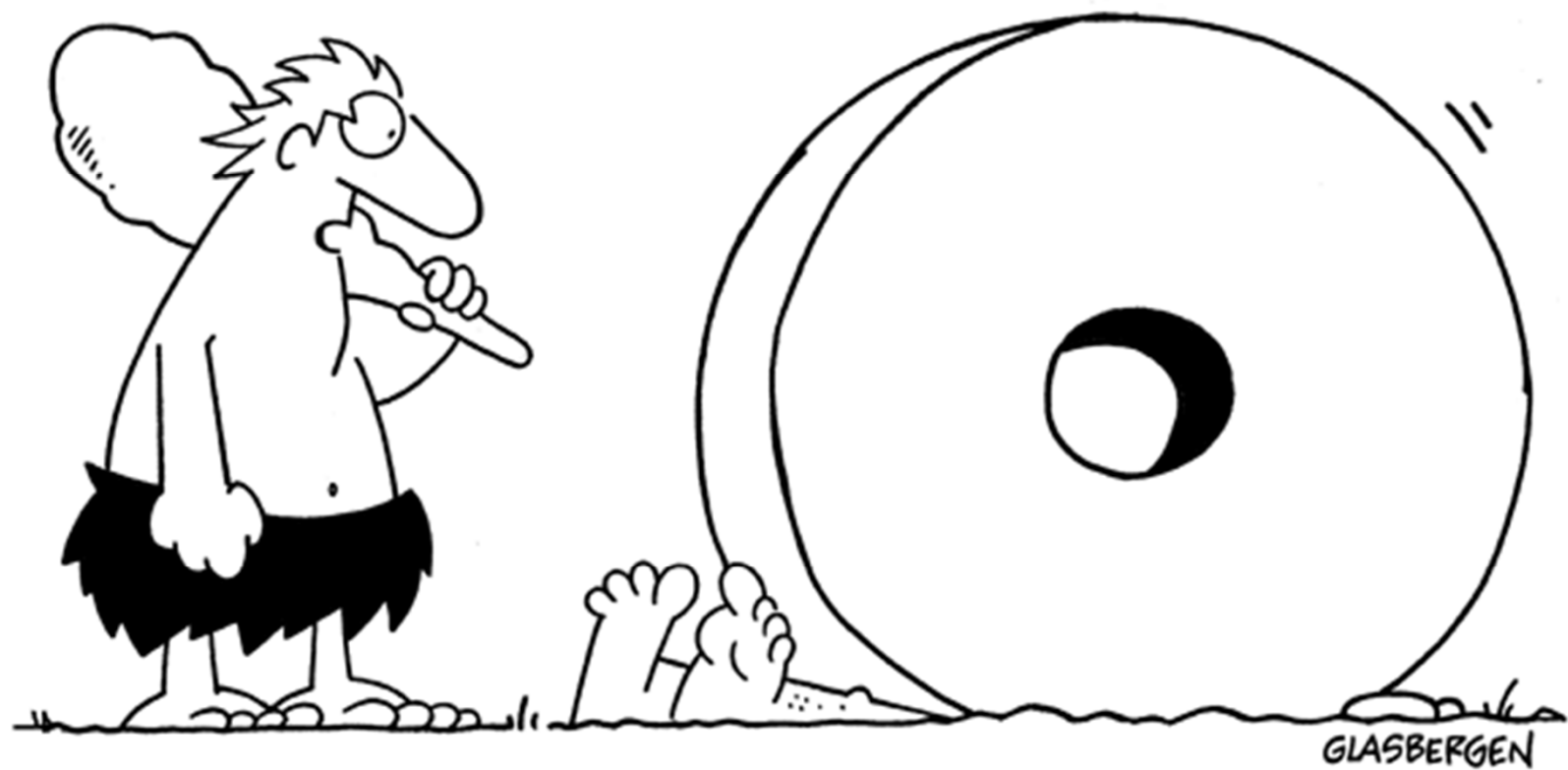


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Let's remember...

- State CIO--broad authority over IT but...
- Governor's 3 Es — education, economy, efficiency
- CIO's IT Vision — plan, build, operate, share
- The IT team — Executive Order 30
- New IT ideas — Innovation Center,
IT Reserve Fund



“That’s the risk you take when you’re an early adopter of new technology!”

10 Things...



1) General Fund spending edged up

- FY 15 \$21.1B (\$ 20.6B in FY 14)
- FY 09 \$21.4B (\$ 19B in FY 10)

2) IT spending increasing...

- IT Fund (\$6M in FY 14 to \$7.1M in FY 15)
 - IT Internal Service Fund—cap up to \$195M
 - IT Reserve Fund--\$20M in FY 15
- ** Note: Agency IT (non-ITS) funding--\$1.35B in FY 13

3) Tax changes continue

- 2013—corporate and individual rates cut
- R&D tax credit—extended to end of 2015
- QBV—expires end of 2014
- Service taxation—broadening to hit IT?
- Film credit replaced by grants
- Local privilege taxes repealed in July 2015 but...

4) Teacher salaries up, standards being reexamined

- Teacher salaries increased at all three levels
- Common core standards being reviewed—
new recommendations to SBOE
- Textbook money inches up
- Digital transition is coming (2017)

5) IT policy was on the table

- Patent trolls (S 648, sec. 2.1)—ENACTED
- Unmanned aircraft (“drones”)
(S 734, sec. 34.30)—ENACTED
- Crowd funding (H 680, S 734)—NOT enacted
- Social media privacy (H 846)—NOT enacted

AND DON'T FORGET
TO PROGRAM IT TO
BRING BACK MY
HAUL OF MILK
AND COOKIES.



6) Economic development privatization is happening...

- Commerce Department economic development functions largely privatized
- New nonprofit takes over functions with private sector oversight and funding from private and State funding
- New “Prosperity Zones” created
- H 1224 debate...

7) State government restructuring continues...

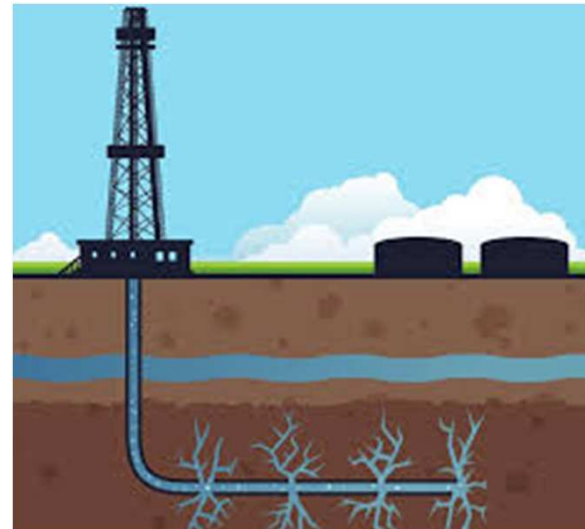
- SBI to Department of Public Safety (DPS)
(State Crime Lab remains under AG)
- ABC Commission to DPS (administrative)
- NC GEAR recommendations due in 2015

8) Medicaid reform will wait...

- A big chunk of the budget—
 - + \$3.7B in FY 15 (17.5%)
 - + \$2.3B in FY 10 (12%)(~~\$3.7B~~ pre cut)
- No expansion in 2014
- Competing ideas—ACO vs. competitive

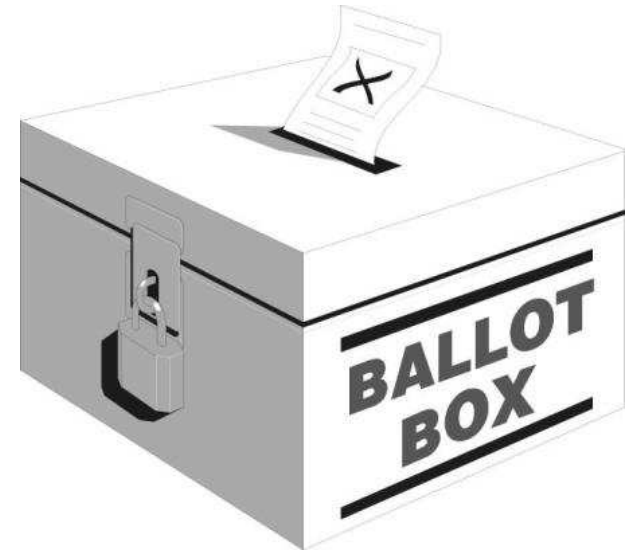
9) Fracking starts & coal ash cleanup...

- Fracking could start in 2015
- Coal ash regulation and clean up



10) All 170 seats up for election

- House (77-43 R majority)
- Senate (33-17 R majority)
- Veto override numbers—
 - + 72 in the House
 - + 30 in the Senate



Let's look ahead...

- State CIO's restructuring plan — “update” — due December 2014
- NC GEAR — report to 2015 Session
- More tax changes? Service taxes? IT taxes?
- Legislators convene January 14, 2015

Where to learn more...

- General Assembly www.ncga.state.nc.us
- State CIO www.scio.nc.gov
- ITS www.its.nc.gov
- State Controller IT spending report
www.osc.nc.gov