

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 187

Short Title: GPAC/Development Performance Indicators.

(Public)

Sponsors: Senators Perdue; and Martin of Guilford.

Referred to: Government Performance Audit.

February 17, 1993

A BILL TO BE ENTITLED

1 AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT
2 PERFORMANCE AUDIT COMMITTEE TO DIRECT EACH STATE AGENCY
3 INVOLVED IN ECONOMIC DEVELOPMENT TO ESTABLISH ECONOMIC
4 DEVELOPMENT PERFORMANCE INDICATORS TO BE USED BY THE
5 AGENCY, THE GOVERNOR, AND THE GENERAL ASSEMBLY IN
6 MEASURING OUTCOMES, UPON WHICH BUDGET ALLOCATIONS MAY
7 BE BASED.
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9 The General Assembly of North Carolina enacts:

10 Section 1. The General Assembly finds that:

- 11 (1) The term "economic development" encompasses all activities
12 conducted for the express purpose of increasing and maintaining the
13 economic vitality of North Carolina, including industrial and business
14 recruiting, business retention, facilitating business creation, providing
15 small business assistance, job training and work-force preparedness
16 programs, and investing in infrastructure, both physical (roads,
17 utilities, etc.), and technological (fiber optics networks and other
18 information system links).
- 19 (2) State General Fund expenditures for the 1991-92 fiscal year for
20 economic development were approximately eighty-four million dollars
21 (\$84,000,000).
- 22 (3) This eighty-four million dollar (\$84,000,000) expenditure on economic
23 development was allocated among 40 different State and State-

1 associated programs and entities, which can be grouped into five broad
2 categories:

- 3 a. Nonprofit agencies.
- 4 b. The Department of Community Colleges.
- 5 c. The Department of Commerce.
- 6 d. Other State Departments, including the Department of
7 Agriculture, the Business Licensing Office of the Department of
8 Secretary of State, the Department of Administration, and the
9 Department of Environment, Health, and Natural Resources.
- 10 e. The University of North Carolina.

11 (3) The results of State economic development activities are not
12 effectively monitored and evaluated because, although the State
13 employs several conventional methods of ensuring accountability of
14 agencies involved in economic development (such as budgets,
15 department plans, and internal audits), these accountability measures
16 focus on inputs or on programs and budget levels, rather than on
17 outcomes—the results of their efforts.

18 (4) Most State agencies involved in economic development activities have
19 not yet designed and implemented meaningful measures to evaluate
20 and report on performance; as a result, the General Assembly has only
21 a limited ability to evaluate the outcome of its significant investments
22 in economic development.

23 (5) To implement a truly integrated approach to economic development,
24 each key agency must be accountable for its contribution to meeting
25 the overall economic development goals of the State; performance
26 indicators would provide an effective and appropriate means to assure
27 this accountability on a regular basis.

28 (6) The General Assembly should base its economic development budget
29 allocations on outcomes, as measured by performance indicators.

30 Sec. 2. Each State agency involved in economic development shall develop,
31 in conjunction with the Office of State Budget and Management, performance indicators
32 that are appropriate and measurable criteria, including criteria that each agency can
33 influence and criteria based on baseline data and reasonable recommendations. The
34 performance indicators should articulate specific, measurable results for each agency
35 and should be comprehensive, so that the General Assembly may base each agency's
36 continued economic development appropriation on its effectiveness as measured by the
37 performance indicators.

38 Sec. 3. This act becomes effective July 1, 1993.