



# HOUSE BILL 805: Measurability Assessments

**This Bill Analysis  
reflects the contents  
of the bill as it was  
presented in  
committee.**

2015-2016 General Assembly

<b>Committee:</b>	House Regulatory Reform; Serial referral to House Appropriations	<b>Date:</b>	August 13, 2015
<b>Introduced by:</b>	Representatives Blackwell and Avila	<b>Prepared by:</b>	Jeff Hudson Committee Counsel
<b>Analysis of:</b>	PCS to First Edition H805-CSSB-16[v.3]		

**SUMMARY:** *The Proposed Committee Substitute for House Bill 805 (PCS) would establish the North Carolina Measurability Assessment Act of 2015 to provide for assessments of State programs.*

### BILL ANALYSIS:

**Section 1** would establish the North Carolina Measurability Act of 2015 to provide for assessments of State programs as follows:

- The General Assembly may require a measurability assessment of any proposed or existing State program to determine whether the program is or will be capable of reporting performance and return on investment.
- A measurability assessment is an independent evaluation that must include or determine among other things:
  - Whether and to what degree the program is unique and does not duplicate or negate results of another public or private program or enterprise.
  - The local, regional, or statewide problems or needs that the program is intended to address.
  - Whether there is a program design portrayed by a logic model as defined by the Logic Model Development Guide by the W.K. Kellogg Foundation.
  - Whether there is evidence that the program produces results attributable to the program to remedy the problem or need.
  - The capacity of the administering entity to expand the program based upon existing evidence or results.
  - How the program proposes to engage in strategic planning.
  - How the program proposes to measure performance.
  - How the program will continuously improve quality of program services and consistency with the strategic plan.
  - Whether the administering entity has conducted an assessment to identify financial and legal risks to the entity or the State and has plans for minimizing risk exposure.
  - Whether the program conducts five-year forecasts of annual recurring costs and sources of funding for each year.

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- Whether the program proposes to share costs with primary beneficiaries through a fee-for-service, co-payment, or tuition basis and the extent to which any expected cost-sharing is or will be means tested and by what method.
- How program staffing requirements are determined and an evaluation of those requirements.
- Whether the program has or proposes to have a financial accounting system capable of accounting for all assets, liabilities, receipts, and disbursements.
- Whether the program is or will be postaudited and if there are any potential impediments to audits or evaluations by the State Auditor, agency internal auditors, or the Program Evaluation Division of the General Assembly (PED).
- The assessor must submit a written report containing the results of the measurability assessment to the Office of State Budget and Management (OSBM) and PED.
- OSBM, in consultation with PED, would identify independent measurability assessors as follows:
  - OSBM must use a competitive process to prequalify independent measurability assessors.
  - OSBM, in consultation with PED, will establish standards for assessor qualifications, independence, and for conducting and reporting measurability assessments.
  - Whenever a measurability assessment is required, OSBM, in consultation with PED, will select the assessor and require the agency or institution to reimburse OSBM for the assessor's costs and for a share of OSBM costs for administering the measurability assessment program.

**Section 2** would appropriate \$75,000 to the Office of State Budget and Management for the 2015-2016 fiscal year for the implementation of the act.

**EFFECTIVE DATE:** This act would become effective October 1, 2015.