

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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SENATE BILL 714*

Short Title: PED/DEQ Organizational Structure. (Public)

Sponsors: Senators B. Jackson, D. Davis, and Ford (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 13, 2020

A BILL TO BE ENTITLED

AN ACT TO IMPROVE THE ORGANIZATIONAL STRUCTURE OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY BY DIRECTING THE DEPARTMENT TO EXAMINE CERTAIN OF ITS ORGANIZATIONAL UNITS WITH SPANS OF CONTROL LESS THAN THE RECOMMENDED THRESHOLD AND TO DEVELOP A FORMAL BUSINESS PLAN FOR THE PERMIT TRANSFORMATION PROJECT AS WELL AS A PERFORMANCE MANAGEMENT PLAN FOR PERMIT PROCESSES THAT INCLUDES A DATA MANAGEMENT SYSTEM SUFFICIENT TO SUPPORT THE PERMIT TRANSFORMATION PROJECT AND THE PERFORMANCE MANAGEMENT PLAN, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

PART I. DEPARTMENT OF ENVIRONMENTAL QUALITY TO STUDY AND REPORT REGARDING SPAN OF CONTROL OF CERTAIN OF ITS ORGANIZATIONAL UNITS

SECTION 1.1.(a) By February 1, 2021, the Department of Environmental Quality shall study and report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources regarding narrow spans of control within the Divisions of Mitigation Services and Marine Fisheries, the Office of Environmental Education and Public Affairs, and the Department's Financial Services and Human Resources units. In its study and report, the Department shall consider, at a minimum, the following for the business units identified in this section:

- (1) For all narrow spans of control, detailed justification of all positions involved including job activities, roles, and responsibilities for each employee in the narrow span including the supervisor and subordinates.
- (2) Identification of any narrow spans that could be combined or collapsed into other spans.
- (3) The feasibility and effectiveness in combining narrow spans of control and retaining employees with high levels of institutional knowledge or technical expertise if a technical expertise compensation track or other similar revision or exception to standard State human resources salary structures and policies could provide salary increases as a substitute for promotion to a supervisor position in order to reach the salary range necessary for employee retention.

SECTION 1.1.(b) For purposes of this section, "narrow span of control" is defined as an organizational structure in which a supervisor oversees three or fewer employees, reflecting



1 the minimum industry standard supervisor-to-subordinate ratio used by the Office of State
2 Human Resources.

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4 **PART II. DEPARTMENT OF ENVIRONMENTAL QUALITY TO DEVELOP A**
5 **FORMAL BUSINESS PLAN FOR THE PERMITTING TRANSFORMATION**
6 **PROJECT INCLUDING RETURN ON INVESTMENT, A PERFORMANCE**
7 **MANAGEMENT PLAN FOR PERMIT PROCESSES, AND AN ACCOMPANYING**
8 **DATA MANAGEMENT SYSTEM**

9 **SECTION 2.1.(a)** The Department of Environmental Quality shall develop a
10 business plan and return on investment analysis for the Department's Permitting Transformation
11 Project (PTP) which includes, at a minimum, all of the following:

- 12 (1) Data-driven analyses of costs and anticipated benefits of the Department's
13 intended PTP approach as well as an implementation time line.
- 14 (2) A comparison of the Department's intended PTP approach to an off-the-shelf
15 or customized system from a private vendor.
- 16 (3) A summary comparison of the Department's intended PTP approach to that
17 used in other states.

18 **SECTION 2.1.(b)** The Department shall develop a performance management system
19 for the PTP which includes, at a minimum, all of the following:

- 20 (1) The development of a method for establishing permit processing performance
21 measures and benchmarks.
- 22 (2) The creation of a plan for collecting permit processing data over time to
23 longitudinally assess performance.

24 **SECTION 2.2.** The Department shall consult with relevant management staff of the
25 Office of State Budget and Management to carry out the requirements of this Part. By February
26 1, 2021, the Department shall report to the Joint Legislative Oversight Committee on Agriculture
27 and Natural and Economic Resources regarding its implementation of this Part.

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29 **PART III. EFFECTIVE DATE**

30 **SECTION 3.** This act is effective when it becomes law.