

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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HOUSE BILL 1049*

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

Sponsors: Representatives Horn and Fraley (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Environment, if favorable, Rules, Calendar, and Operations of the House

April 30, 2020

A BILL TO BE ENTITLED

1
2 AN ACT TO IMPROVE THE ORGANIZATIONAL STRUCTURE OF THE DEPARTMENT
3 OF ENVIRONMENTAL QUALITY BY DIRECTING THE DEPARTMENT TO
4 EXAMINE CERTAIN OF ITS ORGANIZATIONAL UNITS WITH SPANS OF
5 CONTROL LESS THAN THE RECOMMENDED THRESHOLD AND TO DEVELOP A
6 FORMAL BUSINESS PLAN FOR THE PERMIT TRANSFORMATION PROJECT AS
7 WELL AS A PERFORMANCE MANAGEMENT PLAN FOR PERMIT PROCESSES
8 THAT INCLUDES A DATA MANAGEMENT SYSTEM SUFFICIENT TO SUPPORT
9 THE PERMIT TRANSFORMATION PROJECT AND THE PERFORMANCE
10 MANAGEMENT PLAN, AS RECOMMENDED BY THE JOINT LEGISLATIVE
11 PROGRAM EVALUATION OVERSIGHT COMMITTEE.

12 The General Assembly of North Carolina enacts:

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

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

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



1 **SECTION 1.1.(b)** For purposes of this section, "narrow span of control" is defined
2 as an organizational structure in which a supervisor oversees three or fewer employees, reflecting
3 the minimum industry standard supervisor-to-subordinate ratio used by the Office of State
4 Human Resources.

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

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

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

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

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

26 **SECTION 2.2.** The Department shall consult with relevant management staff of the
27 Office of State Budget and Management to carry out the requirements of this Part. By February
28 1, 2021, the Department shall report to the Joint Legislative Oversight Committee on Agriculture
29 and Natural and Economic Resources regarding its implementation of this Part.

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31 **PART III. EFFECTIVE DATE**

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