



# Bill Draft 2019-MHz-151: PED/DEQ Organizational Structure.

2019-2020 General Assembly

---

<b>Committee:</b>		<b>Date:</b>	November 14, 2019
<b>Introduced by:</b>		<b>Prepared by:</b>	Jeff Cherry
<b>Analysis of:</b>	2019-MHz-151		Staff Attorney

---

**OVERVIEW:** *The draft bill contains several recommendations pertaining to the organizational structure and permitting processes of the Department of Environmental Quality, as recommended by a PED report.*

**BILL ANALYSIS:** Section 1 of the bill requires the Department of Environmental Quality to study and report on the justification for and identification of ways to eliminate narrow spans of control (supervisors supervising three or fewer employees) in certain units of the Department identified by the report as containing more organizational layers and a higher percentage of narrow spans of control than recommended levels.

Section 2.1 of the bill requires the Department to develop a business plan and return on investment analysis for the Permitting Transformation Project (PTP) that includes an estimate of costs and benefits, and comparison of the PTP to alternatives in other states or available from private vendors.

Section 2.2 of the bill directs the Department to consult with OSBM in carrying out the business plan and return on investment study, and to report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on its progress in implementing those requirements.

**EFFECTIVE DATE:** The bill is effective when it becomes law. Reports required by the bill must be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources no later than May 1, 2020.

Kory Goldsmith  
Director



Legislative Drafting  
919-733-6660

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

S

D

BILL DRAFT 2019-MHz-151 [v.4]

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)  
11/20/2019 10:19:51 AM

Short Title: PED/DEQ Organizational Structure.

(Public)

Sponsors:

Referred to:

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 A PROGRAM EVALUATION REPORT.

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 May 1, 2020, 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.



\* 2 0 1 9 - M H Z - 1 5 1 - V - 4 \*

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.

5  
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 timeline.
- 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  
21 system 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 May 1,  
28 2020, the Department shall report to the Joint Legislative Oversight Committee on Agriculture  
29 and Natural and Economic Resources regarding its implementation of this Part.

30  
31 **PART III. EFFECTIVE DATE**

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