

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1993**

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**HOUSE BILL 323**

Short Title: GPAC/DOT Reorganization.

(Public)

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Sponsors: (by request) Representatives G. Miller, Blue, Barnes, Diamont, Hackney, Hensley, H. Hunter, Nesbitt, Robinson; Colton and Stamey.

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Referred to: Transportation.

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February 25, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNMENT  
PERFORMANCE AUDIT COMMITTEE REGARDING REORGANIZATION OF  
THE DEPARTMENT OF TRANSPORTATION.

The General Assembly of North Carolina enacts:

—ELIMINATE DOT POSITIONS.

Section 1. (a) The General Assembly finds that the Department of Transportation has 85 positions involving excess layers of management, excessively narrow spans of control, overlapping functions, and unnecessary positions. There are 51 positions in the Department of Transportation that involve one-to-one reporting relationships, nearly half of which are in the Division of Motor Vehicles. Specifically, Department of Transportation sections with one-to-one reporting relationships include:

- (1) General Services;
- (2) Internal Audit;
- (3) Governor's Highway Safety Program;
- (4) Hydraulics;
- (5) Right-of-Way;
- (6) Occupational Safety and Emergency Planning;
- (7) Roadside Environmental;
- (8) Bridge Maintenance;
- (9) Roadway Maintenance;
- (10) Equipment; and
- (11) Materials and Tests.

1 Most of the one-to-one relationships in the Division of Motor Vehicles are in  
2 the 10 district Drivers License offices that have a supervisor and an assistant supervisor,  
3 which is considered excessive. Other sections in the Division of Motor Vehicles with  
4 one-to-one relationships are:

- 5 (1) International Registration Plan;
- 6 (2) School Bus & Traffic Safety; and
- 7 (3) Vehicle Registration.

8 (b) An additional 31 positions are considered excessive because of narrow  
9 spans of control. These are management and supervisory positions where the span of  
10 control is frequently two or three, which is very narrow given the duties performed. In  
11 many cases, the affected units have small numbers of staff which represent further  
12 opportunity to consolidate staff to achieve broader spans of control.

13 Department of Transportation sections with narrow spans of control include:

- 14 (1) General Services;
- 15 (2) Fiscal;
- 16 (3) Photogrammetry;
- 17 (4) Design Services;
- 18 (5) Location and Surveys;
- 19 (6) Structure Design;
- 20 (7) Pavement Management;
- 21 (8) Traffic Engineering;
- 22 (9) Equipment Inventory Control; and
- 23 (10) Program, Policy and Budget.

24 (c) There are 11 positions that have overlapping or similar functions, some of  
25 which are in the External Audit Branch and the Internal Audit Section. If they were  
26 combined, certain supervisory and secretarial support positions could be eliminated.

27 The Civil Rights Office monitors the Disadvantaged Business Enterprise  
28 Program. Certain positions in other units also monitor similar activities; these units  
29 include Management Assessment and Compliance, the Construction Branch, and Right-  
30 of-Way Branch. The monitoring of civil rights-related matters in the Department of  
31 Transportation should be centralized in the Civil Rights Office, and the overlap of these  
32 functions in other offices should be eliminated.

33 (d) Seven positions in the Secretary's Office and the Fiscal Section, including  
34 the Special Assistants for Regional Affairs, are unnecessary and should be eliminated.

35 (e) The Secretary of Transportation shall report to the General Assembly, by  
36 August 1, 1993, with a plan identifying the 85 positions to be eliminated pursuant to  
37 Section 1 of this act and providing that all identified positions that can be eliminated  
38 during the 1993-94 fiscal year shall be eliminated by July 1, 1994.

39 (f) The base budget of the Department of Transportation is reduced by two  
40 million nine hundred thousand dollars (\$2,900,000) for the 1993-94 fiscal year and by  
41 two million nine hundred thousand dollars (\$2,900,000) for the 1994-95 fiscal year due  
42 to the decrease in personnel positions mandated by subsection (b) of this section.

43 (g) This act is effective upon ratification.

44 ---REORGANIZE DOT.

1       Sec. 2. (a) The General Assembly finds that certain organizational units within the  
2 Department of Transportation are organizationally misplaced:

3           (1) Internal Audit Section. – The mission of the Internal Audit Section is  
4 to promote and ensure that proper operational procedures are fair,  
5 accurate financial operations within the Department of Transportation,  
6 by conducting internal compliance, fiscal, and operational audits, and  
7 by monitoring fiscal records and operational procedures. This Section  
8 reports to the Assistant Secretary of Administration which weakens the  
9 independence of the function. Ordinarily, an internal audit function  
10 should report to the chief executive officer, audit committee, or the  
11 equivalent. The placement of this Section is not effective.

12           (2) Beautification Program. – The purpose of the Beautification Program  
13 is to serve the citizens by improving the appearance of North Carolina  
14 highways. Its goals are to establish and maintain effective litter  
15 cleanup and litter prevention programs, and to increase public support  
16 for the Wildflower Program. This unit reports to both the Deputy  
17 Secretary of Operations and the Deputy Secretary of Programs. The  
18 dual reporting responsibility and placement of the Beautification  
19 Program is not effective.

20           (3) Charlotte International Registration Plan (IRP) Office. – The  
21 International Registration Plan Section administers a registration  
22 reciprocity compact covering member states and one Canadian  
23 province. All IRP activities, except the Charlotte IRP Office, are  
24 included in the IRP Section. The Charlotte Office is under the Vehicle  
25 Registration Section. The placement of the Office is not effective.

26       (b) The Internal and External Audit units are to be consolidated into one Audit  
27 Section and that Section is transferred to the Office of the Secretary of Transportation.

28       (c) The Beautification Program is transferred to the Division of Highways,  
29 Maintenance Branch.

30       (d) The Charlotte International Registration Plan Office is transferred to the  
31 International Registration Plan Section.

32       (e) This section becomes effective July 1, 1993.

33 —PRECONSTRUCTION PERSONNEL LIMIT.

34       Sec. 3. (a) The General Assembly finds that the Department of  
35 Transportation is currently seeking funding for 298 more staff positions in its  
36 preconstruction units during the next 15 years to handle the work load from the  
37 Highway Trust Fund. The majority of these positions are to be filled during the next  
38 four years in the Highway Design and Planning Branch and the Environmental  
39 Branches.

40           The use of private engineering firms to handle peak work load requirements  
41 is a well-founded strategy for avoiding the public-sector problems of staffing up and  
42 down for varying work loads.

43           The Department of Transportation is currently contracting out twenty percent  
44 (20%) to twenty-five percent (25%) of preconstruction work to private engineering

1 firms. If outside contract forces were used to address the preconstruction work load  
2 associated with the additional 298 positions, then the level of preconstruction work  
3 contracted out would rise to about thirty-two percent (32%) to thirty-six percent (36%).

4 This increase in contracting out work load, from twenty percent (20%) to  
5 twenty-five percent (25%), to thirty-two percent (32%) to thirty-six percent (36%)  
6 would be a reasonable level of increase because the Highway Trust Fund represents a 78  
7 percent increase in the pre-1989 preconstruction work load of the Department.

8 (b) The Secretary of Transportation shall submit a plan to the General Assembly,  
9 by September 1, 1993, to implement the recommendation in subsection (a) of this  
10 section to freeze preconstruction positions and contract out the balance of its  
11 preconstruction work to private engineering firms.

12 (c) This section is effective upon ratification.

13 ~~—CONSTRUCTION PERSONNEL LIMIT.~~

14 Sec. 4. (a) The General Assembly finds that the Department of  
15 Transportation's on-going strategy to increasingly rely on the use of private engineering  
16 firms to perform surveys, process control, and construction engineering and inspection  
17 functions should be continued.

18 With the Highway Trust Fund program entering a phase of expanded  
19 construction activity, having completed a number of project plans, the Department will  
20 need to further leverage its in-house construction staff to meet the requirements of the  
21 program.

22 (b) The increased use of outside contract forces to perform quality control and  
23 quality assurance functions will require continued Department of Transportation  
24 construction staff involvement in project oversight and verification, careful selection of  
25 vendors, and rigorous contract administration of these projects. The level of this outside  
26 contracting should be based on the following considerations:

- 27 (1) Focus outside contract activity on the peak load requirements of the  
28 Highway Trust Fund construction program;
- 29 (2) Retain sufficient in-house capability to address the base load  
30 requirements of the Highway Trust Fund construction program and  
31 properly administer the outside construction engineering and  
32 inspection-related contracts; and
- 33 (3) Select contractors with significant experience in performing  
34 construction engineering and inspection for major road and bridge  
35 projects and familiarity with Department of Transportation engineering  
36 standards and construction specifications.

37 (c) By using private engineering firms to handle more of the Highway Trust  
38 Fund program construction work load, the Department of Transportation can reduce the  
39 number of new in-house staff required to support the construction portion of the  
40 program.

41 (d) The Secretary of Transportation shall report to the General Assembly, no later  
42 than September 1, 1993, a plan meeting the construction needs of the Highway Trust  
43 Fund program with a minimum of new construction staff in the Department of

1 Transportation and increasing the use of outside contract forces while meeting the  
2 criteria in subsections (a) through (c) of this section.

3 (e) This section is effective upon ratification.

4 ---DIST. EQPT. SUPS. ELIMINATED.

5 Sec. 5. (a) The General Assembly finds that the Division Equipment  
6 Operations Supervisors positions represent a redundant layer of management. Each of  
7 the 14 Highway Divisions has a Division Equipment Operations Supervisor who has a  
8 one-to-one reporting relationship to the Division Equipment Superintendent and  
9 manages the Auto Parts Supervisor and Mechanic Supervisors. This one-to-one  
10 reporting relationship creates uncertainty regarding the management responsibilities of  
11 the Division Equipment Superintendent, inhibits the efficient delegation of  
12 responsibilities within the Division Equipment units, and complicates management  
13 reporting within the unit.

14 (b) The Division Equipment Operations Supervisor positions in the Department  
15 of Transportation are eliminated.

16 (c) The base budget of the Department of Transportation is reduced by four  
17 hundred thirty-four thousand dollars (\$434,000) for the 1993-94 fiscal year and by four  
18 hundred thirty-four thousand dollars (\$434,000) for the 1994-95 fiscal year due to the  
19 decrease in personnel positions mandated by subsection (b) of this section.

20 (d) This section becomes effective July 1, 1993.

21 ---CONSOL. EQUIPMENT SECTIONS.

22 Sec. 6. (a) The General Assembly finds that the Equipment Sections of the 14  
23 highway divisions perform maintenance and repair functions for all Department of  
24 Transportation equipment, except for sedans which are maintained through the  
25 Department of Administration. Each division has between five and 10 garages,  
26 including one major division garage. In some cases, two-person garages continue to  
27 operate in certain rural areas of the State, where the distance between garages is fairly  
28 large (40 to 50 miles). In addition, there are local county garages colocated near the  
29 division garages. These latter garages represent a potential opportunity for  
30 consolidation, to reduce the overall number of garage facilities maintained by the  
31 Department of Transportation.

32 (b) The Department of Transportation shall develop a plan to consolidate the  
33 equipment section resources associated with the 14 division garages and those 14  
34 Department county garages located nearby for submission to the General Assembly by  
35 July 1, 1993. This plan shall provide for the completion of the consolidation on or  
36 before January 1, 1994.

37 (c) This section is effective upon ratification.

38 ---DIVISION-BASED STAFF REDUCED.

39 Sec. 7. (a) The General Assembly finds that eliminating the district layer of  
40 management will increase the span of control of the Division Maintenance Engineer in  
41 each Division. Each Division should have a Division Operations Engineer, with the  
42 Traffic Services unit, the Roadside Environment unit, the Equipment unit, and the  
43 Bituminous Operations unit reporting to that Division Operations Engineer.

1 (b) The Secretary of Transportation shall report to the General Assembly, no later  
2 than September 1, 1993, on the elimination of all positions within the "district" layer of  
3 management.

4 (c) The Secretary of Transportation shall report to the General Assembly, no later  
5 than September 1, 1993, on the creation of the position of "Division Operations  
6 Engineer" in Divisions 1 and 12 and the realignment of responsibilities so that the  
7 Traffic Services unit, the Roadside Environment unit, the Equipment unit, and the  
8 Bituminous Operations unit shall report to the Division Operations Engineer in each  
9 Division.

10 (d) The base budget of the Department of Transportation is reduced by three  
11 million four hundred thousand dollars (\$3,400,000) for the 1993-94 fiscal year and by  
12 four million five hundred seventy-five thousand dollars (\$4,575,000) for the 1994-95  
13 fiscal year due to the decrease in personnel positions mandated by subsection (b) of this  
14 section.

15 (e) This section is effective upon ratification.

16 ---DIVISION TRAFFIC SERVICES.

17 Sec. 8. (a) The General Assembly finds that Division Traffic Services units  
18 are variously organized, with some units having all field forces reporting to the Division  
19 Traffic Services Supervisor and others having signal-related forces assigned to the  
20 Assistant Division Traffic Engineer in a Traffic Control Technical Services unit. The  
21 latter arrangement provides a better balance of technical and nontechnical traffic  
22 services personnel among the middle management positions within this unit, resulting in  
23 a more equitable span of control among these supervisory personnel. This alignment  
24 recognizes the increasingly technical aspects of traffic signal planning and  
25 implementation, while also providing for a more balanced distribution of Traffic  
26 Services staff among the Traffic Services supervisors.

27 (b) The Secretary of Transportation shall realign the Traffic Services sections of  
28 the 14 Traffic Divisions so that the signal/traffic control personnel report to the  
29 Assistant Traffic Engineer and pavement markings/signs personnel report to the Traffic  
30 Services Supervisor.

31 (c) This section becomes effective July 1, 1993.

32 ---CONTRACTED ROAD MAINTENANCE.

33 Sec. 9. (a) The General Assembly finds that the overall level of staffing for  
34 the Department of Transportation should be based on:

- 35 (1) The determination of resources needed to provide an acceptable level  
36 of service, accomplish the annual maintenance program efficiently,  
37 and erase the existing maintenance backlog; and
- 38 (2) The determination of the most appropriate mix of contract and in-  
39 house resources.

40 As the maintenance has increased, the Department of Transportation has been  
41 able to handle a portion of the increased work through contracting. The Department of  
42 Transportation can make additional use of private contractors.

43 (b) The Department of Transportation shall report to the General Assembly, on or  
44 before November 1, 1993, a plan to maintain its current maintenance staffing and

1 accomplish the increased maintenance program work load through expanded use of  
2 outside contract forces. The plan may include:

- 3 (1) The continued contracting out of construction activities, as well as  
4 those maintenance functions, such as mowing, roadside rest area  
5 maintenance, building maintenance, signal installation, and signal  
6 maintenance, that it currently contracts;
- 7 (2) The contracting out of all of the Secondary Road Construction  
8 program and free up the in-house maintenance staff now performing  
9 this function to concentrate on backlogged and expanding maintenance  
10 needs; and
- 11 (3) Expanding the Department's efforts to contract out maintenance  
12 functions, by increasing the proportion of contracted work in such  
13 areas as: ditch cleaning, landscaping, and bituminous surface treatment  
14 resurfacing.

15 (c) This section is effective upon ratification.

16 ---CLOSE SOME DMV OFFICES.

17 Sec. 10. (a) The General Assembly finds that the actual work load performed  
18 by the Division of Motor Vehicles field offices varies substantially from location to  
19 location. An analysis of Division of Motor Vehicles activity reports indicates that the  
20 average number of drivers license applications processed per person per day is 24, but  
21 that forty-six percent (46%) of the offices process significantly fewer applications than  
22 the average, and many of the field offices are located within close proximity of each  
23 other and serve common communities. These closures would result in a Division of  
24 Motor Vehicles field office being within 15 miles of every driver, except those who  
25 now drive longer distances to reach a field office.

26 (b) The Commissioner of Motor Vehicles shall submit to the General Assembly,  
27 on or before September 1, 1993, a plan to close the Division of Motor Vehicles field  
28 offices that process fewer than the State average of drivers licenses per day, on or before  
29 June 30, 1995, and to increase the overall productivity of the remaining field offices by  
30 ten percent (10%).

31 (c) The base budget of the Division of Motor Vehicles, Department of  
32 Transportation, is reduced by one million three hundred ninety-eight thousand eight  
33 hundred sixty dollars (\$1,398,860) for the 1993-94 fiscal year and by one million eight  
34 hundred fifty-five thousand ten dollars (\$1,855,010) for the 1994-95 fiscal year due to  
35 the closing of the Division of Motor Vehicles field offices and attendant reduction in  
36 personnel positions mandated by subsection (b) of this section.

37 (d) This section is effective upon ratification.

38 ---PRIVATIZE REGISTRATION OFFICES.

39 Sec. 11. (a) The General Assembly finds that it costs approximately two dollars  
40 and twenty-six cents (\$2.26) more to process a transaction in a State-run motor vehicle  
41 registration office than in a contract office. When the "variable costs" of the operations,  
42 including salaries, benefits, rent, and utilities for State-operated offices and branch  
43 agency fees, field supervisors' salaries, and travel for contract offices, were compared,  
44 the two dollars and twenty-six cents (\$2.26) difference was determined.

1 (b) The Commissioner of Motor Vehicles shall submit a plan to the General  
2 Assembly, on or before August 1, 1993, for the privatization of the State-operated  
3 vehicle registration offices in Raleigh and Charlotte to reduce costs and improve  
4 productivity.

5 (c) The base budget of the Division of Motor Vehicles, Department of  
6 Transportation is reduced by six hundred thousand dollars (\$600,000) for the 1993-94  
7 fiscal year and by one million two hundred thousand dollars (\$1,200,000) for the 1994-  
8 95 fiscal year due to the decrease in personnel and costs attributable to the privatization  
9 of the State-operated vehicle registration offices in Raleigh and Charlotte mandated by  
10 subsection (b) of this section.

11 (d) This section is effective upon ratification.

12 —DMV PRODUCTIVITY ENHANCEMENT.

13 Sec. 12. (a) The Commissioner of Motor Vehicles shall submit a report to the  
14 General Assembly, not later than November 1, 1993, containing proposals for  
15 enhancing the efficiency of the motor vehicle registration process. The report shall  
16 contain consideration of:

17 (1) Encouraging vehicle owners to mail in their vehicle registration  
18 materials, thereby reducing the need for 126 registration offices.

19 (2) Purchasing a computer system that will accommodate direct  
20 transmission of registration information by contractors and branch  
21 offices to a central system at least on a daily basis.

22 (3) Accommodating possible future applications such as direct customer  
23 telephone input through automated teller machines and using credit  
24 cards.

25 (b) This section is effective upon ratification.