

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

H

2

HOUSE BILL 323
Committee Substitute Favorable 4/20/93

Short Title: GPAC/DOT Reorganization.

(Public)

Sponsors:

Referred to:

February 25, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT SELECTED RECOMMENDATIONS OF THE
GOVERNMENT PERFORMANCE AUDIT COMMITTEE CONCERNING THE
DEPARTMENT OF TRANSPORTATION.

The General Assembly of North Carolina enacts:

Section 1. The Department of Transportation shall eliminate the following positions by the dates indicated.

- (1) Fiscal Section, Accounting Manager II, (two positions) budgeted at \$66,117 each annually, plus fringe benefits at \$13,461 each. Total budgeted savings of \$159,156. These positions shall be eliminated once the present employees retire.
- (2) Management Assessment and Compliance, four positions and fringe benefit costs (total of \$114,196 in salary costs and \$22,953 in fringes). Total budgeted savings \$137,149. Positions to be eliminated by June 30, 1993, and present duties reassigned to offices performing similar functions.
- (3) Secretary's Office, four positions and fringe benefit costs. Positions are the Assistant Secretary for External Affairs at \$61,784, two Special Assistants for Regional Affairs, one at \$58,816 and one at \$54,897, and a Special Assistant for Operations budgeted at \$40,625 annually. Total budgeted salaries and fringes are \$262,648 in FY 93-94 and \$262,992 in FY 94-95. These positions will be eliminated by June 30, 1993.

- 1 (4) Commissioner's Office, a Deputy Commissioner, budgeted at \$68,665
2 plus fringe benefits. Total budgeted salary and fringe benefits in FY
3 93-94 are \$82,232 and \$82,404 in FY 94-95. This position will be
4 eliminated by June 30, 1993.
- 5 (5) Equipment Unit, 14 Equipment Operations Supervisors, total budgeted
6 salaries plus fringe benefits and additives of \$589,456. These
7 positions will be eliminated by June 30, 1994. The Department shall
8 make every effort to reassign personnel presently occupying these
9 positions to other positions in the Department of Transportation,
10 provided individuals meet appropriate requirements and qualifications
11 of the position to which he/she is reassigned since savings from these
12 position eliminations shall be used to reduce requirements from the
13 Equipment Fund. Elimination of these positions will have no effect on
14 the overall budget for the Department.
- 15 (6) Division of Highways, 193 positions, with total salaries, fringe
16 benefits, and additives of \$5,122,173. Ten of these positions are
17 funded from the Equipment Fund, resulting in \$269,948 in total
18 salaries, fringes, and additives to be used to reduce requirements from
19 the Equipment Fund. One hundred seventy-nine position eliminations
20 with total salaries, fringe benefits, and additives of \$4,661,014 will
21 have no effect on the Department's overall budget. Four position
22 eliminations with total salaries, fringes, and additives will result in
23 budgeted savings of \$191,211. These positions will be eliminated by
24 June 30, 1993.
- 25 (7) Division of Motor Vehicles, five Assistant District Supervisors in the
26 Drivers License Section with average salaries of \$26,840 each plus
27 fringe benefits. Positions shall be eliminated by June 30, 1993, for a
28 total budget savings of \$167,816.

29 Sec. 2. The Department of Transportation shall centralize the monitoring and
30 reporting of data related to small and minority business development firms and civil
31 rights related matters, and reorganize the Department so that functions related to these
32 activities will be integrated into and institutionalized under the Division of Highways.
33 The Department will comply with this section by June 30, 1993. The Department shall
34 report to the Joint Legislative Highway Oversight Committee by October 1, 1993, on
35 the reorganization of civil rights-related functions within the Department.

36 Sec. 3. The Secretary of the Department of Transportation shall provide an
37 interim report showing the specific positions eliminated, actual dollar savings, and the
38 amount of funding by which the Department's continuation budget might be rearranged
39 to address other priorities to the Joint Legislative Highway Oversight Committee by
40 April 1, 1994, and a final report to the 1995 General Assembly and the Joint Legislative
41 Highway Oversight Committee by December 1, 1994.

42 Sec. 4. The Secretary of the Department of Transportation shall submit to the
43 General Assembly and the Joint Legislative Highway Oversight Committee, on or
44 before September 1, 1993, a plan to consolidate part-time driver licensing offices across

1 the State to increase productivity. The plan shall consider the number of applications
2 processed per day by examiners, the number of full- and part-time offices located in
3 each county, the proximity of offices in each county to one another, population served,
4 costs to support part-time offices, and any other criteria the Secretary deems warranted.
5 The plan shall also document cost savings by office and the estimated increase in
6 productivity due to consolidations. The Secretary of the Department of Transportation
7 shall further notify the General Assembly on or before April 1, 1994, of the amount of
8 funds by which the Division of Motor Vehicles' 1994-95 appropriation can be reduced
9 due to consolidation of driver licensing offices.

10 Sec. 5. The Secretary of the Department of Transportation shall submit a
11 plan to the General Assembly and the Joint Legislative Highway Oversight Committee
12 on or before April 1, 1994, for privatizing selected vehicle registration functions
13 presently performed by the Charlotte and Raleigh Vehicle Registration offices. The
14 plan shall list those functions that can feasibly be performed by private entities, those
15 functions which appropriately should be continued by State-run offices, and the cost
16 savings, if any, of privatizing selected functions. The Secretary of the Department of
17 Transportation shall notify the General Assembly on or before April 1, 1994, the
18 amount of funds by which the Division of Motor Vehicles' 1994-95 appropriation can
19 be reduced due to privatization of selected vehicle registration functions.

20 Sec. 6. The Secretary of the Department of Transportation shall submit a
21 plan to the Joint Legislative Highway Oversight Committee and the General Assembly
22 not later than November 1, 1993, outlining steps the Department plans to take to
23 enhance efficiency of the Vehicle Registration Process.

24 Sec. 7. (a) The General Assembly finds that the Department of
25 Transportation is currently seeking funding for 298 more staff positions in its
26 preconstruction units during the next 15 years to handle the work load from the
27 Highway Trust Fund. The majority of these positions are to be filled during the next
28 four years in the Highway Design and Planning Branch and the Environmental
29 Branches.

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

33 The Department of Transportation is currently contracting out twenty percent
34 (20%) to twenty-five percent (25%) of preconstruction work to private engineering
35 firms. If outside contract forces were used to address the preconstruction work load
36 associated with the additional 298 positions, then the level of preconstruction work
37 contracted out would rise to about thirty-two percent (32%) to thirty-six percent (36%).

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

42 (b) The Secretary of Transportation shall submit a plan to the General Assembly,
43 by September 1, 1993, to implement the recommendation in subsection (a) of this

1 section to freeze preconstruction positions and contract out the balance of its
2 preconstruction work to private engineering firms.

3 (c) This section is effective upon ratification.

4 Sec. 8. (a) The General Assembly finds that the Department of
5 Transportation's on-going strategy to increasingly rely on the use of private engineering
6 firms to perform surveys, process control, and construction engineering and inspection
7 functions should be continued.

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

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

17 (1) Focus outside contract activity on the peak load requirements of the
18 Highway Trust Fund construction program;

19 (2) Retain sufficient in-house capability to address the base load
20 requirements of the Highway Trust Fund construction program and
21 properly administer the outside construction engineering and
22 inspection-related contracts; and

23 (3) Select contractors with significant experience in performing
24 construction engineering and inspection for major road and bridge
25 projects and familiarity with Department of Transportation engineering
26 standards and construction specifications.

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

31 (d) The Secretary of Transportation shall report to the General Assembly, no later
32 than September 1, 1993, a plan meeting the construction needs of the Highway Trust
33 Fund program with a minimum of new construction staff in the Department of
34 Transportation and increasing the use of outside contract forces while meeting the
35 criteria in subsections (a) through (c) of this section.

36 (e) This section is effective upon ratification.

37 Sec. 9. (a) The General Assembly finds that the Equipment Sections of the 14
38 highway divisions perform maintenance and repair functions for all Department of
39 Transportation equipment, except for sedans which are maintained through the
40 Department of Administration. Each division has between five and 10 garages,
41 including one major division garage. In some cases, two-person garages continue to
42 operate in certain rural areas of the State, where the distance between garages is fairly
43 large (40 to 50 miles). In addition, there are local county garages colocated near the
44 division garages. These latter garages represent a potential opportunity for

1 consolidation, to reduce the overall number of garage facilities maintained by the
2 Department of Transportation.

3 (b) The Department of Transportation shall develop a plan to consolidate the
4 equipment section resources associated with the 14 division garages and those 14
5 Department county garages located nearby for submission to the General Assembly by
6 February 1, 1994.

7 (c) This section is effective upon ratification.

8 Sec. 10. (a) The General Assembly finds that Division Traffic Services units
9 are variously organized, with some units having all field forces reporting to the Division
10 Traffic Services Supervisor and others having signal-related forces assigned to the
11 Assistant Division Traffic Engineer in a Traffic Control Technical Services unit. The
12 latter arrangement provides a better balance of technical and nontechnical traffic
13 services personnel among the middle management positions within this unit, resulting in
14 a more equitable span of control among these supervisory personnel. This alignment
15 recognizes the increasingly technical aspects of traffic signal planning and
16 implementation, while also providing for a more balanced distribution of Traffic
17 Services staff among the Traffic Services supervisors.

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

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

23 Sec. 11. (a) The General Assembly finds that the overall level of staffing for
24 the Department of Transportation should be based on:

- 25 (1) The determination of resources needed to provide an acceptable level
26 of service, accomplish the annual maintenance program efficiently,
27 and erase the existing maintenance backlog; and
28 (2) The determination of the most appropriate mix of contract and in-
29 house resources.

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

33 (b) The Department of Transportation shall report to the General Assembly, on or
34 before November 1, 1993, a plan on maintenance staffing and efficiency. The plan may
35 include:

- 36 (1) The continued contracting out of construction activities, as well as
37 those maintenance functions, such as mowing, roadside rest area
38 maintenance, building maintenance, signal installation, and signal
39 maintenance, that it currently contracts;
40 (2) The contracting out of all of the Secondary Road Construction
41 program and free up the in-house maintenance staff now performing
42 this function to concentrate on backlogged and expanding maintenance
43 needs; and

- 1 (3) Expanding the Department's efforts to contract out maintenance
2 functions, by increasing the proportion of contracted work in such
3 areas as: ditch cleaning, landscaping, and bituminous surface treatment
4 resurfacing.
- 5 (c) This section is effective upon ratification.
6 Sec. 12. This act is effective upon ratification.