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SENATE BILL DRS25078-LRz-117C*

Short Title: Monitor State Agency Spans of Control/PED. (Public)

Sponsors: Senators Edwards, Wells, and Waddell (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A PROCESS FOR MONITORING SPANS OF CONTROL AND
3 ORGANIZATIONAL LAYERS WITHIN STATE AGENCIES, AS RECOMMENDED BY
4 THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Effective December 1, 2018, Chapter 126 of the General Statutes is
7 amended by adding a new Article to read:

8 "Article 4A.

9 "Spans of Control.

10 "**§ 126-12.1. Organization of State agencies; spans of control.**

11 (a) This Article applies to State agencies employing nonexempt employees subject to the
12 provisions of this Chapter.

13 (b) For position and job classification analyses conducted after January 1, 2019, the
14 Office of State Human Resources shall incorporate spans of control and organizational layers as
15 components of position and job classification analyses and document circumstances of the
16 Office's actions that allow positions within agencies to not meet minimum span of control ratios
17 of the position's job classification as established under G.S. 126-12.3(8) and the justification for
18 approving such an action.

19 "**§ 126-12.2. Publication.**

20 (a) Each State agency shall publish on its Internet Web site, and update at least quarterly,
21 an accurate organizational chart that meets or exceeds the requirements of the Office of State
22 Human Resources.

23 (b) The Office of State Human Resources shall collect at least semiannually the
24 standardized organization charts of State agencies and shall display them on the Office's Internet
25 Web site.

26 (c) The Office of State Human Resources shall monitor compliance with this section.

27 "**§ 126-12.3. Two-year reporting.**

28 By October 1, 2020, and then every two years thereafter, the Office of State Budget and
29 Management shall report to the Joint Legislative Commission on Governmental Operations, the
30 Senate Appropriations Committee on General Government and Information Technology, the
31 House Appropriations Committee on General Government, and the Fiscal Research Division on
32 State agency spans of control and organizational layers. At a minimum, the report should include
33 the following components:

34 (1) Span of control and number of organizational layers for each agency.

35 (2) Span of control by organizational layer for each agency.



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- 1 (3) Number and percentage of supervisors with narrow spans of control, defined
2 as a ratio of 1:3 or fewer, for each agency.
- 3 (4) A list of departments whose overall span of control decreases.
- 4 (5) A list of departments whose overall number of layers increases.
- 5 (6) Historical analyses from 2018 forward of each agency's average span of
6 control and number of organizational layers.
- 7 (7) Span of control for each job classification.
- 8 (8) A recommended benchmark span of control for each job classification, and a
9 revised statewide span of control benchmark, as appropriate.
- 10 (9) A list of job classifications within each agency not meeting the recommended
11 benchmark span of control for that job classification as established by
12 subdivision (8) of this section.
- 13 (10) Any other budgetary or managerial considerations deemed necessary."

14 **SECTION 2.** By December 1, 2018, the Office of State Human Resources shall have
15 completed the following actions and reported them to the Joint Legislative Commission on
16 Governmental Operations and the Fiscal Research Division:

- 17 (1) Developed a standard organizational layer nomenclature for use by State
18 agencies building on the nomenclature specified in G.S. 143B-11.
- 19 (2) Adopted a policy to require State agencies to submit any changes in
20 supervisory reporting structures to the Office of the State Controller within
21 five days of the effective date of the change.
- 22 (3) Adopted a standardized format for organizational charts for State agencies
23 subject to this Article.
- 24 (4) Developed criteria-based technical leadership tracks as an alternative way to
25 reward and retain employees, as an alternative to supervisory promotions, and
26 provide a plan for implementing these tracks and any necessary legislative
27 action.

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