



SENATE BILL 539: DOT/Workforce Reduction Compliance

2015-2016 General Assembly

Committee:	Senate Re-ref to Transportation. If fav, re-ref to Appropriations/Base Budget	Date:	April 22, 2015
Introduced by:	Sen. Rabon	Prepared by:	Giles S. Perry Committee Counsel
Analysis of:	PCS to First Edition S539-CSRW-17		

SUMMARY: *Senate Bill 539 (proposed committee substitute) directs DOT to comply with the provisions of the 2014 budget act requiring specified privatization of DOT preconstruction activities.*

The proposed committee substitute changes the position elimination date to June 1, 2015.

CURRENT LAW: Section 34.13 of S.L. 2014-100 directed DOT to privatize preconstruction work where practical, economical, and likely to lead to increased efficiency. This section included mandatory outsourcing target percentages, and provided that DOT may credit any reduction in expenditures due to a reduction in force towards meeting the requirements.

BILL ANALYSIS: Senate Bill 539 directs DOT to comply with the reduction in workforce already required by law by eliminating 81 filled, full time positions within units and divisions in the Department of Transportation with unmet outsourcing targets. The Secretary of the DOT is directed to eliminate the positions by June 1, 2015.

EFFECTIVE DATE: This act is effective when it becomes law.

BACKGROUND:

S.L. 2014-100

OUTSOURCING OF PRECONSTRUCTION ACTIVITY

SECTION 34.13.(a) The Department of Transportation shall seek to increase the use of contracts to further privatize preconstruction work where practical, economical, and likely to lead to increased efficiency. In doing so, the Department of Transportation shall meet each of the following privatization requirements:

- (1) Increase the outsourcing of all activities performed by the Department's Preconstruction and Technical Services units to seventy percent (70%) of the total cost of activities performed by those units in fiscal year 2014-2015, excluding the cost of activities performed by the Turnpike Authority, the Structures Design and Management unit, and the Bridge Program.
- (2) Increase the outsourcing of all activities performed by the Department's Roadway Design unit to fifty percent (50%) of the total cost of activities performed by that unit in fiscal year 2014-2015.
- (3) Increase the outsourcing of all activities performed by the Department's Project Development and Environmental Analysis unit to sixty-five percent (65%) of the total cost of activities performed by that unit in fiscal year 2014-2015.
- (4) The Department's Right-of-Way unit shall increase the total expenditures for outsourced activity by five percent (5%) in fiscal year 2014-2015.

SECTION 34.13.(b) The Department may credit any reduction in expenditures due to a reduction in force towards meeting the requirements imposed by subsection (a) of this section.

SECTION 34.13.(c) The Department shall increase contracts for construction of transportation projects on a design-build basis awarded under the provisions of G.S. 136-28.11.

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SECTION 34.13.(d) The Department shall report no later than October 1, 2014, and quarterly thereafter, to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division regarding its implementation of this section, including any reductions in force used to meet privatization requirements.