



North Carolina Department of Commerce

Pat McCrory, Governor

Sharon Allred Decker, Secretary

October 23, 2014

Senator Phil Berger, President Pro Tempore of the Senate
Representative Thom Tillis, Speaker of the House
Fiscal Research Division
Joint Legislative Commission on Governmental Operations

Re: North Carolina Department of Commerce
Report of Restructuring of the North Carolina Industrial Commission

Senator Berger, Speaker Tillis, and Commission Members:

I am writing to notify you of a planned restructuring of the N.C. Industrial Commission ("the Commission"). Although the proposed plan does not "establish or abolish" any administrative unit within the Commission, it is being undertaken in order to "achieve economy and efficiency and in accordance with sound administrative principles, practices, and procedures." Therefore, I am presenting this to you for your review in accordance with the above-referenced statute.

The Commission currently employs over 160 employees, most of whom have job duties that require them to report to duty stations in the Dobbs Building in Raleigh. Some of these employees, however, have duties that require them to work in remote locations. For example, the Commission employs Deputy Commissioners who travel the state conducting evidentiary hearings. Although the Deputies' hearings are held across the state, their duty stations are all currently located in Raleigh, creating significant costs, lost productivity and safety risks associated with travel. The Commission also employs Safety Training Officers who incur similar costs traveling the state conducting safety training classes, Nurses who travel the state assisting injured workers, and Law Enforcement Officers who travel the state investigating fraud and compliance issues.

Analysis of hearings held from FY 2008-2009 to FY 2012-13 showed that 93% of all hearings could be held within 50 miles of strategically located cities. (See Exhibit 1). In addition, a similar analysis showed that over 600 hearings per year were held outside of a 50 mile radius of Raleigh, requiring Deputy Commissioners to travel from Raleigh to hold these hearings across the state. Therefore, the Commission is proceeding with plans to change the way it conducts business in order to reduce costs, increase efficiency and enhance customer service by relocating duty

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stations such that all employees' duty stations are in close geographic proximity to the locations where their work will be performed.

Specific examples of how this restructuring of the duty stations would benefit the Commission include the following:

- Security concerns from over-night trips and a reduced risk of travel-related injury.
- Better access to office resources resulting from "work-at-home" employees being relocated in regional offices.
- Substantial increase in efficiency through elimination of travel related costs such as mileage, lodging, parking, and meal reimbursement.
- Substantial increase in productivity driven by the elimination of "lost" travel time.
- With less travel associated with hearings there would be an increase in the number of hearing dates available per location.
- Increased accessibility for in-person conferences with Law Enforcement Officers to report suspected fraud or noncompliance.
- Better customer service due to increased accessibility for in-person conferences with assigned Deputy Commissioners.
- Better alignment and turnaround time with new Medical Motion "Rocket Docket" system under N.C. Gen. Stat. § 97-25.
- Better service through local knowledge:
 - Deputy Commissioners would benefit from better relationships with courthouse staff.
 - Deputy Commissioners, Law Enforcement Officers, Nurses and Safety Trainers would be able to provide better service through increased familiarity with the local job market, local medical providers, and local businesses.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions.

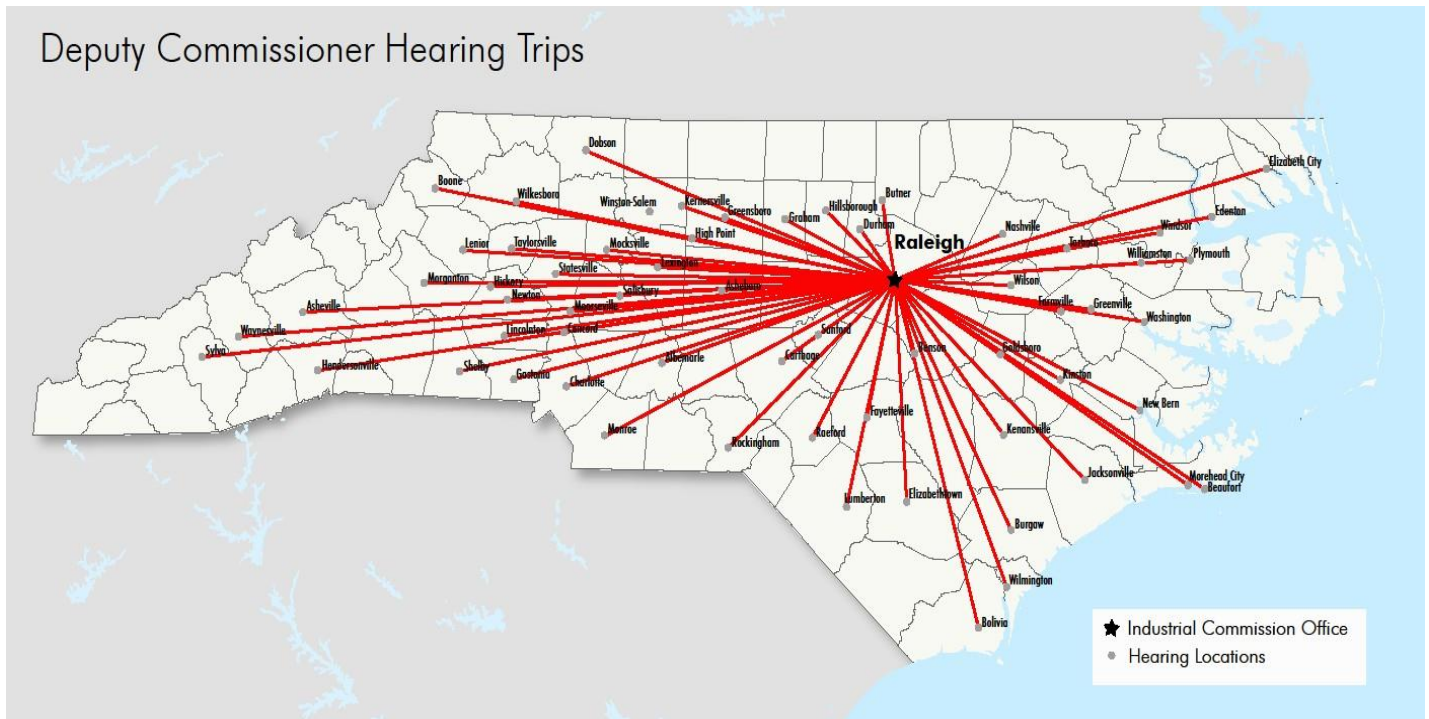
Sincerely,



Sharon Allred Decker
Secretary, North Carolina Department of Commerce

Exhibit 1

Deputy Commissioner Hearing Trips



Proposed Deputy Commissioner Hearing Trips



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