

JPAC 10

Section 7 - Organization and Staffing Issues

Assessment of State Organization Structure

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Government Performance Audit Committee
December 1992

Issue Statement

This paper evaluates the organizational structure of North Carolina's State government and presents recommendations that will enable State agencies to deliver citizen-focused services more efficiently and effectively and to promote accountability for such services.

Background

The organization of North Carolina State government is shown in Exhibit 1. Eight of the agencies are headed by an official that is elected by the citizens of North Carolina. The remaining agencies are headed by a Secretary or a director that is appointed by and serves at the pleasure of the Governor.

Historical Perspective. Since 1925, the State has evaluated its role, responsibility and the organization of State government five times (in 1925, 1929, 1971, 1973, and again in 1985). These reviews were motivated by the State's interest in improving its efficiency and effectiveness in delivering essential services to its citizens.

Prior to 1925, North Carolina did not take an active role in the lives of its citizens. After 1925, the expectations of the government's role began to change and the General Assembly expanded the role of State government by:

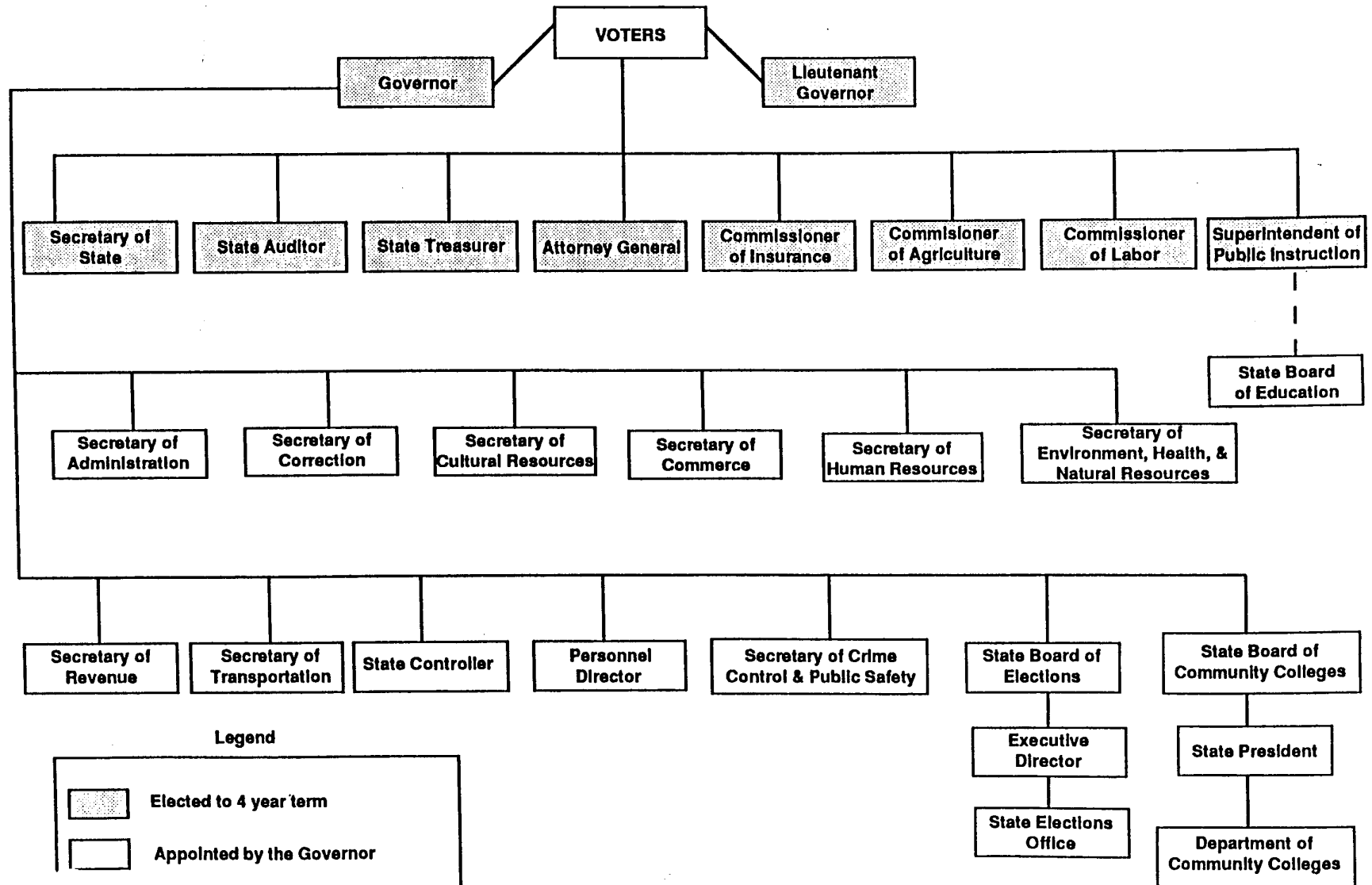
- Consolidating all revenue collecting activities in the State Department of Revenue
- Adopting a new State personnel policy that classified State employees and created a uniform salary and wage schedule
- Centralizing all State legal activities under the Attorney General

The State also began to invest heavily in schools and roads, but it did not regulate business or become involved in social programs beyond workman's compensation.

The Great Depression of 1929 caused the General Assembly to reduce the State budget by one-third, and State employees' salaries by 20 to 25 percent. The price of cotton, tobacco, and other crops dropped dramatically. Several counties and municipalities could not afford basic services and many defaulted on their debt. To ease the strain of the depression on local governments, the State:

- Assumed responsibility for the maintenance of county roads, relieving local government of the expenses
- Stabilized the credit of counties and towns through the Local Government Act

EXHIBIT 1 North Carolina Executive Branch



- United the three State-supported institutions of higher education as the Consolidated University of North Carolina
- Took responsibility for operating the public schools, further easing the burden on local government

North Carolinians experienced a number of changes during the last half of the twentieth century, such as integration, environmental programs, and crime prevention programs. To deal with these changes, streamline the operations of administrative departments, reduce the number of State employees, and improve the effectiveness of government, the General Assembly passed the Executive Reorganization Act of 1971, which combined the State's 350 separate agencies, boards and commissions into fewer than 20 executive departments, each headed by a secretary appointed by the Governor.

In 1973, the State created a Governor's Efficiency Study Commission to review the organization and operating procedures of State government. The government continued to grow and by 1985, State expenditures had risen to \$7.4 billion and there were 93,600 State employees, excluding public school teachers. To increase the efficiency of State government, Governor James G. Martin authorized the formation of a Governor's Efficiency Study Commission in 1985. The commission, composed primarily of private sector leaders, reviewed all executive branch departments reporting to the Governor. The commission approved 414 proposals for improving the administration and delivery of government services.

National Perspective. North Carolina is one of the 26 states that reorganized between 1965 and 1991. Nearly half of the executive branch reorganizations occurred in the South. The national trend in reorganizations has been to organize states around a smaller number of State agencies, departments, boards, and commissions. The focus of recent organizations has been on improving administrative effectiveness and efficiency.

In 1969, only 26 states had a cabinet structure of government. Today, 40 states have incorporated this form of government. A cabinet structure is defined as a system where state agency directors are grouped together into an organizational structure to advise the Governor. The secretaries of the reorganized departments are typically appointed by and report directly to the Governor. Cabinet size varies from five to 33 members (with an average of 15 members).

Methodology. The analysis of North Carolina's State organization is a result of a year long Government Performance Audit. Issues papers have been prepared that review the details of several of the organizational areas. A literature search was performed to gather and analyze information on analysis of national trends in state executive branch reorganizations.

We used standard guidelines for measuring the effectiveness of the State's overall organizational structure. The guidelines provide a method to evaluate the effectiveness and efficiency of State government. A well functioning state organization should:

- Group related programs to minimize administrative cost
- Eliminate fragmentation of policy direction for related programs
- Establish clear lines of authority to increase accountability for results
- Separate internal administration functions from programmatic service delivery

Although this is not an exhaustive list of guidelines, these guidelines are the most applicable for analyzing North Carolina government. The **Findings** that follow are based on the above guidelines.

Findings

Finding 1: The Department of Administration (DOA), the State's central administrative agency, includes several program units and advocacy groups that are inconsistent with its primary mission.

DOA provides many of the State's administrative and management services. Department of Administration functions are analyzed in the issue paper, "Organizational Assessment of State Administrative Services". This issue paper includes the following findings:

- Several program-related units and advocacy groups in DOA do not provide administrative services to State agencies.
- Of the agencies that provide services to other agencies, SIPS and the Management Productivity Section in the Office of State Management and Budget (OSMB) meet the criteria for inclusion in DOA.
- The Office of Marine Affairs performs functions similar to units in the Department of Environment, Health, and Natural Resources.
- Advocacy groups in DOA include programmatic functions.
- The functions performed by Intergovernmental Relations overlap with other State agencies.

These findings represent the impediments to having a comprehensive State agency that provides high quality management and administrative support to other State service delivery agencies.

Recommendation 1: The General Assembly should authorize the reorganization the Department of Administration to provide improved and administrative services to State agencies.

This recommendation has the following organizational implications for the Department of Administration:

- DOA should retain the following management and administrative functions:
 - State Construction Division
 - Facility Management Division
 - Purchase and Contract Division
 - State Property Division
 - Motor Fleet Management Division
 - State Capitol Police
 - Auxiliary Services
 - Agency for Public Telecommunications
- DOA should add the following management and administrative functions that are currently located elsewhere:
 - State Information Processing Services (SIPS)
 - Management and Productivity Section of the Office of State Management and Budget
- Move the advocacy groups and the program functions currently in DOA to more appropriate organizational locations:
 - Youth Advocacy and Involvement Office
 - Human Relations Commission
 - Commission on Indian Affairs
 - Council for Women
 - Governor's Advocacy Council for Persons with Disabilities
 - Veterans Affairs
 - Office of Marine Affairs

The recommended alignment of functions in DOA can be streamlined to provide improved management support to agencies across State government.

Finding 2: The public education governance structure in North Carolina has fragmented leadership and authority.

The governance structure for public education in North Carolina has been a source of concern for a number of years. The Department of Public Instruction (DPI) governance structure is analyzed in the

issue paper, "Governance Structure for Public Education in North Carolina". This issue paper concluded that there is split leadership and authority in the public education governance structure at the state level that results in fragmented policy making management and the need, even under optimal conditions, to spend unnecessary time and effort on coordination.

As a result of split leadership and authority:

- It is difficult to define and place accountability for educational performance.
- Due in part to this difficulty, the General Assembly becomes prescriptive in its legislation to ensure that its legislative intent is carried out.
- The State Board does not have the ability to "supervise and administer" the public education system, as stated in the State Constitution, because the primary mechanism for implementation, i.e., the Superintendent, is not answerable to the Board.
- The State Superintendent is limited in his ability to function as the chief administrative officer of the State Board and to manage the operations of DPI in an effective manner because he may not have the support of the policy-making Board as he attempts to improve educational performance in North Carolina.
- The Board and the Superintendent focus significant resources on dealing with governance problems to the detriment of other important issues.
- The State does not have the unified leadership that can offer a single focused mission, goals or plan of action to address educational issues in the State.

Recommendation 2: The State Board of Education appointment process should change and the Board should appoint the State Superintendent for Education.

This recommendation has the following implications for the State Board of Education:

- The State Board of Education should serve as the single focus for public education policy making in the State subject to laws enacted by the General Assembly.
- The State Board of Education appointment process and structure should be modified to make that body more responsive to changing state needs and accountable.
- The State Board of Education should appoint the State Superintendent who will then report and be accountable to the Board.

Finding 3: The divergent governance structure within the three systems of public education has interfered with shared-decision making and as a result has led to the General Assembly serving as the de facto coordinating body for education.

North Carolina's education delivery has evolved in three systems (public school system, the community college system, and the University of North Carolina). As a result there are three governance and organization models for the education system in North Carolina. These organization and governance structures are analyzed in the issue paper, "The Continuum of Education Programs and Intersystem Governance". The issue paper concluded that:

- The widely divergent governance structures of and assignment of authority within the three systems of public education actively impede shared decision-making, intersystem planning, and shared problem resolution.
- Because there is no institutional governance mechanism for intersystem coordination, the General Assembly has served *defacto* as the coordinating body for education, but on an issue-by-issue basis.

These findings represent the impediments to having a comprehensive, coordinating organization and governance structure for education in North Carolina.

Recommendation 3: There should be an education cabinet chaired by the Governor of the State and the three boards of education should serve as the State Education Commission.

This recommendation has the following organizational implications for education in North Carolina:

- The General Assembly should mandate that the three system CEOs should be convened permanently as an "education cabinet" chaired by the Governor of the State, to implement the results of the strategic education continuum study and to plan, design, and coordinate programs across the systems on a permanent basis.
- The Governor should convene the three boards or officers of the three boards as a State Education Commission.
- Using UNC as a model, modify the governance structures of DPI and NCCCS to balance between central authority and local flexibility and to balance authority of the three system chief executive officers, so that they may more effectively work together on intersystem policy and planning decisions.
- Make the appointment methods for the three state-level boards equivalent or similar, creating in each one an appropriate balance of influence for the Governor and the General Assembly.

These recommendations will facilitate coordination for education policy in the State.

Finding 4: The State lacks a clear organizational focus for its worker training and other labor-related functions.

Several agencies in North Carolina have labor-related functions. The primary agencies are the Department of Labor (DOL) and the Employment Security Commission. The Department of Labor is charged with the responsibility of promoting the general well-being of working people in North Carolina. The Department of Labor has three major areas of responsibility: safety and health; job training; and wage payment and other employment standards. DOL has a staff of 332 and a 1992-93 general fund budget of \$8,593,565.

The Employment Security Commission (ESC) has a staff of 2,266 staff and operates in three broad program areas:

- Employment Service (Job Placement) seeks to fill job openings with occupationally qualified workers and to locate for workers jobs suited to their skills, knowledge, and abilities.
- Unemployment Insurance (Job Insurance) provides temporary income protection to workers during periods of involuntary unemployment with coverage under the Unemployment Insurance Program.
- Labor Market Information (Job Market Information) collects organizes, and disseminates information about the labor market.

For the State to develop and implement a consistent worker training policy, its relevant worker training programs should be placed in one agency. The lack of one coordinating agency for worker training poses challenges for the State. It is difficult to develop a consistent response to changing economic conditions with a coherent worker training program. Also, citizens in need of job training face a confusing and diffuse network of agencies and programs.

Factors contributing to the fragmentation of worker training programs in North Carolina include:

- The federal Department of Health and Human Services requires that North Carolina (and other states) offer worker training programs to AFDC recipients.
- The Secretary of Labor is an elected position which is not directly accountable to the Governor.

Recommendation 4: Establish a new Department of Labor that includes major worker training programs and other labor-related functions.

To integrate the State's labor-related functions of the Labor Department, the Employment Security Commission and worker training (on-the-job and apprenticeship) programs should be moved to the Department of Labor. Vocational education programs would remain under the purview of the

community college system. The transfer of these programs could eliminate the fragmentation of labor-related functions by consolidating like functions into one agency.

The following agencies and programs should be moved from the Department of Commerce and placed in a new Department of Labor:

- Employment Security Commission
- Job Training Partnership Act programs
- Employment and Training Administration
- Apprenticeship programs

The new Department of Labor would:

- Group all worker training and apprenticeship programs and minimize administrative costs
- Coordinate policy for worker training and labor-related programs
- Eliminate unnecessary duplication of worker training functions

A potential constraint to this recommendation is that the Secretary of Labor is a Council of State Officer and is elected by the citizens of the State. As such, the Secretary of Labor is not accountable to the Governor and not obligated to follow the recommendations or initiatives of the Governor. North Carolina is one of only five states to elect their Secretary of Labor.

Finding 5: North Carolina has an inadequate planning process and plan for statewide economic development.

As discussed in the issue paper on a strategic planning process for economic development, the State has an inadequate strategic plan for economic development. The absence of an integrated, comprehensive, and well articulated plan for economic development creates several inefficiencies, including:

- Many agencies involved in economic development have little direction for the types of programs and priorities they should focus on
- General Assembly has limited guidelines for where most effectively to focus appropriations
- There are no explicit performance indicators against which agencies' performance can be monitored
- There exists the very real possibility that various agencies involved in economic development may be conducting similar programs or serving at cross purposes with one another

Clearly, a more focused approach could yield even greater results.

Recommendation 5: The Governor should establish an Economic Development Council to develop a strategic plan and recommend economic development policy to the Governor and General Assembly.

While the current Economic Development Board acts only in an advisory capacity, the newly established Council would have the authority to recommend economic development policy to the Governor and General Assembly on such issues as:

- Use of tax abatements and other incentives to motivate economic development
- The definition of those specific activities and programs that will be considered economic development for the purpose of receiving State appropriations
- The role of higher education in economic development
- The use of State funds to leverage private nonprofit economic development initiatives

The Council would also be responsible for economic development planning with staff support from Commerce.

The Economic Development Council should be comprised of the key economic development players in the State. The Council should be chaired by the Governor representation from:

- The principal State agencies involved in economic development, including the Departments of Commerce and Agriculture
- The State higher education system, including the community colleges and the UNC system
- Various regional alliances established around the State by local governments that involve the private sector in economic development, such as the Carolinas Partnership and Partnership East
- Special purpose nonprofits established by the State to conduct economic development, such as the Rural Economic Development Center, the Biotechnology Center, and MCNC, as well as other nonprofits that receive substantial funding from the State for economic development, such as the North Carolina Institute of Minority Economic Development
- The Worker Training programs, to assure appropriate coordination between the State Development Strategies and Workforce Preparedness initiatives

Finding 6: There is program fragmentation and redundant administrative organizations in North Carolina's community corrections programs.

The State's community corrections programs are being administered by separate management structures. Community punishments provide supervision and control for offenders who remain in the community. The major adult program areas are shown in Exhibit 2.

EXHIBIT 2
Program Areas and Responsible Agency

Program Area	Responsible Agency
Treatment Alternatives to Street Crime (TASC) - identifies, assesses, refers to treatment, and monitors treatments for offenders	Nonprofit agencies
Mental Health Out-Patient Services - administers out-patient services to offenders which will improve the level of functioning and reduce personal and societal suffering	Department of Human Resources
Community Service Work - holds offenders accountable for criminal behavior and repays society through work performed without compensation for a governmental or nonprofit agency	Crime Control and Public Safety
Probation - provides supervision and treatment in lieu of prison to control and rehabilitate offenders	Department of Correction
Parole - provides supervision and treatment to control and rehabilitate offenders who are granted early release from prison	Department of Correction

These programs are related parts of a continuum of sanctions available to help restore the population of offenders to law-abiding citizens. The operational costs of supervising and controlling offenders in alternative sanctions are much less than the costs of constructing and operating prisons. The number of similar community-based programs should continue to expand as the State seeks cost-effective correctional solutions to prison crowding.

The programs have grown independently and lack a well coordinated and efficient administrative structure and regional office configuration. Today, State courtrooms have representatives from all of these areas and many offenders will receive sentences requiring enrollment in several agency programs. Community corrections, as its name implies, requires a distributed statewide network of employees. Each program currently has its own regional administrators. The largest two community corrections programs - probation and parole - are administered separately even though they are located in the same division of the Department of Correction.

This separate administration of community correction programs results in overlapping and redundant administration of mission-related programs. A thorough review of the redundant administration and regional management will eliminate overlapping responsibilities and identify opportunities to reduce staff and operating costs.

Recommendation 6: *North Carolina should consolidate its community corrections programs under the Department of Correction and streamline its administration.*

To utilize its existing resources more effectively, reduce program fragmentation, improve service delivery and provide uniform management of community corrections programs, the State should consolidate the administration of community corrections programs under the Department of Correction and reduce court intake fragmentation and redundancies in community corrections administration. Specifically:

- Community Services Work Program should be moved from the Department of Crime Control and Public Safety to the Department of Corrections and integrated with other community corrections programs.
- The separate administrative organizational structures of Community Services Work Program Probation and Parole should be eliminated. Court intake positions should be established to administer all community corrections programs and also allow probation, parole, community service, and Department of Human Resource personnel to concentrate on field operations.
- The planning, coordination, and management of State-run community-based programs should be consolidated in the Department of Corrections under a single administrative structure and regional network configuration. This consolidated organization provides an integrated and logical, functionally based structure directed towards accomplishing successful use of community corrections.

Finding 7: *The functions of the Department of Crime Control and Public Safety are closely related to functions of several other Departments.*

The Department of Crime Control and Public Safety's (CCPS) mission is to provide law enforcement and emergency service, to serve as the State's principal coordinating agency to control crime and to protect the public, to assist local law enforcement and public safety agencies, and to work for a more effective and efficient criminal justice system. CCPS is a diverse grouping of law enforcement and emergency service functions that overlap significantly with the mission of several other State departments. As shown in Exhibit 3, the largest divisions within CCPS are closely related to the missions of the Departments of Transportation, Corrections, Justice, and the Governor's Office.

Few states we studied had an organization with a comparable mission and functions. Many other states have the National Guard and emergency services report directly to the Governor's Office. Others had State Police organizations that combine criminal and traffic law and enforcement.

EXHIBIT 3
Crime Control and Public Safety Functions and Related Department Missions

Crime Control & Public Safety Functions	Related Department Mission
Highway Patrol - patrols highways, enforces vehicle laws, assists the motoring public, and performs other public safety duties assigned	Department of Transportation - responsible for essentially all activities associated with the State's transportation system including State's driver's licensing and motor vehicle registration
Victim and Justice Services - administers community-based forms of punishment to individuals convicted of having committed crimes, and provides direct services to victims of crime	Department of Correction - to promote public safety and to provide the opportunities for adjudicated offenders to develop progressively responsible behavior
Alcohol Law Enforcement - enforces the State's alcoholic beverage control laws	ABC Commission - State Alcohol Beverage Control Board - ensures compliance with State Alcohol laws
Crime Prevention Division - assists local law enforcement agencies and other groups in encouraging citizen involvement in the prevention of crime	Attorney General - heads the Department of Justice; organized in three divisions - Legal Affairs, Training and Standards, and State Bureau of Investigation
Butner Public Safety - provides police and fire protection for State-owned facilities, as well as to the residential and business community, at Butner, North Carolina	No large department with corresponding mission; generally a local government responsibility
Governor's Crime Commission Division - serves as staff to the Governor's Crime Commission	Governor's Office - to support the Governor's constitutional responsibilities as the chief executive officer, director of the budget, executor of the laws of the State, commander in chief of the State militia; to provide information and recommendations to the General Assembly, and to grant reprieves, commutations and pardons
Emergency Management Division - coordinates response and relief activities in the event of major emergencies or disasters	No large department with corresponding mission
National Guard - serves as the organized militia of the State, with the Governor as the commander-in-chief	No large Department with corresponding mission. Governor is commander in chief of National Guard
Civil Air Patrol - provides administrative support to the Civil Air Patrol	No large Department with corresponding mission

Recommendation 7: *The Department of Crime Control and Public Safety should be eliminated and its divisions placed within the appropriate departments.*

To streamline State government and organizationally align related functions, the nine operating divisions could be reorganized as follows:

- Highway Patrol Division should be moved to the Department of Transportation

- Community Service Work Program within the Victim and Justice Services Division should be moved to the Department of Corrections, Division of Adult Probation and Parole
- Crime Victim's Compensation within the Victim and Justice Services Division should be moved to the Administrative Office of the Courts
- Alcohol Law Enforcement Division should be moved to the Alcohol Beverage Commission, State Bureau of Investigation. (See issue paper, "How Should the State Organize the Enforcement of Alcohol-related Laws?")
- Emergency Management Division, National Guard Division, and Civil Air Patrol should be moved to the Office of the Governor
- Governor's Crime Commission should be moved to the Office of the Governor in the new Office of Boards and Commissions
- Butner Public Safety needs to be evaluated further to determine its appropriate organization and reporting structure (See issue paper, "Butner Public Safety".)

These changes will provide savings by eliminating redundant administrative functions and focusing responsibility and accountability for related programs and functions.

Finding 8: Multiple State agencies and commissions regulate financial institutions and closely related businesses.

Three commissions regulate financial institutions in the Department of Commerce. They are:

- Banking Commission
- Credit Union Division
- Savings Institutions Division

In addition, the Department of Insurance regulates the insurance industry through consumer protection, education, and other regulations. Changes in federal regulations, market competition, and industry consolidation have blurred the distinctions between the insurance industry and banks, savings and loans, and credit unions. These organizations now serve in many of the same markets by selling similar and integrated financial products and services.

Recommendation 8: The General Assembly should direct the Governor to study the organization of the State's agencies that regulate financial institutions.

The State's regulatory agencies for financial intermediaries should be studied before a recommendation on their placement is offered. One option could be eliminating the Department of Insurance and creating a Department of Financial Institutions. This new consolidated Department of Financial Institutions potentially could contain the following:

- Banking Division
- Credit Union Division
- Insurance Division
- Savings and Loan Division

A possible constraint to this organizational change is that the Insurance Commissioner is a Council of State Officer. As such, this position is elected by the citizens of North Carolina and not directly accountable to the Governor. North Carolina is one of ten states that elect their Insurance Commissioner.

Finding 9: The State has over 200 boards and commissions and that are not periodically evaluated to assess the need for continuing operation and funding.

There are over 200 boards and commissions operated under different guidelines, with differing levels of support in staff and finances, and in a variety of locations organizationally within State government. The boards and commissions in North Carolina are not uniformly organized and have inconsistent reporting relationships. This lack of organizational consistency has made it increasingly difficult for the State to monitor its boards and commissions and their roles and responsibilities.

Recommendation 9: The General Assembly should identify and evaluate all State boards and commissions and establish a sunset date for each one.

The General Assembly should establish sunset dates for all boards and commissions over the next four years. The goal of the sunset legislation should be to identify the most important of North Carolina's boards and commissions and recommend the elimination of boards and commissions, where appropriate.

By placing a sunset date on the State's boards and commissions the State can ensure that when they accomplish their mission, they will cease to function and reduce the costs of State government.

Finding 10: Inappropriate span of control, excess layers of management, and one-on-one reporting relationship problems exist in many State agencies not evaluated in detail by GPAC.

In the course of this study, the organization of many small and medium sized State agencies were reviewed on a preliminary basis. The review identified the following problem areas:

- Excessively narrow spans of control
- Excessive layers of management
- One-on-one reporting relationships
- Numerous units with small numbers of staff

These problems suggest there are excessive staff in some agencies and that these organizations are candidates for streamlining to improve their efficiency and effectiveness.

Recommendation 10: *The General Assembly should direct the Governor to conduct organizational and staffing analyses of State agencies not evaluated in detail by GPAC.*

GPAC evaluated the following departments in detail: Human Resources, Corrections, Commerce, Transportation, Public Instruction, Revenue, AOC, the General Assembly's central staff divisions, and elements of law enforcement agencies. The organization and staffing of agencies not analyzed by GPAC should be analyzed by the Executive Branch, or possibly GPAC in the future. These evaluations should use the organization and staffing criteria applied by GPAC. In particular, the evaluations should use the following guidelines:

- Eliminate one-on-one reporting relationships at middle management and supervisory levels.
- Achieve spans of control of three to six, with a span of control of three applying to highly technical, policy sensitive, and/or non-repetitive functions.
- Consolidate units with small numbers of staff (e.g. 2 to 5 staff) into larger more efficient units.

These guidelines, coupled with both short and long term improvements in information systems and telecommunications, provide significant potential to further streamline agency operations.

Implications

These recommendations should result in savings by eliminating unnecessary administrative structures that are currently duplicated in organizations with similar missions. These administrative savings could be used to reduce overall expenditures or they could be reallocated to service delivery operations. Potential cost savings associated with the above recommendations are presented in Exhibit 4. The cost savings and associated resolutions are attributable to the:

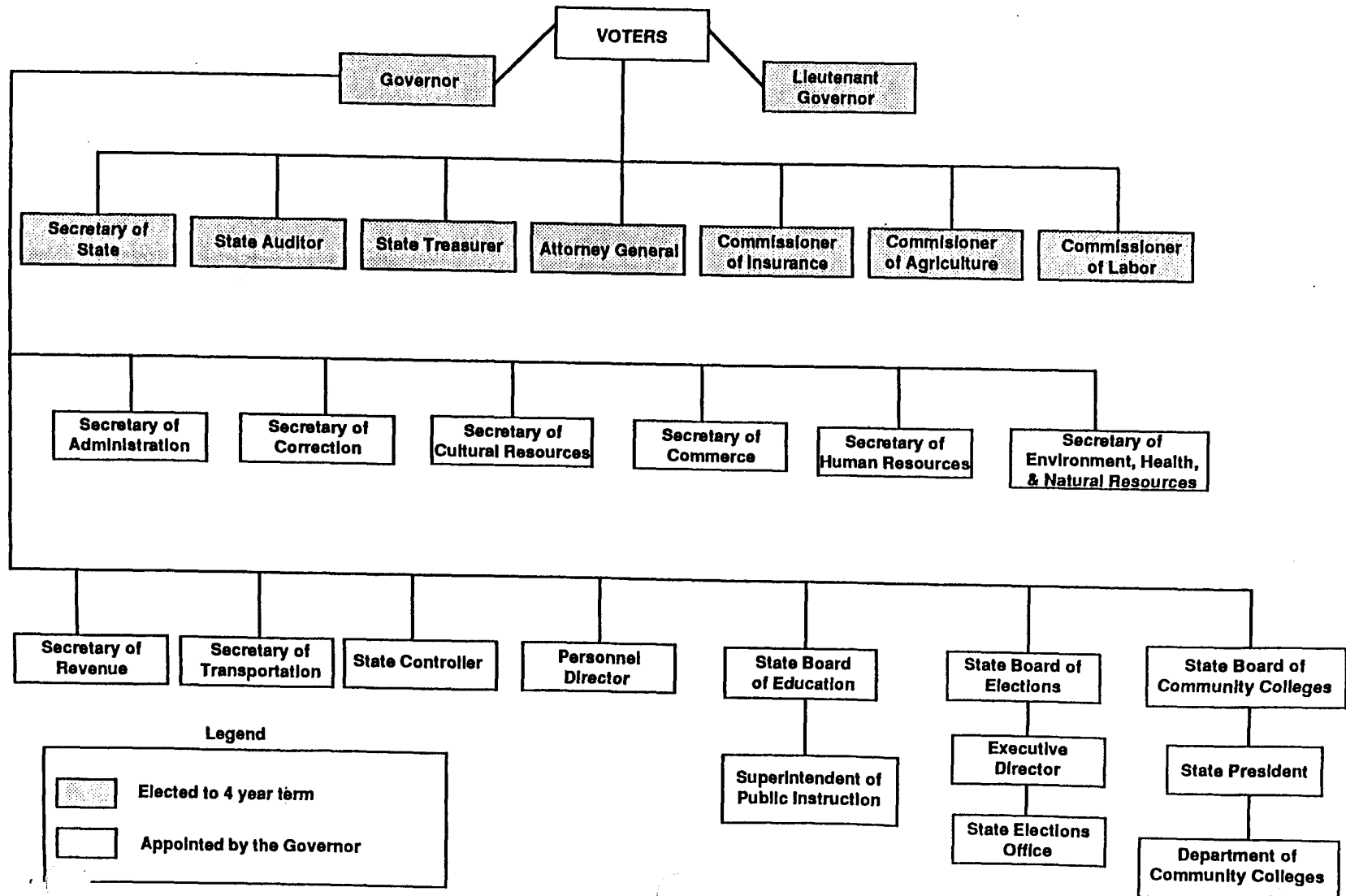
- Elimination of eight positions in the Department of Administration (6 positions from the Office of Marine Affairs and 2 positions from Intergovernmental Relations)
- Elimination of the Department of Crime Control and Public Safety and place its divisions in the appropriate departments (48 positions in the Secretary's Office)
- Consolidation of community correction programs in the State (eliminate 48 positions)
- Consolidation of the State's regulatory commissions for financial intermediaries (eliminate 14 positions)

EXHIBIT 4
Estimated Annual Savings
(1992 dollars)

Annual Savings	Fiscal Year ending June 30									
	Current	1994	1995	1996	1997	1998	1999	2000	2001	2002
Department of Administration	--	\$335,180	\$335,180	\$335,180	\$335,180	\$335,180	\$335,180	\$335,180	\$335,180	\$335,180
Crime Control and Public Safety	--	\$2,410,806	\$2,410,806	\$2,410,806	\$2,410,806	\$2,410,806	\$2,410,806	\$2,410,806	\$2,410,806	\$2,410,806
Community Corrections	--	\$1,442,850	\$1,442,850	\$1,442,850	\$1,442,850	\$1,442,850	\$1,442,850	\$1,442,850	\$1,442,850	\$1,442,850
Financial Commissions	--	\$503,398	\$503,398	\$503,398	\$503,398	\$503,398	\$503,398	\$503,398	\$503,398	\$503,398
Cumulative Savings	--	\$4,692,234	\$9,384,468	\$14,076,702	\$18,768,936	\$23,461,170	\$28,153,404	\$32,845,638	\$37,537,872	\$42,230,106

EXHIBIT 5 Recommended North Carolina Executive Branch

1.18



Implementation

Reorganization of the Department of Administration, Department of Public Instruction, Department of Labor, Department of Crime Control and Public Safety, financial intermediaries, and community corrections can be accomplished legislatively or by executive order. Changes to the elected status of Council of State Offices requires a change in the Constitution. A change to the Constitution would be necessary if there were changes made to the Labor Secretary's or Insurance Commissioner's position.

Resources

Trends in Executive Reorganization, Keon S. Chi, The Journal of State Governments, August 1992

In the Shadow of Wilson and Brownlow: Executive Branch Reorganization in the States, 1965 to 1987, James K. Conant, Public Administration Review, September/October 1988

Ten Ways to Improve Management in State and Local Government, Coalition to Improve Management in State and Local Government

State of North Carolina Department Plans, Outlook and Objectives, 1991-1995

State of North Carolina, Operational Audit Report, *Restructuring of offender Programs in the Criminal Justice System*, December 1986