

**STATE HUMAN RESOURCES COMMISSION MEETING**  
**LEARNING AND DEVELOPMENT CENTER, COMMISSION CONFERENCE ROOM**  
**101 WEST PEACE STREET - RALEIGH, NORTH CAROLINA**

**MEETING MINUTES – April 5, 2018**

**Members Present**

Members present at the Learning and Development Center for the meeting were: Chair Judy Estevez, Commissioner Ross Beamon, Commissioner John Eller, Commissioner Martin Falls, Commissioner Gail Hobbs, and Commissioner April Page.

**Other Attendees**

Other attendees present were: Barbara Gibson, Director Office of State Human Resources; Lars Nance and Jessica Middlebrooks, Legal Division, Office of State Human Resources; Denise Mazza, State Human Resources Commission Administrator, Office of State Human Resources; Andrea Clinkscales, Pamela Taylor Shaw, Bailey Bruce, Davita Morant, Eric McKinney, Tonya Horton, and Kristin Siemek, of the Office of State Human Resources, Tina Wong of the Department of Transportation, and Kristen Bierline of the Department of Justice.

**Opening**

The State Human Resources Commission (SHRC) last convened on January 25, 2018. Pursuant to North Carolina General Statutes § 136A and the North Carolina Ethics Act, Chair Judy Estevez asked all Commissioners if there were any conflicts of interest or potential conflicts of interest with respect to any matters coming before the Commission. There were no conflicts of interest or potential conflicts of interest noted by any Commissioner.

The Commission convened its open meeting at 9:02 a.m. in the Learning and Development Center Commission Conference Room.

There were no adjustments to the agenda as proposed for the April 5, 2018 meeting.

**CONSENT AGENDA ITEMS**

Approval of the minutes for the January 25, 2018 State Human Resources Commission Meeting.

Approval of the proposed holiday calendars for 2021, 2022 and 2023, the 2017 Settlement Cost Report for various departments and the notice of exceptions to sign on bonus policy and salary administration granted to DPS.

**Motion:** Commissioner Ross made a motion to recommend approval of the consent agenda.

**Seconded:** Commissioner Falls seconded the motion.

The motion carried.

### **Business Session**

#### **Public Comment**

No one signed up for public comment.

#### **State Human Resources Director's Report**

Director Gibson began by welcoming everyone and giving a brief update on the status of the new classification and compensation system noting that staff had been working diligently since January 2017 on the system and that currently OSHR was working closely with agency HR Directors on the allocation phase in anticipation that notification would go out soon. In addition, efforts are being made to keep legislators, SEANC and the Governor's office informed on the system and budgetary needs to fund it.

Director Gibson then introduced the newest members to the OSHR Team: Communication Manager Jill Warren Lucas - a career State employee communications professional with a wide range of experience joining us from DEQ where she was their PIO on air quality; Chief Information Officer Rob Main – an Air Force and North Carolina National Guard veteran with more than 25 years of IT experience whose goal is to have a more effective and consolidated IT approach for human resources; and Classification and Compensation Manager Joe Marro - with more than 22 years of directly related HR experience joining us from the City of Greensboro where he was a senior HR manager responsible for managing all aspects of compensation studies from design to implementation along with other strategic HR initiatives.

Director Gibson then introduced Neville Kenning of Kenning Consulting whose firm has helped OSHR steer the class and comp project since 2014. Nationally regarded for his expertise in job compensation analysis and design as well as employee compensation analysis and design, he has been an integral part of making this whole system change happen and He serves many states in many ways. He has proved highly useful as we have advanced through the comprehensive review and the conversion clearly of the two State systems into one modern and efficient system. Noting that we are pleased to have him here today to support us in the home stretch,

### **Neville Kenning - Overview of New Classification and Compensation System**

Consultant Neville Kenning gave a quick overview of the new classification and compensation system identifying each phase of the three-phased project: first, the May 2014 report on effectively the state of play in the classification and compensation plan; second, primarily during 2014-15, the design of what eventually became phase 3, and third, the preparation for implementation and reworks in 2016 to the present.

Kenning then reviewed the six components of an effective classification and compensation plan and provided assurance of their incorporation in the design and implementation of the OSHR system. The first component is a statement of compensation philosophy that effectively provides the umbrella under which all design elements should occur. The second, the classification plan itself, was designed based on what is now in the industry - occupational groups and job families and which brought the number of jobs down from about 2,300 to around 1,300 or 1,400. The third, job documentation. The State used technology to assign an employee through their job description to the new classification system. The fourth, pricing or the salary structure, used an occupational job family branch classification structure to look at multiple - six or seven different - pay structures which makes sense for a State government because of the diversity of job types. OSHR purchased and used Market Pay and People Admin – database tools to assist in this process. The fifth, pay delivery which has been the focus particularly over the last few months of development of the system addressed pay factors such as promotion, recruitment, changes of duties, lateral transfer, etc. The sixth, worked on most recently, salary administration policy, will reinforce and provide guidance as to how to administer the new system.

Kenning closed by telling commissioners that if the new system didn't work it would not be due to design flaw, but funding. He thanked the commission for the opportunity to present and offered to answer any questions.

### **Andrea Clinkscales – Classification Specs – New, Revised and Abolished for the New Compensation System**

Andrea Clinkscales, Total Rewards Division Director, presented new, revised and abolished specs to the SHRC for approval pursuant to the state-wide compensation project. Division Director Clinkscales reported that the review and analysis being performed since January was complete and that as a result the 33 new specs, 78 revised specs and 3 specs slated for abolishment were before the Commission today. The new specs were primarily created to identify gaps. For example, the Legislative Liaison job had a manager and director role but no coordinator or entry level/lower level job within that series. The specs revised were to expand upon the knowledge, skills, abilities and/or education and experience required by those jobs and simple title changes. The 3 specs to be abolished were identified as no longer needed and it more of those are anticipated in the future.

**Motion:** Commissioner Beamon made a motion to recommend approval of the new, revised and abolished classification specs for the new compensation system.

**Second:** Commissioner Eller seconded the motion.

Motion carried.

Division Director Clickscales then gave an update on the implementation of the new classification and compensation system – OSHR sharing its communication plan with the HR directors back in February and facilitating a workshop with HR directors and their communication staff to help assist them in developing agency specific communication plans; providing training, using the train the trainer approach, related to the overall project itself as well as on recruitment - to highlight the differences in jobs and how to post to the new system- and concept understanding to help with difficult conversations regarding salary; and continuing to work with the State Controller’s Office to get the data right and prepare for changes. Finally, Clickscales stated that soon agencies would receive final agency allocation list and how they will be allocated in this new system. That will include a list of employees that are currently below the minimum salary range of the job and who would be eligible for salary increases. In addition, template letters were developed for HR directors to help explain these changes to employees and, for those who will be receiving an increase, why they are receiving it and when to expect to receive it. The project due date is June 1.

Commissioners Beamon and Falls questioned the numbers and cost of this part of the project. Clickscales stated that preliminarily, approximately 2500 (less than 3000) employees are below the minimum range and that while she did not have the actual dollar amount in front of her, she believed the moneys currently appropriated for the project will be sufficient to bring those employees below minimum to their range based on the preliminary data that had been reviewed.

Commissioner Falls commended Director Gibson and her team for their outstanding work on the earlier presented Sign-On Bonus Policy/Salary Administration item for correctional officers and commented on how it tied in with the six components presented by Consultant Kenning for this project.

**Andrea Clickscales – Classification & Compensation – 2018 Compensation & Benefits Report (Preview for State Human Resources Commission)**

Division Director Clickscales informed the Commission that regarding the 2018 Compensation and Benefit Report, OSHR was in the process of collecting that data and that the report would follow the same format as last year just updated to reflect data from 2016-2017 and give an overview of the compensation project and its anticipated implementation in June.

**Motion:** Commissioner Beamon made a motion to recommend approval of 2018 Compensation & Benefits Report (Preview for State Human Resources Commission).

**Seconded:** Commissioner Falls seconded the motion.

Motion carried.

**Adjournment**

Chair Estevez asked if there were any other business items to be heard during the business session. Commissioner Falls commented that he thought OSHR was doing great work bring this project to fruition.

There being no additional items on the agenda, Chair Estevez asked for a motion to adjourn the business session at 9:50 a.m.

**Motion:** Commissioner Falls made a motion to adjourn the Business Session.

**Seconded:** Commissioner Beamon seconded the motion.

Motion carried.

**Executive Session**

**Minutes submitted by:**

Denise H. Mazza, State Human Resources Commission Administrator