

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

**MEETING MINUTES – September 7, 2017**

**Members Present**

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

**Other Attendees**

Other attendees present were: Barbara Gibson, Director, Office of State Human Resources; Lou Ann Phillips, Deputy Director, Office of State Human Resources; Lars Nance, Legal Division, Office of State Human Resources; and Bailey Bruce, Administrator, State Human Resources Commission.

**Opening**

The State Human Resources Commission (SHRC) last convened on April 6, 2017. Pursuant to North Carolina General Statutes §138A 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.

**CONSENT AGENDA ITEMS**

**1. Approval of Minutes for the April 6, 2017 State Human Resources Commission Meeting**

**Motion:** Commissioner Falls made a motion to recommend approval of the Consent Agenda consisting only of the minutes.

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

The motion carried.

## **Business Session**

### **Public Comment**

No one signed up for Public Comment.

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

Director Barbara Gibson began by welcoming everyone and introducing Judy Estevez the new chair and public member from the Attorney General's office. Ms. Estevez is an assistant Attorney General at the North Carolina Department of Justice. She is an accomplished litigator and contract attorney who also served as an assistant county attorney in New York. Director Gibson then introduced the newest commission member, April Page - appointed by the Speaker of the House Tim Moore. Ms. Page represents business and industry and is the client account director at Experis, a business unit of Man Power Group. She has 18 years of recruiting and management expertise at Man Power Group. Director Gibson continued by thanking everybody for the flexibility in these meetings and presented the group with letters of thanks on behalf of OSHR and Governor Cooper. Director Gibson introduced and thanked members going off the commission (Susan Manning, chair; Kelly Sizemore, and Dan Barrett). Director Gibson informed the commission of key legislation directly impacting State employees that had passed the General Assembly since the last commission meeting - the elimination of the health benefit for retirees hired on or after January 1<sup>st</sup>, 2020, the one-time salary increase that is effective July 1<sup>st</sup>, 2017 and a one-time 3 day special bonus leave effective July 1, 2017. Director Gibson then introduced new division directors hired since the last meeting - Andrea Clickscales, Director of Total Rewards, with 22 years of Human Resources experience most recently as a personnel officer at the Department of Public Instruction and prior to that as a personnel analysis with DHHS in their Central Human Resources Office, and for the University of North Carolina in Wilmington and Chapel Hill in a HR role and 9 years in the United States Army where she was responsible for HR projects and initiatives; Sarah Harris, Director of Talent Management, with over 29 years of experience including Staff Development Specialist at the Department of Justice, Staff Development Specialist at the Department of Revenue, and HR Manager at Wake County Human Resource Department; and Budget Director Amy Bowman with almost 20 years in State government and in various roles including in State budget, Treasurer's office, and Controller's office. Director Gibson reported that the division directors leadership meetings and retreats had produce the following OSHR mission, vision and goals: The mission is to provide a solid human resources management foundation responsible oversight creative solutions through collaborative approach with agencies, universities and local government to maximize the potential of our greatest asset, our employees; and the vision is to excel as a leader and partner in the management of human resources for North Carolina State government that reflects the diversity and talent of our State. The goals as summarized are aimed at improving the infrastructure of OSHR using processes, metrics and different analytics. Division directors are also working on a wide variety of division initiatives.

## **Agency Updates**

### **Total Rewards**

Andrea Clinkscales, Division Director of Total Rewards, gave a brief background of the history of the division – in 2013, the North Carolina General Assembly charged the Office of State Human Resources with modernizing and streamlining the existing classification compensation system which includes two compensation systems. One is salary graded and one is career banded. The intent of the new system will be more market responsive and equitable to make the State more competitive and thus attract and retain a higher skilled workforce. The goal with the new class and comp system is to have a system that allows more consistent, more equitable movement within the grades and more flexibility, and a salary structure aligned with the average market values for specific jobs. This goal will be achieved by using a new job classification framework to more easily identify and classify jobs and group them in a more meaningful way. Two systems have been purchased to assist in this goal. Market Pay, a tool used to gather survey information and develop pay structures and PeopleAdmin, a job description writing tool. Finally, a cross agency review is currently underway to ensure that there is consistency across agencies for classes that have similar job duties and responsibilities. That review will be utilized to finalize pay structures, communicate the class and comp system allocation to employees, train managers and train HR professionals.

### **Diversity & Workforce Services**

Nancy Astrike, Division Director of Diversity & Workforce Services, gave the Commission a quick overview of the new division's responsibilities – Diversity services which deals with the EEO plans and the base training of managers, supervisors and consultants; Employee Relations which deals with the mediation program and is very expansive in the State (doing about 250 mediations a year and processing all the settlements for final agencies and university decisions); Employee Awards which deals with programs like the Governor's Awards for Excellence and service awards; and Local Government. Program Manager Domenick D'Erasmus spoke to the Commission about upcoming consideration of local government salary plans that will be presented. The salary plans consist of a reporting form and a spreadsheet containing State grades and county grades and ranges used to assure compliance with the provisions of the administrative code. In closing, Ms. Astrike introduced James Harris as a new employee who would be helping Mr. D'Erasmus with the local government projects.

### **Agency Performance Management Policy**

Sarah Harris, Division Director of Talent Management, spoke to the Commission about the implementation of performance management technology with the focus for the upcoming year to do an assessment of supervisor training programs and evaluating the Leading at All Levels program. Working with HR directors, supervisors, forums and working groups, and using

feedback, agency performance practices have been modified to align those practices with the disciplinary action policy and meet requests and needs by providing training and development programs. The changes to the policy here emphasizes the importance of coaching and providing feedback by creating and providing templates for use by supervisors and managers, conducting interim reviews and annual performance evaluations at the end of the year, and clarification of the timing of these events for people coming on board in a probationary status or in a time-limited position. This policy requirement is aligned with rule 25 NCAC 1.201. The PIP – Performance Improvement Plan - has been replaced with an expectation that supervisors provide feedback, have those sessions, and come up with a quasi-plan to help that employee get their performance back on track. If that doesn't work, a counseling session might follow. If there is still no improvement, there is a move into disciplinary action. One of the biggest changes to the Agency Performance Management Plan is the removal of the 3-point rating scale. Instead, all reference to employees will be a satisfactory level. A working group comprised of representatives from 12 or 13 agencies has been created and will be providing recommendations regarding a new evaluation rating scale.

**Motion:** Commissioner Falls made a motion to recommend approval of the Agency Performance Management Policy.

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

The motion carried.

### **Request for Readoption of – Employee Relations Rules**

Lars Nance, General Counsel, requested readoption of the Employee Relations Rules which were about to expire.

**Motion:** Commissioner Strach made a motion to recommend approval of the Employee Relation Rules.

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

The motion carried.

### **Request for Final Adoption 25 NCAC 01H and 01J Rules**

Lars Nance, General Counsel, presented 25 NCAC 01H and 01J which have been changed to align with current law and then the law was changed back to the previously existing rule. As a result, there was no longer a need to make these rules compatible with the law. However, there was essentially a change to 126-14.2. The law as it now reads is you hire among the most qualified. The change in the law essentially removed that most qualified pool so there was no real way that the veterans were getting their preference, but the General Assembly came back and made that adjustment to that law. The old rule no longer needed to be revised. These rules were recommended for final adoption.

**Motion:** Commissioner Beamon made a motion to recommend approval of the Final Adoption 25 NCAC 01H and 01J Rules.

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

The motion carried.

### **Disciplinary Action Policy**

Nancy Astrike, Division Director of Diversity and Workforce Services, explained to the Commission that the initiative to review the disciplinary policy was to clarify support for the performance management system. The goal was to provide a progressive disciplinary process that builds on active not inactive disciplinary actions and to make clear what an active disciplinary action is and what an inactive disciplinary action is. Items were streamlined to make the policy more user-friendly and outdated information was deleted. The core part of the policy and procedure are the same. Sections were clarified and aligned by explaining just cause, adding examples of unsatisfactory and gross inefficiency job performance, reiterating the need for employee feedback and documenting counseling sessions, including a reference to the employee assistance program, deleting information regarding demotion to ensure compatibility with the appropriate salary administration rules and policy, consolidating four tables into one to help navigate prerequisites, and definitions were moved to the back of the policy. The PDC – Pre Disciplinary Conference procedures – were consolidated into one section that provides what notification the employee should receive, the time frame for that notification, the information that should be included in that notification, and clarification that no lawyers or recordings were allowed at PDCs. In addition, the process following the conference was laid out sequentially and clearly to provide an effective and legally defensible PDC.

**Motion:** Commissioner Falls made a motion to recommend approval of the Final Adoption of the Disciplinary Action Policy.

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

The motion carried.

Commissioner Falls thanked Ms. Astrike for her hard work in completing this project with a product that is clear, concise, sequential and standardized.

### **Policy Revisions Related to Removal of Trainee Appointment; Employment Offers; Appointment Type and Career Status; New Appointments; and Voluntary Shared Leave**

Davita Morant, Salary Administration Manager of Total Rewards, informed the Commission she would not be bringing the salary administration policy for revisions today, but would be requesting approval of several designations associated with salary administration or the salary qualification process. These changes were based on changes on August 20, 2016, to the timeline for career status and probationary periods from 24 months to 12 months in conjunction with HB

495 and the extension of the probationary period for law enforcement officers and forensic scientist pursuant to HB 495 and HB 1044. Additionally, the term trainee was removed but not the trainee concept or the trainee designation or the trainee progression. Instead, employees coming in to State government will either be identified as probationary, permanent, or time limited. As a result, the term trainee has been removed from the 20 policies listed under section G of the agenda along with the technical changes. Nothing substantive was changed.

**Motion:** Commissioner Falls made a motion to recommend approval of the Policy Revisions Related to Removal of Trainee Appointments.

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

The motion carried.

The chair agreed that Ms. Morant could present the remaining materials in sections H through K and then request approval.

Ms. Morant told the Commissioners that with regard to sections H, Employment Offers, and J, New Appointments, the policies were simply revised to include the reference to the probationary period of 12 months and under section J, Appointment Types and Career Status, the extended probationary period for forensic scientist and law enforcement officers was added. In addition, all references regarding the trainee appointments were also removed from these sections pursuant to the information and changes made under section G. Finally, in section K, the Voluntary Shared Leave Policy, the language in the report section of this policy was removed because it is no longer a requirement and was repealed in 2013. There continues to be a reporting requirement, just not under this policy, with all agencies submitting their reports on Voluntary Shared Leave to the Office of State Human Resources.

**Motion:** Commissioner Falls made a motion to recommend approval of the Policy Revisions Related to Removal of Trainee Appointments and Employment Offers.

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

The motions carried.

**Motion:** Commissioner Strach made a motion to recommend approval of the Appointment Type and Career Status; New Appointments; and Voluntary Shared Leave

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

The motions carried.

### **Adjournment**

Chair Estevez asked if there were any other business items to be heard during the business session. There being no additional items on the agenda, Chair Estevez asked for a motion to adjourn the business session at 10:11 am.

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

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

The motion carried.

**Executive Session**

The State Human Resources Commission did not have an executive session at its September 7, 2017 meeting.

**Minutes submitted by:**

Denise H. Mazza, State Human Resources Commission Administrator