

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

MEETING MINUTES – APRIL 7, 2016

Members Present

Members present at the Learning and Development Center for the meeting were: Chair Susan Manning, Commissioner Ross Beamon, Commissioner Gail Hobbs and Commissioner Kelly Sizemore. Commissioner Phil Strach joined by phone.

Other Attendees

Other attendees present were: Neal Alexander, Director, Office of State Human Resources; Paula Woodhouse, Deputy Director, Office of State Human Resources; Jessica Middlebrooks, General Counsel to Office of State Human Resources; Bailey Bruce, State Human Resources Commission Administrator, Office of State Human Resources.

Opening

The State Human Resources Commission (SHRC) last convened on April 7, 2016. Pursuant to North Carolina General Statutes §138A and the North Carolina Ethics Act, Chair Susan Manning 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 9:05 am in the Learning and Development Center Commission Conference Room.

Business Session

CONSENT AGENDA ITEMS

1. Approval of Minutes for the March 3, 2016 State Human Resources Commission Meeting
2. Settlement Costs Report

Motion: Commissioner Beamon made a motion to approve the Consent Agenda.

Seconded: Commissioner Sizemore seconded the motion.

The motion carried.

Public Comment

No one signed up for Public Comment.

State Human Resources Deputy Director Report

Director Neal Alexander began by introducing new commissioner, Gail Hobbs and thanking her for dedicating her time to the State Human Resources Commission. Director Alexander continued by commenting on how much progress has been made on the compensation project, and updating the rules and policies. Director Alexander finished by discussing how the Commission and OSHR are close to the end of reviewing the class specifications, but continuing to review the rules and policies.

Motion to Approve Final Determination of Classification

Margaret Duke, OSHR Rule Coordinator, spoke to the commission regarding the Final Determination of Classification for subchapters 25 NCAC 01H (Recruitment and Selection), 25 NCAC 01I (Service to Local Government), and 25 NCAC 01J (Employee Relations). Ms. Duke explained that on December 3, 2015, the State Human Resources Commission (SHRC) approved the initial determination of classification for these rules to begin the periodic rules review process. These rules have completed the required 60-day public comment period and no public comments were received. Ms. Duke said that the Office of State Human Resources (OSHR) recommends no changes to the initial determinations and that the Rules Review Commission (RRC) is scheduled to review these determinations on June 16, 2016.

Motion: Commissioner Sizemore made a motion to approve the Final Determination of Classification.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Motion for Approval of Initial Determination of Classification

Margaret Duke, OSHR Rule Coordinator, spoke to the commission regarding the Initial Determination of Classification for subchapters 01E (Employee Benefits), 01K (Personnel Training), 01L (Equal Opportunity), 01M (Interchange of Governmental Employees), and 01N (Workplace Environment and Health). Ms. Duke told the Commission that pursuant to G.S. 150B-21.3A, the State Human Resources Commission (SHRC) must conduct a review of the agency's existing rules according to a schedule set by the Office of Administrative Hearings, Rules Division. Rules in these subchapters are scheduled to be presented to the Rules Review Commission at the September 15, 2016 meeting. In order to meet that deadline, the SHRC must begin the review process to allow adequate time (minimum of 60 calendar days) for the public comment period as required by 26 NCAC 05 .0206. The first step of the review process is to conduct an analysis of each existing rule in these subchapters and make an initial determination.

Motion: Commissioner Beamon made a motion to approve the Initial Determination of Classification.

Seconded: Commissioner Hobbs seconded the motion.

The motion carried.

Service Awards Policy

Steve Grant, Manager, Policy & Governance, spoke to the Commission regarding the changes needed for the Service Awards: Excellence in Service Program policy. Mr. Grant described the specific changes needed which included updating the probationary period from 24 months to 12 months and changing the title from Service Award to Service Award: Excellence in Service.

Motion: Commissioner Sizemore made a motion to approve the Service Awards Policy.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Highway Patrol Pay Plan for Compensation Project

Dennis Schoch, Classification & Compensation Manager, spoke to the Commission regarding the Statewide Compensation System Study which was endorsed through the Appropriations Act of 2013 to address the consolidation of the State's current two primary compensation systems (graded and banded) and establish a unified, market-responsive compensation system for state agencies. The Office of State Human Resources (OSHR) in conjunction with state agencies has been involved for the past two years in planning, designing and developing the new system. Mr. Schoch explained that in addition to a general salary schedule for most state government jobs, OSHR has also established several occupational-specific structures (Information Technology, Physicians, Attorneys, Executives and General Pay Plans). The proposed salary structure will accommodate new classification and compensation concepts for the State Highway Patrol.

Motion: Commissioner Beamon made a motion to approve the Highway Patrol Pay Plan for Compensation Project.

Seconded: Commissioner Hobbs seconded the motion.

The motion carried.

Classification Specifications for Compensation Project

Dennis Schoch, Classification & Compensation Manager, updated the Commission on actions that had been taken on Classification Specifications that were considered at the March meeting. The majority of comments made by the Commission were accepted and incorporated into the Classification Specifications. He then went through the proposed Classification Specifications by job families that were ready for Commission review and requested approval of approximately 110 classification specifications representing work in 7 of the 19 new job families. Senate Bill 402, "The Appropriations Act of 2013", funded and directed the Office of State Human Resources (OSHR) to conduct the Statewide Compensation System Project. Currently, employees are classified and compensated under two non-integrated pay systems, neither of which is functioning optimally. The purpose of this project is to create a modern and streamlined compensation system for state government that is equitable, market-responsive, and values employee performance. A key aspect of the project has been the creation, consolidation, streamlining and standardization of classification concepts. Classification Subject Matter Expert (SME) teams from OSHR and all state agencies have been involved in developing these concepts. Once approved, the SME teams, along with additional Classification and Compensation staff from the agencies, will analyze current position description information and

allocate all state agency jobs to the new concepts. Later, the concepts will be appropriately market-priced and/or slotted into new market-based salary structures. After discussion and review by the Commission and some minor revisions, the Commission took the following action:

Motion: Commissioner Sizemore made a motion to approve the Classification Specifications for Compensation Project.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

The Commission had a few questions regarding the next steps in implementation including communications to State agencies and employees, training and delegation of authority. Those questions were addressed by staff.

Adjournment

Chair Manning asked if there were any other business items to be heard during the business session. There being no additional items on the agenda, Chair Manning asked for a motion to adjourn the business session.

Motion: Commissioner Strach made a motion to adjourn the business session.

Seconded: Commissioner Sizemore seconded the motion.

The motion carried.

Executive Session

The State Human Resources Commission did not have an executive session at its April 7, 2016 meeting.

Minutes submitted by:

Bailey Bruce, State Human Resources Commission Administrator