

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

**MEETING MINUTES – October 1, 2015**

**Members Present**

This meeting was held via teleconference.

Members present via phone for the meeting were Chair Susan Manning, Commissioner Dan Barrett, Commissioner John K. Eller, and Commissioner Phil Strach. Commissioner Martin Falls was present at the Learning and Development center for the meeting.

**Other Attendees**

Other attendees present were C. Neal Alexander, Jr., 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, Administrative Assistant, Office of State Human Resources; and LaShanda Langley, State Human Resources Commission Administrator, Office of State Human Resources.

**Opening**

The State Human Resources Commission (SHRC) convened on October 1, 2015. 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 via phone for its open meeting at 9:05am in the Learning and Development Center Commission Conference Room.

**Business Session**

**Adjustments to Agenda**

No changes were made to the agenda and the meeting proceeded to the next agenda item.

**CONSENT AGENDA ITEMS**

1. Approval of Minutes for the August 6, 2015 State Human Resources Commission Meeting

**Motion:** Commissioner John K. Eller made a motion to approve the Minutes

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

The motion carried.

**Public Comment**

No one signed up for Public Comment.

### **State Human Resources Director Report**

Director Neal Alexander thanked the State Human Resources Commission for their dedication and service to the citizens of North Carolina. Director Alexander spoke about the outcome of the Legislative session that had just ended. Director Alexander spoke about getting the applicant tracking system, the continuing software for the comp system, the learning management system, and the \$750 employee bonus at the end of the year. \$12.5 million was awarded for the salary adjustment fund along with an additional \$12 million to implement the compensation project in year two of the budget. Director Alexander stated that the Industrial Commission is studying the implementation of a drug formulary in Workers' Compensation claims filed by State Employees. The state's third party administrator, Corvel, is providing data to the Industrial Commission for the study. The goal is that a drug formulary will result in decreased Workers' Compensation pharmacy costs. Also, personal services contracts should come through Temporary Solutions when agencies are contracting for temporary employees. The governance of Article 63, the State Employees Workplace Requirements Program, has moved to OSHR to establish written programs and workplace safety related to both safety, health and workers compensation. Director Alexander then spoke about the passing of HB 495 and how that impacts the career status of state employees, reducing the required time from 24 months to 12 months with the exception of law enforcement personnel. The second change within HB 495 affects the hiring process. Previously, the candidates were subject to two screening processes, one to determine the qualified candidates and then one to determine highly qualified candidates that went to the hiring manager. Now the hiring manager will receive all qualified candidates for selection. In addition, the hiring managers will be allowed to request the past performance reviews of qualified candidates who are current state employees. Director Alexander then spoke about the Reorganization Through Reduction (RTR) program. The RTR program's sunset date has been removed and is now available for Cabinet and Council of State agencies. The Reduction in Force (RIF) requirements were amended so if an employee with Priority Rights due to a RIF fails to appear for an interview, they will lose their priority status. Director Alexander mentioned that Incentive Pay Programs are now allowed and may be incorporated in the new compensation and salary administration policies. Director Alexander finished his report by stating that the reporting date for settlement costs has been changed to annually as opposed to quarterly.

### **RTR Policy**

Nancy Astrike, HR Partner, requested approval for the RTR Policy. The RTR Program was established through legislation action (HB834-Session Law 2013-382) during the 2013 legislative session. The program was established to assist the Governor's Cabinet agencies in effecting reorganizations by allowing the re-purposing of positions in lieu of abolishment of positions as required in a Reduction-In-Force (RIF). Unlike RIF which is an involuntary separation, the RTR program allows State employees to volunteer for separation through RTR. The program was approved for two more fiscal years (July 2015 through June 2017).

**Motion:** Commissioner Barrett made a motion to approve the RTR Policy

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

The motion carried.

### **Review and Approval of Existing Rules - Subchapter 01C – Personnel Administration**

Maggie Craven, OSHR Rules Coordinator, requested approval of the initial classification determination for the Periodic Review and Expiration of Existing Rules of Subchapter 01C – These eight rules were put through the existing rules review process in 2014.

Four of these rules (.0303, .0304, .0902 & .0903) were determined by the State Human Resources Commission (SHRC) to be “Unnecessary” but received public comment from SEANC and for this reason, were determined by the Rules Review Commission (RRC) to be “Necessary with Substantive Public Interest.”

The remaining four rules were determined by both the SHRC and the RRC to be “Necessary with Substantive Public Interest.”

Because these rules are set to expire, all rules determined to be “Necessary with Substantive Public Interest” must be readopted no later than April 30, 2016.

The readoption process is essentially the permanent rulemaking process. However, without substantial changes to the rules, a new fiscal note is not required prior to beginning the process.

**Motion:** Commissioner Strach made a motion to approve the Review and Approval of Existing Rules - Subchapter 01C – Personnel Administration

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

The motion carried.

### **Class Specifications for Compensation Project**

Dennis Scoch, HR Partner, requested approval of approximately 400 classifications representing work in 13 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 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 market-responsive, equitable, fair 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. Approximately 400 classifications representing work in 13 of the 19 new job families are being presented for your approval. This first “wave” of classification concepts represents those roles that exist in specific agencies only. Concepts that cross agency lines, as well as additional agency-specific concepts will be presented to the Commission for approval in December.

**Motion:** Commissioner Falls made a motion to approve the classifications.

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

The motion carried.

**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 Barrett made a motion to adjourn the business session.

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

The motion carried.

**Executive Session**

The State Human Resources Commission did not have an executive session at its October 1, 2015 meeting.

**Minutes submitted by:**

Bailey Bruce, State Human Resources Commission Administrator