



**STATE OF NORTH CAROLINA
OFFICE OF STATE PERSONNEL
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MEMORANDUM

TO: Directors, Local Departments of Social Services
Directors, Local Departments of Public Health
Directors, Area Mental Health Authorities (LMEs)

FROM: Keita Cannon, SPHR
Local Government Program Team Leader

DATE: December 7, 2007

SUBJECT: Delegated Authority and Substantially Equivalent Designations

The purpose of this memo is to provide some clarification between the Delegated Authority and Substantially Equivalent designations. Recent conversations with some Local entities, as well as a review of files here in the Office of State Personnel (OSP) suggest that these two designations are being used interchangeably when, in fact, they are quite different.

Delegated Authority

Refers to a Local Management Entity (LME), Public Health or Social Services Department's ability to review and make decisions as they relate to a candidate's qualifications *only*. In order to be granted Delegated Authority, an LME, Public Health or Social Services Director and Chair of their respective Service Board must complete the Memorandum of Understanding (a template can be found in the Local Government Resources Manual online). This Memorandum lets OSP know what classifications a Local entity wishes to make qualification decisions on and who will be responsible for performing the work. In order to receive this designation, it is required that the representative completing these qualification determinations attend a Candidate Qualifications Training provided by OSP. Furthermore, it is possible for one Local entity to have Delegated Authority while another within the same County does not.

Substantially Equivalent

Refers to a County or Area Mental Health Authority's ability to establish and maintain a personnel system for all employees subject to its jurisdiction. The most important factor that OSP considers when making a recommendation on a petition for Substantial Equivalency is whether or not the proposed system is similar enough (i.e., substantially equivalent) to the standards established by the State Personnel Commission.

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Petitioning for Substantial Equivalency does not automatically guarantee a County or Area Authority will be granted the designation. This process has several steps (meetings between all the Local entities who will be affected and OSP, a review of all of the proposed policies and procedures of the system portions being requested, visit(s) by OSP to speak with a sample of the affected population, etc.). If a County or Area Authority petitions (and is granted) Substantial Equivalency, then all of the Human Services entities falling under this County's or Area Authority's jurisdiction will be subject to these policies and procedures. This is unlike Delegated Authority where, for example, it is possible for the Social Services Department to have this designation while the Health Department does not. Substantial Equivalency does not allow for this flexibility; either the County's or Area Authority's Human Services entities are wholly under the designation or they are not. There are currently six areas a County or Area Authority can petition for Substantial Equivalency. The most popular is the Classification/ Compensation portion which allows Local entities to establish new positions and reallocate existing positions without having to submit this information to OSP for review and approval. This is also the area that Local entities are confusing with Delegated Authority and again, the designations are not interchangeable.

This memo is not meant to be exhaustive in detailing the differences between Delegated Authority and Substantially Equivalent designations. Please consult with the HR Partner assigned to your County or Local entity if you have further questions.

cc: Local Government Program Team
County Managers and Local Human Resources Directors