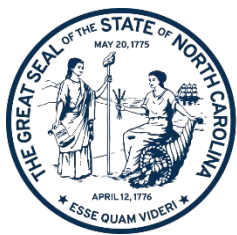


2020 Compensation and Benefits Report



NORTH CAROLINA Office of *State Human Resources*

Report to the Joint Legislative Appropriations Committee January 2021

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*This online report was produced by the
North Carolina Office of State Human Resources.*

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EXECUTIVE SUMMARY

This report responds to the requirements expressed in NCGS 126-7.3 (State Human Resources Act) to guide the Governor and the General Assembly in making funding appropriations for State employees' salary increases and salary structure adjustments. The report is presented to the Appropriations Committee of the House and Senate no later than two weeks after the convening of the legislature in odd-numbered years, and May 1 of even-numbered years. The report identifies gaps between existing compensation specific programs and market best practices that may impact internal equity, market competitiveness and the retention/attraction of talent, and sets the stage for strategic planning to address current economic and labor market conditions.

Key to the discussion of state employee compensation is the Office of State Human Resources' ("OSHR") ongoing Statewide Compensation System Project. The NC General Assembly mandated OSHR to develop a modern streamlined Statewide Compensation System (Senate Bill 402, the Appropriations Act of 2013) to address the many challenges and inconsistencies of having two outdated systems. The project was expected to be implemented in June 2016 but was delayed by legislative action; the system was implemented effective June 1, 2018. The new statewide system is designed to provide market responsiveness and equitable and affordable compensation.

Thus, in fall 2018, OSHR issued an open market solicitation to seek consulting services to evaluate the external competitiveness of the State's Total Rewards programs, policies and practices, and provide turn-key implementation of the major components of the Statewide Classification and Compensation System.

The contract was awarded to Mercer (US), Inc. ("Mercer") based on the Best Value evaluation method. Mercer's major strength is their labor market data repository and data analytics capability, reinforced by their current and broad survey library and sister organizations of Marsh & McLennan and Oliver Wyman.

Mercer undertook this review as part of a more holistic compensation review and assessment project – gathering market pay data to update the State's salary structures and complement the salary administration policies based on industry best practices.

Mercer leveraged their resources and the State's own MarketPay System and Survey library to significantly increase the number of benchmark jobs that the State will use moving forward with a broader and deeper analysis of our competitive posture throughout Agency job families and the University System.

The Compensation Project was one of OSHR's key priorities in 2020. Several factors impacted the progress of the project including the COVID-19 pandemic, which affected all state operations. The full impact of COVID-19 on the mid- to long-term economy and labor market is not fully known at this time.

OSHR asked Mercer to assess, to the extent possible, the impact of the pandemic on labor market information to ensure pay plan structures are sound. This insight is critical to moving forward. OSHR in partnership with Mercer, will continue to assess the impact of COVID-19 during the first half of 2021.

The DOT Decentralization Pilot (SB 99 The Appropriations Act of 2018; SL 2018-5) and the Council of State Decentralization Pilot (SB 335 The Budget Technical Correction Act of 2018; SL 2018-97) set a new level of decentralized salary and classification authority expectation within the agencies. In keeping with the legislative direction, additional flexibility was granted to all agencies for consistency in agency operations, as state government is a single employer. This decentralization of decision making has been popular with agencies but has added complexity to a successful implementation of the project. This flexibility adds complexity as additional communications, training and effort by Mercer and OSHR is necessary to ensure agencies are fully prepared for the next phase of the project.

OSHR recognizes the value-add decentralization provides for agencies to be able to respond in a challenging and competitive market. OSHR's approach is to work closely with agencies to address their concerns including recruitment and retention issues.

The next steps are to collaborate closely with agencies, to maximize mutual understanding of the labor market data, as well as implementation in a decentralized setting. Communications and messaging to all stakeholders are also a significant part of this process. OSHR is working with Mercer to create a structure to make this collaboration as effective as possible in a virtual environment. OSHR is also committed to proactively solving any concerns that can be identified collaboratively with agencies before full implementation.

It is imperative agencies are prepared for implementation to maximize the resources they have on a cost neutral basis, while still addressing their agency priorities.

Summary of Funding Recommendations:

1. When State revenues stabilize, a recurring source of funding will be required to sustain the State's competitive market position through regular salary structure adjustments. Provide resources to strategically identify and address competitive labor market pay and structural gaps to support the dynamic career needs of the State's workforce from recruitment to development and retention.
2. Salary increases in the market have stabilized to around 3% annually over the last several years. Although the State was slightly behind the market with the 2.5% Legislative Increase in 2019 and in 2020, regular and consistent legislative increases for state employees will help to narrow the gap in average market movement. The State's history of Legislative Increases (see Appendix A) has failed to keep pace with market salary increases.
3. Consider apportioning future legislative increases (when State revenues stabilize and the impacts of COVID-19 on the labor markets are understood) using a multi-pronged approach to include an across-the-board increase, market-based increase, performance-based increase and/or lump sum payment.
4. Provide recurring resources to support the Salary Adjustment Fund which will ensure a fair, equitable and consistently funded mechanism that is needed to advance State employees within their pay grade. Employees need a "line of sight" for career growth and salary advancement.
5. To ensure market-related competitiveness, State leaders should continue to charge the Office of State Human Resources (in consultation with the Office of State Budget and Management) with establishing a process to set priorities and request funding for labor market increases and salary adjustment funds based on criticality, turnover, retention, recruitment difficulties and market position. OSHR and State agencies should evaluate job-specific turnover in order to identify critical needs.

6. Research coordination of post-tax supplemental benefits and consolidate all supplemental benefit plan offerings in a consumer-driven menu approach for portability and cost savings. A consolidation would allow employees to see all benefits offerings in one place and select plan products that meet their needs.
7. Support the ongoing funding of the Office of State Human Resources' Human Capital Management System, Learning Management System (LMS) and Performance Management components; and the Statewide Compensation System's Market Analysis and Modeling tool (MarketPay) and Position Description Writing and Workflow tool (PeopleAdmin).

INTRODUCTION

This report conveys economic and pay trends. Findings and data are derived from compensation and benefits surveys that OSHR regularly analyze to determine whether or not salary ranges and average salaries for State classifications and benefits for employees are competitive in the labor market. The report summarizes key findings and comparative data showing the relationship of the State's wages and compensation programs to those of competitors in both the private and public sectors, as well as in relation to talent management trends nationally, regionally and locally.

North Carolina's Total Compensation Philosophy

The following vision for State government was established in 2018 with the new Statewide Compensation System:

The State of North Carolina is committed to attracting and retaining a diverse workforce of high performing employees with the competencies, skills, knowledge, and dedication needed to consistently meet continually evolving strategic goals. The State's compensation system should be reflective of occupational trends and best practices. It should be meaningful and easily understood by employees and managers and administered by Human Resources professionals in a consistent manner.

Market Responsiveness

- Position total compensation competitively with relevant labor markets
- Recognize that labor market factors differ for specific occupations

Equitable and Affordable Compensation

- Align internal pay within occupational groups while avoiding adverse impacts
- Maintain internal classification structure alignment
- Maintain fiscal responsibility

Traditionally, statewide salary adjustments have come in the form of an across-the-board increase granted by the legislature. Until recently, the State Human Resources Act prohibited modern-day pay programs such as monetary incentive awards. Business critical areas within the State’s workforce should be considered when determining pay increases. Organizations continue to look to flexible compensation systems that include broad classifications that are driven by market-related pay structures and variable pay plans as they struggle to afford and sustain compensation levels. Additional flexibility in this area will support the State’s efforts to remain competitive.

It is recommended that a continuing allocation be provided to reward employees based on performance. Pay as a performance reward — even lump sum payments for milestone achievements — is widely utilized in the modern workplace and is considered more effective than across-the-board base pay increases. However, it is important to note that pay for performance is only effective for those being paid according to market.

TOTAL COMPENSATION

Total compensation measures an employee’s base salary, benefits, and other perquisites that the employer provides. When comparing compensation with that of other employers, whether public or private, the focus is often on total compensation rather than just base pay. This report includes comparisons of base pay as well as fringe benefits. It is important for employees to be knowledgeable of the value of their employment in terms of base pay, benefits and other reward opportunities.

Employee benefits are key components of a total compensation package. In addition to salary, a competitive benefits package is a primary attractor in the recruitment of prospective employees, particularly in hard-to-fill occupations.

Benefits are equally critical in the retention of high performing employees. The State communicates this important aspect of employees’ compensation to both

current and prospective employees through the use of a web-based total compensation calculator.

Benefits as a percentage of average base pay are depicted in Table 1.

Table 1: Benefits as a Percentage of AVERAGE SALARY & WAGES
(Calculated as of 11-30-2020)

Benefit Category	Percentage of Average Salary	Average Value
Holidays (12 days)	4.62%	\$2,414.27
Sick Leave (12 days)	4.62%	\$2,414.27
Vacation Leave (17 days)	7.70%	\$4,023.79
OASI – DI [Social Security]	7.65%	\$3,997.66
Retirement & Disability*	21.46%	\$11,214.35
Health Insurance	11.99%	\$6,263.52
Longevity Pay	1.50%	\$783.86
Total Benefit Value	59.76%	\$31,226.69
In determining the Percentage of Average Salary, the average State employee’s years of service are 11 years and average State employee salary is \$52,257 The total benefit value is added to employees' base pay to determine Total Compensation.		
	Average Base Pay	\$52,257
	Average Benefit Value	\$31,227
	Average Total Compensation	\$83,484

Sources: Office of State Human Resources, State Health Plan, NC General Assembly, Session Law 2020-41, House Bill 1218, Office of State Budget and Management, and the NC Retirement Systems Division

*It is important to note that approximately 7% of the 21.46% total State costs for Retirement & Disability are provided for retiree health insurance. Per recent legislation, retiree health insurance will not be provided for employees hired on or after January 1, 2021. Data from the UNC School of Government County Survey indicates that paying for retiree health insurance is a common practice among government employers and losing that benefit will adversely affect the competitiveness of the State’s benefits package for new hires.

Once Average Total Compensation is derived, Salary and Benefits can in turn be calculated as a Percentage of Total Compensation. This allows for comparisons to be made between the State’s Average Percentage of Total Compensation and national trends, as seen in Table 2.

This analysis indicates that North Carolina’s salary and wages generally do not make up quite as large a portion of total compensation as is seen nationally, while North Carolina’s paid time off and retirement benefits generally appear to be favorable compared to national averages when expressed as a percentage of total compensation.

North Carolina’s portion of total compensation dedicated to health insurance and Social Security lags the national average slightly. Note that this analysis generally includes only annually budgeted compensation items; other variable compensation and benefits such as overtime pay, workers’ compensation and unemployment are not included in the State or market data.

Table 2: Salary and Benefits as a Percentage of TOTAL COMPENSATION

Benefit Category	BLS Percentage of Total Compensation	N.C. Average Percentage of Total Compensation 2020	N.C. Change From 2019
Salary & Wages	68.5%	63.3%	-0.58%
Paid Time Off	7.4%	10.7%	-0.12%
Health Insurance	8.3%	7.6%	-0.40%
Retirement	5.2%	13.6%	1.18%
OASI-DI (Social Security)	7.2%	4.8%	-0.09%

Sources: Office of State Human Resources, Office of State Budget and Management and the NC Retirement Systems Division, U.S. DOL Bureau of Labor Statistics “Employer Costs for Employee Compensation – June 2020.”

ECONOMIC REVIEW

General Salary Budget Trends

OSHR uses the following nationally recognized compensation planning surveys to benchmark and track average market movement. Base pay increase budgets are shown in Table 3. Figures include merit, across-the-board, and cost-of-living pay increases (average includes \$0 adjustments).

In recent years, projected and actual wage increases have been rising slightly each year. However, the COVID-19 pandemic has impacted actual 2020 increases

per an August 2020 WorldatWork (WAW) article. WAW reported 2020 actual salary increases fell to 2.9% from a projected 3.3% due to a larger number of organizations responding with \$0 increases.

WAW also reported that 84% of companies expected to award some sort of salary increase in 2020. Total increases for 2020 from all respondents to WAW’s survey averaged 2.9% and are projected to be 2.9% again for 2021, while actual increases for 2020 from North Carolina respondents were 2.8% and 2021 projections for North Carolina are 3.0%. Annual salary increases for North Carolina State employees have trailed the average market movement for the last 10 years.

Since 2010, salary increases in State government have cumulatively trailed average market increases by 16.4%. The amount by which the State trails dropped from 18.6% in 2019 to 16.4% in 2020, in part due to the 2.5% legislative increase approved by the General Assembly for 2020. Continued legislative increases will help reduce the gap and improve state employees’ salaries relative to market. A chart comparing legislative increases to average market movement is included in Appendix B.

Table 3: Actual and Projected Base Pay Increase Budgets

National Firm	2018 Actual	2019 Actual	2020 Actual	2021 Projected
Mercer	2.8%	3.5%	2.3%	2.8%
World-at-Work	3.1%	3.2%	2.9%	2.9%

Sources: Mercer Human Resources Consulting 2019-2020 US Compensation Planning Survey Preliminary Report (June 2020 and November 2020), and World-at-Work Salary Budget Survey Report, 2017-2020.

Notes: Figures from Mercer’s 2020 actual data exclude 0s while data projected for 2021 includes 0s. The above sums represent base pay salary increases as a percentage of payroll.

The COVID-19 Pandemic has resulted in uncertainty in labor markets, with many organizations changing or delaying decisions on changes to Base Pay Increase Budgets. Mercer surveyed organizations about their plans and most indicated that they still planned to provide base pay increases, with the average anticipated Base Pay Increase amount at 2.3%.

Consumer Price and Employment Cost Indices

In addition to general labor market movement, the increase in the Consumer Price Index-Urban (CPI-U) for the 12-month period ending in October 2020 was 1.2%. This percentage measures the average change over a specific period of time in the prices paid by urban consumers for goods and services. According to the Bureau of Labor Statistics (October 2020), the CPI-U includes all urban consumers that are roughly 93% of the population in the United States. It is based on the expenditures of almost all residents of urban or metropolitan areas, including professionals, the self-employed, the unemployed, and retired people, as well as urban wage earners and clerical workers.

Most pay increases for State employees have included a cost-of-living component, but these have never been reflective of CPI-U.

The cost-of-living portion of annual legislative increases from 2010 to 2020 trailed the CPI-U percentages for the same time period, with the exception of 2014, 2019, and 2020. This differential reflects that compensation for State employees has historically failed to keep pace with the CPI-U. Salary increases in State government have cumulatively trailed CPI-U by 6.3% over the last 10 years, effectively decreasing employee “buying power.” A chart comparing legislative increases with CPI-U is included in Appendix B.

BASE PAY AND LABOR MARKET ANALYSIS

Market Pricing Methodology

Public and private sector organizations rely upon salary and benefits surveys to ensure that they are making informed, data-driven decisions about employee total compensation in terms of cost-effectiveness, recruitment, and retention. Sound total compensation practices ultimately result in a workforce comprised of competent, skilled employees across occupational areas. Their collective knowledge, skills, and abilities directly relate to the accomplishment of the organization’s mission and vision. Salary surveys are therefore critical in pricing jobs, determining wage parity with market competitors, and monitoring internal pay equity. Survey data is also essential to organizations in terms of analyzing pay trends, identifying effective pay practices, and establishing a systematic method for setting competitive pay ranges for jobs. A list of surveys to which OSHR subscribes is located in Appendix D.

Professional survey methodology standards are used to collect and analyze available salary survey data or to conduct surveys to gather pertinent market information. Survey methodology recognizes the following concepts that have been defined for informational purposes:

- Market Base Salary 50th percentile is the overall composite rate of pay that competitors have reported through surveying a job similar to that found in State government. The State seeks to be competitive in pay at the 50th percentile as measured against peer public sector organizations (state, county and local governments) and private industry. The 50th percentile of an array of reported salaries paid is the point where there are equal numbers of observations above and below.
- Compa Ratio is the ratio of internal pay to competitive pay for an organization, group or individual, calculated by dividing the internal weighted average pay by the related market weighted average pay. State of North Carolina calculates compa ratio for the benchmarks by dividing average employee salary by the composite market median for the classification.
- Relevant Labor Markets: The State competes in the national labor market for executive/senior leadership and key management and professional positions. The State competes in a multi-state regional market for professional and supervisory positions. The multi-state regional market includes Florida, Georgia, Kentucky, North Carolina, South Carolina, Tennessee, West Virginia, and Virginia. The State competes with both government and business organizations at the local, regional and national levels.
- Turnover Rate is a percentage reflecting all separations from employment for both voluntary and involuntary reasons compared to the total number of employees over a span of one year.

Market Pricing Findings

Market data was collected for 30 benchmark classes representing approximately 18% of the State's workforce (agencies only, universities not included) with jobs from each of 19 major Job Families. This report indicates that the 2019 average salary for 12 of the 30 classes (40%) resulted in a compa ratio of below 90%

Table 4 lists the benchmark classes that have a compa ratio of below 90%, as shown in the Compa Ratio column. Additional data regarding all benchmark classes can be found in Appendix E. Several classifications in business-critical areas such as Corrections, Engineering, Information Technology, and Medical/Health were selected as benchmarks and are included in Appendix E but are not included in Table 4 because their compa ratios are above 90%.

Findings are based on actual market composite 50th percentile salary versus current State average base salary. The statewide compensation system uses market relativity as a major component of assigning jobs to salary grades. There is a defined market rate of pay for each benchmark job, which can be linked to the midpoint of a pay structure; the minimum and maximum of the pay structure act as the parameters within which that market rate is contained.

Table 4: Selected Benchmark Classes

Job Title	Number of Employees	Base Salary Average	Market Base Salary 50th Percentile	Compa ratio	FY2019-20 Turnover Rate
AGRICULTURAL, ENVIRONMENTAL AND SCIENTIFIC					
Environmental Health Regional Specialist	24	58,524	65,094	89.91%	8.00%
Forester I	28	41,809	54,626	76.54%	11.11%
Geologist/Hydrogeologist	117	63,257	75,974	83.26%	3.42%
EDUCATION AND TRAINING					
Staff Development Specialist II	80	55,948	67,655	82.70%	4.00%
INFORMATION, COMMUNICATION AND MEDIA					
Information & Communications Spec II	75	53,320	59,978	88.90%	13.70%
LAW ENFORCEMENT AND PUBLIC SAFETY					
Police Officer I	69	44,355	51,456	86.20%	10.96%
LEGAL					
Attorney I	6	71,097	81,953	86.75%	12.50%
Paralegal I	28	46,213	52,990	87.21%	25.00%
Paralegal II	46	50,116	59,094	84.81%	19.15%
MEDICAL AND HEALTH					
Forensic Pathologist	5	196,813	255,045	77.17%	0.00%
OPERATIONS AND TRADES					
Maintenance/Construction Technician III	277	43,766	49,882	87.74%	9.41%
SAFETY AND INSPECTION					
Safety Officer II	27	59,638	67,293	88.62%	10.71%

Sources: Integrated HR/Payroll System, MarketPay System analysis

The Legislature awarded a 2.5% across-the-board increase for state employees in 2020. This amount lagged slightly behind average market movement of 2.9% for 2020.

OSHR issued an open market solicitation in fall 2018 to seek consulting services to provide turn-key implementation of the major components, identified below, of the new statewide Classification and Compensation System.

Proposals were submitted to the state and Mercer (US), Inc. (“Mercer”) was selected on the basis of Best Value. The contractual partnership with Mercer runs from February 1, 2019 through January 31, 2021.

Following are the key deliverables outlined in the RFP:

a) Competitive Labor Market Report:

RFP: Vendor will report on the competitiveness of the State’s compensation (salaries and wages) as viewed from local, regional and national perspectives. Vendor will partner with OSHR in the identification of benchmark job classifications that are most appropriate to use going forward for external market pricing and analysis. The State anticipates increasing the number of benchmark classifications used for market pricing from 30 to approximately 150 to 200 benchmarks.

Current Status: This is the largest and most complex set of tasks in this entire project, and it accounts for more than 50% of the project budget. The State has included 30 finalized benchmarks in this report, Mercer is working on validating more benchmark jobs with an anticipated coverage of approximately 70% of agency positions, which is aligned with industry best practices. Each job family is being studied holistically in order to ensure that job grade assignments facilitate meaningful career progressions. Following the conclusion of the Mercer labor market study, our plan is to continue to work with Agencies to further increase the number of benchmark jobs used in our data analytics.

The State formalized a segmented market pricing methodology to provide firm market scopes through which compensation data can be reliably sourced, ensuring Agencies are competitively positioned for recruiting and retaining top talent. The State will continue to review and market-price benchmark jobs with input from Agencies. Mercer recommends that management of the job architecture and creation of new job classifications, when warranted, rests with OSHR.

b) Pay Plan Analysis:

RFP: Vendor will examine each of the State’s multiple pay plans (salary structures) and recommend adjustments that support the state’s Total Compensation Philosophy.

Current Status: Mercer is using three “levers” to design each of the salary structures: midpoint progression, salary range width, and number of grades.

- I. Historically, the State’s midpoint progressions in the general salary structure move from 9% at lower pay grades, to 7% at the highest pay grades. This is contrary to conventional pay plan design. Changes in midpoint progressions typically occur at natural breaks in job levels, e.g., shifts from support/paraprofessional, to professional/supervisory, and to management/executive levels.
- II. Mercer has taken a similar approach for the salary range widths of each pay grade. It is common to increase range widths at higher grades to account for the increased complexity at these levels. Wider ranges allow room for more differentiation based on experience and performance.
- III. The number of grades in each salary structure vary depending on which jobs are included in each structure.

The State’s plan for the short-term is to utilize market-driven salary structure increase amounts to ensure that ranges continue to be aligned with market structure movement. OSHR will complete an annual market pricing exercise and monitor salary structure budget survey results to ensure the State’s salary structures remain aligned to market.

c) Sworn Law Enforcement Pay Plan:

RFP: Vendor will assess and develop a pay plan (salary structure), separate from the State Highway Patrol Pay Plan, that accounts for Agency sworn law enforcement classifications such as but not limited to: DMV Law Enforcement, Forestry Law Enforcement, Marine Fisheries Law Enforcement, Police Officers, and Wildlife Law Enforcement.

Current Status: The State identified a comprehensive list of sworn law enforcement classifications within Agencies and the University System. Mercer researched law enforcement in targeted public sector peers.

Those peers included the 10 largest North Carolina municipalities, as well as six large North Carolina county governments. Mercer successfully benchmarked 80% of the sworn law enforcement and public safety jobs included in the project benchmark list. A total of 95% of all sworn employees are included in these benchmarks.

Mercer and OSHR are continuing to analyze the Law Enforcement/Public Safety Job Family, and have created of a new, market-based sworn law enforcement salary structure.

d) University System Classifications:

RFP: Vendor will assess and recommend whether or not the competency-based Career Banding system should continue to be used, or if University System classifications should transition into the State's new classification system, or if a separate pay plan should be developed specific to the University System.

Current Status: The UNC System utilizes a banded class structure, called Career Banding, with three competency levels within each class: Contributing, Journey and Advanced.

These banded classes allow for multiple career levels for a given job series to be included in a single class, while agency jobs have separate levels (e.g., Accountant I, Accountant II, etc.).

Mercer noted that the primary challenge with the Career Banding structure is that the flexibility can lead to inequity. Many banded classes include a wide variety of unique positions, making it difficult to understand the true responsibilities and manage changes in the market for positions within a class.

In addition to being harder to stay aligned to the market, banding is also prone to a high degree of subjectivity and no guaranteed career progressions. The Agencies use classifications that adhere to typical job architecture principles.

Foundational elements for effective class specifications are in place, and the number of responsibilities is aligned to market (8-10 responsibilities per job). The State has class specifications for all existing job titles.

This type of job architecture aligns midpoints to market, provides a framework to acknowledge performance, and helps define meaningful career paths.

In Mercer's experience with clients in which parts of the organization (Agencies, UNC System) have autonomy to manage their human resources with a central governance (OSHR), it is best practice to have a consistent, central set of salary structures. When these salary structures are well-aligned to market, they provide parameters that maintain both internal consistency and competitiveness with the external market.

e) Policies and Practices:

RFP: Vendor will analyze the State's compensation and salary administration policies and practices with best practice recommendations, ensuring sound fiscal stewardship and adherence to legal and regulatory compliance audit and reporting requirements.

Current Status: Salary actions are currently determined by use of pay factors including experience and education, internal equity, specialized skills/training, budget/funding, performance, market relativity, recruitment/ retention issues, and/or increase in responsibilities. Some or all actions may apply to each salary action across the employee life cycle. Agencies have significant accountability and flexibility in such decision-making.

The State has been limited in its ability to effect change in order to attract, motivate and retain talent given funding has been more reactive than proactive. According to Mercer, market leading organizations have an annual budget to make pay changes for updating the salary structure to market median or to ensure critical hard-to-fill jobs are funded to be market competitive. OSHR is similar to corporate HR and the Agencies utilize an HR system managed by OSHR. Best in class organizations with a similar structure have a governance model for

delegation of authority. It includes actions for decision-making collaboration, compensation administration and organizational alignment.

According to Mercer, adjustments in pay are most typically based on employee performance (94% of organizations); relationship between pay level and grade midpoint or market value (73%); and internal equity (58%). Adjustments are typically set as a percentage of payroll for each organization, with an annual adjustment of ~3% being most prevalent in recent years; this would be applied across all employees but at different levels. As an example, for more critical jobs or high performing employees, a larger percentage may be applied. It is not best practice to provide the same increase to all employees each year.

ADDITIONAL ANALYSIS

Use of Salary Adjustment Funding

One tool, when available, that has helped keep salaries competitive in the past is the Salary Adjustment Fund (SAF). The SAF is used to increase salaries in certain occupational groups, such as those listed in Table 4, where some salaries are significantly below the market and turnover is trending up. Metrics such as compa ratio (salary related to market), median, turnover, vacancy rates and time-to-fill (how long it takes to fill a vacancy) are considered when making SAF distribution recommendations. Also used in this analysis is hard-to-recruit positions. The primary funding mechanism, transferring Legislative increase funds remaining after employees receive their Legislative increase, is often inadequate to address occupational areas where salaries are below the market. No SAF was allocated for FY 2019-2020 or FY 2018-2019. In 2017, the SAF for FY 2017-18 allocated \$5,000,000 for salary increases in the University System and the Executive, Judicial and Legislative branches. No SAF was allocated for FY 2016-2017.

The impact of the COVID-19 pandemic is broad and ongoing and will continue to be felt for years to come. In regard to compensation, high unemployment has resulted in a larger pool of available talent, however it has increased emphasis on flexible work arrangements, health benefits, and other employee support systems. As the pandemic continues, and even once it is over, there are widespread changes to the workforce globally that are expected to remain including increased flexibility to work remotely, reduced business office footprint and expense for many organizations, increased investment in technology, particularly associated with employee engagement and online connectivity, and

creating pay structures that are more nimble, more responsive to employee performance and its direct impact on an organization's financial success, and more reliant on skills assessments so that previous unemployment or underemployment does not cause gender pay inequities to widen.

Recruitment and Retention

Many factors affect the capacity of an organization to recruit and retain a competent and high performing workforce. Given the organizational and occupational diversity of North Carolina's State government, there is no "one size fits all" solution to the myriad recruitment and retention issues facing its managers.

2020 continued to see an increasing gap between the number of State job openings and the number of job seekers applying to fill those jobs. Even though unemployment increased due to the COVID-19 pandemic with furloughs, hiring freezes and layoffs, there was not a correlating increase in the number of applicants applying for state jobs.

The pandemic also highlighted the need for the State to continue exploring enhancements in technology that will improve the candidate experience, streamline the hiring process, provide meaningful data analytics, and leverage the efficiencies of a Statewide e-recruiting system while providing recruiting flexibility at the Agency level. In 2020, the State quickly transitioned to the use of technology for holding virtual career fairs, conducting virtual interviews, and providing remote onboarding for new hires to support the hiring needs of the agencies. OSHR continues to identify new ways to augment the hiring process.

New Hire Demographics/Recruitment Strategies

It is critical that the State attract and retain a high quality, diverse workforce and talent pipeline that allows for organizational stability, career growth and succession planning. To ensure that all age groups are represented in the state workforce, recruitment of a new generation of workers into jobs at the entry to associate level has created a talent pipeline with 45% of new hires aged 30 or below in FY 2019-2020. The state employs individuals ranging in age from 18 to 86, with an average age of 46.

The State is maintaining its efforts to attract and retain high quality, multi-generational employees to create a diverse workforce. OSHR is partnering with the agencies to educate and provide guidance on the use of social media to promote job opportunities and the benefits of working for the State. OSHR is

also working with the agencies to rewrite and revamp their job postings to make them more attractive, modern and relevant to job seekers. We also continue to identify and reach out to organizations who support transitioning military members and their spouses, individuals with disabilities and diverse populations to promote the State as an employer of choice.

The State is developing and broadening the talent pipeline that allows for organizational stability, career growth and succession planning. OSHR formed a strategic partnership with North Carolina College and University career advisors and career placement professionals to expand and enhance information sharing and communication among State government recruiters and University-based career advisors and job placement professionals. This partnership was formed to address the challenges of attracting needed talent for employment opportunities with the State from the pool of graduates from North Carolina Colleges and Universities striving to find and pursue State government employment opportunities. This partnership has been recognized on a national level by the Volcker Alliance and has been spotlighted via the Government-to-University Initiative (<https://www.volckeralliance.org/G2U>).

To highlight the importance of this initiative, OSHR has received grant funding for a time-limited position to focus on strengthening and growing the partnership.

The internship and mentorship programs available throughout the State agencies continue to be strong avenues for raising the awareness of State employment opportunities with the State's student population. The Office of State Human Resources is exploring additional ways to expand the internship programs to include more opportunities for individuals with disabilities and more short term, targeted internship "projects" in an effort to support Employment First and the Governor's NC Job Ready initiative.

Younger workers and recent graduates only comprise one part of the State's talent pipeline. It is also important to consider other demographics when evaluating if the State is meeting its goals of attracting and retaining talent. When it comes to hiring, innovative employers seek talented people, period. In a tight labor market, more employers proactively reach out to potential job candidates with decades of hard-wired knowledge. Recruiting experienced workers provides the State with a depth of knowledge and experience, saving

time and expense on training needs, bringing valued skills to the table and allowing employees to contribute at a high level immediately.

In addition to recruiting a diverse, multigenerational workforce, a key factor in the State's talent pipeline is retention, ensuring that employees progress through their careers in the State and continue to invest their knowledge and talent. Retaining current State employees is also fiscally prudent since it costs more to hire new staff than it does to retain and develop employees. Failure to retain, as demonstrated in the following section on turnover, costs the State and results in valuable knowledge and skills walking out of the door. The compensation and benefits recommendations outlined in this report will assist with recruitment, retention, and keeping the State's talent pipeline flowing.

Charts on new hires by age and recruitment of 18-25-year-olds are available in Appendix C.

Turnover Rates and Cost

Turnover rates vary among industries, organizations, geographic locations, departments, occupations, and by employee characteristics such as age, education, and organizational tenure. For example, younger, newer, unskilled, and blue-collar employees tend to be more mobile and have higher turnover rates. For this reason, turnover should be calculated for various categories of interest, as well as for the organization as a whole. Additionally, an organization may not have a severe organization-wide turnover rate but may have a severe departmental turnover rate or a high professional employee turnover rate, which requires appropriate action to alleviate (Source: Society for Human Resource Management).

The cost to an organization for each position turnover has been estimated by experts such as Gallup and Deloitte in March 2019 and January 2017 at anywhere from 50% to 200% of the departing employee's annual salary depending on the type of position being filled and the performance level of the departing employee. Deloitte stated that turnover can cost between 1.5 to 2 times (150% to 200%) of an employee's salary. Turnover of top performers may be valued at a higher rate.

There are many factors included in estimating the cost of turnover. Some obvious costs include advertising the vacancy; salaries of employment screening panels; and managers' time spent interviewing candidates and conducting reference checks. Other costs are not so easily quantified, such as lost

productivity – particularly during the time that a position is left vacant during recruitment – or lost knowledge from the organization. Other factors include required onboarding, training, and potentially higher rates of mistakes made by new hires. The high cost of turnover presents a clear argument for Agencies to engage in rigorous workforce development and succession planning. Ensuring agencies are able to compete in a market-based pay world for critical business areas is needed to support employee recruitment and retention.

Turnover is a measure of employee separations from an Agency or University, most often expressed as turnover rate. Two types of turnover are tracked: total turnover and voluntary turnover. Total turnover includes all separations for any reason. The total turnover rate is calculated by dividing the number of separations by the total number of employees at the beginning of a fiscal year. Voluntary turnover includes separations for reasons that the employee has control of, such as resigning to take a job with another employer. Voluntary turnover rate is calculated by dividing the number of voluntary separations by the total number of employees at the beginning of the fiscal year.

Statewide turnover is simply a marker by which to compare job-specific turnover. OSHR works with Agencies and Universities to evaluate job-specific turnover and the reasons behind it, which may or may not relate to pay.

In FY 2019-2020, Agencies had a 7.22% voluntary turnover rate, a slight decrease from a voluntary turnover rate of 7.97% in FY 2018-2019. Using the Deloitte turnover value of 150% cost of turnover, the cost to the State would be more than \$340 million. This includes 7.22% of 60,246 State Human Resource Act (SHRA) employees, which is approximately 4,350, multiplied by average State salary \$52,257, multiplied by 150%. Because the cost of replacing human capital is so high, it underscores the need to closely monitor turnover, strive for competitive salaries, and maintain a positive work environment with high employee engagement levels. The Statewide Compensation System was developed, in part, to support retention of the workforce due to its flexibility and ability to provide job enrichment along with upward and lateral career paths. However, recurring annual program funding to help agencies move pay for employees in critical positions with higher turnover coupled with sound management practices are required for the system to be most effective.

Charts indicating turnover and workforce age trends are included in Appendix C.

Longevity

Currently, the State pays a longevity bonus to career employees with more than 10 years of service. Longevity is an incentive that improves retention rates of our most experienced employees, encouraging employees with historical knowledge to continue working with the State.

About 50% of employees subject to the SHRA are eligible for longevity bonuses at a projected cost of approximately \$50 million per year. About 52% of State employees who are exempt from the SHRA are also eligible for longevity bonuses at a cost of approximately \$1.8 million per year. North Carolina pays, on average, a \$1,623 longevity bonus. This is based on a graduated percentage-based schedule starting at 1.50% of annual salary for 10 years of service and increasing every five years to 4.5% for 25 years of service.

Table 5: Five Years of Turnover Rates – State of North Carolina

	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Voluntary T/O	7.7%	8.0%	6.2%	7.97%	7.22%
Retirement T/O	3.4%	3.8%	4.1%	3.47%	3.21%
Involuntary T/O	1.7%	1.7%	1.0%	1.38%	1.33%
Total T/O	12.8%	13.5%	11.3%	12.82%	11.76%

Note: 2015-2020 turnover reflects state agencies only. Data appear to be relatively consistent with past years and economic trends.

BENEFITS ANALYSIS

State Benefits Offered During COVID-19 Pandemic

On March 10, 2020, Governor Cooper issued Executive Order 116, Declaration of a State of Emergency to Coordinate Response and Protective Actions to Prevent the Spread of COVID-19. This activated the state’s Communicable Disease Emergency (CDE) policy which provides a number of leave and compensation options including up to 80 hours of paid administrative leave to an employee who is required to quarantine during the state of emergency. OSHR immediately begin working with agency/university HR Directors and leaders to establish work and leave provisions to support state employees and their families impacted by COVID-19. The first OSHR Work and Leave Provision introduced paid State of Emergency (SOE) leave (for sickness due to COVID-19 symptoms or caring for a dependent sick with COVID-19 symptoms), teleworking, childcare/eldercare and

mandatory compensation options. These SOE leave options were later replaced or supplemented by the US Department of Labor's Families First Coronavirus Response Act (FFCRA). This temporary rule, which began on April 1 and ended December 31, 2020, implemented paid sick leave and expanded family and medical leave for eligible employees. State employees were eligible for paid leave at various rates of compensation for the following reasons: the employee or someone the employee is caring for is subject to a government quarantine order or has been advised by a health care provider to self-quarantine; the employee is experiencing COVID-19 symptoms and is seeking medical attention; or the employee is caring for his or her son or daughter whose school or place of care is closed or whose child care provider is unavailable for reasons related to COVID-19. Although FFCRA expired on December 31, the state has continued into 2021 many state leave options introduced during 2020 to help state employees avoid taking leave without pay.

Paid Parental Leave

On May 23, 2019, to support families and strengthen the economy Governor Roy Cooper issued an Executive Order to extend Paid Parental Leave to employees in Cabinet agencies. Several non-Cabinet agencies have opted in to provide the benefit to their employees as well. The Paid Parental Leave benefit helps state government attract and retain employees and help level the playing field between the State and private employers in terms of benefits. Paid Parental Leave is triggered for eligible employees by the qualifying event of becoming a parent by birth, adoption, foster care, or other legal placement of a child. Eligible State employees who give birth will receive eight weeks of paid leave to recover from the birth and to bond with and care for their newborn. Other eligible State employees will receive four weeks of paid leave to bond with and care for the child. Paid Parental Leave will be paid at 100% of the eligible employee's regular pay.

More than 1,600 state employees used Paid Parental Leave in the first 10 months since the benefit became available, including 1,006 state agency employees and 608 UNC System employees.

Table 6: State Employees Using Paid Parental Leave

State Agency Employees	UNC System Employees
377 birth mothers	276 birth mothers
629 other eligible parents	332 other eligible parents
414 female employees	387 female employees
592 male employees	221 male employees

Paid Time Off Analysis

Paid Time Off (PTO) referred to here is employees’ time off for which they continue to receive pay. Categories of PTO include Vacation Leave, Sick Leave, and Holiday pay. Below is an analysis of the various types of PTO we offer and our competitiveness with our peer Southeastern states.

Vacation

Based on comparison to Southeastern states, North Carolina’s vacation accrual rates are competitive.

Table 7: Vacation Leave (in days)

Years of State Service	North Carolina	SE States	Differential in Days
< 5	14.00	13.5	+0.5
5-10	17.00	16.5	+0.5
10-15	20.00	19.53	+0.47
15-20	23.00	22.44	+0.56
20-25	26.00	25.19	+0.81
25+	26.00	25.5	+0.5

Source: 2020 NCASG Benefits Survey

Sick Leave

Southeastern states grant an average of 14.25 days per year sick leave for employees with up to three years of service. North Carolina’s sick leave accrual is below the average for all Southeastern states at 12 days per year of employee sick leave.

Table 8: Sick Leave (in days)

Sick Leave	North Carolina	Southeastern States	Differential in Days
Accrual	12.0	14.25	-2.25

Source: 2020 NCASG Benefits Survey

Holidays

North Carolina is competitive with the other Southeastern states in recognized holidays. The total average for all Southeastern states in the survey was 11.9 holidays. As of 2013, North Carolina grants a consistent 12 paid holidays per year.

Table 9: Holidays

Holiday Leave	North Carolina	Southeastern States
Days per year	12	11.9

Source: 2020 NCASG Benefits Survey

Health Insurance

The information below is used to compare North Carolina's current most utilized PPO plan to other organizations.

Table 10: Survey of Health Insurance Coverage for Dependent Care and Choice of Plan

NC States Contribution for Family Coverage	Southeastern States Contribution for Family Coverage
42.5%	77.3%

Source: 2020 NCASG Benefits Survey

Comparison to Southeastern States

Most other states provide a higher percentage contribution for family coverage than for individual coverage. North Carolina's employer contribution for family coverage significantly lags behind the average for Southeastern states by 34.8%.

Comparison to Local Government Practices

County governments report on choice of health plan, deductibles and employee and agency cost. Based on an analysis of the ten most populous North Carolina counties from the most recent County Salary Survey available, the comparative results suggest that the State compares favorably in normal copay and premium amounts, but unfavorably in employer contribution.

Table 11: Survey of Local Government’s Health Insurance Practices*

Type of Agency	Normal Deductible*	Normal Co-pay*	Average Annual Amount Employee Pays*	Average Annual Amount Agency Pays*
10 Counties	\$1,117	\$26	\$768	\$7,478
NC	\$1,250	\$25	\$600	\$6264

**Source: County Salaries in North Carolina 2019, State Health Plan. As of the time of this report, 2020 data for the counties was not yet available. Note: The above information applies to employee only coverage; North Carolina data applies to the standard 80/20 PPO plan with participation in both wellness activities.*

Statewide Flexible Benefits Program (NCFlex)

The NCFlex program, administered by OSHR, currently has more than 126,000 employees from the Agencies, University System, Community College System, and charter schools enrolled.

The State’s Flexible Benefits Program includes the following pre-tax plans:

- Health Care Flexible Spending Account
- Dependent Day Care Flexible Spending Account
- Dental Plan offers three options: High Option, Classic Option and Low Option (for employees and family)
- Vision Care Plan offers three options: Core, Basic and Enhanced; the No-Cost Core Vision Plan provides employees an annual eye exam for \$20 co-payment and discounts for materials at no cost to the employee.
- Voluntary Accidental Death & Dismemberment Insurance (for employees and family)
- Core Voluntary Accidental Death & Dismemberment Insurance (employees only); provides \$10,000 of AD&D coverage at no cost to enrolled employees.
- Voluntary Group Term Life Insurance (for employee and family); provides new employees up to \$200,000 of guaranteed coverage and employees may be eligible for coverage up to \$500,000.
- TRICARE Supplemental Insurance provides a supplemental insurance plan to military retirees and qualified National Guard and Reserve Members

- Cancer Insurance offers three options: Premium, High and Low Option
- Critical Illness Insurance with \$15,000 and \$25,000 Options
- Accident Insurance
- Disability Insurance

Diversity of benefits will continue to be a major factor in the State's ability to compete for talent. Even as the COVID-19 pandemic impacts the Total Rewards environment for employers, benefits remain a priority for employers to recruit employees. Reuters reported in October 2020 that, "According to a recent survey from consultants Willis Towers Watson, 47% of employers report enhancing healthcare benefits, 45% are boosting well-being programs, and 33% are tweaking paid time off and vacation days." Reuters reported that areas of focus for companies offering new or expanded benefits included flexible schedules, mental health services, and online fitness.

Retirement

In North Carolina, the 2020 employer contribution on behalf of employees in the Teachers & State Employees Retirement System (TSERS) was 21.68%. This includes contributions to the retirement systems pension fund, death benefit trust fund, retiree health plan reserve and disability income plan. The state's contribution to the pension fund only is currently 14.78%.

Supplemental Retirement Programs

Besides the traditional retirement program, the State offers voluntary supplemental retirement programs: a 401(k) plan, a 457(b) plan and a 403(b) plan. North Carolina does not match employee contributions.

A review of the most recent three years available reveals that more than half of North Carolina's 100 counties have consistently made matching 401(k) contributions in addition to a defined contribution plan. In 2019, 91 of 94 reporting counties offered an employer match or contribution. North Carolina State Government provides no contribution to 401(k) except for law enforcement employees. By not offering a match, the State of North Carolina is not considered competitive in this area.

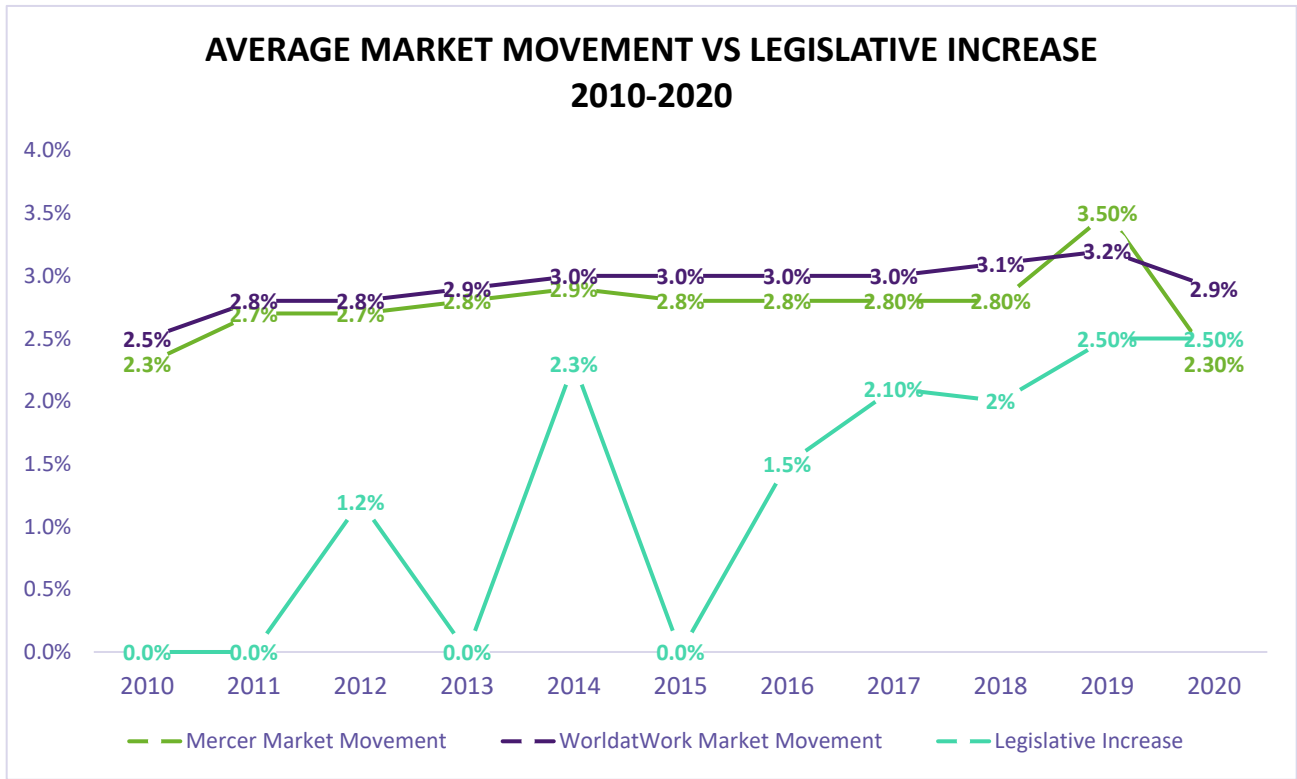
APPENDIX

A. History of Legislative Increases 1992-2020

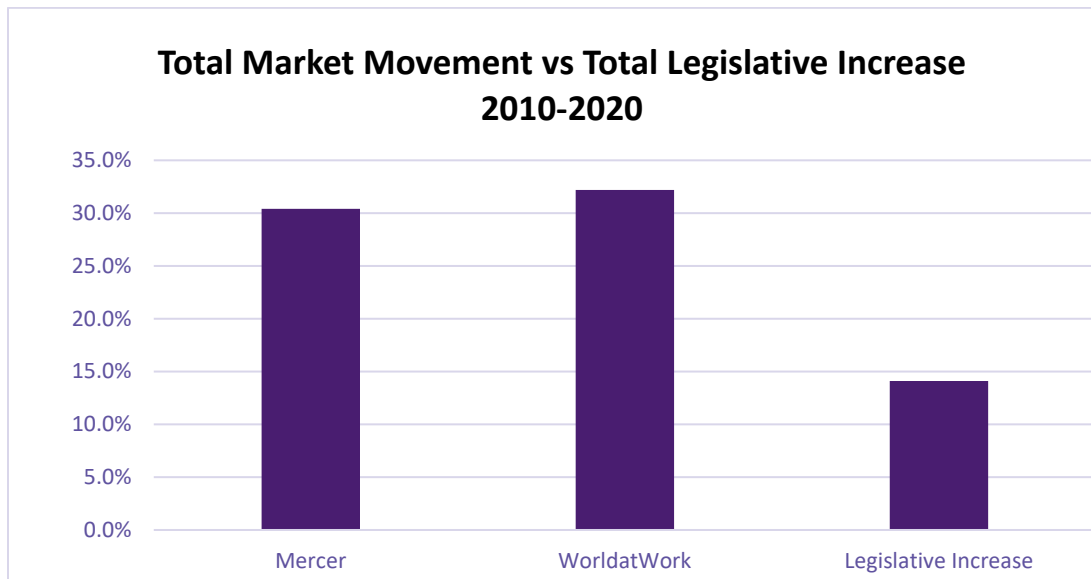
Year	Cost-of-Living	Career Growth	Bonus/Other
1992	\$522	0	0
1993	2%	0	1% bonus
1994	4%	0	1% bonus
1995	2%	0	0
1996	2.5%	2%	0
1997	2%	2%	0
1998	1%	2%	1% performance bonus
1999	1%	2%	\$125 performance bonus
2000	2.2%	2%	\$500 bonus
2001	\$625	0	0
2002	0	0	10 days bonus leave
2003	0	0	\$550 bonus plus 10 days bonus leave
2004	2.5% for salaries over \$40K; or \$1,000/yr for salaries under \$40K	0	0
2005	the greater of \$850 or 2.0%	0	5 days bonus leave
2006	5.5%	0	0
2007	4.0%	0	0
2008	the greater of \$1,100 or 2.75%	0	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	1.2%	0	5 days "special leave"
2013	0	0	5 days "special leave"
2014	\$1,000 flat increase	0	5 days bonus leave
2015	0	0	\$750 bonus
2016	1.5%	0	0.5% bonus; variable merit bonus (\$475 for ME, \$700 for EE)
2017	\$1,000	0	3 days "special bonus" leave
2018	2% or increase to \$31,200	0	5 days "special bonus" leave; 4% increase/new minimum salaries for Correctional Officers or eligible Adult Corrections employees; 6% increase and step pay plan for eligible State Highway Patrol employees
2019	2.5%	0	5 days "special bonus" leave; 6.5% increase and step pay plan for eligible SHP, SBI & ALE employees
2020	2.5%	0	

APPENDIX

B. NC Legislative Increase Comparison to CPI and Average Market Movement

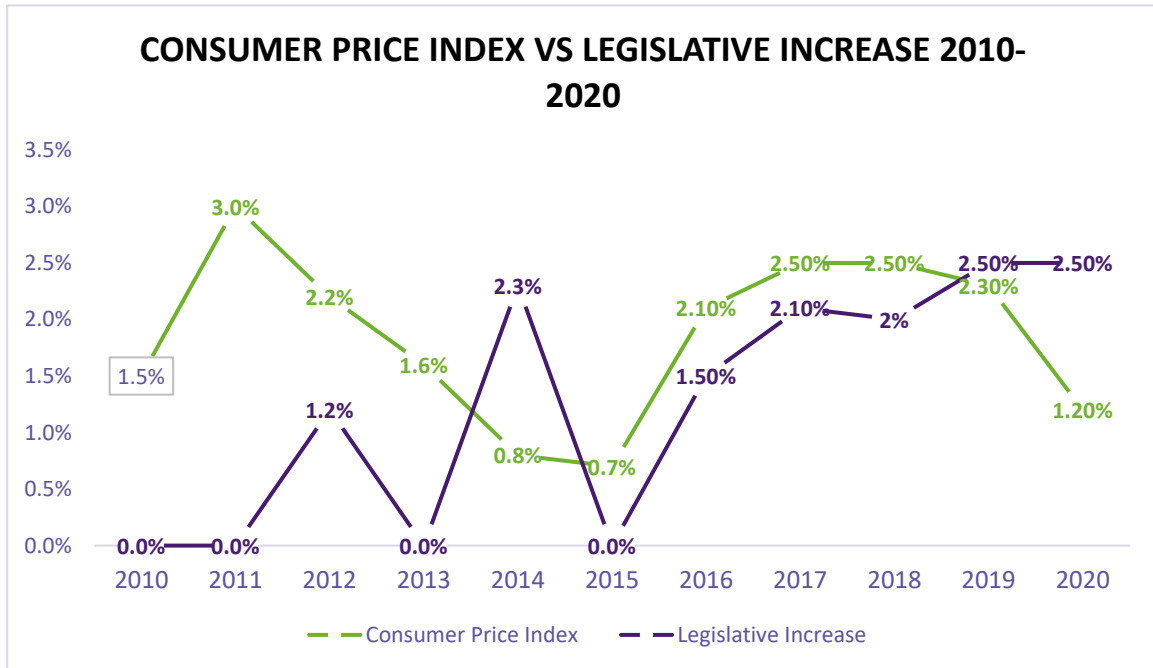


Source: Mercer US Compensation Planning Survey 2010-2020, WorldatWork
 Notes: The greater of \$1,100 or 2.75% for 2008; \$1,000 flat increase for 2014 (2.3% average base pay); \$1,000 flat increase for 2017 (2.1% average base pay); the greater of increase to \$31,200 or 2% for 2018, with 4%/new minimum salaries for eligible employees in Adult Corrections and 6%/step pay plan for eligible State Highway Patrol employees.



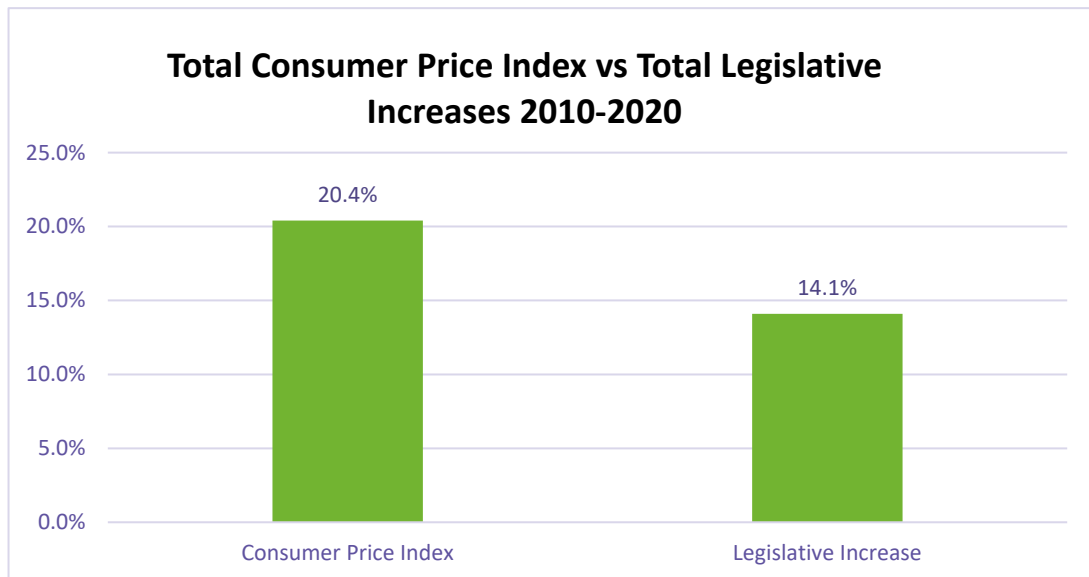
APPENDIX

B. NC Legislative Increase Comparison to CPI and Average Market Movement

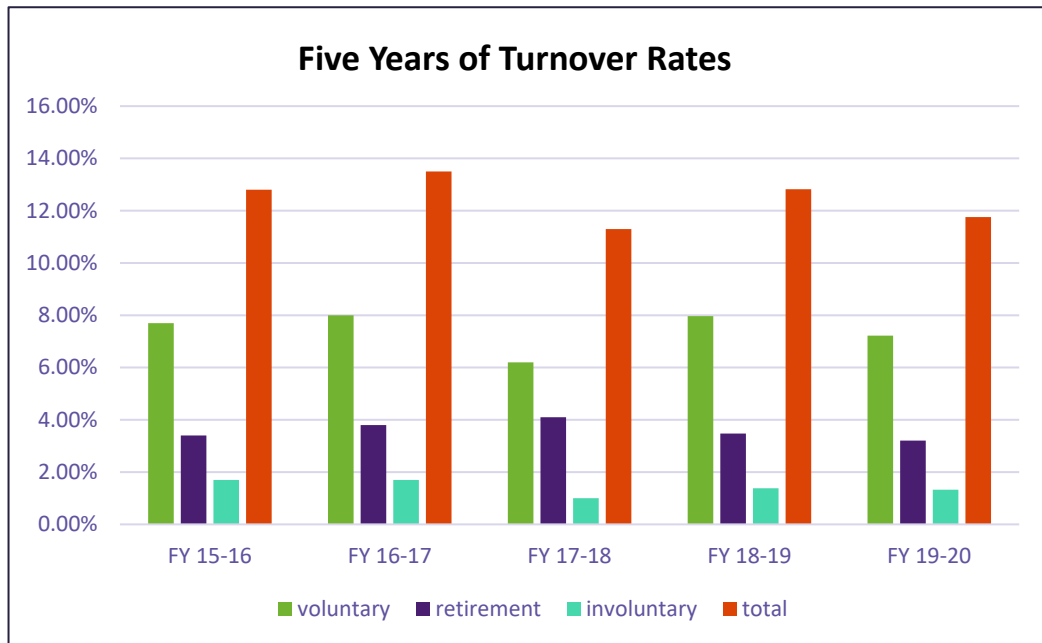


Sources: US Department of Labor/Bureau of Labor Statistics and the NC Office of State Human Resources

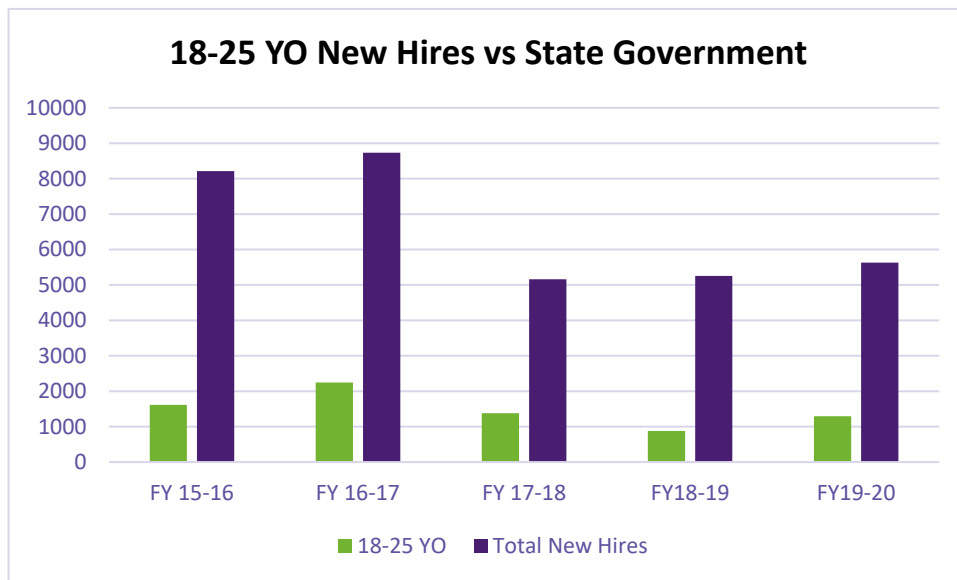
Notes: The greater of \$1,100 or 2.75% for 2008; CPI 2.2% as of end of October 2012; \$1,000 flat increase for 2014 (2.3% average base pay); \$1,000 flat increase for 2017 (2.1% average base pay); the greater of increase to \$31,200 or 2% for 2018, with 4%/new minimum salaries for eligible employees in Adult Corrections and 6%/step pay plan for eligible State Highway Patrol employees.



**APPENDIX
C. Workforce Turnover and Aging Trends**

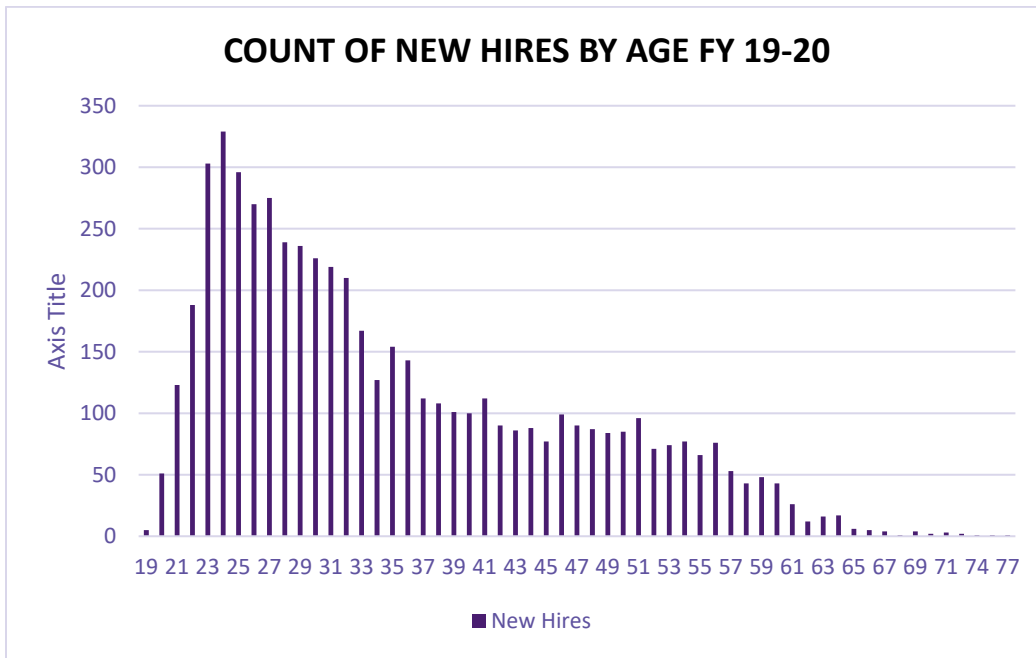


Source: Integrated HR/Payroll System

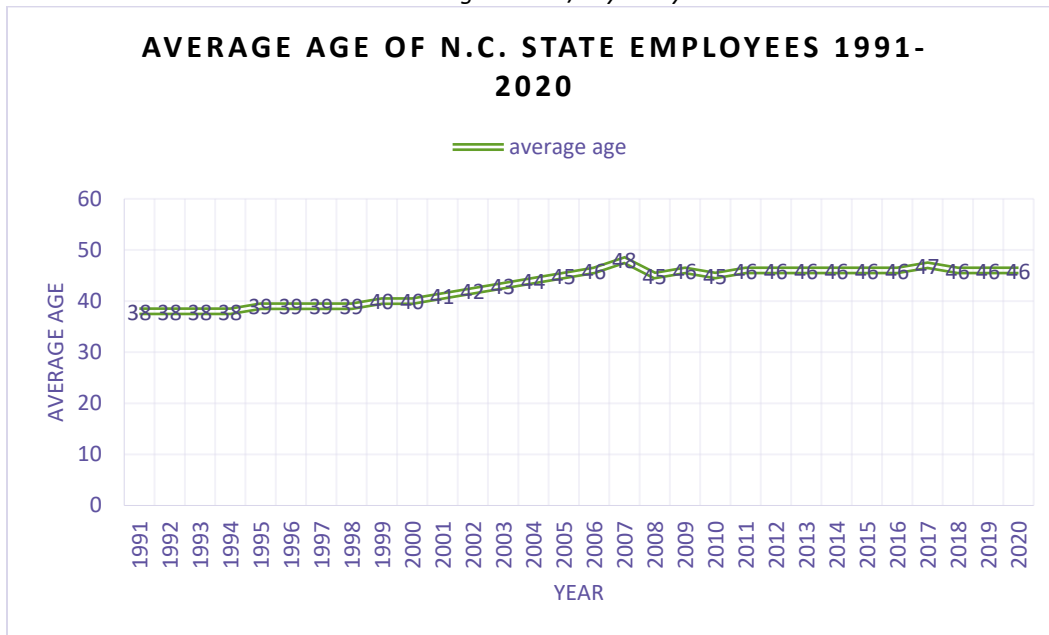


Source: Integrated HR/Payroll System

APPENDIX
C. Workforce Turnover and Aging Trends



Source: Integrated HR/Payroll System



Source: Integrated HR/Payroll System

APPENDIX
D. Market Survey Library

<p>Capital Associated Industries:</p> <ul style="list-style-type: none"> • CAI NC Wage 	<p>North Carolina County Salaries (State of North Carolina):</p> <ul style="list-style-type: none"> • North Carolina County Salaries Survey
<p>CompData (Salary.com):</p> <ul style="list-style-type: none"> • Physicians and Mid-Level Practitioners - National • Accounting and Financial Services Suite • Engineering and Information Technology Suite • Health Care Suite - Southeast • Law Firms and Legal Services Suite • Not-For-Profit and Government Suite - Southeast 	<p>PayScale:</p> <ul style="list-style-type: none"> • PayScale Company Sourced Education • PayScale Company Sourced Healthcare • PayScale Company Sourced National Survey • PayScale Company Sourced Public Administration
<p>College and University Personnel Association:</p> <ul style="list-style-type: none"> • CUPA Professionals in Higher Education - State of NC • CUPA Staff in Higher Education - State of NC 	<p>Wake County Government (State of North Carolina):</p> <ul style="list-style-type: none"> • Wake County and Municipal Government Survey
<p>Mercer:</p> <ul style="list-style-type: none"> • FSS Insurance • Logistics & Supply Chain • Finance, Accounting & Legal • IHN – Healthcare Informatics & Technology • IHN – Healthcare Management & Supervisory • IHN – Healthcare Provider Individual Contributors • IHN – Healthcare Executives • IHN – Skilled Nursing/Assisted Living Facilities • IHN – Physician Practices/Clinics • Information Technology • Metro Benchmark – Southeast • Sales, Marketing & Communications • Benchmark Human Resources • NC DMV Custom Survey • NC Law Enforcement Custom Survey • NC Law Enforcement Public Research 	<p>Willis Towers Watson Data Services:</p> <ul style="list-style-type: none"> • CSR Human Resources • CSR Accounting & Finance • CSR Engineering, Design & Technical Specialty • CSR Logistics and Supply Chain Management • CSR Supervisory & Middle Management • General Industry Executive • Health Care Administration and Support • Health Care Clinical & Professional • Health Care Executive & Management • General Industry Middle-Management, Professional and Support
<p>National Compensation Assn. of State Governments:</p> <ul style="list-style-type: none"> • NCASG Salary Survey 	<p>Western Management Group:</p> <ul style="list-style-type: none"> • CompBase USA Compensation Survey

**The market update project started in pricing year 2018 and is ongoing, so OSHR is maintaining its current survey library.*

APPENDIX

E. Benchmark Classes and Labor Market Analysis

BENCHMARK CLASSES

Labor Market Data Summary (State Agencies Only, Does Not Include Universities)

Job Title	Number of Employees	Base Salary Average	Market Base Salary 50th Percentile*	Compa ratio	FY 2019-20 Turnover Rate**
ADMINISTRATIVE SUPPORT					
Administrative Associate I	122	34,180	31,038	110.12%	16.22%
AGRICULTURAL, ENVIRONMENTAL AND SCIENTIFIC					
Environmental Health Regional Specialist	24	58,524	65,094	89.91%	8.00%
Forester I	28	41,809	54,626	76.54%	11.11%
Geologist/Hydrogeologist	117	63,257	75,974	83.26%	3.42%
CORRECTIONS					
Correctional Officer II	3169	36,643	39,386	93.03%	26.01%
EDUCATION AND TRAINING					
Staff Development Specialist II	80	55,948	67,655	82.70%	4.00%
ENGINEERING					
Architect I	3	65,776	72,297	90.98%	0.00%
Engineering Technician III	272	61,429	56,104	109.49%	7.78%
FINANCIAL & BUSINESS MANAGEMENT					
Accountant II	81	65,767	61,135	107.58%	8.24%
Auditor II	49	71,530	61,928	115.51%	18.42%
HUMAN RESOURCES					
Agency HR Consultant II	60	66,824	67,242	99.38%	12.07%
HUMAN SERVICES					
Social Worker	169	50,728	52,497	96.63%	10.59%
INFORMATION, COMMUNICATION AND MEDIA					
Information & Communications Spec II	75	53,320	59,978	88.90%	13.70%

Job Title	Number of Employees	Base Salary Average	Market Base Salary 50th Percentile*	Compa ratio	FY 2019-20 Turnover Rate**
INFORMATION TECHNOLOGY					
Applications Systems Analyst I	281	79,538	66,835	119.01%	5.82%
INSTITUTIONAL SUPPORT					
Cook	165	32,949	28,403	116.01%	11.80%
Housekeeper	477	32,591	26,157	124.60%	11.48%
LAW ENFORCEMENT AND PUBLIC SAFETY					
Police Officer I	69	44,355	51,456	86.20%	10.96%
LEGAL					
Attorney I	6	71,097	81,953	86.75%	12.50%
Paralegal I	28	46,213	52,990	87.21%	25.00%
Paralegal II	46	50,116	59,094	84.81%	19.15%
MEDICAL AND HEALTH					
Forensic Pathologist	5	196,813	255,045	77.17%	0.00%
Health Care Technician I	3397	32,719	31,569	103.64%	18.53%
Registered Nurse	939	63,173	67,064	94.20%	23.06%
NATURAL, HISTORIC AND CULTURAL RESOURCES					
Library Technician	17	38,843	37,655	103.15%	0.00%
OPERATIONS AND TRADES					
Maintenance/Construction Technician III	277	43,766	49,882	87.74%	9.41%
Vehicle/Equipment Repair Technician II	379	49,343	47,775	103.28%	5.50%
PLANNING AND ECONOMIC DEVELOPMENT					
Economist II	3	82,404	89,515	92.06%	0.00%
PROGRAM MANAGEMENT					
Driver License Examiner I	404	40,313	33,877	119.00%	9.16%
Volunteer Services Coordinator	13	41,254	42,358	97.39%	8.33%

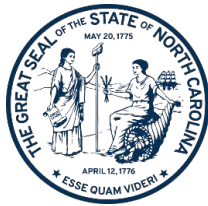
Job Title	Number of Employees	Base Salary Average	Market Base Salary 50th Percentile*	Compa ratio	FY 2019-20 Turnover Rate**
SAFETY AND INSPECTION					
Safety Officer II	27	59,638	67,293	88.62%	10.71%

Source: integrated HR/Payroll System, MarketPay analysis

**Based on preliminary findings of the Market Update Study*

***Certain jobs with a small number of incumbents may report a very high turnover rate due to one or two departures, or a zero turnover rate due to no departures.*

2020 Compensation and Benefits Report



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This online report was produced by the North Carolina Office of State Human Resources.