



**STATE OF NORTH CAROLINA
OFFICE OF STATE HUMAN RESOURCES**

JOSH STEIN
GOVERNOR

STACI MEYER
DIRECTOR

**TO: Agency Heads, Chancellors, Human Resources Directors, and
Other Interested Parties**

**FROM: Denise H. Mazza, Administrator
State Human Resources Commission**

DATE: March 24, 2026

**RE: Approved Personnel Actions for the March 5, 2026
State Human Resources Commission Meeting**

Please see below the following personnel actions that were approved on March 17, 2026 by the Governor's Office and by the State Human Resources Commission (SHRC) at the March 5, 2026 meeting. These statements are summaries only; see the documentation at the link below for full details.

- B. Total Rewards Div./Classification and Compensation: Abolish thirty-five (35) class specifications from the Statewide Compensation Plan

The SHRC approved of abolishing thirty-five (35) class specifications from the Statewide Compensation Plan that are no longer needed (most of these jobs have never been used since being created in 2018 or not used in several years). OSHR confirmed with agencies that other job classifications are being used to fulfill their needs.

See the summary sheet for a detailed log of changes.

- C. State and Local Government Services: Managing the Employee Work Cycle Policy (replaces the Agency Performance Management Policy)

The updated Managing the Employee Work Cycle policy replaces the Agency Performance Management policy with a more effective and modern approach to performance management.

North Carolina's Managing the Employee Work Cycle policy is focused on:

1. Aligning employee work and expectations with agency goals and strategic initiatives.
2. Improving employee productivity and performance through goal setting and timely feedback.
3. Developing employee knowledge and skills to enhance job performance and advance careers.
4. Building a culture of continuous feedback that promotes productivity, growth, and engagement.

The SHRC approved the revisions to the Voluntary Separation Incentive Policy, formerly the Reduction through Reorganization Policy, as follows:

- Revised the statement regarding department eligibility to include any department, office, or university with employees subject to the North Carolina Human Resources Act.
- In Section 3, Process, removed reference to University Chancellors for consistency with authority provided to Universities in the September 2025 policy revision.
- Edited to reflect that if agencies did not receive enough volunteers, they may implement a RIF (rather than must).
- Edited to reflect that the agencies should, rather than must, have a minimum of five positions to implement a VSIP.

D. Total Rewards/Time & Leave: Compensatory Leave Policy

Administrative Rule 25 NCAC 01E.1006 allows agencies to transfer up to 160 hours of compensatory leave to another state agency. Agencies that agree to receive compensatory leave from another state agency must ensure receipt of compensatory leave and administer it consistently within the agency.

To allow up to 160 hours of compensatory leave to be transferable to a receiving agency. The policy has been updated as follows:

- A new Section was added “§ Section 6 Limitations” - Compensatory time is not transferable to any other types of leave, including voluntary shared leave. Compensatory time for FLSA Not Subject employees may not be paid out when an employee separates from state service.
- Section § 7 - Updated to “Managing Transfers and Separations” – The new verbiage has also been updated:
 - o Compensatory time is lost when an employee transfers to another agency unless the receiving agency agrees to accept the compensatory time within the agency's established limit. Any compensatory time above the established limit is forfeited.
 - o The remaining language in Section §7 provides a general format for agencies to accept the communicated amount of compensatory leave.

- Section § 8. Agency Responsibility – has been updated to “Agencies should develop their own policy within these guidelines that includes:
 - o Whether they will allow employees transferring to their agency to retain compensatory time;
 - o The amount of compensatory time, not to exceed 160 hours that may be transferred;
 - o The procedure for communicating and updating compensatory me balances in the HR payroll system; and
 - o The proper approval procedures for uses of compensatory time by separating employees.

E. Total Rewards/Time & Leave: Incentive Leave Policy

The Incentive Leave policy provides agencies with a recruitment tool to assist in the employment of qualified candidates that are outside of NC State government and who are interested in employment with State government.

To update the policy as proposed:

- Section “Policy” - Removed references to middle and late career applicants
- Section “Definitions” – Removed the definition of Middle Management Position; and updated the definition of Employed Outside of State Government
- Section “Requirements” – Updated the language to “The newly appointed employee must meet the minimum qualifications “ of the position “and have a full time or part-time (half-time or more), permanent, probationary or time limited appointment.”
- Section Transfer – Removed the 1st sentence “When an employee transfers to another State SPA or State EPA position”

F. Total Rewards/Salary: Pay Administration Policy

OSHR is responsible for the development and consistent administration of the compensation program including pay administration. This policy provides a framework for setting pay in a fiscally responsible way while encouraging excellence and enabling agencies to address recruitment and retention needs.

Revised § 6.5 Acting Pay to allow agencies to provide acting pay for a period greater than 12 months, without OSHR approval, when the acting pay supplement is funded by grant funds that exceed 12 months.

G. Periodic Review for 25 NCAC Subchapters 01F, 01H, 01I and 01J/Final Determination

N.C.G.S. § 150B-21.3A, entitled “Periodic Review and Expiration of Existing Rules,” requires agencies and commissions, in the process before the Rules Review Commission, to review every 10 years all of their active rules codified in the North Carolina Administrative Code. The Rules Review Commission establishes the order in which agencies should review each subchapter of the Code.

See the summary sheet for a detailed log of changes.

H. Readoption/Repeal of 25 NCAC 01H .0631, 25 NCAC 01H .0635, 25 NCAC 01K .0210 and .0212, .0311-0324, .0401-.0404, .0501-.0502 and .0612 and .0613, and 25 NCAC 01O.

- 01H .0631 states some of the procedures for posting vacant positions, as well as the situations where posting is not required. The content of this rule is covered by the Recruitment & Posting of Vacancies Policy.
- 01H .0635 states some of the procedures for selecting applicants based on their minimum qualifications. The content of this rule is also covered by the Recruitment & Posting of Vacancies Policy and the Selection of Applicants Policy.
- The Rules in 25 NCAC 01K cover some of the employee learning and development policies, programs, and practices. The rules proposed for repeal are either unnecessary, outdated, or covered by the Academic Assistance Policy and Employee Learning and Development Policy.
- 01O states some of the procedures for performance management. Complete documentation can be found on the SharePoint site at:

Each of these rules are either inconsistent with the newly amended statute, have remaining text that is unnecessary or outdated, or the text within the section is duplicative of text in existing active policies (such as 01K and the Employee Learning and Development Policy) OSHR recommends that the Commission recommend their submission to the Rules Review Commission for Repeal.

[State Human Resource Commission - Commission - 2026-3-05 SHRC Meeting - All Documents](#)