Personnel Function Report Executive Summary

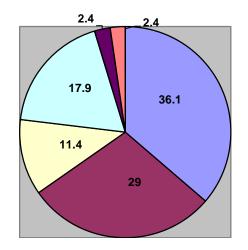
In compliance with N.C. General Statute 126-6.2, the State Personnel Commission is required to report on certain personnel functions to the Joint Legislative Commission on Governmental Operations.

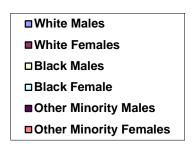
1. Workforce Representation:

The State of North Carolina reported 87,965 full-time, permanent SPA employees as of December 31, 2012. This represents an increase of 230 (0.3%) employees from 2011, and a decrease of 2,985 (-3.3%) employees since 2010. For statistical purposes, employees reporting "ethnicity unknown" have been included in the overall total in 2012.

<u>Workforce</u>	White	White	Black	Black	Other	Other	Eth.		Disability
	Males	Females	Males	Females	Minority	Minority	Unk.	TOTAL	
					Males	Females			
Agency	25,416	17,218	8,118	12,462	1,550	1,148	218	66,130	1,144
	38.4%	26.0%	12.3%	18.8%	2.3%	1.7%	0.3%		
University	6,368	8,260	1,888	3,316	610	941	452	21,835	93
	29.2%	37.8%	8.6%	15.2%	2.8%	4.3%	2.1%		
TOTAL	31,784	25,478	10,006	15,778	2,160	2,089	670	87,965	1,237
	36.1%	29.0%	11.4%	17.9%	2.4%	2.4%	0.8%		
Previous	31,851	25,482	10,192	16,128	2,089	1,993		87,735	
Total - 2011	36.3%	29.0%	11.6%	18.4%	2.4%	2.3%			
Previous	33,001	26,768	10,476	16,548	2,120	2,037		90,950	
Total - 2010	36.3%	29.4%	11.5%	18.2%	2.3%	2.2%			

Total State Representation by Demographic Group (2012)



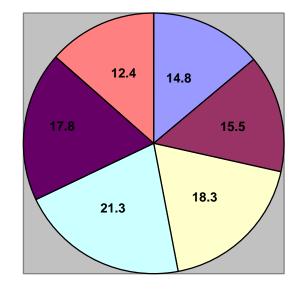


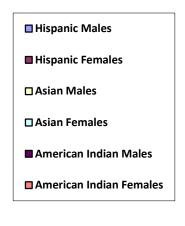
North Carolina State Government cabinet and council of state agencies employed 66,130 employees as of December 31, 2012. This accounted for 75% of the total 87,965 employees. North Carolina State Government universities employed 21,835 employees as of December 31, 2012. This accounted for 25% of the total 87,965 employees.

The employees labeled as 'other minority males' and 'other minority females' include Hispanic, American Indian and Asian employees. Overall, these employees represented 4.8% of the entire workforce or 4,249 employees (an increase of 167 since 2011). Within the agency workforce, American Indian employees represented the largest 'other minority group', although only 0.1% larger than Asian employees. Within the university workforce, Asian employees represented the largest 'other minority group'. Specifically, these groups represented the following:

Other Minority Workforce	Hispanic Males	Hispanic Females	Asian Males	Asian Females	American Indian Males	American Indian Females	TOTAL
Agency	431	358	487	465	632	325	2,698
3 7	16.0%	13.3%	18.1%	17.2%	23.4%	12.0%	,
University	196	300	289	441	125	200	1,551
	12.6%	19.3%	18.6%	28.4%	8.1%	12.9%	
TOTAL	627	658	776	906	757	525	4,249
	14.8%	15.5%	18.3%	21.3%	17.8%	12.4%	

Total Representation of Other Minority Groups in Detail (2012)

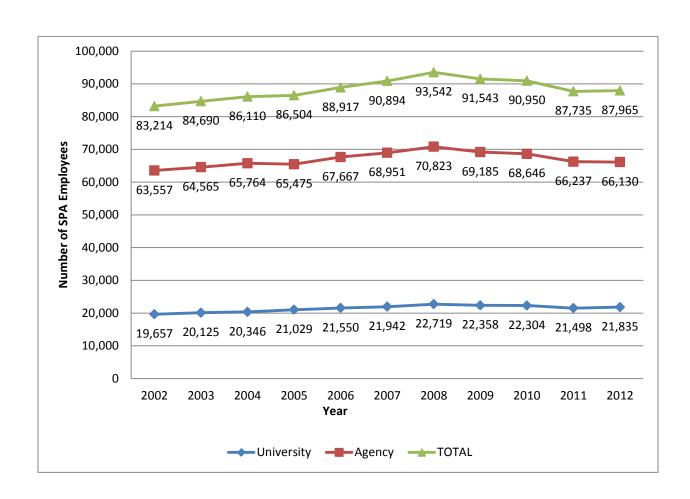




The following chart details the change in total workforce representation since 2002. Beginning in 2002 through 2008, the trend line for state employment indicates a basic pattern of increasing numbers of SPA employees in both the agency and university workforces. With the exception of the agency workforce in 2005, all points on the line indicate an increase in employees through 2008.

In 2009 through 2011, the State of North Carolina experienced an economic crisis that resulted in a hiring freeze as well as a reduction-in-force throughout state government. As a result, both the agency and university workforce totals decreased. The impact of the reduction in the number of agency and university employees was a corresponding reduction in the total number of employees. In 2012, the employment figures remained fairly static to the totals in 2011, with a small decrease (-107) in agency employment totals and a slight increase (+337) in university employment totals.

Workforce Representation (2002 - 2012)



2. New Hires:

A new hire or new appointment is the initial employment of an individual to a position or the reemployment of an individual who is either not eligible for reinstatement or, at the agency's option, is not offered reinstatement. The State of North Carolina hired 7,550 new full-time, permanent SPA employees during calendar year 2012, an increase of 2,593 (52.3%) employees from 2011.

New Hires	White	White	Black	Black	Other	Other	Ethnicity	
	Males	Females	Males	Females	Minority	Minority	Unknown	TOTAL
					Males	Females		
Agency	1,485	1,107	662	1,116	141	129	118	4,758
	31.2%	23.3%	13.9%	23.5%	2.9%	2.7%	2.5%	
University	702	1,009	200	365	81	123	312	2,792
	25.1%	36.1%	7.2%	13.1%	2.9%	4.4%	11.2%	
TOTAL	2,187	2,116	862	1,481	222	252	430	7,550
	29.0%	28.0%	11.4%	19.6%	2.9%	3.3%	5.7%	
Previous	1,574	1,324	708	1,043	162	146	N/A	4,957
Total - 2011	31.8%	26.7%	14.3%	21.0%	3.3%	2.9%		

Other minority males and females include Hispanic, American Indian and Asian employees. Specifically, these groups represent the following:

Other Minority New Hires	Hispanic Males	Hispanic Females	Asian Males	Asian Females	American Indian Males	American Indian Females	TOTAL
Agency	56	50	35	47	50	32	270
	20.7%	18.5%	13.0%	17.4%	18.5%	11.9%	
University	26	42	46	68	9	13	204
	12.7%	20.6%	22.5%	33.3%	4.4%	6.4%	
TOTAL	82	92	81	115	59	45	474
	17.3%	19.4%	17.1%	24.3%	12.4%	9.5%	

Number of New Hires in State Government – 2004 to Present:

Year	Number of New	Number of	Percent
	Hires	Employees	
2004	11,144	86,110	12.9%
2005	10,199	86,504	11.8%
2006	11,207	88,917	12.6%
2007	9,949	90,894	10.9%
2008	7,133	93,542	7.6%
2009	3,708	91,543	4.1%
2010	6,958	90,950	7.7%
2011	4,957	87,735	5.6%
2012	7,550	87,965	8.6%

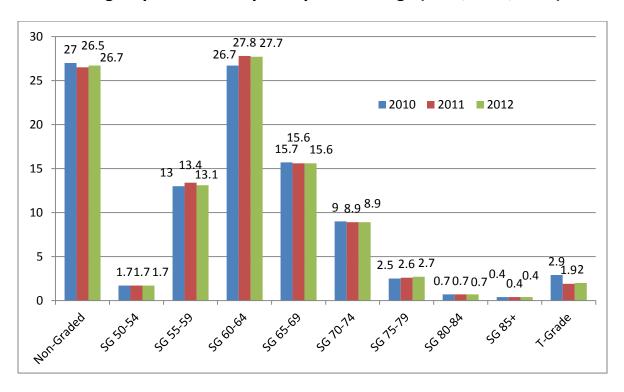
3. Compensation Levels:

This section of the report analyzes salary distributions in 10 categories ranging from salary grades 50-54 through 85 and higher, non-graded and t-graded classifications.

AGENCY:

Overall, employees in salary grade range 60-64 consisted of the highest level of representation, comprising 27.7% of the workforce. Employees in non-graded (mostly Career-Banded) classifications consisted of the second highest percentage of employees representing 26.7% of the agency workforce.

Total Agency Workforce by Salary Grade Range (2010, 2011, 2012)



NOTE:

1. T-grades are assigned specific salary grades, with corresponding minimum and maximum ranges.

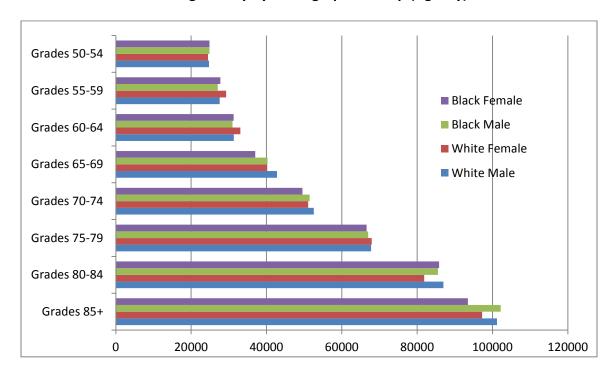
Demographic Analysis: Employees were concentrated in different salary grades with black males and black females representing a significant percentage of employees at the lower salary grades.

Percentage of Representation by Salary Grade (Agency)

	Highest Percentage of	2 nd Highest Percentage	3 rd Highest Percentage
	Representation	of Representation	of Representation
White Male	Banded (53.6%)	Grades 85+ (48.76%)	Grades 80-84 (48.75%)
White Female	Grades 75-79 (38.6%)	Grades 70-74 (38.48%)	Grades 55-59 (38.1%)
Black Male	Grades 50-54 (21.5%)	Grades 60-64 (18.9%)	Grades 55-59 (11.2%)
Black Female	Grades 55-59 (36.9%)	Grades 50-54 (33.3)	Grades 60-64 (22.6%)

In the following chart, average salary is analyzed by demographic group and salary grade range. In this analysis, white and black males received the highest average salaries in salary grade range 85+, the highest in state government. In grades 80-84, white males and black females earned the highest average salaries.

Average Salary by Demographic Group (Agency)



NOTE: Jobs in T-grades and/or banded classifications can range from traditional SG 50 - 85. For this reason, employees in this pay structures have not been included in the average salary chart. They are included in the detailed analysis on the following page.

Employees by Grade Range and Demographic Group (Agency)

Cal Month/Year	DEC 2012						
	WM	WF	ВМ	BF	TOT MNRT	TOT FEM	DISB
GR 50-54	173	292	247	382	679	700	33
% Represented	15.057	25.413	21.497	33.246	59.095	60.923	2.872
Average Salary	24,737	24,471	24,846	24,887	24,826	24,664	25,561
GR 55-59	958	3,286	968	3,193	4,369	6,632	148
% Represented	11.098	38.068	11.214	36.990	50.614	76.830	1.715
Average Salary	27,570	29,276	27,077	27,738	27,602	28,509	28,801
GR 60-64	6,639	3,272	3,469	4,135	8,341	7,702	323
% Represented	36.301	17.891	18.968	22.609	45.607	42.113	1.766
Average Salary	31,311	33,076	30,998	31,288	31,114	32,045	31,709
GR 65-69	4,247	2,805	1,093	1,787	3,253	4,755	206
% Represented	41.077	27.130	10.572	17.284	31.463	45.991	1.992
Average Salary	42,803	40,206	40,301	39,011	39,583	39,695	40,600
GR 70-74	2,247	2,257	365	783	1,350	3,150	95
% Represented	38.312	38.483	6.223	13.350	23.018	53.708	1.620
Average Salary	52,544	51,062	51,454	49,549	50,185	50,644	53,067
GR 75-79	740	686	94	195	348	912	34
% Represented	41.643	38.604	5.290	10.974	19.584	51.322	1.913
Average Salary	67,750	67,912	66,989	66,589	66,518	67,536	66,585
GR 80-84	234	165	20	44	77	214	3
% Represented	48.750	34.375	4.167	9.167	16.042	44.583	0.625
Average Salary	86,978	81,882	85,498	85,827	85,233	82,682	86,531
GR 85+	138	98	12	28	47	132	2
% Represented	48.763	34.629	4.240	9.894	16.608	46.643	0.707
Average Salary	101,205	97,236	102,156	93,440	95,056	95,965	98,329
T-Grade	447	441	126	305	458	757	32
% Represented	33.136	32.691	9.340	22.609	33.951	56.116	2.372
Average Salary	55,007	56,317	49,068	42,857	45,257	50,795	37,916
Banded	9,458	3,826	1,696	1,583	4,247	5,737	259
% Represented	53.641	21.699	9.619	8.978	24.087	32.537	1.469
Average Salary	50,510	56,623	43,479	51,865	49,788	55,484	51,320

NOTE: Due to the inclusion of average salary, other minority males and females did not generate statistically significant percentages due to low levels of representation by salary grade. They are included in the total minority analysis.

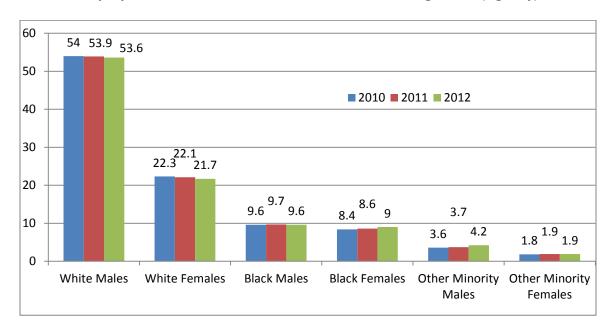
Non-Graded/Banded Classifications: State agencies had 17,632 employees in non-graded classifications. This figure represents a small increase in non-graded employees since 2011.

- 2007 12,914
- 2008 13,897
- 2009 18,458
- 2010 18,558
- 2011 17,553
- 2012 17,632

The Career-Banded (non-graded) compensation system in the State of North Carolina collapsed existing classifications into broad classifications that are grouped into Job Families as are the graded classifications. Job Families are not managed by unique salary minimums and maximums, but the broad Career-banding classifications have minimums and maximums unique to them. The ten Job Families include:

- 1. Administrative and Managerial
- 2. Information Technology
- 3. Law Enforcement and Public Safety
- 4. Information and Education
- 5. Human Services
- 6. Medical and Health
- 7. Institutional Services
- 8. Operations and Skilled Trades
- 9. Engineering and Architecture
- 10. Natural Resources and Scientific.

Employees in Non-Graded Classifications 2010 through 2012 (Agency)



UNIVERSITY:

The university system has fully implemented a Career-Banded compensation system. Because of full implementation, the demographic distribution mirrors that of the overall representation figures for the university system.

Competency Levels: In order to provide a more detailed analysis of the salary structure in the university system, the next table provides competency levels by demographic group. Each banded classification is divided into three competency levels (contributing, journey and advanced). Each competency level is associated with a minimum and maximum rate of compensation.

Competency Levels by Demographic Group (University)

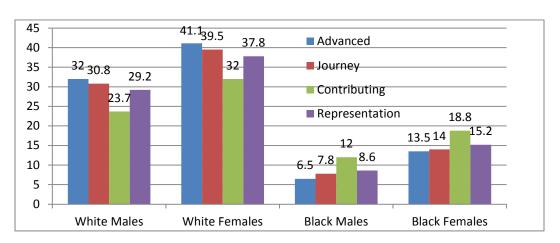
	White Males	White Females	Black Males	Black Females	Other Minority Males	Other Minority Females	Eth. Uk.	Total
Advanced Level	1,595	2,047	322	674	127	154	60	4,979
Percentage	32.0	41.1	6.5	13.5	2.5	3.2	1.2	
Avg. Market Index*	95	96	91	93	94	90	95	95
Journey Level	3,366	4,316	856	1,525	267	409	188	10,927
Percentage	30.8	39.5	7.8	14.0	2.5	3.7	1.7	
Avg. Market Index	97	98	95	98	95	96	95	97
Contributing Level	1,407	1,897	710	1,117	216	378	204	5,929
Percentage	23.7	32.0	12.0	18.8	3.6	6.3	3.4	
Avg. Market Index	104	105	101	104	100	100	107	104
Total	6,368	8,260	1,888	3,316	610	941	452	21,835
Percentage	29.2	37.8	8.6	15.2	2.8	4.3	2.1	
Avg. Market Index	98	99	97	99	97	97	101	98

Average Market Index = relationship of pay to the established market rate.

Average Market Index: At the advanced competency level, while females had the highest market index, while black males and other minority females had the lowest market index. At the journey competency level, white females and black females had the highest average market index, although all the market indexes were plus/minus 3% from one another. At the contributing competency level, all demographic groups maintained an average market index at 100 or above, with the highest market index awarded to employees described as "ethnicity unknown".

Representation by Competency Level: White female employees had the highest level of representation at the advanced, journey and contributing competency levels, and they correspondingly make up the largest percentage of the overall university workforce. When compared to representation levels, white male and white female employees comprised a larger percentage of the advanced and journey competencies levels than their total overall representation levels in the workforce. Comparatively, black male and black female employees had a higher level of representation in the contributing competency level than their total overall representation levels in the workforce.

Competency Level by Demographic Group (University)



4. Disciplinary Actions:

In calendar year 2012, there were 3,483 disciplinary actions issued to agency and university employees. In 2011, there were 4,023 disciplinary actions issued. This represents a decrease of 540 actions. The largest number of disciplinary actions, 1,196 (34%) were issued to White males although they constitute 36.1% of the state's workforce. Black females received 725 disciplinary actions or 20% of the total while representing only 17.9% of the state's workforce. Black males received 850 disciplinary actions or 24% of the total although their presence in the workforce is only 11.4%. White females received 597 or 17% of all disciplinary actions although their workforce representation is 29%. Other minority males and other minority females were given 115 disciplinary actions or 3% of the total; their workforce representation is 4.8%. Of all the disciplinary actions issued, 2,847 or 82% occurred in State agencies, and 636 actions, or 18% occurred in State universities. In 2011, the data indicated that 3,431 or 85.3% of disciplinary actions occurred in State agencies, and 592 actions, or 14.7% occurred in State universities.

Total Disciplinary Actions by Agency/University and Race/Sex

	White	White	Black	Black	Other	Other	
<u>Discipline</u>	Males	Females	Males	Females	Minority	Minority	TOTAL
					Males	Females	
Agency	1,031	463	695	569	58*	31*	2,847
	36.2%	16.2%	24.4%	19.9%	2.0%	1.1%	
University	165	134	155	156	15*	11*	636
	25.9%	21.1%	24.4%	24.5%	2.4%	1.7%	
TOTAL	1,196	597	850	725	73	42	3,483
	34.3%	17.1%	24.4%	20.1%	2.1%	1.2%	
Previous	1,218	735	930	996	82	62	4,023
Total - 2011	30.3%	18.2%	23.1%	24.8%	2.0%	1.5%	

^{*} Other minority males and females include Hispanic, Asian, and American Indian employees.

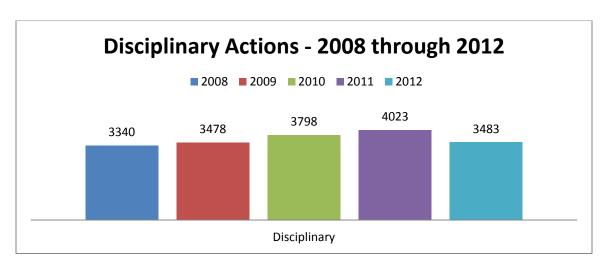
The table below presents the breakdown of the Other Minority category.

<u>Discipline</u>	Hispanic Males	Hispanic Females	Asian Males	Asian Females	American Indian Males	American Indian Females	TOTAL
Agency	26	12	14	10	18	9	89
	29.2%	13.5%	15.7%	11.2%	2.0%	1.0%	
University	2	6	7	3	6	2	26
	7.7%	2.3%	2.7%	1.2%	2.3%	7.7%	
TOTAL	28	18	21	13	24	11	115
	24.3%	15.6%	18.3%	11.3%	20.1%	9.6%	

NOTE: Rounding may cause totals +/- 100%.

Five-Year Disciplinary Action Trend

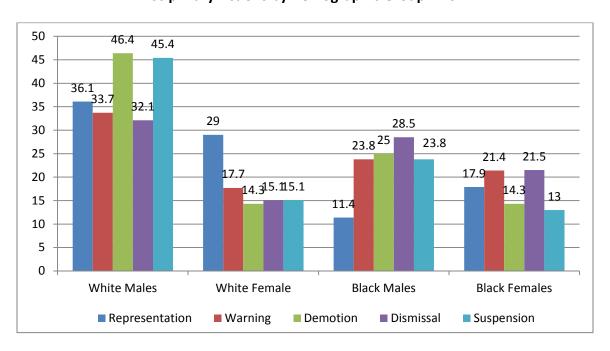
The five-year disciplinary action trend indicates a peak of 4023 disciplinary actions in 2011, decreasing to 3483 in 2012, consistent with actions in 2008-2010. The trend is illustrated in the chart below:



In 2012, 2791 (80%) of disciplinary actions were written warnings and 470 (13%) of the actions were dismissals. There were 28 demotions (1%) and 185 suspensions without pay (5%). Of the employees who were dismissed, 151 (32.1%) were white males. Black males constituted 134 dismissals or 28.5%, while black females received the next highest number of dismissals at 101 or 21.4%.

Dissiplinary			Race Se	ex Group			TOTAL
Disciplinary Action By Type	White Males	White Females	Black Males	Black Females	Other Minority Males	Other Minority Females	TOTAL
Warning	940	494	664	596	62	35	2,791
	33.7%	17.7%	23.8%	21.4%	2.2%	1.3%	100.0%
Demotion	13	4	7	4	0	0	28
	46.4%	14.3%	25.0%	14.3%	0%	0%	100.0%
Dismissal	151	71	134	101	8	5	470
	32.1%	15.1%	28.5%	21.5%	1.7%	1.1%	100.0%
Suspension	84	28	44	24	3	2	185
	45.4%	15.1%	23.8%	13.0%	1.6%	1.1%	100%
Warning -	8		1				9
Not Assigned	88.8%	-	11.1%	-	-	-	9
TOTAL	1,196	597	850	725	73	42	3,483
	34.3%	17.1%	24.4%	20.8%	2.1%	1.2%	100.0%

Disciplinary Actions by Demographic Group - 2012



5. Grievances:

State government employees (agency and university) filed a total of 455 grievances during calendar year 2012, (311 less grievances than in 2011). State agencies reported that employees filed 328 grievances during calendar year 2012, representing 72% of the total grievances filed.

Universities reported that employees filed 127 grievances in 2012, representing 28% of the total number of grievances filed.

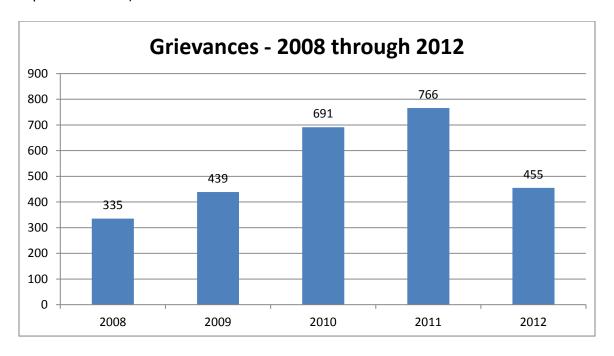
	White Males	White Females	Black Males	Black Females	Other Minority Males*	Other Minority Females*	Un- known	TOTAL
_								
Agency	91	61	83	79	6	8		328
	27.7%	18.5%	25.3%	24%	1.8%	2.4%		
University	25	29	22	34	6	11		127
	19.7%	22.8%	17.3%	26.8%	4.7%	8.7%		
TOTAL	116	90	105	113	12	19		455
	25.4%	19.8%	23.1%	24.8%	2.6%	4.2%		
Previous Total 2011	159 20.8%	137 17.9%	204 26.6%	232 30.3 %	15 2.0%	18 2.3%	1 1.0 %	766

Other minority males and females included the following:

	Hispanic Males	Hispanic Females	Asian Males	Asian Females	American Indian Males	American Indian Females	TOTAL
Agency	3	2	1	2	2	4	14
	21.4%	14.3%	7.1%	14.3%	14.3%	28.6%	
University	0	5	6	6	0	0	17
	0%	29.4%	35.3%	35.3%	0%	0%	
TOTAL	3	7	7	8	2	4	31
	9.7%	22.6%	22.6%	25.8%	6.4%	12.9%	

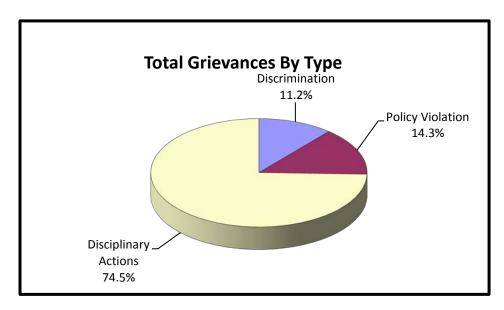
Five-Year Grievance Trend

The five-year grievance trend indicates that grievances experienced a steady increase from 2008 through 2011, but dropped sharply in 2012 (more consistent with grievances reported in 2009). The trend is illustrated in the chart below:



Grievances by Type

In 2012, grievances were filed in three major areas: response to a disciplinary action, allegation of illegal discrimination, or claim of a policy violation. The chart below reports the grievances by type.



Settlements

In calendar year 2012, there were a total of 44 settlements entered into by agencies and universities as a result of grievances and contested cases filed by employees and former employees. The total cost reported for the 44 settlements was \$1,127,805.01 or an average of \$25,631.93 per settlement. The total is an increase of \$32,242.29 over 2011.

Of the total amount, \$1,047,296.26 was reported as back pay and \$80,508.75 was reported as attorneys' fees.

Agencies

In calendar year 2012, State agencies entered into 41 settlements of grievances and/or contested cases filed by employees. The total cost of settlements from State agencies was \$1,110,244.18 or an average of \$27,079.13 per settlement.

Universities

State universities reported three settlements totaling \$17,560.83 or an average of \$5,853.61 per settlement.

6. Equivalencies:

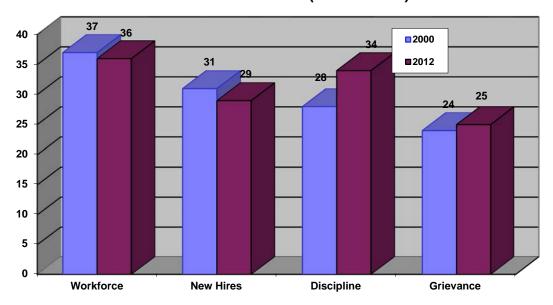
An equivalency is defined as any deviation from the required minimum training and experience, not including substitution of directly related education for experience, or directly related experience for education as stated on the class specification. For calendar year 2012, there were no instances that an agency or university used an equivalency.

7. Demographic Analysis:

This report reviews personnel functions in several areas. This section of the executive summary charts the percentage of new hires, disciplinary actions and grievances against the overall level of workforce representation in each demographic group in 2000 and 2012. Please note that other minority males and females are not included in this analysis due to their low overall representation rates (less than 2%). Significant trends related to other minority males and females are included in each previous section of the report.

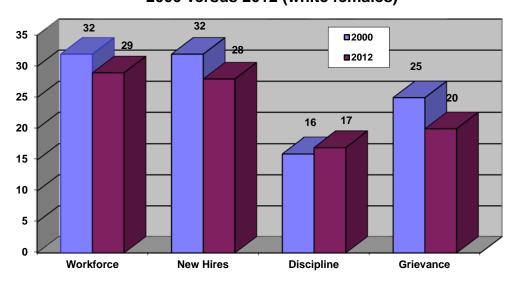
White Males – White males consisted of 34% of all disciplinary actions, an increase from the year 2000, and the highest level of any demographic group. White male employees filed 25% of all grievances in 2012, a rate less than their overall representation in the workforce, but the highest rate of any demographic group (equals black females). The overall representation level of white males decreased slightly, from 37% to 36%, and new hire activity was also below the level in 2000.



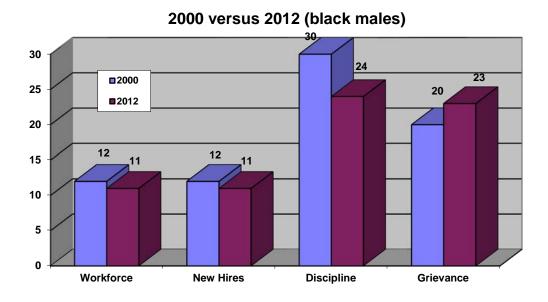


White Females – In 2012, white female employees had levels of representation, new hires, and grievances which were lower than those rates in 2000. White female employees consisted of 29% of the workforce and 28% of the new hires during 2012, while filing 20% of all grievances, the lowest rate of any of the four evaluated demographic groups. White female employees represented 17% of all employees receiving a disciplinary action in 2012, up slightly from the 2000 rate of 16%.

2000 versus 2012 (white females)



Black Males – Black male employees consisted of 11% of the representation and 11% new hires during 2012. Black male employees received 24% of all disciplinary actions during 2012, a reduction from 30% during 2000. Also during 2012, black male employees filed 23% of all grievances, a rate that increased from 20% in 2000.



Black Females – Black female employees represented 18% of the workforce representation in 2012, up slightly from 2000. They accounted for 20% of all new hires, a rate comparable to that in 2000. Their level of discipline and grievance activity exceeded their workforce representation. In 2012, black females received 20% of all disciplinary action and filed 25% of all grievances, the highest percentage of grievances filed by any demographic group (equals white males).

2000 versus 2012 (black females)

