

**STATE HUMAN RESOURCES COMMISSION MEETING  
VIA WEBEX**

**MEETING MINUTES – February 16, 2023**

**Members Present:**

Members present on the Webex for the meeting were: Commissioner Dekhasta Becton Rozier, Chair, and Commissioner Andrea Allard, Commissioner Ross Beamon, Commissioner Doug Boyette, Commissioner April Page, and Commissioner Tracy Webb.

**Other Attendees**

Other attendees present: Barbara Gibson, Director, Glenda Farrell, Chief Deputy, and Twanetta Lytle Alston, Deputy Director, Office of State Human Resources; General Counsel Blake Thomas, Assistant General Counsel Anna Perkinson, and Legislative Liaison Lockhart Taylor, Legal Division, Office of State Human Resources; Denise Mazza, State Human Resources Commission Administrator, Office of State Human Resources; LaQuita Alston, Nancy Astrike, Susie Beasley, Felicia Bridges, Andrea Clinkscales, Dominick D’Erasmus, Clara Hazzard, Chryste Hofer, Jill Lucas, Luisa Mahler, Stephanie McFadden, Randy Mizelle, Carolina Peace, Susan Reeves, Stephanie Sellers, Kristin Siemek and Delya Tharrington, of the Office of State Human Resources; Kathy O’Neal and Cashaunda Holman, NC Department of Agriculture and Consumer Services; Kieta Cannon, HR Director, NC Auditor’s Office; Angeline Hariston, HR Director, NC Office of Administrative Hearings; Cheray Cherry, Stephanie Freeman and David Gaines, NC Department of Adult Corrections; Carolyn Hunt, HR Director, NC Legislature; Renathe Cotton, HR Director, NC Department of Labor; Glenda Ellerbee, HR Director, Office of State Controller; Janet Blount, HR Director, Janet DeVane, NC Department of Public Instruction; Charlene Shabazza, NC Department of Public Safety; Harlan Frye, HR Director, and Diane McCann, NC Department of Revenue; Chris Chiron, University System; Kathleen Tardif, HR Director, NC Department of Natural Resources; Jerry Daniels, HR Director, NC Department of Insurance; Shakeyia Hazell, HR Director, NC Community Colleges; Andrea Porterfield, HR Director, NC Commerce; Debra Thomas, HR Director, NC Office of the Treasurer; Hollie Thornton, HR Director, and Shannon Bryant, NC Wildlife; and Chris Chiron and Sean Womack, University of North Carolina System Office of Human Resources.

**Opening**

The Commission convened its open meeting pursuant to N.C.G.S. § 126-2(h) at 9:00 a.m. via Webex Teleconference.

## Minutes of the February 16, 2023 State Human Resources Commission Meeting

The State Human Resources Commission (SHRC) last convened on January 5, 2023 at a special meeting pursuant to N.C.G.S., §126-2(h).

Pursuant to North Carolina General Statute Chapter 138A and the North Carolina Ethics Act, Chair Rozier asked all Commissioners if there were any conflicts of interest or potential conflicts of interest with respect to any matters coming before the Commission. No conflicts were presented.

There were no additions or corrections to the agenda for the February 16, 2023 meeting.

### **Consent Agenda**

#### **Approval of the Minutes for the December 8, 2022 and January 5, 2023 State Human Resources Commission Meetings.**

The Chair presented the draft minutes for the December 8, 2022 and January 5, 2023 State Human Resources Commission meetings. There being no further discussion or questions, the Chair called for a motion to recommend approval of these minutes as provided.

Motion: Commissioner Beamon made a motion to recommend approval of the December 8, 2022 and January 5, 2023 meeting minutes.

Second: Commissioner Allard seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the Minutes for the December 8, 2022 and January 5, 2023 State Human Resource Commission Meetings as provided.

Motion carried.

#### **Exceptions Granted under 25 NCAC 01A .0104 Variances**

Deputy Director Twanetta Lytle Alston reported that there were no new exceptions granted by Director Gibson under 25 NCAC 01A .0104 since the December 8, 2022 State Human Resources Meeting.

#### **Method of Presenting University Policies**

Chief Deputy Director Glenda Farrell directed the Commission's attention to the last item on the agenda for the day – the University Grievance Policy – as it would be presented by Sean Womack of the University System. She explained that while the Office of State Human Resources would continue to offer guidance and input to the University System in developing their policies, going forward those policies will be presented by a University

System employee so that the Commissioners could receive this information from the implementing source.

**Total Rewards: Classification and Compensation: Compensation and Benefits Report**

Legislative Liaison Lockhart Taylor and OSHR Classification and Compensation Manager Felicia Bridges presented the statutory required Compensation and Benefits Report to the Commission. Liaison Taylor explained that one of his responsibilities as the Director of Government Relations and the Legislative Liaison for OSHR, is the delivery of all mandated reports to the General Assembly. He noted that he had delivered the attached Compensation and Benefits Report to the Legislative Appropriations Committee at the General Assemble the week before this meeting. He then introduced Manager Bridges to provide the details of the report.

Manager Bridges noted that 2022 had been a season with unique challenges related to recruitment and retention with several significant findings. They included:

- Since 2013, salary increases for state government have cumulatively trailed average labor market increased by 11.4%.
- Projected base salary increases are expected to be 3.7% for 2023 and salary increases in state government have cumulatively trailed the CPIU by 7.3% over the last 10 years effectively decreasing the employee buying power.
- Ongoing shifts in the labor market highlight a trend toward greater prioritization of work/life balance and flexible working arrangements.
- Retirements over the past year have increased by 31% and the average employee age also increased slightly. It's anticipated that 25% of state employees are eligible to retire with full benefits within 5 years of this time.

**Business Session Public Comment**

**Public Comment**

There were no public comments.

**State Human Resources Director's Report**

Director Barbara Gibson welcomed everyone and reported that agencies were responding very positively to the increased flexibilities the Commission approved through policy updates at the meeting in December – notably, the expansion of the Sign-On and Retention Bonus Policy, trainee progressions, and the Referral Bonus Pilot Policy. She stated that agencies were strategically assessing how they can use these flexibilities to make the greatest impact to their ongoing recruitment and retention challenges with their limited resources and Office of State Human Resources (OSHR) was providing training

and resources to HRDs and agency SMEs to help understand these new flexibilities. Good evidence that this resource was being used by agencies to support their efforts to hire and retain needed employees included:

- Since implementation in June of 2022, 5,549 employees had received bonuses with an average of \$1,161 per employee and a total cost of \$6.8 million.
- That included 4,939 employees who received retention bonuses with an average of \$1,166 per employee and a total cost of \$6 million.
- Additionally, 611 new employees received sign-on bonuses with an average of \$1,122 per employee and a total cost of \$768,000.

On February 15, 2023, agencies gained the ability to offer the referral bonuses under the pilot policy approved by the SHRC in December as a pilot program for the following 3 classification groups:

- Nurses at the Department of Health and Human Services;
- Correctional Officers at the new Department of Adult Correction; and
- Law enforcement officers at other agencies.

Interest in the pilot program is strong. OSHR had been contacted by a few agencies interested in joining the pilot to further support their efforts to recruit new workers in roles that are deemed critical, and are in high demand which are hard to fill. OSHR had already approved a request submitted by the new Department of Adult Correction (DAC) to also offer referral bonuses to recruit probation and parole officer, correctional food services officers, registered nurses and license practical nurses. In their request, DAC documented the significant challenges that they are facing in accordance with the policy, and were so persuasive that OSHR was able to turn it around quickly. Director Gibson stated that OSHR would do their best to help other agencies with similar difficulties wishing to use this new tool.

OSHR had been very focused on the crisis of recruitment and retention that has been developing across our state, other state governments and across our nation. In North Carolina, the facts are hard to ignore. The State of North Carolina employees are behind on pay in virtually every metric studied. North Carolina lags on inflation, and have provided lower increases than many local governments and neighboring states which are happy to scoop up people trained and developed to deliver our programs and services. She stated that paying competitively is not the only challenge facing agencies. Additionally, North Carolina is competing in a world where hybrid or telework is the norm. However, many state services cannot be performed remotely. Letting our employees know that the State values their referrals is a great way to engage them in

helping build a workforce of others with similar values towards public service for those who live in our State. With all the options provided agencies over the last year, OSHR and the SHRC had not been watching from the sidelines, but more must be done to stabilize turnover and to make a State of North Carolina job desirable to a qualified workforce.

She suggested the following be considered:

Our state's population has increased significantly over the past decade – from 9.9 million people in July 2013 to 10.7 million people in July 2022. It goes without saying, this boom has increased service delivery needs. At the same time, however, our employee headcount has dramatically declined, and our number of vacancies has nearly doubled. Over the last three years, our State agencies' employee head count has dropped from 61,524 in 2020 to 55,488 in 2022. At the same time, our vacancy rate increased from 13.7% in 2020 to 19.1% in 2021, and in 2022 it is up to 23.4%. The annualized employee turnover rose from 11.8% in 2020 to a high of 17.2% in 2021. We have seen a slight improvement in 2022. It is down to 16.8%, but these numbers are clearly very troubling on many levels.

Public service employees draw inspiration from the opportunity to improve outcomes for the communities they serve – but it's clear from the high vacancy and turnover rates that the old line about “doing more with less” has reached a crisis point. OSHR is developing strategies to inform lawmakers about the state's recruitment and retention crisis and engage partner agencies in seeking solutions to address current and projected concerns including recently providing a survey to agencies to assess their satisfaction with the current Human Capital Management systems and their thoughts on ways these systems could be improved. The interest of agencies was evident in the high response rate of 86% across Cabinet and non-Cabinet agencies. This voluntary feedback on pain points and barriers to generating the timely data needed for effective decision-making – and goals for effective solutions – will be crucial in improving these systems.

Director Gibson then reminded the Commission of the Safety, Health and Workers' Compensation Division's work last year introducing a new 15-module training program called Qualified Workers' Compensation Certification. The week before this meeting, that team awarded the 100<sup>th</sup> QWCP certificate – with twenty-seven agencies having at least one person complete all 15 modules and receive the designation. Many more employees who are part of the workers' compensation process at agencies have taken at least one module to learn about specific aspects of case management. There have been a total of 409 participants from 38 organizations, completing 2,154 modules - that only counts those who received at least an 80 on the accompanying quiz. Additionally, that team just completed the development of the first of what will become an annual recertification classes to ensure that subject matter experts managing workers'

compensation cases for state employees are up to date on any changes in policy or practice.

Director Gibson closed her remarks by stating she looked forward to providing updates on the preliminary impacts of some of the tools given agencies at the April meeting.

**Total Rewards/Salary Administration: Teleworking Program Policy**

Division Director Andrea Clinkscales presented the recommended changes to the Teleworking Program Policy. Clinkscales explained that these changes are a result of a working group established by OSHR last fall. The recommended changes included:

- Clarifying language so that hybrid and part time telework are recognized as being one and the same.
- Charging agencies with keeping our HR payroll system up to date with regard to which employees are teleworking to include whether they're teleworking full time part time in state or out of state.
- Revising the reporting requirements to read that agencies should report teleworking activities for the previous calendar year to HR, by March 1st of each year.
- Removing the advisory note regarding the pilot period, and replacing it with guidance and some recommended language for agencies to include in their job postings to ensure that employees understand that teleworking is not an entitlement.
- Requiring those employees who telework to notify their agency of any changes in their work location.

There being no further discussion or questions, the Chair called for the Commission to recommend approval of the Teleworking Program Policy as revised.

Motion: Commissioner Webb moved to approve the Teleworking Program Policy as revised.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the Teleworking Program Policy as revised.

Motion carried.

**Diversity & Workforce Services: Local Government: Local Annual Salary Plans**

Local Government Manager Dominick D’Erasmus presented the Local Annual Salary Plans for approval by the Commission. Local agencies subject to the State Human Resources Act must file an annual salary plan with OSHR for approval. All of the salary plans as well as the guiding documentation, and a brief summary were made available to the Commissioner for their review. The salary plan package consists of two components:

1. The reporting form, which contains county agency information, agency population numbers, certifying questions and signatures.
2. The salary plan spreadsheet that includes classification titles along with local salary grades, ranges and average salaries.

Reviewing these two items allows OSHR to determine if the plan remains in compliance with the various administrative requirements. These salary plans were reviewed according to our administrative rules and established practice. Manger D’Erasmus recommended approval of the local salary plans listed on page 2 of the summary report.

There being no further discussion or questions, the Chair called for the Commission to recommend approval of the Local Government Salary Plans as presented.

Motion: Commissioner Beamon moved to approve the Local Government Salary Plans as presented.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the Local Government Salary Plans as presented.

Motion carried.

**Talent Acquisition: Workforce Planning Policy**

State Talent Acquisition Manager Kristin Siemek presented the revisions to the Workforce Planning Policy. Created back in 2007, the Workforce Planning Policy was created to guide the work of a division at OSHR whose sole function was to guide and consult with the agencies about workforce planning and performance solution practices. In 2014, the core functions for workforce planning and development were transferred through legislation to the NC Works Commission under the Department of Commerce, and the OSHR division was dissolved with some of the routine functions that the division was responsible for being distributed to other divisions and to the state agencies. The NC Works Commission was established to coordinate workforce services across the state and the state agencies, including developing unified agency board and commission plans and provisions while monitoring for effectiveness, duplication, fiscal accountability and

coordination. This Commission also is responsible for improving, assessing and reporting on the performance of workforce development programs within state agencies. The Commission publishes a report annual on system-wide performance measures of North Carolina's public workforce development system and is the only remaining item from that initial initiative back in 2007. OSHR proposed revising the policy to reflect that information and to encourage, but not require, state agencies to develop workforce planning programs and included guidance as to what should be included in the workforce plans. Additionally, the responsibilities of OSHR were updated to clarify that OSHR is still available to provide consultation to agencies who wish to develop a workforce plan and, also, removed the requirement from OSHR to develop a statewide workforce planning report since now it is provided by NC Works Commission.

There being no further discussion or questions, the Chair called for the Commission to recommend approval of the Workforce Planning Policy as revised.

Motion: Commissioner Page moved to approve the Workforce Planning Policy as revised.

Second: Commissioner Allard seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the Workforce Planning Policy as revised.

Motion carried.

**Total Rewards/Classification and Compensation: 1 Revised Classification Specification**

HR Classification and Compensation Consultant Susie Beasley presented the revision to the existing OSHA Safety Officer I in the Safety and Inspection job family. These revisions updated the minimum education and reduced the 3 years of experience requirement to attract college graduates with related degrees and to become more competitive with the federal OSHRA program which has similar requirements. The 3 years of experience was replaced with a 2-year trainee progression.

There being no further discussion or questions, the Chair called for the Commission to recommend approval of the 1 classification specification, OSHR Safety Officer I, in the Safety and Inspection job family, as revised.

Motion: Commissioner Webb moved to approve the 1 classification specification, OSHR Safety Officer I, in the Safety and Inspection job family, as revised.

Second: Commissioner Beamon seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the 1 classification specification, OSHR Safety Officer I, in the Safety and Inspection job family, as revised.

Motion carried.

### **Diversity and Workforce Services: Employee Grievance Policy for State Agencies**

Division Director Nancy Astrike presented the revisions to the Employee Grievance Policy for State Agencies. These proposed changes were recommended to provide clarification and some process improvements to ensure all state employees and agencies have a prompt and fair dispute resolution system. The were shared with all state agency human resource directors and their employee relations staff with a request to provide any comments or revisions. Numerous comments were received, all of which were reviewed in developing the final draft being submitted at this meeting.

Specifically, the following changes were recommended:

- Expanding the timeline for the Equal Employment Opportunity (EEO) informal inquiry from 60 days to 90 total calendar days. This gives agencies 75 days from receipt of the complaint to complete their investigation and an additional 15 calendar days if both parties agree to the extension. This change ensure consistency with the administrative code as well as provide the opportunity for more thorough reviews of discrimination, harassment and retaliation complaints brought by state employees.
- Allowing the complainant to file a formal grievance if the grievant has not been sent a response by the agency within 90 calendar days after the agency has received the complaint.
- Adding “attempt to” to language in the EEO informal inquiry specifying that management shall attempt to take any appropriate action to resolve a concern that has been found to be credible.
- Clarificating that the agency grievance policies and procedures are supplemental in nature and that the State policy is the controlling policy. Agencies have the opportunity to have specific procedures that cannot contradict the State policy, but could provide more clarification. For example, where or how specifically to submit agreements.
- Adding the National Guard preference to the list of issues that may be grieved at the agency level (only) consistent with changes to the North Carolina General Statute that created the National Guard preference.
- Adding a section identifying the limited set of situations where exempt managerial employees can file agreements with the Office of Administrative Hearings - those situations were specified by law and have subsequently been incorporated into this policy. It is specifically stated that any employee,

regardless of whether or not they are exempt or subject to the State Human Resources Act, may utilize the EEO informal inquiry process to raise a complaint related to discrimination, retaliation or harassment. This clarification ensures that all state employees, regardless of their appointment type, have an internal process for review for concerns related to discrimination, retaliation or harassment.

- Adding language to help clarify time periods in which employees have to act to move through the steps of the grievance process.
- Adding language that prohibits either stenographic, audio or video recordings of mediations, matching those rules, to make it clear they are prohibited specifically in the statewide mediation process which is Step 1 of our grievance process.
- Adding language to clarify what occurs if the respondent has an unexcused failure to attend mediation. (What happens if the grievant has an unexcused absence is already addressed).
- Adding the sources of authority which is a standard OSHR process now for State policies.

There being no further discussion or questions, the Chair called for the Commission to recommend approval of the Employee Grievance Policy for State Agencies, as revised.

Motion: Commissioner Beamon moved to approve the Employee Grievance Policy for State Agencies as revised.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the Employee Grievance Policy for State Agencies as revised.

Motion carried.

### **Diversity and Workforce Services: University SHRA Employee Grievance Policy**

Sean Womack, Senior Associate Vice President for Equity Engagement and Employee Relations at the University of North Carolina System Office of Human Resources, presented the revisions to the University SHRA Employee Grievance Policy. He stated that most changes were made to conform with the changes made by the Office of State Human Resources to the Grievance Policy for State employees.

There were a couple of changes unique to the university system. First, modification of and identification of who a grievant to include EHRA law enforcement officers. Also, adding other designated personnel to Section 6 to recognize that the EEO officer may not be the only point of contact for individuals to seek an investigation or file a claim and updating the title for the universities Chief Human Resources Officer in Section 9 to encapsulate all of the titles for their human resources person.

Minutes of the February 16, 2023 State Human Resources Commission Meeting

There being no further discussion or questions, the Chair called for the Commission to recommend approval of the University SHRA Employee Grievance Policy as revised.

Motion: Commissioner Allard moved to approve the University SHRA Employee Grievance Policy as revised.

Second: Commissioner Beamon seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the University SHRA Employee Grievance Policy as revised.

Motion carried.

**Adjournment**

There being no further discussion or questions, the Chair polled the Commissioner to adjourn.

A roll call vote was held and all attending members of the Commission agreed to adjourn the February 16, 2023 SHRC meeting.

Motion carried.

The Commission adjourned at 9:41 a.m.

---

Executive Session

The State Human Resources Commission did not have an executive session at its February 16, 2023 meeting.

Minutes submitted by:  
Denise H. Mazza,  
State Human Resources Commission Administrator