

**STATE HUMAN RESOURCES COMMISSION MEETING
LEARNING AND DEVELOPMENT CENTER, COMMISSION CONFERENCE ROOM
101 WEST PEACE STREET - RALEIGH, NORTH CAROLINA**

MEETING MINUTES – August 4, 2016

Members Present

Members present at the Learning and Development Center for the meeting were: Acting Chair Phil Strach, Commissioner Ross Beamon, Commissioner Martin Falls, Commissioner John K. Eller, and Commissioner Dan Barrett.

Other Attendees

Other attendees present were: Neal Alexander, Director, Office of State Human Resources; Paula Woodhouse, Deputy Director, Office of State Human Resources; Jessica Middlebrooks, General Counsel to Office of State Human Resources; Bailey Bruce, State Human Resources Commission Administrator, Office of State Human Resources.

Opening

The State Human Resources Commission (SHRC) last convened on August 4, 2016. Pursuant to North Carolina General Statutes §138A and the North Carolina Ethics Act, Acting Chair Phil Strach asked all Commissioners if there were any conflicts of interest or potential conflicts of interest with respect to any matters coming before the Commission. There were no conflicts of interest or potential conflicts of interest noted by any Commissioner. The Commission convened its open meeting at 9:02 a.m. in the Learning and Development Center Commission Conference Room.

Business Session

CONSENT AGENDA ITEMS

1. Approval of Minutes for the April 7, 2016 State Human Resources Commission Meeting

Motion: Commissioner Eller made a motion to approve the Consent Agenda.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Public Comment

No one signed up for Public Comment.

State Human Resources Deputy Director Report

Acting Chair Phil Strach began by congratulating Director Neal Alexander and the OSHR staff on winning two awards from the National Association of State Personnel Executives. Director Alexander began speaking about all the changes and modernizing that OSHR has done of the last

few years. Director Alexander congratulated the whole Human Resources team for their effort and work. Director Alexander continued by mentioning that the Legislative Session has concluded, and during this session they did delay the implementation of the Compensation Project until February 2017, implemented a .5% bonus across the board, and granted a Merit Bonus of 1% to be distributed in October. The Merit Bonus Scenarios will be discussed by the commission in a Special Session to be held on October 8th, 2016. Director Alexander concluded by reviewing the agenda and by congratulating Commissioner Sizemore on the birth of her child.

Readopt 25 NCAC 01D Rules

Margaret Duke, OSHR Rule Coordinator, spoke to the commission regarding the Readoption of 25 NCAC 01D Rules. Ms. Duke explained that these rules are subject to readoption pursuant to the periodic review and expiration of existing rules as set forth in G.S. 150B-21.3A(c)(2)g. Under this statute, rules that are determined to be “Necessary with substantive public interest” must be readopted as though the rules were new rules by a date established by the Rules Review Commission (RRC). Ms. Duke told the Commission that the RRC has set a readoption deadline of February 28, 2017 and that the recommended changes to 25 NCAC 01D .0201 are based on the new Salary Administration Policy and HB 495 (S.L. 2015-260).

Motion: Commissioner Beamon made a motion to approve the Readoption of 25 NCAC 01D Rules.

Seconded: Commissioner Eller seconded the motion.

The motion carried.

Amend 25 NCAC 01C, 01D and 01O Rules

Margaret Duke, OSHR Rule Coordinator, spoke to the commission regarding the Amendment of 25 NCAC 01C, 01D and 01O Rules. Ms. Duke told the Commission that these amendments are based on recent changes to the Salary Administration Policy, recent amendments to the Separation Due to Unavailability Rule (25 NCAC 01C .1007) and HB 495 (S.L. 2015-260). Ms. Duke told the Commission that after Commission approval, these rules will be published in the North Carolina Register and on the OSHR website for a 60-day public comment period and public hearing. All interested parties will be notified when the rules are posted.

Motion: Commissioner Beamon made a motion to approve the Amendment of 25 NCAC 01C, 01D and 01O Rules

Seconded: Commissioner Barrett seconded the motion.

The motion carried.

Final Determination of Classification – Rules Review

Margaret Duke, OSHR Rule Coordinator, spoke to the commission regarding the Final Determination of Classification for subchapters 25 NCAC 01E (Employee Benefits), 25 NCAC 01K (Personnel Training), 25 NCAC 01L (Equal Opportunity), 25 NCAC 01M (Interchange of Governmental Employees), and 25 NCAC 01N (Workplace Environment and Health)-. Ms.

Duke reminded the Commission that on April 7, 2016, the State Human Resources Commission approved the initial determination of classification for these rules to begin the periodic rules review process. Ms. Duke told the Commission that all interested parties were notified of the determinations and no public comments were submitted during the 60-day public comment period and that OSHR recommends no changes to the initial determinations. Ms. Duke said that the Rules Review Commission (RRC) is scheduled to review these determinations on September 15, 2016.

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Motion: Commissioner Barrett made a motion to approve the Final Determination of Classification

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Reorganization through Reduction Policy

Nancy Astrike, OSHR Employee Relations Manager, spoke to the Commission regarding the Reorganization through Reduction Policy which is a voluntary separation program created by the General Assembly and established under the direction of the Office of State Human Resources (OSHR) to enable an agency to restructure or reorganize to gain financial and/or skill set efficiencies. Ms. Astrike told the Commission that these changes were to comply with Career Status changes in HB 1044, lengthen reemployment prohibition, and clarify retirement provisions. These changes include adding Forensic Scientist to 24-month provision in Career Status definition, increasing reemployment prohibition to an SHRA/EHRA employment from 6 months to 12 months, and to clarify that employees may not rescind retirement application after the RTR plan has been approved by OSHR for purposes of participating in the program.

Motion: Commissioner Beamon made a motion to approve the Reorganization through Reduction Policy

Seconded: Commissioner Eller seconded the motion.

The motion carried.

Appointment Types and Career Status Policy

Steve Grant, Policy & Governance Manager, spoke to the Commission regarding the Appointment Types and Career Status Policy. Mr. Grant told the Commission that the changes to this policy were made to ensure that employment requirements and eligibility for benefits of different types of employee's appointments are adhered to and define career state employees. Mr. Grant explained that the specific changes made were to remove 'Trainee' as it is no longer utilized and to change career status from 24 months to 12 months.

Motion: Commissioner Barrett made a motion to approve the Appointment Types and Career Status Policy

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Separations Policy

Steve Grant, Policy & Governance Manager, spoke to the Commission regarding the Separations Policy. Mr. Grant told the Commission that these changes establish an amended Separation Policy if an employee leaves the payroll to be in compliance with 25 NCAC01C.1007. Mr. Grant explains that 'Unavailability' was dropped to prevent an employer from having to retain an employee that has lost their credentials, certification due to a court order or other extenuating circumstances that renders the employee unable to perform the essential duties of their job as set forth in the job description.

Motion: Commissioner Beamon made a motion to approve the Separations Policy

Seconded: Commissioner Eller seconded the motion.

The motion carried.

Governors Awards Policy

Steve Grant, Policy & Governance Manager, spoke to the Commission regarding the Governors Awards Policy. Mr. Grant stated that this policy is designed to recognize employees that are loyal, efficient and dedicated and provide valuable services in all areas of state government. Mr. Grant told the Commission that this policy has not been updated since March 1, 2009. The changes made include adding two new categories; Spirit of North Carolina and Customer Service. Mr. Grant also explained that "Efficiency" was added to the category of Innovation and it is now Innovation and Efficiency.

Motion: Commissioner Falls made a motion to approve the Governors Awards Policy

Seconded: Commissioner Barrett seconded the motion.

The motion carried.

State Employees Memorial Program

Steve Grant, Policy & Governance Manager, spoke to the Commission regarding the State Employees Memorial Program. This policy recognizes those employees that have paid the ultimate price and lost their life while performing their duties as a North Carolina State Employee. Mr. Grant told the Commission that the changes made include removing the State Annual Memorial Ceremony and that 'Office of State Human Resources Risk Control Services Division' was changed to the 'Office of State Human Resources, Safety and Workers Compensation'.

Motion: Commissioner Falls made a motion to approve the State Employees Memorial Program

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

University Performance Plan Update

Chris Chiron, Executive Director for Human Resources, The University of North Carolina General Administration, updated the Commission on actions that had been taken on the University Performance Plan. Mr. Chiron explained that the Commission approved the University SHRA Performance Appraisal Policy at its February 2016 meeting with an effective date of April 1, 2016. The Commission allowed the University some flexibility in its

implementation date given the proximity of the effective date of the policy. Mr. Chiron told the commission that 11 Universities began implementation in 2016 and that 7 more will begin in 2017. Mr. Chiron explained that the primary reasons for launches in 2017 are that several institutions have other system implementations in process, that several have significant staffing vacancies in their employee relations areas, and that several will not have funding in place for updating their systems until next fiscal year.

No Commission Action: For Discussion Purposes Only

Hiring and Recruiting Process

Paula Kukulinski, Director, Talent Management updated the Commission on the Hiring and Recruiting Process. Ms. Kukulinski gave the Commission a high level overview of current process and existing challenges and a high level overview of anticipated process and anticipated issue resolution. Ms. Kukulinski reviewed the project timeline and described the collaboration and agency alignment.

No Commission Action: For Discussion Purposes Only

Compensation Update

Dennis Schoch, Classification & Compensation Manager, updated the Commission on the Compensation Project. Mr. Schoch explained that due to legislature delaying the effective date of the Statewide Compensation Program from 6/1/2016 to 2/1/2017, there was a need to revise the compensation project schedule. Mr. Schoch told the Commission that his team submitted a revised Compensation Project Schedule that includes the dates from June 2016 through and including March 2017. Also included in the document is the schedule to update federally mandated Federal Fair Labor Standard Act (FLSA) rules. This includes the salary threshold changes for employees exempt from FLSA overtime rules which has been increased from \$23,360 to \$47,476 effective 12/1/2016. Mr. Schoch assured the Commission that OSHR is prepared for this change.

No Commission Action: For Discussion Purposes Only

Classification Specifications

Dennis Schoch, Classification & Compensation Manager, spoke to the Commission regarding the submission of 2 new Classification Specifications for the Statewide Compensation Plan. Mr. Schoch told the Commission that while reviewing all approved proposed Class Specs with State Agencies it was found in the Office of Administrative Hearings that there was a need for the creation of 2 agency specific Class Specifications; Civil Rights Compliance Manager & Civil Rights Investigator.

Motion: Commissioner Barrett made a motion to approve the Classification Specifications for Compensation Project.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Correctional Officer Experience Revision

Dennis Schoch, Classification & Compensation Manager, spoke to the Commission regarding the Correctional Officer Experience Revision. Mr. Schoch explained the need to update the minimum requirements for the education & experience for selected corrections positions. Mr. Schoch told the Commission that these changes are due to the recruitment challenges experienced within the Correction classifications. In adjusting the minimum qualifications for the identified classifications within Corrections this will allow the Department of Public Safety to better meet recruitment needs, allow for a career path within custody levels and to standardize operating procedures with the complexities and duties in tandem with the increase in custody levels.

Motion: Commissioner Barrett made a motion to approve the Correctional Officer Experience Revision

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Adjournment

Acting Chair Strach asked if there were any other business items to be heard during the business session. There being no additional items on the agenda, Acting Chair Strach asked for a motion to adjourn the business session.

Motion: Commissioner Falls made a motion to adjourn the business session.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Executive Session

The State Human Resources Commission did not have an executive session at its August 4, 2016 meeting.

Minutes submitted by:

Bailey Bruce, State Human Resources Commission Administrator