

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

MEETING MINUTES – DECEMBER 1, 2016

Members Present

Members present at the Learning and Development Center for the meeting were: Chair Susan Manning, Commissioner John Eller, Commissioner Gail Hobbs, Commissioner Phil Strach, Commissioner Dan Barrett, and Commissioner Ross Beamon.

Other Attendees

Other attendees present were: Paula Woodhouse, Interim 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 December 1, 2016. Pursuant to North Carolina General Statutes §138A and the North Carolina Ethics Act, Chair Susan Manning 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 9:05 a.m. in the Learning and Development Center Commission Conference Room.

Business Session

CONSENT AGENDA ITEMS

1. Approval of Minutes for the October 6, 2016 State Human Resources Commission Meeting

Motion: Commissioner Strach 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 Interim Director Report

Interim Director Paula Woodhouse began by updating the Commission on the Annual Enrollment for Benefits. Interim Director Woodhouse explained that the deadline had been

extended to allow time for those who were impacted by Hurricane Matthew, but that is now complete and had been successful with few problems to report. Interim Director Woodhouse then spoke of the Fair Labor Standards Act (FLSA) and explained that a Federal Judge issued an injunction to stop the proposed changes which were to take effect on December 1st, 2016. Interim Director Woodhouse continued by saying that the new Compensation System is scheduled to go live on February 1st. Interim Director Woodhouse let the Commission know that another award had been received for the Resource newsletter, bringing OSHR to 2 awards for that publication. Chair Manning asked Interim Director Woodhouse to further discuss the State's plan and impact on the state in regard to the proposed FLSA changes. Interim Director Woodhouse asked Dennis Schoch to give more information. Mr. Schoch told the Commission that OSHR had put together a working group which included OSHR staff, members from the four largest agencies, UNC, and several other various departments. Mr. Schoch explained that group had identified about 3,000 employees that would potentially be affected by the changes and that they had notified the agencies and were prepared to go live. Mr. Schoch told the Commission that the working group has continued to meet and that they are prepared to go live with the changes as soon as needed.

Hearing Officer's Report and Final Rule Adoption

Margaret Duke, Rules Coordinator, spoke to the Commission regarding the Hearing Officer's Report and Final Rule Adoption. Ms. Duke stated 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 explained that two of the 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. The Rules Review Commission (RRC) has set a readoption deadline of February 28, 2017. All of these rules were initially approved by the State Human Resources Commission on August 4, 2016. Ms. Duke explained that these rules were published in the North Carolina Register on September 1, 2016 and posted on the OSHR website for a 60-day public comment period. A public hearing was held on September 20, 2016. Ms. Duke told the Commission that all interested parties were notified of the posting and the public hearing and no public comments were received during the public comment period. OSHR recommends technical changes to 25 NCAC 01C .1004.

Motion: Commissioner Barrett made a motion to approve the Hearing Officer's Report and Final Rule Adoption

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Begin Rulemaking Process

Margaret Duke, Rules Coordinator, spoke to the Commission regarding beginning the rulemaking process for subsection H and J rules. Ms. Duke told the Commission that these amendments are based on recent changes to the Salary Administration Policy, the Performance Management Policy, and HB 495 (S.L. 2015-260). Ms. Duke explained that some amendments in 01J are needed for clarity and to ensure that the rules conform to G.S. 126 and other current policies. There is one rule in 01J that is proposed for adoption regarding dismissal for unacceptable personal conduct.

Motion: Commissioner Strach made a motion to approve Beginning the Rulemaking Process for Subsection H Rules

Seconded: Commissioner Eller seconded the motion.

The motion carried.

Motion: Commissioner Strach made a motion to approve Beginning the Rulemaking Process for Subsection J Rules

Seconded: Commissioner Barrett seconded the motion.

The motion carried.

Sign On Bonus Policy

Steve Grant, Policy & Governance Manager, spoke to the Commission regarding the Sign On Bonus Policy. Mr. Grant told the Commission that the policy has not been updated since 2008 and that the current changes made include removing the category “Authority” pertaining to the Legislature appropriating funds, reducing the eligibility of the final sign-on bonus from 36 months to 18 months, and removing 5% from turnover and vacancies rates in an occupation that is higher as compared to agency-wide and state wide rates for all occupations are significant. Mr. Grant explained that there were also other small changes made including adding the category “Criteria for Use” and approved by “OSBM” and OSHR to Amount and Method of Payment.

Motion: Commissioner Eller made a motion to approve the Sign On Bonus Policy

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

2017 Compensation & Benefits Report

Dennis Schoch, Classification & Compensation Manager, spoke to the Commission regarding the 2017 Compensation & Benefits Report. Mr. Schoch explained that this is an annual report that reflects compensation & benefits analytics for the past year comparing internal & external data for specified trending periods. This report will also include previous recommendations with status updates along with current recommendations that will include strategic processes.

No Commission Action: For Discussion Purposes Only

Classification Specifications

Dennis Schoch, Classification & Compensation Manager, spoke to the Commission regarding the submission of new & revised Classification Specifications for the Statewide Compensation Plan. Mr. Schoch explained that within the Department of Commerce there was a need to expand the Career Employment Services Supervisor from 1 level to 2, to update Supervisor I Class Spec by lowering requirements, and by proposing a new Supervisor II Class Specification. Within Department of Justice, Mr. Schoch explained, there is a need to create Chief Evidence Technician Class Specification and a need for a higher level classification as a

liaison between Crime Lab & Local law enforcement agencies. Department of Health & Human Services needs to create Behavior Analyst Class Specification and has a need for a lower level position below the Staff Psychologist classification. Mr. Schoch explained that they want professionals that do not require licensure in NC so they can have qualified candidates for resident facility positions. These employees are trained and skilled in behavior analysis and are working towards BCBA (Board Certified Behavior Analysis) certification. And finally, within Wildlife Commission there is a need to create a Wildlife Law Enforcement Class Specification that can do investigation within the Wildlife division, is not an officer and does not fit in any other Law Enforcement classification.

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

Seconded: Commissioner Hobbs seconded the motion.

The motion carried.

Adjournment

Chair Manning asked if there were any other business items to be heard during the business session. There being no additional items on the agenda, Chair Manning asked for a motion to adjourn the business session at 10:24 am.

Motion: Commissioner Strach made a motion to adjourn the Business Session.

Seconded: Commissioner Eller seconded the motion.

The motion carried.

Executive Session

The State Human Resources Commission did not have an executive session at its December 1, 2016 meeting.

Minutes submitted by:

Bailey Bruce, State Human Resources Commission Administrator