

**STATE HUMAN RESOURCES COMMISSION MEETING
VIA WEBEX**

MEETING MINUTES – April 18, 2024

Members Present:

Members present on the Webex for the meeting were: In-person: Commissioner Dekhasta Becton Rozier, Chair, Commissioner Andrea Allard, Commissioner Ross Beamon, Commissioner Doug Boyette, and Commissioner Tye Vaught; Virtual: Commissioner April Page. Commissioner Philip Strach was unavailable due to business obligations and Tracy Webb was unavailable due to illness.

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 H. Mazza, State Human Resources Commission Administrator, Office of State Human Resources; Susie Beasley, Felicia Bridges, Andrea Clinkscales, Lorence Crossett, Dominick D'Earsmo, Christopher Drew, Devon Freed, Linda Forsberg, Scarlett Gardener, Joseph Gilroy, Creshaye Graham, Jennifer Harrison, Stephanie McFadden, Randy Mizzelle, Paige Pearson, Armond Pittman, Mike Suggs, Deyla Tharrington, and Kimerly Whitaker, Office of State Human Resources; Angeline Hariston, HR Director, NC Office of Administrative Hearings; Sylvia Crumpler, HR Director, Billy McAllister, and Leigh Ann Woodside, Department of Agriculture and Consumer Services; Keita Cannon, HR Director, NC Office of the State Auditor; David Gaines, Cherry Cheray, and Jason McDaniel, NC Department of Adult Corrections; Andrea Porterfield, HR Director, and Cerry Hermosillo, NC Department of Commerce; Magnolia Lugo, HR Director, NC Community Colleges; Tonya Fields, Patricia Guzman, Jennifer Christeson, and Davita Morant, NC Department of Public Safety; Jon Fowlkes, NC Department of Health and Human Services; Tina Wong, Maggie Rodriguez, Jen Skinner, NC Department of Justice; Patricia Garcia, HR Director, Office of State Budget & Management; Shakeyia Hazell, NC Secretary of State; Josephine Stith, and Shannon Boatwright, NC Department of State Treasurer, and Chris Chiron, Associate Vice President for HR Policy, University System.

Opening

The Commission convened its open meeting pursuant to N.C.G.S. § 126-2(h) at 9:03 a.m. via in-person and Webex Teleconference.

The State Human Resources Commission (SHRC) last convened on February 15, 2024.

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 April 18, 2024 meeting.

CONSENT AGENDA

The Chair presented the draft minutes for the November 30, 2023 and February 15, 2024 State Human Resources Commission meetings. There being no further discussion or questions, the Chair called for a motion to recommend approval of these minutes.

Motion: Commissioner Beamon made a motion to recommend approval of the draft minutes for the November 30, 2023 and February 18, 2024 State Human Resources Commission Meetings.

Second: Commissioner Allard seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the draft minutes for the November 30, 2023 and February 15, 2024 State Human Resources Commission Meetings.

Motion carried.

State Human Resources Director's Report

Director Barbara Gibson greeted everyone remarking how great it was to have everybody back in person at the Learning and Development Center (LDC) and that it would be the last Commission meeting in this building as the LDC and IT teams would be moving to 333 Fayetteville Street. She stated that the synergy of having these groups join OSHR already at the new location would be awesome.

Welcoming the opportunity to tell the Commission about the great work being done at OSHR, Gibson began by mentioning that the General Counsel, Director of Government Relations, CIO and herself, had had the opportunity to present to the Joint Oversight Committee on General Government a few weeks prior about overall state government trends, key OSHR achievements over the past seven years and the Human Capital Management project. OSHR knows just how important it is for HR leaders across State government to feel empowered to do what is best for their employees. That is why in recent years, OSHR has been focused on providing its HR peers with a variety of tools to put in their toolbox, and will continue to be strategic in providing agencies with the flexibility needed to best support their needs. She noted that at this meeting, OSHR would be proposing a few revisions to continue to sharpen and maximize the tools in the state government toolboxes.

Director Gibson was also excited to share that OSHR is officially 75 years old. On April 1, 1949, House Bill 1181 was signed, establishing a state personnel department. As the OSHR team works hard to meet the needs of our best assets, our employees, Gibson stated she was truly honored to participate in the diamond anniversary during her last year as Director. On behalf of herself and all the State Human Resources Directors that came before her, she thanked the Commissioners for their continued support of state employees.

Throughout her time as the State Human Resources Director, Gibson has emphasized the importance of using comprehensive data to make informed human resources decisions. As such, she reported that the Human Capital Management (HCM) implementation was moving quickly and after the procurement award and entry into a contract, would begin implementation of recruitment and applicant tracking. Once that is complete, HCM implementation would move on to employee onboarding and offboarding. Understanding both the demand and the need for these solutions, OSHR would be working aggressively to bring them live, while balancing the need for agency engagement, communications, training and change management, and looked forward to partnering to ensure the success of this initiative.

Gibson then informed the Commission that in May, OSHR would be publishing its annual Compensation & Benefits Report. In this report, OSHR gratefully recognizes the support of the Governor and General Assembly for funding last two years. In this year's report, OSHR outlined recommendations made to date resulting from continued analysis of State pay programs, policies, and the competitive labor market and included current recommendations of compensation and benefits initiatives for the coming year. Going forward, the Compensation & Benefits Report will continue to build on the data to analyze larger economic trends and their relationship to the State's total compensation package.

The Director then reminded the Commission of OSHR's commitment to creating a diverse workforce, which means the Talent Acquisition and Temporary Solutions teams had been busy with career fairs and outreach to new and soon-to-be graduates of NC universities and colleges, individuals with disabilities, and veterans and transitioning military members and their spouses. The Talent Acquisition and Temporary Solutions teams represented the State at 20 events so far this year and were deep in the planning of our 2nd annual in-person All Agency Career Expo on September 9. This event includes all State agencies and institutions in the UNC system. Because the first event was successful beyond OSHR's expectations, she stated that OSHR was excited to host another one.

Finally, Gibson stated that this year's State Employee Recognition Week would begin on May 5 and go through May 11, with Wednesday, May 8, being State Employee Appreciation Day. She commended agencies for all the planning they put into making this week truly a week of recognizing the incredible work done by their employees. As part of OSHR plans, there would be a celebration of the achievements through the years of staff at OSHR during the 75th Anniversary at the Executive Mansion on Monday, May 6th. Throughout the year, our agencies strive to let their employees know they are valued. This special week of celebration underscores the value of State employees and let them know that we would not be able to achieve our missions without the dedication of our employees.

Gibson concluded her remarks by thanking the Commissioners for their time.

Exceptions Granted under 25 NCAC 01A .0104

Deputy Director Twanetta LytleAlston presented three exceptions granted under 25 NCAC 01A .0104 since the February 15, 2024 Commission meeting. See the Exceptions in the meeting documentation for the April 18, 2024 SHRC meeting.

Settlement Report

Diversity and Workforce Services Division Director Nancy Astrike presented the 2023 Settlement Report under N.C.G.S. § 126-6.2 which required OSHR to report annually. There were 17 settlements from State agencies and university in calendar year 2023 - the total settlements cost just under \$955,000 - that's an average expense of \$56,000 per settlement. She was happy to report a slight downward trend over the years and number of cases that had been settled. State agencies had experienced a 29% decrease in the number of settlements and a 20% increase in settlement costs based primarily on two large dollar amount settlements for the Department of Public Safety and Department of Insurance. There was no increase in the number of settlements for state universities – there were 2 this year and 2 last year - however there was a 62% decrease.

Business Session Public Comment

Public Comments

There were no public comments at the April 18, 2024 State Human Resources Commission meeting.

Periodic Review Process for 25 NCAC 01A, 25 NCAC 01B and 25 NCAC 01C -Initial Determination as to Whether Rules Are Necessary or Unnecessary

General Counsel Blake Thomas presented the agencies initial determination for 25 NCAC 01A, 01B and 01C as part of the periodic review process required by the Administrative Procedure Act every 10 years and would continue through 2025 and beyond. He reported that OSHR division directors and legal staff had initially conferred to produce a set of recommendations as to whether each rule was necessary or unnecessary – all the rules in 01A about definitions, exceptions and procedures were determined to be necessary; all the rules in 01B were determined as necessary except for .0350 and .0413 about contested case procedures and appeals; and all the rules in 01C which are rules about regulations such as employment contracts, length and types, the standard work week, secondary employment, teleworking, and the employee recognition program and, most important, in Section 1000, separations, reductions in force, resignation, and vacation leave payouts, all of which are the foundation for what OSHR does, were determined to be necessary. OSHR would post a report of these recommendation on its website and invite public comments for just over 60 days on these recommendations and, after the public comment was complete, the determinations would return to the Commission for action at the July 2024 meeting. Thomas also stated that while this first set being periodically reviewed were overwhelmingly necessary, going forward rules may be found to be unnecessary and explained the skipped numbers in the rule before the Commission today had been found to be unnecessary over the years through this process. He closed by

asking approval of these initial determinations of necessary and unnecessary according to the report as presented.

There being no further discussion or questions, the Chair called for a motion to recommend approval of the initial determinations, as presented, as to whether the listed rules are necessary or unnecessary, and to post those determinations for public comment.

Motion: Commissioner Vaught made a motion to approval of the initial determinations, as presented, as to whether the listed rules are necessary or unnecessary and to post those determinations for public comment.

Second: Commissioner Beamon seconded the motion.

A roll call vote was held and the attending members of the Commission approved the initial determinations for rules 25 NCAC 01A, 01B and 01C, as presented, as to whether the listed rules are necessary or unnecessary and to post those determinations for public comment.

Motion carried.

New Local Government Job Classification Environmental Health Associate

Local Government Manager Dominick D’Erasmus presented a new local government classification to reflect the new Registered Environmental Health Associate certificate that will be issued by the Board of Environmental Health Specialist Examiners, starting May 1, 2024, under a new law - Article 4 of North Carolina General Statute 90A, which is the set of laws that cover the Environmental Health Specialists that work in local county public health departments.

The Environmental Health Specialists are the registered and licensed professionals who perform various types of inspections on food and lodging establishments, wastewater systems, pools and spas, childcare facilities, private water wells, and many other areas. Session Law 2023-90 and House Bill 628, revised this law and established a new Environmental Health Associate position. D’Erasmus noted that the Environmental Health Associate classification was reviewed by himself, the Environmental Branch Division head at Health and Human Services, and the State Board of Environmental Health Specialist Examiners and requested the Commission’s approval for local government usage.

Commissioner Beamon asked how many positions were expected for this classification?

D’Erasmus stated he did not have that information and did not know if anyone knew, but that it would depend on how the counties choose to use this classification and that a report with that information would be provided.

Commissioner Beamon requested that OSHR report on its use.

Commissioner Vaught asked that given that the minimum educational experience required, either bachelor's and a postgraduate degree, is similar to what it was before, is the real difference between the classification the 15 semester hours?

D'Erasmus confirmed that is one of the major differences. The new classification has a lower number of science classes required and additional language that the associates degree be from an accredited program as well. This was taken directly from the statute creating the classification.

There being no further discussion or questions, the Chair called for a motion to recommend approval of the new local Environmental Health Associate classification.

Motion: Commissioner Beamon made a motion for approval of the new local Environmental Health Associate classification.

Second: Commissioner Vaught seconded the motion.

A roll call vote was held and the attending members of the Commission approved of the new local Environmental Health Associate classification.

Motion carried.

Total Rewards/Salary Administration: Sign-On and Retention Bonus Policy

Total Rewards Division Director Andrea Clinkscales presented the changes to the Sign-on and Retention Bonus Policy and informed the Commission that OSHR intended to report further on this policy at the next meeting with information to help the Commission to understand how the agencies have been utilizing this policy.

The first change recommended related to the retention bonus in situation number one which states that OSHR approval will be required for a group of employees of 50 or more, or in situations where an agency has a program bonus program that they expect to last for greater than one year. To align with that change, it was also necessary to clarify retention bonus situation number three, which is a retention bonus assigned to a special initiative that OSHR approval should be obtained prior to approval from the Office of State Budget Management as currently required under the policy. A couple of other additions included a change to the Agency Responsibilities section of the policy to align with the aforementioned changes, including specifically that advanced approval is required from OSHR for a bonus for a group of 50 employees or more, or when the bonus programs is expected to last for greater than one year, and in situations where the agency would like to retain a retention bonus program greater than one year, it would be required to report to OSHR annually on the outcome effectiveness and continued benefit of the bonus program itself. Changes were also recommended to provide additional flexibility to agencies who are funding retention bonuses through grants that must be paid out within a limited duration or period of time. As background information, Clinkscales explained that under the Repayment section of the existing policies, employees are required to repay a portion of the bonus that may be prior to or separated prior to the period of consecutive

service. The policy also charges those bonuses paid in one installment, as required for bonuses exceeding \$2,500, and that no more than two thirds of the bonuses can be paid in the first installment. This has caused difficulty for some agencies when they are using grant funding. That funding must be utilized within a specified period, and the money is forfeited if it has not been used before the grant. So to provide that additional flexibility, OSHR recommended that when an agency is using grant funding that must be paid within a certain amount of time, that if the agency wouldn't have the discretion to pay a bonus in one installment greater than \$2,500, or the agency can pay more than two thirds of the bonus in the first installment, language should be included that requires that the agencies utilize to the greatest extent possible multiple installments when administering that particular time zone. It was also necessary to revise the period of Consecutive Service section of the policy to include that agencies can establish a bonus where the period of consecutive service is longer than the period of time between the installments, but the period of consecutive service still has to be between 3 and 18 months, with the period of consecutive service not shorter than the period of time in between installments. As an example, Clinkscales stated to help provide a little bit of clarity to this statement, if an agency has grant funds that are expected to revert back to the third-party source, say within two months, and the agency needed to use those funds, otherwise, they would forfeit it, but they wanted to provide a period of consecutive service of one year, the period of consecutive service would be longer than the period of time in which they're paying out the bonus. These changes to the policy would allow for that.

Clinkscales concluded her presentation by opening the floor for any questions.

Commissioner Vaught asked about providing the reported data at the next meeting and if the purpose of the staggered distributions is to keep from having to pay it out in their last check.

Clinkscales noted that the retention bonus is designed to incentivize employees to remain with the agency – they are receiving a bonus for a period of consecutive service. So, the intent is that if they leave prior to fulfilling that period of consecutive service they have to repay a prorated portion of the bonus.

Commissioner Beamon asked if Clinkscale felt like the bonus had been successful.

Clinkscales stated that the bonus policy had been successful in recruiting and retaining employees.

There being no further discussion or questions, the Chair called for a motion to recommend approval of the Sign-On and Retention Bonus Policy as presented.

Motion: Commissioner Beamon made the motion to recommend approval of the proposed changes to the Sign-On and Retention Bonus Policy as presented.

Second: Commissioner Allard seconded the motion.

A roll call vote was held and the attending members of the Commission approved the proposed changes to the Sign-On and Retention Bonus Policy as presented.

Motion carried.

Total Rewards/Salary Administration: Compensatory Time Policy and Separation Policy

Total Rewards Division Director Andrea Clinkscales presented the changes to the Compensatory Time Policy to provide clarity and establish clear parameters. The first revision to the policy was to make it clear that those employees who are FLSA, not subject, are not entitled to compensatory time and that the agency has the discretion to authorize when these employees who are designated as FLSA, not subject, had the ability to actually earn and be granted compensatory time. The second change is in section 6, the Separation section of this policy, to make it clear that it is the agency's discretion to authorize FLSA, not subject, to exhaust comp time when there is a known separation, provided that granting of this comp time is reasonable and does not adversely affect the agency operation or the agency importance. That same section was also updated to include that if an agency does allow an employee to exhaust some or all of their compensatory time, prior to separation, the employee must still work at least one day after using the compensatory time for the date of separation to occur after the use of the comp time and the separation date was clarified in that same section to state that the separation date must be the last day worked. Finally, language was added to the Agency Responsibilities section to ensure that the agency establishes proper removal procedures for the use of compensatory time.

Clinkscale then explained that the changes to the Compensatory Time Policy required changes be made to the Separation Policy in alignment and that an advisory note had been added to the Separation Policy to refer to the Compensatory Time Policy for additional guidance

There being no further discussion or questions, the Chair called for a motion to recommend approval of the Compensatory Time Policy and Separation Policy as presented.

Motion: Commissioner Vaught made the motion to recommend approval of the Compensatory Time Policy and Separation Policy as presented.

Second: Commissioner Beamon seconded the motion.

A roll call vote was held and the attending members of the Commission approved the Compensatory Time Policy and Separation Policy as presented.

Motion carried.

Legal: Upcoming Meeting Schedule

General Counsel Blake Thomas presented proposed changes to the 2024 meeting schedule as follows:

That based on the polling of the availability of the commissioners, a Special Meeting be held on May 30, 2024 to address the next steps for the Paid Permanent Leave permanent rule and to report on the Sign-On and Retention Bonus Policy and to move the scheduled July 18, 2024 SHRC meeting to July 11, 2024 to meet the deadline for the filing of the periodic review of 25 NCAC 01A, 01B and 01C.

There being no further discussion or questions, the Chair called for a motion to recommend approval a of the additional Special Meeting on May 30, 2024 and to move the scheduled July 18, 2024 SHRC meeting to July 11, 2024.

Motion: Commissioner Allard made the motion to recommend approval of the additional Special Meeting on May 30, 2024 and to move the scheduled July 18, 2024 SHRC meeting to July 11, 2024.

Second: Commissioner Beamon seconded the motion.

A roll call vote was held and the attending members of the Commission approved of the additional Special Meeting on May 30, 2024 and to move the scheduled July 18, 2024 SHRC meeting to July 11, 2024.

Motion carried.

Adjournment

There being no further discussion or questions, the Chair called for a motion to adjourn.

Motion: Commissioner Beamon so moved.

Second: Commissioner Allard seconded the motion.

A roll call vote was held and the attending members of the Commission agreed to adjourn the April 18, 2024 SHRC Meeting.

Motion carried.

The Commission adjourned at 9:49 a.m.

Minutes of the April 18, 2024 State Human Resources Commission Meeting

Executive Session

The State Human Resources Commission did not have an executive session at its April 18, 2024 meeting.

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