

**STATE HUMAN RESOURCES COMMISSION MEETING
VIA WEBEX**

MEETING MINUTES – May 30, 2024

Members Present:

Members present on the Webex for the meeting were: Commissioner Dekhasta Becton Rozier, Chair, Commissioner Andrea Allard, Commissioner Ross Beamon, Commissioner Doug Boyette, Commissioner April Page, Commissioner Tye Vaught, 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 H. Mazza, State Human Resources Commission Administrator, Office of State Human Resources; Felicia Bridges, Andrea Clinkscales, Lorence Crossett, Devon Freed, Linda Forsberg, Scarlett Gardener, Creshaye Graham, Jennifer Harrison, Joel Jordan, Stephanie McFadden, Randy Mizzelle, Irshad Patel, Paige Pearson, Armond Pittman, Susan Reeves, Kristin Siemek, Deyla Tharrington, and Kimerly Whitaker, Office of State Human Resources; Angeline Hariston, HR Director, NC Office of Administrative Hearings; Bancroft Neufville and Pam Hess, Department of Agriculture and Consumer Services; Glenda Ellerbee, HR Director, NC Office of State Controller; Andrea Porterfield, HR Director, NC Department of Commerce; Magnolia Lugo, HR Director, NC Community Colleges; Karen Gerald, HR Director, NC Department of Health and Human Services; Jerry Daniels, HR Director, NC Department of Insurance; Tina Wong, NC Department of Justice; Harlan Frye, NC Department of Revenue; Patricia Garcia, HR Director, Office of State Budget & Management; and Josephine Stith, NC Department of State Treasurer, and Darryl Bass, Vice President and Chief Human Resources Officer, Chris Chiron, Associate Vice President for HR Policy, Keith Dupuis, Senior Class Account Director, and Kevin Adcock, University System.

Opening

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

The State Human Resources Commission (SHRC) last convened on April 18, 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 was one correction to the agenda for the May 30, 2024 special meeting – Anna Perkinson was listed as presenting the exceptions granted since the April 18, 2024 SHRC meeting in place of Deputy Director Twanetta LytleAlston who had a conflict and was unable to attend.

CONSENT AGENDA

The Chair did not present the draft minutes for any State Human Resources Commission meetings as it was a special meeting.

Exceptions Granted under 25 NCAC 01A .0104

Assistant Attorney General Anna Perkinson presented the exceptions granted since the April 18, 2024 SHRC meeting on behalf of Deputy Director Twanetta LytleAlston. Two exceptions were granted under 25 NCAC 01A .0104. See the Exceptions in the meeting documentation for the May 30, 2024 SHRC special meeting.

Business Session Public Comment

Public Comments

There were no public comments at the May 30, 2024 SHRC special meeting.

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

Division Director Andrea Clinkscales presented a proposed change to the Sign-On and Retention Bonus Policy and reported the results as promised at its implementation of the pilot policy. The one proposed revision to the policy was the removal of word “pilot” from the Sign-On and Retention Bonus Policy making it permanent.

Clinkscale presented a PowerPoint slide show reporting the implementation and results of the policy as a pilot to give a better understanding of how the policy itself had been utilized. She stated that the Sign-On Policy dated back to 2008 and became effective June 1 2022. The policy was revamped to include retention bonuses and streamline the paperwork needed by agencies to show the need for bonuses. By streamlining the paperwork, agencies were able to more quickly respond to recruitment and retention challenges. It became effective February 15, 2023 as a pilot and was updated either to provide clarity or to address questions and issues that were raised as a result of agencies actually implementing the Policy. The bonuses awarded to employees and the highest pay grades require OSHR approval. Agencies and universities have the flexibility to award bonuses within their grade thresholds up to 10% of the midpoint without OSHR review or approval. Bonuses for employees that are Cabinet Agency exempt would still require OSHR review and approval. Exempt designated Council of State employees can be awarded bonuses up to 10% of the maximum range when that bonus amount is combined with their annual salary. That is consistent with the law that's currently in place for exempt managerial and exempt policymaking positions. Roughly 28,594 employees have received sign on or retention bonuses since the policy was revamped in June of 2022. The vast majority of these requests did not

require OSHR review or approval. Roughly 177 requests were submitted to OSHR and 18 of those were for multiple employees or for specific job classifications. A little over \$62 million had been paid out in bonuses - \$25,245 for retention bonuses and \$3,349 sign on bonuses. The slides also presented the number of sign-on and retention bonuses received by agency and the average sign-on bonus that has been reported to OSHR, as well as the period of consecutive service and the average number of installments. Agencies are required by policy to report to OSHR each quarter on the bonuses that have been awarded. The key point of this information was that the average sign-on and the average retention bonus amounts are both roughly a little bit more than \$4,600 and \$4,500, respectively; the average period of consecutive service is a little less than a year at 11 months; the average number of installments paid is roughly 2 installments for most bonuses. Information regarding the highest bonus amounts, either by sign-on or retention bonus, the lowest bonus that has been paid, and then the median bonus information that has been paid was also provided. Clinkscales noted that some of the larger bonus amounts were for jobs that are unique for highly competitive and highly compensated jobs in general and that a couple of agencies have not used or awarded any sign-on bonus and/or retention bonuses to date indicated by a zero on the presentation.

Information regarding the university system's use of bonuses showed that over 1000 employees have received bonuses since June of 2022 - only two of those were submitted to OSHR for review because a vast majority of the bonuses can be administered at the university level. The total cost for those bonuses is a little over \$4 million - the average bonus amount is around \$3,600. The average period of consecutive service for these bonuses is roughly 9 months, on average being paid in at least two installments.

The Sign-on and Retention Bonus Policy provides four options or reasons that agencies and universities can award bonuses. The most used is for specific job classification. The retention bonuses for individuals is most common, along with retention bonuses that are awarded in parallel with a sign-on bonus for specific classification. The top five job classification of employees who received retention bonuses are for those that carry out critical services and are deemed difficult to recruit. There was also an apparent reduction in turnover since June of 2022.

Additional information regarding the use of advertisement of the bonus – placing flyers in particular places - and the number of bonus repayments - roughly 754 bonuses have been repaid meaning that the individuals either transferred or separated prior to fulfilling their periods of consecutive service. That basically represents about 2.5% percent of the total bonuses that have been paid out. University system repayments were similar at a little over 2%.

Clinkscales concluded by requesting that the Commission approve removing the word “pilot” from the policy, thus making it a permanent Sign-On and Retention Bonus Policy.

Commissioner Beamon asked that for agencies other than Corrections, if in deciding to make this a permanent policy had there been any discussion as it relates to the possibility of reaching a threshold where the retention bonus would not be needed. For example, if another agency or classification were to reach a certain number, for example 80% capacity of employment where

that retention bonus was not needed. Would OSHR then reach out to discuss appropriate thresholds?

Clinkscales responded that at this point it is the agency's discretion to monitor their turnover and vacancy rates, and then determine when bonuses are no longer needed. She also stated it was important to note that not every employee receives sign-on and retention bonuses - this represents a relatively small percentage of the complete employee population. Clinkscales did not have the exact number, but stated less than half of employees actually receive some sort of bonus. She agreed there could be more discussion with agencies in terms of defining what the appropriate threshold might be, but that was also challenging, as while there are still some recruitment and retention challenges, things were better in terms of a decline in the great resignation although there are still some signs of "quiet quitting." So, while there are still recruitment and retention challenges occurring, Clinkscales did not know if it would reach a place where it was no longer happening, and the bonuses no longer needed.

Commissioner Beamon stated that he appreciated that and knew it was going to take some time to get all these positions back up, but thinking down the road four or five years from now when things are a lot better and these numbers are a little bit more than what they are now, if an employee that is planning to leave can possibly get a retention bonus, that having a threshold may be helpful.

Clinkscales agreed that was a good point and that she would make a notation of it and stated again that since agencies are required to report to OSHR quarterly on their bonuses, that would be something that could be incorporated into that process.

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 revised by removing the word "pilot" and making the policy permanent.

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

Second: Commissioner Page seconded the motion.

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

Motion carried.

Total Rewards/Leave: 25 NCAC 01E .1901-.1910 Adoption of Paid Parental Leave Rules

General Counsel Blake Thomas presented 25 NCAC 01E .1901-.1910 Paid Parental Leave for submission as permanent rules. He noted that the rules being presented were the same as what were first presented at the January 18, 2024 SHRC special meeting, but were not voted on at that meeting. Those same rules were presented again at the February 15, 2024 SHRC meeting and were approved to begin the permanent rulemaking process and go out for public comment. No

comments were received at either the public hearing or to their publication in the North Carolina Register since that meeting. Thomas requested the Commission recommend the submission of 25 NCAC 01E .1901-.1910 Paid Parental Leave for adoption as permanent rules by the Rules Review Commission as presented.

There being no further discussion or questions, the Chair called for a motion to recommend approval of submitting 25 NCAC 01E .1901- .1910 Paid Parental Leave for adoption as permanent rules by the Rules Review Commission as presented.

Motion: Commissioner Allard made the motion to approve submitting 25 NCAC 01E .1901-.1910 Paid Parental Leave for adoption as permanent rules by the Rules Review Commission as presented.

Second: Commissioner Vaught seconded the motion.

A roll call vote was held and the attending members of the Commission approved submitting 25 NCAC 01E .1901- Paid Parental Leave for adoption as permanent rules by the Rules Review Commission as presented.

Motion carried.

Business Operations/Temporary Solutions: 25 NCAC 01C .0405 Adoption of Modifications to Temporary Appointment Rule

Temporary Solutions Division Director Joseph Gilroy proposed Rule 25 NCAC 01C .0405 Temporary Appointment be submitted for adoption as a permanent rule to the Rules Review Commission. He reminded the Commission that the rule needed to be aligned with revisions to G.S. § 126-6.3 in the 2023 Appropriations Act which established the conditions for temporary employment of state employees. At its November 30, 2023 SHRC meeting, the Commission approved these revisions to begin the permanent rulemaking process and be submitted for public comment. No comments were received at the public hearing or to its publication in the North Carolina Register. As such, Gilroy requested the Commission recommend the submission of 25 NCAC 01C .0405 Temporary Appointment for adoption as a permanent rule by the Rules Review Commission as presented.

There being no further discussion or questions, the Chair called for a motion to recommend the submission of 25 NCAC 01C .0405 Temporary Appointment for adoption as a permanent rule by the Rules Review Commission as presented.

Motion: Commissioner Beamon made the motion to recommend the submission of 25 NCAC 01C .0405 Temporary Appointment for adoption as a permanent rule by the Rules Review Commission as presented

Second: Commissioner Page seconded the motion.

A roll call vote was held and the attending members of the Commission recommend the submission of 25 NCAC 01C .0405 Temporary Appointment for adoption as a permanent rule by the Rules Review Commission as presented.

Motion carried.

Total Rewards/Classification and Compensation: 17 Revised Classification Specifications

Classification and Compensation Manager Felicia Bridges presented a total of 17 revisions to OSHR's class specifications based on agency requests and or our strategic goal to continuously evaluate, update and modernize current classification specifications.

The OSHR recommended the revisions of 12 agency specific classifications in the Corrections job family on behalf of the Department of Adult Correction. Out of these 12 classifications, 3 belonged to the Probation Parole job branch:

- Chief Probation and Parole Officer
- Probation Parole Field Specialist
- Probation Parole Officer

For these classifications, OSHR recommended changing the educational requirement of a specific degree to any accredited college or university degree to align with minimum standards and to remove barriers to entry by broadening the acceptable degrees. Additional changes to the Probation Parole Field Specialist classification included specifying that the minimum experience requirement of two years must be as a North Carolina Probation Parole Officer, renaming the class Probation Parole Field Training Officer to better represent the duties of the class, and updating the KSA to match an entry level job.

In addition to these, 9 jobs belonging to the Correction Enterprise job branch were recommended to be revised by removing references to the employee from class specification. In OSHR class specifications, the work of the classification job role or position is described rather than the employee. The class concepts would be expanded to elaborate responsibilities of the job and to highlight differentiation between lower-level jobs in the series, KSAs would be streamlined to match responsibilities of the job, and revisions to education and experience requirements would show proper progression in the job series and plant specific special qualifications for different product or service lines such as agriculture cannery, laundry, Braille. These 9 jobs are as follows:

- Correction Enterprise Director I
- Correction Enterprise Director II
- Correction Enterprise Director III
- Correction Enterprise Manager I
- Correction Enterprise Manager II
- Correction Enterprise Manager III

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- Correction Enterprise Supervisor I
- Correction Enterprise Supervisor II
- Correction Enterprise Supervisor III

OSHR also recommended revisions to the State Human Resources Information Systems job branch of the Information Technology job family on behalf of the Office of State Controller.

- State HRIS Manager
- State HRIS Supervisory
- State HRIS Analyst I
- State HRIS Analysts II

The changes are requested in the KSAs and the minimum education and experience sections to reflect the work relating to payroll being done by occupants in the job class and include renaming these four classifications by adding the word “Payroll” in the job title.

Finally, OSHR requested a change to the class concept of the Marine Fisheries Law Enforcement Supervisor classification in the Law Enforcement job branch within the Law Enforcement and Public Safety job family on behalf of the Department of Environmental Quality. It is proposed to widen the scope of the classification to include investigative duties. This will help the agency to use the classification for investigative officers who need to have oversight over field officers participating in investigations but may not have regular supervisory duties on an ongoing basis.

On behalf of OSHR Classification and Compensation Division, Bridges requested these revisions be approved.

Commissioner Allard brought to Bridges’ attention a typo in the Probation Parole Officer job description, under the KSA – the word “inability” was mistakenly used.

Bridges noted the error and corrected the materials by replacing the word “inability” with “ability” before it was submitted to the Governor’s office for approval.

There being no further discussion or questions, the Chair called for a motion to recommend approval of the revisions to the 17 classification specifications as presented.

Motion: Commissioner Vaught made the motion to recommend approval of the revisions to the 17 classification specifications as presented.

Second: Commissioner Allard seconded the motion.

A roll call vote was held and the attending members of the Commission approval of the revisions to the 17 classification specifications as presented.

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 all attending members of the Commission agreed to adjourn the May 30, 2024 State Human Resources Commission Special Meeting.

Motion carried.

The Commission adjourned at 9:43 a.m.

Executive Session

The State Human Resources Commission did not have an executive session at its May 30, 2024 special meeting.

Minutes submitted by:

Denise H. Mazza,

State Human Resources Commission Administrator