

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

MEETING MINUTES – December 3, 2015

Members Present

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

Other Attendees

Other attendees present were: C. Neal Alexander, Jr., 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 October 1, 2015. 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 via phone for its open meeting at 9:05am in the Learning and Development Center Commission Conference Room.

Business Session

Adjustments to Agenda

No changes were made to the agenda and the agenda was approved as is.

Motion: Commissioner Phil Strach made a motion to approve the agenda.

Seconded: Commissioner Dan Barrett seconded the motion.

The motion carried.

CONSENT AGENDA ITEMS

1. Approval of Minutes for the October 1, 2015 State Human Resources Commission Meeting
2. Proposed 2016 SHRC Meeting Dates: Jan. 7, Feb. 4, Apr. 7, June 2, Aug. 4, Oct. 6, Dec. 1)
3. 2014 Annual Report on State Government Equal Employment Opportunity

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

Seconded: Commissioner Strach seconded the motion.

The motion carried.

Public Comment

No one signed up for Public Comment.

State Human Resources Director Report

Director Neal Alexander began by introducing the newest Commissioner, Ross Beamon, and the new Compliance and Policy Manager, Steve Grant. Director Alexander spoke about the number of agenda items consisting of policy changes driven by the modifications to House Bill 495 and announced that the University's Grievance and Adverse Weather Policies would be presented by Matt Brody. Director Alexander stated that the largest part of the agenda would be the Classification and Compensation project, which is aiming for a completion date of March 1 and an implementation date of June 1. Director Alexander stated that the Salary Adjustment fund, intended to be used for positions with high turnover and low compensation ratios, will be available in January. Director Alexander then spoke about working with agencies regarding a starting point and parameter for increases; this will help when thinking about the number of people that are currently below the range and need to move up via the Compensation project. Director Alexander also mentioned the additional \$12 million that can be spent as part of the implementation in order to bring everyone up to the minimum. Director Alexander noted that the importance of these items is based on the budget that is currently being developed and is due by mid-February. The goal is to work with OSBM on what the amount of money should be and how that money should be distributed. Director Alexander concluded by noting that while the compensation project requires substantial time and attention, the results should be beneficial for many years to come.

Reduction in Force Policy

Nancy Astrike, HR Partner, requested approval for the Reduction in Force (RIF) Policy. Ms. Astrike stated that this policy allows an agency/university to separate an employee whenever necessary due to shortage of funds, abolishment of a position, or other material changes in duties or organization. The reasons for the policy change are to update the definition of "career state employee" and to further clarify OSHR and agency/university responsibilities. Ms. Astrike reviewed the changes to the policy, which include decreasing the threshold for "career state employee" from 24 months of SHRA service to 12 months and clarifying OSHR responsibilities to include: establishing RIF plan requirements, reviewing and approving RIF plans, providing training and oversight, and maintaining RIF priority verification lists. Changes also include expanding agency responsibilities to incorporate adherence to RIF policy, submission of RIF plans to OSHR for review and approval, and submission of RIF employee information within 30 days of RIF notification to OSHR.

Motion: Commissioner Strach made a motion to approve the RIF Policy.

Seconded: Commissioner Martin seconded the motion.

The motion carried.

Agency Grievance Policy

Nancy Astrike, HR Partner, requested approval for the Agency Grievance Policy. Ms. Astrike stated that this policy establishes a process that allows for fair, prompt, and orderly resolution to grievances arising out of employment. Ms. Astrike specified that the reasons for the policy change were to update the definition of “career state employee” and to address typos and standardize formatting. The policy changes include decreasing the threshold for “career state employee” from 24 months of SHRA service to 12 months and clarifying the definition of “probationary employee”. The “definitions” section was moved to back of the policy, per standard formatting.

Motion: Commissioner Barrett made a motion to approve the Agency Grievance Policy.

Seconded: Commissioner Eller seconded the motion.

The motion carried.

University Grievance Policy

Matt Brody, Chief Human Resources Officer, University System, requested approval for the University Grievance Policy. Mr. Brody stated that reasons for the policy change were due to House Bill 495, which revised the definition of “career state employee” and necessitated a revision to the University policy. In addition, the University modified the videotaping restriction during hearings to align more closely with the agencies’ policies, and modified the data entry requirements that institutions must follow in maintaining grievance logs. Other minor revisions address typos and standardize formatting.

Motion: Commissioner Sizemore made a motion to approve the University Grievance Policy.

Seconded: Commissioner Falls seconded the motion.

The motion carried.

University Adverse Weather Policy

Matt Brody, Chief Human Resources Officer, University System, requested approval for the University Adverse Weather Policy. Mr. Brody stated that this is a new University policy which consolidates adverse weather and emergency events to address the distinct operational aspects of the campuses. This new policy also anticipates and incorporates the potential for executive orders from the Governor that may, on occasion, modify the University’s stance on making up missed time for employees. Mr. Brody concluded that this new University policy establishes uniform operations during times of adverse weather conditions and emergency events, and introduces system-wide guidelines for accounting for time or releasing University employees from work due to the aforementioned events.

Motion: Commissioner Strach made a motion to approve the University Adverse Weather Policy.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Classification of Rules in Subchapter 01H – Recruitment and Selection

Margaret Duke, OSHR Rule Coordinator, requested approval for the classification of rules in Subchapter 01H. Ms. Duke stated that this is the first step in the Periodic Review and Expiration of Existing Rules. Pursuant to G.S. 150B-21.3A, the State Human Resources Commission (SHRC) must conduct a review of the agency’s existing rules according to a schedule set by the Office of Administrative Hearings, Rules Division. Rules in Subchapter 01H – Recruitment and Selection are scheduled to be presented to the Rules Review Commission. In order to meet that deadline, the SHRC must begin the review process to allow adequate time (minimum of 60 calendar days) for the public comments period, as required by 26 NCAC 05 .0206. The first step of the review process is to conduct an analysis of each existing rule in Subchapter 01H and make an initial determination.

Motion: Commissioner Sizemore made a motion to approve the Classification of Rules.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Classification of Rules in Subchapter 01I – Service to Local Government

Margaret Duke, OSHR Rule Coordinator, requested approval for the classification of rules in Subchapter 01I. Ms. Duke stated that this is the first step in the Periodic Review and Expiration of Existing Rules. Pursuant to G.S. 150B-21.3A, the State Human Resources Commission (SHRC) must conduct a review of the agency’s existing rules according to a schedule set by the Office of Administrative Hearings, Rules Division. Rules in Subchapter 01I – Service to Local Government are scheduled to be presented to the Rules Review. In order to meet that deadline, the SHRC must begin the review process to allow adequate time (minimum of 60 calendar days) for the public comments period, as required by 26 NCAC 05 .0206. The first step of the review process is to conduct an analysis of each existing rule in Subchapter 01I and make an initial determination.

Motion: Commissioner Eller made a motion to approve the Classification of Rules.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Classification of Rules in Subchapter 01J – Employee Relations

Margaret Duke, OSHR Rule Coordinator, requested approval for the classification of rules in Subchapter 01J. Ms. Duke stated that this is the first step in the Periodic Review and Expiration of Existing Rules. Pursuant to G.S. 150B-21.3A, the State Human Resources Commission (SHRC) must conduct a review of the agency’s existing rules according to a schedule set by the Office of Administrative Hearings, Rules Division. Rules in Subchapter 01J – Employee Relations are scheduled to be presented to the Rules Review. In order to meet that deadline, the SHRC must begin the review process to allow adequate time (minimum of 60 calendar days) for the public comments period, as required by 26 NCAC 05 .0206. The first step of the review process is to conduct an analysis of each existing rule in Subchapter 01J and make an initial determination.

Motion: Commissioner Strach made a motion to approve the Classification of Rules.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Adoption of Rules

Maggie Craven, HR Partner, requested approval for the adoption of rules. Ms. Craven stated that this set of rules has completed the required public hearing and 60-day comment period and has received no comments. Ms. Craven mentioned that the reason for seeking commission approval was pursuant to NCGS 150B-21.2(g), which states that an Agency cannot adopt a rule until the comment period has elapsed. The Commission's approval is required before the rule may go to the Rules Review Commission. Once these rules are approved, they will be sent to the Rules Review Commission to be approved and entered into Code.

Motion: Commissioner Falls made a motion to approve the Adoption of Rules.

Seconded: Commissioner Sizemore seconded the motion.

The motion carried.

Final Classification for Subchapter F Rules

Maggie Craven, HR Partner, requested approval for the final classification of Subchapter F rules. Ms. Craven stated that this set of rules has completed the required 60-day comment period for the periodic rule review and has received no comments. Ms. Craven mentioned that following the Commission's approval, these classifications will be sent to the Rules Review Commission for further approval.

Motion: Commissioner Strach made a motion to approve the final classification for Subchapter F Rules.

Seconded: Commissioner Sizemore seconded the motion.

The motion carried.

Substantial Equivalency Review for Sandhills Center

Dominick D'Erasmus, HR Partner, requested approval for the final classification of Subchapter F rules. Mr. D'Erasmus stated that approval of the Sandhills Center request for substantial equivalency was concentrated in two program areas: recruitment/selection/advancement and classification/compensation. Mr. D'Erasmus specified that the purpose of this summary is to document the review of the petition submitted by the Sandhills Center to determine if the two portions of their personnel system meet the requirements to be substantially equivalent to the state's personnel system. The Sandhills Center is a publicly-funded LME/MCO (Local Managed Entity/Managed Care Organization) committed to serving nine counties in central NC. Mr. D'Erasmus stated that they ensure residents receive the best care possible for mental health, substance abuse, and intellectual and developmental disabilities. Mr. D'Erasmus explained that the review's methodology was to compare the requirements in the North Carolina Administrative Code for substantially equivalent systems (25 NCAC 01I .2400) to the county's submitted documents. Mr. D'Erasmus included that this effort focused on whether the documentation submitted by Sandhills is operationally equivalent to the systems of HR

administration for local government. Sandhills' petition requests substantially equivalent status for two portions of personnel administration: Recruitment, Selection and Advancement (25 NCAC 01I .2401); and Classification and Compensation (25 NCAC 01I .2402). The review was conducted by Local Government Program Consultant Dominick D'Erasmus. The scope of the review included an analysis of personnel documents (policies, procedures, ordinance and resolution) submitted by the county for the specified system portions. The Local Government Program Consultant found that the Sandhills Center operates a sound and comparable system for administering both the Recruitment, Selection and Advancement and Classification and Compensation programs. There is clear evidence of compliance with State Human Resources Commission rules and Federal Merit Standards.

Motion: Commissioner Barrett made a motion to approve the Substantial Equivalency Review for Sandhills Center.

Seconded: Commissioner Sizemore seconded the motion.

The motion carried.

Continuous Recruitment Approval for DPS

Jenn McGinnis, HR Partner, requested approval for the Continuous Recruitment Approval for DPS. Ms. McGinnis stated that historically, the Department of Public Safety (DPS) has had one classification for Correctional Officers, which was approved for continuous recruitment in October 1997. In February 2015, the SHRC approved three new classifications to accommodate all three custody levels: minimum, medium, and close. These three classifications are Correctional Officers I, II and III, which represent, respectively, greater areas of risk and increasingly dangerous inmate populations. Ms. McGinnis stated that although the new Series was approved in February, only with the recently approved budget was partial funding made available for the new classifications. Thus, we are seeking continuous recruitment approval from the SHRC for the new classifications – Correctional Officers I, II, and III.

Motion: Commissioner Beamon made a motion to approve the Continuous Recruitment Approval for DPS.

Seconded: Commissioner Falls seconded the motion.

The motion carried.

Motion: Commissioner Eller made a motion to have OSHR review whether Continuous Recruitment falls within the duties of the State Human Resources Commission.

Seconded: Commissioner Barrett seconded the motion.

The motion carried.

Agency Performance Management Policy

Jenn McGinnis, HR Partner, requested approval for the Agency Performance Management Policy. Ms. McGinnis stated that the Agency Performance Management Policy was approved by the SHRC on August 28, 2014 and became effective on July 1, 2015. The purpose of this policy is to provide a performance management system which evaluates employees' accomplishments

and behaviors related to goals and organizational values to achieve organizational mission, goals, and business objectives. An integrated performance management system enables employees to develop and enhance individual performance while contributing to the achievement of organizational mission, goals, and business objectives. Each agency shall implement the Performance Management Policy as approved by the State Human Resources Commission.

Motion: Commissioner Strach made a motion to approve the Agency Performance Management Policy.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Class Specifications for Compensation Project

Dennis Schoch, HR Partner, requested approval of approximately 400 classifications representing work in 13 of the 19 new job families. Senate Bill 402, "The Appropriations Act of 2013", funded and directed the Office of State Human Resources (OSHR) to conduct the Statewide Compensation System Project. Currently, employees are classified and compensated under two non-integrated systems, neither of which is functioning optimally. The purpose of this project is to create a modern and streamlined compensation system for state government that is equitable, market-responsive, and values employee performance. A key aspect of the project has been the creation, consolidation, streamlining and standardization of classification concepts. Classification Subject Matter Expert (SME) teams from OSHR and all state agencies have been involved in developing these concepts. Once approved, the SME teams, along with additional Classification and Compensation staff from the agencies, will analyze current position description information and allocate all state agency jobs to the new concepts. Later, the concepts will be appropriately market-priced and/or slotted into new market-based salary structures. Approximately 400 classifications representing work in 13 of the 19 new job families are being presented for approval. This first "wave" of classification concepts represents those roles that exist solely in specific agencies. Concepts that cross agency lines, as well as additional agency-specific concepts, will be presented to the Commission for approval in December.

Motion: Commissioner Barrett made a motion to defer the Environmental Health I, II, and III job specifications to the SHRC's January meeting.

Seconded: Commissioner Strach seconded the motion.

The motion carried.

Motion: Commissioner Eller made a motion to defer the Social Worker, Social Worker Supervisor, and the Clinical Social Worker job specifications to January's SHRC meeting.

Seconded: Commissioner Manning seconded the motion.

The motion carried.

Motion: Commissioner Manning made a motion to defer all Department of Motor Vehicles' job specifications to January's SHRC meeting.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Motion: Commissioner Manning made a motion to defer the Accountant I and II job specifications to January's SHRC meeting.

Seconded: Commissioner Eller seconded the motion.

The motion carried.

Motion: Commissioner Barrett made a motion to defer the Customer Service Representative I & II job specifications to January's SHRC meeting.

Seconded: Commissioner Beamon seconded the motion.

The motion carried.

Motion: Commissioner Manning made a motion to approve the classifications.

Seconded: Commissioner Eller 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.

Motion: Commissioner Falls 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 3, 2015 meeting.

Minutes submitted by:

Bailey Bruce, State Human Resources Commission Administrator