

**State Human Resources Commission
Exceptions Report
September 24, 2026**

This report includes exceptions granted by the Director of the Office of State Human Resources from June 20, 2026 through September 18, 2026.

Salary Administration Exceptions

The Director may grant exceptions to rules and policy pursuant to 25 NCAC 01A .0104(b).

1. OSHR granted an exception to the Department of Agriculture and Consumer Services to pay accrued overtime at a straight time rate, for FLSA not- subject employees to contain an avian flu outbreak in Wayne County, that required employees to work more than a standard 40-hour week to provide immediate and effective measures to prevent the disease's further spread and eradicate it from the affected farms.
2. OSHR granted an exception to the Department of Transportation to pay an employee a retention bonus of \$10,000 in one installment payment. The employee is critical in the implementation of AI related work, ensuring connectivity between NCDOT and other agencies, as they continue to test and scale up AI implementation and procurement improvements.
3. OSHR granted an exception to the Department of Information Technology to allow the use of non- discretionary OMAL to resolve negative leave balances for 18 employees. Despite the employee's adherence to established and approved working schedules, correction of longstanding errors in the employee's records created a negative impact to the employees' leave, due to no fault of their own.
4. OSHR granted the NC Wildlife Resources Commission an exception:
 - a. for employees that were not subject to FLSA, to receive overtime straight-time payout, due to performing inherently dangerous work fighting wildfires in Hyde county from June 7th -June 23rd.
 - b. to pay above the max of the range, for newly promoted employees, in Wildlife Law Enforcement Supervisor I positions. Senate Bill 257 Committee Report provided funding to Wildlife Resources Commission for salary adjustments in addition to the across-the board salary increases for sworn law enforcement. Sworn law enforcement employees received a total salary increase of 13%. Due to the 13% salary increase required by law, employees currently in the Wildlife Law Enforcement Supervisor I classification all have salaries above the max of the grade range. The exception is necessary to allow WRC to continue the agency pay practices of paying employees in the Wildlife Law Enforcement Supervisor I position the same salary.

Employee Relations

1. OSHR approved one exception request from UNC Chapel Hill to settle a matter with an employee related to the State Human Resources Act. This settlement involves front pay for reasons other than as outlined in the administrative code.

2. OSHR approved one exception request from UNC Greensboro to settle a matter with an employee related to the State Human Resources Act. This settlement involves a lump sum payment in lieu of backpay or frontpay.

Temporary Solutions 11 Month Exceptions

Exceptions made under N.C.G.S. § 126-6.3(a3)(1)

1. OSHR granted the NC Departments of Adult Correction, Health and Human Services, and Public Safety exceptions to directly employ temporary medical and public safety workers through third-party staffing services in addition to primarily using Temporary Solutions. These classifications have presented state agencies and TS with significant recruitment challenges due to the sheer volume of temporary personnel needed in these positions and the number of medical and public safety temporary workers already under contract with third-party staffing agencies.
2. OSHR granted the NC Department of Natural and Cultural Resources (DNCR) an exception to directly employ seasonal and receipt-supported temporary workers. so that DNCR locations visited by the public would not incur new Temporary Solutions administrative charges.
3. OSHR granted the NC Department of Revenue (DOR) an exception to directly seasonal temporary employees responsible for opening and processing returns and payments during tax season. DOR must adhere to stringent Federal requirements regarding background checks, tax compliance, Security Awareness Training, and annual certification, and these are conducted in-house by DOR. Some of these requirements must be fulfilled prior to or within 24 hours of the temporary beginning work.
4. OSHR granted the NC Department of Transportation (DOT) an exception to directly employ certain temporary employees in addition to primarily using Temporary Solutions. DOT has a special payroll system called BSIP that integrates with the Integrated HR-Payroll System. BSIP allows NCDOT permanent and temporary employees that are paid by DOT Highway Encumbrance Funding to charge personnel expenses directly to projects. This is essential to the timekeeping and financial operations of NCDOT. For temporaries employed through Temporary Solutions, time must be entered directly into the Integrated HR-Payroll System without going through another system like BSIP.
5. OSHR granted the NC Department of Information Technology (DIT) an exception to directly employ temporary workers providing services to DOT that are paid with DOT Highway Encumbrance Funding.

Exceptions made under N.C.G.S. § 126-6.3(a3)(3)

1. OSHR granted the NC Department of Natural and Cultural Resources (DNCR) an exception to the 11-month limit for a temporary employee serving as the Roanoke Island Festival Park Interim Executive Director. The employee provided direction and oversight during a critical period at the Park, which included peak visitation season, dredging of the Shallowbag Bay, interviews for the new Executive Director, and the eventual hire's transition into the full-time role. DNCR has determined that requiring the temporary worker to separate for 31 days would severely disrupt the agency's ability to manage the Park, receive visitors, and navigate the Park's involvement in the State's dredging project, which were all essential services and functions provided to the State by the agency.

2. OSHR granted The NC Department of Health and Human Services (DHHS) an exception to the 11-month limit for:
 - a. a temporary Agency HR Consultant III. The employee worked on the DHHS Classification and Compensation team, which ensures correct classifications and equitable salaries for all new and existing DHHS positions. The scope of the team's work and duties changed significantly with the centralization of all HR operations coming under the Division of Human Resources. The Division learned that two of its permanent employees were taking leaves of absence and one additional permanent employee was resigning. The agency has determined that losing the temporary worker to the 11-month limit would cause severe strain on the Classification and Compensation team's operations, especially as it worked to reallocate up to 80 positions for the newly established Rural Health Transformation Program (RHTP), and impede on the agency's ability to recruit and retain employees providing critical health and human services across the state.
 - b. a temporary IT Project Manager I. The employee served as a thought leader and subgroup facilitator for the First Lady's Cannabis Council. The agency determined that any disruption in the leadership of the Council would greatly affect the Council's work, and its goal was to prevent any interruption in the consistency of the program.
 - c. two (2) temporary Physicians at Central Regional Hospital (CRH). At the time of the employees' 11-month limits, a Medical Moonlighter providing 48-52 hours of medical coverage per week suddenly and unexpectedly separated from employment, leaving an immediate, significant gap in essential medical coverage. CRH worked urgently to bring in additional physicians to fill this gap, but recruitment efforts did not fully resolve the shortage. The agency determined that if the two temporary Physicians were required to separate for 31 days, CRH would need to shift substantial additional workload onto full-time physicians providing daytime services, which would likely strain these limited provider resources and jeopardize the continuity of patient care.
 - d. a temporary IT Program Coordinator II in the Division of Services for the Deaf and Hard of Hearing (DSDHH). The Division predicted having no IT coverage during the temporary worker's 31-day break through the end of the calendar year due to an unavoidable staffing shortage. It was not feasible to bring in temporary assistance from DHHS IT because IT staff serving DSDHH need to be proficient with specialized communication and accessibility technologies such as TYY, ZoomText, CART captioning, telephone captioning, and others. The Division anticipated that essential IT tasks serving the Division, such as installing, maintaining, and troubleshooting applications and equipment, would go unaddressed in the temporary worker's absence.
3. OSHR granted the Temporary Solutions (TS) division with OSHR an exception from the 11-month limit for a temporary State HR Consultant I. The employee worked on the TS Recruitment Team, which provides a variety of career services, including employment consultations, interview practice sessions, and application/resume reviews, to state government job seekers. The team's work directly contributes to broad statewide recruitment priorities such as the OSHR 2025-2029 Strategic Plan, Governor Stein's Executive Order 33, and HR transformation initiatives in the Workforce Modernization Act. At the time the exception was made, the Recruitment Team consisted of five permanent employees and the temporary worker. One of the team's permanent

employees was assigned to a new project outside the work unit. TS determined that if the temporary worker was required to separate due to the 11-month limit, each remaining team member's workload would increase significantly, risking longer response times, fewer personalized services, fewer job seekers served, lower program outputs, and dissatisfied job seekers. Additionally, job seekers in Western NC would be disproportionately affected, as the temporary worker covered that part of the state.

4. OSHR granted an exception for DOT DMV to the 11-month limit for a DMV Administrative Associate. The employment began on 10/15/2025 and the 11-month limit was 9/15/2026. DMV requested an extension of two weeks to 9/30/2026, at which time the employee will be transferred to a permanent position. OSHR granted this request because separating the employee for two weeks would leave the unit without sufficient staffing to complete plate deliveries and distribution, process mail, and fulfill specialty plate mailings in a timely manner. The agency expects that this would result in delays in providing license plates and other necessary materials to License Plate Agencies, online dealers and vendors, and agency locations, as well as delays in mailing registrations and specialty plates to customers. Such delays could impact the timely delivery of essential public services and create additional operational challenges for the remaining staff.