



**STATE OF NORTH CAROLINA
OFFICE OF STATE HUMAN RESOURCES**

JOSH STEIN
GOVERNOR

STACI MEYER
DIRECTOR

March 17, 2026

TO: Agency Heads
CC: OSHR Leadership, Agency Human Resources Directors
FROM: Staci Meyer, Director 
RE: March 5, 2026, State Human Resources Commission Summary

This memo provides a summary of the State Human Resources Commission (SHRC) meeting held on March 5, 2026, and highlights the must-know information. The Commission adopted several policy changes, and I wanted to highlight three of the most impactful ones: changes to the state's performance management, incentive leave, and compensatory leave policies.

I would also like to welcome Mr. Alfred "Al" T. Davis of Cumberland County as our newest Commissioner. Davis, a manager for Region III (central N.C.) at the Department of Military and Veterans Affairs, was appointed by Governor Stein and we look forward to working with him on the Commission.

Managing the Employee Work Cycle

The Commission has approved a new performance management policy, *Managing the Employee Work Cycle*, effective July 1, 2026. This policy replaces the former Agency Performance Management policy as required by Section 8 of S.L. 2025-34.

The new policy emphasizes continuous feedback by eliminating interim reviews; includes changes intended to increase agency flexibility; advances employee growth and development; and helps agencies meet their goals and workforce needs through employee work plans and developmental goals. OSHR is also developing two complementary policies managing unsatisfactory work and recognizing exemplary work. Finally, we are making several changes that should lessen the administrative burden of using the state's performance management platform.

Incentive Leave

The SHRC approved changes to the Incentive Leave policy that make this recruitment tool more useful to your agency. The changes remove the requirement that incentive leave can only be used

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for middle and late career applicants; now, it can be used for any candidate employed outside of state government for a position that is critical to the agency and difficult to fill. The maximum incentive leave award, 20-day (160-hour), remains unchanged.

Compensatory Leave

Agencies may accept up to 160 hours of compensatory leave when hiring an employee with a compensatory leave balance from another state agency. The transfer is not automatic, and agencies must agree to receive compensatory leave. If an agency does not agree to accept the employee's compensatory leave, the employee forfeits that leave. Upon transfer, employees lose any leave hours above 160. Agencies must develop internal guidelines for accepting compensatory leave including the amount of leave accepted, procedures for communicating and managing compensatory time balances in the HR payroll system, as well as processes for approving the use of compensatory leave.

We are excited about the opportunities these changes bring, and we are committed to continuing to make HR **easier, faster, and better**. Thank you for your commitment to a better North Carolina for all.



Staci Meyer (Mar 18, 2026 11:29:45 EDT)