

Personnel Function Report

Executive Summary

In response to Senate Bill 886, ratified on August 27, 1997, the State Personnel Commission is required to report on certain personnel functions to the Joint Legislative Commission on Governmental Operations.

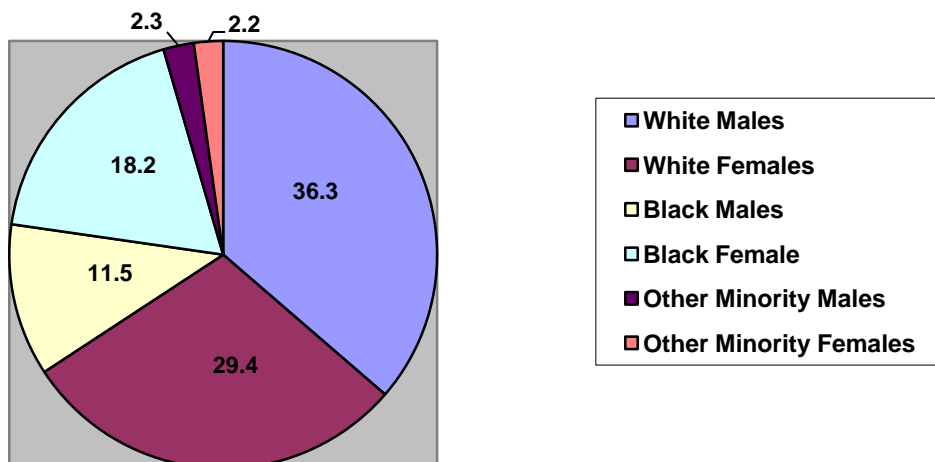
1. Workforce Representation:

The State of North Carolina reported 90,950 full-time, permanent SPA employees as of December 31, 2010. This represents a decrease of 593 employees from 2009, and 2,592 employees since 2008. Employee decreases were experienced in both the agency and university systems.

<u>Workforce</u>	White Males	White Females	Black Males	Black Females	Other Minority Males	Other Minority Females	TOTAL
Agency	26,677 38.9%	18,484 26.9%	8,352 12.2%	12,481 18.2%	1,528 2.2%	1,124 1.6%	68,646
University	6,324 28.4%	8,284 37.1%	2,124 9.5%	4,067 18.2%	592 2.7%	913 4.1%	22,304
TOTAL	33,001 36.3%	26,768 29.4%	10,476 11.5%	16,548 18.2%	2,120 2.3%	2,037 2.2%	90,950
<i>Previous Total - 2009</i>	32,938 36.0%	27,364 29.9%	10,509 11.5%	16,692 18.2%	2,065 2.2%	1,975 2.2%	91,543
<i>Previous Total-2008</i>	33,763 36.1%	27,969 29.9%	10,858 11.6%	16,939 18.1%	2,045 2.2%	1,968 2.1%	93,542

NOTE: The data collection system in BEACON allows for employees to be assigned to an "Ethnicity Unknown" category. As of 12/31/10 there were 72 employees in this category. Those employees have not been included in this analysis.

Total State Representation by Demographic Group (2010)

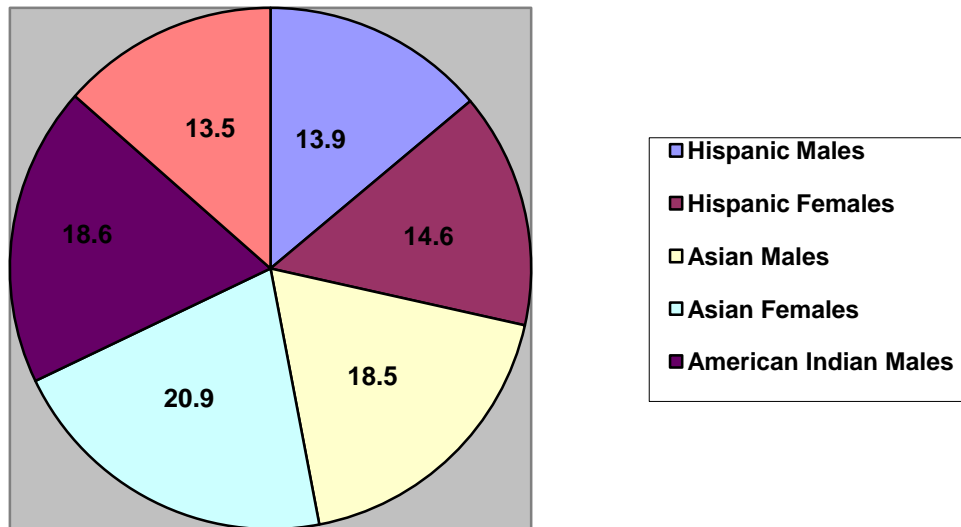


North Carolina State Government cabinet and council of state agencies employed 68,646 employees as of December 31, 2010. This accounted for 75% of the total 90,950 employees. North Carolina State Government universities employed 22,304 employees as of December 31, 2010. This accounted for 25% of the total 90,950 employees.

The employees labeled as 'other minority males' and 'other minority females' include Hispanic, American Indian and Asian employees. Overall, these employees represented 4.5% of the entire workforce or 4,157 employees (an increase of 117 since 2009). Within the agency workforce, American Indian employees represented the largest 'other minority group'. Within the university workforce, Asian employees represented the largest 'other minority group'. Specifically, these groups represented the following:

<u>Other Minority Workforce</u>	Hispanic Males	Hispanic Females	Asian Males	Asian Females	American Indian Males	American Indian Females	TOTAL
Agency	395 14.9%	335 12.6%	478 18.0%	441 16.6%	655 24.7%	348 13.1%	2,652
University	183 12.1%	274 18.2%	289 19.2%	427 28.4%	120 8.0%	212 14.1%	1,505
TOTAL	578 13.9%	609 14.6%	767 18.5%	868 20.9%	775 18.6%	560 13.5%	4,157

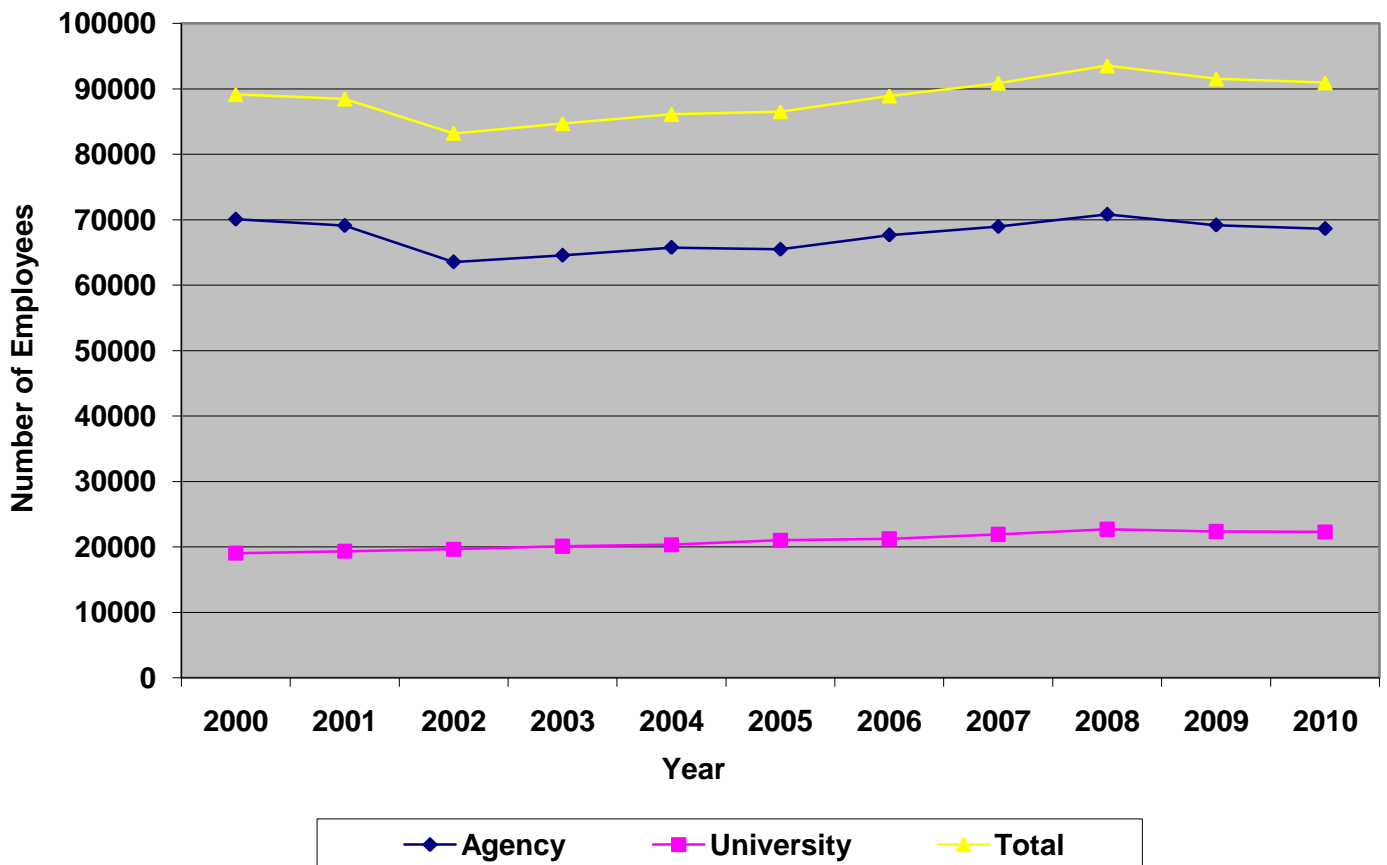
Total Representation of Other Minority Groups in Detail (2010)



The following chart details the change in total workforce representation since 2000. The chart reflects an increase in workforce representation until 2001. From December 31, 2001 to December 31, 2002 the agency and overall workforce decreased. This trend for agencies and overall totals reversed in 2003 as the workforce total increased for both. This trend continued until 2009.

In 2009 and 2010, the State of North Carolina experienced an economic crisis that resulted in a hiring freeze as well as a reduction-in-force throughout state government. As a result, both the agency and university workforce totals decreased. The impact of the reduction in the number of agency and university employees was a corresponding reduction in the total number of employees.

Workforce Representation (2000 - 2010)



2. New Hires:

A new hire or new appointment is the initial employment of an individual to a position or the reemployment of an individual who is either not eligible for reinstatement or, at the agency's option, is not offered reinstatement. The State of North Carolina hired 6,958 new full-time, permanent SPA employees during calendar year 2010.

<u>New Hires</u>	White Males	White Females	Black Males	Black Females	Other Minority Males	Other Minority Females	TOTAL
Agency	1,820 37.2%	1,222 25.0%	678 13.9%	898 18.3%	157 3.2%	120 2.4%	4,895
University	571 27.7%	832 40.3%	172 8.3%	318 15.4%	69 3.3%	101 4.9%	2,063
TOTAL	2,391 34.4%	2,054 29.5%	850 12.2%	1,216 17.5%	226 3.2%	221 3.2%	6,958
Previous Total - 2009	1,098 29.6%	1,141 30.8%	467 12.6%	808 21.8%	99 2.7%	95 2.6%	3,708

NOTE: The data collection system in BEACON allows for employees to be assigned to an "Ethnicity Unknown" category. During the effective dates in 2010 there were 42 employees in this category for new hire transactions. Those employees have not been included in this analysis.

Other minority males and females include Hispanic, American Indian and Asian employees. Specifically, these groups represent the following:

<u>Other Minority New Hires</u>	Hispanic Males	Hispanic Females	Asian Males	Asian Females	American Indian Males	American Indian Females	TOTAL
Agency	56 20.2%	48 17.3%	30 10.8%	37 13.6%	71 25.6%	35 12.5%	277
University	17 10.0%	37 21.8%	43 25.3%	44 25.9%	9 5.3%	20 11.7%	170
TOTAL	73 16.3%	85 19.0%	73 16.3%	81 18.1%	80 17.9%	55 12.3%	447

Number of New Hires in State Government – 2004 to Present:

Year	Number of New Hires	Number of Employees	Percent
2004	11,144	86,110	12.9%
2005	10,199	86,504	11.8%
2006	11,207	88,917	12.6%
2007	9,949	90,894	10.9%
2008	7,133	93,542	7.6%
2009	3,708	91,543	4.1%
2010	6,958	90,950	7.7%

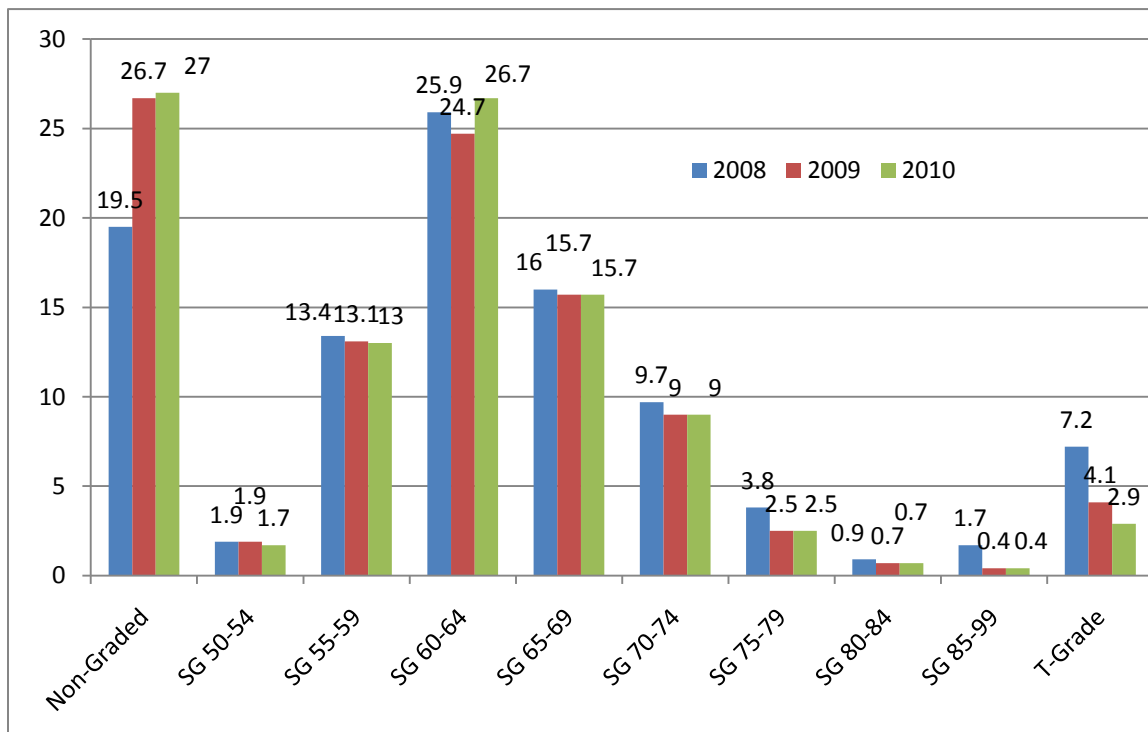
3. Compensation Levels:

This section of the report analyzes salary distributions in 10 categories ranging from salary grades 50-54 through 85 and higher, non-graded and t-graded classifications.

AGENCY:

Overall, employees in non-graded (mostly Career-Banded) classifications consisted of the highest percentage of employees representing 27.0% of the agency workforce. Employees in salary grade range 60-64 consisted of the second highest level of representation, comprising 26.7% of the workforce.

Total Agency Workforce by Salary Grade Range (2008, 2009, 2010)



NOTE:

1. The data collection system in BEACON allows for employees to be assigned to an "Ethnicity Unknown" category. As of 12/31/10 there were 73 employees in this category. Those employees have not been included in this analysis.
2. Employees in medical and educational grades have been excluded. In 2010, these employees represented 293 employees or 0.4% of the total workforce.
3. Flat rate employees consisted of less than 0.002 percent of the representation.

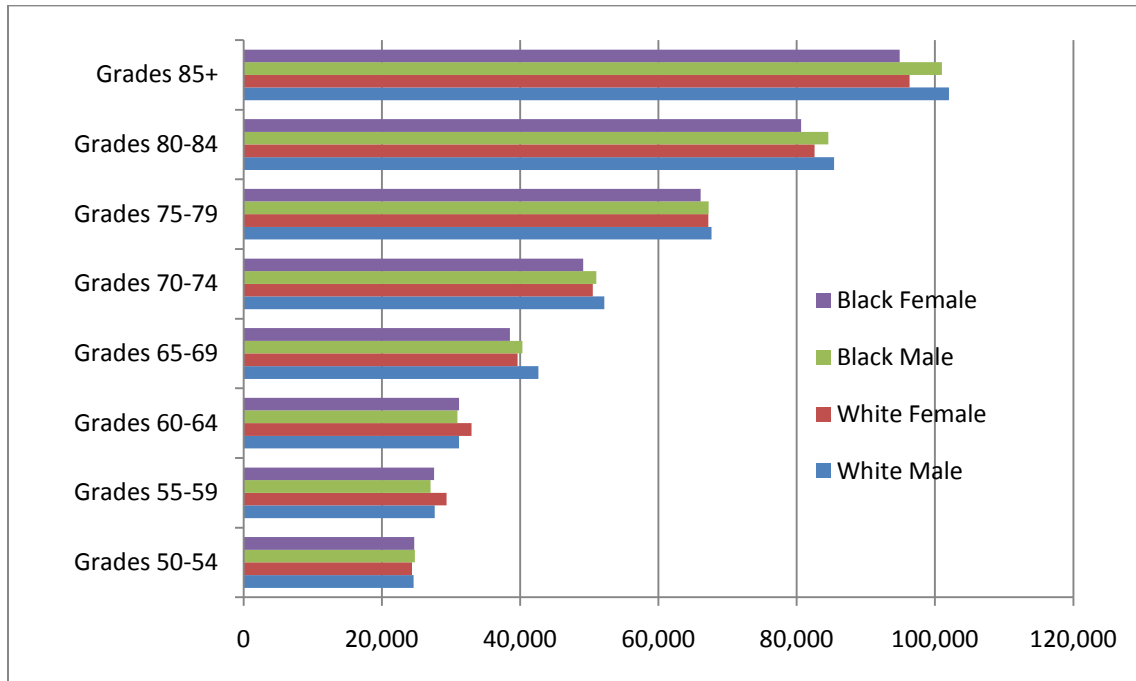
Demographic Analysis: Employees were concentrated in different salary grades with black males and black females representing a significant percentage of employees at the lower salary grades.

Percentage of Representation by Salary Grade (Agency)

	Highest Percentage of Representation	2 nd Highest Percentage of Representation	3 rd Highest Percentage of Representation
White Male	Banded (54.0%)	Grades 85+ (51.8%)	Grades 80-84 (48.8%)
White Female	Grades 55-59 (39.2%)	Grades 70-74 (38.9%)	Grades 75-79 (37.7%)
Black Male	Grades 50-54 (20.8%)	Grades 60-64 (21.6%)	T-grades (21.2%)
Black Female	Grades 55-59 (36.9%)	Grades 50-54 (33.4)	Grades 60-64 (21.2%)

In the following chart, average salary is analyzed by demographic group and salary grade range. In this analysis, white and black males received the highest average salaries in salary grade range 80-84 and 85+, the highest in state government. White male employees had the highest average salary in salary grade range 65-69 and above.

Average Salary by Demographic Group (Agency)



NOTE: Jobs in T-grades and/or banded classifications can range from traditional SG 50 – 85. For this reason, employees in this pay structures have not been included in the average salary chart. They are included in the detailed analysis on the following page.

Employees by Grade Range and Demographic Group (Agency)

Cal Month/Year	DEC 2010			
	WM	WF	BM	BF
Grade 50-54	176	302	244	392
% Represented	14.991	25.724	20.784	33.390
Average Salary	24,598	24,371	24,781	24,679
Grades 55-59	959	3,495	978	3,286
% Represented	10.755	39.195	10.968	36.851
Average Salary	27,648	29,354	27,026	27,574
Grades 60-64	6,876	3,424	3,398	3,952
% Represented	37.525	18.686	18.544	21.567
Average Salary	31,180	32,970	30,942	31,144
Grades 65-69	4,421	3,022	1,148	1,844
% Represented	40.841	27.917	10.605	17.035
Average Salary	42,643	39,653	40,314	38,501
Grades 70-74	2,417	2,415	402	773
% Represented	38.940	38.908	6.477	12.454
Average Salary	52,195	50,529	51,024	49,096
Grades 75-79	753	648	95	174
% Represented	43.881	37.762	5.536	10.140
Average Salary	67,663	67,237	67,260	66,095
Grades 80-84	226	166	17	40
% Represented	48.812	35.853	3.672	8.639
Average Salary	85,422	82,597	84,551	80,641
Grades 85+	143	97	12	19
% Represented	51.812	35.145	4.348	6.884
Average Salary	102,008	96,317	100,985	94,904
T-Grades	572	692	256	422
% Represented	28.802	34.844	12.890	21.249
Average Salary	50,056	42,895	38,359	37,972
Banded	10,022	4,145	1,783	1,563
% Represented	54.004	22.335	9.608	8.422
Average Salary	49,409	54,658	42,307	50,137

NOTE: Due to the inclusion of average salary, other minority males and females did not generate statistically significant percentages due to low levels of representation by salary grade. They are included in the non-graded analysis.

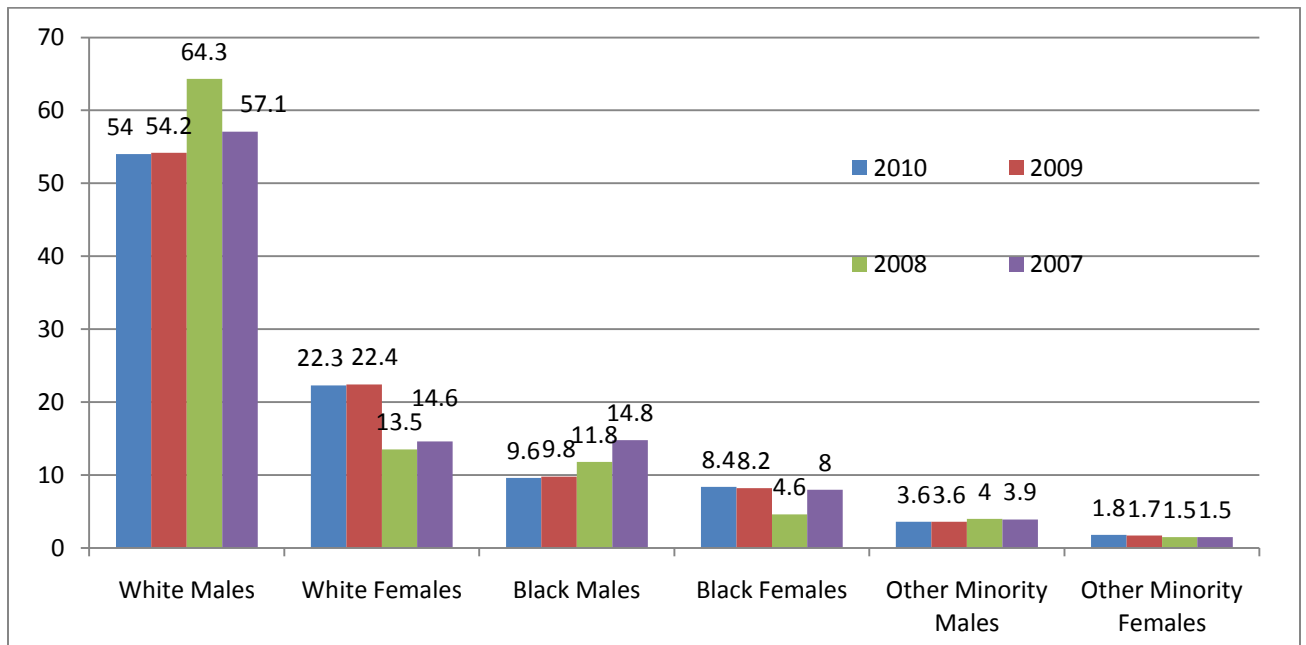
Non-Graded/Banded Classifications: State agencies had 18,558 employees in non-graded classifications. This figure has increased each year since 2007, although it has stabilized from 2009 to 2010.

- 2007 – 12,914
- 2008 – 13,897
- 2009 – 18,458
- 2010 – 18,558

The Career-Banded (non-graded) compensation system in the State of North Carolina is designed to collapse existing classifications into one of ten job families. This reduces the overall number of classifications and eliminates the need for salary grades, as each job family is managed with unique salary minimums and maximums. The ten job families include:

1. Administrative and Managerial
2. Information Technology
3. Law Enforcement and Public Safety
4. Information and Education
5. Human Services
6. Medical and Health
7. Institutional Services
8. Operations and Skilled Trades
9. Engineering and Architecture
10. Natural Resources and Scientific.

Employees in Non-Graded Classifications 2007 through 2010 (Agency)

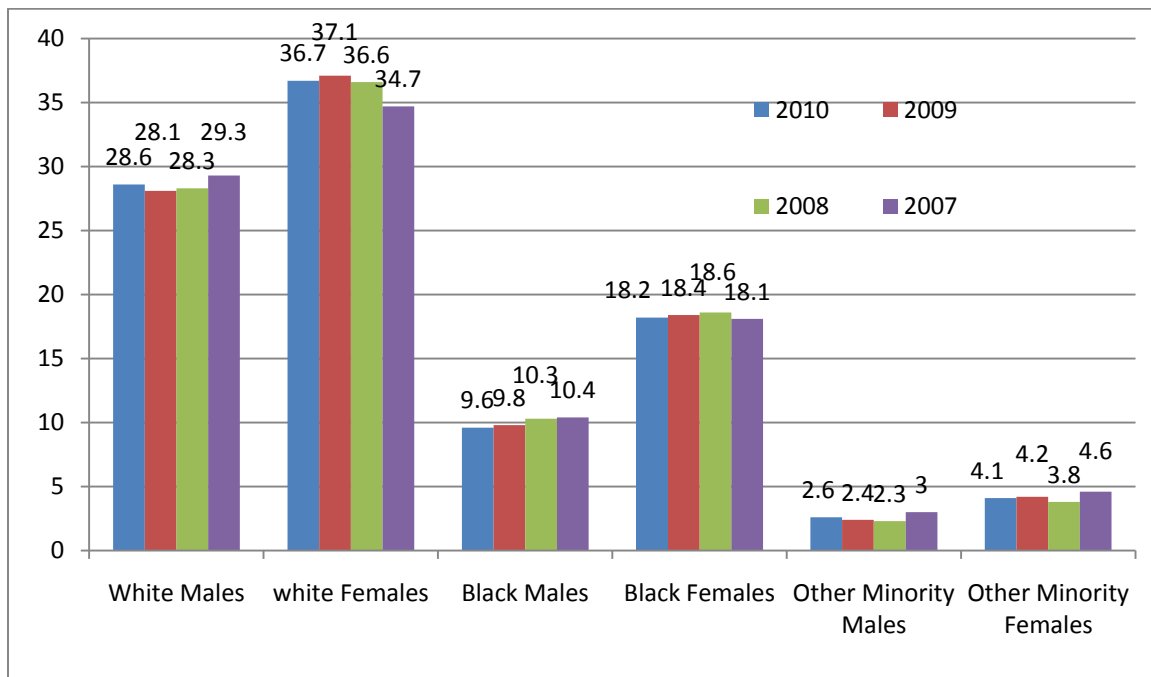


UNIVERSITY:

Overall, classifications in non-graded (or banded) grades consisted of the highest percentage of employees representing 99.7% of the university workforce. This figure increased from 87.5% in 2008.

Because 99.7% of all university employees are in non-graded classifications, the demographic distribution mirrors that of the overall representation figures for the university system.

Employees in Non-Graded Classifications 2007 through 2010 (University)



Competency Levels: In order to provide a more detailed analysis of the salary structure in the university system, the next table provides competency levels by demographic group. Each banded classification is divided into three competency levels (contributing, journey and advanced). Each competency level is associated with a minimum and maximum rate of compensation.

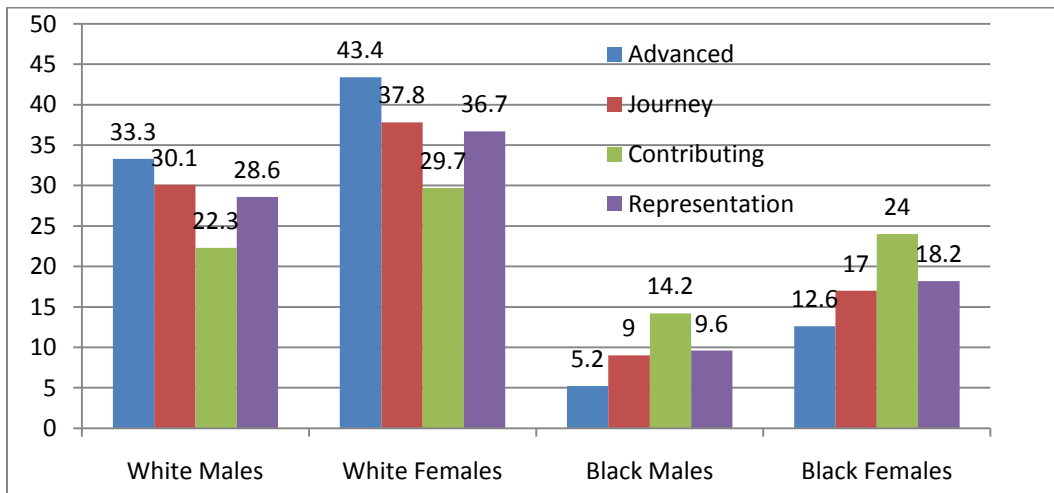
Competency Levels by Demographic Group (University)

	White Males	White Females	Black Males	Black Females	Other Minority Males	Other Minority Females	Total
Advanced Level	1628	2120	256	617	117	141	4879
Percentage	33.3	43.4	5.2	12.6	2.4	2.8	
Avg. Market Index*	93.5	94.9	94.0	95.1	93.4	90.1	94.2
Journey Level	3330	4191	996	1884	261	401	11063
Percentage	30.1	37.8	9.0	17.0	2.3	3.6	
Avg. Market Index	97.6	97.2	96.3	97.2	94.0	95.2	97.1
Contributing Level	1249	1664	797	1346	205	341	5602
Percentage	22.3	29.7	14.2	24.0	3.6	6.0	
Avg. Market Index	101.6	104.2	101.7	103.8	101.0	100.9	102.9
Invalid Level*	147	194	86	195	10	38	670
Total	6354	8169	2135	4042	593	921	22214
Percentage	28.6	36.7	9.6	18.2	2.6	4.1	
Avg. Market Index	95.0	95.7	94.2	94.4	94.7	92.6	95.0

Average Market Index = relationship of pay to the established market rate.
 Invalid Level = no rating.

White female employees had the highest level of representation at the advanced, journey and contributing competency levels, and they correspondingly make up the largest percentage of the overall university workforce. All demographic groups had an average market index above 100% at the contributing level. At the advanced level, black females had the highest average market index. At the journey level, white males had the highest market index.

Competency Level by Demographic Group (University)



4. Disciplinary Actions:

In calendar year 2010, there were 3,798 disciplinary actions issued to agency and university employees. For comparison purposes, there were 3,478 disciplinary actions issued in 2009, an increase of 320 actions. The largest numbers of disciplinary actions 1,164 (30.6%) were issued to white males. White males represented 36.3% of the state's workforce. Black females received 957 (25.1%) disciplinary actions while representing 18.2% of the state's workforce.

Of all the disciplinary actions issued, 2,907 (76.5%) occurred in State agencies, and 891 (23.5%) occurred in State universities. In 2009, disciplinary actions were split similarly; 80% disciplinary actions occurred in State agencies and 20% occurred in State universities.

<u>Discipline</u>	White Males	White Females	Black Males	Black Females	Other Minority Males	Other Minority Females	TOTAL
Agency	956 33%	469 16%	666 23%	740 25%	38* 2.1%	38* 1.5%	2,907
University	208 23%	230 26%	201 23%	217 24%	19* 1.8%	16* 2.3%	891
TOTAL	1,164 30.6%	699 18.4%	867 22.8%	957 25.1%	57* 1.5%	54* 1.4%	3,798
Previous Total - 2009	1,100 31.6%	676 19.4%	764 22%	796 22.9%	76* 2.2%	66* 1.9%	3,478

* Other minority males and females include Hispanic, Asian, and American Indian employees. Specifically, these groups represent the following:

<u>Discipline</u>	Hispanic Males	Hispanic Females	Asian Males	Asian Females	American Indian Males	American Indian Females	TOTAL
Agency	18 1%	25 1%	4 0.1%	5 0.2%	16 1%	8 0.3%	76
University	11 1%	7 1%	4 0.4%	6 1%	4 0.4%	3 0.3%	35
TOTAL	29 26.1%	32 28.8%	8 7.2%	11 9.9%	20 18%	11 9.9%	111

Disciplinary Action by Type: In 2010, 3,320 (87.4%) of disciplinary actions were written warnings, an increase of 523 compared to 2009. Also, 285 (7.5%) of the actions were dismissals, an increase of 158 over 2009. There were 193 demotions and suspensions without pay. This is a decrease of 45 demotions and suspensions without pay below the number in 2009, and follows a decrease of 138 demotions and suspensions without pay in 2008.

Of the employees who were dismissed, 83 (29.1%) were black females, the highest percent of any demographic group. Black females represented 18% of the total state work force. In 2009, 131 black males were dismissed,

representing 29.6% of all dismissals. White males received the second highest percentage of dismissals, comprising 70 (24.6%) of all dismissals during 2010.

<u>Discipline By Type</u>	White Males	White Females	Black Males	Black Females	Other Minority Males	Other Minority Females	TOTAL
Warning	1,028 30.9%	606 18.2%	757 22.8%	831 25%	51 1.5%	47 1.4%	3320
Demotion	10 47.6%	4 19%	4 19%	3 14.2%	0 0%	0 0%	21
Dismissal	70 24.6%	53 18.6%	69 24.2%	83 29.1%	4 1.4%	6 2.1%	285
Suspension	56 32.5%	36 20.9%	37 21.5%	40 23.2%	2 1.1%	1 .5%	172
TOTAL	1,164 30.6%	699 18.4%	867 22.8%	957 25.1%	57 1.5%	54 1.4%	3,798

*Disciplinary actions for Other Minority Groups are detailed in the complete report.

5. Grievances:

State government employees (agency and university) filed a total of 691 grievances during calendar year 2010, (262 more grievances than in 2009). Of the 691 grievances filed in 2010, 79 (11.4%) were based on discrimination, 98 (14.1%) were based on policy violations, and 506 (73.2%) were based on disciplinary actions. The grievance types for eight grievances (1.1%) were not specified.

State agencies reported that employees filed 132 grievances during calendar year 2010, representing 19.1% of the total grievances filed. Universities reported that employees filed 559 grievances in 2010, representing 80.0% of the total grievances filed.

	White Males	White Females	Black Males	Black Females	Other Minority Males*	Other Minority Females*	Un- known	TOTAL
Agency	50 47.8%	21 15.9%	12 9%	33 25%	7 5.3%	3 2.3%	6 4.5%	132
University	118 21.1%	127 22.7%	127 22.7%	161 28.8%	14 2.5%	10 1.8%	2 0.3%	559
TOTAL	168 24.3%	148 21.4%	139 20.1%	194 28%	21 3%	13 1.9%	8 1.1%	691
Previous Total 2009	106 24.2%	96 22%	103 23.4%	121 27.6%	7 1.5%	6 1.3%	0 0%	439

Other minority males and females included the following:

	Hispanic Males	Hispanic Females	Asian Males	Asian Females	American Indian Males	American Indian Females	TOTAL
Agency	2	1	3	0	2	2	10
	20%	10%	30%	0%	20%	20%	
University	15	5	0	2	1	0	24
	62.5%	20.8%	0%	8.3%	4.2%	0%	
TOTAL	17	6	3	2	3	2	34
	50%	17.6%	8.8%	5.9%	8.8%	5.9%	

Settlements

The data in this report reflects the costs of settlements that were entered into between State agencies and universities and employees (or former employees) who filed internal grievances and/or contested cases under the State Personnel Act. The data in this report does not reflect settlements in other employment-related legal areas such as charges/lawsuits under Title VII of the 1964 Civil Rights Act, the Fair Labor Standards Act, the Americans with Disabilities Act or other State and federal statutes.

In calendar year 2010, there were a total of 45 settlements entered into by agencies and universities as a result of grievances and contested cases filed by employees and former employees. The total cost reported for the 45 settlements was \$1,448,190.81. This is an increase of \$260,642.22 over 2009.

Of the total amount, \$1,210,666.58 was reported as back pay and \$237,252.23 was reported as attorneys' fees. No agency or university reported front pay as a part of an approved settlement agreement. The average amount of back pay per settlement was \$26,904. The average amount of attorneys' fees per settlement was \$5,278.

Agencies

In calendar year 2010, State agencies entered into 41 settlements of grievances and/or contested cases filed by employees. The total cost of settlements from State agencies was \$1,313,335.29.

Universities

In calendar year 2010, State universities entered into four settlements of grievances and/or contested cases filed by employees. The total cost of settlements from State universities was \$134,856.

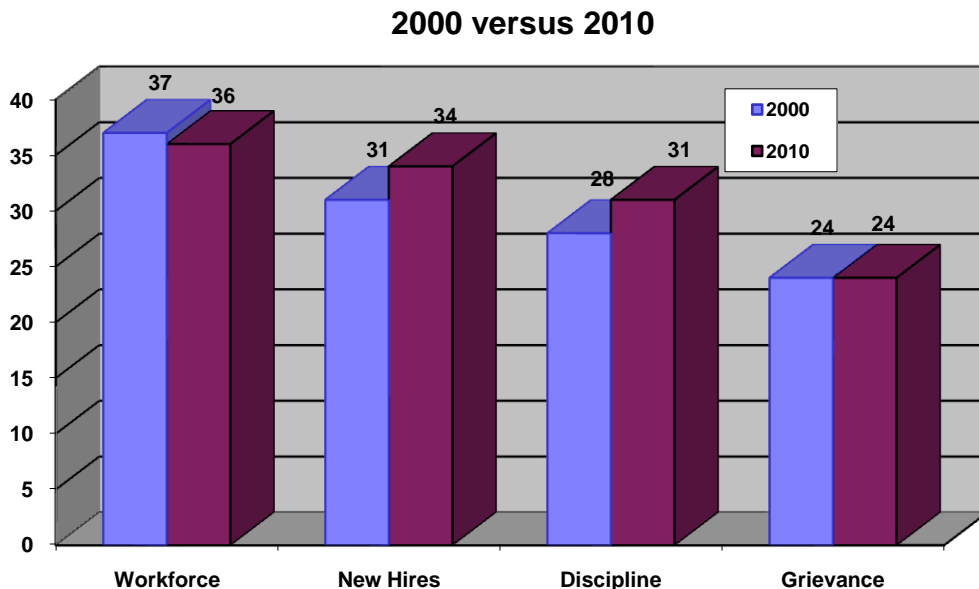
6. Equivalencies:

An equivalency is defined as any deviation from the required minimum training and experience, not including substitution of directly related education for experience, or directly related experience for education as stated on the class specification. For calendar year 2010, there were no instances that an agency or university used an equivalency.

7. Demographic Analysis:

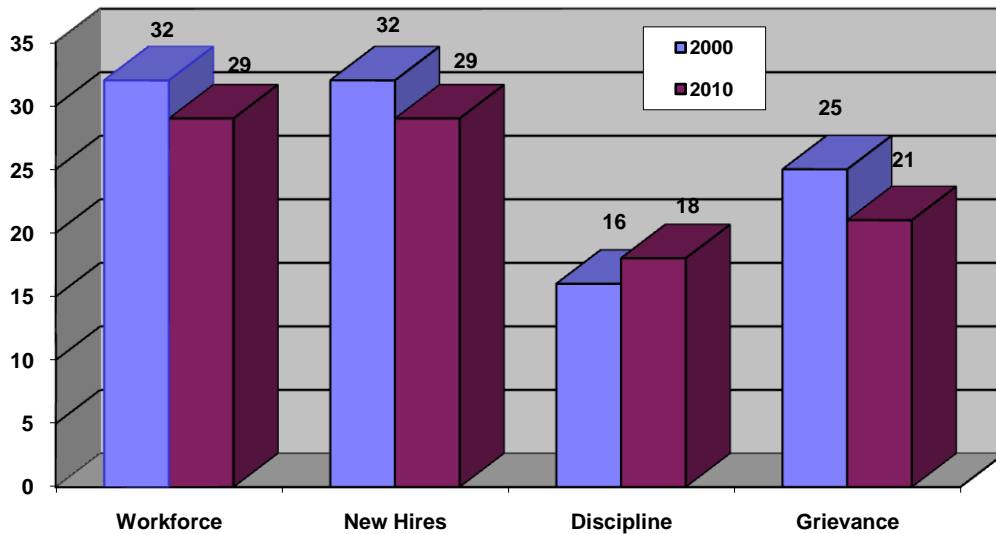
This report reviews personnel functions in several areas. This section of the executive summary charts the percentage of disciplinary actions and grievances against the overall level of workforce representation in each demographic group in 2000 and 2010. Please note that other minority males and females are not included in this analysis due to their low overall representation rates (less than 2%). Significant trends related to other minority males and females are included in each previous section of the report.

White Males – White males consisted of 31% of all disciplinary action, an increase from the year 2000, and the highest level of any demographic group. White male employees filed 24% of all grievances in 2010, the second highest rate behind black females. The overall representation level of white males decreased slightly, from 37% to 36%, while new hire activity increased during the same 10 year period.



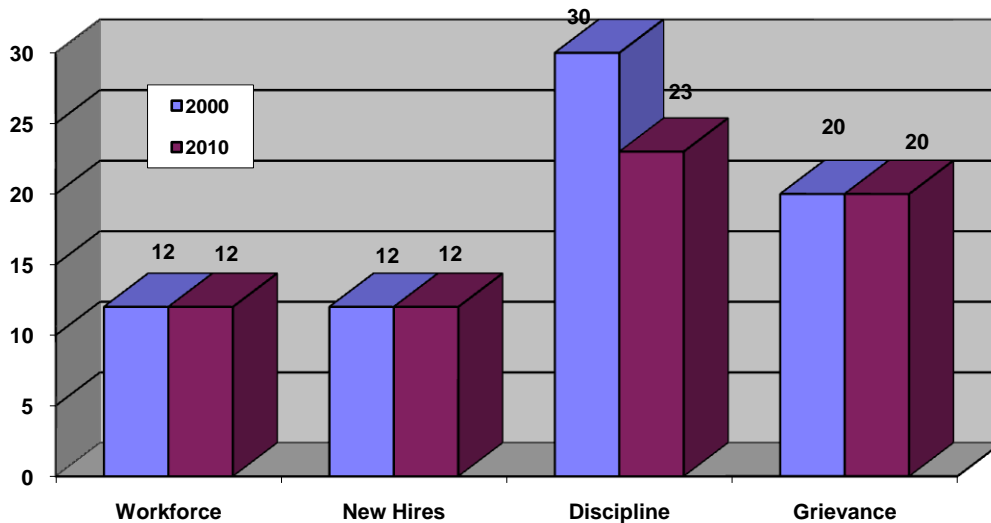
White Females – In 2010, the level of representation, new hires, and grievances for white female employees was lower than the rates in 2000. White female employees consisted of 29% of both the workforce and new hires during 2010, while filing 21% of all grievances. White female employees represented 18% of all employees receiving a disciplinary action in 2010, up slightly from the 2000 rate of 16%.

2000 versus 2010



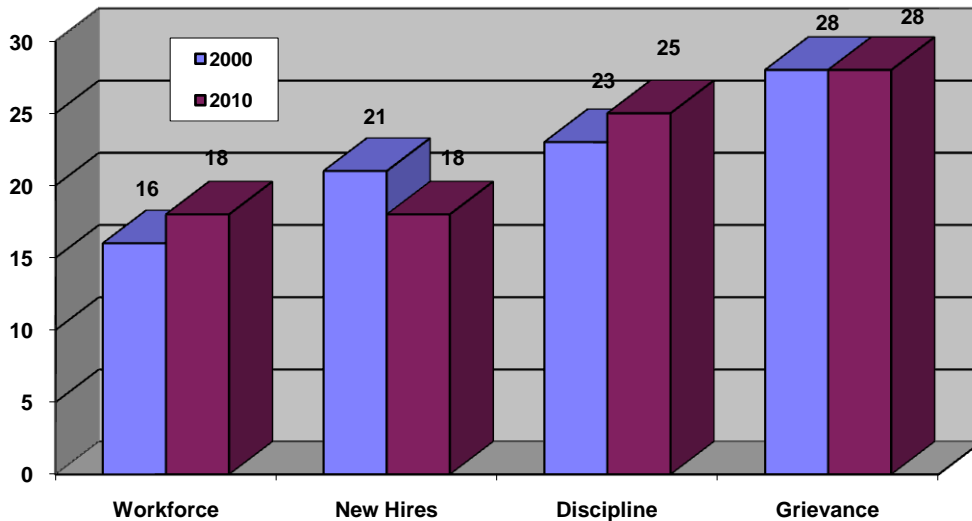
Black Males – Black male employees consisted of 12% of the representation and new hires during 2010. These levels were unchanged from 2000. Black male employees received 23% of all disciplinary actions during 2010, a reduction from 30% during 2000. Also during 2010, black male employees filed 20% of all grievances, a rate unchanged from 2000.

2000 versus 2010



Black Females – Black female employees represented 18% of the workforce representation in 2010, up slightly from 2000. They accounted for 18% of all new hires, slightly less than in 2000. Their level of discipline and grievance activity exceeded their workforce representation. In 2010, black females received 25% of all disciplinary action and filed 28% of all grievances, the highest percentage of any demographic group.

2000 versus 2010



Disciplinary Actions by Demographic Group - 2010

