

**STATE HUMAN RESOURCES COMMISSION MEETING
VIA WEBEX DUE TO COVID-19 STATE OF EMERGENCY**

MEETING MINUTES – July 14, 2022

Members Present:

Members present on the Webex for the meeting were: Commissioner Philip Strach, acting as Chair, and Commissioner Andrea Allard, Commissioner Ross Beamon, Commissioner Doug Boyette, Commissioner Courtney Cooper-Lewter, Commissioner April Page, and Commissioner Tracy Webb. Chair Commissioner Dekhasta Becton-Rozier and Commissioner John Eller had conflicts and were unavailable. Commissioner Courtney Cooper-Lewter was unavailable for a portion of the meeting due to another scheduled meeting.

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 Mazza, State Human Resources Commission Administrator, Office of State Human Resources; Nancy Astrike, Carol Battle, Felicia Bridges, Andrea Clinkscales, Lorence Crossett, Scarlett Gardner, Jill Lucas, Devon McGravey, Randy Mizelle, Caroline Peace, Armond Pittman, Stephanie Sellers, Kristin Siemek, Susan Staton, Delya Tharrington, and Vanessa Voight of the Office of State Human Resources; Sylvia Crumpler, HR Director, NC Department of Agriculture & Consumer Services; Keita Cannon, HR Director, NC Auditor's Office; Shakeyia Hazell, HR Director, NC Community College System; Karen Gerald, HR Director, NC Department of Health and Human Services; Jerry Daniels, HR Director, and Janet Devan, NC Department of Insurance; Angeline Hariston, HR Director, NC Office of Administrative Hearings; Joe Marro, HR Director, NC Secretary of State Office; Andrea Porterfield, HR Director, NC Commerce; Debra Thomas, HR Director, NC Office of the Treasurer; Kathleen Tardif, HR Director, NC Department of Environment and Natural Resources; and Hollie Thornton, HR Director, NC Wildlife.

Opening

The Commission convened its open meeting at 9:03 a.m. via Webex Teleconference.

The State Human Resources Commission (SHRC) last convened on April 14, 2022.

Pursuant to North Carolina General Statute Chapter 138A and the North Carolina Ethics Act, Acting Chair Strach 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 were no additions or corrections to the agenda for the July 14, 2022 meeting.

CONSENT AGENDA ITEMS

Approval of the Minutes for the April 14, 2022 State Human Resources Commission Meeting.

Motion: Commissioner Beamon made a motion to recommend approval of the April 14, 2022 meeting minutes.

Second: Commissioner Webb seconded the motion.

A roll call vote was held and attending members of the Commission recommended approval of the April 14, 2022 minutes.

Motion carried.

Twanetta Lytle Alston – Exceptions Granted under 25 NCAC 01A .0104 Variances

Deputy Director Twanetta Lytle Alston presented an overview of new COVID and Non-COVID exceptions granted by Director Gibson under 25 NCAC 01A .0104 since the April 14, 2022 State Human Resources Meeting.

Carolina Peace – Total Rewards/Classification and Compensation: Update on 2022 Annual Compensation & Benefits Report

Manager Carolina Peace presented the final report, which was approved by the Governor and submitted to the North Carolina General Assembly by the May 1, 2022 deadline.

Andrea Clinkscales – Total Rewards/Classification and Compensation Technical Corrections

Total Rewards/Classification and Compensation Division Director Andrea Clinkscales presented technical corrections regarding the placement of 83 classifications that were inadvertently omitted from the job placement assignment document approved at the April 14, 2022 SHRC meeting. Over the next few months, OSHR will be reviewing these jobs to see which of these are still needed.

Business Session Public Comment

Public Comment

There were no public comments.

State Human Resources Director's Report

Director Barbara Gibson greeted the Commissioners and provided a report reviewing the new budget. There was a 1% additional increase for permanent employees in addition to the 2.5% that was passed last year, which results in a 3.5% recurring rate for state employees. There was

also a 1% increased bump for retirees for a 4%, one-time bonus, not a COLA. Director Gibson compared the Budget Act to the Governor's budget proposal. She stated that while these increases are not likely to have a significant impact on the HR challenges currently experienced by agencies because of high turnover and hard to fill jobs, she expressed her gratitude for the additional funding. She then thanked her OSHR team for the work they put in on the requested increases.

Director Gibson provided a few statistics from April 2022 as support for the need for increases. They included the vacancy rate which had gone from 13.7% in 2020 up to 21.3% in 2020. In that same time period, the turnover rate increased from 12.2% to 18.1%, and 39% of employees leaving state government right now, do so before they get to the first year of employment. Additionally, the number of people that are doing the work for State government has decreased significantly, from 61,782 in 2020 to only 57,162 in April of 2022. That puts a lot of stress on the people that are here doing the continued work that has to be done. The impact of these increases on agencies and their employees, and the ability to recruit and retain top talent, is really profound and become more concerning when you factor in the retirement eligibility - eight percent of our agencies' employees are eligible to retire, with reduced benefits, right now. Within the next 5 years, that eligibility will increase to 25%. The legislature did provide 1% for the Labor Market Adjustment Fund, but did not provide separately requested funds intended to bring more than a thousand employees to the minimum of their new salary ranges. As a result, agencies will have to pull from their existing money and the 1% Labor Market Adjustment Fund to meet those minimum ranges for their employees. Director Gibson noted that the lack of requested funding increased the State's inability to compete and retain employees making it difficult to staff State government. She urged everybody to help in any way possible to support State employees.

To assist agencies with these matters, Director Gibson stated that training was being provided to HR directors and their teams on how to use the available funding for the new compensation system to include any additional resources to recruit, retain, and motivate a strong workforce. She noted that the Commission's work improving policies that better align and position agencies to offer things like the sign on bonuses and the retention bonuses are key to agencies being able to stay somewhat competitive and that OSHR would be seeking approval to fine tune these and to provide a new related incentive for agencies to use defensively and strategically for that purpose. She thanked the Commission for supporting OSHR with this option.

Director Gibson then told the SHRC about OSHR's participation in policy discussions that led Governor Cooper to create two new special leave benefits for state employees as well as enhanced protections for pregnant employees who may need to travel to states that limit access to reproductive care. First, on May 4, 2022, the Governor signed an Executive Order that encourages eligible state employees to get their Covid-19 booster shot and rewards them with a day of vacation leave. Several non-cabinet agencies have opted in to provide up to 8 hours of paid leave to employees who upload their proof of having received a booster shot by August 31, 2022. Eligible state employees have until March 31, 2022, to use this special incentive leave.

To date, 6,500 State employees have used that benefit. Second, on June 6, 2022, Governor Cooper signed an Executive Order to provide up to eight hours of paid personal observance leave to employees of cabinet agencies. Several non-cabinet agencies have also opted into this policy, which may be used by eligible employees for any single shift or calendar day of personal significance included but not limited to days of cultural or religious importance. The policy announcement allowed enough time for interested employees to request leave to observe Juneteenth or other occasions of personal significance and about 5,100 State employees already have used this benefit, including 1,730 employees who took it on June 20th when Juneteenth was observed. This leave will remain available through December 31st and will be replenished annually on January 1st. Also, just last week on July 6, 2022, Governor Cooper signed Executive Order 263, which for State employees requires that cabinet agencies cannot require a pregnant State employee to travel to a state where there are not protections for the health of the pregnant person to safeguard their health and wellbeing in the event of a medical complications that may need to prompt some treatment.

Director Gibson updated the Commission on the statewide telework program - the pilot period of that program concluded on June 30, 2022. It was scheduled to end in December 2021, then was extended by the Commission due to the ongoing impacts of the pandemic. OSHR has encouraged agencies to survey their employees for feedback as they establish agency specific plans for ongoing telework arrangements. Options for ongoing or greater flexibility may include giving up a designated office or a shared workspace or assigned parking spot to use as a first come, first serve lot. OSHR continues to work with agencies on two September 30, 2022, reporting requirements. One is on the efficiencies that can be made on building and parking space utilization requested by the General Assembly and one for OSHR as defined in the telework program.

Director Gibson shared Division accomplishments, including the return of the WalkSmart North Carolina initiative to promote pedestrian and motorist safety with an awareness event in downtown Raleigh on June 24, 2022. She thanked our agency partners, the Department of Administration, the Department of Transportation, the State Capitol Police and the State Parking Office, as well as the Traffic Unit for Raleigh Police Department for making this high visibility activity a success. The Talent Acquisition Division launched two initiatives since the SHRC last convened. In May, we debuted the North Carolina Military Spouse Transition Network, which is operated in partnership with the National Association of State Personnel Executives. The network's goal is to support State employee spouses of military members and help them access resources to keep their own public service careers on course following a redeployment. Additionally, in July the team announced that applications are being accepted for the NC Cares Program, the North Carolina career advancement resources for employees on the spectrum. This program was created in conjunction with Governor Cooper to provide extra support to State employees with Autism Spectrum Disorder who need assistance to prepare for career advance and opportunities, or with the workplace change. NC Cares Program was recognized last Thursday by Route 50, which is a national news site covering state and local government, the program's innovation in serving neuro divergent adults. On a related note, Director Gibson

noted that the Talent Acquisition Division will present another national virtual career fair for government agencies and nonprofits and we will also present our 3rd annual, all agency State of North Carolina Virtual Career Expo on September 27, 2022. The Diversity and Workforce Services team has presented six EEO Network Webinars which are also posted on the OSHR website.

In closing, Director Gibson introduced 2 new staff members on the HR team:

Chryste Hofer as Chief Information Officer joined OSHR from the City of Greensboro, where she served in a nearly 17-year tenure as Deputy Chief Information Officer. During that time, she led the municipality's digital transformation strategies to enable business partners within an organization to operate more efficiently. She also brings direct experience implementing and managing numerous human capital management systems, which is what we need here. The implementation of our fully integrated Human Capital Management System is a critical need for State government to provide timely cross functional analysis of HR data for complex enterprise decision making as well as to modernize the employee experience.

Anna Perkinson as the Assistant General Counsel started with NC OSHR in May. She was previously with the North Carolina Department of Revenue where she was the human resources and public records attorney. Prior to that position, she worked with the Department of Employment Security, and prior to that she spent a brief time with a private firm practicing social security, disability law.

That concluded Director Gibson's remarks.

Blake Thomas – Legal, Commission, & Policy: State Human Resources Commission Policy

General Counsel Blake Thomas presented the revised State Human Resources Commission Policy to the Commission. Most of the proposed revisions were minor logistical changes to reflect factual changes (like names) that have changed since the 2015. Two new additions to the policy were:

- The term "Opt In Policy" was clarified to refer to Commission policies that are optional, rather than mandatory, for non-Cabinet state agencies. Most Commission policies apply in the same way to all agencies and employees that are subject to the State HR Act. Some policies (like the Paid Parental Leave Policy) apply automatically to Cabinet agencies, but apply to non Cabinet agencies only if they choose to join the policy. Going forward, OSHR will refer to these policies that are optional for non-Cabinet agencies as "Opt-In Policies."

- Second, the term “Pilot Policy” will refer to Commission policies that are intended to be initial efforts to develop a policy on a new topic, with the expectation that the policy will return to the Commission in the future for revisions once lessons are learned.

Chair: There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of the revisions to the State Human Resources Commission Policy as presented.

Motion: Commissioner Webb made a motion to recommend approval of these revisions.

Second: Commissioner Page seconded the motion.

A roll call vote was held and attending members of the Commission recommended approval of the revisions to the State Human Resources Commission Policy as presented.

Motion carried.

Blake Thomas -- Total Rewards: Salary Administration; Personal Observance Leave Policy

On behalf of Total Rewards/Salary Administration Division Director Andrea Clinkscales, General Counsel Blake Thomas presented the new Personal Observance Leave Policy, an Opt-In Policy which is Voluntary for Non-Cabinet Agencies. This policy provides up to eight hours of fully paid leave to eligible employees for a day of personal observance. This day of personal observance includes, but is not limited to, days of cultural or religious importance. The day used for Personal Observance Leave does not have to be a day from the employee’s own religious or cultural background. This policy was adopted by Cabinet agencies on June 6, 2022 following Executive Order 262. To date, ten non-Cabinet agencies have also chosen to become participating agencies under the policy. These agencies adopted the policy under N.C.G.S. § 143B-10(j)(3), the statute empowering agency heads and the Director of OSHR to issue policies. Because this policy does not have a set end date, and because this policy has been widely adopted by non-Cabinet agencies, OSHR proposes that the policy should become a State Human Resources Commission policy.

Commissioner Allard asked if each agency would have to specify that they are participating in this officially and through Beacon a specific leave code will show up?

Thomas explained that at this time, because of the limitation of Beacon, the code is available to everybody and OSHR is working with agencies to audit that time. Starting next year, the time will be preloaded into Beacon for the agency.

Commissioner Beamon asked if his understanding was accurate that management will take the employee at their word regarding their use of the personal observance whether they actual practice that religion or cultural background?

Thomas confirmed that was accurate and directed attention to page 108 of the provided documentation. He reminded the Commission that this was not a Holiday and may be limited by the needs of the agency.

Commissioner Beamon asked why State employees didn't use existing leave like private employees.

Thomas replied that the effort was meant to help recruit employees to State government.

Commissioner Beamon noted that he understood and appreciated the feedback on his question, but wondered when enough is enough.

Chair: There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of the Personal Observance Leave Policy as presented.

Motion: Commissioner Page made a motion to recommend approval of the Personal Observance Leave Policy.

Second: Commissioner Webb seconded the motion.

A roll call vote was held and 3 of the 5 attending members of the Commission recommended approval of the revisions to the Personal Observance Leave Policy as presented.

Motion carried 3 to 2.

Andrea Clinkscales -- Total Rewards/Salary Administration: Proposed Holiday Calendars for 2024, 2025, and 2026

Total Rewards/Salary Administration Division Director Andrea Clinkscales presented the proposed Holiday dates for 2024, 2025 and 2026 for approval to the Commission.

Chair: There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of the proposed Holiday dates for 2024, 2025 and 2026 as presented.

Motion: Commissioner Beamon made a motion to recommend approval of proposed Holiday dates for 2024, 2025 and 2026.

Second: Commissioner Page seconded the motion.

A roll call vote was held and attending members of the Commission recommended approval of the proposed Holiday dates for 2024, 2025 and 2026 as presented.

Motion carried.

Kristin Siemek -- Talent Acquisition: Selection of Applicant Policy

Talent Acquisition Manager Kristin Siemek presented the revisions to the Selection of Applicants Policy. She explained that the policy guides agencies on how to screen applicants to be in the most qualified pool, when to notify applicants of their status, how to take into consideration the various hiring preferences among other things. She explained each proposed revision:

- Define timely notice under section 2, Written Notifications to Applicants. During today's challenges of finding and hiring qualified applicants, it is important to communicate with them about the status of their application to notify applicants who were not selected for hire. First, notifying candidates who are determined not to be eligible because they didn't meet the minimum education and experience or the knowledge skills and abilities at the beginning of the screening process within 5 days of that determination and, second, notifying candidates who are determined to be qualified, but are not selected for hire within 5 business days after the selected candidate starts employment. This delay is in case the hired candidate declines the offer or accept the offer and then withdraws before starting or not even show up on the first day. In those situations, there is an existing qualified pool for interviews to continue the process.
- Update the policy to clarify which parts of the application are to be verified by the employee agency under section 5, Verification of Credentials. This would include verifying dates of employment and the references, per the Applicant Reference Check Policy. If any false or misleading information is discovered in an application, action shall be taken.
- Update section 10, Special Employment, Reemployment, Consideration, Priorities, by deleting references to repealed codes and update the titles of some of the referenced policies.

Chair: There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of the revised Selection of Applicant Policy as presented.

Motion: Commissioner Page so moved.

Second: Commissioner Beamon seconded the motion.

A roll call vote was held and attending members of the Commission agreed to recommend the approval of the revised Selection of Applicant Policy as presented.

Motion carried.

Scarlette Gardner -- Safety, Health & Workers' Compensation: 25 NCAC 01C .1007 Separation Rule

Safety and Workers' Compensation Division Director Scarlette Gardner updated the Commission on the status of the rulemaking progress for 25 NCAC 01C .1007, Separation. Originally brought to the SHRC at the December 2, 2021 meeting, the SHRC recommended beginning the Rulemaking Process and the Governor approved on December 7, 2021. The proposed amendment was published in the North Carolina Register on March 1, 2022 at 36:17. No comments were received by the ending comment period on May 2, 2022. The public hearing for the amendment was held on March 17, 2022. No comments were received at that hearing. The proposed revisions amend section (a)(3) language to clarify that an employee may be separated pursuant to this rule when the employee is working with temporary or permanent work restrictions due to a work-related injury and the employee has reached maximum medical improvement and the agency is unable to accommodate the employee's permanent work restrictions related to such injury or it has been 12 months since the date of the employee's work-related injury.

There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of the revised Rule language and to submit it to the Rules Review Commission as a Permanent Rule as presented.

Motion: Commissioner Beamon so moved.

Second: Commissioner Page seconded the motion.

A roll call vote was held and attending members of the Commission agreed to recommend the approval of the revised Rule language and to submit it to the Rules Review Commission as a Permanent Rule as presented.

Motion carried.

Scarlette Gardner -- Legal, Commission, & Policy: State Employee Memorial Program Policy

Safety and Worker's Compensation Division Director Scarlette Gardner presented the revision to the State Employee Memorial Program Policy which clarifies that condolence letters are not predicated on whether the employee's death was due to a work-related cause. The revised policy allows agencies to request a letter of condolence from the Office of the Governor and the Office of State Human Resources regardless of the cause of death. Further, the Office of the Governor and OSHR have discretion to determine if they send a condolence letter to an employee who died while in state service, regardless of the cause of death. Further, it

specifically states that a letter of condolence from OSHR or the Office of the Governor is not intended to indicate the cause of death was due to a work-related cause.

There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of the revised State Employee Memorial Program Policy as presented.

Motion: Commissioner Webb so moved.

Second: Commissioner Allard seconded the motion.

A roll call vote was held and attending members of the Commission agreed to recommend the approval of the revised State Employee Memorial Program Policy as presented.

Motion carried.

Carol Battle -- Rewards: Caswell Award Policy

Due to technical difficulties, General Counsel Blake Thomas began the presentation, with Rewards Manager Carol Battle assisting in the closing of the presentation of the revisions to the Caswell Award Policy, a recognition of State employees who reach the milestone of 45 years of service. The revisions update the policy by reducing the minimum number of employees necessary to allow agencies to recognize their employees who have met 45 years of service. OSHR would still give guidance for the smaller ceremonies and provide each with a framed Caswell Award to present to their employee/s honoring their milestone of 45 years of State service. Additional revisions serve to clarify that elected officials who are tracked through Beacon are recognized with a Caswell Award and included in the process by OSHR. Elected officials, General Assembly employees and University employees are recognized by their own organization with guidance provided by OSHR.

There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of the revised Caswell Award Policy as presented.

Motion: Commissioner Beamon so moved.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission agreed to recommend the approval of the revised Caswell Award Policy as presented.

Motion carried.

Blake Thomas -- Rewards: Governor's Award Policy

General Counsel Blake Thomas presented the revisions to the Governor's Award for Excellence Policy, which is about the award that is the highest honor that a State employee may receive for noteworthy service to State government and the people of North Carolina. It was designed to acknowledge and express appreciation to State employees for their outstanding accomplishments that do not fall entirely within the scope of normal duties. The revisions clarify that time-limited employees are eligible, but contractors are not eligible and that temporary employees are not eligible under the existing policy. Under the revised policy, temporary employees are eligible if (and only if) they are part of a team that also includes permanent or time-limited employees. The enclosed changes would also shorten text about eligibility of executive staff, so that the text is not misunderstood as suggesting that the award is primarily intended for executive staff.

There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of the revised Governor's Award for Excellence Policy as presented.

Motion: Commissioner Webb so moved.

Second: Commissioner Page seconded the motion.

A roll call vote was held and attending members of the Commission agreed to recommend the approval of the revised Governor's Award for Excellence Policy as presented.

Motion carried.

Andrea Clinkscales --Total Rewards/Salary Administration: Sign-On & Retention Bonus Policy

Total Rewards/Salary Administration Division Director Andrea Clinkscales presented the revisions to the Sign-On & Retention Bonus Policy. First presented at the April 14, 2022 meeting, additional changes were incorporated to add text providing that when a bonus is paid in installments, no more than two-thirds of the total bonus may be paid in the first installment, clarify text about repayment. clarify that bonuses are not mandatory and not a condition of employment, and add details to reporting.

Commissioner Allard asked, in reference to repayment on page 11 of the documentation on this agenda item, if it was written for employees leaving State government and not employees going to another State agency?

Clinkscales agreed that it was written from the perspective that the employees is terminating employment with the State and does need to be edited to address employees transferring to other State employment.

As a result of the need for this clarification, this matter was tabled pending resolution of that issue.

Anna Perkinson -- Legal, Commission, & Policy: Personnel Records Policy

Assistant General Counsel Anna Perkinson presented revisions to the Personnel Records Policy which were motivated by a questionnaire developed by the U.S. Department of Labor, Form CC-305, which allows employees to voluntarily self-identify themselves as having a disability. The proposed changes to the Personnel Records Policy would make clear that any agency asking for a voluntary self-identification of disability must keep the information in a “data analysis” file that is not part of the personnel file or medical record of the employee. This treatment for Form CC-305 data is required for federal contractors under 41 C.F.R. § 60-741.42.

There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of the revised Personnel Records Policy as presented.

Motion: Commissioner Beamon so moved.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission agreed to recommend the approval of the revised Personnel Records Policy as presented.

Motion carried.

Adjournment

There being no further discussion or questions, the Acting Chair called for a motion to adjourn.

Motion: Commissioner Page so moved.

Second: Commissioner Webb seconded the motion.

A roll call vote was held and all attending members of the Commission agreed to adjourn the July 14, 2022 SHRC meeting.

Motion carried.

The Commission adjourned at 10:13 a.m.

Executive Session

The State Human Resources Commission did not have an executive session at its July 14, 2022 meeting.

Minutes submitted by:

Denise H. Mazza,
State Human Resources Commission Administrator