



**STATE OF NORTH CAROLINA
OFFICE OF STATE PERSONNEL
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**BEVERLY EAVES PERDUE
GOVERNOR**

**LINDA D. COLEMAN
STATE PERSONNEL DIRECTOR**

MEMORANDUM

TO: Directors, Local Departments of Public Health
Directors, Local Departments of Social Services
Directors, Area Mental Health Authorities (LMEs)

FROM: Keita Cannon, SPHR, CPM
Local Government Program Manager

DATE: March 13, 2012

SUBJECT: Senate Bill 781 - Regulatory Reform Act of 2011

In its 2011-2012 Session, the North Carolina General Assembly ratified Senate Bill 781 which made numerous changes to §150B – the Administrative Procedures Act. Some of these changes affected the Contested Case procedures administered through the North Carolina Office of Administrative Hearings which have had an effect on Local entities subject to §126 – the State Personnel Act. The most significant of these changes are:

1. Contested Cases filed with the North Carolina Office of Administrative Hearings *on or after January 1, 2012* will have the Administrative Law Judge issuing the Final Decision or Order. This change removes the North Carolina State Personnel Commission from the Contested Case proceedings
2. Contested Cases filed with the North Carolina Office of Administrative Hearings *prior to January 1, 2012* will have the Administrative Law Judge issuing the Recommended Decision and the North Carolina State Personnel Commission will issue the Recommended or Final Decision or Order
3. All decisions rendered by the Administrative Law Judge *on or after January 1, 2012* are now *final* and no decisions to the Local Appointing Authority shall be advisory

4. In appeals filed *prior to January 1, 2012* (except those involving discrimination or where a binding decision is required by applicable federal standards) the decision of the North Carolina State Personnel Commission shall still be *advisory* to the Local Appointing Authority

We are currently in the process of updating Title 25 SubChapter 01I of the North Carolina Administrative Code to reflect these changes. As we work to complete this endeavor and get the revised rules adopted, you should ensure that you are familiar with these changes and understand how it affects your agency should there come a time you must participate in a Contested Case.

Should you have any questions, you may contact me at your convenience.