

MINUTES

**STATE PERSONNEL COMMISSION MEETING
STATE PERSONNEL DEVELOPMENT CENTER
101 WEST PEACE STREET
RALEIGH, NORTH CAROLINA**

April 21, 2011

The State Personnel Commission (SPC) met on April 21, 2011. Due to the absence of Chairman Alvin G. Ragland, Commissioner Susan Bailey acted as Chair. Acting Chair Susan Bailey called the meeting to order. Members present were Acting Chair Susan Bailey, Commissioner George I. Allison, Commissioner Axel Lluch, Commissioner Virgie DeVane-Hayes, Commissioner Thomas Stern and Commissioner Lisa Grafstein. Pursuant to North Carolina General Statutes §138A, the North Carolina Ethics Act, Acting Chair Bailey asked all Commissioners if there were any conflicts of interest with respect to any matters coming before the Commission.

Next on the agenda was the oral argument component of the docket. The following case was scheduled and heard for oral argument:

1. Frederick Gooch, John Long and Patricia Swann v. Central Regional Hospital, North Carolina Department of Health and Human Services

Attorney for the Petitioners

Ms. Elizabeth Haddix

Attorneys for the Respondent

Ms. Charlene Richardson

Ms. Susannah Cox

Commissioner Lisa Grafstein recused herself from the deliberations and voting in this contested case.

Status of the Following Oral Argument Case

1. Phyllis Whitaker v. North Carolina State Board of Elections - Continued until the June 16, 2011 State Personnel Commission Meeting

Next on the agenda was the business session. Acting Chair Bailey asked if anyone signed up for the Public Hearing. No one signed up for the Public Hearing.

The first item on the business agenda was the approval of the February 17, 2011 State Personnel Commission meeting. There being no corrections, the minutes were approved as circulated. [See Attachment]

State Personnel Director's Report

The next item on the agenda was the State Personnel Director's Report.

State Personnel Director Linda D. Coleman gave a brief report on the following matters: the NC Thinks Program (employee suggestion savings of \$44,000.00); reduction-in-force, and legislative matters. Commissioner Allison asked which legislative bill proposed to eliminate reduction in force priority. Director Coleman explained that Senate Bill 391 proposed to eliminate reduction in force priority rights. Commissioner Grafstein asked Director Coleman if she could give some background as to the tracking of related legislation. Director Coleman stated that Mr. Carl Dean of the Office of State Personnel was the governmental legislative liaison who tracks all legislative bills. Commissioner Allison asked if the Commission could meet with Mr. Dean regarding legislative matters. Director Coleman stated that that would be arranged.

Acting Chair Bailey asked if there were any more questions or comments. There being no further questions or comments, the Commission proceeded with the next item on the agenda.

Ms. Pam Bowling, Human Resources Managing Partner, presented to the Commission, for consideration and approval, state classification and pay actions. Ms. Bowling stated that the Office of State Personnel and the Department of Health and Human Services (DHHS) conducted an evaluation of Health Care Technicians and Youth Program Assistants in DHHS. Ms. Bowling stated that the first proposed action was to redefine the health care technician classification series. There were three levels and there were no changes in grades. The proposed action was a redefinition of the concepts which were a result of the changes in the work that was performed. In addition, there were temporary classifications for the youth program education assistants who worked at the youth facilities at DHHS. It was proposed that the temporary classifications be set up as permanent classifications. The second classification items related to the Wildlife/Fisheries Biologist I to establish a trainee progression. The trainee progression was proposed so that individuals graduating from college could be hired into entry level positions without having to meet an experience requirement. Ms. Bowling asked the Commission to approve the results of the Health Care Technician classification study and the establishment of the Wildlife/Fisheries Biologist Trainee progression effective June 1. **[See Attachment]**

Acting Chair Bailey asked if the Commission had any questions. Acting Chair Bailey asked for a motion to approve the classification actions regarding the Health Care Technician classification study and the establishment of the Wildlife/Fisheries Biologist Trainee progression. Commissioner Stern made a motion to approve the state classification and pay actions. Commissioner Lluch seconded the motion. The motion was made and carried.

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Next Ms. Bowling presented to the Commission, a report that related to large projects being prepared in the Classification and Compensation Division of the Office of State Personnel. This relates to reviewing and potentially changing a number of the education and experience requirements for all of the state classifications. Ms. Bowling stated that this was the first group of classifications that were being presented to the Commission for their information. Ms. Bowling stated that in the future she would bring additional groups of the project to the Commission.

Acting Chair Bailey asked Ms. Bowling if these classes included the classifications that were already banded as well as those that were not. Ms. Bowling explained that they were purely looking at the grade classifications. Ms. Bowling stated however, this was an excellent question because they were looking at graded classifications that relate to the banded classifications to make sure there is consistency between education and experience of the two groups.

Acting Chair Bailey asked if there were any questions. Director Coleman commented that over the past several months it was discovered that there were college graduates who were not eligible for entry into some of the classes. Director Coleman stated that the Office of State Personnel is working with classes like that to make sure that these graduates can qualify at entry level and not have to have the experience.

Ms. Lynn Floyd, Human Resources Partner, presented to the Commission, for consideration and approval, revised Merit Based Recruitment and Selection Plans for the following agencies and universities: North Carolina Department of Commerce, East Carolina University, and the University of North Carolina at Charlotte. Ms. Floyd explained that each plan had been revised to reflect current leadership, reinforce the statutory change to Veterans Preference Priority, and streamline/update terminology. In addition, the plans from East Carolina University and University of North Carolina at Charlotte reflected the utilization of an automated application system. Ms. Floyd also stated that the staff of the Office of State Personnel reviewed the revised plans and recommended that the Commission grant approval of the above-mentioned plans with an effective date of May 1. **[See Attachment]**

Acting Chair Bailey asked if there were any questions. There being no questions, Acting Chair Bailey asked for a motion to approve the revised Merit Based Recruitment and Selection Plans. Commissioner Hayes made a motion to approve the revised plans. Commissioner Grafstein seconded the motion. The Commission voted. The motion was made and carried.

Ms. Floyd gave a follow-up report to questions from the State Personnel Commission from its meeting of February 17, 2011. Ms. Floyd stated that in 2009 approximately 1200 employees were notified of reduction in force, 646 of those employees had reduction in force priority. During that time there were 108 visits to the reduction in force transition center. Seven workshops were scheduled with a total of 29 participants attending those workshops. There were

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88,000 visits to the Office of State Personnel/reduction in force website (approximately six months). In 2010 there were 598 employees notified of reduction in force, 509 of those employees had reduction in force priority. There were 252 visits to the reduction in force transition center. There were 99,400 hits made to the Office of State Personnel/reduction in force website. As of April 15, 2011, 122 employees were notified of reduction in force, 110 of those employees have reduction in force priority. There have been 80 visits to the reduction in force transition center. There have been 43,000 visits thus far to the Office of State Personnel/reduction in force website. Commissioner Stern asked if there was a distinction between being notified that you may be reduced in force and in actually losing your job. Ms. Floyd stated that the notation was made when the agencies notified the Office of State Personnel that they had hired an employee that had been reduced in force. Ms. Floyd explained that the statistics that she gave to the Commission were just regarding notification.

Next, Ms. Nellie Riley, Human Resources Managing Partner, presented to the Commission for consideration and approval the Senate Bill 886 Report (2010). Ms. Riley gave a brief summary of the Senate Bill 886 Report. Ms. Riley explained that this Report, which was prepared in response to Senate Bill 886 (ratified on August 27, 1997) lets the legislature know about certain personnel functions with regards to representation, compensation, disciplinary actions, grievances, equivalencies, etc. Next, Ms. Riley gave highlights of the Report. Ms. Riley asked that the Commission approve the Senate Bill 886 Report to be forwarded to the Joint Legislative Commission on Governmental Operations. **[See Attachment]**

Acting Chair Bailey asked if there were any questions. There being no questions, Acting Chair Bailey asked for a motion to approve the Senate Bill 886 Report. Commissioner Allison made a motion to approve the Report. Commissioner Lluich seconded the motion. The Commission voted. The motion was made and carried.

Next Mr. Lynn Summers, Human Resources Partner, presented to the Commission for consideration and approval the Annual Performance Management Report (Cycle 22-2010). Mr. Summers explained that the Office of State Personnel is required to report annually on the administration of the state's performance management system. North Carolina General Statutes §126-7 requires each agency and university to have a performance management system that ensures that employees have clear performance expectations and receive feedback on their performance. Mr. Summers gave a brief summary of the report which included suggestions for improving the performance management system. Mr. Summers asked if the Commission had any questions. **[See Attachment]**

Commissioner Allison asked what efforts were being made in order to address the disproportionate impact of black males in the ratings. Mr. Summers stated that from all of the analytical research that had been done, there was not a clear underlying cause. Mr. Summers stated that without a better understanding of what the cause was, the Office of State Personnel would be ill advised to launch any type of initiatives to address the issue. Mr. Summers further

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stated that the Office of State Personnel should continue to attempt to figure out why there was a difference. Mr. Summers stated that a few things have been ruled out. Mr. Summers said that it was not that the supervisors were rating people unfairly. Commissioner Grafstein stated that Mr. Summers had mentioned that there was an internal policy whereas, from previous reports in the past, that if it met a pattern for three years then essentially no action was taken. Commissioner Grafstein asked if that policy could be revisited. Commissioner Grafstein also stated that it appeared that rating could be above and then just below the line for a few years and this could go on forever without analysis. Commissioner Grafstein stated that if there was no clear underlying cause for the issue that Commissioner Allison raised then the Office of State Personnel may never find the cause if there was a three-year waiting period. Mr. Summers stated that the three-year waiting period was a precedent that was set by the earlier authors of the annual performance management report. Commissioner Grafstein stated that it seems that some action needed to be taken and there should be some way to identify individual situations of bias or other ways to get at the root/causes that Mr. Summers may not be equipped to generate at the present time.

Director Coleman responded by thanking the Commissioners for their concerns. Director Coleman also stated that she felt that this did need to be revisited and that the Office of State Personnel would review this and bring back their recommendations for addressing this along with the comment regarding self-selection into different types of work where opportunities are for hire.

Commissioner Stern asked how you could reconcile the idea of considering alternative approaches for funding the compensation system and looking at rewarding exemplary performance with the cultural issue discussed. Mr. Summers stated that by having a statewide policy this would begin to reduce the differences due to local culture. If there is a common performance management approach across the board, hopefully those vast differences would be reduced.

Director Coleman stated that she has asked Mr. Summers to look at another type of instrument to be used that would be results-only based rather than task-oriented based. Director Coleman stated that she had requested that the legislature grant the Office of State Personnel the opportunity to have at least one percent of an agency's payroll to go towards bonus which would not be a recurring figure. It would simply be a one-time bonus. This would at least recognize the high performing workers. There is no reward there for people who go above and beyond their work. Director Coleman stated that she didn't know if we could sustain a high performance workforce without some type of reward. Director Coleman also stated that the Office of State Personnel would also like to administer this program.

Mr. Lars Nance indicated that he would like to see a report with comparisons of comparable positions or grades. Mr. Summers asked the Commission to adopt the Report.

Acting Chair Bailey asked for a motion to approve the Annual Performance Management Report. Commissioner Allison made a motion to approve the Report. Commissioner Lluch seconded the motion. The Commission voted. The motion was made and carried.

Next, Mr. Summers presented to the Commission for consideration and approval, an amendment to the Performance Management Policy of the Department of Health and Human Services. Secretary Lanier Cansler made a commitment to evolve the Department of Health and Human Services into a performance based organization. Due to Secretary Cansler's commitment to performance management, he asked that his human resources staff prepare a performance management process to help support and drive the evolution. The major changes from the current policy were that they are making an explicit focus on results versus activities, replacing behavioral dimensions with values, streamlining the work plan, and changing to a three-point scale. Mr. Summers stated that the policy had been reviewed and that he recommended that the Commission approve the amendment. **[See Attachment]**

Acting Chair Bailey asked if there were any questions. There being no questions, Acting Chair Bailey asked for a motion to approve the policy amendment to the Performance Management Policy for the Department of Health and Human Services. Commissioner Grafstein made a motion to approve the policy amendment. Commissioner Allison seconded the motion. The Commission voted. The motion was made and carried.

The Commission adjourned and went into Executive Session to consider the oral argument cases and cases in which the parties waived oral argument.

Executive Session

1. **Cynthia W. Cole v. North Carolina Agricultural and Technical State University**
2. **Forrest Travis Coston v. University of North Carolina - Charlotte**
3. **Vera Wonsley v. Forsyth County Department of Social Services**