

STATE HUMAN RESOURCES COMMISSION MEETING

Thursday, September 18, 2025 – Business Session – 9:00 A.M. – 11:00 A.M.

Via Webex, with an In-Person Option at 333 Fayetteville St., Raleigh

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AGENDA

- | | |
|---|---|
| I. SWEARING-IN OF NEW COMMISSIONERS | Senior Resident Superior Court Judge Paul Ridgeway |
| II. CALL TO ORDER AND ETHICS STATEMENT | Chair |
| III. APPROVAL/ADJUSTMENTS TO AGENDA | Chair |
| IV. CONSENT AGENDA | |
| 1. Approval of Minutes for July 17, 2025 SHRC Meeting | Chair |
| <u>Commission Action Requested:</u> Motion to approve minutes for the July 17, 2025 meeting. | |
| 2. Welcome to New Commissioners
(Information Only) | Staci Meyer |
| 3. State Human Resources Director’s Report
(Information Only) | Staci Meyer |
| 4. Workday Preview
(Information Only) | Tammy Penny |
| 5. Exceptions Granted under 25 NCAC 01A .0104 | Anna Perkinson |
| Exceptions granted from the July 17, 2025 SHRC meeting through September 10, 2025
(Information Only) | |

NOTE: This agenda is not final; therefore, the order of the agenda items is subject to change. If you have a special need that justifies a particular scheduling request, please notify the State Human Resources Commission Administrator as soon as possible; however, it may not be possible to accommodate all special requests.

V. BUSINESS SESSION

A. Public Comments

B. Talent Acquisition: Recruitment & Posting of Vacancies Policy

Anna Perkinson

Purpose of the Policy: State government shall meet its workforce needs through systematic recruitment, selection, and career support programs that identify, attract, and select from the most qualified applicants for State employment, and encourage diverse representation at all occupational levels of the workforce. This policy applies to those employees and positions that are subject to the legal requirements to post vacancies and openly recruit employees in Chapter 126 of the General Statutes.

Source of Authority: [N.C.G.S. § 126-14.3](#); also compliant with N.C.G.S. §§ [96-29](#); [126-5\(b\),\(c\)](#), and [\(c7\)](#); [126-7.1](#); [126-14.2](#); [126-15](#); and [126-18](#).

Relevant Administrative Rules: [25 NCAC 01H .0630](#)

Summary of Changes Proposed:

In Section 4, entitled “Vacancy Announcement”:

- In the text regarding the job posting, changed “vacancy-specific qualifications” to “vacancy-specific preferences.” This matches N.C.G.S. § 126-14.2(b), as revised by Session Law 2025-34.

In Section 8.2, entitled “Hiring a Candidate from the Most Qualified Pool of a Previous Posting”:

- Added several new procedures that fill in details for this new expedited hiring process. Specifically:
- Added a 24 month limit to condition 1. This means that the agency may look back to people who applied and were selected in the Most Qualified pool for positions posted up to 24 months before the person is hired using this process.
- Added a new condition that requires the agency to have documentation, at the time the agency uses this exception, to support that they meet the conditions stated in the statute.
- Clarified that if reference checks have not been previously conducted or documentation of the prior reference checks are not available, a reference check must be conducted.

Finally, updated the phrase “continuous posting” to read “evergreen posting,” the new terminology in the Workday IT system.

Commission Action Requested: Motion to approve revisions as presented.

C. Talent Acquisition: Applicant Reference Checks Policy Anna Perkinson

Purpose of the Policy: Prior to extending an offer of employment it is required that reference check(s) be completed on the selected candidate. The candidate's signed application authorizes the State to request information pertinent to the candidate's work experience, education, and training.

Source of Authority: [N.C.G.S. § 126-4\(4\)](#), [N.C.G.S. § 126-14.3\(1\)](#); compliant with [N.C.G.S. § 126-30\(b\)](#)

Relevant Administrative Rules: 25 NCAC 01H .0637

Summary of Changes Proposed: In Section 5, added a cross reference to the Recruitment and Posting of Vacancies policy for reference checks when hiring a candidate from the most qualified pool of a previous posting.

Commission Action Requested: Motion to approve revisions as presented.

D. Talent Acquisition: Repeal of 25 NCAC 01H .0631 Blake Thomas

Purpose of the Rule: This rule stated some of the procedures for posting vacant positions, as well as the situations where posting is not required. The content of this rule is covered by the Recruitment & Posting of Vacancies Policy.

Source of Authority: [N.C.G.S. § 126-4\(4\)](#)

Summary of Changes Proposed: OSHR recommends that this rule be repealed for the following reasons.

- Some portions of this rule are inconsistent with the changes in law made by [Session Law 2025-34](#). Specifically:
 - Subparagraphs .0631(d)(1) and (2) discuss “vacancy-specific qualifications as determined by the agency.” This is now inconsistent with Session Law 2025-34.
 - Subparagraph .0631(d)(3) states that critical classifications (also known as continuous postings or evergreen postings) are to be approved by the State Human Resources Commission. This is now inconsistent with Session Law 2025-34, which gives this approval authority to the employing agency or institution going forward.
- The remaining text of the rule is unnecessary. Paragraphs (a), (b), (c), and (e) of the rule are covered by the Recruitment and Posting of Vacancies Policy. Paragraph (f) refers to a process that no longer exists – OSHR having to approve hiring decisions before they take place.
- Repealing Rule .0631 would leave in place the substantive requirements that applicants be selected based on their minimum qualifications. This is because the Recruitment & Posting of Vacancies Policy cover the same ground, and [Section 11 of Session Law 2025-34](#) provides a rulemaking exception that clearly allows requirements of this type to be stated in policy rather than in rule.

Commission Action Requested: Motion to begin the public notice-and-comment process for a repeal of Rule 01H .0631.

E. Talent Acquisition: Form I-9 and Employment

Anna Perkinson

Eligibility Verification Policy

Purpose of the Policy: The federal Immigration Reform and Control Act (IRCA) amended the Immigration and Nationality Act by making it unlawful to hire, recruit or refer for a fee any individual who is not authorized to accept employment in the United States. This law seeks to preserve jobs for those who are legally eligible for them, and states that the employer must hire only United States citizens or aliens who are authorized to work in the United States. Additionally, all North Carolina State agencies, departments, institutions, community colleges, and local education agencies shall verify, in accordance with the E-Verify Program, each individual's legal status or authorization to work in the United States, after hiring the individual to work in the United States.

Source of Authority: [N.C.G.S. § 126-4\(2\), \(4\), \(5\), and \(10\)](#); compliant with [8 U.S.C. § 1324a](#) and [N.C.G.S. § 126-7.1\(i\)](#).

Relevant Administrative Rules: [25 NCAC 01H .0636](#)

Summary of Changes Proposed: Updated this policy in two main ways.

- First, the revised policy reflects the I-9 and E Verify process that will be built into the State's new Workday IT system, effective October 8, 2025.
- Second, the revised policy reflects the fact that executive branch agencies will be operating for employees hired in the Workday system on or after October 8, 2025, under a single Memorandum of Understanding (MOU) with the federal government for E-Verify, instead of multiple agency MOUs.

See the summary sheet for a detailed log of changes made to the policy.

Commission Action Requested: Motion to approve revisions as presented.

F. Talent Acquisition: Personnel Records Policy

Blake Thomas

Purpose of the Policy: The policy provides guidance to state agencies and universities on maintaining and disclosing personnel records in compliance with Article 7 of Chapter 126 of the North Carolina General Statutes. The policy defines "personnel records," identifies which records are open to public inspection and which records are to be maintained as confidential, provides guidance about safekeeping of records, and describes the penalties for releasing confidential information. In addition, the policy includes how employees can object to material in the personnel file.

Source of Authority: [N.C.G.S. § 126-4\(5\),\(10\)](#); compliant with [N.C.G.S. §§ 126-22 to 126-29](#)

Summary of Changes Proposed: Added a new subsection, entitled "Use of Personnel File Information by Human Resources Staff," that expressly states that Human Resources staff may have access to personnel file information where that access is part of the staff member's job duties. As stated in the second paragraph of the new section, this includes access to personnel file information by OSHR, the Office of State Controller, and staff assigned to the recruiter role in the State's Workday IT system. Also added a "Source of Authority" section.

Commission Action Requested: Motion to approve revisions as presented.

G. Business Operations: Temporary Employment Policy Joe Gilroy

Purpose of the Policy: The Temporary Solutions Program of OSHR provides other state agencies with recruitment, placement, onboarding, timekeeping, and payroll services for temporary employees. The Temporary Employment Policy explains how Temporary Solutions placements function, as well as establishing policies that generally apply to temporary employees in state government.

Source of Authority: N.C.G.S. §§ [126-4\(19\)](#), [126-6.3](#)

Summary of Changes Proposed: Updated policy to reflect changes in law, more clearly describe Temporary Solutions operations, and discuss proper classification of temporary employees compared to independent contractors. Details follow.

- Removed former Section 2, on the use of short-term IT staffing through DIT, since this material is better covered in DIT procedures. IT staffing is subject to an exception from the Temporary Solutions statute. (See [N.C.G.S. § 126-6.3\(a\)](#), first sentence.)
- Added a new Section 2, entitled “Opportunities to Transition to a Permanent Role,” that highlights the opportunity for streamlined temp-to-perm hiring created by new [N.C.G.S. § 126-6.4](#). This new statute became law on July 1, 2025, as part of Session Law 2025-34.
- Added a new Section 3, entitled “Determining Employee vs. Independent Contractor” that provides a brief summary of the IRS three-factor test for whether someone is an employee or an independent contractor.
- Added a new Section 4, entitled “When a Temporary is Considered to be Employed.” The counting procedure is important for the 11-month limit established in N.C.G.S. § 126-6.3.
- Added a new Section 5, entitled “Methods of Employing Temporaries,” which expands and clarifies the discussion in the previous policy about covered agencies.
- Updated and streamlined Section 6, on responsibilities.
- Moved the text about temporary employees’ ineligibility for benefits from the former Section 3, entitled “Covered Employees,” to a new Section 7, entitled “Temporary Employees Ineligible for Benefits.”
- In the text renumbered as Section 8, expanded and clarified the text on the mandatory separation requirement. This requirement applies to temporary employees who work longer than 11 consecutive months without an exception.
- Removed the section entitled “External Temporary Staffing Vendors,” since the requirements stated in that section appear in the exception letter issued by OSHR under [N.C.G.S. § 126-6.3\(a3\)\(1\)](#).
- Updated the sources of authority section to list [N.C.G.S. § 126-4\(19\)](#).

Commission Action Requested: Motion to approve revisions as presented.

H. University SHRA Employee Grievance Policy

Chris Chiron

Purpose of the Policy: Provide due process and grievance rights to University employees subject to Article 8 of the NC Human Resources Act.

Relevant Statutes: N.C.G.S. § [126-1.1](#); § [126-4\(17\)](#); [G.S. § 126-25](#); [G.S. § 126-34.02](#); [G.S. § 126-34.2](#); [G.S. § 126-35](#)

Relevant Rules: [25 NCAC 01J .0600](#); [25 NCAC 01J .1300](#)

Summary of Changes Proposed:

- Section IV.A. and IV.D.: Clarifies language that grievable issues that do not go through the formal internal grievance process can be addressed through the Informal Discussion process or other alternative dispute resolution process designated by the institution.
- Section IV.A. and IV.B.: Removes references in IV.A. to National Guard preference from issues not eligible for the formal internal grievance process and moves those references to IV.B. for issues that are eligible for the formal internal grievance process. This is to align with statutory changes to provide this coverage for National Guard preference.
- Throughout: Updates references to EEO/Affirmative Action.

Commission Action Requested: Motion to approve revisions as presented.

I. University Adverse Weather and Emergency Event Policy

Chris Chiron

Purpose of the Policy: To establish procedures for workforce management and continued operations during inclement weather and other emergency events and to define compensation options available to employees during these periods.

Relevant Statutes and Rules: [N.C.G.S. § 126-4\(5\),\(10\)](#)

Summary of Changes Proposed:

- Section IX: Clarifies references to “annual leave” to be inclusive of vacation leave and personal leave to address comparable leave programs for employees both subject to and exempt from the NC Human Resources Act.
- Section IX: Adds clarifying information regarding the expectations regarding teleworking capabilities of employees during adverse weather and emergency events, consistent with similar language in the OSHR Teleworking Program Policy.
- Section IX: Corrects language to note that anyone on a pre-approved leave that is concurrent with an adverse weather or emergency event, regardless of the Condition Level stated for the event, must use the previously approved leave for the absence.
- Section X: Updates the amount of time that mandatory employees have to use adverse weather equal time off from 12 months to 18 months. This is to align with a similar provision in agency policy.

Commission Action Requested: Motion to approve revisions as presented.

J. Total Rewards/Classification and Compensation: **Andrea Clinkscales**
Update to the State’s General (NC) and Medical-Health (MH) Pay Plans

Purpose of the Pay Plans: Establish the range of pay for employees subject to the North Carolina Human Resources Act. In the state’s system, each classification is associated with a salary range.

Source of Authority: [N.C.G.S. § 126-4\(1\)](#)

Summary of Changes Proposed: Revising certain salary grades so that they are in compliance with [S.L. 2018-5, Section 35.14\(b\)](#) (“The State Human Resources Commission shall increase the minimum of all salary ranges in any compensation plan it maintains to at least thirty-one thousand two hundred dollars (\$31,200) annually.”)

Commission Action Requested: Motion to approve revisions to salary grades as presented.

K. Total Rewards/Time & Leave **Andrea Clinkscales**
Changes to Incentive Leave Administrative Code ([25 NCAC 01E .1801 to .1809](#))

Relevant Statutes: [N.C.G.S. § 126-4\(5\)](#)

Summary of Changes Proposed: Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, but place significant restrictions that are not found in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than a sign-on bonus. Therefore, OSHR recommends amending the incentive leave rules to eliminate the restrictions that are not also found in the Sign-On and Retention Bonus Policy. See the summary sheet for further details.

Commission Action Requested: Motion to recommend submitting this rule to the Rules Review Commission for adoption as a permanent Rule as presented.

L. Total Rewards/Time & Leave: **Andrea Clinkscales**
Changes to Compensatory Time Administrative Code ([25 NCAC 01E .1006](#))

Relevant Statutes: [N.C.G.S. § 126-4\(5\)](#)

Summary of Changes Proposed: Today, Rule 01E .1006 prevents compensatory time balances from being carried from one agency to another when employees transfer. This can be a disincentive to employees advancing in their careers by moving between agencies; employees may not want to lose the compensatory time balance. OSHR recommends amending the rule to give agency heads the flexibility to accept compensatory time from another agency when an employee transfers. See the summary sheet for further details.

Commission Action Requested: Motion to recommend submitting this rule to the Rules Review Commission for adoption as a permanent Rule as presented.

M. State and Local Government Services:

Nancy Astrike

**Voluntary Separation Incentive Program Policy
(proposed renaming and revision of Reorganization
Through Reduction Policy)**

Purpose of the Policy: The Reorganization through Reduction (RTR) program is a voluntary employee separation program which enables an agency to restructure or reorganize to gain financial and/or skill set efficiencies and increase effectiveness. This allows the agency to retain the vacated position to repurpose to meet the agency's business needs, objectives, and goals.

Source of Authority: [N.C.G.S. §§ 126-7.1\(j\)](#) and [126-4\(7a\)](#)

Summary of Changes Proposed: These changes update the policy as follows.

- Change the name of the policy to “Voluntary Separation Incentive Program.”
- Section 2: Clarify employee eligibility.
- Section 3: Add a Computation of Separation Payment section.
- Section 3: Add a discretionary incentive bonus not to exceed 10% of the employee salary or \$10,000, whichever is greater.
- Section 3: Increase the SHP employer equivalent payment to \$8,500 with language to allow for automatic updates.
- Section 5: Require universities to submit approved RTR Plans to OSHR within 5 calendar days.
- Section 6: Reduce the prohibition on employee return to work from 12 months to 4 months.

Commission Action Requested: Motion to approve revisions as presented.

**N. Total Rewards: Repeal of Personnel Training Rules
(25 NCAC 01K)**

Blake Thomas

Purpose of the Rules: These rules cover some of the employee learning and development policies, programs, and practices. The rules proposed for repeal are either unnecessary, outdated, or covered by the Academic Assistance Policy and Employee Learning and Development Policy.

Proposed Action: Repeal the following rules in 25 NCAC Subchapter 01K:

- 25 NCAC 01K .0210 and .0212, on OSHR's Learning and Development team objectives and facilities.
- 25 NCAC 01K .0300 (.0311 - .0324), Academic Assistance.
- 25 NCAC 01K .0400 (.0401 - .0404), Use of non-state government education and training sources.
- 25 NCAC 01K .0500 (.0501 - .0502), Apprenticeship training.
- 25 NCAC 01K .0600 (.0612 - .0613), Interim performance management and FY 1989-90 performance pay funds.

Summary of Reasons for Repeal:

[N.C. Session Law 2025-34](#), SB 124, An Act to Reduce Barriers to State Employment and to Modernize the State Human Resources System, became law on July 1, 2025. The bill amends General Statute § 150B-2(8a) to change the definition of “Rule” in the Administrative Procedures Act to exclude: “Job classification standards, job qualifications, and salaries and policies established for State and local government positions under the jurisdiction of the State Human

Resources Commission, so long as those standards, qualifications, salaries, and policies directly affect only applicants for employment, current employees, or the resolution of matters related to past employment.”

This change is intended to allow OSHR to more quickly modernize the personnel systems for state and local employees who are subject to the State Human Resources Act by not requiring rules for matters impacting these employee groups. Consequently, OSHR is reviewing all existing rules to determine if the rule is necessary or still relevant or if existing policy already exists. In the case of the rules listed above, they are all either covered by an existing policy or are outdated and no longer necessary.

Source of Authority: [N.C.G.S. § 126-4\(10\),\(15\).](#)

Commission Action Requested: Motion to begin the public notice-and-comment process for repeal of certain rules in 25 NCAC Subchapter 01K, as presented.

IV. Adjournment

STATE HUMAN RESOURCES COMMISSION MEETING

VIA WEBEX

MEETING MINUTES – July 17, 2025

Members Present:

Members present on the Webex for the meeting were: Commissioner Andrea Allard, Acting Chair, Commissioner Ross Beamon, Commissioner Doug Boyette, Commissioner Timothy Buckland; Commissioner April Page, Commissioner Tye Vaught, and Commissioner Tracy Webb.

Other Attendees:

Attendees present from the Office of State Human Resources (OSHR): Staci Meyer, Director; Tammy Penny, Special Advisor; Kristen Bierline, Chief Deputy; Amar Majmundar, Policy Director; Blake Thomas, General Counsel; Anna Perkinson, Assistant General Counsel; Special Counsel Melody Hairston; Wesley Davis, Legislative Liaison; Denise H. Mazza, State Human Resources Commission Administrator; Nancy Astrike, Amy Bowman, Felicia Bridges, Kyle Brynes, Lorence Crossett, Dominick D’Erasmus, Helen Dicken, Brittany Evans, Linda Forsberg, Creshaye Graham, James Harris, Jennifer Harrison, Bailey Hodgin, LaSondra Irving, Irshad Patel, Randy Mizelle, Susan Reeves, Kristin Siemek, Mike Suggs, and Delya Tharrington. From other agencies and the public: Donnell Adams, HR Director, Department of Administration; Pam Hess, HR Director, Bancroft Neufville, and Cashaunda Holman, Department of Agriculture and Consumer Services; Keita Cannon, HR Director, Office of the State Auditor; Kelly Gamble, Mel Stoss, and Linette Holloman, Department of Commerce; Magnolia Lugo, HR Director, Community Colleges; Barbara Williams, HR Director, Department of Health and Human Services; Jerry Daniels, HR Director, Department of Insurance; Renathe Cotton, HR Director, Department of Labor; Janet Blount, HR Director, Department of Public Instruction; Davita Morant, HR Director, Patricia Guzman, Denise John, Jennifer Christeson, and Becki Johnson, Department of Public Safety; Diane Mccann, HR Director, Department of Revenue; Beth Travis, HR Director, State Bureau of Investigation; Patricia Garcia, HR Director, and Julie Ventaloro, State Budget and Management; Tonya Fields, Department of Public Safety; Shannon Bryant, Wildlife Resources Commission.

Opening

The Commission convened its open meeting pursuant to N.C.G.S. § 126-2(h) at 9:02 a.m. via Webex Teleconference.

The State Human Resources Commission (SHRC) last convened on May 15, 2025. Pursuant to North Carolina General Statute Chapter 138A and the North Carolina Ethics Act, Acting Chair Allard asked all attending 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 17, 2025 meeting.

CONSENT AGENDA

Minutes

The Chair presented the draft minutes for the April 17 and May 15, 2025 State Human Resources Commission meetings. There being no further discussion or questions, the Chair called for a motion to recommend approval of these minutes.

Motion: Commissioner Webb made a motion to recommend approval of the draft minutes for the April 17 and May 15, 2025 SHRC meetings.

Second: Commissioner Beamon seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the draft minutes for the April 17 and May 15, 2025 SHRC meetings.

Motion carried.

Director's Report

Director Staci Meyer greeted the commissioners and thanked them for their continued assistance and partnership. She then shared some of OSHR recent accomplishments and highlights regarding some of OSHR stakeholder relations. They included Governor Stein signing of Senate Bill 124 on July 1, 2025, into Session law 2025-34. This marked the first step in transforming the State Human Resources System, making it modern and simple through collaboration with various stakeholders, the General Assembly, and the Governor's office on legislation to decrease barriers to entry for state employment by reducing the number of jobs that require a college degree, allowing a resume or online profile to be used in all state job applications, expanding the temporary to permanent hiring to all agencies, and making hiring, pay and classification more flexible. This legislative milestone helps streamline the state's overall hiring process. Meyer stated we must transform the State Human Resources System, and this legislation makes that easier, faster and better. The focus is on improving the state's overall HR practices, with the goal of reducing or 20% state wide statewide vacancy rate and the time that it takes to hire and on elevating public service and reaching talent in engaging new ways as we work to attract and keep the best and the brightest we need to improve our HR system.

Meyer's then mentioned the recent announcement of OSHR's partnership with LinkedIn learning to enhance professional development for state employees. This collaboration underscores the continued focus on modernizing the HR system across North Carolina. She shared that a recent Deloitte Survey showed that generation Z and millennials rank learning and development as one of the top three reasons for choosing an employer and expanding professional development offerings is a key way to attract and retain a highly qualified and

committed state workforce. Partnering with a world class technology company like LinkedIn helps advance the overall transformation of the state's HR system.

Meyers reminded the SHRC that OSHR continues to work with Workday with an eye towards the future. Continued work with various stakeholders to prepare and communicate the benefits of our transition to workday this fall, implementing Phase One of the Workday integration will help streamline the HR system and make it easier, faster and better to get hired from systems integration testing to innovative-to-innovative communication. She stated she was proud of her teams work and commitment to launching Workday this October, and excited by the positive impact that this transition will have on our overall talent management.

Meyer stating that these accomplishments advance the transformation, but the vision can't be done alone. It requires the collaboration of many and the SHRC is vital to continued success. SHRC's input will influence the ability to make impactful change for North Carolinians as OSHR looks forward to working together as it considers further changes to the State Human Resources Act in alignment with the Governor's continued commitment to supporting the recovery of western North Carolina and promoting career opportunities across the region.

Meyer closed by thanking the SHRC for assisting OSHR and stating she is grateful for its input and assistance.

Legislative Update

Legislative Director Wesley Davis, presented legislative updates related to key provisions of Session Law 2025-34 and other related changes to Chapter 126. He reviewed changes to sections 1 to 12 which included the following:

- Codification of Governor Cooper's Executive Order 278, which directs the SHRC to regularly assess jobs that require a college degree and update class specifications to allow for experience instead of education.
- Streamlining the application process and allowing resumes or online profiles to be uploaded in the state job application.
- Defining essential qualifications as minimum education and experience, limiting the number of knowledge, skills and abilities or KSAs to 5 per job posting, and requiring any additional qualifications, including KSAs, at management preference.
- Continuous postings without OSHRs approval.
- Codification of agency flexibility in hiring, pay and classification.
- Allowing agencies to hire applicants from job postings that apply to all vacancies in a particular classification across all agencies.
- Authorizing temporary employees to be hired permanently if they meet certain conditions.
- Allowing agencies to immediately hire one of the most qualified candidates from a previous posting when certain conditions are met.
- Requiring OSHR to recommend an improved process for performance management to the SHRC 15, 2026.

Minutes of the July 17, 2025 State Human Resources Commission Meeting

- Requiring OSHR to report to the General Assembly on recommended changes to the Human Resources Act by March 15, 2026.

OSHR's next steps with this process, updating policies to ensure compliance with Session Law 2025-34, began at this July 17, 2025 SHRC meeting with the recommended changes to Chapter 126 and the performance management system by engaging with human resources directors and other key stakeholders to ensure a thoughtful and successful rewrite an implementation throughout this process. OSHR will be updating training to reflect new policies and processes and continue to keep the SHRC informed on our progress.

Davis highlighted one other notable piece of legislation, House Bill 171 prohibition on DEI. This legislation prohibits state agencies from promoting, implementing or maintaining Diversity Equity and Inclusion - this includes hiring dedicated staff positions and training. The Governor vetoed this bill and, as of the date of this meeting, it remains to be seen if the General Assembly will override it.

Davies closed by sharing some miscellaneous changes related to Chapter 126. They included exempting the Ferry Division from using Temporary Solutions in peak season, clarifying that the North Carolina Symphony employees are exempt from certain classification and compensation related rules established by the Commission, and creating the North Carolina Investment Authority - a new agency within the department of the state treasurer – and thanking the commissioners for all their hard work and support on behalf of the State.

Exceptions Granted Since May 15, 2025 SHRC Meeting

Assistant General Counsel Anna Perkinson presented an overview of the exceptions and variances granted under 25 NCAC 01A .0104 since the May 15, 2025 SHRC Meeting. See Exceptions presented in the SHRC May 15, 2025 agenda material for details.

Perkinson closed by thanking the SHRC for the opportunity to present.

Business Session

Public Comments

There were no public comments at the July 17, 2025 State Human Resources Commission meeting.

State and Local Government Services: Permanent Rulemaking Process for 25 NCAC 01I .2103, "Salary Rate"

State and Local Government Services Manager Dominick D'Erasmus presented an update on the permanent rulemaking process for 25 NCAC 01I .2103 Salary Rate. This code allows local government clients the same flexibility as state agencies with trainee salaries when needed. After reminding the SHRC that it had previously approved making this rule permanent and beginning the permanent rulemaking process, he stated that the Rule had been published and

a public hearing had been held for public comment, and reported no comments were received at either. He closed by requesting final approval to submit this Rule to the Rules Review Commission to review and make permanent, and offered to answer any questions.

There being no further discussion or questions, the Acting Chair called for a motion to recommend approval of submitting 25 NCAC 01I .2103 Salary Rate to the Rules Review Commission as a permanent Rule as presented.

Motion: Commissioner Vaught made a motion to recommend approval of submitting 25 NCAC 01I .2103 Salary Rate Rule to Rules Review Commission as a permanent Rule as presented.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of submitting 25 NCAC 01I .2103 Salary Rate Rule to the Rules Review Commission as a permanent Rule as presented.

Motion carried.

Proposed change to 2025 Meeting Schedule

Special Advisor Tammy Penny presented a request to move the October 16, 2025, SHRC meeting to September 18, 2025 to accommodate any revisions that need to be made to state policies as a result of the new Workday Human Capital Management System for employee recruitment and onboarding. The implementation of Phase One beginning in October includes recruiting, onboarding, off boarding and job descriptions. Many of the system functionalities allow OSHR to effectively and efficiently approve recruitment and implement the recent statute changes, as well as finalize the system testing and developing training curriculum through August for delivery in September. This additional time will ensure OSHR has the opportunity to evaluate any policy provisions that may enhance the requirements and processes based on these changes. Especially important, Workday will provide functionality to efficiently support new pieces of authority in Session Law 2025-34 to directly hire a candidate from a prior most qualified pool and provide a business process to manage reference checks, allowing tracking of this process and timeliness to avoid any delays in the process. Penny closed by offering to answer any questions.

There being no further discussion or questions, the Chair called for a motion to recommend approval of moving the October 16, 2025 SHC meeting to September 18, 2025 to accommodate any revisions that need to be made to state policies as a result of the new Workday Human Capital Management System.

Motion: Commissioner Webb made a motion to recommend approval of moving the October 16, 2025 SHC meeting to September 18, 2025 to accommodate any revisions that need to be made to state policies as a result of the new Workday Human Capital Management System.

Second: Commissioner Beamon seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of moving the October 16, 2025 SHC meeting to September 18, 2025 to accommodate any revisions that need to be made to state policies as a result of the new Workday Human Capital Management System.

Motion carried.

Total Rewards/Classification and Compensation:3 New and 1 Revised Classification Specifications

State HR Consultant Jennifer Harrison, presented three new class specifications and one revision to an existing class specification within the Agricultural, Environmental and Scientific job family to the consolidated agricultural program management job series that negatively impact recruitment, equity and position management. The Department of Agricultural and Consumer Services requested a change to the agency specific Agricultural Program Manager III specification. The current Agricultural Program Manager III classification represents three distinct roles - farmland preservation program managers, agronomy managers and plant pest program managers. Each of these roles has different responsibilities, requires different knowledge skills and abilities and has distinct education and experience requirements. The intention is to create unique job specifications for these roles to eliminate the negative impact they have on recruitment and salary administration. For this reason, two new jobs were created and one revised job from the current Agricultural Program Manager III specification. The primary functions, knowledge, skills and abilities, and education experience for each of these roles, as they were described in the combined class specification, remain consistent with only minor edits made for clarity.

Within the Human Services job family, the Department of Health and Human Services requested a new classification of Peer Support Specialist to provide support to clients served in the substance use recovery process within the Division of Mental Health, Developmental Disability and Substance Abuse Services. The role allows for ongoing support, ranging from pre admission assistance to post admission continuity of services, including advocacy and non-clinical assistance. Harrison closed by offering to answer any question.

There being no further discussion or questions, the Chair called for a motion to recommend approval of the three new and one revised class specs as presented.

Motion: Commissioner Beamon made a motion to recommend approval of the three new and one revised class specs as presented.

Second: Commissioner Buckland seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the three new and one revised class specs as presented.

Motion carried.

Talent Acquisition: Recruitment & Posting of Vacancies Policy

State Talent Acquisition Manager Kristen Siemek presented revisions to the Recruitment & Posting of Vacancies Policy. This policy guides how the state posts, recruits, and screens for candidates. She presented the detailed revisions enumerated on the cover summary sheet provided to the commissioners to be consistent with the changes made to the North Carolina Human Resources Act by Session Law 2025-34. See July 17, 2025 Summary Sheet for Recruitment & Posting of Vacancies Policy. Siemek closed by offering to answer any questions.

There being no further discussion or questions, the Chair called for a motion to recommend approval of the proposed revisions to the Recruitment and Posting of Vacancies Policy as presented.

Motion: Commissioner Vaught made a motion to recommend approval of the proposed revisions to the Recruitment and Posting of Vacancies Policy as presented.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the proposed revisions to the Recruitment and Posting of Vacancies Policy as presented.

Motion carried.

Talent Acquisition: Selection of Applicants Policy

State Talent Acquisition Manager Kristen Siemek then presented revisions to the Selection of Applicants Policy to include the concept added in Session Law 2025-34 that the minimum qualifications for a position are the education and experience that are stated in the class specification, and any additional qualifications, knowledge, skills, or abilities added in the vacancy announcement are solely management preferences, and adding throughout the policy guidance about how this Policy applies (and does not apply) to positions that are exempt from the North Carolina Human Resources Act. Siemek closed by offering to answer any questions.

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

Motion: Commissioner Beamon made a motion to recommend approval of the proposed revisions to the Selection of Applicant Policy as presented.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the proposed revisions to the Selection of Applicant Policy as presented.

Motion carried.

Talent Acquisition: Repeal of 25 NCAC 01H .0635

General Counsel Blake Thomas presented the request to repeal 25 NCAC 01H .0635 as some portions of this rule are inconsistent with the changes in law made by Session Law 2025-34 or are unnecessary because they are covered by subsections (b) and (d) of the Recruitment and Posting of Vacancies Policy. See Summary Sheet for 25 NCAC 01H .0635 for details. He closed by offering to answer any questions.

There being no further discussion or questions, the Chair called for a motion to recommend approval of repeal of 25 NCAC 01H .0635 as presented by beginning the permanent rulemaking process.

Motion: Commissioner Buckland made a motion to recommend approval of repeal of 25 NCAC 01H .0635 as presented by beginning the permanent rulemaking process.

Second: Commissioner Webb seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of repeal of 25 NCAC 01H .0635 as presented by beginning the permanent rulemaking process.

Motion carried.

Legal Division: Repeal of Rules for 25 NCAC 01O

General Counsel Blake Thomas presented a request to repeal 25 NCAC 01O pursuant to Section 8 of Session Law 2025-34 that provides that the current Administrative Code rules on performance management be repealed. See July 17, 2025 Summary Sheet for 25 NCAC 01O for details. Thomas closed by offering to answer any questions.

There being no further discussion or questions, the Chair called for a motion to recommend approval of repeal of 25 NCAC 01O as presented by beginning the permanent rulemaking process.

Motion: Commissioner Beamon made a motion to recommend approval of repeal of 25 NCAC 01O as presented by beginning the permanent rulemaking process.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of repeal of 25 NCAC 01O as presented by beginning the permanent rulemaking process.

Motion carried.

Total Rewards/Salary Administration: Pay Administration Policy

Total Rewards Andrea Clinkscales presented recommended revisions to the Pay Administration Policy based on the recent legislative action by the North Carolina General Assembly to revise text about flexibility authorizations, since N.C.G.S. § 126-3.1(b)(3) now provides agencies with permanent authority to classify or reclassify positions according to the HR Commission's classification system (provided that the employee meets the minimum requirements for the classification), and N.C.G.S. § 126-3.1(b)(4) now provides agencies with permanent authority to establish employee salaries within the salary ranges determined by the HR Commission. N.C.G.S. § 126-3.1 became law on July 1, 2025 as part of Session Law 2025-34. The same authority was previously provided on a non-permanent basis in the 2023 Appropriations Act. Because the authority is now permanent, it makes sense to remove the text about delegation and flexibility authorizations in the Pay Administration Policy. Clinkscales closed by offering to answer any questions.

There being no further discussion or questions, the Chair called for a motion to recommend approval of revisions to the Pay Administration Policy as presented.

Motion: Commissioner Beamon made a motion to recommend approval of revisions to the Pay Administration Policy as presented.

Second: Commissioner Webb seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of revisions to the Pay Administration Policy as presented.

Motion carried.

Total Rewards/Salary Administration: Paid Parental Leave Policy

Total Rewards Andrea Clinkscales presented revisions to update the Paid Parental Leave Policy. See July 17, 2025 Summary Sheet for Paid Parental Leave Policy for details. Clinkscales closed by offering to answer any questions.

There being no further discussion or questions, the Chair called for a motion to recommend approval of revisions to the Paid Parental Leave Policy as presented.

Motion: Commissioner Vaught made a motion to recommend approval of revisions to the Paid Parental Leave Policy as presented.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of revisions to the Paid Parental Leave Policy as presented.

Motion carried.

Periodic Reviews for 25 NCAC Subchapters 01F, 01H, 01I, and 01J

General Counsel Blake Thomas presented the initial determinations for 25 NCAC 01F, 01H, 01I and 01J pursuant to the Periodic Review Process. OSHR was notified by OAH on April 1, 2025, that the periodic report for 25 NCAC 01F is scheduled for review by the RRC at the April 2026 meeting. The filing deadline for the final determinations is March 20, 2026. OSHR was also notified by OAH on June 2, 2025, that the periodic reports for 25 NCAC 01H, 01I, and 01J are scheduled for review by the RRC at the June 2026 meeting. The filing deadline for the final determinations is May 20, 2026. Following this step, the next step will be to post those initial determinations on the OSHR and OAH websites for public comment for sixty (60) days. Thomas closed by offering to answer any questions.

There being no further discussion or questions, the Chair called for a motion to recommend approval of the initial determinations for 25 NCAC 01F, 01H, 01I and 01J, as presented, as to whether the listed rules are necessary or unnecessary, and to post that determination for public comment.

Motion: Commissioner Webb made a motion to recommend approval of the initial determinations for 25 NCAC 01F, 01H, 01I and 01J, as presented, as to whether the listed rules are necessary or unnecessary, and to post that determination for public comment.

Second: Commissioner Buckland seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the initial determinations for 25 NCAC 01F, 01H, 01I and 01J, as presented, as to whether the listed rules are necessary or unnecessary, and to post that determination for public comment.

Motion carried.

Periodic Reviews for 25 NCAC Subchapters 01D, 01E, 01K, 01L, 01M and 01N

General Counsel Blake Thomas requested the SHRC recommend approval of the determinations as presented as to whether 25 NCAC 01D, 01E, 01K, 01L, 01M and 01N are necessary or unnecessary, and recommend filing of these determinations with the Rules Review Commission for review on the dates assigned.

At the December 12, 2024 SHRC meeting, OSHR presented its initial determinations whether the rules in subchapters 01D, 01E, 01K, 01L, 01M, and 01N were necessary or unnecessary. The Commission and Governor approved these initial determinations. The initial

determinations for all these rules were posted on the OSHR and OAH websites on March 20, 2025 with public comments to be received beginning March 25, 2025 through May 24, 2025. No comments were received.

Following this step, the next step will be to present these determinations to the Rules Review Commission. OSHR was notified by OAH on September 30, 2024, that the periodic report for 25 NCAC 01D is scheduled for review by the RRC at the October 2025 meeting. The filing deadline for the meeting is September 22, 2025. OSHR was also notified by OAH on November 1, 2024, that the periodic reports for 25 NCAC 01E, 01K, 01L, 01M and 01N are scheduled for review by the RRC at the November 2025 meeting. The filing deadline for that m There being no further discussion or questions, the Chair called for a motion to recommend approval of the fiscal note and beginning the permanent rulemaking process for the rule as presented.

Motion: Commissioner Beamon made a motion to recommend approval of the determinations as presented as to whether 25 NCAC 01D, 01E, 01K, 01L, 01M and 01N are necessary or unnecessary, and recommend filing of these determinations with the Rules Review Commission for review on the dates assigned.

Second: Commissioner Page seconded the motion.

A roll call vote was held and all attending members of the Commission recommended approval of the determinations as presented as to whether 25 NCAC 01D, 01E, 01K, 01L, 01M and 01N are necessary or unnecessary, and recommend filing of these determinations with the Rules Review Commission for review on the dates assigned.

Motion carried.

Adjournment

There being no further discussion or questions, the 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 17, 2025 SHRC Meeting.

Motion carried.

The Commission adjourned at 10:21 a.m.

Minutes of the July 17, 2025 State Human Resources Commission Meeting

Executive Session

The State Human Resources Commission did not have an executive session at its July 17, 2025 SHRC meeting.

Minutes submitted by:
Denise H. Mazza,
State Human Resources Commission Administrator

DRAFT

State Human Resources Commission
Report/Policy Summary
(September 18, 2025)

Title of Policy/Report/Rule: Recruitment and Posting of Vacancies Policy

Purpose of the Policy: State government shall meet its workforce needs through systematic recruitment, selection, and career support programs that identify, attract, and select from the most qualified applicants for State employment, and encourage diverse representation at all occupational levels of the workforce.

Period Covered (if applicable): Effective October 8, 2025.

Summary of Proposed Policy/Report/Rule and Revision(s):

In Section 4, entitled “Vacancy Announcement”:

- In the text regarding the job posting, changed “vacancy-specific qualifications” to “vacancy-specific preferences.” This matches [N.C.G.S. § 126-14.2\(b\)](#), as revised by Session Law 2025-34, which provides that the “essential qualifications” for a position are “the minimum education and experience set forth in the class specification of the vacancy being filled,” and that any “additional qualifications ... listed in the specific vacancy announcement shall be interpreted as management preferences rather than as mandatory minimum qualifications that must be met.”

In Section 8.2, entitled “Hiring a Candidate from the Most Qualified Pool of a Previous Posting”:

- Added several new procedures that fill in details for this new expedited hiring process. (Authority for Prior Most Qualified Pool hiring was provided in [N.C.G.S. § 126-14.3B](#), added by Session Law 2025-34 effective July 1, 2025. OSHR brought these procedural steps to the September SHRC meeting, rather than the July SHRC meeting, in order to have time to receive agency feedback.) Specifically:
 - Added a 24 month limit to condition 1. This means that the agency may look back to people who applied and were selected in the Most Qualified pool for positions posted up to 24 months before the person is hired using this process.
 - Added a new condition that requires the agency to have documentation, at the time the agency uses this exception, to support that they meet the conditions stated in the statute.
 - Clarified that if reference checks have not been previously conducted or documentation of the prior reference checks are not available, a reference check must be conducted.

Finally, updated the phrase “continuous posting” to read “evergreen posting,” the new terminology in the Workday IT system.

Commission Action Requested: Motion to approve revisions as presented.

Source of Authority: [N.C.G.S. § 126-14.3](#); also compliant with N.C.G.S. §§ [96-29](#); [126-5\(b\),\(c\)](#), and [\(c7\)](#); [126-7.1](#); [126-14.2](#); [126-15](#); and [126-18](#).

Relevant Administrative Rules: [25 NCAC 01H .0630](#)

Submitted/Presented by: Anna Perkinson

[Draft](#)Effective: ~~July 17, 2025~~ [October 8, 2025](#)

Recruitment and Posting of Vacancies Policy

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§ 1. Policy

State Government shall meet its workforce needs through systematic recruitment, selection, and career support programs that identify, attract, and select from the most qualified applicants for State employment, and encourage diverse representation at all occupational levels of the workforce. No selection decision shall be made that will constitute unlawful discrimination in violation of State and Federal law.

This policy applies to those employees and positions that are subject to the legal requirements to post vacancies and openly recruit employees in Chapter 126 of the General Statutes. This policy does not apply to temporary employees, employees of the legislative and judicial branches, employees of the public school and community college systems, or other employees who are exempt from these portions of the Human Resources Act.

§ 2. Recruitment and Selection

Each agency shall use a recruitment and selection process based on fair and valid selection criteria. Agencies shall be responsible for maintaining recruitment and selection data and documentation to support decisions and provide information to the Office of State Human Resources to prepare reports required by statute.

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Recruitment and Posting of Vacancies Policy (cont.)

The Office of State Human Resources shall provide training and support to the agencies in the recruitment and selection process.

§ 3. Exempt Positions

While most positions are filled through systematic recruitment, it is recognized that some positions in State government are exempt from various provisions of the Human Resources Act because of the relationship between the position and the responsibility of elected or appointed officials expected to implement the public policy of the State. While these positions are exempt from various provisions of the Human Resources Act, they are subject to the following requirements:

1. Exempt positions, including exempt managerial positions, that are subject to the limitation on political hirings (N.C.G.S. § 126-14.2) or the open and fair recruitment requirements (N.C.G.S. § 126-14.3) of Chapter 126 must follow the posting, recruitment, and selection requirements of this policy.
2. If an individual applies for an exempt position, written notification that a position is exempt shall be given to the individual at the time the individual makes application for the exempt position. Written notification that the position is exempt may be contained in the vacancy announcement if the position is posted as exempt, or in a letter that either acknowledges acceptance of an application for an exempt position or contains an offer of employment for an exempt position or a notification that the position is exempt.
3. In addition, written notification that a position is exempt shall be given to an employee placed in an exempt position not less than 10 working days prior to the employee's first day in the exempt position.
4. If an employee occupies a subject position that is subsequently designated as exempt, the agency shall provide written notification to the employee that the position has been designated exempt. The exemption shall apply to the employee 10 working days after receiving written notification.

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Recruitment and Posting of Vacancies Policy (cont.)

§ 4. Vacancy Announcement

Vacant positions to be filled in State government shall be publicized by the agency having the vacancy to permit open and fair competition for all interested employees and applicants. See Section 8 of this policy for exceptions to the posting requirements in this section. The recruitment and selection process shall be consistently applied, nondiscriminatory, promote open and fair competition, and promote the hiring of a diverse workforce.

Each vacancy will be described in an announcement which includes at minimum:

1. For graded classes: the position number, classification title, salary grade and recruitment range, essential functions, minimum education and experience, and, if applicable, any vacancy-specific ~~qualifications~~preferences, including knowledge, skills, and abilities, as determined by the agency in accordance with 25 NCAC 01H .0635(c), the application period, and the appropriate contact information.
2. For banded classes: the position number, banded class title, banded class salary range or recruitment range corresponding to the competencies and duties, salary grade equivalency, essential functions, competencies, minimum education and experience, vacancy-specific ~~qualifications~~preferences as determined by the agency in accordance with 25 NCAC 01H .0635(c), the application period, and the appropriate contact information.
3. For all vacancy listings: a closing date shall be given unless the classification has been determined as critical (which allows ~~a continuous~~an evergreen posting). Factors used in determining critical classifications shall include: agency turnover; number of positions in class; geographic location; scarcity of skills; safety, health or quality of care for clients. Such critical classifications shall be approved by the employing agency, department, office, board, commission, system, or institution¹. On those classes determined to be critical, which are considered open, ~~continuous~~evergreen postings, agencies shall determine how long applications shall be considered active.

¹ Unless the employing agency, department, office, board, commission, system, or institution determines otherwise, exceptions for critical classifications remain in effect if they were previously granted by the State Human Resources Commission or the Office of State Human Resources.

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Recruitment and Posting of Vacancies Policy (cont.)

§ 5. Minimum Qualifications

The employee or applicant must possess at least the education and experience that are in the class specification to be minimally qualified. The minimum education and experience qualifications on the vacancy announcement shall reflect the education and experience that are in the class specification and shall not be altered. This requirement shall apply in new appointments, promotions, demotions or reassignments, transfers, redeployments, and reinstatements. Please refer to Section 4.3 of the [Pay Administration Policy](#) for information related to Trainees and Trainee Progressions.

Qualifications necessary to perform successfully may be attained in a variety of combinations. Reasonable substitutions of formal education and job-related experience, one for the other, may be made. The Office of State Human Resources shall make the final determination as to whether the employee or applicant meets the minimum qualifications in questionable selection situations.

§ 6. Management Preferences

Agency management is responsible for determining the vacancy-specific knowledge, skills and abilities/competencies that are in addition to minimum education and experience requirements. The knowledge, skills, and abilities/competencies in the vacancy announcement shall bear a direct and logical relationship to the knowledge, skills, and abilities in the class specification and the specific position description. Approval of the agency head or designee is required for any vacancy announcement that includes more than five desired knowledge, skills, or abilities.

Hiring Managers cannot add a management preference for a degree or license or additional years of experience when the classification is one that allows substitution of experience for education to meet the minimum qualifications, except through the approval process described below. This includes:

- A preference for a specific academic degree or major that is not in the minimum education and experience in the class specification.
- Additional education above what is in the minimum education and experience in the class specification.
- A preference for a degree over related experience.

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Recruitment and Posting of Vacancies Policy (cont.)

This does not prevent management from adding a preference that a candidate possess a certification that is job related.

If management believes a vacancy requires education or license beyond the minimum, such a preference may only be included with approval from the Agency Human Resources Director or designee. Such vacancy-specific qualifications shall bear a logical and job-related relationship to the minimum requirements.

§ 7. Posting Period

Each permanent position to be filled shall be posted for not less than five business days. Temporary positions and positions for State government interns are not required to be posted. Classifications approved for ~~continuous~~ evergreen postings do not require a closing date. If ~~a continuous~~ an evergreen posting has been posted for more than 365 days, the agency should repost the ~~continuous~~ evergreen posting to ensure visibility of the posting to the applicant pool. The following posting requirements apply:

§ 7.1. Internal to State Agency

The following applies only to postings that are only open to current employees of the posting agency.

Vacancies to be filled from within the agency workforce shall be prominently posted in at least the agency Human Resources office and the particular work unit of the agency having the vacancy. If the opening is not listed on a website maintained by the Office of State Human Resources, then the vacancy announcement shall be emailed to all employees of the agency. Applicants who may be considered for postings that are “For current [agency] employees” are probationary, permanent, time limited, and temporary employees² currently employed by the posting agency and former agency employees who have priority reemployment rights due to a Reduction in Force from the agency posting the job.

² Temporary employees employed directly by the posting agency and those on assignment at the posting agency employed through Temporary Solutions shall be considered for any “Internal to Agency” or “Internal to NC State Government and UNC System” posting. Temporary employees of a third-party staffing agency or contractors are not eligible to apply for Internal postings as described in Sections 7.1 and 7.2.

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Recruitment and Posting of Vacancies Policy (cont.)

§ 7.2. Internal to NC State Government and UNC System Employees

The following applies only to postings that are only open to current state government and UNC System employees.

Vacancies to be filled by applicants who are NC state government or UNC System employees shall be posted in the agency Human Resources office and the particular work unit of the agency and shall also be listed on a website maintained by the Office of State Human Resources. Applicants who may be considered for postings that are “Internal to State Government and UNC System employees” are probationary, permanent, time limited, and temporary employees, including current State agency and UNC System employees and State agency and UNC System employees who have priority reemployment rights due to a Reduction in Force from a State agency or university.

§ 7.3. Internal and External to State Government

Vacancies to be filled from within the state government or outside the state government workforce shall be listed on a website maintained by the Office of State Human Resources. In addition, vacancies to be filled from outside the state government workforce shall be listed with the Division of Employment Security of the Department of Commerce, either directly or through the Department of Commerce’s job listing website. When a vacancy is listed with the Division of Employment Security of the Department of Commerce, the Division must be notified within 15 days after the vacancy is filled.

§ 8. Posting Requirements Not Applicable

Posting is not required when an agency determines that it will not openly recruit. The decision shall be based upon a bona fide business need and is the responsibility of the agency head. Employees filling these positions are required to meet the minimum education and experience requirements of the position. Examples include vacancies which are:

- committed to a budget reduction,
- used to avoid a reduction in force,
- used to affect a disciplinary transfer or demotion,
- to be filled by transfer of an employee to avoid the threat of bodily harm,
- to be filled immediately to prevent work stoppage in constant demand situations, or to protect public health, safety or security,

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Recruitment and Posting of Vacancies Policy (cont.)

- designated exempt policymaking [G.S. 126-5(d)],
- to be filled by chief deputies and chief administrative assistants to elected or appointed agency heads; and vacancies for positions to be filled by confidential assistants and confidential secretaries to elected or appointed agency heads, chief deputies, or chief administrative assistants,
- to be filled by an eligible exempt employee who has been removed from an exempt position and is being placed back in a position subject to all provisions of the Human Resources Act,
- to be filled by a legally binding settlement agreement,
- to be filled in accordance with a formal, pre-existing written agency workforce plan,
- to be filled immediately because of a widespread outbreak of a serious communicable disease, and
- to be filled as a result of a redeployment arrangement.
- to be filled by an employee who has already been hired into the position in trainee status, including without limitation trainees following the completion of an OSHR-recognized apprenticeship program.³
- to be filled by a temporary employee who has worked at least six months in a substantially equivalent role as the vacant position. See Section 8.1 below for additional information.
- to be filled by an applicant who was within the most qualified pool of a previous posting, within the same employing agency or university, in the same or comparable classification as the position that is now vacant. See Section 8.2 below for additional information.

§ 8.1. Temporary to Permanent Hiring

State agencies, the Community Colleges System Office and the University of North Carolina may directly hire temporary employees into vacant, permanent positions without posting the position when the following conditions are met:

1. The permanent position is vacant;

³ See 25 NCAC 01K .0502 for additional details regarding apprenticeship programs. For additional details about trainee status, see the section entitled "Trainee Status" in the Appointment Types and Career Status Policy and the section entitled "Trainees" in the Pay Administration Policy.

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Recruitment and Posting of Vacancies Policy (cont.)

2. The temporary employee was originally hired through Temporary Solutions or directly hired by the State agency as a temporary state employee⁴;
3. The temporary employee worked for at least six months in a substantially equivalent role with satisfactory performance. The six-month period does not include time spent on mandatory breaks required of temporary employees;
4. The temporary employee meets the minimum education and experience requirements of the position classification of the vacant position; and
5. The employee's salary is set within the salary range of the classification.

If The Director of the Office of State Human Resources may waive the minimum education and experience requirement and the requirement that salary be set within the classification range. Requests to waive either of these requirements should be submitted OSHR. A request to waive either or both of these requirements will be considered an exception under 25 NCAC 01A .0104.

Temporary to permanent hirings that meet all of the above conditions are exempt from any procedural or substantive requirements typical of positions subject to the North Carolina Human Resources Act, including publicly posting the position, requiring an application, holding an interview or new reference checks, selecting the applicants from the pool of the most qualified persons, or following the priorities for certain types of applicants under State law.

A hiring under this section is not exempt from the portions of the Act related to threats to obtain political contribution or support,⁵ the prohibition on compelled speech,⁶ the provisions on Equal Employment and Compensation Opportunity⁷, the limitation on compensation for assisting a person in obtaining State employment⁸, and the privacy of state employee personnel records⁹.

⁴ Temporary employees of a third-party staffing agency or contractors are not eligible for temporary to permanent hiring as described in this section.

⁵ See N.C.G.S. § 126-14.1 and 14.2.

⁶ See N.C.G.S. § 126-14.5

⁷ See N.C.G.S. § 126-16 through 126-17; 126-19.

⁸ See N.C.G.S. § 126-18

⁹ See Article 7 of N.C.G.S. Chapter 126

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Recruitment and Posting of Vacancies Policy (cont.)

The exemption from the requirements of the hiring process as described above does not affect whether the position is subject to this Chapter once the employee is hired.

§ 8.2. Hiring a Candidate from the Most Qualified Pool of a Previous Posting

Agencies, the Community Colleges System Office, and The University of North Carolina are authorized to hire, without posting, into a vacant position when all of the following conditions are met:

1. The agency or university previously posted a position for recruitment [no more than 24 months prior](#) in accordance with the requirements of this policy.
2. The previously posted position has the same or comparable classification as the position that is now vacant.
3. The person who is being hired into the vacant position applied for the previous vacancy.
4. The person who is being hired into the vacant position was selected as part of the pool of most qualified applicants for the previous vacancy but was not hired into the position.
- [5.](#) The person who is being hired into the vacant position meets the minimum education and experience requirements for the classification and will have a salary set within the classification's salary range.
- ~~5.6.~~ [Documentation to support the above conditions must be available at the time the agency uses this exception to posting.](#)

Hirings under this section are exempt from any procedural or substantive requirements typical of positions subject to the North Carolina Human Resources Act, including publicly posting the position, requiring an application, holding an interview or new reference checks, selecting the applicants from the pool of the most qualified persons, or following the priorities for certain types of applicants under State law. [If reference checks have not been previously conducted or documentation of the prior reference checks are not available, a reference check must be conducted.](#)

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Recruitment and Posting of Vacancies Policy (cont.)

A hiring under this section is not exempt from the portions of the Act related to threats to obtain political contribution or support,¹⁰ the prohibition on compelled speech,¹¹ the provisions on Equal Employment and Compensation Opportunity¹², the limitation on compensation for assisting a person in obtaining State employment¹³, and the privacy of state employee personnel records¹⁴.

The exemption from the requirements of the hiring process as described above does not affect whether the position is subject to this Chapter once the employee is hired.

§ 9. Violation of Posting Requirements

The Office of State Human Resources may withhold approval for an agency to fill a vacancy if the agency cannot validate that it complied with these posting requirements. If any agency hires any person in violation of the posting requirements, and it is determined by the Office of State Human Resources that the employment of the person hired must be discontinued as a result of the posting violation, the agency shall pay such person for the time worked.

§ 10. Application for Employment

Applicants applying for a State vacancy or a temporary job must complete and submit a State Application Form (Form PD-107 or its equivalent) to the contact person in the hiring agency. In addition:

- Persons subject to registration under the Military Selective Service Act (50 United States Code, Appx Section 435) must certify compliance with such registration requirements to be eligible for State employment, as required by G.S. 143B-421.1; and
- Persons eligible for veteran's preference shall submit a DD Form 214, Certificate of Release or Discharge from Active Duty, during the application process. The agency shall verify eligibility for veterans' preference.

¹⁰ See N.C.G.S. § 126-14.1 and 14.2.

¹¹ See N.C.G.S. § 126-14.5

¹² See N.C.G.S. § 126-16 through 126-17; 126-19.

¹³ See N.C.G.S. § 126-18

¹⁴ See Article 7 of N.C.G.S. Chapter 126

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Recruitment and Posting of Vacancies Policy (cont.)

- Persons eligible for National Guard preference shall submit a copy of the NGB 23A (RPAS), during the application process. The agency shall verify eligibility for National Guard preference.

The knowing and willful failure of a subject person to certify compliance when submitting an application for formal consideration, or to falsely certify compliance, may be grounds for dismissal. See the Selection of Applicants Policy for further details on what may occur when an agency discovers that an applicant provided false or misleading information on a State application.

§ 11. Intra-Agency Application Sharing Program

Agencies may offer an option to applicants to have their application considered for other positions posted within the agency that are within the same or comparable classification for which the applicant applied and was qualified.¹⁵

§ 12. Recruiting or Search Firms

Under the following conditions, agencies may use recruiting or search firms to help fill vacant positions, and agencies may pay firms for those services. (This text summarizes Attorney General legal opinions on N.C.G.S. § 126-18 issued on November 4, 1988, and June 30, 2000. Copies of these legal opinions will be available on the Office of State Human Resources website.)

1. The agency must have posted the position openly, using the normal posting procedures required by this policy, unless the position is exempt from statutory posting requirements.
2. The agency must determine and document that the position is particularly difficult to fill. No particular form is required for this documentation.
3. It must be the practice of the recruiting or search firm to recruit job hunters for positions, rather than simply having job hunters signed up with the firm for the purpose of finding new jobs.

NOTE: The 1988 legal opinion notes, "A state agency could not simply ask an employment agency for help in finding a candidate for a job, hire someone listed with the

¹⁵ SL 2025-34 provides additional authority for inter-agency application sharing as well as statewide vacancy announcements. The implementation of Workday will make it possible to implement these portions of SL 2025-34.

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employment agency, and then pay the agency's fee, no matter how much difficulty the State had experienced in recruiting for the position in question."

4. The recruiting or search firm must not charge fees to persons hired as a result of their search efforts.

For one example of what complies with the law, the 1988 legal opinion notes that it complies with the law for the State to pay fees "under an arrangement by which the employer pays for the [firm's] time and efforts in making the search, even if unsuccessful, plus an additional fee, based on the salary of the person employed, if they locate a candidate hired by the employer."

Even if the recruiting or search firm has not complied with conditions 3 and 4 listed above, State use of the firm may comply with N.C.G.S. § 126-18 if the firm has been, for at least one year, duly licensed and supervised by the North Carolina Department of Labor as a private employment service acting in the normal course of business. Agencies should consult their legal counsel if the recruiting or search firm has not complied with conditions 3 and 4 listed above.

§ 13. Sources of Authority

This policy is issued under the authority of any and all of the following:

- [N.C.G.S. § 126-14.3](#) (requiring the Commission to adopt rules or policies to assure recruitment, selection, and hiring procedures that, among other things, encourage open and fair competition for positions in State government employment, assure advertisement of job openings, and require closing dates for each job opening)
- An Act to Reduce Barriers to State Employment and to Modernize the State Human Resources System, Session Law 2025-34

This policy is compliant with:

- N.C.G.S. §§ [96-29](#); [126-5\(b\),\(c\), and \(c7\)](#); [126-7.1](#); [126-14.2](#); [126-15](#); and [126-18](#),
- [25 N.C.A.C. 01H .0630 to .0641](#).

§ 14. History of This Policy

Date	Version
June 1, 1985	First version

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October 1, 1987	Posting policy revised to comply with 1986 Immigration Reform and Control Act.
July 1, 1989	Revised to include legislative requirements for not filing jobs for 21 days when listed with Employment Security Commission Included legislative requirement for certifying compliance with Military Selective Service Act. Revised procedures for posting vacancies – must post salary if exception to promotional increase.
June 1, 1992	Revised recruitment policy to include statutory provisions for priority reemployment when notified of a reduction in force. Revised recruitment procedures that when a vacancy is listed with Employment Security System, the vacancy has a classification for which the State Personnel Commission has recognized that candidates are in short supply and if the agency is hindered in providing essential services of the agency, the Employment Security Commission may waive the waiting period for agency to fill the position.
August 1, 1995	Deleted special recruitment program (targeted toward persons with skills or attributes).
September 17, 1997	Revised to implement provisions of SB 886 (nonpolitical selection of the most qualified).
February 7, 2000	Example added to “Posting Requirements Not Applicable” (Page 5) to clarify that agencies will not be required to openly recruit when a lateral appointment is made of an individual who has completed the requirements of the Governor’s Public Management Fellowship Program or the Model Cooperative Education Program.
November 1, 2000	Advisory Note added to specify that applicants must meet the minimum training and experience requirements to fill positions that are not posted.
March 1, 2007	<ul style="list-style-type: none"> • New policy statement. • Added clarification of the statute that requires written notification when positions are designated exempt.

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	<ul style="list-style-type: none"> • Changed required posting period from seven to five working days. • Added requirements for vacancy postings for banded classes. • Defined “state government workforce.” • Clarified that the decision not to post must be based on a bona fide business need and added examples of when an agency might make this decision.
April 1, 2008	Corrected the rule citation on Page 4.
April 1, 2009	<p>(1) Incorporates the rule change that allows a resume to be accepted in lieu of an application.</p> <p>(2) Requires that persons claiming veterans’ preference submit a DD Form 214, Certificate of Release.</p>
March 1, 2010	Deleted provision to allow the use of a resume instead of the Application for Employment (Form PD-107) upon initial application. This will ensure more uniform opportunity to provide information.
July 1, 2010	Includes competency level as a requirement for the vacancy announcement for banded classes. This rule was changed August 2009 but was not updated in the policy.
July 1, 2014	Remove requirement for agencies to maintain an individual, State HR Commission approved Merit Based Recruitment and Selection Plan. In addition, advisory notes were removed and incorporated into the policy as appropriate. The advisory note related to hiring ranges was deleted.
December 8, 2022	Added language acknowledging that agencies may utilize recruiting firms in certain circumstances, consistent with legal opinions on N.C.G.S. § 126-18 issued by the North Carolina Attorney General. Updated section discussing job listings on the Department of Commerce / Division of Employment Security website. Removed section on promotional priority, which is covered in the Selection of Applicants and other policies. Made technical updates to reflect other programs having changed since the last update in 2014.
April 20, 2023	Implemented Executive Order 278 by establishing an escalation process, requiring HR Director (or designee) approval, for

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(effective June 1, 2023)	management preferences that go beyond the minimum established in the classification. Added new text that defines which employees are eligible when an agency determines that it will make a posting "Internal to Agency," "Internal to State Agency and University Employees," or open to everyone. For the two types of internal postings, probationary, permanent and time-limited employees will be eligible by default, but temporary employees are included only if the job posting specifically indicates that they are eligible to apply. This matches existing practice at most agencies. Made other minor clarifying changes.
August 7, 2023	Clarified when a posting is labeled "Internal to Agency" or "Internal to State Agency and University Employees" and states temporary employees are eligible, temporary employees employed by Temporary Solutions or directly by the agency may apply, but not temporary employees of a third-party staffing agency or contractors.
October 19, 2023	Added, in the list of situations where a new posting is not required, references to trainee status and to completion of apprenticeship programs by trainees. Added Section 11, Intra-Agency Application Sharing Pilot Program, which states that agencies may offer an option to applicants to have their application considered for other positions posted within the agency that are within the same or comparable classification for which the applicant applied and was qualified. Added N.C.G.S. § 126-4(3) and (4) and Section 39.3(a)(1) of the 2023 Appropriations Act, Session Law 2023-134 to the Sources of Authority.
October 17, 2024	Added "as a special exception through the Office of State Human Resources" to Section 4, Vacancy Announcement, consistent with changes to NCGS 126-14.3 in HB 223. Removed language from Section 7.3, Internal and External to State Government, that was struck from N.C.G.S. § 96-29 in HB 223.

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July 17, 2025	<p>Revised the policy to be consistent with the changes made to the North Carolina Human Resources Act by Session Law 2025-34.</p> <ul style="list-style-type: none">• Section 3 of Session Law 2025-34 makes additional knowledge, skills, and abilities in the job posting management preferences, rather than additional mandatory minimum qualifications for the position. These changes in the law are reflected in changes to Sections 4 to 6 of the policy.• Section 4 of Session Law 2025-34 makes continuous postings be approved by the employing agency rather than by the State Human Resources Commission or the Office of State Human Resources. This change in the law is reflected in changes to Section 4, item 3, in the policy.• Section 6 of Session Law 2025-34 authorizes temp-to-perm hiring, without posting, under certain specific conditions. This change in the law is reflected in Section 8.1 of the policy.• Section 7 of Session Law 2025-34 authorizes hiring a candidate from the most qualified pool of a previous posting, without a new posting, under certain specific conditions. This change in the law is reflected in Section 8.2 of the policy. <p>In addition, a few changes to simplify the state hiring process were made that are not specifically required by Session Law 2025-34:</p> <ul style="list-style-type: none">• Section 7.0 now requires that continuous postings be reposted at least every 365 days, so that the posting does not appear to potential applicants to be outdated.• Sections 7.1 and 7.2 make temporary employees at an agency always eligible for postings that the agency identifies as “Internal to Agency.” Under the previous version of the policy, it was the agency’s decision whether to make temporary employees eligible in these circumstances.
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DraftEffective: ~~July 17, 2025~~ October 8, 2025**Recruitment and Posting of Vacancies Policy (cont.)**

	<ul style="list-style-type: none"> In Section 7.3, the requirement to post vacancies in paper in the agency HR office has been removed. Vacancies must still be posted on the state hiring website.
<u>September 18, 2025</u> <u>(effective October 8, 2025)</u>	<p><u>In Section 4, entitled "Vacancy Announcement":</u></p> <ul style="list-style-type: none"> <u>In the text regarding the job posting, changed "vacancy-specific qualifications" to "vacancy-specific preferences." This matches N.C.G.S. § 126-14.2(b), as revised by Session Law 2025-34.</u> <p><u>In Section 8.2, entitled "Hiring a Candidate from the Most Qualified Pool of a Previous Posting":</u></p> <ul style="list-style-type: none"> <u>Added several new procedures that fill in details for this new expedited hiring process. Specifically:</u> <ul style="list-style-type: none"> <u>Added a 24 month limit to condition 1. This means that the agency may look back to people who applied and were selected in the Most Qualified pool for positions posted up to 24 months before the person is hired using this process.</u> <u>Added a new condition that requires the agency to have documentation, at the time the agency uses this exception, to support that they meet the conditions stated in the statute.</u> <u>Clarified that if reference checks have not been previously conducted or documentation of the prior reference checks are not available, a reference check must be conducted.</u> <p><u>Finally, updated the phrase "continuous posting" to read "evergreen posting," the new terminology in the Workday IT system.</u></p>

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Recruitment and Posting of Vacancies Policy

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§ 1. Policy

State Government shall meet its workforce needs through systematic recruitment, selection, and career support programs that identify, attract, and select from the most qualified applicants for State employment, and encourage diverse representation at all occupational levels of the workforce. No selection decision shall be made that will constitute unlawful discrimination in violation of State and Federal law.

This policy applies to those employees and positions that are subject to the legal requirements to post vacancies and openly recruit employees in Chapter 126 of the General Statutes. This policy does not apply to temporary employees, employees of the legislative and judicial branches, employees of the public school and community college systems, or other employees who are exempt from these portions of the Human Resources Act.

§ 2. Recruitment and Selection

Each agency shall use a recruitment and selection process based on fair and valid selection criteria. Agencies shall be responsible for maintaining recruitment and selection data and documentation to support decisions and provide information to the Office of State Human Resources to prepare reports required by statute.

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Recruitment and Posting of Vacancies Policy (cont.)

The Office of State Human Resources shall provide training and support to the agencies in the recruitment and selection process.

§ 3. Exempt Positions

While most positions are filled through systematic recruitment, it is recognized that some positions in State government are exempt from various provisions of the Human Resources Act because of the relationship between the position and the responsibility of elected or appointed officials expected to implement the public policy of the State. While these positions are exempt from various provisions of the Human Resources Act, they are subject to the following requirements:

1. Exempt positions, including exempt managerial positions, that are subject to the limitation on political hirings (N.C.G.S. § 126-14.2) or the open and fair recruitment requirements (N.C.G.S. § 126-14.3) of Chapter 126 must follow the posting, recruitment, and selection requirements of this policy.
2. If an individual applies for an exempt position, written notification that a position is exempt shall be given to the individual at the time the individual makes application for the exempt position. Written notification that the position is exempt may be contained in the vacancy announcement if the position is posted as exempt, or in a letter that either acknowledges acceptance of an application for an exempt position or contains an offer of employment for an exempt position or a notification that the position is exempt.
3. In addition, written notification that a position is exempt shall be given to an employee placed in an exempt position not less than 10 working days prior to the employee's first day in the exempt position.
4. If an employee occupies a subject position that is subsequently designated as exempt, the agency shall provide written notification to the employee that the position has been designated exempt. The exemption shall apply to the employee 10 working days after receiving written notification.

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Recruitment and Posting of Vacancies Policy (cont.)**§ 4. Vacancy Announcement**

Vacant positions to be filled in State government shall be publicized by the agency having the vacancy to permit open and fair competition for all interested employees and applicants. See Section 8 of this policy for exceptions to the posting requirements in this section. The recruitment and selection process shall be consistently applied, nondiscriminatory, promote open and fair competition, and promote the hiring of a diverse workforce.

Each vacancy will be described in an announcement which includes at minimum:

1. For graded classes: the position number, classification title, salary grade and recruitment range, essential functions, minimum education and experience, and, if applicable, any vacancy-specific preferences, including knowledge, skills, and abilities, as determined by the agency in accordance with 25 NCAC 01H .0635(c), the application period, and the appropriate contact information.
2. For banded classes: the position number, banded class title, banded class salary range or recruitment range corresponding to the competencies and duties, salary grade equivalency, essential functions, competencies, minimum education and experience, vacancy-specific preferences as determined by the agency in accordance with 25 NCAC 01H .0635(c), the application period, and the appropriate contact information.
3. For all vacancy listings: a closing date shall be given unless the classification has been determined as critical (which allows an evergreen posting). Factors used in determining critical classifications shall include: agency turnover; number of positions in class; geographic location; scarcity of skills; safety, health or quality of care for clients. Such critical classifications shall be approved by the employing agency, department, office, board, commission, system, or institution¹. On those classes determined to be critical, which are considered open, evergreen postings, agencies shall determine how long applications shall be considered active.

¹ Unless the employing agency, department, office, board, commission, system, or institution determines otherwise, exceptions for critical classifications remain in effect if they were previously granted by the State Human Resources Commission or the Office of State Human Resources.

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Recruitment and Posting of Vacancies Policy (cont.)

§ 5. Minimum Qualifications

The employee or applicant must possess at least the education and experience that are in the class specification to be minimally qualified. The minimum education and experience qualifications on the vacancy announcement shall reflect the education and experience that are in the class specification and shall not be altered. This requirement shall apply in new appointments, promotions, demotions or reassignments, transfers, redeployments, and reinstatements. Please refer to Section 4.3 of the Pay Administration Policy for information related to Trainees and Trainee Progressions.

Qualifications necessary to perform successfully may be attained in a variety of combinations. Reasonable substitutions of formal education and job-related experience, one for the other, may be made. The Office of State Human Resources shall make the final determination as to whether the employee or applicant meets the minimum qualifications in questionable selection situations.

§ 6. Management Preferences

Agency management is responsible for determining the vacancy-specific knowledge, skills and abilities/competencies that are in addition to minimum education and experience requirements. The knowledge, skills, and abilities/competencies in the vacancy announcement shall bear a direct and logical relationship to the knowledge, skills, and abilities in the class specification and the specific position description. Approval of the agency head or designee is required for any vacancy announcement that includes more than five desired knowledge, skills, or abilities.

Hiring Managers cannot add a management preference for a degree or license or additional years of experience when the classification is one that allows substitution of experience for education to meet the minimum qualifications, except through the approval process described below. This includes:

- A preference for a specific academic degree or major that is not in the minimum education and experience in the class specification.
- Additional education above what is in the minimum education and experience in the class specification.
- A preference for a degree over related experience.

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Recruitment and Posting of Vacancies Policy (cont.)

This does not prevent management from adding a preference that a candidate possess a certification that is job related.

If management believes a vacancy requires education or license beyond the minimum, such a preference may only be included with approval from the Agency Human Resources Director or designee. Such vacancy-specific qualifications shall bear a logical and job-related relationship to the minimum requirements.

§ 7. Posting Period

Each permanent position to be filled shall be posted for not less than five business days. Temporary positions and positions for State government interns are not required to be posted. Classifications approved for evergreen postings do not require a closing date. If an evergreen posting has been posted for more than 365 days, the agency should repost the evergreen posting to ensure visibility of the posting to the applicant pool. The following posting requirements apply:

§ 7.1. Internal to State Agency

The following applies only to postings that are only open to current employees of the posting agency.

Vacancies to be filled from within the agency workforce shall be prominently posted in at least the agency Human Resources office and the particular work unit of the agency having the vacancy. If the opening is not listed on a website maintained by the Office of State Human Resources, then the vacancy announcement shall be emailed to all employees of the agency. Applicants who may be considered for postings that are “For current [agency] employees” are probationary, permanent, time limited, and temporary employees² currently employed by the posting agency and former agency employees who have priority reemployment rights due to a Reduction in Force from the agency posting the job.

² Temporary employees employed directly by the posting agency and those on assignment at the posting agency employed through Temporary Solutions shall be considered for any “Internal to Agency” or “Internal to NC State Government and UNC System” posting. Temporary employees of a third-party staffing agency or contractors are not eligible to apply for Internal postings as described in Sections 7.1 and 7.2.

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Recruitment and Posting of Vacancies Policy (cont.)

§ 7.2. Internal to NC State Government and UNC System Employees

The following applies only to postings that are only open to current state government and UNC System employees.

Vacancies to be filled by applicants who are NC state government or UNC System employees shall be posted in the agency Human Resources office and the particular work unit of the agency and shall also be listed on a website maintained by the Office of State Human Resources. Applicants who may be considered for postings that are “Internal to State Government and UNC System employees” are probationary, permanent, time limited, and temporary employees, including current State agency and UNC System employees and State agency and UNC System employees who have priority reemployment rights due to a Reduction in Force from a State agency or university.

§ 7.3. Internal and External to State Government

Vacancies to be filled from within the state government or outside the state government workforce shall be listed on a website maintained by the Office of State Human Resources. In addition, vacancies to be filled from outside the state government workforce shall be listed with the Division of Employment Security of the Department of Commerce, either directly or through the Department of Commerce’s job listing website. When a vacancy is listed with the Division of Employment Security of the Department of Commerce, the Division must be notified within 15 days after the vacancy is filled.

§ 8. Posting Requirements Not Applicable

Posting is not required when an agency determines that it will not openly recruit. The decision shall be based upon a bona fide business need and is the responsibility of the agency head. Employees filling these positions are required to meet the minimum education and experience requirements of the position. Examples include vacancies which are:

- committed to a budget reduction,
- used to avoid a reduction in force,
- used to affect a disciplinary transfer or demotion,
- to be filled by transfer of an employee to avoid the threat of bodily harm,
- to be filled immediately to prevent work stoppage in constant demand situations, or to protect public health, safety or security,

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Recruitment and Posting of Vacancies Policy (cont.)

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- designated exempt policymaking [G.S. 126-5(d)],
 - to be filled by chief deputies and chief administrative assistants to elected or appointed agency heads; and vacancies for positions to be filled by confidential assistants and confidential secretaries to elected or appointed agency heads, chief deputies, or chief administrative assistants,
 - to be filled by an eligible exempt employee who has been removed from an exempt position and is being placed back in a position subject to all provisions of the Human Resources Act,
 - to be filled by a legally binding settlement agreement,
 - to be filled in accordance with a formal, pre-existing written agency workforce plan,
 - to be filled immediately because of a widespread outbreak of a serious communicable disease, and
 - to be filled as a result of a redeployment arrangement.
 - to be filled by an employee who has already been hired into the position in trainee status, including without limitation trainees following the completion of an OSHR-recognized apprenticeship program.³
 - to be filled by a temporary employee who has worked at least six months in a substantially equivalent role as the vacant position. See Section 8.1 below for additional information.
 - to be filled by an applicant who was within the most qualified pool of a previous posting, within the same employing agency or university, in the same or comparable classification as the position that is now vacant. See Section 8.2 below for additional information.

§ 8.1. Temporary to Permanent Hiring

State agencies, the Community Colleges System Office and the University of North Carolina may directly hire temporary employees into vacant, permanent positions without posting the position when the following conditions are met:

1. The permanent position is vacant;

³ See 25 NCAC 01K .0502 for additional details regarding apprenticeship programs. For additional details about trainee status, see the section entitled "Trainee Status" in the Appointment Types and Career Status Policy and the section entitled "Trainees" in the Pay Administration Policy.

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Recruitment and Posting of Vacancies Policy (cont.)

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2. The temporary employee was originally hired through Temporary Solutions or directly hired by the State agency as a temporary state employee⁴;
 3. The temporary employee worked for at least six months in a substantially equivalent role with satisfactory performance. The six-month period does not include time spent on mandatory breaks required of temporary employees;
 4. The temporary employee meets the minimum education and experience requirements of the position classification of the vacant position; and
 5. The employee's salary is set within the salary range of the classification.

If The Director of the Office of State Human Resources may waive the minimum education and experience requirement and the requirement that salary be set within the classification range. Requests to waive either of these requirements should be submitted OSHR. A request to waive either or both of these requirements will be considered an exception under 25 NCAC 01A .0104.

Temporary to permanent hirings that meet all of the above conditions are exempt from any procedural or substantive requirements typical of positions subject to the North Carolina Human Resources Act, including publicly posting the position, requiring an application, holding an interview or new reference checks, selecting the applicants from the pool of the most qualified persons, or following the priorities for certain types of applicants under State law.

A hiring under this section is not exempt from the portions of the Act related to threats to obtain political contribution or support,⁵ the prohibition on compelled speech,⁶ the provisions on Equal Employment and Compensation Opportunity⁷, the limitation on compensation for assisting a person in obtaining State employment⁸, and the privacy of state employee personnel records⁹.

⁴ Temporary employees of a third-party staffing agency or contractors are not eligible for temporary to permanent hiring as described in this section.

⁵ See N.C.G.S. § 126-14.1 and 14.2.

⁶ See N.C.G.S. § 126-14.5

⁷ See N.C.G.S. § 126-16 through 126-17; 126-19.

⁸ See N.C.G.S. § 126-18

⁹ See Article 7 of N.C.G.S. Chapter 126

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Recruitment and Posting of Vacancies Policy (cont.)

The exemption from the requirements of the hiring process as described above does not affect whether the position is subject to this Chapter once the employee is hired.

§ 8.2. Hiring a Candidate from the Most Qualified Pool of a Previous Posting

Agencies, the Community Colleges System Office, and The University of North Carolina are authorized to hire, without posting, into a vacant position when all of the following conditions are met:

1. The agency or university previously posted a position for recruitment no more than 24 months prior in accordance with the requirements of this policy.
2. The previously posted position has the same or comparable classification as the position that is now vacant.
3. The person who is being hired into the vacant position applied for the previous vacancy.
4. The person who is being hired into the vacant position was selected as part of the pool of most qualified applicants for the previous vacancy but was not hired into the position.
5. The person who is being hired into the vacant position meets the minimum education and experience requirements for the classification and will have a salary set within the classification's salary range.
6. Documentation to support the above conditions must be available at the time the agency uses this exception to posting.

Hirings under this section are exempt from any procedural or substantive requirements typical of positions subject to the North Carolina Human Resources Act, including publicly posting the position, requiring an application, holding an interview or new reference checks, selecting the applicants from the pool of the most qualified persons, or following the priorities for certain types of applicants under State law. If reference checks have not been previously conducted or documentation of the prior reference checks are not available, a reference check must be conducted.

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Recruitment and Posting of Vacancies Policy (cont.)

A hiring under this section is not exempt from the portions of the Act related to threats to obtain political contribution or support,¹⁰ the prohibition on compelled speech,¹¹ the provisions on Equal Employment and Compensation Opportunity¹², the limitation on compensation for assisting a person in obtaining State employment¹³, and the privacy of state employee personnel records¹⁴.

The exemption from the requirements of the hiring process as described above does not affect whether the position is subject to this Chapter once the employee is hired.

§ 9. Violation of Posting Requirements

The Office of State Human Resources may withhold approval for an agency to fill a vacancy if the agency cannot validate that it complied with these posting requirements. If any agency hires any person in violation of the posting requirements, and it is determined by the Office of State Human Resources that the employment of the person hired must be discontinued as a result of the posting violation, the agency shall pay such person for the time worked.

§ 10. Application for Employment

Applicants applying for a State vacancy or a temporary job must complete and submit a State Application Form (Form PD-107 or its equivalent) to the contact person in the hiring agency. In addition:

- Persons subject to registration under the Military Selective Service Act (50 United States Code, Appx Section 435) must certify compliance with such registration requirements to be eligible for State employment, as required by G.S. 143B-421.1; and
- Persons eligible for veteran's preference shall submit a DD Form 214, Certificate of Release or Discharge from Active Duty, during the application process. The agency shall verify eligibility for veterans' preference.

¹⁰ See N.C.G.S. § 126-14.1 and 14.2.

¹¹ See N.C.G.S. § 126-14.5

¹² See N.C.G.S. § 126-16 through 126-17; 126-19.

¹³ See N.C.G.S. § 126-18

¹⁴ See Article 7 of N.C.G.S. Chapter 126

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Recruitment and Posting of Vacancies Policy (cont.)

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- Persons eligible for National Guard preference shall submit a copy of the NGB 23A (RPAS), during the application process. The agency shall verify eligibility for National Guard preference.

The knowing and willful failure of a subject person to certify compliance when submitting an application for formal consideration, or to falsely certify compliance, may be grounds for dismissal. See the Selection of Applicants Policy for further details on what may occur when an agency discovers that an applicant provided false or misleading information on a State application.

§ 11. Intra-Agency Application Sharing Program

Agencies may offer an option to applicants to have their application considered for other positions posted within the agency that are within the same or comparable classification for which the applicant applied and was qualified. ¹⁵

§ 12. Recruiting or Search Firms

Under the following conditions, agencies may use recruiting or search firms to help fill vacant positions, and agencies may pay firms for those services. (This text summarizes Attorney General legal opinions on N.C.G.S. § 126-18 issued on November 4, 1988, and June 30, 2000. Copies of these legal opinions will be available on the Office of State Human Resources website.)

1. The agency must have posted the position openly, using the normal posting procedures required by this policy, unless the position is exempt from statutory posting requirements.
2. The agency must determine and document that the position is particularly difficult to fill. No particular form is required for this documentation.
3. It must be the practice of the recruiting or search firm to recruit job hunters for positions, rather than simply having job hunters signed up with the firm for the purpose of finding new jobs.

NOTE: The 1988 legal opinion notes, "A state agency could not simply ask an employment agency for help in finding a candidate for a job, hire someone listed with the

¹⁵ SL 2025-34 provides additional authority for inter-agency application sharing as well as statewide vacancy announcements. The implementation of Workday will make it possible to implement these portions of SL 2025-34.

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Effective: October 8, 2025

Recruitment and Posting of Vacancies Policy (cont.)

employment agency, and then pay the agency's fee, no matter how much difficulty the State had experienced in recruiting for the position in question."

4. The recruiting or search firm must not charge fees to persons hired as a result of their search efforts.

For one example of what complies with the law, the 1988 legal opinion notes that it complies with the law for the State to pay fees "under an arrangement by which the employer pays for the [firm's] time and efforts in making the search, even if unsuccessful, plus an additional fee, based on the salary of the person employed, if they locate a candidate hired by the employer."

Even if the recruiting or search firm has not complied with conditions 3 and 4 listed above, State use of the firm may comply with N.C.G.S. § 126-18 if the firm has been, for at least one year, duly licensed and supervised by the North Carolina Department of Labor as a private employment service acting in the normal course of business. Agencies should consult their legal counsel if the recruiting or search firm has not complied with conditions 3 and 4 listed above.

§ 13. Sources of Authority

This policy is issued under the authority of any and all of the following:

- [N.C.G.S. § 126-14.3](#) (requiring the Commission to adopt rules or policies to assure recruitment, selection, and hiring procedures that, among other things, encourage open and fair competition for positions in State government employment, assure advertisement of job openings, and require closing dates for each job opening)
- An Act to Reduce Barriers to State Employment and to Modernize the State Human Resources System, Session Law 2025-34

This policy is compliant with:

- N.C.G.S. §§ [96-29](#); [126-5\(b\),\(c\), and \(c7\)](#); [126-7.1](#); [126-14.2](#); [126-15](#); and [126-18](#),
- [25 N.C.A.C. 01H .0630 to .0641](#).

§ 14. History of This Policy

Date	Version
June 1, 1985	First version

Draft

Effective: October 8, 2025

Recruitment and Posting of Vacancies Policy (cont.)

October 1, 1987	Posting policy revised to comply with 1986 Immigration Reform and Control Act.
July 1, 1989	Revised to include legislative requirements for not filing jobs for 21 days when listed with Employment Security Commission Included legislative requirement for certifying compliance with Military Selective Service Act. Revised procedures for posting vacancies – must post salary if exception to promotional increase.
June 1, 1992	Revised recruitment policy to include statutory provisions for priority reemployment when notified of a reduction in force. Revised recruitment procedures that when a vacancy is listed with Employment Security System, the vacancy has a classification for which the State Personnel Commission has recognized that candidates are in short supply and if the agency is hindered in providing essential services of the agency, the Employment Security Commission may waive the waiting period for agency to fill the position.
August 1, 1995	Deleted special recruitment program (targeted toward persons with skills or attributes).
September 17, 1997	Revised to implement provisions of SB 886 (nonpolitical selection of the most qualified).
February 7, 2000	Example added to “Posting Requirements Not Applicable” (Page 5) to clarify that agencies will not be required to openly recruit when a lateral appointment is made of an individual who has completed the requirements of the Governor’s Public Management Fellowship Program or the Model Cooperative Education Program.
November 1, 2000	Advisory Note added to specify that applicants must meet the minimum training and experience requirements to fill positions that are not posted.
March 1, 2007	<ul style="list-style-type: none"> • New policy statement.

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Recruitment and Posting of Vacancies Policy (cont.)

	<ul style="list-style-type: none"> • Added clarification of the statute that requires written notification when positions are designated exempt. • Changed required posting period from seven to five working days. • Added requirements for vacancy postings for banded classes. • Defined “state government workforce.” • Clarified that the decision not to post must be based on a bona fide business need and added examples of when an agency might make this decision.
April 1, 2008	Corrected the rule citation on Page 4.
April 1, 2009	<p>(1) Incorporates the rule change that allows a resume to be accepted in lieu of an application.</p> <p>(2) Requires that persons claiming veterans’ preference submit a DD Form 214, Certificate of Release.</p>
March 1, 2010	Deleted provision to allow the use of a resume instead of the Application for Employment (Form PD-107) upon initial application. This will ensure more uniform opportunity to provide information.
July 1, 2010	Includes competency level as a requirement for the vacancy announcement for banded classes. This rule was changed August 2009 but was not updated in the policy.
July 1, 2014	Remove requirement for agencies to maintain an individual, State HR Commission approved Merit Based Recruitment and Selection Plan. In addition, advisory notes were removed and incorporated into the policy as appropriate. The advisory note related to hiring ranges was deleted.
December 8, 2022	Added language acknowledging that agencies may utilize recruiting firms in certain circumstances, consistent with legal opinions on N.C.G.S. § 126-18 issued by the North Carolina Attorney General. Updated section discussing job listings on the Department of Commerce / Division of Employment Security website. Removed section on promotional priority, which is covered in the Selection of

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Recruitment and Posting of Vacancies Policy (cont.)

	Applicants and other policies. Made technical updates to reflect other programs having changed since the last update in 2014.
April 20, 2023 (effective June 1, 2023)	Implemented Executive Order 278 by establishing an escalation process, requiring HR Director (or designee) approval, for management preferences that go beyond the minimum established in the classification. Added new text that defines which employees are eligible when an agency determines that it will make a posting "Internal to Agency," "Internal to State Agency and University Employees," or open to everyone. For the two types of internal postings, probationary, permanent and time-limited employees will be eligible by default, but temporary employees are included only if the job posting specifically indicates that they are eligible to apply. This matches existing practice at most agencies. Made other minor clarifying changes.
August 7, 2023	Clarified when a posting is labeled "Internal to Agency" or "Internal to State Agency and University Employees" and states temporary employees are eligible, temporary employees employed by Temporary Solutions or directly by the agency may apply, but not temporary employees of a third-party staffing agency or contractors.
October 19, 2023	<p>Added, in the list of situations where a new posting is not required, references to trainee status and to completion of apprenticeship programs by trainees.</p> <p>Added Section 11, Intra-Agency Application Sharing Pilot Program, which states that agencies may offer an option to applicants to have their application considered for other positions posted within the agency that are within the same or comparable classification for which the applicant applied and was qualified.</p> <p>Added N.C.G.S. § 126-4(3) and (4) and Section 39.3(a)(1) of the 2023 Appropriations Act, Session Law 2023-134 to the Sources of Authority.</p>

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Effective: October 8, 2025

Recruitment and Posting of Vacancies Policy (cont.)

October 17, 2024	<p>Added “as a special exception through the Office of State Human Resources” to Section 4, Vacancy Announcement, consistent with changes to NCGS 126-14.3 in HB 223.</p> <p>Removed language from Section 7.3, Internal and External to State Government, that was struck from N.C.G.S. § 96-29 in HB 223.</p>
July 17, 2025	<p>Revised the policy to be consistent with the changes made to the North Carolina Human Resources Act by Session Law 2025-34.</p> <ul style="list-style-type: none">• Section 3 of Session Law 2025-34 makes additional knowledge, skills, and abilities in the job posting management preferences, rather than additional mandatory minimum qualifications for the position. These changes in the law are reflected in changes to Sections 4 to 6 of the policy.• Section 4 of Session Law 2025-34 makes continuous postings be approved by the employing agency rather than by the State Human Resources Commission or the Office of State Human Resources. This change in the law is reflected in changes to Section 4, item 3, in the policy.• Section 6 of Session Law 2025-34 authorizes temp-to-perm hiring, without posting, under certain specific conditions. This change in the law is reflected in Section 8.1 of the policy.• Section 7 of Session Law 2025-34 authorizes hiring a candidate from the most qualified pool of a previous posting, without a new posting, under certain specific conditions. This change in the law is reflected in Section 8.2 of the policy. <p>In addition, a few changes to simplify the state hiring process were made that are not specifically required by Session Law 2025-34:</p> <ul style="list-style-type: none">• Section 7.0 now requires that continuous postings be reposted at least every 365 days, so that the posting does not appear to potential applicants to be outdated.

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Recruitment and Posting of Vacancies Policy (cont.)

	<ul style="list-style-type: none"> Sections 7.1 and 7.2 make temporary employees at an agency always eligible for postings that the agency identifies as “Internal to Agency.” Under the previous version of the policy, it was the agency’s decision whether to make temporary employees eligible in these circumstances. In Section 7.3, the requirement to post vacancies in paper in the agency HR office has been removed. Vacancies must still be posted on the state hiring website.
September 18, 2025 (effective October 8, 2025)	<p>In Section 4, entitled “Vacancy Announcement”:</p> <ul style="list-style-type: none"> In the text regarding the job posting, changed “vacancy-specific qualifications” to “vacancy-specific preferences.” This matches N.C.G.S. § 126-14.2(b), as revised by Session Law 2025-34. <p>In Section 8.2, entitled “Hiring a Candidate from the Most Qualified Pool of a Previous Posting”:</p> <ul style="list-style-type: none"> Added several new procedures that fill in details for this new expedited hiring process. Specifically: <ul style="list-style-type: none"> Added a 24 month limit to condition 1. This means that the agency may look back to people who applied and were selected in the Most Qualified pool for positions posted up to 24 months before the person is hired using this process. Added a new condition that requires the agency to have documentation, at the time the agency uses this exception, to support that they meet the conditions stated in the statute. Clarified that if reference checks have not been previously conducted or documentation of the prior reference checks are not available, a reference check must be conducted. <p>Finally, updated the phrase “continuous posting” to read “evergreen posting,” the new terminology in the Workday IT system.</p>

**State Human Resources Commission
Report/Policy Summary
(September 18, 2025)**

Title of Policy/Report/Rule: Applicant Reference Checks Policy

Purpose of the Policy: Prior to extending an offer of employment it is required that reference check(s) be completed on the selected candidate. The candidate's signed application authorizes the State to request information pertinent to the candidate's work experience, education, and training.

Period Covered (if applicable): Effective October 8, 2025.

Summary of Proposed Policy/Report/Rule and Revision(s): In Section 5, added a cross reference to the Recruitment and Posting of Vacancies policy for reference checks when hiring a candidate from the most qualified pool of a previous posting.

Commission Action Requested: Motion to approve revisions as presented.

Associated Rule(s) (if applicable): N.C.G.S. §§ [126-4\(4\)](#); [126-14.3\(1\)](#); [126-30\(b\)](#)

Submitted/Presented by: Anna Perkinson

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Applicant Reference Checks Policy

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§ 1. Policy

Prior to extending an offer of employment it is required that reference checks be completed on the selected applicant. Alternatively, an offer contingent upon the successful completion of reference checks may be made to the selected applicant to accelerate the hiring process. See *Employment Offers Policy*. The applicant's signed application authorizes the State to request information pertinent to the applicant's work experience, education, and training.

§ 2. Coverage

This Policy applies to all candidates who are applying for positions which are subject to State HR Commission policies issued under N.C.G.S. § 126-4(4). This includes, but is not limited to probationary, time limited, exempt policymaking, and exempt managerial employees. It does not apply to public school employees, employees of the Community College system, or other employees who are exempt from State HR Commission policies issued under N.C.G.S. § 126-4(4).

§ 3. Definitions

Criminal Background Check: a search of county, state, federal and/or national databases to provide information about an applicant's criminal history.

Employment Verification: process of confirming current or past employment provided by an applicant by verifying job titles and dates of employment. Salary history is not to be considered.

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Applicant Reference Checks Policy (cont.)

Reference Check: a process of getting information about an applicant from their previous employers, schools, and other available resources. Reference checks are used to verify information given by the applicant during the interview, on the application, and through supplemental documents supplied by the applicant. Reference checks are also used to determine new information such as eligibility for rehire, active disciplinary actions, and attendance.

§ 4. Employment Verification

1. Verify employment with at least two recent employers. Confirm:

- Dates of Employment
- Position(s) held
- Eligibility for Rehire

2. Do not ask about salary history.

In addition, academic credentials must be verified. See the *Selection of Applicants Policy*, Section 5, for details about verifying academic credentials.

The employment verification and reference check may be combined if applicable.

§ 5. Reference Checks

1. Call or email a minimum of two individuals listed as current or most recent prior supervisors on application (for work most related to the job being sought):
 - Overall performance
 - Attendance
 - Experience applicable for job being sought
 - Reason for leaving
 - Eligibility for rehire
 - Whether the applicant was involuntarily terminated for cause
 - Any active disciplinary actions (See the *Disciplinary Action Policy*, section VI, for the situations in which a disciplinary action remains active for North Carolina state employers.)
2. If applicant has current or prior work history with a state agency or university, at least the most recent state agency or university must be contacted for one of the two

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Applicant Reference Checks Policy (cont.)

required reference checks. The reference check can be either with the previous supervisor or through the hiring agency Human Resources Office.

In addition, an agency may choose to make part of its systematic hiring process obtaining copies of performance documents within NCVIP pursuant to N.C.G.S. § 126-24(2a). The agency must be consistent about whether it obtains these documents for its job openings. If the overall performance appraisal rating shows the employee has an active disciplinary action or is “Not Meeting Expectations,” the hiring manager should discuss with the hiring Agency Head or designee before extending a job offer.

If the reference check shows that the employee was involuntarily terminated from a prior state agency, is not eligible for rehire with a previous employer, or has an active disciplinary action:

- In this situation, approval to extend a job offer must be obtained from the hiring Agency Head or designee.
- An applicant who was terminated due to a Reduction in Force or who was involuntarily terminated in an “End of Appointment” separation (usually created when an employee exempt from the State Human Resources Act is replaced) does not require approval from an agency head or designee unless they have an active disciplinary action.

For reference checks:

- If unable to obtain references from the current or former supervisors (generally due to the inability to reach the previous supervisor or the unwillingness to share information), others in the management chain or the prior employer’s Human Resources office may be substituted.
- Some references may not be able to answer all the questions in a reference check. That does not automatically remove an applicant from consideration.
- If the applicant recently finished school or has limited work history and is unable to provide contact information for two supervisors, references may be obtained from educators or organizations where the applicant has served in volunteer roles.

[See the Recruitment and Posting of Vacancies policy for specific information on reference checks when hiring a candidate from the most qualified pool of a previous posting.](#)

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Applicant Reference Checks Policy (cont.)

§ 6. Criminal Background Check (If Agency requires background check for position):

1. Background checks should be done after the initial interview unless the position is one that a criminal conviction would legally preclude the person from employment in the particular position for which they applied.
-

§ 7. For All Background Checks:

- When assessing an applicant's background information, apply the job-related standards consistently, regardless of their race, national origin, color, sex (including sexual orientation, pregnancy, and gender identity/expression), religion, disability, genetic information (including family medical history), or age (40 or older).
 - Any use of an applicant's background information to make an employment decision must comply with federal and State laws that protect applicants and employees from discrimination, including retaliation.
 - Review and follow agency guidelines to ensure consistency in background check processes.
 - See the Selection of Applicants Policy, Section 4, if the agency discovers that an applicant provided false or misleading information on a State application.
-

§ 8. Agencies shall create their internal processes to:

1. Follow this policy's required reference check procedures and templates, unless the agency receives written approval by OSHR to establish agency guidelines, procedures and templates that meet minimum requirements.
 - Ensure required employment verification and reference checks are completed on selected applicant.
 - Ensure background checks are conducted, as required by an agency.
 - Ensure approval is obtained from the hiring agency head or designee prior to extending a job offer to any applicant who has a prior involuntary termination from a state agency, is not eligible for rehire with a previous employer, or has an active disciplinary action.
2. Identify when a hiring manager can independently decide to hire an applicant whose employment verification or references indicate they are not eligible for rehire by

[Draft](#)Effective: ~~October 19, 2023~~ [October 8, 2025](#)

Applicant Reference Checks Policy (cont.)

- another employer/agency due to non-performance/conduct reasons (ex. failure to provide 2 weeks' notice).
- Delegation to a hiring manager does not eliminate the requirement that approval must be obtained from an agency head or designee to extend an offer to a candidate with state experience who has a) a prior involuntary termination from a state agency or b) an active disciplinary action.
3. Train managers on required reference check procedures and templates.
 4. Identify when an agency head or designee should review and approve hiring an individual when there is a nexus between a criminal record and the position's duties.
 5. Conduct annual self-assessment of agency's reference check processes to ensure standards contained in this policy.
-

§ 9. Office of State Human Resources Responsibilities

The Office of State Human Resources shall:

- Provide training and consultation to agency human resources staff.
 - Provide required reference check procedures and templates.
 - Review variation requests for agency guidelines to confirm acceptable substitute.
 - Develop a self-assessment program and require that agencies periodically conduct self-assessments and report the results to the Office of State Human Resources.
 - Include program review of the reference check processes in regular agency performance audits.
-

§ 10. Sources of Authority

This policy is issued under the authority of:

- [N.C.G.S. § 126-4\(4\)](#) (authorizing the Commission to adopt rules or policies governing "[r]ecruitment programs designed to promote public employment ... and attract a sufficient flow of internal and external applicants");
- [N.C.G.S. § 126-14.3\(1\)](#) (requiring the Commission to adopt rules or policies to "[a]ssure recruitment, selection, and hiring procedures that encourage open and fair competition for positions in State government employment and that encourage the hiring of a diverse State government workforce")

[Draft](#)Effective: ~~October 19, 2023~~ [October 8, 2025](#)**Applicant Reference Checks Policy (cont.)**

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- ~~• Section 39.3(b) of the 2023 Appropriations Act, Session Law 2023-134 requiring the Commission to authorize agencies to make job offers that are contingent upon satisfactory reference checks and, if required, satisfactory background checks.~~

This policy is compliant with:

- [N.C.G.S. § 126-30\(b\)](#) (requiring that the “employing authority within each department, university, board, or commission, shall verify the status of credentials and the accuracy of statements contained in the application of each new employee within 90 days from the date of the employee’s employment”).
- [25 NCAC 01H .0637](#) (requiring, “In accordance with G.S. 126-30, for each new employee, agencies shall verify information on applications for State employment that is significantly related to the particular job responsibilities or is used to qualify or set the employee's salary, as determined by the agency.”)

§ 11. History of This Policy

Date	Version
February 4, 2021	First version. Policy created by Deputy Director/Recruitment Division to confirm alignment with required practices and by Legal, Commission, and Policy Division to confirm alignment with statutory, rule(s), and other policies. Presented to SHRC on February 4, 2021.
December 8, 2022 (effective February 15, 2023)	Update policy to: <ul style="list-style-type: none"> • Ensure it does not create barriers to entry for public-sector employees. Questions about involuntary dismissal for cause and disciplinary actions now required in reference check regardless whether employee previously worked for the State. • Based on agency feedback, assist in reducing the time to hire by streamlining the employment verification and reference checks process. Performance management check now optional, rather than required.
October 19, 2023	<ul style="list-style-type: none"> • Updated Section 1, Policy, to allow contingent offers to be made prior to the completion of reference checks.

[Draft](#)Effective: ~~October 19, 2023~~ [October 8, 2025](#)**Applicant Reference Checks Policy (cont.)**

	<ul style="list-style-type: none">• Added Section 39.3(b) of the 2023 Appropriations Act, Session Law 2023-134 to the sources of authority.• Added 25 NCAC 01H .0637 to the sources of authority.
September 18, 2025 (effective October 8, 2025)	<ul style="list-style-type: none">• In Section 5, added a cross reference to the Recruitment and Posting of Vacancies policy for reference checks when hiring a candidate from the most qualified pool of a previous posting.

Applicant Reference Checks Policy

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Applicant Reference Checks Policy (cont.)

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§ 4. Employment Verification

1. Verify employment with at least two recent employers. Confirm:
 - Dates of Employment
 - Position(s) held
 - Eligibility for Rehire
2. Do not ask about salary history.

In addition, academic credentials must be verified. See the *Selection of Applicants Policy*, Section 5, for details about verifying academic credentials.

The employment verification and reference check may be combined if applicable.

§ 5. Reference Checks

1. Call or email a minimum of two individuals listed as current or most recent prior supervisors on application (for work most related to the job being sought):
 - Overall performance
 - Attendance
 - Experience applicable for job being sought
 - Reason for leaving
 - Eligibility for rehire
 - Whether the applicant was involuntarily terminated for cause
 - Any active disciplinary actions (See the *Disciplinary Action Policy*, section VI, for the situations in which a disciplinary action remains active for North Carolina state employers.)
2. If applicant has current or prior work history with a state agency or university, at least the most recent state agency or university must be contacted for one of the two

Applicant Reference Checks Policy (cont.)

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[See the Recruitment and Posting of Vacancies policy for specific information on reference checks when hiring a candidate from the most qualified pool of a previous posting.](#)

Applicant Reference Checks Policy (cont.)

§ 6. **Criminal Background Check (If Agency requires background check for position):**

1. Background checks should be done after the initial interview unless the position is one that a criminal conviction would legally preclude the person from employment in the particular position for which they applied.

§ 7. **For All Background Checks:**

- When assessing an applicant's background information, apply the job-related standards consistently, regardless of their race, national origin, color, sex (including sexual orientation, pregnancy, and gender identity/expression), religion, disability, genetic information (including family medical history), or age (40 or older).
- Any use of an applicant's background information to make an employment decision must comply with federal and State laws that protect applicants and employees from discrimination, including retaliation.
- Review and follow agency guidelines to ensure consistency in background check processes.
- See the Selection of Applicants Policy, Section 4, if the agency discovers that an applicant provided false or misleading information on a State application.

§ 8. **Agencies shall create their internal processes to:**

1. Follow this policy's required reference check procedures and templates, unless the agency receives written approval by OSHR to establish agency guidelines, procedures and templates that meet minimum requirements.
 - Ensure required employment verification and reference checks are completed on selected applicant.
 - Ensure background checks are conducted, as required by an agency.
 - Ensure approval is obtained from the hiring agency head or designee prior to extending a job offer to any applicant who has a prior involuntary termination from a state agency, is not eligible for rehire with a previous employer, or has an active disciplinary action.
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Applicant Reference Checks Policy (cont.)

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3. Train managers on required reference check procedures and templates.
 4. Identify when an agency head or designee should review and approve hiring an individual when there is a nexus between a criminal record and the position's duties.
 5. Conduct annual self-assessment of agency's reference check processes to ensure standards contained in this policy.
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§ 9. Office of State Human Resources Responsibilities

The Office of State Human Resources shall:

- Provide training and consultation to agency human resources staff.
 - Provide required reference check procedures and templates.
 - Review variation requests for agency guidelines to confirm acceptable substitute.
 - Develop a self-assessment program and require that agencies periodically conduct self-assessments and report the results to the Office of State Human Resources.
 - Include program review of the reference check processes in regular agency performance audits.
-

§ 10. Sources of Authority

This policy is issued under the authority of:

- [N.C.G.S. § 126-4\(4\)](#) (authorizing the Commission to adopt rules or policies governing "[r]ecruitment programs designed to promote public employment ... and attract a sufficient flow of internal and external applicants");
- [N.C.G.S. § 126-14.3\(1\)](#) (requiring the Commission to adopt rules or policies to "[a]ssure recruitment, selection, and hiring procedures that encourage open and fair competition for positions in State government employment and that encourage the hiring of a diverse State government workforce")

Applicant Reference Checks Policy (cont.)

- Section 39.3(b) of the 2023 Appropriations Act, [Session Law 2023-134](#) requiring the Commission to authorize agencies to make job offers that are contingent upon satisfactory reference checks and, if required, satisfactory background checks.

This policy is compliant with:

- [N.C.G.S. § 126-30\(b\)](#) (requiring that the “employing authority within each department, university, board, or commission, shall verify the status of credentials and the accuracy of statements contained in the application of each new employee within 90 days from the date of the employee’s employment”).
- [25 NCAC 01H .0637](#) (requiring, “In accordance with G.S. 126-30, for each new employee, agencies shall verify information on applications for State employment that is significantly related to the particular job responsibilities or is used to qualify or set the employee's salary, as determined by the agency.”)

§ 11. History of This Policy

Date	Version
February 4, 2021	First version. Policy created by Deputy Director/Recruitment Division to confirm alignment with required practices and by Legal, Commission, and Policy Division to confirm alignment with statutory, rule(s), and other policies. Presented to SHRC on February 4, 2021.
December 8, 2022 (effective February 15, 2023)	Update policy to: <ul style="list-style-type: none">• Ensure it does not create barriers to entry for public-sector employees. Questions about involuntary dismissal for cause and disciplinary actions now required in reference check regardless whether employee previously worked for the State.• Based on agency feedback, assist in reducing the time to hire by streamlining the employment verification and reference checks process. Performance management check now optional, rather than required.
October 19, 2023	<ul style="list-style-type: none">• Updated Section 1, Policy, to allow contingent offers to be made prior to the completion of reference checks.

Applicant Reference Checks Policy (cont.)

	<ul style="list-style-type: none">• Added Section 39.3(b) of the 2023 Appropriations Act, Session Law 2023-134 to the sources of authority.• Added 25 NCAC 01H .0637 to the sources of authority.
<u>September 18, 2025</u>	<ul style="list-style-type: none">• <u>Added a cross reference in Section 5 to the Recruitment and Posting of Vacancies policy for reference checks when hiring a candidate from the most qualified pool of a previous posting.</u>

State Human Resources Commission
Report/Policy Summary
(September 18, 2025)

Title of Policy/Report/Rule: Repeal of 25 NCAC 01H .0631

Purpose of the Rule: This rule stated some of the procedures for posting vacant positions, as well as the situations where posting is not required. The content of this rule is covered by the Recruitment & Posting of Vacancies Policy.

Period Covered (if applicable): The repeal of the rule would become effective at the end of the rulemaking process. This would be after the public notice-and-comment process is complete, after any public input is provided to the Human Resources Commission and it adopts the repeal of the rule, and after the Rules Review Commission considers the repeal of the rule.

Summary of Changes: OSHR recommends that this rule be repealed for the following reasons.

- Some portions of this rule are inconsistent with the changes in law made by [Session Law 2025-34](#). Specifically:
 - Subparagraphs .0631(d)(1) and (2) discuss “vacancy-specific qualifications as determined by the agency.” This is now inconsistent with Session Law 2025-34, which specifies that the minimum qualifications are set in the class specification, and “Any additional qualifications, knowledge, skills, and abilities listed in the specific vacancy announcement shall be interpreted as management preferences rather than as mandatory minimum qualifications that must be met.” [N.C.G.S. § 126-14.2\(b\)](#), as amended by Section 3 of Session Law 2025-34. This inconsistent rule text needs to be repealed.
 - Subparagraph .0631(d)(3) states that critical classifications (also known as continuous postings or evergreen postings) are to be approved by the State Human Resources Commission. This is now inconsistent with Session Law 2025-34, which gives this approval authority to the employing agency or institution going forward. [N.C.G.S. § 126-14.3\(3\)](#), as amended by Section 4 of Session Law 2025-34.
- The remaining text of the rule is unnecessary. Paragraphs (a), (b), (c), and (e) of the rule are covered by the Recruitment and Posting of Vacancies Policy. Paragraph (f) refers to a process that no longer exists – OSHR having to approve hiring decisions before they take place.
- Repealing Rule .0631 would leave in place the substantive requirements that applicants be selected based on their minimum qualifications. This is because the Recruitment & Posting of Vacancies Policy cover the same ground, and [Section 11 of Session Law 2025-34](#) provides a

rulemaking exception that clearly allows requirements of this type to be stated in policy rather than in rule.

Because Rule 01H .0631 is partially inconsistent with the newly amended statute, and because the remaining text of Rule 01H .0631 is unnecessary, OSHR recommends that the Commission begin the notice-and-comment process for repealing this rule.

Commission Action Requested: Motion to begin the public notice-and-comment process for a repeal of Rule 01H .0631.

Associated Statutes: [N.C.G.S. §§ 126-4\(4\)](#)

Submitted/Presented by: Kristin Siemek

25 NCAC 01H .0631 is proposed for repeal as follows:

25 NCAC 01H .0631 POSTING AND ANNOUNCEMENT OF VACANCIES

History Note: Authority G.S. 96-29; 126-3(b); 126-4(4); 126-7.1; 126-14;
Eff. March 1, 2007;
Amended Eff. August 1, 2009; May 1, 2008;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 20,
2016;
Amended Eff. March 1, ~~2019~~, 2019;
Repealed Eff. January 1, 2026.

CURRENT TEXT OF RULE WHICH IS BEING PROPOSED FOR REPEAL

25 NCAC 01H .0635 MINIMUM QUALIFICATIONS

- (a) The employee or applicant must possess at least the minimum qualifications set forth in the class specification of the vacancy being filled. Additional minimum qualifications, if any, included on the specific vacancy announcement must also be met. The additional qualifications shall have a documented business need. Qualifications include training, experience, competencies and knowledge, skills and abilities. The minimum qualifications on the vacancy announcement shall bear a direct and logical relationship to the minimums on the class specification, class administration guidelines developed by the Office of State Human Resources, and the specific position description. This requirement shall apply in new appointments, promotions, demotions or reassignments, transfers, and reinstatements.
- (b) Qualifications necessary to perform successfully may be attained in a variety of combinations. Reasonable substitutions of formal training and job-related experience, one for the other, may be made.
- (c) Agency management is responsible for determining and defending the vacancy-specific qualifications that are in addition to minimum training and experience requirements. Such vacancy-specific qualifications shall bear a logical and job-related relationship to the minimum requirements.
- (d) The Office of State Human Resources shall make the final determination as to whether the employee or applicant meets the minimum qualifications in questionable selection situations.

History Note: *Authority G.S. 126-4(4);*

Eff. March 1, 2007;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 20, 2016.

State Human Resources Commission
Report/Policy Summary
(September 18, 2025)

Title of Policy/Report/Rule: Form I-9 and Employment Eligibility Verification Policy

Purpose of the Policy: The federal Immigration Reform and Control Act (IRCA) amended the Immigration and Nationality Act by making it unlawful to hire, recruit or refer for a fee any individual who is not authorized to accept employment in the United States. This law seeks to preserve jobs for those who are legally eligible for them, and states that the employer must hire only United States citizens or aliens who are authorized to work in the United States. Additionally, all North Carolina State agencies, departments, institutions, community colleges, and local education agencies shall verify, in accordance with the E-Verify Program, each individual's legal status or authorization to work in the United States, after hiring the individual to work in the United States.

Period Covered (if applicable): Effective October 8, 2025.

Summary of Proposed Policy/Report/Rule and Revision(s):

Updated this policy in two main ways. First, the revised policy reflects the I-9 and E-Verify process that will be built into the State's new Workday IT system, effective October 8, 2025. Second, the revised policy reflects the fact that executive branch agencies will be operating, for employees hired in the Workday system on or after October 8, 2025, under a single Memorandum of Understanding (MOU) with the federal government for E-Verify, instead of multiple agency MOUs.

See below for a detailed log of changes made to the policy.

In Section 1, entitled "Policy":

- Deleted reference to community colleges, and local education agencies because the policy does not apply to these entities
- Added a footnote to clarify the policy only applies to agencies using Workday and Administrative Office of the Courts and it does not apply to the Universities or agencies not using Workday. Deleted reference to universities throughout as this policy will not apply to them.

In Section 2.1, entitled "Form I-9, Employment Eligibility Verification":

- Clarified it is no longer a new hire when an employee moves between agencies utilizing Workday.
- Added that employees hired by the sending agency after the implementation of Workday, the employee's record will transfer when the transfer is effective in Workday.
- Added a note that states if an employee is transferring from a University or other state entity that does not utilize the Workday system for the I-9 process, they should be treated as a new hire and a new Form I-9 and E-Verify case should be completed.
- Added information about transferring existing I-9 documentation between agencies using Workday for employees that were hired by the sending agency prior to the implementation of Workday.
- Deleted the statement on ensuring use of the correct version of the Form I-9.

In Section 2.2, formerly entitled “Physical Document Examination”:

- Changed the title to “Document Examination.”
- Changed the default method of document examination to remote examination.
- Merged former Section 2.3 Remote Verification with Section 2.2.
- Added that agencies utilizing Workday must offer remote verification to new employees.
- Added reference to the Workday I-9 and E-Verify Reference Guide.
- Clarified the process for remote document examination with use of Workday
- Added that if the employee chooses not to participate in remote verification by uploading documents into Workday, the employee must present the required documentation on the first day of work for pay. The employer representative will upload the documents into Workday.

In Section 3, entitled “E-Verify Program-Employment Authorization Confirmation”:

- Added a statement about the Single MOU that all Workday agencies will use.
- Added “Agency staff shall not directly access E-Verify through the E-Verify website. Agency staff shall create new E-Verify cases through the Workday system. If a situation arises that cannot be addressed through the Workday system, the agency’s I-9 representative must contact the OSHR E-Verify Program Administrator. Agency staff shall not use prior agency specific E-Verify accounts for Form I-9s which have Section 1 completed on or after the Workday system goes live on October 8, 2025. Agency staff shall use the Workday system and the new MOU for all employees who complete Section 1 of the Form I-9 on or after that date.”

In Section 4, formerly entitled “When to Verify Eligibility”:

- Changed the title to “Timeframe to Verify Eligibility.”

In Section 5, entitled “Continuing Employment”:

- Added an employee transferring directly from one state agency using Workday to another state agency using Workday

In Section 6.1, entitled “Storage of Documents”:

- Deleted “These documents are maintained at the agency or university level only.”
- Added “Any Form I-9 and E-Verify case processed through Workday should be stored only in Workday.”

In Section 6.2, entitled “Retention of Documents”:

- Added “Form I-9 and associated documents for employees transferring between Workday agencies should transfer with the employee, rather than being retained by the sending agency. Form I-9 and associated documents for employees separating to work at a non-Workday entity must be retained by the agency for the required amount of time.”

Commission Action Requested: Motion to approve revisions as presented.

Source of Authority: [N.C.G.S. § 126-4\(3\),\(4\)](#); compliant with [8 U.S.C. § 1324a](#) and [N.C.G.S. § 126-7.1\(i\)](#).

Associated Rule(s) (if applicable): [25 NCAC 01H .0636](#)

Submitted/Presented by: Anna Perkinson

[Draft](#)Effective: ~~December 12, 2024~~ [October 8, 2025](#)

Form I-9 and Employment Eligibility Verification Policy

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§ 1. Policy

The federal Immigration Reform and Control Act (IRCA) amended the Immigration and Nationality Act by making it unlawful to hire, recruit or refer for a fee any individual who is not authorized to accept employment in the United States. This law seeks to preserve jobs for those who are legally entitled to them, and states that the employer must hire only United States citizens or noncitizens [\(aliens\)](#)⁴ who are authorized to work in the United States. Additionally, under the State Human Resources Act, all North Carolina State agencies, departments, [and](#) institutions, ~~community colleges, and local education agencies~~² shall verify, in accordance with the E-Verify Program, each individual’s legal status or authorization to work in the United States, after hiring the individual to work in the United States.³

Advisory Note: For the processes described in this policy, employers should ensure their procedures limit the possibility that sensitive employee information is transmitted to an unintended recipient or stored in an incorrect employee file. For that reason, agencies should institute procedures to require sequential, rather than concurrent, processing of these documents. This means that only one Form I-9 is verified at a time. All documents related to

⁴ ~~The federal I-9 form, as updated 8/1/2023, replaces the term “alien” with the term “noncitizen.”~~

² [This policy applies only to state agencies in the Workday system and Administrative Office of the Courts. It does not apply to universities or agencies not utilizing the Workday system. Employers not covered by this policy are still required to utilize E-Verify.](#)

³ N.C.G.S. § 126-7.1(i). The “Basic Pilot Program” described in this statute is now the E-Verify program.

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the verification process must be closed or securely stored away before starting any new Form I-9 or E-Verify processes.

§ 2. Work Authorization**§ 2.1. Form I-9, Employment Eligibility Verification**

To ensure compliance with its provisions, IRCA mandates that employers certify the employment eligibility of all new employees (including United States citizens) hired on or after November 7, 1986, by requiring completion of the employment eligibility verification form, Form I-9, within three days of employment.

Verification of employment eligibility is not required for persons hired on or before November 6, 1986, who have been continuously employed by the same North Carolina agency since that date. If a current State employee accepts a position in a different North Carolina state agency [that uses Workday, this is not considered a new hire and](#) their employment eligibility ~~must be~~ [should not be](#) confirmed by the completion of a new Form I-9 [or new E-Verify case. For employees transferring between agencies that were hired by the sending agency after the implementation of the Workday system, the employee's record will move to the receiving agency when the transfer is effective in Workday.](#)

Note: [If an employee is transferring from a University or other state entity that does not utilize the Workday system for the I-9 process, they should be treated as a new hire and a new Form I-9 and E-Verify case should be completed.](#)

[For employees transferring between agencies using Workday that were hired by the sending agency prior to the implementation of the Workday system, agencies must obtain the existing Form I-9 and E-Verify information from the employee's prior agency.:](#)

- [• The receiving agency must obtain the all documents, including the Form I-9, copies of the eligibility documents, and the E-Verify confirmation, from the sending agency.](#)
- [• The sending agency should provide this information to the receiving agency no later than the employee's first day of work with the receiving agency.](#)

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- The sending agency must submit the documents to the receiving agency using the Workday “Worker Documents” feature and using the I-9 Documents Category when uploading the documents.
- The receiving agency must also upload a memo using the “Worker Documents” feature and using the I-9 Documents Category. The memo should state the name of the employee and the date they transferred to the receiving agency. For example, “On November 2, 2025, John Doe transferred to Department of Administration from the Administrative Office of the Courts.”
- The paper copy of the I-9 documents, if any, must also be transferred to the receiving agency with the transferring employee. The employee’s I-9 documentation should be maintained in the same manner the agency maintains all paper I-9 documentation that is not in the Workday system.

This procedure must be consistently followed ~~with regard to~~for every employee for whom verification of employment eligibility is required.

~~Employers should ensure they are using the correct version of the Form I-9.⁴ The current version of the Form I-9 and corresponding instructions can be found on the United States Citizenship and Immigration Services (USCIS) website at <https://www.uscis.gov/i-9>.~~

§ 2.2. ~~Physical~~ Document Examination

With Workday. ~~The~~ the default method of verifying an employee’s Form I-9 documentation is ~~physically~~ remotely examining the documents that an employee supplies, along with the Form I-9, to verify the identity and authorization of an employee to work in the United States.

⁴ Beginning November 1, 2023, only the new Form I-9 dated “08/01/2023” may be used. The version date can be found at the lower left corner of the form.

DraftEffective: ~~December 12, 2024~~ October 8, 2025**Form I-9 and Employment Eligibility Verification Policy (cont.)****~~§ 2.3. Remote Verification of Form I-9 Documentation (Optional Alternative Procedure to Physical Document Examination)~~**

~~———— If an employer is in good standing with E-Verify, it is qualified to remotely examine an employee's documentation using an alternative procedure authorized by the Department of Homeland Security (DHS) at any distinct E-Verify hiring site. If an employer chooses to offer the remote verification alternative procedure to new employees at an E-Verify hiring site:~~

- ~~• They must do so for all employees at that site, or~~
- ~~• They may choose to offer the alternative procedure for new hires who are field/home-based or full-time telework and continue to apply physical examination procedures to all employees who work onsite or in a hybrid capacity.~~

Agencies utilizing the Workday system must offer remote verification to new employees. ~~If an employer offers remote verification, However,~~ employees are not obligated to participate in remote verification and may choose to present their documents for physical examination. Employees performing I-9 verification functions in Workday should follow the Workday I-9 and E-Verify Reference Guide.

~~If an agency or E-Verify hiring site chooses to utilize this option to use remote verification, the agency or E-Verify hiring site must develop a remote verification procedure that includes, at minimum, the following steps:~~

The employee must complete Section 1 of Form I-9 no later than the first day of work for pay in Workday and transmit to the employer. ~~The Form I-9 must be submitted by the employee via a secure file transfer protocol (SFTP) client software, or other secure file share solution that has been approved by the Enterprise Security and Risk Management Office (ESRMO).~~ Each agency or university should consult with its agency Chief Information Officer (CIO), Chief Information Security Officer (CISO), or delegated authority to arrange a secure method for transmission of documents.

For remote examination, ~~T~~the employee must ~~transmit~~ upload to Workday front and back copies of documents to be examined remotely prior to the live video interaction.

~~Documents must be submitted by the employee via the secure file share solution identified above.~~ An employer representative must examine copies (front and back, if the document is two-sided) of Form I-9 documents or an acceptable receipt to ensure that the documentation presented reasonably appears to be genuine and relates to the employee. If

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the employee chooses not to participate in remote verification by uploading documents into Workday, the employee must present the required documentation on the first day of work for pay. The employer representative will upload the documents into Workday.

For remote examination, ~~the~~ the employer representative must conduct a live video interaction with the individual presenting the document(s) to ensure that the documentation reasonably appears to be genuine and relates to the individual. The employee must present the same document(s) during the live video interaction that were ~~submitted to the agency~~ uploaded to Workday prior to the video interaction.

The employer representative must complete Section 2 of the Form I-9. This step must occur within three business days of the first day of work for pay⁵; ~~and~~

The agency must retain a clear and legible copy of the documentation (front and back if the documentation is two-sided) for as long as the employee works for the agency, plus the specified period after their employment has ended. Refer to Section 6.2 of this policy for retention requirements.

You can find additional information about remote examination of documents at <https://www.uscis.gov/i-9-central/remote-examination-of-documents>.

§ 3. E-Verify Program-Employment Authorization Confirmation

In addition to the I-9 process, electronic verification using the internet-based E-Verify Program is required for every newly hired employee who began work in an agency/university on or after January 1, 2007, except in the case of Local Education Agencies (LEAs). Verification by the E-Verify Program is required for all LEA employees who were newly hired on or after March 1, 2007. This program is only to be used to determine the employment eligibility of newly hired employees. Attempting to verify the employment eligibility status of a person who was employed by the State before January 1, 2007 is strictly prohibited. Verification of an employee's eligibility to work in the United States through the E-Verify system should be completed after receipt and examination of the Form I-9 and associated documents ~~have been received and examined~~, but within three business days of the employee's first day of work for pay.

⁵ This means if your employee began work for pay on Monday, you must complete Section 2 by Thursday of that week.

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After a case is submitted in E-Verify, the agency representative will receive an immediate result of either “Employment Authorized”, “Tentative Non-Confirmation”, or “Verification in Process”. Employers may not terminate, suspend, delay training, withhold or lower pay, or take any other adverse action against an employee because of a “Verification in Process” or “Tentative Non-Confirmation” result. Please refer to the E-Verify website (www.e-verify.gov) or the E-Verify User Manual (available at www.e-verify.gov/e-verify-user-manual) for detailed information on steps the employer must take when a “Verification in Process” or “Tentative Non-Confirmation” result is received.

All state agencies utilizing the Workday system shall operate under a single Department of Homeland Security Memorandum of Understanding (MOU). Agency staff shall not directly access E-Verify through the E-Verify website. Agency staff shall create new E-Verify cases through the Workday system. If a situation arises that cannot be addressed through the Workday system, the agency’s I-9 representative must contact the OSHR E-Verify Program Administrator. Agency staff shall not use prior agency specific E-Verify accounts for Form I-9s which have Section 1 completed on or after the Workday system goes live on October 8, 2025. Agency staff shall use the Workday system and the new MOU for all employees who complete Section 1 of the Form I-9 on or after that date. ~~A designated representative from each State agency, department, institution, community college, and local education agency is required to agree to and sign the Department of Homeland Security’s Memorandum of Understanding in order to begin using the E-Verify Program.~~

§ 4. ~~When~~ Timeframe to Verify Eligibility

An agency may not request documentation that a person is eligible to work in the United States until an offer of employment is made and accepted by the candidate. For that reason, an employing agency ~~or university~~ must secure proper administrative approvals and must complete all pre-employment screening before an offer of employment is made. In certain cases, the offer of employment may be conditional, but the conditions of the pending offer must be clearly stated to the candidate, and must be otherwise legally valid. Only after that offer of employment is made may the agency ~~or university~~ request documents for the completion of the Form I-9 and the verification.

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-For a United States citizen or permanent resident, if documentation is unavailable at the time of initial employment, and the employee has applied for that documentation, a receipt for that application is required, within the first three days of employment, for completion of the Form I-9. The employee must produce the original document within ninety days of hire. The E-Verify verification may be delayed until the employee submits the original documents.

Failure to complete the Form I-9 or to provide documentation within three business days will result in the employee's separation from State employment.

§ 5. Continuing Employment (Employees Not Considered "Newly Hired")

Employers must complete a new Form I-9 when a "hire"⁶ takes place. A "hire" has not taken place if the individual is continuing in their employment and has a reasonable expectation of employment at all times.

A "hire" **does not include**:

- [An employee transferring directly from one state agency using Workday to another state agency using Workday;](#)
- an employee returning from a paid or unpaid leave approved by the employer;
- an employee who has been promoted, demoted, reassigned, or received a horizontal transfer, but has not changed agencies/universities;
- an employee returning from a reduction-in-force if returning to the same agency/university;
- an employee returning after a wrongful discharge; or
- an employee engaged in seasonal employment that has a reasonable expectation to return to work in the same capacity.

§ 6. Storage and Retention of Documentation**§ 6.1. Storage of Documents**

Employers may use a paper system, an electronic system, or a combination of paper and electronic systems to store Form I-9 and associated documents. Paper copies of the documents presented by employees may be stored with the employee's Form I-9 or with the

⁶ Additional information regarding a "hire," per USCIS, versus continuing employment may be found at <https://www.uscis.gov/i-9-central/complete-correct-form-i-9/continuing-employment>.

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employees' records. However, USCIS recommends that employers keep Form I-9 separate from personnel records to facilitate an inspection request. ~~These documents are maintained at the agency or university level only.~~

Both physical and electronic I-9 verification folders contain sensitive personal information. This information must be safeguarded. Paper documents should be, at minimum:

- stored in locked filing cabinets, [and](#)
- ~~with~~ [have](#) access limited to employees who complete Form I-9s or E-Verify cases, and other employees who are authorized to have access to employee personnel records.

An electronic storage system must:

- Include controls to ensure the protection, integrity, accuracy and reliability of the electronic generation storage system.
- Include controls to detect and prevent the unauthorized or accidental creation of, addition to, alteration of, deletion of or deterioration of an electronically completed stored Form I-9, including the electronic signature, if used.
- Include controls to ensure an audit trail so that any alteration or change to the form since its creation is electronically stored and can be accessed by an appropriate government agency inspecting the forms.
- Include an inspection and quality assurance program that regularly evaluates the electronic generation or storage system, and includes periodic checks of electronically stored Form I-9, including the electronic signature, if used.
- Include a detailed index of all data so that any ~~particular~~ record can be accessed immediately.
- Produce a high degree of legibility and readability when displayed on a video display terminal or reproduced on paper.⁷

HR ~~S~~staff should confer with your CIO, CISO or delegated authority on the best way to ensure any electronic storage of Form I-9s and associated documents meets these requirements. [Any Form I-9 and E-Verify case processed through Workday should be stored only in Workday.](#)

⁷ [Retention and Storage | USCIS](#), www.uscis.gov/i-9-central/complete-correct-form-i-9/retention-and-storage

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Form I-9 and Employment Eligibility Verification Policy (cont.)

§ 6.2. Retention of Documents

Agencies are required to retain Form I-9s for the duration of a person's employment. If a person separates from an agency or university, the form must be kept on file for at least three years after the person's start date, or for one year after the separation date, whichever is later. Confirmations that new employees have been verified as eligible to be employed through E-Verify should be attached to Form I-9s and maintained for the same length of time as the Form I-9.

[Form I-9 and associated documents for employees transferring between Workday agencies should transfer with the employee, rather than being retained by the sending agency. Form I-9 and associated documents for employees separating to work at a non-Workday entity must be retained by the agency for the required amount of time.](#)

Advisory Note: If utilizing a paper-based storage system, documents used to establish work authorization should be photocopied and stapled to the original Form I-9. If utilizing an electronic storage system, these documents should be scanned and added to the employee's Employment Verification folder.

Proof of legal employment eligibility in the United States must be maintained throughout an employee's tenure with the employer. Therefore, State agencies, departments, [and](#) institutions, ~~community colleges, and local education agencies~~ must remain cognizant of the fact that certain employees may only be legally eligible to work in the United States for limited periods of time. If an employee's legal employment eligibility is temporary, it is the employer's responsibility to verify that the employee renews their employment eligibility or separate that person from employment upon expiration of the temporary eligibility period.

§ 7. Re-verification

Re-verification of an employee's eligibility to work in the United States should only be conducted on those employees who attested in Section 1 of the Form I-9 that they are noncitizens authorized to work in the United States for a limited period of time. Reverifications are not required, and are not permitted to be completed, on United States Citizen and Lawful Permanent Resident employees. The E-Verify Program is not to be used for reverification purposes. Thus, reverification of employment eligibility only

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involves the physical examination of employment eligibility documents, not the electronic verification of those documents. If the employee's documents are reverified electronically, the ~~employer~~-agency will be in violation of the Memorandum of Understanding, which details the ~~employer's~~-agency's E-Verify Program obligations, as required by the United States DHS.

§ 8. Sources of Authority

This policy is issued pursuant to any and all of the following:

- [N.C.G.S. § 126-4\(3\)](#), which authorizes the State Human Resources Commission to establish policies governing "reasonable qualifications as to ... job-related requirements pertinent to the work to be performed."
- [N.C.G.S. § 126-4\(4\)](#), which authorizes the State Human Resources Commission to establish policies governing "[r]ecruitment programs designed to ... determine the relative fitness of applicants for the respective positions."

This policy is compliant with:

- [8 U.S.C. § 1324a](#), Immigration Reform and Control Act
- [N.C.G.S. § 126-7.1\(i\)](#) which states that each State agency, department, institution, university, community college, and local education agency shall verify, in accordance with the Basic Pilot Program administered by the United States Department of Homeland Security pursuant to 8 U.S.C. § 1101, et seq, each individual's legal status or authorization to work in the United States after hiring the individual as an employee to work in the United States.
- [25 NCAC 01H .0636](#), which establishes that all State agencies "shall, no later than the third working day after the hire, verify the employment eligibility of all employees hired after November 6, 1986," using the E-Verify program.

§ 9. History of This Policy

Date	Version
September 1, 2007	New Policy. New policy on employment of foreign nationals in the United States.
December 3, 2020	Policy reviewed. Advisory note is now included in the body of the policy. Policy is correct and operating as written.

[Draft](#)Effective: ~~December 12, 2024~~ [October 8, 2025](#)**Form I-9 and Employment Eligibility Verification Policy (cont.)**

October 19, 2023	<p>Changed the name of the policy from “Immigration/Employment of Foreign Nationals Policy” to “Form I-9 and Employment Eligibility Verification Policy.” Added a footnote to explain that the “Basic Pilot Program” is now called “E-Verify.” Changed the term “alien” to “noncitizen” to match language on revised Form I-9.</p> <p>Revised the first advisory note to explain that, given the sensitive nature of the information contained on Form I-9s, documents should be processed sequentially, rather than concurrently, meaning only one Form I-9 and associated documents should be processed at one time.</p> <p>Detailed the requirements for a remote verification of Form I-9 documentation procedure, including the requirement for secure transmission of personally identifiable information.</p> <p>Added language to Section 3, E-Verify, to explain employers may not take adverse employment actions when certain results are received from E-Verify. Included references and links to the E-Verify website and manual.</p> <p>Edited Section 5, Continuing Employment, to utilize language more consistent with USCIS guidance.</p> <p>Added information on the appropriate storage of paper and electronic Form I-9s and associated documentation to Section 6.</p> <p>Added “Sources of Authority” section.</p>
December 12, 2024	Added to Section 6.1, Storage of Documents: These documents are maintained at the agency or university level only.
September 17, 2025 (effective October 8, 2025)	Updated this policy in two main ways. First, the revised policy reflects the I-9 and E-Verify process that will be built into the State’s new Workday IT system, effective October 8, 2025. Second, the revised policy reflects the fact that executive branch agencies will be operating, for employees hired in the Workday system on or after October 8, 2025, under a single Memorandum of Understanding

[Draft](#)Effective: ~~December 12, 2024~~ [October 8, 2025](#)**Form I-9 and Employment Eligibility Verification Policy (cont.)**

	<p>(MOU) with the federal government for E-Verify, instead of multiple agency MOUs.</p> <p>See below for a detailed log of changes made to the policy.</p> <p>In Section 1, entitled "Policy":</p> <ul style="list-style-type: none">Deleted reference to community colleges, and local education agencies because the policy does not apply to these entitiesAdded a footnote to clarify the policy only applies to agencies using Workday and Administrative Office of the Courts and it does not apply to the Universities or agencies not using Workday. Deleted reference to universities throughout as this policy will not apply to them. <p>In Section 2.1, entitled "Form I-9, Employment Eligibility Verification":</p> <ul style="list-style-type: none">Clarified it is no longer a new hire when an employee moves between agencies utilizing Workday.Added that employees hired by the sending agency after the implementation of Workday, the employee's record will transfer when the transfer is effective in Workday.Added a note that states if an employee is transferring from a University or other state entity that does not utilize the Workday system for the I-9 process, they should be treated as a new hire and a new Form I-9 and E-Verify case should be completed.Added information about transferring existing I-9 documentation between agencies using Workday for employees that were hired by the sending agency prior to the implementation of Workday.Deleted the statement on ensuring use of the correct version of the Form I-9. <p>In Section 2.2, formerly entitled "Physical Document Examination":</p> <ul style="list-style-type: none">Changed the title to "Document Examination."Changed the default method of document examination to remote examination.Merged former Section 2.3 Remote Verification with Section 2.2.Added that agencies utilizing Workday must offer remote verification to new employees.Added reference to the Workday I-9 and E-Verify Reference Guide.Clarified the process for remote document examination with use of WorkdayAdded that if the employee chooses not to participate in remote verification by uploading documents into Workday,
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DraftEffective: ~~December 12, 2024~~ October 8, 2025**Form I-9 and Employment Eligibility Verification Policy (cont.)**

	<p><u>the employee must present the required documentation on the first day of work for pay. The employer representative will upload the documents into Workday.</u></p> <p><u>In Section 3, entitled “E-Verify Program-Employment Authorization Confirmation”:</u></p> <ul style="list-style-type: none"><u>Added a statement about the Single MOU that all Workday agencies will use.</u><u>Added “Agency staff shall not directly access E-Verify through the E-Verify website. Agency staff shall create new E-Verify cases through the Workday system. If a situation arises that cannot be addressed through the Workday system, the agency’s I-9 representative must contact the OSHR E-Verify Program Administrator. Agency staff shall not use prior agency specific E-Verify accounts for Form I-9s which have Section 1 completed on or after the Workday system goes live on October 8, 2025. Agency staff shall use the Workday system and the new MOU for all employees who complete Section 1 of the Form I-9 on or after that date.”</u> <p><u>In Section 4, formerly entitled “When to Verify Eligibility”:</u></p> <ul style="list-style-type: none"><u>Changed the title to “Timeframe to Verify Eligibility.”</u> <p><u>In Section 5, entitled “Continuing Employment”:</u></p> <ul style="list-style-type: none"><u>Added an employee transferring directly from one state agency using Workday to another state agency using Workday</u> <p><u>In Section 6.1, entitled “Storage of Documents”:</u></p> <ul style="list-style-type: none"><u>Deleted “These documents are maintained at the agency or university level only.”</u><u>Added “Any Form I-9 and E-Verify case processed through Workday should be stored only in Workday.”</u> <p><u>In Section 6.2, entitled “Retention of Documents”:</u></p> <ul style="list-style-type: none"><u>Added “Form I-9 and associated documents for employees transferring between Workday agencies should transfer with the employee, rather than being retained by the sending agency. Form I-9 and associated documents for employees separating to work at a non-Workday entity must be retained by the agency for the required amount of time.”</u>
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§ 1. Policy

The federal Immigration Reform and Control Act (IRCA) amended the Immigration and Nationality Act by making it unlawful to hire, recruit or refer for a fee any individual who is not authorized to accept employment in the United States. This law seeks to preserve jobs for those who are legally entitled to them, and states that the employer must hire only United States citizens or noncitizens (aliens) who are authorized to work in the United States. Additionally, under the State Human Resources Act, all North Carolina State agencies, departments, and institutions ¹ shall verify, in accordance with the E-Verify Program, each individual's legal status or authorization to work in the United States, after hiring the individual to work in the United States.²

Advisory Note: For the processes described in this policy, employers should ensure their procedures limit the possibility that sensitive employee information is transmitted to an unintended recipient or stored in an incorrect employee file. For that reason, agencies should institute procedures to require sequential, rather than concurrent, processing of these documents. This means that only one Form I-9 is verified at a time. All documents related to the verification process must be closed or securely stored away before starting any new Form I-9 or E-Verify processes.

¹ This policy applies only to state agencies in the Workday system and Administrative Office of the Courts. It does not apply to universities or agencies not utilizing the Workday system. Employers not covered by this policy are still required to utilize E-Verify.

² N.C.G.S. § 126-7.1(i). The “Basic Pilot Program” described in this statute is now the E-Verify program.

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Form I-9 and Employment Eligibility Verification Policy (cont.)

§ 2. Work Authorization

§ 2.1. Form I-9, Employment Eligibility Verification

To ensure compliance with its provisions, IRCA mandates that employers certify the employment eligibility of all new employees (including United States citizens) hired on or after November 7, 1986, by requiring completion of the employment eligibility verification form, Form I-9, within three days of employment.

Verification of employment eligibility is not required for persons hired on or before November 6, 1986, who have been continuously employed by the same North Carolina agency since that date. If a current State employee accepts a position in a different North Carolina state agency that uses Workday, this is not considered a new hire and their employment eligibility should not be confirmed by the completion of a new Form I-9 or new E-Verify case. For employees transferring between agencies that were hired by the sending agency after the implementation of the Workday system, the employee's record will move to the receiving agency when the transfer is effective in Workday.

Note: If an employee is transferring from a University or other state entity that does not utilize the Workday system for the I-9 process, they should be treated as a new hire and a new Form I-9 and E-Verify case should be completed.

For employees transferring between agencies using Workday that were hired by the sending agency prior to the implementation of the Workday system, agencies must obtain the existing Form I-9 and E-Verify information from the employee's prior agency.:

- The receiving agency must obtain the all documents, including the Form I-9, copies of the eligibility documents, and the E-Verify confirmation, from the sending agency.
- The sending agency should provide this information to the receiving agency no later than the employee's first day of work with the receiving agency.
- The sending agency must submit the documents to the receiving agency using the Workday "Worker Documents" feature and using the I-9 Documents Category when uploading the documents.

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- The receiving agency must also upload a memo using the “Worker Documents” feature and using the I-9 Documents Category. The memo should state the name of the employee and the date they transferred to the receiving agency. For example, “On November 2, 2025, John Doe transferred to Department of Administration from the Administrative Office of the Courts.”
- The paper copy of the I-9 documents, if any, must also be transferred to the receiving agency with the transferring employee. The employee’s I-9 documentation should be maintained in the same manner the agency maintains all paper I-9 documentation that is not in the Workday system.

This procedure must be consistently followed for every employee for whom verification of employment eligibility is required.

§ 2.2. Document Examination

With Workday, the default method of verifying an employee’s Form I-9 documentation is remotely examining the documents that an employee supplies, along with the Form I-9, to verify the identity and authorization of an employee to work in the United States.

Agencies utilizing the Workday system must offer remote verification to new employees. However, employees are not obligated to participate in remote verification and may choose to present their documents for physical examination. Employees performing I-9 verification functions in Workday should follow the Workday I-9 and E-Verify Reference Guide.

The employee must complete Section 1 of Form I-9 no later than the first day of work for pay in Workday. For remote examination, the employee must upload to Workday front and back copies of documents to be examined remotely prior to the live video interaction. An employer representative must examine copies (front and back, if the document is two-sided) of Form I-9 documents or an acceptable receipt to ensure that the documentation presented reasonably appears to be genuine and relates to the employee. If

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the employee chooses not to participate in remote verification by uploading documents into Workday, the employee must present the required documentation on the first day of work for pay. The employer representative will upload the documents into Workday.

For remote examination, the employer representative must conduct a live video interaction with the individual presenting the document(s) to ensure that the documentation reasonably appears to be genuine and relates to the individual. The employee must present the same document(s) during the live video interaction that were uploaded to Workday prior to the video interaction.

The employer representative must complete Section 2 of the Form I-9. This step must occur within three business days of the first day of work for pay.³

The agency must retain a clear and legible copy of the documentation (front and back if the documentation is two-sided) for as long as the employee works for the agency, plus the specified period after their employment has ended. Refer to Section 6.2 of this policy for retention requirements.

You can find additional information about remote examination of documents at <https://www.uscis.gov/I-9-central/remote-examination-of-documents>.

§ 3. E-Verify Program-Employment Authorization Confirmation

In addition to the I-9 process, electronic verification using the internet-based E-Verify Program is required for every newly hired employee who began work in an agency/university on or after January 1, 2007, except in the case of Local Education Agencies (LEAs). Verification by the E-Verify Program is required for all LEA employees who were newly hired on or after March 1, 2007. This program is only to be used to determine the employment eligibility of newly hired employees. Attempting to verify the employment eligibility status of a person who was employed by the State before January 1, 2007 is strictly prohibited. Verification of an employee's eligibility to work in the United States through the E-Verify system should be completed after receipt and examination of the Form I-9 and associated documents, but within three business days of the employee's first day of work for pay.

³ This means if your employee began work for pay on Monday, you must complete Section 2 by Thursday of that week.

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Form I-9 and Employment Eligibility Verification Policy (cont.)

After a case is submitted in E-Verify, the agency representative will receive an immediate result of either “Employment Authorized”, “Tentative Non-Confirmation”, or “Verification in Process”. Employers may not terminate, suspend, delay training, withhold or lower pay, or take any other adverse action against an employee because of a “Verification in Process” or “Tentative Non-Confirmation” result. Please refer to the E-Verify website (www.e-verify.gov) or the E-Verify User Manual (available at www.e-verify.gov/e-verify-user-manual) for detailed information on steps the employer must take when a “Verification in Process” or “Tentative Non-Confirmation” result is received.

All state agencies utilizing the Workday system shall operate under a single Department of Homeland Security Memorandum of Understanding (MOU). Agency staff shall not directly access E-Verify through the E-Verify website. Agency staff shall create new E-Verify cases through the Workday system. If a situation arises that cannot be addressed through the Workday system, the agency’s I-9 representative must contact the OSHR E-Verify Program Administrator. Agency staff shall not use prior agency specific E-Verify accounts for Form I-9s which have Section 1 completed on or after the Workday system goes live on October 8, 2025. Agency staff shall use the Workday system and the new MOU for all employees who complete Section 1 of the Form I-9 on or after that date.

§ 4. Timeframe to Verify Eligibility

An agency may not request documentation that a person is eligible to work in the United States until an offer of employment is made and accepted by the candidate. For that reason, an employing agency must secure proper administrative approvals and must complete all pre-employment screening before an offer of employment is made. In certain cases, the offer of employment may be conditional, but the conditions of the pending offer must be clearly stated to the candidate, and must be otherwise legally valid. Only after that offer of employment is made may the agency request documents for the completion of the Form I-9 and the verification.

For a United States citizen or permanent resident, if documentation is unavailable at the time of initial employment, and the employee has applied for that documentation, a receipt for that application is required, within the first three days of employment, for

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Form I-9 and Employment Eligibility Verification Policy (cont.)

completion of the Form I-9. The employee must produce the original document within ninety days of hire. The E-Verify verification may be delayed until the employee submits the original documents.

Failure to complete the Form I-9 or to provide documentation within three business days will result in the employee's separation from State employment.

§ 5. Continuing Employment (Employees Not Considered "Newly Hired")

Employers must complete a new Form I-9 when a "hire"⁴ takes place. A "hire" has not taken place if the individual is continuing in their employment and has a reasonable expectation of employment at all times.

A "hire" **does not include**:

- An employee transferring directly from one state agency using Workday to another state agency using Workday;
- an employee returning from a paid or unpaid leave approved by the employer;
- an employee who has been promoted, demoted, reassigned, or received a horizontal transfer, but has not changed agencies/universities;
- an employee returning from a reduction-in-force if returning to the same agency/university;
- an employee returning after a wrongful discharge; or
- an employee engaged in seasonal employment that has a reasonable expectation to return to work in the same capacity.

§ 6. Storage and Retention of Documentation

§ 6.1. Storage of Documents

Employers may use a paper system, an electronic system, or a combination of paper and electronic systems to store Form I-9 and associated documents. Paper copies of the documents presented by employees may be stored with the employee's Form I-9 or with the employees' records. However, USCIS recommends that employers keep Form I-9 separate from personnel records to facilitate an inspection request.

⁴ Additional information regarding a "hire," per USCIS, versus continuing employment may be found at <https://www.uscis.gov/i-9-central/complete-correct-form-i-9/continuing-employment>.

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Form I-9 and Employment Eligibility Verification Policy (cont.)

Both physical and electronic I-9 verification folders contain sensitive personal information.

This information must be safeguarded. Paper documents should be, at minimum:

- stored in locked filing cabinets, and
- have access limited to employees who complete Form I-9s or E-Verify cases, and other employees who are authorized to have access to employee personnel records.

An electronic storage system must:

- Include controls to ensure the protection, integrity, accuracy and reliability of the electronic generation storage system.
- Include controls to detect and prevent the unauthorized or accidental creation of, addition to, alteration of, deletion of or deterioration of an electronically completed stored Form I-9, including the electronic signature, if used.
- Include controls to ensure an audit trail so that any alteration or change to the form since its creation is electronically stored and can be accessed by an appropriate government agency inspecting the forms.
- Include an inspection and quality assurance program that regularly evaluates the electronic generation or storage system, and includes periodic checks of electronically stored Form I-9, including the electronic signature, if used.
- Include a detailed index of all data so that any record can be accessed immediately.
- Produce a high degree of legibility and readability when displayed on a video display terminal or reproduced on paper.⁵

HR staff should confer with your CIO, CISO or delegated authority on the best way to ensure any electronic storage of Form I-9s and associated documents meets these requirements. Any Form I-9 and E-Verify case processed through Workday should be stored only in Workday.

⁵ [Retention and Storage | USCIS](https://www.uscis.gov/i-9-central/complete-correct-form-i-9/retention-and-storage), www.uscis.gov/i-9-central/complete-correct-form-i-9/retention-and-storage

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Form I-9 and Employment Eligibility Verification Policy (cont.)

§ 6.2. Retention of Documents

Agencies are required to retain Form I-9s for the duration of a person's employment. If a person separates from an agency or university, the form must be kept on file for at least three years after the person's start date, or for one year after the separation date, whichever is later. Confirmations that new employees have been verified as eligible to be employed through E-Verify should be attached to Form I-9s and maintained for the same length of time as the Form I-9.

Form I-9 and associated documents for employees transferring between Workday agencies should transfer with the employee, rather than being retained by the sending agency. Form I-9 and associated documents for employees separating to work at a non-Workday entity must be retained by the agency for the required amount of time.

Advisory Note: If utilizing a paper-based storage system, documents used to establish work authorization should be photocopied and stapled to the original Form I-9. If utilizing an electronic storage system, these documents should be scanned and added to the employee's Employment Verification folder.

Proof of legal employment eligibility in the United States must be maintained throughout an employee's tenure with the employer. Therefore, State agencies, departments, and institutions must remain cognizant of the fact that certain employees may only be legally eligible to work in the United States for limited periods of time. If an employee's legal employment eligibility is temporary, it is the employer's responsibility to verify that the employee renews their employment eligibility or separate that person from employment upon expiration of the temporary eligibility period.

§ 7. Re-verification

Re-verification of an employee's eligibility to work in the United States should only be conducted on those employees who attested in Section 1 of the Form I-9 that they are noncitizens authorized to work in the United States for a limited period of time. Reverifications are not required, and are not permitted to be completed, on United States Citizen and Lawful Permanent Resident employees. The E-Verify Program is not to be used for reverification purposes. Thus, reverification of employment eligibility only involves the physical examination of employment eligibility documents, not the electronic

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Form I-9 and Employment Eligibility Verification Policy (cont.)

verification of those documents. If the employee's documents are reverified electronically, the agency will be in violation of the Memorandum of Understanding, which details the agency's E-Verify Program obligations, as required by the United States DHS.

§ 8. Sources of Authority

This policy is issued pursuant to any and all of the following:

- [N.C.G.S. § 126-4\(3\)](#), which authorizes the State Human Resources Commission to establish policies governing "reasonable qualifications as to ... job-related requirements pertinent to the work to be performed."
- [N.C.G.S. § 126-4\(4\)](#), which authorizes the State Human Resources Commission to establish policies governing "[r]ecruitment programs designed to ... determine the relative fitness of applicants for the respective positions."

This policy is compliant with:

- [8 U.S.C. § 1324a](#), Immigration Reform and Control Act
- [N.C.G.S. § 126-7.1\(i\)](#) which states that each State agency, department, institution, university, community college, and local education agency shall verify, in accordance with the Basic Pilot Program administered by the United States Department of Homeland Security pursuant to 8 U.S.C. § 1101, et seq, each individual's legal status or authorization to work in the United States after hiring the individual as an employee to work in the United States.
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Form I-9 and Employment Eligibility Verification Policy (cont.)

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Draft Effective: October 8, 2025

Form I-9 and Employment Eligibility Verification Policy (cont.)

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**State Human Resources Commission
Report/Policy Summary
(September 18, 2025)**

Title of Policy/Report/Rule: Personnel Records Policy

Purpose of the Policy: The policy provides guidance to state agencies and universities on maintaining and disclosing personnel records in compliance with Article 7 of Chapter 126 of the North Carolina General Statutes. The policy defines “personnel records,” identifies which records are open to public inspection and which records are to be maintained as confidential, provides guidance about safekeeping of records, and describes the penalties for releasing confidential information. In addition, the policy includes how employees can object to material in the personnel file.

Period Covered (if applicable): Effective October 8, 2025.

Summary of Proposed Policy/Report/Rule and Revision(s): Added a new subsection, entitled “Use of Personnel File Information by Human Resources Staff,” that expressly states that Human Resources staff may have access to personnel file information where that access is part of the staff member’s job duties. As stated in the second paragraph of the new section, this includes access to personnel file information by OSHR, the Office of State Controller, and staff assigned to the recruiter role in the State’s Workday human capital management system. Also added a “Source of Authority” section.

Commission Action Requested: Motion to approve revisions as presented.

Associated Statutes: [N.C.G.S. § 126-4\(5\), \(10\)](#); N.C.G.S. §§ [126-22 to 126-29](#)

Submitted/Presented by: Blake Thomas

Draft

Personnel Records Policy

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§ 1. Policy

Such personnel records as are necessary for the proper administration of the personnel system shall be maintained.

Article 7, G.S. 126, prescribes the basic provision for maintenance and use of State employee personnel records, with the Human Resources Commission establishing rules and regulations for the safekeeping of such records.

§ 2. Coverage

These provisions apply to:

- State employees,
- former State employees, and
- applicants for employment.

§ 3. Definition of Personnel Files

For purposes of this policy, a personnel file consists of any employment-related or personal information gathered by the agency or by the Office of State Human Resources.¹

¹ As specified in N.C.G.S. § 126-22(c), retirement files maintained by the Retirement Systems Division of the Department of State Treasurer are governed by N.C.G.S. § 135-6.1.

Personnel Records Policy (cont.)

Employment-related information includes information related to an individual's:

- application;
- selection;
- promotion, demotion, transfer;
- salary and leave;
- contract for employment,
- benefits,
- performance evaluation; and
- suspension, disciplinary actions, and termination.

Personal information includes an individual's:

- home address,
- social security number,
- medical history,
- personal financial data,
- marital status, dependents and
- beneficiaries.²

§ 4. Records open to Inspection

The following information on each employee shall be maintained and open for inspection:

- (1) Name.
- (2) Age.
- (3) Date of original employment or appointment to State service.
- (4) The terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the agency has the written contract or a record of the oral contract in its possession.
- (5) Current position.
- (6) Title.

² These are specified in N.C.G.S. § 126-23(b)(3).

Personnel Records Policy (cont.)

- (7) Current salary (includes pay, benefits, incentives, bonuses, and deferred and all other forms of compensation).
- (8) Date and amount of each increase or decrease in salary with that department, agency, institution, commission, or bureau.
- (9) Date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with that department, agency, institution, commission, or bureau.
- (10) Date and general description of the reasons for each promotion with that department, agency, institution, commission, or bureau
- (11) Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the department, agency, institution, commission, or bureau. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the head of the department setting forth the specific acts or omissions that are the basis of the dismissal.
- (12) The office or station to which the employee is currently assigned.³

§ 5. Confidential Information

All employment-related and personal information in an employee's personnel file not specified under "Records Open for Inspection" is confidential.⁴

Agencies shall maintain in personnel records only information that is relevant to accomplishing personnel administration purposes. Information obtained regarding the medical condition or history of an applicant that is collected by the agency must be maintained in a separate file in compliance with the Americans with Disabilities Act (42 U.S.C. § 12112 and 29 CFR § 1630.14(d)(4)).

Voluntary self-identification of disability information shall be stored in a "data analysis" file (41 CFR § 60-741.42(e)). This file shall not be part of the employee's personnel file or medical file. This file may be part of the existing Human Resource Information System or Applicant Tracking System, provided the disability-related data are

³ These are specified in N.C.G.S. § 126-23(a).

⁴ N.C.G.S. § 126-24.

Personnel Records Policy (cont.)

stored securely, apart from other personnel information, so confidentiality is maintained.

Access to this data shall be limited to personnel who need to know the information.

Advisory Note: Agencies should be aware that there may be information physically kept in an employee's personnel file that does not fall into any of the categories in § 4 (e.g., information about an employee's benefits.) If a public records request is made for any information that is kept in an employee's personnel file, and that information is not open for inspection under G.S. 126-23, the agency should get both the consent of the employee and the advice of counsel before releasing such information.

§ 6. Required Access to Information

The public record information listed in § 4 above shall be made available for inspection and examination and copies thereof made by any persons during regular business hours.⁵ This public information shall be made available pursuant to the procedures in the Public Records Law.

§ 7. Access to Information Used for Personnel Actions

§ 7.1. Use of Personnel File Information by Human Resources Staff

Human Resources staff necessarily need to be able to gather, view, and utilize information in the personnel file to complete their assigned tasks. Therefore, staff performing Human Resources functions may have access to the personnel file where that access is part of the staff member's job duties.

This authorized access includes situations where staff at the Office of State Human Resources or Office of State Controller may gather, view, and utilize personnel file information in order to manage the state Human Resources systems or state payroll functions. Authorized access also includes personnel file information being made available to recruiters as necessary in the State's human capital management system for posting, hiring, and onboarding.

⁵ N.C.G.S. § 126-23(c).

Personnel Records Policy (cont.)

§ 7.2. Information Obtained from Other Sources

Information used in making a determination about employment or other personnel actions should, to the extent practical, be obtained directly from the individual. There may be instances where it is necessary to obtain information from other sources. This may be obtained either directly from those sources or by the use of a consumer reporting agency.

If the consumer reporting agency is utilized, the requirement of the Fair Credit Reporting Act, Title VI of The Consumer Credit Protection Act (Public Law 91-508) must be followed.

- When a consumer reporting agency furnishes a report and employment, promotion, or reassignment is denied on the basis, in whole or in part, of information in the report, the applicant or employee must be informed and given the name and address of the consumer reporting agency. The appointing authority does not have to reveal the contents of the report.
- When an investigative consumer report is requested from a consumer reporting agency, the individual must be notified within three days, and told that he/she can make a written request for the “nature and scope” of the investigation. “Nature and scope” includes a description of the questions asked, disclosure of numbers and types of persons interviewed, and the name and address of the investigating agency.

§ 8. All information available to certain persons

All information in an employee’s personnel file shall be open for inspection and examination to the following persons.⁶

- The supervisor of the employee: for this purpose, supervisor is any individual in the chain of administrative authority above a given State employee within a pertinent State agency.
- Members of the General Assembly (under the authority of N.C.G.S. § 120-19).

Advisory Note: G.S. 120-19 provides as follows: Except as provided in [G.S. 105-259](#), all officers, agents, agencies and departments of the State are required to give to any committee of either house of the General Assembly, or any committee or commission whose funds are appropriated or

⁶ N.C.G.S. § 126-24.

Personnel Records Policy (cont.)

transferred to the General Assembly or to the Legislative Services Commission for disbursement, upon request, all information and all data within their possession, or ascertainable from their records. This requirement is mandatory and shall include requests made by any individual member of the General Assembly or one of its standing committees or the chair of a standing committee.

- A party by authority of a proper court order.
- An official of an agency of the Federal government, State government or any political subdivision thereof. An official is a person who has official or authorized duties on behalf of an agency; it does not imply a necessary level of duty or responsibility. Such an official may inspect any personnel records when such inspection is deemed by the department head to be necessary and essential to the pursuance of a proper function of said agency; provided, however, that such information shall not be divulged for purposes of assisting in a criminal prosecution or a tax investigation. This right to access includes the circumstances where one State agency is considering for employment a person who is or has been employed in another State agency; the head of the latter agency may release to an official of another agency information relative to the employee's job performance.
- The employee, or his/her properly authorized agent. The personnel file may be examined in its entirety except for:
 - Letters of reference solicited prior to employment
 - Information concerning a medical disability, mental or physical, that a prudent physician would not divulge to a patient. The medical record may be disclosed to a licensed physician designated in writing by the employee. When medical information is obtained on any employee, the physician should indicate any information that should not be disclosed to the employee.
- A party to a quasi-judicial hearing of a State agency, or a State agency which is conducting a quasi-judicial hearing, may have access to relevant material in personnel files and may introduce copies of such material or information based on such material as evidence in the hearing either upon consent of the employee, former employee, or applicant for employment or upon subpoena properly issued by the agency either upon request of a party or on its own motion.

Personnel Records Policy (cont.)

§ 9. **Releasing Confidential Information**

Each individual requesting access to confidential information will be required to submit satisfactory proof of identity, unless the individual is recognized by the person providing the information.

A department head may, under the conditions specified, take the following action with respect to an applicant, employee or former employee employed by or assigned to that department, or whose personnel file is maintained in the department.⁷

- In his/her discretion, the department head may allow the personnel file of such person or any portion thereof to be inspected and examined by any person or corporation when such department head shall determine that inspection is essential to maintaining the integrity of such department or maintaining the level or quality of services provided by such department.
- Under the circumstances above, the department head may, in his/her discretion, inform any person or corporation of any promotion, demotion, suspension, reinstatement, transfer, separation, dismissal, employment or non-employment of such applicant, employee, or former employee or other confidential matters contained in the personnel file.
- Provided, however, that prior to releasing such information or making such file or portion thereof available as provided herein, such department head shall prepare a memorandum setting forth the circumstances that the department has determined requires such disclosure, and the information to be disclosed, with a copy of the memorandum sent to the employee and the memorandum retained as a public record in the files of the department head.

§ 10. **Records of former employees and applicants for employment**

The provisions for access to records apply to former employees and applicants the same as they apply to present employees. Personnel files of former State employees who have been separated from State employment for ten or more years may be open to

⁷ N.C.G.S. § 126-24, last paragraph.

Personnel Records Policy (cont.)

inspection and examination except for papers and documents relating to demotions and to disciplinary actions resulting in the dismissal of the employee.⁸

§ 11. Remedies of employees objecting to material in files

An employee who objects to material in his/her file may place a statement in the file relating to the material to which the employee objects. An employee may seek the removal of what the employee alleges to be inaccurate or misleading material in his/her personnel file in accordance with the grievance procedure of that agency; however, the employee does not have the right to appeal to the Office of Administrative Hearings. Also, an employee does not have the right to appeal the contents of a performance appraisal or a written warning.⁹

§ 12. Safeguarding confidential information

In order to insure the security and confidentiality of records, each agency shall establish administrative, technical, and physical controls to protect confidential information from unauthorized access or disclosure.

§ 13. Penalty for permitting access to confidential file by unauthorized person

G.S. 126-27 provides that any public official or employee who permits any person to have access to or custody or possession of any portion of a personnel file designated as confidential, when that person is not specifically authorized to have access to the information, is guilty of a misdemeanor; upon conviction he/she shall be fined in the discretion of the court but not in excess of \$500.

§ 14. Penalty for examining, copying, etc., confidential file without authority

G.S. 126-28 provides that any person, not specifically authorized to have access to a personnel file designated as confidential, who examines in its official filing place, removes, or copies any portion of a confidential personnel file, is guilty of a misdemeanor; upon conviction he/she shall be fined in the discretion of the court but not in excess of \$500.

⁸ N.C.G.S. § 126-22(c).

⁹ N.C.G.S. § 126-25.

Personnel Records Policy (cont.)

§ 15. Source of Authority

This policy is issued under N.C.G.S. § 126-4(5), (10). It is compliant with N.C.G.S. §§ 126-22 to 126-29.

~~§ 15.~~ § 16. History of This Policy

Date	Version
April 15, 1960	New policy on privacy of personnel records to conform to legislation.
January 1, 1976	New policy on privacy of personnel records to conform to legislation.
July 1, 1977	Deletes requirement that recordkeeping on disclosures of routine credit references be required to be kept in personnel files.
October 1, 1977	Deletes requirement that recordkeeping on disclosures of routine credit references be required to be kept in personnel files.
December 1, 1978	Privacy of Employee Records. Provides that a department head can release information about an employee or give access to a personnel record when it is determined that inspection or access is essential to maintaining the integrity of a department or maintaining the level or quality of services provided by such department. AND provides that where one State agency is considering for employment a person who is or has been employed in another State agency that the intent of the law is that the head of the latter State agency may release to an official information relative to an employee's job performance.
October 1, 1986	Statutory reference corrected from G.S. 126-8 to 126-28 under "Penalty for examining, copying, etc., confidential file without authority."
April 1, 2005	Clarify language under "Confidential Information."
August 30, 2007	Revised to conform to legislative changes to G.S. 126-22 and G.S. 126-23 1) G.S. 126-22 amended to redefine "personnel file" to include contracts and the employee's personal information. (S1546)

Personnel Records Policy (cont.)

	2) G.S. 126-23 amended to include contracts as public information and to define the term “salary” to include pay, benefits, incentives, bonuses, and deferred and all other forms of compensation. (S1546)
October 1, 2010	House Bill 961 amended G. S. 126-23 to make public the following items that were previously considered confidential: (1) Date and amount of each increase or decrease in salary, (2) date and type of each promotion, demotion, transfer, suspension, separation or other change, (3) date and general description of the reasons for each promotion, and (4) date and type of each dismissal, suspension, or demotion for disciplinary reasons. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the head of the department setting forth the specific acts or omissions that are the basis of the dismissal.
November 1, 2013	G.S. 126 was changed regarding remedies employees have for objecting to material in their file <ul style="list-style-type: none"> • An employee no longer has appeal rights beyond the agency when seeking to remove inaccurate or misleading material for their file.
July 14, 2022	Confidential record section was updated to clarify 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.
February 20, 2025	Added footnotes to the statutes that are the basis of this policy. In the section on access to the information made public record under N.C.G.S. § 126-23, provided that the agency’s procedures under the Public Records Law should be used, rather than specifying a separate set of procedures.
<u>September 18, 2025</u> <u>(effective October 8, 2025)</u>	<u>Added a new subsection, entitled “Use of Personnel File Information by Human Resources Staff,” that expressly states that Human Resources staff may have access to personnel file information</u>

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Personnel Records Policy (cont.)

	<u>where that access is part of the staff member's job duties. As stated in the second paragraph of the new section, this includes access to personnel file information by OSHR, the Office of State Controller, and staff assigned to the recruiter role in the State's Workday IT system. Also added a "Source of Authority" section.</u>
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§ 1. Policy

Such personnel records as are necessary for the proper administration of the personnel system shall be maintained.

Article 7, G.S. 126, prescribes the basic provision for maintenance and use of State employee personnel records, with the Human Resources Commission establishing rules and regulations for the safekeeping of such records.

§ 2. Coverage

These provisions apply to:

- State employees,
- former State employees, and
- applicants for employment.

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For purposes of this policy, a personnel file consists of any employment-related or personal information gathered by the agency or by the Office of State Human Resources.¹

¹ As specified in N.C.G.S. § 126-22(c), retirement files maintained by the Retirement Systems Division of the Department of State Treasurer are governed by N.C.G.S. § 135-6.1.

Personnel Records Policy (cont.)

Employment-related information includes information related to an individual's:

- application;
- selection;
- promotion, demotion, transfer;
- salary and leave;
- contract for employment,
- benefits,
- performance evaluation; and
- suspension, disciplinary actions, and termination.

Personal information includes an individual's:

- home address,
- social security number,
- medical history,
- personal financial data,
- marital status, dependents and
- beneficiaries.²

§ 4. Records open to Inspection

The following information on each employee shall be maintained and open for inspection:

- (1) Name.
- (2) Age.
- (3) Date of original employment or appointment to State service.
- (4) The terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the agency has the written contract or a record of the oral contract in its possession.
- (5) Current position.
- (6) Title.

² These are specified in N.C.G.S. § 126-23(b)(3).

Personnel Records Policy (cont.)

- (7) Current salary (includes pay, benefits, incentives, bonuses, and deferred and all other forms of compensation).
- (8) Date and amount of each increase or decrease in salary with that department, agency, institution, commission, or bureau.
- (9) Date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with that department, agency, institution, commission, or bureau.
- (10) Date and general description of the reasons for each promotion with that department, agency, institution, commission, or bureau
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- (12) The office or station to which the employee is currently assigned.³

§ 5. Confidential Information

All employment-related and personal information in an employee's personnel file not specified under "Records Open for Inspection" is confidential.⁴

Agencies shall maintain in personnel records only information that is relevant to accomplishing personnel administration purposes. Information obtained regarding the medical condition or history of an applicant that is collected by the agency must be maintained in a separate file in compliance with the Americans with Disabilities Act (42 U.S.C. § 12112 and 29 CFR § 1630.14(d)(4)).

Voluntary self-identification of disability information shall be stored in a "data analysis" file (41 CFR § 60-741.42(e)). This file shall not be part of the employee's personnel file or medical file. This file may be part of the existing Human Resource Information System or Applicant Tracking System, provided the disability-related data are

³ These are specified in N.C.G.S. § 126-23(a).

⁴ N.C.G.S. § 126-24.

Personnel Records Policy (cont.)

stored securely, apart from other personnel information, so confidentiality is maintained.

Access to this data shall be limited to personnel who need to know the information.

Advisory Note: Agencies should be aware that there may be information physically kept in an employee's personnel file that does not fall into any of the categories in § 4 (e.g., information about an employee's benefits.) If a public records request is made for any information that is kept in an employee's personnel file, and that information is not open for inspection under G.S. 126-23, the agency should get both the consent of the employee and the advice of counsel before releasing such information.

§ 6. Required Access to Information

The public record information listed in § 4 above shall be made available for inspection and examination and copies thereof made by any persons during regular business hours.⁵ This public information shall be made available pursuant to the procedures in the Public Records Law.

§ 7. Access to Information Used for Personnel Actions

§ 7.1. Use of Personnel File Information by Human Resources Staff

Human Resources staff necessarily need to be able to gather, view, and utilize information in the personnel file to complete their assigned tasks. Therefore, staff performing Human Resources functions may have access to the personnel file where that access is part of the staff member's job duties.

This authorized access includes situations where staff at the Office of State Human Resources or Office of State Controller may gather, view, and utilize personnel file information in order to manage the state Human Resources systems or state payroll functions. Authorized access also includes personnel file information being made available to recruiters as necessary in the State's human capital management system for posting, hiring, and onboarding.

⁵ N.C.G.S. § 126-23(c).

Personnel Records Policy (cont.)

§ 7.2.

Information Obtained from Other Sources

Information used in making a determination about employment or other personnel actions should, to the extent practical, be obtained directly from the individual. There may be instances where it is necessary to obtain information from other sources. This may be obtained either directly from those sources or by the use of a consumer reporting agency.

If the consumer reporting agency is utilized, the requirement of the Fair Credit Reporting Act, Title VI of The Consumer Credit Protection Act (Public Law 91-508) must be followed.

- When a consumer reporting agency furnishes a report and employment, promotion, or reassignment is denied on the basis, in whole or in part, of information in the report, the applicant or employee must be informed and given the name and address of the consumer reporting agency. The appointing authority does not have to reveal the contents of the report.
- When an investigative consumer report is requested from a consumer reporting agency, the individual must be notified within three days, and told that he/she can make a written request for the “nature and scope” of the investigation. “Nature and scope” includes a description of the questions asked, disclosure of numbers and types of persons interviewed, and the name and address of the investigating agency.

§ 8.

All information available to certain persons

All information in an employee’s personnel file shall be open for inspection and examination to the following persons.⁶

- The supervisor of the employee: for this purpose, supervisor is any individual in the chain of administrative authority above a given State employee within a pertinent State agency.
- Members of the General Assembly (under the authority of N.C.G.S. § 120-19).

Advisory Note: G.S. 120-19 provides as follows: Except as provided in [G.S. 105-259](#), all officers, agents, agencies and departments of the State are required to give to any committee of either house of the General Assembly, or any committee or commission whose funds are appropriated or

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Personnel Records Policy (cont.)

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- A party by authority of a proper court order.
- An official of an agency of the Federal government, State government or any political subdivision thereof. An official is a person who has official or authorized duties on behalf of an agency; it does not imply a necessary level of duty or responsibility. Such an official may inspect any personnel records when such inspection is deemed by the department head to be necessary and essential to the pursuance of a proper function of said agency; provided, however, that such information shall not be divulged for purposes of assisting in a criminal prosecution or a tax investigation. This right to access includes the circumstances where one State agency is considering for employment a person who is or has been employed in another State agency; the head of the latter agency may release to an official of another agency information relative to the employee's job performance.
- The employee, or his/her properly authorized agent. The personnel file may be examined in its entirety except for:
 - Letters of reference solicited prior to employment
 - Information concerning a medical disability, mental or physical, that a prudent physician would not divulge to a patient. The medical record may be disclosed to a licensed physician designated in writing by the employee. When medical information is obtained on any employee, the physician should indicate any information that should not be disclosed to the employee.
- A party to a quasi-judicial hearing of a State agency, or a State agency which is conducting a quasi-judicial hearing, may have access to relevant material in personnel files and may introduce copies of such material or information based on such material as evidence in the hearing either upon consent of the employee, former employee, or applicant for employment or upon subpoena properly issued by the agency either upon request of a party or on its own motion.

Personnel Records Policy (cont.)

§ 9. Releasing Confidential Information

Each individual requesting access to confidential information will be required to submit satisfactory proof of identity, unless the individual is recognized by the person providing the information.

A department head may, under the conditions specified, take the following action with respect to an applicant, employee or former employee employed by or assigned to that department, or whose personnel file is maintained in the department.⁷

- In his/her discretion, the department head may allow the personnel file of such person or any portion thereof to be inspected and examined by any person or corporation when such department head shall determine that inspection is essential to maintaining the integrity of such department or maintaining the level or quality of services provided by such department.
- Under the circumstances above, the department head may, in his/her discretion, inform any person or corporation of any promotion, demotion, suspension, reinstatement, transfer, separation, dismissal, employment or non-employment of such applicant, employee, or former employee or other confidential matters contained in the personnel file.
- Provided, however, that prior to releasing such information or making such file or portion thereof available as provided herein, such department head shall prepare a memorandum setting forth the circumstances that the department has determined requires such disclosure, and the information to be disclosed, with a copy of the memorandum sent to the employee and the memorandum retained as a public record in the files of the department head.

§ 10. Records of former employees and applicants for employment

The provisions for access to records apply to former employees and applicants the same as they apply to present employees. Personnel files of former State employees who have been separated from State employment for ten or more years may be open to

⁷ N.C.G.S. § 126-24, last paragraph.

Personnel Records Policy (cont.)

inspection and examination except for papers and documents relating to demotions and to disciplinary actions resulting in the dismissal of the employee.⁸

§ 11. Remedies of employees objecting to material in files

An employee who objects to material in his/her file may place a statement in the file relating to the material to which the employee objects. An employee may seek the removal of what the employee alleges to be inaccurate or misleading material in his/her personnel file in accordance with the grievance procedure of that agency; however, the employee does not have the right to appeal to the Office of Administrative Hearings. Also, an employee does not have the right to appeal the contents of a performance appraisal or a written warning.⁹

§ 12. Safeguarding confidential information

In order to insure the security and confidentiality of records, each agency shall establish administrative, technical, and physical controls to protect confidential information from unauthorized access or disclosure.

§ 13. Penalty for permitting access to confidential file by unauthorized person

G.S. 126-27 provides that any public official or employee who permits any person to have access to or custody or possession of any portion of a personnel file designated as confidential, when that person is not specifically authorized to have access to the information, is guilty of a misdemeanor; upon conviction he/she shall be fined in the discretion of the court but not in excess of \$500.

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G.S. 126-28 provides that any person, not specifically authorized to have access to a personnel file designated as confidential, who examines in its official filing place, removes, or copies any portion of a confidential personnel file, is guilty of a misdemeanor; upon conviction he/she shall be fined in the discretion of the court but not in excess of \$500.

⁸ N.C.G.S. § 126-22(c).

⁹ N.C.G.S. § 126-25.

Personnel Records Policy (cont.)

§ 15. Source of Authority

This policy is issued under [N.C.G.S. § 126-4\(5\), \(10\)](#). It is compliant with N.C.G.S. §§ [126-22 to 126-29](#).

§ 16. History of This Policy

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April 15, 1960	New policy on privacy of personnel records to conform to legislation.
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Personnel Records Policy (cont.)

	2) G.S. 126-23 amended to include contracts as public information and to define the term “salary” to include pay, benefits, incentives, bonuses, and deferred and all other forms of compensation. (S1546)
October 1, 2010	House Bill 961 amended G. S. 126-23 to make public the following items that were previously considered confidential: (1) Date and amount of each increase or decrease in salary, (2) date and type of each promotion, demotion, transfer, suspension, separation or other change, (3) date and general description of the reasons for each promotion, and (4) date and type of each dismissal, suspension, or demotion for disciplinary reasons. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the head of the department setting forth the specific acts or omissions that are the basis of the dismissal.
November 1, 2013	G.S. 126 was changed regarding remedies employees have for objecting to material in their file <ul style="list-style-type: none"> • An employee no longer has appeal rights beyond the agency when seeking to remove inaccurate or misleading material for their file.
July 14, 2022	Confidential record section was updated to clarify 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.
February 20, 2025	Added footnotes to the statutes that are the basis of this policy. In the section on access to the information made public record under N.C.G.S. § 126-23, provided that the agency’s procedures under the Public Records Law should be used, rather than specifying a separate set of procedures.
September 18, 2025 (effective October 8, 2025)	Added a new subsection, entitled “Use of Personnel File Information by Human Resources Staff,” that expressly states that Human Resources staff may have access to personnel file information

Personnel Records Policy (cont.)

	where that access is part of the staff member's job duties. As stated in the second paragraph of the new section, this includes access to personnel file information by OSHR, the Office of State Controller, and staff assigned to the recruiter role in the State's Workday IT system. Also added a "Source of Authority" section.
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State Human Resources Commission
Report/Policy Summary
(September 18, 2025)

Title of Policy/Report/Rule: Temporary Employment Policy

Purpose of the Policy: The Temporary Solutions Program of OSHR provides other state agencies with recruitment, placement, onboarding, timekeeping, and payroll services for temporary employees. The Temporary Employment Policy explains how Temporary Solutions placements function, as well as establishing policies that generally apply to temporary employees in state government.

Period Covered (if applicable): This policy would become effective when approved by the Commission and the Governor.

Summary of Proposed Policy/Report/Rule and Revision(s): Updated policy to reflect changes in law, more clearly describe Temporary Solutions operations, and discuss proper classification of temporary employees compared to independent contractors. Details follow.

- Removed former Section 2, on the use of short-term IT staffing through DIT, since this material is better covered in DIT procedures. IT staffing is subject to an exception from the Temporary Solutions statute. (See [N.C.G.S. § 126-6.3\(a\)](#), first sentence.)
- Added a new Section 2, entitled “Opportunities to Transition to a Permanent Role,” that highlights the opportunity for streamlined temp-to-perm hiring created by new [N.C.G.S. § 126-6.4](#). This new statute became law on July 1, 2025, as part of Session Law 2025-34.
- Added a new Section 3, entitled “Determining Employee vs. Independent Contractor” that provides a brief summary of the IRS three-factor test for whether someone is an employee or an independent contractor.
- Added a new Section 4, entitled “When a Temporary is Considered to be Employed.” The counting procedure is important for the 11-month limit established in N.C.G.S. § 126-6.3.
- Added a new Section 5, entitled “Methods of Employing Temporaries,” which expands and clarifies the discussion in the previous policy about covered agencies.
- Updated and streamlined Section 6, on responsibilities.
- Moved the text about temporary employees’ ineligibility for benefits from the former Section 3, entitled “Covered Employees,” to a new Section 7, entitled “Temporary Employees Ineligible for Benefits.”
- In the text renumbered as Section 8, expanded and clarified the text on the mandatory separation requirement. This requirement applies to temporary employees who work longer than 11 consecutive months without an exception.
- Removed the section entitled “External Temporary Staffing Vendors,” since the requirements stated in that section appear in the exception letter issued by OSHR under [N.C.G.S. § 126-6.3\(a3\)\(1\)](#).
- Updated the sources of authority section to list [N.C.G.S. § 126-4\(19\)](#).

Commission Action Requested: Motion to approve revisions as presented.

Associated Rule(s) (if applicable): N.C.G.S. §§ [126-4\(19\)](#), [126-6.3](#)

Submitted/Presented by: Joe Gilroy

DRAFT

Temporary Employment Policy

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§ 1. Policy

It is the policy of the Office of State Human Resources (OSHR) to establish and utilize temporary employees to fill a workforce need for a limited ~~period-of-time~~period. Temporary employees, while not to be used to permanently expand the workforce beyond authorized levels, can provide valuable services in times of need. OSHR has the responsibility to monitor and ensure compliance with policy. Therefore, under no circumstances shall an individual be utilized as a temporary employee outside of all applicable rules, statutes, laws, and guidelines, such as Chapter 126 of the NC General Statutes, 25 NCAC 01C .0405, the mandatory separation requirement, and the Affordable Care Act. This applies to all temporary employees, including those hired through Temporary Solutions, directly through a State agency, and through an approved third-party vendor.

Temporary Employment Policy (cont.)

~~§ 2. Information Technology Classification Exception~~

~~The Department of Information Technology (DIT) has established contracts with specific vendors to supply short term staffing (i.e. temporary employees) for Information Technology job classifications and therefore agencies requiring temporary employees for IT job classifications should contact DIT directly to initiate this request.~~

§ 2. Opportunities to Transition to a Permanent Role

Temporary state employees perform many of the same duties as permanent state employees and often gain valuable work experience that may help them qualify for permanent state employment. Temporary employees are encouraged to apply for permanent state government positions that align with their qualifications and interests. Permanent job opportunities are publicly posted on the state's job opportunities website.

OSHR and many individual state agencies offer programs and services to help job seekers, including temporary employees, search and apply for permanent state positions. State agencies are encouraged to make permanent jobs more accessible to temporary state employees by considering their applications for permanent positions posted internally and hiring eligible temporaries directly into permanent positions under N.C.G.S. § 126-6.4.

§ 3. Determining Employee vs. Independent Contractor

Generally, a temporary state employee is any worker in a temporary position whose income taxes, Social Security taxes, and Medicare taxes are withheld by the State of North Carolina and receives a W-2. Temporary employees differ from independent contractors, who are self-employed and receive a Form 1099.

§ 3.1. Agency Must Correctly Classify Its Temporary Employees

When considering a short-term workforce need, agencies must determine the details of the proposed working relationship between the agency and the worker to help ensure that the worker is correctly classified as an employee or independent contractor for employment tax obligation purposes. This will also determine whether this policy applies to that worker.

Temporary Employment Policy (cont.)

§ 3.2. IRS Three-Factor Test¹ - Employee or Independent Contractor

Whether a worker is an employee or independent contractor depends on the relationship between the worker and the business. Generally, there are three factors to consider:

- Behavioral control – Does the company control or have the right to control what the worker does and how the worker does the job?
- Financial control – Does the business direct or control the financial and business aspects of the worker's job? Are the business aspects of the worker's job controlled by the payer? Things like how the worker is paid, are expenses reimbursed, who provides tools/supplies, etc. should be considered.
- Relationship of the parties – Are there employee type benefits such as pension plan, insurance, and vacation pay? Will the relationship continue and is the work performed a key aspect of the business?

If the answers to these questions are generally yes, the worker is more likely an employee than an independent contractor.

§ 4. When a Temporary is Considered to be Employed

For the purpose of counting days and months in this policy, a temporary employee is considered employed:

- During any period in which they are not separated in the Integrated HR-Payroll System or other approved state payroll system, or
- From the first day of work for pay through the last day of work for pay, if not paid in the Integrated HR-Payroll System or other approved state payroll system, including but not limited to being hired through a private staffing firm or paid through an imprest system.

¹ From U.S. Internal Revenue Service, "Independent Contractor (Self-Employed) or Employee?" (Nov. 9, 2023), available at <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>.

Temporary Employment Policy (cont.)

§ 5. Methods of Employing Temporaries

§ 5.1. Through Temporary Solutions

Temporary Solutions provides another state agency or university (the “employing agency”) with recruitment, placement, onboarding, timekeeping, and payroll services for a small administrative charge. The employing agency is the employer of record for temporaries employed through Temporary Solutions. This means that the employing agency determines the temporary’s job duties and work schedule, conducts interviews, conducts background checks (when necessary), decides who to hire, approves the hourly rate, supervises the temporary employee, approves their timesheet(s), and makes decisions regarding their employment. The employing agency is responsible for ensuring agency compliance with all laws, rules, policies, and guidelines related to employing temporary workers.

§ 5.2. Direct Employment

Cabinet agencies with an approved exception to not use Temporary Solutions and Council of State agencies may employ temporary employees directly in the Integrated HR-Payroll System or other authorized payroll system.

§ 5.3. Private Staffing Firms or Any Other Method Used to Fill a Workforce Need for a Limited Period of Time

When authorized according to their internal procurement requirements, Cabinet agencies with an approved exception to not use Temporary Solutions and Council of State agencies may employ temporary workers through a private staffing firm or any other method used to fill a workforce need for a limited period of time, such as through an imprest system.

A state agency employing one or more temporaries though a private staffing firm or any other method used to fill a workforce need for a limited period of time shall ensure that the state agency shall contractually and operationally adhere to all applicable laws, rules, policies, and guidelines related to the employment of temporaries prior to the temporary

Temporary Employment Policy (cont.)

staffer beginning work. Cabinet agencies that do not adhere to these requirements may have their approved exception revoked by the Office of State Human Resources.

§ 3. Covered Employees

~~A temporary employee is an employee on a temporary appointment, for a limited term, which shall not exceed eleven (11) consecutive months unless certain exceptions are met. A temporary employee is assigned to a temporary appointment which can include job classifications and responsibilities such as administrative roles, accounting, procurement, skilled trades mechanics, electricians, health care professionals, educators, etc.~~

~~Those temporary employees assigned through Temporary Solutions do not:~~

- ~~• earn leave, including sick leave and vacation leave;~~
- ~~• receive total state service credit;~~
- ~~• earn retirement credit;~~
- ~~• earn career status/~~

~~Temporary employees are ineligible for the following:~~

- ~~• severance pay;~~
- ~~• priority reemployment consideration;~~
- ~~• promotional priority, or;~~
- ~~• allowed to grieve a disciplinary action and may be separated at any time during
— their contract period.~~

~~Temporary employees may be eligible for certain across the board pay increases or incentive payments depending on the Agency funding stream. For additional information, consult the Agency HR staff.~~

§ 4. Covered Agencies

~~Per N.C.G.S. § 126-6.3(a), all Cabinet agencies shall utilize Temporary Solutions to provide temporary employees unless the temporary employee is performing Information Technology related work. Any other agency or institution of the State may use Temporary Solutions for its supplemental staffing needs.~~

~~Any exception to this policy must be requested in advance and in writing to the Director of the Office of State Human Resources.~~

Temporary Employment Policy (cont.)

~~§ 5.2~~ § 6. Responsibilities Regarding Temporary Employment

~~All state government temporary employees and their employers, including those obtained through a third-party staffing service, are subject to this policy and all other laws, rules, policies, and guidelines applying to temporary employment.~~

~~§ 5.4~~ § 6.1. Temporary Solutions

As part of the administrative charge applied by Temporary Solutions to the employing Agency, Temporary Solutions is the employment service administrator which:

- recruits job candidates;
- advertises vacant temporary positions;
- screens applicants;
- provides ~~recommended~~ qualified candidate(s) for temporary positions;
- onboards temporary employees for payroll, including processing Federal Form I-9 and E-Verify;
- ~~maintains OSHR-issued NCID accounts;~~
- ~~administers pay;~~
- enters time when requested and audits time entries;
- ~~withholds payroll taxes;~~ troubleshoots payroll issues;
- identifies and notifies workers employed through Temporary Solutions who qualify for the High Deductible Health Plan; ~~tracks hours worked by workers employed through Temporary Solutions to identify who qualifies for the High Deductible Health Plan and notify those employees of said qualification; and~~
- monitors Agency compliance with applicable laws, rules, policies and guidelines, such as the mandatory break-in-service requirement; ;
- corresponds with the state's third-party unemployment insurance vendor regarding claims submitted by workers who were employed through Temporary Solutions.

~~§ 5.2~~ § 6.2. OSHR

OSHR serves as the policy administrator and as a part of that role:

- Maintains a list of approved third-party vendors for each State agency;

Temporary Employment Policy (cont.)

- Reports biannually to the Joint Legislative Oversight Committee and Fiscal Research Division on Agency compliance with applicable laws, rules, policies, and guidelines;
- Reviews and makes decisions on exception requests from State agencies.

~~§ 5.3.~~ § 6.3. **Agency**

Each State agency is the employer of record for any temporary worker hired and paid through Temporary Solutions, or directly by the Agency, or through a third-party staffing service. It is responsible for ensuring Agency compliance with all laws, rules, policies, and guidelines related to employing temporary workers. As the employer, the Agency is also responsible for making employment decisions such as who and when to hire and separate a temporary, the hourly rate of pay, work schedule, length of assignment, workplace rules, required equipment, and required or recommended training. The employing agency is responsible for any damages, penalties, or remedies that are a result of the employing agency's conduct. ~~The employing agency may conduct reference checks and/or background checks as required by agency policy.~~

Agencies using Temporary Solutions shall provide current contact information for each temporary employee's supervisor as well as the agency HR contact and billing contact.

For agencies using Temporary Solutions, the temporary is not authorized to begin work until notified to do so by Temporary Solutions to help ensure timely payroll processing.

~~Position and/or Assignment Changes~~

The ~~supervisor of the temporary employee~~ Agency shall ensure any substantial changes in the duties and assignments of the temporary worker are communicated to ~~the Agency HR Office and, where applicable,~~ Temporary Solutions. The Agency must review and approve any changes in the status or pay rate in advance of its effective date.

~~Timesheets~~

~~Temporary employees are paid bi-weekly through the Integrated HR Payroll System. Workers paid through Temporary Solutions and employed by an agency that uses the Integrated HR Payroll System must have an NCID account so that they may enter their time directly via ESS where possible.~~

Temporary Employment Policy (cont.)

~~Health Insurance~~

~~Temporaries may be eligible for health care insurance coverage through the Affordable Care Act (ACA) at the temporary worker's option if the employee is projected to work an average of 30 or more hours per week or if the employee's Initial Measurement Period (IMP) or Standard Measurement Period (SMP) results indicate that the employee has worked an average of 30 or more hours per week over the one-year lookback period. Agencies shall conduct an IMP lookback for each temporary it directly employs one year after the employee's new hire start date. Agencies shall also conduct a SMP lookback for each temporary it directly employs for the period November 1 of the preceding year through October 31 of the current year. Temporary Solutions shall conduct the IMP and SMP lookback for all temporaries employed through it.~~

§ 7. Temporary Employees Ineligible for Benefits

Temporary employees do not:

- Earn leave, including sick leave and vacation leave
- Receive total state service credit
- Earn retirement credit
- Earn career status

Additionally, temporary employees are ineligible for the following:

- Severance pay
- Priority reemployment consideration
- Promotional priority

Temporary employees are not allowed to utilize the state grievance process and may be separated from employment at any time during their temporary assignment.

Temporary employees may be eligible for certain across-the-board pay increases or incentive payments depending on the funding stream of the employing agency. Any increases or incentive payments are in the discretion of the employing agency and are not automatic. For additional information, consult the agency HR staff.

Temporary Employment Policy (cont.)

~~§ 8. Requirements Regarding Temporary Employees~~ Mandatory Separation Requirement

N.C.G.S. § 126-6.3(a1) prohibits any temporary employee from working longer than 11 consecutive months without an approved exception. This is called the Mandatory Separation Requirement.

The Mandatory Separation Requirement applies to—and defines “temporary employee” as—any “State employee who is employed in a temporary appointment for a limited term, including a State employee hired from the OSHR Temporary Solutions Program, directly hired by an agency, hired by an agency from a private staffing firm, or hired by any other method used to fill a workforce need for a limited period of time.”²

Note: Individuals may be covered by the definition of “temporary employee” in the Mandatory Separation Requirement statute even if they might not be classified as temporary employees of the State under other laws or regulations.

When the 11-month limit is reached, the temporary employee shall stop working and be unemployed from that and any temporary assignment within state government for at least 31 consecutive calendar days.

~~The duration of a temporary assignment shall be no more than eleven (11) consecutive months. When a temporary assignment reaches eleven (11) consecutive months, the employee is required to be separated from temporary employment. The separation may occur anytime during the eleven (11) months to accommodate the needs of the agency. Agencies using Temporary Solutions must submit a new job order request to begin the process of re-employing a separated temporary employee and to extend the assignment of a temporary who is exempt from the mandatory separation requirement. An individual subject to the mandatory separation requirement must be separated for a minimum of 31 days to be eligible for re-employment as a temporary.~~

² N.C.G.S. 126-6.3(c)(7).

Temporary Employment Policy (cont.)

~~§ 5.4.~~ § 8.1. Exceptions ~~from~~ to the Mandatory Separation Requirement ~~and~~ Accompanying Guidelines

Exceptions to the Mandatory Separation Requirement shall be created and applied in accordance with N.C.G.S. § 126-6.3(a3)(2) and (3). Unless listed in Table 1 below, exceptions to allow a temporary employee to work beyond 11 months must be approved by the Director of OSHR. The exception request must meet both of the following requirements:

- The exception is in the best interests of the State because removing the employee from the job assignment will cause severe harm to the agency's ability to provide vital services to the public.
- The exception will not result in extending the 11-month maximum length of temporary employment beyond 22 months from the employee's initial hire date.

§ 8.2. Verification of Exception Status

Exceptions covered under N.C.G.S. § 126-6.3(a3)(2) shall be verified by an authorized HR Representative before the employee is considered exempt from the 11-month limit. Supporting documentation shall be retained in the employee's personnel file.

Table 1: Verification and Duration of Exceptions Covered Under N.C.G.S. § 126-6.3(a3)(2)

<u>Exception Reason</u>	<u>Verification Method</u>	<u>Exception Begins</u>	<u>Exception Ends</u>
<u>Retired</u>	<u>Employee provides a written statement stating that they are receiving a retirement income and that they are not available for or seeking permanent employment with the state</u>	<u>When the written statement is received by the HR Representative</u>	<u>Separation, or when the employee becomes ineligible based on the statutory requirements for exemption status as a retiree</u>
<u>Full-Time Student</u>	<u>Employee provides a course schedule from an academic institution showing enrollment of at least 12 credit hours for</u>	<u>When the course schedule is received and validated by the HR Representative</u>	<u>Separation, or at the end of the quarter or semester that the employee is a full-time student³</u>

³ A full-time student who completed the spring semester (or quarter) and is enrolled as a full-time student for the fall semester (or quarter) is eligible for an exception as a full-time student during the summer regardless of whether they are taking classes during the summer.

Temporary Employment Policy (cont.)

	<u>undergraduates or nine hours for graduate students</u>		
<u>Intern</u>	<u>Employee provides proof of enrollment as a student for a period of at least one academic semester</u>	<u>Date determined by the sponsoring agency that is within the period that the employee has exemption status as an intern</u>	<u>Separation, or when the employee is no longer enrolled as a student or when the internship ends, whichever comes first⁴</u>
<u>Extern</u>	<u>Sponsoring agency and academic institution enter into a written agreement which includes identifying the employee as a student earning course credit through the externship</u>	<u>Date established in the executed written agreement</u>	<u>Separation, or when the employee is no longer enrolled as a student or when the externship ends, whichever comes first</u>
<u>Inmate</u>	<u>Confirmation by NC DAC</u>	<u>Date that the employee's status is verified</u>	<u>Separation, or when the employee is no longer on a work-release program</u>

~~§ 5.4(a) — State of North Carolina Retirees~~

~~Retirees from the State of North Carolina drawing retirement compensation from the Teachers' and State Employees' Retirement System are not eligible for reemployment with the state until six (6) months after initial retirement and are subject to an annual earnings limit as established by the North Carolina Department of State Treasurer. State retirees must sign a statement that they are not available for nor seeking permanent employment.~~

~~State retirees are exempt from the mandatory separation requirement. All state agencies must use Temporary Solutions to employ rehired State retirees.~~

~~State retirees in a temporary assignment are eligible to maintain State Health Plan (SHP) coverage through the Retirement System. However, if the retiree is expected to or does work thirty (30) hours or more per week, the employing agency shall be responsible for the employer cost of the retiree as an active employee with the State Health Plan.~~

⁴ A student who completed the spring semester or is enrolled as a student for the fall semester is eligible for an exception as an intern during the summer regardless of whether they are taking classes during the summer.

Temporary Employment Policy (cont.)

~~§ 5.4(b) — Non-State of North Carolina Retirees~~

~~An individual drawing a retirement income from a private company, military/federal government, or any other state retirement system and/or social security benefits is also exempt from the mandatory separation requirement.~~

~~§ 5.4(c) — Students~~

~~Undergraduate students taking at least twelve (12) credit hours or graduate students taking at least nine (9) credit hours are considered full-time students and are therefore exempt from the mandatory separation requirement.~~

~~§ 5.4(d) — Interns~~

~~Interns, which are students or recent graduates who, regardless of the number of credit hours enrolled, work to gain occupational experience for a short period of time, not to exceed three months, are exempt from the mandatory separation requirement.~~

~~§ 5.4(e) — Externs~~

~~Externs, which are students who, regardless of the number of credit hours enrolled, are employed as part of a written agreement between the state and an academic institution by which the student is paid and earns course credit, are exempt from the mandatory separation requirement.~~

~~§ 5.4(f) — Inmates~~

~~Inmates that are on work release programs are exempt from the mandatory separation.~~

§ 8.3. End of Exception Status After 11 Consecutive Months

If an employee has been employed for at least 11 consecutive months under an approved exception and the exception ends, the temporary shall stop working immediately and become unemployed as a temporary in state government for at least 31 consecutive calendar days.

§ 6. External Temporary Staffing Vendors

~~When the State Human Resources Director grants an exception for Cabinet agencies to use a third-party staffing service, the following requirements are the responsibility of the employing agency:~~

Temporary Employment Policy (cont.)

-
- ~~Work with its purchasing section (or designee) to ensure:~~
- ~~• they abide by established procurement rules and protocols prior to hiring any temporaries.~~
 - ~~• Ensure adherence with all laws, rules, policies, and guidelines related to temporary employment, including but not limited to this policy, 25 NCAC 01C .0405, the mandatory separation requirement, and the Affordable Care Act.~~
 - ~~• a list of all temporaries hired through third-party staffing agencies, including the employee's name, job title, classification, hourly rate of pay, hours worked per week, and assignment start and end dates.~~
 - ~~• Timekeeping and all payroll actions.~~
 - ~~• All other HR actions necessary to process the temporary employee.~~
-

~~§ 7.~~ § 9. Sources of Authority

This policy is issued under any and all of the following sources of law:

- [N.C.G.S. §§ 126-4\(19\), 126-6.3](#)

It is compliant with the Administrative Code rules at:

- [25 NCAC 01C .0405](#)

~~§ 8.~~ § 10. History

Date	Version
October 2016	<ul style="list-style-type: none">• With the authority granted by 2013 NC Executive Order #4 "Temporary Employment Services" the Cabinet Agencies were required to utilize the NC Office of State Human Resources (OSHR), through Temporary Solutions to secure temporary employees. House Bill 97 further established that all State agencies which utilize temporary employees to perform work, excluding Information Technology related work, shall employ all temporary employees through OSHR, Temporary Solutions.
February 4, 2021	<ul style="list-style-type: none">• Policy reviewed by Business Operations: Temporary Solutions Division to confirm alignment with current practices and by Legal, Commission, and Policy Division to confirm alignment

Temporary Employment Policy (cont.)

	<p>with statutory, rule(s), and other policies, including the Communicable Disease policy. This policy is being revised to update and clarify employment requirements for state government temporary positions and employees and format so consistent with policy review formatting.</p>
<u>September 18, 2025</u>	<p><u>Updated policy to reflect changes in law, more clearly describe Temporary Solutions operations, and discuss proper classification of temporary employees compared to independent contractors. Details follow.</u></p> <ul style="list-style-type: none"><u>• Removed former Section 2, on the use of short-term IT staffing through DIT, since this material is better covered in DIT procedures. IT staffing is subject to an exception from the Temporary Solutions statute. (See N.C.G.S. § 126-6.3(a), first sentence.)</u><u>• Added a new Section 2, entitled “Opportunities to Transition to a Permanent Role,” that highlights the opportunity for streamlined temp-to-perm hiring created by new N.C.G.S. § 126-6.4. This new statute became law on July 1, 2025, as part of Session Law 2025-34.</u><u>• Added a new Section 3, entitled “Determining Employee vs. Independent Contractor” that provides a brief summary of the IRS three-factor test for whether someone is an employee or an independent contractor.</u><u>• Added a new Section 4, entitled “When a Temporary is Considered to be Employed.” The counting procedure is important for the 11-month limit established in N.C.G.S. § 126-6.3.</u><u>• Added a new Section 5, entitled “Methods of Employing Temporaries,” which expands and clarifies the discussion in the previous policy about covered agencies.</u><u>• Updated and streamlined Section 6, on responsibilities.</u><u>• Moved the text about temporary employees’ ineligibility for benefits from the former Section 3, entitled “Covered Employees,” to a new Section 7, entitled “Temporary Employees Ineligible for Benefits.”</u><u>• In the text renumbered as Section 8, expanded and clarified the text on the mandatory separation requirement. This requirement applies to temporary</u>

Temporary Employment Policy (cont.)

	<p><u>employees who work longer than 11 consecutive months without an exception.</u></p> <ul style="list-style-type: none">• <u>Removed the section entitled “External Temporary Staffing Vendors,” since the requirements stated in that section appear in the exception letter issued by OSHR under N.C.G.S. § 126-6.3(a3)(1).</u>• <u>Updated the sources of authority section to list N.C.G.S. § 126-4(19).</u>
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§ 1. Policy

It is the policy of the Office of State Human Resources (OSHR) to establish and utilize temporary employees to fill a workforce need for a limited period. Temporary employees, while not to be used to permanently expand the workforce beyond authorized levels, can provide valuable services in times of need. OSHR has the responsibility to monitor and ensure compliance with policy. Therefore, under no circumstances shall an individual be utilized as a temporary employee outside of all applicable rules, statutes, laws, and guidelines, such as Chapter 126 of the NC General Statutes, 25 NCAC 01C .0405, the mandatory separation requirement, and the Affordable Care Act. This applies to all temporary employees, including those hired through Temporary Solutions, directly through a State agency, and through an approved third-party vendor.

Temporary Employment Policy (cont.)

§ 2. Opportunities to Transition to a Permanent Role

Temporary state employees perform many of the same duties as permanent state employees and often gain valuable work experience that may help them qualify for permanent state employment. Temporary employees are encouraged to apply for permanent state government positions that align with their qualifications and interests. Permanent job opportunities are publicly posted on the state's job opportunities website.

OSHR and many individual state agencies offer programs and services to help job seekers, including temporary employees, search and apply for permanent state positions. State agencies are encouraged to make permanent jobs more accessible to temporary state employees by considering their applications for permanent positions posted internally and hiring eligible temporaries directly into permanent positions under N.C.G.S. § 126-6.4.

§ 3. Determining Employee vs. Independent Contractor

Generally, a temporary state employee is any worker in a temporary position whose income taxes, Social Security taxes, and Medicare taxes are withheld by the State of North Carolina and receives a W-2. Temporary employees differ from independent contractors, who are self-employed and receive a Form 1099.

§ 3.1. Agency Must Correctly Classify Its Temporary Employees

When considering a short-term workforce need, agencies must determine the details of the proposed working relationship between the agency and the worker to help ensure that the worker is correctly classified as an employee or independent contractor for employment tax obligation purposes. This will also determine whether this policy applies to that worker.

Temporary Employment Policy (cont.)

§ 3.2. IRS Three-Factor Test¹ - Employee or Independent Contractor

Whether a worker is an employee or independent contractor depends on the relationship between the worker and the business. Generally, there are three factors to consider:

- Behavioral control – Does the company control or have the right to control what the worker does and how the worker does the job?
- Financial control – Does the business direct or control the financial and business aspects of the worker's job? Are the business aspects of the worker's job controlled by the payer? Things like how the worker is paid, are expenses reimbursed, who provides tools/supplies, etc. should be considered.
- Relationship of the parties – Are there employee type benefits such as pension plan, insurance, and vacation pay? Will the relationship continue and is the work performed a key aspect of the business?

If the answers to these questions are generally yes, the worker is more likely an employee than an independent contractor.

§ 4. When a Temporary is Considered to be Employed

For the purpose of counting days and months in this policy, a temporary employee is considered employed:

- During any period in which they are not separated in the Integrated HR-Payroll System or other approved state payroll system, or
- From the first day of work for pay through the last day of work for pay, if not paid in the Integrated HR-Payroll System or other approved state payroll system, including but not limited to being hired through a private staffing firm or paid through an imprest system.

¹ From U.S. Internal Revenue Service, "Independent Contractor (Self-Employed) or Employee?" (Nov. 9, 2023), available at <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>.

Temporary Employment Policy (cont.)

§ 5. Methods of Employing Temporaries

§ 5.1. Through Temporary Solutions

Temporary Solutions provides another state agency or university (the “employing agency”) with recruitment, placement, onboarding, timekeeping, and payroll services for a small administrative charge. The employing agency is the employer of record for temporaries employed through Temporary Solutions. This means that the employing agency determines the temporary’s job duties and work schedule, conducts interviews, conducts background checks (when necessary), decides who to hire, approves the hourly rate, supervises the temporary employee, approves their timesheet(s), and makes decisions regarding their employment. The employing agency is responsible for ensuring agency compliance with all laws, rules, policies, and guidelines related to employing temporary workers.

§ 5.2. Direct Employment

Cabinet agencies with an approved exception to not use Temporary Solutions and Council of State agencies may employ temporary employees directly in the Integrated HR-Payroll System or other authorized payroll system.

§ 5.3. Private Staffing Firms or Any Other Method Used to Fill a Workforce Need for a Limited Period of Time

When authorized according to their internal procurement requirements, Cabinet agencies with an approved exception to not use Temporary Solutions and Council of State agencies may employ temporary workers through a private staffing firm or any other method used to fill a workforce need for a limited period of time, such as through an imprest system.

A state agency employing one or more temporaries through a private staffing firm or any other method used to fill a workforce need for a limited period of time shall ensure that the state agency shall contractually and operationally adhere to all applicable laws, rules, policies, and guidelines related to the employment of temporaries prior to the temporary

Temporary Employment Policy (cont.)

staffer beginning work. Cabinet agencies that do not adhere to these requirements may have their approved exception revoked by the Office of State Human Resources.

§ 6. Responsibilities Regarding Temporary Employment

§ 6.1. Temporary Solutions

As part of the administrative charge applied by Temporary Solutions to the employing agency, Temporary Solutions is the employment service administrator which:

- recruits job candidates;
- advertises vacant temporary positions;
- screens applicants;
- provides qualified candidate(s) for temporary positions;
- onboards temporary employees for payroll, including processing Federal Form I-9 and E-Verify;
- enters time when requested and audits time entries;
- troubleshoots payroll issues;
- identifies and notifies workers employed through Temporary Solutions who qualify for the High Deductible Health Plan;
- monitors Agency compliance with applicable laws, rules, policies and guidelines, such as the mandatory break-in-service requirement;
- corresponds with the state's third-party unemployment insurance vendor regarding claims submitted by workers who were employed through Temporary Solutions.

§ 6.2. OSHR

OSHR serves as the policy administrator and as a part of that role:

- Maintains a list of approved third-party vendors for each State agency;
- Reports biannually to the Joint Legislative Oversight Committee and Fiscal Research Division on Agency compliance with applicable laws, rules, policies, and guidelines;
- Reviews and makes decisions on exception requests from State agencies.

Temporary Employment Policy (cont.)

§ 6.3. Agency

Each State agency is the employer of record for any temporary worker hired and paid through Temporary Solutions, or directly by the Agency, or through a third-party staffing service. It is responsible for ensuring Agency compliance with all laws, rules, policies, and guidelines related to employing temporary workers. As the employer, the Agency is also responsible for making employment decisions such as who and when to hire and separate a temporary, the hourly rate of pay, work schedule, length of assignment, workplace rules, required equipment, and required or recommended training. The employing agency is responsible for any damages, penalties, or remedies that are a result of the employing agency's conduct.

Agencies using Temporary Solutions shall provide current contact information for each temporary employee's supervisor as well as the agency HR contact and billing contact.

For agencies using Temporary Solutions, the temporary is not authorized to begin work until notified to do so by Temporary Solutions to help ensure timely payroll processing.

The Agency shall ensure any substantial changes in the duties and assignments of the temporary worker are communicated to Temporary Solutions. The Agency must review and approve any changes in the status or pay rate in advance of its effective date.

§ 7. Temporary Employees Ineligible for Benefits

Temporary employees do not:

- Earn leave, including sick leave and vacation leave
- Receive total state service credit
- Earn retirement credit
- Earn career status

Additionally, temporary employees are ineligible for the following:

- Severance pay
- Priority reemployment consideration
- Promotional priority

Temporary employees are not allowed to utilize the state grievance process and may be separated from employment at any time during their temporary assignment.

Temporary Employment Policy (cont.)

Temporary employees may be eligible for certain across-the-board pay increases or incentive payments depending on the funding stream of the employing agency. Any increases or incentive payments are in the discretion of the employing agency and are not automatic. For additional information, consult the agency HR staff.

§ 8. Mandatory Separation Requirement

N.C.G.S. § 126-6.3(a1) prohibits any temporary employee from working longer than 11 consecutive months without an approved exception. This is called the Mandatory Separation Requirement.

The Mandatory Separation Requirement applies to—and defines “temporary employee” as—any “State employee who is employed in a temporary appointment for a limited term, including a State employee hired from the OSHR Temporary Solutions Program, directly hired by an agency, hired by an agency from a private staffing firm, or hired by any other method used to fill a workforce need for a limited period of time.”²

Note: Individuals may be covered by the definition of “temporary employee” in the Mandatory Separation Requirement statute even if they might not be classified as temporary employees of the State under other laws or regulations.

When the 11-month limit is reached, the temporary employee shall stop working and be unemployed from that and any temporary assignment within state government for at least 31 consecutive calendar days.

§ 8.1. Exceptions to the Mandatory Separation Requirement

Exceptions to the Mandatory Separation Requirement shall be created and applied in accordance with N.C.G.S. § 126-6.3(a3)(2) and (3). Unless listed in Table 1 below, exceptions to allow a temporary employee to work beyond 11 months must be approved by the Director of OSHR. The exception request must meet both of the following requirements:

² N.C.G.S. 126-6.3(c)(7).

Temporary Employment Policy (cont.)

- The exception is in the best interests of the State because removing the employee from the job assignment will cause severe harm to the agency's ability to provide vital services to the public.
- The exception will not result in extending the 11-month maximum length of temporary employment beyond 22 months from the employee's initial hire date.

§ 8.2. Verification of Exception Status

Exceptions covered under N.C.G.S. § 126-6.3(a3)(2) shall be verified by an authorized HR Representative before the employee is considered exempt from the 11-month limit. Supporting documentation shall be retained in the employee's personnel file.

Table 1: Verification and Duration of Exceptions Covered Under N.C.G.S. § 126-6.3(a3)(2)

Exception Reason	Verification Method	Exception Begins	Exception Ends
Retired	Employee provides a written statement stating that they are receiving a retirement income and that they are not available for or seeking permanent employment with the state	When the written statement is received by the HR Representative	Separation, or when the employee becomes ineligible based on the statutory requirements for exemption status as a retiree
Full-Time Student	Employee provides a course schedule from an academic institution showing enrollment of at least 12 credit hours for undergraduates or nine hours for graduate students	When the course schedule is received and validated by the HR Representative	Separation, or at the end of the quarter or semester that the employee is a full-time student ³
Intern	Employee provides proof of enrollment as a student for a period of at least one academic semester	Date determined by the sponsoring agency that is within the period that the employee has exemption status as an intern	Separation, or when the employee is no longer enrolled as a student or when the internship ends,

³ A full-time student who completed the spring semester (or quarter) and is enrolled as a full-time student for the fall semester (or quarter) is eligible for an exception as a full-time student during the summer regardless of whether they are taking classes during the summer.

Temporary Employment Policy (cont.)

			whichever comes first ⁴
Extern	Sponsoring agency and academic institution enter into a written agreement which includes identifying the employee as a student earning course credit through the externship	Date established in the executed written agreement	Separation, or when the employee is no longer enrolled as a student or when the externship ends, whichever comes first
Inmate	Confirmation by NC DAC	Date that the employee's status is verified	Separation, or when the employee is no longer on a work-release program

§ 8.3. End of Exception Status After 11 Consecutive Months

If an employee has been employed for at least 11 consecutive months under an approved exception and the exception ends, the temporary shall stop working immediately and become unemployed as a temporary in state government for at least 31 consecutive calendar days.

§ 9. Sources of Authority

This policy is issued under any and all of the following sources of law:

- [N.C.G.S. §§ 126-4\(19\), 126-6.3](#)

It is compliant with the Administrative Code rules at:

- [25 NCAC 01C .0405](#)

§ 10. History

Date	Version
October 2016	<ul style="list-style-type: none">• With the authority granted by 2013 NC Executive Order #4 "Temporary Employment Services" the Cabinet Agencies were required to utilize the NC Office of State Human Resources (OSHR), through Temporary Solutions to secure temporary employees. House Bill 97 further established that all State agencies which utilize temporary employees to perform work, excluding Information Technology related work, shall employ all temporary employees through OSHR, Temporary Solutions.

⁴ A student who completed the spring semester or is enrolled as a student for the fall semester is eligible for an exception as an intern during the summer regardless of whether they are taking classes during the summer.

Temporary Employment Policy (cont.)

February 4, 2021	<ul style="list-style-type: none">Policy reviewed by Business Operations: Temporary Solutions Division to confirm alignment with current practices and by Legal, Commission, and Policy Division to confirm alignment with statutory, rule(s), and other policies, including the Communicable Disease policy. This policy is being revised to update and clarify employment requirements for state government temporary positions and employees and format so consistent with policy review formatting.
September 18, 2025	<p>Updated policy to reflect changes in law, more clearly describe Temporary Solutions operations, and discuss proper classification of temporary employees compared to independent contractors. Details follow.</p> <ul style="list-style-type: none">Removed former Section 2, on the use of short-term IT staffing through DIT, since this material is better covered in DIT procedures. IT staffing is subject to an exception from the Temporary Solutions statute. (See N.C.G.S. § 126-6.3(a), first sentence.)Added a new Section 2, entitled “Opportunities to Transition to a Permanent Role,” that highlights the opportunity for streamlined temp-to-perm hiring created by new N.C.G.S. § 126-6.4. This new statute became law on July 1, 2025, as part of Session Law 2025-34.Added a new Section 3, entitled “Determining Employee vs. Independent Contractor” that provides a brief summary of the IRS three-factor test for whether someone is an employee or an independent contractor.Added a new Section 4, entitled “When a Temporary is Considered to be Employed.” The counting procedure is important for the 11-month limit established in N.C.G.S. § 126-6.3.Added a new Section 5, entitled “Methods of Employing Temporaries,” which expands and clarifies the discussion in the previous policy about covered agencies.Updated and streamlined Section 6, on responsibilities.Moved the text about temporary employees’ ineligibility for benefits from the former Section 3, entitled “Covered Employees,” to a new Section 7, entitled “Temporary Employees Ineligible for Benefits.”In the text renumbered as Section 8, expanded and clarified the text on the mandatory separation requirement. This requirement applies to temporary employees who work longer than 11 consecutive months without an exception.

Temporary Employment Policy (cont.)

	<ul style="list-style-type: none">Removed the section entitled “External Temporary Staffing Vendors,” since the requirements stated in that section appear in the exception letter issued by OSHR under N.C.G.S. § 126-6.3(a3)(1).Updated the sources of authority section to list N.C.G.S. § 126-4(19).
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**State Human Resources Commission
Report/Policy Summary
(September 18, 2025)**

Title of Policy/Report/Rule: Update to the State's General (NC) and Medical-Health (MH) Pay Plans

Purpose: To adjust the minimum of certain pay plans to comply with S.L. 2018-5, Section 35.14(b)

Commission Action Requested: Effective when recommended by the Commission and approved by the Governor.

Summary of Proposed Policy/Report/Rule and Revision(s): The following pages reflect the updated pay plans based on S.L. 2018-5, Section 35.14(b) which raised the minimum of the pay plans to at least \$31,200.

The specific update consists of increasing the minimum of pay grades NC01-NC04 and MH01 to \$31,200 and recalculating quartile 1, midpoint and quartile 3 (the maximum remains unchanged).

Source of Authority: N.C.G.S. § 126-4(2) ("Subject to the approval of the Governor, the State Human Resources Commission shall establish policies and rules governing ... (2) Compensation plans which shall provide for minimum, maximum, and intermediate rates of pay for all employees subject to the provisions of this Chapter.")

Associated Session Law Provision: Session Law 2018-5, Section 35.14(b), which is attached.

Submitted/Presented by: Andrea Clinkscales

General					
Grade	Range Minimum	Q1	Range Midpoint	Q3	Range Maximum
NC30	155,440	204,016	252,591	301,166	349,742
NC29	138,169	181,347	224,526	267,703	310,881
NC28	122,817	161,198	199,578	237,959	276,339
NC27	109,171	143,286	177,403	211,519	245,634
NC26	97,040	127,366	157,691	188,016	218,341
NC25	86,258	113,215	140,170	167,126	194,082
NC24	84,471	104,534	124,596	144,657	164,720
NC23	78,579	97,240	115,903	134,565	153,228
NC22	73,096	90,457	107,816	125,177	142,538
NC21	67,996	84,146	100,294	116,444	132,593
NC20	67,852	80,575	93,297	106,020	118,741
NC19	64,621	76,738	88,855	100,971	113,088
NC18	61,545	73,084	84,624	96,163	107,703
NC17	58,613	69,603	80,593	91,583	102,574
NC16	55,823	66,289	76,756	87,222	97,689
NC15	53,164	63,133	73,101	83,070	93,038
NC14	50,633	60,126	69,620	79,113	88,607
NC13	48,222	57,263	66,304	75,347	84,388
NC12	45,926	54,536	63,147	71,758	80,369
NC11	43,738	51,940	60,141	68,342	76,542
NC10	41,655	49,466	57,276	65,087	72,897
NC09	39,671	47,110	54,549	61,987	69,426
NC08	37,782	44,867	51,951	59,035	66,120
NC07	35,984	42,731	49,477	56,225	62,971
NC06	34,270	40,695	47,121	53,547	59,973
NC05	32,639	38,758	44,877	50,997	57,117
NC04	31,200	36,999	42,799	48,598	54,397
NC03	31,200	36,352	41,504	46,655	51,807
NC02	31,200	35,735	40,270	44,805	49,340
NC01	31,200	35,148	39,096	43,043	46,991

Medical-Healthcare					
Grade	Range Minimum	Q1	Range Midpoint	Q3	Range Maximum
MH28	188,350	235,438	282,526	329,613	376,701
MH27	163,783	204,728	245,675	286,620	327,566
MH26	142,420	178,025	213,630	249,235	284,840
MH25	123,843	154,804	185,765	216,726	247,687
MH24	107,690	134,612	161,535	188,457	215,379
MH23	93,644	117,054	140,465	163,876	187,286
MH22	92,184	107,164	122,143	137,123	152,104
MH21	85,753	99,687	113,622	127,557	141,492
MH20	79,770	92,732	105,695	118,658	131,620
MH19	74,204	86,262	98,321	110,379	122,437
MH18	69,027	80,245	91,461	102,678	113,896
MH17	64,211	74,646	85,080	95,515	105,949
MH16	59,732	69,438	79,144	88,851	98,557
MH15	58,898	66,261	73,623	80,985	88,348
MH14	56,094	63,105	70,117	77,128	84,140
MH13	53,423	60,100	66,778	73,456	80,134
MH12	50,879	57,239	63,598	69,958	76,318
MH11	48,456	54,512	60,569	66,626	72,684
MH10	46,149	51,917	57,686	63,454	69,222
MH09	43,950	49,444	54,939	60,433	65,926
MH08	41,857	47,090	52,322	57,554	62,786
MH07	39,864	44,848	49,831	54,814	59,797
MH06	37,966	42,712	47,458	52,203	56,950
MH05	36,159	40,679	45,197	49,717	54,237
MH04	34,437	38,741	43,046	47,350	51,655
MH03	32,797	36,897	40,996	45,095	49,195
MH02	31,235	35,139	39,043	42,948	46,852
MH01	31,200	34,555	37,911	41,266	44,621

STATE AGENCY TEACHERS

SECTION 35.13. Employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, the State Board of Education, and employees of the School of Science and Mathematics of The University of North Carolina who are paid on the Teacher Salary Schedule shall be paid as authorized by Section 8.1 of this act.

ALL STATE-SUPPORTED PERSONNEL

SECTION 35.14.(a) Salaries and related benefits for positions that are funded:

- (1) Partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.
- (2) Fully from sources other than the General Fund or Highway Fund shall be increased as provided by this act. The Director of the Budget may increase expenditures of receipts from these sources by the amount necessary to provide the legislative increase to receipt-supported personnel in the certified budget.

The Director of the Budget may increase expenditures of receipts from these sources in the certified budget by the amount necessary to provide the increases authorized by this part to receipt-supported personnel. Nothing in this act authorizes the transfer of funds between the General Fund and the Highway Fund for salary increases.

SECTION 35.14.(b) The Office of State Budget and Management shall allocate the Compensation Increase Reserve of fifteen million three hundred thousand dollars (\$15,300,000) appropriated in this act as needed to establish a minimum State employee annual salary of thirty-one thousand two hundred dollars (\$31,200). The State Human Resources Commission shall increase the minimum of all salary ranges in any compensation plan it maintains to at least thirty-one thousand two hundred dollars (\$31,200) annually. The minimum salary does not apply to State-funded local employees.

SECTION 35.14.(c) The legislative salary increases provided in this act for the 2018-2019 fiscal year do not apply to persons separated from service due to resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to July 1, 2018. With respect to the legislative increases awarded in this part, payroll checks issued to employees after July 1 of each year that represent payment of services provided prior to July 1 of each year shall not be eligible for salary increases provided for in this act.

SECTION 35.14.(d) This section applies to all employees paid from State funds, whether or not subject to or exempt from the North Carolina Human Resources Act, including employees of public schools, community colleges, and The University of North Carolina.

MOST STATE EMPLOYEES

SECTION 35.15. Unless otherwise expressly provided by this part, the annual salaries in effect for the following persons on June 30, 2018, shall be legislatively increased as provided by Section 35.1 of this act:

- (1) Permanent, full-time State officials and persons whose salaries are set in accordance with the State Human Resources Act.
- (2) Permanent, full-time State officials and persons in positions exempt from the State Human Resources Act.
- (3) Permanent, part-time State employees.
- (4) Temporary and permanent hourly State employees.

**State Human Resources Commission
Summary Sheet
(September 18, 2025)**

Title of Policy, Report, or Rule: Changes to Incentive Leave Rules (25 NCAC 01E .1801 through .1809).

Purpose of the Change: To allow incentive leave to be provided to individuals at all levels, not only middle to late career applicants.

Period Covered (if applicable): After approval by the Governor, this change was posted on the OSHR website and published in the for North Carolina Register for public comment from July 1, 2025 to September 2, 2025. A public hearing was held on July 16, 2025 at 10 a.m. No public comments were received. The changes to the rule will become effective after review by the Human Resources Commission and Governor following public comment, and review by the Rules Review Commission.

Summary of Proposed Policy, Report, or Rule and Revision(s):

Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are:

- “Middle or late career applicants,”
- With at least 10 years of experience that is directly related to the position, and
- The new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire.

Up to 20 days of incentive leave can be provided. Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave.

The first two restrictions listed in the bullet points above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed amended Rule 01E .1801, the language would be removed that restricts incentive leave to “middle or late career applicants.” In proposed Rule 01E .1802, the definition of “Middle or Late Career Applicant” would be removed, along with two definitions (“Executive Management Position” and “Middle Management Position”) that are not currently used in the rules. In proposed Rule 01E .1804, the item would be removed that restricts incentive leave to employees with “[a]t least 10 years of experience that is directly related to the position.” Finally, in proposed Rule 01E .1808, the language about “employee transfers to a State SPA or EPA position” would be removed, since all state positions are either SPA (subject to the State Personnel Act, now the State Human Resources Act) or EPA (exempt from the Act).

The third bullet point on the last page – the requirement that someone be joining from outside state government -- would be kept, but clarified so that it reads, “Employed Outside of State Government means not employed with an organization for which the State currently accepts transferred accrued vacation leave upon hire.” This is in proposed amended Rule 01E .1802(1).

Commission Action Requested: Motion to recommend submitting this rule to the Rules Review Commission for adoption as a permanent Rule as presented.

Associated Statute: N.C.G.S. § 126-4(5).

Submitted/Presented by: Andrea Clinkscales

25 NCAC 01E .1801 is proposed for amendment as follows:

25 NCAC 01E .1801 POLICY

- (a) Incentive leave may be used as a recruitment tool to assist in the employment of ~~candidates~~ individuals who are middle or late career applicants employed outside of State government ~~and who are interested in accepting employment within North Carolina State government.~~ with the State of North Carolina.
- (b) An agency may award incentive leave to ~~a middle or late career applicant~~ applicants who ~~is~~ are newly appointed to a position that the agency has identified as critical to the agency mission and for which the agency has documented recruitment difficulty attracting qualified applicants, or who is newly appointed to an executive management position.

History Note: Authority G.S. ~~126-4~~, 126-4(5);

Eff. January 1, 2011;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 4,

2016-2016;

Amended Eff. _____.



NOTICE OF TEXT

[Authority G.S. 150B-21.2(c)]

OAH USE ONLY

VOLUME:

ISSUE:

CHECK APPROPRIATE BOX:

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Notice with a scheduled hearing

Notice without a scheduled hearing

Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 14. If a hearing is scheduled, complete block 5.

Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: [State Human Resources Commission](#)

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

☐ ADOPTION:

☒ AMENDMENT: [25 NCAC 01E .1801](#)

☐ REPEAL:

☐ READOPTION with substantive changes:

☐ READOPTION without substantive changes:

☐ REPEAL through READOPTION:

4. Proposed effective date: [12/01/2025](#)

5. Is a public hearing planned? [Yes](#)

If yes:

Date	Time
07/16/2025	10a

Location

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s):

Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are: “Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed amended Rule 01E .1801, the language would be removed that restricts incentive leave to “middle or late career applicants.”

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Denise H. Mazza
Address: 333 Fayetteville Street
Raleigh, NC 27601
Phone (optional): 984-236-0823
Fax (optional):
EMail (optional) denise.mazza@nc.gov

10. Comment Period Ends: 09/02/2025**11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

No fiscal note required

12. Rule-making Coordinator:

Name: Blake Thomas
984-236-0822
blake.thomas@nc.gov

Agency contact, if any:

Name: Denise H. Mazza
Phone: 984-236-0823
Email: Blake.Thomas@nc.gov

13. The Agency formally proposed the text of this rule(s) on

Date: 05/06/2025

25 NCAC 01E .1802 is proposed for amendment as follows:

25 NCAC 01E .1802 DEFINITIONS

As used in this Section:

- (1) Employed Outside of State Government means ~~employed with an organization that is not part of the State of North Carolina government or~~ not employed with an organization for which the State currently accepts transferred accrued vacation leave upon hire.
- (2) ~~Executive Management Position means a senior management position that reports directly to an appointed or elected agency head and is delegated authority to make decisions that impact the overall direction of the agency and whose duties typically involve planning, strategy, policy-making and line management. Typical job titles include chief executive officer, chief operating officer, chief financial officer, and deputy secretary.~~
- (3) ~~Middle Management Position means a position that reports directly to an executive management position and supervises lower level management positions and is delegated authority to make decisions that impact the overall direction of a department or division of an agency and whose duties typically involve program planning and coordination, organization structure, determining goals and standards, determination and interpretation of policy, and fiscal control.~~
- (4) ~~Middle or Late Career Applicant means an applicant with 10 or more years of directly related experience in their profession.~~
- (2)(5) Newly Appointed means the initial appointment as an employee of the State of North Carolina, or an appointment following a break in service of at least 12 months from a previous appointment as an employee of the State of North Carolina.
- (3)(6) Recruitment ~~Difficulty-Difficulties~~ means positions that are highly competitive in the labor market due to specialized competencies, licenses, or certifications, or geographic location or those positions in which there is a high turnover which impacts the agency's efforts to recruit and provide services. Recruitment typically involves active recruitment efforts utilizing multiple recruitment resources that require an extended period of recruitment and results in a limited qualified applicant pool.

History Note: Authority G.S. ~~126-4~~; 126-4(5);

Eff. January 1, 2011;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 4, 2016-2016;

Amended Eff. _____.



NOTICE OF TEXT

[Authority G.S. 150B-21.2(c)]

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Notice with a scheduled hearing

Notice without a scheduled hearing

Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 14. If a hearing is scheduled, complete block 5.

Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: [State Human Resources Commission](#)

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

☐ ADOPTION:

☒ AMENDMENT: [25 NCAC 01E .1802](#)

☐ REPEAL:

☐ READOPTION with substantive changes:

☐ READOPTION without substantive changes:

☐ REPEAL through READOPTION:

4. Proposed effective date: [12/01/2025](#)

5. Is a public hearing planned? [Yes](#)

If yes:

Date	Time
07/16/2025	10a

Location

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s):

Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are: “Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed Rule 01E .1802, the definition of “Middle or Late Career Applicant” would be removed, along with two definitions (“Executive Management Position” and “Middle Management Position”) that are not currently used in the rules. 01E .1802(1) would be amended by clarifying the third bullet point on the last page – the requirement that someone be joining from outside state government -- so that it reads, “Employed Outside of State Government means not employed with an organization for which the State currently accepts transferred accrued vacation leave upon hire.”

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Denise H. Mazza
Address: 333 Fayetteville Street
Raleigh, NC 27601
Phone (optional): 984-236-0823
Fax (optional):
EMail (optional) denise.mazza@nc.gov

10. Comment Period Ends: 09/02/2025**11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

No fiscal note required

12. Rule-making Coordinator:

Name: Blake Thomas
984-236-0822
blake.thomas@nc.gov

Agency contact, if any:

Name: Denise H. Mazza
Phone: 984-236-0823
Email: Denise.Mazza@nc.gov

13. The Agency formally proposed the text of this rule(s) on

Date: 05/06/2025

25 NCAC 01E .1804 is proposed for amendment as follows:

25 NCAC 01E .1804 ELIGIBILITY REQUIREMENTS

To be eligible for incentive leave, the employee must be newly appointed and have the following:

(1) All qualification and competency requirements of the position; and

~~(2) At least 10 years of experience that is directly related to the position; and~~

~~(2)(3)~~ A full-time or part-time (half-time or more) permanent, probationary or time-limited appointment.

History Note: Authority G.S. ~~126-4~~; 126-4(5);

Eff. January 1, 2011;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 4,

~~2016-2016~~;

Amended Eff. _____.



NOTICE OF TEXT

[Authority G.S. 150B-21.2(c)]

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Notice with a scheduled hearing

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Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: [State Human Resources Commission](#)

2. Link to agency website pursuant to G.S. 150B-19.1(c):
<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

☐ ADOPTION:

☒ AMENDMENT: [25 NCAC 01E .1804](#)

☐ REPEAL:

☐ READOPTION with substantive changes:

☐ READOPTION without substantive changes:

☐ REPEAL through READOPTION:

4. Proposed effective date: [12/01/2025](#)

5. Is a public hearing planned? [Yes](#)

If yes:

Date	Time	Location
07/16/2025	10a	https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s):

Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are: “Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed Rule 01E .1804, the item would be removed that restricts incentive leave to employees with “[a]t least 10 years of experience that is directly related to the position.”

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Denise H. Mazza
Address: 333 Fayetteville Street
Raleigh, NC 27601
Phone (optional): 984-236-0823
Fax (optional):
EMail (optional) denise.mazza@nc.gov

10. Comment Period Ends: 09/02/2025**11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

No fiscal note required

12. Rule-making Coordinator:

Name: Blake Thomas
984-236-0822
blake.thomas@nc.gov

Agency contact, if any:

Name: Denise H. Mazza
Phone: 984-236-0823
Email: Denise.Mazza@nc.gov

13. The Agency formally proposed the text of this rule(s) on

Date: 05/06/2025

1 25 NCAC 01E .1808 is proposed for amendment as follows:

2
3 25 NCAC 01E .1808 TRANSFER

4 ~~If the employee transfers to a State SPA or EPA position, unused~~ Unused incentive leave may be transferred subject
5 to the receiving agency's approval. If incentive leave is not transferred, it shall not be paid out in a lump sum.

6 *History Note* Authority G.S. ~~126-4;~~ 126-4(5);

7 *Eff. February 1, 2011;*

8 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 4,*

9 ~~2016-2016;~~

10 *Amended Eff. _____.*



NOTICE OF TEXT

[Authority G.S. 150B-21.2(c)]

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Notice with a scheduled hearing

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1. Rule-Making Agency: [State Human Resources Commission](#)

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

☐ ADOPTION:

☒ AMENDMENT: [25 NCAC 01E .1808](#)

☐ REPEAL:

☐ READOPTION with substantive changes:

☐ READOPTION without substantive changes:

☐ REPEAL through READOPTION:

4. Proposed effective date: [12/01/2025](#)

5. Is a public hearing planned? [Yes](#)

If yes:

Date	Time
07/16/2025	10a

Location

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s):

Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are: “Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed Rule 01E .1808, the language about “employee transfers to a State SPA or EPA position” would be removed, since all state positions are either SPA (subject to the State Personnel Act, now the State Human Resources Act) or EPA (exempt from the Act).

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Denise H. Mazza
Address: 333 Fayetteville Street
Raleigh, NC 27601
Phone (optional): 984-236-0823
Fax (optional):
EMail (optional) Denise.Mazza@nc.gov

10. Comment Period Ends: 09/02/2025**11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

No fiscal note required

12. Rule-making Coordinator:

Name: Blake Thomas
984-236-0822
blake.thomas@nc.gov

Agency contact, if any:

Name: Denise H. Mazza
Phone: 984-236-0823
Email: Denise.Mazza@nc.gov

13. The Agency formally proposed the text of this rule(s) on

Date: 05/06/2025

1 25 NCAC 01E .1809 is proposed for amendment as follows:

2

3 25 NCAC 01E .1809 USE OF LEAVE

4 ~~Vacation~~ Incentive leave shall be taken only upon authorization of the agency head or designee.

5 *History Note: Authority G.S. ~~126-4~~; 126-4(5);*

6 *Eff. February 1, 2011;*

7 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 4,*

8 *~~2016-2016~~;*

9 *Amended Eff._____.*



NOTICE OF TEXT

[Authority G.S. 150B-21.2(c)]

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Notice with a scheduled hearing

Notice without a scheduled hearing

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Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: [State Human Resources Commission](#)

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

☐ ADOPTION:

☒ AMENDMENT: [25 NCAC 01E .1809](#)

☐ REPEAL:

☐ READOPTION with substantive changes:

☐ READOPTION without substantive changes:

☐ REPEAL through READOPTION:

4. Proposed effective date: [12/01/2025](#)

5. Is a public hearing planned? [Yes](#)

If yes:

Date	Time
07/16/2025	10a

Location

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s):

Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are: “Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In 25 NCAC 01E .1809 the type of leave is corrected from vacation to incentive.

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Denise H. Mazza
Address: 333 Fayetteville Street
Raleigh, NC 27601
Phone (optional): 984-236-0823
Fax (optional):
EMail (optional) Blake.Thomas@nc.gov

10. Comment Period Ends: 09/02/2025**11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

No fiscal note required

12. Rule-making Coordinator:

Name: Blake Thomas
984-236-0822
blake.thomas@nc.gov

Agency contact, if any:

Name: Denise H. Mazza
Phone: 984-236-0823
Email: Denise.Mazza@nc.gov

13. The Agency formally proposed the text of this rule(s) on

Date: 05/06/2025

NORTH CAROLINA REGISTER

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July 1, 2025

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*The Office of Administrative Hearings
Rules Division
1711 New Hope Church Road
Raleigh, NC 27609
Telephone 984-236-1850
Fax 984-236-1947*

*Melissa Owens Lassiter, Director
Brian Liebman, Codifier of Rules
Julie B. Eddins, Publications Coordinator*

receiving agency head. The second sentence would require agencies to administer this flexibility consistently and equitably. In proposed 25 NCAC 01E .1006(4), the phrase that currently prohibits transferring compensatory time between agencies would be removed.

Comments may be submitted to: Denise H. Mazza, 333 Fayetteville Street, Raleigh, NC 27601; phone (984) 236-0823; email denise.mazza@nc.gov

Comment period ends: September 2, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact ($\geq \$1,000,000$)
- ☐ Approved by OSBM
- ☒ No fiscal note required

CHAPTER 01 - OFFICE OF STATE HUMAN RESOURCES

SUBCHAPTER 01E - EMPLOYEE BENEFITS

SECTION .1000 - MISCELLANEOUS LEAVE

25 NCAC 01E .1006 COMPENSATORY TIME

Under the state's overtime compensation policy certain employees are designated as administrative, executive or professional. Employees in these categories are exempt from the provision for overtime pay. To grant these employees ~~compensating~~ compensatory time is a decision that must be made by the agency head. When compensatory time is granted to administrative, executive or professional employees, the following shall apply:

- (1) Amount. Compensatory time is awarded at a rate not to exceed the individual's straight time equivalent ~~rate, rate;~~
- (2) Non-cumulative. Compensatory time is not cumulative beyond a 12-month period. For this reason, an employee must be required to take

compensatory time as soon as possible after it is ~~credited, credited;~~

- (3) Transferable. Compensatory time, up to 160 hours, may be transferred to another state agency, subject to approval by the receiving agency head. Agencies who agree to receive compensatory time from another state agency must ensure receipt of compensatory leave is administered consistently and equitably.
- ~~(3)(4)~~ Non-transferable. Compensatory time is not transferable to any other type of ~~leave leave, or to another agency; and~~
- ~~(4)(5)~~ Separation. Compensatory time is lost when an employee is separated from state service. The employee's separation date shall not be changed in order to pay for compensatory time.

Authority G.S. ~~126-4(5); 126.~~

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Human Resources Commission intends to amend the rule cited as 25 NCAC 01E .1801.

Link to agency website pursuant to G.S. 150B-19.1(c):
<https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

Proposed Effective Date: December 1, 2025

Public Hearing:

Date: July 16, 2025

Time: 10:00 a.m.

Location:

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

Reason for Proposed Action: Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are:

“Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed amended Rule 01E .1801, the language would be removed that restricts incentive leave to “middle or late career applicants.”

Comments may be submitted to: Denise H. Mazza, 333 Fayetteville Street, Raleigh, NC 27601; phone (984) 236-0823; email denise.mazza@nc.gov

Comment period ends: September 2, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review:

If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact ($\geq \$1,000,000$)
- ☐ Approved by OSBM
- ☒ No fiscal note required

CHAPTER 01 - OFFICE OF STATE HUMAN RESOURCES

SUBCHAPTER 01E - EMPLOYEE BENEFITS

SECTION .1800 - INCENTIVE LEAVE

25 NCAC 01E .1801 POLICY

(a) Incentive leave may be used as a recruitment tool to assist in the employment of candidates ~~individuals who are middle or late career applicants~~ employed outside of State government and who are interested in accepting employment within North Carolina State government ~~with the State of North Carolina~~.

(b) An agency may award incentive leave to ~~a middle or late career applicant~~ applicants who ~~is~~ are newly appointed to a position that the agency has identified as critical to the agency mission and for which the agency has documented recruitment difficulty attracting qualified applicants, or who is newly appointed to an executive management position.

Authority G.S. ~~126-4~~; 126-4(5);

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Human Resources Commission intends to amend the rule cited as 25 NCAC 01E .1802.

Link to agency website pursuant to G.S. 150B-19.1(c): <https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

Proposed Effective Date: December 1, 2025

Public Hearing:

Date: July 16, 2025

Time: 10:00 a.m.

Location:

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

Reason for Proposed Action: Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are:

“Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed Rule 01E .1802, the definition of “Middle or Late Career Applicant” would be removed, along with two definitions (“Executive Management Position” and “Middle Management Position”) that are not currently used in the rules. 01E .1802(1) would be amended by clarifying the third bullet point on the last page – the requirement that someone be joining from outside state government -- so that it reads, “Employed Outside of State Government means not employed with an organization for which the State currently accepts transferred accrued vacation leave upon hire.”

Comments may be submitted to: Denise H. Mazza, 333 Fayetteville Street, Raleigh, NC 27601; phone (984) 236-0823; email denise.mazza@nc.gov

Comment period ends: September 2, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review:

If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the

Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact (>= \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

CHAPTER 01 - OFFICE OF STATE HUMAN RESOURCES

SUBCHAPTER 01E - EMPLOYEE BENEFITS

SECTION .1800 - INCENTIVE LEAVE

25 NCAC 01E .1802 DEFINITIONS

As used in this Section:

- (1) Employed Outside of State Government means ~~employed with an organization that is not part of the State of North Carolina government or~~ not employed with an organization for which the State currently accepts transferred accrued vacation leave upon hire.
- (2) ~~Executive Management Position means a senior management position that reports directly to an appointed or elected agency head and is delegated authority to make decisions that impact the overall direction of the agency and whose duties typically involve planning, strategy, policy making and line management. Typical job titles include chief executive officer, chief operating officer, chief financial officer, and deputy secretary.~~
- (3) ~~Middle Management Position means a position that reports directly to an executive management position and supervises lower-level management positions and is delegated authority to make decisions that impact the overall direction of a department or division of an agency and whose duties typically involve program planning and coordination, organization structure, determining goals and standards, determination and interpretation of policy, and fiscal control.~~
- (4) ~~Middle or Late Career Applicant means an applicant with 10 or more years of directly related experience in their profession.~~
- (2)(5) Newly Appointed means the initial appointment as an employee of the State of North Carolina, or an appointment following a break in service of at least 12 months from a

previous appointment as an employee of the State of North Carolina.

- (3)(6) Recruitment Difficulty ~~Difficulties~~ means positions that are highly competitive in the labor market due to specialized competencies, licenses, or certifications, or geographic location or those positions in which there is a high turnover which impacts the agency's efforts to recruit and provide services. Recruitment typically involves active recruitment efforts utilizing multiple recruitment resources that require an extended period of recruitment and results in a limited qualified applicant pool.

Authority ~~G.S. 426-4;~~ 126-4(5).

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Human Resources Commission intends to amend the rule cited as 25 NCAC 01E .1804.

Link to agency website pursuant to G.S. 150B-19.1(c):

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

Proposed Effective Date: *December 1, 2025*

Public Hearing:

Date: *July 16, 2025*

Time: *10a*

Location: *<https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>*

Reason for Proposed Action: *Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are:*

“Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed Rule 01E .1804, the item would be removed that restricts incentive leave to employees with “[a]t least 10 years of experience that is directly related to the position.”

Comments may be submitted to: Denise H. Mazza, 333 Fayetteville Street, Raleigh, NC 27601; phone (984) 236-0823; email denise.mazza@nc.gov

Comment period ends: September 2, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact (\geq \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

CHAPTER 01 - OFFICE OF STATE HUMAN RESOURCES

SUBCHAPTER 01E - EMPLOYEE BENEFITS

SECTION .1800 - INCENTIVE LEAVE

25 NCAC 01E .1804 ELIGIBILITY REQUIREMENTS

To be eligible for incentive leave, the employee must be newly appointed and have the following:

- (1) All qualification and competency requirements of the position; and
- (2) ~~At least 10 years of experience that is directly related to the position; and~~
- (2)(3) A full-time or part-time (half-time or more) permanent, probationary or time-limited appointment.

Authority G.S. ~~126-4~~; 126-4(5).

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Human Resources Commission intends to amend the rule cited as 25 NCAC 01E .1808.

Link to agency website pursuant to G.S. 150B-19.1(c): <https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

Proposed Effective Date: December 1, 2025

Public Hearing:

Date: July 16, 2025

Time: 10:00 a.m.

Location:

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

Reason for Proposed Action: Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are:

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Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed Rule 01E .1808, the language about “employee transfers to a State SPA or EPA position” would be removed, since all state positions are either SPA (subject to the State Personnel Act, now the State Human Resources Act) or EPA (exempt from the Act).

Comments may be submitted to: Denise H. Mazza, 333 Fayetteville Street, Raleigh, NC 27601; phone (984) 236-0823; email Denise.Mazza@nc.gov

Comment period ends: September 2, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions

concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact (\geq \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

CHAPTER 01 - OFFICE OF STATE HUMAN RESOURCES

SUBCHAPTER 01E - EMPLOYEE BENEFITS

SECTION .1800 - INCENTIVE LEAVE

25 NCAC 01E .1808 TRANSFER

~~If the employee transfers to a State SPA or EPA position, unused~~ **Unused** incentive leave may be transferred subject to the receiving agency's approval. If incentive leave is not transferred, it shall not be paid out in a lump sum.

Authority G.S. ~~126-4~~; 126-4(5).

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Human Resources Commission intends to amend the rule cited as 25 NCAC 01E .1809.

Link to agency website pursuant to G.S. 150B-19.1(c): <https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

Proposed Effective Date: December 1, 2025

Public Hearing:

Date: July 16, 2025

Time: 10:00 a.m.

Location:

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

Reason for Proposed Action: Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are:

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above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In 25 NCAC 01E .1809 the type of leave is corrected from vacation to incentive.

Comments may be submitted to: Denise H. Mazza, 333 Fayetteville Street, Raleigh, NC 27601; phone (984) 236-0823; email Blake.Thomas@nc.gov

Comment period ends: September 2, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review:

If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact (\geq \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

CHAPTER 01 - OFFICE OF STATE HUMAN RESOURCES

SUBCHAPTER 01E - EMPLOYEE BENEFITS SECTION .1800 - INCENTIVE LEAVE

25 NCAC 01E .1809 USE OF LEAVE

~~Vacation~~ **Incentive** leave shall be taken only upon authorization of the agency head or designee.

Authority G.S. ~~126-4~~; 126-4(5).

**State Human Resources Commission
Summary Sheet
(September 18, 2025)**

Title of Policy, Report, or Rule: Changes to Compensatory Time Rule (25 NCAC 01E .1006).

Purpose of the Change: To allow up to 160 hours of compensatory time to be transferable between agencies, subject to approval of the receiving agency head.

Period Covered (if applicable): After approval by the Governor, this change was posted on the OSHR website and published in the for North Carolina Register for public comment from July 1, 2025 to September 2, 2025. A public hearing was held on July 16, 2025 at 9 a.m. No public comments were received. The changes to the rule will become effective after review by the Human Resources Commission and Governor following public comment, and review by the Rules Review Commission.

Summary of Proposed Policy, Report, or Rule and Revision(s):

Today, Rule 01E .1006 prevents compensatory time balances from being carried from one agency to another when employees transfer. This can be a disincentive to employees advancing in their careers by moving between agencies; employees may not want to lose the compensatory time balance.

Because compensatory time cannot be cashed out or transferred to any other type of leave, there seems to be little reason to not allow transferring employees and the agencies receiving them to keep the employees' compensatory leave balances. Therefore, OSHR recommends giving agency heads the flexibility to accept compensatory time from another agency when an employee transfers.

In proposed new item 01E .1006(3), the first sentence would allow compensatory time, up to 160 hours, to be transferred to another state agency, subject to approval by the receiving agency head. The second sentence would require agencies to administer this flexibility consistently and equitably. In proposed item 01E .1006(4), the phrase that currently prohibits transferring compensatory time between agencies would be removed.

Commission Action Requested: Motion to recommend submitting this rule to the Rules Review Commission for adoption as a permanent Rule as presented.

Associated Statute: N.C.G.S. § 126-4(5).

Submitted/Presented by: Andrea Clinkscales

25 NCAC 01E .1006 Compensatory Time is proposed for amendment as follows:

25 NCAC 01E .1006 COMPENSATORY TIME

Under the state's overtime compensation policy certain employees are designated as administrative, executive or professional. Employees in these categories are exempt from the provision for overtime pay. To grant these employees ~~compensating~~ compensatory time is a decision that must be made by the agency head. When compensatory time is granted to administrative, executive or professional employees, the following shall apply:

- (1) Amount. Compensatory time is awarded at a rate not to exceed the individual's straight time equivalent rate. ~~rate~~;
- (2) Non-cumulative. Compensatory time is not cumulative beyond a 12-month period. For this reason, an employee must be required to take compensatory time as soon as possible after it is credited. ~~credited~~;
- (3) Transferable. Compensatory time, up to 160 hours, may be transferred to another state agency, subject to approval by the receiving agency head. Agencies who agree to receive compensatory time from another state agency must ensure receipt of compensatory leave is administered consistently and equitably.
- ~~(3)~~(4) Non-transferable. Compensatory time is not transferable to any other type of leave, ~~or to another agency; and~~
- ~~(4)~~(5) Separation. Compensatory time is lost when an employee is separated from state service. The employee's separation date shall not be changed in order to pay for compensatory time.

*History Note: Authority G.S. 126-4(5);
Eff. February 1, 1976;
Amended Eff. August 1, ~~2009~~2009;
Amended Eff. December 1, 2025.*



NOTICE OF TEXT

[Authority G.S. 150B-21.2(c)]

OAH USE ONLY

VOLUME:

ISSUE:

CHECK APPROPRIATE BOX:

☒
☐
☐

Notice with a scheduled hearing

Notice without a scheduled hearing

Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 14. If a hearing is scheduled, complete block 5.

Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: [State Human Resources Commission](#)

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

☐ ADOPTION:

☒ AMENDMENT: [25 NCAC 01E .1006](#)

☐ REPEAL:

☐ READOPTION with substantive changes:

☐ READOPTION without substantive changes:

☐ REPEAL through READOPTION:

4. Proposed effective date: [12/01/2025](#)

5. Is a public hearing planned? [Yes](#)

If yes:

Date	Time	Location
07/16/2025	9a	

<https://ncgov.webex.com/ncgov/j.php?MTID=m4a893014b59e43437ae8fbe60045bfab>

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s):

As it exists, 25 NCAC 01E .1006 prevents compensatory time balances from being carried from one agency to another when employees transfer. This can be a disincentive to employees advancing in their careers by moving between agencies; employees may not want to lose the compensatory time balance. Because compensatory time cannot be cashed out or transferred to any other type of leave, there seems to be little reason to not allow transferring employees and the agencies receiving them to keep the employees' compensatory leave balances. The revisions here give agency heads the flexibility to accept compensatory time from another agency when an employee transfers. In proposed new item 01E .1006(3), the first sentence would allow compensatory time, up to 160 hours, to be transferred to another state agency, subject to approval by the receiving agency head. The second sentence would require agencies to administer this flexibility consistently and equitably. In proposed 25 NCAC 01E .1006(4), the phrase that currently prohibits transferring compensatory time between agencies would be removed.

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Denise Holton Mazza
Address: 333 Fayetteville Street
Raleigh, NC 27601
Phone (optional): 984-236-0823
Fax (optional):
EMail (optional) denise.mazza@nc.gov

10. Comment Period Ends: 09/02/2025**11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

No fiscal note required

12. Rule-making Coordinator:

Name: Blake Thomas
984-236-0822
blake.thomas@nc.gov

Agency contact, if any:

Name: Denise H. Mazza
Phone: 984-236-0823
Email: denise.mazza@nc.gov

13. The Agency formally proposed the text of this rule(s) on

Date: 05/06/2025

NORTH CAROLINA REGISTER

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July 1, 2025

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PUBLISHED BY

*The Office of Administrative Hearings
Rules Division
1711 New Hope Church Road
Raleigh, NC 27609
Telephone 984-236-1850
Fax 984-236-1947*

*Melissa Owens Lassiter, Director
Brian Liebman, Codifier of Rules
Julie B. Eddins, Publications Coordinator*

- number of discount points and a condition that the buyer must be able to qualify for the assumption of the loan and must make every reasonable effort to qualify for the assumption of the loan;
- (7) the amount of earnest money, if any, the method of payment, the name of the broker or firm that will serve as escrow agent, an acknowledgment of earnest money receipt by the escrow agent, and the criteria for determining disposition of the earnest money, including disputed earnest money, consistent with Commission Rule .0116 of this Subchapter;
- (8) any loan that must be obtained by the buyer as a condition of the contract, including the amount and type of loan, interest rate and number of discount points, loan term, and who shall pay loan closing costs, and a condition that the buyer shall make every reasonable effort to obtain the loan;
- (9) a general statement of the buyer's intended use of the property and a condition that such use must not be prohibited by private restriction or governmental regulation;
- (10) the amount and purpose of any special assessment to which the property is subject and the responsibility of the parties for any unpaid charges;
- (11) the date for closing and transfer of possession;
- (12) the signatures of the buyer and seller;
- (13) the date of offer and acceptance;
- (14) a provision that title to the property must be delivered at closing by general warranty deed and must be fee simple marketable title, free of all encumbrances except ad valorem taxes for the current year, utility easements, and any other encumbrances specifically approved by the buyer or a provision otherwise describing the estate to be conveyed with encumbrances, and the form of conveyance;
- (15) the items to be prorated or adjusted at closing;
- (16) who shall pay closing expenses;
- (17) the buyer's right to inspect the property prior to closing and who shall pay for repairs and improvements, if any;
- (18) a provision that the property shall at closing be in substantially the same condition as on the date of the offer (reasonable wear and tear excepted), or a description of the required property condition at closing;
- (19) a provision setting forth the identity of each real estate agent and firm involved in the transaction and disclosing the party each agent and firm represents; and
- (20) any other provisions or disclosures required by statute or rule.

(b) A broker acting as an agent in a real estate transaction shall not use a preprinted offer or sales contract form containing:

- (1) any provision concerning ~~the payment of a commission or compensation, including the forfeiture of earnest money, money~~ to any broker or firm; or
- (2) any provision that attempts to disclaim the liability of a broker for his or her representations in connection with the transaction.

A broker or anyone acting for or at the direction of the broker shall not insert or cause such provisions or terms to be inserted into any such preprinted form, even at the direction of the parties or their attorneys.

(c) The provisions of this Rule shall apply only to preprinted offer and sales contract forms which a broker acting as an agent in a real estate transaction proposes for use by the buyer and seller. Nothing contained in this Rule shall be construed to prohibit the buyer and seller in a real estate transaction from altering, amending or deleting any provision in a form offer to purchase or contract nor shall this Rule be construed to limit the rights of the buyer and seller to draft their own offers or contracts or to have the same drafted by an attorney at law.

Authority G.S. 93A-3(c).

TITLE 25 – OFFICE OF STATE HUMAN RESOURCES

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Human Resources Commission intends to amend the rule cited as 25 NCAC 01E .1006.

Link to agency website pursuant to G.S. 150B-19.1(c):
<https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

Proposed Effective Date: *December 1, 2025*

Public Hearing:

Date: *July 16, 2025*

Time: *9:00 a.m.*

Location:

<https://ncgov.webex.com/ncgov/j.php?MTID=m4a893014b59e43437ae8fbe60045bfab>

Reason for Proposed Action: *As it exists, 25 NCAC 01E .1006 prevents compensatory time balances from being carried from one agency to another when employees transfer. This can be a disincentive to employees advancing in their careers by moving between agencies; employees may not want to lose the compensatory time balance. Because compensatory time cannot be cashed out or transferred to any other type of leave, there seems to be little reason to not allow transferring employees and the agencies receiving them to keep the employees' compensatory leave balances. The revisions here give agency heads the flexibility to accept compensatory time from another agency when an employee transfers. In proposed new item 01E .1006(3), the first sentence would allow compensatory time, up to 160 hours, to be transferred to another state agency, subject to approval by the*

receiving agency head. The second sentence would require agencies to administer this flexibility consistently and equitably. In proposed 25 NCAC 01E .1006(4), the phrase that currently prohibits transferring compensatory time between agencies would be removed.

Comments may be submitted to: Denise H. Mazza, 333 Fayetteville Street, Raleigh, NC 27601; phone (984) 236-0823; email denise.mazza@nc.gov

Comment period ends: September 2, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact (\geq \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

CHAPTER 01 - OFFICE OF STATE HUMAN RESOURCES

SUBCHAPTER 01E - EMPLOYEE BENEFITS

SECTION .1000 - MISCELLANEOUS LEAVE

25 NCAC 01E .1006 COMPENSATORY TIME

Under the state's overtime compensation policy certain employees are designated as administrative, executive or professional. Employees in these categories are exempt from the provision for overtime pay. To grant these employees ~~compensating~~ compensatory time is a decision that must be made by the agency head. When compensatory time is granted to administrative, executive or professional employees, the following shall apply:

- (1) Amount. Compensatory time is awarded at a rate not to exceed the individual's straight time equivalent ~~rate, rate;~~
- (2) Non-cumulative. Compensatory time is not cumulative beyond a 12-month period. For this reason, an employee must be required to take

compensatory time as soon as possible after it is ~~credited, credited;~~

- (3) Transferable. Compensatory time, up to 160 hours, may be transferred to another state agency, subject to approval by the receiving agency head. Agencies who agree to receive compensatory time from another state agency must ensure receipt of compensatory leave is administered consistently and equitably.
- ~~(3)(4)~~ Non-transferable. Compensatory time is not transferable to any other type of ~~leave leave, or to another agency; and~~
- ~~(4)(5)~~ Separation. Compensatory time is lost when an employee is separated from state service. The employee's separation date shall not be changed in order to pay for compensatory time.

Authority G.S. ~~126-4(5); 126.~~

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Human Resources Commission intends to amend the rule cited as 25 NCAC 01E .1801.

Link to agency website pursuant to G.S. 150B-19.1(c):
<https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

Proposed Effective Date: December 1, 2025

Public Hearing:

Date: July 16, 2025

Time: 10:00 a.m.

Location:

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

Reason for Proposed Action: Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are:

“Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed amended Rule 01E .1801, the language would be removed that restricts incentive leave to “middle or late career applicants.”

Comments may be submitted to: Denise H. Mazza, 333 Fayetteville Street, Raleigh, NC 27601; phone (984) 236-0823; email denise.mazza@nc.gov

Comment period ends: September 2, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review:

If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact ($\geq \$1,000,000$)
- ☐ Approved by OSBM
- ☒ No fiscal note required

CHAPTER 01 - OFFICE OF STATE HUMAN RESOURCES

SUBCHAPTER 01E - EMPLOYEE BENEFITS

SECTION .1800 - INCENTIVE LEAVE

25 NCAC 01E .1801 POLICY

(a) Incentive leave may be used as a recruitment tool to assist in the employment of candidates ~~individuals who are middle or late career applicants~~ employed outside of State government and who are interested in accepting employment within North Carolina State government. ~~with the State of North Carolina.~~

(b) An agency may award incentive leave to ~~a middle or late career applicant~~ applicants who ~~is~~ are newly appointed to a position that the agency has identified as critical to the agency mission and for which the agency has documented recruitment difficulty attracting qualified applicants, or who is newly appointed to an executive management position.

Authority G.S. ~~126-4~~; 126-4(5);

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Human Resources Commission intends to amend the rule cited as 25 NCAC 01E .1802.

Link to agency website pursuant to G.S. 150B-19.1(c): <https://oshr.nc.gov/about-oshr/state-hr-commission/proposed-rulemaking>

Proposed Effective Date: December 1, 2025

Public Hearing:

Date: July 16, 2025

Time: 10:00 a.m.

Location:

<https://ncgov.webex.com/ncgov/j.php?MTID=mdd4637f07b8c0aab4c2a9e345cc7741f>

Reason for Proposed Action: Today, Rules 01E .1801 through .1809 allow agencies to provide incentive leave to new employees, so long as those employees are:

“Middle or late career applicants,” with at least 10 years of experience that is directly related to the position, and the new employee is employed with an organization that is not part of the State government, or for an organization for which the State currently accepts transferred accrued vacation leave upon hire. Up to 20 days of incentive leave can be provided.

Under Rule 01E .1807, the leave cannot be cashed out or transferred to other types of leave. The first two restrictions listed above do not exist (and have not historically existed) in the Sign-On and Retention Bonus Policy. Unlike a sign-on bonus, incentive leave cannot be cashed out or transferred. There seems to be little reason to place more restrictions on an incentive bonus than on a sign-on bonus. Therefore, OSHR recommends eliminating from the incentive leave rules the restrictions that are not also found in the Sign-On and Retention Bonus Policy.

In proposed Rule 01E .1802, the definition of “Middle or Late Career Applicant” would be removed, along with two definitions (“Executive Management Position” and “Middle Management Position”) that are not currently used in the rules. 01E .1802(1) would be amended by clarifying the third bullet point on the last page – the requirement that someone be joining from outside state government -- so that it reads, “Employed Outside of State Government means not employed with an organization for which the State currently accepts transferred accrued vacation leave upon hire.”

Comments may be submitted to: Denise H. Mazza, 333 Fayetteville Street, Raleigh, NC 27601; phone (984) 236-0823; email denise.mazza@nc.gov

Comment period ends: September 2, 2025

Procedure for Subjecting a Proposed Rule to Legislative Review:

If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the

State Human Resources Commission

Report/Policy Summary

(September 18, 2025)

Title of Policy: Voluntary Separation Incentive Program Policy (renamed from Reorganization Through Reduction Policy)

Purpose of the Policy: The Reorganization through Reduction (RTR) program is a voluntary employee separation program which enables an agency to restructure or reorganize to gain financial and/or skill set efficiencies and increase effectiveness. This allows the agency to retain the vacated position to repurpose to meet the agency's business needs, objectives, and goals.

Period Covered (if applicable): The changes would become effective October 15, 2025.

Summary of Proposed Policy/Report/Rule and Revision(s):

1. Change the name of the policy to "Voluntary Separation Program" from "Reorganization through Reduction Policy."
2. Section 2: Clarify employee eligibility.
3. Section 4: Add a *Computation of Separation Payment* section.
4. Section 4: Add a discretionary incentive bonus not to exceed 10% of the employee salary or \$10,000, whichever is greater.
5. Section 4: Changed \$5,500 to an amount equal to the employer share of the State Health Plan premium.
6. Section 6: Require universities to submit approved RTR Plans to OSHR within 5 calendar days.
7. Section 7: Reduce the prohibition on employee return to work from 12 months to 4 months.

Commission Action Requested: Approve revisions as presented.

Associated Statutes and Rule(s): N.C.G.S. §§ 126-7.1(j) and 126-4(7a)

Submitted/Presented By: Nancy Astrike, Deputy Director, OSHR

**Voluntary Separation Incentive Program (VSIP) ~~Reorganization~~
(~~through Reduction (RTR)~~ Program Policy (cont.)**

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1. Policy

The ~~Reorganization through Reduction (RTR) program~~ Voluntary Separation Incentive Program (VSIP) is a voluntary employee separation program created by the General Assembly and established under the direction of the Office of State Human Resources (OSHR) to enable an agency to restructure or reorganize to gain financial and/or skill set efficiencies and therefore increase agency effectiveness and achieve agency business needs, objectives and goals. The ~~RTR-VSIP~~ program may be utilized within the departments and offices listed in N.C.G.S. § 126-5(d) (1) or (2) and The University of North Carolina and its constituent institutions.

~~RTR~~ The VSIP differs from a Reduction in Force (RIF) in that ~~an RTR~~ the VSIP involves a voluntary separation by an employee. During ~~RTR~~ the VSIP, an agency is not required to eliminate a position if the agency needs to re-purpose the position to meet agency business needs, objectives and goals. Each agency using ~~RTR~~ the VSIP shall comply with this policy.

§ 2. Eligibility ~~and Process~~

Employees must:

1. Be a United State citizen or noncitizen who is authorized to work in the United States.
2. Be in a permanent full-time or part-time appointment type subject to the North Carolina Human Resources Act with twelve (12) months of continuous employment. ~~are eligible to participate.~~
3. Not be identified as a critical skilled employee or position in the approved VSIP Plan.
4. Not be in the period of consecutive service required when receiving a sign-on or retention

~~Reorganization through Reduction (RTR)~~ Voluntary Separation Incentive Program (VSIP) ~~Program~~

Voluntary Separation Incentive Program (VSIP) ~~Reorganization~~ ~~(through Reduction (RTR) Program)~~ Policy (cont.)

bonus.

Individual eligibility is specific to the agency's approved ~~RTR~~-VSIP plan and will be determined by the agency. An Agency or University may choose to extend their VSIP policy to include positions that are exempt policy making, exempt managerial, confidential assistants, confidential secretaries, and chief deputies.

§ 3. Process

The Agency Head/University Chancellor and Human Resources Director will draft the agency's ~~RTR~~-VSIP plan based on the agency business needs, objectives, goals and critical skills, which shall be sent to OSHR to ensure compliance with the ~~RTR~~-VSIP policy. The agency will coordinate with the Office of State Budget and Management (OSBM) for approval of funding. The agency will notify OSHR of fund availability.

If the plan is approved, the agency will then implement ~~RTR~~ the VSIP. First, the agency will ~~send the RTR announcement to notify~~ the affected organizational units; typically, via a VSIP Kickoff meeting. Employees in these units will have twenty-one (21) calendar days to decide to participate by signing an ~~RTR~~-VSIP Volunteer Separation Agreement which is submitted to OSHR. If the agency receives more volunteers than needed for the ~~RTR~~-VSIP ~~shall use~~ length of service (greater total state service) shall be used as the determining factor in selecting or denying participants. The agency will select participants and will notify volunteers of acceptance or denial.

If selected for participation, the employee will sign a Settlement Agreement and Waiver of Claims and receive a separation payment as calculated within the Computation of Separation Payment section of this policy. ~~based on the RIF's state policy formula, which is the standard state severance salary formula. In addition, a payment of \$5500 will be added to the separation payment that may be used by the employee after resignation to purchase health insurance.~~

If there are fewer volunteers than needed to achieve the goals of the ~~RTR~~-VSIP plan, the agency must implement a Reduction in Force (RIF) to proceed with the restructuring and reorganization plans to achieve the approved minimum reductions. ~~and~~ Agencies may implement a RIF up to the maximum contained in the ~~RTR~~-VSIP plan. The agencies will select employees for RIF to meet the goals and will notify affected employees. Individuals who were excluded from the voluntary ~~RTR~~-VSIP plan due to critical skills may not be considered if an involuntary RIF is necessary to meet the agency restructuring/

Voluntary Separation Incentive Program (VSIP) ~~Reorganization-~~ (~~through Reduction (RTR)~~ Program Policy (cont.))

reorganization plan.

A RIF as part of an approved ~~RTR~~-VSIP may include the abolishment of jobs. However, the funds saved from the abolition of the job may be repurposed to create new positions so long as additional efficiencies and economies result from the creation of different jobs in agency operations. Employees who are reduced in force during ~~RTR~~-VSIP are eligible for standard severance salary continuation regardless of whether the funds for the position are repurposed.

§ 4 Computation of Separation Payment:

An agency computes the Separation Payment based on the following:

1. An amount equal to the amount of the standard OSHR RIF policy severance salary formula the employee would be entitled to receive, and
- ~~1-2.~~ 2. An amount equal to the employer share of the State Health Plan premium. This benefit is limited to selected participants that currently participate in the state health plan; and
- ~~2-3.~~ 3. A discretionary incentive bonus determined by the agency head, not to exceed 10% of the employee salary or \$10,000, whichever is greater. If an agency chooses to provide a discretionary incentive bonus it must be provided to all participants equitably.

The amount that the employee receives will be reduced by any state or Federal required deductions, including tax obligations, social security, and Medicare.

§ 5. Special Provision as to Law Enforcement/Forensic Scientist

Employees in a permanent full-time or part-time appointment in a sworn law enforcement or forensic scientist position and who are required to complete a formal training program prior to assuming law enforcement or forensic scientist duties with 24 months of continuous employment are eligible to participate. Individual eligibility is specific to the agency's approved ~~RTR~~-VSIP plan and will be determined by the agency.

§ 6. Agency or University Responsibilities

- The Agency Head/University Chancellor and the Human Resources Director will identify opportunities to utilize the ~~RTR-program~~ VSIP. Using templates provided by OSHR, the agency ~~RTR~~-VSIP plan must identify:

~~Reorganization through Reduction (RTR)-~~ Voluntary Separation Incentive Program (VSIP) Program

Voluntary Separation Incentive Program (VSIP) ~~Reorganization-~~ (~~through Reduction (RTR) Program~~ Policy (cont.))

- Agency business needs, objectives, and goals to be achieved and the rationale for any ~~changes;~~changes.
- Critical skills needed to support the business needs. Critical skills are job specific knowledge/skills/competencies, needed by the organization, such that the organization would experience difficulty meeting its mission/goals should the specific knowledge/skills/competencies be lost. Critical skills may be found in an individual position or group of positions;
- Position, classifications and division(s)/unit(s) where ~~RTR-VSIP~~ is being offered and where ~~RTR-VSIP~~ is being excluded and the reasons for inclusion/exclusion;
- Numerical range of ~~RTR-VSIP~~ opportunities for consideration in each classification(s) or division(s), ~~with-must have~~ a minimum of at least five positions ~~in-order-for-the-agency~~ to utilize the ~~RTR-VSIP~~ program;
- Cost estimates for proposed ~~RTR~~VSIP;
- Implementation plan, including communications, timeframes for employees to express interest and target separation date; and
- The rationale for employees who have been declined participation in the program should be documented and reported to OSHR.
- The plan must be signed by the Agency Head/~~University Chancellor~~ and the HR Director and submitted for approval to the Office of State Human Resources.
- ~~The signed plan shall be maintained by the EEO, Accessibility, and Workforce Services Division in~~ OSHR. A copy of the signed plan and other associated documents shall be maintained by the agency HR division. Documents associated with specific employee actions should be attached to the action in the HR/Payroll system. Universities should maintain documents in their system of record.
- Universities only: Universities have been granted VSIP authority and are not required to seek OSHR approval for use of the VSI program. Universities must submit VSIP plans and any necessary updates to OSHR for informational purposes within five (5) calendar days after approval by the President of the University System (or a Chancellor of a constituent institution, if delegated this power by the President of the University System).

Voluntary Separation Incentive Program (VSIP) ~~Reorganization-~~ ~~(through Reduction (RTR) Program)~~ Policy (cont.)

§ 7. Employee Responsibilities

An employee that volunteers and is selected for participation:

- must sign ~~RTR-~~VSIP Voluntary Separation ~~Agreement;~~Agreement.
- must sign the Settlement Agreement and Waiver of Claims, in order to receive the separation ~~payment;~~payment.
- does not have any re-employment ~~priority;~~priority.
- may not return to any SHRA employment (permanent, temporary, contractual, time limited) for four (12-4) months;~~months.~~
- may not return to any state EHRA employment for four (12-4) months;~~months.~~
- will receive the appropriate longevity payment, if ~~eligible;~~eligible.
- will receive payment for vacation and bonus leave according to established state ~~policy;~~policy.
- must be employed on the date of the scheduled ~~RTR-~~VSIP separation date. If the employee voluntarily leaves the agency or is terminated prior to the VSIP ~~RTR-~~ separation date, the employee is not eligible for the VSIP ~~RTR-~~ separation payment; and
- may not rescind retirement application after VSIP ~~RTR-~~ plan has been approved by OSHR for purpose of participating in VSIP ~~RTR-~~ program.

§ 8. OSHR Responsibilities

OSHR will:

- Review and approve proposed VSIP ~~RTR-~~ plans from ~~agencies;~~agencies.
- Coordinate the implementation of the ~~RTR~~ VSIP for state ;~~agencies.~~
- Establish timeframes for VSIP ~~RTR-~~ plan implementation; and
- Compile and submit required reports.

§ 9. OSHR and OSBM Approval Process

The agency, in consultation with OSHR, will coordinate approval with OSBM for approval of funds disbursement. No changes may be made to the plan once approved by

~~Reorganization through Reduction (RTR)-~~ Voluntary Separation Incentive Program (VSIP) ~~Program~~

Voluntary Separation Incentive Program (VSIP) ~~Reorganization~~ (~~through Reduction (RTR)~~ Program Policy (cont.)

~~the~~ OSHR, without the approval of the OSHR Director. OSHR reserves the right to make changes in ~~RTR~~-VSIP implementation, parameters and timeframes, and to suspend the program if needed during the ~~RTR~~-VSIP process.

§ 10. Sources of Authority

This policy is issued under any and all of the following sources of law:

- [N.C.G.S. § 126-7.1\(j\)](#)
- [N.C.G.S. § 126-4\(7a\)](#)

It is compliant with the Administrative Code rules at:

- [25 NCAC 01I .2005](#)

§ 11. History of This Policy

Date	Version
October 2013	<ul style="list-style-type: none">• New Policy approved by the State Human Resources Commission.
February 2014	<ul style="list-style-type: none">• Policy amended to reflect the additional requirement that volunteers for the program do not return to any local government employment if the local government agency is covered by N.C.G.S. § 126 for 6 months.
August 2014	<ul style="list-style-type: none">• On August 7, Senate Bill 744 was signed into law (S.L. 2014-100) authorizing an extension of the RTR through June 30, 2015. Ending the program changed from June 30, 2014 to June 30, 2015.
February 2015	<ul style="list-style-type: none">• The change to the policy is correcting the requirement that employees in a permanent full-time or part-time appointment type with 24 months of continuous employment as of July 1, 2014, are eligible to participate.

STATE HUMAN RESOURCES MANUAL

DRAFT FOR SEPTEMBER 18, 2025

Effective: September 18,2025~~December 12, 2024~~Voluntary Separation Incentive Program (VSIP) ~~Reorganization-~~~~(through Reduction (RTR) Program~~ Policy (cont.)

October 2015	<ul style="list-style-type: none"> The policy is being updated to align with the changes listed in House Bill 845 and to update the employee and agency responsibilities. On September 28, 2015, House Bill 845 was signed into law authorizing an extension of the RTR through June 30, 2017. The new program dates are July 1, 2015 – June 30, 2017.
October 2016	<ul style="list-style-type: none"> The policy is being updated to align with the changes listed in House Bill 845 and to update<u>update</u> the employee and agency responsibilities. On September 28, 2015, House Bill 845 was signed into law authorizing an extension of the RTR through June 30, 2017. The new program dates are July 1, 2015 – June 30, 2017.
June 4, 2020	<ul style="list-style-type: none"> Now aligns with N.C.G.S. § 126-7.1(b) requiring that no loss of funds shall be required as a precondition for a reduction in force and N.C.G.S. § 126-7.1(j) clarifying that The University of North Carolina and its constituent institutions are eligible participants.
December 12, 2024	<ul style="list-style-type: none"> Added to Section 4, Agency Responsibilities: The signed plan shall be maintained by the EEO, Accessibility, and Workforce Services Division in OSHR. A copy of the signed plan and other associated documents shall be maintained by the agency HR division. Documents associated<u>associated with</u> specific employee actions should be attached to the action in the HR/Payroll system. Universities should maintain documents in their system of record.
<u>September 2025</u>	<ul style="list-style-type: none"> <u>Changed name of policy from Reorganization Through Reduction (RTR) to Voluntary Separation Incentive Program.</u> <u>Adding a Computation of Separation Payment section.</u> <u>Adding a discretionary incentive bonus not to exceed 10% of the employee salary or \$10,000, whichever is greater.</u> <u>Changed \$5,500 to an amount equal to the employer share of the State Health Plan premium.</u> <u>Requiring universities to submit approved RTR Plans to OSHR within 5 calendar days.</u> <u>Reducing the prohibition on return to work from 12 months to 4 months.</u>

Voluntary Separation Incentive Program (VSIP) (Policy (cont.))

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1. Policy

The Voluntary Separation Incentive Program (VSIP) is a voluntary employee separation program created by the General Assembly and established under the direction of the Office of State Human Resources (OSHR) to enable an agency to restructure or reorganize to gain financial and/or skill set efficiencies and therefore increase agency effectiveness and achieve agency business needs, objectives and goals. The VSIP program may be utilized within the departments and offices listed in N.C.G.S. § 126-5(d) (1) or (2) and The University of North Carolina and its constituent institutions.

The VSIP differs from a Reduction in Force (RIF) in that the VSIP involves a voluntary separation by an employee. During the VSIP, an agency is not required to eliminate a position if the agency needs to re-purpose the position to meet agency business needs, objectives and goals. Each agency using the VSIP shall comply with this policy.

§ 2. Eligibility

Employee must:

1. Be a United State citizen or noncitizen who is authorized to work in the United States.
2. Be in a permanent full-time or part-time appointment type subject to the North Carolina Human Resources Act with twelve (12) months of continuous employment.
3. Not be identified as a critical skilled employee or position in the approved VSIP Plan.
4. Not be in the period of consecutive service required when receiving a sign-on or retention bonus.

Voluntary Separation Incentive Program (VSIP) (Policy (cont.))

Individual eligibility is specific to the agency's approved VSIP plan and will be determined by the agency. An Agency or University may choose to extend their VSIP policy to include positions that are exempt policy making, exempt managerial, confidential assistants, confidential secretaries, and chief deputies.

§ 3.

Process

The Agency Head/University Chancellor and Human Resources Director will draft the agency's VSIP plan based on the agency business needs, objectives, goals and critical skills, which shall be sent to OSHR to ensure compliance with the VSIP policy. The agency will coordinate with the Office of State Budget and Management (OSBM) for approval of funding. The agency will notify OSHR of fund availability.

If the plan is approved, the agency will then implement the VSIP. First, the agency will notify the affected organizational units; typically, via a VSIP Kickoff meeting. Employees in these units will have twenty-one (21) calendar days to decide to participate by signing an VSIP Volunteer Separation Agreement which is submitted to OSHR. If the agency receives more volunteers than needed for the VSIP length of service (greater total state service) shall be used as the determining factor in selecting or denying participants. The agency will select participants and will notify volunteers of acceptance or denial.

If selected for participation, the employee will sign a Settlement Agreement and Waiver of Claims and receive a separation payment as calculated within the Computation of Separation Payment section of this policy.

If there are fewer volunteers than needed to achieve the goals of the VSIP plan, the agency must implement a Reduction in Force (RIF) to proceed with the restructuring and reorganization plans to achieve the approved minimum reductions. Agencies may implement a RIF up to the maximum contained in the VSIP plan. The agencies will select employees for RIF to meet the goals and will notify affected employees. Individuals who were excluded from the voluntary VSIP plan due to critical skills may not be considered if an involuntary RIF is necessary to meet the agency restructuring/ reorganization plan.

A RIF as part of an approved VSIP may include the abolishment of jobs. However, the funds saved from the abolition of the job may be repurposed to create new positions so long as additional efficiencies and economies result from the creation of different jobs in agency operations. Employees who are reduced in force during VSIP are eligible for standard severance salary continuation regardless of whether the funds for the position are

Voluntary Separation Incentive Program (VSIP) (Policy (cont.))

repurposed.

§ 4 **Computation of Separation Payment:**

An agency computes the Separation Payment based on the following:

1. An amount equal to the amount of the standard OSHR RIF policy severance salary formula the employee would be entitled to receive, and
2. An amount equal to the employer share of the State Health Plan premium. This benefit is limited to selected participants that currently participate in the state health plan; and
3. A discretionary incentive bonus determined by the agency head, not to exceed 10% of the employee salary or \$10,000, whichever is greater. If an agency chooses to provide a discretionary incentive bonus it must be provided to all participants equitably.

The amount that the employee receives will be reduced by any state or Federal required deductions, including tax obligations, social security, and Medicare.

§ 5. **Special Provision as to Law Enforcement/Forensic Scientist**

Employees in a permanent full-time or part-time appointment in a sworn law enforcement or forensic scientist position and who are required to complete a formal training program prior to assuming law enforcement or forensic scientist duties with 24 months of continuous employment are eligible to participate. Individual eligibility is specific to the agency's approved VSIP plan and will be determined by the agency.

§ 6. **Agency or University Responsibilities**

- The Agency Head/University Chancellor and the Human Resources Director will identify opportunities to utilize the VSIP. Using templates provided by OSHR, the agency VSIP plan must identify:
- Agency business needs, objectives, and goals to be achieved and the rationale for any changes.
- Critical skills needed to support the business needs. Critical skills are job specific knowledge/skills/competencies, needed by the organization, such that the organization would experience difficulty meeting its mission/goals should the specific knowledge/skills/competencies be lost. Critical skills may be found in an individual position or group of positions;

Voluntary Separation Incentive Program (VSIP) (Policy (cont.))

-
- Position, classifications and division(s)/unit(s) where VSIP is being offered and where VSIP is being excluded and the reasons for inclusion/exclusion;
 - Numerical range of VSIP opportunities for consideration in each classification(s) or division(s), must have a minimum of at least five positions to utilize the VSIP;
 - Cost estimates for proposed VSIP;
 - Implementation plan, including communications, timeframes for employees to express interest and target separation date;
 - The rationale for employees who have been declined participation in the program should be documented and reported to OSHR.
 - The plan must be signed by the Agency Head/ and the HR Director and submitted for approval to the Office of State Human Resources.
 - The signed plan shall be maintained by OSHR. A copy of the signed plan and other associated documents shall be maintained by the agency HR division. Documents associated with specific employee actions should be attached to the action in the HR/Payroll system. Universities should maintain documents in their system of record. **Universities only: Universities have been granted VSIP authority and are not required to seek OSHR approval for use of the VSI program. Universities must submit VSIP plans and any necessary updates to OSHR for informational purposes within five (5) calendar days after approval by the President of the University System (or a Chancellor of a constituent institution, if delegated this power by the President of the University System).**

Voluntary Separation Incentive Program (VSIP) (Policy (cont.))

§ 7. Employee Responsibilities

An employee that volunteers and is selected for participation:

- must sign VSIP Voluntary Separation Agreement.
- must sign the Settlement Agreement and Waiver of Claims, in order to receive the separation payment.
- does not have any re-employment priority.
- may not return to any SHRA employment (permanent, temporary, contractual, time limited) for four (4) months.
- may not return to any state EHRA employment for four (4) months.
- will receive the appropriate longevity payment, if eligible.
- will receive payment for vacation and bonus leave according to established state policy.
- must be employed on the date of the scheduled VSIP separation date. If the employee voluntarily leaves the agency or is terminated prior to the VSIP separation date, the employee is not eligible for the VSIP separation payment; and
- may not rescind retirement application after VSIP plan has been approved by OSHR for purpose of participating in VSIP .

§ 8. OSHR Responsibilities

OSHR will:

- Review and approve proposed VSIP plans from agencies.
- Coordinate the implementation of the VSIP for state agencies.
- Establish timeframes for VSIP plan implementation; and
- Compile and submit required reports.

§ 9. OSHR and OSBM Approval Process

The agency, in consultation with OSHR, will coordinate approval with OSBM for approval of funds disbursement. No changes may be made to the plan once approved by OSHR, without the approval of the OSHR Director. OSHR reserves the right to make Voluntary Separation Incentive Program (VSIP)

Voluntary Separation Incentive Program (VSIP) (Policy (cont.))

changes in VSIP implementation, parameters and timeframes, and to suspend the program if needed during the VSIP process.

§ 10. Sources of Authority

This policy is issued under any and all of the following sources of law:

- [N.C.G.S. § 126-7.1\(j\)](#)
- N.C.G.S. § 126-4(7a)

It is compliant with the Administrative Code rules at:

- [25 NCAC 01I .2005](#)

§ 11. History of This Policy

Date	Version
October 2013	<ul style="list-style-type: none">• New Policy approved by the State Human Resources Commission.
February 2014	<ul style="list-style-type: none">• Policy amended to reflect the additional requirement that volunteers for the program do not return to any local government employment if the local government agency is covered by N.C.G.S. § 126 for 6 months.
August 2014	<ul style="list-style-type: none">• On August 7, Senate Bill 744 was signed into law (S.L. 2014-100) authorizing an extension of the RTR through June 30, 2015. Ending the program changed from June 30, 2014 to June 30, 2015.
February 2015	<ul style="list-style-type: none">• The change to the policy is correcting the requirement that employees in a permanent full-time or part-time appointment type with 24 months of continuous employment as of July 1, 2014, are eligible to participate.

Voluntary Separation Incentive Program (VSIP) (Policy (cont.))

October 2015	<ul style="list-style-type: none">• The policy is being updated to align with the changes listed in House Bill 845 and to update the employee and agency responsibilities. On September 28, 2015, House Bill 845 was signed into law authorizing an extension of the RTR through June 30, 2017. The new program dates are July 1, 2015 – June 30, 2017.
October 2016	<ul style="list-style-type: none">• The policy is being updated to align with the changes listed in House Bill 845 and update the employee and agency responsibilities. On September 28, 2015, House Bill 845 was signed into law authorizing an extension of the RTR through June 30, 2017. The new program dates are July 1, 2015 – June 30, 2017.
June 4, 2020	<ul style="list-style-type: none">• Now aligns with N.C.G.S. § 126-7.1(b) requiring that no loss of funds shall be required as a precondition for a reduction in force and N.C.G.S. § 126-7.1(j) clarifying that The University of North Carolina and its constituent institutions are eligible participants.
December 12, 2024	<ul style="list-style-type: none">• Added to Section 4, Agency Responsibilities: The signed plan shall be maintained by the EEO, Accessibility, and Workforce Services Division in OSHR. A copy of the signed plan and other associated documents shall be maintained by the agency HR division. Documents associated with specific employee actions should be attached to the action in the HR/Payroll system. Universities should maintain documents in their system of record.
September 2025	<ul style="list-style-type: none">• Changed name of policy from Reorganization Through Reduction (RTR) to Voluntary Separation Incentive Program.• Adding a Computation of Separation Payment section.• Adding a discretionary incentive bonus not to exceed 10% of the employee salary or \$10,000, whichever is greater.• Changed \$5,500 to <u>an amount equal to the employer share of the State Health Plan premium.</u>• Requiring universities to submit approved RTR Plans to OSHR within 5 calendar days.• Reducing the prohibition on return to work from 12 months to 4 months.

**State Human Resources Commission
Report/Policy Summary
(September 18, 2025)**

Title of Policy/Report/Rule: Repeal of Certain Personnel Training Rules

Proposed Action: Repeal the following rules in 25 NCAC Subchapter 01K:

- 25 NCAC 01K .0210 and .0212, on OSHR's Learning and Development team objectives and facilities.
- 25 NCAC 01K .0300 (.0311 - .0324), Academic Assistance.
- 25 NCAC 01K .0400 (.0401 - .0404), Use of non-state government education and training sources.
- 25 NCAC 01K .0500 (.0501 - .0502), Apprenticeship training.
- 25 NCAC 01K .0600 (.0612 - .0613), Interim performance management and FY 1989-90 performance pay funds.

See the enclosed sheet for the text of the rules that would be repealed, as well as the text of the rules that would remain in Subchapter 01K without changes.

Purpose of the Rules: These rules cover some of the employee learning and development policies, programs, and practices. The rules proposed for repeal are either unnecessary, outdated, or covered by the Academic Assistance Policy and Employee Learning and Development Policy.

Background: [NC Sess. Law 2025-34](#), SB 124, An Act to Reduce Barriers to State Employment and to Modernize the State Human Resources System, became law on July 1, 2025. The bill amends General Statute § 150B-2(8a) to change the definition of "Rule" in the Administrative Procedures Act to exclude: "Job classification standards, job qualifications, and salaries and policies established for State and local government positions under the jurisdiction of the State Human Resources Commission, so long as those standards, qualifications, salaries, and policies directly affect only applicants for employment, current employees, or the resolution of matters related to past employment."

This change is intended to allow OSHR to more quickly modernize the personnel systems for state and local employees who are subject to the State Human Resources Act by not requiring rules for matters impacting these employee groups. Consequently, OSHR is reviewing all existing rules to determine if the rule is necessary or still relevant or if existing policy already exists. In the case of the rules listed above, they are all either covered by an existing policy or are outdated and no longer necessary.

Next Steps and Period Covered: The repeal of the rule would become effective at the end of the rulemaking process. This would be after the public notice-and-comment process is complete, after any public input is provided to the Human Resources Commission and it adopts the repeal of the rule, and after the Rules Review Commission considers the repeal of the rule.

For your awareness, at an upcoming State Human Resources Commission meeting, OSHR will propose revised Learning & Development policies. OSHR expects to propose that the revised policies become effective when the current rules complete the notice-and-comment process and are repealed. In some cases, the current restrictive rules need to be repealed before more modern policies can be adopted in their place.

Commission Action Requested: Motion to begin the public notice-and-comment process for a repeal of the rules in 25 NCAC Subchapter 01K listed above.

Submitted/Presented by: Blake Thomas

SUBCHAPTER 01K – PERSONNEL TRAINING

SECTION .0100 – GENERAL PROVISIONS

25 NCAC 01K.0101 AUTHORITY

History Note: *Authority G.S. 126-4;*
 Eff. February 1, 1976;
 Amended Eff. January 1, 1979;
 Repealed Eff. November 1, 1988.

25 NCAC 01K.0102 ORGANIZATION

History Note: *Authority G.S. 126-4;*
 Eff. February 1, 1976;
 Repealed Eff. December 1, 1978.

25 NCAC 01K.0103 POLICY ON TRAINING OF STATE EMPLOYEES

History Note: *Authority G.S. 126-4;*
 Eff. February 1, 1976;
 Repealed Eff. January 1, 1979.

25 NCAC 01K.0104 STATE HUMAN RESOURCE DEVELOPMENT POLICY

It is the policy of the State of North Carolina to provide training and development for its employees designed to:

- (1) improve productivity, effectiveness, and efficiency of government service by enhancement of employee performance;
- (2) help employees develop competencies so that they might become better qualified to perform the duties of their present jobs and advance to more responsible positions; and
- (3) develop managers and supervisors capable of designing and implementing effective systems for the accomplishment of each state agency's goals.

History Note: *Authority G.S. 126-4;*
 Eff. January 1, 1979;
 Amended Eff. April 1, 2005.

25 NCAC 01K.0105 CENTERS OF RESPONSIBILITY

(a) Adequate training and development of state employees shall be accomplished through the combined efforts of employees, supervisors on the job, departmental management, and the Office of State Human Resources in cooperation with the state's institutions of higher education.

(b) Human resource development programs shall recognize the following roles:

- (1) Employees. State employees at all levels ultimately retain an obligation to advance their own careers by pursuing appropriate opportunities for development and education.
- (2) Managers and Supervisors. Managers and supervisors have the initial responsibility for ensuring access to job-related training and development for their employees. In fulfilling this responsibility, managers and supervisors shall identify the individual training needs of their employees and work with employees to prepare and effect plans for their development.
- (3) State Agencies. State agencies are responsible for planning, budgeting, implementing and evaluating training for employees consistent with organizational needs and state policy. In addition, each agency shall work closely with other agencies and the Office of State Human Resources to promote the use of interagency training programs and resources wherever possible.

- (4) Office of State Human Resources. The Office of State Human Resources shall be responsible for statewide planning, coordination and review of human resource development programs, as well as for direct delivery of some specified interagency training
- (5) State Universities, the Community College System, and Public Instruction. The Office of State Human Resources and state agencies are responsible for utilizing the state's universities, Community College System, and public instruction to the fullest degree possible in securing professional, management, and vocational education to meet their human resource development needs.

History Note: Authority G.S. 126-4;
Eff. January 1, 1979;
Amended Eff. March 1, 2005.

25 NCAC 01K.0106 COST OF TRAINING

- (a) If training is specifically required by an agency, full costs of salary, tuition, travel, and subsistence shall be borne by the agency.
- (b) Education deemed beneficial to both the employee and the agency may be eligible for the state's Academic Assistance Program (25 NCAC 01K.0300).

History Note: Authority G.S. 126-4;
Eff. January 1, 1979;
Amended Eff. March 1, 2005.

SECTION .0200 – LEARNING AND DEVELOPMENT CENTER

- 25 NCAC 01K.0201 ESTABLISHMENT OF THE TRAINING CENTER**
- 25 NCAC 01K.0202 LOCATION AND HOURS OF OPERATION**
- 25 NCAC 01K.0203 STAFF ORGANIZATION**
- 25 NCAC 01K.0204 PROGRAMS**
- 25 NCAC 01K.0205 PRODUCTIONS**
- 25 NCAC 01K.0206 USE OF FACILITIES**
- 25 NCAC 01K.0207 FEES**
- 25 NCAC 01K.0208 ORIENTATION FOR NEW STATE EMPLOYEES**

History Note: Authority G.S. 126-4; 150A-10;
Eff. February 1, 1976;
Repealed Eff. January 1, 1979.

25 NCAC 01K.0209 OFFICE OF STATE HUMAN RESOURCES LEARNING AND ORGANIZATIONAL DEVELOPMENT TEAM PURPOSE

The Office of State Human Resources Learning and Organizational Development Team shall provide policy direction, programs, and supportive services to assist in improving the performance of state agencies and employees.

History Note: Authority G.S. 126-4;
Eff. January 1, 1979;
Amended Eff. March 1, 2005.

25 NCAC 01K.0210 OFFICE OF STATE HUMAN RESOURCES LEARNING AND ORGANIZATIONAL DEVELOPMENT TEAM OBJECTIVES REPEAL

The Office of State Human Resources Learning and Organizational Development Team shall:

- (1) recommend policy and procedures to the State Human Resources Commission concerning the state's system of human resource development, educational leave, academic assistance, and the use of non-state resources for training;
- (2) plan, coordinate, monitor and evaluate effectiveness of state government human resource development in cooperation with agencies, state universities, and the Community College System;

- (3) provide programs and services that most cost-effectively enhance organizational and individual performance when operated at the central level in state government. These programs and services include organizational improvement consultation, management and supervisory development, and clerical office skills training as well as human resource management and professional development initiatives.

History Note: Authority G.S. 126-4;
Eff. January 1, 1979;
Amended Eff. March 1, 2005.

25 NCAC 01K.0211 PROGRAMS

History Note: Authority G.S. 126-4;
Eff. January 1, 1979;
Repealed Eff. March 1, 2005.

REPEAL

25 NCAC 01K.0212 OFFICE OF STATE HUMAN RESOURCES LEARNING AND DEVELOPMENT FACILITIES

The North Carolina State Learning and Development Center's facilities at 101 West Peace Street in Raleigh shall be provided for use on a reservation basis by all state agencies from 8:00 a.m. to 5:00 p.m. Monday through Friday, excluding holidays. Room fees, based upon maximum occupancy, shall be charged to defray facility operation costs, including parking and use of available and reserved audiovisual equipment. Daily room fees are as follows: Mountain Room – twenty dollars (\$20.00); Coastal Room – twenty dollars (\$20.00); Piedmont Room – thirty dollars (\$30.00); Commission Room – fifty dollars (\$50.00). Rooms may be rented for up to four hours or any fraction of four hours for one-half the daily fee.

History Note: Authority G.S. 126-4;
Eff. January 1, 1979;
Amended Eff. April 1, 2005, January 1, 1989.

25 NCAC 01K.0213 FEES

History Note: Authority G.S. 126-4;
Eff. January 1, 1979;
Repealed Eff. March 1, 1989 in accordance with G.S. 150B-59(c).

25 NCAC 01K.0214 LOCATION AND HOURS OF OPERATION

History Note: Authority G.S. 126-4; 150A-10;
Eff. January 1, 1979;
Repealed Eff. March 1, 2005.

SECTION .0300 - ACADEMIC ASSISTANCE

REPEAL ALL REMAINING RULES

25 NCAC 01K.0301 PURPOSE

25 NCAC 01K.0302 ELIGIBILITY

History Note: Authority G.S. 126-4;
Eff. February 1, 1976;
Amended Eff. January 1, 1979; June 1, 1977; March 1, 1977;
Repealed Eff. September 1, 1989.

25 NCAC 01K.0303 APPROVED COURSES

25 NCAC 01K.0304 APPROVED HOURS

25 NCAC 01K.0305 TRAVEL

25 NCAC 01K.0306	TUITION ASSISTANCE
25 NCAC 01K.0307	APPLICATION PROCEDURES
25 NCAC 01K.0308	TAX STATUS
25 NCAC 01K.0309	ADMINISTRATIVE RESPONSIBILITY
25 NCAC 01K.0310	EXTENDED EDUCATIONAL LEAVE

History Note: Authority G.S. 126-4;
Eff. January 1, 1979;
Amended Eff. August 1, 1979;
Repealed Eff. September 1, 1989.

25 NCAC 01K.0311 PURPOSE

REPEAL

The academic assistance program shall provide reimbursement of academic costs if funds are available at the agency/university level, and time off the job with pay if the course is available only during working hours. If funds are not available to provide reimbursement, the agency may choose to give only time off.

History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. January 1, 2004.

25 NCAC 01K.0312 ELIGIBILITY

REPEAL

- (a) Full-time or part-time employees who have a permanent appointment shall be eligible for the Academic Assistance Program. Trainees may be determined as eligible by management after satisfactory performance for a period of not less than three months.
- (b) Eligible Sources. Academic courses/degrees from accredited community colleges, colleges, universities via traditional classroom, video-based, distance learning, web-based, e-learning and certain correspondence courses shall be eligible for approval. Accreditation must be via an accrediting agency authorized by the US Department of Education or the American Council on Education/CREDIT.
- (c) Academic courses which are audited shall be eligible for academic assistance; however, an employee may be reimbursed for the same course or course equivalent only once.

History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. December 1, 2003; August 1, 1995.

25 NCAC 01K.0313 APPROVED COURSES

REPEAL

Management, when making the determination whether to provide assistance to take a specific course, must determine that it is beneficial to both the agency/university and the employee's knowledge, skills and abilities to fulfill current and potential job duties. Academic assistance shall not be approved for courses where management has determined that neither the course, nor the degree is of benefit to the agency/university.

History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. December 1, 2003.

25 NCAC 01K.0314 ACADEMIC LEAVE

REPEAL

If a course can be taken only during working hours, the leave shall not exceed one course up to five hours academic credit per academic term. Travel time as determined by the supervisor may be permitted to attend approved courses.

History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. January 1, 2004.

25 NCAC 01K .0315 THESIS/DISSERTATION RESEARCH COURSES

History Note: *Authority G.S. 126-4;*
 Eff. September 1, 1989;
 Repealed Eff. December 1, 2003.

25 NCAC 01K .0316 ACADEMIC COSTS

REPEAL

Academic costs are defined as charges assessed by an eligible source to every person enrolling for the course. Academic costs include tuition, fees and required, itemized course/lab fees. Agencies/universities may reimburse academic costs in accordance with these Rules and published in the State Human Resources Manual.

History Note: *Authority G.S. 126-4;*
 Eff. September 1, 1989;
 Amended Eff. December 1, 2003.

25 NCAC 01K .0317 REIMBURSEMENT OF ACADEMIC COSTS

REPEAL

Agencies/universities may reimburse all academic costs as specified in 25 NCAC 01K .0316, or reimburse only tuition and other academic related fees, but shall not reimburse for fees that are unrelated to registering for a course or a degree program, such as dorm, student union construction, athletic fees, etc. Agencies may also, with a bona fide business justification, reduce the amount of reimbursement per employee to a set amount less than the tuition and fees and limit the number of courses for which any one employee may be reimbursed in an academic term. Agencies/universities choosing to reimburse an amount less than the academic costs specified in 25 NCAC 01K .0316 shall make this information available to all employees at the beginning of the fiscal year and apply this limitation to all employees requesting academic assistance in that fiscal year.

History Note: *Authority G.S. 126-4;*
 Eff. September 1, 1989;
 Amended Eff. January 1, 2004.

25 NCAC 01K .0318 TAX STATUS

25 NCAC 01K .0319 APPLICATION PROCEDURES

History Note: *Authority G.S. 126-4;*
 Eff. September 1, 1989;
 Amended Eff. December 1, 1995;
 Repealed Eff. December 1, 2003.

25 NCAC 01K .0320 EXCEPTIONAL SITUATIONS

REPEAL

Courses taken at agency/university request shall be approved by the agency head (at Departmental/University level), or his/her designee. Courses taken under 25 NCAC 01K .0322 Extended Academic Leave shall be approved by the Office of State Human Resources.

History Note: *Authority G.S. 126-4;*
 Eff. September 1, 1989;
 Amended Eff. December 1, 2003.

25 NCAC 01K .0321 COURSES TAKEN AT AGENCY/UNIVERSITY REQUEST

REPEAL

- (a) Because of specific high priority skill needs of the agency/university, employees may be requested by management to take specific courses or degree programs. Under these circumstances, all limitations under the provisions of this policy are waived, except requirements for withholding taxes and FICA.
- (b) If courses taken at agency request exceed the credit hour per fiscal year limits of the academic assistance program, then the situation shall be administered under 25 NCAC 01K .0322 Extended Academic Leave. Courses specified as part of an employee's improvement/development plan are not considered to be at agency request unless approved by the agency/university head or designee.

*History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. December 1, 2003.*

25 NCAC 01K.0322 EXTENDED ACADEMIC LEAVE

REPEAL

(a) State agencies/universities may consider any employee (permanent, probationary, trainee or time-limited) for extended academic leave to participate in job or career-related work study, scholarship or fellowship programs based upon the following criteria:

- (1) Verification that both labor market and organizational needs exist for development in program requested.
- (2) Equal opportunity provided in selection of candidate(s).
- (3) Employees are informed of agency/university policies and procedures regarding:
 - (A) Announcement and application procedures;
 - (B) Screening and selection of employees;
 - (C) Limitations and restrictions on courses;
 - (D) Leave, salary and benefit conditions and any withholding taxes and FICA;
 - (E) Employment agreement.

(b) Requests for extended academic leave initiated by the employee and which do not meet with the criteria in this Rule shall be administered according to the State Human Resources policy on leave without pay.

*History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. December 1, 2003.*

25 NCAC 01K.0323 CERTIFICATION/LICENSING

REPEAL

Incumbent employees who meet minimum educational and experience requirements and for whom certification/licensing is mandated after employment or is a policy requirement of the employing agency and approved by the agency/university head or their designee are eligible for academic assistance.

*History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. December 1, 2003.*

25 NCAC 01K.0324 ADMINISTRATION RESPONSIBILITY

REPEAL

(a) The Office of State Human Resources is responsible for the interpretation of this Rule, and approval of agency policy and procedures, and all subsequent agency revisions.

(b) Each state agency or university is delegated responsibility for, and authority to, administer the program within the provisions of this Rule. This includes retaining on a fiscal year basis records of academic assistance activity and reporting such information annually to the Office of State Human Resources.

*History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. December 1, 2003.*

SECTION .0400 - USE OF NON-STATE GOVERNMENT EDUCATION AND TRAINING SOURCES

**REPEAL ALL
REMAINING RULES**

25 NCAC 01K.0401 POLICY STATEMENT

REPEAL

State agencies may enter into agreements or contracts for education and training through non-state sources in accordance with the procedures stated in Regulations .0402 and .0404 of this Section.

*History Note: Authority G.S. 126-4(10); N.C.G.S. c. 143, Article 3C;
Eff. February 1, 1976;
Amended Eff. January 1, 1979.*

25 NCAC 01K .0402 DETERMINATION OF NEED FOR TRAINING**REPEAL**

Before utilizing non-state sources for training and development activities, an agency must determine that:

- (1) agency employees currently lack the requisite competencies to meet the specified performance need.
- (2) education and training is not available within North Carolina state government to meet the agency's need(s); Education and training is not available when:
 - (a) existing programs in state government will not meet the need;
 - (b) new programs cannot be cost-effectively established to meet the need;
 - (c) inquiry has failed to disclose available, cost-effective programs in other state agencies, the Office of State Human Resources, public education, higher education institutions, or elsewhere in state government.

History Note: Authority G.S. 126-4;
Eff. February 1, 1976;
Amended Eff. March 1, 2005; January 1, 1979.

25 NCAC 01K .0403 SELECTION OF NON-GOVERNMENT SOURCES**REPEAL**

When there is a choice between outside training sources, the agency shall consider the following factors:

- (1) demonstrated effectiveness in similar situations in delivering the particular training;
- (2) accessibility of the training source due to geographic proximity and technological capability;
- (3) availability of training at the particular time or place it is needed;
- (4) comparative cost as determined by the Division of Purchase and Contract Rules;
- (5) practicality of necessary administrative arrangements;
- (6) significance of the training source's accreditation; and
- (7) unique advantages that might result from arrangements with one of several equally acceptable available source.

History Note: Authority G.S. 126-4;
Eff. February 1, 1976;
Amended Eff. March 1, 2005; January 1, 1979.

25 NCAC 01K .0404 PROCEDURE FOR APPROVAL OF NON-STATE SOURCES**REPEAL**

Consistent with 01 NCAC 05B .0301, should any state agency have a human resource development need that cannot be met by resources within state government, a justification memorandum from the purchasing agency to the State Purchase and Contract must document:

- (1) an explanation of how the achievement of the identified human resource development objectives contribute to the goals, and
- (2) that no state government institution or agency can cost-effectively meet the educational or training need in a timely manner. This memo shall include a list of the agencies contacted and the responses of each agency.

History Note: Authority G.S. 126-4; 143-64.20; 143-64.24;
Eff. February 1, 1976;
Amended Eff. March 1, 2005; January 1, 1979.

SECTION .0500 - APPRENTICESHIP TRAINING**REPEAL ALL REMAINING RULES****25 NCAC 01K .0501 POLICY STATEMENT****REPEAL**

It is a policy of the State of North Carolina, to promote and encourage the establishment, maintenance and growth of apprenticeship programs to help meet the workforce needs of state government. All such programs shall be administered

through and in accordance with policy and standards established by the N.C. Department of Labor in cooperation with the employing agency.

History Note: Authority G.S. 126-4;
Eff. January 1, 1978.

25 NCAC 01K.0502 APPOINTMENT PROVISIONS

REPEAL

All persons entering an apprenticeship program supported by funding from positions subject to the State Human Resources Act shall receive a regular trainee appointment, and shall receive the same employment benefits as other SHRA employees with trainee appointments. Upon successful completion of an apprenticeship program, an apprentice who enters regular state employment shall receive a permanent appointment.

History Note: Authority G.S. 126-4;
Eff. January 1, 1978;
Amended Eff. November 1, 1990; January 1, 1989.

SECTION .0600 - WORK PLANNING/PERFORMANCE REVIEW

REPEAL ALL REMAINING RULES

25 NCAC 01K.0601 PURPOSE AND COMMITMENT

25 NCAC 01K.0602 WORKING PRINCIPLES

History Note: Authority G.S. 126-4;
Eff. May 1, 1978;
Amended Eff. January 1, 1979;
Repealed Eff. April 1, 1983.

25 NCAC 01K.0603 POLICY

25 NCAC 01K.0604 GOALS

25 NCAC 01K.0605 COMPONENTS OF THE SYSTEM

25 NCAC 01K.0606 DOCUMENTATION

25 NCAC 01K.0607 RELATIONSHIP OF WORK PLANNING AND PERFORMANCE REVIEW

25 NCAC 01K.0608 PROGRAM ACCOUNTABILITY: MONITORING/ASSESSMENT/IMPROVEMENT

25 NCAC 01K.0609 RESPONSIBILITIES OF THE OFFICE OF STATE PERSONNEL

25 NCAC 01K.0610 RESPONSIBILITIES OF DEPARTMENTS: AGENCIES: INSTITUTIONS

25 NCAC 01K.0611 RESPONSIBILITIES OF MANAGERS AND SUPERVISOR

History Note: Authority G.S. 121-5(b), (c); 126-4;
Eff. April 1, 1983;
Amended Eff. January 1, 1989;
Repealed Eff. January 1, 1990.

25 NCAC 01K.0612 INTERIM PERFORMANCE MANAGEMENT RULES

REPEAL

From the effective date of this Rule through December 31, 1989, the rules in this Section shall govern performance management, in both the appraisal and compensation areas. Effective January 1, 1990, the Performance Management System in all its phases shall be governed by 25 NCAC, Subchapter 10, Performance Management System.

History Note: Filed as a Temporary Rule Eff. August 24, 1989 for a period of 180 days to expire on February 20, 1990;

*Authority G.S. 126-4;
Eff. January 1, 1990.*

25 NCAC 01K.0613 FISCAL YEAR 1989/90 PERFORMANCE PAY FUNDS

REPEAL

Funds allocated to provide performance-based pay increases effective July 1, 1989 will not be released to any agency prior to January 1, 1990. On January 1, 1990, funds will be released to agencies determined to be in compliance with the work plan/performance review rules in effect prior to January 1, 1990. Funds for fiscal year 1990/91 will be released on and after July 1, 1990 to agencies determined to be in compliance with rules in effect on and after January 1, 1990.

*History Note: Filed as a Temporary Rule Eff. August 24, 1989 for a period of 180 days to expire on February 20, 1990;
Authority G.S. 126-4;
Eff. January 1, 1990.*

SECTION .0700 – NORTH CAROLINA CERTIFIED PUBLIC MANAGER PROGRAM

25 NCAC 01K.0701 NORTH CAROLINA CERTIFIED PUBLIC MANAGER PROGRAM ADMINISTRATION

(a) The State of North Carolina shall provide competency-based training for mid-level managers through the North Carolina Certified Public Manager Program.

(b) The North Carolina Certified Public Manager Program is a joint effort of North Carolina State Government and The University of North Carolina System. The program shall be based in and administered by the Office of State Human Resources.

*History Note: Authority G.S. 126-4;
Eff. February 1, 1982;
Amended Eff. March 1, 2005; December 1, 1995.*

25 NCAC 01K.0702 NORTH CAROLINA CERTIFIED PUBLIC MANAGER PROGRAM PURPOSE

(a) The North Carolina Certified Public Manager Program shall provide participants with practical training that will increase their managerial performance in public sector organizations. The ultimate goal is to impact the efficiency and productivity of state government operations.

(b) The focus of the program shall be upon middle managers employed in various state agencies.

*History Note: Authority G.S. 126-4;
Eff. February 1, 1982;
Amended Eff. March 1, 2005; December 1, 1995.*

25 NCAC 01K.0703 NORTH CAROLINA CERTIFIED PUBLIC MANAGER PROGRAM ACCREDITATION

The North Carolina Certified Public Manager Program shall be conducted in full compliance with the curriculum requirements and program accreditation standards specified by the National Certified Public Manager Program Consortium.

*History Note: Authority G.S. 126-4;
Eff. February 1, 1982;
Amended Eff. March 1, 2005; December 1, 1995; December 1, 1984.*

25 NCAC 01K.0704 PROGRAM CURRICULUM

*History Note: Authority G.S. 126-4;
Eff. February 1, 1982;
Repealed Eff. December 1, 1995.*

25 NCAC 01K.0705 NORTH CAROLINA CERTIFIED PUBLIC MANAGER PROGRAM PARTICIPATION

(a) The North Carolina Certified Public Manager Program Director shall design and implement a process that allows each agency an equitable opportunity to participate in the North Carolina Public Manager Program. Agency management shall be responsible for initial selection and recommendation of applicants; the Office of State Human Resources shall approve participation for those applicants who meet prerequisite requirements.

(b) The employing agency and the North Carolina Public Manager Program Director shall keep the following records of each participant in the employee's personnel file: the completed application form, agency approval, and program accomplishments.

History Note: Authority G.S. 126-4;
Eff. February 1, 1982;
Amended Eff. March 1, 2005; December 1, 1995; January 1, 1989.

25 NCAC 01K.0706 CERTIFICATE OF COMPLETION OF NORTH CAROLINA CERTIFIED PUBLIC MANAGER PROGRAM

A certificate of completion shall be awarded to participants of the North Carolina Certified Public Manager Program upon completion of the program.

History Note: Authority G.S. 126-4;
Eff. February 1, 1982;
Amended Eff. March 1, 2005.

25 NCAC 01K.0707 PRINCIPLES RELEVANT TO CURRICULUM DESIGN

History Note: Authority G.S. 126-4;
Eff. February 1, 1982;
Repealed Eff. December 1, 1995.

25 NCAC 01K.0708 FUNDING FOR NORTH CAROLINA CERTIFIED PUBLIC MANAGER PROGRAM

Unless fully funded by the General Assembly, funds for the operation of the North Carolina Certified Public Manager Program shall be derived from fees charged to agencies with approved participants. Fees shall be based on actual costs of development, instruction, materials and administration.

History Note: Authority G.S. 126-4;
Eff. February 1, 1982;
Amended Eff. March 1, 2005; December 1, 1995; December 1, 1984.

25 NCAC 01K.0709 FEES SCHEDULE

History Note: Authority G.S. 126-4;
Eff. February 1, 1982;
Amended Eff. December 1, 1984;
Repealed Eff. March 1, 1989 in accordance with G.S. 150B-59(c).

SECTION .0800 – MENTORING PROGRAM

25 NCAC 01K.0801 MENTORING PROGRAM ADMINISTRATION

(a) The State of North Carolina shall provide mentorship programs for state employees. Each state agency may elect to establish a Mentoring Program.

- (b) The program shall be based in the Office of State Human Resources with each agency being responsible for the establishment and management of a mentoring program to meet its organizational needs.
- (c) If the agency elects to establish a Mentoring Program, a copy of the agency's Mentoring Program and its guidelines shall be submitted to the Office of State Human Resources.

History Note: Authority G.S. 126-4;
Eff. June 1, 2005.

25 NCAC 01K .0802 MENTORING PROGRAM PURPOSE

The Mentoring Program is intended to enhance an employee's career development by partnering the employee with an experienced employee who will coach, teach, and guide the employee's career path.

History Note: Authority G.S. 126-4;
Eff. June 1, 2005.

25 NCAC 01K .0803 MENTORING PROGRAM CURRICULUM

The curriculum for the Mentoring Program shall be based upon the agency's guidelines.

History Note: Authority G.S. 126-4;
Eff. June 1, 2005.

25 NCAC 01K .0804 MENTORING PROGRAM PARTICIPATION

- (a) The selection process for participants in the Mentoring Program shall be based upon the agency's guidelines.
- (b) The Mentoring Program shall be open to all employees without any form of discrimination in terms of participation because of race, color, religion, sex, national origin, age, or disability.

History Note: Authority G.S. 126-4;
Eff. July 1, 2005.

25 NCAC 01K .0805 FUNDING FOR MENTORING PROGRAM

The agency shall provide resources for operation of its Mentoring Program.

History Note: Authority G.S. 126-4;
Eff. July 1, 2005.

25 NCAC 01K .0210 is proposed for repeal as follows:

**25 NCAC 01K .0210 OFFICE OF STATE HUMAN RESOURCES LEARNING AND
ORGANIZATIONAL DEVELOPMENT TEAM OBJECTIVES**

*History Note: Authority G.S. 126-4;
Eff. January 1, 1979;
Amended Eff. March 1, ~~2005~~; 2005;
Repealed Eff. January 1, 2026.*

25 NCAC 01K .0212 is proposed for repeal as follows:

**25 NCAC 01K .0212 OFFICE OF STATE HUMAN RESOURCES LEARNING AND DEVELOPMENT
FACILITIES**

History Note: Authority G.S. 126-4;

Eff. January 1, 1979;

Amended Eff. April 1, 2005, January 1, ~~1989~~, 1989;

Repealed Eff. January 1, 2026.

1 25 NCAC 01K .0311 is proposed for repeal as follows:

2

3 **25 NCAC 01K .0311 PURPOSE**

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5 *History Note: Authority G.S. 126-4;*

6 *Eff. January 1, 1989;*

7 *Amended Eff. January 1, ~~2004~~, 2004;*

8 *Repealed Eff. January 1, 2026.*

9

1 25 NCAC 01K .0312 is proposed for repeal as follows:
2

3 **25 NCAC 01K .0312 ELIGIBILITY**
4

5 *History Note: Authority G.S. 126-4;*

6 *Eff. September 1, 1989;*

7 *Amended Eff. December 1, 2003; August 1, ~~1995~~, 1995;*

8 *Repealed Eff. January 1, 2026.*
9

25 NCAC 01K .0313 is proposed for repeal as follows:

25 NCAC 01K .0313 APPROVED COURSES

History Note: *Authority G.S. 126-4;*
Eff. September 1, 1989;
Amended Eff. December 1, ~~2003~~, 2003;
Repealed Eff. January 1, 2026.

1 25 NCAC 01K .0314 is proposed for repeal as follows:

2

3 **25 NCAC 01K .0314 ACADEMIC LEAVE**

4

5 *History Note: Authority G.S. 126-4;*

6 *Eff. September 1, 1989;*

7 *Amended Eff. January 1, ~~2004~~, 2004;*

8 *Repealed Eff. January 1, 2026.*

9

25 NCAC 01K .0316 is proposed for repeal as follows:

25 NCAC 01K .0316 ACADEMIC COSTS

*History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. December 1, ~~2003~~, 2003;
Repealed Eff. January 1, 2026.*

25 NCAC 01K .0317 is proposed for repeal as follows:

25 NCAC 01K .0317 REIMBURSEMENT OF ACADEMIC COSTS

History Note: Authority G.S. 126-4;
Eff. September 1, 1989;
Amended Eff. January 1, ~~2004~~, 2004;
Repealed Eff. January 1, 2026.

1 25 NCAC 01K .0320 is proposed for repeal as follows:

2

3 **25 NCAC 01K .0320 EXCEPTIONAL SITUATIONS**

4

5 *History Note: Authority G.S. 126-4;*

6 *Eff. September 1, 1989;*

7 *Amended Eff. December 1, ~~2003~~, 2003;*

8 *Repealed Eff. January 1, 2026.*

9

1 25 NCAC 01K .0321 is proposed for repeal as follows:
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3 **25 NCAC 01K .0321 COURSES TAKEN AT AGENCY/UNIVERSITY REQUEST**
4

5 *History Note:* Authority G.S. 126-4;

6 *Eff. September 1, 1989;*

7 *Amended Eff. December 1, ~~2003~~, 2003;*

8 *Repealed Eff. January 1, 2026.*
9

1 25 NCAC 01K .0322 is proposed for repeal as follows:
2

3 **25 NCAC 01K .0322 EXTENDED ACADEMIC LEAVE**
4

5 *History Note: Authority G.S. 126-4;*

6 *Eff. September 1, 1989;*

7 *Amended Eff. December 1, ~~2003~~, 2003;*

8 *Repealed Eff. January 1, 2026.*
9

1 25 NCAC 01K .0323 is proposed for repeal as follows:
2

3 **25 NCAC 01K .0323 CERTIFICATION/LICENSING**
4

5 *History Note: Authority G.S. 126-4;*

6 *Eff. September 1, 1989;*

7 *Amended Eff. December 1, ~~2003~~, 2003;*

8 *Repealed Eff. January 1, 2026.*
9

1 25 NCAC 01K .0324 is proposed for repeal as follows:
2

3 **25 NCAC 01K .0324 ADMINISTRATION RESPONSIBILITY**
4

5 *History Note: Authority G.S. 126-4;*

6 *Eff. September 1, 1989;*

7 *Amended Eff. December 1, ~~2003~~, 2003;*

8 *Repealed Eff. January 1, 2026.*
9

1 25 NCAC 01K .0401 is proposed for repeal as follows:
2

3 **25 NCAC 01K .0401 POLICY STATEMENT**
4

5 *History Note:* Authority G.S. 126-4(10); N.C.G.S. c. 143, Article 3C;

6 *Eff. February 1, 1976;*

7 *Amended Eff. January 1, ~~1979~~ 1979;*

8 *Repealed Eff. January 1, 2026.*
9

1 25 NCAC 01K .0402 is proposed for repeal as follows:
2

3 **25 NCAC 01K .0402 DETERMINATION OF NEED FOR TRAINING**
4

5 *History Note: Authority G.S. 126-4;*

6 *Eff. February 1, 1976;*

7 *Amended Eff. March 1, 2005; January 1, ~~1979~~, 1979;*

8 *Repealed Eff. January 1, 2026.*
9

1 25 NCAC 01K .0403 is proposed for repeal as follows:
2

3 **25 NCAC 01K .0403 SELECTION OF NON-GOVERNMENT SOURCES**
4

5 *History Note:* Authority G.S. 126-4;

6 *Eff. February 1, 1976;*

7 *Amended Eff. March 1, 2005; January 1, ~~1979~~, 1979;*

8 *Repealed Eff. January 1, 2026.*
9

1 25 NCAC 01K .0404 is proposed for repeal as follows:
2

3 **25 NCAC 01K .0404 PROCEDURE FOR APPROVAL OF NON-STATE SOURCES**
4

5 *History Note:* *Authority G.S. 126-4; 143-64.20; 143-64.24;*

6 *Eff. February 1, 1976;*

7 *Amended Eff. March 1, 2005; January 1, ~~1979~~, 1979;*

8 *Repealed Eff. January 1, 2026.*
9

1 25 NCAC 01K .0501 is proposed for repeal as follows:

2

3 **25 NCAC 01K .0501 POLICY STATEMENT**

4

5 *History Note:* *Authority G.S. 126-4;*

6 *Eff. January 1, ~~1978~~. 1978;*

7 *Repealed Eff. January 1, 2026.*

8

1 25 NCAC 01K .0502 is proposed for repeal as follows:
2

3 **25 NCAC 01K .0502 APPOINTMENT PROVISIONS**
4

5 *History Note: Authority G.S. 126-4;*

6 *Eff. January 1, 1978;*

7 *Amended Eff. November 1, 1990; January 1, ~~1989~~ 1989;*

8 *Repealed Eff. January 1, 2026.*
9

25 NCAC 01K .0612 is proposed for repeal as follows:

25 NCAC 01K .0612 INTERIM PERFORMANCE MANAGEMENT RULES

History Note: Filed as a Temporary Rule Eff. August 24, 1989 for a period of 180 days to expire on February 20, 1990;
Authority G.S. 126-4;
Eff. January 1, ~~1990~~, 1990;
Repealed Eff. January 1, 2026.

25 NCAC 01K .0613 is proposed for repeal as follows:

25 NCAC 01K .0613 FISCAL YEAR 1989/90 PERFORMANCE PAY FUNDS

History Note: Filed as a Temporary Rule Eff. August 24, 1989 for a period of 180 days to expire on February 20, 1990;
Authority G.S. 126-4;
Eff. January 1, ~~1990~~, 1990;
Repealed Eff. January 1, 2026.

25 NCAC 01K .0612 is proposed for repeal as follows:

25 NCAC 01K .0612 INTERIM PERFORMANCE MANAGEMENT RULES

History Note: Filed as a Temporary Rule Eff. August 24, 1989 for a period of 180 days to expire on February 20, 1990;
Authority G.S. 126-4;
Eff. January 1, ~~1990~~, 1990;
Repealed Eff. January 1, 2026.