



**HOUSE BILL 495:  
Office of State Human Resources  
Modernization/Technical Changes**

2015-2016 General Assembly

**Committee:**

**Introduced by:**

**Analysis of:** S.L. 2015-260

**Date:**

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and Tawanda Foster,  
Staff Attorneys

**SUMMARY:** *S.L. 2015-260 makes changes to the State's system of Human Resources Management, including:*

- *Amending the definition of "career State employee," effective October 1, 2015, and applies to employees hired before, on or after that date.*
- *Deleting language that prohibited the State Human Resources Commission from establishing an incentive pay program.*
- *Changing certain reporting requirements from quarterly to annually.*
- *Making other organizational and employee policy changes, effective October 1, 2015, and applies to employees separated on or after that date.*

*Except as otherwise provided, this act became effective September 30, 2015.*

**BILL ANALYSIS:**

**Part I. Career State Employees**

**Section 1** amends the current definition of a "career State employee" to specify the employee is a State employee or employee of a local entity who is in a permanent position with a permanent appointment, as distinguished from a temporary employee in a permanent position, and reduces the amount of time required in that position to qualify as permanent from 24 to 12 months. However, employees hired in a sworn law enforcement position which required formal training prior to entering the position become career State employees only after being employed for 24 continuous months.

**Part II. State Human Resources Commission Changes**

**Section 2** deletes the language preventing G.S.126-4(10) from being construed to authorize the establishment of an incentive pay program.

**Part IV. Other Modernizing and Conforming Changes**

**Section 4** changes certain State agency reports to OSHR from quarterly to annually.

**Part V. Organizational and Employee Policy Changes**

**Section 5.1** does the following:

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- Amends the law to require the State Human Resources Commission to adopt policies in addition to rules governing the priority and salary rights of State employees separated from State employment as a result of reductions in force.
- Amends the law to waive the 12 months reemployment priority of an employee who has been separated due to a reduction in force, if the employee applies for another State position equal to or higher than the position held by the employee previously, but declines an interview for the position for which the employee applied. The State Human Resources Commission is authorized to adopt a policy to carry out this requirement.
- Adds a provision to allow a cabinet or council of state department or office to reorganize and restructure its positions through a voluntary separation process in accordance with a policy approved by the State Human Resources Commission and subject to funding and approval by the Office of State Budget Management.

**Section 5.2** changes the rulemaking authority for determining which State employees can get paid leave for participating in Pan American, Olympic or international athletic competitions from the Department of Administration to the Office of State Human Resources.

**Section 5.3** amends the law to require that the "most qualified" person should be hired from the pool of "qualified" persons for State employment, without regard to political affiliation or influence.

**Section 5.5** amends the law to allow employee personnel files to be opened for inspection and examination by a potential State or local government supervisor, during the interview process, only with regard to performance management documents.

**EFFECTIVE DATE:** Part I of this act became effective October 1, 2015, and applies to employees hired before, on or after that date. Part V of this act became effective October 1, 2015, and applies to employees separated on or after that date. The remainder of this act became effective September 30, 2015.