



NC OFFICE OF STATE
HUMANRESOURCES

NORTH CAROLINA OFFICE OF STATE HUMAN RESOURCES

Barbara Gibson, Director

General Government Oversight Committee
State Human Resources Update of Temporary Solutions
November 7, 2017





Temporary Solutions Mission Statement



To provide temporary staffing service to state government exclusively in a time efficient and cost effective manner, enabling significant savings to the State.





Temporary Solutions Background



- Established: 1986
- Administration fee of \$2/hour covers:
 - Recruitment/Selection
 - Classification/Compensation
 - HR Policy Compliance
 - Employment Data/Payroll Processing
 - Affordable Healthcare Act Enrollment
 - Unemployment Benefits (December 2016 payment: \$666,740)
 - \$1 Monthly Fee for NCIDs Assigned to Temporary Employees

And all operational expenses:

- Salary and Benefits for 18 FTE Temporary Solutions Staff Members
- Facility Lease
- Data Management System





Temporary Solutions Expansion



Section 26.2(e) of House Bill 97, Session Law 2015-241 added 126.6.3 to Chapter 126 and requires Temporary Employment needs of the state to be met through the Temporary Solutions Program

- Temporary Solutions Program expanded by:
 1. Transferring temporary employees at Council of State agencies to Temporary Solutions
 - Approximately 1,033 active positions
 2. Converting Personal Service Contracts (PSC) to Temporary Solutions positions
 - Per a Program Evaluation Division report, approximately 32% of the 462 PSCs reported to OSBM in FY 12-13 should have been temporary positions*

*This figure does not include PSCs under \$25K that were not required to be reported to OSBM.





Temporary Solutions

Expansion continued



All temporaries have been transitioned to Temporary Solutions minus those exceptions that have been granted by the Human Resources Director.

- Per § 126-4(19), a formalized process for annual review of exception requests was implemented in October 2017.

Examples of Approved Exceptions:

- Seasonal temporaries
 - Revenue – Tax Season
 - Agriculture – State Fair
 - Natural & Cultural Resources – Parks, Aquarium, Zoo & Museums
- DOT – Federal funded (HTF) positions
- State Treasurer, DHHS, & DPS
 - External staffing companies approved for unique & hard to fill positions
- Public Safety
 - Prison Industries Enhancement Program
 - Certified positions (Officers/Guards)





Temporary Solutions



Boards & Commissions

As of January 1, 2017, the IRS has issued an advisory opinion that board and commission members who receive a stipend or per diem are employees for employment tax purposes. Payments to these individuals are subject to income tax and social security/Medicare tax withholding. **These changes require all compensation paid to board and commission members to be reported on IRS Form W- 2 instead of IRS Form 1099 for tax year 2017 and forward.**

Board Members

- Must complete the Employment Eligibility Verification Form (I-9) and be E-verified
- Per IRS, should be paid via payroll and subject to tax, social security/Medicare taxes (for further details regarding this subject, please contact the Office of State Controller)
- Subject to the Workers' Compensation Act



Temporary Solutions



- Agencies that acquire temporary employees through private staffing firms typically pay fees equal to approximately 25% of the wages earned by the employees.
- Temporary Solutions charges agencies only \$2.00 per hour worked by the temporary employees.
- This provides significant savings to the state. Over the past four years, agencies have increasing used Temporary Solutions to acquire the temporary help that they need.
- Increased savings.

Savings to State



Temporary Solutions



Temporary Employment:

On June 30, 2017, State agencies employed a total of 5,834 temporary employees. As shown in this chart, temporary employees within State agencies are currently hired directly by the agency, provided by Temporary Solutions, or provided by a private staffing company.

Agency	NUMBER OF TEMPORARY EMPLOYEES...			
	Hired directly by agency (In BEACON)	Provided by Temporary Solutions	Provided by private staffing firms	By agency
Administration	83	66		149
Administrative Office of Courts		2		2
Office of Administrative Hearings	15	7		22
Agriculture	223	72	526*	821
Boards & Commissions		10		10
Commerce		147		147
Community Colleges	12	6		18
Environmental Quality		128		128
Governor's Office		7		7
Health & Human Services	3	1123	34	1160
Information Technology		23		23
Insurance	1	14		15
Justice		52	11	63
Labor		6		6
NC Education Lottery		14		14
Natural & Cultural Resources	72	103		175
Public Instruction		1169	67	1236
Public Safety	60	574		634
Revenue	33	123		156
Secretary of State		16		16
State Auditor		1		1
State Budget & Management		9		9
State Controllor		7		7
State Human Resources		20		20
State Treasurer		74	18	92
Transportation	640	141		781
Wildlife		112		112
Military & Veterans Affairs		10		10
Totals	1142	4036	656	5834

Includes temporary employees hired directly by the agency but paid on an agency internal payroll system not BEACON



Temporary Solutions



- **Key Accomplishments:**

- For those BEACON agencies, temporaries now can key their time and have their supervisor approve it in the system.
- Automated online job order entry portal for agencies (This allows the customer to put in the funding code and invoices will come pre-coded for payment processing.)
- Expanding the recruitment services to outside the Triangle area, focusing on the more rural area recruitment needs.
- Temporary Solutions has maintained a positive fund balance for the last 14 months!!!





Questions

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