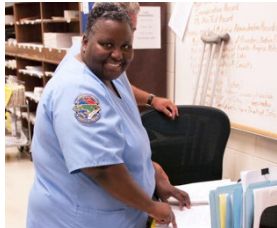
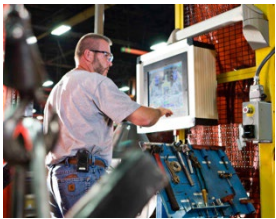




# NORTH CAROLINA Office of *State Human Resources*



## State of the State Workforce Office of State Human Resources

March 26, 2024

Barbara Gibson, Director, Office of State Human Resources

# Crucial Legislative Actions

- Consecutive Years of Labor Market Adjustment Funds and Legislative Increases
- Paid Parental Leave for State Employees in S.L. 2023-14
- Same Day Hiring
- Pooled Hiring
- First Year Funding for Human Capital Management Project

THANK YOU!



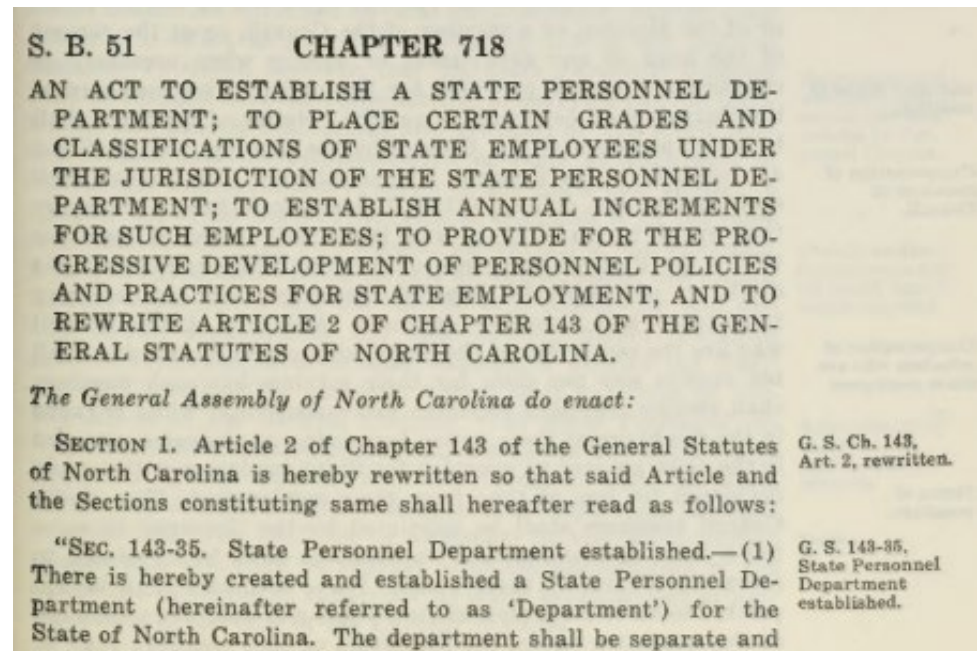
# OSHR New or Improved Initiatives

- Job Qualifications: Direct Work Experience
- Sign-On Bonuses
- Retention Bonuses
- Development of Data Dashboards
- In Person Job Fairs
- Expand Hiring of Trainees
- Exit Interview Pilot Program

# 75<sup>th</sup> Anniversary Office of State Personnel

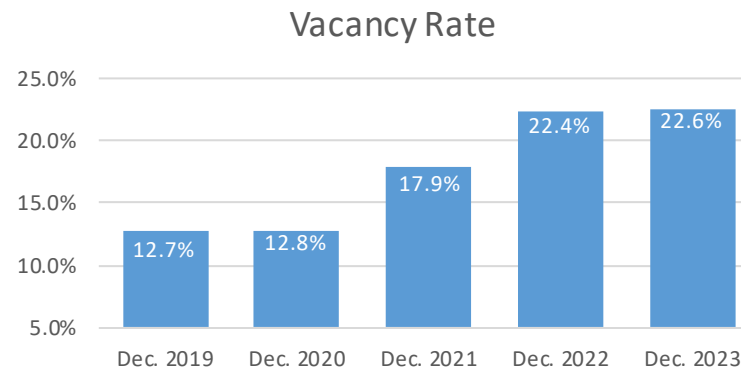
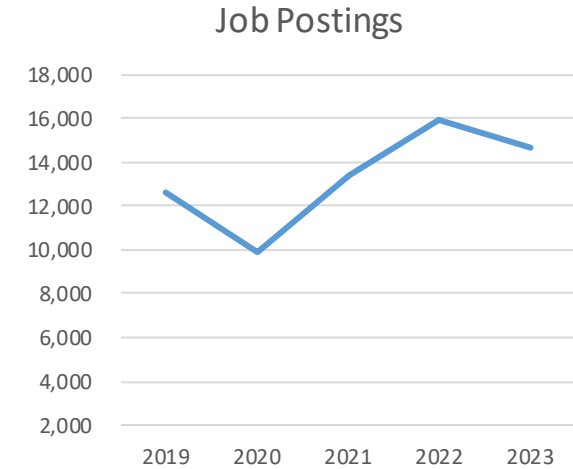
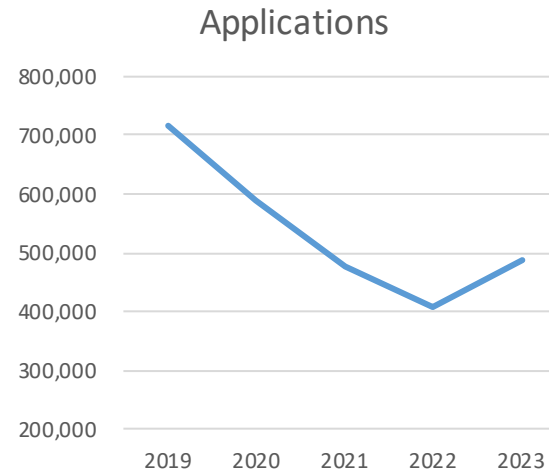
‘To attract and retain personnel capable of rendering the services to which the taxpayers are entitled, compensation for public service must be reasonably commensurate with salaries and wages prevailing in competitive enterprise both public and private.’

-Governor Kerr Scott, 1949



# Recruitment

- Applications:
  - 2019 - 714,592
  - 2022 - 407,903
  - 2023 - 488,961
- Job Postings:
  - 2019 - 12,594
  - 2022 - 15,963
  - 2023 - 14,628
- Vacancy Rates:
  - 2019 - 13.2%
  - 2022 - 22.4%
  - 2023 - 22.6%



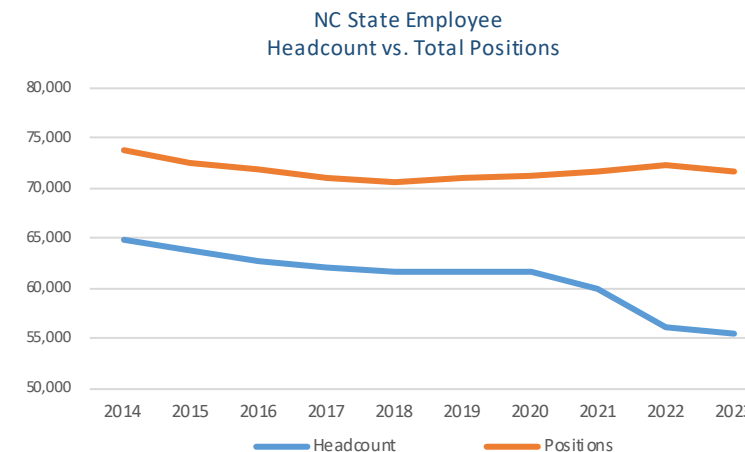
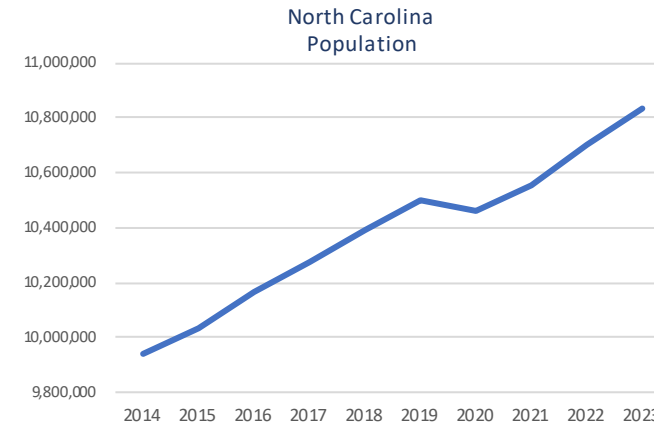
# State of the State Human Resources

- Population in NC:

- 2014 - 9,937,295
- 2022 - 10,698,973
- 2023 - 10,835,491

- Positions and Headcount:

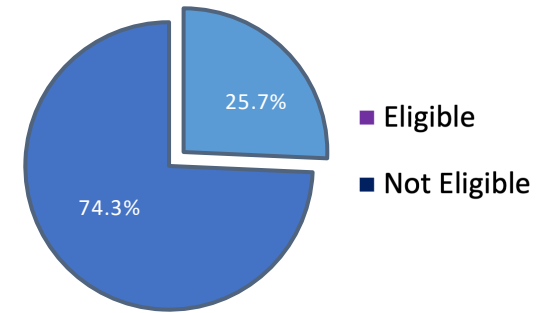
- 2014 - 73,814 Positions  
64,794 Headcount
- 2022 - 72,258 Positions  
56,086 Headcount
- 2023 - 71,694 Positions  
55,511 Headcount



# Retention

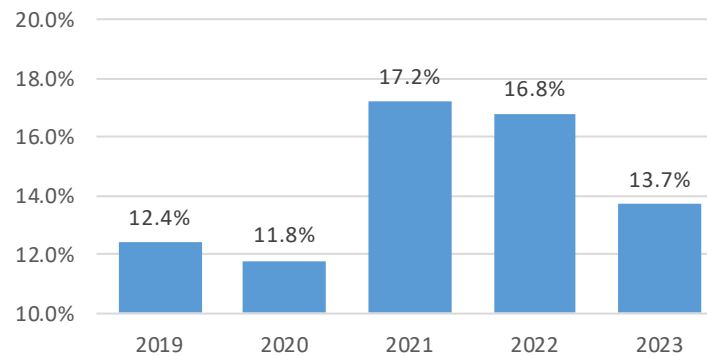
- Retirement/Aging Workforce:
  - Average age of State Employees: 47
  - 8.3% can retire today with unreduced benefits
  - 25.7% within 5 years with unreduced benefits

Retirement Eligibility in the Next 5 Years

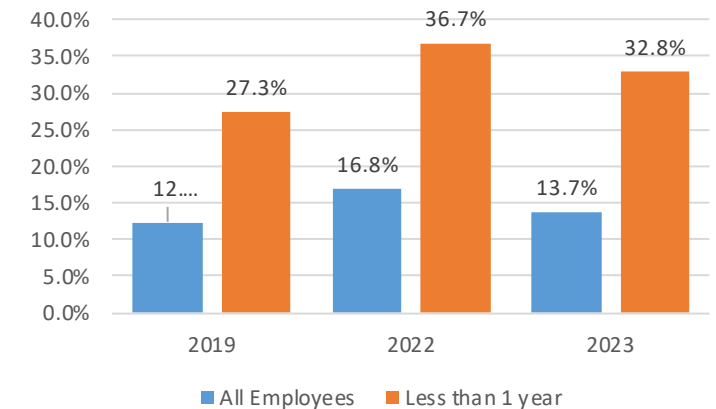


- Turnover:
  - 2019 - 12.4%
  - 2022 - 17.1%
  - 2023 - 13.7%
- First Year Turnover:
  - 2019 – 27.3%
  - 2022 – 36.7%
  - 2023 - 32.8%

Turnover Rate



First Year Turnover Rate

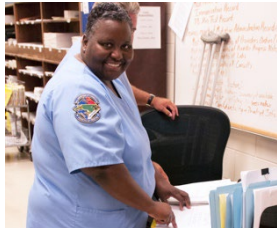
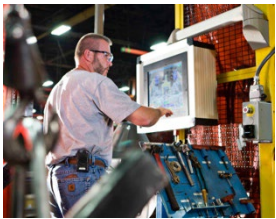


# Requests to Legislature

- HCM System
- House Bill 223 – OSHR Agency Bill
- Technical Correction for Temp Solutions Provision



## NORTH CAROLINA Office of *State Human Resources*



# Update on Human Capital Management (HCM) Project and Request for Proposals

March 26, 2024

Christine Hofer, Chief Information Officer, Office of State Human Resources

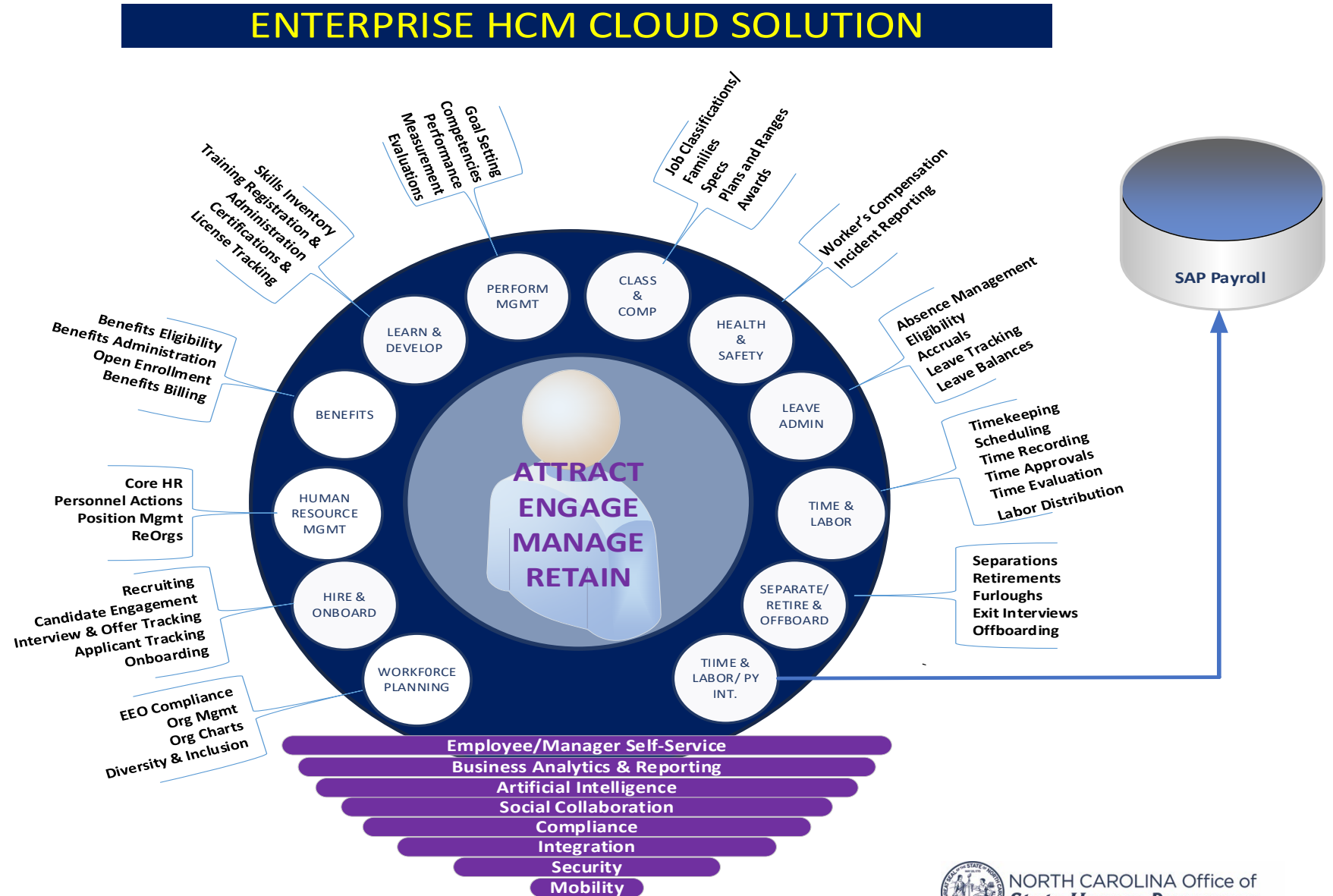
# What HCM Means, and What HCM Solutions Do

## HCM is “Human Capital Management”

- HCM refers to systems and processes for managing and optimizing the human capital (people) within an organization.
- A complete HCM system handles **every stage** of the employee lifecycle from ***Hire to Retire***.
- Would be used by every employee in State Government.
- Will integrate with Payroll.



# Components of an HCM Solution



# HCM Cloud Based Solution

## ENTERPRISE DIGITAL TRANSFORMATION STRATEGY

Integrated  
Solution

User  
Friendly

Agile

Scalable

**A NEW CLOUD SOLUTION THAT WOULD SERVE AS THE  
CORE FOUNDATION FOR ALL HCM-RELATED PROGRAMS  
AND PROCESSES BENEFITING ALL OF STATE  
GOVERNMENT**

# Current State of the HCM

## Multiple Product Implementations Over Time

### The Integrated HR/Payroll System is SAP ECC 6.0

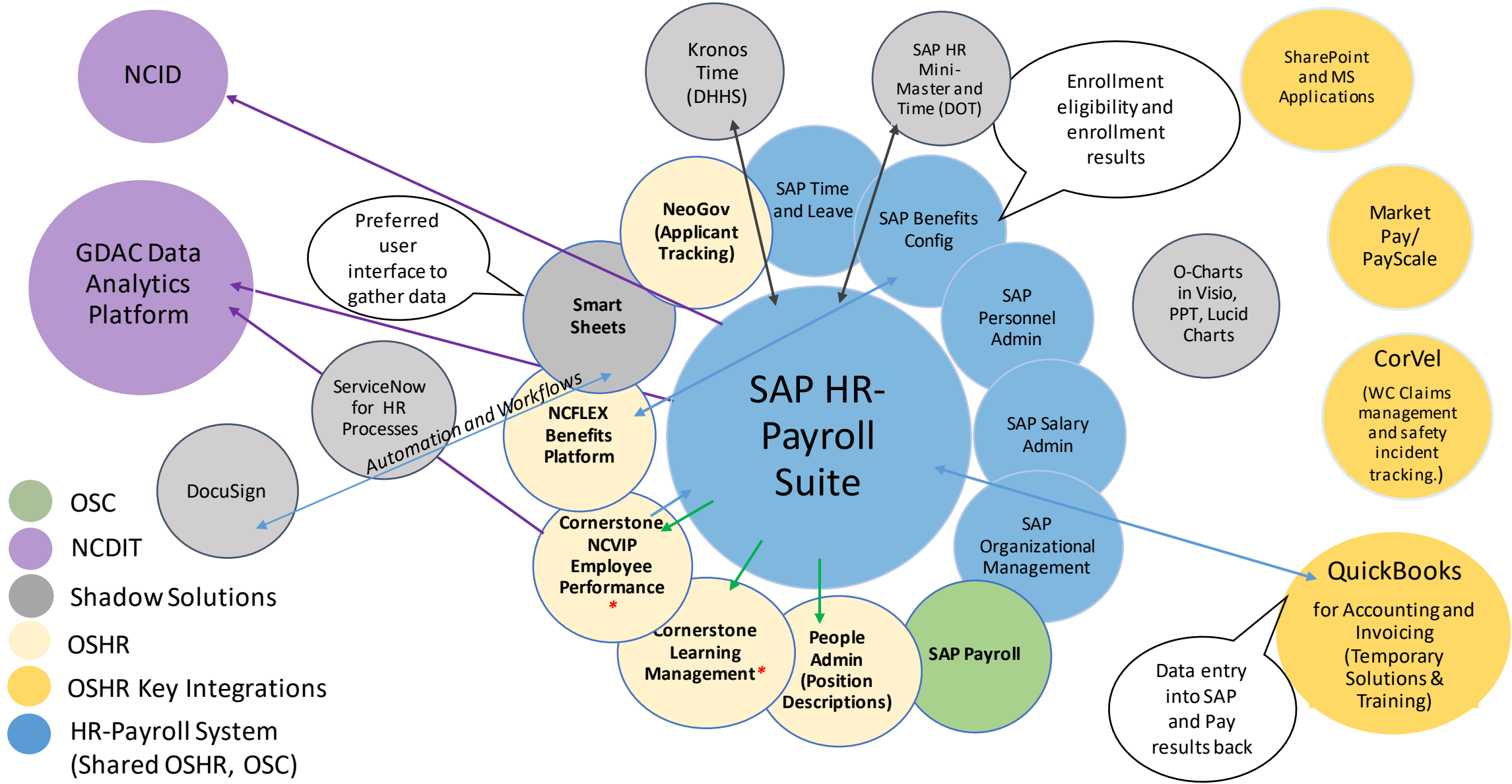
#### Includes:

- Payroll
- Some, but not all, of the HR components that would be present in a full-featured cloud HCM solution today
- State went live in 2008
- User interface updated most recently in 2023
- Functional enhancements have not been released by SAP since 2016; only security and regulatory enhancements provided

### Ancillary Systems fill the need for the components that are not part of the HR-Payroll System:

- OSHR-obtained enterprise ancillary systems
- Agency's implemented agency specific ancillary systems
- Paper forms
- ServiceNow portals that overlay multiple systems

# Current State HR Information Technology



- OSC
- NCDIT
- Shadow Solutions
- OSHR
- OSHR Key Integrations
- HR-Payroll System (Shared OSHR, OSC)

\* Also includes Universities and Community Colleges

# Functional Gaps Impacting Employee Engagement & Retention

Disjointed and inconsistent onboarding and offboarding processes

Limited ability to support temporary workforce

Org Charting is no longer supported and at risk of failure

Disparate user experience with multiple logins and navigational methods

Lack of flexible configuration to easily enable new data elements and fields

Lack of workforce scheduling capabilities leads to staffing shortages

Difficult to produce decision-driven dashboards

Significant reporting challenges  
“no Single Source of Truth”

Shadow systems in other agencies

# RFP Status

## Current Status:

- ✓ \$5.6 million in funding provided in Section 29A.1A of 2023 Appropriations Act.
- ✓ RFP released on January 30, 2024, for the ability to license
  - Phase I
  - Future option of full HCM
- ✓ Award anticipated before end of calendar year.

## RFP Goals:

- ✓ 13+ ancillary systems with one cohesive system.
- ✓ Phase I focus:
  - Recruitment / Applicant Tracking
  - Onboarding / Offboarding
- ✓ Price-lock option for one comprehensive, updated, functional HCM system:
  - 5 years option to purchase licenses for additional HCM modules

# Evaluation Committee and Stakeholders

## Bid Evaluation and Selection Process

- **Evaluation Committee** includes: OSHR, DIT, and the OSC.
- **Evaluation Advisors** from Seven Agencies.
- Per Section 29A.1A.(a) of S.L. 2023-134, the State Controller and State CIO Approves Selected Vendor.

## Governance Structure

- **Executive Governance Council** includes DIT, OSC, OSHR, OSBM, DOA, DHHS, DAC, DOJ, DOT, DOR, and Auditor.
- **HCM Steering Committee** includes DIT, OSC, OSHR, DAC, DEQ, DOJ, and OSBM.
- Similar to the governance structure utilized by the Financial Backbone Replacement (FBR) Project.

# Moving Forward

## ***Core HR***

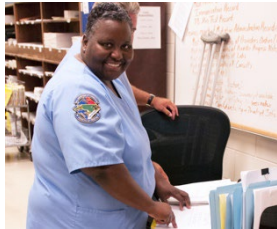
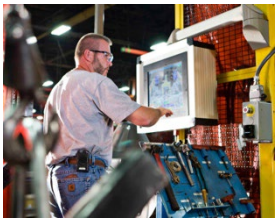
- Modern Technology /  
Baseline
- Fiscally Responsible
- Single Implementation /  
Culture Change
- Integration
- Security

**OR:**

Continue Replacing  
Components As  
Current Needs  
Dictate



# NORTH CAROLINA Office of *State Human Resources*



## Technical Correction Request Temporary Solutions

March 26, 2024

Lockhart Taylor, Office of State Human Resources

# Authority

## **§ 126-6.3. Temporary employment needs of Cabinet and Council of State Agencies; Use of the Temporary Solutions Program.**

(a) Use of Temporary Solutions Required for Cabinet Agencies. – Notwithstanding G.S. 126-5 or any other provision of law, all Cabinet agencies that utilize temporary employees to perform work that is not information technology-related shall employ them through the Temporary Solutions Program administered by the Office of State Human Resources (OSHR). Council of State agencies may use the Temporary Solutions Program in the discretion of the agency.

# Value Add – Role of Temporary Solutions

- For *Applicants* - can get help from one place for ALL vacancies in 29 agencies, plus participating universities.
- For *Agencies* - can pull from a wide database without doing individual postings at the agency level.
- Monitor Compliance.
- 20% of Temp Solutions placements become permanent employees.
- Savings to Agency:
  - Private Staffing Agencies administrative markups range from 30% - 75%
  - Temp Solutions is average 8.3%

# Value Add – Role of Temporary Solutions

- One Stop Shop for anyone looking for state employment
- Pool of Candidates for Agencies
- Provides All Administrative work
- Recruitment – Posting and Interviewing
- Applicant Screening
- Unemployment Claim Processing
- ADA Compliance
- Pay-setting Consultation
- Agency Staff Training and Support
- Boards and Commission Stipend Payments
- LEO Payments
- Agency Special Request
- Payroll Management
- Onboarding/Offboarding
- Compliance Monitoring
- Career fair sourcing and support
- Paper Timesheet Entry and Oversight
- Statewide Data Trends
- Social Media Support

# Amendments to G.S. 126-6.3 (S.L. 2023-134)

## USE OF TEMPORARY SOLUTIONS PROGRAM BY CABINET AND COUNCIL OF STATE AGENCIES FOR HIRING TEMPORARY EMPLOYEES

### SECTION 29A.2.(a)

(a2) The OSHR shall prohibit from acquiring new temporary employees any agency or division, based on individual budget code, having an invoice owed to the OSHR that is over 90 days overdue and a total overdue invoice amount exceeding two hundred thousand dollars (\$200,000) for any number of days. When an agency is restricted from acquiring a new temporary employee under this subsection, the agency shall not be allowed to acquire new temporary employees through the Temporary Solutions Program until the agency has paid all overdue invoices. The provisions of this subsection do not apply to the North Carolina National Guard.

# Recommended Technical Amendment

§ 126-6.3. Temporary employment needs of Cabinet and Council of State agencies; use of the Temporary Solutions Program.

(a2) The OSHR shall prohibit from acquiring new temporary employees any agency or division, based on individual budget code, having an invoice owed to the OSHR that is over 90 days overdue and a total overdue invoice amount exceeding two hundred thousand dollars (\$200,000) for **any number of 90** days. When an agency is restricted from acquiring a new temporary employee under this subsection, the agency shall not be allowed to acquire new temporary employees through the Temporary Solutions Program until the agency has paid all overdue invoices **that are over 90 days overdue**. The provisions of this subsection do not apply to the North Carolina National Guard.

# Questions?

**Barbara Gibson, Director**  
Office of State Human Resources

**Lockhart Taylor**  
Legislative Liaison  
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