

Governor's Advisory Committee on Performance Management

May 16, 2023
1:30 – 3:00 p.m.

Location:

Department of Administration Building, 116 W. Jones St., Raleigh, Room #5010 (5th Floor)

Webex Information:

Meeting Link: [Click here](#)

Dial-in Number: (415) 655-0003

Meeting Number: 2434 641 7831

Meeting Agenda

<i>Item</i>	<i>Speaker</i>
A. Call to Order and Opening Remarks	<i>Kristin Walker</i>
B. Overview of Strategic Plans and Priority Questions	<i>OSBM</i>
C. Overview of Recruitment and Retention in North Carolina	<i>OSHR</i>
D. Recruitment and Retention across State Governments Nationally	<i>National Conference of State Legislatures</i>
E. Discussion – Recruitment and Retention in North Carolina	<i>PMAC Members</i>
F. Updates on Performance Management	<i>Committee Members</i>

MEETING MINUTES

- 1) Performance Management Advisory Committee (PMAC) members in attendance:
 - Kristin Walker—Director, Office of State Budget and Management (OSBM)
 - Dr. Cardra Burns—Deputy Secretary for Operational Excellence, NC Department of Health and Human Services (DHHS)
 - Carol Burroughs, Chief Data Officer, NC Government Data Analytics Center (GDAC)
 - Dr. Julie Edmunds—Program Director for Secondary School Reform, University of North Carolina (UNC) Greensboro
 - Jess Englert—Policy Director, Governor’s Policy Office
 - Barbara Gibson – Director, NC Office of State Human Resources (OSHR)
 - Dr. Nicole Lucas—Associate Vice Chancellor for Institutional Effectiveness, Research, and Planning, Fayetteville State University
 - Ronald Penny – Secretary, NC Department of Revenue (DOR)
 - Representative Dennis Riddell—NC State Representative, District 64
 - David Smith – Chief Deputy Commissioner, NC Department of Agriculture and Consumer Services (DACS)
- 2) Overview of Strategic Plans and Priority Questions
 - David Yokum, Chief Scientist at OSBM, provided an overview of the strategic planning process. He explained the purpose of Priority Questions (PQs), which OSBM encouraged agencies to include in their Strategic Plans for the first time this year. PQs identify information gaps—what agencies need to know to make better decisions about how to move forward.
 - Dr. Edmunds asked about how PQs should be used. David Yokum said they can be used to inform priorities and to make decisions about how to target resources.
 - Dr. Burns talked about the use of benchmarks in assessing program effectiveness.
- 3) Overview of Recruitment and Retention in North Carolina
 - Glenda Farrell, OSHR Chief Deputy, and Ronnie Condrey, Special Advisor to the OSHR Director, presented data on recruitment and retention in North Carolina and highlighted steps taken to address those issues.
 - Jess Englert asked about reposting job openings when the first posting does not result in a successful hire. She wanted to know if reposting was a simple reposting of the original announcement, or if the reposting revised the original to appeal to a broader audience and potentially yield more applications. The committee agreed that it varies.
 - Secretary Penny highlighted the challenge of high turnover during the first year of employment. It takes about two years for a new hire to learn their jobs, but many leave before that point. He also emphasized the challenge of hiring information technology staff because government salaries do not compete with the private sector.
 - Secretary Penny observed that state government cannot adopt only a few private sector reforms and assume that they will work. Sometimes those pieces do not individually persuade employees to join or stay in their jobs. Committee members discussed the loss of the

retirement insurance benefit (which removed an incentive for state employees to stay) and the retention of the pension benefit (which is costly to provide but does not appeal to new hires who do not expect/want to stay in a job that long).

- Secretary Penny and others agreed that state government used to be in the driver's seat when it came to hiring, but that is no longer the case.
- Chief Deputy Commissioner Smith shared that DACS has a presence in every county and in some of those counties the state used to be the employer of choice. Now, DACS is unable to hire even in those counties, and he does not think they fully understand why that is the case since the state's compensation package is relatively competitive in those areas.
- Chief Deputy Commissioner Smith stated that the philosophy of "doing more with less" has limits.
- Deputy Secretary Burns observed that the application process itself is a barrier, and the supporting systems need to be updated. Applications take a long time to go through the hiring process, and the state loses interested and qualified applicants due to delays in hiring.
- Chief Deputy Farrell agreed that the supporting systems needed upgrades and investments to streamline the application process.
- Deputy Secretary Burns noted that state jobs/careers need to be modernized. Beyond compensation and benefits, public sector careers must have opportunities for upward mobility (growth and development) and a working environment that appeals to younger workers. The state needs to figure out how to market itself as an employer of choice.
- Dr. Lucas observed that the state is not trying to hire "boomers," and that the targeted applicant pool should drive appropriate recruiting strategies. Those applicants are "digital natives" who generally don't plan to stay in a job for 10-15 years and are more interested in what they can accomplish in 1-2 years. The state needs to rebrand itself and market the benefits of being a state employee.
- Ronnie Condrey noted that rebranding is a challenge, partially because the state's human resource (HR) functions are extremely decentralized.
- Chief Deputy Commissioner Smith asked Pam Hess, the HR Director for DACS, to describe some of the HR challenges that DACS faces. She noted that the younger generation wants work-life balance and that not all DACS positions can offer remote/hybrid options. She also said that their HR department is short two recruiters and that is burning out current recruiters. Next year, they want to use LinkedIn to extend their reach.
- Director Burroughs mentioned tuition remission for employee's children as a substantial benefit at private universities and suggested that the state consider comparable benefits. They cannot hire IT personnel away from Duke because they offer both higher salaries and tuition benefits.

4) Recruitment and Retention across State Governments Nationally

- Zaak Barnes, Policy Specialist at the National Conference of State Legislatures, presented national statistics on labor force participation and state and local government job openings. He shared survey results on what attracts workers and policies adopted in other states to attract workers, such as paid leave.

5) Discussion

- Chief Deputy Commissioner Smith mentioned that legislative salary increases are not state-funded for grant- or receipt-supported positions. Agencies struggle to find available funds to provide increases for those positions, but they have already maximized those resources.
- Budget Director Kristin Walker offered to share information on this issue with the committee. That information is on the table below, which details the 1% costs (including benefits) for providing receipt-supported positions with a legislative increase.

Cost of 1% Receipt Reserve by Agency						
	Agency	# Receipt FTE	% Receipt Supported	Reserve		1% Increase
14350	Wildlife Resources Commission	538.30	78.86%	\$ 427,639	20% Threshold	\$ 2,568,752
14300	Environmental Quality	556.90	47.43%	\$ 439,587	All (except DOT, DOI, DST, HHS)	\$ 3,246,243
13800	Labor	155.84	42.43%	\$ 142,272	HHS (capped grants only)	\$ 1,829,021
13600	Justice	305.51	39.99%	\$ 331,121	All (including HHS)	\$ 5,075,264
14700	Revenue	628.71	39.20%	\$ 466,015		
14600	Commerce	58.81	37.18%	\$ 57,068		
13510	Public Instruction	317.11	35.87%	\$ 346,179		
13300	NC Office of the State Auditor	45.00	27.31%	\$ 53,136		
13700	Agriculture & Consumer Services	481.53	24.05%	\$ 305,735		
	Over 20% Threshold	3,087.71		\$ 2,568,752		
16800	Community Colleges System Off	48.46	18.77%	\$ 48,633		
13005	State Budget & Management	9.80	11.17%	\$ 10,177		
14100	Administration	47.10	13.40%	\$ 41,573		
13000	Governor's Office	6.96	16.51%	\$ 8,956		
14800	Natural and Cultural Resources	212.68	11.55%	\$ 147,314		
14550	Public Safety	540.91	9.14%	\$ 384,688		
18210	Administrative Hearings	5.00	6.71%	\$ 4,015		
14660	Information Technology	2.00	1.16%	\$ 2,204		
13200	Secretary of State	2.50	1.80%	\$ 2,518		
12001	Indigent Defense	8.00	1.11%	\$ 6,705		
14160	State Controller	2.36	1.04%	\$ 2,211		
15010	Department of Adult Corrections	24.53	0.14%	\$ 17,114		
12000	Administrative Office of the Cou	2.00	0.03%	\$ 1,385		
	Total	4,000.01		\$ 3,246,243		
	HHS HHS Total (capped grants only)	432.38	62.49%*	\$ 1,829,021		

*Figure includes all receipt-supported positions, including those funded by capped and non-capped grants

- Dr. Lucas observed that UNC system institutions are also feeling the crunch. Individuals who turned down UNC offers identified the following considerations: schedule and setting flexibility, child care needs, tuition benefits for children, comparability of NC benefits to other states, workplace environment/inclusivity, leadership structure, technology to support job processes, opportunities to advance, and accessibility of benefits like FMLA. She noted that high vacancy rates signal that institutions themselves need to change.
- Dr. Edmunds inquired about plans to evaluate policies that have been tried. OSHR Chief Deputy Farrell said that many are in the pilot phase, but they will be reviewing the data to see if the size and/or timing of bonuses made a difference and if they worked better for some types of jobs than others, among other things. Dr. Edmunds suggested that pilots provide opportunities for systemic variation that could lend itself to more rigorous program evaluation.

- Dr. Lucas talked about the role of internships in expanding the pipeline. McKinley Wooten, DOR Assistant Secretary, shared that they had kept summer interns as temporary employees during the academic year to maintain a connection, with the hopes of hiring them as full-time employees after graduation. OSHR Chief Deputy Farrell said that micro-internships allow interns to work less than 40 hours at any point during the year.
- Jess Englert, Policy Director for the Governor, talked about the state's internship program and shared that they had found that the hiring timeline was often too late to recruit top college graduates and students.

NEXT MEETING: June 20, 2023, 1:30-3:00pm