



North Carolina Department of Health and Human Services
Division of Budget and Analysis
2001 Mail Service Center • Raleigh, North Carolina 27699-2001
Telephone (919) 733-6396 • Fax (919) 733-2944

Beverly Eaves Perdue, Governor
Lanier Cansler, Secretary

James B. Slate, Jr., Director

April 20, 2009

MEMORANDUM #2009-03

TO: Division Directors
Office Directors
Budget Officers
Personnel Directors

FROM: Jim Slate

A handwritten signature in blue ink that reads "Jim Slate".

RE: **Personnel - Additional Guidance Regarding SFY 08-09 Spending Restrictions**

A memorandum from OSBM titled "Additional Fiscal Year 2008-2009 Budget Management Restrictions" was sent to your agency on April 9, 2009 detailing additional restrictions that have been put into place for the remainder of SFY 08-09. In response to this memo, Department management has received a number of questions related to the specific application of these new policies as they relate to operations within your agency. We are writing to provide additional guidance as it relates to implementation of **personnel actions** under these policies. Additional guidance regarding travel and purchasing will be sent as separate correspondence.

**Guidelines for Processing DHHS Personnel Actions
Due to Budget Restrictions of October 10, 2008; updated February 4, 2009; and updated
April 14, 2009**

The guidelines below are intended to supplement through operational implementation procedures the intent of the Office of State Budget and Management (OSBM) April 9, 2009 memorandum.

All DHHS positions, including time-limited and temporary, and salary actions are frozen, effective April 9, 2009, regardless of the source(s) of funding. However, 100% Federal receipt-supported positions will continue to receive special consideration since these expenditures will not impact General Fund appropriation reversions or other funds which would revert if unexpended.

Posting and Filling of Critical Care Positions:

- Posting of Critical Care positions, per the list dated 10/29/2008 and posted on the DHHS-Human Resources website, can be made without prior approval.
- Filling Critical Care positions requires the approval of the respective Assistant Secretary, Deputy Secretary and Secretary regardless of funding source and salary reserves needed. Filling of a Critical

Care position via a promotion is allowed, but is subject to the unfreeze process (see information below under Guidelines for Salary Actions).

- Job offers made verbally or in writing before April 9, 2009, as defined in the OSBM memorandum, for which departmental approval was previously granted may be honored. If the job offer was declined, the above provisions apply.

Posting and Filling Non-Critical Care Positions:

- All vacancy postings are frozen until further notice regardless of funding source except in very limited circumstances where the respective Assistant Secretary, Deputy Secretary and Secretary agree that filling the position is time sensitive and critical to achieving and maintaining the Department's mission and integrity. The Department is required to seek agreement from the OSBM for non-critical care position vacancy exceptions. Required documentation for exceptions to unfreeze a non-critical care position are:
 1. Number of total and filled positions in that job title in the requesting division/facility/school
 2. Impact of not filling the position
 3. Other key information pertaining to the core mission, workload and operational factors
- Salary for job offers to fill non-critical care positions that have been approved by DHHS and OSBM may be tendered if salary reserve is not required. If salary reserve is required, the projected salary offer will need to be resubmitted and approved through the DHHS freeze process before the position can be offered.
- Job offers made verbally or in writing before April 9, 2009, as defined in the OSBM memorandum, for which department approval was previously granted, may be honored. If the job offer was declined, the job vacancy is frozen.

Guidelines for Salary Actions and Trainee/Minimum/SMR Adjustments Regardless of Funding Source

- Promotions for Critical Care Positions or exceptions to non-Critical Care Positions are subject to review and approval by the DHHS Secretary and respective Assistant Secretary and Deputy Secretary as well as OSBM. Note that future eligibility for additional increases, such as 5% per pay grade, will be on a current basis and NOT retroactive. A promotional increase is limited to 5% or to the minimum of the new pay grade (or SMR), whichever is greater. Eligibility for additional increases, such as 5% per pay grade or calculation as a new hire, can be requested and documented on the personnel action form when/if funding becomes available. The effective date of such an action would be on a current basis and NOT retroactive.
- Salary actions (i.e., promotions, reclassifications, in-range adjustments, career-banding salary adjustments, trainee adjustments, etc.), for which department approval was granted, that have been communicated verbally or in writing to the respective employee before April 9, 2009, may be honored. Otherwise, all salary actions are frozen.