

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

**SENATE BILL 124
RATIFIED BILL**

**AN ACT TO REDUCE BARRIERS TO STATE EMPLOYMENT AND TO MODERNIZE
THE STATE HUMAN RESOURCES SYSTEM.**

The General Assembly of North Carolina enacts:

REDUCE BARRIERS TO STATE EMPLOYMENT

SECTION 1. Article 2 of Chapter 126 of the General Statutes is amended by adding a new section to read:

"§ 126-8.7. Reducing barriers to State employment.

- (a) The State Human Resources Commission shall do all of the following:
- (1) Regularly assess the educational, experiential, and training requirements necessary for each position within each State agency, department, and institution.
 - (2) Determine when practical experience and training, such as military service, an apprenticeship, or a trade school education, rather than a four-year college degree, is the appropriate qualification for a position.
 - (3) Identify jobs for which the educational, experiential, and training requirements could be reduced from their present level.
 - (4) Remove language for a four-year college degree in position descriptions, to the extent practicable, when they are not necessary for the position.
- (b) Beginning October 1, 2025, and then annually thereafter, the State Human Resources Commission shall report to the Joint Legislative Oversight Committee on General Government on its efforts to reduce barriers to State employment as required by this section."

MAKE APPLYING FOR STATE JOBS EASIER

SECTION 2.(a) Article 5 of Chapter 126 of the General Statutes is amended by adding a new section to read:

"§ 126-14.3A. Increasing efficiency of State job application process.

- (a) The Office of State Human Resources (OSHR) shall streamline the job application process for State positions by enabling applicants to upload resumes or website profiles. An electronic tool shall be utilized to import information from these documents into the State job application format, making the process more efficient while still collecting information necessary for merit-based hiring under G.S. 126-14.2 and G.S. 126-14.3. An applicant remains responsible for ensuring that all information required for initial screening appears correctly in the completed State job application after importing the applicant's resume or profile.
- (b) For job applications requiring references, supplemental questions, or other information not typically found on resumes and not needed for initial screening, State agencies may collect this information later in the selection process, including during job interviews.
- (c) Beginning in 2026 and then annually thereafter, the OSHR shall present the State application form and demonstrate the import process to the State Human Resources Commission to receive the Commission's informal feedback."

SECTION 2.(b) G.S. 126-5(c7) reads as rewritten:



"(c7) Except as to the policies, rules, and plans established by the Commission pursuant to G.S. 126-4(1), 126-4(2), 126-4(3), 126-4(4), 126-4(5), 126-4(6), 126-14.3, 126-14.3A, and except as to ~~G.S. 126-14.2, G.S. 126-34.02(b)(1)~~ G.S. 126-3.1, 126-14.2, 126-14.3B, 126-34.02(b)(1) and (2), and Articles 6 and 7 of this Chapter, this Chapter does not apply to exempt managerial positions."

SECTION 2.(c) G.S. 126-5(c17) reads as rewritten:

"(c17) Except as to the policies, rules, and plans established by the Commission pursuant to G.S. 126-4(1), 126-4(2), 126-4(3), 126-4(4), 126-4(5), 126-4(6), 126-7, 126-14.3, 126-14.3A, and except as to the provisions of ~~G.S. 126-14.2, G.S. 126-34.1(a)(2)~~, G.S. 126-3.1, 126-14.2, 126-14.3B, 126-34.1(a)(2), and Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to a warden of an adult corrections facility."

SECTION 2.(d) G.S. 126-5(c18) reads as rewritten:

"(c18) Except as to the policies, rules, and plans established by the Commission pursuant to G.S. 126-4(1), 126-4(2), 126-4(3), 126-4(4), 126-4(5), 126-4(6), 126-4(7), and 126-14.3, and except as to the provisions of ~~G.S. 126-14.2, G.S. 126-3.1, 126-14.2, 126-14.3A, 126-14.3B, 126-34.02(b)(1)~~ and (2), and Articles 6 and 7 of this Chapter, this Chapter does not apply to the warden of a State adult correctional facility. Employees in these positions shall be public servants under G.S. 138A-3(70) and shall file Statements of Economic Interest under G.S. 138A-22. Employees in these positions shall receive the protections of former G.S. 126-5(e) if the employees were hired before the date of its repeal and have the minimum cumulative service to qualify under that subsection."

SECTION 2.(e) The Office of State Human Resources shall modify the State job application process in accordance with this section by no later than November 1, 2025.

SECTION 2.(f) This section is effective when it becomes law.

MAKE JOB POSTINGS EASIER TO UNDERSTAND AND EASIER FOR EMPLOYEES TO QUALIFY

SECTION 3.(a) G.S. 126-14.2 reads as rewritten:

"§ 126-14.2. Political hirings limited.

...

(b) All State departments, agencies, and institutions shall select from the pool of the most qualified persons for State government employment without regard to political affiliation or political influence. For the purposes of this section, "qualified persons" shall mean each of the State employees or applicants for initial State employment who:

- (1) Have timely applied for a position in State government;
- (2) Have the essential qualifications for that position; and
- (3) Are determined to be substantially more qualified as compared to other applicants for the position, after applying fair and valid job selection criteria, in accordance with G.S. 126-5(e), G.S. 126-7.1, Articles 6 and 13 of this Chapter, and State personnel policies approved by the State Human Resources Commission.

For the purposes of this section, "essential qualifications" means the minimum education and experience set forth in the class specification of the vacancy being filled. Any additional qualifications, knowledge, skills, and abilities listed in the specific vacancy announcement shall be interpreted as management preferences rather than as mandatory minimum qualifications that must be met.

(b1) It is the policy of this State that State departments, agencies, and institutions should simplify their job postings to make it easy for potential applicants to read the postings, understand the essential qualifications and management preferences, and then apply. Approval of the agency head or designee is required for any vacancy announcement that adds more than five knowledge, skills, and abilities to the class specification of the vacancy being filled.

...."

SECTION 3.(b) This section is effective when it becomes law and applies to all positions posted or reposted on or after that date.

ALLOW AGENCIES TO CREATE CONTINUOUS POSTINGS WITHOUT THE NEED FOR OUTSIDE APPROVAL

SECTION 4.(a) G.S. 126-14.3(3) reads as rewritten:

"(3) Require that a closing date shall be posted for each job opening, unless the employing agency, department, office, board, commission, system, or institution has approved an exception for critical classifications ~~has been approved by the State Human Resources Commission or as a special exception through the Office of State Human Resources.~~classifications."

SECTION 4.(b) Unless the employing agency, department, office, board, commission, system, or institution determines otherwise, exceptions for critical classifications remain in effect if they were previously granted under G.S. 126-14.3(3) by the State Human Resources Commission or the Office of State Human Resources.

GRANT EMPLOYING AGENCY FLEXIBILITY IN HIRING, PAY, AND CLASSIFICATION

SECTION 5.(a) Article 1 of Chapter 126 of the General Statutes is amended by adding a new section to read:

"§ 126-3.1. Employing agency flexibility.

(a) For the purposes of this section, an "employing agency" means the Council of State, State agencies in the executive branch of government, the Community Colleges System Office, and The University of North Carolina.

(b) An employing agency is granted flexibility, notwithstanding other provisions of this Chapter, to do the following:

- (1) Offer qualified applicants for employment the option to have their applications considered for future positions at the same agency and at other agencies within the same or comparable classification.
- (2) Permit agencies to recruit and hire applicants from job postings that apply to all vacancies in a particular classification across all State agencies.
- (3) Classify or reclassify positions according to the State Human Resources Commission (SHRC) classification system, provided employees meet the minimum requirements for the classification.
- (4) Establish employee salaries within SHRC-determined salary ranges for respective position classifications.

(c) Nothing in this section diminishes the powers of the State Human Resources Commission or the Director of the Office of State Human Resources under any other provision of this Chapter or relating to corrective actions taken when an employing agency fails to comply with this section."

SECTION 5.(b) This section becomes effective July 1, 2025.

PERMANENT HIRING OF CERTAIN EMPLOYEES/SPECIFIC CONDITIONS

SECTION 6.(a) Article 1 of Chapter 126 of the General Statutes is amended by adding a new section to read:

"§ 126-6.4. Temp-to-perm hiring.

(a) The Council of State, the executive branch agencies, the Community Colleges System Office, and The University of North Carolina may directly hire temporary employees into vacant positions if all of the following conditions are met:

- (1) The permanent position to be filled must be vacant.

- (2) The temporary employee must have worked for a minimum of six months in a substantially equivalent role with satisfactory performance. This six-month period excludes any mandatory breaks required under G.S. 126-6.3.
- (3) The temporary employee must meet the minimum education and experience requirements established for the position classification, and the employee's salary must be set within the approved classification range.
- (4) The temporary employee must have been originally hired through the North Carolina Office of State Human Resources Temporary Solutions Program or directly hired by a State agency as a temporary State employee.

The Director of the Office of State Human Resources may waive the requirements specified in subdivision (3) of this subsection, including both the minimum education and experience requirements and the requirement that salary be set within the classification range.

(b) Unless otherwise provided, a hiring under this section is exempt from the provisions of this Chapter, including any procedural or substantive requirements, including publicly posting the position, requiring an application, holding an interview or new reference checks, selecting the applicants from the pool of the most qualified persons, or following the priorities for certain types of applicants under State law. This exemption for the hiring process does not affect whether the position is subject to this Chapter once the employee is hired.

(c) A hiring under this section is not exempt from G.S. 126-14, 126-14.1, or 126-14.5 or from Article 6 or 7 of this Chapter."

SECTION 6.(b) This section is effective when it becomes law.

ALLOW AGENCIES TO IMMEDIATELY HIRE ONE OF THE MOST QUALIFIED CANDIDATES FROM A PREVIOUS POSTING

SECTION 7. Article 5 of Chapter 126 of the General Statutes is amended by adding a new section to read:

"§ 126-14.3B. Hiring candidate from most qualified pool in previous posting.

(a) In addition to the authority granted by G.S. 126-3.1(b)(1), the Council of State, the executive branch agencies, the Community Colleges System Office, and The University of North Carolina are authorized to directly hire, without posting, into a vacant position so long as all of the following conditions are met:

- (1) That employer previously posted for recruitment, in accordance with G.S. 126-7.1 and G.S. 126-14.3, a position that has the same or comparable classification as the position that is now vacant.
- (2) The person who is now being hired applied for that previous vacancy.
- (3) The employer selected the person to be within the pool of the most qualified persons for the previous vacancy, in accordance with G.S. 126-14.2, but did not hire that person.
- (4) For the position that is now vacant, the person who is now being hired meets the minimum education and experience requirements for the classification and has a salary set within the vacant position's classification range.

(b) Except as otherwise provided in this section, the hiring shall be exempt from this Chapter, including any procedural or substantive requirements, such as publicly posting the position, requiring a new application, holding a new interview or new reference checks, and following the priorities for certain types of applicants under State law. The hiring shall not be exempt from G.S. 126-14, 126-14.1, 126-14.5, and Articles 6 and 7 of this Chapter. The exemption from this Chapter for the hiring process shall not affect whether the position is subject to this Chapter once the employee is hired."

BUILD NEW PERFORMANCE MANAGEMENT AND EVALUATION SYSTEM

SECTION 8.(a) The Office of State Human Resources shall submit to the State Human Resources Commission and the Governor an improved process for performance management. The State Human Resources Commission, subject to the approval of the Governor, shall adopt a new performance management and performance evaluation policy by March 15, 2026.

SECTION 8.(b) The State Human Resources Commission's existing rules on performance management and performance evaluation are repealed when this act becomes law.

ALLOW VETERANS AND NATIONAL GUARD PREFERENCE

SECTION 9. Article 3 of Chapter 126 of the General Statutes is amended by adding a new section to read:

"§ 126-11.1. Veterans and National Guard preference for local government.

For positions subject to this Chapter, local entities may provide an employment preference to eligible veterans and eligible members of the National Guard, as those terms are defined in G.S. 126-81."

ALLOW SIGN-ON AND RETENTION BONUSES

SECTION 10. Article 3 of Chapter 126 of the General Statutes is amended by adding a new section to read:

"§ 126-11.2. Sign-on and retention bonuses for local government.

Local entities are authorized to offer sign-on and retention bonuses to employees subject to this Chapter. Sign-on and retention bonuses provided by local entities to employees subject to this Chapter shall be consistent with the Sign-On and Retention Bonus Policy for State agency employees."

ALLOW OSHR TO MORE QUICKLY MODERNIZE THE PERSONNEL SYSTEM FOR LOCAL AND STATE EMPLOYEES THAT ARE SUBJECT TO THE HUMAN RESOURCES ACT

SECTION 11. G.S. 150B-2(8a) reads as rewritten:

"(8a) Rule. – Any agency regulation, standard, or statement of general applicability that implements or interprets an enactment of the General Assembly or Congress or a regulation adopted by a federal agency or that describes the procedure or practice requirements of an agency. The term includes the establishment of a fee and the amendment or repeal of a prior rule. The term does not include the following:

...

- i. Job classification standards, job qualifications, ~~and salaries~~ salaries, and policies established for State and local government positions under the jurisdiction of the State Human Resources Commission, so long as those standards, qualifications, salaries, and policies directly affect only applicants for employment, current employees, or the resolution of matters related to past employment.

...."

MODERNIZE AND SIMPLIFY THE STATE HUMAN RESOURCES ACT

SECTION 12. By March 15, 2026, the Office of State Human Resources (OSHR) shall submit a report to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Fiscal Research Division with recommended changes to Chapter 126 of the General Statutes to modernize the North Carolina Human Resources Act, simplify its

provisions, and align it with contemporary human resources best practices. At a minimum, the report shall address legislative changes needed to:

- (1) Streamline hiring processes.
- (2) Enhance recruitment strategies and increase the attractiveness of State government employment.
- (3) Develop and maintain a high-quality, well-trained State workforce.
- (4) Improve State employee retention rates.

The OSHR shall collaborate with State agencies, local governments, and other relevant stakeholders to develop these legislative proposals.

REPEAL OR AMEND RULES

SECTION 13. The State Human Resources Commission shall repeal or amend its rules to make changes that are consistent with this act, utilizing temporary rulemaking where necessary.

EFFECTIVE DATE

SECTION 14. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 25th day of June, 2025.

s/ Rachel Hunt
President of the Senate

s/ Destin Hall
Speaker of the House of Representatives

Josh Stein
Governor

Approved _____m. this _____ day of _____, 2025