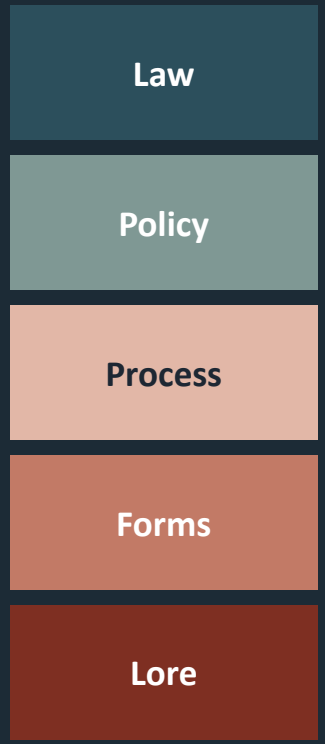
From Red Tape to Results

North Carolina’s HR modernization journey

Staci Meyer
Director, North Carolina Office of State Human Resources
Angie Quirarte
States Initiatives Director, Recoding America, and OSHR Fellow



NASPE webinar | October 23, 2026

North Carolina rewrote its HR law for the first time in more than 60 years

60+ years

since Chapter 126, the state's HR Act, was last fully rewritten

Unanimous

passage of SB 1041 by a Republican legislature, signed by a Democratic governor

Oct 1, 2026

Chapter 126A, the Public Workforce Modernization Act, takes effect

Built in steps: a 2025 hiring law, a new performance management policy, then the full rewrite.

Sources: NC OSHR, Public Workforce Modernization Act (SB 1041) page; Pahlka, Eating Policy, July 2026.

When the state can't hire, residents wait in line

1 The state couldn't hire fast

182 days

median time to hire, vs. about 44 days in the private sector

2 So critical jobs sat empty

160 of 710

driver's license examiner jobs vacant, including 68% of temporary examiner jobs

3 So residents waited

1 in 7

DMV visits took longer than 2.5 hours in FY2025, up 79% since 2019

One examiner for 56,639 residents in Harnett County. People camped outside license offices before dawn hoping to be seen that day.

Sources: NC Newsline, March 17, 2025 (OSHR testimony to House Oversight); NC Office of the State Auditor, DMV audits, August 4, 2025.

NC's DMV talent turnaround worked because we found a way around the system

"These wins are not proof that the system works.

The system only works when it is circumvented."

Jennifer Pahlka, Eating Policy

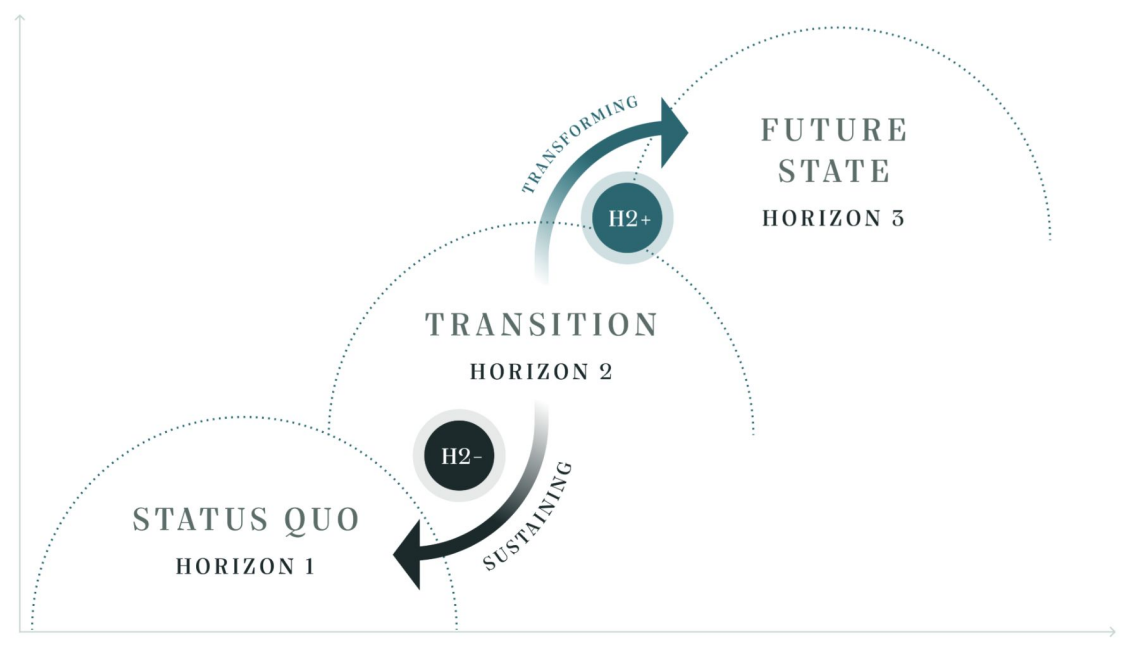
64 in 30 days people hired under an emergency authority, when a normal vacancy took about 6 months

12% → 6% driver's license examiner vacancies

< 21 min average wait, down 88% since April 2025

Source: Pahlka, "North Carolina's bold move on civil service," Eating Policy, July 20, 2026.

Both kinds of change feel like reform. Only one builds the new operating model



H1 Status quo
Works well enough to persist, but fails in critical ways

H2- Sustaining
Carve-outs, special authorities, rescues: real value now, but they relieve the pressure to fix the default

H2+ Transforming
Changes the conditions that create the problem, so the new way becomes normal

H3 Future state
Already visible in patches of better practice, far from the norm

Source: Pahlka, "A Three Horizons Framework for Government Reform," Eating Policy, April 2026; framework originally by Anthony Hodgson.

Building a new operating model, toward H3



Applicants

A clear path in, with honest timelines and agencies competing for talent



Employees

Treated as professionals, with clear expectations, real feedback, and room to grow



Managers

Able to hire the right people quickly, reward excellence, and invest in their teams



HR professionals

Less time on process, more on designing people-centered solutions

Grounded in six principles

High-performing | **Competitive** | **Flexible** | **Fast** | **Respectful** | **Accountable**

Source: NC OSHR, Modernizing & Simplifying HR in North Carolina, report to the General Assembly, March 13, 2026.

A 2025 hiring session law opened the door to the first full rewrite in 60 years

Jul 2025

S.L. 2025-34

Fewer degree requirements, no rigid KSAs, temp-to-perm and pooled hiring

Dec 2025

Rewrite begins

OSHR and Recoding America kick off policy and statute work

Mar 2026

Leg Report + Stakeholder engagement

HR Commission approves PM policy it; report to the General Assembly

Jul 1, 2026

PM policy live

Quarterly check-ins and redesign of platform begins

Jul 6, 2026

SB 1041 signed

Passed unanimously by a Republican legislature

Oct 1, 2026

Chapter 126A

New HR Act takes effect

Sources: NC OSHR, Session Law 2025-34 and S.L. 2026-40 (SB 1041) pages; Modernizing & Simplifying HR in North Carolina, March 13, 2026.

A unanimous bill came from years of relationships, listening to people, and fixing what is not working

An agenda

Know what you want before session starts

Political Cover

Bipartisan champions and outside validators

Collaboration

Write it with agencies and the managers who use it

Relationships

Meet legislators where they are

Ask why

Why is it this way? Keep asking

Melon farms, AAA baseball games, and many a veranda. In the end, the bill passed unanimously.

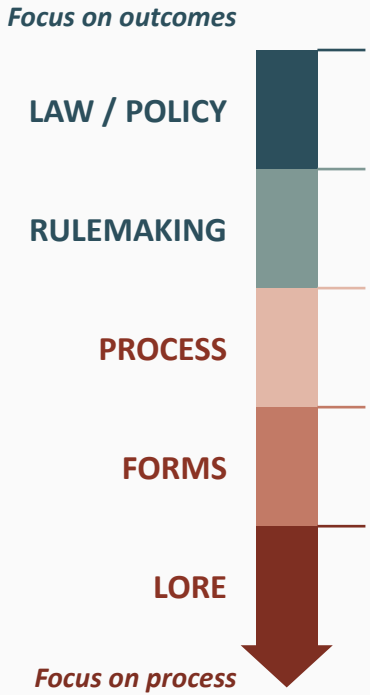
Source: Pahlka, Eating Policy, July 2026; NC OSHR.

What changed: some of it took a law, and some of it only took a policy

	Before	After	How
Qualifications	Rigid KSAs screened people out	**KSAs removed; more pathways in**	**2025 law**
Filling jobs	A declined offer restarted recruitment	**Pooled hiring; temp-to-perm**	**2025 law**
Performance	Interim reviews; 99.4% rated satisfactory	**Half the length; check-ins; test and learn**	**Policy**
Classification	OSHR approval for agency-only jobs	**Agency authority within guardrails**	**2026 law**
Moving staff	Full hiring process to move internally	**Lateral transfers within an agency**	**2026 law**
Temp-to-perm	Eligible after 6 months	**Eligible after 3 months**	**2026 law**
Pay + Retention	No way to reward top results with pay	**Performance raises, bonuses, and leave**	**2026 law**
Leave	8 weeks parental; bereavement for some	**12 weeks for all parents; bereavement for all**	**2026 law**

Also: skills-based hiring, a military spouse hiring preference, plain-language job titles. Sources: S.L. 2025-34; S.L. 2026-40; NC OSHR.

Flexibility granted in law narrows at every step of implementation



Intent and high-level rules. Set by the legislature or executive.

Interpreted into specific rules, often the narrowest possible reading.

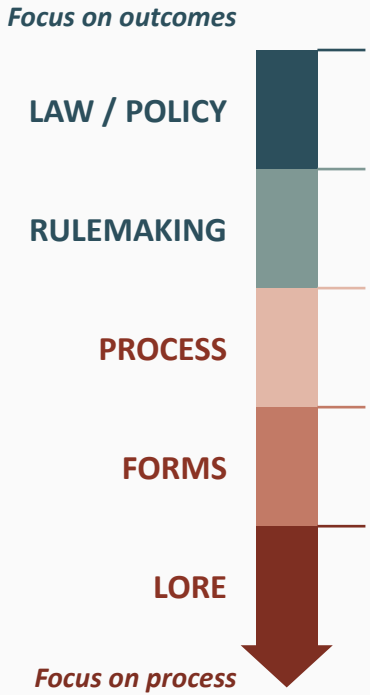
Operationalized around the bureaucracy's structure, not the user's (Conway's Law).

Requirements copied literally into forms and templates, without service design.

"The way we do it" becomes "the only legal way." Change gets called illegal.

Source: Recoding America, "the cascade of rigidity."

NC is rebuilding performance management at every layer, not just in the law



S.L. 2025-34 and Chapter 126A set intent and authorize performance-based pay.

HR Commission adopts a policy half the length, with check-ins built on continue, start, stop.

Agencies choose cycle timing and rating model; calibration and pilots built in.

Cornerstone check-ins tested with users; the whole OSHR team went to FormFest, plain language workshop

Plain-language FAQs answer myths: “Your signature acknowledges receipt, not agreement.”

Source: NC OSHR, oshr.nc.gov/state-employee-resources/performance-management.

User research validated that staff had stopped trusting the system and built workarounds in PM

> "We all check the box. But it's not affecting my job at all."
>
> Employee

> "I do not worry about NCVIP at all, and I have a job that I need to prove myself. So I use a Word document."
>
> Employee

Disorientation
Hard to tell what needs attention or whether an action saved

Lost trust
Goals disappear and finished training shows incomplete

Disconnection
Learning and performance feel like two separate tools

What works
More frequent check-ins were a highlight for participants

Source: U.S. Digital Response and NC OSHR, NCVIP platform research, 2026 (7 interviews with people managers).

Every policy has a feedback loop to hear what *isn't* working

Publish in plain language

Policy plus a web companion and FAQs

Listen

Page feedback widget, office hours, manager engagement sessions

Test

Prototype testing with managers; test-and-learn pilots

Revise

Update FAQs, policy, and platform from what we hear

Example: the leave FAQ answers a common question head-on: "I thought the state gave eight weeks of paid parental leave?" It is now up to 12 weeks for both parents.

Source: NC OSHR Employee Leave Options Policy FAQs; HR Transformation page.

Three months in, staff have scheduled more than 1,000 check-ins- starting the feedback culture

1,020

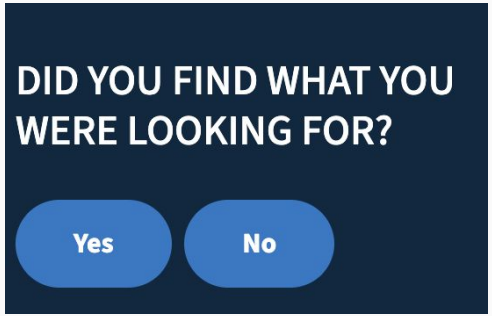
check-ins scheduled across 23 agencies

700

employees at the Webinar on the new law

13,000

Employees have completed the new PM policy course



Source: NCVIP check-in reports, July 1 to September 28, 2026; OSHR office hours. Page analytics to come.

New governors will ask what you would change. Have your list ready

A transition is a window

Many of you will have a new boss in January. Early in a term is when bold change is possible.

Workforce is moving up the agenda

AI and rising expectations of government put pressure on how states hire and manage people.

Pick H2+ over another release valve

Show you are not defending a status quo that fails employees and residents.

Learn from each other

Borrow statute language, sequencing, and lessons from states a step ahead.

Same boss in January? The case still holds.

Recommended reading

The ideas

Recoding America
Jennifer Pahlka, 2023 (book)

North Carolina's bold move on civil service
Eating Policy, July 2026

A Three Horizons framework for government reform
Eating Policy, April 2026

The product operating model
Ann Lewis and Jennifer Pahlka, Niskanen Center, July 2025

Classification rules everything around me
Gabe Menchaca, Niskanen Center

Fixing government hiring
States Forum

North Carolina and next steps

OSHR's legislative report: Modernizing & Simplifying HR
Report to the General Assembly, March 2026 (vision on p. 5)

HR Transformation hub - building a playbook!
NC OSHR, Chapter 126A updates and FAQs

Transition resources for new administrations
Recoding America

Performance management page
NC OSHR plain-language companion

Employee leave FAQs
NC OSHR

Senate Bill 1041 (S.L. 2026-40)
NC General Assembly

Let’s chat HR transformation in the January 22 mid-year

1. Read one thing from the list
2. Reach out if you want to explore an H2+ workforce agenda for your state
3. Bring topics for the January 22 mid-year and next year’s meetings

Staci Meyer
NC Office of State Human Resources
staci.meyer@nc.gov

Angie Quirarte
Recoding America
angie@recodingamerica.org