

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: Stanley Moore	Date Prepared: 7/10/89	Bill No.: H 1218	Edition: First
Approved By: Tom Covington TOMC	7/12/89	CS	Sponsor: Rep. Blue
Short Title: Correct State Salary Inequities			

TYPE OF FISCAL IMPACT	FUNDS AFFECTED:			(x) Other:			
	(x) General	(x) Highway	() Local				
	County/						
	State Gov't	Local Gov't		State Fiscal Impact	FY 89-90	FY 90-91	FY
No Fiscal Impact () ()				State Total Req'ments	\$30.9 mil.	\$30.9 mil.	
				Receipts/Revenues	4.9 mil.	4.9 mil.	
Increase Expenditure (x) ()				Net State Expend./Rev.	26 mil.	26 mil.	
				No. of Positions			
Decrease Expenditure () ()				-----			
				Local Fiscal Impact	FY	FY	FY
Increase Revenue () ()				Local Total Req'ments			
				Receipts/Revenues			
Decrease Revenue () ()				Net Local Expend./Rev.			
No Estimate Avail. () ()				No. of Positions			

Description of Legislation

- Summary of Legislation - The bill is intended to correct any inequities in salary so that the salary of any employee can not exceed another employee's salary by 10% if the predetermined factors of (a) education, (b) related work experience, (c) level within the organization, and (d) length of service are relatively equal as long as these employees are in the same or similar job classifications.
- Effective Date - July 1, 1989.
- Fund or Tax Affected - General and Highway Funds and Receipt Supported Funds
- Principal Department/Program Affected - All state agencies, departments and institutions and the University of North Carolina system.

Cost or Revenue Impact on State

- Non-Recurring Costs/Revenues

2. Recurring Costs/Revenues:

		General Fund	Highway Fund	Receipts	Total
	Additional Cost	\$20.1	\$6.2	\$4.6	\$30.9
	Less: Estimated				
FY 1989-90	Salary Reserves	3.0	1.1	0.8	4.9
	Net Additional Cost	\$17.1	\$5.1	\$3.8	\$26.0
		General Fund	Highway Fund	Receipts	Total
	Additional Cost	\$20.1	\$6.2	\$4.6	\$30.9
	Less: Estimated				
FY 1990-91	Salary Reserves	3.0	1.1	0.8	4.9
	Net Additional Cost	\$17.1	\$5.1	\$3.8	\$26.0

3. Fiscal/Revenue Assumptions - The absence of merit increments imposed in 1982 has caused approximately 35,00 employees of the 72,000 new hires since that date to be in the first three steps of the salary schedule. The bill would require that these employees would receive about a 5% raise since the predetermined factors would be relatively equal because these employees have been working for several years and not advancing through the steps in the salary schedule. The cost reflects our estimates based on service. The other factors of education and work experience are not known.

Cost/Revenue Impact on County or Local Government

	FY	FY	FY
	88-89	89-90	
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues			
3. Fiscal/Revenue Assumptions			

Sources of Data for Fiscal Note

Technical Considerations/Comments

Signed Copy Located in the NCGA Principal Clerk's Offices