

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1993**

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**SENATE BILL 310**

Government Performance Audit Select Committee Substitute Adopted 4/26/93

Short Title: GPAC/State Emp. Classification/Funds.

(Public)

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Sponsors:

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Referred to: Appropriations.

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February 22, 1993

**A BILL TO BE ENTITLED**

**AN ACT TO STUDY EMPLOYEE CLASSIFICATION AND COMPENSATION, TO  
PROVIDE FOR AN ANNUAL EVALUATION OF EMPLOYEE BENEFITS,  
AND TO PROVIDE FUNDS FOR THE CLASSIFICATION AND  
COMPENSATION STUDY.**

The General Assembly of North Carolina enacts:

Section 1. The State Personnel Commission shall retain a consultant to conduct a study of job classifications and compensation of all employees of the State departments, institutions, and agencies of the executive branch. The following shall be excluded from the study:

- (1) The instructional staff, research staff, chancellors, provosts, vice-chancellors, deans, and head librarians of the constituent and affiliated institutions of The University of North Carolina;
- (2) The President and Vice-Presidents of The University of North Carolina General Administration; and
- (3) Officers and employees whose salaries are set directly by the General Assembly in the Current Operations Appropriations Act.

The State Personnel Commission shall assemble a Task Force to assist the consultant. The Task Force shall be comprised of staff from the Office of State Personnel, at least three agency personnel directors, three agency program managers, and three members from the private sector with personnel administration experience. The Director of the Office of State Personnel shall serve as the study coordinator. To

1 minimize costs in conducting the study, each State agency shall, upon the request of the  
2 Director of the Office of State Personnel, provide data, personnel analysts, and other  
3 assistance to the Task Force, provided that the assistance does not impair the ability of  
4 the agency to perform and manage its own personnel functions.

5 The study shall include the recommendation and development of the  
6 following components: classification system (including job descriptions), compensation  
7 philosophy, salary structure, pay delivery, and external and internal job evaluations.  
8 The study shall determine which State jobs are paid below, at, or above the market rates.

9 The consultant retained by the State Personnel Commission shall be selected  
10 through a competitive procurement process. The request for proposals and the selection  
11 are subject to the approval of the Joint Legislative Commission on Governmental  
12 Operations.

13 Beginning October 1, 1993, the consultant shall make quarterly reports on the  
14 study's progress to the Joint Legislative Commission on Governmental Operations. The  
15 consultant shall complete the study and present its findings to the State Personnel  
16 Commission and the Joint Legislative Commission on Governmental Operations no  
17 later than December 15, 1994.

18 Sec. 2. Article 1 of Chapter 143 of the General Statutes is amended by  
19 adding a new section to read:

20 "**§ 143-11.2. Comprehensive compensation and benefit program evaluation.**

21 (a) On or before the fifteenth day of December of each year, the Director shall  
22 have conducted a comprehensive compensation and benefit program evaluation for all  
23 full-time, part-time, and temporary employees supported by funds appropriated by the  
24 State. This comprehensive evaluation shall include, but not be limited to, a review of:

- 25 (1) Benefit programs offered by other states and employers within the  
26 southeast region;
- 27 (2) Employer costs associated with benefit programs provided;
- 28 (3) Benefit levels provided by the programs; and
- 29 (4) Compensation program and respective salary levels.

30 (b) This evaluation shall include health, retirement, payment for time not worked  
31 (including vacations, holidays, and sick leave), and salary levels.

32 (c) A Total Benefits Index shall be calculated from the results of the evaluation  
33 to enable the State to compare its benefits to those of other southeastern states and  
34 employers."

35 Sec. 3. To avoid duplication of effort, the Director of the Budget, when  
36 performing the evaluation required under Section 2 of this act, shall solicit from the  
37 Office of State Personnel and other State agencies information already available  
38 concerning compensation and benefits analysis. Copies of the evaluation results shall  
39 be provided to all State agencies.

40 Sec. 4. There is appropriated from the General Fund to the Office of State  
41 Personnel the sum of three hundred fifty thousand dollars (\$350,000) for the 1993-94  
42 fiscal year and the sum of one hundred fifty thousand dollars (\$150,000) for the 1994-  
43 95 fiscal year for the study required under Section 1 of this act.

1           Sec. 5. There is allocated from funds appropriated to the General Assembly  
2 to a reserve fund of the Joint Legislative Commission on Governmental Operations the  
3 sum of one hundred thousand dollars (\$100,000) to be used, if necessary, to complete  
4 the study required under Section 1 of this act.

5           Sec. 6. Section 1 of this act is effective upon ratification. Sections 2 and 3 of  
6 this act become effective January 1, 1995. Sections 4 and 5 of this act become effective  
7 July 1, 1993.