

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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5

SENATE BILL 1176

Rules and Operations of the Senate Committee Substitute Adopted 9/2/98

Third Edition Engrossed 9/3/98

House Committee Substitute Favorable 9/9/98

Fifth Edition Engrossed 9/9/98

Short Title: Salaries and Benefits/No Per Diem.

(Public)

Sponsors:

Referred to:

May 20, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE SALARIES AND RETIREMENT BENEFITS FOR THE
3 1998-99 FISCAL YEAR AND TO CUT OFF PER DIEM FOR MEMBERS OF THE
4 SENATE.

5 The General Assembly of North Carolina enacts:

6
7 **PART I. PUBLIC SCHOOLS SALARIES**

8
9 **TEACHER SALARY SCHEDULES**

10 Section 1. (a) Effective for the 1998-99 school year, the Director of the Budget
11 may transfer from the Reserve for Compensation Increase for the 1998-99 fiscal year
12 funds necessary to implement the teacher salary schedule set out in subsection (b) of this
13 section, including funds for the employer's retirement and social security contributions
14 and funds for annual longevity payments at one percent (1%) of base salary for 10 to 14
15 years of State service, one and one-half percent (1.5%) of base salary for 15 to 19 years
16 of State service, two percent (2%) of base salary for 20 to 24 years of State service, and

1 four and one-half percent (4.5%) of base salary for 25 or more years of State service,
 2 commencing July 1, 1998, for all teachers whose salaries are supported from the State's
 3 General Fund. These funds shall be allocated to individuals according to rules adopted
 4 by the State Board of Education and the Superintendent of Public Instruction. The
 5 longevity payment shall be paid in a lump sum once a year.

6 (b)(1) For the 1998-99 school year, the following monthly salary schedules
 7 shall apply to certified personnel of the public schools who are
 8 classified as teachers. The schedule contains 30 steps with each step
 9 corresponding to one year of teaching experience.

10
 11 **1998-99 MONTHLY SALARY SCHEDULE**
 12 **"A"TEACHERS**

13	14 Years of	"A"	NBPTS
15	Experience	Teachers	Certification
16	0	2,310	N/A
17	1	2,352	N/A
18	2	2,395	N/A
19	3	2,551	2,857
20	4	2,678	2,999
21	5	2,779	3,112
22	6	2,826	3,165
23	7	2,874	3,218
24	8	2,923	3,273
25	9	2,972	3,328
26	10	3,021	3,383
27	11	3,071	3,439
28	12	3,123	3,497
29	13	3,176	3,557
30	14	3,230	3,617
31	15	3,285	3,679
32	16	3,341	3,741
33	17	3,398	3,805
34	18	3,456	3,870
35	19	3,516	3,937
36	20	3,577	4,006
37	21	3,640	4,076
38	22	3,703	4,147
39	23	3,767	4,219
40	24	3,832	4,291
41	25	3,899	4,366
42	26	3,968	4,444

1	27	4,038	4,522
2	28	4,109	4,602
3	29+	4,182	4,683

**1998-99 MONTHLY SALARY SCHEDULE
"G"TEACHERS**

8	Years of	"G"	NBPTS
9	Experience	Teachers	Certification
10			
11	0	2,454	N/A
12	1	2,499	N/A
13	2	2,545	N/A
14	3	2,710	3,035
15	4	2,845	3,186
16	5	2,953	3,307
17	6	3,003	3,363
18	7	3,054	3,420
19	8	3,106	3,478
20	9	3,158	3,536
21	10	3,210	3,595
22	11	3,263	3,654
23	12	3,318	3,716
24	13	3,375	3,780
25	14	3,432	3,843
26	15	3,490	3,908
27	16	3,550	3,976
28	17	3,610	4,043
29	18	3,672	4,112
30	19	3,736	4,184
31	20	3,801	4,257
32	21	3,868	4,332
33	22	3,934	4,406
34	23	4,002	4,482
35	24	4,072	4,560
36	25	4,143	4,640
37	26	4,216	4,721
38	27	4,290	4,804
39	28	4,366	4,889
40	29+	4,443	4,976

41 (2) Certified public school teachers with certification based on academic
 42 preparation at the six-year degree level shall receive a salary supplement
 43 of one hundred twenty-six dollars (\$126.00) per month in addition to the

1 compensation provided for certified personnel of the public schools who
2 are classified as "G"teachers. Certified public school teachers with
3 certification based on academic preparation at the doctoral degree level
4 shall receive a salary supplement of two hundred fifty-three dollars
5 (\$253.00) per month in addition to the compensation provided for
6 certified personnel of the public schools who are classified as
7 "G"teachers.

8 (c) Effective for the 1998-99 school year, the first step of the salary schedule for
9 school psychologists shall be equivalent to Step 5, corresponding to five years of
10 experience, on the salary schedule established in this section for certified personnel of the
11 public schools who are classified as "G"teachers. Certified psychologists shall be placed
12 on the salary schedule at an appropriate step based on their years of experience. Certified
13 psychologists shall receive longevity payments based on years of State service in the
14 same manner as teachers.

15 Certified psychologists with certification based on academic preparation at the
16 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars
17 (\$126.00) per month in addition to the compensation provided for certified psychologists.
18 Certified psychologists with certification based on academic preparation at the doctoral
19 degree level shall receive a salary supplement of two hundred fifty-three dollars
20 (\$253.00) per month in addition to the compensation provided for certified psychologists.

21 (d) Effective for the 1998-99 school year, speech pathologists who are certified
22 as speech pathologists at the masters degree level and audiologists who are certified as
23 audiologists at the masters degree level and who are employed in the public schools as
24 speech and language specialists and audiologists shall be paid on the school psychologist
25 salary schedule.

26 Speech pathologists and audiologists with certification based on academic
27 preparation at the six-year degree level shall receive a salary supplement of one hundred
28 twenty-six dollars (\$126.00) per month in addition to the compensation provided for
29 speech pathologists and audiologists. Speech pathologists and audiologists with
30 certification based on academic preparation at the doctoral degree level shall receive a
31 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
32 the compensation provided for speech pathologists and audiologists.

33 (e) The State Board of Education shall study the current salary schedules for
34 nurses and other allied health professionals. The State Board shall report to the Joint
35 Legislative Education Oversight Committee prior to December 15, 1998, on the results of
36 its study and on any recommended modifications to the current salary schedules.

37 38 **SCHOOL-BASED ADMINISTRATOR SALARIES**

39 Section 2. (a) Funds appropriated to the Reserve for Compensation Increase shall
40 be used for the implementation of the salary schedule for school-based administrators as
41 provided in this section. These funds shall be used for State-paid employees only.

(b) The salary schedule for school-based administrators shall apply only to principals and assistant principals. The salary schedule for the 1998-99 fiscal year, commencing July 1, 1998, is as follows:

Step	Assistant Principals			Principal I		
	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
4	\$2,873	\$2,902	\$2,930	—	—	—
5	2,983	3,013	3,043	—	—	—
6	3,033	3,063	3,094	—	—	—
7	3,085	3,116	3,147	—	—	—
8	3,137	3,168	3,200	\$3,137	\$3,168	\$3,200
9	3,190	3,222	3,254	3,190	3,222	3,254
10	3,242	3,274	3,307	3,242	3,274	3,307
11	3,296	3,329	3,362	3,296	3,329	3,362
12	3,351	3,385	3,418	3,351	3,385	3,418
13	3,409	3,443	3,477	3,409	3,443	3,477
14	3,466	3,501	3,535	3,466	3,501	3,535
15	3,525	3,560	3,596	3,525	3,560	3,596
16	3,586	3,622	3,658	3,586	3,622	3,658
17	3,646	3,682	3,719	3,646	3,682	3,719
18	3,709	3,746	3,783	3,709	3,746	3,783
19	3,773	3,811	3,848	3,773	3,811	3,848
20	3,839	3,877	3,916	3,839	3,877	3,916
21	3,907	3,946	3,985	3,907	3,946	3,985
22	3,973	4,013	4,052	3,973	4,013	4,052
23	4,042	4,082	4,123	4,042	4,082	4,123
24	4,113	4,154	4,195	4,113	4,154	4,195
25	4,184	4,226	4,268	4,184	4,226	4,268
26	4,258	4,301	4,343	4,258	4,301	4,343
27	4,333	4,376	4,420	4,333	4,376	4,420
28	4,410	4,454	4,498	4,410	4,454	4,498
29	4,487	4,532	4,577	4,487	4,532	4,577
30	4,577	4,623	4,669	4,577	4,623	4,669
31	4,669	4,716	4,762	4,669	4,716	4,762
32	—	—	—	4,762	4,810	4,857
Step	Principal II			Principal III		
	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
4	—	—	—	—	—	—

1	5	—	—	—	—	—	—
2	6	—	—	—	—	—	—
3	7	—	—	—	—	—	—
4	8	—	—	—	—	—	—
5	9	—	—	—	—	—	—
6	10	\$3,296	\$3,329	\$3,362	—	—	—
7	11	3,351	3,385	3,418	—	—	—
8	12	3,409	3,443	3,477	\$3,466	\$3,501	\$3,535
9	13	3,466	3,501	3,535	3,525	3,560	3,596
10	14	3,525	3,560	3,596	3,586	3,622	3,658
11	15	3,586	3,622	3,658	3,646	3,682	3,719
12	16	3,646	3,682	3,719	3,709	3,746	3,783
13	17	3,709	3,746	3,783	3,773	3,811	3,848
14	18	3,773	3,811	3,848	3,839	3,877	3,916
15	19	3,839	3,877	3,916	3,907	3,946	3,985
16	20	3,907	3,946	3,985	3,973	4,013	4,052
17	21	3,973	4,013	4,052	4,042	4,082	4,123
18	22	4,042	4,082	4,123	4,113	4,154	4,195
19	23	4,113	4,154	4,195	4,184	4,226	4,268
20	24	4,184	4,226	4,268	4,258	4,301	4,343
21	25	4,258	4,301	4,343	4,333	4,376	4,420
22	26	4,333	4,376	4,420	4,410	4,454	4,498
23	27	4,410	4,454	4,498	4,487	4,532	4,577
24	28	4,487	4,532	4,577	4,577	4,623	4,669
25	29	4,577	4,623	4,669	4,669	4,716	4,762
26	30	4,669	4,716	4,762	4,762	4,810	4,857
27	31	4,762	4,810	4,857	4,857	4,906	4,954
28	32	4,857	4,906	4,954	4,954	5,004	5,053
29	33	4,954	5,004	5,053	5,053	5,104	5,154
30	34	5,053	5,104	5,154	5,154	5,206	5,257
31	35	—	—	—	5,257	5,310	5,362
32	36	—	—	—	5,362	5,416	5,469
33							
34			Principal IV			Principal V	
35	Step	Base	Base	Base	Base	Base	Base
36			+ 1%	+ 2%		+ 1%	+ 2%
37							
38	4	—	—	—	—	—	—
39	5	—	—	—	—	—	—
40	6	—	—	—	—	—	—
41	7	—	—	—	—	—	—
42	8	—	—	—	—	—	—
43	9	—	—	—	—	—	—

1	10	—	—	—	—	—	—
2	11	—	—	—	—	—	—
3	12	—	—	—	—	—	—
4	13	\$3,586	\$3,622	\$3,658	—	—	—
5	14	3,646	3,682	3,719	\$3,709	\$3,746	\$3,783
6	15	3,709	3,746	3,783	3,773	3,811	3,848
7	16	3,773	3,811	3,848	3,839	3,877	3,916
8	17	3,839	3,877	3,916	3,907	3,946	3,985
9	18	3,907	3,946	3,985	3,973	4,013	4,052
10	19	3,973	4,013	4,052	4,042	4,082	4,123
11	20	4,042	4,082	4,123	4,113	4,154	4,195
12	21	4,113	4,154	4,195	4,184	4,226	4,268
13	22	4,184	4,226	4,268	4,258	4,301	4,343
14	23	4,258	4,301	4,343	4,333	4,376	4,420
15	24	4,333	4,376	4,420	4,410	4,454	4,498
16	25	4,410	4,454	4,498	4,487	4,532	4,577
17	26	4,487	4,532	4,577	4,577	4,623	4,669
18	27	4,577	4,623	4,669	4,669	4,716	4,762
19	28	4,669	4,716	4,762	4,762	4,810	4,857
20	29	4,762	4,810	4,857	4,857	4,906	4,954
21	30	4,857	4,906	4,954	4,954	5,004	5,053
22	31	4,954	5,004	5,053	5,053	5,104	5,154
23	32	5,053	5,104	5,154	5,154	5,206	5,257
24	33	5,154	5,206	5,257	5,257	5,310	5,362
25	34	5,257	5,310	5,362	5,362	5,416	5,469
26	35	5,362	5,416	5,469	5,469	5,524	5,578
27	36	5,469	5,524	5,578	5,578	5,634	5,690
28	37	5,578	5,634	5,690	5,689	5,746	5,803
29	38	—	—	—	5,803	5,861	5,919
30	39	—	—	—	—	—	—
31	40	—	—	—	—	—	—
32	41	—	—	—	—	—	—
33							
34			Principal VI			Principal VII	
35	Step	Base	Base	Base	Base	Base	Base
36			+ 1%	+ 2%		+ 1%	+ 2%
37							
38	4	—	—	—	—	—	—
39	5	—	—	—	—	—	—
40	6	—	—	—	—	—	—
41	7	—	—	—	—	—	—
42	8	—	—	—	—	—	—
43	9	—	—	—	—	—	—

1	10	—	—	—	—	—	—
2	11	—	—	—	—	—	—
3	12	—	—	—	—	—	—
4	13	—	—	—	—	—	—
5	14	—	—	—	—	—	—
6	15	—	—	—	—	—	—
7	16	\$3,907	\$3,946	\$3,985	—	—	—
8	17	3,973	4,013	4,052	\$4,113	\$4,154	\$4,195
9	18	4,042	4,082	4,123	4,184	4,226	4,268
10	19	4,113	4,154	4,195	4,258	4,301	4,343
11	20	4,184	4,226	4,268	4,333	4,376	4,420
12	21	4,258	4,301	4,343	4,410	4,454	4,498
13	22	4,333	4,376	4,420	4,487	4,532	4,577
14	23	4,410	4,454	4,498	4,577	4,623	4,669
15	24	4,487	4,532	4,577	4,669	4,716	4,762
16	25	4,577	4,623	4,669	4,762	4,810	4,857
17	26	4,669	4,716	4,762	4,857	4,906	4,954
18	27	4,762	4,810	4,857	4,954	5,004	5,053
19	28	4,857	4,906	4,954	5,053	5,104	5,154
20	29	4,954	5,004	5,053	5,154	5,206	5,257
21	30	5,053	5,104	5,154	5,257	5,310	5,362
22	31	5,154	5,206	5,257	5,362	5,416	5,469
23	32	5,257	5,310	5,362	5,469	5,524	5,578
24	33	5,362	5,416	5,469	5,578	5,634	5,690
25	34	5,469	5,524	5,578	5,689	5,746	5,803
26	35	5,578	5,634	5,690	5,803	5,861	5,919
27	36	5,689	5,746	5,803	5,920	5,979	6,038
28	37	5,803	5,861	5,919	6,038	6,098	6,159
29	38	5,920	5,979	6,038	6,159	6,221	6,282
30	39	6,038	6,098	6,159	6,282	6,345	6,408
31	40	6,159	6,221	6,282	6,407	6,471	6,535
32	41	—	—	—	6,536	6,601	6,667

33				
34			Principal VIII	
35	Step	Base	Base	Base
36			+ 1%	+ 2%
37				
38	4	—	—	—
39	5	—	—	—
40	6	—	—	—
41	7	—	—	—
42	8	—	—	—
43	9	—	—	—

1	10	—	—	—
2	11	—	—	—
3	12	—	—	—
4	13	—	—	—
5	14	—	—	—
6	15	—	—	—
7	16	—	—	—
8	17	—	—	—
9	18	\$4,258	\$4,301	\$4,343
10	19	4,333	4,376	4,420
11	20	4,410	4,454	4,498
12	21	4,487	4,532	4,577
13	22	4,577	4,623	4,669
14	23	4,669	4,716	4,762
15	24	4,762	4,810	4,857
16	25	4,857	4,906	4,954
17	26	4,954	5,004	5,053
18	27	5,053	5,104	5,154
19	28	5,154	5,206	5,257
20	29	5,257	5,310	5,362
21	30	5,362	5,416	5,469
22	31	5,469	5,524	5,578
23	32	5,578	5,634	5,690
24	33	5,689	5,746	5,803
25	34	5,803	5,861	5,919
26	35	5,920	5,979	6,038
27	36	6,038	6,098	6,159
28	37	6,159	6,221	6,282
29	38	6,282	6,345	6,408
30	39	6,407	6,471	6,535
31	40	6,536	6,601	6,667
32	41	6,667	6,734	6,800

33
 34 (c) The appropriate classification for placement of principals and assistant
 35 principals on the salary schedule, except for principals in alternative schools, shall be
 36 determined in accordance with the following schedule:

37		Number of Teachers
38	Classification	Supervised
39	Assistant Principal	
40	Principal I	Fewer than 11 Teachers
41	Principal II	11-21 Teachers
42	Principal III	22-32 Teachers
43	Principal IV	33-43 Teachers

1	Principal V	44-54 Teachers
2	Principal VI	55-65 Teachers
3	Principal VII	66-100 Teachers
4	Principal VIII	More than 100 Teachers

5 The number of teachers supervised includes teachers and assistant principals paid from
6 State funds only; it does not include teachers or assistant principals paid from non-State
7 funds or the principal or teacher assistants.

8 The beginning classification for principals in alternative schools shall be the
9 Principal III level. Principals in alternative schools who supervise 33 or more teachers
10 shall be classified according to the number of teachers supervised.

11 (d) A principal shall be placed on the step on the salary schedule that reflects total
12 number of years of experience as a certificated employee of the public schools and an
13 additional step for every three years of experience as a principal.

14 (e) For the 1998-99 fiscal year, a principal or assistant principal shall be placed
15 on the appropriate step plus one percent (1%) if:

- 16 (1) The employee's school met or exceeded the projected levels of
17 improvement in student performance for the 1997-98 fiscal year, in
18 accordance with the ABCs of Public Education Program; or
19 (2) The local board of education found in 1997-98 that the employee's
20 school met objectively measurable goals set by the local board of
21 education for maintaining a safe and orderly school.

22 The principal or assistant principal shall be placed on the appropriate step plus two
23 percent (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied.

24 (f) For the 1998-99 fiscal year, a principal or assistant principal shall receive a
25 lump-sum payment of:

- 26 (1) One percent (1%) of his or her State-paid salary if the employee's school
27 meets or exceeds the projected levels of improvement in student
28 performance for the 1998-99 fiscal year, in accordance with the ABCs
29 of Public Education Program; or
30 (2) One percent (1%) of his or her State-paid salary if the local board of
31 education finds that the employee's school has met the goals of the local
32 plan for maintaining a safe and orderly school.

33 The principal or assistant principal shall receive a lump-sum payment of two percent
34 (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied.

35 The lump sum shall be paid as determined by guidelines adopted by the State
36 Board. Placement on the salary schedule in the following year shall be based upon these
37 increases.

38 (g) Principals and assistant principals with certification based on academic
39 preparation at the six-year degree level shall be paid a salary supplement of one hundred
40 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a
41 salary supplement of two hundred fifty-three dollars (\$253.00) per month.

42 (h) There shall be no State requirement that superintendents in each local
43 school unit shall receive in State-paid salary at least one percent (1%) more than the

1 highest paid principal receives in State salary in that school unit: Provided, however, the
2 additional State-paid salary a superintendent who was employed by a local school
3 administrative unit for the 1992-93 fiscal year received because of that requirement shall
4 not be reduced because of this subsection for subsequent fiscal years that the
5 superintendent is employed by that local school administrative unit so long as the
6 superintendent is entitled to at least that amount of additional State-paid salary under the
7 rules in effect for the 1992-93 fiscal year.

8 (i) Longevity pay for principals and assistant principals shall be as provided
9 for State employees.

10 (j)(1) If a principal is reassigned to a higher job classification because the
11 principal is transferred to a school within a local school administrative unit with a larger
12 number of State-allotted teachers, the principal shall be placed on the salary schedule as
13 if the principal had served the principal's entire career as a principal at the higher job
14 classification.

15 (2) If a principal is reassigned to a lower job classification because the
16 principal is transferred to a school within a local school administrative
17 unit with a smaller number of State-allotted teachers, the principal shall
18 be placed on the salary schedule as if the principal had served the
19 principal's entire career as a principal at the lower job classification.

20 This subdivision applies to all transfers on or after the effective date of this
21 section, except transfers in school systems that have been created, or
22 will be created, by merging two or more school systems. Transfers in
23 these merged systems are exempt from the provisions of this
24 subdivision for one calendar year following the date of the merger.

25 (k) Participants in an approved full-time masters in school administration
26 program shall receive up to a 10-month stipend at the beginning salary of an assistant
27 principal during the internship period of the masters program. Certification of eligible
28 full-time interns shall be supplied to the Department of Public Instruction by the
29 Principal's Fellow Program or a school of education where the intern participates in a
30 full-time masters in school administration.

31 PART II. SALARIES AND BENEFITS

32 GOVERNOR AND COUNCIL OF STATE/SALARY INCREASES

33 Section 3. (a) G.S. 147-11(a) reads as rewritten:

34 (a) The salary of the Governor shall be ~~one hundred seven thousand one hundred~~
35 ~~thirty two dollars (\$107,132)~~ one hundred ten thousand three hundred forty-six dollars
36 (\$110,346) annually, payable monthly.

37 (b) Section 33(b) of Chapter 443 of the 1997 Session Laws reads as rewritten:

38 (b) The annual salaries for the members of the Council of State, payable monthly,
39 for the ~~1997-98 and 1998-99 fiscal years, year, beginning July 1, 1997, July 1, 1998,~~
40 are:
41
42
43

	of	State
1	Council	
2	<u>Annual Salary</u>	
3		
4	Lieutenant Governor	\$94,552
5	<u>\$97,388</u>	
6	Attorney General	94,552
7	<u>97,388</u>	
8	Secretary of State	94,552
9	<u>97,388</u>	
10	State Treasurer	94,552
11	<u>97,388</u>	
12	State Auditor	94,552
13	<u>97,388</u>	
14	Superintendent of Public Instruction	94,552
15	<u>97,388</u>	
16	Agriculture Commissioner	94,552
17	<u>97,388</u>	
18	Insurance Commissioner	94,552
19	<u>97,388</u>	
20	Labor Commissioner	94,552.
21	<u>97,388."</u>	

NONELECTED DEPARTMENT HEADS/SALARY INCREASES

Section 4. Section 33.1 of Chapter 443 of the 1997 Session Laws reads as rewritten:

"Section 33.1. In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the nonelected heads of the principal State departments for the ~~1997-98 and 1998-99 fiscal years, year,~~ beginning ~~July 1, 1997,~~ July 1, 1998, are:

<u>Nonelected</u>	<u>Department</u>	<u>Heads</u>
30		
31	<u>Annual Salary</u>	
32		
33	Secretary of Administration	\$92,378
34	<u>\$95,149</u>	
35	Secretary of Correction	92,378
36	<u>95,149</u>	
37	Secretary of Cultural Resources	92,378
38	<u>95,149</u>	
39	Secretary of Commerce	92,378
40	<u>95,149</u>	
41	Secretary of Environment, Health,	
42	<u>Environment</u> and Natural Resources	92,378
43	<u>95,149</u>	

1	Secretary of <u>Health and Human Resources</u>	
2	<u>Services</u>	92,378
3	<u>95,149</u>	
4	Secretary of Revenue	92,378
5	<u>95,149</u>	
6	Secretary of Transportation	92,378
7	<u>95,149</u>	
8	Secretary of Crime Control and Public Safety	92,378.
9	<u>95,149."</u>	

CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

Section 5. Section 33.2 of Chapter 443 of the 1997 Session Laws reads as rewritten:

"Section 33.2. The annual salaries, payable monthly, for the ~~1997-98 and 1998-99~~ fiscal ~~years, year,~~ beginning ~~July 1, 1997,~~ July 1, 1998, for the following executive branch officials are:

18	<u>Executive</u>	<u>Branch</u>	<u>Officials</u>
19	<u>Annual Salary</u>		
21	Chairman, Alcoholic Beverage Control		
22	Commissioner		84,080
23	<u>\$86,602</u>		
24	State Controller	117,669	
25	<u>121,199</u>		
26	Commissioner of Motor Vehicles	84,080	
27	<u>86,602</u>		
28	Commissioner of Banks	94,552	
29	<u>97,389</u>		
30	Chairman, Employment Security Commission	117,520	
31	<u>121,046</u>		
32	State Personnel Director	92,378	
33	<u>95,149</u>		
34	Chairman, Parole Commission	76,775	
35	<u>79,078</u>		
36	Members of the Parole Commission	70,881	
37	<u>73,008</u>		
38	Chairman of the Utilities Commission	95,592	
39	<u>98,388</u>		
40	Commissioners of the Utilities Commission	94,552	
41	<u>97,388</u>		
42	Executive Director, Agency for Public		

1	Telecommunications	70,881
2	<u>73,008</u>	
3	General Manager, Ports Railway Commission	64,005
4	<u>65,925</u>	
5	Director, Museum of Art	86,155
6	<u>88,739</u>	
7	Executive Director, Wildlife Resources	
8	Commission	72,569
9		<u>74,746</u>
10	Executive Director, North Carolina Housing	
11	Finance Agency	104,057
12	<u>107,179</u>	
13	Executive Director, North Carolina Agricultural	
14	Finance Authority	81,839
15	<u>84,294</u>	
16	Director, Office of Administrative Hearings	83,141"

JUDICIAL BRANCH OFFICIALS/SALARY INCREASES

18 Section 6. (a) Section 33.7 of Chapter 443 of the 1997 Session Laws reads as
 19 rewritten:
 20

21 "Section 33.7. (a) The annual salaries, payable monthly, for specified judicial
 22 branch officials for the ~~1997-98 and 1998-99 fiscal years, year,~~ beginning ~~July 1, 1997,~~
 23 July 1, 1998, are:
 24

25	<u>Judicial</u>	<u>Branch</u>	<u>Officials</u>
26	<u>Annual Salary</u>		
28	Chief Justice, Supreme Court		\$107,132
29	<u>\$110,346</u>		
30	Associate Justice, Supreme Court		104,333
31	<u>107,463</u>		
32	Chief Judge, Court of Appeals		101,724
33	<u>104,776</u>		
34	Judge, Court of Appeals		99,986
35	<u>102,985</u>		
36	Judge, Senior Regular Resident Superior Court		97,269
37	<u>100,187</u>		
38	Judge, Superior Court		94,552
39	<u>97,388</u>		
40	Chief Judge, District Court		85,857
41	<u>88,433</u>		
42	Judge, District Court		83,141
43	<u>85,635</u>		

1	District Attorney	87,596
2	<u>90,224</u>	
3	Administrative Officer of the Courts	97,269
4	<u>100,187</u>	
5	Assistant Administrative Officer of the Courts	81,684
6	<u>84,134</u>	
7	Public Defender	87,596.
8	<u>90,224.</u>	

9
10 (b) ~~The district attorney or public defender of a judicial district, with the approval~~
11 ~~of the Administrative Officer of the Courts, shall set the salaries of assistant district~~
12 ~~attorneys or assistant public defenders, respectively, in that district such that the average~~
13 ~~salaries of assistant district attorneys or assistant public defenders in that district do not~~
14 ~~exceed fifty three thousand eight hundred eighty three dollars (\$53,883) and the~~
15 ~~minimum salary of any assistant district attorney or assistant public defender is at least~~
16 ~~twenty seven thousand five hundred nine dollars (\$27,509), effective July 1, 1997.~~

17 (e) ~~The salaries in effect for the 1996-97 fiscal year on June 30, 1997, for~~
18 ~~permanent, full-time employees of the Judicial Department, except for those whose~~
19 ~~salaries are itemized in this Part, shall be increased by four percent (4%), commencing~~
20 ~~July 1, 1997.~~

21 (d) ~~The salaries in effect on June 30, 1997, June 30, 1998, for all permanent, part-~~
22 ~~time employees of the Judicial Department shall be increased on and after July 1, 1997,~~
23 ~~by pro rata amounts of four percent (4%)."~~

24 (b) The district attorney or public defender of a judicial district, with the approval
25 of the Administrative Officer of the Courts, shall set the salaries of assistant district
26 attorneys or assistant public defenders, respectively, in that district such that the average
27 salaries of assistant district attorneys or assistant public defenders in that district do not
28 exceed fifty-five thousand five hundred dollars (\$55,500) and the minimum salary of any
29 assistant district attorney or assistant public defender is at least twenty-eight thousand
30 three hundred thirty-four dollars (\$28,334), effective July 1, 1998.

31 (c) The salaries in effect for the 1997-98 fiscal year on June 30, 1998, for
32 permanent, full-time employees of the Judicial Department, except for those whose
33 salaries are itemized in this Part, shall be increased by three percent (3%), commencing
34 July 1, 1998.

35 (d) The salaries in effect on June 30, 1998, for all permanent, part-time employees
36 of the Judicial Department shall be increased on and after July 1, 1998, by pro rata
37 amounts of three percent (3%).

38

39 CLERKS OF SUPERIOR COURT/SALARY INCREASES

40 Section 7. G.S. 7A-101(a) reads as rewritten:

41 "(a) The clerk of superior court is a full-time employee of the State and shall
42 receive an annual salary, payable in equal monthly installments, based on the population

1 of the county as determined in subsection (a1) of this section, according to the following
 2 schedule:

Population	Annual Salary
3	
4 Less than 100,000	\$62,676
5 <u>\$64,556</u>	
6 100,000 to 149,999	70,403
7 <u>72,515</u>	
8 150,000 to 249,999	78,130
9 <u>80,474</u>	
10 250,000 and above	85,857.
11 <u>88,433.</u>	
12	
13	

14 The salary schedule in this subsection is intended to represent the following
 15 percentage of the salary of a chief district court judge:

Population	Annual Salary
17 Less than 100,000	73%
18 100,000 to 149,999	82%
19 150,000 to 249,999	91%
20 250,000 and above	100%.
21	
22	

23 When a county changes from one population group to another, the salary of the clerk
 24 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 25 salary appropriate for the new population group, except that the salary of an incumbent
 26 clerk shall not be decreased by any change in population group during his continuance in
 27 office."

28
 29 **ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT/SALARY**
 30 **INCREASES**

31 Section 8. (a) Effective July 1, 1998, those State employees whose salaries are
 32 determined by G.S. 7A-102 shall receive across-the-board salary increases in the amount
 33 of three percent (3%) in addition to step increases associated with their respective pay
 34 plans.

35 (b) G.S. 7A-102(c1) reads as rewritten:

36 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time
 37 deputy clerk serving as head bookkeeper per county, shall be paid an annual salary
 38 subject to the following minimum and maximum rates:

Assistant	Clerks	and	Head	Bookkeeper
Annual	Salary			An Minimum
39				\$23
40				420
41				420
42				420
43				420

1			<u>\$24</u>
2	<u>.122</u>		
3	Maximum	-41,466	
4		<u>42,710</u>	
5	Deputy		Clerks
6			
7	Annual Salary		
8	Minimum	\$18,724	
9		<u>\$19,286</u>	
10	Maximum	31,940.	
11		<u>32,899."</u>	

MAGISTRATES/SALARY INCREASES

Section 9. Effective July 1, 1998, magistrates shall receive salary increases in the amount of three percent (3%), except that any person entitled to a step increase pursuant to G.S. 7A-171.1 for the 1998-99 fiscal year shall not receive the three percent (3%) increase provided by this section.

GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

Section 10. (a) G.S. 120-37(c) is repealed.

(b) G.S. 120-37 is amended by adding a new subsection to read:

"(c1) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary set by the Legislative Services Commission payable monthly."

SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES

Section 11. G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~two hundred fifty-eight dollars (\$258.00)~~ two hundred sixty-six dollars (\$266.00) per week plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

LEGISLATIVE EMPLOYEES/SALARY INCREASES

Section 12. The Legislative Administrative Officer shall increase the salaries of nonelected employees of the General Assembly in effect for fiscal year 1997-98 by three percent (3%). Nothing in this act limits any of the provisions of G.S. 120-32.

COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

Section 13. The Director of the Budget shall transfer from the Reserve for Salary Increases created in this act for fiscal year 1998-99 funds to the Department of

1 Community Colleges necessary to provide an average annual salary increase of three
2 percent (3%), including funds for the employer's retirement and social security
3 contributions, commencing July 1, 1998, for all permanent full-time community college
4 institutional personnel supported by State funds. The State Board of Community
5 Colleges shall establish guidelines for providing their salary increases to community
6 college institutional personnel to include consideration of increases based on
7 performance. Salary funds shall be used to provide an average annual salary increase of
8 three percent (3%) to all full-time employees and part-time employees on a pro rata basis.
9

10 UNIVERSITY OF NORTH CAROLINA SYSTEM - EPA SALARY INCREASES

11 Section 14. (a) The Director of the Budget shall transfer to the Board of
12 Governors of The University of North Carolina sufficient funds from the Reserve for
13 Compensation Increase created in this act for fiscal year 1998-99 to provide an annual
14 average salary increase of three percent (3%), including funds for the employer's
15 retirement and social security contributions, commencing July 1, 1998, for all employees
16 of The University of North Carolina, as well as employees other than teachers of the
17 North Carolina School of Science and Mathematics, supported by State funds and whose
18 salaries are exempt from the State Personnel Act (EPA). These funds shall be allocated
19 to individuals according to the rules adopted by the Board of Governors, or the Board of
20 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and
21 shall not be used for any purpose other than for salary increases and necessary employer
22 contributions provided by this section. The Board of Governors shall include
23 consideration of increases based on performance in its adoption of rules for the allocation
24 of funds for salary increases.

25 (b) The Director of the Budget shall transfer to the Board of Governors of The
26 University of North Carolina sufficient funds from the Reserve for Salary Increases
27 created in this act for fiscal year 1998-99 to provide an annual average salary increase
28 comparable to that provided in this act for public school teachers, including funds for the
29 employer's retirement and social security contributions, commencing July 1, 1998, for all
30 teaching employees of the North Carolina School of Science and Mathematics, supported
31 by State funds and whose salaries are exempt from the State Personnel Act (EPA). These
32 funds shall be allocated to individuals according to the rules adopted by the Board of
33 Trustees of the North Carolina School of Science and Mathematics and shall not be used
34 for any purpose other than for salary increases and necessary employer contributions
35 provided by this section.
36

37 SCHOOL CENTRAL OFFICE SALARIES

38 Section 15. (a) The following monthly salary ranges apply to assistant
39 superintendents, associate superintendents, directors/coordinators, supervisors, and
40 finance officers for the 1998-99 fiscal year, beginning July 1, 1998:

41 (1)	School Administrator I:
42	\$2,846 - \$4,857

1	(2)	School Administrator II:
2		\$3,021 - \$5,155
3	(3)	School Administrator III:
4		\$3,206 - \$5,471
5	(4)	School Administrator IV:
6		\$3,335 - \$5,692
7	(5)	School Administrator V:
8		\$3,469 - \$5,923
9	(6)	School Administrator VI:
10		\$3,681 - \$6,286
11	(7)	School Administrator VII:
12		\$3,830 - \$6,540

13 The local board of education shall determine the appropriate category and placement for
 14 each assistant superintendent, associate superintendent, director/coordinator, supervisor,
 15 or finance officer within the salary ranges and within funds appropriated by the General
 16 Assembly for central office administrators and superintendents. The category in which
 17 an employee is placed shall be included in the contract of any employee hired on or after
 18 July 1, 1998.

19 (b) The following monthly salary ranges apply to public school superintendents for
 20 the 1998-99 fiscal year, beginning July 1, 1998:

- 21 (1) Superintendent I (Up to 2,500 ADM): \$4,065 - \$6,941
- 22 (2) Superintendent II (2,501 - 5,000 ADM): \$4,315 - \$7,364
- 23 (3) Superintendent III (5,001 - 10,000 ADM): \$4,578 - \$7,815
- 24 (4) Superintendent IV (10,001 - 25,000 ADM): \$4,859 - \$8,293
- 25 (5) Superintendent V (Over 25,000 ADM): \$5,157 - \$8,801

26 The local board of education shall determine the appropriate category and placement for
 27 the superintendent based on the average daily membership of the local school
 28 administrative unit and within funds appropriated by the General Assembly for central
 29 office administrators and superintendents.

30 Notwithstanding the provisions of this subsection, a local board of education
 31 may pay an amount in excess of the applicable range to a superintendent who is entitled
 32 to receive the higher amount under Section 2 of this act.

33 (c) Longevity pay for superintendents, assistant superintendents, associate
 34 superintendents, directors/coordinators, supervisors, and finance officers shall be as
 35 provided for State employees.

36 (d) Superintendents, assistant superintendents, associate superintendents,
 37 directors/coordinators, supervisors, and finance officers with certification based on
 38 academic preparation at the six-year degree level shall receive a salary supplement of one
 39 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
 40 for pursuant to this section. Superintendents, assistant superintendents, associate
 41 superintendents, directors/coordinators, supervisors, and finance officers with
 42 certification based on academic preparation at the doctoral degree level shall receive a

1 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
2 the compensation provided for under this section.

3 (e) The State Board shall not permit local school administrative units to
4 transfer State funds from other funding categories for salaries for public school central
5 office administrators.

6 (f) The Director of the Budget shall transfer from the Reserve for Salary
7 Increases created in this act for fiscal year 1998-99, beginning July 1, 1998, funds
8 necessary to provide an average annual salary increase of three percent (3%), including
9 funds for the employer's retirement and social security contributions, commencing July 1,
10 1998, for all permanent full-time personnel paid from the Central Office Allotment. The
11 State Board of Education shall allocate these funds to local school administrative units.
12 The local boards of education shall establish guidelines for providing their salary
13 increases to these personnel.

14 15 **NONCERTIFIED PERSONNEL SALARY FUNDS/TEACHER ASSISTANT** 16 **SALARY FUNDS**

17 Section 16. (a) The Director of the Budget may transfer from the Reserve for
18 Compensation Increase created in this act for fiscal year 1998-99, commencing July 1,
19 1998, funds necessary to provide a salary increase of three percent (3%), including funds
20 for the employer's retirement and social security contributions, commencing July 1, 1998,
21 for all noncertified public school employees whose salaries are supported from the State's
22 General Fund. Local boards of education shall increase the rates of pay for all such
23 employees who were employed during fiscal year 1997-98 and who continue their
24 employment for fiscal year 1998-99 by at least three percent (3%), commencing July 1,
25 1998. These funds shall not be used for any purpose other than for the salary increases
26 and necessary employer contributions provided by this section.

27 The Director of the Budget may transfer from the Reserve for Compensation
28 Increase created in this act for fiscal year 1998-99, beginning July 1, 1998, funds
29 necessary to provide the salary increases for noncertified public school employees whose
30 salaries are supported from the State's General Fund in accordance with the provisions of
31 this section.

32 The State Board of Education may enact or create salary ranges for
33 noncertified personnel to support increases of three percent (3%) for the 1998-99 fiscal
34 year.

35 (b) G.S. 115C-12(16)b. reads as rewritten:

36 "b. Salary schedules for the following public school support
37 personnel shall be adopted by the State Board of Education:
38 school finance officer, office support personnel, teacher
39 assistants, maintenance supervisors, custodial personnel, and
40 transportation personnel. The Board shall classify these support
41 positions in terms of uniform pay grades included in the salary
42 schedule of the State Personnel Commission.

1 By the end of the third payroll period of the 1995-96 fiscal
2 year, local boards of education shall place State-allotted office
3 support personnel, teacher assistants, and custodial personnel on
4 the salary schedule adopted by the State Board of Education so
5 that the average salary paid is the State-allotted amount for the
6 category. In placing employees on the salary schedule, the local
7 board ~~shall~~may consider the education, training, and experience
8 of each ~~employee.~~employee, including experience in other local
9 school administrative units. It is the intent of the General
10 Assembly that a local school administrative unit not fail to
11 employ an employee who was employed for the prior school year
12 in order to implement the provisions of this sub-subdivision. A
13 local board of education is in compliance with this sub-
14 subdivision if the average salary paid is at least ninety-five
15 percent (95%) of the State-allotted amount for the category at the
16 end of the third payroll period of the 1995-96 fiscal year, and at
17 least ninety-eight percent (98%) of the State-allotted amount for
18 the category at the end of the third payroll period of each
19 subsequent fiscal year. The Department of Public Instruction
20 shall provide technical assistance to local school administrative
21 units regarding the implementation of this sub-subdivision."

22 (c) Subsection (b) of this section applies beginning with the 1999-2000 school
23 year.

24 **COMPENSATION BONUS/STATE EMPLOYEES/SCHOOL PERSONNEL**

25 Section 17. (a) Any person:

- 26 (1) Whose salary is set by or under this Part, other than Sections 3, 4, 5,
27 6(a), 7, 18(a); and 18(c), 18(d), 18(e), except that the exclusion of those
28 under 18(c), 18(d), and 18(e) only applies to those whose salaries are set
29 by the State Personnel Act; and
30 (2) Who was, on July 1, 1998, a permanent officer or permanent employee
31 whose salary is set by or under this Part shall receive not later than
32 October of 1998 a compensation bonus of one percent (1%), except that:
33 a. The compensation bonus for persons subject to Section 13 of this
34 act shall be an average of one percent (1%) per year and shall be
35 allocated in accordance with guidelines adopted by the State
36 Board of Community Colleges;
37 b. The compensation bonus for persons subject to Section 14 of this
38 act shall be an average of one percent (1%) per year and shall be
39 allocated to individuals according to the rules adopted by the
40 Board of Governors, or the Board of Trustees of the North
41 Carolina School of Science and Mathematics, as appropriate; and
42

1 c. The guidelines and rules adopted under sub-subdivisions a. and
2 b. of this subdivision may cover employees of those institutions
3 whose first day of employment for the 1998-99 academic year
4 came after July 1, 1998.

5 (a1) Any person:

6 (1) Who did not receive a compensation bonus under subsection (a) of this
7 section; and

8 (2) Who was employed on the first day of the 1998-99 school year as a
9 permanent public school employee whose salary is set by or under this
10 Part

11 shall receive no later than during the fourth payroll period of the 1998-99 school year a
12 compensation bonus of one percent (1%) of the annual salary for that position.

13 (b) The annual salary on which the percentage compensation bonus is based is the
14 annual salary in effect during the pay period in which the bonus is paid.

15 (c) The Director of the Budget shall transfer from the Reserve for Compensation
16 Increase provided by this act sufficient funds to implement this section.

17 18 **MOST STATE EMPLOYEES/SALARY INCREASES**

19 Section 18. (a) The salaries in effect June 30, 1998, of all permanent full-time State
20 employees whose salaries are set in accordance with the State Personnel Act, and who are
21 paid from the General Fund or the Highway Fund shall be increased, on or after July 1,
22 1998, unless otherwise provided by this act, pursuant to the Comprehensive
23 Compensation System set forth in G.S. 126-7 and rules adopted by the State Personnel
24 Commission, as follows:

25 (1) Career growth recognition awards in the amount of two percent (2%);

26 (2) A cost-of-living adjustment in the amount of one percent (1%); and

27 (3) A performance bonus in the amount of one percent (1%).

28 Notwithstanding G.S. 126-7(4a), any permanent full-time State employee
29 whose salary is set in accordance with the State Personnel Act and whose salary is at the
30 top of the salary range or within two percent (2%) of the top of the salary range shall
31 receive a one-time bonus of two percent (2%) less the career growth recognition award
32 the employee receives. The employee shall receive the career growth bonus at the time
33 the employee is eligible for the career growth recognition award, but not earlier than July
34 1, 1998.

35 (a1) It is the intent of the General Assembly that the annual career growth
36 recognition award in the amount of two percent (2%) provided by G.S. 126-7(c)(4a) shall
37 be part of the continuation budget for each fiscal year of the 1999-2001 biennium.

38 (b) Except as otherwise provided in this act, salaries in effect June 30, 1998, for
39 permanent full-time State officials and persons in exempt positions that are recommended
40 by the Governor or the Governor and the Advisory Budget Commission and set by the
41 General Assembly shall be increased by three percent (3%), commencing July 1, 1998.

42 (c) The salaries in effect June 30, 1998, for all permanent part-time State
43 employees shall be increased on and after July 1, 1998, by pro rata amounts of the salary

1 increases provided for permanent full-time employees covered under subsection (a) of
2 this section.

3 (d) The Director of the Budget may allocate out of special operating funds or from
4 other sources of the employing agency, except tax revenues, sufficient funds to allow a
5 salary increase on and after July 1, 1998, in accordance with subsection (a), (b), or (c) of
6 this section, including funds for the employer's retirement and social security
7 contributions, of the permanent full-time and part-time employees of the agency.

8 (e) Within regular Executive Budget Act procedures as limited by this act, all
9 State agencies and departments may increase on an equitable basis the rate of pay of
10 temporary and permanent hourly State employees, subject to availability of funds in the
11 particular agency or department, by pro rata amounts the salary increase provided for
12 permanent full-time employees covered by the provisions of subsection (a) of this
13 section, commencing July 1, 1998.

14 (f) No State employee or officer shall receive a merit increment during the
15 1998-99 fiscal year except as otherwise provided by this act.

16 17 **ALL STATE-SUPPORTED PERSONNEL**

18 Section 19. (a) Salaries and related benefits for positions that are funded partially
19 from the General Fund or Highway Fund and partially from sources other than the
20 General Fund or Highway Fund shall be increased from the General Fund or Highway
21 Fund appropriation only to the extent of the proportionate part of the salaries paid from
22 the General Fund or Highway Fund.

23 (b) The granting of the salary increases under this act does not affect the status of
24 eligibility for salary increments for which employees may be eligible unless otherwise
25 required by this act.

26 (c) The salary increases provided in this Part are to be effective July 1, 1998, do
27 not apply to persons separated from State service due to resignation, dismissal, reduction
28 in force, death, or retirement, whose last workday is prior to July 1, 1998.

29 Payroll checks issued to employees after July 1, 1998, which represent
30 payment of services provided prior to July 1, 1998, shall not be eligible for salary
31 increases provided for in this act. This subsection shall apply to all employees, subject to
32 or exempt from the State Personnel Act, paid from State funds, including public schools,
33 community colleges, and The University of North Carolina.

34 (d) The Director of the Budget shall transfer from the Reserve for Compensation
35 Increase in this act for fiscal year 1998-99 all funds necessary for the salary increases
36 provided by this act, including funds for the employer's retirement and social security
37 contributions.

38 (d1) The Director of the Budget shall transfer from the Reserve for
39 Compensation Increase in this act for fiscal year 1998-99 one million four hundred
40 thousand dollars (\$1,400,000) to The University of North Carolina Board of Governors
41 for allocation to the Agricultural Research and Cooperative Extension budget codes of
42 North Carolina State University in order to provide sufficient operating support for those
43 programs.

1 (d2) The Director of the Budget shall transfer from the Reserve for
2 Compensation Increase in this act for fiscal year 1998-99 funds necessary to provide
3 statewide teacher supplements for State agency teachers who are paid on the teacher
4 salary schedule as set out in Section 1 of this act based on five percent (5%) of their
5 salaries.

6 (e) Nothing in this act authorizes the transfer of funds between the General
7 Fund and the Highway Fund for salary increases.

8 Section 20. (a) G.S. 126-7(c)(4b) reads as rewritten:

9 "(4b) An employee whose performance is rated at or above level two of the
10 rating scale and who ~~is has not involved in the final written stage of the~~
11 ~~disciplinary procedure received a suspension without pay or demotion~~
12 that has not been resolved shall receive a cost-of-living increase. Other
13 than the Commission, no agency, department, or institution shall set
14 limits or initiate written disciplinary procedures for the purpose of
15 precluding an eligible employee from receiving a cost-of-living
16 adjustment."

17 (b) This section becomes effective July 1, 1998, and applies to any employee
18 involved in the final written stage of a disciplinary procedure on or after January 1, 1997.

19 20 SALARY ADJUSTMENT FUND

21 Section 21. Any remaining appropriations for legislative salary increases not
22 required for that purpose may be used to supplement the Salary Adjustment Fund. These
23 funds shall first be used to provide reclassifications of those positions already approved
24 by the Office of State Personnel. The Office of State Budget and Management shall
25 report to the Joint Legislative Commission on Governmental Operations prior to the
26 allocation of these funds.

27 28 RETIREE COLAS AND FORMULA INCREASE

29 Section 22. (a) G.S. 135-5 is amended by adding a new subsection to read:

30 "(eee) From and after July 1, 1998, the retirement allowance to or on account of
31 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
32 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998, in
33 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1998, the retirement
34 allowance to or on account of beneficiaries whose retirement commenced after July 1,
35 1997, but before June 30, 1998, shall be increased by a prorated amount of two and one-
36 half percent (2.5%) of the allowance payable as determined by the Board of Trustees
37 based upon the number of months that a retirement allowance was paid between July 1,
38 1997, and June 30, 1998."

39 (b) G.S. 135-65 is amended by adding a new subsection to read:

40 "(s) From and after July 1, 1998, the retirement allowance to or on account of
41 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
42 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998.
43 Furthermore, from and after July 1, 1998, the retirement allowance to or on account of

1 beneficiaries whose retirement commenced after July 1, 1997, but before June 30, 1998,
2 shall be increased by a prorated amount of two and one-half percent (2.5%) of the
3 allowance payable as determined by the Board of Trustees based upon the number of
4 months that a retirement allowance was paid between July 1, 1997, and June 30, 1998."

5 (c) G.S. 120-4.22A is amended by adding a new subsection to read:

6 "(m) In accordance with subsection (a) of this section, from and after July 1, 1998,
7 the retirement allowance to or on account of beneficiaries whose retirement commenced
8 on or before January 1, 1998, shall be increased by two and one-half percent (2.5%) of
9 the allowance payable on June 1, 1998. Furthermore, from and after July 1, 1998, the
10 retirement allowance to or on account of beneficiaries whose retirement commenced after
11 January 1, 1998, but before June 30, 1998, shall be increased by a prorated amount of two
12 and one-half percent (2.5%) of the allowance payable as determined by the Board of
13 Trustees based upon the number of months that a retirement allowance was paid between
14 January 1, 1998, and June 30, 1998."

15 (d) G.S. 128-27 is amended by adding a new subsection to read:

16 "(uu) From and after July 1, 1998, the retirement allowance to or on account of
17 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
18 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998, in
19 accordance with subsection (k) of this section. Furthermore, from and after July 1, 1998,
20 the retirement allowance to or on account of beneficiaries whose retirement commenced
21 after July 1, 1997, but before June 30, 1998, shall be increased by a prorated amount of
22 two and one-half percent (2.5%) of the allowance payable as determined by the Board of
23 Trustees based upon the number of months that a retirement allowance was paid between
24 July 1, 1997, and June 30, 1998."

25 (e) G.S. 128-27(b16) reads as rewritten:

26 "(b16) Service Retirement Allowance of Member Retiring on or after July 1,
27 ~~1997-1997~~, but before July 1, 1998. – Upon retirement from service in accordance with
28 subsection (a) or (a1) above, on or after July 1, 1997, but before July 1, 1998, a member
29 shall receive the following service retirement allowance:

30 (1) A member who is a law enforcement officer or an eligible former law
31 enforcement officer shall receive a service retirement allowance
32 computed as follows:

- 33 a. If the member's service retirement date occurs on or after his
34 55th birthday, and completion of five years of creditable service
35 as a law enforcement officer, or after the completion of 30 years
36 of creditable service, the allowance shall be equal to one and
37 seventy-six hundredths percent (1.76%) of his average final
38 compensation, multiplied by the number of years of his
39 creditable service.
- 40 b. If the member's service retirement date occurs on or after his
41 50th birthday and before his 55th birthday with 15 or more years
42 of creditable service as a law enforcement officer and prior to the

1 completion of 30 years of creditable service, his retirement
2 allowance shall be equal to the greater of:

- 3 1. The service retirement allowance payable under G.S. 128-
4 27(b16)(1)a. reduced by one-third of one percent ($1/3$ of
5 1%) thereof for each month by which his retirement date
6 precedes the first day of the month coincident with or next
7 following the month the member would have attained his
8 55th birthday; or
- 9 2. The service retirement allowance as computed under G.S.
10 128-27(b16)(1)a. reduced by five percent (5%) times the
11 difference between 30 years and his creditable service at
12 retirement.

13 (2) A member who is not a law enforcement officer or an eligible former
14 law enforcement officer shall receive a service retirement allowance
15 computed as follows:

- 16 a. If the member's service retirement date occurs on or after his
17 65th birthday upon the completion of five years of creditable
18 service or after the completion of 30 years of creditable service
19 or on or after his 60th birthday upon the completion of 25 years
20 of creditable service, the allowance shall be equal to one and
21 seventy-six hundredths percent (1.76%) of average final
22 compensation, multiplied by the number of years of creditable
23 service.
- 24 b. If the member's service retirement date occurs after his 60th
25 birthday and before his 65th birthday and prior to his completion
26 of 25 years or more of creditable service, his retirement
27 allowance shall be computed as in G.S. 128-27(b16)(2)a. but
28 shall be reduced by one-quarter of one percent ($1/4$ of 1%)
29 thereof for each month by which his retirement date precedes the
30 first day of the month coincident with or next following his 65th
31 birthday.
- 32 c. If the member's early service retirement date occurs on or after
33 his 50th birthday and before his 60th birthday and after
34 completion of 20 years of creditable service but prior to the
35 completion of 30 years of creditable service, his early service
36 retirement allowance shall be equal to the greater of:
 - 37 1. The service retirement allowance as computed under G.S.
38 128-27(b16)(2)a. but reduced by the sum of five-twelfths
39 of one percent ($5/12$ of 1%) thereof for each month by
40 which his retirement date precedes the first day of the
41 month coincident with or next following the month the
42 member would have attained his 60th birthday, plus one-
43 quarter of one percent ($1/4$ of 1%) thereof for each month

1 by which his 60th birthday precedes the first day of the
2 month coincident with or next following his 65th birthday;
3 or

- 4 2. The service retirement allowance as computed under G.S.
5 128-27(b16)(2)a. reduced by five percent (5%) times the
6 difference between 30 years and his creditable service at
7 retirement; or
8 3. If the member's creditable service commenced prior to
9 July 1, 1995, the service retirement allowance equal to the
10 actuarial equivalent of the allowance payable at the age of
11 60 years as computed in G.S. 128-27(b16)(2)b.

- 12 d. Notwithstanding the foregoing provisions, any member whose
13 creditable service commenced prior to July 1, 1965, shall not
14 receive less than the benefit provided by G.S. 128-27(b)."

15 (f) G.S. 128-27 is amended by adding a new subsection to read:

16 "(b17) Service Retirement Allowance of Member Retiring on or After July 1,
17 1998. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
18 or after July 1, 1998, a member shall receive the following service retirement allowance:

19 (1) A member who is a law enforcement officer or an eligible former law
20 enforcement officer shall receive a service retirement allowance
21 computed as follows:

22 a. If the member's service retirement date occurs on or after his
23 55th birthday and completion of five years of creditable service
24 as a law enforcement officer, or after the completion of 30 years
25 of creditable service, the allowance shall be equal to one and
26 seventy-seven hundredths percent (1.77%) of his average final
27 compensation, multiplied by the number of years of his
28 creditable service.

29 b. If the member's service retirement date occurs on or after his
30 50th birthday and before his 55th birthday with 15 or more years
31 of creditable service as a law enforcement officer and prior to the
32 completion of 30 years of creditable service, his retirement
33 allowance shall be equal to the greater of:

34 1. The service retirement allowance payable under G.S. 128-
35 27(b17)(1)a. reduced by one-third of one percent (1/3 of
36 1%) thereof for each month by which his retirement date
37 precedes the first day of the month coincident with or next
38 following the month the member would have attained his
39 55th birthday; or

40 2. The service retirement allowance as computed under G.S.
41 128-27(b17)(1)a. reduced by five percent (5%) times the
42 difference between 30 years and his creditable service at
43 retirement.

- 1 (2) A member who is not a law enforcement officer or an eligible former
2 law enforcement officer shall receive a service retirement allowance
3 computed as follows:
- 4 a. If the member's service retirement date occurs on or after his
5 65th birthday upon the completion of five years of creditable
6 service or after the completion of 30 years of creditable service
7 or on or after his 60th birthday upon the completion of 25 years
8 of creditable service, the allowance shall be equal to one and
9 seventy-seven hundredths percent (1.77%) of average final
10 compensation, multiplied by the number of years of creditable
11 service.
- 12 b. If the member's service retirement date occurs after his 60th
13 birthday and before his 65th birthday and prior to his completion
14 of 25 years or more of creditable service, his retirement
15 allowance shall be computed as in G.S. 128-27(b17)(2)a. but
16 shall be reduced by one-quarter of one percent (1/4 of 1%)
17 thereof for each month by which his retirement date precedes the
18 first day of the month coincident with or next following his 65th
19 birthday.
- 20 c. If the member's early service retirement date occurs on or after
21 his 50th birthday and before his 60th birthday and after
22 completion of 20 years of creditable service but prior to the
23 completion of 30 years of creditable service, his early service
24 retirement allowance shall be equal to the greater of:
- 25 1. The service retirement allowance as computed under G.S.
26 128-27(b17)(2)a. but reduced by the sum of five-twelfths
27 of one percent (5/12 of 1%) thereof for each month by
28 which his retirement date precedes the first day of the
29 month coincident with or next following the month the
30 member would have attained his 60th birthday, plus one-
31 quarter of one percent (1/4 of 1%) thereof for each month
32 by which his 60th birthday precedes the first day of the
33 month coincident with or next following his 65th birthday;
34 or
- 35 2. The service retirement allowance as computed under G.S.
36 128-27(b17)(2)a. reduced by five percent (5%) times the
37 difference between 30 years and his creditable service at
38 retirement; or
- 39 3. If the member's creditable service commenced prior to
40 July 1, 1995, the service retirement allowance equal to the
41 actuarial equivalent of the allowance payable at the age of
42 60 years as computed in G.S. 128-27(b17)(2)b.

1 d. Notwithstanding the foregoing provisions, any member whose
2 creditable service commenced prior to July 1, 1965, shall not
3 receive less than the benefit provided by G.S. 128-27(b)."

4 (g) G.S. 128-27(m) reads as rewritten:

5 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
6 principal beneficiary designated to receive a return of accumulated contributions shall
7 have the right to elect to receive in lieu thereof the reduced retirement allowance
8 provided by Option two of subsection (g) above computed by assuming that the member
9 had retired on the first day of the month following the date of his death, provided that all
10 three of the following conditions apply:

11 (1) a. The member had attained such age and/or creditable service to be
12 eligible to commence retirement with an early or service retirement
13 allowance, or

14 b. The member had obtained 20 years of creditable service in which
15 case the retirement allowance shall be computed in accordance
16 with ~~G.S. 128-27(b16)(1)b.~~ G.S. 128-27(b17)(1)b. or ~~G.S. 128-~~
17 ~~27(b16)(2)c.,~~ G.S. 128-27(b17)(2)c., notwithstanding the
18 requirement of obtaining age 50.

19 (2) The member had designated as the principal beneficiary to receive a
20 return of his accumulated contributions one and only one person who is
21 living at the time of his death.

22 (3) The member had not instructed the Board of Trustees in writing that he
23 did not wish the provisions of this subsection apply.

24 For the purpose of this benefit, a member is considered to be in service at the date of
25 his death if his death occurs within 180 days from the last day of his actual service. The
26 last day of actual service shall be determined as provided in subsection (l) of this
27 section. Upon the death of a member in service, the surviving spouse may make all
28 purchases for creditable service as provided for under this Chapter for which the member
29 had made application in writing prior to the date of death, provided that the date of death
30 occurred prior to or within 60 days after notification of the cost to make the purchase."

31 (h) G.S. 128-27 is amended by adding a new subsection to read:

32 "(vv) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1998. –
33 From and after July 1, 1998, the retirement allowance to or on account of beneficiaries on
34 the retirement rolls as of June 1, 1998, shall be increased by six-tenths of one percent
35 (0.6%) of the allowance payable on June 1, 1998. This allowance shall be calculated on
36 the allowance payable and in effect on June 30, 1998, so as not to be compounded on any
37 other increase payable under subsection (k) of this section or otherwise granted by act of
38 the 1997 General Assembly."

39 (i) This section becomes effective July 1, 1998.

40 41 **EMPLOYER CONTRIBUTION RATES**

42 Section 23. (a) Section 33.23(c) of S.L. 1997-443 reads as rewritten:

1 "(c) Effective July 1, 1998, the State's employer contribution rates budgeted for
2 retirement and related benefits as a percentage of covered salaries for the 1998-99 fiscal
3 year are (i) ~~ten and eighty three hundredths percent (10.83%)~~ ten and one-tenth percent
4 (10.10%) - Teachers and State Employees; (ii) ~~fifteen and eighty three hundredths~~
5 ~~percent (15.83%)~~ fifteen and one-tenth percent (15.10%) - State Law Enforcement
6 Officers; (iii) nine and thirty-six hundredths percent (9.36%) - University Employees'
7 Optional Retirement Program; (iv) ~~twenty two and sixty five hundredths percent~~
8 ~~(22.65%)~~ eighteen and ninety-seven hundredths percent (18.97%) - Consolidated Judicial
9 Retirement System; and (v) twenty-four and fifty-eight hundredths percent (24.58%) -
10 Legislative Retirement System. Each of the foregoing contribution rates includes two
11 percent (2%) for hospital and medical benefits. The rate for State Law Enforcement
12 Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The
13 rates for Teachers and State Employees, State Law Enforcement Officers, and for the
14 University Employees' Optional Retirement Program include fifty-two hundredths
15 percent (0.52%) for the Disability Income Plan."

16 (b) The change provided by subsection (a) of this section is for the 1998-99
17 fiscal year only. It is the intent of the General Assembly that the rates provided by
18 Section 33.23(c) of S.L. 1997-443 shall apply for the 1999-2001 biennium.

19 (c) Required employer salary-related contributions for employees whose salaries
20 are paid from department, office, institution, or agency receipts shall be paid from the
21 same source as the source of the employees' salary. If an employee's salary is paid in part
22 from the General Fund or Highway Fund and in part from department, office, institution,
23 or agency receipts, required employer salary-related contributions may be paid from the
24 General Fund or Highway Fund only to the extent of the proportionate part paid from the
25 General Fund or Highway Fund in support of the salary of the employee, and the
26 remainder of the employer's requirements shall be paid from the source that supplies the
27 remainder of the employee's salary. The requirements of this section as to source of
28 payment are also applicable to payments on behalf of the employee for hospital-medical
29 benefits, longevity pay, unemployment compensation, accumulated leave, workers'
30 compensation, severance pay, separation allowances, and applicable disability income
31 and disability salary continuation benefits.

32 33 **PART III. CUT OFF PER DIEM FOR SENATE**

34 Section 24. Notwithstanding G.S. 120-3.1(c), the period in 1998 after
35 December 31, 1998, for the purposes of G.S. 120-3.1 is deemed, solely for purposes of
36 subsistence and travel allowances paid to members of the Senate, to be a period when the
37 General Assembly is not in session, and no Senate member shall be entitled to
38 subsistence and travel allowance during that period, except under circumstances which
39 would entitle that member to subsistence and travel allowance when the General
40 Assembly is not in session. No subsistence or travel allowance may be authorized on
41 account of attendance at any session of the Senate or any committee of the Senate, prior
42 to sine die adjournment of the 1997 Regular Session of the General Assembly. This
43 section does not apply to the Senate sergeant-at-arms and the Senate reading clerk.

1
2 **PART IV. APPROPRIATIONS**
3 Section 25. Appropriations from the General Fund and the Highway Fund of
4 the State for the salaries and benefits enumerated in Parts I and II of this act are made for
5 the fiscal year ending June 30, 1999, according to the schedule that follows. Amounts set
6 out in brackets are reductions from General Fund or Highway Fund appropriations for the
7 1998-99 fiscal year:

8		
9	<u>Current Operations – General Fund</u>	<u>1998-99</u>
10		
11	Reserve for Compensation Increase	\$386,442,966
12		
13	Retirement Rate Adjustment	(44,381,870)
14		
15	<u>Current Operations – Highway Fund</u>	
16		
17	Reserve for Compensation Increase	16,000,000
18		
19	Retirement Rate Adjustment	(3,612,248)
20		

21 **PART V. EFFECTIVE DATE**

22 Section 26. Parts I, II, and IV of this act and this Part become effective July 1,
23 1998. Part III of this act is effective when it becomes law.