

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 879

Appropriations Committee Substitute Adopted 9/23/98

Short Title: Salary and Retirement Funds.

(Public)

Sponsors:

Referred to:

April 15, 1997

A BILL TO BE ENTITLED

AN ACT TO (I) ENACT TEACHER SALARY SCHEDULES, SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULES, AND SCHOOL CENTRAL OFFICE SALARY RANGES, (II) GRANT SALARY INCREASES OF THREE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (III) PROVIDE BONUSES OF ONE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (IV) MODIFY THE COMPUTATION OF YEARS OF SERVICE FOR TEACHER ASSISTANTS, (V) GRANT COST-OF-LIVING INCREASES OF TWO AND ONE-HALF PERCENT TO MOST RETIREES FROM STATE-ADMINISTERED RETIREMENT SYSTEMS, (VI) SET EMPLOYER CONTRIBUTION RATES FOR THE STATE-ADMINISTERED RETIREMENT SYSTEMS, (VII) PROVIDE FOR A SALARY ADJUSTMENT FUND, AND (VIII) APPROPRIATE FUNDS FOR THESE PURPOSES.

The General Assembly of North Carolina enacts:

TEACHER SALARY SCHEDULES

Section 1. (a) Effective for the 1998-99 school year, the Director of the Budget may transfer from the Reserve for Compensation Increase for the 1998-99 fiscal year

1 funds necessary to implement the teacher salary schedule set out in subsection (b) of this
 2 section, including funds for the employer's retirement and social security contributions
 3 and funds for annual longevity payments at one percent (1%) of base salary for 10 to 14
 4 years of State service, one and one-half percent (1.5%) of base salary for 15 to 19 years
 5 of State service, two percent (2%) of base salary for 20 to 24 years of State service, and
 6 four and one-half percent (4.5%) of base salary for 25 or more years of State service,
 7 commencing July 1, 1998, for all teachers whose salaries are supported from the State's
 8 General Fund. These funds shall be allocated to individuals according to rules adopted
 9 by the State Board of Education and the Superintendent of Public Instruction. The
 10 longevity payment shall be paid in a lump sum once a year.

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

15
 16 **1998-99 MONTHLY SALARY SCHEDULE**
 17 **"A"TEACHERS**

18	19	20	21
	Years of	"A"	NBPTS
	Experience	Teachers	Certification
22	0	2,310	N/A
23	1	2,352	N/A
24	2	2,395	N/A
25	3	2,551	2,857
26	4	2,678	2,999
27	5	2,779	3,112
28	6	2,826	3,165
29	7	2,874	3,218
30	8	2,923	3,273
31	9	2,972	3,328
32	10	3,021	3,383
33	11	3,071	3,439
34	12	3,123	3,497
35	13	3,176	3,557
36	14	3,230	3,617
37	15	3,285	3,679
38	16	3,341	3,741
39	17	3,398	3,805
40	18	3,456	3,870
41	19	3,516	3,937
42	20	3,577	4,006
43	21	3,640	4,076

1	22	3,703	4,147
2	23	3,767	4,219
3	24	3,832	4,291
4	25	3,899	4,366
5	26	3,968	4,444
6	27	4,038	4,522
7	28	4,109	4,602
8	29+	4,182	4,683

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

13	Years of	"G"	NBPTS
14	Experience	Teachers	Certification
15			
16	0	2,454	N/A
17	1	2,499	N/A
18	2	2,545	N/A
19	3	2,710	3,035
20	4	2,845	3,186
21	5	2,953	3,307
22	6	3,003	3,363
23	7	3,054	3,420
24	8	3,106	3,478
25	9	3,158	3,536
26	10	3,210	3,595
27	11	3,263	3,654
28	12	3,318	3,716
29	13	3,375	3,780
30	14	3,432	3,843
31	15	3,490	3,908
32	16	3,550	3,976
33	17	3,610	4,043
34	18	3,672	4,112
35	19	3,736	4,184
36	20	3,801	4,257
37	21	3,868	4,332
38	22	3,934	4,406
39	23	4,002	4,482
40	24	4,072	4,560
41	25	4,143	4,640
42	26	4,216	4,721
43	27	4,290	4,804

1	28	4,366	4,889
2	29+	4,443	4,976

3 (2) Certified public school teachers with certification based on academic
 4 preparation at the six-year degree level shall receive a salary supplement
 5 of one hundred twenty-six dollars (\$126.00) per month in addition to the
 6 compensation provided for certified personnel of the public schools who
 7 are classified as "G"teachers. Certified public school teachers with
 8 certification based on academic preparation at the doctoral degree level
 9 shall receive a salary supplement of two hundred fifty-three dollars
 10 (\$253.00) per month in addition to the compensation provided for
 11 certified personnel of the public schools who are classified as
 12 "G"teachers.

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

20 Certified psychologists with certification based on academic preparation at the
 21 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars
 22 (\$126.00) per month in addition to the compensation provided for certified psychologists.
 23 Certified psychologists with certification based on academic preparation at the doctoral
 24 degree level shall receive a salary supplement of two hundred fifty-three dollars
 25 (\$253.00) per month in addition to the compensation provided for certified psychologists.

26 (d) Effective for the 1998-99 school year, speech pathologists who are certified
 27 as speech pathologists at the masters degree level and audiologists who are certified as
 28 audiologists at the masters degree level and who are employed in the public schools as
 29 speech and language specialists and audiologists shall be paid on the school psychologist
 30 salary schedule.

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

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

42

43 **SCHOOL-BASED ADMINISTRATOR SALARIES**

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

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

		Assistant Principals			Principal I		
Step	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	

		Principal II			Principal III		
Step	Base	Base	Base	Base	Base	Base	

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

		Principal IV			Principal V		
	Step	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
36							
37							
38							
39							
40							
41	4	—	—	—	—	—	—
42	5	—	—	—	—	—	—
43	6	—	—	—	—	—	—

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

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

36				
37			Principal VIII	
38	Step	Base	Base	Base
39			+ 1%	+ 2%
40				
41	4	—	—	—
42	5	—	—	—
43	6	—	—	—

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

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

40		Number of Teachers
41	Classification	Supervised
42	Assistant Principal	
43	Principal I	Fewer than 11 Teachers

1	Principal II	11-21 Teachers
2	Principal III	22-32 Teachers
3	Principal IV	33-43 Teachers
4	Principal V	44-54 Teachers
5	Principal VI	55-65 Teachers
6	Principal VII	66-100 Teachers
7	Principal VIII	More than 100 Teachers

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

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

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

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

19 (1) The employee's school met or exceeded the projected levels of
20 improvement in student performance for the 1997-98 fiscal year, in
21 accordance with the ABCs of Public Education Program; or

22 (2) The local board of education found in 1997-98 that the employee's
23 school met objectively measurable goals set by the local board of
24 education for maintaining a safe and orderly school.

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

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

29 (1) One percent (1%) of his or her State-paid salary if the employee's school
30 meets or exceeds the projected levels of improvement in student
31 performance for the 1998-99 fiscal year, in accordance with the ABCs
32 of Public Education Program; or

33 (2) One percent (1%) of his or her State-paid salary if the local board of
34 education finds that the employee's school has met the goals of the local
35 plan for maintaining a safe and orderly school.

36 The principal or assistant principal shall receive a lump-sum payment of two percent
37 (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied.

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

41 (g) Principals and assistant principals with certification based on academic
42 preparation at the six-year degree level shall be paid a salary supplement of one hundred

1 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a
2 salary supplement of two hundred fifty-three dollars (\$253.00) per month.

3 (h) There shall be no State requirement that superintendents in each local
4 school unit shall receive in State-paid salary at least one percent (1%) more than the
5 highest paid principal receives in State salary in that school unit: Provided, however, the
6 additional State-paid salary a superintendent who was employed by a local school
7 administrative unit for the 1992-93 fiscal year received because of that requirement shall
8 not be reduced because of this subsection for subsequent fiscal years that the
9 superintendent is employed by that local school administrative unit so long as the
10 superintendent is entitled to at least that amount of additional State-paid salary under the
11 rules in effect for the 1992-93 fiscal year.

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

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

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

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

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

35 36 GOVERNOR AND COUNCIL OF STATE/SALARY INCREASES

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

38 "(a) The salary of the Governor shall be ~~one hundred seven thousand one hundred~~
39 ~~thirty two dollars (\$107,132)~~ one hundred ten thousand three hundred forty-six dollars
40 (\$110,346) annually, payable monthly."

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

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

<u>Council</u>	<u>of</u>	<u>State</u>
<u>Annual Salary</u>		
Lieutenant Governor		\$94,552
<u>\$97,388</u>		
Attorney General		94,552
<u>97,388</u>		
Secretary of State		94,552
<u>97,388</u>		
State Treasurer		94,552
<u>97,388</u>		
State Auditor		94,552
<u>97,388</u>		
Superintendent of Public Instruction		94,552
<u>97,388</u>		
Agriculture Commissioner		94,552
<u>97,388</u>		
Insurance Commissioner		94,552
<u>97,388</u>		
Labor Commissioner		94,552.
<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>
<u>Annual Salary</u>		
Secretary of Administration		\$92,378
<u>\$95,149</u>		
Secretary of Correction		92,378
<u>95,149</u>		
Secretary of Cultural Resources		92,378
<u>95,149</u>		

1	Secretary of Commerce	92,378
2	<u>95,149</u>	
3	Secretary of Environment, Health,	
4	<u>Environment</u> and Natural Resources	92,378
5	<u>95,149</u>	
6	Secretary of <u>Health and Human Resources</u>	
7	<u>Services</u>	92,378
8	<u>95,149</u>	
9	Secretary of Revenue	92,378
10	<u>95,149</u>	
11	Secretary of Transportation	92,378
12	<u>95,149</u>	
13	Secretary of Crime Control and Public Safety	92,378.
14	<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:

<u>Executive</u>	<u>Branch</u>	<u>Officials</u>
<u>Annual Salary</u>		
Chairman, Alcoholic Beverage Control Commission		84,080
<u>\$86,602</u>		
State Controller	117,669	
<u>121,199</u>		
Commissioner of Motor Vehicles	84,080	
<u>86,602</u>		
Commissioner of Banks	94,552	
<u>97,389</u>		
Chairman, Employment Security Commission	117,520	
<u>121,046</u>		
State Personnel Director	92,378	
<u>95,149</u>		
Chairman, Parole Commission	76,775	
<u>79,078</u>		
Members of the Parole Commission	70,881	
<u>73,008</u>		

1	Chairman of the Utilities Commission	95,592
2	<u>98,460</u>	
3	Commissioners of the Utilities Commission	94,552
4	<u>97,388</u>	
5	Executive Director, Agency for Public	
6	Telecommunications	70,881
7	<u>73,008</u>	
8	General Manager, Ports Railway Commission	64,005
9	<u>65,925</u>	
10	Director, Museum of Art	86,155
11	<u>88,739</u>	
12	Executive Director, Wildlife Resources	
13	Commission	72,569
14		<u>74,746</u>
15	Executive Director, North Carolina Housing	
16	Finance Agency	104,057
17	<u>107,179</u>	
18	Executive Director, North Carolina Agricultural	
19	Finance Authority	81,839
20	<u>84,294</u>	
21	Director, Office of Administrative Hearings	83,141"

JUDICIAL BRANCH OFFICIALS/SALARY INCREASES

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

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

	Judicial	Branch	Officials
30	<hr/>		
31	<u>Annual Salary</u>		
32			
33	Chief Justice, Supreme Court		\$107,132
34	<u>\$110,346</u>		
35	Associate Justice, Supreme Court		104,333
36	<u>107,463</u>		
37	Chief Judge, Court of Appeals		101,724
38	<u>104,776</u>		
39	Judge, Court of Appeals		99,986
40	<u>102,985</u>		
41	Judge, Senior Regular Resident Superior Court		97,269
42	<u>100,187</u>		

1	Judge, Superior Court	94,552
2	<u>97,388</u>	
3	Chief Judge, District Court	85,857
4	<u>88,433</u>	
5	Judge, District Court	83,141
6	<u>85,635</u>	
7	District Attorney	87,596
8	<u>90,224</u>	
9	Administrative Officer of the Courts	97,269
10	<u>100,187</u>	
11	Assistant Administrative Officer of the Courts	81,684
12	<u>84,134</u>	
13	Public Defender	87,596.
14	<u>90,224.</u>	

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

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

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

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

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

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

CLERKS OF SUPERIOR COURT/SALARY INCREASES

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

"(a) The clerk of superior court is a full-time employee of the State and shall receive an annual salary, payable in equal monthly installments, based on the population of the county as determined in subsection (a1) of this section, according to the following schedule:

Population	Annual Salary
Less than 100,000	\$62,676
<u>\$64,556</u>	
100,000 to 149,999	70,403
<u>72,515</u>	
150,000 to 249,999	78,130
<u>80,474</u>	
250,000 and above	85,857.
<u>88,433.</u>	

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

Population	Annual Salary
Less than 100,000	73%
100,000 to 149,999	82%
150,000 to 249,999	91%
250,000 and above	100%.

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

ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT/SALARY INCREASES

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

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

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

1	Assistant	Clerks	and	Head	Bookkeeper
2					An
3	nual	Salary			Minimum
4					\$23
5	,420				
6					<u>\$24</u>
7	<u>,122</u>				
8	Maximum			-41,466	
9				<u>42,710</u>	
10	Deputy				Clerks
11					
12	Annual Salary				
13	Minimum			\$18,724	
14				<u>\$19,286</u>	
15	Maximum			31,940.	
16				<u>32,899."</u>	

17 **MAGISTRATES/SALARY INCREASES**

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

22
 23 **GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES**

24 Section 10. G.S. 120-37(c) reads as rewritten:
 25 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
 26 entitled to other benefits available to permanent legislative employees and shall be paid
 27 an annual salary of ~~fifty nine thousand eight hundred sixty one dollars (\$59,861)~~ sixty-
 28 one thousand six hundred fifty-seven dollars (\$61,657) payable monthly. The Legislative
 29 Services Commission shall review the salary of the principal clerks prior to submission of
 30 the proposed operating budget of the General Assembly to the Governor and Advisory
 31 Budget Commission and shall make appropriate recommendations for changes in those
 32 salaries. Any changes enacted by the General Assembly shall be by amendment to this
 33 paragraph."

34
 35 **SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES**

36 Section 11. G.S. 120-37(b) reads as rewritten:
 37 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary
 38 of ~~two hundred fifty eight dollars (\$258.00)~~ two hundred sixty-six (\$266.00) per week
 39 plus subsistence at the same daily rate provided for members of the General Assembly,
 40 plus mileage at the rate provided for members of the General Assembly for one round trip
 41 only from their homes to Raleigh and return. The sergeants-at-arms shall serve during
 42 sessions of the General Assembly and at such time prior to the convening of, and

1 subsequent to adjournment or recess of, sessions as may be authorized by the Legislative
2 Services Commission. The reading clerks shall serve during sessions only."

3 4 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

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

8 9 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

10 Section 13. The Director of the Budget shall transfer from the Reserve for
11 Salary Increases created in this act for fiscal year 1998-99 funds to the Department of
12 Community Colleges necessary to provide an average annual salary increase of three
13 percent (3%), including funds for the employer's retirement and social security
14 contributions, commencing July 1, 1998, for all permanent full-time community college
15 institutional personnel supported by State funds. The State Board of Community
16 Colleges shall establish guidelines for providing their salary increases to community
17 college institutional personnel to include consideration of increases based on
18 performance. Salary funds shall be used to provide an average annual salary increase of
19 three percent (3%) to all full-time employees and part-time employees on a pro rata basis.
20

21 **UNIVERSITY OF NORTH CAROLINA SYSTEM - EPA SALARY INCREASES**

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

36 (b) The Director of the Budget shall transfer to the Board of Governors of The
37 University of North Carolina sufficient funds from the Reserve for Salary Increases
38 created in this act for fiscal year 1998-99 to provide an annual average salary increase
39 comparable to that provided in this act for public school teachers, including funds for the
40 employer's retirement and social security contributions, commencing July 1, 1998, for all
41 teaching employees of the North Carolina School of Science and Mathematics, supported
42 by State funds and whose salaries are exempt from the State Personnel Act (EPA). These
43 funds shall be allocated to individuals according to the rules adopted by the Board of

1 Trustees of the North Carolina School of Science and Mathematics and shall not be used
2 for any purpose other than for salary increases and necessary employer contributions
3 provided by this section.

5 SCHOOL CENTRAL OFFICE SALARIES

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

9	(1)	School Administrator I:
10		\$2,846 - \$4,857
11	(2)	School Administrator II:
12		\$3,021 - \$5,155
13	(3)	School Administrator III:
14		\$3,206 - \$5,471
15	(4)	School Administrator IV:
16		\$3,335 - \$5,692
17	(5)	School Administrator V:
18		\$3,469 - \$5,923
19	(6)	School Administrator VI:
20		\$3,681 - \$6,286
21	(7)	School Administrator VII:
22		\$3,830 - \$6,540

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

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

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

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

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

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

4 (d) Superintendents, assistant superintendents, associate superintendents,
5 directors/coordinators, supervisors, and finance officers with certification based on
6 academic preparation at the six-year degree level shall receive a salary supplement of one
7 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
8 for pursuant to this section. Superintendents, assistant superintendents, associate
9 superintendents, directors/coordinators, supervisors, and finance officers with
10 certification based on academic preparation at the doctoral degree level shall receive a
11 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
12 the compensation provided for under this section.

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

16 (f) The Director of the Budget shall transfer from the Reserve for Salary
17 Increases created in this act for fiscal year 1998-99, beginning July 1, 1998, funds
18 necessary to provide an average annual salary increase of three percent (3%), including
19 funds for the employer's retirement and social security contributions, commencing July 1,
20 1998, for all permanent full-time personnel paid from the Central Office Allotment. The
21 State Board of Education shall allocate these funds to local school administrative units.
22 The local boards of education shall establish guidelines for providing their salary
23 increases to these personnel.

24 25 **NONCERTIFIED PERSONNEL SALARY FUNDS/TEACHER ASSISTANT** 26 **SALARY FUNDS**

27 Section 16. (a) The Director of the Budget may transfer from the Reserve for
28 Compensation Increase created in this act for fiscal year 1998-99, commencing July 1,
29 1998, funds necessary to provide a salary increase of three percent (3%), including funds
30 for the employer's retirement and social security contributions, commencing July 1, 1998,
31 for all noncertified public school employees whose salaries are supported from the State's
32 General Fund. Local boards of education shall increase the rates of pay for all such
33 employees who were employed during fiscal year 1997-98 and who continue their
34 employment for fiscal year 1998-99 by at least three percent (3%), commencing July 1,
35 1998. These funds shall not be used for any purpose other than for the salary increases
36 and necessary employer contributions provided by this section.

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

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

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

5 "b. Salary schedules for the following public school support
6 personnel shall be adopted by the State Board of Education:
7 school finance officer, office support personnel, teacher
8 assistants, maintenance supervisors, custodial personnel, and
9 transportation personnel. The Board shall classify these support
10 positions in terms of uniform pay grades included in the salary
11 schedule of the State Personnel Commission.

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

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

35 36 **COMPENSATION BONUS/STATE EMPLOYEES/SCHOOL PERSONNEL**

37 Section 17. (a) Any person:

- 38 (1) Whose salary is set by or under this Act, other than Sections 1, 2, 3, 4,
39 5, 6(a), 7, 18(a); and 18(c), 18(d), 18(e), except that the exclusion of
40 those under 18(c), 18(d), and 18(e) only applies to those whose salaries
41 are set by the State Personnel Act; and

1 (2) Who was, on July 1, 1998, a permanent officer or permanent employee
2 shall receive not later than October of 1998 a compensation bonus of
3 one percent (1%), except that:

4 a. The compensation bonus for persons subject to Section 13 of this
5 act shall be an average of one percent (1%) per year and shall be
6 allocated in accordance with guidelines adopted by the State
7 Board of Community Colleges;

8 b. The compensation bonus for persons subject to Section 14 of this
9 act shall be an average of one percent (1%) per year and shall be
10 allocated to individuals according to the rules adopted by the
11 Board of Governors, or the Board of Trustees of the North
12 Carolina School of Science and Mathematics, as appropriate; and

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

17 (a1) Any person:

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

20 (2) Who was employed on the first day of the 1998-99 school year as a
21 permanent public school employee whose salary is set by or under
22 Sections 13 through 16 of this act shall receive in the fourth payroll
23 period of the 1998-99 school year a compensation bonus of one percent
24 (1%) of the annual salary for that position.

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

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

30 MOST STATE EMPLOYEES/SALARY INCREASES

31 Section 18. (a) The salaries in effect June 30, 1998, of all permanent full-time State
32 employees whose salaries are set in accordance with the State Personnel Act, and who are
33 paid from the General Fund or the Highway Fund shall be increased, on or after July 1,
34 1998, unless otherwise provided by this act, pursuant to the Comprehensive
35 Compensation System set forth in G.S. 126-7 and rules adopted by the State Personnel
36 Commission, as follows:

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

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

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

40 Notwithstanding G.S. 126-7(4a), any permanent full-time State employee
41 whose salary is set in accordance with the State Personnel Act and whose salary is at the
42 top of the salary range or within two percent (2%) of the top of the salary range shall
43 receive a one-time bonus of two percent (2%) less the career growth recognition award

1 the employee receives. The employee shall receive the career growth bonus at the time
2 the employee is eligible for the career growth recognition award, but not earlier than July
3 1, 1998.

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

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

11 (c) The salaries in effect June 30, 1998, for all permanent part-time State
12 employees shall be increased on and after July 1, 1998, by pro rata amounts of the salary
13 increases provided for permanent full-time employees covered under subsection (a) of
14 this section.

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

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

26 (f) No State employee or officer shall receive a merit increment during the
27 1998-99 fiscal year except as otherwise provided by this act.

28 29 **ALL STATE-SUPPORTED PERSONNEL**

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

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

38 (c) The salary increases provided in this act are to be effective July 1, 1998, do not
39 apply to persons separated from State service due to resignation, dismissal, reduction in
40 force, death, or retirement, whose last workday is prior to July 1, 1998, or to employees
41 involved in final written disciplinary procedures. The employee shall receive the
42 increase on a current basis when the final written disciplinary procedure is resolved.

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

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

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

16 (f) Nothing in this act authorizes the transfer of funds between the General
17 Fund and the Highway Fund for salary increases.

18 19 **SALARY ADJUSTMENT FUND**

20 Section 20. Any remaining appropriations for legislative salary increases not
21 required for that purpose may be used to supplement the Salary Adjustment Fund. These
22 funds shall first be used to provide reclassifications of those positions already approved
23 by the Office of State Personnel. The Office of State Budget and Management shall
24 report to the Joint Legislative Commission on Governmental Operations prior to the
25 allocation of these funds.

26 27 **RETIREE COLAS AND FORMULA INCREASE**

28 Section 21. (a) G.S. 135-5 is amended by adding a new subsection to read:

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

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

39 "(s) From and after July 1, 1998, the retirement allowance to or on account of
40 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
41 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998.
42 Furthermore, from and after July 1, 1998, the retirement allowance to or on account of
43 beneficiaries whose retirement commenced after July 1, 1997, but before June 30, 1998,

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

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

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

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

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

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

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

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

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

39 b. If the member's service retirement date occurs on or after his
40 50th birthday and before his 55th birthday with 15 or more years
41 of creditable service as a law enforcement officer and prior to the
42 completion of 30 years of creditable service, his retirement
43 allowance shall be equal to the greater of:

- 1 1. The service retirement allowance payable under G.S. 128-
2 27(b16)(1)a. reduced by one-third of one percent (1/3 of
3 1%) thereof for each month by which his retirement date
4 precedes the first day of the month coincident with or next
5 following the month the member would have attained his
6 55th birthday; or
 - 7 2. The service retirement allowance as computed under G.S.
8 128-27(b16)(1)a. reduced by five percent (5%) times the
9 difference between 30 years and his creditable service at
10 retirement.
- 11 (2) A member who is not a law enforcement officer or an eligible former
12 law enforcement officer shall receive a service retirement allowance
13 computed as follows:
- 14 a. If the member's service retirement date occurs on or after his
15 65th birthday upon the completion of five years of creditable
16 service or after the completion of 30 years of creditable service
17 or on or after his 60th birthday upon the completion of 25 years
18 of creditable service, the allowance shall be equal to one and
19 seventy-six hundredths percent (1.76%) of average final
20 compensation, multiplied by the number of years of creditable
21 service.
 - 22 b. If the member's service retirement date occurs after his 60th
23 birthday and before his 65th birthday and prior to his completion
24 of 25 years or more of creditable service, his retirement
25 allowance shall be computed as in G.S. 128-27(b16)(2)a. but
26 shall be reduced by one-quarter of one percent (1/4 of 1%)
27 thereof for each month by which his retirement date precedes the
28 first day of the month coincident with or next following his 65th
29 birthday.
 - 30 c. If the member's early service retirement date occurs on or after
31 his 50th birthday and before his 60th birthday and after
32 completion of 20 years of creditable service but prior to the
33 completion of 30 years of creditable service, his early service
34 retirement allowance shall be equal to the greater of:
 - 35 1. The service retirement allowance as computed under G.S.
36 128-27(b16)(2)a. but reduced by the sum of five-twelfths
37 of one percent (5/12 of 1%) thereof for each month by
38 which his retirement date precedes the first day of the
39 month coincident with or next following the month the
40 member would have attained his 60th birthday, plus one-
41 quarter of one percent (1/4 of 1%) thereof for each month
42 by which his 60th birthday precedes the first day of the

- 1 month coincident with or next following his 65th birthday;
2 or
- 3 2. The service retirement allowance as computed under G.S.
4 128-27(b16)(2)a. reduced by five percent (5%) times the
5 difference between 30 years and his creditable service at
6 retirement; or
- 7 3. If the member's creditable service commenced prior to
8 July 1, 1995, the service retirement allowance equal to the
9 actuarial equivalent of the allowance payable at the age of
10 60 years as computed in G.S. 128-27(b16)(2)b.
- 11 d. Notwithstanding the foregoing provisions, any member whose
12 creditable service commenced prior to July 1, 1965, shall not
13 receive less than the benefit provided by G.S. 128-27(b)."
- 14 (f) G.S. 128-27 is amended by adding a new subsection to read:
- 15 "(b17) Service Retirement Allowance of Member Retiring on or After July 1,
16 1998. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
17 or after July 1, 1998, a member shall receive the following service retirement allowance:
- 18 (1) A member who is a law enforcement officer or an eligible former law
19 enforcement officer shall receive a service retirement allowance
20 computed as follows:
- 21 a. If the member's service retirement date occurs on or after his
22 55th birthday and completion of five years of creditable service
23 as a law enforcement officer, or after the completion of 30 years
24 of creditable service, the allowance shall be equal to one and
25 seventy-seven hundredths percent (1.77%) of his average final
26 compensation, multiplied by the number of years of his
27 creditable service.
- 28 b. If the member's service retirement date occurs on or after his
29 50th birthday and before his 55th birthday with 15 or more years
30 of creditable service as a law enforcement officer and prior to the
31 completion of 30 years of creditable service, his retirement
32 allowance shall be equal to the greater of:
- 33 1. The service retirement allowance payable under G.S. 128-
34 27(b17)(1)a. reduced by one-third of one percent (1/3 of
35 1%) thereof for each month by which his retirement date
36 precedes the first day of the month coincident with or next
37 following the month the member would have attained his
38 55th birthday; or
- 39 2. The service retirement allowance as computed under G.S.
40 128-27(b17)(1)a. reduced by five percent (5%) times the
41 difference between 30 years and his creditable service at
42 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 22. (a) Section 33.23(c) of S.L. 1997-443 reads as rewritten:

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

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

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

CURRENT OPERATIONS/GENERAL FUND

Section 23. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the fiscal year ending June 30, 1999, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 1998-99 fiscal year.

<u>Current Operations - General Fund</u>			<u>1998-99</u>
Reserve	for	Compensation	Increase
			343,271
,828			

1						
2	Reserve	for	1%	Compensation		Bonus
3						43,171,
4	138					
5						
6	Retirement Rate Adjustment					
7	Teachers	and	State	Employees	Retirement	System
8	(42,909,070)					
9	Consolidated		Judicial		Retirement	System
10	(1,472,800)					
11						
12	TOTAL					
13						\$342,06
14	1,096					

CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

17 Section 24. Appropriations from the Highway Fund of the State for the
 18 maintenance and operation of the Department of Transportation, and for other purposes
 19 as enumerated, are made for the fiscal year ending June 30, 1999, according to the
 20 schedule that follows. Amounts set out in brackets are reductions from Highway Fund
 21 appropriations for the 1998-99 fiscal year.

22 Current Operations - Highway Fund 1998-99

23						
24	Reserve	for		Compensation		Increase
25						12,000,
26	000					
27						
28	Reserve	for	1%	Compensation		Bonus
29						4,000,0
30	00					
31						
32	Retirement Rate Adjustment					
33	Teachers	and	State	Employees	Retirement	System
34	(3,612,248)					
35						
36	TOTAL					
37						\$12,387
38	,752					

40 **SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL**
 41 **RECEIPTS/AUTHORIZATION FOR EXPENDITURES**

42 Section 25. There is appropriated out of the cash balances, federal receipts, and
 43 departmental receipts available to each department, sufficient amounts to implement the

1 provisions of this act. All these cash balances, federal receipts, and departmental receipts
2 shall be expended and reported in accordance with provisions of the Executive Budget
3 Act, except as otherwise provided by statute, and shall be expended at the level
4 authorized by the General Assembly.

5

6 **EFFECTIVE DATE**

7 Section 26. Except as otherwise provided, this act becomes effective July 1,
8 1998.