

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

**H**

**1**

**HOUSE BILL 1629**

Short Title: State Employees/Teachers Pay. (Public)

Sponsors: Representatives Goodwin; B. Allen, Bell, Bonner, Bordsen, Carney, England, Farmer-Butterfield, Lucas, Rapp, Ross, and Wainwright.

Referred to: Appropriations.

May 24, 2004

A BILL TO BE ENTITLED

AN ACT APPROPRIATING FUNDS TO PROVIDE TO PUBLIC SCHOOL PERSONNEL AND TO STATE EMPLOYEES, EXCEPT MEMBERS OF THE GENERAL ASSEMBLY AND COUNCIL OF STATE, A PAY INCREASE OF FIVE PERCENT AND ESTABLISHING A MINIMUM LIVING WAGE FOR STATE-FUNDED EMPLOYEES.

The General Assembly of North Carolina enacts:

**SECTION 1.** Section 30.13 of S.L. 2003-284 reads as rewritten:

**"SECTION 30.13.(a)** The salaries in effect June 30, 2003, of all permanent full-time State employees whose salaries are set in accordance with the State Personnel Act, and who are paid from the General Fund or the Highway Fund shall remain in effect for the 2003-2004 ~~and 2004-2005 fiscal years, fiscal year,~~ and there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part. Effective July 1, 2004, the salaries of all permanent full-time State employees whose salaries are set in accordance with the State Personnel Act and who are paid from the General Fund or the Highway Fund shall be increased by five percent (5%), unless otherwise provided by this act.

**"SECTION 30.13.(b)** Except as otherwise provided in this act, the compensation of permanent full-time State officials and persons in exempt positions that are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall remain in effect, and there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part. Effective July 1, 2004, the compensation of permanent full-time State officials and persons in exempt positions that are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall be increased by five percent (5%), unless otherwise provided by this act.

1       "**SECTION 30.13.(c)** ~~The~~ For the 2003-2004 fiscal year, the salaries of all  
2 permanent part-time State employees shall remain in effect, and there shall be awarded  
3 a compensation bonus for the 2003-2004 fiscal year as authorized in this Part.

4       "**SECTION 30.13.(d)** The Director of the Budget may allocate out of special  
5 operating funds or from other sources of the employing agency, except tax revenues,  
6 sufficient funds for salaries in accordance with subsection (a), (b), or (c) of this section  
7 including funds for the employer's retirement and social security contributions, for the  
8 permanent full-time and part-time employees of the agency, provided the employing  
9 agency elects to make available the necessary funds."

10       **SECTION 2.** Section 30.14 of S.L. 2003-284 reads as rewritten:

11       "**SECTION 30.14.(a)** Salaries and related benefits for positions that are funded  
12 partially from the General Fund or Highway Fund and partially from sources other than  
13 the General Fund or Highway Fund shall remain in effect and be paid from the General  
14 Fund or Highway Fund appropriation only to the extent of the proportionate part of the  
15 salaries paid from the General Fund or Highway Fund.

16       "**SECTION 30.14.(a1)** Effective July 1, 2004, salaries and related benefits for  
17 positions that are funded partially from the General Fund or Highway Fund and partially  
18 from sources other than the General Fund or Highway Fund shall be increased from the  
19 General Fund or Highway Fund appropriation only to the extent of the proportionate  
20 part of the salaries paid from the General Fund or Highway Fund.

21       "**SECTION 30.14.(b)** The salaries authorized under this act do not affect the status  
22 of eligibility for salary increments for which employees may be eligible unless  
23 otherwise required by this act.

24       "**SECTION 30.14.(c)** The compensation bonuses do not apply to persons separated  
25 from State service due to resignation, dismissal, reduction in force, death, or retirement,  
26 or whose last workday is prior to October 1, 2003. The salary increases provided by this  
27 Part are to be effective July 1, 2004, and do not apply to persons separated from State  
28 service due to resignation, dismissal, reduction-in-force, death, or retirement, whose last  
29 workday is prior to July 1, 2004. This subsection shall apply to all employees, subject to  
30 or exempt from the State Personnel Act, paid from State funds, including public  
31 schools, community colleges, and The University of North Carolina.

32       "**SECTION 30.14.(d)** The Director of the Budget shall transfer from the Reserve  
33 for Compensation Increases in this act for fiscal year 2003-2004 and fiscal year  
34 2004-2005 all funds necessary for the compensation increases provided by this act,  
35 including funds for the employer's retirement and social security contributions.

36       "**SECTION 30.14.(e)** Nothing in this act authorizes the transfer of funds between  
37 the General Fund and the Highway Fund for salary increases.

38       "**SECTION 30.14.(f)** All permanent, full-time State-supported personnel shall be  
39 paid a minimum salary of eighteen thousand five hundred dollars (\$18,500) per year."

40       **SECTION 3.** As provided by Section 30.1 of S.L. 2003-284 for the  
41 2003-2004 and 2004-2005 fiscal years, the salary of the Governor shall remain the  
42 amount set by G.S. 147-11(a) and the salaries of the members of the Council of State  
43 shall remain the amount of one hundred four thousand five hundred twenty-three dollars  
44 (\$104,523).

1           **SECTION 4.** Section 30.2 of S.L. 2003-284 reads as rewritten:  
 2           **"SECTION 30.2.** In accordance with G.S. 143B-9, the maximum annual salaries,  
 3 payable monthly, for the nonelected heads of the principal State departments for the  
 4 ~~2003-2004 and 2004-2005 fiscal years-year~~ are:

<b>Nonelected Department Heads</b>	<b>Annual Salary</b>
Secretary of Administration	<del>\$102,119</del> <u>\$107,225</u>
Secretary of Correction	<del>102,119</del> <u>107,225</u>
Secretary of Crime Control and Public Safety	<del>102,119</del> <u>107,225</u>
Secretary of Cultural Resources	<del>102,119</del> <u>107,225</u>
Secretary of Commerce	<del>102,119</del> <u>107,225</u>
Secretary of Environment and Natural Resources	<del>102,119</del> <u>107,225</u>
Secretary of Health and Human Services	<del>102,119</del> <u>107,225</u>
Secretary of Juvenile Justice and Delinquency Prevention	<del>102,119</del> <u>107,225</u>
Secretary of Revenue	<del>102,119</del> <u>107,225</u>
Secretary of Transportation	<del>102,119</del> <u>107,225</u> "

16           **SECTION 5.** Section 30.3 of S.L. 2003-284 reads as rewritten:  
 17           **"SECTION 30.3.** The annual salaries, payable monthly, for the ~~2003-2004 and~~  
 18 ~~2004-2005 fiscal years-year~~ for the following executive branch officials are:

<b>Executive Branch Officials</b>	<b>Annual Salary</b>
Chairman, Alcoholic Beverage Control Commission	<del>\$92,946</del> <u>\$97,593</u>
State Controller	<del>130,078</del> <u>136,582</u>
Commissioner of Motor Vehicles	<del>92,946</del> <u>97,593</u>
Commissioner of Banks	<del>104,523</del> <u>109,749</u>
Chairman, Employment Security Commission	<del>129,913</del> <u>136,409</u>
State Personnel Director	<del>102,119</del> <u>107,225</u>
Chairman, Parole Commission	<del>84,871</del> <u>89,115</u>
Members of the Parole Commission	<del>78,356</del> <u>82,274</u>
Chairman, Utilities Commission	<del>116,405</del> <u>122,225</u>
Members of the Utilities Commission	<del>104,523</del> <u>109,749</u>
Executive Director, Agency for Public Telecommunications	<del>78,356</del> <u>82,274</u>
Director, Museum of Art	<del>95,240</del> <u>100,002</u>
Executive Director, North Carolina Housing Finance Agency	<del>115,031</del> <u>120,783</u>
Executive Director, North Carolina Agricultural Finance Authority	<del>90,470</del> <u>94,994</u>
State Chief Information Officer	<del>130,000</del> <u>136,500</u> "

36           **SECTION 6.** Section 30.4 of S.L. 2003-284 reads as rewritten:  
 37           **"SECTION 30.4.(a)** The annual salaries, payable monthly, for specified judicial  
 38 branch officials for the ~~2003-2004 and 2004-2005 fiscal years-year~~ are:

<b>Judicial Branch Officials</b>	<b>Annual Salary</b>
Chief Justice, Supreme Court	<del>\$118,430</del> <u>\$124,352</u>
Associate Justice, Supreme Court	<del>115,336</del> <u>121,103</u>
Chief Judge, Court of Appeals	<del>112,452</del> <u>118,075</u>
Judge, Court of Appeals	<del>110,530</del> <u>116,057</u>
Judge, Senior Regular Resident Superior Court	<del>107,527</del> <u>112,903</u>

1	Judge, Superior Court	104,523 <u>109,749</u>
2	Chief Judge, District Court	94,912 <u>99,658</u>
3	Judge, District Court	91,909 <u>96,504</u>
4	Administrative Officer of the Courts	107,527 <u>112,903</u>
5	Assistant Administrative Officer of the Courts	98,216 <u>103,127</u>

6       **"SECTION 30.4.(b)** The district attorney or public defender of a judicial district,  
 7 with the approval of the Administrative Officer of the Courts or the Commission on  
 8 Indigent Defense Services, respectively, shall set the salaries of assistant district  
 9 attorneys or assistant public defenders, respectively, in that district such that the average  
 10 salaries of assistant district attorneys or assistant public defenders in that district do not  
 11 exceed ~~sixty thousand one hundred ninety one dollars (\$60,191)~~, sixty-three thousand  
 12 two hundred one dollars (\$63,201) and the minimum salary of any assistant district  
 13 attorney or assistant public defender is at least ~~thirty one thousand thirty five dollars~~  
 14 ~~(\$31,035)~~, thirty-two thousand five hundred eighty-seven dollars (\$32,587) effective  
 15 ~~July 1, 2003~~.July 1, 2004.

16       **"SECTION 30.4.(c)** Permanent, full-time employees of the Judicial Department,  
 17 whose salaries are not itemized in this Part, shall be awarded a compensation bonus for  
 18 the 2003-2004 fiscal year as authorized in this Part."

19       **SECTION 7.(a)** Section 30.5 of S.L. 2003-284 reads as rewritten:

20       **"SECTION 30.5.** For the 2003-2004 ~~and 2004-2005 fiscal years~~, fiscal year, the  
 21 compensation of clerks of superior court shall remain as set forth in G.S. 7A-101(a)."

22       **SECTION 7.(b)** Effective July 1, 2004, G.S. 7A-101(a) reads as rewritten:

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

27	Population	Annual Salary
28	Less than 100,000	<del>\$69,911</del> <u>\$73,407</u>
29	100,000 to 149,999	<del>78,452</del> <u>82,375</u>
30	150,000 to 249,999	<del>86,994</del> <u>91,344</u>
31	250,000 and above	<del>95,537</del> <u>100,314</u> .

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

34	Population	Annual Salary
35	Less than 100,000	73%
36	100,000 to 149,999	82%
37	150,000 to 249,999	91%
38	250,000 and above	100%.

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

44       **SECTION 8.(a)** Section 30.6 of S.L. 2003-284 reads as rewritten:

"SECTION 30.6. For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the compensation of assistant and deputy clerks of superior court shall remain as set forth in G.S. 7A-102(c1), except that there shall be awarded to each clerk not receiving a statutory step increase a compensation bonus for the 2003-2004 fiscal year as authorized in this Part."

SECTION 8.(b) Effective July 1, 2004, 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:

Assistant Clerks and Head Bookkeeper	Annual Salary
Minimum	<del>\$26,515</del> <u>\$27,841</u>
Maximum	<del>46,464</del> <u>48,787</u>
Deputy Clerks	Annual Salary
Minimum	<del>\$22,565</del> <u>\$23,693</u>
Maximum	<del>35,934</del> <u>37,731</u> ."

SECTION 9.(a) Section 30.7 of S.L. 2003-284 reads as rewritten:

"SECTION 30.7. For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the compensation of magistrates shall remain as set forth in G.S. 7A-171.1, except that there shall be awarded to each magistrate not receiving a statutory step increase a compensation bonus for the 2003-2004 fiscal year as authorized in this Part."

SECTION 9.(b) Effective July 1, 2004, G.S. 7A-171.1(a) reads as rewritten:

**"§ 7A-171.1. Duty hours, salary, and travel expenses within county.**

(a) The Administrative Officer of the Courts, after consultation with the chief district judge and pursuant to the following provisions, shall set an annual salary for each magistrate.

- (1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6.

**Table of Salaries of Full-Time Magistrates**

Step Level	Annual Salary
Entry Rate	<del>\$26,889</del> <u>\$28,233</u>
Step 1	<del>29,525</del> <u>31,001</u>

1	Step 2	<u>32,39334,013</u>
2	Step 3	<u>35,52337,299</u>
3	Step 4	<u>38,95240,900</u>
4	Step 5	<u>42,72144,857</u>
5	Step 6	<u>46,86449,207</u>
6		

7 (2) A part-time magistrate is a magistrate who is assigned to work an  
8 average of less than 40 hours of work a week during the term, except  
9 that no magistrate shall be assigned an average of less than 10 hours of  
10 work a week during the term. A part-time magistrate is included, in  
11 accordance with G.S. 7A-170, under the provisions of G.S. 135-1(10)  
12 and G.S. 135-40.2(a). The Administrative Officer of the Courts  
13 designates whether a magistrate is a part-time magistrate. A part-time  
14 magistrate shall receive an annual salary based on the following  
15 formula: The average number of hours a week that a part-time  
16 magistrate is assigned work during the term shall be multiplied by the  
17 annual salary payable to a full-time magistrate who has the same  
18 number of years of service prior to the beginning of that term as does  
19 the part-time magistrate and the product of that multiplication shall be  
20 divided by the number 40. The quotient shall be the annual salary  
21 payable to that part-time magistrate.

22 (3) Notwithstanding any other provision of this subsection, an individual  
23 who, when initially appointed as a full-time magistrate, is licensed to  
24 practice law in North Carolina, shall receive the annual salary provided  
25 in the Table in subdivision (1) of this subsection for Step 4. This  
26 magistrate's salary shall increase to the next step every four years on  
27 the anniversary of the date the magistrate was originally appointed. An  
28 individual who, when initially appointed as a part-time magistrate, is  
29 licensed to practice law in North Carolina, shall be paid an annual  
30 salary based on that for Step 4 and determined according to the  
31 formula in subdivision (2) of this subsection. This magistrate's salary  
32 shall increase to the next step every four years on the anniversary of  
33 the date the magistrate was originally appointed. The salary of a  
34 full-time magistrate who acquires a license to practice law in North  
35 Carolina while holding the office of magistrate and who at the time of  
36 acquiring the license is receiving a salary at a level lower than Step 4  
37 shall be adjusted to Step 4 and, thereafter, shall advance in accordance  
38 with the Table's schedule. The salary of a part-time magistrate who  
39 acquires a license to practice law in North Carolina while holding the  
40 office of magistrate and who at the time of acquiring the license is  
41 receiving an annual salary as determined by subdivision (2) of this  
42 subsection based on a salary level lower than Step 4 shall be adjusted  
43 to a salary based on Step 4 in the Table and, thereafter, shall advance  
44 in accordance with the provision in subdivision (2) of this subsection.

1 (a1) Notwithstanding subsection (a) of this section, the following salary provisions  
 2 apply to individuals who were serving as magistrates on June 30, 1994:

3 (1) The salaries of magistrates who on June 30, 1994, were paid at a salary  
 4 level of less than five years of service under the table in effect that date  
 5 shall be as follows:

6		
7	Less than 1 year of service	\$21,325\$22,391
8	1 or more but less than 3 years of service	22,38923,508
9	3 or more but less than 5 years of service	24,53025,757.

10  
 11 Upon completion of five years of service, those magistrates shall  
 12 receive the salary set as the Entry Rate in the table in subsection (a).

13 (2) The salaries of magistrates who on June 30, 1994, were paid at a salary  
 14 level of five or more years of service shall be based on the rates set out  
 15 in subsection (a) as follows:

16	Salary Level	Salary Level
17	on June 30, 1994	on July 1, 1994
18	5 or more but less than 7 years of service	Entry Rate
19	7 or more but less than 9 years of service	Step 1
20	9 or more but less than 11 years of service	Step 2
21	11 or more years of service	Step 3

22  
 23 Thereafter, their salaries shall be set in accordance with the  
 24 provisions in subsection (a).

25 (3) The salaries of magistrates who are licensed to practice law in North  
 26 Carolina shall be adjusted to the annual salary provided in the table in  
 27 subsection (a) as Step 4, and, thereafter, their salaries shall be set in  
 28 accordance with the provisions in subsection (a).

29 (4) The salaries of "part-time magistrates" shall be set under the formula  
 30 set out in subdivision (2) of subsection (a) but according to the rates  
 31 set out in this subsection.

32 (a2) The Administrative Officer of the Courts shall provide magistrates with  
 33 longevity pay at the same rates as are provided by the State to its employees subject to  
 34 the State Personnel Act.

35 (b) Notwithstanding G.S. 138-6, a magistrate may not be reimbursed by the State  
 36 for travel expenses incurred on official business within the county in which the  
 37 magistrate resides."

38 **SECTION 10.(a)** Section 30.8 of S.L. 2003-284 reads as rewritten:

39 "**SECTION 30.8.** For the 2003-2004 ~~and 2004-2005 fiscal years, fiscal year,~~ the  
 40 compensation of General Assembly principal clerks shall remain as set forth in  
 41 G.S. 120-37, except that there shall be awarded a compensation bonus for the  
 42 2003-2004 fiscal year as authorized in this Part."

43 **SECTION 10.(b)** Effective July 1, 2004, G.S. 120-37(c) reads as rewritten:

1       "(c) The principal clerks shall be full-time officers. Each principal clerk shall be  
2 entitled to other benefits available to permanent legislative employees and shall be paid  
3 an annual salary of ~~eighty-eight thousand three hundred six dollars (\$88,306)~~ ninety-two  
4 thousand seven hundred twenty-one dollars (\$92,721) payable monthly. The Legislative  
5 Services Commission shall review the salary of the principal clerks prior to submission  
6 of the proposed operating budget of the General Assembly to the Governor and  
7 Advisory Budget Commission and shall make appropriate recommendations for  
8 changes in those salaries. Any changes enacted by the General Assembly shall be by  
9 amendment to this paragraph."

10       **SECTION 11.(a)** Section 30.9 of S.L. 2003-284 reads as rewritten:

11       "**SECTION 30.9.** For the 2003-2004 ~~and 2004-2005 fiscal years,~~ fiscal year, the  
12 compensation of General Assembly sergeant-at-arms and reading clerks shall remain as  
13 set forth in G.S. 120-37."

14       **SECTION 11.(b)** Effective July 1, 2004, G.S. 120-37(b) reads as rewritten:

15       "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a  
16 salary of ~~two hundred ninety two dollars (\$292.00)~~ three hundred seven dollars  
17 (\$307.00) per week plus subsistence at the same daily rate provided for members of the  
18 General Assembly, plus mileage at the rate provided for members of the General  
19 Assembly for one round trip only from their homes to Raleigh and return. The  
20 sergeants-at-arms shall serve during sessions of the General Assembly and at such time  
21 prior to the convening of, and subsequent to adjournment or recess of, sessions as may  
22 be authorized by the Legislative Services Commission. The reading clerks shall serve  
23 during sessions only."

24       **SECTION 12.** Effective July 1, 2004, the Legislative Services Officer shall  
25 increase the salaries of nonelected employees of the General Assembly in effect for  
26 fiscal year 2003-2004 by five percent (5%). Nothing in this act limits any of the  
27 provisions of G.S. 120-32.

28       **SECTION 13.** The Director of the Budget shall transfer to the North  
29 Carolina Community College System Office from the Reserve for Compensation  
30 Increase, created in this act for fiscal year 2004-2005, funds necessary to provide an  
31 average annual salary increase of five percent (5%), including funds for the employer's  
32 retirement and social security contributions, commencing July 1, 2004, for all  
33 permanent full-time community college institutional personnel supported by State  
34 funds. The State Board of Community Colleges shall establish guidelines for providing  
35 their salary increases to community college institutional personnel and shall have the  
36 flexibility to use any excess funds for merit increases.

37       **SECTION 14.** The Director of the Budget shall transfer to the Board of  
38 Governors of The University of North Carolina sufficient funds from the Reserve for  
39 Compensation Increase, created in this act for fiscal year 2004-2005, to provide an  
40 average annual salary increase of five percent (5%), including funds for the employer's  
41 retirement and social security contributions, commencing July 1, 2004, for all  
42 employees of The University of North Carolina, as well as employees other than  
43 teachers of the North Carolina School of Science and Mathematics, supported by State  
44 funds and whose salaries are exempt from the State Personnel Act (EPA). The Board of



1 Governors shall establish guidelines for providing these salary increases and shall have  
2 the flexibility to use any excess funds for merit increases.

3 **SECTION 15.(a)** There is appropriated from the General Fund to the  
4 Reserve for Compensation Increase the sum of five hundred thirty-five million seven  
5 hundred thousand dollars (\$535,700,000) for the 2004-2005 fiscal year to implement the  
6 legislative pay increases authorized by this act for public school personnel and State  
7 employees.

8 **SECTION 15.(b)** There is appropriated from the Highway Fund to the  
9 Reserve for Compensation Increase the sum of twenty-one million nine hundred  
10 thousand dollars (\$21,900,000) for the 2004-2005 fiscal year to implement legislative  
11 pay increases authorized by this act.

12 **SECTION 16.** The Director of the Budget shall transfer to the State Board  
13 of Education from the Reserve for Compensation Increase for fiscal year 2004-2005  
14 funds necessary to provide an average annual salary increase, effective July 1, 2004, of  
15 five percent (5%), including funds for the employer's retirement and social security  
16 contributions for all public school personnel.

17 Notwithstanding the provisions of Section 14 of this act, these funds shall be  
18 used to:

- 19 (1) Provide for an average salary increase of five percent (5%) for  
20 teachers, school-based administrators, and all other certified public  
21 school personnel, who (i) are paid from State, federal, local, or other  
22 funds and (ii) are not at the top of their respective salary ranges.
- 23 (2) Provide all permanent personnel with 29 or more years of experience  
24 who are paid from State, federal, local, or other funds on the teacher  
25 salary schedule with a one-time bonus equivalent to the average salary  
26 increase of the 26- to 29-year steps.
- 27 (3) Provide permanent personnel who are paid from State, federal, local,  
28 or other funds and are at the top of the principal and assistant principal  
29 salary schedule, with a one-time bonus equivalent to the average salary  
30 increase of the 35- to 41-year steps.
- 31 (4) Provide for a salary increase that is the greater of (i) five percent (5%)  
32 or (ii) the amount required to increase 10-month salaries to eighteen  
33 thousand five hundred dollars (\$18,500) for all noncertified public  
34 school employees who are working full-time and are paid from State,  
35 federal, local, or other funds.

36 **SECTION 17.** This act becomes effective July 1, 2004.