

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 45 (First Edition)

SHORT TITLE: Performance Pay for Certain School Employees.

SPONSOR(S): Senator Pittenger

| FISCAL IMPACT | | | | |
|---|--|-------------------|---------------------------|-------------------------------------|
| | Yes () | No (X) | No Estimate Available () | |
| | <u>FY 2007-08</u> | <u>FY 2008-09</u> | <u>FY 2009-10</u> | <u>FY 2010-11</u> <u>FY 2011-12</u> |
| REVENUES | | | | |
| EXPENDITURES | | | | |
| POSITIONS (cumulative): | | | | |
| PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: | Local Education Agencies, State Board of Education | | | |
| EFFECTIVE DATE: | The act becomes effective July 1, 2007, and applies to subsequent school years beginning with the 2007-08 school year. | | | |

BILL SUMMARY:

The bill amends GS 115C-12(16), which governs the manner in which annual salary increases can be awarded to noncertified school employees. More specifically, the bill grants local school administrative units the authority to consider performance when awarding annual salary increases to those public school employees who are not required by statute or regulation to be certified in order to be employed.

ASSUMPTIONS AND METHODOLOGY:

The bill does not have any fiscal impact, as it affects only the distribution – rather than the amount – of State funds appropriated for salary increases. In addition, the bill does not *require* any changes in practice or policy at the LEA level. The bill simply grants LEAs the flexibility to consider performance when awarding annual salary increases to noncertified school employees. Per GS 115C-316(b) and State Board of Education policy¹, LEAs already have this flexibility, and

¹ *Public Schools of North Carolina Employee Salary and Benefits Manual* (available at: <http://www.ncpublicschools.org/fbs/personnel/benefits/>)

can consider performance when awarding annual salary increases to noncertified school employees. Language in past budget bills, however, has prevented LEAs from exercising this flexibility by mandating that each employee receives a specific percentage salary increase.

SOURCES OF DATA: *Public Schools of North Carolina Employee Salary and Benefits Manual.*

TECHNICAL CONSIDERATIONS: In order for the language of this bill to have an effect on LEAs in the 2007-08 school year, language in the budget bill appropriating funds for salary increases would need to be consistent with the language of this bill.

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