

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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1

HOUSE BILL 1148

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

Sponsors: Representatives Weiss, Ross, Martin, Coleman (Primary Sponsors); Alexander, Brown, Church, Dickson, Faison, Farmer-Butterfield, Fisher, Gibson, Glazier, Goforth, Hackney, Harrison, Hill, Insko, Jeffus, Ed Jones, Luebke, McLawhorn, Parmon, Pierce, Rapp, Underhill, Wainwright, Womble, Wray, and Yongue.

Referred to: Appropriations.

April 7, 2005

A BILL TO BE ENTITLED

1 AN ACT APPROPRIATING FUNDS TO PROVIDE TO STATE EMPLOYEES AND
2 PUBLIC SCHOOL PERSONNEL A LEGISLATIVE PAY INCREASE OF FIVE
3 PERCENT.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** The salaries in effect June 30, 2005, of all permanent
7 full-time State employees whose salaries are set in accordance with the State Personnel
8 Act and who are paid from the General Fund or the Highway Fund shall be increased,
9 effective July 1, 2005, by five percent (5%), unless otherwise provided by this act.

10 **SECTION 1.(b)** Except as otherwise provided in this act, the fiscal year
11 2005-2006 salaries for permanent full-time State officials and persons in exempt
12 positions that are recommended by the Governor or the Governor and the Advisory
13 Budget Commission and set by the General Assembly shall be increased by five percent
14 (5%), effective July 1, 2005, unless otherwise provided by this act.

15 **SECTION 1.(c)** The salaries in effect for fiscal year 2005-2006 for all
16 permanent part-time State employees shall be increased, effective July 1, 2005, by five
17 percent (5%).

18 **SECTION 1.(d)** The Director of the Budget may allocate out of special
19 operating funds or from other sources of the employing agency, except tax revenues,
20 sufficient funds to allow a salary increase, effective July 1, 2005, in accordance with
21 subsection (a), (b), or (c) of this section, including funds for the employer's retirement
22 and social security contributions, for the permanent full-time and part-time employees
23 of the agency, provided the employing agency elects to make available the necessary
24 funds.

1 **SECTION 1.(e)** Within regular Executive Budget Act procedures as limited
 2 by this act, all State agencies and departments may increase on an equitable basis the
 3 rate of pay of temporary and permanent hourly State employees, subject to availability
 4 of funds in the particular agency or department, by five percent (5%), effective July 1,
 5 2005.

6 **SECTION 2.(a)** Salaries and related benefits for positions that are funded
 7 partially from the General Fund or Highway Fund and partially from sources other than
 8 the General Fund or Highway Fund shall be increased from the General Fund or
 9 Highway Fund appropriation only to the extent of the proportionate part of the salaries
 10 paid from the General Fund or Highway Fund.

11 **SECTION 2.(b)** The granting of the salary increases under this act does not
 12 affect the status of eligibility for salary increments for which employees may be eligible
 13 unless otherwise required by this act.

14 **SECTION 2.(c)** The salary increases provided in this act are to be effective
 15 July 1, 2005, and do not apply to persons separated from State service due to
 16 resignation, dismissal, reduction in force, death, or retirement, or whose last workday is
 17 prior to July 1, 2005.

18 Payroll checks issued to employees after July 1, 2005, which represent
 19 payment of services provided prior to July 1, 2005, shall not be eligible for salary
 20 increases provided for in this act. This subsection shall apply to all employees, subject
 21 to or exempt from the State Personnel Act, paid from State funds, including public
 22 schools, community colleges, and The University of North Carolina.

23 **SECTION 2.(d)** The Director of the Budget shall transfer from the Reserve
 24 for Compensation Increases in this act for fiscal year 2005-2006 all funds necessary for
 25 the salary increases provided by this act, including funds for the employer's retirement
 26 and social security contributions.

27 **SECTION 2.(e)** Nothing in this act authorizes the transfer of funds between
 28 the General Fund and the Highway Fund for salary increases.

29 **SECTION 3.(a)** Effective July 1, 2005, G.S. 147-11(a) reads as rewritten:

30 "(a) The salary of the Governor shall be ~~one hundred twenty one thousand three~~
 31 ~~hundred ninety one dollars (\$121,391)~~ one hundred twenty-seven thousand four hundred
 32 sixty-one dollars (\$127,461) annually, payable monthly."

33 **SECTION 3.(b)** Effective July 1, 2005, the annual salaries for the members
 34 of the Council of State, payable monthly, for the 2005-2006 and 2006-2007 fiscal years
 35 are:

<u>Council of State</u>	<u>Annual Salary</u>
Lieutenant Governor	\$112,493
Attorney General	112,493
Secretary of State	112,493
State Treasurer	112,493
State Auditor	112,493
Superintendent of Public Instruction	112,493
Agriculture Commissioner	112,493

1	Insurance Commissioner	112,493
2	Labor Commissioner	112,493

3 **SECTION 4.** In accordance with G.S. 143B-9, the maximum annual
4 salaries, payable monthly, for the nonelected heads of the principal State departments
5 for the 2005-2006 and 2006-2007 fiscal years are:

6	<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
7	Secretary of Administration	\$109,906
8	Secretary of Correction	109,906
9	Secretary of Crime Control and Public Safety	109,906
10	Secretary of Cultural Resources	109,906
11	Secretary of Commerce	109,906
12	Secretary of Environment and Natural Resources	109,906
13	Secretary of Health and Human Services	109,906
14	Secretary of Juvenile Justice and Delinquency	109,906
15	Secretary of Revenue	109,906
16	Secretary of Transportation	109,906

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19 **SECTION 5.** The annual salaries, payable monthly, for the 2005-2006 and
20 2006-2007 fiscal years for the following executive branch officials are:

21	<u>Executive Branch Officials</u>	<u>Annual Salary</u>
22	Chairman, Alcoholic Beverage Control Commission	\$100,034
23	State Controller	139,997
24	Commissioner of Motor Vehicles	100,034
25	Commissioner of Banks	112,493
26	Chairman, Employment Security Commission	139,819
27	State Personnel Director	109,906
28	Chairman, Parole Commission	91,343
29	Members of the Parole Commission	84,331
30	Chairman, Utilities Commission	125,281
31	Members of the Utilities Commission	112,493
32	Executive Director, Agency for Public Telecommunications	84,331
33	Director, Museum of Art	102,502
34	Executive Director, North Carolina Agricultural	
35	Finance Authority	97,369
36	State Chief Information Officer	139,913

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39 **SECTION 6.(a)** The annual salaries, payable monthly, for specified Judicial
40 Branch officials for the 2005-2006 and 2006-2007 fiscal years are:

41	<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
42	Chief Justice, Supreme Court	\$127,461
43	Associate Justice, Supreme Court	124,130

1	Chief Judge, Court of Appeals	121,026
2	Judge, Court of Appeals	118,958
3	Judge, Senior Regular Resident Superior Court	115,726
4	Judge, Superior Court	112,493
5	Chief Judge, District Court	102,149
6	Judge, District Court	98,917
7	Administrative Officer of the Courts	115,726
8	Assistant Administrative Officer of the Courts	105,705

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10 **SECTION 6.(b)** The district attorney or public defender of a judicial district,
11 with the approval of the Administrative Officer of the Courts or the Commission on
12 Indigent Defense Services, respectively, shall set the salaries of assistant district
13 attorneys or assistant public defenders, respectively, in that district such that the average
14 salaries of assistant district attorneys or assistant public defenders in that district do not
15 exceed sixty-four thousand seven hundred eighty-one dollars (\$64,781), and the
16 minimum salary of any assistant district attorney or assistant public defender is at least
17 thirty-three thousand six hundred thirty-seven dollars (\$33,637), effective July 1, 2005.

18 **SECTION 6.(c)** Effective July 1, 2005, the annual salaries of permanent,
19 full-time employees of the Judicial Department whose salaries are not itemized in this
20 act shall be increased by five percent (5%).

21 **SECTION 6.(d)** Effective July 1, 2005, the annual salaries of permanent,
22 part-time employees of the Judicial Department whose salaries are not itemized in this
23 act shall be increased by five percent (5%).

24 **SECTION 7.** Effective July 1, 2005, G.S. 7A-101(a) reads as rewritten:

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

29	Population	Annual Salary
30	Less than 100,000	\$71,659 <u>\$75,242</u>
31	100,000 to 149,999	80,413 <u>84,434</u>
32	150,000 to 249,999	89,169 <u>93,627</u>
33	250,000 and above	97,925 <u>102,821.</u>

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

36	Population	Annual Salary
37	Less than 100,000	73%
38	100,000 to 149,999	82%
39	150,000 to 249,999	91%
40	250,000 and above	100%.

41 When a county changes from one population group to another, the salary of the clerk
42 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
43 salary appropriate for the new population group, except that the salary of an incumbent

1 clerk shall not be decreased by any change in population group during his continuance
2 in office."

3 **SECTION 8.** Effective July 1, 2005, G.S. 7A-102(c1) reads as rewritten:

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

Assistant Clerks and Head Bookkeeper	Annual Salary
Minimum	\$ 27,515 <u>\$28,891</u>
Maximum	47,626 <u>50,007</u>

Deputy Clerks	Annual Salary
Minimum	\$ 23,565 <u>\$24,743</u>
Maximum	36,934. <u>38,781.</u> "

14 **SECTION 9.(a)** Effective July 1, 2005, G.S. 7A-171.1(a) reads as rewritten:

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

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

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

Step Level	Annual Salary
Entry Rate	\$ 27,889 <u>\$29,283</u>
Step 1	30,525 <u>32,051</u>
Step 2	33,393 <u>35,063</u>
Step 3	36,523 <u>38,349</u>
Step 4	39,952 <u>41,950</u>
Step 5	43,789 <u>45,978</u>
Step 6	48,036. <u>50,438.</u>

- 39 (2) A part-time magistrate is a magistrate who is assigned to work an
40 average of less than 40 hours of work a week during the term, except
41 that no magistrate shall be assigned an average of less than 10 hours of
42 work a week during the term. A part-time magistrate is included, in
43 accordance with G.S. 7A-170, under the provisions of G.S. 135-1(10)
44 and G.S. 135-40.2(a). The Administrative Officer of the Courts

designates whether a magistrate is a part-time magistrate. A part-time magistrate shall receive an annual salary based on the following formula: The average number of hours a week that a part-time magistrate is assigned work during the term shall be multiplied by the annual salary payable to a full-time magistrate who has the same number of years of service prior to the beginning of that term as does the part-time magistrate and the product of that multiplication shall be divided by the number 40. The quotient shall be the annual salary payable to that part-time magistrate.

- (3) Notwithstanding any other provision of this subsection, a magistrate who is licensed to practice law in North Carolina or any other state shall receive the annual salary provided in the Table in subdivision (1) of this subsection for Step 4."

SECTION 9.(b) Effective July 1, 2005, G.S. 7A-171.1(a1) reads as rewritten:

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

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

Less than 1 year of service	\$22,325	<u>\$23,441</u>
1 or more but less than 3 years of service	23,389	<u>24,558</u>
3 or more but less than 5 years of service	25,530.	<u>26,807.</u>

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

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

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

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

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

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

SECTION 10. Effective July 1, 2005, 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 ~~ninety thousand five hundred fourteen dollars (\$90,514)~~ninety-five
4 thousand forty dollars (\$95,040) payable monthly. The Legislative Services
5 Commission shall review the salary of the principal clerks prior to submission of the
6 proposed operating budget of the General Assembly to the Governor and Advisory
7 Budget Commission and shall make appropriate recommendations for changes in those
8 salaries. Any changes enacted by the General Assembly shall be by amendment to this
9 paragraph."

10 **SECTION 11.** Effective July 1, 2005, G.S. 120-37(b) reads as rewritten:

11 (b) The sergeant-at-arms and the reading clerk in each house shall be paid a
12 salary of ~~three hundred eleven dollars (\$311.00)~~three hundred twenty-seven dollars
13 (\$327.00) per week plus subsistence at the same daily rate provided for members of the
14 General Assembly, plus mileage at the rate provided for members of the General
15 Assembly for one round trip only from their homes to Raleigh and return. The
16 sergeants-at-arms shall serve during sessions of the General Assembly and at such time
17 prior to the convening of, and subsequent to adjournment or recess of, sessions as may
18 be authorized by the Legislative Services Commission. The reading clerks shall serve
19 during sessions only."

20 **SECTION 12.** Effective July 1, 2005, the Legislative Services Officer shall
21 increase the salaries of nonelected employees of the General Assembly in effect for
22 fiscal year 2005-2006 by five percent (5%). Nothing in this act limits any of the
23 provisions of G.S. 120-32.

24 **SECTION 13.** The Director of the Budget shall transfer from the Reserve
25 for Compensation Increases, created in this act for fiscal years 2005-2006 and
26 2006-2007, funds to the North Carolina Community Colleges System Office necessary
27 to provide an annual salary increase of five percent (5%), including funds for the
28 employer's retirement and social security contributions, commencing July 1, 2005, for
29 all community college employees supported by State funds.

30 **SECTION 14.(a)** The Director of the Budget shall transfer to the Board of
31 Governors of The University of North Carolina sufficient funds from the Reserve for
32 Compensation Increases, created in this act for fiscal years 2005-2006 and 2006-2007,
33 to provide an annual salary increase of five percent (5%), including funds for the
34 employer's retirement and social security contributions, commencing July 1, 2005, for
35 all employees of The University of North Carolina, as well as employees other than
36 teachers of the North Carolina School of Science and Mathematics, supported by State
37 funds and whose salaries are exempt from the State Personnel Act (EPA).

38 **SECTION 14.(b)** The Director of the Budget shall transfer to the Board of
39 Governors of The University of North Carolina sufficient funds from the Reserve for
40 Compensation Increases, created in this act for fiscal years 2005-2006 and 2006-2007,
41 to provide an annual salary increase of five percent (5%), including funds for the
42 employer's retirement and social security contributions, commencing July 1, 2005, for
43 all teaching employees of the North Carolina School of Science and Mathematics,
44 supported by State funds and whose salaries are exempt from the State Personnel Act

1 (EPA). These funds shall be allocated to individuals according to the rules adopted by
2 the Board of Trustees of the North Carolina School of Science and Mathematics and
3 may not be used for any purpose other than for salary increases and necessary employer
4 contributions provided by this section.

5 **SECTION 15.(a)** There is appropriated from the General Fund to the
6 Reserve for Compensation Increases the sum of four hundred sixty-six million eight
7 hundred fifty thousand dollars (\$466,850,000) for the 2005-2006 fiscal year and the sum
8 of four hundred sixty-six million eight hundred fifty thousand dollars (\$466,850,000)
9 for the 2006-2007 fiscal year to implement the legislative pay increases authorized by
10 this act for public school personnel and State employees.

11 **SECTION 15.(b)** There is appropriated from the Highway Fund to the
12 Reserve for Compensation Increases the sum of twenty-two million eight hundred
13 thousand dollars (\$22,800,000) for the 2005-2006 fiscal year and the sum of twenty-two
14 million eight hundred thousand dollars (\$22,800,000) for the 2006-2007 fiscal year to
15 implement legislative pay increases authorized by this act.

16 **SECTION 16.** The Director of the Budget shall transfer to the State Board
17 of Education from the Reserve for Compensation Increases for fiscal years 2005-2006
18 and 2006-2007 funds necessary to provide an average annual salary increase, effective
19 July 1, 2005, of five percent (5%), including funds for the employer's retirement and
20 social security contributions for all public school personnel.

21 Notwithstanding any other provision of this act, these funds shall be used to:

- 22 (1) Provide for an average salary increase of five percent (5%) for
23 teachers, school-based administrators, and all other certified public
24 school personnel who are not at the top of their respective salary
25 ranges.
- 26 (2) Provide all permanent personnel with 29 or more years of experience
27 with a one-time bonus equivalent to the average salary increase of the
28 26- to 29-year steps.
- 29 (3) Provide permanent personnel who are at the top of the principal and
30 assistant principal salary schedule with a one-time bonus equivalent to
31 the average salary increase of the 35- to 41-year steps.

32 **SECTION 17.** This act becomes effective July 1, 2005.