NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 192 (Companion to Senate Bill 84)

SHORT TITLE: State Employee Compensation

SPONSOR(S): Representatives Fitch, Colton, Hensley, Kuczmarski,

Oldham,

Redwine, Stamey, Warner, and Wright

FISCAL IMPACT: Expenditures: Increase (X) Decrease ()

Revenues: Increase () Decrease ()

No Impact ()

No Estimate Available ()

FUND AFFECTED: General Fund (X) Highway Fund (X) Local Fund ()
Other Fund (X)

BILL SUMMARY: Creates a Comprehensive Compensation system, for employees of the State covered under the State Personnel Act, made up of the following components:

- (1) Career growth which grants an annual salary increase to all employees whose performance is rated at or above level three of five level job performance rating scale. The salary increase is 3% of the mid-point of the salary range for all employees below the mid-point and 2% of the mid-point of the salary range for those above the mid-point. The cost for this component will be built into the Continuation Budget each year automatically.
- (2) Cost of living increases granted by the General Assembly are in addition to the annual career growth increase. The costs of living increase will be granted by the General Assembly when funds are available.
- (3) Performance Bonus is a salary increase in the form of a lump sum bonus whose annual job performance exceeds expectations and requirements. The performance bonus will be granted by the General Assembly when funds are available.

EFFECTIVE DATE: July 1, 1993

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

All State employees covered under the State Personnel Act.

FISCAL IMPACT

FΥ

FY FY FY FY 1993–94 1994–95 1995–96 1996–97

1997-98

EXPENDITURES

TOTAL

EXPENDITURES \$57,849,200 \$115,698,400 \$173,547,600\$231,396,800 \$289,246,000

STATE FUNDS 47,204,900 94,409,800 141,614,700 188,819,600 236,024,500

FEDERAL FUNDS

Included in other funds and Receipts/Fees

-0
-0
-0
-0-

-0-

OTHER FUNDS 7,520,400 15,040,800 22,561,200 30,081,600

37,602,000 **RECEIPTS/FEES** 3,123,900 6,247,800 9,371,700 12,495,600 15,619,500

POSITIONS: All State employees covered by the State Personnel Act.

ASSUMPTIONS AND METHODOLOGY: The above cost includes only the career growth component of this plan. The cost was caluclated by determining the source of funds as a percentage of the total funds. During 1991-92, 86.78% of employees received a rating of three or above on the performance appraisal system; therefore, the cost calculation assumes that 86.78% of SPA employees will receive the career growth increase annually.

SOURCES OF DATA: State Personnel

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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APPROVED BY: Tom Covington
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Official

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