

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**HOUSE BILL 928\***  
**Committee Substitute Favorable 5/18/05**

Short Title: State Gov't Fair Wage Funds/Study Fair Pay.

(Public)

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Sponsors:

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Referred to:

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March 28, 2005

A BILL TO BE ENTITLED

1  
2 AN ACT ESTABLISHING A MINIMUM FAIR WAGE FOR STATE EMPLOYEES  
3 SUBJECT TO THE STATE PERSONNEL ACT; CREATING THE STATE  
4 GOVERNMENT FAIR PAY STUDY COMMISSION; AND APPROPRIATING  
5 FUNDS FOR THESE PURPOSES.

6       Whereas, female employees comprise 48.9% of the total State workforce  
7 subject to the State Personnel Act but comprise 71.5% of the low wage occupations that  
8 fall in pay grades 50-59; and

9       Whereas, it is the intent of the General Assembly that employees receive a  
10 fair wage and a livable minimum wage for State government employment; and

11       Whereas, employees earning less than \$20,112 fall into the lowest pay grades  
12 and are likely to qualify for Food Stamps, NC Health Choice, and possibly other public  
13 assistance; and

14       Whereas, the General Assembly provides the incremental increase in this act  
15 to move these employees closer to a living wage; Now, therefore,  
16 The General Assembly of North Carolina enacts:

17       **SECTION 1.(a)** It is the intent of the General Assembly that employees  
18 receive a fair minimum wage for State government employment.

19       **SECTION 1.(b)** All permanent, full-time employees subject to the State  
20 Personnel Act shall be paid a minimum salary of at least twenty thousand one hundred  
21 twelve dollars (\$20,112) per year. All permanent, full-time employees subject to the  
22 State Personnel Act working on a schedule requiring less than 12-months service per  
23 year shall be paid a minimum salary equal to the ratio of the number of months of the  
24 required work schedule to 12 times twenty thousand one hundred-twelve dollars  
25 (\$20,112).

26       **SECTION 1.(c)** There is appropriated from the General Fund to the Reserve  
27 for State Employee Minimum Wage the sum of six hundred seventy-five thousand  
28 dollars (\$675,000) for the 2005-2006 fiscal year and the sum of six hundred

1 seventy-five thousand dollars (\$675,000) for the 2006-2007 fiscal year to provide a  
2 fairer minimum wage to employees subject to the State Personnel Act.

3 **SECTION 1.(d)** In order to lessen salary compression and potential pay  
4 inequities, State agencies, departments, and institutions, and The University of North  
5 Carolina may, when increasing salaries pursuant to this section, make adjustments to the  
6 salaries of supervisors and other employees who have, when considering classification,  
7 significantly more experience and length of service compared to the employees  
8 receiving this pay increase. The Office of State Budget and Management may authorize  
9 funds for this purpose in a total amount not to exceed seven hundred fifty thousand  
10 dollars (\$750,000) for the 2005-2007 fiscal biennium.

11 **SECTION 2.(a)** There is created the State Government Fair Pay Study  
12 Commission ("Commission"). The Commission shall consist of 15 members appointed  
13 as follows:

14 (1) Five members appointed by the Governor, to include:

- 15 a. One person who represents an organization whose primary  
16 purpose is to represent the interests of women.  
17 b. One representative of an organization whose objectives include  
18 the elimination of pay disparities between men and women and  
19 who has undertaken advocacy, educational, or legislative  
20 initiatives in pursuit of that objective.  
21 c. One representative of a higher education or research institution  
22 who has experience and expertise in the collection and analysis  
23 of data concerning pay disparities and whose research has been  
24 used in efforts to promote the elimination of those disparities.  
25 d. One person who is an active State employee.  
26 e. One person who is a retired State employee.

27 (2) Five members appointed by the Speaker of the House of  
28 Representatives, to include:

- 29 a. Four members of the House of Representatives.  
30 b. One person with human resources background and experience  
31 from a private business or firm employing 200 or more  
32 employees in this State.

33 (3) Five members appointed by the President Pro Tempore of the Senate,  
34 to include:

- 35 a. Four members of the Senate.  
36 b. One person with human resources background and experience  
37 from a private business or firm employing fewer than 200  
38 employees in this State.

39 **SECTION 2.(b)** The Commission shall study:

- 40 (1) Whether the minimum annual salary for State employees is a livable  
41 salary and the impact of inflationary forces on that salary.  
42 (2) Whether there is fair pay for equivalent jobs in State government,  
43 including the extent of wage disparities in State government  
44 employment between men and women.

- 1 (3) The relationship between in-range adjustments and pay disparities and  
2 how in-range adjustments could be used to alleviate gender-related pay  
3 disparities.
- 4 (4) The factors that cause or tend to increase pay disparities, including  
5 segregation between women and men across and within occupations  
6 and payment of lower wages for work in female-dominated  
7 occupations.
- 8 (5) The extent to which dissimilar State government job categories  
9 requiring similar education, training, skills, and responsibilities are  
10 being compensated with equal pay.
- 11 (6) The consequences of the disparities on the efficiency of State  
12 government, the State's economy, and the families affected.
- 13 (7) Actions, including proposed legislation, that are likely to lead to the  
14 elimination and prevention of compensation disparities in State  
15 government employment. In particular, the Commission shall propose  
16 the initial job classifications that should be targeted for remedial action  
17 and recommend the amount of funding required for the remediation  
18 efforts targeting those jobs.
- 19 (8) Any other matters relating to pay disparities in State government  
20 employment.

21 The Commission may consider any other matter that the Commission finds  
22 relevant to its charge. The Commission may conduct public hearings around the State to  
23 solicit firsthand testimony regarding pay equity issues.

24 **SECTION 2.(c)** The Speaker of the House of Representatives and the  
25 President Pro Tempore of the Senate shall each appoint a cochair for the Commission.  
26 The Commission may contract for consultant services as provided by G.S. 120-32.02.  
27 Upon approval of the Legislative Services Commission, the Legislative Services Officer  
28 shall assign professional and clerical staff to assist in the work of the Commission.  
29 Clerical staff shall be furnished to the Commission through the offices of the House of  
30 Representatives and the Senate Directors of Legislative Assistants. The Commission  
31 may meet in the Legislative Building or the Legislative Office Building upon the  
32 approval of the Legislative Services Commission. Members of the Commission shall  
33 receive per diem, subsistence, and travel allowances at the rate established in  
34 G.S. 120-3.1. The appointing authority shall fill vacancies.

35 The Commission, while in the discharge of its official duties, may exercise all  
36 the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4,  
37 including the power to request all officers, agents, agencies, and departments of the  
38 State to provide any information, data, or documents within their possession,  
39 ascertainable from their records, or otherwise available to them and the power to  
40 subpoena witnesses.

41 The State Personnel Director shall designate appropriate staff to serve as  
42 liaison to the Commission.

43 **SECTION 2.(d)** The Commission's interim and final reports shall include  
44 the results of the Commission's study as well as recommendations, legislative and

1 otherwise, for the elimination and prevention of disparities in State employee  
2 compensation between men and women. The Commission shall submit an interim report  
3 to the 2006 Regular Session of the 2005 General Assembly. The Commission shall  
4 make a final report to the 2007 General Assembly and shall terminate upon filing its  
5 final report.

6       **SECTION 2.(e)** There is appropriated from the General Fund to the General  
7 Assembly the sum of twenty-five thousand dollars (\$25,000) for the 2005-2006 fiscal  
8 year and the sum of twenty-five thousand dollars (\$25,000) for the 2006-2007 fiscal  
9 year to fund the work of the State Government Fair Pay Study Commission.

10       **SECTION 3.** This act becomes effective July 1, 2005.