

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 481

SHORT TITLE: School Employee Differentiated Pay

SPONSOR(S): Rep. Anne Barnes

FISCAL IMPACT: Expenditures: Increase () Decrease ()
 Revenues: Increase () Decrease ()
 No Impact (x)
 No Estimate Available ()

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

BILL SUMMARY: Amends GS 115C-238.4 to provide that systemwide differentiated pay plans include all staff assigned to school buildings and certain central office staff and to provide that State funds can only be used to implement differentiated pay for employees paid with State funds. Amends GS 115C-238.3(c) to provide that all staff assigned to the school building shall vote on proposed building-level differentiated pay plan and directs local board of education to develop plan for differentiated pay for those classes of personnel in central office determined to be participants in the development or implementation of local school improvement plans. Makes conforming amendment to GS 115C-238.2(b).

EFFECTIVE DATE: Upon ratification; applies to all differentiated pay plans in effect after July 1, 1994.

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Public Education

FISCAL IMPACT

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| | <u>FY</u> | <u>FY</u> | <u>FY</u> | <u>FY</u> | <u>FY</u> |
|--|-----------|-----------|-----------|-----------|-----------|

EXPENDITURES
 TOTAL EXPENDITURES
 STATE FUNDS
 FEDERAL FUNDS
 LOCAL FUNDS
 OTHER FUNDS
 RECEIPTS/FEES

POSITIONS:

ASSUMPTIONS AND METHODOLOGY:

1. Bill provides that if a school system has a differentiated pay that the plan must include all of the staff assigned to school buildings.
2. Central office staff that local boards of education determine are participants in the development of the school improvement plan also are eligible to receive differentiated pay.
3. The General Assembly appropriates only a fixed percentage to each school system based on the salaries of teachers and administrators. In FY 1993-94 the Expansion Budget request is for 2%.
4. If the amount that a school system receives continues to be based upon a percentage of the salaries of teachers and administrators, then no additional funding would be necessary to implement this bill. Only if the basis for computing the differentiated pay were extended to all eligible employees would the cost increase.

SOURCES OF DATA:

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: Jim Johnson

APPROVED BY: Tom Covington **TOMC**

DATE: April 7, 1993

[FRD#002]



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