# GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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## **HOUSE DRH80375-LR-121 (4/28)**

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

Sponsors: Representative Hackney.

Referred to:

1 A BILL TO BE ENTITLED

AN ACT APPROPRIATING FUNDS TO PROVIDE TO PUBLIC SCHOOL PERSONNEL AND TO STATE EMPLOYEES A LEGISLATIVE PAY INCREASE OF FIVE PERCENT AND ESTABLISHING A MINIMUM LIVING WAGE FOR STATE-FUNDED EMPLOYEES.

The General Assembly of North Carolina enacts:

**SECTION 1.** Section 30.13 of S.L. 2003-284 reads as rewritten:

"SECTION 30.13.(a) The salaries in effect June 30, 2003, of all permanent full-time State employees whose salaries are set in accordance with the State Personnel Act, and who are paid from the General Fund or the Highway Fund shall remain in effect for the 2003-2004 and 2004-2005 fiscal years, fiscal year, and there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part. Effective July 1, 2004, the salaries of all permanent full-time State employees whose salaries are set in accordance with the State Personnel Act, and who are paid from the General Fund or the Highway Fund shall be increased by five percent (5%), unless otherwise provided by this act.

"SECTION 30.13.(b) Except as otherwise provided in this act, the compensation of permanent full-time State officials and persons in exempt positions that are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall remain in effect, and there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part. Effective July 1, 2004, the compensation of permanent full-time State officials and persons in exempt positions that are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall be increased by five percent (5%), unless otherwise provided by this act.

"SECTION 30.13.(c) The For the 2003-2004 fiscal year, the salaries of all permanent part-time State employees shall remain in effect, and there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part.

"SECTION 30.13.(d) The Director of the Budget may allocate out of special operating funds or from other sources of the employing agency, except tax revenues, sufficient funds for salaries in accordance with subsection (a), (b), or (c) of this section including funds for the employer's retirement and social security contributions, for the permanent full-time and part-time employees of the agency, provided the employing agency elects to make available the necessary funds."

**SECTION 2.** Section 30.14 of S.L. 2003-284 reads as rewritten:

"SECTION 30.14.(a) Salaries and related benefits for positions that are funded partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall remain in effect and be paid from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.

"SECTION 30.14.(a1) Effective July 1, 2004, salaries and related benefits for positions that are funded partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.

"SECTION 30.14.(b) The salaries authorized under this act do not affect the status of eligibility for salary increments for which employees may be eligible unless otherwise required by this act.

"SECTION 30.14.(c) The compensation bonuses do not apply to persons separated from State service due to resignation, dismissal, reduction in force, death, or retirement, or whose last workday is prior to October 1, 2003. The salary increases provided by this Part are to be effective July 1, 2004, and do not apply to persons separated from State service due to resignation, dismissal, reduction-in-force, death, or retirement, whose last work day is prior to July 1, 2004. This subsection shall apply to all employees, subject to or exempt from the State Personnel Act, paid from State funds, including public schools, community colleges, and The University of North Carolina.

"SECTION 30.14.(d) The Director of the Budget shall transfer from the Reserve for Compensation Increases in this act for fiscal year 2003-2004 and fiscal year 2004-2005 all funds necessary for the compensation increases provided by this act, including funds for the employer's retirement and social security contributions.

"SECTION 30.14.(e) Nothing in this act authorizes the transfer of funds between the General Fund and the Highway Fund for salary increases.

"SECTION 30.14.(f) All permanent, full-time State-supported personnel shall be paid a minimum salary of eighteen thousand five hundred dollars (\$18,500) per year."

SECTION 3.(a) Section 30.1(a) of S.L. 2003-284 reads as rewritten:

"**SECTION 30.1.(a)** For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the salary of the Governor shall remain the amount set by G.S. 147-11(a)."

"SECTION 3.(b) Effective July 1, 2004, G.S. 147-11(a) reads as rewritten:

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"(a) The salary of the Governor shall be one hundred eighteen thousand four hundred thirty dollars (\$118,430) one hundred twenty-four thousand three hundred fifty-two dollars (\$124,352) annually, payable monthly."

**SECTION 3.(c)** Section 30.1(b) of S.L. 2003-284 reads as rewritten:

"**SECTION 30.1.(b)** Effective <del>July 1, 2003, July 1, 2004, the annual salaries for the members of the Council of State, payable monthly, for the <del>2003-2004 and 2004-2005 fiscal <u>years-year</u> are:</del></del>

8	Council of State	Annual Salary
9	Lieutenant Governor	\$ <del>104,523</del> <u>109,749</u>
10	Attorney General	<del>104,523</del> <u>109,749</u>
11	Secretary of State	<del>104,523</del> 109,749
12	State Treasurer	<del>104,523</del> 109,749
13	State Auditor	<del>104,523</del> 109,749
14	Superintendent of Public Instruction	<del>104,523</del> 109,749
15	Agriculture Commissioner	<del>104,523</del> 109,749
16	Insurance Commissioner	<del>104,523</del> 109,749
17	Labor Commissioner	<del>104,523</del> <u>109,749</u> "

**SECTION 4.** Section 30.2 of S.L. 2003-284 reads as rewritten:

"**SECTION 30.2.** In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the nonelected heads of the principal State departments for the 2003-2004 and 2004-2005 fiscal years year are:

Secretary of Administration \$\frac{102,119}{107}	
	225
Secretary of Correction 102,119 107	<u>,225</u>
Secretary of Crime Control and Public Safety 102,119 107	<u>,225</u>
Secretary of Cultural Resources 102,119 107	,225
27 Secretary of Commerce <u>102,119</u> 107	<u>,225</u>
Secretary of Environment and Natural Resources 102,119 107	<u>,225</u>
Secretary of Health and Human Services 102,119 107	,225
Secretary of Juvenile Justice and Delinquency Prevention 102,119 107	,225
31 Secretary of Revenue <u>102,119107</u>	,225
Secretary of Transportation 102,119 107	<u>,225</u> "

SECTION 5. Section 30.3 of S.L. 2003-284 reads as rewritten: "SECTION 30.3. The annual salaries, payable monthly, for the 2003-2004 and

35 2004-2005 fiscal <u>years year</u> for the following executive branch officials are:

36	<b>Executive Branch Officials</b>	<b>Annual Salary</b>
37	Chairman, Alcoholic Beverage Control Commission	<del>\$92,946</del> <u>\$97,593</u>
38	State Controller	<del>130,078</del> <u>136,582</u>
39	Commissioner of Motor Vehicles	<del>92,946</del> 97,593
40	Commissioner of Banks	<del>104,523</del> <u>109,749</u>
41	Chairman, Employment Security Commission	<del>129,913</del> 136,409
42	State Personnel Director	<del>102,119</del> 107,225
43	Chairman, Parole Commission	<del>84,871</del> 89,115
44	Members of the Parole Commission	<del>78,356</del> 82,274

1	Chairman, Utilities Commission	<del>116,405</del> 122,225
2	Members of the Utilities Commission	<del>104,523</del> <u>109,749</u>
3	Executive Director, Agency for Public Telecommunications	<del>78,356</del> 82,274
4	Director, Museum of Art	<del>95,240</del> 100,002
5	Executive Director, North Carolina Housing Finance Agency	<del>115,031</del> 120,783
6	Executive Director, North Carolina Agricultural Finance	
7	Authority	<del>90,470</del> 94,994
8	State Chief Information Officer	<del>130,000</del> <u>136,500</u> "
9	<b>SECTION 6.</b> Section 30.4 of S.L. 2003-284 reads as rew	ritten:

"SECTION 30.4.(a) The annual salaries, payable monthly, for specified judicial branch officials for the <del>2003-2004 and 2004-2005 fiscal years year are:</del>

12	Judicial Branch Officials	Annual Salary
		\$118,430\$124,352
13	Chief Justice, Supreme Court	· · · · · · · · · · · · · · · · · · ·
14	Associate Justice, Supreme Court	<del>115,336</del> 121,103
15	Chief Judge, Court of Appeals	<del>112,452</del> 118,075
16	Judge, Court of Appeals	<del>110,530</del> <u>116,057</u>
17	Judge, Senior Regular Resident Superior Court	<del>107,527</del> <u>112,903</u>
18	Judge, Superior Court	<del>104,523</del> <u>109,749</u>
19	Chief Judge, District Court	<del>94,912</del> 99,658
20	Judge, District Court	<del>91,909</del> 96,504
21	Administrative Officer of the Courts	<del>107,527</del> <u>112,903</u>
22	Assistant Administrative Officer of the Courts	<del>98,216</del> 103,127

"SECTION 30.4.(b) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts or the Commission on Indigent Defense Services, respectively, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed sixty thousand one hundred ninety-one dollars (\$60,191), sixty-three thousand two hundred one dollars (\$63,201) and the minimum salary of any assistant district attorney or assistant public defender is at least thirty one thousand thirty five dollars (\$31,035), thirty-two thousand five hundred eighty-seven dollars (\$32,587) effective July 1, 2003. July 1, 2004.

"SECTION 30.4.(c) Permanent, full-time employees of the Judicial Department, whose salaries are not itemized in this Part, shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part."

**SECTION 7.(a)** Section 30.5 of S.L. 2003-284 reads as rewritten:

"**SECTION 30.5.** For the 2003-2004 and 2004-2005 fiscal years, fiscal year the compensation of clerks of superior court shall remain as set forth in G.S. 7A-101(a)."

**SECTION 7.(b)** Effective July 1, 2004, G.S. 7A-101(a) reads as rewritten:

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

> Population **Annual Salary**

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1	Less than 100,000	<del>\$69,911</del> \$73,407
2	100,000 to 149,999	<del>78,452</del> <u>82,375</u>
3	150,000 to 249,999	<del>86,994</del> <u>91,344</u>
4	250,000 and above	<del>95,537.</del> 100,314.

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

7	Population	Annual Salary
8	Less than 100,000	73%
9	100,000 to 149,999	82%
10	150,000 to 249,999	91%
11	250,000 and above	100%.

When a county changes from one population group to another, the salary of the clerk shall be changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate for the new population group, except that the salary of an incumbent clerk shall not be decreased by any change in population group during his continuance in office."

#### **SECTION 8.(a)** Section 30.6 of S.L. 2003-284 reads as rewritten:

"SECTION 30.6. For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the compensation of assistant and deputy clerks of superior court shall remain as set forth in G.S. 7A-102(c1), except that there shall be awarded to each clerk not receiving a statutory step increase a compensation bonus for the 2003-2004 fiscal year as authorized in this Part."

### **SECTION 8.(b)** Effective July 1, 2004, G.S. 7A-102(c1) reads as rewritten:

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

28	Assistant Clerks and Head Bookkeeper	Annual Salary
29	Minimum	<del>\$26,515</del> <u>\$27,841</u>
30	Maximum	<del>46,464</del> <u>48,787</u>
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32	Deputy Clerks	Annual Salary
33	Minimum	<del>\$22,565</del> <u>\$23,693</u>
34	Maximum	<del>35,934</del> 37,731."

 **SECTION 9.(a)** Section 30.7 of S.L. 2003-284 reads as rewritten:

"SECTION 30.7. For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the compensation of magistrates shall remain as set forth in G.S. 7A-171.1, except that there shall be awarded to each magistrate not receiving a statutory step increase a compensation bonus for the 2003-2004 fiscal year as authorized in this Part."

**SECTION 9.(b)** Effective July 1, 2004, G.S. 7A-171.1(a) reads as rewritten: "§ 7A-171.1. Duty hours, salary, and travel expenses within county.

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- (a) The Administrative Officer of the Courts, after consultation with the chief district judge and pursuant to the following provisions, shall set an annual salary for each magistrate.
  - (1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6.

## Table of Salaries of Full-Time Magistrates

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17	Step Level	Annual Salary
18	Entry Rate	<del>\$26,889</del> <u>\$28,233</u>
19	Step 1	<del>29,525</del> <u>31,001</u>
20	Step 2	<del>32,393</del> 34,013
21	Step 3	<del>35,523</del> 37,299
22	Step 4	<del>38,952</del> 40,900
23	Step 5	<del>42,721</del> 44,857
24	Step 6	<del>46,8644</del> 9,207
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- (2) A part-time magistrate is a magistrate who is assigned to work an average of less than 40 hours of work a week during the term, except that no magistrate shall be assigned an average of less than 10 hours of work a week during the term. A part-time magistrate is included, in accordance with G.S. 7A-170, under the provisions of G.S. 135-1(10) 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, an individual who, when initially appointed as a full-time magistrate, is licensed to practice law in North Carolina, shall receive the annual salary provided in the Table in subdivision (1) of this subsection for Step 4. This

magistrate's salary shall increase to the next step every four years on 1 2 the anniversary of the date the magistrate was originally appointed. An 3 individual who, when initially appointed as a part-time magistrate, is licensed to practice law in North Carolina, shall be paid an annual 4 5 salary based on that for Step 4 and determined according to the 6 formula in subdivision (2) of this subsection. This magistrate's salary 7 shall increase to the next step every four years on the anniversary of 8 the date the magistrate was originally appointed. The salary of a 9 full-time magistrate who acquires a license to practice law in North 10 Carolina while holding the office of magistrate and who at the time of acquiring the license is receiving a salary at a level lower than Step 4 11 12 shall be adjusted to Step 4 and, thereafter, shall advance in accordance with the Table's schedule. The salary of a part-time magistrate who 13 14 acquires a license to practice law in North Carolina while holding the 15 office of magistrate and who at the time of acquiring the license is receiving an annual salary as determined by subdivision (2) of this 16 17 subsection based on a salary level lower than Step 4 shall be adjusted 18 to a salary based on Step 4 in the Table and, thereafter, shall advance 19 in accordance with the provision in subdivision (2) of this subsection. 20 Notwithstanding subsection (a) of this section, the following salary provisions 21 apply to individuals who were serving as magistrates on June 30, 1994: The salaries of magistrates who on June 30, 1994, were paid at a salary 22 (1) level of less than five years of service under the table in effect that date 23 shall be as follows: 24 25 26 Less than 1 year of service <del>\$21,325</del>\$22,391 27 1 or more but less than 3 years of service <del>22,389</del>23,508 3 or more but less than 5 years of service <del>24,530.</del>25,757. 28 29 30 Upon completion of five years of service, those magistrates shall receive the salary set as the Entry Rate in the table in subsection (a). 31 32 The salaries of magistrates who on June 30, 1994, were paid at a salary (2) 33 level of five or more years of service shall be based on the rates set out in subsection (a) as follows: 34 35 Salary Level Salary Level on July 1, 1994 on June 30, 1994 36

5 or more but less than 7 years of service

7 or more but less than 9 years of service

11 or more years of service

9 or more but less than 11 years of service

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

Entry Rate

Step 1

Step 2

Step 3

- (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.

  The Administrative Officer of the Courts shall provide magistrates with
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  - longevity pay at the same rates as are provided by the State to its employees subject to the State Personnel Act.

    (b) Notwithstanding G.S. 138-6, a magistrate may not be reimbursed by the State
- for travel expenses incurred on official business within the county in which the magistrate resides."

**SECTION 10.(a)** Section 30.8 of S.L. 2003-284 reads as rewritten:

"SECTION 30.8. For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the compensation of General Assembly principal clerks shall remain as set forth in G.S. 120-37, except that there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part.

**SECTION 10.(b)** Effective July 1, 2004, G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of eighty-eight thousand three hundred six dollars (\$88,306) ninety-two thousand seven hundred twenty-one dollars (\$92,721) payable monthly. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and Advisory Budget Commission and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

**SECTION 11.(a)** Section 30.9 of S.L. 2003-284 reads as rewritten:

"**SECTION 30.9.** For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the compensation of General Assembly sergeant-at-arms and reading clerks shall remain as set forth in G.S. 120-37."

**SECTION 11.(b)** Effective July 1, 2004, G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of two hundred ninety two dollars (\$292.00) three hundred seven dollars (\$307.00) per week plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

**SECTION 12.** Effective July 1, 2004, the Legislative Services Officer shall increase the salaries of nonelected employees of the General Assembly in effect for

fiscal year 2003-2004 by five percent (5%). Nothing in this act limits any of the provisions of G.S. 120-32.

**SECTION 13.** The Director of the Budget shall transfer to the North Carolina Community College System Office from the Reserve for Compensation Increase created in this act for fiscal year 2004-2005 funds necessary to provide a an average annual salary increase of five percent (5%), including funds for the employer's retirement and social security contributions, commencing July 1, 2004, for all permanent full-time community college institutional personnel supported by State funds. The State Board of Community Colleges shall establish guidelines for providing their salary increases to community college institutional personnel and shall have the flexibility to use any excess funds for merit increases.

**SECTION 14.** The Director of the Budget shall transfer to the Board of Governors of The University of North Carolina sufficient funds from the Reserve for Compensation Increase, created in this act for fiscal year 2004-2005, to provide an average annual salary increase of five percent (5%), including funds for the employer's retirement and social security contributions, commencing July 1, 2004, for all employees of The University of North Carolina, as well as employees other than teachers of the North Carolina School of Science and Mathematics, supported by State funds and whose salaries are exempt from the State Personnel Act (EPA). The Board of Governors shall establish guidelines for providing these salary increases and shall have the flexibility to use any excess funds for merit increases.

**SECTION 15.(a)** There is appropriated from the General Fund to the Reserve for Compensation Increase the sum of five hundred thirty five million seven hundred thousand dollars (\$535,700,000) for the 2004-2005 fiscal year to implement the legislative pay increases authorized by this act for public school personnel and State employees.

**SECTION 15.(b)** There is appropriated from the Highway Fund to the Reserve for Compensation Increase the sum of twenty-one million nine hundred thousand dollars (\$21,900,000) for the 2004-2005 fiscal year to implement legislative pay increases authorized by this act.

**SECTION 16.** The Director of the Budget shall transfer to the State Board of Education from the Reserve for Compensation Increase for fiscal year 2004-2005 funds necessary to provide an average annual salary increase, effective July 1, 2004, of five percent (5%), including funds for the employer's retirement and social security contributions for all public school personnel.

Notwithstanding the provisions of Section 14 of this act, these funds shall be used to:

- (1) Provide for an average salary increase of five percent (5%) for teachers, school-based administrators, and all other certified public school personnel, who (i) are paid from State, federal, local, or other funds and (ii) are not at the top of their respective salary ranges.
- (2) Provide all permanent personnel with 29 or more years of experience who are paid from State, federal, local, or other funds on the teacher

salary schedule with a one-time bonus equivalent to the average salary 1 increase of the 26- to 29-year steps. 2 3 (3) Provide permanent personnel who are paid from State, federal, local, 4 or other funds and are at the top of the principal and assistant principal 5 salary schedule, with a one-time bonus equivalent to the average salary 6 increase of the 35- to 41-year steps. Provide for a salary increase that is the greater of (i) five percent (5%) 7 (4) or (ii) the amount required to increase 10-month salaries to eighteen 8 9 thousand five hundred dollars (\$18,500) for all noncertified public 10 school employees who are working full-time and are paid from State, 11 federal, local, or other funds. 12