

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

S

D

SENATE DRS15282-LR-148 (5/18)

Short Title: State Employees/Teachers Pay Increases.

(Public)

---

Sponsors: Senator Kinnaird.

---

Referred to:

---

A BILL TO BE ENTITLED

AN ACT APPROPRIATING FUNDS TO PROVIDE TO STATE EMPLOYEES A  
LEGISLATIVE PAY INCREASE OF TWO THOUSAND DOLLARS 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 the sum of two thousand dollars (\$2,000), 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 two thousand dollars (\$2,000), unless otherwise provided by this act.

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

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

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

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

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

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

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

32        "**SECTION 30.14.(d)** The Director of the Budget shall transfer from the Reserve  
33 for Compensation Increases in this act for fiscal year 2003-2004 and fiscal year  
34 2004-2005 all funds necessary for the compensation increases provided by this act,  
35 including funds for the employer's retirement and social security contributions.

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

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

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

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

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

1       "(a) The salary of the Governor shall be ~~one hundred eighteen thousand four~~  
 2 ~~hundred thirty dollars (\$118,430)~~ one hundred twenty thousand four hundred thirty  
 3 dollars (\$120,430) annually, payable monthly."

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

5       "**SECTION 30.1.(b)** Effective ~~July 1, 2003,~~ July 1, 2004, the annual salaries for the  
 6 members of the Council of State, payable monthly, for the ~~2003-2004 and~~ 2004-2005  
 7 fiscal ~~years-year~~ are:

| <b>Council of State</b>              | <b>Annual Salary</b>                 |
|--------------------------------------|--------------------------------------|
| Lieutenant Governor                  | \$ <del>104,523</del> <u>120,430</u> |
| Attorney General                     | <del>104,523</del> <u>106,523</u>    |
| Secretary of State                   | <del>104,523</del> <u>106,523</u>    |
| State Treasurer                      | <del>104,523</del> <u>106,523</u>    |
| State Auditor                        | <del>104,523</del> <u>106,523</u>    |
| Superintendent of Public Instruction | <del>104,523</del> <u>106,523</u>    |
| Agriculture Commissioner             | <del>104,523</del> <u>106,523</u>    |
| Insurance Commissioner               | <del>104,523</del> <u>106,523</u>    |
| Labor Commissioner                   | <del>104,523</del> <u>106,523</u> "  |

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

19       "**SECTION 30.2.** In accordance with G.S. 143B-9, the maximum annual salaries,  
 20 payable monthly, for the nonelected heads of the principal State departments for the  
 21 ~~2003-2004 and~~ 2004-2005 fiscal ~~years-year~~ are:

| <b>Nonelected Department Heads</b>                       | <b>Annual Salary</b>                 |
|--|--------------------------------------|
| Secretary of Administration                              | \$ <del>102,119</del> <u>104,119</u> |
| Secretary of Correction                                  | <del>102,119</del> <u>104,119</u>    |
| Secretary of Crime Control and Public Safety             | <del>102,119</del> <u>104,119</u>    |
| Secretary of Cultural Resources                          | <del>102,119</del> <u>104,119</u>    |
| Secretary of Commerce                                    | <del>102,119</del> <u>104,119</u>    |
| Secretary of Environment and Natural Resources           | <del>102,119</del> <u>104,119</u>    |
| Secretary of Health and Human Services                   | <del>102,119</del> <u>104,119</u>    |
| Secretary of Juvenile Justice and Delinquency Prevention | <del>102,119</del> <u>104,119</u>    |
| Secretary of Revenue                                     | <del>102,119</del> <u>104,119</u>    |
| Secretary of Transportation                              | <del>102,119</del> <u>104,119</u> "  |

33               **SECTION 5.** Section 30.3 of S.L. 2003-284 reads as rewritten:

34       "**SECTION 30.3.** The annual salaries, payable monthly, for the ~~2003-2004 and~~  
 35 ~~2004-2005~~ fiscal ~~years-year~~ for the following executive branch officials are:

| <b>Executive Branch Officials</b>               | <b>Annual Salary</b>                 |
|---|--------------------------------------|
| Chairman, Alcoholic Beverage Control Commission | \$ <del>92,946</del> <u>\$94,946</u> |
| State Controller                                | <del>130,078</del> <u>132,078</u>    |
| Commissioner of Motor Vehicles                  | <del>92,946</del> <u>94,946</u>      |
| Commissioner of Banks                           | <del>104,523</del> <u>106,523</u>    |
| Chairman, Employment Security Commission        | <del>129,913</del> <u>131,913</u>    |
| State Personnel Director                        | <del>102,119</del> <u>104,119</u>    |
| Chairman, Parole Commission                     | <del>84,871</del> <u>86,871</u>      |
| Members of the Parole Commission                | <del>78,356</del> <u>80,356</u>      |

|   |   |                                     |
|---|---|-------------------------------------|
| 1 | Chairman, Utilities Commission                            | <del>116,405</del> <u>118,405</u>   |
| 2 | Members of the Utilities Commission                       | <del>104,523</del> <u>106,523</u>   |
| 3 | Executive Director, Agency for Public Telecommunications  | <del>78,356</del> <u>80,356</u>     |
| 4 | Director, Museum of Art                                   | <del>95,240</del> <u>97,240</u>     |
| 5 | Executive Director, North Carolina Housing Finance Agency | <del>115,031</del> <u>117,031</u>   |
| 6 | Executive Director, North Carolina Agricultural Finance   |                                     |
| 7 | Authority   | <del>90,470</del> <u>92,470</u>     |
| 8 | State Chief Information Officer                           | <del>130,000</del> <u>132,000</u> " |

9           **SECTION 6.** Section 30.4 of S.L. 2003-284 reads as rewritten:

10        **"SECTION 30.4.(a)** The annual salaries, payable monthly, for specified judicial  
 11 branch officials for the ~~2003-2004 and 2004-2005~~ fiscal years-year are:

| 12 | <b>Judicial Branch Officials</b>               | <b>Annual Salary</b>                  |
|----|--|---------------------------------------|
| 13 | Chief Justice, Supreme Court                   | <del>\$118,430</del> <u>\$120,430</u> |
| 14 | Associate Justice, Supreme Court               | <del>115,336</del> <u>117,336</u>     |
| 15 | Chief Judge, Court of Appeals                  | <del>112,452</del> <u>114,452</u>     |
| 16 | Judge, Court of Appeals                        | <del>110,530</del> <u>112,530</u>     |
| 17 | Judge, Senior Regular Resident Superior Court  | <del>107,527</del> <u>109,527</u>     |
| 18 | Judge, Superior Court                          | <del>104,523</del> <u>106,523</u>     |
| 19 | Chief Judge, District Court                    | <del>94,912</del> <u>96,912</u>       |
| 20 | Judge, District Court                          | <del>91,909</del> <u>93,909</u>       |
| 21 | Administrative Officer of the Courts           | <del>107,527</del> <u>109,527</u>     |
| 22 | Assistant Administrative Officer of the Courts | <del>98,216</del> <u>100,216</u>      |

23        **"SECTION 30.4.(b)** The district attorney or public defender of a judicial district,  
 24 with the approval of the Administrative Officer of the Courts or the Commission on  
 25 Indigent Defense Services, respectively, shall set the salaries of assistant district  
 26 attorneys or assistant public defenders, respectively, in that district such that the average  
 27 salaries of assistant district attorneys or assistant public defenders in that district do not  
 28 exceed ~~sixty thousand one hundred ninety one dollars (\$60,191), sixty-two thousand~~  
 29 one hundred ninety-one dollars (\$62,191), and the minimum salary of any assistant  
 30 district attorney or assistant public defender is at least ~~thirty one thousand thirty five~~  
 31 dollars (\$31,035), thirty-three thousand thirty-five dollars (\$33,035) effective ~~July 1,~~  
 32 2003; July 1, 2004.

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

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

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

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

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

|    |            |               |
|----|------------|---------------|
| 44 | Population | Annual Salary |
|----|------------|---------------|

|   |                    |                                     |
|---|--------------------|-------------------------------------|
| 1 | Less than 100,000  | <del>\$69,911</del> <u>\$71,911</u> |
| 2 | 100,000 to 149,999 | <del>78,452</del> <u>80,452</u>     |
| 3 | 150,000 to 249,999 | <del>86,994</del> <u>88,994</u>     |
| 4 | 250,000 and above  | <del>95,537</del> <u>97,537</u> .   |

5 The salary schedule in this subsection is intended to represent the following  
 6 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%.         |

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

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

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

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

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

|    |                                      |                                     |
|----|--------------------------------------|-------------------------------------|
| 27 |                                      |                                     |
| 28 | Assistant Clerks and Head Bookkeeper | Annual Salary                       |
| 29 | Minimum                              | <del>\$26,515</del> <u>\$28,515</u> |
| 30 | Maximum                              | <del>46,464</del> <u>48,464</u>     |
| 31 |                                      |                                     |
| 32 | Deputy Clerks                        | Annual Salary                       |
| 33 | Minimum                              | <del>\$22,565</del> <u>\$24,565</u> |
| 34 | Maximum                              | <del>35,934</del> <u>37,934</u> ."  |
| 35 |                                      |                                     |

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

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

41 **SECTION 9.(b)** Effective July 1, 2004, G.S. 7A-171.1(a) reads as rewritten:

42 "**§ 7A-171.1. Duty hours, salary, and travel expenses within county.**

(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**

| Step Level | Annual Salary    |
|------------|------------------|
| Entry Rate | \$26,889\$28,889 |
| Step 1     | 29,52531,525     |
| Step 2     | 32,39334,393     |
| Step 3     | 35,52337,523     |
| Step 4     | 38,95240,952     |
| Step 5     | 42,72144,721     |
| Step 6     | 46,86448,864     |

(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

1 magistrate's salary shall increase to the next step every four years on  
 2 the anniversary of the date the magistrate was originally appointed. An  
 3 individual who, when initially appointed as a part-time magistrate, is  
 4 licensed to practice law in North Carolina, shall be paid an annual  
 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  
 11 acquiring the license is receiving a salary at a level lower than Step 4  
 12 shall be adjusted to Step 4 and, thereafter, shall advance in accordance  
 13 with the Table's schedule. The salary of a part-time magistrate who  
 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  
 16 receiving an annual salary as determined by subdivision (2) of this  
 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 (a1) Notwithstanding subsection (a) of this section, the following salary provisions  
 21 apply to individuals who were serving as magistrates on June 30, 1994:

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

|    |  |                                     |
|----|--|-------------------------------------|
| 25 |  |                                     |
| 26 | Less than 1 year of service                | <del>\$21,325</del> <u>\$23,325</u> |
| 27 | 1 or more but less than 3 years of service | <del>22,389</del> <u>24,389</u>     |
| 28 | 3 or more but less than 5 years of service | <del>24,530</del> <u>26,530</u>     |
| 29 |  |                                     |

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

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

|    |   |                 |
|----|---|-----------------|
| 35 | Salary Level                                | Salary Level    |
| 36 | on June 30, 1994                            | on July 1, 1994 |
| 37 | 5 or more but less than 7 years of service  | Entry Rate      |
| 38 | 7 or more but less than 9 years of service  | Step 1          |
| 39 | 9 or more but less than 11 years of service | Step 2          |
| 40 | 11 or more years of service                 | Step 3          |
| 41 |   |                 |

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

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

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

8 (a2) The Administrative Officer of the Courts shall provide magistrates with  
9 longevity pay at the same rates as are provided by the State to its employees subject to  
10 the State Personnel Act.

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

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

15 "**SECTION 30.8.** For the 2003-2004 ~~and 2004-2005 fiscal years,~~ fiscal year, the  
16 compensation of General Assembly principal clerks shall remain as set forth in  
17 G.S. 120-37, except that there shall be awarded a compensation bonus for the  
18 2003-2004 fiscal year as authorized in this Part.

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

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

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

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

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

34 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a  
35 salary of ~~two hundred ninety two dollars (\$292.00)~~ three hundred seven dollars  
36 (\$307.00) per week plus subsistence at the same daily rate provided for members of the  
37 General Assembly, plus mileage at the rate provided for members of the General  
38 Assembly for one round trip only from their homes to Raleigh and return. The  
39 sergeants-at-arms shall serve during sessions of the General Assembly and at such time  
40 prior to the convening of, and subsequent to adjournment or recess of, sessions as may  
41 be authorized by the Legislative Services Commission. The reading clerks shall serve  
42 during sessions only."

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

1 fiscal year 2003-2004 by two thousand dollars (\$2,000). Nothing in this act limits any  
2 of the provisions of G.S. 120-32.

3         **SECTION 13.** The Director of the Budget shall transfer to the North  
4 Carolina Community College System Office from the Reserve for Compensation  
5 Increase, created in this act for fiscal year 2004-2005 funds, necessary to provide an  
6 annual salary increase of two thousand dollars (\$2,000), including funds for the  
7 employer's retirement and social security contributions, commencing July 1, 2004, for  
8 all permanent full-time community college institutional personnel supported by State  
9 funds.

10         **SECTION 14.** The Director of the Budget shall transfer to the Board of  
11 Governors of The University of North Carolina sufficient funds from the Reserve for  
12 Compensation Increase, created in this act for fiscal year 2004-2005, to provide an  
13 annual salary increase of two thousand dollars (\$2,000), including funds for the  
14 employer's retirement and social security contributions, commencing July 1, 2004, for  
15 all employees of The University of North Carolina, as well as employees other than  
16 teachers of the North Carolina School of Science and Mathematics, supported by State  
17 funds and whose salaries are exempt from the State Personnel Act (EPA).

18         **SECTION 15.(a)** There is appropriated from the General Fund to the  
19 Reserve for Compensation Increase the sum of one hundred seventy-one million two  
20 hundred thousand dollars (\$171,200,000) for the 2004-2005 fiscal year to implement the  
21 legislative pay increases authorized by this act for public school personnel and State  
22 employees.

23         **SECTION 15.(b)** There is appropriated from the Highway Fund to the  
24 Reserve for Compensation Increase the sum of twenty-three million nine hundred  
25 thousand dollars (\$23,900,000) for the 2004-2005 fiscal year to implement legislative  
26 pay increases authorized by this act.

27         **SECTION 16.** This act becomes effective July 1, 2004.