

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE DRH30411-LR-177 (04/28)

Short Title: Raise State Employee/Teacher Pay 7%. (Public)

Sponsors: Representatives Coleman, Ross, B. Allen, and Martin (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT APPROPRIATING FUNDS TO PROVIDE TO STATE EMPLOYEES AND  
PUBLIC SCHOOL PERSONNEL A LEGISLATIVE PAY INCREASE OF SEVEN  
PERCENT.

The General Assembly of North Carolina enacts:

**GOVERNOR AND COUNCIL OF STATE/SALARY INCREASES**

**SECTION 1.(a)** Effective July 1, 2006, G.S. 147-11(a) reads as rewritten:

"(a) The salary of the Governor shall be ~~one hundred twenty three thousand eight hundred nineteen dollars (\$123,819)~~ one hundred thirty-two thousand four hundred eighty-six dollars (\$132,486) annually, payable monthly."

**SECTION 1.(b)** Section 29.1(b) of S.L. 2005-276 reads as rewritten:

"**SECTION 29.1.(b)** Effective ~~July 1, 2005,~~ July 1, 2006, the annual salaries for the members of the Council of State, payable monthly, for the ~~2005-2006 and 2006-2007~~ fiscal ~~years-year~~ are:

<u>Council of State</u>	<u>Annual Salary</u>
Lieutenant Governor	<u>\$109,279116,929</u>
Attorney General	<u>109,279116,929</u>
Secretary of State	<u>109,279116,929</u>
State Treasurer	<u>109,279116,929</u>
State Auditor	<u>109,279116,929</u>
Superintendent of Public Instruction	<u>109,279116,929</u>
Agriculture Commissioner	<u>109,279116,929</u>
Insurance Commissioner	<u>109,279116,929</u>
Labor Commissioner	<u>109,279116,929"</u>

**NONELECTED DEPARTMENT HEADS/SALARY INCREASES**

1           **SECTION 2.** Section 29.2 of S.L. 2005-276 reads as rewritten:

2           **"SECTION 29.2.** In accordance with G.S. 143B-9, the maximum annual salaries,  
3 payable monthly, for the nonelected heads of the principal State departments for the  
4 ~~2005-2006 and 2006-2007~~ fiscal years-year are:

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
Secretary of Administration	<del>\$106,765</del> <u>114,239</u>
Secretary of Correction	<del>106,765</del> <u>114,239</u>
Secretary of Crime Control and Public Safety	<del>106,765</del> <u>114,239</u>
Secretary of Cultural Resources	<del>106,765</del> <u>114,239</u>
Secretary of Commerce	<del>106,765</del> <u>114,239</u>
Secretary of Environment and Natural Resources	<del>106,765</del> <u>114,239</u>
Secretary of Health and Human Services	<del>106,765</del> <u>114,239</u>
Secretary of Juvenile Justice and Delinquency	<del>106,765</del> <u>114,239</u>
Secretary of Revenue	<del>106,765</del> <u>114,239</u>
Secretary of Transportation	<del>106,765</del> <u>114,239</u> "

18           **CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES**

19           **SECTION 3.** Section 29.3 of S.L. 2005-276 reads as rewritten:

20           **"SECTION 29.3.** The annual salaries, payable monthly, for the ~~2005-2006 and~~  
21 ~~2006-2007~~ fiscal years-year for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	<del>\$ 97,175</del> <u>103,977</u>
State Controller	<del>135,997</del> <u>145,517</u>
Commissioner of Motor Vehicles	<del>97,175</del> <u>103,977</u>
Commissioner of Banks	<del>109,279</del> <u>116,929</u>
Chairman, Employment Security Commission	<del>133,161</del> <u>142,482</u>
State Personnel Director	<del>106,765</del> <u>114,239</u>
Chairman, Parole Commission	<del>88,733</del> <u>94,944</u>
Members of the Parole Commission	<del>40,960</del> <u>43,827</u>
Chairman, Utilities Commission	<del>121,701</del> <u>130,220</u>
Members of the Utilities Commission	<del>109,279</del> <u>116,929</u>
Executive Director, Agency for Public Telecommunications	<del>81,921</del> <u>87,655</u>
Director, Museum of Art	<del>99,573</del> <u>106,543</u>
Executive Director, North Carolina Agricultural Finance Authority	<del>94,587</del> <u>101,208</u>
State Chief Information Officer	<del>135,915</del> <u>145,429</u> "

41           **JUDICIAL BRANCH OFFICIALS/SALARY INCREASES**

42           **SECTION 4.** Section 29.4 of S.L. 2005-276 reads as rewritten:

43           **"SECTION 29.4.(a)** The annual salaries, payable monthly, for specified Judicial  
44 Branch officials for the ~~2005-2006 and 2006-2007~~ fiscal years-year are:

1		
2	<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
3	Chief Justice, Supreme Court	\$ <del>123,819</del> <u>132,486</u>
4	Associate Justice, Supreme Court	<del>120,583</del> <u>129,024</u>
5	Chief Judge, Court of Appeals	<del>117,568</del> <u>125,798</u>
6	Judge, Court of Appeals	<del>115,559</del> <u>123,648</u>
7	Judge, Senior Regular Resident Superior Court	<del>112,419</del> <u>120,288</u>
8	Judge, Superior Court	<del>109,279</del> <u>116,929</u>
9	Chief Judge, District Court	<del>99,231</del> <u>106,177</u>
10	Judge, District Court	<del>96,091</del> <u>102,817</u>
11	Administrative Officer of the Courts	<del>112,419</del> <u>120,288</u>
12	Assistant Administrative Officer of the Courts	<del>102,684</del> <u>109,872</u>

13 **"SECTION 29.4.(b)** The district attorney or public defender of a judicial district,  
 14 with the approval of the Administrative Officer of the Courts or the Commission on  
 15 Indigent Defense Services, respectively, shall set the salaries of assistant district  
 16 attorneys or assistant public defenders, respectively, in that district such that the average  
 17 salaries of assistant district attorneys or assistant public defenders in that district do not  
 18 exceed ~~sixty two thousand nine hundred thirty dollars (\$62,930), sixty-seven thousand~~  
 19 three hundred thirty-five dollars (\$67,335), and the minimum salary of any assistant  
 20 district attorney or assistant public defender is at least ~~thirty two thousand eight hundred~~  
 21 eighty five dollars (\$32,885), thirty-five thousand one hundred eighty-seven dollars  
 22 (\$35,187) effective July 1, 2005. July 1, 2006.

23 **"SECTION 29.4.(c)** Effective July 1, 2005, the annual salaries of permanent,  
 24 full-time employees of the Judicial Department whose salaries are not itemized in this  
 25 act shall be increased by the greater of eight hundred fifty dollars (\$850.00) or two  
 26 percent (2%). Effective July 1, 2006, the annual salaries of permanent full-time  
 27 employees of the Judiciary Department whose salaries are not itemized in this act shall  
 28 be increased by seven percent (7%).

29 **"SECTION 29.4.(d)** Effective July 1, 2005, the annual salaries of permanent,  
 30 part-time employees of the Judicial Department whose salaries are not itemized in this  
 31 act shall be increased by pro rata amounts of eight hundred fifty dollars (\$850.00) or  
 32 two percent (2%), whichever is greater. Effective July 1, 2006, the annual salaries of  
 33 permanent, part-time employees of the Judicial Department whose salaries are not  
 34 itemized in this act shall be increased by seven percent (7%)."

35  
 36 **CLERK OF SUPERIOR COURT/SALARY INCREASES**

37 **SECTION 5.** Effective July 1, 2006, G.S. 7A-101 reads as rewritten:

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

42	Population	Annual Salary
43	Less than 100,000	\$ <del>73,092</del> <u>\$78,208</u>
44	100,000 to 149,999	<del>82,021</del> <u>87,762</u>

1	150,000 to 249,999	90,952 97,319
2	250,000 and above	99,884.106,876.

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

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

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

**ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASES**

16 **SECTION 6.** Effective July 1, 2006, G.S. 7A-102(c1) reads as rewritten:

17 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time  
 18 deputy clerk serving as head bookkeeper per county, shall be paid an annual salary  
 19 subject to the following minimum and maximum rates:  
 20

21	Assistant Clerks and Head Bookkeeper	Annual Salary
22	Minimum	<del>\$28,365</del> \$30,351
23	Maximum	<del>48,579</del> 51,980

24	Deputy Clerks	Annual Salary
25	Minimum	\$24,415 \$26,124
26	Maximum	<del>37,784.</del> 40,429"

27  
 28  
 29 **MAGISTRATES' SALARY INCREASES**

30 **SECTION 7.(a)** Effective July 1, 2006, G.S. 7A-171.1(a) reads as rewritten:

31 "(a) The Administrative Officer of the Courts, after consultation with the chief  
 32 district judge and pursuant to the following provisions, shall set an annual salary for  
 33 each magistrate.

- 34 (1) A full-time magistrate shall be paid the annual salary indicated in the  
 35 table set out in this subdivision. A full-time magistrate is a magistrate  
 36 who is assigned to work an average of not less than 40 hours a week  
 37 during the term of office. The Administrative Officer of the Courts  
 38 shall designate whether a magistrate is full-time. Initial appointment  
 39 shall be at the entry rate. A magistrate's salary shall increase to the  
 40 next step every two years on the anniversary of the date the magistrate  
 41 was originally appointed for increases to Steps 1 through 3, and every  
 42 four years on the anniversary of the date the magistrate was originally  
 43 appointed for increases to Steps 4 through 6.  
 44

**Table of Salaries of Full-Time Magistrates**

Step Level	Annual Salary
Entry Rate	<del>\$28,739</del> <u>\$30,751</u>
Step 1	<del>31,375</del> <u>33,571</u>
Step 2	<del>34,243</del> <u>36,640</u>
Step 3	<del>37,373</del> <u>39,989</u>
Step 4	<del>40,802</del> <u>43,658</u>
Step 5	<del>44,665</del> <u>47,792</u>
Step 6	<del>48,997.</del> <u>52,427.</u>

(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, a magistrate who is licensed to practice law in North Carolina or any other state shall receive the annual salary provided in the Table in subdivision (1) of this subsection for Step 4."

**SECTION 7.(b)** Effective July 1, 2006, G.S. 7A-171.1(a1) reads as rewritten:

"(a1) Notwithstanding subsection (a) of this section, the following salary provisions apply to individuals who were serving as magistrates on June 30, 1994:

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

Less than 1 year of service	<del>\$23,175</del> <u>\$24,797</u>
1 or more but less than 3 years of service	<del>24,239</del> <u>25,936</u>
3 or more but less than 5 years of service	<del>26,380.</del> <u>28,227.</u>

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

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

Salary Level on June 30, 1994	Salary Level on July 1, 1994 Entry Rate
5 or more but less than 7 years of service	Step 1
7 or more but less than 9 years of service	Step 2
9 or more but less than 11 years of service	Step 3
11 or more years of service	Step 3

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

(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."

**GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES**

**SECTION 8.** Effective July 1, 2006, 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 ~~ninety two thousand three hundred twenty four dollars (\$92,324)~~ ninety-eight thousand seven hundred eighty-seven dollars (\$98,787) 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."

**SERGEANTS-AT-ARMS AND READING CLERKS**

**SECTION 9.** Effective July 1, 2006, 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 ~~three hundred twenty seven dollars (\$327.00)~~ three hundred fifty dollars (\$350.00) 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."

**LEGISLATIVE EMPLOYEES**

1           **SECTION 10.** Effective July 1, 2006, the Legislative Services Officer shall  
2 increase the salaries of nonelected employees of the General Assembly in effect for  
3 fiscal year 2005-2006 by seven percent (7%). Nothing in this act limits any of the  
4 provisions of G.S. 120-32.

5  
6           **COMMUNITY COLLEGE PERSONNEL/SALARY INCREASES**

7           **SECTION 11.** Section 29.11 of S.L. 2005-276 reads as rewritten:

8           **"SECTION 29.11.** The Director of the Budget shall transfer from the Reserve for  
9 Compensation Increases, created in this act for fiscal years 2005-2006 and 2006-2007,  
10 funds to the North Carolina Community Colleges System Office necessary to provide an  
11 annual salary increase of the greater of eight hundred fifty dollars (\$850.00) or two  
12 percent (2%), including funds for the employer's retirement and social security  
13 contributions, commencing July 1, 2005, for all community college employees  
14 supported by State funds. The Director of the Budget shall transfer from the Reserve for  
15 Compensation Increases, created in this act for fiscal year 2006-2007, funds to the  
16 North Carolina Community Colleges System Office necessary to provide an annual  
17 salary increase of seven percent (7%), including funds for the employer's retirement and  
18 social security contributions, commencing July 1, 2006, for all community college  
19 employees supported by State funds."

20  
21           **UNIVERSITY OF NORTH CAROLINA SYSTEM/EPA COMPENSATION**

22           **SECTION 12.** Section 29.12 of S.L. 2005-276 reads as rewritten:

23           **"SECTION 29.12.(a)** ~~The~~ For the 2005-2006 fiscal year, the Director of the Budget  
24 shall transfer to the Board of Governors of The University of North Carolina sufficient  
25 funds from the Reserve for Compensation Increases, created in this act for fiscal year  
26 2005-2006 and 2006-2007, to provide an annual salary increase of the greater of eight  
27 hundred fifty dollars (\$850.00) or two percent (2%), including funds for the employer's  
28 retirement and social security contributions, commencing July 1, 2005, for all  
29 employees of The University of North Carolina, as well as employees other than  
30 teachers of the North Carolina School of Science and Mathematics, supported by State  
31 funds and whose salaries are exempt from the State Personnel Act (EPA). The flat  
32 dollar increase of eight hundred fifty dollars (\$850.00) shall be made to all employees  
33 whose annual salary is less than or equal to forty-two thousand five hundred dollars  
34 (\$42,500). The percentage annual salary increase of two percent (2%) authorized by this  
35 section shall be made on an aggregated average basis, and these funds shall be allocated  
36 to individuals whose annual salary is greater than forty-two thousand five hundred  
37 dollars (\$42,500), according to the rules adopted by the Board of Governors of The  
38 University of North Carolina or the Board of Trustees of the North Carolina School of  
39 Science and Mathematics, as appropriate, and may not be used for any purpose other  
40 than for salary increases and necessary employer contributions provided by this section.

41           **"SECTION 29.12.(a1)** For the 2006-2007 fiscal year, the Director of the Budget  
42 shall transfer to the Board of Governors of The University of North Carolina sufficient  
43 funds from the Reserve for Compensation Increases, created in this act for fiscal year  
44 2006-2007, to provide an annual salary increase of seven percent (7%), including funds

1 for the employer's retirement and social security contributions, commencing July 1,  
2 2006, for all employees of The University of North Carolina, as well as employees other  
3 than teachers of the North Carolina School of Science and Mathematics, supported by  
4 State funds and whose salaries are exempt from the State Personnel Act (EPA). The  
5 percentage annual salary increase of seven percent (7%) authorized by this section shall  
6 be made on an aggregated average basis, according to the rules adopted by the Board of  
7 Governors of The University of North Carolina or the Board of Trustees of the North  
8 Carolina School of Science and Mathematics, as appropriate, and may not be used for  
9 any purpose other than for salary increases and necessary employer contributions  
10 provided by this section.

11 "SECTION 29.12.(b) The Director of the Budget shall transfer to the Board of  
12 Governors of The University of North Carolina sufficient funds from the Reserve for  
13 Compensation Increases, created in this act for fiscal years 2005-2006 and 2006-2007,  
14 to provide an average annual salary increase of two and twenty-four hundredths percent  
15 (2.24%), including funds for the employer's retirement and social security contributions,  
16 commencing July 1, 2005, for all teaching employees of the North Carolina School of  
17 Science and Mathematics, supported by State funds and whose salaries are exempt from  
18 the State Personnel Act (EPA). These funds shall be allocated to individuals according  
19 to the rules adopted by the Board of Trustees of the North Carolina School of Science  
20 and Mathematics and may not be used for any purpose other than for salary increases  
21 and necessary employer contributions provided by this section.

22 "SECTION 29.12.(b1) The Director of the Budget shall transfer to the Board of  
23 Governors of The University of North Carolina sufficient funds from the Reserve for  
24 Compensation Increases, created in this act for fiscal year 2006-2007, to provide an  
25 average annual salary increase of seven percent (7%), including funds for the  
26 employer's retirement and social security contributions, commencing July 1, 2006, for  
27 all teaching employees of the North Carolina School of Science and Mathematics,  
28 supported by State funds and whose salaries are exempt from the State Personnel Act  
29 (EPA). These funds shall be allocated to individuals according to the rules adopted by  
30 the Board of Trustees of the North Carolina School of Science and Mathematics and  
31 may not be used for any purpose other than for salary increases and necessary employer  
32 contributions provided by this section."

### 33 34 MOST STATE EMPLOYEES/SALARY INCREASES

35 SECTION 13. Section 29.13 of S.L. 2005-276 reads as rewritten:

36 "SECTION 29.13.(a) The salaries in effect June 30, 2005, of all permanent  
37 full-time State employees whose salaries are set in accordance with the State Personnel  
38 Act and who are paid from the General Fund or the Highway Fund shall be increased,  
39 effective July 1, 2005, by the greater of eight hundred fifty dollars (\$850.00) or two  
40 percent (2%), unless otherwise provided by this act. Effective July 1, 2006, the salaries  
41 of all permanent full-time State employees whose salaries are set in accordance with the  
42 State Personnel Act, and who are paid from the General Fund or Highway Funds shall  
43 be increased by seven percent (7%).



1       **"SECTION 29.13.(b)** Except as otherwise provided in this act, the fiscal year  
2 2005-2006 salaries for permanent full-time State officials and persons in exempt  
3 positions that are recommended by the Governor or the Governor and the Advisory  
4 Budget Commission and set by the General Assembly shall be increased by the greater  
5 of eight hundred fifty dollars (\$850.00) or two percent (2%), effective July 1, 2005,  
6 unless otherwise provided by this act. Effective July 1, 2006, the compensation of  
7 permanent full-time State officials and persons in exempt positions that are  
8 recommended by the Governor or the Governor and the Advisory Budget Commission  
9 and set by the General Assembly shall be increased by seven percent (7%).

10       **"SECTION 29.13.(c)** The salaries in effect for fiscal year 2005-2006 for all  
11 permanent part-time State employees shall be increased, effective July 1, 2005, by pro  
12 rata amounts of eight hundred fifty dollars (\$850.00) or two percent (2%), whichever is  
13 greater. Effective July 1, 2006, the salaries of all permanent part-time State employees  
14 shall be increased by seven percent (7%).

15       **"SECTION 29.13.(d)** The Director of the Budget may allocate out of special  
16 operating funds or from other sources of the employing agency, except tax revenues,  
17 sufficient funds to allow ~~a salary increase, effective July 1, 2005, salary increases,~~ in  
18 accordance with subsection (a), (b), or (c) of this section, including funds for the  
19 employer's retirement and social security contributions, for the permanent full-time and  
20 part-time employees of the agency, provided the employing agency elects to make  
21 available the necessary funds.

22       **"SECTION 29.13.(e)** ~~Within~~ For the 2005-2006 fiscal year, within regular  
23 Executive Budget Act procedures as limited by this act, all State agencies and  
24 departments may increase on an equitable basis the rate of pay of temporary and  
25 permanent hourly State employees, subject to availability of funds in the particular  
26 agency or department, by pro rata amounts of the greater of the eight hundred fifty  
27 dollar (\$850.00) or two percent (2%) increase provided for permanent full-time  
28 employees covered by the provisions of subsection (a) of this section, commencing July  
29 1, 2005. For the 2006-2007 fiscal year, within regular Executive Budget Act procedures  
30 as limited by this act, all State agencies and departments may increase on an equitable  
31 basis the rate of pay of temporary and permanent hourly State employees, subject to  
32 availability of funds in the particular agency or department, by the seven percent (7%)  
33 increase provided for permanent full-time employees covered by the provisions of  
34 subsection (a) of this section, commencing July 1, 2006."  
35

#### 36 ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES

37       **SECTION 14.** Section 29.14 of S.L. 2005-276 reads as rewritten:

38       **"SECTION 29.14.(a)** Salaries and related benefits for positions that are funded  
39 partially from the General Fund or Highway Fund and partially from sources other than  
40 the General Fund or Highway Fund shall be increased from the General Fund or  
41 Highway Fund appropriation only to the extent of the proportionate part of the salaries  
42 paid from the General Fund or Highway Fund.

1 "SECTION 29.14.(b) The granting of the salary increases under this act does not  
2 affect the status of eligibility for salary increments for which employees may be eligible  
3 unless otherwise required by this act.

4 "SECTION 29.14.(c) The fiscal year 2005-2006 salary increases provided in this  
5 act are to be effective July 1, 2005, and do not apply to persons separated from State  
6 service due to resignation, dismissal, reduction in force, death, or retirement, or whose  
7 last workday is prior to July 1, 2005. The fiscal year 2006-2007 salary increases  
8 provided in this act are to be effective July 1, 2006, and do not apply to persons  
9 separated from State service due to resignation, dismissal, reduction in force, death, or  
10 retirement, or whose last workday is prior to July 1, 2006.

11 Payroll checks issued to employees which represent payment of services provided  
12 prior to these increases shall not be eligible for salary increases provided for in this act.  
13 This subsection shall apply to all employees, subject to or exempt from the State  
14 Personnel Act, paid from State funds, including public schools, community colleges,  
15 and The University of North Carolina.

16 "SECTION 29.14.(d) The Director of the Budget shall transfer from the Reserve  
17 for Compensation Increases in this act for fiscal year 2005-2006 and fiscal year  
18 2006-2007 all funds necessary for the salary increases provided by this act, including  
19 funds for the employer's retirement and social security contributions.

20 "SECTION 29.14.(e) Nothing in this act authorizes the transfer of funds between  
21 the General Fund and the Highway Fund for salary increases.

22 "SECTION 29.14.(f) ~~Permanent~~ For the 2005-2006 fiscal year, permanent full-time  
23 employees who work a nine-, ten-, or eleven-month work year schedule shall receive  
24 the eight hundred fifty dollars (\$850.00) or two percent (2%) annual increase provided  
25 by this act, whichever is greater. For the 2006-2007 fiscal year, permanent full-time  
26 employees who work a nine-, ten-, or eleven-month work year schedule shall receive  
27 the seven percent (7%) annual increase provided by this act."

## 28 29 **APPROPRIATIONS/RESERVE FOR COMPENSATION INCREASE**

30 **SECTION 15.(a)** There is appropriated from the General Fund to the  
31 Reserve for Compensation Increases the sum of seven hundred eleven million  
32 twenty-five thousand dollars (\$711,025,000) for the 2006-2007 fiscal year to implement  
33 the legislative pay increases authorized by this act for public school personnel and State  
34 employees.

35 **SECTION 15.(b)** There is appropriated from the General Fund to the  
36 Reserve for Compensation Increases the sum of eight million seven hundred  
37 seventy-five thousand dollars (\$8,775,000), nonrecurring, for the 2006-2007 fiscal year  
38 to provide a one-time compensation bonus for teachers, principals, and assistant  
39 principals who are at the top of their salary schedules in accordance with this act.

40 **SECTION 15.(c)** There is appropriated from the Highway Fund to the  
41 Reserve for Compensation Increases the sum of thirty-three million five hundred sixteen  
42 thousand dollars (\$33,516,000) for the 2006-2007 fiscal year to implement legislative  
43 pay increases authorized by this act.

1           **SECTION 16.(a)** The Director of the Budget shall transfer to the State  
2 Board of Education from the Reserve for Compensation Increases for fiscal year  
3 2006-2007 funds necessary to provide an average annual salary increase, effective July  
4 1, 2006, of seven percent (7%), including funds for the employer's retirement and social  
5 security contributions for all public school personnel.

6           Notwithstanding any other provision of this act, these funds shall be used to:

- 7           (1) Provide for an average salary increase of seven percent (7%) for  
8 teachers, school-based administrators, and all other certified public  
9 school personnel who are not at the top of their respective salary  
10 ranges.
- 11           (2) Provide a salary increase of seven percent (7%) to noncertified public  
12 school personnel.
- 13           (3) Provide all teachers with 29 or more years of experience with a  
14 one-time bonus equivalent to the average salary increase of the 26- to  
15 29-year steps.
- 16           (4) Provide permanent personnel who are at the top of the principal and  
17 assistant principal salary schedule with a one-time bonus equivalent to  
18 the average salary increase of the 35- to 41-year steps.

19           **SECTION 16.(b)** Funds in the Reserve for Compensation Increases shall be  
20 used for experience step increases for employees of schools operated by the Department  
21 of Health and Human Services, the Department of Correction, or the Department of  
22 Juvenile Justice and Delinquency Prevention, who are paid on the Teacher Salary  
23 Schedule or the School Based Administrator Salary Schedule.

24           **SECTION 17.** This act becomes effective July 1, 2006.