

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1176

Rules and Operations of the Senate Committee Substitute Adopted 9/2/98

Third Edition Engrossed 9/3/98

House Committee Substitute Favorable 9/9/98

Short Title: Salaries and Benefits/No Per Diem.

(Public)

Sponsors:

Referred to:

May 20, 1998

A BILL TO BE ENTITLED

AN ACT TO ENACT THE SALARIES AND RETIREMENT BENEFITS FOR THE 1998-99 FISCAL YEAR AND TO CUT OFF PER DIEM FOR MEMBERS OF THE SENATE.

The General Assembly of North Carolina enacts:

PART I. PUBLIC SCHOOLS SALARIES

TEACHER SALARY SCHEDULES

Section 1. (a) Effective for the 1998-99 school year, the Director of the Budget may transfer from the Reserve for Compensation Increase for the 1998-99 fiscal year funds necessary to implement the teacher salary schedule set out in subsection (b) of this section, including funds for the employer's retirement and social security contributions and funds for annual longevity payments at one percent (1%) of base salary for 10 to 14 years of State service, one and one-half percent (1.5%) of base salary for 15 to 19 years of State service, two percent (2%) of base salary for 20 to 24 years of State service, and four and one-half percent (4.5%) of base salary for 25 or more years of State service,

1 commencing July 1, 1998, for all teachers whose salaries are supported from the State's
 2 General Fund. These funds shall be allocated to individuals according to rules adopted
 3 by the State Board of Education and the Superintendent of Public Instruction. The
 4 longevity payment shall be paid in a lump sum once a year.

5 (b)(1) For the 1998-99 school year, the following monthly salary schedules
 6 shall apply to certified personnel of the public schools who are
 7 classified as teachers. The schedule contains 30 steps with each step
 8 corresponding to one year of teaching experience.

9
 10 **1998-99 MONTHLY SALARY SCHEDULE**
 11 **"A"TEACHERS**

13 Years of	"A"	NBPTS	
14 Experience	Teachers	Certification	
15			
16	0	2,310	N/A
17	1	2,352	N/A
18	2	2,395	N/A
19	3	2,551	2,857
20	4	2,678	2,999
21	5	2,779	3,112
22	6	2,826	3,165
23	7	2,874	3,218
24	8	2,923	3,273
25	9	2,972	3,328
26	10	3,021	3,383
27	11	3,071	3,439
28	12	3,123	3,497
29	13	3,176	3,557
30	14	3,230	3,617
31	15	3,285	3,679
32	16	3,341	3,741
33	17	3,398	3,805
34	18	3,456	3,870
35	19	3,516	3,937
36	20	3,577	4,006
37	21	3,640	4,076
38	22	3,703	4,147
39	23	3,767	4,219
40	24	3,832	4,291
41	25	3,899	4,366
42	26	3,968	4,444
43	27	4,038	4,522

1	28	4,109	4,602
2	29+	4,182	4,683

**1998-99 MONTHLY SALARY SCHEDULE
"G"TEACHERS**

7	Years of	"G"	NBPTS
8	Experience	Teachers	Certification
9			
10	0	2,454	N/A
11	1	2,499	N/A
12	2	2,545	N/A
13	3	2,710	3,035
14	4	2,845	3,186
15	5	2,953	3,307
16	6	3,003	3,363
17	7	3,054	3,420
18	8	3,106	3,478
19	9	3,158	3,536
20	10	3,210	3,595
21	11	3,263	3,654
22	12	3,318	3,716
23	13	3,375	3,780
24	14	3,432	3,843
25	15	3,490	3,908
26	16	3,550	3,976
27	17	3,610	4,043
28	18	3,672	4,112
29	19	3,736	4,184
30	20	3,801	4,257
31	21	3,868	4,332
32	22	3,934	4,406
33	23	4,002	4,482
34	24	4,072	4,560
35	25	4,143	4,640
36	26	4,216	4,721
37	27	4,290	4,804
38	28	4,366	4,889
39	29+	4,443	4,976

40 (2) Certified public school teachers with certification based on academic
 41 preparation at the six-year degree level shall receive a salary supplement
 42 of one hundred twenty-six dollars (\$126.00) per month in addition to the
 43 compensation provided for certified personnel of the public schools who

1 are classified as "G"teachers. Certified public school teachers with
2 certification based on academic preparation at the doctoral degree level
3 shall receive a salary supplement of two hundred fifty-three dollars
4 (\$253.00) per month in addition to the compensation provided for
5 certified personnel of the public schools who are classified as
6 "G"teachers.

7 (c) Effective for the 1998-99 school year, the first step of the salary schedule for
8 school psychologists shall be equivalent to Step 5, corresponding to five years of
9 experience, on the salary schedule established in this section for certified personnel of the
10 public schools who are classified as "G"teachers. Certified psychologists shall be placed
11 on the salary schedule at an appropriate step based on their years of experience. Certified
12 psychologists shall receive longevity payments based on years of State service in the
13 same manner as teachers.

14 Certified psychologists with certification based on academic preparation at the
15 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars
16 (\$126.00) per month in addition to the compensation provided for certified psychologists.
17 Certified psychologists with certification based on academic preparation at the doctoral
18 degree level shall receive a salary supplement of two hundred fifty-three dollars
19 (\$253.00) per month in addition to the compensation provided for certified psychologists.

20 (d) Effective for the 1998-99 school year, speech pathologists who are certified
21 as speech pathologists at the masters degree level and audiologists who are certified as
22 audiologists at the masters degree level and who are employed in the public schools as
23 speech and language specialists and audiologists shall be paid on the school psychologist
24 salary schedule.

25 Speech pathologists and audiologists with certification based on academic
26 preparation at the six-year degree level shall receive a salary supplement of one hundred
27 twenty-six dollars (\$126.00) per month in addition to the compensation provided for
28 speech pathologists and audiologists. Speech pathologists and audiologists with
29 certification based on academic preparation at the doctoral degree level shall receive a
30 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
31 the compensation provided for speech pathologists and audiologists.

32 (e) The State Board of Education shall study the current salary schedules for
33 nurses and other allied health professionals. The State Board shall report to the Joint
34 Legislative Education Oversight Committee prior to December 15, 1998, on the results of
35 its study and on any recommended modifications to the current salary schedules.

36 37 **SCHOOL-BASED ADMINISTRATOR SALARIES**

38 Section 2. (a) Funds appropriated to the Reserve for Compensation Increase shall
39 be used for the implementation of the salary schedule for school-based administrators as
40 provided in this section. These funds shall be used for State-paid employees only.

41 (b) The salary schedule for school-based administrators shall apply only to
42 principals and assistant principals. The salary schedule for the 1998-99 fiscal year,
43 commencing July 1, 1998, is as follows:

Step	Base	Assistant Principals		Base	Principal I	
		Base + 1%	Base + 2%		Base + 1%	Base + 2%
4	\$2,873	\$2,902	\$2,930	—	—	—
5	2,983	3,013	3,043	—	—	—
6	3,033	3,063	3,094	—	—	—
7	3,085	3,116	3,147	—	—	—
8	3,137	3,168	3,200	\$3,137	\$3,168	\$3,200
9	3,190	3,222	3,254	3,190	3,222	3,254
10	3,242	3,274	3,307	3,242	3,274	3,307
11	3,296	3,329	3,362	3,296	3,329	3,362
12	3,351	3,385	3,418	3,351	3,385	3,418
13	3,409	3,443	3,477	3,409	3,443	3,477
14	3,466	3,501	3,535	3,466	3,501	3,535
15	3,525	3,560	3,596	3,525	3,560	3,596
16	3,586	3,622	3,658	3,586	3,622	3,658
17	3,646	3,682	3,719	3,646	3,682	3,719
18	3,709	3,746	3,783	3,709	3,746	3,783
19	3,773	3,811	3,848	3,773	3,811	3,848
20	3,839	3,877	3,916	3,839	3,877	3,916
21	3,907	3,946	3,985	3,907	3,946	3,985
22	3,973	4,013	4,052	3,973	4,013	4,052
23	4,042	4,082	4,123	4,042	4,082	4,123
24	4,113	4,154	4,195	4,113	4,154	4,195
25	4,184	4,226	4,268	4,184	4,226	4,268
26	4,258	4,301	4,343	4,258	4,301	4,343
27	4,333	4,376	4,420	4,333	4,376	4,420
28	4,410	4,454	4,498	4,410	4,454	4,498
29	4,487	4,532	4,577	4,487	4,532	4,577
30	4,577	4,623	4,669	4,577	4,623	4,669
31	4,669	4,716	4,762	4,669	4,716	4,762
32	—	—	—	4,762	4,810	4,857

Step	Base	Principal II		Base	Principal III	
		Base + 1%	Base + 2%		Base + 1%	Base + 2%
4	—	—	—	—	—	—
5	—	—	—	—	—	—
6	—	—	—	—	—	—
7	—	—	—	—	—	—

1	8	—	—	—	—	—	—
2	9	—	—	—	—	—	—
3	10	\$3,296	\$3,329	\$3,362	—	—	—
4	11	3,351	3,385	3,418	—	—	—
5	12	3,409	3,443	3,477	\$3,466	\$3,501	\$3,535
6	13	3,466	3,501	3,535	3,525	3,560	3,596
7	14	3,525	3,560	3,596	3,586	3,622	3,658
8	15	3,586	3,622	3,658	3,646	3,682	3,719
9	16	3,646	3,682	3,719	3,709	3,746	3,783
10	17	3,709	3,746	3,783	3,773	3,811	3,848
11	18	3,773	3,811	3,848	3,839	3,877	3,916
12	19	3,839	3,877	3,916	3,907	3,946	3,985
13	20	3,907	3,946	3,985	3,973	4,013	4,052
14	21	3,973	4,013	4,052	4,042	4,082	4,123
15	22	4,042	4,082	4,123	4,113	4,154	4,195
16	23	4,113	4,154	4,195	4,184	4,226	4,268
17	24	4,184	4,226	4,268	4,258	4,301	4,343
18	25	4,258	4,301	4,343	4,333	4,376	4,420
19	26	4,333	4,376	4,420	4,410	4,454	4,498
20	27	4,410	4,454	4,498	4,487	4,532	4,577
21	28	4,487	4,532	4,577	4,577	4,623	4,669
22	29	4,577	4,623	4,669	4,669	4,716	4,762
23	30	4,669	4,716	4,762	4,762	4,810	4,857
24	31	4,762	4,810	4,857	4,857	4,906	4,954
25	32	4,857	4,906	4,954	4,954	5,004	5,053
26	33	4,954	5,004	5,053	5,053	5,104	5,154
27	34	5,053	5,104	5,154	5,154	5,206	5,257
28	35	—	—	—	5,257	5,310	5,362
29	36	—	—	—	5,362	5,416	5,469
30							
31		Principal IV			Principal V		
32	Step	Base	Base	Base	Base	Base	Base
33			+ 1%	+ 2%		+ 1%	+ 2%
34							
35	4	—	—	—	—	—	—
36	5	—	—	—	—	—	—
37	6	—	—	—	—	—	—
38	7	—	—	—	—	—	—
39	8	—	—	—	—	—	—
40	9	—	—	—	—	—	—
41	10	—	—	—	—	—	—
42	11	—	—	—	—	—	—
43	12	—	—	—	—	—	—

1	13	\$3,586	\$3,622	\$3,658	—	—	—
2	14	3,646	3,682	3,719	\$3,709	\$3,746	\$3,783
3	15	3,709	3,746	3,783	3,773	3,811	3,848
4	16	3,773	3,811	3,848	3,839	3,877	3,916
5	17	3,839	3,877	3,916	3,907	3,946	3,985
6	18	3,907	3,946	3,985	3,973	4,013	4,052
7	19	3,973	4,013	4,052	4,042	4,082	4,123
8	20	4,042	4,082	4,123	4,113	4,154	4,195
9	21	4,113	4,154	4,195	4,184	4,226	4,268
10	22	4,184	4,226	4,268	4,258	4,301	4,343
11	23	4,258	4,301	4,343	4,333	4,376	4,420
12	24	4,333	4,376	4,420	4,410	4,454	4,498
13	25	4,410	4,454	4,498	4,487	4,532	4,577
14	26	4,487	4,532	4,577	4,577	4,623	4,669
15	27	4,577	4,623	4,669	4,669	4,716	4,762
16	28	4,669	4,716	4,762	4,762	4,810	4,857
17	29	4,762	4,810	4,857	4,857	4,906	4,954
18	30	4,857	4,906	4,954	4,954	5,004	5,053
19	31	4,954	5,004	5,053	5,053	5,104	5,154
20	32	5,053	5,104	5,154	5,154	5,206	5,257
21	33	5,154	5,206	5,257	5,257	5,310	5,362
22	34	5,257	5,310	5,362	5,362	5,416	5,469
23	35	5,362	5,416	5,469	5,469	5,524	5,578
24	36	5,469	5,524	5,578	5,578	5,634	5,690
25	37	5,578	5,634	5,690	5,689	5,746	5,803
26	38	—	—	—	5,803	5,861	5,919
27	39	—	—	—	—	—	—
28	40	—	—	—	—	—	—
29	41	—	—	—	—	—	—
30							
31			Principal VI			Principal VII	
32	Step	Base	Base	Base	Base	Base	Base
33			+ 1%	+ 2%		+ 1%	+ 2%
34							
35	4	—	—	—	—	—	—
36	5	—	—	—	—	—	—
37	6	—	—	—	—	—	—
38	7	—	—	—	—	—	—
39	8	—	—	—	—	—	—
40	9	—	—	—	—	—	—
41	10	—	—	—	—	—	—
42	11	—	—	—	—	—	—
43	12	—	—	—	—	—	—

1	13	—	—	—	—	—	—
2	14	—	—	—	—	—	—
3	15	—	—	—	—	—	—
4	16	\$3,907	\$3,946	\$3,985	—	—	—
5	17	3,973	4,013	4,052	\$4,113	\$4,154	\$4,195
6	18	4,042	4,082	4,123	4,184	4,226	4,268
7	19	4,113	4,154	4,195	4,258	4,301	4,343
8	20	4,184	4,226	4,268	4,333	4,376	4,420
9	21	4,258	4,301	4,343	4,410	4,454	4,498
10	22	4,333	4,376	4,420	4,487	4,532	4,577
11	23	4,410	4,454	4,498	4,577	4,623	4,669
12	24	4,487	4,532	4,577	4,669	4,716	4,762
13	25	4,577	4,623	4,669	4,762	4,810	4,857
14	26	4,669	4,716	4,762	4,857	4,906	4,954
15	27	4,762	4,810	4,857	4,954	5,004	5,053
16	28	4,857	4,906	4,954	5,053	5,104	5,154
17	29	4,954	5,004	5,053	5,154	5,206	5,257
18	30	5,053	5,104	5,154	5,257	5,310	5,362
19	31	5,154	5,206	5,257	5,362	5,416	5,469
20	32	5,257	5,310	5,362	5,469	5,524	5,578
21	33	5,362	5,416	5,469	5,578	5,634	5,690
22	34	5,469	5,524	5,578	5,689	5,746	5,803
23	35	5,578	5,634	5,690	5,803	5,861	5,919
24	36	5,689	5,746	5,803	5,920	5,979	6,038
25	37	5,803	5,861	5,919	6,038	6,098	6,159
26	38	5,920	5,979	6,038	6,159	6,221	6,282
27	39	6,038	6,098	6,159	6,282	6,345	6,408
28	40	6,159	6,221	6,282	6,407	6,471	6,535
29	41	—	—	—	6,536	6,601	6,667

30				
31			Principal VIII	
32	Step	Base	Base	Base
33			+ 1%	+ 2%
34				
35	4	—	—	—
36	5	—	—	—
37	6	—	—	—
38	7	—	—	—
39	8	—	—	—
40	9	—	—	—
41	10	—	—	—
42	11	—	—	—
43	12	—	—	—

1	13	—	—	—
2	14	—	—	—
3	15	—	—	—
4	16	—	—	—
5	17	—	—	—
6	18	\$4,258	\$4,301	\$4,343
7	19	4,333	4,376	4,420
8	20	4,410	4,454	4,498
9	21	4,487	4,532	4,577
10	22	4,577	4,623	4,669
11	23	4,669	4,716	4,762
12	24	4,762	4,810	4,857
13	25	4,857	4,906	4,954
14	26	4,954	5,004	5,053
15	27	5,053	5,104	5,154
16	28	5,154	5,206	5,257
17	29	5,257	5,310	5,362
18	30	5,362	5,416	5,469
19	31	5,469	5,524	5,578
20	32	5,578	5,634	5,690
21	33	5,689	5,746	5,803
22	34	5,803	5,861	5,919
23	35	5,920	5,979	6,038
24	36	6,038	6,098	6,159
25	37	6,159	6,221	6,282
26	38	6,282	6,345	6,408
27	39	6,407	6,471	6,535
28	40	6,536	6,601	6,667
29	41	6,667	6,734	6,800

30
 31 (c) The appropriate classification for placement of principals and assistant
 32 principals on the salary schedule, except for principals in alternative schools, shall be
 33 determined in accordance with the following schedule:

34	Classification	Number of Teachers Supervised
35	Assistant Principal	
36	Principal I	Fewer than 11 Teachers
37	Principal II	11-21 Teachers
38	Principal III	22-32 Teachers
39	Principal IV	33-43 Teachers
40	Principal V	44-54 Teachers
41	Principal VI	55-65 Teachers
42	Principal VII	66-100 Teachers
43		

Principal VIII

More than 100 Teachers

The number of teachers supervised includes teachers and assistant principals paid from State funds only; it does not include teachers or assistant principals paid from non-State funds or the principal or teacher assistants.

The beginning classification for principals in alternative schools shall be the Principal III level. Principals in alternative schools who supervise 33 or more teachers shall be classified according to the number of teachers supervised.

(d) A principal shall be placed on the step on the salary schedule that reflects total number of years of experience as a certificated employee of the public schools and an additional step for every three years of experience as a principal.

(e) For the 1998-99 fiscal year, a principal or assistant principal shall be placed on the appropriate step plus one percent (1%) if:

(1) The employee's school met or exceeded the projected levels of improvement in student performance for the 1997-98 fiscal year, in accordance with the ABCs of Public Education Program; or

(2) The local board of education found in 1997-98 that the employee's school met objectively measurable goals set by the local board of education for maintaining a safe and orderly school.

The principal or assistant principal shall be placed on the appropriate step plus two percent (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied.

(f) For the 1998-99 fiscal year, a principal or assistant principal shall receive a lump-sum payment of:

(1) One percent (1%) of his or her State-paid salary if the employee's school meets or exceeds the projected levels of improvement in student performance for the 1998-99 fiscal year, in accordance with the ABCs of Public Education Program; or

(2) One percent (1%) of his or her State-paid salary if the local board of education finds that the employee's school has met the goals of the local plan for maintaining a safe and orderly school.

The principal or assistant principal shall receive a lump-sum payment of two percent (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied.

The lump sum shall be paid as determined by guidelines adopted by the State Board. Placement on the salary schedule in the following year shall be based upon these increases.

(g) Principals and assistant principals with certification based on academic preparation at the six-year degree level shall be paid a salary supplement of one hundred twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary supplement of two hundred fifty-three dollars (\$253.00) per month.

(h) There shall be no State requirement that superintendents in each local school unit shall receive in State-paid salary at least one percent (1%) more than the highest paid principal receives in State salary in that school unit: Provided, however, the additional State-paid salary a superintendent who was employed by a local school administrative unit for the 1992-93 fiscal year received because of that requirement shall

1 not be reduced because of this subsection for subsequent fiscal years that the
2 superintendent is employed by that local school administrative unit so long as the
3 superintendent is entitled to at least that amount of additional State-paid salary under the
4 rules in effect for the 1992-93 fiscal year.

5 (i) Longevity pay for principals and assistant principals shall be as provided
6 for State employees.

7 (j)(1) If a principal is reassigned to a higher job classification because the
8 principal is transferred to a school within a local school administrative unit with a larger
9 number of State-allotted teachers, the principal shall be placed on the salary schedule as
10 if the principal had served the principal's entire career as a principal at the higher job
11 classification.

12 (2) If a principal is reassigned to a lower job classification because the
13 principal is transferred to a school within a local school administrative
14 unit with a smaller number of State-allotted teachers, the principal shall
15 be placed on the salary schedule as if the principal had served the
16 principal's entire career as a principal at the lower job classification.

17 This subdivision applies to all transfers on or after the effective date of this
18 section, except transfers in school systems that have been created, or
19 will be created, by merging two or more school systems. Transfers in
20 these merged systems are exempt from the provisions of this
21 subdivision for one calendar year following the date of the merger.

22 (k) Participants in an approved full-time masters in school administration
23 program shall receive up to a 10-month stipend at the beginning salary of an assistant
24 principal during the internship period of the masters program. Certification of eligible
25 full-time interns shall be supplied to the Department of Public Instruction by the
26 Principal's Fellow Program or a school of education where the intern participates in a
27 full-time masters in school administration.

28 29 PART II. SALARIES AND BENEFITS

30 31 GOVERNOR AND COUNCIL OF STATE/SALARY INCREASES

32 Section 3. (a) G.S. 147-11(a) reads as rewritten:

33 "(a) The salary of the Governor shall be ~~one hundred seven thousand one hundred~~
34 ~~thirty-two dollars (\$107,132)~~ one hundred ten thousand three hundred forty-six dollars
35 (\$110,346) annually, payable monthly."

36 (b) Section 33(b) of Chapter 443 of the 1997 Session Laws reads as rewritten:

37 "(b) The annual salaries for the members of the Council of State, payable monthly,
38 for the ~~1997-98 and 1998-99 fiscal years, year,~~ beginning July 1, 1997, July 1, 1998,
39 are:

40
41 Council of State
42 Annual Salary

1	Lieutenant Governor	\$94,552
2	<u>\$97,388</u>	
3	Attorney General	94,552
4	<u>97,388</u>	
5	Secretary of State	94,552
6	<u>97,388</u>	
7	State Treasurer	94,552
8	<u>97,388</u>	
9	State Auditor	94,552
10	<u>97,388</u>	
11	Superintendent of Public Instruction	94,552
12	<u>97,388</u>	
13	Agriculture Commissioner	94,552
14	<u>97,388</u>	
15	Insurance Commissioner	94,552
16	<u>97,388</u>	
17	Labor Commissioner	94,552.
18	<u>97,388."</u>	

NONELECTED DEPARTMENT HEADS/SALARY INCREASES

Section 4. Section 33.1 of Chapter 443 of the 1997 Session Laws reads as rewritten:

"Section 33.1. In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the nonelected heads of the principal State departments for the ~~1997-98 and 1998-99 fiscal years, year, beginning July 1, 1997, July 1, 1998,~~ are:

<u>Nonelected</u>	<u>Department</u>	<u>Heads</u>
<u>Annual Salary</u>		
30	Secretary of Administration	\$92,378
31	<u>\$95,149</u>	
32	Secretary of Correction	92,378
33	<u>95,149</u>	
34	Secretary of Cultural Resources	92,378
35	<u>95,149</u>	
36	Secretary of Commerce	92,378
37	<u>95,149</u>	
38	Secretary of Environment, Health,	
39	<u>Environment</u> and Natural Resources	92,378
40	<u>95,149</u>	
41	Secretary of <u>Health and Human Resources</u>	
42	<u>Services</u>	92,378
43	<u>95,149</u>	

1	Secretary of Revenue	92,378
2	<u>95,149</u>	
3	Secretary of Transportation	92,378
4	<u>95,149</u>	
5	Secretary of Crime Control and Public Safety	92,378.
6	<u>95,149."</u>	

CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

Section 5. Section 33.2 of Chapter 443 of the 1997 Session Laws reads as rewritten:

"Section 33.2. The annual salaries, payable monthly, for the ~~1997-98 and 1998-99~~ fiscal years, ~~year,~~ beginning ~~July 1, 1997,~~ July 1, 1998, for the following executive branch officials are:

15	<u>Executive</u>	<u>Branch</u>	<u>Officials</u>
16	<u>Annual Salary</u>		
18	Chairman, Alcoholic Beverage Control		
19	Commissioner		84,080
20	<u>\$86,602</u>		
21	State Controller	117,669	
22	<u>121,199</u>		
23	Commissioner of Motor Vehicles	84,080	
24	<u>86,602</u>		
25	Commissioner of Banks	94,552	
26	<u>97,389</u>		
27	Chairman, Employment Security Commission	117,520	
28	<u>121,046</u>		
29	State Personnel Director	92,378	
30	<u>95,149</u>		
31	Chairman, Parole Commission	76,775	
32	<u>79,078</u>		
33	Members of the Parole Commission	70,881	
34	<u>73,008</u>		
35	Chairman of the Utilities Commission	95,592	
36	<u>98,388</u>		
37	Commissioners of the Utilities Commission	94,552	
38	<u>97,388</u>		
39	Executive Director, Agency for Public		
40	Telecommunications	70,881	
41	<u>73,008</u>		
42	General Manager, Ports Railway Commission	64,005	
43	<u>65,925</u>		

1	Director, Museum of Art	86,155
2	<u>88,739</u>	
3	Executive Director, Wildlife Resources	
4	Commission	72,569
5		<u>74,746</u>
6	Executive Director, North Carolina Housing	
7	Finance Agency	104,057
8	<u>107,179</u>	
9	Executive Director, North Carolina Agricultural	
10	Finance Authority	81,839
11	<u>84,294</u>	
12	Director, Office of Administrative Hearings	83,141"

JUDICIAL BRANCH OFFICIALS/SALARY INCREASES

15 Section 6. (a) Section 33.7 of Chapter 443 of the 1997 Session Laws reads as
 16 rewritten:

17 "Section 33.7. (a) The annual salaries, payable monthly, for specified judicial
 18 branch officials for the ~~1997-98 and 1998-99 fiscal years, year,~~ beginning ~~July 1, 1997,~~
 19 July 1, 1998, are:

21	<u>Judicial</u>	<u>Branch</u>	<u>Officials</u>
22	<u>Annual Salary</u>		
24	Chief Justice, Supreme Court		\$107,132
25	<u>\$110,346</u>		
26	Associate Justice, Supreme Court		104,333
27	<u>107,463</u>		
28	Chief Judge, Court of Appeals		101,724
29	<u>104,776</u>		
30	Judge, Court of Appeals		99,986
31	<u>102,985</u>		
32	Judge, Senior Regular Resident Superior Court		97,269
33	<u>100,187</u>		
34	Judge, Superior Court		94,552
35	<u>97,388</u>		
36	Chief Judge, District Court		85,857
37	<u>88,433</u>		
38	Judge, District Court		83,141
39	<u>85,635</u>		
40	District Attorney		87,596
41	<u>90,224</u>		
42	Administrative Officer of the Courts		97,269
43	<u>100,187</u>		

1	Assistant Administrative Officer of the Courts	81,684
2	<u>84,134</u>	
3	Public Defender	87,596.
4	<u>90,224.</u>	

5
 6 (b) ~~The district attorney or public defender of a judicial district, with the approval~~
 7 ~~of the Administrative Officer of the Courts, shall set the salaries of assistant district~~
 8 ~~attorneys or assistant public defenders, respectively, in that district such that the average~~
 9 ~~salaries of assistant district attorneys or assistant public defenders in that district do not~~
 10 ~~exceed fifty-three thousand eight hundred eighty-three dollars (\$53,883) and the~~
 11 ~~minimum salary of any assistant district attorney or assistant public defender is at least~~
 12 ~~twenty-seven thousand five hundred nine dollars (\$27,509), effective July 1, 1997.~~

13 (e) ~~The salaries in effect for the 1996-97 fiscal year on June 30, 1997, for~~
 14 ~~permanent, full-time employees of the Judicial Department, except for those whose~~
 15 ~~salaries are itemized in this Part, shall be increased by four percent (4%), commencing~~
 16 ~~July 1, 1997.~~

17 (d) ~~The salaries in effect on June 30, 1997, June 30, 1998, for all permanent, part-~~
 18 ~~time employees of the Judicial Department shall be increased on and after July 1, 1997,~~
 19 ~~by pro rata amounts of four percent (4%)."~~

20 (b) The district attorney or public defender of a judicial district, with the approval
 21 of the Administrative Officer of the Courts, shall set the salaries of assistant district
 22 attorneys or assistant public defenders, respectively, in that district such that the average
 23 salaries of assistant district attorneys or assistant public defenders in that district do not
 24 exceed fifty-five thousand five hundred dollars (\$55,500) and the minimum salary of any
 25 assistant district attorney or assistant public defender is at least twenty-eight thousand
 26 three hundred thirty-four dollars (\$28,334), effective July 1, 1998.

27 (c) The salaries in effect for the 1997-98 fiscal year on June 30, 1998, for
 28 permanent, full-time employees of the Judicial Department, except for those whose
 29 salaries are itemized in this Part, shall be increased by three percent (3%), commencing
 30 July 1, 1998.

31 (d) The salaries in effect on June 30, 1998, for all permanent, part-time employees
 32 of the Judicial Department shall be increased on and after July 1, 1998, by pro rata
 33 amounts of three percent (3%).

34

35 **CLERKS OF SUPERIOR COURT/SALARY INCREASES**

36 Section 7. G.S. 7A-101(a) reads as rewritten:

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

41

42	Population	Annual Salary
----	------------	---------------

1	Less than 100,000	\$62,676
2	<u>\$64,556</u>	
3	100,000 to 149,999	70,403
4	<u>72,515</u>	
5	150,000 to 249,999	78,130
6	<u>80,474</u>	
7	250,000 and above	85,857.
8	<u>88,433.</u>	

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

13	Population	Annual Salary
14	Less than 100,000	73%
15	100,000 to 149,999	82%
16	150,000 to 249,999	91%
17	250,000 and above	100%.

18
 19 When a county changes from one population group to another, the salary of the clerk
 20 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 21 salary appropriate for the new population group, except that the salary of an incumbent
 22 clerk shall not be decreased by any change in population group during his continuance in
 23 office."

25 **ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT/SALARY**
 26 **INCREASES**

27 Section 8. (a) Effective July 1, 1998, those State employees whose salaries are
 28 determined by G.S. 7A-102 shall receive across-the-board salary increases in the amount
 29 of three percent (3%) in addition to step increases associated with their respective pay
 30 plans.

31 (b) G.S. 7A-102(c1) reads as rewritten:

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

35	Assistant	Clerks	and	Head	Bookkeeper
36					An
37	nual	Salary			Minimum
38					\$23
39	,420				
40					\$24
41	<u>,122</u>				
42	Maximum			-41,466	
43				<u>42,710</u>	

1	Deputy		Clerks
2			
3	Annual Salary		
4	Minimum	\$18,724	
5		\$19,286	
6	Maximum	31,940.	
7		<u>32,899."</u>	

8 **MAGISTRATES/SALARY INCREASES**

9 Section 9. Effective July 1, 1998, magistrates shall receive salary increases in
10 the amount of three percent (3%), except that any person entitled to a step increase
11 pursuant to G.S. 7A-171.1 for the 1998-99 fiscal year shall not receive the three percent
12 (3%) increase provided by this section.

14 **GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES**

15 Section 10. (a) G.S. 120-37(c) is repealed.

16 (b) G.S. 120-37 is amended by adding a new subsection to read:

17 "(c1) The principal clerks shall be full-time officers. Each principal clerk shall be
18 entitled to other benefits available to permanent legislative employees and shall be paid
19 an annual salary set by the Legislative Services Commission payable monthly."

21 **SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES**

22 Section 11. G.S. 120-37(b) reads as rewritten:

23 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary
24 of ~~two hundred fifty-eight dollars (\$258.00)~~ two hundred sixty-six dollars (\$266.00) per
25 week plus subsistence at the same daily rate provided for members of the General
26 Assembly, plus mileage at the rate provided for members of the General Assembly for
27 one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall
28 serve during sessions of the General Assembly and at such time prior to the convening of,
29 and subsequent to adjournment or recess of, sessions as may be authorized by the
30 Legislative Services Commission. The reading clerks shall serve during sessions only."

32 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

33 Section 12. The Legislative Administrative Officer shall increase the salaries
34 of nonelected employees of the General Assembly in effect for fiscal year 1997-98 by
35 three percent (3%). Nothing in this act limits any of the provisions of G.S. 120-32.

37 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

38 Section 13. The Director of the Budget shall transfer from the Reserve for
39 Salary Increases created in this act for fiscal year 1998-99 funds to the Department of
40 Community Colleges necessary to provide an average annual salary increase of three
41 percent (3%), including funds for the employer's retirement and social security
42 contributions, commencing July 1, 1998, for all permanent full-time community college
43 institutional personnel supported by State funds. The State Board of Community

1 Colleges shall establish guidelines for providing their salary increases to community
2 college institutional personnel to include consideration of increases based on
3 performance. Salary funds shall be used to provide an average annual salary increase of
4 three percent (3%) to all full-time employees and part-time employees on a pro rata basis.
5

6 **UNIVERSITY OF NORTH CAROLINA SYSTEM - EPA SALARY INCREASES**

7 Section 14. (a) The Director of the Budget shall transfer to the Board of
8 Governors of The University of North Carolina sufficient funds from the Reserve for
9 Compensation Increase created in this act for fiscal year 1998-99 to provide an annual
10 average salary increase of three percent (3%), including funds for the employer's
11 retirement and social security contributions, commencing July 1, 1998, for all employees
12 of The University of North Carolina, as well as employees other than teachers of the
13 North Carolina School of Science and Mathematics, supported by State funds and whose
14 salaries are exempt from the State Personnel Act (EPA). These funds shall be allocated
15 to individuals according to the rules adopted by the Board of Governors, or the Board of
16 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and
17 shall not be used for any purpose other than for salary increases and necessary employer
18 contributions provided by this section. The Board of Governors shall include
19 consideration of increases based on performance in its adoption of rules for the allocation
20 of funds for salary increases.

21 (b) The Director of the Budget shall transfer to the Board of Governors of The
22 University of North Carolina sufficient funds from the Reserve for Salary Increases
23 created in this act for fiscal year 1998-99 to provide an annual average salary increase
24 comparable to that provided in this act for public school teachers, including funds for the
25 employer's retirement and social security contributions, commencing July 1, 1998, for all
26 teaching employees of the North Carolina School of Science and Mathematics, supported
27 by State funds and whose salaries are exempt from the State Personnel Act (EPA). These
28 funds shall be allocated to individuals according to the rules adopted by the Board of
29 Trustees of the North Carolina School of Science and Mathematics and shall not be used
30 for any purpose other than for salary increases and necessary employer contributions
31 provided by this section.
32

33 **SCHOOL CENTRAL OFFICE SALARIES**

34 Section 15. (a) The following monthly salary ranges apply to assistant
35 superintendents, associate superintendents, directors/coordinators, supervisors, and
36 finance officers for the 1998-99 fiscal year, beginning July 1, 1998:

37 (1)	School Administrator I:
	\$2,846 - \$4,857
39 (2)	School Administrator II:
	\$3,021 - \$5,155
41 (3)	School Administrator III:
42	\$3,206 - \$5,471

1	(4)	School Administrator IV:
2		\$3,335 - \$5,692
3	(5)	School Administrator V:
4		\$3,469 - \$5,923
5	(6)	School Administrator VI:
6		\$3,681 - \$6,286
7	(7)	School Administrator VII:
8		\$3,830 - \$6,540

9 The local board of education shall determine the appropriate category and placement for
10 each assistant superintendent, associate superintendent, director/coordinator, supervisor,
11 or finance officer within the salary ranges and within funds appropriated by the General
12 Assembly for central office administrators and superintendents. The category in which
13 an employee is placed shall be included in the contract of any employee hired on or after
14 July 1, 1998.

15 (b) The following monthly salary ranges apply to public school superintendents for
16 the 1998-99 fiscal year, beginning July 1, 1998:

- | | | | |
|----|-----|------------------------------------------|-------------------|
| 17 | (1) | Superintendent I (Up to 2,500 ADM): | \$4,065 - \$6,941 |
| 18 | (2) | Superintendent II (2,501 - 5,000 ADM): | \$4,315 - \$7,364 |
| 19 | (3) | Superintendent III (5,001 - 10,000 ADM): | \$4,578 - \$7,815 |
| 20 | (4) | Superintendent IV (10,001 - 25,000 ADM): | \$4,859 - \$8,293 |
| 21 | (5) | Superintendent V (Over 25,000 ADM): | \$5,157 - \$8,801 |

22 The local board of education shall determine the appropriate category and placement for
23 the superintendent based on the average daily membership of the local school
24 administrative unit and within funds appropriated by the General Assembly for central
25 office administrators and superintendents.

26 Notwithstanding the provisions of this subsection, a local board of education
27 may pay an amount in excess of the applicable range to a superintendent who is entitled
28 to receive the higher amount under Section 2 of this act.

29 (c) Longevity pay for superintendents, assistant superintendents, associate
30 superintendents, directors/coordinators, supervisors, and finance officers shall be as
31 provided for State employees.

32 (d) Superintendents, assistant superintendents, associate superintendents,
33 directors/coordinators, supervisors, and finance officers with certification based on
34 academic preparation at the six-year degree level shall receive a salary supplement of one
35 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
36 for pursuant to this section. Superintendents, assistant superintendents, associate
37 superintendents, directors/coordinators, supervisors, and finance officers with
38 certification based on academic preparation at the doctoral degree level shall receive a
39 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
40 the compensation provided for under this section.

41 (e) The State Board shall not permit local school administrative units to
42 transfer State funds from other funding categories for salaries for public school central
43 office administrators.

1 (f) The Director of the Budget shall transfer from the Reserve for Salary
2 Increases created in this act for fiscal year 1998-99, beginning July 1, 1998, funds
3 necessary to provide an average annual salary increase of three percent (3%), including
4 funds for the employer's retirement and social security contributions, commencing July 1,
5 1998, for all permanent full-time personnel paid from the Central Office Allotment. The
6 State Board of Education shall allocate these funds to local school administrative units.
7 The local boards of education shall establish guidelines for providing their salary
8 increases to these personnel.

9
10 **NONCERTIFIED PERSONNEL SALARY FUNDS/TEACHER ASSISTANT**
11 **SALARY FUNDS**

12 Section 16. (a) The Director of the Budget may transfer from the Reserve for
13 Compensation Increase created in this act for fiscal year 1998-99, commencing July 1,
14 1998, funds necessary to provide a salary increase of three percent (3%), including funds
15 for the employer's retirement and social security contributions, commencing July 1, 1998,
16 for all noncertified public school employees whose salaries are supported from the State's
17 General Fund. Local boards of education shall increase the rates of pay for all such
18 employees who were employed during fiscal year 1997-98 and who continue their
19 employment for fiscal year 1998-99 by at least three percent (3%), commencing July 1,
20 1998. These funds shall not be used for any purpose other than for the salary increases
21 and necessary employer contributions provided by this section.

22 The Director of the Budget may transfer from the Reserve for Compensation
23 Increase created in this act for fiscal year 1998-99, beginning July 1, 1998, funds
24 necessary to provide the salary increases for noncertified public school employees whose
25 salaries are supported from the State's General Fund in accordance with the provisions of
26 this section.

27 The State Board of Education may enact or create salary ranges for
28 noncertified personnel to support increases of three percent (3%) for the 1998-99 fiscal
29 year.

30 (b) G.S. 115C-12(16)b. reads as rewritten:

31 "b. Salary schedules for the following public school support
32 personnel shall be adopted by the State Board of Education:
33 school finance officer, office support personnel, teacher
34 assistants, maintenance supervisors, custodial personnel, and
35 transportation personnel. The Board shall classify these support
36 positions in terms of uniform pay grades included in the salary
37 schedule of the State Personnel Commission.

38 By the end of the third payroll period of the 1995-96 fiscal
39 year, local boards of education shall place State-allotted office
40 support personnel, teacher assistants, and custodial personnel on
41 the salary schedule adopted by the State Board of Education so
42 that the average salary paid is the State-allotted amount for the
43 category. In placing employees on the salary schedule, the local

1 board ~~shall~~ may consider the education, training, and experience
2 of each ~~employee.~~ employee, including experience in other local
3 school administrative units. It is the intent of the General
4 Assembly that a local school administrative unit not fail to
5 employ an employee who was employed for the prior school year
6 in order to implement the provisions of this sub-subdivision. A
7 local board of education is in compliance with this sub-
8 subdivision if the average salary paid is at least ninety-five
9 percent (95%) of the State-allotted amount for the category at the
10 end of the third payroll period of the 1995-96 fiscal year, and at
11 least ninety-eight percent (98%) of the State-allotted amount for
12 the category at the end of the third payroll period of each
13 subsequent fiscal year. The Department of Public Instruction
14 shall provide technical assistance to local school administrative
15 units regarding the implementation of this sub-subdivision."

16 (c) Subsection (b) of this section applies beginning with the 1999-2000 school
17 year.

18 19 **COMPENSATION BONUS/STATE EMPLOYEES/SCHOOL PERSONNEL**

20 Section 17. (a) Any person:

- 21 (1) Whose salary is set by or under this Part, other than Sections 3, 4, 5,
22 6(a), 7, 18(a); and 18(c), 18(d), 18(e), except that the exclusion of those
23 under 18(c), 18(d), and 18(e) only applies to those whose salaries are set
24 by the State Personnel Act; and
- 25 (2) Who was, on July 1, 1998, a permanent officer or permanent employee
26 whose salary is set by or under this Part shall receive not later than
27 October of 1998 a compensation bonus of one percent (1%), except that:
- 28 a. The compensation bonus for persons subject to Section 13 of this
29 act shall be an average of one percent (1%) per year and shall be
30 allocated in accordance with guidelines adopted by the State
31 Board of Community Colleges;
- 32 b. The compensation bonus for persons subject to Section 14 of this
33 act shall be an average of one percent (1%) per year and shall be
34 allocated to individuals according to the rules adopted by the
35 Board of Governors, or the Board of Trustees of the North
36 Carolina School of Science and Mathematics, as appropriate; and
- 37 c. The guidelines and rules adopted under sub-subdivisions a. and
38 b. of this subdivision may cover employees of those institutions
39 whose first day of employment for the 1998-99 academic year
40 came after July 1, 1998.

41 (a1) Any person:

- 42 (1) Who did not receive a compensation bonus under subsection (a) of this
43 section; and

1 (2) Who was employed on the first day of the 1998-99 school year as a
2 permanent public school employee whose salary is set by or under this
3 Part

4 shall receive no later than during the fourth payroll period of the 1998-99 school year a
5 compensation bonus of one percent (1%) of the annual salary for that position.

6 (b) The annual salary on which the percentage compensation bonus is based is the
7 annual salary in effect during the pay period in which the bonus is paid.

8 (c) The Director of the Budget shall transfer from the Reserve for Compensation
9 Increase provided by this act sufficient funds to implement this section.

10 11 **MOST STATE EMPLOYEES/SALARY INCREASES**

12 Section 18. (a) The salaries in effect June 30, 1998, of all permanent full-time State
13 employees whose salaries are set in accordance with the State Personnel Act, and who are
14 paid from the General Fund or the Highway Fund shall be increased, on or after July 1,
15 1998, unless otherwise provided by this act, pursuant to the Comprehensive
16 Compensation System set forth in G.S. 126-7 and rules adopted by the State Personnel
17 Commission, as follows:

18 (1) Career growth recognition awards in the amount of two percent (2%);

19 (2) A cost-of-living adjustment in the amount of one percent (1%); and

20 (3) A performance bonus in the amount of one percent (1%).

21 Notwithstanding G.S. 126-7(4a), any permanent full-time State employee
22 whose salary is set in accordance with the State Personnel Act and whose salary is at the
23 top of the salary range or within two percent (2%) of the top of the salary range shall
24 receive a one-time bonus of two percent (2%) less the career growth recognition award
25 the employee receives. The employee shall receive the career growth bonus at the time
26 the employee is eligible for the career growth recognition award, but not earlier than July
27 1, 1998.

28 (a1) It is the intent of the General Assembly that the annual career growth
29 recognition award in the amount of two percent (2%) provided by G.S. 126-7(c)(4a) shall
30 be part of the continuation budget for each fiscal year of the 1999-2001 biennium.

31 (b) Except as otherwise provided in this act, salaries in effect June 30, 1998, for
32 permanent full-time State officials and persons in exempt positions that are recommended
33 by the Governor or the Governor and the Advisory Budget Commission and set by the
34 General Assembly shall be increased by three percent (3%), commencing July 1, 1998.

35 (c) The salaries in effect June 30, 1998, for all permanent part-time State
36 employees shall be increased on and after July 1, 1998, by pro rata amounts of the salary
37 increases provided for permanent full-time employees covered under subsection (a) of
38 this section.

39 (d) The Director of the Budget may allocate out of special operating funds or from
40 other sources of the employing agency, except tax revenues, sufficient funds to allow a
41 salary increase on and after July 1, 1998, in accordance with subsection (a), (b), or (c) of
42 this section, including funds for the employer's retirement and social security
43 contributions, of the permanent full-time and part-time employees of the agency.

1 (e) Within regular Executive Budget Act procedures as limited by this act, all
2 State agencies and departments may increase on an equitable basis the rate of pay of
3 temporary and permanent hourly State employees, subject to availability of funds in the
4 particular agency or department, by pro rata amounts the salary increase provided for
5 permanent full-time employees covered by the provisions of subsection (a) of this
6 section, commencing July 1, 1998.

7 (f) No State employee or officer shall receive a merit increment during the
8 1998-99 fiscal year except as otherwise provided by this act.

10 ALL STATE-SUPPORTED PERSONNEL

11 Section 19. (a) Salaries and related benefits for positions that are funded partially
12 from the General Fund or Highway Fund and partially from sources other than the
13 General Fund or Highway Fund shall be increased from the General Fund or Highway
14 Fund appropriation only to the extent of the proportionate part of the salaries paid from
15 the General Fund or Highway Fund.

16 (b) The granting of the salary increases under this act does not affect the status of
17 eligibility for salary increments for which employees may be eligible unless otherwise
18 required by this act.

19 (c) The salary increases provided in this Part are to be effective July 1, 1998, do
20 not apply to persons separated from State service due to resignation, dismissal, reduction
21 in force, death, or retirement, whose last workday is prior to July 1, 1998.

22 Payroll checks issued to employees after July 1, 1998, which represent
23 payment of services provided prior to July 1, 1998, shall not be eligible for salary
24 increases provided for in this act. This subsection shall apply to all employees, subject to
25 or exempt from the State Personnel Act, paid from State funds, including public schools,
26 community colleges, and The University of North Carolina.

27 (d) The Director of the Budget shall transfer from the Reserve for Compensation
28 Increase in this act for fiscal year 1998-99 all funds necessary for the salary increases
29 provided by this act, including funds for the employer's retirement and social security
30 contributions.

31 (d1) The Director of the Budget shall transfer from the Reserve for
32 Compensation Increase in this act for fiscal year 1998-99 one million four hundred
33 thousand dollars (\$1,400,000) to The University of North Carolina Board of Governors
34 for allocation to the Agricultural Research and Cooperative Extension budget codes of
35 North Carolina State University in order to provide sufficient operating support for those
36 programs.

37 (d2) The Director of the Budget shall transfer from the Reserve for
38 Compensation Increase in this act for fiscal year 1998-99 funds necessary to provide
39 statewide teacher supplements for State agency teachers who are paid on the teacher
40 salary schedule as set out in Section 1 of this act based on five percent (5%) of their
41 salaries.

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

1 Section 20. (a) G.S. 126-7(c)(4b) reads as rewritten:

2 "(4b) An employee whose performance is rated at or above level two of the
3 rating scale and who ~~is has not involved in the final written stage of the~~
4 ~~disciplinary procedure~~ received a suspension without pay or demotion
5 that has not been resolved shall receive a cost-of-living increase. Other
6 than the Commission, no agency, department, or institution shall set
7 limits or initiate written disciplinary procedures for the purpose of
8 precluding an eligible employee from receiving a cost-of-living
9 adjustment."

10 (b) This section becomes effective July 1, 1998, and applies to any employee
11 involved in the final written stage of a disciplinary procedure on or after January 1, 1997.
12

13 SALARY ADJUSTMENT FUND

14 Section 21. Any remaining appropriations for legislative salary increases not
15 required for that purpose may be used to supplement the Salary Adjustment Fund. These
16 funds shall first be used to provide reclassifications of those positions already approved
17 by the Office of State Personnel. The Office of State Budget and Management shall
18 report to the Joint Legislative Commission on Governmental Operations prior to the
19 allocation of these funds.
20

21 RETIREE COLAS AND FORMULA INCREASE

22 Section 22. (a) G.S. 135-5 is amended by adding a new subsection to read:

23 "(eee) From and after July 1, 1998, the retirement allowance to or on account of
24 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
25 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998, in
26 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1998, the retirement
27 allowance to or on account of beneficiaries whose retirement commenced after July 1,
28 1997, but before June 30, 1998, shall be increased by a prorated amount of two and one-
29 half percent (2.5%) of the allowance payable as determined by the Board of Trustees
30 based upon the number of months that a retirement allowance was paid between July 1,
31 1997, and June 30, 1998."

32 (b) G.S. 135-65 is amended by adding a new subsection to read:

33 "(s) From and after July 1, 1998, the retirement allowance to or on account of
34 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
35 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998.
36 Furthermore, from and after July 1, 1998, the retirement allowance to or on account of
37 beneficiaries whose retirement commenced after July 1, 1997, but before June 30, 1998,
38 shall be increased by a prorated amount of two and one-half percent (2.5%) of the
39 allowance payable as determined by the Board of Trustees based upon the number of
40 months that a retirement allowance was paid between July 1, 1997, and June 30, 1998."

41 (c) G.S. 120-4.22A is amended by adding a new subsection to read:

42 "(m) In accordance with subsection (a) of this section, from and after July 1, 1998,
43 the retirement allowance to or on account of beneficiaries whose retirement commenced

1 on or before January 1, 1998, shall be increased by two and one-half percent (2.5%) of
2 the allowance payable on June 1, 1998. Furthermore, from and after July 1, 1998, the
3 retirement allowance to or on account of beneficiaries whose retirement commenced after
4 January 1, 1998, but before June 30, 1998, shall be increased by a prorated amount of two
5 and one-half percent (2.5%) of the allowance payable as determined by the Board of
6 Trustees based upon the number of months that a retirement allowance was paid between
7 January 1, 1998, and June 30, 1998."

8 (d) G.S. 128-27 is amended by adding a new subsection to read:

9 "(uu) From and after July 1, 1998, the retirement allowance to or on account of
10 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
11 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998, in
12 accordance with subsection (k) of this section. Furthermore, from and after July 1, 1998,
13 the retirement allowance to or on account of beneficiaries whose retirement commenced
14 after July 1, 1997, but before June 30, 1998, shall be increased by a prorated amount of
15 two and one-half percent (2.5%) of the allowance payable as determined by the Board of
16 Trustees based upon the number of months that a retirement allowance was paid between
17 July 1, 1997, and June 30, 1998."

18 (e) G.S. 128-27(b16) reads as rewritten:

19 "(b16) Service Retirement Allowance of Member Retiring on or after July 1,
20 1997.1997, but before July 1, 1998. – Upon retirement from service in accordance with
21 subsection (a) or (a1) above, on or after July 1, 1997, but before July 1, 1998, a member
22 shall receive the following service retirement allowance:

23 (1) A member who is a law enforcement officer or an eligible former law
24 enforcement officer shall receive a service retirement allowance
25 computed as follows:

26 a. If the member's service retirement date occurs on or after his
27 55th birthday, and completion of five years of creditable service
28 as a law enforcement officer, or after the completion of 30 years
29 of creditable service, the allowance shall be equal to one and
30 seventy-six hundredths percent (1.76%) of his average final
31 compensation, multiplied by the number of years of his
32 creditable service.

33 b. If the member's service retirement date occurs on or after his
34 50th birthday and before his 55th birthday with 15 or more years
35 of creditable service as a law enforcement officer and prior to the
36 completion of 30 years of creditable service, his retirement
37 allowance shall be equal to the greater of:

38 1. The service retirement allowance payable under G.S. 128-
39 27(b16)(1)a. reduced by one-third of one percent (1/3 of
40 1%) thereof for each month by which his retirement date
41 precedes the first day of the month coincident with or next
42 following the month the member would have attained his
43 55th birthday; or

- 1 2. The service retirement allowance as computed under G.S.
2 128-27(b16)(1)a. reduced by five percent (5%) times the
3 difference between 30 years and his creditable service at
4 retirement.
- 5 (2) A member who is not a law enforcement officer or an eligible former
6 law enforcement officer shall receive a service retirement allowance
7 computed as follows:
- 8 a. If the member's service retirement date occurs on or after his
9 65th birthday upon the completion of five years of creditable
10 service or after the completion of 30 years of creditable service
11 or on or after his 60th birthday upon the completion of 25 years
12 of creditable service, the allowance shall be equal to one and
13 seventy-six hundredths percent (1.76%) of average final
14 compensation, multiplied by the number of years of creditable
15 service.
- 16 b. If the member's service retirement date occurs after his 60th
17 birthday and before his 65th birthday and prior to his completion
18 of 25 years or more of creditable service, his retirement
19 allowance shall be computed as in G.S. 128-27(b16)(2)a. but
20 shall be reduced by one-quarter of one percent (1/4 of 1%)
21 thereof for each month by which his retirement date precedes the
22 first day of the month coincident with or next following his 65th
23 birthday.
- 24 c. If the member's early service retirement date occurs on or after
25 his 50th birthday and before his 60th birthday and after
26 completion of 20 years of creditable service but prior to the
27 completion of 30 years of creditable service, his early service
28 retirement allowance shall be equal to the greater of:
- 29 1. The service retirement allowance as computed under G.S.
30 128-27(b16)(2)a. but reduced by the sum of five-twelfths
31 of one percent (5/12 of 1%) thereof for each month by
32 which his retirement date precedes the first day of the
33 month coincident with or next following the month the
34 member would have attained his 60th birthday, plus one-
35 quarter of one percent (1/4 of 1%) thereof for each month
36 by which his 60th birthday precedes the first day of the
37 month coincident with or next following his 65th birthday;
38 or
- 39 2. The service retirement allowance as computed under G.S.
40 128-27(b16)(2)a. reduced by five percent (5%) times the
41 difference between 30 years and his creditable service at
42 retirement; or

- 1 3. If the member's creditable service commenced prior to
2 July 1, 1995, the service retirement allowance equal to the
3 actuarial equivalent of the allowance payable at the age of
4 60 years as computed in G.S. 128-27(b16)(2)b.
- 5 d. Notwithstanding the foregoing provisions, any member whose
6 creditable service commenced prior to July 1, 1965, shall not
7 receive less than the benefit provided by G.S. 128-27(b)."
- 8 (f) G.S. 128-27 is amended by adding a new subsection to read:
- 9 "(b17) Service Retirement Allowance of Member Retiring on or After July 1,
10 1998. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
11 or after July 1, 1998, a member shall receive the following service retirement allowance:
- 12 (1) A member who is a law enforcement officer or an eligible former law
13 enforcement officer shall receive a service retirement allowance
14 computed as follows:
- 15 a. If the member's service retirement date occurs on or after his
16 55th birthday and completion of five years of creditable service
17 as a law enforcement officer, or after the completion of 30 years
18 of creditable service, the allowance shall be equal to one and
19 seventy-seven hundredths percent (1.77%) of his average final
20 compensation, multiplied by the number of years of his
21 creditable service.
- 22 b. If the member's service retirement date occurs on or after his
23 50th birthday and before his 55th birthday with 15 or more years
24 of creditable service as a law enforcement officer and prior to the
25 completion of 30 years of creditable service, his retirement
26 allowance shall be equal to the greater of:
- 27 1. The service retirement allowance payable under G.S. 128-
28 27(b17)(1)a. reduced by one-third of one percent (1/3 of
29 1%) thereof for each month by which his retirement date
30 precedes the first day of the month coincident with or next
31 following the month the member would have attained his
32 55th birthday; or
- 33 2. The service retirement allowance as computed under G.S.
34 128-27(b17)(1)a. reduced by five percent (5%) times the
35 difference between 30 years and his creditable service at
36 retirement.
- 37 (2) A member who is not a law enforcement officer or an eligible former
38 law enforcement officer shall receive a service retirement allowance
39 computed as follows:
- 40 a. If the member's service retirement date occurs on or after his
41 65th birthday upon the completion of five years of creditable
42 service or after the completion of 30 years of creditable service
43 or on or after his 60th birthday upon the completion of 25 years

1 of creditable service, the allowance shall be equal to one and
2 seventy-seven hundredths percent (1.77%) of average final
3 compensation, multiplied by the number of years of creditable
4 service.

5 b. If the member's service retirement date occurs after his 60th
6 birthday and before his 65th birthday and prior to his completion
7 of 25 years or more of creditable service, his retirement
8 allowance shall be computed as in G.S. 128-27(b17)(2)a. but
9 shall be reduced by one-quarter of one percent (1/4 of 1%)
10 thereof for each month by which his retirement date precedes the
11 first day of the month coincident with or next following his 65th
12 birthday.

13 c. If the member's early service retirement date occurs on or after
14 his 50th birthday and before his 60th birthday and after
15 completion of 20 years of creditable service but prior to the
16 completion of 30 years of creditable service, his early service
17 retirement allowance shall be equal to the greater of:

18 1. The service retirement allowance as computed under G.S.
19 128-27(b17)(2)a. but reduced by the sum of five-twelfths
20 of one percent (5/12 of 1%) thereof for each month by
21 which his retirement date precedes the first day of the
22 month coincident with or next following the month the
23 member would have attained his 60th birthday, plus one-
24 quarter of one percent (1/4 of 1%) thereof for each month
25 by which his 60th birthday precedes the first day of the
26 month coincident with or next following his 65th birthday;
27 or

28 2. The service retirement allowance as computed under G.S.
29 128-27(b17)(2)a. reduced by five percent (5%) times the
30 difference between 30 years and his creditable service at
31 retirement; or

32 3. If the member's creditable service commenced prior to
33 July 1, 1995, the service retirement allowance equal to the
34 actuarial equivalent of the allowance payable at the age of
35 60 years as computed in G.S. 128-27(b17)(2)b.

36 d. Notwithstanding the foregoing provisions, any member whose
37 creditable service commenced prior to July 1, 1965, shall not
38 receive less than the benefit provided by G.S. 128-27(b)."

39 (g) G.S. 128-27(m) reads as rewritten:

40 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
41 principal beneficiary designated to receive a return of accumulated contributions shall
42 have the right to elect to receive in lieu thereof the reduced retirement allowance
43 provided by Option two of subsection (g) above computed by assuming that the member

1 had retired on the first day of the month following the date of his death, provided that all
2 three of the following conditions apply:

- 3 (1) a. The member had attained such age and/or creditable service to be
4 eligible to commence retirement with an early or service retirement
5 allowance, or
6 b. The member had obtained 20 years of creditable service in which
7 case the retirement allowance shall be computed in accordance
8 with ~~G.S. 128-27(b16)(1)b.~~ G.S. 128-27(b17)(1)b. or ~~G.S. 128-~~
9 ~~27(b16)(2)c.,~~ G.S. 128-27(b17)(2)c., notwithstanding the
10 requirement of obtaining age 50.
11 (2) The member had designated as the principal beneficiary to receive a
12 return of his accumulated contributions one and only one person who is
13 living at the time of his death.
14 (3) The member had not instructed the Board of Trustees in writing that he
15 did not wish the provisions of this subsection apply.

16 For the purpose of this benefit, a member is considered to be in service at the date of
17 his death if his death occurs within 180 days from the last day of his actual service. The
18 last day of actual service shall be determined as provided in subsection (l) of this
19 section. Upon the death of a member in service, the surviving spouse may make all
20 purchases for creditable service as provided for under this Chapter for which the member
21 had made application in writing prior to the date of death, provided that the date of death
22 occurred prior to or within 60 days after notification of the cost to make the purchase."

23 (h) G.S. 128-27 is amended by adding a new subsection to read:

24 "(vv) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1998. –
25 From and after July 1, 1998, the retirement allowance to or on account of beneficiaries on
26 the retirement rolls as of June 1, 1998, shall be increased by six-tenths of one percent
27 (0.6%) of the allowance payable on June 1, 1998. This allowance shall be calculated on
28 the allowance payable and in effect on June 30, 1998, so as not to be compounded on any
29 other increase payable under subsection (k) of this section or otherwise granted by act of
30 the 1997 General Assembly."

31 (i) This section becomes effective July 1, 1998.
32

33 EMPLOYER CONTRIBUTION RATES

34 Section 23. (a) Section 33.23(c) of S.L. 1997-443 reads as rewritten:

35 "(c) Effective July 1, 1998, the State's employer contribution rates budgeted for
36 retirement and related benefits as a percentage of covered salaries for the 1998-99 fiscal
37 year are (i) ~~ten and eighty-three hundredths percent (10.83%)~~ ten and one-tenth percent
38 (10.10%) - Teachers and State Employees; (ii) ~~fifteen and eighty-three hundredths~~
39 ~~percent (15.83%)~~ fifteen and one-tenth percent (15.10%) - State Law Enforcement
40 Officers; (iii) nine and thirty-six hundredths percent (9.36%) - University Employees'
41 Optional Retirement Program; (iv) ~~twenty-two and sixty-five hundredths percent~~
42 ~~(22.65%)~~ eighteen and ninety-seven hundredths percent (18.97%) - Consolidated Judicial
43 Retirement System; and (v) twenty-four and fifty-eight hundredths percent (24.58%) -

1 Legislative Retirement System. Each of the foregoing contribution rates includes two
2 percent (2%) for hospital and medical benefits. The rate for State Law Enforcement
3 Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The
4 rates for Teachers and State Employees, State Law Enforcement Officers, and for the
5 University Employees' Optional Retirement Program include fifty-two hundredths
6 percent (0.52%) for the Disability Income Plan."

7 (b) The change provided by subsection (a) of this section is for the 1998-99
8 fiscal year only. It is the intent of the General Assembly that the rates provided by
9 Section 33.23(c) of S.L. 1997-443 shall apply for the 1999-2001 biennium.

10 (c) Required employer salary-related contributions for employees whose salaries
11 are paid from department, office, institution, or agency receipts shall be paid from the
12 same source as the source of the employees' salary. If an employee's salary is paid in part
13 from the General Fund or Highway Fund and in part from department, office, institution,
14 or agency receipts, required employer salary-related contributions may be paid from the
15 General Fund or Highway Fund only to the extent of the proportionate part paid from the
16 General Fund or Highway Fund in support of the salary of the employee, and the
17 remainder of the employer's requirements shall be paid from the source that supplies the
18 remainder of the employee's salary. The requirements of this section as to source of
19 payment are also applicable to payments on behalf of the employee for hospital-medical
20 benefits, longevity pay, unemployment compensation, accumulated leave, workers'
21 compensation, severance pay, separation allowances, and applicable disability income
22 and disability salary continuation benefits.

23 **PART III. CUT OFF PER DIEM FOR SENATE**

24 Section 24. Notwithstanding G.S. 120-3.1(c), the period in 1998 after
25 September 10, 1998, for the purposes of G.S. 120-3.1 is deemed, solely for purposes of
26 subsistence and travel allowances paid to members of the Senate, to be a period when the
27 General Assembly is not in session, and no Senate member shall be entitled to
28 subsistence and travel allowance during that period, except under circumstances which
29 would entitle that member to subsistence and travel allowance when the General
30 Assembly is not in session. No subsistence or travel allowance may be authorized on
31 account of attendance at any session of the Senate or any committee of the Senate, prior
32 to sine die adjournment of the 1997 Regular Session of the General Assembly. This
33 section does not apply to the Senate sergeant-at-arms and the Senate reading clerk.

34 **PART IV. APPROPRIATIONS**

35 Section 25. Appropriations from the General Fund and the Highway Fund of
36 the State for the salaries and benefits enumerated in Parts I and II of this act are made for
37 the fiscal year ending June 30, 1999, according to the schedule that follows. Amounts set
38 out in brackets are reductions from General Fund or Highway Fund appropriations for the
39 1998-99 fiscal year:
40
41

42 Current Operations – General Fund

1998-99

1		
2	Reserve for Compensation Increase	\$386,442,966
3		
4	Retirement Rate Adjustment	(44,381,870)
5		
6	<u>Current Operations – Highway Fund</u>	
7		
8	Reserve for Compensation Increase	16,000,000
9		
10	Retirement Rate Adjustment	(3,612,248)

11
12 **PART V. EFFECTIVE DATE**

13 Section 26. Parts I, II, and IV of this act and this Part become effective July 1,
14 1998. Part III of this act is effective when it becomes law.