# GENERAL ASSEMBLY OF NORTH CAROLINA 

SESSION 2003

SENATE BILL 1416

Short Title: State Employees/Teachers Pay Increases.
(Public)
Sponsors: Senators Kinnaird; Allran, Bingham, Carpenter, Dorsett, Forrester, Garwood, Hargett, Hartsell, Holloman, Hoyle, Kerr, Lucas, Moore, and Rucho.
Referred to: Appropriations/Base Budget.
May 28, 2004

## A BILL TO BE ENTITLED

AN ACT APPROPRIATING FUNDS TO PROVIDE TO STATE EMPLOYEES A LEGISLATIVE PAY INCREASE OF TWO THOUSAND DOLLARS AND ESTABLISHING A MINIMUM LIVING WAGE FOR STATE-FUNDED EMPLOYEES.
The General Assembly of North Carolina enacts:
SECTION 1. Section 30.13 of S.L. 2003-284 reads as rewritten:
"SECTION 30.13.(a) The salaries in effect June 30, 2003, of all permanent full-time State employees whose salaries are set in accordance with the State Personnel Act, and who are paid from the General Fund or the Highway Fund shall remain in effect for the 2003-2004 and 2004-2005 fiscal years, fiscal year, and there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part. Effective July 1, 2004, the salaries of all permanent full-time State employees whose salaries are set in accordance with the State Personnel Act and who are paid from the General Fund or the Highway Fund shall be increased by the sum of two thousand dollars (\$2,000), unless otherwise provided by this act.
"SECTION 30.13.(b) Except as otherwise provided in this act, the compensation of permanent full-time State officials and persons in exempt positions that are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall remain in effect, and there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part. Effective July 1, 2004, the compensation of permanent full-time State officials and persons in exempt positions that are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall be increased by two thousand dollars ( $\$ 2,000$ ), unless otherwise provided by this act.
"SECTION 30.13.(c) The-For the 2003-2004 fiscal year, the salaries of all permanent part-time State employees shall remain in effect, and there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part.
"SECTION 30.13.(d) The Director of the Budget may allocate out of special operating funds or from other sources of the employing agency, except tax revenues, sufficient funds for salaries in accordance with subsection (a), (b), or (c) of this section including funds for the employer's retirement and social security contributions, for the permanent full-time and part-time employees of the agency, provided the employing agency elects to make available the necessary funds."

SECTION 2. Section 30.14 of S.L. 2003-284 reads as rewritten:
"SECTION 30.14.(a) Salaries and related benefits for positions that are funded partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall remain in effect and be paid from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.
"SECTION 30.14.(a1) Effective July 1, 2004, salaries and related benefits for positions that are funded partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.
"SECTION 30.14.(b) The salaries authorized under this act do not affect the status of eligibility for salary increments for which employees may be eligible unless otherwise required by this act.
"SECTION 30.14.(c) The compensation bonuses do not apply to persons separated from State service due to resignation, dismissal, reduction in force, death, or retirement, or whose last workday is prior to October 1, 2003. The salary increases provided by this Part are to be effective July 1, 2004, and do not apply to persons separated from State service due to resignation, dismissal, reduction-in-force, death, or retirement, whose last work day is prior to July 1, 2004. This subsection shall apply to all employees, subject to or exempt from the State Personnel Act, paid from State funds, including public schools, community colleges, and The University of North Carolina.
"SECTION 30.14.(d) The Director of the Budget shall transfer from the Reserve for Compensation Increases in this act for fiscal year 2003-2004 and fiscal year 2004-2005 all funds necessary for the compensation increases provided by this act, including funds for the employer's retirement and social security contributions.
"SECTION 30.14.(e) Nothing in this act authorizes the transfer of funds between the General Fund and the Highway Fund for salary increases.
"SECTION 30.14.(f) All permanent, full-time State-supported personnel shall be paid a minimum salary of eighteen thousand five hundred dollars $(\$ 18,500)$ per year."

SECTION 3.(a) Section 30.1(a) of S.L. 2003-284 reads as rewritten:
"SECTION 30.1.(a) For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the salary of the Governor shall remain the amount set by G.S. 147-11(a)."

SECTION 3.(b) Effective July 1, 2004, G.S. 147-11(a) reads as rewritten:
"(a) The salary of the Governor shall be one humdred eighteen thousand four hemdred thirty dollars ( $\$ 118,430$ ) one hundred twenty thousand four hundred thirty dollars ( $\$ 120,430$ ) annually, payable monthly."

SECTION 3.(c) Section 30.1(b) of S.L. 2003-284 reads as rewritten:
"SECTION 30.1.(b) Effective July 1, 2003, July 1, 2004, the annual salaries for the members of the Council of State, payable monthly, for the 2003-2004 and-2004-2005 fiscal years-year are:

Council of State
Lieutenant Governor
Attorney General
Annual Salary

Secretary of State
\$104,523120,430

State Treasurer 104,523106,523

State Auditor
104,523106,523

State Auditor 104,523106,523
Superintendent of Public Instruction 104,523106,523
Agriculture Commissioner 104,523106,523
Insurance Commissioner 104,523106,523
Labor Commissioner
104,523106,523"
SECTION 4. Section 30.2 of S.L. 2003-284 reads as rewritten:
"SECTION 30.2. In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the nonelected heads of the principal State departments for the 2003-2004 and 2004-2005 fiscal years-year are:

Nonelected Department Heads
Secretary of Administration
Secretary of Correction
Secretary of Crime Control and Public Safety
Secretary of Cultural Resources
Secretary of Commerce
Secretary of Environment and Natural Resources
Secretary of Health and Human Services
Secretary of Juvenile Justice and Delinquency Prevention
Secretary of Revenue
Secretary of Transportation

Annual Salary
\$102,119104,119
102,119104,119
102,119104,119
102,119104,119
102,119104,119
102,119104,119
102,119104,119
102,119104,119
102,119104,119
SECTION 5. Section 30.3 of S.L. 2003-284 reads as rewritten:
"SECTION 30.3. The annual salaries, payable monthly, for the 2003-2004 and 2004-2005 fiscal years-year for the following executive branch officials are:

## Executive Branch Officials

Chairman, Alcoholic Beverage Control Commission
State Controller
Commissioner of Motor Vehicles
Commissioner of Banks
Chairman, Employment Security Commission
State Personnel Director
Chairman, Parole Commission
Members of the Parole Commission

Annual Salary

\$92,946\$94,946
130,078132,078
92,94694,946
104,523106,523
129,913131,913
102,119104,119
84,87186,871
78,35680,356
$\begin{array}{ll}\text { Chairman, Utilities Commission } & 116,405118,405 \\ \text { Members of the Utilities Commission } & 104,523106,523\end{array}$
Executive Director, Agency for Public Telecommunications 78,35680,356
Director, Museum of Art
95,24097,240
Executive Director, North Carolina Housing Finance Agency 115,031117,031
Executive Director, North Carolina Agricultural Finance
Authority
State Chief Information Officer
90,47092,470
SECTION 6. Section 30.4 of S.L. 2003-284 reads as rewritten:
"SECTION 30.4.(a) The annual salaries, payable monthly, for specified judicial branch officials for the 2003-2004 and 2004-2005 fiscal years-year are:

## Judicial Branch Officials

Chief Justice, Supreme Court
Associate Justice, Supreme Court
Chief Judge, Court of Appeals
Judge, Court of Appeals
Judge, Senior Regular Resident Superior Court
Judge, Superior Court
Chief Judge, District Court
Judge, District Court
Administrative Officer of the Courts
Assistant Administrative Officer of the Courts

Annual Salary
$\$ 118,430 \$ 120,430$
115,336117,336
412,452114,452
$110,530112,530$
107,527109,527
104,523106,523
94,91296,912
91,90993,909
107,527109,527
98,216100,216
"SECTION 30.4.(b) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts or the Commission on Indigent Defense Services, respectively, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed sixty thousand one humdred ninety one-dollars $(\$ 60,191)$, sixty-two thousand one hundred ninety-one dollars $(\$ 62,191)$, and the minimum salary of any assistant district attorney or assistant public defender is at least thirty-one thousand thirty five dollars ( $\$ 31,035$ ), thirty-three thousand thirty-five dollars $(\$ 33,035)$ effective Jely 1 , 2003.July 1, 2004.
"SECTION 30.4.(c) Permanent, full-time employees of the Judicial Department, whose salaries are not itemized in this Part, shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part."

SECTION 7.(a) Section 30.5 of S.L. 2003-284 reads as rewritten:
"SECTION 30.5. For the 2003-2004 and 2004-2005 fiseal years, fiscal year the compensation of clerks of superior court shall remain as set forth in G.S. 7A-101(a)."

SECTION 7.(b) Effective July 1, 2004, G.S. 7A-101(a) reads as rewritten:
"(a) The clerk of superior court is a full-time employee of the State and shall receive an annual salary, payable in equal monthly installments, based on the population of the county as determined in subsection (a1) of this section, according to the following schedule:

Population
Annual Salary

Less than 100,000
\$69,911\$71,911
100,000 to 149,999
150,000 to 249,999
78,45280,452

250,000 and above
86,99488,994
95,537.97,537.
The salary schedule in this subsection is intended to represent the following approximate percentage of the salary of a chief district court judge:

| Population | Annual Salary |
| :--- | :---: |
| Less than 100,000 | $73 \%$ |
| 100,000 to 149,999 | $82 \%$ |
| 150,000 to 249,999 | $91 \%$ |
| 250,000 and above | $100 \%$. |

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

SECTION 8.(a) Section 30.6 of S.L. 2003-284 reads as rewritten:
"SECTION 30.6. For the 2003-2004 and 2004-2005-fiseal years, fiscal year, the compensation of assistant and deputy clerks of superior court shall remain as set forth in G.S. 7A-102(c1), except that there shall be awarded to each clerk not receiving a statutory step increase a compensation bonus for the 2003-2004 fiscal year as authorized in this Part."

SECTION 8.(b) Effective July 1, 2004, G.S. 7A-102(c1) reads as rewritten:
"(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the following minimum and maximum rates:

| Assistant Clerks and Head Bookkeeper | Annual Salary |
| :---: | ---: |
| Minimum | $\$ 26,515 \$ 28,515$ |
| Maximum | $46,46448,464$ |
|  |  |
| Deputy Clerks | Annual Salary |
| Minimum | $\$ 22,565 \$ 24,565$ |
| Maximum | $35,93437,934 . "$ |

SECTION 9.(a) Section 30.7 of S.L. 2003-284 reads as rewritten:
"SECTION 30.7. For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the compensation of magistrates shall remain as set forth in G.S. 7A-171.1, except that there shall be awarded to each magistrate not receiving a statutory step increase a compensation bonus for the 2003-2004 fiscal year as authorized in this Part."

SECTION 9.(b) Effective July 1, 2004, G.S. 7A-171.1(a) reads as rewritten: "§ 7A-171.1. Duty hours, salary, and travel expenses within county.
(a) The Administrative Officer of the Courts, after consultation with the chief district judge and pursuant to the following provisions, shall set an annual salary for each magistrate.
(1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6.

## Table of Salaries of Full-Time Magistrates

| Step Level | Annual Salary |
| :--- | ---: |
| Entry Rate | $\$ 26,889 \underline{\$ 28,889}$ |
| Step 1 | $29,52 \underline{51,525}$ |
| Step 2 | $32,393 \underline{34,393}$ |
| Step 3 | $35,523 \underline{37,523}$ |
| Step 4 | $38,952 \underline{40,952}$ |
| Step 5 | $42,721 \underline{44,721}$ |
| Step 6 | $46,864 \underline{48,864}$ |

(2) A part-time magistrate is a magistrate who is assigned to work an average of less than 40 hours of work a week during the term, except that no magistrate shall be assigned an average of less than 10 hours of work a week during the term. A part-time magistrate is included, in accordance with G.S. 7A-170, under the provisions of G.S. 135-1(10) and G.S. 135-40.2(a). The Administrative Officer of the Courts designates whether a magistrate is a part-time magistrate. A part-time magistrate shall receive an annual salary based on the following formula: The average number of hours a week that a part-time magistrate is assigned work during the term shall be multiplied by the annual salary payable to a full-time magistrate who has the same number of years of service prior to the beginning of that term as does the part-time magistrate and the product of that multiplication shall be divided by the number 40 . The quotient shall be the annual salary payable to that part-time magistrate.
(3) Notwithstanding any other provision of this subsection, an individual who, when initially appointed as a full-time magistrate, is licensed to practice law in North Carolina, shall receive the annual salary provided in the Table in subdivision (1) of this subsection for Step 4. This
magistrate's salary shall increase to the next step every four years on the anniversary of the date the magistrate was originally appointed. An individual who, when initially appointed as a part-time magistrate, is licensed to practice law in North Carolina, shall be paid an annual salary based on that for Step 4 and determined according to the formula in subdivision (2) of this subsection. This magistrate's salary shall increase to the next step every four years on the anniversary of the date the magistrate was originally appointed. The salary of a full-time magistrate who acquires a license to practice law in North Carolina while holding the office of magistrate and who at the time of acquiring the license is receiving a salary at a level lower than Step 4 shall be adjusted to Step 4 and, thereafter, shall advance in accordance with the Table's schedule. The salary of a part-time magistrate who acquires a license to practice law in North Carolina while holding the office of magistrate and who at the time of acquiring the license is receiving an annual salary as determined by subdivision (2) of this subsection based on a salary level lower than Step 4 shall be adjusted to a salary based on Step 4 in the Table and, thereafter, shall advance in accordance with the provision in subdivision (2) of this subsection.
(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
> 1 or more but less than 3 years of service
> 3 or more but less than 5 years of service
\$21,325\$23,325
22,38924,389

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
Salary Level
on June 30, 1994
5 or more but less than 7 years of service
7 or more but less than 9 years of service
9 or more but less than 11 years of service
11 or more years of service
on July 1, 1994
Entry Rate
Step 1
Step 2
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.
(a2) The Administrative Officer of the Courts shall provide magistrates with longevity pay at the same rates as are provided by the State to its employees subject to the State Personnel Act.
(b) Notwithstanding G.S. 138-6, a magistrate may not be reimbursed by the State for travel expenses incurred on official business within the county in which the magistrate resides."

SECTION 10.(a) Section 30.8 of S.L. 2003-284 reads as rewritten:
"SECTION 30.8. For the 2003-2004 and 2004-2005 fiscal years, fiscal year, the compensation of General Assembly principal clerks shall remain as set forth in G.S. 120-37, except that there shall be awarded a compensation bonus for the 2003-2004 fiscal year as authorized in this Part.

SECTION 10.(b) Effective July 1, 2004, G.S. 120-37(c) reads as rewritten:
"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of eighty-eight thousand three hendred six dollars $(\$ 88,306)$ ninety-two thousand seven hundred twenty-one dollars (\$92,721) payable monthly. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and Advisory Budget Commission and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

SECTION 11.(a) Section 30.9 of S.L. 2003-284 reads as rewritten:
> "SECTION 30.9. For the 2003-2004 and 2004-2005 fisal years, fiscal year, the compensation of General Assembly sergeant-at-arms and reading clerks shall remain as set forth in G.S. 120-37."

SECTION 11.(b) Effective July 1, 2004, G.S. 120-37(b) reads as rewritten:
"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of two hemdred ninety two dollars (\$292.00) three hundred seven dollars (\$307.00) per week plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

SECTION 12. Effective July 1, 2004, the Legislative Services Officer shall increase the salaries of nonelected employees of the General Assembly in effect for
fiscal year 2003-2004 by two thousand dollars $(\$ 2,000)$. Nothing in this act limits any of the provisions of G.S. 120-32.

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

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

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

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

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

