

GENERAL ASSEMBLY OF NORTH CAROLINA

SECOND EXTRA SESSION 1996

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HOUSE BILL 53

Short Title: Budget/Salary and Education Funds.

(Public)

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Sponsors: Representatives Holmes, Creech, Esposito; Allred, Justus, Morgan, Rayfield, Sharpe, and Watson.

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Referred to: Rules.

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July 10, 1996

A BILL TO BE ENTITLED

AN ACT TO AMEND THE BUDGET AND TO APPROPRIATE FUNDS FOR  
PUBLIC EDUCATION AND FOR SALARY INCREASES FOR TEACHERS AND  
STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

**PART 1. INTRODUCTION AND TITLE OF ACT**

**INTRODUCTION**

Section 1. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes and, except as allowed by the Executive Budget Act, or this act, the savings shall revert to the appropriate fund at the end of each fiscal year.

**TITLE OF ACT**

Sec. 1.1. This act shall be known as the Current Operations Appropriations Act of 1996.

**PART 2. GENERAL FUND APPROPRIATIONS**

**CURRENT OPERATIONS/GENERAL FUND**

Sec. 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the biennium ending June 30, 1997, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 1996-97 fiscal year.

<u>Current Operations - General Fund</u>		<u>1996-97</u>
Department of Public Education		
01.	Additional Funds for Average Daily Membership	\$54,051,018
02.	Adjust Average Salary for Certified Personnel (21,312,465)	
03.	Reduce Class size in Grade 2	18,442,095
	Funds to reduce class size in grade 2 from the current allocation ratio of 1:26 to 1:23.	
04.	School Technology Funds	
	Additional funds for school technology to be distributed on average daily membership of school districts.	
	Recurring	10,000,000
	Nonrecurring	10,000,000
TOTAL	Department of Public Education	\$71,180,648

Reserve for Compensation Increase  
 Recurring \$238,000,000  
 Nonrecurring 3,000,000

GRAND TOTAL	CURRENT OPERATIONS-GENERAL	FUND
2,180,648		\$31

**PART 3. HIGHWAY FUND APPROPRIATIONS**

Sec. 3.1. Appropriations from the Highway Fund of the State for the purposes enumerated, are made for the biennium ending June 30, 1997, according to the following schedule.

1	<u>Current Operations/Highway Fund</u>		
2	Reserve	for	Salary
3			Increase
4	,800,000		\$14
5			
6	GRAND TOTAL CURRENT OPERATIONS/HIGHWAY FUND		\$14,800,000

**PART 4. SALARY INCREASES**

Requested by: Representatives Holmes, Creech, Esposito

**JUDICIAL BRANCH OFFICIALS**

Sec. 4.1. Section 7.4 of Chapter 507 of the 1995 Session Laws reads as rewritten:

"Sec. 7.4. (a) The annual salaries, payable monthly, for specified judicial branch officials for the ~~1995-96 and 1996-97~~ fiscal years-year are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
Chief Justice, Supreme Court	\$98,576
Associate Justice, Supreme Court	96,000
Chief Judge, Court of Appeals	93,600
Judge, Court of Appeals	92,000
Judge, Senior Regular Resident Superior Court	89,500
Judge, Superior Court	87,000
Chief Judge, District Court	79,000
Judge, District Court	76,500
District Attorney	80,600
Administrative Officer of the Courts	89,500
Assistant Administrative Officer of the Courts	75,160
Public Defender	80,600

(b) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts, 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 ~~forty nine thousand five hundred eighty dollars (\$49,580), fifty-one thousand five hundred sixty-three dollars (\$51,563),~~ and the minimum salary of any assistant district attorney or assistant public defender is at least ~~twenty five thousand three hundred twelve dollars (\$25,312) effective July 1, 1995.~~ twenty-six thousand three hundred twenty-four dollars (\$26,324) effective July 1, 1996.

(c) The salaries in effect for the ~~1994-95-1995-96~~ fiscal year for permanent, full-time employees of the Judicial Department, except for those whose salaries are itemized

1 in this Part, shall be increased by ~~two percent (2%), commencing July 1, 1995.~~ four  
 2 percent (4%), commencing July 1, 1996.

3 (d) The salaries in effect for the ~~1994-95-1995-96~~ fiscal year for all permanent,  
 4 part-time employees of the Judicial Department shall be increased on and after ~~July 1,~~  
 5 ~~1995,~~ July 1, 1996, by pro rata amounts of the ~~two percent (2%).~~ four percent (4%)."

7 Requested by: Representatives Holmes, Creech, Esposito  
 8 **ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT**

9 Sec. 4.2. G.S. 7A-102(c1) reads as rewritten:

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

13	Assistant Clerks and Head Bookkeeper	Annual Salary
14		
15	Minimum	<del>\$21,549</del> <u>\$22,411</u>
16	Maximum	<del>38,154</del> <u>39,680</u>
17		
18		
19	Deputy Clerks	Annual Salary
20	Minimum	<del>\$17,229</del> <u>\$17,918</u>
21	Maximum	<del>29,389.</del> <u>30,565.</u> "
22		

23 Requested by: Representatives Holmes, Creech, Esposito  
 24 **MAGISTRATES' PAY PLAN**

25 Sec. 4.3. (a) G.S. 7A-171.1(a)(1) reads as rewritten:

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

36  
 37 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

38	<u>Step Level</u>	Annual Salary
39	Entry Rate	<del>\$23,417</del>
40	<u>\$24,354</u>	
41	Step 1	<del>25,767</del>
42	<u>26,798</u>	
43		

1	Step 2	28,325
2	<u>29,458</u>	
3	Step 3	31,116
4	<u>32,361</u>	
5	Step 4	34,173
6	<u>35,540</u>	
7	Step 5	37,533
8	<u>39,034</u>	
9	Step 6	41,228.
10	<u>42,877."</u>	

11 (b) G.S. 7A-171.1(a1)(1) reads as rewritten:

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

15	<del>Less than 1 year of service</del>	\$ 18,457
16	1 or more but less than 3 years of service	19,406 <del>20,182</del>
17	3 or more but less than 5 years of service	21,314 <u>\$22,167."</u>

18 Upon completion of five years of service, those magistrates shall  
 19 receive the salary set as the Entry Rate in the table in subsection (a)."  
 20

21 Requested by: Representatives Holmes, Creech, Esposito

22 **GENERAL ASSEMBLY PRINCIPAL CLERKS**

23 Sec. 4.4. G.S. 120-37(c) reads as rewritten:

24 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be  
 25 entitled to other benefits available to permanent legislative employees and shall be paid  
 26 an annual salary of ~~fifty-five thousand eighty dollars (\$55,080)~~ fifty-seven thousand two  
 27 hundred eighty-three dollars (\$57,283) payable monthly. The Legislative Services  
 28 Commission shall review the salary of the principal clerks prior to submission of the  
 29 proposed operating budget of the General Assembly to the Governor and Advisory  
 30 Budget Commission and shall make appropriate recommendations for changes in those  
 31 salaries. Any changes enacted by the General Assembly shall be by amendment to this  
 32 paragraph."  
 33

34 Requested by: Representatives Holmes, Creech, Esposito

35 **SERGEANT-AT-ARMS AND READING CLERKS**

36 Sec. 4.5. G.S. 120-37(b) reads as rewritten:

37 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary  
 38 of ~~two hundred thirty seven dollars (\$237.00) per week~~, two hundred forty-six dollars  
 39 (\$246.00) per week, plus subsistence at the same daily rate provided for members of the  
 40 General Assembly, plus mileage at the rate provided for members of the General  
 41 Assembly for one round trip only from their homes to Raleigh and return. The sergeants-  
 42 at-arms shall serve during sessions of the General Assembly and at such time prior to the  
 43 convening of, and subsequent to adjournment or recess of, sessions as may be authorized

1 by the Legislative Services Commission. The reading clerks shall serve during sessions  
2 only."

3  
4 Requested by: Representatives Holmes, Creech, Esposito

5 **LEGISLATIVE EMPLOYEES**

6 Sec. 4.6. Section 7.11 of Chapter 507 of the 1995 Session Laws reads as  
7 rewritten:

8 "Sec. 7.11. The Legislative Administrative Officer shall increase the salaries of  
9 nonelected employees of the General Assembly in effect for fiscal year ~~1994-95~~ by two  
10 percent (2%). ~~1995-96~~ by four percent (4%). Nothing in this act limits any of the  
11 provisions of G.S. 120-32."

12  
13 Requested by: Representatives Holmes, Creech, Esposito

14 **COMMUNITY COLLEGES PERSONNEL**

15 Sec. 4.7. Section 7.12 of Chapter 507 of the 1995 Session Laws reads as  
16 rewritten:

17 "Sec. 7.12. The Director of the Budget shall transfer from the Reserve for Salary  
18 Increases created in this act for fiscal year 1995-96 funds to the Department of  
19 Community Colleges necessary to provide an average annual salary increase of ~~two~~  
20 percent (2%), four percent (4%), including funds for the employer's retirement and social  
21 security contributions, commencing ~~July 1, 1995,~~ July 1, 1996, for all permanent full-  
22 time community college institutional personnel supported by State funds. The State  
23 Board of Community Colleges shall establish guidelines for providing their salary  
24 increases to community college institutional ~~personnel.~~ personnel to include  
25 consideration of increases based on performance. Salary funds shall be used to provide an  
26 average annual salary increase of ~~two percent (2%)~~ four percent (4%) to all full-time  
27 employees and part-time employees on a pro rata basis."

28  
29 Requested by: Representatives Holmes, Creech, Esposito

30 **UNIVERSITY OF NORTH CAROLINA SYSTEM – EPA SALARY INCREASES**

31 Sec. 4.8. Section 7.13 of Chapter 507 of the 1995 Session Laws reads as  
32 rewritten:

33 "Sec. 7.13. The Director of the Budget shall transfer to the Board of Governors of  
34 The University of North Carolina sufficient funds from the Reserve for Salary Increases  
35 created in this act for fiscal year ~~1995-96~~ 1996-97 to provide an annual average salary  
36 increase of ~~two percent (2%),~~ four percent (4%), including funds for the employer's  
37 retirement and social security contributions, commencing ~~July 1, 1995,~~ July 1, 1996, for  
38 all employees of The University of North Carolina, as well as employees other than  
39 teachers of the North Carolina School of Science and Mathematics, supported by State  
40 funds and whose salaries are exempt from the State Personnel Act (EPA). These funds  
41 shall be allocated to individuals according to the rules adopted by the Board of  
42 Governors, or the Board of Trustees of the North Carolina School of Science and  
43 Mathematics, as appropriate, and may not be used for any purpose other than for salary

1 increases and necessary employer contributions provided by this section. The Board of  
2 Governors shall include consideration of increases based on performance in its adoption  
3 of rules for the allocation of funds for salary increases."  
4

5 Requested by: Representatives Holmes, Creech, Esposito

#### 6 **MOST STATE EMPLOYEES**

7 Sec. 4.9. Section 7.14 of Chapter 507 of the 1995 Session Laws reads as  
8 rewritten:

9 "Sec. 7.14. (a) The salaries in effect ~~June 30, 1995,~~ June 30, 1996, of all permanent  
10 full-time State employees whose salaries are set in accordance with the State Personnel  
11 Act, and who are paid from the General Fund or the Highway Fund shall be increased, on  
12 or after ~~July 1, 1995,~~ July 1, 1996, unless otherwise provided by this act, ~~by two percent~~  
13 ~~(2%)~~ pursuant to the Comprehensive Compensation System set forth in G.S. 126-7, as  
14 follows:

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

17 (2) A cost-of-living adjustment in the amount of two percent (2%).

18 (b) Except as otherwise provided in this act, salaries in effect ~~June 30, 1995,~~ June  
19 30, 1996, for permanent full-time State officials and persons in exempt positions that are  
20 recommended by the Governor or the Governor and the Advisory Budget Commission  
21 and set by the General Assembly shall be increased by ~~two percent (2%), commencing~~  
22 ~~July 1, 1995,~~ four percent (4%), commencing July 1, 1996.

23 (c) The salaries in effect ~~June 30, 1995,~~ June 30, 1996, for all permanent part-time  
24 State employees shall be increased on and after ~~July 1, 1995,~~ July 1, 1996, by pro rata  
25 amounts of the salary increases provided for permanent full-time employees covered  
26 under subsection (a) of this section.

27 (d) The Director of the Budget may allocate out of special operating funds or from  
28 other sources of the employing agency, except tax revenues, sufficient funds to allow a  
29 salary increase on and after ~~July 1, 1995,~~ July 1, 1996, in accordance with subsections  
30 (a), (b), or (c) of this section, including funds for the employer's retirement and social  
31 security contributions, of the permanent full-time and part-time employees of the agency.

32 (e) Within regular Executive Budget Act procedures as limited by this act, all  
33 State agencies and departments may increase on an equitable basis the rate of pay of  
34 temporary and permanent hourly State employees, subject to availability of funds in the  
35 particular agency or department, by pro rata amounts salary increase provided for  
36 permanent full-time employees covered by the provisions of subsection (a) of this  
37 section, commencing ~~July 1, 1995,~~ July 1, 1996.

38 (f) Except as provided by subsection (a) of this section, no ~~No~~ person may receive  
39 a salary increase under G.S. 126-7 during the ~~1995-96-1996-97~~ fiscal year, and no State  
40 employee or officer shall receive a merit increment during the ~~1995-96 and 1996-97~~  
41 ~~fiscal years-year~~ except as otherwise provided by this act."  
42

43 Requested by: Representatives Holmes, Creech, Esposito

**ALL STATE-SUPPORTED PERSONNEL**

Sec. 4.10. (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 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.

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

(c) The salary increases provided in this Part are to be effective July 1, 1996, do not apply to persons separated from State service due to resignation, dismissal, reduction in force, death, or retirement, whose last workday is prior to July 1, 1996, or to employees involved in final written disciplinary procedures. The employee shall receive the increase on a current basis when the final written disciplinary procedure is resolved.

Payroll checks issued to employees after July 1, 1996, which represent payment of services provided prior to July 1, 1996, shall not be eligible for salary increases provided for in this act. 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.

(d) The Director of the Budget shall transfer from the Reserve for Salary Increases in this act for fiscal year 1996-97 all funds necessary for the salary increases provided by this act, including funds for the employer's retirement and social security contributions.

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

Requested by: Representatives Holmes, Creech, Esposito

**TEACHER SALARY SCHEDULES**

Sec. 4.11. (a) The Director of the Budget may transfer from the Reserve for Salary Increases for the 1996-97 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 two and one-half percent (2.5%) of base salary for 25 or more years of State service, commencing July 1, 1996, for all teachers whose salaries are supported from the State's General Fund. These funds shall be allocated to individuals according to rules adopted by the State Board of Education and the Superintendent of Public Instruction. The longevity payment shall be paid in a lump sum once a year.

(b)(1) Beginning July 1, 1996, the following monthly salary schedule shall apply to certified personnel of the public schools who are classified as "A"teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.



	<u>Years of Experience</u>	<u>1996-97 Salary</u>
1		
2		
3	00	\$2,103
4	01	2,145
5	02	2,187
6	03	2,274
7	04	2,320
8	05	2,367
9	06	2,415
10	07	2,463
11	08	2,512
12	09	2,562
13	10	2,613
14	11	2,665
15	12	2,718
16	13	2,772
17	14	2,827
18	15	2,883
19	16	2,940
20	17	2,999
21	18	3,059
22	19	3,121
23	20	3,183
24	21	3,247
25	22	3,312
26	23	3,378
27	24	3,446
28	25	3,515
29	26	3,585
30	27	3,657
31	28	3,730
32	29	3,805
33	30+	3,805

(2) Beginning July 1, 1996, the following monthly salary schedule shall apply to certified personnel of the public schools who are classified as "G"teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

	<u>Years of Experience</u>	<u>1996-97 Salary</u>
34		
35		
36		
37		
38		
39		
40	00	\$2,234
41	01	2,279
42	02	2,324
43	03	2,417

1	04	2,466
2	05	2,515
3	06	2,565
4	07	2,616
5	08	2,668
6	09	2,721
7	10	2,775
8	11	2,830
9	12	2,887
10	13	2,945
11	14	3,004
12	15	3,064
13	16	3,125
14	17	3,188
15	18	3,252
16	19	3,317
17	20	3,383
18	21	3,451
19	22	3,520
20	23	3,590
21	24	3,662
22	25	3,735
23	26	3,810
24	27	3,886
25	28	3,964
26	29	4,043
27	30+	4,043

(3) Certified public school teachers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided for certified personnel of the public schools who are classified as "G"teachers. Certified public school teachers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for certified personnel of the public schools who are classified as "G"teachers.

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

1 Certified psychologists with certification based on academic preparation at the  
2 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars  
3 (\$126.00) per month in addition to the compensation provided for certified psychologists.  
4 Certified psychologists with certification based on academic preparation at the doctoral  
5 degree level shall receive a salary supplement of two hundred fifty-three dollars  
6 (\$253.00) per month in addition to the compensation provided for certified psychologists.

7 (d) Certified personnel of the public schools who are: (i) classified as  
8 "A"teachers; (ii) at the maximum of their pay range on June 30, 1996; and (iii) employed  
9 as teachers for the first three pay periods of the 1996-97 school year shall receive a one-  
10 time bonus of seven hundred fifty-three dollars (\$753.00), payable at the third payroll  
11 period of the 1996-97 school year. Certified personnel of the public schools who are: (i)  
12 classified as "G"teachers; (ii) at the maximum of their pay range on June 30, 1996; and  
13 (iii) employed as teachers for the first three pay periods of the 1996-97 school year, shall  
14 receive a one-time bonus of eight hundred one dollars (\$801.00), payable at the third  
15 payroll period of the 1996-97 school year. Certified personnel of the public schools who  
16 are: (i) certified based on academic preparation at the six-year degree level; (ii) at the  
17 maximum of their pay range on June 30, 1996; and (iii) employed as teachers for the first  
18 three pay periods of the 1996-97 school year shall receive a one-time bonus of eight  
19 hundred twenty-six dollars (\$826.00), payable at the third payroll period of the 1996-97  
20 school year. Certified personnel of the public schools who are: (i) certified based on  
21 academic preparation at the doctoral degree level; (ii) at the maximum of their pay range  
22 on June 30, 1996; and (iii) employed as teachers for the first three pay periods of the  
23 1996-97 school year shall receive a one-time bonus of eight hundred fifty-one dollars  
24 (\$851.00), payable at the third payroll period of the 1996-97 school year.

25 (e) Certified personnel of the public schools who are: (i) classified as  
26 psychologists with advanced degrees; (ii) at the maximum of their pay range on June 30,  
27 1996; and (iii) employed as school psychologists for the first three pay periods of the  
28 1996-97 school year, shall receive a one-time bonus of nine hundred ten dollars  
29 (\$910.00), payable at the third payroll period of the 1996-97 school year. Certified  
30 personnel of the public schools who are: (i) classified as psychologists with doctoral  
31 degrees; (ii) at the maximum of their pay range on June 30, 1996; and (iii) employed as  
32 school psychologists for the first three pay periods of the 1996-97 school year, shall  
33 receive a one-time bonus of nine hundred thirty-seven dollars (\$937.00), payable at the  
34 third payroll period of the 1996-97 school year.

35  
36 Requested by: Representatives Holmes, Creech, Esposito

### 37 **SCHOOL-BASED ADMINISTRATOR SALARIES**

38 Sec. 4.12. (a) Funds appropriated to the Reserve for Salary Increases shall be used  
39 for the implementation of the salary schedule for school-based administrators as provided  
40 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 1996-97 fiscal year is as  
43 follows:

		Asst.							
	Step	Prin.	Prin.I	Prin.II	Prin.III	Prin.IV		Prin.V	Prin.VI Prin. VII
1									
2									
3									
4									
5									
6									
7	0	-	-	-	-	-	-	-	-
8	1	-	-	-	-	-	-	-	-
9	2	-	-	-	-	-	-	-	-
10	3	-	-	-	-	-	-	-	-
11	4	\$2,540	-	-	-	-	-	-	-
12	5	2,591	-	-	-	-	-	-	-
13	6	2,643	-	-	-	-	-	-	-
14	7	2,696	-	-	-	-	-	-	-
15	8	2,750	\$2,750	-	-	-	-	-	-
16	9	2,805	2,805	-	-	-	-	-	-
17	10	2,861	2,861	\$2,918	-	-	-	-	-
18	11	2,918	2,918	2,976	-	-	-	-	-
19	12	2,976	2,976	3,036	\$3,097	-	-	-	-
20	13	3,036	3,036	3,097	3,159	\$3,222	-	-	-
21	14	3,097	3,097	3,159	3,222	3,286	\$3,352	-	-
22	15	3,159	3,159	3,222	3,286	3,352	3,419	-	-
23	16	3,222	3,222	3,286	3,352	3,419	3,487	\$3,557	-
24	17	3,286	3,286	3,352	3,419	3,487	3,557	3,628	\$3,701
25	18	3,352	3,352	3,419	3,487	3,557	3,628	3,701	3,775
26	19	3,419	3,419	3,487	3,557	3,628	3,701	3,775	3,851
27	20	3,487	3,487	3,557	3,628	3,701	3,775	3,851	3,928
28	21	3,557	3,557	3,628	3,701	3,775	3,851	3,928	4,007
29	22	3,628	3,628	3,701	3,775	3,851	3,928	4,007	4,087
30	23	3,701	3,701	3,775	3,851	3,928	4,007	4,087	4,169
31	24	3,775	3,775	3,851	3,928	4,007	4,087	4,169	4,252
32	25	3,851	3,851	3,928	4,007	4,087	4,169	4,252	4,337
33	26	3,928	3,928	4,007	4,087	4,169	4,252	4,337	4,424
34	27	4,007	4,007	4,087	4,169	4,252	4,337	4,424	4,512
35	28	4,087	4,087	4,169	4,252	4,337	4,424	4,512	4,602
36	29	4,169	4,169	4,252	4,337	4,424	4,512	4,602	4,694
37	30	4,252	4,252	4,337	4,424	4,512	4,602	4,694	4,788
38	31	4,337	4,337	4,424	4,512	4,602	4,694	4,788	4,884
39	32	-	4,424	4,512	4,602	4,694	4,788	4,884	4,982
40	33	-	-	4,602	4,694	4,788	4,884	4,982	5,082
41	34	-	-	4,694	4,788	4,884	4,982	5,082	5,184
42	35	-	-	-	4,884	4,982	5,082	5,184	5,288
43	36	-	-	-	4,982	5,082	5,184	5,288	5,394

1	37	—	—	—	—	5,184	5,288	5,394	5,502
2	38	—	—	—	—	—	5,394	5,502	5,612
3	39	—	—	—	—	—	—	5,612	5,724
4	40	—	—	—	—	—	—	5,724	5,838
5	41	—	—	—	—	—	—	—	5,955.

6 (c) The appropriate classification for placement of principals and assistant  
 7 principals on the salary schedule shall be determined in accordance with the following  
 8 schedule:

9		<b>Number of Teachers</b>
10	<b>Classification</b>	<b>Supervised</b>
11	Assistant Principal	
12	Principal I	Less than 11 Teachers
13	Principal II	11-21 Teachers
14	Principal III	22-32 Teachers
15	Principal IV	33-43 Teachers
16	Principal V	44-54 Teachers
17	Principal VI	55-65 Teachers
18	Principal VII	More than 65 Teachers

19  
 20 The number of teachers supervised includes teachers and assistant principals paid from  
 21 State funds only; it does not include teachers or assistant principals paid from non-State  
 22 funds or the principal or teacher assistants.

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

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

30 (f) There shall be no State requirement that superintendents in each local  
 31 school unit shall receive in State-paid salary at least one percent (1%) more than the  
 32 highest paid principal receives in State salary in that school unit: Provided, however, the  
 33 additional State-paid salary a superintendent who was employed by a local school  
 34 administrative unit for the 1992-93 fiscal year received because of that requirement shall  
 35 not be reduced because of this subsection for subsequent fiscal years that the  
 36 superintendent is employed by that local school administrative unit so long as the  
 37 superintendent is entitled to at least that amount of additional State-paid salary under the  
 38 rules in effect for the 1992-93 fiscal year.

39 (g) Longevity pay for principals and assistant principals shall be as provided  
 40 for State employees.

41 (h) (1) If a principal is reassigned to a higher job classification because the  
 42 principal is transferred to a school within a local school administrative  
 43 unit with a larger number of State-allotted teachers, the principal shall

1 be placed on the salary schedule as if the principal had served the  
 2 principal's entire career as a principal at the higher job classification.

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

9 This subdivision applies to all transfers on or after the  
 10 ratification date of this act, except transfers in school systems  
 11 that have been created, or will be created, by merging two or  
 12 more school systems. Transfers in these merged systems are  
 13 exempt from the provisions of this subdivision for one calendar  
 14 year following the date of the merger.

15 (i) Except as provided in subsection (h) of this section, the salary of a principal  
 16 or assistant principal shall not be less for the 1996-97 fiscal year than it was for the 1993-  
 17 94 fiscal year solely as a result of placement on the salary schedule established in this  
 18 section.

19  
 20 Requested by: Representatives Holmes, Creech, Esposito

21 **SCHOOL CENTRAL OFFICE SALARIES**

22 Sec. 4.13. (a) The following monthly salary ranges apply to public school  
 23 superintendents, assistant superintendents, associate superintendents,  
 24 directors/coordinators, supervisors, and finance officers for the 1996-97 fiscal year:

- |    |     |                           |         |
|----|-----|---------------------------|---------|
| 25 | (1) | School Administrator I:   | \$2,804 |
| 26 |     | - \$4,511                 |         |
| 27 | (2) | School Administrator II:  | \$2,976 |
| 28 |     | - \$4,788                 |         |
| 29 | (3) | School Administrator III: |         |
| 30 |     | \$3,158 - \$5,081         |         |
| 31 | (4) | School Administrator IV:  | \$3,286 |
| 32 |     | - \$5,287                 |         |
| 33 | (5) | School Administrator V:   | \$3,418 |
| 34 |     | - \$5,501                 |         |
| 35 | (6) | School Administrator VI:  | \$3,627 |
| 36 |     | - \$5,838                 |         |
| 37 | (7) | School Administrator VII: |         |
| 38 |     | \$3,774 - \$6,074         |         |

39 The local board of education shall determine the appropriate category and placement for  
 40 each assistant superintendent, associate superintendent, director/coordinator, supervisor,  
 41 or finance officer, within the salary ranges and within funds appropriated by the General  
 42 Assembly for central office administrators and superintendents. The category in which

1 an employee is placed shall be included in the contract of any employee hired on or after  
2 July 1, 1996.

3 (b) The following monthly salary ranges apply to public school superintendents  
4 for the 1996-97 fiscal year:

5 (1) Superintendent I (Up to 2,500 ADM): \$4,006 - \$6,446

6 (2) Superintendent II (2,501 - 5,000 ADM): \$4,251 - \$6,840

7 (3) Superintendent III (5,001 - 10,000 ADM): \$4,511 - \$7,259

8 (4) Superintendent IV (10,001 - 25,000 ADM): \$4,788 - \$7,704

9 (5) Superintendent V (Over 25,000 ADM): \$5,081 - \$8,175

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

14 Notwithstanding the provisions of this subsection, a local board of education  
15 may pay an amount in excess of the applicable range to a superintendent who is entitled  
16 to receive the higher amount under Section 28.11(f) of this act.

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

20 (d) Superintendents, assistant superintendents, associate superintendents,  
21 directors/coordinators, supervisors, and finance officers with certification based on  
22 academic preparation at the six-year degree level shall receive a salary supplement of one  
23 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided  
24 for pursuant to this section. Superintendents, assistant superintendents, associate  
25 superintendents, directors/coordinators, supervisors, and finance officers with  
26 certification based on academic preparation at the doctoral degree level shall receive a  
27 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to  
28 the compensation provided for under this section.

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

32 (f) The Director of the Budget shall transfer from the Reserve for Salary  
33 Increases for fiscal year 1996-97 funds necessary to provide an average annual salary  
34 increase of four percent (4%), including funds for the employer's retirement and social  
35 security contributions, commencing July 1, 1996, for all permanent full-time personnel  
36 paid from the Central Office Allotment. The State Board of Education shall allocate these  
37 funds to local school administrative units. The local boards of education shall establish  
38 guidelines for providing their salary increases to these personnel.

39  
40 Requested by: Representatives Holmes, Creech, Esposito

#### 41 **NONCERTIFIED PUBLIC SCHOOL EMPLOYEES' SALARY INCREASE**

42 Sec. 4.14. (a) The Director of the Budget may transfer from the Reserve for Salary  
43 Increases created in this act for fiscal year 1996-97 funds necessary to provide a salary

1 increase of four percent (4%), including funds for the employer's retirement and social  
2 security contributions, commencing July 1, 1996, for all noncertified public school  
3 employees, except school bus drivers, whose salaries are supported from the State's  
4 General Fund. These funds shall not be used for any purpose other than for the salary  
5 increases and necessary employer contributions provided by this subsection.

6 (b) The fiscal year 1995-96 pay rates adopted by local boards of education for  
7 school bus drivers shall be increased by at least four percent (4%) on and after July 1,  
8 1996, to the extent that such rates of pay are supported by the allocation of State funds  
9 from the State Board of Education. Local boards of education shall increase the rates of  
10 pay for all school bus drivers who were employed during fiscal year 1995-96 and who  
11 continue their employment for fiscal year 1996-97 by at least four percent (4%) on and  
12 after July 1, 1996. The Director of the Budget may transfer from the salary increase  
13 reserve fund created in this act for fiscal year 1996-97 funds necessary to provide the  
14 salary increases for school bus drivers whose salaries are supported from the State's  
15 General Fund in accordance with the provisions of this subsection.

16  
17 Requested by: Representatives Holmes, Creech, Esposito

18 **STUDY COMMISSION ON THE COMPREHENSIVE COMPENSATION**  
19 **SYSTEM**

20 Sec. 4.15. (a) The Study Commission on the Comprehensive Compensation  
21 System is created. The Commission shall consist of nine members: three Representatives  
22 appointed by the Speaker of the House of Representatives, three Senators appointed by  
23 the President Pro Tempore of the Senate, and three members appointed by the Governor.  
24 The Speaker of the House of Representatives shall designate one Representative as  
25 cochair and the President Pro Tempore of the Senate shall designate one Senator as  
26 cochair. Vacancies in the membership of the Commission shall be filled by the same  
27 appointing officer who made the initial appointment.

28 (b) The Commission shall:

- 29 (1) Evaluate the Comprehensive Compensation System established  
30 in Article 2 of Chapter 126 of the General Statutes; and  
31 (2) Determine a methodology for funding the pay plan for State  
32 employees at varying levels of appropriations to fund State pay  
33 increases.

34 The Commission shall submit a final report of its findings and recommendations to the  
35 General Assembly on or before the first day of the 1997 Session by filing the report with  
36 the Speaker of the House of Representatives and the President Pro Tempore of the  
37 Senate. Upon filing its final report, the Commission shall terminate.

38 (c) The Commission, while in the discharge of official duties, may exercise all  
39 the powers provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through  
40 G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairs.  
41 The Commission may meet in the Legislative Building or the Legislative Office  
42 Building.



1 (d) Members of the Commission who are legislators shall receive subsistence  
2 and travel expenses at the rates set forth in G.S. 120-3.1. Other members of the  
3 Commission shall receive reimbursement for travel expenses at the rates allowed by G.S.  
4 138-6.

5 (e) The Commission may contract for professional, clerical, or consultant  
6 services as provided by G.S. 120-32.02. The Legislative Services Commission, through  
7 the Legislative Services Officer, shall assign professional staff to assist in the work of the  
8 Commission. The House of Representatives' and the Senate's Supervisors of Clerks shall  
9 assign clerical staff to the commission upon the direction of the Legislative Services  
10 Commission. The expenses relating to clerical employees shall be borne by the  
11 Commission.

12 (f) All State departments and agencies shall furnish the Commission with any  
13 information in their possession or available to them.

14  
15 Requested by: Representatives Holmes, Creech, Esposito

#### 16 **POSTRETIREMENT BENEFIT INCREASES**

17 Sec. 4.16. (a) G.S. 135-5 is amended by adding a new subsection to read:

18 "(bbb) From and after July 1, 1996, the retirement allowance to or on account of  
19 beneficiaries whose retirement commenced on or before July 1, 1995, shall be increased  
20 by four percent (4%) of the allowance payable on July 1, 1995, in accordance with G.S.  
21 135-5(o). Furthermore, from and after July 1, 1996, the retirement allowance to or on  
22 account of beneficiaries whose retirement commenced after July 1, 1995, but before June  
23 30, 1996, shall be increased by a prorated amount of four percent (4%) of the allowance  
24 payable as determined by the Board of Trustees based upon the number of months that a  
25 retirement allowance was paid between July 1, 1995, and June 30, 1996."

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

27 "(q) From and after July 1, 1996, the retirement allowance to or on account of  
28 beneficiaries whose retirement commenced on or before July 1, 1995, shall be increased  
29 by four percent (4%) of the allowance payable on July 1, 1995. Furthermore, from and  
30 after July 1, 1996, the retirement allowance to or on account of beneficiaries whose  
31 retirement commenced after July 1, 1995, but before June 30, 1996, shall be increased by  
32 a prorated amount of four percent (4%) of the allowance payable as determined by the  
33 Board of Trustees based upon the number of months that a retirement allowance was paid  
34 between July 1, 1995, and June 30, 1996."

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

36 "(k) In accordance with subsection (a) of this section, from and after July 1, 1996,  
37 the retirement allowance to or on account of beneficiaries whose retirement commenced  
38 on or before January 1, 1996, shall be increased by four percent (4%) of the allowance  
39 payable on January 1, 1996. Furthermore, from and after July 1, 1996, the retirement  
40 allowance to or on account of beneficiaries whose retirement commenced after January 1,  
41 1996, but before June 30, 1996, shall be increased by a prorated amount of four percent  
42 (4%) of the allowance payable as determined by the Board of Trustees based upon the

1 number of months that a retirement allowance was paid between January 1, 1996, and  
2 June 30, 1996."

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

4 "(rr) From and after July 1, 1996, the retirement allowance to or on account of  
5 beneficiaries whose retirement commenced on or before July 1, 1995, shall be increased  
6 by four percent (4%) of the allowance payable on July 1, 1995, in accordance with G.S.  
7 128-27(k). Furthermore, from and after July 1, 1996, the retirement allowance to or on  
8 account of beneficiaries whose retirement commenced after July 1, 1995, but before June  
9 30, 1996, shall be increased by a prorated amount of four percent (4%) of the allowance  
10 payable as determined by the Board of Trustees based upon the number of months that a  
11 retirement allowance was paid between July 1, 1995, and June 30, 1996."

12  
13 Requested by: Representatives Holmes, Creech, Esposito

#### 14 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

15 Sec. 4.17. Section 7.1(b) of Chapter 324 of the 1995 Session Laws, as amended  
16 by Section 7.22A of Chapter 507 of the 1995 Session Laws, reads as rewritten:

17 "(b) ~~Effective July 1, 1995, July 1, 1996,~~ the State's employer contribution rates  
18 budgeted for retirement and related benefits as a percentage of covered salaries for the  
19 1995-96 fiscal year are (i) ten and eighty-three hundredths percent (10.83%) - Teachers  
20 and State Employees; (ii) fifteen and eighty-three hundredths percent (15.83%) - State  
21 Law Enforcement Officers; (iii) nine and eighteen hundredths percent (9.18%) -  
22 University Employees' Optional Retirement Program; (iv) twenty-two and sixty-five  
23 hundredths percent (22.65%) - Consolidated Judicial Retirement System; and (v) ~~twenty-~~  
24 ~~three and twenty-seven hundredths percent (23.27%)~~ twenty-four and forty-three  
25 hundredths percent (24.43%) - Legislative Retirement System. Each of the foregoing  
26 contribution rates includes two percent (2%) for hospital and medical benefits. The rate  
27 for State Law Enforcement Officers includes five percent (5%) for the Supplemental  
28 Retirement Income Plan. The rates for Teachers and State Employees, State Law  
29 Enforcement Officers, and for the University Employees' Optional Retirement Program  
30 includes fifty-two hundredths percent (0.52%) for the Disability Income Plan."

31  
32 Requested by: Representatives Holmes, Creech, Esposito, Dockham

#### 33 **STATE EMPLOYEE HEALTH BENEFIT PLAN/PREEXISTING HEALTH** 34 **CONDITIONS**

35 Sec. 4.18. (a) G.S. 135-40.1(15) reads as rewritten:

36 "(15) Preexisting Condition. – A condition, disease, illness or injury ~~which~~  
37 ~~existed or had its beginning to any degree, whether diagnosed or not,~~  
38 diagnosed and treated within six months prior to the effective date of  
39 coverage."

40 (b) G.S. 135-40.3(b) is amended by adding a new subdivision to read:

41 "(5) To administer the 12-month waiting period for preexisting conditions  
42 under this Article, the Plan must give credit against the 12-month period  
43 for the time that a person was covered under a previous plan if the

1           previous plan's coverage was continuous to a date not more than 60 days  
2           before the effective date of coverage. As used in this subdivision, a  
3           'previous plan' means any policy, certificate, contract, or any other  
4           arrangement provided by any accident and health insurer, any hospital  
5           or medical service corporation, any health maintenance organization,  
6           any preferred provider organization, any multiple employer welfare  
7           arrangement, any self-insured health benefit arrangement, any  
8           governmental health benefit or health care plan or program, or any other  
9           health benefit arrangement."

10       (c)     This section is effective July 1, 1995.

## 11

## 12 **PART 5. MISCELLANEOUS PROVISIONS**

### 13

### 14 **EXECUTIVE BUDGET ACT APPLIES**

15           Sec. 5.1. The provisions of the Executive Budget Act, Chapter 143, Article 1  
16 of the General Statutes are reenacted and shall remain in full force and effect and are  
17 incorporated in this act by reference.

### 18

### 19 **MOST TEXT APPLIES ONLY TO 1996-97**

20           Sec. 5.2. Except for statutory changes or other provisions that clearly indicate  
21 an intention to have effects beyond the 1996-97 fiscal year, the textual provisions of this  
22 act apply only to funds appropriated for, and activities occurring during, the 1996-97  
23 fiscal year.

### 24

### 25 **1995-96 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

26           Sec. 5.3. (a) Except where expressly repealed or amended by this act, the  
27 provisions of Chapters 324 and 507 of the 1995 Session Laws remain in effect.

28           (b) Notwithstanding any modifications by this act in the amounts appropriated,  
29 except where expressly repealed or amended, the limitations and directions for the 1995-  
30 96 fiscal year in Chapters 324 and 507 of the 1995 Session Laws that applied to  
31 appropriations to particular agencies or for particular purposes apply to the newly enacted  
32 appropriations and budget reductions of this act for those same particular purposes.

### 33

### 34 **EFFECT OF HEADINGS**

35           Sec. 5.4. The headings to the parts and sections of this act are a convenience to  
36 the reader and are for reference only. The headings do not expand, limit, or define the  
37 text of this act.

### 38

### 39 **SEVERABILITY CLAUSE**

40           Sec. 5.5. If any section or provision of this act is declared unconstitutional or  
41 invalid by the courts, it does not affect the validity of this act as a whole or any part other  
42 than the part so declared to be unconstitutional or invalid.

1 **EFFECTIVE DATE**

2           Sec. 5.6. Except as otherwise provided, this act becomes effective July 1,  
3 1996.