

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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**HOUSE BILL 226
Committee Substitute Favorable 3/13/19
Committee Substitute #2 Favorable 3/20/19
Senate Judiciary Committee Substitute Adopted 6/26/19
Senate Finance Committee Substitute Adopted 6/27/19
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Proposed Conference Committee Substitute H226-PCCS30514-LR-7**

Short Title: Pay Increases/State Employees.

(Public)

Sponsors:

Referred to:

February 28, 2019

A BILL TO BE ENTITLED
AN ACT APPROPRIATING FUNDS FOR THE 2019-2021 FISCAL BIENNIUM TO AWARD
PUBLIC EMPLOYEE BENEFITS INCREASES AND LEGISLATIVELY MANDATED
SALARY INCREASES TO STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

PART I. APPROPRIATIONS

APPROPRIATIONS

SECTION 1.1.(a) There is appropriated from the General Fund for the 2019-2021 fiscal biennium the sum of two hundred thirty-nine million two hundred twenty thousand five hundred fifty-four dollars (\$239,220,554) for the 2019-2020 fiscal year and the sum of five hundred seventy-two million seven hundred five thousand one hundred fifty-seven dollars (\$572,705,157) for the 2020-2021 fiscal year for the costs associated with implementing the provisions of this act. These sums are allocated as follows:

Entity	2019-2020 Recurring	2020-2021 Recurring
Community College System Office	\$16,012,936	\$39,903,149
Department of Public Instruction	\$112,355,491	\$281,835,841
The University of North Carolina	\$24,567,465	\$62,404,755
DHHS – Aging and Adult Services	\$94,416	\$204,340
DHHS – Central Management and Support	\$1,911,835	\$4,130,571
DHHS – Child Development and Early Education	\$74,872	\$162,667
DHHS – Health Benefits (Medicaid/		



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1	Health Choice)	\$678,654	\$1,466,308
2	DHHS – Health Service		
3	Regulation	\$724,446	\$1,567,069
4	DHHS – Mental Health/Dev. Disabl./		
5	Subs. Abuse Serv.	\$9,702,345	\$21,076,437
6	DHHS – Public Health	\$1,707,704	\$3,695,842
7	DHHS – Services for the Blind/Deaf/		
8	Hard of Hearing	\$124,013	\$269,418
9	DHHS – Social Services	\$373,675	\$809,319
10	DHHS – Vocational Rehab.		
11	Services	\$544,673	\$1,184,488
12	Dept. of Agriculture and		
13	Consumer Services	\$3,091,976	\$6,719,330
14	Dept. of Commerce	\$309,933	\$671,863
15	Dept. of Env. Quality	\$1,327,378	\$2,874,732
16	Dept. of Labor	\$580,655	\$1,257,174
17	Dept. of Natural and		
18	Cultural Resources	\$3,590,816	\$7,815,524
19	Wildlife Resources Comm.	\$348,866	\$755,149
20	Administrative Office		
21	of the Courts	\$18,183,923	\$38,936,638
22	Indigent Defense Services	\$1,843,045	\$4,025,991
23	Department of Justice	\$1,505,346	\$3,254,595
24	Dept. of Public Safety	\$27,139,378	\$63,493,429
25	Dept. of Administration	\$1,051,120	\$2,275,394
26	Office of Admin. Hearings	\$174,663	\$376,940
27	Auditor	\$451,011	\$971,507
28	Office of Budget and		
29	Management	\$212,098	\$456,649
30	Controller	\$764,167	\$1,399,586
31	Board of Elections	\$229,640	\$496,529
32	General Assembly	\$2,241,969	\$4,755,001
33	Office of the Governor	\$149,789	\$323,306
34	Dept. of Insurance	\$1,249,541	\$2,700,421
35	Industrial Commission	\$160,138	\$345,826
36	Office of the Lt. Governor	\$27,358	\$58,905
37	Dept. of Military and Veteran		
38	Affairs	\$182,596	\$397,091
39	Department of Revenue	\$2,353,736	\$5,095,390
40	Secretary of State	\$409,136	\$888,495
41	Treasurer	\$41,913	\$91,132
42	Treasurer – Additional		
43	Retirement Systems	\$2,309,782	\$2,659,782
44	Dept. of Information		
45	Technology	\$418,056	\$898,574

46 **SECTION 1.1.(b)** There is appropriated from the Highway Fund to the Department
47 of Transportation for the costs associated with implementing the provisions of this act the sum
48 of nine million eight hundred five thousand thirty-five dollars (\$9,805,035) in recurring funds
49 for the 2019-2020 fiscal year and the sum of twenty-two million three hundred twenty-seven
50 thousand five hundred thirty-three dollars (\$22,327,533) in recurring funds for the 2020-2021
51 fiscal year.

1 **SECTION 1.1.(c)** State funds, as defined in G.S. 143C-1-1(d)(25), are appropriated
2 for each year of the 2019-2021 fiscal biennium, as agency receipts up to the amounts needed to
3 implement the legislatively mandated salary increases and employee benefit increases provided
4 in this act for each year of the 2019-2021 fiscal biennium.

5 6 **PART II. TRANSFERS**

7 8 **TRANSFERS**

9 **SECTION 2.1.** There is transferred from the Department of Insurance to the General
10 Fund the sum of one million two hundred forty-nine thousand five hundred forty-one dollars
11 (\$1,249,541) for the 2019-2020 fiscal year and the sum of two million seven hundred thousand
12 four hundred twenty-one dollars (\$2,700,421) for the 2020-2021 fiscal year.

13 **SECTION 2.2.** There is transferred from the Office of the State Treasurer to the
14 General Fund the sum of forty-one thousand nine hundred thirteen dollars (\$41,913) for the
15 2019-2020 fiscal year and the sum of ninety-one thousand one hundred thirty-two dollars
16 (\$91,132) for the 2020-2021 fiscal year.

17 18 **PART III. SALARY AND BENEFITS INCREASES**

19 20 **ELIGIBLE STATE-FUNDED EMPLOYEES AWARDED LEGISLATIVE SALARY** 21 **INCREASES/EFFECTIVE JULY 1, 2019, AND JULY 1, 2020**

22 **SECTION 3.1.(a)** Effective July 1, 2019, except as provided by subsection (b) of
23 this section, a person (i) whose salary is set by this Part, pursuant to the North Carolina Human
24 Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded
25 position on June 30, 2019, is awarded:

- 26 (1) A legislative salary increase in the amount of two and one-half percent (2.5%)
27 of annual salary in the 2019-2020 fiscal year.
- 28 (2) Any salary adjustment otherwise allowed or provided by law.

29 **SECTION 3.1.(a1)** Effective July 1, 2020, except as provided by subsection (b) of
30 this section, a person (i) whose salary is set by this Part, pursuant to the North Carolina Human
31 Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded
32 position on June 30, 2020, is awarded:

- 33 (1) A legislative salary increase in the amount of two and one-half percent (2.5%)
34 of annual salary in the 2020-2021 fiscal year.
- 35 (2) Any salary adjustment otherwise allowed or provided by law.

36 **SECTION 3.1.(b)** For the 2019-2021 fiscal biennium, the following persons are not
37 eligible to receive the legislative salary increases provided by subsections (a) and (a1) of this
38 section:

- 39 (1) Employees of local boards of education.
- 40 (2) Local community college employees.
- 41 (3) Employees of The University of North Carolina.
- 42 (4) Clerks of superior court compensated under G.S. 7A-101.
- 43 (5) Correctional employees to which House Bill 609, 2019 Regular Session,
44 applies.
- 45 (6) Law enforcement officers to which either House Bill 126 or House Bill 777,
46 2019 Regular Session, applies.
- 47 (7) Employees of schools operated by the Department of Health and Human
48 Services, the Department of Public Safety, and the State Board of Education
49 who are paid based on the Teacher Salary Schedule.

50 **SECTION 3.1.(c)** Part-time employees shall receive the increases authorized by this
51 section on a prorated and equitable basis.

1 **SECTION 3.1.(d)** No eligible State-funded employee shall be prohibited from
 2 receiving the full salary increases provided in this section solely because the employee's salary
 3 after applying the legislative increase is above the maximum of the salary range prescribed by
 4 the State Human Resources Commission.

5
 6 **GOVERNOR AND COUNCIL OF STATE**

7 **SECTION 3.2.(a)** Effective July 1, 2019, G.S. 147-11(a) reads as rewritten:

8 "(a) The salary of the Governor shall be ~~one hundred forty seven thousand two hundred~~
 9 ~~eighty seven dollars (\$147,287)~~ one hundred fifty thousand nine hundred sixty-nine dollars
 10 (\$150,969) annually, payable monthly."

11 **SECTION 3.2.(a1)** Effective July 1, 2020, G.S. 147-11(a), as amended by
 12 subsection (a) of this section, reads as rewritten:

13 "(a) The salary of the Governor shall be ~~one hundred fifty thousand nine hundred sixty-~~
 14 ~~nine dollars (\$150,969)~~ one hundred fifty-four thousand seven hundred forty-three dollars
 15 (\$154,743) annually, payable monthly."

16 **SECTION 3.2.(b)** Effective July 1, 2019, the annual salaries for members of the
 17 Council of State, payable monthly, are set as follows:

<u>Council of State</u>	<u>Annual Salary</u>
Lieutenant Governor	\$133,365
Attorney General	133,365
Secretary of State	133,365
State Treasurer	133,365
State Auditor	133,365
Superintendent of Public Instruction	133,365
Agriculture Commissioner	133,365
Insurance Commissioner	133,365
Labor Commissioner	133,365

28 **SECTION 3.2.(b1)** Effective July 1, 2020, the annual salaries for members of the
 29 Council of State, payable monthly, are set as follows:

<u>Council of State</u>	<u>Annual Salary</u>
Lieutenant Governor	\$136,699
Attorney General	136,699
Secretary of State	136,699
State Treasurer	136,699
State Auditor	136,699
Superintendent of Public Instruction	136,699
Agriculture Commissioner	136,699
Insurance Commissioner	136,699
Labor Commissioner	136,699

40
 41 **CERTAIN EXECUTIVE BRANCH OFFICIALS**

42 **SECTION 3.3.(a)** Effective July 1, 2019, the annual salaries, payable monthly, for
 43 the following executive branch officials for the 2019-2020 fiscal year are as follows:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$119,758
State Controller	166,758
Commissioner of Banks	134,410
Chair, Board of Review, Division of Employment Security	131,842
Members, Board of Review,	

1	Division of Employment Security	130,230
2	Chairman, Parole Commission	131,842
3	Full-Time Members of the Parole Commission	121,900
4	Chairman, Utilities Commission	149,451
5	Members of the Utilities Commission	134,410
6	Executive Director, North Carolina	
7	Agricultural Finance Authority	116,625
8	SECTION 3.3.(a1) Effective July 1, 2020, the annual salaries, payable monthly, for	
9	the following executive branch officials for the 2020-2021 fiscal year are as follows:	
10	<u>Executive Branch Officials</u>	<u>Annual Salary</u>
11	Chairman, Alcoholic Beverage	
12	Control Commission	\$122,752
13	State Controller	170,927
14	Commissioner of Banks	137,770
15	Chair, Board of Review, Division	
16	of Employment Security	135,138
17	Members, Board of Review,	
18	Division of Employment Security	133,486
19	Chairman, Parole Commission	135,138
20	Full-Time Members of the Parole Commission	124,948
21	Chairman, Utilities Commission	153,187
22	Members of the Utilities Commission	137,770
23	Executive Director, North Carolina	
24	Agricultural Finance Authority	119,541

25

JUDICIAL BRANCH

26
27 **SECTION 3.4.(a)** Effective July 1, 2019, the annual salaries, payable monthly, for
28 the following judicial branch officials for the 2019-2020 fiscal year are as follows:

29	<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
30	Chief Justice, Supreme Court	\$156,915
31	Associate Justice, Supreme Court	152,843
32	Chief Judge, Court of Appeals	150,425
33	Judge, Court of Appeals	146,521
34	Judge, Senior Regular Resident Superior Court	142,568
35	Judge, Superior Court	138,617
36	Chief Judge, District Court	125,973
37	Judge, District Court	122,020
38	Chief Administrative Law Judge	123,066
39	District Attorney	134,048
40	Assistant Administrative Officer of the Courts	129,086
41	Public Defender	134,048
42	Director of Indigent Defense Services	138,158

43 **SECTION 3.4.(a1)** Effective July 1, 2020, the annual salaries, payable monthly, for
44 the following judicial branch officials for the 2020-2021 fiscal year are as follows:

45	<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
46	Chief Justice, Supreme Court	\$160,838
47	Associate Justice, Supreme Court	156,664
48	Chief Judge, Court of Appeals	154,186
49	Judge, Court of Appeals	150,184
50	Judge, Senior Regular Resident Superior Court	146,132
51	Judge, Superior Court	142,082

1	Chief Judge, District Court	129,122
2	Judge, District Court	125,071
3	Chief Administrative Law Judge	126,143
4	District Attorney	137,399
5	Assistant Administrative Officer of the Courts	132,313
6	Public Defender	137,399
7	Director of Indigent Defense Services	141,612

8 **SECTION 3.4.(b)** The district attorney or public defender of a judicial district, with
 9 the approval of the Administrative Officer of the Courts or the Commission on Indigent Defense
 10 Services, respectively, shall set the salaries of assistant district attorneys or assistant public
 11 defenders, respectively, in that district such that the average salaries of assistant district attorneys
 12 or assistant public defenders in that district, for the 2019-2020 fiscal year, do not exceed eighty
 13 thousand five hundred seventy-nine dollars (\$80,579) and the minimum salary of any assistant
 14 district attorney or assistant public defender is at least forty-three thousand two hundred
 15 forty-eight dollars (\$43,248), effective July 1, 2019.

16 **SECTION 3.4.(b1)** The district attorney or public defender of a judicial district, with
 17 the approval of the Administrative Officer of the Courts or the Commission on Indigent Defense
 18 Services, respectively, shall set the salaries of assistant district attorneys or assistant public
 19 defenders, respectively, in that district such that the average salaries of assistant district attorneys
 20 or assistant public defenders in that district, for the 2020-2021 fiscal year, do not exceed
 21 eighty-two thousand five hundred ninety-three dollars (\$82,593) and the minimum salary of any
 22 assistant district attorney or assistant public defender is at least forty-four thousand three hundred
 23 twenty-nine dollars (\$44,329), effective July 1, 2020.

24
 25 **ASSISTANT DISTRICT ATTORNEYS' SALARY ADJUSTMENTS**

26 **SECTION 3.4A.** Of the funds available to the Administrative Office of the Courts,
 27 the sum of eight hundred thousand dollars (\$800,000) is provided to increase the budgeted annual
 28 salary to seventy thousand dollars (\$70,000) for each new Assistant District Attorney position
 29 created in S.L. 2017-57.

30
 31 **CLERKS OF SUPERIOR COURT**

32 **SECTION 3.5.(a)** Effective July 1, 2019, G.S. 7A-101 reads as rewritten:

33 **"§ 7A-101. Compensation.**

34 (a) The clerk of superior court is a full-time employee of the State and shall receive an
 35 annual salary, payable in equal monthly installments, based on the ~~population of the county as~~
 36 ~~determined in subsection (a1) of this section, number of State-funded assistant and deputy clerks~~
 37 of court as determined by the Administrative Office of Court's workload formula, according to
 38 the following schedule:

39	<u>Population</u>	<u>Annual Salary</u>
40	Less than 100,000	\$90,972
41	100,000 to 149,999	101,831
42	150,000 to 249,999	112,690
43	250,000 and above	123,554
44	<u>Assistants and Deputies</u>	<u>Annual Salary</u>
45	<u>0-19</u>	<u>\$95,000</u>
46	<u>20-29</u>	<u>105,000</u>
47	<u>30-49</u>	<u>115,000</u>
48	<u>50-99</u>	<u>125,000</u>
49	<u>100 and above</u>	<u>127,500.</u>

50 ~~When a county changes from one population group to another, If the number of State-funded~~
 51 assistant and deputy clerks of court as determined by the Administrative Office of Court's

workload formula changes, 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 that~~ new population group, number, except that the salary of an incumbent clerk shall not be decreased by any change in population group that number during his the clerk's continuance in office.

(a1) For purposes of subsection (a) of this section, the population of a county for any fiscal year shall be the population for the beginning of that fiscal year as reported by the Office of State Budget and Management to the Administrative Office of the Courts prior to the beginning of that fiscal year.

(b) The clerk shall receive no fees or commission by virtue of his the clerk's office. The salary set forth in this section is the clerk's sole official compensation, but if, on June 30, 1975, the salary of a particular clerk, by reason of previous but no longer authorized merit increments, is higher than that set forth in the table, that higher salary shall not be reduced during his continuance in office compensation.

(c) In lieu of merit and other increment raises paid to regular State employees, a clerk of superior court shall receive as longevity pay an amount equal to four and eight-tenths percent (4.8%) of the clerk's annual salary payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. Service shall mean service in the elective position of clerk of superior court, as an assistant clerk of court and as a supervisor of clerks of superior court with the Administrative Office of the Courts and shall not include service as a deputy or acting clerk. Service shall also mean service as a justice, judge, or magistrate of the General Court of Justice or as a district attorney."

SECTION 3.5.(b) Effective July 1, 2020, G.S. 7A-101(a), as amended by subsection (a) of this section, 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 number of State-funded assistant and deputy clerks of court as determined by the Administrative Office of Court's workload formula, according to the following schedule:

Assistants and Deputies	Annual Salary
0-19	\$95,000 <u>\$97,375</u>
20-29	105,000 <u>107,625</u>
30-49	115,000 <u>117,875</u>
50-99	125,000 <u>128,125</u>
100 and above	127,500 <u>130,688.</u> "

ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT

SECTION 3.6.(a) Effective July 1, 2019, 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	\$34,780
Maximum	61,162 <u>62,691</u>
Deputy Clerks	Annual Salary
Minimum	\$31,200
Maximum	48,034 <u>49,235.</u> "

SECTION 3.6.(a1) Effective July 1, 2020, G.S. 7A-102(c1), as amended by subsection (a) of this section, 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		\$34,780
Maximum		62,691 64,258
Deputy Clerks	Annual Salary	
Minimum		\$31,200
Maximum		49,235 50,466."

MAGISTRATES

SECTION 3.7.(a) Effective July 1, 2019, G.S. 7A-171.1(a)(1) reads as rewritten:

"(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	
	Minimum	Maximum
Entry Rate	\$38,620	\$39,586
Step 1	\$40,309	\$42,508
Step 2	\$43,297	\$45,660
Step 3	\$46,459	\$48,997
Step 4	\$50,248	\$52,997
Step 5	\$54,814	\$57,814
Step 6	\$59,929	\$63,212."

SECTION 3.7.(a1) Effective July 1, 2020, G.S. 7A-171.1(a)(1), as amended by subsection (a) of this section, reads as rewritten:

"(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
1	Entry Rate	\$39,586 <u>\$40,576</u>
2	Step 1	\$42,508 <u>\$43,571</u>
3	Step 2	\$45,660 <u>\$46,802</u>
4	Step 3	\$48,997 <u>\$50,222</u>
5	Step 4	\$52,997 <u>\$54,322</u>
6	Step 5	\$57,814 <u>\$59,259</u>
7	Step 6	\$63,212 <u>\$64,792.</u>

LEGISLATIVE EMPLOYEES

SECTION 3.8.(a) Effective July 1, 2019, the annual salaries of the Legislative Services Officer and of nonelected employees of the General Assembly in effect on June 30, 2019, shall be legislatively increased by two and one-half percent (2.5%).

SECTION 3.8.(a1) Effective July 1, 2020, the annual salaries of the Legislative Services Officer and of nonelected employees of the General Assembly in effect on June 30, 2020, shall be legislatively increased by two and one-half percent (2.5%).

SECTION 3.8.(b) Nothing in this act limits any of the provisions of G.S. 120-32.

GENERAL ASSEMBLY PRINCIPAL CLERKS

SECTION 3.9.(a) Effective July 1, 2019, 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 ~~one hundred eleven one hundred seven dollars (\$111,107), one hundred thirteen thousand eight hundred eighty-five dollars (\$113,885),~~ payable monthly. Each principal clerk shall also receive such additional compensation as approved by the Speaker of the House of Representatives or the President Pro Tempore of the Senate, respectively, for additional employment duties beyond those provided by the rules of their House. 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 shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

SECTION 3.9.(a1) Effective July 1, 2020, G.S. 120-37(c), as amended by subsection (a) of this section, 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 ~~one hundred thirteen thousand eight hundred eighty-five dollars (\$113,885), one hundred sixteen thousand seven hundred thirty-two dollars (\$116,732),~~ payable monthly. Each principal clerk shall also receive such additional compensation as approved by the Speaker of the House of Representatives or the President Pro Tempore of the Senate, respectively, for additional employment duties beyond those provided by the rules of their House. 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 shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

SERGEANTS-AT-ARMS AND READING CLERKS

SECTION 3.10.(a) Effective July 1, 2019, 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 ~~four hundred thirty-eight dollars (\$438.00) four hundred forty-nine dollars (\$449.00)~~ 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

1 homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General
2 Assembly and at such time prior to the convening of, and subsequent to adjournment or recess
3 of, sessions as may be authorized by the Legislative Services Commission. The reading clerks
4 shall serve during sessions only."

5 **SECTION 3.10.(a1)** Effective July 1, 2020, G.S. 120-37(b), as amended by
6 subsection (a) of this section, reads as rewritten:

7 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~four~~
8 ~~hundred forty nine dollars (\$449.00)~~ four hundred sixty dollars (\$460.00) per week plus
9 subsistence at the same daily rate provided for members of the General Assembly, plus mileage
10 at the rate provided for members of the General Assembly for one round trip only from their
11 homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General
12 Assembly and at such time prior to the convening of, and subsequent to adjournment or recess
13 of, sessions as may be authorized by the Legislative Services Commission. The reading clerks
14 shall serve during sessions only."

15 16 **MOST STATE EMPLOYEES**

17 **SECTION 3.11.** Unless otherwise expressly provided by this Part, the annual salaries
18 in effect for the following persons on June 30, 2019, and June 30, 2020, shall be legislatively
19 increased as provided by Section 3.1 of this act:

- 20 (1) Permanent, full-time State officials and persons whose salaries are set in
21 accordance with the State Human Resources Act.
- 22 (2) Permanent, full-time State officials and persons in positions exempt from the
23 State Human Resources Act.
- 24 (3) Permanent, part-time State employees.
- 25 (4) Temporary and permanent hourly State employees.

26 27 **ALL STATE-SUPPORTED PERSONNEL**

28 **SECTION 3.12.(a)** The legislative salary increases provided by this act in each year
29 of the 2019-2021 fiscal biennium do not apply to persons separated from service due to
30 resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to
31 June 30, 2019, for the 2019-2020 fiscal year or June 30, 2020, for the 2020-2021 fiscal year. For
32 the 2019-2021 fiscal biennium, payroll checks issued to employees after July 1, 2019, and July
33 1, 2020, respectively, that represent payment of services provided prior to July 1 of each year
34 shall not be eligible for salary increases provided for in this act.

35 **SECTION 3.12.(b)** This section applies to all employees paid from State funds,
36 whether or not subject to or exempt from the North Carolina Human Resources Act, including
37 employees of public schools, community colleges, and The University of North Carolina.

38 39 **USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED INCREASES**

40 **SECTION 3.13.(a)** The appropriations set forth in Part I of this act are for
41 appropriations for legislatively mandated salary increases and employee benefits. The Office of
42 State Budget and Management shall ensure that those funds are used only for the purposes of
43 legislatively mandated salary increases and employee benefits.

44 **SECTION 3.13.(b)** If the Director of the Budget determines that funds appropriated
45 to a State agency for legislatively mandated salary increases and employee benefits exceed the
46 amount required by that agency for those purposes, the Director may reallocate those funds to
47 other State agencies that received insufficient funds for legislatively mandated salary increases
48 and employee benefits.

49 **SECTION 3.13.(c)** Funds appropriated for legislatively mandated salary and
50 employee benefit increases may not be used to adjust the budgeted salaries of vacant positions,

1 to provide salary increases in excess of those required by the General Assembly, or to increase
2 the budgeted salary of filled positions to the minimum of the position's respective salary range.

3 **SECTION 3.13.(d)** Any funds appropriated for legislatively mandated salary and
4 benefits increases in excess of the amounts required to implement the increases shall be credited
5 to the Pay Plan Reserve.

6 **SECTION 3.13.(e)** No later than May 1, 2020, for the 2019-2020 fiscal year, and
7 subsequently May 1, 2021, for the 2020-2021 fiscal year, the Office of State Budget and
8 Management shall report to the Joint Legislative Commission on Governmental Operations and
9 the Fiscal Research Division on the expenditure of funds for legislatively mandated salary
10 increases and employee benefits. This report shall include at least the following information for
11 each State agency for each year of the biennium:

- 12 (1) The total amount of funds that the agency received for legislatively mandated
13 salary increases and employee benefits.
- 14 (2) The total amount of funds transferred from the agency to other State agencies
15 pursuant to subsection (b) of this section. This section of the report shall
16 identify the amounts transferred to each recipient State agency.
- 17 (3) The total amount of funds used by the agency for legislatively mandated salary
18 increases and employee benefits.
- 19 (4) The amount of funds credited to the Pay Plan Reserve.

20 **SPECIAL ANNUAL LEAVE**

21 **SECTION 3.14.(a)** A State employee shall have a one-time additional five days of
22 annual leave credited on July 1, 2019, if the employee is:

- 23 (1) A full-time permanent State employee eligible to earn annual leave;
- 24 (2) Not an employee of The University of North Carolina; and
- 25 (3) Not an employee to which any of the following bills of the 2019 Regular
26 Session applies: House Bill 609, House Bill 126, or House Bill 777.

27 **SECTION 3.14.(b)** The additional leave granted in this section shall be accounted
28 for separately in the same manner as the leave provided by Section 35.26 of S.L. 2018-5 and
29 shall remain available during the length of the employee's employment, notwithstanding any
30 other limitation on the total number of days of annual leave that may be carried forward. Part-time
31 permanent employees shall receive a pro rata amount of the five days awarded by this section.

32 **SECTION 3.14.(c)** The additional leave awarded under this section has no cash
33 value and is not eligible for cash in. If not used prior to the time of separation or retirement, the
34 bonus leave cannot be paid out and is lost.

35 **SECTION 3.14.(d)** Notwithstanding any provision of G.S. 126-8 to the contrary,
36 any vacation leave remaining on December 31 of each year in excess of 30 days shall be reduced
37 by the number of days awarded in this section that were actually used by the employee during
38 the year, such that the calculation of vacation leave days that would convert to sick leave shall
39 reflect a deduction of those days of special annual leave awarded in this section that were used
40 by the employee during the year.

41 **SECTION 3.14.(e)** The number of days awarded by this section that carry forward
42 to each following year shall equal the number of days awarded in this section remaining on
43 December 31 of each year plus the number of days awarded in this section that were deducted
44 from vacation leave in excess of 30 days for the calculation of sick leave.

45 **SECTION 3.14.(f)** No employee may be required to take the additional leave
46 awarded by this section.

47 **SALARY-RELATED CONTRIBUTIONS**

48 **SECTION 3.15.(a)** Effective for the 2019-2021 fiscal biennium, required employer
49 salary-related contributions for employees whose salaries are paid from department, office,
50
51

1 institution, or agency receipts shall be paid from the same source as the source of the employee's
 2 salary. If an employee's salary is paid in part from the General Fund or Highway Fund and in
 3 part from department, office, institution, or agency receipts, required employer salary-related
 4 contributions may be paid from the General Fund or Highway Fund only to the extent of the
 5 proportionate part paid from the General Fund or Highway Fund in support of the salary of the
 6 employee, and the remainder of the employer's requirements shall be paid from the source that
 7 supplies the remainder of the employee's salary. The requirements of this section as to source of
 8 payment are also applicable to payments on behalf of the employee for hospital medical benefits,
 9 longevity pay, unemployment compensation, accumulated leave, workers' compensation,
 10 severance pay, separation allowances, and applicable disability income benefits.

11 **SECTION 3.15.(b)** Effective July 1, 2019, the State's employer contribution rates
 12 budgeted for retirement and related benefits as a percentage of covered salaries for the 2019-2020
 13 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the
 14 University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated
 15 Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth
 16 below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
20 Retirement	12.97%	12.97%	6.84%	33.60%	26.46%
21 Disability	0.10%	0.10%	0.10%	0.00%	0.00%
22 Death	0.16%	0.16%	0.00%	0.00%	0.00%
23 Retiree Health	6.47%	6.47%	6.47%	6.47%	6.47%
24 NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%
26 Total Contribution Rate	19.70%	24.70%	13.41%	40.07%	32.93%

29 The rate for teachers and State employees and State law enforcement officers includes
 30 one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

31 **SECTION 3.15.(c)** Effective July 1, 2020, the State's employer contribution rates
 32 budgeted for retirement and related benefits as a percentage of covered salaries for the 2020-2021
 33 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the
 34 University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated
 35 Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth
 36 below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
40 Retirement	14.36%	14.36%	6.84%	36.00%	29.00%
41 Disability	0.10%	0.10%	0.10%	0.00%	0.00%
42 Death	0.16%	0.16%	0.00%	0.00%	0.00%
43 Retiree Health	6.82%	6.82%	6.82%	6.82%	6.82%
44 NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%
46 Total Contribution Rate	21.44%	26.44%	13.76%	42.82%	35.82%

49 The rate for teachers and State employees and State law enforcement officers includes
 50 one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

1 **SECTION 3.15.(d)** Effective July 1, 2019, the maximum annual employer
2 contributions, payable monthly, by the State for each covered employee or retiree for the
3 2019-2020 fiscal year to the State Health Plan for Teachers and State Employees are (i) for
4 Medicare-eligible employees and retirees, four thousand nine hundred dollars (\$4,900) and (ii)
5 for non-Medicare-eligible employees and retirees, six thousand three hundred six dollars
6 (\$6,306).

7 **SECTION 3.15.(e)** Effective July 1, 2020, the maximum annual employer
8 contributions, payable monthly, by the State for each covered employee or retiree for the
9 2020-2021 fiscal year to the State Health Plan for Teachers and State Employees are (i) for
10 Medicare-eligible employees and retirees, five thousand one hundred sixty-five dollars (\$5,165)
11 and (ii) for non-Medicare-eligible employees and retirees, six thousand six hundred forty-seven
12 dollars (\$6,647).

13 **SECTION 3.15.(f)** The total State contribution to the North Carolina Firefighters'
14 and Rescue Squad Workers' Pension Fund shall be eighteen million six hundred fifty-two
15 thousand two hundred eight dollars (\$18,652,208) in fiscal year 2019-2020 and nineteen million
16 two thousand two hundred eight dollars (\$19,002,208) in fiscal year 2020-2021.

17 **SECTION 3.15.(g)** The total State contribution to the North Carolina National Guard
18 Pension Fund shall be eleven million thirty-one thousand seven hundred fifteen dollars
19 (\$11,031,715) in fiscal year 2019-2020 and eleven million thirty-one thousand seven hundred
20 fifteen dollars (\$11,031,715) in fiscal year 2020-2021.

21 22 **OSC/SAP-SKILLED EMPLOYEES SALARY ADJUSTMENTS**

23 **SECTION 3.16.** From the funds allocated to the Office of State Controller, the sum
24 of two hundred fifteen thousand dollars (\$215,000) shall be used to adjust the salaries of
25 SAP-skilled employees closer to eighty-five percent (85%) of the midpoint of average market
26 pay rates.

27 28 **SHORT-TERM DISABILITY BENEFITS**

29 **SECTION 3.17.** Of the funds appropriated in Part I of this act, five one-hundredths
30 percent (0.05%) of the estimated General Fund payroll for each entity shall be used to pay
31 short-term disability benefits as required under G.S. 135-105(d1).

32 33 **PART IV. MISCELLANEOUS**

34 35 **STATE BUDGET ACT APPLICABILITY**

36 **SECTION 4.1.** If any provision of this act and G.S. 143C-5-4 are in conflict, the
37 provisions of this act shall prevail. The appropriations and the authorizations to allocate and
38 spend funds which are set out in this act shall remain in effect until the Current Operations
39 Appropriations Act for the applicable fiscal year becomes law, at which time that act shall
40 become effective and shall govern appropriations and expenditures. When the Current
41 Operations Appropriations Act for that fiscal year becomes law, the Director of the Budget shall
42 adjust allotments to give effect to that act from July 1 of the fiscal year.

43 44 **EFFECTIVE DATE**

45 **SECTION 4.2.** Except as otherwise provided, this act becomes effective July 1,
46 2019.