

GENERAL ASSEMBLY OF NORTH CAROLINA



Legislative Fiscal Note

**BILL NUMBER:** Senate Bill 709 (First Edition)

**SHORT TITLE:** Salary Supplement/Certain Ed. Programs.

**SPONSOR(S):** Senator Swindell

| <b>FISCAL IMPACT</b>   |                          |                          |                                  |                          |                          |
|--|--------------------------|--------------------------|----------------------------------|--------------------------|--------------------------|
|  | <b>Yes (x)*</b>          | <b>No ( )</b>            | <b>No Estimate Available ( )</b> |                          |                          |
|  | <b><u>FY 2005-06</u></b> | <b><u>FY 2006-07</u></b> | <b><u>FY 2007-08</u></b>         | <b><u>FY 2008-09</u></b> | <b><u>FY 2009-10</u></b> |
| <b>REVENUES:</b>   | <b>0</b>                 | <b>0</b>                 | <b>0</b>                         | <b>0</b>                 | <b>0</b>                 |
| <b>EXPENDITURES:</b>   |                          |                          |                                  |                          |                          |
| <b>Health and Human Services</b>   | <b>\$220,000</b>         | <b>\$227,436</b>         | <b>\$234,259</b>                 | <b>\$241,287</b>         | <b>\$248,526</b>         |
| <b>Juvenile Justice</b>  | <b>\$62,613</b>          | <b>\$64,491</b>          | <b>\$66,426</b>                  | <b>\$68,418</b>          | <b>\$70,471</b>          |
| <b>Corrections</b>   | <b>\$31,278</b>          | <b>\$32,216</b>          | <b>\$33,182</b>                  | <b>\$34,178</b>          | <b>\$35,203</b>          |
| <b>POSITIONS (cumulative):</b>   | <b>0</b>                 | <b>0</b>                 | <b>0</b>                         | <b>0</b>                 | <b>0</b>                 |
| <b>Total Funds Needed</b>  | <b>\$313,891</b>         | <b>\$324,143</b>         | <b>\$333,867</b>                 | <b>\$343,883</b>         | <b>\$354,200</b>         |
| <b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Health and Human Services, Department of Corrections and Department of Juvenile Justice and Delinquency Prevention |                          |                          |                                  |                          |                          |
| <b>EFFECTIVE DATE:</b> July 1, 2005  |                          |                          |                                  |                          |                          |

**BILL SUMMARY:**

The Secretary of Health and Human Services, The Secretary of Juvenile Justice and Delinquency Prevention, and The Secretary of Corrections in consultation with the Office of State Personnel, shall set the salary supplement for State Board of Education employees employed by the State of North Carolina. The supplement shall be at least five percent (5%). The bill amends the GS 143B-516(b)(17a), GS 143B-516(b), and GS 148-22.1.

## **ASSUMPTIONS AND METHODOLOGY:**

- There are 520 educational personnel receiving the current 5% supplement within the Department of Health and Human Services (DHHS). These teachers are located at the residential schools for the deaf, the Governor Morehead School for the Blind, and at various mental health facilities.
- There are 125 educational personnel within the Department of Juvenile Justice and Delinquency Prevention (DJJDP) receiving the current 5% supplement in various locations around the state including: Buncombe, Granville, and Cabarrus Counties.
- There are 65 educational personnel within the Department of Corrections (DOC) receiving the current 5% supplement working in the following counties: Burke, Richmond, Granville, and Wake.
- The bill allows the Secretaries of the Departments of HHS, JJDP, and Corrections to set the supplement at or above 5% for the teacher state-employees; the Secretaries may select any supplemental amount or rate at or above the 5%. This analysis assumes that the new supplement will be set at and not exceed the local area's teacher supplement amount or 5% whichever is greater. Some Local Education Agencies (LEA's) also provide bonuses and additional supplements based on years of experience and longevity which are not included in this analysis.
- The current state supplement is 5%; therefore, this amount is already built into the budgets for DHHS, DJJDP, and DOC. The analysis assumes this and only the additional amount needed to change to the local supplement rate is shown in the box above. For example, in one county the local teachers' supplement is 8.5%, which is higher than the state's supplement; therefore, an additional 3.5% is needed to implement the local supplement rate for state teachers working in that county. By contrast another county may provide a \$1,000 annual supplement for its teachers, which is lower than the state supplement of 5%; therefore, no additional funds are needed since these teachers already receive the 5% which is higher than the \$1,000.
- The funding needed is based on setting the supplemental rate to the local teachers' supplement provided by the LEA but does not include additional hiring bonuses or longevity bonuses offered by some LEA's.
- The DHHS calculation is based on the actual teachers salary budget for each school and facility.
- The DOC and DJJDP calculations are based on the average teacher's salary in North Carolina of \$37,882.
- The amounts for DOC, DJJDP, and DHHS include an inflationary adjustment of 3% each year beginning with year 2006-2007.

**SOURCES OF DATA:** Department of Health and Human Services, Department of Corrections, and Department of Public Instruction

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION: (919) 733-4910**

**PREPARED BY:** Lisa Hollowell

**APPROVED BY:** James D. Johnson, Director  
Fiscal Research Division

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