

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: Senate Bill 709 (First Edition)

SHORT TITLE: Salary Supplement/Certain Ed. Programs.

SPONSOR(S): Senator Swindell

	FISCAL IMPACT				
	Yes (x)*	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:	0	0	0	0	0
EXPENDITURES:					
DHHS	\$220,000	\$227,436	\$234,259	\$241,287	\$248,526
Corrections	\$62,613	\$64,491	\$66,426	\$68,418	\$70,471
POSITIONS (cumulative):	0	0	0	0	0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Health and Human Services and Department of Corrections					
EFFECTIVE DATE: July 1, 2005					

BILL SUMMARY:

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

ASSUMPTIONS AND METHODOLOGY:

- There are 520 licensed educators and principals/assistant principals receiving the current 5% supplement within the Department of Health and Human Services (DHHS). These teachers are located around the state at the residential schools for the deaf and the Governor Morehead School for the Blind and at various mental health facilities.

- There are 125 teachers within the Department of Corrections (DOC) receiving the current 5% supplement in various locations around the state including: Buncombe, Granville, and Cabarrus Counties.
- The bill allows the Secretaries of the Departments of Health and Human Services and Corrections to set the supplement at or above 5% for each county/area in which there are state employees working and receiving the 5% supplement. The Secretaries may select any supplemental amount or rate. Since this amount is not prescribed in the law, for this analysis it is assumed that the new supplement will be set at and not exceed the local area's teacher supplement amount, and where the local supplement is below 5%, the state supplement amount will not be below 5%. Some Local Education Agencies also provide bonuses and additional supplements based on years of experience and longevity which is not included in this analysis.
- The current state supplement is 5%; therefore, this amount is already built into the budgets for DHHS and DOC. The analysis assumes this amount is budgeted and the additional amount needed to change to the local supplement rate is the amount identified above in the box. For example, in Buncombe County the local teachers' supplement is 8.5%, which is higher than the state's supplement; therefore, additional funds are needed to implement the local supplement for state teachers in Buncombe County. By contrast Richmond County provides 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 that supplement amount and it is built into the continuation budget.
- The funding needed is based on setting the supplemental rate to the local teachers' supplement and does not include bonuses or longevity bonus pay provided by some LEA's.
- The DHHS calculation is based on the actual teachers salary budget for each school and facility.
- The DOC calculation is based on the average teacher's salary in North Carolina of \$37,882.
- The amounts for DOC and DHHS include an inflationary adjustment of 3% each year.

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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