

**General Administration**

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**DATE:** July 12, 2017

**TO:** Chief Human Resources Officers (CHROs)  
Chief Financial Officers (CFOs)

**FROM:** Matthew S. Brody, Vice President for Human Resources 

Nathan L. Knuffman,   
Vice President for Financial Planning & Analysis

**RE: SL 2017-57 SHRA Legislative Increase (LI) Instructions, Special Annual Leave, Longevity, and EHRA Additional Communication**

The Appropriations Act of 2017 (SB 257) became law (SL 2017-57) on June 28, 2017 and is effective July 1, 2017. The Act provides a salary increase, effective July 1, 2017, for all eligible State employees subject to the North Carolina Human Resources Act.

The salaries in effect June 30, 2017 for eligible employees shall be increased by \$1,000 with no consideration of the maximum of the range.

A pro-rata percentage applies for eligible part-time employees.

**Eligibility**

Employees with permanent (full-time/part-time), probationary, and time-limited appointments are eligible, including those permanent full-time employees who work a 9-, 10-, or 11-month work schedule.

The increase does not apply to employees separated from state service prior to July 1, 2017 or to employees hired effective July 1, 2017 or later.

Employees on approved leave of absence without pay should receive the legislative increase upon reinstatement.

Employees are eligible for the increase without consideration of performance ratings or disciplinary actions.

Longevity payments for July will be calculated to reflect the LI.

**Current Salary Schedules**

The current career banded salary schedule will be updated by both the FY 2016-2017 legislative increase of 1.5% and for the FY 2017-2018 legislative increase of \$1,000. The minimum of each range will **NOT** change, but the market rates and maximum for each range will be increased by this amount.

The revised salary range schedule is attached:

[http://old.northcarolina.edu/hr/hr\\_council/Career\\_Banding\\_Salary\\_Ranges.pdf](http://old.northcarolina.edu/hr/hr_council/Career_Banding_Salary_Ranges.pdf)

### **Funding Sources / Preparation of Budget Revisions**

In accordance with Section 35.11. (a) of S.L. 2017-57, any eligible employee whose annual salary is paid partially from the General Fund or Highway Fund and partially from other sources shall receive a salary increase from the General or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund. Additionally, any eligible employee whose annual salary is paid fully from sources other than the General Fund or Highway Fund shall receive a salary increase. The State Budget Officer is authorized to increase expenditures of receipts from these sources by the amount necessary to provide the Legislative Increase to receipt-supported personnel in the certified budget.

Budget adjustments must be made for the 2017-2018 fiscal biennium to provide sufficient funds by budget subhead to pay the salary increases and state matching retirement and social security contributions. Funds from appropriations are not allowed to be used to provide salary increases or state matching retirement and social security contributions for persons employed under special funds or operations supported from receipts. OSBM will issue a separate memorandum for guidance on budget adjustments.

The Office of State Budget and Management (OSBM) and UNC General Administration's Finance & Budget will issue further guidance on budget adjustments.

### **Processing Personnel Action Forms**

The LI should be implemented by July 31, 2017 where possible but no later than August 31, 2017 retroactive to July 1, 2017.

The LI is based on salaries as of June 30, 2017; therefore, the LI should be processed before any other personnel action (such as a promotion or reallocation) that also has a July 1, 2017 effective date or has a later effective date.

Once the legislative increase is awarded, any retroactive personnel action affecting salary or funding will require a revised LI action. Please be reminded that personnel actions with retroactive effective dates require approval from the Office of State Human Resources.

If a July 1, 2017 personnel action has already been implemented through payroll, then the \$1,000 LI will be calculated on the June 30, 2017 base salary and added as a flat amount to the already processed personnel action.

## **Longevity**

Longevity payments for July are to be calculated to reflect the LI and should be available in the employee's July paycheck.

If longevity payment has already been paid for the month of July, then the additional longevity percentage based on the \$1000 LI will be paid separately in the next available paycheck.

## **Mitigate Bonus Leave**

The Appropriations Act continues through June 30, 2019 the option for institutions to allow employees to receive payout for accrued bonus leave that is eligible for payout upon separation, subject to rules established by the institution. Employee participation is voluntary, and leave must be paid out at current salary rate. The Act does not allocated funding for this purpose, so institutions are responsible for cost.

## **Special Annual Leave Bonus**

All leave-earning employees (SHRA and EHRA) shall receive three days of bonus leave (pro-rated for part-time employees), effective July 1, 2017, pending more information from OSHR that we will pass along as soon as we receive it.

## **EHRA Actions**

Further instruction on the Annual Raise Process (ARP) and EHRA salary increases is forthcoming.

### **CONTACTS**

- For questions concerning the eligibility requirements of the Legislative Increase, please contact Jessica Moore at [jlmoore@northcarolina.edu](mailto:jlmoore@northcarolina.edu) or 919-843-9100.
- For questions about budget revisions or fiscal data should be directed to Lauren Partin at [lgpartin@northcarolina.edu](mailto:lgpartin@northcarolina.edu) or 919-962-3697 or to your OSBM Budget Analyst.

Cc: Chiefs of Staff