

Constituent Universities

Appalachian
State University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem
State University

Constituent High School

North Carolina
School of Science
and Mathematics

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July 21, 2016

MEMO TO: Chief Human Resources Officers

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

SUBJECT: Implementation of Fiscal Year 2016-17 1.5% Legislative Base Salary Increase for SHRA employees

The 2016 General Assembly has ratified and Governor Pat McCrory has signed into law HB 1030 (2016 Appropriations Act). The 2016 Appropriations Act provides a one and one-half percent (1.5%) legislative increase (LI) to base salary effective July 1, 2016 for all eligible State employees. The below LI instructions apply only to University employees subject to the State Human Resources Act (SHRA) based on official guidance from the Office of State Human Resources (OSHR). Constituent institutions should proceed with implementation of the SHRA LI in accordance with this memorandum.

Eligibility requirements

- The LI does NOT apply to employees separated from state service prior to July 1, 2016 or to employees hired on July 1, 2016 or later.
- Any part-time permanent employee will receive a pro-rated increase.
- There is no mandate to increase temporary employees since there are no appropriated dollars. Temporary employees may be adjusted if Universities have the funding.
- Employees at or above the maximum of their assigned SHRA career banding salary range should receive the full increase to their base salary.
- Employees are eligible for the increase without consideration of performance ratings or disciplinary actions.
- Employees on approved leave of absence without pay receive the legislative increase upon reinstatement, if they meet the eligibility requirements and will be implemented on a current basis.

Processing Instructions

- The LI should be implemented in July, if payroll cycles allow. If the timing is such that the LI cannot be implemented in July, it should be implemented no later than August, retroactive to July 1, 2016.

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- The LI is based on the June 30, 2016 base salary and should be processed before any other personnel action such as promotions or reallocations with the same July 1, 2016 effective date or later.
- In the event a previous July 1, 2016 salary action has been implemented through payroll, then the 1.5% LI will be calculated on the employee's June 30, 2016 base salary and added as a flat amount (not to be compounded) to the already processed salary action(s).

July Longevity Payments

- Longevity payments for July should be calculated to reflect the LI and should be available in the employee's July paycheck(s).
- In the event the longevity payment has already been paid for the month of July, then the additional 1.5% should be paid as a separate payment in the next issued paycheck.

Salary Ranges

At this time, the current SHRA career banding salary ranges will not be updated to reflect the 1.5% LI. We are consulting with OSHR on this matter and will advise on any subsequent decisions.

Legislative Bonus Payment and Bonus Merit Pool

We have not yet received guidelines from the State on the across-the-board legislative bonus payment (.5%) or the bonus merit pool (1%). We will share detailed instructions once General Administration receives this guidance from the appropriate State offices.

Budget information for Chief Financial Officers

- In accordance with Section 36.14. (b) of HB 1030, 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.

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- The Director of the Budget 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 2016-2017 fiscal year to provide sufficient funds by budget subheading 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.
- The Office of State Budget and Management (OSBM) will issue a separate memorandum providing guidance on budget adjustments.

Preliminary Planning for EHRA LI and Annual Raise Process

We anticipate that LI instructions for University employees who are exempt from the State Human Resources Act (EHRA) will be issued shortly after the July 29, 2016 Board of Governors (BOG) meeting, and will be accompanied by instructions for the EHRA annual raise process (ARP). Pending BOG approval, constituent institutions may begin preliminary planning for an LI for EHRA employees to be implemented no later than August 31, 2016. We anticipate substantially similar instructions for the EHRA LI as is contained in this memorandum, with the obvious exception of any reference to longevity payments. However, no EHRA LI shall be implemented until instructions are formally communicated by UNC General Administration.

Contacts for Questions or Further Information

- For questions concerning the eligibility or processing requirements of the LI, please contact Jessica Moore in UNC-GA Human Resources at jlmoore@northcarolina.edu or 919-843-9100.
- For questions concerning LI-related budget revisions or fiscal reporting, please contact Lindsay McCollum in UNC-GA Finance at klmccollum@northcarolina.edu or 919-962-0008 or contact your OSBM Budget Analyst.

cc: President Margaret Spellings, Chancellors, UNC-GA Senior Officers, Chief Academic Officers, Chief Financial Officers