

May 16, 2000

S 1261. STATE COMPENSATION PLAN CHANGES/FUNDS. AMENDING THE EMPLOYEE COMPENSATION AND PERFORMANCE EVALUATION PROVISIONS OF THE STATE PERSONNEL ACT, CHAPTER 126 OF THE GENERAL STATUTES, AND APPROPRIATING FUNDS FOR FULL IMPLEMENTATION OF THE STATE COMPENSATION PLAN. Amends GS 126-7 to change name of salary increase plan for state employees from Comprehensive Compensation System to State Compensation Plan. Eliminates effect of performance evaluation on cost-of-living adjustment and provides that all state employees must receive cost-of-living adjustment (now, not given to employees whose performance evaluation falls below level two); ties cost-of-living increase to the annual percentage increase in Consumer Price Index (CPI) of previous calendar year. Specifies that the intent of General Assembly is that annual career growth recognition award be part of continuation budget and the performance bonus and cost-of-living increase be part of annual expansion budget. Provides that state agencies may adopt performance appraisal system that meets the standards established by the State Personnel Commission and deletes the statutory requirement for using a five-level performance appraisal system. Provides that career growth recognition award is available to employees whose performance meets or exceeds expectations and allows an employee who has reached maximum of the salary range to receive a one-time bonus equal to 2% increase in assigned pay grade. Deletes provision that limits total appropriation for performance bonuses (for those whose performance exceeds expectations) to 2% of the total employee payroll.

Makes the following appropriations for fiscal year 2000-2001:

- (a) \$42 million from General Fund and \$8.6 from Highway Fund to fund Career Growth Component of State Compensation Plan at 2%.
- (b) \$46.2 million from General Fund and \$9.46 million from Highway Fund to tie cost-of-living adjustment to CPI for previous calendar year, with assumed average CPI of 2.2%.
- (c) \$42 million from General Fund and \$8.6 from Highway Fund to Reserve for Performance Bonus at a minimum of 2% of employee payroll.
- (d) \$105 million from General Fund and \$21.5 million from Highway Fund to Reserve for Compensation Increase to fund 5% salary increase to account for prior increases in the cost-of-living adjustment that did not match the CPI.

Appropriations effective July 1, 2000 and remainder effective when it becomes law.

Intro. by Reeves, Lucas, Garwood, and Metcalf.

Ref. to St. & Loc. Gov.	GS 126, APPROP
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