



# Salary Adjustment Fund Allocations for FY 2013-14

Report to the Joint Legislative Commission on  
Governmental Operations

Prepared by:  
Office of State Budget and Management  
Office of State Human Resources

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## **Executive Summary**

### **Legislation**

Section 35.10B.(a) of Session Law 2013-360 (Budget Bill) specifies that the Salary Adjustment Fund be established to provide funding for competitive salary rates. The Fund shall only be used for the following purposes:

- (1) Reallocation of positions to higher level job classifications.
- (2) In-range adjustments for job change.
- (3) Career progression adjustments for demonstrated competencies.
- (4) Salary range revisions.
- (5) Geographic site differential adjustments.
- (6) In-range adjustments for labor market.
- (7) In-range adjustments for equity issues.
- (8) Any other adjustments related to an increase in job duties or responsibilities or labor market changes.

These adjustments must be documented through data collection and analysis according to accepted human resource professional practices and standards. Further, funds may only be used for salary adjustments for the stated purposes that are in compliance with State Personnel Commission policies and other provisions of the Act. For the executive branch, funding shall be approved by the State Personnel Commission or Office of State Personnel and shall not be used for any other purposes.

### **Process**

The Office of State Budget and Management (OSBM) and the Office of State Human Resources (OSHR) sent instructions to agencies and universities in August 2013, asking them to provide a list of employees in classifications that have unfunded or partially funded increases based on the following criteria: **Market, Retention, and Criticality**. The survey requests totaled \$31,554,831 (see Attachment B). OSHR and OSBM reviewed requests as they relate to legislative intent and the recommendations below meet the described requirements in Section 35.10B.(a).

### **Recommendation for General Fund Agencies and Universities**

OSHR and OSBM recommend that an annualized amount of \$7,388,474 (amount allocated in FY 2013-14 due to 1-1-14 effective date is \$3,694,237) be authorized to expend at this time. A summary of recommended agency allocations for the Salary Adjustment Fund is included in Attachment A. SAF allocations will provide compensation increases to approximately 3,221 agency employees.

Attachment A  
Salary Adjustment Fund Recommendations for FY 2013-2014

Agency	# of Emp	Recommended Amt from SAF	Avg \$ Increase	Average % Increase	Total Recommended Amount from SAF with Benefits
⊕ Administration	10	\$23,342	\$2,452	4.10%	\$28,556
⊕ Administrative Office of the Courts	43	\$76,686	\$1,783	5.00%	\$93,817
⊕ Agriculture	15	\$43,633	\$2,909	4.57%	\$53,380
⊕ Commerce	5	\$18,125	\$3,598	5.00%	\$22,174
⊕ Community Colleges	34	\$149,281	\$4,391	5.90%	\$182,630
⊕ Cultural Resources	3	\$10,941	\$3,647	5.33%	\$13,385
⊕ Environment Natural Resources	1	\$3,967	\$3,967	4.00%	\$4,853
⊕ Health and Human Services	1,676	\$2,448,060	\$2,544	3.85%	\$2,994,956
⊕ Information Technology Services	5	\$9,857	\$1,971	2.40%	\$12,059
⊕ Insurance	9	\$34,023	\$3,780	4.83%	\$41,624
⊕ Justice	104	\$382,958	\$3,682	7.17%	\$468,511
⊕ Labor	86	\$224,922	\$2,615	5.00%	\$275,169
⊕ Office of Administrative Hearings	9	\$18,008	\$2,001	3.67%	\$22,030
⊕ Office of State Human Resources	1	\$6,163	\$6,163	10.00%	\$7,540
⊕ Public Safety	848	\$1,242,188	\$1,480	3.55%	\$1,565,636
⊕ Revenue	184	\$550,898	\$2,994	5.71%	\$673,969
⊕ Secretary of State	6	\$13,929	\$2,322	4.25%	\$17,041
⊕ State Auditor's Office	100	\$484,132	\$4,841	7.46%	\$592,286
⊕ State Budget	5	\$12,879	\$2,576	3.00%	\$15,756
⊕ State Controller	44	\$160,419	\$3,646	4.89%	\$196,256
⊕ State Treasurer	26	\$78,066	\$3,054	5.00%	\$95,506
⊕ Wildlife Resources Commission	7	\$9,267	\$2,860	4.71%	\$11,337
<b>Grand Total</b>	<b>3,221</b>	<b>\$6,001,742</b>	<b>\$2,435</b>	<b>4.20%</b>	<b>\$7,388,474</b>

## Attachment B Agency and University Requests

<i>Agency</i>	Amount Requested from General Fund (Priority 1)	Amount Requested from General Fund (Priority 2)	Amount Requested from General Fund (Priority 3)	Total Amount Requested
Administration	\$ 268,832	\$ -	\$ -	\$ 268,832
Administrative Office of the Courts	\$ 162,576	\$ 503,620	\$ 450,000	\$ 1,116,196
AOC - Indigent Defense Services	\$ -	\$ -	\$ -	\$ -
Agriculture & Consumer Services	\$ 178,243	\$ -	\$ -	\$ 178,243
Commerce	\$ 42,848	\$ 78,429	\$ -	\$ 121,277
Community College	\$ 278,890	\$ -	\$ -	\$ 278,890
Cultural Resources	\$ 177,083	\$ 116,367	\$ -	\$ 293,450
Environment & Natural Resources	\$ 24,609	\$ -	\$ -	\$ 24,609
Governor's Office	\$ -	\$ -	\$ -	\$ -
Health and Human Services	\$ 5,999,119	\$ -	\$ -	\$ 5,999,119
Insurance	\$ 128,974	\$ 55,499	\$ 64,065	\$ 248,538
ITS	\$ 323,999	\$ 94,740	\$ 80,562	\$ 499,301
Justice	\$ 575,694	\$ 1,172,092	\$ 136,989	\$ 1,884,775
Labor	\$ 394,327	\$ -	\$ -	\$ 394,327
Lt. Governor's Office	\$ -	\$ -	\$ -	\$ -
Office of Administrative Hearings	\$ 41,564	\$ 5,986	\$ -	\$ 47,550
Public Instruction	\$ 46,380	\$ -	\$ -	\$ 46,380
Public Safety	\$ 1,817,669	\$ 1,647,459	\$ 453,431	\$ 3,918,559
Revenue	\$ 1,186,457	\$ -	\$ -	\$ 1,186,457
Secretary of State	\$ 42,147	\$ -	\$ -	\$ 42,147
State Auditor's Office	\$ 742,401	\$ 53,551	\$ -	\$ 795,952
State Budget	\$ 15,237	\$ -	\$ -	\$ 15,237
State Controller	\$ 321,285	\$ -	\$ -	\$ 321,285
State Human Resources	\$ 6,163	\$ -	\$ -	\$ 6,163
State Treasurer	\$ 180,451	\$ 216,062	\$ 244,168	\$ 640,681
Wildlife Resources Commission	\$ 82,829	\$ 27,381	\$ -	\$ 110,210
<b>Agency Subtotal</b>	<b>\$ 13,037,777</b>	<b>\$ 3,971,186</b>	<b>\$ 1,429,215</b>	<b>\$ 18,438,178</b>
<b>University</b>				
Appalachian State	\$ 632,083	\$ 24,902	\$ 17,602	\$ 674,587
East Carolina	\$ 1,469,347	\$ 28,863	\$ 1,683,713	\$ 3,181,923
Elizabeth City	\$ 212,070	\$ -	\$ -	\$ 212,070
Fayetteville State	\$ 114,932	\$ -	\$ -	\$ 114,932
NC A&T State	\$ 1,031,278	\$ 700,397	\$ 599,237	\$ 2,330,912
NC Central	\$ 332,363	\$ 400,232	\$ 364,414	\$ 1,097,009
NC State	\$ 521,545	\$ 30,105	\$ 124,885	\$ 676,535
School of Science and Math	\$ -	\$ -	\$ -	\$ -
School of the Arts	\$ 68,677	\$ 19,600	\$ -	\$ 88,277
UNC Asheville	\$ 234,748	\$ 150,313	\$ -	\$ 385,061
UNC Chapel Hill	\$ 339,672	\$ -	\$ -	\$ 339,672
UNC Charlotte	\$ 49,194	\$ 57,189	\$ 22,420	\$ 128,803
UNC General Administration	\$ 39,822	\$ 7,060	\$ 28,635	\$ 75,517
UNC Greensboro	\$ 203,463	\$ 35,650	\$ -	\$ 239,113
UNC Pembroke	\$ 179,718	\$ 108,703	\$ -	\$ 288,421
UNC Wilmington	\$ 543,313	\$ -	\$ -	\$ 543,313
Western Carolina	\$ 868,077	\$ 868,077	\$ 487,096	\$ 2,223,250
Winston-Salem State	\$ 329,986	\$ 160,151	\$ 27,121	\$ 517,258
<b>University Subtotal</b>	<b>\$ 7,170,288</b>	<b>\$ 2,591,242</b>	<b>\$ 3,355,123</b>	<b>\$ 13,116,653</b>
<b>GRAND TOTAL</b>	<b>\$ 20,208,065</b>	<b>\$ 6,562,428</b>	<b>\$ 4,784,338</b>	<b>\$ 31,554,831</b>