



Office of State Human Resources

ROY COOPER
Governor

BARBARA GIBSON
Director, State Human Resources

MEMORANDUM

TO: Agency Human Resources Directors
Agency Chief Fiscal Officers

FROM: Barbara Gibson, State Human Resources Director *Barbara J. Gibson*
Charles Perusse, State Budget Director *Charles Perusse*
Nels Roseland, State Controller *Nels C. Roseland*

DATE: July 14, 2022

RE: CORRECTION: 2022 Legislative Increase (LI) Instructions – HR-Payroll Action Processing

Session Law (S.L.) 2022-74 (the 2022 Appropriations Act) amends Session Law 2021-180 (the 2021 Appropriations Act) and includes a salary increase, effective July 1, 2022, for most State employees subject to or exempt from the State Human Resources Act (SHRA). The salaries for eligible employees shall be increased by three and one-half percent (3.5%) unless otherwise specified below. See § 39.1 of the 2022 Act, amending § 39.1.(a1) of the 2021 Act. A pro-rata percentage applies for part-time employees. See § 39.1.(c) of the 2021 Act.

University of North Carolina

Section 39.13 of the 2022 Act states the Board of Governors of the University of North Carolina shall provide employees subject to the SHRA, employees exempt from the SHRA, and teachers employed by the North Carolina School of Science and Mathematics with an across-the-board salary increase, in the amount of three and one-half percent (3.5%) effective July 1, 2022.

Department of Public Safety

Several types of employees at the Department of Public Safety will be compensated according to salary schedules. These types of employees do not receive the 3.5% legislative increase. See § 39.1.(b)(5)-(7) of the 2022 Act.

Section 39.14 of the 2022 Act amends Section 39.14.(b) of the 2021 Act and establishes a Correctional Officer salary schedule effective July 1, 2022, for state employees serving as correctional officers in the Department of Public Safety, Division of Adult Corrections. Correctional Officers shall be compensated at a specific pay rate, on the basis of a salary schedule, determined according to the duration of the employee's correctional officer work experience as outlined in amended Section 39.14.(b).

Section 39.15 of the 2022 Act amends Section 39.15.(b) of the 2022 Act and sets the experience-based salary schedule for law enforcement officers of the State Highway Patrol, Alcohol Law Enforcement, and the State Bureau of Investigation effective July 1, 2022. Law enforcement officers shall be compensated based on the officer's respective work experience as defined in amended Section 39.15.(b).

Section 39.15A of the 2022 Act amends Section 39.15A.(b) establishes a Probation and Parole Officer salary schedule effective July 1, 2022. Probation and Parole Officers shall be compensated based on the officer's respective work experience as established in amended Section 39.15A.(b).

If a Correctional Officer, State Highway Patrol Officer, Alcohol Law Enforcement Officer, State Bureau of Investigation Officer, or Probation and Parole Officer will not receive a salary increase during the 2022-2023 fiscal year because the officer's salary exceeds the scheduled salary level, then the officer shall receive an annual salary increase equal to three and one-half percent (3.5%). See § 39.15A.(c) of the 2021 Act.

Current Salary Schedules

The current salary ranges which were implemented effective June 1, 2022, for all Graded Pay Plans, will remain the same.

Other Employees Under Salary Schedules

In addition to the categories discussed above, several additional types of employees do not receive the 3.5% legislative increase: employees of local boards of education, clerks of superior court compensated under G.S. 7A-101, and employees paid based on the Teacher Salary Schedule at DHHS, DPS, or DPI. See § 39.1.(b) of the 2021 Act.

Eligibility for Legislative Increase

To be eligible for the legislative increase, employees must have been employed on **June 30, 2022**. See § 39.1.(1)(ii) of the 2021 Act, as amended by § 39.1 of the 2022 Act.

Effect of Being at Maximum of Salary Range

Employees at the maximum of the salary range shall receive the full LI increase of three and one-half percent (3.5%).

Temporary Employees

Because temporary employees are not employed in State-funded positions, they are not automatically entitled to the 3.5% legislative increase. See § 39.1(a1)(ii). Agencies may increase temporary employees' salaries in their discretion if funds are available.

Salary to which the 3.5% Legislative Increase Is Applied

The Appropriations Act specifies that the 3.5% legislative increase will be on "annual salary in the 2022-2023 fiscal year." See § 39.1.(a1)(1). Effective July 1, 2022, except as provided by subsection (b) of this section, a person (i) whose salary is set by this Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded position on June 30, 2022, is awarded "a legislative salary increase in the amount of three and one-half percent (3.5%) of annual salary in the 2022-2023 fiscal year." See § 39.1(a1)(1).

Labor Market Adjustment Salary Reserve

The 2022 Act creates a Labor Market Adjustment Salary Reserve that is available to most state agencies. The funds in the Labor Market Adjustment reserve shall be used by agencies “to award salary adjustments to identified employees.” See § 39.2(a). Use of the Labor Market Adjustment reserve is subject to specific requirements listed in the act. See § 39.2.(a)(1)-(5).

Use of the Labor Market Adjustment reserve must be reported to OSHR by September 30, 2022 using a uniform reporting mechanism that OSHR must develop. OSHR will submit the combined agency responses to the General Assembly by October 31, 2022. See § 39.2.(d).

To avoid a delay in distributing this memo about the Legislative Increase, a separate memo will be distributed about use of the Labor Market Adjustment Salary Reserve. This memo, which will be distributed within one week from the date of this memo, will include the uniform reporting mechanism that agencies must use.

Processing of Legislative Increase Actions

The HR/Payroll system was unavailable from 8 p.m. July 11, 2022 through 6 a.m. July 13, 2022, for processing the LI. The LI was applied to employee records in the Integrated HR/Payroll System on July 12, 2022.

Temporary appointments will not receive the LI via the mass load as it is based on the availability of funds. These actions, if applicable, will need to be processed by the agency by working with the OM/PA Operations team at BEST Shared Services (BSS).

Longevity

Longevity payments will automatically calculate to reflect the LI.

2022 Legislative Increase Reports

LI Salary and budget information will be available using the reports listed below. Both reports are in the **Legislative Increase** folder of the Office of State Controller’s (OSC) **Business Objects** Platform. They are:

- **B0063: LI Position Summary** – This summary report contains two views, detailed below.
 - *LI Position Summary Report* provides a summary of budget information for all positions (vacant and filled) for the organizational unit(s) selected. It displays a summary of LIs applied to the employee and budgeted salaries, if applicable by the fund, totaled by business area, along with a grand total at the bottom of the report.
 - *LI Vacant Position Summary Report* lists only the vacant positions for the organizational unit(s) selected. It displays the prior budgeted salary, budgeted salary increase (if applicable), current budgeted salary, and job minimum and maximum pay. A grand total is displayed at the bottom of the report.
- **B0061 Legislative Increase Detail** – This detail report displays information for the organizational unit(s) and LI effective year selected. The report lists the prior budget and employee salaries, the amount of the employee and budgeted salary increases, the current employee and position salaries, and the job minimum and maximum pay. The report totals are on the employees’ current salary for the organizational unit(s) selected.

Report description documents containing instructions and details about how to generate these reports are located in the **Help/Report Descriptions** folder in the Business Objects platform or on OSC website: [NC OSC: Help Documents](#).

Post 2022 LI Operational Procedures for Personnel and Organizational Management Actions

- If you have a Leave of Absence (LOA) or Reinstatement from LOA effective prior to 7/1/2022, put in a ticket and BSS will insert the LOA. Please remember that agencies should not attempt to insert any action.
- If you have a new or revised salary impacting action (any action that creates IT0008, Basic Pay) dated before 6/1/2022, put in a ticket and BSS will delete the 7/1/2022 LI and 6/1/2022 Range Revision (RR), if applicable, and the agency will be responsible for creating and working the new Legislative Increase (LI) and/or RR.
- If you have any new or revised salary impacting action dated between 6/1/2022 and 7/1/2022, put in a ticket and BSS will delete the 7/1/2022 LI. The agency will be responsible for creating and working the new LI.
- Agencies are responsible for creating and working the 7/1/2022 LI for any New Hire or Reinstatement/Return to work effective prior to 7/1/2022.
- BSS will not process any retroactive mass salary adjustments. Any request must have prior OSC OM/PA approval and final spreadsheets must be submitted before payroll initialization.

CONTACTS

- For questions concerning the eligibility requirements of the Legislative Increase, contact Lorence Crossett at lorence.crossett@nc.gov or 984-236-0852.
- For questions concerning the transaction processing of the LI or associated LI reports, please submit a ticket to the OM/PA Team at best@osc.nc.gov or 919-707-0707.
- For questions about budget revisions or fiscal data, contact your OSBM Analyst at 984-236-0600.

BG/CP/LC:acc,bwt