

Supporting North Carolina's Hardworking Teachers & State Employees

The Governor's Recommended Budget recognizes the importance of teachers and state employees, investing over nearly \$1.4 billion in FY 2021-22 and over \$1.9 billion in FY 2022-23 to improve pay, provide bonuses, implement a new pay plan, and continue benefits for state employees and state-funded local employees, such as teachers and principals, and to provide the most substantial cost-of-living adjustment and bonuses for state government retirees in more than a decade.

Public School Employees

The Governor's Recommended Budget puts education first and emphasizes respect for the teaching profession with substantial improvements in pay for teachers, school-based administrators, and non-certified personnel such as teaching assistants, school nutrition employees, and bus drivers. Unlike state employees, educators went without a raise the past two years. In response, the total investment in Public School personnel exceeds \$532.5 million in FY 2021-22 and \$760.8 million in FY 2022-23. Highlights include:

- Increasing teacher pay by more than 10% by investing \$268.9 million in FY 2021-22 and \$439.3 million in FY 2022-23 (See Appendix A for the recommended monthly teacher salary schedules).
- Providing teachers, principals and all public school personnel a one-time bonus of \$2,000 *this year*, and additional one-time bonuses of \$1,000 bonuses in each year of the biennium for a total of \$4,000.
- Reducing salary plateaus in recognition of the important contributions of veteran teachers.
- Restoring Master's pay and eliminating the requirement that teachers pay for their own substitutes when they take leave.
- Investing \$8 million in FY 2021-22 and \$13.1 million in FY 2022-23 to increase pay for assistant principals, whose salaries are tied to the teacher salary schedule,
- Increasing the principal salary schedule by more than 10% by investing \$12.5 million in FY 2021-22 and \$25.6 million in FY 2022-23 for principals and holding principals harmless to reductions in average daily membership and changes in school growth for the biennium. (See Appendix B for recommended principal salary schedules)
- Increasing the salaries of all other public school personnel by more than 7.5% over the biennium by investing \$75.6 million in FY 2021-22 and \$115.3 million in FY 2022-23.
- Implementing a \$15/hour minimum wage for all non-certified personnel.

State Agency, State-funded Local Community College Employees and Retirees

The compensation and benefits package recognizes that many employees received no legislatively mandated increase in the 2019-2021 biennium. The recommended compensation package therefore provides differing increases for state employees.

- Increases salaries by 2.5% in each year of the biennium for most state employees for a more than 5% increase over the biennium.
- Increases salaries by 5% in FY 2021-22 and 2.5% in FY 2022-23 for university, and state-funded local community college employees for a more than 7.5% increase over the biennium.
- Provides a \$1,000 bonus in each year of the biennium for these employees and an additional \$2,000 bonus to be paid *this year*, FY 2020-21, for university and state-funded local community college employees.

- Funds a 2% recurring increase in FY 2021-22 and 2% bonuses in each year of the biennium for the state's 215,000-plus retirees; these are the largest adjustments for retirees in over a decade.

In addition to the increases described above, the Governor's Recommended Budget invests in the state's public safety personnel as follows:

- Implements a pay plan for certified employees of the Division of Adult Correction and Juvenile Justice, appropriating \$16.1 million in FY 2021-22 and \$31.7 million in FY 2022-23 and reallocating the \$15 million recurring appropriated in S.L. 2018-5 for custody-based pay differentials for this purpose. The plan addresses compression and creates a career progression for all certified employees and establishes a 7-year step plan for certified Adult Correction employees, including Correction and Probation and Parole Officers.
- Establishes a pay plan for the State Capitol Police.

Recognizing the need to address retention, equity, and compression, the Governor's Recommended Budget expends \$58.7 million on reserves for salary adjustments. These funds will allow agencies to target hard-to-staff, high-turnover positions, compression, salaries below market rates, gender and racial inequity, and other identified salary needs.

Active and Retired Employee Benefits

The Governor's Recommended Budget also includes investments to strengthen and maintain state benefits, including:

- 5 days of special annual leave for active employees.
- \$109 million in recurring funds to continue to fully fund the state's retirement systems.
- \$64.5 million in FY 2021-22 and \$131.5 million in FY 2022-23 to support the state health plan for active employees and \$33.8 million in FY 2021-22 and \$68.9 million in FY 2022-23 to support retiree medical expenses.
- \$150 million nonrecurring to lower the state's liability related to post-employment benefits.

Appendix A: Recommended Monthly Teacher Salary Schedules

Years of Exp.	Current FY 2020-21	Governor's Recommendation	
		FY 2021-22	FY 2022-23
0	3,500	3,600	3,700
1	3,600	3,720	3,820
2	3,700	3,835	3,935
3	3,800	3,950	4,050
4	3,900	4,050	4,150
5	4,000	4,150	4,250
6	4,100	4,250	4,350
7	4,200	4,350	4,450
8	4,300	4,450	4,550
9	4,400	4,550	4,650
10	4,500	4,650	4,750
11	4,600	4,750	4,850
12	4,700	4,850	4,950
13	4,800	4,950	5,050
14	4,900	5,050	5,150
15	5,000	5,150	5,250
16	5,000	5,200	5,350
17	5,000	5,200	5,350
18	5,000	5,250	5,425
19	5,000	5,250	5,425
20	5,000	5,300	5,500
21	5,000	5,300	5,500
22	5,000	5,350	5,550
23	5,000	5,350	5,550
24	5,000	5,400	5,600
25	5,200	5,400	5,600
26	5,200	5,450	5,650
27	5,200	5,450	5,650
28	5,200	5,500	5,700
29	5,200	5,500	5,700
30	5,200	5,550	5,750

Appendix B: Recommended Principal Salary Schedules

Current FY 2020-21

ADM	Base	Met Growth	Exceeded Growth
< 200	68,125	74,938	81,750
201-400	71,531	78,684	85,837
401-700	74,938	82,432	89,926
701-1000	78,344	86,178	94,013
1001-1600	81,750	89,925	98,100
1601+	85,156	93,672	102,187

Recommended FY 2021-22

ADM	Base	Met Growth	Exceeded Growth
< 200	71,531	78,685	85,838
201-400	75,108	82,618	90,129
401-700	78,685	86,554	94,422
701-1000	82,261	90,487	98,714
1001-1600	85,838	94,421	103,005
1601+	89,414	98,356	107,296

Recommended FY 2022-23

ADM	Base	Met Growth	Exceeded Growth
< 200	75,108	82,619	90,129
201-400	78,863	86,749	94,635
401-700	82,619	90,881	99,143
701-1000	86,374	95,011	103,649
1001-1600	90,129	99,142	108,155
1601+	93,884	103,273	112,661