

General Salary FAQ

Session 2021-2022, SL 2021-180 Section 39.17, Section VII A
(2021-22 School Year)

Overview: This document addresses General Salary and Benefit related legislation

Definition of “**Qualifying public school unit (PSU)**”

PSU includes Local Education Agencies (LEA), Innovative school district, Charter Schools, Lab Schools and Regional Schools.

Please see additional budget information posted on the NCDPI Financial and Business Services Division website at www.ncpublicschools.org/fbs. This document will be updated as additional questions are received.

Legislation for Salary and Benefit related provisions is based on Session 2021-2022, SB 105, Section 7.A and Section 39 available at <https://www.ncleg.gov/BillLookup/2021/s105>.

GENERAL Salary Questions

1. What is the Hospitalization Rate to be used in December for January’s coverage?

The budget was ratified after the State Health Plan rates were due to the vendors (November 1st). The published rate of \$532.36 should be used for December payroll. The rate in January is \$763.36 and then the rate goes to \$647.86 starting in February. Information has been provided by the SHP and is linked here. The table below reflects the necessary employer payments to meet the SHP Costs.

<https://staticapp.icpsc.com/icp/resources/mogile/1308304/243b8e82ee614a7a1917b897586377ab.png>

State Health Plan Premiums - EMPLOYER

Month expensed	Month covered	Projected Invoice	Actual Employer Deduction	Diff
Jun	July	521.96	521.96	-
July	August	521.96	521.96	-
August	Sept	521.96	521.96	-
Sept	Oct	521.96	521.96	-
Oct	Nov	521.96	521.96	-
Nov	Dec	521.96	521.96	-
Dec	Jan	647.86	532.36	(115.50)
Jan	Feb	647.86	763.36	115.50
Feb	March	647.86	647.86	-
March	April	647.86	647.86	-
April	May	647.86	647.86	-
May	Jun	647.86	647.86	-
		7,018.92	7,018.92	-
	Goal	7,019.00		
	Diff	0.08		

Retro payment to SHP in January

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2. *When are the new salary schedules effective?*

July 1, 2021 is when the new scales go into effect. However, they are to be implemented beginning January 1, 2022. There is then required a retroactive pay adjustment for the period of July 1 to December 31, 2021. That pay adjustment is to be paid after January 1, 2022. To be eligible employee has to be employed through December 31, 2021.

Please see separate section of the FAQ on how to implement the new salary schedules and the overall legislative increase.

PERSONAL LEAVE Questions:

3. *When does the revision for personal leave costs and the \$50 deduction go into effect?*

Section 7.67, related to the revisions for personal leave costs for teachers goes into effect the date the bill was ratified which is November 18, 2021. It is not to be applied retroactively to July 1, 2021.

4. *What are the new absence reason codes to be used with the update to the Personal Leave provision in the budget bill?*

Section 7.67 updated the Personal Leave costs for Teachers. This provision goes into effect the date the bill was ratified which is November 18, 2021. There will be 2 new absence reason codes and will work with your vendors to communicate this information. NCDPI will update the Employee Benefits manual and we plan to take those updates to the SBE in January.

Absence Reason Code 06 = Personal Leave w/ Deduction ends November 18, 2021

Absence Reason Code 02 = Personal Leave – Approved (No Deduction)

Absence Reason Code X9 = Personal Leave – No Reason

Note: we put “X” to allow the district to establish a table or variable rates, etc. that may be needed. DPI will mask for our salary audit system.

5. *What is the deduction for the full cost of a substitute under the updated provisions in Section 7.67?*

The **full cost of “hiring” the substitute** would be determined by the PSU. This could be a variable cost for each PSU.

6. *What is/are valid reason(s) related to this provision update in Section 7.67?*

The provision would allow sufficient flexibility in how they phrased “a reason” so that individual PSUs may create their own policies and procedures related to how they will implement this provision. Similarly to how a PSU may define and “full cost of hiring the substitute”. That is not meant to be defined by NCDPI or the SBE.

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7. Do we have to refund the teachers who were deducted the \$50 prior to this budget bill?

No, the provision went into effect on November 18, 2021. If you did deduct the \$50 for an approved personal leave day after that date then you should refund the teacher the \$50 deduction, however, prior to that date there is no refund required.

8. Aren't there other \$50 deductions built into the system for sick leave, etc.? Do those deduction still apply?

Yes, all other deductions remain in force. Section 7.67 only adjusted the rules related to the specific deduction for a substitute teacher when a teacher takes a personal leave day.

Absence Code 03 for Extended Sick Leave and Absence Code 05 for Absence with Deduction both still carry the \$50 deduction requirement.

9. When will our systems be updated for this change?

We are communicating with your vendors and they will be in touch with you to provide that information. It appears there is flexibility in how the LEAs can begin to use the updated absence codes and should be able to implement reason 02 immediately.

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BONUS QUESTIONS:

Please see the Bonus Grid summary for details related to each bonus type that is in the SL2021-180. This does NOT apply to the retroactive salary bonus payment tied to the legislative salary increase.

SL 2021-180 Section 39.2 (c-h): The State Fiscal Recovery Fund Premium Pay Bonus is for ALL permanent State employees regardless of funding source employed on December 1, 2021. *(The technical corrections bill (SL 2021-189: HB334) has both portions of this bonus tied to the December 1, 2021 as of employment date).*

ALL PSUs:

- Anyone who was employed on December 1, 2021 receives a lump-sum one-thousand dollar (\$1,000) bonus and if their salary is less than \$75,000 they receive an additional five-hundred dollars (\$500). *This would include anyone retiring with an effective date of January 1, 2022.*
- Per the Office of State Human Resources (OSHR), they will be applying the \$75K language related to salary based on the salary in effect as of December 1, 2021, BEFORE the legislative increase. Section (d) covers this additional \$500 bonus payment and the criteria.
- **Per (h) these bonuses are to be pro-rated for permanent part-time employees.**
- The bonus must be paid no later than January 31, 2022.
- **Use PRC 141 for ALL PSUs** --- including Charter Schools, innovative schools, and regional schools, see section 39.2 (e).
- This is part of the State Recovery COVID funds. The Division of School Business will provide information in January related to monitoring and compliance. Please be reminded these funds will have additional audit requirements to ensure compliance.

LEAs ONLY:

- Request State CASH through your normal SPSF request mechanism to cover these payments.
- This is a guaranteed allotment so there will not be an allotment for the LEAs to PRC 141.

Charter Schools, Regional Schools, Innovative Schools ONLY:

- Request State CASH through your normal SPSF request mechanism to cover these payments in PRC 141.
- Division of School Business will provide an INITIAL Authority to Draw for the \$1000 bonus payment based on estimated FTE. Funding for the additional \$500 bonus for those less than \$75K will be in January after required information is provided.
 - Should funding in this initial allocation not be sufficient, please use other available funds until DPI is able to provide the supplemental funding based on the required report below.
- Each school is required to report to NCDPI the staffing who qualify for each bonus category. This is due January 7, 2022. After the Division of School Business receives this report, your allocation in PRC 141 will be updated. Funds will not be provided if you fail to report this information.

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- We will provide you with a template for this reporting requirement by December 17, 2021.

QUESTIONS on SFRF Bonus:

10. When does this bonus have to be paid?

The bonus must be paid no later than January 31, 2022.

The State Office of Human Resources is planning to pay at least the initial \$1,000 to state agency employees in December.

PRC 141 for the PSUs is available should PSUs want to pay any part of this bonus in December.

11. Do substitutes or temporary employees receive these bonuses?

No, the bonus is only for Permanent state employees. It is to be pro-rated accordingly.

12. If an employee begins with the district on December 10th do they get this bonus?

No, the employee must be employed on December 1, 2021.

13. If an employee leaves the district December 10th do they get this bonus?

Yes, all permanent state employees if employed on December 1, 2021 receive this bonus.

14. Is this bonus subject to Retirement?

No, this bonus is not subject to TSERs (State Retirement) see section 39.2 (g) (2)

15. What is included in the \$75,000 salary requirement?

All salary related compensation earned for the employees' permanent position(s).

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OTHER BONUSES:

- **You must be employed ON January 1, 2022 to be eligible for most of the remaining bonuses.**
 - If you have a retirement date effective January 1, 2022 you would not be eligible for the remainder*^ of the legislative bonuses.
 - *^ *The bonus for AP/IB/AICE/CTE credentials/credits is the exception.*
- **None of the other bonuses are meant to be paid prior to January 1, 2022.**
- **We will be issuing separate FAQs for each bonus.**
- **None of these Bonuses are subject to TSERS (retirement).**

Please see BONUS GRID which is posted as a separate document.

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NONCERTIFIED Salary Questions:

Per SL 2021-180, section 7A.10 all state supported noncertified personnel are to receive the greater of 2.5% or whatever it takes to achieve the minimum wage of \$13 per hour for FY 2021-2022. This is beginning July 1, 2021.

Under SL 2021-180, section 39.17 these new rates go into effect July 1, 2021 to be implemented January 1, 2022.

16. What are the substitute pay rates?

The following rates** are effective July 1, 2021:

Substitute	Minimum Dollar Amount	Maximum Daily Rate	% of A-00 Teacher Rate (calc. on 22 days)
Licensed	\$105	\$161	65%
Unlicensed	\$81	\$161	50%

*** Note: the minimum salary for a substitute paid with state funds shall also meet the required \$13/hour per SL2021-180. It is the responsibility of each district to verify that they are in compliance with this legislation.*

17. Are substitutes owed retroactive pay adjustments since the rates are applicable to July 1, 2021?

No, Substitutes would not receive the retroactive salary bonus payment.

18. Does the \$13 per hour apply to part-time employees or other types of substitutes such as for school food service, bus drivers, custodial services?

TBD -- Section 7A.10 stipulates that the \$13 per hour minimum hourly compensation rate applies to all public school employees. Section (b) 2, it further includes permanent, part-time and temporary and permanent hourly employees.

We are getting further clarification related to this particular section and how it may impact staff funded from other funding sources. It does apply to State funded employees.

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19. If our employees are already making \$13 an hour, do we have to increase them by some percentage regardless? The confusion for my district is the wording "the greater of..." I took this to mean that you needed to make sure that all hourly or salary employees were at \$13 an hour and then \$15 by 2023, whether you increased by an amount or a percentage to get to the \$13. HR took this to mean that if they were at \$13 then they got a 2.5% increase.?

- The legislation states "...the greater of the following: a. 2.5% or b. an amount necessary to increase the minimum hourly compensation rate of the employee to \$13 per hour..."
 - So greater of either or, but
 - If takes 1.5% to raise the rate to the \$13 minimum, then you still have to provide the extra 1% over that to achieve the 2.5% minimum increase.
 - Likewise, if it takes 4% to achieve the \$13 minimum hourly rate then that's what is necessary.
 - If the rate is already at \$13 per hour or greater, the rate would need to be increased by 2.5%.

20. In September, our board granted salary increases which gave all noncertified staff 1/3 of any missed steps from local funding. If the increase equated to 2.5% or higher minimum at that time, are we required to grant an additional 2.5% on top of that increase and make that amount retroactive? Or are we only required to add the 2.5% to what their beginning salary was?

You would need to consult your Board attorney related to how your local board of education enacted the salary increase and language used at that time to ensure you have met the requirements of the legislation.

The new rates under Section 39.17 go into effect July 1, 2021 to be implemented starting January 1, 2022.

21. Regarding the \$13/hour, can we get a breakdown of how to calculate teacher assistant hourly payroll for districts that have the TA workweek at 37.5 hours? I only ask because I know there is a lot of variances between districts and the way they calculate?

The PSU must ensure all noncertified employees, including teacher/instructional assistant earn a minimum of \$13 per hour. This would not vary based on the standard hours in the workweek. The subsequent definition and determination on how that might equate to the local salary schedule for your teacher/instructional assistants is a local decision.

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OTHER QUESTIONS:

22. Do you have information related to the new low-wealth supplements?

We will need to take Section 7A.12 related to the “Supplemental Funds for Teacher Compensation” to the SBE to approve the allotment policy and will provide subsequent guidance after that is prepared. We do not expect to be able to take that to the SBE prior to January 2022.

23. Do you have information related to the new signing bonus funds for small county and low-wealth districts?

We will need to take Section 7A.5 related to the “Small County and Low-Wealth Signing Bonus” to the SBE to approve the allotment policy and will provide subsequent guidance after that is prepared. We do not expect to be able to take that to the SBE prior to January 2022.

Keep in mind that legislation and policy will require a local funding match.

24. ????

Next Answer.