



Supporting North Carolina's Hardworking Teachers and State Employees

The Governor's Recommended Budget recognizes the importance of teachers and state employees, investing \$662 million in FY 2019-20 and nearly \$1.2 billion in FY 2020-21 to improve pay and benefits for state employees, state-funded local employees, and state government retirees over two years.

Teachers and School-Based Administrators

The Governor's Recommended Budget puts education first and restores respect to the teaching profession with substantial improvements in pay and to salary schedules for teachers and principals.

Highlights include:

- Investing in teacher salaries to raise teacher pay to best in the Southeast within four years, by FY 2022-23.
- Returning to a 30-step teacher salary schedule, eliminating salary plateaus and recognizing the important contributions of veteran teachers.
- Restoring Master's pay and eliminating the requirement that teachers pay for their substitute when using personal days.
- Increasing existing teachers' pay by at least 3% in each year of the next two years, with an average raise of 9.1% over both years.
- Dedicating more than \$31 million over the biennium to assistant principal and principal salaries, including a new principal salary schedule based on experience and school size.

State Employees and State-funded Local Employees

The backbone of this investment is a recurring cost of living adjustment for state employees of \$500 or 1.5%, whichever is greater. This increase goes to state-funded employees within state agencies, universities, and community colleges as well as central office and non-certified personnel within public schools.

The compensation and benefits package includes:

- A cost of living adjustment of the greater of \$500 or 1.5%.
- \$17.8 million to provide an additional \$500 salary increase for nearly 37,000 public safety and mental health employees, including law enforcement officers and certain Department of Public Safety (DPS) and Department of Health and Human Services (DHHS) personnel in correctional and mental health facilities.
- \$28 million to provide an additional \$500 salary increase for approximately 45,000 state-funded non-certified public school personnel, including bus drivers, custodians, and teaching assistants.
- \$20 million for the Salary Adjustment Fund to address hard-to-staff, high-turnover positions, salaries below market rates, gender inequity, and other authorized salary adjustments.
- 5 days of special annual leave.
- A one-time 2% cost of living adjustment for the state's 215,000-plus retirees.
- \$103 million in FY 2019-20 and \$248 million in FY 2020-21 to continue to fully fund the state's retirement systems.
- \$60.8 million in FY 2019-20 and \$123.8 million in FY 2020-21 to support the state health plan for active employees
- \$80.5 million in FY 2019-20 and \$61.1 million in FY 2020-21 to increase support for retiree medical expenses and lower the state's liability related to post-employment benefits.