



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

*Peter Hans, President*

24 July 2018

**IMPORTANT INFORMATION**

**MEMORANDUM**

**TO:** Members of the State Board of Community Colleges  
Community College Presidents  
Boards of Trustees Chairs  
Community College Chief Academic Officers, Chief Admissions Officers, Basic Skills Directors, Business Officers, Continuing Education Officers, Customized Training Directors, Distance Learning, Chief Financial Officers, Continuing Education Officers, Financial Aid Officers, Personnel Directors, Student Development Administrators, Public Information Officers, Registrars, & Other Interested Parties

**FROM:** Q. Shanté Martin, *NCCCS General Counsel*

**RE:** **Proposed Amendment of 1C SBCCC 400**

The State Board of Community Colleges (“SBCC”) has initiated the rulemaking process to amend 1C SBCCC 400 – “Salaries and Benefits.” The proposed amendments are necessary to align the rules with existing practices, add the service award policy, and add the System Governance Task Force proposal regarding leave payouts.

**The proposed amendment is published on the NC Community College System's website, [www.nccommunitycolleges.edu](http://www.nccommunitycolleges.edu), under "State Board Code."** For your convenience, a copy of the proposed rule, with the changes indicated, is attached to this memorandum. Please post a copy of the proposed rule in prominent places so that all individuals affected by the proposed changes will be informed.

Any member of the public has the right to submit written comments on the proposed rule. Please note that any person who submits a public comment on behalf of their community college should comply with their college’s local process for submitting comments on a proposed rule. **Written comments on the rules must be received by no later than 5:00 p.m. on 23 August 2018.** Any member of the public has the right to request a hearing on the proposed rules. **Requests for a hearing must be received by no later than 5:00 p.m. on 8 August 2018.** Written comments and requests for hearing shall be directed to the following address: Q. Shanté Martin, 200 W. Jones Street, 5001 Mail Service Center, Raleigh, NC 27699-5001 or by email to [publiccomments@nccommunitycolleges.edu](mailto:publiccomments@nccommunitycolleges.edu). Thank you for your attention to this matter.

**CC18-034  
E-mail Copy**

Attachments



# State Board of Community Colleges Code

## Notice of Proposed Rulemaking Form

Date: 24 July 2018

<b>Title, Chapter, Subchapter, and Rule Number of Rule Proposed to be Adopted, Amended, or Repealed</b>	Amend 1C SBCCC 400 – “Salaries and Benefits”
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Specify whether the SBCC proposes to adopt amend, or repeal a rule:

Adopt (new rule)	Amend (change existing rule)	Repeal (delete entire rule)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Rationale for proposed adoption, amendment or repeal:</b>	The proposed amendments are necessary to align the rules with existing practices, add the service award policy, and add the System Governance Task Force proposal regarding leave payouts.
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<b>Proposed Effective Date of Rule</b>	October 1, 2018
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1                                   **State Board of Community Colleges Code**  
2                                   **TITLE 1. COMMUNITY COLLEGES**

3  
4                                   **CHAPTER C. PERSONNEL**

5  
6                                   **SUBCHAPTER 400. SALARIES AND BENEFITS**

7  
8                                   **1C SBCCC 400.1 DEFINITIONS**

9                                   The following definitions apply to this subchapter:

- 10 (a) “Base Salary” – A fixed amount or a rate of compensation paid to an employee for  
11 work performed, excluding benefits and any other payments or allowances, such as  
12 longevity and bonuses.
- 13 (b) “Bonus Pay” – A lump sum payment provided to employees, excluding longevity pay.  
14 Compensation provided to an employee for work in addition to the employee’s normal  
15 duties is not considered “bonus” pay.
- 16 (c) “Longevity Pay” – A lump sum payment provided to recognize long-term State  
17 service, as provided by 1C SBCCC 400.8.

18  
19 *History Note: Authority G.S. 115D-5;*

20 *Eff. \_\_\_\_\_*

21  
22                                   **1C SBCCC 400.2 COLLEGE PRESIDENT SALARIES**

- 23 (a) Upon hire and each fiscal year thereafter, the college board of trustees shall set the  
24 college president’s salary, consistent with the parameters set forth in this rule.
- 25 (b) The college board of trustees shall pay the college president a base salary from State  
26 funds consistent with the following provisions:
- 27 (1) The State Board shall adopt State salary grades for college presidents that are  
28 based on institutional size. The System President shall determine annually the  
29 proper salary grade for the president of each college based on its institutional size.  
30 Institutional size is defined as the sum of:

1       (A) The higher of the number of curriculum budget FTE as defined 1G SBCCC  
2       100.1(4) for the prior reporting year or the average of the number of curriculum  
3       budget FTE for the prior two reporting years;

4       (B) The higher of the number of continuing education budget FTE as defined by  
5       1G SBCCC 100.1(4) for the prior reporting year or the average of the number  
6       of continuing education budget FTE for the prior two reporting years; and

7       (C) The higher of the number of curriculum and continuing education non-budget  
8       annual FTE for the prior reporting year or the average of the number of  
9       curriculum and continuing education non-budget annual FTE for the prior two  
10       reporting years.

11       (2) For each salary grade, the State Board shall adopt a salary that all presidents  
12       assigned to that grade shall be paid from State funds, except as provided by  
13       provision (b)(3). The State Board shall adjust the prescribed salary for each grade  
14       annually consistent with legislative action.

15       (3) If the salary paid from State funds to a college president in FY 2012-13 exceeds  
16       the salary adopted by the State Board for that college's salary grade, the State  
17       Board shall allocate from State funds an amount that equals his or her FY 2012-  
18       13 salary supported from State funds adjusted for any subsequent legislative  
19       salary adjustment enacted into law by the General Assembly until such time that  
20       the president separates from that college.

21       (c) Boards of trustees shall pay an acting or interim president from State funds an amount  
22       equal to the salary prescribed by the State Board for that college's salary grade.

23       (d) Boards of trustees shall not provide bonus pay to the college president using State  
24       funds unless authorized by the General Assembly.

25       (e) Boards of trustees may supplement the base salary paid from State funds for  
26       permanent, acting, or interim college presidents, using non-State funds, if not  
27       prohibited by the non-State fund source. The supplement may be in the form of  
28       supplemental base salary or bonus pay.

29  
30       History Note: Authority G.S. 115D-5;

31       Eff. \_\_\_\_\_

1C SBCCC 400 is proposed for amendment as follows:

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**1C SBCCC 400.3 COLLEGE EMPLOYEE RATES OF PAY**

- (a) The State Board shall adopt a minimum and maximum amount of State funds which may be paid to any individual working in a college. The State Board shall also adopt minimum salaries for curriculum faculty based on educational level.
- (b) The college president shall establish the rate of pay for college employees consistent with the college’s local human resources policy required by 1C SBCCC 200.94, the parameters established by the State Board in subsection (a) of this rule, and any applicable legislation enacted by the General Assembly.
- (c) Salary increases shall be granted consistent with local policy and the requirements set forth by the General Assembly.
- (d) Colleges shall not provide bonus pay to college employees using State funds unless authorized by the General Assembly.
- (e) Colleges may supplement the base salary paid from State funds for college employees using non-State funds, if not prohibited by the non-State fund source. The supplement may be in the form of supplemental base salary or bonus pay.

*History Note: Authority G.S. 115D-5;*

*Eff. \_\_\_\_\_*

**1C SBCCC 400.4 REPORTING OF COLLEGE EMPLOYEE SALARIES**

Colleges shall certify and report annually to the System Office information about college employee pay and contract term, as of the prescribed reporting date and in the format prescribed by the System Office.

*History Note: Authority G.S. 115D-5;*

*Eff. \_\_\_\_\_*

**1C SBCCC 400.5 CONTRACT BUY OUTS**

1C SBCCC 400 is proposed for amendment as follows:

- 1 (a) Boards of trustees shall not use state funds to buy out contracts, unless required by a  
2 court of competent jurisdiction. The parties entering into a contract are responsible for  
3 implementing the contract. Therefore, should it become necessary to terminate  
4 employment prior to the expiration of a contract and if it is necessary to buy out the  
5 contract, such payment shall not be paid from state funds.
- 6 (b) For an employee who is separated from the college for unsatisfactory job  
7 performance, a college may provide up to two weeks' pay from the same funding  
8 source as the employee's base salary in lieu of notice. Such pay in lieu of notice is  
9 applicable only to dismissals or non-renewals for unsatisfactory job performance.
- 10 (c) An individual in a state-funded position whose employment is terminated prior to the  
11 expiration of a contract may not be re-employed by the college to offset the lost wages  
12 which the employee would have received under the contract. Colleges shall make all  
13 efforts to prevent terminations which require buying out contracts.
- 14 (d) If an individual whose employment contract has been terminated enters into another  
15 employment agreement with the college, such employment shall be for a salary  
16 commensurate with the services being performed. Such employment shall not be to  
17 provide the employee the same level of compensation he or she would have received  
18 under the former contract.

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20 *History Note: Authority G.S. 115D-5;*

21 *Eff. \_\_\_\_\_*

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23 **1C SBCCC 400.6 EDUCATIONAL LEAVE WITH PAY**

- 24 (a) The term "educational leave" means the release from duties or time normally required  
25 of a full-time employee in carrying out the full load of responsibilities assigned to  
26 further his education.
- 27 (b) Each local board of trustees shall adopt an educational leave policy for employees.  
28 State funds may be used to pay employee salaries while they are on educational leave  
29 if the following criteria are incorporated in the local board of trustees' policy:  
30 (1) The employee is employed full-time on a 9-, 10-, 11-, or 12-month basis.  
31 (2) The employee shall be under contract to the college for the next fiscal year.

1C SBCCC 400 is proposed for amendment as follows:

1 (3) Educational leave shall not exceed one semester per fiscal year.

2 (4) An employee who fails to honor the contract stipulated in Subparagraph (b)(2) of  
3 this Rule shall be required to repay the amount expended for the educational leave.  
4 If the employee fulfills a portion of the contract before failing to honor the contract,  
5 repayment shall be based on a pro-rata portion (e.g., if an employee works 4  
6 months of a 12-month contract, a repayment of 66.7 percent of the educational  
7 leave would be required).

8  
9 *History Note: Authority G.S. 115D-5;*

10 *Eff. \_\_\_\_\_*

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12 **1C SBCCC 400.7 MILITARY LEAVE**

13 (a) The rules concerning military leave, codified in Title 25 of the North Carolina  
14 Administrative Code, Subchapter 1E, Section .0800 are hereby incorporated by  
15 reference including any subsequent amendments and editions of these rules to apply  
16 to community college system employees.

17  
18 *History Note: Authority G.S. 115D-5;*

19 *Eff. \_\_\_\_\_*

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21 **1C SBCCC 400.8 LONGEVITY PAY PLAN FOR COLLEGE PERSONNEL**

22 (a) Employees of institutions in the community college system assigned to permanent  
23 fulltime or permanent -part-time- positions shall receive longevity pay if the employees  
24 meet the requirements of total qualifying service set forth in this Rule.

25 (b) Total service for the longevity pay plan is based on a month-for-month- computation  
26 of permanent fulltime and permanent -part-time- (20 hours or more, but less than  
27 full-time) employment with:

28 (1) An institution in the community college system or a school administrative unit  
29 regardless of the source of salary and including state, local or other paid  
30 employment.

1 (A) Employment for a school year is equivalent to one full calendar year (credit for  
2 a partial year is given on a month-for-month- basis).

3 (B) In no event will an employee earn more than a year of total service credit in a  
4 12-month period.

5 (C) If an employee is in pay status (working, exhausting vacation or sick leave, or  
6 when on workers' compensation leave or is on authorized military leave) for  
7 one-half or more of the regularly scheduled workdays in a month, credit shall  
8 be given for the entire month.

9 (2) Departments, agencies, and institutions of the State of North Carolina, (e.g.,  
10 Department of Administration, Department of Revenue, University of North  
11 Carolina, Department of Community Colleges, Department of Public Instruction).

12 (3) Other governmental units which are now agencies of the State of North Carolina  
13 (e.g., county highway maintenance forces, War Manpower Commission, judicial  
14 system).

15 (4) County agricultural extension service.

16 (5) Local mental health, public health, social services or civil preparedness agencies  
17 in North Carolina, if such employment is subject to the Office of State Human  
18 Resources Act.

19 (6) Authorized military leave.

20 (A) Credit for military leave is granted only for persons who were employees of the  
21 State of North Carolina or other agencies listed in Paragraph (b) of this Rule  
22 who were granted leave without pay:

23 (i) for a period of involuntary service plus 90 days or for a period of voluntary  
24 enlistment for up to four years, plus 90 days, so long as they returned to  
25 employment in a covered agency within the 90 days; or

26 (ii) for a period of active duty for service, alerts, or required annual training  
27 while in the National Guard or in a military reserve program.

28 (B) Employees who enlist for more than four years or who re-enlist shall not be  
29 eligible for military leave.

30 (C) Employees hospitalized for a service connected- disability or injury shall be  
31 granted additional leave without pay for the period of hospitalization plus 90



1 days or for 12 months, whichever is shorter. The hospitalization must  
2 commence before reinstatement into qualifying service for the provisions of this  
3 part to apply.

4 (c) Total service for the longevity pay plan does not include:

5 (1) Temporary service, that is, service by an employee who works in a temporary  
6 position, or who is working temporarily in the absence of a permanent employee  
7 on leave of absence, except that temporary service of employees of the General  
8 Assembly will be counted and the full legislative terms of the members. Service of  
9 legislative interns and pages will not be counted.

10 (2) Periods of out-of-state employment with other states, schools, colleges or  
11 universities.

12 (3) Periods of employment with agencies of the federal government.

13 (4) Periods of military service other than those categories described in Subparagraph  
14 (b)(6) of this Rule.

15 (5) Periods of employment for employers other than the State of North Carolina even  
16 though credit in the North Carolina retirement system has been purchased for such  
17 employment.

18 (d) An employee assigned to a permanent fulltime or permanent part-time- position is  
19 eligible for longevity pay only after the date the employee has completed ten years of  
20 total service with a community college, a school administrative unit or an agency.

21 (e) Annual longevity pay amounts are based on the length of total service to agencies,  
22 community colleges, and school administrative units as designated in Paragraph (b)  
23 of this Rule and a percentage of the employee's annual rate of pay on the date of  
24 eligibility.

25 (1) Longevity pay amounts are computed by multiplying the employee's annual base  
26 or contract salary rate as of the eligibility date by the appropriate percentage,  
27 rounded to the nearest dollar, in accordance with the following table:

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<u>Years of Total State Service</u>	<u>Longevity Pay Rate</u>
<u>10 but less than 15 years</u>	<u>1.50%</u>
<u>15 but less than 20 years</u>	<u>2.25%</u>

1	<u>20 but less than 25 years</u>	<u>3.25%</u>
2	<u>25 or more years</u>	<u>4.50%</u>

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4 (2) Longevity pay is not considered a part of annual base or contract salary or is it to  
5 be represented in personnel and payroll records as a part of annual base or  
6 contract salary. (Salary increases effective on the same date as the longevity  
7 eligibility date shall be incorporated in the base salary before computing longevity).

8 (f) The payment of longevity pay to eligible employees is automatic. Payment shall be  
9 made in a lump sum, subject to all statutory deductions, during the monthly pay period  
10 in which the employee has satisfied all eligibility requirements.

11 (1) Eligible employees on worker's compensation leave shall receive longevity  
12 payment in the same manner as if they were working.

13 (2) If an employee retires, resigns, dies, or is otherwise separated on or after the date  
14 of becoming eligible for a longevity payment, the full payment shall be made to the  
15 employee or to the estate of the employee in case of death.

16 (3) If, on the effective date of this policy, an employee has completed the qualifying  
17 length of service but is between eligibility dates, longevity payment will be made  
18 on the next longevity anniversary date.

19 (4) If the employee has worked part but not all of one year since qualifying for longevity  
20 payment, the employee shall receive a pro-rata- payment in the event of:

21 (A) Separation from the institution;

22 (B) Change in employment status to temporary part-time, or to a position not  
23 covered in this policy.

24 (5) If an employee separates from a community college and receives a partial  
25 longevity payment and is employed by another community college, school  
26 administrative unit, or state agency, the balance of the longevity payment shall be  
27 made upon completion of additional service totaling 12 months for an employee  
28 having a 12-month period of employment, or upon completion of a lesser term for  
29 an eligible employee on less than a 12-month period of employment. The balance  
30 due is computed on the annual or contract salary being paid at the completion of  
31 the requirement.

1 (6) If an eligible employee at the time of separation has a fraction of a year toward the  
2 next higher percentage rate, payment shall be based on the higher rate; however,  
3 the basic eligibility for longevity requirement must have been satisfied before this  
4 provision can apply.

5 (7) Leave without pay in excess of one-half the work days in a month (with the  
6 exception of authorized military leave and worker's compensation leave) will delay  
7 the longevity anniversary date on a month-for-month basis.

8 (g) Boards of trustees shall pay longevity pay from the same source of funds and in the  
9 same pro-rata- amounts from which the employee's regular annual salary is paid (e.g.  
10 state, federal, local funds). If boards of trustees want to provide longevity payments in  
11 excess of the amounts provided for by subsection (e)(1), such payments may not be  
12 supported with state funds as defined by 1H SBCCC100.1.

13 (h) The president of each community college shall:

14 (1) Determine the quantity of qualifying service and the longevity anniversary date for  
15 each eligible employee.

16 (2) Furnish to the State Board, in format prescribed by the System Office, data  
17 necessary for a determination of the cost of the longevity pay plan from state funds.

18 (i) The President of the Community College System shall determine the total cost of the  
19 longevity pay plan from data submitted by each community college. If funds are not  
20 adequate to pay longevity rates established under this Rule, the President of the  
21 Community College System shall submit a budget revision to the State Budget Officer  
22 requesting additional funds from other available sources within State Aid.

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24 *History Note: Authority G.S. 115D-5;*

25 *Eff. \_\_\_\_\_*  
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29 **1C SBCCC 400.9 EMPLOYEE MERITORIOUS SERVICE AWARDS**

30 Colleges are authorized to establish employee meritorious service award programs. To  
31 express appreciation to their valued employees, colleges may adopt a policy of

1C SBCCC 400 is proposed for amendment as follows:

1 recognizing continued dedicated service through a program of service awards. The  
2 program shall provide:

- 3 (a) Management a tool to recognize ongoing employee dedication and a means to  
4 reinforce, acknowledge and retain employee commitment at critical milestones.  
5 (b) Recognition of employees' service in increments of five years through retirement. A  
6 college may define "service" as total service, as defined in 1C SBCCC 400.8(b), or  
7 college service.  
8 (c) Service awards to employees reaching each five-year milestone. Employee service  
9 awards may be purchased through the State of North Carolina Service Awards:  
10 Excellence in Service Program or the college may purchase awards of comparable  
11 value.  
12 (d) The purchasing of awards is dependent upon availability of funds to finance the  
13 program. Boards of trustees may use State (see 1H SBCCC 200.8) or non-State  
14 funds, if authorized by the non-State fund source, to purchase the awards.

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16 *History Note: Authority G.S. 115D-5;*

17 *Eff. \_\_\_\_\_*

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19 **1C SBCCC 400.10 PAYROLL DEDUCTIONS**

20 Colleges are authorized to establish voluntary payroll deduction plans for the following:

- 21 (a) Premiums for any type of group insurance established and authorized by the laws of  
22 the state;  
23 (b) Amounts authorized by members of the State Employee's Credit Union and local  
24 teacher's credit union to be deposited with such organizations;  
25 (c) Loans made to employees by credit unions;  
26 (d) Charitable organizations as defined in Section 501(c) (3) of the Internal Revenue Code  
27 approved by the local board of trustees, subject to rules and regulations adopted by  
28 the director of budget;  
29 (e) Dues for domiciled employees' associations, as provided in G.S. 143B-426.40A(g);  
30 (f) Contributions to deferred compensation plans authorized by G.S. 143B-426.24;  
31 (g) Contributions to the Parental Savings Trust Fund established by G.S. 116-209.25; and

1C SBCCC 400 is proposed for amendment as follows:

1 (h) Amounts due to the college, such as parking fees, and fees for childcare services.  
2 The college's finance officer is also authorized to enter into annual contracts, with  
3 employees of the college, which authorize the reduction of salaries to provide for the  
4 purchase of annuity or retirement income contracts provided that such action has been  
5 approved by the board of trustees and otherwise conforms to the provisions of G.S.  
6 115D-25.

7  
8 *History Note: Authority G.S. 115D-5;*

9 *Eff. \_\_\_\_\_*

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11 **1C SBCCC 400.11 LEAVE PAYOUTS**

12 Colleges shall only pay employees for a maximum of 240 hours of unused annual leave  
13 plus any unused special leave authorized by the General Assembly that has a cash value  
14 and does not expire.

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16 *History Note: Authority G.S. 115D-5;*

17 *Eff. \_\_\_\_\_*

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19 **1C SBCCC 400.94 ESTABLISHING PAY RATES**

20 ~~(a) The monthly and annual salaries or hourly rates of pay from state funds for fulltime~~  
21 ~~and part-time personnel in community colleges shall be established by the college~~  
22 ~~president and approved by the board of trustees within the budget approved for the~~  
23 ~~college by the State Board except that the state-funded portion of the president's~~  
24 ~~salary shall be approved by the system president in accordance with the state salary~~  
25 ~~schedule for presidents. Salary increases shall be granted annually or upon~~  
26 ~~promotion to a higher position. Legislative increases shall be granted according to~~  
27 ~~requirements set forth by the General Assembly. The State Board shall adopt a~~  
28 ~~minimum and maximum amount of state funds which may be paid to any individual~~  
29 ~~working in a college. Individuals shall be paid no less than the minimum and not more~~  
30 ~~than the maximum amounts at a level determined by the salary approving authority at~~  
31 ~~the college.~~

1C SBCCC 400 is proposed for amendment as follows:

1 ~~(b) All hourly, monthly, and annual salaries for full-time or part-time personnel shall be~~  
2 ~~certified by the president of the college and reported to the System Office.~~

3 ~~(c) The State Board shall adopt a state salary schedule for presidents in the system. The~~  
4 ~~System President shall determine the proper placement of a newly hired president on~~  
5 ~~the state salary schedule based on the size of the college and the individual's years~~  
6 ~~of eligible experience in accordance with the following provisions:~~

7 ~~(1) For the purpose of this Paragraph, an increment is defined as an additional year~~  
8 ~~of experience on the state salary schedule adopted by the State Board.~~

9 ~~(2) College size shall be determined by the total FTE served and reported in the~~  
10 ~~enrollment reports furnished the system office.~~

11 ~~(3) A president of a post-secondary education institution shall be allowed increments~~  
12 ~~for prior experience on a year-for-year basis for a maximum of 20 years.~~

13 ~~(4) An executive vice president, vice president, other senior administrator of a post-~~  
14 ~~secondary institution, a state-level administrative department, or a superintendent~~  
15 ~~of a public school system may be given increment experience on the president~~  
16 ~~salary schedule upon recommendation of the board of trustees and approval of the~~  
17 ~~System President as follows:~~

18 ~~—one increment for three years of actual experience;~~

19 ~~—two increments for five years of actual experience;~~

20 ~~—three increments for seven years of actual experience;~~

21 ~~—four increments for 10 or more years of actual experience.~~

22 ~~A president, chief operating officer or chief financial officer of a business or industry~~  
23 ~~may be granted increment experience as provided in this Part.~~

24 ~~(A) Progression from the minimum or "0" step to the midpoint or step "20" shall be~~  
25 ~~based on additional years of experience;~~

26 ~~(B) Advancement toward grade maximum after attaining the midpoint of the grade~~  
27 ~~shall be based on merit increases as recommended by the local boards and~~  
28 ~~within state allocations available;~~

29 ~~(C) Newly hired presidents shall not receive salary increments for any years in~~  
30 ~~which a salary freeze was in effect for community college presidents.~~

31 ~~(5) Changes in grade levels:~~

1C SBCCC 400 is proposed for amendment as follows:

1 ~~(A) Presidents with 0 to 20 years of eligible experience moving to another grade~~  
2 ~~shall be placed in the new grade's range at the current experience level; and~~

3 ~~(B) Presidents with greater than 20 years of experience moving to a lower grade~~  
4 ~~will receive a salary adjustment only if the current salary exceeds the new~~  
5 ~~salary grade's maximum salary limit, in which case, the salary will be adjusted~~  
6 ~~to the maximum of the new grade.~~

7 ~~(6) Total salary compensation from all sources shall not exceed the maximum for the~~  
8 ~~salary grade as determined by the college's size. Salary compensation is defined~~  
9 ~~as those monies paid from whatever source for which no documentation or~~  
10 ~~expense is required, or which is treated as salary for retirement benefit purposes.~~

11 ~~(7) An interim or acting president's salary will be set at the step of the salary grade for~~  
12 ~~the respective college. Years of eligible experience will be awarded up to 20 years~~  
13 ~~for placement on the appropriate step. However, a board of trustees may grant a~~  
14 ~~college employee appointed interim or acting president a 10 percent salary~~  
15 ~~increase instead of placing the employee on the president's salary schedule.~~

16 ~~(8) Presidential salary grades shall reflect the following:~~

17 ~~FTE      Minimum      Midpoint      Maximum~~

18 ~~These data shall be increased annually based on legislative action and reviewed no less~~  
19 ~~than every three years to assure their continued national competitiveness.~~

20 ~~(d) Post-secondary institution as used in this Rule means a junior college, community~~  
21 ~~college or four-year institution of higher education.~~

22 ~~REPEALED by the State Board of Community Colleges, eff. \_\_\_\_\_~~

23  
24 *History Note: Authority G.S. 115D-5; 115D-54; S.L. 2005-276;*

25 *Eff. February 1, 1976;*

26 *Amended Eff. March 1, 2007; December 1, 2004; September 1, 1993;*  
27 *December 1, 1989; July 1, 1984; August 1, 1981.*

28 *Repeal Eff. \_\_\_\_\_*

29  
30 **~~1C SBCCC 400.95 CONTRACT BUY OUTS~~**

1C SBCCC 400 is proposed for amendment as follows:

- 1 ~~(a) Contracts entered into by boards of trustees may not be bought out with state funds,~~  
2 ~~unless required by a court of competent jurisdiction. The parties entering into a~~  
3 ~~contract are responsible for implementing the contract. Therefore, should it become~~  
4 ~~necessary to terminate employment prior to the expiration of a contract and if it is~~  
5 ~~necessary to buy out the contract, such payment shall not be paid from state funds.~~
- 6 ~~(b) An individual in a state-funded position whose employment is terminated prior to the~~  
7 ~~expiration of a contract may not be re-employed by the college to offset the lost wages~~  
8 ~~which the employee would have received under the contract. All efforts shall be made~~  
9 ~~to prevent terminations which require the buying out of contracts.~~
- 10 ~~(c) If an individual whose employment contract has been terminated enters into another~~  
11 ~~employment agreement with the college, such employment shall be for a salary~~  
12 ~~commensurate with the services being performed. Such employment shall not be to~~  
13 ~~provide the employee the same level of compensation he or she would have received~~  
14 ~~under the former contract.~~

15 REPEALED by the State Board of Community Colleges, eff. \_\_\_\_\_

16  
17 *History Note: Authority G.S. 115D-5; 115D-20;*

18 *Eff. December 1, 1995.*

19 *Repeal Eff. \_\_\_\_\_*

20  
21 **~~1C SBCCC 400.96 EDUCATIONAL LEAVE WITH PAY~~**

- 22 ~~(a) The term "educational leave" refers to the release from duties or time normally~~  
23 ~~required of a full-time employee in carrying out the full load of responsibilities assigned~~  
24 ~~to further his education.~~
- 25 ~~(b) Each local board of trustees shall adopt an educational leave policy for employees.~~  
26 ~~State funds may be used to pay employee salaries while they are on educational leave~~  
27 ~~if the following criteria are incorporated in the local board of trustees' policy:~~
- 28 ~~(1) The employee is employed full-time on a 9-, 10-, 11-, or 12-month basis.~~  
29 ~~(2) The employee shall be under contract to the college for the next fiscal year.~~  
30 ~~(3) Educational leave shall not exceed one semester per fiscal year.~~



1C SBCCC 400 is proposed for amendment as follows:

1 ~~(4) An employee who fails to honor the contract stipulated in Subparagraph (b)(2) of~~  
2 ~~this Rule shall be required to repay the amount expended for the educational leave.~~  
3 ~~If the employee fulfills a portion of the contract before failing to honor the contract,~~  
4 ~~repayment shall be based on a pro-rata portion (e.g., if an employee works 4~~  
5 ~~months of a 12-month contract, a repayment of 66.7 percent of the educational~~  
6 ~~leave would be required).~~

7 REPEALED by the State Board of Community Colleges, eff. \_\_\_\_\_

8  
9 *History Note: Authority G.S. 115D-5; 115D-20; 115D-31; S.L. 1995, c. 625;*

10 *Eff. February 1, 1976;*

11 *Amended Eff. September 1, 1993; August 17, 1981; January 6, 1978;*

12 *Temporary Amendment Eff. June 1, 1997;*

13 *Amended Eff. July 1, 1998.*

14 *Repeal Eff. \_\_\_\_\_*

15  
16 ~~**1C SBCCC 400.97 MILITARY LEAVE**~~

17 ~~(a) The rules concerning military leave, codified as Title 25, Subchapter 1E, Section~~  
18 ~~.0800, are hereby incorporated by reference including any subsequent amendments~~  
19 ~~and editions of these rules to apply to community college system employees.~~

20 ~~(b) Copies of 25 NCAC, Subchapter 1E, Section .0800 may be inspected in or obtained,~~  
21 ~~at no cost, from the Office of the System President, Department of Community~~  
22 ~~Colleges, 200 West Jones Street, Raleigh, North Carolina, 27603-1379.~~

23 REPEALED by the State Board of Community Colleges, eff. \_\_\_\_\_

24  
25 *History Note: Authority G.S. 115D-5; 127A-116; 150B-21.6;*

26 *Eff. February 1, 1976;*

27 *Amended Eff. March 1, 1997; September 1, 1993; August 17, 1981.*

28 *Repeal Eff. \_\_\_\_\_*

29  
30 ~~**1C SBCCC 400.98 LONGEVITY PAY PLAN FOR COLLEGE PERSONNEL**~~

1C SBCCC 400 is proposed for amendment as follows:

- 1 ~~(a) Employees of institutions in the community college system assigned to permanent~~  
2 ~~full-time or permanent part-time positions shall receive longevity pay if the employees~~  
3 ~~meet the requirements of total qualifying service set forth in this Rule.~~
- 4 ~~(b) Total service for the longevity pay plan is based on a month-for-month computation of~~  
5 ~~permanent full-time and permanent part-time (20 hours or more, but less than~~  
6 ~~full-time) employment with:~~
- 7 ~~(1) an institution in the community college system or a school administrative unit~~  
8 ~~regardless of the source of salary and including state, local or other paid~~  
9 ~~employment.~~
- 10 ~~(A) Employment for a school year is equivalent to one full calendar year (credit for~~  
11 ~~a partial year is given on a month-for-month basis).~~
- 12 ~~(B) In no event will an employee earn more than a year of total service credit in a~~  
13 ~~12-month period.~~
- 14 ~~(C) If an employee is in pay status (working, exhausting vacation or sick leave, or~~  
15 ~~when on workers' compensation leave or is on authorized military leave) for~~  
16 ~~one-half or more of the regularly scheduled workdays in a month, credit shall~~  
17 ~~be given for the entire month.~~
- 18 ~~(2) departments, agencies, and institutions of the State of North Carolina, (e.g., State~~  
19 ~~Department of Administration, State Revenue Department, University of North~~  
20 ~~Carolina, State Department of Community Colleges, State Department of Public~~  
21 ~~Instruction).~~
- 22 ~~(3) other governmental units which are now agencies of the State of North Carolina~~  
23 ~~(e.g., county highway maintenance forces, War Manpower Commission, judicial~~  
24 ~~system).~~
- 25 ~~(4) county agricultural extension service.~~
- 26 ~~(5) local mental health, public health, social services or civil preparedness agencies~~  
27 ~~in North Carolina, if such employment is subject to the State Personnel Act.~~
- 28 ~~(6) authorized military leave.~~
- 29 ~~(A) Credit for military leave is granted only for persons who were employees of the~~  
30 ~~State of North Carolina or other agencies listed in Paragraph (b) of this Rule~~  
31 ~~who were granted leave without pay:~~

1C SBCCC 400 is proposed for amendment as follows:

- 1           ~~(i) for a period of involuntary service plus 90 days or for a period of voluntary~~  
2           ~~enlistment for up to four years, plus 90 days, so long as they returned to~~  
3           ~~employment in a covered agency within the 90 days; or~~  
4           ~~(ii) for a period of active duty for service, alerts, or required annual training~~  
5           ~~while in the National Guard or in a military reserve program.~~  
6       ~~(B) Employees who enlist for more than four years or who re-enlist shall not be~~  
7       ~~eligible for military leave.~~  
8       ~~(C) Employees hospitalized for a service-connected disability or injury shall be~~  
9       ~~granted additional leave without pay for the period of hospitalization plus 90~~  
10       ~~days or for 12 months, whichever is shorter. The hospitalization must~~  
11       ~~commence before reinstatement into qualifying service for the provisions of this~~  
12       ~~part to apply.~~  
13   ~~(c) Total service for the longevity pay plan does not include:~~  
14       ~~(1) Temporary service, that is, service by an employee who works in a temporary~~  
15       ~~position, or who is working temporarily in the absence of a permanent employee~~  
16       ~~on leave of absence, except that temporary service of employees of the General~~  
17       ~~Assembly will be counted and the full legislative terms of the members. Service of~~  
18       ~~legislative interns and pages will not be counted.~~  
19       ~~(2) Periods of out of state employment with other states, schools, colleges or~~  
20       ~~universities.~~  
21       ~~(3) Periods of employment with agencies of the federal government.~~  
22       ~~(4) Periods of military service other than those categories described in Subparagraph~~  
23       ~~(b) (6) of this Rule.~~  
24       ~~(5) Periods of employment for employers other than the State of North Carolina even~~  
25       ~~though credit in the North Carolina retirement system has been purchased for such~~  
26       ~~employment.~~  
27   ~~(d) An employee assigned to a permanent full-time or permanent part-time position is~~  
28       ~~eligible for longevity pay only after the date the employee has completed ten years of~~  
29       ~~total service with a community college, a school administrative unit or an agency.~~  
30   ~~(e) Annual longevity pay amounts are based on the length of total service to agencies,~~  
31       ~~community colleges, and school administrative units as designated in Paragraph (b)~~

1 of this Rule and a percentage of the employee's annual rate of pay on the date of  
2 eligibility.

3 (1) Longevity pay amounts are computed by multiplying the employee's annual base  
4 or contract salary rate as of the eligibility date by the appropriate percentage,  
5 rounded to the nearest dollar, in accordance with the following table:

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Years of Total State Service	Longevity Pay Rate
40 but less than 15 years	1.50%
15 but less than 20 years	2.25%
20 but less than 25 years	3.25%
25 or more years	4.50%

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6  
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13  
14 (2) Longevity pay is not considered a part of annual base or contract pay nor is it to  
15 be represented in personnel and payroll records as a part of annual base or  
16 contract salary. (Salary increases effective on the same date as the longevity  
17 eligibility date shall be incorporated in the base pay before computing longevity).

18 (f) The payment of longevity pay to eligible employees is automatic. Payment shall be  
19 made in a lump sum, subject to all statutory deductions, during the monthly pay period  
20 in which the employee has satisfied all eligibility requirements.

21 (1) Eligible employees on worker's compensation leave shall receive longevity  
22 payment in the same manner as if they were working.

23 (2) If an employee retires, resigns, dies, or is otherwise separated on or after the date  
24 of becoming eligible for a longevity payment, the full payment shall be made to the  
25 employee or to the estate of the employee in case of death.

26 (3) If, on the effective date of this policy, an employee has completed the qualifying  
27 length of service but is between eligibility dates, longevity payment will be made  
28 on the next longevity anniversary date.

29 (4) If the employee has worked part but not all of one year since qualifying for longevity  
30 payment, the employee shall receive a pro-rata payment in the event of:

31 (A) separation from the institution;

- 1       ~~(B) change in employment status to temporary part-time, or to a position not~~  
2       ~~covered in this policy.~~
- 3       ~~(5) If an employee separates from a community college and receives a partial~~  
4       ~~longevity payment and is employed by another community college, school~~  
5       ~~administrative unit, or state agency, the balance of the longevity payment shall be~~  
6       ~~made upon completion of additional service totaling 12 months for an employee~~  
7       ~~having a 12-month period of employment, or upon completion of a lesser term for~~  
8       ~~an eligible employee on less than a 12-month period of employment. The balance~~  
9       ~~due is computed on the annual or contract salary being paid at the completion of~~  
10       ~~the requirement.~~
- 11       ~~(6) If an eligible employee at the time of separation has a fraction of a year toward the~~  
12       ~~next higher percentage rate, payment shall be based on the higher rate; however,~~  
13       ~~the basic eligibility for longevity requirement must have been satisfied before this~~  
14       ~~provision can apply.~~
- 15       ~~(7) Leave without pay in excess of one-half the work days in a month (with the~~  
16       ~~exception of authorized military leave and worker's compensation leave) will delay~~  
17       ~~the longevity anniversary date on a month-for-month basis.~~
- 18       ~~(g) Longevity pay shall be made from the same source of funds and in the same pro-rata~~  
19       ~~amounts from which the employee's regular annual salary is paid (e.g. state, federal,~~  
20       ~~local funds).~~
- 21       ~~(1) Local trustees may provide longevity payments to employees from other than state~~  
22       ~~allotted funds.~~
- 23       ~~(2) Only personnel employed in positions allotted by the formula in Rule 1H SBCCC~~  
24       ~~200.87(d) of this Subchapter shall receive longevity pay from the longevity reserve.~~  
25       ~~An additional allocation will be made for this purpose.~~
- 26       ~~(3) Employees in state-allotted positions paid with state-allotted funds other than~~  
27       ~~regular formula allotments shall receive longevity pay from the same source of~~  
28       ~~funds as their salary payment.~~
- 29       ~~(4) Employees paid with the following specified funds shall receive longevity pay from~~  
30       ~~these respective sources:~~
- 31       ~~(A) Adult basic education funds,~~

1C SBCCC 400 is proposed for amendment as follows:

- 1       ~~(B) Human resource development funds,~~
- 2       ~~(C) New industry funds,~~
- 3       ~~(D) JTPA funds,~~
- 4       ~~(E) Special allotment funds,~~
- 5       ~~(F) Federal vocational educational funds, and~~
- 6       ~~(G) Local funds.~~

7 ~~(h) The president of each community college shall:~~

8       ~~(1) Determine the quantity of qualifying service and the longevity anniversary date for~~  
9       ~~each eligible employee.~~

10       ~~(2) Furnish to the state board, on forms prescribed by the Department, data necessary~~  
11       ~~for a determination of the cost of the longevity pay plan from state funds.~~

12 ~~(i) The President of the Community College System shall determine the total cost of the~~  
13 ~~longevity pay plan from data submitted by each community college. If funds are not~~  
14 ~~adequate to pay longevity rates established under this Rule, the President of the~~  
15 ~~Community College System shall submit a budget revision to the State Budget Officer~~  
16 ~~requesting additional funds from other available sources within State Aid.~~

17 REPEALED by the State Board of Community Colleges, eff. \_\_\_\_\_

18

19 *History Note: Legislative Objection Lodged Eff. October 10, 1980;*

20 *Legislative Objection Removed Eff. November 20, 1980;*

21 *Filed as an Emergency Amendment Eff. July 7, 1980 for a period of 120*  
22 *days to expire on*

23 *November 5, 1980;*

24 *Authority G.S. 115D-5; S.L. 1979, ch. 1137, s. 21;*

25 *Eff. September 15, 1977;*

26 *Emergency Amendment Expired Eff. November 5, 1980;*

27 *Amended Eff. June 1, 1991; August 1, 1983; July 1, 1981; November 6,*  
28 *1980.*

29 *Repeal Eff. \_\_\_\_\_*

30

31 **~~1C SBCCC 400.99 PAYROLL DEDUCTIONS~~**

32 ~~Colleges are authorized to establish voluntary payroll deduction plans for the following:~~

1C SBCCC 400 is proposed for amendment as follows:

1 ~~(1) premiums for any type of group insurance established and authorized by the laws of~~  
2 ~~the state;~~

3 ~~(2) amounts authorized by members of the State Employee's Credit Union and local~~  
4 ~~teacher's credit union to be deposited with such organizations;~~

5 ~~(3) loans made to employees by credit unions;~~

6 ~~(4) charitable organizations as defined in Section 501(c) (3) of the Internal Revenue Code~~  
7 ~~approved by the local board of trustees subject to rules and regulations adopted by~~  
8 ~~the director of budget; and~~

9 ~~(5) Payroll Savings Plan for United States Savings Bonds as authorized in G.S. 143-304.~~

10 The college's finance officer is also authorized to enter into annual contracts, with  
11 employees of the college, which authorize the reduction of salaries to provide for the  
12 purchase of annuity or retirement income contracts provided that such action has been  
13 approved by the board of trustees and otherwise conforms to the provisions of G.S.  
14 115D-25.

15 REPEALED by the State Board of Community Colleges, eff. \_\_\_\_\_

16

17 *History Note: Authority G.S. 115D-5; 115D-22; 115D-25; 143-3.3; 143-304;*

18 *Eff. February 1, 1976;*

19 *Amended Eff. August 1, 1983; August 17, 1981; January 6, 1978.*

20 *Repeal Eff. \_\_\_\_\_*

21