



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Peter Hans, President

25 September 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, Financial Aid Officers, Planners, Public Information Officers, Registrars, Student Development Administrators, & Other Interested Parties

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

RE: Amendment of 1C SBCCC 400 - "Salaries and Benefits"

On 21 September 2018, the State Board of Community Colleges voted 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 rule will be effective 1 October 2018. The new rule will be published on the NC Community College System's website, www.nccommunitycolleges.edu, under "State Board Code." For your convenience, a copy of the rule is attached to this memorandum.

**CC18-046
E-mail Copy**

Attachment



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. [October 1, 2018](#)*

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. [October 1, 2018](#)*

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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. [October 1, 2018](#)

1C SBCCC 400.4 REPORTING OF COLLEGE EMPLOYEE SALARIES

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

History Note: Authority G.S. 115D-5;
Eff. [October 1, 2018](#)

1C SBCCC 400.5 CONTRACT BUY OUTS

- (a) Boards of trustees shall not use state funds to buy out contracts, unless required by a court of competent jurisdiction. The parties entering into a contract are responsible for

1 implementing the contract. Therefore, should it become necessary to terminate
2 employment prior to the expiration of a contract and if it is necessary to buy out the
3 contract, such payment shall not be paid from state funds.

4 (b) For an employee who is separated from the college for unsatisfactory job
5 performance, a college may provide up to two weeks' pay from the same funding
6 source as the employee's base salary in lieu of notice. Such pay in lieu of notice is
7 applicable only to dismissals or non-renewals for unsatisfactory job performance.

8 (c) An individual in a state-funded position whose employment is terminated prior to the
9 expiration of a contract may not be re-employed by the college to offset the lost wages
10 which the employee would have received under the contract. Colleges shall make all
11 efforts to prevent terminations which require buying out contracts.

12 (d) If an individual whose employment contract has been terminated enters into another
13 employment agreement with the college, such employment shall be for a salary
14 commensurate with the services being performed. Such employment shall not be to
15 provide the employee the same level of compensation he or she would have received
16 under the former contract.

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

19 *Eff. [October 1, 2018](#)*

20
21 **1C SBCCC 400.6 EDUCATIONAL LEAVE WITH PAY**

22 (a) The term "educational leave" means the release from duties or time normally required
23 of a full-time employee in carrying out the full load of responsibilities assigned to
24 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.

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

9 *Eff. [October 1, 2018](#)*

10
11 **1C SBCCC 400.7 MILITARY LEAVE**

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

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

18 *Eff. [October 1, 2018](#)*

19
20 **1C SBCCC 400.8 LONGEVITY PAY PLAN FOR COLLEGE PERSONNEL**

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

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

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

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

- 1 (B) In no event will an employee earn more than a year of total service credit in a
2 12-month period.
- 3 (C) If an employee is in pay status (working, exhausting vacation or sick leave, or
4 when on workers' compensation leave or is on authorized military leave) for
5 one-half or more of the regularly scheduled workdays in a month, credit shall
6 be given for the entire month.
- 7 (2) Departments, agencies, and institutions of the State of North Carolina, (e.g.,
8 Department of Administration, Department of Revenue, University of North
9 Carolina, Department of Community Colleges, Department of Public Instruction).
- 10 (3) Other governmental units which are now agencies of the State of North Carolina
11 (e.g., county highway maintenance forces, War Manpower Commission, judicial
12 system).
- 13 (4) County agricultural extension service.
- 14 (5) Local mental health, public health, social services or civil preparedness agencies
15 in North Carolina, if such employment is subject to the Office of State Human
16 Resources Act.
- 17 (6) Authorized military leave.
- 18 (A) Credit for military leave is granted only for persons who were employees of the
19 State of North Carolina or other agencies listed in Paragraph (b) of this Rule
20 who were granted leave without pay:
- 21 (i) for a period of involuntary service plus 90 days or for a period of voluntary
22 enlistment for up to four years, plus 90 days, so long as they returned to
23 employment in a covered agency within the 90 days; or
- 24 (ii) for a period of active duty for service, alerts, or required annual training
25 while in the National Guard or in a military reserve program.
- 26 (B) Employees who enlist for more than four years or who re-enlist shall not be
27 eligible for military leave.
- 28 (C) Employees hospitalized for a service connected- disability or injury shall be
29 granted additional leave without pay for the period of hospitalization plus 90
30 days or for 12 months, whichever is shorter. The hospitalization must

1 commence before reinstatement into qualifying service for the provisions of this
2 part to apply.

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

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

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

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

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

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

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

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

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

28	Years of Total State Service	Longevity Pay Rate
29	10 but less than 15 years	1.50%
30	15 but less than 20 years	2.25%
31	20 but less than 25 years	3.25%

1 25 or more years

 4.50%

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

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

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

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

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

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

20 (A) Separation from the institution;

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

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

23
24 *History Note: Authority G.S. 115D-5;*

25 *Eff. [October 1, 2018](#)*

26
27 **1C SBCCC 400.9 EMPLOYEE MERITORIOUS SERVICE AWARDS**

28 Colleges are authorized to establish employee meritorious service award programs. To
29 express appreciation to their valued employees, colleges may adopt a policy of
30 recognizing continued dedicated service through a program of service awards. The
31 program shall provide:

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

13

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

15 *Eff. [October 1, 2018](#)*

16

17 **1C SBCCC 400.10 PAYROLL DEDUCTIONS**

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

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

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

6
7 *History Note: Authority G.S. 115D-5;*
8 *Eff. [October 1, 2018](#)*

9
10 **1C SBCCC 400.11 LEAVE PAYOUTS**

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

14
15 *History Note: Authority G.S. 115D-5;*
16 *Eff. [October 1, 2018](#)*

17
18 **1C SBCCC 400.94 ESTABLISHING PAY RATES**

19 REPEALED by the State Board of Community Colleges, eff. October 1, 2018.

20
21 *History Note: Authority G.S. 115D-5; 115D-54; S.L. 2005-276;*
22 *Eff. February 1, 1976;*
23 *Amended Eff. March 1, 2007; December 1, 2004; September 1, 1993;*
24 *December 1, 1989; July 1, 1984; August 1, 1981.*
25 *Repeal Eff. [October 1, 2018](#)*

26
27 **1C SBCCC 400.95 CONTRACT BUY OUTS**

28 REPEALED by the State Board of Community Colleges, eff. October 1, 2018.

29
30 *History Note: Authority G.S. 115D-5; 115D-20;*
31 *Eff. December 1, 1995.*

1 Repeal Eff. [October 1, 2018](#)

2
3 **1C SBCCC 400.96 EDUCATIONAL LEAVE WITH PAY**

4 REPEALED by the State Board of Community Colleges, eff. October 1, 2018.

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

7 *Eff. February 1, 1976;*

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

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

10 *Amended Eff. July 1, 1998.*

11 Repeal Eff. [October 1, 2018](#)

12
13 **1C SBCCC 400.97 MILITARY LEAVE**

14 REPEALED by the State Board of Community Colleges, eff. October 1, 2018.

15
16 *History Note: Authority G.S. 115D-5; 127A-116; 150B-21.6;*

17 *Eff. February 1, 1976;*

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

19 Repeal Eff. [October 1, 2018](#)

20
21 **1C SBCCC 400.98 LONGEVITY PAY PLAN FOR COLLEGE PERSONNEL**

22 REPEALED by the State Board of Community Colleges, eff. October 1, 2018.

23
24 *History Note: Legislative Objection Lodged Eff. October 10, 1980;*

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

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

28 *November 5, 1980;*

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

30 *Eff. September 15, 1977;*

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

1 *Amended Eff. June 1, 1991; August 1, 1983; July 1, 1981; November 6,*
2 *1980.*

3 *Repeal Eff. [October 1, 2018](#)*

4
5 **1C SBCCC 400.99 PAYROLL DEDUCTIONS**

6 REPEALED by the State Board of Community Colleges, eff. October 1, 2018.

7
8 *History Note: Authority G.S. 115D-5; 115D-22; 115D-25; 143-3.3; 143-304;*

9 *Eff. February 1, 1976;*

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

11 *Repeal Eff. [October 1, 2018](#)*

12