



STATE OF NORTH CAROLINA
OFFICE OF STATE HUMAN RESOURCES
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PAT MCCRORY
GOVERNOR

C. NEAL ALEXANDER, JR.
STATE HUMAN RESOURCES DIRECTOR

April 2, 2014

MEMORANDUM

TO: Agency HR Directors

FROM: C. Neal Alexander, State Human Resources Director

SUBJECT: Governor McCrory's Freeze on Most Salary Increases

A handwritten signature in black ink, appearing to read "C. Neal Alexander, Jr.", positioned to the right of the "FROM:" line.

This memorandum serves as a follow-up to Governor McCrory's memorandum of March 27, 2014 concerning budget management initiatives for the remainder of FY 2013-2014, which includes a salary freeze for most salary increase actions in all State agencies.

Attached are some Frequently Asked Questions (FAQs) which should assist you in implementing and administering the Governor's salary freeze. The FAQs include the approval process for exceptions.

Also attached are guidelines which define and give examples of allowable promotion and reclassification salary increases. Please be reminded that we still have the legislative salary freeze in effect which limits allowable cumulative salary adjustments to no more than 10% during the 2013-2014 fiscal year unless the adjustment is approved in advance by the Office of State Budget and Management.

Other allowable increases include the following:

- Trainee salary adjustments where the position is budgeted higher than the employee's salary to allow for the trainee progression.
- Salary adjustment upon reinstatement from a leave of absence (LOA) to award a legislative increase or any other across the board increase that was implemented during the LOA.
- Salary adjustment required by the U.S. Department of Labor "prevailing wage" requirements (example, employees with H1B Visa).

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All other salary increases not specifically listed in this memorandum as allowable shall not be processed until further notice from OSHR and the Office of State Budget and Management (OSBM). This is not an exhaustive list of all the salary increases that are not allowed. Please contact OSHR if you have any questions about salary increases that are not allowed. My office will be monitoring compliance with this directive.

The Office of State Human Resources is available to provide guidance and assistance to you and your staff as we work together to address these budget initiatives. If you have any questions concerning the Governor's salary freeze, please contact Pam Bowling at 919-807-4803. Questions related to budget, funding, or non-salary increase issues should be directed to your OSBM Budget Analyst.

CNA/pb/sgH

Attachments

C: Governor Pat McCrory
Art Pope, State Budget Director
David McCoy, State Controller