

Fiscal Impact Analysis of Proposed Permanent Rules on Salary Rates for Local Government Positions Subject to the State Human Resources Act

Commission That Would Adopt Rules: State Human Resources Commission (SHRC)

Agency Staffing This Commission: Office of State Human Resources (OSHR)

Proposed Rules:

Rule Title	Citation	Authority
Salary Rates	25 NCAC 01I .2103	G.S § 126-4(2), (3), (6); Session Law 2024-23, Section 7

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State Gov. Impact: No
Local Gov. Impact: Yes
Private Sector Impact: No
Substantial Economic Impact: No

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Executive Summary

Session Law 2024-23, Sec. 7 requires the State Human Resources Commission (SHRC) to adopt rules regarding the hiring and compensation of trainees for local government positions subject to the State Human Resources Act. The proposed permanent rule amendments satisfy this legislative mandate by establishing salary rates and protocols for local government trainee appointments and trainee salary adjustments. These proposed amendments align with current policies for state agency trainees.

Specifically, the proposed rule amendments:

- Establish a **salary floor for new trainee appointments** that is no lower than 10% below the minimum of the position's salary range (i.e., at or above 90% of the job classification's salary minimum). The existing permanent rule does not specify a minimum salary rate for new trainee appointments.
- Establish a **salary ceiling for trainees** that is no higher than the 25th percentile of the position's salary range (i.e., at or below the top of the first quartile of the job classification's salary range). The existing permanent rule limits the salary for trainees to below the minimum of the salary range that applies to the job classification.
- Specify what factors should be used in analyzing “**salary inequities**” and trainee pay relative to non-trainees.

This fiscal note assesses the proposed rule changes' costs and benefits relative to the existing permanent rule (regulatory baseline), excluding the temporary rule currently in effect. Compared to the regulatory baseline, OSHR estimates the proposed rules could increase local government costs by an average of \$9,285 per trainee per year, inclusive of both salary and payroll associated benefits¹ for those local governments that choose to offer higher starting salaries for new trainees. Local governments could also gain unquantifiable benefits under the proposed rule through increased salary competitiveness, reduced turnover, and an incremental improvement to their ability to attract well qualified candidates. The magnitude of costs and benefits realized from the proposed rules will depend on the number of trainees that local governments hire, the job classifications of those trainees, and whether local governments utilize the proposed compensation flexibility. Presumably, local governments would only choose to increase starting salaries for trainees if they believe the benefits will outweigh the additional costs.

Potential trainee job seekers could also benefit from the proposed compensation flexibility. They could realize immediate financial gains from higher starting salaries. OSHR estimates the average starting salary increase for a trainee would be \$7,658 per year². Higher initial

¹ This is a weighted average of potential maximum trainee cost increases across all local governments with SHRA positions in trainee-eligible job classifications and includes salary and payroll associated benefits. For an Environmental Health Specialist, the maximum cost to the local government employer is estimated to be \$10,148 per trainee. See the Expected Costs per Trainee section for more details on OSHR's calculations.

² This is a weighted average of potential maximum trainee benefits across all local governments with SHRA positions in trainee-eligible job classifications and excludes payroll associated benefits. For an Environmental Health Specialist, the maximum benefit to the trainee is estimated to be \$8,370 per trainee (or \$10,148 if FICA and retirement contributions are counted as immediate benefits). See the Expected Benefits per Trainee section for more details on OSHR's calculations.

compensation could set a baseline for future raises, potentially leading to higher lifetime earnings due to the compounding effect of salary increases over time. The other benefits to employees cannot be quantified and include items such as improved on-the-job training and skill development, increased teamwork, and improved job satisfaction. Quantified estimates are based upon a limited dataset and rely upon several key assumptions that are detailed below.

Background

Rule 25 NCAC 01I .2103 applies to local government employees who are subject to the State Human Resources Act (SHRA employees), including trainees of these local governments. Pursuant to G.S. 126-5(a)(2), employees of local social services departments; county or district health departments; local emergency management agencies that receive federal grant-in-aid funds; and area mental health, developmental disabilities, and substance abuse authorities are all subject to Chapter 126, the state's Human Resources Act.

The term trainee is not defined in General Statute, administrative code, or policy, however, it is frequently used in job classifications that require “knowledge or skills not available from the labor market or which cannot be learned in a short period.”³ In these situations, “applicants with potential to meet the full job requirements are employed and qualify through” on-the-job training,⁴ Often trainees lack one or more component of a position's education or experience requirement, such as not having a year of relevant experience or completion of a degree, and are hired as a trainee to gain the requisite experience or while they complete the required degree.

At the December 8, 2022, meeting, the State Human Resources Commission made changes to the policies governing compensation of state agency trainees. Specifically, the Pay Administration Policy was modified to allow trainees to be paid up to the top of the first quartile as long as they are not paid more than non-trainee employees in the classification. This language now appears in Section 4.3 of the Pay Administration Policy. Previously, trainee compensation had been limited to below the minimum of the salary range.

Following the additional authority that the Commission granted in late 2022, state agencies have increased their hiring of trainees. In 2023, state agencies hired 230 more trainees than in 2022, an 82% increase. As of June 6, 2024, state agencies employed 792 trainees. While this is strong growth in the use of trainees, they fill less than 1% of the more than 71,000 Executive Branch positions. Most state trainees are in Correctional Officer positions, but other state trainees are in positions more similar to those within local governments that are subject to the State Human Resources Act. For example, in 2024, state agencies employed 43 trainee Clinical Social Workers, 40 trainee Disability Determination Specialists, and 14 trainee Rehabilitation Counselors.

Local government employers requested the authority to pay their trainees under a policy like the one the state adopted in late 2022, which requires an Administrative Code change. SL 2024-23 Sec. 7 directed the State Human Resources Commission to “adopt temporary rules, followed by

³ Taken from OSHR's Probationary/Trainee/Permanent Appointment and Career Status Policy. Available here: <https://oshr.nc.gov/documents/files/probationary-trainee-permanent-appointment-nov-2013/open>

⁴ Ibid.

permanent rules, concerning the hiring and compensation of trainees for local government positions that are subject to the State Human Resources Act.”⁵

The changes to Rule 01I .2103 would give local governments the same trainee salary flexibility as state agencies. OSHR is also proposing clarifying changes to other portions of Rule 01I .2103 in accordance with G.S. 150B-19.1(a)(3).

Shortly after the adoption of SL 2024-23, the State Human Resources Commission began temporary rulemaking. The Rules Review Commission approved temporary rules for 25 NCAC 01I .2103 and published them in the N.C. Register on January 15, 2025.⁶ There are no differences between the temporary rule and the proposed permanent rule other than minor technical changes for clarity. The temporary rule received no public comment.

Information about the temporary rule is included in this fiscal note for the sake of completeness. Temporary rules are not part of the regulatory baseline for purposes of this fiscal analysis.

Description of Proposed Rule

The proposed rule covers all areas where the statute requires rulemaking and provides administrative interpretations and procedures necessary to fully implement the law for local government employees. The following is a description of the proposed rule. The impacts associated with the salary rate change will depend on the voluntary actions of local governments rather than requirements set forth in the rule itself; this will be discussed in the impact analysis section.

Rule 25 NCAC 01I .2103

This rule contains clarifying technical edits as well as the amendments required pursuant to Section 7 of Session Law 2024-23 concerning the hiring and compensation of trainees for local government positions that are subject to the State Human Resources Act. Specific changes include:

- In paragraph (a), clarifying changes meant to establish that trainee salaries will be set under Paragraph (e) of the Rule and make clear and unambiguous the existing language in Paragraph (a) about avoiding creating salary inequities, including defining the term “salary inequities.”
- Paragraphs (b), (c), and (f) are amended to replace the word “his” with the phrase “the employee’s.”
- Paragraph (d) adds direction that salary adjustment decisions shall be consistent with job-related education, job-related experience, and fiscal policy.
- Paragraph (e) accomplished the key change requested by local governments: allowing trainees to be paid up to the top of the first quartile. The revised text matches salary authority for trainees in state agencies under Section 4.3 of the Pay Administration Policy. The draft language includes calculation examples to help alleviate the confusion

⁵ SL 2024-23, Sec. 7 (<https://www.ncleg.gov/Sessions/2023/Bills/House/PDF/H223v7.pdf#page=3>)

⁶ See 39:14 N.C. Reg. 947-949 (Jan. 15, 2025)

that might be caused by having the rule mention a percentage (of the minimum salary) and a percentile (in the salary range) in the same sentence.

The changes to paragraph (e) also add two features of state policy to the rule:

- Salary adjustments, as the trainee moves through a trainee progression, shall not be awarded if the trainee has unsatisfactory job performance. (matching Section 5.3 of the Pay Administration Policy.)
- The trainee's salary cannot exceed non-trainee employees, unless the trainee has sufficient additional education or experience to qualify for a higher rate. (matching Section 4.3 of the Pay Administration Policy.)

Lastly, the rule:

- Changes "regular appointment" to "permanent appointment" to correct the phrase to use the same terminology as the other Title 25 Administrative Code rules.
- Clarifies that when a trainee successfully completes training and the trainee's appointment is converted to a permanent appointment, the salary is set according to the same process as for a new appointment.

Impact Analysis

The purpose of this analysis is to state the amount of funds that would be expended or distributed due to the proposed rule change, explain how the amount was computed, and discern and analyze the impacts attributable to the proposed rules.

Persons Affected by Proposed Rules

The persons subject to, or affected by, the proposed rules are local governments with SHRA employees in job classifications eligible to hire trainee. These are employees of local social services departments; county or district health departments; local emergency management agencies that receive federal grant-in-aid funds; and area mental health, developmental disabilities, and substance abuse authorities⁷.

Each county local human services component is organized differently and created under different laws. Social services departments are found in each county; mental health organizations typically are organized in a multi-county area; and public health departments can be single- or multi-county. There are 128 local departments with approximately 20,000 employees subject to the State Human Resources Act.

Regulatory Baseline (Conditions Against Which Proposed Rule Is to Be Measured)

In this fiscal analysis, the impacts of the proposed rules are measured against the prior permanent rule, which required local governments to hire trainees at a salary below the minimum of the applicable salary range.

Data Sources and Assumptions

⁷ See [G.S. 126-5\(a\)\(2\)](#)

This fiscal note analyzes the impact of the proposed rule change on local governments. OSHR does not have data from local governments on the number of, or salaries for, existing trainees nor does it have a comprehensive list of all local government SHRA employees by employer. However, of the roughly 20,000 subject positions, OSHR has position classification and average salary information for 12,515 subject county positions across 72 local governments; this “salary plan dataset” provides detailed information on over 62% of local SHRA positions and provides useful insights into the types and salaries of a large subset of local SHRA positions. The dataset excludes most health districts, all Local Management Entity/Managed Care Organizations (LME/MCOs), and some of the substantially equivalent entities who are not required to submit salary plan information to OSHR⁸.

OSHR approves the job classifications that are eligible to have trainees. As shown in Appendix 1, the list of job classifications currently approved for trainees is short, including only 46 of the 569 total job classifications listed in the salary plan dataset. Local governments may request that OSHR add job classifications to the trainee list. When this happens, OSHR reviews the education and experience requirements for the job class and evaluates recruitment constraints then determines if adding a trainee progression is appropriate.⁹ Trainees are not utilized in many local government classifications as the education and experience requirements are typically not a barrier to recruitment.

Since the temporary rule authorizing the updated trainee salary range went into effect in January of 2025 (i.e. the temporary rule that is identical to this permanent rule), no local government has requested that a job classification be added to the trainee eligible list. Thus, this fiscal note assumes that trainees will continue in only these 46 job classifications. Based on the salary plan dataset, OSHR estimates that only 4% of SHRA positions are in trainee-eligible job classifications. This is likely an overestimate when also considering LME/MCO and area mental health districts classifications not in the salary plan dataset. Per OSHR’s local government staff, trainees are not commonly used by LME/MCOs and area mental health districts; trainees are most commonly used in the Environmental Health Specialist, Social Worker I, and Public Health Educator I classifications.

The second dataset used in this analysis is a survey of the ten largest local government employers of SHRA employees. These inquiries aimed to understand their use of trainees in both the social services and public health divisions. These ten employers represent more than 25% of all local government SHRA positions, 5,257 of the 20,000 total positions. As of April 11, 2025, 16 of the 20 divisions across these ten local governments had responded to OSHR’s inquiry. Of these, only four – Cumberland, Durham, Pitt, and Randolph –currently use trainees. All of them only use trainees in the Environmental Health Specialist classification.

⁸ [G.S. 126-11](#) allows Boards of County Commissioners “to establish and maintain a personnel system...approved by the State Human Resources Commission as substantially equivalent to the standards established under this Chapter [G.S. 126] for employees of” local departments of social services, local health departments, and area mental health programs or authorities, local emergency management programs. “If approved by the State Human Resources Commission, the employees covered by the county system shall be exempt from all provisions of this Chapter except Article 6.”

⁹ The OSHR Local Government team has received no recent requests to add a trainee progression to a classification. Members of the team have been with OSHR for 20 years and have never processed such a request.

Table 1 provides a summary of the ten largest local government employers of SHRA employees and their use of trainees. Forty percent of the ten largest employers have trainees with trainees representing 0.3% of their total SHRA workforce.

Table 1: Ten Largest Local Government SHRA Employers and Current Trainee Counts

County	Count of Trainees ¹⁰	Total Positions	Trainees as Percent of Total Positions
Catawba	0	489	0
Cumberland ¹¹	5-7	838	0.7%
Durham	2	745	0.3%
Gaston	TBD	558	TBD
Iredell	TBD	407	TBD
Johnston	0	482	0
Orange	0	298	0
Pitt	3	487	0.6%
Randolph	6	320	1.9%
Wilson	0	320	0
Total	16-18	5,257	0.3%

This fiscal note assumes that the use of trainees by the largest employers is typical of the use of trainees across all local governments and uses the Environmental Health Specialist classification as the basis of the cost per trainee analysis.

Under the regulatory baseline, local governments were required to pay below the salary range minimum. OSHR has no data on local government salaries for trainees under the regulatory baseline; anecdotally, OSHR has been told local governments typically hired as close to the minimum as possible, even paying only \$1 less than the minimum to meet the salary rate requirements. For the purposes of this analysis, OSHR assumes that local governments hire trainees at a salary that is 1% below the salary minimum.

Local governments set the salary ranges for their job classifications and these ranges vary significantly both in salary level and size of the range from minimum to maximum salary (salary range spread). Table 2 provides an example of the variability in salary ranges using the Environmental Health Specialist classification.

Table 2: Environmental Health Specialist Classification Sample Salary Ranges

Employer	Salary Range		Salary Range Spread	Average Salary
	Min	Max		
Minimum Salary				
Lowest: Columbus County	\$36,982	\$67,041	\$30,059	\$47,024
Highest: Johnston Environmental Health	\$62,242	\$105,811	\$43,569	\$69,129

¹⁰ All trainees are in Environmental Health Specialist positions

¹¹ The calculation for Cumberland County and the following total count of trainees assumes Cumberland County employ six trainees.

Maximum Salary				
Lowest: Caswell County	\$37,741	\$58,499	\$20,758	\$55,300
Highest: Craven County	\$56,622	\$111,707	\$55,085	\$57,708
<i>Weighted Average All Employers</i>	<i>\$51,171</i>	<i>\$82,603</i>	<i>\$31,432</i>	<i>\$59,501</i>

Given this variability, for this analysis, OSHR is using a weighted average based on the number of positions within the classification to determine the baseline and trainee salary range and, thereby, the potential costs and benefits of the rule changes.

The per trainee cost analysis is based on Environmental Health Specialist classification. But, it should be noted that the actual cost of the rule changes will be dependent upon the job classification of future trainees, which may or may not be classified as Environmental Health Specialists. Table 3 provides examples of trainee salary ranges and maximal costs relative to the assumed 99% of minimum regulatory baseline. According to the salary plan dataset, the highest salary range of any trainee eligible classification is for a Psychological Program Manager for Albemarle Regional Health Services, and the lowest salary range for a trainee eligible position is for an Educational/Developmental Aide I in Transylvania County. Table 3 also includes Environmental Health Specialist, Social Worker I, and Public Health Educator I ranges since these are the most common trainee eligible classifications across local governments. Table 3 also includes the weighted average across all employers and trainee-eligible classifications.

Table 3: Sample Trainee Salary Ranges and Estimated Maximum Additional Costs per Trainee

Classification ¹²	Salary Range		Trainee Range		Maximum Cost per Trainee ¹³
	Min	Max	Min	Max	
Psychological Program Manager	\$81,408	\$129,800	\$73,267	\$93,506	\$15,656
Educational/Developmental Aide I	\$24,453	\$37,928	\$22,008	\$27,822	\$4,381
Environmental Health Specialist	\$51,171	\$82,603	\$46,054	\$59,029	\$10,148
Social Worker I	\$38,655	\$62,855	\$34,789	\$44,705	\$7,804
Public Health Educator I	\$42,040	\$68,095	\$37,836	\$48,554	\$8,408
<i>Weighted Average All Employers</i>	<i>\$46,696</i>	<i>\$75,459</i>	<i>\$42,027</i>	<i>\$53,887</i>	<i>\$9,285</i>

OSHR does not expect a significant increase in the use of trainees following the adoption of a permanent rule for three reasons:

- 1) While the state experienced an increase in the number of trainees following the adoption of an identical trainee salary rate policy, there has been no rigorous evaluation of cause and effect that connects the growth in state trainees to the change in salary policy.
- 2) The state's increase in trainees occurred mostly within one job classification, correctional officers, within one department, the Department of Adult Correction (DAC). This indicates that a shift in DAC's philosophy regarding Correctional Officer trainees – as

¹² The salary ranges for the Speech and Language Pathologist and Educational/ Developmental Aid I are the salary ranges for the Albemarle Regional Health Service and Transylvania County respectively. The salary range for the Environmental Health Specialist is the weighted average of the salary range for all local governments that have positions in this classification.

¹³ The maximum is calculated relative to 99% of the salary minimum and includes FICA and LGERS contributions.

opposed to the change in the salary policy – is likely a primary driver of the increased use of trainees; a similar consistent shift in philosophy across 128 independent local departments is unlikely.

- 3) OSHR has no information from local governments suggesting a significant change in the use of trainees following the adoption of the temporary rule in January 2025.

Analysis of Costs and Benefits

The additional flexibility of the proposed rule could result in additional costs and benefits to local governments that choose to hire trainees. The magnitude of these potential impacts, however, is expected to be limited for two reasons:

- 1) **Local governments use very few trainees.** As noted previously, only 46 job classifications, representing 4% of total positions, are authorized for trainees. The number of job classifications is not expected to change as a result of these rule changes. Further, only four of the ten largest employers currently employ trainees, with trainees representing just 0.3% of their total workforce.
- 2) **The change in allowable pay for trainees is small,** less than \$8,000 on average across the three most common trainee eligible job classifications. Under the regulatory baseline, local governments must pay trainees below the minimum of the salary range. Under the new rule, they have the flexibility to pay within a range of 10% below the salary minimum to the top of the first quartile of the salary range so long as the trainee's salary is below other non-trainee employee in the same classification.

Expected Costs per Trainee

To illustrate the potential impact of this rule change, OSHR estimated the possible cost of the rule on a per trainee basis using the Environmental Health Specialist position as an example. The total potential cost of the proposed rule will depend on local governments use of trainees and their salary decisions for those trainees.

For an Environmental Health Specialist, if local governments previously paid 1% below the minimum and will now pay trainees at the top of the first quartile under the proposed rule, the potential additional salary cost is \$8,370 per trainee per year. Due to the differences in salary ranges, the potential cost varies depending on the local government. For example, the potential cost difference for Columbus County is \$4,941 while it is \$14,337 for Craven County.

Adding FICA taxes (7.65%) and retirement contributions (13.6%)¹⁴ to the weighted average potential cost of an Environmental Health Specialist (\$8,370), **the total additional cost to the local government per trainee is estimated at \$10,148 per year.** FICA and retirement

¹⁴ LGERS contribution rates vary by local government employer. For non-law enforcement employees, the contribution rate base is 13.6%; this is the rate for the majority of local governments. All local government LGERS contribution rates can be found here: <https://www.myncrretirement.com/documents/files/governance/lgers-employer-contribution-rates-july-1-2024pdf/open>

contributions are included in the cost estimate as local governments must pay these salary-associated benefits for trainees.

OSHR expects no other costs outside of salary cost to be associated with the new salary range. There would be no cost to administer the new ranges; no additional cost associated with hiring a trainee versus a non-trainee; and trainee training costs are unquantifiable but expected to be minimal as most of the training is on-the-job training.

Estimated cost above baseline: \$10,148 per year per Environmental Health Specialist trainee for salary and payroll associated benefits.

Expected Benefits per Trainee

OSHR expects two types of potential benefits: (1) benefits to employees and (2) benefits to employers. There is little academic research on the use of trainees outside of medical fields; most of the research focuses on the benefits of training and development programs or the benefits of internships or formal apprenticeships – while a trainee falls somewhere in between these two. LinkedIn and other career sites such as Indeed.com have posts on the benefits of training and employing trainees but there appears to be little rigorous research on the use of trainees as utilized in local governments.

The potential for additional salary is the primary benefit to employees. **The benefit per Environmental Health Specialist is estimated to be \$8,370**, which is the additional salary paid to trainees relative to the regulatory baseline; this estimate excludes FICA and retirement contributions as those benefits accrue to the employee only in the future and if certain criteria are met. The other benefits to employees cannot be quantified and include items such as improved on-the-job training and skill development, increased teamwork, and improved job satisfaction.

Similarly, the benefits to employers are also intangible but are thought to be increased employee retention, improved work quality, and access to fresh perspectives and innovations as trainee programs may bring in atypical candidates who bring new ideas and skills to the workplace.

Estimated benefits above baseline: \$8,370 per year per Environmental Health Specialist trainee plus unquantifiable benefits to the employer associated with salary competitiveness, employee retention, and improved ability to attract qualified candidates.

Breakeven Analysis

The statutory threshold for a substantial economic impact is \$1 million in aggregate financial impact in a 12-month period.¹⁵ Based on the Environmental Health Specialist classification, the aggregate quantified financial impact per trainee per year is \$18,518 (\$10,148 cost to the local government, \$8,370 benefit to the trainee). At this cost per employee, OSHR estimates that local governments would have to hire, or increase the salary of existing trainees to the top of the first quartile of the salary range, 54 Environmental Health Specialists to reach the substantial impact threshold of \$1 million across both costs and benefits. If you include the value of employer

¹⁵ See [G.S. 150B-21.4\(b1\)](#)

contributions to FICA and retirement as an immediate benefit to the trainee, local governments would have to hire (or increase the salary of) 49 Environmental Health Specialists in a year.

OSHR believes that it is unlikely that local governments will hire or increase the salary of existing Environmental Health Specialists to meet this “breakeven” for two main reasons:

- 1) The current weighted average salary for Environmental Health Specialists is \$59,501; the top of the trainee salary range following the rule change is \$59,029. Per the proposed rule, local governments cannot, except in limited circumstances, hire a trainee at a salary above that of a non-trainee in the job classification. Given the minimal difference between the average salary and the top of the trainee pay range, most local governments will not be able to hire at the top of the proposed salary range, meaning a lower per trainee annual aggregate financial impact than assumed in this analysis.
- 2) It is unlikely that local governments will dramatically change their behavior when it comes to the use of trainees. While the state saw a significant increase in the use of trainees following a parallel rule change, this change was dominated by one position classification – for which there are thousands of positions – within one state agency. A leadership decision by one agency to focus on trainees is the primary reason for this change. A similar focus on the use of trainees across 47 local departments that have Environmental Health Specialists, much less across all 128 local departments, is doubtful.

Copy of Proposed Rule

SECTION .2100 – COMPENSATION

25 NCAC 01I .2103 SALARY RATES 25 NCAC 01I .2103 SALARY RATES

(a) New Appointments. The entrance salary rate for an employee in a non-trainee appointment shall be at the minimum of the range or at a salary rate within the salary range assigned to the class. ~~class that is consistent with job-related education, job-related experience, and fiscal policy. The entrance salary rate for an employee class unless an employee is hired in a trainee appointment shall be set pursuant to Paragraph (e) of this Rule. Discretion should be exercised by boards.~~ Boards of county commissioners or their designees must perform an analysis should exercise judgment, when setting on new appointments salaries above the minimum of the range, to avoid creating salary inequities within the jurisdiction. Analyzing "Salary—"salary inequities," for purposes of this Rule, means comparing the salaries of employees in the same job classification or in closely related job classifications at the same local government employer who have comparable levels of education and experience; duties and responsibilities; productivity; funding availability; and knowledge, skills, and abilities. Employees in trainee appointments are not comparable for purposes of this salary inequity analysis.

(b) Promotion. When a promotion occurs, the member of county management who has been delegated authority over personnel decisions shall increase the employee's salary shall be increased, if it is below the new minimum, to at least the minimum rate of the salary range assigned to the class to which the employee is promoted. If an employee's current salary is already above the new minimum salary rate, ~~his~~ the employee's salary may be adjusted upward or left unchanged at the discretion of local management, consistent with job-related education, job-related experience, and fiscal policy, provided that the adjusted salary does not exceed the maximum of the assigned salary range. If the salary falls between steps in the salary range, it may be adjusted to the next higher step in the ~~range.~~ range, consistent with job-related education, job-related experience, and fiscal policy.

(c) Demotion. When an employee's current salary falls above the maximum of the range for the lower class, ~~his~~ the member of county management who has been delegated authority over personnel decisions may allow the employee's salary may to remain the same until general schedule adjustments or range revisions bring it back within the lower range or ~~may~~ the salary may be reduced to any step in the lower salary range, as long as the reduced salary does not fall below the minimum salary rate of that range. If the employee's current salary falls between steps in the lower range, it may be reduced to the next lower step. These decisions shall be consistent with job-related education, job-related experience, and fiscal policy.

(d) Salary Adjustments; Salary Plan Revisions. When the salary rates in the salary plan are changed or a class is moved to a higher or lower salary grade, the following adjustments shall be made in incumbents' salary rates:

- (1) When it is an upward revision and the employee's current salary is less than the minimum salary rate of the salary range for the classification, the employee's salary shall be adjusted to at least the minimum of the range. If the employee's salary is already at or above the new minimum of the range, management may elect to increase the salary to another step within the range. An employee's salary may not, however, exceed the maximum of the range.

(2) If there is a downward revision, management may elect to reduce each employee's salary rate by a corresponding amount or allow the salary rates to remain the same. These decisions shall be consistent with job-related education, job-related experience, and fiscal policy.

(e) Trainee Adjustments. During a trainee ~~appointment~~ appointment, an evaluation of the individual's performance and progress on the job is to be made by the direct supervisor at frequent intervals. intervals that are at most six months apart. As a general guide, salary increases are provided at specified intervals. These increases are not automatic, and may be provided at any time. are not necessarily limited to the full elapse of specified intervals. Salary adjustments may be either advanced or delayed depending upon the progress of the employee. ~~In cases where salary adjustments have been advanced, the trainee's salary will not be adjusted to the minimum of the range for the regular classification until the employee meets all education and experience requirements for the appointment.~~ The salary rate for a trainee shall be no lower than 10 percent below the minimum of the position's salary ~~range~~ (for example, range. Note: as an example, the salary rate would be ninety thousand dollars (\$90,000) if the salary range is one hundred thousand dollars (\$100,000) to \$140,000; one hundred forty thousand dollars (\$140,000). The salary rate for a trainee shall be ~~and~~ no higher than the 25th percentile of the position's salary ~~range range.~~ Note: as an example, the salary rate would be ~~(for example, one hundred ten thousand dollars (\$110,000) if the salary range is one hundred thousand dollars (\$100,000) to \$140,000; one hundred forty thousand dollars (\$140,000).~~ Adjustments are to be given upon recommendations by the appointing authority and the supervisor that the employee has earned an ~~increase.~~ increase, based on successful performance and completed training milestones as specified by local policy. Trainee salary adjustments shall not be awarded if an employee has unsatisfactory job performance as defined in 25 NCAC 01I .2302(a). The trainee's salary must not exceed that of any existing non-trainee employee in the same classification at the same local government, unless the employee possesses ~~sufficient additional education or experience exceeding the minimum requirements for the position. to qualify for a higher rate.~~ When the employee with a trainee appointment has successfully completed the training and experience requirements for the classification, ~~he the~~ employee must be given a regular permanent appointment to that classification classification, and his the employee's salary must be set pursuant to Paragraph (a) of this Rule. Pursuant to Paragraph (a) of this Rule, the former trainee's salary must be set increased at least to the minimum of the salary range.

(f) An employee's salary cannot be raised by merit increases to exceed the maximum salary rate of the salary range assignment to ~~his the employee's~~ class.

History Note: Authority G.S. 126-4; 126-4(2), (3), (6); S.L. 2024-23, s. 7;

Eff. August 3, 1992;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest

Eff. August 20, 2016; 2016;

Temporary Amendment Eff. January 2, 2025;

Amended Eff. _____.

Appendix 1: Trainee-eligible Job Classifications

Accountant
Audiologist
Behavioral Programming Technician
Clinical Chaplain
Clinical Social Worker
Community Development Specialist
Community Employment Program Coordinator
Community Employment Technician
Dental Assistant
Developmental Disabilities Specialist
Educational Developmental Technician
Educational/Developmental Aide
Environmental Chemist I
Environmental Health Specialist
Environmental Technician I
Habilitation Specialist I
Habilitation Specialist II
Health Care Technician
Home Economist
Human Services Coordinator I
Human Services Counselor
Interpreter For The Deaf
Medical Laboratory Technician
Mental Health Nurse
Occupational Therapy Technician
Parent Trainer
Pharmacy Technician
Physical Therapy Technician
Psychological Program Manager
Public Health Educator
Rehabilitation Therapist
Social Worker
Soil Scientist I
Speech and Language Pathologist
Speech and Language Therapist
Staff Psychologist
Substance Abuse Counselor I
Substance Abuse Counselor II
Substance Abuse Education Specialist

Substance Abuse Education Consultant
Teaching Parent Assistant
Teaching Parent
Vocational Evaluator I
Vocational Evaluator II
Work Adjustment Coordinator
X-Ray Machine Operator