

**A RESOLUTION OF THE TRANSYLVANIA COUNTY BOARD OF EDUCATION
REQUESTING CHANGES TO THE SCHOOL PAY DATE PROVISIONS THAT WERE
ENACTED IN 2011**

WHEREAS, school boards and school administrators, particularly school finance officers, worried for a number of years about a mandate put into the law in 2005, which required teachers to be prepaid in August for a full month's salary even though teachers typically work fewer than two weeks in August; and

WHEREAS, this prepayment could not be recouped until the end of the school year, which created a significant issue and an additional cost when the school system was required, if a teacher or other 10-month employee left before that time, to track that person in order to collect an unearned overpayment; and

WHEREAS, school boards and school administrators strongly believe they are stewards of our public taxpayer monies and it is a bad business practice to prepay for work in a month that cannot be recouped for ten months; and

WHEREAS, in order to address these concerns, various education organizations proposed consensus legislation in 2011 that was enacted as Section 5 of House Bill 720 ("Section 5"), School and Teacher Paperwork Reduction Act (S.L. 2011-379); and

WHEREAS, Section 5, effective beginning with the 2012-2013 school year, inadvertently (i) did not eliminate the specific statutory language requiring the initial pay date for all school systems to be August 31 with all subsequent pay dates to be at the end of each month, (ii) added statutory language to strictly prohibit prepayment, and (iii) deleted statutory language providing for recovery of limited prepayments; and

WHEREAS, implementation of these requirements in August will have a burdensome financial impact on teachers and 10-month employees, especially those who are the lowest paid, who will not receive sufficient earned income in a partial paycheck to cover necessary deductions, including family health insurance, supplemental retirement plan contributions, and other payments; and

WHEREAS, Section 5 needs an immediate amendment to remove the mandatory initial pay date of August 31, to remove the requirement that each paycheck must be for a full month's employment, and to restore the statutory language authorizing recovery of prepayments that may occur in very limited circumstances; and

WHEREAS, this amendment would reflect the original intent of last year's requested consensus legislation by prohibiting prepayment of teachers and 10-month employees in their August paychecks; and

WHEREAS, time is of the essence for these changes in order to plan and implement revised school pay dates beginning with the 2012-2013 school year, and to provide information about the upcoming changes to employees in sufficient time for them to make any necessary financial preparations;

NOW THEREFORE, BE IT RESOLVED by the Transylvania County Board of Education:

SECTION 1. The Transylvania County Board of Education (“Board”) urgently requests the North Carolina General Assembly to make critical changes to legislation enacted in 2011 that amended and restricted the timing of payments to teachers and 10-month employees.

SECTION 2. Specifically, the Board asks for an amendment to Section 5 of S.L. 2010-379 (House Bill 720) that would do the following:

- (1) Retain the statutory provisions that prohibit prepayment in August of teachers other than those who are employed in year-round schools, and extend this prohibition to other school employees.
- (2) Delete the statutory requirements that the initial pay date for teachers must be no later than August 31 each year and that subsequent pay dates are spaced no more than one month apart.
- (3) Delete the statutory requirement that each payment must include a full monthly payment.
- (4) Add statutory language to allow pay dates to differ from the end of the month of service.
- (5) Restore express statutory language to provide for the recovery of limited prepayments.
- (6) Allow for pay dates to occur (i) at the end of a calendar month for the actual number of days employed, or (ii) at the end of the first month of employment and monthly thereafter.
- (7) Allow local board to establish pay dates for teachers and 10-month employees that occur on a monthly, semi-monthly, or bi-weekly basis, or on a combination of these, so long as each includes full payment for salary due during the specific period.
- (8) Allow local boards to defer the implementation of their pay date changes to July 1, 2013.

SECTION 3. Due to the time sensitivity of these changes, the Board strongly urges the General Assembly to pass this amendment during the General Assembly’s session scheduled for February 16-18, 2012, or during any other session scheduled before the convening of the short session on May 16, 2012.

SECTION 4. This Resolution is effective upon adoption.

Passed by majority vote of the Transylvania County Board of Education on this the 23rd day of January 2012.

Chairman

Secretary