

1 (a) Commencing on July 1, 2011, and every year thereafter, all
2 state employees shall receive an annual cost of living salary
3 adjustment equal to the rate of inflation as calculated by U.S.
4 Bureau of Labor Statistics, Consumer Price Index: *Provided, That*
5 when inflation is determined to be greater than ten percent, the
6 cost of living salary adjustment may not exceed ten percent.

7 (b) When inflation is calculated at less than one percent, or
8 when deflation is calculated to have occurred, there may be no
9 salary adjustment for that year: *Provided, That* when no cost of
10 living salary adjustment has been granted for three consecutive
11 years, all state employees shall receive a cost of living salary
12 adjustment of not less than three and one-half percent.

13 (c) Notwithstanding any provision of law to the contrary, all
14 cost of living salary adjustments shall be in addition to any merit
15 raises: *Provided, That* a cost of living salary adjustment shall be
16 granted to employees who have been promoted or transferred within
17 one hundred eighty days prior to the effective date of the
18 increase.

NOTE: The purpose of this bill is to provide state employees with a cost of living salary adjustment based on inflation.

This section is new; therefore, it has been completely underscored.