



2016 Legislative Victories

Pay Raise

- Retained longevity pay
- 1.5% across the board pay raise
- 0.5% across the board bonus
- 1% across the board on merit base pay (no structure for awarding these increases was laid out in the budget)

Retirees

- 1.6% one time bonus instead of a true COLA. For the average retiree receiving \$25,000 annually from the system, the bonus will amount to around \$380 before taxes are taken out.

State Health Plan

- Elimination of 80/20 plan stopped by SEANC
- Plans to eliminate spousal coverage stopped
- Changes in benefits and costs are coming in 2017

Retirement System

- Full funding of the retirement system for the sixth year in a row by a legislative (employer) contribution of 9.15 percent to the Retirement System.

Privatization

- SEANC lobbyists were successful in getting an amendment to the House budget which would have put a stop to outsourcing until DOT could show the legislature that outsourcing was saving money compared to state employees performing the work. This amendment was similar to the language SEANC got passed to protect prison maintenance personnel in 2011. The Senate never took up the amendment so DOT can move forward with their outsourcing without showing proof of actual savings to the taxpayers.
- SEANC staff worked with the media on the DOT issues and privatization and will continue that work, to inform taxpayers that privatization can mean higher costs for taxpayers.

HB1134 (Payroll Deduction/Minimum Retirement Age)

- House Bill 1134 would have taken away a retiree's rights to have dues, insurance premiums and PAC donations deducted from their pension check, as well as set a minimum retirement age of 55 for all future employees. SEANC was able to amend the bill in committee to remove the harmful provisions on payroll deduction and minimum retirement age with the help of Rep. Pat Hurley (R-Randolph) and Rep. Jeff Elmore (R-Alleghany). Most importantly, HB1134 was sent to the House Appropriations Committee, which it would have to clear before ever coming to the House floor.
- As is the case with many bills, there were a number of interests who wanted HB1134 to pass in some form. So in the last days of session, SEANC lobbyists had to work to keep HB1134 from moving in committee.
- After days of wrangling with legislators and other lobbyists, and with the help of Rep. Nelson Dollar (R-Wake) and House Rules Chairman David Lewis (R-Harnett), SEANC staff negotiated with the Pensions and Retirement Committee co-chairmen Rep. Stephen Ross (R-Alamance) and Rep. Allen McNeill (R-Randolph) to have the language they wanted inserted into Senate Bill 886.
- Had HB1134 been revived and passed the House and was sent over to the Senate, the Senate could have re-inserted all of the harmful language retirees fought against in the original bill.
- Through the hard work of both the afore-mentioned legislators, members and lobbyists, retirees will not have their rights infringed, for now.

Results by the Numbers

- House bills reviewed by SEANC: 206
- Senate bills reviewed by SEANC: 208
- Committee meetings covered: 223

HB2

- Gov. McCrory asked for \$500,000 of state money earmarked for disaster relief on the next to last day of session to help him defend HB2, the controversial "bathroom bill" that infringes employment rights among other actions.
- The one-time money the Governor asked for from the disaster fund is money that could have been used for raises and COLAs.
- One way to look at this is that every state employee gave up \$5 to help the governor defend his legislation.

HB966

- Just before session started there was an attempt to move decisions on which supplemental insurance products employees could choose from agency committees to a centralized committee and to take SEANC's payroll deduction slot for sale of insurance products.
- SEANC fought back the attempts to put the power to choose supplemental insurance in the hands of a centralized committee, which would have too much potential for politics to enter decisions affecting state employee choices. As a result, HB966 was filed. The bill was never heard in committee and things remain the same for now for state employees and their insurance products.

Technical Corrections

- Technical corrections bills, by definition, are supposed to be noncontroversial bills that only change things like grammatical errors or other "technical" problems in statutes. One particular bill near the end of session would have taken the word "most" out in front of "qualified candidate" in a statute on state employee hiring. If you'll recall, this is a fight we had with the Office of State Human Resources each of the last three years.
- Taking out "most" would allow the governor or any other hiring manager to hire anyone they deemed qualified for a job, even if there were a state employee seeking the job who was more qualified. In essence, taking out that one word changes all of the hiring practices of state government.

BIGGEST THREATS FOR NEXT SESSION

- Taxpayers Bill of Rights (TABOR) has come in many different forms of legislations throughout the past five years. Undoubtedly, this will be introduced next session in some form or fashion. TABOR would require a constitutional amendment that would cap the state's income tax rate at 5.5%. While this may seem like a good thing, it will negatively affect those who make the least (the vast majority of state employees) as well as put the vital services that state employees provide. It would be unlikely that current or retired state employees would see pay raises or cost of living adjustments if this were to pass. Any shortfall in revenue will be made up with higher sales and service taxes. TABOR also would limit the ability to access the state's rainy day fund. A 2/3 majority vote in both the House and Senate would be required to use the funds. Colorado passed a TABOR and within a few years realized that they had to change their constitutional amendment to allow the state to increase the cap on money spent.
- Transitioning from the Defined Benefit Retirement Plan (pension) to a Defined Contribution Plan (401k) will be something we will watch and oppose.
- Privatization in all of its forms.
- Taking of dues deduction rights.