



LEGISLATIVE *Update*

State Employees Association of North Carolina • www.seanc.org

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Finally! Budget agreement includes raises, vacation days & COLA

Spending plan passes Senate, set to pass House Saturday.

State budget writers announced early this week they finally reached an agreement on a new budget for 2014-15 – nearly a month into the new fiscal year – they are confident the governor will sign.

Under the proposed plan, which has passed the Senate, state employees would see a \$1,000 base salary increase and five bankable bonus days of leave. State retirees would see a 1-percent cost-of-living increase. The pay raise will be retroactive to June 30 and the vacation days will go into effect Sept. 1.

This \$1,000 raise represents a 2.7-percent increase for a state worker making the median salary of \$37,000. Add to that the five bankable vacation days, which can be carried over from year to year, and many state employees will see a total compensation increase of 4.7 percent – the largest such increase since 2007-2008. The impact is even more pronounced for an early career correctional officer or Department of Transportation worker making \$25,000. For them, the pay increase is a 4-percent raise, with a total compensation increase of 6 percent.

In addition, state Highway Patrol troopers, magistrates and clerks of court will be receiving one-step pay increases.

And while teachers did receive an average of a 7-percent pay increase, that amount is not being shared equally among all and it came at the expense of longevity bonuses. Furthermore, teacher assistants and non-certified school personnel will only receive a \$500 raise.

The proposed budget also:

- As expected, consolidates the Department of Public Safety Female Command units, with most employees being transferred to other positions.
- Takes out an earlier requirement that the Department of Health and Human Services consolidate four Children's Developmental Services Agencies, though some cuts are still expected.
- Allows the Department of Public Safety the option of exploring the privatization of prison maintenance. However, the department is unlikely to take that step given that it [issued a report](#)

[at the beginning of the session](#) showing that it not only would not save the state money, but that it could create a potentially hazardous situation.

- Takes \$22 million in savings from the State Health Plan that was offered by State Treasurer Janet Cowell, as a recommendation without the SHP Board of Trustees input, rather than putting that money back into the plan to lower costs for members.
- Authorizes the Department of Transportation to continue the process of moving toward privatizing pavement and pre-construction activities and reducing its work force through attrition and retirements, rather than layoffs of state employees.
- Fully funds the Wright School.

The budget did not include, though, an earlier provision that would have undermined employee due process and created an unfair grievance process by moving administrative law judges from the Office of Administrative Hearings to the Office of State Human Resources.

Once the spending plan passes the House, as it is expected to on Saturday, Gov. Pat McCrory is expected sign it.

Overall, the budget is a positive for many state employees and retirees. Just as important, this budget also is a result of your hard work. Until the very end our members made a difference in the lives of their fellow employees and retirees with their many emails, phone calls and personal testimonies given to state legislators.

Other legislation

In other news, McCrory did sign the anti-pension spiking legislation, but it was a bill of little consequence – a solution in search a problem that barely exists. As SEANC has noted before, real reform would have been ending the secrecy surrounding Cowell’s contracts with money managers and a renegotiation of the hundreds of millions in fees being paid by the pension system. Such moves would have allowed for an even more significant COLA as well as freed up funds for even better pay raises.

SEANC will continue to push for such measures during the long session next year.

In the meantime, the General Assembly is scheduled to return in August and then again in November after the elections to take up Medicaid reform and other issues important to state employees and retirees.

Members! Make Your Action Plan Now!

Even with this year's legislative session soon to come to a close, it's important that you stay involved. Your legislators need constant reminding of the need to value vital public services and the people who provide them. Not sure who your legislators are? [Find out here.](#)

Please know if legislators do not hear directly from state employees and retirees, they will believe you are satisfied with what they did this year in terms of employee pay raises and the retiree COLA, and while we are appreciative, we know they can do better next year.

Finally, if at any point you hear your job is in jeopardy due to potential legislative action, please contact [SEANC's Legislative Affairs team](#) as soon as possible. The earlier we know of potential concerns in your workplace, the quicker we can help you.

To follow what's happening in the General Assembly and what SEANC is doing to protect state employees and retirees and taxpayer dollars both during and outside of the legislative session, [subscribe to the SEANC Scoop](#) and read our weekly [Legislative Update](#). [Also, be sure to sign up for our email alerts.](#)

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