



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

LEGISLATIVE *Update*

Feb. 13, 2015

General Assembly puts DOT jobs on the gas tax chopping block ***State Health Plan Board of Trustees premiums headed up in 2016***

On Thursday, the Senate passed a proposal that would lower the current state gas tax from 37.5 cents per gallon to 35 cents per gallon.

But while that might seem like a good deal for taxpayers in the short-term, it's a bad deal in the long-term.

[According to the bill, SB20](#), the resulting \$33 million loss to the state budget would be paid for by cutting 500 filled and 50 vacant full-time positions from the Department of Transportation – a reduction of about 4 percent of the agency.

That's a bad deal for state employees and all other residents. [Not only is the gas tax likely to increase even higher in the future](#), but motorists can also expect their vehicle maintenance costs to increase as reductions in road maintenance and other DOT services cause roads and bridges to crumble and become less safe.

North Carolinians deserve a DOT that is funded and staffed appropriately to keep our state's roads and bridges maintained and in good repair. It seems like an odd time to debate cutting the very department charged with maintaining and improving the state's roads, highways and much of the connecting infrastructure when leaders of both parties and both chambers, as well as Gov. Pat McCrory, have been talking about the need to invest in the safety of North Carolina's bridges and in the improvement and expansion of its roads.

As [SEANC Communications Director Toni Davis told the News & Observer's N.C. Insider](#), "We would urge the General Assembly to untie these positions from the gas tax."

And while supporters of the bill may argue that outsourcing DOT's maintenance work such as pavement preservation, winter weather treatments, roadside environmental activities and preconstruction is a good deal, SEANC maintains that experience has shown privatization always ends up costing taxpayers more and that North Carolinians get the best value from state employees.

"We do not have shareholders that we answer to. We answer to the taxpayers of North Carolina," Davis said. "So our employees are going to do the job as best as they can at the most efficient price point they can. No private contractor can make that same claim when they have to go back and report to shareholders."

On Thursday, Gov. Pat McCrory voiced concern about the possible job cuts.

"We need to fully evaluate the impact that workforce decisions will have on the safety and maintenance of our transportation network," [McCrory said in a news release](#).

[Speaking to the News & Observer's N.C. Insider, DOT Secretary Tony Tata](#) also called on the General Assembly not to make any mandatory cuts, saying that 500 positions "sounds like too many."

"I've got an organization to run and I've got the safety of the network to be concerned with," he said, adding that while he supports stabilizing the gas tax and stabilizing transportation funding, he hopes that other sources can be found.

The bill is now in the House.

Other bills SEANC is watching

Among the other pieces of proposed legislation being followed closely by SEANC are bills impacting dues deduction and retiree health coverage.

As we've noted before, [a bill, SB3, was filed in the Senate that would end voluntary payroll dues deductions for employees](#) belonging to associations such as SEANC and the North Carolina Association of Educators. Maintaining that dues deduction has long been one of top legislative priorities as decided by members and we will be advocating for employees to keep the ability to voluntarily exercise that right. This bill is still in a Senate committee.

[The other bill, SB6, would affect retirees who return to work for the state in temporary positions](#). It would allow them to retain full coverage options under the state health plan, rather than pushing them into new high-deductible plans. SEANC health care experts are still examining this bill and whether or not it is truly a good deal for retirees, but one of our concerns late last year was for the state retirees who had returned in temporary positions and were being forced onto those high-deductible plans, in many cases without warning. This is a particularly important issue for school systems and other state agencies, and in order to avoid having their health coverage adversely impacted, many retirees were cutting back on their hours or were leaving their temporary positions entirely. This bill, which has a House companion ([HB56](#)), also is still in a Senate committee.

State Health Plan changes hurt state employee and retirees

Members of the State Health Plan will see higher premiums and new wellness surcharges in 2016-17 after the Board of Trustees' unanimous vote Wednesday.

The biggest change announced Wednesday from the original proposal presented in January was on the Traditional 70/30 PPO.

The original proposal was to establish a \$60 premium for active employees and allow them to reduce that to \$20 with completion of a wellness surcharge activity.

That idea, however, came under fire in January from several trustees, including SEANC member Charles Johnson, and those who spoke during the public comment period, including SEANC lobbyist and health care expert Chuck Stone.

On Wednesday it had been changed to establish a \$40 premium that could be reduced to \$0.

One area that was not addressed, however, was the high expense of dependent coverage.

SEANC lobbyist and health care expert Chuck Stone spoke to the trustees, urging them to do more to make the plans affordable, reminding them of several suggestions that SEANC has made to save the State Health Plan, and thus its members, money. He also urged the trustees to consider linking future cost-sharing to employee pay raises and retiree cost-of-living adjustments.

Click here for more details on the changes to the State Health Plan for 2016.

If you have questions or concerns, contact Chuck Stone at cstone@seanc.org or call 800-222-2758.

Pay raise discussions

As the 2015 session has gotten underway teacher salaries have once again come to the forefront, but unlike in some years, the need to extend raises to other state employees is gaining attention.

Recently Sen. Stan Bingham (R-Davidson), co-chairman of the Senate Appropriations Committee on Justice and Public Safety, told the News & Observer's N.C. Insider that he wants to do more for state law enforcement and correctional officers.

"These guys get left out, and I hate that because of risk of life daily," said Bingham, who was endorsed by EMPAC.

According to the 2014 compensation report from the Office of State Personnel, public safety officers on average earn 10.4 percent below the market rate, while correctional officers are 1.7 percent below.

Gov. Pat McCrory also highlighted the danger that correctional officers, most of whom earn less than \$30,000 per year, face every day with one being assaulted every 11 hours. He pledged to submit

proposals to help correctional officers and State Highway Patrol troopers, but offered no specifics. Correctional officers and public safety officers have some of the highest turnover rates in the state at 17.3 percent and 22.4 percent, respectively.

Over in the House, Rep. James Boles (R-Moore), a co-chairman of the House Justice and Public Safety Appropriations Committee, said he'd like to see raises for all state employees, but that they were waiting to see what revenues were available.

Other discussions have focused on modernizing and providing fair salaries throughout the courts system and the state crime lab.

SEANC, of course, supports efforts to provide raises for correctional and public safety officers, but also is urging lawmakers to remember that other employees also do dangerous work every day and that all state employees need and deserve a meaningful raise this year.

Talk to your legislators

This year is the General Assembly's long session. That means lawmakers will be setting a new two-year budget and dealing with a number of items important to state employees. That also means lawmakers are expected to be in Raleigh from now through at least July 1 and likely into August. And that means there is plenty of opportunity for you to come sit down with your state senators and representatives and help them put a face to state employees, SEANC and their constituents.

Not sure who your legislators are? [Click here](#). Curious whether they were endorsed by EMPAC? [Click here](#). Want to make note of SEANC's legislative priorities before talking to them? [Click here](#).

SEANC staff can also help you schedule meetings with your lawmakers and make sure you have the most up-to-date information possible about SEANC's legislative priorities, so you can have a good and productive conversation. All you have to do is let us know you're coming. Just email tbooe@seanc.org or call 800-222-2758 or 919-810-0272.

Can't make it to Raleigh? No problem. You can call, write or email your legislators – or even schedule your own time to meet with them in your hometown. Again, you can find your lawmakers and their contact information [here](#).