



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

LEGISLATIVE *Update*

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House approves budget with raises, COLAs, extra leave

Attention now turns to the Senate, which will make its proposal in the next few weeks

After a whirlwind week of committee meetings and floor debate, [the House passed its budget proposal](#) in the wee hours of Friday morning that includes a 2-percent pay increase for state employees and a 2-percent cost-of-living adjustment for retirees.

And a little-publicized item may be just as beneficial to state employees. SEANC members and lobbyists were able to convince legislators to add 40 hours of extra bankable leave into the budget that passed with bipartisan support on a 93-23 vote.

The budget includes little in the way of job cuts as well, although a few items are troubling, particularly 50 administrative positions in the Department of Transportation which will likely face outsourcing. SEANC continues to ask any DOT worker who has run into problems with privatization on the job to let us know by [clicking here](#). You can provide as much or as little information as you want, and can remain anonymous.

But the budget dance isn't over yet. State employees face their biggest challenge with the Senate's proposal, which is already in the works according to leadership and [will likely differ greatly from the House's proposal](#). Senate Leader Phil Berger [outlined his own list of priorities](#) with little mention of state employees this week. He wants to double the state's reserves, raising the rainy day fund to a minimum of \$1 billion. He also wants to cut taxes and set aside \$350 million for Medicaid reform.

The Senate will debate and pass its budget in coming weeks, setting up the usual scenario with three separate proposals – from the House, Senate and the governor – to be considered while the legislature irons out a compromise, which Gov. McCrory will then be asked to sign. The assumed goal is to have the entire process completed by the start of the new fiscal year on July 1.

SEANC lobbyists will stand guard throughout the process, and need your help. If you can, we'd love to have you come down to the legislature and state your case for your needs in person.



SEANC members and lobbyists pull the late shift at the General Assembly Thursday night as budget negotiations drag on past midnight.

Among the highlights in the House budget:

Pay

- Funds a 2-percent pay increase for most state employees.
- Gives 40 extra hours of bankable leave to state employees.
- Raises base teacher pay to \$35,000.
- Funds a step pay increase for state troopers, assistant and deputy clerks, magistrates and other employees with a salary step plan.
- Places funds in reserves to implement a custody-level pay plan effective January 1, 2016 for Correctional Officers such that Correctional Officers at minimum, medium, and close custody facilities are compensated on different salary grades.
- Make market-based pay adjustments for (1) sworn officers of the State Highway Patrol, (2) Forensic Scientists within the State Crime Laboratory, (3) the Codifier of Rules, and (4) the Director of the Transportation Museum.

Retirement

- Funds a 2-percent cost-of-living adjustment for state retirees.
- Fully funds the Annual Required Contribution to the Teachers' and State Employees' Retirement System.

Health Plan

- Fully funds the employer portion of the State Health Plan, but makes funding subject to further benefit reductions for the next biennium. When SEANC approached Rep. Nelson Dollar about concerns over possible benefit reductions, he expressed a willingness to work with SEANC toward improving the State Health Plan language as the Senate drafts its version of the budget.

Public Safety

- Funds start-up cost for Samarcand Training Academy in Moore County, adding 25 jobs.
- Pays for installing Electronic Intrusion Systems at Franklin, Harnett, Piedmont and Southern Correctional Institutions, eliminating 56 jobs in watchtowers.
- Funds 66 positions at Central Prison Mental Health Facility to open 72 additional beds.
- Establishes mental health behavior treatment units at eight close custody prisons. Four units are effective January 1, 2016, and four units are effective January 1, 2017.

Transportation

- Cuts 50 filled administrative positions to reach outsourcing targets.

Bill aims to guarantee retiree COLA

Beyond the House budget debate, there was little room for anything else this week at the legislature, although we did get some good news on Monday when the Joint Program Evaluation Committee [announced its work plan](#) for the next two years. If you will recall, SEANC, with the help of 2014 EMPAC Legislator of the Year Sen. Shirley Randleman, advocated for the inclusion of studies on privatization and investment management fees in the plan.

We are excited that both issues were included in the final plan and will be studied, with the privatization study already underway. Two other items of note for state employees include consolidation of state health care purchases, a move that would likely result in savings for State Health Plan members, and management of inmate health care. If you'll recall, the last time the legislature considered privatizing inmate health care in 2012, [SEANC released a report](#) that showed the dangers in stark detail, pointing to problems in almost every state where inmate health care had been privatized.

Contact your legislators

Now is the time for you to [contact your lawmakers](#). Make your voice heard on the need for all state employees to receive a pay raise and all retirees to receive a cost-of-living increase. We need all hands on deck. Help your legislators 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 all 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.

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](#).