



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

LEGISLATIVE *Update*

Aug. 14, 2015

Budget deal may finally be in sight

The [longest budget debate in 13 years](#) may finally be nearing a conclusion.

As in every budget, pay raises and COLAs are a major topic in negotiations. The House called for a 2-percent pay increase and 40 hours of bonus leave for active employees and a 2-percent COLA for retirees. The Senate had no across-the-board raises or COLAs in its budget.

House Speaker Tim Moore said Thursday that [he expects deal to be hashed out completely next week](#). The House and Senate passed a continuing resolution this week to keep government operations running through Aug. 31. Moore said he hoped it wouldn't be necessary to pass another one.

Moore said he hoped to have a deal before the start of traditional school calendars on Aug. 24, so school systems will know the fate of [thousands of teacher assistant jobs that are on the chopping block](#). The Senate budget slashes thousands of teacher assistant positions over two years and puts that money into hiring more teachers to reduce class size.

The divide between the House and Senate plans may be larger than Moore is letting on, though. [And the delay has already cost taxpayers more than \\$1 million just in operations cost at the legislature](#).

Senate passes harmful TABOR amendment to House

The Senate wasted little time pushing through a bill this week to call for a constitutional amendment to cap spending and tax rates in the future.

[Senate Bill 607](#), or TABOR as it's usually known, would put a constitutional amendment on the ballot in next year's presidential election. The bill passed the Senate with a 30-15 vote, exactly enough for a two-thirds majority needed to put it on the ballot.

The amendment would cap income tax at 5 percent, tie spending to inflation and population growth and require an emergency fund of 12.5 percent of the annual budget that could only be spent with overwhelming support (two-thirds) from the legislature.

This would be very harmful to the state and for state employees. Essentially, it ties the hands of future legislatures by limiting the amount they could spend on government regardless of needs or revenue figures.

That means the likelihood of state employees ever getting a decent raise would decrease dramatically and state workers would have little in the way of job security, with these constraints putting every job on the chopping block every year.

Of course, state salaries are already not keeping up with inflation. [State salaries have lagged behind the Consumer Price Index by 6.9 percent over the last five years](#). Retirees have suffered even more, falling 8.4 percent behind the index in that time. With even less money to spend, there's little chance that state salaries would improve.

TABOR was tried in Colorado in 1992, and by 2005 it was such a failure it was loosened dramatically by referendum. The Senate's attempt [has been roundly criticized already](#), with State Treasurer Janet Cowell warning the legislature that [its passage would endanger the state's bond rating](#).

Luckily, it looks as though [the House plans to put the TABOR bill on the back burner for now](#). But it will surely come up again.

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](#).