



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

LEGISLATIVE *Update*

April 29, 2016

General Assembly gets to work; skeptical of Governor's budget

The General Assembly returned to Raleigh on Monday for the launch of its 2016 short session. And the session started with a bang, as supporters and opponents of the controversial HB2 held separate rallies at and around the capitol.

After the first day, though, things seemed to be business as usual for lawmakers, with the state budget topping the list of priorities. And it seems that state employee pay and retiree cost-of-living adjustments may be the most contentious issue in budget negotiations once again.

Gov. McCrory unveiled his full proposal, which [SEANC spelled out its objections to last week](#), at [a joint appropriations committee meeting Wednesday](#). Evidently, [legislators had the same objections as SEANC](#), as a majority of the questions from both sides of the aisle for Budget Director Drew Heath dealt with McCrory's plan to give state employees a bonus rather than a raise and provide no cost-of-living adjustment to retirees.

Sen. Tommy Tucker started the questioning by pointing out the unfairness of giving teachers a 5-percent raise while giving other state employees a 3-percent bonus.

"In my own company, I couldn't give one group a raise and not the other," he said. "State employees don't get off for Christmas, spring or summer. How do we justify that?"

Heath responded that the discrepancy came down to "a matter of priorities," and McCrory had made raising teacher pay to \$50,000 a priority. Evidently, state employees and retirees are not a priority.

Rep. Paul Stam brought up what SEANC has said for two years, that state employees and retirees have fallen woefully behind the cost-of-living over the last decade. He also pointed out that state employees receive no local supplements and usually live in areas with a higher cost of living.

Similar questions on state employees and retirees came from Rep. Gary Pendleton (R-Wake), Rep. Bobbie Richardson (D-Franklin), Sen. Angela Bryant (D-Halifax), Sen. Don Davis (D-Greene) and Sen. Floyd McKissick (D-Durham).

Rep. Nelson Dollar (R-Wake), who led the meeting, told the committee he was "very certain" that true raises would be considered in the House's budget proposal.

[As we stated last week](#), SEANC looks forward to working with legislators on a true “common sense” budget that recognizes that state employees and retirees need real pay increases to keep up with the rising costs of everything from rent to goods and services to health care.

The House will go first in proposing its budget this year, and representatives seem to already be hard at work. Once the House passes a budget, it will be the Senate’s turn to weigh in. The two sides will then work out a compromise to pass along to Gov. McCrory to sign. The speculation is that the entire session will move fast. Sen. Phil Berger already alluded to leaving Raleigh before July 4.

State Health Plan unveils revised changes

Not all of the news for state employees came from the legislature. The State Health Plan Board of Trustees heard a whole new list of proposed changes to the plan for 2017 and beyond.

As you’ll recall, SEANC members stood up against plans to cut spousal coverage and the PPO 70/30 plan in May, but plan officials vowed to offer more changes after the GA returned to session.

The new proposal scales back the massive cost shift to employees and keeps both spousal coverage and the PPO 80/20 option. However, the proposal still includes a significant increase in deductible on the 80/20 plan up to \$1,250 from the current \$700, as well as an increased 80/20 premium.

SEANC Director of Operations Chuck Stone spoke out for state employees and retirees in the public comments section of the meeting. [Watch his comments by clicking here](#).

The board will meet on May 13 to vote on the proposals.

Contact your legislators

We encourage members to [contact your lawmakers to make sure your voice is heard](#). 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](#).