

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1172
PROPOSED COMMITTEE SUBSTITUTE H1172-PCS10861-LR-5

Short Title: Take Voluntary Furloughs/State Gov. & Schools.

(Public)

Sponsors:

Referred to:

April 8, 2009

1 A BILL TO BE ENTITLED
2 AN ACT ALLOWING PUBLIC EMPLOYEES TO TAKE VOLUNTARY FURLOUGHS TO
3 EFFECT NECESSARY ECONOMIES IN STATE EXPENDITURES, THEREBY
4 REDUCING THE NEED FOR REDUCTIONS IN FORCE AND MANDATORY
5 FURLOUGHS DURING THE CURRENT AND ANY FUTURE ECONOMIC CRISIS.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. Article 2 of Chapter 126 of the General Statutes is amended by
8 adding a new section to read:

9 **"§ 126-8.6. Voluntary furloughs.**

10 (a) The following definitions apply in this section:

11 (1) Essential position. – Any position deemed by the head of a public agency to
12 be necessary to perform the critical functions of that agency to protect the
13 health or safety of the agency's employees, students, clients, or patients or to
14 protect the general public.

15 (2) Nonessential position. – Any position in a public agency not designated as
16 an essential position by the head of the public agency.

17 (3) Public agency. – A State agency, department, or institution; and the
18 executive, legislative, and judicial branches of State government; The
19 University of North Carolina; the North Carolina Community College
20 System; and local school administrative units.

21 (4) Public employee. – An employee employed by a public agency.

22 (5) Voluntary furlough. – A temporary voluntary period of leave from
23 employment without pay up to a maximum of 30 days per fiscal year for
24 nonessential positions and a maximum of 10 days per fiscal year for
25 essential positions.

26 (b) The Governor may affect necessary economies in State expenditures by authorizing
27 voluntary furloughs of public employees. Prior to authorizing voluntary furlough of public
28 employees, the Governor shall determine that a voluntary furlough program is reasonable and
29 necessary to meet the important public purpose of balancing the budget. The Governor may
30 create incentives to encourage State employees to take voluntary furloughs.

31 (c) Notwithstanding any other provision of law, a public employee on a voluntary
32 furlough who is:

33 (1) A member of any of the retirement plans administered by the Retirement
34 Systems Division of the Department of the State Treasurer shall be



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1 considered in active service during any period of voluntary furlough and
2 shall be entitled to the same benefits to which the public employee was
3 entitled on the workday immediately preceding the furlough. During a
4 voluntary furlough period, the public employer shall pay both employee and
5 employer contributions to the Retirement Systems Division on behalf of the
6 voluntarily furloughed employee as though the employee were in active
7 service.

8 (2) A member of the State Health Plan for Teachers and State Employees shall
9 be considered eligible for coverage under the Plan on the same basis as on
10 the workday immediately preceding the furlough. The public employer shall
11 pay contributions on behalf of the voluntarily furloughed employee as
12 though the employee were in active service.

13 (d) Public employees in essential positions are eligible to participate in the voluntary
14 furlough program only if specifically authorized by the head of the public agency."

15 **SECTION 2.** G.S. 126-5 is amended by adding the following subsection to read:

16 "(c12) Notwithstanding any other provision of this section, the provisions of G.S. 126-8.6
17 shall apply to all exempt and nonexempt employees in the executive, legislative, and judicial
18 branches; to employees of The University of North Carolina; to employees of the North
19 Carolina Community College System; and to employees of local school administrative units."

20 **SECTION 3.** The State Personnel Commission, in consultation with the Office of
21 State Budget and Management, shall adopt emergency rules for the implementation of this act
22 in accordance with G.S. 150B-21.1A, except that notwithstanding G.S. 150B-21.1A(d), those
23 emergency rules may remain in effect until July 30, 2010.

24 **SECTION 4.** This act is effective when it becomes law.