

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE BILL 1172  
Committee Substitute Favorable 4/15/09  
PROPOSED COMMITTEE SUBSTITUTE H1172-PCS30329-LR-18

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 STATE GOVERNMENT EMPLOYEES AND PUBLIC SCHOOL  
3 PERSONNEL TO TAKE VOLUNTARY FURLOUGHS TO EFFECT NECESSARY  
4 ECONOMIES IN STATE EXPENDITURES, THEREBY REDUCING THE NEED FOR  
5 REDUCTIONS IN FORCE AND MANDATORY FURLOUGHS DURING THE  
6 CURRENT AND ANY FUTURE ECONOMIC CRISIS.

7 The General Assembly of North Carolina enacts:

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

10 "**§ 126-8.6. Voluntary furloughs.**

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

- 12 (1) Essential position. – Any position deemed by the head of a public agency to  
13 be necessary to perform the critical functions of that agency to protect the  
14 health or safety of the agency's employees, students, clients, or patients or to  
15 protect the general public.  
16 (2) Nonessential position. – Any position in a public agency not designated as  
17 an essential position by the head of the public agency.  
18 (3) Public agency. – A State agency, department, or institution in the executive  
19 branch of State government; The University of North Carolina; the North  
20 Carolina Community College System; and a local school administrative unit.  
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 effect necessary economies in State expenditures by authorizing  
27 voluntary furloughs of public employees. Prior to authorizing voluntary furloughs 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 shall  
30 consult with each public agency head to determine whether to implement a voluntary furlough  
31 for the entire public agency or within one or more designated units of the public agency.

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



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1           (1) A member of any of the State-supported retirement plans administered by  
2 the Retirement Systems Division of the Department of the State Treasurer,  
3 or an Optional Retirement Program (ORP) administered under G.S. 135-5.1  
4 or G.S. 135-5.4, shall be considered in active service during any period of  
5 furlough and shall be entitled to all of the same benefits to which the  
6 employee was entitled on the workday immediately preceding the furlough.  
7 The member shall suffer no diminution of retirement average final  
8 compensation based on being on voluntary furlough, and the retirement  
9 average final compensation shall be calculated based on the undiminished  
10 compensation. During a voluntary furlough period, the employer shall pay  
11 both employee and employer contributions to the Retirement Systems  
12 Division or ORP on behalf of the voluntarily furloughed employee as though  
13 the employee were in active service.

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

19           The provisions of this subsection apply to all voluntary furloughs whether in a public  
20 agency, the legislative or judicial branches of State government, or in a local school  
21 administrative unit.

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

24           (e) Public agencies with employees not subject to the State Personnel Act shall adopt  
25 emergency rules substantially equivalent to the rules of the State Personnel Commission. To the  
26 extent possible, public agencies shall ensure that all voluntarily furloughed employees are  
27 subject to the same rules. The Office of State Personnel shall provide technical assistance to  
28 public agency heads to expedite implementation of a voluntary furlough program."

29           **SECTION 2.** G.S. 7A-343 is amended by adding a new subdivision to read:

30           "(11) Upon a determination by the Chief Justice that the voluntary furlough of  
31 judicial employees is necessary to effect economies in State expenditures,  
32 the Director shall implement a voluntary furlough program for employees of  
33 the Judicial Department. Judicial employees who are on a voluntary furlough  
34 pursuant to this subdivision shall be entitled to the benefits provided to  
35 public employees by G.S. 126-8.6(c). For purposes of this subdivision, the  
36 term 'voluntary furlough' has the same meaning as set forth in  
37 G.S. 126-8.6(a)(5)."

38           **SECTION 3.** G.S. 115C-47 is amended by adding a new subdivision to read:

39           "(51) To Allow Voluntary Furloughs. – Local boards of education are authorized  
40 to provide for the voluntary furlough of employees upon their determination  
41 that the voluntary furlough of public school personnel is necessary to effect  
42 economies in expenditures. Public school personnel who are on a voluntary  
43 furlough pursuant to this subdivision shall be entitled to the benefits  
44 provided to public employees by G.S. 126-8.6(c). For purposes of this  
45 subdivision, the term 'voluntary furlough' has the same meaning as set forth  
46 in G.S. 126-8.6(a)(5)."

47           **SECTION 4.** G.S. 120-32 is amended by adding a new subdivision to read:

48           "(14) Provide for the voluntary furlough of legislative employees, if it determines  
49 that the furloughs are necessary to effect economies in State expenditures.  
50 Legislative employees who are on a voluntary furlough pursuant to this  
51 subdivision shall be entitled to the benefits provided to public employees by

1                    G.S. 126-8.6(c). For purposes of this subdivision, the term 'voluntary  
2                    furlough' has the same meaning as set forth in G.S. 126-8.6(a)(5)."

3                    **SECTION 5.** The Office of State Personnel, in consultation with the Office of  
4 State Budget and Management, shall adopt emergency rules for the implementation of this act  
5 in accordance with G.S. 150B-21.1A, except that notwithstanding G.S. 150B-21.1A(d), those  
6 emergency rules may remain in effect until June 30, 2011.

7                    **SECTION 6.** This act is effective when it becomes law.