

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1172

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

Sponsors: Representatives Owens, Gibson (Primary Sponsors); Faison, Glazier, Goforth, and Lucas.

Referred to: State Government/State Personnel, if favorable, Appropriations.

April 8, 2009

1 A BILL TO BE ENTITLED
2 AN ACT ALLOWING STATE EMPLOYEES AND PUBLIC SCHOOL PERSONNEL TO
3 TAKE VOLUNTARY FURLOUGHS TO EFFECT NECESSARY ECONOMIES IN
4 STATE EXPENDITURES, THEREBY REDUCING THE NEED FOR REDUCTIONS IN
5 FORCE AND MANDATORY FURLOUGHS DURING THE CURRENT AND ANY
6 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) State agency. – A State agency, department, or institution; in the executive
13 branch of State government. The term includes The University of North
14 Carolina and the North Carolina Community College System.

15 (2) Essential positions. – Any position deemed by the head of a State agency to
16 be necessary to perform the critical functions of that agency to protect the
17 health or safety of the agency's employees, clients, or patients of the State
18 agency or to protect the general public.

19 (3) Voluntary furlough. – A temporary voluntary period of leave from
20 employment without pay up to a maximum of 20 days per fiscal year for
21 nonessential positions and a maximum of 10 days per fiscal year for
22 essential positions.

23 (4) Nonessential positions. – Those positions in a State agency not designated as
24 essential positions by the head of the State agency.

25 (b) The Governor may affect necessary economies in State expenditures by authorizing
26 voluntary furloughs of State employees. Prior to authorizing voluntary furlough of employees,
27 the Governor shall determine that a voluntary furlough program is reasonable and necessary to
28 meet the important public purpose of balancing the budget. The Governor shall consult with
29 each State agency head to determine whether to implement a voluntary furlough for the entire
30 State agency or within one or more designated units of the State agency.

31 (c) Notwithstanding any other provision of law, a State 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
35 considered in active service during any period of voluntary furlough and
36 shall be entitled to the same benefits to which the employee was entitled on



1 the workday immediately preceding the furlough. During a voluntary
2 furlough period, the employer shall pay both employee and employer
3 contributions to the Retirement Systems Division on behalf of the
4 voluntarily furloughed employee as though the employee were in active
5 service.

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

11 The provisions of this subsection apply to all voluntary furloughs whether in a State
12 agency, the legislative or judicial branches of State government, or in a local school
13 administrative unit.

14 (e) Employees in essential positions are eligible to participate in the voluntary furlough
15 program only if specifically authorized by the head of the State agency.

16 (f) State agencies with employees not subject to the State Personnel Act shall adopt
17 emergency rules substantially equivalent to the rules of the State Personnel Commission. To the
18 extent possible, State agencies shall ensure that all voluntarily furloughed employees are
19 subject to the same rules. The Office of State Personnel shall provide technical assistance to
20 State agency heads to expedite implementation of a voluntary furlough program."

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

22 "(11) Upon a determination by the Chief Justice that the voluntary furlough of
23 judicial employees is necessary to affect economies in State expenditures,
24 the Director shall implement a voluntary furlough program for employees of
25 the Judicial Department. Judicial employees who are on a voluntary furlough
26 pursuant to this subdivision shall be entitled to the benefits provided to State
27 employees by G.S. 126-8.6(c). For purposes of this subdivision, the term
28 'voluntary furlough' has the same meaning as set forth in
29 G.S. 126-8.6(a)(3)."

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

31 "(51) To Allow Voluntary Furloughs. – Local boards of education are authorized
32 to provide for the voluntary furlough of employees upon their determination
33 that the voluntary furlough of public school personnel is necessary to affect
34 economies in expenditures. Public school personnel who are on a voluntary
35 furlough pursuant to this subdivision shall be entitled to the benefits
36 provided to State employees by G.S. 126-8.6(c). For purposes of this
37 subdivision, the term 'voluntary furlough' has the same meaning as set forth
38 in G.S. 126-8.6(a)(3)."

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

40 "(14) Provide for the voluntary furlough of legislative employees, if it determines
41 that the furloughs are necessary to affect economies in State expenditures.
42 Legislative employees who are on a voluntary furlough pursuant to this
43 subdivision shall be entitled to the benefits provided to State employees by
44 G.S. 126-8.6(c). For purposes of this subdivision, the term 'voluntary
45 furlough' has the same meaning as set forth in G.S. 126-8.6(a)(3)."

46 **SECTION 5.** The Office of State Personnel, in consultation with the Office of
47 State Budget and Management, shall adopt emergency rules for the implementation of this act
48 in accordance with G.S. 150B-21.1A, except that notwithstanding G.S. 150B-21.1A(d), those
49 emergency rules may remain in effect until July 30, 2010.

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