



Beth A. Wood, CPA  
State Auditor

STATE OF NORTH CAROLINA

## Office of the State Auditor

2 S. Salisbury Street  
20601 Mail Service Center  
Raleigh, NC 27699-0600  
Telephone: (919) 807-7500  
Fax: (919) 807-7647  
<http://www.ncauditor.net>

# Memorandum

To: Financial Officers of Local Education Agencies

From: State Auditor Beth A. Wood, CPA *BAW*

Date: March 24, 2017

Re: Session Law 2014-115, Section 62(b) of House Bill 1133

In 2013, the General Assembly of North Carolina enacted Session Law 2014-115, Section 62(b) of House Bill 1133 (see Attachment A), related to payroll deductions for payments to certain employees' associations. This bill requires certain employee associations to have minimum memberships in order to authorize a payroll deduction to be paid to the association. This bill also requires the Office of the State Auditor (OSA) to verify and certify annually the total membership count and the State, political subdivision of the State, or public school employee membership count of a domiciled employees' association. For that reason, we are requesting you provide the OSA a report containing your employees that made payments through payroll deduction to an employees' association for the December 2016 payroll period. We request that this include the employee name and employee association that received payment (please do not include Social Security numbers).

Below is a list of some of the employee associations that we are aware of at this time. If you have employees that have authorized payroll deductions to other employee associations, please include those in your report.

- State Employees Association of North Carolina (SEANC)
- North Carolina Association of Educators (NCAE)
- NC Troopers Association (NCTA)
- NC Public Service Workers Union (UE Local 150)
- Correctional Peace Officers Foundation (CPO)
- Southern States Police Benevolent Association (SSPBA)
- Teamsters Local
- Professional Educators of NC (PENC)
- Chapel Hill-Carrboro Federation of Teachers
- North Carolina Association of Teacher Assistants
- North Carolina Classroom Teacher's Association
- School Bus Drivers Association

We ask that you please provide this information by April 17, 2017 via the dedicated communication portal at the Department of Public Instruction (see Attachment B). Please note that the documentation obtained for this engagement is the property of the Office of the State Auditor and constitutes confidential information.

If you have any questions contact Ashley Byrd, Assistant State Auditor, at 919-807-7574 or Tim Hoegemeyer, General Counsel at 919-807-7670. Thank you for your quick response to this request.

Attachments (2)

## Attachment A

### House Bill 1133:

**SECTION 62.(b)** G.S. 143B-426.40A(g), as amended by subsection (a) of this section, reads as rewritten: "(g) *Payroll Deduction for Payments to Certain Employees' Associations Allowed.* – An employee of the State or any of its political subdivisions, institutions, departments, bureaus, agencies or commissions, or any of its local boards of education or community colleges, who is a member of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, may authorize, in writing, the periodic deduction each payroll period from the employee's salary or wages a designated lump sum to be paid to the employees' association. A political subdivision may also allow periodic deductions for a domiciled employees' association that does not otherwise meet the minimum membership requirements set forth in this paragraph. The total membership count and the State, political subdivision of the State, or public school employee membership count of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, shall be verified and certified annually by the State Auditor.

*An employee of any local board of education who is a member of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, may authorize in writing the periodic deduction each payroll period from the employee's salary or wages a designated lump sum or sums to be paid for dues and voluntary contributions for the employees' association. The total membership count and the public school teacher membership count of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, shall be verified and certified annually by the State Auditor.*

*An authorization under this subsection shall remain in effect until revoked by the employee. A plan of payroll deductions pursuant to this subsection for employees of the State and other association members shall become void if the employees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit. This subsection does not apply to county or municipal governments or any local governmental unit, except for local boards of education.*

## **Attachment B**

### **File Instructions:**

This year we have requested that Dr. Tom Tomberlin, Director of District LEA Human Resources Support at the Department of Public Instruction, act as the facilitator between OSA and the Local Education Agencies. This will allow a more secure and readily available location for providing the requested information.

Please submit the payroll deduction files using the template form provided to ensure the data is uniform across all agencies and limited to the specific fields requested.