

Report of Total Membership Count of Employees' Associations For the Year Ended December 31, 2023

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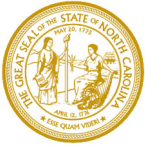
A Department of the State of North Carolina
Jessica N. Holmes, J.D., State Auditor



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Chapter 147, Article 5A of the North Carolina General Statutes gives the Auditor broad powers to examine all books, records, files, papers, documents, and financial affairs of every state agency and any organization that receives public funding. The Auditor also has subpoena power to compel individuals and entities to produce records and to answer questions under oath.



North Carolina Office of the State Auditor

Jessica N. Holmes, J.D., State Auditor

Independent Accountant's Report

Honorable Members of the North Carolina General Assembly
Raleigh, North Carolina

The Office of the State Auditor (OSA) has performed the procedures enumerated below on the membership counts of domiciled employees' associations as of December 31, 2023 as per Session Law 2014-115, Section 62(b) of House Bill 1133. The employees' associations are responsible for accuracy and completeness of membership counts.

The North Carolina General Assembly established the procedures to be performed by the State Auditor to meet the intended purpose of assisting users in determining whether domiciled employees' associations meet the minimum membership requirements to participate in payroll deduction during the year ended December 31, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Responsibilities under House Bill 1133

Per Session Law 2014-155, the North Carolina General Assembly issued House Bill 1133. The General Statute 143B-426.40A(g), as amended, reads as the following:

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.

The procedures and associated findings are as follows:

Procedures

The OSA performed the following in order to fulfill our statutory obligation:

- Reviewed House Bill 1133 which amended G.S. 143B-426.40A(g). We also reviewed the State Auditor's responsibilities to verify and certify the following:
 - Membership counts for domiciled employees' associations with at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees.
 - Membership counts for domiciled employees' associations with at least 40,000 members, the majority of whom are public school teachers.
- Attempted to obtain an official listing of domiciled employees' associations, however, such a list is not readily available. Therefore, to identify the domiciled employees' associations with members whom have authorized periodic payroll deduction, the OSA requested payroll deduction reports from all state agencies, community colleges, universities, local education agencies, and the University of North Carolina Hospitals at Chapel Hill. The reports identified employees' associations that were subject to House Bill 1133.
- Requested the total membership count, including a breakdown by membership type, from each employees' association identified in the payroll deduction reports. The requested information would provide the total membership counts and type of membership by association. The employees' associations are responsible for the completeness and accuracy of the membership counts. Our procedures were limited to verifying and certifying the membership counts provided by the employees' associations.
- Performed analytical and reconciliation procedures to verify and certify the membership counts provided by the employees' associations as of December 2023.
- Compiled membership counts by employees' association using the information provided from employees' associations as listed in the following table.

Findings

The OSA has hereby verified and certified the membership counts of domiciled employees’ associations as of December 31, 2023, in accordance with Session Law 2014-115, Section 62(b) of House Bill 1133.

The following employees’ associations had at least 2,000 members, 500 of whom were employees of the State, a political subdivision of the State, or public school employees:

<u>Employees' Association</u>	<u>Total Membership Count</u>
State Employees Association of North Carolina (SEANC)	40,181
North Carolina Association of Educators (NCAE)	25,679
Southern States Police Benevolent Association (SSPBA)	16,803
Teamsters Local 391	8,399
North Carolina Public Service Workers Union (UE Local 150)	6,319
Correctional Peace Officers Foundation (CPOF)	2,649
Professional Educators of North Carolina (PENC)	2,082

The following employees’ associations did not have at least 2,000 members, 500 of whom were employees of the State, a political subdivision of the State, or public school employees:

<u>Employees' Association</u>
Classroom Teachers Association of North Carolina (CTANC)
North Carolina Troopers Association (NCTA)
Teamsters Local 71
School Bus Driver Association

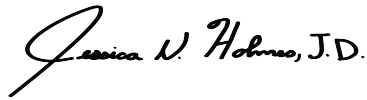
The OSA did not identify any employees’ associations with at least 40,000 members, the majority of whom were public school teachers.

The OSA was statutorily obligated by the North Carolina General Assembly to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to agreed-upon procedures contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, the OSA makes no representation regarding the sufficiency of the procedures described above either for the purpose for which this report has been requested or for any other purpose. The OSA was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the employees’ associations’ membership counts. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Accountant's Report

We are required to be independent of the employees' associations and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the North Carolina General Assembly, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Jessica N. Holmes, J.D." in a cursive script.

Jessica N. Holmes, J.D.
State Auditor

Raleigh, North Carolina

September 23, 2024

Ordering Information

Copies of this report may be obtained by contacting:

Office of the State Auditor
State of North Carolina
20601 Mail Service Center
Raleigh, North Carolina 27699

Telephone: 919-807-7500
Fax: 919-807-7647
Internet: www.auditor.nc.gov



To report alleged incidents of fraud, waste or abuse in state government contact the Office of the State Auditor's Tipline:

Telephone: 1-800-730-8477

Internet: www.auditor.nc.gov/about-us/state-auditors-tipline

For additional information contact the North Carolina Office of the State Auditor at:

919-807-7666



This engagement required 250 hours at an approximate cost of \$34,000.