

News from Jones Street

*Your legislative updates from Jackson Cozort,
RGEA Director of Government Relations*

October 31, 2025

On October 30, RGEA moved its advocacy efforts from the dormant halls of the legislature to the LGERS and TSERS Board of Trustees with the Five-Year Experience Study—a statutory “bearing check” that ensures the pension systems stay on course amid changing demographics, investment returns, and longevity trends.

This study informs Trustees so they may adjust assumptions of the plans so they remain sustainable and responsive.

Recent pension performance is encouraging: year-to-date returns through Sept. 30 are 10.8% (vs. a 6.5% target), which, if sustained, will help offset the 2022 investment loss that stays on the books until 2027.

LGERS and TSERS face short-term pressures (lower returns 2020–24 and faster salary growth), but longer employee tenure and recent strong returns support long-term health.

COLA tied to an earnings threshold is unfortunately not projected for 2026 but remains possible for 2027.

RGEA will stay in communication with the Treasurer’s office and Trustees so retirees’ needs—including future COLAs—are heard and protected as we balance the urgency with the long-term stability of the plans. Follow RGEA for updates and ways to stay involved.

October 24, 2025: End of Session Edition

Republican leaders in the state House and Senate met and failed once again in achieving the main goal of the long session—the passing of a state budget. The faltering negotiations bottomed out on Wednesday, when the state House of Representatives announced its members would be leaving Raleigh with no plans to return until sometime in 2026. This will be the first time in North Carolina’s history that the legislative body has not produced a budget during a long session.

On a positive side, before the House left, they passed Senate Bill 599, which contained the House budget’s version of Teacher and State Employee raises, as well as the one-time 3% bonus for TSERS retirees. Despite the House’s best efforts to do the right thing, the Senate had already left for the week with no intention of even considering this bill. The lack of coordination and collaboration between the two chambers can be witnessed in this message provided by President Pro Tem Phil Berger’s communication staff.

So what does the failure to pass a budget mean for North Carolinians? Teachers and state employees will continue to work without promised raises, state retirees will not receive pension supplements, Medicaid cuts will hit local healthcare providers, and planned new construction projects on everything from roads to public universities will be delayed with some projects already underway coming to complete standstill.

Many are wondering how House and the Senate, each with Republican majority, could be so at odds for this to be the outcome. The House wanted larger teacher and state employee raises, a 3% one-time bonus for state retirees, and important

to note—tax cuts, just not as large as the Senate’s. The Senate wanted larger tax cuts, smaller raises for state employees and teachers, and for the second year in a row—no pension supplement for state retirees.

Underlying this is the Senate’s rejection of budget forecast projections prepared by the legislature’s own experts—the Office of State Budget Management and the Fiscal Research Division. Senate President Pro Tem Phil Berger is on the record stating that he believes North Carolina will exceed the forecasted revenue projections provided in the Consensus Budget and still be able to absorb greater tax cuts. Berger indicated he formed this opinion based on his tenure and experience in the Senate, having led the state senate since 2011. Note: Berger is the longest tenured legislative leader in North Carolina and the United States. He is facing his first serious primary challenger in 2026 from Sam Page, the Rockingham County Sheriff, who is seeking the Republican nomination for Berger’s Senate seat.

On the other hand, Speaker of the House Destin Hall and other House Republicans have put their faith in their forecast analysis, as the legislature has year after year to steer North Carolina toward budget success. “We can’t cut taxes and then hope to have enough revenue,” senior appropriations chair Rep. Donnie Lambeth said in Wednesday’s House session.

Looking Ahead

With the House and Senate apparently adjourning until next year and no budget agreement in sight, this year’s legislative session ends in stalemate. For state retirees, that means another delay in the much-needed pension supplement that the House leadership vigorously supported but ultimately was blocked by the Senate and failed to become law.

RGEA will continue advocating for action and urging legislative leaders to honor their commitments to retired state government employees who have kept North Carolina strong. Inflation relief remains a top priority, and we will be ready to re-engage lawmakers in Raleigh and in their home districts.

We encourage members to stay connected through our website, Facebook page, and News from Jones Street for updates.

Local Government Retiree Update

For local government retirees, RGEA has been in discussion with the Treasurer’s staff for the past few weeks in preparation for next week’s October 30th Trustees Meeting. Key topics will be the valuation report, updates on the five-year experience study, and the quarterly investment report. RGEA staff and board members, who are local government retirees, will be in the room to represent you. Agendas and details on how you can listen to the meeting are available here: [TSERS and LGERS Board of Trustees Meeting](#). We will have a full report on the meeting’s outcomes next week.

October 16, 2025

For those who have lived (or worked) in a “factory town,” you may be familiar with the term “factory time.” The concept emerged during the Industrial Revolution to ensure that everything at the factory ran on time and efficiently in the production of its final product. Certain North Carolina towns were among the nation’s most prosperous, in large part because they ran things on time in the production of cigarettes, textiles, and lumber products.

Not surprisingly, the local business, civic organizations, and faith-based entities in these “factory towns” began to reflect the disciplined adherence to time that the town’s primary employer, the factory, employed. Everything hummed along on the tick-tock of the factory clock. Tardiness was more than frowned upon, and running behind could disrupt the community, causing a ripple effect with serious and life-altering consequences.

This framework sets up this week's New from Jones Street as our state's "factory clock" continues to tick away, but the legislature's output—a budget—has not been produced within the scheduled timeframe.

After another month's delay, the North Carolina General Assembly is reportedly planning to reconvene early next week. However, by all indications, little to no progress has been made toward resolving the ongoing budget impasse between the House and the Senate.

The same sticking points, including the tax package, state employee pay increases, and TSERS retiree bonuses that stalled negotiations over the summer, remain unresolved today. Despite repeated calls for compromise, both chambers remain firmly dug in, leaving state agencies, infrastructure projects, and retirees alike waiting for clarity on the state's fiscal direction.

Meanwhile, North Carolina finds itself in an increasingly rare position: we are one of only two states in the entire country that have yet to pass a budget. The prolonged delay has left vital decisions about pay raises, retiree supplements, and program funding in limbo, creating massive uncertainty across the public sector.

Just another reminder that this stalemate is not a matter of partisanship. Both chambers hold large Republican majorities, but the House's version of the budget contained a slightly different tax package, larger State Employee raises, as well as a bonus for TSERS retirees. The Senate wanted larger tax cuts, with smaller pay increases for State Employees, and no pension supplements at all for state retirees.

Recall, the House's version of the budget passed by an overwhelming bipartisan vote of 93–20. This kind of across-the-aisle consensus is rare, so having this many lawmakers in the House in agreement indicates that this budget reflects a large swath of the people of North Carolina. The Governor, although not fully endorsing, expressed the merit of specific components of this budget. The Senate, however, has very publicly condemned this budget, creating a standoff that has been ongoing since May 22nd.

As we move deeper into the fiscal year, it is well past "factory time" for the Senate to act. By concurring with the House budget, the legislature can restore confidence in the governmental budgeting process, provide stability for North Carolina's citizens, and deliver the security that our state employees and retirees have long been waiting for.

Contact your Senator today and let them know it is imperative for the good of the State and its citizens that they end this standoff and concur with the House's version of the budget. Find your legislator.

October 10, 2025

It's been another fairly uneventful week at the North Carolina General Assembly as lawmakers continue to be at a stalemate and no closer towards a final state budget as key disagreements remain unresolved. Legislative leaders in both chambers have acknowledged that a comprehensive budget plan isn't even close to being ready, with negotiations bogged down over the tax package including how to balance Medicaid allocations, state employee raises and TSERS retiree bonuses.

This delay leaves many state programs and agencies in a holding pattern while lawmakers try to reach consensus behind the scenes. For state retirees and public employees, the longer the impasse continues, the longer it takes to see clarity on potential pension supplements or other benefit provisions that may emerge once the budget is finalized.

In other news, Governor Josh Stein this week signed “Iryna’s Law”, a bipartisan criminal justice measure aimed at strengthening North Carolina’s pretrial release system. The law creates tougher rules for repeat violent offenders, expands mental health evaluations for certain defendants, and increases protections for victims.

Even with budget talks stalled and no new legislation moving through the pipeline, all eyes still remain on Jones Street as lawmakers prepare for the final stretch of the 2025 session.

RGEA will continue monitoring these developments closely.

On the LGERS front, we continue to get good news from our State Treasurer. In case you missed it, here is a great article that details his progress so far this year.

October 3, 2025

Budget Stalemate Deepens as Legislative Agenda Stalls

Another week has passed, and the North Carolina General Assembly remains deadlocked over a final, comprehensive state budget. What began as a delay has now stretched into months, making it increasingly unlikely that a full budget will be adopted before the end of the calendar year.

This impasse has not only frozen budget negotiations—it has effectively halted the broader legislative agenda. Nearly all other bills, from statewide policy reforms to local initiatives, are sitting idle while House and Senate leadership struggle to reach consensus. Notably, this is not a partisan standoff: both chambers are led by the same political party. The gridlock is not about Democrats versus Republicans, nor is it an urban versus rural divide.

To understand the scale of the slowdown, consider past sessions. In 2011, lawmakers passed a budget and enacted more than 400 bills, which were signed into law by the Governor, according to the NC Legislature’s official website. In stark contrast, as of this week, only 71 bills have been signed into law during the current long session. Interestingly, the political makeup in 2011 was nearly identical: a Republican-led House and Senate with a Democratic Governor. Every budget year presents its own challenges, and 2025 is proving to be at an unprecedented level, with budget discussions so far apart.

Now is the time to contact your legislators and urge them to support a budget that includes inflation relief for State retirees, as proposed in the House version. You can find your legislator using the Find My NC Legislator – RGEA tool on the RGEA website.

Updates for Local Government Retirees

As noted in previous issues of News from Jones Street, post-retirement increases for Local Government retirees are determined by the LGERS Trustees, based on investment performance. At the upcoming LGERS/TSERS Trustee meetings on October 30, updated investment return reports will be presented. We anticipate encouraging news regarding third-quarter returns. RGEA will attend the meeting and will share specific outcomes with members once they become available.