



LEGISLATIVE *Update*

State Employees Association of North Carolina • www.seanc.org

P.O. Drawer 27727 • Raleigh, NC 27611 • 888-732-6242/919-833-1616 (Press 1)

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Balanced Budget Act, Part II Legislators Look to Move Governance of State Health Plan

Last week, Gov. Perdue vetoed the Balanced Budget Act (SB13), which would have cut corporate welfare by taking a portion of funds from programs like the Golden LEAF Foundation and the One North Carolina Fund in order to keep the budget cuts in the coming year from being quite as drastic. This veto will have horrible effects on state employees who will now bear the brunt of budget cuts alone while corporations still keep their hand out for your tax dollars.

This week we saw the beginning of these negative effects for state employees. Perdue's insistence to protect these corporate slush funds inspired SB109, which directs the Governor to cut over \$500 million from this current fiscal year. The bill cleared the Senate with support from both Democrats and Republicans and was sent to the House.

For state employees, SB109 is likely to mean more drastic cuts to the important public services we provide and taxpayers expect. The taxpayers' loss will once again be the gain of big business.

In other legislative news, after years of being mismanaged by the General Assembly, the State Health Plan (SHP) looks to be on its way to a new home. Sponsored by Rep. Nelson Dollar, Rep. Hugh Blackwell, Rep. Pat Hurley and Rep. John Blust, HB161 would move the SHP to the Department of the State Treasurer. Last year, several Representatives filed a bill at SEANC's request to move the SHP from the General Assembly, but the House leadership would not allow a vote on the bill.

Number three in SEANC's list of Top Ten Policy Platform Objectives is to move the governance of the SHP out of the General Assembly. While overseen by the legislature, the SHP has engaged in a no-bid, secret contract with Blue Cross and Blue Shield of North Carolina. Legislators could not even tell reporters how much profit Blue Cross was making on the SHP, but felt fine about cost-shifting to employees and retirees by raising co-pays and deductibles while reducing benefits to SHP members.

Currently in committee, HB161 would go a long way toward stopping the insanity. The House Insurance Committee heard HB161 this week and gave it a favorable report. SEANC Lobbyist Ardis Watkins spoke in favor of the bill, saying "The 55,000 members of our association think moving the governance of the State Health Plan out of the legislature is long overdue. The plan is far too complex and important to our members for there to be no real oversight."

HB161 now goes to the House Appropriations Committee. SEANC members should call their Representatives to express support for the bill. To find out who represents you, please go to the General Assembly's website at www.ncleg.net. Contact information for all legislators can be found on the General Assembly's website as well.

Are you a SEANC Warrior? Join us Monday night at 6:30 p.m. to remind our elected representatives that state employees provide the services that the citizens of North Carolina need and have come to expect. Contact Tony Booe at tbooe@seanc.org or at 1-800-222-2758 to let us know you will be joining us.