



LEGISLATIVE *Update*

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

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Senate Bill 13 to Curb Corporate Welfare Passes House, Sent to Governor

Senate Bill 13 (SB13), “Balanced Budget Act of 2011,” passed the N.C. House by a vote of 66 to 51 on Thursday, Feb. 10. The bill is designed to reduce budget cuts by authorizing the governor to reduce state agency expenditures for the rest of the current fiscal year with a target of at least \$400 million. The bill would also transfer \$142 million from other funds including Golden LEAF (\$67.5 million) and the One North Carolina Fund (\$5.2 million).

Debate about this bill on the House floor focused primarily on the transfers from Golden LEAF and the One North Carolina Fund. These are two of the “economic development” programs that really just amount to nothing more than cash payouts to corporations in exchange for promising to create a few jobs. SB13’s sponsors noted that funds committed for these purposes are absolutely essential if the state has any hope of closing the \$2.7 billion dollar budget gap projected for next year. They also highlighted that the state would have to take much more severe budget cuts in the upcoming year if action isn’t taken now.

During House Appropriations Committee debate, SEANC Legislative Affairs Director Ardis Watkins spoke in favor of SB 13, saying “State government jobs provide the infrastructure that provides services to citizens and encourages businesses to come to North Carolina. Yet, state employee layoffs are on the table this year and every year. This bill is about shared sacrifice and it’s time the legislature look somewhere other than just at state employees and retirees to solve a budget crisis we did not create.”

Ultimately, SB 13 is necessary in order to:

- minimize layoffs of state employees and teachers
- minimize reductions in State Health Plan and Retirement System benefits
- maintain quality public services for North Carolina’s citizens
- eliminate corporate welfare

SB13 is now being sent to Gov. Perdue. We have heard some people saying that she may veto the bill because it hampers her ability to throw money at major corporations – such as the example of Dell Computers in Forsyth County. You may recall what a dismal failure that was. The state paid Dell \$250 million to build a manufacturing facility. But in the end, Dell stayed less than five years and left more than 900 people unemployed – yet the dealmakers who were involved still got their payday! This kind of corporate welfare must end!

What can SEANC members do?

Pick up the phone NOW and call Gov. Perdue TODAY at 800-662-7952 or 919-733-2391. Tell her to sign SB13 and end corporate welfare!

PLEASE POST AND SHARE IN YOUR WORKPLACE!