



# LEGISLATIVE Update

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

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## Gov. Perdue Works Hard to Keep It All in the Family – HER Family

On Tuesday, Gov. Perdue vetoed the Balanced Budget Act (SB13), which was designed to save more than half a billion dollars of funds in the current fiscal year and reduce the possibility of state employee job cuts. In defending her veto, Perdue said the bill would have deprived her of funds she claimed were needed for economic development.

The economic development funds Perdue has been fighting so hard to protect included \$75.5 million from Golden LEAF (funds from the national tobacco settlement money), and the One North Carolina Fund. Perdue claimed that the loss of these funds threatened potential job creation from nine different projects including, for example, the recruitment of a company offering to create 94 jobs in Cleveland or Stanly counties. By comparison, the \$75.5 million dollars from Golden LEAF and the One North Carolina Fund would save the jobs of almost 1,800 state workers who provide vital public services to our taxpayers.

So could there be another reason for the veto? On Sunday, Feb. 20, the News & Observer published an investigative piece, "[Governors son works to lure businesses,](#)" which may point to a possible answer. As it turns out, Gov. Perdue's son Garrett works for the state's largest law firm, Womble Carlyle Sandridge & Rice. But more significantly, as noted in the article, Garrett "has worked as an attorney on Womble's economic development team, recruiting and advising corporate clients seeking to relocate or expand operations in North Carolina. Companies represented by his firm have landed multimillion-dollar incentives packages from his mother's administration." (NOTE: Funds for these incentives are paid in part from Golden LEAF and the One North Carolina Fund).

While an executive order issued by the governor requires companies seeking economic incentives to disclose the names of all employees and agents of consultants working on a project, Womble Carlyle's take on the order is up for interpretation. In the News & Observer article, former Womble Carlyle attorney Alexander "Sandy" Sands III claimed that the number of economic development clients Garrett Perdue has worked on "is a secret – protected by attorney-client privilege."

On Thursday, two days after Perdue's veto, Republican legislative leaders released spending targets for the upcoming House and Senate budgets. At the current time these "targets" are merely goals for the appropriations subcommittees to achieve. The House budget is not expected to be released until April 22.

Compared to the governor's proposal, legislative leaders are proposing cuts of approximately \$763 million from education (K-12 public schools, community colleges, and the university system), \$379 million from Health and Human Services, \$140 million from Justice and Public Safety, \$84 million from Natural and Economic Resources, and \$80 million from general government. Likely impacts on each division include the following:

**Education:** Consolidation and elimination of Smart Start and More at Four, caps on university enrollment, elimination of smaller classes

**Health and Human Services:** Consider closing facilities, general re-organization, Medicaid parity with the State Health Plan

**Justice and Public Safety:** Close or consolidate facilities, reduce inmate medical costs by linking to State Health Plan rates

**Natural and Economic Resources:** Analyze economic incentive programs (Golden LEAF, the One North Carolina Fund), limit land and equipment purchases

**General Government:** Re-organize management/budget functions, consolidate human resource functions, sell state property and surplus property, unspecified privatization of some programs

Since corporate welfare programs like Golden LEAF and the One North Carolina Fund are being coddled and sheltered by Gov. Perdue, the pressure is high to save the vital public services that taxpayers depend on. We need your involvement now more than ever.

### **What Can SEANC Members Do?**

We encourage you to join the SEANC Warriors, our member lobbyists who come to the General Assembly on Monday evenings. It is a great opportunity to come face-to-face with state leaders, giving you a chance to share your story about what it's really like to work so hard at providing quality public services for taxpayers. If you are interested in becoming a SEANC Warrior, please call Tony Booe at 800-222-2758.

You can also help in the fight to save critical public services and state jobs by making plans to participate in a SEANC Regional Lobby Day event (March 15, 23, 30) or a regional "Take Pride in Carolina" Hometown Rally (April 9, 16, 30). Check the [SEANC event calendar](#) to register and join the fight to make politicians choose a side – working families or wealthy corporations!