



LEGISLATIVE *Update*

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Budget process stalled as House committee acts on pension secrecy

Conference committee has yet to meet as Senate and House remain far apart on aspects of new spending plan; House panel votes to enshrine pension secrecy

The North Carolina General Assembly is at a stalemate as Senate and House leaders are at odds over several key provisions in their respective proposals for the 2014-15 budget. Among the issues separating the two chambers are pay raises for state employees and retirees. Currently the Senate has proposed a \$809 pay raise for employees and a 0.8 percent COLA for retirees, while the House has proposed a \$1,000 pay raise and five paid bonus days of leave for employees and a 1.44 percent COLA for retirees.



SEANC Executive Director Dana Cope, right, discusses the state budget with Rep. Tim Moore (R-Cleveland), one of the conference committee members.

As the stalemate lingers, SEANC lobbyists are continuing to work to advocate for the priorities of state employees and retirees. And we still need your help. Make your voice heard and contact the conferees. Explain to lawmakers that those people providing North Carolina's public services should not be punished for their inability to compromise on a couple of issues. State employees and retirees have not received a meaningful raise in the last six years and it's time that the General Assembly begin to appropriately value their contributions to North Carolina.

[Click here for an overview of the differences between the two proposed spending plans.](#)

[Click here for the list of conferees.](#)

House committee gives nod to bill enshrining pension secrecy

Despite SEANC speaking out against [House Bill 1209](#) at a [House State Personnel Committee](#) meeting Wednesday, the panel gave a favorable report to the measure, which would continue to allow the state treasurer's office to keep secret its contracts and all associated fees with investment managers for the state pension system.

The bill will now go to the House Appropriations Committee and could be heard next week.

The bill, which is supported by Treasurer Janet Cowell, originally allowed the treasurer's office to keep secret any deals with money managers for 10 years after a contract ends. After SEANC Legislative Affairs Director Ardis Watkins pointed out that 10 years would allow the statute of limitations for any fraud or criminal wrongdoing to expire, several lawmakers in the room took notice.

"This bill fails the employees and the retirees, it fails the taxpayers and it fails you as a body," Watkins told the committee members. "You would be binding the state and keeping the people out for a generation." ([Click here to hear her remarks.](#))

However, while this bill didn't cut neatly along party lines as many do these days in the legislature, there was only one vote against it – Rep. John Blust (R-Guilford). His primary concern was the 10-year secrecy clause.

"Why does anything have to be kept secret for 10 years?" he asked, suggesting that at the very least, the statute of limitations should be extended.

But he received no satisfactory answer, and while there was a suggestion by Rep. Larry Bell (D-Sampson) to hold off on any action until the long session next year and study the matter more thoroughly, bill sponsor Rep. Stephen Ross (R-Alamance), an investment officer with Wells Fargo, said the audit requirement in the bill necessitated the quick action – despite a provision in the state budget to also require an audit.

Ultimately, though, the bill was amended to decrease that number from 10 years to five and was approved. ([Click here to hear the full debate.](#))



SEANC's Legislative Affairs Director Ardis Watkins speaks to the House State Personnel Committee, explaining why House Bill 1209 fails North Carolina taxpayers.

However, that shorter time frame does not make the bill any better for state employees, retirees and taxpayers and still avoids the statute of limitations. SEANC, therefore, will continue to oppose this measure as it winds its way through the General Assembly.

If lawmakers truly wanted to support transparency and openness, another bill, which House leaders have so far refused to even bring up to a committee hearing, [House Bill 1237](#), is a much better option. This simple, two-page bill, which is supported by SEANC, would require that ALL investment records be made public, period. That's what state employees and retirees deserve because it's their money and their future at stake.

Fortunately, this fight isn't over. Contact the members of the [House Appropriations Committee](#) and tell them that you expect them to value public employees and transparency over favors to the politically well-connected financial and securities industry.

For more, [click here to read SEANC President Sidney Sandy's letter to the editor to the News & Observer](#), where he explains why SEANC is advocating for greater transparency in the pension system – because it's our money and our futures at stake, and because “the needs of 800,000 North Carolinians should outweigh the person desires of one politician.”

Bill eliminating vision discounts passes the General Assembly

The Senate officially concurred with the House version of a bill that prohibits insurers and health plans from offering its members key discounts on a number of vision products and services. Traditionally, insurers and health plans have been able to limit or fix the fees that optometrists can charge patients for certain vision services or products, even if they are not covered under the patient's insurance plan or the insurer's contract with the provider.

[Senate Bill 477](#) ends that practice, guaranteeing higher prices for consumers, as several lawmakers acknowledged in [a WRAL story](#).

SEANC lobbyists Chuck Stone and Mitch Leonard were active in arguing against the bill. Stone, in particular, has worked hard attempting to explain to lawmakers that the bill not only hurts millions of North Carolinians with private health insurance, but also the more than 667,000 State Health Plan members who rely on those discounts to afford their vision care. SEANC also tried, unsuccessfully, to persuade senators Thursday to re-instate language that would have mandated optometrists to notify patients in writing of their federal right to get a copy of the prescription and take it elsewhere to be filled.

In the end, lawmakers chose to side with the powerful optometrist lobby and private interests over those of state employees, retirees and taxpayers.

Members! Make Your Action Plan Now!

Members interested in securing a meaningful pay raise and a retiree COLA, as well as advocating for public services are invited and encouraged to [sign up for a Monday-night lobbying session](#) with SEANC's professional lobbyists, who will guide you through the halls of the General Assembly and work with you to make sure that your message is heard.

If you cannot personally advocate for yourself at the General Assembly, please make your voice heard by emailing or calling your legislator. Not sure who your legislator is? [Find out here.](#)

Please know if legislators do not hear directly from state employees and retirees, they will believe you are satisfied with whatever the current legislative proposal is regarding your pay raise and retiree COLA. This is a team effort!

Finally, if you hear that your job is in jeopardy due to potential legislative action, please contact [SEANC's Legislative Affairs team](#) as soon as possible. The earlier we know of potential concerns in your workplace, the quicker we can help you.

To follow what's happening in the General Assembly this year and what SEANC is doing to protect state employees and retirees and taxpayer dollars, [subscribe to the SEANC Scoop](#) and read our weekly [Legislative Update](#). [Also, be sure to sign up for our email alerts.](#)

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