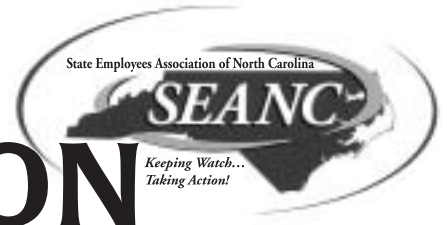


# THE SEANC CONNECTION



District 19

Vol. 10, No. 1, March 2003

## Chair's Column

### Now Is the Time for All State Employees to Keep Watch and Take Action

By Anthony Weaver



And we're off! The dust has finally settled in Raleigh with history being made with the election of two House speakers. Now that Republican Richard Morgan and Democrat Jim Black will be co-speakers, the House can get down to business and begin to tackle the \$2 billion budget gap, after getting nothing done the first week and a half trying to fill the speaker position. Points of concern for State employees will be a pay raise and the health plan. In

addition, State employees are interested in the recommendations of Governor Mike Easley's Efficiency Commission. Some of the issues up for consideration include the elimination of longevity pay and special pay increases, making employees pay a share of their health insurance premiums and a scaling down of the health insurance for employees who have only worked a short period of time for the State before becoming vested in the retirement system. The Commission recommends that longevity pay be eliminated for all new hires but retained by current employees and a new system be developed that rewards excellent job performance. To stay in touch with what is being done or not getting done, check SEANC's web site daily (<http://www.seanc.org/>). Get ready for a wild ride and stay informed on what the Legislature is doing. If there is a call for action, we will be ready to respond quickly and in large numbers. It may take them ten days to find a speaker, but it could take them only one day to reduce our benefits drastically.

### We Want to Hear from You

We want to improve our web page and we need your help. We ask that you look at our page as it is now, as well as the way it may be in the future. To do this, go to <http://www.unc.edu/depts/seanc19/> and then to <http://www.ibiblio.org/fents/seanc19/>. That's all there is to it. Tell us what you think. How can we improve our web page? Please email your comments to [cmiller3@email.unc.edu](mailto:cmiller3@email.unc.edu). We will be very appreciative.

### SEANC Past President Shirley Bell Tells Us How to Balance the Budget and Avoid Serious Cuts

Shirley Bell works for the North Carolina Department of Health and Human Services and has served as Past President of SEANC. On January 26, 2003 she told *The News & Observer* her views on North Carolina's budget deficit and how to fix it. What she had to say was timely and very relevant.

She explained that there had been "tax cuts without corresponding cuts in spending and a downturn in the economy." However,

she suggested ways, often overlooked by legislators, in which spending could be cut. Here are some of the "sure-fire ways to tighten the belt," in Shirley Bell's own words:

"Limit the number of days that lawmakers are in Raleigh. Each day the General Assembly is in session costs in excess of \$50,000, not including the legislators' per diem allowance. Once they have exceeded the allotted days, they should work for free. The longest session, in 2001, cost more than \$20 million.

Have the same per diem for legislators as 'real' state employees whose in-state per diem is \$83. Legislators' per diem is \$104 plus a monthly stipend.

Put 'pork' on hold. We are all in this together. One area should not benefit when the entire state and its citizens are suffering. (Some examples: the more than \$18 million appropriated in 2001-02 to expand the state aquariums at Pine Knoll Shores or the \$7 million-plus appropriated in the same year for the development of the History Education and Visitor Center at Tryon Palace.)

Have Gov. Mike Easley put his initiatives for More at Four and reducing class size on hold. It is admirable to do the things he has envisioned, but they shouldn't be done at the expense of other programs. In fact, all expansion programs should be put on hold during this fiscal crisis.

Abolish the Bill Lee Act. Stop offering huge tax breaks for businesses to come to North Carolina, with no provision to recoup monies spent to prepare properties, if companies change their plans (as with the Nabisco cookie factory in Wake County).

Do away with e-procurement, electronic purchasing from registered vendors. Vendors often raise their prices, sometimes substantially. For some agencies, it does not save money. (The state lab in which I work uses a chemical that went from \$78 to \$240 per liter after we converted to e-procurement. We cannot substitute the chemical.)

Raise sin taxes. Cigarettes and alcohol are not necessary to sustain life. With all the health problems that these two items cause, higher taxes are justified.

Stop ordering duplicate legislative studies in back-to-back sessions.

Make requirements more stringent for people applying for public assistance.

Make it worthwhile for career state employees to continue working as state employees, rather than as contract employees, which is much more costly.

Change health-care rules for state employees so that someone who works only for five years doesn't get free health insurance on retirement. Many people work only long enough to qualify for that benefit."

We agree with Shirley Bell. We can solve North Carolina's financial woes. We don't have to do it on the backs of State employees.

## DISTRICT 19 OFFICERS

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## We Must Unite and Help Each Other



Hello friends, I am Tommy Griffin, Chair of the Employee Forum at UNC-Chapel Hill. Winter is moving very fast and, before you know it, spring will be here.

Have you taken a good look at how the past year has affected you and your family and friends? When I think about 2002, I remember all the hard work and effort that everyone has done to make North Carolina great, both to live in and to work in. My best memories are of the new friends I made and all the help I have received as Chair of the Employee Forum. There are so many wonderful people working for the

State that it is hard to believe it some time. State employees do important things as part of their jobs every day. Nothing happens in this State that is not, in some way, supported by State employees. From the mountains to the ocean, we take care of the needs of all North Carolina citizens.

Have you ever asked yourself why you work for the State of North Carolina? Have you ever asked yourself why you care so much for our beloved State? Well, I know why it is. It's because we all want to make this a great place and we want to give ourselves and our children the opportunity for a better future. Do you know what makes us so great? It's because of the people in North Carolina. We are those people.

Of course, you'd think that, with all the great things that State employees are doing throughout North Carolina every single day, our leaders in Raleigh would want to reward us with fair pay, good benefits and fair treatment. But we always seem to get left out somehow. We all know that the economy is not in good shape at the moment. It's going to improve with time.

The legislators in Raleigh should be planning for the future and they should be figuring out how they can compensate State employees for their continued dedication during a period of no salary increases, disappearing benefits, and more work.

It's time for all State employees to unite and to let our legislators know what we expect from them. They need to know that State employees are struggling to survive when our pay checks shrink and our benefits are cut. I am asking that all of us write our legislators in Raleigh and tell them how we feel about the way we are treated. I know what you think. What good is one letter going to do? But if all of us write one letter, they will receive thousands of letters.

Take the time to write that letter and tell your legislators how you feel. Remember, 2004 is an election year and our votes, like our letters, can make a difference.

State employees are the foundation of this great State. If we stand together, we can bring about the changes that are needed to keep North Carolina great. Look out for each other. Take the time to help each other. A warmhearted thank you goes a long way to change a bad day into a good day.

Have a great day and write that letter. Thank you.

## State Employees Are Always on the Job for You and Me

We are all grateful to the Department of Transportation employees, Department of Crime Control and Public Safety (Division of Emergency Management) employees, and all other State employees who worked tirelessly to ensure that North Carolina citizens were safe during the ice storms in December and February. Thank you. Well done, unsung North Carolina heroes.

## North Carolina's Computer Security Could Be at Risk in the Future

According to a report released by State Auditor Ralph Campbell in late 2002, North Carolina's computer systems were not as secure as they should be. He hired a crew of computer hackers who broke into most State computers in less than thirty minutes. The State has valuable information on file on each one of us, including social security numbers, addresses, salary data, and checking account numbers. Campbell's office says that all of the security weaknesses identified by the hacker consultants have been repaired.

Computer security in North Carolina needs to be strengthened. The cost for this could come to millions of dollars, not a good thing with an anticipated budget deficit of \$2 billion.

## North Carolina Begins Senior Care Prescription Drug Benefit

In November 2002 North Carolina residents age 65 and older began receiving benefits under a new Senior Care prescription drug program.

The State pays 60 percent of the first \$1,000 in costs, up to \$600 per year, for covered prescription drugs for treatment of heart disease, chronic lung disease and diabetes. Senior Care members pay the remaining 40 percent plus a \$6 per prescription fee and any drug costs above the \$600 annual limit.

According to the North Carolina Department of Health and Human Services, 30,000 residents are expected to apply for benefits in the program's first year, with 50,000 more enrolling in the second and third years.

To be eligible, older North Carolinians must be diagnosed with one of the covered conditions and have a total annual income not exceeding \$17,180 for singles and \$23,220 for married couples. They cannot be eligible for Medicaid or have third-party coverage of drugs covered by Senior Care.

More information is available online at [www.ncseniorcare.com](http://www.ncseniorcare.com).

## We Mourn the Passing of Two Valued Members of our District

Longtime members of District 19 Al Harrison died in November 2002 and Jim Vaughn in January 2003. Al Harrison was a Supervisor at UNC Physicians and Associates. He served as delegate to convention and Auditing Chair and Group Buying Chair. Jim Vaughn was an administrator at UNC Hospitals before his retirement. He served as delegate to convention, Group Buying Chair, Secretary-Treasurer and, more recently, as Vice Chair of the Retirees' Chapter. We will miss them both very much.

## District 19 Members Win Awards

We're proud of all of you and we congratulate you.

### Claude Hooker Honored with Nursing Award



Claude displays his award with co-worker Christa Williams

Claude A. Hooker received the second annual Floyd A. Fried Excellence in Urologic Nursing Award in December 2002. Hooker, a surgical technician, has worked with the Division of Urologic Surgery for thirteen years. The award was founded by Dr. Fried, chief emeritus of the Division of Urologic Surgery, to honor nurses in the urology services area. The award recognizes an individual who has performed his or her duties in a manner consistent with the highest level of service and professionalism to patients, colleagues, and the division.

### Linda Cook Receives Excellence in Management Award



Linda Cook, Student Services Manager with the Department of Health Behavior and Health Education, is the recipient of an Excellence in Management Award in 2002.

This award is presented annually to University employees in recognition of meritorious and distinguished accomplishments in management. Each winner receives a monetary award as well as a framed certificate.

Linda Cook was nominated for her creativity, both in "ensuring the equitable distribution of department funds to students," and for "her resourceful budgeting solutions." In addition, she was cited for her tenacity "in seeking and capturing external funding sources for incoming students" and for her "fierce" advocacy of students.

Her nominator wrote, "Linda is a creative leader who is able to balance fairness with advocacy and who, through these qualities, is able to inspire the loyalty of the department's students, staff and faculty.... She's as committed to her job, and 'her students,' as any person I've ever met."

### Janet W. Edwards Wins Staff Excellence Award

In 2002 Janet W. Edwards received a Staff Excellence Award. Janet is a program coordinator for the Municipal and County Administration Courses for the School of Government and "is regarded by her colleagues as a role model."

## Retirees' Corner

A recent statement from the North Carolina Department of State Treasurer is reprinted in its entirety.

## State Treasurer Richard Moore Is Fighting To Protect the State Retirement System

State Treasurer Richard Moore believes that the Teachers' and State Employees' Retirement System is headed for a funding crisis. The System is funded at \$42 billion and includes nearly 461,803 active and retired members. Historically the North Carolina General Assembly funded the System at ten percent of payroll. In 1999 the contribution rate fell to eight percent and continued to drop every year following with the Legislature not making a contribution in 2002. This dramatic change in contribution rates is affecting the fiscal health of the System and its ability to continue to make payments to retirees in the future.

Assuming the Board recommends continuing the long standing practice of adjusting retiree benefits for inflation, the total state contribution, using the more prudent amortization period of twenty years, would need to be an estimated \$257 million. In recent years the General Assembly has set the amortization rate at nine years, rather than the more prudent twenty-year rate that other states use. Setting the amortization period for a shorter time frame is putting the System at greater risk.

If the General Assembly does not make a contribution to the System in the upcoming biennial budget, they will have to find more than a half billion dollars in new money to contribute in the 2005-06 budget.<sup>1</sup>

Treasurer Moore takes his responsibility as sole fiduciary of the Teachers' and State Employees' Retirement System very seriously. He sees the lack of a state contribution as a pattern that must be broken. This is why he is arguing that the State must make a contribution to the System this year. He believes by making a contribution this year, we will reduce the significant contributions that will be required in the future.

Nevada, West Virginia, Oklahoma and Oregon have unfunded liabilities in their retirement systems that exceed their state budgets. The State of California is considering issuing pension obligation bonds to make payments to the California Public Employees' Retirement System and the State Teachers' Retirement System. Treasurer Moore is fighting to keep this crisis from coming to North Carolina.

<sup>1</sup>Assumes a nine-year amortization, no COLA or benefit enhancements and 7.25% annual returns.

SEANC is taking its lawsuit to the North Carolina Supreme Court, seeking to restore pension money taken by Governor Mike Easley. Fifteen other associations, including the North Carolina Association of Educators, the North Carolina Bar Association and North Carolina Citizens for Business and Industry, also filed friend of the court briefs on SEANC's behalf.

## Mark Your Calendars

District 19 meets the third Tuesday of each month at 5:30 p.m., at the Orange Water and Sewer Authority (OWASA), 400 Jones Ferry Road, Carrboro. There is plenty of free parking and refreshments are served. All State employees are welcome.

March 18, 2003	Monthly Meeting
April 15, 2003	Monthly Meeting
May 20, 2003	Monthly Meeting
June 17, 2003	Annual Meeting
July 15, 2003	Monthly Meeting
August 19, 2003	Monthly Meeting
September 4-6, 2003	Annual Convention, Greensboro
September 16, 2003	Monthly Meeting

The Retirees' Chapter meets on the fourth Tuesday morning of each month at 8:30. All retirees are welcome. For information, call Mariah McPherson at 732-2583.

## District 19 Committee Chairs

Auditing	Kay Daniels	732-8126
Awards	Pamela Siler	843-8094
Bylaws	Hazel Lunsford	732-4410
Communications	Claire Miller	962-3313
EMPAC	Muzetta Pettiford	644-2100
Finance/Fund Raising	Marie Tate	732-8126
Hospitality	Claude Hooker	966-7749
Membership	Dan Bennett	732-8427
Co-Chairs	Sandy Burwell	732-8427
Nominating	Beverly Leake	942-4967
Policy Platform	Martha Fowler	966-1289
Retirees' Chapter Chair	Mariah McPherson	732-2583
Scholarship	Cathy Harrison	966-6979

On the State level, Martha Fowler was appointed Chair of the Convention Review Committee and Ruth Lewter was elected by the delegates at the September 2002 convention to serve on the Board of Directors of the SEANC Scholarship Foundation for a three-year term.



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