Chair's Column

Now Is the Time for All State Employees to Unite

By Martha Fowler

SEANC District 19 held a very successful annual meeting on June 18, 2002. The Orange County delegation of four legislators (Senators Ellie Kinnaird and Howard Lee, Representatives Joe Hackney and Verla Insko) attended our meeting. Even in the midst of one of North Carolina’s worst budget crises, all of them found the time to express their views on the budget and how they believe it affects State employees. We told them very strongly that it was important that they maintain and enhance our cornerstone objectives of better pay and retirement and health care benefits.

New officers were elected to represent you beginning October 1. Anthony Weaver was elected Chair, Claude Hooker 1st Vice Chair, and Marie Tate 2nd Vice Chair. I will continue to work with them in their new roles as SEANC leaders. Good luck to all of them.

On June 12th, several members of District 19 attended the SEANC Legislative Rally. Temperatures reached 100 degrees that day but we were there to demonstrate for State employees. We showed our dedication to SEANC that hot Wednesday. The featured speaker was Harry Payne of the Employment Security Commission, who talked about what it means to be a State employee in 2002. My thanks to each of you who participated in the rally. I really appreciate your assistance and ongoing dedication.

We will now look forward to the convention in September. I continue to encourage you to join us and become an active member of our Association. There is strength in numbers. I have enjoyed being the Chair of SEANC District 19. Remember that I am just a telephone call away. Best wishes.

Mission Statement

SEANC District 19 is a professional organization committed to representing employees of all State agencies, dedicated to protecting and improving rights and benefits, increasing visibility and public awareness of the services provided by State employees, and encouraging high work standards and safe working conditions.

Our Legislators Tell Us What They Think

We asked Joe Hackney, Howard Lee, Verla Insko and Ellie Kinnaird to give us their views on issues affecting State employees. Their comments follow.

Joe Hackney, North Carolina Representative

It is clear that we need to raise significant new revenues to protect our employees and their benefits, and protect programs for our less fortunate citizens. I pledge my best to this effort.

The men and women of the General Assembly are, overwhelmingly, people of good will who want to do what is right for our State. I hope we will have the wisdom to plan for the future as we endure the hardships of today.

Howard Lee, North Carolina Senator

Like more than 40 other states, North Carolina faces a significant budget shortfall—but our economic problems are amplified by massive job losses, particularly in our manufacturing industry. Our State lost more than 66,000 jobs last year—more than the two previous years combined.

As you may know, unfortunately the Senate budget did not include pay raises for State employees this year. Under the advice of an independent actuary, the budget also reduced the State’s contribution to the retirement plan, which is considered one of the nation’s strongest pension systems and will remain sound despite the reduced contribution.

I am pleased that we were able to provide $200 million for the State Health Plan, which faces some financial difficulties. On a related note, we have directed the Health Plan to find a new pharmacy benefit manager if the problems with Advance PCS cannot be resolved.

Other positive changes include:

Creating a Special Pay Plan that will enhance existing benefits. The plan would reduce the tax burden on special compensation paid to State employees, including bonuses and accumulated leave.

Providing a post-retirement increase of 1.1 percent in retiree benefits.

Increasing the accrual rate for members of the retirement system.

Merging the judicial and legislative retirement systems with the State employees’ retirement system.

A separate proposal has been introduced authorizing flexible work schedules for State employees, including four-day work weeks and “flex-time”—working more or less than eight hours daily during the workweek.

North Carolina’s budget crisis is difficult for all of us, and I share State employees’ concerns about their salaries and benefits. A group of senators recently met with representatives of SEANC and we agreed to form a small ‘workgroup’ that will meet on a regular basis and work together to try to improve the difficulties we face. I look forward to participating in those discussions and welcome any input you may have.

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Thumbs of frustrated State employees and retirees went to Raleigh on June 12 to deliver a powerful message to the General Assembly. They said that they would not tolerate inadequate pay, rising health care costs, and recent raids on their retirement system. This is the third annual rally sponsored by SEANC. State employees holding one or more jobs in addition to their State jobs wore orange ribbons on their clothing and employees who received lay-off notices in recent weeks wore black bands around their arms.

Shirley Bell, SEANC President, said, "Legislators must understand that we can, and will, register our dissatisfaction over unfair treatment at the ballot box if they choose to leave us out of their budget proposals once again."

Specific services provided by State employees may soon be curtailed if the legislators follow the Governor’s lead and cut agency budgets and eliminate positions. Harry Payne, Chairman of the Employment Security Commission, had this to say when he addressed the rally, "The recent threats to our nation have made it more evident than ever how vital State employee services are to protecting and safeguarding the public."

After the rally, many State employees visited their legislators to re-emphasize their concern over the current budget crisis. District 19 represented you at the rally.

Anthony Weaver and Ruth Lewter in an optimistic mood at the rally

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Verla Insko, North Carolina Representative

Diverting the State’s contribution to the State employees’ retirement fund is a bad idea. It is a further insult to State employees who have seen their buying power erode over the last decade and a series of inadequate salary increases. It would also set a bad precedent. We should use available resources in the retirement trust fund to raise the multiplier in the retirement formula from 1.81 to 1.85 or better.

As I’m sure you all know, the State employees’ retirement trust fund is very solvent and has more than adequate funds to meet current and projected costs. The healthy balance is due in part to a good, conservative investment strategy and in part to the low multiplier. That isn’t the point, of course. The funds are part of the State’s contract with employees and the State should honor its contract.

Most legislators with large numbers of employees in their districts understand the issues. We have personal friends who are State employees or—as in my own case—we are former State employees. We are voicing our concerns to other legislators and SEANC lobbyists are doing a great job of getting the word out in the General Assembly. We will continue to do so as the budget process moves forward.

The retirement system isn’t the only benefit that is in danger. I believe an even more serious problem for State employees and retirees is the erosion of health care benefits. All across the nation the trend in health insurance is to increase co-pays, limit benefits, and exclude the seriously ill. Simply put, our health care system is failing. The State has a responsibility to address this problem—for all North Carolinians but especially for State employees.

We are the wealthiest nation in the world but we have more people without health insurance and without access to adequate, basic health care than any other industrialized nation in the world.

Ellie Kinnaird, North Carolina Senator

Thanks for asking about my views on the budget deficit. I am truly alarmed and disturbed by the Senate budget that cuts every program for the most vulnerable and neediest in our communities, as well as providing nothing for our loyal State employees. I have argued unsuccessfully for an increase in the tobacco tax, which will yield $380 million, the alcoholic beverage tax for mental health/developmentally disabled/substance abuse and a three-cent tax on soft drinks. (The tobacco tax also saves money, since for each dollar spent on a pack of cigarettes, North Carolina pays $7.18 in health care.) This would also provide money to contribute to the State retirement system, provide for implementation of the pay plan, and offset anticipated increases in health insurance. The legislature could also close loopholes that benefit the wealthy and corporations, instead of balancing the budget on those who need our services the most. This budget will cause untold harm and cost North Carolina more in the long run. Prevention programs that are cut will cause more people to be institutionalized and the jobs lost from cuts will put people out of work at the time of an economic downturn. It’s time to change our way of thinking and take care of our people.

Pamela Siler and Peggy Cotton express their views

UNC Hospitals Named One of Top 50 in the Country

AARP ranked UNC Hospitals as one of the 50 best hospitals in the United States. UNC Hospitals was listed as Number 18 in the rankings, which were published in the May/June 2002 issue of AARP Modern Maturity.

Researchers for Consumers’ Checkbook, a nonprofit consumer research and information organization based in Washington, DC, compiled the rankings over the past two years.
Our Members Take Action
We’re pleased that members of District 19 continue to excel.

Kay Daniels Participates in Relay for Life
May 3 and 4, 2002 Kay Daniels, along with other residents of northern Orange County, participated in Hillsborough’s first Relay for Life at Orange High School, sponsored by the American Cancer Society. Kay’s team was composed of personnel and their families from the Orange County Schools’ Central Office and Support Services. The opening ceremony consisted of over 800 participants, who gathered to cheer on 87 cancer survivors ranging in age from 7 to 80, as they walked the first lap, the Survivor’s Lap. After that, team members from more than 50 teams began walking the track to show their support. The teams set up campsites at one of the football fields for team members who spent the night at the event. Participants walked during the night and into the early morning, ignoring the rain and chill in the air. Kay says, “It was worth not getting any sleep and braving the elements. We raised over $100,000 for the American Cancer Society.”

Janet Farrell Honored for 30 Years of State Service
Janet Farrell was recently honored for 30 years of service as University Administrative Manager in UNC’s Department of Mathematics. She describes her job as “multi-faceted and rewarding” and says that the best thing about working in an academic department is “the many people I have the opportunity to meet and work with.” Her supervisor states, “As a department manager, Janet Farrell is everything that a department chair could hope for, and more. She is conscientious, efficient, caring and friendly. Janet has kept the Mathematics Department running smoothly for 30 years, and I hope that she stays on for many more years. She is truly one of Carolina’s priceless gems.”

Vickie Overman Wins Grant at UNC
For the second year, dental hygiene faculty Vickie Overman, RDH, M.Ed. and Mary George, RDH, M.Ed. received a grant, “Immigrant Dental Health Proposal—Phase II,” from the Carolina Center for Public Service at UNC-Chapel Hill. With the $6,000 grant, Overman and George will continue to provide dental screenings and dental hygiene preventive care for Hispanic immigrants residing in Siler City, NC. This year’s program will have 50 new patients. According to Overman, “The project provides students and staff a rich learning environment for developing cultural competency in caring for Hispanic cultures, in identifying their dental needs and in providing preventive dental care to an underserved population.”

Our Annual Meeting Was a Big Success
District 19 held its annual meeting on June 18, 2002 in the Community Room of the OSAWA Building in Carrboro. Special guest Cliff Brown, SEANC 2nd Vice President, addressed topics of great concern to all State employees. In particular, he discussed the Senate budget that allowed for no salary increase for State employees and reduced the employer contribution to the retirement system to 0%.

Representative Verla Insko, who has lived in Chapel Hill since 1965, spoke at our annual meeting. She wants North Carolina to consider a universal health plan with adjoining states.

Senator Ellie Kinnaird is a former State employee. She has proposed a bill to raise taxes by $.50 on a pack of cigarettes, $.03 on alcoholic beverages, and $.03 on soft drinks.

Senator Howard Lee told our district that as of the meeting (June 18) there was no $ increase in the cost of the State Health Plan to State employees. He would vote for the lottery if the funds were designated for specific areas and not made part of the General Fund.

Representative Joe Hackney said that this is a time to look to the future and to preserve the core of State services. We must find ways to raise revenue.

SEANC awarded two scholarships. Tera Shavonne Brooks was present to accept her scholarship. She is a licensed cosmetologist and is attending Forsyth Technical Community College, specializing in Radiology/Medical Sonography. She is the daughter of Phlimer Brooks. Emily E. White, who previously won SEANC scholarships on the local and State levels, could not be present. She is attending summer school at the University of North Carolina at Wilmington, where she majors in English and Creative Writing. She is the daughter of Vickie Overman. Well done, Tera and Emily. We’re proud of you.

The election of officers and delegates for District 19 for 2002–2003 was held. Anthony Weaver was elected Chair by acclamation. Claude Hooker will be our 1st Vice Chair and Marie Tate our 2nd Vice Chair. Kay Daniels is our new Auditing Chair, Muzetta Pettiford EMPAC Chair, and Cathy Harrison Policy Platform Chair. Hazel Lunsford continues as Bylaws Chair and Beverly Leake Nominating Chair.

Congratulations, officers, delegates, and scholarship winners!

We All Like Group Buying
Group buying is one of our favorite benefits. Two of the most popular are listed below.

Chapel Hill Tire Company at 502 West Franklin Street in Chapel Hill has been in business for 50 years. It offers a 10 percent discount on parts and tires to SEANC members, along with shuttle service (telephone 967-7092).

Academy Optical at 910 Airport Road in Chapel Hill has 22 years of experience. Its licensed optician is Bob Durham and it gives a 20 percent discount on prescription glasses and sunglasses to SEANC members (telephone 942-1735).
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.

- July 16, 2002 Monthly Meeting
- August 20, 2002 Monthly Meeting
- September 5-7, 2002 Annual Convention, Greensboro
- September 17, 2002 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.

Retirees’ Corner
State employees are worried over the Governor’s decision to reduce the employer contribution rate to the Teachers’ and State Employees’ Retirement System to zero this year.

Here are some of our most compelling concerns.

1. Since July 1, 1999 North Carolina has lowered its contribution to the retirement system from 8.15% of payroll to 1.97% of payroll.

2. The Governor escrowed millions in employer contributions during 2001, $130 million of which has not been repaid.

3. As a result, the retirement system has 900 million dollars less than it would have had if the employer contribution had stayed at the 1999 rate.

4. Based on the actuarial rate of return of 7.25% and a conservative assumption of a 2% COLA for retirees, in ten years North Carolina will be required to make an annual contribution of 7.12% of salary, or approximately one billion dollars, in one year to keep the retirement system actuarially sound.

Moreover, the retirement system has reportedly lost $100 million due to the WorldCom scandal. At the same time, there is a 37% increase in retirement applications this year.

We need you to help us save what used to be one of the best retirement systems in the United States.