



STATE OF NORTH CAROLINA
 OFFICE OF THE GOVERNOR
 20301 MAIL SERVICE CENTER • RALEIGH, NC 27699-0301

BEVERLY EAVES PERDUE
 GOVERNOR

April 13, 2011

GOVERNOR'S OBJECTIONS AND VETO MESSAGE

Senate Bill 265, "An Act To Make Appropriations and Adjustments For The 2011-2013 Fiscal Biennium To The State Health Plan For Teachers And State Employees; And To Transfer The State Health Plan For Teachers And State Employees To The Office Of State Treasurer."

The General Assembly has attempted to reform the State Health Plan, which serves approximately 663,000 people – 160,000 of them retired workers and 181,000 of them teachers and public school employees.

But other than 60 seconds in front of a legislative committee, retired workers and teachers' groups had no opportunity to be involved in the legislative discussions about changes to their health plan that could dramatically affect their costs and their benefits.

This bill is in effect a tax on teachers, who have not received a pay raise – and have effectively seen their pay drop – for the past three years. In 2008, North Carolina ranked 25th in the nation in teachers' salaries. By 2011, we have dropped to 45th. Now is simply not the time to cut teachers' pay yet again. To do so would be a tremendous step backward for North Carolina, and we know clearly that teachers will flee the profession at a time when education is most critical to the future of this state.

I believe there must be a way to bring these groups to the table and to negotiate a solution.

I ask the General Assembly for another, more inclusive version of this bill back on my desk without delay. I support the General Assembly's reform efforts -- moving the Plan to the Treasurer's Office, where it will receive greater scrutiny and oversight, is something I support wholeheartedly. But I simply cannot sign a bill that harms our teachers and retirees without ever giving them a significant voice in the discussion.

Therefore, I veto this bill.

Beverly Eaves Perdue

This bill, having been vetoed, is returned to the Clerk of the North Carolina Senate on this thirteenth day of April, 2011, at 5:56 pm for reconsideration by that body.

RECEIVED FROM GOVERNOR

Date: April 13, 2011

Time: 6:24 p.m.

Sarah Clapp

