



NCRGEA Government Relations Update

Government Relations Update #21-22 June 15, 2021

The delay in agreeing to a “budget number” have insiders saying that deliberations to bring the budget to fruition may stagger into late July or early August. While delays remain, we expect this week to be another hurried week of long days, spontaneous meetings and lots of back and forth among legislators, fiscal staff, and budget writers.

Agency bills coming from government departments such as Revenue, Insurance, or Labor, often sail through the legislature due to their technical and non-controversial nature. Many bills coming from the Office of the State Treasurer have similar lives and last week a small slate of treasury bills passed House and Senate committees, moving closer toward enactment.

Of note for retirees, [Senate Bill 668](#) amends the current pension spiking statute and places a moratorium on lawsuits between government agencies over pension spiking. Pension spiking is when an employee receives a disproportionate and significant increase in pay during the employee’s last years of service, resulting in an inflated pension that has not been accounted for in the employer’s contributions.

Several instances of pension spiking have occurred in both compulsory and higher education systems, and currently there are 36 school districts and community colleges suing the state treasurer’s office to avoid paying for these inflated pension costs. A moratorium is proposed to halt any further litigation until June 30, 2022 to allow a working group to find solutions that will limit further law suits and help resolve current litigation. As Senator Burgin put it, it makes little sense to have government suing itself.

Among the State Treasurer’s other agency bills are additional efforts to untangle antiquated and perhaps impactless policy decisions of past years. Efforts to free the treasury from restrictions regarding investments in certain countries, such as Sudan, treasury officials say these restrictions take up needless time and resources. The Treasurer’s office is also reviewing policies of the Local Government Commission to address potential financial takeovers or mergers between financially bereft municipalities.

Our government relations team has extensively worked the legislature this session. While we remain cautious, we are cautiously hopeful that this year pension relief may be on the way.

THANK YOU for being a part of our retiree family! We delight in serving you every single day.

Stay Tuned!!

Richard Rogers
NCRGEA Executive Director