



SPEAKER PRO TEMPORE DALE R. FOLWELL

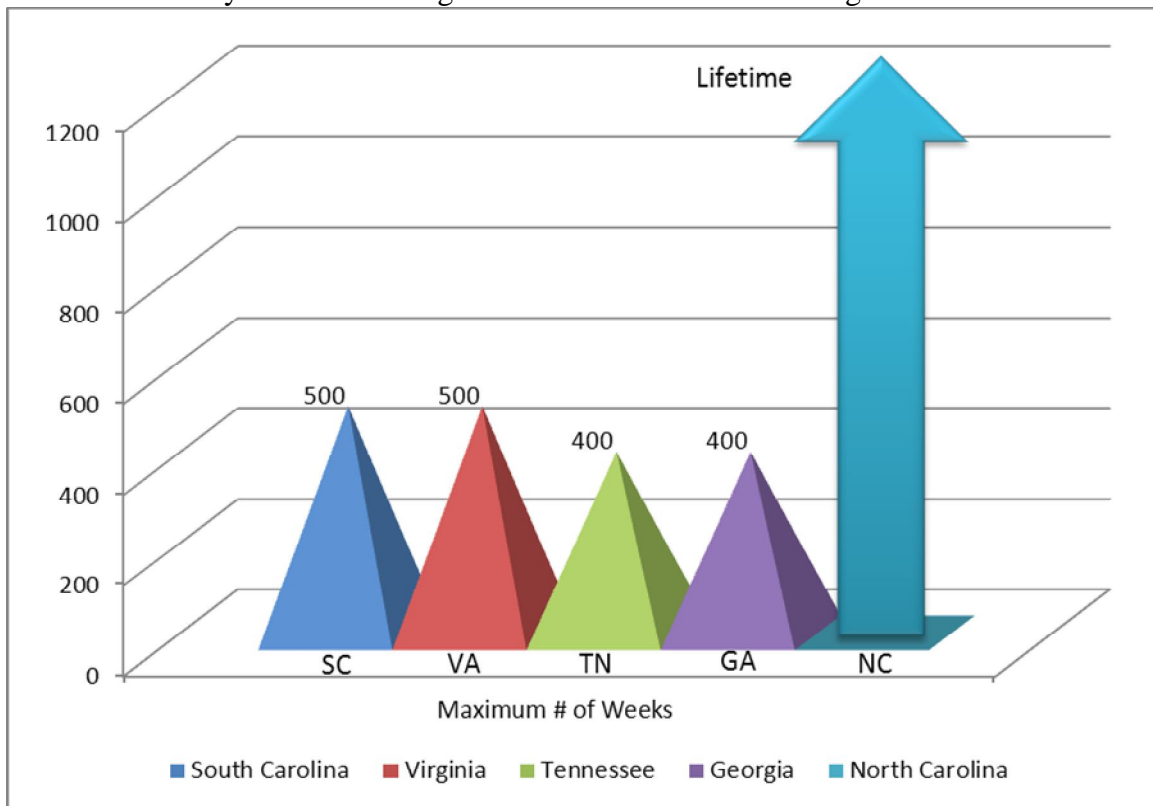
Dale.Folwell@ncleg.net

Phone Number: 919-733-5787
Room 301F, Legislative Office Building

North Carolina House of Representatives
Raleigh, NC 27603-5925

Workers' Compensation Costs

1. A hidden cost of doing business in North Carolina is its workers' compensation system. The state alone lost \$93.6 million in cash and productivity paying workers' comp claims to state employees. Business owners face an equally daunting bill to insure themselves against the loss of injured workers.
2. Rep. Folwell is reforming the system. The biggest flaw in the system is illustrated in the chart below, because North Carolina does not currently cap Temporary Total Disability (TTD). House Bill 709 will place 500 week (9.6 year) cap on TTD. As you can see it aligns North Carolina with our neighbors.



Over →

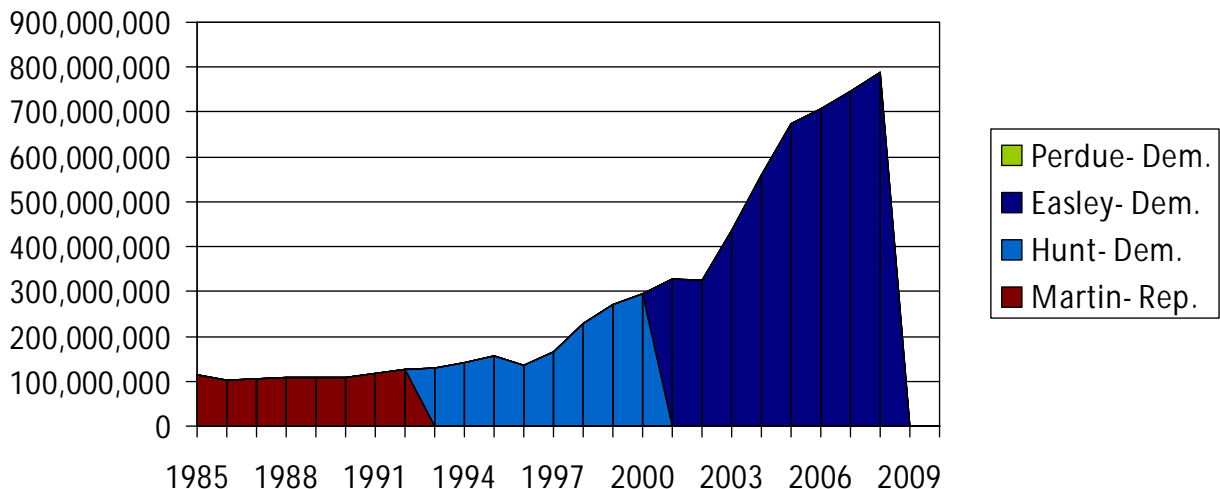
Retirement Benefits

1. The Teachers and State Employees Retirement System (TSERS) is the largest segment of the state's pension system. The treasurer's most recent quarterly report says the pension fund has \$74.3 billion. According to the state's comprehensive annual financial report (CAFR) TSERS went from having a \$3.5 billion actuarial surplus in 2004 to a \$2.3 billion deficit in 2009. The latest projection from the treasurer's office is that it will require taxpayers contribute nearly \$1 billion in fiscal year 2013 through 2015.
2. The lifetime health benefit for state retirees is even further in the red. According to the CAFR North Carolina taxpayers owed retirees \$33.3 billion on Dec. 31, 2009. The state had only set aside \$556 million to cover the debt.

State's Dependence on Debt

1. North Carolina saw an explosion in its debt service between fiscal years 1969 and 2009. In FY 1969 the state budgeted \$51.9 million for debt service. In FY 2009 it budgeted \$788.7 million for debt service
2. The following chart shows the explosion of debt under the most recent governors.

Debt Service in North Carolina



Lingering Unemployment

North Carolina consistently faces an unemployment rate marginally greater than the national average. The country's latest unemployment rate is 9.1%. The state's unemployment as of April 2011 was 9.5%. It was as high as 11.2% in February 2010.

Please Email me at DaleF@ncleg.net to join my mailing list!

Follow me on Facebook & Twitter



(DaleFolwell)

Over →