



NCRGEA Government Relations Update

NCRGEA Governmental Relations Update #20-16

June 26, 2020

The General Assembly has completed its business at least for now. The House and Senate worked into the early hours of Friday and officially adjourned until September 2nd. Members say estimates on revenues remain unclear, and want to return to budget matters in September, once legislators have a clearer budget picture. The House and Senate will meet in skeleton sessions until July 11th to deal with any bills the Governor may veto. After July 11th the General Assembly will be out of session for nearly 2 months to raise money and campaign for the upcoming November elections.

We will continue to engage legislators during this break and advocate for a cost of living adjustment.

On Wednesday, the state awaited a press conference from Governor Roy Cooper and a decision on whether or not the state would move to reopen bars and gyms, or otherwise lift restrictions that have been in place since COVID-19 reached pandemic levels in North Carolina. In recent weeks, Cooper and his spokespersons have expressed serious concerns about the increasing numbers of COVID cases being reported and has been noncommittal about any easing of restrictions. In the press conference, he chose not to lift any of the current restrictions for at least another three weeks.

The General Assembly, in particular its Republican contingent, has been trying to force the issue by passing a number of bills that would have the effect of undoing Cooper's executive orders. On Tuesday, [HB258](#), which would reopen amusement parks and another entertainment venues, was passed, along with [HB686](#), which would permit Independence Day celebrations with large crowds. It's likely that Cooper will veto both bills.

On Thursday, the controversial [HB1080](#) was sent to the Governor. This bill is a mixed bag of changes to the state's tax code. A positive change for retirees returns the medical and dental allowable deduction to the federal standard deduction of 7.5% and can be applied to tax returns for 2019 and 2020.

As of this writing, legislators and other interested parties were still awaiting Cooper's decision on [HB1218](#), a bill that was sent to his desk on June 18. This bill makes slight

changes to the state's contribution rates for retirement systems in 2020-21. The contribution rates proposed in the bill meet the required contribution determined by the actuaries of the pensions plans to keep them well funded. It also reduces the State's employer contribution rates to the State Health Plan for active and retiree health benefits by approximately \$50,000,000. This reduction will not impact retiree health benefits. It pledges that any reductions in payments to the State Health Plan will be restored pending receipt of federal relief funds allowed to be used for this purpose.

Cooper has until Sunday to sign or veto the bill; if he does neither, it automatically becomes law.

We will keep you up to date on any legislative activity that occurs between now and the return of the General Assembly on September.

Take Care and Stay Tuned!

Richard Rogers
NCRGEA Executive Director