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Usually when I reach Thursday, I look back at a week filled with meetings, press interviews and floor sessions and tell you how insane the pace has been. This week, though, things seem to have slowed down a bit and have been more manageable. That either means that the Session has finally settled into some sort of routine, which I had thought might happen despite our very fast start....or, I have actually gone insane, so what is nuts now looks normal to me.

Certainly, we have continued a full schedule of meetings, stretching from early morning into the evening. Our Appropriations subcommittees, in particular, have been doing great work, often meeting twice a day to review budget proposals and staff recommendations. I have been impressed with the work of our subcommittee chairs. They are very engaged and serious about their work. We have opportunities built into the schedule, for the so called “big chairs” (the short hand expression for the main Appropriations Committee co-chairs), to meet with the subcommittee chairs to identify issues and problems. What we are finding is that they are diligently working through their tasks, pushing hard to meet the demanding schedule and difficult budget targets we have placed in front of them.

The good news is the House and Senate subcommittee chairs seem to be working together very well. Although there are occasionally different positions to work through, the overall vision of reducing the size and cost of state government seems to be a shared goal. Interestingly, some committees are seeing full participation by their members, while other subcommittees seem to be having trouble getting full attendance, particularly by Democrat members who are adjusting to a very new role in the budget process. Some of that appears to be the residual effects of the budget procedures employed under Senator Basnight, where subcommittee members had little real input into the budget. We actually want these folks to participate and we encourage their attendance. But change comes slowly in any institution, and the Legislature is no different.

We had very little activity on the Senate floor this week until Wednesday when, somewhat unexpectedly, Senate leadership decided to proceed with a vote to override the Governor’s veto on [Senate Bill 13](#), the current year’s budget reduction bill sponsored by Senators [Stevens](#), [Hunt](#) and myself. We had been content to pursue another alternative, [Senate Bill 109](#), rather than a veto override, until the Governor announced her intent to sweep a number of budget accounts (which is what we had done in SB 13) in order to find enough cash to pay state income tax refunds to North Carolina taxpayers. If you recall, there was quite a flare up in the news last year when the State did not have sufficient cash flow to pay income tax refunds. The answer was to delay tax refunds, which was not popular with either the general public or the Legislature.

This year the Governor, a bit wiser after last year's problems, decided to prioritize the pay back of refunds, which I believe all of us think is appropriate. However, in doing so, she announced her intention to "borrow" money from several accounts, one of which, the Employees Security Reserve Fund, is clearly unconstitutional. This money, which comes from taxes collected from employers to cover unemployment compensation, is designed to pay interest on a loan of over \$2 ½ billion that is owed to the federal government. The whole Employment Security Commission issue is one of the least spoken of, and one of the worst structural budget problems, that the State is facing. The Governor has had a tendency to grab accounts and move money when it suits her, regardless of the legality of the move. Since SB 13 actually constitutionally intercepted enough money to cover the refunds, leaving the Employee fund alone, the override was pursued.

The vote to override the Governor's veto passed 31-19, on party lines. This is only the second time a gubernatorial veto has been overridden in the Senate. The first time involved a bill related to boat trailers, which hardly carried the significance of the override of SB 13. The override vote now heads to the House, where House Democrats face the choice of defending an unconstitutional grab of money to pay necessary tax refunds, or voting for the override. That drama will play out in the next few days.

Although most of the week was fairly routine, there were a few highlights. On Tuesday, I was able to meet former Secretary of Homeland Security and former Governor of Pennsylvania, Tom Ridge, who was here to meet with leadership regarding the Government support services offered by his current accounting firm. His group has worked with a number of States on overall efficiency efforts. Like many former Governors I have met, Governor Ridge is a larger than life character. You can see the charisma that led to him being considered Presidential timber a number of years ago. Other interesting meetings included the Consul General of Mexico, where both trade opportunities and immigration were topics of discussion. We also enjoyed visiting with Chancellor John Mauceri, from the UNC School of the Arts, who is one of my favorites, as well as a large group of nursing students from Forsyth Tech.

On Tuesday, the Building was teeming with Girl Scouts, who were down at the Legislature to show the flag and be honored for their efforts. I understand that Girl Scout Cookies were given out to Legislators. Somehow, I seemed to be in meetings and missed the one giveaway a year that I didn't want to miss! Fortunately, my Legal Counsel, Lori Kroll, had purchased a box of Thin Mints, which she had sequestered in her desk drawer. She took mercy on me when I told her I had missed the giveaway, and rescued me by giving me one of those amazing cookies. Made my day.

I did learn something else this week. The Lieutenant Governor, Walter Dalton, an avid Tar Heel fan, actually has a large enough wardrobe of Tar Heel Blue ties to last an entire week. There was plenty of gloating on Monday and Tuesday by the Tar Heel faithful over the big win over Duke on Sunday. By Wednesday and Thursday, reality seemed to set in that the Heels and the Blue Devils were likely to meet again this weekend in the Tournament, and the rhetoric moved from gloating to just general trash talk. The Dookies, including Senator Dan Blue, who has chaired their Board of Trustees, seemed to be holding their own.

Of course, as a UVA fan, I can't understand what all the hub bub is about between these two non-accredited academic institutions! I told the Lieutenant Governor on Monday that as an Appropriations Co-Chair, I clearly had the Tar Heel basketball team on the budget cut list. He mumbled something about a veto, but I won't let that slow me down!

We have a number of important bills that we will be dealing with in the next few weeks. One of the most significant will involve important [changes](#) to the State Health Plan. I will be co-

sponsoring that effort and details will be announced as early as next week...so stay tuned.

I will now turn things over to Sarah, who will try to convince you that NC State really has a chance in the ACC Tournament this weekend. Good luck, Sarah! Pete



The Legislative Building buzzed with activity this week as several different groups hosted advocacy days. On Tuesday, the Girl Scouts hosted an advocacy day that was enjoyed by all General Assembly members and staff, because the Girl Scouts were generous enough to provide milk and cookies for all those who stopped by their display. Additionally, on Tuesday, nurses and nursing students from around the state paid a visit to the General Assembly. I think that Senator Brunstetter saw about 50 nurses who came to his office together to talk with him. Yesterday, the NAACP hosted an advocacy day, and the halls were filled with more citizens who were interested in engaging legislators. Thursdays tend to bring more quiet to the General Assembly, as most legislators are on their way out of Raleigh, and most advocates know not to try to catch a legislator when he or she is trying to escape!

Yesterday, I got to see something that I had never seen before. The Senate voted to override a veto from Governor Perdue. You probably remember [Senate Bill 13](#), which I discussed both last week and the week before. It is a bill that directs the Governor to make specific cuts to this year's budget in order to improve next year's budget outlook. Last week I told you that instead of attempting to override Governor Perdue's veto, Senators [Stevens](#), Brunstetter, and [Hunt](#) introduced [Senate Bill 109](#), which does many of the same things that Senate Bill 13 does, but allows the Governor the discretion to cut where she sees necessary. However, when Governor Perdue made her [announcement](#) that she was going to borrow money from the State to pay tax refunds, General Assembly staff recognized that those actions were likely [unconstitutional](#). The Senate overrode Governor Perdue's veto in an attempt to quickly free up enough funds to allow the Governor to go through legal channels to issue those tax refunds.

The debate was interesting, and the motion to override the veto passed on party lines. We will soon see what Senate Bill 13's fate is in the House. The House does not have a veto-proof majority like the Senate does, and the motion will likely see even more debate there than it did in the Senate.

Senator Brunstetter, I want to let you know that I fully support your efforts to make any cuts to the UNC basketball team. That is a project I would gladly work on!

As for NC State's chances in the ACC Tournament this weekend...I'll say that stranger things have happened than the Cardiac Pack pulling out an unexpected win or two at the very end of the season. It's too early for trash talking, Senator, when your team will have to face Carolina if they make it past today!

I want to close this week by wishing my grandfather a happy 80th birthday. He turned 80 on Tuesday, and I am excited about seeing him this weekend for a big family dinner and celebration. I know that he will be happy to have children, grandchildren, and great-grandchildren with him to celebrate.

I look forward to talking with all of you next week, and have a wonderful weekend.

Sarah