



North Carolina Department of State Treasurer

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MOORE URGES FISCAL RESPONSIBILITY IN STATE BUDGET

With Budget Going Back to State House, Moore Urges 'No' Vote

RALEIGH – State Treasurer Richard Moore today called on members of the state House of Representatives to reject the state Senate's budget when the General Assembly reconvenes next week. The Senate budget included only a \$10 million repayment to the North Carolina Retirement Systems, while \$45 million is still owed to retirees from the 2001 diversion of retirement funds. The Senate also proposes new state borrowing of \$1.2 billion without a vote of the people, which could ultimately jeopardize North Carolina's triple A credit rating.

"We have seen this movie before and nobody liked the ending," Moore said. "The Senate's budget increases recurring spending but plugs the gap with one-time money from places like the Rainy Day Fund and our retirement systems. We are seeing a repeat of what they did just a few years ago."

In the late 1990s, the General Assembly repeatedly produced budgets that included large spending increases. They depended on growth and one-time money to plug the gaps. When revenue growth stopped, the structurally imbalanced budget left state leaders facing an \$800 million budget hole in 2001. One of the many negative consequences was the diversion of \$225 million in money intended for the North Carolina Retirement Systems.

"Legislators still owe our retirees \$45 million from 2001, and yet they are pulling out the people's credit card to borrow \$1.2 billion more," Moore continued. "I urge the House to reject this budget. I am confident that the General Assembly will do the right thing."

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