

Anna Yount

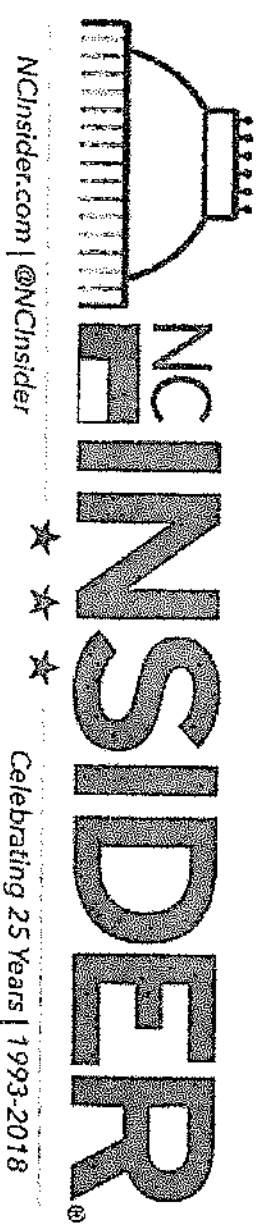
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**From:** Anna Yount  
**Sent:** Monday, November 26, 2018 12:01 AM  
**To:** DST - NC Insider  
**Subject:** FW: Insider for November 26, 2018

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**Sent:** Monday, November 26, 2018 12:00:34 AM (UTC-05:00) Eastern Time (US & Canada)  
**To:** Anna Yount  
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- Today's Insider (PDF)



**YOU DON'T SAY...**

"I can eat it, now, and I can carve it a little bit, but I can't cook it."

*Gov. Roy Cooper, speaking about turkey during a food giveaway event in Wilson last week.*

PHOTO BY JEFFREY HARRIS

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## News Summary

## Session Agenda

Voter ID and hurricane relief aren't the only topics on the legislature's agenda when it returns this week. The session is expected to last for two weeks (likely allowing time for any veto overrides that might be needed), with a variety of legislation under consideration. One is a time-sensitive issue: The current law governing the state's elections and ethics board has been struck down in court, with

researcher last week reported finding three previously unreported PFAS compounds in treated water distributed by the Cape Fear Public Utility Authority. (Emery P. Dalesio, THE ASSOCIATED PRESS, 11/23/18)

## Settlement Reaction

Area officials had mixed reactions Friday to an agreement among chemical giant Chemours, local environmental groups and state regulators that calls for civil penalties and regulation around GenX and other chemical compounds found in the Cape Fear River. "Finally, we're moving in a good direction in respect to providing clean drinking water to residents of the city of Wilmington," Wilmington Mayor Bill Saffo said.

But some called the consent order, which still must be approved by a Bladen County Superior Court judge, an incomplete package that hopefully will be followed by more. "Progress continues to be made against polluter Chemours, but much remains to be done on the larger issue of emerging contaminants," said New Hanover County Commissioners Chairman Woody White. "This agreement primarily addresses water wells, upstream from Wilmington. It does not address the pending suit and damages sustained by our water utility, and I hope DEQ will keep the pressure on to solve all facets of this problem."

As part of the agreement, DEQ and Cape Fear River Watch -- which was represented by the Southern Environmental Law Center -- agreed to drop their lawsuits against Chemours. Other lawsuits, including Cape Fear Public Utility Authority's (CFPUA) pending suit against Chemours, are not affected by the agreement. Jim Flechtner, executive director of CFPUA, said the agreement, while doing some good things, falls short in protecting the Cape Fear region's drinking water and doesn't address contamination in river sediment. He said the utility, which has begun what it estimates will be \$46 million in upgrades to address emerging contaminants, is reviewing the agreement and plans to submit comments to the DEQ about it. "The fact is that it does very little to address the drinking water quality in downstream areas," he said. "This is a public health issue. We need to not just focus on what is happening around the (Chemours) plant ... but our water intake and what that means to people in Wilmington."

The CFPUA draws its water from the Cape Fear River just above Lock and Dam No. 1, which is about 25 miles upstream from Wilmington. Flechtner also called the timing of the agreement's announcement -- it was released about 7:30 p.m. on the night before Thanksgiving -- as "certainly surprising to us." The fine of \$12 million would be levied against a company that reported a profit of \$735 million in 2017, according to its filings with the Securities and Exchange Commission.

Saffo said he will advocate that the state uses the funds to offset local costs, including at the CFPUA, to respond to the issue of emerging contaminants. N.C. Sen.-elect Harper Peterson, D-New Hanover, said he believed the amount of the fine is less important than what it represents. "For them, it's just the cost of doing business," he said. "It's just the first shot across the bow. This puts companies, not just Chemours but all companies ... on notice that public health comes before the interests of industry."

Peterson applauded the DEQ, Southern Environmental Law Center and Cape Fear River Watch for the agreement, which comes almost a year and a half after the StarNews first reported the existence of GenX and other chemicals in the river and in treated drinking water in June 2017. "It's about time after 18 months of deflection and denial," he said. "I think this is a dramatic change and turn in the road. This puts (companies) on notice that the state is serious." (Tim Buckland, WILMINGTON STAR-NEWS, 11/23/18)

## Pipeline Delay

Clearing the way for the Atlantic Coast Pipeline in North Carolina has been temporarily halted until another legal knot is untied. The Army Corps of Engineers ordered the stay on Tuesday at the

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### School Security

A new report looking at security in North Carolina schools is challenging the belief that putting more police officers in schools will make them safer. The study of North Carolina middle schools found no relationship between increased funding for school resource officers and reduction in cases of reported school crimes. Kenneth Alonzo Anderson, the report's author and an associate professor at Howard University, said legislators across the country should consider the findings before rushing to put more police officers in schools following mass acts of violence such as the school shooting incident in Parkland, Fla.

"I'm not recommending that we remove police officers from schools," Anderson said in an interview. "However we need to evaluate what we do and change our philosophy on policing in schools." The new study, which was released in September and publicized this month by the Brookings Institution, was praised by the Education Justice Alliance, a local group which called last year for the removal of all police officers from Wake County schools. The group says there should be less police in schools because black and Latino students feel discriminated against by officers.

But Mo Canady, executive director of the National Association of School Resource Officers, said that school resource officers play an invaluable role in deterring school crime. He said the study's findings go against logic and common sense in how people react around police. "When people see a police officer, most people are going to go away," Canady said. "They're not going to want to do a crime and get arrested." Canady's group estimates there are 14,000 to 20,000 school resource officers nationwide. State education officials estimate there are 1,200 school resource officers in North Carolina.

Amid the push for more SRO funding, Anderson looked at what happened after North Carolina lawmakers provided more funding for school resource officers in elementary and middle schools in 2013, following the Sandy Hook Elementary School shooting in Connecticut. Anderson has familiarity with the state since he received his PhD at N.C. State University and taught at Durant Road Middle School in Raleigh. Anderson compared schools in the North Carolina districts that received additional SRO funding with those that did not get the extra money. He found no relationship between increased funding and reductions in the 16 disciplinary acts that must be reported to the state. But Anderson found that schools that were smaller or had higher academic achievement had less school crime. Anderson said that his findings should be considered along with other research which has found that some students don't feel safe even though school resource officers are present. (T. Keung Hui, THE NEWS & OBSERVER, 11/23/18)

### Sports Betting

any lame-duck session bills as long as Republicans remain united.

New restrictions, on which courts probably will weigh in, would affect over 7 million voters in the anticipated 2020 presidential battleground state, which will also feature races for governor and U.S. Senate that year. "We will pass a law that improves the real and perceived integrity of the election system," said Rep. David Lewis, R-Harnett, expected to shepherd a bill through the legislature. Republicans have passed voter ID legislation twice, but they've been derailed both times. Federal judges struck down a wide-ranging 2013 elections law, which contained several voting restrictions, writing it was passed with "racially discriminatory intent" by targeting black residents with "almost surgical precision."

Undeterred and rejecting the ruling as political hyperbole, GOP lawmakers decided to submit the voter ID question directly to voters. More than 30 other states require some form of identification to vote. Along with a successful November referendum in Arkansas, four states now have constitutional provisions addressing photo ID. The state chapter of the NAACP, which sued over the 2013 law, tried unsuccessfully to get judges to keep the referendum off the ballot and is still asking them to cancel the referendum results.

The state NAACP "has led the fight against the anti-democracy, racist photo voter ID even before it was improperly placed on the ballot this time, and we will continue to fight it and any effort to suppress the sacred right to vote," said the Rev. T. Anthony Spearman, the state chapter president. The upcoming proposal is likely to expand on the 2013 ID provisions. Draft legislation released by Republicans last week envisions additional methods to qualify. Lewis said he wants input from critics to improve any measure.

Sen. Floyd McKissick, D-Durham, who voted against the 2013 law, is skeptical Republicans will incorporate Democrats' suggestions. GOP leaders haven't wanted to include Democrats in hammering out other key legislation, he said. Despite strong opposition to the voter ID amendment in urban counties, a majority of the state's voters were in favor of requiring photo ID. "It has to be done," McKissick said. "We're beyond the point of saying whether it is something that can be enacted." (Gary D. Robertson, THE ASSOCIATED PRESS, 11/23/18)

## Farr Nomination

Senate Republicans are working to soon fill the nation's longest judicial vacancy with a North Carolina lawyer whose nomination has raised objections from black lawmakers and civil rights groups concerned about his work defending state laws found to have discriminated against African-Americans. Senate Majority Leader Mitch McConnell, R-Ky., has helped push 84 of President Donald Trump's nominees over the finish line and is itching for more. With just a few more weeks to go before Congress adjourns for the year, he has teed up a vote on the nomination of Thomas Farr, 64, to serve as a district court judge in North Carolina.

The Senate Judiciary Committee advanced Farr's confirmation with a party-line vote back in January, meaning McConnell has waited about 10 months and until after the midterm elections to hold a vote on the floor. Senators tend to save their biggest fights in the judicial arena for Supreme Court and appeals court nominees, but Farr's nomination has proved an exception. "It's hard to believe President Trump nominated him, and it's even harder to believe the Senate Republicans are considering it again," said Senate Democratic leader Chuck Schumer of New York in one of about 20 tweets he has sent out in recent days concerning Farr.

Farr has the backing of home-state Sens. Richard Burr and Thom Tillis, both Republicans. They have noted that Farr was also nominated to the same position by former President George W. Bush and has a "well qualified" rating from the American Bar Association. They have protested the implication that Farr is racially insensitive or biased. "I think absolutely destroying a good man's reputation is inappropriate," Tillis said before the committee advanced Farr's nomination. But Sen. Sheldon Whitehouse, D-R.I., described Farr as "probably the worst of the litter" when it comes to Trump's

Social work positions are about to face additional work with the new standards. Some of the standards Slagle mentioned are: the required home visits on the same day a worker initiates each investigation; each child has to be interviewed alone on the day of the initiation; workers are mandated to have face-to-face contact with each child twice a month during the investigation, at least seven days apart; and an inspection inside every structure on physical property.

This isn't all they have to accomplish. Slagle added that all of the paperwork upon intake has to be completed in three days; the matter has to appear in court within seven days; a visit is required to be set up between the parents and children within seven days; a shared parenting meeting has to be set up between parents and foster parents within seven days; workers have to schedule a physical for the child within seven days; a "best interest determination meeting" with the school system has to be set up within seven days; a visitation schedule has to be made; as well as relatives of the child have to be notified that the child is in DSS care. "That sounds easy enough until you're trying to schedule that along 28 other kids, with four kids in some households, and you're talking about one worker trying to see 75 kids in a month -- while they're also investigating," Slagle said. (Kayla Lasure, THE WATAUGA DEMOCRAT, 11/23/18)

## Charity Report

Resources: [Full Report](#)

North Carolinians gave generously over the past year, and most charities and nonprofits receiving those donations used them effectively, according to a report released last week from the N.C. Secretary of State's Office. The 2017-2018 North Carolina Secretary of State Charitable Solicitation Licensing Division Annual Report said that charities and nonprofits licensed by the state collected \$45,440,494.45 during the 12-month period recorded. That amount exceeds the 2016-2017 total when North Carolinians gave about \$39.7 million using the same system of measures.

Secretary of State Elaine Marshall said charity regulators saw several different factors combining to create the increase in reported donations. "First, no matter what else you look at, we did see that North Carolina households donated generously, more than in the previous year," Marshall said in a news release. A second factor in the increase was data reported by nonprofits that are more connected to civic issues and economic development than to typical charitable causes. Several such nonprofits reported collecting large amounts of donations. One example of such groups that Marshall highlighted was the Internet-based Network for Good, an organization that first started filing numbers with the Secretary of State's Office in 2015. This past year, that high-tech group collected over \$12.3 million in North Carolina. It charges a small fee for gathering donations for different charities, so its percentages greatly added to the report's numbers.

The 2017-2018 report also shows that from the total grossed, charities netted \$31,967,014.73 from the reported fundraising campaigns. That amount means overall, the charities and nonprofits received 70.35% of every dollar collected, an extremely high average compared to past years. "Getting over 70 cents on the dollar is an incredible yield for the groups versus past years when sometimes we have seen less than 50 cents on the dollar make it to the causes after fundraising and administrative costs," Marshall said. For comparison, charities and nonprofits netted over \$23.5 million in 2016-17, meaning they got about 59 cents of each dollar collected after fundraising fees and costs were deducted. (NEWS RELEASE, 11/19/18)

## History Lessons

Should the history of a mostly forgotten governor from Reconstruction be used to teach people today about the intersection of race and politics? That's what Eddie Davis, a former teacher and politician known as Durham's historian, said Saturday at an event he organized in Raleigh to honor the 200th birthday of William Woods Holden. Holden, as governor from 1868-71, led North Carolina's ill-fated efforts just after the Civil War to create a society where black and white people would be treated as equals.

also prepared to fight the potential ban, a fight that promises to be contentious as previous unsuccessful attempts were earlier in the decade. "This is not the first time the FDA has tried to ban menthol, but these efforts have been unsuccessful in the past. It is troubling, however, that an Administration that pledges to put America first is targeting legal, American-made products instead of focusing its attention on states that flout federal drug laws," Burr said in a statement. "If the United States continues down this path, we will be following in Canada's footsteps, banning menthol but legalizing recreational drug use. I hope the Administration will choose a better way to protect our children."

"I applaud the FDA's commitment to developing a robust plan to combat underage use of e-vapor products," Tillis said in a statement. "However, I hope the FDA revisits some of its actions affecting traditional products that have been marketed for decades." The tobacco industry gave nearly \$2 million to candidates in 2018, according to the Center for Responsive Politics. Six North Carolina members of Congress were among the top 16 recipients of tobacco-industry contributions in 2018, including Tillis who was No. 2 at \$55,350 -- even though he won't be up for re-election until 2020. In 2016, Burr received \$197,825 from the tobacco industry, nearly three times as much as any other candidate. In 2014, Hagan and Tillis, her challenger, received \$89,485 and \$68,100, respectively, from the tobacco industry. (Brian Murphy, McClATCHY DC, 11/21/18)

## Paper Ballots

Next year Mecklenburg County will join governments throughout the country in going back to the future -- by trading electronic voting machines for paper ballots. This year's election was the last statewide balloting in which county voters will use the 2,223 touchscreen machines they've used since 2006. Those devices will still be used for next year's municipal elections but voters will see new machines in the March 2020 primaries. New equipment is expected to cost the county more than \$15 million.

The requirement for paper ballots, part of a wide-ranging 2013 N.C. voter law, came in response to the threat of hacking. The threat was underscored in 2016 when the U.S. Department of Homeland Security reported that 21 states had their election equipment combed by Russian hackers. North Carolina was not among them, according to DHS. For 12 years Mecklenburg has used machines known as direct recording devices, where voters make their choices on an electronic screen. Unlike some such devices, the county's have a paper trail, that is, a backup record that can be used for recounts. At the end of Election Day, officials carry cartridges from the machines back to a central office where the results are tabulated. Machines are not connected to the internet. The technology dates from the early 1990s. "Ours are simply tabulators," said Mary Summa, who chairs the Board of Elections. "I think a lot of people are confused about that."

There have been complaints about the county's current machines. Some voters said the touchscreen devices did not record their correct choices. Elections pulled the machines and blamed mechanical issues. Like many states, North Carolina has a patchwork system of voting equipment. Mecklenburg is one of 21 counties that use the iVotronic direct record machines, according to the State Board of Elections and Ethics. All the others use some kind of paper ballot system. (Jim Morrill, THE CHARLOTTE OBSERVER, 11/21/18)

## Nonprofit Recovery

As natural disasters become more frequent and more severe, the work of charities has become critical to alleviating suffering, preventing homelessness and preserving communities in the state. Leaders of nonprofits are involved in discussions with federal, state and local officials before, during and after a storm to make sure their resources are put to best use at every stage. With every new disaster, the government looks for new ways to partner with charities in the state to multiply the effect of taxpayer funds in the rebuilding process.

Without nonprofits and the donors who support them, many thousands of flooded-out families in

country seeking federal support, based on the level of funding and planning already achieved. The project has a Dec. 31 deadline to secure agreements with Duke University and other partners to apply for federal funding. (Liz Schlemmer, WUNC RADIO, 11/21/18)

## **I-26 Project**

A historic road project is advancing toward key start dates -- but Asheville city leaders say questions remain about the massive Interstate 26 rerouting, including its effect on walkers, cyclists and a potential expansion of downtown. "This will be the largest transportation project probably in Western North Carolina history and certainly in the City of Asheville," said City Councilwoman and environmental activist Julie Mayfield speaking about the I-26 Connector project whose last cost estimate topped out at \$800 million. "It will dictate in my view the character of the city for decades to come."

Mayfield made the comments this month as the N.C. Department of Transportation prepares for a Dec. 4 public hearing on the project that will feature a new bridge over the French Broad River. The hearing next month will be one of the last official opportunities for public comment on the project. Plans for widening Riverside Drive can also be available. DOT has been eyeing plans to reroute the interstate for least two decades. Now, following years of resident pushback and negotiations with Asheville officials, the project is closing in on a 2020 start date. The project has three sections: The "A" section includes widening and other changes through West Asheville. "B" involves the new bridge. And "C" covers improvements to the south on I-26 and west on I-40.

The most recent cost estimate was listed as \$600-\$800 million on the DOT website. DOT staff said Tuesday that estimate would soon be updated. Activists are pleased plans were adjusted to remove interstate traffic from the current interstate path over the river, the Bowen Bridge. They were also happy room was made for a network of greenways around the project. Better pedestrian connections for the isolated Hillcrest subsidized housing complex and the historic African-American neighborhood of Burton Street were other city proposals adopted in the state plan. But city representatives say they remain concerned over whether room will be made on Bowen Bridge for people on foot and on bikes, a concept that could allow easy multimodal connections between downtown and West Asheville. (Joel Burgess, ASHEVILLE CITIZEN-TIMES, 11/22/18)

## **ICE Arrest**

Two members of Congress representing Durham say a Mexican man arrested by immigration agents Friday appeared to have been entrapped as he responded to instructions to legally fight his deportation. In a statement U.S. Reps David Price and G.K. Butterfield, who had previously advocated on behalf of Samuel Oliver-Bruno, said they spoke with Immigration and Customs Enforcement Friday afternoon and were told he will remain in custody in the United States while his case is heard.

Oliver-Bruno was arrested after he left a Durham church where he had been living in sanctuary in order to visit a U.S. Citizenship and Immigration Services (USCIS) office in Morrisville concerning his legal petition for deferred deportation. Police arrested 27 people who blocked a van carrying Oliver-Bruno away after agents had seized him inside the building. On Saturday, the Wake County Detention Center confirmed he was being held at the county jail.

On Nov. 1, Price and Butterfield said, they sent a letter to immigration services asking officials to use prosecutorial discretion in his case based on humanitarian conditions. "We are extremely alarmed by Samuel Oliver-Bruno's abrupt arrest," the lawmakers said Friday, noting that Oliver-Bruno has lived in the United States for more than two decades and was trying to follow the law in pursuing his legal petition. "It appears ICE has acted in concert with officials at USCIS, who instructed Mr. Oliver-Bruno to appear at local USCIS offices to discuss his deferred deportation," they said in their statement. "He was then apprehended by plainclothes ICE agents upon entering the building. At best, Mr. Oliver-Bruno was presented with a catch-22 dilemma; at worst, he was entrapped."



already had a really strong background in Chinese who were then coming into the foreign language program here just looking really great." Now, he said, the university should concentrate on paying for the Chinese programs that have a strong demand. "If we're concerned about these things being funded by the outside, we should make sure we're funding it from within," he said. (Jane Stancill, THE NEWS & OBSERVER, 11/21/18)

## **Scooter Regulations**

The City of Greensboro on Tuesday adopted new rules, effective immediately, for the use of electric scooters. The ordinances apply to riders as well as businesses marketing the vehicles. According to a news release, residents will only be allowed to ride scooters on city streets with a speed limit of less than 35 miles an hour. Riders must follow all traffic laws. Scooters will be allowed in bike lanes but will be banned from sidewalks and parking decks. Parking on sidewalks will be regulated.

The Greensboro City Council also created a permit pilot program for businesses that rent scooters. Businesses must obtain a \$500 permit and pay a \$50 per scooter fee. They also must report usage and crash data to the city. Earlier this week, the City of Winston-Salem banned the use of scooters until officials can determine how to regulate them. (Neal Charnoff, WFDD RADIO, 11/21/18)

## **Confederate Monument**

Some protesters might have been planning to pull down Alamance County's Confederate monument during protests on Nov. 19. Graham police received information that a potential distraction could happen at the Historic Courthouse to allow protesters to tear the statue down. However, "nothing was ever confirmed," Lt. Daniel Sisk said last week, and he was not sure how police had received the information.

Some ACTBAC members, and members of other groups and other protesters were at the courthouse. Siembra NC, Down Home NC and American Friends Service Committee of the Carolinas obtained a permit to protest Sheriff Terry Johnson's plan to "enter into a partnership with ICE." Johnson presented to the county commissioners that evening. Several protesters at the site were known to be with groups that have been involved with protesting and tearing down Confederate statues, Sisk said. "The only rumored distraction was the planned demonstration, which was within eyesight of the statue," Sisk said.

Some ACTBAC members planned a counterprotest to protect the monument as they believed the other groups planned to tear it down. At least one ACTBAC member posted on Facebook about a potential threat to the monument, even though the official ACTBAC page did not mention the meeting or call for a gathering. "The Graham Police Department did not do anything differently than what was already planned for the original demonstration," Sisk said. "We didn't alter our original plan for the demonstration based off of the unsubstantiated claim." The Sheriff's Office also was aware of the rumor and added deputies for the event, Sisk said. In addition, Graham police contacted other local agencies and told them a mutual aid request might be made "in the event of any unusual occurrence." (Kate Croxton, THE (Burlington) TIMES-NEWS, 11/23/18)

## **Cooper Visit**

Gov. Roy Cooper stopped by the Raleigh Rescue Mission last Wednesday to serve people staying at the shelter. Cooper wore an apron and gloves and served slices of pizza, chips, and other food to the men, women, and children staying at the shelter. "Right now there are hundreds and hundreds of school children right here in Wake County, one of the wealthiest counties in our state, who are homeless -- who go to school hungry in the morning. That's unacceptable," Cooper added. "I'll be talking to people right now who are down on their luck...and it's good for me as Governor to listen to those kinds of people to see what we can do to help. And to also interact and get ideas on how we can lead our state." (DeJuan Hogard, ABC 11 NEWS, 11/20/18)

## **Florence Roads**



in North Carolina, potentially freeing up more relief funds. Last year, a similar declaration led to \$13 million for Texas watermen affected by Hurricane Harvey. But for some fisheries, Hurricane Florence means owners must decide whether rebuilding is feasible, or even worth it. Oysters are their livelihood, but the damage may be too much to start over, though the state's oysters continue to be sought-after delicacies. "This is our worst storm," said Teresa Bayer, who with her husband, Perry Bayer, has been digging up wild oysters for more than a decade under the name My Lord Honey Seafood. Florence wiped out 85 percent of their Beaufort-based oyster crop, she said. "When we sit down and start thinking about the numbers, you start to question a little bit," she said.

Steadily, starting in the northern areas of the Outer Banks, down the coast to the southeast, the farms have started opening up and North Carolina shellfish is becoming available again. North Carolina has the potential to become a boutique region for oysters, said Chris Matteo, the acting president of the state's Shellfish Growers Association, comparing the various flavors to the subtleties of wine. But the farming industry is young, he said, and Florence could pose a dangerous setback. "The only silver lining is this industry isn't as mature as Virginia," Matteo said, referencing one of the East Coast's biggest oyster industries. "So the losses aren't as damaging."

Still, the loss of seed and equipment may set the industry back years, said Matteo, an oyster farmer near New Bern. His own losses are in the \$600,000 range, including oysters he planned to get to market this year and seed for his farm and clients. He anticipates a two-year setback for the industry, saying that if all the dead oysters had made it to market, losses would be more like \$15 million. (Drew Jackson, THE NEWS & OBSERVER, 11/21/18)

## ENC Tornadoes

Two tornadoes touched down less than 10 miles apart Saturday afternoon on the North Carolina coast, ripping roofs from homes and canceling the annual Emerald Isle Christmas parade. Tornadoes hit Emerald Isle and Cape Carteret around 2 p.m. Saturday, causing intense damage, according to a report from the National Weather Service, including siding ripped from homes, roofs destroyed, fallen trees and utility lines and tossed trailers. There were no reported injuries as of Sunday afternoon. Because of the storm, Emerald Isle announced Saturday's Christmas parade had been canceled, with hopes for better weather next year. (Drew Jackson, THE NEWS & OBSERVER, 11/25/18)

## Christmas Trees

The day after Thanksgiving is a popular day to shop for a Christmas tree, and tree farmers want shoppers to know that rain from Hurricane Florence won't necessarily push prices higher. That's music to the ear of farmers like Chad Phipps, especially after what he calls a tough harvest at his farm in West Jefferson. "If the ground is muddy, you have to pick the tree up and carry it rather than just drag it on the ground, and it takes double the time because you don't want to get the trees muddy," Phipps said.

He blames a really wet year for the muddy harvest, a wet year that included a visit from Hurricane Florence. But he, and many other farmers at the North Carolina Farmers market, say customers won't notice a difference in price, at least not this year. "On the wholesale side, those prices are pretty much set before the harvest time, the orders are already in and the customers you have every year, you can't just jack the price up one year you know," Phipps said.

And lots of rain is not all bad when it comes to Christmas trees. "The thing is, all of my trees, all of my needles are super-saturated. Everything has a lot of water, a lot of moisture content," said farmer Aaron Cole. "Last year, everybody said it was dry because of all of the forest fires. This year everything was wet, so yeah, all of the needles have a lot of moisture." Several farmers said there is still a slight Christmas tree shortage from the down economy a decade ago. They say many of the trees for sale this year were planted in 2009 or 2010 when farmers were cutting back on the number of trees they planned to sell. (Mandy Mitchell, WRAL NEWS, 11/23/18)

lasts through March 31, although there have been recent seasons in which the flu and flu-related deaths lingered for several additional weeks. (Richard Craver, WINSTON-SALEM JOURNAL, 11/23/18)

## **SECU Call Center**

The State Employees' Credit Union is bringing 160 jobs to Rocky Mount with its Member Services Support Center. Gov. Roy Cooper, speaking Tuesday at the call center's grand opening, said it was great to be home in Nash County. The call center took over an old PNC Bank building on Hunter Hill Road. Rocky Mount Mayor David Combs said it is great seeing an empty building being re-used, especially when it means economic expansion in Rocky Mount.

SECU's expanding footprint in Rocky Mount includes three branches. The call center will provide 24-hour support to customers. The credit union received four million calls in the past year. Its membership is 2.3 million customers or one out of every five North Carolinians. SECU has at least one branch in each of North Carolina's 100 counties and employs 6,700 people. The call center opened early this year and has been adding staff since. (Lindell John Kay, ROCKY MOUNT TELEGRAM, 11/22/18)

## **Named**

The N.C. Division of Adult Correction and Juvenile Justice has named Maxine Evans-Armwood of Rocky Mount as director of juvenile court services. Evans-Armwood most recently served as central area administrator of court services. In her new role, Evans-Armwood is responsible for maintaining operational standards across the 30 juvenile court districts -- comprised of 100 court services offices statewide -- through providing management and operational supervision of four area administrators, 30 chief court counselors and accompanying administrative services. Evans-Armwood has worked in North Carolina's juvenile justice system for 30 years -- the bulk of her career -- focusing on the development of policy and standards to aid in the administration of the law as it relates to court-involved youth. (NEWS RELEASE, 11/21/18)

## **College President**

The Brunswick Community College Board of Trustees has selected Dr. Gene Smith to be the next BCC president. Trustees voted approval during their monthly meeting on Thursday. Smith has been the vice president of academic and student services at Wayne Community College in Goldsboro since 2013. He served on Wayne Community College's Southern Association of Colleges and Schools Leadership Team and Quality Enhancement Plan Steering Committee. In October Smith was elected president of the North Carolina Association of Community College Instructional Administrators during the association's meeting in Raleigh. BCC President Dr. Susanne H. Adams announced her retirement in February, effective in January 2019. She has been president since July 2011. (Michael Paul, THE STATE PORT PILOT, 11/22/18)

## **Gaston Jobs**

An Australian manufacturer has picked Gaston County as its landing pad for blazing a new trail of business in the United States. Era Polymers Corp. specializes in polyurethane chemistry and plans to open its first American industrial facility in Stanley. The company plans to create 20 new jobs and invest \$9.2 million in the local venture. Gov. Roy Cooper made the announcement Wednesday and said it speaks volumes about North Carolina's identity as an industrial destination.

"Advanced manufacturers from around the world continue to choose North Carolina as the ideal place to expand," he said. "Our skilled workforce -- combined with our central East Coast location -- enable international companies that locate here to serve customers efficiently across the United States and North America." The average annual wage of the new positions will be \$66,250. The average wage in Gaston County is currently \$38,780. Based in Sydney, Era Polymers produces a diverse line of polyurethane products sold in more than 70 countries across the world. Its first American manufacturing operation in Stanley will join four other production facilities operated by the company in Australia, New Zealand and South Africa. Company officials said strong sales growth in North

- 11 a.m. | The Executive Committee of the North Carolina Partnership for Children Board of Directors via conference call. Contact: Yvonne Huntley, 919-821-9573.
- **Cancelled** | The N.C. Commerce Economic Investment Committee meets, N.C. Commerce Executive Board Room - fourth floor, 301 N. Wilmington St., Raleigh.
- 6 p.m. | The N.C. Division of Marine Fisheries hold public meeting to receive suggestions and comments on cultch planting, Division of Marine Fisheries Manteo Office, 1021 Driftwood Dr., Manteo.

#### **Tuesday, Nov. 27**

- 10 a.m. | The Bipartisan State Board of Elections & Ethics Enforcement will hold a hearing and conduct the state canvass for the 2018 general election, Dobbs Building, 430 N. Salisbury St., Raleigh.
- 11 a.m. | The Economic Investment Committee meets, N.C. Commerce Executive Board Room - fourth floor, 301 N. Wilmington St., Raleigh.
- 1:30 p.m. | The Accountability Committee of the North Carolina Partnership for Children meets, 1100 Wake Forest Road, Raleigh. Contact: Yvonne Huntley, 919-821-9573.
- 6 p.m. | The N.C. Department of Environmental Quality (DEQ) to discuss Swine Waste Management Permits, Sampson County Exposition Center, 414 Warsaw Rd., Clinton.
- 6 p.m. | The N.C. Division of Marine Fisheries hold public meeting to receive suggestions and comments on cultch planting, Division of Marine Fisheries Manteo Office, Hyde County Government Center, 30 Oyster Creek Road, Swan Quarter.

#### **Wednesday, Nov. 28**

- 9:30 a.m. | The Economic Investment Committee meets, N.C. Commerce Executive Board Room - fourth floor, 301 N. Wilmington St., Raleigh.
- 10 a.m. | The Criminal Justice Education and Training Standards Commission holds a public hearing to discuss proposed rule changes, Wake Technical Community College-Public Safety Training Center, 321 Chapanoke Rd., Raleigh.
- 10 a.m. | The N.C. Wildlife Resources Commission meets, WRC Headquarters 5th Floor, 1751 Varsity Dr., Raleigh.
- 6 p.m. | The N.C. Division of Marine Fisheries hold public meeting to receive suggestions and comments on cultch planting, Division of Marine Fisheries Manteo Office, Pamlico County Courthouse, 202 Main St., Bayboro.

#### **Thursday, Nov. 29**

- 10 a.m. | The Industrial Commission of the Dept. of Insurance holds a public hearing to discuss proposed rule changes, Room 245, 2nd Floor, Department of Insurance, Albemarle Building, 325 North Salisbury St., Raleigh.
- 6 p.m. | The N.C. Division of Marine Fisheries hold public meeting to receive suggestions and comments on cultch planting, Division of Marine Fisheries Manteo Office, North Topsail Beach Town Hall, 2021 Highway 172, Suite 1, Sneads Ferry.

#### **Monday, Dec. 3**

- 1 p.m. | The N.C. Commerce Economic Investment Committee meets, N.C. Commerce Executive Board Room - fourth floor, 301 N. Wilmington St., Raleigh.
- 6 p.m. | The N.C. Division of Marine Fisheries hold public meeting to receive suggestions and comments on cultch planting, Division of Marine Fisheries Manteo Office, N.C. Division of Marine Fisheries, Central District Office, 5285 Highway 70 West, Morehead City.

#### **Tuesday, Dec. 4**

8:30 a.m. | The Substance Abuse Professional Practice Board holds a public hearing to discuss proposed rule changes, NCSAPPB Board Meeting, Sheraton Imperial Hotel, 4700 Emperor Blvd., Durham.

**Monday, Dec. 17**

- 10 a.m. | The N.C. State Board of Certified Public Accountant (CPA) Examiners meets, 1101 Oberlin Rd., Raleigh.

**Tuesday, Jan. 15**

- 10 a.m. | The Board of Pharmacy holds a public hearing to discuss proposed rule changes, North Carolina Board of Pharmacy, 6015 Farrington Rd., Suite 201, Chapel Hill.

**Friday, Jan. 25**

- 9:30 a.m. | The Retirement Systems Division of the Department of State Treasurer hosts Association Roundtable, Longleaf Building, 3200 Atlantic Ave., Raleigh.

**Thursday, Jan. 31**

- 9:30 a.m. | The N.C. Teachers and State Employees Retirement System (TSERS) and Local Governmental Employee Retirement System (LGERS) board meets, Department of State Treasurer (Longleaf Building), 3200 Atlantic Ave., Raleigh.

**Thursday, April 18**

- 9:30 a.m. | The Retirement Systems Division of the Department of State Treasurer hosts Association Roundtable, Longleaf Building, 3200 Atlantic Ave., Raleigh.

**Thursday, April 25**

- 9:30 a.m. | The N.C. Teachers and State Employees Retirement System (TSERS) and Local Governmental Employee Retirement System (LGERS) board meets, Department of State Treasurer (Longleaf Building), 3200 Atlantic Ave., Raleigh.

**Friday, July 19**

- 9:30 a.m. | The Retirement Systems Division of the Department of State Treasurer hosts Association Roundtable, Longleaf Building, 3200 Atlantic Ave., Raleigh.

**Thursday, July 25**

- 9:30 a.m. | The N.C. Teachers and State Employees Retirement System (TSERS) and Local Governmental Employee Retirement System (LGERS) board meets, Department of State Treasurer (Longleaf Building), 3200 Atlantic Ave., Raleigh.

**Friday, Oct. 25**

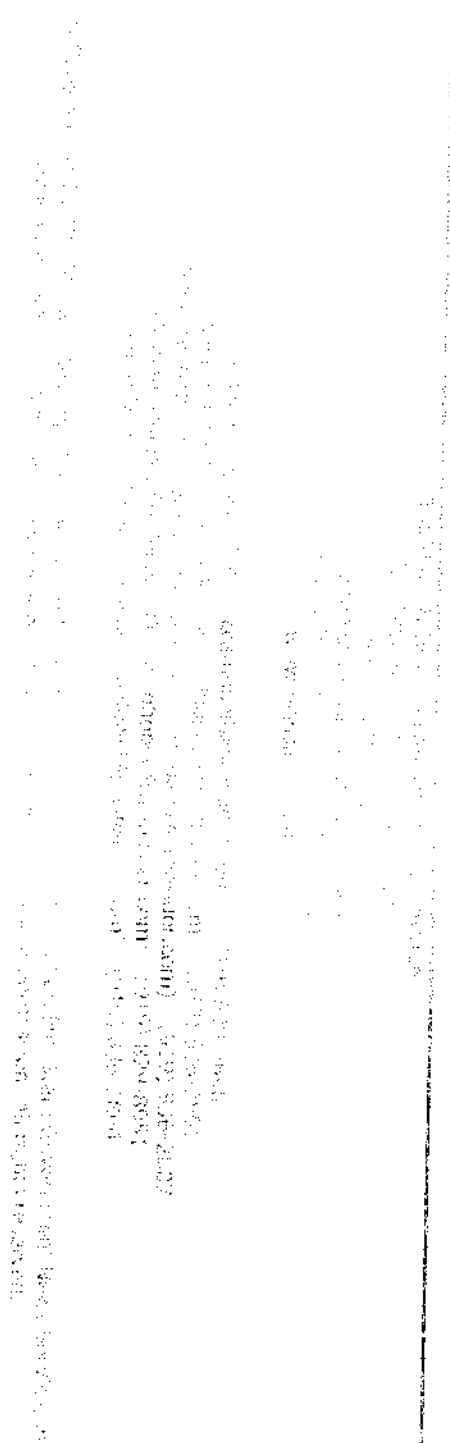
- 9:30 a.m. | The Retirement Systems Division of the Department of State Treasurer hosts Association Roundtable, Longleaf Building, 3200 Atlantic Ave., Raleigh.

**Thursday, Oct. 31**

- 10 a.m. | The North Carolina Bankers Association host 2019 Economic Forecast Forum, Sheraton Imperial Hotel, 4700 Emperor Blvd., Durham.

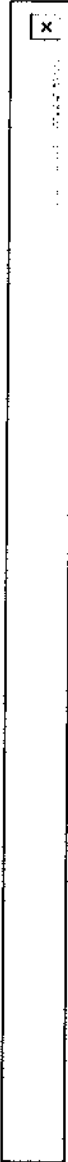
## **Tuesday, April 2**

- TBA | The state Air Quality Measurement Methods and Technology Conference, Sheraton Imperial Hotel Raleigh-Durham Airport, Research Triangle Park.



Anna Yount

**From:** Capital Economics <research@email.capitaleconomics.com>  
**Sent:** Monday, November 26, 2018 3:33 AM  
**To:** Dale Folwell  
**Subject:** Chief Economist's Note: Picking through the Brexit shambles



## Picking through the Brexit shambles

While US readers were sitting in for Thanksgiving dinners, those of us on the other side of the pond were left to pick over the remains of a Brexit deal that looks dead on arrival. Yet while the story of Brexit so far has been one of abject political failure on all sides in the UK, the British economy has not fared better. In this week's note, I look at what might come next.

[Read Neil's weekly Chief Economist's Note here.](#)

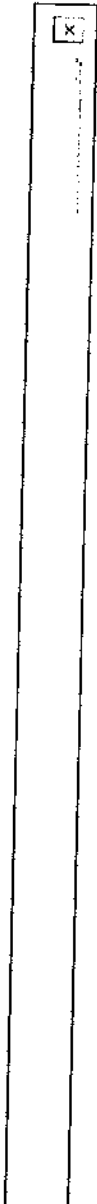
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Anna Yount

From: Capital Economics <research@email.capitaleconomics.com>  
Sent: Monday, November 26, 2018 6:39 AM  
To: Dale Folwell  
Subject: Global Markets Update - What the S&P's slump tells us about the US economy



26 November 2018

# GLOBAL MARKETS UPDATE

## What the S&P's slump tells us about the US economy

While the 10% drop in the S&P 500 since early October can be partly blamed on plunging oil prices and concerns about global demand, it also seems to reflect justified fears about the US economic outlook.

Open full article here.

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**Anna Yount**

---

**From:** Bob Luddy <bob@captiveaire.com>  
**Sent:** Monday, November 26, 2018 7:26 AM  
**To:** Dale Folwell  
**Subject:** Re: Video

Dale,

Excellent, Health Care racketeering.

A good start would be to get rid of all CON laws and create a market for health care.

Dale, you are the best, a much needed voice in the wilderness.

BL

**Bob Luddy** *President*

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**From:** Dale Folwell <Dale@Nctreasurer.com>  
**Date:** Sunday, November 25, 2018 at 9:27 PM  
**To:** Bob Luddy <bob@captiveaire.com>  
**Subject:** Fwd: Video

**Dale R. Folwell, CPA**  
*NC State Treasurer*  
Office of the State Treasurer  
Office: (919) 814-3807

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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Begin forwarded message:

**From:** Dale Folwell <Dale@Nctreasurer.com>  
**Date:** November 9, 2018 at 5:09:49 PM EST

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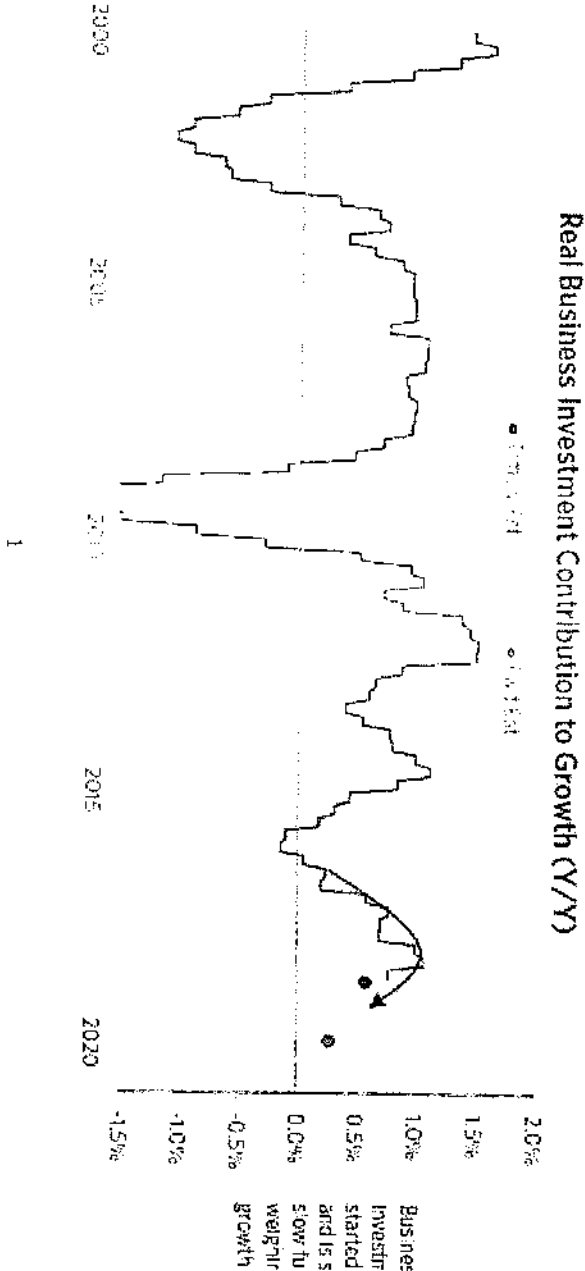
Anna Yount

From: Bridgewater\_Daily\_Observations@bwater.com  
Sent: Monday, November 26, 2018 8:11 AM  
To: Dale Folwell  
Subject: Bridgewater Daily Observations - "US Business Investment Is Set to Slow, Adding to the Rising Headwinds Facing the US Economy, Corporate Earnings, and the Stock Market"  
Attachments: bwam112618\_SECURE.pdf

**US Business Investment Is Set to Slow, Adding to the Rising Headwinds Facing the US Economy, Corporate Earnings, and the Stock Market**  
*Erin Miles | Matthew Karasz | Will Brantley*

Earlier in the year, a variety of pressures combined to produce a surge in US business investment, helping to support the economy even as the Fed shifted toward tightening. Now, what were supports have either peaked or already turned to drags: global growth was very strong but has slowed meaningfully, oil prices were rising rapidly but have since turned over, companies were generating a lot of extra cash but now are spending in excess of their profits, and the one-off boosts from the changes in tax policy and the repatriation of earnings are already fading. In line with these growing headwinds, we have already seen signs of weakening business investment, and based on the pressures facing businesses, we'd expect this dynamic to continue. This slowing in investment is likely to create only a moderate drag on the overall economy, but we expect it to be a bigger deal for corporate earnings and the stock market. US corporations have more exposure to business demand than the overall economy, and the surge in business investment over the last couple of years was a major driver of the strong earnings we've experienced. The stock market also looks vulnerable because even though prices are down a little in recent months, they still reflect the extrapolation of reasonably strong earnings growth from here on out. Together with the accumulated weight of Fed tightening, fading fiscal stimulus, and weakening global growth, this ongoing slowdown in business investment is one of many reasons that we expect to see weaker US economic activity, corporate earnings, and stock returns over the next year.

The first chart below illustrates how much of a support US business investment has been for overall growth, as well as our view that this support will fade now that conditions have become less stimulative. Business investment was weaker in the third quarter, and timelier measures going through October—including last week's durable goods report—suggest that it has remained weak.



## Anna Yount

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**From:**  
**Sent:**  
**To:**

Steve Toole  
Monday, November 26, 2018 8:39 AM  
Barbara Gibson (barbara.gibson@nc.gov); Claire Miller; Dale Folwell; Dirk German - NCSBI (dgerman@ncsbi.gov); 'Greg Patterson'; Jeff Winstead (winstead1951@gmail.com); John Ebighausen (ncdagda@gmail.com); Joshua Smith; Lentz Brewer; Linda Gunter (Lindagunters@gmail.com); Margaret Reader; MaryLou Rosenoff (marylou.rosenoff@nc.gov); Oliver Holley (oaholley@gmail.com); Verron Gammon (vgammon@teamsterslocal391.org); Aaron Meredith (ameredith@harnett.org); Allen K. Buansi (info@allenbuansi.org); Ashley Wooten; Carson H. Smith Jr. (carson.smith@pendersheriff.com); David Dear - Board Member; Howerton, Brenda; Kevin Gordon; Sally Sandy  
FW: NASRA News Clips

**Subject:**

**Dear State and Local Boards of Trustees:**

I hope everyone had a nice long weekend with friends and family. Thanks for your continued support.

### Steve Toole

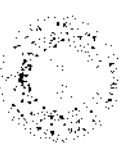
*Executive Director*  
Retirement Systems Division  
Office: (919) 814-4197

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)



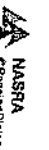
**North Carolina**  
Total Retirement Plans

*Dale Folwell, CPA*  
Vice President, North Carolina  
DALE R. FOLWELL, CPA

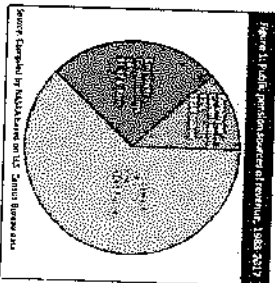


**From:** NASRA [mailto:keith@nasra.org]  
**Sent:** Wednesday, November 21, 2018 9:56 AM  
**To:** Steve Toole <Steve.Toole@nctreasurer.com>  
**Subject:** NASRA News Clips

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The primary types of risk in a pension plan pertain to investment, longevity, and inflation. Employees, required to contribute toward the cost of their pension, assume a portion of one or more of these risks, depending on the design of the plan. [buff.ly/2P0IX9v](#) #muhland



## Department of Labor issues proposal for auto-portability

The Department of Labor has issued for public comment a proposal to approve "auto-portability" arrangements for amounts up to \$5,000. The proposal is intended to encourage consolidation of multiple small retirement accounts and eliminate multiple fees, reduce leakage and make it easier for individuals to manage their savings. Success, however, will depend on the willingness of recordkeepers and their plan sponsor clients to share participant data with a new Retirement Clearinghouse, and to transcend competitive pressures and cooperate to increase retirement savings and reduce account leakage.

News release  
The Hill

not improve performance or enhance returns, they are hard to justify if you have a fiduciary duty-to your shareholders, as management, or to you investors and beneficiaries as an investment manager or adviser.

Brian Carney in RealClearMarkets  
ESG study

## The politics of inflation

Unless political peace breaks out, the only way politicians can meet interest payments is to let inflation rip and devalue the dollar.

Irwin Steltzer in The Weekly Standard

- Internal Audit Manager, Illinois Municipal Retirement Fund
- Santa Clara Member Service Center Manager, CalSTRS
- Senior Technology Project Manager, Alameda County Employees' Retirement Association

For details on open positions, visit [Careers@NASRA.org](mailto:Careers@NASRA.org)

National Association of State Retirement Administrators

[www.nasra.org](http://www.nasra.org)  
202.624.1418



NASRA, 449 Lewis Hargett Circle, Suite 290, Lexington, KY 40503-3590

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Sent by [keith@nasra.org](mailto:keith@nasra.org) in collaboration with

**Anna Yount**

---

**From:** Steve Toole  
**Sent:** Monday, November 26, 2018 8:46 AM  
**To:** Dale Folwell; Frank Lester; Dee Jones  
**Subject:** FW: Atrium Health ERISA lawsuit exposes gray area for pensions - Modern Healthcare

Just an FYI

Steve Toole  
Executive Director  
Retirement Systems Division  
Office: (919) 814-4197

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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-----Original Message-----

**From:** Paul Beddoe [mailto:[paul@pvbga.com](mailto:paul@pvbga.com)]  
**Sent:** Tuesday, November 20, 2018 7:42 PM  
**To:** Steve Toole <[Steve.Toole@nctreasurer.com](mailto:Steve.Toole@nctreasurer.com)>  
**Subject:** Atrium Health ERISA lawsuit exposes gray area for pensions - Modern Healthcare

This is really interesting.  
<https://www.modernhealthcare.com/article/20181120/NEWS/181129987>

Sent from my iPad

**Anna Yount**




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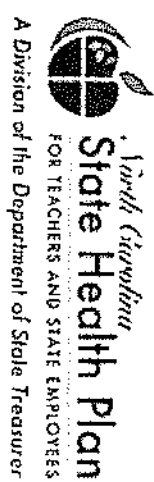
**From:** Ted Enarson  
**Sent:** Monday, November 26, 2018 8:47 AM  
**To:** Dale Folwell; Andrew Norton; Dee Jones; Sam Hayes; Frank Lester  
**Subject:** RE: Release  
**Attachments:** Atriumsuits11.18v2.docx

My edits are attached.

**Ted Enarson**  
*Senior Director of Contracting & Compliance*  
State Health Plan  
Office: (919) 814-4430

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.SHPNC.org](http://www.SHPNC.org)



*Dale R. Folwell, CPA*  
DALE R. FOLWELL, CPA  
NORTH CAROLINA STATE EMPLOYEES

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**From:** Dale Folwell  
**Sent:** Monday, November 26, 2018 8:31 AM  
**To:** Andrew Norton <[andrew.norton@nctreasurer.com](mailto:andrew.norton@nctreasurer.com)>; Dee Jones <[Dee.Jones@nctreasurer.com](mailto:Dee.Jones@nctreasurer.com)>; Sam Hayes <[Sam.Hayes@nctreasurer.com](mailto:Sam.Hayes@nctreasurer.com)>; Ted Enarson <[Ted.Enarson@nctreasurer.com](mailto:Ted.Enarson@nctreasurer.com)>  
**Subject:** Fwd: Release

This will be going out at 10. Please review. We are adding the word potentially to the headline

**Dale R. Folwell, CPA**  
*NC State Treasurer*  
Office of the State Treasurer  
Office: (919) 814-3807

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER

DALE R. FOLWELL, CPA  
State Treasurer

FOR IMMEDIATE RELEASE

November 26, 2018

Contact: Frank Lester  
919-814-3811

**Treasurer Folwell Calls for US Department of Justice to Recover the  
Hundreds of Millions owed to NC Taxpayers from Hospital-Managements'  
Anti-Competitive Activities**  
*Calls for Pricing Transparency from all North Carolina Hospitals*

(Raleigh, NC) – State Treasurer Dale R. Folwell, CPA, today called for all North Carolina hospitals to be transparent in their pricing. The announcement was made in light of the recent settlement of a lawsuit filed by the U.S. Department of Justice and the North Carolina Department of Justice against Atrium Health formerly known as Carolinas Healthcare System.

The civil antitrust lawsuit challenged provisions in Atrium Health's contracts with major health plans, including Blue Cross Blue Shield of North Carolina. Steering is a method used by hospitals to direct consumers towards preferred providers.

"For too long the largest hospital system in North Carolina has been engaging in this and other anticompetitive activities," said Treasurer Folwell. "In the spirit of this settlement, I'm calling on all hospitals to be transparent and to publish their prices so consumers can make informed decisions regarding health care value. I'm also calling for the U.S. Department of Justice to recover the hundreds of millions overcharged to consumers by hospital management from this illegal activity."

Earlier this year, the State Health Plan (Plan) submitted a public records request to UNC Health Care for a copy of its contract and fee schedule with Blue Cross Blue Shield North Carolina (BCBSNC). BCBSNC is the third party administrator for the Plan and negotiates pricing for the Plan's 727,000 members.

In response, UNC Health Care provided more than 200 pages of redacted information with no pricing. The state-owned hospital said that pricing information was confidential between Blue Cross NC and itself. Treasurer Folwell responded with a press release highlighting the absurdity of this response.

"The taxpayers need to understand that even the state treasurer cannot find out from the state hospital what the State Health Plan is paying for medical services for state workers," said Folwell. "It's beyond absurd."

In order to begin reducing medical costs and to provide price transparency for its members, the Plan announced it will implement a new medical provider reimbursement strategy using reference-based pricing based on published rates. The Plan will publish the rates for all services covered by the Plan.

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**Anna Yount**

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**From:** Dee Jones  
**Sent:** Monday, November 26, 2018 8:50 AM  
**To:** Ted Enarson; Dale Folwell; Andrew Norton; Sam Hayes; Frank Lester  
**Subject:** RE: Release

Thank you Ted – you captured my concerns as well.

**Dee Jones**

*Executive Director*  
State Health Plan

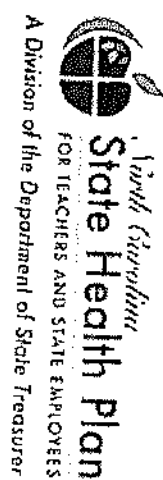
**From:** Ted Enarson  
**Sent:** Monday, November 26, 2018 8:47 AM  
**To:** Dale Folwell <Dale@Nctreasurer.com>; Andrew Norton <andrew.norton@nctreasurer.com>; Dee Jones <Dee.Jones@nctreasurer.com>; Sam Hayes <Sam.Hayes@nctreasurer.com>; Frank Lester <Frank.Lester@nctreasurer.com>  
**Subject:** RE: Release

My edits are attached.

**Ted Enarson**

*Senior Director of Contracting &  
Compliance*  
State Health Plan  
Office: (919) 814-4430

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.SHPNC.org](http://www.SHPNC.org)



*Ted Enarson, CPA*  
DALE R. FOLWELL, CPA

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**From:** Dale Folwell  
**Sent:** Monday, November 26, 2018 8:31 AM  
**To:** Andrew Norton <andrew.norton@nctreasurer.com>; Dee Jones <Dee.Jones@nctreasurer.com>; Sam Hayes <Sam.Hayes@nctreasurer.com>; Ted Enarson <Ted.Enarson@nctreasurer.com>  
**Subject:** Fwd: Release

This will be going out at 10. Pleasereview. We are adding the word potentially to the headline

Anna Yount




From: Capitol Broadcasting Opinion Editor <opinion@cbc-raleigh.com>  
Sent: Monday, November 26, 2018 8:52 AM  
To: Dale Folwell  
Subject: CBC opinion newsletter: Monday, Nov. 26, 2018

Opinion, commentary and analysis you need to know about North Carolina. [Click here to subscribe.](#) [View this email in your browser](#)

Capitol Broadcasting Company

Monday, Nov. 26, 2018

**Monday, Nov. 26, 2018 --** A round up of opinion, commentary and analysis on: 4 ways NC lawmakers can make a voter ID bill less than awful, charities could see record-breaking "Giving Tuesday," congressmen decry detention of immigrant who left church, coach Larry Fedora fired after seven seasons, Chemours pact is first step on a long road, a chance to improve hog operations and more.

**GENERAL ASSEMBLY -- LAME DUCKS**

**COLIN CAMPBELL (Salem)** (The Insider reports) -- Voter ID and hurricane relief aren't the only topics on the legislature's agenda when it returns this week. One is a time-sensitive issue: The current law governing the state's elections and ethics board has been struck down in court, with the decision set to take effect after Dec. 3, when this year's post-election work should be complete. Lawmakers plan to pass new legislation to address the ruling, but details of what they're considering hasn't been released. Legislators also plan to take action in response to another ruling that rejected the structure of six other boards and commissions.

**NC Health Care Commission** (Winston-Salem Journal reports) -- A state Medicaid status check will dominate the likely final joint legislative healthcare committee meeting for 2018. Leading the agenda for today's 1 p.m. meeting is an update on the state Medicaid waiver initiative. The meeting comes about a month after federal health regulators approved key elements of N.C.'s request to create a "whole body" approach to care.

BILL BARTON (Charlotte Observer reports) -- This month's midterms revealed a South that is essentially splitting in two. In states like Georgia and Texas, population growth and strong minority turnout propelled liberal Democrats such as Stacey Abrams and Beto O'Rourke to come close to statewide victories once thought impossible. Yet the Old Confederacy states in between are mostly holding to form, with white majorities giving President Donald Trump high marks and conservatives a clear advantage going forward.

JIM MORRIS (Charlotte Observer reports) -- Women fueled a political shift in Mecklenburg (Charlotte Observer reports) -- Rachel Hunt, who defeated Rep. Bill Brawley, R-Mecklenburg, by 68 votes, will be one of 45 women in the 170-member General Assembly -- the most in a decade. Nationwide, record numbers of women were elected to state legislatures and to Congress, according to the Center for American Women and Politics at Rutgers University. That's after record numbers filed to run for everything from Congress to state houses.

CORIE CORTEWILL (Charlotte Observer reports) -- State House rolls (Wilson Times reports) -- Rachel Hunt, a Democrat who defeated influential House Finance Chairman Bill Brawley by 68 votes in a Republican-leaning suburban Charlotte district, will attend orientation sessions for incoming legislators this week while current General Assembly members convene to set voter identification rules and divvy up hurricane relief funds. "We have a long way to go in restoring our state to the great public school state it once was under Dad," she said, "and I am very, very committed to making that happen."

DONALD TRUMP (New York Times reports) -- Speaking Boldly and Democratically (New York Times reports) -- Mike Espy, the Democratic nominee in the Mississippi Senate election Tuesday, has had to choose between satisfying African-Americans and white liberals or driving away conservative-leaning voters.

MARK SCHWARTZ (Durham Herald-Sun reports) -- Congressmen David Price, G.K. Butterfield say ICE entrapped Mexican immigrant Samuel Oliver-Bruno who had been in sanctuary in Durham, North Carolina, and was taken into custody. They vow to seek his release.

CHRISTOPHER HENDERSON (Hendersonville Times-Word of Faith Fellowship Church. After months of being scrutinized by the media, the Spindale-based church will once again be in the spotlight with A&E Network's new, six-part original docu-series "The Devil Next Door."

JOHN CORBETT (Hendersonville Times-Word of Faith Fellowship Church. After months of being scrutinized by the media, the Spindale-based church will once again be in the spotlight with A&E Network's new, six-part original docu-series "The Devil Next Door."

brigadier general and current novelist spoke on the cable news show Sunday morning.

**KIM KROSS** (Carolina Public Press reports) — Participation by two generations of younger voters, millennials and Generation Z, grew strongly in the 2018 elections, both nationally and in NC. Generation Z voters, those born around 2000, are the latest generational cohort to begin reaching voting age. Their numbers will only grow in future elections as more age into the voting pool. Millennials are the preceding generation, which came of age around 2000.

**THE BLOOD AND THE POWER** (Wilmington Star-News reports) — In two weeks, a Democratic majority will take over the New Hanover County Board of Commissioners for the first time since 1991, when George H.W. Bush was president and "Terminator 2" was the top movie at the box office.

**CELEBRATING** (Wilmington Star-News column) — Now that Thanksgiving is out of the way and we can resume our national bitterness, can we talk turkey for just a sec? Literally, I mean. As in: When did it become cool to bash turkey as the obvious star of the holiday table?

## EDUCATION

**STEVE LINDSEY** (Fayetteville Observer reports) — When Marvin Connelly Jr. was on his listening tour after becoming superintendent of Cumberland County Schools in July, he often heard from parents of students with special needs. Connelly wants to be sure the students and their parents have a voice. That's why he's trying to restart a group affiliated with the Parent Teacher Association.

**ALFRED** (WRAL-TV reports) — After seven seasons and a 45-43 record, the Larry Fedora era is over at the University of North Carolina. Although he will no longer be coaching at UNC, the school is contractually obligated to pay him \$12 million in order to satisfy the terms of his written agreement with the school, a pact that had been set to run until January 2024.

**JENNIFER VAN DER KAM** (Charlotte Observer reports) — Three years ago, Larry Fedora took NC to an ACC Championship game, and finished the 2015 season with an 11-3 record. In May 2017, the university awarded him with a contract extension through 2023. But on Sunday, after a 2-9 season, Fedora was fired.

## ENERGY & ENVIRONMENT

**DONALD** (Elizabeth City Daily Advance) — Typically when a developer says he wants to build a pollution-free industrial facility capable of bringing in potentially hundreds of thousands a year in extra property tax revenue, elected officials are slapping themselves silly over their community's good fortune. Not so with Adani Solar USA's proposed 3,000-acre Birchwood Solar farm in Pasquotank County.

Edward "Ed" Harper was in charge of the community newspaper for 46 years

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Wilmington Star-News obit --

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
Anna Yount


From: Jason Christie, Publisher <reply@mail-1.bizjournals.com>  
Sent: Monday, November 26, 2018 8:53 AM  
To: Dale Folwell  
Subject: Morning Edition: Developer piecing together more land for massive mixed-use project south of downtown Raleigh


11:47 AM WebPage


**MORNING EDITION**  
November 26, 2018


 **Developer piecing together more land for massive mixed-use**

**Project south of downtown Raleigh**   
COMMERCIAL REAL ESTATE

 **Raleigh brewery plans to open second Triangle taproom in 2019**  
FOOD & DRINK

 **Longtime North Carolina banker resigns from Live Oak Bank**

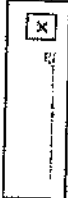
 **NC restaurant association launches health plan aiming to help hundreds of thousands of workers**  
HEALTH CARE

 **Duke scores \$1M to study links between cancer and environment**  
EDUCATION





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## Regency Woods II

BIZ/SPACE

Open House 10/20/17

### FEATURED EVENTS



Nov

Power Breakfast - November 30, 2018

30

7:30 am - 9:30 am



Dec

Rural Health Care

4

8:00 am - 10:00 am

X

Open House 10/20/17



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## Anna Yount

---

**From:** Westphal, Mary J <mjwestphal@ncdot.gov>  
**Sent:** Monday, November 26, 2018 8:53 AM  
**To:** jmcnaity; jackbest; stevenmcnfg; Dale Folwell  
**Cc:** Anna Yount; Kendra Warren; Thomas, Allen  
**Subject:** October financials  
**Attachments:** October 2018 Board Financials.pdf

Good morning all,

Hope everyone had a wonderful holiday, we are enjoying having my niece and nephew and their baby with us. I have attached the financials as of October 31<sup>st</sup>, looking good, please review let me know if any questions or concerns.

As a reminder a finance committee meeting is scheduled for Thursday the 29<sup>th</sup>, 10 am in Raleigh. Looking forward to seeing everyone there, if you are not able to attend we have set up a conference call number for your convenience.

Conference Number: 1-888-636-3807

Access Code: 3179062

*mary janne westphal, (11/26/18)*



Controller  
North Carolina Office of the Controller  
North Carolina Office of the Controller

(252)523-1351 x303  
[mjwestphal@ncdot.gov](mailto:mjwestphal@ncdot.gov)  
3800 Hwy 58 N  
Kinston, NC 28504  
Cell: 410-610-1074

---

Email correspondence to the Controller should be sent to the Controller's Office, not to the Controller's personal email address.

North Carolina Global Transport Authority  
Statement of Net Position

	December 31 2018	June 30 2018
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 3,900,907	\$ 2,472,588
Restricted cash and cash equivalents	615,324	663,718
Accounts receivable	138,056	3,726,485
Due from primary government		
Total Current Assets	1,054,287	6,862,791
<b>Non-current assets</b>		
Restricted cash and cash equivalents		
OPRB		114
Capital assets - non-depreciable	22,564,150	28,284,173
Capital assets - depreciable, net	121,502,246	120,909,792
Total Non-current Assets	117,156,396	149,194,079
Total Assets	151,810,683	156,056,870
<b>Deferred Outflows for OPEB</b>		
Deferred Outflows for Pensions	76,336	118,866
Total Deferred	118,866	76,336
Total Assets and Deferred	152,606,079	156,252,266
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	1,111,066	3,719,195
Intergovernmental payable	29,771	33,830
Accrued interest payable	9,282	
Funds Held For Others	615,821	662,717
Compensated absences	4,309	
Note payable - Southern Bank	760,572	264,745
Unearned revenue	19,669	89,242
Total Current Liabilities	1,982,858	4,769,729
<b>Non-current liabilities</b>		
OPRB Liability	523,596	523,596
Pension Liability	154,702	154,719
Note payable - Southern Bank	119,960	319,900
Note payable - Southern Bank	2,181,515	2,144,515
Note payable - Due to primary government	2,180,615	2,340,615
Compensated absences	36,647	36,649
Total Non-current Liabilities	5,619,983	5,619,994
Total Liabilities	7,602,841	10,389,723
<b>Deferred Inflows for Pensions</b>		
Deferred Inflows for OPEB	41,398	41,298
Total Deferred	151,915	181,934
Total Liabilities and Deferred	7,854,081	10,612,955
Net Position, July 1 (restated)	115,625,542	144,889,447
Change in Net Position	61,159,318	749,835
	\$ 141,799,991	\$ 145,639,282

North Carolina Global TransPark Authority  
Statement of Operations  
For period 4 ending October 31, 2018

	Summary - Current Month				
	CURRENT ACTUAL	BUDGET	PRIOR YEAR ACTUAL	BUDGET VARIANCE	PRIOR YEAR VARIANCE
Operating Revenues					
Rental revenue	139,063	121,406	119,408	17,677	19,677
Miscellaneous revenues	36,992	12,136	14,735	24,886	22,257
Total Operating Revenues	176,075	133,542	134,141	42,763	41,934
Operating Expenses					
Salaries and benefits	63,560	86,031	66,169	25,531	4,619
Professional services	42,573	48,600	1,045	6,027	(41,528)
Legal and accounting	2,717	630	136	(2,217)	(2,581)
Depreciation	509,392	619,924	520,499	10,532	11,107
Rent	100	245	381	136	272
Repairs and maintenance	29,086	162,313	0	136,827	(29,086)
Supplies and materials	3,773	17,171	5,651	13,398	1,878
Equipment	0	4,625	0	4,625	0
Insurance	62,165	74,300	0	12,665	(62,135)
Telephone	2,451	2,236	2,048	(215)	(403)
Utilities	14,341	16,936	14,690	4,556	349
Travel and subsistence	2,813	2,629	3,311	(190)	492
Advertising	0	208	104	208	104
Other	25,620	4,863	2,566	(20,725)	(23,054)
Total Operating Expenses	758,586	845,722	618,600	191,156	(139,966)
Operating Income (Loss)	(582,511)	(616,410)	(484,459)	(148,394)	181,900
Non-operating Revenues (Expenses)					
State aid-general/State operating aid	750,083	750,083	421,250	0	328,750
Investment earnings	3,572	1,442	1,464	2,030	2,108
Capital Contributions	30,424	0	0	30,434	30,434
Interest expense	0	(30,100)	0	(30,100)	0
Total Non-operating Items	784,065	721,442	422,714	2,365	361,292
Ordinary Net Income (Loss)	201,519	(94,968)	(61,745)	(146,029)	543,192
Extraordinary or Special Items:					
Capital Projects	962,773	307,363	420,738	(162,773)	(542,035)
Net Income (Loss)	(761,251)	(590,568)	(482,483)	16,744	1,085,227

Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (2,001,403.00)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	2,038,565.00
Provision for uncollectible loans and writeoffs	
Miscellaneous nonoperating income (expense)	
Changes in assets and liabilities:	
Receivables, net	3,588,429.00
Inventories	0.00
Prepaid items	114.00
Deferred Outflow Pension and OPEB	
Misc Pension adjustment	(994.00)
Notes receivable, net	0.00
Accounts payable and accrued liabilities	(2,665,847.00)
Due to primary government	(4,059.00)
Due to State of North Carolina component units	0.00
Unearned revenue	(69,573.00)
Funds held for others	(47,393.00)
Change in pension liability non-current	0.00
Deferred Outflow Pension and OPEB	
Compensated absences	
Total adjustments	0.00
Net cash earned by operating activities	2,839,242.00
	\$ 837,839.00

**Note 4.**

**FUTURE RENTAL REVENUES**

**Authority -** The Authority has entered into several long-term lease agreements with tenants for land and facilities. Expected income from noncancelable leasing arrangements over the next five years is as follows:

Fiscal Year Amount	
2009	1,306,421
2010	1,326,986
2011	1,240,827
2012	997,002
2013	551,885
<hr/>	
50,121,551	
<hr/>	

The various assets leased were acquired at a cost of \$133,670,552 and have accumulated depreciation totaling \$37,984,782

The Authority negotiates terms of lease agreements on a case-by-case basis. Lease agreements generally consist of a fixed rate for rental of land and/or facilities, as well as variable charges for utility reimbursements and other related services. Certain lease agreements contain optional extension periods which may include rate escalations. Agreements are generally considered noncancelable once executed, however certain agreements contain specific cancellation terms and conditions. The amounts above represent only those agreements which are noncancelable.

**Anna Yount**

**From:** Maureen Little <littlem@nccommunitycolleges.edu>  
**Sent:** Monday, November 26, 2018 8:55 AM  
**To:** CC Presidents; State Board Only  
**Cc:** Peter Hans  
**Subject:** Customized Training Interactive Dashboard

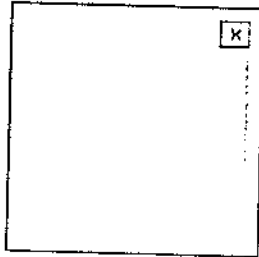
Good Morning,

Attached below is the link that will take you to this week's interactive dashboard of current Customized Training Program projects. Please feel free to contact me if you have any questions.

Sincerely yours,  
Maureen

Maureen Little  
NC Community College System  
Vice President, Economic Development  
919-218-7133

<https://app.powerbi.com/view?r=eyJrOiIyZmNiODEtN2I2Yy00NTk4LWESYtEtODYxZDM3Y2M1MTVmIiwidC16IYxNmY2YjhlWY4YWYtNDUyNS1mM4LWY3NGM2YTJlbnRyZC1slmMlOiF9>



Microsoft Power BI

App: Power BI

Report: powerbi.com



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**Anna Yount**

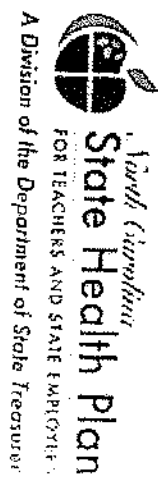
---

**From:** Ted Enarson  
**Sent:** Monday, November 26, 2018 9:02 AM  
**To:** Dee Jones; Dale Folwell; Andrew Norton; Sam Hayes; Frank Lester  
**Subject:** RE: Release

I would also suggest potentially adding something to the contract that apparently some of the anti-steering contract provisions date back 17 years to 2001.

**Ted Enarson**

*Senior Director of Contracting & Compliance*  
State Health Plan  
Office: (919) 814-4430  
3200 Atlantic Avenue, Raleigh, NC 27604  
[www.SHPPNC.org](http://www.SHPPNC.org)



*DALE FOLWELL, CPA*  
DALE FOLWELL, CPA  
A Division of the Department of State Treasurer

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**From:** Dee Jones  
**Sent:** Monday, November 26, 2018 8:50 AM  
**To:** Ted Enarson <Ted.Enarson@nctreasurer.com>; Dale Folwell <Dale@Nctreasurer.com>; Andrew Norton <andrew.norton@nctreasurer.com>; Sam Hayes <Sam.Hayes@nctreasurer.com>; Frank Lester <Frank.Lester@nctreasurer.com>  
**Subject:** RE: Release

Thank you Ted – you captured my concerns on this.

**Dee Jones**

*Executive Director*  
State Health Plan

**From:** Ted Enarson  
**Sent:** Monday, November 26, 2018 8:47 AM  
**To:** Dale Folwell <Dale@Nctreasurer.com>; Andrew Norton <andrew.norton@nctreasurer.com>; Dee Jones <Dee.Jones@nctreasurer.com>; Sam Hayes <Sam.Hayes@nctreasurer.com>; Frank Lester <Frank.Lester@nctreasurer.com>  
**Subject:** RE: Release

My edits are attached.

**Frank G. Lester**  
Deputy Treasurer  
Communications/Government Affairs  
Office of the State Treasurer  
Office: (919) 814-3811

Anna Yount

From: NC Community College System <publicaffairs@nccommunitycolleges.edu>  
Sent: Monday, November 14, 2011 9:05 AM  
To: Dale Folwell  
Subject: [Press Release] Small Business Centers, directors receive awards

Please

**Small Business Centers, directors receive awards**

Small Business Centers, directors receive awards  
27603 Carolina Street

RELEASE DATE:  
CONTACT:

Small Business Centers, directors receive awards  
27603 Carolina Street

[www.ncpublicaffairs.edu](http://www.ncpublicaffairs.edu)

## Small Business Centers, directors receive awards

RALEIGH - The North Carolina Community College System Small Business Center Network announced the winners of the annual statewide competition for Innovation, Start-up, and Growth Story (Most Impactful Small Business Award and Rookie Director's Award and professional service and professional service.

The annual statewide competition for Innovation, Start-up, and Growth Story (Most Impactful Small Business Award and Rookie Director's Award and professional service and professional service.

"We're pleased to recognize the achievements of these outstanding small-business center directors and their programs," said Peter Hans, president of the NC Community College System. "They help entrepreneurs achieve their dreams and have a significant impact on the economy at all 58 community colleges. Their development, start-up, and retaining more than 100,000 jobs and difference they make in the state."



Service awards recognize the dedication and hard work of our staff. Over the past 15 years of service, many staff members have been recognized for their contributions. The following staff members were presented to the Board of Directors for their service awards:

Deborah Kanitz, Center Director, has served the Small Business Development Center for 15 years of service. Other service awards were presented to Lisa Rolan, Forsyth Tech CC; Katy Gould, Haywood CC; Lisa Rolan, South Piedmont CC; Lita Grier, Tri-County CC; and Melissa Everett, Wake CC.

#### Special Recognition

#### Business Administration,

Deborah Kanitz, Center Director, was recognized for her dedication and hard work in the North Carolina Small Business Development Center. She was recognized with the 2018 SBA Award for Excellence.

Deborah Kanitz, Center Director, received special recognition for her dedication and hard work in the North Carolina Small Business Development Center. In a presentation by the SBA, she was recognized with the 2018 SBA Award for Excellence.

Kania was selected as the 2018 SBA in support of the Small Business Development Center. She was recognized for her dedication and hard work in the North Carolina Small Business Development Center. She was recognized with the 2018 SBA Award for Excellence.

Kania was selected as the 2018 SBA in support of the Small Business Development Center. She was recognized for her dedication and hard work in the North Carolina Small Business Development Center. She was recognized with the 2018 SBA Award for Excellence.

INFORMATION

Phone: (919) 807-7165

Small Business Development Center, Raleigh, NC 27603

Small Business Development Center  
in collaboration with

Anna Yount

From:  
Sent:  
To:  
Subject:

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com>  
in the article State Treasurer Visits Habitat, With a

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tomers and prospects can see it.

Trial	Control	MCI	AD
1	95	85	75
2	95	85	75
3	95	80	70
4	95	78	68
5	95	75	65

Figure 1 is a line graph illustrating the percentage of the total sample for various age groups across different years. The y-axis represents the percentage of the total sample, ranging from 0 to 100. The x-axis represents the years (1980, 1990, 2000, 2010, 2020). The age groups are: 0-14, 15-24, 25-34, 35-44, 45-54, 55-64, and 65+.

Age Group	1980	1990	2000	2010	2020
0-14	15.0	14.0	13.0	12.0	11.0
15-24	12.0	11.0	10.0	9.0	8.0
25-34	10.0	9.0	8.0	7.0	6.0
35-44	8.0	7.0	6.0	5.0	4.0
45-54	6.0	5.0	4.0	3.0	2.0
55-64	4.0	3.0	2.0	1.0	0.0
65+	2.0	3.0	4.0	5.0	6.0

he answered all my questions  
information that was asked,  
"Amazing!"

11

$\mu_{\text{H}_2\text{O}} = 0$   
 $\frac{1}{2} \text{H}_2 + \frac{1}{2} \text{O}_2 = \text{H}_2\text{O}$   
 $\Delta H_{298} = -285.8 \text{ kJ}$   
 $\Delta G_{298} = -237.1 \text{ kJ}$

from Jennifer"

• • • • •

[info@nast-leaders.org](mailto:info@nast-leaders.org)  
 800.442.6222  
 1000 N. 17th St., Suite 100  
 Fort Worth, TX 76102

- **Issues to States**
- **Timing issues set the stage for this**
- **2010 (or even days) leading up to the**
- **January. Expect to hear about the**
- **Chief and Consumer Protection Act**
- **Federal Reserve such as on interbank**



Anna Yount

From:  
Sent:  
To:  
Subject:

T.J. McCullough, Publisher <reply@mail-1.bizjournals.com>  
Monday, November 26, 2018 9:22 AM  
Dale Folwell  
Morning Edition: Arena deals, \$98M contract up for vote; Top-paid health execs

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## MORNING EDITION

November 26, 2018

**Heavy Hitters: Investments worth millions of dollars bring fresh facilities to Charlotte nonprofit, civic and educational organizations**

COMMERCIAL REAL ESTATE

**Center City Partners CEO on chamber/partnership merger, NBA All-Star Game and 2019 priorities**

GOVERNMENT & REGULATIONS

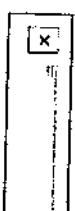
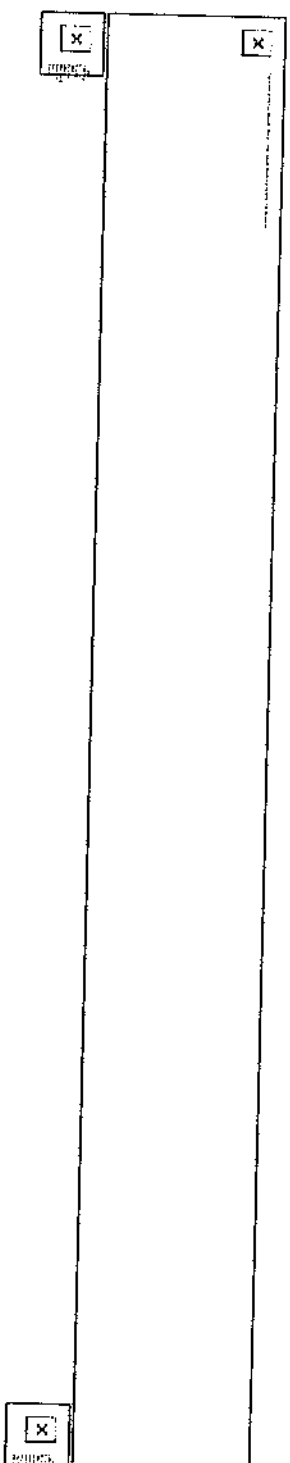
**CBJ Morning Buzz: Arena deals, \$98M construction contract on city agenda; Flights delayed, canceled at CLT; New fitness option coming to Ballantyne**

GOVERNMENT & REGULATIONS

**Done deal: Mark Cuban's 'Shark Tank' investment in NC startup is official**

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Bank of America reaches agreement to dismiss federal discrimination lawsuit

Bike-powered pub concept eyes Charlotte

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---

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**Anna Yount**

---

**From:**  
**Sent:**  
**To:**

Micah Beasley  
Monday, November 26, 2018 9:28 AM  
Allen Martin; Andrew Norton; Anna Yount; Beth Horner; Bill Golden; Brenda Williams; Brian Jackson; Caroline Smart; Cassandra Wilson; Charles Winkler; Chris Farr; Chris Frazier; Christina Strickland; Christopher McCracken; Christopher Morris; Cindy Aiken; Cindy Webb; Dale Folwell; David Starling; Debbie Tomasko; Debra Haynes; Dee Jones; Dora Fazzini; Edgar Starnes; FOD - Financial Operations Division; Fran Lawrence; Frank Lester; Greg Gaskins; INV - Investment Division; Karah Manning; Kendall Bourdon; Laura Rowe; Lucy Barreto; Meryl Murtagh; Meryl Murtagh; Micah Beasley; Powell Baggett; Matthew Rish; Rhonda Smith; Robert Jansen; Sam Hayes; Sam Watts; Sarah Unks; Shannon Wharry; Sharon Edmundson; Stephanie Hawco; Steve Toole; Ted Enarson; Tim Romocki; Will Spicer  
Press Clip - The Courier-Tribune (Asheboro): How state's new income tax cap could impact the Mega Site

**Subject:**

**The Courier-Tribune (Asheboro): How state's new income tax cap could impact the Mega Site**  
By Jamie Biggs  
November 24, 2018

**State Treasurer Dale Folwell** was pleased when, during the November election, North Carolinians voted in favor of a constitutional amendment that caps the state income tax rate at seven percent.

According to **Folwell**, the change is likely to positively impact business in the state, especially when it comes to projects like the Greensboro-Randolph Mega Site.

Prior to the election, North Carolina's "AAA" rating was reaffirmed by all three major national bond rating agencies. The rating impacts how easily **Folwell** can borrow money as **state treasurer**.

"It allows me to borrow money at one of the lowest possible rates in the United States," **Folwell said**. "Therefore, when I borrow money, that means I can buy more — just like when you borrow money at a lower rate of interest for a house, you can buy more house."

The capping of the state income tax should in no way impact that AAA rating. According to a press release from the **State Treasurer**, S&P Global Ratings — one of the three national bond rating agencies — stated that they "do not expect voter approval of the reduction to have a rating impact."

Prior to the November election, the income tax rate was capped at 10 percent.

"The income tax cap has been in the constitution for nearly 100 years," **Folwell said**. "It was initially put in at six percent and was (raised) to 10 after the depression and after the bankruptcy of Asheville. Now this lowers it to seven."

Fifty-seven percent of voters in North Carolina voted for the constitutional amendment, while 43 percent were opposed. In Randolph County, an even greater majority of voters — 78 percent — were in favor of the amendment.

Still, a small percentage of Randolph County voters were against adopting the amendment.

For the purpose of this report, the following information is provided:  
The information is based on the data provided by the company.  
The information is based on the data provided by the company.  
The information is based on the data provided by the company.

Anna Yount

From: osc.scd:agency.heads.ceos-bounces@lists.ncmail.net on behalf of Ennis, Claire D  
<claire.ennis@osc.nc.gov>  
Sent: Monday, November 26, 2018 9:24 AM  
Subject: [Osc.scd:agency.heads.ceos] Office of the State Controller Releases General Fund Cash Watch Numbers for Week Ending November 21, 2018  
Attachments: ATT00001.txt

Office of the State Controller Releases General Fund  
Cash Watch Numbers for Week Ending November 21, 2018

Raleigh, NC – November 26, 2018 – The Office of the State Controller (OSC) today released the General Fund Cash Watch numbers for the week ending November 21, 2018. OSC provides a weekly update on the State's General Fund cash position which can be found at [www.osc.nc.gov](http://www.osc.nc.gov).

Beginning Cash, Monday, November 19	\$4,090,124,246.95
<u>Add Receipts:</u>	
Tax and Non-Tax Receipts	1,009,147,580.75
Other Receipts	242,182,112.17
<u>Less Disbursements:</u>	
Payroll	154,442,486.62
State Aid	62,521,116.27
Medicaid/Other Provider Payments	172,045,321.03
Tax Refunds/Distributions	19,756,847.58
Debt Service	—
General Operating	88,755,724.83
Ending Cash, Wednesday, November 21	<u>\$4,843,932,443.54</u>
<u>Less Reserved Cash:</u>	
Due to Local Governments -	
Sales and Use Tax Payable	559,340,039.54
Medicaid Transformation Reserve	435,000,000.00
Medicaid Contingency Reserve	186,372,673.00
Repairs and Renovations Reserve	11,585,462.00
Project Reserve	0.00
Savings Reserve	1,254,299,585.75
Other Reserves	29,770,152.04
State Emergency Response/Disaster	96,884,452.38
Carry Forward Reserve	56,790,148.74
Hurricane Florence Disaster Reserve	746,830,606.00
Unreserved Cash Balance,	
Wednesday, November 21	<u>\$1,467,059,324.09</u>

About OSC

The State Controller is North Carolina's chief fiscal officer. The Office of the State Controller serves as an independent resource to ensure the financial integrity of the State by providing accounting, disbursing, payroll, internal control, data management, eCommerce, and financial reporting systems that serve state agencies, employees and the public.

Contact: Michael Euliss – [michael.euliss@osc.nc.gov](mailto:michael.euliss@osc.nc.gov) – 919-707-0753

ATT00001

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Osc.scd.agency.heads.ceos mailing list  
Osc.scd.agency.heads.ceos@lists.ncmail.net



Anna Yount

From:  
Sent:  
To:  
Subject:

Finance Crowd <info@finance-crowd.com>  
Monday, November 26, 2018 9:34 AM  
Dale Folwell  
The Essentials for Finance in 2019

## The Essentials of Finance 2019

*It's not easy being the CFO of any Organization...*

CFOs are tasked with achieving a vast number of projects, which includes automating processes, improving productivity, creating greater levels of transparency, enhancing the organization's governance, and strengthening the organization's decision-making related to strategic goals.

**How can a CFO survive this challenging environment?**

This resource discusses key challenges, special requirements, and unusual constraints of financial management. It also shares tips and best practices from finance experts.

**Download Now**

Finance Crowd | 20 W 34th St, New York, NY 100, New York City, NY 10001

[Unsubscribe](#) [dale.folwell@nctreasurer.com](#)

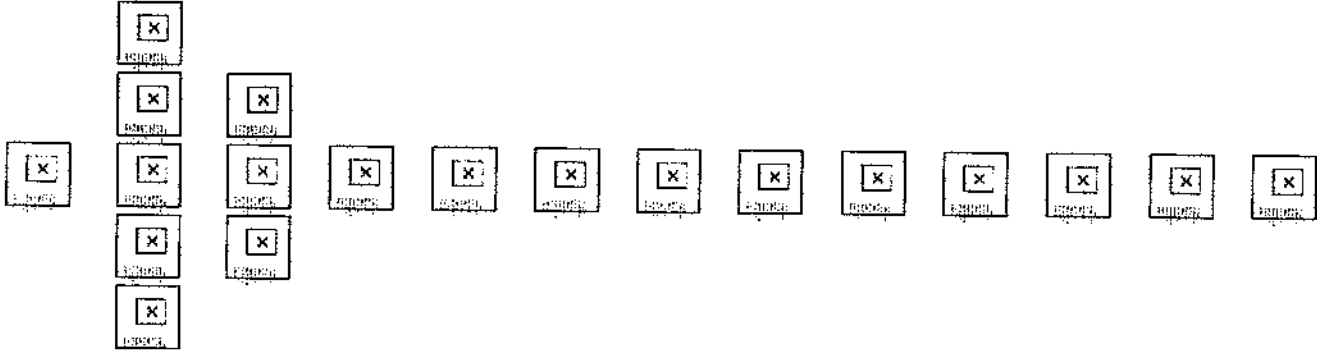
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Sent by info@finance-crowd.com in collaboration with

Try it free today

Anna Yount

From: Zoës Kitchen <noreply@zoemail.com>  
Sent: Monday, November 26, 2018 10:24 AM  
To: Dale Folwell  
Subject: Get \$5 Off Your Order Today!



This email was sent because you joined our email club in one of our restaurants, online or at one of our events. Your email address will not be shared with anyone. You can take your name out of our email club at any time by clicking the unsubscribe link on this email and you will be removed immediately.

© 2018 Zoës Kitchen. All Rights Reserved

Anna Yount

From: Charlotte Business Journal <replycharlotte@engage.bizjournals.com>  
Sent: Monday, November 26, 2018 10:29 AM  
To: Dale Folwell  
Subject: Your Charlotte Event Guide

## EVENTS

### The Sustainability Paradox

**THIS THURSDAY! | The Ritz-Carlton**

Join CBJ and Sealed Air as panelists discuss the tough decisions, the financial trade-offs and the brand benefits that come along with investing in sustainable business models, technology and products --- and speak from the heart about why they feel driven to do it, even when the dollars they'll get in return aren't guaranteed.  
Last Chance to Register >>

### Fast 50 Awards

**Thursday, December 6 | Le Meridien Charlotte**

Join Charlotte Business Journal and CLA for the annual Fast 50 Awards where we will reveal the rankings for Charlotte's top 50 fastest growing private companies!  
Last Chance to Sign Up, Registration Closing >>

### CMO Unplugged

**Wednesday, December 12 | Junior Achievement**

The first of its kind in Charlotte, CMO Unplugged is an informative, inspirational forum where CMOs and senior marketing decision-makers in our region discuss marketing challenges and opportunities. We will start with a panel discussion with industry leaders at top Charlotte companies. Hear how they tackle problems, break norms and capitalize on new opportunities.  
Register Now >>

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NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
DALE R. FOLWELL, CPA

Anna Yount

From: Jason Christie, Publisher <reply@mail-1.bizjournals.com>  
Sent: Monday, November 26, 2018 11:03 AM  
To: Dale Folwell  
Subject: Exclusive: ICYMI: These jobs pay the most in the Raleigh-Durham region (Slideshow)

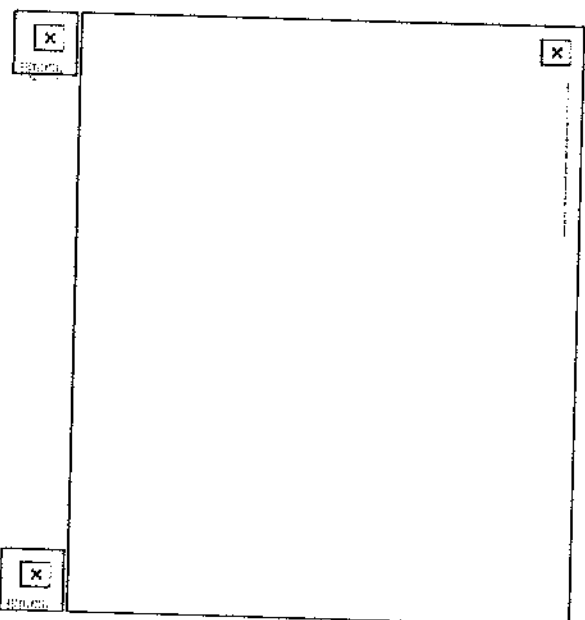
November 26, 2018

EXCLUSIVE

## ICYMI: These jobs pay the most in the Raleigh-Durham region (Slideshow)

By Cameron Snipes / The ranking of the highest-paid occupations in the Triangle features the 50 highest-paid occupations, in order by annual mean salary.

[Read Full Article](#)



### RELATED NEWS

[Expensive teardowns inside Raleigh's I-440 Beltline \(Slideshow\)](#)  
RESIDENTIAL REAL ESTATE

[The Triangle's fastest-selling neighborhoods of 2018 \(Slideshow\)](#)  
RESIDENTIAL REAL ESTATE

STATE OF NORTH CAROLINA

COUNTY OF (1) WAKE:

~~7/18/20 PM 2:15~~

IN THE OFFICE OF  
ADMINISTRATIVE HEARINGS  
1875107133

OFFICE OF ADMIN HEARINGS

# PETITION

CONTESTED CASE HEARING

I hereby ask for a contested case hearing as provided for by North Carolina General Statute § 150-517.

(Briefly state facts showing how you believe you have been harmed. Cite relevant statute, § 120B-23 because the Respondent has:

See attached Petition for Judicial Review, the factual allegations contained therein are incorporated by reference

(4) Amount in controversy \$126,290.28 and ongoing amounts. Petitioner is deprived of (if applicable)

(If more space is needed, attach additional pages.)

(5) Because of these facts, the State agency or board has: (check at least one from each column)

☐ ordered me to pay a fine or civil penalty; or  
☐ otherwise substantially prejudiced my rights;  
**AND**  
☐ exceeded its authority or jurisdiction;  
☐ acted erroneously;

**AND**

~~X~~ acted arbitrarily or capriciously; or  
~~X~~ failed to act as required by law or rule

(6) Date: 11/19/2018

(7) Your phone number: (919) 521-5878

(8) Print your full address 11515 West Morgan Street

Raleigh NC 27601

(street address/p.o. box)  
(9) Print your name: Joseph E. Zeszotarski, Jr.

(street address/p.o. box)  
Zeszkotarski, Jr.

{city} {state} {zip}

(10) Your signature:

**You must mail or deliver a COPY of this Petition to the State agency or board named on line (3) of this form. You should contact the agency or board to determine the name of the person to be served.**

# CERTIFICATE OF SERVICE

**CERTIFICATE OF SERVICE**

I certify that this Petition has been served on the State agency or board named below by depositing a copy of it with the United States Postal Service with sufficient postage affixed **OR** by delivering it to the named agency or board:

State of Alaska

(11) Sand Hares

---

stayed)

(13) 3200 Atlantic Avenue  
(street address if a box)

(12) NC Dept. of State Treasurer  
(State agency or board listed on line 3)  
Raleigh NC 27604

(state)

1.06 / 28

(14) This the 20 day of November 2018

(15) 15

(YOUR SIGNATURE) Y. L. L.

(your signature)

When you have completed this form, you **MUST** mail or deliver the **ORIGINAL** to the Office of Administrative Hearings, 6714 Main Service Center, Raleigh, NC 27669-6700

H-06 Instructions (02/18)

11/20/18  
OK # 9390 }  
20.00 }  
M. Marks }  
✓

**INSTRUCTIONS FOR FORM H-06  
"PETITION FOR A CONTESTED CASE" AND "CERTIFICATE OF SERVICE"**

**FILL IN BLANKS:**

Fill in your county of residence (1), print your name on line (2), and the name of the agency or board about which you are complaining on line (3). Be sure to briefly state the facts about your case. Enter the dollar amount in controversy, if applicable on line (4). Check all of the items that apply in section (5). Enter the date on line (6), your telephone number on line (7), your address on line (8), print your name on line (9), and **sign your name on line (10)**.

**CERTIFICATE OF SERVICE:**

You must mail or deliver a copy of your completed petition to the agency or board named on line (3) and complete the "certificate of service" section on your petition, entering the name of the person to whom you mailed or delivered the petition on line (11). You should contact the agency or board to determine the name of the person to be served. Print the name of the state agency involved on line (12), the address of the agency or board on line (13), the date on line (14), and **sign your name on line (15)**.

**FILING FEE**

Filing fees can be paid by either, cash, money order, certified check or checks drawn on attorney trust accounts. The fee must be paid at the time the petition is filed. Checks should be made payable to the Office of Administrative Hearings. If your case is involving a mandated federal cause of action there is no fee. The filing fee for Certificate of Need cases is \$125.00 as well as Environmental issues concerning Clean Water Act permitting, Clean Air Act permitting, Animal Waste Management System permitting, and permitting for water use within capacity use areas and any case when the amount in controversy is \$50,000.00 or more. All other case types shall pay \$20.00.

**FILING YOUR PETITION WITH THE OFFICE OF ADMINISTRATIVE HEARINGS:**

Your contested case will commence as soon as you file your completed original petition, properly signed and appropriate fee paid, with the Office of Administrative Hearings. Below are the mailing and physical addresses:

**Office of Administrative Hearings  
6714 Mail Service Center  
Raleigh, NC 27699-6700**

**Office of Administrative Hearings  
1711 New Hope Church Road  
Raleigh, NC 27609-6285**

If you mail this form, the case commences when it is **received and filed** in this office.

You may file your petition by fax during normal business hours by faxing the petition to the Clerk's Office at (919) 431-3100.

You may file your petition by electronic mail by an attached file either in PDF format or a document that is compatible with or convertible to the most recent version of Word for Windows by sending the electronic transmission to [eah.clerks@oah.nc.gov](mailto:eah.clerks@oah.nc.gov). Electronic mail without attached file shall not constitute a valid filing.

#### GENERAL NATURE OF THE ACTION

1. On October 9, 2018, petitioner Laura M. Riddick requested Steven C. Toole (Toole), Director, Retirement Systems Division of TSERS, LGERS and RODSPF to issue a declaratory ruling pursuant to G.S. 150B-4 and 20 N.C. Administrative Code 01F.0201. The requested ruling would declare that the basis for terminating the payment of Petitioner's state retirement system pension to her and for demanding a repayment of all benefits received by Petitioner since her retirement as Register of Deeds for Wake County, N.C. on April 1, 2017 (as set forth in a letter dated September 25, 2018 sent by Toole to Petitioner and attached as Exhibit A) were in violation of the laws of North Carolina. As set forth in Exhibit C, Toole denied Petitioner's request for a declaratory ruling. By virtue of the letters set forth in Exhibit A and Exhibit C, Petitioner is an aggrieved party and entitled to appeal the denial of her request for a declaratory ruling immediately to Superior Court.

#### PARTIES

2. Petitioner Laura M. Riddick is a citizen and resident of Wake County, N.C.; is retired from the elected office of Register of Deeds for Wake County, N.C.; and is a member of LGERS and previously a member of TSERS, retiring under LGERS on March 31, 2017 and began drawing a retirement pension under LGERS and a supplemental pension benefit under RODSPF.
3. Petitioner Laura M. Riddick is a "person aggrieved" within the meaning of G.S. 150B-2(6) in that she has been affected substantially by the respondent Toole's decision to deny the declaratory ruling requested. The retirement

Retirement System". Also, the BOT has the statutory authority to determine rights of a participant in the retirement systems pursuant to various statutes including G.S. 128-38.4A.

#### JURISDICTION AND VENUE

9. The denial of a request for declaratory ruling is a final agency decision subject to judicial review pursuant to G.S. 150B-4(1). Jurisdiction and venue is proper in Wake County Superior Court in that Petitioner is a citizen and resident of Wake County and G.S. 150B-45(a)(2) provides that a petition for judicial review is to be filed in the superior court of the county where the person aggrieved by the final decision resides.

#### FACTS

10. Petitioner, Laura M. Riddick was employed by the North Carolina Department of Cultural Resources from October 8, 1990 through November 30, 1996 and was a participating member of TSERS.
11. At the time of leaving the employment of the Department of Cultural Resources, Petitioner had accrued 6 years and 2 months of membership service in TSERS.
12. Having been elected by the citizens of Wake County, N.C. in November of 1996 as Register of Deeds, Petitioner began service as an elected official on December 1, 1996 for a four-year term and as a member of LGERS.
13. Subsequently, Petitioner was re-elected as Wake County Register of Deeds in 2000, 2004, 2008, 2012, and 2016, and continued as a member of LGERS.

term of 84 months imprisonment and was ordered to pay restitution in the amount \$926,615.00 in full at the time of entry of judgment. No aggravating factors were found by the court at sentencing.

22. Petitioner paid the \$926,615.00 in restitution on August 24, 2018 and began serving her prison sentence at the N.C. Correctional Prison for Women where she continues to be imprisoned.

23. A copy of the "Judgment and Commitment Active Punishment – Felony (Structured Sentencing)" is attached as Exhibit D.

#### RELEVANT STATUTES

24. G.S. 128-38.4A is captioned "Forfeiture of retirement benefits for certain felonies related to employment or holding office."; was ratified by the General Assembly on June 28, 2012; and became effective December 1, 2012.

25. In his letter of September 25, 2018 (Exhibit A), Respondent Toole relied on G.S. 128-38.4A as the operative statute for concluding that Petitioner Riddick was subject to the loss of "credible service that accrued after December 1, 2012" called for in G.S. 128-26(x).

26. G.S. 128-38.4 is captioned "Forfeiture of retirement benefits for certain felonies committed while serving as an elected official."

27. G.S. 128-38.4 states: that retirement benefits shall not be paid to any member "who is convicted of any felony under...the laws of this State listed in subsection (c) of this section if all of the following apply: (2) The conduct on which the ...State offense is committed is directly related to the member's service as an elected government official."



the LGERS at that time, "shall have the right to receive a monthly pension" under RODSPF upon retirement with LGERS.

35. Petitioner had over 10 years of service as a Register of Deeds when she retired under LGERS on April 1, 2017.

36. G.S. 128-26A is captioned: "Reciprocity of creditable service with other State-administered retirement systems." Subsection (a) states in pertinent part: "Only for the purpose of determining eligibility for benefits accruing under this Article, creditable service standing to the credit of a member of...the Teachers' and State Employees' Retirement System shall be added to the creditable service standing to the credit of a member of this System."

37. Petitioner as previously alleged above had accrued 6 years and 2 months of creditable service in TSERS while an employee of the North Carolina Department of Cultural Resources from October 8, 1990 through November 30, 1996 and transferred that accrued creditable service time to LGERS pursuant to the authority of G.S. 128-26A.

38. G.S. 128-26(e) includes in relevant part: "...Creditable service for unused sick leave shall be allowed only for sick leave accrued monthly during employment under a duly adopted sick leave policy...."

39. Petitioner pursuant to G.S. 128-26(e) gained 2 years and 7 months of accrued unused sick leave added to her previously accumulated creditable service upon her retirement.

2017 while serving as Register of Deeds because G.S. 128-38.4A does not apply to Petitioner.

44. Petitioner excepts to the determination of Respondent Toole that Petitioner is no longer entitled to 6 years and 2 months of accrued creditable service toward retirement arising out of her employment in the Department of Cultural Resources from October 8, 1990 to November 30, 1996 based upon her transfer of those benefits from TSERS to LGERS at the time of her retirement because those years of service were accrued in a different system prior to her participation in LGERS and G.S. 128-38A does not apply to Petitioner's service during that time period and Petitioner was not an elected official or an employee of an elected official during that time period.

45. Petitioner excepts to the determination of Respondent Toole that Petitioner is no longer entitled to 2 years and 7 months of accrued creditable service toward retirement arising out of accrued and unused sick leave because G.S. 128-38.4A does not apply to Petitioner's accrued and unused sick leave time.

46. Petitioner excepts to the determination of Respondent Toole that Petitioner did not have sufficient accrued creditable time to retire on March 31, 2017 in that the determination is based upon the erroneous and illegal calculations set forth above as to Petitioner's accrued creditable service time toward retirement.

47. Petitioner excepts to the determination of Respondent Toole that Petitioner owes \$126,290.28 in retirement benefits overpayments based upon the erroneous and illegal calculations set forth above.

### GROUND FOR REVERSAL

The decision of Respondent Toole is purely a question of law and statutory interpretation and is affected by error of law. The conclusions by Respondent Toole interpreting and applying the statutes in question to deprive Petitioner of her vested rights to accrued creditable service in the North Carolina Retirement System and to determine that Petitioner was not eligible to retire on March 31, 2017 and thus owes the Retirement System a refund of benefits paid beginning April 1, 2017 is incorrect as a matter of law.

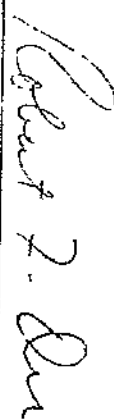
### RELIEF REQUESTED

Having stated her exceptions to Respondents' final agency decision and grounds for reversal, Petitioner asks that this Court reverse the November 2, 2018 final agency decision of Respondent Toole denying Petitioner's request pursuant to G.S. 150B-4 and 150B-45 for a Declaratory Ruling, and provide Petitioner with the following relief:

1. Declare that G.S. 128-38.4A as relied on by Respondents does not apply to Petitioner and that the Respondents cannot deprive Petitioner of accrued creditable service toward retirement from December 1, 2012 through March 31, 2017;
2. Declare that Respondents have no statutory or regulatory authority to deprive Petitioner of accrued creditable service earned under TSERS and transferred pursuant to statutory authority to LOERS;

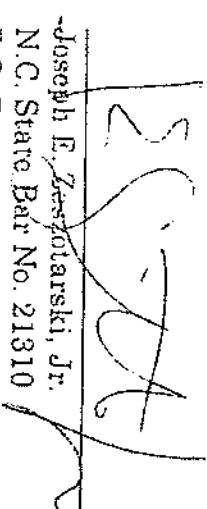
This the 20 day of November, 2018.

ROBERT F. ORR  
ATTORNEY AT LAW



Robert F. Orr  
N.C. State Bar No. 6798  
3434 Edwards Mill Road  
Suite 112-372  
Raleigh, NC 27612  
(919) 608-5335  
orr@rforrylaw.com

GAMMON, HOWARD &  
ZESZOTARSKI, PLLC



Joseph E. Zeszotarski, Jr.  
N.C. State Bar No. 21310  
P.O. Box 1127  
Raleigh, NC 27602  
(919) 521-5878  
jzeszotarski@ghz-law.com

Counsel for Petitioner

18CV014244

STATE OF NORTH CAROLINA  
WAKE COUNTY

FILE NO:

LAURA M. RIDDICK,

Petitioner,

v.

PETITION FOR JUDICIAL  
REVIEW  
(Denial of Request for Declaratory  
Ruling)

DEPARTMENT OF STATE  
TREASURER, Retirement  
Systems Division; DALE  
FOLWELL, State Treasurer (in  
official capacity only); STEVEN  
C. TOOLE, Director, Retirement  
Systems Division (in official  
capacity only); NORTH  
CAROLINA RETIREMENT  
SYSTEM COMMISSION  
BOARD OF TRUSTEES (in  
official capacity only),

Respondents.

Pursuant to North Carolina General Statutes §§ 150B-4 and -45, Laura M. Riddick petitions the court for judicial review of the November 2, 2018 decision of Steven C. Toole, Director, Retirement Systems Division, Teachers' and State Employees' Retirement System (TSERS), Local Governmental Employees' Retirement System (LGERS) and Register of Deeds Supplemental Pension Fund (RODSPF) denying Ms. Riddick's request for a declaratory ruling. The request for a declaratory ruling is attached as Exhibit B and the November 2, 2018 letter in response from Mr. Toole denying the request is attached as Exhibit C.

system, through Respondents, has terminated the payment of Petitioner's retirement benefits to her, claiming that she did not have enough accrued years to retire on March 31, 2017 and has demanded the repayment of \$126,290.28 in overpayments made to her by LGERS and RODSPF since her retirement on March 31, 2017. The termination of Petitioner's retirement benefits is unlawful as is the claimed overpayments demand and in violation of Petitioner's rights under the laws of North Carolina as contended by petitioner in her declaratory ruling request and under the North Carolina Constitution.

4. Respondent Steven Toole is the Executive Director of the Retirement Systems at issue in this case including LGERS AND TSERS as well as the Register of Deeds Supplemental Pension Fund (RODSPF) and is the official to whom the request for declaratory ruling was addressed and by whom it was denied.

5. The Retirement Systems Division in the Department of State Treasurer is the agency responsible for administration of LGERS, TSERS AND RODSPF.

6. The Department of State Treasurer is the state governmental entity established by the General Statutes of North Carolina under which the Retirement Systems Division is placed.

7. Dale Folwell is the duly elected Treasurer for the State of North Carolina and the administrative head of the Department of State Treasurer.

8. The North Carolina Retirement System Commission Board of Trustees (BOT) is a statutorily created body vested by the statutes of North Carolina with "the general administration and responsibility for the proper operation of the

14. On March 31, 2017, Petitioner retired as Wake County Register of Deeds having accrued 20 years and 4 months of creditable membership service in LGERS.
15. In March of 2017, Petitioner converted 2 years and 7 months of unused sick leave covering an extended time period of years of service as Register of Deeds to accrued creditable membership service time in LGERS.
16. In March of 2017, Petitioner transferred her previously accrued 6 years and 2 months of service time in TSERS to LGERS.
17. As a result of Petitioner's accrued membership service time from December 1, 1996 through March 31, 2017, Petitioner retired, effective April, 1, 2017 in LGERS with 29 years and 1 month of accrued service time and began drawing her pension.
18. Pursuant to state law, Petitioner while serving as Register of Deeds was entitled to and did contribute to and participate in the Register of Deeds Supplemental Pension Fund (RODSPF).
19. Upon Petitioner's retirement as Wake County Register of Deeds on March 31, 2017, Petitioner was entitled under state law to receive benefits from the RODSPF and did so.
20. On August 24, 2018, Petitioner plead guilty to 6 counts of G.S. 14-92, "Embezzlement by public officers and trustees", a class C felony, in Wake County Superior Court.
21. The Court consolidated all six counts for one judgement, and Petitioner was sentenced to a minimum term of 60 months imprisonment and a maximum

28. Those "certain felonies" specifically listed in G.S. 128-38.4 do not include G.S. 14-92 to which Petitioner plead guilty.
29. At the time of the offenses to which Petitioner plead guilty under G.S. 14-92, Petitioner was "an elected government official".
30. G.S. 128-38.4A upon which Respondents rely in this matter references "certain felonies" but lists no specific felonies, the only "certain felonies" being listed in G.S. 128-38.4.
31. Pursuant to G.S. 128-38.4A(a) in order for this statute to apply to a member "(2) The conduct resulting in the member's conviction is directly related to the member's office or employment." In G.S. 128-38-4A(b) it states: "Subdivision (2) of subsection (a) of this section shall apply to felony convictions where the court finds under G.S. 15A-1340.16(d)(9) or other applicable State or federal procedure that the member's conduct is directly related to the member's office or employment."
32. G.S. 15A-1340.16(d)(9) states in pertinent part: "Aggravating Factors" – The following are aggravating factors: ... (9) The defendant held public elected or appointed office or public employment at the time of the offense and the offense directly related to the conduct of the office or employment."
33. The Judgment and Commitment Order entered by Judge Ridgeway and attached as Exhibit D, has no aggravating factors listed or found.
34. G.S. 161-50.4(a)(1) is a statute requiring that a Register of Deeds with at least 10 years of eligible service but who does not commence retirement with



## EXCEPTIONS

40. Petitioner excepts to the November 2, 2018, decision of Respondent Toole as set forth in Exhibit C and each of the grounds, specifically set out or included in Respondent Toole's letter (Exhibit A), cited for the denial of Petitioner's Request for a Declaratory Ruling (Exhibit B).
41. Petitioner excepts to the determination made by Respondent Toole that Petitioner's was not entitled to credible service time toward retirement from December 1, 2012 through March 31, 2017 based upon the application of G.S. 128-38.4A to her in that (a) that statute is not applicable to Petitioner in that the offenses she plead guilty to are not covered by the statute; (b) even if the statute could be determined to apply to Petitioner the requisite finding by the Trial Court under G.S. 15A-1340.16(d)(9) was not made in the Judgment and Commitment (Exhibit D).
42. Petitioner excepts to the determination by Respondent Toole that says Petitioner is "no longer entitled to the service that was credited to her LGERS's account after December 1, 2012. Therefore pursuant... General Statutes §128-38.4A we have removed 13 years and 1 month (13.0833) of credible service from your LGERS's account for the period covering December 1, 2012 through March 31, 2017..." as more specifically set forth below in paragraphs 43 -- 45.
43. Petitioner excepts to the determination of Respondent Toole that Petitioner is no longer entitled to 4 years and 4 months of creditable service toward retirement which she accumulated between December 1, 2012 and March 31,

48. Petitioner excepts to the determination of Respondent Toole that Petitioner is ineligible for retirement benefits under RODSPF based upon the erroneous and illegal determinations set forth above that Petitioner was ineligible to retire from LGERS on March 31, 2017.

#### CONTINGENT CONSTITUTIONAL VIOLATIONS

49. Petitioner contends that she is entitled to judgment in her favor based solely upon the statutory violations alleged in the preceding paragraphs. However, should a ruling be granted in favor of Respondents on any or all of the statutory grounds set forth above, Petitioner contends as set forth below that such statutory application violates her rights under the North Carolina Constitution as more fully described below.

50. The deprivation of Petitioner's retirement benefits as set forth in Exhibit A, constitutes an unlawful taking of her property rights in violation of the North Carolina Constitution, Article I, Section 19, "Law of the Land; equal protection of the laws."

51. The deprivation of Petitioner's retirement benefits as set forth in Exhibit A, constitutes the infliction of excessive fines imposed and cruel or unusual punishment inflicted, in violation of the North Carolina Constitution, Article I, Section 27 "Bail, fines, and punishments."

52. The deprivation of Petitioner's retirement benefits as set forth in Exhibit A, constitutes the Ex post facto use of the law punishing Petitioner, in violation of the North Carolina Constitution, Article I, Section 16, "Ex post fact laws."

3. Declare that Respondents have no statutory or regulatory authority to deprive Petitioner of accrued creditable service earned through the accrual of unused sick leave;
4. Declare that Respondents have no statutory or regulatory authority to conclude that Petitioner was ineligible to retire with sufficient accrued creditable service on March 31, 2017;
5. Declare that Respondents have no statutory or regulatory authority to conclude that Petitioner was ineligible to draw retirement benefits from RODSPF;
6. Declare that Respondents claim for \$126,290.28 is void in that Petitioner was legally retired as of April 1, 2017 and entitled to benefits paid to her;
7. Issue a Preliminary and Permanent Injunction requiring the Respondents to reinstate Petitioner's retirement benefits as legally calculated and for interest on the amounts improperly withheld upon payment of those benefits improperly withheld;
8. That the costs of this action be taxed against the Respondents;
9. That Petitioner be awarded her attorneys fees, as may be allowable by law; and
10. For such other and further relief as the Court may deem just and proper.

CERTIFICATE OF SERVICE

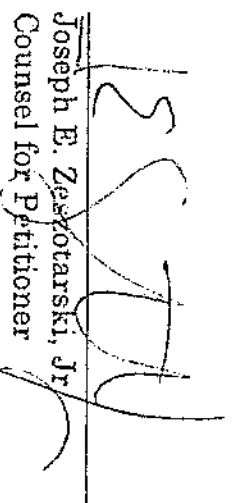
I hereby certify that I have this day served a copy of the foregoing PETITION  
FOR JUDICIAL REVIEW as follows:

Joseph Newsome  
Special Deputy Attorney General  
PO Box 629  
Raleigh, NC 27602-0629

Christina Morrow Strickland  
General Counsel for Retirement Systems Division  
3200 Atlantic Avenue  
Raleigh, NC 27604

Sam Hayes  
NC Department of State Treasurer  
3200 Atlantic Avenue  
Raleigh, NC 27604

This the 20<sup>th</sup> day of November, 2018.

  
\_\_\_\_\_  
Joseph E. Zesforanski, Jr.  
Counsel for Petitioner

**Anna Yount**

---

**From:** Ron Joyce <[ronjoyce@joycefoods.com](mailto:ronjoyce@joycefoods.com)>  
**Sent:** Monday, November 26, 2018 11:44 AM  
**To:** Dale Folwell  
**Subject:** RE: UNC Health Care System's Secrecy

Anything else I can do at this point? Have you seen this article?:

<https://www.fayobserver.com/opinion/20181124/brian-balfour-boomer-retirements-pose-fiscal-challenges>

**RON JOYCE**  
**PRESIDENT & CEO**  
**JOYCE FARMS**  
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WINSTON-SALEM, NC 27103  
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**From:** Dale Folwell [mailto:[Dale@Nctreasurer.com](mailto:Dale@Nctreasurer.com)]  
**Sent:** Wednesday, November 21, 2018 5:19 AM  
**To:** Ron Joyce  
**Cc:** Joyce Krawiec  
**Subject:** Re: UNC Health Care System's Secrecy

Thanks

**Dale R. Folwell, CPA**  
*NC State Treasurer*  
Office of the State Treasurer  
Office: (919) 814-3807

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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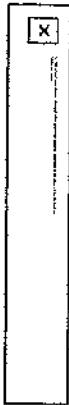
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On Nov 20, 2018, at 3:48 PM, Ron Joyce <[ronjoyce@joycefoods.com](mailto:ronjoyce@joycefoods.com)> wrote:

Anna Yount

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**From:** Capital Economics <research@email.capitaleconomics.com>  
**Sent:** Monday, November 26, 2018 11:56 AM  
**To:** Dale Folwell  
**Subject:** Global Markets Update - Rising corporate credit spreads not just an oil story



26 November 2018

# GLOBAL MARKETS UPDATE

## Rising corporate credit spreads not just an oil story

The recent pick-up in US corporate credit spreads is more than just a response to the slump in oil prices over the past couple of months. We think that it also reflects worries about the outlook for the global economy, which are likely to intensify next year as growth falters in the US and China in particular.

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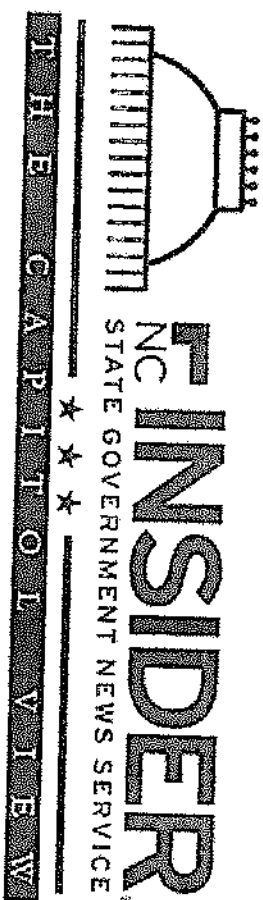
**Anna Yount**

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**From:** Anna Yount  
**Sent:** Monday, November 26, 2018 12:00 PM  
**To:** DST - NC Insider  
**Subject:** FW: Insider Afternoon Update for November 26, 2018

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**From:** NC Insider  
**Sent:** Monday, November 26, 2018 12:00:01 PM (UTC-05:00) Eastern Time (US & Canada)  
**To:** Anna Yount  
**Subject:** Insider Afternoon Update for November 26, 2018



**Gov. Roy Cooper's Transparency Problem**

By Colin Campbell, Monday, November 26, 2018  
RALEIGH -- Republican legislators have about 16 questions for Gov. Roy Cooper's administration, and he's refusing to answer.

Cooper and his Department of Environmental Quality skipped a recent legislative committee meeting on the state's \$58 million agreement with the developers of the Atlantic Coast Pipeline. Lawmakers want to know more details about how the agreement came together, and while the questions are obviously politically motivated, the governor's administration needs to be transparent and provide answers.

What's the big deal about the agreement? It was big news back in January, but since most North Carolinians have probably forgotten by now, here's a quick refresher:

The utility companies building the controversial natural gas pipeline that runs along Interstate 95 got key environmental permits in January. On the same day those permits were announced, Cooper announced a separate agreement in which the companies would pay \$58 million into a special fund to address the pipeline's environmental impacts and help connect it to communities along the route.

Republicans questioned whether the payment was made in exchange for the permit -- something Cooper has denied -- and they diverted the money to fund schools along the pipeline route. Since the spring, legislators have been holding meetings about the issue, sending long lists of questions and requesting documents from the governor's administration that are clearly public records.

The latest request was sent to the Cooper administration on Sept. 7. The deadline to respond passed two months later, and when the committee met recently to discuss "unanswered question," the Department of Environmental Quality says they weren't invited. It was a public meeting that anyone could attend, but no one showed up to answer questions.

Lawmakers were outraged, but those of us in the media weren't surprised. Cooper pledged to be more transparent than his predecessor, Pat McCrory, but it hasn't gotten any easier to get public records from the governor's administration. Even a simple request like asking for the governor's meeting schedule can take months.

acknowledged that health issues are delicate. He said, "You try to strike a balance where the public's interest is met, but privacy interests are protected."

A recent Wake County case illustrated that balance. Sydney Batch, the Democratic candidate in state House District 37, in August announced she was taking a break from her campaign after being diagnosed with early, non-invasive breast cancer, but she remained in the race and won on Nov. 6.

If Pate is sworn in in January, but declines to serve, the executive committees of the counties in his district will name a replacement who will serve the full two-year term.

Gerry Cohen, the unofficial historian of the General Assembly, said, "There's no constitutional requirement that you campaign." Whether it's fair to voters not to disclose serious health issues isn't a matter of law, he said: "It's not a legal question. It's a political one, I guess."

For Brantley it was more of a political riddle: How do you run against a candidate who can't campaign? Brantley didn't make an issue of Pate's fitness. Instead he argued for more public school funding and Medicaid expansion. Once Pate stopped campaigning, Brantley said, the NC Senate Majority Fund came after him with a heavy dose of negative mailers and TV commercials. Some mailers blamed him as a retired judge for favoring large court awards against hog farms even though those cases were in federal court.

"It seems like after (Pate) got sick, they doubled down since he wasn't able to get out and campaign himself," Brantley said. "It was frustrating."

Any Democrat would have trouble defeating an incumbent Republican in District 7 representing Lenoir, Pitt, and Wayne counties. But Brantley regrets that the race came down to a contest against outside funding while his opponent was mysteriously absent.

*Ned Barnett is associate opinion editor for The News & Observer, where this article originally appeared. For more commentary on N.C. politics and government, go to [newsobserver.com/opinion](http://newsobserver.com/opinion).*

## Stop the Government Takeover of Health Care. Reject Medicaid Expansion

By Donald Bryson, Monday, November 26, 2018

North Carolina has been a leader in enacting free-market reforms that are improving people's lives. Four tax reform packages have reduced the burden of government and simplified filing for millions of Tar Heel families. The expansion of school choice has created a new opportunity for thousands of students. And the rejection of Obamacare's Medicaid expansion has helped protect North Carolina from a critical aspect of the federal government's health care takeover.

Unfortunately, the newly bolstered Democrat legislative minorities, Gov. Roy Cooper and special interest groups are now pressuring leaders in the General Assembly to such an extent that House Speaker Tim Moore (R-Cleveland) indicated he is open to Medicaid expansion in North Carolina.

Fortunately, the U.S. Supreme Court ruled that Washington cannot force the states to expand Medicaid. Former Gov. Pat McCrory and the General Assembly have already exercised our state's rights, rejecting Medicaid expansion and the additional Obamacare empty promises that would come with it, when they passed Session Law 2013-5 in 2013.

Legislative leaders should now ignore renewed calls for Medicaid expansion -- even when it comes from members of the Republican House Caucus, such as Rep. Donny Lambeth's (R-Forsyth) Carolina Cares legislation. The Obama administration assured states that Washington would pick up 100 percent of the expansion costs for the first three years, and then 90 percent thereafter. But how reliable is a guarantee from a federal government more than \$21 trillion in debt, much of which is due to entitlement programs like Medicaid?

The problems with Medicaid expansion can also become systemic, particularly the unforeseen costs. The non-partisan Foundation for Government Accountability published research earlier this year which found that states that expanded Obamacare through Medicaid expansion have signed up more than twice as many able-bodied adults as promised. This enrollment deluge, combined with higher than forecasted per-person costs, has led to cost overruns of 157 percent.

The renewed call for Medicaid expansion in North Carolina also comes at a time when the state's Medicaid program is switching to a managed care model and just recovered from multiple years of cost overruns which skyrocketed into the hundreds of millions of dollars.

Medicaid expansion would inevitably hurt the most vulnerable North Carolinians. Medicaid is a program meant for impoverished citizens. However, because of Medicaid's low doctor reimbursement rates, patients already have a tough time getting a doctor's appointment, which contributes to the program's shockingly poor health outcomes. Indeed, according to state Medicaid Annual reports, from 2003 to 2016, the number of physicians enrolled as Medicaid providers in North Carolina plummeted by more than 10,000, a drop of 28 percent.

An expansion would add hundreds of thousands of non-disabled, childless, working-age adults to Medicaid, which would further exacerbate the problem of access to quality care for the neediest North Carolinians. A job, not Medicaid, is the best anti-poverty program. North Carolina should keep moving forward with the proven job-creating policies of controlled government spending, tax cuts, and regulatory reform.

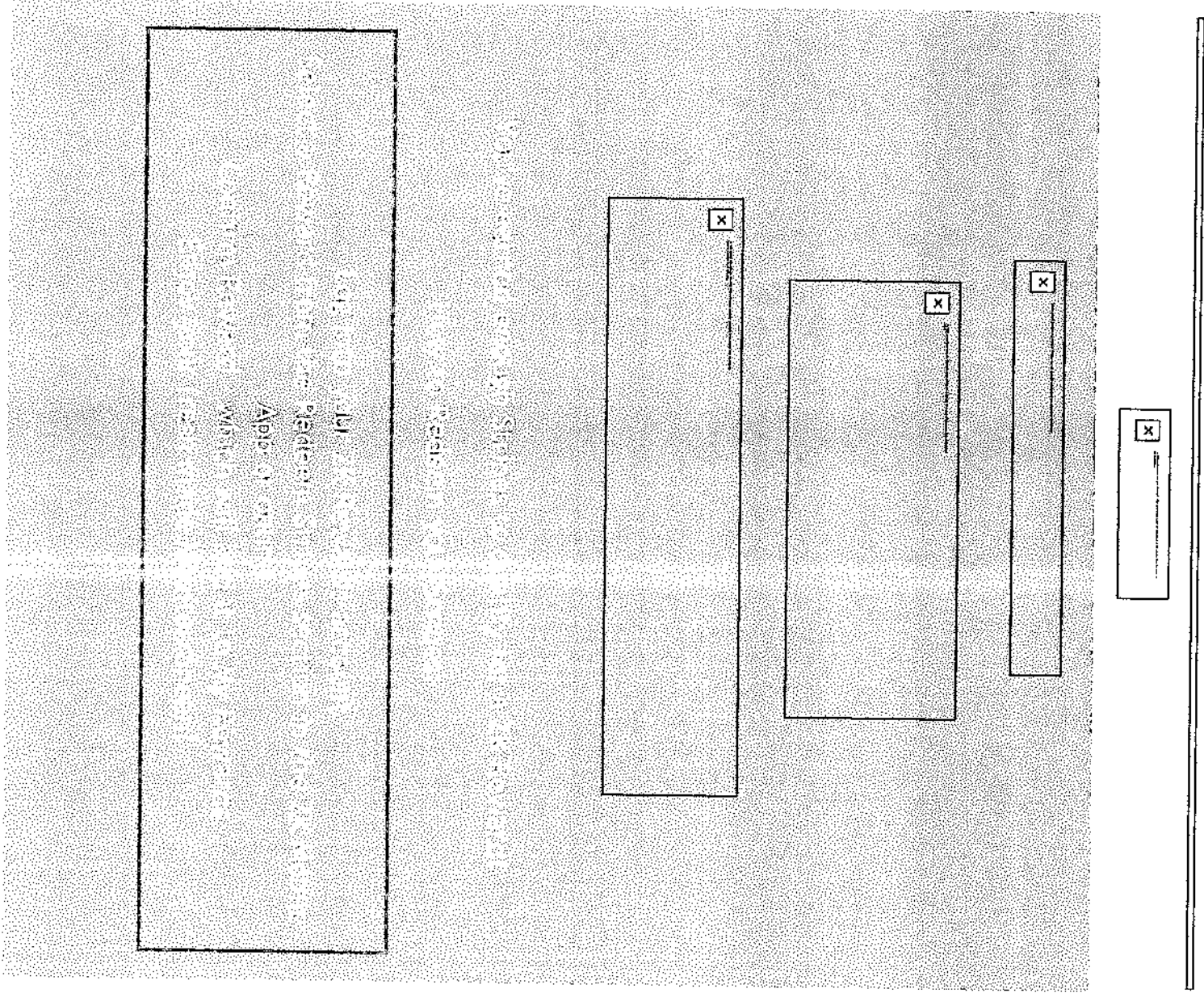
Caring for impoverished citizens and families isn't the same thing as locking more people into Medicaid. Medicaid is a safety net program. However, expanding Medicaid would dramatically change the purpose of the program and necessitate increased government spending and higher tax rates, which will likely make it more difficult for those



Anna Yount

From:  
Sent:  
To:  
Subject:

Zoës Kitchen <noreply@zoesmail.com>  
Monday, November 26, 2018 12:01 PM  
Dale Folwell  
Congrats! 🎉 You've Earned Your Stripes



**Anna Yount**





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**From:** Frank Lester  
**Sent:** Monday, November 26, 2018 1:45 PM  
**To:** Dale Folwell; Edgar Starnes  
**Subject:** RE: Treasurer Folwell Comments on DOJ/Atrium Settlement

This has already gone out to legislators. Frank

**Frank G. Lester**  
Deputy Treasurer  
Communications/Government Affairs  
Office of the State Treasurer  
Office: (919) 814-3811

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**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
DALE R. FOLWELL, CPA

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**From:** Dale Folwell  
**Sent:** Monday, November 26, 2018 1:43 PM  
**To:** Frank Lester <[Frank.Lester@nctreasurer.com](mailto:Frank.Lester@nctreasurer.com)>; Edgar Starnes <[Edgar.Starnes@nctreasurer.com](mailto:Edgar.Starnes@nctreasurer.com)>  
**Subject:** FW: Treasurer Folwell Comments on DOJ/Atrium Settlement

Edgar, please make sure this goes out to legislators AFTER frank send RBP letter.

'dotwell@cherokeescout.com' <dotwell@cherokeescout.com>; 'bmedina@ncivitas.org' <bmedina@ncivitas.org>;  
'ray.nothstine@ncivitas.org' <ray.nothstine@ncivitas.org>; 'jeff@compassnews3360.com'  
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'allen.johnson@greensboro.com' <allen.johnson@greensboro.com>; 'daniel.finnegan@greensboro.com'  
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'steven.doyle@greensboro.com' <steven.doyle@greensboro.com>; 'susan.ladd@greensboro.com'  
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<beta@ncbeaches.com>; 'brian.balfoul@ncivitas.org' <brian.balfoul@ncivitas.org>; 'communications@nggop.org'



if the hospital association is successful in stopping the Plan, then premiums, copays, and deductibles for the nearly 727,000 teachers, public safety workers, and other state and local employees are likely to increase. In addition, the projected \$300 million in savings to taxpayers and \$65 million in savings to members will never be realized. This could have a devastating effect on the long-term viability of the Plan.

"In North Carolina, we already spend \$3.4 billion a year in taxpayers' money for state employees and retiree health care. Additionally, we owe \$30 billion for long-term health care costs and we don't even know what we're supposed to pay for medical services," said Folwell. "If something isn't done now, then other core functions of government like education, public safety, and roads will be financially impacted."

Folwell also said that after his legal team reviews the settlement, he will be submitting comments on the proposed settlement to the United States Department of Justice.

"We're doing what's necessary at this point in our state's history because others didn't," said Folwell. "As chaotic as health care is, we have not lost our commitment on focusing all of our attention on the member and taxpayers like them. It's not enough to just point out problems, ultimately they have to be fixed."

###

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## Anna Yount

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**From:**  
**Sent:**  
**To:**

Micah Beasley  
Monday, November 26, 2018 1:50 PM

Allen Martin; Andrew Norton; Anna Yount; Beth Horner; Bill Golden; Brenda Williams; Brian Jackson; Caroline Smart; Cassandra Wilson; Charles Winkler; Chris Farr; Chris Frazier; Christina Strickland; Christopher McCracken; Christopher Morris; Cindy Aiken; Cindy Webb; Dale Folwell; David Starling; Debbie Tomasko; Debra Haynes; Dee Jones; Dora Fazzini; Edgar Starnes; FOD - Financial Operations Division; Fran Lawrence; Frank Lester; Greg Gaskins; INV - Investment Division; Karah Manning; Kendall Bourdon; Laura Rowe; Lucy Barreto; Meryl Murtagh; Meryl Murtagh; Micah Beasley; Powell Baggett; Matthew Rish; Rhonda Smith; Robert Jensen; Sam Hayes; Sam Watts; Sarah Unks; Shannon Wharry; Sharon Edmundson; Stephanie Hawco; Steve Toole; Ted Enarson; Tim Romocki; Will Spicer  
Press Clip - The Pilot (Moore County): State Treasurer Visits Habitat, Big Check in Hand

**Subject:**

### The Pilot (Moore County): State Treasurer Visits Habitat, Big Check in Hand

By Laura Douglass  
November 20, 2018

Dale Folwell spends a lot of time on the road. As the North Carolina State Treasurer, he is "keeper of the public purse."

In this role, one of his jobs is overseeing the **Unclaimed Property Division**. And so it was that Folwell, who had scheduled visits Monday to the Moore County Republican Men's Club and The Pilot, also took a few minutes to present a check for \$1,048.73 to Habitat for Humanity of the NC Sandhills.

There is approximately \$711 million dollars in the state's **unclaimed property fund** — bank accounts, utility deposits, policy proceeds, stocks, bonds, and contents of safe deposit boxes — that typically have been abandoned for one to five years. By law, these funds are escheated, or turned over, to the **Department of State Treasurer** for safekeeping until claimed by the appropriate business, nonprofit, individual or heir.

**The State Treasurer's office** coordinates a free search service to help people and businesses locate unclaimed funds at [www.NCCash.com](http://www.NCCash.com)

Earlier this fall, longtime Habitat staff member Janet Lowry went online to see if the local affiliate might be due any money.

"It was so easy to do," she said. "The people at the **Treasurer's office** were wonderful to work with."

In a very short time, they found "19 little bits of money" that were mainly earnings on investments that had come to the state from donations to Habitat. The largest gift was in the \$500-\$600 range, Lowry said, and the rest were all small accounts that were aggregated.

"It was free money for us. We love it!" she said.

Funds become unclaimed because a company loses track of the consumer, due to an incorrect address or other missing information. State law requires businesses to report all unclaimed property, regardless of the amount. Items under \$50 may be reported and remitted in a lump amount listed as aggregate.

**Anna Yount**





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**From:** Frank Lester  
**Sent:** Monday, November 26, 2018 1:52 PM  
**To:** Dale Folwell  
**Subject:** RE: Treasurer Folwell Comments on DOJ/Atrium Settlement  
**Attachments:** Atriumsults11.18fnl.docx

Please see attached. Frank

**Frank G. Lester**  
Deputy Treasurer  
Communications/Government Affairs  
Office of the State Treasurer  
Office: (919) 814-3811

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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**From:** Dale Folwell  
**Sent:** Monday, November 26, 2018 1:51 PM  
**To:** Frank Lester <[Frank.Lester@nctreasurer.com](mailto:Frank.Lester@nctreasurer.com)>  
**Subject:** RE: Treasurer Folwell Comments on DOJ/Atrium Settlement

Please send presser to me again thanks

From: Dale Folwell

Sent: Monday, November 26, 2018 1:43 PM

To: Frank Lester <[Frank.Lester@nctreasurer.com](mailto:Frank.Lester@nctreasurer.com)>; Edgar Starnes <[Edgar.Starnes@nctreasurer.com](mailto:Edgar.Starnes@nctreasurer.com)>  
Subject: FW: Treasurer Folwell Comments on DOJ/Atrium Settlement

Edgar, please make sure this goes out to legislators AFTER frank send RBP letter.

**Dale R. Folwell, CPA**

*NC State Treasurer*  
Office of the State Treasurer  
Office: (919) 814-3807

3200 Atlantic Avenue, Raleigh, NC 27604  
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**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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**From: Press**

Sent: Monday, November 26, 2018 12:42 PM

To: 'alamancenews@mail.com' <[alamancenews@mail.com](mailto:alamancenews@mail.com)>; 'groberson@ap.org' <[groberson@ap.org](mailto:groberson@ap.org)>; 'apraleigh@ap.org' <[apraleigh@ap.org](mailto:apraleigh@ap.org)>; 'mwaggoner@ap.org' <[mwaggoner@ap.org](mailto:mwaggoner@ap.org)>; 'sforeman@ap.org' <[sforeman@ap.org](mailto:sforeman@ap.org)>; 'tom.mayer@mountaintimes.com' <[tom.mayer@mountaintimes.com](mailto:tom.mayer@mountaintimes.com)>; 'colin.tate@mountaintimes.com' <[colin.tate@mountaintimes.com](mailto:colin.tate@mountaintimes.com)>; 'ian.taylor@mountaintimes.com' <[ian.taylor@mountaintimes.com](mailto:ian.taylor@mountaintimes.com)>; 'luke.weir@mountaintimes.com' <[luke.weir@mountaintimes.com](mailto:luke.weir@mountaintimes.com)>; 'racriscoe@courier-tribune.com' <[racriscoe@courier-tribune.com](mailto:racriscoe@courier-tribune.com)>; 'ajordan@courier-tribune.com' <[ajordan@courier-tribune.com](mailto:ajordan@courier-tribune.com)>; 'jdwalker@courier-tribune.com' <[jdwalker@courier-tribune.com](mailto:jdwalker@courier-tribune.com)>; 'jbiggs@courier-tribune.com' <[jbiggs@courier-tribune.com](mailto:jbiggs@courier-tribune.com)>; 'MBarrett@CITIZEN-TIMES.com' <[MBarrett@CITIZEN-TIMES.com](mailto:MBarrett@CITIZEN-TIMES.com)>; 'cblake@citizen-times.com' <[cblake@citizen-times.com](mailto:cblake@citizen-times.com)>; 'bponder@citizentimes.com' <[bponder@citizentimes.com](mailto:bponder@citizentimes.com)>; 'jburgess@citizen-times.com' <[jburgess@citizen-times.com](mailto:jburgess@citizen-times.com)>; 'jbowman@citizen-times.com' <[jbowman@citizen-times.com](mailto:jbowman@citizen-times.com)>; 'editor@thetribunepapers.com' <[editor@thetribunepapers.com](mailto:editor@thetribunepapers.com)>; 'jowman@citizen-times.com' <[jowman@citizen-times.com](mailto:jowman@citizen-times.com)>; 'editor@averyjournal.com' <[editor@averyjournal.com](mailto:editor@averyjournal.com)>; 'news@averyjournal.com' <[news@averyjournal.com](mailto:news@averyjournal.com)>; 'paul@blackmountainnews.com' <[paul@blackmountainnews.com](mailto:paul@blackmountainnews.com)>; 'anna.oakes@wataugademocrat.com' <[anna.oakes@wataugademocrat.com](mailto:anna.oakes@wataugademocrat.com)>; 'news@blackmountainnews.com' <[news@blackmountainnews.com](mailto:news@blackmountainnews.com)>; 'mabernethy@thetimesnews.com' <[mabernethy@thetimesnews.com](mailto:mabernethy@thetimesnews.com)>; 'brcsenzo@thetimesnews.com' <[brcsenzo@thetimesnews.com](mailto:brcsenzo@thetimesnews.com)>; 'rich.jackson@thetimesnews.com' <[rich.jackson@thetimesnews.com](mailto:rich.jackson@thetimesnews.com)>; 'dmildenberg@businessnc.com' <[dmildenberg@businessnc.com](mailto:dmildenberg@businessnc.com)>; 'chris.william@wellsfargoadvisors.com' <[chris.william@wellsfargoadvisors.com](mailto:chris.william@wellsfargoadvisors.com)>; 'dway@carolinajournal.com' <[dway@carolinajournal.com](mailto:dway@carolinajournal.com)>; 'rhenderson@carolinajournal.com' <[rhenderson@carolinajournal.com](mailto:rhenderson@carolinajournal.com)>; 'cashmichaels@yahoo.com' <[cashmichaels@yahoo.com](mailto:cashmichaels@yahoo.com)>; 'jackie@thenewstimes.com' <[jackie@thenewstimes.com](mailto:jackie@thenewstimes.com)>;



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<Brenda.Williams@nctreasurer.com>; Christopher Morris <Christopher.Morris@nctreasurer.com>; Jeff Smith <Jeff.S.Smith@nctreasurer.com>; Cindy Aiken <Cindy.Aiken@nctreasurer.com>; Dee Jones <Dee.Jones@nctreasurer.com>; Dale Folwell <Dale@Nctreasurer.com>; Sam Hayes <Sam.Hayes@nctreasurer.com>; Edgar Starnes <Edgar.Starnes@nctreasurer.com>; Sharon Edmundson <Sharon.Edmundson@nctreasurer.com>; Powell Baggett <Powell.Baggett@nctreasurer.com>  
**Subject:** Treasurer Folwell Comments on DOJ/Atrium Settlement



**NORTH CAROLINA**  
**DEPARTMENT OF STATE TREASURER**

DATE  
DA

**FOR IMMEDIATE RELEASE**

November 26, 2018

Contact: Frank Lester  
919-814-3811

**Treasurer Folwell Calls for US Department of Justice to Recover Hundreds of Millions  
Potentially owed to NC Taxpayers from Hospitals' Anti-Competitive Activities and to Enforce  
Transparency in Pricing**

*Calls for Pricing Transparency from all North Carolina Hospitals*

(Raleigh, N.C.) – State Treasurer Dale R. Folwell, CPA, today called for the United States Department of Justice to take action and for all North Carolina hospitals to be transparent in their pricing. The announcement was made in light of the recent settlement of a lawsuit filed by the United States Department of Justice and the North Carolina Department of Justice against Atrium Health, formerly known as Carolinas Healthcare System.

The civil antitrust lawsuit challenged provisions in Atrium's contracts with major health insurers including Blue Cross and Blue Shield of North Carolina (Blue Cross NC) that prohibited what otherwise would have been used to direct consumers towards high quality, cost-effective health care providers.

"For decades, the largest public hospital system in North Carolina has been engaging in this and other anti-competitive activities," said Treasurer Folwell. "In the spirit of this settlement, I'm calling on all North Carolina hospitals to be transparent and to publish their pricing so consumers can make informed decisions regarding health care. I'm also calling for the United States Department of Justice and the North Carolina Department of Justice, on behalf of the State Health Plan, to recover the potentially hundreds of millions overcharged to consumers by hospital management from this illegal activity."

Earlier this year, the State Health Plan (Plan) submitted a public records request to UNC Health Care for a copy of its contract and fee schedule with Blue Cross NC. Blue Cross NC is the third party administrator for the Plan and negotiates pricing for the Plan's 727,000 members.

In response, UNC Health Care provided more than 100 pages of redacted information with no visible prices. The state-owned hospital said that pricing information between Blue Cross NC and itself is confidential. Treasurer Folwell responded with a press release highlighting its absurdity.

"The taxpayers need to understand that the state treasurer cannot find out from the state hospital what the State Health Plan is paying for medical services for state workers," said Folwell. "It's beyond belief."



NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER

DALE R. FOLWELL, CPA  
*Dale R. Folwell, CPA*

FOR IMMEDIATE RELEASE

November 26, 2018

Contact: Frank Lester

919-814-3811

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In order to begin reducing medical costs and to provide price transparency for its members, the Plan announced a new medical provider reimbursement strategy using referenced-based pricing based on a percentage over published government rates plus, on average, a 77 percent profit. The hospital association has vehemently opposed transparency in pricing and is intending to go to the North Carolina General

**Anna Yount**


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**From:** Marni Jameson <marni@aid-us.org>  
**Sent:** Monday, November 26, 2018 2:21 PM  
**To:** Dale Folwell  
**Subject:** RE: Treasurer Folwell Comments on DOJ/Atrium Settlement

Well said. AID is in full support.

*Marni Jameson Carey*  
Executive Director  
407-571-9316



  
[www.aid-us.org](http://www.aid-us.org)

**From:** Dale Folwell <Dale@Nctreasurer.com>  
**Sent:** Monday, November 26, 2018 1:04 PM  
**To:** Marni Jameson <marni@aid-us.org>  
**Subject:** FW: Treasurer Folwell Comments on DOJ/Atrium Settlement

**Dale R. Folwell, CPA**  
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*Dale R. Folwell, CPA*  
DALE R. FOLWELL, CPA

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**From:** Press  
**Sent:** Monday, November 26, 2018 12:42 PM

If the hospital association is successful in stopping the Plan, then premiums, copays, and deductibles for the nearly 727,000 teachers, public safety workers, and other state and local employees are likely to increase. In addition, the projected \$300 million in savings to taxpayers and \$65 million in savings to members will never be realized. This could have a devastating effect on the long-term viability of the Plan.

"In North Carolina, we already spend \$3.4 billion a year in taxpayers' money for state employees and retiree health care. Additionally, we owe \$30 billion for long-term health care costs and we don't even know what we're supposed to pay for medical services," said Folwell. "If something isn't done now, then other core functions of government like education, public safety, and roads will be financially impacted."

Folwell also said that after his legal team reviews the settlement, he will be submitting comments on the proposed settlement to the United States Department of Justice.

"We're doing what's necessary at this point in our state's history because others didn't," said Folwell. "As chaotic as health care is, we have not lost our commitment on focusing all of our attention on the member and taxpayers like them. It's not enough to just point out problems, ultimately they have to be fixed."

###

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Anna Yount

From: Finance Crowd <info@finance-crowd.com>  
Sent: Monday, November 26, 2018 2:32 PM  
To: Dale Folwell  
Subject: 5 Ways CFOs Can Increase Profitability

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From: T.J. McCullough, Publisher <reply@mail-1.bizjournals.com>  
Sent: Monday, November 26, 2018 3:14 PM  
To: Dale Folwell  
Subject: Afternoon Edition: Court battle threatens firm; Toll road opening; Studio for Fort Mill

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November 26, 2018

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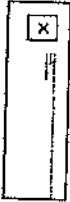

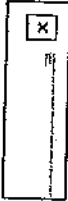

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COMPANIES ON THE MOVE





Anna Yount

From: Jason Christie, Publisher <reply@mail-1.bizjournals.com>  
Sent: Monday, November 26, 2018 3:24 PM  
To: Dale Folwell  
Subject: Afternoon Edition: RDU asks Wake Stone to find 'compromise' for controversial land

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**AFTERNOON EDITION**  
November 26, 2018

**RDU asks Wake Stone to find 'compromise' for controversial land**  
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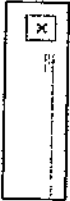
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PEOPLE ON THE MOVE



**Janene Tompkins**  
Capital Bank (Raleigh, NC)

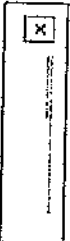
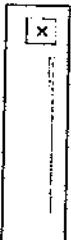
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**Anna Yount**

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**From:** Edgar Starnes  
**Sent:** Monday, November 26, 2018 3:30 PM  
**To:** Sam Watts  
**Cc:** Steve Toole; Dale Folwell  
**Subject:** Municipal Charter Schools

Sam,

I just met with Senator Bishop. He's anxious to get the fix needed for the charter school retirement. I told him we would bring him the necessary language.

Edgar V. Starnes  
Senior Policy Advisor and Legislative Liaison  
Office of the State Treasurer  
Phone: (919) 814-3812

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---

**Anna Yount**

---

**From:** Sam Watts  
**Sent:** Monday, November 26, 2018 3:37 PM  
**To:** Edgar Starnes  
**Cc:** Steve Toole; Dale Folwell  
**Subject:** RE: Municipal Charter Schools

Happy to provide him with the language.

Sam Watts  
Policy Director  
Retirement Systems Division  
Office Phone: (919) 814-4164  
[www.nctreasurer.com](http://www.nctreasurer.com)

**From:** Edgar Starnes  
**Sent:** Monday, November 26, 2018 3:30 PM  
**To:** Sam Watts <Sam.Watts@nctreasurer.com>  
**Cc:** Steve Toole <Steve.Toole@nctreasurer.com>; Dale Folwell <Dale@Nctreasurer.com>  
**Subject:** Municipal Charter Schools

Sam,

I just met with Senator Bishop. He's anxious to get the fix needed for the charter school retirement. I told him we would bring him the necessary language.

Edgar V. Starnes  
Senior Policy Advisor and Legislative Liaison  
Office of the State Treasurer  
Phone: (919) 814-3812

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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Anna Yount

**From:** Sam Hayes  
**Sent:** Monday, November 26, 2018 3:46 PM  
**To:** Dale Folwell; Frank Lester; Chris Farr; Steve Toole  
**Cc:** Christina Strickland; Sam Watts  
**Subject:** N&O article on Riddick

<https://www.newsobserver.com/news/local/article222195615.html>

**Sam M. Hayes**

*General Counsel*  
Office of the State Treasurer  
Office: (919) 814-3818

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)



**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
State Treasurer, North Carolina  
DALE R. FOLWELL, CPA

## Anna Yount





---

**From:** Anna Yount  
**Sent:** Monday, November 26, 2018 3:52 PM  
**To:** Dale Folwell  
**Subject:** RE: Need n and o sign in

**Subject:** n&o

**Username:** [press@nctreasurer.com](mailto:press@nctreasurer.com)  
**Password:** Folwell1123

**Anna Yount**  
Executive Assistant to the Treasurer  
Office of the State Treasurer  
Office: (919) 814-3807

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)  
   

NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



*Dale Folwell, CPA*  
DALE R. FOLWELL, CPA

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**From:** Dale Folwell  
**Sent:** Monday, November 26, 2018 3:48 PM  
**To:** Anna Yount <[Anna.Yount@nctreasurer.com](mailto:Anna.Yount@nctreasurer.com)>  
**Subject:** Need n and o sign in

**Dale R. Folwell, CPA**  
*NC State Treasurer*  
Office of the State Treasurer  
Office: [\(919\) 814-3807](tel:(919)814-3807)

3200 Atlantic Avenue, Raleigh, NC  
27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)



**Anna Yount**

---

**From:** National Association of State Auditors, Comptrollers and Treasurers  
<gjohanson@nasact.org>  
**Sent:** Monday, November 26, 2018 4:13 PM  
**To:** Dale Folwell  
**Subject:** NASACT Weekly News Update - November 26

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## WEEKLY NEWS UPDATE

In this issue:

[Featured Items](#)  
[Upcoming Events](#)  
[State Auditors](#)  
[State Comptrollers](#)  
[State Treasurers](#)  
[Job Openings](#)

Also, find out what's happening around the nation! [State Headlines](#)

---

### FEATURED ITEMS

#### HOLIDAY SCHEDULE

NASACT's Lexington and Washington offices will be closed on December 25 and January 1 for the holidays.

**FEDERAL REGISTER NOTICE FOR REVISED FORM SF-SAC FOR FY 2019 NOW AVAILABLE: INPUT NEEDED BY NOV 28**

The 30-day Federal Register Notice for the revised Form SF-SAC for the 2019 fiscal year has been published in the Federal Register. The comment period ends December 6. *NASACT members are asked to review the revised draft and send comments to [Sherril Rowland by Wednesday, November 28](#).*

[Click here](#) to learn more and view the draft form and instructions and a summary of comments on the FAC notice from April 2018.

## ***Financial Reporting Model Improvements***

The preliminary views document *Financial Reporting Model Improvements* presents the Governmental Accounting Standards Board's current thinking on targeted improvements to the financial reporting model—the blueprint for the annual audited financial report. The proposals are designed to improve the model's effectiveness in providing information essential to decision making and assessing a government's accountability.

The PV considers improvements in *selected* areas of the existing financial reporting model. The Board plans to address enhancement of other areas of the model in a subsequent proposal.

### ***Recognition of Elements of Financial Statements***

The preliminary views document *Recognition of Elements of Financial Statements* presents the Board's current views on concepts related to recognition of elements of financial statements, such as assets and liabilities.

Recognition concepts encompass two aspects of state and local government financial statements:

- The *measurement focus* of a specific financial statement determines *what* items should be reported.
- The related *basis of accounting* determines *when* those items should be reported.

The PV proposes that an item being considered for recognition in financial statements would be evaluated using a hierarchy for recognition of elements. The hierarchy would require the Board follow a specific order of elements when considering if an item should be recognized and as what element (for example, as an asset, deferred outflows of resources, or expense).

The PV also proposes a recognition framework for both the short-term financial resources measurement focus (proposed for use in governmental fund financial statements in the companion Preliminary Views) and the economic resources measurement focus (used in government-wide, proprietary fund, and fiduciary fund financial statements).

Issuing the two documents concurrently is intended to provide stakeholders with a conceptual context for how elements of financial statements would be recognized and then to see how those elements would be presented within the financial reporting model.

A series of public hearings and user forums on the PVs are scheduled as follows:

#### ***Public Hearings***

- March 5, 2019, Rosemont, IL
- March 12, 2019, Atlanta, GA
- March 14, 2019, Flushing, NY

#### ***User Forums***

- March 6, 2019, Rosemont, IL
- March 14, 2019, Flushing, NY

*These calls are open to NASACT members, state staff and invited guests only.*

**November 27, 3:00 p.m. Eastern**

NASACT Committee on Accounting, Reporting and Auditing – [Request more info](#)

**November 28, 3:00 p.m. Eastern**

NASC Travel & P-Card Information Sharing Group – [Request more info](#)

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## UPCOMING EVENTS

Dec 4 – [NSAA Emerging Issues Meeting](#)

Jan 16 – Webinar: [The Bots Are Coming! The Bots Are Coming! An Update](#)

Jan 24 – Webinar: [GASB's Preliminary Views on Financial Reporting Model Improvements and the Soon-to-be-Released Implementation Guides](#)

Jan 29-Feb 1 – [NSAA IT Workshop & Conference, Savannah, GA – RESCHEDULED DATE](#)

Mar 13-15 – [NASC Annual Conference, Atlanta, GA](#)

Apr 8 – [NASACT Training Issues Workshop, Lexington, KY](#)

Apr 9-11 – [NASACT Emerging Leaders Conference, Lexington, KY](#)

Jun 11-14 – [NSAA Annual Conference, Cherokee, NC](#)

Aug 17-21 – [NASACT Annual Conference, Scottsdale, AZ](#)

Sept 24-27 – [NSAA IT Workshop & Conference, Grand Rapids, MI](#)

---

## STATE AUDITORS

### NSAA IT WORKSHOP & CONFERENCE RESCHEDULED

The NSAA IT Workshop and Conference scheduled for September 17-20 in Savannah, Georgia was rescheduled due to Hurricane Florence. The event will still be held at The DeSoto Hotel in Savannah, Georgia. The rescheduled dates are:

- IT Workshop: Tuesday, January 29, 2019
- IT Conference: Wednesday, January 30 through Friday (noon), February 1, 2019

[Click to register or learn more.](#)

---

## STATE TREASURERS

### LEGISLATIVE CONFERENCE: REGISTRATION IS OPEN

NAST is pleased to announce that registration for 2019 Legislative Conference is now open! The conference will be held at the historic Mayflower Hotel in Washington, D.C. The conference will begin on Sunday, February 10 and run through February 12. For the first time ever, NAST will be offering early bird registration rates which will be available until January 7. [Please go here](#) to learn more and register for the 2019 Legislative Conference!

### 2019 NAST CONFERENCES

- February 10-12: Legislative Conference, Washington, DC
- May 21-24: Treasury Management Training Symposium, Providence, Rhode Island
- July 14-17: National Institute of Public Finance, Malibu, California
- October 6-9: Annual Conference, Naples, Florida

## STATE HEADLINES

### LOUISIANA

[Audit: Spending oversight issues at Louisiana tourism agency](#)  
The Advocate

Louisiana's tourism department didn't properly track spending, follow payroll policies or collect appropriate park fees, the legislative auditor's office said in a report released Monday...

### MASSACHUSETTS

[Audit Calls for Improvement in Board Oversight at Helen Y. Davis Leadership Academy](#)  
Press Release

An audit released by State Auditor Suzanne M. Bump found significant problems related to management and board oversight at the Helen Y. Davis Leadership Academy Charter Public School (DLA). The audit raises similar concerns about compensation for the former executive director that were included in a recent report from the Office of the Inspector General but expands to also highlight deficiencies related to financial management of the school and board of trustee governance...

### NORTH CAROLINA

[NC treasurer addresses concerns of income tax cap hurting state's Triple-A bond rating](#)  
WECT - Wilmington

North Carolina Treasurer Dale Folwell is trying to calm fears that a measure passed by voters will adversely affect the state's Triple-A bond rating. The proposed constitutional

than 2015, at \$37 billion. In 2018, the improper payment rate was 8.12 percent, compared to 9.51 percent in 2017. Both years fell below the 10 percent threshold outlined in the Improper Payments Elimination and Recovery Act of 2010...

Why States Hoping for Online Holiday Sales to Boost Budgets May Not Get Their Wish  
Governing Magazine

Retail experts are anticipating that the Thanksgiving shopping weekend will once again be record-breaking, particularly for online sales. Last year, the Monday after Thanksgiving -- nicknamed Cyber Monday -- saw a record \$6.6 billion in sales, up 16.8 percent from the previous year. But if states are hoping for a revenue windfall in the aftermath of the U.S. Supreme Court ruling this year that allowed them to collect online sales taxes -- not so fast. "Ultimately, I think there will be a nice little bump to states," says Brian Kirkell, a principal at the tax consulting firm RSM, "but it's not going to change much." ...

## JOB OPENINGS

If you wish to promote a job opening via NASACT's weekly news update, email a link to the job and the date through which the posting should be promoted to [Glenda Johnson](#).

### Arizona

Performance Auditor -- Office of the Auditor General  
Financial Auditor -- Office of the Auditor General  
School District Auditor -- Office of the Auditor General

### California

Auditor Evaluator -- California State Auditor

### Connecticut

Performance Auditor I -- Office of the Auditors of Public Accounts  
Performance Auditor II -- Office of the Auditors of Public Accounts

### Florida

Audit Positions -- Office of the Auditor General

### Georgia

Audit Technical Research Manager -- Department of Audits and Accounts

### Louisiana

Financial Audit Staff Auditor -- Louisiana Legislative Auditor  
Information Technology Staff Auditor -- Louisiana Legislative Auditor

### Maine

IT Principal Auditor -- Office of the State Auditor

### Tennessee

Public Utility and Transportation Auditor -- Comptroller of the Treasury  
Division Controller -- Finance and Administration

### Other

Executive Director -- Federal Accounting Standards Advisory Board  
Chief Financial Officer -- National Association of State Purchasing Officers

**Anna Yount**

---

**From:** Dee Jones  
**Sent:** Monday, November 26, 2018 4:51 PM  
**To:** Dale Fotwell  
**Cc:** Dee Jones  
**Subject:** FW: Customer Forum  
**Attachments:** URS Leadership Forum ORx\_Mahrt\_2018.pdf; URS\_Leadership\_Forum\_2018\_CMS and Political outlook.pdf

Treasurer,

Still cleaning up emails and found a couple of slide decks from our trip to DC for the first of three round tables. The second slide deck is the most interesting as it discusses the political climate and shows significant support for delaying the HIT through 2021.

**Dee Jones**

*Executive Director*  
State Health Plan

**From:** Rensi, Geoffrey A [mailto:geoffrey\_rensi@uhc.com]  
**Sent:** Monday, November 12, 2018 2:15 PM  
**To:** Dee Jones <Dee.Jones@nctreasurer.com>; Andrew Norton <andrew.norton@nctreasurer.com>  
**Subject:** Customer Forum

Dee & Andrew,

Thank you both for traveling to DC, it was great to catch up with you both over the week!

**Thank you.**

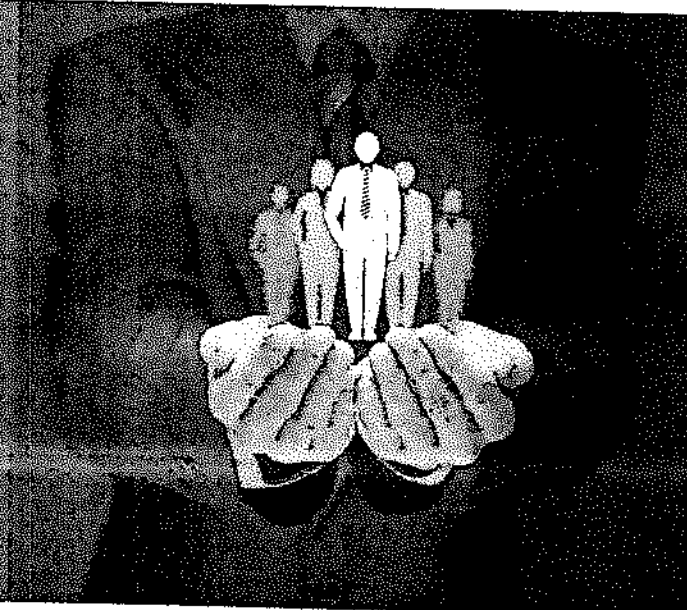
**A Vision for Health Care Leadership**

**2018 UnitedHealthcare Retiree Solutions Leadership Forum**

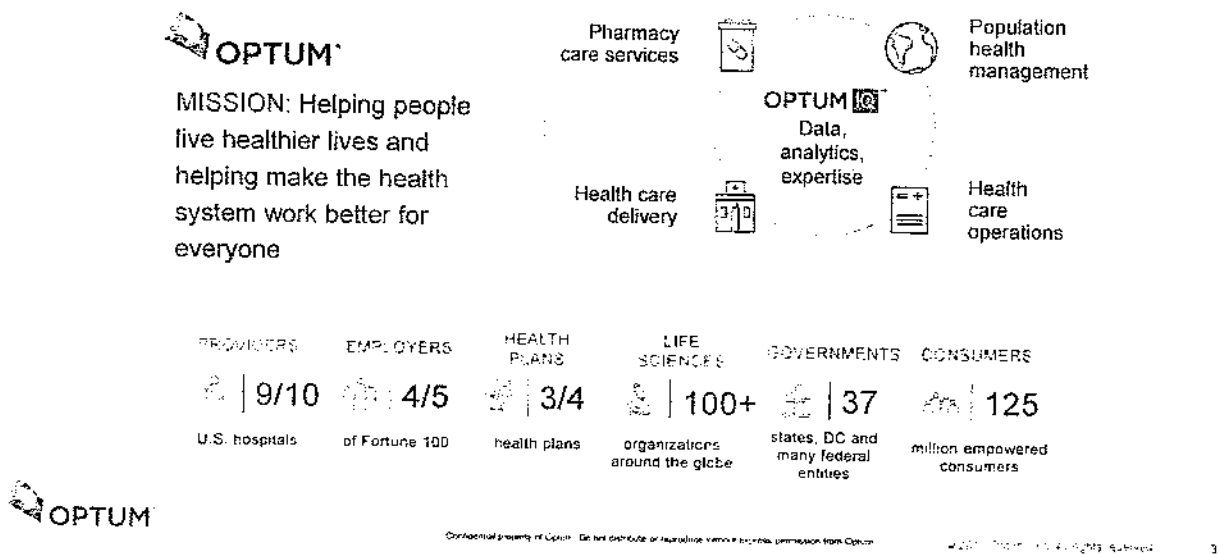
Thank you for joining us in Washington, DC for the 2018 URS Leadership Forum. We hope that the perspectives and insights of our speakers and UnitedHealth Group executives regarding government policy, health care and Medicare Advantage are of value to you and your organization.

UnitedHealthcare remains committed to serving you and your retirees with innovative and sustainable solutions for your health care needs. Your questions and input are extremely valuable to us as we strive to help people live healthier lives.

UnitedHealthcare  
Retiree Solutions  
**Leadership Forum**  
**2018**



Optum partners across the health care system





## Transparency for clients and members



### Increasing visibility across the health system

#### Client

Provide a collaborative, flexible approach based on your goals

Total cost management

Clinical insight

Channel flexibility

Value-based strategies



Aligned interests

#### Members

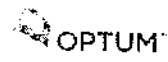
Provide a simplified experience for the best price, access and therapy

At the point of prescribing

At a network pharmacy

On the go with digital tools

On call with customer service



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## Empowering physicians with PreCheck MyScript

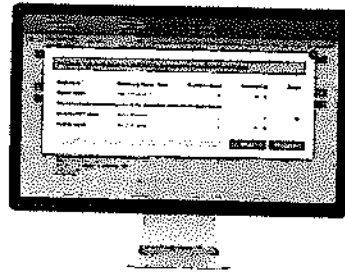
Visibility at the  
point of care ▶

Cost  
share

Formulary  
placement

Real-time  
prior authorization

Clinical  
alerts



Streamlining  
prior authorizations



Finding lower  
cost alternatives



Improving plan  
performance

>20% of physicians switched  
to an alternative drug<sup>1</sup>

>30% Prior authorizations  
were avoided or initiated<sup>2</sup>



1. 2017 PreCheck MyScript program results

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## Why OptumRx? Our commitment to you



Providing visibility and transparency  
for clients, members and physicians



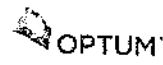
Synchronizing touch points and information  
for better cost and care decisions



Delivering simplified experience built  
around member needs – best price, access  
and therapy



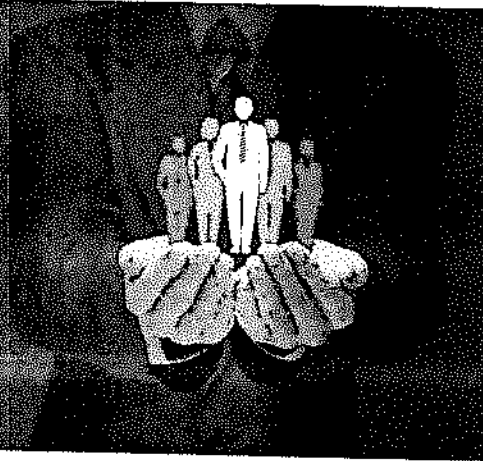
Going beyond just lowest drug cost  
to lowest total health care cost



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UnitedHealthcare  
Retiree Solutions  
**Leadership Forum**  
**2018**



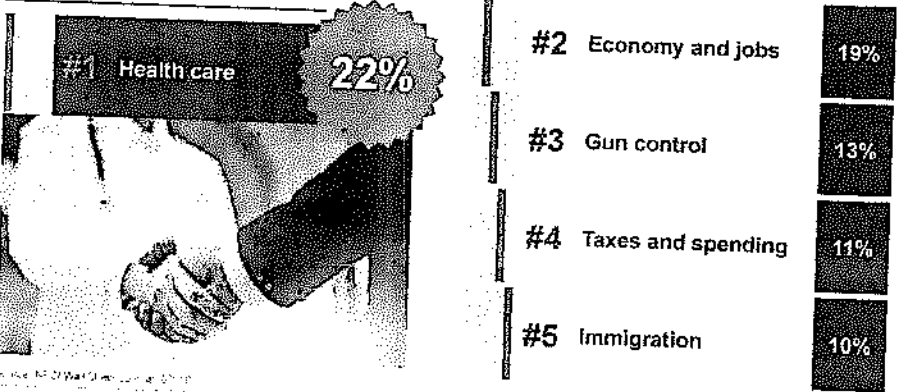
Retiree Health Care: Insights for Leadership



Health care remains a top issue for voters...

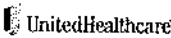


Top midterm issue



Source: ABC News/Washington Post, 2010

Health care modernization is happening at HHS....



The U.S. Department of Health and Human Services (HHS) – and its divisions the Centers for Medicare & Medicaid Services (CMS) and Center for Medicare & Medicaid Innovation (CMMI) – is the key way for the Trump Administration to modernize the health care system.

Key leaders

Secretary Alex Azar, HHS   Administrator Seema Verma, CMS   Deputy Administrator Adam Boettler, CMMI

HHS priorities

Maximizing the promise of health IT

"One of my main missions is to break down any and all barriers to interoperability, and create that one-stop shop for health data that will help inform our health care decisions with a complete picture of our medical history."

– CMS Administrator Verma

Improving transparency in price and quality

"Patients ought to have access to their own data, period. But they also need access to data on price and quality. Knowledge is power. And knowing more information can lead to better healthcare."

– HHS Secretary Alex Azar

Pioneering bold new value-based models

"I don't intend to spend the next several years tinkering with how to build the very best joint-replacement bundle, we want to look at bold measures that will fundamentally reorient how Medicare and Medicaid pay for care and create a true competitive playing field where value is rewarded handsomely."

– HHS Secretary Alex Azar

Removing artificial regulatory barriers and burdens that impede care coordination

"We begin lifting those barriers so plans can use private-sector tools to drive down the cost of expensive drugs while also offering new care coordination and drug adherence programs, to ensure that patients are getting high quality care at lower cost."

– CMS Administrator Verma

## Administration's action to strengthen MA



CMS consistently demonstrates its authority to cut or increase MA plan payments directly and through a myriad of levers

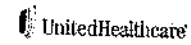
Payment year	Advance MA notice impact	Final MA rate notice impact
2019	+1.84%	+3.40%
2018	+0.25%	+0.45%
2017	+1.35%	+0.65%
2016	-0.95%	+1.25%
2015	-1.8%	+0.4%
2014	-10%	-5.7%

CMS' MA growth rate calculation has varied greatly from year to year, and often from Preliminary to Advance to Final Notices.

### 2019 Medicare Advantage environment:

- Average +2.5% funding increase for group plans (0.5% less favorable overall)
- MA enrollment is at an all time high and continues to increase:
  - 36% of all Medicare beneficiaries projected to be enrolled in MA in 2019
- Average individual monthly premiums continue to decline, an average 6% decrease for 2019

## Hot topics – Health Insurance Tax (HIT)



Prevent the return of the tax on health insurance for 2020.  
Provide 142 million Americans relief from higher health care costs before it's too late.

By delaying the tax on health insurance for 2020, Congress can once again protect consumers, families, seniors and employers from higher healthcare costs.

### Seniors

- 20.9 million seniors and disabled individuals in Medicare Advantage will see their premiums increase nearly \$500 per couple or \$250 per individual.
- By 2020, this could lead to higher out-of-pocket spending for the over 45 million seniors with Medicare Advantage and Medicare Part D.



Show support for immediately delaying the tax on health insurance.



BETTER MEDICARE ALLIANCE

STOP THE HIT

By delaying the Health Insurance Tax (HIT) through 2021, this [bill] prevents unnecessary cost increases for manufacturing employees and retirees whose health insurance costs have been negatively impacted by the HIT.

— National Association of Manufacturers July 2018

If Congress does not take timely action to delay the HIT for 2020, millions of American seniors and others with health insurance coverage could face a major premium increase of more than \$2,000 when the HIT returns.

— Better Medicare Alliance, July 17, 2018

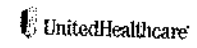
Small businesses are counting on you to act now to provide HIT relief. Urge Congress to prioritize this action before premiums are proposed for 2020 and would welcome a vote on full repeal on the House floor. Let's leave small businesses holding the bag.

— Stop the HIT July 17, 2018



# **Hot topics – 2020 TrOOP Cliff**

Will Congress act?

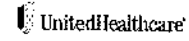


TrOOP amount in 2020 will be determined applying pre-ACA methodology:

- The ACA artificially limited TrOOP increases for 2014 thru 2019.
- This change was scheduled in the ACA and will occur barring additional legislative action

Year	Pre-ACA method	Post-ACA method
2013	\$4,750	\$4,750
2014	\$4,550	\$4,550
2015	\$4,750	\$4,700
2016	\$5,300	\$4,850
2017	\$5,900	\$4,950
2018	\$5,950	\$5,000
2019	\$6,050	\$5,100
2020	\$6,650	\$5,200

## Coalition for affordable prescription drugs



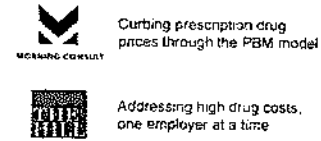
The Coalition for Affordable Prescription Drugs (CAPD) brings together a broad-based group of pharmacy benefit managers, employers, unions, health systems, public sector employees and retirees and other stakeholders who are working to be part of the prescription for affordable health and to advance the value proposition of PBMs.



### Our members

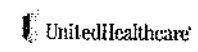


### Bringing the mess out in the media



## Questions

**Joe Altman**  
Chief Actuary, UnitedHealthcare Retiree Solutions  
**Sara Pescatello**  
Vice President, External Affairs, UnitedHealth Group



**Anna Yount**

---

**From:** Edgar Starnes  
**Sent:** Monday, November 26, 2018 3:48 PM  
**To:** Dale Folwell  
**Cc:** Chris Farr; Frank Lester; Sam Watts  
**Subject:** Veto Override

Treasurer,

I just left a meeting with Bart Goodson. He said the Speaker's first priority is to protect his members. He said the Speaker is not mad at you but he has members who are upset with you and interest groups important to the caucus who are upset. That's why he chooses not to meet with you at this time.

Bart said there will be a number of members absent for the next two weeks so there will not be enough votes to override a veto. He said any override votes will come the middle of December.

I asked Majority Leader Bell for permission for you to speak to the caucus. He has not responded yet. I have also made a request of House Whip, Rep. Hardister, and Rep. Boles, Deputy Whip, to take a headcount so we can know if we still lack any votes. Rep. Hardister said he would get back to me later this week.

Edgar V. Starnes  
Senior Policy Advisor and Legislative Liaison  
Office of the State Treasurer  
Phone: [\(919\) 814-3812](tel:9198143812)

[3200 Atlantic Avenue, Raleigh, NC 27604](https://www.nc-treasurer.com)  
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---

**Anna Yount**

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**From:** Sam Watts  
**Sent:** Monday, November 26, 2018 8:23 PM  
**To:** Dale Folwell  
**Subject:** Fwd: SB117

Just saw this from McNeill. He sent it before you and I talked, if had had seen it before then, I would have talked with you about it.

Sam Watts  
Policy Director  
North Carolina Retirement Systems Division  
Email: [Sam.Watts@nctreasurer.com](mailto:Sam.Watts@nctreasurer.com)  
Phone: [\(919\) 814-4164](tel:(919)814-4164)  
Mobile (919) 810-8747  
Fax: [\(919\) 355-5802](tel:(919)355-5802)

[3200 Atlantic Avenue, Raleigh, NC 27604](https://www.myncretirement.com)  
[www.myncretirement.com](https://www.myncretirement.com)

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Begin forwarded message:

**From:** "Rep. Allen McNeill" <[Allen.McNeill@ncleg.net](mailto:Allen.McNeill@ncleg.net)>  
**Date:** November 26, 2018 at 6:19:23 PM EST  
**To:** 'Sam Watts' <[Sam.Watts@nctreasurer.com](mailto:Sam.Watts@nctreasurer.com)>  
**Subject:** SB117

Sam,

I took another look at SB117 in light of my conversation with you and Rep. Ross. As a last resort for getting HB1055 overridden I would like to propose two fall back options. My first priority would be to pass SB117 as is and Override HB1055 but I may need some wiggle room.

## Anna Yount

---

**From:** Anna Yount  
**Sent:** Tuesday, November 27, 2018 12:01 AM  
**To:** DST - NC Insider  
**Subject:** FW: Insider for November 27, 2018

---

**From:** NC Insider  
**Sent:** Tuesday, November 27, 2018 12:00:34 AM (UTC-05:00) Eastern Time (US & Canada)  
**To:** Anna Yount  
**Subject:** Insider for November 27, 2018

- Today's Insider (PDF)



[@NCInsider](mailto:NCInsider.com)

Celebrating 25 Years | 1993-2018

### YOU DON'T SAY...

"Sometimes things come out of the blue."

*Senate President Pro Tem Phil Berger, R-Rockingham, on the possibility of unexpected proposals during the lame-duck session.*

## Table of Contents

- News Summary
- Legislative Studies and Hearings
- N.C. Government Meetings and Hearings
- UNC Board of Governors
- N.C. Utilities Commission Meeting Schedule
- Other Meetings and Events of Interest

## News Summary

### Session Preview

Lawmakers have their sights set on a half-dozen topics when they return today for their previously scheduled November session. First on their agenda is the implementing legislation for the voter ID constitutional amendment. Senate leader Phil Berger, R-Rockingham, said the voter ID bill will be

When Medicaid privatization takes effect, Cohen said, the state's goal will be to match up residents with health plans where their doctors are in-network, and therefore more affordable than doctors not in that insurer's network. In order to prevent mistaken choices, people who select a Medicaid health plan during open enrollment will have 90 days to change their minds, Cohen said. What's more, the system will include "enrollment brokers" to help residents find the right plans for them, and an enrollment ombudsman to make sure the enrollment process is running smoothly. Another independent ombudsman will be set up to make sure that the insurers promptly pay doctors, clinics and hospitals for services rendered, and also pay interest and penalties for late payments or inappropriate denials of payment.

Nearly 2.1 million people in North Carolina are on Medicaid, but not all of them will be transitioned to privatized Medicaid health plans. Those who won't be transitioned include people with serious mental illness, intellectual and developmental disabilities and traumatic brain injury. (John Murawski, THE INSIDER, 11/27/18)

## River Flooding

Eastern North Carolina now has a one in six chance of a major flooding event in any given year -- the same odds of UNC winning a national basketball championship, according to Martin Doyle, a professor of river science and policy at Duke University. Doyle was among the presenters at Monday's initial meeting of the Joint Select Committee on Storm-Related River Debris/Damage. Doyle called on lawmakers to plan for the likelihood of more frequent hurricane-related floods along the state's rivers. "This is a very expensive prospect to take on once-every-five-years megafloods," he said.

N.C. Emergency Management director Mike Sprayberry had similarly sobering statistics. He noted that Brunswick and Columbus counties, for example, have had four 100-year storms in 20 years. Those metrics to identify flooding risks -- 100-year, 500-year flood plains -- need to be updated, he said. "There needs to be a new metric, because I'm not buying every 500 years," he said. "The story that's being told here is that these are happening more and more frequently." John Dorman, who leads the state's flood mapping program, said maps should now show property in what has been considered a 1,000-year flood plain, "to give people an understanding of what kind of risk there is, not for insurance purposes." Rep. Jimmy Dixon, R-Duplin, said some of his constituents mistakenly think that property in a 500-year flood plain won't get another flood for 500 years. Several legislators questioned whether upstream development in places like Wake County have led to bigger flood problems downstream, but Dorman said that's not the case. Instead, "we have several tributaries coming together at one time in unfortunate locations," he said. "For the most part, it's not a measurable difference that we're seeing from the development."

Sprayberry said his agency could benefit from more river gauges to measure and forecast flood levels. He's using lapsed salary money at the end of the year to add to the budget for gauges. "Anytime we can get help on gauges, we sure put them to use," he said. The committee also heard recommendations from the state's stream debris removal program, which funds projects that clean up vegetation and trash from streams to help water flow better during flood events and reduce damage. About \$22.8 million was allocated for the program after Hurricane Matthew, but Vernon Cox, the state's soil and water conservation director, said he needs legislative approval to use some of the unspent funds toward Hurricane Florence damage. Some streams now need a second clean-up project. The program could also benefit from more state funds in addition to the expected federal allocations. (Colin Campbell, THE INSIDER, 11/27/18)

## Bill Drafts

Resources: [Meeting Materials](#)

The Joint Legislative Program Evaluation Oversight Committee recommended four bill drafts for consideration during the next biennium. The bills -- first presented during the committee's Oct. 8

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### College IDs

Amid their effort to adopt a photo ID voting law, state leaders may seek to standardize certain elements of IDs issued at private universities and community colleges across the state. College students' votes were a prime concern of members of the public who spoke during a legislative committee meeting Monday, the first open forum since Republican state legislators introduced a draft voter ID bill last week. The bill comes on the heels of a referendum in which voters supported the general concept of requiring photo identification at the polls.

Under the draft bill, boards of elections would provide registration cards with photos that could be accepted as ID. Other acceptable IDs would include driver's licenses, tribal IDs, military and veteran ID cards, state ID cards the state DMV provides to non-drivers, and IDs from North Carolina's public universities -- but not community colleges or private universities. Nearly 90,000 students attend private universities in North Carolina, according to the North Carolina Independent Colleges and Universities advocacy group. And an estimated 735,000 were enrolled in one of the state's 58 community colleges as of 2015, according to the NC Community College system.

In Monday's meeting, lawmakers asked questions about how IDs are issued at private and community colleges and how long they're valid. The requirements for obtaining an ID and the issuance and expiration dates likely vary by school, representatives for those educational groups said. Rep. David Lewis, R-Harnett, said after the meeting that he'd like to see the IDs standardized in some way. "My hope is to work with colleges and the community colleges to agree to a common format, stuff like an expiration date and other identifying factors that validate the ID ... and then move toward a more uniform standard," Lewis said in an interview at the meeting. "If the draft includes additional student IDs we will include a standardized process by which public and private higher educational institutions can opt-in their student IDs as an acceptable form of identification to vote," Lewis added later by email. (Paul A. Specht, THE NEWS & OBSERVER, 11/26/18)

### Phone Room

You'll need a new place to store coats and umbrellas at the Legislative Building: The telephone room has hosted its final call. The room of public phone booths on the first floor hasn't been used much for its original purpose, but it had become a popular spot for lobbyists and other regular visitors to the legislature to store coats, umbrellas and other belongings.

A "closed for renovations" sign appeared on the door of the room Monday morning. Later in the day, the door had been removed from its hinges, offering a glimpse of a phone-free room with no booths



Lane Perry, executive director of Western Carolina University's Center for Community Engagement and Service Learning, said student turnout jumped this year, more than doubling the early vote in 2014. Some of that is due to the addition of an on-campus voting site, which was approved the first time for the 2016 presidential cycle. But Perry said the site wouldn't have been as big a success without years of groundwork to build voter student engagement. It began when students started organizing registration around a local referendum in May 2012 to allow countywide alcohol sales. The effort proved effective, and Perry said it illustrated a valuable point about tying issues to voting. "We know that when you connect issues to the ballot box, that can get people excited about going out there and letting their voices be heard," Perry said. (Kirk Ross, CAROLINA PUBLIC PRESS, 11/26/18)

## **Flood Program**

Records at FEMA, which operates the taxpayer-subsidized National Flood Insurance Program, show that nearly 37,000 properties from the Carolinas to California have repeatedly flooded and been rebuilt -- some dozens of times -- with help from a federal insurance program that is, itself, financially underwater. About 18,000 of those are currently covered by policies, and 15,000 of those haven't taken voluntary steps to reduce the risk of future damage to their property, FEMA said this week. The National Flood Insurance Program was \$20 billion in the red before the start of the current hurricane season, even after Congress last year wrote off an additional \$16 billion. The program must be reauthorized by Congress this month. The repeatedly flooded properties cost nearly \$7.4 billion in claims before the start of the current hurricane season.

Last year was the 40-year-old flood program's second-worst, with more than \$10 billion in claims, following hits from Hurricanes Harvey in Texas and Maria in Puerto Rico. Annual losses have risen and fallen with the weather since a record in 2005, when Hurricane Katrina swamped the Gulf Coast and triggered more than \$16 billion in payouts. Some critics say the situation will only worsen as global climate change generates more extreme weather and raises ocean levels. The properties that have suffered severe and repetitive losses "are the canary in the coal mine for the millions of properties in the U.S. that are going to be in the exact same situation in future decades," said Rob Moore, water and climate director at the Natural Resources Defense Council.

The environmental group favors FEMA giving homeowners more financial help to move to higher ground rather than rebuilding flooded properties over and over. With more than 5 million policies, the nation's main source of flood insurance generated \$4.3 billion in annual premiums in 2016 and paid claims of at least \$3.7 billion, the Congressional Budget Office reported last year. The median cost of a year of residential coverage was \$520 that year.

The flood program and its ability to borrow money expire at the end of this month as hurricane season ends, unless Congress approves another extension. FEMA last year urged Congress to consider limiting payouts that far exceed a property's total value. Efforts to reform the program, including how it treats repeatedly flooded properties, are again on the table. But partisanship and the opposition of Louisiana's two Republican senators mean the likeliest result is a short-term renewal of the insurance program, said R.J. Lehmann, insurance policy director at the free-market think tank R Street in Washington. "There won't be really any reforms at all this year," he said. (Emery P. Dalesio, THE ASSOCIATED PRESS, 11/26/18)

## **Mission-HCA Deal**

Residents and government officials in communities served by smaller hospitals in the Mission Health HCA Healthcare goes through. They say the terms of the sale contain loopholes that would allow rural hospitals to be closed. And they say the board that will enforce the sale contract will not be independent of Mission or HCA and is not representative of Western North Carolina. They want the state Justice Department to force changes before Attorney General Josh Stein approves it.

1987. He followed up with 12 years in the state House of Representatives. He retired from the legislature in 2002. He said later he had grown tired of running for reelection every two years and, as he entered his 70s, he wanted to spend more time with his wife and family. (Paul Woolverton, THE FAYETTEVILLE OBSERVER, 11/26/18)

## **Riddick Pension**

Laura Riddick, the former Wake County Register of Deeds who pleaded guilty to stealing more than \$926,000 while in office, is suing North Carolina to keep her pension. The state, her attorney argues, "exceeded its authority" and acted "arbitrarily" and in error when it ordered her pension be repaid to the state in the amount of \$126,290.28, according to a court petition filed Nov. 20. Despite pleading guilty to six counts of embezzlement on Aug. 24, Riddick was still able to receive \$89,000 a year from the state's pension system. Shortly afterward, State Treasurer Dale Folwell said he planned to apply state law to stop her pension payments.

The lawsuit claims the state erroneously determined Riddick no longer qualified for retirement and had to return the \$126,000 in retirement benefits to the state. She's also suing Folwell and the N.C. Retirement System Commission Board of Trustees. Investigators believe a total of \$2.3 million went missing from the Register of Deeds office between 2008 and 2017. In October, Wake County District Attorney Lorin Freeman said nearly all the money had been recovered from the county's insurance or the defendants. (Anna Johnson, THE NEWS & OBSERVER, 11/26/18)

## **ICE Arrest**

A Mexican immigrant who took refuge in a North Carolina church for 11 months won't be deported until immigration officials decide his pending request to stay in the U.S., two congressmen said Monday. U.S. Rep. David Price tweeted that he and fellow Democratic U.S. Rep. G.K. Butterfield received assurances from immigration officials that Samuel Oliver-Bruno won't be removed until his claim is settled. Price said he was pushing Homeland Security officials to release Oliver-Bruno immediately, saying his arrest Friday at an immigration office was "unacceptable." U.S. Immigration and Customs Enforcement spokesman Bryan Cox confirmed federal officials have agreed to allow the case to be completed, even though Oliver-Bruno could legally be deported now. Online records list Oliver-Bruno, 47, as being held in a Georgia detention center.

Oliver-Bruno was arrested Friday at an immigration office near Raleigh after he left the church to have his fingerprints taken while he applies to stay in the U.S. to financially support his son and ailing wife. He had been living in the Durham church since late 2017 to avoid immigration officers, who generally don't make arrests in churches and other sensitive locations. Plainclothes officers detained him when he entered the Morrisville office of U.S. Citizenship and Immigration Services. Outside the office, more than two-dozen of his supporters were arrested on misdemeanor charges including resisting officers after some blocked the van being used to drive Oliver-Bruno away.

On Monday, several dozen supporters of Oliver-Bruno gathered in Raleigh to demand his release. Some who were arrested Friday addressed the crowd, including Oliver-Bruno's pastor of more than a decade, the Rev. Ismael Ruiz-Millan. Ruiz-Millan said he joined Friday's protest because he was tired of watching from a distance while immigration policies separate families: "We cannot afford to be silenced anymore." (Jonathan Drew, THE ASSOCIATED PRESS, 11/26/18)

## **Tax Cap**

State Treasurer Dale Folwell was pleased when, during the November election, North Carolinians voted in favor of a constitutional amendment that caps the state income tax rate at seven percent. According to Folwell, the change is likely to positively impact business in the state, especially when it comes to projects like the Greensboro-Randolph Mega Site.

"The income tax cap has been in the constitution for nearly 100 years," Folwell said. "It was initially put in at six percent and was (raised) to 10 after the depression and after the bankruptcy of

somewhere around the neighborhood of two dozen traffic signals between Marshville and I-485 in east Charlotte. If motorists want to bypass all or a portion of the congestion between those two points, it gives them an alternative," he said. Drivers will pay automatically using electronic transponders they get from the turnpike authority. They're available online or at the NC Quickpass store in Monroe. Cameras will record the license plates of drivers without transponders and they'll get a bill in the mail, for 35 percent more. It's the second toll road in the state, after the Triangle Expressway, which opened in 2011. (David Boraks, WFAE RADIO, 11/26/18)

## **Duke Buyouts**

Duke Energy confirmed on Monday that it has expanded buyouts to more departments, including legal, human resources and power generation. Depending on how many employees accept the voluntary severance, the company could also have layoffs, a Duke spokesman said on Monday. Duke would not say how many employees are affected by the latest personnel move. Duke Energy has its headquarters in Charlotte and employs about 29,000. "At this time, we expect the majority of the staff reductions will be achieved through the voluntary severance program," said spokesman Neil Nissan. "However, as we make final determinations, some groups may need to pursue involuntary severances as well." In October, The Observer reported that Duke had offered buyouts to nuclear and IT employees. The company also declined to say how many were affected in that move. "It's what our customers expect of us -- that we do what's necessary to work as efficiently as possible and maintain the lowest cost possible," Nissan said. (Cassie Cope, THE CHARLOTTE OBSERVER, 11/26/18)

## **Honored**

Two Haywood County leaders were honored by N.C. Attorney General Josh Stein last week when they received the Dogwood Award. The award, which is given to people who are dedicated to keeping their communities "safe, healthy and happy," was given to Waynesville Police Chief Bill Hollingsed and Superior Court Judge Brad Letts, who presides over the judicial district that includes Haywood County.

Attorney General Josh Stein praised both men in a press release sent out by his office. He specifically noted that Judge Letts' work in the planning and implementation of the pretrial release program will further peoples' chances of finding success during and after their criminal proceedings while also furthering public safety. "I'm proud to honor Judge Letts' work on pretrial release and accountability," Stein said in the release. "As we work to improve fairness, public safety and address growing criminal justice costs, his leadership will be extremely important." (Kyle Perrotti, THE (Waynesville) MOUNTAINEER, 11/26/18)

## **Asheville Scooters**

After the unannounced appearance of 200 rental electric scooters downtown, the Asheville City Council is looking to ban the two-wheeled vehicles, saying they pose a safety risk and that the California company behind them didn't get required permits. But e-scooters may not be gone forever from Asheville sidewalks and other pathways. While the council is planning a Tuesday vote imposing \$100 fines for riding or parking the scooters on public roads or sidewalks, municipal transportation staff say they are also studying legalization. "(The ban) will provide the city with time to review the results of its pending bike-share/e-scooter feasibility study before e-scooters are allowed to go into use," said City Transportation Department Director Ken Putnam in a report to be officially reviewed at Tuesday's regular council meeting. (Joel Burgess, ASHEVILLE CITIZEN-TIMES, 11/26/18)

## **UNC Football**

North Carolina has hired Mack Brown to lead its football program. Brown will be announced as UNC's new football coach as early as Tuesday, said a source with direct knowledge of the negotiations. Efforts to reach Brown, his agent and UNC athletic director Bubba Cunningham were unsuccessful Monday morning. Brown, 67, coached 10 seasons at UNC from 1988 to 1997. During that span, he amassed a 69-46-1 record. And from 1992, until his final year there in 1997, Brown helped lead the

- 9:30 a.m. | The Economic Investment Committee meets, N.C. Commerce Executive Board Room - fourth floor, 301 N. Wilmington St., Raleigh.
- 10 a.m. | The Criminal Justice Education and Training Standards Commission holds a public hearing to discuss proposed rule changes, Wake Technical Community College-Public Safety Training Center, 321 Chapanoke Rd., Raleigh.
- 10 a.m. | The N.C. Wildlife Resources Commission meets, WRC Headquarters 5th Floor, 1751 Varsity Dr., Raleigh.
- 6 p.m. | The N.C. Division of Marine Fisheries hold public meeting to receive suggestions and comments on cultch planting, Division of Marine Fisheries Manteo Office, Pamlico County Courthouse, 202 Main St., Bayboro.
- **6 p.m. | The Southern Flounder Fishery Management Plan Advisory Committee meets, N.C. Department of Environmental Quality's Washington regional office, 943 Washington Square Mall, Washington.**

**Thursday, Nov. 29**

- 10 a.m. | The Industrial Commission of the Dept. of Insurance holds a public hearing to discuss proposed rule changes, Room 245, 2nd Floor, Department of Insurance, Albemarle Building, 325 North Salisbury St., Raleigh.
- 6 p.m. | The N.C. Division of Marine Fisheries hold public meeting to receive suggestions and comments on cultch planting, Division of Marine Fisheries Manteo Office, North Topsail Beach Town Hall, 2021 Highway 172, Suite 1, Sneads Ferry.

**Monday, Dec. 3**

- 1 p.m. | The N.C. Commerce Economic Investment Committee meets, N.C. Commerce Executive Board Room - fourth floor, 301 N. Wilmington St., Raleigh.
- 6 p.m. | The N.C. Division of Marine Fisheries hold public meeting to receive suggestions and comments on cultch planting, Division of Marine Fisheries Manteo Office, N.C. Division of Marine Fisheries, Central District Office, 5285 Highway 70 West, Morehead City.

**Tuesday, Dec. 4**

- 10 a.m. | The Sheriffs' Education and Training Standards Commission holds a public hearing to discuss proposed rule changes, 1700 Tryon Park Dr., Raleigh.
- 6 p.m. | The DEQ Environmental Management Commission holds a public hearing to discuss proposed rule changes, Cape Fear Community College - Union Station, 502 N. Front St., Wilmington.

**Wednesday, Dec. 5**

- 2 p.m. | The Board of Physical Therapy Examiners holds a public hearing to discuss proposed rule changes, Siena Hotel, 1505 E. Franklin St., Chapel Hill.
- 3 p.m. | The Finance and Audit Committee of the North Carolina Partnership for Children meets, 1100 Wake Forest Road, Raleigh. Contact: Yvonne Huntley, 919-821-9573.

**Thursday, Dec. 6**

- 10 a.m. | The NC Wildlife Resources Commission meets, 1751 Varsity Dr., NCSU Centennial Campus, Raleigh.
- 6 p.m. | The DEQ Environmental Management Commission holds a public hearing to discuss proposed rule changes, Western Piedmont Community College - Foothills Higher Education Center, 2128 South Sterling St., Morganton.

- 9:30 a.m. | The Retirement Systems Division of the Department of State Treasurer hosts Association Roundtable, Longleaf Building, 3200 Atlantic Ave., Raleigh.

#### Thursday, Jan. 31

- 9:30 a.m. | The N.C. Teachers and State Employees Retirement System (TSERS) and Local Governmental Employee Retirement System (LGERS) board meets, Department of State Treasurer (Longleaf Building), 3200 Atlantic Ave., Raleigh.

#### Thursday, April 18

- 9:30 a.m. | The Retirement Systems Division of the Department of State Treasurer hosts Association Roundtable, Longleaf Building, 3200 Atlantic Ave., Raleigh.

#### Thursday, April 25

- 9:30 a.m. | The N.C. Teachers and State Employees Retirement System (TSERS) and Local Governmental Employee Retirement System (LGERS) board meets, Department of State Treasurer (Longleaf Building), 3200 Atlantic Ave., Raleigh.

#### Friday, July 19

- 9:30 a.m. | The Retirement Systems Division of the Department of State Treasurer hosts Association Roundtable, Longleaf Building, 3200 Atlantic Ave., Raleigh.

#### Thursday, July 25

- 9:30 a.m. | The N.C. Teachers and State Employees Retirement System (TSERS) and Local Governmental Employee Retirement System (LGERS) board meets, Department of State Treasurer (Longleaf Building), 3200 Atlantic Ave., Raleigh.

#### Friday, Oct. 25

- 9:30 a.m. | The Retirement Systems Division of the Department of State Treasurer hosts Association Roundtable, Longleaf Building, 3200 Atlantic Ave., Raleigh.

#### Thursday, Oct. 31

- 9:30 a.m. | The N.C. Teachers and State Employees Retirement System (TSERS) and Local Governmental Employee Retirement System (LGERS) board meets, Department of State Treasurer (Longleaf Building), 3200 Atlantic Ave., Raleigh.

### **UNC Board of Governors**

Board Room of the UNC Center for School Leadership Development  
140 Friday Center Drive, Chapel Hill **(remote meeting locations in RED)**  
More Information: <https://www.unc.edu/bog/schedule.php>

#### Friday, Dec. 14

- TBA | The UNC Board of Governors, C.S.L.D. Building, Chapel Hill.

#### Friday, Jan. 25

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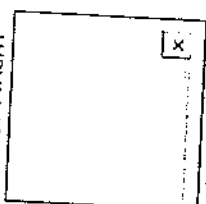
**Anna Yount**

**From:** wpvm.103.7 fm <wpvm.103.7@gmail.com>  
**Sent:** Tuesday, November 27, 2018 3:01 AM  
**To:** Dale Folwell; Mark Lieberman  
**Subject:** Re: Davyne, Richard mentioned that we may be able to do a regular phone interview on things happening at the OST that impact AVL. Look forward, Dale  
**Attachments:** image006.png



Howdy Mr. Folwell,  
I am including Mark Lieberman in this return email. He will be contacting you to do a phone in interview. Thanks for reaching out to WPVM in Asheville.  
Regards,  
Davyne Dial

Davyne Dial  
President, Friends of WPVM  
Open 24 - 7



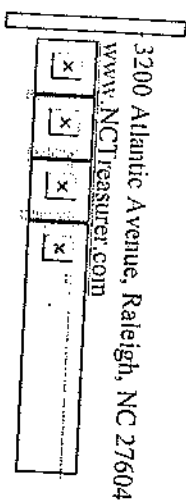
WPVM 103.7  
<http://wpvmfm.org>  
34 Wall St. Suite 407  
Asheville NC 28801



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Mailtrack ...

On Mon, Nov 26, 2018 at 2:03 PM Dale Folwell <[Dale@nctreasurer.com](mailto:Dale@nctreasurer.com)> wrote:

**Dale R. Folwell, CPA**  
*NC State Treasurer*  
Office of the State Treasurer  
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NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
DALE R. FOLWELL, CPA



**From:** Fran Lawrence  
**Sent:** Tuesday, November 27, 2018 7:14 AM  
**To:** Dale Folwell; Chris Farr; Debra Thomas; Greg Gaskins; Steve Toole  
**Cc:** Joan Fontes  
**Subject:** Salary dollars

All,

Thanks for a productive meeting yesterday on the 4 proposed budget expansion items.

The one question that I was following up on regarding salary dollars for the divisions. Here is the budget for FY 18-19 531XXX Personal Services (salary, benefits, etc.):

RSD (1410)	\$10.5 M
SLGFD (1310)	\$3.6 M

It will take FOD 2 days to get the information into IBIS and reviewed. Due date from OSBM is Friday, November 30<sup>th</sup>. I will wait to hear from Chris/Treasurer on what requests have been approved and their prioritization. Steve & Greg – please make sure the Worksheet II that you send me is consistent with what is approved.

**Thanks!!**

**Fran**

**Fran Lawrence**

*Chief Financial Officer/Deputy Treasurer*  
Financial Operations Division  
Office: (919) 814-3907

3200 Atlantic Avenue, Raleigh, NC 27604  
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NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



DATE: 7-27-2004  
NAME: R. POWELL, CPA

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**Anna Yount**



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**From:** Frank Lester  
**Sent:** Tuesday, November 27, 2018 7:30 AM  
**To:** Dale Folwell; wpvm.103.7 fm  
**Cc:** Mark Lieberman  
**Subject:** RE: Dawyne, Richard mentioned that we may be able to do a regular phone interview on things happening at the OST that impact AVL. Look forward, Dale

Talked to Mark yesterday. We are setting something up. Frank

**Frank G. Lester**  
Deputy Treasurer  
Communications/Government Affairs  
Office of the State Treasurer  
Office: (919) 814-3811

3200 Atlantic Avenue, Raleigh, NC 27604  
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**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER

   
DALE R. FOLWELL, CPA

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**From:** Dale Folwell  
**Sent:** Tuesday, November 27, 2018 5:11 AM  
**To:** wpvm.103.7 fm <wpvm.103.7@gmail.com>; Frank Lester <Frank.Lester@nctreasurer.com>  
**Cc:** Mark Lieberman <info@theworldaccordingtomark.net>  
**Subject:** Re: Dawyne, Richard mentioned that we may be able to do a regular phone interview on things happening at the OST that impact AVL. Look forward, Dale

Great, Lots going on .. we can also add up the economic impact that the our office has on your listeners. Re: millions that come to retirees every month from the pension plan...

Look forward

**Dale R. Folwell, CPA**  
*NC State Treasurer*  
Office of the State Treasurer  
Office: (919) 814-3807

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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**Anna Yount**

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**From:** Bridgewater\_Daily\_Observations@bwater.com  
**Sent:** Tuesday, November 27, 2018 8:12 AM  
**To:** Dale Folwell  
**Subject:** Bridgewater Daily Observations - "Tracking the Evolution of a New Market: Mortgage Credit Market Shows Signs of Maturity"  
**Attachments:** bwam112718\_SECURE.pdf

## **Tracking the Evolution of a New Market: Mortgage Credit Market Shows Signs of Maturity**

*Larry Cofsky | Danny Newman*

One of the largest credit markets in the world continues to undergo a metamorphosis, becoming more transparent and investable. Historically, the GSEs (Fannie Mae and Freddie Mac) have guaranteed the credit risk on trillions of dollars of prime US mortgage debt. Since 2013, they have been mandated to transfer the majority of their flow of mortgage credit risk to the private sector. And over the last several years, they have sold off about 30% of their total credit risk, creating a new high-yield asset class with about \$50 billion outstanding. To be clear, this is not a repeat of the securitization mistakes of the financial crisis. Pre-crisis securitizations relied on backward-looking loss rates, which reflected a housing market that had not declined in 60 years. And this data was used to convince investors that they could buy AAA mortgage bonds backed by subprime borrowers at near risk-free rates. This underpriced leverage fueled the housing bubble and bust. The new structure is in many ways the opposite of the old one. In the new credit risk transfer (CRT) program, the GSEs are only selling off the risk from a pool of prime mortgages, most of which is rated high yield, while holding the low-risk residual. In other words, investors are pricing the mortgage credit risk and the GSEs are providing the balance sheet. While this market remains relatively small (i.e., just a fraction of the \$1.2 trillion US high-yield bond market, it 1) is a potentially diversifying credit exposure, 2) provides transparency into market pricing for mortgage credit, 3) has potential implications for mortgage pricing and availability, and 4) could grow materially. Currently, only 15% of aggregate mortgage loan risk has been transferred via CRT transactions, and all but a fraction of that by GSEs. Should banks begin to participate (regulators permitting) and the nascent attempts to build indices prove successful, market liquidity is likely to expand significantly. Below, we review the evolution of this market.

In order to sell mortgage credit risk, the GSEs sell bonds that sequentially absorb losses from mortgage defaults, with the first ones to absorb losses having the greatest risk and the lowest credit ratings. This process creates a variety of credit risk transfer bonds, which carry ratings from high yield to investment grade. Their performance relative to equivalently rated corporate bonds is instructive. In the early days of the market, investors demanded a premium for this new product, which had extremely limited liquidity though very good fundamentals. As liquidity has improved, the risk premium demanded by investors has shrunk. After initially being much wider than investment-grade corporate spreads, investment-grade CRT spreads are now about the same, while high-yield CRT spreads trade more than 150bps inside of high-yield corporate spreads.

**Anna Yount**

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**From:** Sam Watts  
**Sent:** Tuesday, November 27, 2018 8:16 AM  
**To:** Dale Folwell; Frank Lester; Edgar Starnes  
**Subject:** DRAFT EMAIL to GOP House Caucus

DRAFT To Members of the Majority Caucus from Treasurer

First of all, I want to thank you for coming back to Raleigh for yet another session. The work you are doing on behalf of North Carolinians is valuable, important, and appreciated.

You are doing the tough work left to us by others who refused to act when presented with the same challenges we see today. As a part of that, I would like to ask you to complete one piece of unfinished business from the short session, specifically to override of the Governor's veto of House Bill 1055, the Retirement Complexity Reduction Act. The bill is an important step along the path of making the state and local government employee benefits sustainable so that we can preserve and protect the Retirement Systems so that pensions can be paid for future teachers, firefighters, police officers, and other public employees,

The most significant sections of the bill revise 36 of the 89 ways that people can buy into the N.C. Retirement Systems and provide a sunset on three of the six ways that members can choose to accept their retirement payments. Just one of the 36 buy in provisions effectively cost the state and the retirees \$23 million last year and there are many other examples of decisions that seem small when originally enacted but come with a big price tag later. These are complex issues that stem from 77 years of incremental legislative changes that now, when we look at the total picture, present distinct challenges to protecting the financial health of the Retirement Systems.

The leadership of the Pensions Committees did a tremendous amount of work to develop this very technical legislation and both chambers enacted the bill by wide margins before the Governor vetoed it without providing substantive reasons to do so. The bill was even endorsed by the State Employees Association of North Carolina (SEANC).


At your earliest opportunity, I would like to address your caucus on this matter.

**Sam Watts**

*Policy Director*  
Retirement Systems Division  
Office: (919) 814-4164

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)



  
**North Carolina**  
Total Retirement Plans

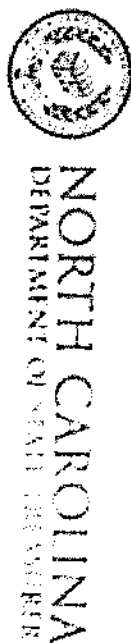
*Dale Folwell, CPA*  
DALE FOLWELL, CPA

**Anna Yount**

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**From:** Lorraine Munk  
**Sent:** Tuesday, November 27, 2018 8:55 AM  
**To:** Charles Perusse; Dale Folwell; Donald Martin ; Kim Hargett; Margaret Way; Pete Robie; Peter Chauncey; Ted Brinn; Wayne Fish  
**Subject:** Press Release - Pricing Transparency from NC Hospitals

We wanted to share the following press release with you.



STATE  
DA  
HHS

FOR IMMEDIATE RELEASE  
November 26, 2018  
Contact: Frank Lester  
919-814-3811

**Treasurer Folwell Calls for US Department of Justice to Recover Hundreds of Millions  
Potentially owed to NC Taxpayers from Hospitals' Anti-Competitive Activities and to Enforce  
Transparency in Pricing**

*Calls for Pricing Transparency from all North Carolina Hospitals*

(Raleigh, N.C.) – State Treasurer Dale R. Folwell, CPA, today called for the United States Department of Justice to take action and for all North Carolina hospitals to be transparent in their pricing. The announcement was made in light of the recent settlement of a lawsuit filed by the United States Department of Justice and the North Carolina Department of Justice against Atrium Health, formerly known as Carolinas Healthcare System.

The civil antitrust lawsuit challenged provisions in Atrium's contracts with major health insurers including Blue Cross and Blue Shield of North Carolina (Blue Cross NC) that prohibited what otherwise would have been used to direct consumers towards high quality, cost-effective health care providers.

"For decades, the largest public hospital system in North Carolina has been engaging in this and other anti-competitive activities," said Treasurer Folwell. "In the spirit of this settlement, I'm calling on all North Carolina hospitals to be transparent and to publish their pricing so consumers can make informed decisions regarding health care. I'm also calling for the United States Department of Justice and the North Carolina Department of Justice, on behalf of the State Health Plan, to recover the potentially hundreds of millions overcharged to consumers by hospital management from this illegal activity."

Earlier this year, the State Health Plan (Plan) submitted a public records request to UNC Health Care for a copy of its contract and fee schedule with Blue Cross NC. Blue Cross NC is the third party administrator for the Plan and negotiates pricing for the Plan's 727,000 members.

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## Anna Yount

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**From:** Micah Beasley  
**Sent:** Tuesday, November 27, 2018 9:12 AM  
**To:** Allen Martin; Andrew Norton; Anna Yount; Beth Horner; Bill Golden; Brenda Williams; Brian Jackson; Caroline Smart; Cassandra Wilson; Charles Winkler; Chris Farr; Chris Frazier; Christina Strickland; Christopher McCracken; Christopher Morris; Cindy Aiken; Cindy Webb; Dale Folwell; David Starling; Debbie Tomasko; Debra Haynes; Dee Jones; Dora Fazzini; Edgar Starnes; FOD - Financial Operations Division; Fran Lawrence; Frank Lester; Greg Gaskins; JNV - Investment Division; Karah Manning; Kendall Bourdon; Laura Rowe; Lucy Barreto; Meryl Murtagh; Meryl Murtagh; Micah Beasley; Powell Baggett; Matthew Rish; Rhonda Smith; Robert Jansen; Sam Hayes; Sam Watts; Sarah Unks; Shannon Wharry; Sharon Edmundson; Stephanie Hawco; Steve Toole; Ted Enarson; Tim Romocki; Will Spicer

**Subject:** Press Clips – November 27, 2018

### N.C. Department of State Treasurer Press Clips – November 27, 2018

Articles mentioning or relevant to N.C. Department of State Treasurer, State Treasurer Dale R. Folwell, Steve Toole, State Health Plan, N.C. Retirement Systems

- [Carolina Journal: Folwell says hospitals want to derail health-care transparency measures](#)
- [The Daily Haymaker: Hospital lobby trolling Jones St. seeking to rein in Folwell's transparency crusade? \(BLOG\)](#)
- [Raleigh News & Observer: State indicted guilty to embezzling while in office. Now she's suing to keep her pension.](#)

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#### Carolina Journal: Folwell says hospitals want to derail health-care transparency measures

By Dan Way

November 26, 2018

**State Treasurer Dale Folwell** wants the U.S. Department of Justice to require all North Carolina hospitals to be transparent in their pricing and recover excessive charges hospitals made to the **State Health Plan**. He said the N.C. Healthcare Association, which represents hospitals, wants the General Assembly to derail his cost-cutting reforms.

**Folwell** made those claims Monday, Nov. 26, in a press release alleging “illegal activity” by hospitals. He is calling on the U.S. and N.C. Departments of Justice to recoup what could be hundreds of millions of dollars in overpayments.

**Folwell** is embroiled in tense negotiations with the state's major health care organizations as he attempts to stabilize spending on the **State Health Plan**, which costs more than state appropriations cover.

**Folwell said** the recent settlement of a civil antitrust lawsuit filed by the U.S. and N.C. Justice Departments against Atrium Health, formerly known as Carolinas Healthcare System, exposed costly practices for consumers, including shielding them from information about high-quality, cost-effective coverage.

“In the spirit of this settlement, I’m calling on all North Carolina hospitals to be transparent and to publish their pricing so consumers can make informed decisions regarding health care,” **Folwell said**.



**The Daily Haymaker: Hospital lobby trolling Jones St. seeking to rein in Folwell's transparency crusade? (BLOG)**

by Brant Clifton

November 26, 2018

BusinessNC had an item about that. I've been hearing rumblings about it across our fair state capital.

**As state treasurer, Dale Folwell (R)** is responsible for the overall management of the **state employees health plan**. Folwell has been aggressively trying to get the **health plan** in order — pulling it back from that cliff known as insolvency, and trying to cut costs to the benefit of state employees AND taxpayers.

His crusade has led him to a head-on collision with the hospital lobby — one of the more influential roaming the halls of power in Raleigh. Political pressure is already being turned up on Folwell. Word has leaked that the hospitals are seeking legislation in this short session to sharply curtail Folwell's influence over the **health plan**. It seems they don't like questions being asked about what they're billing state employees and the taxpayers.

Nelson Dollar, the House Appropriations chairman, has long been the champion of the hospital lobby and might be a good candidate for such a move. (He has the ear of Speaker Tim Moore and other House leaders.)

However, he is entering the session as a lame duck — having lost his bid for reelection in November. (Though, doing a solid for his old friends in the hospital industry might be a good thing for the departing Dollar. We hear he needs a job.)

Despite all of this, **Folwell** does not appear to be blinking or deviating his course. Here's a statement from his office:

**State Treasurer Dale R. Folwell, CPA**, today called for the United States Department of Justice to take action and for all North Carolina hospitals to be transparent in their pricing. The announcement was made in light of the recent settlement of a lawsuit filed by the United States Department of Justice and the North Carolina Department of Justice against Atrium Health, formerly known as Carolinas Healthcare System.

The civil antitrust lawsuit challenged provisions in Atrium's contracts with major health insurers including Blue Cross and Blue Shield of North Carolina (Blue Cross NC) that prohibited what otherwise would have been used to direct consumers towards high quality, cost-effective health care providers.

"For decades, the largest public hospital system in North Carolina has been engaging in this and other anti-competitive activities," said **Treasurer Folwell**. "In the spirit of this settlement, I'm calling on all North Carolina hospitals to be transparent and to publish their pricing so consumers can make informed decisions regarding health care. I'm also calling for the United States Department of Justice and the North Carolina Department of Justice, on behalf of the **State Health Plan**, to recover the potentially hundreds of millions overcharged to consumers by hospital management from this illegal activity."

[...]

"The taxpayers need to understand that the **state treasurer** cannot find out from the state hospital what the **State Health Plan** is paying for medical services for state workers," said **Folwell**. "It's beyond belief."

In order to begin reducing medical costs and to provide price transparency for its members, the **Plan announced** a new medical provider reimbursement strategy using referenced-based pricing based on a percentage over published government rates plus, on average, a 77 percent profit. The hospital association has vehemently opposed transparency in pricing and is intending to go to the North Carolina General Assembly to immediately stop the **Plan's** initiative to bring transparency and reduce costs. This opposition comes despite the state auditor's finding of seven years ago that the state is at risk for potentially overpaying medical claims.

In October, Wake County District Attorney Lorrin Freeman said nearly all the money had been recovered from the county's insurance or the defendants.

#### Years of service

In her petition to Wake County Superior Court, filed Nov. 20, Riddick seeks a reversal of **Toole's decision** that she did not have enough accrued years of service to retire March 31, 2017 and so should return benefits paid beginning April 1, 2017.

Riddick worked for the N.C. Department of Cultural Resources from 1990 to 1996, accruing 6 years and 2 months toward retirement, her petition states.

She was elected Register of Deeds in 1996 and again in 2000, 2004, 2008, 2012 and 2016, accruing another 20 years and 4 months, the petition states.

In addition, in 2017, she converted 2 years and 7 months of unused sick leave, giving her a total of 29 years and 1 month of accrued service time, it states.

In a letter, **Toole ruled** that under state law, Riddick was "subject to the loss of 'credible service'" in connection with felonies committed while serving as an elected official, according to the petition.

Riddick, now serving time at the N.C. Correctional Prison for Women, argues the state has misapplied the law and violated her constitutional rights — including against "the infliction of excessive fines imposed and cruel or unusual punishment inflicted," the petition states.

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###

#### Micah Beasley

*Internal Communications Specialist*  
Office of the State Treasurer  
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[www.NCTreasurer.com](http://www.NCTreasurer.com)



NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER

*Patricia H. Beasley, CPA*  
PATRICIA H. BEASLEY, CPA

**Anna Yount**

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**From:** Bill Hennessey, M.D. <bill.hennessey@pratter.us>  
**Sent:** Tuesday, November 27, 2018 9:34 AM  
**To:** Dale Folwell  
**Subject:** State NC 2015 MCSA  
**Attachments:** Pratter Medical Cost Savings Analysis - 700000ee.pdf

Dale:

Attached is the 2015 savings analysis. I want to keep the conversation going between our groups.

This was one of the first very large groups that we performed. The key takeaway is the large bottom line number that is up for grabs to be saved. The last part of the report goes into detail by procedure and frequency so that there is additional insight to the cost drivers. Pratter will provide multiple methods for savings millions, one of which is our partnership with ADP where we pay employees to go to better-priced providers in-network for routine care. The first step is to complete our 2018 MCSA (medical cost savings analysis).

Pratter learned a lot from this analysis. While the data was good from an ROI perspective, it wasn't actionable enough for our liking. We invested again and again and made our dashboard interactive with additional automation. We wanted our clients to be able to more quickly turn their data into information and in an interactive way, see where the cost drivers by facility, frequency and procedure are occurring. With this information, other cost savings techniques can be implemented. Remember, the carrier and broker fiduciary is to their investors - not you. They will say "we have that" when it comes to our MCSA to keep you from the unbiased truth.

I suggest we find a time next week to discuss next steps. Pratter would be a value add team member in your mission to reduce costs for your state. Independent of all carriers and brokers, loyal only to our clients, we look forward to our next meeting.



## Medical Cost Savings Analysis for

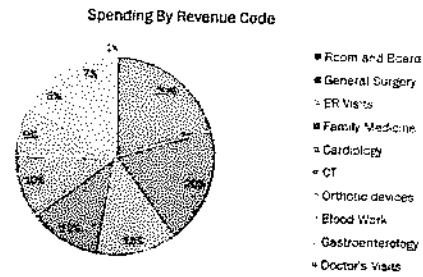
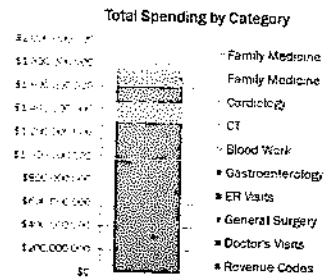
ABC Company

Reporting Period  
1/1/2015 - 12/31/2015

**pratter.us**   
America's medical cost savings company

This graph shows the top ten categories that your company spent money on in 2015.

	Revenue Code	Revenue Code	Total Spent
Family Medicine	\$190,571,382	\$161,075,635	\$351,647,017
Family Medicine	\$0	\$324,986,768	\$324,986,768
Cardiology	\$124,288,026	\$153,437,625	\$277,725,651
Cardiology	\$198,322,521	\$0	\$198,322,521
CT	\$72,449,491	\$56,215,105	\$128,664,596
Blood Work	\$117,074,943	\$2,917,568	\$119,992,511
Gastroenterology	\$100,352,321	\$15,305,376	\$115,657,697
ER Visits	\$11,667,782	\$88,217,901	\$99,885,684
General Surgery	\$82,339,484	\$15,688,229	\$98,027,713
Doctors Visits	\$79,236,202	\$0	\$79,236,202



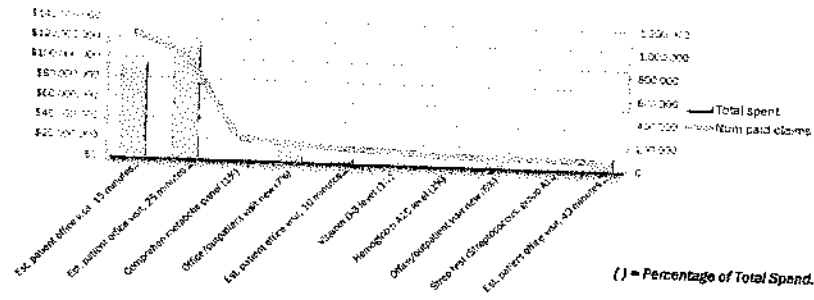
Pratter, Inc.  
www.pratter.us

**ABC Company**  
**Reporting Period: 1/1/2015 - 12/31/2015**

Workforce Cost Savings Analysis Report | Prepared for Pratter, Inc. | April, 2017  
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This graph shows the top ten procedures that your company spent money on in 2015.

Procedure	Number of Claims	Total Spent
1. 10-15 min office visit	1,074,017	\$94,505,134
2. 15-20 min office visit	839,571	\$116,856,235
3. 20-30 min office visit	185,158	\$1,758,569
4. 30-45 min office visit	148,970	\$18,662,383
5. 45-60 min office visit	120,355	\$5,956,230
6. 60-90 min office visit	111,781	\$3,286,389
7. 90-120 min office visit	85,012	\$1,491,866
8. 120-180 min office visit	83,645	\$16,705,113
9. 180-240 min office visit	81,498	\$1,407,833
10. 240-300 min office visit	66,901	\$12,104,632



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ABC Company  
Reporting Period: 1/1/2015 - 12/31/2015

Medicare Claims Analysis Report  
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Volume of Savings	20% 674,558	3418,448,115	\$836,208,230
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Savings per Member	\$299	\$597	\$1,195
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\* Reducing cost variability in network.

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ABC Company  
Reporting Period: 1/1/2015 - 12/31/2015  
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Page 6

Below are the detailed data listings by number of paid claims for your employees who received health care in 2015.

Rank	Number of Paid Claims	Estimated Total Cost	Medical Service
1	1,078,118	\$88	Est. patient office visit, 10 minutes
2	148,927	\$125	Est. patient office visit, 15 minutes
3	88,640	\$207	Office/outpatient visit new
4	66,901	\$181	Est. patient office visit, 40 minutes
5	42,594	\$281	Office consultation
6	10,412	\$884	Colonoscopy w/lesion removal
7	39,415	\$207	ER Visit, Level 4
8	8,582	\$890	Biopsy of large bowel using an endoscope
9	7,619	\$859	Diagnostic colonoscopy
10	120,355	\$49	Est. patient office visit, 10 minutes
11	30,209	\$183	Office consultation

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ABC Company  
Reporting Period: 1/1/2015 - 12/31/2015  
Medical Cost Savings Analysis Report | Prepared by Pratter, Inc. | Jan 1, 2017  
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**Anna Yount**

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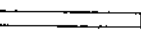
**From:** Lorraine Munk  
**Sent:** Tuesday, November 27, 2018 9:49 AM  
**To:** Dale Folwell; Dee Jones  
**Cc:** Frank Lester  
**Subject:** RE: Press Release - Pricing Transparency from NC Hospitals

Will do.

Lorraine

**From:** Dale Folwell  
**Sent:** Tuesday, November 27, 2018 9:25 AM  
**To:** Lorraine Munk <Lorraine.Munk@nctreasurer.com>; Dee Jones <Dee.Jones@nctreasurer.com>  
**Cc:** Frank Lester <Frank.Lester@nctreasurer.com>  
**Subject:** Re: Press Release - Pricing Transparency from NC Hospitals

Also send the video and letter that was sent to legislators

**Dale R. Folwell, CPA**  
*NC State Treasurer*  
Office of the State Treasurer  
Office: (919) 814-3807  
  
1400 Atlantic Avenue, Raleigh, NC 27604  
www.nc.treasurer.com

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On Nov 27, 2018, at 8:55 AM, Lorraine Munk <Lorraine.Munk@nctreasurer.com> wrote:

We wanted to share the following press release with you.

<image001.png>

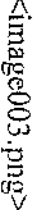
FOR IMMEDIATE RELEASE  
November 26, 2018  
Contact: Frank Lester  
919-814-3811

know what we're supposed to pay for medical services," said Folwell. "If something isn't done now, then other core functions of government like education, public safety, and roads will be financially impacted."


Folwell also said that after his legal team reviews the settlement, he will be submitting comments on the proposed settlement to the United States Department of Justice.

"We're doing what's necessary at this point in our state's history because others didn't," said Folwell. "As chaotic as health care is, we have not lost our commitment on focusing all of our attention on the member and taxpayers like them. It's not enough to just point out problems, ultimately they have to be fixed."

**Lorraine Munk**  
*Executive Assistant*  
State Health Plan  
Office: (919) 814-4409



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[www.SHPNc.org](http://www.SHPNc.org)



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**Anna Yount**

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**From:** Kevin Williams <kw@wpicolor.com>  
**Sent:** Tuesday, November 27, 2018 11:08 AM  
**To:** Ivey, Stephen P  
**Cc:**

Fatman, Deane; Dale Folwell; Edgar Starnes; Hicks, Joy A; mbw@wpicolor.com; Blanton, William A; Alvarnathy, Brett; James, Connie K; Hatton, Rodney K; john.mcdonald@burr.senate.gov; Fenley, Mike (Burr) (Mike\_Fenley@burr.senate.gov); robert.meek@mail.house.gov; Perfetti, Gregory R; Roberts, Daryl C; Steele, Christopher J; Argabright, Vary Little; Timothy M. Mitchell; Louis L; Bruckay@ncdo.gov; Creech, Joe G; Rander Roland; robert.meek@mail.house.gov  
Re: [External] Forum Parkway extension project (U-5899) - Request for Complex Relocation

**Subject:**

Mr. Ivey,

Could you or anyone please relay current status of plans to meet with me and or representation on behalf of Williams Printing Inc. in regards to how (U-5899)

Will FURTHER alter current & future business for Williams Printing Inc.?

Time is still ticking rapidly as it slowly depletes options on how our business conducts daily operations revolving around an unknown future.

Is there NO ONE in this email chain that has enough gumption to get off their hands & prompt NCDOT to make some decisions.?

One can not help but to think that if this projected road were have a direct impact on any of the included government officials & or NCDOT folks included here, there would be a more expedient process in motion to this point. No one here will admit it. But all know I speak the truth.

Is there really any wonder why 60% of the population have a negative opinion of the government? 60% is actually an optimistic number.

Sincerely Kevin Williams

Kevin Williams  
Williams Printing, Inc.  
[kw@wpicolor.com](mailto:kw@wpicolor.com)  
336.969.2733

This communication is the property of Williams Printing Inc. and may contain confidential or privileged information. Unauthorized use of this communication is strictly prohibited and may be unlawful. If you have received this communication in error, please immediately notify the sender by reply e-mail and destroy all copies of the communication and any attachments.

On Nov 14, 2018, at 11:05 AM, Kevin Williams <[kw@wpicolor.com](mailto:kw@wpicolor.com)> wrote:

Mr Ivey,

As I thank you for your response with the dated contacts, please keep in mind that I have been chasing this 8 armed octopus under water without an air tank for 8 months or more.

This communication is the property of Williams Printing Inc. and may contain confidential or privileged information. Unauthorized use of this communication is strictly prohibited and may be unlawful. If you have received this communication in error, please immediately notify the sender by reply e-mail and destroy all copies of the communication and any attachments.

On Nov 13, 2018, at 4:11 PM, Ivey, Stephen P <[pivey@ncdot.gov](mailto:pivey@ncdot.gov)> wrote:

Mr. Williams:

This matter, which is being handled by the NCDOT Right-of-Way Branch, has been expedited to the extent allowed by law. Mr. Daryl Roberts with the NCDOT Right-of-way office spoke with you back on October 19<sup>th</sup> and Division Right of Way Agent Christopher Steele contacted you on October 23<sup>rd</sup> to inform you the advanced acquisition process had been started, but then process would take a while. He told you he could not do anything further until the request was approved and funded by Raleigh. In the three weeks since those conversations, the Division 9 Project Development Office made a request for advanced acquisition of this parcel (owned by Busick Brothers Masonry) on October 22, 2018 and it was reviewed by the Advanced Acquisition Review Committee on October 25<sup>th</sup>. A request for initial funding to begin the acquisition process was submitted to our Director of Planning and Programming on November 7, 2018 by our Central Right of Way office and has been approved. You and the property owner will be contacted by someone from Mr. Steele's Office in the near future to set up a time for Initial Contact.

Please be assured the Department of Transportation understands your concerns surrounding this project. I trust this response provides a clear picture of what has been accomplished in the short time of our last conversation. If you have any questions or need anything further, please feel free to give me a call directly at 336-747-7800.

Pat Ivey, Division Engineer

**From:** Kevin Williams <[kevin.williams@ncdot.gov](mailto:kevin.williams@ncdot.gov)>  
**Sent:** Friday, November 09, 2018 1:45 PM  
**To:** Ivey, Stephen P <[pivey@ncdot.gov](mailto:pivey@ncdot.gov)>  
**Cc:** Eatman, Deans <[eatman@ncdot.gov](mailto:eatman@ncdot.gov)>; dale <[dale@ncdot.gov](mailto:dale@ncdot.gov)>; Edgar Starnes <[edgarstarnes@ncdot.gov](mailto:edgarstarnes@ncdot.gov)>; Hicks, Joy A <[joyhicks@ncdot.gov](mailto:joyhicks@ncdot.gov)>; Blanton, William A <[wabblanton@ncdot.gov](mailto:wabblanton@ncdot.gov)>; Acosta, Brett <[bbaacosta@ncdot.gov](mailto:bbaacosta@ncdot.gov)>; James, Connie K <[ckjames1@ncdot.gov](mailto:ckjames1@ncdot.gov)>; Patton, Rodney K <[rpatton@ncdot.gov](mailto:rpatton@ncdot.gov)>; Burr, Mike <[mike.burr@ncdot.gov](mailto:mike.burr@ncdot.gov)>; Fenley, Mike (Burr) <[mike.fenley@ncdot.gov](mailto:mike.fenley@ncdot.gov)>  
**Subject:** Re: [External] I-405 in Parkway extension project (U-5899)  
**Importance:** High

External email - do not click links or open attachments unless verified. Send all suspicious email as an attachment.

As you may know I have been chasing this ghost (Forum Parkway Extension Project U-5849) since Feb-March in efforts to stay ahead of the situation for money so that I may make an informed & wise decision

that best suite the future of my company & all employees. However after numerous attempts to extract information, or even have an informed discussion with anyone

whom may have specific knowledge on how NCDOT & Williams Printing Inc should & should move forward has not been fruitful to say the least.

Not to say anywhere I have talked to has not been pleasant, they have. Pleasant does not say my bank notes. Pleasant does not help me plan for future.

Pleasant does not give 14 employees the answers they deserve when they ask "are you danger of losing my job". Pleasant does not help pay the college tuition.

I have for 2 children (I am joyfully employed School Teacher- 1 is 3rd year Environmental Science).

So, not to be rude & I realize we are not the only people that this project impacts but to say the only business with the unique potential help in this has.)

Can ANYONE on this email PLEASE stop the merry-go-round and at least start the process of gathering information for all parties in effort to finding a resolution

before it is too late for my company to plan accordingly in order to survive. From 13-14/ in effort. The last confirmed conversation of timing was 13-14/ and was purchased in 2019.

I have been trying to be proactive, but seems from my perspective that NCDOT is not cooperating for my efforts of trying to plan in advance the stability of 14 families income.

Mr. Hattin: I have been from NCDOT may have more information regarding our situation involved with relocation than anyone.

As a representative of Williams Printing Inc I have been doing this for years & you can see I have never seen.

If anyone will please contact me for information I am available 24/7. .

Kevin Williams  
Cell: 336-969-2733

Home: 336-969-2733

Thank you for your help you may contribute  
Kevin Williams

Kevin Williams  
Williams Printing Inc.  
14200  
336.969.2733

This document is the property of Williams Printing Inc. and may

**Anna Yount**

---

**From:** William Gilliam <William.Gilliam@wakegov.com>  
**Sent:** Thursday, November 27, 2014 2:00 PM  
**To:** Anna Yount  
**Subject:** 2014-2015 statement on Laura Riddick lawsuit against NC treasurer

<http://www.wakegov.com/finance/2014-2015-statement-on-laura-riddick-lawsuit-against-nc-treasurer>

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## Anna Yount

---

**From:** Steven B. Long <SBLong@wardandsmith.com>  
**Sent:** Tuesday, November 27, 2018 2:06 PM  
**To:** Anna Yount  
**Subject:** Invitation for Mr. Folwell

Dale – Cameron Cox is a friend of mine and he is a member of the group. I hope you will be able to speak to this group as I think it includes many thought leaders in the industry. I would like to have you attend. It was good to see you at the Art Museum recently. All the best, Steve

**From:** Cameron Cox III <CameronCoxIII@coxhealth.com>  
**Sent:** Monday, October 29, 2018 1:17 PM  
**To:** Steven B. Long <SBLong@wardandsmith.com>  
**Subject:** FW: NCMGMA - Invitation for Mr. Folwell

**From:** Melissa Klingberg <Melissa.Klingberg@ncmgma.com>  
**Sent:** Monday, October 29, 2018 11:12 AM  
**To:** [anna.yount@ncmgma.com](mailto:anna.yount@ncmgma.com)  
**Cc:** Cameron Cox III <CameronCoxIII@coxhealth.com>  
**Subject:** NCMGMA - Invitation for Mr. Folwell

Anna,

Good morning and thank you for your time in the phone and for the direction in where to get this request to. I am the Executive Director for the North Carolina Medical Group Management Association (NCMGMA). Our state association's membership currently consists of over 800 members representing executives and managers of private group practices, academic medical centers, local providers, integrated delivery systems and companies that support medical provider organizations.

We are planning for our 2019 annual meeting (April) which we host annually and is focused on informing our members with what is going on in the industry and providing updates on current and upcoming changes for our providers and practices. Our 2019 event is scheduled for **Wednesday, March 13<sup>th</sup> at the Raleigh Marriott City Center** and we would like to invite you to attend and present to our group. We have the following times available that day:

12:00pm - 1:00pm  
1:00pm - 2:00pm  
2:00pm - 3:00pm  
4:00pm - 5:00pm

We have already confirmed speakers including Josh Stein and Dr. Mandy Cohen with DHHS who will be speaking with our members throughout the day. Let us know if you're available and would consider meeting with and presenting to our NCMGMA group on Wednesday March 13<sup>th</sup>. Thank you for your consideration and we look forward to hearing back soon.

Anna Yount

---

**From:** Richard Craver <rcraver@wsjournal.com>  
**Sent:** Monday, August 20, 2018 2:29 PM  
**To:** Anna Yount  
**Subject:** Re: The Jury bill story in Senate Finance

Our editors chose to pass on the story you raised in yesterday's press release. You can raise the issue with Andy Craver.

Richard Craver  
Business and health-care reporter  
Winston-Salem Journal  
(336) 727-7376  
(800) 642-0925, ext. 7376  
@rcraverWSJ



**Anna Yount**

**From:** Anna Yount  
**Sent:** 10/10/2018 2:39 PM  
**To:** Dale Folwell  
**Cc:** Dale Folwell  
**Subject:** [REDACTED]

Dee,

I just met with Ryan Blackledge who is a provider. He says they never received the letter that was to go to all providers. He said they can't find it and they never received.

Cone Health does not like the idea of a cost of services program. They want to propose and alternative in which they would work with the SHP and do a cost of services program. He thinks they could reveal the cost of services but their contract with BCBS prevents such disclosure.

Can we make sure that we get the letter to Ryan? If you need to speak to Ryan his cell phone is 919-308-4480.

Edgar V. Starnes  
Senior Policy Advisor and Legislative Counsel  
Office of the State Treasurer  
Phone: (919) 814-3812

3200 Atlantic Avenue, Raleigh, NC 27601  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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**Anna Yount**

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**From:** Caroline Craig (Rep. Larry Potts) <Potts@cncleg.net> on behalf of Rep. Larry Potts  
<lpotts@cncleg.net>  
**Sent:** Tuesday, November 27, 2018 3:17 PM  
**To:** Dale Folwell  
**Subject:** RE: Link to video

Thanks. Good video.

(Caroline Craig on behalf of Representative Potts)

**From:** Dale Folwell <Dale@Nctreasurer.com>  
**Sent:** Tuesday, November 27, 2018 3:14 PM  
**To:** Rep. Larry Potts <Larry.Potts@ncleg.net>  
**Subject:** FW: Link to video

**Dale R. Folwell, CPA**  
*NC State Treasurer*  
Office of the State Treasurer  
Office: (919) 814-3807

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)



**NORTH CAROLINA**  
DEPARTMENT OF STATE

*Dale Folwell, CPA*  
DALE R. FOLWELL, CPA

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**From:** Dale Folwell  
**Sent:** Wednesday, November 21, 2018 10:00 AM  
**To:** [lobbyjunk@gmail.com](mailto:lobbyjunk@gmail.com)  
**Subject:** Fwd: Link to video

Location: 316 West Edenton Street Raleigh, NC 27603  
Mailing Address: 4309 Mail Street Raleigh, NC 27699-4309  
Telephone: 919-715-1854 Fax: 919-733-6918  
[ibowmes@ncgovh.org](mailto:ibowmes@ncgovh.org)

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This message was secured by [redacted]

**From:** Anna Yeant  
**Sent:** Tuesday, November 27, 2018 3:48 PM  
**To:** Dave Fonnell  
**Subject:** RE: Ch. 55MA - Invitation for Mr. Fonnell

**Anna Yount**

**Executive Assistant to the Treasurer**  
Office of the State Treasurer  
Office: (919) 814-3807

3500 Atlantic Avenue, Raleigh, NC 27604  
www.NCTreasurer.com

[illegible]

NORTH CAROLINA  
DEPARTMENT OF STATE IN AFFAIRS

DAVID R. POWELL, CPA

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**From:** Dale Folwell  
**Sent:** Tuesday, November 27, 2018 3:45 PM  
**To:** Steven B. Long <SBLong@wardandsmith.com>  
**Cc:** Anna Yount <Anna.Yount@nctreasure.com>  
**Subject:** RE: NCMGMA - Invitation for 17g, Folwell

Anna POC, thanks

Dale R. Folwell, CPA

NC State Treasurer

Office of the State Treasurer

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... ..

NORTH CAROLINA  
DEPARTMENT OF STATE

# THE UNIVERSITY OF CHICAGO



**Anna Yount**

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**From:** Sam Hayes  
**Sent:** Tuesday, November 27, 2018 5:19 PM  
**To:** Dale Folwell; Chris Farr; Frank Lester; Steve Toole  
**Subject:** FW: Riddick - OAH initial orders  
**Attachments:** Initial Orders.pdf

See attached.

Thanks.

**From:** Newsome, Joseph [mailto:jnewsome@ncdoj.gov]  
**Sent:** Tuesday, November 27, 2018 4:18 PM  
**To:** Sam Hayes <Sam.Hayes@nctreasurer.com>; Christina Strickland <christina.strickland@nctreasurer.com>  
**Subject:** Riddick - OAH initial orders

OAH issued the initial orders in the Riddick case this morning. Senior ALJ Fred Morrison has been assigned the case.

-Jody



Joseph Newsome  
Governor  
Department of Justice  
P.O. Box 26174  
Raleigh, NC 27603  
919.733.2000

This e-mail and any files transmitted with it may be public records.

STATE OF NORTH CAROLINA

COUNTY OF WAKE

IN THE OFFICE OF  
ADMINISTRATIVE HEARINGS  
18 DST 07133

<p>Laura M Riddick Petitioner,</p> <p>v.</p> <p>Dept of State Treasurer, Retire Sys Div; Dale Folwell State Treasurer(in ofc capacity only); Steven C Toole Dir Retire Syst Div(in ofc cap only); NC Retire System Comm Bd of Trustees(in ofc cap only) Respondent.</p>	<p><b>NOTICE OF CONTESTED CASE AND ASSIGNMENT G.S. 150B-23, 33(b)(4)</b></p>
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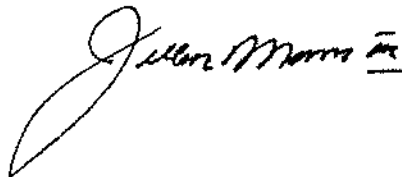
**NOTICE IS HEREBY GIVEN** that a petition for a contested case hearing pursuant to G.S. 150B-23(a) was filed in and accepted by the Office of Administrative Hearings on November 20, 2018. In accordance with G.S. 150B-23(a) and 26 NCAC 3 .0103, Fred G Morrison Jr., Senior Administrative Law Judge, has been assigned to preside in this case. The administrative law judge may be contacted by mail at 6714 Mail Service Center, Raleigh, N.C. 27699-6700, or by telephone at 919-431-3000.

The Respondent shall submit, within 30 days, a copy of the document constituting agency action, which caused the filing of the Petition.

A copy of any document or other pleading filed with the Office of Administrative Hearings must also be sent to the other party at the time of filing. If a party changes his or her mailing address, or if the address is incorrect, the Office of Administrative Hearings must be notified of the new or corrected address.

**NOTE:** Attached is an Order for Prehearing Statements. You **MUST** complete the Order for Prehearing Statements and return it to our office within 30 days.

This the 27th day of November, 2018.



Julian Mann, III  
Chief Administrative Law Judge

STATE OF NORTH CAROLINA

COUNTY OF WAKE

IN THE OFFICE OF  
ADMINISTRATIVE HEARINGS  
18 DST 07133

<p>Laura M Riddick Petitioner,</p> <p>v.</p> <p>Dept of State Treasurer, Retire Sys Div; Dale Folwell State Treasurer(in ofc capacity only); Steven C Toole Dir Retire Syst Div(in ofc cap only); NC Retire System Admin Bd of Trustees(in ofc cap only) Respondent.</p>	<p><b>ORDER FOR PREHEARING STATEMENTS</b></p>
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Please complete this form and mail the original and one copy to the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, NC 27699-6700; mail a copy to the other party and keep a copy for your records.

This Prehearing Statement must be filed and served within 30 days of the date of this ORDER. Failure of a party to comply with this Order for Prehearing Statements may result in the imposition of one or more of the sanctions set forth in G.S. 150B-33(b)(10) and 26 NCAC 03.0114(a) against the non-complying party, which may include the dismissal of the Petition if Petitioner fails to comply, or other appropriate sanctions against the Respondent if Respondent fails to comply.

In order to permit the prompt preparation of this case for hearing,

IT IS HEREBY ORDERED, pursuant to 26 NCAC 3.0104, that each party file with the Office of Administrative Hearings and serve upon the other parties a Prehearing Statement containing your present position with regard to the following:

1. The issue(s) to be resolved (additional pages may be attached if needed):

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7. If you do not have an attorney representing you in this contested case, please provide the following information in order to receive communications from this Office. You are required to notify this office of any changes in this information:

Home address: \_\_\_\_\_

Business address: \_\_\_\_\_

Telephone number: \_\_\_\_\_ Cell number: \_\_\_\_\_

Fax number: \_\_\_\_\_ Email address: \_\_\_\_\_

8. Estimated length of hearing:

\_\_\_\_\_

9. Other special considerations (additional pages may be attached if needed):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
YOUR SIGNATURE

\_\_\_\_\_  
PRINT YOUR NAME

This the 27th day of November, 2018.

Fred Gilbert Morrison Jr.

Fred G Morrison Jr.  
Administrative Law Judge

**HEARING ASSISTANT/COURT REPORTER  
REQUEST FORM**

**TO:** Calendaring Clerk  
Office of Administrative Hearings  
6714 Mail Service Center  
Raleigh NC 27699-6700  
Phone: 919-431-3000

<b>ADMINISTRATIVE LAW JUDGE</b>	Fred G Morrison Jr.
<b>CASE NUMBER</b>	18 DST 07133
<b>CASE NAME</b>	Laura M Riddick Petitioner,  v.  Dept of State Treasurer, Retire Sys Div; Dale Folwell State Treasurer(in ofc capacity only); Steven C Toole Dir Retire Syst Div(in ofc cap only); NC Retire System Comm Bd of Trustees(in ofc cap only) Respondent.

I request that the above styled hearing be recorded using the following method (check one):

☐ Hearing Assistant (Provided by the Office of Administrative Hearings)

☐ Court Reporter (Party requesting the Court Reporter is responsible for the Court Reporter fees)

I am the: ☐ Petitioner or ☐ Respondent or  
☐ Attorney for Petitioner ☐ Attorney for Respondent

This the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Your Signature

\_\_\_\_\_  
Please print name of your name

\_\_\_\_\_  
Street or Post Office Box

## Anna Yount

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**From:** Sam Watts  
**Sent:** Tuesday, November 27, 2018 7:33 PM  
**To:** Edgar Starnes; Dale Folwell; Chris Farr; Frank Lester; Dee Jones  
**Subject:** RE: Rep. Dobson's bill

McNeill says the House caucus agenda tonight is recap of the election. The meeting tomorrow morning is to discuss policy issues that will come up in this session.

---

**From:** Edgar Starnes  
**Sent:** Tuesday, November 27, 2018 4:00 PM  
**To:** Dale Folwell; Chris Farr; Frank Lester; Dee Jones  
**Cc:** Sam Watts  
**Subject:** Rep. Dobson's bill

I just had a very frank discussion with Senator Rabon. He said the senate has not agreed to the Dobson bill. Their inclination is to give you a free hand to manage the SHP. He said the senate will only consider the Dobson bill if the request comes directly from the Speaker.

There is some discussion to move the SHP to the Dept. of Insurance. From what I've been told Insurance doesn't want it.

Edgar V. Starnes  
Senior Policy Advisor and Legislative Liaison Office of the State Treasurer  
Phone: (919) 814-3812<tel:(919)814-3812>

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.nctreasurer.com)<<http://www.nctreasurer.com/>>

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**Anna Yount**

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**From:** PBH <pat@patrickhaggerty.com>  
**Sent:** Tuesday, November 27, 2018 6:07 PM  
**To:** Dale Folwell  
**Subject:** Comparison shopping

Hello Dale,

The guy at the Moore County Republican Mens Club who said he comparison shopped his knee (hip???) replacement is Hal Mendelson, 910-986-1102

Be well, Pat

Patrick Haggerty  
[pat@patrickhaggerty.com](mailto:pat@patrickhaggerty.com)  
301-466-7403

VP Programs, Moore County Republican Mens Club

## Anna Yount

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**From:** Rep. Darren Jackson <Darren.Jackson@ncleg.net>  
**Sent:** Tuesday, November 27, 2018 8:19 PM  
**To:** Dale Folwell  
**Subject:** RE: Rep. Jackson, I am offering to meet with you or your caucus to discuss reference based pricing and the difference it will make in state employee live\$. Dale

Thank you sir. I'm hearing of a bill and am going to open up an opportunity to SEANC and the Hospital Association to make presentations. I will also make you offer to the caucus and let you know if we get any takers.

As always, I appreciate your willingness to speak to us.

Darren Jackson

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North Carolina General Assembly  
House District 39  
Legislative Office Building, Room 506  
919-733-5974 Phone  
[darren.jackson@ncleg.net](mailto:darren.jackson@ncleg.net)  
Click [here](#) for legislative information

**From:** Dale Folwell <Dale@Nctreasure.com>  
**Sent:** Tuesday, November 27, 2018 1:32 PM  
**To:** Rep. Darren Jackson <Darren.Jackson@ncleg.net>  
**Subject:** Rep. Jackson, I am offering to meet with you or your caucus to discuss reference based pricing and the difference it will make in state employee live\$. Dale

## Anna Yount

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**From:** Mary Shuping <shupingm@nccommunitycolleges.edu>  
**Sent:** Tuesday, November 27, 2018 8:53 PM  
**To:** State Board Only  
**Subject:** Legislative Update: Voter ID/Community Colleges  
**Attachments:** SB 874-1st Ed Voter ID-CC Provisions.docx

Good evening,

I hope everyone had a happy Thanksgiving. As you know, the General Assembly is in session this week to take up several matters, including adopting legislation to implement the voter ID constitutional amendment.

Yesterday, the Joint House and Senate Elections Oversight Committee requested a presentation on community college student IDs. We presented information that there is no uniform requirement for student IDs, and IDs are issued by local community colleges based on the colleges' particular needs.

Today, the Senate introduced SB 874, which was passed out of the Senate Select Committee on Elections late this afternoon. Tonight, SB 1107 was filed in the House and will likely be heard tomorrow. As currently drafted, the bill is the same as HB 323. However, the House will likely make changes to the bill.

Both bills permit, but do not mandate, the use of community college student IDs for voter identification. However, if a college opts to have the college's student ID be used for voter ID, the college must meet certain criteria to ensure the validity of the ID. Attached is a brief summary of the community college provisions.

Finally, the purpose of the voter ID card is **only** to confirm that the person voting is the same person on the voter ID card. In order to be eligible to vote, the person must still meet all NC voter registration requirements and be registered to vote.

It appears the session will last into next week as the legislature considers other bills. We will inform you of any legislation impacting community colleges. In the meantime, please do not hesitate to contact us if you have any questions.

Take care,  
Mary

Mary Beach Shuping  
Director of Governmental Affairs  
NC Community College System  
O: 919-807-6957  
C: 919-795-1636



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## SB 824, 1<sup>st</sup> ed. & HB 1107, 1<sup>st</sup> ed. Implementation of Voter ID Constitutional Amendment – CC Related Provisions

### NOT Mandatory for Community College Student IDs.

- It is not mandatory that community colleges' student IDs meet the requirements to be used as voter IDs.
- Colleges must comply only if the college opts to have student IDs used as a voter ID.

### Using Student IDs as Voter IDs.

If a college opts to have student IDs be used as voter IDs, the college must comply with the following requirements:

- ID must contain a photo of the student.
  - ID must be valid and unexpired or has been expired for one year or less.
  - The president or registrar must submit a signed letter to the Executive Director of the State Board of Elections & Ethics Enforcement under penalty of perjury that the following are true:
    - ID photos are taken by the college or an authorized agent or contractor of the college;
    - ID cards are issued after an enrollment process that includes, but is not limited to, the following methods of confirming the student's identity:
      - Social Security Number;
      - Citizenship status; and,
      - Student's birthdate.
    - ID equipment is kept in a secure location;
    - Misuse of the ID equipment would be grounds for student dismissal or employee discipline;
    - Misuse of ID equipment must be reported to law enforcement under certain circumstances;
    - Effective January 1, 2021, must contain an expiration date; and,
    - A copy of a standard ID card is provided to the State Board of Elections & Ethics Enforcement.
  - The college must comply with other security measures established by the State Board of Elections & Ethics Enforcement that are necessary for the protection and security of the student ID process.
- These requirements also apply to UNC institutions and certain private colleges & universities.

## Anna Yount

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**From:** Eric Davis <Eric.Davis@dpi.nc.gov>  
**Sent:** Wednesday, November 28, 2018 7:22 AM  
**To:** LaTeesa Allen; SBE Members  
**Cc:** Eric Hall; Mark Johnson  
**Subject:** Re: ISD Requested Documents

LaTeesa

Thanks for providing these documents. An additional step that would be helpful is to lift out of the CNAs the key elements and create a composite document of all 6 CNAs similar to the proficiency document. That would assist the Board in seeing more clearly the similarities and differences between the schools under consideration.

Thanks again

Eric C. Davis  
Chair, Member at Large  
NC State Board of Education

---

**From:** LaTeesa Allen <lateesa.allen@dpi.nc.gov>  
**Sent:** Tuesday, November 20, 2018 5:16 PM  
**To:** SBE Members  
**Cc:** Eric Hall; Mark Johnson  
**Subject:** ISD Requested Documents

Greetings State Board of Education Members,

I hope this emails finds each of you doing great during this season of Thanksgiving!

While Deanna has uploaded the requested documents, I just wanted to send them directly to you and ask if you have any additional requests or questions regarding the Carver Heights Elementary School recommendation. If possible, I am asking for all requests by next Tuesday, November 27<sup>th</sup>, in an effort to have adequate time to fully prepare for the upcoming SBE Meeting.

Additionally, I am excited about the new Innovative School District's video that was produced highlighting the progress at our first school, Southside Ashpole Elementary School. It was evident in the video that initially the community was skeptical about the ISD; however, after the decision was made to transfer the school, the community engagement expanded and the community became excited about the possibilities for Southside Ashpole Elementary School as part of the ISD. I have provided the following link to the ISD video: <https://youtu.be/CdNca8HLYg>.

Please contact me with any questions or comments. May you have a Happy Thanksgiving with family and friends.

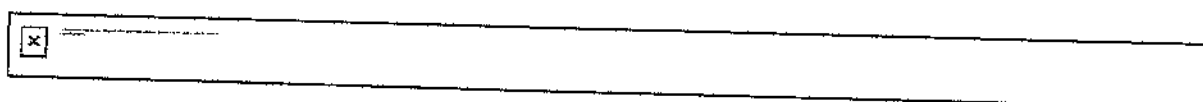
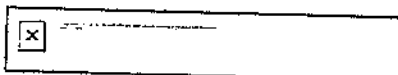
Best,  
LaTeesa



**Anna Yount**

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**From:** Capital Economics <research@email.capitaleconomics.com>  
**Sent:** Wednesday, November 28, 2018 9:01 AM  
**To:** Dale Folwell  
**Subject:** Global Central Bank Watch - Shakier global backdrop won't deter the Fed & ECB



**Global Economics**

28 November 2018

## GLOBAL CENTRAL BANK WATCH

### Shakier global backdrop won't deter the Fed & ECB

The Fed looks to be on course to raise interest rates by a further 25bp at its December meeting in spite of financial market jitters and disappointing news on the global economy. But as financial conditions continue to tighten and the US economy slows next year, we think that the Fed will bring its tightening cycle to an end and eventually *cut* rates in 2020. The ECB looks set to end its net asset purchases in December and to wait at least until September before raising interest rates. If the UK leaves the EU in March with a deal, we think that the BoE will raise rates three times next year. But in a "no deal" scenario it would probably *cut* interest rates. Meanwhile, low inflation in Japan should convince the BoJ to maintain its current policy stance.

[Open full article here.](#)

Reports are available via a link or .PDF attachment. To change your preference click [here](#).

## **Anna Yount**

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**From:** Micah Beasley  
**Sent:** Wednesday, November 28, 2018 9:08 AM  
**To:** Allen Martin; Andrew Norton; Anna Yount; Beth Horner; Bill Golden; Brenda Williams; Brian Jackson; Caroline Smart; Cassandra Wilson; Charles Winkler; Chris Farr; Chris Frazier; Christina Strickland; Christopher McCracken; Christopher Morris; Cindy Aiken; Cindy Webb; Dale Folwell; David Starling; Debbie Tomasko; Debra Haynes; Dee Jones; Dora Fazzini; Edgar Starnes; FOD - Financial Operations Division; Fran Lawrence; Frank Lester; Greg Gaskins; INV - Investment Division; Jess D. Mekeel (NCDOJ); Karah Manning; Kendall Bourdon; Laura Rowe; Lucy Barreto; Meryl Murtagh; Micah Beasley; Powell Baggett; Matthew Rish; Rhonda Smith; Robert Jansen; Sam Hayes; Sam Watts; Sarah Unks; Shannon Wharry; Sharon Edmundson; Stephanie Hawco; Steve Toole; Ted Enarson; Tim Romocki; Will Spicer  
**Subject:** Press Clips – November 28, 2018

### **N.C. Department of State Treasurer Press Clips – November 28, 2018**

Articles mentioning or relevant to N.C. Department of State Treasurer, State Treasurer Dale R. Folwell, State Health Plan, N.C. Cash Program

- [The Laurinburg Exchange: Folwell: Hospitals want to derail transparency measures](#)
- [Becker's Hospital CFO Report: North Carolina wants US to recover millions in overpayments to hospitals](#)
- [Winston-Salem Journal: Ask SAM: Finding Unclaimed Money](#)

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#### **The Laurinburg Exchange: Folwell: Hospitals want to derail transparency measures**

By Dan Way

November 27, 2018

**State Treasurer Dale Folwell** wants the U.S. Department of Justice to require all North Carolina hospitals to be transparent in their pricing and recover excessive charges hospitals made to **the State Health Plan**. He said the N.C. Healthcare Association, which represents hospitals, wants the General Assembly to derail his cost-cutting reforms.

**Folwell** made those claims Monday, Nov. 26, in a press release alleging "illegal activity" by hospitals. He is calling on the U.S. and N.C. Departments of Justice to recoup what could be hundreds of millions of dollars in overpayments.

**Folwell** is embroiled in tense negotiations with the state's major health care organizations as he attempts to stabilize spending on the State Health Plan, which costs more than state appropriations cover.

**Folwell** said the recent settlement of a civil antitrust lawsuit filed by the U.S. and N.C. Justice Departments against Atrium Health, formerly known as Carolinas Healthcare System, exposed costly practices for consumers, including shielding them from information about high-quality, cost-effective coverage.

"In the spirit of this settlement, I'm calling on all North Carolina hospitals to be transparent and to publish their pricing so consumers can make informed decisions regarding health care," **Folwell** said.

## Becker's Hospital CFO Report: North Carolina wants US to recover millions in overpayments to hospitals

By Leo Vartorella

November 27, 2018

**North Carolina Treasurer Dale Folwell** called for the U.S. Justice Department to push all hospitals in his state to be transparent in their pricing and take action against the ones overpaid by **the state's health plan**.

The request comes after Charlotte, N.C.-based Atrium Health settled a lawsuit brought by the U.S. and North Carolina justice departments. The lawsuit challenged the system's contracts with many major insurers, alleging they included antitrust provisions.

Earlier this year, **the State Health Plan** submitted a public records request to Chapel Hill, N.C.-based UNC Health Care for a copy of its contract and fee schedule with Blue Cross NC, the third-party administrator for **the plan**. The system provided redacted information with no prices.

"For decades, the largest public hospital system in North Carolina has been engaging in this and other anti-competitive activities," **said Mr. Folwell**. "In the spirit of this settlement, I'm calling on all North Carolina hospitals to be transparent and to publish their pricing so consumers can make informed decisions regarding healthcare. I'm also calling for the United States Department of Justice and the North Carolina Department of Justice, on behalf of **the State Health Plan**, to recover the potentially hundreds of millions overcharged to consumers by hospital management from this illegal activity."

**Mr. Folwell said** that unless action is taken to increase price transparency, the effect of healthcare costs on the state's budget will affect other areas of government.

"In North Carolina, we already spend \$3.4 billion a year in taxpayers' money for state employees and retiree health care. Additionally, we owe \$30 billion for long-term health care costs, and we don't even know what we're supposed to pay for medical services," **said Mr. Folwell**. "If something isn't done now, then other core functions of government like education, public safety and roads will be financially impacted."

### BACK TO TOP

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## Winston-Salem Journal: Ask SAM: Finding Unclaimed Money

By Tim Clodfelter

November 27, 2018

Q: I know my name is on the list for **unclaimed money**. Can I get it without paying for it?

V.F.

Answer: You can do a search at NCCash.com, **the North Carolina Department of State Treasurer's** website for the unclaimed property fund, which includes funds from bank accounts, wages, utility deposits, insurance proceeds, stocks, bonds and contents of abandoned safe deposit boxes.

"Funds become unclaimed because the company loses track of the consumer, due to an incorrect address or other missing information," according to the site. "By law, these funds are escheated, or turned over, to **the Department of State Treasurer** for safekeeping. As new funds are added, the NC Cash database is updated."

If you don't have internet access, you can write to **NC Department of State Treasurer**, Unclaimed Property Division, PO Box 20431, Raleigh NC 27619-0431 or call 800-582-0615 for assistance.

**Anna Yount**

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**From:** Mike Westmoreland <m\_wes55@yahoo.com>  
**Sent:** Wednesday, November 28, 2018 10:14 AM  
**To:** Dale Folwell  
**Subject:** info

just checking to see if you are still alive  
ain't heard from you lately  
call sometime  
Mike

**Anna Yount**

---

**From:** Jennifer Fletcher <Jennifer.Fletcher@msj.org>  
**Sent:** Wednesday, November 28, 2018 10:17 AM  
**To:** Dale Folwell  
**Cc:** Robert Jansen  
**Subject:** Mission Health Comment Letter  
**Attachments:** Mission Health\_SHP Comment Letter\_Treasurer Folwell.pdf

*Sent on behalf of Paul McDowell, Chief Financial Officer, Mission Health*

Good morning,

Please find attached Mission Health's comment letter.

Thank you,

Jennifer Fletcher  
Office of Government &  
Community Relations  
Mission Health  
828.458.1972

---

This message and its attachments may contain confidential and/or legally-sensitive information that is intended for the sole use of the addressee(s). Any unauthorized review, use, disclosure, or distribution of the information contained in this message and its attachments is prohibited. If you have received this message or any of its attachments in error, please destroy all originals and copies of the same and notify the sender immediately.



November 27, 2018

Dale R. Folwell, CPA  
State Treasurer of North Carolina  
3200 Atlantic Avenue  
Raleigh, NC 27604

Dear Treasurer Folwell,

Mission Health has proudly provided quality, affordable services to western North Carolina members of the State Health Plan for many years. Against a backdrop that is more challenging than most, Mission Health has achieved and been nationally recognized for both lower costs and higher quality. National recognitions have included being named one of the nation's Top 15 Health Systems for a remarkable six times in seven years and being named as one of the few health systems in America with both low costs for Medicare and Commercial Insurers.

Key to our success has been a relentless focus on population health with our clinically integrated network, Mission Health Partners, at its core. In its last review, Mission Health Partners was recognized by the Center for Medicare and Medicaid Services (CMS) as one of the highest performing ACOs, earning a Quality Score of over 97% and achieving more than \$11 million in savings for the CMS despite having one of the lowest spending targets in the nation. Because of its successes in reducing overall Medicare spending, Mission Health was the highest performing system in North Carolina.

We received notice of the proposed shift to a Medicare referenced-based payment mechanism for the State Health Plan, and while we understand the State Health Plan's need to realize immediate savings, we need to share our concerns. We don't know what the State Health Plan pays to other health systems. But our internal analysis indicates that Mission Health would see a very large reduction in reimbursement; in fact, that level of reduction would have serious implications to the services we could offer in our communities, not just for State Health Plan enrollees, but for everyone. We also question the need for this payment shift, especially in light of your use of Blue Cross NC that offers its clients the very best rates Mission provides to any commercial Payor. Additionally, we are designated as a Low Cost High Quality provider by Blue Cross NC.

An arbitrary reduction of this magnitude ultimately threatens the long term sustainability of Mission Health, the safety net provider for all of western North Carolina, and threatens service closures for our vulnerable populations. But recognizing the importance of this topic to you and the impossible challenges your plan would create for us, we would very much like to meet with you in person to further discuss how our organizations can work together to meet the expressed goals of the State Health Plan while continuing to ensure the sustainability of our health system. Please know that we are open to discussion about alternative structures that will allow the State to save money on their health plan.

Sincerely,

A handwritten signature in cursive script that reads "Paul McDowell".

Paul McDowell  
Chief Financial Officer

**Anna Yount**

---

**From:** Edgar Starnes  
**Sent:** Wednesday, November 28, 2018 11:29 AM  
**To:** Dale Folwell; Chris Farr; Frank Lester  
**Subject:** Last nights caucus

I had a call late last night giving me an update on the caucus. It was to be a "unity caucus " but there was a lot of Division and unhappy members. Those who lost blamed the caucus for not raising and giving them enough money. David Lewis told some of them privately that BCBS and health care interest were their largest contributors and he wasn't going to allow anyone to mess that up.

Edgar V. Starnes  
Senior Policy Advisor and Legislative Liaison  
Office of the State Treasurer  
Phone: (919) 814-3812

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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## Anna Yount

---

**From:** Rep. Pat McElraft <Pat.McElraft@ncleg.net>  
**Sent:** Wednesday, November 28, 2018 1:39 PM  
**To:** Dale Folwell  
**Subject:** Re: Press Release - Pricing Transparency from NC Hospitals  
**Attachments:** image001.png; image002.png; image003.png; image004.jpg; image005.png; image006.png; image007.png; image008.png; image009.png; image010.jpg; image011.png; image012.png

Got both of them.

Pat  
Pat McElraft  
NC House of Representatives  
District 13 Jones and Carteret counties  
(C) 252 342-0693  
(W) 919 733-6275  
Sent from my iPhone

On Nov 28, 2018, at 1:37 PM, Dale Folwell <Dale@Nctreasurer.com<mailto:Dale@Nctreasurer.com>> wrote:

Dale R. Folwell, CPA  
NC State Treasurer  
Office of the State Treasurer  
Office: (919) 814-3807

<image007.png>

3200 Atlantic Avenue, Raleigh, NC 27604

[www.NCTreasurer.com](http://www.NCTreasurer.com)<<http://www.nctreasurer.com/>>

<image008.png><<https://twitter.com/nctreasurer>><image009.png><<http://www.facebook.com/ncdst>><image010.jpg><<https://www.youtube.com/channel/UC0G6Y4S7K4Nw5jyFmVJY43Q>><image011.png>

<image012.png>

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From: Dale Folwell  
Sent: Wednesday, November 28, 2018 9:56 AM



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On Nov 27, 2018, at 8:55 AM, Lorraine Munk

<Lorraine.Munk@nctreasurer.com<mailto:Lorraine.Munk@nctreasurer.com>> wrote:

We wanted to share the following press release with you.

<image001.png>

FOR IMMEDIATE RELEASE

November 26, 2018

Contact: Frank Lester

919-814-3811

**Treasurer Folwell Calls for US Department of Justice to Recover Hundreds of Millions Potentially owed to NC Taxpayers from Hospitals' Anti-Competitive Activities and to Enforce Transparency in Pricing Calls for Pricing Transparency from all North Carolina Hospitals**

(Raleigh, N.C.) – State Treasurer Dale R. Folwell, CPA, today called for the United States Department of Justice to take action and for all North Carolina hospitals to be transparent in their pricing. The announcement was made in light of the recent settlement<<https://ncdoj.gov/Files/News/AtriumNCDOJSettlement.aspx>> of a lawsuit filed by the United States Department of Justice and the North Carolina Department of Justice against Atrium Health, formerly known as Carolinas Healthcare System.

The civil antitrust lawsuit challenged provisions in Atrium's contracts with major health insurers including Blue Cross and Blue Shield of North Carolina (Blue Cross NC) that prohibited what otherwise would have been used to direct consumers towards high quality, cost-effective health care providers.

"For decades, the largest public hospital system in North Carolina has been engaging in this and other anti-competitive activities," said Treasurer Folwell. "In the spirit of this settlement, I'm calling on all North Carolina hospitals to be transparent and to publish their pricing so consumers can make informed decisions regarding health care. I'm also calling for the United States Department of Justice and the North Carolina Department of Justice, on behalf of the State Health Plan, to recover the potentially hundreds of millions overcharged to consumers by hospital management from this illegal activity."

Earlier this year, the State Health Plan (Plan) submitted a public records request to UNC Health Care for a copy of its contract and fee schedule with Blue Cross NC. Blue Cross NC is the third party administrator for the Plan and negotiates pricing for the Plan's 727,000 members.

In response, UNC Health Care provided more than 100 pages of redacted<<https://www.nctreasurer.com/Documents/UNCPricing.pdf>> information with no visible prices. The state-owned hospital said that pricing information between Blue Cross NC and itself is confidential. Treasurer Folwell responded with a press release<<https://www.nctreasurer.com/inside-the-department/News-Room/press-releases/Pages/XXXXXXX-Provides-Fee-Schedule-to-State-Health-Plan.aspx>> highlighting its absurdity.

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NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



*Dale R. Fowell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOWELL, CPA



1









NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



*Dale R. Fowell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOWELL, CPA

**Anna Yount**

---

**From:** Edgar Starnes  
**Sent:** Wednesday, November 28, 2018 11:32 AM  
**To:** Dale Folwell; Chris Farr; Frank Lester  
**Subject:** Leadership meeting

John Bell just told me to give you a heads up. The House Leadership is going to invite you down to negotiate your bills. They want to compromise.

Another member told me they would offer you the override if you would endorse the Dobson bill.

Edgar V. Starnes  
Senior Policy Advisor and Legislative Liaison  
Office of the State Treasurer  
Phone: (919) 814-3812

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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**Anna Yount**

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**From:** Peter Robie <pwrobie@gmail.com>  
**Sent:** Wednesday, November 28, 2018 2:20 PM  
**To:** Dale Folwell  
**Subject:** Reimbursement

Your press release and letter to the assembly were very well done, and I support everything you are saying. See you at next Monday's meeting! Pete Robie MD



## Anna Yount

---

**From:** Edgar Starnes  
**Sent:** Wednesday, November 28, 2018 2:17 PM  
**To:** Anna Yount  
**Cc:** Dale Folwell  
**Subject:** Senator Brent Jackson

Anna,

Can you call Senator Jackson's Office to schedule a meeting with the Treasurer next week? He wishes to meet Monday At 2:30 or Tuesday. Let me know the agreed time since he asked me to attend also.

Thanks,

Edgar V. Starnes  
Senior Policy Advisor and Legislative Liaison  
Office of the State Treasurer  
Phone: (919) 814-3812

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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## Anna Yount

---

**From:** Rep. Pat McElraft <Pat.McElraft@ncleg.net>  
**Sent:** Wednesday, November 28, 2018 4:21 PM  
**To:** Dale Folwell  
**Subject:** Re: Video  
**Attachments:** image001.png; image002.png; image003.png; image004.jpg; image005.png; image006.png

Which video is it. There are several on this youtube link.

Pat  
Pat McElraft  
NC House of Representatives  
District 13 Jones and Carteret counties  
(C) 252 342-0693  
(W) 919 733-6275  
Sent from my iPhone

On Nov 28, 2018, at 1:39 PM, Dale Folwell <Dale@Nctreasurer.com<mailto:Dale@Nctreasurer.com>> wrote:

Dale R. Folwell, CPA  
NC State Treasurer  
Office of the State Treasurer  
Office: (919) 814-3807

<image007.png>

3200 Atlantic Avenue, Raleigh, NC 27604

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<image012.png>

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From: Dale Folwell  
Sent: Wednesday, November 28, 2018 10:00 AM  
To: Subject: FW: Video

Begin forwarded message:

From: Frank Lester <Frank.Lester@nctreasurer.com<mailto:Frank.Lester@nctreasurer.com>>

Date: November 2, 2018 at 8:16:56 AM EDT

To: Dale Folwell <Dale@Nctreasurer.com<mailto:Dale@Nctreasurer.com>>

Subject: Video

<https://www.youtube.com/watch?v=ykYiZpgLmYw>

Frank G. Lester

Deputy Treasurer Communications/Government Affairs Office of the State Treasurer  
Office: (919) 814-3811

[<https://www.nctreasurer.com/esignature%20public%20files/line.png>]

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[Facebook.com/NC DST](https://www.facebook.com/ncdst)]<<http://www.facebook.com/ncdst>>[[youtubeicon.png](#)]<<https://www.youtube.com/channel/UCOG6Y4S7K4Nw5jyFmVJY43Q>>[Sign up for e-Updates]

[<https://www.nctreasurer.com/esignature%20public%20files/EmailLogolong.png>]

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NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

**Anna Yount**

---

**From:** Dan Taylor <dan.taylor7646@gmail.com>  
**Sent:** Wednesday, November 28, 2018 6:51 PM  
**To:** Dale Folwell  
**Subject:** Fwd: Big Tech Expands Footprint in Health - WSJ

See below

Daniel R. Taylor, Jr.  
700 Arbor Road  
Winston-Salem, N.C. 27104

[Dan.Taylor7646@gmail.com](mailto:Dan.Taylor7646@gmail.com)  
336.725.9000 - home  
336.418.4745 - office  
336.646.3484 - mobile

Sent from my iPhone

[https://www.wsj.com/articles/amazon-starts-selling-software-to-mine-patient-health-records-1543352136?mod=itp\\_wsj&ru=yahoo](https://www.wsj.com/articles/amazon-starts-selling-software-to-mine-patient-health-records-1543352136?mod=itp_wsj&ru=yahoo)

## Big Tech Expands Footprint in Health

Amazon's move into analyzing patient records is the latest by a technology company to tap the health-care market

By  
Melanie Evans and  
Laura Stevens  
• Updated Nov. 27, 2018 7:04 p.m. ET



records, that doctors can use to send links to products that patients would buy, according to people who developed the app and doctors who have used it.

The \$3.2 trillion health-care market is a natural target for tech companies seeking new sources of growth, especially as more patient medical records get digitized and pressure rises to provide better health care at lower cost.

Health care trailed other data-heavy industries, including retail and banking, in converting critical information to computers from paper. Electronic health records are now a standard feature in most hospitals, but that wasn't the case a decade ago. Hospitals rushed to install digital records after Congress included incentives for the technology as part of federal spending to speed economic recovery from the last recession. More than 80% of hospitals have electronic health records, up from about 10% in 2008.

Yet Silicon Valley's forays have hit technical and regulatory roadblocks. Verily Life Sciences, Alphabet's medical-device business, said this month it was putting on hold a collaboration to develop contact lenses that could measure diabetics' blood-sugar levels because of insufficiently consistent measurements.

Analyzing patient medical records, an obvious application of the natural-language processing capabilities developed by tech companies, has also confronted technical hurdles.

Algorithms currently in use have encountered trouble identifying key data points due to misspellings, abbreviations and doctors' idiosyncratic descriptions, according to Dr. Julia Adler-Milstein, director of the Center for Clinical Informatics and Improvement Research at the University of California, San Francisco.

Amazon officials said the company's software developers trained the system using a process known as deep learning to recognize all the ways a doctor might record notes.

500,000 cancer patients. As automation does more of the work, some employees could do other tasks.

**Write to** Melanie Evans at [Melanie.Evans@wsj.com](mailto:Melanie.Evans@wsj.com) and Laura Stevens at [laura.stevens@wsj.com](mailto:laura.stevens@wsj.com)

## Anna Yount

---

**From:** Chris M. Shoffner <[chris@truecb.com](mailto:chris@truecb.com)>  
**Sent:** Wednesday, November 28, 2018 9:42 PM  
**To:** Dale Folwell; Ardis Watkins; [rbroome@seanc.org](mailto:rbroome@seanc.org)  
**Subject:** Fwd: LDI Detecting BS in Healthcare\_7.pdf  
**Attachments:** LDI Detecting BS in Healthcare\_7.pdf

All true

----- Forwarded message -----

**From:** **chris shoffner** <[cmshoffner@gmail.com](mailto:cmshoffner@gmail.com)>  
**Date:** Wed, Nov 28, 2018, 9:40 PM  
**Subject:** Fwd: LDI Detecting BS in Healthcare\_7.pdf  
**To:** Chris M. Shoffner <[chris@truecb.com](mailto:chris@truecb.com)>

----- Forwarded message -----

**From:** **Chris M. Shoffner** <[chris@truecb.com](mailto:chris@truecb.com)>  
**Date:** Wed, Nov 28, 2018, 7:43 PM  
**Subject:** LDI Detecting BS in Healthcare\_7.pdf  
**To:** <[cmshoffner@gmail.com](mailto:cmshoffner@gmail.com)>

SPECIAL REPORT

# Detecting BS in Health Care

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by  
Lawton R. Burns, PhD  
Mark V. Pauly, PhD  
*Department of Health Care Management  
The Wharton School  
University of Pennsylvania*

*Of Interest*

This publication contains no financial disclosure or conflict of interest. Faculty members of the University of Pennsylvania are not compensated for their work on this publication.

BS has also been called out with on television. The actor/producer Chad Sackler host of "Cosmos" on PBS television developed a "baloney detection kit" to test out today's science. Some of the tools in his kit included:

- seek independent confirmation of the "facts"
- encourage debate on the evidence
- "authority" carries no weight in the argument
- consider multiple working hypotheses
- maintain a complete chain of evidence

A Stanford researcher reported that the vast majority of scientific findings published in the medical literature may be suspect, since they cannot be replicated.<sup>1</sup> Academic research articles have been published on detecting BS. Academic courses are now taught at major universities on detecting BS,<sup>2</sup> and there are entire books on the subject.<sup>3</sup>

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## Why is there a BS problem?

Why does this kind of behavior occur? While flat-out dishonesty for short term financial gains is an obvious answer, a more common explanation is the need to say something positive when there is nothing positive to say.

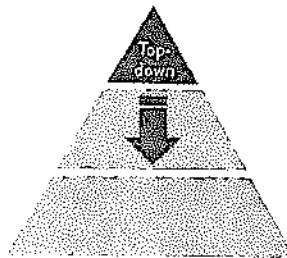
The problem is acute in health care. Suppose you are faced with the assignment of solving the ageless problem of health care — the dilemma of reducing costs while simultaneously raising quality. If you were knowledgeable to begin with or did some research, you would find that there is no easy solution. You could respond with a message of failure or a discussion of inevitable tradeoffs. But you could also pick an idea with some internal plausibility and political appeal, fashion some careful but conditional language, and announce the launch of your program. Of course you will add that it will take a number of years before success appears, but you and your experts will argue for this idea in concert with the details to be worked out later.

At minimum, unqualified acceptance of such proposed ideas, even (and especially) by apparently qualified people, will waste resources that could have been used to make the best of what we currently have, and will lead to enormous frustration for your audience of politicians and outraged critics of the current system who want answers and want them now. The incentives to generate BS are not likely to diminish — if anything, rising spending and stagnant health outcomes strengthen them — so it is all the more important to have an accurate and fast way to detect and deter BS in health care.

Following both Peter Pronovost and Aron Gawande, we call for a "BS Checker Manifesto" to highlight the major forms of BS in health care today. Here we present our Top 10 BS candidates, in both pictures and words. First we present each picture, unopened and without text, thereby leaving readers to discern what the BS message is and engage them in the BS detection process. Then we offer an explanation of what the picture conveys. This will help the reader become a more skilled "BS Hunter." We reserve the option to expound further as we step in more BS in the future. Here's #1 of our top 10 forms of BS in health care.

# 1

## Top-Down Solutions



Most prepared solutions to organizational problems are formulated by the CEO or VP of Strategic Planning, or someone else delegated to provide a vision, and then pushed down the hierarchy for others to implement – often with minimal support, guidance, or revision by those responsible for carrying out the solution. For years, we have known that such an approach usually fails.

And yet this approach is pursued widely in health care. We have typically described it in terms of the disconnect between the “Front Office” (C-suite), which decides what to do and what to change, and the “Front Line” (doctors and nurses) who are supposed to carry out the plans. We know that if clinicians are not engaged, the effort is likely to fail. And yet popular effort – to foster capitation or other alternative payment models are part of the transformation top management is supposed to engineer. Plans to engage physicians have stalled as (a) most physicians do not want these payment methods, and (b) their organizations prefer to still pay them fee-for-service, however the payment to the system is calculated. Links, either logical or social, between the new incentives at the top and the needed behavior changes in those down the chain, have not yet been invented, and are left to befuddled lower-level managers and provider committees to work out, as best they can.



## 2

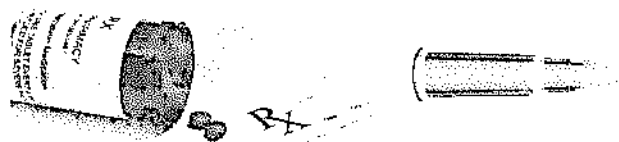
### One-size-fits-all, off-the-shelf



Many of the 'solutions' offered to health care providers are developed by consulting firms who use a "one size fits all," "off the shelf" design (and those *do* have) that require little customization (not all consulting firms do this, thankfully). Of course, the consultant often developed the solution in another industry and, having returned that time for another vertical to sell it to. Modified even for key special features of the health care sector, like the need to give authority to physicians and nurses and the special risks of errors, would require specialized knowledge on which, often do not have and in any case made. Health care is often the next hapless victim of the latest trends which, at best, we have found to work in some entirely different industry and sometimes has not been tried at all. Of course, consultants rarely bother to consider the maxim that "health care is different" or that "health care is, by definition, why neither to restaurants." And how would you make good adaptation, if you tried to customize? The odds are, if health care is different (very, due to the well-known axiom of market failure) then the odds are, if you import it to health care, it is probably to fail.

# 3

## Silver Bullet Prescription



The "solutions" that get placed on these below to carry out often have two characteristics. First, they are told that this solution is the "silver bullet" that will cure all of your ills. Second, they are told it has already been decided that it is good for you, you should be compliant and take your medicine.

Recent illustrations abound in health care. The electronic medical record (EMR) was pushed by the government in 2009 legislation. The EMR was supposed to cut costs and improve quality, it actually raised costs and only mildly touched a few quality dimensions. Other silver bullets include "integration" and, more recently, "coordination." Edward H. Rothman published an interesting text, *Coordinating Health Care* in 1975, not much progress has been made since then. Care coordination is widely considered the leading strategy for achieving savings under new payment models, but it still lacks an evidence base. Let the BS roll.

Rather than a "silver bullet" perhaps the best we can hope for is a lot of "brass buckles" or "each of which tackles a smaller piece of the problem." There are no magic bullets in national health care reform instead incrementalism rule - based on bottom up improvement in service.

# 4

## Follow the Guru

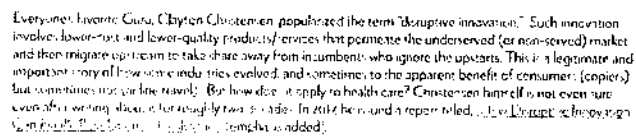


Top-down solutions are often dictated by the presence of a visionary Guru with a mystical revelation about what needs to be done. In overall corporate America, Michael Hammer ("restructuring and reengineering") comes to mind. Perhaps he comes to mind in all the employees who got downgraded in restructuring efforts. In health care it may be Michael Porter or Don Berwick (although there are other aspirants for the mantle).

In past years, Porter has championed value-based compensation, while Berwick has popularized the Triple Aim. "Value" (quality divided by cost) is hard to compute as the late Ulrie Reinhardt observed, we don't know what health care really costs, and then we divide it into a broad "vector" of quality measures, which either individually or taken together don't measure what patients value or how much they value it. Compounding the BS is that the workers in charge of numerator and denominator in the value equation may not naturally cooperate. This means that any effort to "improve value" requires two different solutions by different teams of people. But why worry about these details?

Berwick's Triple Aim has been endorsed by the American Hospital Association, many private insurers, and baked into the measure for measuring ACOs. It really doesn't matter that most people in the industry cannot accurately define what they mean by the numerator, the denominator or the ratio, let alone identify the three aims. Most people will confuse "health" with "health status" or, worse, what the population health angle of the Triple Aim examines, with "health care." But according to Obama, the "force is strong," as is the lure of a Guru.

## Disruption

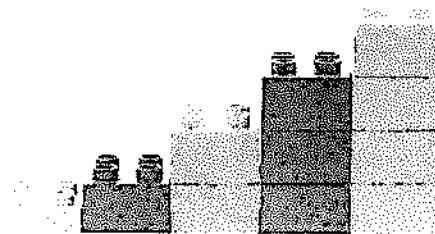


Let's do things were supposed to have disrupted the health care industry. Christensen identified retail clinics, ambulatory surgery centers (ASCs) and single-specialty hospitals as a key example. Unfortunately, retail clinic growth has stalled; physicians have increasingly left their ASCs to hospitals (who also developed their own), and the Government outlawed the single-specialty hospitals in 2010. Maybe the Federal Government is the single biggest "deter" to the health care industry, though not necessarily in a good way.

And that's why the health care reform model offering "much cheaper, simple-but-not-quite-as-good-quality" care has taken root in the industry. Narrow-network health plans are the most plausible current candidate, but buyers of them are to be pitied and the plans themselves operate under the threat of backlash, especially for how they treat workers and the low-quality, high-dollar-risk health plans they have been spreading, but not without reason. In neither case have the organizations yet transformed the industry as a whole. The gold standard model of coordinated and family-like decision-making, however, tells what to do with severely ill patients, rationing or limiting access to the best patient care, with little or no toll.

## 6

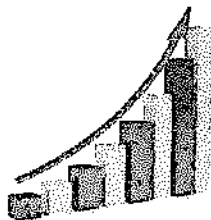
### Stage Models



We are not sure exactly why, but health care consultants, executives, and policymakers are very fond of "stage models" — planned endeavors in which things build upon prior efforts in linear progression over time. Maybe it is because by the time proponents move on to another opportunity, the organization will still be in the first or second stage and so the reckoning of whether goals will finally be achieved can be in the future. During the 1990s, a consultant proposed five-stage planning which health markets would evolve from fragmented competition to centralized delivery systems. During the last few years, we were used this concept of "meaningful use" for electronic medical records to walk a four-stage, in the movement to value. Such stages are depicted as in the accompanying chart, with very orderly and linear change (all upward moving, of course).

Frequently, team members find evidence that these models are often simplistic and wrong, just as the stage-based 1970s models of economic development have failed to be followed by successful economies like Singapore. Moreover, change is messy with early results going south, not north, into the "valley of despair," one thing not necessarily leading to another, the need sometimes to double back, and the key role of unpredictable people that bypass the planned route and find a shortcut. But how do you put all of that into a power-point slide that motivates people to go along with the change?

## Excel Sheet Planning



Department of Health										
Health Services - General										
Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Services	1,234,567	1,345,678	1,456,789	1,567,890	1,678,901	1,789,012	1,890,123	1,901,234	2,012,345	2,123,456
Medical Services	2,345,678	2,456,789	2,567,890	2,678,901	2,789,012	2,890,123	2,901,234	3,012,345	3,123,456	3,234,567
Public Health	3,456,789	3,567,890	3,678,901	3,789,012	3,890,123	3,901,234	4,012,345	4,123,456	4,234,567	4,345,678
Health Services	4,567,890	4,678,901	4,789,012	4,890,123	4,901,234	5,012,345	5,123,456	5,234,567	5,345,678	5,456,789
Health Services	5,567,890	5,678,901	5,789,012	5,890,123	5,901,234	6,012,345	6,123,456	6,234,567	6,345,678	6,456,789
Health Services	6,567,890	6,678,901	6,789,012	6,890,123	6,901,234	7,012,345	7,123,456	7,234,567	7,345,678	7,456,789
Health Services	7,567,890	7,678,901	7,789,012	7,890,123	7,901,234	8,012,345	8,123,456	8,234,567	8,345,678	8,456,789
Health Services	8,567,890	8,678,901	8,789,012	8,890,123	8,901,234	9,012,345	9,123,456	9,234,567	9,345,678	9,456,789
Health Services	9,567,890	9,678,901	9,789,012	9,890,123	9,901,234	10,012,345	10,123,456	10,234,567	10,345,678	10,456,789
Health Services	10,567,890	10,678,901	10,789,012	10,890,123	10,901,234	11,012,345	11,123,456	11,234,567	11,345,678	11,456,789
Health Services	11,567,890	11,678,901	11,789,012	11,890,123	11,901,234	12,012,345	12,123,456	12,234,567	12,345,678	12,456,789
Health Services	12,567,890	12,678,901	12,789,012	12,890,123	12,901,234	13,012,345	13,123,456	13,234,567	13,345,678	13,456,789
Health Services	13,567,890	13,678,901	13,789,012	13,890,123	13,901,234	14,012,345	14,123,456	14,234,567	14,345,678	14,456,789
Health Services	14,567,890	14,678,901	14,789,012	14,890,123	14,901,234	15,012,345	15,123,456	15,234,567	15,345,678	15,456,789
Health Services	15,567,890	15,678,901	15,789,012	15,890,123	15,901,234	16,012,345	16,123,456	16,234,567	16,345,678	16,456,789
Health Services	16,567,890	16,678,901	16,789,012	16,890,123	16,901,234	17,012,345	17,123,456	17,234,567	17,345,678	17,456,789
Health Services	17,567,890	17,678,901	17,789,012	17,890,123	17,901,234	18,012,345	18,123,456	18,234,567	18,345,678	18,456,789
Health Services	18,567,890	18,678,901	18,789,012	18,890,123	18,901,234	19,012,345	19,123,456	19,234,567	19,345,678	19,456,789
Health Services	19,567,890	19,678,901	19,789,012	19,890,123	19,901,234	20,012,345	20,123,456	20,234,567	20,345,678	20,456,789
Health Services	20,567,890	20,678,901	20,789,012	20,890,123	20,901,234	21,012,345	21,123,456	21,234,567	21,345,678	21,456,789
Health Services	21,567,890	21,678,901	21,789,012	21,890,123	21,901,234	22,012,345	22,123,456	22,234,567	22,345,678	22,456,789
Health Services	22,567,890	22,678,901	22,789,012	22,890,123	22,901,234	23,012,345	23,123,456	23,234,567	23,345,678	23,456,789
Health Services	23,567,890	23,678,901	23,789,012	23,890,123	23,901,234	24,012,345	24,123,456	24,234,567	24,345,678	24,

Unfortunately, nearly all forecasts are wrong, and only randomly right, and (really) wrong the farther out the forecast. Even a simple, expanding-plans-in-revenue Excel sheet leads the "advise" consumers to have a false sense of precision and to believe a supplier is in charge the assumption: behind the forecasts and to check critical thinking at the door. I have thought about how misleading a forecast is to the game-and-fake?

# 8

## Bandwagons



Every industry is prone to "collective movements" — i.e., everyone jumps on the fashionable bandwagon. This is often crowd behavior driven by fear and uncertainty; in such cases, people imitate what others are doing as a protective device. Health care has suffered from this behavior for decades. There have been four hospital merger waves in the United States of them bandwagon movements. There have also been lots of vertical integration, corporate divestitures, and other corporate strategies tried out in health care. Such movements based on bandwagon jumping are the rule, not the exception. No one has bothered to consider that innovations adopted for bandwagon reasons and pushed during bandwagon movements rarely improve corporate performance. Ideas do not have to be evidence-based to diffuse.

# 9

## Be Like Mike



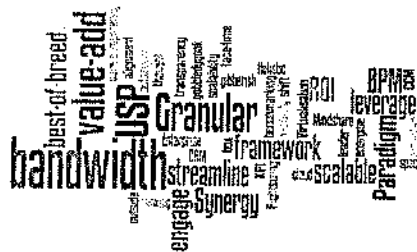
Consultants and CEOs have been encouraging companies to adopt "best practices" allegedly demonstrated by peers. The movement began in earnest with Peters and Waterman's *In Search of Excellence* (1982). The belief is that if you do the same thing as a successful company or leader, you too can "be like Mike" (Michael Jordan).

This belief was particularly common in the 1990s, suggesting that hospitals should be like Kaiser or Geisinger. In 2009, President Obama encouraged hospitals to emulate the Cleveland Clinic and Mayo Clinic. Of course, no one bothered to ask whether the success of these organizations was due to local circumstances, whether it could be replicated, and whether someone else really had the clout to do it. They didn't ask whether the apparent success extended to all the regional hospitals that experienced the same growth rate in spending as the rest of the medical center. They didn't ask whether any observed success (compared to the rest of health care) by Mayo or the Cleveland Clinic was sustainable, which apparently is not always the case.



# 10

## Buzzwords



In a new strategy, it's not the number of buzzwords that hold the merit. These buzzwords get repeated so often that everyone thinks they mean something real. They become a shorthand for concepts that most people do not understand. As a rule, they baffle many people's minds – a bubble that can never substitute for careful thinking. Beyond the merits of the concept, there – such as “scale” and “synergy” – are really difficult to achieve or define in a health care business context. But there is something wrong with that. But most people cannot define population health and usually only believe it is largely driven by the health care system. Another sure sign of BS – when the buzzwords – i.e. TPA, accountable care, the ACO, P4P, EMR, etc. We marvel at people in this industry who are using terms that are together in the same sentence.

For fun, try re-arranging the words in the cloud to form different buzzword concepts. See if you can name them all.

# Top 10 Buzzwords ANSWER KEY

1. Buzzwords
2. Buzzwords
3. Buzzwords
4. Buzzwords
5. Buzzwords
6. Buzzwords
7. Buzzwords
8. Buzzwords
9. Buzzwords
10. Buzzwords

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**Anna Yount**

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**From:** Bridgewater\_Daily\_Observations@bwater.com  
**Sent:** Thursday, November 29, 2018 8:12 AM  
**To:** Dale Folwell  
**Subject:** Bridgewater Daily Observations - "Having Stepped Up to the Precipice, Turkey Is Making the Painful but Necessary Choices to Stabilize Conditions"  
**Attachments:** bwam112918\_SECURE.pdf

## **Having Stepped Up to the Precipice, Turkey Is Making the Painful but Necessary Choices to Stabilize Conditions**

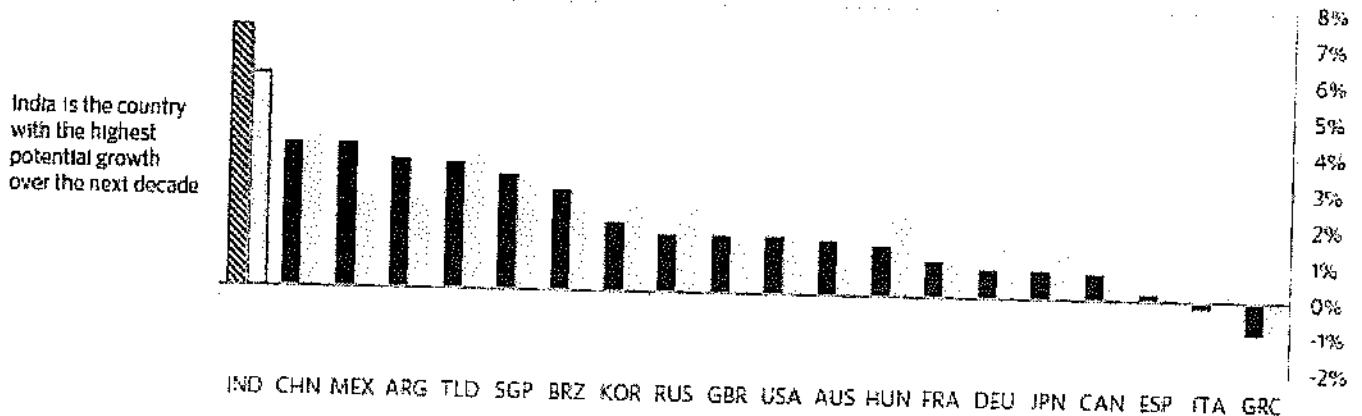
***Karen Karniol-Tambour | David Trinh | Jinane Gedeon Achi | Alexa Rozario***

Turkey stands out as one of the economies whose vulnerabilities were exposed this year by the global pullback in liquidity. While global liquidity was easy, Turkey accumulated a lot of debt from foreigners, much of it in USD. An expansionary fiscal policy stoked a boom in spending, raising demand for imports at the same time that commodity import prices were rising, leaving Turkey reliant on ever more foreign money to fuel its spending. When liquidity tightened, Turkey found it increasingly difficult to attract sufficient foreign financing, and a classic balance of payments crisis ensued. Looking across such crises over time, currency depreciation is rarely sufficient to stabilize conditions, as the cost of servicing foreign debts rises in local currency and the depreciation can create doubt about the currency as a store of wealth, creating risks of an inflationary spiral. A significant tightening of monetary policy, while much more painful in the short term, is typically necessary, as it brings about both a spending adjustment by the borrower and better incentives for lenders. Although Turkish policy makers were initially slow to respond, at this point they have taken significant strides in making the painful but necessary choices to stabilize conditions. Monetary policy has tightened meaningfully, leading to a severe slowdown in growth, in turn substantially reducing Turkey's reliance on foreign financing. High debt levels remain a vulnerability, but if policy makers remain tight, Turkey looks to have rounded the corner toward a more sustainable external position. This adjustment is unfolding at a time when Turkish asset markets continue to discount extreme weakness, creating room for upside surprises as the adjustment runs its course.

We find it useful to put Turkey in perspective by looking at other cases of balance of payments strains and getting a sense of the domestic and external conditions that have been required in order to stabilize conditions and reach a bottom. Of course, each situation is unique. With Turkey in particular, we worry about the politics around the central bank's ability to maintain tight policy, especially given the absence of an IMF bailout package, which has served as a forcing mechanism for maintaining necessary policy in many past balance of payments bottoms. But we still think historical cases provide useful context on whether a sustainable adjustment is taking place. The table below shows where Turkey's conditions today stand relative to their most recent peak in 2017 and relative to past bottoms in balance of payments crises. We looked at the average bottom in balance of payments cycles across 26 different countries since 1970. At this point, Turkish growth and levels of activity have weakened substantially, monetary policy is quite tight, and the current account has seen a substantial adjustment. This is roughly in line with what we've seen in previous bottoms.

### 10-Year Growth Estimate

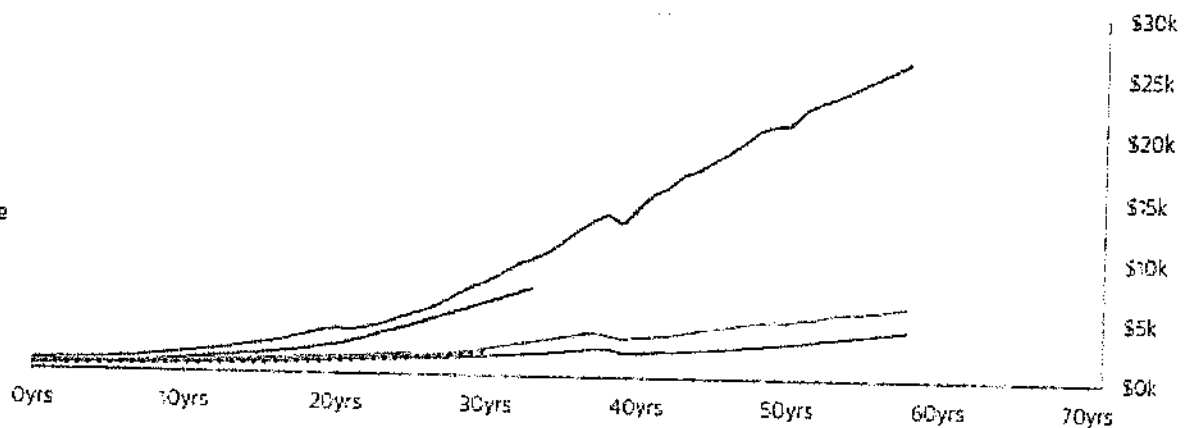
■ Projected 10yr Growth Rate      o/w Productivity Growth



### GDP/Capita Trajectory Since Reaching \$500 (Real 2010 USD)

— CHN — KOR — IDR — VIET — THA ..... IND

Reforms over the last decade have helped, but India still has a long way to go in the development ladder, and the pace of reforms may slow from here



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**Anna Yount**

**From:** Patrick Kinlaw  
**Sent:** Thursday, November 29, 2018 8:22 AM  
**To:** Dale Folwell  
**Subject:** RE: LGERS. Employers contribution rate for next year? Projections for next 2 years??

The contribution rates are expected to be as follows according to the ECRSP currently in effect.

Current year (fiscal year ending 6/30/2019): 8.50% for LEOs, 7.75% for non-LEOs  
FY ending 6/30/2020: 8.75% for LEOs, 8.00% for non-LEOs  
FY ending 6/30/2021: 9.00% for LEOs, 8.25% for non-LEOs  
FY ending 6/30/2022: 9.25% for LEOs, 8.50% for non-LEOs

If left on this schedule, the contribution rates are very likely to fall behind the actuarially recommended rates. We are working on a staff recommendation for revising the ECRSP through FY 2022, which will be presented to the Board in January.

-Patrick

**Patrick F. Kinlaw, F.S.A.**

Director of Policy, Planning and Compliance  
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**From:** Dale Folwell  
**Sent:** Thursday, November 29, 2018 8:18 AM  
**To:** Patrick Kinlaw <Patrick.Kinlaw@nctreasurer.com>  
**Subject:** LGERS. Employers contribution rate for next year? Projections for next 2 years??

**Dale R. Folwell, CPA**  
NC State Treasurer  
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## Anna Yount

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**From:** Edgar Starnes  
**Sent:** Thursday, November 29, 2018 8:27 AM  
**To:** Dale Folwell; Chris Farr; Frank Lester  
**Subject:** FW: CJ piece

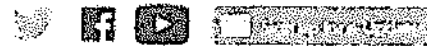
Becki sent me the Carolina journal piece.

### Edgar V. Starnes

*Senior Policy Advisor and Legislative Liason*  
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3200 Atlantic Avenue, Raleigh, NC 27604

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NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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**Sent:** Thursday, November 29, 2018 8:06 AM  
**To:** Edgar Starnes <Edgar.Starnes@nctreasurer.com>  
**Subject:** CJ piece

<https://www.carolinajournal.com/news-article/hospitals-making-major-push-to-block-state-health-plan-cost-savings/>

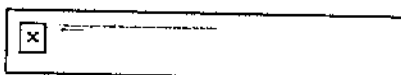
Bg

Becki Gray  
Senior Vice President  
John Locke Foundation  
[Bgray@johnlocke.org](mailto:Bgray@johnlocke.org)  
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**Anna Yount**

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**From:** Capital Economics <research@email.capitaleconomics.com>  
**Sent:** Thursday, November 29, 2018 8:39 AM  
**To:** Dale Folwell  
**Subject:** Emerging Markets Activity Monitor - EM growth slowed in Q3, but stabilising in Q4



**Emerging Markets Economics**

29 November 2018

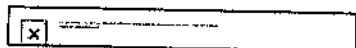
## **EMERGING MARKETS ACTIVITY MONITOR**

### **EM growth slowed in Q3, but stabilising in Q4**

Aggregate EM economic growth slowed to its weakest rate in over a year in Q3, but the data for October provide early signs that growth has started to stabilise in Q4.

[Open full article here.](#)

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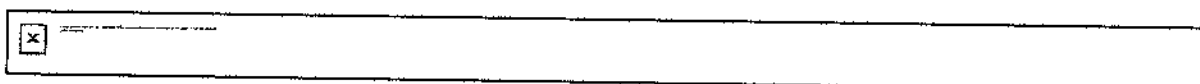
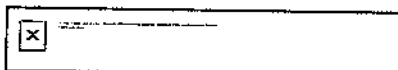
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**Anna Yount**

---

**From:** Capital Economics <research@email.capitaleconomics.com>  
**Sent:** Thursday, November 29, 2018 9:01 AM  
**To:** Dale Folwell  
**Subject:** US Rapid Response - Personal Income & Spending (Oct.)



## US Economics

29 November 2018

# US RAPID RESPONSE

## Personal Income & Spending (Oct.)

### Core inflation falls back below Fed's target

Real consumption increased by a strong 0.4% m/m in October which means that, even allowing for the downward revisions to the gains in preceding months, fourth-quarter consumption growth should be in excess of 3.0% annualised. That is a little stronger than we had previously anticipated so, after also factoring in the stronger inventory data and third-quarter GDP revisions published yesterday, we are raising our fourth-quarter GDP growth forecast to 2.7%, from 2.3%.

Personal income increased by a solid 0.5% m/m in nominal terms last month and real personal disposable income increased by 0.3% m/m. The saving rate edged down to 6.2%, from 6.3%, but remains at a relatively high level. With the collapse in gasoline prices likely to provide a sizeable boost to households' purchasing power over the next couple of months, the outlook for consumption remains positive, even with the boost from the earlier tax cuts now fading.

Although the real economy is firing on all cylinders, there are still few signs of a breakout in inflation. The core PCE deflator increased by only 0.1% m/m in October and



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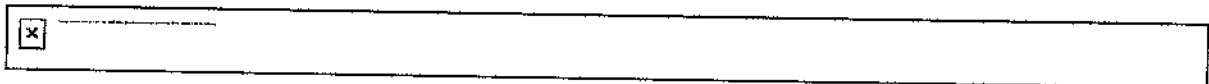
**Anna Yount**

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**From:** Capitol Broadcasting Opinion Editor <opinion@cbc-raleigh.com>  
**Sent:** Thursday, November 29, 2018 9:03 AM  
**To:** Dale Folwell  
**Subject:** CBC opinion newsletter: Thursday, Nov. 29, 2018

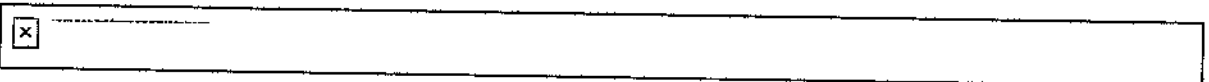
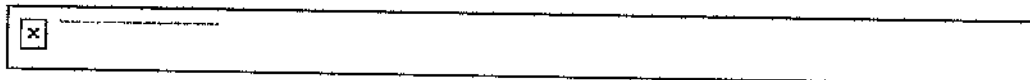
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Capitol Broadcasting Company

Thursday, Nov.29, 2018



**Thursday, Nov. 29, 2018** -- A round up of opinion, commentary and analysis on: Senate gives preliminary approval to voter ID rules, state seizes Bladen County evidence in 9th District investigation, Spellings reflects on UNC accomplishments, Gov. Cooper asks Congress for \$8.8B in Florence recovery, N.C. sees growing number of uninsured children and more.

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#### **LEGISLATURE—OVERTIME SESSION**

**MATTHEW BURNS:** Senate gives preliminary approval to voter ID rules (WRAL-TV reports) -- The Senate gave preliminary approval Wednesday to legislation setting the rules for the recently approved constitutional amendment requiring voters to show photo identification at the polls.

**GARY ROBERTSON:** Voter ID mandate details get initial OK (AP reports) -- Details on how North Carolina's new constitutional mandate for photo voter identification will be carried out received preliminary state Senate approval Wednesday in a measure offering more ID options and exceptions than previous legislation.

**LAURA LESLIE:** Latest hurricane relief bill boosts farmers, fishermen (WRAL-TV reports) -- State lawmakers are moving quickly to pass their third hurricane relief bill this year, containing \$250 million to help farmers and fishermen wiped out by Hurricane Florence in September and Hurricane Michael in October.

**Gov. Cooper asks Congress for \$8.8B in Florence recovery (AP reports)** -- Gov. Roy Cooper is asking Congress for more federal funding to recover from Hurricane Florence, saying the total \$8.8 billion requested is comparable to the

Tuesday declined to certify results of the 9th Congressional race, but refused to offer specifics about why. What the clues tell us.

KIRK ROSS: N.C. officials investigating possible irregularities in 9th Congressional District election (Washington Post reports) -- North Carolina election officials are investigating possible irregularities with absentee ballots in the state's 9th Congressional District, refusing to certify the race weeks after Election Day.

TRAVIS FAIN: State seizes Bladen County evidence in 9th District investigation (WRAL-TV reports) -- Absentee ballot envelopes and request forms were gathered by State Board of Elections investigator.

Possible absentee 'irregularities' examined in N.C. Congress race (AP reports) -- The state elections board is investigating potential absentee ballot "irregularities" in the 9th Congressional District — a probe that apparently led board members to delay finalizing the district's election results.

MEG KINNARD: N.C. and S.C. inmates ran \$560K online dating extortion scheme (AP reports) -- Five inmates in North and South Carolina extorted more than half a million dollars from military personnel throughout the country, using illegal cellphones to pose as women on dating sites, authorities said.

TRAVIS FAIN: Complaint: NC elections board chairman too partisan (WRAL-TV reports) — A complaint filed Wednesday by the head of the Wake County Republican Party calls for State Board of Elections and Ethics Enforcement Chairman Andy Penry's removal over a series of political tweets. The complaint says Penry violated a state code forbidding board members from making public statements for or against candidates and ballot issues.

Cal Cunningham preparing for 2020 lieutenant governor bid (AP reports) — A former NC state legislator and U.S. Senate candidate is preparing for a Democratic run for lieutenant governor in 2020. Attorney Cal Cunningham said Wednesday he's taking steps to put together a bid, with a formal announcement coming after the holiday season.

TYLER DUKES: Presumption of fear: Castle — In NC and other states, elected district attorneys have tremendous power. They decide whether to bring charges against a suspect to a grand jury. They decide which witnesses will testify before the jurors, which evidence they'll review. And although district attorneys typically aren't present during a grand jury hearing, their choices have enormous influence over whether the group finds enough probable cause to indict.

KATE MARTIN: DA wants SBI to probe treatment of chained, naked inmate at NC jail (Carolina Public Reports) — District Attorney Ashley Welch said Wednesday she plans to ask the State Bureau of Investigation to expand its investigation into Cherokee County Sheriff Derrick Palmer's office. Her request follows reporting by Carolina Public Press on an inmate whom jail officers left naked, screaming and chained to a drain in the floor of a holding cell at the county jail, possibly for hours last year.

rapid pace of technological change requires constant learning, Hunt is leading LCC to focus more on short-term workforce training.

JUDITH KELLEY: Evidence — Linking scholars and education practitioners (EdNC column) — With its strong network of public and private research universities, our state has access to some of the nation's best evidence on what works to improve student success. The challenge is how to capitalize on this trove of knowledge and share it in order to break down barriers between research, teaching, and public engagement.

## **HEALTH**

THOMAS GOLDSMITH: Demand for NC Direct Care Workers Mounts, but Wages Decline (NC Health News reports) — The demand for direct care workers in NC is growing along with numbers of older people, but neither the supply nor wages are keeping pace.

ANTIONETTE KERR: NC Sees Growing Number of Uninsured Children (Public News Service reports) — A new report from the Georgetown University Center for Children and Families shows that number has climbed to almost 120,000 in NC. And it isn't the only state where the numbers are backsliding, partly due to lack of Medicaid expansion.

## **ENERGY & ENVIRONMENT**

GREG GORDON: Military's push for solar backup power loses speed under Trump (McClatchy DC reports) -- Camp Lejeune's 55,000 shiny solar panels, like other renewable energy projects on military bases across the country, are on the front lines of a plan to provide backup power in case terrorists, cyber saboteurs or violent weather cripple the nation's electric grid. But President Donald Trump has all but eradicated the words "renewable energy" from the agenda and, according to two former Pentagon officials, slowed progress toward upgrading emergency electricity supplies at bases like Camp Lejeune.

Report: River's industrial chemicals come from plant, others (AP reports) -- A study performed for a chemical-maker accused of polluting North Carolina's longest river finds the entire waterway used by thousands for drinking water is laced with industrial compounds.

ADAM WAGNER: CFPWA asking more questions about Chemours consent order (Wilmington Star-News reports) -- Concerns raised after report shows more chemicals at water intake

CATHERINE KOZAK: Court Ruling No Guarantee for Red Wolves (Coastal Review Online reports) — Even with a federal judge's recent ruling in favor of conservation of red wolves in northeastern NC, uncertainty remains whether reinvigorated management of the endangered species would be able to reverse course to save the world's only wild population of the species – or whether the conditions exist to even try.

With eyes wide shut (Greensboro News & Record) — The case keeps getting stronger — and the excuses keep getting weaker. The National Climate Assessment released on Friday — timed by the Trump administration to avoid attention, critics say — paints a dire picture of the high cost, in terms of the

**Anna Yount**

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**From:** Bob Newman  
**Sent:** Thursday, November 29, 2018 9:16 AM  
**To:** Dale Folwell  
**Subject:** Emailing: two-michigan-local-governments-will-bond-for-retirement-gaps.htm

newmanrc

# THE BOND BUYER

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BB

- Ford has big plant in Dearborn

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## Two Michigan local governments will bond for retirement shortfalls

By

- Nora Colomer

Published

- November 28 2018, 5:03pm EST

More in

- Primary bond market

"The current issuance will decrease the city's retiree healthcare liability and there will be a commensurate increase in the city's debt burden," said Moody's.

The bonds are a first budget obligation of the city payable from all available revenue. The city has pledged its full faith and credit, but its taxing authority is limited by constitutional and statutory caps.

Matt Fabian, a partner at Municipal Market Analytics, said that the lack of taxable supply could be a positive for the bonds.

"The taxable market is relatively weak because of the disruption in corporate bonds, with longer maturities being the worse off," Fabian said. "But there has been little supply of taxable munis in 2018, probably making these attractive to taxable muni-specific buyers."

Fabian said the deals don't speak well for the long-term credit quality of Dearborn and Muskegon County.

"Investors will have to assume the bonds will amplify local financial volatility and could lead to faster downgrades than otherwise if the local economies begin to sag," he said.

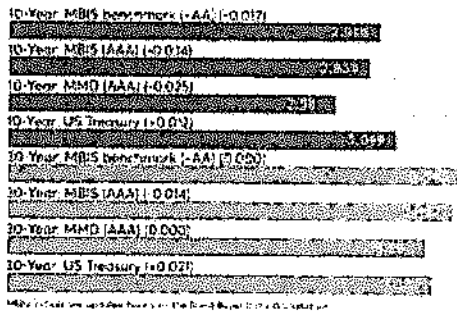
In 2017, legislators passed Public Act 202, which required local units of government with retirement systems to submit to the Treasury information on their retirement plans' funded ratios, the community's required contributions and the municipality's annual revenue.

Under the state law, retirement pension plans are required to have a funding level of 60% and retirement health care plans are required to have a funding level of 40%. Dearborn and Muskegon County are two of 215 communities currently underfunded.

Dearborn's bonding would help the city exceed the 40% funding level required for its health care plan by the state, Dearborn Financial Director James O'Connor said. O'Connor said in an email that the city's unfunded liability is roughly \$160 million for post-employment healthcare.

The city closed fiscal 2017 with an available fund balance across core operating funds of \$31 million, or 25% of revenue, according to Moody's. In fiscal 2017, the city contributed \$13.6 million to all pension plans, or 10.7% of its operating revenue. Dearborn's pay-go OPEB cost in fiscal 2016 was \$15.5 million, or another 12.3% of operating revenue.

## More from Bond Buyer



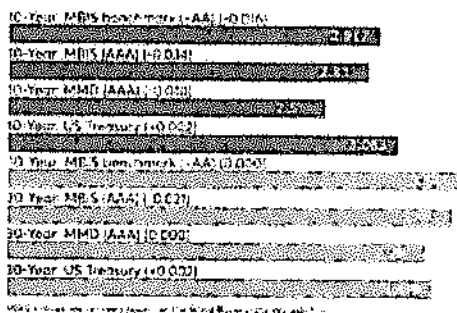
Deals flow as muni market strengthens ahead of week's busiest day

November 28



Dealers see need for more benchmark transparency

November 28



Deals hit stronger, receptive muni market

November 28

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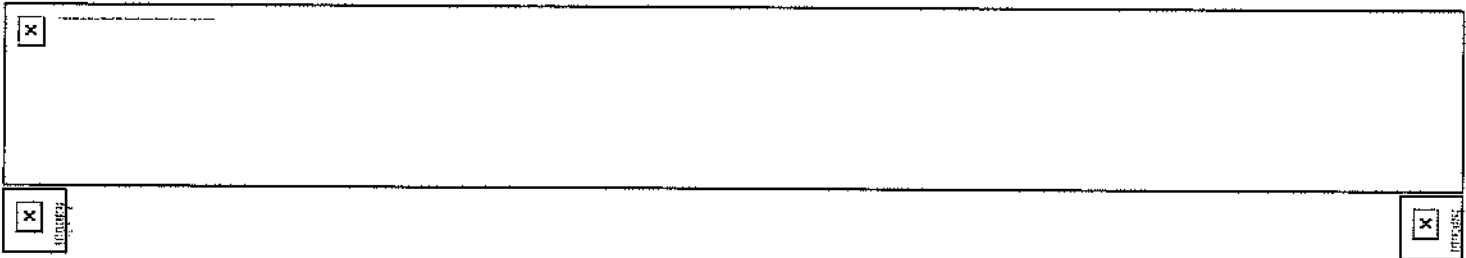


**Anna Yount**

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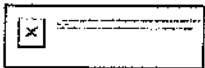
**From:** T.J. McCullough, Publisher <reply@mail-1.bizjournals.com>  
**Sent:** Thursday, November 29, 2018 9:16 AM  
**To:** Dale Folwell  
**Subject:** Morning Edition: Records detail Atrium breach; NC's rank on business; Solar project

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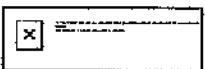
## **MORNING EDITION**

November 29, 2018



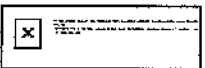
**Public records reveal details on Atrium Health data breach  
that may have impacted 2.7M people**

TECHNOLOGY



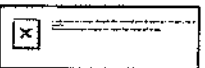
**How telehealth is making connection in Charlotte**

HEALTH CARE



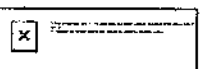
**CBJ Morning Buzz: NC tops ranking of 'Best States for Business';  
Company blames I-77 project in nixing LKN expansion plan**

CAREER & WORKPLACE



**Electronics manufacturer moves to York County from Monroe with  
110 jobs**

MANUFACTURING



**NC regulators to consider 100MW solar project developed by  
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ENERGY





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**Sharonview Federal Credit Union exec on what's behind its modern branch strategy**

BANKING & FINANCIAL SERVICES

**New owner of Kannapolis Intimidators plans \$100M investment in city's downtown**

SPORTS BUSINESS

**What Charlotte homebuyers, sellers can expect from housing market in 2019**

RESIDENTIAL REAL ESTATE

**\$43M Ayrsley office building to break ground next week**

COMMERCIAL REAL ESTATE

**New Charlotte apartment association director outlines key objectives upon taking helm**

COMMERCIAL REAL ESTATE

**Hundreds of residential units, commercial space planned at University City redevelopment**

COMMERCIAL REAL ESTATE

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## BUSINESS PULSE



Thoughts on the remake of business recruiting in the Charlotte region?

## Anna Yount

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**From:** Steve Toole  
**Sent:** Thursday, November 29, 2018 9:30 AM  
**To:** Chevella L. Thomas (chevellat@gmail.com); Dale Folwell; dsteven59@icloud.com; Heyward McKinney; Jim Lumsden (jlumsden@fairview-management.com); Kelly A. Russell (Kellyrussell1971@gmail.com); Lorraine Johnson (lorraine@lifetimeasset.com); Melinda L. Baran (mlbaran1948@gmail.com); Michael Lewis (michael.lewis@cpGRE.com); Nigel L. Long (nigellong@tdciholdings.com)  
**Subject:** Hal McKinney and Chevella Thomas

Dear Supplemental Retirement Plan Board of Trustees,

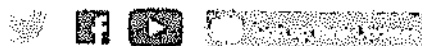
We recently received notice that a new appointee has been named to the SRP Board of Trustees, replacing Hal McKinney, whose term of service has come to an end. I would like to express our wholehearted gratitude to Hal for his regular and consistent leadership and support as a Trustee on the North Carolina Supplemental Retirement Board and the Investment Subcommittee since February 2016.

Ms. Chevella L. Thomas joins us as a Governor appointee representing retirees. Chevella will be on our call later today in her official board capacity. Chevella retired from North Carolina Central University as a Reconciliation/Capital Assets Accountant where she maintained and monitored NCCU's General Disbursing account, the Perkins/Nursing Student Loan fund accounts, Payroll Cleared Check reconciliation and Capital Assets. Chevella is a graduate of North Carolina Central University with a Bachelor of Business Administration, with an emphasis on Accounting and Management, and a Masters of Library and information Sciences, focusing on Network Communications.

Please join me in honoring Hal for his service and welcoming Chevella to the Supplemental Retirement Plans Board of Trustees. Thank you!

**Steve Toole**  
Executive Director  
Retirement Systems Division  
Office: (919) 814-4197

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)



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*Dale T. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA



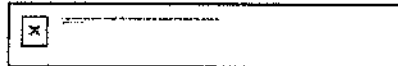
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**Anna Yount**

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**From:** Capital Economics <research@email.capitaleconomics.com>  
**Sent:** Thursday, November 29, 2018 9:36 AM  
**To:** Dale Folwell  
**Subject:** US Employment Report Preview - Employment strength supports December rate hike



**US Economics**

29 November 2018

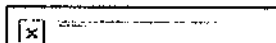
## **US EMPLOYMENT REPORT PREVIEW**

### **Employment strength supports December rate hike**

We anticipate that growth in non-farm payrolls slowed to 190,000 in November, following last month's post-hurricane surge. Hourly earnings growth should hit a near-decade high of 3.2%, clearing the path for a Fed rate hike in December.

**Open full article here.**

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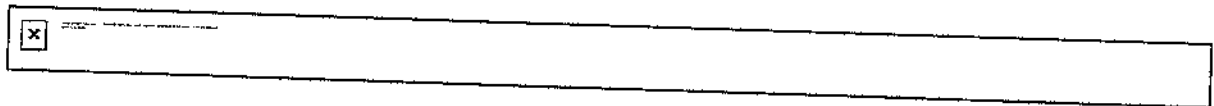
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**Anna Yount**

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**From:** Capital Economics <research@email.capitaleconomics.com>  
**Sent:** Thursday, November 29, 2018 9:56 AM  
**To:** Dale Folwell  
**Subject:** Global Economics Update - G20...or Xi20?



**Global Economics**

29 November 2018

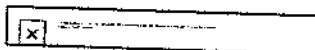
## **GLOBAL ECONOMICS UPDATE**

### **G20...or Xi20?**

The most that can reasonably be hoped for from talks between Xi Jinping and Donald Trump at this weekend's G20 meeting is an agreement which temporarily reduces US-China tensions. Meanwhile, the wider agenda for the summit, and the G20 itself, now looks irrelevant to global economic prospects.

[Open full article here.](#)

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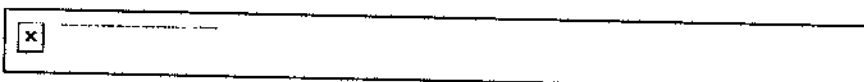


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**Anna Yount**

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**From:** treasurers.activehosted.com@s6.csa2.acemsb2.com on behalf of NAST.org  
<jeremy@statetreasurers.org>  
**Sent:** Thursday, November 29, 2018 10:08 AM  
**To:** Dale Folwell  
**Subject:** NAST Morning Brief



**Thursday, November 29th, 2018**



Make sure to check out the latest installment of our Unclaimed Property Video series!

## **IN THIS BRIEFING**

**NAST News — Featured Article — Municipal Bonds — College Savings — Pension Funds —  
Financial Literacy — Unclaimed Property — Top Tweet**

### **NAST News**

#### **WEBINAR NEXT WEEK: The Death Master File – Understanding Its Role In Identifying Unclaimed Property**

The NAUPA Education Committee along with NAST is pleased to present the following information from knowledgeable members to be shared for the benefit of the association membership. The Death Master File is a comprehensive file of individual deaths that is compiled by the United States Social Security Administration and distributed by the National Technical Information Service. In recent years, the DMF has become increasingly accepted as a valuable tool that can be used to help identify unclaimed property. Learn about what the DMF is, what changes have been made to it over the past several years, how it can be used to identify unclaimed property, and what recent unclaimed property legislation, both proposed and enacted, has had to say about it. Tune in next Thursday at 2:00pm ET. [Register here.](#)

#### **SIGN UP: Registration for the 2019 Legislative Conference is NOW OPEN, Early Bird Rate Available**

We are pleased to announce that registration for NAST's 2019 Legislative Conference is now open! The conference will be held at the historic Mayflower Hotel in Washington, D.C. The conference will begin on Sunday, February 10th and run through February 12th. For the first time ever, NAST will be offering early bird registration rates which will be available until January 7th. Additionally, NAST will be offering a Live Stream of the three sessions on Monday morning. [Please go here](#) to learn more and register for NAST's 2019 Legislative Conference!

### **Featured Article**

more important—or more difficult—to establish habits that lead to long-term financial success. Thanks to the financial crisis, millennials are behind where their parents stood at similar ages, said Alicia Munnell, director of Boston College's Center for Retirement Research. People between 25 and 35, for example, have less wealth compared to their income and millennial men have lower earnings as a percentage of median national pay than their baby boomer and Gen X counterparts did at those ages. — [The Wall Street Journal](#)

### **Trends in Retirement Security by Race/Ethnicity**

Retirement security has declined in the wake of the global financial crisis and ensuing recession. Despite an extended period of recovery, half of households ages 30-59 are at risk of inadequate retirement income compared to 44 percent in 2007. The questions addressed in this brief are how the percentage at risk varies by race/ethnicity in 2016 and how the impact of the crisis and the recovery led to the 2016 pattern. — [Center for Retirement Research](#)

### **U.S. workers don't start saving for retirement until 31 – Nationwide survey**

The average worker in the U.S. doesn't start saving for retirement until they're 31, a new survey commissioned by the Nationwide Retirement Institute revealed. Of the more than 1,100 employed Americans surveyed, 76% said some factor has prevented them from contributing as much as they wanted to their retirement plan. Employed survey respondents cited three main factors preventing them from saving the amount they wanted for retirement: not making enough money (44%), daily expenses (41%) and paying off debt (38%). — [Pensions & Investments](#)

### **Americans Now Expect to Retire Younger ... but Should They?**

For decades, 65 was viewed as "retirement age," but these days, there's no longer a specific point when most people stop working. There are, of course, a few professions with mandated retirement ages, but in general, if you choose to (or need to), you can extend your career well beyond the birthday where you'd traditionally have called it quits. Yet despite the gradual increase in Social Security's "full retirement age," a greater social acceptance of working later in life, and the fact that more of us are capable of doing so, our target retirement ages are actually getting lower. According to the 2018 MassMutual State of the American Family Study, the average American now expects to retire at 62, a two-year decline from the last time this research was conducted in 2013. In fact, 40% of respondents said they plan to retire before age 60, up from 32% five years ago, and only 22% expect to wait until 65 (down from 30% in 2013). However, MassMutual Workplace Solutions Spokesperson Tom Foster said in a statement to The Motley Fool "We caution anyone thinking about early retirement to look before you leap." — [The Motley Fool](#)

## **Financial Literacy**

### **Bringing financial literacy into the 21st century**

Credit unions are looking for ways to modernize their financial literacy efforts. The credit union industry has a long history of providing financial education, from visiting classrooms to discuss money with elementary school students to presenting role-playing exercises for teenagers that get them used to budgeting for daily expenses. But there is evidence that more can be done to better prepare young adults to manage their finances. The industry is looking at ways to add more digital and interactive components to help members learn. — [The Credit Union Journal](#)

## Anna Yount

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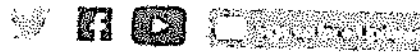
**From:** Alisia Smith  
**Sent:** Thursday, November 29, 2018 10:15 AM  
**To:** LGC - All Local Government; Frank Lester; Anna Yount; Dale Folwell; Robert Jansen  
**Subject:** November 6, 2018 Bond Referenda Official Results - 11-29-18  
**Attachments:** NOVEMBER 6, 2018 BOND REFERENDA OFFICIAL RESULTS.xlsx

Visit the [LGC Staff Blog](#) to stay up to date on deadlines, news, and announcements.

### Alisia P. Smith

*Executive Assistant*  
State and Local Government  
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NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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NOVEMBER 6, 2018 BOND REFERENDA - OFFICIAL RESULTS 11-29-18							
Counties	Date	Amount	Purpose(s)	FOR	AGAINST	PASSED/ FAILED	LGC
Alamance County	11/6/2018	\$ 150,000,000	Schools	87,883	16,652	PASSED	Approved
		39,600,000	Community College	35,785	18,454	PASSED	Approved
		\$ 189,600,000					
Caswell County	11/6/2018	36,500,000	Schools (USDA - 30 years)	4,927	3,121	PASSED	Approved
Johnston County	11/6/2018	61,000,000	Schools	40,447	22,736	PASSED	Approved
		15,000,000	Community College	39,080	23,920	PASSED	Approved
		76,000,000					
Transylvania County	11/6/2018	68,000,000	Schools	9,313	6,297	PASSED	Approved
Union County	11/6/2018	9,745,000	Public Facility	34,334	48,074	FAILED	Approved
		42,160,000	Public Safety	44,322	38,478	PASSED	Approved
		51,905,000					
Wake County	11/6/2018	548,000,000	Schools	283,769	141,528	PASSED	Approved
		349,000,000	Community College	276,279	148,324	PASSED	Approved
		120,000,000	Park, Recreation, OpenSpace	290,019	136,310	PASSED	Approved
		1,017,000,000					
	Grand Total	1,439,005,000					
<b>Municipalities</b>							
Cedar Point	11/6/2018	\$ 2,500,000	Parks & Recreation (Land Acquisition)	527	242	PASSED	Approved
Chapel Hill	11/6/2018	10,000,000	Affordable Housing	17,539	6,729	PASSED	Approved
Charlotte	11/6/2018	118,080,000	Streets	190,969	85,955	PASSED	Approved
		55,000,000	Neighborhood Improvements	202,537	75,653	PASSED	Approved
		50,000,000	Housing	190,275	87,988	PASSED	Approved
		223,080,000					
Cornelius	11/6/2018	24,000,000	Streets & Sidewalks	9,002	3,790	PASSED	Approved
Holly Springs	11/6/2018	40,000,000	Transportation Improvements	8,494	5,667	PASSED	Approved
Mint Hill	11/6/2018	15,000,000	Parks & Recreation	5,120	579	FAILED	Approved
		3,000,000	Cultural Facilities	5,130	5,664	FAILED	Approved
		18,000,000					
Winston-Salem	11/6/2018	43,700,000	Streets & Sidewalks	53,756	27,679	PASSED	Approved
		31,000,000	Parks & Recreation	52,717	28,687	PASSED	Approved
		21,100,000	Public Safety	52,681	28,428	PASSED	Approved
		11,700,000	Housing Development	50,313	31,237	PASSED	Approved
		14,500,000	Economic Development	47,400	33,743	PASSED	Approved
		122,000,000					
	Grand Total	\$ 439,580,000					

**Anna Yount**

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**From:** Edgar Starnes  
**Sent:** Thursday, November 29, 2018 10:31 AM  
**To:** Greg Gaskins; Tim Romocki; Sharon Edmundson  
**Cc:** Dale Folwell  
**Subject:** Revolving Loan

SB 823 Hurricane Florence Supplemental Act

Page 2. \$20,000,000 for a revolving loan for local governments. This was an amendment added by Senator Jackson late last night. The bill is now in the House

Edgar V. Starnes  
Senior Policy Advisor and Legislative Liaison  
Office of the State Treasurer  
Phone: (919) 814-3812

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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**IMPORTANT:** When sending confidential or sensitive information, encryption should be used.

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## Anna Yount

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**From:** Alisia Smith  
**Sent:** Thursday, November 29, 2018 11:04 AM  
**To:** LGC - All Local Government; Frank Lester; Anna Yount; Dale Folwell; Robert Jansen  
**Subject:** RE: Revised - November 6, 2018 Bond Referenda Official Results - 11-29-18  
**Attachments:** NOVEMBER 6, 2018 BOND REFERENDA OFFICIAL RESULTS.xlsx

Sorry, left off a digit on Mint Hill. Revised copy attached.

**From:** Alisia Smith  
**Sent:** Thursday, November 29, 2018 10:15 AM  
**To:** LGC - All Local Government <LocalGovernmentDivision@nctreasurer.com>; Frank Lester <Frank.Lester@nctreasurer.com>; Anna Yount <Anna.Yount@nctreasurer.com>; Dale Folwell <Dale@Nctreasurer.com>; Robert Jansen <Robert.Jansen@nctreasurer.com>  
**Subject:** November 6, 2018 Bond Referenda Official Results - 11-29-18

Visit the [LGC Staff Blog](#) to stay up to date on deadlines, news, and announcements.

**Alisia P. Smith**  
*Executive Assistant*  
State and Local Government  
Finance Division  
Office: (919) 814-4309

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Raleigh, NC 27604  
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**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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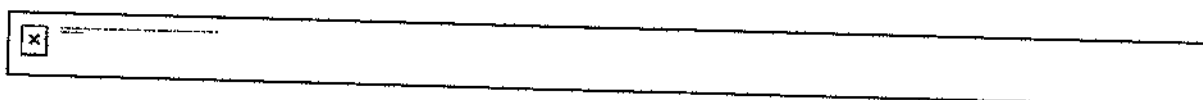
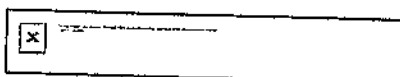
**NOVEMBER 6, 2018 BOND REFERENDA - OFFICIAL RESULTS 11-29-18**

Counties	Date	Amount	Purpose(s)	FOR	AGAINST	PASSED/ FAILED	LGC
Alamance County	11/6/2018	\$ 150,000,000	Schools	37,883	16,652	PASSED	Approved
		\$ 39,600,000	Community College	35,785	18,454	PASSED	Approved
Caswell County	11/6/2018	36,500,000	Schools (USDA - 30 years)	4,927	3,121	PASSED	Approved
Johnston County	11/6/2018	61,000,000	Schools	40,447	22,736	PASSED	Approved
		15,000,000	Community College	39,080	23,920	PASSED	Approved
Transylvania County	11/6/2018	68,000,000	Schools	9,313	6,297	PASSED	Approved
Union County	11/6/2018	9,745,000	Public Facility	34,334	48,074	FAILED	Approved
		42,160,000	Public Safety	44,322	38,478	PASSED	
Wake County	11/6/2018	548,000,000	Schools	283,769	141,528	PASSED	Approved
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Grand Total		1,439,005,000					
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		56,000,000	Neighborhood Improvements	202,537	75,653	PASSED	
		50,000,000	Housing	190,275	87,986	PASSED	
		223,080,000					
Cornelius	11/6/2018	24,000,000	Streets & Sidewalks	9,002	3,790	PASSED	Approved
Holly Springs	11/6/2018	40,000,000	Transportation Improvements	8,494	5,667	PASSED	Approved
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		21,100,000	Public Safety	52,681	28,428	PASSED	Approved
		11,700,000	Housing Development	50,313	31,237	PASSED	Approved
		14,500,000	Economic Development	47,400	33,743	PASSED	Approved
		122,000,000					
Grand Total		\$ 439,580,000					

**Anna Yount**

---

**From:** Capital Economics <research@email.capitaleconomics.com>  
**Sent:** Thursday, November 29, 2018 11:44 AM  
**To:** Dale Folwell  
**Subject:** Japan Economics Update - The yen's days as a safe haven are probably not over



**Japan Economics**

29 November 2018

## **JAPAN ECONOMICS UPDATE**

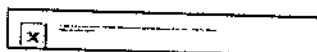
### **The yen's days as a safe haven are probably not over**

While doubts have been raised over whether the Japanese yen remains a safe haven in light of its poor performance in the summer, we think that the currency will retain this status for the foreseeable future.

In view of the wider interest, we are also sending this *Japan Economics Update* to clients of our *Global Markets Service*.

**Open full article [here](#).**

**Reports are available via a link or .PDF attachment. To change your preference click [here](#).**



## Anna Yount

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**From:** Micah Beasley  
**Sent:** Thursday, November 29, 2018 12:04 PM  
**To:** Allen Martin; Andrew Norton; Anna Yount; Beth Horner; Bill Golden; Brenda Williams; Brian Jackson; Caroline Smart; Cassandra Wilson; Charles Winkler; Chris Farr; Chris Frazier; Christina Strickland; Christopher McCracken; Christopher Morris; Cindy Aiken; Cindy Webb; Dale Folwell; David Starling; Debbie Tomasko; Debra Haynes; Dee Jones; Dora Fazzini; Edgar Starnes; FOD - Financial Operations Division; Fran Lawrence; Frank Lester; Greg Gaskins; INV - Investment Division; Jess D. Mekeel (NCDOJ); Karah Manning; Kendall Bourdon; Laura Rowe; Lucy Barreto; Meryl Murtagh; Micah Beasley; Powell Baggett; Matthew Rish; Rhonda Smith; Robert Jansen; Sam Hayes; Sam Watts; Sarah Unks; Shannon Wharry; Sharon Edmundson; Stephanie Hawco; Steve Toole; Ted Enarson; Tim Romocki; Will Spicer  
**Subject:** Press Clips – November 29, 2018

### N.C. Department of State Treasurer Press Clips – November 29, 2018

Articles mentioning or relevant to N.C. Department of State Treasurer, State Treasurer Dale R. Folwell, State Health Plan, N.C. Local Gov't Commission

- [The Pilot \(Moore County\): State Treasurer Seeking Greater Transparency on Health Costs](#)
- [Carolina Journal: Hospitals making major push to block State Health Plan savings](#)
- [North State Journal: Folwell says tax cap means certainty for businesses](#)
- [Longleaf Politics: Dale Folwell passing major test of principles vs. politics \(BLOG\)](#)
- [Smoky Mountain News: Contractor selected for SCC health building](#)
- [Raleigh News & Observer: There's no reason for Laura Riddick to get her pension. \(LETTER\)](#)

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#### The Pilot (Moore County): State Treasurer Seeking Greater Transparency on Health Costs

By Laura Douglass

November 28, 2018

'Tis the season for giving, but for many folks in North Carolina, the Christmas tree isn't the only thing being trimmed this year. Healthcare costs have soared, outpacing inflation for 20 years. For many families — and voters at the polls this year — finding reasonable coverage at a reasonable cost is near the top of their holiday wish list.

**State Treasurer Dale Folwell** is pushing for a new payment system for the 720,000 or so members of the **State Health Plan**, which provides benefits for state employees, retirees and lawmakers, and many of their dependents. If he succeeds, it could create a model for other large employers to follow, changing the healthcare system along the way.

Finding a new path forward for state-run healthcare has been a major undertaking for **Folwell** since he took office in 2017. And his efforts have not been without controversy and blowback from hospitals, the N.C. Healthcare Association and the N.C Medical Society.

In particular he said he is frustrated by the fear from consumers.

"These healthcare expenses and the impact, even if people have access to health insurance they can't afford to get sick," **Folwell said**. "And if they do get sick, it can set them on a path they can never recover from. They can't pay the bills and that affects their credit rating. There is a downward spiral."

But health care coverage is complex and resolving the myriad issues will take more than policy changes. Hospitals and medical groups have said **Folwell's approach** will hurt them and the communities they serve.

FirstHealth of the Carolinas provided input to **Treasurer Folwell's proposal** to cut reimbursement rates by 15 percent.

"Asking hospitals to agree to Medicare-based reimbursements will result in drastic cuts to our health system. **The Treasurer's plan** to impose such extreme and immediate cuts could jeopardize access to care in rural North Carolina and negatively impact health outcomes for state health plan members," said Emily Sloan, FirstHealth's assistant public relations director in a prepared statement.

"For many years, FirstHealth of the Carolinas has successfully met the health care needs of state employees in its six-county primary service area, and has reduced the overall cost to the **State Health Plan** through our participation in a number of federal, state and local quality and value-based initiatives. Participation in these quality and cost-savings initiatives have measurably improved the health of state employees and decreased Emergency Department visits and readmissions for all patients."

In a letter sent to **the Treasurer**, Sloan said FirstHealth requested a meeting to discuss an alternate solution to meet his cost savings goals while enabling FirstHealth to continue to care for State employees in Moore County and our surrounding market.

"We recommended a reimbursement model that gradually transitions to a system adopting select principles of Medicare's quality incentive program that rewards providers for reducing the cost of care while providing excellent outcomes for members, addresses the high cost of pharmaceuticals and devices, and provides for additional reimbursement for outlier cases," she said. "We want to work with **the Treasurer** to achieve our shared goals of slowing the growth of health care costs while promoting quality care, transparency and affordability for the member."

As of Monday, Nov. 26, Folwell had not responded to FirstHealth's request for a meeting.

Robert Seligson, CEO of the N.C Medical Society issued the following statement on Oct. 24, "Physicians and hospitals are united in their opposition to **the state treasurer's proposal** to implement radical cost-cutting measures that could negatively impact access to health care for state employees...Over the past 40 years unilateral rate cuts to physicians and health systems have not worked to achieve long-term savings. Rather, rate cuts often result in reduced access to care for patients, particularly in rural areas, and jeopardize the financial stability of smaller physician practices and health systems."

Steve Lawler, president of the N.C. Healthcare Association has said the state's healthcare leaders have attempted, on numerous occasions, to work with **Folwell** and he has "refused to engage in a productive conversation.

"Physicians and hospitals are united in their opposition to **the state treasurer's proposal** to implement radical cost-cutting measures that could negatively impact access to health care for state employees," Lawler said.

But **Folwell** sees the issue and the future of healthcare differently.

"Who is most upset about the system is the people who work in health care. They don't like it either, not being able to tell you what it costs for services," **Folwell said**. "We have a real opportunity to lead ourselves out of this."

"What people hate are train wrecks, no transparency, sweetheart deals that are done behind closed doors, and the plan operating in the red," **Folwell said**.

As a lawmaker, he led reforms to the state's workers compensation system, and as head of the state's employment security division his moves reversed a \$2.5 billion unemployment insurance debt into a \$1 billion surplus.

The N.C. Healthcare Association, which represents hospitals and large health care systems, didn't respond to request for an interview. The association instead issued a news release.

"We believe **the treasurer** is not being transparent about what this proposal will do to **state health plan members** and their families," said Steve Lawler, N.C. Healthcare Association president. "He is busy making promises about premiums, but neglecting to address specifics about the provider network and access issues, and the fact that it does nothing to help individuals and families meet their healthcare objectives."

The release said state health care leaders think **the State Health Plan** reforms will limit treatment choices for all North Carolinians. Reducing payments to physicians and hospitals to achieve savings could force hundreds of providers out of **the State Health Plan** network or out of business, and do irreparable damage to the state's health care safety net.

Rob Broome executive director of the State Employees Association of North Carolina, supports **Folwell's reforms**. SEANC thinks hospitals refuse to disclose all their performance records and fee schedules because they are overcharging **the State Health Plan** and its members to cover free charity care they must provide to indigent patients.

He said his organization can't match the hospitals' legislative ground game.

"They have engaged a legion of lobbyists," he said. "Good for them that they've got so much money that they can spend on that sort of thing."

He downplayed the hospital association's alarms as a negotiating tactic.

"It's sort of a basic element of the playbook to threaten the loss of providers," Broome said. "It's one that has been so overused that I think it rings a little hollow." He said it wouldn't make good business sense for doctors and hospitals to quit **the State Health Plan** network. Some, especially in rural areas, would see higher payments under the proposed changes.

SEANC officials met with Dobson on Tuesday, and were told the legislation has been drafted.

"I'm not really sure why Rep. Dobson has decided that he wants to lead the charge against common sense" attempts to fix **the State Health Plan**, and in a lame duck session to boot, Broome said.

**Folwell** wants to bring transparency, stability, and predictability to costs. **The State Health Plan Board of Trustees** unanimously approved his plan, Broome said. The General Assembly should not try to obstruct their efforts as they attempt to whittle away at \$35 billion in unfunded liabilities in a system which is only 3 percent funded.

**BACK TO TOP**

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**North State Journal: Folwell says tax cap means certainty for businesses**

November 29, 2018

North Carolina state Treasurer Dale Folwell says N.C. voters' decision to pass a constitutional amendment to lower the cap on income tax will be good for the state's economy.



It's unclear who specifically would be behind this, but lame duck House appropriations chairman Nelson Dollar is a well-known advocate for the hospital industry.

Such a bill would risk alienating thousands of conservative voters.

Fiscally conservatism is a core principle of the overwhelming majority of North Carolina's Republicans. While it's become a cliché and mostly meaningless, these voters also aren't thrilled when politicians act beholden to special interests. Yes, the hospital industry qualifies.

Folwell is their champion in this battle, putting principles over politics. General Assembly leadership would be wise to follow his lead, not squash it.

**BACK TO TOP**

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### **Smoky Mountain News: Contractor selected for SCC health building**

By Holly Kays

November 28, 2018

The Michigan-based Christman Company will carry out a \$17.66 million contract to construct a new health sciences building at Southwestern Community College in Sylva following a bid opening for the project Nov. 13.

The project drew bids from four companies — H&M, Harper and MB Kahn — with estimates ranging from Christman's low bid of \$17.66 million to \$18.43 million from Harper. Those estimates include all the alternates listed in the bid request. Construction base bids, which do not include any alternates, ranged from \$16.9 million to \$17.6 million.

"Right now it is good news," said County Manager Don Adams as he presented the bidding results to commissioners Nov. 19. "The facility can be built out within the funds available."

Christman has an office in Knoxville and will use Asheville-based subcontractors Bolton Construction and Service, M.B. Haynes Corporation and Emory Electric for plumbing, mechanical and electrical services, respectively.

The health sciences building was first discussed following a master planning process at SCC in February 2016, when it was identified as the top capital project on the school's wish list. Then estimated to cost \$16.3 million, it was envisioned as a state-of-the-art building of 40,000 to 60,000 square feet that would resemble an actual hospital setting and support SCC's increasing health-related programs.

Construction and labor costs grew following the recession, and the estimate increased to \$19.3 million as commissioners continued to discuss the project in April 2017. The \$17.66 million estimate from Christman falls well below that second estimate, though Adams said the \$19.3 million budget could leave the project low on contingency funds, suggesting that commissioners consider expanding that allocation a bit.

The building, designed by the company LS3P, will include 55,411 square feet and four floors, with a working clinic, eight-bed nursing lab and a lab area for a brand-new surgical technology program. Other features would include labs for physical and occupational therapy, a physical therapy gym and a simulated bedroom, bathroom and kitchen. The project is expected to create 236 new jobs in SCC's service area as new health workers are trained.

Jackson County will fund the project through a variety of sources. It will use \$5.4 million from the N.C. Connect Bond that voters passed in 2016, as well as \$2 million from a U.S. Economic Development Administration grant that the county landed in September. The remaining costs will be paid through a \$10 million loan that the county plans to pay back using proceeds from the quarter-penny sales tax that voters approved in 2016 to pay for capital projects in

NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

By the authority vested in me as the State Treasurer of North Carolina, I hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the Department of State Treasurer.

Witness my hand and the seal of the Department of State Treasurer at Raleigh, North Carolina, this 1st day of May, 2017.

**Anna Yount**

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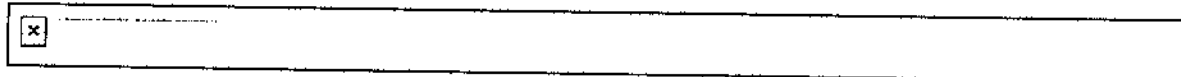
**From:** april@aid-us.org  
**Sent:** Thursday, November 29, 2018 12:09 PM  
**To:** Dale Folwell  
**Subject:** Tryon Group, AID Meet to Forge Plan to Spread Independence

Hi Dale,  
Marni asked me to add you to our list of "friends," so you can be in the loop on our email updates. Do I have your permission to send the one below to your email list of media contacts in the NC area?

Thanks so much,  
*April L. Spencer*  
Assistant to the Executive Director  
(o) 407-571-9316  
(c) 863-581-1863



[www.aid-us.org](http://www.aid-us.org)



**November 29, 2018**

## **Tryon Medical and AID Join Forces to Help Doctors Move from Employment to Independence**

To personally welcome some of AID's newest members, and congratulate them on their recent exit from hospital employment, AID Executive Director Marni Jameson Carey earlier this month met with Tryon Medical Partners CEO Dr. Dale Owen and the group's transition leadership team, in Charlotte, NC.

"I wanted to find out more about how Dr. Owen and his partners reinvented, rebuilt and rebranded a practice in just 90 days," said Carey, who toured two of the group's eight new clinics located across Mecklenburg County region during her visit.

Anna Yount

**From:** Office of State Human Resources <ncflex@nc.gov>  
**Sent:** Thursday, November 29, 2018 12:19 PM  
**To:** Dale Folwell  
**Subject:** NCFlex Member Newsletter - November 2018



## An Important Message for NCFlex Participants

**November 2018**



### 2018 Health Care FSA Deadline Approaching

Don't forget, you have until **December 31, 2018** to use the funds in your 2018 Health Care Flexible Spending Account through P&A. If you have a balance of at least \$25, you can **rollover up to \$500** of that unused money into 2019, however, anything over \$500 will be lost if not used by the end of this year.

Check your account balance, file a claim, or order a replacement convenience card by visiting [ncflex.padmin.com](http://ncflex.padmin.com). You can also login to [eBenefits](#) to [Single Sign On](#) directly into your P&A account.

For claim forms, how to upload a claim, and a sample list of eligible expenses visit the [FSA](#) section of [www.ncflex.org](http://www.ncflex.org). Still need ideas on how to spend your available funds? Visit [www.fsastore.com](http://www.fsastore.com) where you can use your convenience card and have FSA eligible items shipped directly to your home.

### Don't Let Your Vision Benefits go to Waste



Consider this: you have been paying for benefits all year, so now could be your last chance to make sure you get the most value out of them. The NCFlex Flexible Spending Account and Vision benefits operate on a calendar year, so make the most of your benefits.

### Holiday shopping late in the evening or on weekends? It's a great time for an eye exam

While primary care or other doctor appointments may be hard to come by late in the year, eye exams can be readily scheduled with EyeMed's network – with

## Anna Yount

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**From:** Anna Yount  
**Sent:** Thursday, November 29, 2018 1:33 PM  
**To:** Dale Folwell  
**Subject:** FW: HIT Letters  
**Attachments:** TillisHIT.18ltr.docx; McHenryHIT.18ltr.docx

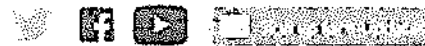
**From:** Frank Lester  
**Sent:** Thursday, November 29, 2018 11:03 AM  
**To:** Anna Yount <Anna.Yount@nctreasurer.com>  
**Subject:** HIT Letters

Anna – Please see attached. I'll come by to discuss. Thanks - Frank

### Frank G. Lester

Deputy Treasurer  
Communications/Government Affairs  
Office of the State Treasurer  
Office: (919) 814-3811

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)



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*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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DALE R. FOLWELL, CPA

*Dale R. Folwell, CPA*

STATE TREASURER OF NORTH CAROLINA

DALE R. FOLWELL, CPA

November 29, 2018

The Honorable Thom Tillis  
United States Senator  
Washington, D.C.

Dear Senator Tillis:

The North Carolina Department of State Treasurer oversees the delivery of health care services, through the State Health Plan (Plan), to more than 727,000 state and local employees and retirees. We pay for those services using taxpayer dollars appropriated by the North Carolina General Assembly and premiums paid by employees. In 2017, state taxpayers spent \$3.4 billion for the Plan, which is more than was appropriated for the entire University of North Carolina system.

It is our fiduciary duty to protect the participants of this plan and to the taxpayers of this state. To that end, we strongly urge you to fight for a delay or an outright repeal of the Health Insurance Tax (HIT) by supporting bipartisan legislation (H.R.5963) passed earlier this year by the U.S. House of Representatives.

As you know, the HIT (referred to by the Internal Revenue Services as the Health Insurance Provider Fee) is imposed as an additional tax on the fully insured market that serves most small business employers and those who purchase policies individually. The "fee" began as a fixed-dollar amount distributed across health insurance providers that began to rise according to an index based on net premium growth. The increased costs brought about by this unnecessary tax are ultimately delivered to employers and consumers as higher insurance premiums.

This legislation would provide a two year delay on the return of the health insurance tax until 2022. But until the measure passes both Chambers of Congress, the tax will return costing North Carolina's employers and consumers \$408 million in additional health insurance premiums, according to an analysis by actuarial firm Oliver Wyman. For seniors, those unexpected costs could be devastating despite careful planning and budgeting for their retirements.

Health plans are currently in the process of setting rates for 2020 premiums. So the time to act for 2020 is now. A moratorium means saving of approximately \$45 million for the Plan just from reduced premiums on providing insurance for 150,000 Medicare-eligible, retired state employees.

I strongly encourage you to take immediate action and delay or repeal this tax as quickly as possible. I ask that you support passage of the House legislation in the Senate so that it can be signed into law.

As new laws and regulations change the cost of doing business and impact our state's economy, we rely on you to stand up for all North Carolinians by eliminating this burdensome tax. I hope we can count on your support.

Sincerely,

*Dale R. Folwell, CPA*

Dale R. Folwell, CPA



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STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

*Dale R. Folwell, CPA*

STATE TREASURER OF NORTH CAROLINA

DALE R. FOLWELL, CPA

November 29, 2018

The Honorable Patrick McHenry  
United States House of Representatives  
Washington, D.C.

Dear Rep. McHenry:

The North Carolina Department of State Treasurer oversees the delivery of health care services, through the State Health Plan (Plan), to more than 727,000 state and local employees and retirees. We pay for those services using taxpayer dollars appropriated by the North Carolina General Assembly and premiums paid by employees. In 2017, state taxpayers spent \$3.4 billion for the Plan, which is more than was appropriated for the entire University of North Carolina system.

It is our fiduciary duty to protect the participants of this plan and to the taxpayers of this state. To that end, we strongly urge you to fight for a delay or an outright repeal of the Health Insurance Tax (HIT) by supporting bipartisan legislation (H.R.5963) passed earlier this year by the U.S. House of Representatives.

As you know, the HIT (referred to by the Internal Revenue Services as the Health Insurance Provider Fee) is imposed as an additional tax on the fully insured market that serves most small business employers and those who purchase policies individually. The "fee" began as a fixed-dollar amount distributed across health insurance providers that began to rise according to an index based on net premium growth. The increased costs brought about by this unnecessary tax are ultimately delivered to employers and consumers as higher insurance premiums.

This legislation would provide a two year delay on the return of the health insurance tax until 2022. But until the measure passes both Chambers of Congress, the tax will return costing North Carolina's employers and consumers \$408 million in additional health insurance premiums, according to an analysis by actuarial firm Oliver Wyman. For seniors, those unexpected costs could be devastating despite careful planning and budgeting for their retirements.

Health plans are currently in the process of setting rates for 2020 premiums. So the time to act for 2020 is now. A moratorium means saving of approximately \$45 million for the Plan just from reduced premiums on providing insurance for 150,000 Medicare-eligible, retired state employees.

I strongly encourage you to take immediate action and delay or repeal this tax as quickly as possible. I ask that you support passage of the House legislation in the Senate so that it can be signed into law.

As new laws and regulations change the cost of doing business and impact our state's economy, we rely on you to stand up for all North Carolinians by eliminating this burdensome tax. I hope we can count on your support.

Sincerely,

*Dale R. Folwell, CPA*

Dale R. Folwell, CPA

## Anna Yount

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**From:** NCGOP Communications <communications@nc.gop>  
**Sent:** Thursday, November 29, 2018 2:32 PM  
**To:** Dale Folwell  
**Subject:** ICYMI: Charlotte Observer Ed Board Blasts Democrat-Led NCSBE

Dale -- The North Carolina State Board of Elections concluded their statewide canvass on November 27 and certified the election...

Dale --

The North Carolina State Board of Elections concluded their statewide canvass on November 27 and certified the election results...

...except for one: the Ninth Congressional District race, where Congressman-Elect Dr. Mark Harris beat out Pelosi Democrat Dan McCready. The Board, led by Democrat Chairman Andy Penry, made this decision behind closed doors and with little explanation. This is just another example of the glaring lack of transparency coming from the Cooper administration, and *The Charlotte Observer* editorial board is having none of it:

*"The state board of elections refused Tuesday to certify the results of the 9th District race, in which Republican Mark Harris defeated Democrat Dan McCready by 905 votes. That certification was expected to be routine, but election board member Joshua Malcolm raised a last minute issue concerning the 9th and asked board members to remove the results from the list of those to be certified. Malcolm, a Robeson County Democrat, cited a statute that allowed the board to do so, but he declined to be specific about what caused him to raise his objection. That, in itself, is troubling.*

...

*Malcolm isn't offering specifics, but there are plenty of questions he can answer without jeopardizing an investigation. Such as: Are the issues he raised widespread enough to change the 9th District results? Is he merely trying to get the attention of investigators he feels have been ignoring serious long-term problems? If that's the case, mission accomplished. Now stop it. Holding a congressional election hostage is not the appropriate way to resolve longstanding issues, regardless of how serious they might be.*

...



**Anna Yount**

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**From:** Frank Lester  
**Sent:** Thursday, November 29, 2018 2:51 PM  
**To:** Chris Farr  
**Cc:** Dale Folwell  
**Subject:** RE: Press Clips – November 29, 2018

That we are! Frank

**Frank G. Lester**

Deputy Treasurer  
Communications/Government Affairs  
Office of the State Treasurer  
Office: (919) 814-3811

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)



**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

E-mail correspondence to and from this address is subject to North Carolina's Public Records Act, N.C. Gen. Stat. Sec. 132, and may be disclosed to third parties. However Federal and State law protects personal health and other information that may be contained in this e-mail from unauthorized disclosure. If you are not the intended recipient, please delete this e-mail and any accompanying documents and contact the sender immediately. Unauthorized disclosure, copying or distribution of any confidential or privileged content of this e-mail is prohibited.

**From:** Chris Farr  
**Sent:** Thursday, November 29, 2018 2:15 PM  
**To:** Frank Lester <Frank.Lester@nctreasurer.com>  
**Cc:** Dale Folwell <Dale@Nctreasurer.com>  
**Subject:** FW: Press Clips – November 29, 2018

We are getting excellent media attention!

- [The Pilot \(Moore County\): State Treasurer Seeking Greater Transparency on Health Costs](#)
  - [Carolina Journal: Hospitals making major push to block State Health Plan savings](#)
  - [North State Journal: Folwell says tax cap means certainty for businesses](#)
  - [Longleaf Politics: Dale Folwell passing major test of principles vs. politics \(BLOG\)](#)
  - [Smoky Mountain News: Contractor selected for SCC health building](#)
  - [Raleigh News & Observer: There's no reason for Laura Riddick to get her pension. \(LETTER\)](#)
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## **The Pilot (Moore County): State Treasurer Seeking Greater Transparency on Health Costs**

By Laura Douglass

November 28, 2018

'Tis the season for giving, but for many folks in North Carolina, the Christmas tree isn't the only thing being trimmed this year. Healthcare costs have soared, outpacing inflation for 20 years. For many families — and voters at the polls this year — finding reasonable coverage at a reasonable cost is near the top of their holiday wish list.

**State Treasurer Dale Folwell** is pushing for a new payment system for the 720,000 or so members of the **State Health Plan**, which provides benefits for state employees, retirees and lawmakers, and many of their dependents. If he succeeds, it could create a model for other large employers to follow, changing the healthcare system along the way.

Finding a new path forward for state-run healthcare has been a major undertaking for **Folwell** since he took office in 2017. And his efforts have not been without controversy and blowback from hospitals, the N.C. Healthcare Association and the N.C. Medical Society.

"Our health plan is the seventh most insolvent in the U.S., according to Pew Research," **Folwell** told *The Pilot* when he visited the area last week. "How is it a **treasurer** can sit here and on one side our state has the fifth best pension plan in the nation and our **health plan** is the seventh most bankrupt?"

The main difference is how the plans are funded, he explained. All state employees pay into the pension and the money that is there has the chance to grow. But money is not put aside in a similar way for future health care obligations, and with the Baby Boomer generation hitting retirement age the outlay is enormous.

"Our unfunded health care liability is over \$30 billion, right behind Illinois," he said.

**Folwell** first went digging for potential solutions and cost-savings within the existing state plan. In 2017, he requested an audit and had several hundred ineligible dependents removed. He froze premiums, raised rates for some levels of service, and the legislature passed a law that will take away post-retirement health care benefits for state employees hired after 2021.

Then he went after inefficiencies and waste in the reimbursement rates for services under **the state health plan**. For decades, the state has contracted with Blue Cross and Blue Shield of North Carolina; however, the network of providers has maintained their fee schedule — in essence what they charge patients and their insurers — is confidential. This lack of transparency is one of **Folwell's** primary targets.

In October, he announced a new medical reimbursement strategy for North Carolina providers that care for state health plan members. **Folwell's** goal is to move away from the commercial-based payment model to a government pricing model based on a percentage of Medicare rates.

In a letter sent to **the Treasurer**, Sloan said FirstHealth requested a meeting to discuss an alternate solution to meet his cost savings goals while enabling FirstHealth to continue to care for State employees in Moore County and our surrounding market.

"We recommended a reimbursement model that gradually transitions to a system adopting select principles of Medicare's quality incentive program that rewards providers for reducing the cost of care while providing excellent outcomes for members, addresses the high cost of pharmaceuticals and devices, and provides for additional reimbursement for outlier cases," she said. "We want to work with **the Treasurer** to achieve our shared goals of slowing the growth of health care costs while promoting quality care, transparency and affordability for the member."

As of Monday, Nov. 26, Folwell had not responded to FirstHealth's request for a meeting.

Robert Seligson, CEO of the N.C. Medical Society issued the following statement on Oct. 24, "Physicians and hospitals are united in their opposition to **the state treasurer's proposal** to implement radical cost-cutting measures that could negatively impact access to health care for state employees...Over the past 40 years unilateral rate cuts to physicians and health systems have not worked to achieve long-term savings. Rather, rate cuts often result in reduced access to care for patients, particularly in rural areas, and jeopardize the financial stability of smaller physician practices and health systems."

Steve Lawler, president of the N.C. Healthcare Association has said the state's healthcare leaders have attempted, on numerous occasions, to work with **Folwell** and he has "refused to engage in a productive conversation."

"Physicians and hospitals are united in their opposition to **the state treasurer's proposal** to implement radical cost-cutting measures that could negatively impact access to health care for state employees," Lawler said.

But **Folwell** sees the issue and the future of healthcare differently.

"Who is most upset about the system is the people who work in health care. They don't like it either, not being able to tell you what it costs for services," **Folwell said**. "We have a real opportunity to lead ourselves out of this."

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### **Carolina Journal: Hospitals making major push to block State Health Plan savings**

By Dan Way

November 29, 2018

Hospital lobbyists persuaded lawmakers to draft legislation blocking **N.C. Treasurer Dale Folwell's** cost-cutting reforms to **the State Health Plan**, Carolina Journal has learned.

Rep. Josh Dobson, R-McDowell, co-chairman of the House Health Committee, is working on a bill to preserve the current payment structure for hospitals and doctors until Dec. 31, 2021. A study committee would deliver a report to the General Assembly on **the State Health Plan's** fiscal sustainability by May 20, 2020.

**Folwell told** CJ Wednesday, Nov. 28, he has spoken to lawmakers. He has asked to explain his reforms to a Republican caucus meeting and was rebuffed. He estimates the changes would save taxpayers \$300 million and plan members \$60 million in payments annually.

"They know what they're doing, and only they know why they're doing it. That's something you'll just have to get from them," **Folwell said**.

"They have engaged a legion of lobbyists," he said. "Good for them that they've got so much money that they can spend on that sort of thing."

He downplayed the hospital association's alarms as a negotiating tactic.

"It's sort of a basic element of the playbook to threaten the loss of providers," Broome said. "It's one that has been so overused that I think it rings a little hollow." He said it wouldn't make good business sense for doctors and hospitals to quit the **State Health Plan** network. Some, especially in rural areas, would see higher payments under the proposed changes.

SEANC officials met with Dobson on Tuesday, and were told the legislation has been drafted.

"I'm not really sure why Rep. Dobson has decided that he wants to lead the charge against common sense" attempts to fix the **State Health Plan**, and in a lame duck session to boot, Broome said.

**Folwell** wants to bring transparency, stability, and predictability to costs. The **State Health Plan Board of Trustees** unanimously approved his plan, Broome said. The General Assembly should not try to obstruct their efforts as they attempt to whittle away at \$35 billion in unfunded liabilities in a system which is only 3 percent funded.

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#### **North State Journal: Folwell says tax cap means certainty for businesses**

November 29, 2018

**North Carolina state Treasurer Dale Folwell** says N.C. voters' decision to pass a constitutional amendment to lower the cap on income tax will be good for the state's economy.

"It provides the businesses, and individuals who decide where businesses go, with some certainty in the tax outlook," **said Folwell** in an interview on WPTF radio.

**The state treasurer** considers himself the "keeper of the public purse" and says the state government's financial outlook is promising and a 7 percent cap in income tax allows N.C. to keep low interest rates when borrowing for key spending priorities like schools and roads. Reducing the cap from 10 to 7 percent means the state will likely keep its AAA bond rating, but even at 7 percent, the cap is much higher than current tax rates.

"Our corporate income tax rate is going to be 2.5 percent next year, so that means the corporate tax would have to triple in order to hit its head on the ceiling," **said Folwell**. "The personal income tax would have to go up 38 percent in order to hit its head on the ceiling."

Lowering the income tax cap was one of four constitutional amendments that N.C. voters passed in the November elections. The others were a requirement to show a photo ID when voting, a right to hunt and fish, and protections for crime victims. The state legislature will convene Nov. 27 to, among other things, determine details of implementing the voter ID amendment.

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#### **Longleaf Politics: Dale Folwell passing major test of principles vs. politics (BLOG)**

The project drew bids from four companies — H&M, Harper and MB Kahn — with estimates ranging from Christman's low bid of \$17.66 million to \$18.43 million from Harper. Those estimates include all the alternates listed in the bid request. Construction base bids, which do not include any alternates, ranged from \$16.9 million to \$17.6 million.

"Right now it is good news," said County Manager Don Adams as he presented the bidding results to commissioners Nov. 19. "The facility can be built out within the funds available."

Christman has an office in Knoxville and will use Asheville-based subcontractors Bolton Construction and Service, M.B. Haynes Corporation and Emory Electric for plumbing, mechanical and electrical services, respectively.

The health sciences building was first discussed following a master planning process at SCC in February 2016, when it was identified as the top capital project on the school's wish list. Then estimated to cost \$16.3 million, it was envisioned as a state-of-the-art building of 40,000 to 60,000 square feet that would resemble an actual hospital setting and support SCC's increasing health-related programs.

Construction and labor costs grew following the recession, and the estimate increased to \$19.3 million as commissioners continued to discuss the project in April 2017. The \$17.66 million estimate from Christman falls well below that second estimate, though Adams said the \$19.3 million budget could leave the project low on contingency funds, suggesting that commissioners consider expanding that allocation a bit.

The building, designed by the company LS3P, will include 55,411 square feet and four floors, with a working clinic, eight-bed nursing lab and a lab area for a brand-new surgical technology program. Other features would include labs for physical and occupational therapy, a physical therapy gym and a simulated bedroom, bathroom and kitchen. The project is expected to create 236 new jobs in SCC's service area as new health workers are trained.

Jackson County will fund the project through a variety of sources. It will use \$5.4 million from the N.C. Connect Bond that voters passed in 2016, as well as \$2 million from a U.S. Economic Development Administration grant that the county landed in September. The remaining costs will be paid through a \$10 million loan that the county plans to pay back using proceeds from the quarter-penny sales tax that voters approved in 2016 to pay for capital projects in Jackson's K-12 and community college facilities. The \$17.66 million price tag does not include additional costs that come with a new building such as furniture and classroom equipment. It also doesn't account for LS3P's \$1.5 million in designer fees.

When LS3P was initially hired as the designer, it told SCC trustees that it could finish the project by June 2019. The timeline later shifted to a fall 2018 groundbreaking with completion in fall 2020 following two years of construction. With ground yet to break on the project, the building will likely be ready in 2021. In an August work session, Adams told commissioners that much of the delay was due to the EDA grant application — the county had to wait on the outcome before it could move forward with the bidding process, he said.

During their Nov. 19 meeting, commissioners unanimously passed a resolution to seek approval from **the N.C. Local Government Commission** to take out the planned \$10 million loan. However, a public hearing must be held before commissioners move forward with financing. That hearing is planned for 5:40 p.m. Monday, Dec. 3, with the current board of commissioners presiding over the hearing. After the hearing, new commissioners selected in the 2018 election will be sworn in.

## **BACK TO TOP**

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**Raleigh News & Observer: There's no reason for Laura Riddick to get her pension. (LETTER)**  
November 27, 2018

**Anna Yount**

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**From:** Sam Hayes  
**Sent:** Thursday, November 29, 2018 4:46 PM  
**To:** Dale Folwell; Frank Lester; Chris Farr  
**Subject:** FW: Edgecombe BOE, et al. v. Dale Folwell, et al. 18CVS14500  
**Attachments:** Summons to Toole and State of NC (R1841465x7AD04).pdf; Summons to Folwell and TSERS (R1841463x7AD04).pdf; Complaint (R1841461x7AD04).pdf

See attached Declaratory Judgment action filed in Wake County Superior Court.

Thanks.

**From:** Newsome, Joseph [mailto:jnewsome@ncdoj.gov]  
**Sent:** Thursday, November 29, 2018 4:12 PM  
**To:** Sam Hayes <Sam.Hayes@nctreasurer.com>; Christina Strickland <christina.strickland@nctreasurer.com>  
**Cc:** Steve Toole <Steve.Toole@nctreasurer.com>; Patrick Kinlaw <Patrick.Kinlaw@nctreasurer.com>; Shannon Wharry <shannon.wharry@nctreasurer.com>  
**Subject:** FW: Edgecombe BOE, et al. v. Dale Folwell, et al. 18CVS14500

Just received this. It was filed today.

-Jody



**Joseph A. Newsome**  
*Special Deputy Attorney General*  
Services to State Agencies Section  
Phone: 919-716-6806  
[jnewsome@ncdoj.gov](mailto:jnewsome@ncdoj.gov)  
114 W. Edenton St., Raleigh, NC 27603  
[ncdoj.gov](http://ncdoj.gov)

Please note that messages to or from this address may be public records.

**From:** Maggie White [mailto:MWhite@tharringtonsmith.com]  
**Sent:** Thursday, November 29, 2018 4:09 PM  
**To:** Newsome, Joseph <jnewsome@ncdoj.gov>  
**Cc:** Deborah Stagner <DStagner@tharringtonsmith.com>  
**Subject:** Edgecombe BOE, et al. v. Dale Folwell, et al. 18CVS14500

Mr. Newsome:

Please see the attached complaint that was filed and summons that were issued today in above-referenced case.

Best,

Maggie White  
N.C. State Bar Certified Paralegal

# STATE OF NORTH CAROLINA

File No.

18CV014500

WAKE

County

In The General Court Of Justice  
☐ District ☒ Superior Court Division

Name Of Plaintiff

Edgecombe County Board of Education, et al.

Address

See attached list of Plaintiffs.

City State Zip

## CIVIL SUMMONS

☐ ALIAS AND PLURIES SUMMONS (ASSESS FEE)

VERSUS

G.S. 1A-1, Rules 3 and 4

Name Of Defendant(s)

Dale Folwell, State Treasurer; Board of Trustees of the Teachers and State Employees' Retirement System; Steven C. Toole, Director, Retirement Systems Division, Department of State Treasurer; and the State of North Carolina

Date Original Summons Issued

Date(s) Subsequent Summons(es) Issued

### To Each Of The Defendant(s) Named Below:

Name And Address Of Defendant 1

Steven C. Toole, Director, c/o Sam Hayes, Registered Agent  
 N.C. Department of State Treasurer, Retirement Systems Division  
 3200 Atlantic Avenue  
 Raleigh, NC 27604

Name And Address Of Defendant 2

State of North Carolina c/o Josh Stein, Registered Agent  
 N.C. Department of Justice  
 9001 Mail Service Center  
 Raleigh, NC 27699-9001



**IMPORTANT!** You have been sued! These papers are legal documents, **DO NOT** throw these papers out! You have to respond within 30 days. You may want to talk with a lawyer about your case as soon as possible, and, if needed, speak with someone who reads English and can translate these papers!  
**¡IMPORTANTE!** ¡Se ha entablado un proceso civil en su contra! Estos papeles son documentos legales. ¡NO TIRE estos papeles!  
 Tiene que contestar a más tardar en 30 días. ¡Puede querer consultar con un abogado lo antes posible acerca de su caso y, de ser necesario, hablar con alguien que lea inglés y que pueda traducir estos documentos!

### A Civil Action Has Been Commenced Against You!

You are notified to appear and answer the complaint of the plaintiff as follows.

1. Serve a copy of your written answer to the complaint upon the plaintiff or plaintiff's attorney within thirty (30) days after you have been served. You may serve your answer by delivering a copy to the plaintiff or by mailing it to the plaintiff's last known address, and
2. File the original of the written answer with the Clerk of Superior Court of the county named above.

If you fail to answer the complaint, the plaintiff will apply to the Court for the relief demanded in the complaint.

Name And Address Of Plaintiff's Attorney (If none, Address Of Plaintiff)

Deborah R. Stagner  
 Tharrington Smith, LLP  
 150 Fayetteville Street, Suite 1800, P.O. Box 1151  
 Raleigh, NC 27602

Date Issued

Signature

☒ Deputy CSC

☐ Assistant CSC

☐ Clerk Of Superior Court

### ☐ ENDORSEMENT (ASSESS FEE)

This Summons was originally issued on the date indicated above and returned not served. At the request of the plaintiff, the time within which this Summons must be served is extended sixty (60) days.

Date Of Endorsement

Time

☐ AM ☐ PM

Signature

☐ Deputy CSC

☐ Assistant CSC

☐ Clerk Of Superior Court

**NOTE TO PARTIES:** Many counties have **MANDATORY ARBITRATION** programs in which most cases where the amount in controversy is \$25,000 or less are heard by an arbitrator before a trial. The parties will be notified if this case is assigned for mandatory arbitration, and, if so, what procedure is to be followed.

(Over)

**Attachment to Civil Summons**

**NAMES OF PLAINTIFFS re COMPLAINT FILED ON 11.29.18**

\* **NAMES OF PLAINTIFFS:** EDGECOMBE COUNTY BOARD OF EDUCATION, GRANVILLE COUNTY BOARD OF EDUCATION, LENOIR COUNTY BOARD OF EDUCATION, AND HARNETT COUNTY BOARD OF EDUCATION.



# STATE OF NORTH CAROLINA

File No.

18CV014500

WAKE County

In The General Court Of Justice  
☐ District ☒ Superior Court Division

Name Of Plaintiff

Edgecombe County Board of Education, et al.

Address

See attached list of Plaintiffs

City, State, Zip

VERSUS

Name Of Defendant(s)

Dale Folwell, State Treasurer; Board of Trustees of the Teachers and State Employees' Retirement System; Steven C. Toole, Director, Retirement Systems Division, Department of State Treasurer; and the State of North Carolina

Date Original Summons Issued

G.S. 1A-1, Rules 3 and 4

Date(s) Subsequent Summons(es) Issued

To Each Of The Defendant(s) Named Below:

Name And Address Of Defendant 1

Dale Folwell, State Treasurer c/o Sam Hayes, Registered Agent  
 N.C. Department of State Treasurer  
 3200 Atlantic Avenue  
 Raleigh, NC 27604

Name And Address Of Defendant 2

Board of Trustees of the TSERS c/o Sam Hayes, Registered Agent  
 N.C. Department of State Treasurer  
 3200 Atlantic Avenue  
 Raleigh, NC 27604



**IMPORTANT!** You have been sued! These papers are legal documents, DO NOT throw these papers out! You have to respond within 30 days. You may want to talk with a lawyer about your case as soon as possible, and, if needed, speak with someone who reads English and can translate these papers!  
**¡IMPORTANTE!** ¡Se ha entablado un proceso civil en su contra! Estos papeles son documentos legales. ¡NO TIRE estos papeles!  
 Tiene que contestar a más tardar en 30 días. ¡Puede querer consultar con un abogado lo antes posible acerca de su caso y, de ser necesario, hablar con alguien que lea inglés y que pueda traducir estos documentos!

## A Civil Action Has Been Commenced Against You!

You are notified to appear and answer the complaint of the plaintiff as follows:

1. Serve a copy of your written answer to the complaint upon the plaintiff or plaintiff's attorney within thirty (30) days after you have been served. You may serve your answer by delivering a copy to the plaintiff or by mailing it to the plaintiff's last known address, and
2. File the original of the written answer with the Clerk of Superior Court of the county named above.

If you fail to answer the complaint, the plaintiff will apply to the Court for the relief demanded in the complaint.

Name And Address Of Plaintiff's Attorney (if none, Address Of Plaintiff)

Deborah R. Stagner  
 Tharrington Smith, LLP  
 150 Fayetteville Street, Suite 1800, P.O. Box 1151  
 Raleigh, NC 27602

Date Issued

Signature

☒ Deputy CSC

☐ Assistant CSC

☐ Clerk Of Superior Court

## ☐ ENDORSEMENT (ASSESS FEE)

This Summons was originally issued on the date indicated above and returned not served. At the request of the plaintiff, the time within which this Summons must be served is extended sixty (60) days

Date Of Endorsement

Time

☐ AM ☐ PM

Signature

☐ Deputy CSC

☐ Assistant CSC

☐ Clerk Of Superior Court

**NOTE TO PARTIES:** Many counties have **MANDATORY ARBITRATION** programs in which most cases where the amount in controversy is \$25,000 or less are heard by an arbitrator before a trial. The parties will be notified if this case is assigned for mandatory arbitration, and, if so, what procedure is to be followed.

(Over)

Attachment to Civil Summons

NAMES OF PLAINTIFFS re COMPLAINT FILED ON 11.29.18

\* NAMES OF PLAINTIFFS: EDGECOMBE COUNTY BOARD OF EDUCATION, GRANVILLE COUNTY BOARD OF EDUCATION, LENOIR COUNTY BOARD OF EDUCATION, AND HARNETT COUNTY BOARD OF EDUCATION.

18CV014500

STATE OF NORTH CAROLINA

WAKE COUNTY

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION

2018 NOV 29 P 3:20

WAKE COUNTY, N.C.

EDGECOMBE COUNTY BOARD OF  
EDUCATION, GRANVILLE COUNTY  
BOARD OF EDUCATION, LENOIR COUNTY  
BOARD OF EDUCATION, and HARNETT  
COUNTY BOARD OF EDUCATION

Plaintiffs,

v.

DALE FOLWELL, State Treasurer (in  
official capacity only); BOARD OF  
TRUSTEES of the TEACHERS AND  
STATE EMPLOYEES' RETIREMENT  
SYSTEM; and STEVEN C. TOOLE,  
Director, Retirement Systems Division,  
Department of State Treasurer (in  
official capacity only); and the  
STATE OF NORTH CAROLINA,

Defendants.

COMPLAINT

### INTRODUCTION

This is a declaratory judgment action by the Edgecombe County Board of Education, Granville County Board of Education, Lenoir County Board of Education, and Harnett County Board of Education on behalf of the Edgecombe County Public Schools, Granville County Public Schools, Lenoir County Public Schools, and Harnett County Schools, respectively. The school boards ask the court to determine several issues related to the General Assembly's enactment of a contribution-based retirement benefit cap in 2014. *See* N.C. Gen. Stat. § 135-5(a3) (enacted by North Carolina Session Law 2014-88). The pension cap law limits the amount the Teachers' and State Employees' Retirement System ("T&SERS") will pay to individuals who retired after

This is a matter of considerable significance for the parties. To date, plaintiff school boards have paid a combined sum in excess of \$500,000 based on void assessments under the pension cap law.

### NATURE OF THE CASE

1. Plaintiffs bring this action for declaratory judgment and affirmative relief under N.C. Gen. Stat. § 147-84, Article I, Sections 3, 5 and 19 of the North Carolina Constitution, and Article I, Section 10 of the United States Constitution, seeking repayment of assessments made by them to the Teachers' and State Employees' Retirement System ("T&SERS") pursuant to N.C. Gen. Stat. § 135-8(f)(2)f. In *Cabarrus County BOE*, the North Carolina Court of Appeals ruled that the cap factor adopted by T&SERS and under which the assessments were made was invalid because it had been improperly adopted outside of the rulemaking process established by the North Carolina Administrative Procedures Act ("APA"). Plaintiffs ask the court to declare that any payments they made under similarly void assessments were not legally due to the State and to order that such payments be returned to plaintiffs. Plaintiffs also ask this court to declare that N.C. Gen. Stat. § 135-8(f)(2)f, which requires Plaintiffs to pay additional compensation to the Division calculated under the contribution-based benefit cap factor, is void as an unconstitutional impairment of contract and unconstitutional taking.

### PARTIES

2. Plaintiff Edgecombe County Board of Education is the governing body of the Edgecombe County Public Schools. As provided in N.C. Gen. Stat. §§ 115C-40 and -44, the board has general control and supervision of the school administrative unit and is responsible for instituting all actions and proceedings on behalf of the unit.

3. Plaintiff Granville County Board of Education is the governing body of the Granville County Public Schools. As provided in N.C. Gen. Stat. §§ 115C-40 and -44, the board

9. Defendant State of North Carolina ("the State") is a sovereign state of the United States. It is being sued pursuant to the North Carolina Constitution, the United States Constitution, the Declaratory Judgment Act, N.C. Gen. Stat. § 1-253 *et seq.*, and N.C. Gen. Stat. § 147-84. Sovereign immunity is not available to the State for the claims of plaintiffs arising under the state and federal constitutions and, in addition, the State has consented to be sued in this court and has waived its sovereign immunity by statute.

### **JURISDICTION AND VENUE**

10. This is an action for declaratory judgment and related affirmative relief for which this court has jurisdiction pursuant to N.C. Gen. Stat. § 1-253 *et seq.*

11. This court has jurisdiction to declare invalid and unenforceable statutes enacted by the General Assembly that violate the North Carolina Constitution and the United States Constitution.

12. Venue is proper in Wake County pursuant to N.C. Gen. Stat. §§ 1-77 and -82 in that this cause of action concerns actions by defendant public officers whose offices are in Wake County.

### **FACTS**

13. In July 2014 the North Carolina General Assembly enacted House Bill 1195 as Session Law 2014-88.

14. Session Law 2014-88 generally enacts a cap on the benefits that T&SERS will be responsible for paying to a retiree, based on the amount the person contributed toward retirement while employed. The law also provides that retirees who were employed before January 1, 2015, and whose retirement benefit will exceed the cap, will not have their retirement allowance reduced;

22. In October 2016 the Johnston, Wilkes, Union, and Cabarrus county boards of education requested a declaratory ruling from the Retirement Systems Division of the Office of State Treasurer that the cap factor adopted by T&SERS was void because of the failure to follow the rulemaking procedures of the APA. At the same time the four school boards petitioned T&SERS trustees to adopt a cap factor rule. Both requests were denied in November 2016.

23. In December 2016 the Johnston, Wilkes, Union, and Cabarrus county boards of education filed petitions for judicial review of the denials of the requests for declaratory rulings and for adoption of a rule. The petitions were filed in the school boards' home counties and then transferred by consent to Wake County Superior Court where they were consolidated for hearing. The boards asserted that the T&SERS Board of Trustees was required by the Administrative Procedure Act to follow the rulemaking procedure of General Statutes Chapter 150B in adopting the contributed-based retirement benefit cap factor; that the Board of Trustees had failed to do so; and that the additional contribution assessments against the boards should be declared unlawful and void.

24. The Wake County Superior Court ruled in favor of the four school boards and the retirement system appealed the decision to the Court of Appeals.

25. On September 18, 2018, the Court of Appeals affirmed the decision of the trial court, holding that the cap factor is a rule as defined in N.C. Gen. Stat. § 150B-2; that the T&SERS Board of Trustees had failed to follow the rulemaking procedures of the APA in adopting the cap factor in 2014 and 2015; and that, therefore, the additional contribution assessments against the four school systems were void. *See Cabarrus County BOE*. On October 23, 2018, the retirement system filed a petition for discretionary review to the Supreme Court of North Carolina, which the

letter dated October 29, 2018, Defendant Toole declined to refund the erroneously assessed payment.

Granville County Board of Education

31. Dr. Dorwin L. Howard was employed as Superintendent of Granville County Public Schools from July 9, 2014 until his retirement on July 1, 2017. Prior to being appointed Superintendent, Dr. Howard had served for over 30 years as a teacher, principal and assistant superintendent with the Granville County Public Schools.

32. Ronald E. Gillespie, Jr., was employed by the Granville County Public Schools from July 1, 2000 until his retirement on July 1, 2017. At the time of his retirement, Mr. Gillespie was serving as Assistant Superintendent of Granville County Public Schools and had been a principal prior to that.

33. Dr. Howard and Mr. Gillespie are members of T&SERS and were members before January 1, 2015.

34. The Granville County Board of Education entered its contracts with Dr. Howard and Mr. Gillespie subject to and relying upon the state retirement statutes then in effect. The board employed Dr. Howard and Mr. Gillespie with the understanding that, if the Granville County Public Schools made the contributions to T&SERS required by law during these individuals' employment, upon retirement both Dr. Howard and Mr. Gillespie would receive from T&SERS the retirement benefits provided by law, and the Granville County Board of Education would have no further financial responsibility for their retirements.

35. On August 9, 2017, the Division notified the Granville County Public Schools of the obligation to pay \$5,138.36 based on application of the contribution-based benefit cap of N.C. Gen. Stat. § 135-5(a3) to Mr. Gillespie's retirement.

41. On February 11, 2016, the Division notified the Lenoir County Public Schools of the obligation to pay \$152,531.98 based on application of the contribution-based benefit cap of N.C. Gen. Stat. § 135-5(a3) to Dr. Mazingo's retirement. The Division subsequently revised the amount owed and notified the board that the additional CBBC liability was \$65,370.37.

42. The Lenoir County Board of Education has paid the entirety of the \$65,370.37 assessed against it.

43. On November 5, 2018, the Lenoir County Board of Education, through its attorneys, sent a letter to Defendants Folwell and Toole requesting reimbursement of the \$65,370.00 the board paid for the additional contribution related to Mr. Mingo's retirement. By letter dated November 8, 2018, Defendant Toole declined to refund the erroneously assessed payment.

#### Harnett County Board of Education

44. Stanley P. Williams was employed by the Harnett County Public Schools from August 1980 until his retirement as Superintendent on February 1, 2017. Prior to his appointment as Superintendent, Mr. Williams served as an assistant superintendent, principal and teacher in the Harnett County Schools. Mr. Williams is a member of T&SERS and was a member before January 1, 2015.

45. The Harnett County Board of Education entered its contracts with Mr. Williams subject to and relying upon the state retirement statutes then in effect. The board employed Mr. Williams with the understanding that, if the Harnett County Schools made the contributions to T&SERS required by the law during Mr. Williams' employment, upon retirement Mr. Williams would receive from T&SERS the retirement benefits provided by law, and the Harnett County Board of Education would have no further financial responsibility for his retirement.



53. Plaintiffs paid the additional contributions that were calculated and assessed using a void cap factor.

54. N.C. Gen. Stat. § 147-84 requires that “[w]henever taxes or other receipts of any kind are or have been by clerical error, misinterpretation of the law, or otherwise, collected and paid into the State treasury in excess of the amount found legally due the State, said excess amount shall be refunded to the person entitled thereto.”

55. Defendants Toole and the Division have declined to refund monies paid by the Edgecombe and Lenoir county boards of education pursuant to an erroneous and void assessment.

56. Defendants Toole and the Division have not responded to requests by the Granville and Harnett county boards of education for a refund of monies paid pursuant to an erroneous and void assessment.

57. Exhaustion of administrative remedies is not required because plaintiffs are not seeking a review of the correctness of any individual assessment or calculation, but rather a declaratory ruling on the Division’s interpretation of statutory law and the effect of the Court of Appeals’ decision in *Cabarrus County BOE*.

58. In addition, exhaustion of administrative remedies would be futile and inadequate because an administrative law judge cannot provide the relief sought by plaintiffs, which is a refund of the additional contributions paid to Defendants.

59. The Edgecombe, Granville, Lenoir and Harnett county boards of education are entitled to a refund of any and all amounts paid to Defendants pursuant to invoices calculated using a void cap factor.

69. Article I, Sections 3 and 5, of the North Carolina Constitution establishes the supremacy of the Constitution of the United States.

70. Plaintiffs had employment contracts with their respective employees before and at the time of the enactment of Session Law 2014-88 and N.C. Gen. Stat. § 135-5(a3). Those contracts were entered subject to and in reliance upon the statutes then in effect. Pursuant to those contracts, plaintiffs' financial obligations with respect to their employees' retirements were limited and certain.

71. Session Law 2014-88 and N.C. Gen. Stat. § 135-5(a3) substantially altered and impaired plaintiffs' obligations under the contracts with their respective employees. As a result of the legislation, the Edgecombe County Board of Education paid an additional contribution of \$93,894.42 for Ms. Dameron's retirement; the Granville County Board of Education paid additional contributions totaling \$170,251 for the retirements of Dr. Howard and Mr. Gillespie; the Lenoir County Board of Education paid an additional contribution of \$65,370.37 for Dr. Mazingo's retirement; and the Harnett County Board of Education paid an additional contribution of \$197,805.61 for Mr. Williams' retirement.

72. By enacting Session Law 2014-88 and N.C. Gen. Stat. § 135-5(a3) the General Assembly impaired the obligations of plaintiffs' contracts with the employees named above, in violation of Article I, Section 10 of the United States Constitution and Article I, Sections 3 and 5 of the North Carolina Constitution.

73. The impairment of plaintiffs' contracts with their employees resulting from the pension cap law is not reasonable or necessary to serve an important public purpose.

74. Plaintiffs have no alternate state remedies for their claims of unconstitutional impairment of contract.

Mazingo's retirement; and the Harnett County Board of Education paid an additional contribution of \$197,805.61 for Mr. Williams' retirement.

81. The enactment of Session Law 2014-88 and N.C. Gen. Stat. § 135-5(a3) by the General Assembly directly infringes plaintiffs' property rights in existing employment contracts with the employees named above, in violation of Article I, Section 19 of the North Carolina Constitution and the Fifth Amendment to the United States Constitution.

82. Plaintiffs have no alternate state remedies for their claims of unconstitutional taking.

83. The Edgecombe, Granville, Lenoir and Harnett county boards of education are entitled to a refund of any and all amounts paid to Defendants as a result of unconstitutional additional contributions assessed pursuant to N.C. Gen. Stat. § 135-8(f)(2)f.

#### **PRAYER FOR RELIEF**

WHEREFORE, having stated their claims for relief and the facts supporting such claims, Plaintiffs pray the court to order the following relief:

1. Declare, pursuant to N.C. Gen. Stat. § 1-253 et seq, that the contribution-based retirement benefit cap enacted by Session Law 2018-44 and N.C. Gen. Stat. § 135-5(a3) for the Teachers' and State Employees' Retirement System is unconstitutional and therefore is void and of no effect and may not be enforced;
2. Declare that the invoices from the Retirement Systems Division and the Teachers' and State Employees' Retirement System to plaintiffs for additional contributions based on the retirements of their employees identified in this action are void and of no effect;

MICHAEL CROWELL, ATTORNEY

*Michael Crowell /dcs*

Michael Crowell

N.C. State Bar No. 1029

1011 Brace Lane

Chapel Hill, North Carolina 27516

Telephone: (919) 812-1073

Email: [lawyercrowell@gmail.com](mailto:lawyercrowell@gmail.com)

*Attorneys for Plaintiffs*

## **Anna Yount**

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**From:** Edgar Starnes  
**Sent:** Thursday, November 29, 2018 10:39 AM  
**To:** Dale Folwell; Chris Farr; Frank Lester; Dee Jones  
**Subject:** SHP

Some legislators are floating a proposal to privatize the SHP and put it out to bid for the private sector to administer.

The House is still in caucus but I'm hearing all of our stuff is stalled.

Edgar V. Starnes  
Senior Policy Advisor and Legislative Liaison  
Office of the State Treasurer  
Phone: [\(919\) 814-3812](tel:9198143812)

[3200 Atlantic Avenue, Raleigh, NC 27604](https://www.nc.gov/3200-Atlantic-Avenue-Raleigh-NC-27604)  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

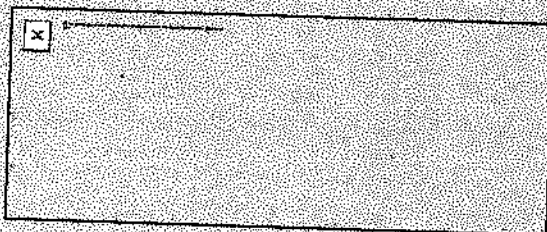
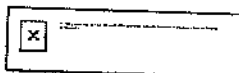
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Anna Yount

From: Zoës Kitchen <noreply@zoemail.com>  
Sent: Thursday, November 29, 2018 5:01 PM  
To: Dale Folwell  
Subject: Congrats! 🎉 You've Earned Your Stripes



You've earned enough Stripes to qualify for a ZK Reward!

Here's how to redeem your Stripes:

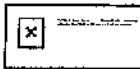
Log into your ZK Rewards account.  
Select a Reward from the Rewards/Stripes section in the ZK Mobile  
App or online.  
Scan the Reward - which will add it to the Rewards  
Enjoy your treat from the ZK Rewards Portal!

**Anna Yount**

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**From:** PwC's CFOdirect <CFOdirect@cfodirect.com>  
**Sent:** Thursday, November 29, 2018 5:07 PM  
**To:** Dale Folwell  
**Subject:** What's new on CFOdirect: SEC comment letter trends in new interactive format, Leasing reminders, CECL impact, and more

If you are viewing this on a mobile device and can't see links or graphics [click here to view it as a webpage](#).



[cfodirect.pwc.com](http://cfodirect.pwc.com)

## CFOdirect® Weekly newsletter

Welcome to PwC's weekly update on accounting and financial reporting, business news, and highlights from regulators and standard setters. Also available as a [PDF download](#).

### *PwC's accounting and reporting insights*



#### SEC comment letter trends

We've summarized the SEC comment letter trends by sector in a brand new interactive format. See what the SEC staff will be looking for in your filings.

[View trends by sector](#)



#### CECL: Impacts for nonfinancial services companies

Nonfinancial services companies should consider the impact CECL will have on

## More accounting and reporting

### *More from PwC's industries and services*

#### 2018 Financial services risk culture survey

Is your risk culture where it should be? To stay out of the headlines, financial services firms should identify, monitor, and manage their risk culture.

#### Paying Taxes 2019

This year's study by PwC and the World Bank looks at how new tax software, real time reporting systems and data analytics are changing the way companies meet their tax compliance obligations and how tax authorities monitor and enforce those obligations.

#### The employee experience: Helping people get excited to do their best at work

According to our new report, employees want their organization to provide a workplace experience that matches what they've come to expect as customers and in other areas of their life: Meaningful, personalized, user-friendly and digital.

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### *Highlights from regulators and standard setters*

FASB proposes narrow-scope improvements to financial instruments standards

December 4 FASB board meeting (agenda): leases implementation

FASB project updates: (1) disclosure framework - income taxes and (2) disclosures by business entities about government assistance

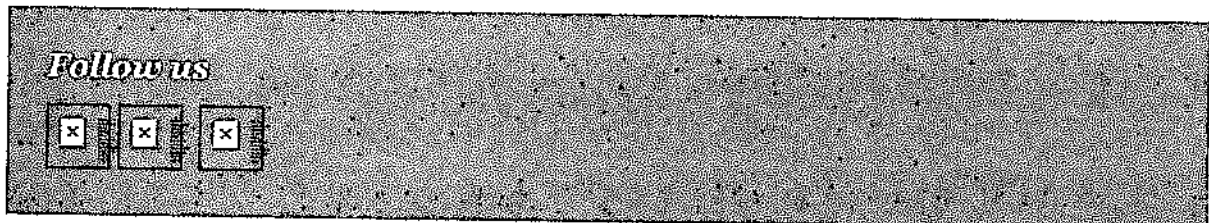
GASB proposes implementation guidance to assist stakeholders with application of its pronouncements



Group

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PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, NY 10017



**Anna Yount**

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**From:** valerie vizona <vvizona@enrichmentarc.org>  
**Sent:** Thursday, November 29, 2018 5:40 PM  
**Subject:** 2 new videos about programs at The Enrichment Center!

This message was sent securely using **ZixCorp**.

The Enrichment Center has just completed 2 videos and I wanted to share them with you. Please let me know your thoughts!

Employment Gateway video on our Website: <http://www.enrichmentarc.org/employment-gateway>

Masterpieces video on our Website: <http://www.enrichmentarc.org/masterpiece-society>

Thanks,  
Val

Valerie Vizona  
Executive Director



**The  
Enrichment  
Center**

<https://www.facebook.com/EnrichmentCenterWS/>

The Enrichment Center an Affiliated Chapter of The Arc  
1006 South Marshall Street  
Winston-Salem, NC 27101  
Direct line: 336-837-6825  
Fax: 336-777-0520  
[www.enrichmentarc.org](http://www.enrichmentarc.org)

**"It's about life, not limitations"**

"What makes us human is not our mind but our heart, it is not our ability to think but our ability to love." Henri Nouwen

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This message was secured by **ZixCorp**<sup>(R)</sup>.

## Anna Yount

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**From:** North Carolina Symphony <info@ncsymphony.org>  
**Sent:** Thursday, November 29, 2018 7:31 PM  
**To:** Dale Folwell  
**Subject:** North Carolina Symphony News: Grant Llewellyn Named Music Director Laureate

To view this email as a web page, go [here](#).



### **Dear North Carolina Symphony Friends & Family,**

We want you to be among the first to know that today, the North Carolina Symphony Society Board approved the appointment of Music Director Grant Llewellyn as Music Director Laureate beginning in the 2020/21 season.

Grant will conclude his tenure as Music Director at the end of the 2019/20 season, and transition seamlessly to this new role the following season. When he concludes his tenure, Grant will have led the orchestra as Music Director for a remarkable 16 years. Over that time, he has developed the North Carolina Symphony into the outstanding orchestra it is today, while remaining steadfast in his commitment to the

North Carolina Symphony  
3700 Glenwood Avenue, Suite 130, Raleigh, NC 27612  
919.733.2750

## Anna Yount

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**From:** Burley Mitchell <burleymitchell40@gmail.com>  
**Sent:** Thursday, November 29, 2018 8:39 PM  
**To:** Dale Folwell  
**Cc:** Anna Yount; Brenda Williams  
**Subject:** Re: Please check an aged UPD claim filed months ago by Judge Mitchell. Thanks

Wouldn't you know it. Like magic the check arrived in this evening's mail. Thanks again. Burley Mitchell

On Thu, Nov 29, 2018 at 2:10 PM Dale Folwell <[Dale@nctreasurer.com](mailto:Dale@nctreasurer.com)> wrote:  
Thanks to all!!!

**Dale R. Folwell, CPA**  
NC State Treasurer  
Office of the State Treasurer  
Office: [\(919\) 814-3807](tel:9198143807)

3200 Atlantic Avenue, Raleigh, NC 27604  
[www.NCTreasurer.com](http://www.NCTreasurer.com)

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On Nov 29, 2018, at 1:51 PM, Brenda Williams <[Brenda.Williams@nctreasurer.com](mailto:Brenda.Williams@nctreasurer.com)> wrote:

Judge Mitchell,

The claim was originally paid on 4/25/18. According to our records, you mailed the uncashed check back to us on 11/15/18 indicating that the bottom of the check had gotten damaged. A new check was reissued on 11/26/18. You should be receiving the reissued check within 7-10 business days.

Please let me know if you have any further questions.

**Brenda  
D.  
Williams**

[3200 Atlantic Avenue, Raleigh, NC 27604  
www.NCTreasurer.com](http://www.NCTreasurer.com)  
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## Anna Yount

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**From:** Deanna Townsend-Smith <Deanna.Townsend-Smith@dpi.nc.gov>  
**Sent:** Thursday, November 29, 2018 9:22 PM  
**To:** SBE Members; Janet Mason; Roberta Scott  
**Subject:** RE: ISD Requested Documents  
**Attachments:** NEW.ISD SUC School Evaluation Summaries.B.PDF

Hi All:

Attached is the requested information from the ISD. Thanks.

### **Deanna Townsend-Smith, Ed.D.**

*Director of Board Operations and Policy*

State Board of Education

6302 Mail Service Center

Raleigh, NC 27699-6302

[deanna.townsend-smith@dpi.nc.gov](mailto:deanna.townsend-smith@dpi.nc.gov)

(P) 919-807-3608

(F) 919-807-3199

***\*Here to Serve, Transform, Empower and Inspire\****

**From:** Eric Davis  
**Sent:** Wednesday, November 28, 2018 7:22 AM  
**To:** LaTeesa Allen <LaTeesa.Allen@dpi.nc.gov>; SBE Members <SBE@dpi.state.nc.us>  
**Cc:** Eric Hall <Eric.Hall@dpi.nc.gov>; Mark Johnson <mark.johnson@dpi.nc.gov>  
**Subject:** Re: ISD Requested Documents

LaTeesa

Thanks for providing these documents. An additional step that would be helpful is to lift out of the CNAs the key elements and create a composite document of all 6 CNAs similar to the proficiency document. That would assist the Board in seeing more clearly the similarities and differences between the schools under consideration.

Thanks again

Eric C. Davis  
Chair, Member at Large  
NC State Board of Education

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**From:** LaTeesa Allen <[lateesa.allen@dpi.nc.gov](mailto:lateesa.allen@dpi.nc.gov)>  
**Sent:** Tuesday, November 20, 2018 5:16 PM  
**To:** SBE Members  
**Cc:** Eric Hall; Mark Johnson  
**Subject:** ISD Requested Documents

## ISD School Evaluation Summaries

### WILLIFORD ELEMENTARY SCHOOL NASH-ROCKY MOUNT PUBLIC SCHOOLS

	2015 - 16	2016 - 17	2017 - 18
School Performance Grade	F	F	F
School Performance Score	37	26	30
Grade Level Proficiency	27.4	19.0	19.1
Growth Status	Met	Not Met	Not Met
EVAAS Growth (A-I)	-1.27	-6.53	-2.05

#### ENGAGEMENT WITH NASH-ROCKY MOUNT PUBLIC SCHOOLS AND COMMUNITY

- September 28-29, 2017 -- Comprehensive Needs Assessment (CNA) conducted
- Monday, September 17th- School Visit and Meeting with Superintendent, Dr. Jefferies, School Board Chair, Ann Edge.

#### COMPREHENSIVE NEEDS ASSESSMENT SUMMARY OF FINDINGS (September 28-29, 2017)

- Instructional program is not sufficiently grounded in the North Carolina Standard Course of Study, creating misalignment in many lessons
- Multiple resources to meet students' social, emotional, and physical needs and behavioral tools however, the effective planning and provision of academic interventions using data and knowledge of the state standards to differentiate instruction, support student's academic needs, and close learning gaps are not as effective
- Summative data analyzed and shared with students; however, daily formative assessments rarely occur
- While expectations and feedback for improvement are clearly articulated, neither is always fully understood by all staff, which reduces the realization of intended outcomes from them and the impact of instructional monitoring.
- The school is just beginning to adopt a research-based structure (Data Wise) for professional learning communities (PLCs) making the impact of PLCs on instruction undeterminable at this time.

Lacking > Emerging > Embedded > Leading					
Teaching & Learning	Instructional Leadership	Instructional Quality	Professional Capacity	Efficient & Operational Effectiveness	Families & Communities
LACKING	LACKING	EMERGING	LACKING	EMERGING	EMERGING

#### IMPLEMENTED SCHOOL TURNAROUND EFFORTS

- Increased Academic Growth Score from 55.7 to 69.7 and improved Growth Index Score from -6.53 to -2.05
- Reconfigured school to Pre-K-2<sup>nd</sup> grade to focus on Early Literacy
- Hired full time Literacy Coach and two (2) Early Learning Interventionist and these staff play a critical role in classrooms without permanent teachers.
- Hired new Assistant Principal
- School District conducts three-four internal Reviews, Site Based Instructional Rounds each 9wks and Daily Admin Walkthroughs

# ISD School Evaluation Summaries

## FAIRVIEW ELEMENTARY SCHOOL GUILFORD COUNTY SCHOOLS

	2015 - 16	2016 - 17	2017 - 18
School Performance Grade	F	F	F
School Performance Score	38	38	35
Grade Level Proficiency	27.4	29.5	25.6
Growth Status	Met	Met	Not Met
EVASS Growth (All)	-0.4	-1.97	-2.80

### ENGAGEMENT WITH GUILFORD COUNTY SCHOOLS AND COMMUNITY

- **September 25-26, 2018** - Comprehensive Needs Assessment (CNA) conducted
- **Friday, September 21<sup>ST</sup>** - Meeting with Superintendent Sharon L. Contreras and Chief Academic Officer Brian Schultz
- **Tuesday, September 25<sup>th</sup>** - Site Visit with Superintendent and Principal Abe Hege, Chief of Schools Tony Watlington, and School Support Officer Weaver Walden
- **Thursday, September 27<sup>th</sup>** - ISD scheduled to present to Guilford County Board of Education- ISD informed Dr. Contreras they would not present based on the school visit.

### COMPREHENSIVE NEEDS ASSESSMENT SUMMARY OF FINDINGS (Conducted September 25-26, 2018)

- Fairview Elementary School has experienced low academic achievement; however, the school culture is shifting in a positive direction.
- Recent recruitment and retention practices have not stabilized the teaching staff.
- Family engagement and empowerment is in the early phases of development, hindering the amount of support family members can provide to their children.
- Although teachers are required to follow the district's scope and sequence document, many lessons do not adequately align to State standards.
- Effective instructional practices are not consistently utilized to support teaching and learning.
- Effective practices are not in place to ensure a rigorous, relevant core curriculum is available for all subgroups.
- Fairview does not have a shared process for data collection and analysis that effectively supports delivery of appropriate instruction to all students.
- The instructional monitoring process is an early phase of development.
- The School Improvement Plan (SIP) is not currently a living document that drives school improvement.
- Despite professional development and support from years past, teaching and learning remains of low quality in several classrooms.
- The school does not have a process or plan to acquire technology that ensure students have opportunities to develop twenty-first century skills.
- Family engagement and empowerment are at the initial stages of development under the current administration, limiting the school's impact on family members supporting their children.

Lacking > Emerging > Embedded > Leading					
Teacher & Leadership	Instructional Practices	Instructional Leadership	Instructional Monitoring	Planning & Operational Effectiveness	Families & Communities
LACKING	LACKING	EMERGING	LACKING	LACKING	EMERGING



ISD School Evaluation Summaries

**HALL-WOODWARD SCHOOL**  
**WINSTON-SALEM/FORSYTH COUNTY SCHOOLS**

	2015 - 16	2016 - 17	2017 - 18
School Performance Grade	<b>D</b>	<b>D</b>	<b>F</b>
School Performance Score	<b>48</b>	<b>44</b>	<b>38</b>
Grade Level Proficiency	<b>39.6</b>	<b>38.3</b>	<b>31</b>
Growth Status	<b>Met</b>	<b>Not Met</b>	<b>Not Met</b>
EVASS Growth (Yr/Yr)	<b>0.23</b>	<b>-3.02</b>	<b>-3.69</b>

**ENGAGEMENT WITH WINSTON-SALEM/FORSYTH COUNTY SCHOOLS AND COMMUNITY**

- **September 25 – 26, 2018** - Comprehensive Needs Assessment (CNA) conducted
- **September 27, 2018** - Meeting and school visit with Superintendent Beverly Emory and Principal Kenneth Jordan

**COMPREHENSIVE NEEDS ASSESSMENT SUMMARY OF FINDINGS (Conducted September 25-26, 2018)**

- Consistent implementation of many components of the Integrated Behavior Management System (Positive Behavior Intervention Support- PBIS) initiative; many staff members and students report that it has led to improved behavior
- Many learning activities lack rigor, and questions and tasks primarily activate students' lower level thinking skills
- Expectations for behavior are clear to students, but expectations around daily work are not as clearly articulated or understood, making it difficult for students to produce the level of work desired.
- Data analysis processes are in the early stage of development and are not fully understood by all stakeholders.
- Teachers do not have a consistent protocol to determine the impact of daily or weekly instruction on student learning.
- NCStar plan has not been fully developed and stakeholders are unclear of how to implement actions or tasks associated with the improvement goals.
- Instructional monitoring processes are not yet resulting in rigorous and differentiated instruction necessary to significantly improve student achievement.
- Teacher turnover rate has been above both the district and state averages for the past two years.
- Comprehensive professional development plan is not in place.
- The School Improvement Team (SIT) does not have a process to determine and allocate needs.
- School staff uses various modes of communication to keep parents informed of students' academic and behavioral performance.
- Processes and plans to ensure professional learning are implemented with clarity and fidelity are not in place, which slows professional growth.

Lacking > Emerging > Embedded > Leading					
Teaching & Learning	Instructional Leadership	Learning Environment	Professional Learning	Planning & Evaluation	Families & Communities
<b>LACKING</b>	<b>EMERGING</b>	<b>LACKING</b>	<b>LACKING</b>	<b>LACKING</b>	<b>EMERGING</b>

# ISD School Evaluation Summaries

## HILLCREST ELEMENTARY SCHOOL ALAMANCE- BURLINGTON PUBLIC SCHOOLS

	2015-16	2016-17	2017-18
School Performance Status	D	F	F
School Performance Score	47	34	34
Grade Level Proficiency	40.6	29.8	26.5
Growth Status	Met	Not Met	Not Met
EVAAS Growth (All)	-1.19	-8.53	-5.68

### ENGAGEMENT WITH ALAMANCE-BURLINGTON COUNTY PUBLIC SCHOOLS AND COMMUNITY

- Tuesday/Wednesday, March 20<sup>th</sup>-21<sup>st</sup>— Comprehensive Needs Assessment (CNA) conducted
- Tuesday, September 11<sup>th</sup>—Dr. Hall presented to the Alamance-Burlington Public Schools School Board during a work session.
- Friday, September 21<sup>st</sup>- Meeting with District Leadership: Superintendent Bruce Benson; Dr. Jean Maness, Senior Executive Director of Elem. Schools Leadership, and Dr. Reed, Principal.
- Tuesday, September 25<sup>th</sup>-Transformation Process

### COMPREHENSIVE NEEDS ASSESSMENT SUMMARY OF FINDINGS (March 20<sup>th</sup>-21<sup>st</sup> 2018)

- The principal communicates both school and district-level expectations for improving teaching and learning; however, the implementation and monitoring of the practices associated with school and district expectations is inconsistent. Therefore, although they are articulated, expectations are not yielding the level of teaching and learning necessary to improve student achievement.
- The school counselor and administrative staff spend a significant amount of time working with students on behavior management strategies due to the lack of a school-wide behavior management plan. As a result, other counselor and administrative duties are neglected, which limits time spent on other action tasks linked to school improvement.
- The monitoring of and feedback on instruction is not occurring on a consistent basis so that implementation issues can be handled through a supportive coaching process. Consequently, improvement efforts are having little impact on improving teaching and learning.
- Teacher turnover rates have been high, limiting the impact of school-wide professional development offerings on teacher and school growth.
- While the SIT helps develop the school improvement plan, it is unclear how the plan is communicated to staff and parents to gain support and engage them in efforts involving school improvement and transformation.
- Parent and community participation in school improvement efforts is low; however, parent participation in school social events is increasing.

Lacking > Emerging > Embedded > Leading					
Teaching & Learning	Instructional Leadership	Instructional Support	Professional Learning	Planning & Organizing	Facilities & Communities
LACKING	LACKING	LACKING	LACKING	LACKING	LACKING

## ISD School Evaluation Summaries

### CARVER HEIGHTS ELEMENTARY SCHOOL WAYNE COUNTY PUBLIC SCHOOLS

	2015 - 16	2016 - 17	2017 - 18
School Performance Grade	F	F	F
School Performance Score	29	31	27
Grade Level Proficiency	17.7	25.0	18.4
Growth Status	Met	Not Met	Not Met
EVAAS Growth (All)	-1.48	-5.88	-4.08

#### ENGAGEMENT WITH WAYNE COUNTY PUBLIC SCHOOLS AND COMMUNITY

- **Friday, September 28<sup>th</sup>**- Meeting with District Leadership: Superintendent Michael Dunsmore, Assistant Superintendent Tamara Berman-Ishee; Assistant Superintendent David Lewis and School Site Visit with Principal Cortrina Smith and Assistant Superintendent Tamara Berman-Ishee
- **Monday, October 1<sup>st</sup>**-Presented to Wayne County Board of Education; Patricia Burden, Chair and Vice Chair, Raymond E. Smith, Jr.
- **Tuesday/Wednesday, October 2<sup>nd</sup>-3<sup>rd</sup>** – **Comprehensive Needs Assessment (CNA) conducted**
- **Wednesday, October 3<sup>rd</sup>**- School District and Legal Counsel requested an informal meeting with Dr. Eric Hall and ISD Superintendent, LaTeesa Allen. Meeting took place immediately following the SBE Meeting. (Attendees: Superintendent, Assistant Superintendent, Wayne County School Board Chair, and Attorneys).
- **Thursday, October 4<sup>th</sup>**- Wayne County Superintendent Dunsmore and Assistant Superintendent Berman-Ishee requested a Conference Call without Legal Counsel. Dr. Hall and Superintendent Allen participated in conference call as requested.
- **Monday, October 8<sup>th</sup>**- Meeting with Wayne County Board of Commissioners at special called County Commissioners Meeting and Public Meeting was held at Carver Heights Elementary School.

#### COMPREHENSIVE NEEDS ASSESSMENT SUMMARY OF FINDINGS (October 2 – 3, 2018)

- Integrated Behavior Management System/PBIS implemented and Alternative Behavior Educator (ABE) system implemented resulting in improved student behaviors; however, student perceptions of relationships with teachers do not resonate with the positive tone of the programs.
- Administration communicates expectations around instructional practices as well, yet implementation levels vary across the school, causing instructional levels to remain too low. Consequently, student outcomes are diminished.
- Stakeholders are unaware of the direction for the school, and thus improvement efforts wane.
- SIT IS in a beginning phase of implementation; therefore, it is too soon to determine impact.
- Teacher recruitment efforts are limited due to district processes. Many beginning teachers and teaching vacancies persist at Carver Heights. As a result, students' opportunities to access the full range of the curriculum, to grow academically, and attain proficiency are limited.
- The campus is bright, clean, and print-rich, creating an environment that is conducive to learning.
- Carver Heights has a 1:1 technology initiative. However, students have limited access to available devices, and staff use the available resources for basic tasks such as projecting

ISD School Evaluation Summaries

**GASTON MIDDLE SCHOOL  
NORTHAMPTON PUBLIC SCHOOLS**

	2015 - 16	2016 - 17	2017 - 18
School Performance Grade	F	D	F
School Performance Score	38	41	38
Grade Level Proficiency	31.2	31.1	32.0
Growth Status	Not Met	Met	Not Met
EVAAS Growth	-2.58	0.52	-3.23

**ENGAGEMENT WITH NORTHAMPTON PUBLIC SCHOOLS AND COMMUNITY**

- May 5-6, 2015 - Comprehensive Needs Assessment (CNA) conducted
- Friday, September 21<sup>ST</sup> - Conference Call meeting with Dr. Smith-Woofter
- Monday, October 8<sup>th</sup> - Site Visit with Superintendent Monica Smith-Woofter and Principal Tomeka Robinson-Rescheduled for October 11<sup>th</sup>
- Thursday, October 11<sup>th</sup> - Site Visit with Superintendent Monica Smith-Woofter and Principal Tomeka Robinson-Rescheduled for October 15<sup>th</sup>
- Monday, October 15<sup>th</sup> - Site Visit with Superintendent Monica Smith-Woofter and Interim Principal Tomeka Robinson

**COMPREHENSIVE NEEDS ASSESSMENT SUMMARY OF FINDINGS (Conducted May 5-6, 2015)**

- New Leadership at the school beginning in May 2015, prompting a positive shift in school culture
- No plan for providing comprehensive support services, academic advisement, character education, or assistance to students most in need
- Although strategies and activities align to the learning targets, they vary in the level of rigor required for mastery of the state standards
- PBIS not implemented with fidelity
- Summative data analyzed and shared with students; however, daily formative assessments rarely occur
- No shared direction or plan for improvement-limiting buy-in
- Inconsistency in teacher support and feedback
- SIT lacks an effective process for managing implementation of SIP and monitoring effectiveness, limiting school reform efforts.
- Structures in place to monitor instruction, but the process is not robust enough to improve the practices of all teachers, limiting learning for some students
- Minimized effectiveness of master schedule; poor use of extended time for planning and electives.
- Parent involvement includes same parents, but those who are engaged, find value in attending school events
- After-school tutoring and transportation offered three days a week for students who wish to stay; students and parents value the support

*School would like another CNA for all schools in the district*

Lacking > Emerging > Embedded > Leading					
Results Category	Instructional Practices	Instructional Leadership	Professional Capacity	Planning & Operational Effectiveness	Families & Communities
EMERGING	LACKING	EMERGING	EMERGING	EMERGING	EMERGING

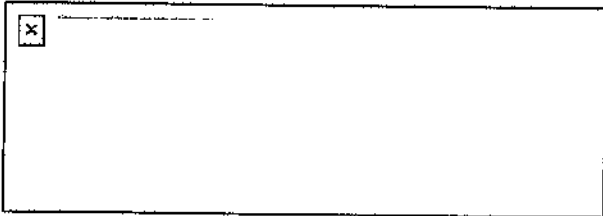
**Anna Yount**

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**From:** NCGOP Communications <communications@nc.gop>  
**Sent:** Thursday, November 29, 2018 9:50 PM  
**To:** Dale Folwell  
**Subject:** PRESS RELEASE: Democrats Throwing Everything At The Wall In Effort To Steal Ninth Congressional District Race

FOR IMMEDIATE RELEASE: Democrats Throwing Everything At The Wall In Effort To Steal Ninth Congressional District Race Raleigh, NC — North Carolina...

*Hello, Dale! You are receiving this email because you signed up to receive emails from North Carolina Republican Party. To opt out of future emails, [click here](#).*



**FOR IMMEDIATE RELEASE:**

## **Democrats Throwing Everything At The Wall In Effort To Steal Ninth Congressional District Race**

**Raleigh, NC** — North Carolina Republican Party Chairman Robin Hayes released the following statement:

"The North Carolina State Board of Elections and Ethics Enforcement has a legal and moral duty to certify Congressman-Elect Mark Harris' winning bid for Congress on Friday. If not, immediate court action will follow.

"There are simply not enough absentee ballots in question to change the result. Mark Harris was elected to Congress. Mark Harris is going to Congress. Democrats don't get a do-over based on unverified rumors that were not even put in an official election protest as required by law.

"We encourage all allegations of voter fraud to be investigated and prosecuted, and perpetrators should go to prison. However, Democrats are throwing everything, including the kitchen sink, at the wall to try and steal an election. This madness must end tomorrow."

###

**Anna Yount**

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**From:** pwchauncey <no-reply@share.wsj.com>  
**Sent:** Thursday, November 29, 2018 10:24 PM  
**To:** Dee Jones; Dale Folwell  
**Subject:** WSJ.com: New models of employee health coverage incentivize providers to seek savings, writes Alain Enthoven



FYI, Sending this to note that there are others who hold the view that other approaches have merit (none perfect however) and that FFS is not the ideal end state... Regards,



## New models of employee health coverage incentivize providers to seek savings, writes Alain Enthoven

*Alain Enthoven*

Most self-insurance plans let bills grow unrestrained, but new models encourage providers to seek savings.

[Read full article →](#)

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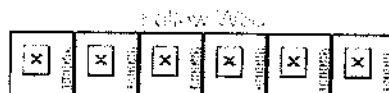
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