

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



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

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About the Department

Dale R. Folwell, CPA serves as the State Treasurer. The North Carolina Department of State Treasurer serves the people of North Carolina through a variety of functions related to the financial health of the state and its citizens. The Department has approximately 400 employees and is comprised of the following divisions:

Office Of State Treasurer

The Office of State Treasurer is an administrative unit that provides services to the rest of the Department. Its functions include legal services, external affairs and communications, human resources, internal auditing, and compliance.

State and Local Government Finance

The State and Local Government Finance Division manages the sale and delivery of most debt issued by the State and by local governments and public authorities and monitors the repayment this debt. The Division provides fiscal oversight of local governments and public authorities in North Carolina regarding their financial condition and compliance with governmental accounting standards, North Carolina General Statutes, and best practices in government finance. The Division serves as staff to the Local Government Commission (LGC), the North Carolina Capital Facilities Finance Agency (NCCFFA), and the Debt Affordability Advisory Committee (DAAC) in fulfilling their respective statutory functions and responsibilities.

Investments

The Investment Management actively invests and manages the State's pension funds and other assets entrusted to the Department. The Division is organized into teams that are responsible for day-to-day oversight and management of broad portfolios of investments and which coordinate with other teams in capital allocation and risk management processes. Standing teams are:

- Real Estate
- Private Equity
- Investment Grade Fixed Income
- Public Equity
- Opportunistic Fixed Income
- Inflation Sensitive
- Multi-Strategy

In addition to the core Fixed Income assets, the Investment Grade Fixed Income team also manages the Short-Term Portfolio as part of the Cash Management Program.

State Health Plan

The North Carolina State Health Plan for Teachers and State Employees provides health care coverage to more than 740,000 teachers and local school personnel, state employees, retirees, current and former lawmakers, state university and community college faculty and staff, and their dependents.

Unclaimed Property

The primary purpose of the Unclaimed Property Division is to collect and provide safekeeping for unclaimed and abandoned property, attempt to reunite unclaimed property with rightful owners, and invest funds collected to maximize the greatest earnings for the Escheat Fund. Earnings from the Escheat Fund are used by the North Carolina Education Assistance Authority to provide grants and low interest loans to North Carolina students in state supported schools of higher education.

Retirement Systems

The North Carolina Retirement Systems is the 9th largest public pension fund in the country. It provides retirement benefits and savings for more than 950,000 North Carolinians, including teachers, state employees, local governments, firefighters, police officers and other public workers. The Retirement Systems Division administers the statutory retirement and fringe benefit plans as authorized by the General Assembly of North Carolina. These include eight major pension retirement plans:

- Teachers' and State Employees' Retirement System (TSERS)
- Teachers' and State Employees' Retirement System for Law Enforcement Officers (TSERS LEO)
- Local Governmental Employees' Retirement System (LGERS)
- Local Governmental Employees' Retirement System for Law Enforcement Officers (LGERS LEO)
- Consolidated Judicial Retirement System (CJRS)
- Legislative Retirement System (LRS)
- Fire & Rescue Squad Workers' Pension Fund (FRSWPF)
- Disability Income Plan of North Carolina (DIPNC).

In addition, RSD works with the North Carolina National Guard (NCNG) to provide pension payments to National Guard retirees.

Retirement Systems is also responsible for overseeing defined contribution plans and programs for all state agencies, local employers and employees, as well as the NC ABLE savings program for individuals living with disabilities.

Financial Operations

The Financial Operations Division is responsible for the efficient and prudent management of state held assets. The Division is comprised of four areas: Procurement and Contracting, Banking Operations, Bank Reconciliation Unit, and Accounting.

Our **Procurement and Contracting** team ensures compliance and consistency in purchasing and contracting. **Banking Operations** serves as the banking hub for all State government departments, agencies, institutions, and universities. **The Bank Reconciliation Unit** is responsible for reconciling all of the State Treasurer's bank accounts as well as reconciling budget code balances between the Office of State Controller and DST. **Accounting** manages the accounting and financial reporting for all funds that are deposited, invested and disbursed through the Department of State Treasurer including the \$100 billion investment pool and banking programs.

Information Technology

The Information Technology Division's primary purpose is to plan, develop, implement and support the technology systems that meet the operational needs of the Department of State Treasurer.

Mission, Vision, and Values

Mission

Our mission is to preserve, protect and sustain the state’s pension and healthcare plans, reduce investment fees while maximizing returns, properly account for and report on all funds that are deposited, invested, and disbursed through the North Carolina Department of State Treasurer, assure the financially sound issuance of debt for state and local governments, maintain the state’s “AAA” bond rating, and provide exemplary service across all divisions of the Department.

Vision

Our vision is to sustain and advance the performance and efficiency of the North Carolina Department of State Treasurer, always focusing on our loyalty and duty of care to participants.


Values


At the heart of the Department's work are its values, which are implemented consistently at all levels and across all divisions.

Our first value is **Fiduciary Duty**. We always focus on the taxpayers of the State of North Carolina. Our second value is **Integrity, Ability and Passion**. We ensure that all North Carolina Department of State Treasurer employees are guided by these three principles as they perform their duties. Our third value is **Make a Generational Difference**. We always focus on the big picture. Our final value is **Transparency**. We structure and conduct all aspects of our work with an open and transparent policy that promotes trust and accountability.

Goal 1: Provide Public Leadership in Finance, Fiscal and Health Policy

Office of State Treasurer

Updates to 2021-23 Initiatives	
 <p>Ongoing</p>	<p>Utilize Communications Assets to Drive Business Goals</p> <p>The Communications team will continue to build and use assets to support the Department’s business goals. An example of this is utilizing social media channels to raise awareness about conditions like diabetes and Chronic Obstructive Pulmonary Disease, which are primary drivers of cost in the Department’s State Health Plan. The Communications team will continue to help drive business efficiencies, reductions in costs, and increases in customer satisfaction.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Increase the total value and reach of Communications assets like distribution lists, numbers of social media followers, and press engagement• Find ways to tie Department Communications to business goals; like promoting automated 1099 forms in Retirement System to decrease the number of calls for help

 <p>Ongoing</p>	<p>Renewed Focus on Social Media Operations for Individual Divisions</p> <p>The Communications team has put significant effort into overhauling its social media operations. The team plans to renew these efforts by focusing on social media operations for individual divisions.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Develop specific social media metrics to continually monitor • Improve social media metrics for State Health Plan, Retirement Systems Division, and State & Local Government Finance Division-related content • Increase quality and quantity of content that gets engagement, special emphasis on graphics and video
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State & Local Government Finance Division

Implement Solutions to Systemically Protect Public Finances

Research and Solve Underlying Problems That Cause Late Audit Submissions

Local governments are required to submit annual audited financial statements to the State and Local Government Finance Division pursuant to NC General Statute 159-34. The Division will continue to take steps to ensure that local units comply with this statute. This year we plan to research why units sometimes struggle to submit audits on time.

Performance Measures and Milestones

- Reach out to local government, the independent governmental audit community, and other stakeholders to learn more about challenges
- Identify potential resources, process changes, or other supports or solutions to address the issue of late audits
- Presentation to the Local Government Commission¹ summarizing challenges and proposed solutions

Predictive Model for Local Government Fiscal Viability

Develop a predictive model that will identify, capture, and analyze key metrics and factors associated with the long-term fiscal viability of local governments and anticipate fiscal issues and at-risk units. Provide results to policy makers to assist them in developing and implementing long term solutions.

Performance Measures and Milestones

- Development of model

Increased Financial Management Training for State and Local Governments

The State and Local Government Finance Division plans to develop and promote easily accessible fiscal management training for local government finance staff, managers, and elected officials. We will collaborate with outside organizations as needed to help develop content and promote the training to stakeholders. We will also continue to support "Local Government Finance: A Practical Approach" at community colleges around the state.

Performance Measures and Milestones

- Contacts made to all relevant stakeholders, including the NC League of Municipalities² and the University of North Carolina School of Government
- Meet the training needs of all public finance entities across the State
- Improved knowledge of public finance across North Carolina

¹ The Local Government Commission or LGC, established by General Statute 159-3, aids local governments and public authorities in North Carolina.

² The North Carolina League of Municipalities is an organization that represents the interests of towns and cities in North Carolina.

Assist State-Level Policymakers to Assess the Implications of Various Capital Funding and Debt Issuance Scenarios

Through the publication of the Debt Affordability Advisory Committee³ study and analysis of various debt or capital funding initiatives, provide material information to the Governor, General Assembly, and other policymakers. Provide legal and financial review of proposed legislation regarding debt.

Performance Measures and Milestones

- Annual publication of Debt Affordability Advisory Committee report and other analyses as requested

Develop Legislation to Allow the Local Government Commission to Recommend Units for De-Charter in Certain Circumstances

Propose and support legislative efforts to provide pathways to repeal municipal charters⁴ when their finances and/or management repeatedly fail to meet adequate standards jeopardizing the ability of the unit to meet the needs of their citizens and requirements of the State.

Performance Measures and Milestones

- Enactment of Historic Charter⁵ legislation

Continue The Role of The Local Government Commission as A Leader in Public Finance and Fiscal Management

Educate members of the General Assembly and local government officials on best practices in debt management; educate local government officials and staffs on prudent financial decision making and fiscal responsibility.

Performance Measures and Milestones

- Positive and favorable response by members of the General Assembly to 1) Department of State Treasurer budget requests; 2) Department of State

³ The Debt Affordability Advisory Committee is a committee housed within the Department of State Treasurer that reviews the State's capacity to take on debt.

⁴ A municipal charter is a legal document (charter) from that State that formally establishes a municipality such as a city or town

⁵ A historic charter is a solution posed by the State and Local Government Finance Division to formally recognize small historic municipalities while removing administrative barriers.

Treasurer legislative requests; 3) Department of State Treasurer views on proposed legislation

Leverage Communications to Promote Strong Financial Practices

The Department's Communications team plans to highlight the Local Government Commission and the Local Government Finance Division's work in helping local governments maintain good financial practices.

Performance Measures and Milestones

- Increased coverage of state and local government finances in traditional and social media channels
- Improvement in awareness of the Local Government Commission among Department stakeholders

Updates to 2021-23 Initiatives	
<input checked="" type="checkbox"/> Complete	<p>Course For Local Elected Officials</p> <p>Collaborate with the North Carolina League of Municipalities, North Carolina Association of County Commissioners⁶, and the University of North Carolina School of Government to develop easily accessible fiscal management training for local government elected officials.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Participate in meetings to develop content• Provide subject matter expertise to guide scope and content of training

⁶ The NC Association of County Commissioners is a group that advocates on behalf of North Carolina counties.

<p style="text-align: center;">X</p> <p>Re-Prioritized</p>	<p>Expansion Of ACC 3240</p> <p>“Local Government Finance: A Practical Approach” was developed in 2016 by the State and Local Government Finance Division with input from the NC League of Municipalities, the NC Association of County Commissioners, and various units of local government. This course was initially offered at community colleges throughout the state.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Encourage campuses to offer the class • Assist in finding appropriate instructors • Encourage units to make full use of the course
<p style="text-align: center;">X</p> <p>Re-Prioritized</p>	<p>Fiscal Training Materials for Local Governments</p> <p>Provide modern training and tools to local governments via the internet, including webinars, videos, and interactive websites.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Increased traffic on State and Local Government Finance Division training webpage • Document usage and surveys of various products
<p style="text-align: center;">X</p> <p>Re-Prioritized</p>	<p>Develop And Implement Rules Concerning Financial Advisor Engagements with Local Government Units That Are Proposing Debt Issuance to Finance Capital Projects</p> <p>General Statute 159-123(e) requires Local Government Commission approval of engagements of financial consultants with local governments that are considering issuing debt to finance their capital projects. Currently there are no rules in place to guide Commission staff, and these engagements often are approved “after the fact”. Commission staff is seeking rules to ensure efficient and effective financial advisor engagements with local governments.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Rules which establish uniform procedures for approval of financial consultant engagements

Investment Management Division

Provide Professional Institutional Investment Management Services to Support State Workers, Taxpayers, And Their Families.

Further Develop Internal Management⁷ Capabilities

The Department has achieved significant cost savings by expanding its internal investment management capabilities. We hope to further develop our internal management capabilities to increase the long-term value that we provide.

Performance Measures and Milestones

- Evaluate investment strategies that could be managed effectively with internal resources
- Conduct a cost-benefit analysis of implementing any identified strategies
- Implement changes that drive value for the Department's stakeholders

Continue Efforts to Increase Cost Effectiveness and Reduce Complexity

It is our duty to maximize our risk-adjusted returns for North Carolina retirees and citizens. One way that we do this is by continually evaluating our investment management fees, administration costs, and portfolio complexity.

Performance Measures and Milestones

- Maintain low investment costs with high-cost effectiveness compared to peers as measured by the annual CEM investment cost effectiveness analysis⁸
- Identify and evaluate transitioning to investment structures and approaches that support cost-effectiveness

⁷ Internal Management is when internal staff execute trades directly on behalf of the Investment Management Division.



⁸ Benchmarking means comparing investment performance to a standard of performance. For example, comparing NC Retirement Systems performance to the S&P 500.

Continue to Enhance the Investment and Administrative Support to the Ancillary Governmental Participant Investment Program

We will continue to provide low-cost institutional investment options and high-quality customer service and support to participants within the Ancillary Governmental Participant Investment Program.

Performance Measures and Milestones

- Evaluate operational processes to ensure efficiency and effectiveness
- Monitor existing investment options to ensure suitability for the program

Updates to 2021-23 Initiatives	
 Complete	<p>Conduct an Asset Liability Management Study</p> <p>It is best practice to periodically evaluate the objectives, risk tolerances, and constraints that drive the long-term strategic asset allocation for the investment portfolio. This evaluation considers the interaction of assets, liabilities, and associated funding policy to provide a holistic view of the retirement systems.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Completed Asset Liability Management study • Propose Changes to Long-Term Asset Allocation Policy and Investment Policy Statement
 Ongoing	<p>Determine Long-Term Effectiveness of Management Account Platform</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Cost benefit analysis of current use and long-term projections • Assessment that fees, lockups, and terms are materially better than commingled market • All-in cost of vehicles on Managed Account Platforms have at least 35bps savings versus commingled market

<input checked="" type="checkbox"/> Complete	<p>Expand Internal Management</p> <p>The Department may be able to provide even more long-term value for the State by increasing its internal management strategies.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Complete cost benefit analysis of internal needs (infrastructure, resourcing, etc.) versus external management
<input checked="" type="checkbox"/> Complete	<p>Asset Liability Study⁹</p> <p>Conduct an asset liability study to determine if changes to the long-term asset allocation policy is needed.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Complete study with proposed changes to long term asset allocation policy and investment policy statement

State Health Plan

Preserve And Strengthen Health Care Benefits for State Workers and Their Families

Maintain the State Health Plan’s Financial Sustainability

The State Health Plan has a \$32 billion unfunded liability because of rising health care costs and historic underfunding. The Department will do all that it can to protect this benefit for current and future members by securing adequate funding to protect against shortfalls.

⁹ An asset-liability study is a report that helps money managers to make investment decisions based on asset allocation and investment risk.

Performance Measures and Milestones


- Secure needed funding in 2023-2024 and subsequent state budgets
- Secure funding from the NC General Assembly through various funding strategies to include the Hospital Charge Rate Innovation Stabilization Program
- Support and execute legislation to collect overpayments from former state employees using private sector wage garnishment

Leverage Communications to Address Medical Industry Abuses


The Department will highlight abuses in the medical industry that hinder the State Health Plan's ability to provide quality, affordable, and accessible healthcare for its members.

Performance Measures and Milestones

- Increased coverage of abuses in traditional and social media
- Legislative activity focused on addressing the identified abuses



Updates to 2021-23 Initiatives	
 Re-Prioritized	<p>Evaluate And Develop Clear Pricing Project¹⁰ Strategy</p> <p>The State Health Plan’s Clear Pricing Project was developed to secure the Plan’s financial future and to promote quality, accessible health care. The goal is to ensure that members have this valuable benefit for years to come, while bringing transparency to health care expenses and addressing the rising health costs that members face every day.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Develop a viable alternative payment model strategy• Expand Alternate Payment Models to focus on high-quality, cost-effective Clear Pricing Project providers

¹⁰ The Clear Pricing Project is a project to sign up providers with the State Health Plan to get rid of secret contracts, making health care more affordable and transparent.

 <p>Ongoing</p>	<p>Improve The Member Experience While Educating Members About How to Use Plan Benefits</p> <p>Navigating health benefits can be daunting for members. The Plan has a duty to proactively educate members about their health benefits. The Plan does this by educating stakeholders, and by reaching out to members and Health Benefits Representatives¹¹.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Continue providing Health Benefits Representatives education and training opportunities by building specialized training modules within the web-based remote learning tool • Continue building health plan literacy via webinars and on-site events including outreach efforts for members turning 65 • Research new ways to engage members through various platforms to promote the plan through new channels that attract members of all ages • Promote additional programs to members, such as Blue365¹², to encourage members to take advantage of the discounts and incentives available which are part of their health care benefits
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¹¹ Health Benefit Representatives are representatives who liaison with the State Health Plan to help their organizations (mostly units of North Carolina government) understand the employee health benefit.

¹² Blue365 is a program through Blue Cross Blue Shield that offers members health and wellness discounts.



 <p>Ongoing</p>	<p>Work Toward Full Compliance with New Federal Rules and Regulations</p> <p>The American Rescue Plan Act of 2021 and the Transparency In Coverage federal rule began on January 1, 2022, and has several impacts on the Plan.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Develop and implement Consolidated Omnibus Budget Reconciliation Act¹³ notice and premium changes required by the American Rescue Plan Act of 2021 along with an accompanying employing unit reporting and invoice requirements • Analyze regulations contained in Section 2715A of the Public Health Service Act, which provides that group health plans and health insurance issuers offering group or individual health insurance coverage must comply with section 1311(e)(3) of the Patient Protection and Affordable Care Act
 <p>Ongoing</p>	<p>Implement Provider Reimbursement Strategy</p> <p>Transition the State Health Plan to a reference-based pricing¹⁴ model to reimburse providers based on a percentage of Medicare rates.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Provider participation • Quality of member care/improvement in health outcomes • Overall cost reductions (including overpayment prevention/recovery/payment integrity generated from additional contractual language) • Provider access

¹³ The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances

¹⁴ Reference Based Pricing is a pricing methodology that prices a claim or bill for medical services starting at a benchmark or reference price, such as a multiple of rates paid by Medicare.

 Ongoing	<p>Improve Member Experience</p> <p>Enhance the member enrollment workflow in enroll which the online member enrollment portal is provided through the Benefit Focus contract.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Post Open Enrollment feedback from Members and HBRs as well as the types and number of exception requests
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Retirement Systems Division

Updates to 2021-23 Initiatives	
 Ongoing	<p>Promote Long-term Sustainability of The NC Retirement Systems</p> <p>Seek changes to the systems that will preserve and protect the systems such that they may continue to be operated in a fiscally prudent manner.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Actions to reduce cost and volatility
 Ongoing	<p>Improve the Effectiveness of Disability Programs¹⁵</p> <p>Seek changes to disability programs that will increase effectiveness at providing benefits to eligible members. Promote administrative efficiencies while improving the capabilities of the Medical Board¹⁶ to assess applicants.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Department proposes actions to improve efficiency and effectiveness of disability programs


¹⁵ The NC Retirement System administers the disability program for members of the NC Retirement System

¹⁶ The Medical Board is a board of doctors that reviews disability claims

 Ongoing	<p>Reduce Overpayments¹⁷ and More Effectively Collect Them When They Occur</p> <p>Evaluate policy and legislative proposals to prevent and identify, collect overpayment balances owed to the Retirement Systems Division.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Overpayment collections increase; outstanding collectible balances decrease
 Ongoing	<p>Effective Compliance Oversight</p> <p>Our division operates in an increasingly challenging compliance environment. The risk of fraud and noncompliance with federal laws and regulations, state laws and administrative code is significant. We plan to enhance our compliance program to best protect the fiscal integrity of the NC Retirement Systems.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Department adds qualified staff to perform audits and improve processes
 Ongoing	<p>Retirement Planning Conferences and Tours</p> <p>Leverage employer relationships and technology to increase member participation in the NC Supplemental Retirement Plans</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Increased participation in NC Supplemental Retirement Plans¹⁸

¹⁷ Overpayments are when a retiree or other benefit recipient is paid more than they are owed.

¹⁸ Supplemental Retirement Plans offers retirement savings accounts designed to help public employees in North Carolina achieve their retirement goals beyond the standard Defined Benefit plan.

 Ongoing	<p>Reduce Retiree Outflow from The Supplemental Retirement Plans</p> <p>Leverage communication tools and investment options to retain participants and assets in the plans to maintain competitive participant fees and services.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Reduce participant and assets outflow from the Supplemental Retirement Plans
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Financial Operations Division

Implement and Maintain the State’s Financial Systems.

Successfully Implement the North Carolina Financial System

The State is implementing a new Enterprise Resource Planning system called the North Carolina Financial System in October 2023. The Financial Operations Division will be tasked with establishing team leads and training roles within the Department, including assistance to other NC Department of State Treasurer staff.

Performance Measures and Milestones

- Develop new policies, procedures, and desktop guides of related functions within all sections
- Develop and implement strong internal controls for the new system
- Final implementation of the new system at NC Department of State Treasurer by April 2024

Obtain Needed Funding for The Increased Contracting Costs to Support the Statewide Banking System


The current banking system has been in service since 2003. It has many technical limitations. The annual cost of the banking system doubled from the 2015 contract (approximately \$850K) to the 2019 contract (approximately \$1.7 million) primarily due to the current system utilizing the cloud. The Department of State Treasurer estimates a 10% increase in annual contract costs of the main banking system as well as supporting systems to the banking system such as imaging and collateral processing.

Performance Measures and Milestones

- Request \$300,000 in recurring funds to pay for contractual costs related to the banking system
- Explore and analyze other banking software solutions and estimate related costs
- Pay all contractual costs in a timely and prudent manner


Updates to 2021-23 Initiatives



<input checked="" type="checkbox"/> Complete	<p>Implement Long Term-Strategy for Respondent Banking Services for The State Of North Carolina</p> <p>Banking clears approximately 3 million warrants per year. The Federal Reserve presents these warrants through the Fed Master Account of a commercial bank that Banking reimburses twice daily. As banks migrate away from providing respondent banking services, Banking will seek to identify and implement a long-term, cost-effective solution to replace the current respondent banking service. Banking will utilize the assistance of Procurement and Contracting to procure the solution and be focusing on the sustainability of the solution, impact to State entities, and the cost to implement and maintain the solution.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Implement vendor to provide replacement for respondent banking services
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 Ongoing	<p>Support The Office of State Controller to Help Successfully Implement All Phases of The North Carolina Accounting System</p> <p>The Office of State Controller is working to meet the legislative requirement to replace the North Carolina Accounting System and the Cash Management Control System. Both systems present risks to the financial operations of the State as they age, go out of support, and as the State personnel who maintain them retire. The Office of State Controller is replacing the North Carolina Accounting System and Cash Management System with Oracle Cloud Financial applications. The new system is a fully integrated single repository that will serve as the State’s new financial backbone. This new system is referred to as the North Carolina Financial System.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Timely and successful implementation of the system
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Goal 2: Enhance Accountability of Department Services

Office of State Treasurer

Updates to 2021-23 Initiatives	
 Complete	<p>Obtain An External Quality Review</p> <p>The Internal Audit Act requires all internal audit functions to conform with the Standards for the Professional Practice of Internal Auditing issued by the Institute for Internal Auditors. Based on Standard 1312, quality assurance reviews should be performed every five years. The Department of State Treasurer’s last review was performed in March 2016.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Completion of a successful review by the end of 2021 • Enhancement of Compliance and Ethics Program • Continue to develop and strengthen the compliance and ethics program to meet Department-wide needs • Compliance staff train and advise on internal compliance and ethics matters and provide, or otherwise make available, training for staff as needed

 Ongoing	<p>Maintain Compliant, Modern Department Web Assets</p> <p>The Office of State Treasurer recently completed a major overhaul of the Department’s main website. Our websites are now a vital element for many Department operations. We plan to take action to ensure that our sites remain modern and up to date. We want them to function well into the future.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Move Department web assets to.gov domain names in compliance with new federal rules • Migrate all websites to Drupal 8 and 9. These are major overhauls to the infrastructure of our Content Management Systems
 Complete	<p>Enhancement of Compliance Program</p> <p>Further develop compliance program for improvement in meeting compliance requirements with internal and external policies</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Compliance staff complete training related to internal compliance and ethics

State & Local Government Finance Division

Preserve And Protect North Carolinians’ Access to Clean Drinking Water and Treated Wastewater

Support Implementation of NC Session Law 2020-79 And the Viable Utility Reserve¹⁹

In collaboration with the University of North Carolina School of Government, local governments, the Department of Environmental Quality, and other stakeholders, we will continue to support and implement the requirements of Viable Utility Reserve legislation and help to identify and implement long-term solutions for struggling water and wastewater systems around the state.

Performance Measures and Milestones

- Make recommendations to create more viable long-term enterprises

Updates to 2021-23 Initiatives	
<input checked="" type="checkbox"/> Complete	<p>Enhance Efficiency, Effectiveness, And Transparency of Financial Management by Providing Subject Matter Expertise to Local Governments Seeking an Automated Financial System Meeting the Requirements Of North Carolina Local Governments</p> <p>Work with Steering Committee comprised of the NC Department of State Treasurer, the NC League of Municipalities, and NC Association of County Commissioners representatives to requirements for a system that meets the needs of smaller units and the State; develop proposals for a structure to facilitate the selection and purchase of the system by units.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Selection of a system that meets stakeholder needs

¹⁹ A viable system is a utility that functions as a long-term, self-sufficient business enterprise, establishes organizational excellence, and provides appropriate levels of infrastructure maintenance, operation, and reinvestment that allow the utility to provide reliable water services now and in the future.

Investment Management Division

Serve As a National Model for Transparency and Ethics in Public Finance

Continue to Demonstrate Our Commitment to Transparency, Accountability, and Compliance with Fiduciary Principals

North Carolina’s retirement system is known for its transparency and for its commitment to a strong ethical framework. The Investment Management Division will continue to lead in this sector of public finance.



Performance Measures and Milestones

- Continue to provide stakeholders with high levels of public information compared to our peers, as reviewed during the Governance, Operations, and Investment Practice review
- Continue to develop and improve upon policies and procedures surrounding ethics and legal compliance

Updates to 2021-23 Initiatives

<p><input checked="" type="checkbox"/></p> <p>Complete</p>	<p>Evaluate Recommendations Coming Out of The Third-Party Governance, Operations, And Investment Practices Review</p> <p>To ensure the investment management process continually evolves to maintain effectiveness and efficiency, it is important to obtain a third-party evaluation of the process, and then incorporate recommendations as appropriate.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Evaluate the cost benefit analysis of the recommendations and implement the ones that are determined to add value
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State Health Plan

Updates to 2021-23 Initiatives	
 Ongoing	<p>Enhance Member Experience and Outreach</p> <p>Research ways to utilize new technology or other strategies to assist with the Plan’s education and outreach efforts to enhance members’ understanding and use of Plan benefits.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Research new communication technology or vendor partnerships relative to member outreach • Research vendor capabilities or permanent part-time employment opportunities to provide direct outreach
 Re-Prioritized	<p>Develop Plan Design Modernization Strategy</p> <p>Analyze opportunities to modernize and enhance the Plan’s benefit offerings, while providing ways to financially sustain the Plan.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Research Information Technology capabilities, needs, processes, and updates • Increase technology for Plan staff • Consider offering two actuarially different plan designs for active employees • Consider offering Health Savings Account/Health Reimbursement Account • Design strategy to increase dependent participation by using Plan savings or requesting that the NC General Assembly allow us to lower the dependent cost to \$525-\$550 • Research policy allowing the State Health Plan to offer the Plan to community college and University system students

Unclaimed Property Division

Allow Third Parties to Assist Holders with Statutory Requirements to Increase Compliance with Statutes

Enhance Holder Relationships

All companies doing business in North Carolina are required to review their financial accounts annually and to determine if they are holding reportable unclaimed property. If they are, such companies (holders²⁰) are required to submit a Holder Report with the Division, and to remit or deliver the unclaimed property to the Department. The Department plans to make this process easier.

Performance Measures and Milestones

- Propose legislation that will allow holders to utilize third parties to perform due diligence and to file Holder Reports on behalf of the holder
- Propose legislation that will allow increased third-party data regarding filings by holders

Protect Consumers and Their Property

Protect Consumer Data from Misuse

Portions of the data processed by the Division could be misused. The Department will work to protect sensitive information, while supporting the right of the public to have as much information as practicable.

²⁰ A holder is a business entity, such as a corporation, partnership, sole proprietorship, retailer, manufacturer, financial institution, governmental agency, university, hospital, utility, insurance company, and others that possesses unclaimed property. The property must be turned over to the State.

Performance Measures and Milestones


- Limit the ability of unregistered property finders to act outside of NC General Statute 116-78 and NC General Statute 116-78.1
- Propose legislation to exclude owner dollar amount from being a required public record item


Formalize Fraud Prevention and Detection Strategies and Processes

The Division will implement vendor software that will assist in identifying potential high risk or fraudulent claims and request for a new position dedicated to fraud research via expansion budget.

Performance Measures and Milestones

- Establish Fraud prevention and detection technology and internal procedures will be established to detect, prevent, and report possible fraudulent claims
- Develop a training module for new employees that that includes fraud prevention and detection strategies
- Provide annual refresher training for existing employees
- Devote a new full-time position to fraud identification

Updates to 2021-23 Initiatives	
 Re-Prioritized	<p>Expand Targeted Holder Education to Increase Compliance and Address Specific Holder Issues and Questions</p> <p>The Unclaimed Property Division will expand efforts to engage and educate holders regarding Unclaimed Property reporting laws through presentations and training sessions held virtually or in person and through web-based information and tools.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Quarterly holder education sessions• Reach more industry figures and participants through a variety of Holder Education session formats• Increase the number of holders that are first-time filers by 10%

 Re-Prioritized	<p>Expand Targeted Holder Education to Address Specific Holder Issues and Questions</p> <p>The Unclaimed Property Division will expand efforts to engage and educate holders regarding Unclaimed Property reporting laws through presentations and training sessions held in person and through web-based tools.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Holder Education sessions will be held throughout the year • Reach an increased number of industry participants through a variety of Holder Education session formats • Holder Education will assist in increasing the number of holders that are first-time filers each year
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Retirement Systems Division

Preserve And Protect the Defined Benefit Plan For State Government Workers, Taxpayers, And Their Families




Contributions-Based Benefit Cap II Implementation


This initiative addresses cases where an employee receives significant salary increases that result in the monthly retirement benefit exceeding what the employee's contributions would be expected to fund.

Performance Measures and Milestones

- Complete enhancement requirements by March 31, 2023
- Complete testing and final bug fixes by December 12, 2023
- Enhancement successfully implemented and operational by December 15, 2023

Updates to 2021-23 Initiatives

 <p>Ongoing</p>	<p>Re-Shape the Learning and Development Program</p> <p>Build a team of trainers and coaches to support RSD’s learning needs by assessing capability gaps, designing effective learning paths, and providing ongoing assessments, training, and coaching in a standardized and trackable manner.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Partnering with Retirement Systems leadership to better assess and support their needs • Increase staff engagement, morale, and retention • Create new training mediums and documents to meet the needs of a diverse work environment
 <p>Ongoing</p>	<p>Improve Transparency of Administrative Code Processes</p> <p>Commit resources to the development, review, and update of administrative rules governing the work of Retirement Systems staff and the Boards of Trustees</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Administrative rules considered for all new legislation and project evaluating its existing status is completed • Department adds qualified staff to perform audits and improve processes
 <p>Ongoing</p>	<p>Design, Develop and Implement Effective Medical Board Oversight Processes</p> <p>Leverage technology and industry best practices to assess applications for disability benefits consistently and effectively</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Department proposes legislative or operational updates as necessary based on review • Department requests funding for administration

 Ongoing	<p>Lower Employer Payroll Errors of Member Records Submitted to the Retirement Systems Division</p> <p>We will work towards upgrading certain critical areas to reduce the volume of errors on a monthly basis. The team will work towards making the reports available online for the employers. Additionally, Retirement Systems’ payroll group has restructured its metric evaluation to focus on memberships and not errors so that members’ records are corrected first due to the adverse impact membership records can have on the system.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Higher percentage of payrolls received and processed in “good order”
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Financial Operations Division

Provide Services That Allow NC Department of State Treasurer Divisions to Focus on Their Core Missions

Maintain Focus on Core Operational Functions

The Financial Operations Division plays a critical role for all of NC Department of State Treasurer’s divisions. We plan to successfully support all projects with a financial component.

Performance Measures and Milestones

- Support State Health Plan’s switch to a Third-Party Administrator, including all Accounting and Banking changes that must occur for a successful implementation
- Fully participate in the evaluation committee, led by the Office of State Controller, to successfully implement a new merchant contract

- Successfully implement new Ariba Sourcing Modules with procurements related to NC Department of Information Technology’s Statewide Information Technology Procurement and NC Department of Administration’s Procurement and Contracting groups during fiscal year 2024, including updating internal documentation

Implement Cloud-Based Replacement for Retirement Accounting Software

The current Dynamics Software General Ledger system used for Retirement Accounting will be upgraded to a cloud-based solution to take advantage of new and updated functionality. The cloud-based solution will be a more stable and supportable platform for the future.

Performance Measures and Milestones

- Develop a Request for Proposal²¹ during FY2024
- Select a new vendor and implement software during FY2025

Continue to Automate and Improve Internal Processes

The Financial Operations Division continually looks for ways to improve its internal processes. We plan to research new ways to efficiently process and track accounting documents, including invoice approval forms, travel authorizations, and expense reimbursements.

Performance Measures and Milestones

- Evaluate ways to efficiently process internal documents
- Implement changes that save staff time and increase convenience by FY2024



²¹ A Request for Proposal is a document that announces a project and solicits bids from outside vendors to complete it. Generally, a contract is awarded based on the vendor’s cost, quality, and experience.




Updates to 2021-23 Initiatives

<p style="text-align: center;"><input checked="" type="checkbox"/></p> <p style="text-align: center;">Complete</p>	<p>Develop A Process for External Agencies to Conform with Legislation, Policy, And Rules Applicable to Statewide Banking Operations</p> <p>Per NC General Statute 147-77, all State funds must be deposited in a bank designated by the State Treasurer, in an account in the name of the State Treasurer. Due to its role as the owner of all the State’s commercial bank accounts, the Department of State Treasurer is often the authorized signer for commercial bank agreements for services to be used by another State entity. This presents a level of risk as the Department cannot verify that State policies and contractual provisions are being followed. This strategic initiative will implement a Requisition to Contract document, like the one used internally at the Department, for use with other State entities. This initiative will involve the Department’s Legal, Information Technology, and Procurement teams.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Requisition to Contract for agencies is created and being utilized in a timely manner
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Goal 3: Innovate and Modernize Operations

Office of State Treasurer

Updates to 2021-23 Initiatives	
 Ongoing	<p>Strengthen And Enhance Electronic Discovery and Record Keeping</p> <p>The Department’s Legal team is continuing the implementation process of its electronic discovery software. The Legal team plans to continue training and improving its search and record-keeping processes.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Train staff and improve the processes for effective use of the Legal team’s electronic discovery tool(s) • Organize all electronic and physical legal files for more efficient and sustainable operations
 Ongoing	<p>Digitization And Standardization of Human Resources Processes</p> <p>The Human Resources team has many processes that are still not fully documented. One major reason for this is because many processes are still driven by paper forms. The Human Resources group plans to make all its forms fully digital over the new two years. The group will also use this opportunity to fully document each process.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Full digitization of all internal Human Resources forms over the next two years • Ongoing creation of Standard Operating Procedures for all Human Resources processes

 <p>Ongoing</p>	<p>Implement A Consistent Organizational Chart Format Across Divisions</p> <p>The NC Department of State Treasurer is a complex organization with many different divisions and personnel classifications. The Human Resources section collects updated organizational charts from each division at least once per year. Human Resources plans to improve this process by crafting a consistent, Department-wide format.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Develop a consistent, Department-wide format • Successful collection of complete organizational charts from each division
 <p>Ongoing</p>	<p>Successful Implementation of Planned BEACON Replacement</p> <p>BEACON is the Integrated payroll system that is run by the Office of State Controller. It is a major component of the State’s Human Resources infrastructure. If this system is replaced, the Department’s Human Resources team plans to fully integrate the new system into our Human Resources processes.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Full implementation of new system based on the Office of State Controller’s timeline
 <p>Complete</p>	<p>Use Electronic Signature Tools to Streamline Paper Processes</p> <p>The Office of State Treasurer will work to facilitate the procurement and implementation of electronic signature tools to streamline these processes across the Department. Electronic signatures will increase accountability, transparency, and efficiency for Department staff.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Identify internal processes that could benefit from the use of electronic signatures • Implement a system using electronic signature software across the Department

State & Local Government Finance Division

Build Systems That Save Time

Automate Business Processes for Outside Customers

Automate processes to streamline units' fulfillment of fiscal reporting and debt application requirements under NC General Statute 159, and to alleviate administrative burden on our division's staff.

Performance Measures and Milestones

- Implementation of automated systems

Optimize Customer Experience and Value of Our Division's Website

Work with NC Department of State Treasurer's Information Technology and Communications staff to continue to optimize the user experience and to add high-demand and other relevant content to the State and Local Government Finance Division website.



Performance Measures and Milestones

- Measurable increase in website visits

Updates to 2021-23 Initiatives

<div data-bbox="297 1644 347 1692"></div> <p data-bbox="248 1717 396 1751">Complete</p>	<p data-bbox="467 1499 1463 1619">Migrate State and Local Government Finance Division Website to NC Department of Information Technology's Digital Commons Platform</p> <p data-bbox="467 1650 1451 1770">Migrate our website to the Digital Commons platform and restructure site contents to make the site a valuable and easy-to-use resource for our customers.</p> <p data-bbox="467 1801 1052 1835"><i>Performance Measures and Milestones</i></p> <ul data-bbox="516 1866 972 1896" style="list-style-type: none">• Launching the new website
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Investment Management Division

Updates to 2021-23 Initiatives	
 Ongoing	<p>Continue To Improve the Operational Infrastructure That Supports the Investment Management Process</p> <p>To make timely informed investment decisions and then implement those decision via investment transactions, a continuously evolving operational infrastructure (people, process, technology) is needed to ensure all important data is captured and utilized within the investment decision making process.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Evaluate internal and external solutions for various investment management processes • Evaluate options to further automate internal trading without sacrificing risk controls
 Ongoing	<p>Explore The Ability to Automate Trading Workflow</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Analysis of options to automate trading and cost/benefit analysis of implementation

State Health Plan

*Make Business Transitions That Are “Invisible” Day-To-Day,
While Making a Long-Term Lasting Impact*

Seamless Transition to New Third-Party Administrator

The State Health Plan recently announced the award of the Third-Party Administrative Services Contract to Aetna. This award was unanimously approved by the Plan’s Board of Trustees. The Plan will make efforts toward a seamless transition to Aetna as the Plan’s third-party administrator by October 2024, when Open Enrollment for 2025 will take place.

Performance Measures and Milestones

- Provide adequate materials and training sessions to Health Benefits Representatives (HBRs) prior to Open Enrollment 2024
- Provide State Health Plan members with print and online materials, videos and other presentations to make sure they understand the transition to Aetna and how it will affect their benefits prior to Open Enrollment 2024
- Educate members regarding the transition to Aetna by developing and implementing a comprehensive communications strategy to minimize disruption to members/providers



Successful Transition of Group Premium Billing


The State Health Plan bills employing units of government for their employees’ health coverage each month. This is a complex process that directly impacts the Plan’s monthly cash flow. The Plan is planning to transition this service to a new vendor by the end of 2024.

Performance Measures and Milestones

- Minimal disruption for employers, the Plan, or its customers
- Successful testing and rollout of new premium billing process
- Complete the transition by the end of calendar year 2024

Updates to 2021-23 Initiatives

 <p>Ongoing</p>	<p>Continue To Build Data Analytics Capabilities to Support Goal-Oriented Decision-Making</p> <p>The State Health Plan is one of the largest purchasers of health care in the nation. The Plan will continue to leverage our data resources to create value for Plan members.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Continue to build the Plan’s internal data warehouse to provide the Plan with a repository of historical data that can be analyzed as a single source of truth for decision making • Continue to use Plan metrics to drive informed decision-making • Research and implement a new platform for case management to improve internal efficiencies regarding inquiries, and to track enrollment exceptions and appeals Plan benefits
 <p>Complete</p>	<p>Issue And Monitor Requests for Proposals and Contracts to Enhance Plan Operations and Reduce Risk</p> <p>The State Health Plan utilizes several vendor partners to administer benefits and other operations for members. The Plan has several RFPs coming up that will impact major elements of the Plan.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Award a contract for a Pharmacy Benefit Manager. This contract will be for one year with two optional renewal years, beginning January 1, 2022 • Extend our current contract with Caremark PCS Health, LLC until December 31, 2022. There are no additional renewal options • Award a contract for printing and mailing services. This contract will be for one year with two optional renewal years. It will begin on January 1, 2022

 Re-Prioritized	<p>Continue To Enhance Recovery Mechanisms to Return Funds to The Plan</p> <p>Better recovery mechanisms are required to sustain quality benefits for members.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Reduce costs by identifying in-house opportunities for pharmacy retroactive termination recovery
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Unclaimed Property Division

Return Property to Its Rightful Owners

Targeted Outreach Program for Owners of Securities, Tangible Property²², and Cash

The Division will launch vendor software to assist in targeted outreach and request a new position via expansion budget. Our hope is to locate and reunite owners of unclaimed property with their Securities, Tangible properties, and missing case.

Performance Measures and Milestones

- Implement data matching processes to increase efficiency of owner location efforts
- Increase the number of unclaimed Securities and Tangible Property returned to owners within one year of receipt by 20%
- Increase the amount of cash returned to joint owners, estates, and businesses by 10%

²² Tangible property is physical property that holds value, like jewelry , coins, or currency.

Increase Efficiency and Effectiveness in Sales of Tangible Property

The Division will increase the effectiveness of processes related to sale of tangible property to maximize proceeds received on behalf of unclaimed property owners.

Performance Measures and Milestones

- Secure vendor(s) through the procurement process to conduct sale of tangible property through auction services
- Increase number of tangible properties lots sold for minimum bid through auction by 10%

Leverage Communications to Raise Awareness of Unclaimed Property

The Department and the Division will continue to increase awareness of the NC Cash program.

Performance Measures and Milestones

- Increased coverage of the NC Cash program on traditional and social media channels
- Increase in the amount of funds returned to rightful owners

Updates to 2021-23 Initiatives	
<input checked="" type="checkbox"/> Complete	<p>Expand Use of Data Matching Technology for Claims Processing</p> <p>Unclaimed Property will expand the use of data matching technology to increase the efficiency of claims processing and payment.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Increase the number of claims paid annually by 20%

<div style="text-align: center;"> <input checked="" type="checkbox"/> Complete </div>	<p>Improve Monitoring of Property Finders’ Compliance with Unclaimed Property Statutes</p> <p>Unclaimed Property will seek legislation and operational changes to improve monitoring and regulation of unclaimed property finders.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Support legislation to strengthen regulation and enforcement authority related to the property finder business • Implement policies and procedures to better monitor finders’ compliance with statutes
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Retirement Systems Division

Make Behind-The-Scenes Improvements That Improve the Retirement Process

Digital Conversion of Microfiche and Microfilm²³ Records

This initiative digitizes retirement records, enabling easy searching and retrieval while eliminating physical storage for microfiche and microfilm.

Performance Measures and Milestones

- Issue a Request for Proposal for digitization services by 1/1/2024
- Select a vendor and award a contract by 6/30/2024
- Closely monitor the vendor to ensure that all microfilm is scanned and indexed appropriately, and that the terms of the proposal are being followed

²³ Microfilm and microfiche are older, analog forms of storage for important documents and records.

Make ORBIT24 Self-Service Enhancement to Allow Beneficiary Updates for Retirees

This initiative enhances the member experience in self-service and eliminates manual processing of paper beneficiary forms by allowing retirees to update their beneficiaries themselves.

Performance Measures and Milestones

- Complete enhancement requirements by 1/31/2023
- Present enhancement requirements to Change Board for approval by 2/28/2023
- Prioritize for Information Technology build, testing and implementation during first or second quarter of 2024

Make ORBIT Self-Service Enhancements for Active Members to Schedule Counseling Appointments when Nearing Retirement

This initiative provides a convenient way for members to make an appointment without calling a counselor, freeing up call center staff, and enhancing the member experience.

Performance Measures and Milestones

- Complete enhancement requirements by 2/28/2023
- Present enhancement requirements to Change Board by 3/31/2023
- Prioritize for Information Technology build, testing and implementation during first or second quarter of 2024

Email CXone Platform Implementation

This initiative eliminates manual assignment and coding of emails and manual reports.

Performance Measures and Milestones

- Complete email platform requirements by 1/31/2023
- Complete testing and final system changes by 3/31/2023
- System implemented successfully by 4/30/2023

²⁴ ORBIT is a computer system that provides NC Retirement Systems members with access to their personal account information.



Chat CXone Platform Implementation




This initiative enhances the member experience by providing additional methods of reaching a counselor for quick questions and frees up call center staff to assist members with more complex questions.



Performance Measures and Milestones

- Complete chat platform requirements by 1/31/2023
- Complete testing and final system changes by 3/31/2023
- System implemented successfully by 4/20/2023

Updates to 2021-23 Initiatives	
<input checked="" type="checkbox"/> Complete	<p>Utilize Technology to Create Operational Efficiencies</p> <p>The Retirement System plans to implement tools that provide a better experience for members while saving staff time and resources.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Implement more user-friendly, secure methods of identity authentication• Provide a system authentication tool that efficiently connects members to Retirement Counselors• Provide call center tools that provide updated service options for callers• Enhance methods for scheduling counseling sessions for members• Create a better process for members to reestablish their ORBIT self-service accounts after inactivity

 <p>Ongoing</p>	<p>Reduce Complexity in Communications Assets, Including Retirement Forms</p> <p>Seek opportunities to reduce complexity in communication assets (web, print, digital, social, internal, external, retirement forms) to make it easier for members and employers to understand retirement benefits, services and expectations, as well as foster trust and confidence in the Retirement Systems Division.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Increase member utilization of self-service tools and resources • Reduction in number of “not in good order” forms; quicker turnaround for forms maintenance • Review existing language in forms and letters and make updates to improve user friendliness • Simplify language and organization of marketing materials, including the website • Improve consistency across all communications on specific topics and in member/employer specific communication
 <p>Ongoing</p>	<p>Enhance Digital Communications to Engage, Educate, And Empower Members</p> <p>We will seek opportunities to enhance digital tools and resources to engage members and employers, provide education around retirement news, services, benefits, requirements, and operations administered by the Retirement Systems Division, and empower members to act.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Propose innovative, efficient, and cost-effective ways of improving communication to members • Increase usage, actions, and participation by members • Continue to facilitate, develop, and build on digital foundation by using recommended programs and assets

 Complete	<p>Delivery Of Member Annual Retirement Statement to Members</p> <p>Seek opportunities to enhance Member Annual Retirement Statement and shorten delivery time to members while also increasing communications and marketing outreach around this important tool.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Member Annual Retirement Statement delivered on time and increased in usage Updates on Past Initiatives
 Ongoing	<p>Promote Retirement Readiness</p> <p>Support retirement readiness with ongoing NC Total Retirement Plans communications efforts. Leverage data analytics to provide targeted marketing to members at the point of decision-making.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Increase participation, contribution amounts and use of asset allocation services in the NC Supplemental Retirement Plans
 Complete	<p>Develop Fire and Rescue Self-Service</p> <p>Develop/implement Self-Service Pension Fund module for Fire & Rescue departments/squads and their members. The first strategy to be implemented in self-service is the ability for departments to enter members’ annual contributions online and pay electronically.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Module built and operational

 <p>Ongoing</p>	<p>Promote Applying for Other Benefits Online</p> <p>The Applying for Other Benefits Online project expands on the Applying for Retirement Online project through the addition of several new modules to accommodate additional online transactions through the ORBIT self-service portal. Proposed modules include electronic applications for refunds of contributions, declaring and updating retirees' beneficiaries and contact information online, and electronic submission of annual statement of income forms to ensure compliance with disability statutes and prevent overpayments more efficiently.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Other applications can be completed online through ORBIT
 <p>Ongoing</p>	<p>Make Fire and Rescue ORBIT Enhancements</p> <p>The project was initiated due to new legislation. Retirement Systems took this opportunity to enhance ORBIT to be more customer friendly for members and agencies by improving information available through self-service, providing an online solution to processing contributions with real time data, adding Electronic Funds Transfer ability and helping to ensure roster compliance</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Better service to Fire & Rescue workers & retirees through ORBIT

Goal 4: Maximize Our Talent

Office of State Treasurer

Find, Train, And Retain People Who Set the Department Up For Success

Proactive Recruitment Efforts

The Department currently has a 15.8% vacancy rate. Human Resources will make efforts to fill our vacant positions. Our efforts will include expanded use of trainees, bonus provisions, and flexible salaries. A subfunction of this initiative will focus on reducing turnover in the first 12-24 months by implementing stay surveys and lookback reviews.

Performance Measures and Milestones

- Increased attendance at job fairs and recruitment events
- Reduction in the number of vacant positions by the end of the fiscal year
- Improvement in retention rates based on stay surveys and lookback reviews

Financial Incentives for Retention

The Department will implement financial incentives such as sign-on and retention bonuses to improve retention rates. We plan to allocate \$150,000 of carryforward monies as well as a new Labor Market Adjustment Reserve program implementation, considerable funds will be applied to problem situations.

Performance Measures and Milestones


- Financial reports showing the number and amounts of increases granted to individual classifications and work unit groups to incentivize retention
- Reduction in turnover rates

Increase Internal Audit Staff for More Thorough Coverage of High-Risk Areas

The Department's Internal Audit team plans to increase its number of staff through 2023-25. Currently, we have four authorized positions but only two active Internal Audit staff members. The Department needs more Internal Audit coverage for its high-risk business areas.

Performance Measures and Milestones

- Retain the Department's current Internal Audit staff
- Recruit for and hire at least one new Internal Audit staff member by the end of FY2024
- Consider recommendations from the Office of State Budget Management to increase the number of positions authorized for the Department's Internal Audit functions

Updates to 2021-23 Initiatives	
 Ongoing	<p>Strengthen The Department’s Legal Team</p> <p>The Department’s Legal team has recently experienced turnover in several key positions. NC Department of State Treasurer attorneys are professionals with advanced, subject-specific expertise. The Department plans to fill all vacant legal positions.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Hire, train, and retain qualified staff

State & Local Government Finance Division

Continue To Serve as A National Model in The World Of Public Finance

Recruit, Retain, and Recognize Division Staff


Our division’s staff have specialized knowledge that is critical to our successful operations. We plan to take steps to recruit and retain staff. We will also continue to work to automate repetitive business processes so that staff time is devoted to its highest possible purpose.

Performance Measures and Milestones


- Increased retention of existing staff members
- Decreased vacancy rate following recruitment efforts
- Continued implementation of systems to automate repetitive business processes

Updates to 2021-23 Initiatives	
<input checked="" type="checkbox"/> Complete	<p>Reclassify and Add New Positions</p> <p>Work with NC DST’s Human Resources and the North Carolina General Assembly to ensure the appropriate and needed positions are available. Secure additional positions to supplement the work of the COACH team and provide more coverage around the State, working with the information we glean from the predictive model to support more units at risk.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none">• Reclassify existing positions as needed to appropriately reflect duties and responsibilities performed• Request four additional staff to provide support to struggling units of local government

Investment Management Division

Updates to 2021-23 Initiatives	
 Ongoing	<p>Review Long Term Target Staffing and Compensation Model</p> <p>To effectively manage an investment portfolio, the investment decision making process requires a strong operation infrastructure. A key component to this structure is people. The investment management space is extremely competitive and requires a strong base set of skills and knowledge.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Review current levels of staff retention and compensation relative to the long-term target levels • Identify gaps and develop a glide path to close those gaps

State Health Plan

Updates to 2021-23 Initiatives	
 Re-Prioritized	<p>Develop Plan to Bring Subrogation Efforts with Third Party Administrator and Sub-Contractor In-House</p> <p>There may be an opportunity to improve upon the subrogation efforts that are currently being managed by HMS. The results could be improved by using the third-party administrator and its subcontractor.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • The Plan will model the current process to include recovery improvement and cost along with the cost of bringing technology, investigations, and recoveries in-house.

Retirement Systems Division


Engineer Our Organization to Efficiently Fulfill Our Vision




Reduce Spans of Control

This initiative reduces the number of employees managed by supervisors and managers, allowing more time for mentoring, coaching, and engaging with employees.

Performance Measures and Milestones

- Review organizational structure, determine where additional staffing is needed, reallocate and/or request positions by 6/30/2023
- Reclassify and post positions by 9/30/2023
- Fill positions by 1/1/2024

Updates to 2021-23 Initiatives	
 Ongoing	<p>Expand Our Learning and Development Team</p> <p>The Retirement System plans to add positions to its Learning and Development team to standardize training and support for quality coaching needs. This team will help all Retirement Systems sections to support outside stakeholders including employers and members.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Positions added to the Learning and Development team to support training and quality coaching • Quality Control plan to evaluate QCs’ work documented and implemented, increasing accuracy rates within the division • All external training work moved to the Learning and Development team

 <p>Ongoing</p>	<p>Reduce Personnel Turnover</p> <p>Advocate for Retirement Systems Division staff to be compensated at rates like their peers in other systems.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Department regularly reviews and proposes market salary adjustments
 <p>Ongoing</p>	<p>Increase Number of Call Center Staff</p> <p>Implement long-term staffing model aligned with growth in forecasted volume of retirees</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Implement staffing model
 <p>Ongoing</p>	<p>Improve Employee Engagement</p> <p>Establish ongoing collaborative team activities to improve employee morale and engagement.</p> <p><i>Performance Measures and Milestones</i></p> <ul style="list-style-type: none"> • Drive initiatives and activities to make the NC Retirement Systems Division a great place to work

Financial Operations Division

*Provide Services That Enable State and Local Governments to
Focus on Their Core Missions*

Increase Salaries for Statewide Banking Staff

The Financial Operation Division’s Banking section is allocated 17.5 full time employees (FTEs). These positions play a vital role in state government, but their salaries are not competitive with the Banking industry. This is an organizational risk to the State because we need qualified staff to calculate daily cash flow, process wires, ensure the security of the State’s deposits.

Performance Measures and Milestones

- Take legislative action to increase the Banking section’s salary budget by \$160,000, or 15%, in order to provide more competitive salaries to Banking staff
- Significantly reduce the 27% turnover rate in the Banking section

Updates to 2021-23 Initiatives

<div data-bbox="295 1556 347 1604"></div> <p data-bbox="246 1629 396 1665">Complete</p>	<p data-bbox="464 1346 1442 1423">Hire Two Full Time Employees in The Accounting Section of The Financial Operations Division</p> <p data-bbox="464 1451 1442 1665">The Financial Operations Division requested two additional accountant positions. Our Division’s Deputy Director has an average of 20% overtime due to the need for positions, and due to high turnover rates. There is a gap between top management roles and professional staff.</p> <p data-bbox="464 1692 1052 1728"><i>Performance Measures and Milestones</i></p> <p data-bbox="464 1755 1032 1791">Reduced turnover and overtime rates</p> <ul data-bbox="516 1801 1344 1879" style="list-style-type: none">• Maintain compliance with statutory and other requirements for accounting and financial reporting
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Highlights In Transparency, Sustainability, and Fiscal Leadership

THURSDAY, FEBRUARY 4, 2021

LOCAL GOVERNMENT COMMISSION APPROVES FUNDS TO ASSIST DISTRESSED UTILITY SYSTEMS

First Grants Under New Legislative Initiative

(Raleigh, NC) – The first round of study grants approved under a new program could lead to solutions for utility infrastructure woes threatening the financial stability of three distressed local governments.

At its meeting Tuesday, Feb. 2, the Local Government Commission (LGC) approved applications for grants to the town of Bethel (Pitt County), \$100,000; town of Kingstown (Cleveland County), \$250,000; and Cliffside Sanitary District (Rutherford County), \$400,000. These grants were approved by the State Water Infrastructure Authority (SWIA) at its December 2020 meeting. Approval by both bodies is required.

Money for the grants comes from \$9 million available under Viable Utility Reserve legislation passed by the General Assembly in an effort to begin attacking the mounting problem of aging and underfunded water and sewer infrastructure across the state.

Among other items on Tuesday's agenda the LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by Department of State Treasurer personnel, also approved a draft list of 117 local government units that have been identified as distressed under Viable Utility Reserve criteria. The SWIA will vote on this same list at its Feb. 9 meeting. Again, approval is required by both bodies.

Placement on the list requires units to perform specific actions under the Viable Utility Reserve legislation. These actions include conducting an asset assessment and rate study, participating in a training and educational program and developing short-term and long-term action plans.

Viable Utility Reserve grants also can be used to provide connections and extensions of infrastructure to provide regional service, rehabilitate existing infrastructure or decentralize an existing system into smaller, viable components.

Bethel is in the final stages of completing a merger with Greenville Utilities Commission. Cleveland County Water has offered to take ownership of Kingstown's sewer collection service, but no agreement has been reached at this time. Solutions for Cliffside could include decommissioning the plant and connecting to Boiling Springs or Forest City, or expanding the user base to raise revenues. The grants will allow for study of those and other possible long-term plans.

In another matter, the LGC approved \$378 million in limited obligation bonds to allow Wake County to secure permanent financing for capital projects in Wake County Public Schools and Wake County Community College, and to complete some unfinished work. County officials have said any tax increases to pay for the bonds will not be excessive. The county's Debt Service Fund will be used to pay the bond debt.

Also approved were:

- New Hanover County, \$90 million in limited obligation bonds to build and equip a new government center; acquire, build and equip a 200-bed addiction treatment center; improve storm water management; and miscellaneous capital improvements. No tax increase anticipated.
- Cumberland County, \$25 million in limited obligation bonds to remodel a building to serve as an emergency operations center, and build a regional fire training center for Fayetteville Technical Community College to train students and firefighters from the region and state. No tax increase required.
- City of Kannapolis (Cabarrus and Rowan counties), \$15 million in taxable limited obligation bonds to acquire a 475-spot downtown parking deck as part of a residential/commercial mixed-use development. The deck will serve attached apartments and the general public. No tax increase required.
- Various infrastructure projects for the city of Newton (Catawba County), and the towns of Southern Pines (Moore County) and Grifton (Pitt and Lenoir counties).

- The LGC approved several requests to refund existing debt to reap savings from lower interest rates. They include Durham County (\$70 million); New Hanover County (\$64 million); High Point University (\$56.2 million); Cleveland County (\$38.6 million); city of Burlington (\$12.3 million); Stanly County (\$8.1 million); and the town of Chadbourn (\$1.7 million).

WEDNESDAY, FEBRUARY 24, 2021

TREASURER FOLWELL ANNOUNCES INNOVATIVE NCCASH MATCH TOPS \$1 MILLION IN PAYOUTS

Once Unclaimed, Money Now Flowing into Counties

(Raleigh, NC) – The Department of State Treasurer (DST) has successfully answered the million-dollar question of whether there is a quicker way to distribute some of the unclaimed property in its vaults, and more than 15,000 people are richer for it.

State Treasurer Dale R. Folwell, CPA, announced DST’s Unclaimed Property Division (UPD) has sent out \$1,084,045 to 15,816 recipients through a new initiative called NCCash Match. The program is designed to eliminate paperwork and speed up the process to return unclaimed money in DST’s possession to its rightful owners.

“We are the state-mandated custodian of more than \$900 million in unclaimed property and are always looking for ways to put that money back in the hands of the people to whom it belongs,” Treasurer Folwell said. “NCCash Match is one of the ways to achieve that goal, and the results prove the expedited process is working as planned.”

In 2020, the NC General Assembly passed House Bill 1023 that allowed UPD to initiate the pilot program and waive paperwork requirements for tens of thousands of claims valued at \$250 or less. However, that legislation expires on March 15 of this year. Recognizing the success of the program, a bill has been filed in the Senate to indefinitely extend the program. The bill’s primary sponsors are Sen. Don Davis, Sen. Todd Johnson and Sen. Jim Burgin.

The program launched in October, and UPD expects to pay 25,000 expedited claims worth \$1.4 million in its six-month inaugural run. The long-term goal is to pay at least 100,000 in claims every year thereafter.

Of the total amount distributed as of Feb. 18, 13,360 claims totaling \$910,085 were paid in North Carolina counties. The remainder went to recipients who no longer live in the state.

Under NCCash Match, property owners do not need to take any action to receive their money — no claim forms to fill out, no searching for papers showing proof of ownership and no signature pages to complete.

UPD proactively researches its records to identify qualifying claims of \$250 or less. Notification letters are mailed to claimants with a goal of issuing a check in six to eight weeks. North Carolina is one of the few states in the country that offers this service.

TUESDAY, MARCH 2, 2021

STATE TREASURER FOLWELL RELEASES 2021 DEBT AFFORDABILITY STUDY

Transportation Debt Will Significantly Increase Over the Next 10 Years

(RALEIGH, NC) – State Treasurer Dale R. Folwell, CPA, announced today the results of the 2021 Debt Affordability Study, advising the Governor and General Assembly on the estimated debt capacity of the General and Transportation Funds for the upcoming 10 fiscal years.

The annual study, approved by the Debt Affordability Advisory Committee (DAAC), provides a comprehensive assessment of a government's ability to issue debt for capital needs. Control of a state's debt burden is one of the key factors used by rating agencies' analysis in assessing credit quality.

The DAAC is required to annually advise the Governor and General Assembly of the estimated debt capacity of the General, Highway and Highway Trust Funds for the upcoming 10 fiscal years. The DAAC is also directed to recommend debt management policies it considers desirable and consistent with the sound management of the state's debt.

The guidelines attempt to strike a balance between providing sufficient debt capacity for funding essential capital projects, while imposing sufficient fiscal discipline to maintain future budgetary flexibility and protect the state's "AAA" bond rating. North Carolina is one of only 13 states that have an "AAA" bond rating with all three major rating agencies.

"This is not political or emotional, but mathematical," said Treasurer Folwell. "We have almost \$40 billion in unfunded pension and health care liabilities. That bill will come due much sooner than people realize. We're doing what's necessary at this point in the state's history because others didn't. As Gov. Martin said, '...doing right is rarely wrong.'"

The DAAC has adopted the ratio of debt service as a percentage of revenue as its controlling metric determining the state's debt capacity. Despite the impact of the COVID-19 pandemic, general revenue projections show a positive growth trend for the next 10 years. Debt service projections incorporate the future issuance of the remaining \$400 million of Connect NC Bonds and \$2 billion in Build NC Bonds.

However, the DAAC recommends that the state consider General Obligation (GO) Bonds that are generally approved by voters as the preferred, but not exclusive, vehicle to provide funding for the state's capital projects. It was noted in the report that, contrary to the DAAC's standing recommendation, the \$3 billion Build NC Bonds were not authorized as GO bonds and will subsequently prove costlier for taxpayers as a result.

The DAAC further noted that transportation debt service will substantially increase over the next 10 years. Projections show that the 6% of transportation debt service to transportation revenues debt capacity limitation may be exceeded as early as FY 2026, which could reduce the total amount of Build NC Bonds issued to less than the \$3 billion authorized.

The study also showed that the state's General Fund has debt capacity of approximately \$1.458 billion per year over the next 10 years after incorporating the DAAC's recommended policy of annually directing \$100 million to the Unfunded Liability Solvency Reserve to begin addressing the state's \$39.8 billion in pension and Other Post-Employment Benefits liabilities.

WEDNESDAY, MARCH 3, 2021

LOCAL GOVERNMENT COMMISSION APPROVES UNION COUNTY REQUEST FOR \$331 MILLION IN BONDS

Financing Approved for Projects in 17 Other Counties

(Raleigh, NC) – The Local Government Commission (LGC) has approved a request by rapidly-growing Union County to borrow up to \$331 million in bonds to build new water and sewer system infrastructure and upgrade existing facilities.

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by Department of State Treasurer personnel, convened remotely at 2:30 p.m. Tuesday, March 2, to consider numerous requests from local government units across the state to borrow money or refinance existing debt at lower interest rates.

Union County expects to sell its bonds on March 10 at a 30-year fixed interest rate not to exceed 3.2%.

“They are completely redoing a good part of the utility system due to the amount of growth they have in the western part of the county,” Sharon Edmundson, LGC secretary and director of the State and Local Government Finance Division, said during discussion on the application.

“We are pleased to assist Union County move forward with much needed projects to provide residents with water and sewer services that are safe, sanitary and protective of the environment and public health. Now the hard work begins of getting the job done on time and under budget,” Treasurer Folwell said.

“The Local Government Commission has fulfilled this type of vital financial oversight of local government borrowing for nearly 100 years, and its unique role is the envy of most states that don’t have a similar agency,” Treasurer Folwell said.

According to the U.S. Census Bureau, Union County’s population rose 19% from April 2010 to July 2019, from 201,000 to nearly 240,000. It had the seventh-fastest growth rate among all North Carolina counties during that time period, and sixth-largest numeric increase, according to the Carolina Population Center.

Union County plans to use the bonds to build a Yadkin River intake facility and pump station, with a related water treatment plant and transmission lines. Sewer-related construction and improvements are included, as are renovations to administrative buildings.

Other items on Tuesday's agenda that were approved include:

- Pitt County, \$34 million in limited obligation bonds to renovate AG Cox Middle School, to reimburse a land purchase and acquire a solid waste compactor. In addition, existing debt will be refunded at a lower interest rate at a savings of nearly \$1.2 million. No tax increase is required.
- Macon County, \$22.5 million in limited obligation bonds to renovate Macon Middle School and refund a prior NC Department of Environmental Quality loan at a lower interest rate at a savings of \$862,000. No tax increase is required.
- Orange Water and Sewer Authority (Orange County), revenue bonds not to exceed \$21 million for a variety of replacement and rehabilitation projects, including work at the Jones Ferry Road Water Treatment Plant and the Mason Farm Wastewater Treatment Plant.
- City of Charlotte Housing Authority/INLIVIAN (Mecklenburg County), revenue bonds not to exceed \$19.8 million to provide a loan to Arrowhood Housing to acquire, build and equip 168 one-, two- and three-bedroom low-income apartment units. The project is deemed necessary to provide an adequate supply of affordable housing.
- City of Charlotte Housing Authority/INLIVIAN (Mecklenburg County), revenue bonds not to exceed \$17.5 million to provide a loan to Dillehay Courts to acquire, build and equip 144 one-, two- and three-bedroom low-income apartment units. The project is deemed necessary to provide an adequate supply of affordable housing.
- Forsyth County, \$14.8 million in general obligation bonds for school maintenance and renovation projects, capital maintenance and modernization projects including the Law Enforcement Center and site development of a new park at Belews Lake.
- City of Concord (Cabarrus County), \$6.2 million in financing to build a 17,900-square-foot fire station.
- Haywood County, \$2 million in financing to renovate a school building to house Haywood County Schools Administration.

- Town of Gibsonville (Alamance and Guilford counties), \$1.4 million in financing for water and sewer line extensions.
- City of Lexington (Davidson County), \$1 million in financing to renovate the civic center and improve Finch Park playground.
- Revolving loan applications were approved for:
- Contentnea Metropolitan Sewerage District in Grifton (Pitt and Lenoir counties), \$6.8 million to replace one pump station and rehabilitate another to protect critical infrastructure during storm and flood events.
- City of Claremont (Catawba County), \$4.5 million to meet wastewater treatment needs.
- Town of Whiteville (Columbus County), \$2.9 million to replace 75-year-old failing sewer infrastructure.
- Town of North Wilkesboro (Wilkes County), \$1.8 million to improve water pressure to customers and industrial properties considering expansion.

Requests to refund existing debt at lower interest rates were approved for Wake County, \$218 million (\$9.35 million savings); Vidant Health and Vidant Medical Center (Pitt County), \$125 million (\$9.33 million in savings); City of Jacksonville (Onslow County), \$34 million (\$1.78 million in savings); Forsyth County, \$23 million (\$224,640 in savings); City of Burlington (Alamance County), \$14.2 million (\$2.435 million in savings); City of Wilmington (New Hanover County), \$4.7 million (\$854,046 in savings).

THURSDAY, MARCH 11, 2021

RETIREMENT SYSTEMS CUT \$350 MILLION IN INVESTMENT COSTS IN FOUR YEARS

Investment Management Division Exceeds Efficiency Goal by 250%

(Raleigh, NC) – One of State Treasurer Dale R. Folwell’s first initiatives when taking office in 2017 was to cut Wall Street fees and other investment costs associated with the \$115 billion pension plans. He pledged to cut \$100 million in fees during his first term in office. It was announced during a recent Investment Advisory Committee meeting that that goal had been exceeded by 250%, resulting in more than \$350 million in incremental cost-efficiencies as of Dec. 31, 2020, for the North Carolina Retirement Systems’ (NCRS) investment program.

The money in these pension plans belongs to those that teach, protect and otherwise serve the people of this state, not Wall Street,” said Treasurer Folwell. “All of the credit for this great accomplishment goes to the incredible staff we have at the Investment Management Division. They’re the ones who sharpened their pencils and got it done.

In fact, according to a recent CEM Benchmarking (CEM) report, the NCRS has the lowest investment costs of any state in the peer group analyzed for the report. Investment costs are broadly defined as the costs associated with making investments, including management fees and oversight costs of running the investment program. CEM has been used for benchmarking services by previous treasurers.

The report analyzed pension investment costs, excluding transaction costs and private asset performance fees, from 2015-2019. It compared the NCRS with 48 U.S. pension plans and 14 peer states of similar-sized investment portfolios. The median value of the NCRS during that time was \$100.9 billion while the peer group was \$91.5 billion. It is currently valued at almost \$115 billion.

CEM reports that North Carolina’s investment cost was the lowest of any peer state compared. The state’s total investment cost of \$323.9 million (0.32% of value) was 0.20% below the peer median of 0.52%, which equates to a savings of approximately \$198 million per year.

In addition, in 2016 North Carolina’s total investment cost was approximate with peers and the U.S. public plans’ average. However, over the next three years North Carolina’s costs dropped 36%, while the national and peers’ average remained steady.

The report cites North Carolina’s implementation style and asset mix as two factors contributing to the reduction in costs. North Carolina does not have comparable holdings in highest-cost asset classes (real estate, infrastructure, hedge funds and private equity) and more than half of North Carolina’s holdings are managed internally.

In 2017, Treasurer Folwell and the public equity team announced the first-ever Department of State Treasurer internally managed passive index fund. As of Dec. 31, 2020, the Internal Passive Equity Fund’s assets under management was \$15

billion. Together with the fixed income team that manages just over \$43.4 billion, 51% of the pension's total assets of \$114.9 billion are managed in-house.

"We've achieved so much in the last four years but have so much left to do," said Treasurer Folwell. "I've always said that I'm standing on the shoulders of others to achieve such success. And that is certainly the case here. These savings are directly due to the investment division's loyalty to the taxpayer.

The North Carolina Retirement Systems is widely regarded as one of the best funded in the nation. In fact, Moody's Investors Service recently reported that North Carolina's Retirement Systems, which includes state and local employees, is the best funded in the nation when looking at its Adjusted Net Pension Liability.

Additionally, a recent "stress test" by The Pew Charitable Trusts concluded that North Carolina's state pension fund is well-positioned to maintain solvency during tough economic times. This assessment has been borne out during 2020's volatile market conditions as the pension system's valuation has, at times, reached historic levels of more than \$115 billion.

THURSDAY, APRIL 29, 2021

TREASURER FOLWELL ANNOUNCES BILL SIGNED TO RAISE CAP ON UNCLAIMED CASH PAYOUTS TO \$5,000

NCCash Match Hassle-Free Way to Return Funds Faster

(Raleigh, NC) – Legislation championed by State Treasurer Dale R. Folwell, CPA, is making it easier for people to retrieve their missing money that the Department of State Treasurer (DST) has been safeguarding.

The General Assembly passed, and Gov. Roy Cooper signed, a law that allows DST's Unclaimed Property Division (UPD) to work with the rightful owners to claim up to \$5,000 without any red tape. The initiative is called NCCash Match and was rolled out on a six-month trial basis in October 2020.

Initially the pilot program allowed the expedited process for claims of up to \$250 through March 15. During that limited time UPD staff processed 20,969 claims among all 100 counties and distributed slightly more than \$1.4 million. The total was nearly \$1.7 million when including payments made on 3,895 claims to people

no longer living in North Carolina. Due to the success of the program, both legislative chambers voted unanimously to make the program permanent, and the bill was signed into law by the governor on March 11.

Treasurer Folwell thanked Sen. Don Davis, Sen. Todd Johnson, Sen. Tom McInnis and Sen. Jim Burgin for adding the provision to House Bill 196 to make the program permanent. And he expressed appreciation to Rep. Pat Hurley, Rep. Ed Goodwin and Rep. Keith Kidwell, the primary sponsors of House Bill 156, which raised the amount eligible for the expedited process to \$5,000. The General Assembly unanimously passed the bill, and the governor signed it into law on April 27.

Treasurer Folwell said the new goal for the program is to pay at least 100,000 claims per year under the higher cap. The next round of checks will be issued on May 5.

“As the state-mandated custodian of \$919 million of unclaimed property, our mission is to put that money back into the wallets and bank accounts of the rightful owners, especially now that so many people are still feeling the financial shock of the COVID-19 lockdowns,” Treasurer Folwell said. “The NCCash Match program is just one innovative method we are employing to achieve that aim without bureaucracy.”

Under NCCash Match, property owners do not need to take any action to receive their money — no claim forms to fill out, no searching for papers showing proof of ownership and no signature pages to complete. UPD proactively researches its records to identify qualifying properties of \$5,000 or less. Notification letters are mailed to claimants with a goal of issuing a check in six to eight weeks. North Carolina is one of the few states in the country that offers this service.

THURSDAY, MAY 6, 2021

LOCAL GOVERNMENT COMMISSION VOTES TO EXTEND LIFELINE TO AILING RANDOLPH HOSPITAL

Hospital in Bankruptcy, Says Loan Vital to Survival; Nearly \$500 Million Approved for Other Projects (See List Below)

(Raleigh, NC) – North Carolina’s Local Government Commission (LGC) has approved a survival plan for the struggling Randolph Hospital that includes a potential \$12 million loan for a startup company to buy the Asheboro-based health system.

The 145-bed community hospital, which has more than tripled in size since it was created in 1928, entered Chapter 11 bankruptcy. Randolph County Commissioners Chairman Darrell Frye told the LGC on Tuesday, May 4, that community health care is in crisis mode.

State Treasurer Dale R. Folwell, CPA, chairman of the LGC, is an opponent of health care consolidation and hospital monopolies that drive up costs and reduce quality. He said Randolph Hospital “is a gem” that provides independent, affordable and accessible health care. He has toured the hospital on many occasions, and successfully advanced Tuesday’s motion intended to secure the hospital’s future.

The motion, passed unanimously, approved VMG Holdings LLC, doing business as VMG Health, as a disinterested and qualified third party to evaluate Randolph County’s plan to sell the hospital to American Healthcare Systems, LLC pursuant to NCGS 131A-33. The motion included approval of a loan of up to \$12 million subject to four conditions:

The North Carolina Attorney General approves the sale of Randolph Health to American Healthcare Systems.

Randolph County receives an opinion from VMG Holdings that the hospital stabilization plan presented by the proposed buyer demonstrates a financially sustainable health care service model for the community.

Randolph County receives two seats with full voting powers on the governing board of the proposed buyer or the entity which becomes the owner of Randolph

Health for at least as long as the Rural Health Care Stabilization Program (RHCSP) loan is outstanding.

Randolph County shall disburse RHCSP loan funds to the proposed buyer by no fewer than three draws and, for each draw down, shall receive adequate security interests in amounts and form satisfactory to the county to secure the proposed buyer's repayment of the loan.

The Randolph Hospital matter has been contentious. UNC Health said it could not recommend the loan approval because the plan does not represent "a realistic and feasible path forward for Randolph Health." UNC Health had a lead role with the RHCSP committee that evaluated the purchase proposal.

In other action, the LGC approved two requests from Charlotte-Mecklenburg Hospital Authority, doing business as Atrium Health, totaling \$726 million. Atrium Health expects to generate \$35.8 million in savings through lower interest rates. The financing also will fund an acute/emergency tower replacement at Atrium's Carolinas Medical Center in Charlotte; a bed tower renovation at its Pineville hospital; and renovations, medical equipment and infrastructure purchases at its North Carolina campuses.

Treasurer Folwell cautioned against the types of financing Atrium Health was pursuing because they are incredibly complex and LGC staff has neither the resources, time nor expertise to properly vet them.

"I just feel like we've got to have restraint when someone comes in to borrow \$600 million when it has \$7 billion sitting in the bank," Treasurer Folwell said. "A nonprofit that has over \$7 billion in the bank that was derived on the backs of sick people is absurd. Their hundreds of millions of dollars of profit come from the money management business."

LGC members tabled until the June meeting a request by the Bald Head Island Transportation Authority to approve up to \$59 million in Transportation System Revenue Bonds to buy the privately owned ferry, tram, barge and parking assets that provide access to Bald Head Island. The proposal has created friction between the Village of Bald Head Island's leaders and the legislatively created authority. LGC members raised concerns that an evaluation paid for by the authority was about 2.5 times higher than Brunswick County's assessed tax value.

The agenda included a host of financing requests that were approved:

- Lutheran Services for the Aging (Rowan County), \$206 million to build and equip the Trinity Landing Project independent living retirement community comprising 184 residences, renovate the existing Trinity Oaks Project assisted living and skilled nursing facility, and refinance bonds at a lower interest rate; Johnston County, \$79 million to build a new wastewater treatment facility; INLIVIAN (City of Charlotte Housing Authority, Mecklenburg County), \$58.3 million to provide a loan to a private facility to build and equip 216 apartment units for low-income family tenants; The Forest at Duke (Durham County), \$51.2 million to add 90 resident rooms at its skilled nursing and assisted living facility; Holly Springs (Wake County), \$21.7 million to buy 150 acres of land as part of a large biopharmaceutical manufacturing facility and make improvements to Town Hall; Oak Island (Brunswick County), \$8 million to renourish and maintain the town shoreline with beach quality sand; Lincoln County, \$7.5 million to install water lines and a booster pump station to link Lincolnton service to county customers; Statesville (Iredell County), \$5 million to extend water lines into a commercial park and upgrade sewer lines in two areas; Wake Forest (Wake and Franklin counties), \$1.29 million for street and sidewalk improvements; Oxford (Granville County), \$1.25 million for street resurfacing; Marvin (Union County), \$1.18 million to build a 6,000-square-foot Village Hall; Troutman (Iredell County), \$810,000 to buy land for a future Town Hall or police station; Benson (Johnston County), \$288,736 to remodel an existing building to house government offices; and Stem (Granville County), \$275,000 to buy property and remove dilapidated buildings, and to refinance an existing loan.
- Two towns were approved for debt-funded projects — even though they are on the Unit Assistance List that flags struggling local governments — because they have demonstrated improvements in their condition. Maysville (Jones County) received approval for \$500,000 in financing to loan to a local business to expand its recycling facility and demolition landfill. Belhaven (Beaufort County) was approved for \$69,380 to replace 80-year-old water lines.
- Approvals were granted to allow other units to save money by refinancing existing debt at lower interest rates. They are:

- Johnston County, \$15 million; Central Nash Water and Sewer District (Nash County), \$11.6 million; Beaufort County, \$9.8 million; Waxhaw (Union County), \$3.7 million; and Cramerton (Gaston County), \$2.4 million.

THURSDAY, MAY 13, 2021

TREASURER FOLWELL ANNOUNCES RECORD NUMBER OF CLAIMS PAID

NCCash Pays Out More than 100,000 Claims in Less Than Year for the First Time in NC History

(Raleigh, NC) – The Unclaimed Property Division (UPD) of the Department of State Treasurer (DST) announced this week that it had exceeded 100,000 claims paid amounting to more than \$60 million so far this fiscal year. UPD is part of DST led by State Treasurer Dale R. Folwell, CPA. The milestone, achieved in early May, exceeded the division’s highest claims paid within any fiscal year in the program’s history.

“I’m proud of the work being done by NCCash,” said Treasurer Folwell. “This is truly a great achievement for the organization, and it was done during a difficult time dealing with the challenges surrounding the pandemic. Many of the employees at UPD had to come into the office to process these claims. They did so without complaint.”

The record number includes claims paid by UPD’s highly successful NCCash Match program which has paid out 26,381 claims totaling more than \$1.8 million. First started as a trial in October 2020, the program proactively researched records and identified qualifying claims of \$250 or less. Notification letters were mailed to claimants, and a check was issued in six to eight weeks

Due to the success of the program, the General Assembly and Gov. Roy Cooper made the program permanent in March 2021 and then passed additional legislation in April that allows UPD to work with the rightful owners to claim up to \$5,000 without any red tape. North Carolina is one of the few states in the country that offers this service.

“We’re in the check delivery business, so the more money we can get into the hands of North Carolinians the better” said Treasurer Folwell. “In fact, we expect to substantially exceed the success of this program next year.”

THURSDAY, MAY 20, 2021

HIGHWAY TRUST FUND REACHES \$646.8 MILLION

Treasurer Folwell Attributes Success to NC Department of Transportation Secretary Eric Boyette’s Leadership

(Raleigh, NC) – State Treasurer Dale R. Folwell, CPA, announced today that the state’s Highway Trust Fund (HTF) had reached \$646.8 million in April 2021. The HTF was created by the North Carolina General Assembly (NCGA) in 1989 to provide revenue sources for specific highway projects.

The NCGA requires that there be a minimum of \$282 million in cash reserves. However, because of overspending and poor cash management practices under the previous secretary, the balance in the fund fell as low as \$108 million in April of 2020. The April 2021 balance represents almost a 500% increase from the fund’s low. The HTF is funded by allocations from the Motor Fuel Tax, Department of Motor Vehicles Fees and the Highway Use Tax.

“This is great news for taxpayers, road builders, legislators and rank-and-file employees at NCDOT that rely on sustainable and predictable funding for important infrastructure projects,” Treasurer Folwell said. “Secretary Boyette and his staff deserve the credit for this great news.”

Treasurer Folwell noted that at the end of April the NCDOT’s Unreserved Cash Balance was \$4.75 billion. In the past, he has been critical of the money management practices at the North Carolina Department of Transportation (NCDOT). In 2019, he called for Gov. Roy Cooper to replace NCDOT Secretary Jim Trogdon, citing out-of-control spending of nearly \$7 billion for fiscal year 2019 against revenues of only \$5 billion for that year, resulting in a \$2 billion deficit.

In addition, he criticized a \$1.1 billion “short-term” loan from the HTF to the Highway Fund (HF) between April 2018 and April 2019. Under state law, many of the projects funded could not have been paid using HTF funds. Additionally,

NCDOT neither sought nor received approval of the State Treasurer, as is required by statute, to loan the funds from the HTF to the HF. There had been no other loans from the HTF in over 10 years.

Treasurer Folwell added that the State and Local Government Finance Division (SLGFD) is currently working on issuing \$300 million in Grant Anticipation Revenue Vehicle Bonds (GARVEE bonds). GARVEE bonds are revenue bonds that allow the state to pledge future federal highway funds to pay debt service. They do not create a liability obligation for the state and are used to accelerate construction on a variety of NCDOT projects.

The issuance is the eighth in a series of GARVEE bond sales over the last 14 years. The GARVEE program is intended to be “evergreen,” meaning additional projects will be added to the program and additional bonds issued over time.

The bonds are expected to go before the NC Council of State and the Local Government Commission in July. Pricing for the bonds is planned for mid-August, with an anticipated close in early September.

WEDNESDAY, JUNE 2, 2021

LOCAL GOVERNMENT COMMISSION APPROVES MORE THAN \$1 BILLION IN FINANCING REQUESTS

Major Building and Infrastructure Needs Around the State Will Be Addressed

(Raleigh, NC) – Forsyth, Moore and Hoke counties have received approval from the Local Government Commission (LGC) to obtain a combined \$281 million in financing to build government buildings, and to erect and upgrade other facilities.

The action was part of more than \$1 billion in financing approved June 1 by the LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by Department of State Treasurer personnel.

Forsyth County received approval for \$160 million in limited obligation bonds to acquire, build and equip a new county courthouse. The six-story, 250,000-square-foot building will be about 50% larger than the existing structure, and house 18 courtrooms, four more than currently available. The financing also will pay for a

new children's museum, to renovate and expand Smith Reynolds Airport facilities and to refund existing bonds at a savings of \$2.8 million.

Moore County got the go-ahead for \$71 million in limited obligation bonds to acquire, build and equip a new, multi-story county courthouse in Carthage that will contain courtrooms for District and Superior courts, and to renovate the existing courthouse. Construction of county offices and other support facilities are included, and prior loans will be refunded at a savings of \$1.1 million.

Hoke County won approval to obtain \$50 million in limited obligation bonds to build the 53,000-square-foot James E. Leach Aquatic and Recreation Center, two basketball courts, ball fields and Parks and Recreation Department office space on U.S. 401 in East Hoke. The facility will serve as the county's emergency services shelter. Some of the money would be used to refund prior financing at a savings of more than \$4.2 million.

The LGC also approved Orange County's application to pursue \$28 million in limited obligation bonds for equipment and school projects, and to refund previous financing at a savings of about \$374,267.

The bulk of the money in the financing applications on the agenda was approved for Charlotte and Raleigh.

Charlotte was cleared to obtain \$250 million in bond anticipation notes to pay for capital improvement projects on the city's aging water and sewer systems. And it will take advantage of lower interest rates to reap savings of nearly \$9.6 million by refunding \$200 million that was previously issued for the city's transit system.

The City of Charlotte Housing Authority, now known as INLIVIAN, was approved to seek \$9 million in bonds as part of a \$15.9 million package to build 80 one- and two-bedroom units on land leased from Park Ministries northwest of the downtown area.

Raleigh was given the green light for its request to obtain \$200 million in bonds to improve water and sewer systems under the city's Capital Improvement Program. The Raleigh Housing Authority gained approval for \$18 million to loan to Primavera Seniors to build 164 one- and two-bedroom apartments for low-income residents in two residential buildings.

Other financing and refunding applications, and the amounts approved, were submitted by:

Gastonia (Gaston County), \$14 million; Hickory (Catawba County), \$10.6 million; Fayetteville Public Works (Cumberland County), \$10 million; Halifax County, \$5.9 million; Johnston County, \$4.5 million; Sanford (Lee County), \$4 million; Sampson County, \$3.1 million; East Moore Water District (Moore County), \$3.1 million; Beaufort County, \$2.6 million; Harrisburg (Cabarrus County), \$2.1 million; Granville County, \$1.8 million; Rolesville (Wake County), \$1.6 million; Winterville (Pitt County), \$1.4 million; Sharpsburg (Edgecombe, Nash and Wilson counties), \$951,234; Brevard (Transylvania County), \$271,129 and \$714,512; Wadesboro (Anson County), \$706,000; Newton (Catawba County), \$514,821; Fountain (Pitt County), \$496,000;

The LGC held an information-only segment involving the Bald Head Island Transportation Authority in an ongoing process to address members' questions regarding the proposed financing of the island's ferry system and other facilities.

MONDAY, JULY 26, 2021

LOCAL GOVERNMENT COMMISSION VOTES TO TAKE CONTROL OF SPRING LAKE FINANCES

Action Contingent on Several Factors as State Auditor Continues Investigation

(Raleigh, NC) – The Local Government Commission (LGC) has voted to assume full control of all finances of Spring Lake if, among other actions, the Board of Aldermen impedes an investigation by the Office of State Auditor into questionable financial activities or withholds information from the commission.

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by members of the Department of State Treasurer's State and Local Government Finance Division, passed a resolution in an emergency meeting Monday, July 26, empowering LGC Secretary Sharon Edmundson to take that action if conditions warrant.

"As the chair of the Local Government Commission I felt it was necessary to pass the resolution in order to send the strongest possible message to the Spring Lake

elected officials that the Fiscal Accountability Agreement they agreed to is serious,” Treasurer Folwell said. “Any second spent trying to get between the work of the LGC, the Auditor’s Office and the team on the ground is a second that can never be spent on getting it right and keeping it right on behalf of taxpayers and getting Town Hall open again.”

The Town Hall was closed to foot traffic and employees were sent home on July 15 at the direction of State Auditor Beth Wood, though drive-up and drop box service remained available.

Spring Lake, a Cumberland County town of 12,000 residents near Fort Bragg, is one of two municipalities that voluntarily entered into a Fiscal Accountability Agreement with the LGC to help them meet their obligations and duties under the Local Government Budget and Fiscal Control Act. State statutes require that local governments establish and maintain an accounting system designed to show in detail liabilities, equities, revenues and expenditures. Staff at the LGC determined the town’s system does not meet those criteria, though current staff is not implicated in that deficiency.

The Board of Aldermen meets in regular session tonight. A closed meeting is on the agenda at which legal matters will be discussed.

Monday’s resolution authorizes Edmundson, when she deems necessary:

To impound the books and records of the town, assume control of the finances of the town and oversee and direct all its financial affairs as set out in NCG.S. Chapter 159 and the rules of the commission; and

To deliver to the town, its officers, and Board of Aldermen the resolution from the commission pursuant to the provisions of NCG.S. Chapter 159; and

To report to the commission on the matters listed and on the town’s readiness to comply with the requirements of NCG.S. Chapter 159 in order to provide a recommendation and time schedule for restoring the town to fiscal health and returning to the town control of its financial affairs.

Monday’s vote follows LGC action at a June 22 emergency meeting during which a vote was taken to send a notice of warning to the town that the commission would assume control of the town’s finances if it didn’t pass a responsible budget

with reasonable expenditure and revenue estimates. That vote was preceded by discussion about deep concerns over potential budget deficits, longstanding fiscal disarray and an investigation into missing money.

At that meeting Wood defended the new town manager and said leadership is lacking from the aldermen. She urged the LGC to assume statutory control of the town's finances.

"We are in there investigating and looking for missing money. There's a lot of things going on," Wood said at the time. "They've got a not-for-profit out there that some of them started, and it's gotten them in a financial situation that's just terrible."

WEDNESDAY, JULY 28, 2021

TREASURER FOLWELL ANNOUNCES RECORD NUMBER OF NCCASH CLAIMS PAID

120% More Claims Paid in Fiscal Year 2021

(Raleigh, NC) – The Unclaimed Property Division (UPD) of the Department of State Treasurer (DST) announced this week that it had exceeded 125,000 claims paid amounting to almost \$70.5 million during the 2021 fiscal year. UPD is part of DST led by State Treasurer Dale R. Folwell, CPA. Both the number of claims paid, and the total amount claimed, represent a historical record for UPD.

In 2020, the division paid out 56,787 claims valued at \$39,900,902. In contrast, 2021 claims paid were 125,134 for \$70,447,815, according to unofficial year-end tallies awaiting final audit. That represents a 120% increase in the number of claims paid and a 77% increase in the dollar amount.

"It's amazing what NCCash has accomplished over the past year," Treasurer Folwell said. "It is a testament to the great leadership of Brenda Williams and the hard-working employees in the Unclaimed Property Division. Let's remember that this incredible performance was done during a difficult time dealing with the challenges surrounding the pandemic."

The record number includes claims paid by UPD's highly successful NCCash Match program, which paid out 39,255 claims totaling more than \$2.7 million from its

start as a trial in October 2020 to the end of the fiscal year. At first, the program proactively researched records and identified qualifying claims of \$250 or less. But because of the success of the program, the General Assembly and Gov. Roy Cooper made the program permanent in March 2021, passing additional legislation allowing UPD to identify and pay claims up to \$5,000.

“We’re in the check delivery business, so the more money we can get into the hands of North Carolinians the better,” said Treasurer Folwell. “In fact, we expect to exceed this year’s success in 2022.”

WEDNESDAY, AUGUST 4, 2021

LOCAL GOVERNMENT COMMISSION APPROVES NEARLY \$900 MILLION IN BORROWING

Wake County School Construction and Major NCDOT Projects Can Move Forward

(Raleigh, NC) – The Local Government Commission (LGC) has approved a request from Wake County to finance nearly \$600 million for school and community college construction and renovation.

The LGC, which is chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer (DST), signed off on Wake County’s application at its meeting on Tuesday, Aug. 3. Commission members also approved the State of North Carolina’s request to issue \$300 million in bonds for major Department of Transportation construction projects across the state. Several other school, government building and infrastructure requests on Tuesday’s agenda also received approval.

“The Local Government Commission plays a key role in a low-key way to help North Carolina government units at all levels secure low-cost, tax-free financing for vital projects that serve taxpayers in every corner of the state,” Treasurer Folwell said.

“Whether the requests are for hundreds of million dollars or hundreds of thousands of dollars, our staff gives expert review and due diligence to every application. We take our obligation seriously to ensure taxpayers’ hard-earned money is protected through prudent borrowing, and the state’s valuable AAA

bond rating that allows for low-interest borrowing is not put in jeopardy by unwise deals,” Treasurer Folwell said.

The LGC has a statutory duty to monitor the financial well being of more than 1,300 local government units. The commission also examines whether the amount of money units borrow is adequate and reasonable for proposed projects, and confirms the governmental units can reasonably afford to repay the debt.

Wake County’s request for slightly over \$584 million in financing for school construction and renovation are part of the county’s seven-year capital improvement plan to provide sufficient public school facilities for more than 160,000 students. The school district’s student population is rising with the county’s continuing rapid growth. Wake County’s population increased 23.4% to more than 1.1 million people from 2010 to 2020.

New construction projects include Felton Grove High School; Wood Creek, Hilltop Needmore and Rex Road elementary schools; Fuquay Varina Middle School; and schools designated as E-53, ES, HS-15, and MS12. Major renovations, land acquisition, education equipment, technology infrastructure and devices and other items constitute about \$300 million of the debt.

In a separate item, the LGC approved \$171.9 million in bond anticipation notes for previously approved community college projects. Bond anticipation notes help to speed up the work, and will be paid off later with general obligation bonds.

Following Council of State approval in the morning, the LGC granted the state’s request for up to \$300 million in Grant Anticipation Revenue Vehicle Bonds (GARVEEs) to perform NCDOT projects. The revenue bonds are issued with a pledge to be paid off later when the state receives Federal Highway Fund reimbursements, which helps to speed up projects. NCDOT officials expect to close on the bond bids between Sept. 7 and 10.

This will be the eighth issuance of GARVEE bonds since 2007, and would bring the total outstanding principal to \$1.17 billion. There is currently \$875.87 million in GARVEE debt. Seven of the nine projects are already under way. Widening of I-40 in Orange County is slated to begin this month, and one of three sections of the Winston-Salem Loop is targeted to get under way in December. The project list includes:

- Orange County, I-40 Widening, from the I-85 split at Exit 163 to the Durham County line, widening approximately 11 miles from four to six lanes to improve capacity and safety. It will also upgrade the NC 86 interchange (Exit 266).
- Forsyth County, I-74 Winston-Salem Northern Beltway, Eastern Section, from US 311 to SR 2211 (Baux Mountain Road). Construction of a multi-lane, divided freeway to complete an additional segment of I-74.
- Forsyth County, I-74 Winston-Salem Northern Beltway, Eastern Section, from I-40 to US 421/NC150 (Salem Parkway), construction of a multi-lane, divided freeway.
- Forsyth County, I-74 Winston-Salem Northern Beltway, Western Section, constructing a new interchange between the Winston-Salem Northern Beltway and existing US 52 north of Winston-Salem to complete the connection of I-74 and provide connectivity to the Northern Beltway.
- Craven County, US 70 Havelock Bypass, from north of Pine Grove to south of Havelock, building a multi-lane, divided freeway to relieve congestion in and around the Cherry Point Marine Corps Air Station and the city of Havelock, separating through-traffic from military base traffic.
- Cumberland and Robeson counties, Future I-295 Fayetteville Outer Loop, from I-95 South in Robeson County to NC 24/87 (Bragg Boulevard). Construction of a multi-lane, divided freeway to relieve congestion in and around Fayetteville and improve access to the Fort Bragg military complex by separating through-traffic from local traffic.
- Franklin and Wake counties, US 401 widening, from NC 96 in Wake County to SR 1103 (Flat Rock Church Road/Clifton Pond Road) in Franklin County, widening the existing facility to a four-lane, divided roadway to improve capacity and safety of this key regional artery.
- Burke, Caldwell and Catawba counties, US 321 Widening, from north of US 70 in Catawba County to US 321A in Caldwell County, widening existing roadway to six lanes and constructing a new bridge over the Catawba River to improve the capacity and safety of this key regional artery.
- Buncombe and Henderson counties, I-26 Widening, from US 25 Business in Henderson County to NC 280 in Buncombe County near the Asheville Regional Airport, adding lanes to improve the capacity and safety.
- Johnston County's application for \$52.5 million in revenue bonds for water and sewer improvements, including equipment and new lines, won LGC approval. The work will expand system capacity to allow for future growth.

- The LGC also gave the green light to Durham County for \$50 million in general obligation bond anticipation notes for school, community college, library and museum projects.
- Wilson County received conditional approval for a \$13 million loan to match lottery funds intended to build a new Wilson Academy of Applied Technology, and to remodel and repair other school facilities. After commission members raised concerns about the county's financial bookkeeping, the motion included a requirement that county officials first submit documentation showing its accounts are being reconciled monthly.

In another matter, the LGC passed a resolution in accordance with the Local Government Budget and Fiscal Control Act requiring the town of Wilkesboro to contract with outside help within 30 days to assist in preparing town books and financial statements for audit, and to provide the commission a realistic timeline to complete its tardy 2019 and 2020 audits, as well as the 2021 audit due Oct. 31.

State law requires local government units to submit audits by Oct. 31 of each year, with a grace period through Dec. 1. Wilkesboro has failed to provide timely audits despite failed promises and revised deadlines, and repeated admonitions from the LGC staff. The last audit it submitted was for 2018, and it was received two years late.

MONDAY, AUGUST 9, 2021

NC RETIREMENT PLANS WINS TWO NAGDCA LEADERSHIP AWARDS FOR EXCELLENCE AND INNOVATION

(Raleigh, NC) -- Treasurer Dale R. Folwell, CPA, the Supplemental Retirement Board of Trustees and staff have been recognized by the National Association of Government Defined Contribution Administrators (NAGDCA) with two national leadership awards recognizing outstanding achievements in Technology and Interactive Multimedia and National Retirement Security Month awareness.

As the top-scoring retirement plans in the Technology and Interactive Multimedia category, North Carolina's Supplemental Retirement Plans (NC 401(k) and NC 457 Plans and the NC 403(b) Program) (NC Plans) has the unique honor of being eligible to receive the NAGDCA Art Caple President's Award, to be announced on Sept. 16.

“The NC Plans offer exceptional value and allow the public servants of North Carolina an opportunity to save for retirement and pay less for diverse investments with meaningful board oversight. Being recognized with two leadership awards in high-impact categories is a testament to the good work and collaborative relationship between the Board and staff, and individual employers and participants. This verifies our philosophy that if public servants can do it better and cheaper, they should,” Treasurer Folwell said.

NC Plans took Technology and Interactive Multimedia to a whole new level by distributing information on a massive scale to 1,100+ participating employers and 500,000+ eligible participants using a combination of technological enhancements and an interactive communication approach. Pre-rollout numbers of engagement were steady, but modest. Post-rollout, NC Plans saw weekly engagement jump over 900%, with an increase in downloaded enrollment forms of over 750%.

For National Retirement Security Month, NC Plans invited current and eligible employers and participants to grab a “Ticket to the Future” aboard the “Retirement Express.” NC Plans saw the highest-ever level of attendees for retirement planning education webinars, over 10,500. This campaign kick-started a momentum in attendance that continues to this day.

The NAGDCA Annual Leadership Awards Program is designed to recognize the brightest ideas and most innovative solutions from across the industry.

“The NC in ‘NC Plans’ of course stands for North Carolina, but it also stands for ‘Nothing Compares.’ And that’s the truth, there’s not a plan in the commercial marketplace that compares with the pricing, value and benefits these supplemental retirement savings plans offer to those that teach, protect and otherwise serve the citizens of North Carolina,” said Treasurer Folwell.

Previously, NC Plans has been recognized with Leadership Awards for Plan Design and Administration (2020, 2019, 2017, 2016, 2014, 2012, 2011), Participant Education and Effective Communication (2016), Excellence in 403(b) Plans (2015), National Save for Retirement Week/Month (2021, 2015, 2014, 2013, 2011), as well as a special recognition for the design and implementation of a Public Employees Online Survey.

THURSDAY, AUGUST 26, 2021

TREASURER FOLWELL ANNOUNCES AWARDING OF \$252.6 MILLION IN GARVEE BONDS

1.5% True Interest Cost – Lowest Historical Financing Rates in Length and Duration for State of North Carolina GARVEE Bonds

(Raleigh, NC) - State Treasurer Dale R. Folwell, CPA, announced today the awarding of \$252.6 million in Grant Anticipation Revenue Vehicle Bonds (GARVEE bonds). GARVEE bonds are revenue bonds that allow the state to pledge future federal highway funds to pay debt service. The funds will be used to accelerate construction on a variety of NC Department of Transportation projects.

The issuance is the eighth in a series of GARVEE bond sales over the last 14 years. The GARVEE program is intended to be “evergreen,” meaning additional projects will be added to the program and additional bonds issued over time.

“We’re very pleased to be able to help in providing funding for much-needed transportation projects across the state,” Treasurer Folwell said. “I’m appreciative of the department’s staff with the State and Local Government Finance Division and the Local Government Commission for their hard work on this issuance. It’s an amazing and historical rate that they were able to get for these bonds.”

The bonds were awarded to an underwriting syndicate led by BofA Securities. Barclays, Citigroup, J.P. Morgan, Loop Capital Markets and Wells Fargo Securities are also members of the syndicate. The bonds have a 15-year maturity, and the program is structured to achieve approximately level debt service. The 2021 GARVEE bonds are scheduled to close on Sept. 16, 2021. Including the 2021 bonds, the total amount of GARVEE Bonds outstanding will be approximately \$1.1 billion.

The GARVEE bond issue was approved by the Local Government Commission and the Council of State on Aug. 3, 2021. North Carolina’s GARVEE program is rated A+ by Fitch, A2 by Moody’s and AA by S&P.

The project list includes:

- Orange County, I-40 Widening, from the I-85 split at Exit 163 to the Durham County line, widening approximately 11 miles from four to six lanes to

improve capacity and safety. It will also upgrade the NC 86 interchange (Exit 266).

- Forsyth County, I-74 Winston-Salem Northern Beltway, Eastern Section, from US 311 to SR 2211 (BauxMountain Road). Construction of a multi-lane, divided freeway to complete an additional segment of I-74.
- Forsyth County, I-74 Winston-Salem Northern Beltway, Eastern Section, from I-40 to US 421/NC150 (Salem Parkway), construction of a multi-lane, divided freeway.
- Forsyth County, I-74 Winston-Salem Northern Beltway, Western Section, constructing a new interchange between the Winston-Salem Northern Beltway and existing US 52 north of Winston-Salem to complete the connection of I-74 and provide connectivity to the Northern Beltway.
- Craven County, US 70 Havelock Bypass, from north of Pine Grove to south of Havelock, building a multi-lane, divided freeway to relieve congestion in and around the Cherry Point Marine Corps Air Station and the city of Havelock, separating through-traffic from military base traffic.
- Cumberland and Robeson counties, Future I-295 Fayetteville Outer Loop, from I-95 South in Robeson County to NC 24/87 (Bragg Boulevard). Construction of a multi-lane, divided freeway to relieve congestion in and around Fayetteville and improve access to the Fort Bragg military complex by separating through-traffic from local traffic.
- Franklin and Wake counties, US 401 widening, from NC 96 in Wake County to SR 1103 (Flat Rock Church Road/Clifton Pond Road) in Franklin County, widening the existing facility to a four-lane, divided roadway to improve capacity and safety of this key regional artery.
- Burke, Caldwell and Catawba counties, US 321 Widening, from north of US 70 in Catawba County to US 321A in Caldwell County, widening existing roadway to six lanes and constructing a new bridge over the Catawba River to improve the capacity and safety of this key regional artery.
- Buncombe and Henderson counties, I-26 Widening, from US 25 Business in Henderson County to NC 280 in Buncombe County near the Asheville Regional Airport, adding lanes to improve the capacity and safety.

MONDAY, AUGUST 30, 2021

STATEMENT FROM STATE TREASURER DALE R. FOLWELL, CPA ON GOVERNOR COOPER’S SIGNING OF SB 314 – THE LOCAL GOVERNMENT COMMISSION ‘TOOL KIT’

I’d like to thank Gov. Roy Cooper for signing SB 314 - the Local Government Commission “Tool Kit” into law. This important legislation will give the LGC more means to help local government units exhibiting fiscal distress. Much appreciation goes to Sen. Paul Newton who led a stakeholder working group including the North Carolina League of Municipalities and North Carolina Association of County Commissioners. This legislation adds a new set of tools and a process for voluntary and involuntary surrender of municipal charters allowing the LGC to ensure that services and responsibilities are transitioned in an orderly and thorough fashion.

Integral to the successful development and passage of SB 314 was State Auditor Beth Wood as well as Sen. Don Davis, Sen. Tom McInnis, Rep. Tim Moffitt, Rep. Allen McNeill, Rep. Carson Smith Rep. Billy Richardson and Sen. Todd Johnson. These new tools will give more resources to the LGC to continue their work in protecting the fiscal integrity and bond ratings of the state and its cities and counties. Every penny saved by lower financing rates can be used for education, public safety, roads and the other core functions of government.

WEDNESDAY, SEPTEMBER 1, 2021

TREASURER FOLWELL PRAISES 38 ENTITIES FOR MOVING FROM STRESS TO SUCCESS

Local Government Commission Removes Towns, Counties from Assistance List

(Raleigh, NC) – In a sweeping success story for local governments around the state, the Local Government Commission (LGC) has removed 38 entities from its Unit Assistance List (UAL), a monitoring device that flags and tracks local governments and public authorities battling financial and governance challenges.

The LGC, which is chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer (DST), recently announced that the 27 towns,

eight counties and three utility districts had made such significant improvements that they were no longer included on the list.

“This is incredibly good news for those local governments because it brings stability to their operations. By enhancing governance, transparency and stewardship of the money entrusted to them, these units have demonstrated a path forward that others can model,” Treasurer Folwell said.

“This was not an easy or quick turn of events. Some of these issues evolved over many years due to internal and external circumstances. Determining what’s right, getting it right and keeping it right was a deliberate and painstaking effort to achieve the necessary improvements, and all of these officials deserve our gratitude for stepping up to the challenge,” Treasurer Folwell said. “Through their resolve, they have provided much needed certainty to the taxpayers and businesses that local affairs are in good shape.”

The Hertford County town of Ahoskie is a prime example of that turnabout. By 2017 it had accumulated more than \$21.2 million in debt and was struggling to get its affairs in order. That’s when town officials decided to change course, and have since reduced town debt from 21 to 12 accounts totaling \$17.8 million. The 26-point plan was so successful that the UNC Environmental Finance Center produced a short video about Ahoskie’s cost-cutting overhaul.

“The Town of Ahoskie is thankful to the Local Government Commission for its technical assistance during this time,” said Town Manager Kerry McDuffie. “Any local government that really wants to make a meaningful difference for its citizens can. There are plenty of resources in North Carolina to help, which include the Local Government Commission, The North Carolina League of Municipalities, UNC School of Government, North Carolina Rural Water Association and other jurisdictions. If I can assist any other towns, they are welcome to call me.”

McDuffie said the hardest part to fixing financial problems is getting everyone to agree that there is a problem.

“The Ahoskie Town Council was unanimous and adamant about improving the financial situation. That made improving the financial situation easy for me,” he said. “I appreciate the Ahoskie Council allowing me to be a part of improving the financial position of the town. It has been challenging, fun and exciting to work for

a town that truly wants to operate as efficiently and effectively as possible for the citizens.”

“Removing 38 units from the UAL is a significant measure of success,” Treasurer Folwell said. “It is one of our largest, if not the largest, clearances at one time.”

While Treasurer Folwell thanked LGC staff members for the yeoman’s work they have been providing, he acknowledged much remains to be done.

“The problems are many, but the staff is few,” he said, noting that 132 municipalities, 17 counties and nine utility districts remain on the UAL under LGC vigilance, and the number in need of help continues to grow.

With that in mind, Treasurer Folwell thanked Gov. Roy Cooper for recently signing Senate Bill 314 and the legislators who shepherded it to passage. The legislation contains a “tool kit” to expand the LGC’s ability to help local governments in difficult circumstances. It also includes provisions for the voluntary and involuntary surrender of municipal charters in financial distress.

The General Assembly established the LGC in 1931 to help address the problems in local government finance caused by the Great Depression. In 1933, 62 North Carolina counties, 152 cities and towns and some 200 special districts were in default on the principal, or the interest, or both of outstanding obligations.

As a direct result of that history, local units of government in North Carolina usually must seek the commission’s approval before they can borrow money. In reviewing each proposed borrowing, the commission examines whether the amount being borrowed is adequate and reasonable for the projects and is an amount the unit can reasonably afford to repay. Because of this approach, the LGC has helped North Carolina maintain a stellar reputation for fiscal responsibility among states.

The State and Local Government Finance Division (SLGFD) staffs the LGC. It oversees the finances of local governments and public authorities in North Carolina and manages the sale and delivery of most state and local debt. The entities subject to this oversight are a diverse group of over 1,100 municipalities, counties, boards of education, public hospitals, utility districts, mental health agencies, housing authorities, universities, airport authorities and other public authorities. This oversight includes ensuring that each unique entity is:

following industry best practices with regards to their financial operations;

- complying with the North Carolina Local Government (or School) Budget and Fiscal Control Act;
- following all governmental accounting standards as set by the national Governmental Accounting Standards Board; and
- ensuring that all debt is properly issued and serviced in accordance with debt agreements as approved by the Local Government Commission.

The SLGFD markets and sells bonded debt on behalf of issuing local governments and the state. The division also serves as staff to the state of North Carolina and the North Carolina Capital Facilities Finance Agency in fulfilling their respective statutory functions and responsibilities.

TUESDAY, OCTOBER 5, 2021

LOCAL GOVERNMENT COMMISSION VOTES TO ASSUME FINANCIAL CONTROL OF SPRING LAKE

Town Has Been Under Investigation By State Auditor's Office for Months

(Raleigh, NC) – The Local Government Commission has voted to take over the finances of Spring Lake, citing concerns the town might be in danger of default on November debt service payments totaling \$221,385 without corrective measures. The rare action comes two months after a powerful warning to town officials they needed to get their budget and fiscal control practices in order.

The resolution, passed unanimously by LGC members at their Tuesday, Oct. 5, meeting, directed LGC Secretary Sharon Edmundson “To impound the books and records of the Town, assume control of the finances of the Town and oversee and direct all its financial affairs as set out in NCG.S. Chapter 159 and the rules of the Commission.”

The LGC, which is chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer, has a statutory duty to monitor the financial well-being of more than 1,100 local government units.

“This is not an agenda item we ever desire. But we have to continue on behalf of the taxpayers to find out what’s right, get it right, and keep it right,” Treasurer Folwell said. Spring Lake Alderwoman Sona’ Cooper thanked the treasurer, LGC

members and staff for their work with Spring Lake and said she supported the resolution. The Board of Aldermen passed their own resolution at an emergency meeting earlier in the day in support of the financial takeover.

Spring Lake officials previously entered into a Fiscal Accountability Agreement with the LGC, promising to take steps to get the town's financial operations in order. Among other problems in past years, the town permitted expenditure of funds not in the General Fund budget and had allowed the General Fund to fall into a deficit. LGC staff recently learned Spring Lake failed to seek or obtain required LGC approval of a \$1 million loan on Oct. 28, 2020, from the South River Electric Membership Corporation to build a fire station.

At a July 26 emergency meeting LGC staff said the town's governance system did not comply with state statutes requiring that local governments establish and maintain an accounting system designed to show in detail liabilities, equities, revenues and expenditures. Treasurer Folwell said at that meeting a resolution LGC members passed was intended "to send the strongest possible message" that the town was at risk of financial takeover.

The beleaguered Cumberland County town of 12,000 residents near Fort Bragg has been under investigation by State Auditor Beth Wood, forcing temporary closure of Town Hall in mid-July while auditors examined records.

Spring Lake becomes the seventh local government unit under financial control of the LGC. The others are Eureka (Wayne County), Kingstown (Cleveland County), Pikeville (Wayne County), Robersonville (Martin County), Spencer Mountain (Gaston County) and Cliffside Sanitary District (Rutherford County).

In other business on the agenda, LGC members approved up to \$198 million in revenue bonds for the Fayetteville Public Works Commission (Cumberland County) to continue installing water, sewer and electric service in areas the city of Fayetteville annexed more than a decade ago. The LGC has a statutory obligation to examine whether the amount of money units borrow is adequate and reasonable for proposed projects, and confirms the governmental units can reasonably afford to repay the debt.

In 2005 Fayetteville initiated what came to be known as the "big bang" annexation, with promises to bring utility service to 8,000 households. The \$198

million in bonds is the most recent funding request for the infrastructure to provide these services. The commission also signed off on a request to refund existing bonds at a lower interest rate for nearly \$4.5 million in savings.

The city of Greenville (Pitt County) was approved for up to \$20 million in limited obligation bonds to build a new fire station and extend an existing bay, construct a swimming pool and park, remodel a community center and acquire public safety equipment. No tax increase is expected.

Up to \$16.8 million in limited obligation bonds approved for the city of Hendersonville (Henderson County) will be used to build a 253-space parking deck; improve streets, sidewalks, gutters, sewer and stormwater facilities; and refund an existing financing contract to reap nearly \$200,000 in lower interest payments. No tax hike is anticipated.

The LGC approved a request from the town of Oak Island (Brunswick County) for special obligation bonds of up to slightly more than \$10 million to renourish and maintain the town's beachline, which was damaged by hurricanes Matthew and Florence. The bonds will be secured by future Federal Emergency Management Agency reimbursements and other sources.

The town of Apex (Wake County) got a green light to obtain a bank loan of \$8.7 million to build a new public safety facility that includes a fire station and police station, and a new town Inspections Department building. No tax increase is proposed.

The town of Wendell (Wake County) was granted approval for a bank loan of \$11.3 million to build a new town hall and a new road to access it, and to purchase land for a police station. The current town hall and police station are more than 50 years old. The loan also will fund a neighborhood improvement project and fund development of Hollybrook Park. No tax hike is planned.

FRIDAY, OCTOBER 22, 2021

TREASURER FOLWELL DELIVERS UNCLAIMED CASH TO THE ARC OF NC AT STATE FAIR EVENT

Executive Director John Nash Says Windfall Will Help Raise Awareness About Disabled Workers

(Raleigh, NC) – John Nash said receiving more than \$9,000 from the Department of State Treasurer’s (DST) Unclaimed Property Division (UPD) could not have come at a more opportune time. State Treasurer Dale R. Folwell, CPA, was all too happy to brighten his day.

Treasurer Folwell presented Nash, The Arc’s state executive director, with a check for \$9,068 on Thursday, Oct. 21, that UPD staff identified as unclaimed assets belonging to the nonprofit organization. The event took place in the Kerr Scott Building on the State Fairgrounds, where UPD staff has been manning a booth to help fairgoers search for possible claims of their own missing money. Through Wednesday, 174 claims valued at \$79,551 were initiated at the UPD booth.

“It certainly comes at a time when there are lots of needs,” Nash said. “We were not aware that this much money was there at NCCash.com and some of it has been there for a while. To be able to find \$9,000 that was unaccounted for is a nice little windfall to have.”

Nash said the money will be plowed back into The Arc’s advocacy work, “which is our primary goal, making sure we have the resources to get the word out about the work being done on behalf of the people living with intellectual and developmental disabilities.”

He said he was surprised how smoothly the claims process unfolded.

“It was simple. We were able to quickly go through the steps to obtain the money,” Nash said.

“At the State Treasurer’s Office, we admire and applaud the tremendous work being done by The Arc, which provides an enormous service to North Carolina, but more importantly, to the population living with intellectual and developmental disabilities,” Treasurer Folwell said. “The Arc enthusiastically and professionally provides skills training for people with I/DD, and prepares them to

become valued members of the work force. That goes hand in glove with October’s observance of National Disability Employment Awareness Month.”

Treasurer Folwell has been teaming with The Arc at events around the state to raise awareness of the ready and willing labor pool that could provide benefits to businesses during the current employment crisis as many workplaces are hobbled or shut down by job vacancies.

Many individuals served by The Arc have bank accounts through the NC ABLE Program (Achieving a Better Life Experience) managed by DST. NC ABLE has \$13 million in assets for nearly 1,500 account holders. The money grows tax-free and does not count against income caps for other essential disability services. It expands the amount of money disabled individuals can use for qualified disability expenses such as housing, cell phones, adaptive equipment, transportation and virtually any other item that will help to provide a better life experience.

Among its guiding principles, The Arc of North Carolina promotes and protects the human rights of people with intellectual and developmental disabilities and actively supports their full inclusion and participation in the community throughout their lifetimes.

The Arc, founded in 1953, provides services that people need to gain or retain independence. It has a presence in 98 of 100 North Carolina counties, with a network of 20 smaller local chapters that provide their own services and/or social opportunities. Raleigh is home to one of its five regional offices.

WEDNESDAY, NOVEMBER 3, 2021

LOCAL GOVERNMENT COMMISSION ASSUMES FINANCIAL CONTROL OF AILING EAST LAURINBURG

A Host of Funding and Refinancing Requests Approved for Variety of Projects Around the State

(Raleigh, NC) – Stymied after multiple attempts to gain cooperation from the struggling town of East Laurinburg to correct major bookkeeping, banking and auditing deficiencies, the Local Government Commission (LGC) has voted to impound the town’s books and assume full control of its finances.

“This is not a measure we ever want to take, but it is a necessary, last-resort action when a government unit fails repeatedly to comply with state regulations and statutes,” said State Treasurer Dale R. Folwell, CPA, who chairs the LGC. “Town residents must have full faith and confidence that their government is acting in accordance with the law, money is properly accounted for, tax funds are not being misused and essential services are being provided.”

The LGC unanimously approved the resolution in the wake of a recent investigative report by the State Auditor’s Office. That audit concluded that a former finance officer used town funds for personal or questionable expenses that drained the town bank account, resulting in overdrafts and lack of money for town operations. The finance officer’s mother, a sitting Town Council member, countersigned the checks. The report concluded Town Council failed to provide oversight and lacked written accounting policies and procedures. The report recommended legal action be taken.

The LGC resolution cites, among other reasons for assuming control of the Scotland County town’s finances, the failure to submit required audits since 2017, and the town willfully or negligently continuing to be out of compliance with the Local Government Budget and Fiscal Control Act. Provisions of the act require the town to “establish and maintain an accounting system designed to show in detail its assets, liabilities, equities, revenues and expenditures (and) operate under an annual balanced budget ordinance.”

The LGC has a statutory duty to monitor the financial well-being of more than 1,100 local government units. The commission also examines whether the amount of money units borrow is adequate and reasonable for proposed projects and confirms the governmental units can reasonably afford to repay the debt.

Treasurer Folwell has continued to call on the General Assembly to immediately revoke the charter of East Laurinburg because it has ceased to function as a viable governing unit. The LGC passed a resolution to that effect in April. Only one candidate filed to run in the Nov. 2 election to choose three town commissioners. Seven write-in candidates also received votes on Election Day for those three seats. No one filed to run for the open mayor seat, but three write-in candidates received votes.

East Laurinburg becomes the eighth government unit under LGC financial control. The others are Eureka (Wayne County), Kingstown (Cleveland County), Pikeville (Wayne County), Robersonville (Martin County), Spencer Mountain (Gaston County), Spring Lake (Cumberland County) and Cliffside Sanitary District (Rutherford County).

With an eye towards additional interventions to help government units prevent and correct fiscal distress, and to avoid the need for the LGC to assume financial control of a government unit, the LGC approved criteria to evaluate certain municipalities for financial rehabilitation. It is the first major initiative under the newly granted authority of Senate Bill 314, the so-called Tool Kit Bill.

Analysis criteria include:

- A five-year municipal population trend and 10-year primary county population projection to determine if there might be difficulty generating sufficient revenue to support and maintain a city's operations, or sufficient resident support for capital-intensive operations.
- Trend information in the city's taxable property valuation that can signal potential tax revenue difficulty.
- Five-year trend in General Fund balance as a percent of expenditures and transfers. Declining balances might indicate cash-flow problems.
- Five-year trend in submitting timely annual audits. A pattern of noncompliance signals fiscal management weaknesses and an inability to provide effective oversight of public funds.
- Five-year trend of compliance with the Local Government Budget and Fiscal Control Act. Noncompliance could mean staff failure to meet basic financial management standards.
- Trend in governance measuring long-term vacancies on the governing board, a lack of declared candidates for governing board seats during elections, or results of investigations related to fiscal management.

Among other items on the LGC meeting agenda, the city of Charlotte was granted approval for up to \$200 million in short-term bonds as advance funding for previously approved transportation and neighborhood improvements.

The Charlotte Mecklenburg Hospital Authority requested approval for the remarketing of \$200 million of the authority's outstanding bonds. The

remarketing intends to continue to capture the lower interest rates on short-term bonds than the rates that long-term bonds offer. The request was approved.

Plantation Village's request for up to \$75 million in revenue bonds was approved for the expansion and renovation of the continuing care retirement center in Wilmington, and construction of 44 new independent living apartments and other facilities. The bonds are expected to be priced on Nov. 17.

The Housing Authority of the City of Durham was approved to seek up to \$10 million in revenue bonds, with proceeds loaned to Crescent Drive Apartments to be used for construction of a low-income, multifamily rental housing development comprising 82 units in one residential building.

The LGC approved a request from the town of Ayden for an installment purchase contract of \$2.2 million to finance a sewer project.

FRIDAY, NOVEMBER 12, 2021

TREASURER FOLWELL COMMENDS BEAUFORT'S INCOMING MAYOR, RETIRING TOWN MANAGER

Returns Town's Unclaimed Cash During Visit

(Beaufort, NC) – Edward Teach, the infamous English pirate better known by his high-seas pseudonym Blackbeard, was known to frequent Beaufort with his plunder. Three hundred years later, State Treasurer Dale R. Folwell, CPA, the clean-shaven public servant known as the keeper of the public purse, came to the Crystal Coast to return some treasure to its rightful owners.

Treasurer Folwell was at Beaufort Town Hall on Friday, Nov. 12, to deliver a check for missing money and meet with Town Manager John Day and Mayor-elect Sharon Harker. Harker, a two-term town commissioner, was elected mayor on Nov. 2. She will be the first African American woman to hold that post.

“It’s always an honor to meet with dedicated public servants during my official travels around the state. It was especially rewarding to meet with Mayor-elect Harker and congratulate her on her history-making electoral win,” Treasurer Folwell said. “John Day has served his seaside town with distinction and valuable

experience, leading it through the ravages of hurricanes and a pandemic. He has earned his upcoming retirement in December.”

“The town has valued the relationship with the Treasurer’s Office in processing the debt that we have taken on to build infrastructure” through the Local Government Commission that Treasurer Folwell chairs, Day said. “We’re getting ready to do a lot more soon.”

While meeting with town officials, Treasurer Folwell also turned over \$286.01 that Department of State Treasurer (DST) staff in the Unclaimed Property Division (UPD) identified as unclaimed assets belonging to the town. UPD is the repository for approximately 18 million properties valued at roughly \$919 million under DST’s custody.

Treasurer Folwell has made it part of his mission at DST to “watch the pennies and the paperclips,” and Harker echoed that conservative fiscal approach to governance.

“We appreciate any money coming into our town. No check too big, too small,” Harker said. “We’re a very conservative town and we like to get money back and use it to help improve the town infrastructure and facilities. We really appreciate Treasurer Folwell coming down to deliver the check himself.”

MONDAY, NOVEMBER 15, 2021

TREASURER FOLWELL, CHARLOTTE MOTOR SPEEDWAY PUT SPEEDWAY CHILDREN'S CHARITIES IN VICTORY LANE

More than \$5,000 Given to Charity to Help Children

CHARLOTTE, NC

The Department of State Treasurer (DST) and Charlotte Motor Speedway crossed the finish line as winners when they donated \$5,398.83 to Speedway Children’s Charities during a ceremony today at Charlotte Motor Speedway (CMS).

Joining Treasurer Folwell at the event was Scott Cooper, senior vice president – communications for Charlotte Motor Speedway and Lisa Starnes, executive director of Speedway Children’s Charities. The money that was presented to CMS

and subsequently given to Speedway Children's Charities, was held by the Department of State Treasurer's NCCash.com. UPD identified money in the Unclaimed Property Fund that belonged to CMS. Recognizing that there are many children in need as the holidays approach, CMS chose to accept the money and pass it on to Speedway Children's Charities.

"As a motocross racer, I've been passionate about racing – including NASCAR – for more than 50 years," Treasurer Folwell said. "But I'm even more passionate about finding unclaimed money for organizations like Charlotte Motor Speedway and Speedway Children's Charities. The work that they do for children's charities across the country is amazing. I hope this money will make children's dreams come true this holiday season."

Speedway Children's Charities provides funding for hundreds of nonprofit organizations throughout the nation that meet the direct needs of children. The organization's vision is that every child has the same opportunities no matter what obstacle they are facing.

"The money we raise this year for the Charlotte chapter of Speedway Children's Charities will stay in this region to support children in critical need of food, shelter and clothing," said Starnes. "It's a blessing to receive this additional money from the Department of the State Treasurer and Charlotte Motor Speedway through the Unclaimed Property Fund. Our grant distribution ceremony is just weeks away and these funds will be welcome gifts to deserving charities and children this holiday season."

In 2019, the eight nationwide chapters of Speedway Children's Charities collectively distributed more than \$3 million in grants to more than 400 charitable organizations across the country, bringing the total funds distributed since 1982 to more than \$58.3 million, and ensuring that many children in need are given the tools to build a healthy, better and brighter future.

"The staff, volunteers and trustees for Speedway Children's Charities work so hard to raise money year-round at our Charlotte Motor Speedway events," said Cooper. "Since the onset of the pandemic, fundraising has been challenging as many people have been naturally focused on their own personal challenges.

“We know there’s still such a significant need in our community,” Cooper added. “Charlotte Motor Speedway is honored to work with Treasurer Folwell to utilize nearly \$5,400 from the Unclaimed Property Fund to help children through Speedway Children’s Charities. We would encourage any business or North Carolina resident to check NCCash.com to see if they have unclaimed funds that could benefit a deserving charity this Christmas.”

“We’re in the check delivery business,” said Treasurer Folwell. “Getting this money back to the rightful owners is very important to me. We always are looking for ways to make that happen.”

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WEDNESDAY, DECEMBER 8, 2021

LOCAL GOVERNMENT COMMISSION DISSOLVES TROUBLED TOWN OF EAST LAURINBURG

It is the First Time LGC Has Exercised Power Over Failing Local Government

(Raleigh, NC) – The town of East Laurinburg will cease to exist as an incorporated municipality after June 30, 2022. The Local Government Commission (LGC) voted unanimously Tuesday, Dec. 7, to dissolve the beleaguered Scotland County town, exercising for the first time new statutory power to revoke charters of local governments that are in fiscal distress and unable to sustain operations.

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer (DST), unanimously passed a resolution to revoke the town’s charter. Under the law, the General Assembly could veto the action, but there has been no indication that will happen.

The resolution stated, in part, the LGC “determined ... that the city’s financial affairs are not sufficiently stable to continue operations” and that “it is in the best interest of the city and state to transfer the assets, liabilities and other obligations of the town to local government partner(s) and hereby dissolves the Town of East Laurinburg” pursuant to Senate Bill 314. That legislation was signed into law by the governor on Aug. 30 and expanded the LGC’s power to repeal local government charters.

“It is with deep regret that we must take this action, which we tried to avoid for many years by offering every assistance possible to East Laurinburg to correct numerous financial, budgetary and operational deficiencies,” Treasurer Folwell said. “In the end, they did not fully avail themselves of our staff’s expertise or demonstrate the resolve to make the tough choices that were necessary to be a viable municipal government.”

The treasurer said maintaining taxpayers’ confidence that their elected leaders are serving as good stewards of their money is of paramount importance. That public trust has been tarnished by ineffective governance, lack of transparency and little accountability.

“I’ve been a motorcycle mechanic figuring out repair solutions for most of my life,” Treasurer Folwell said. “But I have no tools in my tool kit to fix the problems in East Laurinburg.”

East Laurinburg failed for years to file required annual audits or to establish and maintain a proper accounting system needed to track finances and operate under a balanced budget ordinance. A state audit found apparent embezzlement by a former town finance officer whose mother, a Town Council member, co-signed illicit checks. In the recent election the mayor and all three Town Council members were write-in candidates. Only one candidate had filed to run for office.

The LGC voted in November to impound the town’s books and assume full control of its finances due to major bookkeeping, banking and auditing deficiencies.

Although East Laurinburg provides no essential services to its citizens, it does operate streetlights and administers a contract for trash pickup. The LGC is in discussions with Scotland County officials to assume control of these services.

The town was first incorporated in 1903 as Scotland Village after timber cottages sprang up in the area. It was renamed East Laurinburg and its charter was amended in 1909. It was once a thriving textile town.

“East Laurinburg will retain its character, charm, sense of history and community pride whether it is incorporated or not,” Treasurer Folwell said. “Many such vibrant, unincorporated communities exist throughout the state.”

In other matters, Tuesday’s agenda included three requests from the city of Winston-Salem. LGC members approved a request to issue \$70.5 million in revenue bonds to improve water metering and billing procedures, sewer infrastructure operation and regulatory compliance. The city received the green light to obtain \$60 million in limited obligation bonds. That will be used to refinance previous debt at a savings of nearly \$2 million, and to make improvements to Bowman-Gray Stadium, Long Creek Park and Liberty Plaza, construct the Belview Recreation Center and acquire the former U.S. Bankruptcy Court building and surrounding land. A \$20 million increase on a state revolving loan for water plant expansion also was approved.

Dare County, and the towns of Duck, Kill Devil Hills, Kitty Hawk and Southern Shores received approval to finance more than \$30 million in beach restoration

projects. Dare County will use nearly \$9.2 million in limited obligation bonds as a contribution to beach renourishment in those four municipalities, and for improvements to the county Justice Center. The towns were cleared to seek special obligation bonds for beach renourishment and dredging: Duck, \$2.4 million and \$2.5 million; Kill Devil Hills, \$610,000 and \$3.6 million; Kitty Hawk, \$5.1 million; and Southern Shores, \$5.7 million.

The LGC approved a request from the Harnett County Board of Education for a \$14.6 million installment purchase on what is billed as a guaranteed energy savings contract employing a variety of energy conservation measures.

- More than \$90 million total in revenue bond financing was approved for four housing authorities:
- INLIVIAN (City of Charlotte Housing Authority), \$15.4 million to provide a loan to Eastway Harmony Housing to build Eastway Crossings, a 132-unit apartment complex for low-income senior households.
- INLIVIAN, up to \$27.5 million to provide a loan to WCO West Blvd. to build a 199-unit multifamily affordable housing rental development.
- The Selma Housing Authority, up to \$17.5 million in financing to be loaned to GREH Lizzie Mill NC to purchase and rehabilitate the 100-unit Redwood Village Apartments.
- The Monroe Housing Authority, \$16 million to provide a loan to Icemorlee Community Partners to acquire and rehabilitate 99 units of existing Section 8 affordable rental housing.
- The Raleigh Housing Authority, \$14 million to furnish a loan to Oak Forest Point LP to build a 120-unit multifamily residential rental facility.

THURSDAY, JANUARY 6, 2022

TREASURER FOLWELL ANNOUNCES CONTRACT FOR STATE HEALTH PLAN PHARMACY BENEFIT MANAGER

CVS Caremark Awarded 3-Year Contract Saving Taxpayers Over \$700 Million, Avoiding Member Disruption

(RALEIGH, NC) – State Treasurer Dale R. Folwell, CPA, and the State Health Plan (Plan) announced today that the State Health Plan Board of Trustees approved the contract award for Pharmacy Benefit Management (PBM) services. The

estimated savings for the Plan under this new contract, as compared to the projected current contract, are \$701.1 million.

After a competitive and transparent bid process, the contract was awarded to Caremark PCS Health, L.L.C. The intent of the Request for Purchase (RFP) was to secure a pharmacy benefit manager to provide superior services and support that will assist with meeting the State Health Plan's strategic goals for improving members' health, members' experience and ensuring financial stability.

Caremark PCS Health, L.L.C. is the SHP's current PBM. In that role it manages prescription drug benefits on behalf of the Plan, developing lists of covered medications and using its purchasing power to negotiate with drug manufacturers to obtain rebates and discounts that help control out-of-pocket spending and rising costs of pharmaceuticals.

"We are pleased to be able to offer continuity in our PBM services, avoiding member disruption as well as saving Plan members and taxpayers like them over \$700 million," Treasurer Folwell said. "All of the competitive bidders made excellent, cost-saving proposals but in the end the board selected the Caremark PCS Health proposal."

The RFP was issued on May 21, 2021, and technical proposals were received on Aug. 10, 2021. Proposals were received from the following:

- Blue Cross Blue Shield of North Carolina with Prime Therapeutics
- Caremark PCS Health, LLC (CVS)
- Express Scripts, Inc.
- OptumRx, Inc.

The contract with CVS Caremark will be effective upon award with services beginning Jan. 1, 2023. The contract will expire Dec. 31, 2025, with the option to renew for two, one-year terms. The total cost of the contract including member copays over the three-year term is \$3.394 billion.

WEDNESDAY, MARCH 9, 2022

NC TREASURER FOLWELL SEEKS CHANGE TO FEDERAL LAW ALLOWING SEIZURE OF RUSSIAN ASSETS FOR THE ECONOMIC HARM TO NC PENSION PLANS

Calls on Congress to Amend Foreign Sovereign Immunities Act to Allow Possible Recoupment of Investment Losses; Urges General Assembly to Pass Resolution

(Raleigh, NC) – NC State Treasurer Dale R. Folwell, CPA, is requesting Congress to provide the tools for state pension funds to pursue economic damages through U.S. courts, which could lead to seizure of Russian assets and properties, and urging the General Assembly to pass a resolution strongly condemning Russian President Vladimir Putin’s murderous military invasion of Ukraine.

The proposed action would be unprecedented, and would complement the economic sanctions and export controls the U.S. Government already has imposed on Russia. Treasurer Folwell wants Congress to amend the Foreign Sovereign Immunities Act (FSIA) of 1976 to provide direct recourse for the North Carolina pension fund and other institutional investors and state pension funds to hold corrupt regimes and foreign state-owned corporations accountable for losses stemming from their deadly misdeeds.

“Amending FSIA language to provide state pension funds with greater legal mechanisms to more easily recoup economic losses is a crucial step to impose serious financial consequences on the Russian tyrant, diminishing his ability to fund his evil war,” Treasurer Folwell said. “We need to punish Putin and his cronies for pension and investment losses. North Carolina taxpayers and those who teach, protect and otherwise serve should not suffer that burden.”

The FSIA says foreign states are not completely immune from the jurisdiction of U.S. courts with regard to specified commercially related activities.

“Putin’s actions are barbarous and deplorable. He is indiscriminately bombing and shelling peaceful citizens who want only to live freely under their constitutionally established government and rule of law. His criminal actions are causing loss of innocent life, depriving Ukrainian cities of food and medicine and creating a humanitarian crisis in which over 1.7 million refugees have flooded into other European countries,” Treasurer Folwell said.

“We stand with the Ukrainian people in their desperate hour of need, and demand that Putin be punished severely for his war crimes,” Treasurer Folwell said. He believes heightened economic pressure can help bring an end to the atrocities and loss of life.

As of Feb. 25, the Department of State Treasurer had minimal securities in its international equity portfolio that are domiciled in Russia, with just under \$80 million or just 0.067% of the plans’ total holdings of \$118.2 billion. The Supplemental Retirement Plan portfolio has about \$12 million in exposure or 0.077% of that plan’s \$15.5 billion in holdings all within the international equity and index funds.

While sanctions freeze Russian assets, the power to confiscate them through private lawsuits based on economic harm is not an easy or well-defined process due to international law, bilateral investment treaties and principles of sovereign immunity. Despite the legal barriers, there are exceptions in the law with respect to sovereign immunity defenses. Amending the FSIA to create additional exceptions could allow economically injured parties to file additional court actions. Victims’ rights against state-sponsored terrorism might be a good model for this initiative.

Following is an excerpt of the resolution suggested by the Department of State Treasurer to the General Assembly:

WHEREAS, The United States has, along with our allies, imposed the strongest possible sanctions on Russia and its financial institutions in response to the Russian invasion of Ukraine; now, therefore,

Be It Resolved by The House of Representatives of North Carolina, the Senate concurring herein:

That we, the members of the General Assembly:

- (1) Stand alongside the people of Ukraine, and hold Russia and its corrupt leadership fully accountable for its appalling decision to invade;
- (2) Condemn, in the strongest possible terms, Vladimir Putin's violent attack on the people of Ukraine and strongly endorse the swift and severe economic

sanctions and stringent export controls that the United States Government has imposed on Russia; and

WHEREAS, North Carolina taxpayers and public employees who teach, protect and otherwise serve should be granted additional recourse to hold the Russian Federation, its corrupt leadership, and its state-owned corporations accountable in U.S. Courts for economic damage done in the United States by Vladimir Putin's gambit; now, therefore,

(3) Urge the United States Congress to amend the Foreign Sovereign Immunities Act (FSIA) of 1976, codified at Title 28, §§ 1330, 1332, 1391(f), 1441(d), and 1602–1611 of the United States Code, to provide more direct recourse for state pension funds and other institutional investors to hold corrupt regimes and foreign state-owned corporations accountable in U.S. Courts for their actions.

Be it further resolved that copies of this Resolution be sent to the Speaker of the United States House of Representatives, the Majority Leader of the United States House of Representatives, the Minority Leader of the United States House of Representatives, the President of the United States Senate, the Majority Leader of the United States Senate, the Minority Leader of the United States Senate, and all members of North Carolina's Congressional delegation.

WEDNESDAY, MARCH 16, 2022

SECU FAMILY HOUSE ELATED AFTER TREASURER FOLWELL PRESENTS CHECK

Unclaimed Property Funds Helpful After COVID-Induced Challenges

(Raleigh, NC) – “It’s like getting a birthday present,” Janice McAdams said after State Treasurer Dale R. Folwell, CPA, made a check presentation to the SECU Family House in Chapel Hill.

“It was \$1,140 we did not anticipate, and as a nonprofit that relies on donations and house guest income that is important to us,” said McAdams, executive director of the facility, which has served families of hospital patients from all 100 North Carolina counties and 44 states. Family House opened in 2008 to offer an affordable home for loved ones of seriously ill patients receiving life-saving

treatment at UNC Hospitals. Guests are provided meals, lodging, supportive programs, transportation and a nurturing network.

Treasurer Folwell returned the money to Family House on Monday, March 14, after staff in the Department of State Treasurer's (DST) Unclaimed Property Division (UPD) identified it as belonging to the organization. Commonly called NCCash.com UPD is the repository for approximately 18 million properties valued at roughly \$919 million under DST's custody awaiting return to the rightful owners after being lost, misdirected or overlooked.

"I have the honor of making sure this missing money gets back into the hands of those for whom it was intended," Treasurer Folwell said. "Being able to return it to an organization that does the Good Samaritan work that Family House provides is a blessing to me, but more so to their mission and the families and patients who rely on their compassion and care."

For the fiscal year through Dec. 31, UPD has paid 86,106 claims totaling about \$50.1 million from NCCash. Part of that total has been disbursed through the new NCCash Match program, a no-hassle, expedited system that eliminated paperwork processing. As of Dec. 31, DST paid 54,960 claims totaling nearly \$19.1 million.

"Frankly I had never heard of NC Cash, and thanks to the visit by Treasurer Folwell yesterday almost everybody at Family House either knows about it or has gotten one of the cards" with information about the program, McAdams said.

"I loved listening to Treasurer Folwell yesterday telling me some of the stories of getting to go out and deliver checks, and how meaningful that is to people," McAdams said. "I had to think that those are the people who come to Family House. They're thrilled to get a check regardless of how much. It's a surprise, and it helps them to underwrite whatever they're doing, and for some of them it's paying for gas to come to UNC Hospitals and stay at Family House."

It costs about \$95 a day to run one of the 75 guest rooms, which includes paying housekeepers, facilities staff and front desk managers. The returned money could pay for 12 rooms for a day.

That's important at a time when COVID-19 has heaped challenges on Family House. The 40-bedroom community has served UNC Hospitals for 12 years, and just added on 35 rooms in a new building when COVID hit.

"It was a very deleterious effect," delaying the anticipated occupancy increase, McAdams said. "It's been a tough couple of years, frankly."

McAdams said Family House serves "a Rubik's Cube of different people with different treatment plans." Some guests are post-surgery patients, some are preparing for surgery and others are family support members. Some are post-transplant patients and others are family members of burn center patients. Many are receiving radiation and oncology treatment.

"Our hearts and prayers go out to those with serious medical conditions," Treasurer Folwell said. "We are fortunate as a state to have Family House, its dedicated staff and wonderful volunteers providing a reassuring, helping hand in a time of greatest need."

WEDNESDAY, MARCH 16, 2022

INTERNATIONAL CIVIL RIGHTS CENTER & MUSEUM GETS VISIT, AND CASH, FROM TREASURER FOLWELL

Money from Old Telephone Account Found in State Treasury Safekeeping

(Raleigh, NC) – The International Civil Rights Center & Museum in Greensboro is one of the most iconic landmarks of the Civil Rights struggle. Its mission to preserve and expand its role in educating the public about one of America's most profound cultural movements got a boost from State Treasurer Dale R. Folwell, CPA, who presented officials with a check for money that had gone missing for years.

Treasurer Folwell met with John Swaine, museum CEO, at the former F.W. Woolworth's store on Monday, March 14, to present the \$1,000 check, which had been located by Department of State Treasurer (DST) staff in the Unclaimed Property Division, commonly called NCCash.com. It is the repository for approximately 18 million properties valued at roughly \$919 million under DST's custody awaiting return to the rightful owners.

“On Feb. 1, 1960, the Greensboro Four staged a sit-in at the all-white lunch counter of the F.W. Woolworth’s store, peacefully protesting for an end to segregation. The brave actions of those NC A&T State University students in seeking equal rights, fairness and a place at the table sparked a turning point in making America a more inclusive nation,” Treasurer Folwell said. “I am deeply gratified to be able to help the museum sustain its activities and to keep that memory perpetually alive.”

“It was a pleasant surprise that the State Treasurer would be here to present this check. The occasion also presented a welcome opportunity for the International Civil Rights Center & Museum to host visits by other North Carolina officials, as well, in our role as a hub for bringing together leaders from different agencies and levels of public service in government,” said John Swaine, museum CEO. State Reps. John Faircloth and Jon Hardister, members of the Guilford County legislative delegation, attended the event.

“I am thankful for the work that the Department of State Treasurer did to identify us as the recipient of these funds and to deliver the monies to their proper owners. This, in itself, is good evidence of the considerate integrity and careful attentiveness to the interests of citizens on the part of the Department's staff,” Swaine said.

The missing money came from an old phone account deposit that was unable to be delivered because a post office box was closed after the museum moved into the old Woolworth Store and changed telephone service providers, he said. The money was then escheated to the state.

THURSDAY, MARCH 17, 2022

TREASURER FOLWELL ANNOUNCES DEPARTMENT OF STATE TREASURER WINS “SUNSHINE AWARD” FROM THE NC OPEN GOVERNMENT COALITION

Honor Bestowed for Transparency in Providing Information Exposing Fraud in State’s HOPE Program

(Elon, NC) – North Carolina State Treasurer Dale R. Folwell, CPA, today accepted the NC Open Government Coalition’s Government Award that recognizes

individuals as well as agencies within government that have provided outstanding access to public information.

The award was presented to the Department of State Treasurer (DST) as part of Elon University's Open Government Coalition's celebration of Sunshine Week 2022. It is the eighth annual awards program from the Sunshine Center recognizing individuals from across North Carolina whose work exemplifies the value placed on keeping citizens informed about public business.

DST was given the honor for its transparency in providing information exposing potential fraud in the state's Housing Opportunities and Prevention of Evictions Program (HOPE). The program was originally conceived to provide rent and utility assistance to low-income renters experiencing financial hardship due to the economic impacts of COVID-19. DST was contacted by an investigative journalist requesting information on the potential fraud. The department promptly provided copies of checks resulting in a story that highlighted irregularities that could have cost taxpayers tens of millions of dollars.

"As keepers of the public purse, we have a culture that people are entitled to this information. To be transparent, we treat all media this way," Treasurer Folwell said. "But the real heroes here are the incredible state employees we have at the treasurer's office. I'd like to especially thank members of the Communications staff and the Financial Operations Division here at DST who identified the potential fraud and let HOPE know of the problems. I'm sure that their quick action helped prevent more taxpayer money from being stolen."

As part of the Financial Operations Division (FOD) the Banking Operations processes all "checks" or warrants that it receives from the North Carolina Office of State Controller. During the processing of checks from the HOPE program alert members of FOD started recognizing a pattern that led them to believe that irregularities were occurring. They subsequently let the appropriate authorities know of their concerns.

The total dollar amount of the fraud cases that have been submitted to DST from the NC Office of Recovery and Resiliency (NCORR) for HOPE Program checks is \$1,268,861.44. The fraud cases are predominantly due to fraudulently induced warrants, meaning that the warrants (or checks) were valid, but the applications to NCORR that resulted in the checks contained fraudulent information.

“I could not be prouder of the employees in Banking Operations,” said Treasurer Folwell. “They exemplify the very best in what a state employee should be. Not only do they do their jobs with efficiency and professionalism, but they are watching out for taxpayers’ money every day.”

As the state’s bank, FOD (Banking Operations) manages the deposits and disbursements for the state. At the end of the 2021 fiscal year, total deposits of \$199 million were held in 29 banks across the state. During the fiscal year ended June 30, 2021, more than 4 million warrants were processed, representing approximately \$20.8 billion in payments. In addition, Banking Operations initiated approximately 25,900 wires in the amount of \$224.6 billion on behalf of the state.

THURSDAY, MARCH 24, 2022

LOCAL GOVERNMENT COMMISSION APPOINTS SPRING LAKE DEPUTY FINANCE OFFICERS AMID STAFF TURNOVER

Spring Lake Town Attorney Announces His Departure; Action Ensures Looming Payroll Will be Processed, Comes on Heels of Adverse State Audit

(Raleigh, NC) – With a payroll looming and key positions to process employee checks unfilled, the Local Government Commission (LGC) voted at a special meeting (audio here) on Wednesday, March 23, to help the financially troubled town of Spring Lake avoid payment processing problems. The commission also was informed that Spring Lake attorney Jonathan Charleston had submitted his notice to resign earlier in the day.

The meeting was held a week after release of a state audit that found more than a half-million dollars in wrongful and questionable spending and missing money in the Cumberland County town of 12,000, which has a current budget of \$13 million. The audit also exposed a failure to adequately conduct an inventory of municipal vehicles to determine if there has been theft or misuse, and revealed incomplete or missing minutes of Board of Aldermen meetings.

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by employees in the Department of State Treasurer’s State and Local Government Finance Division (SLGFD), assumed control of Spring Lake’s finances on Oct. 5, 2021, citing authority under NCG.S. Chapter 159 and LGC rules.

The commission has a statutory duty to monitor the financial well-being of more than 1,100 local government units. Commission members took the rare action to impound Spring Lake's books and records, assume control of its finances and oversee and direct all its financial affairs due to concerns the town might be in danger of default on nearly a quarter-million dollars in November 2021 debt service payments.

"We are pleased that the Local Government Commission was able to assist Spring Lake in resolving this payment processing situation," Treasurer Folwell said.

"Employees, taxpayers and residents depend on their elected officials to find out what's right, get it right and keep it right, and any time we can help a local government in that capacity we are ready and willing. Our only goal is to save Spring Lake and keep it from drowning."

Samantha Wullenwaber, who had the support of the LGC as the town's deputy finance officer and interim town manager, was terminated last Friday, State Auditor Beth Wood told fellow LGC members. Wullenwaber had authority to sign checks, and her abrupt dismissal left the town with limited options to perform that function. Wednesday's LGC action should ensure checks go out on time.

Wullenwaber prepared a response to the state audit that met criteria Wood said were necessary to explain how the problems occurred, spell out action to address findings of the audit, identify who was responsible for the work and provide a timeline for completing the steps. The Board of Aldermen opted instead to submit a response from the town attorney that Wood said was vague and misleading, and did not provide essential answers.

The LGC voted Wednesday to retain David Erwin as town finance officer, and appointed Tiffany Anderson and Susan McCullen as deputy finance officers. All three are SLGFD employees. Erwin was retained as account signatory. Anderson and McCullen also were named as account signatories. Wullenwaber, former mayor Larry Dobbins and former mayor pro tem Taimoor Aziz were removed from the accounts since they are no longer in office.

In his letter to Spring Lake Mayor Kia Anthony on Wednesday, Charleston expressed appreciation for the opportunity to work with the Board of Aldermen, saying, "While we have worked with the Town through several challenges, we believe now is a good time to transition to new counsel." His law firm has a

contractual obligation to give a 30-day advance notice to terminate its agreement, but Charleston said, “we can accommodate a sooner departure with the Town’s express consent.”

Spring Lake is one of eight local government units for which the LGC has assumed control of finances. The others are Kingstown (Cleveland County), Spencer Mountain (Gaston County), Robersonville (Martin County), Cliffside Sanitary District (Rutherford County), East Laurinburg (Scotland County) and Eureka and Pikeville (Wayne County).

THURSDAY, MARCH 31, 2022

LED BY TREASURER FOLWELL, NC ABLE AWARENESS GIVES RISE TO TRANSFORMATIVE DONATION

Treasurer Folwell’s Misplaced Reading Glasses Leads to The Barnes Family Foundation Donation of \$25,000

(Raleigh, NC) – State Treasurer Dale R. Folwell, CPA, is celebrating Developmental Disabilities Awareness Month by promoting NC ABLE (Achieving a Better Life Experience) and recognizing a transformative donation made to The Arc of North Carolina by The Barnes Family Foundation.

Treasurer Folwell officially launched The POWER of FIVE campaign, which highlights NC ABLE’s growth and what the community at large can do together to reach the eligible population.

Organically and through the building of relationships with The Arc of North Carolina and the broader community, the NC ABLE program has accumulated more than \$15.6 million in assets for nearly 1,700 account holders. The average funded account balance is over \$10,000. The Arc of North Carolina and other partner organizations have seen firsthand how people with disabilities across the state can save money for the first time in their lives.

“This is what The POWER of FIVE is all about — the community helping to spread awareness of the NC ABLE Program,” said Treasurer Folwell. “We are thankful for our partners. They help us promote NC ABLE across the state, emphasize the

importance of being able to save, and pair account holders and others with employment opportunities.”

On a recent visit to UNC-Wilmington, home of the Seahawks, Treasurer Folwell encouraged all employers to consider hiring people with disabilities as part- and full-time employees. He was accompanied by a young man who works on campus in food services and who has found both personal and financial independence by utilizing Supported Employment services through The Arc of North Carolina. Through his own dedication to work, and by utilizing minimal supports to be successful, this young man began saving money for the first time in his life.

“One of the best outcomes for a person with intellectual or developmental disabilities (IDD) is a real job in his or her community, earning a paycheck, and connecting with non-disabled co-workers and supervisors in a natural and supportive environment,” said Melinda Plue of The Arc of North Carolina. “To then be able to save that earned income for the future is a game-changer for people with IDD, as up until just a few years ago it was impossible to do while utilizing needed services.”

Coverage of the UNC-Wilmington event was well received. Notably, the treasurer had picked up replacement reading glasses from a dollar store on his way, a stunning pair of turquoise ‘Seahawk-colored’ glasses, which made the story more eye-catching for locals, including Dr. Lee Barnes and his wife, a UNC-Wilmington alumna.

Hearing about the event and being drawn in by Treasurer Folwell’s serendipitous selection of eyewear, The Barnes Family Foundation gave a generous gift to The Arc of North Carolina in honor of the treasurer. “I saw Mr. Folwell speak about the initiative regarding UNC-Wilmington and The Arc of North Carolina. My wife and I were very moved by his reflections on what The Arc of North Carolina had accomplished,” said Lee Barnes, President of The Barnes Family Foundation.

MONDAY, APRIL 4, 2022

UNITED WAY OF ASHEVILLE, BUNCOMBE COUNTY WILL HELP SCHOOLS WITH NEWFOUND CASH

(Raleigh, NC) — The United Way of Asheville and Buncombe County has committed to helping local school districts ensure students receive an education that prepares them for success in careers and life. State Treasurer Dale R. Folwell, CPA, who is a member of the State Board of Education, helped the community-based network of volunteers and advocates further that goal with an unexpected financial windfall.

Treasurer Folwell met with United Way officials on Friday, April 1, to return \$2,593.04 in missing money that had landed in the Department of State Treasurer's (DST) Unclaimed Property Division (UPD), commonly called NCCash.com. It was one of three check presentations the treasurer made that day. He also delivered \$5,222.92 to the town of Montreat and \$5,230.19 to the city of Asheville.

"It was a pleasure to meet with Treasurer Folwell, and we greatly appreciate the purpose of the visit," said Kevin Montgomery, the United Way chapter's vice president of resource development. "During these very challenging times, nonprofits at a very basic level rely on two things; 1) human resources, great staff, great volunteers, and great donors, and 2) financial resources such as these. This is what helps us to move our mission."

Montgomery said the funds will be used to support students and families through the United Way's Community Schools Strategy, which he called "the framework for everything we do." The program operates in Asheville, Enka, Owen, Erwin and A.C. Reynolds middle schools, North Buncombe and Asheville high schools. It is designed to provide students and families with the resources, opportunities and support systems they need to succeed and live free of poverty and injustice.

"Hopefully, more organizations and individuals can learn about the Unclaimed Property Division and become grateful recipients of these unclaimed funds like us," Montgomery said.

Treasurer Folwell said returning money to where it belongs is a priority, and knowing it will help students to be better equipped for life is a plus.

“We are breaking all records at the treasurer's office as far as getting money back in the rightful hands,” Treasurer Folwell said. In 2021 UPD paid 125,134 claims totaling \$70,447,815, both historical records, and the department is on track to break those records. For the current fiscal year through Dec. 31, UPD has paid 86,106 claims totaling about \$50.1 million from NCCash. Part of that total has been disbursed through the new NCCash Match program, a no-hassle, expedited system that eliminated paperwork processing. As of Dec. 31, DST paid 54,960 match claims totaling nearly \$19.1 million.

MONDAY, APRIL 25, 2022

MARCH OF DIMES NC CHAPTER GETS SURPRISE FROM TREASURER FOLWELL

Money Found in Unclaimed Property Fund Returned to the Nonprofit Organization

(Raleigh, NC) – The March of Dimes is known for its hard work organizing community events such as Baby Walks to raise funds for its work to improve maternal and prenatal health to reduce poor birth outcomes. On Tuesday, April 26, State Treasurer Dale R. Folwell, CPA, gave the North Carolina chapter some easy money it wasn't anticipating.

Treasurer Folwell met with Kelly Glantz, North Carolina March of Dimes executive director, in Wilmington to present her with a check for \$9,901.03. Staff in the Department of State Treasurer's (DST) Unclaimed Property Division (UPD) identified the money as belonging to March of Dimes during a routine review of records. Commonly called NCCash.com, UPD is the repository for 17.6 million properties valued at \$1.02 billion under DST's custody awaiting return to the rightful owners after being lost, misdirected or overlooked.

“Few organizations have done as much for the benefit of the women and children of North Carolina as March of Dimes. From its early work supporting vaccine research to help eradicate polio, which ravaged North Carolina and other states through the first half century of the 1900s, to its efforts to advance awareness and education to prevent preterm births and congenital disorders, their work has been invaluable,” Treasurer Folwell said. “It gives me great satisfaction to return

money to this amazing group of dedicated workers and volunteers to help them further their vital mission to bring aid, health, comfort and hope to others.”

March of Dimes works with multiple partners to advocate for the health of mothers and babies, focusing on the biggest health threats facing them. It strives to achieve policy gains that prioritize family health and lower the rate of preterm births and infant deaths, as well as maternal deaths of women suffering from severe pregnancy-related health complications, especially in high-risk and minority populations.

“The March of Dimes’ focus on improving the lives of those most in need is a value that I and the Department of State Treasurer share. That is why we launched the NC ABLE (Achieving a Better Life Experience) program at DST,” Treasurer Folwell said.

THURSDAY, APRIL 28, 2022

TREASURER FOLWELL TEES UP MISSING CASH AT PINE NEEDLES LODGE & GOLF RESORT

Unclaimed Property Check Presented on the Course

(Raleigh, NC) – Pine Needles Lodge & Golf Club was the winner when State Treasurer Dale R. Folwell, CPA, presented the club — the site of the 77th U.S. Women’s Open championship — with \$314.73 in money found by the Department of State Treasurer’s (DST) Unclaimed Property Division (UPD), commonly called NCCash.com. It is the repository for 17.6 million properties valued at \$1.02 billion under DST’s custody awaiting return to the rightful owners after being lost, misdirected or overlooked. During a review of data in the system UPD staff identified belonging to the lodge.

“It was so great to get this money back to Pine Needles and be able see this beautiful golf course,” Treasurer Folwell said. “We’re breaking records at the treasurer’s office to get money back into the rightful owners’ hands. In fact, we’re on pace to set yet another record of getting \$100 million back to North Carolinians this fiscal year. Just go to NCCash.com and put in your name, maiden name, business or church name and see if you have money waiting on you!”

WEDNESDAY, MAY 11, 2022

TREASURER FOLWELL GIVES FINANCIAL BOOST TO GREATER WINSTON-SALEM INC.'S EFFORTS

Missing Money Found in NCCash.com Returned to Economic Development Group

(Raleigh, NC) – With more than a quarter-million residents, Winston-Salem is North Carolina’s fifth most populous municipality. For more than 135 years Greater Winston-Salem, Inc. has been helping this city on the grow to enhance the economic prosperity of the county seat and Forsyth County at large. State Treasurer Dale R. Folwell, CPA, recently returned missing money to the business organization that will help in its economic development pursuits.

Treasurer Folwell presented Calvin McRae, Greater Winston-Salem, Inc. vice president of public policy, with a check for \$778.86 that had ended up in the Department of State Treasurer’s (DST) Unclaimed Property Division (UPD).

“At a time of rising inflation, employment disruption and economic uncertainty coming on the heels of a global pandemic that negatively affected business as usual, organizations like Greater Winston-Salem, Inc., are more greatly needed than ever to help the business community navigate through the volatility,” Treasurer Folwell said at Truliant Federal Credit Union following a tour of the corporate headquarters on Monday, May 6.

“I appreciate their hard work to create a business environment that helps to bring jobs, the joy of achievement and upward mobility to so many in my hometown, as well as the county and state,” Treasurer Folwell said. “It gives me great pleasure to return money that rightfully belongs to this industrious organization as it continues its push to make the community better for all.”

“Greater Winston Salem, Inc. works to develop a vibrant, thriving community that’s good for business growth and sustainability. A major component of business growth and sustainability is good stewardship of funds,” said Calvin McRae, vice president, public policy, at Greater Winston-Salem, Inc., an economic development enterprise that resulted from the consolidation of the Winston-Salem Chamber of Commerce and Winston-Salem Business, Inc.

“The NCCash.com program is a great resource for businesses and individuals. It makes it easy for organizations and individuals to track down unclaimed funds

and put those dollars to use. We thank Treasurer Folwell for bringing a check to our shop and making our members aware of this tremendous program,” McRae said.

During a routine review of records, UPD staff identified unclaimed assets belonging to Greater Winston-Salem, Inc. The Unclaimed Property Division, commonly referred to as NCCash.com, is the repository for 17.6 million properties valued at \$1.02 billion under DST’s custody awaiting return to the rightful owners after being lost, misdirected or overlooked.

THURSDAY, JUNE 9, 2022

TREASURER FOLWELL ANNOUNCES \$1.5 MILLION IN SAVINGS FOR STATE HEALTH PLAN MEMBERS ON MEDICARE ADVANTAGE PLANS IN 2023

Humana Medicare Advantage Plan Members to See Zero Cost Dialysis Care and Lab Services in Urgent Care Centers and Outpatient Facilities

(Raleigh, NC) – State Treasurer Dale R. Folwell, CPA, and the State Health Plan (Plan) Board of Trustees today announced benefit changes for Humana® Medicare Advantage members offering a substantial decrease in the cost of critical dialysis and lab services costs, saving impacted members more than \$1.5 million for the 2023 benefit year.

State Health Plan Medicare-eligible members can choose either the Humana Medicare Advantage Base Plan (90/10) or Enhanced Plan (90/10). The new copay reductions for 2023 in the Humana Group Medicare Advantage Plans provide:

Lab services at an urgent care facility (currently \$40 copay Base; \$10 copay Enhanced) will now have a \$0 copay

Dialysis services at an outpatient facility (currently 20% coinsurance on both plans) will now have a \$0 copay

Dialysis services at a dialysis center (currently 20% coinsurance on both plans) will now have a \$0 copay

“I’m proud to announce this big win for our Medicare Advantage plan members. We’re always looking at ways to improve this benefit by making it more

affordable for those that utilize it,” said Treasurer Folwell. “We are excited that Humana continues to partner with the Plan on ways to lower costs and improve health care for our members, who have faithfully taught, protected and served throughout their careers.”

The new benefit changes represent the latest savings in the 2020 Medicare Advantage Fully Insured Plan and Related Services contract with Humana. Annual cost savings under the contract will total almost \$600 million over the course of the three-year contract.

MONDAY, JUNE 27, 2022

TREASURER FOLWELL RETURNS MISSING MONEY TO ROCKY POINT ELEMENTARY SCHOOL

State Treasurer Dale R. Folwell, CPA, visited Rocky Point Elementary School in Pender County today to return missing money that ended up in the Department of State Treasurer’s (DST) Unclaimed Property Division (UPD).

(Raleigh, NC) – State Treasurer Dale R. Folwell, CPA, visited Rocky Point Elementary School in Pender County today to return missing money that ended up in the Department of State Treasurer’s (DST) Unclaimed Property Division (UPD).

“This is a pretty good way to start off a new week,” said Pender County Schools Superintendent Dr. Steven Hill. “To receive a check from the state is a nice surprise, and it comes at a good time as schools are preparing for the start of a new year. The calendar says June, but August will be here before we know it.”

Rocky Point Elementary School has a student population of 420 students. About 90% of students are from low-income families, and half of all students are Hispanic.

“I’ve enjoyed getting to meet some of the hard-working staff and school leaders here,” said Treasurer Folwell, who is a member of the state Board of Education. “Great work is being done at Rocky Point Elementary School, evidenced by year-to-year student progress being above average compared to the rest of the state.”

During his visit Treasurer Folwell presented \$500 that UPD staff identified as unclaimed assets belonging to Rocky Point Elementary School. He was joined by Don Hall, Pender County Board of Education member; Jimmy Tate, Pender County Commissioner-elect; and Rocky Point Elementary School Principal April Perkins. The money was identified during a routine staff review by UPD, commonly called NCCash.com.

TUESDAY, JULY 12, 2022

TREASURER FOLWELL ANNOUNCES RECORD \$105 MILLION IN NCCASH CLAIMS PAID

UPD paid 178,857 claims amounting to more than \$105 million during the 2022 fiscal year.

(Raleigh, NC) – The Unclaimed Property Division (UPD) of the Department of State Treasurer (DST) announced this week that it had paid 178,857 claims amounting to more than \$105 million during the 2022 fiscal year. UPD is part of DST led by State Treasurer Dale R. Folwell, CPA. Both the number of claims paid, and the total amount claimed, represent a historical record for UPD.

In 2021, the division paid out 125,134 claims valued at \$70,447,815. In contrast, in 2022 178,857 claims were paid for \$105,158,116. That represents a 43% increase in the number of claims paid and a 50% increase in the dollar amount.

“It’s amazing to see what NCCash has accomplished over the past year,” Treasurer Folwell said. “Not only did they process a record number of claims, but they did it while moving locations and with a new head of the division - Allen Martin. It is a testament to his leadership and of the previous director Brenda Williams and, of course, the hardworking employees in the Unclaimed Property Division.”

The record number includes claims paid by UPD’s highly successful NCCash Match program, which paid out 102,157 claims totaling more than \$35.3 million during fiscal year 2022. The program, which started in October 2020, has been a resounding success. At first, the NCCash Match proactively only researched records and identified qualifying claims of \$250 or less. Then, with the help of the General Assembly and Gov. Roy Cooper, they passed additional legislation allowing UPD to identify and pay claims up to \$5,000.

WEDNESDAY, JULY 13, 2022

TREASURER FOLWELL PRAISES DELIBERATE ACTION LEADING TO STATE'S TOP ECONOMIC POSITION

North Carolina has been designated the top state in the nation for competitiveness with the strongest economy, according to CNBC's annual rankings.

(Raleigh, NC) – Featuring “an economy that has hit its stride, and turbocharged by a long track record of innovation,” North Carolina has been designated the top state in the nation for competitiveness with the strongest economy, according to CNBC’s annual rankings. State Treasurer Dale R. Folwell, CPA, said the distinction was years in the making and involved tireless dedication to improving the lives and fortunes of North Carolinians.

North Carolina scored 1,580 of a possible 2,500 points, outpacing Washington, Virginia, Colorado and Texas, respectively, among the Top 5 states. The CNBC competitiveness rankings measured 10 categories. They are workforce; infrastructure; cost of doing business; economy; life, health and inclusion; technology and innovation; business friendliness; education; access to capital; and cost of living.

North Carolina finished a close second in last year’s rankings, and has been in the Top 10 almost every year since the comparisons began in 2007, but this is the first year it has topped the list.

“This ranking is a credit to the taxpayers of North Carolina and the discipline of General Assemblies past and present to balance budgets, build surpluses and to establish Rainy Day Funds that bring certainty to any business that desires to expand and relocate to North Carolina,” Treasurer Folwell said.

“I have been honored to have played a role the last 15 years, as North Carolina Treasurer and keeper of the public purse, in operationalizing of the unemployment system reforms and as author of the legislation to reshape the workers compensation system,” Treasurer Folwell said.

“With inflation shooting to 9.1% in June, a 40-year high, consumers and families are facing their biggest struggle in modern times,” Treasurer Folwell said. “North Carolina is not immune to those pressures, but due to the foresight and policies

put in place the past decade to create the state’s super-economy, the damage is somewhat blunted compared to other states.”

It is the second time in recent months North Carolina’s business and economic power has been in the national spotlight. According to a key annual report issued by the American Legislative Exchange Council (ALEC) called “Rich States, Poor States: ALEC-Laffer State Economic Competitiveness Index” that measures 15 equally weighted policy variables to determine rankings, North Carolina has a stronger economic outlook than 48 other states because it is controlling spending and lowering taxes. In that 2022 report North Carolina soared to No. 2 in the rankings.

Treasurer Folwell said he has worked with North Carolina legislative leaders to steer a decade-long course toward much-needed reform. Disciplined tax and spending policies, reducing regulatory restraints on business and industry, combined with the principles of effective limited government have been the linchpin to the state’s shining performance.

Those policies and strategies have been beneficial in helping the Department of State Treasurer to maintain the state’s AAA credit rating, a crucial tool that injects growth and stability into the economy. That superior credit rating allows governments at every level to be able to borrow at lower interest rates so more money is available for public safety, education, transportation and infrastructure.

“Along with the pro-growth and pro-business policies come greater job creation and more tax revenue, which then flows through legislative allocations to help operate the State Health Plan and North Carolina Retirement Systems,” Treasurer Folwell said.

THURSDAY, JULY 28, 2022

REP. MCNEILL RECEIVES INAUGURAL ‘ORDER OF THE KEEPER OF THE PUBLIC PURSE’ AWARD

Treasurer Folwell and TSERS Board of Trustees Acknowledge His Contributions to the Retirement Systems

(Raleigh, NC) — State Treasurer Dale R. Folwell, CPA, and the Boards of Trustees of the Teachers’ and State Employees’ Retirement System today passed a resolution honoring Rep. Allen McNeill, R-Randolph, for his contributions to the retirement systems of North Carolina. Rep. McNeill announced his retirement from the North Carolina General Assembly in December of 2021, after serving five terms. As chairman of the House Pension and Retirement Committee he has been instrumental in making the state’s retirement system one of the best in the country. Rep. McNeill has introduced 39 retirement policy bills as a primary sponsor, 21 of which have become law.

“It’s hard to say in words the contributions that Rep. McNeill has made to the retirements of those that teach, protect and otherwise serve the people of North Carolina,” Treasurer Folwell said. “But for his leadership as pensions committee chair, our benefit plans wouldn’t be as secure. Not just his constituents in Randolph County, but nearly 1 million current and future generations of public service workers are indebted.”

The resolution cites “the implementation of regular stress-testing for the State system, the modern processes for employing agencies to begin and end participation, the standardization of service purchases, the establishment of the State’s Unfunded Liability Solvency Reserve, and the ability of the Board of Trustees for the Local system to authorize a one-time supplemental payment to retirees,” as just a few of his major accomplishments as chairman of the House Pension and Retirement Committee.

The resolution honors Rep. McNeill with the first ever “Order of the Keeper of the Public Purse,” highlighting his critical role in making improvements to preserve the North Carolina Retirement Systems and maintain its sustainability for current and future public employees.

The “Order of the Keeper of the Public Purse” is the highest recognition that can be granted by the State Treasurer of North Carolina. The award is being established by Treasurer Folwell as a way of recognizing achievements that heed the clarion call of former Treasurer Harlan Boyles in his 1994 book, *The Keeper of the Public Purse*, to guard fiercely the purse of the citizens of North Carolina.

FRIDAY, AUGUST 5, 2022

CHARLOTTE SAYS LGC APPROVAL OF \$1 BILLION WILL AID FUTURE GROWTH

Local Government Commission also OKs School, Other Government Building Funding

(Raleigh, NC) – The Local Government Commission (LGC) has approved the city of Charlotte’s request to obtain more than \$1 billion in financing for infrastructure work that city officials say will enhance growth. State Treasurer Dale R. Folwell, CPA, said the financing package illustrates the enormous and growing need for clean and effective public water and storm water systems in North Carolina.

“There is no workaround for environmentally safe infrastructure and treatment plants that are essential to avoid public health risks while boosting the potential for economic growth,” Treasurer Folwell said. “Charlotte officials are making an important investment in vital public works. The Local Government Commission is pleased to assist with their efforts.”

Charlotte City Manager Marcus Jones was appreciative of the bond approvals.

“Charlotte and North Carolina continue to grow and attract new residents and our municipalities must work to keep pace. Charlotte Water is an integral part of the regional economy, so I appreciate the work of the Local Government Commission and its approval of these funds,” Jones said. “The funds will go towards important infrastructure projects for the benefit of our community that support the growth of Charlotte-Mecklenburg as well as to support the continued exceptional regulatory compliance of the utility. The city looks forward to continuation of this partnership to build a better city, Charlotte Water and region.”

Treasurer Folwell chairs the LGC, which is staffed by the Department of State Treasurer (DST). The commission has a statutory duty to monitor the financial well-being of more than 1,100 local government units. The commission also examines whether the amount of money units borrow is adequate and reasonable for proposed projects, and confirms the governmental units can reasonably afford to repay the debt.

Charlotte will issue \$500 million in bond anticipation notes that allow the city to obtain short-term funding over the next two years that will be paid off later with

long-term bonds. The money will pay for the extension of existing water and sewer lines, rehabilitation of water and wastewater treatment plants, new water and sewer mains and equipment.

The city also will issue another \$535 million in revenue bonds to finance water, wastewater and sewer plants and lines. Part of that would pay for previous bond anticipation notes and to refund a previous bond issue.

Water and sewer rates are expected to increase 3.84% annually from 2023 to 2027 to help fund the city's overall Capital Improvement Program that includes the items approved on Tuesday.

Treasurer Folwell said most North Carolinians are aware of the billions of dollars in capital funding needed for projects such as new school and other government buildings, ports, airports, bridges and roads.

"There's at least the same amount of funding needed for infrastructure below the ground," Treasurer Folwell said. "At the Department of State Treasurer, we vigorously protect the state's AAA bond rating, which allows local governments to obtain low-interest rates when they take on debt, freeing up more money for construction. Our staff works diligently to work out the financing, and to cooperate with the local governments to ensure taxpayers are getting the best deals."

The American Society of Civil Engineers' 2021 Report Card for America's Infrastructure determined that North Carolina has \$16.8 billion in drinking water needs over the next 20 years, and \$5.3 billion in wastewater needs.

Other drinking water and wastewater items on Tuesday's LGC agenda also were approved, most notably more than \$210 million in Viable Utility Reserve grants for nearly 50 local governments. The grants will fund asset inventory and rate assessments that lead to short-term and long-term action plans, and for projects to repair, maintain and manage public drinking water and wastewater systems.

Session Law 2020-79 that went into effect in 2020 created a Viable Utility Reserve fund to improve and sustain water and wastewater systems. It required the LGC and State Water Infrastructure Authority (SWIA) to develop criteria to identify distressed units.

In other action, the LGC approved a request from Buncombe County to issue \$70 million in general obligation bonds. Of that, \$40 million would support low-income rental housing and home ownership programs to address a lack of affordable housing in the county. The other \$30 million would be spent to preserve open space and farmland with the potential to develop greenways and trails for recreational purposes.

The city of Concord (Cabarrus County) was given a green light for \$60 million in general obligation bonds to pay for parks and recreational facilities in underserved neighborhoods and to improve existing facilities. The work will include three new parks, trails, shelters, greenways and athletic fields, and expansion of services and updates to older parks.

The LGC approved a request from the Cumberland County Industrial Facilities and Pollution Control Financing Authority to help Cargill food corporation procure \$27 million in revenue bonds to build and equip an agricultural recycling facility. The plant will process residual byproducts from Cargill's Fayetteville soybean processing plant into feed products rather than disposing of them in the landfill. About 70 jobs would be created through 2028.

The town of Waxhaw (Union County) received approval for a \$21 million installment purchase contract to build the new Town Campus project to replace outdated town buildings and provide additional space. An installment contract allows the town to take possession of the property and pay for it over time. The project includes a new Town Hall to house the town administration and council chambers, public services administration, storage and work bays, and a site pad for a future town facility.

LGC members voted in favor of a \$9 million installment contract request from Fuquay-Varina (Wake County) to pay for a 15,898-square-foot building to house the Fire Department and Emergency Management Services. The project includes dormitory areas, day rooms, training and other space.

Wayne County officials' request for an \$8.1 million installment purchase contract was approved. The county will use the money to build the 118,000-square-foot Freemont Elementary School to house 750 students. The county anticipates using a \$30 million needs-based state lottery grant on the project.

Bladen County also plans to build a new school and the LGC signed off on a \$4.4 million installment purchase contract to construct the 83,348-square-foot building. The Tar Heel School would combine Tar Heel Middle and Plain View Primary schools, and house 800 students in grades K-8. The county will use \$32 million in needs-based school grant funds to complete the project.

Holden Beach (Brunswick County) got the thumbs up from the LGC for \$4.2 million in special obligation bonds to replace 1.5 million cubic yards of sand lost during four major storms that raked coastal beaches.

TUESDAY, AUGUST 9, 2022

LOCAL GOVERNMENT COMMISSION APPROVED OVER \$418 MILLION FOR AFFORDABLE HOUSING

Treasurer Folwell Says 2022 Financing Helps Seniors, Low-Income Renters

(Raleigh, NC) – The Local Government Commission (LGC) approved \$418.5 million in financing for affordable housing in fiscal year 2022, and State Treasurer Dale R. Folwell, CPA, said the need for economical living arrangements for many North Carolina residents continues growing.

The LGC, chaired by Treasurer Folwell and staffed by members of the Department of State Treasurer’s State and Local Government Finance Division, approved 22 multifamily housing projects for nine locations in the fiscal year that ended June 30. That paved the way for 2,993 apartment units to be built or renovated at 17 low-income sites and five senior living low-income complexes.

Financing was approved for INLIVIAN (City of Charlotte Housing Authority), \$188.3 million; City of Durham Housing Authority, \$65.9 million; NC Housing Finance Agency, \$51.5 million; City of Raleigh Housing Authority, \$37.5 million; Wake County Housing Authority, \$30.8 million; Town of Selma Housing Authority, \$17.5 million; City of Monroe Housing Authority, \$16 million; and High Point Housing Authority, \$11 million.

The \$418.5 million represents only projects for which construction has started. The figure does not include general obligation bonds that have been approved but not yet issued.

The LGC has a statutory duty to monitor the financial well-being of more than 1,100 local government units. The commission also examines whether the amount of money units borrow is adequate and reasonable for proposed projects and confirms the governmental units can reasonably afford to repay the debt.

“Helping to ensure the housing stock in North Carolina keeps pace with the population growth and shifting demographics is not something people normally associate with the Department of State Treasurer (DST). But our staff is deeply involved in helping municipal and county housing authorities and others to obtain the financing necessary to build, renovate and add on to public sector housing projects,” Treasurer Folwell said.

“We are in a volatile economic environment still struggling to recover from the government lockdowns during the COVID-19 pandemic. On top of that we are entering a recession amid record inflation. Low-income North Carolinians and seniors on fixed incomes are caught in the crosswinds. Expanding affordable and accessible housing is urgent,” Treasurer Folwell said.

According to the real estate company Redfin, North Carolina housing prices were up 14.4% in June compared to June 2021. The National Low Income Housing Coalition reports there are 347,827 extremely low-income renter households in North Carolina, but there is a shortage of 195,661 rental homes that are affordable and available for renters whose incomes are at or below the poverty guideline. Those poor households can spend more than half of their income on housing, which means they sacrifice other necessities like healthy food, health care and transportation. They are forced to move to less safe neighborhoods and take two or three jobs to pay the rent.

“Creating and preserving affordable housing is imperative because studies show increases in household income are not keeping pace with rising rent costs, and that trend has been occurring for decades,” Treasurer Folwell said. “Housing instability and inadequacy can create stress, lead to depression and foster hopelessness, all of which can contribute to physical health problems.”

As keeper of the public purse, Treasurer Folwell is determined to protect and preserve North Carolina’s Triple-A bond rating, which makes it possible for governments to obtain lower interest rates when borrowing money. Low-interest

debt makes it possible to spend more on capital, such as public housing and infrastructure needed to serve it.

WEDNESDAY, AUGUST 24, 2022

TREASURER FOLWELL ANNOUNCES LOWER FEES FOR NC ABLE SAVINGS ACCOUNTS

Individuals with Disabilities See Account Fees Reduced by 25%

(Raleigh, NC) — State Treasurer Dale R. Folwell, CPA, and the NC ABLE Board of Trustees announced a substantial fee reduction for NC ABLE Program account holders at the recent quarterly board meeting. The annual maintenance fee was reduced 25% to \$34 for those account holders who choose e-Delivery statements.

“We are committed to driving down costs and increasing value in the NC ABLE Program,” said Treasurer Folwell. “It is fitting that during ABLE to Save month we are able to announce this fee reduction that puts more money in the pockets of eligible individuals who are looking to Achieve a Better Life Experience.” Reducing costs for account holders was negotiated as part of a new contract.

The Board of Trustees oversees more than \$15.8 million in assets for nearly 1,800 account holders whose average account size is \$9,300. The money can be used for qualified disability expenses such as housing, cell phones, adaptive equipment, transportation and virtually any other item that will help to provide a better life experience. For many individuals with disabilities and their families, this may be the most impactful program available, allowing them to save MORE than the \$2,000 limit for public support programs such as Medicaid and Supplemental Security Income.

U.S. Sen. Richard Burr, R-NC, introduced the bipartisan Achieving a Better Life Experience Act in Congress in 2011. The legislation was needed, he said at the time, because “families of individuals with disabilities often face overwhelming financial burdens associated with the expensive costs of health care, education, housing and transportation.” North Carolina followed suit when the NC ABLE Act was signed into law in 2015.

“I am proud of staff and our community partners, like The Arc of North Carolina, Autism Society of North Carolina, Special Olympics of North Carolina and others who advocate for the disability population,” Treasurer Folwell said. “Awareness of NC ABLE has been growing organically for the past five years and we have seen a 20% increase in account openings and assets in the last seven months alone. I encourage everyone to join the conversation because we all know someone who knows someone who would benefit from this life-changing program.”

NC ABLE and Treasurer Folwell have been raising awareness throughout the state this year, including attendance at the North Carolina Special Olympics in June. Upcoming events include three regional Run/Walks for Autism, design projects with students at Franklin Academy and North Carolina School for the Deaf, as well as informational webinars.

The NC ABLE Program is governed by the six-member Board of Trustees with Treasurer Folwell serving as chair. North Carolina is also a member of the NC ABLE Alliance, a consortium of 18 states and Washington D.C., dedicated to providing those living with disabilities ABLE checking account and investment products at a low cost.

WEDNESDAY, AUGUST 24, 2022

TREASURER FOLWELL RETURNS MISSING MONEY TO TOWN OF BILTMORE FOREST

Town Manager Says Funds Will Be Used for Public Works Department

(Raleigh, NC) —State Treasurer Dale R. Folwell, CPA, literally elevated the profile of the Department of State Treasurer’s (DST) Unclaimed Property Division (UPD) when he went to Biltmore Forest on Tuesday, Aug. 23, to return missing money.

The Buncombe County town, incorporated in 1923, is nestled in the Blue Ridge Mountains 2,267 feet above sea level, a high rise from Raleigh, whose elevation is 315 feet.

“It was a pleasure getting the opportunity to share part of my day with elected officials and staff members in Biltmore Forest,” Treasurer Folwell said. “One of the added benefits to returning money to its rightful owners and raising

awareness of NCCash.com while I am conducting business around the state is witnessing firsthand the dedication public and civic servants have in making North Carolina a better place for all.”

“The town is appreciative of Treasurer Folwell and his staff for alerting us to the existence of these funds, and instructing us how to inform our citizens how to check whether they have any missing cash,” said Town Manager Jonathan Kanipe. He said the missing money will be put to use quickly for the taxpayers. “We know that it came from a public works vendor we utilized, so our thought was to put it back to work in our Public Works Department.”

NCCash.com is the repository for 17.6 million properties valued at \$1.02 billion under DST’s custody awaiting return to the rightful owners.

The treasurer presented a check for \$806.73 to town officials. UPD staff discovered the money during routine reviews of data in the system. They determined it belonged to Biltmore Forest, but had been diverted to the state’s escheats fund, maintained by DST.

For the just completed fiscal year through June 30, UPD paid a record-breaking 178,857 claims totaling more than \$105.1 million from NCCash. Part of that total has been disbursed through the new NCCash Match program, a no-hassle, expedited system that eliminated paperwork processing. For the just completed fiscal year, DST paid 102,157 claims totaling about \$35.3 million.

While in Buncombe County Treasurer Folwell also presented at the NC Association of Municipal Clerks’ Summer Academy.

THURSDAY, SEPTEMBER 1, 2022

STATE HEALTH PLAN SHORTFALL DROPS \$7 BILLION; NEW REPORT BRINGS GOOD NEWS FOR RETIREES

Funded Level Grows More Than Fourfold Since Treasurer Folwell First Took Office

(Raleigh, NC) – The shortfall in the amount of money needed to pay for health benefits of state retirees and those who will retire has plummeted \$7.17 billion in the past year, according to a report just released by The Segal Group. The Retiree

Health Benefit Fund is at its highest rate of funding since State Treasurer Dale R. Folwell, CPA, took office in 2017 and inherited a system mired in financial hardship.

“This is a positive report, as we are benefiting from the tailwinds of high interest rates, but facing headwinds of inflation and the exorbitant costs of health care. Despite the progress more work remains to be done to achieve even greater stability in the fund,” Treasurer Folwell said.

“There is a long-term solution to decreased liabilities. Hospitals need to be transparent in posting their prices. And they should do the right thing by cooperating with us in reducing costs to the health plan by weeding out \$300 million annually in waste and inefficiencies in health care delivery,” Treasurer Folwell said.

The Segal researchers assessed the plan’s assets and net liability for postemployment benefits other than pensions (OPEB) as of June 30 for retirees and permanent, full-time, general employees who will claim the benefit once they retire. The report is a vital tool for continuing to attack the unfunded liabilities in the OPEB plan.

“You can’t manage what you can’t measure,” Treasurer Folwell said during a meeting of the OPEB Valuation Committee on Wednesday, Aug. 31.

According to the report, the unfunded liability was expected to increase year over year to \$32.44 billion. Instead, it decreased dramatically from \$30.92 billion June 30, 2021, to \$23.75 billion as of June 30 of this year. In turn, the funded level of the plan, based on the market value of assets, rose from 7.72% last year to 10.58% as of June 30 this year.

Treasurer Folwell first won election in 2016 promising to position public policy to whittle down the enormous OPEB liabilities that were receiving scant attention. The funding ratio of the plan was just 2.4% at the time, among the worst in the nation. According to the most recent report, the plan’s funded level rose more than fourfold since then and now is funded at 10.6%. The treasurer believes it is possible for the state plan to achieve a much higher funded level, pointing to the example of Winston-Salem, whose plan is over 80% funded.

The improved outlook of the Retiree Health Benefit Fund is due in large part to higher discount rates. That lowered unfunded liabilities by \$6.1 billion. Sharp contract negotiations to select the State Health Plan's Pharmacy Benefit Management services was credited for a \$2.57 billion reduction in liabilities. The new contract for managing the prescription drug benefits, is scheduled to take effect Jan. 1, 2023.

As part of his previous work to shrink unfunded liabilities Treasurer Folwell spearheaded renegotiation of the Medicare Advantage Fully Insured Plan and Related Services in 2020. Potential cost savings of almost \$1 billion are expected over the course of the five-year contract.

He previously championed creation of the Unfunded Liability Solvency Reserve Act, which was unique among the states. The reserve is funded through appropriations from the General Assembly, as well as any funds that exceed the statutory requirements for the "Rainy Day Fund" and savings from refinancing general obligation bonds or special indebtedness. The law established an Employee Benefit Trust Fund where those dollars go to address unfunded pension and health plan costs.

There are 609,448 retirees, spouses, surviving spouses, active, and vested but inactive OPEB plan members. Plan eligibility is open to retirees from state, UNC, community colleges, local school systems and other entities including local governments. Employees hired on or after Jan. 1, 2021, are not eligible for OPEB benefits. The plan is funded by employer contributions at a rate of 6.68% of employee pay in 2022, and premiums based on the coverage plans selected and, in some cases, years of service.

THURSDAY, SEPTEMBER 8, 2022

WNC RESIDENTS ATTEND PUBLIC HEARING ON THE MEDICAL DEBT DE-WEAPONIZATION ACT

Department of State Treasurer Holds Event in Asheville to Raise Awareness, Get Feedback on High Health Care Costs

(Raleigh, NC) — State Treasurer Dale R. Folwell, CPA, held a public hearing on the Medical Debt De-Weaponization Act in Asheville on Wednesday, Sept. 7.

Treasurer Folwell was joined by Brevard Mayor Maureen Copelof and Dr. Mitchell Li of Take Medicine Back, as well as patients and community advocates. They listened to patients' stories about medical billing and discussed the need for accountability and patient protections.

Medical debt is crippling North Carolinians' upward mobility and threatening to create generational poverty. One in five families is in medical debt collections. Workers lose 20% of their paycheck to health care costs on average. Nearly 40% of Americans reported cutting back on food, utilities or gas to pay health care bills. Health care costs drove almost half of adults to report delaying or skipping necessary medical care.

"The stories we hear are heartbreaking," Treasurer Folwell said, adding, "Everyone knows that something is wrong, especially in Western North Carolina."

The new legislation, House Bill 1039, would help working families avoid financial ruin just because they got sick. It would strengthen patients' access to charity care, limit unfair tactics in debt collection and restrict the ability of large medical facilities to charge unreasonable interest rates on medical debt.

North Carolina is one of the most unaffordable and monopolistic states in the nation for health care.

Too many hospitals in North Carolina have failed to equal their tax exemption with charity care spending. Instead, some hospitals billed \$149 million to poor patients – or encouraged patients to open "medical credit cards" that can charge up to 18% interest on medical debt. Hospitals have even sued more than 1,000 patients for medical debt, including during the pandemic.

"Health care is one of the most critical things that every elected official needs to get involved with," said Mayor Copelof. "Your stories are heartbreaking. I listen to them, and I say, 'How in God's name did we get to where we are right now?' It's unbelievable, but it's where we are right now. And we've got to figure out how to change things. ... We're not to going to stand by and watch while people are demonized while medicine is turned into a corporate money machine."

"Patients don't go to the hospital at the end. They actually do die at home, unnecessarily and prematurely," said Dr. Li. "This is affecting physicians and

nurses and patients all over the country. All the legislators see are the high-paid lobbyists from HCA and Atrium and all those folks. We need to tell the real story.”

Too many hospitals are still hiding their prices. Patients can’t see what a procedure costs, but they’re left with little recourse when the bill comes. North Carolina currently ranks in the bottom half of states for consumer protections. The Medical Debt De-Weaponization Act would make North Carolina second in the nation for consumer protections against medical debt.

“I want to thank all of you for advocating for the invisible,” said Treasurer Folwell. “People shouldn’t be fearful about getting medical attention in this state because of their fear of a medical bill or having their credit rating weaponized.”

TUESDAY, SEPTEMBER 13, 2022

TREASURER FOLWELL ANNOUNCES \$1.7 MILLION IN SAVINGS FOR RETIREES ENROLLED IN SUPPLEMENTAL INSURANCE

For the fourth year in a row, negotiations have resulted in substantial savings for dental, vision and identity theft protection

(Raleigh, NC) - State Treasurer Dale R. Folwell, CPA, the Department of State Treasurer (DST) and Pierce Insurance, the state’s partner in providing supplemental insurance for retirees, have agreed to lower fees for dental and vision plans amounting to \$1.7 million in savings. In addition, there is a no-cost upgrade to the Premier Identity Theft Protection.

Since taking office in 2017, Treasurer Folwell has remained committed to lowering fees and increasing value and this successful negotiation is an example of his continued commitment to this mission.

“Our retirees have served the citizens of North Carolina and earned a lifetime pension benefit from one of the strongest pensions in the United States. But every penny counts, and I will continue to find every opportunity to reduce costs now and in the future for our retired public servants,” said Treasurer Folwell. “This is the fourth year in a row that we have been able to negotiate lower premiums and add value. I encourage retirees to look at the options and take advantage of the plans.”

Supplemental vision and dental insurance are available to state and local governmental employees while they are working, but those benefits do not extend after they retire. DST partners with Pierce Insurance to provide dental, vision and identity theft protection plans.

The announcement is timely with Open Enrollment for Supplemental Insurance starting on Sept. 15, followed by NC State Health Plan Open Enrollment Oct. 15–28.

THURSDAY, SEPTEMBER 15, 2022

TREASURER FOLWELL TO BE GIVEN THE DAN WEBER PATIENT ADVOCACY AWARD

Honor Bestowed for his Efforts to Protect Patients Through Price Transparency

(Austin, TX.) – North Carolina State Treasurer Dale R. Folwell, CPA, will receive the Dan Weber Patient Advocacy award at a ceremony in Austin, Texas, today. The award is being presented by Free2Care, a nonpartisan coalition of over 70,000 physicians, and 34 member organizations representing over 8 million supporters working together to reform health care. The coalition represents both physicians and patients focusing on the doctor-patient relationship working to transform health care through price transparency, access and choice.

The Dan Weber Patient Advocacy Award is named after the late founder of the Association of Mature American Citizens, which represents Americans that are 50 and older. The organization is “centered on American values, freedom of the individual, free speech, and exercise of religion, equality of opportunity, sanctity of life, rule of law, and love of family, with benefits at all levels.”

“As keeper of the public purse, I’m honored to accept this award on behalf of those that teach, protect or serve and taxpayers like them,” Treasurer Folwell said. “Many public servants are one medical experience away from not making ends meet. They don’t consume health care, it consumes them. A life-saving event shouldn’t cost a life savings. Fighting the health care cartel -where it’s always profits over patients - is less lonely with organizations like Free2Care. In the words of Tom Petty, “You could stand me up at the gates of Hell, but I won't back down.”

Earlier this year, Treasurer Folwell expressed his support for the Medical Debt De-Weaponization Act introduced in the North Carolina General Assembly. The legislation would create a pro-family, anti-poverty, consumer protection law that sets parameters around the provision of charity care and limits the ability of large medical facilities to charge unreasonable interest rates and employ unfair tactics in debt collection.

The treasurer's backing of the legislation is a part of his ongoing battle against the health care cartel that began with his effort to bring transparent pricing to members of the North Carolina State Health Plan (SHP). In 2020, his efforts resulted in the NC State Health Plan Network moving away from a commercial-based payment model to a reference-based, transparent pricing model tied to Medicare rates.

The treasurer and the SHP have also been working with academics to study large hospitals' lack of charity care and the use of aggressive measures to collect medical debt including damaging credit scores, garnishing wages, suing patients or encouraging them to open a medical credit card than can charge interest. Additionally, they have produced peer-reviewed analysis that found that the state's foremost hospital systems enjoyed a significant growth in cash and investments during the pandemic, while publicly claiming they were battling big hits to their budgets.

"Free2Care is proud to honor Dale Folwell with the 2022 Dan Weber Patient Advocacy Award," said Free2Care Executive Director David Balat. "His relentless effort to protect patients through price transparency and the de-weaponization of medical debt is making a difference in North Carolina and creating ripples throughout the nation. Our organization stands ready to come alongside these efforts that support patients and physicians."

THURSDAY, OCTOBER 6, 2022

LOCAL GOVERNMENT COMMISSION OKS \$1.7 BILLION GUILFORD SCHOOL BOND

Approves Nearly \$750 Million in School Bonds for Durham, Union, Watauga Counties

(Raleigh, NC) – The Local Government Commission (LGC) has approved applications for nearly \$2.5 billion in school bonds for four counties. That includes \$1.7 billion for Guilford County that had sparked a delay so that commissioners could get more information about it.

Commissioners also approved a host of other financing applications for transportation, water and sewer, parks and recreation, and government buildings that were on the agenda for the meeting on Tuesday, Oct. 4.

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer (DST), has a statutory duty to approve most debt issued by units of local government and public authorities in the state. The commission examines whether the amount of money units borrow is adequate and reasonable for proposed projects and confirms the governmental units can reasonably afford to repay the debt. It also monitors the financial well-being of more than 1,100 local government units.

LGC members tabled Guilford County's application for a general obligation bond last month due to commission members' desire for more information about the enormous amount of financing just two years after approval of a \$300 million bond for schools. A general obligation bond is not tied to a specific revenue stream, but backed by the full faith and credit of the government issuing it.

Treasurer Folwell, who abstained from the vote, voiced concerns about Guilford County putting off necessary capital improvement projects for so long, and the timing of the application.

"We are now in a period in which interest rates are higher than they have been in decades, construction costs exceed anything we've seen for decades, and taxpayers are going to be hit with higher property taxes to pay for this massive bond. That disproportionately affects lower-income residents and people on fixed incomes," said Treasurer Folwell, who previously served eight years on the Forsyth County Board of Education.

Guilford County has conducted two studies that identified the need for three new school buildings, to demolish and build 19 schools, fully renovate 12 schools and invest about \$363 million in safety and technology upgrades including failing roofs, plumbing and HVAC systems. No tax hike is expected, but the county does

not plan to lower its property tax rate to a revenue-neutral level even though a revaluation raised the amount of revenue that will be collected.

Treasurer Folwell and other LGC members assured the Guilford County contingent of officials at the meeting that the heightened scrutiny the bond issue received was mathematical, not emotional or political. The LGC, they said, is the last line of defense helping to assure that governments are making good fiscal decisions and their constituents do not suffer financially from ill-advised actions.

The General Assembly established the LGC in 1931 to help address the problems in local government finance caused by the Great Depression. In 1933, 62 North Carolina counties, 152 cities and towns and some 200 special districts were in default on the principal, or the interest, or both of outstanding obligations.

Durham County received LGC approval for a \$550.2 million in general obligation bond. Of that, \$423.5 million will be used to build, remodel, enlarge and reconstruct school buildings and plant facilities, and to acquire land for future use. Another \$112.7 million will be used to expand and improve facilities for Durham Technical Community College, to build two new school buildings and to purchase land for future use. Plans are to use \$13.9 million to expand meeting space and improve exhibits at the NC Museum of Life and Science.

Union County will use a \$167.1 million general obligation bond approved by the LGC to acquire land, and to design and build a new Forest Hills High School and East Elementary School due to rapid growth. Part of the money will be used to acquire land, build additions, renovate, improve and equip aging buildings at South Piedmont Community College.

Watauga County plans to build Valle Crucis Elementary School with a \$32 million of limited obligation bond the LGC approved. The school will replace one built in 1937. New construction is more cost-effective than repairing and renovating the aging structure. A limited obligation bond is payable from revenue generated by a specific tax. No new tax increase is expected, although a previously enacted tax of 3 cents per \$100 of property valuation is helping to pay the costs.

Gastonia officials say consistent growth of the city was behind its successful request for a \$75 million general obligation bond to control traffic flow and improve safety. The money will be used to build, extend, widen, resurface and

improve streets and pedestrian walkways, add streetscape, traffic signals, lighting, bridges, overpasses, curbs and gutters and to acquire land for rights-of-way.

Revenue Bonds

The Gastonia Housing Authority received LGC approval on three bonds totaling \$76.6 million for multifamily housing projects where units will be rented to tenants making less than the area's median income. This type of bond finances revenue-producing projects that guarantee repayment. Up to \$39 million will be dedicated to a loan to build a 200-unit housing development. Another \$23.1 million will be for a 139-unit housing development, and \$14.5 million to acquire and build a 120-unit rental housing development.

Inlivian, Charlotte's housing authority, plans to use its approval of \$17 million to build a 106-unit affordable housing development for low- and middle-income renters.

The LGC approved an application from Princeton (Johnston County) for \$310,000 to combine with \$840,000 in U.S. Department of Agriculture grant funds for water and sewer systems upgrades and rehabilitation.

Revolving loans

With approval of a \$26.5 million loan in hand, Pittsboro (Chatham County) will build a new pump station and add other infrastructure to the Wastewater Treatment Plant to accommodate the town's growing service area for the next 20 years. Revolving loans allow a borrower to pay back and re-borrow money.

Laurinburg (Scotland County) will conduct two sewer projects now that the LGC approved \$18.7 million in financing. Of that, a \$10.3 million loan will include a previous \$7 million loan and an increase of \$3.2 million made necessary by bids being higher than expected. A separate \$8.4 million loan is for sewer line work to combat excessive infiltration and inflow that cause numerous sanitary sewer overflows and environmental violations due to spills reaching surface waters.

Dunn (Harnett County) officials got LGC approval of \$3.6 million for a variety of infrastructure and equipment improvements at its Black River Wastewater Treatment Plant.

Conover (Catawba County) will replace various components of its Northeast Wastewater Treatment Facility now that the LGC gave the go-ahead to \$1.2 million in financing.

Louisburg (Franklin County) will replace aging infrastructure with new water lines to enhance water flow with \$764,000 in financing approved by LGC members.

Kings Mountain (Cleveland and Gaston counties), won approval of a \$6.9 million installment contract for a new electric substation and transmission lines, and natural gas infrastructure improvements. An installment contract allows payments to be made over time instead of all up front. The commission set aside a vote on the item at the September meeting to await additional information on the city's policies and future plans regarding transfers from the electric fund.

The LGC gave a green light to North Topsail Beach (Onslow County) for an \$8.3 million special obligation bond to renourish and maintain the town's beachline, which was damaged by Hurricanes Florence (2018) and Dorian (2019). A special obligation bond is payable from a pledge of future revenues other than locally levied taxes, in this case Federal Emergency Management Agency grants.

Knightdale (Wake County) plans to build a new fire station to increase fire coverage and public safety. The LGC approved a \$6.6 million private installment contract for the work.

The town of Woodfin (Buncombe County) successfully requested the LGC to sell a previously approved \$1.5 million general obligation bond to build parks, recreation facilities and greenways through a private rather than public sale.

TUESDAY, OCTOBER 18, 2022

TREASURER FOLWELL HOLDS PUBLIC FORUM ON MEDICAL DEBT DE-WEAPONIZATION ACT

Elizabeth City Event Raises Awareness About Fight to Protect Patients from Crushing Medical Debt

(Raleigh, NC) — State Treasurer Dale R. Folwell, CPA, spoke out for patient protections at a public forum on the Medical Debt De-Weaponization Act in

Elizabeth City on Monday, Oct. 17. He was joined by community members interested in reforming health care in North Carolina.

Medical debt is crippling North Carolinians' upward mobility and threatening to create generational poverty. One in five families is in medical debt collections. Workers lose 20% of their paycheck to health care costs on average. Nearly 40% of Americans reported cutting back on food, utilities or gas to pay health care bills. Health care costs drove almost half of adults to report delaying or skipping necessary medical care.

"We're not backing down on this issue. Everybody knows that something is wrong," Treasurer Folwell said. "We must solve this problem. Until we can figure out how to conserve our health care dollars, we're never going to be able to figure out how to liberate our people from health care debt."

The new legislation, House Bill 1039, would help working families avoid financial ruin just because they got sick. It would strengthen patients' access to charity care, limit unfair tactics in debt collection and restrict the ability of large medical facilities to charge unreasonable interest rates on medical debt.

North Carolina is one of the most unaffordable and monopolistic states in the nation for health care. Too many hospitals in North Carolina have failed to equal more than \$1.8 billion in tax exemptions with charity care spending. Instead, some hospitals billed \$149 million to poor patients – or encouraged patients to open "medical credit cards" that can charge up to 18% interest on medical debt. Hospitals have even sued more than 1,000 patients for medical debt, including during the pandemic.

"The fact is that this is the Wild West," Treasurer Folwell said. "Nobody's watching it. Nobody's holding them accountable. We need a commitment from the cartel to get back to their original mission: To put patients over profits. What we have now is profits over patients."

Many hospitals are still hiding their prices. Patients can't see what a procedure costs, but they're left with little recourse when the bill arrives. North Carolina currently ranks in the bottom half of states for consumer protections. The Medical Debt De-Weaponization Act would make North Carolina second in the nation for consumer protections against medical debt.

“Right now, people are dealing with the highest inflation in 40 years. They are just trying to make ends meet,” said Treasurer Folwell. “In this economic environment, people should not be scared to seek medical attention because of things that may be associated with medical billing.”

THURSDAY, OCTOBER 20, 2022

TREASURER FOLWELL RETURNS MISSING CASH TO SUSAN G. KOMEN FOUNDATION

October is Breast Cancer Awareness Month; Treasurer Encourages Early Detection

(Raleigh, NC) – State Treasurer Dale R. Folwell, CPA, praised the efforts of the Susan G. Komen Foundation to combat breast cancer and returned missing money from the Department of State Treasurer’s (DST) Unclaimed Property Division (UPD) to the charity during an event at the NC State Fair today.

“Everyone knows someone who has battled breast cancer, whether it’s a relative, loved one, friend or neighbor. The Susan G. Komen Foundation is a beacon of hope and relentless champion in the mission to support those experiencing this terrible disease and to find a cure,” Treasurer Folwell said.

“With October being National Breast Cancer Awareness Month it seems only fitting that we are able to return money belonging to the Susan G. Komen Foundation to help them continue their important work,” Treasurer Folwell said. “We share their determination. Through the State Health Plan at the Department of State Treasurer, we encourage early detection efforts, and pay 100% of the cost of mammograms.”

Treasurer Folwell was joined at today’s event by Kimberly Burrows, Susan G. Komen state executive director. Burrows said for 40 years the charity remains at the forefront as the only organization leading research, public policy initiatives, global education and outreach and providing direct patient care services to make the biggest impact against breast cancer.

“People need help today. Now, it is more critical than ever to provide much-needed support to help those facing breast cancer because there are more

burdens and barriers to care that breast cancer patients face due to the aftermath of the pandemic and the current economic slowdown adding personal financial stress,” Burrows said.

“We can help reduce breast cancer deaths by 30% today by giving people access to the care and support they need right now. That’s why the Komen Patient Care Center offers direct support services and guidance needed every step of the breast cancer journey,” Burrows said, noting that 1 in 8 women in the U.S. will be diagnosed with breast cancer in her lifetime. “Now is the time for us to invest in providing women the care they deserve and to fund researchers hard at work in search of the cures.”

Whether donating, fundraising or volunteering, the support helps drive the nonprofit’s mission to end breast cancer. More information is available at komen.org.

During a review of data in the system, UPD staff identified \$1,560 belonging to the Susan G. Komen Foundation. UPD, commonly called NCCash.com, is the repository for 17.7 million properties valued at \$1.02 billion. The assets are under DST’s custody awaiting return to the rightful owners after being lost, misdirected or overlooked. More than 19 million owners are associated with those properties being safeguarded by DST.

TUESDAY, OCTOBER 25, 2022

STATEMENT FROM STATE TREASURER DALE R. FOLWELL ON 4% RETIREE PAYMENT

Largest one-time supplemental bonus in history for TSERS, CJRS and LRS

Today, the state will pay the largest one-time supplemental bonus in history for benefit recipients of the Teachers’ and State Employees’ Retirement System (TSRS), Consolidated Judicial Retirement System (CJRS), Legislative Retirement System (LRS) and the Local and Governmental Employees’ Retirement System (LGERS).

When retired state employees and teachers check their bank accounts or open their mail, they will find an additional 4% of their annual benefit included with this month's payment.

The TSERS, CJRS and LRS payments were appropriated by the General Assembly and signed by Gov. Roy Cooper. The LGERS payment will come from retirement funds. The LGERS one-time supplement was approved by the LGERS Board on Jan. 27 following my recommendation and is in line with the funding policy. We were able to provide the LGERS benefit without increasing the rates we charge to cities and counties across the state.

While payments starting in November will return to the levels they would have been without the supplemental increase, the October payment will include a much-needed boost for those who served the citizens of North Carolina as we see rising costs in everyday expenses.

I want to thank the General Assembly, retirement boards, North Carolina League of Municipalities, North Carolina Association of County Commissioners and staff for recognizing a need and providing those that taught, protected or otherwise served the citizens of North Carolina a timely increase to the October benefit.

TUESDAY, OCTOBER 25, 2022

TREASURER FOLWELL RETURNS MONEY TO WOODS CHARTER SCHOOL TODAY

Highlights the Work of NCCash.com, Gives Lesson on Government to Students

(Raleigh, NC) – Woods Charter School in Chatham County is still feeling the lingering financial pinch of the COVID pandemic, so when State Treasurer Dale R. Folwell, CPA, showed up with a check in hand it was a welcome blessing.

Treasurer Folwell went to the school Wednesday, Oct. 26, to return missing funds that ended up in the Department of State Treasurer's (DST) Unclaimed Property Division (UPD), commonly called NCCash.com.

“As a school we take pride in being smart and frugal with every dollar earned and spent. It was a surprise — but a welcomed one — when we were alerted that we

had unclaimed property held at the State Treasurer’s Office,” said Woods Charter Principal Cotton Bryan.

“The process for claiming these funds was simple and efficient, and we’re grateful for Treasurer Folwell and his team for prioritizing this initiative. Helping our students and teachers emerge from the pandemic has been no easy task, so we’re very thankful for any extra monies we can get to help us along in this endeavor,” Bryan said.

While at Woods Charter, a K-12 public charter school with an enrollment of 512, founded in 1998, Treasurer Folwell also spoke to fourth grade students.

“It’s always a pleasure to gather with young people to give them some insight about state government. They can be inquisitive, and you never know what questions they will throw at you,” Treasurer Folwell said.

“At the Department of State Treasurer, we provide health care and retirement benefits to their teachers and staff,” Treasurer Folwell said. “We are delighted that our Unclaimed Property Division was able to make the day even more rewarding by finding \$3,053 in our possession that we were able to return to the school.

NCCash is the repository for 17.7 million properties valued at \$1.02 billion under DST’s custody. The money is awaiting return to the rightful owners after being lost, misdirected or overlooked, and more than 19 million owners are associated with those properties. In Chatham County, there are 66,475 properties valued at more than \$6.7 million waiting to be claimed.

TUESDAY, NOVEMBER 1, 2022

TREASURER FOLWELL RETURNS MISSING CASH TO WESTERN CAROLINA UNIVERSITY TODAY

Jackson County Has Over \$4 Million Awaiting Claims in Department of State Treasurer’s NCCash Program

(Cullowhee, N.C) – Jackson County has special significance for State Treasurer Dale R. Folwell, CPA. The treasurer is a lifelong motorcycle enthusiast, and the mountains and overlooks of Jackson County make it a mecca for the biking crowd.

It's also home to Western Carolina University, whose employees are members of the State Health Plan and Retirement Systems Division.

Treasurer Folwell was on the Western Carolina University campus on Tuesday, Nov. 1, to return missing money from the Department of State Treasurer's (DST) Unclaimed Property Division (UPD). During a routine review of data in the system UPD staff identified \$3,181.75 belonging to the university.

"North Carolina has long been the envy of the nation when it comes to the quality of higher education we offer. Great institutions of learning like Western Carolina University are responsible for that well-deserved reputation. It has grown from a fledgling school in 1889 to a world class educational destination of 12,000 students today," Treasurer Folwell said. Western Carolina is the fifth oldest among the 16 campuses of the University of North Carolina System.

"At the Department of State Treasurer we have a motto about watching the pennies and paperclips that promotes good stewardship of public resources. As keeper of the public purse, I take my role seriously when it comes to returning money to the rightful owners. I am pleased to return this money to Western Carolina University to help continue its mission of preparing our next generation of public employees, leaders and thinkers," Treasurer Folwell said.

"I think it's a cool thing, finding the rightful owners of that money. The state treasurer called me and wanted to give me \$3,000," said Michael Byers, vice chancellor for administration and finance. "I've been really pleased, and I can't say enough good things about the Department of State Treasurer. The diligence they put into returning this cash to the citizens of North Carolina is a very good thing, and now I've seen it firsthand."

Byers said the money would be put into the university's general scholarship fund. The university's financial aid staff "work night and day trying to figure out how to help students afford college, and this money will help one student, or several students, close the gap next year," he said.

UPD, commonly called NCCash.com is the repository for 17.7 million properties valued at \$1.02 billion under DST's custody awaiting return to the rightful owners after being lost, misdirected or overlooked. More than 19 million owners are associated with those properties being safeguarded by DST. There are 46,867

properties valued at more than \$4 million waiting to be claimed by the 51,375 listed owners in Jackson County.

THURSDAY, NOVEMBER 3, 2022

LOCAL GOVERNMENT COMMISSION APPROVES \$105 MILLION INDEPENDENT LIVING PROJECT

The Forest at Duke in Durham is Expanding; Sewer/Water Financing Requests Get Green Light

(Cullowhee, NC) – A five-story building to house 71 independent living apartments in the heart of Durham (Durham County) will move forward after the Local Government Commission (LGC) approved a \$105.1 million bond package sought by the NC Medical Care Commission on Tuesday, Nov. 1.

The project, spanning 250,000 square feet on the 47-acre campus at The Forest at Duke, will be an addition to the existing 234 independent living units, 34 assisted living units and 58 skilled nursing beds on the Pickett Road campus, which first opened 30 years ago. All necessary permits and approvals have been secured for construction. Already, 93% of the proposed units have been reserved.

The NC Medical Care Commission previously approved the project. The commission administers the Health Care Facilities Finance Act, which enables it to issue tax-exempt revenue bonds to finance construction and equipment projects for nonprofit and public hospitals, nursing homes, continuing care facilities for the elderly and related facilities, according to its website.

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer (DST), has a statutory duty to approve most debt issued by units of local government and public authorities in the state. The commission examines whether the amount of money units borrow is adequate and reasonable for proposed projects and confirms the governmental units can reasonably afford to repay the debt. It also monitors the financial well-being of more than 1,100 local government units.

The November LGC meeting was held at Western Carolina University in Cullowhee. Treasurer Folwell has been holding meetings outside of Raleigh as part of an initiative to bring the state's business directly to the people.

Among other agenda items, the LGC approved a request by the Raleigh Housing Authority (Wake County) for \$27 million in conduit revenue bonds, which can be used by public agencies to loan to a third party to finance capital assets. The loan will go to Milner Senior Housing Partners to lease, build and equip Milner Commons, a 156-unit, multifamily project comprising 10 studio units, 122 one-bedroom and 24 two-bedroom units in two four-story residential buildings.

The City of Greenville (Greenville Utilities Commission, Pitt County) successfully asked the LGC to sign off on up to \$30 million in revenue bonds to perform water, sewer and electric work. Plans include new transmission lines; replacing outdated generators; dredging, dewatering and disposing of residual material in a lagoon to restore capacity; and building a new substation.

Aces for Autism, a nonprofit treatment and educational center in Pitt County, received approval for \$9.7 million from the NC Capital Facilities Finance Agency. The NCCFFA provides tax-exempt financing to nonprofit institutions providing elementary and secondary education, and private institutions of higher education.

Aces for Autism works with individuals from ages 18 months to 21 years who are affected by autism. The money will be used for Phase 1 of a master plan for the nonprofit organization's 23.83 acres in Winterville. It includes a 32,000-square-foot family services and clinic building for one-on-one therapy; activity, cafeteria, store, diagnostic, counseling, parent training and administrative space; sensory and quiet rooms.

On a 5-2 vote, LGC members gave a green light to Sunset Beach (Brunswick County) to purchase 4.28 acres of land to create a kayak launch, swings and benches. The financing will be done through an installment purchase, which allows the borrower to pay back over time instead of all up front. The item originally was on the September LGC agenda, but was tabled because commission members wanted more information about the project.

The town of Robbins (Moore County) will perform a road paving project on its main residential areas now that the LGC approved \$350,000 in financing. The request was subjected to LGC approval because Robbins is on the Unit Assistance List (UAL). Changes in the law earlier this year modified the thresholds for financing contracts requiring LGC approval, giving greater authority to examine towns' fiscal and debt management practices to ensure units on the UAL are making sound financial decisions.

THURSDAY, NOVEMBER 3, 2022

TREASURER FOLWELL RETURNS MISSING CASH THAT WILL ASSIST HIGH COUNTRY RESIDENTS

WAMY Community Action is a Safety Net Benefiting from NCCash.com Program

(Raleigh, NC) – WAMY Community Action is a bedrock anti-poverty agency helping less advantaged people in North Carolina's high country, but the current state of the economy makes its mission financially challenging. State Treasurer Dale R. Folwell, CPA, found some money in the state coffers belonging to the nonprofit, and was in Boone on Thursday, Nov. 3, to return the missing funds.

WAMY Community Action is an outgrowth of the 1960s War on Poverty. It serves Watauga, Avery, Mitchell and Yancey counties through housing and weatherization assistance, food and nutrition programs, family and youth development services.

The Department of State Treasurer's (DST) Unclaimed Property Division (UPD), commonly called NCCash.com, is the repository for 17.7 million properties valued at \$1.02 billion under DST's custody awaiting return to the rightful owners after being lost, misdirected or overlooked. More than 19 million owners are associated with those properties being safeguarded by DST.

During a review of data in the system UPD staff identified \$8,716.27 belonging to WAMY.

"WAMY Community Action is emblematic of North Carolinians' heartfelt desire to assist those coping with low and fixed incomes to make ends meet. The hardworking staff and volunteers served more than 1,600 families last year, and

performed more than 65 home repairs. That number grows every year,” Treasurer Folwell said. “It is a rewarding experience knowing that we are reuniting them with their own money to help them help their friends and neighbors in need.”

“It was such a surprise and an exciting moment to hear they were coming. Receiving that money from the North Carolina State Treasurer was just wonderful. I feel like they’re doing a great job getting the money to where it belongs,” said Allison Jennings, WAMY development director. She said the money being returned to the agency will be put to immediate use.

“We’re going to be able to offer lots of home repairs here in the community and continue fighting poverty. A lot of our funding right now is used for home repairs because people can hardly afford to buy an affordable home. A lot of times our grant funding doesn’t allow for us to take care of all the needs a person has for their home.”

TUESDAY, NOVEMBER 15, 2022

TOWN OF PIKEVILLE RESTORES FISCAL HEALTH, IN LINE TO REGAIN CONTROL OF FINANCES

LGC to Relinquish Financial Management Transparency, Competence, Governance Wins!

(Raleigh, NC) – The town of Pikeville, once considered among the most financially troubled government units in North Carolina, has made such an impressive recovery that it soon could regain administrative control of its finances from the state.

Deputy Treasurer Sharon Edmundson, who is director of the Department of State Treasurer’s (DST) State and Local Government Finance Division and serves as secretary of the Local Government Commission (LGC), attended a meeting of the Pikeville Town Commission on Monday, Nov. 14, to deliver the good news.

A resolution will be presented at the Dec. 6 meeting of the LGC to relinquish state control and revert financial control to the town. Secretary Edmundson extended an invitation to town officials to attend that meeting in person. If the LGC adopts

the resolution, LGC staff currently serving as appointed deputy finance officers would be replaced by town staff, though LGC personnel would continue to provide guidance and oversight to the town.

Pikeville is one of seven government units under the financial control of the LGC, which is staffed by DST employees. The LGC voted to impound the town's books on April 13, 2021. At the time it had only 4.8% of unrestricted available funds to meet its \$765,000 budget and was in jeopardy of missing five payments totaling \$158,000 of debt.

"I appreciate the hard work of the LGC staff and the town's efforts to coordinate and cooperate on a plan to revive Pikeville," Secretary Edmundson said. "This is truly a success story."

State Treasurer Dale R. Folwell, CPA, chairs the LGC. He said Pikeville officials were able to snap back from dire straits by rolling up their sleeves, putting in the long hours and accepting the guidance and assistance of LGC experts.

"Pikeville officials understood the dilemma they were facing. They channeled their energy into finding out what's right, getting it right and keeping it right. They stepped up to serve taxpayers and residents, safeguard their finances and restore public confidence," Treasurer Folwell said. "This extraordinary reversal of fortunes is a testament to their dedication, and evidence that the LGC serves a unique and vital role in guiding local governments toward good governance, transparency and accountability."

Among its successes, Pikeville:

Completed and submitted fiscal year 2020 and 2021 audits to the LGC, and prepared fiscal year 2022 financial statements for audit.

Worked with LGC staff over the past two years to apply for and receive over \$5 million in American Rescue Plan Act, water and wastewater grants.

Accepted guidance from LGC staff on the importance of budgeting and timely and accurately maintaining financial accounts.

Worked diligently and collaboratively with LGC staff to understand the important financial responsibilities of the Town Board and staff, putting the town on a path of fiscal health and effective fiscal management. Staff and elected leaders have

attended finance training to help them better understand their fiscal responsibilities.

TUESDAY, DECEMBER 6, 2022

PIKEVILLE REGAINS FISCAL AUTONOMY THROUGH DEDICATION, HARD WORK

Treasurer Folwell, Local Government Commission Praise Turnaround, Hand Keys Back to Town

(Raleigh, NC) – Pikeville Mayor Garrett Johnston is the first to admit his small town of 720 residents was in financial disarray and operational dysfunction when the Local Government Commission (LGC) exercised statutory authority to impound its books.

Through hard work, sharp focus on transparency and governance, and sheer determination, the Wayne County municipality has climbed out of that deep hole, and 20 months later has regained authority to handle its own finances. On Tuesday, Dec. 6, LGC members presented Mayor Johnston and Pikeville Town Commissioners with a ceremonial key to the city's coffers to honor the accomplishment.

"It's been an amazing year," Mayor Johnston said. "As far back as when I took the chair last December, it was an absolute shamble. We've grown closer as a board. We've gone through a difficult battle together, and we've come out stronger and more cohesive, with better communication."

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer (DST), passed a resolution at Tuesday's meeting to allow Town Commissioners and their properly designated fiscal officers to assume full control of all financial affairs. The LGC had voted to impound the town's books on April 13, 2021. At the time Pikeville had only 4.8% of unrestricted available funds to meet its \$765,000 budget and was in jeopardy of missing five payments totaling \$158,000 of debt.

Mayor Johnston credited the LGC with helping to salvage the town from a downward spiral that potentially put its charter at risk.

“We had just a straight-up Jerry Springer show for board meetings. So, when I took office it was just a full embracing of all the services the LGC had to offer. I really fail to grasp why other towns wouldn’t take full advantage of what the LGC brings to the table. The accountability aspect can be a little scary but it’s a necessity,” he said.

“State personnel came in and straightened out all the mess that we created and left us in a wonderful place. We are a poster child of LGC success. I would be happy to be a spokesman to any town that’s being stubborn about working with the LGC because it’s a huge asset,” Mayor Johnston said.

Treasurer Folwell said Pikeville has demonstrated the best of North Carolina in its drive to restore financial self-determination.

“It is never our intention to interfere in local government functions, and we especially do not want to assume financial control of a municipality. But there are occasions when transparency, accountability and governance are lacking to a grave extent. Then we must step in to rescue troubled towns and cities and set them back on the path of good stewardship of the people’s tax dollars, and rebuild public confidence,” Treasurer Folwell said. “Pikeville and the LGC staff deserve all the credit for this rebound.”

“Pikeville showed exceptional resiliency and resolve, working in full cooperation with our staff to find out what’s right, get it right, and keep it right. We have provided town leaders with the skills, tools and information they need to excel, and we have every expectation that is what will happen going forward. This truly was a whole community effort, so residents and taxpayers share in this triumph,” Treasurer Folwell said. “Pikeville stands out as a shining example of attacking problems in a positive manner for maximum achievement.”

Mayor Johnston said Pikeville residents were fearful of the state taking control of town finances, and panicked over the prospect of losing the town’s charter, so they were supportive of the Board of Commissioners’ self-improvement efforts. He hosted an informational community meeting before assuming office that attracted about 1 in 10 town residents.

“I tried to encourage the public that the LGC coming in was a positive thing, that we were going to get books straight, we were going to learn how to do it, and maintain it,” Mayor Johnston said.

He said the LGC encouraged Pikeville officials to switch to a council-manager form of government, and he believes that has been an essential reform. With the addition of Tim Biggerstaff in that position, starting on Monday, Dec. 5, Mayor Johnston is optimistic about the future.

The LGC also worked to ensure town financial staff received proper training, and established mentorships for town officials to tap into to resolve issues and get answers to any concerns going forward, he said.

“It brought a real sense of security that we’ve got a real solid team behind us in getting our finances straight,” despite a trace of trepidation as the LGC pulls out of town, the mayor said. But he plans to continue a strong relationship with the LGC because he thinks the accountability is effective.

“We’re not talking about the past,” Mayor Johnston said. “We’re looking forward to the future.”

MONDAY, DECEMBER 12, 2022

LENOIR COUNTY 4-H RECEIVES WINDFALL FROM STATE TREASURER DALE FOLWELL

Missing Money Held by NCCash.com Located and Returned to Owners

(Kinston, NC) – Tomorrow’s leaders got a financial boost today when NC Treasurer Dale R. Folwell, CPA, returned missing cash to Lenoir County 4-H during a visit to Kinston.

“Any time we can put money back into the hands of the rightful owners it is a good day. When we can help an organization as important as 4-H, which is the largest youth development organization not only in North Carolina but the nation, we are meeting our obligation to taxpayers and constituents and helping the next generation of public leaders and public workers,” Treasurer Folwell said.

“4-H traces its roots back more than 100 years, when agricultural clubs were formed to acquaint rural youth with advances in farm technology. It has shown great resiliency over the years, adapting to a changing world while remaining true to its roots of research, knowledge and education and expanding from rural to urban and suburban settings,” Treasurer Folwell said.

The missing money comes from the Department of State Treasurer’s (DST) Unclaimed Property Division (UPD), commonly called NCCash.com. During a review of data in the system UPD staff identified \$2,897.35 belonging to Lenoir County 4-H.

“We’re very happy to receive these dollars. It’s a real windfall for us,” said Tammy Kelly, Lenoir County Extension agent. She said Lenoir County Cooperative Extension gets funding from NC State University and the county, but relies on fundraisers to pay for 4-H programs and camps. “When we do a concession stand at the livestock show it doesn’t make that much. I think it’s going to be amazing how many things we can do with this money.”

Kelly said 4-H works within schools and outside of those clubs. Some programs are year-round, others are only in the summer.

“We do agriculture, but we do other things too, like robotics and electronics. People think cows and cooking, but it’s so many things now. We’ve got programs in a little bit of everything,” Kelly said.

WEDNESDAY, DECEMBER 14, 2022

NEW BERN PUBLIC FORUM RAISES AWARENESS OF THE MEDICAL DEBT DE-WEAPONIZATION ACT

Treasurer Folwell and Community Leaders Discuss How Eastern North Carolina Has Some of the Worst Medical Debt in the Nation, Listen to Community Perspective on Health Care Costs

(Raleigh, NC) — State Treasurer Dale R. Folwell, CPA, spoke out to protect patients from the crushing medical debt that burdens Eastern North Carolina during a public hearing on the Medical Debt De -Weaponization Act in New Bern on Tuesday, Dec. 13.

Treasurer Folwell was joined by state Rep. Edward Goodwin, a lead sponsor on the bill; Derek Burrell, Greene County commissioner; Linda Rouse Sutton, Lenoir County commissioner; and Jessica Kozma Proctor from the North Carolina Retired Governmental Employees Association, as well as other community leaders. They highlighted the failures in patient protections that have helped make Eastern North Carolina home to some of the worst concentration of medical debt in collections in the nation.

“We’re now in this situation not because of the murderous invasion of Ukraine, not because of COVID, and not because of acts of God,” said Treasurer Folwell. “It is because of health care and health care billing where people can’t see themselves past their poverty.”

Medical debt risks creating generational poverty in Eastern North Carolina. Up to 44% of families are in medical debt collections in the counties surrounding New Bern — more than three times the national average. Eastern North Carolina is also home to some of the highest levels of poverty, infant mortality and heart disease in the state. Nationally, nearly 40% of Americans reported cutting back on food, utilities or gas to pay health care bills. Health care costs drove almost half of adults to report delaying or skipping necessary medical care.

The Medical Debt De-Weaponization Act, House Bill 1039, would help working families avoid financial ruin just because they got sick. It would strengthen patients’ access to charity care, limit unfair tactics in debt collection and restrict the ability of large medical facilities to charge unreasonable interest rates on medical debt.

“We are talking about multibillion-dollar corporations that are disguising themselves as nonprofits,” said Treasurer Folwell. “They don’t pay sales tax, don’t pay income tax, don’t pay property tax. Everybody in this room cares about public education, public safety and public roads. Those are the taxes that fund those things.”

North Carolina currently ranks in the bottom half of states for its failure to guard patients’ financial health. Worse, North Carolina is one of the most unaffordable and monopolistic states for health care, and fewer than 25 of its nonprofit hospitals justified their tax exemptions with charity care spending. Some hospitals instead billed \$149 million to poor patients – or encouraged thousands of patients

to open “medical credit cards” that can charge up to 18% interest on medical debt. Hospitals even sued hundreds of patients over medical debt during the pandemic.

“Right is right and wrong is wrong,” Rep. Goodwin said. “Who am I supposed to help — the richest, or the poorest and middle income? My God tells me I’m supposed to help anybody in need.”

The Medical Debt De-Weaponization Act would make North Carolina second in the nation for consumer protections against medical debt. It would help the state hold hospitals accountable for their charity care and billing practices.

“You’re already paying for it,” Burress said. “The nonprofit hospitals get tax breaks in exchange for helping these needy individuals. ... This bill is going to hold these health care facilities accountable.”

“When you go to work as a state employee, you are told that you won’t make a big salary, but that’s ok because you’re told that you will get good benefits,” Sutton said. “Now [health care costs] are 20% of their paycheck, and so often they can’t afford it. ... I’d talked to folks who’ve actually had to decide if they’re going to get medicine, or if they’re going to get food.”

TUESDAY, DECEMBER 20, 2022

FOOD BANK OF CENTRAL & EASTERN NC GETS HOLIDAY HELP FROM NCCASH.COM

Treasurer Folwell Returns Missing Money as Need Among Friends, Neighbors Climbs

(Raleigh, NC) –The Food Bank of Central & Eastern North Carolina and its 700 partner agencies have seen a 42% increase in the number of people needing services, and State Treasurer Dale R. Folwell, CPA, took the initiative to help the nonprofit organization meet its growing financial obligations.

Treasurer Folwell visited the food bank’s main distribution center in Raleigh on Tuesday, Dec. 20, to return missing funds that had wound up in the Unclaimed Property Division (UPD) of the Department of State Treasurer (DST). He presented Jessica Whichard, vice president of communications and public policy, with a

check for \$2,515. Whichard said every dollar donated provides for five meals, so the \$2,515 from UPD would provide about 12,600 meals.

“The holidays have a special meaning because they are a time for family, sharing and caring, giving and gratitude. Yet many of our friends and neighbors are struggling and find themselves in need during this season,” Treasurer Folwell said.

“The Food Bank of Central & Eastern North Carolina is a vital first stop for people in their time of scarcity. Nobody gives more than the volunteers and staff of this wonderful agency. They maintain that mission of human service year-round, and they’ve been doing it for 40 years. We are happy to be able to give back the money that rightfully belongs to the food bank so that it can supplement the reach of their vital work.”

“We’re so appreciative of the funds received today from the Office of the State Treasurer,” said Ashley C. McCumber, food bank President & CEO. “Right now our friends and neighbors in our 34-county service area are having to make choices no one should have to: Rent or food, medicine or food. Thanks to the power of our partnerships, we are able to stretch resources, and these funds will go a long way in supporting North Carolinians.”

According to the food bank, more than 500,000 individuals in its service area are food insecure, not always knowing where their next meal will come from, which detracts from an active and healthy life.

“More members of our community are struggling to keep up with the rising cost of food, rent and utilities right now. Record-high costs have also impacted the work we do. Food prices are higher, and it costs more to fill our fleet of delivery trucks with gas,” McCumber said.

Many families are finding themselves in this situation for the first time — previously making their budgets work, but no longer able to make ends meet due to unemployment, furlough or reduced hours. Last year the food bank provided over 81 million meals to families and individuals through its Raleigh main distribution center and its Durham, Greenville, New Bern, Sandhills and Wilmington branches.

WEDNESDAY, JANUARY 4, 2023

TREASURER FOLWELL ANNOUNCES CONTRACT AWARD TO A NEW THIRD-PARTY ADMINISTRATOR FOR THE STATE HEALTH PLAN

Two Years from Now, in 2025, the New Contract with Aetna Will Bring Lower Costs, Transparency, and Generate \$140 Million in Administrative Savings

(Raleigh, NC) – State Treasurer Dale R. Folwell, CPA, and the State Health Plan (Plan) today announced the award of the Third-Party Administrative (TPA) Services Contract to Aetna. The Plan consists of nearly 740,000 teachers, state employees, retirees and their dependents. The administrative contract, awarded by the State Health Plan Board of Trustees, oversees health care spending of more than \$17.5 billion over five years. The new contract reflects a partnership that focuses on transparency and lower costs, with the potential administrative cost savings over the course of the contract equaling \$140 million.

The three-year initial service period for the contract begins Jan. 1, 2025, and continues through Dec. 31, 2027, with the option to renew for two, one-year terms.

The award is the result of a Request for Proposals, a competitive bid process in which the Plan solicited and selected industry-leading partners providing exceptional customer service, technological resources and professional support. The services under the contract include processing claims and offering a comprehensive network of health care providers. Blue Cross and Blue Shield of North Carolina (Blue Cross NC) is the current TPA for the Plan and has been the TPA for over 40 years.

“We appreciate the years of service that Blue Cross NC has given our members. I’ve spoken with Blue Cross President and CEO Tunde Sotunde, M.D., and Board Chair Ned Curran, and they assure me that they will finish strong for the next two years,” Treasurer Folwell said.

“Partnering with Aetna, which already employs over 10,000 people in North Carolina, will create a lot of new opportunities for the Plan and the members we serve. A change of this magnitude is a great opportunity for a fresh perspective, and we look forward to working closely with Aetna to create new ways to provide

price transparency, increase access and quality while lowering the cost of health care for those who teach, protect and serve, and taxpayers like them.”

Aetna was one of three companies bidding for the contract. Blue Cross NC and UMR, Inc. also submitted proposals.

Starting today, nearly 600 Aetna employees have been assigned to work on this transition with State Health Plan Director Sam Watts for the next two years. Aetna will be working diligently, in close collaboration with Plan staff and multiple vendors, to develop comprehensive plans and processes, systems and platforms to ensure members will enjoy a seamless transition when its services roll out.

Plan members will start receiving more information regarding the changes in 2024 prior to Open Enrollment for the 2025 benefit year.

THURSDAY, JANUARY 5, 2023

TREASURER FOLWELL DELIVERS MORE THAN HALF-MILLION DOLLARS AT NC BOARD OF EDUCATION

Stock Proceeds and Dividends Associated with Old Insurance Policy Found in NCCash.com

State Treasurer Dale R. Folwell, CPA, a staunch advocate of public education who strongly supports the work of classroom teachers, showed up at the State Board of Education (SBE) meeting today with a check for the Department of Public Instruction exceeding a half-million dollars in misdirected funds that were placed with the Department of State Treasurer (DST) for safekeeping.

Treasurer Folwell presented a check for \$519,029.16 to State Superintendent of Public Instruction Catherine Truitt.

The money resulted from shares of stock issued in the name of “Department of Education State of North Carolina” based on a Prudential Financial group life insurance plan that SBE held at some point. Upon the shares and accrued dividends being deemed unclaimed and held by Prudential for the required holding period, the property was placed with DST’s Unclaimed Property Division (UPD), commonly called NCCash.com.

“At a time when so many schools are in need of money and resources, especially in rural and inner-city districts, every penny found to further North Carolina’s educational mission is a blessing,” said Treasurer Folwell. “I see that need not only as a member of SBE, but as chairman of the Local Government Commission, which reviews and approves financing for school projects throughout North Carolina.”

“As keeper of the public purse, a North Carolina taxpayer and a believer in the power of education to change a person’s trajectory in life to achieve upward mobility and the joy of achievement, I am honored to return this money to its rightful owners so that it can be put to use where it’s most needed,” Treasurer Folwell said.

The money originated from a process called demutualization. That occurs when a private business, owned by its members, such as a mutual life insurance company, changes its structure to a public-traded company owned by stockholders.

Prudential went through that transition in 2001, and policy holders at the time became shareholders, with or without the policy holder’s knowledge. Prudential Financial shares were issued in the name and address on file for the policy. Any correspondences related to the shares were being sent to a previous address of SBE. In 2012, the shares and any accrued unclaimed dividends were deemed unclaimed and subsequently reported to DST in October 2015 after the required three-year dormancy holding period. During a recent review of data in the system, UPD staff identified these funds.

TUESDAY, JANUARY 17, 2023

CORNELIUS, ASHEVILLE, CHAPEL HILL RECEIVE LOCAL GOVERNMENT COMMISSION APPROVALS

Financing Was Requested for Recreation, Transportation, Public Safety Vehicles, Equipment

(Raleigh, NC) – The Local Government Commission (LGC) has approved a \$2 million installment purchase to pay for ballfield lighting and public safety vehicles for the town of Cornelius (Mecklenburg County).

An installment purchase allows for payments to be made over time instead of paying all project costs up front. The Cornelius item was among several requests on the agenda for the LGC meeting on Tuesday, Jan. 10.

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer, has a statutory duty to approve most debt issued by units of local government and public authorities in the state. The commission examines whether the amount of money that units borrow is adequate and reasonable for proposed projects and confirms the governmental units can reasonably afford to repay the debt. It also monitors the financial well-being of more than 1,100 local government units.

The Cornelius request was divided into three components: Replacing lighting with a more efficient LED system on three multi-purpose ball fields at Bailey Road Park, \$725,555; a fire truck, \$795,924; and police vehicles, \$500,000. The town, whose population has grown from about 14,000 in 2000 to slightly more than 31,500 in 2020, has construction bids in hand. Debt service is expected to be paid from the General Fund, and no tax increase is anticipated.

The city of Asheville (Buncombe County) received LGC approval to issue \$26 million in general obligation bonds. The proceeds will pay off short-term bonds for parks and recreation and transportation projects. The original bonds were issued under the city's draw-bond program, which was nearing its ceiling for borrowing.

A draw bond allows for the issuer to use proceeds from the bond sale over time while paying interest only on portions of the principal that are drawn down.

LGC members approved a request from the town of Chapel Hill (Orange County) for a "two-thirds general obligation bond" for \$1.98 million. Unlike other general obligation bonds, a two-thirds bond does not require voter approval. The proceeds will pay the bulk of purchase costs for public safety radios and related equipment, with the rest being paid from available revenues.

This type of financing gets its name from provisions in the North Carolina law that allow some government units to issue bonds equivalent to up to two-thirds of the amount of reduction in general obligation debt the preceding year.

TUESDAY, JANUARY 17, 2023

ASHEVILLE’S HISTORIC YMI CULTURAL CENTER GETS NCCASH BOOST TO RENOVATE BUILDING

Treasurer Folwell Presents Check During Martin Luther King Jr. Day Activities

(Asheville, NC) – The YMI Cultural Center boasts exhibitions of art and artifacts from Asheville to Africa. On Martin Luther King Jr. Day, State Treasurer Dale R. Folwell, CPA, provided the historic organization with an old check that won’t be part of the display collection, but will help to preserve African American heritage in Buncombe County.

During a recent review of data in its system, the Department of State Treasurer’s (DST) Unclaimed Property Division (UPD), commonly called NCCash.com, identified \$802.88 belonging to the cultural center. Treasurer Folwell was in Asheville on Monday, Jan. 16, and visited the cultural center to return the money.

“The YMI Cultural Center is an important hub of the community where culture, social activity and history meet. This has been an important institution in helping to nurture business opportunities and networks to lift people out of poverty through workforce development and economic empowerment,” Treasurer Folwell said. “I am excited to be able to reunite the staff, board and community with money that had gotten sidetracked into state safekeeping in our office.”

The YMI Cultural Center is not just some Asheville landmark on the National Register of Historic Places. It is a living legacy its founders bequeathed to Buncombe County’s African American community. Aside from its other programs and initiatives, the cultural center offers mental and physical health and youth advancement. Its mission of advocacy, leadership development and cultural preservation dates back more than a century to its founding in 1892.

“We are very happy to receive funds that were due to the YMI Cultural Center. This funding will go to support the YMI in the midst of our Capital Campaign as we perform much-needed renovations to our 130-year-old building,” said YMI Executive Director Dewana Little. “We are hopeful that the community will continue to support our fundraising efforts so that we are able to reach our goal of \$6.4 million.”

THURSDAY, JANUARY 19, 2023

TREASURER FOLWELL ANNOUNCES DEPARTMENT OF TRANSPORTATION HAS REPLENISHED HIGHWAY TRUST FUND LOAN EARLY

Presents Unclaimed Property Check to the Vital Transportation Asset

(Raleigh, NC) – State Treasurer Dale R. Folwell, CPA, announced today that as of Dec. 31, 2022, the North Carolina Department of Transportation (NCDOT) has replenished the state’s Highway Trust Fund (HTF) with \$1.1 billion. The HTF was created by the North Carolina General Assembly (NCGA) in 1989 to provide revenue sources for specific highway projects.

This represents a marked turnaround from previous overspending. In Fiscal Year 2019, the DOT spent \$6.8 billion against a budget of \$5 billion for that year. Of the \$1.8 billion in overspending, DOT depleted \$1.1 billion in “short term” loans from the HTF to the Highway Fund (HF) between May 2018 and April 2019. Prior to that, the HTF had not been touched for over 14 years. The loans were used to “...address demands on Highway Fund working capital related to disaster recovery efforts, and the acceleration of highway construction projects...”

In 2020, detailed repayment procedures were established under a Memorandum of Agreement (MOA) among the Department of State Treasurer, the Department of Transportation and the Office of State Budget and Management. When the MOA was signed, the loans were expected to be repaid within four years. However, the loans were repaid two years early on Dec. 28, 2022.

“The early repayment of the loans to the Highway Trust Fund is a tribute to the leadership of Secretary Boyette and the professionalism of his staff,” Treasurer Folwell said. “The turnaround from the previous administration is quite welcome. They listened and collaborated with the staff here at DST and have made remarkable progress.”

Treasurer Folwell added that DST now has a roadmap to follow when using money from the HTF for needed highway projects saying that road users, vendors and taxpayers deserve a financially stable DOT.”

WEDNESDAY, JANUARY 25, 2023

TREASURER FOLWELL PRESENTS CHECK TO THE NC SHERIFFS' ASSOCIATION

Department of State Treasurer Found NCCash.com Money Awaiting Return

(Raleigh, NC) – The office of sheriff is one of the oldest and most respected constitutional positions in the nation’s judicial system. The NC Sheriffs’ Association is a statewide organization of all 100 county sheriffs that advocates in their best interests. State Treasurer Dale R. Folwell, CPA, helped the association to reclaim some missing money that will enhance that mission.

During a recent review of system data, staff in DST’s Unclaimed Property Division (UPD) identified money belonging to the Sheriffs’ Association. Treasurer Folwell presented Eddie Caldwell, the association’s executive vice president and general counsel, and several sheriffs with a check for \$1,899 at an association executive board meeting Wednesday, Jan. 25.

“Sheriffs, deputies, law enforcement and corrections officers throughout North Carolina provide an invaluable service to our citizens, putting their own safety at risk every day to keep us secure. I am glad to be able to return this money to its rightful owners so that it can be used to further the mission of protecting the public,” said State Treasurer Dale R. Folwell, CPA.

“In this time of rising costs, every dollar counts. Nearly every sheriff’s office in North Carolina has money in NCCash.com waiting to be reclaimed, and the Department of State Treasurer’s Unclaimed Property Division is ready, willing and able to assist,” Treasurer Folwell said.

“We are grateful for Treasurer Folwell’s hard work to return money that will go a long way toward the association’s mission to enhance and protect the Office of Sheriff and public safety in North Carolina,” Caldwell said.

The Sheriffs' Association’s mission statement highlights its goals “to serve as the statewide voice to protect, promote, preserve and enhance the Office of Sheriff in North Carolina through education, training and legislative initiatives that increase public safety and protect the rights of the citizens of North Carolina.”

The association provides services such as courthouse security assessment, traumatic incident response, a statewide disaster assistance network and cooperative purchasing programs.

TUESDAY, FEBRUARY 7, 2023

STATE HEALTH PLAN RELEASES THIRD-PARTY ADMINISTRATIVE SERVICES CONTRACT AND REQUEST FOR PROPOSAL TRANSPARENCY DOCUMENTS

Provides Searchable Website with all Documents Available

(Raleigh, NC) – State Treasurer Dale R. Folwell, CPA, and the State Health Plan (Plan) today released all documents related to the Plan’s Request for Proposal (RFP) process for its Third-Party Administrative (TPA) Services Contract that will process health claims for members two years from now. Earlier this year, the State Health Plan Board of Trustees voted unanimously to award the TPA contract to Aetna for a three-year initial service period beginning Jan. 1, 2025, through Dec. 31, 2027, with the option to renew for two, one-year terms. Blue Cross North Carolina will continue to be the Plan’s claims processor (TPA) for the next two years.

The award was the result of a competitive bid process in which the Plan solicited and selected industry-leading partners providing exceptional customer service, technological resources and professional support. The services under the contract include processing claims and offering a comprehensive network of health care providers. It also reflects a partnership that focuses on transparency and lower costs.

The new three-year claims processing contract was awarded after a standard, competitive and modernized bid process in which submissions were evaluated by an in-house team of subject matter experts and outside professionals, with scores assigned to various sections. The contract went to bid during the first year of an existing three-year contract to allow two years for transition if one was needed. Posting these documents online provides additional transparency into the analysis and allows others to see the unbiased nature of the process.

“We are the most transparent and open agency in state government,” Treasurer Folwell said. “I cannot be prouder of the work done by the staff of the State Health Plan and the bipartisan State Health Plan Board of Trustees. This contract doesn’t change the body or engine of the State Health Plan, it is just a modernization of the transmission. We look forward to Blue Cross finishing their current contract strong and facilitating a seamless transition to Aetna.”

The materials are available for public inspection on a transparency web page created specifically in keeping with Treasurer Folwell’s open government policies.

The documents on the website provide the complete story of the procurement process leading to the change in claims processors and include a media briefing presentation with links to key components of the transparency.

Aetna currently has more than 600 employees assigned to work on the transition for the next two years. They will be working diligently, in close collaboration with Plan staff and multiple vendors, to develop comprehensive plans and processes, systems and platforms to ensure members will enjoy a smooth transition when its services roll out.

Plan benefits including copays and deductibles are not determined by Aetna or, currently, Blue Cross NC. The State Health Plan Board of Trustees has sole authority to decide benefits, premiums and copays. The Plan will use Aetna’s network of providers.

THURSDAY, FEBRUARY 9, 2023

LOCAL GOVERNMENT COMMISSION APPROVES FINANCING FOR 220-BED WAYNE COUNTY JAIL

Rowan County West End Plaza Renovations, Nags Head and Kernersville Requests OK’d

(Raleigh, NC) – Wayne County will build an additional jail facility to connect with the Carey Winders Detention Center Annex built in 2016, and replace the Wayne County Detention Center built in 1994.

The Local Government Commission (LGC) approved \$55 million in financing for the project on Tuesday, Feb. 7. It will be structured through an installment

purchase contract that allows the county to make partial payments over time instead of paying all of the debt up front. The county decided that would be a more timely method to construct the facility than pursuing a general obligation bond that would have to pass a public referendum. Debt service on the bank loan would be paid through the General Fund and no tax increase is anticipated.

The new 62,090-square-foot building would hold 220 beds. County officials said the facility is needed because the seven-story Wayne County Detention Center needs electronic, surveillance and internet modernization that are financially impractical due to its older structural design. The existing facility housed 127 inmates when it opened, but has had a population as high as 258. There are plans to use the old building for office space.

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer, has a statutory duty to approve most debt issued by units of local government and public authorities in the state. The commission examines whether the amount of money units borrow is adequate and reasonable for proposed projects and confirms the governmental units can reasonably afford to repay the debt. It also monitors the financial well-being of more than 1,100 local government units.

A request for approval from Rowan County for a \$28.6 million installment purchase contract also was on the agenda and was given a thumbs up. The money will be used to renovate and convert a portion of the county-owned West End Plaza into a 1,000-seat meeting room. The remake will include associated conference rooms, storage and a warming kitchen. Prior tenant spaces in what once was known as the Salisbury Mall will be converted to use as agricultural center offices. The county bought the property 10 years ago for \$3.4 million.

LGC members gave a green light to Nags Head (Dare County) for \$19.9 million in limited obligation bonds to build a new public services complex, and replace manually read residential and commercial water meters with modern smart meters. A tax increase of 4 cents per \$100 of property valuation is expected. Limited obligation bonds are issued for revenue-producing projects.

The town of Kernersville (Forsyth County) received approval for a \$17.75 million financing agreement to build a two-story, 52,430-square-foot recreation and events center on 17 acres of town-owned land. The facility will house parks and

recreation department administrative offices, have three full-length basketball courts, several multipurpose rooms and a stage, and will be able to accommodate other sports and activities. Part of the money will be used for street paving projects on town-owned roads. No tax increase is anticipated.

The LGC signed off on \$512,076 in a State Revolving Fund loan to Yadkin Valley Sewer Authority (Surry and Wilkes counties) to purchase new backup generators for four sewer pump stations. The standby equipment is needed for reliability during the loss of power supply due to windstorms, hurricanes, earthquakes and other natural disasters. Future revenues are expected to cover the cost of operations and debt service.

LGC members approved requests from the Durham Housing Authority and Inlivan (formerly known as the Charlotte Housing Authority, Mecklenburg County) for conduit revenue bonds to provide affordable housing.

With Inlivan as a conduit, Charlotte Leased Housing Associates can access a loan for up to \$30 million in tax-exempt bonds to acquire, build and equip 150 units in a multifamily rental housing development to be known as Creekridge on the Park Apartments. Unit rents will be restricted to families making 60% or less of the area's median income.

The Durham Housing Authority will be a conduit for Cedar Trace Durham, LLC to access a loan up to \$22.73 million in tax-exempt bonds to acquire, build and equip a 180-unit multifamily rental housing development to be known as Cedar Trace. Rent restrictions will limit occupancy to families earning either 60% or 30% of the area's median income.

WEDNESDAY, FEBRUARY 15, 2023

TREASURER FOLWELL HOSTS PRESS CONFERENCE EXPOSING N.C. NONPROFIT HOSPITALS' EXTRAVAGANT EXECUTIVE PAY

Groundbreaking Report Concludes Nonprofit Hospitals Paid Top Executives Over \$1.75 Billion in the Past Decade, Doubling CEO Compensation Faster than Previously Thought

(Raleigh, NC) — Nonprofit hospital executives enriched themselves while fueling a crisis of health care affordability in North Carolina. A new analysis of hospital data finds that nonprofit hospital CEOs doubled their paychecks in less than five years — a fraction of the time previously thought. Existing research had gravely underestimated the growth of wage inequity across nonprofit hospitals.

State Treasurer Dale R. Folwell, CPA, invited researchers from the North Carolina State Health Plan for Teachers and State Employees, Johns Hopkins University Bloomberg School of Public Health, and Rice University’s Baker Institute for Public Policy to study executive compensation across North Carolina’s nine largest hospital systems, including Atrium, Mission, Novant, UNC, Vidant, Duke, Cone, WakeMed and Wake Forest Baptist Health, as well as the Midwest system Advocate Aurora Health that merged with Atrium Health.

“This is the biggest transfer of wealth in our generation, and it’s being financed disproportionately on the backs of sick, low- and fixed-income people,” said Treasurer Folwell. “These nonprofit hospital executives have lost their mission. They are supposed to make people better, not make themselves richer.”

When North Carolina hospitals paid \$1.75 billion to their top executives, chief executive officers (CEO) captured almost 20% of that pay from 2010 to 2021. Researchers also found troubling trends in hospital executive compensation during the pandemic. Frontline workers gained national recognition for their work caring for patients, but nurse and physician wages have risen far more slowly than executive pay over the past decade. Despite pleading poverty and taking \$1.5 billion in taxpayer funded COVID relief, the majority of hospital top executives did not cut their own paychecks in 2020.

“Doctors and nurses risked their lives during the pandemic,” Treasurer Folwell said. “Most hospital executives didn’t even cut their own pay. Instead, these systems grabbed millions of taxpayer-funded COVID relief dollars that were meant for struggling hospitals — and then gave their executives a pay raise.”

While hospital executives enjoyed huge raises, workers’ wages have remained largely flat over the past decade. Rising health care costs are eroding families’ upward mobility. The average worker now loses 20% of a paycheck to health care costs, and one in five North Carolinians is in debt collections for medical bills.

State employees must work one week out of every month just to pay the family premium.

“This report is a wake-up call to anyone who sits on the board of a nonprofit hospital,” said Dr. Vivian Ho, James A. Baker III Institute Chair in Health Economics at Rice University. “Executives are being handsomely rewarded for earning high profits and burdening North Carolinians with medical debt, rather than guaranteeing affordable care to hard-working families that form the backbone of the economy.”

Nonprofit hospital executives should recommit to their charitable mission and strengthen their transparency. According to peer-reviewed reports commissioned by the Treasurer, nonprofit hospitals enjoyed more than \$1.8 billion in tax breaks in 2020, but the majority of hospitals failed to justify their tax breaks by providing an equivalent level of charity care. Failures in existing law have weakened transparency and accountability, especially across Atrium and UNC Health — two of North Carolina’s largest hospital systems.

“Nonprofit hospitals are required to justify their community benefits spending at the tax level,” said Dr. Hossein Zare, assistant scientist at the Johns Hopkins Bloomberg School of Public Health. “Lack of transparency on definitions and spending creates a wide variation across nonprofit hospitals in the amount of tax benefit and charity care/community benefits. A new standard is needed.”

“Nonprofit hospitals receive substantial taxpayer subsidies. In return, they must advance charitable missions,” said Dr. Ge Bai, professor of health policy and management at the Johns Hopkins Bloomberg School of Public Health and professor of accounting at the Carey Business School. “Executive compensation is an important lens for the public to understand governance within these hospitals.”

Key Takeaways:

North Carolina's nine largest hospital systems paid highly compensated executives more than \$1.75 billion from 2010 to 2021.

Almost 20% of that compensation was captured by a handful of hospital CEOs, who collectively took home \$308.8 million over 12 years.

This is likely a significant underestimate because the public cannot access the tax filings that track how much publicly owned hospitals paid their top executives. A loophole in current law hides these tax filings for more than three in 10 nonprofit hospitals in North Carolina, including Atrium and UNC Health.

UNC Health did not answer a public records request for executive compensation data until Feb. 13, two days before this report's publication and almost three months after UNC received the request. Researchers therefore could not analyze UNC Health's systemwide data. They instead relied on partial overlapping data from UNC REX Hospital.

Furthermore, this report does not track the compensation hospital CEOs can draw from outside organizations. For example, UNC Health CEO William Roper collected \$5.5 million from sitting on the boards of outside organizations that did business with the state.

In North Carolina most nonprofit hospital system CEOs doubled their paychecks in just five years — half the time previously thought.

Previous national research found that hospital CEO compensation escalated by 93% from 2005 to 2015.

This prior research did not account for personnel turnover, however, which inadvertently overlooked an explosion in hospital CEO pay as senior executives retired and were replaced by individuals whose lower pay scale rapidly surged to levels matching or exceeding their predecessors' compensation.

Atrium Health CEO Gene Woods grew his compensation by 473% over six years, and Mission Health CEO Ronald Paulus' paycheck soared 726% in less than a decade before he presided over the sale of the hospital to a for-profit corporation.

Family medicine physicians' wages rose 22.7% from 2010 to 2019, while registered nurses' wages rose only 14.8% in that time.

Unlike North Carolina hospital systems, the average CEO pay among most nonprofits hovered between \$100,000 to \$200,000 in 2018. Even the president of the American Red Cross earned a total of \$750,823 in 2020.

The pandemic did not interfere with pay raises for most nonprofit hospital system executives in 2020.

Average CEO compensation was \$3.4 million in 2020 across the largest nonprofit hospital systems in North Carolina. Together, the top 40 hospital executives collected a total of \$77.2 million in 2020 — enough to pay the average salaries of 1,412 teachers in North Carolina.

Out of 175 executives across eight systems, only 35 executives took pay reductions in 2020 that were not triggered by departures.

Only Duke, Novant and Cone Health cut their CEO compensation, by 2%, 1.7% and 6.5%, respectively, in 2020 — and all earned higher wages by 2021, except for the CEO of Duke Health.

Without legislative action, taxpayers cannot see whether nonprofit hospitals prioritize patient safety or financial performance in their executive pay structure.

North Carolina law allows nonprofit and publicly owned hospitals to conceal executive contracts from the public.

Experts fear that hospital CEOs are financially incentivized to cut costs and boost revenue in ways that threaten patient safety and hurt affordability.

North Carolina's taxpayers gave up \$1.8 billion for nonprofit hospitals' tax breaks in 2020 — sacrificing resources that could have supported public education, public roads, public works and public safety. The majority of nonprofit hospitals failed to justify those tax exemptions with commensurate charity care spending, according to previous peer-reviewed reports from the State Health Plan.

THURSDAY, FEBRUARY 23, 2023

AETNA MARKET PRESIDENT, NORTH CAROLINA JIM BOSTIAN ADDRESSES STATE HEALTH PLAN BOARD OF TRUSTEES

Pledges “Seamless Transition” as the New Third-Party Administrator in 2025

(Raleigh, NC) — Highlighting Aetna's footprint of nearly 125 years of operations in North Carolina, about 600 state-based employees and a comprehensive, expanding network of providers, Jim Bostian assured the State Health Plan Board

of Trustees work is well under way for the company to achieve a smooth transition to its role as the Plan's Third-Party Administrator starting Jan. 1, 2025.

"Our goal primarily is to deliver on our promise to delight your members with better service, better cost control and a better overall experience," Bostian, Aetna market president, North Carolina, said yesterday.

"I've seen firsthand the commitment our state employees make and the value that they deliver to each of us every day," Bostian said. "I deeply understand the weight and the importance of the responsibility that my team and I have to provide our state employees and their families with service excellence that they truly deserve."

He said he wanted "to convey to you that, No. 1, I know what it means to be a North Carolinian." A graduate of UNC-Chapel Hill, he was born and raised in his parents' lifelong hometown of Salisbury and his wife is from Asheville. His late father was a Duke graduate and football player who competed in the 1958 Orange Bowl and later served as an administrator in the state community college system.

The four key members of "the highly talented and dedicated" local leadership team overseeing the transition with him are all based in North Carolina's Cary headquarters and have over 90 years of combined industry experience including 41 with Aetna, he said.

Bostian told Plan trustees that providing a comprehensive provider network "is clearly critically important," adding, "Having run network management teams for over half of my career, I will challenge you to find anyone who understands this better than I do, especially here in North Carolina." Aetna will use its network expertise to assist the Plan to develop new strategies and new innovations to control costs, improve quality and drive transparency.

Aetna confirmed that 98% of 2021 Plan claims paid went to providers who are in the Aetna network, Bostian said, and 99% of total claims dollars went to providers in Aetna's network. Nonetheless, Aetna remains "absolutely committed to enhancing our network, continuing to add providers on an ongoing basis, which is our standard practice."

Bostian said the Plan does not anticipate changes for 2025, so Aetna will provide the same benefits that are currently offered. But there will be new features, including a concierge customer service team meeting customer need with “white glove service.” That team has a track record of resolving 99% of member questions on the first call.

“I want to thank Mr. Bostian for speaking to the Board today,” Treasurer Folwell said. “We’re excited that Aetna will be the new TPA two years from now in 2025. We expect great progress on the commitments we heard today. There’s no room for error.”

WEDNESDAY, MARCH 8, 2023

TREASURER FOLWELL PRESENTS CHECK TO THE FORSYTH COUNTY SHERIFF’S OFFICE

Department of State Treasurer Found NCCash.com Money Awaiting Return

(Winston-Salem, NC) – The office of sheriff is one of the oldest and most respected constitutional positions in the nation’s judicial system. The Forsyth County Sheriff’s Office (FCSO) is one of the largest in North Carolina. Twenty-one Sheriffs have served the citizens of Forsyth County since 1849. FCSO is currently led by Sheriff Bobby F. Kimbrough Jr., who was elected in 2018. Sheriff Kimbrough is known for his passion for serving others and an ongoing commitment to transparency and integrity at FCSO. State Treasurer Dale R. Folwell, CPA, helped the FCSO reclaim some missing money that will enhance that mission.

During a recent review of system data, staff in the Department of State Treasurer’s Unclaimed Property Division (UPD) identified money belonging to the FCSO. Treasurer Folwell presented Sheriff Kimbrough with a check for \$5,386 at the Forsyth County Public Safety Center on Monday.

“As a resident of Forsyth County, I am pleased to be able to return this money to such an exemplary law enforcement agency as the Forsyth County Sheriff’s Office. Sheriff Kimbrough has done such a great job leading the organization,” Treasurer Folwell said. “Sheriffs, deputies, law enforcement and corrections officers throughout North Carolina provide an invaluable service to our citizens, putting their own safety at risk every day to keep us secure. I am glad to be able to return

this money to its rightful owners so that it can be used to further the mission of protecting the public.”

“In this time of rising costs, every dollar counts. Nearly every sheriff’s office in North Carolina has money in [NCCash.com](https://www.nccash.com) waiting to be reclaimed, and the Department of State Treasurer’s Unclaimed Property Division is ready, willing and able to assist,” Treasurer Folwell added.

The vision of FCSO is to enhance the quality of life and sense of community in Forsyth County by providing effective criminal justice services that are guided by integrity and compassion and supported by the trust of those they protect.

Their mission is to ensure the security of life and property, prevent crime and disorder, and enforce the laws of North Carolina and the United States.

“We are very fortunate and blessed to have an NC Treasurer who ensures we all receive what is ours. We are beyond grateful for the \$5,386.07 that we received today. We will use this money to continue our commitment to serve and protect our community,” said Sheriff Kimbrough.

WEDNESDAY, MARCH 8, 2023

CHARLOTTE PUBLIC FORUM RAISES AWARENESS OF THE MEDICAL DEBT DE-WEAPONIZATION ACT

Treasurer Folwell and Community Leaders Discuss How Charlotte Patients Face Lawsuits Over Medical Debt, Listen to Community Perspective on Health Care Costs

(Raleigh, NC) — State Treasurer Dale R. Folwell, CPA, spoke out to protect patients from crushing medical debt during a public hearing on the Medical Debt De-Weaponization Act in Charlotte on March 16.

Treasurer Folwell was joined by Mecklenburg County Commissioner Pat Cotham, Pastor Dr. Ricky A. Woods, former mayor of Huntersville John Anarella and other community leaders. They discussed the failures in patient protections that have exposed thousands of patients to lawsuits or high interest rates on medical debt around Charlotte.

Medical debt is crippling families' upward mobility and creating generational poverty in Charlotte. Atrium Health has sued more than 1,000 patients over medical debt, including during the pandemic —and encouraged tens of thousands more to open “medical credit cards” that can charge up to 18% interest on medical debt. Atrium Health paid its top 10 executives \$27 million in 2020, equal to a full tenth of its charity care spending on impoverished patients.

“We want the hospital cartel to offer a level of charity care equal to the billions in tax breaks they get from this community and this state,” Treasurer Folwell said. “We also want them to stop weaponizing people’s credit scores, breaking their kneecaps, and permanently and possibly generationally stunting their joy of achievement and upward mobility.”

About one in five families are in medical debt collections in the counties surrounding Charlotte, and that number rises to one in four for communities of color in Mecklenburg County. The average worker loses 20% of a paycheck to health care costs. Nearly 40% of Americans reported cutting back on food, utilities or gas to pay health care bills. Health care costs drove almost half of adults to report delaying or skipping necessary medical care.

The bi-partisan Medical Debt De-Weaponization Act (H367) was introduced in the N.C. House of Representatives this week with Rep. Ed Goodwin (Chowan), Rep. Tricia Ann Cotham (Mecklenburg), Rep. Charles Miller (Brunswick) and Rep. Garland Pierce (Scotland) as primary sponsors with an additional 20 members of the House currently joining as co-sponsors.

A parallel bill (S321) was introduced in the N.C. Senate sponsored by Health and Pension Committee Chairs Sen. Joyce Krawiec (Forsyth) and Sen Jim Burgin (Harnett) as well as Sen Carl Ford (Rowan).

These bills help working families avoid financial ruin just because they got sick. They strengthen patients' access to charity care, limit unfair tactics in debt collection, and restrict the ability of large medical facilities to charge unreasonable interest rates on medical debt.

North Carolina's largest nonprofit hospital systems enjoyed more than \$1.8 billion in tax breaks in 2020, but only WakeMed Health justified its tax exemption with charity care spending. Some hospitals instead billed \$149 million to poor patients.

“We have a medical system in this country that is broken. I don’t think there’s anybody in this room that can argue that point,” said Pastor Dr. Ricky Woods. “We have wonderful medical providers and great hospitals, but affordability is an issue. The leading cause of bankruptcy in the country continues to be medical debt. And for the home of the brave and the land of the free, something has to change concerning that.”

Pastor Dr. Woods added that we need to come up with policy changes to ensure the “fair and equitable delivery of medical services throughout out the country.” Additionally, he called for better tracking of community benefits to determine how much is actually going to patients that the hospitals have a “legal obligation to serve.”

“I’m so grateful that our treasurer brought us all together here. I certainly know of medical debt. There hasn’t been a bright light put on it and I think this is the beginning of that and that’s the beginning of a solution,” said Mecklenburg County Commissioner Pat Cotham. “Medical debt can be complicated, and it can be unjust, but it can also be deadly. It can affect people not getting the care they need. They’re afraid to go to the doctor.”

North Carolina currently ranks in the bottom half of states for its failure to guard patients’ financial health. Worse, North Carolina is one of the most unaffordable and monopolistic states for health care, and the Medical Debt De-Weaponization Act would make North Carolina second in the nation for consumer protections against medical debt. It would help the state hold hospitals accountable for their charity care and billing practices.

“I think when you consider the typical hospital visit, which is typically an emergency or something unplanned ... it’s always something where your life is getting turned upside down,” said former mayor of Huntersville John Anarella. “And when you consider that from that life-changing situation you’re also going to have some extensive medical bills, I think it’s reasonable for a hospital, whether it be a profit or non-profit, especially a non-profit, to be a little more flexible in caring when dealing with a patient’s bills. And certainly, with the collections. And should we require higher standards for non-profits?”

WEDNESDAY, APRIL 5, 2023

FAST-GROWING ASHEVILLE REGIONAL AIRPORT OK'D FOR \$175 MILLION IN BONDS TO EXPAND TERMINAL

Local Government Commission Approves Projects During a Meeting at UNC Wilmington Campus

(Wilmington, NC) -- Asheville Regional Airport is one of the fastest growing airports in the country, and its increasing passenger traffic has taxed the ability of the existing terminal building to accommodate the demand. On Tuesday, April 4, North Carolina's Local Government Commission (LGC) approved a request by the Greater Asheville Regional Airport Authority to obtain \$175 million in transportation revenue bonds to continue expansion work.

The LGC, chaired by State Treasurer Dale R. Folwell, CPA, and staffed by the Department of State Treasurer (DST), has a statutory duty to approve most debt issued by units of local government and public authorities in the state. The commission examines whether the amount of money units borrow is adequate and reasonable for proposed projects and confirms the governmental units can reasonably afford to repay the debt. It also monitors the financial well-being of more than 1,100 local government units.

The fixed-rate bonds will pay for the second phase of the construction/modernization project to expand from a single-story, seven-gate terminal built in the late 1950s to a modern, two-story, 12-gate terminal. The new terminal building will more than double the square footage in the existing facility. Other work includes a ticketing lobby, TSA screening area, baggage claims and concession areas. Along with grants from the Federal Aviation Authority, the funds will be used for a new air traffic control tower that is already under construction.

The airport, located 12 miles from downtown Asheville (Buncombe County), is served by six airlines: Allegiant, American, Delta, JetBlue, Sun Country and United. It is the third busiest airport in North Carolina, with 1.8 million passengers in 2022, and offers daily flights to and from 25 domestic and international destinations.

Tuesday's meeting was held on the UNC Wilmington campus as part of Treasurer Folwell's transparency and accountability initiative to bring Raleigh to the people of North Carolina. He began holding meetings outside of the capital city last year to showcase the LGC's work and impact it has on local communities. UNCW Chancellor Aswani Volety offered welcoming remarks to LGC members. Students from the college's political science classes were provided an opportunity after the meeting to meet with LGC members in a Q&A session. They asked LGC members a series of insightful questions such as the infrastructure challenges facing local governments and the ways in which local governments could best position themselves financially when seeking LGC approval of debt. Students wanted to know what drew the LGC members to public service, and members, in turn, discussed their personal backgrounds and experiences.

In other business on the meeting agenda, the LGC approved a request by Dare County to issue limited obligation bonds totaling \$49.2 million. Money would be used to build a Dare County EMS facility/fire station in Kill Devil Hills, replace the Southern Shores EMS station and construct a new Dare MedFlight airport hangar. The three projects will replace aging facilities, and no tax increase is anticipated. Limited obligation bonds are used when general fund revenues pay debt service. The town of Kill Devil Hills has a lease agreement with the county for its portion of the project debt service.

Catawba County received LGC clearance to issue \$43.5 million in limited obligation bonds to pay for demolition of the three-story Maiden Elementary School that opened in 1926, and replace it with a 93,000-square-foot elementary school and ancillary facilities. Groundbreaking for the new school took place in September. A portion of the bond proceeds will pay for renovations and improvements to Newton Conover High School. No tax increase is expected.

LGC members voted in favor of a request by the city of Wilmington (New Hanover County) to issue \$30 million in limited obligation bonds to improve Water Street Park and Riverfront Park; perform street, sidewalk, streetscape and riverwalk improvements; build and equip a new fire station in the Riverlights community; and equip a sports complex. No tax increase is expected.

The Durham Housing Authority was given the go-ahead to issue \$21 million in conduit revenue bonds, proceeds of which will be loaned to Hardee Street

Housing to pay for construction and equipping of a 132-unit multifamily rental housing development to be called Hardee Street Apartments. The apartments are designed to accommodate households below the area median income.

The Raleigh Housing Authority was approved to obtain \$17 million in conduit revenue bonds to be loaned to KTJ 382, which will build and equip a 119-unit multifamily rental housing development called The Pines at Peach Pond. The apartments are designed to accommodate households below the area median income.

Sanford (Lee County) was given a green light for \$10.6 million in limited obligation bonds to improve its fire-fighting capabilities by building and equipping a new fire station for approximately \$8 million, and buying two new pumper trucks valued at about \$800,000 each.

Orange Water and Sewer Authority (Orange County) was given the thumbs up for a loan of \$4 million from the state revolving fund to replace aging equipment, increase efficiencies and reduce the risk of failures at the Mason Farm Wastewater Treatment Plant.

The town of Oak Ridge (Guilford County) received approval to obtain \$3 million in financing to build Heritage Farm, a new town park with athletic fields, restrooms, picnic shelters, a playground and walking trails. A sidewalk will be added for accessibility. The financing will be through an installment purchase, which allows for a series of payments over time instead of paying costs up-front.

Greenville (Pitt County) will proceed with a \$2.5 million installment purchase approved by the LGC to replace all radio equipment for police and fire departments. The existing equipment was purchased 10 years ago.

The town of Wadesboro (Anson County) was approved for nearly \$2.2 million in U.S. Department of Agriculture revenue bonds to install water and sewer lines. The project is necessary reduce sanitary sewer overflows and to provide water to homes currently served by wells.

LGC members signed off on a request from Carolina Beach (New Hanover County) for a \$2 million installment purchase to acquire more than three acres of property on North Lake Park Boulevard to allow for storage of water and for recreational facilities.

The city of Newton (Catawba County) was given LGC approval for a \$1.9 million installment purchase to acquire a \$255,050 garbage truck and \$904,950 fire truck. A portion of the money will pay for a culvert replacement project on East 5th Street to improve stormwater and water infrastructure.

The town of Fuquay-Varina (Wake County) requested approval of \$1.6 million in two-thirds revenue bonds to pay for some costs of the planned Community Center North/Senior Center. Commission members voted in favor of the financing. Two-thirds bonds do not require voter approval like a normal general obligation bond. Instead, it allows a local government to issue new debt equal to two-thirds of the amount of general obligation debt was reduced in the previous year.

LGC members approved a request by Albemarle (Stanly County) to increase state revolving loan funds by \$1.5 million to rehabilitate and replace 10,000 feet of sewer line that is more than 60 years old. Combined with the original loan, the new funds raise the loan cost to \$7.7 million. Rate increases will pay for the project.

Blowing Rock (Watauga and Caldwell counties) received LGC approval to enter into a \$1.2 million installment purchase to install about 2,300 water meters with advanced technology. The equipment will allow for better usage monitoring and to detect leaks more quickly. No tax increase is expected.

WEDNESDAY, FEBRUARY 15, 2023

TREASURER FOLWELL HOSTS PRESS CONFERENCE EXPOSING N.C. NONPROFIT HOSPITALS' EXTRAVAGANT EXECUTIVE PAY

Groundbreaking Report Concludes Nonprofit Hospitals Paid Top Executives Over \$1.75 Billion in the Past Decade, Doubling CEO Compensation Faster than Previously Thought

(Greensboro, NC) -- State Treasurer Dale R. Folwell, CPA, returned lost money to Guilford College during the college's banking conference held at the Koury Convention Center on Monday, April 3. The college was sponsoring a conference called "Confronting our Disrupted World Economy," featuring Treasurer Folwell,

as well as the president of the Richmond Reserve Bank and business leaders from the area.

During a review by the Department of State Treasurer's (DST) Unclaimed Property Division (UPD), staff identified \$24,531.99 belonging to the college. Dr. Kyle Farmbry, J.D., Ph.D., president of Guilford College, joined the treasurer to accept the funds on behalf of the college.

Dr. Farmbry has been president of the college since January 2022. Guilford College is a private liberal arts educational institution founded by the Quakers in 1837 as a co-educational boarding school known as the New Garden Boarding School. Originally for Quakers only, the school began accepting students of every religious affiliation in 1841, while still maintaining a commitment to Quaker values. Its founder, Levi Coffin, grew up in the woods of New Garden, which still exist on campus today. Coffin, an abolitionist and political dissenter, used the area as a meeting point for the Underground Railroad during the 19th century.

"We are grateful to the Office of NC State Treasurer Dale Folwell for helping us to identify these resources," said Dr. Farmbry. "We plan on using the funds identified to support scholarships for N.C. students who are attending Guilford College."

MONDAY, APRIL 17, 2023

UNITEDHEALTHCARE NOTIFIES STATE HEALTH PLAN IT WILL NOT APPEAL DENIAL OF PROTEST OVER THIRD-PARTY ADMINISTRATIVE SERVICES CONTRACT AWARD

Blue Cross North Carolina only Losing Bidder to Proceed with Litigation Against State Health Plan

(Raleigh, NC) -- State Treasurer Dale R. Folwell, CPA, and the State Health Plan (Plan), part of the North Carolina Department of State Treasurer, announced today that they have been notified by UnitedHealthcare Services, Inc. (UMR, Inc.) that the health care giant will not be pursuing an appeal of the denial of a protest of the awarding of the Plan's 2025 Third-Party Administrative (TPA) Services Contract.

In December of last year, the State Health Plan Board of Trustees voted unanimously to award the TPA contract to Aetna for a three-year initial service period beginning Jan. 1, 2025, through Dec. 31, 2027, with the option to renew for two, one-year terms. Aetna was one of three companies bidding for the contract. Blue Cross NC and UMR, Inc. also submitted proposals but were not awarded the contract. Blue Cross NC will continue to be the Plan's TPA claims processor for the next two years under terms of its current contract.

The award was the result of a competitive bid process in which the Plan solicited and selected from industry-leading partners providing exceptional customer service, technological resources and professional support. The services in the contract include processing claims and offering a comprehensive network of health care providers. The contract is also intended to reflect a partnership that focuses on transparency and controlling costs.

The new three-year TPA claims processing contract was awarded after a transparent and competitive bid process in which submissions were evaluated by a team of in-house subject matter experts and outside professionals, with scores assigned to various sections.

In February, the Plan rejected the protests for the TPA contract from losing bidders Blue Cross NC and UMR, Inc. Letters were sent to the losing bidders explaining why their appeals had been denied.

"We appreciate UnitedHealthcare's efforts to win the TPA award for the Plan in 2025. We have a great relationship with them and hope that they will try to earn the business at some point in the future," Treasurer Folwell said.

In February, the Plan received notice that Blue Cross NC had filed a petition for a contested-case hearing in the North Carolina Office of Administrative Hearings and a petition for judicial review in Durham County Superior Court. The administrative law judge recently ordered the case to mediation.

"To sue until you are blue causes chaos and uncertainty; it is not what's best for those that teach, protect and serve," Treasurer Folwell added.

Aetna currently has more than 600 employees assigned to work on the transition for the next two years. They will be working diligently, in close collaboration with Plan staff and multiple vendors, to develop comprehensive plans and processes,

systems and platforms to ensure members will enjoy a smooth transition when its services roll out.

Plan benefits including copays and deductibles are not determined by Aetna or the current TPA, Blue Cross NC. The State Health Plan Board of Trustees has sole authority to decide benefits, premiums and copays. When the new contract begins, the Plan will use Aetna's network of providers.

