

# North Carolina Treasurer

# JANET COWELL



When I ran high school track, my events were the 100 and 300 meter hurdles and I would not dream of running further. Fast forward a few decades, I am now training for the Raleigh Half Marathon. As a teenager, everything is a sprint. As you get a little older, there is (hopefully) a realization that what is worth achieving takes time and persistence.

In the coming weeks there will be a number of "First 100 Days" emails – I created my own at the start of my first term in 2009. Sure, every day counts and some things can be accomplished quickly, but problem solving that gets at the root of issues and leads to long-term gains often takes months and years.

The Treasurer is unique among elected officials in that the office demands a long-term view. I manage a pension with investment time horizons in the decades. Similarly, the State Health Plan serves not only active employees but also retired teachers and employees. The debt our state issues for public universities and roads has repayment terms that often stretch out 20 or 30 years.

While I am going to focus on the progress I have made since getting sworn in on January 12, this work is just a small portion of projects that I and my staff started during my first four-year term as State Treasurer and will continue working on throughout my second term. As we work toward long-term success, each step moves us toward a stronger state for all North Carolinians.

## **North Carolina Pension Fund**

- The state pension fund remains one of the best-funded plans in the country and earned 11.84% in 2012. The asset value topped \$80 billion for the first time ever early in 2013.

## **Retirement Benefits for Public Employees**

- The Future of Retirement Study Commission, a group of citizens and experts

created in 2010 to evaluate and make recommendations for the long-term sustainability of the Retirement Systems, found that our system was not friendly to young workers.

- To address that, I have introduced a bill that would provide for a choice between the defined benefit system (which on average provides 50% of salary after 30 years of employment) and a 401K option. We will be offering a benefit to workers who currently do not receive one -- those workers who do not work in the system for at least 10 years in order to vest. I believe this is necessary to support our next generation of workers.

### **State Health Plan**

- Shortly after I first took responsibility for the State Health Plan on January 1, 2012, I toured the state to listen to teachers and state employees talk about their experiences with the healthcare plan. Members told me that out-of-pockets cost were too high, dependent coverage was expensive, and there was not enough choice.
- To respond to some of these concerns and suggestions, the State Health Plan's Board of Trustees approved a proposal in February 2013 to offer new health plan options for teachers and state employees, which include plans that reward healthy actions steps, provide free preventative care visits, provide health savings accounts, and offer buy-in for additional benefits for seniors on a Medicare Advantage plan.

### **Maintaining the State's AAA Bond Rating**

- Standard and Poor's, Moody's Investors Services, and Fitch Ratings all recently reaffirmed the AAA bond rating for North Carolina in the 2012-2013 fiscal year. Our state remains one of only nine states to hold the top-tier rating from all three agencies.
- In addition, we have 19 AAA-rated local governments, one of the highest percentages of any state.

Our state workforce, our tax base and our state are changing in ways that offer both opportunities and challenges. Every day counts, but my focus remains not only on the immediate hurdles but also on the longer race where the finish line may not even be in view. That is where progress is made and where our state's future prosperity lies.

I am honored to serve you as State Treasurer and to have the opportunity to earn your continuing support along the way. Thank you.

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