

North Carolina Legislative Update, March 8, 2019

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Things continued to pick up this week at the General Assembly as the legislators received the Governor's budget recommendations and started to vote on substantive bills.

Governor's Budget Recommendations (https://www.osbm.nc.gov/budgetbook_2019-21)

Governor Cooper's budget recommendations would, among other things, increase education investments, expand Medicaid coverage, and pay for new capital spending with a bond issue.

Here are some highlights from the Governor's budget, which would spend \$25.2 billion for FY 20, an increase of about 5 percent over the current budget:

- Education - increases average raises for K-12 teachers by 9.1 percent over the next two years and provides \$30 million to pay community college tuition for people getting trained in high-demand professions, such as architecture and construction, health sciences, information technology, and advanced manufacturing.
- Health care - expands Medicaid coverage to about 500,000 more people through a combination of federal funds and assessments on hospitals and insurers. Expands treatment options for opioid abuse with \$15 million in Medicaid funding.
- Rural economic development - increases funding for economic development in rural areas, including additional funding for broadband Internet grants, jobs incentives, water and sewer infrastructure, and a number of specific projects.
- Justice and public safety - recommends \$12 million to improve prison safety and \$6 million over two years to analyze untested rape kits.
- Environment and energy - recommends \$6.3 million for water supply testing to identify and regulate GenX and other emerging chemical compounds and \$1.5 million for clean energy programs, including studying the potential for offshore wind farms.
- Bond proposal - would fund school construction and other investments in K-12, community colleges, and the UNC system, and infrastructure projects such as water and sewer with a \$3.9 billion bond that would be on the November 2020 ballot.
- Salaries - recommends raises for state employees of 1.5 percent or \$500, whichever is greater, in each of the next two years and an additional \$500 a year for law enforcement and corrections officers, people who work in state hospitals and certain other school employees, such as teaching assistants. Recommends a one-time 2 percent cost-of-living adjustment for state retirees.

Legislators will next examine the Governor's recommendations in appropriations subcommittees. The House will produce the first version of the budget bill and has announced a target date for this work of early to mid-May.

School Safety (H73, H75 & H76)

Three bills addressing school safety passed the House this week. H73 would add a course on civic responsibility to the required curriculum, H75 would study the effectiveness of mental health screenings in schools, and H76 includes a number of measures to make schools physically safer.

School Bond (H241)

An education bond bill (H241) moved through two House committees this week. If passed by the voters, the proposal would produce \$1.5 billion for K-12 school construction, and \$200 million each for community college and UNC facilities. The bill is expected to pass the House given support from Speaker Tim Moore (R-Cleveland) and other senior members. The Senate has indicated support for school construction, but at this point, its leaders support a different funding approach.

For more information, contact the Brooks Pierce Government Affairs Team.

PEOPLE

Katelyn Kingsbury

Marcus Trathen

Ed Turlington

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