

North Carolina Legislative Update, June 1, 2018

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Legislators released, debated, and passed budget adjustments for the 2019 fiscal year this week. The legislation appropriates \$23.9 billion of FY19, which represents an increase of approximately 3.9% over last year. The budget process typically takes weeks to conclude; however, this year's process was different. Instead of having each chamber vote to pass separate budgets then working out the differences in a conference committee, the two chambers released an already negotiated conference report that could not be amended. The budget passed largely along party lines. The budget now goes to Governor Roy Cooper's desk, where he has 10 days to sign, veto, or let the bill become law without his signature. Some highlights to the budget bill (S99) include:

- Increases teacher pay an average of 6.5%, instead of the previously passed 6.2%
- Increases State employees salaries by at least 2%, including raising the minimum pay rate for State employees to \$15 an hour
- Increases correctional officers pay by 4%
- Allows cities to use their tax revenue to fund public schools, including charter schools
- Appropriates an additional \$60 million for Hurricane Matthew relief
- Appropriates over \$8 million to address drinking water contaminants, such as the Gen X chemical in southeastern North Carolina and grants authority to the Governor to require facilities discharging such chemicals to stop operations and activities
- Appropriates \$35 million for school safety to be used for a grant program to hire more school resource officers and school-based mental health workers and creating a statewide tip line
- Modifies the State's Jobs Development Investment Grant (JDIG) incentive to encourage large companies to locate in North Carolina
- Provides that no State money can be spent on the planned Chapel Hill-to-Durham passenger rail project until federal money for the project is promised
- Appropriates \$10 million for a new rural broadband grant program

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

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