

Brooks Pierce Capital Dispatch: Governor Proposes Budget, Senate Passes Medicaid Expansion Deal

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Gov. Roy Cooper this week sent his budget recommendations to the General Assembly and the Senate passed the health care bill that would expand Medicaid coverage.

Governor's Budget Proposal

Gov. Cooper unveiled his budget proposal for the next two fiscal years on Wednesday and the State Budget Director presented it to the General Assembly's Joint Appropriations Committee on Thursday. Cooper's budget presentation focused on four themes: maintaining a fiscally sound budget, ensuring services, creating opportunities, and building healthy, resilient communities.

Legislators are working on the budget bill with the House considering it first. House Speaker Tim Moore has stated that he seeks to have it through his chamber by mid-April.

Here are highlights of Cooper's recommendations:

- Spends \$33 billion in FY 2024 and \$34.2 billion in FY 2025,
- Increases salaries for K-12 teachers and principals by an average of 18 percent over two years,
- Increases state employee salaries by 8 % over two years,
- Provides \$1 billion for K-12 school construction,
- Increases spending on mental health by \$1.5 billion,
- Increases pay and bonuses for law enforcement and funds school safety grants,
- Provides \$500 million for child care stabilization grants,
- Changes the individual income tax rate (currently 4.75%) to 4.5% for families earning less than \$200,000 (it is currently scheduled to drop to 3.99% by 2027), and
- Keeps the corporate tax rate at 2.5 % instead of reducing it as proposed by some legislators

[Click here for the State Budget Officer presentation on March 16 to the General Assembly.](#)

[Click here for details from the State Budget Office.](#)

Medicaid Expansion

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The Senate this week by a 44 to 2 vote passed a health care bill (H 76) that would expand Medicaid health insurance coverage to hundreds of thousands of North Carolinians. The bill now goes to the House, which could pass the bill as early as next week. It would then go to Gov. Roy Cooper for his expected signature. Although Cooper is advocating for an immediate expansion of Medicaid, the bill makes expansion effective upon adoption of a state budget bill.

Other health care matters in the bill include the Healthcare Access and Stabilization Program (HASP), which could bring a significant amount of federal health care funds to North Carolina, and reduction in the number of Certificate of Need (CON) approvals. CONs require hospitals and other health care entities to get state approval before certain construction projects and equipment purchases.

Information about bills and work of the General Assembly can be found at its website: www.ncleg.gov.

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