

Brooks Pierce Capital Dispatch: Legislators Begin to Act on Bills

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Legislators this week began work on the budget bill and acted on a variety of bills.

Budget Work

As a first step in the 2023 budget bill process, legislators this week met jointly in Appropriations Committee subcommittees. Both legislative staff and state agency staff provided details and answered questions in these meetings. This process will continue for a few weeks until the House begins work separately on the budget bill. That chamber will first consider this year's budget bill. Governor Roy Cooper is expected to send his budget recommendations to the General Assembly in March.

It appears there will be significant funds available for appropriation as shown by revenue projections released this week. The Consensus Forecasting Group, comprised of economists at the Office of State Budget and Management (its Director is appointed by Gov. Cooper) and the General Assembly's Fiscal Research Division, projected tax collections in FY 23 (current FY) of \$3.25 billion higher than projected.

According to the forecast, here are the reasons for the projections:

- A "smaller-than-expected decline in individual income tax collections, especially due to larger-than-expected tax payments from pass-through businesses electing to be taxed at the entity level,"
- "Persistently high corporate profits, particularly among large multi-national corporations,"
- "Resilient consumer spending," even with inflation, and
- "Higher-than-expected investment returns on the General Fund balance."

Here is the link to the forecast: <https://www.osbm.nc.gov/media/3175/open>.

Another revenue forecast will be released in May after the tax filing deadline of April 18. Legislators use these forecasts to shape spending decisions.

Health Care Bills

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A number of health care bills began moving this week.

The House passed H 76, Access to Health Care Options, on a 92-22 bipartisan vote. This bill would expand Medicaid insurance coverage significantly effective on January 1, 2024. It includes the “healthcare access and stabilization program” (HASP) to increase reimbursement rates under Medicaid and a forgivable loan pilot program encouraging doctors and nurses to work in rural areas. The Senate in 2022 passed a bill expanding Medicaid coverage but included other items such as certificate-of-need (CON) reform. Senate leaders this year continue to support Medicaid expansion but are also likely to consider other health care issues as part of this discussion.

The House Health Committee passed two other health care bills and sent them to the House Rules Committee:

- H 35: This bill expands the definition of an opioid antagonist (drugs used to negate the effect of opioids) to include all antagonists approved by the Federal Food and Drug Administration (FDA) for the treatment of drug overdoses.
- H 75: This bill updates state laws governing Physician Assistants and would allow them additional authority to prescribe, order, administer, and procure drugs and medical devices under certain circumstances.

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

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