

Brooks Pierce Capital Dispatch: Senate Passes Budget, Legislators Override Abortion Veto

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The Senate this week passed the budget bill and both houses voted to override a veto of the abortion bill.

Senate Budget Bill

The Senate this week passed its version of the budget bill (H 259). The vote to approve was 37 to 12. The Senate budget Committee Report (Money report) can be accessed [here](#).

A conference committee with members from both chambers will now work to produce a budget agreement. Legislative leaders have announced a goal of completing this work by mid-June.

Highlights of the Senate bill include:

Spending and Salaries

- Appropriates \$29.8 billion in FY 24 and \$30.9 billion in FY 25, which are the same spending targets as in the House budget
- Adds funds to both the Stabilization and Inflationary Reserve and the Rainy Day Fund
- Increases state employee salaries by 5 percent and teacher salaries by an average of 4.5 percent over the next two years

Education and Economic Development

- Increases education spending and also expands the Opportunity Scholarship Fund, which helps students attend private schools
- Increases funding for more nurses, counselors, social workers and psychologists in K-12 schools
- Allocates \$1.4 billion, available for drawdown by NCInnovation, to improve applied research outputs at UNC System schools and to help commercialize the research results

Health Care

- Enacts Medicaid expansion and appropriates \$1.5 billion of federal funds associated with expansion for a number of purposes including the NC Care initiative between ECU and UNC Health systems to construct three regional health clinics, rural loan repayment incentive

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programs for primary care and behavioral health providers, and start-up costs and expansion of healthcare programs at community colleges

- Significantly changes the Certificate of Need (CON) process, including repealing or reducing CONs for many machines or facilities. CONs require hospitals and other health care entities to get state approval before moving forward with certain construction projects and equipment purchases
- Requires hospitals in the state's 12 counties with the largest population to meet savings targets to reduce costs to the State Health Plan, which covers state employees and teachers. Meeting the targets would be necessary for hospital licensure.

Some Other Provisions

- Accelerates the scheduled reduction of the personal income tax by reducing it to 4.5 percent in 2024 with other decreases to 2.49 percent by 2030
- Increases funding for the Strategic Transportation Investments Prioritization Program by over \$1 billion over the next two years

Abortion Bill Veto Override

Both houses on Tuesday voted to override Gov. Roy Cooper's veto of S 20, a bill that among other things, changes state abortion laws. Under the North Carolina Constitution, it takes a vote of 60 percent of those present and voting to override a veto. The vote in both houses met the 60 percent and was along party lines (30 to 20 in the Senate and 72 to 48 in the House).

Under the new law, abortion would be permitted through the first twelve weeks of pregnancy for any reason (a change from the current law of twenty weeks), through the twentieth week of pregnancy if the pregnancy resulted from rape or incest, through the twenty-fourth week of pregnancy if there is a "life limiting anomaly" in the unborn child, and at any time if there is a medical emergency for the pregnant woman. It also would appropriate funds for long-term birth control, increase the Medicaid rate for obstetrics maternal bundle payments, and expand the practice authority of Certified Nurse Midwives.

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

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

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