

Bill's Seat – A Report from the North Carolina Legislature -

By Representative Bill Faison

The Legislature convened last Wednesday. The Republicans now have majorities in the House and Senate. Representative Tillis, a Republican from Charlotte, was elected Speaker. In his opening remarks he said that he believed in limited government. He said government ought to educate, provide public safety, basic infrastructure and little else. This does not sound good for folks on Medicaid or people with severe disabilities who rely on government sponsored programs.

Budget: The current Budget spends about \$18.1 billion. We are in the worst recession since the Great Depression. Business revenue is down and so are business taxes which generate approximately 7% of the Budget. We have lost so many jobs that personal income tax collections are down which generate approximately 55% of the Budget. People have less money to spend so sales tax revenues are down which generate approximately 26% of the Budget. Moreover real estate sales are down and so are the tax revenues they generate, approximately 10% of the Budget. The current tax revenues are down \$3.7 billion, almost a 20% shortfall.

What Will We Do? The State Constitution requires a balanced Budget. We cannot spend money we do not have. Unlike the Federal Government we cannot just print money. Faced with the current shortfall we only have three options, (1) Cut, (2) Tax, or (3) Cut and Tax. The Republicans have pledged not to tax, eliminating two of the three options. The only thing left is to Cut. The State is a service agency. Like most service agencies it spends approximately half of its revenue to hire folks like teachers, prison guards, and DOT workers. I am concerned that cuts alone could put a lot of people out of a job causing a bigger recession and a downward spiraling Budget problem. We will have to wait and see what they propose.

Federal Healthcare: We currently have unintended universal healthcare. Some years ago Congress passed a law requiring hospital emergency departments (ED) to treat everyone who shows up regardless of their ability to pay. Some folks use the ED for primary healthcare. Most hospitals lose tens of millions of dollars treating folks who do not have insurance and cannot pay. Eventually this means increased health insurance costs to everyone else. The Federal healthcare plan has some troubling

provisions including penalties for not purchasing. It also has some great benefits including protecting you from being denied coverage for a pre-existing condition. This past week on a party line vote, the Republicans passed out of the Judiciary committee a bill allowing anyone to sue the Federal Government for requiring healthcare. North Carolina joins 26 other states challenging the law.

See the Bill and Contact Me: You can see the bill discussed here by going to www.ncleg.net and using the “Find Bills by Number” tool. The bill is H2. I would really like to know what you think. Please contact me at Bill.Faison@ncleg.net to share your thoughts.