

Bill's Seat – A Report from the North Carolina Legislature - June 14, 2009

By Representative Bill Faison

How Do We Get A Budget? The State's Budget is the result of a process. First the Governor proposes a Budget. Then either the House or Senate (alternating every two years) prepares and passes a Budget. It then goes to the other (this year the Senate prepared the Budget and sent it to the House), where it is changed yet again. It then goes back, this year to the Senate, where further changes will be undoubtedly be considered. Ultimately the final Budget will grow out of a conference between the House and Senate Appropriation chairs and the Speaker of the House and President Pro Tempore of the Senate. The ultimate Budget must win a majority of votes in both the House and Senate. Further, the Governor must not veto the Budget.

The Senate Passed A Budget. The Senate passed a Budget on April 9. March collections were down a couple of billion dollars. May collections were down another couple of billion dollars. The Senate Budget spent money we ultimately did not have.

The House Passed A Budget. In the wee hours of this past Saturday morning the House passed a Budget. House Appropriations Subcommittees (there are seven: Capital, Education, General Government, Health and Human Services, Justice and Public Safety, Natural and Economic Resources, and Transportation) have been working on cutting the Budget for two months. Even after the Stimulus money, the available funds are down about 17% (about \$3.57 billion). Approximately 90% of the Budget is spent on Education, Medicaid and Prisons. There was no way to cut the Budget without cuts in these areas. The majority of the Budget is spent on salaried positions. Thus meaningful Budget cuts mean job cuts. No one wants to cut jobs, education, Medicaid benefits or let prisoners out of jail early. Careful, deliberate, and reflective attention was required to craft a Budget.

The Cuts Were Too Deep. Balancing the Budget cut too deep into Education, Medicaid and some other services. I did not want to vote for additional taxes but there was no other way to fix the problem. We raised approximately \$783 million. We put 85.5% of what was raised into Education and Medicaid. The Education piece saved a lot of teacher jobs and

maintained smaller classes for younger kids. 57% of the money came from corporations or folks making more than \$200,000 a year (no income tax increase if you earn less than \$200,000). Sales taxes were raised but only 25¢ on a \$100 purchase.

Tell Me What You Think Should Be Done: Budget and Revenue decisions affect all of us. We all want the very best schools we can have. Folks in our community need Medicaid. For the protection of us all, some people need to be in jail. I would really like to know what you think. Please contact me at Bill.Faison@ncleg.net to share your thoughts. The Budget is on www.ncleg.net , bill number S202.