

North Carolina Legislative Update, March 8, 2019

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Things continued to pick up this week at the General Assembly as the legislators received the Governor's budget recommendations and started to vote on substantive bills.

Governor's Budget Recommendations (https://www.osbm.nc.gov/budgetbook_2019-21)

Governor Cooper's budget recommendations would, among other things, increase education investments, expand Medicaid coverage, and pay for new capital spending with a bond issue.

Here are some highlights from the Governor's budget, which would spend \$25.2 billion for FY 20, an increase of about 5 percent over the current budget:

Education - increases average raises for K-12 teachers by 9.1 percent over the next two years and provides \$30 million to pay community college tuition for people getting trained in high-demand professions, such as architecture and construction, health sciences, information technology, and advanced manufacturing.

Health care - expands Medicaid coverage to about 500,000 more people through a combination of federal funds and assessments on hospitals and insurers. Expands treatment options for opioid abuse with \$15 million in Medicaid funding.

Rural economic development - increases funding for economic development in rural areas, including additional funding for broadband Internet grants, jobs incentives, water and sewer infrastructure, and a number of specific projects.

Justice and public safety - recommends \$12 million to improve prison safety and \$6 million over two years to analyze untested rape kits.

Environment and energy - recommends \$6.3 million for water supply testing to identify and regulate GenX and other emerging chemical compounds and \$1.5 million for clean energy programs, including studying the potential for offshore wind farms.

Bond proposal - would fund school construction and other investments in K-12, community colleges, and the UNC system, and infrastructure projects such as water and sewer with a \$3.9 billion bond that would be on the November 2020 ballot.

Salaries - recommends raises for state employees of 1.5 percent or \$500, whichever is greater, in each of the next two years and an additional \$500 a year for law enforcement and corrections officers, people who work in state hospitals and certain other school employees, such as teaching assistants. Recommends a one-time 2 percent cost-of-living adjustment for state retirees.

Legislators will next examine the Governor's recommendations in appropriations subcommittees. The House will produce the first version of the budget bill and has announced a target date for this work of early to mid-May.

School Safety ([H73](#), [H75](#) & [H76](#))

Three bills addressing school safety passed the House this week. H73 would add a course on civic responsibility to the required curriculum, H75 would study the effectiveness of mental health screenings in schools, and H76 includes a number of measures to make schools physically safer.

School Bond ([H241](#))

An education bond bill (H241) moved through two House committees this week. If passed by the voters, the proposal would produce \$1.5 billion for K-12 school construction, and \$200 million each for community college and UNC facilities. The bill is expected to pass the House given support from Speaker Tim Moore (R-Cleveland) and other senior members. The Senate has indicated support for school construction, but at this point, its leaders support a different funding approach.

For more information, contact the Brooks Pierce Government Affairs Team, linked below.