



INTRODUCTION

Coming into this legislative week, the question on everyone's mind was "do we have a number?" With budget writers from both chambers staying over the weekend to negotiate, there was hope that a spending target would be agreed to by the time members, staff and lobbyists began filing back into 16 West Jones St. on Monday. Reaching a spending target is the first step in putting the final budget packages together - with the total budget number set, the Chairs of each Appropriations Subcommittee can be given a certain amount of taxpayer dollars to work with as they negotiate the line-item spending for their respective subject areas. Until the number is set, negotiations can't begin and the process is deadlocked, as it has been for weeks this session. With the budget deadline less than two weeks away and students heading back to school without a final education budget in place, the pressure is ratcheting up for a breakthrough in Raleigh. Despite this, the week began with news that no agreement had been reached, the logjam was still firmly in place. No number, and no end in sight to the longest session in years.

The following day Gov. McCrory made an announcement – over breakfast that morning he, House Speaker Tim Moore and Senate President Pro Tem Phil Berger had reached an agreement. We have a number! The total State budget for Fiscal Year 2015-2016 will be \$21.735 billion. This number represents a 3.1% increase over the existing budget, and is roughly \$415 million less than what the House had proposed and about \$265 million more than the Senate's proposal. It was seen as a (small) win for the Senate, as the number is both closer to the Senate's position and is within the population-plus-inflation formula for State spending increases proposed by a Constitutional limit favored by that chamber (also known as the Taxpayer Bill of Rights or TABOR amendment). Now that we have a number, negotiations on the budget can begin in earnest, but other issues (including some controversial items removed from the budget to move negotiations along) still loom over the process. While an agreement seems to be near on Medicaid reform – a major breakthrough after over 3 years of debate – the Senate's "compromise" sales tax



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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FOR MORE INFORMATION:

Colleen Kochanek
NCCEP Legislative Counsel
P.O. Box 12946
Raleigh, NC 27605
919.747.9988

colleen@kochaneklawgroup.com
www.kochaneklawgroup.com

redistribution plan saw a setback as the House voted 112-2 to reject it. And while budget negotiations can now move forward, there's no expectation they will be easy. Major differences between the chambers on education funding, tax credits, and a House-passed bond proposal remain. With 9 days now remaining before the extended budget deadline, there is still hope that the budget itself will be resolved without the need for a third extension, but the expectation remains that we are still a few weeks away from adjournment.

BILL UPDATES

HOUSE BILL 372, Medicaid Transformation/HIE/Primary Care/Funds. The House did not agree to the Medicaid Reform changes made to the bill by the Senate, and a conference committee was appointed to work out the differences between the two versions of the bill.

The conferees are:

| <u>House</u> | <u>Senate</u> |
|---------------------------|---------------------------|
| Rep. Donny Lambeth, Chair | Sen. Ralph Hise, Chair |
| Rep. Nelson Dollar, Chair | Sen. Louis Pate, Chair |
| Rep. Chuck McGrady | Sen. Tommy Tucker |
| Rep. Josh Dobson | Sen. Bob Rucho |
| Rep. Marilyn Avila | Sen. Joyce Krawiec |
| Rep. David Lewis | Sen. Tamara Barringer |
| Rep. Edward Hanes, Jr. | Sen. Floyd McKissick, Jr. |
| Rep. Chris Malone | Sen. Harry Brown |
| Rep. Bert Jones | Sen. Tom Apodaca |
| Rep. William Brisson | |

- Colleen Kochanek
NCCEP Legislative Counsel
P.O. Box 12946
Raleigh, NC 27605
919.747.9988
colleen@kochaneklawgroup.com
www.kochaneklawgroup.comⁱ

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