

LEGISLATIVE REPORT August 28, 2015

INTRODUCTION

As we reported last week, an agreement was reached between the House and Senate on the total state budget for Fiscal Year 2015-2016 of \$21.735 billion, roughly \$415 million less than what the House had proposed and about \$265 million more than the Senate's proposal. What was left to debate was exactly how that money would be spent, and more specifically what cuts to their proposal the House would be willing to accept. By the end of the week leaders in both chambers proclaimed the amount of progress that had been made in these negotiations, including agreements on teacher and State employee raises (a one-time \$750 bonus, raise of starting teacher pay to \$35,000 per year, and scheduled "step raises" for teachers, State Highway Patrol officers, court clerks and magistrates, in addition to money set aside to boost salaries for community college employees, correctional officers, and certain hard-to-retain state workers) and agreements on how much each budget subcommittee will have to spend, which kick-started negotiations between the respective House and Senate Chairs.

Major issues such as tax policy and Teacher Assistant funding are yet to be resolved, and it was clear early in the week that a third budget deadline extension would be needed. The House and Senate both passed an extension that pushed the new deadline to September 18th, while leaders from both chambers expressed hope the budget would be finalized well before that date. Major policy issues such as Medicaid reform, economic development, regulatory reform and sales tax distribution are being debated in parallel with the budget process while almost all other policy work has come to a halt, typical for this part of the budget process. Once the budget and other major issues are resolved - regardless of how long it takes to find resolution - a flood of bills is likely to be unleashed as "hostages" are freed from each chamber's Rules Committee and proposals negotiated as part of the budget deal are moved quickly through the process.



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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<u>colleen@kochaneklawgroup.com</u> <u>www.kochaneklawgroup.com</u> The week, which included fierce negotiations between chambers and some sharp words between the members of each party - ended with the resignation of Rep. Rick Glazier (D-Cumberland), who leaves the House after 13 years to lead the NC Justice Center. Glazier, almost universally considered one of the best orators and finest legal minds in the General Assembly, gave a farewell speech that focused on the responsibility of those who serve to be respectful and considerate of all members of society. Several members of the Republican majority spoke at length about Glazier's generosity and willingness to work on legislation regardless of the sponsor's party affiliation or position on other issues. House Speaker Tim Moore praised Glazier's record and leadership, saying it "has been an honor to serve with you." We can hope that the bipartisan goodwill and camaraderie shared on the floor informs the budget negotiations that will be ongoing all weekend, and a considered end to the longest session since 2001 may be just around the corner.

BILL UPDATES

HOUSE BILL 18, Continuing Budget Authority. The provisions of this bill were removed in the Senate Appropriations Committee and replaced with a "continuing resolution" (CR) required to keep State government funded past June 30th, the end of the current fiscal year. A previous CR was passed on August 13th that extended the current budget in place until August 31st. The new provision would extend that deadline again until September 18, 2015. **The bill was approved by the House and Senate and has been sent to the Governor for his signature.**

- Colleen Kochanek
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