



**LEAGUE OF WOMEN VOTERS
OF NORTH CAROLINA**

LEGISLATIVE UPDATE

Legislative Update for May 10, 2010

Televised Candidates Meetings for Runoff and General Election

NBC17 is producing, **with the LWVNC and the help of local Leagues**, a number of televised candidate debates this year. Coming up are two for the US Senate and a number yet to be confirmed for the US House races.

For the Second Primary Election to be held June 22, 2010:

June 15 from 8 to 9 PM- Runoff debate for the Democratic US Senate primary race (live and available statewide) with Cunningham and Marshall

For the General Election to be held on November 2, 2010:

October 13 from 8 to 9 PM - US Senate general election debate with Burr and the Democratic primary victor (statewide).

Campaign Finance Reform

HB 120 giving permission to municipalities with more than 50,000 residents to explore public campaign financing options for non-partisan municipal elections was passed by the state House in 2009, but awaits approval in the state Senate.

As reported by NC Voters for Clean Elections, resolutions asking for state permission to pursue local public campaign financing options have been approved in Cary, Winston-Salem, Raleigh, Wilmington, Greenville, and Durham.

Currently, the town of Chapel Hill is the only municipality in North Carolina that has local public financing authorization (and it expires after 2011). The town implemented a program in 2009 that was generally seen as successful. Both newly elected mayor Mark Kleinschmidt and town council member Penny Rich said the program allowed them to run a competitive campaign without having to raise large amounts of money.

Legislative Seminar in Charlotte – Thursday May 20

This year the Council of Churches is co-sponsoring a Legislative Seminar in Charlotte. The Seminar will be very similar in format and content to the ones held in Raleigh previously. Having this 2010 Seminar in Charlotte gives an opportunity for those too far away from Raleigh to have the benefit of these legislative briefings. And it gives all of you in the Raleigh Report network a chance to receive up-to-date info about the issues likely to come up during this summer's short session.

The 2010 Legislative Seminar will take place on Thursday, May 20, and it's time for you to

register. Go to www.nccouncilofchurches.org for more information, a list of topics to be discussed, and registration information.

Voter-Owned Elections Lobby Day to be Held Tuesday, June 22

Mark June 22 in your calendars for this year's coalition-wide lobby day at the NC General Assembly in Raleigh. The day will include engaging speakers, delicious food, a skills training workshop, and lots of meetings with legislators.

The budget, the budget, the budget. By Rob Schofield (abbreviated)

It's really not accurate to say that state lawmakers will return to Raleigh next Wednesday. In truth, many, if not most, members of the General Assembly have been in and out of the Capital City for months to attend a variety of study and review committees.

Even more significantly, legislative leaders from both houses have been holing up in less public places for several weeks in an ongoing effort to get a head start on the process of putting together a bill to adjust the two-year budget passed last summer. Indeed, Senate leaders have expressed a desire to pass their version of the budget bill by May 20 - a mere eight days after the start of the "short session."

Here then (with help from the N.C Budget and Tax Center), are five key things that [citizens] ought to know (and maybe even say) about the budget in the coming days and weeks:

#1- The budget picture remains very tough. Here's the BTC:

"In FY 2009-10, Governor Perdue and the General Assembly grappled with a budget shortfall that exceeded 20 percent of the budget. North Carolina's policymakers took a balanced approach and addressed the budget gap with a combination of budget cuts (net reductions of \$1.7 billion), increased taxes (\$1 billion) and federal assistance (\$1.4 billion).

#2 - North Carolina did a creditable job last year of coping with an unprecedented shortfall. A mixture of modest (if regressive) tax hikes, spending cuts and federal assistance helped keep most public services functioning at a respectable level of effectiveness. Still, state leaders did enact many painful and counter-productive cuts.

#3 - According to the BTC, even with the hundreds of millions in federal assistance that North Carolina has received over the last couple of years, state government has shrunk and shriveled dramatically. Clearly, this is no time to embark upon new rounds of tax and service cuts.

#4 - According to the latest BTC Reports, Governor Perdue's proposed budget is essentially a continuation of the tactics employed last year.

"The governor's proposed budget would address the new shortfall by reducing net appropriations by \$396 million, increasing revenue availability by \$213 million, and relying on \$578 million in additional federal recovery assistance through an increase in federal Medicaid funds."

Unfortunately, even this very conservative approach may be insufficient.

"Legislative staff's estimates show a larger budget hole than what the governor worked with. The new adjusted budget shortfall for FY 2010-11 is \$1.4 billion, nearly \$300 million larger than the governor's projected gap."

#5 - There is a responsible path forward. Here, the BTC has put forth a roadmap that bears serious consideration. Recommendations include:

- *Implementing new efficiencies*- The Governor's Budget Reform Commission and the Performance Evaluation Division of the General Assembly have recommended a number of "streamlining" proposals (in everything from Alcoholic Beverage Control to motorfleet management to the creation of a "preferred drug list" for Medicaid) that offer real promise.
- *Using all available resources* - Examples include drawing down additional federal recovery dollars, using remaining "rainy day funds," and using tobacco settlement proceeds.
- *Eliminating inefficient tax expenditures* - Examples include the Article 3J tax business incentive credits (formerly called "Bill Lee Act" credits), film industry credits, the sales tax exemption for electricity used by manufacturers, and the sales and use tax holiday.
- *Improving tax collections* - Lawmakers should continue to support the Department of Revenue's successful tax compliance initiatives.
- *Increasing selected taxes* - This could include closing business tax loopholes through the adoption of mandatory "combined reporting," expanding the franchise tax to include "limited liability" business entities, and adding warranties and repairs to the sales tax base.

For additional information on The League of Women Voters of North Carolina and our policies and partners, please visit www.lwvnc.org. The Legislative Update is compiled by Beverly Kawalec (bevkwalec@nc.rr.com). If you wish to subscribe or unsubscribe, please email Patty Dale at daleph55@gmail.com.