



**LEAGUE OF WOMEN VOTERS
OF NORTH CAROLINA**

LEGISLATIVE UPDATE

Legislative Update for June 5, 2008

It is now possible to hear LIVE gavel-to-gavel coverage of daily sessions in the N.C. Senate and N.C. House, or listen to sessions on demand. Go to VoterRadio.com

LEAGUE ISSUES:

HEALTH CARE

House Bill #H1897, An Act to Establish the Bill Martin and Ruth Easterling Health Care Policy Council

Short Title: Health Care Policy Council

Sponsors: Insko, Holliman, Wainwright, Fisher

Co-sponsors: Allen; Allred; Barnhart; Bell; Braxton; Brisson; Bryant; Carney; Coleman; Cotham; Current; Dickson; Dockham; Earle; Faison; Farmer-Butterfield; Gibson; Goodwin; J. Harrell; Harrison; Hill; Hughes; Jeffus; Jones; Luebke; Martin; McLawhorn; Michaux; Mobley; Owens; Parmon; Pierce; Ross; Saunders; Spear; Tarleton; Tolson; Underhill; Walend; E. Warren; R. Warren; Weiss; Wilkins; Womble; Wray

Committee: Referred to the House Committee on Health 5/28/08 (Meets Tues & Thurs at noon)

Senate Bill #1668, Health Care Policy Council, filed May 19, 2008

Sponsors: William R. Purcell, Co-sponsors: Senators Charlie S. Dannelly, James Forrester, Floyd B. McKissick, Jr. and John Snow.

Explanation: This bill establishes a Health Care Policy Council that is authorized to analyze the health care system in our state and to make recommendations on how we can move from the current fragmented system to a more integrated system that will result in affordable, appropriate health care system for all residents in the state.

For More Information: Go to the LWVNC Web Site and check the Google Group at www.lwvnc.org

TAX ISSUES

House Bill 2642 – Increase Refundable Earned Income Tax Percentage (to 5%)

Sponsors: Also, Reps. Leubke, Weiss, Ross and Wainwright Co-sponsored by Reps. Blue, Bryant, Carney, Coleman, Faison, Farmer-Butterfield, Fisher, Glazier, Goforth, Hall, Harrison, Hughes, Insko, Lucas, Tarleton, Womble.

Status: [H] The House's adopted budget includes a 5% refundable Earned Income Tax Credit

Senate Bill 2097

Status: Referred to Committee on Finance 5/28/08 (Meets Tues & Weds at 1 PM)

Sponsor: Sen. Cowell

AGING

H 2324/S 1803, Statewide Aging Study.

Sponsors: Reps. Farmer-Butterfield, Pierce, Boylan; Sen. Malone.

Committees: H 2324 is in House Aging Committee (meets Wednesdays at 11 AM); S 1803 is in Senate Rules Committee (meets upon the call of the chairman).

Explanation: To begin a five-year study of the state's readiness to deal with "the coming wave of older adults." The bills appropriates almost \$4 million for the study.

THE BUDGET

Today, June 5, 2008 the House adopted a budget on third reading. Below is a thorough explanation of the budget passed by the House. The Senate must also now adopt a budget and then the two must be reconciled.

The underreported unremarkable budget

by Chris Fitzsimon <<mailto:chris@ncpolicywatch.com>>

The legislative halls were packed Wednesday morning and it was standing room only in the gallery above the House floor in the afternoon. But it wasn't the debate on the House budget that drew the crowds.

It was the lobby days organized by advocacy organizations that brought hundreds of people to Raleigh to meet with their lawmakers.

Supporters of the North Carolina Coastal Federation came to encourage legislators to reject a proposal to overturn sensible new stormwater runoff regulations adopted by the Environmental Management Commission to protect water quality in Eastern North Carolina.

The League of Municipalities turned out dozens of mayors and city council members to lobby against a long overdue repeal of the ban on collective bargaining by public workers and to encourage lawmakers to reject a one-year moratorium on annexations by cities, a cause that has become a rallying cry for right-wing property rights groups, who were also out in force on Wednesday.

Americans for the Prosperous and allied groups sent up tents across from the Legislative Building complete with props like a fake guillotine, and many of the coalition's members wore costumes and t-shirts with slogans claiming they were being held prisoner by big, bad city governments.

The theater seemed to work, as television news cameras flocked to cover the rally by the anti-government crowd and the lobbying against them by the local officials they blame for everything.

The House budget debate seemed almost an afterthought, a commentary both on the lack of bold initiatives by the House leaders who have been huddling in a corner room for the last few weeks, and the shifting priorities and shrinking resources of many of the daily media outlets whose job it is to cover the General Assembly.

The afternoon email update from the News & Observer didn't mention the budget at all, and the story about it in Wednesday's morning paper was buried inside the second section.

The \$21.3 billion plan that affects every person in North Carolina not only didn't make the front page of the Charlotte Observer, it didn't crack the list of the top 15 A-Section stories or the top 15 local news items on the paper's website at noon Wednesday, edged out by stories like "YouTube post propels 1st-grader to Keys duet" and "The Revolutionary War, according to Gen. Sumter."

The budget debate included little of the partisan rancor of years past. House Republicans offered no sweeping amendments to cut spending or shift programs and in the end the budget passed its first floor vote 102-12 with the majority of Republicans supporting it.

Despite the usual claims by House budget leaders that the plan does wonderful things for the state, the budget can be more accurately described as a cautious, relatively progressive plan that increases investments in education and a handful of human services.

Budget writers said repeatedly that the budget was limited by the money available. That means it was limited by the unwillingness of legislative leaders to consider raising taxes or closing tax loopholes in an election year. It spends \$187 million less than Governor Mike Easley proposed, an amount roughly equivalent to revenue raised by Easley's call for higher taxes on cigarettes and alcohol.

The most progressive part of the budget is the expansion of the Earned Income Tax Credit that provides help for working poor families. And while there are many other wise investments in the budget, it leaves several problems largely unaddressed.

The state's probation and parole system is broken, as the January murders of UNC-CH student body president Eve Carson and Duke graduate student Abajhit Mahato made clear. One of the suspects in the murders should have been in jail for violation of his parole.

The House budget sets aside \$3 million for probation and parole, pending the results of a review by the National Institute of Corrections. The system does need a review but it also needs a massive infusion of money now to reduce caseloads for probation officers that has reached 120 in several urban areas.

The House budget debate comes the same day that a national study reported that 67 percent of North Carolina's high school students graduate in four years. Only 10 states and the District of Columbia are doing worse, most of them with higher poverty rates than North Carolina.

The House budget includes \$15 million for dropout prevention grants, but falls short on investments in affordable housing and health care for uninsured adults and other services that would help families lift themselves out of poverty and remove the strongest predictor that a student will struggle in school.

Finally, the budget makes new investments in community crisis services for the mentally ill and adds staff to the troubled mental hospitals, both desperately needed in a system still reeling from the bungled 2001 reform efforts.

But the budget makes deep cuts to the mismanaged community support program, so deep that on balance the House actually provides roughly \$60 million less overall for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.