



LEAGUE OF WOMEN VOTERS OF NORTH CAROLINA

LEGISLATIVE UPDATE

June 19, 2010

From the League's Together NC Partners

Budget Update

The House and Senate are currently negotiating out differences between their respective budget proposals. Here's what we *think* we know about the conference report (final version of the budget bill):

1. Compared to the House budget, the proposal will include \$51 million in additional cuts to the HHS budget.
2. Even items that were agreed upon by both chambers are not necessarily safe.
3. The goal is to pass a final budget bill by the end of the month. We could see a proposal by the end of next week.

As we've noted before, both chambers are counting on nearly \$500 million of additional federal Medicaid funding to fill their budget gaps; however, Congress is yet to approve this funding.

[Please take a moment to contact your Senators and member of Congress and tell them that North Carolina needs the FMAP extension to help continue our economic recovery.](#)

House Budget Summary

Two weeks ago, the House released its proposed package of amendments to the 2010-11 budget. The House made an additional \$684 million in cuts on top of the cuts made during the budget process last year. The House proposed an additional \$114 million in cuts compared to the budget proposed by the Senate. However, the additional cuts are offset by allowing public schools to use lottery money to pay for teacher's salaries.

Following the Senate's and Governor's lead, the House did not include any new revenue in their budget proposal, deciding to balance the budget using spending cuts alone. The House, like the Senate, counts on an additional \$500 million dollars in federal money to pay for Medicaid. Congress has not yet passed legislation authorizing those funds, so the General Assembly may face an additional budget gap. The House also did not count on \$85 million dollars in estate tax revenue.

The House included \$252 million in new spending in the budget. The majority of the spending funds enrollment growth in Medicaid and community colleges, both of which have experienced significant growth since the start of the recession.

Here are the Budget and Tax Center's Reports on the three budget proposals:

[Governor's](#)

[Senate's](#)

[House's](#)

Rob and Jonathan (Jonathan Palmer, policy analyst for the Budget and Tax Center of the NC Justice Center, and Rob Thompson, Executive Director, The Covenant with NC's Children.)

*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 (bevkawalec@nc.rr.com). If you wish to subscribe or unsubscribe, please email Patty Dale at daleph55@gmail.com.*