



Vol. 2, Ed. 19 July 14, 2016



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nsurance

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Transportation

Greetings Constituents and Friends,

The 2016 Legislative Short session officially ended July 1st with approval of a \$22.34 billion state budget that represents a 2.8 percent increase in spending over the current fiscal year. The budget provides \$474 million to the Savings Reserve, which is 7.5% of the General Fund operating budget, \$81.4 million for the Repairs and Renovations Account, and appropriates \$557.8 million for compensation increases, bonuses and retirement for teachers, state highway patrol, magistrates, clerks and other state employees.

Options

Loa Off

The budget expands the personal exemption (income on which North Carolinians pay no taxes) by restricting income tax rates to 5% and limiting budget growth to the percentage of inflation plus population growth. While Republicans refer to such maneuvers as a Taxpayer Bill of Rights, I believe these measures severely limit our state's ability to improve education, provide healthcare, build infrastructure and threaten our flexibility to be prepared to handle large-scale crises or changes that will surely occur in the future. Corporations receive millions in unnecessary tax breaks, yet tax burdens are shifted to the middle class while schools struggle with fewer resources and more students. North Carolina working class families and small businesses remain stagnant.

As always, please continue to refer to the North Carolina General Assembly www.ncleg.net/, to track information on committee meetings, bill status, legislative updates, etc. The North Carolina state government website, www.ncgov.com, is helpful for in-depth information regarding our state resources.

FY 2016-17 BUDGET HIGHLIGHTS

(H.B. 1030 – Governor signed 7-14-16)

AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

• Provides \$1.2 million for the Tobacco Trust Fund and \$1 million to the Agricultural Development and

- Farmland Preservation Trust Fund for military buffers.
- Earmarks \$120,000 of Tobacco Trust funding to support select Future Farmers of American pilot programs.
- Establishes new program to reimburse small retailers for expenses associated with providing nutrient dense food in food deserts.
- Provides an additional \$600,000 for the High Point Furniture Market

EDUCATION

 Creates \$10 million per year increase in scholarships (up to \$144 million in FY 2027-28) for the Opportunity Scholarship Program.

(Public Schools)

- Creates 3rd grade reading teacher performance pilot program (\$10 million) to reward high-performing 3rd grade reading teachers.
- Establishes performance bonuses for teachers in career-tech and advanced placement whose students successfully complete required exam or certification.
- Modifies school performance grades utilizing a 15-point scale over the next three school years.

(Community Colleges)

 Increases funding for equipment by \$6 million for purchases thorough the NC Community College System.

(University System)

- Directs Elizabeth City State University, UNC Pembroke and Western Carolina University to set fall 2018 tuition rates at \$500 per semester for in-state students and \$2500 for out-of-state students.
- Freezes in-state tuition for incoming UNC School System freshmen this fall for the next four or five academic years depending on degree program. Fees increases will be limited to 3% per year.
- Establishes new scholarship program (Cheatham-White Scholarships) which gives full scholarships to 50 students at North Carolina A&T State University and North Carolina Central University beginning in fall 2018.

GENERAL GOVERNMENT

- Continues the Insurance Regulatory Charge at 6.5% for calendar year 2017.
- Authorizes funding for positions to assist agencies to work with Connect Bond NC projects positions to terminate upon completion of all Connect Bond NC programs.
- Provides additional funding (\$5 million) to the Workforce Housing Loan Program.
- Directs the Council for Women to study a new grant formula for domestic violence centers.

HEALTH AND HUMAN SERVICES/MEDICAID

- Continues a reduction in miscellaneous contractual services of \$3.2 million on a department-wide basis.
- Provides \$550,000 to provide vouchers for Project CARE- respite services to support families acting as caregivers for individuals with Alzheimer's disease.
- Provides \$1.3 million to increase the number of NC Pre-K slots by 260 and \$1.3 million to increase Child Care Subsidy slots by 260.
- Provides \$10 million recurring and \$10 million nonrecurring to a reserve fund to be used to implement recommendations of the Governor's Task Force on Mental Health and Substance Use.

JUSTICE AND PUBLIC SAFETY

• Provides \$3.5 million nonrecurring funds to the Private Assigned Counsel fund to address the backlog of payments to lawyers who have represented indigent clients.

SALARIES

- Public school teachers would receive an average 4.7 percent raise which range from \$750-\$5,250 depending on years of experience and where they sit on salary schedule.
- State employees would receive 1.5% across-the-board raise and 0.5% one-time bonuses. Funds would be set aside for one-time merit-based performance bonuses of approximately 1.0% with eligibility and allocation requirements to be determined by each employing state agency.
- State retirees would receive 1.6% one-time cost of living adjustment (COLA) supplement.
- \$1.8 million set aside for experience-based salary increases for State Highway Patrol troopers.
- \$16.9 million set aside for custody-level salary increases for prison officers, supervisors and

- administrators.
- Funds step increases for eligible assistant/deputy clerks and magistrates.
- Appropriates \$500K to be allocated to State Bureau of Investigation and Alcohol Law Enforcement agents.

STATE HEALTH PLAN

 Keeps the \$70 million reserve for future benefit needs and authorizes state Budget Director to reallocate funds to the State Health Plan in accordance with future growth in state contributions.

TAXES AND FEES

- Increases standard deductions for individual income taxes for 2016 & 2017 calendar years by \$500 (single, married filing separately), \$800 (head of household), \$1,000 (married filing jointly). In 2017, standard deduction will range from \$8,750 to \$17,500.
- Exempts the following from sales tax: self-service car washes, clothing alteration and repair, pest control services, cleaning of real property, moving services, removal of waste from TPP (other than portable toilets), repairs and maintenance to real property (as specified), landscaping, home inspections, service on roads, driveways, sidewalks, parking lots, etc.

TRANSPORTATION:

- Increases recurring funding by \$14.8 million for general aviation airport development.
- Appropriates \$5.0 million to advance and promote DMV modernization initiatives-targeting call center responsiveness, wait time reductions in driver license offices and due process improvements for medical reviews.
- Removes \$500,000 cap on state expenditures for Strategic Transportation Investments (STI)-eligible
 light rail projects funded by the Highway Trust Fund, requires previously submitted light rail projects to
 be resubmitted under next round of prioritization, and sets maximum State funding for light rail and
 commuter rail transit projects at 10% of total project cost.

-MISCELLANEOUS LEGISLATION-

HB 1080, Achievement School Districts- Creates the Achievement School District (ASD), a State-level and statewide school administrative unit for low-performing schools from across the State. It also allows the creation of innovation zones for local school administrative units (LEA) that transfer a qualifying school into the ASD. This bill was ratified and sent to the Governor on 6-30-16.

DISTRICT/RELATED NEWS

Historic West End Initiatives Small Grants- Alysia Osborne, Director of Historic West End, announced the launch of a small grants program for Wesley Heights, Biddleville, Smallwood, and Seversville residents. Grants range from \$20-\$500 and must be organized by the neighborhood association, or a group of residents in the HWE focus area neighborhoods listed above. More information on guidelines and application can be found here.

Public Realm Project- Congratulations to Historic West End Partners, who have been awarded a grant to re-imagine and provide vision for use of public community gathering space along West Trade Street next to Mosaic Village. On June 23rd, residents from Seversville, Biddleville-Smallwood, Wesley Heights, Oaklawn Park, Lincoln Heights, University Park and other West End neighborhoods collaborated to brainstorm prospective music concert series, movie nights, a neighborhood casino night, kids jamboree and field days, yoga classes and much more. For additional info, please contact J'Tanya Adams at historicwestendpartners@gmail.com.

Blue Blaze Brewing - Since its initial announcement last year, Five Points residents and Charlotte atlarge have been waiting impatiently for Blue Blaze Brewing Co. to finally open its doors at Savona Mill in Seversville. A series of soft openings were held for surrounding Five Points neighborhoods and the grand opening was June 25th. Check out the <u>Charlotte Agenda article on Blue Blaze Brewery opening</u>. <u>Also, review the Charlotte Business Journal spread</u>.

Rosa Parks Farmers Market - A new farmers market is now open every Tuesday from 10am-2pm through Sept 27th at 2845 Beatties Ford Rd (parking lot of Health Dept). The market recruits farmers within a 50-mile radius, including African American growers, and will also include produce grown by Johnson C. Smith University's agricultural program and Garinger High School's youth farmers. Here is OCity Metro's story on the opening.

HOAs Visits – In a continuing effort to meet with local homeowner groups in District 38 and provide legislative updates, I was pleased to have the opportunity to meet with the following HOA:

June 9th - Lakewood Neighborhood Alliance

SPECIAL THANKS

Thank you for voicing your issues, thoughts, and concerns through your many e-mails, phone calls, and office visits. Please feel free to contact me or my office. My legislative clerk, Jackie Ray, will be happy to assist you while I spend more time in the district during the Legislative interim.

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