

Senator Joyce Waddell's July 21, 2017, Newsletter

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Senator Joyce Waddell's July 21, 2017, Newsletter

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 NC Senate
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*Serving District 40 and
 Mecklenburg County*

**Committees**

Agriculture/Environment/Natural Resources
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 Joint Legislative Program Evaluation Oversight
 Joint Legislative Education Oversight
 Joint Legislative Commission on Energy Policy

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**The Waddell
Weekly Bulletin****Vol. 3 Ed. 1
No. 14****July 21, 2017****Dear Friends:**

On June 30, the Senate adjourned to recess for five weeks and reconvene on August 3, to address unfinished business. Before the end of session, the legislators sent several pieces of legislation to the Governor.

Most notably, the finalized version of the budget passed after the House and Senate overrode Governor Roy Cooper's veto. Many of the allocations were designated for teacher and state employee salaries, cost-of-living adjustments for retirees, state agency budgets, and education-related purposes. Retired state employees will receive a 1 percent, permanent cost-of-living increase in their pension checks. The state budget will raise state employees' pay by \$1,000. The corporate tax rate will reduce from 3 percent to 2.5 percent and the personal income tax rate from 5.49 percent to 5.25 percent. Stay tuned for highlights of the budget found in the "Final Budget 2017 – 2018" section below.

This session, I filed [Senate Bill 314, Give Retirees 2 Percent COLA/Funds](#), to provide a 2 percent cost-of-living increase for retired teachers and state employees. I held two press conferences in Raleigh and was accompanied by retired school personnel and government employees from Mecklenburg County and other counties over North Carolina. They presented petitions to all legislators from respective districts with extensive signatures. Although the state budget does not support retirees at the level I hoped to achieve, I am glad to see a 1 percent true cost-of-living adjustment for retirees.

It has been a wonderful journey serving the people of North Carolina during the long session. My responsibilities do not cease when session adjourns. Between sessions, I will be home in Mecklenburg County attending to the needs of my constituents. I will also work on committees in Raleigh to research and analyze future legislation for upcoming sessions.

I cannot achieve anything without the support of my constituents. Thank you very much for your continued support!

Please continue to refer to the North Carolina General Assembly website www.ncleg.net. You will be able to track legislation, sign up for committee notices, and review the citizen's guide.

I encourage you to contact us with your thoughts, comments, or suggestions. Please feel free to have others join in on conversation by sending contact information to Joyce.Waddell@ncleg.net.

I look forward to hearing from you!

Final Budget 2017 – 2018**➤ PUBLIC EDUCATION**

- Teach an additional 9,120 students anticipated in the public schools this fall: \$31.9 million.
- Classroom textbooks and digital materials: \$11.3 million.
- Increase funding allotment in public schools for children with disabilities: \$6.3 million.
- Pilot program for grants to charter schools for student transportation: \$2.5 million.

Deleted Items (4)

Drafts

Inbox (3)

Junk E-Mail

Sent Items

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16-12 (27)

16-12 Grants Committee

17-01 (19)

17-02 (12)

17-03 (21)

17-04 (13)

17-05 (29)

17-06 (39)

17-07 (39)

Manage Folders...

- Reduce funding for central office administration in school districts by 7.4 percent: -\$7 million.
- Modernize Department of Public Instruction business systems: \$19 million.
- Grants to expand vocational/career technical education for grades 6-7: \$4.2 million.
- Reimburse initial teacher licensure application fee for first-time applicants: \$245,000.
- Cover legal fees from Superintendent of Public Instruction's office: \$300,000.
- Cut funding to Department of Public Instruction by 6.2 percent, with spending reductions determined by agency: -\$3.2 million.
- Expand tuition reimbursement program for teacher assistants seeking teaching degrees: \$315,000.
- Reduce funding to North Carolina Education Endowment Fund for startup to reinstate N.C. Teaching Fellows Program: -\$4.6 million.
- Pay for 800 additional full-time equivalent students in the state community college system this fiscal year: \$4.9 million.
- Expand NC Works Career Coaches, employed by community colleges to work with high school students: \$1.1 million.
- Transfer state apprenticeship program from Department of Commerce to community college system: \$850,000.
- Reserve fund to meet University of North Carolina system enrollment growth this fall: \$46.6 million.
- Fund faculty recruitment and retention efforts at UNC system schools: \$1 million.
- Reduce UNC-Chapel Hill law school funding: -\$500,000.
- Food Processing Innovation Center on the North Carolina Research Campus in Kannapolis: \$5.1 million.
- Increase slots for medical students at UNC School of Medicine: \$1 million.
- Add funds to UNC School of Medicine's Asheville campus project: \$8 million.
- Funds to stabilize East Carolina University's medical school: \$4 million.
- Funds to continue stabilizing enrollment at Elizabeth City State University to hire temporary faculty and startup funds for aviation science program: \$2.8 million.
- Establish doctoral programs at North Carolina Agricultural and Technical State University: \$2.5 million.
- One-year program for students graduating from the North Carolina School of Science and Math to receive full tuition for one year if they enroll in UNC system school: \$1.5 million.
- Establish "Personal Education Savings Account" program, providing additional scholarship awards of \$9,000 annually to children with disabilities for qualifying education expenses, including those in non-public settings: \$450,000.

➤ HEALTH AND HUMAN SERVICES

- Community and rural health center grants: \$7.5 million.
- Expand, maintain North Carolina Families Accessing Services through Technology computer system to manage social services and child welfare programs: \$10.8 million.
- Serve 3,525 additional children in North Carolina Pre-Kindergarten program through combination of state and federal block grant dollars.
- Increase Smart Start funds to increase access to early literacy program known as Dolly Parton's Imagination Library, which sends books to children every month: \$3.5 million.
- Help implement improvement plan for state child welfare system after a recent critical federal review: \$8.7 million.
- Increase smoking cessation programs: \$500,000.
- Youth smoking prevention programs: \$500,000.
- Cover state public health state laboratory budget deficit: \$3 million.
- Funds to Carolina Pregnancy Care Fellowship for related clinics to purchase medical equipment: \$1.3 million.
- Adjust funding for services for mental health, substance abuse and developmental disabilities: -\$53.2 million.
- Legal fees for Department of Health and Human Services with anticipated or pending litigation over delays in construction of new Broughton mental hospital in Morganton: \$2.5 million.
- Provide Medicaid funding to continue services at expected demands and use rates: \$3.8 million.
- Reinstate graduate medical education program within Division of Medical Assistance: \$30 million.
- Reduce Division of Medical Assistance funding, with cuts determined by agency: -\$15 million.

➤ JUSTICE AND PUBLIC SAFETY

- State Bureau of Investigation equipment and surveillance tools, investigative undercover funds: \$1.5 million.
- Eliminate funding for Department of Transportation litter crews and road squads, which employ prisoners: -\$511,000.
- Eliminate 69 positions in the Division of Adult Correction vacant for at least one year: -\$3.4 million.
- Create 200-bed facility in Buncombe County for female offenders who are subject to jail time for violating the terms of their probation: \$865,000.

- Reduce Department of Justice spending for legal services and administration by 35 percent: -\$10 million.
- State crime laboratory equipment: \$1.7 million.
- Hire 67 new deputy court clerk positions in districts having trouble meeting workloads: \$3.3 million.
- Create 31 new assistant district attorney positions across the state: \$2.2 million.

➤ **AGRICULTURE, NATURAL AND ECONOMIC RESOURCES**

- Purchase airplane and maintain and operate firefighting equipment by state Forest Service: \$2.3 million.
- Additional funding to Mountain Island Educational State Forest: \$3.2 million.
- Domestic and international marketing of state food agricultural products: \$1.5 million.
- Outside private legal counsel for state Agriculture Department to intervene in federal water rights litigation: \$250,000.
- Tobacco Trust Fund, which provides grants to tobacco-related farms and businesses: \$900,000.
- Agricultural conversation easements and other programs to sustain family farms: \$2 million.
- Increase access to fresh agricultural products in the state's "food deserts": \$250,000.
- Department of Environmental Quality reorganization and staff reductions, as determined by the agency: -\$828,000.
- Reduce funding, consolidate energy centers on UNC system campuses: -\$857,000.
- Reduce spending in Department of Environmental Quality's environmental assistance and customer services programs by 19 percent, eliminating seven positions: -\$500,000.
- 4.4 percent funding reduction at Wildlife Resources Commission: -\$500,000.
- Tourism and economic development advertising by the Economic Development Partnership of North Carolina: \$3.9 million.
- Grant-in-aid for lift fan aircraft repair facility at Cherry Point Marine Corps Air Station: \$3 million.
- Mill revitalization project in Haw River: \$5 million.
- Downtown revitalization and economic development grants: \$8.5 million.
- Create new NC Ready Sites program, designed to help prepare sites to attract major manufacturing employers: \$2 million.
- Carolina Small Business Development Fund, which gives small business loans and financial training to businesses and lending services to community organizations: \$2.5 million.
- Clean Water Management Trust Fund: \$4.5 million.
- Seven new positions for North Carolina Museum of Art and the museum's new park: \$2.4 million.
- Grassroots Arts and Rural Touring Arts grant programs: \$575,000.
- Park and Recreation Trust Fund grants: \$3.3 million.
- Maintenance of state historic sites: \$250,000.
- Planning, construction and programming for a replica of fort at Fort Dobbs State Historic Site: \$975,000.

➤ **TRANSPORTATION**

- Purchase 1,700 credit card readers for the Division of Motor Vehicles and License Plate Agency offices: \$2.1 million.
- Establish in Highway Fund a new fund to pay for construction projects that are immediately needed, including those related to economic development: \$50 million.
- Build new Division of Motor Vehicles office in Charlotte: \$1.4 million.
- Capital improvements at commercial airports: \$46.2 million.
- Bridge preservation and replacement with some of the funds coming from the Highway Fund's general maintenance account: \$118 million.
- Decrease funds for road contract resurfacing: \$5 million.
- Pavement preservation activities: \$15 million.
- Create new Roadside Environmental Fund for vegetation management, litter removal, rest areas and guardrail replacements, with money coming from general maintenance account: \$104 million.
- Increase Highway Trust Fund money toward strategic transportation projects that have ranked the best through the Department of Transportation scoring system: \$139.7 million.
- Create new State Ports Authority Fund within Highway Trust Fund to modernize ports: \$45 million.

➤ **OTHER AGENCIES, SPENDING & RESERVES**

- Increase community investments in maintaining local military programs and activities: \$2 million.
- Increase the scholarship allowance for children of veterans killed or disabled during wartime: \$536,000.
- Hire five more fire inspectors and investigators for State Fire Marshal's Office: \$463,000.
- Hire 30 new positions at the Department of Insurance to investigate insurance fraud: \$2.4 million.
- Replace old chairs, desks and common-area furniture at the General Assembly complex: \$594,000.

- Administrative reduction at the Office of the Governor: -\$979,000.
- Use \$18.6 million from Dorothea Dix property sale proceeds to set aside hospital beds in local psychiatric units and to develop mental health crisis centers for children.
- Grants-in-aid for itemized local projects, managed by state budget office: \$6.7 million.
- \$100 million to fund pending legislation for Hurricane Matthew recovery.
- Film and entertainment grant fund: \$15 million.
- Increase savings reserve: \$363.9 million.
- Repairs and renovations to state and university buildings: \$125 million.
- New Fort Fisher state museum and visitor center: \$5 million.
- Convert Museum of the Cape Fear to a Civil War museum: \$5 million.
- New helipad for North Carolina National Guard: \$1 million.
- Use \$30 million in lottery profits for matching fund program for school construction in economically struggling, rural counties.

➤ TAXES

- Reduce in 2019 the individual income tax rate from 5.499 percent to 5.25 percent and the corporate income tax rate from 3 percent to 2.5 percent.
- Increase in 2019 the standard deduction for individual income tax filers from \$1,000 to \$2,500, depending on filing status.
- Convert child tax credit to deduction in 2018, with the deduction based on sliding income scale.
- Alter business franchise tax for corporations, capping the annual at no more than \$200.
- Repeal on tax of mill machinery equipment.
- Sales tax exemption for retail "fulfillment" centers.

➤ SALARIES & BENEFITS

- Average 3.3 percent raises for public school teachers this fall.
- Retooled pay scale for principals and assistant principals, with performance bonuses for principals.
- \$385 bonuses for teachers with at least 25 years of experience: \$5 million.
- Bonus program for math and reading teachers with highly performing students: \$25.3 million.
- Expand bonus program giving extra pay to teachers who take on additional teaching and mentoring responsibilities in schools: \$7.2 million.
- Increase starting salaries for highly qualified newly graduated teachers: \$700,000.
- \$1,000 permanent pay raises for rank-and-file state employees, three days of additional personal leave.
- Boost salaries for state employee positions considered difficult to retain or recruit: \$5 million.
- 1 percent cost-of-living adjustment for state employee pension.
- Eliminate retiree medical benefits for new state employees hired after December 2020.

➤ POLICY CHANGES

- Transfer North Carolina Industrial Commission from Department of Commerce to Department of Insurance.
- Phase out automatically trying 16- and 17-year-olds in adult criminal court for misdemeanors and for some felonies. The budget includes money to build a youth development center in Rockingham County.
- Transfer state Human Relations Commission from the Department of Administration to the Office of Administrative Hearings.
- Retain planned tuition of \$2,500 per semester starting in 2018-19 for out-of-state students attending Elizabeth City State University, Western Carolina University and UNC-Pembroke. The in-state student rate will be \$500 per semester.

➤ MONIES ALLOCATED TO MECKLENBURG COUNTY

- Provides funding for the Charlotte Neuroscience Foundation - Memory Center in Charlotte. The revised net appropriation for the Charlotte Neuroscience Foundation - Memory Center is \$100,000 in FY 2017-18 only.
- Provides funding for Charlotte-Mecklenburg Hospital Authority, Carolinas HealthCare System, to partner with the Charlotte Rescue Mission to conduct community education for substance abuse needs. The revised net appropriation for this initiative is \$150,000 in FY 2017-18.
- Provides \$50,000 to fund services for children with serious emotional and behavioral problems for the Alexander Youth Network.
- Provides \$250,000 as a grant-in-aid for the Renaissance West Community Initiative
- Provides \$12,500,000 for capital projects to Aviation-Commercial Airports which benefits the Charlotte Douglas Airport
- Provides funding for a new driver's license office in the Charlotte area. The cost to upfit the new driver's license office is \$318,320 in FY 2017-18 and operating and lease costs are \$173,977 in each

- year of the biennium.
- Provides \$200,000 for Big Brothers Big Sisters.

In Washington, DC



Senator Joyce Waddell discussed public education, economic justice, and policy with other legislators at the Public Leadership Institute's State Strategy Forum.

July 7, 2017

In Charlotte, NC



Senator Joyce Waddell visits the Building Educated Leaders for Life (BELL) Open House to celebrate National Summer Learning Day at Devonshire Elementary School.

July 12, 2017



Senator Joyce Waddell participates in the Hickory Grove Fourth of July Parade.

July 4, 2017

The County News

From the desk of Senator Joyce Waddell 

Lawmakers consider amending NC income tax rate

CHARLOTTE, NC – Senate Bill 817, Constitutional Amendment – Maximum Income Tax Rate of 5.5%, may appear on the ballot in the November election. If the majority of the voters approve this measure, it would become constitutional law and go into effect on January 1, 2017. The North Carolina State Constitution may be amended by a constitutional convention or by legislative action. If a proposed amendment is approved by three-fifths of both the House and Senate, then it would be submitted to eligible voters of the state at the general election.

Senate Bill 817 proposes to permanently limit the current state personal income tax rate at 5.5 percent rather than the current constitutional 10 percent cap. Although the tax limit may seem beneficial at first glance, the legislation holds serious implications for the state's future. Since the current income tax rate sits at 5.75 percent, dropping it down to 5.5 percent would lead to a drastic decrease in state revenue. In turn, this would result in cutting funding to public education, healthcare, parks, transportation, and other services in the community. It would also bar future lawmakers from the ability to respond to fiscal needs of the state as the population grows. The passage of this amendment would likely result in the increase in other taxes, such as sales tax, to make up for the loss of revenue. It is estimated that more than \$2 billion of revenue would be lost.

The tax cut would mostly benefit the wealthy while taking away a vital source of revenue to North Carolina's communities. The constitutional amendment would put more money into the pockets of the state's wealthiest households and profitable businesses. There is no evidence that the tax cuts would create

jobs or boost the economy. The tax cuts would drain the state resources used to support broad public investments. An increase in sales tax would be a way to alleviate some of the imbalance in revenue, but this would be most harmful to the middle and lower classes.

Senate Bill 817 has been through the Senate Committee on Finance and is expected to reach the Senate floor. The legislation has been absorbed into House Bill 3, Omnibus Constitutional Amendments, along with two other proposed constitutional amendments concerning eminent domain and the right to hunt, fish, and harvest wildlife. The constitutional amendment on the income tax cap can be found in Part II of House Bill 3, hidden in jargon that seeks to persuade voters to support the transfer of some monies into the State Emergency Reserve Fund to "protect taxpayers."

"We should not make decisions that would bar future lawmakers from doing what is necessary to ensure that North Carolinians lead quality lives. Furthermore, supporting this legislation would mean that we are reaching further into the pockets of the middle and lower class while the wealthiest families in the state continue to prosper. We need to think about the greater good for the majority of our citizens and the future prosperity of North Carolina," said Senator Joyce Waddell.



Waddell

Senator Waddell's office is open Monday through Friday during Session. You may reach her office by calling her Legislative Assistant, Jyrta Moore, at 919-733-5650 or by email at waddelljla@ncleg.net.

All committee meetings and press conferences can be heard on the General Assembly's website at www.ncleg.net. Once on the site, select "**Audio**" and then make your selection: House Chamber, Senate Chamber, Committee Room or Press Conference Room. A schedule of committee meetings and other events is also available on the website.

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