

Flawed NC House Budget Passes



From Representative Nasif Majeed <majeedla@ncleg.net>
To <sjohnston@tuesdayforumcharlotte.org>
Reply-To <majeedla@ncleg.net>
Date 2021-08-16 19:28

August 13, 2021

**Representative Nasif Majeed
District 99 - Mecklenburg County**



State Budget Update

Flawed NC House Budget Passes

The most important bill passed each year is the State Budget. It invests \$25.7 billion of our money we pay in taxes in public education, health, public safety, and for other public purposes. This year we also had to allocate billions of dollars in federal funds sent to the states due to the ongoing pandemic. The budget is a two-year spending plan and covers fiscal years 2021-2022 and 2022-2023. Typically, legislators will amend the two-year budget at its halfway point in next year's session.

Before the State Budget becomes law, it must pass the State Senate, then the State House, and then both legislative chambers need to agree on the same version. The State Senate has passed their version and the State House just approved their own version. Now, both Chambers will work out an agreement to send to the Governor. If he vetoes, legislators can try to override the Governor's veto or work out a new budget agreeable to him.

This week the State House passed its version of the State Budget on a 72 to 41 vote. I voted No.

All budgets have good and bad and this one is no different, but the bad

outweighs the good in these key areas. House Democrats offered an [amendment](#) that would have improved the budget significantly, addressing many of the policy concerns, but it failed in a party-line vote.

No Medicaid Expansion

Medicaid expansion will close the coverage gap for 500,000 North Carolinians. Expansion will help people lead healthier and better lives. It will help struggling rural hospitals and create health care jobs.

No state that has expanded Medicaid has reversed course. Many states used the passage of their State Budget bill to expand Medicaid. [SB105](#) does not include Medicaid expansion.

Expanding Medicaid is the single best thing we can do this session to expand health care access, make health care more affordable, address the opioid crisis, and boost rural economies. We must join 39 other states in making this happen.

Undermining our Governor, Attorney General

Some of the policy provisions in this budget would severely undermine the powers of both the Governor and the Attorney General.

One of the policies included would change state law to limit the power of the Governor to issue a state of emergency. The new policy would require the Governor to have his or her state of emergency to be approved by the Council of State within 10 days, a body of other statewide executive officials that includes the Governor, Lieutenant Governor, Secretary of State, Auditor, Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor and Commissioner of Insurance. The Governor should be able to act quickly to protect North Carolinians. This change would hamper decisive action in the face of emergency.

Regarding the Attorney General, this budget would require him or her to seek approval from the House Speaker and Senate leader before signing off on settlement agreements that involve the General Assembly. This is another example of the budget being used to take power away from duly elected

statewide officials.

Raises for Teachers, with a Caveat

One of the positive aspects of this budget is the teacher raises, but it comes with a caveat.

The House Budget would provide an average raise of 5.5% raises for teachers over the next 2 years, weighted toward more veteran educators. Additional school personnel would also see a gradual increase to a \$15 an hour minimum wage in the next two years. These raises are steps in the right direction but remember that teachers and other state employees were not given a raise over the past two years because of the previous budget stalemate.

The caveat with education funding is that this budget introduces far more reporting requirements for educators. Teachers will have to post their lesson plans and instructional materials online. Community media advisory committees would be established to hear challenges about curricula. Anyone could complain to these boards, not just those who have students in the school system.

We should not be micromanaging our educators and making their work more difficult in exchange for pay raises.

Underfunding the Leandro Plan for Education

The House Budget underfunds the Leandro Plan, a court decision that would require the state to fully fund education. The Leandro decision represents the floor of what North Carolina should be spending on education, not the ceiling. This budget funds some of the requirements from the plan, but to fully fund education in our state the entirety of the plan needs to be implemented. The plan is comprehensive in the sense that all its parts work together – a piecemeal budget that picks and chooses which parts to fund is not living up to our constitutional duty to fund a “sound basic education” for our students.

Tax Cuts for Corporations

SB105 would also cut taxes for corporations even further, even though it leaves billions of dollars unspent. As written, the budget would likely lead to \$8.6 billion in lost state revenues over the next five years due to the tax cuts.

Although our state is doing well financially right now, part of the reason we have excess money to spend is because of underfunding priorities for years. By cutting taxes for out-of-state corporations even further, we will limit our ability to be nimble the next time we have to weather a financial downturn. That will mean difficult decisions in the future, with continued underinvestment and a smaller pot of money available to solve those problems.

No Cost of Living Adjustment for Retirees

The budget proposal fails to give retired state employees and teachers a cost-of-living increase (COLA). This budget would give a one-time 2% bonus, but we need to invest in people who served our state for most, if not all, of their professional lives. Our state employees have not received a permanent COLA for more than a decade, before the 2009 recession.

The most important bill passed each year is the State Budget. It invests \$25.7 billion of our money we pay in taxes in public education, health, public safety, and for other public purposes. This year we also had to allocate billions of dollars in federal funds sent to the states due to the ongoing pandemic. The budget is a two-year spending plan and covers fiscal years 2021-2022 and 2022-2023. Typically, legislators will amend the two-year budget at its halfway point in next year's session.

Before the State Budget becomes law, it must pass the State Senate, then the State House, and then both legislative chambers need to agree on the same version. The State Senate has passed their version and the State House just approved their own version. Now, both Chambers will work out an agreement to send to the Governor. If he vetoes, legislators can try to override the Governor's veto or work out a new budget agreeable to him.

This week the State House passed its version of the State Budget on a 72 to 41 vote. I voted No.

All budgets have good and bad and this one is no different, but the bad outweighs the good in these key areas. House Democrats offered an [amendment](#) that would have improved the budget significantly, addressing many of the policy concerns, but it failed in a party-line vote.

No Medicaid Expansion

Medicaid expansion will close the coverage gap for 500,000 North Carolinians. Expansion will help people lead healthier and better lives. It will help struggling rural hospitals and create health care jobs.

No state that has expanded Medicaid has reversed course. Many states used the passage of their State Budget bill to expand Medicaid. [SB105](#) does not include Medicaid expansion.

Expanding Medicaid is the single best thing we can do this session to expand health care access, make health care more affordable, address the opioid crisis, and boost rural economies. We must join 39 other states in making this happen.

Undermining our Governor, Attorney General

Some of the policy provisions in this budget would severely undermine the powers of both the Governor and the Attorney General.

One of the policies included would change state law to limit the power of the Governor to issue a state of emergency. The new policy would require the Governor to have his or her state of emergency to be approved by the Council of State within 10 days, a body of other statewide executive officials that includes the Governor, Lieutenant Governor, Secretary of State, Auditor, Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor and Commissioner of Insurance. The Governor should be able to act quickly to protect North Carolinians. This change would hamper decisive action in the face of emergency.

Regarding the Attorney General, this budget would require him or her to seek approval from the House Speaker and Senate leader before signing off on settlement agreements that involve the General Assembly. This is another example of the budget being used to take power away from duly elected statewide officials.

Raises for Teachers, with a Caveat

One of the positive aspects of this budget is the teacher raises, but it comes

with a caveat.

The House Budget would provide an average raise of 5.5% raises for teachers over the next 2 years, weighted toward more veteran educators. Additional school personnel would also see a gradual increase to a \$15 an hour minimum wage in the next two years. These raises are steps in the right direction but remember that teachers and other state employees were not given a raise over the past two years because of the previous budget stalemate.

The caveat with education funding is that this budget introduces far more reporting requirements for educators. Teachers will have to post their lesson plans and instructional materials online. Community media advisory committees would be established to hear challenges about curricula. Anyone could complain to these boards, not just those who have students in the school system.

We should not be micromanaging our educators and making their work more difficult in exchange for pay raises.

Underfunding the Leandro Plan for Education

The House Budget underfunds the Leandro Plan, a court decision that would require the state to fully fund education. The Leandro decision represents the floor of what North Carolina should be spending on education, not the ceiling. This budget funds some of the requirements from the plan, but to fully fund education in our state the entirety of the plan needs to be implemented. The plan is comprehensive in the sense that all its parts work together – a piecemeal budget that picks and chooses which parts to fund is not living up to our constitutional duty to fund a “sound basic education” for our students.

Tax Cuts for Corporations

SB105 would also cut taxes for corporations even further, even though it leaves billions of dollars unspent. As written, the budget would likely lead to \$8.6 billion in lost state revenues over the next five years due to the tax cuts.

Although our state is doing well financially right now, part of the reason we have excess money to spend is because of underfunding priorities for years. By cutting taxes for out-of-state corporations even further, we will limit our ability to be nimble the next time we have to weather a financial downturn. That

will mean difficult decisions in the future, with continued underinvestment and a smaller pot of money available to solve those problems.

No Cost of Living Adjustment for Retirees

The budget proposal fails to give retired state employees and teachers a cost-of-living increase (COLA). This budget would give a one-time 2% bonus, but we need to invest in people who served our state for most, if not all, of their professional lives. Our state employees have not received a permanent COLA for more than a decade, before the 2009 recession.



I had the opportunity to meet and talk with, Andrew Capobianco, our US Olympic Silver Medalist in diving. Andrew is from Holly Springs, NC and shared that he trains five and half hours a day.

Qualifying for the Olympic team is a great accomplishment but winning a medal is an exceptional achievement. I salute Andrew for his discipline, persistence and dedication. I understand from conversation with him that he plans to participate in the Olympic Games in France in three years.

A big congratulations Andrew and we wish you the best in France.

PEACE!!



**Join Our Mailing
List &
Follow Me on
Facebook**



It's easy to join our mailing list! Just send your email address by text message:
Text MAJEEDN to 22828 to get started.

Visit our Website

#IWillNotYield





NCHOUSEDEMS.COM

Representative Nasif Majeed, District 99 | Legislative Building, 16 W. Jones Street, Room 1008,
Raleigh, NC 27601

[Unsubscribe sjohnston@tuesdayforumcharlotte.org](mailto:sjohnston@tuesdayforumcharlotte.org)

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by majeedla@ncleg.net powered by



Try email marketing for free today!