



# North Carolina Spirits Association

Legislative Report  
November 12, 2021

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Republicans in the General Assembly will hold votes next week on the state budget despite not reaching an agreement with Governor Roy Cooper. It remains unclear what action Governor Cooper will take when the legislature sends him a budget bill. "I think we've come to a place where we've exhausted what we needed to talk about," said state Representative Jason Saine (R-Lincoln), one of the lead budget writers in the House. "There's not been any acrimony. No one's mad at anyone. We've just kind of exhausted the process." Governor Cooper acknowledged the negotiations with the Republicans led to more money going toward education but did not include Medicaid expansion to cover hundreds of thousands more people without health insurance. Representative Saine said he is confident Republicans have enough Democrats willing to vote with them in the event Governor Cooper does veto the budget.

State Superior Court Judge David Lee ruled Wednesday that North Carolina has failed to provide students with their Constitutional guarantee to a sound basic education. To remedy the violation, Judge Lee ordered the state budget director, state treasurer and state controller to "take the necessary actions to transfer the total amount" to fund the next two years of a plan developed by an education consultant, \$1.7 billion. The Leandro court case was initially filed in 1994 by low-wealth school districts to get more state funding. The case is named after a student from Hoke County who has since graduated from college. Over the years, the state Supreme Court has ruled that the state Constitution guarantees every child "an opportunity to receive a sound basic education" and that the state was failing to meet that obligation. Judge Lee, speaking at a court hearing in Raleigh, said that the state Constitution empowers the courts to act when the other branches of government don't follow their constitutional obligations. Judge Lee's order will not go into effect for 30 days. But even then, the money will not likely be transferred anytime soon as the leaders of the Republican-controlled General Assembly are expected to fight what they call an unconstitutional order. Republican lawmakers say the State Constitution only empowers the legislature to spend money. This dispute will continue beyond this legislative session.

On Wednesday November 17 at 2:00 p.m., the House ABC Committee will meet in the Auditorium in the Legislative Building to further examine the issues with the state warehouse, inventory and delivery issues to local ABC Boards and stores, and other related issues.

The House and Senate adjourned on Friday and will reconvene on Monday November 15.

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For more information about legislation described in the legislative reports, feel free to contact us at [mfrazier@nexsenpruet.com](mailto:mfrazier@nexsenpruet.com) or [dferrell@nexsenpruet.com](mailto:dferrell@nexsenpruet.com), or at (919) 573-7421. Information is also available on the General Assembly's website: [www.ncleg.gov](http://www.ncleg.gov).

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