



North Carolina Spirits Association

Legislative Report
March 26, 2021

As bills continue to be filed during a busy week at the General Assembly, Speaker Tim Moore announced the House would be taking a spring break the week of April 5. The House has taken similar breaks during previous sessions. The House will hold skeletal sessions during the week, but no votes will be taken. The Senate is expected to take a similar break but has not made an announcement yet.

The Governor released his budget requests for the next biennium on Wednesday, and his State Budget Director presented the Governor's Budget to the House and Senate Joint Appropriations Committee on Thursday. The Governor's budget proposal would give teachers 10% raises over two years, increase education funding and put a bond on voters' ballots this fall. The Governor's education funding requests include:

- \$485 million in teacher and administrator pay, with an average pay raise of 10% over two years, as well as restoring master's degree pay and reducing veteran teacher pay plateaus.
- 7.5% raises for school districts' central office staff and noncertified public school employees.
- \$15 an hour minimum wage for noncertified, public school employees including teaching assistants, cafeteria workers and bus drivers.
- \$2,000 bonuses for teachers, principals, noncertified public school employees, university employees and community college employees this fiscal year and another \$1,000 bonus next year.
- \$52 million for educator recruitment, retention and training.
- \$80 million for more school nurses, counselors, psychologists and social workers.

Governor Cooper proposed putting a \$4.7 billion general obligation bond the ballot this November that would fund \$2.5 billion for public schools, \$783 million for the UNC System, \$500 million for the community college system, \$430 million for health and safety projects across state government and \$460 million for parks, zoos, museums and state historic sites. Governor Cooper's budget proposal also includes a 7.5% raise over two years for UNC and state-funded local community college employees. All other employees would see a 5% raise over two years. The proposal calls for a \$1,000 bonus each of the next two years for all state-funded employees. Another \$58.3 million is proposed for salary adjustments.

The Governor's budget would expand Medicaid, which was the sticking point between the Governor and the Republican-led legislature in the 2019 budget negotiations – and which led to Governor Cooper's veto of the legislature's 2019 state budget bill. Senate Republican leadership has not supported the Governor's Medicaid expansion proposals, citing potential long-range costs to the state. In the House, there was some Republican support for expansion that

came with a work requirement and payments, but that proposal was not successful. Health care funding could still come up as a key issue this session not part of the overall budget negotiations. Cooper said he is hopeful that given the Biden administration's American Rescue Plan and other factors there could be a different result this time.

With the Governor's budget requests in hand, Senate leaders will continue to work on their final budget proposal for the General Assembly. Senate leaders will also consider budget requests from each of the appropriation subcommittees which have been meeting for months. The Senate will have the first opportunity to consider and vote on the budget, and what passes the Senate will then go to the House. House leaders will take the budget through the same process before it is voted on by that chamber. If there are differences between the Senate budget and House budget, leaders from each chamber will meet to work out the differences before the budget goes to each chamber again for a final vote. The last stop for the budget is the Governor's desk where he can choose to sign it, allow it to become law without his signature, or veto it.

The House and Senate adjourned on Thursday and will reconvene on Monday March 29.

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

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