



North Carolina Spirits Association

Legislative Report
October 22, 2021

Republican leaders sent Democratic Governor Roy Cooper their budget counteroffer on Tuesday. Specifics are still being negotiated out of the public view until they reach a deal, but some new details emerged Wednesday. What's next could be an in-person meeting between Governor Cooper, Senate leader Phil Berger and House Speaker Tim Moore. Movement in the latest negotiations include the amount of raises for teachers and other state employees. One thing not in the Republicans' latest proposal: Medicaid expansion. Representative Jason Saine, chair of the Appropriations Committee and a head budget writer, said the budget negotiations could take another week or two. He said that the counteroffer included raises closer to the House's proposal than the Senate's. For teachers, the Senate wanted across-the-board 3% raises, while the House wanted an average of 5.5% raises over the next two years, and the governor wanted 10%. Raises for state employees have ranged from 3% to 7% in their prior proposals. Rep. Saine said he's not sure there are enough Republican House votes for Medicaid expansion, long a Cooper priority and a 2019 budget sticking point. That does not mean it will not happen, just not likely as part of this budget.

The House Republican caucus met Wednesday morning and lawmakers were filled in on the latest counteroffer. Moore told reporters on Wednesday that they also briefed Democratic House members who voted for the House's budget bill earlier in the session. But neither party's leaders are making the numbers in the counteroffer public. But differences between the legislative and executive branches on tax cuts, teacher pay, and public education spending have been public for months. The emphasis on education spending intensified Monday when a judge said he would not delay directing lawmakers to spend \$1.7 billion toward a plan to reduce education inequities, just to wait out budget negotiations and see how much spending is agreed to.

If negotiations break down, Republicans could formally vote to pass a final plan of their own. If Cooper vetoes it, the GOP would need help from several Democrats to complete an override. That was something they lacked the votes to accomplish in 2019, leading to a budget stalemate that never got fully resolved. Without an override, legislators would appear prepared to again send Cooper several narrow spending bills that would get bipartisan support. The extended negotiations have prevented lawmakers so far from spending \$2.7 billion in federal COVID-19 stimulus funds or from spending or formally saving billions more in unencumbered state revenues sitting in government coffers. State government still operates largely at the previous year's spending levels even without a new budget law in place.

After two weeks of mapmaking in open meeting rooms, North Carolina senators have presented some proposals to the public on how they might redraw congressional or state Senate

district lines for the next decade. The Senate Redistricting Committee posted several maps online late Tuesday that Republicans or Democrats have produced this month at computer terminals set up in the committee room. More are expected as Senate Democrats worked on plans Wednesday. The author of each Senate map option is not identified, but Republicans have offered congressional plans that would appear to give Republican candidates a good chance to win at least 10 of the state's 14 U.S. House seats. Plans from Democrats could see their candidates winning seven seats. Republicans currently hold eight of the state's 13 U.S. House seats. North Carolina is getting an additional seat due to population gains over the past decade.

The House Redistricting Committee is expected to keep its room open through Friday for legislators to draw maps at terminals there. The House Redistricting Committee Chair Destin Hall (R-Caldwell) posted a proposed congressional map and a proposed state House map on Thursday.

Since mapmaking rooms opened October 6, the public has been able to view online video and audio of the committee room and activity on computer screens where drawing happens. The committees held more than a dozen public hearings across the state last month to receive citizen input. It's not immediately clear whether more hearings or formal input would be sought before lawmakers vote on specific measures. Legislators are aiming to approve boundaries for General Assembly and U.S. House districts by early next month. Redistricting plans are not subject to a gubernatorial veto. Candidate filing is scheduled to begin December 6, with primaries set for March 8.

Republican lawmakers on Wednesday approved yet another attempt to limit the governor's emergency powers, but the legislation is headed to a near-certain veto from Governor Roy Cooper. House Bill 264 is the latest in a series of proposals backed by legislative leaders seeking to limit the emergency powers of the governor. It would require any emergency action lasting longer than a week to have the support of a majority of the 10-member Council of State, which currently has a Republican majority. The legislation is similar to a bill that passed last summer, Senate Bill 105. It was promptly vetoed by Cooper, as were lawmakers' other, less expansive attempts to limit gubernatorial emergency powers. Signaling the expected veto, neither Democrats nor Republicans debated House Bill 264 on the House floor. It passed on party lines, 66-44. In a statement, House Speaker Tim Moore noted that North Carolina has been under a state of emergency due to the pandemic for 589 days. "The need for checks and balances is arguably most crucial during a statewide emergency," said Moore. "No one individual should have the ability to exercise unilateral power during such an emergency." Similar language was also included in the legislature's budget proposal, but it's unlikely to be included in any final budget compromise with Cooper.

Gaston County Republicans have picked Former County Commissioner Donnie Loftis to replace the late Dana Bumgardner in the state House. The Gaston County Republican Party will now send Loftis' name to Governor Roy Cooper, who then will have seven days to approve the selection and make the appointment. Former Representative Bumgardner died October 2 midway through his 5th term representing southeastern Gaston County in the 109th House District. Bumgardner was 67. Loftis will serve out the remainder of Bumgardner's term, which was set to end in December 2022.

The House and Senate adjourned on Thursday and will reconvene on Monday October 25.

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

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