



Bill's Seat – A Report from the North Carolina Legislature

By Representative Bill Faison

May 18, 2007

This year the House generates the Budget. We finished our job last week and passed the Budget. The Budget spends \$20.13 billion. This article will give you some insights into what the Budget does for you. Of course the Budget is too broad to completely cover here. The Budget must now go to the Senate for action.

No New Taxes - Some Taxes Cut: We did not pass any new taxes. In fact we cut taxes by \$98.6 million. We cut taxes by giving you a deduction for money you put in a qualified plan for a child's education, increasing the sales tax holiday for purchases around the time you are getting kids ready for school, additional earned income tax credits, long term care insurance tax credits, an adoption tax credit, and tax relief for folks in the military, among others. We did continue two taxes that would otherwise sunset. We continue to tax the most highly compensated at a higher rate than everyone else and we continue the sales tax at its current level.

Education: This Budget, like all the Budgets I have worked on, spends most of the money on education. 55.17% of the Budget (\$11.11 billion) is spent on education. Of this amount 68.59% (\$7.62 billion) is spent on K-12, 23.06% (\$2.56 billion) on the university system, and 8.35% (\$.93 billion) on the community college system.

Education highlights include money for 500 scholarships through the Teaching Fellows program, additional funding for disadvantaged students, a significant investment in computerization for all schools to increase schools' abilities to use up-to-date instructional technology, and money for literacy coaches, drop out prevention, and nutrition. We also provide money for Science Competitions, Ag in the classroom, and the teacher cadet program. Additionally, we provided \$27.6 million for need-based financial aid to 41,143 college students. We also provide money for more school nurses.

Medicaid Relief: 22.70% (\$4.57 billion) of the Budget goes to Health and Human Services and the majority of this to Medicaid. In addition the State puts part of the Medicaid burden on the counties. The Budget includes some Medicaid relief for the counties. Caswell gets \$310,141 and Orange \$441,858 in Medicaid relief.

Raises for State Employees: We found the money to give teachers a 5% raise and all other State employees a 4.25% raise.

Healthcare: I have been working on stroke prevention because so many people are hurt or killed by strokes. The Budget includes money for stroke prevention. There is also money in the Budget for programs I have supported for breast and cervical cancer control.

Farm Programs: I got additional money put in the Budget for a program to help market our farm products.

Work at the Legislature: You can see the bill discussed here. Go to www.ncleg.net and in the Find Bill By Number section type H1473. Please contact me at billf@ncleg.net if you think I might be able to help you with something.