



State Policy Update

2007 Financial Education &
Asset Building Conference
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N.C. Policy Watch



NC Policy Watch: A Free Media Outlet for NC Progressives

Two basic types of “products” and services:

1. **Original stuff that we author internally**
– we welcome/seek your input, ideas, suggestions
2. **Stuff that is produced externally or jointly** – we work with you to highlight and distribute *your* products and messages

Our Top Priorities

- Answering/exposing the right
- Energizing the state's progressive movement
- Dramatically increasing the quantity and distribution of progressive messages
- Winning the propaganda war (aka "the Battle of Ideas")
- Transforming state policymaking



Anti-Poverty Connection

Policy Watch is:

- A project of the N.C Justice Center
- Fighting for the public investments that will address our biggest problems
- Committed to promoting intentional, public solutions and debunking the right's mythology around the “free” market

Our “Products”

- ncpolicywatch.com
- Fitzsimon File
- Weekly Briefing
- Daily Headlines
- Reality Check on the Radical Right
- Setting the Record Straight
- The Progressive Pulse
- Crucial Conversation luncheons
- Carolina Issues Poll
- Progressive Voices
- Daily Radio Commentaries
- News & Views Radio
- NC SPIN
- Public speaking & media appearances
- Coalition, nonprofit support

...and John Cole's Cartoon, too.



2007: A Pretty Good Session

Highlights include:

- Adoption of a state EITC
- Expanded access to healthcare
- Some headway on education
- Mortgage foreclosure improvements
- Campaign finance, voter registration, ethics reforms

(Read bills at www.ncleg.net)

The Bad News

- Tax cuts for the rich and lack of tax reform
- Lack of real education reform
- No action on school violence
- No action on eugenics
- Failure of: a proposed smoking ban, death penalty reforms, HIV needle exchange, handgun regulation

Spending Overview

2007-'08 Budget – House Bill 1473 (H1473)

- New spending returns NC to 2000 *per capita* level
- Most new \$ goes to education and pay raises (4% for most state employees)
- State assumes county Medicaid share
- Rainy Day funds replenished

More Spending Details

FINAL 2007-09 BUDGET OVERVIEW	
2006-07 Authorized Budget	\$18,865,960,284
2007-08 Recommended Continuation Budget	\$18,967,544,989
2007-08 Recommended Expansion Budget	\$1,690,792,723
Total 2007-08 General Fund Appropriations	\$20,658,337,712
\$ Change from Previous Fiscal Year	\$1,792,377,428
% Change from Previous Fiscal Year	9.5%
2008-09 Recommended Continuation Budget	\$19,492,587,728
2008-09 Recommended Expansion Budget	\$1,193,078,810
Total 2008-09 General Fund Appropriations	\$20,685,666,538
\$ Change from Previous Fiscal Year	\$27,328,826
% Change from Previous Fiscal Year	0.13%



Other spending highlights

- Kids Care
- Health Choice expansion
- State assumes county Medicaid share
- Disadvantaged students supp. fund
- Smart Start, childcare subsidy increases
- Minority economic development

Tax Overview

Passed:

- 8% income tax bracket eliminated
- 3.5% state EITC enacted
- .25% added to the sales tax permanently
- New county option for sales tax (.25%) and land transfer tax (up to .4%) increases
- New court fees
- Homestead exemption increase, property tax “circuit breaker” (H1499)

Pending:

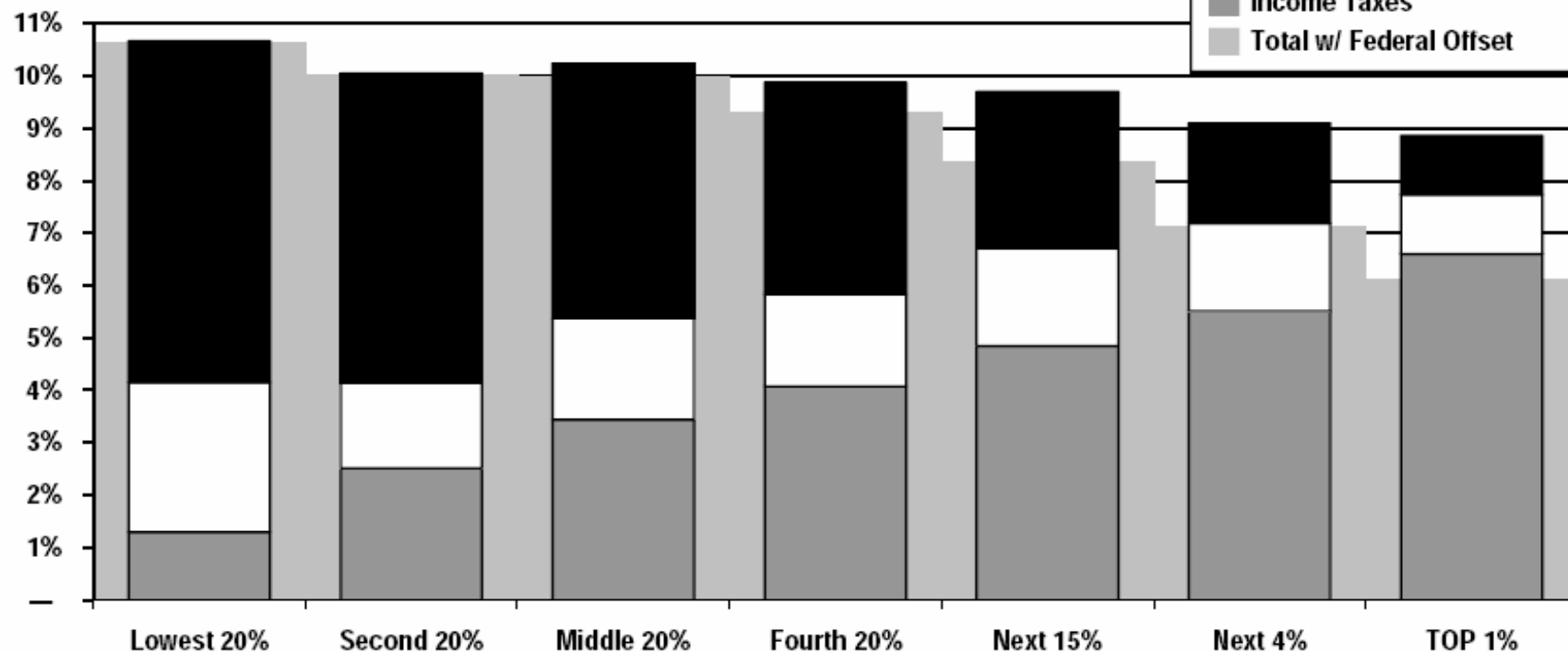
- Combined (honest) corporate tax reporting (S244/H462)
- More frequent property tax assessments (S1309)

The Tax “Lay of the Land”

North Carolina

State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



Other Topics: Affordable Housing

Passed:

- Housing Trust Fund - \$8 million recurring
- Home Protection Pilot Program - \$1.5 mil.
- Migrant housing standards (S1466)

Pending:

- Mfd. Housing owner protections (H1700)
- Fair Housing Amendments (S334)

Workforce Issues

Passed:

- Increased childcare subsidies
- Migrant housing inspections (S1466)

Pending:

- Requiring paid sick days (H1711)
- Collective bargaining for state employees (H1583)
- Pesticide protections (H1818)
- Elimination of unemployment ins. waiting week (S741)

Consumer Rights/Protections

Passed:

- Foreclosure process improvements (H1374)
- Predatory lending improvements (H1817)
- Foreclosure protection for tenants (H947)
- Mortgage fraud improvements (H817)

Health Care

Passed:

- Kids care, Health Choice enrollment
- Partial mental health parity (H973)
- High risk health insurance pool (H265)
- CAP-MR/DD slots increased by 300 (budget)
- Adult care home rating system (S56)
- Medicaid estate recovery improvements (H1537)

K-12 Education

Passed:

- New \$ for DSSF, Low wealth, drop out prevention, More at Four, Learn and Earn, class size reduction, and other programs
- Kindergarten eligibility change (H150)

Pending:

- Anti-bullying (H1366), corporal punishment ban (H853/S874)
- Protections for disabled children (H12, H1428)

Ethics, Election Reforms

Passed:

- “Voter-owned” elections (H1517)
- Expanded (“same day”) voter registration (H91)
- Additional improvements to the state ethics process (H1111)

Other Bills of Note

Passed:

- Renewable energy “portfolio” standard (S3)
- Landfill (S1492), hog farm (S1465) regulations
- Human trafficking protections (S1079)
- Special incentives for Goodyear, Firestone (H1761, Special Session - H4)

Pending:

- Juvenile criminal jurisdiction to 18 (H492, S1455)
- Expunction proposals (S677, H898)

What's Next?

- Tax reform – can lawmakers muster the courage to do it right?
- Criminal justice, prison reform
- Global warming policy changes
- Mental health
- Incentives reform?

Questions, comments, subscribe

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