



LEGISLATIVE UPDATE FROM  
**REP. DENNIS RIDDELL**



**NC House**

**District 64 – Alamance County**

**6/25/2017**

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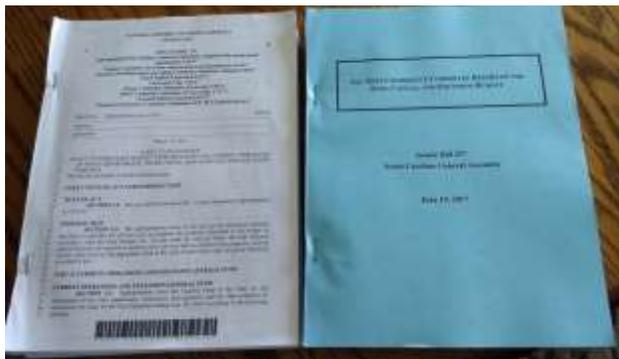
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**The Business End of State Gov't.....  
 the Biennial Budget**

The two-year budget process is nearly completed. How do you approach this complex, sometimes bewildering and very important task?

This is my 3<sup>rd</sup> budget cycle and here are some basic questions I have learned to ask of myself and others as we go through the budget labyrinth:

1. What is the primary role of gov't?
2. What are the essential services that state gov't is constitutionally required to provide to fulfill its purpose?
3. How will we know if state gov't is doing a good job - how do we measure: Performance? Success? Failure?
4. What should all of this cost and who should pay for it?
5. With limited resources (revenue) and unlimited demands (spending) - how do you determine budget priorities?



**900+ page final budget drafts that passed the House and Senate last week. Yes, I did read it before voting 'aye'**

**Budget Passes the NCGA**

Last week the House passed, with a little bipartisan help, **SB257 The Appropriations Act of 2017** by a vote of 77-38.

Our balanced budget is currently awaiting action by the Governor. He may:

1. Sign this good budget.
2. Veto this good budget.
3. Wait 10 days and allow this good budget to become law with neither his signature nor gubernatorial veto.



**House and Senate Joint Appropriations Committee Meeting early on in the process.**

The **\$22.9 billion** balanced budget is a 3.1% increase in spending from last year. We are once again **within our self-imposed spending limits of TABOR** (Taxpayer Bill of Rights spending limits = cost of living increase [COLA] + population increase).

What follows are some brief budget highlights. No budget document is perfect. Some are less imperfect than others.

There are some things in this budget I really like and some things not so much. But, overall it is a good budget and one that I am happy to support.

For more detailed budget information go to:  
<http://www.ncleg.net/Sessions/2017/Budget/2017/S257vccr.pdf>

### Tax Cuts

When I first got to Raleigh the standard deduction for married couples filing jointly was \$6,000. We had raised it previously to \$17,500 and it will now go up to **\$20,000 in 2019**. Combined tax cuts in the personal income tax rate and other reductions for the two year budget will be **\$528.7 million**.

**Education - K-12, CommCollege, UNC System**  
\$13.1 billion - **57% of the total General Fund**  
budget of \$22.9 billion for 2017-18.

- \$9.04 billion in K-12 funding.
- An avg. of 8-9% pay increase over the 2 year budget for teachers.
- This budget increase will make 6 straight years of teacher pay increases.



Members of Alamance County's NCAE stopped by the office for a nice visit and discussion of education issues.

- NC now has the fastest rising teacher pay in the nation since 2014.
- Avg teacher salary by 2018-19 should be between \$51,000 - \$54,000. This does **not** include the state retirement contribution, health care plan annual premium, FICA taxes etc.
- Significant increase for principals and ass't principals (finally) of 8% on avg.
- Total textbook/digital funding for next year will be \$66.8 million.
- Designates future Lottery net revenue growth to the Needs-Based School

Capital Fund. I am absolutely no keen fan of the Lottery but it is past time we get back to the original 40% funding target in Lottery revenue for school construction.

- Established a Joint Legislative Task Force on Education Finance to develop a new funding model for K-12. Very needed.
- Restablished the Teaching Fellows program for STEM subjects and Special Education teachers.



Recent ACC visitors included trustees, President Gatewood and student reps

- Increased Community College funding by \$50 million.
- UNC system funding increased \$92 million.
- Expands Special Education Scholarships for children with disabilities.

### Health and Human Services

\$5.25 billion - **23% of spending**

- Additional funding to reduce the NC Pre K waiting list by 75% (4,700 slots) over the next two years.
- Recommendation to appoint a Subcommittee on Aging.
- \$1.3 million distributed among various crisis pregnancy centers in NC.
- Provides \$30 million to address the Opiod Crisis here in NC.
- Allocates \$3 million to assist counties in the implementation of the Child Welfare case mgmt system (NC FAST).
- Permits the purchase of psychiatric and facility based crisis beds with Dorothea Dix Property funds.



*Clinics like the Open Door Clinic in Burlington serve an underserved needy population. Tracy Salisbury is the ExDir.*

- Doubles the grant funding for community health centers, rural health centers, free clinics, and other health care safety net providers.
- Require the National Human Trafficking Resource Hotline Number— 1-888-373-7888 — be prominently displayed on signs in adult entertainment businesses, businesses that sell alcohol, hospitals, and highway rest stops.

### Justice and Public Safety

\$2.7 billion - 12% of total spending

- Provides for 32 additional Asst District Attorneys - including one for Alamance County - a big vote of confidence in our District Attorney Pat Nadolski.



Always glad to welcome Alamance County's Sheriff Terry Johnson to the House District 64 legislative office.

- Step increases again for State Highway Patrol troopers, deputy clerks of court, and magistrates.

- Funds 96 additional deputy clerk of court positions at \$4.7 million.
- "Raise the Age" legislation which passed the House was included in the budget. This will keep 16 and 17 year olds who commit misdemeanors and Class H and Class I felonies in juvenile court jurisdiction.
- Provided additional permanent funding for positions at the State Crime Lab and for their equipment needs.

### Agriculture, Natural & Economic Resources

\$587 million - 2.5% of total spending

- Provides \$2.3 million additional funding to the Forest Service to purchase firefighting equipment.
- Additional funding of \$2 million for the Farmland Preservation Trust Fund.
- \$39 million in local economic development projects across NC.



Goodness Grows in NC - Ag Dinner

General Gov't (I am committee co-chairman)  
\$405 million - 1.8% of total spending, a slight reduction from two years ago.

- Added Esophageal cancer to the list of covered diseases eligible for firefighters Line of Duty Death benefits. (One of my budget priorities).
- Retirees received a 1.0% COLA
- Budgeted \$181 million each year to provide most state employees and state-funded local employees a salary increase of \$1,000.
- Increased funds for college Scholarships for Children of War Veterans.

- Added 3 new fire department inspectors to the Dept. of Insurance.
- Provided additional funding for up to 30 sworn officers to investigate insurance fraud.
- Provides \$100,000 to implement an **evidence-based policy making** model (remember...how do we measure performance?) for developing state policy and budget decisions. (I have been working on this initiative for 3 years). Finally got it done - Happy legislator!
- Provided additional funding to the State Treasurer's office to support NC's Core Banking System.



*Congratulations to Siloam Missionary Homes on their 25<sup>th</sup> Anniversary groundbreaking ceremony for their newest residence.*

### Transportation

- Maintenance budget increased by \$64 million in 2017-18 and \$104 million in 2018-19.
- Provides \$115 million over 2 years for capital improvements at our 10 commercial airports.
- The STI (Strategic Transportation Investment Funds) is increased by over \$140 million in 2017-18 and \$180 million in 2018-19.
- Appropriated an additional \$10 million to the NC State Ports Authority for improvements of the Wilmington and Morehead City seaports.

### Savings and Reserves

- We added \$263 million to the Savings Reserve Account, bringing the **total in savings to \$1.84 billion**. This is the largest amount in reserves since the accounts inception. It also brings us to a level of 8% in reserves - similar to what the state requires local gov't to have on hand.
- We also deposited \$127 million into the lean Repairs and Renovations Account.
- Added another \$100 million to disaster relief assistance (Hurricane Matthew).



*Life is very good here in Alamance County. Have a blessed summer with family and friends.*

*It is an honor to continue to serve you as your State Representative.*

*Thank You,*

*Dennis*



*One of my favorite photos taken a few years ago. Reminds me how fortunate I am to celebrate 35 years of marriage to Polly Jo today June 25th. Happy and Blessed.*