



ABC &-NEWS

A weekly newsletter on North Carolina policy and political news relevant to the North Carolina's ABC Boards

Senate Panel Passes LGERS Bill

HB 278 (Sunset ABC Board Participation in LGERS), sponsored by Rep. Allen McNeill (R-Moore/Randolph) passed the Senate Committee on Pensions and Retirement and Aging by an unanimous vote and with little debate and discussion.

The bill returns to the Senate Rules Committee next week before going to Senate votes before heading to the Governor Roy Cooper's desk for a signature.

The bill disallows ABC Boards from joining the state retirement system if not in by July 1. ABC Boards that merge with other ABC Boards in the future are eligible for future enrollment in the retirement system.

NCAACB is concerned about the bill as written, but with no ABC Boards wanting to enter the state retirement system at this time, the political will to oppose the bill is limited.

NAACB has requested legislators allow ABC Boards to notify the state retirement system by July 1 of their intentions to join to be eligible.

However, Treasurer Dale Folwell is opposed to this proposed change in the legislation and no changes have been made by legislators.

Budget Agreement Reached on Spending Cap

Senator Phil Berger (R-Rockingham/Surry/Stokes/Caswell) and Speaker Tim Moore (R-Cleveland) announced on Tuesday a spending cap deal.



The agreement means budget writers will begin the process of passing budgets in the respective chambers – the Senate and the House – this month with the leadership of the chambers, along with Governor Roy Cooper, likely to negotiate a final spending plan in mid-July.

NCAACB President Miles Davis applauded the leadership for coming to a consensus on spending, especially as many small businesses and communities throughout the state are struggling to emerge from the pandemic.

General Fund spending for the fiscal year 2021-22 will not exceed \$25.7 billion, a 3.45% increase in spending. The fiscal year 2022-23 expenditures will increase by 3.65%, to not exceed \$26.7 billion.

In a joint statement, Sen. Berger and Speaker Moore said, "This agreement builds on the last decade of responsible Republican-led budgets resulting in a boom decade that put North Carolina on a strong trajectory to recover from the recession. As we work out the details of the budget, we intend to fulfill our commitment to balance the budget while saving for future needs and cutting taxes for the vast majority of residents."

"The agreement dedicates at least \$4.2 billion in new capital spending funded through the State Capital and Infrastructure Fund to support critical needs across the state, including several transformational projects."

Along with the top-line budget figure, budget writers have agreed to terms that replenish the state's "Rainy Day Fund," significantly reduce taxes, and fund the State Capital and Infrastructure Fund. House and Senate budget writers have also agreed that their budgets will not include a bond or Medicaid expansion.

The latest projections from the nonpartisan Fiscal Research Division estimate revenues will total \$27.4 billion next year.

The \$25.7 billion figure does not include payments for the state's debt service, which will come from the State Capital and Infrastructure Fund.