



## **GOVERNOR COOPER'S PROPOSED BUDGET FOR 2017-2019**

On March 1, Governor Cooper announced his recommended budget for 2017-2019. His budget request calls for a pay raise for state employees and includes an additional \$271 million for each of the next two years to raise teacher salaries by 5%. The Governor's recommended budget would also expand Medicaid coverage for an additional 624,000 individuals. Below is a list of NCACC goals included in the Governor's proposed budget, next steps and specific line items of interest to counties.

### **NCACC GOALS**

The proposed budget addresses several NCACC goals. It provides funds to support raising the juvenile justice age, which is a NCACC priority goal, and it increases funding for Juvenile Crime Prevention Councils. The budget also adds 4,700 new slots for children to attend pre-k programs, and directs more than \$12 million to address the opioid crisis through community mental health services and additional crisis beds. These investments in early childhood education and mental health are consistent with NCACC's health and human services goals. Furthermore, the budget makes investments in NC FAST, which is an online processing system for Medicaid and other public assistance programs. The budget maintains lottery funding for Public School Building Capital at the existing level of \$100 million.

Governor Cooper's recommended budget also supports a key NCACC economic development goal by adding \$20 million for broadband internet services, and establishing new grants to help local governments expand access to high-speed internet services. The Governor's budget also increases funding for the Clean Water Management Trust Fund, which is a NCACC environment goal. Other major highlights include a \$150 million increase in funding for transportation infrastructure investments and \$185 million for road maintenance.

### **NEXT STEPS**

The Governor has submitted his recommended budget to the General Assembly, and budget discussions have been underway at the legislature. This biennium, the Senate will take up the budget first, introducing an appropriations bill for 2017-2019. Then, the House will make its modifications. The two chambers will negotiate any differences, with the goal of passing a budget by July 1, before the start of the next fiscal year.



## ***Health and Human Services***

- Funds the existing Medicaid program rebase with \$3,781,334 in year one and \$112,592,000 in year two; covers changes in enrollment, utilization, costs and rates within the current Medicaid population.
- Increases funding for community three-way crisis beds by \$2.5 million recurring in each year, and increases funding for community-based opioid services by almost \$11 million recurring each year, and \$1.2 million non-recurring in FY 2018 as part of a \$47 million reduction in LME/MCO funds which are subsequently redirected to “Community Services Funding.”
- Dedicates almost \$9 million in recurring funds in FY 2018 and \$17 million in FY 2019 to assist people with mental health needs to live in their communities, in keeping with the department’s settlement with the US Dept. of Justice.
- Provides \$8.9 million non-recurring in year one and \$11.1 million in year two to continue developing child welfare case management components of NC FAST.
- Increases recurring NC FAST operations and maintenance funding by \$1.9 million in FY 2018 and \$7.7 million in FY 2019 to help resolve technical issues many social service departments face when interacting with the system.
- Increases funding for NC Pre-K by \$6 million to eliminate the current waitlist for at-risk four-year olds.
- Increases funding for state-county special assistance payments by \$1,724,978 to supplement low-income, elderly, or disable individuals remain in homes in their community; requires a 50 percent match from counties.
- Authorizes bonds to construct medical examiner facilities in Forsyth and Pitt counties.

## ***Education***

### *K-12*

- Continues to appropriate \$100 million from lottery proceeds for school construction.
- Raises teacher pay by 5 percent in FY 2018 and an additional 5 percent in 2019.



- Creates annual \$150 stipend for state-funded teachers to use on classroom supplies.
- Provides \$20 million for pay raises for school administrators and staff.
- Allocates \$20 million in lottery receipts for LEAs to use as flexible funding to hire non-instructional staff.
- Allocates \$10 million in lottery receipts for textbooks and digital resources.

#### *Community Colleges*

- Creates a scholarship to cover the cost of tuition and fees to any community college for recent high school graduates with a GPA of 2.0 or higher.
- Provides \$3 million in grants for community colleges that establish new workforce training programs.

#### ***Public Safety***

- Includes initial funding for pending 'Raise the Age' legislation—\$1 million in FY 2018 and \$5 million recurring in 2019. Also authorizes bonds to construct a new youth development center contingent on passage of legislation to raise the age of juvenile jurisdiction.
- Establishes \$2 million in grants via the Governor's Crime Commission to assist local law enforcement in combating opioid abuse.
- Increases funding to Juvenile Crime Prevention Councils by \$2 million.
- Funds parole officers for offenders with persistent mental illness with 43 new positions and \$2.8 million in FY 2018.
- Expands behavioral health services for offenders through the Justice Reinvestment Act.
- Invests in re-entry programs via behavioral treatment services—\$5.5 million; local re-entry councils—\$1.5 million; and prison re-entry programming--\$500,000.
- Authorizes bonds to construct and renovate dormitories at the eastern and western justice academies.



### ***Judicial Branch***

- Dedicates \$3.8 million to step increases for assistant and deputy clerks of court and \$446,385 for magistrate step increases.
- Includes a \$2.9 million to fund a \$5 per hour increase for private attorneys representing indigent clients.

### ***Justice***

- Funds training and certification mandated by the Forensic Sciences Act.
- Includes \$500,000 to replace crime lab equipment.

### ***Environmental Quality***

- Recommends an additional \$300,000 in non-recurring funds for recycling program grants and \$1 million non-recurring to help satisfy outstanding claims in the Noncommercial Leaking Underground Storage Tank Fund.

### ***Natural and Cultural Resources***

- Expands the Clean Water Management Trust Fund \$3.1 million recurring and \$10 million non-recurring in year one.
- Increases The Parks and Recreation Trust Fund by \$1.8 million recurring and \$5 million non-recurring in the FY 2018.

### ***Commerce***

- Establish \$20 million in grants to help local governments and cooperatives with broadband infrastructure design, planning and investment.

### ***Agriculture and Consumer Services***

- Includes \$250,000 in economic development funds for international marketing of North Carolina agricultural products.
- Invests \$2.15 million in the North Carolina Farmland Preservation Trust Fund.



### ***Transportation***

- Increases funding to the Strategic Transportation Improvement program by \$153 million in FY 2018 and \$181 million in 2019.

### ***Military and Veterans Affairs***

- Establishes a \$1.5 million scholarship fund for Children of War Veterans.
- Appropriates \$1 million to support the Military Affairs Commission.