



Bulletin #09-08

Thursday, March 19, 2009

## FOOD FOR THOUGHT

*North Carolina isn't alone in its failure to address mental health. The state received a "D" from the National Alliance on Mental Illness in a report released March 11. In this case, "D" is actually the national average – so maybe a "C" grade would be more appropriate. The report flagged three urgent needs: "restore confidence and order to overall system; improve state hospitals to enable transition to newer facility; and restore ACT funding cuts."*

## THE BUDGET DEBATE BEGINS

Governor Bev Perdue released the first budget proposal of her administration earlier this week, and it contained many provisions favorable to counties. Perdue did not redirect or reduce the lottery or corporate income tax school construction dollars to counties and did not interfere with the final phaseout of the Medicaid relief swap. Her proposal includes additional money for mental health community services to purchase local psych beds. Generally, any state aid to non-state entities such as the Criminal Justice Partnership Program and the Juvenile Crime Prevention Council is subject to a 7 percent reduction. The Clean Water Management Trust Fund would be cut 25 percent, or \$25 million, in both years of the biennium. State aid to counties for social services administration of \$5.5 million would be eliminated each year in the biennium, to be restored as a recurring appropriation beginning in 2011-12. The State Office of Budget and Management did guarantee that the federal stimulus dollars for additional food stamp administration (\$9 million) and foster care services (\$3.5 million) would be passed down to counties to offset these cuts.

"Our nation is in the midst of the greatest economic crisis since the Great Depression," Governor Perdue said at the press conference where she unveiled her proposal. "The budget I am releasing today makes strategic investments that will create jobs, increase overall per-student spending, and it's a balanced budget."

Perdue's budget included an increase in taxes on cigarettes and alcohol that will generate \$1.3 billion of new revenue over the biennium. House and Senate leaders have previously expressed concern about raising taxes during the economic crisis and may look at other avenues to increase available revenues. Sen. Dan Clodfelter (Mecklenburg) has introduced bills that would generate additional revenue for the state by temporarily redirecting to the state's general fund the ADM Funds from the corporate income tax ([S386](#) – Make Best Use of Corporate Tax Revenue) and the funds from the tobacco settlement ([S421](#) – Redirect Master Settlement Funds). S386 redirects the ADM funds for both 2009-10 and 2010-11). S421 takes the \$70 million annual payment that is put into the Golden L.E.A.F. Foundation for 2008-09, 2009-10 and 2010-11. [H516](#) (Increase Revenues Without Raising Taxes), introduced by Rep. Paul Stam (Wake), permanently redirects the Golden L.E.A.F. funds to the general fund.

## MENTAL HEALTH CUSTODY BILL RAISES CONCERNS

A House bill that deals with treatment of individuals who are being transported to medical facilities on an involuntary commitment order has raised red flags with local government officials. [H243](#) (Mental Health/Law Enforcement Custody) is sponsored by Reps. Verla Insko (Orange), Jeff Barnhart (Cabarrus) and Fred Steen (Rowan). The bill clarifies that individuals who are being transported under an involuntary commitment order by either county or city law enforcement officers are actually in the custody of the law enforcement agency. If the individual is discovered to have a medical condition that needs treatment, the medical facility or the hospital that the patient is moved to is authorized to treat the patient, but the law enforcement agency maintains custody of the individual – and therefore is responsible for the costs incurred by the individual. Local law enforcement agencies have expressed concerns about the bill, and the bill sponsor has agreed to keep the bill in committee while the issues are worked out.

## BILLS OF INTEREST

The Association has created a section on its Web site to track bills of interest to county officials. Visit [www.ncacc.org/legislation/about.html](http://www.ncacc.org/legislation/about.html) for updates on key legislation, including the bills listed below.

**Bill:** [SB410](#)

**Sponsors:** Nesbitt (D49)

**Title:** INCREASE CIG. TAX/PROCEEDS TO MHTF

**Status:** 03/05/2009 – Senate Committee On Finance

**Comments:** The bill would increase the cigarette tax from 35 cents per pack to the national average of \$1.19 per pack, with 70 percent of the proceeds going to the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs and 30 percent to the general fund. The Association has a legislative goal "to ensure that state-funded mental health, developmental disability, and substance abuse services are available, accessible and affordable to all citizens and that sufficient state resources fund service provision costs."

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**Bill:** [SB427](#)

**Sponsors:** Kinnaird (D23)

**Title:** RESTORE CONTRACT RIGHTS TO STATE/LOCAL

**Status:** 03/05/2009 – Senate Committee On State and Local Government

**Comments:** The bill repeals the state's prohibition against collective bargaining and amends two other statutes to allow employees' and retirees' associations that engage in collective bargaining with the state to continue to use payroll deductions.

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**Bill:** [SB596](#)

**Sponsors:** Clodfelter (D37)

**Title:** FILLING VACANCIES IN LOCAL OFFICES

**Status:** 03/16/2009 – Senate Committee On State and Local Government

**Comments:** This bill establishes a uniform process for filling a vacant seat on a Board of County Commissioners as well as for other local elected offices, such as the Sheriff, Register of Deeds and Boards of Education. For commissioners elected as a member of a political party, the county executive committee of that party will have up to 30 days to nominate a pool of three replacements, and the Board of Commissioners would have to choose from among those three nominees. Each of the three nominees must have been "eligible to have filed as a candidate of that party at the most recent election for that office." If the executive committee does not nominate three eligible replacement candidates, then the Board of Commissioners could choose anybody to fill the seat who meets the eligibility requirement.

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**Bill:** [SB624](#)

**Sponsors:** Boseman (D9)

**Title:** 25-YEAR LAW ENFORCEMENT RETIREMENT

**Status:** 03/17/2009 – Filed in the Senate

**Comments:** This bill allows law enforcement officers to retire with full benefits after 25 years of service instead of the 30 years currently required. It also reduces from 30 to 25 years the time needed to qualify for the special separation allowance and changes the disqualifying age from 62 to "not have ... become eligible for unreduced Social Security benefits."

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