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Bulletin #11-18

Friday, May 27, 2011

WE SAID IT

"This is a critical point in the session. Our county officials must press their legislators to ensure that the \$172.1 million for school construction that is included in the Senate budget proposal remains in the final version of the budget." – David F. Thompson, NCACC Executive Director

SENATE BUDGET PROVIDES \$172.1M FOR SCHOOL CONSTRUCTION

The Senate rolled out its version of [H200](#), the Appropriations Act of 2011, on Tuesday and saw only a few spending adjustments and technical changes in the full Appropriations Committee on Wednesday. The proposed \$19.4 billion budget will be considered on the Senate floor on Tuesday, and the Association is keeping a watchful (and wary) eye on it considering reports that a deal is already in place between House and Senate leaders that increases spending by \$300 million over the Senate plan. Reports have not been specific as to where the \$300 million is coming from. Should the House vote to concur with the Senate plan, no conference committee will be convened and no other opportunities for change will be available. We are hopeful that the Senate plan for school construction wins the day.

Overall, the Association is thankful that the Senate proposal restores the corporate tax set aside for school construction (ADM Funds) in the first year of the biennium, increasing county school construction funding by \$72.1 million. Added to the Senate's county lottery appropriation of \$100 million, counties would receive \$172.1 million in school construction funds – comparable to the total amount due from the statutory lottery allocation (40 percent of net proceeds). Like the House, all county lottery monies are distributed on a per-pupil basis, setting aside the statutory formula that recognizes effective property tax rates above the statewide average. School buses would become a local school responsibility in 2012-13, shifting \$56.9 million in annual costs to counties, however future costs are delayed by plans to purchase 400 school buses in 2011-12. For a full analysis of the Senate budget proposal, visit www.ncacc.org/senatebudget_2011-12.html.

URGENT: MISDEMEANANT SHIFT TO BE HEARD IN COMMITTEE ON TUESDAY

In addition to the state budget, the Association is chiefly concerned with [H642](#), the Justice Reinvestment Act, sponsored by former Transylvania County Commissioner Rep. David Guice. The reason we are currently opposing this bill is that – as has happened in the past with lottery funds and ADM Funds for school construction, and the \$18 per day reimbursement (yes, you guessed it, for misdemeanants) that we lost in 2009 – if the state discontinues appropriations for the cost, counties are stuck with the inmates. Given the fact that 50 percent of county jails are overcapacity, what we have proposed to Rep. Guice is a practical solution that solves the problem of state prison overcrowding. Counties would be able to enter into a voluntary contractual agreement to house state misdemeanants at a negotiated rate. If there is no state funding available, there is no obligation on the county's part. We have four points that we believe must be incorporated into H642 to protect the interests of counties:

- The state mirror the federal model for contracting of jail beds.
- The state enter into a voluntary contractual relationship with a county for jail bed availability based on a negotiated rate of reimbursement.
- The state continue to house misdemeanants sentenced to 90-180 days, subject to contracts with counties, based on the federal model.
- The state maintain the current statutory definition of what constitutes an imposed sentence, which does not reflect credit for time served.

We will follow up with county officials quickly, as the bill has been scheduled for a Tuesday hearing in the House Committee on Appropriations (8:30 a.m., Legislative Office Building, room 643). We will state our opposition to the bill at that time if our above points are not incorporated. We will need the help of county officials to defeat the bill when it reaches the House floor.

COMMISSIONERS SWARM LEGISLATURE ON COUNTY ASSEMBLY DAY

More than 200 county commissioners from across the state converged on the state capitol on Wednesday to participate in County Assembly Day. The Association sponsors the annual event to help heighten awareness among legislators of the issues facing counties. Speaker of the House Thom Tillis (Mecklenburg) addressed attendees early in the day and told counties that the House plans on finishing up its business and adjourning before the end of June. “The other thing I’m hoping to do is get out of Dodge about four weeks from now so you won’t have to worry about us too much longer. I say that for two reasons: one, so that we get out of your hair, and two, if you have things on your legislative agenda that need to get done and need to get done this year, you need to move quickly.”

During his remarks, Speaker Tillis said he would like to sit down with cities and counties after the session and begin a discussion about the roles and responsibilities for the state and local governments. NCACC President Elect Kenneth Edge (Cumberland) promised Speaker Tillis that counties would like to be part of that discussion. “I’m glad to hear him say that, because I heard the governor say it just a couple of weeks ago, that it is time for county leadership and state leadership to sit down and determine what it is the state is responsible for, and what it is the counties are responsible for,” Edge said.

Tillis spoke of his belief that cities and counties should have more project-specific revenue options to help meet growing infrastructure needs – revenue options that would expire once the project is complete and paid for – and that the state’s long-awaited revenue overhaul will be accomplished next year. “We need to get in a room, particularly in the interim, and think of new ways for the state and counties and cities to interact with one another. I do believe in 2013 we will have a transformed revenue laws and taxation system in this state. ... I want to get those folks engaged sooner so that we can try and work it out and manage a transition to get us to a new revenue laws system that is not 70 years old, that is not vulnerable to economic fluctuations, cyclical fluctuations. In the process of doing that, we need to work with counties and towns so they can transition without it being overly disruptive.”

The Association expresses its appreciation to Speaker Tillis for speaking at County Assembly Day and to the county commissioners and officials who came to Raleigh to help advocate for county issues.



CHECK US OUT ON YOUTUBE, TWITTER AND FACEBOOK

The Association has several ways members can receive up-to-date legislative information. The NCACC’s Twitter feed has more than 550 followers. Sign up to follow us at twitter.com/ncacc. You can also view our latest Twitter posts on the NCACC website (www.ncacc.org). If you are on Facebook, search for “NCACC” and click on the “Like” button to receive our updates. The Association posts breaking news on both the Twitter and Facebook pages. The Association is also creating weekly legislative video reports for the NCACC’s YouTube Channel (www.youtube.com/ncacc1908). “This Week at the General Assembly” will be posted each Friday afternoon and will feature interviews with legislators and NCACC staff, reports on legislation impacting counties and updates on county legislative priorities.

BILLS OF INTEREST

The Association maintains a section on its website to track bills of interest to county officials. Visit www.ncacc.org/legislation/about.html for updates on these and other bills we are tracking.

Bill: [H916](#)

Sponsors: Barnhart (R82); Dollar (R36); Burr (R67); Insko (D56)

Title: STATEWIDE EXPANSION OF 1915(B)/(C) WAIVER

Scheduled: 05/31/2011 – House Committee on Health and Human Services, 10:00 a.m., 1228/1327 LB.

Comments: This statewide expansion of the 1915 (b)(c) waiver program would further consolidate Local Management Entities, which would be forced to meet a population threshold of 300,000 by July 2012 and 500,000 by July 2013. Full implementation would be in place prior to January 2014, when major components of the federal healthcare reform initiative become effective. Counties would not be financially liable for waiver cost overruns. The bill is scheduled to be heard in the House Committee on Health and Human Services on Tuesday.

– David F. Thompson, Executive Director
– Kevin Leonard, Director of Government Relations

