



Representative W. David Guice
North Carolina House of Representatives
District 113

The budget process begins.

February 21, 2011

Greetings from Raleigh!

Dear Constituent,

Raleigh, North Carolina - This past Monday night Governor Perdue visited the North Carolina General Assembly to deliver her State of the State Address. This address, which is given every other year to the full North Carolina House and Senate, was used by the Governor to talk about the economy and to set the stage for her budget proposal this year.



Before I talk about the Governor's budget proposal and our upcoming committee work I would like to say what a great time I had during the kick-off festivities for the 150th Anniversary of the founding of Transylvania County. I want to thank all of those who made it possible for me to be there on Tuesday night. I had a great time and I was humbled to have the opportunity to address the people of Transylvania County at the beginning of this year of history.

There are many outlets you can use to read more about the Governor's budget proposal, but I want to touch on a few points this week in my update. Her budget proposal includes both tax increases and tax reductions. For example, she supports slashing the corporate income tax to the lowest levels in the southeastern United States. Conversely, she supports extending a 1-cent temporary sales tax increase that is currently scheduled to expire in June. In her proposal K-12 public education receives a 3.9% cut, but no state funded teachers or teacher assistants would lose their jobs. State government as a whole will receive a reduction in force

that equals nearly 10,000 state employees under her plan. According to information released by the Governor's Office nearly 3,000 of these positions are currently filled. This is an interesting proposal because I believe that we need a leaner and smarter state government; however, as a former state employee I do not believe we should balance our state's budget on the backs of our state employees. It is important to me that we look at every program and every piece of state government. We must eliminate those functions that are unnecessary and we must reform those areas that are necessary, but are not functioning up to par.

In her proposal the community college system would receive a 4.9% cut and the university system would be impacted by a 6% reduction. The Governor's plan calls for the creation of a Department of Administration and Management which would consolidate the Department of Administration, the Office of State Personnel, the Office of State Controller and the Office of Information Technology Services. Additional consolidation would occur by combining the Department of Commerce and the Employment Security Commission.

Currently the gas tax in North Carolina is 32.5 cents a gallon. I think we can all agree that this is ridiculous. It is believed by many that the Governor expects this to continue to rise and has used an increase in the gas tax in her budget planning.

On the criminal justice and public safety side of the budget the Governor is proposing the consolidation of the Department of Crime Control and Public Safety, the Department of Correction and the Department of Juvenile Justice and Delinquency Prevention into a Department of Public Safety. Governor Perdue recommends eliminating two programs that work with juvenile offenders. Her budget proposes eliminated Camp Woodson, which is a wilderness camp for incarcerated youth. Additionally, the Swannanoa Youth Development Center would be closed. Both of these programs are based in western North Carolina. The Governor's budget proposal also recommends that the Department of Correction outsource the monitoring of the equipment used for house arrest. There are also potential savings through the Justice Reinvestment Initiative which we are currently working through on a statewide level. I am the Co-Chair of this initiative and I will keep you updated with the exciting information that is coming out of this effort, which is a partnership between North Carolina and the Council of State Governments Justice Center.

So far the meetings of the Appropriations Subcommittees and of the full Appropriations Committee have been educational in nature. These meetings have contained updates, both on revenues and expenditures. We expect to get our budget targets this week and begin doing the difficult work ahead of balancing our state budget. As I have said to you before the work ahead is important to the future of our great state and we must look to do what is right and not what is easy. As we move through this process it is my commitment to keep you updated as much as possible. Your feedback on these important is, as always, very important to me.

The budget is not the only important issue on the calendar this week in the North Carolina. House Bill 62, a bill I filed to prevent the Boylston Creek reclassification, will be before the Committee on the Environment this week. As you all know, I have been consistent on this issue. I believe this is a private property issue and I look forward to working with each of you to ensure that the right thing is done on this issue. I will keep you posted on this issue as it continues to move through the North Carolina House and I look forward to seeing many of you in Raleigh this week when this legislation is heard in committee.

I want to thank you once again for the opportunity that you have given me to represent you, the people of District 113, in the North Carolina House of Representatives. The work ahead is certainly going to be challenging, but I know that by working together we can make a lasting difference for the people of North Carolina. I know that we can, once again, put our state on a strong financial footing for this generation and generations to come. Thank you once again for this opportunity and please stop by and visit if you are in the Raleigh area and please keep your thoughts and feedback coming my way.

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