



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



*An update from the North Carolina House*

*May 2, 2011*

**Raleigh, North Carolina** – Greetings friends! The last two weeks have been filled with budget meetings in subcommittees and before the full appropriations committee. I anticipate that next week will be just as busy as the budget is debated on the House floor prior to a vote.

This week appropriation subcommittee co-chairs presented their budgets to the Finance committee on Tuesday. My co-chairs and I were busy getting everything in order for the Justice and Public Safety presentation before this committee and things went very well. Our committee spent several days the prior week presenting the final budget proposal then hearing amendments from committee members which were voted individually prior to passing the overall Justice and Public Safety budget. After all of the subcommittees came together in Finance committee, presenting potential fee increases, the overall budget was voted out of committee Tuesday morning. The full appropriations committee met on Wednesday morning to hear presentations from all co-chairs and consider amendments on spending allocations for the overall budget. We spent nine hours in committee and heard 105 amendments in all areas of the budget and were able to complete the process in one day. Many people involved in the budget process have commented on the efficiency of this year's process and attributed the overall expediency to the groundwork that had been laid in the various subcommittees.

This year's budget process has been the most honest, transparent and open one that has been seen in the last decade. From the onset of our budget meetings, decisions have been made with openness and transparency. The House budget has been built from the bottom up in an effort to "right size" state government. I have said quite often that we must reduce spending, reduce the tax burden and shrink the scope of government and this budget does just that. This budget represents the single-biggest tax cut in North Carolina history. By balancing the budget without increasing tax rates, we are restoring over \$1.5 billion into the private sector. I will say that my subcommittee had very open discussions and all of the information was laid out to the committee prior to coming in on the day votes were had. For the first time in many years, members have the budget in hand as it will be presented on the House floor for debate and have been able to take the entire budget bill with them for almost a week in order to study and be aware of all of the aspects of the proposal rather than receiving it late night prior to the day of floor debate. I applaud our leaders for making this a reality for our members. The budget is available to the public on-line and you may go to the NCGA website at [www.ncleg.net](http://www.ncleg.net) to view the entire budget if you are interested in seeing the document from which we will be working this week in chambers.

Some of the highlights of the budget bill to date are as follows:

### **Education**

We have funded teaching positions in K-12 to the fullest level – every teaching position in the state has been funded.

We matched the Governor’s level of funding for every position in K-12 except for teacher’s assistants.

We have given Superintendents the flexibility to save dollars where they can, rather than making every local spending decision from Raleigh.

Many Superintendents across the state have already made decisions to remove teacher’s assistant positions prior to the budget discussions.

This budget avoids shifting responsibilities from the State to local education agencies for Workers Compensation, Tort Claims, and School Bus Replacement. The Governor’s recommended budget proposed shifting \$74.5 million of State operating responsibilities onto LEA’s.

This budget also, reduces the Department of Public Instruction agency budget by 16%. The agency budget had been reduced by a total of over 17% over the prior biennium. It also eliminates an additional \$13.8 million (87 state funded positions) from various specialized services housed administratively under DPI.

For years, legislative leaders continued to believe that throwing money at education is the only necessary solution. This is about more than money; this is about reversing the trend of continued increased spending and continued decreasing outcomes.

### **Health & Human Services**

Over half of all budget reductions in HHS have been achieved through savings with no loss of services. We have also maximized the swapping of federal block grant funds for state funds.

All HHS treatment facilities, schools, mental health hospitals and contract beds have been preserved.

We have laid the groundwork for future healthcare innovation and reform; better management and utilization of services; and made substantial progress toward the goal of bending the cost curve for medical and mental health services in North Carolina.

### **Justice & Public Safety**

The budget creates a new Department of Public Safety, which combines the Departments of Crime Control and Public Safety, Juvenile Justice and Delinquency Prevention, and Correction.

A net reduction of 7% was achieved by eliminating over 800 vacant positions and reducing administrative costs in all six agencies.

### **Transportation**

Funding for maintenance and construction of the existing road system has been increased by \$670 million over the biennium.

The budget begins the process of removing politics from transportation funding by removing all urban loop projects from statutes and moving them to the Mobility Fund.

### **General Government**

Fully funded the building reserves for new DHHS buildings.

Achieved savings through reduction of operating costs, administrative reductions, and elimination of vacant positions.

Eliminated 17 positions from the General Assembly and 13 positions from the Governor's office.

### **Natural & Economic Resources**

We have reduced operating budgets across agencies and eliminated programs to achieve almost 23% in savings in NER.

We also provided nonrecurring funds to promote job creation and economic development.

### **Fees**

The budget includes some fee increases which do nothing more than recoup costs for state government providing a service.

The fees are not designed to generate a profit for government.

Fees are, by definition, only applied to those who use the service. The increases in fees are in no way a "tax increase."

These are just a few highlights of the budget and I would encourage you to view the entire document on the website as outlined above. We will go into session at 9:00 a.m. Tuesday to begin budget debate on the House floor. I expect that there will be lengthy and lively debate during the day on Tuesday and you

can participate by listening to the audio which is available via our website. I have received input from many people both in our district and throughout the State and appreciate all of the comments which I have received. I do anticipate that with the amendments which will be put forth this week in Chambers, we will continue to see changes in the overall budget. This budget still has a long way to go before becoming a reality. After passing the House, it still must be heard in the Senate and then meet with the Governor's approval.

Our state has seen devastation over the past two weeks in the aftermath of storm damage from the widespread tornado outbreak. Major damage and destruction barely missed the legislative complex but is very evident in downtown Raleigh as I drive into work each morning. I want to encourage each of you to do anything you can to help our tornado victims, no matter how small. Many of these victims lost everything they had and we are very fortunate in our district to have been spared from the total devastation these storms produced in other parts of the state.

Transylvania County lost a great leader last week with the passing of former State Representative Bill Ives. Bill's life of service was evident in all that he undertook. He was a true statesman and served as a mentor to many people across Transylvania County in various aspects of leadership. Bill owned and operated a summer camp for girls in Brevard and in doing so, took a very hands on approach by doing as much of everything he possibly could. Bill also served on the Board of Commissioners in Transylvania County for many years and was honored by his peers when they elected him to serve as Chairman of that board. Thereafter, he was elected to serve as our representative in the NC General Assembly where he served for three terms. While in the General Assembly, Bill was admired by members on both sides of the aisle as someone who truly represented his District by setting politics aside and making decisions that were in the best interest of his constituents. Bill Ives will truly be missed in Transylvania County and my sympathies go out to his wife, Ann, his children, Page Lemel and Bradley Ives, and his grandchildren.

I also want to take a moment to remember Chief Warrant Officer Terry Varnadore from Mills River. Although CWO Varnadore is not in my district, he spent his entire life in Henderson County and we don't ever want to forget those who have given the ultimate sacrifice for our freedom. My sympathies are with CWO Varnadore's family during this difficult and unexpected time.

Thank you for allowing me to serve you in Raleigh. With all of the death and damage we have seen in North Carolina and through the southeast, let us all remain thankful for all we have and for the blessings that have been bestowed upon us.

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