



# *The Senate Connection*

Connecting Davie and Rowan Counties with news from the  
Office of Senator Andrew Brock

**1119 Legislative Building, Raleigh, NC 27601-2808**  
**(919) 715-0690 • [andrewb@ncleg.net](mailto:andrewb@ncleg.net)**

August 6, 2009

## Democrats Pass Budget 5 Weeks Late

With the end of the 2009-2010 session in site, legislative Democrats finally adopted a state budget that is five weeks past the deadline of July 1. The Governor has said that she will sign this form of the budget after turning down the last one.

Even though North Carolina has one of the highest unemployment rates in the nation and economists regularly say that higher taxes slow job growth, Governor Beverly Perdue and legislative Democrats balanced the state government's budget with higher taxes on North Carolina's families and small businesses. The tax hikes include higher income, sales, cigarette, and alcohol and beer taxes; there are also new taxes on internet commerce.

Democrats' \$20.3 billion budget represents no overall reduction in spending by state government. Yet even though Democrats maintained spending levels overall, they still manage to severely cut funding for public education, public safety, and mental health spending.

In signing the budget, governor Perdue is departing from her prior comments and statements about tax increases and funding for education.

- "I don't believe that you can raise taxes in an economy with folks struggling the way they are," Beverly Perdue, as a candidate for governor ("First task: Fill N.C. budget hole," News & Observer, 10/23/09)
- "And yes, even in these tough times... we will increase per pupil spending in our public schools." Governor Beverly Purdue, State of the State Address ( "Full Text Gov. Beverly Perdue's State Of The State Speech," NBC 3/9/09)
- "For more than three months, I have laid out options for a budget that addresses two priorities: the budget cannot be balance on the backs of working families, and it must have the revenue necessary to protect our public schools." (Governor Beverly Perdue in a letter to public school teachers and teacher assistants, 7/27/09)

Even though the Democratic budget will raise taxes by more than \$990 million—the vast majority of which will be raised through a one cent increase to the regressive state sales tax—there are \$225 million in cuts to education in the Democrats' budget that will be passed down Local Education Administrations (LEA's) to make spending reductions at the local level.



## 5 Week Late Budget (Continued)

Next Year, there is an additional \$300 million in cuts to be passed down the LEA's. The average public school teacher in North Carolina is paid \$45,000 per year, including benefits. A cut of \$225 million to classrooms could cost the salaries of up 5000 teachers.

Governor Beverly Perdue promised not to raise taxes during this recession and promised to protect our children's education. The budget could cause as many as 5000 teachers to lose their jobs. The Governor and legislative Democrats have passed a plan that will slow North Carolina's economic recovery and take money out of classrooms. And about the tax increases...

At a time when families, businesses, and local government are balancing their budget with spending reductions, Governor Beverley Purdue and her Democratic colleagues in the legislature have failed to reduce the level of actual spending at the state level. Using several "creative" accounting methods, the Democrats claim that they have reduced state expenditures; a closer look at the budget reveals that spending in the 2009-2010 budget year will not be any lower than spending in the just completed 2008-2009 fiscal year. North Carolina Democrats balance the state budget entirely with tax increases.



The Democrats one cent increase to the sale tax will generate an estimated \$803.5 million in new government collections. The internet tax will account for \$11.8 million while added levies to taxes on cigarettes and alcohol will total \$68.8 million. Working families will be subject to roughly 90 percent of the Democrats' new taxes.

There is also a new tax in the form of a 2% surcharge to the income tax liability of individuals making more than \$60,000 a year. For those who earn more than \$150,000 a year, the surcharge will be 3%. This "tax on taxes" will adversely affect small businesses which create the majority of new jobs in North Carolina.

## Other Senate news

Also this week, the general Assembly passes the so called "[Racial Justice Act](#)". The proposed law will dramatically change the law regarding death penalty cases in North Carolina. For the first time, convicted murderers will be allowed to challenge their death sentence based on statistical evidence of racial disparity in the application of the death penalty. Previously, death sentences could be challenged on the basis of racial discrimination if there was evidence that race was a factor in that defendant's case. Kentucky is the only other state in the nation to pass similar legislation.

What this bill does is it takes justice out of the hands of judges and places the determination of a significant part of first-degree murder cases into the hands of statisticians, regardless of what the facts are. In represents a significant departure from the jurisprudence that we have seen in North Carolina and the United States that says cases are to be decided by the fact of the case. This law will end up reopening a lot of old wounds for the families of victims that were still waiting for complete closure. The people of North Carolina overwhelmingly support the death penalty for those who commit first degree premeditated murder. The families of the victims of these heinous crimes deserve to have these sentences carried out. Make no Mistake. Voting for this legislation was a vote to say we should not have a death penalty.

## Senate News (continued)

Another bill that has been in the spotlight this session is [House Bill 1305](#), The Beach Plan Changes. Without changes to the current beach plan, residents of the North Carolina coast are going to be financially devastated with high rates and few insurance choices in the event of a disastrous hurricane. If insurance carriers leave North Carolina as they did in Florida it will put North Carolinians up against the ropes with no where to go. This bill helps restore the Beach Plan as the market of last resort, map out a major storm financial recovery plan, stabilize insurance rates, and foster competition in the state. Currently the bill is in the House for concurrence as the Senate passed it easily with a 42 aye to 5 no votes.

Follow me on Twitter or Facebook

<http://www.twitter.com/andrewbrock>

<http://www.facebook.com/pages/Andrew-Brock/36906410211?v=wall&viewas=763400077>

