



The Senate Connection

Connecting Davie and Rowan Counties
with news from the
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Sen. Andrew Brock

This Week:
**Budget
Preview**

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House Passes Budget, Increases Spending and Keeps "Temporary" Taxes

On May 11, 2007 the House passed their version of the State budget along a party line vote with sixty seven Democrats voting in favor and fifty one Republicans voting against. The budget—known as House Bill 1473—must now pass Senate before it can be signed by the governor. The Senate is expected to take up the bill in the next few weeks.

"I'm eager to start working on the budget," said Senator Brock, who is a member of the appropriations committee, "because there are so many problems with it. It spends too much and taxes too much. The Senate ought to provide tax relief to the citizens of North Carolina and reign in out of control spending; however, if the Senate's Democrats remain true to form, North Carolinians will continue to be saddled with the highest tax burden in the southeastern United States."

KEY FACTS ABOUT THE STATE BUDGET

from the John Locke Foundation

- House members approved a **\$20.3 billion** budget for fiscal year (FY) 2007-2008, up 7.6 percent from FY 2006-07; 1.5 times the 5.1 percent combined rate of inflation and population growth
- Proposed spending is \$1.4 billion (**\$158** per person or **\$632** for a family of four) higher than in FY 2006-07. Nearly all of that increase is in K-12 education, even though dropout rates have been rising.
- Capital spending is \$36 million lower, but the House added **\$450 million** in new debt, plus \$300,000 for a November vote on additional general obligation bonds.
- Taxes and fees would climb to a net **\$207 million**, with "temporary" taxes extended two more years
- Nearly 95 percent of spending, **\$19 billion**, goes to continuing programs that rarely get questioned for

Sen. Brock Joins GOP Caucus in Criticizing House Budget

Recently, Senator Brock joined members of the Senate GOP caucus at a press conference to criticize the budget passed by the Democratic-controlled House of Representatives. At the press conference, Senate Republican Leader Phil Berger made the following statement:

THE (UNPAVED) ROAD TO NOWHERE *House Democrats Continue Failed Policies*

"Republicans have long argued that the growth factor for state spending should be measured by state population growth and an appropriate adjustment for inflation," said Senator Berger. "Government expenditures in excess of that factor reflect either waste by paying more than necessary for the same services or enhanced services. It is undisputed that state government under Democrat leadership is not providing adequate basic services, much less improved or enhanced services. All objective measures indicate that North Carolina's public education system is failing our students, our roads are crumbling, congestion is choking economic development, there is retrogression in the provision of mental health services, our Courts are unable to efficiently move cases in the criminal justice system, and state government is failing to meet the basic needs of our people. If, at a time that we see unprecedented growth in state outlays there is such a decline in outcomes, the only reasonable conclusion to be drawn is that there is wasteful over-spending or failed management, or both."

For a number of years, Democrats have promoted their vision of North Carolina's future; they have assured the people they have answers to the nagging problem of educational under-achievement, they understand the proper role of government in relation to the private sector and economic development, and they have the ability to solve the growing infrastructure needs of a growing state. Year after year, Democrats have proposed the same solutions to our problems in education, road construction, and social services: tax increases on North Carolina's families to provide more money for the same failing programs.

"North Carolina government is headed in the wrong direction," continued Berger. "This proposed budget does nothing significant to change direction; the promise of long delayed tax relief has vanished, money promised to our farmers is confiscated, the transportation needs of our citizens are transferred into the black hole of the general fund, and probably most distressing, our children see education and their opportunity for the future sacrificed to special interest priorities. There are numerous initiatives that could chart a new course in state government. North Carolina has a long and distinguished history of being a leader in education, transportation, justice, and social policy. This budget fails to focus on the real problems facing North Carolina."