

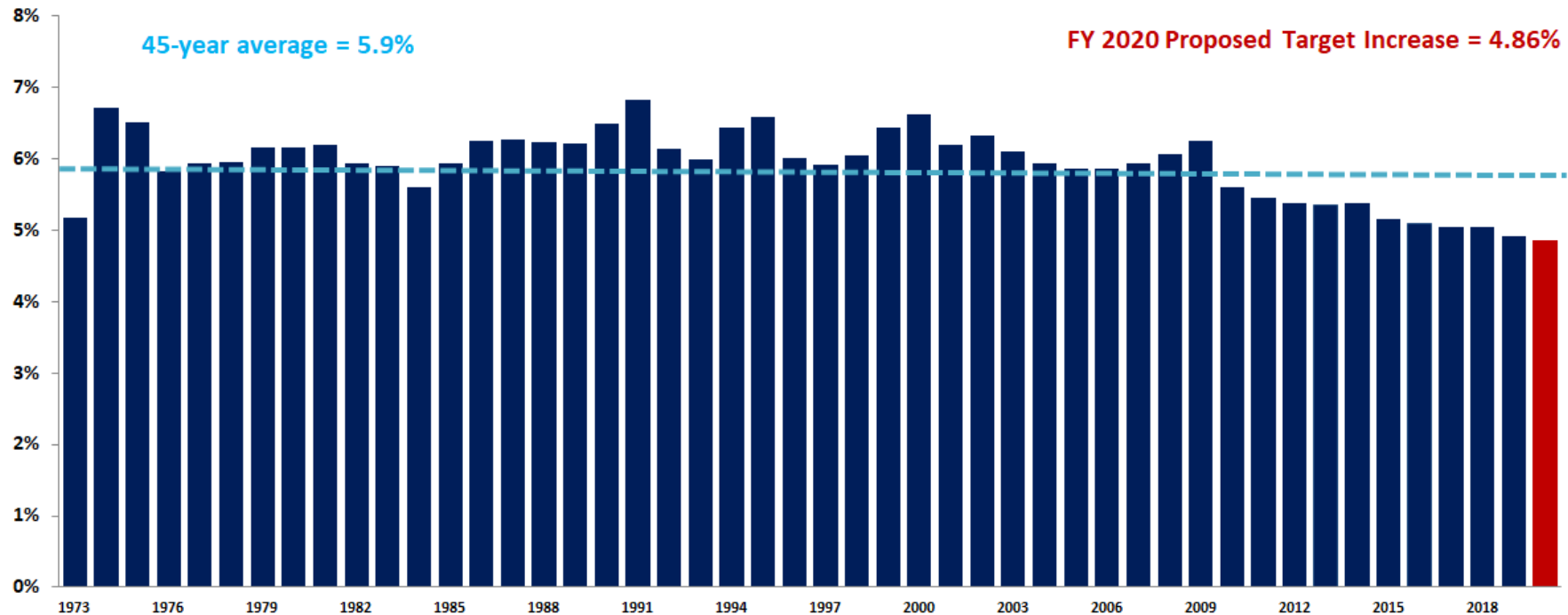
Our Budget, Our Well-Being

The Status of North Carolina's Budget Process and What's at Stake



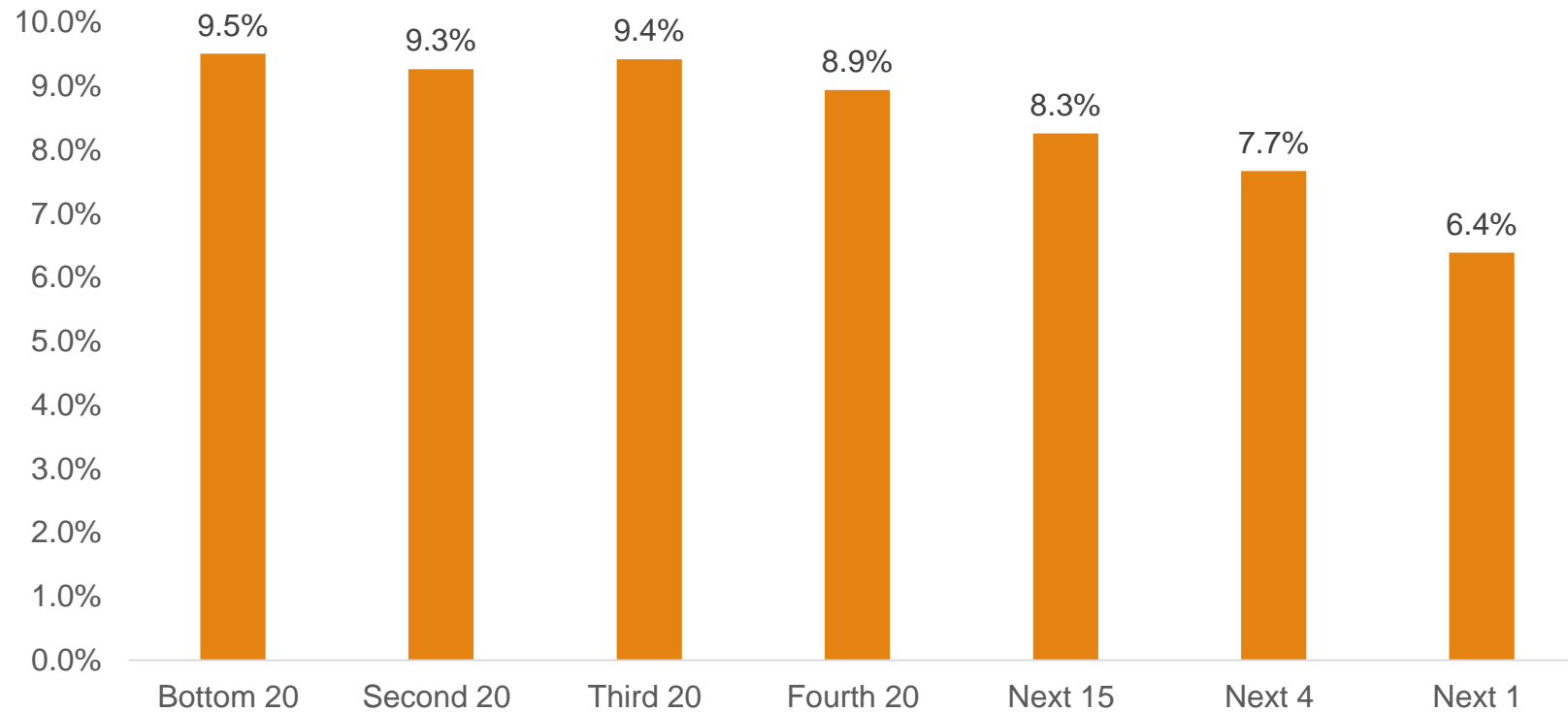
Low spending target misses the mark by \$5.8b

STATE SPENDING AS A SHARE OF THE ECONOMY



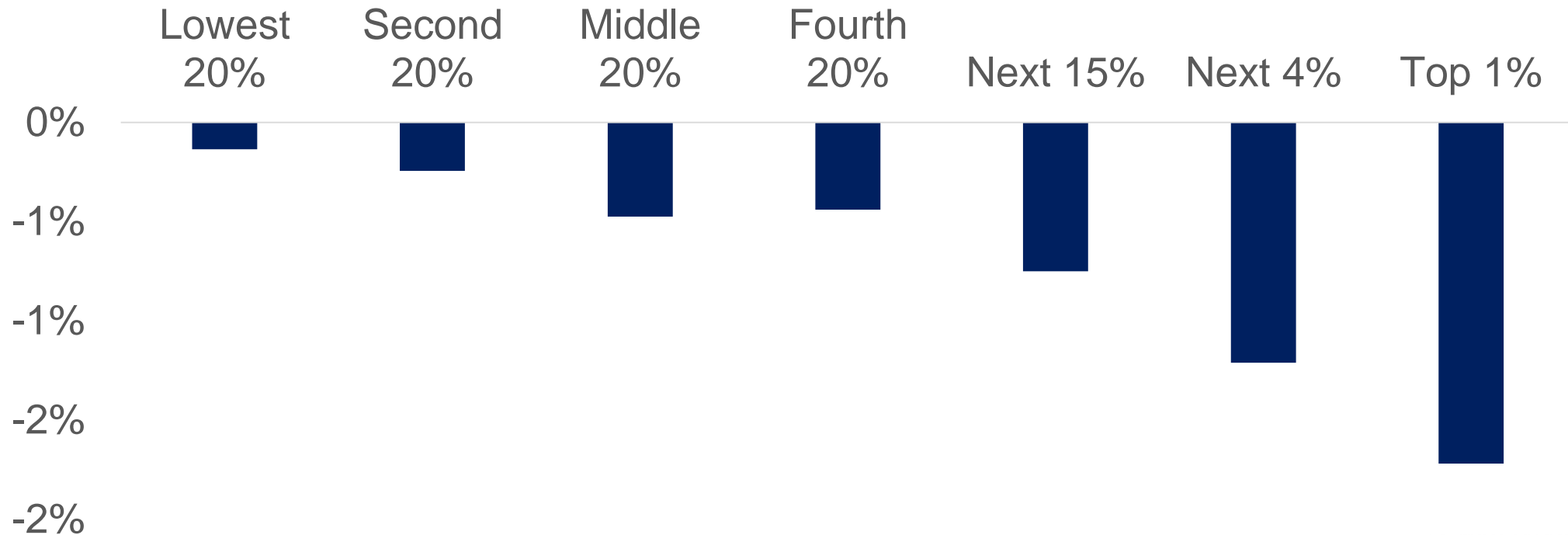
North Carolina's tax code remains upside-down.

TOTAL STATE AND LOCAL TAXES AS SHARE OF INCOME FOR NON-ELDERLY TAXPAYERS, 2019



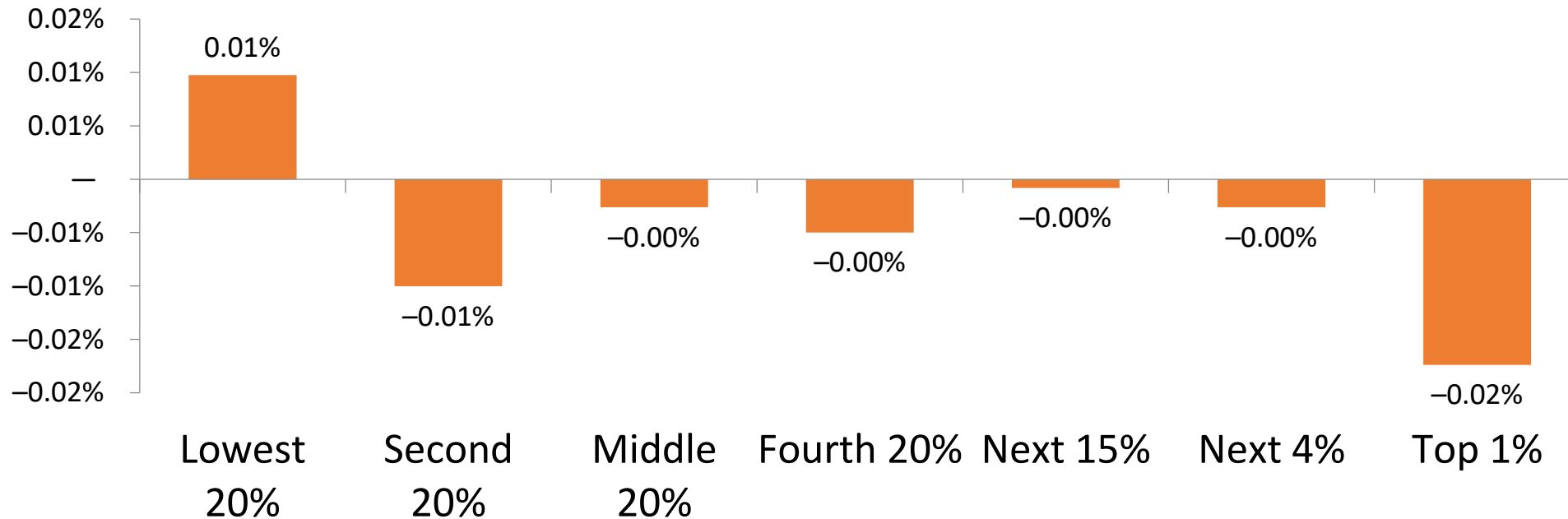
Tax changes since 2013 go primarily to the rich

AVERAGE TAX CHANGES AS A SHARE OF INCOME SINCE 2013

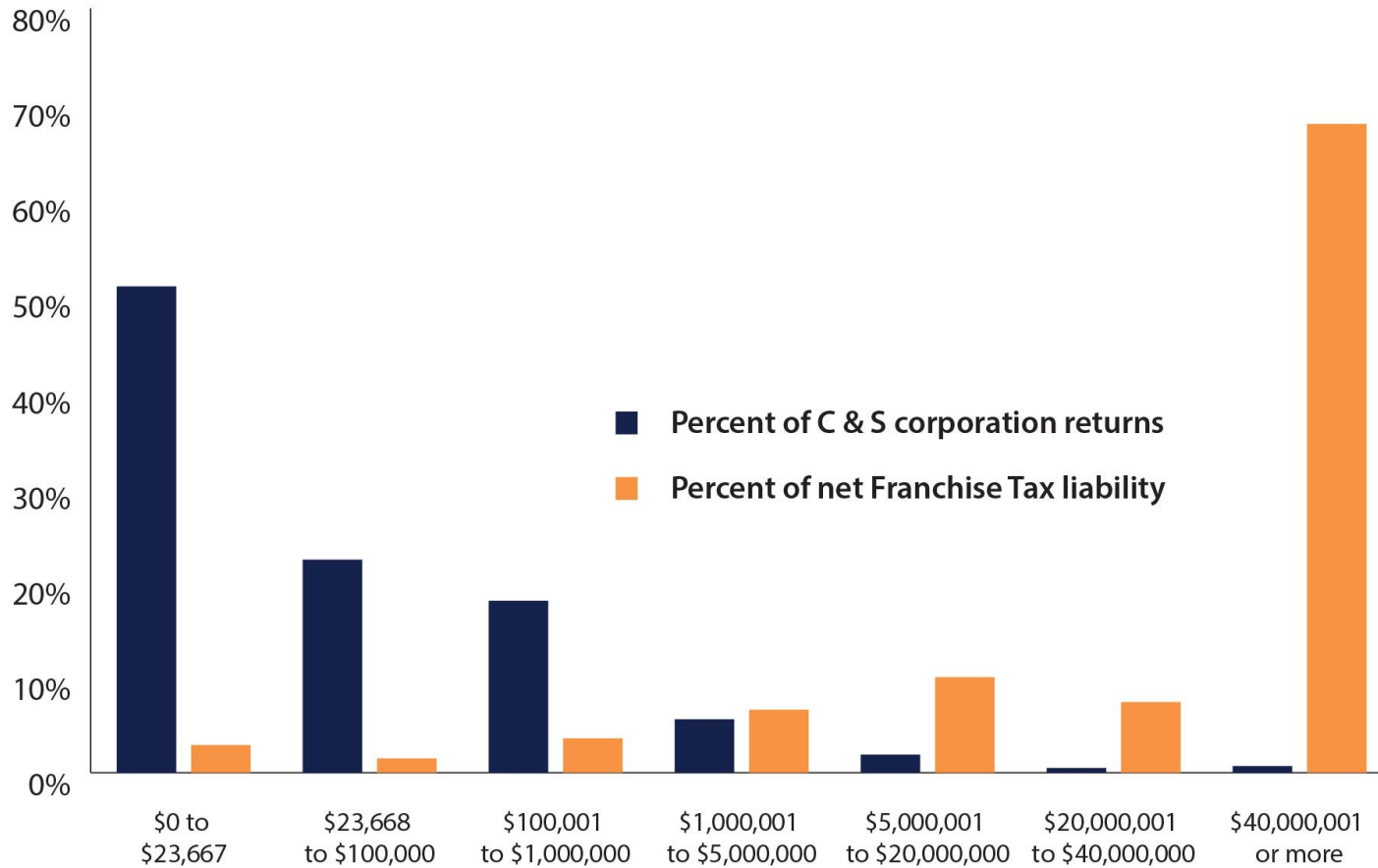


Legislative budget shifts the tax load.

MAJOR TAX CHANGES AS A SHARE OF INCOME, 2019



Delivers another tax break to big companies



Steps Along North Carolina's Budget Path

1



Budget request instructions sent to agencies:
In early fall, the governor provides state agencies with instructions for budget requests.

2



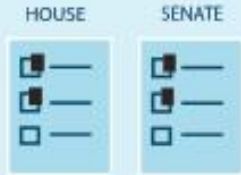
Agencies create their budgets:
Agencies prepare their budget requests and submit them for review.

3



The governor prepares his/her budget proposal:
The governor and the Office of State Budget and Management work with state agencies over the winter to prepare the state budget proposal.

6



Each chamber of the legislature approves its budget:
In this two-year period, the House votes to approve its budget and passes it on to the Senate. The Senate reviews this budget and votes on it.

5



Legislative appropriations process:
A handful of leaders in each chamber will make decisions about the biggest spending items. Appropriations subcommittees usually determine funding for the rest of the budget.

4



Each chamber of the legislature creates its budget:
The budget process switches its starting point between chambers every two years. For two years, the House will release its budget first; for the next two years, the Senate will.

7



Final version approved:
The House and the Senate each vote to approve the final budget version.

8










The governor decides whether to sign the budget:
The governor can sign the budget, allow the budget to become law without his or her signature, or veto the budget.

9

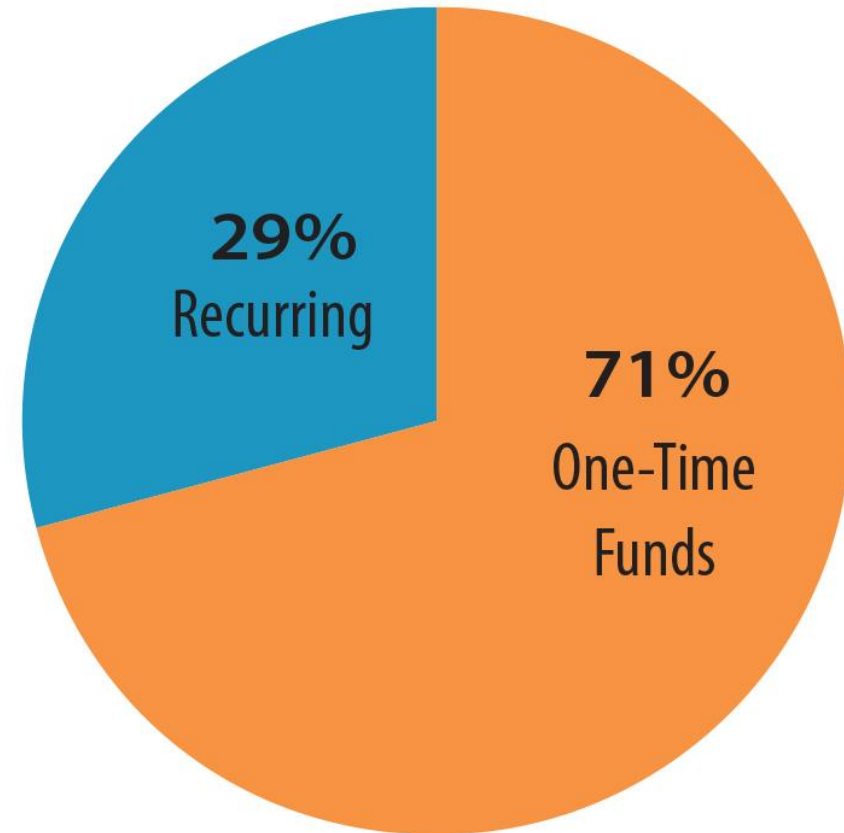


State agencies and the Office of State Budget and Management implement the new budget.

	GOVERNOR COOPER'S COUNTEROFFER	LEGISLATIVE CONFERENCE BUDGET
TAX CUTS 	No Tax Cuts for Big Corporations	More Tax Cuts for Big Corporations
HEALTH CARE 	Expands Medicaid for 500,000	No Medicaid expansion
TEACHERS 	8.5% Teacher pay raise and provides Master's pay	3.9% Teacher pay raise and no Master's pay
SCHOOLS 	Bonds for public school buildings	No bond for public schools
CHILDREN AND FAMILIES 	Funds increase for Pre-K rate at higher level and Smart Start	Lower funding for Pre-K rate and Smart Start
ENVIRONMENT 	Invests more in air and water monitoring and Gen X cleanup	Limited investment in the environment
COMMUNITY INVESTMENTS 	Funds all local projects	

Spending on Auto-Pilot as of July 1

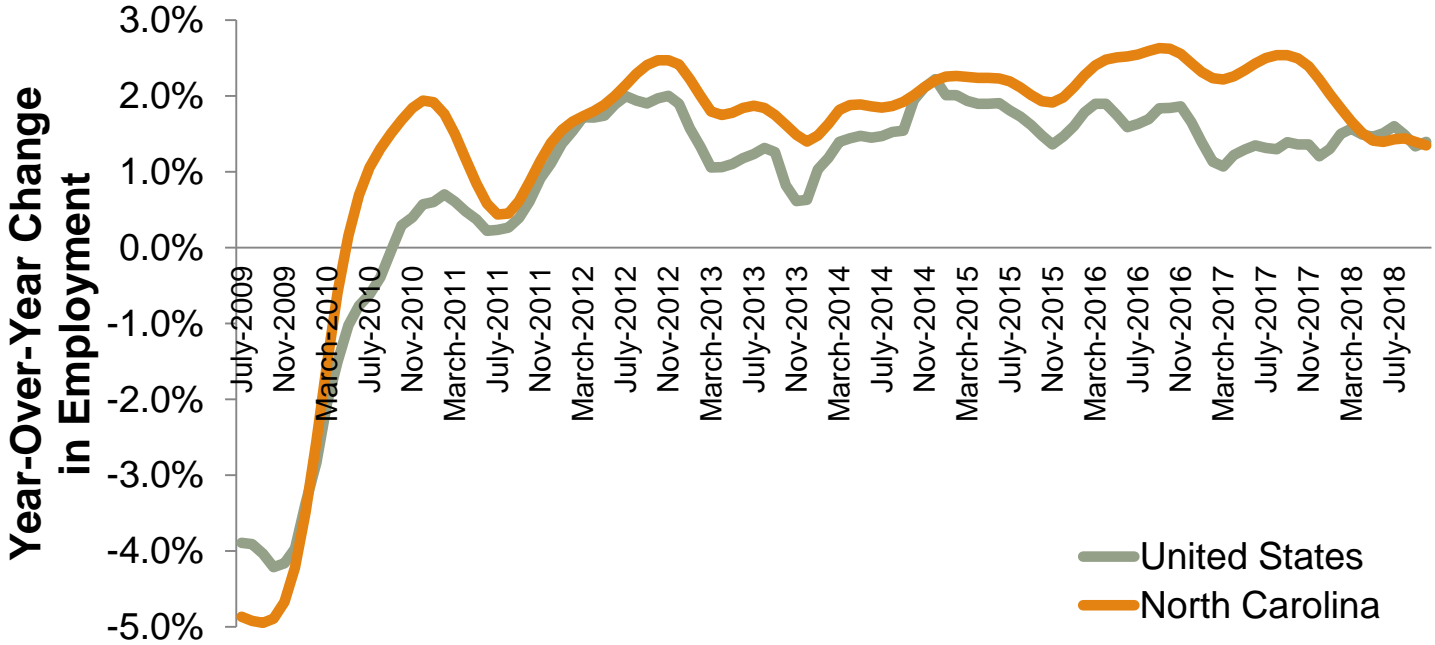
'One-time' funds make up most of N.C.'s 2019 budget increases



Source: NCGA FY2018-19 Budget

Is NC prepared for the next recession?

Year-over-Year Job Growth (smoothed using 3-month moving average)



Our state budget can ensure North Carolina thrives.

Smart public investments:

- Help the economy function productively & efficiently
- Promote equity of opportunity in differing local contexts
- Open new markets
- Anchor, stabilize & stimulate the economy

FOR MORE INFORMATION:

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