



# Legislative Update

#0005 for Feb. 27, 2007

**Governor Easley's Budget** – Legislators are already perusing Gov. Easley recommended \$20 billion budget. Predictably, some praise it as a sound and “conservative” plan, while others respond like new fathers changing their first dirty diaper. They wrinkle their noses and lean way back.

In terms of **Medicaid relief for the counties**, the Governor has made a bold promise. In his “State of the State” address last week, Gov. Easley said, “We must have strong state and local governments. We must work together to help those low-wealth counties struggling with rising Medicaid costs.” He then referred to the work of the State & Local Fiscal Modernization Study Commission, and he said they might come up with a good recommendation, but if they don't, he declared that he would. “One way or another, we are going to face and fix this problem this session,” he said. What does that mean? Does it mean a new Medicaid cap? That's more like a bandage than a “fix.” Does he refer to a sales tax swap? One such bill went nowhere last session. How about a gradual phase out of the county share? That doesn't seem too likely either. The Governor gave no details. Tune in after April 15 for another thrilling episode.

However that turns out, Gov. Easley's budget does offer some hopeful prospects for county social service departments and those they serve. The Governor proposed:

- making state income tax cuts for up to 1.2 million low-income workers, which would include a 50 percent tax reduction for about half of those and a complete state income tax elimination for the remainder. He would more than make up this revenue loss by retaining that quarter-percent state sales tax increase that was supposed to lapse this year and continue the 8 percent state income tax rate for a take of about \$300 million in 2007-2008 and \$380 million in 2008-2009.
- providing Medicaid coverage for more than 11,000 additional children whose parents fall in the range of 200-300 percent of the FPL.
- continuing Medicaid coverage for about 1,200 foster care children until they reach age 21. The current cutoff is age 18. *(more on this topic below)*
- allocating \$8.4 million to provide child daycare coverage for 2,000 more children.
- earmarking about \$500,000 to improve adult-care homes and beef up the state's ability to investigate complaints.

Given his druthers, the Governor would also appropriate about \$55 million over two years for his Learn & Earn program aimed at cutting the dropout rate and lofting more low income youngsters into community colleges or the university system. A proposed \$11 million would provide college scholarships for youngsters in foster care. There would also be approximately \$650,000 for on-line training for child welfare workers, foster and adoptive parents.

This is good news for the NCACDSS and its Consortium partners. Medicaid relief for the counties, increased daycare funding, Medicaid coverage for foster children,

and on-line learning for child welfare workers are all on the Consortium's legislative wish list.

It's a long, long march to June or July or whenever the General Assembly finally passes a new state budget, but there is much to like in the spending template Gov. Easley has put before the solons.

**Child Support to Age 21** – A number of state leaders have decided that social supports for youngsters should extend to age 21. When Gov. Mike Easley delivered his "State of the State" address last week, he proposed that the state provide Medicaid benefits for foster care children up to age 21. The current cutoff is age 18. Gov. Easley's recommendation comes close to fulfilling a proposal that NCACDSS leaders discussed last fall: that Medicaid benefits for these youths continue until age 25. Others are hoeing different rows in the same field. Sen. John Kerr (D-Wayne) has introduced SB 310, which would "allow child support payments to continue until the age of twenty-one *if the child is attending a college or university.*" [italics added] Current law terminates child support at age 18 unless the youth is still attending high school. Those payments can continue until age 20 or until the child graduates from high school – whichever comes first. Meanwhile, SB333, introduced by senators Charlie Dannelly (D-Mecklenburg) and Jeanne Lucas (D-Durham), would extend child support payments up to age 21 unless the youth is "otherwise emancipated." Interestingly, their bill makes no mention of high school, trade school or college. These measures suggest a growing recognition that – in a world where formal education is increasingly important, expensive and lengthy – youngsters now remain in a dependent state at ages when their forbearers were put on their own.

**Odds & Ends >From the Legislative Hopper** – So far, our senators and representative have introduced about 750 pieces of legislation. Here's a sampling of the newest arrivals:

**HB 365**, introduced by Rep. Martha Alexander (D-Mecklenburg), calls for \$44.7 million to expand Smart Start in 2007-2008.

**HB 366** would allocate \$10 million in DHHS money to hire qualified interpreters to assure that local health departments comply with federal requirements on providing language services for limited English proficient clients. This was introduced by Rep. Tom Wright (D-New Hanover).

**SB 306**, introduced by Sen. Bill Purcell (D-Scotland), would provide \$1 million for food banks in Asheville, Charlotte, Elizabeth City, Fayetteville, Raleigh and Winston-Salem. The funds would be divided equally among them.

The gentleman from Scotland County is also the sponsor of **SB 250**, which would provide \$1.3 million for the T.E.A.C.H. Early Childhood Project, which assists child care workers in obtaining higher education through the community college or university system.

**Doubtful Debut of Dogging Deer Debate** – A state senator from the Piedmont has introduced a bill which bears the short title “Study Deer Hunting With Dogs.” This proposal raises many questions. Will the dogs and the legislators study deer hunting in the same classrooms? Will students of both species be allowed to scratch at their fleas? Wag their tails? Shed hair? Will the dogs try to claim that the legislators ate their homework? And what if the legislators start telling dog jokes? First Senator: “My dog has no nose.” Second Senator: “How does he smell?” First Senator: “Awful!” Of course, there is no guarantee the bill will pass. The deer lobby wields sharp hooves and pointy antlers.

Executive Director, NCACDSS

A handwritten signature in black ink that reads "Tom Bennett". The signature is written in a cursive, flowing style.

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