

Legislative Update June 20, 2008

THE BUDGET

The following is from Meg Gray of the NC Justice Center:

As I am sure everyone knows, the Senate passed their budget yesterday and the House rejected it, sending the process into conference. Senate and House conference committee members began meeting today and are expected to work throughout the weekend to at the least start working through their differences. One of the major differences in the 2 budgets is their tax cut plans. Both agreed to \$50 million in tax cuts, but the House plan includes the EITC increase and the Senate's does not. In fact, their budget does not detail any tax cuts and only included a line for \$50m in tax cuts to be passed in a separate bill. So, while their budget did not explicitly leave out the EITC they also did not explicitly embrace it and from what we continue to hear, the Senate leadership does not support the increased EITC for at least 2 (ridiculous) reasons:

1- some (led by Sen. Hoyle) are still concerned about the refundability and think that people will take advantage of the credit. We know that this is not true as the IRS has said the oft used error rate is overstated and that the majority of error in the federal EITC is just that- error, not fraud.

2- many think we should not tinker with a new policy that has not yet been implemented- they think we do not even know if it will work yet, so why increase it. Well, the reason why is that we know it works. The federal EITC has been an effective program for more than 33 years. 23 other states have EITCs, many since the 80's and the trend in all of those states has been to increase the % when revenues permit.

ACTION ALERT ON THE REFUNDABLE EARNED INCOME TAX CREDIT

The NC House increased the state refundable Earned Income Tax Credit (EITC) from 3.5% to 5% of the federal credit in their budget. However the Senate's version of the budget does not include the EITC increase.

In the next few days, House and Senate members will be working together to draft a compromise spending plan for the year. Now is the time to let your legislators know that they should support North Carolina's working families by including the state EITC increase in the final budget.

Stagnant wages and rising costs of necessities like gas, food, health care and housing, are squeezing hundreds of thousands of North Carolina families and threatening their economic well-being. Increasing the state EITC is an effective and targeted investment that will provide a much-needed economic stimulus to more than 845,000 low- and moderate-income North Carolina working families who need the help the most.

Please thank your House member and urge your Senator to follow the House's lead on the state EITC.

HEALTH CARE

The following is from Paula Wolf, the lobbyist for Health Care for all North Carolina:

HB 2688, establishing a Health Care Policy Council, is tentatively scheduled to be heard in the House Health Committee on Thursday, June 26th at 12:00 noon in 544 LOB. The bill will be on the

agenda for discussion and public comment only. No vote will be taken.

Rep Verla Insko, the bill's primary sponsor, needs your help to have supporters pack the room. Please invite your members, listservs, family and friends who are interested in access to appropriate and affordable health care on a regular basis to all North Carolinians.

VOTING ISSUES

The following is from Democracy NC:

Labor Commissioner Runoff – There is a statewide runoff for the Democratic nominee for Commissioner of Labor on June 24. The race pits John C. Brooks against Mary Fant Donnan. Early Voting sites are open this week until Saturday at 1 PM. Voting in this primary runoff is open to registered Democrats as well as Unaffiliated voters who either cast a Democratic ballot or did NOT vote in the May primary. There are also local runoff contests in several counties.

Instant Runoff Voting – The June 24 primary runoff illustrates why we think preference voting or "Instant Runoff Voting" (IRV) can benefit North Carolina in many elections. This runoff will cost taxpayers nearly \$5 million and the turnout will likely be 3% or less -- but an alternative exists. Instant Runoff Voting is a proven idea that was recently used successfully in local elections for the Towns of Cary and Hendersonville -- one reason why the League of Women Voters of North Carolina voted this month to support the use of IRV to eliminate the need for separate runoff elections.

The Legislative Update is compiled by Beverly Kawalec, Advocacy Chair of the North Carolina League of Women Voters (bevkawalec@bellsouth.net). If you wish to unsubscribe, please email Patty Dale at daleph55@gmail.com.