



# BTC Reports

BUDGET & TAX CENTER

July 2017



## New Budget, Same Missed Opportunities for North Carolina:

*Lawmakers Continue to Choose Austerity and Failed Trickle-Down Economics Over Broadly Shared Prosperity*

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### Introduction

Lawmakers have passed a new state budget that will serve as a roadmap for how North Carolina will operate for the next two years — unfortunately, this roadmap has numerous potholes and an unclear destination. It does not reflect the spending decisions that can drive better economic outcomes or strengthen the connection to opportunity for every community across the state.

Despite a veto of the budget by Gov. Cooper, House and Senate leadership garnered the needed votes to override the veto and approve the budget. Overall spending for the 2018 fiscal year (FY18) — which runs from July 2017 through June 2018 — is a 3.1 percent increase over the prior fiscal year. While this figure is slightly above the arbitrary formula of population plus inflation — which budget writers have used as a flawed guide for determining spending targets — it is insufficient to keep up with the growing cost of delivering public services to the state’s growing population and to make up for ground lost during the Great Recession.

Under the budget, total state spending for FY18 remains below 2008 pre-recession spending. Furthermore, the new budget marks nine consecutive years that state spending has declined as a share of the state’s economy (see Figure 1).

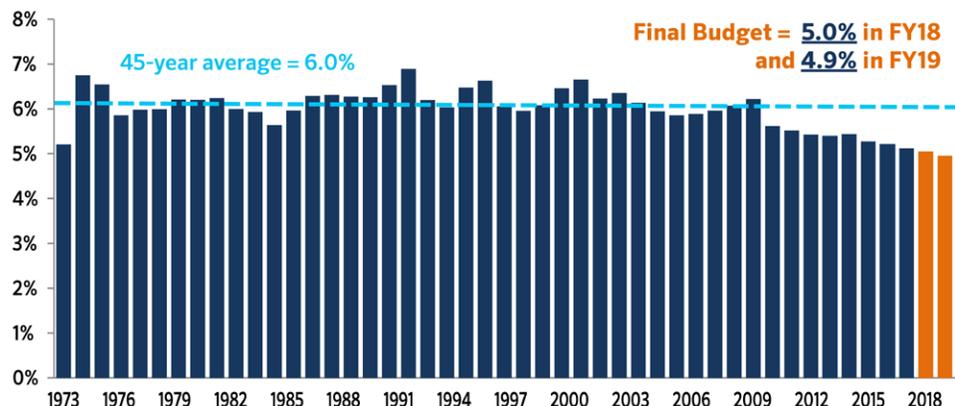
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**FIGURE 1: Total State General Fund Spending as a Percent of Total State Personal Income**

*State spending remains below 2008 pre-recession spending*



The austerity budgeting that has defined nearly a decade of North Carolina policymaking is forced by continued tax cuts that have largely benefited the highest income earners in the state and profitable corporations — tax cuts that have reduced the dollars available to make smart public investments. Proponents justify further tax cuts with the claim that they have driven North Carolina’s improving economy. Evidence does not support this false claim, however. North Carolina’s economic recovery has been particularly uneven, with nearly all of the economic gains and job growth going to particular regions of the state and passing over far too many communities.<sup>1</sup> This reality highlights in no uncertain terms that economic prosperity has not been broadly shared and continued budget cuts to fund costly tax cuts are not the remedy for addressing the needs of communities across the state.

## **State Lawmakers Take a Positive Step in Hurricane Matthew Recovery**

*Brian Kennedy, Public Policy Fellow, BTC*

The NC General Assembly passed the Disaster Recovery Act of 2017 (SB 338) in the final hours of the 2017 legislative session. The bill allocates \$100 million to help Eastern North Carolina recover and rebuild from the devastating effects of Hurricane Matthew. Causing massive flooding and damage in 50 counties in the Eastern part of the state, the storm displaced thousands of families and affected hundreds of thousands of homes and businesses. Ultimately, there was an estimated \$2.8 billion in damages and another \$2 billion cost in lost economic activity.

This is the second round of disaster recovery funding the state has pursued. In a December 2016 special session, the General Assembly passed the Disaster Recovery Act of 2016, which allocated \$200.9 million in one-time funding from the state’s Savings Reserve Fund, also referred to as the Rainy Day Fund. Since then, Governor Cooper, as well as North Carolina’s Congressional delegation, have worked hard to secure a federal

commitment to fulfill the state’s unmet need. In May, the Trump Administration announced that it would only allocate \$6.1 million of the \$930 million North Carolina requested.

The Disaster Recovery Act of 2017 is a positive step in attempting to close the wide funding gap left by the federal government. In this second round of funding, \$20 million will be allocated to address housing needs, including the repair of homes for affected homeowners and renters with low incomes. Another \$20 million will go to the Department of Agriculture for dam, soil, and water systems repairs, and \$30 million will go to infrastructure projects managed by local governments and non-profits. Another \$2.7 million will help the Community College System deal with enrollment declines resulting from the storm, and the remaining \$22.3 million will be allocated as a match for federal disaster grants.

Although this round of funding is not enough to fully address the unmet need or the total costs of damages incurred in Eastern North Carolina, it is an important step. If we are to help this region not only recover, but also become more resilient, state lawmakers will have to continue to make these types of investments in the years to come.

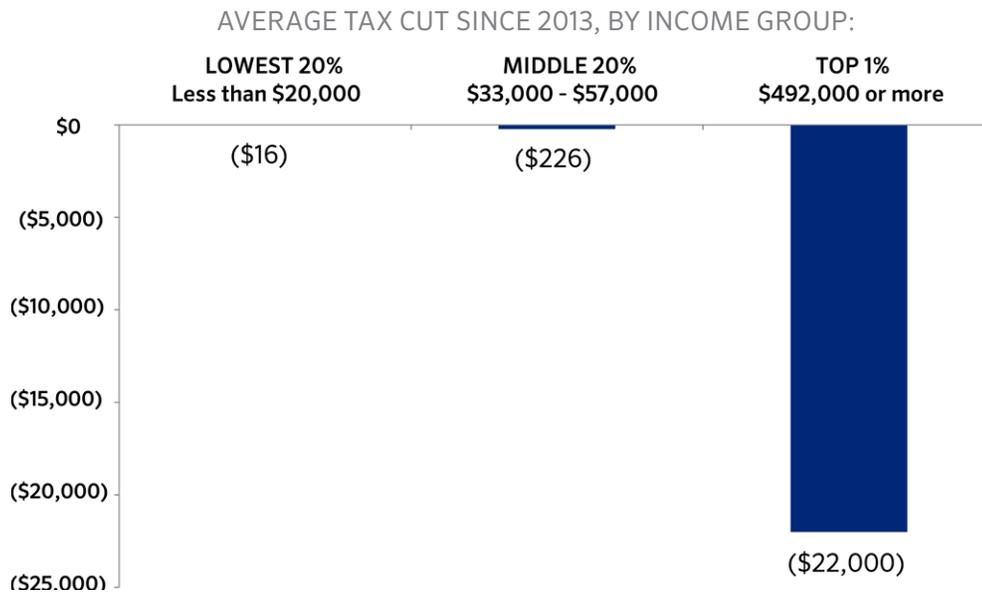
The new budget also fails to prepare for likely federal budget decisions that will have fiscal implications for North Carolina. The state recently experienced what uncertainty at the federal level means for North Carolinians upon learning that only \$6.1 million of \$930 million in requested federal funds (less than 1 percent) would be provided for disaster and relief efforts to address the aftermath of Hurricane Matthew.<sup>2</sup> Despite this uncertainty and unfortunate reality, the new budget increases reliance on federal dollars to pay for core public investments such as early education and health services. As such, future lawmakers will face the challenge in the future of addressing the needs of a growing state with inadequate resources.

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## **Tax cuts are the elephant in the room that lawmakers fail to acknowledge**

The final budget includes a package of tax cuts that reduce available revenue by a total of \$528 million over the two-year budget period. However, the full cost of the tax cuts will reduce available annual revenue by around \$900 million, and this reality is not included or apparent in the budget because the tax

**FIGURE 2: Tax cuts since 2013 have largely benefited the highest income earners in North Carolina**



cuts are set to kick in starting January 2019. The fiscal year period for North Carolina’s state budget runs from July to June, which means the fiscal impact of the tax cuts included in the budget will only apply to the second half of fiscal year 2019 (January through June of 2019) in this budget.

The combined and full impact of the tax changes will reduce available annual revenue by \$900 million; however, lawmakers were not required to account for \$400 million of this cost in the new budget because of the way tax cuts were phased in,

obscuring the full cost of the tax cuts from the public.

The latest package of tax cuts builds onto tax cuts that lawmakers have passed since 2013 that, when totaled, result in an estimated \$3.5 billion reduction in annual revenue.<sup>3</sup> These tax cuts have largely benefited the highest income earners in the state and profitable corporations. Under tax cuts since 2013, the top 1 percent of income earners in the state (whose average income is \$1 million)

gets a permanent tax cut of nearly \$22,000 on average. By contrast, middle-income taxpayers get a tax cut of \$226 on average, while the lowest income earners in the state get a tax cut of only \$16 on average (see Figure 2).

**FIGURE 3**

Major Tax Changes Included in Budget for FY 2018-19	START DATE
Lower Personal Income Tax rate to 5.25% from 5.499%	Beginning January 1, 2019
Increase maximum standard deduction to \$20,000 from \$17,500 based on filing status	Beginning January 1, 2019
Convert existing Child Tax Credit to a deduction of up to \$2,500 per child based on filing status and income level.	Beginning January 1, 2018
Lower Corporate Income Tax rate to 2.5% from 3%	Beginning January 1, 2019
Lower Franchise Tax for S Corporations - new \$200 minimum franchise tax	Beginning January 1, 2019
Exempt Mill Machinery from Sales tax	Beginning January 1, 2018
Exempt Fulfillment Facilities from Sales tax	Beginning July 1, 2017
Sales Tax Refund for "Transformative Projects"	Beginning July 1, 2018
Renewable Energy Tax Credit Extension	May 5, 2017 (for eligible property)

### Paying for the 2018 fiscal year budget

The new two-year budget includes a total of \$23.6 billion in revenue available for public investments for FY18. The majority of this revenue is raised through the state’s tax system, which is expected to provide \$22.3 billion in base General Fund revenue for FY18.

In addition to this base revenue, lawmakers rely on revenue collections coming in above what state officials anticipated

(\$580.6 million); money from the most recent fiscal year they anticipate agencies will return to the state (known as reversions, estimated at \$271 million); non-tax revenues (\$849 million); and unappropriated dollars from the most recent fiscal year (\$208.6 million). In total, there will be \$23.6 billion in revenue available to lawmakers for public investments for FY18 (see Figure 4).

Lawmakers do not fully appropriate the \$23.6 billion of available revenue for FY18, and instead carry over \$499.3 million to the second year of the budget. The reliance on FY18 revenue for FY19 raises concern, in part because the state’s tax system already falls short of raising adequate revenue to meet current needs in the state. Thus, carrying over \$499.3 million means continued inadequate state support for public investment across the state budget — public schools, higher education, health services, and economic development, among other areas. This reality of an inadequately structured tax system and the use of prior fiscal year revenue reflects the long-term challenges the state will face in ensuring that adequate revenue is available to meet the basic responsibilities of a growing state.

**FIGURE 4: How do lawmakers pay for the final budget?**

	<b>FY2018</b>	<b>FY2019</b>
<i>Unappropriated Balance</i>	\$208,607,416	\$499,303,328
<i>Disaster Recovery Appropriations (S.L. 2016-124)</i>	\$(200,928,370)	
<i>Transfer from Savings Reserve</i>	\$100,928,370	
<i>Over Collections FY 2016-17</i>	\$580,600,000	
<i>Reversions FY 2016-17</i>	\$271,000,000	
<i>Replenish Savings Reserve (S.L. 2016-124)</i>	\$(100,928,370)	
<i>Savings Reserve</i>	\$(263,000,000)	
<i>Repair and Renovations</i>	\$(125,000,000)	
<b>+ Net General Fund Credit Balance</b>	<b>\$471,279,046</b>	<b>\$499,303,328</b>
<i>Revenues Based on Existing Tax Structure</i>	\$22,303,700,000	\$23,299,200,000
<i>Total Non-tax Revenues</i>	\$849,000,000	\$836,300,000
<b>Total General Fund Availability</b>	<b>\$23,623,979,046</b>	<b>\$24,634,803,328</b>
<i>Tax Law Changes</i>	\$(6,900,000)	\$(521,800,000)
<i>Transfer of Taxes from Short-Term Lease or Rental of Motor Vehicles to Highway Fund</i>	\$(10,000,000)	\$(10,000,000)
<i>Transfer to Savings Reserve (S.L. 2017-5)</i>	\$-	\$(72,090,000)
<i>Transfer Additional MSA funds to Golden L.E.A.F.</i>	\$(7,500,000)	\$(7,500,000)
<i>Transfer to Medicaid Transformation Reserve</i>	\$(75,000,000)	\$-
<i>Transfer from Contingency and Emergency Fund</i>	\$7,000,000	\$-
<i>Transfer from Department of Insurance</i>	\$3,655,405	\$4,026,728
<i>Transfer from the Department of the State Treasurer</i>	\$(5,453,230)	\$(5,434,773)
<b>+ Recommended Revenue Changes</b>	<b>\$(94,197,825)</b>	<b>\$(612,798,045)</b>
<b>Total Revenue Available</b>	<b>\$23,529,781,221</b>	<b>\$24,022,005,283</b>
— Appropriation Requirement	\$23,030,477,893	\$23,652,171,951
<b>REMAINING GENERAL FUND BALANCE</b>	<b>\$499,303,328</b>	<b>\$369,833,332</b>

Under the final two-year budget, year-over-year annual General Fund appropriations increase by around \$690 million. However, around \$1.1 billion in additional revenue will be needed in going from the first to the second year in the two-year budget to account for enrollment growth in public education, to pay for rising costs in the delivery of Medicaid services, to meet retirement and health plan obligations for public employees, and to fund the teacher pay plan. This suggests that these existing obligations will either not be fully funded or state funding cuts to public services are on the horizon, or a combination of both, in order to fund these ongoing obligations.

The final budget includes a required transfer of \$100.9 million of General Fund dollars to the state’s Savings Reserve fund (also referred to as the Rainy Day Fund), per the special session disaster relief bill state lawmakers passed in December 2016 to aid communities affected by Hurricane Matthew. Lawmakers placed an additional \$263 million in available revenue into the Rainy Day Fund and set aside another \$125 million in the state’s Repair and Renovations Fund.

More tax cuts in the budget build onto cuts in recent years and will go into effect beginning in the second half of FY19, reducing annual revenue by \$521 million. As previously highlighted, the full cost of the tax cuts — reflected by a loss of annual available revenue — is \$900 million each year and is not fully reflected in the final budget due to the timing in which lawmakers phased in the tax cuts.

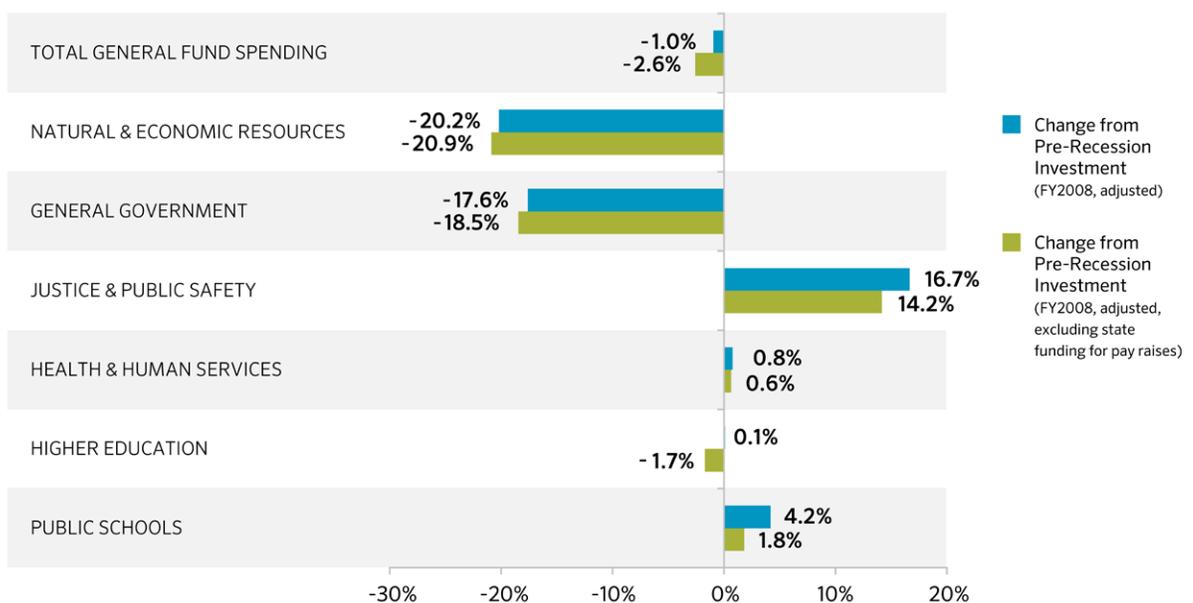
### The 2018 Fiscal Year Spending Plan: Missed Opportunities and False Choices

The new budget includes a total of approximately \$690 million, or a 3.1 percent increase, in net new spending compared to the prior fiscal year. Over half of the net new spending — around \$380 million — is dedicated to provide pay increases for teachers and state employees.

Beyond the additional state funding for pay increases, year-over-year net new spending for FY18 is a modest 1.4 percent above spending for the prior fiscal year. The inadequacy of state support for core public investments is reflected by the fact that nearly all core areas of the state budget remain below or near pre-recession spending levels when adjusted for inflation (see Figure 5). The modest annual

**FIGURE 5: State funding for core public investments remain below 2008 pre-recession levels**

*General Fund Appropriations Breakdown, by budget area (FY 2018)*



increase in spending falls short of ensuring that core public investments are adequately funded, and consequently, fails to ensure that communities across the state can thrive.

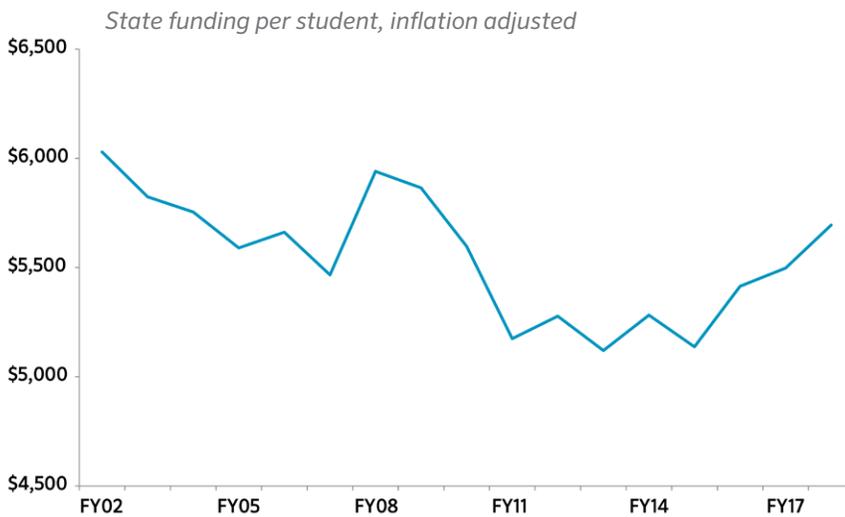
Below is an overview of core areas of the new state budget, with a focus on public investments that are missing from the budget as well as public investments that are inadequately funded.

**Public Schools (K-12): \$9.0 Billion Budget**

Total state spending for K-12 public schools for FY18 is \$313 million, or 3.6 percent, above spending compared to the prior fiscal year. The majority of net new funding — around two-thirds — is dedicated to providing pay increases to teachers and school personnel. Beyond additional funding for pay increases, year-over-year net new spending for public schools is only 1.2 percent above prior

year spending. As enrollment in North Carolina public schools has increased by nearly 91,000 students since 2008, state spending per student will remain below pre-recession spending when adjusted for inflation under the new budget (see Figure 6).

**FIGURE 6: Under new budget, state funding per student remains well below pre-recession level**



SOURCE: NCGA approved budgets

NOTE: State funding for teacher and school personnel pay increases is not reflected in the chart, as this funding has historically been included in the Reserves section of the state budget.

*Here are examples of missed opportunities and inadequate investments in public schools.*

- **Classroom Teachers:** The new budget does not provide any of the estimated \$293 million needed by schools to meet the state-mandated class size reduction requirements – creating an unfunded mandate that passes the buck down to local communities.<sup>4</sup>

- **Classroom Supplies and Materials:** Lawmakers provide no additional state funding for classroom materials and instructional supplies; funding is around half its peak 2009 investment level when adjusted for inflation. Rather than increase state funding for classroom supplies and instructional material, lawmakers recently reinstated a deduction into the tax code for up to \$250 that teachers can claim, for state income tax purposes, for out-of-pocket expenses incurred to pay for classroom supplies.
- **Textbooks:** One-time state funding for textbooks and digital learning materials in the budget leaves state funding per student for this area of the public schools budget at nearly half of peak 2010 spending when adjusted for inflation.
- **Professional Development:** No state funding is provided and dedicated solely for professional development for classroom teachers and school leaders. Lawmakers have not included state funding for this important area of public schools for years, reflecting a lack of state support for the development of teachers and educators who are tasked with educating nearly 1.5 million students.

- **School Nurses:** There is no additional state funding provided for school nurses to get the school nurse-to-students ratio closer to the national standard of 1 nurse per 750 students.
- **Privatization:** Lawmakers increased the base budget (which represents annual ongoing costs that are typically funded before any new spending) by \$20 million for FY18 to account for increased state support for private vouchers — the Opportunity Scholarships program. For FY18, a total of \$44.8 million of state funding will be available for the private voucher program. The base budget is increased by an additional \$10 million for FY19, for a total of \$54.8 million in available state dollars for private vouchers. In the years ahead, annual available state funding available for the private voucher program will increase to more than \$134 million.<sup>5</sup> Lawmakers also included \$450,000 of state funding in the budget to establish an NC Personal Education Savings Account (ESA) program, which will provide scholarship grants for education services to eligible children with disabilities.<sup>6</sup> State funding for private vouchers and ESAs are dollars that otherwise would be available for traditional public schools.

### **Community Colleges: \$1.1 Billion Budget**

Total state spending for the state’s 58 public community colleges is \$25 million, or 2.4 percent, above spending compared to the prior fiscal year. Beyond additional state funding to provide pay raises to state employees, year-over-year state funding for the Community College System is 0.59 percent *below* prior year spending. This is due to the prior year’s budget for community colleges including nearly \$32 million in one-time state dollars that went away at the end of the most recent fiscal year. For the FY18 budget, lawmakers kept a portion of those one-time dollars and in doing so kept existing state funding, rather than provide new dollars, in the budget for community colleges.

*Here are examples of missed opportunities and inadequate public investments for public community colleges.*

- **Student Support Services:** The budget provides no additional investments beyond funding enrollment growth for student support services or programming needs to increase credential and degree attainment.
- **Affordability:** No additional funding is provided to lower tuition costs at community colleges. Tuition cost (credit hour cost) has increased by 81 percent since 2009 and no efforts have been made by lawmakers to lower tuition to make pursuing postsecondary credentials and skills training more affordable for North Carolina students and families.
- **Access:** The budget fails to establish a financial assistance program that covers the cost of tuition and required fees at North Carolina community colleges for recent high school graduates who meet minimum academic criteria.

### **UNC System: \$2.9 Billion Budget**

Total state spending for the University of North Carolina System (UNC System) is \$41.4 million, or 1.5 percent, above spending compared to the prior fiscal year. However, when excluding additional state funding for pay increases, net new spending is essentially flat for FY18 – the budget includes around \$708,000 in net new spending. The prior year’s budget included approximately \$45 million in one-time state dollars that were freed up at the end of the most recent fiscal year. Accordingly, lawmakers simply used these freed up existing dollars in the new FY18 budget. As such, beyond the additional funding provided for pay raises, the new budget keeps spending for the UNC System at prior year’s spending level.

*Here are examples of missed opportunities and inadequate public investments for the UNC System.*

- **State Funding Cut:** The budget includes a \$7 million *management flexibility* cut to the operating budget of the UNC System in the second year of the two-year budget. This funding cut builds onto steady flexibility cuts in recent years, which total more than \$660 million since 2010.
- **Student Support Services:** There is no additional state funding beyond enrollment growth for student support services or programming needs to promote college completion.
- **Affordability:** No additional state funding is provided for need-based grant aid to help make attending a public four-year university more affordable for students that are economically disadvantaged. The amount of lottery receipt dollars lawmakers allocate for need-based financial aid has not increased beyond its initial funding level in 2012 despite a significant increase in tuition costs at public four-year universities during this period.

### **Justice and Public Safety: \$2.7 Billion Budget**

Total state spending for the Justice and Public Safety (JPS) area of the new budget is \$100.2 million, or 3.9 percent, above spending for the prior fiscal year. When excluding state funding for state employee pay increases, net new spending for FY18 is only 1.6 percent above prior year spending.

*Here are examples of missed opportunities and inadequate public investments for the Justice and Public Safety area of the new budget.*

- **Access to Justice:** The budget fails to provide additional state funding for indigent individuals to have access to private counsel representation. In addition, no additional funding is provided to increase compensation paid to private counsel. Reduced rates in prior years have affected the courts' ability to recruit and retain private counsel.
- **Addressing Opioid Abuse:** The budget provides only \$250,000 of one-time state funding in each year of the two-year budget for an opioid pilot project in collaboration with the City of Wilmington. The pilot project will focus on providing quick response services to opiate and heroin overdose victims who don't receive follow-up treatment. Despite acknowledgement of opioid abuse and addiction in North Carolina, no other funding is provided in the JPS budget to address and combat this issue.
- **Supporting the Courts:** The budget includes a \$10 million state funding cut to the Justice Department operating costs. Lawmakers also eliminate funding provided from fees assessed and collected for civil actions considered in superior and district courts that helps support the operations of the court system.
- **Addressing Mental illness:** The budget provides no additional state funding for services provided to offenders with mental illness in order to decrease the likelihood of post-release mental health challenges and associated costs.

### **Health & Human Services: \$5.2 Billion Budget**

Total state spending for the Health and Human Services (HHS) area of the new budget is \$233.4 million, or 4.7 percent, above spending for the prior fiscal year. Under the new budget, spending for the HHS section of the budget is less than one percent above 2008 pre-recession spending when adjusted for inflation. The almost nonexistent increase in HHS investments over the past decade,

amid a growing state, highlights the austerity budgeting approach state leaders have taken that fails to promote healthy and thriving communities.

***Here are examples of missed opportunities and inadequate public investments for the Health & Human Services area of the new budget.***

- **Access to Pre-K Program:** The budget does not provide adequate dollars needed to eliminate existing Pre-K waitlist and to provide a Pre-K slot to all eligible 4-year-olds not on the waitlist. Furthermore, two-thirds of additional dollars included in the budget to provide more Pre-K slots are federal block grant dollars, which are in jeopardy of being cut at the federal level, which would threaten the number of 4-year-olds served by the Pre-K program.
- **Childcare Assistance:** The new budget does not provide additional state funding to expand childcare subsidies available to families. To the contrary, lawmakers reduced state funding allocated to the Child Care Subsidy Fund and replaced this funding with federal TANF block grant funding. Federal TANF block grant funding is also in jeopardy of being cut, which would likely negatively impact the number of North Carolina families served by the childcare subsidy program.
- **Access to Health Services:** The new budget fails to provide adequate funding to ensure more North Carolinians have access to affordable health care services.

***Agriculture and Natural & Economic Resources: \$587.5 Million Budget***

Total state spending for the Agriculture and Natural & Economic Resources (ANER) area of the new budget is \$51.2 million, or 9.6 percent, above spending for the prior fiscal year. Beyond additional state funding for pay increases for state employees, a significant amount of net new spending is dedicated to special projects that benefit particular communities and constituencies. Still, state funding for ANER is 20 percent *below* 2008 pre-recession spending when adjusted for inflation.

***Here are examples of missed opportunities and inadequate public investments for the Agriculture and Natural & Economic Resources area of the new budget.***

- **Rural Broadband:** The new budget provides only \$250,000 to support the Broadband Infrastructure Office. By contrast, Gov. Cooper included \$20 million in state funding to expand broadband access in rural North Carolina in his recommended budget. As the digital divide grows, many rural communities across the state are increasingly cut off from a major 21st Century information conduit. The modest state funding for rural broadband in the budget fails to build onto North Carolina’s history of investing in infrastructure to expand access to opportunity for North Carolinians.
- **Renewable Energy and Energy Efficiency:** Lawmakers cut state funding for renewable energy and energy efficiency initiatives. Consumers and businesses are continuing to elevate the importance of renewable energy in their economic decisions. Accordingly, disinvestment in this area threatens to make North Carolina less competitive as other states and nations push forward in promoting and deploying affordable renewable energy.
- **Rural Economic Development:** State leaders regularly fret about the economic challenges facing rural communities and towns across North Carolina, but the level of actual investment has not matched that expressed concern. Lawmakers have tinkered around the edges with how economic incentive programs are designed, how local sales tax revenues are allocated, and have earmarked funds for legislators’ chosen projects

in the new budget. What remains unaddressed, however, is the development of a coherent and consistent strategy for investing in rural communities across the state.

### **General Government: \$405.3 Million Budget**

Total state spending for the General Government area of the new budget is \$22.1 million, or 5.2 percent, *below* spending for the prior fiscal year. Beyond additional state funding for pay increases for state employees, lawmakers make no additional net new investments in state agencies that administer and support public investments funded in the budget. Under the new budget, state funding for General Government is nearly 18 percent *below* 2008 pre-recession spending when adjusted for inflation.

*Here are examples of missed opportunities and inadequate public investments in the General Government area of the budget.*

- **Affordable Housing:** Appropriations to the Housing Trust Fund and Workforce Housing Loan Program remain flat compared to prior year funding and the match to the federal HOME program did as well. No additional state dollars are allocated to affordable housing despite the identification of growth in unaffordable housing in the state. Federal dollars through the Community Development Block Grant are allocated to neighborhood revitalization, however, which can be used for housing development.

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### **What lies ahead for North Carolina?**

The new budget keeps North Carolina on a path that only heightens the challenge of meeting the needs of a growth state. Tax cuts in the budget, which build onto those passed since 2013, have greatly reduced the level of available revenue for public investments. Consequently, this self-inflicted revenue challenge has allowed lawmakers to lower their expectations in regards to what is possible for the state and has created a budgetary landscape based on false choices in which chosen public investments are funded at the expense of others.

Ensuring broadly shared prosperity for all communities across North Carolina—whether rural, urban, or suburban—requires a state-level commitment to provide the foundation that promotes opportunity. Decisions in recent years regarding the state budget, tax policy, and economic development strategy have put the Tar Heel State on a path in which poverty, income inequality, and uneven access to opportunity will remain pressing issues that hold the state back rather than drive it forward.

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  2. Brian Kennedy, "Will lawmakers continue to turn a blind eye to Hurricane Matthew recovery?," blog post, The Progressive Pulse, June 2017. <http://pulse.ncpolicywatch.org/2017/06/01/will-lawmakers-continue-turn-blind-eye-hurricane-matthew-recovery/#sthash.Yokjlkrc.dpbs>
  3. Special data request to the Institute on Taxation and Economic Policy (ITEP), June 2017.
  4. Kris Nordstrom, "General Assembly Must Still Provide \$293 Million in Teacher Money to Settle Class-Size Debate," blog post, The Progressive Pulse, May 2017. <http://pulse.ncpolicywatch.org/2017/05/05/general-assembly-must-still-provide-293-million-in-teacher-money-to-settle-class-size-debate/#sthash.dkOdW1u5.Zbbl1AeB.dpbs>
  5. NCGA approved state budget, Fiscal Year 2016-17; see page 67. <http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H1030v8.pdf>
  6. Funding for private vouchers (Opportunity Scholarships) and Education Savings Accounts (ESAs) are included in the higher education section of the state budget (UNC System).