

North Carolina’s General Fund Budget This Year: An Opportunity to Address Hardship and Put NC on Resilient Foundation

North Carolina can afford to confront the challenges we face with the pandemic and downturn and their consequences, but our leaders must choose a path that makes systemic investments for the good of everyone not just the powerful few. The decisions this year can mean the difference between leaving behind more North Carolinians or repairing the damage of a go-it-alone approach.

It is by going all in that we each have the opportunities and support to be well.

Too often, we don’t connect conditions in communities with policy choices, but public policy has a powerful role in driving or addressing the challenges and opportunities people face every day. By considering not just how policy choices are connected to outcomes, but whether those outcomes vary by race or income or geography, we can also make sure that we are advancing the policies needed to ensure every person has the resources and supports to reach their full potential.

In the end, the well-being of people is what will ensure that our economy and democracy are healthy.

Check out what is happening in North Carolina and then [dig deeper into your county data with our snapshots](#). Then connect these indicators with your experience and with the policy conversations that we need to have to make sure everyone can thrive.

Table 1. Using Available State General Fund Dollars

Fact	How we got here	Funding Choice	The NC General Assembly’s proposal	The Governor’s proposal
47 percent of renter households in North Carolina are cost burdened by rent. 1 in 6 households are behind on rent.	The lack of state investment in building affordable housing units makes it difficult for families to find housing in many communities.	Expand the infrastructure of local organizations delivering rental assistance and the value of rental assistance while also working to ensure the future supply of affordable housing is greater in every community by funding the state’s Affordable Housing Trust Fund.	The NC General Assembly proposes no expansion of funding for the state Affordable Housing Trust Fund, Workforce Housing Loan Fund.	The Governor’s proposal doubled the appropriation to \$15 million to the state’s Housing Trust Fund but still providing too little to meet the need. No appropriation was made to the Workforce Housing Loan Program. Two new offices to coordinate housing programs and policy—one in DHHS and one in Department of Commerce—were proposed.

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<p>250,000 adults are not working because of child care responsibilities</p> <p>88 percent of students entering high schools graduate in four years</p>	<p>There was no piecemeal budget for early education last time a budget was passed.</p> <p>The last federal expansion of the Child Care and Development Block Grant was undercut by state action to remove other funds from early education.</p>	<p>State dollars could make sure providers get reimbursed to deliver quality care in an equitable way by adopting provisions in House Bill 574 and ensure families with low incomes can access quality child care by putting state dollars to increase child care assistance and increasing the wages of early childhood educators.</p>	<p>The NC General Assembly proposes: No General Fund increase to child care and early education.</p>	<p>The Governor proposes: Funding 1700 additional child care slots for working families in need and increases the support for the WAGE\$ program which boosts the low wages earned by early childhood educators.</p>
<p>11 percent of North Carolinians do not have health insurance coverage.</p> <p>Over 400,000 North Carolinians would be eligible for high-quality affordable health insurance through Medicaid if Medicaid expansion was implemented.</p>	<p>The NC General Assembly has refused to take up the option provided by the Affordable Care Act and affirmed as a state option in court cases in 2021 to provide affordable health care coverage to those who can't otherwise access it.</p>	<p>Expand Medicaid to receive the additional incentive dollars and federal support to cover the costs of delivering health care coverage those newly able to access health care.</p>	<p>The NC General Assembly proposes no policy or investment to provide comprehensive coverage to those in the coverage gap.</p>	<p>The Governor proposes expanding Medicaid which will cover North Carolinians, generate significant health and economic benefits for the state and provide additional \$1.2 billion in federal funding to the state.</p>

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<p>247,000 unemployed people in North Carolina are looking for work.</p> <p>More than 150,000 North Carolinians lost federal Unemployment Insurance boost on September 4th</p>	<p>North Carolina has embraced a failed approach to growing jobs that focuses on the largesse of big corporations instead of the essential role that people have in keeping the economy and businesses growing.</p> <p>North Carolina has not removed barriers to capital and growth opportunities for businesses owned by people of color, missing the chance to strengthen employment opportunities in more communities than just Wake, Durham and Mecklenburg.</p> <p>North Carolina legislators overhauled the state's Unemployment Insurance system to make it less accessible and to provide lower wage replacement for shorter amounts of time.</p>	<p>Invest state dollars in paid job training and needed support like transportation and childcare for jobless workers in training.</p> <p>On the policy side, the General Assembly could address the shortcomings of our Unemployment Insurance system and take advantage of the funding available to start up a short time compensation program.</p>	<p>The NC General Assembly proposes wage increases for home health care aides through an increase to the Medicaid provider rate, and raises for school support staff like custodians and bus drivers.</p>	<p>The Governor proposes a \$40 recurring annual investment to create the NC GROW (Getting Ready for Opportunities in the Workforce) program to incentivize enrollment and retention in high-demand training programs.</p> <p>The Governor proposed as well fixing some of the major issues with the state's Unemployment Insurance system including setting the maximum state duration at 26 weeks and increasing the maximum benefit amount.</p>

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<p>31 percent of North Carolinians are considered low income (earning under \$51,500 for a family of four)</p> <p>North Carolinians living with incomes in the poorest 60 percent pay more than 9 percent of their income in state and local taxes</p>	<p>Tax cuts since 2013 have not addressed the reality that everyone pays taxes and not just through income taxes.</p> <p>The elimination of the state EITC removed a key tool in boosting family's income and fixing the upside-down tax code.</p>	<p>Establish a state refundable Earned Income Tax Credit and make sure our tax code asks the rich and profitable corporations to contribute what they owe.</p>	<p>The NC General Assembly proposes moving in the opposite direction by cutting income tax rates that will send 74% of the personal income tax cut to the top 20% and largely benefit large profitable multi-state corporations.</p>	<p>The Governor proposes creating a refundable state Earned Income Tax Credit that would help working families that earn low wages make ends meet and reduce the share of their income paid to state and local taxes.</p>
<p>47 percent of renter households in North Carolina are cost burdened by rent</p> <p>1 in 6 households are behind on rent.</p>	<p>The lack of state investment in building affordable housing units makes it difficult for families to find housing in many communities.</p>	<p>Expand the infrastructure of local organizations delivering rental assistance and the value of rental assistance while also working to ensure the future supply of affordable housing is greater in every community by funding the state's Affordable Housing Trust Fund.</p>	<p>The NC General Assembly proposes expansion of funding for the state Affordable Housing Trust Fund, Workforce Housing Loan Fund.</p>	<p>The Governor's proposal doubled the appropriation to \$15 million to the state's Housing Trust Fund but still providing too little to meet the need. No appropriation was made to the Workforce Housing Loan Program. Two new offices to coordinate housing programs and policy—one in DHHS and one in Department of Commerce—were proposed.</p>