



LEGISLATIVE NEWSLETTER LEGISLATIVE NEWSLETTER

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Legislative Work Far from Over: North Carolina GOP legislative leaders are touting their early adjournment this year. But their work is far from finished. Lawmakers will return later this month to draw legislative and congressional district boundaries, but they'll also try to override Gov. Beverly Perdue's vetoes and reach compromises on a handful of remaining pieces of legislation. Then they're expected to meet in September for a weeklong session to consider proposed constitutional amendments, from a gay marriage ban to land condemnation restrictions.

In addition, legislators may have to return for another quick session if Perdue vetoes partisan election-law bills considered in July. And when not in session until next spring, the Legislature's chief government oversight committee will be reinvigorated, said House Speaker Thom Tillis, R-Mecklenburg. He said the panel will be keeping tabs on how the state budget is being carried out by Democratic Gov. Beverly Perdue and education leaders. "We will meet frequently, and I'm not talking about just once a month," Tillis said.

Critics -- mostly Democrats -- worry that these developments could usher in a two-year period in which lawmakers are almost continuously required to be in Raleigh. With more than a dozen vetoed bills awaiting consideration in the Legislature, members of both parties can't afford to be gone for too long. One day's absence could mean the difference between whether an override vote succeeds on divisive issues such as abortion or voter ID.

Dems' Criticisms: "The new majority is moving us to an expensive year-round session setup," House Minority Leader Joe Hackney, D-Orange, said in the closing days of last month's session. Hackney said last week the stop and starts of the session are making it difficult for lawmakers to set schedules or make a living back home.

Rank-and-file legislators make \$13,951 a year and haven't received a raise since 1995. Republican leaders dismiss talk of a year-round legislative calendar. Senate leader Phil Berger, R-Rockingham, said: "What we've seen over the years had been kind of a creeping longer session." Berger said the redistricting and constitutional amendment sessions are unusual. Redistricting happens once every decade, and there was pent-up interest in proposed

amendments ignored or avoided by Democrats in recent years. Legislative study commissions meeting in Raleigh will be few because lawmakers couldn't agree on all of the study topics.

Gov Ops to Rev Up: Republicans, however, are still expected to have a regular presence in Raleigh, especially through the Joint Legislative Commission on Governmental Operations, comprised of dozens of House and Senate members led by Tillis and Berger. Tillis said he expects to hold more commission meetings. He envisions asking school district leaders to account for where spending cuts were made and whether they preserved instructional positions.

The number of public school layoffs is a key element in this year's budget fight. State education officials have said more than 9,000 positions could be eliminated this year. Republicans said that number is exaggerated. "If the flexibility is either being used for some sort of political game or not being used in a way that we think is optimal, that's when we'll implement and look at measures that will make these folks accountable," Tillis said.

Legislative Game Plan: House and Senate leaders have released draft schedules for the upcoming special session on redistricting. The Senate will gavel in at noon on Wednesday, July 13, and then hold three skeleton sessions until the full chamber reconvenes Monday, July 25. The House plans to meet July 13, and then adjourn until Friday, July 22. Meanwhile, the House and Senate redistricting committees will hold tag team meetings from the morning of Thursday, July 21, through the evening of Saturday, July 23. Both chambers plan to pass an adjournment resolution on Thursday, July 28.

Charlotte-Meck Schools Take on New Tests: Hugh Hattabaugh, the new interim Charlotte-Mecklenburg Schools superintendent, is seeking more teacher feedback on controversial new tests designed to test faculty effectiveness. The tests have triggered concerns from teachers and parents who call them an unnecessary disruption to learning.

Meeting the press Wednesday for the first time since taking over schools last week, Hattabaugh said he plans to continue pushing forward with former Superintendent Peter Gorman's major initiatives, including his push for 50-plus new tests designed to give CMS a more detailed picture of how much students are learning. Some teachers have called the tests flawed, saying the school board will use them in its performance-pay system. They were also complained about the district's decision to push for new legislation erasing earlier rules that would have given them a vote on plans to pay them based on how their students perform, according to The Charlotte Observer.

Lost Jobs: Gov. Perdue's office said recently the state personnel office reported 165 more people have been told they're losing their jobs as the new fiscal year began. That's in addition to 537 people who have already received such notices since Jan. 1, as Perdue and the legislature directed spending cuts to set aside hundreds of millions of dollars to carry over for the next 12 months. The state budget office estimates 1,066 filled positions will be eliminated this fiscal year in four key categories, more than half from correction and juvenile justice agencies. That doesn't include cuts in transportation, public schools and higher education. Perdue vetoed the budget, but the Republican-led legislature overrode the veto.

Corporate Tax Changes Could be Costly to State: NC Department of Revenue officials have concerns about legislation rewriting corporate tax rules which some say could cost the state hundreds of millions of dollars, according to departmental emails and memos obtained by The Insider. One departmental estimate of an early version of the bill put revenue losses at \$510 million, with recurring annual losses of \$97 million.

Because the final version of the bill moved back the effective date, most of losses projected in that memo -- \$411 million from current year tax cases and those under appeal -- aren't expected. Still, department officials forecast some level of recurring revenue losses. Emails show officials also predicting additional legal challenges to corporate tax bills because of the changes. The legislation, which reworks rules designed to prevent income shifting by multi-state corporations, was passed on the final day of this year's regular legislative session. Gov. Perdue signed the bill into law last week.

Quote of the Week: *"I bounce a lot of ideas off him."*

- Rockingham District Attorney Phil Berger Jr., on calling his father, Senate President Pro Tem Phil Berger, after seeing the newly redrawn 13th congressional district maps (WRAL NEWS, 7/05/11)

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