



Legislative Newsletter

Issue 391

September 9, 2011

Jobs Issue Persists, Legislature Reconvenes Next Week: House Speaker Thom Tillis dismissed criticism this week that legislators aren't emphasizing jobs, particularly as the state's unemployment rate rises. Lawmakers are slated to reconvene next week for a session that will center on constitutional issues, including a proposed gay marriage ban and term limits for legislative leaders.

In an interview with the Wilmington Star-News, Tillis said legislative leaders agreed to hold such a session next week "precisely to avoid the risk of distraction" during the main session. "And I think again the results speak for themselves," said Tillis, R-Mecklenburg. "We've cut \$1.5 billion in taxes, we cut the scope of government and we passed five of the most sweeping reform measures that directly relate to the economic conditions and job creation over any legislature that I've heard anyone report back in the past 20 years."

Political Season Cranks Up: With Labor Day behind us and the campaign season now unofficially kicking off for the 2012 general election, here's a look at some key statewide races, with info provided by the NC FreeEnterprise Foundation:

Governor's Race: When Gov. Beverly Perdue and likely GOP challenger Pat McCrory released their fundraising totals for the first six months of 2011, the media made much of the fact that McCrory, who has yet to formally announce his candidacy, raised \$1 million during the reporting period compared to Perdue's \$1.3 million. However, few reporters dug beyond the top-line numbers to put this early campaign finance data into context. Since it appears somewhat likely we will have a gubernatorial rematch between Perdue and McCrory in 2012, the lead up to their 2008 contest provides a relevant comparison.

At this point in the 2008 election cycle, candidate Perdue had raised a similar amount of money to the \$1.3 million she reported raising during the first six months of this year, but at that time, she had \$2 million more in the bank than she does now. It is important to note that as a non-incumbent gubernatorial candidate in 2008, she was facing a highly competitive Democratic primary against then-State Treasurer Richard Moore. Of course, Perdue went on to raise and spend over \$17.6 million in her victorious effort. So far, all indications suggest that now-incumbent Gov. Perdue may avoid a similar primary challenge in 2012 and will be able to focus more of her time, attention, and finances against a GOP opponent in the general election... However, the combination of McCrory's relatively robust early fundraising and Gov. Perdue's

smaller cash-on-hand total this year may indicate a more evenly financed rematch for the Governor's mansion.

Lt. Gov's Race: Among sitting members of the Council of State, Lt. Gov. Walter Dalton (D) posted the second best fundraising in the first half of 2011, behind Gov. Perdue. During the reporting period, Dalton raised over \$200,000 and ended June with over \$300,000 on hand, although both of these totals are less than what Dalton reported in mid-year 2007. Similar to Gov. Perdue, Dalton faced a competitive primary in the last election, which he won with 45.7 percent of the vote, besting the next highest vote-getter, attorney Hampton Dellinger. Lt. Gov. Dalton is not expected to face any formidable opposition to re-nomination as the Democratic Party's candidate for Lt. Governor in this election cycle, and therefore may not have the same early fundraising pressures he did during the 2008 cycle.

So far, two GOP candidates have announced their intentions to run for Lt. Gov. and have filed campaign finance reports. Dan Forest, an architect and son of Congresswoman Sue Myrick, reported raising \$100,202 with \$61,430 in cash on hand at the end of June...The other announced Republican candidate, Wake County Commissioner Tony Gurley, reported raising \$28,607 since late March and ended the period with \$4,061 in the bank.

Other Council of State Races: State Auditor Beth Wood (D), Insurance Commissioner Wayne Goodwin (D), and State Treasurer Janet Cowell (D) have at least two things in common: none had begun raising money for their campaigns at this point in the 2008 election cycle, and all have posted fundraising totals that suggest they plan to seek re-election...The remaining five members of the Council of State, Superintendent of Public Instruction June Atkinson (D), Secretary of State Elaine Marshall (D), Attorney General Roy Cooper (D), Agriculture Commissioner Steve Troxler (R), and Labor Commissioner Cherie Berry (R), all reported weak fundraising totals for the first half of 2011. Combined, these five incumbents raised a cumulative total of less than \$12,000 during the six-month reporting period.

Pre-K Ruling Bars Cap: North Carolina can't cap pre-kindergarten for low-income 4-year-olds, a Superior Court judge reaffirmed in a new order that also runs counter to attempts by Republican legislative leaders to intervene in the issue. The Sept. 2 order by Wake County Superior Court Judge Howard E. Manning Jr. brings some clarity to the issue surrounding recent changes to the pre-kindergarten program formerly known as More at Four. Senate leader Phil Berger, R-Rockingham, called the judge's order "judicial activism of the worst kind" and said Manning was "determined to create a massive new welfare program from the bench."

Democratic Gov. Perdue said she had directed the agency overseeing the pre-K program to devise a plan to comply with Manning's order, which could open up pre-K education to many more children. "It is the intention of my administration to make sure that the order is implemented as expeditiously as possible," Perdue said in a statement. "Providing at-risk children with access to an academic pre-kindergarten program helps them prepare for success in elementary school and throughout their lives."

Earlier this year, the Republican-authored budget cut the program's funding by 20 percent, authorized co-payments for the first time and included legislative language that limited participation by poor children to 20 percent. But several poor school districts filed a legal challenge, saying the cuts violated a court ruling that found that all North Carolina children have a constitutional right to a sound, basic education. Manning agreed, issuing an order in July saying the state cannot implement any barrier that prevents eligible at-risk children from enrolling in the pre-K program.

UNC Job Cuts: State budget cuts this year have caused the University of North Carolina system to eliminate more than 3,000 filled jobs, according to a system report released Thursday. The UNC system, which collected data from all 17 campuses and other programs, reported 488 filled full-time positions were eliminated and 2,544 part-time or temporary workers were no longer employed. In addition, the report said another 1,487 vacant positions were eliminated and another 508 previously funded with state money are now funded through other methods, such as university receipts. As part of an effort to close a \$2.6 billion budget gap, lawmakers required the university system to come up with \$414 million in spending reductions, equivalent to an across-the-board reduction of 15.6 percent.

Wake School Board Member Eyes Legislature: Republican Chris Malone, a Wake County school board member, will run for the 35th House District seat next year. "I am running for North Carolina House, because the challenges facing North Carolina require conservative solutions," Malone said in a statement. "My top priority as a state Representative will be to help foster a business climate suitable for job creation." The district's new lines don't include its current representative, Democrat Jennifer Weiss. The new district maps haven't yet been approved by the U.S. Department of Justice. Malone, 54, was elected to the Wake County school board in 2009 and was on the Wake Forest Board of Commissioners from 2001 to 2005.

Quotes of the Week: *"Like a getaway driver desperately driver trying to shake a tail, President Barack Obama executed a hairpin turn from deficits to jobs Thursday, daring Republicans to follow him. [But] none of his potential GOP opponents will be held accountable if Obama's \$447 billion proposal fails to stem the economy's ominous slide, while all of them will arguably profit if he fails."*

- POLITICO's Glenn Thrush (<http://politi.co/r4uCDp>)

"Yes."

- House Speaker Thom Tillis, R-Mecklenburg, giving a one-word response to a question about whether he will vote for a proposed constitutional ban on gay marriage (The News & Record, 9/8/11)