



LEGISLATIVE *Update*

State Employees Association of North Carolina • www.seanc.org
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Legislature Passes Continuing Resolution, Sets July 15 Budget Deadline

State law mandates that a balanced budget be approved and in place by June 30, the end of the state's fiscal year. The General Assembly agreed upon measures to prevent the shut down of state government this past Tuesday. The Continuing Resolution will allow state programs and departments to continue running at 85 percent, or 15 percent less than what was allocated in the 2008-2009 budget. The resolution also sets a deadline for a final budget of July 15.

The House and Senate have agreed that \$990 million is the magic revenue number for the current year and \$1.3 billion for the second year of the biennium. However, measures to produce the revenue differ in the two chambers. The Senate wants to lower the state's sales tax, but tax services such as lawn care, automotive repairs and home repairs and improvements. The House wants to increase the sales tax and the income tax on couples making more than \$200,000 per year. A Raleigh television station reports that Gov. Bev Perdue supports a combination of sales tax increases and income tax increases on couples earning more than \$200,000 per year.

Lawmakers have many issues to hammer out before July 15. While they have agreed on the amount of revenue that needs to be generated, the legislature must find ways to agree where the money is spent. This means many state services and programs may be on the chopping block. With a projected budget deficit of \$4.6 billion, North Carolina's working families are facing devastating cuts in services. In a time of economic crisis, the demand for services increases. Taxpayers will certainly feel the pain of North Carolina's economic strain.

It is more important than ever that you pick up the phone and call your legislators—ask them to fund the essential services that you provide! Call, write a letter or send an e-mail—it is pertinent to the well-being of our state and its citizens that you do it now! Contact information for your lawmakers can be found at www.seanc.org under “Legislative Affairs.” There is no time to waste with the upcoming deadline of July 15! Do it today!

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