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Lawmakers weigh in on N.C. budget

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Legislators seem to agree that the state should pay for Medicaid, but deciding how to go about it is one of the issues that has delayed approval of the budget.

The N.C. Senate on Thursday passed a continuing resolution to keep the government running since it had not passed its financial agenda by the end of the fiscal year. Such negotiations have included how the state should take over Medicaid responsibilities, of which county officials have been eager to wash their hands.

"I think almost everybody would like to eliminate the county share of Medicaid, and I think there's an issue of three years, four years, and then of how we do it," said N.C. Rep. Angela Bryant, D-Nash. "The devil is in the details, those taxes."

The Senate and N.C. House both have proposals to phase out county payments for Medicaid over time, but they diverge on some of the details, such as the length of time to do it and the use of land transfer and sales taxes as sources of revenue.

Both Nash and Edgecombe counties expect to pay more for Medicaid than they planned in this fiscal year.

The Senate plan calls for the state to gradually assume Medicaid expenses by 2010. The House alternative allows the state to fully pay for it by 2012.

The House proposal also goes beyond an earlier proposition to offer \$100 million in one-time relief to the state's 100 counties. N.C. Sen. A.B. Swindell, D-Nash, said the problem needs a permanent solution.

"The \$100 million is a temporary fix as the \$27 million was a year ago," he said, referring to the financial package approved for counties last year. "We cannot continue to temporarily fix Medicaid, and we've got to find ways to raise revenue, to build schools. That's why we have got to take this off.

"Having said that, it's not without pain. Anytime we're talking about fixing one thing, it's like a balloon – it's going to punch out over here."

The legislature has until the end of July to pass the two-year spending plan.

N.C. Rep. Bill Daughtridge, R-Nash, said he supports bond money for water and sewer improvements in rural counties. The 2007 Clean Water Act calls for a public referendum on a \$500 million bond that

communities could use to make infrastructure improvements and sets aside a yearly \$50 million allocation.

But other issues such as transportation, school building requests and the Land for Tomorrow initiative – which seeks \$1 billion for land preservation – also are opting for bond money. There are limited funds available, said Daughtridge, who will run for state treasurer in 2008.

"We can't borrow but so much money now, because if we borrow more than we should, we've got a problem going into the future of having inadequate funds for future needs," he said. "So we're going to have to make some compromises, because everybody can't get what they'd like to have."

Swindell, Bryant and Daughtridge joined other state and local officials Friday for breakfast at Nash Community College. The event gave the N.C. Rural Economic Development Center a chance to explain the services it can offer.

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