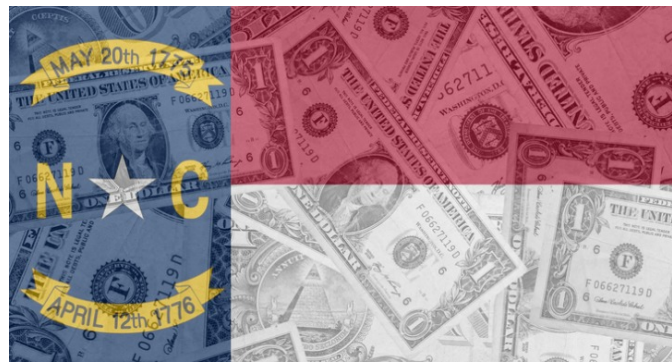
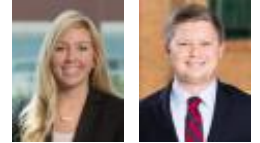


General Assembly Convenes to Provide Additional Funding for Private School Vouchers, Medicaid and Public School Enrollment Growth

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This week, the General Assembly briefly reconvened for one of the Special Sessions authorized by the July adjournment resolution.

Although legislative activity and bill movement were both limited during this narrow window, lawmakers did provide significant funding to a handful of state programs.

Although there was speculation about the possibility of a broad appropriations bill, the "mini-budget" that the House and Senate ultimately could agree on was limited to only a few narrow topics where they were able to find agreement. Unfortunately, this mini-budget did not include any local government appropriations, special projects, or member requests and was largely limited to education funding.

The mini-budget (available here as the conference report to House Bill 10) was passed by the Senate on Monday and the House on Wednesday and almost certainly will be vetoed by the Governor. We anticipate a veto override later this year, possibly in October. The bill passed by a margin of 67-43 along party lines. Highlights of the mini-budget are below.

- Allocated \$463 million in state funding to provide private school vouchers to 55,000 individuals on the Opportunity Scholarship voucher waitlist. The law allows the funds to be used retroactively to reimburse parents for private school tuition in the current school year and allows families to receive vouchers regardless of household income.
- Allocated an additional \$277 million in recurring funding and \$100 million in nonrecurring funding to cover Medicaid rebase in the current fiscal year.
- Removes the requirement that counties use their own ARPA dollars as match funding for Completing Access to Broadband (CAB) awards.
- Allocated \$95 million to the Department of Public Instruction to fund enrollment growth in public schools.
- Allocated \$64 million to the Community College System for its own enrollment growth.
- Allocated \$23 million to the State Education Assistance Authority for the Children with Disabilities Program.
- \$205 million for two megasites/economic development projects, one in Chatham County and one in Randolph County.

- Would require all North Carolina sheriffs to cooperate with federal detainer warrants from US immigration officials.
- No local government earmarks or special projects were funded.

The General Assembly also handled a small number of other legislative items this week, including:

- Overriding the Governor's veto of Senate Bill 166, which is now law. Senate Bill 166 makes various changes to state building codes and reorganizes the North Carolina Building Code Council. The bill was highly controversial and opposed by most local government groups.
- Overriding the Governor's veto of House Bill 556, which codified the law of Tenancy in Common in North Carolina and prohibits local governments from enacting ordinances barring landlords' denial of tenants who receive income from federal housing assistance programs.
- Overriding the Governor's veto of House Bill 690, which prohibits state agencies from accepting payments in central bank digital currency.

Pursuant to the adjournment resolution, the General Assembly has the opportunity to go back into session on October 9th, and there may be an effort to schedule veto override votes for House Bill 10 at that time, depending on legislator attendance. As always, your Ward and Smith Government Relations team will be following closely and keep you apprised of key legislative developments.

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