



The countdown is on for session to begin this Wednesday. With the aim of adjournment by July 1st, things are expected to gear up fairly quickly. Budget writers will hit the ground running this week, and some committees will even begin their work, with House Rules and Senate Transportation already setting times to convene on opening day.

REVENUE FORECAST

A recent forecast released on Wednesday indicates that North Carolina is poised to collect higher revenues in both the current fiscal year and the following compared to initial projections in the state's two-year budget. Economists from both the General Assembly and Gov. Cooper's state budget office anticipate collections exceeding the budgeted revenue for the fiscal year ending on June 30th by \$413 million, reflecting a 1.2% increase. Additionally, it is projected that the Fiscal Research Division and the Office of State Budget and Management will experience a \$1 billion uptick in the fiscal year starting on July 1st, surpassing earlier estimates by 3%.

While the budget passed by the Republican-led General Assembly originally foresaw a slight revenue decline from the current fiscal year to the next, an email from a legislative staff economist to lawmakers attributes this improved forecast to higher-than-expected individual income tax collections and slightly higher sales tax collections. Low unemployment, wage growth, heightened consumer spending, and upward price trends were also cited as factors. "Contrary [to] expectations in May 2023, the economy demonstrated greater resilience and avoided a predicted period of stagnant growth, or 'slowcession,' in late 2023 and 2024," the analysts said. "Instead, the April 2024 consensus forecast expects a 'soft landing,' with inflation easing toward the Federal Reserve's 2% target even as the economy continues to grow at a modestly slower pace than in 2023."

The revised forecast now anticipates \$34.14 billion in state operating revenues for the current fiscal year and \$34.37 billion for the following year. Senate Majority Leader Paul Newton proudly commented on the forecast calling it "a reaffirmation that the GOP is leading our state in the right



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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direction, balancing all the needs of residents, of educators, of job creators, of people that want to move somewhere they can achieve more — they're coming to North Carolina." However, the legislative economist did caution that income tax collections this April can be unpredictable, suggesting that a revised forecast might be necessary following additional details on those numbers next month.

JOINT LEGISLATIVE ELECTIONS OVERSIGHT COMMITTEE

Last week, the Joint Legislative Elections Oversight Committee convened to review the outcomes of the state's primary election under the new election laws and to receive an update on the North Carolina State Board of Elections (NCSBE) preparations for the upcoming November election. The meeting, spanning several hours, delved into various topics, but several key issues stood out.

One significant highlight was the implementation of statewide voter identification, which saw a success rate of 99.93 percent. NCSBE Executive Director Brinson Bell reported that out of 1.8 million voters, 1,200 arrived at the polls without photo identification. Over 700 of these individuals were able to complete the necessary steps to ensure their provisional ballots counted in the end. While committee members viewed this success rate positively, Brinson Bell cautioned that primary voters tend to be more informed than the average voter in general elections. Thus, the high success rate might not fully reflect the overall public's level of awareness.

Brinson Bell also emphasized NCSBE's proactive efforts in educating the public about the new voting laws, including the requirements for photo ID and the revised deadline for mail-in ballots. She noted that 1,000 votes failed to meet the new absentee ballot deadline of close of business on Election Day. Of these, 800 would have been valid under the previous law, which allowed a 3-day grace period for absentee ballots to arrive after Election Day.

Brinson Bell also underscored NCSBE's urgent need for additional funding to modernize their IT systems and bolster staffing. When a committee member asked Brinson Bell to reach out with any needs of NCSBE to best combat voter fraud, Brinson Bell suggested that joining ERIC, a national data-sharing group dedicated to maintaining accurate voter rolls, would be an effective strategy. However, ERIC has faced criticism from some quarters, casting doubt on its integrity and motives. Notably, the most recent state budget barred North Carolina from joining ERIC's membership.

THIS WEEK AT THE LEGISLATURE

Wednesday, April 24 - Opening Day!

Rules, Calendar, and Operations of the House | 11 am

House Session Convenes | 12 pm

Senate Session Convenes | 12 pm

Senate Transportation | 2 pm

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