



NC Justice Center

*Opportunity
and Prosperity
for All*

2005

Economic Recovery Agenda

North Carolina is entering its fifth consecutive year of economic tough times. The effects of these tough times can be seen in the lost jobs, lost homes, and declining incomes of average families and in a third annual \$1 billion revenue shortfall that leaves state government struggling to meet even the barest needs of the citizenry – in everything from education to health care to the environment.

If North Carolina is to have a realistic prospect of escaping the economic whirlpool in which it is caught, policymakers must take strong steps to do two complementary things:

First, state leaders must aggressively marshal state resources in order to ease immediate suffering, stabilize commu-

nities, combat injustice and bolster hope and confidence in the future; **Second**, leaders must renew the state's commitment to a long-term strategy that features large new investments in education, training, infrastructure, and community economic development along with progressive fiscal policy reform that equitably distributes the tax burden and raises adequate revenue to pay for essential services.

The N.C. Justice Center's "2005 Economic Recovery Agenda" provides a road map for policymakers and advocates who seek to tackle North Carolina's immediate and long-term challenges. We welcome your feedback and collaboration.

Increase Access to Affordable Housing

- Provide annual funding of \$50m to the NC Housing Trust Fund
- Expand the NC Home Protection Pilot Program statewide
- Improve state landlord-tenant laws
- Increase funding for the Minority Economic Development appropriations "package"

Support Low-Wage and Dislocated Workers

- Stabilize the Unemployment Insurance Trust Fund
- Fully fund and coordinate worker training programs and accompanying support services
- Eliminate the "waiting week" for Unemployment Insurance

- Improve Food Stamp outreach to low-wage and dislocated workers
- Provide adequate funds to eliminate the child care subsidy waiting list
- Preserve overtime protections for low-wage workers
- Require businesses receiving state incentives to provide benefits and pay living wages
- Raise the state minimum wage
- Increase funding for civil legal services for the poor

Protect Consumers

- Reform payday lending and other forms of predatory lending
- Improve laws regulating manufactured housing

- Expand consumer protections for homeowners facing foreclosure
- Assure that all North Carolinians can obtain affordable, reliable utility service
- Improve laws regulating debt counseling entities
- Increase statutory exemptions for judgment debtors and index them to inflation

Support State Employees and Contractors

- Provide state employees with a minimum pay raise of \$2,000
- Raise the minimum salary for state employees
- Pass legislation and programming to promote pay equity for women and minorities
- Reduce the employee cost-share and improve choice in the State Employees' Health Plan
- Repeal the prohibition on collective bargaining by public employees

Improve Access to Health Care

- Expand health coverage to all North Carolinians without health insurance
- Protect and expand current health care coverage for seniors, children, parents and persons with disabilities
- Provide an additional \$11m in annual funding to community health centers, rural health centers, and public health departments
- Enact regulation of NC Blue Cross/Blue Shield to rein in excessive profits and ensure low rates
- Improve services and mental health treatment for residents of long-term care facilities
- Increase the cigarette tax in order to prevent children from taking up smoking
- Provide a wage/benefit transfer for "direct care workers"

Assure Fair Treatment for Immigrants

- Improve standards and enforcement of migrant housing laws
- Ensure all qualified NC students are eligible for in-state tuition regardless of immigration status
- Provide workers' compensation to farmworkers
- Ensure all NC drivers are licensed and insured regardless of immigration status

Improve Tax Fairness and Adequacy

- Preserve NC estate tax revenues by "decoupling" from federal tax code changes
- Ensure that corporations pay their fair share of taxes by eliminating loopholes and maintaining equitable rates
- Modernize the state tax system to bring it in line with the 21st century economy
- Consolidate and reform business tax incentive programs
- Reduce tax system "regressivity" by implementing a state Earned Income Tax Credit
- Target any tax relief to low-income families
- Require state government to publish regular tax expenditures reports

Build a Better Public Education System

- Create, implement and fund a comprehensive statewide plan to provide every child, (including students who have been excluded from the public schools) with the opportunity to receive a "sound basic education" as required by the North Carolina Constitution
- Until a comprehensive statewide education plan is completed, increase funding for the Disadvantaged Student Supplemental Fund and implement criteria for how the fund shall be used and accountability procedures to ensure schools are fiscally responsible and achieve their goals
- Establish policies and fully fund research-based programs and strategies to reduce the high suspension and dropout rate among students
- Pass "restraint and seclusion" reform legislation

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