

Our Chambers jointly support legislation that will:

EDUCATE Our Region's Future Leaders

Pre-K-through 12 Public Education: CCNCEA requests the General Assembly adopt legislation that will:

- 1) Increase the per-student investment in public schools.** A high-performing K-12 education system is crucial for North Carolina to develop and attract sustainable, well-paying jobs. Per-student expenditures remain approximately 14% below pre-recession levels in North Carolina leaving us in the bottom 10% of states on this measure.
- 2) Eliminate the proposed A-F school performance grading model and establish an accountability model that recognizes the complexity of public schools.** North Carolina public schools are celebrating record graduation rates year after year, more students than ever are enrolling in college and our students are achieving competitive national test scores. Many high-performing schools now viewed as “A” schools in local communities will be relabeled as “C” schools under the current school grading law, even though they will experience no dip in performance. The A-F grading model will hurt efforts to recruit new industry, create jobs and retain our military bases.
- 3) Authorize a state bond referendum to help address the backlog of more than \$8 billion in public school facilities needs.** Our schools must be safe, functional, and appealing to students and families. Nationally, school tragedies have caused parents to demand safer schools for our children and employees, yet many districts struggle to afford even basic updates. After safety, comes form. Increasing demands of technology and evolving approaches to instruction require technology infrastructure and flexible spaces to enhance learning. Students learn best when their schools are safe, updated, clean and welcoming.

Community College System: CCNCEA requests that the General Assembly support our Community College System by:

1) Closing the Salary Gap: Instructor and Staff Salaries

North Carolina Community Colleges cannot be the best when our instructors are paid among the worst, ranking 15th out of 16 southeastern states. Over the next two years, allow colleges to retain the \$59 million in recurring funds now returned to the state as part of previous management flexibility cuts, and invest those funds in instructor and staff salaries, improving average salaries by 5%.

2) Closing the Interest Gap: NC Works Career Coaches

Overcoming an “interest gap” among young people will increase enrollment in high school to community college pathways that lead to good paying technical careers. Establish a fund to match business, philanthropy and local funding to place local community college-employed career coaches in high schools with \$7 million in recurring funds – phased in over two years. The program models successful NC efforts in Lee, Harnett and Chatham counties, as well as state programs in Virginia and Arkansas.

3) Closing the Technology Gap: Equipment and Technology

To prepare a workforce with current skills, community colleges must have current technology and equipment. STEM programs for technicians and health care workers lead to well-paying new jobs. Community colleges are increasing facility footprints and enrollment in these programs, but struggle to equip shops and labs with updated technical equipment. \$10 million in nonrecurring funds for equipment will provide an important infusion of funds to support new technology-based jobs.

East Carolina University: CCNCEA requests the General Assembly adopt legislation that will:

1) **Incentivize cost savings practices to encourage campus efficiencies.** Current statutes governing the carry-over of General Fund appropriations to the next fiscal year limits campuses to a maximum of 2.5% of its annual appropriation. **Increasing retained savings to 5%** could support critical one time investments such as building repair and renovations, computer and equipment upgrades, support of the the Distinguished Professorship program and implementation of energy savings and other efficiency initiatives.

2) **Restore Board of Governors authority for certain repair and renovation projects up to \$1 million.** ECU has a backlog of over \$400M in needed repairs and renovations. Previously UNC institutions were able to identify operational savings and utilize these funds for their R & R backlog, therefore fixing problems before they became costly emergency repairs.

3) **Provide In-state tuition to military veterans** in order to conform to recently passed federal legislation on VA benefits. The NCGA passed legislation supporting the VA's Yellow Ribbon program last session that no longer is workable for UNC campus to the federal changes. We encourage the legislature to pass conforming legislation to include the carry-forward of 2014-2015 appropriated funds to be used for transitional costs associated with providing in-state tuition for qualified veterans.

ENHANCE Our Region's Landscape

(Infrastructure, Environment, Transportation, Waterways)

Transportation: CCNCEA urges the General Assembly to address transportation plans that best position Eastern North Carolina and protect the current strategic missions of our military installations. Our Chambers also desire adequate support for a modern, efficient transportation network. We ask the General Assembly to create comprehensive, long-term solutions to meet the increasing transportation and infrastructure needs of eastern North Carolina, as well as resolve current funding challenges. Review and amend the current DOT funding model to give needed funding for eastern NC to enhance Highway 17 and complete Highway 70.

Invest in North Carolina's Ports: The North Carolina State Ports Authority is a catalyst for economic growth and development throughout the Eastern Region. NC Ports provide 5,000 jobs and generate \$42 million annual tax revenues in our 13 counties (ourncports.com). CCNCEA supports adequate funding as an investment that will ensure that our state ports are able to compete in the global economy and attract and retain business for North Carolina. Restore the railroad from Wallace to Castle Hayne and make capital improvements to the railroad from Castle Hayne to Wilmington.

EXPAND Our Region's Economy

(Tax Reform, Economic Development, Workforce Development, Small Business)

Military: Provide necessary resources & support for local communities to protect the current strategic mission of military bases in the East. Continue initiative to recognize military training towards state requirements.

Health Care: Continue efforts to reform Medicaid that include a provider led model of care phased in over 5 years and preservation of supplemental payments. Increase the number of North Carolinians with health insurance by increasing Medicaid eligibility standards to 138 percent of the federal poverty level. Reinstate 100 percent outpatient Medicaid reimbursement for Vidant Medical Center. Preserve Certificate of Need.

The Brody School of Medicine:

1) Support state funding and policy changes that ensure the fiscal sustainability of Brody School of Medicine at East Carolina University.

It is the mission of The Brody School of Medicine to educate North Carolinians as health care providers for our state and to provide access to care for the underserved in eastern NC. Growing financial challenges for ECU's medical school mirror those of community based medical schools nationwide. BSOM is now 72% self-funded (up from 38% in 1990) through its clinical practice, ECU Physicians. Thus securing revenue streams for the School of Medicine is vital to its survival.

Preserve Hospital Sales Tax Exemption: Hospitals do more than their fair share for communities every day. In 2013, hospitals in our region provided almost \$73 million in charity care and more than \$100 million in bad debt (most of which would be charity care if patients provided required documentation). Our regions' hospitals provided more than \$200 million in unreimbursed health care in 2013 (including charity care, bad debt, Medicare). A change to the tax code may cost hospitals about 30 percent of their annual revenue stream. This would cripple their ability to deliver on our mission to provide patient care.

Develop Incentive for Historic Preservation: CCNCEA understands the value that historic tax credits provided to its towns and cities. We ask the General Assembly to develop and implement a new incentive for investment in historic preservation projects that spur development.

Local Privilege Tax: CCNCEA requests that the General Assembly work with cities and towns statewide to find replacement revenue for the \$62 million that would be lost through repeal of the privilege license tax

EMPOWER Our Region's Leadership

(Caucus)

Eastern Region Caucus: CCNCEA formally requests that legislators in our region form a "Recognized Joint" Eastern Region Caucus.

CCNCEA will monitor the following items on our watch list:

Education

- 1) Return to a budget-funding model that gives school systems predictability on support for student enrollment growth.
- 2) Restore state support for driver education.
- 3) Provide recurring state funding for adequate staffing in all school operations (Administration, Principals, Teachers).
- 4) Ensure high standards and accountability for private and charter schools receiving public funding.

Approved unanimously December 9, 2014