



# North Carolinians deserve a voice in how our public dollars are spent

June 2024

Taxes are how North Carolinians come together to fund the public institutions we all care about, and the state budget is where we make shared decisions about where our tax dollars will go. **The state budget affects us all. All of us should be included in crafting it.**

In recent years, the budget process has become increasingly anti-democratic, dominated by a small number of powerful legislators, with regular North Carolinians and even most lawmakers excluded from the process. Our state deserves better.

## NORTH CAROLINA'S STATE BUDGET PROCESS SHOULD:


- ✓ **Understand the needs of everyday North Carolinians** by listening to the priorities we all have for well-being in our communities
  - ✗ *Increasingly, the public and even most lawmakers are left out of the process*
- ✓ **Include input from regular North Carolinians** and all the lawmakers elected to represent us
  - ✗ *Lawmakers in positions of leadership shouldn't be the only ones deciding how to spend our state tax dollars*
- ✓ **Give lawmakers and the public time to read the final budget document in its entirety**
  - ✗ *Last year, legislators cast their final vote on the budget only 48 hours after the 1,400 pages of documents were made public*
- ✓ **Deliver a state budget that works for all North Carolinians** by investing in areas like public education, child care, and elections — and asking corporations and the wealthy to pay what they truly owe in taxes
  - ✗ *Our current budget falls billions of dollars short of historical spending levels. It tilts our tax code toward corporations and the wealthy few by eliminating the corporate income tax (CIT) in 2030 and scheduling personal income tax cuts that will soon cost NC more than \$13 billion each year, when combined with losses from the CIT*

## QUICK FACTS ON NORTH CAROLINA BUDGET PROCESS


- North Carolina operates on a biennial — or two-year — budget
- The state must maintain a balanced budget, which means state revenues must cover all spending
- In odd years, the legislature meets for a long session to pass a two-year budget
- In even years, the legislature meets for a short session to make adjustments to the second fiscal year of the budget
- The fiscal year runs from July 1 to June 30.

## KEY STEPS IN THE NORTH CAROLINA BUDGET PROCESS:


- 1




The executive and legislative branches co-release a Consensus Revenue Forecast that estimates what state revenues will be for the fiscal years covered by the budget
- 2




State agencies prepare and submit their budget requests
- 3




The Governor releases a recommended budget
- 4




Each chamber of the General Assembly (the House and the Senate) approves its own version of the budget
- 5



A conference committee (with members from both House and Senate) develops a final budget that is a compromise between the two versions
- 6

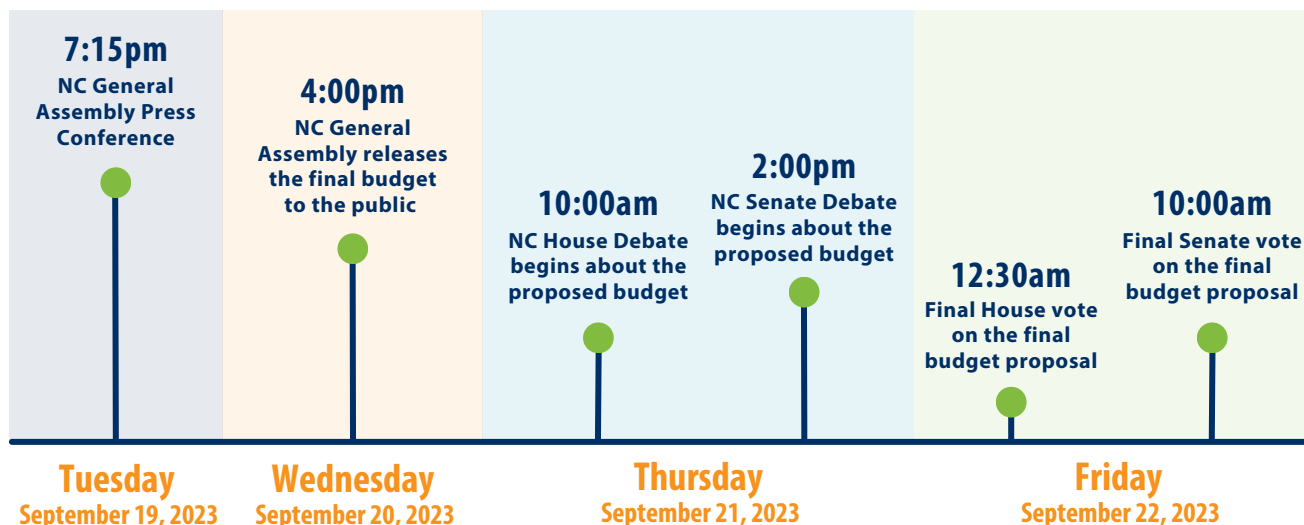


The House and Senate vote on the final version
- 7



The Governor decides whether to sign, veto, or let the budget become law without signing

## 2023-2025 FINAL BUDGET APPROVED IN RUSHED, 48-HR PROCESS:



\* To access this document on our website, go to [NCBudget.org/BudgetFactSheet](https://NCBudget.org/BudgetFactSheet)