



House Bill 180: Fiscally Responsible & Sustainable Budgeting

A better way to budget for NC's future

HB 180 Summary: Directs the Office of State Budget & Management and Fiscal Research Division to collaborate on long-term assessments of revenue and required spending that take into account changes to the cost of delivering services over at least a five-year period.

Long-term budget assessments can identify problems early so lawmakers can act on them

- Adopting the analyses in HB 180 would allow policymakers and the public to understand budget issues before they become severe and ensure that policymakers have time to adjust budgets when they are unsustainable. At least 15 states conduct long-term budget assessments.¹

While tax cuts are scheduled well beyond the biennium, NC's budget practices don't plan for the cost of services

- The NC General Assembly's current budgeting practices don't account for various long-term trends that could impact the state's ability to meet its responsibilities to its residents.
- The base budget does not account for several key factors that determine the cost of delivering public services. These can include enrollment trends, growth in the population served by a program or agency, and policy changes that require greater state commitment of funds.

More about HB 180

- Requires an annual budget assessment and revenue forecast covering at least five years into the future.
- Long-term budget projections would include assessments of spending needed to maintain current services given changing costs and population, new requirements to fund additional services mandated by the courts or policy changes, the cost of keeping state employee salaries updated for inflation, and an analysis of any changes in federal funding.
- These long-term budget projections would be delivered with the Governor's budget message.

¹ <https://www.pewtrusts.org/en/research-and-analysis/reports/2023/11/tools-for-sustainable-state-budgeting>