April flew by at the North Carolina legislature. There were a lot of late nights leading up to the bill crossover deadline on April 30th. For the uninitiated, crossover is the date by which most legislation must pass at least one chamber in order to be considered during the legislative session. (Bills that are appropriations or finance-related are not subject to this rule.) For a more in-depth explanation of what this means for a wide variety of bills, check out the coverage at WRAL and the News and Observer.

The focus now turns to the development of the budget in the House. Lawmakers are expecting a consensus revenue forecast for the coming fiscal year early this week. When the revenue picture is clearer, Appropriations subcommittees will receive their targets and will develop their budget recommendations to the full Appropriations chairs. We will update you on issues of interest as we move through the process.

Below is an update on legislation related to the United Way of North Carolina
STRENGTHENING THE NONPROFIT SECTOR

Revenue update: A number of bills have been proposed that could affect taxes on nonprofits and the state’s overall revenue. These bills have not yet been taken up but such proposals will start to move forward, if at all, as we turn to the state budget in the coming weeks.

HB 760, Regulatory Reform Act of 2015 (Millis, J Bell, Riddell). HB 760 recommends a number of changes to state laws and policies. There are two provisions that may be of interest to United Ways and other nonprofits. One provision proposes the establishment of a new Government-Nonprofit Contracting Task Force. This task force is tasked with studying several issues including late contracts and payments, redundant and unnecessary reporting requirements, and underpayment of indirect costs to nonprofits. Another provision would clarify that uncompensated nonprofit board officers and volunteers are not employees for the purpose of the state workers’ compensation law. HB 760 is scheduled for a final vote in the House this week (it is not subject to the crossover limitation).

Education

HB 673, Modify Read to Achieve (Glazier, Johnson, Horn, Meyer). HB 673 bill proposes amendments to the reading portfolio and parental involvement components of the Read to Achieve law. HB 673 passed the full House last week and has been referred to the Senate Committee on Ways & Means.

Financial Stability

HB 541, Proof Required for Debt/Fees (Collins, Szoka, R Moore, Jeter). HB 541 would eliminate the requirement that debt buyers must include detailed information about the debt, including when and where the debt originated and specifics about the amount of interest and fees agreed upon, before suing a consumer in court. The bill is not crossover eligible and thus can still be taken up in the House Finance committee.

SB 681, Consumer Access to Credit Act (Gunn). SB 681 would increase rates and fees for borrowers who take out small consumer finance loans. The bill was not taken up before the crossover deadline. This should mean that it will not be taken up this session but there are certain procedures that could allow the bill to be considered.

HB 832, Revise Certain Policies/Child Care Subsidy (Dobson). This bill would reinstate the pro-rated copayment for child care subsidies and redefine the family unit to include only parents and stepparents, which will allow other relative caregivers to continue to access child care subsidies. It pass the House Health Committee and has been referred to the Appropriations Committee.
Health

HB 407/SB 423, Foster Care Family Act  
(Stevens, Glazier/Barringer, Harrington, Tucker). HB 407 and SB 423 propose changes to normalize family life and reduce stigma for youth in foster care. They also propose several supports that would assist families and children, including reducing barriers for foster children to obtain drivers licenses; providing access to liability insurance for foster families to cover foster children; and allows DHHS permission to explore a Medicaid 1915(c) waiver for children with serious emotional disturbances. Both the House and Senate versions of this bill were approved in the respective chambers last week. One or the other will need to be passed by the other chamber to become law.

SB 676, Autism Insurance (Apodaca, Krawiec). SB 676 would require health insurers to provide coverage for the treatment of Autism Spectrum Disorders in North Carolina. It was approved by the full Senate last week.

Update on CHIP Reauthorization - Good News!
Since last month's update, the CHIP Reauthorization has been signed into law! The Medicare Access and CHIP Reauthorization Act of 2015 was signed into law on April 16, 2015. It extends the Children's Health Insurance Program (CHIP) for two years (for a total of 4 more years, it was already extended for 2). It also includes the "doc fix," which replaces the Sustainable Growth Rate (SGR) formula that cuts Medicare doctors pay in theory, but has been pushed off by 17 short-term patches since 2002 to avoid doctors refusing to take Medicare patients. Medicare doctors would have seen a 21% cut in April of 2015 if the fix wasn't passed. It also requires higher premiums for seniors who make more than $133,500 to pay more for Medicare coverage starting in 2018.

Thank you for your advocacy on this important issue!

Miscellaneous
Proposed regulations implementing the Voter Identification law have been posted for public comment, along with the scheduling of 8 public comment hearings throughout the state.

Interesting Reading
The 2015 State of the Sector Survey is complete and reports that 78% of North Carolina nonprofits experienced an increase in demand for services in 2014, and 60% were unable to meet these demands. The survey also found that almost half (45%) of North Carolina nonprofits with state grants and contracts experienced late payments last year, and that 35% of these organizations used reserves to manage these payment delays. More than half of North Carolina nonprofits (54%) had three months or less of cash available in reserves.
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