



NCRGEA Government Relations Update

NCRGEA Government Relations Update #21-04

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Revenue Forecast 2021-2023

The consensus revenue forecast for the 2021-2023 biennium, which is an agreed upon by the Governor's budget staff and the legislative budget staff, was made public on February 11th. The consensus forecasts typically come out every quarter. However, there has not been a forecast since May 2020 due to the pandemic. So, there was great anticipation for this forecast since the General Assembly and the Governor develop their budgets from these revenue estimates. There is good news! The consensus forecast projects revenues from 2020-2021 to be \$27.6 billion which is more than \$ 4 billion above their forecast in May. For the second year of the biennium revenues (2021-2022) dropping slightly to \$27.3 billion.

Why the increase in revenue: Personal income taxes and sales tax income have exceeded expectation. Small store-front businesses have suffered greatly in the pandemic as well as restaurants and hotels, but online sales were boosted bringing in a growth of 8.1% in sales tax revenue. Also, last year's delayed income tax filing deadline of July 15th boosted revenues by \$1.1 billion for this fiscal year.

The North Carolina economy has actually seen modest growth in the last year. Last year's federal stimulus brought in \$18 billion to NC households and \$12.5 billion to NC businesses providing a much larger impact to the state's economy than projected.

What does this mean for retirees: This good news for our efforts to maintain the value of retirees' pension income. We will continue to promote expansion of the Bailey Act, retiree tax credit and a COLA.

Cola Bills Update

Our lobby team is working to identify sponsors to introduce a COLA bill in both the House and Senate. We are working to have bipartisan support for these bills and for these bills to include both local and state retirees.

Recap of General Assembly's Activities Last Week

Senate Bill 37

The House passed its version of [SB 37](#) on Thursday by a vote of 77-44. The House has added some measures to ensure reasonable work accommodations for classroom teachers. While most legislators support students returning to school some members believe it should be left to local school administrative units and schools. Also, most school districts are already planning to bring students back to school without this legislation.

The House version of the bill was returned to the Senate last week; however, the Senate opted to wait until this week to consider the House changes.

Please take a few minutes to view our weekly update video and learn about the different scenarios facing SB 37 in the legislative process.

Click on link to watch video: <https://youtu.be/Qc5skZqUBVA>

Stay Tuned!

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