

**DURHAM COUNTY BOARD OF COMMISSIONERS
SPECIAL BREAKFAST MEETING WITH
DURHAM COUNTY LEGISLATIVE DELEGATION
AND DURHAM PUBLIC SCHOOLS**

Durham County Commissioners' Chambers
200 E. Main Street

Monday, May 19, 2003
8:00 A.M.—9:30 A.M.

MINUTES

Present: Chairman Ellen W. Reckhow, and Commissioners Philip R. Cousin Jr., (arrived at 9:18 a.m.), Becky M. Heron, and Mary D. Jacobs

Delegation: Senator Wib Gulley, Senator Jeanne Lucas, Representative H. M. "Mickey" Michaux Jr., Representative Paul M. Miller, Representative Paul Luebke, and Representative James W. Crawford Jr.

County Staff: County Manager Mike Ruffin, Public Information and Governmental Affairs Director Deborah Craig-Ray, County Attorney Chuck Kitchen, Clerk to the Board Garry E. Umstead, Deputy County Manager Carolyn Titus, Social Services Director Daniel C. Hudgins, and DSS Director of Customer Access and Program Support Sharon Hirsch.

School Staff: Superintendent Ann Denlinger, Associate Superintendent Bert L'Homme, and Assistant Superintendent Hank Hurd

Absent: Vice-Chairman Joe W. Bowser

Presider: Chairman Ellen W. Reckhow

Chairman Reckhow initiated introductions of those present.

Chairman Reckhow began the meeting by stating that two major priorities presented at the last meeting appear to have been included in the State budget. These are the restoration of the "Hold Harmless" fund and the restoration of the Public School Capital fund. She thanked the Durham Delegation for their work to have the two funds restored.

Discussion of the Education Funding

Chairman Reckhow said that the Commissioners wanted to bring the Education issue to the Delegation.

The Chairman recognized Dr. Ann Denlinger, Superintendent of Durham Public Schools, and Hank Hurd, Assistant Superintendent, to speak about the implications of the current budget reduction proposals on Durham Public Schools. The state budget reductions totaled \$4,241,283; the effects of state and local budget reductions totaled \$6,018,000—for a total reduction of \$10,259,283.

Dr. Denlinger began the presentation on the school budget by using the most recent information coming from the budgets of the Governor, House or Representatives, and Senate. She asked Hank Hurd to make remarks from the financial perspective.

Mr. Hurd responded to the request by presenting financial information about the school system.

The three groups represented discussed the school budget with questions and comments.

Chairman Reckhow said the Commissioners wanted to give the Durham Delegation a quick overview of the funding concerns.

No official action was taken on this agenda item.

Discussion of Medicaid Relief

Chairman Reckhow recognized Sharon Hirsch, DSS Director of Customer Access and Program Support, to give the Durham Delegation an overview of the Medicaid Relief funding.

Ms. Hirsch commented that the total proposed Medicaid Budget for FY 2003-2004 for Durham County is \$218,295,998. The County share is up by \$393,450. This is the smallest increase in several years.

All 100 counties are required to contribute a percentage of the non-federal share toward Medicaid. The State pays approximately 85.6% non-federal share of the total Medicaid cost, with the balance paid by the counties. Only New York and North Carolina mandate County participation in all Medicaid services cost. Twenty-eight of 45 states report no county Medicaid participation.

The Durham County Budget for Medicaid in FY 2002-2003 follows:

- \$194,639,009 Total
- \$118,884,936 Federal (62.778%)
- \$ 64,450,571 State (31.864%)
- \$ 11,303,502 County (5.358%)

Each year, 80%-100% of the budget increase in County funds is to provide the legally-required match for Medicaid. As a result, the County has trouble investing in other

programs and staffing issues, such as caseload increases. There are no State dollars to help with staffing in public assistance. It is a 50/50 (Federal/County) share of the costs.

A question and answer period followed Ms. Hirsch's presentation.

No official action was taken on this agenda item.

Status of the Durham County Legislative Agenda

Chairman Reckhow recognized Deborah Craig-Ray to make a presentation on the status of the Durham County legislative agenda.

Ms. Craig-Ray and County Attorney Chuck Kitchen presented an overview of Durham County's legislative agenda items for 2003. They discussed the priority issues, seek items, and the support items. The bills that have been introduced were discussed to determine the status of each bill at this time in the process.

A lengthy discussion period was held by the County Commissioners and the Durham Delegation.

Possible Legislation on Williams v. BCBSNC (Blue Cross Blue Shield of North Carolina)

Chairman Reckhow recognized County Attorney Chuck Kitchen to make a brief presentation on the above-named bill.

County Attorney Kitchen brought to the attention of the participants a proposed bill that would correct the ruling in *Williams v. BCBSNC* concerning the legislative powers of counties and cities, and also would limit the authority of cities and counties in creating Human Relations Commissions, as stated in *Williams v. BCBSNC*.

County Attorney Kitchen said that the Supreme Court has taken away the legislative power from both cities and counties in North Carolina.

Attorney Kitchen responded to questions and comments about the proposed bill.

The County Commissioners requested the Durham Delegation give attention to this important legislation.

No official action was taken on this agenda item.

Priority NCACC Legislative Goals—Problem Bills Received at Recent Briefing

County Attorney Chuck Kitchen reviewed some of the NCACC Legislative Goals Priority bills for the Durham County Legislative Delegation.

The Bills County Attorney Kitchen highlighted dealt with the following items:

- Local Government Finance
- Long-Term Care
- Latino Issues
- Service of Process Fee
- Appeal, Juvenile Treatment Orders

Bill to Raise Public School Attendance Age to Seventeen

Chairman Reckhow commented on the bill that Senator Gulley brought to her attention. She said the Durham County Board of Commissioners took official action in support of the bill. A discussion followed on this bill.

Economic Development

Senator Gulley advised the County Commissioners to study Senate Bill 725 very carefully. This bill would amend the North Carolina Constitution to permit cities and counties to incur obligations to finance the public portion of certain economic development projects.

Chairman Reckhow suggested that this bill should be put on the “problem bill” list.

NCACC Legislative Issues—Problem Bills

County Attorney Chuck Kitchen discussed several of the bills that would affect Durham County directly. The bills dealt with property tax. The bills he discussed the most were Senate Bills 727 and 862. These two bills related to property tax valuation of low-income and moderate-income housing.

Senator Gulley recommended that a letter be sent to Senator Dan Clodfelter to let him know of the opposition to Senate Bills 727 and 862.

Senator Lucas noted that the County Commissioners do not want the Durham Delegation to vote for these “problem bills”.

County Attorney Kitchen responded that the Commissioners are opposed to these bills.

The last two bills County Attorney Kitchen encouraged the Delegation to vote against were House Bill 403 and House Bill 429. The members of the Delegation were opposed to these two bills.

Adjournment

Chairman Reckhow adjourned the meeting.

Respectfully submitted,

Garry E. Umstead, CMC
Clerk to the Board

GEU:SBP