



July 3, 2008

An Open Letter to the North Carolina General Assembly: Remember the Taxpayer during Budget Negotiations

Dear Senator or Representative:

On behalf of the 8,800 North Carolina members of the National Taxpayers Union, I urge you to “remember the taxpayer” during ongoing budget negotiations. At a time of soaring fuel and food costs, the government should follow the lead of families across the state by reining in its spending habits in order to balance the budget.

North Carolina taxpayers already send enough of their hard-earned money to Raleigh. On a per-capita basis, residents of North Carolina pay \$3,933 (about 11 percent of income) every year to cover their state and local tax bills. As you proceed with your budget deliberations, it is vital to refrain from increasing this burden even more by delaying expected gift tax relief. Instead, consider turning to state spending as a prime target for sensible reductions.

Limiting the growth of government employee pay hikes is one option for spending restraint. Public employees already enjoy a generous compensation and benefits package, especially when compared to similar positions in the private sector or even government positions in other states. North Carolina teacher compensation (when adjusted for cost-of-living factors, experience levels, and pension contributions) is \$5,400 more than the national average. Most workers cannot expect across-the-board pay hikes every year, and the state should consider limiting public salary increases.

Beyond this, we urge you to review the excellent work of Joseph Coletti of the John Locke Foundation, whose recent budget analysis identified savings of up to \$300 million in operating expenses and as much as \$250 million in new debt. Coletti identified numerous wasteful or low-priority projects that could be eliminated, like an inflatable planetarium, a John Coltrane museum, and a mandate for the state use of biodegradable bottles. Furthermore, the state could cut interest costs on bonds by restructuring loans to go before the voters for approval. This would also provide taxpayers with an important check against state borrowing for questionable purposes.

Finally, our members expect the discussions over how their tax dollars are spent to be open and transparent to the general public. The provisions contained in the NC Coalition for Lobbying and Government Reform’s statement on improving the state budget process (in particular, putting relevant information on the Internet and providing time to read documents) appear to make good sense, and we ask you to incorporate them into this budget round.

Sincerely,

Kristina Rasmussen
Director of Government Affairs