



Cape Fear Firebird

The Light of Save the Cape

May 24, 2011

No man's life, liberty or fortune is safe while the legislature is in session.
–Judge Gideon Tucker (also attributed to Benjamin Franklin)

Senate Surprise

The Senate version of the 2011-2012 State budget sent over by the House, H200, was released by the Appropriations Committee today. Many people are not pleased. We among them:

- Section 14.6(a) of the House bill provided for transfer of the North Carolina State Ports Authority from the Department of Commerce to the Department of Transportation. The transfer would be a “Type I” transfer, which increases oversight, something sorely needed for an agency that has contracted \$44 million in debt to plan a deepwater port where the water is not deep to supplement a port which is operating well under capacity. But the Senate changed that to a “Type II” transfer, preserving the autonomy that facilitates such reckless decisions.
- Section 30.3(a) of the Senate Bill includes \$700,000 for state matching funds for federal funds for water resources projects, including the beginning of a feasibility study nominally for Wilmington Harbor improvements but which is based on a Corps of Engineers analysis that includes the proposed megaport at Southport as an option. But those “matching” funds are not matched by the Federal budget, and won’t be for at least two years, so the Senate bill includes language to permit moving the money around to other projects. There are also three million dollars allocated to unspecified “State-local” projects. The result is a \$3.7 million slush fund. The Corps of Engineers routinely “reprograms” funds from other projects, so the Federal matching funds might be found somewhere or other. The authority is in place.
- Section 30.3(b) of the House bill had included language to prohibit spending of any of those water resources funds on the North Carolina International Terminal at Southport. That language was carried over from the 2011 budget; it had been inserted by Representatives Frank Iler and Pricey Harrison in an amendment that carried by an overwhelming margin: 104–11. That language was removed in the Senate version, so the slush fund would be available for the NCIT.
- Section 30.8 of the House bill had included language to prevent Department of Transportation funds from being used for the North Carolina International Terminal, a useful precaution considering the huge size of the NCDOT budget. That section was removed by the Senate.

We are perplexed—and concerned—as to why the Senate would pick a fight with the House on these points when there are issues of genuine disagreement. Surely, the House and Senate can agree on eliminating wasteful spending in the budget and increasing oversight of an agency out of control.