



THE NHC GOP Podcast Transcript

Season 2, Episode 16: A State Budget With No Increased Taxes: Podcast with Ted Davis

Reuel Sample: Welcome to the NHC GOP podcast. I'm Reuel Sample. I am happy to be joined by a man known in both houses of the state legislature and a very good friend, Ted Davis. Welcome aboard to the podcast tonight, sir.

Ted Davis: Hello Reuel.

Reuel Sample: You folks have been going like gangbusters. We're going to talk about the budget here specifically. But ever since Republicans got that supermajority at the state legislature, you folks have been living up to your promise of getting things done.

Ted Davis: That is true. We've got a lot of great things done. And one thing I'm really proud of, since we do have the supermajority in both chambers, is that we've been able to bring back a lot of good Republican bills, conservative legislation that was passed previously when we did not have that veto proof majority and the governor vetoed them. And there's nothing we could do about it. So we've been making up a lot of ground on those. Plus, we've gotten a lot of other good conservative Republican legislation done that he has, of course, vetoed and we've overridden.

Ted Davis: I have never enjoyed pushing that little green button for years as I have recently. It just makes me smile.

Reuel Sample: And you are being backed up by a conservative majority in the Supreme Court at the North Carolina level so you folks can get things done and not

have to worry about judges overruling you. They will look at everything that you do through the eyes of the law, not through the eyes of politics, which is great.

Ted Davis: Correct. And if we've done something that is not in accordance with the law, then they're welcome to do whatever as far as overruling what we've done.

Reuel Sample: And we expect them to do that. We expect that we want them to do that.

Ted Davis: So we're not we're not asking for any favors or whatever. It's just nice. Now, when the legislature does go to the Supreme Court over an issue, it's nice to walk into the courtroom knowing it's already a done deal and you're going to get beat, at least now when we go in, we know we've got judges that are going to be open minded, going to listen to what the evidence is and do what they need to do according to the law, not politics. Exactly. Which is said.

Reuel Sample: Which is what we want. But the big thing we want to talk about is the long awaited budget. Is that you you folks got we're getting a little bit of criticism for waiting so long. But this is I didn't I wasn't able to read the whole thing. It's 625 pages.

Speaker3: That's just part of it.

Reuel Sample: That's just part of very hard work from you folks.

Ted Davis: This is the one you're talking about. This is the one that you're not talking about. So you put them all together. It's a whole lot.

Reuel Sample: For those of you folks who are just listening and not watching the podcast, just picture two volumes of War and Peace put side by side. And that's about the the thickness of this state budget. So now this has been passed by both houses and has been sent to the governor's desk. And the governor has decided not to veto it, but he's not going to sign it either. So how does this work?

Ted Davis: When a bill is or a legislation is passed and it goes to the governor, he has three options. Number one, as you said, he can veto it. Number two, he can go ahead

and sign it and put it into law or he can allow the time to lapse and that he has to make that decision and not sign it or veto it. And it just comes into law without his signature. And that is what he has said he's going to do here.

Reuel Sample: Okay. So he's sort of punting.

Ted Davis: Yes, Yes.

Ted Davis: He is wanted Medicaid expansion for a long time. And that was in the budget. And so he likes that. But there are a lot of things in the budget that he does not like. So I guess he's holding his nose and not going to veto, nor is he going to show his support for what was in there that he wanted and sign it. I mean, it is what it is.

Reuel Sample: Let's talk about a few things that are in this budget. We've had a big conversation about education. There is a lot of things in here for education. I'm just going to focus on on a couple of things is that for new teachers, there's an accelerated pay schedule. Is that what I'm seeing?

Ted Davis: Yes, the actually for new teachers, there has been an increase in teacher salary by 11%, which means it's \$41,000. What you're talking about is that there are going to be increased. Well, there's an increase for average teacher pay to over \$60,000. Overall, it's a 7.4% raise for teachers. And there is a I mean, it just goes on and on and on.

Ted Davis: It really is such a good budget. You've got teachers that are in rural, underserved areas that need and the counties cannot help them as far as salary supplements. So this this budget puts in \$400 million to help teacher salary supplements to assist those teachers that are in rural and underserved areas.

Reuel Sample: So if you're out there in the middle of Podunkville and you're your local school board just because you don't have people, you can't you don't have the income to to serve these. But those kids still need an education and they still need good teachers. This is what's going to cover that.

Ted Davis: It certainly is going to help. You are correct. And even give 7% raises to principals and non certified school staff. So they're included in this budget. You've got, you know, school bus drivers. We were having a problem having school bus drivers. Actually, there were some schools that the kids couldn't get there. And so what this budget does is a 9% raise for school bus drivers to entice people to either were that quit or have were not and will become a school bus drivers. You've got a 7% raise for state employees. You've got a 7% raise for a UNC system and community college employees. One thing that's very important, I know we're getting a little off the education, but one thing that's very, very important as well is 11% raise for state highway patrol.

Reuel Sample: I was going to bring that up. That's an amazing amount of of increase. But we are concerned about public safety. That's got to be covered.

Speaker3: Well, and what we were really running into Reuel was that there were patrolmen that were quitting to go work for. Sheriff's departments, police departments, private industry, all of which were paying more money. So there were there were a lot of vacancies in the highway patrol. And so this is a measure that really need to be done to help keep patrolmen that are there and also to entice people to join the highway patrol.

Reuel Sample: That's a that's a lonely job. They're out there by themselves. They're not just they're not just pointing a radar gun at you. These folks are out there enforcing laws in places where there aren't police departments, sheriff's departments and other things.

Ted Davis: Was started practicing law as a state prosecutor in Columbus, Brunswick and Bladen County. And I lived at White Lake and I was young. I was a bachelor and I was bulletproof. So during the winters, when there was nobody around or anything to do, I'd ride with my highway patrol. And we'll be back. I mean, we're back in the middle of nowhere. We'll be getting in the high speed chases and stuff. I'll tell you what, my hat's off to these highway patrolmen as well as all law enforcement. They really put themselves out there on the line. But it was I can remember one time we were in a high speed chase. We were going 100 and some miles an hour. And a patrolman just said, Gee, Ted, I hope our deer doesn't run out in front of us. I mean, you know, it was messing with me, but still, it scared me to death.

Reuel Sample: Back back to education. I'm seeing I'm seeing funding for innovation for teachers who bring innovative technology and other methodologies into their classrooms.

Ted Davis: I know it's wonderful you're talking about. Yeah. With with the K through 12 education. Yeah. It makes all students eligible for private K-12 K through 12 school tuition assistance. This is the opportunity scholarships quite frankly, the Democrats do not want. Governor Cooper does not want opportunity scholarships. They don't want money going to families to help them send their children to private schools because they want everything to go to public schools. But Republicans believe that a parent should have the option. They should have the right and the option to decide what is the best education for their child to receive, be it public education, be it a private school. They also want to know what is going on in their child's school and what they're being taught. And that sort of gets into a parent's bill of rights that we passed in another piece of legislation. But um, so there some criticism because now this opportunity is open to all individuals. So you will have families that may have money that can still qualify to get this assistance, but it's on a sliding scale. In other words, the higher income, the lower the amount that you receive. So but still, it's fair to everybody.

Reuel Sample: I find it I find it ironic that some of the biggest opponents of school choice are those who are sending their kids to private schools anyway. Is that is that they they're they've got the income to send their kids to elite schools, but they don't want they don't want others to go based upon their economic status.

Ted Davis: Well, this is a good thing in my mind. I've been a supporter of opportunity scholarships since it started because once again, it's something that Republicans believe in and that is school choice. And this will help to continue that. But I know there are a lot of people that are concerned about school health, such as counselors and nurses. This budget has \$10 million to help fill those positions. Um, \$70 million for school safety grants. You know all about the safety of our of our children when they're there as far as low income students as \$9 million to cover school lunches for children that cannot afford to pay for their lunches. Um, 21.6 million for classroom materials, supplies and equipment.

Ted Davis: One thing it does as well dealing with private school charter schools, which are which are public schools. But it restricts the State Board of Education from withholding funding, which they tried to do for charter schools, once again, trying to eliminate a school choice for a parent to have to send their child to charter schools rather than they want all the Democrats, they want all the money, you know, to go to public schools. They don't want parents to have that right. So, once again, this is just part of a whole lot in that budget that addresses education. And remember to Reuel when we do a budget, Not only are we talking about K through 12, we're talking about the community college system as well as the UNC system, and there's money in there for that.

Reuel Sample: I was I was looking at that. Is that the Cape Fear Community College here in New Hanover County gets a sizable. budget for integrating new career development programs with the local. Local school districts. You could probably tell more about that. But this whole idea of giving community colleges more funding so that they can train people to go out into the workforce is amazing.

Ted Davis: There's one thing, too. I know when I was a county commissioner, there was a lot of attention to be paid to having vocational education in high schools because not everybody is going to go to college. Not everybody's going to go to a four year school. Not everybody's going to go to a community college. And teaching a trade in vocational education can help those that are not going to be going to any any further schooling to be able get out and get a job and be an asset and contribute to the community. And one thing that whenever I talk about that, I think about the CTEC High School. Which is just a phenomenal high school. It sort of has a tie in to the community college, but their curriculum is unbelievable and it really helps. Children from in the area that go to that school to have a just an unbelievable choice of things that they can study and learn about so that when they graduate, they can go out into the workforce. It's just a great asset for vocational education. I'm a big proponent of that.

Reuel Sample: We just had a podcast with the Board of Education and they were talking about a \$25,000 grant that they just received from Toyota to develop and continue to develop automotive trade learning. And this this just this is just really an affirmation by the state that that kind of education, that kind of trade based education is important here in North Carolina.

Ted Davis: Well, our Community college system is just an excellent community college system all through the state, but they do a lot of training for people. For instance, I know Verizon, one of the main reasons Verizon came to Wilmington is because when they were down here looking at the area they met with, the community college, said, look, you tell us what you need. We'll teach the courses. We will create a program, teach the courses so you have employees to work for you. And they did. And that was a big reason why they came nursing. They got an excellent nursing school. They got all kinds of different programs to help people and train people to get these jobs so they can go out in the community and once again be an asset to the community.

Reuel Sample: What I'm seeing in this budget for education is two complementary goals. On one hand, you are strengthening the public school system through increased pay for teachers, increased pay for staff, innovation grants, helping those who are in less fortunate communities or under underserved communities to strengthen the public schools. But on the other hand, you've got the school choice program, which also helps. So it's all geared to making sure that our kids are getting educated, whether it's in the public system or in the private system at the trade level. College, I think it's a fantastic.

Reuel Sample: And you're doing all this, I want to add, without raising taxes.

Ted Davis: Yes. As a matter of fact. We're reducing taxes.

Reuel Sample: You're reducing taxes. That's not so. You're not supposed to be able to raise outflow and decrease taxes. How are you doing that?

Ted Davis: Well, because we're smart. No, I will say that we are going to cut taxes by \$1.2 billion for families and businesses over the next two years. And we're accelerating the reduction in personal income tax rate to 3.99% by 2026. Like I say, it just keeps going down in increments. And one of the reasons seriously why we're able to do that is because the Republicans, since we've taken over the majority, have gone in. We have tried to streamline government regulations to make North Carolina more business friendly. In other words, getting rid of regulations that really are not necessary. Also by reducing state income taxes. In other words, to entice people to be able to come to

North Carolina. We have been rated the number one state to for business the last two years.

Reuel Sample: That's amazing.

Ted Davis: Well, and that and that is because of all the things that we have implemented to once again make us more business friendly. We got businesses coming in. We got businesses that are here expanding. I mean, we are just in tremendous, really good financial shape and that's why we're able to reduce taxes, which of course reduces state revenues because we have all of this income coming in from the taxes that we do charge, but also the businesses. I mean, it's just, you know, when you got business coming in, good businesses that not polluting but good businesses and you got people that are working. When people work, they earn money. When they earn money, they buy, you know, so you've got sales tax. It just and when and when you help a business buy from a business, they employ people. I mean, it's just a great economic circle. And so as long as we can keep that going on that we are that noted for business and businesses do keep coming here and people do keep working. We're going to keep having more income and we're able to do the things we're going to do. As a matter of fact, we've got a very large surplus, a rainy day fund.

Ted Davis: And I know years ago Governor Cooper was very critical of the legislature because why do you have this money sitting over there in a rainy day fund when you could be using it, You could spend it, You. Know, just Democrats spend, spend, spend. More, more, more I mean, that's their trademark. Well, when we started having these hurricanes and these other national disasters, guess what? The state was able to appropriate money to help people that were victims of those natural disasters. And we did not have to raise taxes to do it. And we did not have to cut services to do it.

Reuel Sample: Or go in debt.

Ted Davis: That's right. Why? Because we had the rainy day fund and I know a lot of people say, well, why don't you spend it on this? Why don't you spend it on that? Well, proof's in the pudding. And and we have shown that it pays off to do what we're doing. When those disasters and those things occur, you watch.

Reuel Sample: What you are showing is that it's what states like Texas, Tennessee, Florida is that if you reduce the the the burden of taxes, if you properly oversee the spending of the state, is that not only will the tax the tax rate go down. But income for the state goes up because you are you are relying more and more about on the most progressive tax there is and that's a sales tax is that the more you spend, the more tax you make, which just just which is just simple economics.

Ted Davis: And if you don't want to pay that tax, don't buy anything.

Reuel Sample: Don't buy anything.

Speaker3: So you have a choice.

Reuel Sample: So there are there are big things in infrastructure. There's big things in public safety. But you are the representative for New Hanover County. And so what is New Hanover County looking forward to in in these in these expenditures for the coming year and years?

Ted Davis: I'm real happy for the second biennium in a row I've gotten everything I asked for as far as appropriations. So I'm really happy about that.

Reuel Sample: I think it's because most people are afraid of you up there on the on in Raleigh, Ted.

Ted Davis: Well, I must admit, the appropriations chairs, when they see me coming, they do kind of try to dodge. So here comes that Davis again.

Ted Davis: But for instance, Fort Fisher, I got them was able to get \$2.8 million to to finish the last phase of their projects they got going on down there where they're going to actually rebuild two of the mounds that were there during the Civil War. And inside those mounds, they're going to recreate the telegraph office that was in there, the hospital that was in there where they were storing ammunition. It's really going to be a neat finish to what they're doing down there because it is the number one historic site in the state for visitation. It's a very big economic engine for down there, just like the

aquarium is down there. And I was able to get appropriations for the aquarium for them to finish the expansion project that they're undergoing. We're talking around 30 million.

Speaker3: Wow.

Ted Davis: Good Shepherd House had come and asked me if they could get \$750,000 to help what they're doing at their site for housing, for the homes. And I'm very happy that I was able to do that. I know the schools asked me if they could get \$210,000 for a high impact tutoring at Forest Hills School in Freeman School, which are two of our lower performing schools in our in our school district, to help the children out there to be able to receive tutoring, to hopefully help them to perform better. And I was very happy to get that.

Ted Davis: But a couple of things that. Water and sewer, as you know, are very important. And Wrightsville Beach, which I represent right now, has a problem with their wells where they get their water from one well that they have on the Wilmington side of the Intercoastal Waterway has PFAS pollution. A lot of their wells on the beach side have salt intrusion, so they're actually having to buy water from Cape Fear Public Utility Authority. What they want to do is they want to consolidate their water and sewer with Cape Fear Public Utility Authority. But the authority before they would agree to do that is going to require Wrightsville Beach to come up to the standard with their equipment like the authority has. Sort of like when people want the state to take over a road, the state says, well, get it up to a state conditions and we'll take it over. So that project is around \$25 Million. And I was able to get that funding. I'm just tickled about that. So \$8 Million would go directly to Wrightsville Beach for their share of what they were going to appropriate. And then the remaining 17 million will go to directly to Cape Fear public water and sewer.

Reuel Sample: And this is to handle this is to handle the it's a big issue as you said, the PFAS that's that chemical in the waters that it's one of those that never goes away. It just continues to build up within this. And you have been at the forefront of of making sure that companies who dump this stuff are an inherent part of getting it cleaned up and also providing the funds in places like Wrightsville Beach to make sure that it's also taken care of.

Ted Davis: Another interesting thing, there is a raw water line that is in Brunswick County that runs into Cape Fear public utility in New Hanover County. And that line had a problem. And as a result of that, water had to be shut off. And so what this this we're talking about the lower cape, fear of water and sewer authority. And what they want to do was was to build a parallel line. So that if anything ever happened to line number one, we'd have line number two that we could use. And, you know, that could be devastating, especially down in Brunswick County in the summer.

Ted Davis: These communities, if that was happening. So they had the money to do phase one, which kind of ended up in the middle of Brunswick County, and they needed the money to finish. That was around 30 million to finish that project, to go into Cape Fear Public utility authority to finish that, that that water line, dual line. And I was able to get that. So I'm really happy about that because that's going to help people to guarantee that not only in Brunswick but also New Hanover, the fact that if something does happen on that water line, we now have another water line that we can use and their service, water service will not be cut off. So I was tickled about that.

Ted Davis: But one thing I've worked on a lot, too is the Wilmington Opioid Pilot project. It is a project where basically if someone if if, if someone has overdosed. And responders go and find that person and bring that person back. Sometimes they have to use Narcan, but when they bring that person back, they can offer them as well as anybody voluntarily to come in and take this opioid project run by Coastal Horizons. And what it literally does is try to get the person off their addiction so that they can be clean, you know, can get a job and be productive. And it usually used to be \$250,000 a year and it was non-recurring, which meant every cycle you had to go and ask for it. You had to go and ask for it. So there were three things I really wanted to do this year that were very important to me. Number one was to take it away as a pilot project and make it permanent, because the the project has been a huge success.

Speaker3: Fantastic.

Ted Davis: And number two was to up the funding from 250,000 to 300,000 to help them do a little bit more as far as advertising and getting the word out about what what they can do and also to make that funding non-recurring so you don't have to go

through this song and dance every two years. And I'm very happy all three of those things happened.

Speaker3: Fantastic.

Ted Davis: So that's something I've really been involved with and I'm really, really invested into trying to to help and keep it going. But there are a lot of other things. You were talking about New Hanover County, in addition to that 17 million that will go to the authority for the Wrightsville Beach project. You got another 18 million that's going to go to the authority for drinking water extensions to unserved communities in New Hanover County impacted by PFAS. So there's another example of funding being done to help with the PFAS problem in New Hanover County. In addition to that, the county is going to get \$45 million. 15 million of that is going to be used for water and sewer, water and wastewater projects related to Blue Clay Business park.

Speaker3: Okay.

Ted Davis: Once again, up there. So you can, you know, not only to treat and have good water, but also to deal with their wastewater, their sewer as well. Coastal Horizons going to get over \$6 million to support certified community behavioral health clinic model and treatment accountability for safer communities.

Reuel Sample: So wait a minute Ted. Republicans aren't supposed to care about this stuff. We're not supposed to care about those who are addicted. We're not supposed to care about education stuff. We're not supposed to be caring about all this stuff. And but this budget does it shows that Republicans do get down into the weeds with stuff like this.

Ted Davis: I know I do. And I know that a lot of other Republicans do, which once again is shown by the fact of what's in the budget. I mean, the county is going to get another \$3.7 million for capital improvements and equipment at a crisis stabilization medical detox facility, helping people that have these drug addictions. Um, the one thing that's a little different, but but still, the airport authority. The airport is going to get \$21.94 million to go for a parking facility and related capital improvements at our airport.

Reuel Sample: You know, that's fantastic. I was just talking with John Lennon this morning for a podcast, and I did not know how much of an economic generator an airport is. I mean, it's it's it's huge. Whether it's a small county or a large county, having an airport is just it's it's just it's like lighting fire to gasoline.

Ted Davis: Well, a lot of businesses will will will want to be here if they have access to an airport. Obviously business activity and of course, um, you know, people pay big money to, to be able to, to fly to these different places. It is it's a great economic engine. You know, they also have an industrial area around the airport where businesses can come in and locate. So you're right. And one of the big, big things that makes Wilmington the great place it is, is the fact that we have that that airport, you know, as well as our hospital and our educational system and other things all together make it such a great community.

Reuel Sample: It's a huge budget, Huge budget. Are there is there one thing or two things that you're most proud of, whether it's here for New Hanover County or statewide?

Ted Davis: Well, I'm personally. I'm proud of a lot of the things that I mentioned that I was able to do because, I mean, I filed bills on most of them. Some of them I just simply went to the particular appropriation chair that might handle that particular item and beg, you know, I don't mind getting down on my knees and beg a little bit when I have to.

Ted Davis: But it just you know, I've said before, the only reason I'm in this business is to help people. When I can help somebody, it makes me feel good. You know, it's like last session when I was able to get the money that the food bank asked for to help for their their new facility. That makes me feel good, you know, like. Like now with the Good Shepherd house. It makes me feel good. It makes me proud that I'm able to go up there and make a difference, hopefully in the lives of a lot of people, especially those in New Hanover County. And I know I get a lot of negative criticism for a lot of things that I may vote on, and that's fine and dandy, but this is very important to me when it comes down to really trying to help the people that I represent and not only those in my district 20, but all of New Hanover County and the surrounding area.

Reuel Sample: The budget is just it's just another thing on your whole list of things to do. What's next? What's the next big thing coming up?

Speaker3: Redistricting.

Reuel Sample: Okay.

Ted Davis: We're getting into that now and it's going to be interesting to see what's going to happen because we'll be looking at redistricting as far as House districts, Senate districts and congressional districts. So we'll be doing that and we'll be finishing up on some bills that are still pending.

Ted Davis: And then hopefully one day we're going to adjourn. And I can come home and enjoy my retirement from the practice of law that I've yet to thoroughly be able to enjoy because of everything going on in Raleigh.

Reuel Sample: You're missing a beautiful fall here in in Wilmington. But we're so happy that you're up there getting the job done. How can folks get in touch with you, sir?

Speaker3: Very easy. All they got to do is contact my legislative office, which I'll sit here and see if I can find my telephone number.

Reuel Sample: We'll put that up on the website as well as as we put all this.

Ted Davis: It's 919-733-5786. And I have a wonderful legislative assistant named Martha Jenkins who will be there both when I'm when I am and when I'm not there. And she can certainly help you and, you know, get a message to me if there's anything I need to do to help anybody.

Reuel Sample: All the best to you, sir. Thanks for everything that you're doing and look forward to more to come. Ted Davis.

Ted Davis: My pleasure.