

**STATE OF NORTH CAROLINA )**  
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**COUNTY OF STOKES )**  
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**OFFICE OF THE COMMISSIONERS**  
**STOKES COUNTY GOVERNMENT**  
**DANBURY, NORTH CAROLINA**  
**MARCH 21, 2014**

The Board of Commissioners of the County of Stokes, State of North Carolina, met for Special Called Meeting in the Third Floor Conference Room of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Friday, March 21, 2014 at 10:30 am with the following members present:

Chairman James D. Booth  
Vice Chairman Ronda Jones  
Commissioner J. Leon Inman  
Commissioner Jimmy Walker  
Commissioner Ernest Lankford

County Personnel in Attendance:  
County Manager Rick Morris  
Clerk to the Board Darlene Bullins  
Finance Director Julia Edwards

Legislative Delegation:  
House of Representative Bryan Holloway  
Senator Shirley Randleman

Chairman James Booth called the Special Called Meeting to order and welcomed those in attendance for today's Special Called Meeting.

Chairman Booth welcomed those in attendance and expressed the Board's appreciation to the county's Legislative Delegation for taking time out of their busy schedules to attend today's meeting.

Chairman Booth delivered the invocation.

#### **GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE**

Chairman Booth opened the meeting by inviting the Delegates and the citizens in attendance to join the Board in the Pledge of Allegiance.

## **GENERAL GOVERNMENT – GOVERNING BODY – APPROVAL OF AGENDA**

Chairman Booth entertained a motion to approve or amend the March 21, 2014 Agenda.

Vice Chairman Jones moved to approve the March 21, 2014 Agenda as presented.

Commissioner Inman seconded and the motion carried unanimously.

### **Five Priority Legislative Goals for 2014**

Chairman Booth noted the following NCACC Five Priority Legislative Goals for 2014:

- Reinstatement of Lottery Funds for School Construction
- Oppose Shift of State Transportation Responsibilities to Counties
- Oppose Unfunded Mandates and Shifts of State Responsibilities to Counties
- Ensure Adequate Mental Health Funding
- Preserve the Existing Local Revenue Base

Chairman Booth invited the Legislative Delegation to speak first if so desired.

Senator Randleman stated that she would like to hear the County's position first and then respond.

### **Reinstatement of Lottery Funds for School Construction**

Chairman Booth opened the floor for discussion.

Vice Chairman Jones commented:

- Want to see the lottery funding be reinstated to what it was originally intended to be used for
- Know everyone was not for the lottery, but it did pass
- It is what it is and needs to stay true to what it was intended to be used for – education
- The County's original financial school model was based on using lottery funding for needed school construction
- The County committed to building new schools by approving a 4 cent tax for school construction
- The County is still in the red trying to catch up on needed school repairs to existing schools
- Seems like a "bait and switch" situation that needs to be stable

Commissioner Inman commented:

- The five priority goals are actually the NCACC's goals for the two-year biennium budget
- NCACC's top goals for the Legislative short session are:
  - Reinstate Lottery Funds for School Construction
  - Oppose Unfunded Mandates and Shifts of State Responsibilities to Counties
  - Ensure Adequate Mental Health Funding
- Would echo Vice Chairman Jones' comments pertaining to the lottery
- Understand the Legislature has to deal with a much larger budget and know education/state employees get a share of that state budget
- Would make the point that if lottery funds are not used for education, what is it being used for? (comment does not have anything to do with the County's Legislative Delegation)
- Counties across the state have gone out for debt for school construction (Stokes County and many others), depending on lottery funds to help pay debt service
- Lottery funds for Stokes County have dropped from approximately \$800,000 to \$450,000
- If the lottery funds were reinstated to the 40%, Stokes County could get approximately \$890,000
- Know the state can't go back to the 40% all at one time
- Would like to see something started to get back to the original 40%

Commissioner Lankford commented:

- Support the three goals mentioned by Commissioner Inman for the short session
- Number one goal is the Reinstatement of Lottery Funds for School Construction
- Two years ago, former Governor Perdue tapped into the lottery funds for school construction and put it in general education; thought it was going to be a one-time appropriation, does not seem to be that
- Stokes County allocates many dollars to education
- Stokes County was depending largely on the lottery funds to help make the debt service payments for schools that have been built recently
- Being cut back from 40% to 22% creates a big impact for the County, those lost dollars have to be made up somewhere else
- Feel this is a statewide issue, there are more counties other than Stokes that have built new schools depending on lottery funds to help pay the debt service

Representative Holloway responded:

- Lottery has been in existence for eight years
- Did not vote for the lottery
- Remember having a conversation with Commissioner Inman right after the lottery passed; remember stating that the lottery would become a "shell game"
- During the past eight (8) years, the lottery has had eight different faces, changed every year
- One of the complaints I hear, which is very common, is that counties are concerned because when the lottery was started, it was sold as the education lottery, 40% was dedicated to counties for school construction; that is not the case now

- Counties, like Stokes, built schools expecting to receive the 40% from the lottery funds to help pay the debt service for school construction
- Now the lottery funding for school construction is down to 22%
- Some of the lottery funding has been diluted off to DHHS
- There is a strong argument that DHHS is not part of the education system
- This past year, UNC Need-Based Scholarships got funding from the lottery
- Last week, spoke about the lottery at the NCACC Board of Directors Meeting
- Will be filing a bill from the House this year to get counties back to the 40%
- Have met with the Lottery Commission this week, very supportive of the bill
- Lottery Commission feels this might sell more lottery tickets, giving more certainty to the public that the lottery funding is going to education
- Already have two members from the House Representatives that want to join on the bill
- Have been looking to see where the funding could be shifted from
- One place could be the UNC Need-Based Scholarships, that could get the counties back to possibly 30% very quickly
- Lottery this year is going to collect \$50 to \$60 million more than expected
- In the early stages of putting the bill together
- One thing I am considering is that all over collections go to the counties to get them back to the 40% sooner
- Looking at trying to do a three-year bill to try to get the counties back to the original 40%
- If you could get the over collections and a piece of the UNC dollars this year, that would probably get the counties to possibly 30%+
- It will not be easy, but feel it will be difficult for representatives to explain to their counties why they don't want more money to come back to their county
- Have made the commitment to file the bill and will work toward it

Vice Chairman Jones commented:

- Want to make sure that my comments are not directly about Representative Holloway and Senator Randleman
- Have complete trust that they both will do what is best for Stokes County
- All this switching of the lottery funds has left a distrust among citizens
- Would like the bill sold that it is regaining the trust of the people
- Can't say you are going to do one thing and then turn around and do something totally different
- Need to regain that trust of the people

Representative Holloway commented:

- Even though I didn't vote for the lottery, feel the state owes that commitment to the counties and will try my best to get the counties back to 40%

Senator Randleman commented:

- My comments go somewhat along with Representative Holloway
- Must remember there is a new group of members in the General Assembly

- Some have very conservative mindsets
- Feel that some would like to see the lottery go away if it could be repealed
- Need to make sure those who would like to see the lottery go away, understand the bill is to get the funding to counties as it was originally intended
- On the Senate side, have been told more than once, anything that becomes controversial in the short session will be held off until the long session
- Hoping the lottery funding will not become a controversial issue

Vice Chairman Jones commented:

- If the lottery were ever taken away, there needs to be a timeline that citizens can understand and counties can prepare for

Representative Holloway responded:

- Lottery will never be taken away
- Would never be involved with taking away the lottery, even though I didn't vote for it originally
- The votes are not there to take it away, but there are some members that hate the lottery
- There will never be a bill to take the lottery away

Commissioner Walker commented:

- Expressed appreciation to representatives regarding the Hold Harmless the County received this past fiscal year
- Made a big difference in our county budget this year
- Structure our budget on creditable information, surprises such as the reduction in the lottery funds become "budget breakers"
- When the state gets surprises from the federal government, the state can always turn it over to the counties; counties have nowhere to go but to the citizens by increasing taxes
- County has benefitted from the lottery
- Haven't seen those issues with the lottery that people suspected would happen, have I missed something?

Representative Holloway responded:

- The lottery has become a "shell game"; for example - originally allocating 40% for school construction and now only allocating 22%
- Counties have also lost ADM funding
- Need to separate the lottery funding so that counties know exactly what they are getting
- Need to get more lottery funds to the counties and make sure they know they can count on that money year after year

Senator Randleman responded:

- Some thought it might cause people to get addicted to gambling, don't know that has been the case

- Most people who buy the lottery tickets were already going across the line to other states to buy lottery tickets and also buying gas and other items while there

Commissioner Walker questioned how the 40% was determined regarding the lottery funding?

Commissioner Walker commented:

- The citizens across the County think the County receives a large amount from the lottery

Representative Holloway responded:

- The original 40% was based on a formula that was based on each county's property taxes; therefore, a county like Stokes that had relatively low property taxes was at a disadvantage
- The County did not get a big bulk of that 40% because of the low property taxes, being fiscally responsible punished the County
- That is not the case now
- The current 22% that is allocated to each county is not based on property taxes
- The bill that I am working on doesn't include any language in regards to property taxes
- If it gets back to 40%, it will be a larger share than the 40% that was originally allocated to the counties in the beginning
- The lottery has had so many different faces
- A lot of the lottery money goes to fund teachers
- That came about when the Democrats were in charge; they were doing temporary taxes, taking lottery money to fill gaps like teacher positions
- The major change that has been made is the UNC Need-Based Scholarship Fund
- That was not me, that was not Senator Randleman that allocated lottery funds to the UNC System
- The Senate does tend to favor the UNC System because most of the Senators have a university in their districts
- Neither Senator Randleman or myself have a university in our districts
- Feel we need to favor the counties and help rural North Carolina
- The majority of the money for the bill that we are working on could possibly come from the UNC Need-Based Scholarship Fund
- There will be screaming, will try to at least get part of the UNC Need-Based Scholarship Funding
- Feel we can get eventually back to the 40%; it will definitely not happen in one year

Commissioner Walker continued:

- Watching television the other night and saw a lottery advertisement that stated "Support your education lottery, because all of the funds from the lottery go to education"
- Questioned if that was a true statement?

Representative Holloway responded:

- Lottery dollars go to what was once called “Smart Start” and “More at Four” which is no longer part of the education budget; it is part of the Health and Human Services Budget
- Technically, I guess you can call that education because it is education, but no longer falls in the education budget
- About 1% of the lottery funds are used for advertisement
- The bulk of the money does go to education
- UNC Need-Based Scholarships does not benefit Stokes County at all
- Portion going for teachers does benefit the county, especially if the State does not fund those positions
- Could argue that it does go to education, but does it go to where it was originally promised for school construction, that is the question

Senator Randleman responded:

- When I first went to Raleigh, the lottery funds were split into two pools (65 and 35), small counties that had low tax base received a portion of the 65%
- In 2009, everyone was filing bills to try to get equal treatment for all the counties
- Finally it was allowed, so now everyone gets their portion of the lottery money
- With the lottery sales being over what is projected (almost every year), looking at \$40 to \$50 million going into education this year
- Have worked very hard on the lottery money to make sure the rural counties are being taken care of
- Currently looking at efficiencies at the UNC System
- When you start looking at efficiencies at the UNC System and an efficiency is found, it goes back into UNC System to find more efficiencies
- Applaud the UNC System for finding efficiencies, but do not feel they should get the entire amount back to find more efficiencies

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Representative Holloway responded:

- Support the University System, but have a hard time feeling any sympathy for them because North Carolina ranks number one in the United States in funding the University System compared to other states
- The University System also has endowment funds that the Legislature is not allowed to view
- Have no way of knowing how much endowment money the universities have

Commissioner Walker continued:

- Legislature not being allowed to view the endowment funds is alarming, feel that anytime public money is involved, the citizens are entitled to see how their money is being spent
- Noted the County has lost \$2,757,843 in ADM and lottery funds since 2009
- No one way that money will ever come back to Stokes County

Representative Holloway agreed that the money lost will never be able to come back to the counties.

Commissioner Walker continued:

- Ideally, what is the goal that you are shooting for with the lottery for school construction? Will you go for more after obtaining the 40%?

Representative Holloway responded:

- For me, would like to get back to the original 40% first
- Don't have a problem trying to get more than the original 40% for the counties after the original 40% is obtained
- Must remember that one General Assembly can't bind the next General Assembly
- The next General Assembly could change more and even take it all or increase it
- Would like to set a goal to get back to the 40% and then set new goals from that point
- Feel it will be a challenge to get back to the original 40%
- Need help from the Board of Commissioners to get other Boards of Commissioners to support the bill

Senator Randleman responded:

- Counties have a strong association with the NCACC
- Think they need to be very mindful of the current economic situation addressing this issue
- Hope they will be understanding and not be very demanding, feel they will get more if they don't come in very demanding

Commissioner Walker continued:

- Recently found some data regarding income:
  - From 2007 to 2012, the average family income in Stokes County has decreased by 16.1%
- That is an economic factor the County must consider when doing a budget
- That is a slice of reality
- Don't think it has recovered that much in 2013

Representative Holloway responded:

- That is a statewide trend
- People who have lost \$50,000 to \$60,000 annual paying jobs are now having to take jobs paying \$36,000 to \$38,000 annually
- They are having to take these lower paying jobs to keep food on the table and a roof over their family
- That came into play when unemployment funds were cut
- To get the maximum of \$525 a week, you had to be making \$50,000 to \$60,000 a year



- People were drawing unemployment benefits and waiting to try to find those \$50,000 jobs
- That is one reason the family income is decreasing
- Even though new jobs are being created, they are not necessarily paying what the jobs were that have been lost

Senator Randleman responded:

- Lot of people are unhappy with the change in unemployment benefits
- Some people were drawing the maximum weekly of \$525 and still working part time instead of trying to find a full time job
- Had to look at all the issues
- Taking the steps that were taken has set North Carolina back on the path that the Legislature wants North Carolina to go
- When unemployment is high, it decreases the amount of money the State receives

Representative Holloway responded:

- The debt , which was not a State debt, but small businesses, was approximately \$2 billion
- The bill that was passed puts North Carolina in line with other states around us
- North Carolina was paying out unemployment dollars higher than Virginia, South Carolina, West Virginia, Georgia, and Tennessee
- By cutting the weekly amount and the number of weeks someone could draw will get the State out of the \$2 billion debt in 2-3 years
- The Affordable Care Act has cost North Carolina a half billion dollars this year, North Carolina did not join the exchange
- It is going to require people, who have qualified but not accepted Medicaid, to accept Medicaid or be penalized by the Federal Government
- Medicaid also took out a half of billion dollars this year
- State had a surplus this year, but the Affordable Care Act and Medicaid is just like "Pacman", ate it up

Senator Randleman responded:

- Had caucus this week and were told that there is approximately a \$300 million shortfall in Medicaid for this year
- North Carolina put \$1.5 billion into Medicaid this year
- Have started looking at the impact of the Affordable Care Act on North Carolina
- If Medicaid had been expanded, there would have been 500,000 new people added to the system
- If those 500,000 had been added, there is no way North Carolina could have afforded it

Representative Holloway responded:

- The Federal Government would have paid for the additional 500,000 for the first three years, in year four, North Carolina would pick up 10 to 15% of that cost
- Have to look at the future when it comes to budgeting

- Who could be sure that in year four, Washington would not change it and make North Carolina pick up 25%, 50% or even 100% of the cost
- Think the system is designed to make states eventually have to buy into the system
- Even not joining in the cost, North Carolina has put a half of a billion dollars in Medicaid

Vice Chairman Jones commented:

- There is something very wrong when there is a system or trend that has been coming on for the last five (5) decades that is penalizing people who are trying to stand on their own two feet
- Should be empowering people who can do for themselves
- It is the wrong message
- Heard a story just yesterday of a woman who never needed medication and did not get Medicare D originally, now that she needs help, she is being penalized because she wasn't in the system

Representative Holloway responded:

- People were told they could keep their insurance and that rates were not going to increase, that is not holding true
- Know people that their rates almost doubled

Senator Randleman responded:

- Have a big concern about the rural hospitals
- In 2013, Federal Government reduced the Medicare benefits that directly impacted the hospitals thinking that if the Federal Government reduced the Medicare benefits, it would box the states in where they would have to expand Medicaid to offset the losses to the hospitals in the reduction to Medicare
- When North Carolina did not expand Medicaid, it made it hard on a lot of the rural hospitals
- Have seen some of the rural hospitals close down
- Think there is going to be another Medicare cut announced in April that again will impact those rural hospitals
- Feel the overall goal is to put the pressure on the states by cutting the Medicare benefits to do something with Medicaid
- Will that happen, I don't know, but for the rural areas that depends on their rural hospital, it is almost to a crisis point

Commissioner Walker continued:

- Feel you both understand the next three goals:
  - Oppose Shift of State Transportation Responsibilities to Counties
  - Oppose Unfunded Mandates and Shifts of State Responsibilities to Counties
  - Ensure Adequate Mental Health Funding
- Would like to hear what the representatives think about:
  - Preserve the Existing Local Revenue Base

Commissioner Inman responded:

- The goal, “Preserve the Existing Local Revenue Base” is not for the short session
- Essentially, there were some commissioners who wanted an option at the local level to approve a sales tax

Representative Holloway responded:

- There are two (2) things that the counties need to be on the lookout for
- I don’t support putting any burdens on the counties
- Don’t worry about the Governor coming and taking the County’s money like Fund Balance, that is not going to happen
- Actually, there is a state law that says the General Assembly can’t do that
- One thing to be aware of that is on the list is “Oppose Shift of State Transportation Responsibilities to Counties”
- I don’t see that happening, will never support that, know what that would do to a county like Stokes, but that is where the counties need to be unified
- The second one is the “State Taking the Counties Out of the Medicaid Business”, just remember the issues we have discussed about the Medicaid debt that just keeps increasing
- Know there are some members thinking that Medicaid should go back to the counties
- That would mean \$1 million for Stokes County
- Would never support putting the counties back into the Medicaid business
- Do not think it will happen this year, just know there are some folks that would like to see Medicaid go back to the counties
- Local option sales taxes does not mean anything for Stokes County due to the small number of retail stores
- Putting Medicaid back to the counties and transportation being shifted to the counties are the two things that counties need to keep on the radar

Commissioner Walker commented:

- Would like for the Finance Director to comment on the Article 42 which was a sales tax that was disbursed on per capita and then changed to point of sale
- Questioned if there was any chance that could be looked at for reconsideration?
- This would help rural counties like Stokes

Finance Director Edwards responded:

- Article 42 (1/2 cent sales tax) was changed to point of sale instead of point of delivery which was done with the Medicaid relief – the swap with the state

Representative Holloway responded:

- Will be happy to work on that, but you must remember, sometimes in Raleigh there is danger in opening up a can
- If you open up that can, others could agree to give you back the sales tax with also giving you back Medicaid
- Sometimes it is best to leave the can unopened

Senator Randleman agreed with Representative Holloway regarding leaving the can unopened.

Commissioner Walker responded:

- Trust your judgment on knowing when to open the can

Finance Director Edwards confirmed with Representative Holloway that he did not see anything happening with the Hold Harmless given to Stokes when Article 42 and Article 44 were taken with the Medicaid swap.

Representative Holloway responded:

- Have heard comments questioning why the Legislature let the counties have such a good deal with the Medicaid swap
- My thoughts are that is it our job to help the counties
- Reiterated that once the can is open (referring to Article 42) others can put their hands in the can
- There is no discussion right now and feel it is best not to open the can up

Commissioner Walker commented:

- Just wanted to make sure you both know about things that impact Stokes County

Representative Holloway announced that he was running for Speaker of the House if all goes well with the November election.

Vice Chairman Jones exited the meeting due to her work schedule.

Chairman Booth commented:

- Would like to thank both Representative Holloway and Senator Randleman for taking time to attend the meeting today
- Would also like to thank Representative Holloway for filing the bill to try to get the lottery funds for school construction back to 40%
- Will work with other county boards for their support for the bill
- Will lobby at the District Meeting in Rockingham County next week
- Appreciate the work done to get the Hold Harmless last year
- Losing the \$2.8 ADM and Lottery funds has had a great impact on not being able to do major renovations to older schools
- Very fortunate to have a representative from Stokes County on the Appropriations Committee and also running for the Speaker of the House

Representative Holloway responded:

- Can have two sponsors on a bill, already have two that have asked to come on board with me

- Would like to have 61 signatures to show that there is enough votes to get the bill passed
- Feel our jobs are to make your jobs as easy as possible

Senator Randleman commented:

- Privilege taxes are being looked at that will impact the towns in the County
- Wanting to change privilege taxes to a type of business tax
- Will impact some towns more than others
- Feel that will be a short session issue
- Have just been appointed as Subcommittee Chair on Appropriations for Justice and Public Safety in the Senate

Commissioner Inman commented:

- Echoed Chairman Booth's comments regarding the excellent representation that Stokes County has in Raleigh
- On behalf of the Association, I want to assure Senator Randleman that getting the lottery funds back to the original 40% is not a demand
- The Association has always worked very closely with the Legislature
- Just trying to get the ball rolling
- No one across the state that I have been talking to expects the full 40% this year
- Anything greater than what we are receiving now is a great start even if it takes more than three years to implement
- Questioned Senator Randleman if there is any way to get the bill sponsored in the Senate (not trying to put you on the spot)

Senator Randleman responded:

- If it does not appear controversial, it will probably move in the Senate
- The word is that if anything becomes controversial, it will not be taken up in the short session

Representative Holloway responded:

- All lottery changes that have ever taken place, other than its essential beginning, take place in the budget
- Full Appropriations Chairs of the House discuss that with the Full Appropriations Chairs of the Senate
- It probably will have some controversy
- The bill gives counties something to get behind

Senator Randleman responded:

- The key person the Association needs to be working with on the Senate side is Tom Apodaca; would probably be no issues if Tom is on board

Representative Holloway responded:

- Feel Tom may have some issues with taking away funding from the UNC Need-Based Scholarship Fund
- Could make some compromises

Commissioner Inman continued:

- When talking about projections running higher from the lottery sales, if we are not able to get the UNC Need-Based Scholarship Funds, could we at least get some of the over projections of profits?

Representative Holloway responded:

- Will be putting that in the bill
- Will always ask more in order to have something to compromise

Senator Randleman responded:

- Counties are already receiving part of that overage

Commissioner Lankford commented:

- Even if the lottery sales are running higher than projected, the counties still only get \$100 million per million

Commissioner Inman exited the meeting due to a business meeting that he could not reschedule.

Commissioner Lankford commented:

- The Governor has changed several departments in Raleigh, do you see that getting better?

Senator Randleman responded:

- Think there is a lot of disappointment with what is going on at DHHS
- It is being monitored, receive daily reports to inform us what is going on with NC Tracks, making sure dollars are not lost for Food Stamps from the Federal Government
- It is very critical
- Can we do anything about it other than monitor it? Not sure
- There is a new Secretary, not sure we can force anything
- There has been changes at Commerce
- Do I think the changes at Commerce were good? Feel there will be more accountability with the combining of some of the departments at Commerce
- Hated to see the Rural Center go
- The fact was that the Rural Center was giving out dollars with no follow-ups made to see if jobs were being created or things in the contracts being carried out
- Putting it in Commerce and overseeing the actual projects will be better

Representative Holloway responded:

- There is no question that there is a huge mess at DHHS which impacts the counties
- Very difficult to budget
- One day Medicaid is \$100 million short, the next day, it is \$200 million short
- Changes daily, sometimes changes more than once in one day

- It was a mess before Governor McCrory took office and has stayed a mess
- Not a DHHS expert and not sure how it needs to be cleaned up, but need to get someone over there that can clean it up
- Do not know Secretary Aldona Wos, but if she can't get it done, need to get someone who can (not passing any judgment on Secretary Wos, just too many important things that need to get cleaned up)
- Not a lot that we can do
- It is a separation of powers issue, we are Legislative and they are the Executive Branch
- As far as the Rural Center, there is more accountability, no question
- One issue that they are facing now is that they are not giving out as much money as they need to and we are in danger of losing federal funds
- Have told them that \$519,000 was marked to be sent to Stokes County for a Water and Sewer Project, that would help their problem
- Appropriations allocate the dollars to Commerce which comes from taxpayers
- If Stokes County does not get its fair share, I will not be inclined to allocate funding to them
- Fought hard to keep the Rural Center in place because I was well acquainted with Billy Ray Hall and several Board members who I could talk to
- Now with the transfer, don't really know who to talk to
- Still convinced, Stokes County will get the funding, trying very hard to get the funding for the project

Senator Randleman responded:

- Was in a meeting with the Assistant Secretary two weeks ago, she was asked if people from the rural communities need to come to Raleigh?
- Her response was "yes"; need to come to Commerce

Both Senator Randleman and Representative Holloway stated they would be happy to schedule a time to visit Commerce with folks from Stokes County.

Commissioner Walker commented:

- Noted there was some concern that the new MCO system of only having 4 MCOs for the entire state may not be the best decision; question too many counties in a MCO
- Stokes County is combined with 35 other counties
- Could cause it to be more of a challenge to provide adequate mental health services to the citizens
- Seems like mental health has been in a very precarious position with the state lawmakers, historically, because it has had some less than ideal times
- What do you see for the present and the future as far as the direction for mental health?

Senator Randleman responded:

- Mental health is tied directly to Medicaid

- With fewer Medicaid dollars that have to be spread among more users there is less dollars to spend on services
- They are thinking that the MCO model, supposed to be a managed system, will actually work to provide services with efficiencies
- Will that work? I don't know
- Can the laws be changed? Certainly
- Do we need to change the laws in regards to involuntary commitments and the way we address mental health issues? Feel we definitely do
- Think that at some point in time that will be an issue that I will attach on to
- Working currently with child abuse and neglect
- Will be looking at 122C-Involuntary commitments and 35-A Guardianships
- They are both 40-year old laws that have had very little tweaking
- Need to bring them up to current times
- Once the MCO model starts, we should be able to see any deficiencies in a short period of time
- Under the Affordable Care Act, they are trying to come up with a managed care plan for Medicaid for mental health and substance abuse
- This is coming from the Department of Health and Human Services

Representative Holloway responded:

- Concur with most of everything Senator Randleman stated
- It is tied to Medicaid
- There is no part of the state budget growing any faster than the Health and Human Services Budget; most of the Health and Human Services Budget is Medicaid
- It is creating budget problems for us
- There has been surpluses, but Medicaid and HHS eats it up
- There is no question that there needs to be some changes in mental health
- It has been a long time problem that dates back many, many years
- Agree with Senator Randleman that things need to be looked at
- With the rapid pace that they want this short session to end, believe mental health reform would be better served in a long session
- I am willing, as I know Senator Randleman is, to stay as long as it takes, but we don't make those decisions
- Mental health has seen several changes
- It needs to be done right this time

Commissioner Walker commented:

- If I could offer a point of clarification regarding my comments and questions
- Do not offer these to put pressure on either of you
- Just bringing to you what I am hearing
- This equips you with the information you need to work with
- Feel this is good for you to know what our citizens are thinking and needing
- Understand the scholarships are important to a certain set of individuals that you have to work with; others have another need like Stokes County and that is school construction



- Understand you must work with everyone

Representative Holloway responded:

- Willing to work on getting the 40% back to the counties

Senator Randleman responded:

- Must realize that there are so many moving parts to any legislation
- Must be very mindful

Commissioner Walker commented:

- County also has many moving parts
- County was very behind in school construction
- Promised the people of Stokes County that some of these needs would be fixed and the County has done that
- Also promised a community college which is pending
- We had made a very bold commitment to the people of Stokes County
- When we made this commitment to the people, we were counting on certain things to be there to help fund the debt service
- Approved a four (4) cent tax to provide for the school construction needs
- Believe this showed a positive vision for the future
- Only had a very small number of citizen concerns over the tax
- Citizens knew the need and how it would benefit the county and accepted the new tax
- The school financial model is a little shaky with less lottery funds and changes with the reimbursement of Qualified School Construction Bonds
- This impacts our current and future budgets

Senator Randleman responded:

- It is just like the Sequestration, when we first heard of it, I don't know that we actually realized the full impact of what all the cuts were
- The state has suffered tremendously already and still do not know all the impacts

Commissioner Walker commented:

- Would like to thank both representatives with the help the County has received regarding Camp Sertoma which is very important to the County
- Do you have any updated news regarding Camp Sertoma?

Senator Randleman responded:

- Would have to refer that question to County Manager Morris

Manager Morris responded:

- No news since the last update to the Board of Commissioners
- Waiting on the assessment of the properties to be done
- NC State will not schedule any further meetings until the assessment is done

Representative Holloway responded:

- We were both on the phones to get something stopped which did happen
- Know that they are not moving very fast, but they are working
- Trying to find a way to keep it in Stokes County's hands whether it is with the state park or whoever and to keep it whole

Senator Randleman responded:

- The issue always comes back to money
- One important thing is that the property has not been separated, been able to keep it whole

Chairman Booth, on behalf of the Board, would like to extend the Board's appreciation to both Representative Holloway and Senator Randleman for their continued dedication to Stokes County and for attending today's meeting.

### **Adjournment**

There being no further business to come before the Board, Chairman Booth entertained a motion to adjourn the Special Meeting.

Commissioner Lankford moved to adjourn the Special Called Meeting. Commissioner Walker seconded and the motion carried (3-0) with Vice Chairman Jones and Commissioner Inman absent.

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**Darlene M. Bullins**  
**Clerk to the Board**

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**James D. Booth**  
**Chairman**