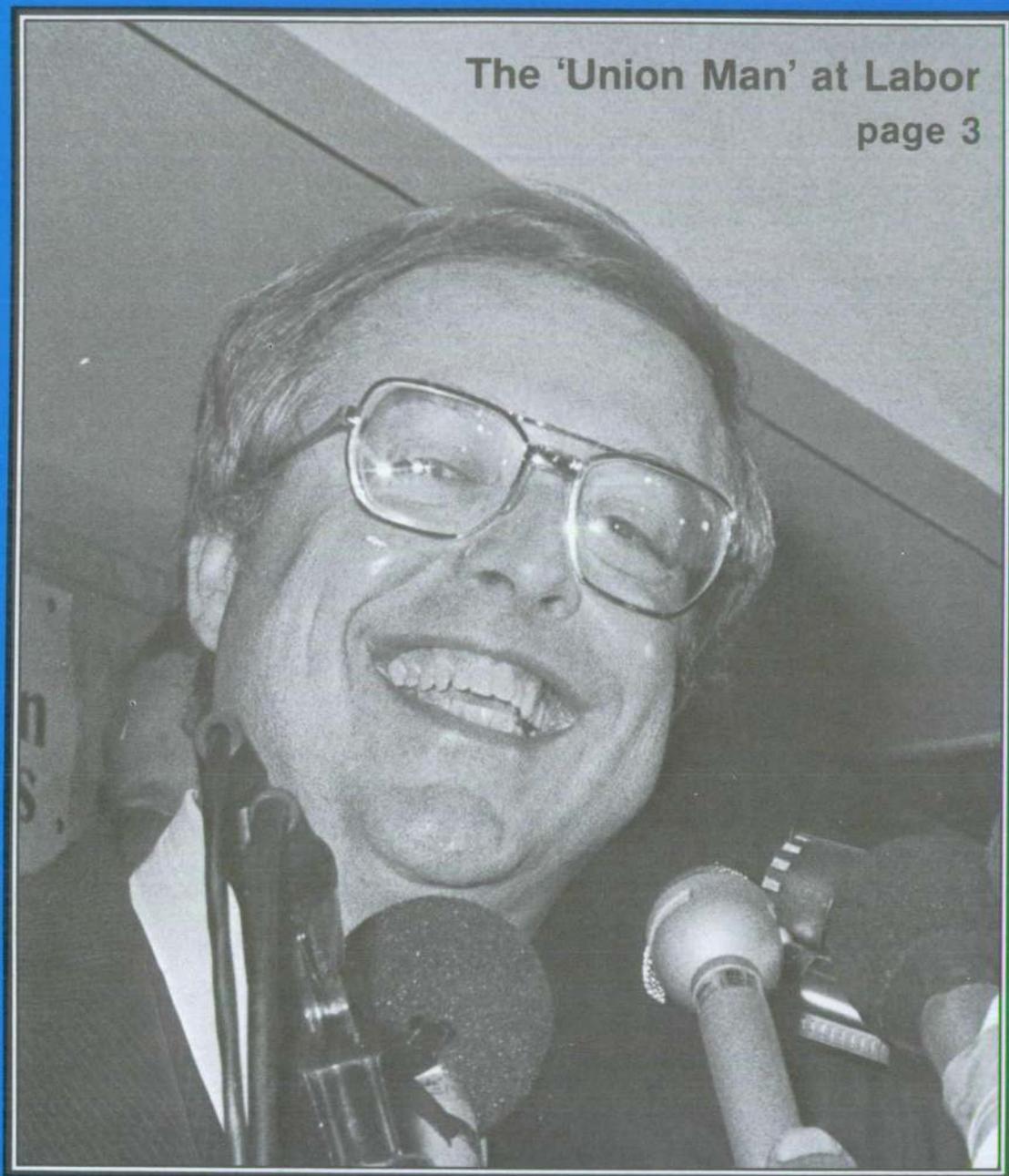


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The Magazine of the N.C. Center for Public Policy Research

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Report**

Brooks' election gave heart to those who saw the commissioner's office in the past as having been one-sided in its support of management aims.

The 'Union Man' at Labor

by Jerry Adams

The office has the appearance of that of a graduate student who is in the middle of his dissertation. No fewer than seven plain chairs hold piles of files, mimeographed reports, correspondence, computer printouts, bulletins, memoranda and magazines, all at some stage of being read. More paper piles cover the desk, a couch, a coffee table, a sideboard, a wing-back chair and a metal table. Across the floor are boxes of vertical files containing yet more information.

Standing among the erudite litter are two bronze sculptures of muscular young men, one stringing a stout bow, the other cleaving wood with his bare hands. And in the middle of the office, in a chair he's just cleared to make room for his paunchy frame, sits John C. Brooks, North Carolina Commissioner of Labor and member of the Council of State by mandate of the state Constitution, authorized under the statutes to protect and promote "the safety and well-being" of the 2,554,300 North Carolinians who make up the state's workforce.

John Brooks: the Bad Boy of North Carolina politics.

Brooks is examining his knuckles and talking on about a wide range of subjects during an interview. Every once in a while, he yields for a question.

The content of his answers reflects knowledge absorbed from the information around him and the experience gained from going through five elections in his quest for the office he holds. The length and complexity of some of his answers reflect a characteristic for which he has been criticized.

"As a student of government," says a friend, "there's no one more brilliant in the state. But sometimes John will sit on his ass until the Nina, the Pinta and the Santa Maria get back before he'll make a decision." Indeed, it is said that Brooks' tendency to be tentative is causing grumbling among the union rank-and-file that worked for his election. On the other hand, for someone who was openly regarded in North Carolina's corporate management circles as a serious threat---that is, as a "union man"---before he was elected, Brooks' capacity for going slowly is probably a political virtue. "I think John has softened his approach considerably," notes a management representative who did not support Brooks during his

hard-fought primary battles against Mrs. Jessie Rae Scott.

Brooks himself says, "There's nothing significantly 'union' or 'anti-union' about the Department of Labor. It is a service agency for employers and employees, and their interests are served by the improvement of those services."

Nevertheless, the general perception in the state is that Brooks, at the very least, has an open mind toward labor whereas labor commissioners of the past have been closely associated with management. Pointing out that in northern states the labor commissioner is usually appointed and, like the U.S. Secretary of Labor, is a staunch unionist, one close observer of North Carolina government and politics says Brooks represents an unusual example of "interest-group liberalism" in a conservative state. "In a state like North Carolina," he concludes, "it's the first time you've had a union man."

Attitudes can influence the delivery of the "services" to which Brooks refers. Among the services offered by the department---an arm of state government unnoticed by most citizens unless they happen to read inspection notices in elevators---are two that could influence important developments in the state's future.

First, there is the apprenticeship program. Established by statute in 1939, the program has been a

Jerry Adams is a free-lance writer who works in Winston-Salem.

“I haven't seen a tremendous difference in the Department of Labor under John Brooks' administration.”

—George Shelton
Capital Associated Industries

hollow one, all but ignored by state commissioners of labor and by the U.S. Department of Labor. But the idea of the program is to train, using both private and public resources, the skilled workers that North Carolina desperately needs to continue industrial growth and raise its abysmally low wage scale.

Second, the commissioner's office has influence, both symbolic and substantive, in labor relations in North Carolina. Symbolically, in a right-to-work state with the lowest percentage of unionized workers in the nation, Brooks' election gave heart to those who saw the commissioner's office in the past as having been one-sided in its support of management aims. In terms of substance, the office is statutorily empowered to conciliate and even arbitrate labor-management disputes. Though the power has up to now been exercised in only modest ways, it has the potential for placing the commissioner in the middle of labor disputes involving public employees, who are proscribed from the traditional forms of union organization by state law. This has already happened in Winston-Salem, where Brooks found himself between the Teamsters and city government as the result of a strong effort by the union to organize policemen, garbage collectors and maintenance workers.

John Charles Brooks was born in Greenville, N.C., 42 years ago. He graduated from Greenville High School and from the University of North Carolina at Chapel Hill with a degree in political science. He was thinking of graduate school in economics when he was offered a scholarship at the University of Chicago School of Law. He graduated from the law school in 1962.

Those were the relatively heady days of the Terry Sanford administration. Brooks worked for a year as clerk to Chief Justice William H. Bobbitt of the N.C. Supreme Court and then became Sanford's special assistant on race relations. In that position and as administrator of the Mayors' Cooperation Committee, Brooks was thrust into the vortex of important affairs, and---inevitably---he began to earn a reputation as a liberal. The culmination of Brooks' work with the mayors' committee was a 309-page book

of ideas for reaching the day “when employees all over North Carolina are judged on the basis of merit and not on ancestry.”

In 1965, Brooks served as counsel to the North Carolina Fund, a private, foundation-supported, Sanford-nurtured effort that antedated the national War on Poverty. In 1967, Brooks moved to Maryland to serve as chief of staff in that state's constitutional revision effort. He returned in September, 1968, to serve about 15 sometimes stormy months as the first director of the N.C. General Assembly's legislative research office. Brooks' resume notes that he “also served simultaneously as enrolling clerk, editor of publications and director of computer services.” Observers point out that he probably learned most, however, about human relations. After continuing conflicts with his legislative employers, Brooks was dismissed and went immediately to work for the constitutional revision effort in Illinois.

After a year, he settled into law practice in Raleigh in January, 1971. The next year Brooks took a run at William C. “Billy” Creel, who sought election in his own right as labor commissioner after years as right-hand man and heir apparent to Frank L. Crane, commissioner since 1954. Because labor commissioners had a habit of picking their successors---Crane supported Creel---there had not been a wide-open campaign for the post in more than 40 years. Brooks forced Creel into a run-off, but lost.

Creel died in office during the administration of Gov. James E. Holshouser, who appointed fellow Republican T. Avery Nye. Brooks decided on another try. In 1976, the Democratic primary presented a crowded field of Brooks; R. J. Dunnagan, a labor department official; Virgil McBride, a lobbyist for R. J. Reynolds Tobacco Co.; and Mrs. Scott, the wife of former Gov. Bob Scott. A source thoroughly familiar with the broad sweep of North Carolina management recalls that Brooks was firmly identified as the least desirable candidate in the eyes of executives, who in the Democratic primary tended to line up behind Mrs. Scott.

It was a tough fight. Mrs. Scott ended the first primary with 210,984 votes to Brooks' 191,160. But Dunnagan's 106,925 votes and McBride's 58,720 enabled the second-place finisher to call for a run-off.

Brooks speaks of the run-off with obvious delight. Whereas the first primary is marked by confusion, he says, the second tends to crystallize “issues” and “programs.” During the first primary, he recalls, candidates for labor commissioner might be among as many as 60 candidates at a rally. By the time they're allowed to speak, even the most conscientious voters have departed or are asleep.

A firm supporter during the 1976 campaign recalls the obstacles Brooks faced. Because of old ties between Sanford and the late Kerr Scott, Sanford people in North Carolina tended to support Mrs. Scott. Similarly, those whose current allegiance is to Gov.

James B. Hunt Jr. had sufficient ties with the previous Scott administration to support Mrs. Scott. And, third, there was the Scott coterie itself, plus a state full of conservatives for Brooks to overcome.

It cannot be denied that Brooks overcame considerable handicaps in becoming the first labor commissioner in North Carolina's history so firmly identified with labor's cause. Brooks beat Mrs. Scott 240,579 to 231,578, a difference of 9,001 votes—less than 2 percent of the Democratic votes cast. In the general election against incumbent Nye, who out-spent Brooks by \$173,752 to \$70,642, Brooks won by more than 250,000 votes, getting a total of 900,317.

On the wall of the anteroom of Brooks' office is a photograph of the triumphant candidate, surrounded by microphones, beads of sweat on his forehead, his broad, snaggle-tooth smile flashing the image, despite graying, thinning hair, of an extremely happy kid. It is as if Dennis the Menace had just been vindicated by the North Carolina electorate.

Despite the modesty of Brooks' spending, he still has campaign debts of more than \$20,000. And some industrialists make no secret of the antipathy they continue to feel toward him. It is likely that some big guns will be aimed at Brooks in the 1980 campaign.

In the meantime, however, most industry managers seem resigned to working with Brooks (some were among the contributors at a recent Greensboro fund-raiser for Brooks) or at least staying away from what one called "any great confrontation." George Shelton, executive vice president of Capital Associated Industries in Raleigh, says: "I haven't seen a tremendous difference in the Department of Labor under John Brooks' administration." Jerry Roberts of the N. C. Textile Manufacturers Association points out that ultimately it is the General Assembly that makes the difference and that Brooks' department must swim in "the mainstream of legislative thinking."

Mrs. Ginnie Lawler, the department's public information officer and a veteran of the North Carolina Fund, stresses that Brooks "took a very low-profile approach to bills regarding labor" during the 1979 legislative session.

We welcome your views, dissenting or otherwise, on the articles in this magazine or on other subjects related to North Carolina's state government.

Write: The Editor, *N.C. Insight*, P.O. Box 10886, Raleigh, N.C. 27605.

"There's nothing significantly 'union' or 'anti-union' about the Department of Labor. It is a service agency for employers and employees, and their interests are served by the improvements of those services."

—John Brooks

Indeed, Brooks' two foremost legislative efforts were a bill to consolidate existing labor statutes and to keep the state's minimum-wage levels as close to the federal levels as possible (which passed) and a bill to strengthen the department's hand in regulating private employment agencies (which did not).

But something occurred during the session that demonstrates Brooks' problems in getting a handle on a department that for years concentrated on the non-controversial, safety-inspection side of things. There was a bill to restrict public employees from joining unions written at the request of Winston-Salem Mayor Wayne A. Corpening and E. Lawrence Davis, a conservative former state senator and a lobbyist for N. C. Associated Industries, an anti-union amalgam of North Carolina companies. Brooks describes the unsuccessful bill as only having served to "muddy the waters" in an important and sensitive area of public law. Yet the man who effectively authored the bill and who defended its constitutionality before a House committee was George W. Lennon, the assistant state attorney general who is responsible for representing the Labor Department. Lennon says his only interest was in making the bill constitutional—the same kind of interest he had shown in a pro-labor package introduced in the 1977 General Assembly. Brooks, nevertheless, was confronted by a bill he didn't like sprouting in his own backyard.

How does Brooks rein in a department of 267 employees with an annual budget of \$9.7 million? There are some who would accuse him of trying to talk it into submission. But Brooks' words, at the very least, show that he has a firm grasp on the facts needed to shape programs.

In apprenticeship, he points out that it has taken U.S. Secretary of Labor Ray Marshall two years to bring federal involvement up to snuff and to ease aside the man who had been sitting on the program's potential. "The support, federally, has been almost zero," he says, "but this will crank up."

There are 3,400 apprentices being trained now. (Training requires 8,000 hours, or four years, of on-the-job training and 576 hours of instruction by highly skilled teachers). Brooks would like to see 5,000 people in the program by the end of this year

and 10,000 by the end of next year. He recognizes that both goals "are simply not feasible." But at least they are goals in a program that heretofore has hardly been visible. Brooks feels the state's capacity for a full program would be 20,000 apprentices, but right now he'd like to work on cutting down the 78 percent dropout rate he inherited.

An informed observer outside the department

says that Brooks must sell the apprentice program to employers, who must be made to recognize it is in their interest to support it much more than they have in the past. "It takes a lot of promotion to make the apprenticeship program work," says Brooks of a program that is largely unknown in the state, "but because it takes a lot of people, in business and government, there is a geometric progression of problems."

Of 400 trade crafts, North Carolina---which busily recruits industry far and wide---provides apprenticeship training in only 30. Among those only about half of the required instruction is available because of the extreme difficulty in finding and paying qualified instructors.

In the infinitely more controversial area of collective bargaining by public employees, Brooks concedes the need to be circumspect, though he insists on his department's constitutional and statutory duty to be involved. First there were the local government problems as in Winston-Salem, he says, "and now we're seeing some rumblings in a separate area, which is state employees . . . We have an obligation, and that's to keep the peace."

Brooks feels that the first thing necessary is to clarify North Carolina statutes. "Now," he says, "public employees don't have rights except as provided in case law." But new laws must reflect North Carolina's attitudes and experience, he suggests, and be built from the ground up by the legislators themselves. "I could go in with a model draft right now," he says, "but it would get no farther than the study committee because it would be misperceived." Nevertheless, he added, the department will develop files on important aspects of the issue because the important question is of people's rights. Brooks' request for a legislative study of the issue died in this year's legislative session. "The concept of public employees' rights does not contemplate unionization of public employees," he concludes. "But most legislators are not prepared to accept that."

And so Brooks continues, carefully trying to balance his image as a "liberal," a "union man," against his conviction that there is work to be done and everyone's cooperation will be needed. Not everything at the Labor Department provides the glamor of controversy, for there are 14 separate divisions mostly concerned with examining everything from boilers to quarries to migrant-worker camps.

Finally, Doris Mason, Brooks' secretary, breaks in on his interview to say he must stop talking for a while, have some lunch and attend a meeting. Sitting there coatless, in scuffed shoes and socks that are decidedly not executive-length, with four pens sticking out of his shirt pocket, Brooks looks like anything but the ogre most management people feared he'd be.

Then Brooks gets up to trudge up the street to a meeting on the apprenticeship program, a program that represents his best hope for improving the lot of North Carolina's workers. □

Day Care Bill Killed

Clever lobbying by a representative of for-profit day care centers had a part in killing legislation that would have provided for a citizen majority on the Child Day Care Licensing Commission.

Senate Bill 613, introduced by Sen. Katherine H. Sebo, called for increasing the number of commission members from 15 to 19 with nine citizen members, eight day care operators, and two non-voting state agency representatives.

After members of the Senate Rules and Operations Committee objected to increasing the size of the commission, the legislation was referred to a subcommittee.

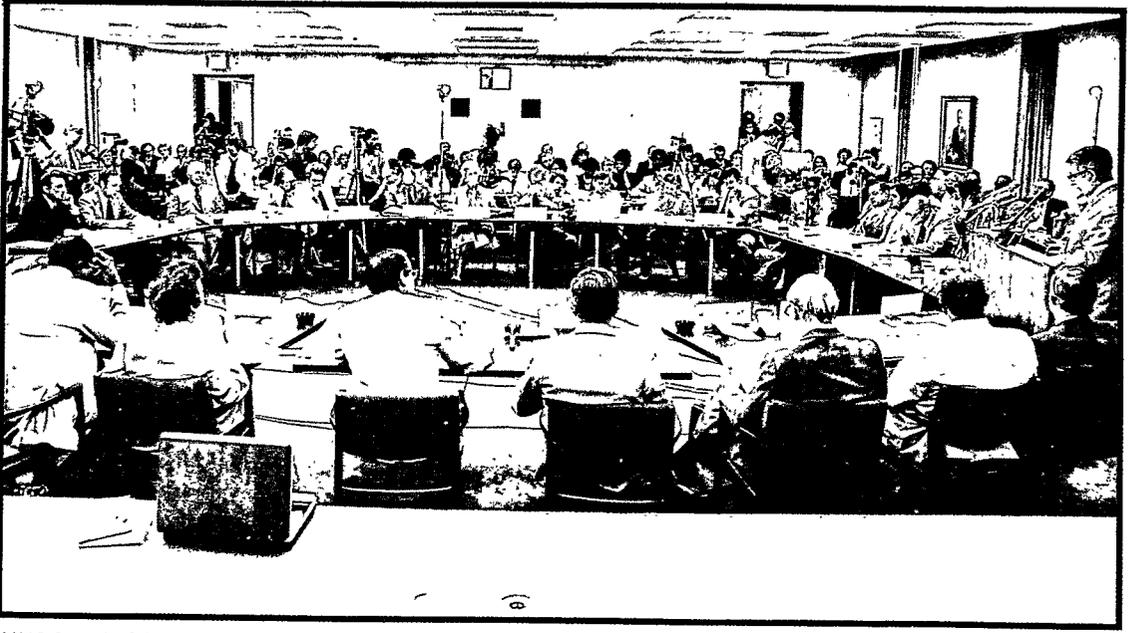
When the subcommittee met, it had before it a committee substitute from Senator Sebo that called for keeping the number of commission members at 15 but increasing the number of citizen members to eight.

The subcommittee also had before it another apparent substitute, this one bearing the name of Sen. Henson P. Barnes, the subcommittee chairman. It provided for a membership of 15---seven citizens, seven operators, and the Governor or his representative.

The purported substitute had, in fact, been drawn up by Bennie Harrell, a lobbyist for some of the state's for-profit day care operators. Barnes had not endorsed the substitute. He said later that Harrell had prepared it "in the hope that I would introduce it."

Although Barnes disclaimed responsibility for the Harrell piece of proposed legislation, the subcommittee acted in its deliberations as if it had two committee substitutes to deal with. Its meeting ended with Barnes and the other subcommittee members urging Senator Sebo and Harrell to try to reach a compromise on the make-up of the commission.

No compromise was ever reached, and the legislation sponsored by Senator Sebo was eventually killed.



UNC Board of Governors meets with HEW officials. April 20, 1979. Photo by Karen Tam.

The HEW-UNC Dispute

Its Roots Are Here at Home by Ned Cline

The way some politicians tell it, the only bad guy in the current desegregation battle between the University of North Carolina and the federal government is Joe Califano, head of the U. S. Department of Health, Education, and Welfare (HEW). But that's not the way it is.

The court suit, in something of a roundabout way, has its origins in North Carolina, not in Washington or in the bowels of HEW bureaucracy. The battle actually began many years ago in the maneuvering of the North Carolina General Assembly where deals have always been cut as much on political expediency as on educational soundness. Racism may have also been a factor, but it was subtle and secondary.

If politicians in the General Assembly had done as much through the years for the traditionally black schools as they did for their white counterparts, chances are the case would never have gone to court. Until recent years, it had always been customary for each of the university campuses, through its own trustees or other persons of influence, to go directly to the lawmakers for money or other services. The schools with the most effective lobbyists ended up with the most help. But black schools had little clout, and those campuses often came up with the crumbs from the legislative budget pie.

Geography as well as skin color and political muscle played a part. Usually it was the east and west against the Piedmont or, depending on particular needs, some other political alignment.

That's how the many branches of the state's university system got their names. One wanted to be called a university, then another. If one couldn't succeed alone, two or

Ned Cline, former Raleigh bureau correspondent for The Charlotte Observer, is assistant managing editor of The Greensboro Daily News. He has covered the UNC Board of Governors since its creation in 1972.

Three major decisions by the Board of Governors in the last five years, all deeply rooted in politics, have soaked up almost \$100 million in state money — almost all of it going to predominantly white campuses.

more would team up to get what they wanted. During the 1960s things became so bad that even then Gov. Robert Scott, himself known to wheel and deal at times, decided that enough was enough and something had to be done. He proposed dismantling the then consolidated university and creating a central administrative unit to stop, as he put it, the political end runs to the General Assembly from every part of the state.

But that was no easy task, Scott quickly found. Nobody had taken on the politically powerful university group and won in a long time. Political groups formed at various corners of the state and, it appeared for a time that opponents of Scott's plan would win the legislative battle over the university's structure. But Scott had some political "green stamps" (patronage appointments) of his own and he resorted to some extraordinary steps.

One lawmaker was named a Superior Court judge after he voted Scott's way. A state senator was forced by a few of the governor's friends to rise from bed, drunk, to cast a critical vote. Scott said at the time it was all essential to get politics out of higher education. But the current dispute with HEW shows it wasn't entirely successful in that regard.

The restructuring established a single Board of Governors to sort out educational priorities and present a single budget request to the legislature. But it clearly has not removed the system from politics as Scott had said he wanted to do. Among the stiffest political battles in the General Assembly today is the contest to be picked for membership on the UNC governing board. That contest, in fact, is the only balloting which is still done in secret in the House and Senate. Not only that, but ballots are destroyed as soon as they're counted. One man who was running for a seat on the board this year said lawmakers had promised him more than enough votes to win, but they reneged once they marked their ballots. "That's the one thing they'll still lie to you on and you can't prove who lied," the losing candidate said.

The governing board is also a reflection of the political power base of the state: white male, above average income and influence, and representing, with few exceptions, the big business, anti-union approach to doing things.

If it were not for continuing political influence in higher education decisions, some people believe, there probably wouldn't be a battle with HEW at all.

One factor in the dispute is HEW's contention that not enough has been done to improve the five traditionally black campuses within the system—North Carolina Central University in Durham, North Carolina Agricultural and Technical State University in Greensboro, Winston-Salem State University, Fayetteville State University, and Elizabeth City State University. Federal officials, under court order to seek more integration of the university system, point to the shortcomings at the black campuses as evidence the state is maintaining a segregated system in violation of federal civil rights law. They also contend physical improvements and stronger academic programs at those campuses would lure more white students to enroll there.

University officials and state lawmakers contend—correctly—that since the university system was restructured in 1972, more has been done for the black campuses than ever before in such a short time. But it's not so much what hasn't been done at black campuses under the new structure as what has been done at white campuses. That's where politics has played a major role.

Three major decisions by the Board of Governors in the last five years, all deeply rooted in politics, have soaked up almost \$100 million in state money—almost all of it going to predominantly white campuses. The board has approved a medical school at predominantly white East Carolina University in Greenville and already provided \$51 million for it. That was done despite widespread opinions among educators and physicians that the school wasn't needed.

The board has approved a veterinary school at predominantly white North Carolina State University in Raleigh and already has asked for \$9.2 million for buildings and programs. The board has helped distribute some \$40 million in state aid to North Carolina students attending private colleges in the state—money that otherwise could have been used to improve the black campuses.

"We inherited some very difficult political problems," university system President William Friday said recently. "I hope all the old (political) debts are

Governor Hunt calls the Board of Governors' political decisions 'headline grabbers' that have overshadowed the admirable restraint of the board in resisting other political pressures.

now paid off. Given the circumstances, I think we've been able to have some enormous successes. The medical school was never anything but a political decision. The vet school had a political base when we got it."

Lawmakers and university officials agree both decisions were ordained by the General Assembly, primarily because of political commitments among legislators. Friday agreed that if either the medical school or the vet school hadn't been approved, or had been approved for a traditionally black campus, there wouldn't be as much of a problem with HEW.

"If I understand their (HEW) representatives, approval by the state of a professional program of any kind at a black campus would have had a substantial impact at settling the matter," Friday said. "We're trying to meet the needs with a master's in engineering, landscape architecture and computer science at A & T University in Greensboro."

The university also is willing to start an animal science research facility at N. C. A & T to coordinate with the vet school at N. C. State. But so far, N. C. A & T is scheduled to receive \$40,000 for that, compared to \$460,000 for programs and another \$9.2 million for capital improvements at N. C. State.

Gov. James B. Hunt Jr. calls the Board of Governors' political decisions "headline grabbers" that have overshadowed the admirable restraint of the board in resisting other political pressures. Friday agrees.

Among the more important decisions of the board cited by Friday and Hunt that might have gone the other way under the old system are:

- Stopping development of proposed law school programs at UNC-Charlotte, Appalachian State University and East Carolina.

- Overhauling teacher training courses by cutting at least 75 that were unproductive, unneeded or of low quality, arranging an agreement with the State Board of Education to monitor teacher training needs, and upgrading faculties that direct such programs.

- Holding back on the proliferation of nursing programs to make sure those in operation are needed and improved before others are started, and setting up strict guidelines to upgrade academic standards.

Dr. Donald Stedman, Friday's staff assistant, said it would have been unlikely any of those moves could have been made without the existence of the Board of Governors. Another staff assistant, Jay Jenkins, said what the Board of Governors has "kept from happening is almost as important as what it has allowed to happen."

Hunt said, "By and large the new system has been the best educational way and the right decisions have been made." Hunt wouldn't deny politics played a major role in the medical school and vet school decisions, but he insisted they were beneficial.

Some others aren't so kind in their descriptions of those two programs. Referring to the current court actions involving HEW, one university official, who didn't want his name used, said: "The price paid for the med and vet school locations will cost the state millions in money and time just in defending the actions. They've had a major detrimental impact on faculty and students at other schools as well as creating problems with HEW."

Dr. Leo Jenkins, retired chancellor at East Carolina, who is generally considered one of the all-time champions of political maneuvering during his tenure (the East Carolina medical school is a monument to his political effectiveness), said it was never practical for anybody to believe politics could be removed from the system. "That sounded good and was a good gimmick at the time," Jenkins said, "but I don't think anybody ever believed it."

"I never thought it'd be possible to get politics out of the university system," George Watts Hill of Chapel Hill said. "Much of what the board has done has been political, but much of it has also been in spite of what the board wanted. The legislature didn't give us any choice." Hill cited the medical and vet school decisions as well as state aid to private schools as examples of the political decisions forced on the board by the General Assembly. Regional political coalitions and anti-Chapel Hill sentiment among boosters of other state campuses were mostly responsible for the medical and vet school decisions, Hill said. And he said lawmakers' political ties to private colleges and private college officials' political clout led to state aid for those institutions over the objections of the Board of Governors. □

Covering Washington

Many Newspapers Rely on the Phone, Press Releases

by Martin Donsky

WASHINGTON--North Carolina has a reputation here as a training ground for fine journalists. Newspapers like *The New York Times*, *The Washington Star*, *The Philadelphia Inquirer*, and others are stocked with reporters and editors who began their careers on small Tar Heel papers. Many of them have won Pulitzer Prizes. North Carolina does not, however, have a good reputation for the way its newspapers cover Washington. If anything, just the opposite is true. Good coverage is the exception, rather than the rule.

Only three daily papers, *The Charlotte Observer*, *The Winston-Salem Journal*, and *The Raleigh News and Observer*, have full-time correspondents in Washington. The state's third largest newspaper, *The Greensboro Daily News*, which has a daily circulation of about 80,000, closed its Washington bureau in early 1977. Daily newspapers in other states much smaller than papers like *The Durham Morning Herald* (circulation 42,000) and *The Fayetteville Observer* (43,000) have reporters stationed in Washington.

A few papers and some television stations use part-time "stringers" for specific assignments, but the work is piecemeal, and the "stringers" rarely have the time to keep adequately informed about state events. As a result, North Carolina citizens find out little about what their elected officials do in Washington from independent, objective sources. Instead, the politicians control the flow of information.

Some of the newspapers, especially the smaller dailies and weeklies, rely primarily on press releases written by the congressmen themselves. It is not uncommon to pick up a daily paper and read a "news" story written by the staff of a congressman, who may give it a few personal touches at the end.

"That's the way it worked 200 years ago," said Gene Marlowe, Washington correspondent for *The Winston-Salem Journal*. "Congressmen sent letters back home to newspapers, and the newspapers ran

Martin Donsky, who formerly covered North Carolina state government for The Raleigh News and Observer and The Durham Morning Herald, recently left the staff of Congressional Quarterly to join the Wichita Eagle-Beacon Newspapers in Kansas.

them. The papers are still doing it."

The "news" sent back home by the congressman usually reflects the politician's interpretation of events, and may not coincide with what actually happened. For example, newspapers regularly print announcements of federal grant awards. The announcements, particularly when they come at election time, are made by a representative or a senator. The announcement often makes it seem that the congressman was responsible for obtaining the grant. Some federal dollars are doled out on a discretionary basis, and the political clout of a legislator is at times a key factor. But increasingly, grants are awarded by formula, and the congressman has nothing to do with it (he may have even voted against spending the money for the entire program).

But---and most readers outside of Washington don't realize this---federal agencies traditionally give congressmen advance notification on all grants, primarily so the legislator can score a few political points with the folks back home. (This also enables the agency to score a few political points with the congressman).

North Carolina's elected officials in Washington do have contact with journalists back home. A politician visiting his district often will make a courtesy call at the newspaper office. And there is the telephone when the congressman is in Washington. (Roy Parker, editor of *The Fayetteville Times*, described the contact between his paper and Rep. Charles Rose, whose district includes Fayetteville, by saying, "He's got the WATS line and we've got the WATS line.")

But even Parker, a former Washington correspondent for *The Raleigh News and Observer*, would agree that coverage by telephone or local interview leaves a lot to be desired. While it is possible for a newspaper to report what a congressman says he will do, it is difficult to watch how a congressman carries out his assignment. "You've got to be up here to really see what goes on," said Rick Gray, a reporter with *The Greensboro Daily News* who is in Washington on a political science fellowship.

The three reporters who work in Washington

full-time for Tar Heel papers acknowledge that their coverage is highly selective. There are simply too many issues for one person to cover. "Several days will go by when I know something is going on but I just can't get to it," said Marlowe.

There are several reasons for the lack of coverage. Not surprisingly, money is probably the chief one. "I'd love to have someone up there, especially with all the military stuff going on," said Fayetteville's Parker, whose readership includes the thousands of soldiers stationed at neighboring Ft. Bragg. But, in Parker's view, it simply costs too much to open a bureau in Washington. "Money, that's all it is," he said.

Several analysts estimated that a one-man (or woman) bureau probably would cost a newspaper a minimum of \$35,000. That includes a decent salary for the reporter, office rent and supplies, and communications costs. The cost of a bureau here should also take into account the higher cost of living for Washington. For example, *The News and Observer*, cognizant of that, gives its reporter a housing allowance.

For \$35,000, a paper the size of *The Fayetteville Times* or *The Durham Morning Herald* can hire two veteran reporters to work on the city desk. Or, they can stretch it and use the money for three "beginners." And, many editors would agree, additional manpower in the home office is a continuing goal.

But money isn't the only reason. Some editors are simply not interested to any significant degree in what happens in Washington. When he makes his visits back home, Rep. James Broyhill regularly finds that editors in his congressional district have little to ask about what he's doing in Washington.

Yet in the last 10 years, Washington's impact on the average citizen has increased substantially. In 1970, for example, federal grants to state and local governments totaled about \$23 billion. For the fiscal year that begins Oct. 1, 1979, federal grants to state and local governments will total about \$82 billion. And a good chunk of that money is sent to North Carolina.

Recognizing the increasing importance of what happens in Washington, most of the states, including North Carolina, have opened offices here to keep an eye on legislation and politics and to lobby. Most newspapers have not followed that lead.

Unfortunately, increased Washington coverage probably wouldn't make that much difference in terms of the all-important "bottom line" in the news media--circulation for print media and audience for television and radio. "What a TV station has on from Washington is not going to add one viewer," said Jack Williams, who freelances for WBTV in Charlotte.

There are, however, some ways coverage could be improved, without "over-taxing" the financial resources of the dozens of medium and small newspapers in the state. Some enterprising journalists in Washington have set up bureaus that specialize in regional coverage. Ohio News Service, for example,

provides stories about the Ohio congressional delegation and other federal activities that affect the state. States News Service, a growing operation, provides coverage for several newspapers in Connecticut, Pennsylvania and New Jersey.

The 'news' sent back home by the congressman usually reflects the politician's interpretation of events, and may not coincide with what actually happened.

It would cost money, obviously, but a North Carolina editor anxious for news from Washington might be able to contract with one of the existing news services. Or, what would prevent editors from several papers in the state from banding together to form their own news service? Each paper could be assessed a certain fee, based perhaps on size, to finance the operation.

One news service in Washington was initially started through a grant from a private foundation. Perhaps a combination of private dollars from various newspapers and foundation grants could get a Tar Heel news service under way.

It will take some doing. Editors would want strict assurances that acceptance of foundation money would in no way indicate acceptance of any foundation views about what is and is not news. Foundation sponsors would also have to realize that, and keep completely out of the news operation (even if the news operation came across a potentially critical story involving the foundation).

Newspaper editors would have to cast off some suspicions about working with their competitors. They'd also have to be willing to make the financial commitment. And they'd have to work out an arrangement that enabled all papers to share the news. (The reporters working in Washington could provide two kinds of service--regular news stories that all the papers could use and special pieces for certain papers.) Most importantly, support would be necessary from the larger papers in the state without Washington reporters--papers like *The Durham Morning Herald*, *The Greensboro Daily News*, and *The Fayetteville Times*. Involvement by those papers would provide the financial backbone, and enable other, smaller papers to get involved. Solid leadership by an editor or publisher would be required to get the project going.

The enterprise would be well worth undertaking. It would give North Carolina readers, listeners and viewers the kind of Washington coverage they deserve. And North Carolina's journalism community would provide another solid piece of evidence that it deserves its national reputation. □

**THERE ARE MANY WAYS TO ABUSE A CHILD:
JAIL IS ONE OF THEM**



Photo courtesy of *Change* magazine

Jailing Runaways and Truants A Novel Approach to Juvenile Law

by Brad Stuart

When the controversial juvenile law known as House Bill 456* went into effect one year ago, many judges around the state felt that their authority had been undermined. Juveniles who had committed offenses such as truancy and running away from home were not to be committed to training schools, according to the new law. Instead they would be sent to "community-based alternatives" such as group homes, regular counseling sessions, or alternative school programs. Without the threat of being forcibly confined to a training school, however, some children persisted in their "status offenses" (so-called because the offenses are illegal only because of the offenders' legal status as children) and refused to participate in any of the alternative programs. Judges felt they had no "stick," no ultimate punishment for these offenses, and many thought court counselors and social workers insufficiently persuasive to keep undisciplined youths off the streets and out of trouble.

Judge Zoro J. Guice Jr., of Hendersonville, came up with a novel legal remedy. For status offenses which are repeated despite court orders, Judge Guice has found children in contempt of court and sentenced them to terms of 29 days in jail.

Authorities on juvenile law are concerned about Judge Guice's incarceration of status offenders, which was revealed by the North Carolina Center for Public Policy Research. Legal experts are disturbed that children have been jailed following hearings in which they had no attorney to protect their rights. The jailing itself may be illegal, according to some experts. Though there is some question about whether Judge Guice's actions contravene the letter of the law, there is no doubt that the incarcerations violate the spirit of juvenile laws now on the books and are contrary to the official juvenile justice policy of the state.

Asked whether he felt his actions may have violated the spirit of the law, Judge Guice had a succinct reply. "I don't care what the spirit of the law is," he said. He called House Bill 456 "the worst piece of legislation ever written." Anybody who willfully violates an order of his court can be cited for contempt, he said, and he stressed that "anybody" includes juveniles and adults alike.

Judge Guice has supporters. Martha Griffin, court counselor in the 29th judicial district where Judge Guice holds court, said she and the parents of the incarcerated children were in agreement that the jail terms were necessary and proper. One girl had skipped school, run away from a group home for juveniles and, having been forbidden by the court to continue her truancy, "failed to abide by the court order by not going to school," Ms. Griffin said. Judge Guice sentenced her to 29 days in a solitary lock-up separated from other prisoners, according to Ms. Griffin. After eight days, the judge released the

* Session Laws 1975, Chapter 929

Brad Stuart is an associate director of the Center

girl, who immediately ran away. At last report, the unidentified girl was still "at large." If apprehended, the girl will serve out the remainder of her 29-day term and the judge will sentence her to an additional 29 days for running away, according to Ms. Griffin.

Judge Guice confirmed that he had sentenced juveniles to 29-day jail terms for violating court orders forbidding status offenses. But he said he would not comment on the particulars of any case involving juveniles.

Asked whether she thought the children, in their early teens, were better off in jail than on the streets, Ms. Griffin said, "Some of them are. Yes I do." One boy had been "sleeping under bridges." And she cited the cases of five girls who had repeatedly run away from home the previous summer. Four of them were eventually convicted of delinquent acts, she said, and two of the girls had been "staying with convicted murderers and rapists." To stop such behavior, Ms. Griffin said, "you have to show them that the court is not something you can thumb your nose at. You have to show that the court means business." Judge Guice lets them out after a few days if he thinks they have learned their lesson, she said. "The judge is trying to get their attention."

Others disagree with Judge Guice's actions on practical, as well as legal, grounds. "It doesn't work," said Steve Williams, chief court counselor in the 10th Judicial District (Wake County). "You said yourself the girl ran away as soon as they let her out. Did going to jail change her behavior? It does not work! I'd beat them if it would work. It does not work!"

Williams and 10th District Judge George Bason, chairman of the state Juvenile Justice Code Revision Committee, agree that there is a group of undisciplined youths who will be helped neither by social workers nor by incarceration. Some will go on to commit adult crimes. "Most of them will grow out of it and be all right," Judge Bason said in an interview for an article in the Winter, 1979 *N. C. Insight*. Bason believes that incarceration can do serious psychological damage to children and is in many instances far worse than leaving undisciplined kids on the street.

The legal issues are complex, but one expert said in an interview that Judge Guice had clearly "exceeded his legal authority." Mason Thomas, a member of the faculty at the Institute of Government in Chapel Hill and the state's acknowledged authority on juvenile law, wrote in a letter subsequent to the interview that "the use of the contempt power to incarcerate a juvenile in jail for a status offense is contrary to current statutory policy for North Carolina law." Thomas cited House Bill 456, as well as laws dealing with detention facilities for juveniles and authorized punishments for violation of juveniles' probation. He quoted G.S. 11-22, which provides that if a juvenile offender violates probation, "the court may make any disposition of the matter authorized by G.S. 7A-286." Thomas said this statute "lists the

alternative dispositions available to a district judge in a juvenile case The use of the contempt power for jail confinement is not an authorized disposition." Thomas said the law allows juveniles to be confined to a "holdover facility"---a jail cell separated from those of adult prisoners---but "G.S. 153A-222 limits jail detention in a holdover facility to *five calendar days*. A

An expert on juvenile law said the judge had clearly exceeded his legal authority by sentencing status offenders to jail terms.

holdover facility is intended to be what the name implies: a place of temporary custodial confinement pending transfer to an approved juvenile detention home."

The parents' approval of the jailings and the children's lack of legal counsel are among the most disturbing aspects of the cases, according to Thomas. "There was no advocate for the child's point of view . . . no attorney involved to protect the child's legal and constitutional rights."

Dennis Grady, deputy director of the Division of Youth Services in the Department of Human Resources, flatly calls jail terms for status offenses "illegal." But there is no unanimity of opinion on whether Judge Guice has contravened the letter of the law. The Attorney General's office declined to give an official opinion to the North Carolina Center for Public Policy Research, since the Center is not a state agency, but did say in a letter that "a court has very broad contempt powers under Chapter 5 of the General Statutes. Among other reasons stated, a court may punish 'for contempt willful disobedience of any . . . order lawfully issued by any court.'" Steven Shaber, an attorney with the Attorney General's office, said in an interview, however, that incarceration for status offenses violated the intent, if not the letter, of current juvenile law. This is also the opinion of Robert Collins, staff attorney for the Juvenile Justice Code Revision Committee. Collins feels the incarcerations are legal under the contempt laws, but nonetheless improper. Collins has a poster on his office wall that shows a picture of a girl in her early teens looking through the bars of a jail cell. "There are many ways to abuse a child," the poster reads. "Jail is one of them."

A civil suit challenging the incarcerations would be one way to resolve the legal questions, according to Marian Durham of the Governor's Advocacy Council on Children and Youth. The Council is seeking to halt any further incarcerations, and becoming a party to a civil suit is one option, Ms. Durham said. The suit, however, would have to be filed on behalf of children already jailed. Because court officials in the 29th District refuse to discuss particular juvenile cases, the names of these children are not yet known. □

Governor's Office of Citizen Affairs

1. A place where folks listen to problems you may have with state government.
2. A place where folks try to help . . . to cut red tape . . . to get answers!
3. A place where you can call—
1-800-662-7952 (toll-free in North Carolina) or write: Governor's Office of Citizen Affairs, State Capitol, and get response from people who are trying hard to help citizens of North Carolina.

(This notice is donated by this newspaper as a public service.)

A sample newspaper ad.

'The People's Advocate'

The Governor's Office of Citizen Affairs is designed as a point of contact for citizens who have a problem with, a complaint about, or a suggestion for state government.

The office describes itself as "the people's advocate in Raleigh." In many instances, its staff members refer individuals to one of the 40 or so ombudsmen, or citizen advocates, who are assigned to the various departments and agencies of state government. In other instances, the office acts as a go-between for citizens and government agencies, seeking to cut the red tape that may have prevented a citizen's problem from being resolved satisfactorily.

Its toll-free number (1-800-662-7952) doubles as a "Waste-Line," a line Governor Hunt has encouraged citizens to use for suggestions on how North Carolina's state government can save money.

In addition to its role of citizen advocate, the office, which has a staff of 13 and a yearly budget of about \$300,000, spearheads the Governor's campaign to encourage volunteer efforts in local communities. One of its goals is to have "involvement councils" in all 100 North Carolina counties (there are between 40 and 50 now), groups that can assess the need for volunteers, recruit the volunteers, and put them to work where they can be of service.

The office supplied the accompanying list of toll-free lines operated by state government.

Governor's Office of Citizen Affairs (800)662-7952
Receives complaints and concerns from citizens about matters involving state government; offers assistance in cutting government red tape.

Governor's News Information Line (800)662-7005
Information on Governor's schedule, news releases from the Governor's Office, and tapes of Governor's statements.

Highway Patrol (800)662-7956
Designed for after-hour calls or for locales with no patrol station in vicinity. Citizens may report emergency situations (road conditions, wrecks, fires, etc.)

CARELINE (800)662-7030
Information and referral service for the Department of Human Resources; receives calls from citizens who need human services help or information on sources of help in caller's community.

Energy Information (800)662-7131
Energy policy information; state and federal energy legislation, private and public energy conservation measures, information on alternative energy sources. Does *not* receive complaints pertaining to individual's utility rates.

Labor Apprenticeship Program (800)662-7003
General information and assistance on establishment of on-the-job training and apprenticeship programs; federal and state guidelines for such programs, individual's and firm's problems and concerns with this type of training program.

Local Government Advocacy (800)662-7200
Advocates on behalf of local government; serves as communications focal point between local governments and various state departments; resolves problems of local governments in matters involving state government, information source for local government.

State Library For the Blind (800)662-7726
Readers' advisory and referral service designed to meet the needs of visually handicapped persons.

State Personnel Testing (800)662-7094
Provides citizens with information about tests administered by the state. Schedules for various tests, locations, etc., and sets up testing dates for citizen.

Wildlife Reporting (800)662-7137
Citizens may report violation of wildlife laws, boating accidents, etc. to Wildlife Enforcement Division.

Restructuring the Family Planning Program Change for Uniformity's Sake?

by Brad Lamb

Public health officers have long recognized that family planning is an essential part of good preventive medical care. Here in North Carolina, we are proud to have been one of the first states to build family planning assistance into our public health programs. And where family planning is available to our citizens we find that many other medical needs and problems are reduced or eliminated, which in turn helps us accomplish more with our investment in other medical services.

Dr. Jacob Koomen, Former Director
Division of Health Services
N. C. Department of Human Resources

BY MOST ASSESSMENTS, North Carolina has succeeded in establishing a successful statewide family planning program. During the last year, nearly 120,000 women have received the medical, educational, and support services that make up family planning. Nevertheless, at the insistence of Dr. Sarah T. Morrow, Secretary of the North Carolina Department of Human Resources, the administrative structure of the statewide program is being altered, largely in response to the demands of local health directors.

Beginning July 1, the State Family Planning Branch began contracting for family planning services directly with local health departments instead of with regional organizations. By July 1, 1980, the regional organizations will have no role whatsoever in family planning, and the family planning coordinators who work out of regional organizations will be replaced by a smaller number of coordinators who will be assigned to the four Department of Human Resources regional offices.

Was a statewide policy change needed in this successful preventive health program? Are policy makers jeopardizing successful aspects of the program by implementing a full-scale administrative change?

AS DR. KOOMEN emphasizes in the passage reproduced above, family planning needs to be preventive in nature. North Carolina's application for renewed federal funding describes the program as providing

Brad Lamb, a graduate student in the School of Public Health of the University of North Carolina at Chapel Hill, is working as a Center intern this summer.

"individuals and families the medical, educational, infertility, and supportive services they need to determine the size of their families and the spacing of their children. Family planning services help improve the health status of mothers and children by reducing the number of high risk births and contribute to the stability of the family unit by reducing the number of unwanted pregnancies and their accompanying social problems (e.g., abortion, child abuse, out-of-wedlock births, divorce, and financial dependency)."

That kind of preventive health program requires, if it is to be successful, a team approach. It must involve doctors, nurses, health educators, social workers, and other professionals working together. To encourage the team approach, the regional office of the U. S. Department of Health, Education and Welfare (HEW) which handles eight southeastern states, including North Carolina, developed the concept of a "coordinated delivery system." The concept was selected after successful pilot programs were conducted in North Carolina by the Carolina Population Center of the University of North Carolina at Chapel Hill and local providers. In the view of HEW officials, "it was necessary to find a system of units which would lend itself to efficient administration from the view of the regional offices and at the same time be related closely to local control of programs."

During the late 1960s, HEW tried awarding grants directly to local health departments or community action programs. But when an uncoordinated and poorly administered system of services developed, the federal agency turned to awarding grants directly to the states and permitting each state to choose its

Dr. Morrow views the lead regional organizations as inappropriate instruments for the delivery of health services.

own administrative structure for achieving a "coordinated delivery system."

North Carolina chose to administer the family planning program through regional agencies. On June 29, 1974, Gov. James Holshouser announced that the state's 17 Lead Regional Organizations (LROs), most of them Councils of Governments (COGs) composed of municipal and county officials, would administer the program. The LROs were to have priority in receiving family planning contracts, but if they chose not to be involved in family planning, as some did, they were allowed to designate other agencies to administer the program.

In selecting the LROs as administrators, Governor Holshouser bypassed the state's own administrative structure. The Division of Health Services in the Department of Human Resources (DHR) normally contracts directly with county health departments to provide health services in the counties. It monitors the delivery of the health services through staff assigned to four DHR regional offices, which are located in Black Mountain, Winston-Salem, Greenville, and Fayetteville.

Under the arrangement announced by Holshouser, the arrangement that had been in effect until this July 1, family planning funds were distributed to the LROs, which, in turn, subcontracted with individual

county health departments or local non-profit agencies. In two regions, the LROs chose not to be involved, and the State Family Planning Branch of the Division of Health Services contracted directly with the local providers. Two other LROs delegated their responsibilities to community action agencies.

All but one of the LROs hired a family planning coordinator to provide technical assistance to the local service providers and to monitor the delivery of services. The coordinators worked closely with the State Family Planning Branch. The Family Planning Branch strongly emphasized community health education. To encourage community involvement and to meet federal regulations, each of the LROs or agency delegated by an LRO established a Regional Advisory Council. A majority of the members of each of the advisory councils were consumers who used the family planning services.

The administration of the program through the LROs was successful. And the regional approach had the strong endorsement of Dr. Koomen, who headed the Division of Health Services. In an April 28, 1977 memorandum to Dr. Morrow, the new Secretary of Human Resources, Dr. Koomen cited a number of advantages that had resulted from regional administration. Among them were: the broadening of the family planning program to include a comprehensive range of services, the increase in clinical services resulting from promoting the use of family planning nurse practitioners, the streamlining of grants management (the state had contracts with the regional agencies instead of with 86 health departments or districts), and the development of family planning advisory councils.

Dr. Koomen acknowledged that there were some problems in dealing with LROs, such as high administrative costs, but he concluded: "Regionalism contributes both to the effectiveness and manageability of the Statewide Family Planning Program. The substitution of a new system at this point would be disruptive in many aspects. I propose that we retain those features which have worked well to promote the tremendous progress of this program during its relatively short existence and pursue solutions to those problem areas which have been identified."

In a memorandum responding to Dr. Koomen, Dr. Morrow dealt first with one of the problem areas mentioned by the health services director. She said



Dr. Sarah Morrow Photo by Jim Strickland

Local health directors have pressed for removing LROs from the administration of family planning.

the requirement that LROs be given first priority for administering grants would be removed, thus permitting the Division of Health Services to bypass LROs with high administrative costs.

As for changing the administrative structure, Dr. Morrow said she agreed with Dr. Koomen that "arbitrary changes across the state for the sole purpose of achieving uniformity or process could be very disruptive . . ." But she added: "I would like to see the family planning program regionalized along our DHR regional boundaries with maximum direct relationship with county health departments. Please give me your outline plan for implementing this concept . . ."

The memorandum from Dr. Morrow marked the beginning of the move to take family planning administration away from the regional organizations and to give it to the individual county health departments.

At a January, 1978 meeting, officials in the Plans and Operations Division of the Department of Human Resources discussed Dr. Morrow's desire to work more directly with county health departments in administering the family planning program. A week after that meeting, Dr. Koomen told Dr. Morrow in a memorandum that the Division of Health Services agreed that the LROs were no longer the most appropriate vehicle for administration of the family planning program. According to Dr. Koomen, that memorandum represented his commitment to put the administration of family planning in the hands of the county health departments.

The administrative change will have an impact on the delivery of services. At the very least, it will prevent any expansion of the program during the next year. The application to HEW for the 1980 fiscal year funding says: "There is hesitancy to undertake new components this year both in view of ongoing program efforts and the fact that staff of the Family Planning Branch is faced with the major task of implementing a new administrative structure." (emphasis added)

WHO, BESIDES DR. MORROW, supported the change? The initiative did not come from HEW. Federal officials in the Atlanta regional office say they were approached by state officials who wanted to make the change. Janice Maddox, an HEW official who

covers North Carolina, said the federal agency had been pleased with the family planning program as administered by the LROs. "Many of us have thought," she said, "why change a regional program that is working well?"

Dr. Morrow is a firm supporter of family planning services. But the Secretary of Human Resources, formerly director of the Guilford County Health Department, is equally firm in believing that "health services are not appropriately placed in the COGs." She has strong allies in the Local Health Directors Association. The association has opposed LRO involvement in family planning from the beginning. Since Dr. Morrow's appointment, the local health directors have intensified their campaign to have the administrative structure changed.

The basic issue has been control. Many health directors resent having to work with an intermediary non-health agency. All of their other health programs are administered directly from Raleigh. Furthermore, they see the LROs as another layer of bureaucracy which diverts program funds that could otherwise go directly to the local health departments.

"We basically feel," said Howard Campbell, president of the Local Health Directors Association, "that programs in the Division (of Health Services) should be carried out by the system." Homer Glover,



Dr. Hugh Tilson Photo by Tina Lachowitch

director of the health district that includes Martin, Tyrell, and Washington counties says: "Historically, our programs come from Raleigh and as a health person I would prefer state health people to be involved. I feel safer working with DHS people rather than with county commissioners (in an LRO)."

Campbell said local health departments are being required to provide more and more services and that LROs skimmed off funds that could be used for direct patient services. According to Campbell, the association takes the position that the state should hire a minimum number of supervisory personnel and channel all other funds directly to the local health departments.

Only one of eight health directors interviewed for this article had anything negative to say about the family planning coordinators assigned to their regions. One of them, Mitchell Sakey of Harnett County, said he had written a letter asking that the coordinator for his region be retained in the new administrative structure. The basic point the health directors make is that their departments are capable of assuming administration of the family planning program.

Three health directors were among the nine members of a task force that Dr. Koomen appointed to advise him on implementation of a new administrative structure. The other members were the head of the Family Planning Branch, a Division of Health Services regional health director, an administrator from the DHS personal health section, a health educator from a county health department, an executive director of a COG, and a family planning coordinator. According to the COG director and the coordinator, it was obvious from the beginning that their view---that the regional nature of the program should be maintained---was a minority position.

At its first meeting in March, 1978, the task force agreed to retain an HEW consultant to study the family planning structure. The consultant presented the results of his study on August 28, 1978. The consultant challenged the argument that LROs were skimming needed clinical funds. He wrote: "Movement away from LRO administration to either DHS Regional Office administration or direct county contracts may not 'buy' the service providers any more service. In fact, administrative realignment under whatever form may cost more in administration and direct services."

The consultant was aware of the strong bias toward returning to direct contracting with the county health departments. He wrote: "If administration were to be shifted to the DHS Regional Offices, all parties must ask themselves honestly whether or not 'services' being provided presently by the LROs could be administered as effectively and efficiently over wider geographic areas." *If this could be done*, the consultant recommended shifting family planning from the LROs to the regional offices.

The geographic issue is important. Under the

regional system, each coordinator worked with three to eleven counties. Under the arrangement that gives coordination of the program to the four DHR regional offices, the staff of each office will have to service from 17 to 34 counties. Some county health departments are located far from a regional office. In Region K, for example, the regional coordinator under LRO administration was stationed in Henderson. Under the new structure, the coordinator will be based in the DHR regional office in Winston-Salem.

According to Dr. Moye Freymann, a professor at the University of North Carolina at Chapel Hill who has worked closely with the development of family planning administration, it is important to locate the coordinators close to the counties they serve in order that they can be aware of local conditions and be accepted as members of the communities. Frequently, says Dr. Freymann, state government employees are seen as "them" by local governments.

In January, 1979, a majority report of the task force was presented to Dr. Hugh Tilson, the new director of the Division of Health Services. Dr. Tilson had replaced Dr. Koomen, who had resigned. The report endorsed the concept of regionalism and recommended that the responsibility of the LROs be shifted to the DHR regional offices and that the state's Family Planning Branch contract directly with local provider agencies. It recommended that the changes be phased in between July 1, 1979 and June 30, 1980.

Dr. Tilson accepted the recommendations of the majority report after discussing the report with representatives of the task force, COGs, and health directors. He subsequently ordered all LRO involvement in family planning to cease by July 1, 1980.

ON JANUARY 31, 1979, the majority report was submitted to the Local Government Advocacy Council, which has responsibility for reviewing policy changes that affect local governments and LROs. It was at that meeting that a minority report from the task force surfaced.

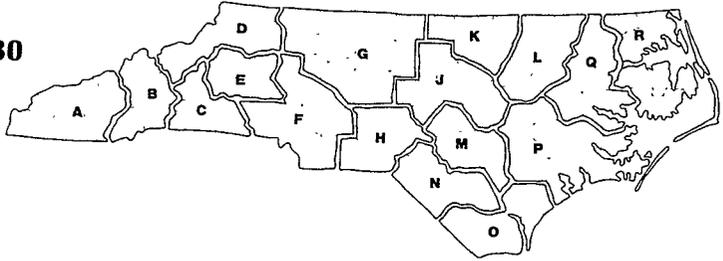
The minority position was written by John Sutton, executive director of the Region M Council of Governments, with the help of Susan McIntyre, a family planning coordinator, and other COG executive directors. The authors said they had prepared it because the decision to change the administrative structure had been made "without adequate input by elected officials of local government."

They challenged the assumption that "a change in administrative structure would automatically strengthen and improve comprehensive family planning services." They said the majority members of the task force had not done what the HEW consultant had suggested: honestly ask themselves whether the four DHR regional offices could do as good a job as the existing program. The minority report took issue

Family Planning Program Regions

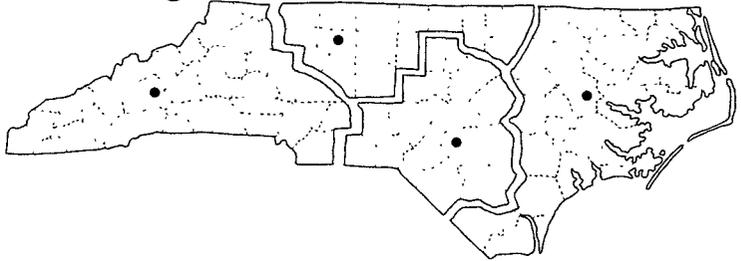
LRO Districts

July 1, 1974 — July 1, 1980



Department of Human Resources Regions As of July 1, 1980

- Black Mountain
- Winston-Salem
- Fayetteville
- Greenville



with the majority report on several issues: "1) that the family planning program will be strengthened and improved by a shift in administration from the present 17 multi-county regions to the 4 DHR Regional Offices; 2) that a single statewide administrative model, with no options for flexibility, is best for the program and the people it serves; and 3) that the proposed change would drastically reduce administrative costs of the program, thereby making more funds available for local service delivery."

Both the majority and minority reports were distributed at the meeting of the Local Government Advocacy Council. After about 20 minutes of debate, the majority report was accepted on a voice vote.

The DHR regional health directors, the head of the Family Planning Branch, and representatives of the Local Health Directors Association met subsequently to discuss how many employees the four DHR regional offices should hire to replace the 25 existing LRO employees and coordinators involved in administration of the program. According to Campbell, president of the health directors association, the health directors wanted no new employees. They wanted maximum dollars for the health departments. The final decision was that three persons, at most, would be hired by each of the four regional offices.

It had now been 20 months since Dr. Morrow had originally requested that family planning conform to the existing departmental structure. In a letter accompanying the state's application for federal funds for fiscal year 1980, Dr. Morrow wrote that the new administrative set-up would "strengthen local level

service provision and delivery" and result in "significant savings in our administrative costs."

THE EXACT AMOUNT of the "savings" referred to by Dr. Morrow is difficult to pin down. With a limit of 12 regional employees, the Division of Health Services will certainly realize savings simply because fewer people are being hired to replace those who are leaving. How much is debatable. At the meeting of the Local Government Advocacy Council, members of the task force and representatives of the Family Planning Branch cited figures ranging from \$200,000 to \$700,000. The council stopped discussing the issue after they failed to get a satisfactory answer. The most recent estimate from the Family Planning Branch is \$200,000. This represents the administrative funds now disbursed to the LROs minus the project costs of the DHR regional offices. It does not calculate the costs of the services the LROs provide directly to the counties, such as health education or outreach. Additionally, the state has estimated that 35 percent of the "administrative" coordinator salaries should be considered as supporting direct services to health departments and communities.

No formal cost-effectiveness study has been done, and one state official calls the \$200,000 figure an "unsophisticated, overestimated statement of savings." If \$200,000 is saved, that will amount to \$2,000 for each of the 100 counties.

Will this small amount of additional money for each of the counties be gained at the expense of losing quality technical assistance for the counties and effective monitoring of services? The leaders

HEW officials have raised questions about the ability of individual counties to effect a 'coordinated delivery system.'

of the Local Health Directors Association would answer no to that question. But HEW officials in Atlanta do have those reservations. They are concerned about the North Carolina program losing the expertise of the LRO coordinators.

The state has adopted the policy of trying to hire the experienced coordinators to work in the DHR regional offices. But to date, the policy has not worked. All of the six experienced workers in four LROs that have already been phased out of family planning have left the state program. At least one of them was offered a job at the DHR regional office, but she declined because she did not think the same kind of quality job could be done out of the DHR regional office.

The LRO coordinators, who have had limited access to the policy makers responsible for the change, have reservations about the ability of the four DHR regional offices and the health directors to continue the present program. They say they have worked extensively with community groups in their regions, served as catalysts for regional programs--like the vasectomy program in Region G--that individual counties could not support alone, helped health directors obtain the services of social workers to certify patients for reimbursement programs, and generally supplied the full-time supervision of family planning programs that local health directors, with their many responsibilities, cannot. Many coordinators reported instances of health directors failing to pass along information from Raleigh to their staffs. They said they follow up directly with clinical personnel to make certain that the information has been received.

The coordinators as well as Family Planning Branch and HEW officials are worried that the DHR regions and the local health directors will not be able to maintain the "coordinated delivery system" that is required by law. They are afraid that although health directors support in theory the concept of coordination of services, in practice each of the counties will be out for itself.

Instances of competition rather than cooperation have occurred in the past. When Dr. Morrow was director of the Guilford County Health Department, Guilford obtained a family planning grant directly from HEW. When the state adopted the LRO admini-

strative structure, it instructed Region G to tap \$10,000 of Guilford County's funds to finance a regional program. Both Dr. Morrow and the executive director of the Region G COG subsequently appeared before the Guilford County commissioners, Dr. Morrow to argue against the decision, the COG director to support it. The decision to divert the funds to the regional program was upheld. Becky Bowden, the family planning consultant for the regional area that includes Guilford County, explained the state's position: "I don't feel badly at all if we reduce the money in Guilford to provide services to all seven counties."

In another instance, \$8,000 originally allocated to Brunswick County was taken and redistributed by the regional agency among other counties in the region. "We were penalized," said the Brunswick County health director.

An example of what coordinators think could happen under the new system is available presently in Region E, where the LRO has elected not to hire a full-time coordinator and funnels almost all responsibility to the individual health departments in the region.

Robin Foster, the part-time family planning coordinator, says her supervisors have her spend a minimum of time on family planning since the COG receives no family planning funds to pay her salary. As an observer, Ms. Foster finds that the individual health directors are too busy to allocate sufficient time to overseeing family planning programs. The result is that the "comprehensive nature of the program is being hurt." She notes, for example, that the regional advisory council for family planning does not have the wholehearted support of the local health directors, who look upon the council mainly as a group required by HEW.

Dr. Ronald Levine, assistant director for state services in the Division of Health Services, said he has some concerns about the ability of small counties to compete with the larger counties for grants. He said the Division of Health Services would try to develop an allocation procedure that will protect the smaller counties.

Ms. Margie Rose, the head of the State Family Planning Branch, described implementation of the new administrative structure as "a challenge." She said: "I will have confidence (in the new structure) if these people (the present coordinators) are maintained in the system and if we do an adequate training job."

THE CHANGE in administrative structure has prompted the HEW officials who reviewed North Carolina's application for 1980 funds to recommend that the program be approved subject to "provisions." The concerns of Janice Maddox, the primary reviewer for HEW, and Sam Ray, the federal agency's chief for

North Carolina and South Carolina, were expressed in memorandums obtained by the Center.

Since there is "no uniform contract available for measurement of performance in the counties under contract," the federal reviewers wrote, North Carolina must develop county contracts that insure performance standards and continued accountability to HEW. The federal reviewers also raised questions about the future role of citizen advisory councils in the new structure and the capacity of the new system for providing all North Carolinians access to family planning services. Ray has reservations about the ability of some local health departments to handle the family planning program on their own. He suggested that the state be prepared to provide services directly if local programs were found to be inadequate.

Is there an alternative to the drastic change in administrative structure that Dr. Tilson has ordered, an alternative that would speak to local health directors' desire for more control over programs yet retain the regional coordination provided under the old system?

There is a model for an alternative in the administrative structure of the Emergency Medical Service (EMS), another program run by the Department of Human Resources. The EMS program has four supervisors, one in each of the DHR regions. But it also has 16 regional coordinators, based---as were the family planning coordinators---in the LROs. The difference is that the EMS coordinators receive their salaries directly from the state rather than from the LROs. The LROs are reimbursed for the office space and the support services they provide to the coordinators.

According to EMS spokesman Tom Harmelink, the arrangement has worked well. The coordinators, located close to the counties they serve, have been "a strength and liaison with local governments." Local governments have benefited, Harmelink said, from having state representatives who are familiar with their areas and readily available to provide assistance. The coordinators have also helped to maintain regional advisory councils.

Might it not be possible to provide direct family planning contracts to local health directors to satisfy their primary objection---having a non-health agency as an intermediary---and still maintain geographically close coordination by having state-paid coordinators in the LRO offices?

There has already been some consideration of decentralizing the new coordinator positions, that is, moving some of the new staff people out of the DHR regional offices and closer to the counties they will serve. The task force appointed by Dr. Tilson endorsed the concept of decentralization. And Dr. Levine, Dr. Tilson's assistant, said he didn't see any reason why staff members assigned to the regional offices couldn't be located closer to the counties. But will the regional offices have enough staff to permit decentralization? Mrs. Jean Lassiter, the health director in

Under the new administrative structure, some family planning coordinators will be located far from the counties they serve.

one DHR region, says she is willing to subdivide the 33 counties that make up her region, but she added that she didn't know whether that would be possible if only three persons are assigned to the regional office. Dr. Morrow is leery of alternatives that would bring the LROs back into the administrative structure. "With any LRO involvement," she says, "we would get back into the situation of non-uniformity."

THE QUESTION is whether the uniformity of administration sought by Dr. Morrow will work to the benefit of North Carolina's family planning program and the people it serves. In effect, the state is abandoning a successful structure for one that conforms to its normal administrative pattern with no assurances that the change will improve the delivery of family planning services.

The state will now write uniform contracts with all of North Carolina's health departments and districts. But as the result of HEW officials' reservations about the new arrangement, particularly about the loss of the regional coordinators, the contracts will contain specific provisions designed to assure the local providers' accountability to HEW. The emphasis on carefully specified contracts may prompt local health directors to worry more about complying with the provisions than about providing quality services.

The regional coordinators were able to help local health directors both comply with the federal regulations and provide a full range of services. Located near the counties they served, they were able to monitor services and provide assistance in areas such as health education, the organization of regional advisory councils, and the acquisition of reimbursement funds.

State officials could have taken a less sweeping approach to revamping the family planning program. Dr. Koomen recommended two years ago that the state maintain the successful parts of the program and change only those parts that needed changing. Instead, the policy makers decided on a full-scale change even though they can not be sure the new system can deliver all the medical, social, and educational services that make up a comprehensive family planning program. □

CWIP: Was It Part of 'A Swap-off'?

Gary Pearce, the governor's press secretary, described the administration's inconsistent statements on CWIP as 'a mess.'



Gene Payne of the *Charlotte Observer*

A UTILITIES FINANCING LAW quietly passed during the closing days of the 1977 Legislature has come to haunt consumers, who will soon begin paying for it, and the Hunt Administration, which has been embarrassed by it. The Administration has found itself on both sides of the controversial issue called CWIP.

CWIP--"Construction Work in Progress"-- is a new law that allows electric power companies to bill consumers for the costs of power plants under construction but not yet producing electricity. The law was passed in 1977 and went into effect on July 1, 1979 following an unsuccessful fight for repeal.

CWIP was criticized in the last issue of *N.C. Insight* for conscripting ratepayers as investors in the power companies as well as for distorting utilities' incentives and encouraging overconstruction of power plants. The article, by economist Dr. John Neufeld, was accompanied by a report quoting the statement of Gov. James B. Hunt Jr. that he opposed CWIP when it was passed, still opposed it, and would support legislation to repeal the law before it went into effect. The article was followed by newspaper editorials blasting CWIP as "unfair" and "insidious" and by front-page reports of Hunt's firm opposition to CWIP.

Then came some discordant notes from within the Administration. *The Charlotte Observer* noted that Gary Pearce, the Governor's press secretary, had recently said Hunt took no position on CWIP and "doesn't think it's that bad." In an *Observer* article headlined "Hunt Straightens It Out: He Dislikes Utility Law," Pearce was quoted as describing the inconsistent statements as "a mess."

There were more serious discrepancies. Hunt Administration officials had made a deal with the power companies in 1977, according to an account by the Associated Press published after this year's unsuccessful effort to repeal CWIP. The AP report quoted

the chairman of the 1977 House Utilities Committee--- Rep. J.P. Huskins, D-Iredell---as saying "he and Hunt Administration officials agreed then to accept the CWIP provision in return for agreement by the utility companies not to oppose creation of the commission's public staff." The creation of a "consumer advocate" Public Staff of the Utilities Commission had been promised by Hunt during his 1976 campaign.

"It was a swap-off," Huskins said.

In an interview done for this article, Pearce, the press secretary, neither confirmed nor denied such a "swap-off" took place. "It is clear there may have been a tacit agreement . . . I said *may have been*." When asked whether the Governor himself had known about or been involved in such a "swap-off," Pearce only reiterated that the Governor had always opposed CWIP. Pearce declined to relay the question directly to the Governor, but an opportunity for the question arose at the Governor's press conference following the adjournment of the legislature. The AP account was repeated to the Governor and he was asked: "Could you tell us to what extent you had personal knowledge of or involvement in the deal at the time it was struck?"

Hunt replied: "That is not true." But he added, "You can't ever know" what is said among people negotiating on a bill. "The Governor's position was and continues to be that CWIP is not a good idea for this state."

The man whom Hunt appointed as head of the Public Staff, Hugh Wells, was a supporter of CWIP until the recent flurry of negative publicity and Hunt's announcement of opposition. Wells has since modified his position to one of neutrality. Wells contributed to the 1977 legislative deliberations both on CWIP and on the creation of the Public Staff itself. Wells said in an interview that, as counsel to the Senate

Utilities Committee, he helped write the bill that created the Public Staff and, at the request of the House Utilities Committee, commented upon the proposed CWIP legislation.

Pearce, however, said that Wells' comments on CWIP in 1977 were not neutral. "He didn't stand up and say 'pass this bill,'" said the press secretary. "But in his explanation of CWIP it was clear he thought it was a good thing. He was saying in the long run it will save consumers' money. So the legislators naturally said, 'O.K. That's great.'"

Wells said that he had not played a role in getting the CWIP bill passed. He had recommended the addition of safeguards in the CWIP legislation, he said, in order to allow the Utilities Commission discretion in allowing CWIP charges in rates and to guard against "double dipping" that might have resulted from the addition of CWIP charges to charges CWIP was meant to replace.

"His recollection is different from mine," Wells said of Pearce's account. The favorable evaluation of CWIP had actually originated with the staff of the Utilities Commission, he said. "I simply articulated what the Commission staff had produced. That's what Gary is referring to. What they produced was favorable in this sense--in the short run CWIP costs more; in the long run it costs less." Asked whether this is debatable, Wells replied, "Certainly it's debatable, but that's what the numbers tended to show." Wells added that the long-run benefits are debatable because CWIP would tend to take money from ratepayers in the near-term and pay them back at some future time in depreciated dollars. Consideration of this and other related factors was not mentioned in the Commission staff's analysis.

Dell Coleman, formerly chief accountant with the Commission staff and now with the Public Staff, performed the analysis, which he referred to as "some very rough calculations of income requirements with CWIP in the rate base... figures roughed out on a yellow tablet." Asked whether the figures showed that CWIP "costs less in the long run," Coleman said, "No analysis like that was done. There was no analysis whether CWIP is less beneficial in the short run or in the long run is more beneficial... That may have been an interpretation Mr. Wells made from the data."

Coleman's thumbnail analysis was requested by the Governor's office. Hunt's economic advisor Ken Flynt said in an interview that he had hoped to put together a more thorough analysis of CWIP's impact but got only "bits and pieces" of information from the Commission staff, consultants, and the utility companies themselves.

The recent bill to repeal CWIP was defeated in the House Public Utilities Committee following a public hearing in which citizen groups heatedly attacked CWIP and power company spokesmen argued that their multibillion dollar construction programs could not be financed without it. The overwhelming defeat came on a voice vote, but the sponsor of the repeal bill, Rep. Thomas Rhodes, R-New Hanover, supplied the names of those who, he said, voted against CWIP. (See box.)

According to the AP, members of the utilities committee said they had not been contacted by the Governor about the bill, and Hunt's chief lobbyist, Jack Stevens, said he had not worked on behalf of repeal. "I did no work on that," Stevens said after the vote. "He didn't tell me to do any work on it."

—Brad Stuart

The Vote on CWIP

"It wasn't hard to tell who voted for it," Rep. S. Thomas Rhodes (R-New Hanover) said of his bill to repeal CWIP. He said he was joined in voting for the bill by only two other members of the House Public Utilities Committee--George W. Miller Jr. (D-Durham) and Robert H. Hobgood (D-Franklin). Bobby R. Etheridge (D-Harnett) joined the other three legislators in an unsuccessful move to have the effective date of CWIP delayed.

Other members of the committee, who either voted against repealing CWIP or did not vote, were: Dwight W. Quinn (D-Rowan), A. Hartwell Campbell (D-Wilson), Porter C. Collins Jr. (D-Alleghany), Robert Z. Falls (D-Cleveland), Chris S. Barker Jr. (D-Craven), David W. Bumgardner Jr. (D-Gaston), Howard B. Chapin (D-Beaufort), James M. Clarke (D-Buncombe), James Worth Gentry (D-Stokes), Richard R. Grady (D-Wayne), J. P. Huskins (D-Iredell), Tom B. Rabon Jr. (D-Brunswick), J. Guy Revelle Sr. (D-Northampton), H. Horton Rountree (D-Pitt), Margaret Tennille (D-Forsyth), and Ben Tison (D-Mecklenburg).

Center Receives Three Grants

The North Carolina Center for Public Policy Research has received three foundation grants to help fund its work over the next year.

Grants of \$50,000 from the Z. Smith Reynolds Foundation of Winston-Salem and \$25,000 from the Mary Reynolds Babcock Foundation of Winston-Salem will support the Center's general operations. A grant of \$25,000 from the Ford Foundation of New York will finance a Center study on tobacco and the North Carolina economy.

The Center has also been chosen to cooperate in a National Science Foundation (NSF) project with Professor Edward Bergman of the Department of City and Regional Planning at the University of North Carolina at Chapel Hill.

With an NSF grant of \$28,500, Bergman will do a study of economic trends and their impact on North Carolina's communities. The Center, which served as a sponsor for Bergman's proposal to the foundation, will publish the study.

Past support for the Center has come from the Mary Reynolds Babcock Foundation, the Carnegie Corporation of New York, the Ford Foundation and the Rockefeller Brothers Fund. It is also supported by individual members.

An Unintended Boon for the Utilities

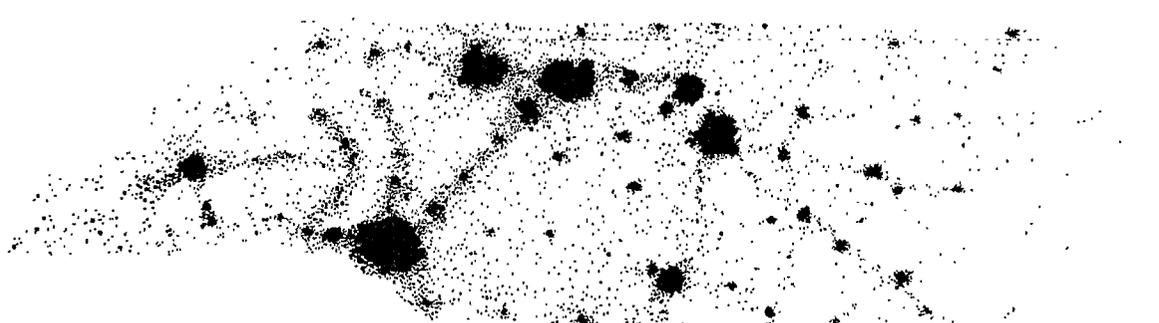
Last year, on the recommendation of the Utilities Commission, the General Assembly lowered from \$1 to 50 cents a page the price of copies of commission hearing transcripts. This year, the legislature reversed itself and raised the price back to \$1 a page.

A slap at consumer groups? No, according to Robert K. Koger, the Utilities Commission chairman.

The effect of last year's change, Koger said, was to benefit the utilities, which continued to purchase transcripts---but at a reduced price. And companies and attorneys involved in cases of little interest to the public, according to Sandra J. Webster, the commission's chief clerk, also benefited from the change. Those companies and attorneys were, in effect, paying half price for the cost of making transcripts, not simply for the reproduction of transcripts that the commission routinely makes in cases that have a substantial impact on the public. Ms. Webster said she checked her records for six months and found that not one consumer group had purchased a transcript.

The effect of the reduced price on the commission was a \$20,000 deficit in the budget of the chief clerk's office. The commission, Koger said, asked the legislature to increase the appropriation for the chief clerk's office. The legislature decided instead to restore the \$1-a-page fee.

Koger said transcripts will continue to be available to consumers at the chief clerk's office in the Dobbs Building in Raleigh and---on request---at centrally located public libraries. Ms. Webster said transcripts may also be read at the office of the secretary to the legislature's Utility Review Committee, Room 1414 of the legislative building in Raleigh.



Governor Responds to Center Report

Which way now? Economic Development and Industrialization in N.C.

The Center's latest report, *Which way now? Economic Development and Industrialization in N. C.*, which was released on May 9, raised six major issues concerning the development of the state:

- the limited influence of government over economic development as compared to other factors such as regional and national economic trends;
- the importance of water, four-lane highways, and urban areas in industrial site selection;
- the concentration of new North Carolina industry in the "urban fringe"---the areas outside of cities but accessible to their advantages;
- the effects of capital-intensive *vs* labor-intensive industries on personal income in rural areas;
- the complexity of forces affecting economic development and the need for better local understanding of these forces and for more citizen awareness of important economic choices; and
- the inadequacies of the Hunt administration's Balanced Growth Policy.

The first five points were virtually obscured by the attention given by the media and the Hunt administration to the criticism of the Balanced Growth Policy. At his press conference the day after the release of *Which way now?*, Governor Hunt said that the authors of the study had not "done their homework" and, specifically, that the study failed to consider:

- industry that is going into non-metropolitan areas;
- the administration's metropolitan area development strategy;
- the involvement of local officials and citizens in the development of the Balanced Growth Policy and especially the administration's survey of 100,000 citizens and the work of the Interim Balanced Growth Board and the Local Government Advocacy Council; and
- the views of corporate executives and state employees engaged in industrial development.

The Governor was correct on two counts. The study did not consider the administration's metropolitan area development strategy. It was not complete at the time the Center report went to the printer (April) and is still unfinished as of this writing (June). The authors were aware of the beginnings of the metropolitan strategy that occurred very late in the evolution of the Balanced Growth Policy, largely in response to complaints from urban areas.

Which way now? also failed to mention the involvement of local officials and citizens in the Balanced Growth Policy through the administration's mass survey and in the work of the Interim Balanced Growth Board and the Local Government Advocacy Council. The authors chose to concentrate instead on a far more important element, the informed participation of citizens in local economic choices affecting their communities.

May 16, 1979

Dear Editor:

During the past few days, members of my administration and I have had an opportunity to review the report "Which Way Now?" released last week by the N. C. Center for Public Policy Research on economic development and industrialization in the state.

I have found the report to contain some useful information and recommendations. In response to one concern expressed in the report, I am asking my staff to develop ways to assess progress in achieving goals outlined in our Balanced Growth Policy.

But I am afraid that, in many instances, the authors of the report did not do their homework.

In the first place, many of its findings are out-of-date. At no point is there reference to the Interim Balanced Growth Board which has addressed many of the issues mentioned in the report during the past few months. This board, which is composed of the State Goals and Policy Board, the chief citizen advisory group in the state, and the Local Government Advocacy Council, which represents local government interests, was appointed last December to develop and refine the Balanced Growth Policy.

Since the Board began its work, it has focused on the special needs of our large cities, as well as small towns and rural areas; the unique and distinctive characteristics of communities all across the state; the need for adequate highways and water and sewer services; and on many other areas noted in the report as requiring consideration.

The Board's membership also refutes the report's criticism that local governments are not adequately involved in setting growth policy. It is, in fact, local government representatives---mayors and county commissioners---as well as citizens from a variety of business and professional backgrounds, who are formulating the policies that affect them at home.

The report also fails to mention the Balanced Growth Policy Act, passed by the General Assembly on April 19. No valid critique of the policy can take place unless the actual provisions and language of the act are used as the basis.

Another weakness of the report is that it limits its investigations to only two multi-county regions of the state. Certainly, these two areas are not representative of development in the Piedmont and mountain areas---or in fact, the coastal counties---and especially do not illustrate the problems of the metropolitan areas. Yet, the report's recommendations are aimed at the entire state, including our larger cities.

A more complete response to some of the questions raised by the report is attached to this letter. I hope that you will take the time to consider these matters carefully and that you will contact my office if you have further questions.

Our Balanced Growth Policy can withstand close scrutiny, and I welcome dialogue concerning the policy.

My warmest personal regards.

Sincerely,
Jim Hunt

Figure 1

On May 16 the Governor sent a letter to editors across the state. (See Figure 1.)

There were three enclosures with the Governor's letter. One of them, a "Background Paper on Balanced Growth," asserted that "an effective statewide growth policy must address four areas: 1) Growth trends; 2) A statewide perspective; 3) A state-local partnership for decision-making; and 4) Strategies for dealing with specific problems." This background paper criticized *Which way now?* It discussed each of these four areas and stated that the report

Distribution of Manufacturing Jobs in State

Region	1962	1976	% Increase	
Distribution of Manufacturing Jobs In State				
Metro*	78.8%	72.0%		
Non-Metro	21.2%	28.0%		
Distribution of High Wage Manufacturing Jobs as % of All Manufacturing Jobs				
Metro	16.7	19.4		
Non-Metro	2.2	3.4		
Total	18.9%	22.8%		
Distribution of High and Medium Wage Manufacturing Jobs as % of All Mfg. Jobs				
Metro	39.6	39.6		
Non-Metro	10.4	12.4		
Total	50.0%	52.0%		
Distribution of Manufacturing Jobs In State				
Metro	414,968	530,174	27.8%	(+115,206)
Non-Metro	113,040	205,804	82.1%	(+ 92,764)
High Wage Jobs				
Metro	87,829	143,009	62.8%	(+ 55,180)
Non-Metro	12,874	25,247	96.1%	(+ 12,373)
High and Medium Wage Jobs				
Metro	208,321	291,721	40.0%	(+ 83,400)
Non-Metro	56,377	91,263	61.9%	(34,886)

*Metro Regions are B, E, F, G, J, M, O

Conclusions: 1/3 of all new manufacturing jobs added were high and medium wage in non-metro.

1/2 of all new manufacturing jobs added were low wage in metro.

Figure 2

- overlooks "very important growth trends in North Carolina and in locations actually selected by the industry;"
- does not offer a "statewide perspective" of the kind provided by the Balanced Growth Policy "as it is now being developed;"
- "overlooks the paramount importance of local elected officials' participation in the statewide decision-making process;" and
- fails to recommend measures to encourage state and local governments to work together.

Governor Hunt's Response to Recommendations

1. "Adopt a 'growth management' policy that recognizes and builds on the differing patterns of growth in different counties and regions in order to maximize the benefits of probable growth to all North Carolinians."

The Balanced Growth Policy is just such a policy. It provides for local growth plans as part of the growth center strategy being developed by the Interim Balanced Growth Board, and those growth management plans are the responsibility of local governments.

2. "Amend the General Statutes to require counties to accomplish multi-county economic development research and planning in accordance with certain specific criteria."

This action is not needed because all counties and cities are already members of regional planning organizations. All have just completed land use guides, and many are preparing detailed overall economic development plans. To require multi-county economic development planning by counties seems unwarranted in light of these efforts, but I will ask the Local Government Advocacy Council to consider this idea.

3. "Appropriate \$1 million to the counties to accomplish this research and planning with not less than five per cent of each county's allocation to be used in presenting the results to the public."

Such a request for funds would not be appropriate for the reasons outlined in Number 2.

4. "Require citizen planning boards to approve county development plans by July 1, 1981, as a prerequisite for further local government participation in non-mandated state and federal economic development programs."

The county boards of commissioners are the proper authorities responsible for developing these plans. Many of them already require citizen input in this process, and I see no need for the state to impose further requirements.

5. "Direct state agencies to periodically provide the information counties need for their research and planning tasks."

This is now the law. Where state agencies have information, it is made available. Indeed the decision to generate new data is often in response to local needs. The range and sources of data now provided are the subject of a directory newly developed by the Department of Natural Resources and Community Development.

6. "Request the University of North Carolina to identify major urban, urban fringe, and rural growth problems and solutions to these problems and to distribute this information to all local governments and to appropriate state agencies by July 1, 1980."

The identification of growth problems is being addressed in many ways. In fact, the Center for Urban Affairs at UNC-CH has already been working with Secretary Howard Lee on identifying

Figure 3

Other documents enclosed with the Governor's letter were information on the distribution of manufacturing jobs in the state (Figure 2) and a response to recommendations in *Which way now?* (Figure 3).

Much of the criticism from the Governor's office was focused on the report's failure to consider various aspects of the Balanced Growth Policy. *Which way now?* was not intended to be an analysis of the Balanced Growth Policy. It considered that policy only as it related to the principal purpose of the report, which was to consider "the impact of state and federal

urban problems. The Department of Natural Resources and Community Development, along with the Local Government Advocacy Council, are serving as focal points for coordinating these efforts. In addition, the universities are sponsoring workshops and seminars on growth management. And, I might add, the Institute of Government is recognized as outstanding in its support role to local government.

7. "Request the private colleges and universities to develop ideas for economic growth in rural areas, other than through manufacturing, and to distribute this information to all local governments and to appropriate state agencies by July 1, 1980."

I believe the private colleges and universities could best speak to this issue.

8. "Request the Commissioner of Labor, the Secretary of the Department of Natural Resources and Community Development, and the President of the Department of Community Colleges to study ways to increase the technical job opportunities for low-income people, especially in rural areas, and to report the results to the Governor and to the General Assembly by January 15, 1980."

These people are now on the N.C. Manpower Services Council. That council is addressing those very issues.

9. "To appropriate \$40,000 to the Board of Governors of the University of North Carolina for research on urban problems and solutions to these problems, with the requirement that the results be distributed to all local governments and to the appropriate state agencies by July 1, 1980."

The current budget already has funds to be allocated to the University system to study urban problems and issues. I'm confident that the Board of Governors is satisfied this amount is appropriate. As a footnote, the work done on Balanced Growth Policy was with contracted assistance by the Center for Urban Affairs at North Carolina State.

10. "Establish a study commission to recommend to the Governor and the 1981 session of the General Assembly changes in state law and appropriations to strengthen the state's role in the management of water resources."

Secretary Howard Lee established a Water Resources Council in April to assist in establishing a Water Resources Division within his Department which will be responsible for directing the state's role in water resource management.

11. "Request the Governor's Committee on Rural Public Transportation to recommend to the Governor on December 1, 1979, specific ways to encourage the development of energy-conserving transportation systems for rural workers to reach employment opportunities near urban areas."

On December 6, 1978, I signed Executive Order Number 29 creating the Public Transportation Advisory Committee along with an Interagency Transportation Review Committee. I have requested that they develop transportation policies which are consistent with Balanced Growth Policy.

policies and programs on the growth of industry and on economic development."

A review of the material provided by the Governor's office and *Which way now?* suggests that there are five basic areas of disagreement.

1. In discussing where industry is locating in the state, there are major problems of definition. The administration considers only two types of regions in describing where industry goes, the metropolitan and the non-metropolitan. There are good reasons for using the metropolitan/non-metropolitan categories, but the authors of *Which way now?* feel this

division overlooks and even obscures the concentration of economic growth that is occurring in the urban fringes. These areas, which generally lie outside of cities but are accessible to them, may be located in either metropolitan or non-metropolitan regions as those regions are defined by the administration. The definitions are important because failure to illuminate what is happening in the urban fringe areas can lead to a general failure to recognize and act on the problems and the opportunities there.

2. The administration's position suggests that the state can and should exercise strong, centrally controlled influence over many aspects of the social and economic development of communities and counties. Although the state does have some important functions that can influence economic development in a very general way, especially in the long run, *Which way now?* argues that the state does not have the means to significantly alter most economic trends at the local level, especially in the short run. And if such state efforts are generally ineffective, they are also generally wasteful.

3. The administration states that citizen involvement in the development of the Balanced Growth Policy has been extensive and cites as evidence of this the citizen survey, local meetings on balanced growth, and the activities of local government officials on the Interim Balanced Growth Board and on the Local Government Advocacy Council. The authors of *Which way now?* agree that there has been constructive discussion by local citizens and officials of some aspects of economic growth. However, the authors suggest that the results of these forms of local involvement have not reflected very much consideration of alternatives to the Balanced Growth Policy and have not been a major factor in shaping state development policy. The authors of the Center report would argue that a more important form of public participation is the inclusion of local citizens in the local planning processes through aggressive efforts by state and local governments to involve these citizens in meaningful discussions about the economies of their communities and about the full range of economic choices available to them.

4. The administration's criticisms suggest that the Balanced Growth Policy includes matters that have been discussed within state agencies but that have not yet been resolved in any definitive way, such as the metropolitan area development strategy. The authors of the Center study would argue that addressing the question is not the same as providing an answer.

5. The administration assumes that the Balanced Growth Policy is in fact policy because it is labelled "policy." The authors of the Center study submit that any real policy must be sufficiently explicit to guide present and future decisions. The authors would argue that neither the Balanced Growth Policy Act enacted by the legislature nor the balanced growth documents of the administration meet this definition.

The preface of *Which way now?* states the hope that the study would lead to "lively and informed debate about state development policy and about how communities and the state can benefit most from growth that will surely continue." Governor Hunt welcomes dialogue on the Balanced Growth Policy, according to his May 16 letter, and he has made a significant contribution to it. The Center will continue the debate in a report to be issued in August, *Making North Carolina Prosper: A Critique of Balanced Growth and Regional Planning*.*

—Mercer Doty

*See facing page.

Selected Publications

Interconnections for North Carolina and Beyond. Sets forth the findings and recommendations of the North Carolina Task Force on Public Telecommunications, which spent more than a year studying existing and potential uses of telecommunications in this state. It includes a chapter on Durham's public uses of cable television based, in part, on a section of this Center's report, *Cable Television in North Carolina*. It is available from the Task Force, 116 West Jones Street, Raleigh, N. C. 27611.

Getting Together: A Community Involvement Workbook. Published by the Governor's Office of Citizen Affairs to encourage citizen participation and volunteer efforts. It lists examples of successful community programs in North Carolina, describes in detail the steps involved in setting up a program, and includes a section on resource materials. Available free from The Governor's Office of Citizen Affairs, 116 West Jones Street, Raleigh, N. C. 27611.

The New Mythology of School Desegregation by Willis D. Hawley. This study, a working paper from the Center for Educational Policy at Duke University, calls into question the "new mythology" that school desegregation does not work. The author takes the position that "on balance, desegregation has resulted in positive outcomes for children and the society." The paper is available for \$2.50 from The Center for Educational Policy, Institute of Policy Sciences and Public Affairs, Duke University, Durham, N. C. 27706.

Financing Capital Projects in North Carolina by David M. Lawrence. This publication, intended as an introduction for local government managers, finance officers, and board members, describes the role of the North Carolina Local Government Commission in approving and selling municipal bonds. It also sets forth, in some detail, the many steps a local governing body must take in issuing bonds to finance capital projects. It is available for \$4.50 from the Publications Clerk, The Institute of Government, P. O. Box 990, Chapel Hill, N. C. 27514.

State Government News, published monthly by the Council of State Governments. The June issue includes articles on solar energy and gasohol. Subscription information from the Council of State Governments, P. O. Box 11910, Iron Works Pike, Lexington, Kentucky 40578.

The Child Advocate, published quarterly by the Governor's Advocacy Council on Children and Youth except during legislative sessions when it is put out every two weeks. The newsletter deals with a variety of issues affecting children and youth. It is available from GACCY, Department of Administration, 112 West Lane Street, Raleigh, N. C. 27611.

The Challenge, a newsletter on the prevention and treatment of alcohol and drug abuse, is sent out monthly by the Alcohol and Drug Abuse Section of the state Department of Human Resources. Each issue includes a "training and events" calendar. Subscriptions to the newsletter are available free on request to Editor, *The Challenge*, 325 North Salisbury Street, Raleigh, N. C. 27611.

Making North Carolina Prosper

A Critique of Balanced Growth and Regional Planning, takes a hard look at the Governor's Balanced Growth Policy, which is designed to help develop and urbanize dispersed communities across the state.

- How will the policy affect the economic progress of the state?
- How does the policy build upon the work previously done in state and regional planning?
- What is the quality and usefulness of economic development planning by regional councils of governments (COGs) and what is the role of these councils in the state policy framework?
- How do we avoid the pork barrel approach to public investments, ensuring that the public's money is wisely used to help make North Carolina prosper?

The report addresses these questions and complements the recent Center report, *Which way now? Economic Development and Industrialization in North Carolina*. To order copies, fill out the enclosed card.

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