



# FROM THE CENTER OUT

October 1986

## CENTER MEMBERS ARE INVITED TO OCTOBER FORUMS ON POLICIES AFFECTING N.C.'s ELDERLY

In a three-year project to examine and make recommendations on social welfare policies, The Ford Foundation is sponsoring a variety of programs around the country to learn what citizens and policymakers think about meeting human needs. As part of that effort, the N.C. Center for Public Policy Research and The Ford Foundation are sponsoring four forums on policies affecting elderly citizens in North Carolina. All Center members are cordially invited to attend one or more of these forums.

The forums are scheduled for October 14 in Asheville, October 17 in Lumberton, October 22 in Charlotte, and October 24 in Raleigh. Entitled "Sitting Down Together: Older Adults and Elected Officials Tackle the Future," the conferences will attempt to bring together citizens and policymakers to discuss important issues confronting elderly citizens today.

The impetus for the forums was a 92-page special issue of North Carolina Insight on "Policy and the Aging: Moving Toward a Crossroads" published in September 1985. This primer, which will form the backbone of the forums, is written in everyday language and describes major policy issues facing both older adults and policymakers -- issues like long-term care, retirement policies, and tax breaks affecting the elderly. Local planning committees -- composed of residents of the four areas where the forums will be held -- have tailored each agenda to cover issues that meet their local needs.

Addressing the Asheville conference October 14 will be John Corman, Executive Director of the Gerontological Society of America; Kathleen Gardner Cravedi, a staff member with the Select Committee on Aging, U.S. House of Representatives; and Ernest Messer, a former 10-term state legislator and director of the N.C. Division of Aging from 1981-1985.

State Rep. Sidney Locks (D-Robeson), chairman of the N.C. House of Representatives Committee on Aging, will greet participants in Lumberton and introduce keynote speakers Eric Kingson, Director of the Emerging Issues on Aging Program for the Gerontological Society of America and a teacher at the Boston College School of Social Work; and Bill Jenkins, a native of Johns Island, S.C. who has worked with the Sea Island Comprehensive Care Corporation since its inception in 1972.

Speaking in Charlotte will be Philip J. Kirk Jr., N.C. Secretary of Human Resources; Lynn Etheredge, consultant to the National Governors' Association on long-term care issues; and Dr. Monroe Gilmour, a retired physician and former chairman of the Governor's Advisory Council on Aging.

Keynoting the Raleigh forum will be John Denning of Clinton, current national president of the 23-million-member American Association of Retired Persons (AARP). Barbara Matula, Director of the N.C. Division of Medical Assistance and two-term national chairperson of the State Medicaid Directors Association, and Elaine Stoops, Director of the N.C. Division of Aging, will also make presentations.

The pre-registration fee for each forum is only \$8. This includes participation in the conference, lunch, coffee breaks, and a free copy of the North Carolina Insight issue on policies affecting the aging. The \$8 fee is due seven days before the forum you plan to attend, or you can register for \$12 at the door.

For more information or a brochure on the upcoming forums, call Nancy Rose, Marianne Kersey, or Bill Finger at the Center at (919) 832-2839. We hope to see all of you there.

## SEPTEMBER INSIGHT LOOKS AT INDUSTRIAL REVENUE BOND PROGRAM AND CONSUMER PROTECTION

In the latest general issue of North Carolina Insight, articles by editors Bill Finger and Jack Betts highlight a diverse set of issues affecting North Carolina citizens -- from tax-exempt industrial revenue bonds to consumer protection programs, to our state's experience allowing cameras in the courtroom, to the changes in the composition of the legislature. Leading off this thought-provoking edition is an in-depth analysis of a state economic development program which uses tax-exempt industrial revenue bonds to encourage manufacturers to locate in N.C. or expand their operations here. This analysis was written by Insight Editor Bill Finger and UNC-CH law student Donald E. Horton Jr.

Industrial revenue bonds are a form of tax-exempt financing designed to promote industrial expansion. The income on such bonds is tax-exempt, and in North Carolina, IRBs are restricted to a face value of \$10 million or less. Currently, both state and local officials determine whether an IRB may be issued to finance a manufacturing plant. If a county industrial authority and a board of county commissioners approve an IRB proposal, three state agencies -- the Departments of Commerce, Natural Resources and Community Development, and State Treasurer -- review the proposal. If they also approve the bond proposal, the county authority issues the bond, which is typically purchased by a bank or insurance company. The proceeds go to the manufacturer to finance the plant.

The Center examined three main areas of concern -- whether IRBs (1) raise wages, (2) help economically depressed areas, or (3) induce investment.

First, in examining whether IRBs help raise wage levels in North Carolina, the Center uncovered a little-known consequence: often, IRBs help finance plants that pay below-average wages. Although North Carolina law [G.S. 159C-7(1) and (3)] requires a company seeking an IRB to offer wages either above the county average wage or 10% above the state average manufacturing wage, the firm may get a "wage waiver" from the state Department of Commerce. Department of Commerce data show that since 1979, wage waivers have been issued for 94 IRB projects in 12 different industrial sectors. The issuing of wage waivers for an IRB project thus does little to alleviate North Carolina's status as a low-wage state -- currently 49th in the country.

Second, the Center found that IRBs have generally helped prosperous areas of the state. Using data from the State Treasurer's office, the Center reports that two of the state's most populous and prosperous counties -- Wake and Mecklenburg -- were among the top three counties in terms of the number of IRBs and pollution control bonds issued between January 1, 1976 and June 30, 1985. On the other hand, few of the state's most rural, least populated, and poorest counties ranked high. As of 1985, 20 counties -- one fifth of the state's counties -- have never issued an IRB, and more than half of those 20 counties had 1985 unemployment rates exceeding the statewide average.

Third, the Center reports that the state has approved IRBs for some of the country's biggest firms. From 1976-82, for instance, 68 firms listed among Fortune magazine's 1000 largest companies used 160 industrial revenue bonds in North Carolina. "More than 40 percent of the IRBs went to well-established businesses instead of to struggling firms that might not have been able to expand or create new jobs on their own," says Finger. "It is unlikely that IRB financing alone persuaded such large, financially sound companies to make an investment they weren't already planning to make," he adds.

"Our findings in these three areas raise questions about whether IRBs have actually done what they were supposed to do," says Finger. "Since IRBs are sold in the open market, they tend to support already profitable firms. Ironically, they have also gone to firms paying low wages, but not to the most depressed counties. With the changes from the federal Tax Reform Act of 1986, North Carolina will have to be more selective in approving IRBs."

Also featured in this month's Insight is a special section on consumer protection in North Carolina, authored by Associate Editor Jack Betts and Center intern Amy Butterworth. It contains a who's who and a what's what of the state's consumer protection laws that show how consumer protection -- once an almost radical notion in North Carolina -- has become a part of the mainstream of government services. Betts and Butterworth discovered some surprising facts about the scope of North Carolina's consumer protection services and laws and interviewed Attorney General Lacy Thornburg about the Department of Justice's role in consumer affairs.

Copies of the research on industrial revenue bonds and consumer protection programs, as contained in Vol. 9, No. 2 of North Carolina Insight magazine, are available for \$6.00, plus \$1.00 postage if mailed, from the N.C. Center for Public Policy Research, P.O. Box 430, Raleigh, NC 27602.

#### **WE URGE YOU TO PARTICIPATE IN THE BOARD NOMINATION PROCESS**

One of the benefits of membership in the Center is the opportunity to nominate persons who would make good additions to our governing Board of Directors. So once again, we are asking you to submit names of persons who would be willing to work hard, attend quarterly meetings, and assist us with fundraising. The Center's Board is responsible for the overall policy and direction of the Center's work and also suggests ideas for topics to be examined in Insight and in research reports. Depending upon their backgrounds and areas of expertise, Board members are also asked to review drafts of articles and major reports for accuracy and clarity. The Board is balanced by race, sex, geographic location in North Carolina, and political party affiliation. If you would like to be considered, or if you want to nominate individuals who fit these qualifications and would be willing to serve a three-year term, please submit the name(s) and background information to Board Chair Thad L. Beyle, Nominating Committee Chair Roy Parker Jr., or Center Director Ran Coble, c/o N.C. Center for Public Policy Research, P.O. Box 430, Raleigh, NC 27602. Nominations must be received by October 17, 1986.

#### **CENTER AWARDED GRANT BY THE FORD FOUNDATION**

We are pleased to announce that the Center has received a major grant from The Ford Foundation to sponsor our October series of forums on issues affecting the elderly in North Carolina. The Ford Foundation was an early supporter of the Center with grants in 1978-79 for starting up Insight magazine and for our 1981 study of The Tobacco Industry in Transition. We are extremely appreciative of this latest grant to the Center because it helps us continue the work begun with our September 1985 issue of Insight and helps highlight the importance of discussing policies affecting the elderly now -- before demographics catch up with us.

#### **CORPORATE CONTRIBUTORS**

The Center is also pleased to welcome two new corporate contributors. Royal Insurance and Olson Management Group Inc. have made contributions of \$1000 and \$500, respectively, and we thank them for joining the Center's circle of patrons. We also send sincere thanks to Lowe's Charitable and Educational Foundation and Gilbarco Inc. for renewing their support for the Center and increasing the amount of their contributions. Lowe's gave \$1000 this year, and Gilbarco gave \$250. Kudos to Center Board members Betty Chafin Rash, Cam West, Virginia Foxx, and McNeill Smith for their assistance in obtaining these gifts.

#### **A WARM WELCOME TO THESE NEW MEMBERS**

<u>August</u>	<u>September</u>	
Walter Daniels	Linda Ashendorf	Northwest Piedmont
Humane Society of Guilford Co.	Asheville Buncombe	Council of Governments
N.C. Biotechnology Center	Technical College	Piedmont Triad Council
O'BrienAtkins	Council on Health Costs	of Governments
Small Business and Technology	Durham Co. Bd. of Elections	Marianne Smythe
Development Center	Julio George	Ann Weeks
Sharon Shaw	Lumber River Council	
	of Governments	

**PUBLICATIONS OF NOTE**

Access Guide to Parks and Recreation in North Carolina for People Who Need Special Assistance was compiled by Hank Anderson and Becky Stone. The booklet is designed to enable persons with developmental disabilities, the physically handicapped, senior citizens, and any other persons needing special assistance to be aware of accessible state parks, state forests, and municipal and county recreation areas. It is available from the N.C. Governor's Advocacy Council for Persons with Disabilities, Department of Administration (919-733-9250) and the N.C. Department of Natural Resources and Community Development, Division of Parks and Recreation (919-733-4181).

N.C. Equity, Inc.: Initiatives for the Economic Advancement of Women, a report by A. Hope Williams for the Z. Smith Reynolds Foundation, examines the current economic condition of N.C. women and what is being done to help women with their economic needs. The report proposes the formation of a new statewide independent group with an emphasis on low income women and the working poor. NC Equity, Inc. received a grant from the foundation and is in the process of setting up a board of directors. The report is available at no charge from the Z. Smith Reynolds Foundation, Attn: Valeria Lee, 101 Reynolda Village, Winston-Salem, NC 27106, (919) 725-7541.

Providing Microcomputers for Public Schools: A Study of Access, Use and Sources of Funds, by Richard A. King and Anne S. Presnell, examines demographic characteristics and financial conditions of school districts to determine if they are related to the availability of computers and uses made of them. Includes interviews with educators in 16 selected districts. Available from the School of Education, Peabody Hall, UNC-CH, Chapel Hill, NC 27514, (919) 966-1354.

Three reports are out on public education. What Works -- Research About Teaching and Learning and First Lessons -- A Report on Elementary Education in America are publications of the U.S. Department of Education, Information Office, 1200 19th St., NW, Washington, DC 20208-1403, (202) 424-1616. The National Governors' Association has also issued its "1991 Report on Education" entitled Time for Results. It is available for \$12.95 from NGA, Hall of the States, 400 N. Capitol St., Washington, DC 20001-1532, (202) 624-5300.

**CALENDAR OF EVENTS**

"Ethical Reflections on Critical Choices in Sickness Care" is the title of a series of five forums on such issues as medical malpractice, foregoing life sustaining treatments, and the question of how much health care society can pay for...and for whom. The forums are scheduled throughout October at Meredith College in Raleigh and sponsored by the Wake Medical Center AHEC, 3000 New Bern Avenue, Raleigh, NC 27610, (919) 755-8522.

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