



FROM THE CENTER OUT

FROM THE CENTER OUT

June - July - August 1989

CENTER EFFORTS BEAR FRUIT

Two long-term policy issues facing North Carolina are tax structure and solid waste management. Within the last year, the N.C. Center for Public Policy Research has published important research on these issues and made recommendations to the N.C. General Assembly. In early August, these efforts bore fruit. In each case, the successful pattern was a combination of publication of the research, statewide news coverage, hard work by a legislative study commission, and thorough debate in the 1989 legislative session. Here's what happened.

Tax Policies Affecting the Poor - In the April 1989 theme issue of North Carolina Insight on poverty in North Carolina, Institute of Government tax specialist Don Limer and Associate Editor Mike McLaughlin documented how the state's tax policies affected the poor. They showed how the tax structure had changed little since enactment almost 70 years ago. When the state income tax was adopted in 1921, it was so progressive that even the governor did not earn enough money to have to pay taxes. Over the years, the tax structure's progressivity has eroded so that N.C. residents begin owing state income taxes when their household income reaches \$4,350, less than half the federal poverty line for a family of four (\$11,612). The Center released a series of recommendations to make the tax structure more progressive. This followed a very well-done report by a study group called the Select Legislative Committee on Tax Fairness, which was composed of legislators and citizens. Their hard work was crucial in providing a group of legislators who could explain the impact of the proposed changes to other legislators who had not served on the study committee. Also key was the fact that the final legislation was "revenue neutral" in terms of not requiring additional appropriations.

North Carolina's newspapers were unanimous in echoing the Center's call for tax reform and lessening the tax load on the poor. A Winston-Salem Journal editorial concluded, "It's time to bring the state income tax structure into the second half of the 20th century. The Center for Public Policy [Research] has endorsed the [Tax Fairness Study] commission's recommendations. The General Assembly should do the same by voting them into law." A Fayetteville Observer editorial began by saying, "The North Carolina Center for Public Policy Research, a nonprofit think-tank in Raleigh, has confirmed what has been obvious for more than half a century now: the state is cruel and grossly unfair in taxing the poor." The Fayetteville Times said, "The latest study of the impact of the antiquated tax structure comes from the N.C. Center for Public Policy Research, the think-tank that regularly does the most thorough job of illuminating the state's most urgent public problems and making sensible recommendations to solve them." Finally, a Salisbury Post editorial endorsed the Center's tax recommendations and said "poverty myths are exploded in a valuable new issue of N.C. Insight, the magazine of the N.C. Center for Public Policy Research." This article sparked 17 supporting editorials, the most ever for an Insight article.

On August 7th, the General Assembly enacted legislation (SB 51) which will remove 700,000 of the state's lowest income citizens from the tax rolls. Taxpayers with incomes of less than \$40,000 will generally pay less and those making more than \$40,000 generally will see an increase in their tax bills, the amount varying with marital status and other factors. About 35% of the state's residents will pay more income taxes and about 65% will pay less. The law will also make it easier to file state returns because taxpayers will no longer have to go through two separate calculations for federal and state returns.

Dealing With Mounting Solid Waste Problems - In March 1988, the Center published research in Insight showing that nearly one-third of the state's 119 municipal and county landfills would run out of space within five years. The Center made five recommendations designed to begin to deal with this problem, including a revolving loan fund from which the state could make low-interest loans to counties with landfill and other solid waste problems. A legislative study commission improved on this recommendation by adding provisions (a) requiring counties to develop solid waste management plans before they could borrow from the fund, and (b) encouraging reduction of solid waste through recycling and other local efforts.

Because the Center published statistics on the remaining life of every one of the 119 local landfills, newspapers were able to localize the story. The editorial response was again consistently favorable.

The Hendersonville Times-News said "The N.C. Center for Public Policy Research is onto something when it recommends that the General Assembly should create a statewide loan fund to help cities and counties pay for new landfills. It can work." The Charlotte Observer and 14 other newspapers made the Center's research the subject of supporting editorials.

In the second week in August, the General Assembly enacted legislation (SB 115) to create a N.C. Solid Waste Management Loan Program "to provide loans to those units of local government that are trying to address their solid waste problems." One of the reasons given for the need for the bill in its opening clauses was that "13 counties will run out of landfill space within two years and one-third of all landfills in the State will have reached their capacity within five years."

THANKS FOR THE IDEAS

In our March-April-May 1989 newsletter, we invited our members to suggest topics and priorities for future studies and reports. At this time, we would like to thank everyone who submitted their comments to the Center. We received the following suggestions for future articles: how the General Assembly operates; a comparative study of the dollars per student allocated by the General Assembly to North Carolina Community Colleges, UNC institutions, public schools, and private institutions; the cost of Associate Degree Nursing programs in the North Carolina Community College System; the governance of public education; performance ratings of our public schools; 1991 legislative redistricting; the effect of military installations on North Carolina; and drilling for natural gas off the N.C. coast. We value and appreciate your suggestions. If you have ideas or further suggestions for Center research projects, please let us know.

PLAN A GIFT

Planned giving is a way for individuals to make contributions to a nonprofit organization through a variety of financial vehicles, including wills, bequests, and life insurance policies.

As you make or update your will or life insurance policies, you can help sustain the life of the N.C. Carolina Center for Public Policy Research. A gift to the Center will help ensure that we will continue to look at the important public policy issues in the state that affect you every day. For more information about planned giving at the Center, please contact: Mary Fant, Development Coordinator, The North Carolina Center for Public Policy Research, P. O. Box 430, 5 West Hargett Street, Suite 701, Raleigh, NC 27602, (919) 832-2839.

PREVIEWS OF COMING ATTRACTIONS

The next issue of Insight is winging its way soon to a mailbox near you. Jack Betts' cover story examines the office of the Secretary of State since it has its first new tenant in 52 years. Mike McLaughlin has written a definitive look at state prison policy and makes some important recommendations. You'll also want to read about a Supreme Court decision interpreting a little known environmental provision in our state Constitution, as well as an analysis of whether efficiency studies of government programs really save money.

CENTER RELEASES SEVENTH EDITION OF ARTICLE II

The latest edition of Article II: A Guide to the 1989-90 N.C. Legislature contains pictures, biographical information, committee assignments, and voting records of all 170 members of the state House and Senate.

In this seventh edition, Center researchers found that lawyers are making slow but steady gains in the N.C. General Assembly in the 1980s after a rapid decline from 1971-1981. "From 1971 to 1981, the number of lawyers dropped from 68 to 36, but in the ensuing sessions, their numbers have risen steadily to 45 this session," said Lori Ann Harris, a researcher/writer for the Center. Harris also noted gains among women, blacks, Republicans, retirees, and real estate practitioners in the legislature.

The number of farmers has also decreased from 21 in 1971 to 13 in 1989. "The decrease in the number of farmers is not surprising," said Harris, "because of the recent and rapid urbanization of the state's population and because the length of the legislative sessions now extends into the summer months."

The legislature has become a haven for retirees. The number of legislators who consider themselves retired now stands at 28, compared to 11 in 1971. "The average age of our state legislators this session is 54," reported Harris.

"Three main factors account for these changes in legislative occupations," said Harris. "They are annual sessions, the length of sessions, and the increased cost of campaigns. Being retired or having a flexible work schedule also makes it easier to serve as a legislator."

<u>Trends in Legislative Demographics</u>			<u>Trends in Legislators' Occupations</u>		
	<u>Number in General Assembly</u>			<u>Number in General Assembly</u>	
<u>Category</u>	<u>1971</u>	<u>1989</u>	<u>Category</u>	<u>1971</u>	<u>1989</u>
Women	2	25	A. <u>Decreasing</u>		
Blacks	2	17	Lawyers	68	45
Republicans	31	59	Business and sales	66	52
			Farming	21	13
			B. <u>Increasing</u>		
			Retirees	11	28
			Real Estate	7	23

Article II has received news coverage in 19 articles in 20 newspapers. A Fayetteville Observer editorial entitled "The Changing Legislature" used the Center's findings to discuss "both some positive and some undesirable trends." These same trends were the subject of a column by Art Eisenstadt in the Winston-Salem Journal about the "distinct differences in what legislators do for a living these days."

Article II: A Guide to the 1989-90 N.C. Legislature is available for \$20.00, plus \$1.00 tax, plus \$1.50 for postage and handling from the N.C. Center for Public Policy Research at P.O. Box 430, 5 W. Hargett Street, Suite 701, Raleigh, NC 27602 (919) 832-2839. It is a handy reference book for news reporters, lobbyists, and citizens interested in the legislature.

WHAT THE POLLS SAY

Many of our members have expressed interest in receiving news of polls of North Carolinians on policy issues, rather than horse race polls on possible pairings of candidates. So with this newsletter, we begin featuring a new section capsuling various state polls, sometimes contrasting them with national polls.

°In recent polls, 68% of 636 adults polled in N.C. favor a 1-cent increase in the state sales tax if the money were used for a pay raise for teachers. The 1989 General Assembly chose not to increase sales taxes.

°In the same poll, North Carolinians said they think taxes on gas and food are too high while those on alcohol and tobacco are too low. 61% said gas taxes were already too high when polled in June 12-20, but the legislature raised the gas tax by 5½¢ in late July. 53% said the sales tax on food is too high. Alcohol taxes are considered too low by 44% of the people, while 30% said they are "about right." More than a third (37%) think taxes on cigarettes and tobacco are too low, and 25% said they are "about right."

°In a second poll of 954 North and South Carolina adults, nearly 2/3 of those polled say they are willing to pay higher taxes to help the poor. And more than 72% said the government should spend more money on job training, medical care, nutrition and other programs aimed to help the poor. Only 24% said the poor are poor because they don't work hard enough. Poll results suggested that the higher their income, the less willing people are to finance poverty programs.

All of these results are from the annual Observer Carolinas Polls, conducted by the marketing research division of The Charlotte Observer. The margin of error in both polls was less than 4%.

°A slender majority (52%) of North Carolinians think women should not be denied the legal right to have abortions according to a Mason-Dixon Opinion Research poll released in mid-July. 41% opposed allowing women that right. On the other hand, the poll showed respondents had strong moral reservations about abortion itself. 66% said abortion is morally wrong while 25% disagreed.

°More than 40% of Tar Heels favor legislation rather than a constitutional amendment (the latter was supported by 26.8%) to make flag desecration a crime, according to an FG*I poll of 604 state residents taken July 10-16.

°In the same poll, about 65% said the General Assembly should raise the age at which students can drop out of school from 16 to 18.

A WARM WELCOME TO THESE NEW CENTER MEMBERS!

Jerry L. Ayscue	Keith Howell	R. E. Pomeranz
Dorothy Bardolph	Mary G. Jalloh	Roselyn G. Powell
Raymond G. Boutwell	Paul Lawler	Public Health Library,
Art Britt, Jr.	Chris Layman	Div. of Health Services
Patricia Coatsworth	Nancy H. MacCormac	Jerry T. Roberts
Rennie Cuthbertson	Evelyn Mattern	Richard W. Roddy
John N. Davis	Barbara D. Matula	Allen B. Sanders
Leah Devlin	Angie McMillan	Ronald E. Spivey
Ambrose B. Dudley	Katherine & Matt Merrell	Fred J. Stanback Jr.
Kathleen Bryan Edwards	Becky H. Mock	Joseph K. Stanley
Ray S. Farris	George E. Moore	William M. Trott
Christopher C. Fordham III	Ken Morgan	Bonnie O. Tuttle
Deborah Fox-Cavanaugh	N.C. Biotechnology Center	United Transportation Union
Vanessa Goodman	Dicky Parrish	Symanthia R. Watson
Colleen Hartsoe	Laurie Pomeranz	Beverly B. Wiggins
James H. Hayne		

OUR THANKS TO OUR CORPORATE CONTRIBUTORS

The Center wishes to thank and welcome these new corporate contributors and corporate members:

Lithium Corporation of America	\$1000
a Subsidiary of FMC Corporation	
WFMY-TV2	500
Chatham Manufacturing Company	250
K.R. Edwards Leaf Tobacco Company	200
WSOC-TV	200

And the Center's continuing thanks goes to these foundations and corporations which recently renewed their support for the Center:

The Josephus Daniels Charitable Foundation	\$2000	
HKB Associates	1500	
<u>Greensboro News & Record</u>	1000	
Spanco Industries	1000	*
Golden Corral Corporation	500	
N. C. Farm Bureau Mutual Insurance Company	500	
Southern National Bank	500	
Vulcan Materials Company	500	
First Citizens Bank	250	
Texasgulf Inc.	250	
BarclaysAmericanFoundation	200	*
Carocon Corporation	200	
Federal Paper Board Company	200	
Florida Atlantic University Foundation	200	
Astro Inc.	100	

* Represents an increase, which we gratefully acknowledge

We also want to thank Alphanumeric Systems, Inc. for making an in-kind donation of a Rotary 8 printer to the Center. Finally, our thanks to IBM Corporation for a contribution which will go toward purchase of a fax machine.

WHEN YOU WISH UPON A STAR

The budget of a nonprofit organization is often spread very thin. This does not always allow for much-needed office supplies, so the Center has decided to include a wish list in each newsletter. Donations from our members will be greatly appreciated. Please contact Nancy Rose at (919) 832-2839, if you have questions or wish to make a donation. "We wish we had....an IBM-compatible laser printer, a dictaphone, 3 legal file cabinets (4-drawer), 2 grounded anti-static pads, and 2 external hard disk drives for IBM PS/2 Model 25."

INS AND OUTS IN STATE GOVERNMENT

Ins: B. Gene Barrett as director of the John B. Umstead Mental Hospital in Butner....Robert A. Berlam as executive director of the State Employees Association of N.C....Edmond W. Caldwell, Jr. as legal counsel to House Speaker Joe Mavretic.... William W. Carroll as deputy director for Alcohol and Drug Abuse Services.... Michael J. Dayton as editor of North Carolina Lawyers Weekly....E.K. Fretwell, former UNC-C Chancellor, as senior associate with the nonprofit group MDC Inc. in Chapel Hill, to help carry out a plan to improve the N.C. Community College system....Donna Jones Howard as director of public information for the Dept. of Administration....R. Michael Jones, manager of public affairs for CP&L, as chairman of the board of directors for the N.C. Center on Crime and Punishment....John D. Kasarda as director of the Kenan Institute of Private Enterprise at UNC-CH, effective 7/1/90....Paul T. Kayye as Assistant Secretary for Children and the Family within the N.C. Department of Human Resources....Robert K. Koger as the head of the North Carolina Alternative Energy Corporation....Donald H. Morrow as interim executive director of the N.C. Association of Educators....Joseph B. Oxendine as chancellor of Pembroke State University....James E. "Mike" Roark as executive director for the N.C. Center on Crime and Punishment....Maj. Gen. Nathaniel H. Robb Jr. as adjutant general of the N.C. National Guard....Robert W. Scoggin as interim president of N.C. Citizens for Business and Industry, replacing Thomas W. Graves....James J. Scott Jr. as executive director of the State Ports Authority, replacing Noel C. Painchaud....Richard D. Trammel as director of travel and tourism for the Dept. of Commerce....Travis H. Tomlinson Jr. appointed chairman of the State Health Coordinating Council....Dr. Ben J. Tuchi as vice chancellor for business and finance at the University of North Carolina at Chapel Hill, replacing Farris W. Womack....Charles R. Wakild as deputy director of the state division of Environmental Management....Graham Wilson as director of public affairs for the Dept. of Crime Control and Public Safety....F. Thomas Wooten as president of the Research Triangle Institute, effective October 1, replacing the retiring George R. Herbert.

CHANGES IN THE CENTER STAFF AND SUMMER INTERNS

There are two important changes in the Center's staff. Former Center intern Kim Kebschull replaces Marianne Kersey as Researcher/Writer. Kim is one of only two three-time interns at the Center. She has also been an intern for the British House of Commons and for a N.C. House member. She has a masters degree in government and foreign affairs from the University of Virginia and an undergraduate degree from UNC-CH. Marianne has been with the Center since 1985. She has co-authored the major study of for-profit hospitals and two editions of the guide to the legislature. She is finishing up the second edition of N.C. Focus and will also be available to work on contract as she devotes more time to parenting her year-old daughter.

In another change, Mary Fant succeeds Vanessa Goodman as Development Coordinator in August. Vanessa has joined the N.C. Agency for Public Telecommunications to further her interest in a career in television. Mary is a graduate of Davidson College and has a masters degree from the University of Adelaide in South Australia, where she had a Rotary International Graduate Fellowship. She was also an intern at the Center in 1984.

In order to encourage increased interest in state government and state policy issues and to provide learning opportunities for students, the Center sponsors a year-round intern program. The students provide research assistance for Center staff members. Our Center interns for the Summer of '89 are:

Ann McColl Bryan, a rising second-year law student at UNC-CH Law School, and Amy Carr, a graduate student at the London School of Economics.

N.C. Center for Public Policy Research
P. O. Box 430
Raleigh, NC 27602

Nonprofit Organization
U.S. POSTAGE PAID
Raleigh, NC 27611
Permit No. 1121