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**Center's Citizen Essayists Tell Governor to Concentrate on Four
E's of Economic Development, Education, Environment, and Equity**

Concerns about economic development, education, the environment, and racial and gender equity dominate essays by 17 citizens asked to write about what the new governor should do for North Carolina. These essays will be featured in the February edition of North Carolina Insight, the quarterly journal of the North Carolina Center for Public Policy Research.

"You could call these topics the four E's," says Insight Editor Mike McLaughlin. "They kept appearing in these essays, and we're sure they'll be waiting on the governor's desk after his inauguration on Saturday. We wanted the governor to have the benefit of this advice from 17 thoughtful citizens as he launches a new administration."

Just before the Nov. 3, 1992, election, the essayists were invited to address the topic of what the next governor should do for North Carolina. The timing was intentional. The Center wanted the advice to apply no matter who occupied the executive mansion.

North Carolina voters have since elected Democratic Gov.-elect Jim Hunt to a third term after an eight-year hiatus (Hunt first served 1977-85). Hunt brings his own "Agenda for Action," a campaign document that focuses on education, early childhood development, economic development, criminal justice, and government improvement. The Center's essayists amplify these themes and identify additional areas that deserve the governor's attention. Hunt also must deal with recommendations coming from major study commissions on corrections and access to health care, as well as a performance audit of state government.

"Our new governor faces a full menu of service demands, but his wallet is empty and his credit card is at the limit," says McLaughlin. "It will be interesting to see what he orders and how he pays the tab."

A Diversity of Views

To avoid presenting any narrow special interest, the Center selected a diverse group of essayists. There are nine men and eight women, 12 whites, four African Americans, and one Native American. At least six are Republicans and nine are Democrats, although some did not reveal their party affiliation.

Essayists hail from Currituck County in the northeastern corner of the state to Deep Gap in the northwest and a dozen points in between. Their occupations range from the leading environmental lobbyist to the chief executive of a public utility, from the director of the statewide association for business and industry to the director of a small nonprofit that promotes minority enterprise efforts. And there are two former governors -- a Democrat and a Republican.

Education Is Top Priority

Several essayists identify improving the public schools as the biggest issue confronting the state. "In 1992, a major preoccupation and worry among state voters was the status of public education," says Democratic former Gov. Bob Scott, now president of the N.C. Department of Community Colleges. "After more than a decade of intense scrutiny and public investment, North Carolina still rests at or near the bottom in most educational rankings of public schools."

Most often mentioned is the perceived need both for greater local control of the schools and accountability of school personnel for student performance. "[W]e must set clear and measurable goals for schools, and we should begin rewarding our educators based on their performance and results," writes William S. Lee, president and chairman of Duke Power Co.

Balancing Economic Development and Protection of the Environment

In the area of economic development, two broad themes emerge. These are concern over state tax rates and regulation and concern that economic development efforts neglect the needs of rural North Carolinians, women, and blacks and other minorities.

"[W]e must consider how specific actions will affect women when we establish economic development policies," notes Sandra P. Babb, president of NC Equity, a statewide public policy group that focuses on women's issues. "Only 5 percent of white women and 1 percent of black women earn \$30,000 or more per year in our state, compared with 27 percent of white men."

Republican former Gov. James E. Holshouser Jr. -- in a wide-ranging essay -- calls for repeal of the 4 percent corporate surtax passed in 1991, which he says helps push the state's tax burden on business to "among the highest in the Southeast."

Under the environmental rubric, essayists argue for a balance between protecting resources and promoting responsible development that creates jobs. Other pressing concerns raised by citizen essayists include needs for: stronger waste reduction efforts; better waste management; better planning for growth; and a state transportation policy based on more than building highways.

The Budget Constraints Facing the Next Governor

Several essayists mention that North Carolina's next governor will have to tackle more problems with fewer resources. Robin Dorff, associate professor of political science at N.C. State University, makes this the focus of his entire essay. The reason? States -- already pressed by budget woes of their own -- are facing increasing responsibilities as the federal government goes deeper into debt.

One vehicle mentioned for achieving increased government efficiency is the Government Performance Audit Committee, a blue-ribbon panel funded by the legislature and reporting to the 1993 General Assembly. The committee -- arising out of the \$1.2 billion budget shortfall in 1991 -- has identified as much as \$275 million in savings that could be realized through cuts and some fundamental restructuring of state government programs.

"As a taxpayer, I would encourage the new governor to streamline the state bureaucracy," writes Sen. Betsy Cochrane (R-Davie). "Consider cost-saving measures recommended by the \$3-million performance audit now under way to minimize the growth of government." Cochrane urges the governor to, "Become a citizens' watchdog for accountability in all state agencies and contracts."

Sprinkled throughout the essays is a call for strong, principled leadership that represents the interests of every North Carolina citizen. Babb urges the governor to make sure his staff, cabinet members, and appointments to boards and commissions reflect the state's ethnic and gender diversity. She asks him to use his office as a bully pulpit to help move the state away from a perceived preponderance of white male leadership.

The Persistence of Poverty in North Carolina

N.C. Speaker of the House Dan Blue (D-Wake) points out the gaps between the haves and the have-nots in North Carolina. He notes that the state seems to have reached a critical period as it prepares for the next century. He warns that the governor must pay attention to the needs of all the state's citizens, or the state will suffer the consequences of its neglect.

"Far too many of our people live in substandard housing, have little or no access to health care, and work in low-paying

and low-skill jobs," writes Blue. "The fault line between the haves and the have-nots in our state is trembling, and the impending earthquake could devastate our future."

The state faces a number of additional economic challenges that will need the governor's attention. North Carolina's traditional industries of textiles, tobacco, and furniture, for example, face increasing pressure as the state shifts to more of a service-based economy.

Poverty is a persistent partner in the North Carolina economy and a problem that every governor must confront. Several essayists mention this problem. In the 1960s, the poverty rate was about 20 percent in North Carolina. In 1990, the rate was still 13 percent.

Percentage-wise, poverty is more pervasive in rural areas, where high-paying jobs requiring skilled labor are scarce. But the greatest numbers of impoverished live in the state's gleaming cities -- left behind by booms in banking, high technology, and the service sector. Clearly, the needs of the poor in both urban and rural settings should be addressed, say the essayists.

"Rural citizens' dreams of employment opportunities fall on deaf ears," writes Kenneth Johnson, executive director of the Eastern Minority Economic Development Corporation in Ahsokie. "However, I hold on to dreams of opportunities for decent wages, safe working conditions, and high-quality health care benefits accessible to everyone."

Governor Must Confront Rising Costs in Health Care and Prisons

As Johnson points out, access to health care is a major problem in the state. The number of North Carolinians without health insurance is now thought to exceed 1 million people on a day-to-day basis. Driving the problem is the rising cost of health care, which increased at more than double the overall inflation rate from 1983-90. Rising health care costs will be on the mind of the governor because Medicaid and the State Employee Health Plan represent two of the three fastest growing expenses in the state budget. Both a legislative study commission and an Institute of Medicine study group have endorsed major initiatives in providing health care to all North Carolinians.

The state's expanding criminal justice system is the third fast-growing budget line. Three essayists mention the need to build more prisons, but none of the 17 essayists question whether this is the best use of the state's resources or the best way to punish all crimes. A special study group called the Sentencing and Policy Advisory Commission is proposing a thorough restructuring of the criminal justice system that would classify offenses by severity and attempt to balance sentencing with

prison capacity. The commission will report to the General Assembly in February.

The N.C. Center for Public Policy Research is an independent, nonpartisan, nonprofit corporation created to study public policy issues facing North Carolina and evaluate state government programs. The Center receives general operating support from the Z. Smith Reynolds and Mary Reynolds Babcock Foundations, 120 corporate contributors, and about 750 individual and organizational members.

In addition to publishing North Carolina Insight magazine, the Center has conducted studies on disparities in funding between rich and poor school districts in North Carolina, ways to increase voter participation, and state regulation of nursing homes. It also publishes a citizen's guide to the legislature, rankings of the effectiveness of all 170 legislators, and rankings of the most influential lobbyists.

Copies of the issue of Insight magazine containing the essays on what the governor should do for North Carolina can be obtained from the Center for \$6.36 plus \$1.50 for postage and handling. To order, call (919) 832-2839, or write the N.C. Center, P.O., Box 430, Raleigh, N.C. 27602.

For more information, call Insight Editor Mike McLaughlin or Associate Editor Tom Mather at the Center at (919) 832-2839.

**"Citizen Soapbox" Essayists for the N.C. Center
for Public Policy Research**

1. Sandra Babb, president of NC Equity, Raleigh
2. Thad Beyle, professor of political science, University of North Carolina at Chapel Hill, Chapel Hill
3. Rep. Dan Blue, Speaker, North Carolina House of Representatives (D-Wake), Raleigh
4. Donna Chavis, cultural educator and programmer, N.C. Indian Cultural Center, Pembroke
5. Sen. Betsy Cochrane, state senator (R-Davie), former teacher, Advance
6. Robert H. "Robin" Dorff, associate professor of political science, N.C. State University

(Con't)

7. Ferrel Guillory, Southern correspondent and columnist, The News & Observer, Raleigh

8. Andrea Harris, president, Institute for Minority Economic Development, Durham

9. Bill Holman, lobbyist for the N.C. Chapter of the Sierra Club, the Conservation Council of North Carolina, and the American Planning Association, Raleigh

10. Jim Holshouser, lawyer and former Republican governor of North Carolina (1973-77), Pinehurst

11. Kenneth Johnson, executive director of Eastern Minority Economic Development Corp., Ahoskie

12. Phil Kirk, president and chief executive officer, N.C. Citizens for Business and Industry, Raleigh

14. Valeria Lee, program director, Z. Smith Reynolds Foundation, Winston-Salem

15. William S. Lee, president and chairman, Duke Power Co., Charlotte

15. Grace Rohrer, retiree, former Secretary of Cultural Resources under Governor Holshouser and Secretary of Administration under Governor Martin, Deep Gap in Watauga County

16. Bob Scott, president of N.C. Dept. of Community Colleges and former Democratic governor of North Carolina (1969-73), Raleigh and Haw River in Alamance County

17. Frances Walker, grocery store owner and former Currituck County commissioner, Sligo