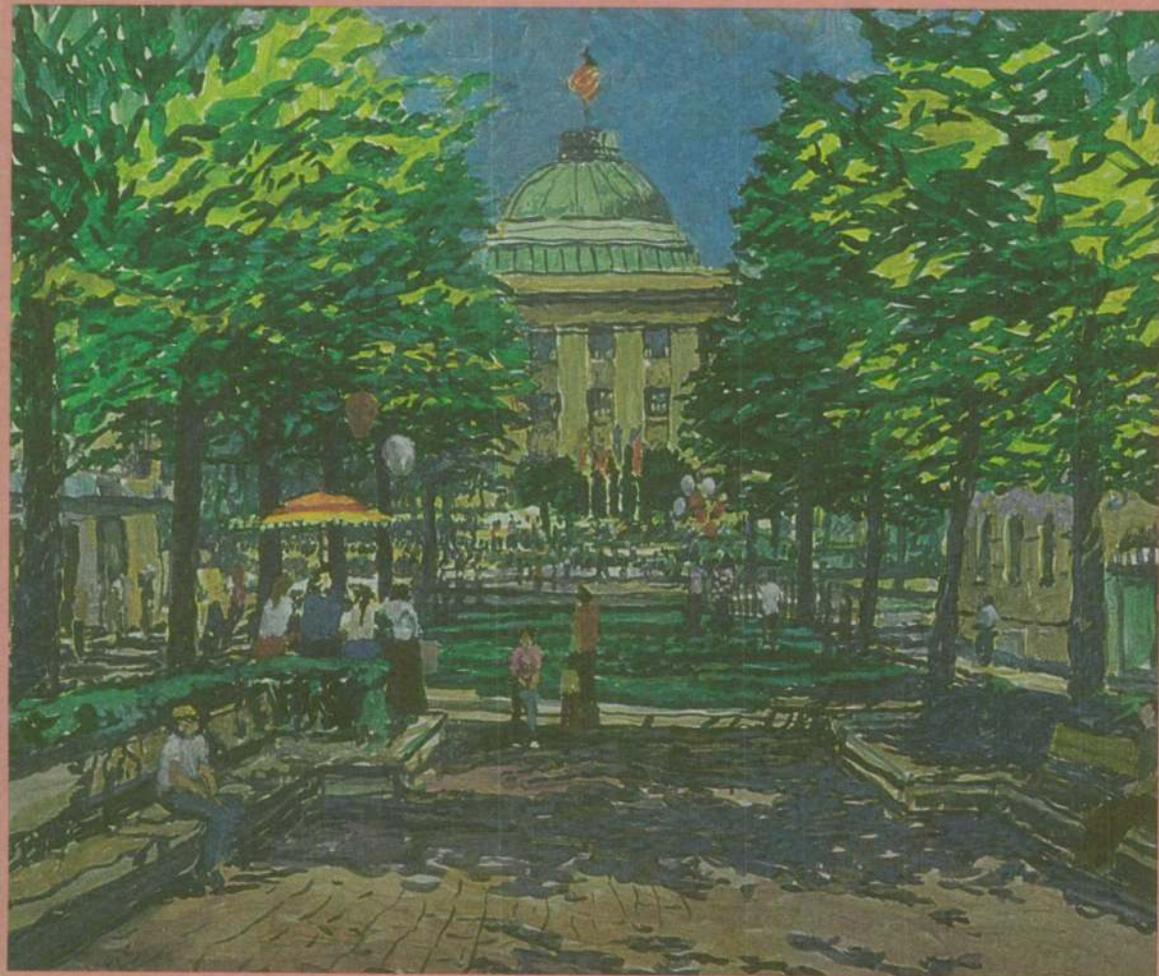


North  
Carolina

# Insight

\$6 February 1993

Vol. 14, No. 3



## What the New Governor Should Do for North Carolina

- Plus
- Filmmaking as Economic Development
  - Televising the General Assembly, C-SPAN Style



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# Filmmaking in North Carolina: A Second Home for Hollywood

—•••—  
by Sharon Overton

*North Carolina has gained a reputation as a hospitable state for the film industry, with a roll call of hits like "Bull Durham," "Sleeping with the Enemy," and "The Color Purple" among its credits. The state Film Office, which uses an estimate of economic impact rather than actual dollars spent, says that the movie industry has pumped \$2.9 billion into the state's economy since the state began courting Hollywood in 1980.*

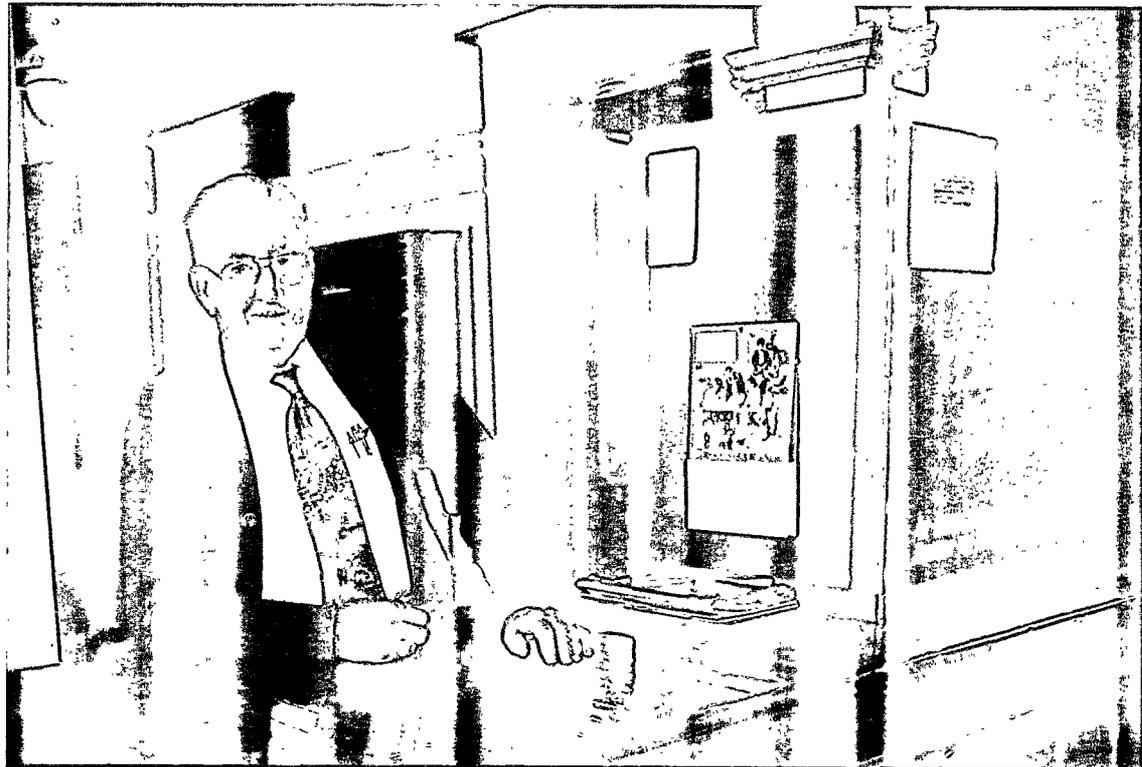
*This article examines the impact a major motion picture can have on a small North Carolina town, discusses the development of a homegrown film industry, and considers what steps North Carolina should take to compete with other states attempting to attract movie business.*

*Among the findings:*

*—A major motion picture can provide a quick shot-in-the-arm to a local economy, but most North Carolina communities would not want to build an economic development strategy around such short-term activity.*

*—Money remains a major obstacle to a home grown film industry. Investing in movie making is risky business. So far, commercial lenders in North Carolina have been unwilling to take the leap. Small-scale features and big-budget productions conceived and financed elsewhere may be the foreseeable future for making movies in North Carolina.*

*—Features like North Carolina's diverse geography, comfortable climate, and the cooperative spirit of its citizens may be more attractive to moviemakers than any reasonable incentives package that could be assembled by the state. Aggressive marketing of these assets may be all that is required to keep North Carolina competitive.*



Jeff Holland

**Jake Covington behind the desk of the Terminal Hotel in Hamlet, scene of the depression-era film "Billy Bathgate."**

**I**t's a typical morning at Hamlet's Terminal Hotel. No murders in the upstairs bedrooms. No gangsters hanging out in the lobby. Just a few of the regular patrons—day laborers and old men down on their luck—watching "The Price is Right" on a worn-out TV.

The Terminal Hotel was built in 1912 and named for its proximity to the Hamlet train station. Once a thriving enterprise, it is now a run-down rooming house with 30 more or less permanent residents and a small sign in the window that reads "Outreach for Jesus."

On this muggy August morning in 1992, there is little to suggest that two years ago, this was the scene of Hollywood magic. But Jake Covington, the hotel's 73-year-old owner, leads a visitor on what amounts to Hamlet's official

Tour of the Stars. For three months in the fall of 1990, he explains, Hamlet was transformed into the Depression-era town of Onondaga, New York, for the film "Billy Bathgate."

Upstairs is the suite of rooms where Dustin Hoffman killed one of his gangster associates. "Cut his head off, actually," Covington says. Down the hall is another suite that was occupied

by Hoffman's on-screen girlfriend, played by actress Nicole Kidman.

Out on Main Street, many of the storefronts still retain their 1930s movie facades. The old Hamlet theater boasts a new marquee, courtesy of the movie company. And

over at the Seaboard Station Cafe, owner Judy Page proudly displays her autographed picture of "Dustin," as everyone in town calls him, behind the cash register.

When "Billy Bathgate" left Hamlet almost two years ago, however, it left behind more than scenery and autographs. The movie pumped an estimated \$3 million into the local economy<sup>2</sup> and

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**When "Billy Bathgate" left Hamlet almost two years ago, it left behind more than scenery and autographs.**

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*Sharon Overton is a Raleigh free-lance writer. North Carolina Insight Editor Mike McLaughlin contributed to this article.*

brought much-needed short-term jobs to a county that in 1990 had a 5.6 percent unemployment rate.

It also left some bitter feelings. Some merchants complained that filming closed downtown streets and hurt their business. The boost in tourism that some people expected after the movie's release never materialized, since the film bombed at the box office.

While many Hamlet residents say they would welcome another production for the money and attention it brings, others express a different view. "A lot of people don't want to deal with another

movie," says Jake Covington's son Ernie. "They'd shoot you first."

For the past 13 years, North Carolina has basked in the golden glow of Tinsel Town. Looking for locations outside California to shoot its movies, Hollywood found a second home here. And by most accounts, the relationship has been mutually beneficial.

The N.C. Film Office in the Department of Commerce says the movie business contributed \$2.9 billion to the North Carolina economy from 1980-1992. (See Table 1 below.) The film office applies a multiplier of three for dollars spent by out-of-state producers when they bring film projects to North Carolina.<sup>3</sup> This means each dollar spent generates \$2 in additional spending in the local economy and thus gets counted as \$3 in the film office tally. And it means the Film Office figure is inexact and possibly inflated.<sup>4</sup> (For more on this issue, and Center recommendations, see "More on Multipliers. . .," p. 7.)

Still, the movie business has contributed significant new dollars to the North Carolina economy and generated a whole new infrastructure to support the industry. The state is home to movie studios in Wilmington, High Point, Shelby, and Charlotte, and plans were announced recently for a new state-of-the-art facility in Cabarrus County. At last count, a total of 190 movies had been filmed in whole or in part in the state, including such hits as "Sleeping With the Enemy," "Bull Durham," "Dirty Dancing," "The Color Purple," "Days of Thunder," "Teenage Mutant Ninja Turtles," and "The Last of the Mohicans."

In recent years, North Carolina has ranked consistently among the leading states in revenues derived from film production. (See Table 2, p. 5.) The 1992 General Assembly nearly doubled what North Carolina spends to attract and support the film industry. It also approved a School of Filmmaking at the North Carolina School of the Arts in Winston-Salem.

Much is at stake in a business that, as N.C. Film Office director Bill Arnold puts it, "drops millions like rain-drops."

**Table 1. Feature Films Produced in North Carolina Since 1980 and Revenue from All Productions**

Year	Features Produced	Revenue from All Productions* (In millions)
1980	11	\$ 87
1981	4	65
1982	6	86
1983	8	102
1984	12	115
1985	18	200
1986	22	266.5
1987	22	384.1
1988	19	297
1989	14	314.3
1990	17	426
1991	18	202.5
1992	19	391
<b>Totals</b>	<b>190</b>	<b>\$ 2.9 Billion</b>

\*Actual spending on filmmaking in North Carolina by out-of-state production companies is multiplied by three to arrive at revenue estimates.

Source: North Carolina Film Office  
430 North Salisbury Street  
Raleigh, N.C. 27611  
Phone: (919) 733-9900

**Table 2. 1991 Film Activity in Selected States\***

State	Revenue from Film Production	Number of Films**	1991-92 State Funding	1991 Film Office Staff
California	\$ 8.2 billion	219	\$830,000	10
New York City***	2.7 billion	124	600,000	10
Florida	290 million	42	500,000	4
Massachusetts	209 million	8	400,000	6
North Carolina***	202.5 million	18	267,000	3
Illinois	80 million	17	400,000	8
Georgia	80 million	27	396,000	7
Nevada	76.9 million	18	476,000	3
New York (outside New York City)	48 million	28	327,000	5
Utah	37.2 million	17	500,000	5.5

\* As reported by state film commissions. There is no common system for tallying film production dollars so revenue estimates should not be used to compare or rank states.

\*\* Includes feature films and TV movies. Entries for some states may include other film and video activities.

\*\*\* Includes a multiplier to determine economic impact. Actual production revenues in North Carolina in 1991 were \$63.6 million. New York City figure is for 1990 and includes a multiplier of 2.3. Actual revenues were not available. The N.C. General Assembly increased state funding for the Film Office to \$476,000 for the 1992-93 fiscal year.

*Table by Sharon Overton*

But is the movie business in North Carolina more glitter than gold? For most communities, having a film shot on location is still just a one-time shot in the arm. It is far from a cure for their economic woes. And some caution that an indus-

try that places a high premium on what's hot at the moment could easily turn cold on North Carolina.

"Those guys are here today and gone tomorrow," warns Lowery Ballard, director of the Small Business Center at Richmond Community College near Hamlet. "You're seeing part of the good life, but only for a short time."

***"You're seeing part of the good life, but only for a short time."***

—LOWERY BALLARD  
RICHMOND COMMUNITY COLLEGE

### **The Movie Business Heads South**

**T**he good life roared into North Carolina in 1984 in the form of an Italian movie producer named Dino De Laurentiis. De Laurentiis came here to shoot the movie "Firestarter," liked what he saw and decided to stay. He established a studio in Wilmington that has accounted for roughly



***The late actress Natalie Wood meets the press with Gov. Jim Hunt at a 1981 news conference touting the filming of "Brainstorm" in the Triangle area.***

a fourth of the movies shot in the state and has secured North Carolina's reputation as a major player.

The De Laurentiis Entertainment Group went bankrupt in 1987 and the studio was sold two years later to Carolco Pictures Inc., the Los Angeles company responsible for such Arnold Schwarzenegger mega-hits as "Terminator 2" and "Total Recall."

But the seeds for what some have called "Hollywood East" were sown long before De Laurentiis arrived. In Shelby, Earl Owensby had been making low-budget horror and action movies since the early '70s. The technicians who cut their teeth on Owensby's soundstages became part of the crew base that Hollywood now lists as one of the state's greatest assets. But while Owensby's movies were a hit at the drive-in, he never has made it to the big-time.

Arnold traces the development of North Carolina as a location for big-budget Hollywood movies to a conversation Durham native Thom Mount had with Governor James B. Hunt Jr. in 1978. Mount, who was vice president in charge of production for Universal Studios, told Hunt that producers were looking for new locations to make

their movies. Mount, who later would return to his hometown to make "Bull Durham," had just finished filming the Burt Reynolds hit "Smokey and the Bandit" in Florida and Georgia. All but five states had established film commissions, he told the governor. If North Carolina didn't act soon, it would be left behind.

The following year, Hunt proposed the establishment of a North Carolina Film Office with a budget of \$149,000. State legislators were skeptical, to say the least. "They just laughed it out of existence," says Arnold.

Undeterred, Hunt used his executive powers to create the commission. Arnold, then head of travel and tourism, and Paula Wyrick, an executive assistant to former Secretary of Commerce Lauch Faircloth, were picked to staff the office. They had no movie experience and no operating budget. But they made two trips to Los Angeles that first year, touting North Carolina's assets: low labor costs, a long shooting season, and varied topography. Their efforts paid off. The state hosted 11 movies in 1980.

In his cramped, cluttered office in downtown Raleigh, Arnold slumps behind a manual type-

*—continues on page 12*

## *More on Multipliers in Evaluating the Economic Impact of Movies*

**T**he North Carolina Film Office no doubt had the best of intentions when it began applying a generic \$3 multiplier to dollars spent on movie production originating outside North Carolina. Office director Bill Arnold wanted to get across that films made here had a greater economic impact than just the actual dollars spent.

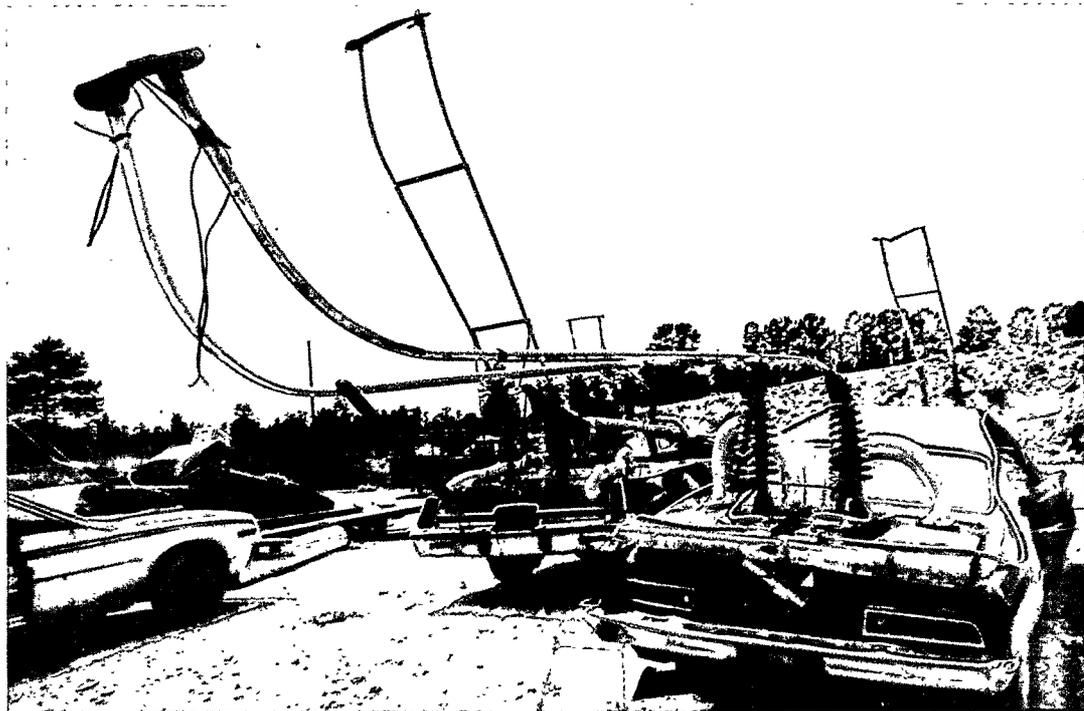
Thus, Arnold began counting \$3 for every \$1 dollar actually spent by Hollywood production companies in North Carolina. Arnold says when the Film Office was established in 1980, a Department of Commerce Survey showed the majority of states employed a multiplier of three to determine estimated economic impact of filmmaking.

Studies on *tourism* conducted for the N.C. Department of Commerce by a Tennessee economist named Lewis Copeland in 1977, 1978, and 1979 supported the use of a multiplier of three, he says. Those studies found that every out-of-state dollar spent by visitors, whether traveling for business or pleasure, generated the expenditure of two additional dollars.

Multipliers are a widely used tool for estimating the potential economic impact of anything from minor league baseball franchises to convention centers, so the fact that Arnold employs a multiplier is not unusual.<sup>1</sup> But the multiplier was not based on a study of the

*—continues on next page*

***The movie business created a market for these old cars, which played a role in "Super Mario Brothers" in Wilmington.***



Karen Tam



Karen Tom

**Hollywood royalty Lauren Bacall on the scene of "Painting Churches" in Raleigh's Oakwood neighborhood.**

motion picture industry in North Carolina, and the Film Office has gotten fairly casual about informing the public of its use. The result is that the Film Office's \$2.9 billion estimate of the motion picture industry's contribution to the North Carolina economy (through Dec. 31, 1992) has slipped into circulation as though it were an estimate of actual spending.

The real figure is little more than a third that much, but the multiplier-inflated figures may have helped boost the state's standing in national rankings of motion picture production.<sup>2</sup> And Commerce Department officials have used the higher figure to claim a whopping return on the investment of state dollars in the Film Office budget—as high as 2,000-to-1 in one news release.<sup>3</sup>

At first, the Department of Commerce would publicize both actual spending and economic impact using the \$3 multiplier. But over the years, the real number got lost in the shuffle. In a news release reporting 1991 figures, for example,

the Film Office touts "\$202.5 million total estimated expenditures from all production...."<sup>4</sup> The release never mentions the multiplier.

The same holds true for the release covering film industry revenue in 1990, which announces in its lead paragraph that "52 major movie and TV projects and millions of dollars in commercial production pumped an estimated all-time record high \$426 million directly into the state's economy in 1990."<sup>5</sup> There is no indication in the three-page release that the \$426 million is anything other than an estimate of real spending, nor is any distinction made between actual spending estimates and economic impact for releases covering 1989 or 1988.

A release covering 1987 claims \$384.1 million in economic impact. While this release also fails to mention the multiplier, it does include a figure of \$128 million in "total direct spending" for filmmaking in North Carolina.<sup>6</sup> This figure times three equals the \$384.1 million in claimed economic impact.

From 1988 through 1992, however, news releases touting the film industry's North Carolina performance failed to acknowledge the use of a multiplier. A March 1987 release covering the 1986 production year prominently mentions the multiplier and explains how the Film Office prepares its spending estimates. "An economic impact multiplier of three is used to estimate what economists refer to as the 'ripple effect' of film spending," reads the release. "For direct spending of \$88,835,000, the estimated economic impact is \$255.6 million."

The release says the multiplier is "comparable to those used by other states." It adds that estimates of actual spending are developed "using a direct spending formula generally accepted by most state film offices, which indicates that most films shot on location spend approximately a third of their production budget in the vicinity."<sup>7</sup>

This sounds simple enough, but Arnold says estimating *actual* spending upon which to apply the multiplier is a difficult task. The Film Office tries to isolate the production portion of a motion picture's budget and uses a third of that total as the amount spent in North Carolina.

Production figures are known in industry jargon as "below-the-line" costs. There are also "above-the-line" costs, such as salaries for high-dollar actors who can guarantee a big take at the box office. "They don't tell you above-and below-the-line costs," says Arnold. "They only give you one figure, and sometimes they lie about that."

Producers hoping to woo a community for a location shoot may talk up their project as a big-budget film. On the other hand, if they worry about local merchants and suppliers jacking up prices, they may down-play the size of a movie's production budget. That, says Arnold, makes the process of estimating the share of a production budget that gets spent in North Carolina "very dicey," and it calls into question the Film Office estimates of actual spending.

One might also question the *size* of the multiplier the Film Office applies to these estimates. The Bureau of Economic Analysis in the U.S. Department of Commerce says the multiplier it has developed *for the film industry*

*in North Carolina* is 1.662. Bureau Economist Carmen Pigler says the agency's industry-specific multipliers are developed by applying a mathematical model to the national input-output table in order to adjust for regional differences in earnings.<sup>8</sup> Pigler describes the table as an accounting framework that incorporates data from 600 U.S. industries on the commodities these industries purchase to produce output.

There are other ways of looking at the multiplier effect, Pigler says, but they are not cumulative. An example is the *employment multiplier*. For each \$1 million spent on movie production in North Carolina, 34.8 jobs are created, says Pigler. A variation on this theme is the *direct employment multiplier*. For every two people employed directly in the movie business, a third job is created in the local economy. There is also the *earnings multiplier*. A dollar spent by a worker employed in movie production generates 91 cents in additional earnings.

"Each one of the multipliers I gave you is a different way of looking at what is going on," says Pigler. "It's not a cumulative effect." To maintain the multiplier effect, Pigler says, the spending must be constant. "It's only for as long as that injection into the economy lasts," she says. "It's easier to see in Los Angeles where it's happening all the time, but in North Carolina, it only lasts a couple of months at a time." California, with its more developed infrastructure and constant stream of film projects, has a multiplier of 2.580, says Pigler. In New York, another state with more developed infrastructure, Pigler says the multiplier is 2.354. New York City uses a multiplier of 2.3, according to its Film Office.

Arnold, however, says the Bureau's multiplier of 1.662 for North Carolina is "inconsistent with the actual level of filmmaking activity and investment in North Carolina." He says a substantial amount of infrastructure has been developed in the state to support filmmaking, and the industry has been built entirely on generated spending, rather than direct production spending.

—continues

Arnold wonders whether all of this has been taken into account. "It is not clear what sources were used by the Bureau of Economic Analysis to determine its computations on North Carolina filmmaking activity," says Arnold. "There has been no communication with the N.C. Film Office, or, as far as can be ascertained, with any element of the state's industry."

Arnold also takes issue with Pigler's statement that film activity in North Carolina "only lasts a couple of months at a time." He says this comment reveals "considerable unfamiliarity with the level of filmmaking in the state."

"North Carolina has averaged more than 18 features a year since 1985, as well as hundreds of yearly television programs and commercial shoots," Arnold says. "The average length of a feature production can extend from 10 weeks to three months. Some last considerably longer. Filmmaking has occurred in 54 of the state's 100 counties and has created more than 70,000 short-term jobs for North Carolinians, by Film Office estimates."

Pigler says the Bureau's multipliers are "very widely accepted," but that doesn't mean the Film Office multiplier is wrong. "I don't know what they based their multiplier on, so I don't know whether it's right or wrong," she says. "You can't compare multipliers unless you use the same methodology."

The Bureau's multiplier, Pigler says, is based on the state's 1982 industrial structure for filmmaking. The state's infrastructure for filmmaking has developed considerably since then, but most of the work of finishing a film still occurs elsewhere. That means there is leakage of economic impact to other states that would reduce the size of the North Carolina multiplier, Pigler says.

A multiplier for tourism in general, she says, would tend to be larger than the Bureau's more narrowly focused film industry multiplier. Still, Pigler says the Film Office multiplier, at three, seems high. The true multiplier—even if based on tourism—is probably closer to two, she says. The Film Office, she says, should be able to produce a copy of the study upon which

its multiplier is based for those who wish to evaluate its merit.

## Recommendations

No one disputes that Hollywood production companies drop a lot of dollars into a local economy when they come calling to shoot a movie, and that this spending has some impact on the local economy greater than the actual dollar amount spent. But the impact cannot be gauged by applying a generic multiplier to an imprecise estimate of actual spending. The Film Office estimate of a \$2.9 billion contribution to the state's economy over a 13-year period is at best an educated guess.

Accuracy would be best served if the Film Office would stop using its multiplier altogether, but the Center acknowledges that this is an unlikely prospect. If the Film Office is going to continue to use a multiplier, the Center offers the following recommendations to make its figures more credible:

**1 The Film Office should include its estimate of real spending in any news releases highlighting motion picture production in North Carolina, and clearly indicate and explain its use of a multiplier.** That way the public would be less likely to confuse estimates of real spending by out-of-state production companies with estimates of economic impact that may or may not be correct.

**2 The Film Office should develop its own multiplier or consider replacing the multiplier it now uses with the multiplier for the N.C. film industry developed by the Bureau of Economic Analysis in the U.S. Department of Commerce.** Either of these options could provide a more realistic picture of the impact of filmmaking in North Carolina.

The Film Office could commission its own study of the economic impact of movies shot on location in different regions of the state and base its multiplier on actual experience. But the burden would be on the Film Office to win the public's confidence through use of a credible, explainable multiplier, rather than one

employed to produce an impressive sounding number. That multiplier might well be smaller than the one currently used by the Film Office, but it would have the advantage of being based on real economic activity in North Carolina, directly traceable to the film industry.

Alternatively, the Film Office could adopt the multiplier used by the Bureau of Economic Analysis. The fact that the Bureau's multiplier is *film-industry specific* makes it a better bet for

gauging economic impact than the Film Office multiplier, which was developed for *tourism*. The Bureau's multiplier—due for an update in 1994—also takes into account regional economic differences. Finally, the Bureau's multiplier is smaller, which suggests a more cautious approach. When using a tool as esoteric as a multiplier, it's better to err on the side of caution.

Pursuing either option would enhance the public's understanding of the film industry in

—continues



**Richard Dreyfuss at a wedding scene at the Governor's Mansion in "Once Around."**

Karen Tan

North Carolina, and ultimately work to the industry's benefit. Armed with an accurate estimate of the economic impact of filmmaking, state policymakers would be better positioned to gauge the amount of state resources needed to nurture this important industry. The result could be a Hollywood ending for both the Film Office and the state's budding motion picture industry.

—Mike McLaughlin

#### FOOTNOTES

<sup>1</sup>For more on the use and misuse of multipliers, see J. Barlow Herget and Mike McLaughlin, "Not Just Fun and Games Anymore: Pro Sports as an Economic Development Tool," *North Carolina Insight*, September 1992 (Vol. 14: No. 2), pp. 2-25.

<sup>2</sup>Arnold says while some states may not use multipliers, they have other ways of boosting their estimates of annual spending on filmmaking. California and New York City, for example, count certain commercial television and video production in their figures. North Carolina does not count this activity, although it could boost the state's figures substantially, Arnold says. Raycom Sports, which produces sporting events for broadcast, and SAS Institute, which uses computer technology to produce special effects videos, are two such North Carolina operations.

<sup>3</sup>North Carolina Film Industry Revenues Top \$314 million in 1989," news release issued by the Governor's

Communications Office, Jan. 18, 1990, p. 3. The remark is attributed to Gov. Jim Martin. A similar observation is attributed to then-Commerce Secretary Jim Broyhill in "North Carolina Reports Record Movie Revenues," a release issued by the Department of Commerce Public Affairs Office, Feb. 12, 1991.

<sup>4</sup>"North Carolina Film Industry Revenues Down in 1991," news release issued by the Department of Commerce Public Affairs Office, Jan. 21, 1992, p. 1.

<sup>5</sup>"North Carolina Reports Record Movie Revenues," news release issued by the Public Affairs Office, North Carolina Department of Commerce, Feb. 12, 1991, p. 1.

<sup>6</sup>"Governor Reports Record Year for North Carolina Moviemaking," news release issued by the Governor's Communications Office, Jan. 13, 1988, p. 1.

<sup>7</sup>"Governor Announces Record Movie Making year for North Carolina," Governor's Communications Office, March 19, 1987, p. 2. Whether other states use a multiplier, as the release maintains, is debatable. In a telephone survey of the top 10 film commissions for 1991, only one outside North Carolina, the New York City film commission, acknowledged using a multiplier in its figures. That commission uses a multiplier of 2.3. Still, estimating film production dollars spent on location is no science, and it may be stretching things to call it an art. The commissions have in common a strong interest in depicting their locations as popular places to shoot movies, and the figures they provide probably reflect that interest.

<sup>8</sup>For more on the Bureau's multipliers, see U.S. Department of Commerce, Bureau of Economic Analysis, *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*, second edition, Washington, D.C.: U.S. Government Printing Office, May 1992.

—continued from page 6

writer, surrounded by posters of movies shot in the state: "Reuben, Reuben," "Being There," "No Mercy," "Blue Velvet." He doesn't look like the kind of guy you'd expect to find wheeling and dealing in Hollywood. He wears a rumpled suit. A perpetual cigarette dangles between his fingers.

Arnold, who made his name in tourism as the guy who launched the slogan "Virginia is for lovers," runs the North Carolina Film Office on a shoestring budget. Until 1992, when the legislature nearly doubled the Film Office budget, state appropriations hovered around \$250,000. The budget increase brought North Carolina in line with Florida, Illinois, and Utah, to mention just three competing states.

North Carolina never has advertised in the movie trade magazines or spent a lot on promotions. Other states go to extremes to reach Holly-

wood decision-makers. The Illinois Film Commission, for example, had lighted signs installed above the exits in the Forum for Los Angeles Lakers basketball games, ran a full-page ad in the Lakers' program, and put a billboard on Sunset Strip.<sup>5</sup> North Carolina also doesn't offer tax credits or rebates, as Arnold says states such as Arkansas, South Carolina, and Virginia have done, as an incentive for movies to locate here.<sup>6</sup>

What the North Carolina Film Office staff does do is scour scripts for scenes it can match with North Carolina locations. "If we've got photographs, we send them," says Arnold. "If we don't, we go out and shoot them." The Film Office also sends information on essential services such as proximity to an airport, area hotel rooms, and catering availability.

"The next step is, if they like the photographs, they send people in to actually look," says Arnold.

At this stage, Arnold will go to great lengths to try to get movies filmed *somewhere* in North Carolina. This means running interference and solving problems to make North Carolina locations work.

In 1986, for example, Arnold says Steven Spielberg was scouting locations to film "The Color Purple." Spielberg had had death threats against him and wanted permission to have his two bodyguards carry concealed weapons while he was in the state. The Film Office found this was against federal law, but did manage to get the governor to assign a Highway Patrol officer to guard Spielberg while he was in North Carolina.

For the actual shooting, the Film Office arranged to have the Anson County Sheriff's Department deputize Spielberg's bodyguards so they could carry their weapons legally. Later, when a scene called for a mature corn crop early in the growing season, the Film Office put Spielberg in touch with a specialist at North Carolina State University who applied steroids to accelerate the crop's growth.

Location scouting can hold perils all its own. Arnold recalls how Paula Wyrick, assistant director of the Film Office, prevented a scout who was

shooting video over the Atlantic Ocean from plunging from a state helicopter. "She asked the pilot to go sideways and when he tilted the machine the door flew open and she almost fell out," says Arnold. "Paula grabbed her by the seat of her britches and actually saved her life." (For another example of an extraordinary effort to attract a production to North Carolina, see "The One That Got Away," p. 15)

Personal contact with Hollywood decision-makers such as producers, directors and production managers also is important. That means frequent trips to Los Angeles to develop and maintain industry contacts. "Whenever possible, we take the governor with us," says Arnold. A visit from the governor makes an impression on those who make decisions about where to shoot movies. "They like to know that if they are coming to the end of the Earth and get in real trouble, state government's top man knows what they do, who they are, and will do what he can to help solve problems."

Producers chose North Carolina for the filming of 17 feature films and TV movies in 1990. Arnold estimates the economic impact of these

***Chairs await the stars at a private home in Durham, where  
"A Handmaid's Tale" was filmed.***



Karen Tam



***This tunnel plays a role in the final scene of "Super Mario Brothers," filmed on location in Wilmington, the state's movie capital.***

films at \$426 million—the highest total ever. “Frankly, based on our track record, we’re beating the stuffing out of 9/10 of the other states by NOT doing it like everyone else,” Arnold says. “We’re literally taking their lunch from them.”<sup>7</sup>

### **Port City Becomes Movie Mecca**

Nowhere in North Carolina is the boom more evident than in Wilmington. In the last 10 years, Wilmington has changed from a sleepy Southern port city into a movie mecca. When a major production is underway, stargazing rivals beachcombing as a popular pastime for tourists. It’s not uncommon to see stars such as Julia Roberts or Nicholas Cage dining at one of the chic new waterfront restaurants, where ordering vegetarian is *de rigueur* but asking for autographs is discouraged.

John Kretschmer moved to Wilmington eight years ago to get a job in the burgeoning movie business. It was a quiet town then, says Kretschmer, a 30-year-old assistant set decorator whose credits

include “Rambling Rose” and “The Abyss.” “In the winter, half the restaurants closed down. We joked about a rush *half* hour.” Now traffic jams are a daily occurrence.

While the completion of Interstate 40 certainly contributed to Wilmington’s traffic woes, the movie business has helped put the town on the map and has pumped millions into the economy. In 1991, revenues from film and television projects had an economic impact of roughly \$76 million<sup>8</sup> in Wilmington and the surrounding areas, more than was spent in the entire state of South Carolina.

The impact is felt almost everywhere—from hotels that house out-of-town crews, to building suppliers that provide materials for sets, to furniture stores, to vintage clothing shops, and even to a local zoo, which recently sold several hundred New Hanover County toads at \$2 a head for the movie “Super Mario Brothers.”

The movie business provides jobs as well. As many as 600 crew members—technicians, make-up artists, carpenters, costumers, and caterers—are now based in Wilmington. Salaries can range from about \$500 a week for an entry-level produc-

***"I can work in this industry for 20 years and when I'm done, I've got whatever I came out of it with."***

—BILLY ALFORD  
WILMINGTON SET DRESSER

tion assistant to \$2,000 a week for a department head. Local retirees and others also do a brisk business as extras, pocketing \$50 to \$100 a day.

Despite its glamorous image, movie-making is a long, often tedious business. Seventy-two-hour work weeks are the norm. And because most North Carolina crew members don't work with a union contract, their pay is lower and they don't get benefits such as health insurance or retirement plans. "I can work in this industry for 20 years and when I'm done, I've got whatever I came out of it with," says Billy Alford, a 35-year-old Wilmington set dresser.

Bryan Unger, a union organizer with the International Alliance of Theatrical and Stage Employees in New York, says the lowest level crew members in North Carolina earn from \$12 to \$14 per hour with no benefits for what essentially is temporary work. That compares to a rate of about \$20 an hour with benefits for similar work in union states.

Unger says movie producers pay less and provide fewer benefits in North Carolina, both because the state is promoted to the trade as a right-to-work state and because North Carolina's movie industry is rooted in the anti-union sentiments of De Laurentiis. "If

you allow employers to come in and treat North Carolinians like second-class citizens, they will do exactly that," says Unger. Many of the higher-paid workers on a set, he says, are still imported from out-of-state.<sup>9</sup>

But Kent Swaim, executive director of Carolco Studios Inc., disagrees sharply with Unger's portrayal of the North Carolina movie industry. Swaim says the hourly minimum wage for film workers in New York is actually \$18 an hour—lower than the \$20 mentioned by Unger but perhaps still too high to be competitive.

"Just maybe the union crew rates in New York might be part of the reason fewer movies are being filmed in New York," says Swaim. "Wilmington

## *The One That Got Away*

**A**s director of the North Carolina Film Office, Bill Arnold has been at least partially responsible for bringing 190 movies to the state in the last 13 years. But one that stands out in his mind is the one that got away.

Barbra Streisand had been planning to make "The Prince of Tides" in South Carolina for more than a year when executives at MGM asked her to take a look at North Carolina. They were familiar with the state's crew base and felt costs could be controlled better here, Arnold says.

For two days, Arnold escorted Streisand around the state in a motor home, showing her potential locations. "We went to elaborate extremes to keep her under wraps," he says, including having a Highway Patrol advance team. Arnold also flew the entire length of the North Carolina coast in a state-owned airplane, taking photographs of isolated coves and inlets that might work for the movie.

On Figure Eight Island, Streisand fell in love with a house she felt would be perfect for the film. When told that the private island did not allow movie shooting under any circumstances, she asked them to make an exception for her. "They wouldn't even consider it," Arnold says.

In the end, "The Prince of Tides" stayed in South Carolina, as author Pat Conroy wrote it, and the movie went on to be nominated for seven Academy Awards in 1992.<sup>1</sup>

—Sharon Overton

### FOOTNOTE

<sup>1</sup> Line producer Shel Shrager, whose "Prince of Tides" project went to South Carolina, six months later brought "The Last of the Mohicans" to North Carolina.

**Table 3. Top 10 Grossing Movies Filmed in North Carolina, and Academy Awards or Nominations**

Rank	Movie	Box Office Receipts	Academy Awards or Nominations
1	Teenage Mutant Ninja Turtles*	\$132,934,855	none
2	The Hunt for Red October	120,221,149	sound effects editing
3	Sleeping with the Enemy	96,956,060	none
4	The Color Purple	94,028,572	three nominations
5	Days of Thunder	81,297,608	none
6	Teenage Mutant Ninja Turtles II	78,656,813	none
7	The Last of the Mohicans**	70,557,651	N.A.
8	Dirty Dancing	62,915,776	best song
9	Bull Durham	50,276,467	none
10	Weekend at Bernie's	29,433,521	none

Source: Table researched by Katherine Snow for *The Business Journal*, Charlotte, N.C., July 24, 1991, p. 66. "The Last of the Mohicans" was released in 1992 and added to update the table. Figures were updated for "Teenage Mutant Ninja Turtles II," which was still showing when *The Business Journal* published its research.

\* "Teenage Mutant Ninja Turtles," its sequel, "Teenage Mutant Ninja Turtles II" and "Dirty Dancing" represent the three most successful independently produced pictures of all time, according to Entertainment Data, Inc., and *The Hollywood Reporter*.

\*\*Through Dec. 24, 1992. Source: Entertainment Data, Inc.

locals working in the movie industry are earning excellent wages for our local area. Even Mr. Unger's own figures of \$12-\$14 per hour for 'lowest level' crew members is a far cry from second-class citizenship when labor rates in the Wilmington area [for industry in general] are \$14.64 to \$17.21 per hour for the 'highest experience' pay grade."

Union officials suggest that workers in the North Carolina movie industry are cautious about organizing for fear of not getting a job on the next production. "It's the classic problem," says Chris Scott, director of the North Carolina chapter of the AFL-CIO. "They're not making what they ought to be making, and they're not getting the protec-

tion that they ought to be getting, but they are getting more than they would be getting somewhere else."

But Kretschmer, the Wilmington assistant set decorator, says work is plentiful in the Wilmington area and independent crew members are earning good money. Independent filmmakers have not felt the need to organize. "It's a business question," says Kretschmer, "not a fear question."

At this point in her career, Heather Pendergast isn't complaining about pay or benefits. The 18-year-old student at Winston-Salem's N.C. School

of the Arts landed her first movie role in the summer of 1992—a minor part in "Super Mario Brothers," a \$30 million-plus movie starring Dennis Hopper and Bob Hoskins that is loosely based on the Nintendo game.

Pendergast makes \$1,500 a week for two or three days' work and gets \$350 a week for living expenses. She has her own trailer on the lot and someone to bring her food and mineral water. A tall brunette, Pendergast has just signed with an agent in North Carolina and plans to get one in L.A. soon.

***Gregory Peck on the set of "Painting Churches" in Raleigh's Oakwood neighborhood.***



*Karen Tam*

"It's wonderful," she says, looking cool in dark sunglasses despite the sweltering 98-degree heat. Asked if the job has any drawbacks, she thinks for a long time. "There *has* to be something," she says.

If there is a down side to the movie business in North Carolina, it may be the unpredictable nature of the beast. For 10 years, the state enjoyed fairly steady growth. And then the bottom fell out. In 1991, revenues fell from \$426 million in estimated economic impact to \$202.5 million, the lowest since 1985. Part of the problem was belt-tightening in Hollywood due to the recession. At the same time, budget cuts forced the state film office to start curtailing basic services, such as mailing

out location photographs to interested producers or picking up prospects at the airport, Arnold says.

And Swaim points out that the 1991 total represents an anomaly in a 12-year track record of steady growth. "In a recession year, I would not consider revenues of \$202.5 million to be 'the bottom fell out,'" Swaim says. For the state as a whole, Swaim says, film production remains a fairly reliable generator of revenue, and "a big industry for North Carolina."

Film revenues were up again in 1992, with the Film Office estimating \$391 million in economic impact. A total of 19 movies and two network television series—"Matlock" and "The Young Indiana Jones Chronicles"—were shot in the state.

## *Major Motion Picture Studios in North Carolina*

The following is a list of major motion picture studios in North Carolina, along with addresses, phone numbers, and selected facts about these facilities:

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**Carolco Studios Inc.**, 1223 North 23rd St., Wilmington, N.C. 28405. (919) 343-3500. This studio features eight sound stages, the world's largest seamless blue screen for special effects, and a backlot of three blocks of city streets that can be used to represent different times and places. Built in 1984 by filmmaker Dino De Laurentiis and purchased in 1989 by Carolco Pictures, Inc. of Los Angeles.

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**Carolina Atlantic Studios**, 2000 Brentwood St., High Point, N.C. 27262. (919) 887-3456. Carolina Atlantic offers one 14,000-square-foot sound stage and supporting facilities. The studio opened in 1988 in a city known more for furniture than film, but it has won praise for its high-quality design and technical support.

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**The Creative Network Studios**, 4202 Barringer Drive, Charlotte, N.C. 28217. (704) 523-9272. This is North Carolina's newest facility, established in 1989. Its features include two 7,500-square-foot sound stages and supporting facilities, along with a cast of script writers, production managers, location scouts, and complete crews.

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**Earl Owensby Studios**, Shelby, N.C. (704) 487-0500. North Carolina's first motion picture studio opened in 1973. EO Studios features eight sound stages, its own motel, and a private airstrip, plus its own make-up, wardrobe, set design and construction, and work and production crews.

*Source:* "On Location North Carolina Film and Video Directory," North Carolina Film Office, Department of Commerce, Raleigh, N.C., 1992, pp. 10-14.

But North Carolina may have lost some ground to states like Florida, Georgia, and Illinois, which have been more aggressive in marketing their locations.

Perhaps more than any other state, Florida has launched an all-out offensive to become the premier movie-making location outside California. Home to Disney-MGM and Universal Studios Florida, the state offers filmmakers a number of incentives, including exemption from the sales and use tax for certain activities and one-stop permitting for such needs

as getting streets closed temporarily for filming. The Florida Commission for Film and Television opened a satellite office in Los Angeles last year and has established a fund to assist with the cost of promoting movies filmed in the state.

To keep pace, the 1992 N.C. General Assembly increased the Film Office's budget from \$267,000 to \$476,000 for fiscal year 1992-93. (Florida has a budget of roughly \$500,000.) Arnold says he will use the money to restore basic services, improve the state's file of photos for potential film locations, and step up marketing.

But some people say money alone may not be enough. Critics complain that North Carolina has become complacent and out of touch. Its Film Office serves as little more than a "clearing-house for information," one insider says. Even the state's logo, "On Location in North Carolina," which it prints on T-shirts and brochures, is out of date, says John Kretschmer, the Wilmington set decorator. "Much of the industry now calls North Carolina home."

Some North Carolina filmmakers believe that what the state really needs to do is nurture an indigenous industry so that movies can be created from start to finish and more of the profits can remain in North Carolina. (See "Homegrown Movies: What Would It Take?" p. 24 for more.) One obstacle, however, is financing. "Making movies is like drilling for oil," says Swaim, a former Twentieth Century Fox executive. "It's very speculative." When there is a profit, says Swaim, much of it goes to the distributor. "The idea that more profits will remain in North Carolina from an indigenous movie industry ignores the realities of motion picture distribution."

Swaim says the state took the right approach by nearly doubling the budget of the N.C. Film Office in 1992. The Film Office, he says, had been doing a good job on a shoestring budget, but other states were spending more and reaping a return on their investment. The tightfistedness in Raleigh

had to change if North Carolina was to remain competitive. "Thus far, we've been extremely lucky," Swaim says. "I don't think we can expect our luck to continue without more input toward promotion at the state level."

Still, Swaim believes the role of the

state should be about what it has been in the past—promoting the advantages of filming in North Carolina, maintaining a well-stocked photo file, and squiring producers around to various locations. "They just need to do a good job of keeping North Carolina's name before producers and servicing those producers who want to look in the state," says Swaim.

As for the "on location" logo, Swaim says it's an accurate description of the role North Carolina plays in the movie industry—a place where out-of-state directors and producers go to shoot movies. Conception, financing, adding a sound track, and final editing all are likely to take place elsewhere for the foreseeable future, Swaim says. "We are a location production destination," says Swaim. "All we need to do is continue to be that."

According to Arnold, Florida is trying to out-hype Hollywood, and that won't work for North Carolina. Filmmakers have found North Carolina's laid-back approach to be a pleasant contrast to the Hollywood hustle. And Florida has made a few promises it can't deliver. Its promotional fund for films shot in Florida, for example, depends on private dollars and so far has raised few of them, Arnold says. He says that filmmakers who had hoped to use the fund have been disappointed.

North Carolina does not need to create such a fund or offer major tax breaks to moviemakers, Arnold says. "I'm uncomfortable with giving away seed money, because we've never had to do that," he says.

Arnold sees little reason to try and match the Florida approach. "Florida is pushing and gouging and trying to get the advantage," says Arnold. "We're aggressive without being pushy. The

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***"It's significant how little outlay you have to make to get huge amounts of dollars brought in."***

—BILL ARNOLD  
NORTH CAROLINA FILM OFFICE

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**Extras head to the courthouse square for a picnic in a scene from "Silver Bullet," filmed in Burgaw.**

people in L.A. respond well to the way we operate and the way people in this state operate."

Some North Carolina communities are beginning to do some pushing of their own by forming organizations to help with movie production. Wilmington and Winston-Salem have established their own film commissions to recruit and support the movie industry. Charlotte and Asheville have formed more informal organizations. In the last nine months, at least 20 different communities across the state have contacted the Film Office about starting some sort of movie group, Arnold says.

"Lots of economic development organizations have run out of prospects," he says, explaining why the movie business is so appealing right now. "At the same time, they see all these film companies coming in and spending tons of money."

But how well do movies work as a tool for local economic development? The answer depends on whom you talk to.

As a rule of thumb, approximately one-third of a film's budget stays in the community in which it's made, Arnold says. The community spends little, if anything, in return. "It's significant how

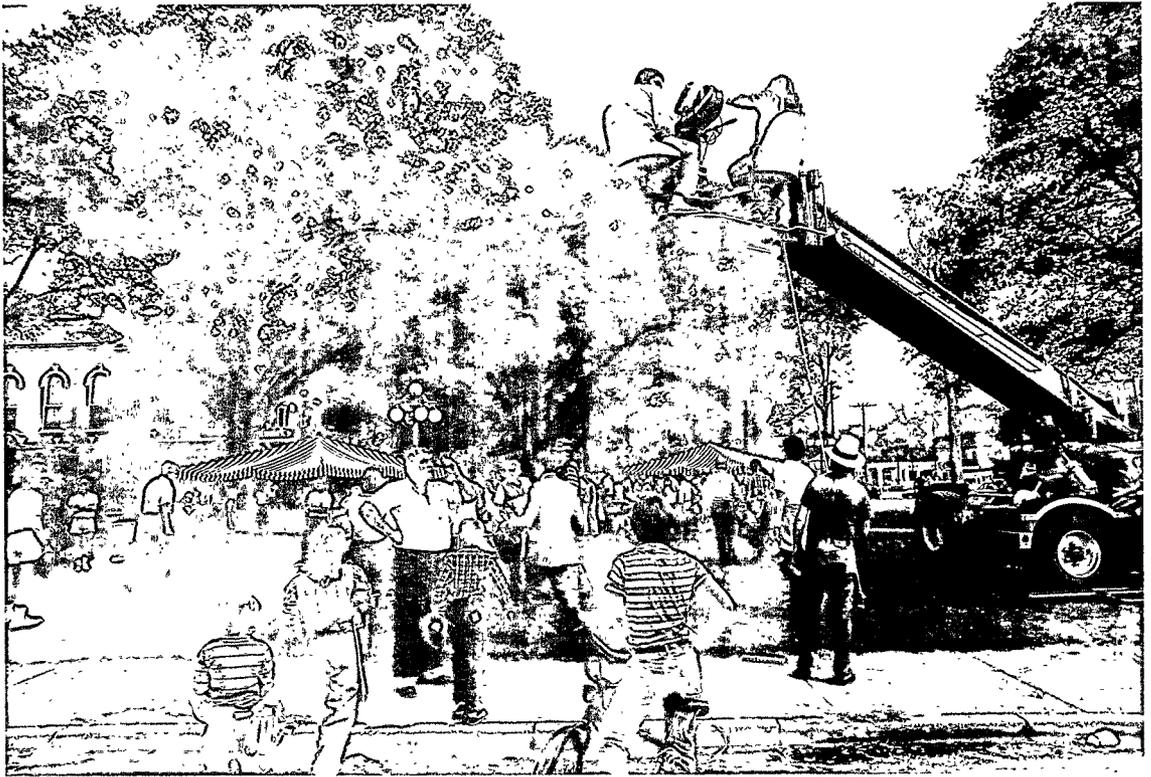
little outlay you have to make to get huge amounts of dollars brought in," says Arnold. "Really, the most you have to do is shut down streets for a couple of days."

Leigh von der Esch, president of the Association of Film Commissioners International and director of the Utah Film Commission, says, "They pay for every service they use. You don't have to build roads, sewers or educate their people. . . . They come in, they spend their money, they leave it behind, and they go."

Also, having a movie shot in an area can be good for tourism. Since "Thelma and Louise" was filmed in Utah, the state has had an influx of single women taking vacations in the state, von der Esch says.

### **Economic Impact in Epic Proportions**

**T**he North Carolina mountains attract movies for the same reason they attract tourists: an abundance of relatively unspoiled scenery. In 1991, Twentieth Century Fox chose Lake James in McDowell and Burke counties to make its \$46-million epic, "The Last of the Mohicans." The lake also was used several years ago for the clos-



Karen Tam

**Hollywood films a scene—and makes a scene—on the village green in Burgaw.**

ing scene of the submarine thriller, “Hunt for Red October.”

As an incentive to the “Mohican” filmmakers, the Burke County Chamber of Commerce, Burke County Economic Development, and the McDowell Tourism Development Authority agreed to spend about \$25,000 to restore roads and other areas disrupted by the movie. In return, the production company spent about \$2.5 million in the two counties, says Cy Lynn, executive director of the Burke chamber. Officials with the U.S. Forest Service and Crescent Resources Inc., both of which owned property the film was shot on, say the filmmakers left the land in good shape.

Lynn says the movie also gave a big psychological boost to an area that has suffered economically. In fact, he was so pleased with the experience that he plans to ask the county for travel development funds to set up a part-time film office.

Others weren't as pleased. Some residents complained of noise from late-night battle scenes and the inconvenience of road detours. There was also disappointment when the fort featured in the movie was demolished and burned after filming.

Some local residents had wanted to use the fort as a tourist attraction.

Even Lynn admits that as a long-term economic development tool, movie-making is a risky proposition. He mentions a shoe factory that has been providing steady employment in the county for years.

“If I had a choice between that company being here as long as it has and a movie once every five or 10 years,” Lynn says, “there’s no question what I would vote for.”

Still, for glitz and glamour, Hollywood beats shoemaking. Many communities would be happy to put up with some inconvenience for a dose of excitement and a short-term influx of dollars. Arnold's office offers free advice to would-be Hollywood hosts, and it's fairly simple to follow. He suggests that communities interested in film-making have photographs taken of interesting features like street scenes, landscapes, and architecture and send them to the film office. A major function of the office is matching movie scripts to photographs of North Carolina locations.

Communities also should compile a list of facts that might be of interest to filmmakers—like an



**Hamlet — known for trains, jazz musician John Coltrane, and a 1991 chicken-processing plant fire that killed 25 people — got a shot in the arm from the depression-era film “Billy Bathgate.”**

inventory of local hotel rooms, sources for supplies filmmakers might need (such as hardware and building supply stores), proximity to businesses that cater to the movie industry (studios and filming and lighting services, for example), and transportation information, such as the nearest airport.

All this may seem a bit fanciful to the town fathers of, say, Frog Level, but filmmakers have descended on communities in 54 of North Carolina's 100 counties, according to the Film Office. Who's to say where it will happen next? Plumtree and Pensacola in the west, Lilesville and Marshville in the Piedmont, and Chadbourne and Burgaw in the east all have had Hollywood come calling in recent years.

It's been two years since Hollywood packed up and left the Richmond County town of Hamlet. The movie facades on Main Street, left up in an anticipation of a tourism boom, are starting to rot and fall away. Some merchants already have re-

placed them with metal awnings. The juxtaposition is strange: In one block, you pass what appears to be a 1930s barber shop; in the next, you stroll by a modern-day video store.

Feelings in the town are mixed as well. One downtown merchant grows angry when the subject is brought up. “It just ruined me for two months,” he says. “I have lots of older customers, and they just couldn't get here.”

Bill Dennis, on the other hand, still isn't tired of talking about the movie. A retired route salesman for Ruth's Salads, he visited the set several times a day and collected every star's autograph. He shows a visitor his three-inch-thick scrapbook and the framed picture of Dustin Hoffman he keeps on the mantel along with his family photographs.

The movie gave Hamlet positive exposure, Dennis says. “The only people who were disappointed were some of the merchants who were looking to get more financially.”

If nothing else, everyone agrees the movie raised people's spirits for awhile. "The attitude of the whole community went to another level," says Lowery Ballard, the Small Business Center director. At the time, he says, "everyone thought it was a no-lose situation." ☞☞

## FOOTNOTES

<sup>1</sup>Hoffman actually shot his associate in the head, but why wreck a good story?

<sup>2</sup>Source: Lowery Ballard, director of the Small Business Center at Richmond Community College. The \$3 million figure does not include the multiplier of three used by the N.C. Film Commission. It is an estimate of actual dollars spent by the production company in the community.

<sup>3</sup>N.C. Film Commission Director Bill Arnold says the multiplier is applied to out-of-state dollars spent in North Carolina on film productions. Actual dollars would total more than a third of this estimate because the \$2.9 billion figure also includes spending on production by North Carolina firms. Arnold declined to provide an estimate of real spending on film production in North Carolina during the Film Office's 13 years of operation.

<sup>4</sup>The film office does not use the multiplier for spending on films and videos conceived and produced entirely in North Carolina by North Carolina companies, because spending for these projects does not represent an injection of new dollars into the state's economy. According to Film Office Director Bill Arnold, a Department of Commerce survey conducted when the Film Office was founded in 1980 determined that most states employed a multiplier of three to estimate the economic impact of *filmmaking*. Arnold says studies con-

ducted for the department by economist Lewis C. Copeland in 1977, 1978, and 1979 also supported the use of a multiplier of three for the film industry. These studies found the expenditure of every out-of-state dollar by *tourists*—whether traveling for business or pleasure—generated the expenditure of two additional dollars.

<sup>5</sup>Illinois Film Commission Director Suzie Kellett says the Lakers campaign was expensive but extremely effective, culminating in a 30-second display of one of the Forum exit signs in the opening scene of the movie "Grand Canyon." But Kellett says the state of Illinois—in the throes of its own budget crisis—stripped the Illinois Film Office of its advertising budget in 1991. The hard work of selling filmmakers on specific locations within a state is more important than marketing or advertising, Kellett says.

<sup>6</sup>Filmmakers *do* receive one tax break for making movies in North Carolina—a 1 percent cap and an \$80 ceiling on the sales and use tax for buying or renting certain items used in the production of films in the state. G.S. 105-164.4(a)(1d)(b).

<sup>7</sup>Kellett, the Illinois Film Office director, disagrees with Arnold's assessment of North Carolina's performance compared to other states. She says it's difficult to compare the performance of various states because all use different criteria for tallying dollars from film activity. "He's good, and North Carolina is great, but what is he using as his base?" Kellett asks. She says she does *not* use a multiplier in compiling her annual estimate of film-making activity in Illinois.

<sup>8</sup>N.C. Film Office estimate based on a multiplier of three, meaning that a dollar spent on movie production generates two dollars in additional spending.

<sup>9</sup>While crew members still are brought in from out-of-state to work on films shot in North Carolina, Kretschmer, the Wilmington set decorator, says the number of highly paid workers imported for these projects is "a lot fewer than five years ago."



## *Homegrown Movies: What Would It Take?*

**S**ure it's great when movies like "The Color Purple," "Dirty Dancing," and "Teenage Mutant Ninja Turtles" drop several million production dollars into the North Carolina economy. But when those movies go on to make hundreds of millions in ticket sales and video rentals, none of that money comes back here.

That's the argument of some North Carolina filmmakers who believe that the next logical step for the state is to nurture its own homegrown movie industry. Hollywood is fine, they say, but it's unpredictable.

"We're totally dependent on the whims of the industry," says Craig Fincannon, a Wilmington casting agent who is working on several projects he hopes to produce. "If they all got up tomorrow and decided they didn't

want to work in North Carolina, there would be no work for us here."

North Carolina has several pieces of the puzzle in place: a highly regarded resident crew force, four movie studios and plans for a fifth, and businesses that supply lights, cameras, cranes, props—whatever a production needs.

One missing piece is money. North Carolina filmmakers run into a brick wall when they try to get financial backing for their projects. Banks consider them too risky. Venture capitalists don't know enough about the business, filmmakers say.

At least one North Carolina banker, however, says he would not turn down a film project if the deal was structured so the risk was not excessive. "We would be interested in looking

***Natasha Richardson on the set of "A Handmaid's Tale," filmed in Durham.***



Karen Tom

at any viable business opportunity, but as you probably know, film is a very speculative business," says Carlos Evans, a NationsBank executive in Charlotte who oversees commercial lending for North and South Carolina.

Evans says only a small number of banks lend for film projects. He says would-be filmmakers must raise a sizable amount of seed money for start-up costs before they are ready to take the deal to banks for production and distribution dollars. The early private investors take an equity share in the project with the promise of a big payoff if the movie hits. Banks typically get involved when the film is a viable project with assurance that it will be made and distributed. Even then, there is no assurance that the film will make any money. To lessen the risk, as many as 20 or 30 films are financed in a package by a number of banks.

## A Dearth of Capital

Evans did not slam the door outright on lending for films, but he left it only slightly ajar. "We're interested in making any viable loans that will benefit North Carolina," says Evans. "But to make them bankable, you have to have fairly significant seed capital, and I don't know that the network is in place to provide that in North Carolina."

Venture capitalists who theoretically might be a source of seed money say they are designed for a different purpose than financing movies. "We try to invest in companies, rather than project-style investment," says Charles Closson of the North Carolina Enterprise Corporation in Research Triangle Park. "We're designed to invest in companies when they are one size, get out when they are another size, and hopefully make some money in between."

Bill Arnold, head of the North Carolina Film Office, says there is a history to the search for North Carolina investors to underwrite film production. He recalls that as early as 1986, Dino De Laurentiis invited three of the state's top bank executives to Wilmington to meet with a major international movie financier. The financier proposed that the banks kitty up \$10 million each, which he would match, to start financing movies in the state. "Dino felt that if

North Carolina were in a position to finance films the way L.A. does, the whole industry would just move here," Arnold says.

The bankers listened politely and went back home. The next year, the De Laurentiis Entertainment Group declared bankruptcy. The movie fund never happened.

## Access to Distribution

Still, not everyone believes lack of financing is the chief obstacle to a start-to-finish film industry for North Carolina. Walter Wilkinson, a venture capitalist with Kitty Hawk Capital in Charlotte, says the real roadblock is lack of access to the distribution network that generates most of the profits for films. "There is an infrastructure for financing," says Wilkinson. "It's in New York and Los Angeles."

Wilkinson says a well-conceived North Carolina film project could be financed from existing sources. "If someone could make a good movie on a cost-effective basis, I think the money would support them here," he says.

But don't tell that to Kim DeCoste and her husband, Jeff Leighton, who are trying to raise \$2 million through a limited partnership for their film, "Summer's End." The Raleigh couple have more than 20 years experience in the movie industry between them. They have produced a short film, "Goodnight, Alden," that has received critical acclaim at film festivals around the country.

Written by Leighton, "Summer's End" is the story of an Amerasian girl who comes to North Carolina to find her American half-brother. Leighton and DeCoste think it could be the kind of break-through film that, like "Sex, lies and videotape," creates opportunities for other independent filmmakers. "The idea is if somebody can pave the way, dig the groove, whatever you want to call it, and have a success, then it will become easier, and we can build on that," DeCoste says.

So far, they've generated a lot of interest but little money. They point to other states, such as Florida, that have formed public-private partnerships to support indigenous filmmaking. DeCoste believes that the North Caro-

—continues

lina financial community eventually will have to get involved as well.

Some of the state's major players in the motion picture industry, however, remain skeptical about a role for North Carolina financiers. "I don't think we've got an organization or panel of people qualified to judge the quality or merits of a particular project, much less access to a distribution network," says Kent Swaim, manager of Carolco Studios in Wilmington. Florida, he says, also has had little success in raising private funds for filmmaking. "I'm not sure they've raised a nickel to go into that fund yet," Swaim says.

Besides problems with obtaining financing, there are other gaps that discourage start-to-finish film production in North Carolina, Swaim says. "We're very limited in post-production facilities," says Swaim. Filmmakers may shoot a picture in North Carolina, he says, but the post-production work of editing and scoring (adding a soundtrack), still must be done elsewhere. "A lot of investment is required in post-production. Unless you've got tremendous volume rolling through there, you just can't be competitive price-wise."

And Swaim says most of the creative talent involved in producing pictures still lives in California. Putting the finishing touches on a movie can take six months to a year, he says. "If you're talking about a big project out of Hollywood, they're going to go back to Hollywood to cut the picture," Swaim says.

### **A Filmmaking School in N.C.**

Still, there are those who dream of an indigenous film industry for North Carolina—one in which movies could be conceived, financed, and completed, and most of the profits could stay in North Carolina. One piece of the dream is a full-fledged filmmaking school at the North Carolina School of the Arts. The school plans a state-of-the-art facility, with the first students enrolling in the summer of 1993.<sup>1</sup> The school has chosen Sam Grogg, a veteran filmmaker, as its first director. Grogg's credits include "A Trip to Bountiful" and "Kiss of the Spider Woman."

Borden Mace, a retired filmmaker and a consultant to the School of the Arts, says the film school will help expand the pool of creative talent and provide editing and scoring facilities

so movies can be made from start to finish in North Carolina. Students will concentrate on filmmaking, rather than criticism or theory, much as do the five leading film schools: The American Film Institute, UCLA, and Southern California in Los Angeles; and NYU and Columbia University in New York.

The film school, Mace says, could provide technical support and talent for full-scale movie production in North Carolina. He envisions a creative network that would produce popular films with high artistic value on a much smaller budget than is the case with the typical Hollywood blockbuster.

Mace believes joint financing could be arranged for such movies, with North Carolina investors taking their returns off the top and the other investors taking the greater risk in hopes of a bigger payoff. Later, as North Carolina investors learn more about the movie industry, they may be comfortable with moving into the riskier positions and reaping greater rewards, Mace says. "The financing of any entertainment is a problem, but it's not an insurmountable problem if the product is hot enough," says Mace. "That's why the new North Carolina School of Filmmaking will concentrate on screen writing and development backed up with production."

The state, with a minimal investment, has shown that it can compete in the movie business by becoming one of the leading sites in the nation for location shoots, and historically has produced for export a great deal of creative talent, Mace says. "We've demonstrated that it's a viable economic development field for the state," says Mace. "It's time we now moved into the next phase, and the next phase is complete production in North Carolina, including financing."

DeCoste, the independent filmmaker, agrees. States are battling among themselves to become the next Hollywood, she says. "I think this is a way North Carolina could kind of quietly win the war."

—Sharon Overton and Mike McLaughlin

### **FOOTNOTE**

<sup>1</sup>The school has been approved by the University of North Carolina Board of Governors. Funding requests from the General Assembly are pending for \$7 million for a new building, and for operating expenses of \$800,000 in 1993-94 and \$1.2 million in 1994-95, says Jim Newlin of the legislature's Fiscal Research Division.

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# CITIZEN SOAPBOX: Free Advice for the New Governor from 17 North Carolina Citizens

## An Introduction

by Mike McLaughlin

*If you had the governor's ear, what would you tell him he should do for North Carolina? With the transition to a new administration, the Center decided this would be a good time to pose such a question. And so we asked 17 North Carolina citizens—just before the Nov. 3, 1992, election—to write short essays on the topic.*

*The timing was intentional. We wanted the advice to apply no matter who occupied the executive mansion. To avoid presenting any narrow special interest, we selected a diverse group of essayists who would bring a broad range of perspectives to the task. And we made sure our panel was balanced racially, geographically, and politically. 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.*

**O**ur 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 group that promotes minority enterprise efforts. And there are two former governors—a Democrat and a Republican. The only real common denominator is that all of our essayists are North Carolina citizens who are in some way recognized leaders in their fields.

Our aim is to provide a fresh look at the issues from a wide range of viewpoints. That meant

turning to some of the tried and true voices who have shaped North Carolina's destiny, but it also meant uncovering some new voices. Our hope was that emerging from this chorus would come some new ideas, but also some common themes. We believe that is exactly what happened.

What do we expect from our governor? If these essays are a fair sampling—a lot. We want him to keep the environment clean while stoking the economy through new jobs and growth. We want him to honor the diversity of the state's population, both through fair treatment of women and minorities and fair geographic distribution of economic development. We want him to help the

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*Mike McLaughlin is editor of North Carolina Insight.*

have-nots while lowering certain taxes for the haves and generally making do with fewer government resources. And we want him to be accountable and successful and hold up a vision for a brighter future.

Concerns about public education, the environment, and economic development are common threads that run through most of our essays. Several essayists identify improving the public schools as the biggest issue confronting the state. Most often mentioned is the perceived need both for greater local control of the schools *and* accountability of school personnel for student performance.

Also emerging is a call for better coordination of educational efforts in North Carolina at every level, with clearly defined roles for the community colleges and the university system and perhaps even the closing of some campuses.

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

Fueling the concern over taxes was an \$85 million increase in the corporate income tax passed in 1991 to help close a \$1.2 billion revenue shortfall. The increase pushed the tax to 7  $\frac{3}{4}$  percent, among the highest in the Southeast,<sup>1</sup> and added a 4 percent surcharge that expires in 1995.

Under the environmental rubric, essayists argue for a balance between protecting resources and promoting responsible development that creates jobs. More waste reduction and better waste management also emerge as issues to address, as do calls for broader transportation policy and better planning for growth.

Several essayists mention that North Carolina's new governor will have to tackle more problems with fewer resources, and one 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 gets deeper into debt. One vehicle for achieving increased government efficiency is the Government Performance Audit Committee, a blue-ribbon panel, funded by a \$3 million legislative appropriation, that will report to the 1993 General Assembly.<sup>2</sup>

The committee—born of the budget crisis of 1991—has identified as much as \$275 million in savings that could be realized through some fundamental restructuring of state government programs. The recommendations are intended to re-

duce the rate of increase in state government spending in some areas and actually cut spending in others, but implementing the committee's recommendations will mean stepping on some rather large toes. Unless the governor can find enough savings, one essayist warns, he will have to confront almost immediately the issue of whether to raise taxes.

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

Another points out the gaps between the haves and the have-nots in North Carolina, and notes that the state seems to have reached a critical period as it prepares for the next century. Unless the governor pays close attention to the needs of *all* of its citizens, this essayist argues, many will be left behind, and the state will be the ultimate loser.

The state faces a number of additional challenges—like North Carolina's changing economy, poverty, health care, and housing. Each of these areas will need the governor's attention.

North Carolina's traditional industries of textiles, tobacco, and furniture face increasing pressure as the state shifts to more of a service-based economy. What does this mean to rural areas that are essentially one-industry towns?

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 a still-too-high 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.<sup>3</sup> Clearly, the needs of the poor in both urban and rural settings should be addressed.

Some of our essayists may consider issues like poverty and poor housing to be subsumed by efforts at improving education and boosting economic development. Still, some citizens need a leg up to develop into eager students and willing workers, and human dignity demands that every citizen have the basics of food, clothing, and a decent place to

live. Assuring the basics in an era of limited government resources—as several essayists point out—will provide yet another challenge.

Another major problem is people without health insurance, now thought to exceed 1 million people in North Carolina on a day-to-day basis. Driving the problem is the rising cost of health care, which more than doubled the overall rate of inflation from 1980-90.

Health care issues like access and skyrocketing costs seem to be more on the minds of voters than on the minds of our essayists. But rising health care costs *will* be on the mind of the governor. Here's why: Medicaid and the State Employee Health Plan represent two of the three fastest growing expenses in the state budget.

The state's expanding criminal justice system is the other of the three fast-growing budget lines, according to David Crotts, the legislature's senior fiscal analyst. Three essayists mention the need to build more prisons. Nobody questions whether this is the best way to use the state's resources or the best way to punish all crimes.

One essayist talks about the need to involve more citizens in government. None mentions the need to promote more open government and greater access to public records and meetings.<sup>4</sup> None specifically mentions improving race relations in the year after the L.A. riots, although several make major themes of racial and gender equity.

Why don't we get more discussion of these kinds of issues? Perhaps, as one of our essayists suggests, noise from the national races drowned out much meaningful discussion of a broad range of state-level issues in the fall election season. This could be reflected in the content of our essays. But it's also clear that only so many topics can be touched on in a brief essay. Our essayists take a thoughtful look at the topics they do tackle, and they are not alone in reflecting on the future of this state.

In September 1992, 50 people gathered at Research Triangle Park to talk about an agenda for the state, brought together by *The News & Observer* of Raleigh, N.C., and Town Hall Television Inc., a new effort to use television to tackle pressing public issues. Like our essayists, this group ranked education as second to none on the state's agenda, and argued that continued success in economic development depends on improving performance in the classroom.

They also identified the challenge facing a state with an economy in transition, as *The News & Observer's* Ferrel Guillory notes in an article ana-

lyzing the day's proceedings.<sup>5</sup> "Out of one of the day's small group discussions came this observation: The key question of the next governor is going to be, what kind of industries are going to replace the traditional industry of North Carolina? How is that kind of change going to be managed?"

As in our essays, the need for strong, visionary leadership—not just a day-to-day manager—emerged as a dominant theme of the day's discussion. Consider, for example, these statements from two other small groups. "Whoever is the state leader needs to inspire everybody through visionary leadership to build coalitions and partnerships to cooperate to get the job done," offered one group.

Another's report said, "Our state is in desperate need of a leader who could provide strong leadership, a sense of direction, a sense of vision." One challenge to effective leadership may be the increasing diversity and independence of the General Assembly. White males are no longer a majority,<sup>6</sup> and the legislature, still dominated by Democrats, flexed its partisan muscle during the two terms of Republican Gov. Jim Martin.

To get his programs enacted, the new governor must court House Speaker Dan Blue (D-Wake) and Senate President Pro Tempore Marc Basnight (D-Dare). This may be less an obstacle since the Democratic Party has regained the governor's office, yet it *will* be a challenge.

Jerry Shinn of *The Charlotte Observer* offers yet another challenge. Shinn says the governor needs to embrace an urban agenda to address needs like traffic gridlock, the breakdown of the criminal justice system, equitable distribution of state funds between rural and urban areas, and authority to levy new taxes.<sup>7</sup> Yet the governor must balance the concerns of the cities against the needs of North Carolina's rural areas, which are widely perceived as falling behind.

Like every governor before him, North Carolina's new governor faces threats and opportunities, risks and challenges. Yet several of our essayists suggest that North Carolina has reached a critical juncture as the state moves toward a new century. Most of our essayists seem hopeful that the governor can usher the state into this new era if he exercises broad, visionary leadership, with clear objectives and an eye toward improving the lot of every North Carolina citizen.

If he fails, it won't be for lack of advice. In the following pages, we share that advice with our readers. And in case you're wondering, we sent Governor James B. Hunt Jr. a copy.



## Sandra P. Babb,

*president, NC Equity, Raleigh*

**E**ducation and economic development are the mantras traditionally invoked by incoming North Carolina governors, and this year is no exception. Our new governor must put forth a plan to achieve a strong, diversified economy and an educated, well-trained populace.

Yet something more is needed if we hope to reach the 21st Century with an educated populace and a strong economy—in which all North Carolinians are full participants. The new governor must provide unprecedented leadership in renewing and expanding the social bonds among North Carolinians and their state. The key to expanding that social contract is equity, which Webster's Dictionary defines as "freedom from bias or favoritism." Equity is vital to our well-being and must become an integral part of our social contract. Without equity, there can be no justice. But achieving it is an elusive goal.

Equity, although frequently given lip-service, more often is absent. North Carolina's decision makers—in government, business, professions, and civic groups—are overwhelmingly male and white. Such a homogeneous group of leaders does not adequately reflect or represent our state. By concentrating power in one group, we limit ourselves to a mere fraction of the pool of potential leaders. It's also unfair to those who are not male or white. But the consequences go much further. Failure to develop and use the full potential of all North Carolinians holds back and harms our state. As Booker T. Washington advised the white power structure in the late 1800s, "You can't hold a man down without staying down with him."<sup>8</sup> That statement is still true today and applies as well to women, who make up 52 percent of the state's population.

The new governor can ensure that equity is knit into the state's fabric of life. First, the governor should demonstrate equity in his selections of staff, cabinet members, and appointees to boards and commissions. The message from the top should be clear: Equity must be a fundamental principle guiding every state agency.

Second, equity should be a key criterion in all public policy decisions and allocations of state resources. For example, we must consider how specific actions will affect women when we establish economic development policies. Women make up almost half of North Carolina's work force, but they earn only 67 cents for every \$1 earned by white men.<sup>9</sup> 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.<sup>10</sup> Two-thirds of the minimum wage workers are women, according to national estimates.<sup>11</sup> A commitment to equity can change the fact that women are still on the outside looking in when it comes to economic development in North Carolina.

Similarly, attention to gender equity is critical at all levels of our public education system. Of particular concern is the fact that women typically enroll in traditionally female curricula that lead to lower-paying jobs—even though they comprise about two-thirds of our community college students. The result is entrenched occupational segregation, which has devastating effects on the lives of women as well as the overall economy of our state.

Finally, the office of the governor is a bully pulpit. The governor should use that pulpit to urge business, professional, and civic leaders across the state to follow his lead. The governor should refuse to participate on task forces and other groups that do not represent all North Carolinians. In short, the new governor can lead the way in ensuring equity for all. My guess is that North Carolinians would respond to such leadership.



## Thad Beyle,

*professor of political science, University of North Carolina at Chapel Hill*

**T**he new governor's agenda is already on his desk. It is tied to the next budget soon to be forwarded to the incoming legislature, and it was developed by the outgoing administration.

But the state budget shortfalls of the past few years will not go away with a new administration. So, the governor's first agenda item will be to address a wide variety of problems with fewer

resources than in the past. The toughest decisions will be whether to raise taxes and how to determine which areas of state government to reduce and/or eliminate.

The politics of revenue decisions are tied to the electoral calendar. If the governor seeks a tax increase, he must do so quickly and early in his term.<sup>12</sup> Why? The entire legislature will be facing an election in 1994. Raising taxes just before an election does not lead to long incumbency. But the timing won't be any better if lawmakers delay revenue decisions until 1995 or later. No governor seeking re-election or higher office would support a tax increase so close to the 1996 election.

Further, as Congress and the White House grapple with the national budget problems, it is likely that federal taxes will increase. The state could get ahead of that wave by moving quickly with its revenue decisions. It would be difficult to raise state taxes following such action at the federal level.

Other areas in which recent governors and candidates have recommended action include several issues dealing with the allocation of powers and responsibilities in state government. Although there may be some general interest in such "within-the-beltline" issues, the public does not really care about them. Such issues primarily concern state leaders who want to tilt the balance of power in their direction.

For example, the long-running battle over the gubernatorial veto is essentially a power struggle between the legislature and the executive branch.<sup>13</sup> Another "within-the-beltline" issue concerns state control of public education in grades K through 12. Should the final authority reside with the elected state superintendent of public instruction, the appointed state Board of Education, the governor, or the departmental bureaucracy? Again, power is at the heart of this dilemma, and its resolution probably wouldn't help the teachers in the classroom.

"Outside the beltline" issues range widely across the responsibilities of state government, but I will address only two. First, the new governor should attempt to change the tradition of holding statewide elections during presidential election years. Citizens in most other states have realized that the national election hoopla virtually drowns out the discussion of important state-level issues.<sup>14</sup>

Second, the new governor needs to address the needs of higher education. For too long, we could afford the luxury of two separate systems—the University of North Carolina's 16 campuses and the Department of Community Colleges' 58 campuses—without taking a hard look at education beyond the high school level. There are conflicts over roles, turf, money, faculty, and—worst of all—students.

The governor needs to lead lawmakers in looking beyond these existing institutions and develop a higher education plan that recognizes the strengths and weaknesses of each system. They may need to rethink whether North Carolina needs 74 separate campuses, especially when some are so close geographically.

Why is this so important? If the new governor does not consider these questions, then decisions will continue to be made on the basis of budgetary constraints—with more than a slight nudge from politics.



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## Daniel T. Blue Jr.,

*speaker, North Carolina House of Representatives  
(D-Wake), Raleigh*

**N**orth Carolina is poised to enter the 21st Century as a leader of the New South and the nation in enlightenment, education, and economic growth. But the state also is in danger of falling back into the lack of opportunity, economic frustrations, and racial divisions that characterized the Old South.

The new governor will face the challenge of leading two North Carolinas and merging them into one. Much of our state is thriving—from the glistening new skyscrapers in uptown Charlotte, to the corporate offices of RJR Nabisco in Winston-Salem, to the scientific labs at Research Triangle Park. Our university system remains a model for the nation, and our state's natural beauty attracts millions of tourists each year. Many of our citizens enjoy a quality of life envied around the country, as evidenced by the retirees flooding to our state.

But those things don't mean much in the other North Carolina the governor also must lead. 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. One-fourth of our children live in poverty. Our infant mortality rate and our Scholastic Aptitude Test (SAT) scores rank among the nation's worst.<sup>15</sup> The fault line between the haves and the have-nots in our state is trembling, and the impending earthquake could devastate our future.

The new governor must use the power and prestige of his office to focus attention on three key areas: fiscal responsibility, economic development, and the welfare of children. First, the governor must be vigilant about maintaining the fiscal integrity of the state budget. North Carolina was one of only two states east of the Mississippi River that didn't face a budget crisis in 1992. An independent performance audit of state government is now underway, and the governor must support its recommendations. That should help restore citizens' confidence in government's ability to spend their tax dollars efficiently.

Secondly, the new governor must work with legislators in maintaining the state's positive business climate. North Carolina led the nation in 1991 in the number of new, announced manufacturing facilities.<sup>16</sup> We should be proud of our business record, but the governor should realize that businesses want and expect more than tax breaks. When MCI Communications Corp. announced its new customer service and network monitoring facility in Cary, company officials cited the university system and the area's quality of life as major factors in their decision.

Finally, the new governor must make the welfare of the state's children his top concern. Our children are too important to put them behind balance-of-power issues on the priority list. The best way to help our children is to improve our schools. The governor should embrace key education goals and work with the General Assembly to accomplish them.

The governor should make it clear that every child in North Carolina must have access to the same quality of education, regardless of where he or she attends school. The best way to achieve that goal is to continue the Basic Education Plan while providing more funds for poor school systems.

Most importantly, the governor must not think of education as in a vacuum. All the reforms in the world don't help much if students come to school sleepy, hungry, and abused. We must channel resources to identify and help children at risk. We must do more to prevent child abuse, to reduce the number of children living in poverty, and to make health care and day care available and affordable. We must realize that taking care of children begins before they are born, by offering prenatal care and counseling to expectant mothers.

The new governor faces golden opportunities and daunting challenges. He must lead a revolution in thinking, in community, and in common purpose. He must show that there is only one North Carolina—a state marked by progressive leadership, a bustling economy, equal opportunity, and superior schools.



## Donna Chavis,

*cultural educator and programmer, North Carolina  
Indian Cultural Center, Pembroke*

**I**f election patterns hold, North Carolina's new governor should have the distinction of holding office until the end of the 20th Century. He also will set the stage as we enter the 21st Century. As I reflect on that possibility, the fact that two of my three children will enter adulthood during that eight-year period does not escape me. Therefore, the public policies that the new governor pushes during his tenure are critical for the state and

its next generation of leaders. Mr. Governor, I share these thoughts with that generation in mind.

Two key areas of concern for North Carolina—and the United States—are the environment and the state of the economy. Often these issues are discussed as if they mutually exclude or oppose each other. I don't believe that. As we approach the 21st Century, we have the opportunity to develop a new way of thinking about economic development that is creative and exciting. Mr. Governor, I believe that North Carolina has the real potential to be on the cutting edge in developing the field of environmental economics.

Consider the wealth of possibilities that are available for new environmentally sound industries that work to diminish pollution as well as to rectify past damage. The nation's industrial communities currently lag far behind other parts of the world in the development of such techniques. Our political leadership has offered little encouragement for that development.

Yet, the United States pioneered the development of solar energy and air pollution technology. But we have seen our role in those markets diminish considerably with the passage of time. According to former Senator Timothy Wirth (D-Colorado), the United States now imports 70 percent of its clean-air equipment. Meanwhile, Germany and Japan have seized 70 percent of the market for solar energy technology. Once again, the United States has lost its dominance in a field that it had pioneered.

North Carolina is in a position to capitalize on such underdeveloped markets. The challenge will be to establish educational programs that let North Carolina supply a work force for new environmentally sound industries. The state also needs retraining facilities for displaced workers who have lost industrial jobs through plant closures, relocations, or lay-offs.

With foresight, North Carolina can help lead the economic development that prepares for the 21st Century. That development need not be based on waste disposal and treatment but on new forms of industry that stem pollution. Such development would look forward to the next generation of adults and others to come. It is fitting that our political leaders—in a state that has the largest Native American population east of the Mississippi—listen to the ancient Native American teaching that tells us to consider the seventh generation hence when we plan. Developing an economic base that capitalizes on growing concerns for the environment is prudent. That could answer our need for jobs as well as encourage the development of innovative, clean technology. Our future deserves no less.



## Betsy Cochrane,

*state senator (R-Davie) and former teacher, Advance*

**T**he people of North Carolina are concerned about education, the economy, health care, jobs, crime, good roads, retirement, and so on. A new governor will address all of those areas to some extent. I suggest that priority be given to three of the above—education, the economy, and the elderly.

Education reform will succeed when leadership emerges in Raleigh and in the schools themselves. Our new governor should take the lead in trying to change the state constitution to allow appointment, rather than election, of the superintendent of public instruction. That change would let the governor implement educational reform aimed at reducing incompetence in administration and teaching, without political interference.

The new governor needs to be serious about reducing the size of classes in kindergarten through the third grade. If funds are not available for all those grades, then start in kindergarten and go as far as we can. Let's stop talking and do something about education reform.

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

Regarding the economy, our governor should focus attention on small business.<sup>17</sup> He should lead the fight for tax relief, help eliminate unnecessary regulation, and encourage exchange of research and development data between the university system and this important business sector. The governor's support for adequately funding the state parks system would boost the travel and tourism industry. That would provide new jobs in an important sector of the economy and enhance the state's environment as well.

We must consider the needs and productivity potential of those over 65 years of age because they are becoming such a large part of our state's population (15 percent by the year 2010).<sup>18</sup> The governor should put senior citizens' skills and experience to work in helping schools, boards and commissions, and new businesses. Eventually, the health needs of our older citizens will stress our available resources. We must plan for that eventuality and encourage private and public programs that care for the elderly in their homes, rather than depending so much on costly institutional care.

Reducing crime improves the quality of life for everyone. Protecting our communities and keeping criminals in prison benefit all ages, but particularly our vulnerable senior citizens. People of all ages want the revolving prison door shut.

I have pet peeves, like reducing the number of people leaning on shovels while only one or two actually work on the highway. I also have special interests such as maintaining an abundant supply of clean water in our river basins. I have a keen interest in helping children in poverty and attending to their other needs away from school settings. However, my most emphatic advice to the new governor is, "Make Government Work!" North Carolina's citizens deserve that.



## Robin Dorff,

*associate professor of political science,  
North Carolina State University, Raleigh*

**I**n reflecting on the new governor's tasks, I will avoid the temptation to list the hot topics of the moment. That's because issues of concern always change, and what is high on today's list of priorities may not be so tomorrow. Rather, I wish to focus on a general and more pressing challenge for the new governor.

I believe we are entering a more conservative public policy era—regardless of the outcome of the presidential and gubernatorial races. On the surface, that assertion may sound strange. After all, weren't the Reagan-Bush years the height of conservatism? I don't think so, but I won't debate that point now. What I refer to is a trend that began in the 1980s and will likely continue into the next century. That trend is the reduction of federal influence, including money and program management, accompanied by an increase in state responsibility for various public policy issues. If we probe the policy debates currently in vogue—including education, crime, jobs, and health care—only the latter has a predominant federal dimension. The other issues are almost impossible to discuss without considering flexibility, local control, decentralization, and even privatization.

Although I don't expect the role of the federal government to shrink noticeably, I do expect its rate of growth to continue declining. The result will be a fundamental shift in the balance of power from federal to state governments. This 1990s version of Nixon's "New Federalism" will result not so much from the victory of conservative over liberal ideology, but from the dictates of spiraling costs and inefficient uses of existing resources. This changing federal-state relationship is where I find the greatest challenges for our new governor.

Ultimately, the challenge for North Carolina is to develop more independence and autonomy for generating revenues, utilizing resources, setting priorities, and following through on them. For example, consider the issue of economic development in the state's struggling counties. The problem is not simply one of industrial recruitment but also involves education and job training opportunities. Although we might obtain some federal seed money for new initiatives, ultimately the state and county governments will make the decisions and fund the programs. That must be done in the context of making better use of existing resources, such as a cooperative effort among the university and community college systems, state government, county economic development agencies, and private companies that need the retrained workers.

In education, as well, I am convinced that we will need to make better use of our existing resources. I simply do not foresee a significant increase in federal money. Rather, I see the states devising ways to generate more resources. But North Carolina will not be able to—nor should it want to—generate more revenue solely through taxation. We need to take a fresh look at how we can use existing public and private resources more efficiently, combined with local control and accountability.

So, the new governor's challenge will be to think anew about the state's responsibility for its needs. In doing so, he must focus on new forms of cooperation between the public and private sectors, the university and community college systems, and research and applied policy organizations. If the governor thinks solely in terms of either raising or preventing new taxes, the state will be hard-pressed to accomplish any significant public policy initiatives. We will be much better prepared to solve our problems if we can maximize our use of existing resources as well as the relatively few new resources we can generate. That task may sound simple, but it will take a truly innovative governor to forge a progressive public policy agenda in this conservative era.



## Ferrel Guillory,

*Southern correspondent and columnist,  
The News & Observer of Raleigh*

**T**he first thing the new governor must recognize is that he governs in the 1990s, not the 1980s. Gone are the years of steady, sturdy revenue growth. But gone, too, are the celebration of self and the promotion of unfettered economic individualism.

So, the new governor has the opportunities—as well as the challenges—to rethink, reconnect, and re-energize. Voters aren't

so much anti-government as they are dissatisfied with government that doesn't work well for them, despite hearing repeatedly in the 1980s that government had grown too big and had become the problem instead of the solution. Even during the so-called "Me Decade," many citizens didn't withdraw but instead turned their attention from overarching social issues to the day-to-day problems of their neighborhoods and communities.

Thus, at a time when relatively modest revenue growth is anticipated, the new governor has a chance to rethink government, to make choices between what it can do well and what it can do without, and—most importantly—to define those choices for the public. Whether the governor calls it reform or "right-sizing," he must go beyond mere reshuffling of bureaucracies and agencies. A state government that by 1995 looks much like the government of 1985 won't do.

Support can be marshaled for a gubernatorial veto and for rearranging the governing structure of education. But what voters want, deep down, is to enjoy some government successes and initiatives—and at first they need not be grand—that directly touch the lives of their families and their children.

At a time when the concept of decentralization has gained momentum, the new governor has a chance to reconnect state government with the grassroots. He can do so by an exercise of leadership that encourages volunteerism, that calls on people to take more responsibility, and that provides a sense of vision and common purpose to disparate community efforts. For example, the governor could bring together parents, teachers, education officials, and community leaders in a way that reconnects them with each other, encourages them to interact anew, and in doing so, builds stronger bonds between the public and their schools.

At a time when state government needs a fresh burst of energy, the new governor ought to find a way to challenge both the state and himself. He can do so by establishing benchmarks for the year 2000.<sup>19</sup> This is not a call for another goals commission. Rather, it would involve a process of statewide debate and discussion, led by the governor, that explored where North Carolina, economically and socially, ought to be by the turn of the century. This would provide the governor a method of holding himself accountable. Even more important, it would inject the state and its government with a sense of vision, lifting its citizens' eyes from day-to-day tasks and focusing them on how well and in what direction North Carolina is moving.



## Andrea L. Harris,

*president, N.C. Institute for Minority Economic  
Development, Durham*

**N**orth Carolina ranks seventh in the nation in black population<sup>20</sup> and its overall ethnic diversity is increasing.<sup>21</sup> Thus, the new governor will face the challenge of assuring a social, political, and work environment that encourages the state's minority citizens to participate in and contribute to the larger community.

The economic status of blacks and Native Americans, in particular, coupled with the critical state of race relations, will require the governor's substantive and immediate attention. Neglecting or undervaluing such issues will make conditions worse, deepen the problems, and escalate costs.

North Carolina's new governor must make minority business development a priority, using proactive strategies to achieve that goal. The state must clearly define the term minority, and it must establish a minority business development agency with a clearly defined enterprise plan. This agency should be responsible for all state minority business efforts, and its director should be no more than two steps removed from the governor's office. Sufficient funding, staffing, and authority are crucial. The agency should establish goals for buying goods and services from a larger pool of vendors, including minority businesses. It should evaluate state purchasing officers on their success in using minority vendors. It also should establish nonbiased financing programs that enhance opportunities for minority firms—and smaller firms in general—to do business with the state and the private sector. Minority businesses, after all, employ mostly minorities and contribute more to the tax base than their revenues indicate, in part by making taxpayers of people who might otherwise be unemployed.<sup>22</sup>

The governor must fully support minority economic initiatives such as community development corporations, rural farm and land projects, and research and demonstration projects. Such efforts undergird development and educational activities in minority communities and others with limited resources. These flexible public-private partnerships can foster long-term human enrichment, economic growth, and development. They build upon a broad mix of resources that benefit the total community and the state.

Finally, the governor must devise a system that assures equitable compensation for all state employees. Salary inequities and underemployment of minorities perpetuate discrimination and the economic stifling of ethnic communities. The governor must implement a plan to redress such salary inequities for minorities and women. The inclusion of minorities in specific occupations in which they are viewed as part of the team would strengthen the diversity of the employment base. The governor also must establish a monitoring system to hold managers accountable for their actions. The governor must set an example for the rest of the state.

In 1900, W.E.B. Du Bois, one of the founders of the National Association for the Advancement of Colored People, said, "The problem of the Twentieth Century is the problem of the color line."<sup>23</sup> Today, as we face the next century, we still must address that challenge. Diversity is critical to growth. The state's economy is inextricably tied to the economic health and well-being of its ethnic minority population.



## Bill Holman,

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

Dear Mr. Governor:

In your campaign, you wisely rejected the false choice between a strong economy and a healthy environment. You insisted that we must have both.

Preventing pollution, reducing waste, transforming our transportation policies, and funding planning and environmental programs are vital to North Carolina's economy and environment.

Traditionally, we have dealt with pollution after it has been created. We have spent all of our energies regulating pollution or trying to figure out where to bury, burn, or discharge it. Instead, North Carolina needs to prod our industries, businesses, farmers, and citizens toward preventing and reducing their pollution.

Pollution is a sign of waste and inefficiency. But, to compete in a global economy and maintain our quality of life, we must become less wasteful and more efficient. North Carolina should expand its model Pollution Prevention Pays program and other waste reduction efforts. It also should change environmental laws and programs to encourage pollution prevention and waste reduction.

People have called for fundamental changes in government during the past year. No sacred cow needs changing more than the state Department of Transportation. We must revamp DOT's centralized, top-down, highways-only approach if we want to solve problems such as poverty, air pollution, traffic congestion, urban sprawl, and the lack of mobility for disabled and senior citizens.

Our transportation policy should work to move people and goods rather than cars, trucks, and campaign contributions. Transforming that policy requires balanced appointments to the state Board of Transportation. It requires changing our priorities from constructing new facilities to assuring the maintenance and safety of our existing transportation system of roads, railroads, sidewalks, airports, and public transportation. It also requires decentralizing transportation decisions, while treating local governments as equal partners rather than stepchildren.

We need to ask if spending more than \$9 billion on highway construction is the best investment of limited state funds. We need to weigh highway plans against the needs of public schools, community colleges, universities, water supplies, wastewater treatment plants, parks, and public transportation. This is not possible under the current system where gas tax revenues are earmarked for the Highway Fund and thus not weighed against competing priorities in the General Fund. No other major government program has such special treatment.

North Carolina's rich natural resources, cultural diversity, and high quality of life make it a state that keeps its natives and attracts newcomers. We must protect North Carolina's "environmental capital" by planning ahead, funding effective environmental programs, and acquiring more land for parks, gamelands, important natural areas, and historic sites. Comprehensive planning would enable the state and local governments to encourage quality development, increase efficiency, and protect natural and historical resources.

In 1991, five environmental organizations prepared a "Green Budget" that proposed increased funding for environmental programs with user fees, permit fees, and dedicated taxes. We plan to release a second "Green Budget" in 1993 and hope you will implement its recommendations. Another terrific idea to continue is the statewide environmental index recommended by the N.C. Center for Public Policy Research in 1988 and currently being implemented.<sup>24</sup>

Good luck. Call on us when you need help.



## James E. Holshouser Jr.,

*attorney and Republican former governor of  
North Carolina, 1973-1977, Pinehurst*

**T**he new governor should take the lead in assuring that North Carolina will continue improving as a great place to live and work. That means properly educating our children so they can qualify for good jobs—and making sure those jobs are waiting for them.

The governor's first challenge will be to reform the public school system. Building a consensus won't be easy. Proponents advocate many approaches, and a number of experiments already are underway. But decentralization is the only way our schools can address a basic fact: Each county has its own problems that aren't always the same as its neighbors. North Carolina arguably has one of the nation's most centralized education systems, and many experts recommend giving more authority to local communities.<sup>25</sup>

The Basic Education Program still has proponents. But state mandated-use of BEP funds hinders the transfer of power to local school boards. Decentralization can best be achieved by issuing grants to local school boards and by reducing excessive paperwork. Innovations then would begin at the local level, with the state Department of Public Instruction serving as an information clearinghouse. The department also would collect federal dollars and assure that local systems meet federal standards.

Decentralization would accomplish several things. Parents and local administrators would become more involved in educational decisions, thereby strengthening ties between communities and schools. Parents' involvement is vital because they would transfer their commitment and respect for the schools to their children. Increased local flexibility also maximizes the use of tax dollars—an absolute necessity at a time when the growth in state revenues has slowed dramatically. That should foster innovative local programs and boost student achievement as our state approaches the 21st Century.

But educational challenges don't stop with public schools. The governor also must focus on community colleges and universities if we plan to prepare our youth for the future. The community college system recently completed a self-assessment that can guide the next governor—and the General Assembly.<sup>26</sup>

North Carolina has distinguished itself from neighboring states with its university system, which has provided leadership statewide. But the university system needs more space to teach the growing student body. The legislature has approved a large number of buildings, pending the availability of funds. A bond issue is the obvious way to meet this critical need.<sup>27</sup> The university system's libraries have lost ground in recent years, and the new governor must address this significant problem.<sup>28</sup>

Preparing students for the job market is only half the equation. The other side is creating jobs for them. North Carolina can point with pride to past achievements in industrial development. But the world is changing, and we need to study the competition if we want to retain a strong job market. More and more states (and cities) are offering substantial financial incentives for new companies. The Bavarian Motor Works' recent decision to build a large automobile-manufacturing plant in Spartanburg, S.C., is a clear example of that trend. State and local governments offered tax breaks and subsidies totaling \$135 million in convincing BMW to choose South Carolina as the site for its first major plant outside Germany.<sup>29</sup>

North Carolina once ranked among the lowest states in tax burden, but the recent corporate surtax has placed us among the highest in the Southeast.<sup>30</sup> Although the state is hard-pressed for money, this surtax is such a strong deterrent to industrial development that it must be repealed. Any industrial development effort also must keep an eye on the environment, and I believe we should consider reuniting our environmental and economic development programs in one agency.<sup>31</sup>

Finally, the governor must address our prisons. A recent Supreme Court decision may let us re-examine the cap on the number of inmates.<sup>32</sup> Plus, new bonds should speed the construction of more prisons. Those developments should curb North Carolina's rising crime rate and make it a safer place to live.<sup>33</sup>



## Kenneth Johnson,

*executive director of the Eastern Minority Economic Development Corporation, Ahoskie*

I had hoped North Carolina's children might know a society rising to heights of genuine respect for humans—regardless of race, gender, economic status, and rural or urban residency. I had hoped the state's citizens might know what high-quality, equitable education can mean toward advancing the state's economic base. Finally, I had envisioned a society where decent wages, accessible health care, and small business develop-

ment would be critical elements in the quest for human dignity. Perhaps I was too idealistic.

My experiences with officials in both the executive and legislative branches of state government suggest that rural schools' cries for more equity in the allocation of resources go unheard. Rural citizens' dreams of employment opportunities fall on deaf ears. However, I hold on to dreams of opportunities for decent wages, safe working conditions, and high-quality health care benefits accessible to everyone.

Moreover, everything reflects a commonality. There are certain ties among the inequities in employment opportunities, disparities in pay, patronage hiring and firing, small farm losses, diminishing opportunities for minority and small business participation in state contracts, and so on.

These interrelationships appear systemic and insidious. They promote a cycle of exclusion, disenfranchisement, and human devaluation. The use of race, gender, political contributions, party affiliation, urban or rural residency—in essence, economic influence—as criteria for employment and economic development stymies the state's potential to benefit most from all of its human and community resources.

How can we address this litany of issues challenging our state? We can encourage and support leadership that promises opportunity, diversity in representation, educational equity, and economic growth in rural eastern and western communities.

Although I have been disappointed, I am mindful of the difficulties involved. But I believe that a governor who realizes the urgency of the moment can effect positive changes. A governor who chooses to be a catalyst for change and growth—while realizing that whatever affects one directly, affects all of us indirectly—will emphasize inclusion in pursuing action-oriented policies and programs.

North Carolina's new governor can lead efforts to rescue rural children and families from the quicksands of educational inequities, joblessness, and inaccessible health care. He can enhance economic growth by fostering direct community input and private/public partnerships. He can recruit private industries to create locally based contracts to stimulate small business start-ups and expansion. He can assume an aggressive posture in pursuing equitable and high-quality living conditions for all of the state's citizens. He can move beyond studying issues and collecting data. He can implement.

I believe such hopes stem from a longing for justice and equality. Do these desires for change appear extreme? Is it extreme to hope the new governor will accord us the right to human dignity?



## Phillip J. Kirk Jr.,

*president and chief executive officer, North Carolina  
Citizens for Business and Industry, Raleigh*

**T**he new governor faces tremendous challenges in meeting the many demands that groups and individuals place on government. Recent sessions of the General Assembly have wrestled with some rather tight budgets, and observers predict more of the same.

Meanwhile, politicians in both parties have campaigned against new taxes due to public resistance and the size of the 1991 tax increase—the largest in our state's history.<sup>34</sup> Instead, lawmakers have put a great deal of emphasis on the legislature's Government Performance Audit Committee. The committee's work will step on the toes of powerful special interests. Passing significant legislation will require strong gubernatorial and legislative leadership, with support from the business community and others.

Reforming our educational system should be the new governor's highest priority. Foremost, we must change the educational governance system—by appointing, rather than electing, the superintendent of public instruction. True reform also will bring more flexibility, authority, and accountability at the local level. We must abolish tenure for administrators and reduce bureaucracy and paperwork. We must demand more from both our students and educators. The governor must be a strong advocate for positive school reform to happen.

The new governor's second challenge will be to pursue a successful economic development program. We must continue attracting new industries to our state, without ignoring our existing ones. For example, the recent increase in our corporate income tax makes us less competitive with neighboring states and others across the nation. We need to evaluate this increase carefully to see if it is hurting economic development. We also must provide additional economic opportunities to pull many of our citizens out of poverty.

Work-force preparedness will continue to be a big challenge for the new administration. We must provide additional resources to our community colleges, which are at the forefront of many programs needed to improve the lives of so many citizens.

Tied into the economy is the need for balanced, fair environmental regulations. Both economic progress and environmental protection are crucial for our future. But too many people want to slow growth and stymie job creation in the name of protecting the environment. A specific example is the third-party right of appeal, which in some cases could add one year to 18 months to the permitting process.<sup>35</sup> Another example is the proposal to unnecessarily strengthen watershed regulations to protect drinking water.<sup>36</sup> The new governor must listen to the voices of reason and sound judgment. Reasonableness must be the rule, rather than the exception.

Constitutional reform is the third area in which the governor needs to take the lead. I've already mentioned the crying need for change in educational governance. We also should appoint judges, at least at the appellate level. The gubernatorial veto is another issue that voters should have been allowed to consider long ago. Other constitutional issues that deserve consideration include changes in gubernatorial succession, legislative terms, and the length of legislative sessions. Building support for these changes will be difficult. The new governor must use the influence of his office in seeking their approval, either in the legislature or in a public referendum.

Finally, the new governor must put a high priority on communication, informing citizens of the challenges facing our state. Most of them will respond in a positive manner.



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## Valeria Lee,

*program director, Z. Smith Reynolds Foundation,  
Winston-Salem*

**I**n reflecting on my message for the new governor, I chose to express my concerns with three words: promise, truth, and accountable. To be sure these words were appropriate, I consulted Webster's Dictionary to find the meanings that matched my expectations.

*Promise: One will do or refrain from doing something specified. A legally binding declaration that gives the person to whom it is made a right to expect or to claim the performance or forbearance of a specified act.*

*Truth: The body of real things, events, and facts; in accordance with facts.*

*Accountable: Imminence of retribution for unfulfilled trust or violated obligation.*

\* \* \*

By accepting the governor's post, I understand that you have entered a contract with the people to make this a better state and to improve the quality of life for all of its citizens. I expect you to honor that commitment in the following ways.

Keep your promises. That means strengthening North Carolina's economy, reducing poverty, protecting the environment, making our schools centers of growth and knowledge for our children and adults, gaining us access to quality health care, and making our criminal justice system functional. Honor your promise to carry out programs that promote family, safe neighborhoods, and a functional society. Keep your pledge to maintain the beauty of the landscape and the people. You also must take the lead in discussing values, ethics, and individual acts that make the state a caring place and that show respect for individual dignity.

Secondly, I want you to be truthful with the people of North Carolina and the nation. Political expediency notwithstanding, truth enables us to have realistic expectations of you and the government in which we place our trust. Tell us the truth about the state's finances, its challenges, its opportunities, and its causes for optimism and pessimism. Respect us as citizens to use the truth in positive ways.

Finally, as the state's leader, you are accountable for your promises, your actions, and your success in offering an agenda on how to thrive as a society. I want North Carolina to be a model of good government and employment. I will be judging your programs based on the relationship between promise and performance—using objective indicators that point to success or failure—and on the degree to which you involve a diversity of people in all levels of policy-making and implementation.

If you keep faith with the people, then we will realize your greatness as a leader. I expect you to give us the kind of leadership that will make every citizen proud to call North Carolina home.



## William S. Lee,

*president and chairman, Duke Power Co., Charlotte*

**T**ough challenges call for tough leaders, and the years ahead promise some of the toughest challenges in decades for North Carolina. We can meet those challenges successfully, if we have steady leadership for our state government. I see four pressing needs where proper leadership can make a profound difference in the quality of life for our citizens. Specifically, we must attend to education, government efficiency, waste management, and jobs.

**Education.** Our schools must be improved. With nearly \$4 billion a year invested in grades K-12, public education is big business. But it is a failing business that we must rescue. First, our public schools system must be headed by one administrator who is clearly accountable to the governor. That means an appointed superintendent of public instruction, rather than our current two-headed monster with an elected superintendent and an appointed chair of the state Board of Education.<sup>37</sup> This reform requires a constitutional amendment, approved by the voters. As governor, your support is essential.

Next, we must set clear and measurable goals for schools, and we should begin rewarding our educators based on their performance and results. We must streamline our educational bureaucracy, with less emphasis on administration and more on instruction. Finally, we must grant more flexibility and freedom to local school boards, which are closest to the students and communities.

**Government Efficiency.** State government must become radically more efficient if we want it to increase services without crippling our economy through over-taxation. The State Government Performance Audit Committee is studying ways to make state government more cost-effective. Its interim reports have identified up to \$275 million in annual savings. I urge you to implement these recommendations and begin saving our state money immediately.

**Waste Management.** Every household, office, and industry produces waste of some kind. We are an industrialized state, and our companies generate wastes as byproducts of the processes that provide jobs and drive our economy. Through innovation, industries must minimize their production of wastes. At the same time, our state's leaders must stop ducking this issue and accept the responsibility of managing waste safely and cost-effectively.

North Carolina is moving forward in locating a disposal site for low-level radioactive waste, and that progress must continue. Our state also must take an active stance regarding hazardous waste disposal. You must challenge the legislature to accept responsibility for safe and cost-effective waste management, which may include a disposal facility.

**Jobs.** Finally, we must continue creating jobs. My other recommendations will help do that. Good schools and a well-educated work force are extremely important to companies considering our state. So is efficient state government. And a state that manages waste responsibly is a state that welcomes responsible business.

But we must do more. We must change our state tax policy. The last two legislative sessions have raised our corporate income tax, so it now ranks among the highest in the Southeast. Our state taxes its industries far more than our biggest competitors for jobs. North Carolina's corporate income and capital value taxes average nearly 60 percent more than South Carolina's and more than 70 percent more than Florida's. Let's be competitive!

North Carolina made progress by limiting the intangibles tax in 1985, and by repealing the inventory tax in 1987. But our recent income tax increase offsets those prior efforts. We need to signal strongly that business will bear its fair share of taxes, but will not be inordinately burdened.

Our changing world and economy mean that we must get the very best from our state government. The people of North Carolina have entrusted you with our highest office. I trust that you will display the tough leadership we need.



## Grace Rohrer,

*retiree and former secretary of cultural resources under Governor Holshouser and secretary of administration under Governor Martin, Deep Gap in Watauga County.*

**T**he new governor should initiate three basic actions immediately after his election. First, he should establish a moral and intellectual foundation for his administration. He must press upon the appointees, elected officials, and bureaucrats the importance of being motivated by moral and human dimensions rather than by personal gain.

Vaclav Havel, in reflecting on his role as president of the Czech and Slovak Federal Republic, writes that it was his responsibility to emphasize “the moral origin of all genuine politics” and to stress “the significance of moral values and standards in all spheres of social life, including economics . . .” He called it the “Higher Responsibility.”<sup>38</sup> Havel adds, “The best laws and the best-conceived democratic mechanisms will not in themselves guarantee legality, freedom or human rights . . . if they are not underpinned by certain human and social values.”

If society mirrors its politicians, then the governor has the awesome responsibility of setting the moral standards upon which his administration functions. He also has the moral obligation to be the gadfly who pricks his constituencies into wakefulness—as Socrates said,<sup>39</sup> into basing their actions and decision on higher responsibilities.

Second, the governor should assemble a cabinet and staff of professionals who understand teamwork. It is a temptation for governors to reward their campaign workers with jobs in their administrations. But campaign workers often are focused more on dividing the spoils and ferreting out members of the opposite party than in developing an effective and professional office. The governor needs men and women at his side who can freely choose and evaluate social, religious, economic, and political values and make decisions based on logic, intelligence, sensitivity, and imagination.

Finally, the governor should bring together department heads and legislative leaders for in-depth strategic planning. Too little thought goes into planning for the state. Too much time and energy is spent in battles between the executive and legislative branches. Each fights for its own agenda—which may or may not meet the needs of the people or solve their problems. The governor will establish the responsible leadership the public expects by bringing government officials together to rethink the state’s direction, set priorities, and develop the coalitions that will implement those priorities.

Cohen and March in their book, *Leadership and Ambiguity*, coined the phrase “organized anarchy,” which aptly applies to government.<sup>40</sup> “It does not know what it is doing. Its goals are vague or in dispute. Its technology is familiar but not understood. Its major participants wander in and out of the organization.” Managing government is a challenge, but it can be done if all the players have the script.



## Robert W. Scott,

*Democratic former governor (1969-73) and president of N.C. Community College System, Raleigh and Haw River in Alamance County*

**E**very person who aspires to the office of governor seeks that Holy Grail of Election Day triumphs known as a "mandate from the people."<sup>41</sup> North Carolina's political landscape bears testimony to some of our former governors' abilities to carry out election promises. Some of the most visible examples are Kerr Scott's roads, Luther Hodges' Research

Triangle Park, and Terry Sanford's community college system. Equally, it could be argued that Jim Martin's 1984 victory was a mandate to fulfill his pre-election promise to cut state taxes.

In 1992, a major preoccupation and worry among state voters was the status of public education. After more than a decade of intense scrutiny and public investment, North Carolina still rests at or near the bottom in most rankings of public schools. Clearly, our new governor emerges from the electoral process with an unmistakable message from the voters to "Get on with it!"

However, the problem of "getting on with it" means walking away from our current approach of three stand-alone, hierarchical public education systems. What we need, and do not have, is an integrated public education policy. That's not to say that we don't already have an education policy, of sorts. Yet, like Alice in Wonderland, we give ourselves very good advice, but very seldom follow it. We plug people into the education system where we think they best fit, oftentimes disregarding their real education needs.

We've even developed an economic development policy, of sorts. We'll generally take anybody who comes along, and then we figure out ways to provide training and other incentives. I am convinced our state leaders are genuinely concerned about the quality of the state's public schools, community colleges, and universities. By fits and starts, we're lurching in various directions trying to solve long-standing problems and deficiencies.

A current favorite is "tech prep," a joint program between community colleges and public schools. Students in that program enroll in a two-year, high-school curriculum that stresses the foundation courses of math and sciences; they then transfer to a two-year, technical training program at a community college. What worries me is the current focus on *training*, rather than on a long-term commitment to *learning*.

What is missing in our efforts is an umbrella policy for our state's separate strategies for education and work-force preparation. Such a strategy should cover the education continuum from kindergarten through the community colleges and the university system. The governor's education mandate is to take those disparate threads and weave a new fabric based on a single organizing philosophy.

As the state's highest elected official, the governor is best suited for articulating and coordinating a statewide vision. He alone has the authority and the leadership needed to unite the various factions in achieving common statewide goals.

The governor must do this in concert with the General Assembly. For that to happen, peace must exist between the executive and the legislative branches. Clearly, voters look to the governor for an education agenda, while depending on the General Assembly to fund and implement the agenda.

This vision *must* come from the governor. It can't come from the heads of agencies or public education systems. The governor is best positioned to ensure that education policies tie in with economic and community development policies. This, to me, is the mandate of our new governor.



## Frances Walker,

*grocery store owner and former Currituck County commissioner, Sligo*

**N**orth Carolina's new governor must address education, government spending, the economy, and the environment. First, the state must get its education system on track. Much confusion, finger-pointing, and inaction appears prevalent, especially at the top. Thousands of dedicated, professional educators are working constantly to improve our system from the bottom up. Are they being heard?

The governor must select a state Board of Education that will take bold and courageous steps toward making North Carolina the leader in educational reform. Cohesion must return, from the statehouse to the schoolhouse. At the local level, teachers and administrators must realize there are no more free rides. Accountability must prevail at all levels. For being accountable, teachers should be rewarded with higher pay.

We have talked the economy to death. North Carolina must try new approaches, such as reviving our slogan "Variety Vacationland."<sup>42</sup> The tourist industry can save the eastern and western regions—both in need of economic revitalization. State parks have been a low funding priority for too long. We can create jobs in all areas by attracting people to our beautiful state. We must expand the visitor information center concept. These centers—staffed by local people who are knowledgeable about their areas—can do great things for economic development, with adequate funding and support.<sup>43</sup>

What better way to preserve our rivers, beaches, and mountains than by maintaining them for public enjoyment? The governor should inventory those areas needing economic help, cross-referencing that with a list of areas with potential as recreational havens. We should recruit private industry to help turn North Carolina into a mecca for family recreation. We have the raw materials. All we need is the catalyst.

We must restore confidence and honor in government as the backbone of democracy. Citizen involvement and openness must return. Government should not be viewed as the solution for all wrongs and ills. Good business principles must prevail in government operations. A safe work place, fair treatment, and equitable pay should be realities. We need to renew the partnership between state and local government. Counties and cities cannot continue to fund state shortfalls. The governor must lead, not battle, the legislature in solving North Carolina's problems.

Crime is a major threat to all citizens. Money spent on early education, Head Start, and child care will prevent later expenditures on prisons, rehabilitation, and crime control. We must lock the revolving prison door. Rigid training schools or boot camps for juvenile offenders could save many lives from crime and drug abuse.

The next four years will present the new governor with new and unique challenges. Able leadership, honesty, and courage—along with citizen support and participation—will return North Carolina to the forefront in all areas.

# Suggestions for Further Reading

Many of the issues raised by our essayists in the preceding pages have been discussed in previous editions of *North Carolina Insight*. The following is a partial list of articles on these important topics:

## On Aging

"Policy and the Aging: Moving Toward a Crossroads," *North Carolina Insight* theme issue, Vol. 8, No. 1 (September 1985). Includes articles on demographics of the aging, services for the elderly, and long-term care.

## On Constitutional Reform

Jack Betts, "The Merit Selection Debate—Still Waiting in the Legislative Wings," *North Carolina Insight*, Vol. 9, No. 4 (June 1987), pp. 14-34. Introduces a pro-con discussion of merit selection of judges.

"The Balance of Power," special issue of *North Carolina Insight*, Vol. 12, No. 2 (March 1990). Features analysis of the powers of the governor and pro-con discussions of the gubernatorial veto and four-year terms for legislators.

Ran Coble, "Executive-Legislative Relations in North Carolina: Where We Are and Where We Are Headed," *North Carolina Insight*, Vol. 13, No. 1 (December 1990), pp. 64-79.

## On Economic Development

"North Carolina: An Economy in Transition," *North Carolina Insight* theme issue, Vol. 8, No. 3-4 (April 1986). Topics include the transition economy, industrial recruitment, small business, international trade, high-tech, and job training.

Jack Betts, "Work Force Preparedness: Training 21st Century Workers on a Mid-20th Century Budget," *North Carolina Insight*, Vol. 12, No. 4 (September 1990), pp. 23-29.

## On the Environment

Wallace Kaufman, "Waste Policy Challenges Growth Policy," *North Carolina Insight*, Vol. 4, No. 1 (April 1981), pp. 2-9.

"Resources at Risk: Environmental Policy in North Carolina," *North Carolina Insight* theme issue, Vol. 10, No. 2-3 (March 1988). Includes articles on hazardous and radioactive waste disposal, municipal waste and landfills, water re-

sources, and responsible development.

Bill Finger, "The State of the Environment: Do We Need a North Carolina Environmental Index?" *North Carolina Insight*, Vol. 11, No. 1 (October 1988), pp. 2-29.

Bill Krueger and Mike McLaughlin, "North Carolina's State Parks: Disregarded and in Disrepair," *North Carolina Insight*, Vol. 11, No. 1 (October 1988), pp. 30-46.

Mike McLaughlin, "Preserving the North Carolina Mountains: Time to Develop a Plan?" *North Carolina Insight*, Vol. 13, No. 1 (December 1990), pp. 2-29.

## On Fiscal Woes

Mike McLaughlin, "North Carolina's Biennial Budget—Oil Change or Overhaul?," *North Carolina Insight*, Vol. 13, No. 2 (June 1991), pp. 2-19.

## On Health Care

"Health Care in North Carolina: Prescription for Change, Part I," *North Carolina Insight* theme issue, Vol. 13, No. 3-4 (November 1991). Features articles on new roles for the state in health care, access to health care, health care cost containment, and rural care.

"Health Care in North Carolina: Prescription for Change, Part II," *North Carolina Insight* theme issue, Vol. 14, No. 1 (May 1992). Features articles on the health status of the North Carolina population, health programs in North Carolina, and nursing home regulation.

## On Poverty

"Profiles in Poverty: State Policy and the Poor in North Carolina," *North Carolina Insight* theme issue, Vol. 11, No. 2-3 (April 1989). Includes articles on the demographics of poverty, jobs programs, the working poor, poverty and education, health care for the poor, and taxes and the poor.

## On Prisons and Crime

"North Carolina Prisons—Old Problems, Tough Choices," *North Carolina Insight* theme issue, Vol. 9, No. 3 (March 1987). Features articles on prison overcrowding, the Fair Sentencing Act, alternatives to incarceration, and private prisons.

Mike McLaughlin, "North Carolina's Prison System: Is the Crisis Corrected?," *North Carolina Insight*, Vol. 11, No. 4 (August 1989), pp. 21-38.

## On Public School Governance

Jack Betts, "The Superintendent of Public Instruction: Should North Carolina's Chief Public School Officer Be Appointed or Elected?" *North Carolina Insight*, Vol. 12, No. 4 (September 1990), pp. 2-22. Introduces a pro-con discussion.

## On School Finance

Lanier Fonville, "Disparity in Public School Financing," *North Carolina Insight*, Vol. 7, No. 1 (August 1984), pp. 30-37.

Jody George, "Courts Split on School Finance Issue," *North Carolina Insight*, Vol. 7, No. 1, August 1984, pp. 38-41.

Bill Finger, "Disparity in Public School Financing—an Update," *North Carolina Insight*, Vol. 7, No. 4 (April 1985), pp. 44-49. See also Bill Finger and Marianne M. Kersey, "Disparity in Public School Financing—an Update," *North Carolina Focus*, North Carolina Center for Public Policy Research, September 1989, pp. 250-255.

## FOOTNOTES

<sup>1</sup> Of 13 Southeastern states, only two—West Virginia and Kentucky—have a higher corporate income tax than North Carolina, according to Charles D. Liner, a tax expert at the University of North Carolina's Institute of Government. Kentucky's rate is 8.25 percent when adjusted federal taxable income exceeds \$250,000. West Virginia's rate is a flat 9.5 percent of federal taxable income, with adjustments. (See Commerce Clearing House, Inc., *State Tax Review*, Vol. 52, No. 52, Dec. 23, 1991, pp. 8-19, for a listing of business taxes for the states.) The 4 percent surtax may be less onerous than it sounds because it is applied against the corporation's tax bill, rather than its taxable income. A corporation earning \$100,000 in taxable income, for example, would face a tax bill of \$8,060, or 8.06 percent, including a corporate income tax bill of \$7,750 and a surtax of \$310. Although several of our experts may disagree, Liner says a number of studies have shown that corporate tax rates have relatively little influence on corporate location decisions. Consumers faced an even larger tax increase in 1991, with a penny increase in the state sales tax expected to yield \$430 million annually, and a three-cents-per-pack increase in the tax on cigarettes adding \$21 million.

<sup>2</sup> Chapter 689 of the 1991 Session Laws (H.B. 83), Sec. 347.

<sup>3</sup> Ann Jackson and Jack Betts, "Who Are the Poor? The Demographics of Poverty," *North Carolina Insight*, Vol. 11, No. 2-3 (April 1989), p. 9.

<sup>4</sup> The Center has a long record of promoting open government. Among its earliest efforts in this area was a 1978 special report titled "The Right to Be Able to Know—Public Access to Public Information." The Center recorded and published complete legislative voting records from 1981-1984 before suspending this project due to cost. Articles on open government also have been published periodically in *North Carolina In-*

*sight* throughout the Center's 15-year history.

<sup>5</sup> Ferrel Guillory, "Leaders with a common vision," *The News and Observer*, Raleigh, N.C., Sept. 20, 1992, p. 17A, ff.

<sup>6</sup> Jack Betts, "In the Legislature, White Males Become a Minority," *North Carolina Insight*, Vol. 13, No. 2 (June, 1991), p. 65.

<sup>7</sup> Jerry Shinn, "Next N.C. governor can help cities," *The Charlotte Observer*, Monday, August 17, 1992, p. 7A.

<sup>8</sup> *Bartlett's Familiar Quotations*, edited by Emily M. Beal et al., Little Brown & Co.: Boston, 1980, p. 681.

<sup>9</sup> March 1987 and March 1988 Current Population Survey, N.C. resident subsamples, U.S. Census Bureau.

<sup>10</sup> *Ibid.*

<sup>11</sup> Bureau of the Census, U.S. Department of Commerce, *Current Population Report*, unpublished data, 1991.

<sup>12</sup> A KPMG Peat Marwick accounting firm model of the state General Fund prepared for the Government Performance Audit Committee shows a built-in—or structural—deficit that could surpass \$1 billion by the 1997-98 fiscal year and \$2 billion or more by the end of the decade (as reported in Stan Swofford, "State facing budget deficit time bomb," *The News & Record*, Greensboro, N.C., July 5, 1992, p. 1A.).

<sup>13</sup> See Jack Betts, "The Veto: After Half a Century of Debate, Still on the Public Calendar," *North Carolina Insight*, Vol. 12, No. 2 (March 1990), pp. 2-26, for more on this topic.

<sup>14</sup> Nationwide, only twelve states continue to fight their state-level problems in this distracting milieu. They are Delaware, Indiana, Missouri, Montana, North Carolina, North Dakota, Utah, Washington, and West Virginia (four-year terms), and New Hampshire, Rhode Island, and Vermont (two-year terms). Source: *The Book of the States: 1992-93 Edition*, Council of State Governments, Lexington, Ky., Table 5.1, pp. 265-266.

<sup>15</sup> North Carolina's infant mortality rate, at 10.6 deaths in the first year of life for 1,000 live births, ranked the state 42nd in the nation in 1990. In 1991, the rate increased to 10.9, but final rankings haven't yet been published. North Carolina ranked 48th in average Scholastic Aptitude Test scores in 1991-92, at 855 of a possible 1600 points.

<sup>16</sup> "North Carolina Again No. 1 in the Nation for New Manufacturing Facilities Announced," news release by the N.C. Department of Commerce, Feb. 17, 1992. Based on *Site Selection and Industrial Development* magazine tally. Not all facilities announced, however, actually wind up being constructed. Two 1985 studies found that little more than half of the jobs promised from new and expanding industries ever come to exist. (See Bill Finger, "Phantom Jobs: New Studies Find Department of Commerce Data To Be Misleading," *North Carolina Insight*, Vol. 8, No. 3-4 (April 1986), pp. 50-52, for more.)

<sup>17</sup> For more on the importance of small business to the state's economy, see Todd Cohen, "Small Businesses: Big Business in North Carolina," *North Carolina Insight*, Vol. 8, No. 3-4 (April 1986), pp. 53-61.

<sup>18</sup> The Center explored the policy implications of North Carolina's aging population in "Policy and the Aging: Moving Toward a Crossroads," a *North Carolina Insight* theme issue, Vol. 8, No. 1 (September 1985).

<sup>19</sup> Oregon has adopted a broad set of "benchmarks," concrete goals against which the state's progress can be measured. One benchmark, for example, calls for cutting the teenage pregnancy rate in half by 1995. Another calls for increasing health care coverage for the Oregon population from 84 percent to 100 percent by 2000. (Keon S. Chi, "Targeted Innovations," *State Government News*, Council of State Governments, June 1992, p. 30.)

<sup>20</sup> In 1990, North Carolina ranked seventh among the states both in total black population (1,456,000) and percentage of

blacks (22.0%), according to the U.S. Bureau of the Census. The top six states in total black population were: New York (2,859,000), California (2,209,000), Texas (2,022,000), Florida (1,760,000), Georgia (1,747,000), and Illinois (1,694,000).

<sup>21</sup> Minorities increased from 23.2 percent of North Carolina's population in 1970 to 25.1 percent in 1990, according to the U.S. Bureau of the Census. Although the proportion of Blacks declined slightly from 22.2 percent to 22.0 percent during that span, the proportion of Native Americans, Hispanics, and Asians increased from 1.1 percent to 3.2 percent.

<sup>22</sup> "Minority Business Enterprise Survey," North Carolina Institute of Minority Economic Development, Executive Summary, May 1992, p. 5.

<sup>23</sup> Du Bois, a writer and educator, made that statement in an address, "To the Nations of the World," delivered to the Pan-African Conference in London, according to *Bartlett's Familiar Quotations*, edited by Emily M. Beal, et al., Little Brown & Co.: Boston, 1980, p. 724.

<sup>24</sup> See Bill Finger, "The State of the Environment: Do We Need a North Carolina Environmental Index?" and related stories in *North Carolina Insight*, Vol. 11, No. 1 (Oct. 1988), pp. 2-28.

<sup>25</sup> Editor's Note: It is difficult to find agreement on what constitutes centralization. One way to measure centralization is to compare the amounts of funding that public schools receive from state versus local governments. North Carolina is on the high end of the scale if one assumes that more state funding means more centralization. In the 1989-90 fiscal year, North Carolina's public schools received 66.8 percent of their funding from the state, fifth highest among the states and substantially higher than the national average of 47.2 percent, according to the *Digest of Education Statistics 1992*, National Center for Education Statistics, U.S. Department of Education, NCES 92-097, p. 151. However, North Carolina is less centralized than average if one assumes that a higher percentage of state employees in public schools equates with more centralization. In 1990, 2.8 percent of North Carolina's state employees worked in education (excluding higher education), compared to the national average of 3.4 percent, according to *The Book of the States*, Council of State Governments, Lexington, Ky., 1992, p. 487.

<sup>26</sup> The Commission on the Future of the N.C. Community College System completed that assessment in 1989, and the General Assembly incorporated the board's major recommendations in G.S. 115D-8.

<sup>27</sup> The University of North Carolina system is expected to seek in the 1993 General Assembly bonds totaling about \$300 million for capital construction projects on its 16 campuses. The state Senate approved a referendum on the bond package during the 1992 legislative session, but the measure never reached the House floor.

<sup>28</sup> The legislature increased the University of North Carolina's total library budget from \$45.7 million in the 1986-87 fiscal year to \$60.4 million in 1992-93. But that increase was only enough to keep pace with enrollment, which grew by more than 20,000 students during that period, according to UNC officials. The legislature did not approve any budget increases to allow for inflation, even though periodical costs for libraries increased by 48 percent during that period. The legislature also has not approved any additional funds to expand library holdings over the past five years.

<sup>29</sup> BMW, or Bayerische Motoren Werke AG, announced its decision on June 23, 1992. For more on South Carolina's incentives package, see: John Templeman and David Woodruff, "The Beemer Spotlight Falls On Spartanburg, USA," *Business Week*, July 6, 1992, p. 38; and Walecia Konrad and Betsy Teter, "Could Anything Be Finah Than To Be In Carolina?" *Business Week*, June 1, 1992, pp. 33-34.

<sup>30</sup> The General Assembly increased corporate taxes in 1991

to help deal with a \$1.2 billion shortfall in revenues. North Carolina's 7.75 percent corporate income tax now is exceeded by only two of 13 Southeastern states—Kentucky at 8.25 percent and West Virginia at 9.5 percent. The legislature also levied an additional 4 percent surcharge on corporate taxes that expires in 1995.

<sup>31</sup> North Carolina's environmental and economic development programs were combined under the Department of Natural and Economic Resources from 1971 to 1977. In 1977, the General Assembly created the Department of Natural Resources and Community Development to encompass most environmental programs, while Gov. James B. Hunt moved some economic development programs to the existing Department of Commerce. In 1989, the legislature approved another reorganization, combining nearly all of the state's environmental programs in the new Department of Environment, Health and Natural Resources and moving the remaining community development programs to the Department of Commerce.

<sup>32</sup> See *Rufo v. Inmates of Suffolk County Jail*, 112 US S Ct 748, 116 L Ed2d 867 (1992).

<sup>33</sup> According to a State Bureau of Investigation report released in August 1992, crime in North Carolina increased 10 percent in 1991—or about three times the national rate. North Carolina ranked 17th in the nation in crime rate, up from 20th in 1990 and 40th in 1980. See Gary L. Wright, "Juvenile crime rates soar in N.C.," *The Charlotte Observer*, Charlotte, N.C., Aug. 26, 1992, p. 5C.

<sup>34</sup> For more on the state's 1991 budget crisis, and the factors that contributed to it, see Mike McLaughlin, "North Carolina's Biennial Budget—Oil Change or Overhaul?" *North Carolina Insight*, Vol. 13, No. 2 (June 1991), pp. 2-19.

<sup>35</sup> Third party right of appeal would allow persons other than the applicant to appeal state environmental permit decisions at the administrative level. Two bills that would have established third party right of appeal (HB 1602 and SB 1201) died in committee in the 1992 session.

<sup>36</sup> 15A NCAC .0211.

<sup>37</sup> Lee wrote of his support for an appointed superintendent in a pro-con discussion in *North Carolina Insight*. For more, see William S. Lee, "Pro: North Carolina Needs an Appointed Superintendent of Public Instruction," *North Carolina Insight*, Vol. 12, No. 4 (September 1990), pp. 5-12.

<sup>38</sup> Vaclav Havel, *Summer Meditations*, Alfred A. Knopf, New York, N.Y., 1992, p. 1.

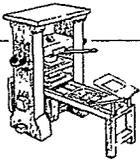
<sup>39</sup> Plato, *Apology*, as published in *Great Dialogues of Plato*, W. H. D. Rouse, trans., The New American Library, New York, N.Y., 1956, pp. 436-437.

<sup>40</sup> Michael D. Cohen and James G. March, *Leadership and Ambiguity: The American College President*, McGraw-Hill Publishing Company, New York, N.Y., 1974, p. 3.

<sup>41</sup> Portions of this column were taken from Scott's speech to the North Carolina Association of Colleges and Universities on Oct. 29, 1992.

<sup>42</sup> A spokesman for the Division of Travel and Tourism in the Department of Commerce says the phrase Variety Vacationland is still used to describe North Carolina but not directly in state advertising campaigns.

<sup>43</sup> Walker says she is referring specifically to three centers on U.S. highways that serve as entryways to North Carolina—one on U.S. 17 in Pasquotank County in the northeast, another on U.S. 17 in Brunswick County in the southeast, and a third on U.S. 441 in Macon County in the southwest. A fourth such center is located on U.S. 321 in Boone in the northwest. In contrast with the official North Carolina Welcome Centers on the interstate highways, these visitor information centers get limited operating support from the state and no operating support from the federal government. They generally depend on local organizations to raise additional operating dollars and to provide staffing.



## *Televising the Legislature Gavel-to-Gavel— A North Carolina Version of C-SPAN?*

By Adam Hochberg

*Legislators are considering a plan to provide gavel-to-gavel television coverage of the General Assembly, comparable to the C-SPAN network's telecasts of the United States Congress. The state Senate, concerned about the \$3.2-million price-tag, balked at the proposal during its 1992 session. But many legislators support the concept, and some expect approval once the state's tight budget situation eases. In this article, Insight looks at arguments for and against gavel-to-gavel coverage, as well as the experiences of C-SPAN, televised "town hall" meetings, and other TV programs linking citizens with government. The article also examines existing legislative coverage provided by the UNC Center for Public Television and the Agency for Public Telecommunications.*

Since 1979, most cable television subscribers in North Carolina have been able to watch live, gavel-to-gavel coverage of the U.S. Congress on C-SPAN. In many communities, cable viewers also can watch their local city council or board of county commissioners. Now, a proposal is being discussed in Raleigh to televise the General Assembly's sessions from beginning to end.

A legislative study commission is recommending that the state spend \$3.2 million for the gavel-to-gavel telecasts.<sup>1</sup> "The public is demanding to know more about their government," says Rep. George Miller (D-Durham), a member of the commission. "Currently, the public has to rely only upon what is reported through the press, many times sporadically, most of the time after the fact." Miller says the live and tape-delayed coverage of the General Assembly would give North Carolin-

ians an unprecedented opportunity to see their government in action.<sup>2</sup>

Other legislators, however, are less convinced that the state should spend money on the project. "I have not heard any hue and cry from anybody wanting to see us on television," Sen. Beverly Perdue (D-Craven) said during a July 1992 meeting of the Senate Appropriations Committee. The committee voted to delete funding for the project from the state budget, and decided to direct the money into a fund that pays for repairs and renovations to state buildings.<sup>3</sup> Rep. Miller says he plans to re-submit the funding request in 1993.

Under the commission's proposal, television cameras would be installed in the House and Senate chambers, as well as in the rooms where the appropriations and finance committees meet. The Legislative Services Commission — a panel of legislators chaired by the Speaker of the House and President Pro Tempore of the Senate — would establish policies on how the cameras would be used. For instance, the commission might be asked to decide whether the camera operators may pan across the chamber or if the cameras must remain fixed on the legislator who is speaking. The coverage would be produced and distributed by the Agency for Public Telecommunications (APT), a branch of the Department of Administration.<sup>4</sup>

Wade Hargrove, a Raleigh attorney and chair of the APT, says the gavel-to-gavel proposal is aimed at making state government more accessible and accountable to the public.<sup>5</sup> "The legisla-

*Adam Hochberg is a broadcast journalist who covers state government for public radio stations in North Carolina.*

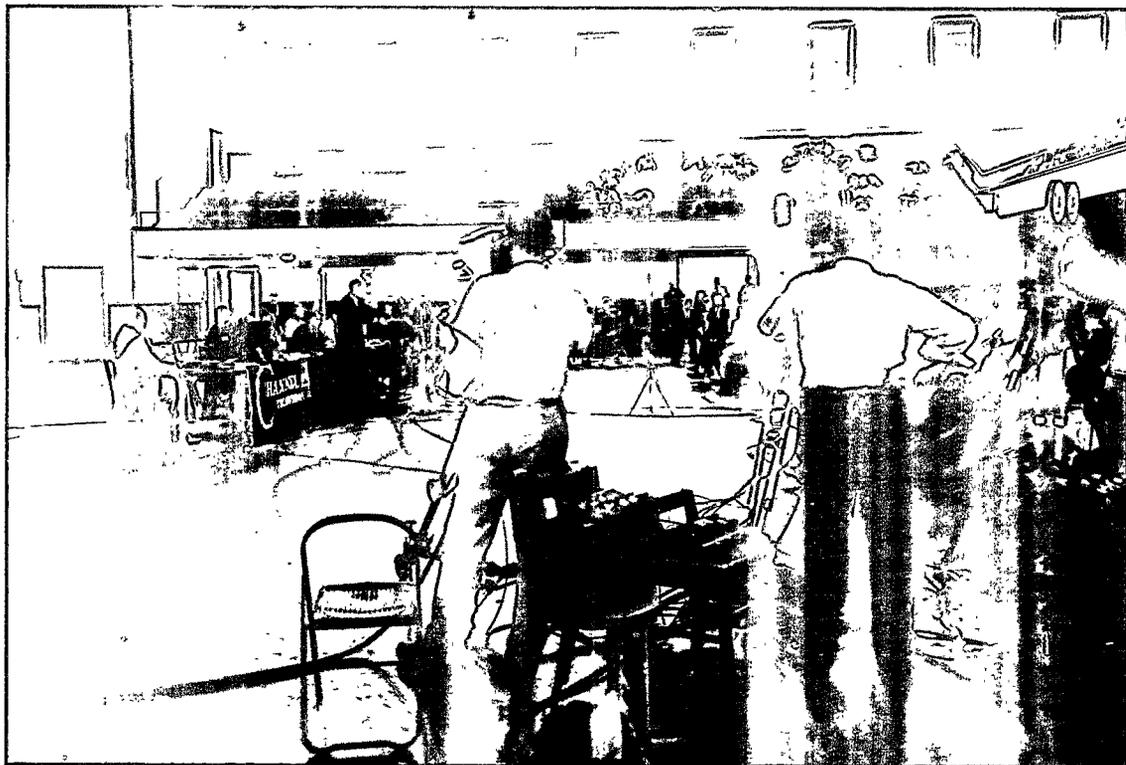
tive television coverage is simply one dimension of a broader effort that began over 10 years ago to provide the people of the state more access to state government," says Hargrove, who represents the N.C. Association of Broadcasters and the N.C. Cable Television Association. "A lot of people feel it's important for the people of the state to have more access. The question is: Can the taxpayers of the state afford it at this time? In 1992, the General Assembly said, 'No, we can't afford it, in view of the times and the circumstances.' It will be appropriate, however, for the General Assembly to reconsider the question in the future."

Legislative leaders in both parties agree that cost is the key factor in whether the legislature decides to televise its sessions.<sup>6</sup> "I personally feel that it would be wonderful to try to show it," says Sen. Marc Basnight (D-Dare), who chaired the Senate Appropriations Committee during the 1991-92 session. "How to pay for it is another matter. We have to compete against the other many requests we get from across the state. What is needed more — textbooks for the children, or TV pictures of legislators talking? We need to weigh these sorts of things." Basnight's views are ech-

oed by Sen. Paul S. Smith (R-Rowan), who says the future of the proposal hinges on whether the state succeeds in winning a federal grant to help pay for the coverage — without a lot of strings attached. "I don't want anyone coming in and telling us what to do," says Smith, the Senate Minority Whip from 1989 to 1992.

Others question whether enough people would watch the gavel-to-gavel coverage to justify spending \$3.2 million in start-up costs and \$500,000 in projected annual operating expenses. "It really is more of a 'field of dreams' prospect — if you build it, they will come," says Allyson Duncan, a member of the state Utilities Commission and former member of the APT Commission. "While I don't have a problem with that with respect to private funds, I find it troubling with respect to public ones. Further, I don't believe that people will come (or view it). And, if they do, it will only be periodically and in insufficient numbers to justify the expenditure. Finally, if you are going to spend this kind of money, I think it makes more sense to upgrade the public television system that you have now *before* creating something with the potential to compete with it."

**Cameramen with WUNC-TV cover a 1956 news conference in Raleigh.  
Note the "Channel 4" banner on table.**



The News & Observer, c/o N.C. State Archives



"THE PUBLIC IS DEMANDING TO KNOW MORE ABOUT THEIR GOVERNMENT. CURRENTLY, THE PUBLIC HAS TO RELY ONLY UPON WHAT IS REPORTED THROUGH THE PRESS, MANY TIMES SPORADICALLY, MOST OF THE TIME AFTER THE FACT."

REP. GEORGE MILLER (D-DURHAM)

## State Already Provides Limited Television Coverage

Currently, the Agency for Public Telecommunication produces four hours of television programming per week, which is carried by some 50 cable systems in the state. (See Table 1, p. 53.) The agency's Open Public Events Network show, called OPEN/net, regularly features unedited videotaped portions of legislative committee meetings, as well as meetings of boards and commissions in the executive branch.<sup>7</sup> The videotaped meetings are followed by call-in sessions, in which viewers are encouraged to ask questions of government leaders in APT's Raleigh studio. For instance, a recent OPEN/net program televised a meeting of a state Senate committee studying prison construction bonds, then invited callers to ask questions of two committee members and an official of the state Department of Correction.

APT's executive director, Lee Wing, says OPEN/net programming has been well received by North Carolinians. Although there are no ratings data on the telecasts, Wing says OPEN/net has handled more than 13,000 phone calls over the past seven years and is now averaging about 19 calls per show. "Our lines can be busy the whole time, and we might get in only 10 calls, if people are long-winded," Wing says. The program also has received national attention. In 1987, the Ford Foundation recognized OPEN/net by bestowing on it an award for "Innovations in State and Local Government."

The proposed gavel-to-gavel legislative coverage, Wing says, would improve upon the sporadic committee meeting coverage that OPEN/net already provides. "It gives people a complete picture of what happens on the floor of the House and Senate," Wing says. "People who know more

about their government will vote more intelligently, and government will improve as a result of it."

Wing says gavel-to-gavel telecasts also would benefit elected officials because it would allow constituents to hear them speak, unfiltered by the news media. Wing says OPEN/net hosts do not conduct interviews, but only introduce the programs, guests, and callers. "We are not journalists," she says. "Many of our hosts over the years have been reporters with local television stations. We retrain them for the job of being an OPEN/net host. They're not investigative reporters when they're on OPEN/net. Their job is not to go after government officials." Wing told the legislative study commission that gavel-to-gavel television coverage may increase the public's approval of the legislature.

Because the House and the Senate usually meet simultaneously, the Agency for Public Telecommunications plans to alternate live coverage of the two bodies each day. For instance, on Tuesdays, the Senate session might be covered live, while the House would be tape-delayed. On Wednesdays, the House would be covered live, while the Senate would be shown on tape. Evening hours would be filled with call-in programs and tapes of meetings of the legislature and executive boards and commissions.

## Some Legislators Skeptical of Gavel-to-Gavel Concept

Before APT's plan could be put into effect, legislators need to be convinced that gavel-to-gavel coverage is a good idea. In the Senate Appropriations Committee, senators from both political parties spoke against it. "It's a frivolous expenditure," Sen. Perdue said. "I'd much prefer to see that money go to buy a few school buses for our children. They need that more than they need to see us."

—continues on page 54



"I HAVE NOT HEARD ANY HUE AND CRY FROM ANYBODY WANTING TO SEE US ON TELEVISION."

SEN. BEVERLY PERDUE  
(D-CRAVEN)

**Table 1. Existing Public Television Coverage of  
North Carolina State Government**

<b>Program</b>	<b>Producer</b>	<b>Duration / Frequency</b>	<b>Availability</b>	<b>Description</b>
"Legislative Report"	UNC Center for Public Television	30 minutes, 3 days a week during legislative sessions	Statewide on public television channels	Taped interviews with news clips and discussion.
"North Carolina This Week"	UNC Center for Public Television	30 minutes, weekly	Statewide on public television channels	Journalist roundtable, often focusing on legislative issues.
"OPEN/net"	Agency for Public Telecommunications	2 hours, weekly	Statewide on about 50 cable TV systems	Unedited coverage of legislative and executive branch meetings, followed by live call-in show.
"Inside North Carolina"	Agency for Public Telecommunications	1 hour, weekly	Statewide on about 50 cable TV systems	Live call-in show on public issues of statewide interest.
"State to State"	Agency for Public Telecommunications	1 hour, weekly	Statewide on about 50 cable TV systems	Live call-in show on public issues of state and national interest.
(title varies)	UNC Center for Public Television and N.C. Center for Public Policy Research	1/2-hour to 1 hour, broadcast once or twice yearly	Statewide on public television channels	Documentaries on various public issues such as solid waste, rewarding good teaching, poverty, health care.
"Town Hall Television"	Town Hall Television Inc.	1 hour, monthly (planned)	Statewide on public television channels	Varied format show on public issues of statewide interest.

Rep. Miller, a supporter of gavel-to-gavel coverage, sympathizes with Perdue's financial concerns. But he says that legislators shouldn't feel forced to choose between funding for television or funding for schools. "I view [gavel-to-gavel coverage] as seeing that the public is informed," Miller says. "An informed public then would be better informed as to the need for additional appropriations for public education."

Other legislators worry that gavel-to-gavel television would disrupt the General Assembly. Sen. Jerry Blackmon (R-Mecklenburg) predicts that the presence of television cameras on the Senate floor would lead to more political posturing. "I was on a county commission for six years, and we were exposed to this kind of thing,"

Blackmon told the appropriations committee. "It increases the time of the meetings and causes people to say things that you would never expect them to say." Sen. Basnight has similar concerns. "Once you bring the cameras in, there's a lot of politicking that goes on," Basnight says. "If you could hide the cameras, where nobody would see them, I think it would be great."

Wing, the APT official, insists viewers would be smart enough to know when a legislator was posturing or wasting time. "They're not dumb," Wing says of viewers. "They can figure out if somebody's giving them a bunch of baloney. Furthermore, I think the legislature will police itself. It's not going to tolerate that kind of baloney." Hargrove, the APT chair, says the continual pres-



***The Agency for Public Telecommunications telecasts some of its productions from this satellite dish on the roof of the state Administration Building in Raleigh.***

"IT GIVES PEOPLE A COMPLETE PICTURE OF WHAT HAPPENS ON THE FLOOR OF THE HOUSE AND SENATE. PEOPLE WHO KNOW MORE ABOUT THEIR GOVERNMENT WILL VOTE MORE INTELLIGENTLY, AND GOVERNMENT WILL IMPROVE AS A RESULT OF IT."

LEE WING, EXECUTIVE DIRECTOR  
AGENCY FOR PUBLIC TELECOMMUNICATIONS



ence of TV cameras might *discourage* legislators from wasting time on political posturing. "Knowing that there is an audience outside the chambers that is watching them may have the effect of refining the discussions," Hargrove says.

If legislators can be persuaded to fund gavel-to-gavel coverage, the next challenge would be to win cooperation from the cable television industry. Many operators of local cable systems are reluctant to set aside a channel for legislative coverage when they could be using that channel for a commercial network that can attract more viewers and advertisers. "Channel capacity is always a problem, especially for smaller systems," explains Adrian Cox, president of the North Carolina Cable Television Association and executive vice president of Summit Cable Services in Winston-Salem. Hargrove adds: "The cable industry has indicated it will try in good faith to be as supportive of the proposal as it can be. A number of cable systems have said they will make channel space available for this public service effort. But viewer preferences ultimately might determine which programs cable systems will carry."

A wild card in the question over channel availability is the new federal law, passed by Congress over President Bush's veto in October 1992, that re-regulates the cable TV industry. "Some cable systems may have fewer channels available with which to provide this kind of programming," Hargrove says. "But I think it's too early to make a judgment about that."

State officials hope advances in video compression and digital technology will increase the channel capacity of local cable television systems within the next decade, making it more likely that there will be space for the new service. In the meantime, APT is pursuing another way for people to watch gavel-to-gavel coverage, even if they

can't receive it on cable TV. The agency is asking the legislature to match \$314,175 in federal funds to install satellite receiving dishes at 100 public libraries statewide.<sup>8</sup> Wing envisions that North Carolinians could go to their local library to watch the legislature on television, as well as the APT's other programs.<sup>9</sup> She says the satellite dishes at the libraries also could be used to receive live telecasts of meetings, public hearings, and training classes in Raleigh for public school teachers and other state employees. Viewers at libraries might be able to participate in a public hearing by phoning in their comments as they watch the event on television. "I'm very excited about the usefulness of satellite technology — to reach people and to allow them to reach back," Wing says.

### Five States Telecast Live Coverage of Their Legislatures

The states of California, Massachusetts, Minnesota, Nebraska, and Rhode Island now have some form of gavel-to-gavel television coverage of their legislatures. (See Table 2, pp. 58-59.) In addition, Oregon and New York previously had such telecasts but discontinued them. The Oregon telecast was a three-month experiment that failed to gain enough support to earn public funding. The New York telecast ran for eight years before succumbing in March 1992 to tough, budget-cutting measures in a state faced with an \$875 million shortfall in its 1991-92 budget.

Most of the state legislative telecasts cost about \$500,000 a year to operate, excluding initial capital costs for wiring, cameras, and other equipment. Nebraska has the least expensive program, costing about \$100,000 a year. Its expenses are lower because some costs are charged to another pro-



"IT [TELEVISION COVERAGE] INCREASES THE TIME OF THE MEETINGS AND CAUSES PEOPLE TO SAY THINGS THAT YOU WOULD NEVER EXPECT THEM TO SAY."

SEN. JERRY BLACKMON  
(R-MECKLENBURG)

## *The UNC Center for Public Television: 36 Years of Legislative Coverage in North Carolina*

**T**he first time North Carolina experimented with gavel-to-gavel television coverage of the General Assembly, the cameras were black-and-white. So were the issues that legislators discussed.

In July 1956, WUNC-TV — the state's new public television station — showed live coverage of a special legislative session on school desegregation.<sup>1</sup> In light of the U.S. Supreme Court decision, *Brown v. Board of Education of Topeka, Kansas*, lawmakers in North Carolina enacted the "Pearsall Plan to Save Our Schools." The plan provided parents with ways to avoid sending their children to integrated public schools, and gave them state grants if they wished to enroll their children in private schools.<sup>2</sup> Huge cameras televised the proceedings in the old House chamber in the state Capitol, as the General Assembly set down into law that "no child will be forced to attend a school with children of another race in order to get an education."<sup>3</sup> It was one of the earliest live remote broadcasts in North Carolina television history, seen both on WUNC-TV and on Durham's new commercial television station, WTVD.<sup>4</sup>

Over the next few decades, public television continued to televise House and Senate sessions from time to time when the legislature was debating such issues as the Speaker Ban Law, legalized abortion, and liquor by the drink.<sup>5</sup> "We did extensive gavel-to-gavel type coverage," recalls Richard Hatch, public affairs director at the UNC Center for Public Television. "We would put cameras in the balcony and do it live. Several times, we broadcast all afternoon."

In recent years, public television has backed away from live legislative broadcasts, instead putting more emphasis on its daily program, *Stateline: Legislative Report*. Hatch says it's harder to do gavel-to-gavel coverage today than it was 30 years ago because viewers have increased their expectations. "It's gotten so complicated and expensive," he says. "Today, nobody would accept the quality that we used to do." Public television's most recent gavel-to-gavel legislative telecast was in January 1991, when Rep. Dan Blue (D-Wake) became the first African-American to be elected Speaker of the House in North Carolina.

— Adam Hochberg

gram that Nebraska Public Television broadcasts nightly, according to Bill Ganzel, a senior producer for the network. Also, the Nebraska legislature is a unicameral body — requiring half as much equipment and personnel as it would to telecast a bicameral legislature.

Several of the existing state programs are not as extensive as the North Carolina proposal. For instance, gavel-to-gavel coverage in Massachusetts is available only for the House of Representatives, and it is broadcast over a local station in

Boston. In Minnesota, only the Senate is televised, and it is distributed over cable systems only in the Minneapolis-St. Paul metropolitan area.<sup>10</sup> Program administrators in both states cite budgetary constraints as a key reason for not providing more complete coverage.

The most advanced state in legislative TV coverage is California. The California Channel televises live action from the House and Senate floors, as well as legislative committee meetings, state Supreme Court proceedings, and press con-



The News & Observer, c/o N.C. State Archives

**A television camera (upper right) records the 1956 session of the General Assembly, one of the first events televised live in North Carolina.**

#### FOOTNOTES

<sup>1</sup> The University of North Carolina put WUNC on the air Jan. 8, 1955, with funds raised by private donors. Initially, WUNC was the only station, and its programs were supplied by studios on the campuses of UNC-Chapel Hill, N.C. State, and Women's College (now UNC-Greensboro). The network later grew to its current 10 transmitters, covering virtually the entire state by the mid-1980s. Although the General Assembly has appropriated money for public television since the mid-1950s, it did not codify statutes for the network until 1979, when it adopted G.S. 116-37.1, which authorized the UNC Board of Governors to establish the UNC Center for Public Television.

<sup>2</sup> *The Pearsall Plan to Save Our Schools*, Governor's Advisory Committee on Education, April 5, 1956.

<sup>3</sup> Chapter 3 of the 1956 Extra Session Laws.

<sup>4</sup> Richard W. Hatch, "News Coverage of the General Assembly, Past and Present," *Popular Government*, Vol. 49, No. 4 (Spring 1984), Institute of Government: University of North Carolina at Chapel Hill, pp. 32-36.

<sup>5</sup> The General Assembly enacted the Speaker Ban Law in 1963, forbidding Communists from speaking at all state-supported schools, but the state Supreme Court later ruled the law unconstitutional. North Carolina was one of the first states to legalize abortion, which the legislature approved in 1967. The liquor-by-the-drink legislation, enacted in 1978, allowed cities and counties to hold elections on whether to allow sales of mixed drinks.

Table 2

***"If you are going to spend this kind of money, I think it makes more sense to upgrade the public television system that you have now before creating something with the potential to compete with it."***

ALLYSON DUNCAN,  
MEMBER, N.C. UTILITIES COMMISSION

ferences by the governor.<sup>11</sup> Unlike the North Carolina proposal, which calls for the state to fund and operate the television system, the California Channel is a private, non-profit venture, funded mainly by the cable television industry.<sup>12</sup> The program is also the most expensive to produce, at \$900,000 a year, nearly double the operating costs of most state telecasts.

Paul Koplin, the president of the California Channel, says the public has been very supportive of the channel during its two years of operation. "We're the only means for them to understand what's happening in the state," Koplin says. "We get calls from constituents all the time saying, 'Are you going to air this committee hearing on education cuts or this committee hearing on health care cuts?'"

Still, only about half of California's cable subscribers have access to the channel because many cable operators are hesitant to add it to their systems. Koplin tries to convince cable television executives that adding the California Channel will improve the cable industry's image with the public. "As they face an increasing regulatory environment, it's important for them to maintain these positive relations," he says.

At the national level, C-SPAN officials report increasing public interest in the channel's telecasts of Congressional sessions and other government proceedings. C-SPAN surveys show growing viewership of the channel, particularly during periods when Congress has grappled with serious national issues such as the Gulf War, the federal budget crisis, and the breakdown of the savings and loan industry. Currently, the channel is available in 57.9 million households nationwide, up from about 35 million in 1990.

—continues on page 60

State <sup>1</sup>	Producer	Duration
California	The California Channel and the California state legislature	1991-present
Massachusetts	WGBH Public Television	1984-present
Minnesota	Senate Media Services	1988-present
Nebraska	Nebraska Public Television	1982-present
New York	New York Cable Television Commission	1984-92 (discontinued)
Oregon	Legislative Media Services	1989 (discontinued)
Rhode Island	Capitol Television	1986-present

## Gavel-to-Gavel Television Coverage in Other States

Annual Budget	Funding Source	Distribution	Coverage
\$900,000	Private	Viewers in 60 percent of cable TV systems in state	State legislature, governor's press conferences, state supreme court, selected state boards
\$425,000	Public	Cable TV systems in Boston and eastern half of state	State House only
\$650,000 <sup>2</sup>	Public	Cable TV systems in Minneapolis/ St. Paul metro area	State Senate only
\$100,000	Public	Cable TV systems in Lincoln and Omaha metro areas	State legislature (unicameral body)
\$500,000	Public	Cable TV systems in Albany metro area	State legislature, court of appeals, some board meetings
NA <sup>3</sup>	Public/Private	Cable TV systems in Portland metro area	State legislature, some board meetings and press conferences
\$500,000	Public	Cable TV systems and commercial radio and TV stations statewide	State legislature, some board meetings, press conferences, and special programs

<sup>1</sup> California, Massachusetts, and New York have full-time legislatures; the remainder are part-time bodies.

<sup>2</sup> Minnesota budget includes funding for a half-hour, edited news program.

<sup>3</sup> Oregon coverage was done on a trial basis for three months in a cooperative effort involving the state legislature, Oregon Public Broadcasting, a private telephone company, and three cable TV systems. No special appropriations or grants were involved.

***"We get calls from constituents all the time saying, 'Are you going to air this committee hearing on education cuts or this committee on health care cuts?'"***

PAUL KOPLIN,  
PRESIDENT OF THE CALIFORNIA CHANNEL

"More people are tuning in to C-SPAN to see how Washington is responding," says Brian Lamb, the network's chairman and chief executive officer. "The cable industry should be proud — these are the times when the public service value of C-SPAN is really driven home." C-SPAN has televised the U.S. House of Representatives since 1979 and the U.S. Senate since 1986.

The network's news coverage has been "so successful that we've extended it to the White House and are working with the courts to see if we can get cameras in the courts," says Virginia Diez, a C-SPAN media specialist who applauded the

—continues on page 62

## THE AGENCY FOR PUBLIC TELECOMMUNICATIONS: *Can It Coexist with Public Television in North Carolina?*

**A**lthough the UNC Center for Public Television has produced a regular legislative news program since 1974, the proposal to televise gavel-to-gavel coverage has come from another source — the Agency for Public Telecommunications.

Both state agencies are in the telecommunications business. But the Center for Public Television is part of the University of North Carolina system, while the Agency for Public Telecommunications (APT) is part of the Department of Administration.<sup>1</sup> Both televise public affairs programming — the UNC Center on a 10-station broadcast network and APT on cable television systems across the state.<sup>2</sup>

Some lawmakers worry that agencies' activities sometimes overlap. The co-chairs of the House Appropriations Committee — Rep. David Diamont (D-Surry) and Rep. Martin Nesbitt (D-Buncombe) — inserted language into the state's 1992-93 capital budget mandating a study of all the state's video networks, as well as its audio and data networks.<sup>3</sup> "We want to know how to get the biggest bang for the buck to get the programs out to the people," Diamont says. "Are we duplicating the UNC network, and is there any overlap?" The study, released in December

1992, found some overlaps between the UNC Center and the APT, but concluded that it would be difficult for the two agencies to share their basic resources.

Some legislators from southeastern North Carolina say the money proposed to start APT's gavel-to-gavel cable television coverage could be better spent on new transmitters for the UNC Center for Public Television. The southeastern region — including much of Robeson, Scotland, Hoke, and Bladen counties — is the only major portion of the state that doesn't receive public television. In the Senate Appropriations Committee this July, Sen. David Parnell (D-Robeson) voted against the gavel-to-gavel proposal. "Before we start spending state dollars to cover the work of the legislature, we ought to spend the dollars so that our people would be able to receive the service that's going out of the stations now," Parnell said in an interview.

The UNC Center's associate director, Chancy Kapp, says her agency can coexist with APT, but legislators need to complete the state public television system — even as they explore new technologies like cable TV. "Obviously, you shouldn't say, 'Let's finish with the buggy whips



**The Agency for Public Telecommunications produces three cable-TV shows, including OPEN/net, which features taped excerpts from meetings followed by live call-in discussions with state officials. In this show, left to right: former Rep. Art Pope, Rep. Martin Nesbitt, host Leila Tvedt, Sen. Marc Basnight.**

before we buy the rockets," she says. "But broadcast television isn't buggy whips. It's a service that's going to be out there for a long time."

Lee Wing, the APT's executive director, says her agency fills a niche that complements rather than competes with the state's public television system. A key distinction between the two agencies, she says, is that APT's programming is largely interactive — that is, viewers can call in questions to participants on OPEN/net and other shows. "There is no other way to give so many people in their homes direct access to state services," Wing says.<sup>4</sup>

— Adam Hochberg

#### FOOTNOTES

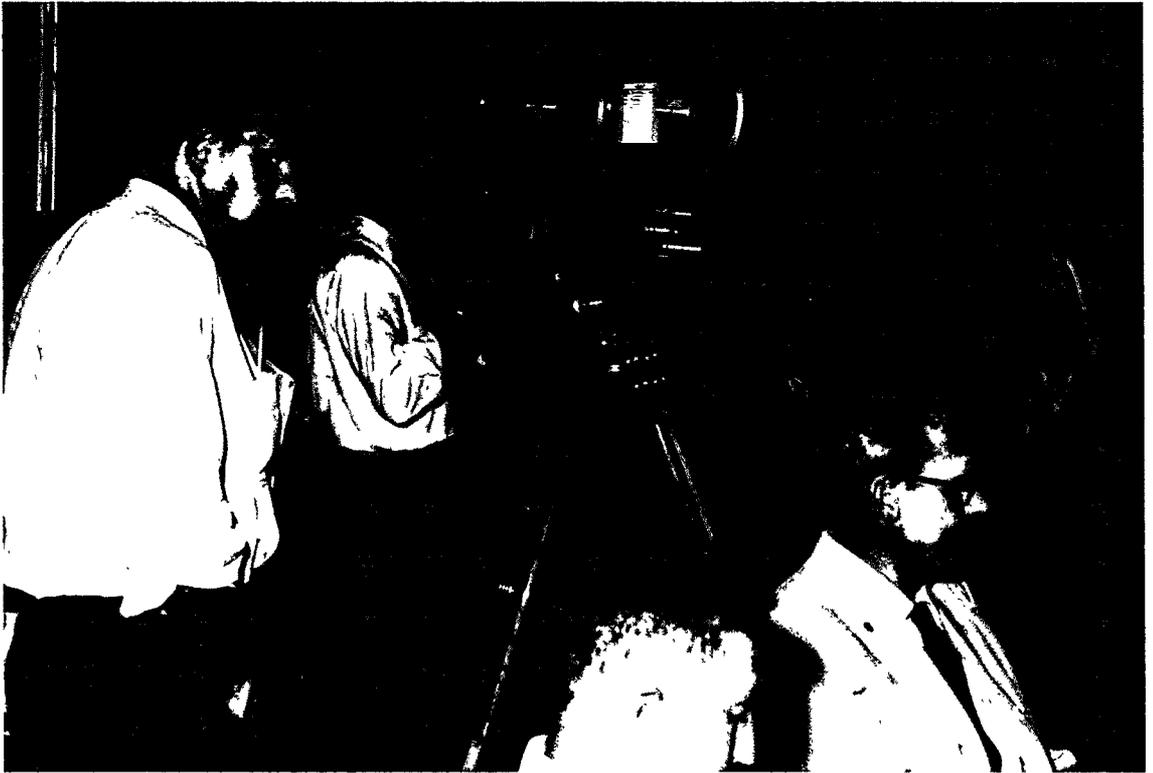
<sup>1</sup> The University of North Carolina established WUNC as the state's first public television channel in 1955. In 1979, the General Assembly passed G.S. 116-37.1, which created the UNC Center for Public Television and reorgan-

ized the public TV network. Also in 1979, the legislature created the Agency for Public Telecommunications under G.S. 143B-426.8.

<sup>2</sup> The UNC Center for Public Television's network includes 10 stations: WUNC in Chapel Hill, WUNF in Asheville, WUND in Columbia, WUNG in Concord/Charlotte, WUNK in Greenville, WUNE in Linville, WUNM in Jacksonville, WUNJ in Wilmington, WUNL in Winston-Salem, and WUNP in Roanoke Rapids. The network's programming reaches 90 percent of North Carolina's TV households, including 257 of the state's 260 cable systems. The Agency for Public Telecommunications' programs are telecast on about 50 cable systems statewide.

<sup>3</sup> The amendment to S.B. 1205 directed the Government Performance Audit Committee to study the audio, video, and data communication systems provided by the Agency for Public Telecommunications, UNC Center for Public Television, Microelectronics Center of North Carolina, Office of State Controller, UNC Computing Service, Department of Public Instruction, and Department of Community Colleges.

<sup>4</sup> As quoted by Ben Kittner in "OPEN/net: North Carolina's Weekly Electronic Town Meeting," *C-SPAN Quarterly*, Fall 1992, pp. 16-18.



The News & Observer, c/o N.C. State Archives

**The technology has changed as well as the faces in the 36 years that WUNC-TV has covered state government. This photo shows cameramen taping a Raleigh news conference in 1956.**

proposal to televise legislative sessions in North Carolina. "Certainly, we would encourage you to go forward with it."

### **Commercial TV Stations Cutting Back Their Legislative Coverage**

Koplin says the California Channel has become an especially important news source because all of the commercial television stations in California have closed their state capital bureaus during the past few years. In North Carolina, many commercial television stations also have de-emphasized legislative news. WBTV in Charlotte and WNCT in Greenville have closed their Raleigh bureaus in the past two years, and WRAL in Raleigh has eliminated—at least temporarily—its position of state government reporter.

The University of North Carolina Center for Public Television provides the only regular TV coverage of the General Assembly, with its "Stateline: Legislative Report" program. (See Table 1, p. 53.) *Stateline* typically covers key legislative issues three days a week during ses-

sions, providing analyses by reporters, interviews with legislators and lobbyists, and taped footage of meetings and debates. Among commercial television stations, only WTVD in Durham and WECT in Wilmington regularly assign reporters to cover legislative news.<sup>13</sup>

"There appears to be less public coverage of the General Assembly," says Rep. Miller, a 12-term legislative veteran. "I can recall when the newspapers would publish the calendar of the bills that were on for debate. Now the news media don't feel that the legislature warrants front-page news."

Indeed, some supporters of gavel-to-gavel television hope it will result in more news about the General Assembly in the media. All television and radio stations in North Carolina would be able to tape the gavel-to-gavel coverage and broadcast excerpts in their news shows at no charge. For instance, if the House or Senate were debating a controversial subject, a commercial TV station could videotape the debate directly from cable TV. The station's reporters then could edit this tape and assemble a story about the debate for their



UNC Center for Public Television

**Camera crew taping WUNC-TV's annual fund-raising drive in 1992.**

evening news, all without ever leaving their hometown newsroom. "The heaviest pitch [for the gavel-to-gavel coverage] was that the media people wanted it," said Rep. Judy Hunt (D-Watauga), a co-chair of the study commission. "If they had access to a tape, they'd do more legislative coverage."

The president of one of the state's largest broadcasting companies agrees. Jim Goodman, whose Capitol Broadcasting Company owns WRAL-TV in Raleigh, says it's difficult for a mobile TV news camera to shoot good video in the House and Senate chambers because of poor lighting and peculiar camera angles.<sup>14</sup> As part of the proposal to begin gavel-to-gavel coverage, the lighting in the chambers would be upgraded, and several cameras would be permanently installed to result in more attractive video. "As a business now, we're really tied to video," Goodman says. "If we have a picture of it, we'll cover it."

The UNC Center for Public Television would continue its legislative coverage even if the gavel-to-gavel telecasts become a reality, Associate Director Chancy Kapp says. But the availability of a

gavel-to-gavel video feed from the House and Senate floors could free up public TV reporters to do more interviews and in-depth analyses of the legislature, she says.

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***"The legislative television coverage is simply one dimension of a broader effort that began over 10 years ago to provide the people of the state more access to state government."***

WADE HARGROVE,  
N.C. ASSOCIATION OF BROADCASTERS AND  
THE N.C. CABLE TELEVISION ASSOCIATION

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Even some newspaper editors say gavel-to-gavel television could improve their coverage of the legislature. Richard Oppel, editor of *The Charlotte Observer*, was among the news executives who testified before the legislative study commission in favor of the proposal. Oppel said in an interview that the *Observer* has no plans to scale back its staff of three Raleigh-based writers who cover the legislature. But he says Charlotte-based writers also could cover the General Assembly if they could watch it on TV. For instance, he says if legislators were debating a bill concerning public schools, the newspaper's education writer might watch. "You always have legislation that affects a specialized area," Oppel explains. "As the legislature takes up bills like this in committee or elsewhere, I would see the gavel-to-gavel providing the opportunity for a reporter to tune in from back in Charlotte. He or she may not necessarily have to get in a car and drive to Raleigh."

Still, the advent of gavel-to-gavel coverage would not guarantee that legislators receive more attention from their hometown media. Ron Miller, the news director at WBTV in Charlotte, says access to video from the House and Senate floors would only "occasionally" result in his station broadcasting a legislative story. "It's not very exciting video," Miller says. "The value of legislative coverage is that you have a reporter and camera person there to tailor the coverage, put it into a package, and really make it meaningful to the local viewer." Since WBTV closed its Raleigh news bureau, it now relies mainly on WRAL to provide it with legislative news, although Miller says WBTV occasionally sends a crew from Charlotte for major legislative stories.

### **Media Observers Stress Need for Objectivity in Gavel-to-Gavel Coverage**

Several North Carolina media executives also question whether the gavel-to-gavel television coverage would be objective. Richard Hatch, the public affairs director at the UNC Center for Public Television, is concerned about how the Legis-

lative Services Commission might use its control of the cameras. "The North Carolina proposal would have the TV coverage under the control of the legislature and distributed by another state agency," he says. "Thus, the origination and distribution of coverage and the production would all be under the control of the legislature or a state agency dependent directly on the legislature for its funds. . . . As someone who has covered the legislature since the 1950s, I am delighted at the growing interest in the subject. My own view is the more coverage the better, but I would prefer to see some distance from legislative control built into the project."

Hatch points out that the U.S. House and Senate produce the video coverage that C-SPAN telecasts. In other words, Congress controls the coverage; C-SPAN merely distributes it. For example, Congress requires the video cameras to be aimed at whomever is speaking on the floor during regular proceedings, and it bars reaction shots or close-ups of Senators and Representatives.<sup>15</sup> "They have very strict rules to make sure that nobody looks

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***"My own view is the more coverage the better, but I would prefer to see some distance from legislative control built into the project."***

— RICHARD HATCH,  
PUBLIC AFFAIRS DIRECTOR,  
UNC CENTER FOR PUBLIC TELEVISION

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bad," Hatch says. "Any organization that sets out to cover itself is going to have a conflict of interest in how they do it."

Another problem with the gavel-to-gavel proposal, Hatch says, is that simply televising legislative proceedings — without interviews, background information, or analysis by reporters — might confuse or fail to inform most viewers. "Coverage of floor debate is a one-dimensional picture of a highly complex process which includes committees, lobbyists, special interests, and other government agencies," he says. "This is why we decided 20 years ago to concentrate on journalistic coverage."<sup>16</sup>

Oppel, *The Charlotte Observer* editor, agrees there's potential for government leaders to manipulate the schedule of the television service to portray the legislature in a positive light or to limit coverage of sensitive issues. He urges legislators to fund the APT proposal, "then stay out of the judgments about how specifically to assign coverage."

—continues on page 66

# *Electronic Town Halls: Another Way to Televisе Government*

**G**avel-to-gavel telecasts are not the only way that television can be used to supplement the conventional legislative coverage provided by journalist round tables and edited newscasts on commercial and public television channels. A fourth way that television can more thoroughly cover the legislature is through "electronic town halls" — that is, with televised meetings in which participants and viewers can actively discuss particular issues.

The UNC Center for Public Television has periodically produced such call-in shows on specific topics for many years. More recently, the Agency for Public Telecommunications has begun regular production of three cable television shows that follow the "town hall" format: "OPEN/net," "Inside North Carolina," and "State to State." (See Table 1, p. 53.) OPEN/net features a one-hour telecast of a legislative or executive branch meeting, followed by a one-hour, live call-in show in which viewers can pose questions to administrative and elected officials. Both "Inside North Carolina" and "State to State" are one-hour, live call-in shows in which viewers can discuss issues with experts, administrators and elected officials. "We make connections," says Lee Wing, executive director of the Agency for Public Telecommunications. "The expense of the call-back is no more than the cost of a telephone call."

On the national level, the electronic town hall concept was embraced heartily by then-Arkansas Governor Bill Clinton and Ross Perot in their 1992 campaigns for president. In his book, *United We Stand*, Perot promotes interactive electronic town halls as a way for Americans to "lay out the issues, review the choices, argue over the merits and demerits, and reach a consensus."<sup>1</sup> Like former President Franklin D. Roosevelt's famous "Fireside Chats," Perot

says, such meetings could help unite the country and set national policies.

"The only difference between the Fireside Chat and the Electronic Town Hall is that the first was one-way, the only radio technology available at the time, and the second is two-way, which we can do today," Perot writes. "Instead of passively listening to the radio or watching members of the political elite debate on television, our citizens will be able to engage their representatives and appointed officials in a direct conversation."

A variation on the theme is provided by a new *privately funded* program in North Carolina called "Town Hall Television." The non-profit program plans to tackle topics of statewide importance — including key legislative issues — in a series of taped, hour-long shows to be broadcast by the UNC Center for Public Television. The program focused on public education in its first show, aired in September and October 1992. Eventually, the show plans

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***Instead of passively listening to the radio or watching members of the political elite debate on television, our citizens will be able to engage their representatives and appointed officials in a direct conversation.***

ROSS PEROT, *UNITED WE STAND*

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to address topics such as economic development, health care, the environment, discrimination, the state budget, family and rural issues, the criminal justice system, the balance of power between the executive and legislative branches of state government, and the declining participation of citizens in public affairs.

"Our ultimate goal is to have about one new program each month on major issues facing the state," says Gerry Hancock, a Raleigh attorney and chair of the board of directors for Town Hall Television Inc. "We might in the future have sessions that deal with legislative themes — much as Ted Koppel does with legislative issues on [the ABC Television show] 'Nightline.'"

Under Perot's plan, the televised town halls would let citizens shape public policy through "interactive" communication — that is, viewers could call toll-free telephone numbers to register their opinions on issues. Hancock says "Town Hall Television," unlike Perot's concept, does *not* intend to gauge public opinion on issues. Rather, the North Carolina show plans to use a variety of provocative formats to explore issues in depth, inform citizens, and stimu-

late discussion. For instance, in the first "Town Hall" show, participants role-played as public officials, educators, and parents in exploring education issues such as public schools of choice, local flexibility in school administration, and family participation. Eventually, Hancock says, the program plans to use interactive communication as a way to engage viewers in discussions — much like Phil Donahue and other television talk-show hosts use audience participation and telephone calls from viewers to stimulate debate.

"Our goal is education, purely and simply," Hancock says. "We're not a function of government, and we're not trying to gauge opinion. If our project continues, then I think there will be a much expanded discussion in the state of the issues most important to the public — and those tend to be the issues most important in the General Assembly."

— Tom Mather,  
Associate Editor, North Carolina Insight

#### FOOTNOTE

<sup>1</sup> See Ross Perot, *United We Stand*, Hyperion: New York, 1992, pp. 32-33.

Common Cause — a group that lobbies for accountability in government — says even greater steps should be taken to assure the gavel-to-gavel coverage is fair and objective. Jeff Parsons, a Raleigh attorney and chairman of the governing board for Common Cause/North Carolina, says independent charitable foundations should become involved in the funding and management of the television project. He says that would help shield the television programs from editorial interference by the government and would provide a secondary source of funding if the state cuts the project's budget.<sup>17</sup>

Such a joint venture would not be without precedent. Private donations already pay for a substantial portion of the state's existing television and radio coverage of the legislature, state government, and public issues. For example, the UNC Center for Public Television's \$14.5-million

***"I would like to see a private-public partnership running it. I have a concern that if it's 100-percent government funded, then you're only going to see what the government wants you to see, and perhaps not necessarily see everything we need to see."***

JEFF PARSONS,  
COMMON CAUSE/NORTH CAROLINA

budget for the 1992-93 fiscal year included 53 percent state funds, 32 percent private contributions, and 9 percent federal grants and contracts. The Agency for Public Telecommunications depended on private and federal grants for about 10 percent of its \$1 million budget for the 1992-93 fiscal year. Similarly, private cable systems and viewers underwrite C-SPAN's telecasts through licensing fees and subscription costs; the U.S. Congress pays for the cameras and other equipment used to televise its sessions.

"I would like to see a private-public partnership running it," Parsons says of the state proposal. "I have a concern that if it's 100-percent government funded, then you're only going to see what the government wants you to see, and perhaps not necessarily see everything we need to see." ☐

## FOOTNOTES

<sup>1</sup> The funding proposal, H.B. 1427, was introduced in May 1992. It called for a total appropriation of \$3,222,669 for the 1992-93 fiscal year. That included \$2,403,700 for the purchase of television equipment at the Legislative Building, \$314,175 to match a federal grant to install satellite receiver dishes at public libraries statewide, and \$504,794 in operating funds for the telecasts. The bill was based on recommendations of the Open Government Through Public Telecommunications Study Commission, which submitted its report to the legislature on May 1, 1992.

<sup>2</sup> For more on television and cable coverage of the legislature and government, see Henry Wefing, "A Blow to Public Access," *North Carolina Insight*, Vol. 2, No. 1, (Spring 1979), p. 9; *Cable Television in North Carolina*, North Carolina Center for Public Policy Research (Nov. 1978); Jack Betts, "The Capital Press Corps: When Being There Isn't Enough," *North Carolina Insight*, Vol. 9, No. 2 (Sept. 1986), pp. 48-51; Katherine White, "Cameras in the Courtroom: The Experiment Continues," *North Carolina Insight*, Vol. 9, No. 2 (Sept. 1986), pp. 41-43.

<sup>3</sup> The Senate appropriations committee defeated the funding proposal for gavel-to-gavel coverage on a voice vote, July 8, 1992. The House did not debate the proposal.

<sup>4</sup> The General Assembly established the Agency for Public Telecommunications in 1979 under G.S. 143B-426.9.

<sup>5</sup> For more on public access to state government, see Bertha Holt, "Conflicting Interests for Citizen Legislators," *North Carolina Insight*, Vol. 3, No. 4 (Fall 1980), pp. 30-34; Fred Harwell, "Government Secrecy vs. Public Access," *North Carolina Insight*, Vol. 1, No. 3 (Summer 1978), pp. 4-7; *The Right To Be Able To Know*, North Carolina Center for Public Policy Research, 1978.

<sup>6</sup> Such financial concerns were reflected in December 1992 by the Government Performance Audit Committee, a panel created by the legislature to identify waste and inefficiencies in state government. The panel, in its report to the 1993 General Assembly, recommended delaying funding for gavel-to-gavel

TV coverage until the state could "validate both the need and the expected value of the program."

<sup>7</sup> The N.C. Center for Public Policy Research's executive director, Ran Coble, participated in one such telecast aired on APT's OPEN/net program on Aug. 29, 1986. For a summary of Coble's presentation, see "Campaign Finance Research Featured Before N.C. State Board of Elections and on Cable TV," *North Carolina Insight*, Vol. 9, No. 3 (March 1987), pp. 100-105.

<sup>8</sup> The APT was seeking the grant from the National Telecommunications and Information Administration in the U.S. Department of Commerce. Although the Senate committee's denial of funds killed the grant proposal for the current year, APT officials are optimistic that the federal agency will continue offering grants for such projects in the future.

<sup>9</sup> In addition to OPEN/net, the APT produces two other regular, one-hour shows, "Inside North Carolina" and "State to State." The APT also provides educational programs to schools and community colleges through its State Services Network.

<sup>10</sup> See Mary Renstrom, "Legislative Television Programming in the States," *State Legislative Report*, Vol. 17, No. 13 (July 1992), National Conference of State Legislatures, Denver, Colo., pp. 1-17.

<sup>11</sup> The California Channel's CAL-SPAN program covers the legislature using robotic cameras, with procedural rules established by the state Assembly and Senate. CAL-SPAN uses people-operated cameras to cover press conferences, court proceedings, and other events.

<sup>12</sup> The California Channel receives most of its funding from cable television system operators who pay fees based on the number of subscribers to their systems. The network also receives private contributions.

<sup>13</sup> For more on cutbacks in television coverage of the legislature, see Jack Betts, "The Capital Press Corps: When Being There Isn't Enough," *North Carolina Insight*, Vol. 9, No. 2 (Sept. 1986), pp. 48-51. Also see Betts, "Radio Journalism in North Carolina: Listening for Less News," *North Carolina Insight*, Vol. 9, No. 4 (June 1987), pp. 44-46; Paul O'Connor, "The Legislature of the 21st Century," *North Carolina Insight*, Vol. 14, No. 2 (Sept. 1992), pp. 58-68; and Tom Mather, "Slowly But Surely, Legislature Opening its Doors," *North Carolina Insight*, Vol. 14, No. 2 (Sept. 1992), pp. 69-71.

<sup>14</sup> The legislature requires that camera operators set up their equipment in one spot, thereby limiting them to one view or angle of floor sessions. The sheer size of legislative chambers also limits televising; it would take two or more cameras to effectively televise sessions.

<sup>15</sup> Rules are different for videotaping special orders of business, such as when members of Congress speak to largely empty chambers after regular sessions. Cameras periodically scan the chambers at such times.

<sup>16</sup> The state plan proposes covering appropriations and finance committee hearings as well as floor sessions. Hatch applauds that plan, but notes that money issues make up only a fraction of total committee debates.

<sup>17</sup> In times of budget crisis, the legislature has targeted public broadcasting in the past. In 1991, as part of efforts to trim a \$1.2-billion shortfall in the budget, the General Assembly reduced the UNC Center for Public Television's budget and eliminated funding for five of the seven state-owned public radio stations. The legislature dropped funding for all radio stations operated by the UNC system, including WFAE in Charlotte, WFSS in Fayetteville, WNAA in Greensboro, WRVS in Elizabeth City, and WUNC in Chapel Hill. The legislature continues to fund stations operated by the N.C. Department of Community Colleges, including WNCW in Spindale and WTEB in New Bern.

# Recommendations

**I**ncreasing the public's access to the workings of government ultimately leads to better government. That belief has been one of the beacons guiding the N.C. Center for Public Policy Research since its inception in 1977. Toward that end, the Center has consistently pushed for more open public meetings and records as well as the publication of complete tallies and descriptions of legislative votes.

Televising legislative sessions is another vital step in the effort to open state government's doors to the public. Such coverage would foster greater public awareness and make elected officials more accountable — at a time when commercial television news programs increasingly are abandoning the legislature. Only two commercial TV stations, WTVD in Durham and WECT in Wilmington, now regularly assign reporters to cover legislative news in North Carolina. Therefore, the Center makes the following recommendations:

**1** The 1993 General Assembly should enact the the Open Government Through Public Telecommunications Study Commission's proposal to provide gavel-to-gavel television coverage of the legislature. The commission specifically recommended that the Assembly appropriate:

- \$2,403,700 to the Agency for Public Telecommunications for the purchase of necessary television coverage and transmission equipment;
- \$314,175 in capital funds, to be matched by a federal grant, for the purchase and installation of satellite dishes and other equipment needed to receive legislative telecasts at public libraries in all 100 counties of the state; and
- \$504,794 to provide additional support and technical staff in the Agency for Public Telecommunication, purchase additional supplies, and cover distribution costs.

Despite the costs, providing gavel-to-gavel coverage would be an investment in good government. The telecasts should provide benefits statewide because local television stations, radio stations, and newspapers could "cover" the legislature by watching it on TV, even if they could not afford to send reporters to Raleigh. Citizens without cable TV also could view the legislative coverage under the plan to beam the telecasts by satellite to local libraries across the state. Plus, the constant presence of TV cameras could force legislators to be more accountable by exposing their deliberations to viewers. Some proponents also make the case that gavel-to-gavel coverage would give citizens the opportunity to observe government, unfiltered by the news media. That coverage would be particularly helpful if the APT included bill numbers and titles on the screen during its telecasts of legislative deliberations.

**2** The legislature should appropriate funds to the UNC Center for Public Television to: a) allow its broadcasts to be picked up in all of North Carolina, particularly the southeastern region; and b) boost its signals in the mountains and other areas where reception is poor. Telecasting gavel-to-gavel coverage must not come at the expense of public television's existing legislative news coverage and other programs. Legislators must remember that the state already has a sizable investment in its existing public television network. Yet, the legislature has cut funding for public television by 8.3 percent over the past two fiscal years,<sup>1</sup> while failing to allocate the money needed to broadcast its programming to the entire state. Public television broadcasts still do not reach much of southeastern North Carolina — more than 35 years after WUNC-TV first went on the air. Plus, reception is poor in many parts of the mountains as well as the outer fringes of the network's broadcast signals — even in highly populated areas such as Raleigh.

The UNC Center for Public Television estimates that it would cost \$12 million to install the towers, antennae, and other equipment needed to extend its broadcasting to the southeastern part of the state, with new transmitters near Lumberton and Rockingham. In addition, at least two of the public television network's 10 broadcast stations need substantial equipment upgrades to improve reception. The UNC Center estimates that it would cost about \$10 million to upgrade stations WUNC in Chapel Hill and WUNL in Winston-Salem.

— *Ran Coble,*  
*Executive Director,*  
*N.C. Center for Public Policy Research*

#### FOOTNOTES

<sup>1</sup> The legislature appropriated \$7,362,087 to the UNC Center for 1990-91, a 2.3-percent cut from the previous fiscal year. The 1991-92 appropriation was \$6,913,172, a 6.1-percent cut, according to unaudited figures.

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***Televising legislative sessions is another vital step in the effort to open state government's doors to the public. Such coverage would foster greater public awareness and make elected officials more accountable — at a time when commercial television news programs increasingly are abandoning the legislature.***

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## *How Do Universities in the UNC System Identify and Reward Excellent Teaching?*

by Kim Kebschull Otten

*The Center's latest book-length research report examines how universities in the UNC system identify and reward excellent teaching. The following excerpt is taken from the report's executive summary.*

**O**ver the past three years, the North Carolina Center for Public Policy Research has studied teaching in the University of North Carolina system — its importance within the overall scope of the universities' missions, the amount of attention it receives at each university, the means by which universities and their component departments and divisions evaluate teaching, and the ways in which exemplary teaching is promoted and rewarded.

As part of this study, the Center sent a survey questionnaire to the chairperson of each department, the dean of each college or school, and the vice-chancellor for academic affairs at each university within the system — a total of 492 surveys. The overall response rate was extremely high for survey research, 78 percent, which thus gives us a very complete picture of teaching within the university system. Center staff also conducted extensive interviews with UNC system administrators, chancellors, deans, department chairs, faculty members, and students to discover their perceptions of what is being done to promote and reward good

teaching at the universities. The study also includes information on unique departmental and university-wide programs on such topics as training new faculty members and teaching assistants in how to teach effectively.

To provide the most accurate and fair analysis of the data we gathered, we used the standard Carnegie university classifications, which were published in 1987 by the Carnegie Council on Policy Studies in Higher Education, a division of the Carnegie Foundation for the Advancement of Teaching. The classifications are based on such factors as the number and types of programs and degrees offered, the size of the institution and the number of faculty, and the budget and external funding of the school. They permit comparisons of generally similar types of institutions in order to detect patterns of similarities and differences among them.

North Carolina's public universities, with the exception of the School of the Arts, which is not classified, fall into five Carnegie categories. North Carolina State University and the University of North Carolina at Chapel Hill are both **Research Universities I**.<sup>1</sup> The University of North Carolina

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at Greensboro is the state's only **Doctoral Granting University I**, although the university would like to move up to the category of Research University II, a step below Research University I.<sup>2</sup>

There are eight universities in the UNC system that fall into the next Carnegie category, that of **Comprehensive Universities and Colleges I**.<sup>3</sup> These include Appalachian State University, East Carolina University, Fayetteville State University, North Carolina A&T State University, North Carolina Central University, the University of North Carolina at Charlotte, the University of North Carolina at Wilmington, and Western Carolina University. Several of these schools — East Carolina, North Carolina A&T, and UNC-Charlotte — also

are attempting to boost their status to the next level, Doctoral Granting Universities II.

Three schools are in the fourth category, **Comprehensive Universities and Colleges II**.<sup>4</sup> These are Elizabeth City State University, Pembroke State University, and Winston-Salem State University. Of these, Pembroke State and Winston-Salem State plan to seek Comprehensive University I status within the decade.

The University of North Carolina at Asheville recently received approval to change its status from a Comprehensive University II to a **Liberal Arts University I**. Liberal Arts I universities are considered highly selective, primarily undergraduate, institutions, and award more than half of their



***The Strolling Professor  
— a statue at North  
Carolina State  
University.***

degrees in the arts and sciences. The University of North Carolina Board of Governors must approve all plans to add programs in order to change a university's status within the system.

## Survey Methodology

**I**n order to get a comprehensive picture of what universities in the UNC system are doing to evaluate and reward good teaching, staff of the N.C. Center for Public Policy Research conducted extensive surveys of the universities during 1990 and 1991. Three separate questionnaires were designed: one for all Vice Chancellors for Academic Affairs, one for all deans of schools or colleges, and one for all department chairpersons.

Prior to administering the surveys, staff conducted a trial run to ensure that our questions were applicable and our procedures were clear. Participants (two department chairpersons at each university) were told that the surveys were preliminary, and were encouraged to make comments or suggestions for improvement. With a response rate of more than 80 percent, we were reasonably confident that we could also expect a good response rate for the actual survey.

On August 1, 1990, the Center mailed a total of 492 surveys, letters explaining the project, and postage-paid return envelopes: 15 went to the Vice Chancellors for Academic Affairs;<sup>5</sup> 69 to deans of schools or colleges; and 408 to department chairpersons.

The overall response rate to the survey was very high — 382 returned, or 78 percent — and well above any statistical standards for reliability. Eleven of the Vice Chancellors responded, for a rate of 73 percent; 57 of the deans, or 83 percent; and 314 of the department chairs, or 77 percent. No university's departmental response rate was lower than 64 percent, and several universities had response rates in the upper 90s.

## Mission Statements and Teaching at UNC Institutions

**T**he 16 constituent universities in the UNC system completed a mission review process in the spring of 1992 — the first time these had been reassessed since 1976. Early in 1991, each university submitted its proposed mission statement, goals for the years 1991-2000, and desired program changes to President C.D. Spangler Jr., the Board of Governors, and a group of four consultants composed of current or former university presi-

dents. The consultants made their report to the Board of Governors in November 1991, recommending that the universities strengthen basic undergraduate education in the system rather than focusing on additional high-level graduate programs.<sup>6</sup> The Board of Governors reviewed the suggestions and made final decisions about missions and programs in early 1992.

In discussing any university's mission, one issue that frequently arises concerns the institution's tendency to aspire to higher status. Some observers of the scene, such as Clark Kerr, president emeritus of the University of California, call this phenomenon "upward drift." According to Kerr, "Many within this category [comprehensive colleges and universities] would like to move up into the doctorate-granting category. . . . Most of their faculty have doctorates from research or other doctorate-granting institutions. In moving 'down' to employment at the comprehensive level, some act as though they inhabit a graveyard of disappointed expectations. Doctorate-granting status also brings, generally, lower teaching loads, higher salaries, more travel funds, and better library facilities."<sup>7</sup>

Salary patterns at North Carolina's public universities bear out Kerr's supposition: at the state's two Research I universities, the average salary for a full professor is \$64,600; at UNC-Greensboro, the state's Doctoral I university, the average salary for a full professor is \$58,900. At the state's eight Comprehensive I colleges, the average full professor's salary is \$51,400, and at the three Comprehensive II universities, a full professor's pay averages \$47,367. (At the one Liberal Arts I University, it averages \$51,900.)<sup>8</sup>

Many analysts, however, stress that the desire for upward mobility destroys the distinctiveness of the school's current mission, and that "research" status is not the be-all and end-all of a university's existence. Darryl Greer, executive director of the New Jersey State College Governing Boards Association (an organization viewed as a model by many other states), writes, "It must be remembered that the leading research universities do not serve as a pattern for all higher educational institutions. The vast majority of students who seek an undergraduate degree attend colleges and universities that are very different in their missions. Individual institutions must excel in their distinctive roles, serving within their mission."<sup>9</sup>

There are clear, though differing, benefits to students attending both "research" and "comprehensive" universities — the two main types repre-



Karen Tam

***Students studying at East Carolina University in Greenville.***

sented in the UNC system. Ursula Wagener, who conducted a study on university teaching for the Pew Charitable Trust's Higher Education Research Program, writes, "[F]aculty at research universities understand that their first task is to advance knowledge and that good teaching must be grounded in the research function. . . . The mentoring aspect requires bringing this knowledge into the classroom and helping students to participate to some degree in the scholarly aspect. In contrast, faculty at [other] colleges see their relation to students as more personal and individual. Students are encouraged, in and out of the classroom, to think, question, and explore extradisciplinary methods and problems. Faculty at the colleges see the first task of teaching as a more general approach to thinking and living."<sup>10</sup>

These differences in the form of education that universities offer must be made clear and explicit to students and the public. Students applying to North Carolina State, UNC-Chapel Hill, or UNC-Greensboro (the state's research and doctoral universities) should be aware that their professors *are* expected to devote a good deal of their time to research, and that graduate teaching assis-

tants (TAs) will be teaching some of their classes. Indeed, the proposed 10-year plan and mission statement of UNC-Chapel Hill states that "With many higher education opportunities available, it is important that UNC-Chapel Hill counsel and advise students who will thrive in the critical open environment of a research university. . . ."

At the same time, however, good teaching at research universities — whether by regular faculty or graduate students — should be expected and not lost in the shuffle. As national attention to teaching has increased within the past five years or so, each of these universities also has increased the prominence it gives to its teaching mission. As *The News & Observer* of Raleigh, N.C., noted in an editorial about the installation of Larry Monteith as chancellor of North Carolina State University, "He . . . set some other priorities, students first among them. He has been an advocate for better undergraduate education, with more senior faculty members involved in teaching first-year students."<sup>11</sup>

Undergraduate students attending the other universities in the system expect, on the other hand, that their professors will spend the majority of their time in class or in preparation for teaching.

**Table 1. Examples of Evaluations Used in UNC System Schools**

	Within the UNC System	At Four-Year Univs. Nationally
1) Student course evaluation surveys:	99% of UNC departments	98% nationally
2) Self-evaluation by faculty members:	45% of UNC departments	60% nationally
3) Peer review by faculty colleagues:	30% of UNC departments	54% nationally
4) Review of syllabi, assignments, and tests:	26% of UNC departments	
5) Videotaping of faculty members' classes:	9% of UNC departments	
6) Exit interviews with senior departmental majors:	UNC-A History department	
7) Comparison with national peers:	UNC-G Biology department, using the IDEA* system	
8) Reviews of classes and faculty published by students:	UNC-CH <i>Carolina Course Review</i>	

\* A national course evaluation service that uses data from student evaluations to determine how faculty compare with their national peers.

Source: N.C. Center survey data, 1990.

Good teaching should, therefore, be the norm, and students expect that faculty members will give them their time and attention.

Given their various missions and expectations, what are the universities in the UNC system doing to ensure that excellent teaching is pursued and supported at their school? Are the universities that are looking to change their classification to add more research still paying attention to teaching? And are the schools whose primary purpose is teaching doing an adequate job of promoting and encouraging it?

### Assessing and Evaluating Teaching

Assessing and evaluating teaching, both for the purpose of improving it and for identifying which professors should be promoted and tenured, takes many forms in today's universities. Some of the more popular methods used in UNC system schools include student course evaluations; evaluations of classes and of a faculty member's knowledge, presentation, and organization of the course by fellow professors; and self-evaluations by faculty.

### ***Student Course Evaluation Surveys***

The practice of having undergraduate students evaluate the teaching of their professors has been regarded with some skepticism, but until recently it has been the only method routinely used by most departments in most universities, including 99 percent of all departments in universities in the UNC system. (According to a study by the U.S. Department of Education in 1990, approximately 98 percent of all departments in four-year schools across the country use student questionnaires to evaluate the teaching performance of faculty.<sup>12</sup>)

Typical student evaluation forms are generally administered at the end of the semester and ask that students evaluate instructors on a five-point scale, with responses ranging from "Strongly Agree" to "Strongly Disagree" on items such as:

- 1) The instructor was organized and well-prepared for class.
- 2) The instructor demonstrated enthusiasm and interest in the subject.
- 3) The instructor graded exams and papers fairly and returned them promptly.
- 4) Lectures were clear and stressed important points.
- 5) The instructor was open to questions and answered them thoroughly.

The questionnaires are most often computer-graded, but frequently include some open-ended questions for student response. These ask students their opinions on, for example, what they liked best/least about the class, what they liked best/least about the instructor, and what they would recommend to change or improve the class. Department chairpersons interviewed for this study said that while students' write-in comments could be fairly critical, they were also helpful in getting a more complete picture of the professor's teaching.

### ***Peer Review: Faculty Review of Colleagues' Classes and Course Material***

If student course evaluations make faculty apprehensive, imagine how faculty feel when they are told that their department head or other colleagues are coming to visit their class. Nonetheless, more than 30 percent of all departments in UNC system schools have professors and/or the department head review each others' classes — commonly known as peer review — in addition to using student course evaluations. (This compares with 54 percent of all departments in four-year colleges across the United States.)<sup>13</sup> Most depart-

ments conduct these evaluations less frequently than they do student course questionnaires, generally using them only when a faculty member is considered for tenure (at about the sixth or seventh year of teaching) or promotion.

There are thought to be several advantages of this form of evaluation, especially when used in combination with student evaluations. While student ratings can give a good idea of how well faculty come across in a classroom, students may not be the best judges of a faculty member's scholarly competence or command of his or her discipline.

Fellow faculty members can also assess how current their colleague's material is and whether he or she is presenting the material at an appropriate level for the students. Twenty-six percent of all departments at UNC system schools review faculty members' class syllabi, paper assignments, and tests administered in order to gauge the organization of the class, how the material is presented, and how papers and tests are graded.

### ***Self-Evaluation and Videotaping***

A number of departments (about 45 percent in the UNC system) ask that professors contemplate and review their own progress in teaching — commonly known as self-evaluation. The typical evaluation is similar to that described by Ron Lunsford of the English department at UNC-Charlotte:

*"By the time a faculty member is ready for reappointment (after three years), tenure (after six years), or any other promotion, they are asked to go through an extensive self-review process about their teaching. They submit a document about how they see their teaching and the progress they've made, and they also provide copies of their syllabi, tests, and new courses they've worked on." Lunsford added that "If they're not teaching well, they will not be reappointed or tenured."*

Finally, a small percentage of departments (only 9 percent in UNC system schools) make videotapes of a faculty member teaching. Some departments use the videotapes for evaluation and review, but most use them to give professors the opportunity to see themselves teaching. Often consultants, either another professor in the department or a staff member at the university's teaching center, are available to review the videotape with the faculty member and point out areas where teaching techniques could be added or improved.

### *Use Made of Evaluations and Assessments*

After department chairpersons gather any or all of the evaluations described above, what happens next? Responses varied among the departments in the UNC system (See Table 2), but almost all use them to provide feedback to the professors and to enhance teaching skills. Many include them in a faculty member's permanent file and use them both to support requests for tenure and promotion decisions and as an important factor in giving merit pay raises. More than half of all departments use the results of evaluations to identify faculty members for teaching awards.

### **Tenure and Promotion**

**M**ore than any other element, tenure and promotion guidelines show how universities and the divisions within them really view the overall work of their faculty members. Tenure and promotion guidelines are often clearly spelled out,

with specific weightings attached to a faculty member's performance in their three major areas of responsibility: teaching, research, and service.

Within the UNC system, approximately 82 percent of the universities responding to the Center's survey have university-wide written guidelines for promotion and tenure decisions (the remaining universities allow departments to devise their own criteria). About half of all departments make additions to their university's policies, often to describe departmental expectations for teaching, research, and service, and to determine the specific weighting given to each component. At Winston-Salem State University, for example, weightings among the various components of a faculty member's job range from 50-75 percent for teaching, 15-25 percent for research, and 15-25 percent for service. At the beginning of each academic year, faculty members specify what they want given to each component and are evaluated accordingly.

—continues on page 78

**Table 2. Departmental Use of Student Course Evaluations in the UNC System**

*Department chairpersons' response to the question:  
How are the results of the evaluations used?\**

a. To provide feedback to the instructor:	305 departments, 97.1%
b. As part of the instructor's file for tenure, promotion, and merit pay increase decisions:	281 departments, 89.5%
c. For monitoring performance in order to enhance teaching skills:	268 departments, 85.4%
d. As a basis for determining teaching awards:	168 departments, 53.5%
e. Other:	17 departments, 5.4%
f. Made no response/not applicable:	3 departments, 1.0%

\* Departments may use evaluations for more than one purpose; percentages, therefore, exceed 100.

Source: N.C. Center survey data, 1990.

## Recommendations re: University Practices in Assessing and Evaluating Teaching

**1** The UNC Board of Governors should require that teaching evaluation procedures in all departments consist of *student evaluations* of each section of every course as well as at least *one other objective method of evaluation*, preferably some form of *peer review*. Although the use of student course evaluations at UNC system schools is widespread, departments at some universities evaluate classes less frequently than the N.C. Center recommends — only once a year rather than every semester, or for only one class rather than all the classes taught by the faculty member.

Student evaluations have been found to be valid indicators of an instructor's teaching ability. As the findings of the Committee on Teaching of the College Arts and Sciences at UNC-Chapel Hill (the Stadter Committee) noted:

*"The numerous research evaluations of student ratings overwhelmingly demonstrate their reliability and validity. . . In spite of commonly shared myths to the contrary, student ratings are not correlated with grading difficulty, sex of student or professor, size of class, or teaching load. . . . In spite of many attempts to demonstrate otherwise, across all subjects and student levels the single most valid indication of an instructor's effectiveness at communicating his or her subject to students and motivating them to work to learn it is student evaluation."*

Other forms of evaluation are essential as well, though less common in the UNC system. Only about 30 percent of departments in UNC system schools use a system of *peer review* of faculty teaching, as compared with 54 of all departments in four-year colleges across the United States. Furthermore, only 45 percent of UNC departments require faculty *self-evaluation*, as compared with 60 percent nationwide. Clearly there is much room for improvement; UNC departments should at least meet, if not

exceed, the national average in terms of well-rounded evaluations of teaching. Either the university administration or individual departments could determine the procedures to be used, but the university should verify that all departments are conducting evaluations.

**2** Department chairs should link the results of the evaluations to faculty teaching assignments. Well-designed evaluations, whether completed by students, peers, or the faculty members themselves, should reveal the type and level of classes individual faculty members are best suited to teach. Although some commentators recommend that full professors should be required to teach introductory classes, evaluations may demonstrate that certain instructors, teaching assistants, or less senior professors are most skilled at teaching particular classes. Regular and thorough evaluations would also help ensure that all faculty, regardless of rank, are keeping abreast of developments and changes in their fields.

**3** Universities in the UNC system should consider implementing a comprehensive assessment program similar to that of the University of Tennessee at Knoxville. Prior to instituting its form of assessment, which examines both faculty teaching and the campus environment for learning, UT had come under fire for stressing research productivity at the expense of teaching. Now, with numerous forms of assessment such as the Student Satisfaction Survey, a graduate student questionnaire, and an alumni survey, the university has the data to gauge both problems and improvements over time and across departments. Though the state of Tennessee requires assessment for all colleges and universities in the state, North Carolina's public universities could begin their programs without waiting for a state mandate.



Karen Tam

*The campus at the University of North Carolina at Chapel Hill.*

Much controversy surrounds the subject of tenure and promotion. Faculty and administrators in one camp feel strongly that tenure and promotion should be awarded primarily on the basis of research productivity, as that is what enhances the prestige of the department and the university, contributes to the overall body of knowledge in the field, *and* strengthens teaching.

Those in another camp believe that teaching is undervalued, even ignored, in the tenure and promotion process. "In the university, concerns about teaching are generally regarded as the second-best preoccupation of those who have not been successful in the world of scholarship," writes Harriet Sheridan, director of Brown University's Center for the Advancement of Teaching. "Find the most successful nontenured teacher on a campus, the one who has received the student award for teaching, and you will find someone whose days are numbered there."<sup>14</sup>

### **Faculty Development Programs and Teaching Centers in UNC System Schools**

**I**nterest in faculty development and teaching improvement programs on college campuses has waxed and waned over the past two decades, but appears to be picking up again with today's renewed interest in "taking teaching seriously." "Faculty development" is a broad term with differing implications depending on the campus, but at most schools it refers to programs designed to assist individual faculty members with their teaching. Some universities have special teaching centers located on their campuses, while others run their programs through the offices of a dean, another university administrator, or through individual departments.

Regardless of who is responsible for faculty development on a given campus, programs typi-

cally offer similar types of activities, including:

- Workshops, conferences, or seminars on teaching improvement techniques, presented by an expert on teaching;
- Classroom visitations and/or videotaping by staff members, who then review the teaching performance of the faculty member who was visited;
- Individual consultations with faculty members on teaching methods and improvement;
- Training and orientation sessions for teaching assistants and new faculty;
- Administration and analysis of student course evaluation surveys;
- Consultation and financial support for course development and design projects;
- Maintaining libraries and publishing newsletters on teaching improvement techniques.

Of the 16 universities in the UNC system, three — Appalachian State University, UNC-Chapel Hill, and Western Carolina University — have centers for teaching enhancement or faculty development. All three schools are vocal about the importance of high-quality teaching at their institutions and want to be seen as leading the way in helping make teaching even better. Appalachian State's center is called the Hubbard Center for Faculty Development and Instructional Services; UNC-Chapel Hill has the Center for Teaching and Learning; and Western Carolina's is the Faculty Center for Teaching Excellence. All three sponsor extensive programs on campus, and Western Carolina's Faculty Center for Teaching Excellence has served as the host site for several system-wide conferences on improving the climate for teaching in North Carolina. In addition to the

## Recommendations re: Tenure and Promotion Decisions

**4** Results of teaching evaluations should be linked to tenure and promotion decisions. While the evaluations are useful to help faculty members improve their teaching, they also should be used by departments in making personnel decisions. Though many departments (about 90 percent in UNC System schools) use the results of teaching evaluations in making merit pay increase decisions, there has been some hesitancy to use teaching evaluations in tenure and promotion decisions. When student course questionnaires were the only evaluations conducted, faculty were skeptical of their legitimacy and wary of giving them much weight in decisions. If universities require additional forms of evaluations such as peer review, however, as the Center recommends, university leaders should be able to persuade faculty that using such evaluations in personnel decisions is appropriate.

**5** While recognizing that universities in the UNC system have different missions and emphases, the N.C. Center for Public Policy Research recommends that the Board of Governors strongly encourage

that, in general, teaching ability and effectiveness count for at least one-third of the weight in a faculty member's overall performance (which includes teaching, research, and service).<sup>15</sup> The weighting given to teaching will vary according to the individual missions of departments and universities, but good teaching should be important enough to the overall goals of the university system that it count for a significant proportion of the weight in tenure and promotion decisions at *all* universities, including Research and Doctoral institutions. **At Comprehensive I universities, teaching should count for at least 40 percent of the weight; at Comprehensive II and Liberal Arts universities, for as much as 50 percent.** Faculty members should be told in detail what is expected of them and how they will be evaluated.

Regardless of the type of university, faculty members should be told in detail what is expected of them and how they will be evaluated. Furthermore, *no* faculty members in any university who are expected to teach classes regularly should be given tenure if their teaching performance is consistently poor.

## Recommendation re: Teaching Enhancement and Faculty Development Programs

**6** The Board of Governors should encourage universities to pursue funding or consider making grants to all universities without formal teaching centers or faculty development programs to enable the schools to establish them. Many administrators expressed interest in beginning or enhancing faculty development programs at their universities, but said that funding was the main obstacle they faced. G.S. 116-11(3) and 116-11(9) give the Board of Governors the authority to request funds from the General Assembly for such areas as new programs and activities, capital improvements, and improvements in levels of operation. Additionally, UNC General Administration has been very supportive of the system-wide Carolina Colloquies on Teaching held at Western Carolina University, and additional funds for programs at individual universities could help sustain the efforts initiated by the Colloquy.

three centers listed above, several other universities sponsor teaching enhancement programs, and all appear to be making a notable impact on faculty interest in and attention to teaching.

### Teaching Awards

**M**ost faculty members who teach well would probably agree that they teach because they enjoy it, not because they want to win an award — which is not large in terms of money or recognition — from their department or university. Professors interviewed for this study unanimously agreed that the teaching awards offered at their institution did *not* motivate faculty to be good teachers; “If they’re good, they’re good regardless,” said one department chairperson.

On the other hand, the fact that universities, colleges, or departments give awards at all does show that the institution values teaching and recognizes it as important and worthy of special recognition. The awards may not actually improve teaching performance, but they do help to estab-

lish an institutional culture that is supportive of teaching. And this institutional culture supporting teaching is important, because, as Mickey L. Burnim, the Vice Chancellor for Academic Affairs at North Carolina Central University noted,

*“People are not in the academy for monetary reasons. The difficulty in rewarding teaching has to do with academic tradition — the focus of the Ph.D. experience is to teach people to become researchers, not teachers. People sometimes feel that they’re sort of ‘letting down’ their graduate school if they ‘only teach.’”*

According to responses from the Center’s survey of all department chairpersons, deans, and vice chancellors for academic affairs at UNC system universities, only 9 percent of all *departments* give awards for excellent teaching; 55 percent of all schools or colleges within universities give teaching awards; and 91 percent of all universities responding give teaching awards. In some cases, the awards are in the form of recognition only; in others, they carry a significant salary supplement.

Of the teaching awards made by *departments*, most are in the form of recognition of some sort — often the recipient’s name is added to a plaque of departmental award winners. Thirteen of the 28 departments that give teaching awards include a monetary award with the recognition, in amounts ranging from about \$1,000 (for teaching assistants in the English department at UNC-Chapel Hill) to \$100 for the faculty in the departments of both Civil and Industrial Engineering at North Carolina State. Recognition for good teaching by *schools and colleges*, by contrast, is more likely to be in the form of monetary awards. Almost 70 percent of the teaching awards made by schools and colleges are monetary, compared with less than 50 percent of the departmental awards. Schools and colleges, with their larger budgets, are more likely to have the money available to make awards. Plus, the money for some — such as the David Brinkley Teaching Excellence Award at the School of Journalism at UNC-Chapel Hill — comes from outside sources.

The *university-wide* teaching awards are almost all monetary, according to the Center’s data. Only one institution — Appalachian State — does not include money as part of the recognition for excellent teaching. Monetary awards at the other universities range from \$500 to \$5,000. For example, the Distinguished Faculty Award at Fayetteville State provides \$500, as do five Chancellor’s Awards for Excellence in Teaching

at UNC-Wilmington. At UNC-Chapel Hill, the \$5,000 awards are: the Bowman and Gordon Gray Professorships; Johnston Teaching Excellence; four Students' Undergraduate Teaching Awards; and six Tanner and Salgo Awards for Excellence in Undergraduate Teaching. UNC-Wilmington also offers \$5,000 for four University Distinguished Professorships.

Though these figures represent a number of ways of acknowledging outstanding teaching at UNC system schools, some critics claim that teaching awards are just for show — that they're of less value and duration than those given for research. This charge applies especially to endowed chairs, which are highly valued and given for outstanding work in a certain field. "There's a great discrepancy in endowed chairs at universities, including UNC-Chapel Hill," according to Joel Schwartz,

director of UNC-Chapel Hill's Center for Teaching and Learning. "Research chairs, such as the Kenan professorships, are held for life, while the Bowman and Gordon Gray chair for Teaching Excellence is a one-time position (with a \$5,000 bonus) and held for three years only." Additionally, at many universities, recognition given for research does not come in the form of actual awards as such, but in the form of tenure and promotion to higher rank, and therefore higher salaries. On the other hand, endowed research chairs enable universities to compete for and keep excellent faculty who might be attracted elsewhere due to their research skills and reputations.

Interestingly, some of the UNC system universities that are the most vocal about the importance of good teaching give the fewest teaching awards. For example, although some of the *col-*

## Recommendations re: Teaching Awards

**7** All universities in the system, and the schools and departments within them, should examine the feasibility of establishing some form of recognition of or support for excellent teaching. Though teaching awards, in and of themselves, do not cause faculty members to teach well, they do show that a university or department believes that teaching is important, and recognition for excellence establishes a supportive culture for teaching. Currently, only 9 percent of all departments give awards for excellent teaching, and only 55 percent of all schools or colleges within universities give teaching awards, according to the Center's survey. Many of the awards for outstanding teaching are in the form of recognition only, rather than the monetary awards commonly given for research.

Although monetary awards for excellence in instruction would be most effective in helping to put teaching on par with research, even recognition as simple as a "Teacher of the Year" plaque outside the departmental office, or the funding and time to work on developing a new course or revamping an existing one, would be preferable to no award at all.

**8** The universities should also seriously consider establishing endowed chairs for teaching. These would be lifetime positions given for outstanding achievement in the field, similar to those given for research accomplishments. Currently, there is a discrepancy in endowed chairs at UNC system universities. While research chairs are held for life, chairs for teaching excellence, such as the Bowman and Gordon Gray chairs at UNC-Chapel Hill, are one-time positions and are held for only three years. According to UNC-Wilmington chancellor James R. Leutze, this discrepancy between research and teaching chairs "sends a very powerful message about what's really valued." **Just as endowed chairs for research enable universities to attract and keep faculty members with excellent reputations as researchers, endowed teaching chairs could enable universities in the UNC system to attract — and build a reputation on — outstanding teachers.**

leges at Appalachian State give monetary teaching awards (such as the College of Business, which makes one Outstanding Teaching Award annually, for \$2,000), the four university-wide awards are plaques. Pembroke State, UNC-Charlotte, and Western Carolina all have very few departmental or college-based awards and make only one university-wide teaching award annually (all at \$1,000), and Elizabeth City State has no award at all. Some of these are smaller universities with fewer resources with which to make awards, whereas others may simply need to make more of an effort.

Universities in the UNC system appear to be making diligent efforts to establish a culture of encouraging excellence in teaching on campus and to reward the outstanding teaching of their faculty members. However, not all teaching awards are formally given and easy to document. Many department chairpersons noted on their surveys that excellent teaching is rewarded with merit pay increases, travel funds to attend conferences, or leave to conduct research (See Table 3). For example, R.J. Thomas, head of the Wood and Paper Science department at North Carolina State, wrote that in his department, "Awards for teaching are reflected in merit pay increases. Teaching excellence is part

of the job." Other responses mentioned that even if the department has no award for teaching, the chairperson does evaluate and recommend faculty members for school-wide or university-wide teaching awards.

### Training Teaching Assistants to Teach Undergraduates

Many graduate students, regardless of whether they will eventually become professors, teach classes while they are working on their degrees. Unfortunately for graduate students, popular lore surrounding graduate teaching assistants (TAs) is full of illustrations and examples of TAs' incompetence, lack of preparation or knowledge, and — for some foreign-born TAs — inability to speak English. Other complaints reflect undergraduate students' disappointment that they are taught many of their courses by instructors barely older than themselves, rather than by more senior professors who also are assumed to be better prepared, more knowledgeable, and simply better suited to conduct a class.

Are these stereotypical criticisms accurate at UNC schools? Are TAs, as some suggest, merely ill-prepared cannon fodder? Are they enthusiastic,

**Table 3. Teaching Awards Made by Departments**

**Number of departments in UNC system schools giving teaching awards: 28 (9%)**

**Form of teaching awards (multiple response):**

a. Recognition:	21 departments, 75.0%
b. Monetary awards:	13 departments, 46.4%
c. Other:	5 departments, 17.9%
d. Funds for professional development:	4 departments, 14.3%
e. Reduced administrative load:	1 department, 3.6%
f. Leave time for research:	1 department, 3.6%

Source: N.C. Center survey data, 1990

## Recommendation re: Training and Monitoring Teaching Assistants

**9** The Board of Governors should enforce its policy that no graduate student teaches an undergraduate course without extensive training, monitoring, and evaluation. Although a number of departments in the university system have exemplary programs for teaching assistant (TA) preparation, others provide only rudimentary training and monitoring. According to responses to the Center's survey, only half (71, or 48 percent) of the departments reported having at least some form of training program or procedure. Some of the departments offer their own training sessions; others rely on a training course run by the university that all teaching assistants are required to attend. Even though the majority of departments in the UNC system — 70 percent — have procedures in place for monitoring and evaluating their teaching assistants, there are still a number of TAs who teach without proper preparation and monitoring.

With sufficient support and guidance, teaching assistants can do an excellent job in the classroom; without training, undergraduate education can suffer, especially at the large universities where teaching assistants frequently teach introductory courses. **Departments should be required to have suitable training and evaluation programs for their teaching assistants, and should be given the money and personnel to put these in place.** Ensuring that TAs are suited for teaching and well-prepared for their assignments would go a long ways towards removing the stereotypes that currently plague them.

system have graduate programs, and even within schools that do, not all *departments* offer graduate instruction. This part of the Center's study, therefore, examined only the preparation and training efforts of the 147 departments — 47 percent of the total surveyed — that have both graduate programs *and* graduate students teaching undergraduate classes. These students may either teach alone, with a supervisory faculty member, or teach a discussion section of a large lecture class taught by a professor.

### *Training Programs for Teaching Assistants*

In response to criticism they have received for unleashing untrained graduate students on undergraduate classes, universities across the country are beginning to offer training programs for teaching assistants. At some universities, *all* graduate students who will be teaching undergraduates are required to attend a workshop on teaching techniques; at others, departments provide their own instruction. This can range from one lecture by a departmental administrator to a full-blown and in-depth class.

In departments without formal training programs — however brief — faculty members are generally assigned supervisory responsibility for one or more TAs, and individual professors are made responsible for their TAs' training. This may produce some faculty who take a serious interest in the training and monitoring of their TAs, or it may lead to training that consists solely of advice to "look professional."

Because of the possibility of great irregularity in training, many faculty members advocate a more standardized process. David Lowery, chairman of the Political Science department at UNC-Chapel Hill, said that in his department, "For years, TAs were assigned to a faculty mentor, who was supposed to go over their syllabus, give them help in their teaching, and so on. This worked pretty well, but it was dependent on how good a mentor the TA had. For the last few years, we've instead held a training course for incoming TAs in the August before they start their teaching. It's an intensive course, and all TAs have to take it."

Among the 147 departments at schools in the UNC system that offer graduate programs and use graduate students as teaching assistants, 71 (48 percent) reported having at least some form of training procedure or program. Some of the departments offer their own; others rely on a training course run by the university that their TAs are required to attend. Departmentally designed

ready and eager to teach about a field that is still fresh and exciting to them? Or are they somewhere in between — teaching because that's what you do to earn your fellowship or stipend, and you may as well make the best of it?

Not all universities in the 16-campus UNC



courses seem to be the more extensive of the two, and offer the additional advantage that the material presented about teaching can be specifically tailored to the field's subject matter. While there are some universally helpful teaching techniques, what TAs need to know about teaching chemistry might be very different from what they would need to teach drama.

### **Monitoring and Evaluating Teaching Assistants**

Even though not all of the departments in UNC system schools provide formal training programs for their teaching assistants, the vast majority — more than 70 percent — have procedures in place for *monitoring and/or evaluating* them. In many cases, according to data from the departmental surveys, the monitoring and evaluation included a training component, even if not expressed as such. Evaluations of teaching assistants are similar to those required of regular faculty members — questionnaires completed by students in the course — and the results are generally reviewed with the TA.

Although the departments in UNC system schools with teaching assistants are making efforts to train and prepare them for teaching, less than half

of all departments with TAs have formal training programs. Even training consisting solely of a day-long workshop would be highly useful to a graduate student who has never taught before, and *no* undergraduate student should be taught by an instructor who has not had some type of training.

Departments are better at monitoring and evaluating their TAs, but even here the procedures are not universal. Teaching assistants need feedback — from both their students and their supervisors — in order to continue to develop into good teachers. Something as simple as mid-term student evaluations would help TAs discover both their teaching strengths and what needs work, and would give them a chance to improve during that semester.

### **The Next Generation: Training New and Future Faculty**

**T**he next ten to fifteen years will see a significant turnover in the professoriate, as faculty members hired in the “boom times” of the 1960s reach retirement age. Those who are interested in promoting teaching see this as an exciting opportunity to shape the university of the future, by

beginning now to train a new generation of faculty committed to and prepared for excellent teaching.

The new faculty members of today are different in many ways than their predecessors of even ten years ago. Many come in with teaching experience already under their belts, having served as teaching assistants (TAs) during graduate school. And because of the recent push to train and prepare teaching assistants for their duties, the former TAs are often at least familiar with general pedagogical issues and methods.

Nonetheless, junior faculty are viewed as needing special help to adjust to their new careers, especially with the pressures in many schools (including most of North Carolina's public universities) to conduct research leading to publication in order to receive tenure. Faculty members interviewed for this study were highly sympathetic towards the difficulties new faculty members experience; many of them noted the great stresses that junior faculty face in their first seven years of employment (the general time one serves as an assistant professor before either being tenured and promoted or let go).

A number of universities in North Carolina sponsor programs for new faculty members to help them develop into effective teachers. During the late summer of 1991, for example, the first New Faculty Seminar on Exemplary Teaching was held at Western Carolina University. The program was initiated by participants in the 1990 Carolina Col-

loquy on College Teaching, which brought together representatives of 14 of the 16 UNC institutions in order to discuss ways to promote and support good teaching on all of the campuses.

The New Faculty Seminar was designed for tenure-track faculty who had been teaching for three years or less at any UNC institution. The purpose of the five-day conference was "to promote effective teaching practices among new faculty, provide an opportunity for new faculty to interact with exemplary teachers, and to show new faculty that teaching excellence is highly valued in the UNC system."<sup>16</sup>

The concepts of faculty "mentoring" or new faculty working with a "master professor" have also received heightened attention recently. Many departments in North Carolina's public universities use either a formal or informal mentoring system to help young faculty develop their teaching skills, with senior professors advising on such matters as presentation skills, time management, and grading.

Several departments noted that they required interviewees for faculty positions to present a lecture or colloquium to the departmental faculty in order to demonstrate their ability to make a scholarly presentation in an academic setting. Dr. Lowery of UNC-Chapel Hill said that candidates who did a poor job on their presentation greatly hindered their chances of being hired. Candidates for positions in the English department at UNC-

## Recommendation re: New and Future Faculty

**10** If universities are determined to require and support good teaching, administrators should insist that departments make teaching a central criterion in all hiring decisions, and that truly poor teachers, regardless of their research credentials, are not hired. As is already the practice in many departments, personnel committees should require that candidates for positions either teach an actual class to students, if feasible, or present a seminar to the committee, and the candidates should be evaluated on their teaching performance.

Departments in the UNC system might also

consider instituting a requirement that new faculty, prior to their first teaching assignment, have had a teaching apprenticeship as a core part of their training. At the very least, departments should require that interested but inexperienced new faculty receive special instructions in teaching, whether within the department or through the university's faculty development center.

New faculty — and their teaching — also should be monitored especially carefully by the department, and they should possibly be assigned a mentor to help with acclimation to university life.

**"To be professional in the minds of some faculty means directing all your time and energy to your discipline, your research, and your professional association. Some ask, where are the students in all of this?"** <sup>17</sup>

— WILLIAM C. NELSEN

Charlotte also make a presentation to the faculty, although department chair Ron Lunsford noted that "You can't necessarily extrapolate from that how well they could teach freshmen and sophomores. I would like to begin a program where candidates would teach an actual class to students, but it's awfully time consuming and it also takes time away from a professor's regular class schedule." The Political Science department at North Carolina State invites students to sit in on candidates' presentations, both in order to avoid disturbing regular classes and to get student feedback on the candidate's teaching. □

*Copies of How Do Universities in the UNC System Identify and Reward Excellent Teaching? are available from the Center for \$31.80 plus \$3.50 postage and handling.*

#### FOOTNOTES

<sup>1</sup> The designation of **Research University I** is given to universities in the United States that offer a full range of baccalaureate programs, numerous doctoral programs, and give a high priority to research. According to the Carnegie requirements, the criteria for this classification include that the institution must maintain a minimum of \$33.5 million annually in federal support for research and development, award at least 50 Ph.D. degrees each year, and maintain excellence in all of its graduate programs and research activities.

<sup>2</sup> The classification of **Doctoral University I** requires that, in addition to offering a full range of baccalaureate programs, the mission of these institutions must include a commitment to graduate education through the doctorate degree. Universities in this category award at least 40 Ph.D. degrees annually in five or more academic disciplines.

According to the Carnegie Council, **Research Universities II** offer a full range of baccalaureate programs, are committed to graduate education through the doctorate degree, and

give high priority to research. They receive annually between \$12.5 million and \$33.5 million in federal support for research and development and award at least 50 Ph.D. degrees each year.

<sup>3</sup> Universities classified as **Comprehensive I** have enrollments of at least 2,500 and are authorized to offer a full range of programs at the baccalaureate and master's levels.

<sup>4</sup> **Comprehensive Universities II** offer degree programs primarily at the baccalaureate level, though they may offer a small number of master's or professional degrees. All universities in this group enroll between 1,500 and 2,500 students.

<sup>5</sup> The N.C. School of the Arts did not have a Vice-Chancellor when this survey was done; a survey was mailed to the head of the Division of General Studies.

<sup>6</sup> Trish Wilson, "Advisers frown on more graduate programs: Improve basic education, state universities told," *The News & Observer*, Raleigh, N.C., November 9, 1991, p. 1A.

<sup>7</sup> Clark Kerr, "The New Race To Be Harvard or Berkeley or Stanford," *Change* magazine, Vol. 23, No. 3, May/June 1991, p. 15.

<sup>8</sup> American Association of University Professors as printed in *The Chronicle of Higher Education*, Vol. 38, No. 33, April 22, 1992, p. A21. Definition and categorization of institutional type made by the Carnegie Foundation for the Advancement of Teaching. Note: These are average salaries for all faculty at these ranks at the various universities. They include faculty in the professional schools — such as law, medicine, business, etc. — at the universities that have them.

<sup>9</sup> Darryl G. Greer, "Pitfalls to Avoid in the 1990s," *Policy Perspectives*, a publication of the Pew Higher Education Research Program, sponsored by The Pew Charitable Trusts, Philadelphia, Vol. 3, No. 4, Section B, September 1991, p. 10B.

<sup>10</sup> Ursula Elisabeth Wagener, "Affording Quality Teaching," (abstract), *Policy Perspectives*, a publication of the Pew Higher Education Research Program, sponsored by The Pew Charitable Trusts, Philadelphia, Vol. 2, No. 1, September 1989, p. 2.

<sup>11</sup> "Monteith, officially," *The News & Observer*, Raleigh, N.C., October 24, 1991, p. 18A.

<sup>12</sup> National Center for Education Statistics Survey Report, January 1990. *A Descriptive Report of Academic Departments in Higher Education Institutions*. Washington, D.C.: U.S. Department of Education, Office of Educational Research and Improvement, p. 33.

<sup>13</sup> *Ibid.*

<sup>14</sup> Harriet W. Sheridan, "The Compleat Professor, Jr.," *AAHE Bulletin*, Vol. 41, No. 4, December 1988, p. 3.

<sup>15</sup> This recommendation applies to the vast majority of faculty who are hired with the expectation that they will perform all three duties routinely. However, a small number of faculty are hired under special circumstances: those who are expected primarily to conduct research, for example, and who teach few, if any, classes. The recommendation that teaching count for one-third of their performance would, therefore, not apply.

Additionally, some faculty members (for example, department chairpersons) are hired and brought in *with tenure* as an associate or full professor. If the candidates for these positions will be teaching classes, they should be asked by the personnel committee to teach a class to students or to present a seminar to the committee. Their teaching should be subject to the same evaluations as that of other faculty.

<sup>16</sup> Faculty Center for Teaching Excellence, Western Carolina University, "Summary: New Faculty Seminar on Exemplary Teaching," August 1991, p. 1.

<sup>17</sup> William C. Nelsen, *Renewal of the Teacher/Scholar*, Washington, D.C.: Association of American Colleges, 1981, pp. 7-8.

# MEMORABLE MEMOS



P.O. BOX 37564 • RALEIGH, NORTH CAROLINA 27627

To: Members of the House Transportation Committee  
Members of the Senate Transportation Committee  
Members of the House Transportation Appropriations Subcommittee  
Members of the Senate Natural & Economic Resources Appropriations Subcommittee  
CCNC/Sierra Club Lobbyist Bill Holman *B. Holman*

Fr: CCNC/Sierra Club Lobbyist Bill Holman *B. Holman*

Dt: June 5, 1992

Re: Maintenance of bridges

The Conservation Council of N. C. and Sierra Club are concerned that the Department of Transportation places a higher priority on construction of new roads than on maintenance of existing bridges and roads.

The attached Winston-Salem Journal article points out that North Carolina leads the nation in the number of substandard bridges.



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION  
P. O. BOX 25201  
RALEIGH 27611-5201

June 29, 1992

JAMES G. MARTIN  
GOVERNOR

MEMORANDUM TO: Senate Transportation Committee  
Senate Natural & Economic Resources  
Appropriations Subcommittee  
House Transportation Committee  
House Transportation Appropriations  
Subcommittee

FROM: Jim Sughrue *Jim*  
DOT Maintenance Funds

SUBJECT: Recently, my friend Bill Holman was kind enough to share with me a copy of a memo he sent to you about highway maintenance funds. I appreciated his effort to keep you informed.  
But if you think Bill really gives a hoot about highway maintenance, please see me.

JOURNAL

LOCAL

PAGE E1

State Edition

## N.C. Falling Down On Bridge Repairs

■ State leads U.S. in substandard structures

By Terry Martin  
JOURNAL RALEIGH BUREAU

... blocks west of the building  
... state planners decide how  
... will in highway money how  
... two of North Carolina  
... dges quietly  
... structure

RALEIGH trade magazine In the past year  
highway crews in North Carolina  
have replaced 1,142  
bridges — at a rate of  
one a day, mostly by  
state bridges with  
with 7,118 sub-  
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THOMAS J. HARRELSON  
SECRETARY

*Environmental lobbyist Bill Holman undoubtedly cares about owls, but does he give a hoot about highway maintenance? Holman says yes. But that ruffles the feathers of former DOT spokesman Jim Sughrue. One way or the other, we thought you might get a hoot out of this pair of memos. Meanwhile, if you've got any Memorable Memos you'd like to crow about, send them our way. We promise not to reveal the source. Not a peep.*

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