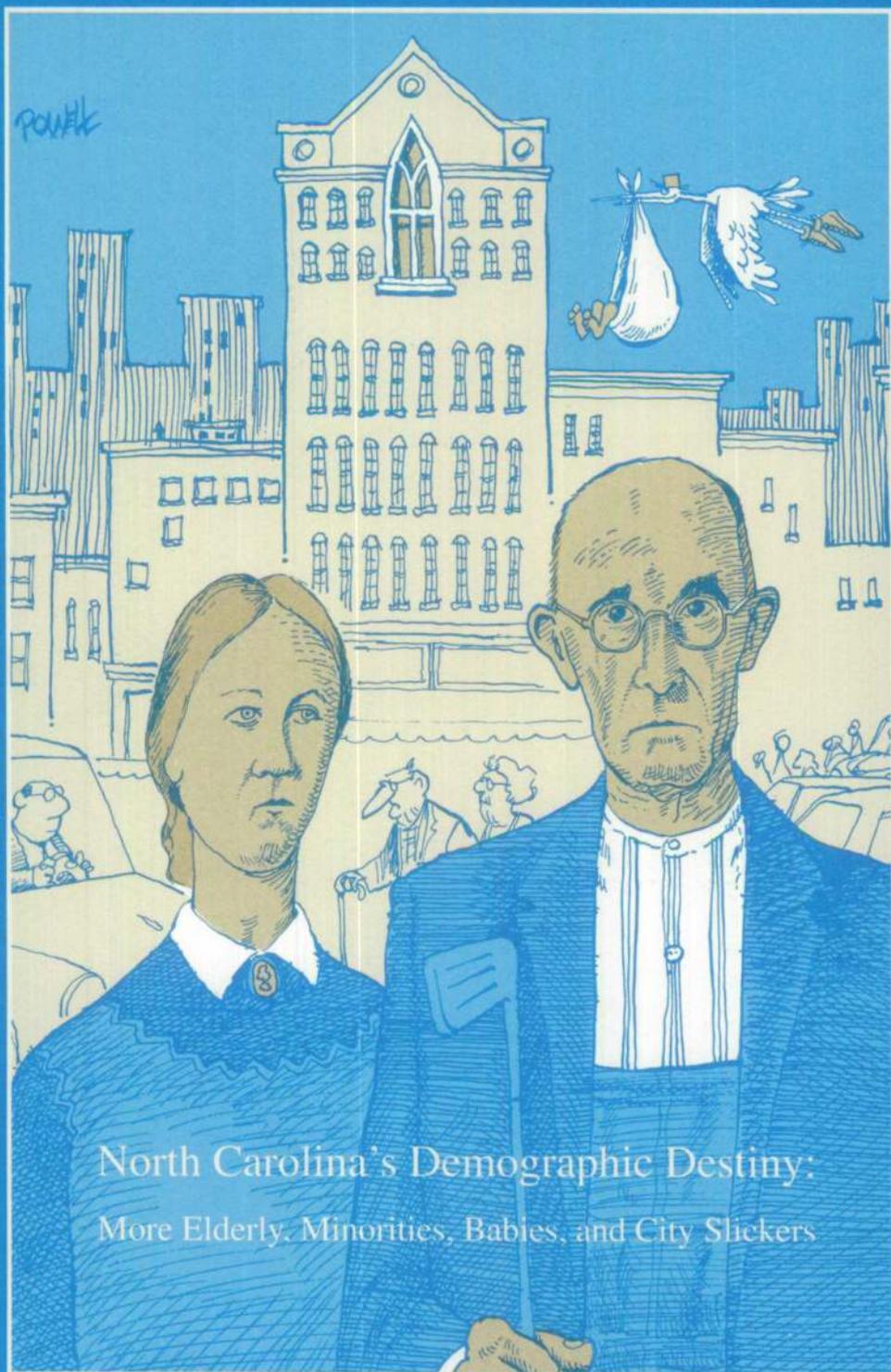


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North Carolina's Demographic Destiny:
More Elderly, Minorities, Babies, and City Slickers



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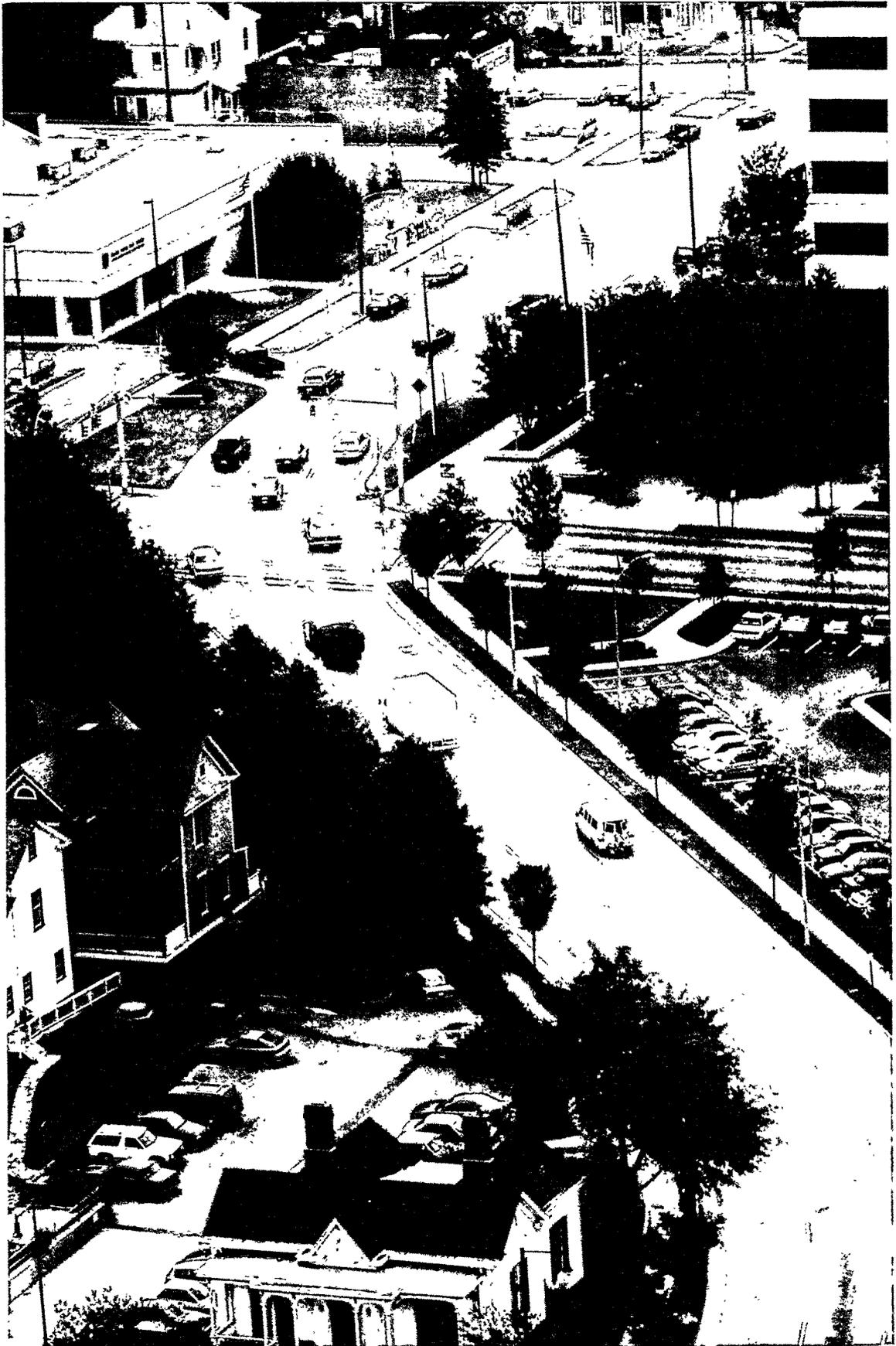
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NORTH CAROLINA'S DEMOGRAPHIC DESTINY: The Policy Implications of the 1990 Census

by Ken Otterbourg and Mike McLaughlin

This article examines the results of the 1990 Census and explores the policy implications for North Carolina. Four major trends are examined: (1) the shift of North Carolina's population from primarily rural to primarily urban; (2) the aging of the North Carolina population; (3) the increase in the state's Asian and Hispanic populations; and (4) the drop in the state's poverty rate.

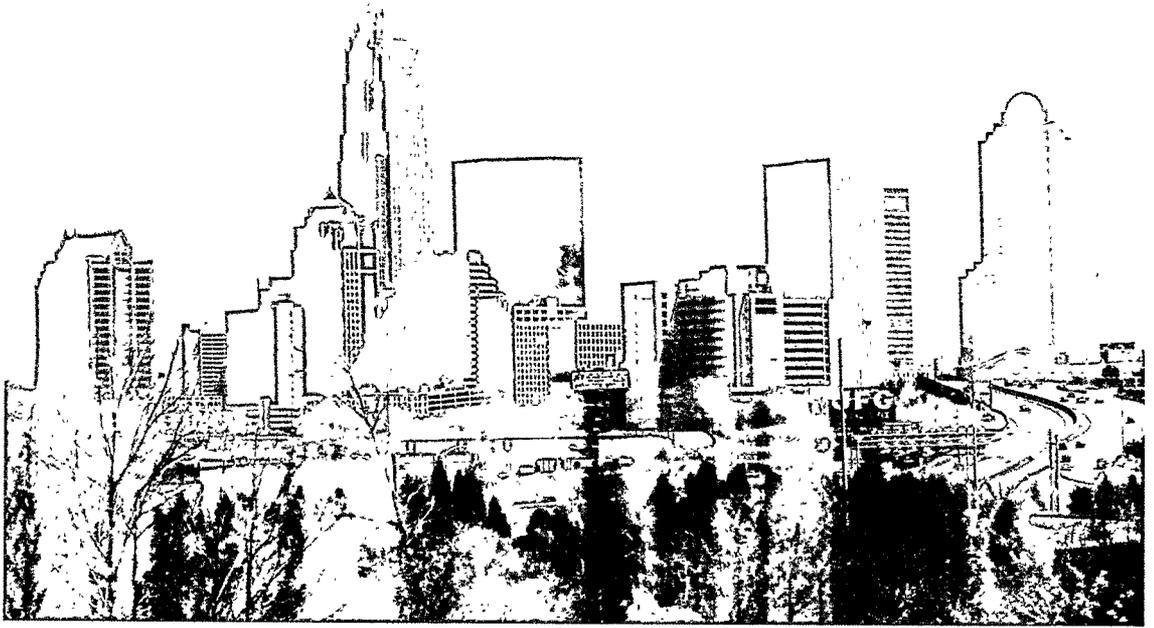
Among the most troubling trends evident in the census data is the widening prosperity gap between rural and urban areas. Predominantly rural counties had higher poverty rates, lower per capita incomes, and lower population growth than urban counties. A total of 19 rural counties lost population during the decade, while urban areas continued to grow. Meanwhile, North Carolina reached a milestone in moving toward a more urban society. By Census Bureau definitions, the state went from predominantly rural to predominantly urban during the 1980s, with 50.3 percent of its residents residing in areas the Census Bureau considers urban. How will the state address the growing rural-urban gap?

The graying of the state's population is another significant trend. Over the course of the decade, the number of North Carolina residents older than 65 jumped from 603,000 to 800,000, or from 10.2 percent of the population to 12 percent. Planners say even more important is the increase in the very old—those above 85. Their numbers increased by 54.8 percent, from 45,203 in 1980 to 69,969 in 1990. What new service demands will North Carolina's aging population place on state and local government?

North Carolina's Hispanic population became more than just an asterisk during the decade, increasing from 56,667 citizens in 1980 to 76,726 in 1990. The state's Asian and Pacific Islander population also increased. What do these changes in cultural diversity mean for North Carolina?

The state's poverty rate decreased during the decade, going from 14.8 percent to 13.0 percent, 26th in the nation and lower than most of the South. Can the poverty rate be cut further?

These are among the questions raised by the 1990 Census. In this article, Insight explores these questions and encourages the state to look for answers.



Chuck Burton

Charlotte, North Carolina's largest city, registered strong growth during the 1980s.

On January 6, 1993, North Carolina's double-digit population growth during the 1980s was recognized in two very different ways. The first occurred in Washington. It was there that Melvin Watt took the oath of office as a Democratic congressman from the state's new 12th Congressional District. The second was an announcement that the state would get a third area code carved out of the eastern half of the state that currently uses 919.

The newly added congressional district, drawn with an eye toward electing blacks to the U.S. House of Representatives, twists and snakes through parts of ten counties, from Gaston in the west to Durham in the east. A Charlotte lawyer, Watt is one of two African-Americans in the state's 14-member congressional delegation.

As for the area code split, it will happen along a line that starts in Person County, bobs and weaves south, and then makes an arc that ends near Morehead City. Come Nov. 14, 1993, telephones to the east will continue to use the 919 area code. Those to the west of that line will switch to a new code, 910. Southern Bell officials say the region's growth, along with demands for phone numbers for fax machines and cellular phones, made the change necessary.¹

There are ways other than counting congressional districts or area codes to get a sense of the change underway in North Carolina. Drive along

the coast and listen to the whir of circular saws ripping lumber for beach houses. Travel to downtown Charlotte and crane your neck to look at the city's skyscrapers, now among the tallest in the South. Or take a look at the U.S. Census.

Produced by a division of the U.S. Department of Commerce, the census is a once-a-decade look at America² and each of the 50 states. Each report is only a snapshot, but string them together and you get a sense of movement over time. It is—plain and simple—North Carolina by the numbers.

According to the census, North Carolina is still the nation's tenth most populous state, sandwiched between New Jersey, No. 9, and Georgia, No. 11.³ From 1980 to 1990, North Carolina's population grew 12.7 percent, from 5,881,766 to 6,628,637.⁴ It became wealthier, and its poverty rate dropped to 13.0 percent, just below the national average of 13.1.⁵

The state's population also grew older, with a median age in 1990 of 33.1, compared to 29.6 years in 1980.⁶ Long a state dominated by blacks and whites, North Carolina's "other" categories—primarily comprised of American Indians, Hispanics, and Asian-Americans—have climbed.⁷

Ken Otterbourg is Raleigh correspondent for The Winston-Salem Journal. Otterbourg wrote about the health of the North Carolina population in the May 1992 edition of North Carolina Insight. Mike McLaughlin is editor of North Carolina Insight.



A North Carolina rural scene

And for the first time in the state's history, a majority of its residents live in areas the Census Bureau calls urban.⁸

That's the overview. At the county level, the uniformity fades. North Carolina's growth isn't evenly distributed, but instead is bunched—mainly in the state's middle—in the Piedmont. For every booming city, there is a rural county that lost population during the 1980s. Despite a poverty rate now slightly below the national average, nearly 830,000 North Carolinians still live below the federal poverty level of \$13,359 for a family of four.⁹

How did the Bureau of the Census learn all this? By asking questions. A lot of them. Census-takers are supposed to hit every household in the nation. Most households receive a short form with seven questions on the age, sex, race, and marital status of the people in that home. One of every six households received a long form with questions about education, employment, and housing conditions.¹⁰

It's from those responses that the Census Bureau assembles its portrait of the nation. While governments glean information from a host of other sources—tax returns, employment records, birth and death certificates—the census is the most complete compilation.

Who uses census information? It seems just about everybody. A business might decide to locate a restaurant in a certain community because the owners like the income level of that part of town. The U.S. government uses population figures to divvy up federal dollars for everything from highways to hospitals. And because membership in the U.S. House of Representatives is capped at 435,

North Carolina's recent gain of a twelfth seat came at the expense of one of the thirteen states that lost seats.

"If the only thing riding on the census was strictly the number of people in the country, it would have been easy to do," says William Tillman, the state demographer with the Office of State Planning, a division of the Governor's Office. But Tillman says because

"North Carolina's metro populations benefited from economic improvements during the 1980s, while more than 40 percent of the populations living in rural areas of the state did not."

—HAROLD HODGKINSON, DEMOGRAPHER

Table 1. N.C. Counties Which Lost Population in the 1980s or Are Projected to Lose Population in the 1990s

County	Population Loss	
	Actual 1980s	Projected 1990s
1. Alleghany	(0.03)%*	1.36%
2. Anson	8.48	7.28
3. Ashe	0.52	2.12
4. Bertie	3.03	2.43
5. Bladen	6.00	5.06
6. Caswell	0.06	(0.05)
7. Columbus	2.84	3.41
8. Duplin	2.34	1.50
9. Graham	0.29	0.93
10. Greene	4.55	5.41
11. Hertford	3.62	1.73
12. Hyde	7.87	5.69
13. Jones	3.00	9.77
14. Lenoir	4.25	4.29
15. Martin	3.35	3.48
16. Mitchell	(0.03)	1.37
17. Northampton	6.29	5.72
18. Richmond	1.42	0.18
19. Sampson	4.81	6.14
20. Tyrrell	2.99	3.60
21. Washington	5.43	4.94

* () indicates an increase in population

Source: 1990 Census and N.C. Rural Economic Development Center for population losses in 1980s, N.C. State Data Center projections for population losses in 1990s

financial issues are at stake for local governments, they cannot participate in the census except to point out perceived errors. Often, Tillman says, local government officials know more about the locations of new housing and populations than do the census-takers, but the census-takers must start each count from scratch.

The census has been controversial since its inception in 1790. President Washington wanted the survey to show the United States had a population of at least 4 million, enough to make the European powers think twice about meddling in the infant nation's affairs. To the first president's disappointment, the census only showed 3.9 million residents, including slaves. North Carolina's population was 393,751.¹¹

But such weighty controversies generally have been leavened by the value of the census as an information source. A careful examination of the census answers many questions, such as: What county in North Carolina has the highest percentage of old people? The retirement mecca of Polk County, with 24.6 percent of its residents over 65. Or, what county has the highest percentage of women? Edgecombe, at 54.3 percent. Or men? Onslow, home of Camp Lejeune Marine Corps Base and the New River Marine Corps Air Station, at 59.8 percent.

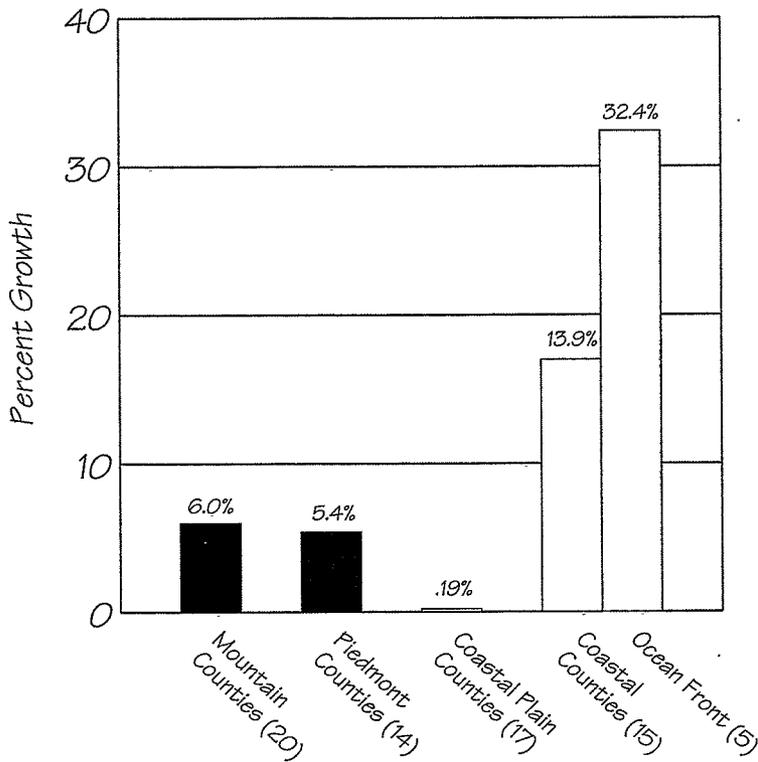
But the pages of numbers that make up the 1990 Census pose far more questions than they readily answer. Among the most challenging are: What do the census figures say about where North Carolina has been and where it is going? How does the state's performance on key indicators compare with the nation's? And, most importantly, what should state policymakers draw from the census figures in developing programs and strategies to solve the state's problems?

To narrow the focus, this analysis focuses on four key areas: North Carolina's rural-urban split; the aging of the state's population; the state's changing racial and ethnic make-up; and poverty.

Rural Versus Urban

Harold Hodgkinson, a demographer with the Center for Demographic Policy in Washington, sees the growing gap between rural and urban North Carolina as among the most important trends revealed in the census data. "We can sum up what has happened in North Carolina in one sentence," writes Hodgkinson. "North Carolina's metro populations benefited from economic improvements during the 1980s, while more than 40 percent of the populations living in rural areas of

Figure 1. 1980s Growth Rates for N.C. Rural Counties, by Region



Note: This chart uses the U.S. Office of Management and Budget designation of rural counties, as updated in 1993. By the OMB definition, N.C. now has 66 rural counties. Coastal counties with oceanfront also are included in the coastal region average.

the state did not. During the 1990s, new pressures will be brought on the state's fiscal and infrastructure resources, which will require new leadership to move ahead."¹²

It takes only about an hour to drive from downtown Charlotte, the heart of Mecklenburg County, to Wadesboro, the county seat in Anson County. But during the 1980s, these two counties seemed to grow further apart.

With its surging financial services industry leading the way, Mecklenburg added 107,163 residents from 1980 to 1990. The per-capita income of its residents—most of whom work in white-collar professions—is the second highest in the state at \$16,910 a year.¹³

The decade wasn't as kind to Anson County. Population in the predominantly blue collar rural county declined by 8.5 percent, a drop of 2,175 residents. The county's poverty rate approaches 18 percent and wages remain well below the state and national averages.¹⁴

Former County Commissioner Gene Russell of Ansonville says the people who are leaving Anson County are the very ones who should be securing its future—educated young workers. "You lose your income earners, and on the other hand, you keep your poor, your elderly, your indigent. You get a shift to a service-consuming population."

Russell describes a cycle in which fewer taxpayers must provide more services, which pushes

North Carolina's Urban Counties

(As defined by the U.S. Office of Management and Budget)



taxes higher. That, in turn, breeds resistance to the taxpayer investment in infrastructure needed to attract industry that would produce jobs. The lack of jobs prompts more young people to leave, and the cycle continues. "It's an exponential, negative thing on rural areas," Russell says.

Which Counties Are Growing?

Anson County was one of 19 rural counties that lost population during the 1980s. (See Table 1, p. 6.) No urban counties lost population. The state's metropolitan regions grew faster and more robustly than its rural sections, continuing a trend that began in the 1970s.¹⁵ All but four of the 19 rural population losers in the 1980s—Anson, Ashe, Caswell, and Graham counties—were in or near the Coastal Plain, the broad stretch of land between the Piedmont and the coast.

The gap between rural and urban isn't likely to be closed easily, but state policymakers say it's a problem that must be addressed. "With the pressures of global competition growing, the rural economy appears ill-prepared to cope with the challenges of a new economic era," says the N.C. Rural Economic Development Center in its *Rural Profile*, an analysis of census data and other re-

sources released in November 1992. The center's report depicts the rural/urban gap by comparing the numbers on a series of indicators. Here are just a few of them:

Population: Urban counties added more than 500,000 residents during the 1980s and grew by 17.4 percent; rural counties added fewer than 200,000 residents for a population increase of 7.3 percent.¹⁶

Income: In 1990, urban counties had a per capita income of \$17,818. Per capita income in rural counties was \$14,228. The gap? \$3,590.¹⁷

Poverty: The rural counties had a poverty rate of 16.4 percent in 1990. Urban counties had an average rate of 10.4 percent. All 25 counties with poverty rates exceeding 20 percent were rural.¹⁸

And lumping the rural counties together masks some real differences in the data. For example, growth rates during the decade ranged from a high of about 70 percent in Dare County to Anson's *decrease* of 8.5 percent. There are at least two big reasons some rural counties are thriving while others decline: the mountains and the coast. Both are drawing retirees and newcomers with the resources to make a difference in local economies.¹⁹ "Take the resort counties out and you really have a bleak picture," says Bud Skinner, the

rural center's senior researcher.

The phenomenon is particularly strong for rural counties along the coast, with a mean growth rate nearly twice that of the mountain and Piedmont regions. (See Figure 1, p. 7.) Heading east from the population centers of the Piedmont, the growth curve flattens out along the coastal plain, rises modestly across the coastal counties with rivers and sounds, and then skyrockets for counties with actual ocean frontage.²⁰

What Is Urban and What Is Rural?

Deciding what is rural and what is urban isn't always easy in North Carolina. Tobacco and cotton grow near the strip shopping centers in Wake County. Rural communities like Lizard Lick and McGee's Crossroads lie less than 20 miles from downtown Raleigh. In rural Watauga County, there is a night life to rival more metropolitan counties, thanks to the presence of Appalachian State University and the local ski industry.

The U.S. government doesn't help much. The Bureau of the Census uses one definition, while the U.S. Office of Management and Budget uses another.

The Census Bureau basically defines urban residents as those who live in cities and towns with

at least a population of 2,500 or in suburbs outside the municipal boundaries but considered urban because of population density. That breaks each county into rural and urban sections. Even in Mecklenburg County, with its 511,433 people, the census says about a tenth of these citizens, 50,594, are rural dwellers.²¹

OMB takes a different approach. It looks at commuting patterns, total population, and other indicators to decide if a county is part of a metropolitan area. Some counties, such as Onslow, are their own metro area. Others encompass a region, often built around several large cities, such as the 11-county Piedmont Triad, built around Greensboro, High Point, and Winston-Salem.

By OMB's definition, counties such as Stokes and Franklin are considered urban. The Census Bureau sees them as predominantly rural.²²

Richard Reid is the county planner for Franklin County, which lies to the north and east of Raleigh. He calls Franklin "exurban. We're not exactly suburban yet. When you drive around the county, it looks very open, very rural, but it's deceptive."

The Tar River splits Franklin County. South of the river, the county is becoming a bedroom community for people who commute to jobs in Raleigh and Rocky Mount. It's that proximity to

Downtown Farmville, North Carolina





Karen Tam

A Pitt County farm in what is now an "urban" county

jobs that helped Franklin grow by 21.1 percent in the 1980s, says Reid. Still, growth alone does not make for a healthy economy. Reid worries about the quality of that growth—viewing some of it as the scraps that fall from the table of neighboring urban counties. (See "A County Grapples with Growth," page 11, for more on the challenge facing Franklin County.)

The list of urban counties continues to grow. In January 1993, with a stroke of the pen, OMB made Pitt County an urban area. The same thing happened in Wayne, Edgecombe, Nash, Chatham, Johnston, Caldwell, Currituck, and Madison counties.²³

Until their conversion, many of these nine were among the most successful rural counties, registering strong growth during the 1980s. "There's a strange anomaly here," says Edward Bergman, the director of the Institute of Economic Development at the University of North Carolina at Chapel Hill. "The most successful rural places no longer are. It's more than a matter of semantics. This urban rite of passage depletes the rural category of its stars."

The phenomenon could be referred to as the suburbanization of a previously rural state. Skinner says the rural decline in the 1980s marks a

sharp contrast with the 1970s, when country kept pace with the city. "There was some migration to rural areas, and the growth rates were equivalent," says Skinner. "People were talking about a rural renaissance."

Reversing the Decline of Rural Counties

During the 1990s, the state's rural areas are likely to find themselves in even more of a squeeze, says Skinner. Fewer and fewer families are earning their living from farming, and the old manufacturing jobs that helped to sustain these communities are drying up, says Skinner.²⁴ But the new information and financial services jobs aren't coming to town. And if they arrive, they don't always stay.

That's been confirmed recently by two of the state's most successful service sector businesses. Carolina Telephone & Telegraph Company announced in December 1990 that it was moving its headquarters and 400 jobs from Tarboro in Edgecombe County to a site just north of the Wake County line in Franklin County.²⁵ The phone company instantly became Franklin's single largest taxpayer while leaving Edgecombe with a hole

—continues on page 15

A County Grapples with Growth

Franklin County faces a different kind of problem than most rural North Carolina counties as it looks to the future. Call it a case of growing pains. Schools, social services, landfill capacity, law enforcement—all are lagging behind. And the kind of growth the county is attracting makes it hard to catch up.

Parts of Franklin lie within commuting distance of two major employment centers—Raleigh and Rocky Mount. This proximity to population centers means that, despite the fact that the county looks as country as a Randy Travis song sounds, it is classified as urban by the U.S. Office of Management and Budget. The county's population grew a robust 21.1 percent during the 1980s. Meanwhile 19 rural counties actually lost population.

The forecast for the 1990s calls for another 20 percent population increase for Franklin. But instead of gloating over Franklin's good fortune, former Planning Director Richard Reid seems worried about what the future holds for the county's 36,414 residents.

Reid says in part because of lax zoning requirements, Franklin gets the growth Wake County doesn't want. "Wake County is tougher on mobile homes and junk yards and salvage yards," says Reid. "Some people on the planning board are real upset because we seem to be getting the spillover from that."

While the county has seen a good bit of residential growth, most of it has been in starter homes and mobile homes, says Reid. That doesn't do much for the tax base, he says. In fact, Reid says it costs more to provide services for many of these new residences than the

people who live in them pay in taxes.

Reid came to the county three years ago in part to get closer to his family's beach cottage in Salvo. He also was hoping to escape the problems of suburban Washington, D.C., for the bucolic lifestyle of rural North Carolina. But Reid found that the rural life brings its own set of problems. He has since taken a job as a planner for the town of Kitty Hawk, N.C.

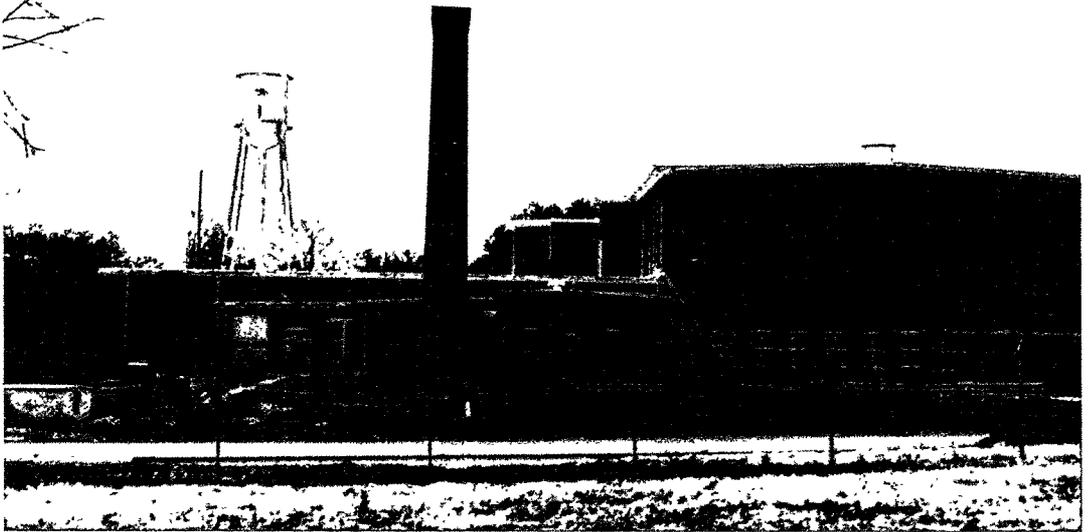
The county has no pediatrician or obstetrician. It's adult illiteracy rate stands at nearly 20 percent.¹ There are no parks except for a city park in Louisburg. Per capita income in 1989 was \$10,959, compared to a statewide average

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Former Franklin County Planner Richard Reid points out high growth areas of the county.



Mike McLaughlin



Mike McLoughlin

The old Fruit of the Loom building—a going away present for Franklinton

of \$12,885.² A total of 14.5 percent of the county's population lives in poverty.³ The statewide average is 13 percent.

"The county population is poor," says Reid, "not the poorest, but down towards the bottom. The schools are struggling. The county is slow to change. Technology is leaping ahead, and a lot of people are being left behind at a very rapid rate. Companies come in, see the work force available, and basically have to import workers. It's very sad. We definitely need some kind of tech-prep program in the schools."⁴

The county has a fair amount of industry, but it's unevenly distributed. Most is clustered around Louisburg or near the Wake County line on U.S. highway 1. That's where Carolina Telephone and Telegraph chose to build its 200,000-square-foot company headquarters, which opened in 1992 and instantly swelled the county's tax coffers. Reid says he's surprised but pleased that the company located its headquarters across the road from an unsightly salvage yard.

Another firm with a major capital investment in the county is Novo Nordisk Biochem, Inc., a biotechnology firm that produces an enzyme used in sweeteners and has a major expansion on the drawing boards. The firm is highly automated and employs 80 people—

fewer than the size of its modern plant and generous surrounding acreage would suggest.

Bob Heuts, Franklin County's economic development coordinator, says Novo plans a \$100 million expansion that will increase its work force to 200 workers. This capital investment represents about \$1 million per job and would vault the firm ahead of Carolina Telephone as the county's leading taxpayer.

Wood products firms are currently the main source of employment in the county—firms like Hon Office Furniture and Katesville Pallet Mill that line N.C. highway 56 between Louisburg and Franklinton. "Wood is a big industry in Franklin County, but that and textiles are sort of the old industries," Heuts says. Like industrial recruiters elsewhere, Heuts sees the new wave as away from traditional industries and towards high-tech concerns.

Reid says that although much of the county appears agricultural, that's deceptive. He says few families earn their living from farming anymore, although a number of families raise trees that support the forest products industry. More people commute to Raleigh or Rocky Mount for work than farm or hold jobs in the county.

Bill Lord, a county agricultural extension agent, says no more than 260 Franklin County

residents farm full-time—less than 1 percent of the population. Tobacco, he says, is the leading cash crop, producing \$23.5 million in revenue in 1991. The county is 61 percent forested, says Lord, and tree farming is another major source of agricultural income. “There aren’t many farmers left,” says Lord. “The average age is 53.”

Lord says the shift away from farming is evidenced in the kinds of questions the extension office gets—more about lawn care and less about crops and livestock. Or as Lord puts it, “We get a lot more urban horticulture questions.”

The county has gone from farm to forest products and textiles and now the industrial base is changing yet again—to jobs that require more than just repetitive motions to produce a product. These jobs generally require thinking skills. Reid says the work force isn’t keeping up in acquiring these skills. Plus, productivity gains mean fewer workers in newer plants.

But Heuts offers a different perspective on the Franklin County work force. High tech firms can recruit for skilled labor within a 25

mile radius, says Heuts. That puts the county in range of the highly educated Triangle area. As for the job skills of county residents, says Heuts, “some may be lacking, but they are not the skills people couldn’t retool through the community college.” Franklin County workers “come to work on Monday ready to work,” says Heuts, and employers generally have been pleased.

Still, production workers in the county have taken their lumps in recent years, particularly those employed in textiles. Franklinton, a town of 1,615, got a double whammy from its dependence on the textile industry. First, Burlington Industries closed its doors in the mid-1980s, eliminating nearly 600 jobs. Next, Fruit of the Loom closed its doors in the early 1990s, idling 232 workers. As a going-away present, Fruit of the Loom gave its building and site to the town of Franklinton. “They [town officials] are trying to figure out what to do with it,” Reid says.

The Burlington Industries building appears to be a reasonably modern structure suitable for conversion to another use. But Heuts says the

—continues on next page



Mike McLaughlin

A gas line installed along U.S. 1 in Franklin County to accommodate industrial growth

—continued from previous page

ceiling is too low for most modern production processes, so finding a new tenant has been difficult. The combined loss of tax base and jobs has dealt a twin blow to the town. Complicating factors include a high minority population with low incomes and limited job skills and a school system that performs below state averages on everything from reading to arithmetic.⁵

Reid believes these factors may discourage potential investors who would create jobs and restore the tax base. "They're in real trouble," says Reid. "The industries coming in and replacing the mills require a lot of technical training, which a lot of these people don't have."

Still, Reid sees some hope in the number of Victorian homes sprinkled through the town, many of them in poor repair. These could lend themselves to renovation by professionals working 30 miles down U.S. 1 in Raleigh.

A few miles closer to Raleigh, the countryside around Youngsville is attracting the attention of developers. New housing also is springing up to the southeast in the Dunn Township. Workers can commute to both Raleigh and Rocky Mount from this section of the county, and some two-worker families do exactly that.

The county has pinned quite a few hopes on spillover residential development. Starter home subdivisions with names like Young Forest and Mill Creek are beginning to pop up with larger lots and lower price tags than can be found in neighboring Wake County. Reid hopes the county can attract more of this kind of development, along with more expensive housing that would contribute even more to the tax base. To accomplish this, Reid says, the county needs stricter controls on land use to control the proliferation of mobile homes, junk yards, and other uses that might affect property values.

"I'm concerned that Franklin County is going to become a suburb of Raleigh, but what kind of suburb is it going to be? Is it going to be a lower income, mobile home kind of suburb? I think potentially, that's what we're going to become."

Lord also laments that Franklin County is getting what its urban neighbors don't want—be it low-cost development or the byproducts of wastewater treatment. "We're getting a lot of pressure to accept waste from surrounding

counties—ground application of sludge," says Lord. Meanwhile, Lord says, many county residents are doing their shopping elsewhere. "We're getting bled dry by Raleigh and Durham," says Lord. "If they're going to live here, they need to spend some money here."

Still, because of Franklin County's proximity to the Triangle, it is better off than most rural counties. Residential growth is occurring, and the county continues to snare the occasional industry that provides local jobs. "Industries come because land is cheap, and taxes are still cheap," says Reid. "Whether that stays or not remains to be seen."

Low-cost residential growth could stretch the county's resources to the extent that taxes rise and new industries are discouraged from locating in the county, says Reid. Already, schools are packed in the southern part of the county. A new elementary school under construction in Bunn will be too small before it even opens its doors.

Reid fears that unless Franklin looks to the future a little more than it has in the past, that future will not be as bright as it could be. "I think the county has a lot of potential," he says. "I don't know whether it'll be realized or not."

—Mike McLaughlin

FOOTNOTES

¹ Barbara Barnett, "Poverty and Education: A Costly Problem for North Carolina," *North Carolina Insight*, Vol. 11, Nos. 2-3 (April 1989), p. 114.

² U.S. Census Bureau, *Summary Social, Economic, and Housing Characteristics, North Carolina*, Washington, D.C., May 1992, Table 9, pp. 151-158.

³ *Ibid.* at Table 9, pp. 151 and 158.

⁴ Tech Prep is a joint program between the community colleges and the public schools. Students enroll in a high school curriculum that stresses math and science, then transfer to a two-year technical training program at a community college.

⁵ *1992 Report Card: The State of School Systems in North Carolina*, State Board of Education, Raleigh, N.C., January 1993, pp. 350-351. According to the report, achievement levels in Franklinton City Schools were well below state averages in reading and language, science, social studies, and mathematics. But taking into account factors that might influence performance, such as parents' education, local spending per student, and the racial breakdown of the student body, the report card found the Franklinton City Schools performing up to expectations. Students in the Franklin County Schools demonstrated slightly higher overall achievement, but performed slightly below state expectations when factors that might influence performance were taken into account.



Mike McLaughlin

Carolina Telephone & Telegraph's new headquarters—a coup for Franklin County, but a loss for Tarboro

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to fill in its local economy. And in late 1992, Southern National Corporation of Lumberton said it would move its North Carolina banking division to Winston-Salem.²⁶

As for the shift from agriculture, the U.S. Department of Agriculture defined 15 North Carolina counties as farm-dependent in 1979. By 1986, the number of North Carolina counties with farming as the principle source of income had shrunk to four—Gates, Greene, Jones, and Northampton, according to Robert Murphy, chief statistician in the N.C. Department of Agriculture.

Meanwhile, rural leaders on the losing end keep hoping for a white knight bearing jobs for their ailing economies. "I'm still optimistic," says Lee Allison, an Anson County commissioner. "We have a lot of unskilled workers here. We need some kind of high-tech industry to come in here."

But some experts say hopes of attracting high-tech industry with a low-skills work force are fading. That's why they preach work force preparedness as the key to a more prosperous future.

The community college system, these experts say, will become increasingly important as employers demand workers with more highly developed thinking skills and low-wage, repetitive motion jobs move offshore. That means more funding for the community college system and better

coordination with the public schools to develop the work force of the future. (For more on this issue, see 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.)

One program that links high school and community college curriculums to prepare students for technical jobs is called Tech Prep. The six-year program of academic and technical education started in Richmond County and now has expanded to 45 consortiums of local school systems and community colleges across the state. "It's part of a massive education reform movement," says J.W. Eades, associate director for federal vocational education in the N.C. Department of Community Colleges. Eades says the program has been successful in attracting federal funds, but it's too early to tell whether it will succeed in producing work-

**"If you educate people,
and there is no job to go
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—BUD SKINNER, OF THE RURAL ECONOMIC
DEVELOPMENT CENTER

ers who can think on the job.

Skinner, of the Rural Economic Development Center, says work force preparedness is important, but more will be required to rebuild the state's sagging rural economies. "If you educate people, and there is no job to go to, they just leave," he says.

The rural center offers its own prescription for improving the rural economy. It includes: (1) refitting the rural manufacturing base to compete in the global economy; (2) nurturing job-creating small businesses through such efforts as the rural center's microenterprise loan program; and (3) tailoring job-training programs to the needs of rural communities, rather than training workers to join the exodus to the cities.

Sen. Marc Basnight, the President Pro Tempore of the N.C. Senate, represents the state's First Senatorial District, which includes several poor, rural counties as well as fast-growing Dare County. He recalled visiting Mattamuskeet High School in Hyde County last year. "Every senior I talked with was leaving after graduation," says Basnight.

But while the Rural Economic Development Center talks of microenterprise loans and other aids to small businesses, some rural counties are dreaming big. Lenoir County lies in the middle of North Carolina's Coastal Plain. Like Anson County, Lenoir County lost population—more than 2,000 residents, or about 4 percent—during the 1980s.²⁷

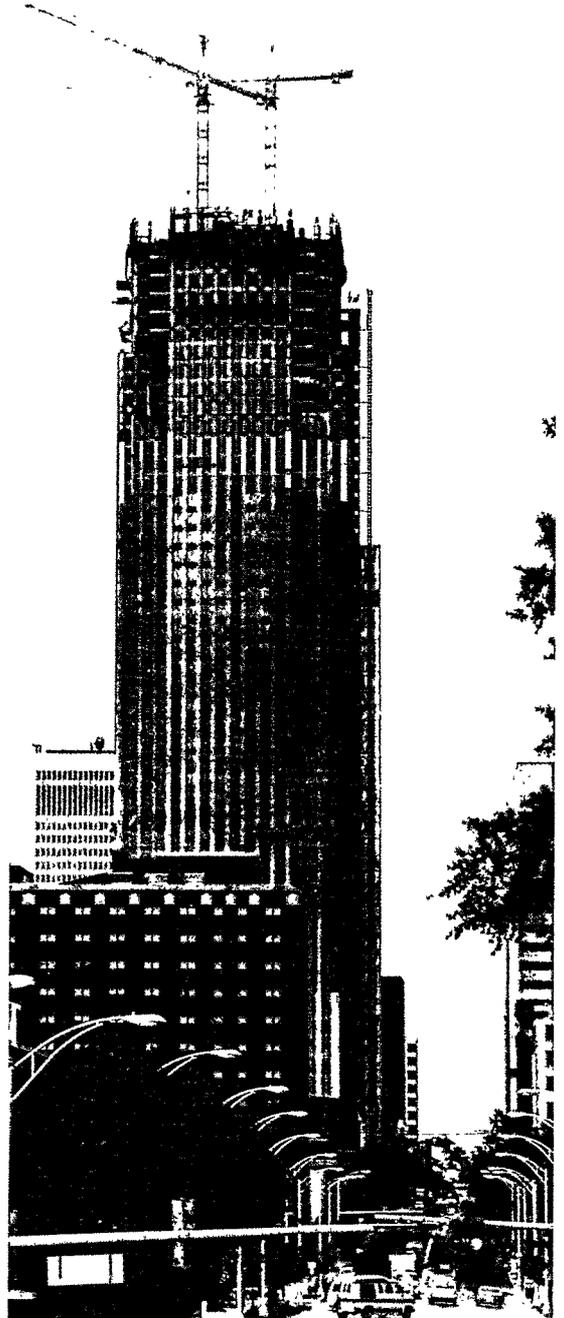
Yet officials in Lenoir aren't waving the white flag. They're testing the limits of the state's commitment to bringing jobs and growth to struggling rural areas through a big-ticket public works project called the Global Transpark. The idea is to build a huge air cargo airport and use it as a draw for luring industry to the area.²⁸ The price tag for the project could exceed \$150 million, but supporters believe it could draw as many as 28,000 jobs to the complex.

The success or failure of the air cargo project won't be known for years, but the importance of finding an answer to the state's rural dilemma will become even more critical in the decades to come. According to projections from the Office of State Planning, 20 counties will lose population during the 1990s. Another five will grow less than 1 percent.²⁹ (See Table 1, p. 6.)

For the state's 34 urban counties, the 1990s won't be all gravy. Growth has its costs in more traffic and crime, less open land, and greater service demands that must be paid for with taxes.

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**Growth has its costs in
more traffic and crime,
less open land, and
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with taxes.**



Chuck Burton

Table 2. County-by-County Census Data on Population, Per Capita Income, and Percentages for Overall Poverty, Children in Poverty, People over 65, and People over 65 in Poverty

County	Population	Per Capita Income	Percent in Poverty	Percent of Children in Poverty	Percent of People Over Age 65	Percent of People Aged 65+ in Poverty
Alamance	108,213 (13) ¹	\$13,290 (16)	8.9 (93)	11.3 (90)	14.8 (29)*	15.9 (82)
Alexander	27,544 (65)	11,624 (38)	9.8 (84)* ²	11.6 (88)	11.0 (88)	24.5 (41)
Alleghany	9,590 (93)	10,237 (66)	20.1 (24)	24.8 (27)*	18.6 (7)	31.7 (7)
Anson	23,474 (70)	9,402 (86)	17.6 (38)	22.9 (33)	15.7 (23)	29.4 (16)
Ashe	22,209 (75)	9,545 (77)	18.4 (35)	21.2 (39)	17.1 (15)*	27.5 (28)
Avery	14,867 (84)	9,729 (75)	14.6 (51)	16.1 (61)*	14.7 (31)*	28.0 (25)
Beaufort	42,283 (48)	10,722 (54)	19.5 (29)	24.8 (27)*	14.9 (27)*	29.1 (18)*
Bertie	20,388 (78)	8,392 (98)	25.9 (3)	35.3 (5)	14.6 (33)	32.3 (6)
Bladen	28,663 (63)	9,497 (79)	21.9 (14)	28.0 (18)*	14.2 (47)*	31.1 (10)
Brunswick	50,985 (42)	11,688 (35)	15.4 (48)	21.3 (38)	14.7 (31)*	17.9 (74)*
Buncombe	174,821 (8)	13,211 (18)	11.4 (71)*	15.0 (68)	16.1 (21)*	15.8 (83)
Burke	75,744 (28)	11,604 (39)	10.1 (81)*	13.0 (79)*	13.0 (65)*	18.8 (69)
Cabarrus	98,935 (19)	13,522 (14)	8.1 (99)	9.7 (96)	13.2 (61)*	15.4 (85)
Caldwell	70,709 (29)	11,522 (42)	10.8 (77)	13.3 (77)*	12.1 (78)	20.5 (60)
Camden	5,904 (98)	10,465 (63)	16.1 (45)	19.5 (48)*	14.0 (50)*	18.9 (68)
Carteret	52,556 (40)	13,227 (17)	11.6 (70)	15.7 (64)	14.3 (40)*	11.9 (98)
Caswell	20,693 (77)	9,817 (73)	16.2 (44)	18.0 (52)	14.3 (40)*	34.5 (3)
Catawba	118,412 (12)	13,764 (12)	7.1(100)	8.9 (98)	12.0 (79)*	12.6 (96)
Chatham	38,759 (52)	13,321 (15)	9.7 (87)	11.7 (86)*	14.4 (38)*	19.8 (62)
Cherokee	20,170 (79)	9,258 (87)	20.4 (20)*	26.2 (22)	19.0 (6)	23.1 (48)
Chowan	13,506 (89)	10,606 (61)	17.7 (37)	23.6 (31)	17.6 (13)*	18.7 (70)
Clay	7,155 (97)	9,456 (83)	17.9 (36)	20.2 (44)	20.3 (5)	25.7 (37)
Cleveland	84,714 (23)	11,875 (31)	11.0 (75)*	14.1 (72)*	13.6 (58)	19.2 (67)
Columbus	49,587 (44)	9,134 (89)	24.0 (9)*	28.7 (14)	13.4 (59)*	37.8 (1)
Craven	81,613 (25)	11,619 (38)	13.6 (58)*	19.5 (48)*	11.2 (86)	17.9 (74)*
Cumberland	274,566 (4)	11,100 (48)	14.4 (53)*	20.1 (45)	6.1 (99)	19.7 (63)
Currituck	13,736 (88)	12,630 (23)	10.1 (81)*	13.4 (76)	12.4 (71)*	14.5 (88)

¹ () = rank, ²* asterisk denotes tie in rank

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Table 2, *continued*

County	Population	Per Capita Income	Percent in Poverty	Percent of Children in Poverty	Percent of People Over Age 65	Percent of People Aged 65+ in Poverty
Dare	22,746 (73) ¹	15,107 (6)	8.3 (97)* ²	8.3 (99)	12.5 (70)	10.5 (99)
Davidson	126,677 (10)	12,597 (24)	9.8 (84)*	12.4 (83)	12.0 (79)*	17.8 (76)
Davie	27,859 (64)	14,648 (9)	8.4 (94)*	6.6(100)	13.8 (53)	22.6 (52)
Duplin	39,995 (50)	9,406 (85)	19.1 (30)*	22.3 (34)	14.0 (50)*	28.1 (24)
Durham	181,835 (6)	15,030 (7)	11.9 (69)	15.3 (67)	10.7 (89)*	15.6 (84)
Edgecombe	56,558 (38)	9,530 (78)	20.9 (18)	28.4 (16)*	12.3 (74)*	29.0 (20)
Forsyth	265,878 (5)	16,151 (3)	10.5 (79)*	14.9 (69)	12.2 (76)*	14.6 (87)
Franklin	36,414 (56)	10,959 (50)	14.5 (52)	17.1 (56)*	13.4 (59)*	27.3 (29)
Gaston	175,093 (7)	12,477 (25)	10.6 (78)	14.1 (72)*	12.0 (79)*	17.5 (77)*
Gates	9,305 (95)	11,561 (40)	15.7 (47)	20.4 (41)*	14.6 (33)*	22.9 (49)*
Graham	7,916 (96)	8,877 (94)	24.9 (7)	34.9 (6)	16.1 (21)*	25.1 (39)
Granville	38,345 (53)	10,939 (51)	13.5 (60)*	16.9 (58)	12.4 (71)*	26.7 (32)
Greene	15,384 (83)	9,567 (76)	19.1 (30)*	27.8 (20)	12.3 (74)*	27.6 (27)
Guilford	347,420 (3)	15,373 (5)	10.1 (81)*	13.3 (77)*	11.9 (82)	13.2 (91)*
Halifax	55,516 (39)	8,980 (91)	25.6 (4)	36.5 (2)	14.3 (40)*	26.2 (34)*
Harnett	67,822 (31)	10,053 (68)	17.5 (39)	21.7 (37)	11.7 (83)*	26.1 (36)
Haywood	46,942 (46)	11,731 (34)	12.7 (64)	15.4 (66)	18.2 (10)	16.8 (79)
Henderson	69,285 (30)	13,702 (13)	10.5 (79)*	15.9 (63)	21.9 (3)	10.0(100)
Hertford	22,523 (74)	9,016 (90)	25.0 (5)*	36.4 (3)	14.6 (33)*	26.8 (30)*
Hoke	22,856 (72)	8,688 (96)	21.1 (17)	28.8 (13)	9.3 (95)*	28.2 (23)
Hyde	5,411 (99)	9,434 (84)	24.0 (9)*	36.2 (4)	16.6 (20)	23.4 (46)
Iredell	92,931 (21)	13,000 (20)	9.4 (91)*	11.7 (86)*	13.2 (61)*	16.7 (80)
Jackson	26,846 (66)	10,326 (65)	16.7 (42)	17.9 (53)	13.8 (53)*	22.3 (55)
Johnston	81,306 (26)	11,839 (33)	14.3 (55)	16.6 (59)*	12.6 (68)*	29.9 (12)*
Jones	9,414 (94)	8,832 (95)	20.2 (23)	24.7 (29)	14.3 (40)*	25.4 (38)
Lee	41,374 (49)	12,042 (29)	14.7 (50)	20.4 (41)*	13.1 (64)	18.5 (73)
Lenoir	57,274 (36)	10,647 (59)	20.0 (25)	28.0 (18)*	13.7 (56)*	26.8 (30)*
Lincoln	50,319 (43)	12,440 (26)	9.6 (88)*	12.8 (81)	11.7 (83)*	17.5 (77)*
McDowell	35,681 (57)	10,516 (62)	11.4 (71)*	11.9 (84)*	14.4 (38)*	18.6 (71)*

¹() = rank, ²* asterisk denotes tie in rank

Table 2, *continued*

County	Population	Per Capita Income	Percent in Poverty	Percent of Children in Poverty	Percent of People Over Age 65	Percent of People Aged 65+ in Poverty
Macon	23,499 (69) ¹	11,017 (49)	16.5 (43)	20.0 (46)	22.5 (2)	21.5 (58)
Madison	16,953 (81)	9,149 (88)	20.4 (20)* ²	22.2 (35)	16.7 (19)	36.0 (2)
Martin	25,078 (68)	9,486 (80)	22.3 (12)	28.9 (12)	14.5 (37)	31.0 (11)
Mecklenburg	511,433 (1)	16,910 (2)	9.6 (88)*	13.0 (79)*	9.3 (95)*	13.2 (91)*
Mitchell	14,433 (85)	10,219 (67)	16.0 (46)	17.1 (56)*	17.7 (12)	29.9 (12)*
Montgomery	23,346 (71)	10,695 (57)	14.4 (53)*	19.6 (47)	13.7 (56)*	21.0 (59)
Moore	59,013 (35)	14,934 (8)	11.1 (74)	16.6 (59)*	20.8 (4)	12.4 (97)
Nash	76,677 (27)	12,684 (22)	13.6 (58)*	17.2 (55)	12.4 (71)*	23.9 (44)
New Hanover	120,284 (11)	13,863 (11)	14.0 (56)	19.3 (51)	12.6 (68)*	13.2 (91)*
Northampton	20,798 (76)	8,244 (99)	23.6 (11)	32.7 (9)	16.8 (17)*	28.4 (22)
Onslow	149,838 (9)	10,713 (56)	12.1 (67)	16.1 (61)*	4.5(100)	19.3 (65)*
Orange	93,851 (20)	15,776 (4)	13.9 (57)	10.1 (93)	8.7 (97)	13.0 (95)
Pamlico	11,372 (90)	10,665 (58)	18.9 (32)	22.1 (36)	16.8 (17)*	23.3 (47)
Pasquotank	31,298 (59)	10,718 (55)	19.7 (26)*	26.8 (21)	13.9 (52)	22.4 (53)*
Pender	28,855 (62)	11,460 (43)	17.2 (40)	24.6 (30)	14.3 (40)*	22.8 (51)
Perquimans	10,477 (92)	9,821 (72)	21.5 (15)*	33.7 (7)	18.3 (9)	21.6 (57)
Person	30,180 (60)	11,158 (47)	13.0 (63)	17.3 (54)	14.2 (47)*	22.4 (53)*
Pitt	107,924 (15)	11,642 (36)	22.1 (13)	25.3 (25)	9.9 (93)	28.9 (21)
Polk	14,416 (86)	14,213 (10)	9.6 (88)*	9.9 (95)	24.6 (1)	14.4 (89)
Randolph	106,546 (16)	12,102 (28)	8.3 (97)*	10.0 (94)	12.2 (76)*	16.4 (81)
Richmond	44,518 (47)	9,841 (70)	16.8 (41)	23.0 (32)	14.2 (47)*	24.3 (42)
Robeson	105,179 (17)	8,878 (93)	24.1 (8)	31.7 (11)	10.7 (89)*	32.4 (5)
Rockingham	86,064 (22)	11,546 (41)	12.2 (66)	15.6 (65)	14.3 (40)*	20.3 (61)
Rowan	110,605 (14)	12,018 (30)	9.4 (91)*	11.6 (88)*	15.3 (26)	15.2 (86)
Rutherford	56,918 (37)	11,287 (45)	12.3 (65)	14.8 (70)	15.6 (24)	21.9 (56)
Sampson	47,297 (45)	9,480 (81)	20.7 (19)	25.2 (26)	14.3 (40)	31.2 (9)
Scotland	33,754 (58)	9,768 (74)	18.6 (33)	25.9 (24)	11.1 (87)	24.2 (43)
Stanly	51,765 (41)	11,265 (46)	11.0 (75)*	14.7 (71)	14.6 (33)*	18.6 (71)*
Stokes	37,223 (54)	12,181 (27)	9.8 (84)*	10.4 (91)*	11.5 (85)	29.3 (17)

¹() = rank, ²* asterisk denotes tie in rank

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Table 2, continued

County	Population	Per Capita Income	Percent in Poverty	Percent of Children in Poverty	Percent of People Over Age 65	Percent of People Aged 65+ in Poverty
Surry	61,704 (33) ¹	11,342 (44)	11.4 (71)* ²	12.5 (82)	14.8 (29)*	22.9 (49)*
Swain	11,268 (91)	8,922 (93)	27.6 (2)	33.4 (8)	15.4 (25)	29.8 (14)*
Transylvania	25,520 (67)	12,737 (21)	13.5 (60)*	19.5 (48)*	18.5 (8)	13.1 (94)
Tyrrell	3,856(100)	7,884(100)	25.0 (5)*	32.2 (10)	17.6 (13)*	31.6 (8)
Union	84,211 (24)	13,135 (19)	8.4 (94)*	10.4 (94)	9.6 (94)	19.3 (65)*
Vance	38,892 (51)	10,457 (64)	19.6 (28)	26.0 (23)	13.0 (65)*	23.7 (45)
Wake	423,380 (2)	17,195 (1)	8.4 (94)*	9.2 (97)	7.8 (98)	13.9 (90)
Warren	17,265 (80)	8,502 (97)	28.2 (1)	37.1 (1)	17.9 (11)	32.6 (4)
Washington	13,997 (87)	9,827 (71)	20.4 (20)*	28.4 (16)*	13.8 (53)*	27.8 (26)
Watauga	36,952 (55)	10,628 (60)	21.5 (15)*	11.9 (84)*	10.6 (91)	19.4 (64)
Wayne	104,666 (18)	10,843 (52)	15.2 (49)	20.4 (41)*	10.3 (92)	26.2 (34)*
Wilkes	59,393 (34)	10,816 (53)	13.3 (62)	13.5 (75)	13.2 (61)*	29.1 (18)*
Wilson	66,061 (32)	11,641 (37)	19.7 (26)*	28.6 (15)	12.7 (67)	24.9 (40)
Yadkin	30,488 (61)	11,843 (32)	12.0 (68)	14.1 (72)	14.9 (27)*	26.5 (33)
Yancey	15,419 (82)	9,462 (82)	18.7 (34)	20.6 (40)	17.1 (15)*	29.8 (14)*
Statewide						
N.C.	6,628,637	\$12,885	13.0%	16.9%	12.1%	19.5%

¹() = rank, ²* asterisk denotes tie in rank

Source: U.S. Census Bureau, 1990 Data

—continued from page 16

These include everything from heavier demands on infrastructure like water and sewer systems and landfills, to more crowded courtrooms, to greater demands for social services.

Of the 750,000 additional people expected to reside in North Carolina by the end of the century, a third are projected to live in Wake and Mecklenburg counties, the state's two largest counties.³⁰ Mecklenburg's population is forecast to grow by 23 percent, from the 511,433 citizens counted in the 1990 Census to 629,593 at the turn of the century. Even more growth is forecast for Wake, which is projected to expand its population

by nearly 30 percent with the addition of 125,604 residents.

Less robust growth is forecast for North Carolina's other major population centers. Guilford, the state's third most populous county, will gain 25,710 residents, a growth rate of 7.4 percent. Cumberland, fourth, will add 24,096 residents, an 8.8 percent increase. Forsyth, fifth, will expand by 8.3 percent by the year 2000.³¹

But the growth boom is expected to continue for North Carolina's resort counties. Dare County on the northern coast, for example, will expand its population by some 42.5 percent, according to state forecasts, adding 9,670 residents to a 1990



Karen Tom

For now, mass transit equals bus service in a few large cities.

population of 22,746. Brunswick, the state's southernmost coastal county, will add 14,315 residents to end the century with a population of 65,300 citizens—a 28.1 percent increase.³²

The Consequences of Growth

Coping with these arrivals will be costly. For example, Wake County estimates its school enrollment in the year 2000 will be 102,000, a 46 percent increase. To meet that need, the school board endorsed a \$735.8 million bond proposal. About two-thirds of that package would be construction for the new students. That proposal was scaled back to a more politically palatable \$250 million, \$200 million of the total for schools—which the voters approved in June 1993. School officials say they will seek an additional bond vote in the future if enrollment projections hold true.³³

In Mecklenburg County, the situation is similar. School officials project about \$800 million in construction needs.

Wake County officials estimate that the first bond issue alone will push the county's property tax rate from 66 cents per \$100 of assessed value to 85 cents per \$100 by the 1996-97 fiscal year—not a pleasant thought for elected officials.

Also on the horizon for the state's high-growth regions: snarled traffic and the pollution that results from over-reliance on the internal combustion engine. For a state that had prided itself on

"To be competitive in the 21st Century as an urban metropolitan complex, you've got to have more than roads."

—MARTIN CRAMTON, DIRECTOR,
MECKLENBURG COUNTY PLANNING

clean air, it was a shock when the World Resources Institute claimed the Triangle—along with Fresno, Calif., and Houston, Texas—had the second worst air in the nation. Charlotte was tied for third.³⁴

Some researchers question the ranking, but one has only to watch the cars trickle along Interstate 40 or Interstate 77 during rush hour to get a sense that some of the state's traffic arteries are overburdened. One solution may be mass transit, now largely limited to bus service in some of the state's largest cities. But census figures indicate that few people ride the bus to work. Only in Mecklenburg and Orange counties did use of mass transit as a means of transportation to work exceed 3 percent.³⁵

Will the 1990s be a decade of major change in mode of transportation? Jim Ritchie, the director of the Triangle Transit Authority, is keeping his fingers crossed. It's his hope that by the year 2000, construction will have begun on some type of mass transit rail system in the Triangle and that developers will have begun shifting from suburban sprawl to more concentrated communities built along operating or planned mass transit corridors.

"That will take a new commitment [of tax dollars] to public transportation from the state," says Ritchie. "To date, there's been little, if any, commitment. They've said it's a local responsibility. But the property tax just won't do it."

Planners in Mecklenburg County also are developing a regional transportation strategy that encompasses cities within a 20-mile radius of Charlotte. Eventually, says Mecklenburg Planning Director Martin Cramton, the regional transit system would provide commuter bus and light-rail service along five corridors. "We're trying to foster a new vision for this region as a competitive metropolitan region," says Cramton. "To be competitive in the 21st Century as an urban metropolitan complex, you've got to have more than roads."

When Gov. Jim Hunt named Sam Hunt as his Secretary of Transportation, the governor promised to raise the profile of public transportation. He created a new deputy secretary of public transportation and elevated David King, long-time head of DOT's mass transit program, to the new post. "This administration will be a strong supporter of high-speed and light rail projects as appropriate—especially in our urban areas," Governor Hunt said in January 1993.

Sheron Morgan, director of the Office of State Planning, says realized and projected population growth and the resulting higher traffic volume

suggest a move toward mass transit. But Morgan says she's not sure when or even whether this will occur. "There are some real questions about density," says Morgan, "how dense an area has to be to support urban transportation and how the population must be distributed to support inter-urban, high-speed rail."

For example, Morgan says if the state pressed ahead with high-speed rail between Charlotte and Raleigh, all the leaders in small towns in between would be pushing to get the train to stop in their towns. All these stops would defeat the purpose of high-speed rail, yet the small-town riders might be needed to make the route financially feasible. "Half the population concentrations you could reach and serve would be in those little towns," says Morgan.

Still, says Morgan, futuristic modes of transport are not as far-fetched as they may sound. Rail transport of private vehicles could help solve the problem of not having a car at the end of a train trip. So-called electronic highways could be used to ease traffic congestion in and around the state's larger cities. These electronic highways could do everything from alerting drivers to traffic problems on the route ahead to providing dedicated traffic lanes that actually control vehicles. "DOT [the N.C. Department of Transportation] is already planning an electronically controlled traffic management system for Charlotte," says Morgan.

But with all the other demands on state resources, it remains uncertain how much money the General Assembly will allocate to these sort of projects. What the state *may* be able to do with fewer resources is encourage car-pooling. If census data are correct, the state would be starting from a solid base. In some sections of the state, as much as a third of the work force is already car-pooling, and the statewide average is 16.1 percent.³⁶

Car- or van-pooling rates are highest in rural counties with a major employment area within easy commute. In Gates County, for example, 35.2 percent of the population participates in some sort of car-pool. County manager Ed McDuffie expressed some doubt about the census numbers on car-pooling. But he *did* say many county residents car-pool to jobs in paper mills and shipyards in the Tidewater area of Virginia. "We have farmers who work on their property and wage earners who have to leave the county for jobs," says McDuffie. "We have a lot of people who buy 12- to 15-passenger vans and charge their co-workers to commute."

An Aging Population

If addressing the growing rural-urban gap isn't enough to gray the hair of North Carolina policymakers, there are other demographic developments that undoubtedly will. One good candidate is the graying of the North Carolina population. Between 1980 and 1990, the number of people older than 65 increased from 603,181 to 804,341. They started the decade at 10.3 percent of the total population and ended it at 12.1 percent, below the national average of 12.6, but gaining ground.³⁷ For the very old—those above age 85—the growth is even greater, from about 45,203 in 1980 to about 69,969 in 1990, a 54.8 percent jump.

The numbers of elderly are increasing in North Carolina for two distinct reasons. First, people are living longer—a result of medical breakthroughs and healthier lifestyles. Second, North Carolina has become a magnet for retirees, drawn here by the state's natural beauty, friendly citizens, and moderate, four-season climate.

Through the 1970s, the state ranked seventh in the nation in in-migration of retirees, behind Florida, California, Arizona, Texas, New Jersey, and Pennsylvania, with about 20,000 more retirees entering the state than leaving, says Charles Longino, a sociology professor at Wake Forest

University and a national authority on retirement migration patterns. Comparable figures for the 1980s were not available, but since the state's 65-and-over population has increased so dramatically, its in-migration rate almost certainly has increased.

"It's a mechanism for economic development," says William Haas, a sociology professor at the University of North Carolina at Asheville who has studied the impact of the retirement population on Western North Carolina. In Henderson County, says Haas, the informal motto of the Chamber of Commerce is "apples, industry, and retirees."

The N.C. Center for Public Policy Research examined the pluses and minuses of this influx of out-of-state retirees in a 1985 *North Carolina Insight* theme issue on the elderly.³⁸ These newcomers generally are more affluent than retirees who are North Carolina natives. They invest in housing, pay for their own supplemental health care, have disposable income, and exhibit a high level of volunteerism. Because they spend a lot on health care, retirees help attract doctors and other providers to rural areas that might otherwise face a shortage of health care professionals.

Still, these retirees bring their own set of service demands—better ambulance service is one example. And because they have no school-age children, they may be less inclined to support tax



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increases to pay for public education.³⁹ Providing long-term care for larger populations of frail elderly also may ultimately strain the resources of some North Carolina counties.

North Carolina's elderly population is scattered across the state, but certain counties have a higher proportion of their citizens above age 65. (See Table 2, pp. 17-20). Most of these counties are in the mountainous west. Nearly a quarter of Polk County's population is above age 65. Others with more than a fifth of the population over 65 are: Macon, 22.5 percent; Henderson, 21.9 percent; Clay, 20.3 percent; and Moore, 20.8 percent. Excepting only Moore in the Piedmont, all of these are mountain counties.

Skinner of the Rural Economic Development Center says these rural counties may be the exception to the rule. "On average, rural counties have a higher percentage of elderly not because of in-

***There is a feeling
part of us that never
grows old at all.***

—WALLACE STEGNER,
THE SPECTATOR BIRD

migration but because young adults are leaving," says Skinner. "The younger, better-educated people in rural areas are having to move to urban areas for employment. These are exactly the population component you don't want to lose."

The counties with the lowest proportion of elderly citizens are Onslow, with only 5.6 percent of the population 65-years-of-age and older, and Cumberland, at 6.3 percent. Both have large populations of young soldiers that skew their averages. Others with proportionally fewer elderly are: Wake, 8.7 percent over age 65; Orange, 9.3 percent; and Hoke, 9.4 percent.⁴⁰

The elderly population isn't projected to slow its growth any time soon. The Office of State Planning predicts steady increases through the year 2020, when 17 percent of the population will be age 65 and older, and 2.1 percent of North Carolina's 8.6 million residents will be older than age 85.⁴¹ Lynne Perrin, the assistant secretary for aging and special needs in the Department of Human Resources, says, "I've been concerned about the demographics for some time. You can see this wave coming at you."

George Myers, the director of the Center for Demographic Studies at Duke University, has already marked the year 2012 as an important one for future policymakers. By his calculations, that's the year the baby boomers hit retirement, a transition reminiscent of a "pig being ingested by a python."⁴²

"I don't think there's a lot of people who know what it will all mean," says Myers. "We're in the process of population aging and this has profound implications for the provision of social services, hospital services, and welfare services."

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The Latest Trend: Trend Watching To Be Required by Law?

Sheron Morgan, director of the Office of State Planning, has long believed the state should incorporate more long-range thinking into the process of making decisions about important issues facing the state. Soon it may be illegal *not* to. Senators Beverly Perdue (D-Craven) and William Martin (D-Guilford) filed a bill in the 1993 General Assembly that would create a strategic planning process and use the results of that process in making the state budget.¹

As originally outlined in the bill, the plan would attempt to capture a vision for the state, set goals to help realize that vision, and develop program performance measures to help determine whether the goals are being met. The bill requiring strategic planning was one of a raft of legislation on streamlining state government emerging from the State Government Performance Audit Committee report to the 1993 General Assembly.

A separate bill sponsored by Perdue and Martin would require state agencies involved in economic development to create performance indicators upon which decisions on budget allocations could be based.² Yet another bill would incorporate strategic planning into the development of performance measures for *all* state agencies for use in budgeting,³ and a third bill would require the development of a schedule for systematic program evaluation of state agencies.⁴ A separate House bill would implement many of these same requirements.⁵

It's all part of a trend toward measuring *outcomes*—or what the state gets in *results* for a tax dollar spent on a particular program. That's opposed to a focus on *input* or process—how much money is being spent, how many people walk through an agency's door, or how much bureaucratic effort is expended to address a problem.

The concept is similar to that behind the Environmental Index, first proposed by the N.C. Center for Public Policy Research in October 1988. Instead of looking at how much money is being spent to protect the environment, the Center proposed a series of indicators to measure whether the air is getting cleaner, the water purer, and so forth. (For more on this proposal, see "Center Update: State Environmental Index Still on the Drawing Board," pp. 50-65.)

While North Carolina works to incorporate strategic planning and program evaluation into budget making, other states are taking similar steps. Oregon has implemented its "Oregon Benchmarks," a series of goals for the future in everything from infant mortality to joblessness.⁶ These were developed with the input of thousands of Oregon citizens. And the state has taken the further step of linking agency funding to the benchmarks.

In Texas, faced with a \$4.6 billion budget shortfall in 1991-92, the state set up a citizen hotline as part of a performance review to help streamline state government and ferret out waste.⁷ Callers could remain anonymous, and the state's comptroller says most of the thousands of calls that poured in came from mid- to lower-level government workers who provided valuable insights into bureaucratic inefficiencies. As a result of the performance review, the state was able to close more than half its budget gap.

North Carolina's interest in strategic planning and program-oriented budgeting also has its roots in a budget crisis. In 1991, the state faced a revenue shortfall of \$1.2 billion. The legislature wound up dividing the shortfall about equally between spending cuts and tax increases. The Government Performance Audit Commit-

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tee was created that same session, in part to help to avert a similar shortfall in the future.

Much of the responsibility for developing state government performance indicators and a strategic planning process is assigned to the Office of State Budget and Management and the Office of State Planning. Morgan, the planning office director, already has started the process by pulling together trends affecting state government and by surveying people about which ones are most important for state government.

Legislative leaders and staff also got some

pointed insights into the state's demographic destiny during workshops conducted in January 1993 by Harold Hodgkinson, director of the Center for Demographic Policy in Washington, D.C. Hodgkinson's reading of the state's demographic tea leaves indicates the state needs to balance its efforts in economic development with more effort in human development.

He points to an undereducated work force that may hurt the state as it continues to diversify away from manufacturing and toward more high-tech and service sector jobs. North Carolina blacks in particular lag behind the national

North Carolina officially went from predominantly rural to predominantly urban with the 1990 census.



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averages in graduation rates from high school and colleges. Hodgkinson says the state has had an unspoken policy in the past of developing an elite through its university system, to the neglect of the rest of its population. In the future, he says, the state must broaden its base through more focus on preschool through high school and better coordination with the community college system to prepare workers.

Hodgkinson sees a mystery in the amount of dollars the state invests in prison construction, and says this offers "little promise of return" in terms of a reduced crime rate.⁸ He argues the state should be devoting more resources to preschool programs and to improving educational performance at every level. This, he argues, is a better deterrent to crime than building more prison cells.

Also alarming to Hodgkinson is the state's rising divorce rate and its increasing number of single-parent households—most of them headed by females. Hodgkinson says living in a single-parent household with a female head of household is the greatest predictor of poverty for children.

But perhaps the greatest challenge facing the state, says Hodgkinson, is the stagnation of the rural economy. The state's urban areas are growing, while its rural areas fall further behind, he says. Those leaving the rural areas are the most educated, and the ones remaining behind require more services, which puts local governments in these areas in a bind. This, he says, argues for directing more resources to rural areas—in everything from education to health and social services.

This is the kind of analysis that helps state officials develop priorities. Morgan hopes to expose policymakers to more such analytical thinking. "In a halting manner, we are gearing up the strategic planning process in state government," says Morgan. "It's informal, and we're involving a lot of people at different levels. We're encouraging them to think strategically, exposing them to analysis, and encouraging them to develop common frames of reference."

Morgan says the process started three years ago when her office began conducting focus groups with leaders in and around state govern-

ment. She says no one seemed to be thinking ahead. "I was kind of surprised that we weren't able to get out very far," says Morgan. "None of us were very well prepared to make decisions that were sensitive to where we might be headed in the future."

Enter the planning office, which set about sifting through demographic facts, forecasts, and conflicting opinions about the future to compile its own set of 30 trends. Among the trends described in the survey: Slower population growth; an increasingly urban and more diverse population; more women in an older and more ethnically diverse work force; an economy more tied to global markets; faster diffusion of technologies; more responsibilities for state and local governments; and increased privatization within state government.

According to the trends survey, the state also can expect a larger *number* of citizens in poverty while the *proportion* of the population in poverty stabilizes; more citizens unable to afford housing; and a continuing increase in health care costs.

The survey asks respondents to indicate whether they agree with each trend and to rate its importance to state government. So far at least 600 surveys have been sent out to a target audience that includes executive branch leaders in state government, all 170 legislators, chief executive officers of the state's 200 largest corporations, and others with expertise both in and out of state government, including all registered lobbyists. The results ultimately will be incorporated into a report that shows where there seems to be a consensus about important issues, and the process will be repeated every four years.

The information is to be incorporated into the development of the biennial state budget, which would be restructured on a program basis, rather than the current line-item approach. The theory is that by comparing program performance to goals based on prioritized needs, the governor and the legislature can get a better handle on how efficiently state government is operating and more easily can shift resources to meet needs as they develop.

Already, pilot program budgets have been

—continues

developed for two areas of state government—health and environment. Plans are to divide all of state government's activities into 10 program areas. The budget document would include goals for each activity and data to indicate whether the activities are meeting their goals.

"I think it will help the General Assembly get away from analyzing line items, which do not measure success or failure," says Marvin Dorman, former state budget director, of the new form of budget making. "I really believe they will be supportive, once they get into it and see how much more information they have than they have now."

The trends survey would help inform the process. Even if the state sticks with its line-item approach, the trends survey will help raise policymakers' awareness about issues that will have an impact on state government. Another group charged with trend watching would be the Joint Legislative Fiscal Trends and Reform Study Commission. A bill filed to make this study committee permanent recognizes the fact that demographic and societal trends often have an impact on the fiscal health of state and local government.⁹

Take the trend indicating slower population growth. Morgan says that from the 1960s through the mid-1980s, the state had a high rate of in-migration, a high birth rate, and a high level of urban migration. The growth helped fuel the North Carolina economy and fill the state's tax coffers. "The fact that all of these things are turning down at the same time means we won't have major gains in the economy in the future," says Morgan. "We won't have to worry about finding as many jobs, but we'll have to worry about the quality of the jobs."

Morgan also agrees with Hodgkinson on the importance of the widening gap between the rural and urban portions of the state. "We went over the 50 percent [urban] mark with the census," says Morgan. "That's a significant turning point. We'll continue to have low density, but suburbanizing settlement patterns, which means a lot of money on water and sewer and roads."

This trend alone raises a number of questions. Can the state encourage more compact

development? Does it want to? And how will it help rural economies cope with the transition?

A further challenge for the state is the swelling of the elderly population. "Clearly, it has implications for a lot of things," says Morgan. "We're already changing the size of the print on our highway signs because we're all getting older, and we're going to have to put up with more people driving 20 miles slower on our highways."

Morgan also believes the trend will be away from the proliferation of communities made up solely of elderly citizens. "We need to rethink the role of the elderly," Morgan says. These citizens, she says will increasingly be called upon to fill roles such as foster grandparenting, caring for and supporting bedridden people, and volunteering to provide community services.

The increasing Hispanic population also may require more attention from the state in the future, Morgan says. For now, this group is no more than a blip on the demographic radar screen at about 1 percent of the population. But the numbers are growing. The biggest source of Hispanic newcomers is migrant workers from Mexico. "Hispanics come for seasonal work and decide to stay," Morgan says. "Statistics show that very few make it, and we may need to do something about this. They stay two or three years and wind up going back to Mexico."

Morgan surmises that this is because so many Mexicans support family members back home and underestimate the resources they will need to make it in North Carolina. Then they hit a problem like poor health or a job loss and run out of money. When this happens, says Morgan, the state often loses a willing worker. "Generally, they have a strong work ethic and good family ties," Morgan says.

Those that stay will contribute to an increasingly diverse work force characterized by fewer entering young people, more minorities and immigrants, and "dynamic changes in skill requirements." Morgan says North Carolina is already playing catch-up in updating the job skills of its work force, and it's a game the state cannot afford to lose. "The low-wage manufacturing base is very vulnerable to moving offshore and there's nothing to replace those jobs

with except low-paying service jobs such as tourism," says Morgan.

While the state's poverty level declined during the 1980s, Morgan sees resiliency in the current rate of 13 percent. "The percent will stay about the same or decline a little, but the number of people is likely to grow. We aren't getting people out of poverty. We aren't breaking the cycle. These people in traditional industries are very vulnerable, especially when the company folds, and the pension goes with it, and they are left with nothing but Social Security.

"But probably the most sensitive area is unwed mothers—single parent households—because that's where the intergenerational cycle begins. If a teenage mother gets pregnant out of wedlock, the probability that her mother did the same thing is very high."

Morgan also foresees further problems with affordable housing. "You already see that happening with the boom in mobile homes," she says. "For poor people, it's a poor investment, and the way it's financed is just an invitation to bankruptcy because the payment period lasts longer than the value of the home." More generally, says Morgan, "The cost of housing is way out of balance with the wage structure." Unless the balance shifts, says Morgan, the state may see a proportional increase in people

who rent, rather than owning their homes.

Morgan believes the state would do well to take these kinds of trends into account in decision-making. Too often, she says, that doesn't happen. "Frequently, the issue passes without anything having been done about it," says Morgan. "But it's still nudging you in the back. . . . It's going to come back and kick you in the seat of the pants one day."

—Mike McLaughlin

FOOTNOTES

¹ S.B. 253 of the 1993 session. A separate bill, S.B. 150, would create a strategic planning authority to develop a vision for the state's economy for the next 20–30 years and develop goals for implementing that vision.

² S.B. 187 of the 1993 Session.

³ S.B. 252 of the 1993 Session.

⁴ S.B. 412 of the 1993 Session.

⁵ H.B. 330 of the 1993 Session.

⁶ Lanny Proffer, "Benchmarks to a Better Oregon," *State Legislatures*, July 1992, pp. 33–35.

⁷ Kathleen Sylvester, "The \$2.4 Billion Suggestion Box," *Governing*, May 1992, p. 24.

⁸ For more on this topic, see "North Carolina Prisons—Old Problems, Tough Choices," a special theme issue of *North Carolina Insight*, Vol. 9, No. 3 (March 1987). See also Mike McLaughlin, "North Carolina's Prison System: Is the Crisis Corrected?" *North Carolina Insight*, Vol. 11, No. 4 (August 1989), pp. 21–32.

⁹ H.B. 267 of the 1993 Session.

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Poverty Among the State's Elderly

Despite the influx of wealthy retirees, much of North Carolina's elderly population still remains poor. Nearly 20 percent of its senior citizens are below the federal poverty level, compared to about 13 percent nationally.⁴³

Indeed, North Carolina's elderly population is an anomaly compared to the nation as a whole. Poverty went up for the nation during the 1980s, but for older adults, poverty actually declined. Poverty levels for those over 65 were lower than those of any other age group. In North Carolina, poverty *decreased* for the general population *and* for the elderly, but older adults still were the *poorest* of any age group.

Bill Lamb, a planner in the N.C. Division of

Aging in the Department of Human Resources, says North Carolina has a high percentage of poor elderly because of the large number of retirees who worked in agriculture or low-wage manufacturing. "In only five counties is the 65-plus poverty rate below the national average," says Lamb.

The three greatest service needs for the state's elderly are improved in-home services, transportation, and housing.

N.C. DIVISION OF AGING, 1991 STUDY

***Can you imagine us years
from today—sharing a
park bench quietly? How
terribly strange to be 70.***

—PAUL SIMON,
“OLD FRIENDS”

These counties are Henderson, Dare, Carteret, Moore, and Catawba. Lamb says all of these counties have benefited from an influx of affluent retirees.

By contrast, in 11 of North Carolina's 100 counties, poverty rates for people over 65 exceed 30 percent.⁴⁴ All are traditional agricultural counties. All but two of these counties have non-white populations of well over 30 percent. “The poorest are minority women,” says Lamb.

The persistence of poverty among the state's elderly complicates the division's efforts to plan for the aging of the state's population. A particular concern is the state's strict eligibility standards for Medicaid. In the 1990–91 fiscal year, says Lamb, the number of poor elderly who did not qualify for Medicaid totaled 108,000. Those aged 60–65 are particularly vulnerable because they

also do not qualify for Medicare, which kicks in at age 65. But even the Medicare-eligible can face hardships because Medicare typically covers only 45 percent of medical expenses.⁴⁵

The Elderly Over Age 85—A Mushrooming Demographic Group

Another demographic bombshell is the fast-growing portion of the population over age 85—69,969 citizens in 1990 but projected to increase by 63.2 percent to 112,044 by the year 2000.⁴⁶ “The 85-plus are the ones you've got to watch in terms of consumers of services,” says Lamb. “The curve starts going up after 70 and it goes straight up after 85. That's the long-term care population.”

In 1991, the Division of Aging issued a lengthy report, outlining its strategies for the coming decade. “The demographics of individual aging, population aging and institutional aging pose both challenges and opportunities to the state and its citizens,” says the report, which was developed with participation from all 100 North Carolina counties.⁴⁷

“The challenges can be found in the familiar demographic reality of persistent economic disadvantages for some segments of the older population as well as in the growing number of impaired



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older adults that results largely from the increase in the state's "old-old" population, those 85 and older. More difficult to imagine, but just as real, are the opportunities that can and should exist for these same people—opportunities for maintaining and even improving their life conditions through self-help, by helping and being helped by their peers, and through other appropriate interventions."

The Elderly's Need for Government Services

The three greatest service needs for the state's elderly are improved in-home services, transportation, and housing, according to county officials surveyed for the report.⁴⁸ A key to cost containment is keeping the elderly in their own homes as long as possible. That means providing support services that assist in independent living. It also means assisting the elderly in repairing, maintaining, and modifying houses so that they remain habitable.

Lamb says most of the state's elderly live in their own homes, but the houses are older and thus more likely to need repairs. The longer the elderly stay in their homes, the less able they are to provide upkeep. "There's got to be a housing strategy addressed in order to keep people in their own homes," says Lamb.

The state also has identified a need for affordable multi-unit housing with support services, or "congregate" housing. Through a program called Housing Living Independence for Older North Carolinians, the Division of Aging is helping to arrange financing for such housing and studying how it should be regulated.

Contrary to some stereotypes, most elderly don't live in the state's 34,000 nursing home beds or 25,600 rest home beds. In fact, nearly 95 percent live independently, whether alone or with other family members.⁴⁹ But those who do live in institutions are a costly expenditure for the state, which, according to the Division of Aging, spent \$915 million in state, local, and federal funds in the



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1991-92 fiscal year on programs for the elderly.⁵⁰

Medicaid is the single largest payer of services for the elderly. In 1991, North Carolina's state and local governments paid about \$191.9 million in *health care* services for the poor elderly, the Division says. Older adults comprised about a sixth of the recipients, but a third of the expenditures. The biggest single category for this group was for nursing facilities, about \$119.1 million. Three years earlier, state and local governments paid about \$65.8 million for long-term care.

The Division of Aging surveyed all 100 counties in 1990 for their advice on critical issues facing the elderly. After improving in-home services, transportation was a strong second. North Carolina might be the self-proclaimed "Good Roads State," but that's little help for the elderly poor who can't afford upkeep on a car or no longer feel comfortable driving. The state's spread-out lifestyles can mean great distances between a person's home and the rest of their community.

More than \$4 million in public funds went for transporting the elderly in 1991-92, Lamb says, but he thinks it wasn't enough. The General Assembly added \$500,000 to the Elderly and Disabled Transportation Assistance Program in the 1993 session.

What else is the state doing about improving transportation for the elderly? Working with the

American Association of Retired Persons, state officials are promoting a program called "Fifty-Five Alive/Mature Driving," aimed at helping older adults refresh their driving skills.⁵¹ In addition, there is ongoing discussion about using state school buses to drive the elderly places.

North Carolina's Changing Racial and Ethnic Mix

For years, North Carolina's racial and ethnic mixture was easy to define. The state was slightly more than three-quarters white. The other quarter was overwhelmingly black, with a small percentage of American Indians. But that image is slowly changing.

In the last decade, the number of Hispanics as well as Asians and Pacific Islanders living in North Carolina jumped sharply. (See Table 3.) While their percentages are still small, both groups are growing strongly. The census says there were 76,726 Hispanics living in North Carolina in 1990, compared to 56,039 in 1980—a 37 percent increase and 1.2 percent of the total population.⁵² Asians and Pacific Islanders now represent .8 per-

cent of the population. Native Americans' numbers relative to the rest of the population have remained largely unchanged at about 1.2 percent.

But if the number of Hispanics and Asians and Pacific Islanders is increasing, North Carolina still is not a national hot spot for immigration. That distinction goes to California, New York, Texas, Florida, Illinois, and New Jersey, which together accounted for three-quarters of the legal immigrants who came to the United States between 1980 and 1990.⁵³ An Urban Institute study, in fact, ranked North Carolina 38th in the nation, with immigrants increasing the total population by only .6 percent.⁵⁴ Still, their impact is being felt.

By census definitions, Hispanics are a language minority, not a racial minority. Although Hispanics make up about 1.2 percent of the state's population, they tend to be concentrated in counties with major military installations, counties with labor intensive harvests for crops like tobacco and produce, and the state's more urban counties. (See Table 4, p. 37.)

Cleve Hollar is the superintendent of the Yadkin County Schools. Hispanics, mainly mi-

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Table 3. Racial and Ethnic Makeup of North Carolina Population for 1980 and 1990

	Population in 1980	Percent of Population in 1980	Population in 1990	Percent of Population in 1990	Percent Change in Population
White	4,457,507	75.8 %	5,008,491	75.6 %	12.4 %
Black	1,318,857	22.4	1,456,323	22.0	10.4
Native American	64,652	1.1	80,155	1.2	24.0
Hispanic	56,039	1.0	76,726	1.2	36.9
Asian/Pacific Islanders	21,176	0.4	52,166	0.8	146.3

Source: U.S. Census Bureau

Toiling in the Fields of Migrant Education

Mariano Sanchez roves the fertile farm lands of Yadkin County in a 1967 Chevrolet Belair—its unmuffled engine roaring throatily and the windows rolled down for ventilation. His students call the car “Granny” and tease him that it has a 4-55 air conditioner.¹ “It consumes too much gasoline, but they don’t build them like this anymore,” says Sanchez, patting the dash proudly. “This is already a classic. Pretty soon it will be a collector’s item.”

A semi-retired broadcast journalist who spent his career with Voice of America, Sanchez wears at least two hats for the Yadkin County Schools. He is a teaching assistant who helps students learn conversational English—and he

is migrant parent involvement coordinator. It is this latter responsibility that has Sanchez touring this western Piedmont county, knocking on the doors of ramshackle mobile homes, taking down information, and doing his best to solve problems for a burgeoning population of economic refugees from Mexico.

These Mexican nationals officially comprise 1.27 percent of the Yadkin County population, or 388 citizens among a county population of 30,488. According to census data, they are settling into a large county full of largely white small towns where nearly 90 percent of the residents are native North Carolinians.²

Many of these newcomers originally came to Yadkin County for seasonal work in the tobacco fields, and have since taken low-wage jobs in factories and chicken-processing plants. Others learned of jobs in North Carolina through word of mouth from relatives who had settled here. Currently, the Yadkin schools have 138 Hispanic students—2.9 percent of total enrollment and more than triple the state average of .7 percent.

Sanchez engages the transmission and gives Granny the gas. The engine roars and the car wheels out of the parking lot of Yadkinville School. He passes slowly through downtown Yadkinville, the county seat, population 2,525. On the outskirts of the town, Sanchez pulls into City View Trailer Park, a collection of some 50 old mobile homes arranged along a dirt drive in angled rows like ribs along the backbone of a fish.

“In this trailer live the parents of an eighth grader who dropped out to have a baby,” says Sanchez as he pulls up in front of one of the trailers. He says the girl is a good example of



Rosalia Cristobal with her niece, Nora Nely, and her husband, Cliserio

how Hispanics without a hint of English get shunted into classrooms where they don't have a chance to succeed. "They put kids into classrooms socially instead of by learning skills," says Sanchez. "She had no idea what was going on around her, and so she got frustrated." Sanchez knocks on the door of the trailer, but no one answers.

He heads to the trailer next door, the home of another family with two children in the Yadkin County Schools. The family isn't home, but another family that shares the same single-wide trailer is. They are Cliserio Cristobal, 26, and his wife, Rosalia Cristobal, 22. They speak not a word of English, but respond warmly to Sanchez's rapid-fire Spanish and offer a welcome.

The door opens on a living room furnished with a sofa, an upholstered chair, and three kitchen chairs of padded vinyl on stainless steel tubing. A worn and cracked sheet of vinyl flooring serves as the living room carpet. Three cloths bearing the likeness of the Virgin of Guadalupe, matron saint of Mexico, serve as curtains. These are crowned with a garland of clear Christmas lights. "They love to keep that up all year round," says Sanchez, indicating the lights. He says it helps to keep the spirit of Christmas alive.

With Sanchez serving as translator, the Cristobals' story comes out. Cliserio does most of the talking while Rosalia feeds a bottle to her two-month-old niece. The trailer rents for \$260 a month, which is divided between the two families, Cliserio explains. The Cristobals earn \$229 each per week packaging chicken at the Tyson Foods plant in North Wilkesboro.

They consider themselves quite fortunate except for one small thing. When they left Mexico in 1992, they had to leave their two children behind with family. Cliserio gets up from his armchair and picks up a postal money order from the table beneath the window across the room. The money order totals \$200. He is sending the money home to Mexico, where it will buy about three weeks' worth of groceries.

The Cristobals dream of bringing their

children to America, but they say this would be expensive and difficult. Still, they cling to this hope. They say they are saddened to be separated from their children, yet happy to be in the United States instead of Mexico. "Here, you live very well," says Cristobal through his interpreter. "Over there you don't live. Here you have a job. You don't have nothing back there."

Later, back behind the wheel of Granny, Sanchez scribbles information about the Cristobals' problems in a notebook he carries with him on his rounds. He will get the information to people who might be able to help them, even though their problems have nothing to do with the public schools.

For Sanchez, there is a purpose to this work that goes well beyond the job description. "It's

Isabel Frausto, with son Isaac and daughter Mirian, displays inventory from the family's store.



a ministry," says Sanchez. "I'm doing this for the Lord. The Lord put me here to give me the pleasure of helping people."

In his work with parents, Sanchez stresses the importance of children getting an education, and he stresses the importance of parents being involved in the education of their children. In two years on the job, Sanchez has yet to see a student with a Spanish surname graduate from high school. Too often, he says, they drop out to take low-wage jobs and help put food on the table.

Sanchez is working to change this. "I tell them the longer you stay in school, the better chance and the better opportunity you will have," he says. "I teach them that it's OK to be better than your parents. I want my daughter to be better than me. A high school diploma isn't enough anymore."

When a child is having problems at school, Sanchez says he often finds they are linked to problems at home. "They say, 'My word, Mr. Sanchez, we don't have food on the table. My wife has lost the job,' or 'The portable heater's not working, we have run out of kerosene.'" Sanchez will try to get these problems solved too.

Sanchez visits one more home at City View, where a family has been operating a store out of their mobile home. Here he learns that the store has been closed down because the trailer park is not zoned for business. This gives him more information to scribble in his notebook. Some of the leftover inventory lies on a table by the front door: Mexican-style sweetbreads made in Georgia, and a tray full of mangos. "Somebody must have turned them in," Sanchez laments. "They ran a very nice store."

At another trailer park across town, Alberta Carachure tells Sanchez that her daughter has brought home a paper from school that she cannot read. She ducks into her trailer and comes back clutching a hand-colored scrap of paper. It is an invitation to a Mother's Day Tea at Yadkinville School. Sanchez promises to arrange the transportation.

There is time for one more stop and then Sanchez must pick up his eight-year-old daughter from school. This time it's the Catholic mission, which lies across town in an old farm supply store. Sister Andrea Inkrott works in an

office off the showroom floor, which has been converted to a church for Spanish Mass. Her office is jammed with books and tapes that describe in Spanish various aspects of the Catholic faith. Catholicism, says Inkrott, is ingrained in the Mexican culture. In the summers, when the migrant season is in full bloom, the faithful overflow the showroom and peer in at the service from the parking lot.

Sister Andrea, as she is known in the county, agrees that the Hispanic population in the area is growing rapidly. She doubts that the census captured the full force of the Hispanic influx. "They're very mobile, and they don't speak that much English," she says. "They live in places you don't know where they are. Look in a very poor trailer, in a shack, behind another building, or down a long lane, and that's where you find them."

Some, she says, are in the country illegally, and don't want to risk filling out a government form. Asked how these illegal aliens find work, Sister Andrea offers an ask-no-questions smile. "I'm here for their spiritual needs," she says.

But at present, Sister Andrea is up to her elbows in helping the family that got closed out of its store reopen in a legal location. This involves helping them prepare a credit application to open a business. "He keeps all these numbers in his head," says Sister Andrea of the storekeeper. "It's incredible."

Still, Sister Andrea knows an oral history won't help the man get a loan—particularly not an oral history delivered in Spanish. She has him commit the numbers to paper to improve the prospects. "What I do so much is translate," says Sister Andrea, who spent seven years as a missionary in Mexico. "They have to learn English and will learn English," she says. "But, having been through it myself, I know it's a slow process."

—Mike McLaughlin

FOOTNOTES

¹For those raised with air-conditioned automobiles, a 4-55 air conditioner is a non-air-conditioned automobile traveling down the highway at 55-miles-per-hour with all four windows rolled down.

²U.S. Census Bureau, *Summary Social, Economic, and Housing Characteristics, North Carolina*, Washington, D.C., May 1992, p. 32.



Mike McLaughlin

Bernabe Gutierrez and Alberta Carachure, with baby, Juan, are among the Hispanic newcomers to North Carolina.

—continued from page 32

grant workers, originally came to his county just west of Winston-Salem to pick tobacco. They stayed to work in chicken houses and other low-wage, but steady jobs. The result is that about 2.9 percent of the Yadkin school system is now Hispanic, more than four times the state average of 0.7 percent.⁵⁵

"It presents more challenges," says Hollar of the school system's 138 Hispanic students. "It's somewhat frustrating, them being non-English and all. It's put a burden on teachers who aren't bilingual."

Johnston County in the east is another North Carolina county with a relatively large Hispanic population. "We have a number of students in our school system right now who do not speak English," says Thomas Houlihan, Johnston County

Schools superintendent and Governor Jim Hunt's education advisor. "We're a rural school system and some of our teachers are not prepared for it."

Houlihan says the school system is responding by using interpreters in some classes and offering English as a Second Language classes. The school system also plans to stop offering French in grades four through eight and concentrate all of its resources on Spanish. "It's a major issue that we have not been able to solve at this time," says Houlihan of the language barrier.

From Temporary Migrant Work to Permanent But Low-Wage Jobs

Mariano Sanchez, migrant parent involvement coordinator for the Yadkin County Schools, says the challenge will remain because of the trend

of Hispanics giving up the migrant life for year-round, low-wage jobs. "They spend a fortune to come here and work four or five months. Then they realize, 'Hey, I can go to work in a chicken house or lumber yard and have a paycheck all year round.'" The poverty rate for Hispanics is 19.2 percent, well above the state average of 13 percent.⁵⁶ But grim as Sanchez says some migrant trailer parks might be, he adds, "You have to go and see what they left behind." (For more on the Hispanic influx in Yadkin County, see "Toiling in the Fields of Migrant Education," p. 33.)

The state's Hispanic community isn't just former farm workers. It includes professionals such as Julio Lazaro, who works for Sara Lee Corporation in Winston-Salem. Last year, Lazaro and some friends decided to hold a street festival. It drew 4,000 people to Winston-Salem. From that party, called "Fiesta '92," came the idea for the Hispanic League of the Piedmont Triad.

"There were several Hispanic executives who felt the need to bring the Hispanic community closer to the Anglo community and the black community," says Lazaro. "For years, it's been black and white. Now that's changing."

English as a Second Language

But from a policy standpoint, the state barely recognizes Hispanics. There are consultants at the Department of Public Instruction who work with students who are learning English as a second language, but no money is given to schools to pay for this added expense.

"These children have no advocates," says Frances Hoch, the chief consultant in the Second Language Studies Section of DPI. And unlike some other states, there is no bilingual education. "All instruction in the public schools is in English," says Hoch. For the youngest students, she says, this immersion gets them fluent in English fastest.

Although bilingual education has been taboo in the state's schools for years, that taboo spread further in June 1987, when the state passed Senate Bill 115.⁵⁷ That law made English the official state language of North Carolina. Its stated purpose is to "preserve, protect and strengthen the English language," but in practice it prohibits printing most state publications in any other language, such as Spanish.

"The State of North Carolina can give you the driving test in Spanish, but not give you the driving book in Spanish," says Lazaro. "That doesn't make sense. You need to learn English, but you

Table 4. N.C. Counties with Hispanic Population Exceeding 1 Percent of Total Population in County, 1990

County	Percent Hispanic
1. Chatham	1.46 %
2. Craven	2.23
3. Cumberland	4.84
4. Duplin	2.54
5. Greene	1.10
6. Harnett	1.71
7. Henderson	1.22
8. Johnston	1.55
9. Lee	1.93
10. Lincoln	1.13
11. Mecklenburg	1.31
12. Montgomery	2.38
13. Onslow	5.36
14. Orange	1.36
15. Sampson	1.54
16. Wake	1.27
17. Wayne	1.30
18. Yadkin	1.27
Statewide N.C.	1.16 %

also need to drive around in this state to get anywhere.”

The Department of Community Colleges *does* offer English as a second language at many of its campuses across the state and will provide these classes off campus if demand is sufficient. Don Snodgrass, the system’s coordinator for adult basic education, says 14,033 students enrolled in English as a second language during the 1991–92 school year. The course is offered at three different levels—beginner, intermediate, and advanced—as one component of the basic skills package.

Snodgrass could not provide figures on the number of Hispanics enrolled in these courses. But he says of 126,698 students enrolled in basic skills courses in 1991–92, 10,238—or 8.1 percent—were Hispanic. Many of these Hispanics, he says, are enrolled in English as a second language, which is the first step in mastering basic skills for people who don’t speak English. “We’ve seen rapid increases in the last two or three years, and it’s mostly Hispanics,” says Snodgrass. “There’s a lot of activity out there, and we are trying to address this need.”

The Asian Demographic Increase

Snodgrass says Asians are more likely to speak English, and generally are more educated than their Hispanic counterparts. Often, they come to the state for college or professional jobs, and so they present fewer educational challenges. The census numbers back up this assertion about education levels. Of 33,761 Hispanics at least 25 years old living in North Carolina, 17.9 percent are college graduates. Among their Asian and Pacific Island cohorts, 39.3 percent graduated from college.⁵⁸

Tillman, the state demographer, says the state’s Asian population resides mainly in urban counties and those with military installations. Nearly 14,000 of the state’s 53,032 Asians live in Wake, Durham, and Orange counties—home of three major research universities and Research Triangle Park. Mecklenburg has the state’s largest Asian and Pacific Islander population, with 8,510 residents.

Cumberland County, home of Fort Bragg Army Base, also has a relatively high number of Asians and Pacific Islanders—6,014 residents. Tillman says many of these likely are military wives, since 60 percent are women. As is the case for Hispanics, few government programs are targeted to Asians and Pacific Islanders.

***I try and try
but I can't save —
pennies nickels
dollars slip away.
I've tried and tried
but I can't save.***

— ROBERT BUCK AND NATALIE MERCHANT,
“DUST BOWL”
BY 10,000 MANIACS

Health Services for Hispanics

The state does offer health programs that serve large numbers of Hispanics—including three federally funded migrant health clinics and services provided in local health departments and community health clinics. The three migrant health clinics are Goshen Medical Center in Faison, Blue Ridge Community Health Services in Hendersonville, and Tri-County Community Health Council in Newton Grove.

“As far as services that are actually targeted [for Hispanics], there are not many in the local health departments, largely because of the language barrier,” says Laureen Lopez, research associate with the state’s Office of Minority Health in the Department of Environment, Health, and Natural Resources. “They [health departments] are serving them as they would other populations.”

Nationally, health statistics show access to health care may be a problem for Hispanics.⁵⁹ They are the least likely to be insured of any racial or ethnic group, and see doctors less frequently than whites or blacks. Health outcomes, however, are mixed. Hispanics, for example, are more likely to suffer diabetes than their non-Hispanic white counterparts but less likely to suffer heart disease.

Lopez says besides migrant clinics, church groups such as Catholic Social Ministries and the Men’s Baptist Association also are providing health-related services to migrants. In addition, there are pilot projects to provide maternal and child health services and HIV-prevention to Hispanics in local health departments in five eastern counties—Duplin, Harnett, Johnston, Robeson, and Sampson. And in at least a dozen counties, migrant councils have sprung up to solve problems in serving the migrant population.

The Poor Among Us

When it comes to the bottom line financially, the last decade was generally good for North Carolina. That's particularly true in two key indicators: The state's poverty rate and the per-capita income of its residents.

The state's poverty rate fell from 14.8 percent in 1980 to 13.0 percent in 1990. (See Table 2, pp. 17-20.) The national rate increased from 12.4 percent to 13.1 percent.⁶⁰ North Carolina's per-capita income⁶¹ increased from \$6,033 a year (83 percent of the national average) in 1979 to \$12,885 a year (89 percent of the national average) in 1989.⁶²

But not everyone shared equally in that growth. According to census figures, the average earnings of non-whites didn't pick up any ground on that of whites. As a group, blacks started and ended the decade making about 55 percent of what whites made. And in general, people who live in urban areas are still far wealthier than people in rural areas.

North Carolina has a large and prosperous black middle class, but the state's largest minority group has—as a whole—gained little on whites during the last decade, says George Autry, president of MDC Inc., a Chapel Hill nonprofit agency that does research and consulting on work force



Karen Tam



issues. The gap has narrowed for the educated and widened for those who have no more than a high school diploma, says Autry.

Andrea Harris, director of the N.C. Institute of Minority Economic Development, says discrimination is one reason some blacks have not made larger economic strides.⁶³ She says the state must root out overt discrimination and take the lead in two additional areas: seeing that black employees who work for state government aren't herded into low-wage jobs compared to white counterparts with the same training; and developing ways to make capital more available to minorities, particularly in rural areas.

"Otherwise," says Harris, "we'll continue to see out-migration to the urban counties," she says. "They [urban counties] can't provide jobs for their own, so it will perpetuate urban decay. If North Carolina doesn't get out in front, then it will face some of the same challenges as Washington, D.C.,

As a group, blacks started and ended the decade making about 55 percent of what whites made.

***I look at the TV, your
America's doing well. I
look out the window, my
America's catching hell.***

— VERNON REID OF LIVING COLOUR,
"WHICH WAY TO AMERICA"

and Newark. [We] will not be able to do the other things we need to do. It will cost the state more in the long run."

The Structural Problem of the Working Poor

Still, there is no easy solution to the problem of ingrained poverty—whatever the race of the poor. Katherine McKee is the associate director of the Center for Community Self-Help, a Durham nonprofit organization that works with poor people and operates a successful credit union. While she's cheered by the drop in poverty, she thinks the numbers mask the large number of working poor in North Carolina, families where both spouses work, but find little left over after the bills are paid.

Autry says the problems of the working poor are nothing new to North Carolina. As low-wage

manufacturing jobs decline in the state, he says North Carolina's working poor will be challenged to get retrained for the future. "It used to be high-skills or low wages," he said. "Nowadays, it's high skills or no wages."⁶⁴

A lower poverty rate is certainly good news, but 13 percent of the state's population in 1990 amounts to nearly 830,000 residents, with the highest levels of poverty found in the very young and the very old. Skinner of the Rural Economic Development Center points out that the actual number of North Carolina residents in poverty dropped by only 10,000 between 1980 and 1990. "For the most part, the reduction of the rate is due to population growth," says Skinner. "There's a core group we haven't dealt with very effectively." Even though the state is at the national average in this indicator, it hardly seems like anything to shout about.

Autry adds that because of deep-rooted structural problems, moving the state much below the 13 percent poverty rate won't be easy. These include a high rate of adult illiteracy and a work force ill-prepared to meet the demands of the job market of the future.

By one estimate, North Carolina will lose 75,000 jobs in this decade in textiles alone, and as many as 500,000 jobs in manufacturing over the next 20 years.⁶⁵ On average, North Carolina workers have completed 12.3 years of schooling, but by the year 2000, most new jobs will require at least 13.5 years of schooling. Unless the state invests



Karen Tam



Former Graham County resident Anita Wilson

heavily in worker retraining, experts say, these workers will not be prepared to fill the high-tech jobs of the future, and will be forced to compete for lower-paying service sector jobs.⁶⁶

Autry notes that North Carolina has more functionally illiterate adults than Japan, despite the fact that Japan has 95 million more adults than North Carolina. "A rising tide doesn't lift boats with holes in them," Autry says.

Women in Poverty

Among the working poor are increasing numbers of households headed by women. In 1980, the median income for a female worker with a full-time job in North Carolina was \$8,781 a year, two-thirds of the wages of a male worker.⁶⁷ Figures for 1989 showed a slight increase to 70.2 percent. *The Charlotte Observer*, in its own analysis, sampled the 127,812 questionnaires from North Carolinians who filled out the census long form and estimated women earned 72 cents for every \$1 earned by men in 1989.⁶⁸

"The analysis found pervasive pay gaps in jobs dominated by women, in low-skill jobs, and in high profile professions," says the newspaper, which compared earnings across a range of professions. "The analysis did not factor in work experience." Nationally, women working full-time earned a median income of \$10,380 in 1980, some

"Women in North Carolina live in an economic caste system. They're clustered in low-paying jobs at the bottom of the economic ladder."

—SANDY BABB,
FORMER PRESIDENT OF N.C. EQUITY AND
NOW EXECUTIVE DIRECTOR OF THE GOVERNOR'S
WORK FORCE PREPAREDNESS COMMISSION

60 percent of men's earnings.⁶⁹ For 1990, the national figure was 70 percent. At this pace—a dime a decade—women would reach parity with men in the year 2020.

Another startling statistic is the poverty rate for women who head households with children. Among whites, the most *affluent* of the subgroups compared, women with at least one child under age 5 and another between the ages of 5 and 17 have a poverty rate of 48.8 percent.⁷⁰ Among all North Carolina women with at least one child under age 5 and another between the ages of 5 and 17, the rate is 63.2 percent.⁷¹

"Women in North Carolina live in an economic caste system," says Sandy Babb, former president of N.C. Equity and now executive director of the Governor's Work Force Preparedness Commission. "They're clustered in low-paying jobs at the bottom of the economic ladder."

Babb says the state needs to aggressively train women for higher-paying jobs. "In our community colleges—the way for people to climb out—two-thirds of the students are women, but they're clustered in low-paying curriculums like cosmetology and nurses aides," says Babb. There's nothing wrong with either profession, Babb says, but the community colleges need to hold orientation sessions for women that tell them the economic realities of their intended majors.

Bill Strickland, the director of student services at the N.C. Department of Community Colleges, agrees that there is a problem with women seeking training through the community colleges for lower-paying jobs. "I think that clearly, historically, a lot of women have—on their own initiative—moved in those directions, says Strickland.

Strickland says community colleges' efforts to change this phenomenon are limited to one small grant program and the individual efforts of community college counselors. "I know there are counselors who are encouraging women to think higher and aim higher," says Strickland. "We have a special program in the colleges called the Sex Equity Grant program . . . that is generally aimed at this issue.⁷² But it's a relatively insignificant amount of money in proportion to the magnitude of the problem."

North Carolina's traditional industries, such as textiles and apparel, employ a lot of women. This is reflected in census figures that show a high percentage of women in the work force. Sixty percent of the state's women older than 16 are in the work force,⁷³ up from 54 percent in 1980. Two-thirds of women with children under 6 have jobs. Nationally, 50 percent of women work and 60 percent of those with young children have jobs.⁷⁴

Working Poor Mothers and the Need for Child Care

The large number of working mothers, combined with the generally lower wages paid to women, suggests a broad need for affordable child care. North Carolina's child care system includes licensed centers

Selected Resources on N.C Demographics

Office of State Planning
116 West Jones Street
Raleigh, N.C. 27603-8803
Phone: (919) 733-4131

Center for Demographic Policy
Institute for Educational Leadership
1001 Connecticut Avenue, N.W., Suite 310
Washington, D.C. 20036
Phone: (202) 822-8405

N.C. Center for Geographic Information
and Analysis
512 North Salisbury Street
Raleigh, N.C. 27604
Phone: (919) 733-2090

N.C. Census Atlas
The Broyhill Institute for Business Development
Appalachian State University
Boone, N.C. 28608
Phone: (704) 262-2492

The Latin American Resource Center
6412 Rushingbrook Drive
Raleigh, N.C. 27612
Phone: (919) 870-5272

and unlicensed locations. More than 143,000 children are in day care, but the quality of care varies greatly. And day care isn't cheap. The average cost in North Carolina is \$281 a month, more than many low-income parents can afford. Mainly from federal funds, North Carolina spent \$101.5 million last year subsidizing day care for 85,440 children of the poor and working poor.⁷⁵

Governor Hunt emphasized children's issues in his campaign and 1993 Inaugural Address. His proposals—introduced with a flourish in the 1993 General Assembly—include efforts aimed at improving the quality, availability, and affordability of day care for all parents who need it.

Hunt is calling his package of legislation "Smart Start."⁷⁶ It includes lowering child care staff ratios, increasing the number of child-care center inspectors, increasing child-care tax credits for people with adjusted gross incomes below \$40,000, and creating public-private partnerships in 20 North Carolina counties to provide developmental child care. Hunt has made children's issues his top legislative priority, but better child care doesn't come cheap. The price tag for Hunt's package exceeds \$80 million for the biennium.

Still, for most North Carolina families with children, both parents work. That means they must now depend on some type of child care. As the N.C. Child Advocacy Institute says in a recent report, "For these families, child care is the linchpin in the parents' ability to maintain their employment and provide economic security for their children."

Conclusion

In many ways, the 1990 Census brought good news for North Carolina: robust population growth, a rising per capita income, and a poverty rate that dipped below the national average. Still, there are troubling numbers that suggest where the state needs to focus its attention in the future.

North Carolina's citizens too often are in poverty, especially the oldest and youngest; women and minorities often earn too little to support their families; North Carolina's rural economy falls further behind; and more and more immigrants are settling in the state with language and health care access barriers.

The problems are major, and many of them have no easy solution. Rather, they emerge from the data as a series of challenges for the decade of the Nineties. None of these challenges can easily be met. But the state must throw itself into the task

and let the 2000 Census be the yardstick of its progress.

Recommendation

The state may not be able to have much impact on demographic trends such as the rural-urban split and the aging of the North Carolina population. But it can take steps to plan for the future that these demographic changes will create. To assure that the state prepares adequately for the future it is about to confront, the Center offers the following recommendation:

North Carolina's state government should engage in a systematic strategic planning process that takes into account fiscal and demographic trends. The Center believes a formal strategic planning process is important for at least three reasons.

Reason 1: It is clear from the Center's look at the 1990 Census and related studies that demographic issues are emerging that will have a profound impact on state government. These include the aging of the North Carolina population, the projected increase in the number of school-age children, the growing gap in prosperity between rural and urban North Carolina, and the state's persistent poverty rate. These demographic trends have a direct impact on state government spending and programming in Medicaid, school construction, economic development, and state programs to alleviate poverty, respectively.

Reason 2: The Government Performance Audit Committee, a blue-ribbon panel born of the state government budget crisis of 1991, recommended strategic planning as one means of putting the state on a firmer fiscal footing for the future.

Reason 3: *Financial World* magazine, in its annual ranking of the states on fiscal management, placed North Carolina 14th among the 50 states. One of the magazine's criticisms of North Carolina's fiscal management is that the state seems to take a short-term outlook on revenue matters to the neglect of longer-term trends.⁷⁷

The Center believes that by adopting a strategic planning process (as outlined in Senate Bill 252 in the 1993 legislative session) the state could wean itself from this short-term approach and become better prepared for tomorrow. At the least, citizens could draw some comfort from the fact that North Carolina's policymakers are making some effort to prepare in advance for the demographic forces that are shaping the state's future.



—footnotes begin on page 48

Four Trends to Watch

Based on her reading of 1990 Census data, and the results of her own exhaustive trends survey, *Insight* asked Sheron Morgan, director of the Office of State Planning, to reflect on four trends and their implications for state government. Those trends are: (1) the increase in the state's elderly population; (2) the so-called baby boomlet, or increase in the number of children, and its implications for school construction and other infrastructure needs; (3) the growing gap in prosperity between rural and urban portions of the state; and (4) the decrease in poverty. Here is part of what she had to say.

North Carolina's Increasing Elderly Population

The proportion of the state's population over age 65 is increasing, and the population over age 85 is increasing even faster. Morgan says the state's share of health care costs—particularly costs of long-term care in the Medicaid program—may show a corresponding increase.

"Clearly the issue of long-term care and the financing of it is going to have to be solved," says Morgan. "The trend toward warehousing the elderly in nursing homes and very expensive retirement centers has some negative implications. These

are not most people's first choice, and they are very expensive. The state and federal government not only pay for health services but for everything. There's some discussion now that Medicaid should only pay for the health aspects."

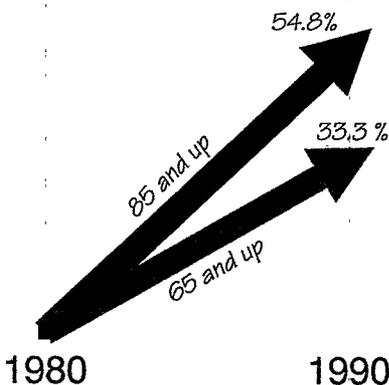
The rest of the expense of institutional care would fall on the elderly themselves or on family members. "I'm not sure how low and middle income people could pay," says Morgan. Still, she says the incentive now is for the elderly to transfer their resources to family members before they go into institutions so Medicaid will pick up the tab. She also isn't sure how long government can keep paying before there is outright taxpayer revolt.

But Morgan says she is sure the rising cost of institutional care will accelerate the trend toward community alternatives—like nursing aides who can help the elderly remain in their homes independently. Morgan says the state also must "re-think ways to integrate elderly people into communities" and move away from age-segregated neighborhoods. She believes that both because of the dispersal of the nuclear family and for economic reasons, more elderly are going to have to depend on the support of caring neighbors in communities structured to provide support.

Still, most frail elderly living outside institutions receive care from family members, and the primary caregiver usually is a woman. If more elderly citizens are to remain in their homes longer, there likely will be greater demands for *family leave* to encourage workers to provide care for an ailing parent and *adult day care* to free family members to work. "There are long-term economic implications for people giving care," says Morgan.

Aside from increasing expenses for long-term care and more reliance on alternatives, the state can expect more demands on the health care system as a whole. Patients receive their most expensive health care in the final months of life, so an increase in older citizens will mean higher expenses. This will lead to more debate about rationing health services. But Morgan says the question isn't whether rationing will occur. It's how. "The

N.C.'s Elderly Population Growth



question is, what mechanism are we going to use for rationing?" she says. "We're rationing now."

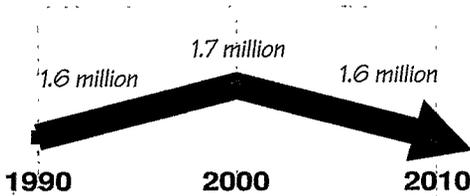
There also will be more minor adjustments. These include increasing the size of lettering on state highway signs and finding ways to accommodate elderly motorists who only want to drive 45 miles per hour.

And there will be political clashes as the state's resources get stretched between the needs of the elderly and those of children. Already, says Morgan, the tension is being felt as the Hunt administration pushes its children's agenda. Still, Morgan notes that with the indexing of Social Security to inflation, the distribution of income in the United States has been changing. "The number of elderly in poverty has declined, while the number of children in poverty has increased," she says.

The Baby Boomlet

North Carolina's youth population is projected to increase from the present 1.6 million to 1.7 million by the year 2000, then decline to 1.6 million by 2010. Morgan says there is a faint echo of the baby boom in these numbers—actually an echo of the echo. "The baby boomers' children are now having children—but fewer of them," says Morgan. Also making a slight contribution is the number of women over 35 who had been postponing child-birth but are now bearing children. "It emerged as a phenomenon over a relatively short period of time," says Morgan, adding that the curve has since flattened out.

N.C.'s Youth Population



She says migration is mainly responsible for the projected surge in youth population—and the resulting increase in the need for new school construction to accommodate these youth. "A lot of school construction is due to people moving to urbanized areas or migrating to the state," says

Morgan. "It's really more migration than anything else. By the year 2005, the birth rate is projected to fall below replacement rate."

Morgan says this in-migration generally has been good for the North Carolina economy because it has raised the overall education level of the work force and helped fuel expansion and relocation of industry. This has meant higher income levels for North Carolina citizens and more dollars circulating in the economy. "We're one of the few states still experiencing in-migration," says Morgan. "We're forecasting it to continue. If it doesn't, the economic forecast may change for the worse."

For the next decade or so, the growth means more state and local spending for everything from schools to water and sewer projects to transportation. But Morgan says so far growth has come at about the right pace. "We haven't developed the kind of land-use problems that Florida has."

The Rural-Urban Gap

But while some parts of the state plan for a more crowded future, others will be struggling to keep from falling further behind. That's because the 10 percent growth forecast for the next decade is not evenly spread. Some parts of the state are in for stagnation or decline.

North Carolina's 19 counties that were population losers in the 1980s all were rural counties. And the same should be true for the 1990s. Per capita income also was considerably lower in rural North Carolina during the 1980s, and the prosperity gap likely will continue as more rural residents

N.C.'s Rural and Urban County Populations

N.C. Rural Counties
Losing Population
in the 1980s:

19

N.C. Urban Counties
Losing Population
in the 1980s:

0

migrate to urban areas for jobs and amenities. "I think it's going to complicate state policy considerably," says Morgan. "Instead of spreading things with a butter knife, we're going to have to start targeting our resources. When you do that, the level of conflict goes up because fewer people directly benefit."

Morgan says she foresees regions assuming increased importance as declining rural areas struggle to deliver such services as solid waste management, water and sewer, and even public education. The result could be restructuring of the state's political subdivisions—the 100 counties—into larger, more efficient units.

"We ought to commit ourselves to investing in people, not places," says Morgan. "Once we do that, I think we'll see local government reorganizing itself to become more efficient. We'll go from 100 counties to maybe 50 or 60. We'll have a lot more regionally organized services and districts. We might even have some multi-county school districts."

Still, Morgan says political boundaries like county lines will give way only grudgingly. "Consolidation requires giving up a certain number of elected offices and some local control," says Morgan. "The politics of doing that is difficult."

Morgan does not believe the state will be able to rebuild every rural economy to the point that it can compete with urban areas for the young people who are now leaving. Instead of swimming upstream against migration patterns, she believes the state should go with the flow and equip young people for good jobs—wherever they may be. "We should invest in education and job training and communications technology [for education]" to give rural youngsters the tools to compete in any job market, says Morgan.

That would mean accelerated population losses for some rural counties, which is one reason Morgan forecasts fewer counties at some point in the future. She does not believe the state indefinitely can afford the 100 county structure.

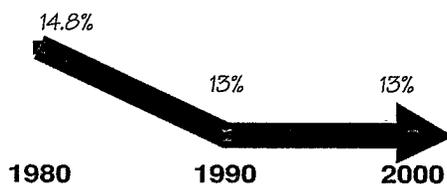
Already, some of the state's poorer counties are struggling to provide services. "They have a comparatively small tax base and proportionately more poor people, so a larger share of tax revenue goes to things like Medicaid and AFDC [Aid to Families with Dependent Children], particularly Medicaid,"

says Morgan. "Because of rising social program costs, they've deferred making investments in infrastructure—things like schools, water and sewer, courthouses, and county jails. They're pouring all their dollars into Medicaid, AFDC, and education." For the near term, there will be increasing pressure on the state to help bail these counties out.

Poverty

The state's poverty rate declined from 14.8 percent to 13 percent over the course of the decade. That compares to a national rate of 13.1 percent. Morgan counts herself among those prognosticators who believe the rate essentially has bottomed out. "It's a broader issue than just poverty," says Morgan. "There are the working poor and the people who are on public assistance. President Clinton seems determined to limit dependence on public assistance through time limits and work requirements."

**N.C.'s Poverty Rate —
Past, Present and Projected Future**



That will mean increased government and private sector spending on job training for the difficult to employ, although the results of these efforts have been mixed at best. (For more on this issue, see Bill Finger and Jack Betts, "Off the Dole and Onto the Payroll: Do Jobs Programs Get People Out of Poverty?" *North Carolina Insight*, Vol. 11, Nos. 2-3 (April 1989), pp. 64-93.)

And more of the *working* poor may become the poor seeking public assistance as the state's economy continues its shift from manufacturing to services. This may drive up spending on Aid to Families with Dependent Children, food stamps, subsidized housing, and Medicaid. "The working poor are very vulnerable to becoming the permanently unemployed due to changes in technology," says Morgan, "and we could have a lot more work-

ing poor because they have been pushed out of manufacturing jobs and into lower-paying service jobs like flipping hamburgers.”

Morgan expects that eventually, the chorus of voices calling for more resources for job training and work force preparedness will be heard by decisionmakers in Raleigh. “It’s going to take training and retraining, which means developing a whole culture around learning and skills and producing quality products and taking responsibility,” says Morgan.

Increasingly, Morgan says, the key to upward mobility is going to be the ability to think and solve problems on the job. She says some workers accustomed to letting their supervisors make all the decisions may not be comfortable in this role. Morgan mentions a North Carolina manufacturer that shifted to what is called a flat management style, in which workers were organized in teams and given both the authority to make production decisions and accountability for the results of those decisions. “After about two years, a large proportion of the older workers left because they couldn’t take the pressure,” says Morgan.

For uneducated workers, those who are unable or unwilling to retrain, Morgan says the future looks bleak. “Increasingly, the skills are discontinuous from the bottom,” she says. “There is no relationship or transferability to jobs on the other end of the spectrum.” That means entry into the middle class will be more difficult.

Indeed, Morgan says there is some thought that the broad middle class that has been the backbone of American democracy is in jeopardy. “A lot of experts think we’re going to a lot more bifurcated distribution of income, which means the underpinnings of democratic government will

be eroded,” says Morgan. “It’s always depended on the solidity of a large middle class.”

With these sort of societal forces at work, the state will have to guard against the kind of frustrations that could lead to higher dropout rates and even increased crime and violence. “The sense of being unreachable becomes more profound because the positive options are not open to them,” says Morgan.

One statistic that stands out in the census data is the number of women in poverty with children. More than a third with children under age 5 and nearly half of those with at least one child under 5 and older children are in poverty. But Morgan says these women can be helped if the state is willing to provide the support services to allow them to train. “The opportunities for training and allowing them to achieve economic independence are pretty great because the child is an incentive,” she says. “Reaching young men is much more difficult.”

In North Carolina, the military has been a sort of job corps for young men without much education. But with downsizing, even that option may be foreclosed, says Morgan. That means the state must work even harder to keep young people from getting discouraged and giving up. “‘Ain’t nothing out there for me to do. Might as well quit school,’” is how Morgan describes the attitude.

North Carolina’s economic future looks bright in many respects. Demographer Harold Hodgkinson of the Center for Demographic Policy in Washington, D.C., notes that the state has captured many high-paying service sector jobs, with high-tech research and development leading the way in the Research Triangle Park, and financial services setting the pace in Charlotte. People starting small businesses have an unusual level of success, he says, which means the climate for entrepreneurs is good, as are the prospects for future job creation.

Still, two clouds on the horizon for North Carolina are the education level of its work force and the decline of the rural economy. Education levels are hard to raise and rural declines are hard to reverse, which leads demographers to forecast a flat line for poverty in the state for the foreseeable future.

—Mike McLaughlin

A prophet is one who recognizes the birth of an idea in the collective mind and who defines and clarifies, with his life, its implications.

—ALDO LEOPOLD, ECOLOGIST

FOOTNOTES

¹ Bob Williams, "State to gain area code," *The News & Observer*, Raleigh, N.C., Jan. 6, 1993, p. 1A.

² The language requiring the decennial census, which appears in Article I, Section 2 of the U.S. Constitution, reads: "The actual Enumeration shall be made within three years after the first Meeting of the Congress of the United States, and within every subsequent Term of ten years, in such Manner as they shall by Law direct."

³ U.S. Census Bureau, *Statistical Abstract of the United States*, Washington, D.C., 1992, Table 25, p. 22.

⁴ U.S. Census Bureau, *General Population Characteristics, North Carolina*, June 1992, Table 3, p. 15, *General Population Characteristics, North Carolina*, December 1983, Table 15, p. 35-14.

⁵ U.S. figure taken from U.S. Bureau of the Census, "Income and Poverty Status in 1989: 1990," Table 3, Summary Tape File 3; N.C. figure from Summary Tape File 3, "Ratio of Income in 1989 to Poverty Level."

⁶ U.S. Census Bureau, *General Population Characteristics, North Carolina*, June 1992, Table 1, p. 1; *General Population Characteristics, United States Summary*, May 1983, Table 67, p. 174. The median is the midpoint of the distribution, so for North Carolina, half the population is older than 33.1 and half is younger.

⁷ See note 3 above.

⁸ *Ibid.*

⁹ U.S. Census Bureau, *Summary Social, Economic, and Housing Characteristics, North Carolina*, Washington, D.C., May 1992, Table 9, p. 151.

¹⁰ U.S. Census Bureau, *Census '90 Basics*, Washington, D.C., January 1990, pp. 3-4.

¹¹ Hyman Alterman, *Counting People: The Census in History*, 1969, Harcourt, Brace & World, Inc., New York, N.Y., pp. 204-205.

¹² Harold L. Hodgkinson, "A Demographic Profile of the Southeast," Center for Demographic Policy, Institute for Educational Leadership, Washington, D.C., October 1992, p. 37.

¹³ U.S. Census Bureau, *Summary Social, Economic, and Housing Characteristics, North Carolina*, Washington, D.C., May 1992, Table 9, p. 163.

¹⁴ *Ibid.* at pp. 2 and 151.

¹⁵ *North Carolina Rural Profile*, N.C. Rural Economic Development Center, November 1992, p. 3. The report indicates that in "all the major indicators of economic health—population, jobs, and income growth—urban areas grew twice as fast as rural areas" in North Carolina during the 1980s.

¹⁶ *Ibid.* at p. 6.

¹⁷ *Ibid.* at p. 14. The rural center used U.S. Bureau of Economic Analysis data to determine the gap in per capita income between rural and urban counties, rather than census data. Bud Skinner, senior researcher at the Center, says the Bureau of Economic Analysis uses a broader definition of income than does the Census Bureau—including the value of food stamps, for example—and it updates its figures annually. But the BEA income data also produces a wider gap in per capita income when comparing rural and urban counties. Using Census Bureau figures for per capita income, the rural-urban gap narrows some 26 percent, from \$3,590 to \$2,642.

¹⁸ *Ibid.* at p. 17.

¹⁹ Some mountain counties, particularly those in the far west, are not sharing in this growth boom, perhaps because of isolation. Instead of prosperity, these counties are typified by high rates of poverty, low per capita incomes, and high rates of unemployment.

²⁰ The lone exception to this phenomenon is Hyde County,

which claims a 14 mile stretch of coastal real estate called Ocracoke Island, most of it national seashore and thus protected from development. Hyde's population actually *dropped* 7.87 percent during the decade.

²¹ U.S. Census Bureau, *General Population Characteristics, North Carolina*, Washington, D.C., June 1992, Table 77, p. 490.

²² For its analysis, the Rural Economic Development Center used the OMB definition, substituting the designations urban and rural for metropolitan and non-metropolitan. But the Center has not yet accepted 1993 additions to OMB's list of metropolitan counties. OMB updates its designations every 10 years.

²³ Wire Reports, "State's Metro Areas Grow," *The News & Observer*, Raleigh, N.C., Jan. 2, 1993, p. 6B.

²⁴ For more on the forces that are shaping the North Carolina economy, see Bill Finger, "Making the Transition to a Mixed Economy," *North Carolina Insight*, Vol. 8, No. 3-4 (April 1986), pp. 3-20. See particularly the section titled, "The Family Farm Withers," pp. 14-16.

²⁵ Jim Barnett, "Carolina Telephone to move offices, 400 jobs from Tarboro," *The News & Observer*, Raleigh, N.C., Dec. 1, 1990, p. 1A.

²⁶ Pamela Moore, "Bank Plans To Move To Winston," *The Winston-Salem Journal*, Nov. 10, 1992, p. 1A.

²⁷ *Rural Profile*, p. 25.

²⁸ For a pro-con discussion of the Global TransPark proposal, see "Air Cargo Complex: Flight or Fancy?," *North Carolina Insight*, Vol. 14, No. 2, (September 1992), pp. 26-57.

²⁹ *North Carolina Population Projections*, Office of State Planning, Summer 1992, pp. 8-9.

³⁰ *Ibid.* at p. 9.

³¹ *Ibid.* at p. 16.

³² *Ibid.*

³³ Wade Rawlins, "Bond Proposal Cut Back," *The News & Observer*, Raleigh, N.C., March 23, 1993, p. 1A.

³⁴ Stuart Leavenworth, *The News & Observer*, Raleigh, N.C., Dec. 25, 1992, p. 1A. Leavenworth notes that the ranking is based on the Pollution Standards Index, which contains the average presence of five pollutants over a year-long period and is intended to gauge chronic pollution levels in major cities. Air quality more typically is gauged by how many days the presence of a particular pollutant exceeds EPA standards.

³⁵ U.S. Census Bureau, *Summary Social, Economic and Housing Characteristics*, Washington, D.C., May 1992, Table 6, p. 107.

³⁶ *Ibid.* at Table 5, p. 75.

³⁷ U.S. Census Bureau, *Summary Population and Housing Characteristics, United States Summary*, Washington, D.C., March 1992, Table 1, pp. 1-59. For 1980 figures: U.S. Census Bureau, *General Population Characteristics*, Washington, D.C., Table 14, p. 12, Table 67, p. 174. U.S. Census Bureau, *Summary of General Characteristics, North Carolina*, Washington, D.C., Table 43, pp. 146-147.

³⁸ For a discussion of the implications of this trend, see Bill Finger and Jack Betts, "Attracting Retirees to North Carolina," *North Carolina Insight*, Vol. 8, No. 1 (September 1985), pp. 55-59.

³⁹ Haas says it's a myth that retiree in-migrants don't support bond issues for education. He says his own research—analyzing bond referendums for public education between 1969 and 1988—indicated that counties with high levels of in-migration were more likely to approve bond issues than were the rest of the state's counties. A poll taken prior to a June 8, 1993, bond referendum for schools in Wake County, however, indicates at least some increase in opposition to school bonds with age. Among respondents 40 or older, 61.6 percent opposed the

bonds. Only 40.9 percent of those respondents under 40 opposed the bonds.

⁴⁰U.S. Census Bureau, *General Population Characteristics, North Carolina*, Washington, D.C., June 1992, Table 1, pp. 1-2.

⁴¹*N.C. Population Projections*, Office of State Planning, p. 55.

⁴²George C. Myers, "Demography of Aging," *Handbook of Aging and Social Sciences*, Third Edition, Robert H. Binstock and Linda K. George, eds., Academic Press, Inc., 1990, p. 32.

⁴³U.S. Census Bureau, Summary Tape File 3, Poverty Status in 1989 by Sex and Age, pp. 117-188.

⁴⁴U.S. Census Bureau, *Summary Social, Economic, and Housing Characteristics, North Carolina*, Washington, D.C., May 1992, Table 10, pp. 174-175. These counties are: Columbus, 37.8 percent; Madison, 36.0 percent; Caswell, 34.5 percent; Warren, 32.6 percent; Robeson, 32.4 percent; Bertie, 32.3 percent; Alleghany, 31.7 percent; Tyrrell, 31.6 percent; Sampson, 31.2 percent; Bladen, 31.1 percent; and Martin, 31.0 percent.

⁴⁵Waldo et al., "Health Expenditures by Age Group, 1977 and 1987," *Health Finance Review*, Vol. 10, No. 4 (Summer 1989), p. 118.

⁴⁶*North Carolina Population Projections*, Office of State Planning, Raleigh, N.C., Summer 1992, p. 2.

⁴⁷*North Carolina Aging Services Plan*, p. 11. The Division of Aging has since released an updated version of the plan.

⁴⁸*Ibid.* at p. 27.

⁴⁹*Ibid.* at p. 24.

⁵⁰For a thorough discussion of how North Carolina nursing homes are regulated, see Tinker Ready, "Carrots, Sticks, and North Carolina's Nursing Homes: Regulatory Program Satisfies Few," *North Carolina Insight*, Volume 14, No. 1 (May 1992), pp. 20-45.

⁵¹*North Carolina Aging Services Plan*, at p. 150.

⁵²U.S. Census Bureau, *General Population Characteristics, North Carolina*, Washington, D.C., May 1992, Table 3, p. 15; for 1980 total: U.S. Census Bureau, *General Population Characteristics, North Carolina*, Washington, D.C., May 1983, Table 15, p. 35-14.

⁵³Rob Gurwitz, "Back to the Melting Pot," *Governing*, June 1992, p. 33.

⁵⁴*Ibid.* at p. 32.

⁵⁵*Report Card 1992: The State of Schools Systems in North Carolina*, N.C. State Board of Education, January 1993, p. 990.

⁵⁶U.S. Census Bureau, 1990 Census of Population and Housing, Summary Tape File 3, p. 19.

⁵⁷Now codified as G.S. 145-12.

⁵⁸U.S. Census Bureau, Summary Tape File 3, 1990 Census of Population and Housing, pp. 117-188.

⁵⁹Data on Hispanic health issues is taken from *The State of Hispanic Health*, National Coalition of Hispanic Health and Human Services Organizations, Washington, D.C., 1992, pp. 21-57.

⁶⁰U.S. Census Bureau, Summary Tape File 3, 1990 Census of Population and Housing, Population: Poverty Status, North Carolina, pp. 117-118; See also Summary Tape File 3, Table 3. Income and Poverty Status in 1989-1990, United States.

⁶¹The Census Bureau derives per capita income by dividing the total income of a particular group by the total population in that group. If per-capita earnings appear lower than prevailing wages, it is because the total population for a particular group may include many people who have no earnings, such as children.

⁶²U.S. Census Bureau, Summary Tape File 3, Table 3. Income and Poverty Status in 1989-90, pp. 117-188; *General Social and Economic Characteristics, North Carolina*, Wash-

ington, D.C., June 1983, Table 81, p. 35-84; *General Social and Economic Characteristics, United States Summary*, Washington, D.C., December 1983, Table 107, p. 1-78.

⁶³As evidence, Harris cites a January 1993 study commissioned by the N.C. General Assembly that found \$389 million in highway contracts should have been awarded to businesses owned by minorities and women. For more, see *Study of Minority and Women Business Participation in Highway Construction*, MGT of America, Inc., Chapel Hill, N.C., January 26, 1993.

⁶⁴For an evaluation of North Carolina job training programs, see Bill Finger and Jack Betts, "Off the Dole and Onto the Payroll: Do Jobs Programs Get People Out of Poverty?" *North Carolina Insight*, Vol. 11, Nos. 2-3 (April 1989), pp. 64-93. See also Mike McLaughlin, "The Family in Poverty: Working and Still Poor," pp. 94-105 in the same edition, for an analysis of the plight of the working poor. For more on the issue of work force preparedness, see 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.

⁶⁵Daniel D. Mahoney, Managing Director, DRI/McGraw-Hill, "North Carolina in 2010: Discussion of Major Trends," presentation to the Office of Policy and Planning, N.C. Department of Administration, Feb. 23, 1990. Some question Mahoney's estimate, as the state had a total of 830,000 manufacturing jobs in May 1993.

⁶⁶As discussed in 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. 23-26.

⁶⁷U.S. Census Bureau, *General Social and Economic Characteristics, North Carolina*, Washington, D.C., June 1983, Table 71, p. 35-66.

⁶⁸Jennifer Ffrench Parker and Ted Mellnik, "Wage Gaps Persist in Carolinas Jobs," *The Charlotte Observer*, Charlotte, N.C., April 17, 1993, p. 1A.

⁶⁹U.S. Census Bureau, *General Social and Economic Characteristics, United States Summary*, Washington, D.C., May 1983, Table 107, p. 1-78 for 1979 figure. U.S. Census Bureau Summary Tape File 4, Table PB93B, for 1989 figure.

⁷⁰U.S. Census Bureau, 1990 Census of Population and Housing, Summary Tape File 3, pp. 117-188.

⁷¹*Ibid.*

⁷²The Sex Equity Grant program awards grants to North Carolina community colleges for programs to recruit and train women for trades in which they do not traditionally work in great numbers. A total of \$286,000 has been awarded by the N.C. Department of Community Colleges to 16 colleges for programs for the 1993-94 school year.

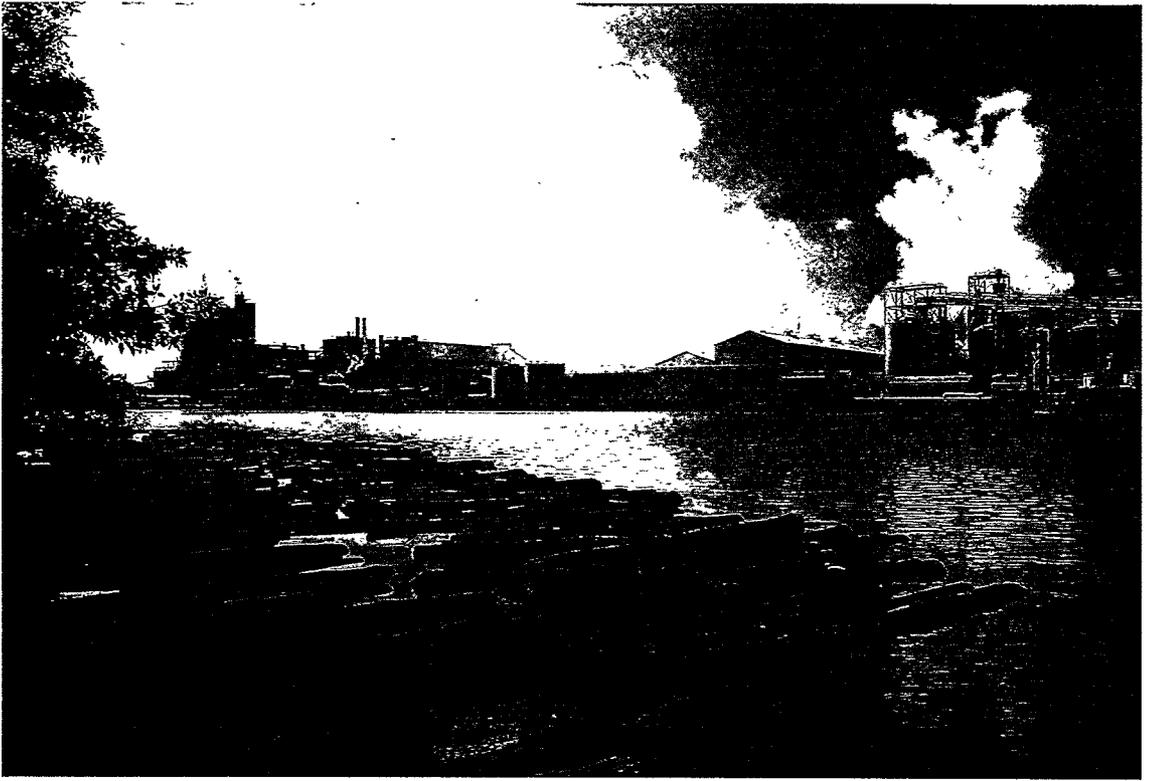
⁷³U.S. Census Bureau, *Summary Social, Economic, and Housing Characteristics, North Carolina*, Washington, D.C., May 1992, Table 5, p. 75.

⁷⁴U.S. Census, *General Social and Economic Characteristics*, Washington, D.C., June 1983, Table 67, p. 35-62; Table 103. Labor Force Characteristics: 1980, U.S. Summary, p. 1-72; 1990 figures from *Summary Social, Economic, and Housing Characteristics*, Table 6. Employment Status and Journey to Work Characteristics: 1990, North Carolina, p. 107.

⁷⁵*Meeting the Childcare Promise*, N.C. Child Advocacy Institute, Raleigh, N.C., December, 1992, p. 6.

⁷⁶Hunt's child-care initiatives were enacted by the General Assembly in the budget bill (S.B. 27, Chapter 321, sec. 254 of the 1993 Session Laws) and in H.B. 720 (Chapter 432 of the 1993 Session Laws).

⁷⁷Katherine Barrett and Richard Greene, "The State of the States," *Financial World*, May 11, 1993, p. 56.



Ken Taylor, N.C. Wildlife Resources Commission

CENTER UPDATE

State Environmental Index Still On The Drawing Board

by Tom Mather

In October 1988, the N.C. Center for Public Policy Research called on state government to produce an "environmental index" that would chart the health of North Carolina's air, water, soils, and other natural resources. That challenge was accepted by former Gov. Jim Martin, who endorsed the idea in his 1989 Inaugural Address and later appointed a blue-ribbon panel to develop guidelines for a state environmental indicators report. But the Martin administration did little to follow through with the proposal, due in part to revenue shortfalls in state government. Now, the future of the program is uncertain under the new Hunt administration, which faces ongoing budget constraints.

Two years ago, North Carolina appeared well on its way to becoming the first state to devise a set of indicators that would track the condition of its environment and natural resources. Now, the proposed environmental index lies in a bureaucratic limbo—still alive on paper, but foundering for lack of money, staffing, and administrative support.

Former Gov. Jim Martin proposed the environmental index in his 1989 Inaugural Address, crediting the idea to articles published in *North Carolina Insight*.¹ The index, as proposed in *Insight*, would consist of a series of indicators for gauging environmental quality—similar in concept to the leading indicators used to track the health of the nation's economy. Indicators would include objective measures that could show trends in environmental quality or the condition of natural resources. They would differ from regulatory

standards, which are legally defined limits for specific pollutants based on actual or perceived health and environmental effects.

"If you're old enough to cash a paycheck, chances are you can understand and appreciate the basic economic indicators that are published regularly—the inflation rate, the unemployment rate, and interest rates," Center Director Ran Coble said at the time. "But the state has not chosen to publish regular indicators on whether North Carolina's environment is getting better or worse in terms of air quality, water quality, use of land resources, or how we are handling hazardous wastes. The need for a North Carolina Environmental Index—one that could make comprehensive and comparative judgments about our environment—is clear."

Tom Mather is associate editor of North Carolina Insight.



**Former Governor
Jim Martin saluting
during the parade at
his 1989
inauguration.**

Karen Tam

The Center recommended that the state legislature appropriate funds for an index in the 1989–90 session and that the Department of Natural Resources and Community Development (now named the Department of Environment, Health, and Natural Resources) begin publishing the index in 1991. For a while, it looked like that might happen. Governor Martin applauded the Center's proposal during his January 1989 inaugural speech, saying: "I am impressed with this concept, and propose to establish a statewide effort to evaluate the quality of our air, water, and land resources."² Martin later appointed a "blue ribbon" panel on environmental indicators, which released its recommendations in December 1990.³ At the time, state officials called the plan a model for the nation, while seeking monetary support from the U.S. Environmental Protection Agency.

Yet, more than four years after Martin's endorsement, the state still hasn't published its first environmental index and has no firm schedule for doing so. Meanwhile, at least four other states have completed their own indicator reports—dropping North Carolina from front-runner status to one of a pack of states considering such an index. (See the accompanying article, "Other States Move Forward With Environmental Index Reports," on p. 63, Table 1, p. 53, and Table 2, p. 56.)

"There are now about 10 states in a similar situation, saying they want to do something like this," says Kim Devonald, chief of the EPA's Environmental Results Branch in Washington, D.C. "Washington, Oregon, Kentucky, and Florida all have actually produced environmental indicators reports. They didn't get any federal money; they just went ahead and did it."

Project Slowed by Lack of Money, Staff

Despite the slow progress, state officials say they haven't given up on the project. Delton Atkinson, director of the State Center for Health and Environmental Statistics (SCHES), says that his agency has laid the groundwork for producing an indicators report by hiring staff and acquiring computers and other equipment. But he acknowledges that progress has been slow.

"It's indeed taking a long time," Atkinson says of the index report. "It's not on hold, but it's a very, very slow process. It's been interesting, because we've been doing it on a budget of almost nothing. But I think we've got some pieces in place, and we want to build on that."

The Department of Environment, Health, and Natural Resources plans to issue its first environmental indicators report in late 1993 or early 1994, according to project coordinator David Vogt, who is chief of the SCHES's Environmental Statistics and Geographic Information Systems Section. But that timetable, Vogt says, is highly dependent on two factors: funding and staff support. "We're going to do the best we can do with the money we've got," he says, while noting: "There's been no money appropriated to do the report."

Vogt is the department's only employee now assigned to the project, and he says that developing the index represents just a portion of his total responsibilities. In January 1993, Vogt wrote a memo to the department's outgoing secretary, Bill Cobey, summarizing progress on the project and proposing a list of environmental indicators to be included in the initial report.⁴ (See Table 2, p. 56, and Table 3, p. 58.)

Vogt's initial proposal includes about 30 indicators in five general categories: air quality, water quality, groundwater, hazardous waste, and solid waste. His list omits several broad topics—such as wildlife, fisheries, forestry, land use, and radioactive waste—and it is much less detailed than the lists recommended by Governor Martin's blue-ribbon panel and the North Carolina Center for Public Policy Research. (See Table 2, p. 56.) For example, the air quality indicators proposed by Vogt include five major pollutants: carbon monoxide, ozone, sulfur dioxide, nitrogen dioxide, and particulate matter. In contrast, the governor's panel recommended those five indicators as well as measures of lead, visibility, acid precipitation, toxic air emissions, motor vehicle emissions, airborne radioactivity, and radon gas.

Nevertheless, Vogt says the department would have trouble compiling even his pared-down list with its existing staff and funding. To complete the index in a timely fashion and update it every two years, he says, the department would need to hire at least one full-time statistician—at a minimum cost of about \$60,000 a year, including money for computers, equipment, and travel expenses. That cost is comparable to what other states have spent producing similar reports. (See the accompanying article, "Other States Move Forward With Environmental Index Reports," p. 63, and Table 1, p. 53.)

"What we really need from somebody—the federal government or the state—is the amount of money needed to support one full-time position to work on the environmental indicators program,"

Table 1. State Environmental Reports

State, Agency	Report Name	Cost (est.)	Environ. Indicators (number)	Narrative Discussion	Management Issues ¹	Goal Setting ²
FLORIDA Department of Environmental Regulation	"Strategic Assessment of Florida's Environment"	\$50,000	Yes (124)	Limited	Yes	No
KENTUCKY Environmental Quality Commission	"State of Kentucky's Environment"	\$80,000	Yes (about 300)	Extensive	Yes	No
NORTH CAROLINA Department of Environment, Health, and Natural Resources	"State of the Environment"	Not Avail.	Yes (about 35) ³	Extensive	Yes	No
OREGON Progress Board	"Oregon Benchmarks"	Not Avail.	Yes (about 20)	Limited	Yes	Yes
WASHINGTON Department of Ecology	"State of the Environment"	\$75,000-\$100,000	Yes (about 10)	Extensive	Yes	Yes

¹ Report includes discussions and/or indicator charts dealing with management issues such as expenditures on various environmental programs, numbers of regulatory actions taken, and numbers of licenses issued.

² Report sets targets or goals dealing with environmental conditions or management programs.

³ The "North Carolina State of the Environment Report, 1991" includes about 35 charts showing indicators for various environmental conditions and management programs. However, the department has not consistently tracked the same indicators in previous editions of the report and currently has no plans to do so.



An environmental index could show whether discharges of water pollutants into the state's streams and lakes are increasing or declining.

Vogt says. "I'm essentially the only person working on environmental indicators. We're limited right now by the lack of staff as far as what we can do with the environmental indicators report."

Vogt had hoped to pay for an additional position with a \$48,000 grant he had sought from the U.S. Environmental Protection Agency. But the EPA, in the face of tighter federal budgets, has backed away from helping pay for the project. "We were supposed to be a model state, as far as the country goes, to do indicators," Vogt says. "But [the EPA's] dollars are getting much tighter. So they're shifting more and more to strategic planning and comparative risk—and environmental indicators falls out within that framework."

Devonald, the EPA administrator, says that other states have produced index reports while facing budget constraints comparable to North Carolina's. "I really felt that North Carolina had the makings of a really good program," Devonald says, while noting that the state of Kentucky produced a report within months after receiving a briefing on the North Carolina proposal. "It was

surprising—in one year, Kentucky had produced this really good report. While in North Carolina, it seems that the environmental agency did not allocate the same amount of staff time or support to get this thing done."

Vogt agrees that the North Carolina project has gone slower than anticipated. But he says it's not fair to compare the proposed North Carolina report with those done in other states. "I've seen the Washington and Oregon reports, and they're basically 'State-of-the-Environment' reports—which we've already done. Although these reports contain indicators data, that information is not presented as in-depth analyses. Thus, I do not consider them as full-fledged environmental indicators reports. They're more or less piecing together odds and ends. So that's a little misleading." Devonald disagrees with that assessment, and a Center review of reports from other states shows that they all include environmental indicators data—with widely varying levels of detail. (See the article, "Other States Move Forward With Environmental Index Reports," on p. 63, and Table 2, p. 56.)

Environmental Index Would Focus On Resources, Not Management

The State of the Environment report that Vogt refers to is a document describing North Carolina's environmental *policies and programs* that the department has published biennially since 1987. The General Assembly directed the department to produce a report "on the state of the environment" every two years under G.S. 143B-278.1, enacted in 1985. The reports, published in 1987, 1989, and 1991, have focused on regulatory policies and programs.⁵ However, the reports do contain some general information on environmental trends and problems.

In the 1988 *Insight* article, the Center praised the department's 1987 report for including much valuable information on water quality permits, land-use plans, dredge and fill permits, sedimentation permits, and other environmental management efforts. But the Center said the focus on managing and regulating the environment was one step removed from measuring the actual progress or decline in environmental resources themselves. In other words, the *inputs* for managing a resource do not necessarily reflect the *outcome* on that resource.

An environmental index, as envisioned by the Center, would complement the biennial State of the Environment report mandated by the legislature. The Center proposed that the state begin with indicators for air, water, and land resources—eventually expanding to such areas as wildlife, parks and recreation, and wastes (radioactive, hazardous, and solid). (See Table 2, p. 56.) The Center recommended that the index have at least three components: 1) *quantitative measures* of key environmental resources; 2) *data for a span of years*, to indicate trends over time; and 3) *narrative discussions* that interpret the information for the pub-

lic, analyze whether the indicators show improvements or degradations in the environment, and present management options. The Center also recommended that the department compile the index annually, use reliable data, and present the information in a format simple enough for the average citizen to understand.

Environmental Index Could Have Many Benefits

Proponents cite a number of reasons for producing an environmental index. Most importantly, it would help the state identify key environmental problems and focus more attention on them. It also could help settle disputes among bureaucrats, politicians, environmentalists, and business leaders about whether pollution problems are getting better or worse. (See Table 4, p. 60.) And it could provide state officials with invaluable feedback on the effectiveness of laws and regulatory programs.

"This is a win, win situation for everybody," says Dave Moreau, chair of Governor Martin's blue-ribbon panel on environmental indicators and director of the University of North Carolina's Water Resources Research Institute.⁶ "This is not simply a good idea. It is essential to the setting of environmental policy, to the allocation of financial resources, and to the administration of environmental programs. . . . The more I got into the project, it became clear that information of that kind is a necessity for administering the Department of Environment, Health, and Natural Resources. We run the risk of making costly errors in setting policy without the kind of information called for in the report."

The proposal has won support from environmentalists as well as business leaders. "I would be concerned about requiring another report from government agencies without providing additional support to the agencies to do the job," says Bill Holman, lobbyist for the Sierra Club and the Conservation Council of North Carolina. "But I think the environmental index is a tremendous opportunity to measure our progress or lack of progress in protecting the environment."

Anne Griffith, chief lobbyist and vice president for governmental and legislative affairs for N.C. Citizens for Business and Indus-



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—DAVE MOREAU,
DIRECTOR OF THE UNC WATER
RESOURCES RESEARCH INSTITUTE

Table 2. Comparison of Proposals for a North Carolina Environmental Indicators Report with Existing Reports from Other States

Major Indicator ¹ Categories	North Carolina Proposals ²			Other States ³			
	DEHNR	Governor	NC Center	Florida	Kentucky	Oregon	Washington
Air Quality	●	●	●	●	●	●	●
Acid Deposition		●	●		●		
Indoor Air, Radon		●			●		
Visibility		●					
Climate Change			●		●		
Water Quality	●	●	●	●	●	●	
Water Quantity		●	●	●	●	●	
Groundwater	●	●	●	●	●	●	
Hazardous Waste	●	●	●	●	●	●	
Radioactive Waste	●	●	●	●	●	●	
Solid Waste	●	●	●	●	●	●	
Recycling	●		●	●	●		
Pesticides	●	●		●	●	●	●
Population				●	●		●
Land Use		●	●	●	●	●	●
Forestry		●	●	●	●	●	●
Wetlands		●		●	●	●	
Fish & Wildlife		●	●	●	●	●	
Endangered Species		●	●	●	●	●	●
Parks, Natural Areas		●	●	●	●	●	
Mining		●			●		
Energy Use					●		●
Infrastructure				●	●	●	
Environ. Investment				●	●		
Public Perceptions				●			

¹ Reports may include many different indicators within major categories. For example, air quality may include separate indicators for various pollutants, such as ozone, lead, particulates, sulfur dioxide, nitrogen oxides, carbon monoxide, and toxics.

² North Carolina indicators as proposed by the following: DEHNR—David Vogt, memorandum to Secretary William Cobey regarding Environmental Indicators Program, Jan. 6, 1993, State Center for Health and Environmental Statistics, N.C. Department of Environment, Health, and Natural Resources. Governor—"Final Report and Recommendations of the Governor's Blue Ribbon Panel on Environmental Indicators," N.C. Department of Environment, Health, and Natural Resources, December 1990. N.C. Center—N.C. Center for Public Policy Research, "What Should Go in a North Carolina Environmental Index?" *North Carolina Insight*, Vol. 11, No. 1 (October 1988), pp. 26–28.

³ Indicators included in the following reports: "Strategic Assessment of Florida's Environment," Florida Department of Environmental Regulation, Office of Planning and Research, Tallahassee, Fla., March 1993. "State of Kentucky's Environment," Kentucky Environmental Quality Commission, Frankfort, Ky., 1992. "Oregon Benchmarks," Report to the 1993 Legislature, Oregon Progress Board, Salem, Ore., December 1992. "The 1991 State of the Environment Report," Washington State Department of Ecology, Olympia, Wash., July 1992.

try, says the primary value of an environmental index would be to help state officials set spending priorities for various regulatory programs. "I think probably the reason it has bogged down is the same reason you need the thing—and that is that there are no priorities." That view is echoed by George Everett, executive director of the Chemical Industry Council of North Carolina. "I certainly believe that everybody ought to support it," says Everett, former director of the state Division of Environmental Management. "In a time of limited dollars, the question is: Where are you going to spend not only environmental money, but all money? And that's where an environmental index is going to help. The resources are spread all over the place, and the agencies are trying to do too many things. In addition to letting people know the status [of the environment], it also gives you some direction."

A well-designed environmental indicators program also could support the push for more "results-oriented" government as called for by the state Government Performance Audit Committee, or GPAC.⁷ The panel, in its report to the 1993 General Assembly, identified a greater focus on results as one of the keys to improving the efficiency of state government.⁸ Indicators that objectively measure the results of environmental management programs—such as tracking the percentage of people who live in areas meeting air pollution standards—could help determine whether regulatory programs are working or not.

Doug Lewis, director of planning and assessment for the Department of Environment, Health, and Natural Resources, says that environmental indicators data could assist the department's decision-making from top to bottom. Such information, he says, could help in formulating goals, establishing priorities, evaluating risks, educating the public, developing management objectives, and measuring the success or failure of programs. "Underlying all of this is good information—environmental indicators that are accurate and reliable," Lewis says. "I tend to view environmental indicators as a foundation for the whole strategic planning process."

Budget Cuts, Lack of Administrative Support Contribute to Delay

Despite broad support for the indicators program, many observers are discouraged by the Department of Environment, Health, and Natural Resources's slowness in getting the project un-

"In a time of limited dollars, the question is: Where are you going to spend not only environmental money, but all money? And that's where an environmental index is going to help. The resources are spread all over the place, and the agencies are trying to do too many things."

—GEORGE EVERETT, EXEC. DIR.,
CHEMICAL INDUSTRY COUNCIL OF N.C. AND
FORMER DIRECTOR, STATE DIVISION OF
ENVIRONMENTAL MANAGEMENT

der way—although they blame much of that inertia on revenue shortfalls in state government. "There has been relatively little progress on it," says Moreau. "But there are two realities: One is the budget crunch; the other is the question of relative priorities given the other responsibilities that this department has to take care of."

Moreau faults department administrators for not making the environmental indicators project a higher priority and for bickering over details. "To get it done, I think it's going to need more leadership than the department has given it to date," he says. "You can debate format forever and ever. To resolve that is simply a matter of getting some leadership that says, 'We can't satisfy everybody with it, but this is how we're going to do it.' The commitment has to come from the top."

The department, Moreau says, should publish an initial report using relatively simple indicators drawn from the best available information and then refine the report in later editions. "I would really encourage them to start simple, but go ahead and start," he says. "I just think we need to move forward on it. We need to develop a factual basis for policy-making in North Carolina. Without that, we are left at the mercy of anecdotal information in setting policy."

Everett agrees that the department needs to make the index a higher priority. But he disagrees with the notion of producing an abbreviated report that could be added to later. "Attempting to simply get out an index with the intent of improving it later is a very dangerous approach," he says. "...

Table 3. Proposed Environmental Indicators for North Carolina¹

Air Quality

- Carbon Monoxide
- Ozone
- Sulfur Dioxide
- Nitrogen Dioxide
- Particulate Matter

Water Quality

- Dissolved Oxygen
- Nutrients (phosphorus and nitrogen)
- Turbidity
- Fecal Coliforms
- Conductivity
- Toxicity
- Total Suspended Solids

Groundwater

- Water Levels
- Pesticides
- Contaminants from Incidents

Hazardous Waste

- Total Waste Generation
- Waste Generation by Category (one-time cleanups, normal operating procedures, wastewater, etc.)
- Waste Generation by Industrial Classification
- On-site and Off-site Storage
- Waste Transportation

Solid Waste

- Total Waste Deposition
- Waste Deposition by Category (landfill or incineration)
- Landfills with Groundwater Contamination
- Types of Waste Reduction
- Waste Reduction Progress
- Number of Recycling Programs
- Total Waste Recycled

¹ Source: David Vogt, "Environmental Indicators Program," memo to Secretary William Cobey, N.C. Department of Environment, Health, and Natural Resources, Jan. 6, 1993, 11 pp. Governor James G. Martin's Blue Ribbon Panel on Environmental Indicators recommended a much more extensive list of indicators in its December 1990 report. For example, the air quality category included the five indicators above, as well as measures of lead, visibility, acid precipitation, toxic air emissions, motor vehicle emissions, airborne radioactivity, and radon and other indoor air pollutants. The report also recommended indicators for other broad topics, such as wildlife, fisheries, land use, and forestry.

I agree that the index must be simple for people to understand, but I also believe the index must have substantial scientific basis or it will be challenged as inadequate. Perhaps there needs to be an accurate, comprehensive index from which a simplified number can be generated for media use."

New Administration Pledges More Support, But Not Funding

Steve Levitas, the new deputy secretary of the Department of Environment, Health, and Natural Resources, says the Hunt administration considers the environmental indicators report an essential project. But he doesn't promise that the program will receive any more money than it did under the Martin administration.

"We are looking at a lot of ways to redirect resources and try to do our jobs better—and this is certainly one of them," says Levitas, a member of Governor Martin's blue-ribbon panel and former director of the N.C. Environmental Defense Fund, a private nonprofit conservation group. "Our biggest constraint, of course, will be finding the resources to do this job and do it well. No new resources were directed to this effort in the prior administration, and I don't know if we'll be able to find any for it. We've been able to make a lot of progress considering that there's been no additional money for it in the budget."

One of the main reasons the state hasn't produced an environmental index yet, he says, is that the project is much more complex than envisioned. Martin's blue-ribbon panel concluded that it wouldn't be meaningful to produce a simple environmental index—comparable, for example, to the index of leading economic indicators used to gauge the strength of the nation's economy. Instead, the panel proposed tracking a detailed list of environmental indicators falling under major categories such as air, surface water, groundwater, hazardous waste, and solid waste.

"We are very committed to producing something that is meaningful to the general public, but it's not likely to be a single snapshot about the environment," Levitas says. "It's just very complicated business. We don't want to be putting out a report on trends and data that in fact is not really communicating the whole story."



The Hunt administration sees the environmental index as much more than a tool for gauging environmental quality and identifying pollution problems, he says. "Our greatest goal will be to produce information that will help us set priorities and not just to produce more reports," Levitas says. "To be truly useful, we need to take this project the next step and look at how we evaluate risk and how we compare different kinds of environmental problems so we can set priorities. . . . This administration is committed to doing a better job of setting environmental priorities and making strategic decisions about how to allocate the limited resources we have—and the environmental indicators report is potentially a very valuable tool toward that end."

Recommendations

Former Governor Jim Martin deserves credit for endorsing the development of a state environmental index and establishing a panel to study the concept. Unfortunately, the Martin administration did little to follow through with the proposal. Despite four years of study, the state has nothing to show for its effort other than an outline proposed by the Department of Environment, Health, and Natural Resources. The state's recent budget shortfalls undoubtedly contributed to the delay, as well as the complexity of the subject. But similar budget problems haven't stopped four other states from making the modest financial commitment needed to start and complete environmental index reports during the time that North Carolina officials have been talking about the concept. Now it's time to produce.

The N.C. Center for Public Policy Research

"OUR GREATEST GOAL WILL BE TO PRODUCE INFORMATION THAT WILL HELP US SET PRIORITIES AND NOT JUST TO PRODUCE MORE REPORTS. TO BE TRULY USEFUL, WE NEED TO TAKE THIS PROJECT THE NEXT STEP AND LOOK AT HOW WE EVALUATE RISK AND HOW WE COMPARE DIFFERENT KINDS OF ENVIRONMENTAL PROBLEMS SO WE CAN SET PRIORITIES."

—STEVE LEVITAS

DEPUTY SECRETARY,
DEPARTMENT OF ENVIRONMENT,
HEALTH, AND NATURAL RESOURCES

Table 4. Why North Carolina Needs an Environmental Index

An environmental index would be based on a careful analysis of data over time. It could help state officials and lawmakers make rational judgments about where to spend money on environmental problems and could help settle disputes over whether our environment is improving or declining.

Using existing reports and data, one could cite evidence showing that:

The Environment Is Improving

1. North Carolina ranked 1st in surface water protection and 9th in overall environmental protection in a 50-state study by Renew America in 1988.¹
2. North Carolina tied for 3rd in a 50-state ranking of programs for protecting drinking water in a 1989 study by Renew America.²
3. Only 7 percent of North Carolina's residents lived in counties not meeting federal clean-air standards in June 1988, ranking the state 5th among the 50 states in a 1989 study by Renew America.³
4. The volume of low-level radioactive waste shipped for disposal dropped by 52 percent in North Carolina from 1985 to 1990, according to the state Department of Environment, Health, and Natural Resources.⁴
5. North Carolina increased its annual operating expenditures for its state parks by 72 percent from FY 1985-86 to FY 1990-91, according to the state Department of Environment, Health, and Natural Resources.⁵
6. North Carolina has retained about three-fourths (76 percent) of the 7.8 million acres of wetlands that originally covered the state, according to the state Department of Environment, Health, and Natural Resources.⁶

The Environment Is Being Degraded

1. North Carolina ranked 28th in water pollution problems and 23rd in overall environmental conditions in a 50-state analysis by the Institute for Southern Studies in 1991.⁷
2. North Carolina ranked 21st in the percentage of water systems in significant non-compliance with drinking water standards in a 50-state analysis by the Institute for Southern Studies in 1991.⁸
3. The Raleigh and Greensboro metropolitan areas were two of only 18 urban centers in the nation that violated federal standards for both ozone and carbon monoxide from 1987 through 1989, according to the U.S. Environmental Protection Agency.⁹
4. North Carolina generators shipped more low-level radioactive waste for disposal than any other state in the U.S. in 1987, according to the Institute for Southern Studies.¹⁰
5. North Carolina spends less money per capita on its state park system than virtually any other state, ranking 49th out of 50 in 1988, according to the National Association of Park Directors.¹¹
6. North Carolina has lost nearly half (49 percent) of the 11.1 million acres of wetlands that originally covered the state, according to the U.S. Fish & Wildlife Service.¹²

recommends the following measures to ensure that state officials follow through with the plan for an environmental index:

1) The North Carolina General Assembly should appropriate \$90,000 for the Department of Environment, Health, and Natural Resources to produce the index report. That amount would include funds for hiring and equipping the full-time researcher that department officials say is needed to produce the report, as well as money for graphics and printing. Such an appropriation would be a mere drop-in-the-bucket compared to the department's total expenses—amounting to less than .02 percent of the department's \$488 million budget proposed for FY 1993–94 and less than .0006 of the state's \$15.9 billion budget proposed for FY 1993–94.⁹

The environmental indicators program would go hand-in-hand with the push for more “results-oriented” government that the Government Performance Audit Committee called for in its report to the 1993 General Assembly. It also would be money well spent, as the index would help identify spending priorities and provide objective numbers for measuring the success or failure of programs for curbing pollution and managing natural resources. Finally, the \$90,000 figure compares favorably with the amounts spent by other states that have produced index reports—an estimated \$50,000 in Florida, \$80,000 in Kentucky, and \$75,000–\$100,000 in Washington.

2) The Hunt administration needs to make

the production of an environmental index a top priority and direct officials in the Department of Environment, Health, and Natural Resources to fully cooperate in the effort. The administration already has a detailed set of recommendations produced by Martin's blue-ribbon panel on environmental indicators. If those recommendations are too detailed to implement quickly, the department should select a set of key indicators to include in an initial report and then expand the list in subsequent editions.

The list of indicators proposed by program administrator David Vogt is a good starting point, but it excludes important areas—such as wildlife, land use, radioactive waste, and inactive hazardous waste sites—that should be included in a comprehensive index. As a goal, the department should try to compile a wide-ranging list of indicators as included in the index reports for Kentucky and Florida. Indeed, the department could compile a comprehensive and detailed list of indicators from *existing* data sources without having to collect any new information.¹⁰ □ □ □

* * *

Editor's Note: After reviewing a draft version of this article, Rep. Karen Gottovi (D-New Hanover)—in consultation with the N.C. Department of Environment, Health, and Natural Resources—introduced a bill (H.B. 1463) that would allocate \$90,000 to the department for the preparation of a state environmental index. Budget conferees for the House and the Senate reduced the amount to \$50,000, which was included in the legislature's final budget bill, Chapter 321 of the 1993 Session Laws (S.B. 27), ratified July 9, 1993.

FOOTNOTES

¹ Scott Ridley, “The State of the States, 1988,” *Renew America*, Washington, D.C., February 1988.

² Scott Ridley and Rick Piltz, “The State of the States, 1989,” *Renew America*, Washington, D.C., February 1989.

³ *Ibid.*

⁴ “North Carolina State of the Environment Report, 1991,” N.C. Department of Environment, Health, and Natural Resources, Raleigh, N.C., p. 19.

⁵ *Ibid.*, p. 24.

⁶ “Original Extent, Status and Trends of Wetlands in North Carolina,” Report to the N.C. Legislative Study Commission on Wetlands Protection, N.C. Department of Environment, Health, and Natural Resources, Sept. 1991, pp. i–ii.

⁷ Bob Hall and Mary L. Kerr, “1991–1992 Green Index,” Institute for Southern Studies, Durham, N.C., 1991, pp. 4–5.

⁸ *Ibid.*, p. 38.

⁹ The Associated Press, “Cities flunking smog tests,” *The News & Observer*, Raleigh, N.C., Aug. 17, 1990, p. 8A.

¹⁰ Hall and Kerr, p. 53.

¹¹ See Bill Krueger and Mike McLaughlin, “North Carolina's State Parks: Disregarded and in Disrepair,” *North Carolina Insight*, Vol. 11, No. 1 (October 1988), pp. 31–46.

¹² Thomas E. Dahl, “Wetland Losses in the United States, 1780's to 1980's,” Report to Congress, U.S. Department of the Interior, Fish & Wildlife Service, Washington, D.C., August 1990, 21 pp.

FOOTNOTES

¹ 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.

² Martin's address, as reprinted in *The News & Observer* of Raleigh, N.C., Jan. 8, 1989, p. 8A, referred to the Center's proposal as follows:

"Along with better schools, better roads and better jobs, we must also get serious about better environmental protection. That means that we must do what it takes to identify the more serious environmental problems, and to apply our resources to deal with the real wolves rather than chasing after rabbits.

"How can we tell the difference? The N.C. Center for Public Policy Research has recommended taking an environmental index, both to assess the state of the environment of the state and to provide a quantitative basis for tracking our progress in dealing with it. Mecklenburg County has already launched a countywide program.

"I am impressed with this concept, and propose to establish a statewide effort to evaluate the quality of our air, water, and land resources. I will appoint a blue-ribbon panel of citizens from a cross-section of backgrounds from all across the state.

"They will hold a series of hearings, and submit recommendations for standards and for action, and help us set measurable targets for improvement, so that we can know whether we are doing something useful."

³ "Final Report and Recommendations of the Governor's Blue Ribbon Panel on Environmental Indicators," N.C. Department of Environment, Health and Natural Resources, December 1990, 51 pp. For more on the panel, see Tom Mather, "Panel urges study to assess environmental status," *The News & Observer*, Raleigh, N.C., Feb. 6, 1991, p. 3C; and "Panel to track N.C. resources with 'environmental indicators,'" *The News & Observer*, Oct. 23, 1989, p. 1C.

⁴ David Vogt, memorandum to Secretary William Cobey regarding Environmental Indicators Program, Jan. 6, 1993, State Center for Health and Environmental Statistics, N.C. Department of Environment, Health, and Natural Resources.

⁵ The department was preparing, but had not yet released, the 1993 State of the Environment report at publication time.

⁶ Other panel members were: Sen. Betsy Cochrane (R-Davie); Rep. Marie Colton (D-Buncombe); G. Douglas Carroll, director of the joint planning board for Winston-Salem and Forsyth County; Ellis Cowling, professor of natural resources at N.C. State University; Jerry Cox, a Belhaven farmer; Richard Dunford, senior economist at Research Triangle Institute; Richard Hargitt, area manager for health and environmental affairs with E.I. DuPont de Nemours & Co. in Kinston; Ladson Hart, a Brevard attorney; Milton Heath, professor and assistant director of the Institute of Government at UNC-Chapel Hill; Steve Levitas, then director of the N.C. Environmental Defense Fund and now deputy

director of the N.C. Department of Environment, Health, and Natural Resources; Charles Manooch, research biologist with the National Marine Fisheries Service in Beaufort; and Daniel Okun, professor emeritus of environmental engineering at UNC-CH.

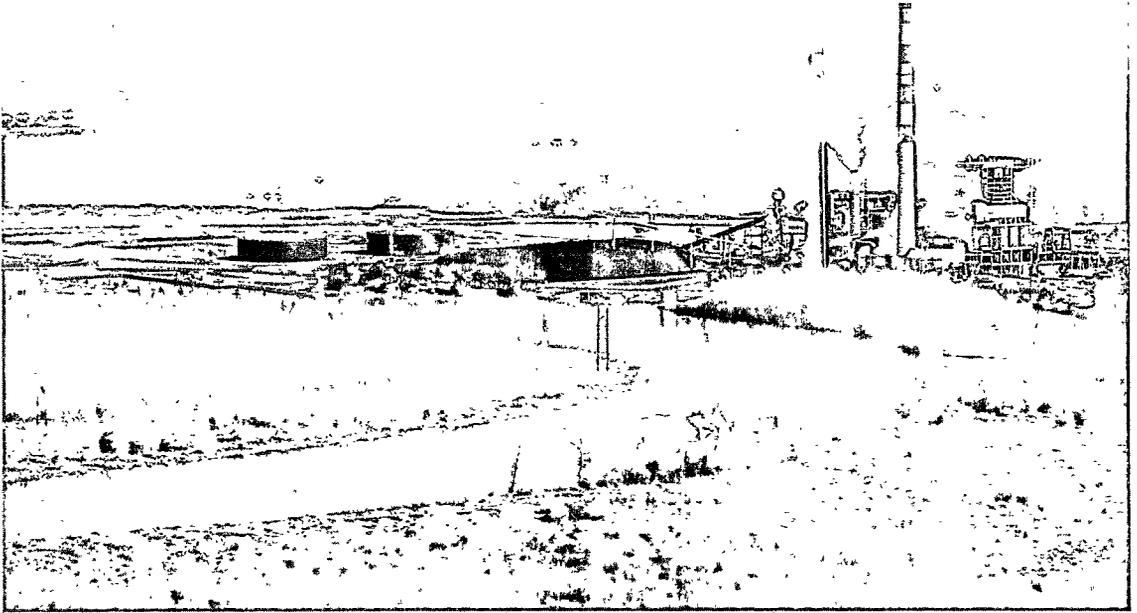
⁷ The legislature created GPAC in dealing with the state's 1991 budget crisis under Chapter 689 of the 1991 Session Laws (H.B. 83), Sec. 347.

⁸ See "Our State, Our Future," Report of the North Carolina Government Performance Audit Committee, N.C. General Assembly, Raleigh, February, 1993, pp. 31-37.

⁹ The department's \$488 million total budget proposed for FY 1993-94 includes \$207 million in General Fund appropriations, \$203 million in federal funds, \$5 million in highway funds, and \$72 million in other funds, such as receipts from fees and licenses. Department and state budget numbers are taken from *The North Carolina State Budget, 1993-95 Biennium*, Governor James B. Hunt Jr., Supplemental Budget Recommendations, February 1993, p. 3.

¹⁰ The Governor's Blue-Ribbon Panel on Environmental Indicators identified numerous existing data sources that could be drawn from in its December 1990 report. In addition, the Department of Environment, Health, and Natural Resources in November 1991 published a report, "North Carolina Inventory of Environmental Data Sets," that outlines existing data sources in great detail.





N.C. Wildlife Resources Commission

An environmental index could track emissions of sulfur dioxide and other air pollutants from industries, autos, and other sources.

Other States Move Forward with Environmental Index Reports

Four states recently have produced reports that could serve as useful guides for North Carolina's long-awaited environmental index. Kentucky, Florida, Washington, and Oregon have published documents that focus on environmental indicators to varying degrees—although several of those reports resemble in part North Carolina's "State of Environment" report, a review of environmental policies and programs that the state has produced biennially since 1987. (Highlights of those reports are summarized in Table 1, p. 53, and Table 2, p. 56.)

Kentucky

Kentucky probably has come the closest to producing an environmental index report as envisioned for North Carolina—and for good reason. The recommendations of Governor Martin's blue-

ribbon panel on environmental indicators were among the documents and information that Kentucky officials reviewed in preparing their report, "State of Kentucky's Environment: A Report of Progress and Problems."¹

In essence, the Kentucky report combines management and policy information, as provided in North Carolina's "State of the Environment" report, with nearly 300 charts showing key environmental indicators and text interpreting that information. The indicators cover seven major categories: water resources, air quality, toxics, energy, coal mining, waste management (including hazardous, solid, special, medical, and low-level radioactive wastes), and natural resources (including land use, agriculture, forestry, natural areas, fish and wildlife, and threatened and endangered species). The report was prepared by the Kentucky Environmental Quality Commission, an in-

dependent citizen advisory board to the governor.

"In the report, we review both current conditions as well as trends and what they tell us," says Leslie Cole, executive director of the Kentucky commission. "We didn't require agencies to compile or collect new data. The data were all drawn from existing information. We started out with just the basics in our first report—to find out what information was out there. We plan to refine the environmental indicators in each subsequent report."

Like North Carolina's "State of the Environment" report, the Kentucky report was mandated by the state legislature. Unlike North Carolina, the Kentucky legislature appropriated \$5,000 to produce the report and provided the extra staff needed to complete the project. The project also was supported by \$45,000 in grants from a private foundation and two colleges. "We were provided two additional staff," Cole says. "So, we had four individuals working on it. It took about a year-and-a-half to put the first report together." In total, Cole estimates the report cost about \$80,000 to produce, including equipment, printing costs, and staff salaries and benefits.

Despite such costs, she says, Kentucky lawmakers see the project as a means to help the state spend money more efficiently on environmental problems. "We put a great deal of funding into our environmental programs," she says. "I think the legislature was interested in seeing if these investments were achieving results."

Florida

Florida also has produced a detailed environmental indicators report, titled "Strategic Assessment of Florida's Environment." The thick document includes 124 indicators in nine major categories: land use, water quality, water quantity, air quality, wildlife, waste management, infrastructure, environmental investment, and public perception.² The report is perhaps the truest example among the states of an environmental index and contains in-depth and wide-ranging information over multi-year time spans. Yet the Florida report contains very little text to interpret data, explain trends, or discuss management options. It is essentially an in-house document prepared to assist government administrators, rather than to educate the public.

"Ours has been very much an internal effort, really designed much more as an internal planning document," says Gil Bergquist, planning and research administrator for the Florida Department of

Environmental Regulation. "There's absolutely no attempt to integrate that report into any type of narrative or discussion. If you want to get anything out of that report, you've got to sit down and study it."

The Florida agency produced the report on its own initiative over a three-year span. It compiled the report using existing staff—aided by a \$50,000 federal grant that funded an initial planning study at the University of South Florida. "There was very little out of that [planning study] which was of any particular use," Bergquist says. "Once we got past that original \$50,000, it was done without any state appropriation—whatsoever. I don't necessarily recommend that, because it takes a lot longer to do it. But we produced a good product."

Oregon

Oregon has produced perhaps the most intriguing and unique report, titled "Oregon Benchmarks."³ The Oregon Legislature mandated the report in 1989, while establishing the Oregon Progress Board to produce the document every two years. Essentially, "Benchmarks" is a report card that sets standards for measuring statewide progress and government performance.

As Oregon Governor Barbara Roberts describes it, "In state government the benchmarks have already been adopted as a tool for stating concrete objectives, setting program and budget priorities, and measuring performance. They are helping our agencies to focus differently, work more closely together, and make better use of existing resources."⁴

Unlike the other state index reports, "Benchmarks" cuts across all branches of state govern-

"We put a great deal of funding into our environmental programs. I think the legislature was interested in seeing if these investments were achieving results."

—LESLIE COLE
EXECUTIVE DIRECTOR
KENTUCKY ENVIRONMENTAL QUALITY
COMMISSION

ment, including 272 indicators (or benchmarks) for measuring progress in three broad areas: people, quality of life, and the economy. The environment falls within the "quality of life" category, which includes about 20 indicators under the broader topics of air, water, land, and plants, fish and wildlife.

For each benchmark, the report shows trends for preceding years (where available) and sets goals for future years. For example, one of the benchmarks for air quality is the "percentage of Oregonians living where the air meets government ambient air quality standards." The benchmark shows a mixed trend: the number increased from 33 percent in 1970 to 89 percent in 1990, but dropped to 50 percent in 1992. The report also sets a goal of 100 percent for the years 1995, 2000, and 2010.

Although the report's environmental indicators are not as detailed as in other state reports, Oregon officials say the report has had an impact on the administration of environmental programs. "These benchmarks have been really important with regards to setting priorities," says Elana Stampfer, a special assistant to the director of the Oregon Department of Environmental Quality in Portland. "If a program is designed to help us meet a benchmark, it gets special attention from the legislature—and, in the current budget process, it stands a better chance of being funded." The department could not provide an estimate of the cost for compiling environmental indicators for the "Benchmarks" report.

Washington

Washington produces a report that is more like North Carolina's "State of the Environment" report than an environmental index. In fact, the Washington document is titled "The 1991 State of the Environment Report," and it largely focuses on management and regulation of resources.⁵ Like "Oregon Benchmarks," the Washington report sets goals for the future—but those goals focus on management actions rather than setting specific measures of environmental quality to be achieved.

Nevertheless, the Washington report does contain some elements of an environmental index. The report has narrative discussions of trends for resource categories and charts for selected environmental indicators, such as commercial fish landings, amounts of timber harvested, and energy use per capita. Categories covered in the report include: air quality, water, land use (agriculture, rangelands, forests, urban, shorelands, recreation,

"These benchmarks have been really important with regards to setting priorities. If a program is designed to help us meet a benchmark, it gets special attention from the legislature—and, in the current budget process, it stands a better chance of being funded."

—ELANA STAMPFER,
SPECIAL ASSISTANT TO DIRECTOR
OREGON DEPARTMENT OF ENVIRONMENTAL
QUALITY IN PORTLAND

and wetlands), fish and wildlife, and "cross issues" (energy, global climate change, recycling, litter, hazardous substances and waste, pesticides, underground storage tanks, spills, toxic waste sites, contaminated sediments, and radioactive waste).

Washington's 1993 "State of the Environment" report, to be published later this year, will include 10 to 20 key environmental indicators and trends, says Philip Miller, comprehensive planning manager for the state Department of Ecology. "We want a succinct list, a selected list of indicators," he says. Miller estimates that it costs his agency between \$75,000 and \$100,000 to produce the report every two years, including staff time, materials, and printing costs.

—Tom Mather

FOOTNOTES

¹ "State of Kentucky's Environment: A Report of Progress and Problems," Kentucky Environmental Quality Commission, Frankfort, Ky., 1992, 332 pages.

² Gilbert Bergquist and Peter Goren, "Strategic Assessment of Florida's Environment: Final Review Indicator Manual," Florida Department of Environmental Regulation, Office of Planning and Research, Tallahassee, Fla., March 1993 (pages not numbered).

³ "Oregon Benchmarks," Report to the 1991 Oregon Legislature, Oregon Progress Board, Salem, Ore., January 1991, 36 pp., plus appendix.

⁴ Quoted from a letter of introduction in "Oregon Benchmarks," Report to the 1993 Legislature, Oregon Progress Board, Salem, Ore., Dec. 1992 (no page number).

⁵ "The 1991 State of the Environment Report," Washington Department of Ecology, Olympia, Wash., July 1992, 139 pp.



High Court Ruling Expands North Carolina's Public Records Law

by Liz Clarke

The state Supreme Court, in a landmark decision in 1992, broadly interpreted North Carolina's Public Records Law—making it harder for government agencies to withhold records from the public. The Court ruled that the Poole Commission, a panel appointed by UNC President C.D. Spangler Jr. to investigate charges of wrongdoing in N.C. State University's basketball program, could not withhold its records from the press. The case, News & Observer v. Poole, could have important implications for state and local governments.

In 1983, North Carolina State University's basketball team won the national championship, defeating Houston 54–52 in one of the greatest upsets in NCAA history. Now, the former Wolfpack team has another claim to fame: It has helped enhance the meaning and stature of the state's Public Records Law.¹

On Jan. 10, 1992, the N.C. Supreme Court unanimously affirmed a broad policy of government openness by ruling that three categories of records compiled during a six-month investigation of N.C. State's basketball program were public, and by ordering those records disclosed for public inspection.² The 7–0 decision was the state Supreme Court's first comprehensive review of the Public Records Law since the state legislature enacted the statute in 1935.

Until *News & Observer v. Poole*, some would argue that North Carolina courts felt some degree of flexibility in crafting exceptions to the Public Records Law.³ The Supreme Court, however, made it clear that a record is public as long as there is no statute specifically exempting that record

from public inspection. The Court, despite arguments based on public policy and common law, refused in *Poole* to create new exceptions to the Public Records Law. That, the Court held, is strictly the province of the General Assembly.

Ruling a Victory for the Press

The case was a victory for the plaintiffs, which included The News & Observer Publishing Co., the North Carolina First Amendment Foundation, and the North Carolina Press Association. But its resolution highlights the shortcomings of using the deliberative nature of the court process to seek quick remedies for violations of the Public Records Law. By the time the records were released, public interest in the matter had waned. The NCSU investigation had been closed nearly three years. NCSU Chancellor Bruce Poulton had been fired, and Jim Valvano had been forced from his coaching job with a \$613,000 contract buyout.

As far as the newspapers were concerned, the time it took for the case to make its way through the courts stripped the decision of much of its impact. "In many respects, the thing was a net loss," says Raleigh attorney Hugh Stevens, who represented the plaintiffs. "I really think the citizenry was entitled to know not only what they found out, but to know it in a more timely fashion. This case is proof of the old adage that a delay can be tantamount to defeat, if you delay long enough. Justice delayed is justice denied."

Liz Clarke is a reporter with The Charlotte Observer. She previously covered higher education for The News & Observer of Raleigh.



Gene Furr, The News & Observer

Sam Poole, chair of Poole Commission and current chair of UNC Board of Governors.

Concerns over delays in the release of records, along with other issues raised in the *Poole* case, helped prompt the General Assembly to review the Public Records Law in its 1993 session.⁴ Although the Supreme Court decision strongly affirmed the presumption of openness in dealing with public records, it left murky implications for exceptions based on the attorney-client privilege—causing confusion and unease about what the Court did and didn't say about the attorney-client privilege.

In fact, Earl Mac Cormac, the science advisor to former Gov. Jim Martin, urged legislators in 1992 to create a "Fair Information Practices Commission" to review the law.⁵ Mac Cormac's primary goal was to define what kinds of information should be considered public among the state's burgeoning computer data

bases.⁶ In arguing for such a commission, however, he said the *Poole* decision would undermine the attorney-client privilege within government.

Case Prompted by Book, Newspaper Probes

The case involves *The News & Observer's* attempt to obtain documents compiled during the

investigation of the N.C. State University basketball program. The investigation began in late January 1989, when C.D. Spangler Jr., president of the University of North Carolina system, appointed a four-member panel to look into allegations of wrongdoing and corruption raised by promotional material for a forthcoming book, *Personal Fouls*.⁷

"To extend the statutory exemption to SBI investigative reports which have been placed in the public domain is like un-ringing a bell—a practical impossibility."

—N.C. SUPREME COURT

Spangler appointed Samuel H. Poole, then vice chair and now chair of the UNC Board of Governors, to lead the commission.⁸ The Poole commission, on the advice of Deputy Attorney General Andy Vanore, retained three agents from the State Bureau of Investigation to do its legwork.

Over the next six months, the agents interviewed 160 people—several more than once. They submitted and discussed written summaries of their interviews at periodic meetings with the commission. Those SBI reports, which stood more than a foot high, formed one part of *The News & Observer's* request, first made July 26, 1989, in a letter from newspaper publisher Frank A. Daniels Jr. to Spangler. The newspaper also sought minutes of the Poole Commission's 13 meetings and copies of draft reports prepared by two commission members.

On Aug. 4, 1989, Vanore denied Daniels' request. That led the newspaper to file suit against the commission and its staff on Oct. 23, 1989. The suit contended that the commission was violating the Public Records Law, which provides: "Every person having custody of public records shall permit them to be inspected and examined at reasonable times . . ."⁹

On April 8, 1990, Judge Henry V. Barnette of the Superior Court of Wake

County ruled that all of the requested records—including SBI reports, commission minutes, and draft reports—were subject to public inspection. The defendants appealed, and the state Supreme Court accepted the case for discretionary review, bypassing the N.C. Court of Appeals. The upper court modified and affirmed the trial court's judgment. Two months later, after Judge Barnette had excised privileged material—to protect the privacy of student athletes—the documents were released. They revealed that:

■ N.C. State basketball players enrolled between 1980 and 1989 averaged 735 out of a possible 1600 points on the Scholastic Aptitude Test (SAT), or about 300 points less than the average N.C. State undergraduate.¹⁰

■ N.C. State athletes registered positive in 42 drug tests between 1985 and 1988. The commission was told that Valvano feared one player would try to lose an NCAA tournament game in order to avoid the drug test administered only to the winning team.



Karen Tam

"WE HAD ARGUED FROM THE START THAT THIS WHOLE EFFORT TO CHARACTERIZE THE RECORDS AS, QUOTE, SBI RECORDS, WAS A SHAM—A SMOKE SCREEN. IRONICALLY, THE ONLY REASON THE SBI GOT INVOLVED AT ALL WAS SO THEY COULD TRY TO FIND A WAY TO HIDE THE RECORDS FROM THE PUBLIC RECORDS LAW. IF THEY COULD MAKE THEM LOOK LIKE SBI RECORDS, MAYBE THEY COULD HIDE THEM."

—HUGH STEVENS
ATTORNEY FOR PLAINTIFFS

□ One commission member, businessman William A. Klopman of Greensboro, concluded that Valvano's program was "a system that is rotten, stinks."

□ Commission Chair Poole, in a draft report, wrote Spangler: "The [N.C. State] administration deserves no credibility with the press, the public, the faculty, and this commission. We can cite several instances where public statements were not based on fact. They were either an attempt to cover realities or a lack of awareness of what was occurring. Neither should be acceptable from a public university."

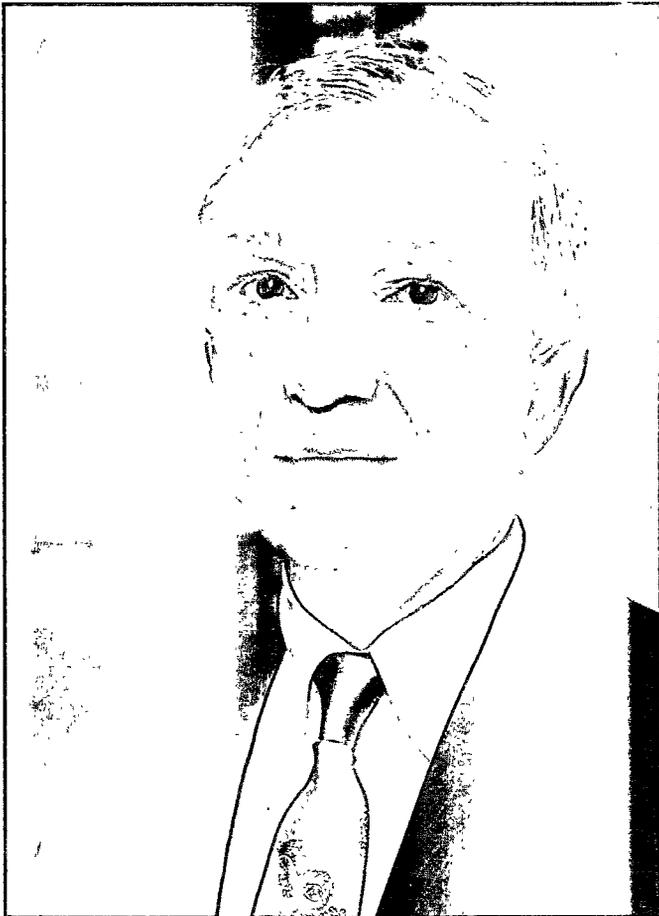
On the positive side, the investigation found no evidence supporting several serious charges listed on the promotional book jacket for *Personal Fouls*—allegations that newspapers had widely reported before the book was published. For example, the documents showed no evidence that NCSU basketball players had received improper payments or that the Wolfpack Club had funneled money to team members through Coach Valvano.

Case Focuses on SBI Probe

The SBI's investigative reports, which formed the bulk of the commission's work, became the focus of most of the attention in the court case. Both sides agreed that the Poole Commission was a "public agency," as defined by the Public Records Law. Both acknowledged, as well, that G.S. 114-15 exempts SBI investigative reports from the law.¹¹ But they disagreed about whether that exemption applied to the reports that the SBI compiled for the commission.

In seeking release of those reports, *The News & Observer* argued that they were not SBI records at all—and thus were not exempt from the Public Records Law. Instead, the newspaper contended that the SBI reports were records of the Poole Commission, which was a public agency and subject to the law. The newspaper based its argument on four factors: 1) the SBI agents answered to the commission; 2) their expenses were paid by the UNC system; 3) they were not conducting a criminal investigation; and 4) their reports were sent directly to commission members and shared with persons not usually entitled to see SBI records and evidence.¹²

Lawyers with the Attorney General's Office argued that the records



Gene Furr, *The News & Observer*

"THE VERY NATURE OF THESE INVESTIGATIONS DEMANDS CONFIDENCE. . . . IT'S ABSOLUTELY LUDICROUS TO THINK A LAY COMMISSION LIKE THE POOLE COMMISSION COULD CONDUCT THE KIND OF INVESTIGATION THAT WAS ABSOLUTELY ESSENTIAL TO THE INTEGRITY OF N.C. STATE UNIVERSITY. IT HAD TO BE DONE BY PROFESSIONALS—BY A GROUP THAT KNEW EXACTLY WHAT THEY WERE DOING."

—ANDREW VANORE
DEPUTY ATTORNEY GENERAL

were privileged precisely because they were prepared by SBI agents. They argued that the SBI agents conducted the investigation under their regular chain of command, and that G.S. 114-15 applied to all records compiled by SBI agents. They also cited an earlier Supreme Court decision, *The News & Observer Publishing Co. v. State*, which held that criminal investigative records gathered by the SBI are exempt from the Public Records Law.¹³

The Court didn't address either argument directly. Rather, the Court held that the SBI reports became subject to the Public Records Law when the Poole Commission obtained them. In other words, regardless of the status of the records when compiled, they effectively became public records once the SBI gave them to a public agency—such as the Poole Commission.

"To extend the statutory exemption to SBI investigative reports which have been placed in the public domain is like un-ringing a bell—a practical impossibility," the Court wrote. "... When the SBI investigative reports here became Commission records, they, as Commission records, ceased to be protected by section 114-15. They became subject to disclosure under the Public Records Law to the same extent as other Commission reports."¹⁴

If the legislature had intended broader protection, the Court said, it would have included the clause "wherever located and in whatever form" in its statutory exemption for SBI reports. "Where the legislature has not included such broad protection for SBI records in section 114-15, we will not engraft it," the Court said.¹⁵

A Loophole in the Ruling?

Vanore is critical of the decision, calling it "somewhat unique and simplistic." The Court's decision, he says, also could have important public policy implications: people could be more reluctant to testify freely in investigations, fearing that their statements would be published; and innocent people could be hurt through the publication of false allegations and unsubstantiated charges by those questioned in investigations.

"The very nature of these investigations demands confidence," Vanore says. "These are all interesting arguments that were made to the trial court and the Supreme Court. And they didn't pay much attention to them. . . . The Court said, 'We're going to interpret the Public Records Law not only liberally, but very exactly.'"

But Stevens, understandably, is pleased with

the victory. Nevertheless, he calls the rationale "quirky" and wishes the Court instead had addressed the broader issue of the proper use of SBI agents.

"We had argued from the start that this whole effort to characterize the records as, quote, SBI records, was a sham—a smoke screen," Stevens says. "Ironically, the only reason the SBI got involved at all was so they could try to find a way to hide the records from the Public Records Law. If they could make them look like SBI records, maybe they could hide them. We argued all along that that was just a subterfuge. They brought in the SBI not because that was the only place they could get experienced investigators, but because that was the only hope they had of escaping the Public Records Law."

Vanore denies that SBI agents were retained expressly to circumvent the Public Records Law. "It's absolutely ludicrous to think a lay commission like the Poole Commission could conduct the kind of investigation that was absolutely essential to the integrity of N.C. State University," he says. "It had to be done by professionals—by a group that knew exactly what they were doing."

Because SBI agents are rarely used in non-criminal matters, the finding in *Poole* probably will have narrow implications. Already, it's clear that state agencies may attempt to circumvent the ruling simply by not taking possession of SBI reports they want to keep confidential. Instead, they can request oral reports or go to the SBI's office to review its reports. Vanore advised former N.C. Labor Commissioner John Brooks to do just that in 1992, when SBI agents completed an investigation of the fire in a chicken-processing plant in Hamlet, in which 25 workers were killed.

Stevens considers that tactic a dodge, and anticipated such a maneuver. The next time a similar situation arises, Stevens says, the SBI would "try to do the very same thing." But, instead of delivering its report to the commission, he says, the SBI would say to the commission: "Mr. Poole, we've got your records ready. We can't give them to you. You've got to come look at them."

Implications Unclear for Attorney-Client Privilege

The *Poole* decision also touched on the attorney-client privilege, and how that fits into the Public Records Law. The defendants, in seeking to deny access to the minutes of the Poole Commission's meetings, argued that those records were exempt from the Public Records Law be-

cause they included confidential talks between the commission and its attorneys.

Although the Court did not find such a broad exemption in the attorney-client privilege, it did find a limited exemption for written communications "from an attorney to a client." But it apparently found no exemption for communication from a state agency to its attorney.¹⁶

The implications for local and state agencies are unclear, according to David Lawrence of the UNC Institute of Government.¹⁷ "The lack of any exemption for the attorney-client privilege could conceivably be quite important," Lawrence says. "That has a number of local government and state government attorneys concerned. They feel they might be in a position that they might not be able to communicate with their clients in a way that they would like."

Vanore calls the situation "a little scary." He asks, "What does it do as far as a public attorney is concerned? What about his work product? His files? Are they confidential, or open for public dissemination?"

Legislature Must Spell Out Exceptions to Law

Although the Supreme Court didn't go as far as some had hoped it would in the *Poole* ruling, the Court did make clear that any exceptions to the public records law must be created by the General Assembly—not the courts. "In conclusion," the Court wrote in its decision, "we hold that in the absence of clear statutory exemption or exception, documents falling within the definition of 'public records' in the Public Records Law must be made available for public inspection. . . . We refuse to engraft upon our Public Records Law exceptions based on common-law privileges, such as a 'deliberative process privilege,' to protect items otherwise subject to disclosure." The Court held that once an otherwise exempted public record is given to a public agency or public body, it loses its protection and becomes public.¹⁸

Lawrence considers that ruling significant. "There really has never been a comprehensive attempt to think about the wide variety of public records and whether they ought to be exempt from the Public Records Law," he says. "Until this decision, it was possible to believe that the courts would feel some flexibility to create these kinds of exemptions themselves. Courts in other states have done that same thing. If there is no statute [exempting a record], it appears it's open." □□

FOOTNOTES

¹ N.C.G.S. Chapter 132.

² *News & Observer v. Poole*, N.C. Supreme Court, 330 NC 465, 412 SE 2d 7 (1992).

³ For more on the Public Records Law and exceptions to it, see Robert Conn and Bill Finger, "Open Records—The Key to Good Government," *North Carolina Insight*, Vol. 9, No. 4 (June 1987), pp. 2–13. Also see Fred Harwell, *The Right To Be Able To Know*, N.C. Center for Public Policy Research, 1978, 85 pp.; the report was summarized in *North Carolina Insight*, Vol. 2, No. 1 (Winter 1979), p. 19.

⁴ Legislators introduced three bills in the 1993 General Assembly that would amend the Public Records Law. House Bill 121 and Senate Bill 418 would amend sections of G.S. 132 dealing with the inspection and examination of records, and access to records. The identical bills also would add sections dealing with electronic data-processing records, provision of copies of public records, and fees. The bills were lodged in the House Finance Committee and the Senate Judiciary II Committee when the legislature adjourned.

In addition, the legislature enacted S.B. 860 (chapter 461 of the 1993 Session Laws), which clarifies the Public Records Law with respect to criminal investigative records. It also deletes a section of G.S. 114-15 that exempts State Bureau of Investigation records from the public records law.

⁵ For more on the commission's recommendations, see Earl R. Mac Cormac, "North Carolina Technological Information Study," Governor's Office, June 1992, 172 pp.

⁶ H.B. 121 and S.B. 418, identical bills that failed to clear committees during the 1993 session of the General Assembly, would broadly define computer data bases as public records.

⁷ Peter Golenbock, *Personal Fouls*, New York: Carroll & Graf Publishers Inc., 1989.

⁸ Other members of the Poole Commission were C. Clifford Cameron of Charlotte, William A. Klopman of Greensboro, and Dean W. Colvard of Charlotte.

⁹ N.C.G.S. 132-6.

¹⁰ N.C. State's basketball team has improved in recent years with regard to SAT scores. The Wolfpack's 1990–91 incoming team members (which included two players) had an average score of 1,070 on the SAT, while its 1991–92 incoming team members (with four players) had an average score of 890. However, only 25 percent of the players entering the 1984–85 year had graduated within six years—less than half the graduation rate for NCSU students overall (59 percent) or for students at all Division I-A colleges (56 percent). See Chip Alexander, "New numbers are in State's favor," *The News & Observer*, Raleigh, N.C., Feb. 20, 1993, p. 1C.

¹¹ During the 1993 session, the legislature enacted a bill, S.B. 860, which clarifies the Public Records Law with respect to criminal investigative records and repeals the section of G.S. 114-15 that exempts SBI records from the law.

¹² Plaintiffs' appellee's brief, pp. 19–20.

¹³ *The News & Observer v. State ex rel. Starling*, 312 N.C. 276 (1984).

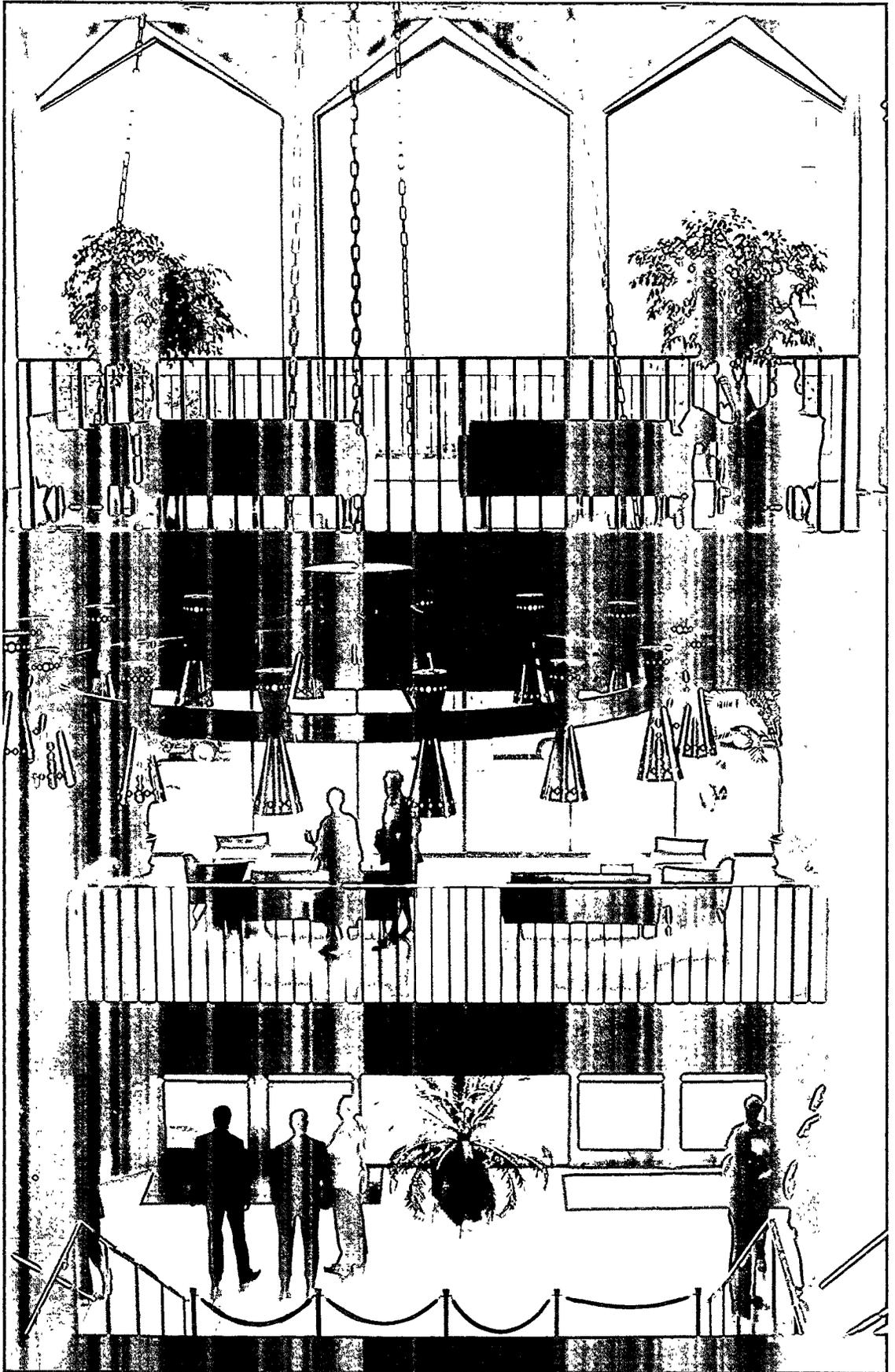
¹⁴ *News & Observer v. Poole*, 330 N.C. at 8.

¹⁵ *Ibid.*

¹⁶ N.C. G.S. 132-1.1. Also see *News & Observer v. Poole*, 330 N.C. at 20, in which the Court said: "We need not decide here whether public agencies in North Carolina enjoy the traditional attorney-client privilege in all contexts. That issue is not before us."

¹⁷ For more on the legal implications of the case, see David Lawrence, "Public Records After Poole," *Local Government Law Bulletin*, No. 41 (April 1992), pp. 1–6.

¹⁸ *News & Observer v. Poole*, 330 N.C. at 25–26.



Karen Tam



Legislative Campaign Costs, PAC Donations Continue to Rise

by Kim Kebschull Otten and Tom Mather

In June, the Center released the ninth edition of Article II, the guide to the legislature that it began publishing during the 1977-78 General Assembly. As a companion piece, the Center also is publishing a study of the cost of running for the legislature in the 1992 elections. The two publications reveal three major findings: 1) the cost of campaigning is going up; 2) political action committees are becoming an ever-increasing source of campaign contributions; and 3) the demographic makeup of the legislature is continuing to change, with groups such as bankers, blacks, educators, and women growing in numbers.

The price of a seat in the N.C. General Assembly has more than doubled over the past eight years, with political action committees paying a growing share of the tab, according to a new study by the N.C. Center for Public Policy Research. Candidates who won seats in the state legislature in the 1992 elections raised \$21,482 on average for their campaigns, up from \$16,941 in 1988 and \$9,075 in 1984, the Center found in its study, *The Cost of Running for the N.C. Legislature*.¹

Campaign spending and contributions from political action committees have been going up across the country, and the Center's study found that North Carolina is no exception.² In fact, the average amounts spent by House and Senate winners actually exceeded their annual legislative salaries—\$13,026 a year in the 1993-94 session.³ (See

Tables 1 and 2, pp. 76-77.) The Center's study also under-counts the total campaign contributions and spending because it only includes numbers for the 1992 calendar year.

"It's staggering just to see the amounts of money raised and spent by the candidates," says Ran Coble, the Center's executive director. "The total raised by all candidates was about \$4.7 million and the total spent was about \$4.5 million. That's a lot of money."

In comparing its findings with previous studies by *The Charlotte Observer*,⁴ the Center found that the influence of political action committees, or PACs, has increased almost as much as the cost of running legislative campaigns. For instance, the study showed that PAC contributions accounted for nearly half (47 percent) of the money raised by winning candidates in 1992—up from about one-fourth in the 1984 elections. House Speaker Dan Blue (D-Wake) says PACs have become a much more potent force over the past decade. "They've organized," Blue says. "From the early 1980s to the late '80s, they proliferated. Every organization that was anybody started forming PACs."

The Center released its study of campaign finances in conjunction with its latest edition of *Article II: A Guide to the 1993-94 N.C. Legislature*. The handy, pocket-sized book is the largest

Kim Kebschull Otten was the Center's senior policy analyst from May 1989 to May 1993, when she moved to Charleston, South Carolina. Tom Mather is associate editor of North Carolina Insight.

and most complete guide to the General Assembly. It contains pictures, voting records, committee assignments, effectiveness rankings, and biographical and occupational information on all 170 members of the N.C. House and Senate.

Article II also contains information on trends in the overall make-up of the legislature. The most significant change the guide shows is in legislative turnover, with the 1993 General Assembly having one of the highest proportions of new members in sessions spanning the past two decades. The turnover ratio of 29 percent for the House and the Senate combined is the highest since 1985 (34 percent) and second highest since 1975 (41 percent).

"Turnover was a lot higher because of redistricting, legislators running for higher office, and an unusual number of retirements," says Coble. "That opened up a lot of seats." For example, Reps. Vernon Abernathy, Doris Huffman, Harry Payne, and Dennis Wicker ran for statewide office, while Rep. Johnathan Rhyne and Sens. Ken Royall, Henson Barnes, and William Goldston retired.



Cost of Campaigning Goes Up

The Center's study of campaign financing was based on a review of all contributions and expenditures made between January 1 and December 31, 1992. Although some candidates raise and spend money outside the election year, the Center included only 1992 figures for the sake of consistency.⁵

Legislative candidates in total raised slightly more money, \$4,708,515, than they spent, \$4,544,376. By and large, the amount of money raised and spent by candidates was most highly related to the competitiveness of their races—either in the primaries or in the general election. Candidates who spent a lot of money on their campaigns generally were either newcomers vying for open seats, newcomers challenging incumbents, or incumbents holding off strong challengers. There also were wide differences in the results if one compares winners with losers, incumbents with new members, and Senators with House members. (See Tables 1 and 2, pp. 76-77.) Other significant findings were:

■ **Legislative election winners not only attracted more votes, but dollars.** Winning candidates in both chambers raised a total of \$3,651,944—more than three times the losers' total of \$1,058,303. In the Senate, winners out-raised losers by \$1.1 million, or \$1,552,548 to \$412,185. In the House, winners out-raised losers by \$1.4 million, or \$2,099,396 to \$646,118.

The legislature's leading money-raiser, Sen. George Daniel (D-Caswell), took in \$177,149—eight times more than his general election opponent, Hubert Lowe of Alamance County. In the House, the leading money-raiser, newcomer David Miner (R-Wake), took in \$89,544—nearly three times more than his opponent, incumbent Rep. Larry Jordan (D-Wake). (See Tables 3 and 4, pp. 82-83.)⁶

"THEY'VE ORGANIZED. FROM THE EARLY 1980S TO THE LATE '80S, THEY PROLIFERATED. EVERY ORGANIZATION THAT WAS ANYBODY STARTED FORMING PACS."

—HOUSE SPEAKER DAN BLUE (D-WAKE)



"THE REASON I NEEDED TO RAISE A LOT OF MONEY IS THAT I WAS RUNNING AGAINST AN INCUMBENT—IT'S THAT SIMPLE. I KNEW MY OPPONENT WOULD RECEIVE A LOT OF PAC MONEY—AND HE DID."

—REP. DAVID MINER (R-WAKE)

■ *Election losers didn't just lose votes—they also lost money.* Overall, legislative winners raised \$238,540 more than they spent, while losers spent \$74,401 more than they raised. Senate losers on average spent 8.4 percent more money than they raised, while House losers spent 16.4 percent more than they raised. By contrast, Senate winners spent 12.5 percent less than they raised and House winners nearly broke even—spending a mere 0.4 percent more than they raised.

In the House, Lanier Cansler of Asheville spent \$52,357—nearly 40 percent more than he raised—in losing to Speaker Pro Tem Marie Colton (D-Buncombe). In the Senate, Republican challenger Gerald Hewitt of Forsyth County spent \$21,591—66 percent more than he raised—in losing to Democratic incumbents Ted Kaplan and Marvin Ward for one of the 20th District's two seats.

■ *New members spent much more money than incumbents in winning seats in both chambers.* On average, new members spent \$36,720 for a Senate seat and \$19,895 for a House seat, compared with \$25,236 for Senate incumbents and \$15,043 for House incumbents. Winners of open races, in which no incumbents were running, spent even more money—an average of \$20,858 in the House.

In both chambers, two of the top five money-spenders were newcomers. In the Senate, David Hoyle (D-Gaston) ranked second and Linda Gunter

ranked fourth in amount of money spent by winning candidates. In the House, David Miner and Dewey Hill (D-Columbus) ranked first and second, respectively, in the amount spent by winners. "The reason I needed to raise a lot of money is that I was running against an incumbent—it's that simple," Miner says. "I knew my opponent would receive a lot of PAC money—and he did."

■ *Senate races were nearly twice as expensive as House races.* Candidates spent \$27,992 on average to win a Senate seat, compared to \$16,782 for a House seat. That difference is understandable given that Senate districts generally are larger and more populous than House districts, presumably resulting in higher advertising and travel expenses.⁷

Sen. Daniel, for example, spent \$125,286—\$23,098 more than the biggest-spending House winner, Rep. Miner. In his *losing* quest for the 36th Senate seat, Republican hopeful and former House member Paul "Skip" Stam spent more money than *any* House candidate except Rep. Miner. Stam, a Wake County attorney, spent \$82,567 in losing to Sen. Linda Gunter (D-Wake). He attributes the high spending in that race to keen competition, in both the primary and the general elections. "Each of us had a contested primary," says Stam, who spent more than any other losing legislative candidate and more than all but three winning candi-

—continues on page 78

Table 1. Average Costs of Running for the N.C. House, 1992 Elections ¹

1990 figures in (), if available

House Category	Average				
	Amount Raised	Amount From PACs ²	Percentage From PACs	Amount Spent	% Spent of Amount Raised
All Candidates	\$14,441	\$6,057	45.2%	\$14,244	106.4%
Winners	\$17,495 (\$21,433)	\$7,929 (\$8,567)	54.4% (44.9%)	\$16,782 (\$18,971)	100.4% (86.9%)
Losers	\$9,100	\$2,822	29.7%	\$9,777	116.4%
Incumbents	\$16,756 (\$19,858)	\$9,484 (\$9,373)	64.8% (50.8%)	\$15,043 (\$17,280)	93.2% (85.6%)
New Members	\$18,818 (\$27,732)	\$5,144 (\$5,344)	35.9% (21.3%)	\$19,895 (\$25,737)	113.4% (92.2%)
Democrats	\$16,863 (\$21,668)	\$7,896 (\$8,691)	54.9% (44.3%)	\$16,038 (\$19,849)	100.7% (89.2%)
Republicans	\$18,669 (\$20,945)	\$7,989 (\$8,312)	53.5% (46.2%)	\$18,162 (\$17,147)	99.9% (82.3%)
Men	\$17,375 (\$22,629)	\$7,955 (\$9,082)	55.4% (45.3%)	\$16,659 (\$19,816)	103.4% (86.6%)
Women	\$17,975 (\$15,455)	\$7,825 (\$5,996)	50.3% (43.1%)	\$17,274 (\$14,748)	88.7% (88.6%)
All Open Seat Candidates	\$14,630	\$3,807	28.7%	\$15,547	118.0%
Open Seat Winners	\$19,851	\$5,231	35.4%	\$20,858	119.6%
Open Seat Losers	\$6,231	\$1,516	17.9%	\$7,003	115.5%

¹ Based on contributions reported by all candidates during the 1992 calendar year.

² PACs = Political Action Committees. PAC numbers include contributions from political party PACs.

Table 2. Average Costs of Running for the N.C. Senate, 1992 Elections ¹

1990 figures in (), if available

Senate Category	Average				
	Amount Raised	Amount From PACs	Percentage From PACs	Amount Spent	% Spent of Amount Raised
All Candidates	\$22,583	\$9,613	41.0%	\$21,127	96.4%
Winners	\$31,051 (\$31,123)	\$15,190 (\$11,002)	58.1% (44.3%)	\$27,992 (\$28,624)	87.5% (87.8%)
Losers	\$11,140	\$2,077	18.0%	\$11,852	108.4%
Incumbents	\$29,341 (\$27,571)	\$16,557 (\$11,887)	65.7% (50.2%)	\$25,236 (\$25,047)	83.7% (85.3%)
New Members	\$36,467 (\$43,715)	\$10,864 (\$7,862)	33.9% (23.4%)	\$36,720 (\$41,308)	99.3% (96.7%)
Democrats	\$35,039 (\$30,894)	\$16,637 (\$12,025)	54.9% (46.7%)	\$32,360 (\$28,153)	93.9% (87.1%)
Republicans	\$16,913 (\$31,710)	\$10,062 (\$8,370)	69.3% (38.1%)	\$12,506 (\$29,835)	64.5% (87.8%)
Men	\$30,379 (\$30,909)	\$15,161 (\$8,370)	58.9% (38.1%)	\$26,949 (\$29,835)	86.4% (87.8%)
Women	\$35,177 (\$33,046)	\$15,372 (\$11,417)	52.8% (44.4%)	\$34,402 (\$26,596)	94.2% (85.1%)
All Open Seat Candidates	\$27,008	\$7,690	31.4%	\$27,740	101.9%
Open Seat Winners	\$36,467	\$10,864	33.9%	\$36,720	99.3%
Open Seat Losers	\$15,658	\$3,881	28.6%	\$16,964	105.1%

¹ Based on contributions reported by all candidates during the 1992 calendar year.

² PACs = Political Action Committees. PAC numbers include contributions from political party PACs.

dates. "I don't know what Linda [Gunter] spent, but I spent about \$30,000 through the primary alone."

■ *The amount of money raised by legislative candidates was not consistently related to political affiliation.* In the House, Republican candidates on average out-raised Democrats by more than 10 percent, or \$18,669 to \$16,863. But in the Senate, Democrats out-raised Republicans on average by more than a 2:1 margin—\$35,039 to \$16,913.

In both chambers, however, Democrats dominated the list of top money-raisers. (See Tables 3 and 4, pp. 82–83.) Democrats accounted for seven of the top 10 money-raisers in the House and eight of the top 10 in the Senate—perhaps reflecting more competitive primary elections in their party. For instance, Sen. David Parnell (D-Robeson) says his toughest opponent was another Democrat in the primary election. "My opponent spent a lot of money, so we had to spend a lot of money too," says Parnell, a six-term Senator and former House member. "I've never spent that kind of money [in a campaign] before."

■ *Female candidates were better fundraisers in both chambers, but not by a large margin.* In the House, women raised \$17,975 on average, compared to \$17,375 for male candidates. The difference was even wider in the Senate, with female candidates raising \$35,177 on average, compared to \$30,379 for men.

Among the Senate candidates, three of the top 10 money-raisers were women—Gunter, Leslie Winner (D-Mecklenburg County), and Mary Seymour (D-Guilford). Gunter says she found fund-raising the most difficult aspect of running a

campaign, and was shocked when she found out that she had raised more money than any female legislator and all but a few men. "I couldn't believe it when I added it all up," says Gunter, who raised \$59,758. "I was just floored because nine people gave me \$300 or more. That's wonderful because it shows the wide base of support that I had. With an average contribution of \$35, that's a lot of people." In the House, losing Republican candidate Wilma Sherrill of Buncombe County was the only woman among the top 10 money-raisers.

Campaign Costs Going Up Across The Nation

The rising cost of state legislative campaigns is a nationwide trend, with many states surpassing the increase in North Carolina.⁸ For example, the average amount spent on Senate campaigns in the state of Washington in the 1990 election was \$111,183—more than five times higher than the North Carolina average of \$21,127 in 1992.

Tommy Neal, a campaign reform and elections specialist with the National Conference of State Legislatures, attributes the increases to several factors: inflating campaign expenditures (e.g., mail, advertising, staff salaries); greater professionalism, with more lawmakers claiming 'legis-



"MY OPPONENT SPENT A LOT OF MONEY, SO WE HAD TO SPEND A LOT OF MONEY TOO. I'VE NEVER SPENT THAT KIND OF MONEY [IN A CAMPAIGN] BEFORE."

—SEN. DAVID PARNELL (D-ROBESON)

lator' as their primary occupation; the increased difficulty of unseating incumbents, requiring more spending by challengers; and, greater spending by PACs and other groups in elections preceding or following reapportionments.

"Records are set to be broken," Neal wrote in the May 1992 issue of *State Legislatures*. "And when it comes to breaking campaign spending records for state legislature seats, it happens every two or four years."⁹

Spiraling costs have prompted a number of states to place limits and restrictions on campaign contributions.¹⁰ The Center's 1990 report, *Campaign Disclosure Laws*, listed four major reasons for putting limits on the amount individuals or groups can contribute: to encourage candidates to seek a wide variety of funding sources; to diminish the influence of large contributors or interest groups; to reduce the appearance of a corrupting link between contributions and pending legislation; and to slow the rising costs of campaigns.¹¹

Another critical link in campaign finance reform has been legislation requiring candidates to disclose the sources of their contributions. As the national public interest group Common Cause concluded in a 1993 study: "Disclosure continues to be a basic element of campaign finance reform. Campaign disclosure statutes play a vital role in enabling the public to trace candidate contributions to their sources and revealing the potential influence of large donors."¹²

PACs Increase Contributions to Legislative Campaigns

A key focus of the Center's study of campaign finances was the relative importance of PACs, or Political Action Committees.¹³ PACs are legal devices that allow corporations, labor unions, and other organizations to raise large sums of money and channel it into political campaigns. State law prohibits corporations, unions, and other groups from contributing directly to campaigns.¹⁴ The law also prohibits PACs, like individual citizens, from giving candidates more than \$4,000 per election.¹⁵ But PACs can organize fundraising drives among corporate officers, employees, or interest groups, and then distribute that money to sympathetic candidates.

PAC contributions are important because they tend to favor incumbents, and incumbents tend to win elections. For example, in the 1992 North Carolina elections, all of the 39 Senate incumbents who sought re-election won; in the House, 90



Senate President Pro-Tem Marc Basnight (D-Dare) supports lower limits on individual and PAC contributions to legislative candidates.

percent (78) of the 87 representatives who sought re-election won.¹⁶ A recent study of campaign financing in North Carolina found that the ratio of PAC contributions to incumbents compared to challengers is about 2:1 for Democrats and nearly 8:1 for Republicans.¹⁷ A number of studies have found similar trends in other states and at the national level.¹⁸

"The trend in the past two decades has been one of a steady increase in PAC contributions and a relative decrease in individual contributions for state elections," Keon Chi writes in a recent issue of *State Trends & Forecasts*.¹⁹ "... The rapid growth of PACs may be interpreted as evidence of the weakened roles of political parties in elections."

The Center's latest study showed that incumbent candidates in the North Carolina legislature received twice as much of their funding from PACs as did new members. (See Tables 1 and 2, pp. 76-77.) In comparable studies, *The Charlotte Observer* found that PACs accounted for about 25 percent of the money contributed to state legisla-

"THERE'S A LARGE GROUP OF WOMEN WHO ARE INTERESTED IN PROMOTING LEGISLATION THAT DIRECTLY IMPACTS THEM. THE MARITAL RAPE BILL IS A GOOD EXAMPLE OF THAT."

—SEN. MARY SEYMOUR (D-GUILFORD)



tive campaigns in 1984 and about 37 percent in 1988.²⁰ The Center's study found that PAC contributions had increased to 47 percent of the total for winning candidates in the 1992 elections. (The Center included political party PACs in its compilation of PAC contributions, but *The Charlotte Observer* did not. The *Observer* also counted all contributions made during the 1983–84 and 1987–88 campaign seasons, whereas the Center only counted contributions made during the 1992 calendar year.) Other key findings in the Center's study were:

■ **PACs contributed much more to incumbents than to new members.** In total, PACs contributed \$1,359,452 to incumbents—nearly four times the \$351,539 that they gave to new members. Looked at another way, Senate and House incumbents received nearly two-thirds of their money on average from PACs, compared to about one-third for new members.

In the House, the 10 candidates who received the most PAC contributions were all incumbents. In the Senate, incumbents accounted for eight of the 10 candidates who received the most PAC contributions. (See Tables 5 and 6, p. 84.) For example, Sen. Daniel raised \$59,628 from PACs—more money than any other legislative candidate and 13 times more than his opponent.

Most legislators acknowledge the advantage of incumbency in raising PAC money. Mary Seymour, who raised the second highest amount of PAC contributions in the Senate, attributes much of her success to her long legislative tenure—including three terms in the Senate and four in the House. "A lot of legislators actively solicit PAC contributions; I did not," says Seymour, while noting that another factor has been her membership on important committees dealing with insurance, utilities, and other business concerns. "I've handled a lot of bills that have affected just about every kind of business in North Carolina over the years. I think they've found that I'm a reasonable person that they can sit down with and work out reasonable compromises. I don't feel like I've had

any pressure put on me by any of my contributors."

■ **Election winners attracted much more PAC money than did losers.** For all candidates, PACs accounted for 47 percent of the money raised by winners and 26 percent of the amount raised by losers. In the House, winners on average received 54 percent of their money from PACs, compared to 30 percent for losers. The disparities were even larger in the Senate. Winning senators on average received 58 percent of their funding from PACs, compared to just 18 percent for losers. "Normally, the one who is judged to be the prospective winner attracts PACs more so than a prospective loser," Sen. Parnell says.

■ **PAC contributions by political affiliation varied from the House to the Senate.** In the House, Democrats and Republicans received approximately the same proportion of their contributions from PACs, slightly more than half, on average. But in the Senate, Republicans depended much more heavily on PAC contributions. Senate Republicans received 69 percent of their funds on average from PACs, compared to about 55 percent for Democrats.

However, virtually all of the legislators who raised the most PAC money were Democrats. (See Tables 5 and 6, p. 84.) In the Senate, the top 10



Sen. Linda Gunter (D-Wake) found fundraising the most difficult aspect of running a campaign, and was shocked to discover that she had raised more money than any female legislator and all but a few men.

raisers of PAC-money were all Democrats. In the House, nine of the top-10 raisers of PAC money were Democrats. "That's because the Democrats are the ones in power," says House Speaker Dan Blue (D-Wake). "You would observe the same kind of trend with contributions to Governor Jim Martin in the 1988 election. But that's not unusual. People contribute to people who they think are or will be significantly influential."

■ **Male legislators depended on PAC contributions more than the women in both chambers.** Senate men received about 59 percent of their money on average from PACs, compared to 53 percent for women. In the House, men received about 55 percent of their money from PACs, compared to 50 percent for women. Senators Gunter and Seymour were the only female legislators to make the list of top-10 raisers of PAC money in either chamber. Both Gunter and Seymour note that much of their PAC money came from organizations promoting "women's issues," such as equal rights for women, penalties for marital rape, and freedom of choice in abortion. "There's a large group of women who are interested in promoting legislation that directly impacts them," Seymour says. "The marital rape bill is a good example of that."

PACs Look For 'Known Quantities'

The increasing importance of PAC contributions has caused some critics to question whether the groups play too big a role in the electoral process. Jeff Parsons, chair of the governing board for Common Cause of North Carolina, says that growing PAC contributions have fueled the rise in campaign costs and bolstered incumbents' already formidable advantage in elections. "That really makes it difficult for a challenger to have any kind of a chance," says Parsons, who favors smaller limits on campaign contributions. "There's something to be said for lower [contribution] amounts. If we lowered it down to \$2,000 or \$1,000—both for individuals and for PACs—it would even the playing field."

But representatives of leading Political Action Committees in North Carolina say there's a simple reason for the increase in PAC contributions to legislative campaigns. "There's a lot more PACs now than there used to be—that's the primary reason," says Barbara Clapp, director of the N.C. Realtors PAC, which gave \$51,900 to legislative campaigns in 1992. The Greensboro-based group has been one of largest contributors to legislative campaigns over the past decade, but Clapp says her group hasn't increased its campaign donations. "As far as increasing our individual amounts, we haven't," she says. "We've been pretty consistent—ranging from \$500 to \$1,500 per individual. We're not giving any more per candidate now than we did in 1988."

Ann Hale, executive director of the N.C. Medical Society Political Education and Action Committee, agrees with that assessment. Another factor, she says, is the general apathy toward politics. "If the public, as individuals, would get involved in legislative races, then the PAC contributions would be proportionately less," Hale says. "A lot of people don't even know who their legislators are."

PAC representatives, likewise, say there's a simple explanation for why most PAC money goes to incumbents. "An incumbent is a known

Table 3. Top Money-Raisers, N.C. House Candidates ¹

Representative ² (Party-County)	Total Money Raised	% PAC Money of Total
1. David Miner (R-Wake)	\$89,544	4%
2. Dan Blue (D-Wake)	\$86,778	61%
3. Lyons Gray (R-Forsyth)	\$54,864	24%
4. Martin Nesbitt (D-Buncombe)	\$49,864	57%
5. Robert Hunter (D-McDowell)	\$48,753	38%
6. James Black (D-Mecklenburg)	\$48,475	26%
7. George Miller (D-Durham)	\$47,179	60%
8. Phil Baddour (D-Wayne)	\$43,384	19%
9. Richard Moore (D-Vance)	\$41,869	29%
10. Wilma Sherrill (R-Buncombe)	\$41,750	4%

¹ Based on contributions reported by all candidates during the 1992 calendar year.

² Six of the top 10 PAC money-raisers were incumbents. The exceptions were Baddour, Miner, Moore, and Sherrill. Rep. Baddour defeated Republican hopeful Helig Hoffman of Lenoir County. Rep. Miner defeated Democratic incumbent Larry Jordan of Wake County. Rep. Moore defeated Republican hopefuls Louis "Ed" Nicholson of Halifax County and Robert Rector of Franklin County for one of two 22nd District seats. Sherrill lost her bid for one of three seats in the 51st District, all of which were won by incumbents: Nesbitt, Speaker Pro Tem Marie Colton (D-Buncombe), and Narvel J. Crawford (D-Buncombe).

quantity," Hale says. "That doesn't mean that somebody has to agree with you 100 percent of the time, because nobody does. The new folks don't always go to the effort to let the PACs know who they are. It's not that we have a bias against new folks running. But if you've got a friend who's willing to listen, that's kind of a burden for new folks to overcome. We're eager for information

from anybody running for office—because we want to support the best person we can." The Realtors PAC supports newcomers as well as incumbents, but Clapp acknowledges that office-holders often have an edge. "Generally, we go with the incumbent if he's doing a good job and we have an open-door relationship with him," she says.

Despite such trends, PAC representatives see nothing sinister or worrisome in the increasing percentage of campaign contributions coming from their groups. "I don't think PACs, per se, are the problem," says Paul Pulley, a former legislator and lobbyist who chairs the N.C. Academy of Trial Lawyers PAC. "PAC money is identifiable and has some limits. There are things a lot worse than PAC money, in my opinion, such as bundling.

"The increasing cost of campaigning and the increasing importance of funding for campaigns should be a concern for all of us," Pulley says.

"I don't think PACs, per se, are the problem. PAC money is identifiable and has some limits."

—PAUL PULLEY, CHAIR,
N.C. ACADEMY OF TRIAL LAWYERS PAC

Table 4. Top Money-Raisers, N.C. Senate Candidates ¹

Senator ² (Party-County)	Total Money Raised	% PAC Money of Total
1. George Daniel (D-Caswell)	\$177,149	34%
2. David Hoyle (D-Gaston)	\$86,083	16%
3. Skip Stam (R-Wake)	\$80,112	18%
4. Robert Pittenger (R-Mecklenburg)	\$80,049	3%
5. Linda Gunter (D-Wake)	\$59,758	38%
6. Leslie Winner (D-Mecklenburg)	\$59,640	18%
7. David Parnell (D-Robeson)	\$52,903	46%
8. J.K. Sherron (D-Wake)	\$47,719	49%
9. Clark Plexico (D-Henderson)	\$46,878	46%
10. Mary Seymour (D-Guilford)	\$42,304	61%

¹ Based on contributions reported by all candidates during the 1992 calendar year.

² Five of the top 10 money-raisers were incumbents: Daniel, Parnell, Sherron, Plexico, and Seymour. Gunter defeated Stam for an open seat in 36th District. Hoyle won an open seat in 25th District, and Winner captured an open seat in the 40th District. Pittenger lost to incumbent Sen. James Richardson (D-Mecklenburg).

“Recently we had a fairly glaring example reported in the newspapers, where one candidate for lieutenant governor received almost a half-million dollars from four contributors, apparently through contributions that circumvented the law.”²¹

House Speaker Dan Blue shares Pulley’s concern about campaign-finance loopholes, such as bundling—in which corporations and professions can avoid contribution limits and disguise large donations by lumping together large numbers of individual contributions from employees. But he says disclosure requirements and limits on contributions generally prevent PACs from wielding undue influence. Blue also points out some apparent contradictions: PACs with differing goals often contribute money to the same candidates, and individual PACs often contribute to opposing candidates. “They just try to cover the waterfront,” Blue says.

“The primary reasons for limiting campaign contributions are to give challengers a fair, if not equal, chance of competing in elections and, perhaps more importantly, to restore public confidence in government by reducing the influence of money in election campaigns.”

—KEON CHI,
THE COUNCIL OF STATE GOVERNMENTS

Table 5. Top PAC Recipients, N.C. House Candidates ¹

Representative ² (Party-County)	PAC Money Received	Percent of Total Raised
1. Dan Blue (D-Wake)	\$53,206 . . . . .	.61%
2. Martin Nesbitt (D-Buncombe)	\$28,412 . . . . .	.57%
3. George Miller (D-Durham)	\$28,258 . . . . .	.60%
4. E. David Redwine (D-Brunswick)	\$22,700 . . . . .	.65%
5. George Robinson (R-Caldwell)	\$20,000 . . . . .	.67%
6. Ronnie Smith (D-Carteret)	\$19,975 . . . . .	.68%
7. David Diamont (D-Surry)	\$18,509 . . . . .	.70%
8. Narvel J. Crawford (D-Buncombe)	\$18,475 . . . . .	.47%
9. Robert C. Hunter (D-McDowell)	\$18,362 . . . . .	.38%
10. Larry Jordan ³ (D-Wake)	\$17,359 . . . . .	.56%

¹ Based on contributions from Political Action Committees to all candidates during the 1992 calendar year.

² All of the top 10 PAC recipients were incumbents.

³ Rep. Jordan was defeated in the 1992 election by Republican challenger David Miner of Wake County.

Table 6. Top PAC Recipients, N.C. Senate Candidates ¹

Senator ² (Party-County)	PAC Money Received	Percent of Total Raised
1. George Daniel (D-Caswell)	\$59,628 . . . . .	.34%
2. Mary Seymour (D-Guilford)	\$25,923 . . . . .	.61%
3. David Parnell (D-Robeson)	\$24,150 . . . . .	.46%
4. Ralph Hunt (D-Durham)	\$24,084 . . . . .	.84%
5. J.K. Sherron (D-Wake)	\$23,354 . . . . .	.49%
6. Joe Johnson (D-Wake)	\$23,029 . . . . .	.75%
7. Linda Gunter (D-Wake)	\$22,646 . . . . .	.38%
8. Marc Basnight (D-Dare)	\$22,641 . . . . .	.57%
9. R.C. Soles (D-Columbus)	\$22,350 . . . . .	.70%
10. Ollie Harris (D-Cleveland)	\$21,361 . . . . .	.85%

¹ Based on contributions from Political Action Committees to all candidates during the 1992 calendar year.

² All of the top 10 PAC recipients were incumbents, except Gunter and Harris. The top Republican recipients of PAC money were: Sen. James Forrester of Gaston County, who received \$18,450 (53%), and Paul "Skip" Stam of Wake County, who received \$14,455 (18%) in his race against Gunter.

House Minority Leader David Balmer (R-Mecklenburg) says the Republican gains in the House are particularly important because Democrats no longer have enough votes to suspend the rules and rush bills through the chamber.



Senate President Pro Tem Marc Basnight (D-Dare), however, favors lower limits on individual and PAC contributions. "Your limits ought to come down—maybe to \$2,000 or somewhere around there," says Basnight, who wants the legislature to create a bipartisan commission to review all of the state's election laws.²² "The laws are just a hodgepodge." A 1990 Center study found that North Carolina was one of 16 states that allowed PAC contributions exceeding \$2,000 per candidate.²³ The study also found that 25 states permit unlimited PAC contributions.

According to The Council of State Governments, a growing number of states have been placing stricter limits on PAC contributions.²⁴ As Chi writes: "The primary reasons for limiting campaign contributions are to give challengers a fair, if not equal, chance of competing in elections and, perhaps more importantly, to restore public confidence in government by reducing the influence of money in election campaigns."²⁵

Some Demographic Trends Hold, Others Reverse

The demographic make-up of the legislature reported by the Center in the 1993-94 edition of *Article II* shows the continuation of a key, long-term trend: the declining numbers of white male Democrats in the legislature.²⁶ (See Table 7, p. 86.) Overall, the party affiliation remained unchanged at 117 Democrats (69 percent) and 53 Republicans (31 percent). But that statistic masks changes in both chambers. Democrats gained three seats in the Senate, but lost three in the House. Likewise, Republicans lost three seats in the Senate, but gained three in the House.

Rep. David Balmer (R-Mecklenburg) says the Republican gains in the House are particularly important because Democrats no longer have enough votes to rush bills through the chamber.

"They can't suspend the rules on us, because we've got more than one-third of the House," says Balmer, the House minority leader. "It takes a two-thirds vote to suspend the rules. Now there's going to be a debate on each bill. There will be no way to race a bill through on us." Balmer also predicts that Republicans will continue to make inroads in future legislative elections. "I think our numbers are going to continue to grow throughout the decade of the '90s, particularly in portions of Eastern North Carolina," he says. "We think Eastern North Carolina will be the last frontier for the Republican Party."

Meanwhile, blacks and women made substantial gains in both the House and the Senate. The total number of African-American legislators increased from 19 in the 1991-92 session to 25 in 1993. Female legislators increased their numbers from 25 to 31. The number of Native Americans remained unchanged at one.²⁷

Other demographic trends, however, appear to have reversed or leveled off. For instance, the total number of retirees dropped from 34 to 32 in

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Table 7. Trends in N.C. Legislative Demographics

Category	Year and Number of Members per Category									
	1975	1977	1979	1981	1983	1985	1987	1989	1991	1993
Blacks										
Senate	2	2	1	1	1	3	3	4	5	7
House	4	4	3	3	11	13	13	13	14	18
Total number	6	6	4	4	12	16	16	17	19	5
Total percent	4 %	4 %	3 %	3 %	7 %	9 %	9 %	10 %	11 %	5 %
Women										
Senate	2	4	5	3	5	4	4	4	5	7
House	13	19	17	19	19	16	20	21	20	24
Total number	15	23	22	22	24	20	24	25	25	31
Total percent	9 %	14 %	13 %	13 %	14 %	12 %	14 %	15 %	15 %	18 %
Native-Americans										
Senate	0	0	0	0	0	0	0	0	0	0
House	1	1	1	1	0	0	0	0	1	1
Total number	1	1	1	1	0	0	0	0	1	1
Total percent	1 %	1 %	1 %	1 %	0 %	0 %	0 %	0 %	1 %	1 %
Democrats										
Senate	49	46	45	40	44	38	40	37	36	39
House	111	114	105	96	102	82	84	74	81	78
Total number	160	160	150	136	146	120	124	111	117	117
Total percent	94 %	94 %	88 %	80 %	86 %	71 %	73 %	65 %	69 %	69 %
Republicans										
Senate	1	4	5	10	6	12	10	13	14	11
House	9	6	15	24	18	38	36	46	39	42
Total number	10	10	20	34	24	50	46	59	53	53
Total percent	6 %	6 %	12 %	20 %	14 %	29 %	27 %	35 %	31 %	31 %
Turnover Ratio										
Senate (New Members Elected)										
Number	21	11	7	8	9	18	6	5	8	8
Percent	42 %	22 %	14 %	16 %	18 %	36 %	12 %	10 %	16 %	16 %
House (New Members Elected)										
Number	49	24	30	33	31	39	25	25	21	42
Percent	41 %	20 %	25 %	28 %	26 %	33 %	21 %	21 %	18 %	35 %

(Note: If a Senator or Representative served in the legislature during the immediate past session, he or she is not considered a new member. If a member served in either chamber during sessions prior to the immediate past session, however, he or she is considered a new member.)

**This research was drawn largely from editions of the North Carolina Manual, and does not reflect members who first reached the General Assembly by appointment to legislative vacancies caused by death or resignations.*

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Table 8. Trends in N.C. Legislators' Occupations

Occupation	Year and Number of Members per Category									
	1975	1977	1979	1981	1983	1985	1987	1989	1991	1993
Senate										
Banking	2	2	2	3	1	2	1	1	1	2
Business and sales	14	18	13	20	19	21	19	15	16	12
Construction and contracting	0	0	2	3	3	2	1	4	3	2
Education	3	5	4	4	4	3	3	3	4	7
Farming	2	4	3	5	6	6	6	5	6	7
Health care	1	1	1	0	0	0	0	0	2	3
Homemaker	1	0	2	0	4	2	0	1	0	1
Insurance	5	5	6	7	6	4	4	2	1	2
Law	15	14	13	10	14	17	21	20	17	18
Manufacturing	4	2	3	3	3	2	0	0	0	0
Minister	1	1	1	0	0	0	0	0	0	1
Real estate	5	5	7	12	8	8	6	6	6	4
Retired	2	0	3	4	6	6	4	6	6	8
House of Representatives										
Banking	3	3	2	3	3	3	0	0	0	4
Business and sales	35	41	37	43	45	45	43	37	33	34
Construction and contracting	2	2	2	3	1	2	2	3	2	2
Education	16	16	10	11	10	15	12	7	15	14
Farming	20	22	22	18	24	16	12	8	11	12
Health care	3	3	6	3	5	4	4	4	7	10
Homemaker	3	4	4	4	4	3	4	4	3	2
Insurance	12	11	13	10	6	10	10	8	12	9
Law	36	26	25	26	26	24	23	25	18	21
Legislator	0	0	0	0	0	0	0	0	0	2
Manufacturing	1	0	4	2	2	2	0	0	0	0
Minister	1	1	0	1	3	7	4	4	2	2
Real estate	9	7	10	15	19	20	15	17	20	17
Retired	5	8	6	15	12	13	17	22	28	24
Self-employed	0	0	0	0	0	0	0	0	0	3

(Note: Some legislators list more than one occupation; thus, the total number of occupations may be higher than the actual number of members.)

both chambers, stemming a steady increase since the 1970s. (See Table 8, p. 87.) Lawyers, by contrast, reversed another long-term trend by *increasing* their total numbers from 35 to 39—although still far less numerous than their peak of 68 in the 1971–72 session.

The data also showed a continuing decline in the numbers of most business professionals, including those in general business, sales, insurance, real estate, and construction and contracting. The total number of legislators in those professions dropped from 93 to 86 since the 1991–92 session. Increasing numbers of legislators were found in the following professions: banking, from one to 6; education, from 19 to 21; health care, from nine to 13; farming, from 17 to 19; and ministry, from two to three.

The new *Article II* also contains the Center's legislative effectiveness rankings—the most publicized feature of the guide. The Center compiles the rankings from surveys conducted at the end of each long legislative session, held in odd-numbered years. Surveys are sent to legislators, registered lobbyists, and capital news correspondents—asking respondents to rate the effectiveness of individual legislators. The Center then compiles the rankings and publishes the scores. *The rankings contained in the latest edition of Article II were originally released in April 1992.* Rankings for members of the 1993–94 General Assembly will be released in the spring of 1994.

Other information included in the guide are the new House and Senate district maps (after redistricting) and complete committee listings. For each legislator, the book contains:

- business and home addresses and phone numbers;
- seat number, office number, and phone number at the legislature;
- party affiliation, district number, and counties represented;
- number of terms served;
- committee assignments;
- bills introduced in the previous session;
- birth date, occupation, and education; and
- past effectiveness rankings (1981–1991).

Article II and *The Cost of Running for the N.C. Legislature* can be ordered by calling (919) 832-2839 or writing to the N.C. Center at P.O. Box 430, Raleigh, N.C. 27602. *Article II* costs \$22.70, and the campaign finance publication costs \$9.48. Or, the two reports can be purchased as a set for \$26, a savings of \$6.18. All prices include sales tax, postage, and handling. ☐☐

FOOTNOTES

¹ Figures from the 1984 and 1988 elections were taken from articles published in *The Charlotte Observer*. See the series on legislative campaign finances by Ken Eudy, et al., June 16–20, 1985, pp. 1–8 in special reprint; and Jim Morrill, et al., April 9, 1989, pp. 1A, 8–10A.

² For a detailed look at nationwide trends in campaign finance, see Keon S. Chi, "State Campaign Finance Reform: Options for the Future," *State Trends & Forecasts*, The Council of State Governments, Vol. 2, Issue 1 (April 1993), pp. 1–35.

³ According to the Legislative Services Office, a legislator's total compensation includes: \$13,026 per year in base salary; \$522 per month in expenses; \$92 per day for a subsistence allowance, seven days a week during sessions; \$1,500 per two-year term for postage and telephone expenses; and 25 cents per mile for one round-trip a week between Raleigh and their homes.

⁴ See Ken Eudy, "PAC Contributions Win Attention From Candidates," *The Charlotte Observer*, special reprint from articles published June 16–20, 1985, p. 1. The *Charlotte Observer* study did not include political party PAC contributions, which the Center included in its study.

⁵ According to the state Board of Elections, candidates in the 1992 campaign were required to file reports on their contributions on April 27 (10 days before the first primary election) and October 26 (10 days before the general election). Primary losers also had to file reports 10 days after the primary election or runoff, if required. Candidates who had not closed out their campaigns at year end were required to file annual reports by Jan. 29, 1993.

⁶ Rep. Miner says that he raised an additional \$22,000 in 1991, increasing his contributions for the entire campaign to more than \$110,000.

⁷ According to the 1990 Census, the average Senate district has 132,572 people—more than twice as many as the average House district, which has 55,239 people.

⁸ For more on the national perspective of rising campaign costs, see Tommy Neal, "The Sky-High Cost of Campaigns," *State Legislatures*, May 1992, pp. 16–22.

⁹ *Ibid.*, p. 16.

¹⁰ See Chi, pp. 2–22. Also see Kim Keschull, et al., *Campaign Disclosure Laws: An Analysis of Campaign Finance Disclosure in North Carolina and a Comparison of 50 State Campaign Reporting Laws*, N.C. Center for Public Policy Research, March 1990, pp. 14–19. The report was summarized by Keschull in "Campaign Reporting Laws: The Inadequacies of Disclosure," *North Carolina Insight*, Vol. 12, No. 3 (June 1990), pp. 34–46.

¹¹ Keschull, p. 55.

¹² See Julie Marsh, *Campaign Finance Reform in the States*, Common Cause, Washington, D.C., January 1993, p. 20. For more on campaign financing reform, see Ann McColl and Lori Ann Harris, *Public Financing of State Political Campaigns: How Well Does It Work?* N.C. Center for Public Policy Research, November 1990.

¹³ The Center counted as PAC contributions all donations by political committees registered with the Campaign Reporting Office. This includes political party organizations, both local and state. Party donations are usually small, however.

¹⁴ N.C.G.S. 163-278.19.

¹⁵ N.C.G.S. 163-278-13. The \$4,000 limit applies separately, to each election—primary, runoff (if necessary), and general election.

¹⁶ Incumbent Representatives who lost in the 1992 elections included: Howard Chapin (D-Beaufort), Gerald Anderson (D-Craven), Bruce Ethridge (D-Carteret), Joe Hege (R-Davidson), Wayne Kahl (D-Iredell), William Withrow (D-Rutherford), Marty Kimsey (R-Macon), Larry Jordan (D-

Wake), and Edward McGee (D-Nash).

¹⁷ See Joel Thompson, William Cassie, and Malcolm Jewell, "A Sacred Cow or Just a Lot of Bull?: The Impact of Money in State Legislative Campaigns," paper presented at the 1991 annual meeting of the American Political Science Association.

¹⁸ *Ibid.* Also see Chi, p. 8.

¹⁹ See Chi, pp. 6-7.

²⁰ See Ken Eudy, "PAC Contributions Win Attention From Candidates," *The Charlotte Observer*, reprinted from June 16-20, 1985, p. 1; and Jim Morrill, "Lobbyists Escalate Arms Race," *The Charlotte Observer*, April 9, 1989, p. 1.

²¹ See Sarah Avery, "Donations to Hardison called illegal," *The News & Observer*, Raleigh, N.C., May 8, 1993, p. 1A. *The News & Observer* reported that a State Bureau of Investigation probe had found that former state Sen. Harold Hardison (D-Lenoir) had improperly collected \$465,000 from four businessmen during his unsuccessful campaign for lieutenant governor in 1988. The men accused of making the contributions were: Wendell Murphy, a major pork farmer and former state senator; Robert Hill, a nursing home operator; Marvin Johnson,

president of a turkey processing company; and William C. Shackelford, now in federal prison on fraud and conspiracy charges stemming from the misuse of \$34 million in funds from Interstate Insurance Co.

²² As quoted by *The News & Observer* of Raleigh, "Basnight seeks new election laws," May 20, 1993, p. 3A.

²³ See Kebschull, pp. 63-69.

²⁴ See Chi, p. 6.

²⁵ *Ibid.*

²⁶ For more on trends in legislative demographics, see Jack Betts, "In the Legislature, White Male Democrats Become a Minority," *North Carolina Insight*, Vol. 13, No. 2 (June 1991), pp. 65-71. Also, see Paul T. O'Connor, "Legislative Demographics: Where Have All the Lawyers Gone?," *North Carolina Insight*, Vol. 9, No. 2 (September 1986), pp. 44-47; and "The General Assembly of the 21st Century," *North Carolina Insight*, Vol. 14, No. 2 (September 1992), pp. 58-68.

²⁷ Rep. Adolph Dial (D-Robeson) was the only Native American in the 1991-92 session, while Rep. Ronnie Sutton (D-Robeson) was the sole Native American in the 1993 session.

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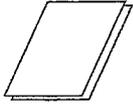
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MEMORABLE MEMOS

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1993

HOUSE BILL 711

1

H

Short Title: Loafers Glory Cemetery Funds.

Sponsors: Representatives G. Thompson and Flaherty.

Referred to: Appropriations.

(Public)

April 1, 1993

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO MITCHELL COUNTY FOR
3 RESTORATION OF AN ABANDONED CEMETERY IN THE LOAFERS
4 GLORY COMMUNITY.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1993

HOUSE BILL 621
Committee Substitute Favorable 5/7/93

2

H

Short Title: Trailer Couplings.

(Public)

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1993

SENATE BILL 70

1

S

Short Title: Ostrich Meat Inspection.

Sponsors: Senators Speed; and Albertson.

Referred to: Agriculture, Marine Resources, and Wildlife.

(Public)

February 8, 1993

1 A BILL TO BE ENTITLED
2 RATITES UNDER THE INSPECTION OF OSTRICHES AND OTHER
3 The General Assembly of North Carolina enacts:
4 Section 1. Chapter 106 of the General Statutes is amended by adding the
5 following new Article:
6 "ARTICLE 49I.
7 "Inspection of Ostriches and Other Ratites.
8 Ostriches and other ratites inspected as livestock.
9 "§ 106-549.100. Ostriches and other ratites including emus, rheas, cassowaries, and kiwis are
10 subject to the provisions of Articles 49B and 49C of Chapter 106 of the General
11 Statutes in the same manner as the species listed therein.
12 "§ 106-459.101. Fee for inspection.
13 The Commissioner may establish a fee at an hourly rate to be paid by the owner.
14

S
GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1993
SENATE BILL 861

Short Title: Jones/Lenoir Shampoos. (Local)
Sponsors: Senators Warren, Kerr, and Jordan.
Referred to: Children and Human Resources.

April 14, 1993

A BILL TO BE ENTITLED
JONES AND LENOIR COUNTIES.
SHAMPOOING BY UNLICENSED SHAMPOOERS IN

1
2 AN ACT TO ALLOW
3 JONES AND LENOIR COUNTIES.
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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1993
HOUSE BILL 1163

Short Title: State Dances. (Public)
Sponsors: Representatives Holt, Gottovi, and Redwine.
Referred to: Rules, Calendar, and Operations of the House.

April 19, 1993

A BILL TO BE ENTITLED
The General Assembly of North Carolina DANCES.
Section 1. Chapter 145 of the General Statutes is amended by adding a
new section to read:
"§ 145-16. State dances.
(a) Clogging is adopted as the official folk dance of the State of North Carolina.
(b) Square dancing is adopted as the official American folk dance of North Carolina.
(c) Shagging is adopted as the official beach dance of North Carolina."
Sec. 2. This act is effective upon ratification.

The 1993 General Assembly is now a pleasant memory, but its works live on in the annals of North Carolina history. This hodgepodge, in fact, represents some of the legislature's most historic work. Or was that hysteric? You be the judge. Meanwhile, if any erudite Insight readers could favor us with a Memorable Memo, we'd be most appreciative. Anonymity guaranteed.

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