



FROM THE CENTER OUT

The Newsletter of the North Carolina Center for Public Policy Research...A voice for better government
January - March 1997

Special Thanks to our Corporate Contributors

(October 29, 1996 - February 3, 1997)

Benefactors

(\$2,000 - \$5,000)

Carolina Power & Light Company
NationsBank
Philip Morris
R.J. Reynolds Tobacco Company

Patrons

(\$1000 - \$1,999)

BB&T
Burlington Industries Foundation
Greensboro News & Record
National Starch & Chemical Company*
Public Service Company of N.C., Inc.
The Wachovia Foundation, Inc.

Supporters

(\$500 - \$999)

Alcatel NA, Inc.
The Dickson Foundation
First Citizens Bank
GTE Telephone Operations*
International Paper*
Lucent Technologies
Mallinckrodt Chemical Co., Inc.
Miller Brewing Company
The Daily Reflector of Greenville
United Carolina Bank
Wyeth-Lederle Vaccines & Pediatrics

Donors

(\$300 - \$499)

Chesapeake Corp.
Clariant Corp.
Cone Mills Corporation
The Crosland Group, Inc.
CSX Transportation
O'Brien/Atkins Associates, P.A.
Olson Management Group, Inc.
United Guaranty Corporation

Corporate, Association, and Full-Service Members

(\$200 - \$299)

Alphanumeric Systems, Inc.*
Carolina Asphalt Pavement Association, Inc.
Carolina Holdings, Inc.*
Clyde Savings Bank*
Daniels Graphics
Mike Davis Public Relations
Little & Associates Architects*
Mayview Convalescent Center
Moore & Van Allen
NACCO Materials Handling Group, Inc.*
N.C. Bar Association
Occidental Chemical Corporation*
Gregory Poole Equipment Co.*
Presbyterian Healthcare System*
Teledyne Allvac
Trade Oil Company*
WXII Pulitzer Broadcasting Co.

* Indicates new corporate contributors and those rejoining after an absence of a year or more

Article II of the N.C. Constitution

Article II: A Guide to the 1997-98 N.C. Legislature

by Mebane Rash Whitman

Latest Edition of Article II Released

How can I get in touch with my legislator? What is my legislator's voting record? How effective is my legislator (as rated by other legislators, lobbyists, and the news media)? One reference contains all this information and more -- *Article II: A Guide to the 1997-98 N.C. Legislature*. Now in its 11th edition, *Article II* is a great resource for anyone who wants to know who's who in the legislature. The guide includes photos and profiles of all 170 members of the state House and Senate, district maps, seating charts, addresses and phone numbers, and -- for members who have served before -- bills introduced in the 1995-96 session and individual votes on 15 of the most important bills of the 1995-96 session. Copies are available for \$22.50. Call the Center at 919-832-2839, fax your order to 919-832-2847, or e-mail your order to rosebud@nando.net today.

"An Evening with Four Governors and Bill Friday" Wins National TV Award

The Time Warner Cable TV production of the Center's "An Evening with Four Governors and Bill Friday" has been nationally recognized with a *Communicator Award*. The *Communicator* "Award of Distinction" is given for TV programs or videos "that exceed industry standards in quality and excellence." *Communicator Awards* is a national organization that recognizes outstanding work in the communications field. Entries are judged by a panel of professionals who look for companies and individuals whose talent exceeds a high standard of excellence and whose work serves as a benchmark for the industry. There were 2,714 entries from 43 states in *The Communicator Awards* 1996 Video competition. We send our thanks to Center Board member Randy Fraser and to Bill Bagley, both of Time Warner Cable in the Raleigh-Durham Division.

New Partnership with WTVD-11 Television

In 1997, the Center signed a new agreement with WTVD-11 Television in Durham as part of the Center's goal of increasing our efforts to increase use and coverage of our research by the broadcast media. The agreement includes utilizing the Center's work and staff in three ways:

- (1) as background for daily newscasts and for spot news coverage;
- (2) in interviews for analysis of government and public policy issues;
- (3) as the subject of at least two half-hour public affairs specials a year.

The first half-hour special on trends in government funding for the arts aired on Saturday, February 15, and Sunday, February 16, 1997. Hosted by WTVD news anchors Larry Stogner and Miriam Thomas and entitled "Solutions," it featured *Insight* associate editor Tom Mather and was based on the Center's research published in the November 1996 *Insight* on trends in arts funding from federal, state, and local government. This was followed by a three-person panel discussion on whether government should fund the arts. Future programs will be made available to at least four other ABC and Fox network affiliates across the state.

Center director Ran Coble says, "We are very excited about this agreement which brings the Center's in-depth research to commercial television. Thanks go to WTVD News Director Mark Casey and General Manager Emily Barr for making this possible."



The Center's Mission

"The North Carolina Center for Public Policy Research is an independent, nonprofit organization dedicated to the goals of a better-informed public and more effective, accountable, and responsive government."

1996 Year-End Campaign Raises Nearly \$9,000

Nearly 100 Center members and friends responded to our 1996 Year-End campaign with generous gifts totaling nearly \$9,000. Your support enables the Center to continue producing research that makes a difference by improving policy, informing citizens, and providing resources for teachers and citizens in our state. Many thanks to these Center Friends.

Gene Arnold
Wade Barber
Doris Bason
John M. Betts, Jr.
Eugene A. Brown
Philip J. Carlton
Carolina Power & Light
Ran Coble & Jane Kendall
Mr. and Mrs. George R. Coble
Philip J. Cook
Wayne A. Corpening
Mr. and Mrs. Keith Crisco
Margaret Dardess
John W. Davis, III
Maxine R. Domer
John Dornan
Mercer M. Doty
Allyson K. Duncan
Mary P. Fant
Chuck Flack
Susan Foreman
Virginia A. Foxx
Randy Fraser
William Friday
Lloyd V. Hackley
Gerry Hancock
Thomas Hardaway
Susan F. Harris
Larry Himes
Carolyn Hines
Bill Holman & Stephanie Bass
Lynn R. Holmes
Bertha Holt
David Hoyle
James E. Hunter
Thomas Irons
V.B. "Hawk" Johnson
F. Whitney Jones
Bob Jordan
Claudia Kadis
Glenn and Mary Kiger
W. Duke Kimbrell
Cyrus B. King
Phillip J. Kirk, Jr.
Betty Ann Knudsen
Ronald C. Leatherwood
Steve Levitas
Robert J. Martell
F. M. "Mac" Mauney, Jr.
L. Carol Shaw & David McCorkle
Mary Ann McCoy
Ralph and Peggy McLaughlin
Tom Moffitt
Kenneth F. Mountcastle, Jr.
Patric Mullen
Jim Newlin
Andy Nilsson

Mary Norris Preyer Oglesby & Pat Oglesby
Vickie Norwood
Daniel A. Okun
John G. Ott & Jeanette Stokes
William D. Parmelee
Lessa Phillips
Francella Poston
David Price
Mary Joan Pugh
Janis L. Ramquist
Mr. and Mrs. James B. Richmond
Thomas C. Ricketts
Sylvia G. Ruby
Robert W. Scott
Allen Spalt
Robert W. Spearman
James Stevens, Jr.
David Tayloe, Jr.
Sandy Moulton & Thomas Wong
Charlotte Todd
Tim Tompkins
Sandra K. Trivett
G. S. Van Pelt
Gordon P. Whitaker
Christopher L. White
Malcolm L. Williams
Nina and Ralph Yeager

These gifts were made in honor or memory of friends and family:

Brad Miller & Estier Hall honoring Susan Harris & Danita Morgan
Vivian Halperen in memory of old friendships
Mark J. Prak honoring Chuck & Kay Huestis
Betty Chafin Rash & James Dennis Rash in memory of Margaret R. Rash & Elizabeth P. Chafin
Mebane Rash Whitman in memory of Margaret R. Rash
Julia M. Richards honoring Molly Richardson Smith
Rockett, Burkhead, Lewis & Winslow, honoring Randy Fraser
Thomas W. Ross, honoring Dallas Cameron
Nancy H. Temple, honoring Yoko & Tom Huey and Family
Judith W. Wegner, honoring Mebane Rash Whitman

Sustaining Fund Campaign Update

In 1996, the Center began a \$2 million Sustaining Fund Campaign designed to fulfill the following purposes:

- ◆ to extend the Center's independent, nonpartisan research to public libraries and teachers of government in the public schools, community colleges, and public and private colleges and universities;
- ◆ to increase use and coverage of our work by the broadcast media, including a partnership with the commercial, 90-station N.C. Radio News Network, a new partnership with WUNC-FM and other public radio stations in N.C., and a new partnership with WVTD Television;
- ◆ to move the Center's research onto the Internet through the World Wide Web at multiple sites, such as the university network called Sunsite, the city of Charlotte's Web, Nando.net, and other computer networks; and
- ◆ to allow for future expansion of the Center's independent, nonpartisan efforts to foster informed debate on significant public policy issues facing North Carolina.

This campaign was kicked off last May with "An Evening with Four N.C. Governors and Bill Friday," to which all Center members were invited. That program also was videotaped and edited into a half-hour program on statewide public television and an award-winning hour special that aired on Time Warner Cable affiliates across the state.

As of February 1997, we have raised \$1.6 million toward our \$2 million goal from foundations and corporations in North Carolina. Now we need you, our Center members, to help us reach our goal. In the next few weeks, you'll receive a letter outlining three ways to give:

- by contributing or pledging whatever you can now;
- by making a planned future gift to the Center by bequest in your will or using other legal options; or
- by becoming a Charter Donor in the Center's new circle of Individual Donors who pledge to give \$1,000 - \$5,000 a year for five years. We'd like to have 50 Center members step forward with this type of pledge.

We ask each Center member to consider these options seriously, and we ask every one of you to give in some way and help us ensure the Center's future service to North Carolina. Thank you!

1997 Officers

Chair
Linda Ashendorf
Vice-Chair and Chair-Elect
Margaret Dardess
Secretary
Allyson Duncan
Treasurer
William "Cliff" Oxford
Treasurer-Elect
Peter Keber

1997 Board of Directors

John Alexander
Rann Carpenter
Ned Cline
Keith Crisco
Loleta Wood Foster
Virginia A. Foxx
Randy Fraser
Thomas Hardaway
Thomas J. Harrelson
Susan Harris
Fletcher Hartsell
Lynn R. Holmes
V.B. "Hawk" Johnson
David Jones

Betsy Y. Justus
Phil Kirk
Elaine F. Marshall
Tom Morrow
Harry E. Payne, Jr.
Fran Preston
Mary Joan Pugh
Katherine Skinner
Craig Souza
D. Jordan Whichard, III

Executive Director
Ran Coble

Center Staff
Tom Mather
Mike McLaughlin
Danita Morgan
Laurita Ray
Nancy Rose
Mebane Rash Whitman

A Preview of the 1997 Session of the N.C. General Assembly

by Ran Coble

In odd-numbered years, the N.C. General Assembly traditionally meets from late January to sometime in July. This year shapes up as an even odder odd year. It will be the first time the legislature faces a Governor with a veto. It will be the second time the Senate is controlled by one party (the Democrats by a 30-20 margin) and the House is controlled by another (the Republicans by a 61-59 margin). It will be the third time the legislature has had to redistrict in the 1990s and the fourth time Jim Hunt has served as Governor. It'll be the fifth time or more that the legislature has debated merit selection of judges, a state lottery, and changes in the state's annexation laws. Here's a look into my cloudy crystal ball of what might pass, fail, or get an incomplete.

A. Likely To Pass

When a three-term Governor wins re-election to a fourth term by a 56% to 43% margin, as Jim Hunt did, his election program is highly likely to be enacted by the legislature. The key pieces of his agenda likely to be enacted this session are:

1. Expansion of his Smart Start child care initiative to all 100 counties; cost: \$22.9 million next year and about \$337 million a year when fully implemented by 2000.
2. Raising teacher salaries toward the national average; cost \$272.2 million next fiscal year and, by some estimates, about \$1 billion if fully implemented by 2000. The major battle here will be over how to raise teacher pay, not whether. Gov. Hunt, Senate Democrats, and House Republicans seem to have compromised on a plan that will raise salaries overall (important to the N.C. Association of Educators, which backed Hunt in the campaign), but also give larger increases to teachers who meet higher standards or whose students improve their performance. These merit-based concepts are important to House Republicans and the business community. It was a major coup for Hunt to get Senate President Pro-Tem Marc Basnight and House Speaker Harold Brubaker to agree to co-sponsor this teacher pay compromise.
3. Other Hunt budget proposals likely to pass include an expansion of his Support Our Students school crime prevention program, and his suggested cuts in the state Medicaid program and corrections.
4. Hunt's "Work First" is likely to become North Carolina's welfare reform program because the House and Senate are unlikely to agree on any other program.

Not Part of Hunt's Agenda

5. You might see an increase in the ceiling on the number of charter schools permitted by 1999. The ceiling is currently at 100. However, it's doubtful that any school voucher proposal will pass this session.
6. In campaign finance reform, you're likely to see more disclosure and more timely reporting about the financing of political campaigns, and perhaps electronic filing and stiffer penalties for violations, but not public financing of campaigns. Also possible are measures to increase voter participation in North Carolina.

B. Unlikely To Pass

1. Major Tax Cuts — If the legislature expands Smart Start, raises teacher pay, maybe gives state employees a raise, and pays off the debt service on all the statewide bond issues passed in 1993 and 1996, there's little left for other major spending initiatives or tax cuts. Last session, the legislature cut individual income taxes, unemployment insurance taxes, and the food tax, and repealed the intangibles tax -- a total of \$624.6 million in tax cuts for 1997-98. Though further cuts in the sales tax on food and other tax cuts are likely to be proposed in 1997, expect nothing major to pass.
2. Items in the 1994 State Republican Contract that didn't pass in the 1995-96 session are unlikely to pass in the 1997-98 session. These include: the Taxpayer Protection Act, term limits for legislators, initiative and referenda, and making the Superintendent of Public Instruction an appointed, rather than elected official.
3. A state lottery proposal is unlikely to pass unless the Speaker of the House drops his opposition, unless the bottom drops out of budget projections, or unless South Carolina and Tennessee join Virginia and Georgia in instituting lotteries. A lottery bill's chances may improve in the election-year politics of the 1998 session.
4. Merit selection of judges has a chance ever of passing, with the backing of a blue-ribbon commission appointed by former Supreme Court Chief Justice James Exum and chaired by former Wachovia Bank Chairman John Medlin. However, merit selection probably needs support from the Republican House, Legislative Black Caucus, and Gov. Hunt to pass -- an unlikely combination.

C. Maybe's

1. Mass transit proposals are coming from a special study commission but also need the Governor's backing and active involvement to pass. Even then, this issue's time may not have come because urban delegations now are split-party delegations who have trouble agreeing, and rural delegations see little in it for them.
2. A proposal for graduated driver's licenses for teenage drivers seems to have picked up bipartisan backing but needs a legislative champion to drive it through.
3. Redistricting of Congressional districts — Call me a skeptic, but if the federal court holds the legislature to an April 1 deadline, I find it hard to believe that a Democratic Senate and a Republican House can (a) agree (they'll both pass a bill) on the same bill in time and (b) pass a bill that will be approved by both the courts and the U.S. Justice Department.
4. A requirement that a legislator wait a year before taking a job as a lobbyist has passed the Senate quickly but faces an uncertain future in the House.

D. Will Be Introduced and Debated, But Who Knows?

Annexation law changes; closing loopholes in auto emissions inspections; revisions in coastal regulation and in marine fisheries laws; tougher hog farm regulation; lengthening legislators' terms from 2 years to 4 years; and limits on length of legislative sessions.

Because the margin of party control is so close in the House, look for four possible effects: (1) increased use of closed party caucuses to decide each party's position in advance of public votes on the floor; (2) less control by the House leadership in both parties over their members (three Democrats already voted for a Republican Speaker, and Republicans already have split over election of Speaker Pro-Tem Steve Wood); (3) more partisan bickering as the session goes on; and (4) a long legislative session that goes on and on and on. This year, however, they will pass a budget before they go home — say in July or August.

**Welcome New Members;
Thanks to our Continuing
Supporters!**

New Individual Members

Millie Barbee
Sheldon Davis Bradshaw
Amy Bricero
Richard Burr
Sabrina Cook
Mr. and Mrs. James M. Culberson
Mr. and Mrs. J.B. Davis
Phillip R. Dixon
Linda Dye
Bob Etheridge
Mike Flanagan
Livingstone T. Goodman
Helen M. Harris
Leon Henderson
Martin P. Hines
John Hood
Mr. and Mrs. Joel Huneycutt
David M. Jones
David L. Jones
Reverend and Mrs. Michael Jordan
Eric Karnes
Bramley Kiniry
John LePore
Pat McLaughlin
James C. McNutt
Kenny Moore
Edward C. Munn
Carla Norwood
Donna Otto
Joyce B. Peters
David and Bonnie Renfro
Mr. and Mrs. David Smith
Mr. and Mrs. Wendell Talley
Anna Upchurch
Dr. and Mrs. Stuart Wallace
Marguerite Whitfield

New Organizational Members

Rhea Hebert — Watauga County
Public Library
Olivia Raney Library
Kate McGuire — N.C. Center for
Nonprofits
Justine Strand, PA-C — N.C.
Academy of Physician Assistants

Full-Service Members

Mark W. Lanier — UNC-Wilmington
Robert L. Logan — Lee County
Schools

We Want Your Input!

This time each year, we ask members to suggest topics and priorities for future studies and reports. Please tell us what you think and why. Over the years, the Center Board has given higher priority to :

- topics that are the most important policy issues facing North Carolina and not just the fad of the moment;
- issues where new research might make a difference in the policy outcome, whether in the legislature or in the executive branch;
- issues where a public education effort with a balanced pro/con approach is needed;
- areas that other policy organizations or the news media are less likely to cover or cover well;
- issues or departmental programs on which we haven't done research before (we like to move around through all departments and branches of state government); and
- topics where something is capable of being proved or disproved by research.

We would like to receive your suggestions by **March 17** in order to have them before the Board when it makes its decisions on March 21st. Thank you for sharing your ideas. Send your comments to Ran Coble, Executive Director, NCCPPR, P. O. Box 430, Raleigh, NC 27602, FAX them to (919) 832-2847, or e-mail to rosebud@nando.net.

New Board Members Elected for Three-Year Terms

The N.C. Center for Public Policy Research has elected six new members to its Board of Directors, as well as new officers for 1997. New members elected to the Center's Board for three-year terms (1997-99) are: Rann Carpenter of Aurora and Raleigh, Fletcher Hartsell of Concord, Lynn R. Holmes of Raleigh, David Jones of Wilmington, Betsy Justus of Raleigh, Phil Kirk of Raleigh, and Katherine Skinner of Durham. Carpenter is Director of Public Affairs for PCS Phosphate, and Hartsell is an attorney and state Senator who represents parts of Cabarrus, Rowan, and Stanly counties. Holmes is Executive Director of Government Affairs for BellSouth Telecommunications, while Jones is head of David Jones Investments, Inc. Justice is President of the N.C. Electronics and Information Technologies Association in Research Triangle Park. Phil Kirk, President of N.C. Citizens for Business and Industry, returns to the Center's Board, having served as Chairman in 1995. Katherine Skinner is Executive Director of the N.C. Chapter of The Nature Conservancy.

"We are very pleased to welcome these outstanding citizens to the Board," says Linda Ashendorf, Chair of the Center's Board. "The Board is carefully constructed to be representative of the citizenry of North Carolina in terms of regional and racial mix, gender, and political party affiliation." Ashendorf was elected Chair of the Board for 1997. She is Government Affairs Director for Browning-Ferris Industries Waste Systems in Charlotte.

Also elected as officers for one-year terms were Margaret Dardess of Chapel Hill as Vice-Chair and Chair-Elect for 1998, Allyson Duncan of Raleigh as Secretary, William "Cliff" Oxford of North Wilkesboro as Treasurer, and Peter Keber of Charlotte as Treasurer-Elect for 1998. Dardess is Senior Vice President of Corporate Affairs for Glaxo Wellcome Inc., Duncan is a member of the N.C. Utilities Commission, Oxford is Senior Vice President for Corporate Relations for Lowe's Companies, and Keber is Senior Vice President of State Government Relations for NationsBank.

Individual Supporting Members

Noel L. Allen
Linda Ashendorf
Wade Barber
Thad L. Beyle*
Richard F. Bruch
James L. Burney — N.C.
Association of Electric Cooperatives
Margaret B. Dardess
Chuck Flack*
Thomas J. Harrelson
William L. Hemphill*
Dewey Hill*
Margaret Holton*
Robert C. Hunter
Thomas Irons*

Joseph E. Johnson
William Burns Jones, Jr.
Phillip J. Kirk, Jr. — N.C. Citizens
for Business and Industry
Jonathan Koffa*
John F. McNair, III
Ed Monroe
Elvin R. Parks
Kenneth C. Royall, Jr.
Charles A. Sanders*
Richard A. Schwartz
Robert W. Scott
Beverly A. Blount Smith
Judith and Bill Underwood*
D. Jordan Whichard, III*

Christopher L. White
Katherine R. White
Malcolm L. Williams*
Ed and Marylyn Williams

* Indicates new Individual
Supporting and Full-
Service Members or those
who have increased their
support to this level

Special Gifts

Gene Arnold
Tom Byers
Keith Crisco
Margaret Dardess
John A. Forlines
Randy Fraser

Thomas Hardaway
Susan Harris
Duke Kimbrell
Mary Joan Pugh
Nancy Temple