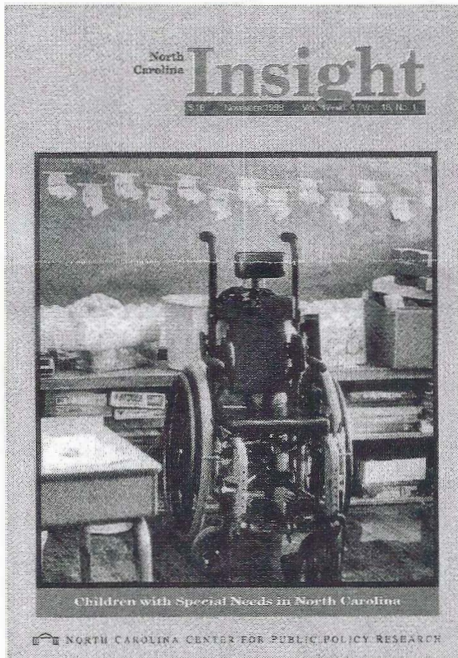




FROM THE CENTER OUT

The Newsletter of the North Carolina Center for Public Policy Research ... A voice for good government
February-March-April, 1999



CHILDREN WITH SPECIAL NEEDS IN THE NEWS

In December, the N.C. Center for Public Policy Research released new research in *North Carolina Insight* magazine on policy issues affecting children with special needs. The Center's research showed that 15 state residential institutions receive

a disproportionate share of funding for the number of children they serve compared to community-based programs. Specific findings include:

- In the mental health system, 47 percent of the funding is spent on state institutions serving 7 percent of the clients, while community mental health programs serve 93 percent of the clients but receive only 53 percent of the money.
- In youth services, 45 percent of the funding goes to residential training schools serving less than 4 percent of the youth.
- Seventy-eight percent of the budget for the Division of Services for the Deaf and Hard of Hearing goes to North Carolina's three schools for the deaf, which serve less than a third of the state's hearing-impaired students.

"The state has 15 residential institutions that serve children and youth with mental health and emotional problems, juvenile offenders, and children with speech, hearing, and vision impairments," says *Insight* editor Mike McLaughlin. "The majority of the funds go to these residential institutions, while the majority of clients are served in community-based programs. This funding imbalance was a problem when the Center last studied the issue, and it's still a problem." In 1984, the Center found that 65 percent of the state's funding for mental health, mental retardation, and substance abuse services was being spent on state institutions while 85 percent of the clients were then being served at the community level.

The Center recommended that the N.C. General Assembly set up a study commission to examine three questions: (1) whether the amount of dollars flowing to the state institutions is appropriate relative to the number of children with special needs served there; (2) how to measure the effectiveness of both residential and community programs with a three-year trial period so that future funds can be directed to the most effective programs; and (3) how to reduce further the waiting list for persons with developmental disabilities. The Center says the study commission should make recommendations to the 2000 legislative session.

The Center's research on children with special needs

received coverage in 23 newspapers across the state – from the *Transylvania Times* in Brevard to the *Greensboro News and Record* to Manteo's *Coastland Times*. An editorial in the *Fayetteville Observer-Times* said the Center's research "is thorough and thought-provoking" and "gives the state, parents, and communities the information they'll need..." A *Wilmington Star-News* editorial concluded, "Given the disproportionate spending between large institutions and smaller community programs, the Center for Public Policy Research recommends that the General Assembly form a study panel to examine ways to bring better balance to the funding. That sounds like a good place to start." The reaction of the N.C. Dept. of Health and Human Services also was encouraging. Spokeswoman Debbie Crane said, "N.C. *Insight* does very good work, and they usually make very thoughtful suggestions. The Department of Health and Human Services will certainly be looking at this report and taking it into account.

In February, public radio weighed in with a five-part series plus an hour-long feature on *The State of Things* with Linda Belans. The WUNC-FM reports included references to the radio station's website, where listeners could find links to other resources about children with special needs.

CENTER SAYS 1998 LEGISLATURE CONTINUED ABUSE OF SPECIAL PROVISIONS IN BUDGET BILLS

North Carolina's budget bill for state government has grown so long that many lawmakers don't have time to read it. Yet it's increasingly used to create new programs and change laws that have nothing to do with the budget, said the Center in a new report released on February 19th. The Center's research shows that the 1997 and 1998 budget bills contained a record 274 special provisions that are unrelated to the budget. The Center says such late-stage insertions deal with issues as volatile as welfare reform and criminal laws but get little or no public scrutiny. The Center called on the legislature to ban the use of special provisions in its budget bills.

"In the last two years, the budget bill has contained everything but the kitchen sink -- instead of just the nuts and bolts of a good budget," says Ran Coble, executive director of the Center and author of the report. "It's not fair to the rank-and-file legislators who are not in the final budget deliberations. It's not fair to the public. And it's not fair to the press trying to explain the budget to the public."

Special provisions are defined in the Center's report as portions of budget bills which are used in any of the following inappropriate ways:

- (1) to amend, repeal, or otherwise change any existing law other than the Executive Budget Act;
- (2) to establish new agency programs or to alter the powers and duties of existing programs;
- (3) to establish new boards, commissions, or councils or to alter the powers of existing boards;
- (4) to grant special tax breaks or otherwise change the tax laws; or

(Continued on page 2.....)

(5) to authorize new interim studies by the General Assembly, executive agencies, or other groups within the budget bill rather than in the normal omnibus bill authorizing interim studies.

In 1998, the 348-page budget bill -- longer than Ernest Hemingway's novel, *A Farewell to Arms* -- contained 152 special provisions. The Center's research shows this included 17 pages of amendments to the Smart Start child care program, 16 pages of new Crime Victims' Rights amendments, 12 pages of amendments concerning governance of the UNC Hospital and health care system, 12 pages of welfare law changes, charter schools amendments, abolition of execution of prisoners by lethal gas, and six pages of changes in criminal law, including a ban on greyhound racing.

In 1997, the 468-page budget bill -- longer than William Faulkner's *The Sound and the Fury* -- contained 122 special provisions. This bill included 36 pages of welfare reform initiatives, 16 pages of changes in criminal penalties, 15 pages of laws on safe schools, eight pages of Smart Start program amendments, six pages of new laws on childhood lead safety exposure control, and 105 pages reorganizing, transferring, and renaming functions in the Department of Health and Human Services and the Department of Environment and Natural Resources. All of these examples involved substantive changes in the state's laws that should have been debated on their own merits in separate bills, says the Center. North Carolina is one of only 10 states that allow special provisions unrelated to the budget.

To curb this undesirable practice of using special provisions to supplant the regular legislative process, the Center recommends that each house of the General Assembly adopt rules barring the use of special provisions to establish, amend, or repeal statutory law. It also recommends a statutory ban and that the legislature amend the Executive Budget Act to empower citizens to petition the N.C. Attorney General to challenge any special provision establishing, amending, or repealing the law. If the Attorney General declined to pursue the case, the individual citizen would then have the right to sue in Superior Court. Legislation to implement this recommendation (Senate Bill 135) was introduced by Senator Virginia Foxx (R-Watauga) in February.

The report on special provisions garnered news coverage in 40 articles in 34 newspapers. D.G. Martin's column on the Center's report ran in 15 newspapers, and WUNC's public television network covered the report on "Legislative Week in Review." *The Charlotte Observer*, *Fayetteville Observer-Times*, *Greensboro News & Record*, *Lexington Dispatch*, *Raleigh News & Observer*, and *Wilson Daily*

Times all published editorials supporting the Center's recommendation to ban the practice.

Copies of the report on *Special Provisions in Budget Bills: Pandora's Box Is Open Again* are available for \$17.55. To order, write the Center at P.O. Box 430, Raleigh, N.C. 27602, call (919) 832-2839, fax (919) 832-2847, or order through the Center's Website at www.ncinsider.com/nccppr.

NEXT INSIGHT TO FEATURE HISPANIC HEALTH, WOOD CHIP MILLS

The next edition of *North Carolina Insight* includes a look at issues affecting the health of Hispanics/Latinos in North Carolina and a discussion of controversial wood chip mills and the role they play in the forest products industry and state forestry management. The Center's look at Hispanic health issues builds on our previous research on minority health in North Carolina. The project features surveys of health care providers as well as field visits to determine barriers to care for North Carolina's Hispanic/Latino residents. So far, 82 of 87 local health departments have responded to the Center's survey, as well as numerous rural hospitals and community and migrant health centers.

The Center also has examined forestry policy in the past, but the chip mill debate has added new urgency to discussion about how best to manage the state's forest resources. The Center wishes to thank The Blumenthal Foundation of Charlotte for its generous support of the chip mills study and the Kate B. Reynolds Charitable Trust of Winston-Salem for its generous support of the project on Hispanic/Latino health. The magazine will be in your mailbox sometime in June.

NOW AVAILABLE! ARTICLE II: A GUIDE TO THE 1999-2000 N.C. LEGISLATURE

The Center has just released *Article II: A Guide to the 1999-2000 N.C. Legislature*. A citizens' guide to the General Assembly, *Article II* is published every two years after committees have been appointed in the new legislative session. The guide is a useful and convenient tool for those interested in finding concise yet comprehensive information about the men and women in the General Assembly. Each Senator and Representative is profiled individually to tell the reader:

- How to contact each legislator at home, at the office, and at the legislature -- by mail, telephone, fax, or e-mail;
- The counties each legislator represents and the committees on which each legislator serves;
- Each legislator's occupation and educational background;
- Examples of bills each legislator introduced in 1997-98, and his or her success rate in getting them passed;
- How each legislator voted on 15 bills of statewide interest during the past two sessions; and
- Effectiveness rankings for those legislators who served in the 1997 session or earlier sessions.

For more information, call Laurita Ray at (919) 832-2839.

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"An Evening With Four Educators" Wins National Cable Television Award

On March 11, 1998, the Center celebrated its 20th anniversary with "An Evening with Four Educators." Co-sponsored by Time Warner Cable and the N.C. Cable Telecommunications Association, this event featured UNC President Molly Corbett Broad, N.C. Central University Chancellor Julius Chambers, N.C. Community College System President Martin Lancaster, and Superintendent of Public Instruction Mike Ward discussing key educational issues facing the state. The event was videotaped by Time Warner Cable and aired on cable stations across the state. That program now has won a national *Communicator* Award of Distinction. The award is given for TV programs or videos "that exceed industry standards in quality and excellence." This is the second such award for the Center, with "An Evening with Four Governors and Bill Friday" winning three years ago. Only 18 Awards of Distinction were given nationally among the more than 3,000 entrants from 47 states and eight other countries. The Center thanks former Board member Randy Fraser and Bill Bagley of Time Warner's Raleigh Division and JoAnn Davis of the N.C. Cable Telecommunications Association for making "An Evening With Four Educators" and this award possible.

1998 Year-End Campaign Raises More Than \$18,000

Many thanks to the 100 individual and corporate members who contributed more than \$18,000 to our 1998 year-end appeal. These generous gifts are instrumental in helping the Center continue its work.

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