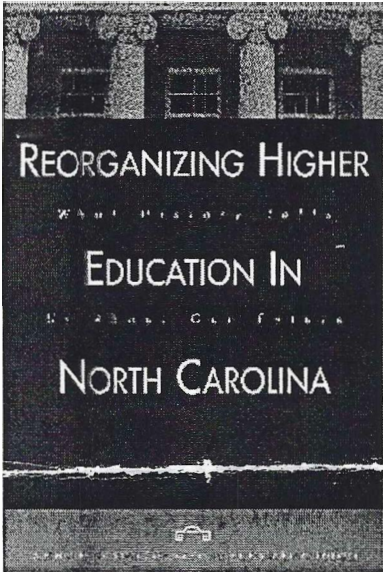


FROM THE CENTER OUT

The Newsletter of the North Carolina Center for Public Policy Research ... A voice for good government
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Legislative Battle in 1971 Forecasts Key University Issues in 1999 and Beyond

North Carolina's public university system faces many of the same issues today that it did when it was founded, says the Center in a new study entitled *Reorganizing Higher Education in North Carolina: What History*

Tells Us About Our Future. These issues include how to handle booming enrollment, provide equity in funding among the 16 campuses, improve access to higher education for minorities, prevent independent lobbying by single campuses, and keep tuition affordable.

In the 1960s and the 1970s, the state faced a record surge in enrollment from the Baby Boom, which led state legislators to add 10 campuses to what was then a six-university system. Similarly, the 1999 General Assembly appropriated \$19.5 million this year for enrollment increases as an estimated 48,000 additional students -- the children and grandchildren of the Baby Boomers -- are expected by 2008. The UNC Board of Governors also sought approval from the legislature for \$2.7 billion in state-issued bonds to begin a multi-year building plan, but the bond package failed in the final days of the legislative session.

"It's been said that our only real crystal ball is a rearview mirror," says Carolyn Waller, policy analyst at the Center, "and the 1971 legislation that restructured the university system tells us a lot about higher education's future."

Issues Facing the University System

The enrollment boom is one of five issues facing the university system now that the Center says are similar to the issues confronted in 1971. The other four are as follows:

(1) *How to achieve equity in funding among the 16 campuses* -- The university system includes schools as large as N.C. State University with 27,960 students and as small as the N.C. School for the Arts in Winston-Salem with 1,031 students. Funding equity is a long-term issue for the system, and it means different things to different schools, says Waller. For fast-growing schools such as UNC-Charlotte, it may mean funds to meet enrollment demands, whereas for historically black schools such as N.C. A&T State University in Greensboro, it may mean catch-up funds for decades of racial segregation. The legislature has ordered several studies of equity in funding in the last four years alone.

(2) *How to improve access to higher education for minorities*, especially at the state's five historically black universities and the University of North Carolina at Pembroke, a school with roots in providing higher education for Native Americans -- One of the first issues faced by the original UNC Board of Governors was racial desegregation.

In 1973, a federal district court ordered the system to increase enrollment of black students, upgrade academic programs, and increase funding at the historically black universities. This year's budget contains \$20 million to meet repair and renovation needs at the five historically black universities, as well as UNC-Pembroke.

(3) *How to prevent each campus from running independently to the legislature for funds or changes in law* -- Part of the impetus for the 1971 legislation that restructured university governance was that individual campuses were adding programs and making budget requests without regard to what the other colleges and universities were doing, said the late Kenneth Royall, Jr., a powerful legislator for decades. Royall, who was head of the House Appropriations Committee in 1971, told the Center, "Listening to all 16 institutions and their requests -- well, you wanted to be fair. But money was limited. What it came down to back then was who had the best lobbyist."

Recently, the university system was tested when the Kenan-Flagler Business School at UNC-Chapel Hill approached the 1997 General Assembly for a tuition increase without approval by the UNC Board of Governors. Then, in a special provision in the 1998 budget, the legislature transferred key control of the UNC hospital systems from the Board of Governors to a more autonomous board at UNC-Chapel Hill. Later that year, UNC President Molly Corbett Broad directed chancellors to submit legislative proposals to a new Public Affairs Committee of the UNC Board of Governors.

(4) *How to meet the state constitution's mandate for affordable university education while maintaining academic excellence* -- The Center says a key piece of the university's heritage is the provision of the state constitution which reads, "The General Assembly shall provide that the benefits of the University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense." Thus, even today, North Carolina's average tuition levels are the third lowest in the nation, behind only Nevada and Florida. But for the first time in a decade, the UNC Board of Governors requested that the legislature enact a tuition increase for in-state students, and the legislature agreed.

History of the Restructuring of Higher Education in North Carolina and Other States

The restructuring of the university system took place in a special legislative session in October 1971. Under the 1971 legislation, 10 campuses were added to the system, local campus Boards of Trustees were retained, and a new 32-member UNC Board of Governors was created to govern the system. This Board has the power to submit a unified budget for all 16 campuses, approve academic programs, and elect the system President and the 16 campus Chancellors. Between 1950 and 1970, 47 states established either coordinating or governing boards for public higher education.

Copies of *Reorganizing Higher Education: What History Tells Us About Our Future* are available for \$20.00, including sales tax, postage and handling. To order, write the Center at P.O. Box 430, Raleigh, NC 27602, call (919) 832-2839, fax (919) 832-2847, or order on the Center's website at: www.ncinsider.com/nccppr.

Length of Session Affects Demographics of the Legislature

Important legislative trends can be found in *Article II: A Guide to the 1999-2000 N.C. Legislature*. Authored by Carolyn Waller, this citizens' guide contains profiles of each of the 170 members of the General Assembly, including business, home and e-mail addresses, photos, telephone and fax numbers, counties in the districts they serve, number of terms served in the legislature, and each legislator's educational and occupational background. For members who served in the previous session, the guide lists five bills they introduced in 1997-98, votes on 15 bills of statewide interest during the 1997-98 session, and a history of rankings of each legislator's effectiveness since 1981. These rankings are based on surveys of all legislators, registered lobbyists based in North Carolina, and the capital news media. Also included are demographic and occupational trends for the General Assembly since 1981.

A pocket-sized supplement to *Article II* contains each legislator's party affiliation, home county, legislative office address and phone number, e-mail address at the General Assembly, seat number, and all committee assignments. The supplement also contains seating charts, committee meeting schedules, and deadlines for introducing various types of bills.

Changes in Legislative Demographics

There are now 38 retirees serving in the 1999 General Assembly. In 1975, there were only 7. The number of retirees is at an all-time high, and this is the first time the number of retirees has surpassed the number of attorneys. "I'm retired, but I'm a full-time legislator," says Rep. Larry Justus (R-Henderson). "I could have come to the General Assembly when I was 29. But I didn't feel I could run my business, raise my family, and be in Raleigh. It is a full-time operation. We just won't admit it."

Legislators with occupations that afford greater flexibility continue to increase their numbers as well, such as those in real estate and those who are self-employed. By contrast, legislators with jobs that are less flexible -- such as attorneys and farmers -- are on the decline. In 1971, there were 68 lawyers in the legislature; this session, there are 37. The number of farmers in the legislature is also on the decline, with only 16 farmers in the legislature this year compared with 30 in 1983.

House Majority Leader Phil Baddour (D-Wayne), an attorney, says "Demands of service [in the General Assembly] are tremendous. It's tough to maintain a law practice and to serve in the General Assembly."

Legislative Committee System Affected by a More Competitive, Two-Party System

Another major trend identified by the Center is the impact of the state's more competitive, two-party system on the legislative committee structure. For three sessions in a row, party control of the state House has depended on less than a 17-vote margin, with Republicans in control from 1995 through 1998 and Democrats with a majority of 12 votes (66-54) this session. This means a break in party ranks by only six legislators can change policy outcomes. In order to keep all legislators in step with party positions, the Center says legislative leaders have used these four tools:

* In the last four years, all but five legislators in the majority party who were not freshmen were given committee chairmanships by Republican leaders in 1997 and by Democratic leaders in 1999.

* This year, Democratic Speaker Jim Black (D-Mecklenburg) increased the number of committees with multiple chairmen so that 23 committees have more than one chair.

* Both parties have given some chairmanships to the opposition party in the last two sessions in an attempt to court a few more votes. In 1999, for example, Speaker Black awarded committee chairmanships to Republican Representatives Monroe Buchanan (R-Mitchell), Jim Gullely (R-Mecklenburg), and Steve Wood (R-Guilford).

* The start of the 1999 session also witnessed the first purge by a party. The Republican Caucus expelled Rep. Wood for continually breaking party ranks. Wood successfully challenged the caucus choice for the post of Speaker Pro-Tem last session and then voted with Democrats for Speaker Black this year.

Hispanic/Latino Health: Of Growing Interest in North Carolina

North Carolina's Hispanic/Latino population is growing at a much faster rate than that of the state as a whole, having doubled since the 1990 Census to about 2 percent of the state's population. One area where the impact is being felt is in the delivery of health services. Hispanics/Latinos tend to use local health departments for services in numbers much higher than their share of the population would suggest. In Durham County, for example, 22.6 percent of the health department's clients were Hispanic/Latino in 1997-98. The numbers were even higher in Wilson County, where some 30 percent of health department clients were Hispanic-Latino. And in Randolph County, the figure was a startling 40 percent. These facts and others are included in a new Center study of Hispanic/Latino Health in North Carolina. How can health care providers more effectively serve this growing population? The Center surveyed all local health departments, as well as other providers, to ask this and other questions. Look for answers in the next *North Carolina Insight* magazine.

Proliferation of Chip Mills Leads to Concerns About Sustainable Forestry

The number of satellite wood chip mills operating in North Carolina has increased from 2 to 18 since 1980, creating concerns about the state's ability to sustain its forest resources. The state's chip mills -- which chop soft and hardwoods into tiny chips for use in the forest products industry -- have the capacity to consume 250,000 tons of trees per year or 2,600 acres of forestland. These chip mills are spread across the entire state, with four in the mountains, 10 in the Piedmont, and four in the east.

With the rising number of chip mills, the Piedmont has seen a corresponding increase in its timber harvest, with chip mill capacity increasing by 149 percent between 1989 and 1997 and hardwood pulpwood harvests increasing by 170 percent. In the mountains, however, hardwood pulpwood harvest actually decreased by 52 percent from 1994-97, while chip mill capacity increased by 66 percent. Harvest rates have varied in the east, showing no clear link to chip mill capacity. Forest products industry officials say levels of timber harvests have more to do with the vagaries of the marketplace than with the presence of a chip mill. Environmentalists say the presence of chip mills may raise the market value of timber and thus encourage additional harvests. What are the implications of the increasing number of chip mills for the sustainability of North Carolina forests? For a thorough discussion of this question, see the next edition of *Insight* -- coming to your mailbox in mid-August.

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