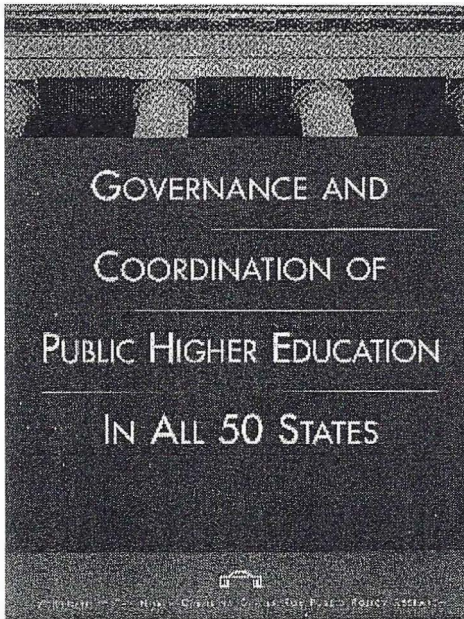


From The Center Out

The Newsletter of the North Carolina Center for Public Policy Research ... A voice for good government
September-October-November 2000



CENTER LOOKS AT HIGHER EDUCATION GOVERNANCE IN ALL 50 STATES

In a 50-state study of how states govern their higher education institutions, the N.C. Center for Public Policy Research says North Carolina leads in some areas, lags in a few others, and has several features unique to this state. The state is among the top 10 states in student enrollment in public higher education institutions, state appropriations for higher education, and full-time faculty salaries. However, it has a lower college-going rate than many other states, and it is one of only seven states with no central board or agency charged with planning or coordinating higher education policy for both two-year community colleges and four-year public colleges and universities. North Carolina is unique in having the first public university to open its doors to students and having a state Constitutional provision requiring the benefits of public universities, "as far as practicable," to be "free of expense." The Center's 236-page study is one of the most comprehensive studies ever undertaken on the higher education governance systems in all 50 states.

Where North Carolina Leads and Lags in Higher Education

The Center identified several areas where North Carolina leads in public higher education:

- * North Carolina's public higher education system of 16 public universities and 59 community colleges has the 9th largest student enrollment among the 50 states with more than 300,000 students.
- * North Carolina ranks 6th in total state funding for public universities and community colleges with appropriations of approximately \$2.3 billion per year and ranks third in funding per capita.
- * The average salary for full-time faculty at N.C.'s four-year public universities is \$64,304, ninth highest in the nation.
- * North Carolina has the most public, four-year, historically black colleges and universities, with five such institutions.
- * In comparing the total number of public and private colleges, universities, community colleges, and technical institutes, North Carolina has the 10th highest percentage (60.7%) of public institutions of any state in the country.

In some areas, North Carolina lags behind other states, as follows:

- * According to the 2000 National Education Goals Panel Report, North Carolina ranks 34th in college-going rates at 54%, as measured by the number of high school graduates going to college over a 12-month period. Massachusetts leads at 73%, Nevada is lowest at 40%, and the national average is 57%.
- * North Carolina is one of only seven states with no central board or agency charged with planning or coordinating higher education policy for both the two-year and four-year public institutions. The university system is governed by the UNC Board of Governors, the community college system is governed by the State Board of Community Colleges, and the 36 private colleges and universities are independently governed by campus-level boards of trustees.

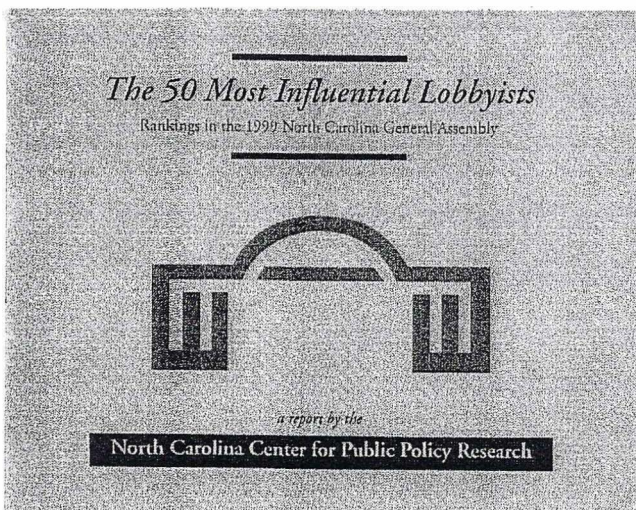
Unique Features of North Carolina's System of Governance of Higher Education

- * North Carolina is the only state to mandate that "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." This is why the average tuition for state residents is second lowest among the states behind only Nevada.
- * The UNC Board of Governors is one of only two central, state-level governing boards whose members are elected by the legislature (New York is the other state). Members of 43 higher education boards in other states are appointed by governors.
- * The Board of Governors is also the largest central, state-level governing board in the country with 32 voting members. Most higher education boards have 10-14 members.
- * And, North Carolina is one of only two states where the amount of power given to campus boards of trustees is not spelled out in state statutes but left to the sole discretion of the UNC Board of Governors (Utah is the other state).

The Center also highlighted four key national trends in higher education governance. First, between 1950 and 1970, 47 states established either coordinating or governing boards for public higher education, but now another wave of changes in governance has begun, with changes in 11 states. Second, the Center says 11 states have implemented new accountability measures for public colleges and universities, and governors and legislators are linking additional money for higher education to important state goals. Third, since 1996, most state legislatures -- including North Carolina's -- have been appropriating funds to colleges and universities at a rate significantly ahead of inflation rates. The fourth trend is a projected 19 percent increase nationally in college enrollment by 2010, with 48,000 more students expected in North Carolina's public universities by 2008.

"These national trends are likely to have a significant impact on North Carolina in the future," says Ran Coble, executive director of the Center and one of the report's authors. "The desire for increased accountability is likely to spread from the current public school reform efforts upward to higher education. And, the projected student enrollment boom over the next decade affects North Carolina more than most states, but it also is likely to increase competition for state funds between the university system and other state agencies in future budgets."

The Center's 236-page study reviews all 50 states' statutes on governance and coordination of higher education. It includes 36 tables comparing all 50 states in funding for higher education, student enrollment, student tuition and fees, faculty salaries, and numbers of public and private universities and community colleges, among other factors. It also includes a description of the boards and agencies governing or coordinating higher education in each state and the advantages and disadvantages of each system. Finally, it compares the powers of each of these boards in many areas, including the power to set budgets for public universities, the power to establish or terminate academic programs, and the power to make higher education policy. This is the second report in our four-part study of public university governance supported by a grant from the W.K. Kellogg Foundation of Battle Creek, Michigan. In North Carolina, the Glaxo Wellcome Foundation, John Wesley and Anna Hodgin Hanes Foundation, and James G. Hanes Memorial Fund also have supported this project. Copies of *Governance and Coordination of Public Higher Education in All 50 States* are available from the Center for \$25 each, including sales tax, postage, and handling. To order, write the N.C. Center for Public Policy Research 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.



HOT ISSUES LEAD TO HIGH RANKINGS OF INFLUENCE FOR LOBBYISTS

Electric deregulation was one of the most contentious issues in the 1999-2000 legislative session, and lobbyists who worked on this issue are among the most influential in the latest rankings of lobbyists' influence conducted by the N.C. Center for Public Policy Research. Lobbyists representing the major utility companies, ElectricCities, the N.C. Association of Electric Cooperatives, and the N.C. Coalition for Customer Choice in Electricity all garnered spots in the latest rankings of the "50 Most Influential Lobbyists in the N.C. General Assembly." The rankings are based on surveys by the Center of all legislators, registered lobbyists based in North Carolina, and the capital news media.

So many powerful lobbyists weighed in on the electric deregulation issue that it remains on the agenda for the next legislative session. Utility companies Carolina Power & Light Company and Duke Energy Corporation were represented by lobbyists Zebulon D. Alley (ranked #1 in the latest rankings of the most influential), Don Beason (#3), John Bode (#5), B. Davis Horne (#20), P.E. "Gene" Upchurch III (#21), John W. McAlister (#44), and Robert W. Kaylor (#48). Advocating a different side of the issue are lobbyists representing ElectricCities, the trade organization for the 51 cities in North Carolina that issued bonds in the late 1970s and early 1980s to purchase shares in power plants but now are saddled with \$5.5 billion in debt. Highly ranked lobbyists for ElectricCities include Marvin D. Musselwhite Jr. (#11), John McMillan (#12), Jennie Dorsett (#23), and Alice Garland (#38). Lobbyists for the N.C. Association of Electric Cooperatives, Blue Ridge Electric Membership Cooperative, the N.C. Coalition for Customer Choice in Electricity, and the N.C. League of Municipalities also ranked highly.

Other trends highlighted by the Center include a new generation of lobbyists becoming influential as 14 newcomers move into the rankings. Women also continue their rise in influence with 10 now ranked in the top 50, including three newcomers. And, the top 13 places in the rankings are still dominated by former legislators, with yet another legislator-turned-lobbyist, former Rep. Linwood Mercer, moving into the rankings this year.

During the 1999 session, 492 lobbyists were registered with the Secretary of State, representing 594 different companies or organizations. The Center's calculations of the number of lobbyists avoids double-counting by counting each lobbyist only once, even if the lobbyist represented more than one client. There were also 338 legislative liaisons representing 31 different state government agencies and licensing boards. The lobbyist rankings are available from the Center for \$8.00.

N.C. CENTER ANSWERS 13 RESEARCH QUESTIONS ABOUT A STATE LOTTERY FOR NORTH CAROLINA

With a proposed state lottery a key issue in the state's gubernatorial campaign, the Center will soon publish a major study outlining the plusses and minuses of state lotteries. Entitled "13 Ways of Looking at a State Lottery," the article will appear in the October edition of *North Carolina Insight*. Among the research questions addressed are: whether lotteries are reliable sources of revenue, how lottery revenues are earmarked, whether lotteries prey on the poor and uneducated, and whether lottery revenues enhance normal levels of funding for education or whether lawmakers merely substitute lottery revenues for normal appropriation levels. Look to the next *Insight* for answers.

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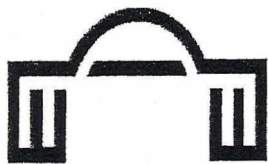
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