



# The North Carolina Center for Public Policy Research

*A voice for good government*

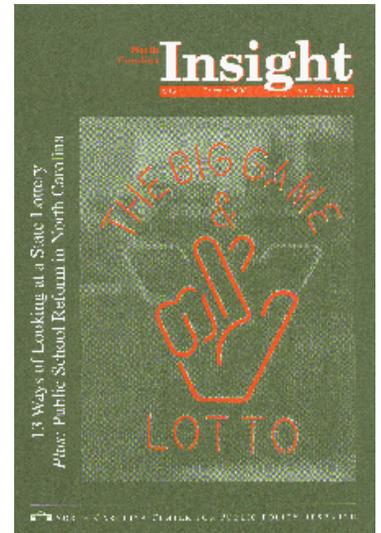
## Accomplishments in 2000

### Educating the Public

**State Lotteries** – In October, the Center released a major study addressing 13 key questions about experiences with the 38 state lotteries already operating in the United States. The study summarizes research findings on such questions as whether lotteries are large and reliable sources of revenue, whether lotteries prey on the poor, and whether lotteries provide new revenue for government programs such as education or merely supplant existing revenues. The Center's study shows four pluses for lotteries, five minuses, and four areas where the research findings are inconclusive. Because North Carolina's new Governor favors a lottery and South Carolina voters approved one in a November referendum, the lottery will be a key issue in the 2001 North Carolina legislative session.

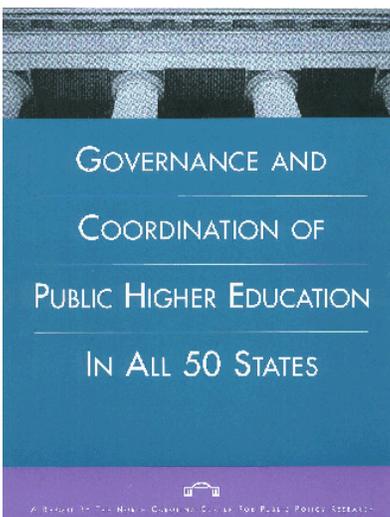
*Some of the best research seen to date on the pros and cons of a lottery has come out of North Carolina.*

– **The Florence, S.C. Morning News**



*...a useful series of articles [on state lotteries] in the current edition of N.C. Insight... The carefully interpreted, balanced study... The research center – known for its thorough examinations of state policy issues... [Legislators] would be well advised to heed the “insight” furnished by the N.C. Center and by what is happening in [other] states....*

– **The News & Observer of Raleigh**



### Governance and Coordination of Public Higher Education in All 50 States

**States** – In September, the Center released the second of four reports assessing governance of higher education. This report shows that North Carolina leads in some areas, lags in a few, 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 university faculty salaries. However, it has a lower college-going rate than 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 universities. North Carolina is unique in having the first public university to open its doors to students and having a state constitutional provision requiring public universities, “as far as practicable,” to be “free of expense.” 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, and now another wave of changes in governance has begun. Second, at least 11 states have implemented new accountability measures for public 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 appropriated funds to colleges and universities at a rate significantly ahead of

inflation. The fourth trend is a projected 19 percent increase nationally in college enrollment, and North Carolina's public universities expect 48,000 more students by 2008. The Center already has received publication orders from 35 states, three Canadian provinces, and the Virgin Islands.

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*This is a significant contribution to the field, and my colleagues and I here at the National Center are already using it on an almost daily basis.*  
– Patrick M. Callen, The National Center for Public Policy and Higher Education

*Thank you so much for this excellent report on Governance and Coordination of Public Higher Education in All 50 States. It is a superb piece and it is fascinating to see the position of our system in the U.S. scheme of things. Congratulations on an extraordinary study.*  
– Mary and Jim Semans

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**An Evening With CNN's Carol Lin and Four N.C. Journalists** – In February, the Center invited Carol Lin, national co-anchor of CNN's "NewsStand" and "Early Edition"; John Bason, co-host of "Legislative Week in Review" on statewide public television; Allen Johnson, editorial page editor of *The News & Record* in Greensboro; Kirsten Mitchell, Washington correspondent for the *Winston-Salem Journal*; and Rolfe Neill, former publisher of *The Charlotte Observer*, to discuss key issues facing North Carolina over the next decade. Other topics included: (1) the character of North Carolina and what makes it different from other states; (2) the next era of state politics and leadership; and

(3) the state of journalism, especially in coverage of state-level policy issues and state government. The videotape of this event won a third consecutive national award in public affairs programming for the Center and the N.C. Telecommunications Association.

## New Research Evaluating Government Performance

**Sustaining Public School Reform** – In November, the Center released an evaluation of 10 important public school reform efforts over the past 17 years. We found that the state abandoned three reform efforts entirely – lengthening the school year and the school day, the Career Ladder Program for teacher advancement, and the outcome-based education program. The state also never fully funded or evaluated the Basic Education Program or Senate Bill 2, the School Improvement and Accountability Act. Reform efforts still in place include the ABC Plan and Excellent Schools Act, both centerpieces of the outgoing Governor's efforts to raise student achievement and increase teacher pay. The legislature continues to appropriate money to the Low-Wealth and Small School Funds and to support charter school experiments. And, local school boards are speeding up efforts to create year-round schools. However, the Center poses the question to the new Governor and the 2001 legislature: Will the state stay the course on education reform or change reform horses yet again?

**Predatory Lending Legislation** – This year, *Insight* examined the state's landmark legislation regulating "predatory lending" – the practice of lending money for home loans by using unethical lending standards. The law passed by the 1999 General Assembly (1) defines high-cost loans and declares that lenders cannot make such loans without regard to the borrower's ability to pay; (2) outlaws the practice of flipping, or repeatedly refinancing loans when the new loan is of no benefit to the borrower; (3) prohibits lenders from financing credit life, disability, or unemployment insurance policies with a single lump-sum payment added to the amount of the loan; and (4) outlaws penalties for earlier-than-scheduled payoffs of home loans of \$150,000 or less. Advocates on both sides of this issue distributed our article, saying it was a fair-minded examination of the issue.

## Enhancing Government Accountability

**Does North Carolina Still Have a Citizen Legislature?** –The citizen legislature is an endangered species in North Carolina, said the

Center in the February issue of *North Carolina Insight*. The state is drifting toward a full-time or professional legislature, but with pay and benefits lingering at the part-time level due to the political difficulty of raising legislators' salaries. The Center said there is no consensus on what a citizen legislature is or what the problem is, and therefore no consensus on a solution. The Center's research noted four indicators of a drift away from a part-time legislature: (1) increasingly long legislative sessions, especially when the House and Senate are controlled by different parties; (2) nine special sessions during the 1990s to deal with issues that arose when the General Assembly was out of session; (3) more study commissions convening between sessions; and (4) appropriations committees meeting between the two most recent sessions. Currently, 10 states are governed by professional legislatures and 16 by citizen or part-time legislatures, while 24 states, including North Carolina, are hybrids.

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*Now comes a thoughtful report from the N.C. Center for Public Policy Research that confirms the impression that North Carolina has drifted away from its citizen-legislator model.* – **The Charlotte Observer**

*The N.C. Center for Public Policy Research, a respected bipartisan organization, has released a detailed report....[on citizen legislatures]* – **The Wilmington Morning Star**

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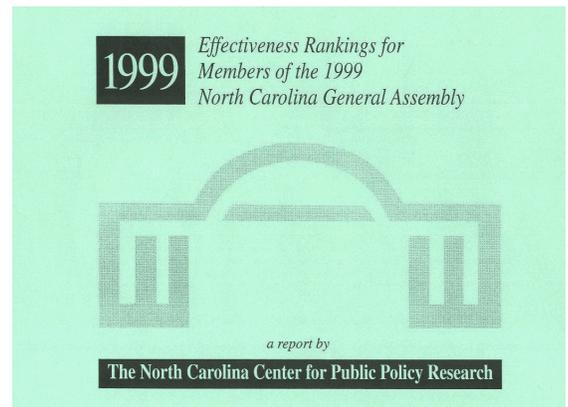
**Ranking of Legislators' Effectiveness and of Lobbyists' Influence** – The Center continued its emphasis on enhancing government accountability and educating voters by publishing the 12<sup>th</sup> edition of *Effectiveness Rankings for Members of the North Carolina General Assembly* and the 10<sup>th</sup> edition of *The 50 Most Influential Lobbyists in the North Carolina General Assembly*.

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*The Center's rankings aren't the final word on legislators and their effectiveness. But they are a pretty good gauge.*

– **Concord Independent Tribune**

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## Affecting Policy

**Legislative Study Commission on Job Training Programs** – In 1997, the Center published a theme issue of *North Carolina Insight* magazine on state economic development policy which included an evaluation of state job training programs. The 1999 General Assembly established a study commission to examine these programs. In April 2000, the Center was invited to testify before that commission and recommended that 49 training programs in eight agencies be consolidated under a single agency. The Center also recommended that the state require its job training programs to place a majority of their participants in jobs that pay above poverty level and that these workers be able to hold their jobs at least a year. That study group will make recommendations to the 2001 legislature.

**Legislative Study Commission on Children with Special Needs** – In 1998, the Center published a theme issue of *Insight* on children with special needs and recommended that the legislature establish a study commission to examine issues raised by the Center. The 1999 General Assembly did create such a group, which then invited us to present our research and recommendations. The Center testified in November 2000, and this study commission also will send a final report to the 2001 legislature.

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*I know wisdom when I see it, I know common sense when I hear it, and I know good research when I read it.*

– **State Senator on the Legislative Study Commission on Children with Special Needs, complimenting the Center's presentation**

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## Board of Directors in 2000

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## Center Staff

Ran Coble  
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**Wood Chip Mills and Sustaining State Forests** – In 1999, the Center produced an in-depth evaluation of wood chip mills and state forestry policy, including a recommendation that the current tax credit for exporting wood chips and forest products through state ports be allowed to expire as scheduled in early 2001. The Center opposed a bill introduced in 2000 attempting to extend the tax credit, and the bill did not pass.

## Looking Ahead

**Citizens' Guide to the Legislature** – In 2001, we will publish the 13<sup>th</sup> edition of *Article II: A Guide to the 2001-2002 N.C. Legislature*, the most comprehensive legislative guide available. *Article II* contains biographical and voting information for each of the 170 legislators, as well as their committee assignments and counties in their districts. For legislators who served in the previous session, the guide will list five bills they introduced in 1999-2000, their votes on 15 bills of statewide interest during the 1999-2000 session, and a history of rankings of each legislator's effectiveness since 1983.

**North Carolina Insight** – Our next edition will be a theme issue on the challenges and opportunities facing Eastern North Carolina. We plan to provide: (1) a picture of the serious challenges facing the East, including recovery from the floods of Hurricane Floyd, the decline in the tobacco industry, and pollution from hog farms; (2) an independent, nonpartisan evaluation of various ideas proposed in recent years to resolve the East's problems, such as the Global TransPark, natural gas pipeline extensions, and Internet access; and (3) a vision for the future for Eastern North Carolina.

**Higher Education** – The third in our series of four reports will examine the powers of the UNC Board of Governors, the election of the Board by the N.C. General Assembly, and the relationship between the powers of the Board of Governors and those of the 16 local campus Boards of Trustees. The fourth report will examine the performance of the Board of Governors by addressing several questions: (1) How have the three missions of the UNC system – teaching, research, and public service – fared under the Board of Governors' guidance? (2) Has the Board of Governors allocated money fairly and equitably among the 16 constituent institutions? (3) Does the UNC System, under the leadership of the Board of Governors, provide adequate, affordable higher education opportunities for North Carolinians? (4) How well has the Board of Governors addressed proposals for new academic programs and eliminated duplicative programs?

**Your Ideas** – We welcome your suggestions for topics that would benefit from the Center's independent, nonpartisan research. To make a suggestion or to order any Center publication, please write us at

**P.O. Box 430, Raleigh, NC 27602**, call us at **(919) 832-2839**, send a fax to **(919) 832-2847**, or visit our web site at

[www.ncinsider.com/nccppr](http://www.ncinsider.com/nccppr).



## 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.*