

From The Center Out

The Newsletter of the North Carolina Center for Public Policy Research ... A voice for good government
January-February-March 2001

Kudos for the Center's Lottery Research

The Center addressed 13 questions about state lotteries in the last edition of *North Carolina Insight*, but residents of the Tar Heel State weren't the only ones looking for answers. With the question of whether to remove a constitutional ban on a state lottery on the ballot in neighboring South Carolina, people in the Palmetto State were hungry for information as well. Reports about the Center's research were featured across South Carolina, with one newspaper – the Florence, S.C., *Morning News* – publishing the Center's research questions and findings on the front page for 12 consecutive days prior to their November referendum. The author of the series said the Center's study is “[s]ome of the best research seen to date on the pros and cons of a lottery....”

But North Carolina editors also had their ear to the ground for reliable lottery information. The lottery wasn't discussed much in the months leading up to the November general election, and the Center believes more debate is needed about the pros and cons. In an editorial entitled “Learn before we leap,” *The Charlotte Observer* said, “The nonpartisan N.C. Center for Public Policy Research, a private think tank in Raleigh, has taken an even-handed look at what lotteries do and don't do in the 37 states that operate them. It ought to be required reading for every member of the incoming legislature.” *The News & Observer* of Raleigh called the Center's work a “carefully interpreted, balanced study” and said the Center is “known for thorough examinations of state policy issues.” The editorial concluded that legislators and North Carolina's new governor “would be well-advised to heed the ‘insight’ furnished by the N.C. Center and by what is happening in [other] states....”

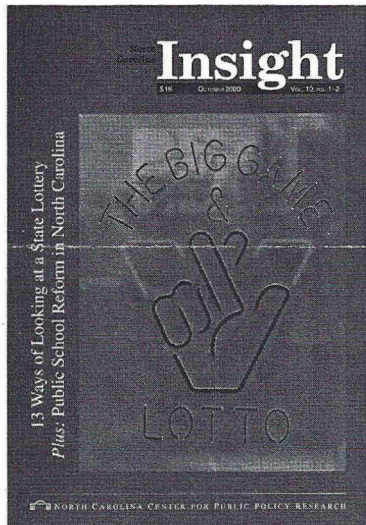
Mike Easley's election as Governor in North Carolina, coupled with a yes vote on the lottery in South Carolina, makes the Center's lottery study even more timely as Gov. Easley seeks a way to balance the state budget and fund his expansion programs in education. Lottery legislation has been considered in some form in every legislative session since 1983, and a lottery bill was the first piece of legislation introduced in the state House of Representatives this year. “Our study shows four pluses for lotteries, five minuses, and four questions where the research findings are inconclusive,” says *Insight* editor Mike McLaughlin. “We hope this raises the level of debate about lotteries in the public, the press, and the pulpits.”

Gov. Easley – in office since January 6 – says he wants to use lottery proceeds to lower class size in kindergarten through the third grade in the public schools and establish a pre-school program for at-risk 4-year-olds. In his State of the State address, he also said, “Now I am not saying a lottery for education is the only solution; it's just one solution. If anyone has a better idea... if anyone has another way to find the \$400 million to \$500 million for education, I am open to it.” The state faces a budget shortfall of as much as \$791 million in fiscal year 2001 ending on June 30. And the fiscal stress doesn't stop there, as the state faces long-term financial commitments from tax cuts totaling \$1.4 billion in the 1990s, rising Medicaid costs, losing three costly lawsuits, the costs of Hurricane Floyd recovery, and increased debt service from the \$3.1 billion bond issue for universities and community colleges passed last fall. Thus, funds may be too tight to finance Easley's expansion plans without a new source of revenue, and that's why lottery proposals and the Center's research will be in the news again this year.

Is North Carolina Vying for First in the Nation in Abandoning Education Reforms?

The Center also tackled education reform in the latest issue of *Insight*, addressing the question: Does North Carolina engage in stop-and-start education reform? To find the answer, the Center looked at 10 important education reforms undertaken in North Carolina since the 1983 national study, *A Nation at Risk*, laid out in stark terms the problems facing public school systems across the country.

The Center found the state has changed education reform horses every two to four years with every election cycle. With a new governor and a new legislative session underway, the state is clearly at another danger point. Only eight (or 16 percent) of the current 50 state senators were in the Senate at the start of the education reform movement in 1983, and only 16 (or 13



percent) of the current 120 House members were in the House in 1983. "You might have a situation where no one remembers where we came from, so there's no guilt about changing where we're going," says the Center's Mike McLaughlin.

Reforms the Center examined include: (1) a 1984 pilot program to lengthen the school day and year; (2) the 1985 pilot Career Ladder Program to reward excellent teaching through a merit pay system; (3) the 1985 Basic Education Plan to provide a minimum curriculum and standards for every school system; (4) the 1989 School Improvement and Accountability Act (or Senate Bill 2) to transfer power to local school systems and hold school systems accountable on specified goals; (5) the 1989 Year-Round School movement; (6) the 1991 Outcome-Based Education pilot program; (7) the 1991 Low-Wealth School Fund and Small School Fund to help poor and small school systems; (8) the 1996 authorization for the creation of up to 100 charter schools; (9) the 1996 Accountability, Basics, and Control (ABCs) program, giving local school boards more flexibility in exchange for more accountability on student achievement; and (10) the 1997 Excellent Schools Act, which began a four-year drive to raise teacher pay to the national average while holding teachers to higher professional standards.

The Center says 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 Plan 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 former Gov. Jim Hunt's efforts to improve student achievement and raise 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 says new political officeholders, new budget priorities, and a tight fiscal situation could unravel the current school reforms, leading to yet another round of abandoned reforms. A *Winston-Salem Journal* editorial concluded, "The Center's report serves as a critical reminder that education reforms, because they deal with the long-term development of children, cannot be evaluated overnight. Like many scientific experiments, they require time and patience."

A New Effort To Ask You To Become an Individual Donor to the Center

Most of you receiving this newsletter are paying \$36 a year as individual Center members. We have purposefully kept our membership dues low in order to make our magazine (*North Carolina Insight*) and newsletter ("From the Center Out") accessible to citizens across the state at all income levels. But membership dues and year-round gifts from members combined generate only 9.4% of our annual budget of \$642,322. Our staff remains at six people and has been that small for most of our 24-year history.

Most of the Center's budget comes from foundation grants (43%), corporate contributions (24%), interest from our Sustaining Fund (14%), and sales of publications (3%). Yet 88% of the money given to nonprofits in the United States comes from individuals. We think that the Center's individual members are an untapped resource. You are the key to our ability to remain independent from any financial interests that might try to influence our research findings and the key to any chance for growth in our financial future.

As we approach our 25th Anniversary in 2002, we hope to have 50 Center members step forward and **become Charter Donors in our new Major Donors Program**. This would mean pledging to give \$500 to \$5,000 a year for 3 years, beginning in 2001. You can use the enclosed form to the right to sign up and pledge or just send us a check now. Additionally, please consider **putting us in your will or making a bequest**. Consult your attorney or financial advisor about using one of the many legal vehicles available to do this, and we'll be glad to work with you too. Call Ran Coble or Laurita Ray at (919) 832-2839 if you'd like to talk about becoming a Charter Donor.

We want to say "**Thank You**" to the following people who are the first to become Charter Donors to the Center. We greatly appreciate their stepping forward, and we hope you'll follow their lead.

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(October 1, 2000 – January 31, 2001)

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ARTICLE II: A GUIDE TO THE 2001-02 N.C. LEGISLATURE

The start of the new legislative session marks the release of the 13th edition of *Article II: A Guide to the 2001-02 North Carolina Legislature*. As a citizens' guide to the General Assembly, new editions of *Article II* are published every two years after committee appointments are made in the regular legislative session. It is a useful and convenient tool for those interested in finding concise yet comprehensive information about the men and women who represent you in the General Assembly. Each Senator and Representative is individually profiled to tell you:

- *How to contact each legislator -- by mail, telephone, fax, or e-mail;
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- *The effectiveness rankings (1981-1999) for legislators who have served in previous sessions; and
- *Committee assignments for all legislators.

The newest edition of *Article II* will be released in mid-March. To order, call us at (919) 832-2839, fax to (919) 832-2847 or mail this form to us at P.O. Box 430, Raleigh, NC 27602. You may also order at our website at www.ncinsider.com/nccppr.

_____ I'd like to order _____ copies of *Article II: A Guide to the 2001-02 N.C. Legislature* at \$25.00 each.

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A Preview of Coming Attractions

Look to the next *North Carolina Insight* for a thorough discussion of the perils and promise of Eastern North Carolina. This theme issue of the Center's magazine looks at eastern agriculture, infrastructure, human resources, and the recent natural disasters afflicting that broad swath of "the goodliest land" lying between the state capital and the sea. Also in the mix will be an examination of some of the special ingredients that make Eastern North Carolina unique, such as a heavy reliance on military installations in local economies. Is Eastern North Carolina suffering in relation to the rest of the state? If so, what difference does it make? What are the region's strengths and weaknesses, and what hope is there for the future? Find out in the next edition of *North Carolina Insight*.



North Carolina Center for
Public Policy Research, Inc.
P. O. Box 430
Raleigh, NC 27602

