



From The Center Out

The Newsletter of the North Carolina Center for Public Policy Research ... A voice for good government
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LOBBYISTS ADDING PACS TO THEIR TOOLS OF INFLUENCE

In our latest rankings of the most influential lobbyists released this fall, the N.C. Center for Public Policy Research found that nearly three-fourths of these lobbyists have at least one client with a political action committee (PAC) able to make contributions to state political campaigns. The Center also found that lobbyists representing either side in the debate over a proposed state lottery did well in this year's rankings. Former legislators who are lawyers continue to dominate the top spots, while 13 newcomers entered the ranks of the 48 most influential lobbyists in the N.C. General Assembly.

Companies and Groups That Hire Top Lobbyists Also Have PACs

Nearly three quarters of the lobbyists ranked among the most influential represent at least one client able to donate money to state political campaigns. Of the 697 businesses, nonprofit organizations, and government agencies with lobbyists registered with the Secretary of State's office at the end of the 2001 session, 303, or 43 percent, have at least one lobbyist ranked among the 48 most influential. Of those 303 groups, 72, or 24 percent, have a state or federal political action committee (PAC) eligible to make donations to state political campaigns. Of the 48 most influential lobbyists, 35, or 73 percent, represent at least one of the 72 companies or interest groups with PACs.

For example, Zebulon D. Alley, who ranked 1st in this year's rankings for the eighth consecutive session, represents 13 clients, of which the N.C. Vendors' Association, Progress Energy, and Sprint have PACs. The second highest ranked lobbyist, Don Beason, represents 14 clients, of which BB&T, BellSouth Telecommunications, and Progress Energy have PACs. And, at least four law firms engaged in lobbying have PACs registered under the names of their firms. Three of those firms -- Parker, Poe, Adams and Bernstein; Jordan, Price, Wall, Gray and Jones; and Kennedy, Covington, Lobdell and Hickman -- have at least one lobbyist who made the rankings.

Lobbyists on Both Sides of Lottery Debate Gain Influence

Eight of the 48 most influential lobbyists worked on one side or the other of the debate over a proposed state lottery. Of these eight, three improved their rankings from the previous legislative session, and three made the list for the first time.

Pro-lottery lobbyists ranked among the most influential included contract lobbyists Al Adams (ranked 6th) and Jack Cozort (ranked 17th), who represented GTECH, a company which operates lotteries in 25 states and 42 foreign countries. Gov. Mike Easley pushed for a lottery, and two of his lobbyists, Franklin Freeman (10th) and Kevin Howell (40th), were ranked among the most influential.

The Center's survey showed that anti-lottery lobbyists from different points in the political spectrum also had influence with legislators. Dan Gerlach (ranked 11th) lobbied against the lottery while at the liberal-leaning N.C. Budget and Tax Center, as did Charles B. (Chuck) Neely, Jr. (ranked 16th) a former Republican state Representative who is the volunteer chairman of the bipartisan Citizens United Against the Lottery, and William Brooks (38th) of the conservative N.C. Family Policy Council. Ironically, after the 2001 session, Gov. Easley hired Gerlach, the highest-ranked anti-lottery lobbyist, and turned him into a pro-lottery lobbyist in the 2002 session.

Influential Lobbyists Say Secret to Success Is Still Personal Contact

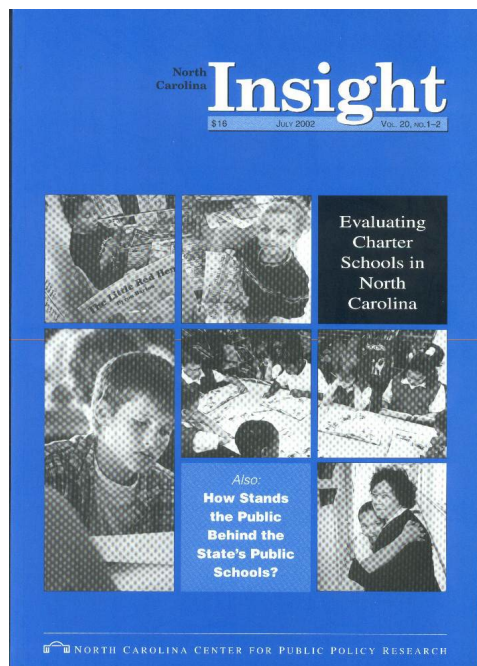
This year, after tabulating the survey that identified the most influential lobbyists, the Center decided to conduct a follow-up survey to study tactics, technology, and techniques the state's most influential lobbyists use in their lobbying practice. Forty-two of the 48 most effective lobbyists (88 percent) responded in a thoughtful look at the state of their profession in North Carolina.

While the most influential lobbyists reported widespread use of new technologies, they say that the most effective lobbying technique still is developing personal relationships with lawmakers and providing timely, credible information. Of 12 specific tactics lobbyists were asked to rate, "personally meeting with legislators in their offices or

in an informal setting, such as over a meal” was rated most effective. Of four factors listed in evaluating a lobbyist’s influence, “the ability to communicate accurate information on the legislation in question” ranked highest. Of five ways for citizens to contact legislators, “in-person” got the nod as the best method.

How and Why the Rankings Are Done

This is the eleventh time the N.C. Center for Public Policy Research has released its lobbyist rankings, which are based on surveys of all state legislators, registered lobbyists based in North Carolina, and the capital news media. “The list of the most influential lobbyists tells citizens what key interests have clout with legislators in North Carolina, as well as who is *not* represented in the legislature,” says the Center’s director, Ran Coble. “The rankings also shed light on what is often an invisible process and illustrate changes in which issues are hot and in the lobbying profession itself.” *The Rankings of the Most Influential Lobbyists in the 2001 North Carolina General Assembly* are available for \$10. To order, call (919) 832-2839, fax us at (919) 832-2847, email us at tbromley@nccppr.org, or visit our website at www.nccppr.org.



CENTER STUDIES CHARTER SCHOOLS IN N.C.

The latest edition of *North Carolina Insight* magazine featured an evaluation of North Carolina’s experience with charter schools since 1996. The Center concluded the state should wait for further evidence of adequate performance before allowing an increase in the number of charter schools. First, the Center’s research found that charter schools did not perform as well as regular public schools on end-of-grade tests on reading, writing, or arithmetic. And, six of the 10 worst performing schools in the state also were charter schools, most of them serving African Americans. Second, the Center also found a lack of racial balance, with more than 30 of 97 charter schools having more than 80 percent nonwhite students – despite a state law requiring that charter schools must reasonably reflect the racial make-up of their local school districts. Third, the Center found too many charter schools had problems with financial management, with the State Board of Education having revoked 14 charters since 1997, mostly for fiscal difficulties.

Based on our findings, the Center recommended: (1) that the state retain its current cap of 100 charter schools until it has five full years of data on all schools that can prove the worth of the charter experiment; (2) that the State Board of Education not grant any more charters that target a narrow racial or ethnic population; (3) that the N.C. General Assembly implement

financial reforms to require that charter schools spend one year planning and getting their financial affairs in order before opening to students; and (4) that the 2005 General Assembly – then armed with adequate data about charter school performance – consider whether to raise the cap on charter schools and, if so, by how much. The Center sent copies of our study to members of the State Board and to legislators on education committees in the House and Senate.

In January 2002, the State Board of Education recommended that the General Assembly raise the cap on charter schools to 110 in 2003, provided a range of conditions is met. And, several bills before the 2001-2002 legislature would have raised the cap to 135 schools or eliminated the cap altogether. As the Center recommended, none of those bills passed.

Charter schools are nonprofit corporations run by volunteer boards of directors that have significant autonomy in determining how the schools are operated, yet they are hybrids in that they rely primarily on state funds. As nonprofits, they receive freedom from many government regulations and are free to raise money from foundations, corporations, and individuals. Their governing boards are not subject to local boards of education, and they are free to pursue the best teachers, who may be attracted by small class size, small schools, and the opportunity to have a greater say in operations. Yet charter schools are public schools in that anyone is eligible to attend, the schools do not charge tuition, and they are guaranteed a certain level of state and local funds. The idea behind charter schools is that freedom from various rules and regulations will create room for innovation and transmit fresh ideas to public schools.

The Center’s study of charter schools garnered statewide news coverage with 34 articles in 27 newspapers, and broadcast coverage on 96 radio stations and 5 television stations. This included an appearance by *Insight* editor Mike McLaughlin on statewide public television’s “North Carolina Now” program, as well as on several one-hour talk radio shows in Morehead City, Raleigh, and Winston-Salem. The Center extends its sincere thanks to Progress Energy for a corporate contribution and a grant from its Foundation in support of this project.

Preview of Coming Attractions

How stands the voting process in North Carolina? Find out in the next edition of *North Carolina Insight*, where the Center explores both voter participation and the state's ability to guarantee an accurate vote count. We find room for improvement in both areas, outlining recommendations aimed at making North Carolina a national leader in voter participation. Also in this edition: Center director Ran Coble examines lessons to be learned from innovative citizen participation efforts and civic education programs in Argentina and Chile. And, Center policy analyst Sam Watts explores what it takes to be an influential lobbyist in today's N.C. General Assembly.

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As a Center member, you'll soon receive a letter asking you to make a year-end gift – and a summary of what you've helped us accomplish this year. We hope this gives you a reason to give. For another opportunity to help, see below.

Become A New Charter Donor to the Center

As we celebrate our 25th Anniversary year, we need 50 Center members to step forward and become Charter Donors in our new Major Donors Program. Forty-four members already have done so. To become a Charter Donor, you make a three-year pledge, preferably at \$500 a year, if that's possible for you. We are grateful for all multi-year pledges. And, please consider putting us in your will or making a bequest. Call Ran Coble or Laurita Ray at (919) 832-2839 to discuss becoming a Charter Donor.

- I/we want to celebrate the Center's 25th Anniversary year and join the **Major Donors Program** with a commitment of:
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- I plan to donate stock to the Center's account. (Please call Nancy Rose at (919) 832-2839 for Center account information.)
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