



N.C. CENTER FOR
PUBLIC POLICY
RESEARCH

From The Center Out

The Newsletter of the North Carolina Center for Public Policy Research

*A voice for good government
August-September-October 2008*

CENTER WINS 3 NATIONAL AWARDS

The N.C. Center for Public Policy Research has won three prestigious national awards for high-quality policy research from the national Governmental Research Association (GRA). The Association is a group of 33 public policy organizations in 22 states.

Award for Most Effective Education of the Public

The N.C. Center received one award for Most Effective Education of the public for its study of the future of community colleges in North Carolina. In the May issue of its journal, *North Carolina Insight*, the Center examined key issues facing North Carolina's 58 community colleges. The Center found that:

- Current state funding formulas cannot keep up with today's rapid enrollment growth at community colleges. The troubled economy has led 20,000 more students to enroll in the last four years alone, with a total of 850,000 students now enrolled. However, the legislature uses funding formulas which are based on the prior year's enrollment and which provide the same amount for funding for all programs, regardless of cost.
- Community colleges are key to addressing North Carolina's work force shortages, especially in nursing, teaching, and biotechnology. The community colleges already produce 68 percent of the state's registered nurse graduates. But, the state will need 9,000 more nurses by 2015 and already needs about 6,500 more new graduates in teacher education each year. Estimated shortages in the biotechnology sector range from 2,270 to 4,000 per year.
- Faculty salaries at community colleges are among the lowest in the nation. The average full-time community college faculty member earns about \$41,000, ranking North Carolina 46th among the 50 states. The average public school teacher makes about \$46,000, ranking the state 27th. The average full-time faculty member at the 16 public universities is paid about \$81,000, ranking 13th in the nation.
- Community colleges need up-to-date equipment to train workers. Yet, lack of funding for this equipment already has forced the elimination of 98 programs that require equipment.

The Center's public education efforts included coverage in 124 articles in 64 newspapers in North Carolina, as well as coverage in Kansas, Virginia, and South Carolina. The research also was featured on public affairs programs on statewide public television ("North Carolina Now") and statewide cable TV ("Open/net"). A video of the Center's forum on the future of community colleges is available on Time Warner Cable's "Carolina on Demand." Center staff also reached the public through half-hour talk radio programs in Charlotte, New Bern, Raleigh, and Winston-Salem, as well as on the 75 stations in the N.C. Radio News Network. The GRA award cited the Center's innovative efforts in making its research available online to the news media and public.

Insight editor Mebane Rash accepted the award on behalf of the Center. This is the third time that the Center has won an award for Most Effective Education of the public. In 2006, the Center was cited for its study of opportunities and challenges in economic development in Eastern North Carolina, and in 2005, our study of domestic violence won the top award in this category.

Award for Most Distinguished Research

The Center won a second award for Most Distinguished Research for its groundbreaking study of financial aid for students in community colleges. The Center found that only 23 of the 58 community colleges in North Carolina offer access to all of the need-based, low-interest loan programs offered by the federal government. The national Project on Student Debt estimates that 47 percent of North Carolina's community college students have no access to federal student loans, ranking the state third-worst among the 50 states, ahead of only Alabama and Georgia. Many community colleges do not participate in all federal government loan programs because a high default rate on the loans would put the schools at risk of losing access to Pell Grants and all other federal student aid programs.

The Center made four recommendations to (1) improve the Community College Grant Program, (2) provide a more stable and sustainable source of funding, (3) help all the colleges participate in federal aid programs, and (4) make child care available to the almost 1,400 students who are eligible for help but are not being served. Shortly after the Center made these recommendations, the legislature included a provision in the state budget that requires the Joint Legislative Education Oversight Committee to study changes necessary to improve financial aid to community college students. Center policy analyst Sam Watts, author of the research on student aid, accepted the award on behalf of the Center.

Award for Outstanding Policy Achievement

The Center also won the top award for Outstanding Policy Achievement, which goes to the policy group whose research leads to "tangible improvements in public policy." The Center was honored for its four-year effort to improve North Carolina's laws designed to prevent and reduce domestic violence.

The Center first published research on domestic violence in 2005. Since then, the N.C. General Assembly has passed legislation implementing six of the Center's recommendations. The legislature has created a joint House and Senate study commission on domestic violence, expanded family courts, provided funds for domestic violence shelters, allowed name changes to remain confidential in order to protect victims, required better reporting of domestic violence homicides, and enacted stiffer penalties for domestic violence offenders. The GRA awards committee particularly pointed to the saving of women's lives as a result of this effort.

"This award acknowledges not only the work of the Center, but also others who have worked so hard to reduce domestic violence in North Carolina," says the Center's director, Ran Coble. "The legislators on the bipartisan study commission, the Governor's Crime Commission, and two nonprofits – the N.C. Coalition Against Domestic Violence and the N.C. Coalition Against Sexual Assault – all have played key roles in this success story," he adds.

About the Governmental Research Association

Governmental Research Association organizations span the country – from the Center for Governmental Research in New York and the Massachusetts Taxpayer Foundation to the Washington State Research Council, Texas Taxpayers and Research Association, and Citizens Research Council in Michigan. The GRA holds a national conference each year that focuses on key policy issues facing state and local governments across the country. It also publishes a newsletter and gives national awards, selected by independent panels, for policy studies that educate the public and improve public policy at both the state and local levels. GRA organizations promote transparency in state and local budgets and provide information to citizens about the performance of government programs.

CENTER RELEASES NEW RANKINGS OF THE MOST INFLUENTIAL LOBBYISTS

Last month, the N.C. Center for Public Policy Research released its latest rankings of the most influential lobbyists in the state legislature. The real estate transfer tax and ethics reform were hot issues during the legislative session, and 13 of the 55 most influential lobbyists were heavily involved in those issues. The new rankings are based on surveys of all legislators, registered lobbyists based in North Carolina, and the capital news media.

“During the legislative session, the real estate transfer tax and ethics reform were topics for a lot of debate and close votes, and lobbyists on both sides of both issues gained influence,” says Sam Watts, the Center’s policy analyst. “Hot topics and heated debates often are the path to increased influence for lobbyists who can keep a cool head during a long hot summer.”

Lobbyists Involved in the Real Estate Transfer Tax Debate

The budget bill (House Bill 1473) passed by the 2007 General Assembly included a provision that allowed counties to put either a real estate transfer tax or a sales tax increase on the ballot for voter approval. By July 2007, interest groups on both sides of the issues had spent more than \$750,000 on lobbying and advertising campaigns.

The highest-ranked lobbyist involved in the transfer tax debate was John McMillan, who ranked 2nd and is a contract lobbyist who represented the N.C. Association of Realtors and 31 other clients. The Realtors Association opposed the real estate transfer tax. Also representing the Realtors Association were executive vice president Tim Kent and Rick Zechini, both of whom ranked among the most influential lobbyists for the first time (11th and 12th, respectively). Advocating for the local option taxes were lobbyists for the N.C. County Commissioners Association, two of whom also were ranked among the most influential. Paul Meyer and Jim Blackburn of the County Commissioners Association ranked 25th and 31st, respectively.

Ethics Reform Also Influenced Lobbyist Rankings

The scandal that toppled Jim Black from his position as the Speaker of the N.C. House also continued to echo through the halls of the General Assembly. Bob Hall, executive director of Democracy North Carolina, saw his ranking jump from the 49th most influential lobbyist in 2005-06 to 19th in 2007-08. Democracy North Carolina filed a complaint with the State Board of Elections that initiated an investigation into Jim Black’s campaign finances. Hall lobbies for reforms in laws on ethics, lobbying, and campaign finance.

Ethics troubles also caused two lobbyists to drop in the rankings of the most influential. Don Beason, who was ranked the most influential lobbyist in 2005 and had been in the top three since 1995, dropped to 35th in the latest rankings. In July 2007, evidence presented in criminal court proceedings against Speaker Jim Black revealed that Beason loaned Black \$500,000. Beason also was charged with assault by pointing a gun at a motorist in July 2007. By the start of the 2008 legislative session, Beason was no longer registered to represent any clients.

Meredith Norris, a former staff aide to Black, dropped completely out of the rankings of the most influential lobbyists after ranking 23rd in 2005-06. She was banned from lobbying after being found guilty of failing to register as a lobbyist for Scientific Games, a company that operates lotteries.

Newcomers to the Ranks of the Most Influential

Seven lobbyists entered the ranks of the most influential this time. In addition to lobbyists Tim Kent and Rick Zechini of the N.C. Association of Realtors, Billy Ray Hall, president of the N.C. Rural Economic Development Center, was ranked for the first time at 20th. He was joined by newcomers Paul Meyer of the County Commissioners Association (25th); Andy Willis, representing the University of North Carolina system

(29th); Ed Turlington, an attorney and contract lobbyist representing the N.C. Cable Telecommunications Association and N.C. Technology Association, among other clients (39th); and former legislator Steve Metcalf, representing the Eastern Band of the Cherokee and Town of Boone, among other clients (47th).

A Record Number of Contract Lobbyists in the Top Echelon

There are a record 28 contract lobbyists among the 55 most influential, including nine of the Top 10. Contract lobbyists often, but not always, are attorneys who represent multiple clients. Because they have multiple clients, they need to maintain a constant presence in the legislature. Center policy analyst Watts says the rise of contract lobbyists is evidence that lobbying has become a professional, full-time job.

The three most influential lobbyists are contract lobbyists. Roger Bone at 1st is a former legislator and the only non-lawyer in the Top 10. John McMillan (2nd) is an attorney who represented the realtors, nursing homes, the N.C. Symphony, and Allstate Insurance, among others. John Bode (3rd) is an attorney who represents independent insurance agents, the N.C. Hospital Association, and Progress Energy, among others. Other contract lobbyists in the Top 10 are Zebulon Alley (5th), Sandy Sands (6th), Dave Horne (7th), Jack Cozort (8th), Andy Ellen (9th), and George Teague (10th), who makes his first appearance in the Top 10.

The Revolving Door: Former Elected Officials and Agency Staffers Turn to Lobbying

Five of the 55 most influential lobbyists are former members of the General Assembly – Roger Bone (ranked 1st), Zebulon Alley (5th), Sandy Sands (6th), Chuck Neely (45th), and Steve Metcalf (47th). One top-ranked lobbyist, Rufus Edmisten (23rd), is a former Attorney General and Secretary of State in the executive branch, and two top lobbyists are former appellate judges – Franklin Freeman (4th) and Jack Cozort (8th). Paul Wilms (17th), lobbyist for the N.C. Home Builders Association, formerly headed the N.C. Division of Environmental Management.

Why and How the Lobbyist Rankings Are Done

This is the 14th time the N.C. Center for Public Policy Research has released its rankings of lobbyists. “The rankings of the most influential lobbyists help citizens understand which key interests and organizations have clout with legislators in North Carolina,” said the Center’s Watts. “The rankings shed light on what is often an invisible process. They also show changes in the lobbying profession and illustrate which issues were the hottest,” he added.

At the end of the 2007 session, 813 lobbyists (up from 638 in 2005) were registered with the Secretary of State, representing 805 different companies or organizations. The Center’s calculations of the number of lobbyists count each lobbyist only once, even if they represent more than one client. The Secretary of State’s records also listed 98 legislative liaisons that represented 66 different state government agencies and licensing boards, but the Center surveys only the lead liaison for each agency or board.

The new rankings of the *Most Influential Lobbyists in the N.C. General Assembly* are available from the Center for \$10. A set of three publications – including *Article II: A Guide to the N.C. Legislature* (\$25); rankings of legislators’ effectiveness, attendance, and roll call voting participation (\$10); and rankings of the most influential lobbyists (\$10) – is available for \$40. To order, write the Center at P.O. Box 430, Raleigh, NC 27602, call (919) 832-2839, fax (919) 832-2847, or order by email from tbromley@nccppr.org.

**Special Thanks to Our Foundation and Corporate Contributors
July 1 - September 30, 2008**

General operating support is vital to the overall health of the Center. In August, we were honored to receive a grant for general operating support from the **Kate B. Reynolds Charitable Trust**. Their \$35,000 grant supports our core mission and our goals of a better-informed public and a more effective and accountable government. We are proud of our continuing partnership with the Kate B. Reynolds Charitable Trust and extend our sincere thanks for their support.

We also thank the **Blumenthal Foundation** for its support. The Blumenthal Foundation made a grant of \$5,000 for our project to examine and improve the state's water policy.

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CONGRESS RENEWS LAW ON IRA CHARITABLE ROLLOVER: A DIFFERENT WAY TO HELP THE CENTER WITH YOUR IRAs

The federal Pension Protection Act of 2006, originally enacted by Congress in August 2006, created a new way that you can use your IRAs (Individual Retirement Accounts) to support the N.C. Center for Public Policy Research. Now, as part of the Emergency Economic Stabilization Act of 2008, Congress has voted to extend the IRA charitable rollover through December 31, 2009. The extension is retroactive to January 1, 2008.

You can give up to \$100,000 to the Center from a traditional or Roth IRA account *without having the donated amount count as taxable income* IF:

- You are over the age of 70 years, 6 months at the time of your contribution, *and*
- The custodian of your IRA transfers the funds directly to the Center and not to you (to avoid this being income taxed to you), *and*
- **Your gift is completed before December 31, 2008 for this tax year or before December 31, 2009 for the next tax year.**
- The distribution must be made to a 501(c)(3) nonprofit, such as the Center. Our tax ID number is 56-1162341.

If you choose to do this, please let the Center know because the gift would come directly from your IRA custodian and not from you. Without your notifying us, it might be unclear who made the gift, and we both want to thank you and send you a receipt so you will not have to pay federal income taxes on the distribution. This is not meant to be legal advice. You should consult with your own IRA custodian or your own tax advisor. We just want you to be aware of this new way to support the Center. Please contact Center director Ran Coble (at 919-832-2839 or rancoble@nccppr.org) if you have any questions. Thank you.



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