
CITIZEN SOAPBOX: Free Advice for the New Governor from 17 North Carolina Citizens

An Introduction

by Mike McLaughlin

If you had the governor's ear, what would you tell him he should do for North Carolina? With the transition to a new administration, the Center decided this would be a good time to pose such a question. And so we asked 17 North Carolina citizens—just before the Nov. 3, 1992, election—to write short essays on the topic.

The timing was intentional. We wanted the advice to apply no matter who occupied the executive mansion. To avoid presenting any narrow special interest, we selected a diverse group of essayists who would bring a broad range of perspectives to the task. And we made sure our panel was balanced racially, geographically, and politically. There are nine men and eight women, 12 whites, four African Americans, and one Native American. At least six are Republicans and nine are Democrats, although some did not reveal their party affiliation.

Our essayists hail from Currituck County in the northeastern corner of the state to Deep Gap in the northwest and a dozen points in between. Their occupations range from the leading environmental lobbyist to the chief executive of a public utility, from the director of the statewide association for business and industry to the director of a small nonprofit group that promotes minority enterprise efforts. And there are two former governors—a Democrat and a Republican. The only real common denominator is that all of our essayists are North Carolina citizens who are in some way recognized leaders in their fields.

Our aim is to provide a fresh look at the issues from a wide range of viewpoints. That meant

turning to some of the tried and true voices who have shaped North Carolina's destiny, but it also meant uncovering some new voices. Our hope was that emerging from this chorus would come some new ideas, but also some common themes. We believe that is exactly what happened.

What do we expect from our governor? If these essays are a fair sampling—a lot. We want him to keep the environment clean while stoking the economy through new jobs and growth. We want him to honor the diversity of the state's population, both through fair treatment of women and minorities and fair geographic distribution of economic development. We want him to help the

Mike McLaughlin is editor of North Carolina Insight.

have-nots while lowering certain taxes for the haves and generally making do with fewer government resources. And we want him to be accountable and successful and hold up a vision for a brighter future.

Concerns about public education, the environment, and economic development are common threads that run through most of our essays. Several essayists identify improving the public schools as the biggest issue confronting the state. Most often mentioned is the perceived need both for greater local control of the schools *and* accountability of school personnel for student performance.

Also emerging is a call for better coordination of educational efforts in North Carolina at every level, with clearly defined roles for the community colleges and the university system and perhaps even the closing of some campuses.

In the area of economic development, two broad themes emerge. These are concern over tax rates and regulation and worry that economic development efforts neglect the needs of rural North Carolinians, women, and blacks and other minorities.

Fueling the concern over taxes was an \$85 million increase in the corporate income tax passed in 1991 to help close a \$1.2 billion revenue shortfall. The increase pushed the tax to 7 $\frac{3}{4}$ percent, among the highest in the Southeast,¹ and added a 4 percent surcharge that expires in 1995.

Under the environmental rubric, essayists argue for a balance between protecting resources and promoting responsible development that creates jobs. More waste reduction and better waste management also emerge as issues to address, as do calls for broader transportation policy and better planning for growth.

Several essayists mention that North Carolina's new governor will have to tackle more problems with fewer resources, and one makes this the focus of his entire essay. The reason? States—already pressed by budget woes of their own—are facing increasing responsibilities as the federal government gets deeper into debt. One vehicle for achieving increased government efficiency is the Government Performance Audit Committee, a blue-ribbon panel, funded by a \$3 million legislative appropriation, that will report to the 1993 General Assembly.²

The committee—born of the budget crisis of 1991—has identified as much as \$275 million in savings that could be realized through some fundamental restructuring of state government programs. The recommendations are intended to re-

duce the rate of increase in state government spending in some areas and actually cut spending in others, but implementing the committee's recommendations will mean stepping on some rather large toes. Unless the governor can find enough savings, one essayist warns, he will have to confront almost immediately the issue of whether to raise taxes.

Sprinkled throughout the essays is a call for strong, principled leadership that represents the interests of every North Carolina citizen. One essayist urges the governor to make sure his staff, cabinet members, and appointments to boards and commissions reflect the state's ethnic and gender diversity, and to use his office as a bully pulpit to help move the state away from a perceived preponderance of white male leadership.

Another points out the gaps between the haves and the have-nots in North Carolina, and notes that the state seems to have reached a critical period as it prepares for the next century. Unless the governor pays close attention to the needs of *all* of its citizens, this essayist argues, many will be left behind, and the state will be the ultimate loser.

The state faces a number of additional challenges—like North Carolina's changing economy, poverty, health care, and housing. Each of these areas will need the governor's attention.

North Carolina's traditional industries of textiles, tobacco, and furniture face increasing pressure as the state shifts to more of a service-based economy. What does this mean to rural areas that are essentially one-industry towns?

Poverty is a persistent partner in the North Carolina economy and a problem that every governor must confront. Several essayists mention this problem. In the 1960s, the poverty rate was about 20 percent in North Carolina. In 1990, the rate was a still-too-high 13 percent.

Percentage wise, poverty is more pervasive in rural areas, where high-paying jobs requiring skilled labor are scarce. But the greatest *numbers* of impoverished live in the state's gleaming cities—left behind by booms in banking, high technology, and the service sector.³ Clearly, the needs of the poor in both urban and rural settings should be addressed.

Some of our essayists may consider issues like poverty and poor housing to be subsumed by efforts at improving education and boosting economic development. Still, some citizens need a leg up to develop into eager students and willing workers, and human dignity demands that every citizen have the basics of food, clothing, and a decent place to

live. Assuring the basics in an era of limited government resources—as several essayists point out—will provide yet another challenge.

Another major problem is people without health insurance, now thought to exceed 1 million people in North Carolina on a day-to-day basis. Driving the problem is the rising cost of health care, which more than doubled the overall rate of inflation from 1980-90.

Health care issues like access and skyrocketing costs seem to be more on the minds of voters than on the minds of our essayists. But rising health care costs *will* be on the mind of the governor. Here's why: Medicaid and the State Employee Health Plan represent two of the three fastest growing expenses in the state budget.

The state's expanding criminal justice system is the other of the three fast-growing budget lines, according to David Crotts, the legislature's senior fiscal analyst. Three essayists mention the need to build more prisons. Nobody questions whether this is the best way to use the state's resources or the best way to punish all crimes.

One essayist talks about the need to involve more citizens in government. None mentions the need to promote more open government and greater access to public records and meetings.⁴ None specifically mentions improving race relations in the year after the L.A. riots, although several make major themes of racial and gender equity.

Why don't we get more discussion of these kinds of issues? Perhaps, as one of our essayists suggests, noise from the national races drowned out much meaningful discussion of a broad range of state-level issues in the fall election season. This could be reflected in the content of our essays. But it's also clear that only so many topics can be touched on in a brief essay. Our essayists take a thoughtful look at the topics they do tackle, and they are not alone in reflecting on the future of this state.

In September 1992, 50 people gathered at Research Triangle Park to talk about an agenda for the state, brought together by *The News & Observer* of Raleigh, N.C., and Town Hall Television Inc., a new effort to use television to tackle pressing public issues. Like our essayists, this group ranked education as second to none on the state's agenda, and argued that continued success in economic development depends on improving performance in the classroom.

They also identified the challenge facing a state with an economy in transition, as *The News & Observer's* Ferrel Guillory notes in an article ana-

lyzing the day's proceedings.⁵ "Out of one of the day's small group discussions came this observation: The key question of the next governor is going to be, what kind of industries are going to replace the traditional industry of North Carolina? How is that kind of change going to be managed?"

As in our essays, the need for strong, visionary leadership—not just a day-to-day manager—emerged as a dominant theme of the day's discussion. Consider, for example, these statements from two other small groups. "Whoever is the state leader needs to inspire everybody through visionary leadership to build coalitions and partnerships to cooperate to get the job done," offered one group.

Another's report said, "Our state is in desperate need of a leader who could provide strong leadership, a sense of direction, a sense of vision." One challenge to effective leadership may be the increasing diversity and independence of the General Assembly. White males are no longer a majority,⁶ and the legislature, still dominated by Democrats, flexed its partisan muscle during the two terms of Republican Gov. Jim Martin.

To get his programs enacted, the new governor must court House Speaker Dan Blue (D-Wake) and Senate President Pro Tempore Marc Basnight (D-Dare). This may be less an obstacle since the Democratic Party has regained the governor's office, yet it *will* be a challenge.

Jerry Shinn of *The Charlotte Observer* offers yet another challenge. Shinn says the governor needs to embrace an urban agenda to address needs like traffic gridlock, the breakdown of the criminal justice system, equitable distribution of state funds between rural and urban areas, and authority to levy new taxes.⁷ Yet the governor must balance the concerns of the cities against the needs of North Carolina's rural areas, which are widely perceived as falling behind.

Like every governor before him, North Carolina's new governor faces threats and opportunities, risks and challenges. Yet several of our essayists suggest that North Carolina has reached a critical juncture as the state moves toward a new century. Most of our essayists seem hopeful that the governor can usher the state into this new era if he exercises broad, visionary leadership, with clear objectives and an eye toward improving the lot of every North Carolina citizen.

If he fails, it won't be for lack of advice. In the following pages, we share that advice with our readers. And in case you're wondering, we sent Governor James B. Hunt Jr. a copy.



Sandra P. Babb,

president, NC Equity, Raleigh

Education and economic development are the mantras traditionally invoked by incoming North Carolina governors, and this year is no exception. Our new governor must put forth a plan to achieve a strong, diversified economy and an educated, well-trained populace.

Yet something more is needed if we hope to reach the 21st Century with an educated populace and a strong economy—in *which all North Carolinians are full participants*. The new governor must provide unprecedented leadership in renewing and expanding the social bonds among North Carolinians and their state. The key to expanding that social contract is equity, which Webster's Dictionary defines as "freedom from bias or favoritism." Equity is vital to our well-being and must become an integral part of our social contract. Without equity, there can be no justice. But achieving it is an elusive goal.

Equity, although frequently given lip-service, more often is absent. North Carolina's decision makers—in government, business, professions, and civic groups—are overwhelmingly male and white. Such a homogeneous group of leaders does not adequately reflect or represent our state. By concentrating power in one group, we limit ourselves to a mere fraction of the pool of potential leaders. It's also unfair to those who are not male or white. But the consequences go much further. Failure to develop and use the full potential of all North Carolinians holds back and harms our state. As Booker T. Washington advised the white power structure in the late 1800s, "You can't hold a man down without staying down with him."⁸ That statement is still true today and applies as well to women, who make up 52 percent of the state's population.

The new governor can ensure that equity is knit into the state's fabric of life. First, the governor should demonstrate equity in his selections of staff, cabinet members, and appointees to boards and commissions. The message from the top should be clear: Equity must be a fundamental principle guiding every state agency.

Second, equity should be a key criterion in all public policy decisions and allocations of state resources. For example, we must consider how specific actions will affect women when we establish economic development policies. Women make up almost half of North Carolina's work force, but they earn only 67 cents for every \$1 earned by white men.⁹ Only 5 percent of white women and 1 percent of black women earn \$30,000 or more per year in our state, compared with 27 percent of white men.¹⁰ Two-thirds of the minimum wage workers are women, according to national estimates.¹¹ A commitment to equity can change the fact that women are still on the outside looking in when it comes to economic development in North Carolina.

Similarly, attention to gender equity is critical at all levels of our public education system. Of particular concern is the fact that women typically enroll in traditionally female curricula that lead to lower-paying jobs—even though they comprise about two-thirds of our community college students. The result is entrenched occupational segregation, which has devastating effects on the lives of women as well as the overall economy of our state.

Finally, the office of the governor is a bully pulpit. The governor should use that pulpit to urge business, professional, and civic leaders across the state to follow his lead. The governor should refuse to participate on task forces and other groups that do not represent all North Carolinians. In short, the new governor can lead the way in ensuring equity for all. My guess is that North Carolinians would respond to such leadership.



Thad Beyle,

professor of political science, University of North Carolina at Chapel Hill

The new governor's agenda is already on his desk. It is tied to the next budget soon to be forwarded to the incoming legislature, and it was developed by the outgoing administration.

But the state budget shortfalls of the past few years will not go away with a new administration. So, the governor's first agenda item will be to address a wide variety of problems with fewer

resources than in the past. The toughest decisions will be whether to raise taxes and how to determine which areas of state government to reduce and/or eliminate.

The politics of revenue decisions are tied to the electoral calendar. If the governor seeks a tax increase, he must do so quickly and early in his term.¹² Why? The entire legislature will be facing an election in 1994. Raising taxes just before an election does not lead to long incumbency. But the timing won't be any better if lawmakers delay revenue decisions until 1995 or later. No governor seeking re-election or higher office would support a tax increase so close to the 1996 election.

Further, as Congress and the White House grapple with the national budget problems, it is likely that federal taxes will increase. The state could get ahead of that wave by moving quickly with its revenue decisions. It would be difficult to raise state taxes following such action at the federal level.

Other areas in which recent governors and candidates have recommended action include several issues dealing with the allocation of powers and responsibilities in state government. Although there may be some general interest in such "within-the-beltline" issues, the public does not really care about them. Such issues primarily concern state leaders who want to tilt the balance of power in their direction.

For example, the long-running battle over the gubernatorial veto is essentially a power struggle between the legislature and the executive branch.¹³ Another "within-the-beltline" issue concerns state control of public education in grades K through 12. Should the final authority reside with the elected state superintendent of public instruction, the appointed state Board of Education, the governor, or the departmental bureaucracy? Again, power is at the heart of this dilemma, and its resolution probably wouldn't help the teachers in the classroom.

"Outside the beltline" issues range widely across the responsibilities of state government, but I will address only two. First, the new governor should attempt to change the tradition of holding statewide elections during presidential election years. Citizens in most other states have realized that the national election hoopla virtually drowns out the discussion of important state-level issues.¹⁴

Second, the new governor needs to address the needs of higher education. For too long, we could afford the luxury of two separate systems—the University of North Carolina's 16 campuses and the Department of Community Colleges' 58 campuses—without taking a hard look at education beyond the high school level. There are conflicts over roles, turf, money, faculty, and—worst of all—students.

The governor needs to lead lawmakers in looking beyond these existing institutions and develop a higher education plan that recognizes the strengths and weaknesses of each system. They may need to rethink whether North Carolina needs 74 separate campuses, especially when some are so close geographically.

Why is this so important? If the new governor does not consider these questions, then decisions will continue to be made on the basis of budgetary constraints—with more than a slight nudge from politics.



Daniel T. Blue Jr.,

*speaker, North Carolina House of Representatives
(D-Wake), Raleigh*

North Carolina is poised to enter the 21st Century as a leader of the New South and the nation in enlightenment, education, and economic growth. But the state also is in danger of falling back into the lack of opportunity, economic frustrations, and racial divisions that characterized the Old South.

The new governor will face the challenge of leading two North Carolinas and merging them into one. Much of our state is thriving—from the glistening new skyscrapers in uptown Charlotte, to the corporate offices of RJR Nabisco in Winston-Salem, to the scientific labs at Research Triangle Park. Our university system remains a model for the nation, and our state's natural beauty attracts millions of tourists each year. Many of our citizens enjoy a quality of life envied around the country, as evidenced by the retirees flooding to our state.

But those things don't mean much in the other North Carolina the governor also must lead. Far too many of our people live in substandard housing, have little or no access to health care, and work in low-paying and low-skill jobs. One-fourth of our children live in poverty. Our infant mortality rate and our Scholastic Aptitude Test (SAT) scores rank among the nation's worst.¹⁵ The fault line between the haves and the have-nots in our state is trembling, and the impending earthquake could devastate our future.

The new governor must use the power and prestige of his office to focus attention on three key areas: fiscal responsibility, economic development, and the welfare of children. First, the governor must be vigilant about maintaining the fiscal integrity of the state budget. North Carolina was one of only two states east of the Mississippi River that didn't face a budget crisis in 1992. An independent performance audit of state government is now underway, and the governor must support its recommendations. That should help restore citizens' confidence in government's ability to spend their tax dollars efficiently.

Secondly, the new governor must work with legislators in maintaining the state's positive business climate. North Carolina led the nation in 1991 in the number of new, announced manufacturing facilities.¹⁶ We should be proud of our business record, but the governor should realize that businesses want and expect more than tax breaks. When MCI Communications Corp. announced its new customer service and network monitoring facility in Cary, company officials cited the university system and the area's quality of life as major factors in their decision.

Finally, the new governor must make the welfare of the state's children his top concern. Our children are too important to put them behind balance-of-power issues on the priority list. The best way to help our children is to improve our schools. The governor should embrace key education goals and work with the General Assembly to accomplish them.

The governor should make it clear that every child in North Carolina must have access to the same quality of education, regardless of where he or she attends school. The best way to achieve that goal is to continue the Basic Education Plan while providing more funds for poor school systems.

Most importantly, the governor must not think of education as in a vacuum. All the reforms in the world don't help much if students come to school sleepy, hungry, and abused. We must channel resources to identify and help children at risk. We must do more to prevent child abuse, to reduce the number of children living in poverty, and to make health care and day care available and affordable. We must realize that taking care of children begins before they are born, by offering prenatal care and counseling to expectant mothers.

The new governor faces golden opportunities and daunting challenges. He must lead a revolution in thinking, in community, and in common purpose. He must show that there is only one North Carolina—a state marked by progressive leadership, a bustling economy, equal opportunity, and superior schools.



Donna Chavis,

*cultural educator and programmer, North Carolina
Indian Cultural Center, Pembroke*

If election patterns hold, North Carolina's new governor should have the distinction of holding office until the end of the 20th Century. He also will set the stage as we enter the 21st Century. As I reflect on that possibility, the fact that two of my three children will enter adulthood during that eight-year period does not escape me. Therefore, the public policies that the new governor pushes during his tenure are critical for the state and

its next generation of leaders. Mr. Governor, I share these thoughts with that generation in mind.

Two key areas of concern for North Carolina—and the United States—are the environment and the state of the economy. Often these issues are discussed as if they mutually exclude or oppose each other. I don't believe that. As we approach the 21st Century, we have the opportunity to develop a new way of thinking about economic development that is creative and exciting. Mr. Governor, I believe that North Carolina has the real potential to be on the cutting edge in developing the field of environmental economics.

Consider the wealth of possibilities that are available for new environmentally sound industries that work to diminish pollution as well as to rectify past damage. The nation's industrial communities currently lag far behind other parts of the world in the development of such techniques. Our political leadership has offered little encouragement for that development.

Yet, the United States pioneered the development of solar energy and air pollution technology. But we have seen our role in those markets diminish considerably with the passage of time. According to former Senator Timothy Wirth (D-Colorado), the United States now imports 70 percent of its clean-air equipment. Meanwhile, Germany and Japan have seized 70 percent of the market for solar energy technology. Once again, the United States has lost its dominance in a field that it had pioneered.

North Carolina is in a position to capitalize on such underdeveloped markets. The challenge will be to establish educational programs that let North Carolina supply a work force for new environmentally sound industries. The state also needs retraining facilities for displaced workers who have lost industrial jobs through plant closures, relocations, or lay-offs.

With foresight, North Carolina can help lead the economic development that prepares for the 21st Century. That development need not be based on waste disposal and treatment but on new forms of industry that stem pollution. Such development would look forward to the next generation of adults and others to come. It is fitting that our political leaders—in a state that has the largest Native American population east of the Mississippi—listen to the ancient Native American teaching that tells us to consider the seventh generation hence when we plan. Developing an economic base that capitalizes on growing concerns for the environment is prudent. That could answer our need for jobs as well as encourage the development of innovative, clean technology. Our future deserves no less.



Betsy Cochrane,

state senator (R-Davie) and former teacher, Advance

The people of North Carolina are concerned about education, the economy, health care, jobs, crime, good roads, retirement, and so on. A new governor will address all of those areas to some extent. I suggest that priority be given to three of the above—education, the economy, and the elderly.

Education reform will succeed when leadership emerges in Raleigh and in the schools themselves. Our new governor should take the lead in trying to change the state constitution to allow appointment, rather than election, of the superintendent of public instruction. That change would let the governor implement educational reform aimed at reducing incompetence in administration and teaching, without political interference.

The new governor needs to be serious about reducing the size of classes in kindergarten through the third grade. If funds are not available for all those grades, then start in kindergarten and go as far as we can. Let's stop talking and do something about education reform.

As a taxpayer, I would encourage the new governor to streamline the state bureaucracy. Consider cost-saving measures recommended by the \$3-million performance audit now under way and minimize the growth of government. Become a citizens' watchdog for accountability in all state agencies and contracts.

Regarding the economy, our governor should focus attention on small business.¹⁷ He should lead the fight for tax relief, help eliminate unnecessary regulation, and encourage exchange of research and development data between the university system and this important business sector. The governor's support for adequately funding the state parks system would boost the travel and tourism industry. That would provide new jobs in an important sector of the economy and enhance the state's environment as well.

We must consider the needs and productivity potential of those over 65 years of age because they are becoming such a large part of our state's population (15 percent by the year 2010).¹⁸ The governor should put senior citizens' skills and experience to work in helping schools, boards and commissions, and new businesses. Eventually, the health needs of our older citizens will stress our available resources. We must plan for that eventuality and encourage private and public programs that care for the elderly in their homes, rather than depending so much on costly institutional care.

Reducing crime improves the quality of life for everyone. Protecting our communities and keeping criminals in prison benefit all ages, but particularly our vulnerable senior citizens. People of all ages want the revolving prison door shut.

I have pet peeves, like reducing the number of people leaning on shovels while only one or two actually work on the highway. I also have special interests such as maintaining an abundant supply of clean water in our river basins. I have a keen interest in helping children in poverty and attending to their other needs away from school settings. However, my most emphatic advice to the new governor is, "Make Government Work!" North Carolina's citizens deserve that.



Robin Dorff,

*associate professor of political science,
North Carolina State University, Raleigh*

In reflecting on the new governor's tasks, I will avoid the temptation to list the hot topics of the moment. That's because issues of concern always change, and what is high on today's list of priorities may not be so tomorrow. Rather, I wish to focus on a general and more pressing challenge for the new governor.

I believe we are entering a more conservative public policy era—regardless of the outcome of the presidential and gubernatorial races. On the surface, that assertion may sound strange. After all, weren't the Reagan-Bush years the height of conservatism? I don't think so, but I won't debate that point now. What I refer to is a trend that began in the 1980s and will likely continue into the next century. That trend is the reduction of federal influence, including money and program management, accompanied by an increase in state responsibility for various public policy issues. If we probe the policy debates currently in vogue—including education, crime, jobs, and health care—only the latter has a predominant federal dimension. The other issues are almost impossible to discuss without considering flexibility, local control, decentralization, and even privatization.

Although I don't expect the role of the federal government to shrink noticeably, I do expect its rate of growth to continue declining. The result will be a fundamental shift in the balance of power from federal to state governments. This 1990s version of Nixon's "New Federalism" will result not so much from the victory of conservative over liberal ideology, but from the dictates of spiraling costs and inefficient uses of existing resources. This changing federal-state relationship is where I find the greatest challenges for our new governor.

Ultimately, the challenge for North Carolina is to develop more independence and autonomy for generating revenues, utilizing resources, setting priorities, and following through on them. For example, consider the issue of economic development in the state's struggling counties. The problem is not simply one of industrial recruitment but also involves education and job training opportunities. Although we might obtain some federal seed money for new initiatives, ultimately the state and county governments will make the decisions and fund the programs. That must be done in the context of making better use of existing resources, such as a cooperative effort among the university and community college systems, state government, county economic development agencies, and private companies that need the retrained workers.

In education, as well, I am convinced that we will need to make better use of our existing resources. I simply do not foresee a significant increase in federal money. Rather, I see the states devising ways to generate more resources. But North Carolina will not be able to—nor should it want to—generate more revenue solely through taxation. We need to take a fresh look at how we can use existing public and private resources more efficiently, combined with local control and accountability.

So, the new governor's challenge will be to think anew about the state's responsibility for its needs. In doing so, he must focus on new forms of cooperation between the public and private sectors, the university and community college systems, and research and applied policy organizations. If the governor thinks solely in terms of either raising or preventing new taxes, the state will be hard-pressed to accomplish any significant public policy initiatives. We will be much better prepared to solve our problems if we can maximize our use of existing resources as well as the relatively few new resources we can generate. That task may sound simple, but it will take a truly innovative governor to forge a progressive public policy agenda in this conservative era.



Ferrel Guillory,

*Southern correspondent and columnist,
The News & Observer of Raleigh*

The first thing the new governor must recognize is that he governs in the 1990s, not the 1980s. Gone are the years of steady, sturdy revenue growth. But gone, too, are the celebration of self and the promotion of unfettered economic individualism.

So, the new governor has the opportunities—as well as the challenges—to rethink, reconnect, and re-energize. Voters aren't so much anti-government as they are dissatisfied with government that doesn't work well for them, despite hearing repeatedly in the 1980s that government had grown too big and had become the problem instead of the solution. Even during the so-called "Me Decade," many citizens didn't withdraw but instead turned their attention from overarching social issues to the day-to-day problems of their neighborhoods and communities.

Thus, at a time when relatively modest revenue growth is anticipated, the new governor has a chance to rethink government, to make choices between what it can do well and what it can do without, and—most importantly—to define those choices for the public. Whether the governor calls it reform or "right-sizing," he must go beyond mere reshuffling of bureaucracies and agencies. A state government that by 1995 looks much like the government of 1985 won't do.

Support can be marshaled for a gubernatorial veto and for rearranging the governing structure of education. But what voters want, deep down, is to enjoy some government successes and initiatives—and at first they need not be grand—that directly touch the lives of their families and their children.

At a time when the concept of decentralization has gained momentum, the new governor has a chance to reconnect state government with the grassroots. He can do so by an exercise of leadership that encourages volunteerism, that calls on people to take more responsibility, and that provides a sense of vision and common purpose to disparate community efforts. For example, the governor could bring together parents, teachers, education officials, and community leaders in a way that reconnects them with each other, encourages them to interact anew, and in doing so, builds stronger bonds between the public and their schools.

At a time when state government needs a fresh burst of energy, the new governor ought to find a way to challenge both the state and himself. He can do so by establishing benchmarks for the year 2000.¹⁹ This is not a call for another goals commission. Rather, it would involve a process of statewide debate and discussion, led by the governor, that explored where North Carolina, economically and socially, ought to be by the turn of the century. This would provide the governor a method of holding himself accountable. Even more important, it would inject the state and its government with a sense of vision, lifting its citizens' eyes from day-to-day tasks and focusing them on how well and in what direction North Carolina is moving.



Andrea L. Harris,

president, N.C. Institute for Minority Economic Development, Durham

North Carolina ranks seventh in the nation in black population²⁰ and its overall ethnic diversity is increasing.²¹ Thus, the new governor will face the challenge of assuring a social, political, and work environment that encourages the state's minority citizens to participate in and contribute to the larger community.

The economic status of blacks and Native Americans, in particular, coupled with the critical state of race relations, will require the governor's substantive and immediate attention. Neglecting or undervaluing such issues will make conditions worse, deepen the problems, and escalate costs.

North Carolina's new governor must make minority business development a priority, using proactive strategies to achieve that goal. The state must clearly define the term minority, and it must establish a minority business development agency with a clearly defined enterprise plan. This agency should be responsible for all state minority business efforts, and its director should be no more than two steps removed from the governor's office. Sufficient funding, staffing, and authority are crucial. The agency should establish goals for buying goods and services from a larger pool of vendors, including minority businesses. It should evaluate state purchasing officers on their success in using minority vendors. It also should establish nonbiased financing programs that enhance opportunities for minority firms—and smaller firms in general—to do business with the state and the private sector. Minority businesses, after all, employ mostly minorities and contribute more to the tax base than their revenues indicate, in part by making taxpayers of people who might otherwise be unemployed.²²

The governor must fully support minority economic initiatives such as community development corporations, rural farm and land projects, and research and demonstration projects. Such efforts undergird development and educational activities in minority communities and others with limited resources. These flexible public-private partnerships can foster long-term human enrichment, economic growth, and development. They build upon a broad mix of resources that benefit the total community and the state.

Finally, the governor must devise a system that assures equitable compensation for all state employees. Salary inequities and underemployment of minorities perpetuate discrimination and the economic stifling of ethnic communities. The governor must implement a plan to redress such salary inequities for minorities and women. The inclusion of minorities in specific occupations in which they are viewed as part of the team would strengthen the diversity of the employment base. The governor also must establish a monitoring system to hold managers accountable for their actions. The governor must set an example for the rest of the state.

In 1900, W.E.B. Du Bois, one of the founders of the National Association for the Advancement of Colored People, said, "The problem of the Twentieth Century is the problem of the color line."²³ Today, as we face the next century, we still must address that challenge. Diversity is critical to growth. The state's economy is inextricably tied to the economic health and well-being of its ethnic minority population.



Bill Holman,

lobbyist for the Conservation Council of North Carolina, the N.C. Chapter of the Sierra Club, and the American Planning Association, Raleigh

Dear Mr. Governor:

In your campaign, you wisely rejected the false choice between a strong economy and a healthy environment. You insisted that we must have both.

Preventing pollution, reducing waste, transforming our transportation policies, and funding planning and environmental programs are vital to North Carolina's economy and environment.

Traditionally, we have dealt with pollution after it has been created. We have spent all of our energies regulating pollution or trying to figure out where to bury, burn, or discharge it. Instead, North Carolina needs to prod our industries, businesses, farmers, and citizens toward preventing and reducing their pollution.

Pollution is a sign of waste and inefficiency. But, to compete in a global economy and maintain our quality of life, we must become less wasteful and more efficient. North Carolina should expand its model Pollution Prevention Pays program and other waste reduction efforts. It also should change environmental laws and programs to encourage pollution prevention and waste reduction.

People have called for fundamental changes in government during the past year. No sacred cow needs changing more than the state Department of Transportation. We must revamp DOT's centralized, top-down, highways-only approach if we want to solve problems such as poverty, air pollution, traffic congestion, urban sprawl, and the lack of mobility for disabled and senior citizens.

Our transportation policy should work to move people and goods rather than cars, trucks, and campaign contributions. Transforming that policy requires balanced appointments to the state Board of Transportation. It requires changing our priorities from constructing new facilities to assuring the maintenance and safety of our existing transportation system of roads, railroads, sidewalks, airports, and public transportation. It also requires decentralizing transportation decisions, while treating local governments as equal partners rather than stepchildren.

We need to ask if spending more than \$9 billion on highway construction is the best investment of limited state funds. We need to weigh highway plans against the needs of public schools, community colleges, universities, water supplies, wastewater treatment plants, parks, and public transportation. This is not possible under the current system where gas tax revenues are earmarked for the Highway Fund and thus not weighed against competing priorities in the General Fund. No other major government program has such special treatment.

North Carolina's rich natural resources, cultural diversity, and high quality of life make it a state that keeps its natives and attracts newcomers. We must protect North Carolina's "environmental capital" by planning ahead, funding effective environmental programs, and acquiring more land for parks, gamelands, important natural areas, and historic sites. Comprehensive planning would enable the state and local governments to encourage quality development, increase efficiency, and protect natural and historical resources.

In 1991, five environmental organizations prepared a "Green Budget" that proposed increased funding for environmental programs with user fees, permit fees, and dedicated taxes. We plan to release a second "Green Budget" in 1993 and hope you will implement its recommendations. Another terrific idea to continue is the statewide environmental index recommended by the N.C. Center for Public Policy Research in 1988 and currently being implemented.²⁴

Good luck. Call on us when you need help.



James E. Holshouser Jr.,

*attorney and Republican former governor of
North Carolina, 1973-1977, Pinehurst*

The new governor should take the lead in assuring that North Carolina will continue improving as a great place to live and work. That means properly educating our children so they can qualify for good jobs—and making sure those jobs are waiting for them.

The governor's first challenge will be to reform the public school system. Building a consensus won't be easy. Proponents advocate many approaches, and a number of experiments already are underway. But decentralization is the only way our schools can address a basic fact: Each county has its own problems that aren't always the same as its neighbors. North Carolina arguably has one of the nation's most centralized education systems, and many experts recommend giving more authority to local communities.²⁵

The Basic Education Program still has proponents. But state mandated-use of BEP funds hinders the transfer of power to local school boards. Decentralization can best be achieved by issuing grants to local school boards and by reducing excessive paperwork. Innovations then would begin at the local level, with the state Department of Public Instruction serving as an information clearinghouse. The department also would collect federal dollars and assure that local systems meet federal standards.

Decentralization would accomplish several things. Parents and local administrators would become more involved in educational decisions, thereby strengthening ties between communities and schools. Parents' involvement is vital because they would transfer their commitment and respect for the schools to their children. Increased local flexibility also maximizes the use of tax dollars—an absolute necessity at a time when the growth in state revenues has slowed dramatically. That should foster innovative local programs and boost student achievement as our state approaches the 21st Century.

But educational challenges don't stop with public schools. The governor also must focus on community colleges and universities if we plan to prepare our youth for the future. The community college system recently completed a self-assessment that can guide the next governor—and the General Assembly.²⁶

North Carolina has distinguished itself from neighboring states with its university system, which has provided leadership statewide. But the university system needs more space to teach the growing student body. The legislature has approved a large number of buildings, pending the availability of funds. A bond issue is the obvious way to meet this critical need.²⁷ The university system's libraries have lost ground in recent years, and the new governor must address this significant problem.²⁸

Preparing students for the job market is only half the equation. The other side is creating jobs for them. North Carolina can point with pride to past achievements in industrial development. But the world is changing, and we need to study the competition if we want to retain a strong job market. More and more states (and cities) are offering substantial financial incentives for new companies. The Bavarian Motor Works' recent decision to build a large automobile-manufacturing plant in Spartanburg, S.C., is a clear example of that trend. State and local governments offered tax breaks and subsidies totaling \$135 million in convincing BMW to choose South Carolina as the site for its first major plant outside Germany.²⁹

North Carolina once ranked among the lowest states in tax burden, but the recent corporate surtax has placed us among the highest in the Southeast.³⁰ Although the state is hard-pressed for money, this surtax is such a strong deterrent to industrial development that it must be repealed. Any industrial development effort also must keep an eye on the environment, and I believe we should consider reuniting our environmental and economic development programs in one agency.³¹

Finally, the governor must address our prisons. A recent Supreme Court decision may let us re-examine the cap on the number of inmates.³² Plus, new bonds should speed the construction of more prisons. Those developments should curb North Carolina's rising crime rate and make it a safer place to live.³³



Kenneth Johnson,

executive director of the Eastern Minority Economic Development Corporation, Ahoskie

I had hoped North Carolina's children might know a society rising to heights of genuine respect for humans—regardless of race, gender, economic status, and rural or urban residency. I had hoped the state's citizens might know what high-quality, equitable education can mean toward advancing the state's economic base. Finally, I had envisioned a society where decent wages, accessible health care, and small business develop-

ment would be critical elements in the quest for human dignity. Perhaps I was too idealistic.

My experiences with officials in both the executive and legislative branches of state government suggest that rural schools' cries for more equity in the allocation of resources go unheard. Rural citizens' dreams of employment opportunities fall on deaf ears. However, I hold on to dreams of opportunities for decent wages, safe working conditions, and high-quality health care benefits accessible to everyone.

Moreover, everything reflects a commonality. There are certain ties among the inequities in employment opportunities, disparities in pay, patronage hiring and firing, small farm losses, diminishing opportunities for minority and small business participation in state contracts, and so on.

These interrelationships appear systemic and insidious. They promote a cycle of exclusion, disenfranchisement, and human devaluation. The use of race, gender, political contributions, party affiliation, urban or rural residency—in essence, economic influence—as criteria for employment and economic development stymies the state's potential to benefit most from all of its human and community resources.

How can we address this litany of issues challenging our state? We can encourage and support leadership that promises opportunity, diversity in representation, educational equity, and economic growth in rural eastern and western communities.

Although I have been disappointed, I am mindful of the difficulties involved. But I believe that a governor who realizes the urgency of the moment can effect positive changes. A governor who chooses to be a catalyst for change and growth—while realizing that whatever affects one directly, affects all of us indirectly—will emphasize inclusion in pursuing action-oriented policies and programs.

North Carolina's new governor can lead efforts to rescue rural children and families from the quicksands of educational inequities, joblessness, and inaccessible health care. He can enhance economic growth by fostering direct community input and private/public partnerships. He can recruit private industries to create locally based contracts to stimulate small business start-ups and expansion. He can assume an aggressive posture in pursuing equitable and high-quality living conditions for all of the state's citizens. He can move beyond studying issues and collecting data. He can implement.

I believe such hopes stem from a longing for justice and equality. Do these desires for change appear extreme? Is it extreme to hope the new governor will accord us the right to human dignity?



Phillip J. Kirk Jr.,

*president and chief executive officer, North Carolina
Citizens for Business and Industry, Raleigh*

The new governor faces tremendous challenges in meeting the many demands that groups and individuals place on government. Recent sessions of the General Assembly have wrestled with some rather tight budgets, and observers predict more of the same.

Meanwhile, politicians in both parties have campaigned against new taxes due to public resistance and the size of the 1991 tax

increase—the largest in our state's history.³⁴ Instead, lawmakers have put a great deal of emphasis on the legislature's Government Performance Audit Committee. The committee's work will step on the toes of powerful special interests. Passing significant legislation will require strong gubernatorial and legislative leadership, with support from the business community and others.

Reforming our educational system should be the new governor's highest priority. Foremost, we must change the educational governance system—by appointing, rather than electing, the superintendent of public instruction. True reform also will bring more flexibility, authority, and accountability at the local level. We must abolish tenure for administrators and reduce bureaucracy and paperwork. We must demand more from both our students and educators. The governor must be a strong advocate for positive school reform to happen.

The new governor's second challenge will be to pursue a successful economic development program. We must continue attracting new industries to our state, without ignoring our existing ones. For example, the recent increase in our corporate income tax makes us less competitive with neighboring states and others across the nation. We need to evaluate this increase carefully to see if it is hurting economic development. We also must provide additional economic opportunities to pull many of our citizens out of poverty.

Work-force preparedness will continue to be a big challenge for the new administration. We must provide additional resources to our community colleges, which are at the forefront of many programs needed to improve the lives of so many citizens.

Tied into the economy is the need for balanced, fair environmental regulations. Both economic progress and environmental protection are crucial for our future. But too many people want to slow growth and stymie job creation in the name of protecting the environment. A specific example is the third-party right of appeal, which in some cases could add one year to 18 months to the permitting process.³⁵ Another example is the proposal to unnecessarily strengthen watershed regulations to protect drinking water.³⁶ The new governor must listen to the voices of reason and sound judgment. Reasonableness must be the rule, rather than the exception.

Constitutional reform is the third area in which the governor needs to take the lead. I've already mentioned the crying need for change in educational governance. We also should appoint judges, at least at the appellate level. The gubernatorial veto is another issue that voters should have been allowed to consider long ago. Other constitutional issues that deserve consideration include changes in gubernatorial succession, legislative terms, and the length of legislative sessions. Building support for these changes will be difficult. The new governor must use the influence of his office in seeking their approval, either in the legislature or in a public referendum.

Finally, the new governor must put a high priority on communication, informing citizens of the challenges facing our state. Most of them will respond in a positive manner.



Valeria Lee,

*program director, Z. Smith Reynolds Foundation,
Winston-Salem*

In reflecting on my message for the new governor, I chose to express my concerns with three words: promise, truth, and accountable. To be sure these words were appropriate, I consulted Webster's Dictionary to find the meanings that matched my expectations.

Promise: One will do or refrain from doing something specified. A legally binding declaration that gives the person to whom it is made a right to expect or to claim the performance or forbearance of a specified act.

Truth: The body of real things, events, and facts; in accordance with facts.

Accountable: Imminence of retribution for unfulfilled trust or violated obligation.

* * *

By accepting the governor's post, I understand that you have entered a contract with the people to make this a better state and to improve the quality of life for all of its citizens. I expect you to honor that commitment in the following ways.

Keep your promises. That means strengthening North Carolina's economy, reducing poverty, protecting the environment, making our schools centers of growth and knowledge for our children and adults, gaining us access to quality health care, and making our criminal justice system functional. Honor your promise to carry out programs that promote family, safe neighborhoods, and a functional society. Keep your pledge to maintain the beauty of the landscape and the people. You also must take the lead in discussing values, ethics, and individual acts that make the state a caring place and that show respect for individual dignity.

Secondly, I want you to be truthful with the people of North Carolina and the nation. Political expediency notwithstanding, truth enables us to have realistic expectations of you and the government in which we place our trust. Tell us the truth about the state's finances, its challenges, its opportunities, and its causes for optimism and pessimism. Respect us as citizens to use the truth in positive ways.

Finally, as the state's leader, you are accountable for your promises, your actions, and your success in offering an agenda on how to thrive as a society. I want North Carolina to be a model of good government and employment. I will be judging your programs based on the relationship between promise and performance—using objective indicators that point to success or failure—and on the degree to which you involve a diversity of people in all levels of policy-making and implementation.

If you keep faith with the people, then we will realize your greatness as a leader. I expect you to give us the kind of leadership that will make every citizen proud to call North Carolina home.



William S. Lee,

president and chairman, Duke Power Co., Charlotte

Tough challenges call for tough leaders, and the years ahead promise some of the toughest challenges in decades for North Carolina. We can meet those challenges successfully, if we have steady leadership for our state government. I see four pressing needs where proper leadership can make a profound difference in the quality of life for our citizens. Specifically, we must attend to education, government efficiency, waste management, and jobs.

Education. Our schools must be improved. With nearly \$4 billion a year invested in grades K-12, public education is big business. But it is a failing business that we must rescue. First, our public schools system must be headed by one administrator who is clearly accountable to the governor. That means an appointed superintendent of public instruction, rather than our current two-headed monster with an elected superintendent and an appointed chair of the state Board of Education.³⁷ This reform requires a constitutional amendment, approved by the voters. As governor, your support is essential.

Next, we must set clear and measurable goals for schools, and we should begin rewarding our educators based on their performance and results. We must streamline our educational bureaucracy, with less emphasis on administration and more on instruction. Finally, we must grant more flexibility and freedom to local school boards, which are closest to the students and communities.

Government Efficiency. State government must become radically more efficient if we want it to increase services without crippling our economy through over-taxation. The State Government Performance Audit Committee is studying ways to make state government more cost-effective. Its interim reports have identified up to \$275 million in annual savings. I urge you to implement these recommendations and begin saving our state money immediately.

Waste Management. Every household, office, and industry produces waste of some kind. We are an industrialized state, and our companies generate wastes as byproducts of the processes that provide jobs and drive our economy. Through innovation, industries must minimize their production of wastes. At the same time, our state's leaders must stop ducking this issue and accept the responsibility of managing waste safely and cost-effectively.

North Carolina is moving forward in locating a disposal site for low-level radioactive waste, and that progress must continue. Our state also must take an active stance regarding hazardous waste disposal. You must challenge the legislature to accept responsibility for safe and cost-effective waste management, which may include a disposal facility.

Jobs. Finally, we must continue creating jobs. My other recommendations will help do that. Good schools and a well-educated work force are extremely important to companies considering our state. So is efficient state government. And a state that manages waste responsibly is a state that welcomes responsible business.

But we must do more. We must change our state tax policy. The last two legislative sessions have raised our corporate income tax, so it now ranks among the highest in the Southeast. Our state taxes its industries far more than our biggest competitors for jobs. North Carolina's corporate income and capital value taxes average nearly 60 percent more than South Carolina's and more than 70 percent more than Florida's. Let's be competitive!

North Carolina made progress by limiting the intangibles tax in 1985, and by repealing the inventory tax in 1987. But our recent income tax increase offsets those prior efforts. We need to signal strongly that business will bear its fair share of taxes, but will not be inordinately burdened.

Our changing world and economy mean that we must get the very best from our state government. The people of North Carolina have entrusted you with our highest office. I trust that you will display the tough leadership we need.



Grace Rohrer,

retiree and former secretary of cultural resources under Governor Holshouser and secretary of administration under Governor Martin, Deep Gap in Watauga County.

The new governor should initiate three basic actions immediately after his election. First, he should establish a moral and intellectual foundation for his administration. He must press upon the appointees, elected officials, and bureaucrats the importance of being motivated by moral and human dimensions rather than by personal gain.

Vaclav Havel, in reflecting on his role as president of the Czech and Slovak Federal Republic, writes that it was his responsibility to emphasize "the moral origin of all genuine politics" and to stress "the significance of moral values and standards in all spheres of social life, including economics . . ." He called it the "Higher Responsibility."³⁸ Havel adds, "The best laws and the best-conceived democratic mechanisms will not in themselves guarantee legality, freedom or human rights . . . if they are not underpinned by certain human and social values."

If society mirrors its politicians, then the governor has the awesome responsibility of setting the moral standards upon which his administration functions. He also has the moral obligation to be the gadfly who pricks his constituencies into wakefulness—as Socrates said,³⁹ into basing their actions and decision on higher responsibilities.

Second, the governor should assemble a cabinet and staff of professionals who understand teamwork. It is a temptation for governors to reward their campaign workers with jobs in their administrations. But campaign workers often are focused more on dividing the spoils and ferreting out members of the opposite party than in developing an effective and professional office. The governor needs men and women at his side who can freely choose and evaluate social, religious, economic, and political values and make decisions based on logic, intelligence, sensitivity, and imagination.

Finally, the governor should bring together department heads and legislative leaders for in-depth strategic planning. Too little thought goes into planning for the state. Too much time and energy is spent in battles between the executive and legislative branches. Each fights for its own agenda—which may or may not meet the needs of the people or solve their problems. The governor will establish the responsible leadership the public expects by bringing government officials together to rethink the state's direction, set priorities, and develop the coalitions that will implement those priorities.

Cohen and March in their book, *Leadership and Ambiguity*, coined the phrase "organized anarchy," which aptly applies to government.⁴⁰ "It does not know what it is doing. Its goals are vague or in dispute. Its technology is familiar but not understood. Its major participants wander in and out of the organization." Managing government is a challenge, but it can be done if all the players have the script.



Robert W. Scott,

Democratic former governor (1969-73) and president of N.C. Community College System, Raleigh and Haw River in Alamance County

Every person who aspires to the office of governor seeks that Holy Grail of Election Day triumphs known as a "mandate from the people."⁴¹ North Carolina's political landscape bears testimony to some of our former governors' abilities to carry out election promises. Some of the most visible examples are Kerr Scott's roads, Luther Hodges' Research

Triangle Park, and Terry Sanford's community college system. Equally, it could be argued that Jim Martin's 1984 victory was a mandate to fulfill his pre-election promise to cut state taxes.

In 1992, a major preoccupation and worry among state voters was the status of public education. After more than a decade of intense scrutiny and public investment, North Carolina still rests at or near the bottom in most rankings of public schools. Clearly, our new governor emerges from the electoral process with an unmistakable message from the voters to "Get on with it!"

However, the problem of "getting on with it" means walking away from our current approach of three stand-alone, hierarchical public education systems. What we need, and do not have, is an integrated public education policy. That's not to say that we don't already have an education policy, of sorts. Yet, like Alice in Wonderland, we give ourselves very good advice, but very seldom follow it. We plug people into the education system where we think they best fit, oftentimes disregarding their real education needs.

We've even developed an economic development policy, of sorts. We'll generally take anybody who comes along, and then we figure out ways to provide training and other incentives. I am convinced our state leaders are genuinely concerned about the quality of the state's public schools, community colleges, and universities. By fits and starts, we're lurching in various directions trying to solve long-standing problems and deficiencies.

A current favorite is "tech prep," a joint program between community colleges and public schools. Students in that program enroll in a two-year, high-school curriculum that stresses the foundation courses of math and sciences; they then transfer to a two-year, technical training program at a community college. What worries me is the current focus on *training*, rather than on a long-term commitment to *learning*.

What is missing in our efforts is an umbrella policy for our state's separate strategies for education and work-force preparation. Such a strategy should cover the education continuum from kindergarten through the community colleges and the university system. The governor's education mandate is to take those disparate threads and weave a new fabric based on a single organizing philosophy.

As the state's highest elected official, the governor is best suited for articulating and coordinating a statewide vision. He alone has the authority and the leadership needed to unite the various factions in achieving common statewide goals.

The governor must do this in concert with the General Assembly. For that to happen, peace must exist between the executive and the legislative branches. Clearly, voters look to the governor for an education agenda, while depending on the General Assembly to fund and implement the agenda.

This vision *must* come from the governor. It can't come from the heads of agencies or public education systems. The governor is best positioned to ensure that education policies tie in with economic and community development policies. This, to me, is the mandate of our new governor.



Frances Walker,

grocery store owner and former Currituck County commissioner, Sligo

North Carolina's new governor must address education, government spending, the economy, and the environment. First, the state must get its education system on track. Much confusion, finger-pointing, and inaction appears prevalent, especially at the top. Thousands of dedicated, professional educators are working constantly to improve our system from the bottom up. Are they being heard?

The governor must select a state Board of Education that will take bold and courageous steps toward making North Carolina the leader in educational reform. Cohesion must return, from the statehouse to the schoolhouse. At the local level, teachers and administrators must realize there are no more free rides. Accountability must prevail at all levels. For being accountable, teachers should be rewarded with higher pay.

We have talked the economy to death. North Carolina must try new approaches, such as reviving our slogan "Variety Vacationland."⁴² The tourist industry can save the eastern and western regions—both in need of economic revitalization. State parks have been a low funding priority for too long. We can create jobs in all areas by attracting people to our beautiful state. We must expand the visitor information center concept. These centers—staffed by local people who are knowledgeable about their areas—can do great things for economic development, with adequate funding and support.⁴³

What better way to preserve our rivers, beaches, and mountains than by maintaining them for public enjoyment? The governor should inventory those areas needing economic help, cross-referencing that with a list of areas with potential as recreational havens. We should recruit private industry to help turn North Carolina into a mecca for family recreation. We have the raw materials. All we need is the catalyst.

We must restore confidence and honor in government as the backbone of democracy. Citizen involvement and openness must return. Government should not be viewed as the solution for all wrongs and ills. Good business principles must prevail in government operations. A safe work place, fair treatment, and equitable pay should be realities. We need to renew the partnership between state and local government. Counties and cities cannot continue to fund state shortfalls. The governor must lead, not battle, the legislature in solving North Carolina's problems.

Crime is a major threat to all citizens. Money spent on early education, Head Start, and child care will prevent later expenditures on prisons, rehabilitation, and crime control. We must lock the revolving prison door. Rigid training schools or boot camps for juvenile offenders could save many lives from crime and drug abuse.

The next four years will present the new governor with new and unique challenges. Able leadership, honesty, and courage—along with citizen support and participation—will return North Carolina to the forefront in all areas.

Suggestions for Further Reading

Many of the issues raised by our essayists in the preceding pages have been discussed in previous editions of *North Carolina Insight*. The following is a partial list of articles on these important topics:

On Aging

"Policy and the Aging: Moving Toward a Crossroads," *North Carolina Insight* theme issue, Vol. 8, No. 1 (September 1985). Includes articles on demographics of the aging, services for the elderly, and long-term care.

On Constitutional Reform

Jack Betts, "The Merit Selection Debate—Still Waiting in the Legislative Wings," *North Carolina Insight*, Vol. 9, No. 4 (June 1987), pp. 14-34. Introduces a pro-con discussion of merit selection of judges.

"The Balance of Power," special issue of *North Carolina Insight*, Vol. 12, No. 2 (March 1990). Features analysis of the powers of the governor and pro-con discussions of the gubernatorial veto and four-year terms for legislators.

Ran Coble, "Executive-Legislative Relations in North Carolina: Where We Are and Where We Are Headed," *North Carolina Insight*, Vol. 13, No. 1 (December 1990), pp. 64-79.

On Economic Development

"North Carolina: An Economy in Transition," *North Carolina Insight* theme issue, Vol. 8, No. 3-4 (April 1986). Topics include the transition economy, industrial recruitment, small business, international trade, high-tech, and job training.

Jack Betts, "Work Force Preparedness: Training 21st Century Workers on a Mid-20th Century Budget," *North Carolina Insight*, Vol. 12, No. 4 (September 1990), pp. 23-29.

On the Environment

Wallace Kaufman, "Waste Policy Challenges Growth Policy," *North Carolina Insight*, Vol. 4, No. 1 (April 1981), pp. 2-9.

"Resources at Risk: Environmental Policy in North Carolina," *North Carolina Insight* theme issue, Vol. 10, No. 2-3 (March 1988). Includes articles on hazardous and radioactive waste disposal, municipal waste and landfills, water re-

sources, and responsible development.

Bill Finger, "The State of the Environment: Do We Need a North Carolina Environmental Index?" *North Carolina Insight*, Vol. 11, No. 1 (October 1988), pp. 2-29.

Bill Krueger and Mike McLaughlin, "North Carolina's State Parks: Disregarded and in Disrepair," *North Carolina Insight*, Vol. 11, No. 1 (October 1988), pp. 30-46.

Mike McLaughlin, "Preserving the North Carolina Mountains: Time to Develop a Plan?" *North Carolina Insight*, Vol. 13, No. 1 (December 1990), pp. 2-29.

On Fiscal Woes

Mike McLaughlin, "North Carolina's Biennial Budget—Oil Change or Overhaul?," *North Carolina Insight*, Vol. 13, No. 2 (June 1991), pp. 2-19.

On Health Care

"Health Care in North Carolina: Prescription for Change, Part I," *North Carolina Insight* theme issue, Vol. 13, No. 3-4 (November 1991). Features articles on new roles for the state in health care, access to health care, health care cost containment, and rural care.

"Health Care in North Carolina: Prescription for Change, Part II," *North Carolina Insight* theme issue, Vol. 14, No. 1 (May 1992). Features articles on the health status of the North Carolina population, health programs in North Carolina, and nursing home regulation.

On Poverty

"Profiles in Poverty: State Policy and the Poor in North Carolina," *North Carolina Insight* theme issue, Vol. 11, No. 2-3 (April 1989). Includes articles on the demographics of poverty, jobs programs, the working poor, poverty and education, health care for the poor, and taxes and the poor.

On Prisons and Crime

"North Carolina Prisons—Old Problems, Tough Choices," *North Carolina Insight* theme issue, Vol. 9, No. 3 (March 1987). Features articles on prison overcrowding, the Fair Sentencing Act, alternatives to incarceration, and private prisons.

Mike McLaughlin, "North Carolina's Prison System: Is the Crisis Corrected?," *North Carolina Insight*, Vol. 11, No. 4 (August 1989), pp. 21-38.

On Public School Governance

Jack Betts, "The Superintendent of Public Instruction: Should North Carolina's Chief Public School Officer Be Appointed or Elected?" *North Carolina Insight*, Vol. 12, No. 4 (September 1990), pp. 2-22. Introduces a pro-con discussion.

On School Finance

Janier Fonville, "Disparity in Public School Financing," *North Carolina Insight*, Vol. 7, No. 1 (August 1984), pp. 30-37.

Jody George, "Courts Split on School Finance Issue," *North Carolina Insight*, Vol. 7, No. 1, August 1984, pp. 38-41.

Bill Finger, "Disparity in Public School Financing—an Update," *North Carolina Insight*, Vol. 7, No. 4 (April 1985), pp. 44-49. See also Bill Finger and Marianne M. Kersey, "Disparity in Public School Financing—an Update," *North Carolina Focus*, North Carolina Center for Public Policy Research, September 1989, pp. 250-255.

FOOTNOTES

¹ Of 13 Southeastern states, only two—West Virginia and Kentucky—have a higher corporate income tax than North Carolina, according to Charles D. Liner, a tax expert at the University of North Carolina's Institute of Government. Kentucky's rate is 8.25 percent when adjusted federal taxable income exceeds \$250,000. West Virginia's rate is a flat 9.5 percent of federal taxable income, with adjustments. (See Commerce Clearing House, Inc., *State Tax Review*, Vol. 52, No. 52, Dec. 23, 1991, pp. 8-19, for a listing of business taxes for the states.) The 4 percent surtax may be less onerous than it sounds because it is applied against the corporation's tax bill, rather than its taxable income. A corporation earning \$100,000 in taxable income, for example, would face a tax bill of \$8,060, or 8.06 percent, including a corporate income tax bill of \$7,750 and a surtax of \$310. Although several of our experts may disagree, Liner says a number of studies have shown that corporate tax rates have relatively little influence on corporate location decisions. Consumers faced an even larger tax increase in 1991, with a penny increase in the state sales tax expected to yield \$430 million annually, and a three-cents-per-pack increase in the tax on cigarettes adding \$21 million.

² Chapter 689 of the 1991 Session Laws (H.B. 83), Sec. 347.

³ Ann Jackson and Jack Betts, "Who Are the Poor? The Demographics of Poverty," *North Carolina Insight*, Vol. 11, No. 2-3 (April 1989), p. 9.

⁴ The Center has a long record of promoting open government. Among its earliest efforts in this area was a 1978 special report titled "The Right to Be Able to Know—Public Access to Public Information." The Center recorded and published complete legislative voting records from 1981-1984 before suspending this project due to cost. Articles on open government also have been published periodically in *North Carolina In-*

sight throughout the Center's 15-year history.

⁵ Ferrel Guillory, "Leaders with a common vision," *The News and Observer*, Raleigh, N.C., Sept. 20, 1992, p. 17A, ff.

⁶ Jack Betts, "In the Legislature, White Males Become a Minority," *North Carolina Insight*, Vol. 13, No. 2 (June, 1991), p. 65.

⁷ Jerry Shinn, "Next N.C. governor can help cities," *The Charlotte Observer*, Monday, August 17, 1992, p. 7A.

⁸ *Bartlett's Familiar Quotations*, edited by Emily M. Beal et al., Little Brown & Co.: Boston, 1980, p. 681.

⁹ March 1987 and March 1988 Current Population Survey, N.C. resident subsamples, U.S. Census Bureau.

¹⁰ *Ibid.*

¹¹ Bureau of the Census, U.S. Department of Commerce, *Current Population Report*, unpublished data, 1991.

¹² A KPMG Peat Marwick accounting firm model of the state General Fund prepared for the Government Performance Audit Committee shows a built-in—or structural—deficit that could surpass \$1 billion by the 1997-98 fiscal year and \$2 billion or more by the end of the decade (as reported in Stan Swofford, "State facing budget deficit time bomb," *The News & Record*, Greensboro, N.C., July 5, 1992, p. 1A.).

¹³ See Jack Betts, "The Veto: After Half a Century of Debate, Still on the Public Calendar," *North Carolina Insight*, Vol. 12, No. 2 (March 1990), pp. 2-26, for more on this topic.

¹⁴ Nationwide, only twelve states continue to fight their state-level problems in this distracting milieu. They are Delaware, Indiana, Missouri, Montana, North Carolina, North Dakota, Utah, Washington, and West Virginia (four-year terms), and New Hampshire, Rhode Island, and Vermont (two-year terms). Source: *The Book of the States: 1992-93 Edition*, Council of State Governments, Lexington, Ky., Table 5.1, pp. 265-266.

¹⁵ North Carolina's infant mortality rate, at 10.6 deaths in the first year of life for 1,000 live births, ranked the state 42nd in the nation in 1990. In 1991, the rate increased to 10.9, but final rankings haven't yet been published. North Carolina ranked 48th in average Scholastic Aptitude Test scores in 1991-92, at 855 of a possible 1600 points.

¹⁶ "North Carolina Again No. 1 in the Nation for New Manufacturing Facilities Announced," news release by the N.C. Department of Commerce, Feb. 17, 1992. Based on *Site Selection and Industrial Development* magazine tally. Not all facilities announced, however, actually wind up being constructed. Two 1985 studies found that little more than half of the jobs promised from new and expanding industries ever come to exist. (See Bill Finger, "Phantom Jobs: New Studies Find Department of Commerce Data To Be Misleading," *North Carolina Insight*, Vol. 8, No. 3-4 (April 1986), pp. 50-52, for more.)

¹⁷ For more on the importance of small business to the state's economy, see Todd Cohen, "Small Businesses: Big Business in North Carolina," *North Carolina Insight*, Vol. 8, No. 3-4 (April 1986), pp. 53-61.

¹⁸ The Center explored the policy implications of North Carolina's aging population in "Policy and the Aging: Moving Toward a Crossroads," a *North Carolina Insight* theme issue, Vol. 8, No. 1 (September 1985).

¹⁹ Oregon has adopted a broad set of "benchmarks," concrete goals against which the state's progress can be measured. One benchmark, for example, calls for cutting the teenage pregnancy rate in half by 1995. Another calls for increasing health care coverage for the Oregon population from 84 percent to 100 percent by 2000. (Keon S. Chi, "Targeted Innovations," *State Government News*, Council of State Governments, June 1992, p. 30.)

²⁰ In 1990, North Carolina ranked seventh among the states both in total black population (1,456,000) and percentage of

blacks (22.0%), according to the U.S. Bureau of the Census. The top six states in total black population were: New York (2,859,000), California (2,209,000), Texas (2,022,000), Florida (1,760,000), Georgia (1,747,000), and Illinois (1,694,000).

²¹ Minorities increased from 23.2 percent of North Carolina's population in 1970 to 25.1 percent in 1990, according to the U.S. Bureau of the Census. Although the proportion of Blacks declined slightly from 22.2 percent to 22.0 percent during that span, the proportion of Native Americans, Hispanics, and Asians increased from 1.1 percent to 3.2 percent.

²² "Minority Business Enterprise Survey," North Carolina Institute of Minority Economic Development, Executive Summary, May 1992, p. 5.

²³ Du Bois, a writer and educator, made that statement in an address, "To the Nations of the World," delivered to the Pan-African Conference in London, according to *Bartlett's Familiar Quotations*, edited by Emily M. Beal, et al., Little Brown & Co.: Boston, 1980, p. 724.

²⁴ See Bill Finger, "The State of the Environment: Do We Need a North Carolina Environmental Index?" and related stories in *North Carolina Insight*, Vol. 11, No. 1 (Oct. 1988), pp. 2-28.

²⁵ Editor's Note: It is difficult to find agreement on what constitutes centralization. One way to measure centralization is to compare the amounts of funding that public schools receive from state versus local governments. North Carolina is on the high end of the scale if one assumes that more state funding means more centralization. In the 1989-90 fiscal year, North Carolina's public schools received 66.8 percent of their funding from the state, fifth highest among the states and substantially higher than the national average of 47.2 percent, according to the *Digest of Education Statistics 1992*, National Center for Education Statistics, U.S. Department of Education, NCES 92-097, p. 151. However, North Carolina is less centralized than average if one assumes that a higher percentage of state employees in public schools equates with more centralization. In 1990, 2.8 percent of North Carolina's state employees worked in education (excluding higher education), compared to the national average of 3.4 percent, according to *The Book of the States*, Council of State Governments, Lexington, Ky., 1992, p. 487.

²⁶ The Commission on the Future of the N.C. Community College System completed that assessment in 1989, and the General Assembly incorporated the board's major recommendations in G.S. 115D-8.

²⁷ The University of North Carolina system is expected to seek in the 1993 General Assembly bonds totaling about \$300 million for capital construction projects on its 16 campuses. The state Senate approved a referendum on the bond package during the 1992 legislative session, but the measure never reached the House floor.

²⁸ The legislature increased the University of North Carolina's total library budget from \$45.7 million in the 1986-87 fiscal year to \$60.4 million in 1992-93. But that increase was only enough to keep pace with enrollment, which grew by more than 20,000 students during that period, according to UNC officials. The legislature did not approve any budget increases to allow for inflation, even though periodical costs for libraries increased by 48 percent during that period. The legislature also has not approved any additional funds to expand library holdings over the past five years.

²⁹ BMW, or Bayerische Motoren Werke AG, announced its decision on June 23, 1992. For more on South Carolina's incentives package, see: John Templeman and David Woodruff, "The Beemer Spotlight Falls On Spartanburg, USA," *Business Week*, July 6, 1992, p. 38; and Walecia Konrad and Betsy Teter, "Could Anything Be Finah Than To Be In Carolina?" *Business Week*, June 1, 1992, pp. 33-34.

³⁰ The General Assembly increased corporate taxes in 1991

to help deal with a \$1.2 billion shortfall in revenues. North Carolina's 7.75 percent corporate income tax now is exceeded by only two of 13 Southeastern states—Kentucky at 8.25 percent and West Virginia at 9.5 percent. The legislature also levied an additional 4 percent surcharge on corporate taxes that expires in 1995.

³¹ North Carolina's environmental and economic development programs were combined under the Department of Natural and Economic Resources from 1971 to 1977. In 1977, the General Assembly created the Department of Natural Resources and Community Development to encompass most environmental programs, while Gov. James B. Hunt moved some economic development programs to the existing Department of Commerce. In 1989, the legislature approved another reorganization, combining nearly all of the state's environmental programs in the new Department of Environment, Health and Natural Resources and moving the remaining community development programs to the Department of Commerce.

³² See *Rufo v. Inmates of Suffolk County Jail*, 112 US S Ct 748, 116 L Ed2d 867 (1992).

³³ According to a State Bureau of Investigation report released in August 1992, crime in North Carolina increased 10 percent in 1991—or about three times the national rate. North Carolina ranked 17th in the nation in crime rate, up from 20th in 1990 and 40th in 1980. See Gary L. Wright, "Juvenile crime rates soar in N.C.," *The Charlotte Observer*, Charlotte, N.C., Aug. 26, 1992, p. 5C.

³⁴ For more on the state's 1991 budget crisis, and the factors that contributed to it, see Mike McLaughlin, "North Carolina's Biennial Budget—Oil Change or Overhaul?" *North Carolina Insight*, Vol. 13, No. 2 (June 1991), pp. 2-19.

³⁵ Third party right of appeal would allow persons other than the applicant to appeal state environmental permit decisions at the administrative level. Two bills that would have established third party right of appeal (HB 1602 and SB 1201) died in committee in the 1992 session.

³⁶ 15A NCAC .0211.

³⁷ Lee wrote of his support for an appointed superintendent in a pro-con discussion in *North Carolina Insight*. For more, see William S. Lee, "Pro: North Carolina Needs an Appointed Superintendent of Public Instruction," *North Carolina Insight*, Vol. 12, No. 4 (September 1990), pp. 5-12.

³⁸ Vaclav Havel, *Summer Meditations*, Alfred A. Knopf, New York, N.Y., 1992, p. 1.

³⁹ Plato, *Apology*, as published in *Great Dialogues of Plato*, W. H. D. Rouse, trans., The New American Library, New York, N.Y., 1956, pp. 436-437.

⁴⁰ Michael D. Cohen and James G. March, *Leadership and Ambiguity: The American College President*, McGraw-Hill Publishing Company, New York, N.Y., 1974, p. 3.

⁴¹ Portions of this column were taken from Scott's speech to the North Carolina Association of Colleges and Universities on Oct. 29, 1992.

⁴² A spokesman for the Division of Travel and Tourism in the Department of Commerce says the phrase Variety Vacationland is still used to describe North Carolina but not directly in state advertising campaigns.

⁴³ Walker says she is referring specifically to three centers on U.S. highways that serve as entryways to North Carolina—one on U.S. 17 in Pasquotank County in the northeast, another on U.S. 17 in Brunswick County in the southeast, and a third on U.S. 441 in Macon County in the southwest. A fourth such center is located on U.S. 321 in Boone in the northwest. In contrast with the official North Carolina Welcome Centers on the interstate highways, these visitor information centers get limited operating support from the state and no operating support from the federal government. They generally depend on local organizations to raise additional operating dollars and to provide staffing.