

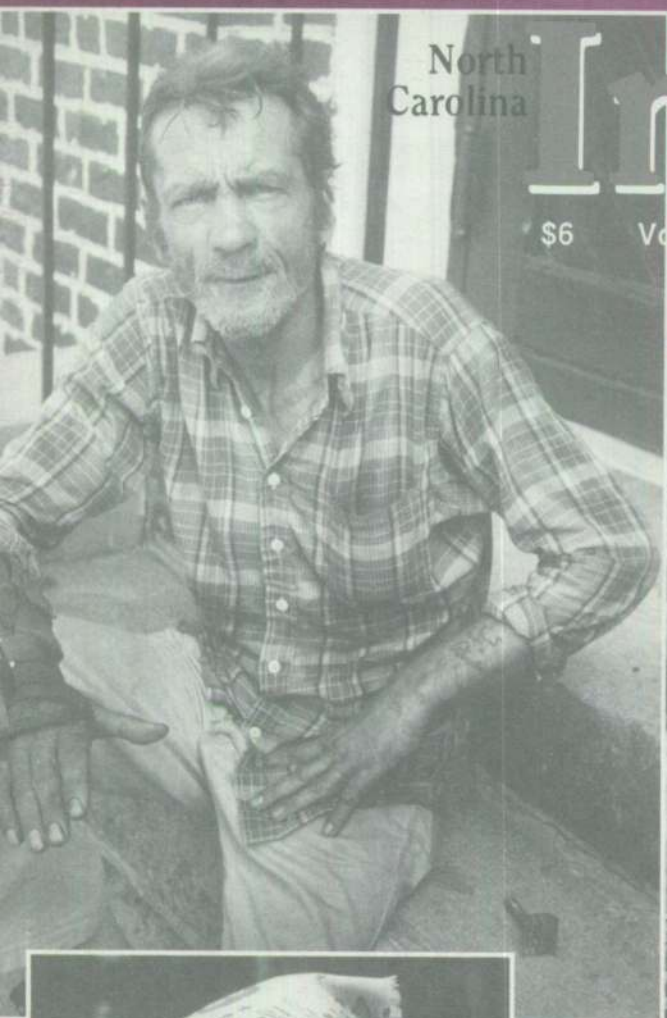
North
Carolina

Insight

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North Carolina's
Homeless:
Time to Face the
Problem?



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A nonprofit, nonpartisan organization, the Center was formed in 1977 by a diverse group of private citizens "for the purpose of gathering, analyzing and disseminating information concerning North Carolina's institutions of government."

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CORRECTION: In a photo caption on page 15 of the March 1990 issue of *Insight*, Robert Crump of Southern Pines was incorrectly identified as an opponent of veto power for the governor. Mr. Crump supports a constitutional amendment granting veto power to the North Carolina governor.

North Carolina's Homeless: Whose Problem Are They?

by David Perkins and Mike McLaughlin

We see them slumped on park benches sleeping, staggering down city sidewalks, pushing shopping carts that carry their worldly possessions, or sitting in fast food restaurants sipping coffee and passing the idle hours. And it seems that we are seeing more of them. But with the federal government cutting back on its low-income housing commitments, with the state tightening up admissions criteria at mental hospitals, and with local governments in some cases over-taxed and in others unwilling to help, the haunting question becomes, who will take care of the homeless? While policymakers grapple with that question, part of the answer may be a larger role for the state.

It came to be known as the "TB ticket," the way out of Durham's Community Shelter for the homeless and into appropriate health care. In 1988, 13 homeless men—all chronic alcoholics—came down with tuberculosis, a highly contagious lung disease that has become a rarity for most Americans but is still a threat among the homeless.

Faced with this health risk, the county bureaucracy groaned and moved. The men were sent to hospitals, halfway houses, group homes, and alcohol rehabilitation centers. Now the tuberculosis threat is contained, and the TB ticket is credited with getting the men off the streets. "None of those guys have come back to us," says

Terry Allebaugh, the shelter's director. "We'd like to think there are healthier ways of getting out of here." But, says Allebaugh, "Without advocates, these people don't get anywhere."

Shelter directors like Allebaugh are the front line in the battle for the homeless. They are the ones who talk with the homeless and identify their needs. They cajole social services and health agencies, distribute medicine, arrange transportation, and collect benefit checks. They know that if

David Perkins is a free-lance writer living in Raleigh. He wrote about school bus safety for Insight in June 1988. Mike McLaughlin is associate editor of North Carolina Insight.

they don't make something happen, no one will. It is a considerable challenge, considering how poorly organized the state's services are for the homeless, and state government's reluctance so far to acknowledge the problem.

No one knows for sure how many homeless there are in North Carolina. But the experts do know that programs for the homeless are not doing the job. For instance:

- Many homeless don't get the government benefits and services they need because social services agencies do not have the time or money to reach out to people on the streets and because some programs have narrowly defined eligibility requirements.

- The state's mental hospitals release patients with little coordination with local mental health centers for follow-up and treatment.

- Many of the chronically mentally ill homeless, who make up as much as a third of the homeless, go without any treatment. Mental health centers traditionally have been geared to serving clients with limited and curable mental health problems.

- Roughly a third of the homeless are addicted to alcohol or drugs, but the state has an inadequate number of treatment facilities.

- Little transitional housing is available for those who are temporarily without a home and need a staging ground for re-entry into society.



Leroy Etier, a homeless Korean War Veteran who lives in Raleigh.

Mike McLaughlin

■ There is a shortage of affordable rental housing, which is forcing more people out into the street and leaving the homeless without a way back. Most North Carolina cities and counties are doing little or nothing to relieve this housing shortfall, and the state is taking only halting first steps.

Who Are the Homeless?

When the homeless were considered a small, sorry, vagrant lot, it was easier for the government and the public to ignore holes in the safety net. But despite an economy with low inflation and unemployment rates, the tide of homelessness continues to rise. And increasingly, it is the working poor and families—the new homeless—who are moving into shelters alongside the mentally ill, the substance abusers, and the so-called street bums.

Although no analysis has been done of North Carolina's homeless, national surveys offer a rough sketch of the demographics of homelessness.¹ According to these surveys: Families with children now account for up to 40 percent of the homeless population; more than 30 percent of the homeless are veterans; about 30 percent of the

homeless suffer from mental disabilities; 20 to 30 percent of the homeless are employed; as many as 40 percent of the homeless suffer from alcoholism; and about 30 percent use government programs for their income.

Just how many homeless there are is a question that is still being debated nationally. Estimates range from the U.S. Department of Housing and Urban Development's 250,000-300,000 to the 3 million figure put forward by the Community for Creative Non-Violence, a Washington-based organization run by the nation's best-known homeless advocate, Mitch Snyder. Both figures are considered educated guesses. No one has been able to come up with an undisputed count.²

At the state level, the figures are little better. A July 1988 survey by the Division of Community Assistance in the N.C. Department of Economic and Community Development produced an estimate of 8,045 homeless. But the survey used a crude methodology and may understate the situation.³ Under Wake County, for example, the survey lists 400 homeless. But The Ark shelter alone had 725 different clients in 1989, and there are six other shelters or transitional houses in Raleigh. The survey's figures for rural counties

—continued on page 6





Facing Homelessness: The View from the Streets

THE FACES OF HOMELESSNESS

Paula's neatly done blonde hair and carefully applied blue eyeshadow do not fit the homeless stereotype. Neither do her pink knit sweater, her designer jeans and her bleached-bright tennis shoes. But Paula has run out of money, credit, and friends. Even her parents have closed the door on her. "I'm not their responsibility anymore," says Paula. "I guess they decided they had helped me so much in the past they are not going to do it no more."

Homeless advocates have put her up in the Motel 6 in Winston-Salem for a few days while she gets used to the charity fare at the local soup kitchens. Now she faces initiation into shelter life, and she is frightened at the prospect.

"I got to go to the Salvation Army tonight," she says, her lower lip quivering. "I just want to go home." But like thousands of other North Carolina citizens, Paula has no home.

The 24-year-old King native says she lost her job, then she got behind on her rent, got her power cut off, and finally was evicted from her apartment. With a poor credit rating and no regular source of income, she had nowhere to turn for shelter.

Paula is but one of thousands of North Carolina homeless, many of whom do not fit neat stereotypes. Each of them is unique, and in many instances they have their own ideas about what should be done to help the homeless. Insight Associate Editor Mike McLaughlin interviewed more than a dozen such people while researching the plight of the homeless in North Carolina. The stories of several appear on pages 7, 13, 18, 26, and 31.

seem just as shaky. While some counties reported several hundred homeless, others reported zero. Such discrepancies are unlikely in counties with similar economies and population densities.

But even with its widely varying figures, the survey provides evidence that homelessness is not just an urban problem. The state's seven most populous counties—Mecklenburg, Wake, Guilford, Forsyth, Cumberland, Gaston, and Buncombe—accounted for less than a quarter of the total number of homeless reported, 1,900 of the 8,045, and yet they contain 32 percent of North Carolina's population.

A further suggestion that the survey undercounted the homeless comes from another state agency. A 1989-90 academic year survey by the Department of Public Instruction found 6,166 homeless school-age children across North Carolina, 833 of whom were not attending school.⁴

And none of these counts includes the homeless who sleep under bridges, in culverts, or in "bush and weed motels," as one homeless person put it. Nor do the counts include those who have doubled or tripled up in the homes of family or friends because they can no longer afford to pay rent on a home of their own.

It may be that these hidden homeless actually outnumber the homeless who live in shelters. A 1986 study by the Alcohol/Drug Council of North Carolina, for example, found that only 8.6 percent of 432 people surveyed at 19 soup kitchens across North Carolina had spent the previous night in a shelter. By comparison, 9.5 percent said they slept at a friend's house and 10.9 percent said "other"—that is, in a car, under a bridge, or in an old building.⁵

More reliable figures on both the state and national level may be available when the U.S. Census Bureau releases the results of the one-night national count of the homeless, conducted March 20, 1990. Some advocates for the homeless have said they feared an undercount that would mask the magnitude of the problem and undercut efforts to get government services to the homeless. Mitch Snyder went further. Maintaining that the effort would produce an *intentional* undercount that government officials could use as an excuse to withhold resources, he refused to cooperate with Census takers.

But Tom B. Smith, a spokesman for the U.S. Census Bureau in Charlotte, says the count represents an attempt to learn more about the homeless

and provide information to local government and service providers, rather than a firm estimate. "We think too much is being made of the number," says Smith. "We were not able to count those who were well hidden, but we do think we were able to count the majority of the homeless." Smith says the results will be released in mid-1991.

Whatever the current total, those who work with the homeless report a strong surge in the numbers of homeless. Raleigh's Ark shelter had 519 different clients in 1987 and 725 in 1989, a 40 percent increase in just two years. Director Dot Ellis says 90 percent of the time the 35-bed shelter is full. At the Salvation Army Women's Shelter in Charlotte, the numbers have grown by more than 350 percent, from 4,243 in 1987 to 16,151 in 1989, reflecting both

Table 1. Demographics of Homelessness*

Unemployed	70 percent
People with alcohol or drug problems	40 percent
Families with children	40 percent
People with mental disabilities	30 percent
Veterans	30 percent
People with income from government programs	30 percent

* Figures add to more than 100 percent because many of the homeless exhibit more than one of these characteristics. Sources of these estimates are described in footnote 1 on page 32.

an increase in capacity and an increase in demand for shelter space, says director Connie Johnson. The figures represent a multiple count, says Johnson. A client who used the shelter seven different nights would be counted seven different times. In Chapel Hill, the Interfaith Shelter averaged 15 guests a night in 1985. Now its 24 beds are always full, and the shelter serves dinners to

15 others, most of whom are homeless people the shelter has to turn away at night.

Private charities, which carried the burden for much of the 1980s, are now stretched to the limit and calling for relief. The result is a growing recognition that a long-term policy is needed that goes beyond warehousing the homeless in shelters. Without more low-cost housing, the hemor-

Drinking, Drugs, and Drifting



THE FACES OF HOMELESSNESS

Jerry was sexually abused as a child and the memory of it haunts his adult life. "I think what basically shocked my judgment was when I was 7 years old this guy took and molested me," he says. Jerry is a light-skinned black man with a self-effacing style. He twice refers to himself as Joe Knucklehead during an interview. "I've been jacking off," he says. "Maybe this is my way of punishment—not having anything, being homeless."

Jerry, 25, was raised in a foster home, but says he was disobedient and was drawn to the street life and alcohol and drugs. "I called myself a playboy," he says. "I wound up with a little girl I wasn't ready for." Jerry's daughter is six years old now. He hasn't seen her in a year and a half. "All I want is to see her grow up and be somebody," he says.

Jerry sleeps at The Ark shelter in Raleigh at night and works as a day laborer for a roofing company, getting paid in cash at the end of each working day. He is dressed in a pair of green coveralls with a hole in the seat—the only clothing he has—and is facing his fourth bout with homelessness. "Maybe I can get a grasp on turning this thing around," he says. Yet Jerry seems far from certain he can survive on his own. "You need that extra support of knowing somebody cares besides yourself—an ear to listen to you when you've got something on your mind you want to talk about—just any little thing to keep you going."

What would it take to stabilize Jerry's life? "I need peace of mind, good Christian fellowship, friends, someone I can talk to constantly," he says. Someone who would challenge him to think before making rash, irresponsible decisions. Jerry believes he must sort out the conflict within himself before he can sustain the kind of relationship that would produce such support. Still, he hasn't given up. "There's still a hope, still a chance, still a dream," he says.

"It's all very well and good to talk about 'uplifting society' but somewhere along the line we must face the fact of life that from the beginning of time a lot of human beings have been born bums...."

—Jesse Helms
Capitol Broadcasting Co.
editorial, Dec. 5, 1966

rhaging of the homeless will continue. But should government take the lead, and if so, which level of government? And how far should government go in treating the homeless as a special category of clients? And who should pay for what? As yet, there is no consensus.

A Legislative Research Commission panel is studying such questions and may propose legislation to the 1991 session of the General Assembly. The Martin administration, however, is proceeding cautiously. "We are able to help the homeless in a variety of ways, but we know more needs to be done," Gov. Jim Martin says. "In a time of limited resources—a time when those resources are already being strained by demands from education, environmental protection, law enforcement, and corrections and other areas—our goal must be to use those resources as effectively as possible.... No one agency, no one sector, has the resources to meet this challenge completely."

Martin administration officials, wary of being saddled with more responsibility without more funding, have wrestled with how best to meet the needs of the homeless. So far administration officials have resisted creating a high-level office or agency that could cross department lines to deal with homelessness in a comprehensive way. "You might only fragment state government further and create another program with another special interest group," says John Mandeville, program development coordinator in the Department of Human Resources.

But advocates for the poor say an ad hoc, local effort, will never be enough to meet the

wide-ranging needs of the homeless. "The state has to make sure that the available money and the needs get hooked up, and not just in those communities that have good grant writers," says Don Saunders, director of the North Carolina Legal Services Resource Center. Says Greg Malhoit, director of East Central Community Legal Services in Raleigh, "There's a dodging of responsibility at every level. The state says it's a local problem, the counties say it's a statewide problem, and the cities say it's a county problem."

The Government Response So Far

With the Stewart B. McKinney Homeless Assistance Act of 1987,⁶ Congress signaled that homelessness was a national emergency that called for government action at all levels—federal, state, and local—to bolster private efforts. Through McKinney programs, Congress has appropriated more than \$1 billion to the states for shelters, health care, transitional housing, mental health, job training, and adult literacy programs. North Carolina received \$4.9 million for the 1989-90 fiscal year. Because most of these grants required matching local or state dollars, the McKinney Act has leveraged local tax support for homeless services as well.

McKinney Act dollars are visible in many cities—in shelters like The Ark in Raleigh, in transitional housing projects like Durham's Genesis House, in roving health care vans in Wake and Durham counties, and in case managers for the homeless mentally ill at four of the 41 area mental health centers across North Carolina—Forsyth-Stokes, Guilford, Mecklenburg, and Wake. Yet these programs are scattered geographically, are not coordinated, and in some cases are ineffective. That is not surprising since the state has not identified the most pressing needs and directed the McKinney money to them.

In the spirit of federalism, the McKinney Act gives the states considerable leeway in using most McKinney funds. The money can be targeted at specific needs, or it can be passed along on a formula or competitive basis. North Carolina has chosen simply to divide the money among eligible applicants on a pro rata basis. Because counties and municipalities in rural areas are less likely to apply for grants, urban areas have reaped much more in McKinney funds. But homelessness also is a serious problem in rural areas.

The legislation created a range of new federally funded programs for the homeless, including

demonstration projects to aid the mentally ill homeless, a grant program for homeless children, a literacy training program, and a program for identifying and converting surplus federal property to homeless shelters. Under the Emergency Shelter Grants Program—the most heavily funded McKinney category—106 shelters in 56 North Carolina counties have received funds. The other 44 counties have not applied and thus have received no emergency shelter grants, including some which have reported large homeless populations (see Table 2). The program requires a dollar-for-dollar match, which can be put up by local government or by the service provider, and the applications must be channeled through local government. Many counties and municipalities have decided they don't need shelters or are unwilling to put up the matching money, and the state has declined to step in.

Vance, Granville, Warren, Franklin, and Person counties—five counties linked as the Kerr-Tar Council of Governments⁷—have at least 752

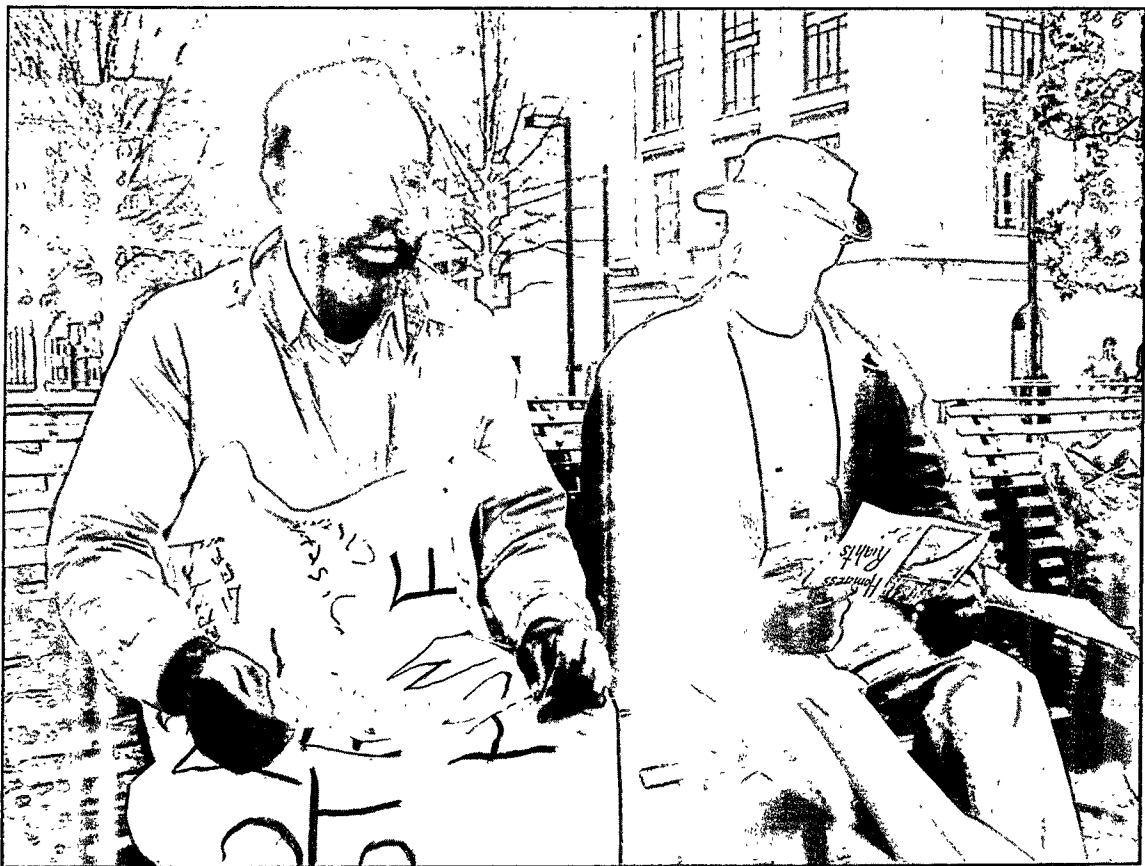
"The story usually is short. A few seconds on TV, a couple of column inches in the paper. The story? Homeless man found dead."

—Giles Lambertson,
Capitol Broadcasting Co.
editorial, Feb. 20, 1990

homeless people, according to the July 1988 survey by the Division of Community Assistance. In the five counties, there is one shelter—for families only—and not a single soup kitchen.

The Martin administration also has missed chances to leverage McKinney money. For ex-

Charles Eatmon, left, and Johnny Kersey, right, before a rally for the homeless at the state Capitol on March 30, 1990.



Jack Betts

**Table 2. N.C. Counties Receiving Federal McKinney Act
Emergency Shelter Grants, by Number of Homeless***

	One or More Grants Received	Number of Homeless in the County**		One or More Grants Received	Number of Homeless in the County**
Alamance	Yes	115	Chatham	Yes	300
Alexander	No	10	Cherokee	Yes	0
Alleghany	Yes	60	Chowan	No	0
Anson	No	8	Clay	No	0
Ashe	Yes	125	Cleveland	Yes	142
Avery	No	5	Columbus	No	35
Beaufort	Yes	45	Craven	Yes	10
Bertie	No	82	Cumberland	Yes	200
Bladen	No	75	Currituck	No	2
Brunswick	Yes	5	Dare	Yes	5
Buncombe	Yes	150	Davidson	Yes	30
Burke	No	20	Davie	No	30
Cabarrus	Yes	20	Duplin	No	150
Caldwell	Yes	20	Durham	Yes	275
Camden	No	0	Edgecombe	Yes	203
Carteret	Yes	11	Forsyth	Yes	200
Caswell	No	30	Franklin	No	275
Catawba	Yes	20	Gaston	Yes	175

—continued

ample, the state has not received money under the Department of Housing and Urban Development's Permanent Housing for the Handicapped Homeless program despite a pressing need for such housing. Martin administration officials say they detected little local interest and ultimately decided not to seek matching money for projects from the General Assembly.⁸

Admittedly, the McKinney Act makes it difficult for state government to play a leading role. The legislation is a patchwork of 20 programs, channeled through seven federal agencies. A few programs bypass the state altogether, going directly from the federal government to local government or to Community Action agencies. Others are an awkward fit for existing state agencies.

And state officials point out that the act included no money for administration. "We would like to have sponsored workshops or helped create

a statewide homeless coalition, but that would have to be on top of everything else someone is doing," says John Mandeville in the Department of Human Resources. "If the state is going to take the lead, there needs to be a state appropriation or a change in the McKinney Act. Someone needs to be paid to sit down and see what the state's role should be."⁹

Some states, however, have been more aggressive and have accomplished more than North Carolina *without* increasing state appropriations. Tennessee Gov. Ned McWherter, for example, used re-allocated federal dollars to assign a full-time coordinator for the homeless to the state Department of Social Services. That coordinator has successfully directed more McKinney funds to rural areas, provided technical assistance for local grant applicants, spurred the hiring of local-level homelessness coordinators, and helped the

**Table 2. N.C. Counties Receiving Federal McKinney Act
Emergency Shelter Grants, by Number of Homeless* (continued)**

	One or More Grants Received	Number of Homeless in the County**		One or More Grants Received	Number of Homeless in the County**
Gates	No	13	Pasquotank	Yes	5
Graham	No	0	Pender	No	20
Granville	Yes	300	Perquimans	No	21
Greene	No	4	Person	No	0
Guilford	Yes	350	Pitt	Yes	45
Halifax	Yes	60	Polk	Yes	0
Harnett	Yes	NA	Randolph	Yes	400
Haywood	No	NA	Richmond	Yes	6
Henderson	Yes	12	Robeson	Yes	100
Hertford	No	126	Rockingham	No	20
Hoke	No	20	Rowan	Yes	85
Hyde	No	15	Rutherford	Yes	132
Iredell	Yes	150	Sampson	No	NA
Jackson	Yes	100	Scotland	No	50
Johnston	Yes	155	Stanly	No	25
Jones	No	0	Stokes	No	30
Lee	Yes	75	Surry	No	63
Lenoir	Yes	4	Swain	Yes	20
Lincoln	No	20	Transylvania	Yes	4
Macon	Yes	63	Tyrrell	No	0
Madison	No	5	Union	Yes	35
Martin	Yes	45	Vance	No	400
McDowell	Yes	10	Wake	Yes	400
Mecklenburg	Yes	425	Warren	No	75
Mitchell	Yes	10	Washington	No	25
Montgomery	Yes	12	Watauga	Yes	70
Moore	No	15	Wayne	No	60
Nash	Yes	224	Wilkes	Yes	30
New Hanover	Yes	300	Wilson	Yes	32
Northampton	No	128	Yadkin	No	50
Onslow	Yes	203	Yancey	No	5
Orange	Yes	150			
Pamlico	No	10			
			TOTAL	Yes=56 counties	8,045
				No=44 counties	homeless

* The state has awarded five rounds of McKinney grants since May 1987. Grants were awarded for the latest round in May 1990.

** Homeless estimates are based on survey by Division of Community Assistance, N.C. Department of Economic and Community Development, but should be interpreted cautiously. See footnote 3 on page 32 for a description of how these numbers were compiled.



Mary Uebelgunne, an advocate for the homeless in Raleigh.

state tap McKinney funds for permanent housing for the handicapped homeless. The result? A state less populous than North Carolina received \$20.9 million in federal McKinney Act funds through the 1989-90 fiscal year—24 percent more than the \$16.8 million North Carolina got during the same period. Among Tennessee's accomplishments: the construction of four facilities for the chronically mentally ill and mentally retarded homeless, financed through the Permanent Housing for the Handicapped Homeless program.

Tennessee's effort is more modest than states such as Massachusetts, which has poured millions of state dollars into a four-pronged assault on homelessness comprising prevention, emergency services, supportive services, and permanent housing.¹⁰ Still, it provides a model of how states can maximize McKinney dollars and direct them to the areas of greatest need, so that each region of the state gets its fair share. North Carolina's piecemeal approach offers no such assurances.

There is no easy solution to homelessness, however, no matter what the level of government

intervention. For many of the homeless, mental illness, substance abuse, and underdeveloped social skills are major obstacles to becoming self sufficient. A Louisville program, Project Worth, enrolls the homeless in remedial schooling and vocational training and placement, and coaches participants in such basics as keeping a budget and getting to work on time. Yet in the first year of a program cited as a national model for helping the homeless, only 10 percent of participants completed the training and held a job for at least three months.¹¹ Many of the dropouts had returned to drinking and drugs—the kinds of problems that led them into homelessness in the first place.

Increasingly, though, people who work are winding up homeless. With rising rents stretching their budgets tighter and tighter, it may take no more than an illness, a divorce, a stiff rent hike, or even a temporary layoff to force them out onto the streets. Others lose their jobs to economic dislocation—farmworkers, foresters, and unskilled laborers forced out of an economy requiring higher skills.

Once they lose their homes, these families—widely referred to as “the new homeless”—face traumas they have never known before. Often they are forced to move in with other families, or to break up and live with relatives. Shelters are a last resort, and men and women are usually separated. Durham's Allebaugh sees a pattern of depression and denial that can lead to drinking and drug use. Before long, he says, many of these new homeless are indistinguishable from the hard-core homeless. “You learn to hustle and forget these skills that are required in mainstream America, like planning and money management,” says Allebaugh. “I try to get those people services right away. If they don't [get services], they develop the same survival attitudes as the others.”

Why this apparent surge in the ranks of the homeless? Vagrants and street bums have been around forever, but homelessness did not become a problem with a name until the mid-1980s, when the national economy was recovering from the worst recession since 1929. Despite sustained economic growth, the homeless have grown more numerous every year, spawning intense national debate about the root causes of homelessness, and the potential solutions.

Causes and Cures: The Public Debate

In a January 1990 *ABC-Nightline* segment that led with film clips of aggressive panhandlers on the streets of Santa Barbara, Myron Magnet of the Manhattan Institute for Policy Research blamed the problem on "30 years of mistaken liberal social theory and social policy." Magnet said deinstitutionalization—the idea that many of the institutionalized chronically mentally ill could be better treated in their communities—led to the dumping of helpless people into the streets.¹² He said the substance abusers represent a breakdown brought on by decades of "I'm OK, You're OK" societal promiscuity. Magnet's solution was more prisons for the drug abusers and reinstitutionalization for the mentally ill, although he offered no

ideas for how to pay for the tremendous cost of this approach.

An opposing view was offered by William Nern, an Episcopal priest who administers homeless programs in San Francisco. Nern pointed to a depleted stock of low-cost housing and an educational system that provides inadequate job skills as two root causes of homelessness. He advocated treatment for substance abusers, and spending enough money to give community-based treatment of the mentally ill a chance to work.¹³

Scott Shuger, writing in the March 1990 *Washington Monthly*, offered yet another perspective. Shuger argued there are many causes of homelessness, each requiring a different solution. And Shuger maintained the media obscure these differences among the homeless by depicting

Fighting for Her Children



THE FACES OF HOMELESSNESS

Kathy Chiles fell on hard times when her husband went to prison for breaking and entering and larceny. Since then she has been in and out of a Winston-Salem homeless shelter. At 28, she is the mother of five. Three of her children are in foster care. "They took my kids from the shelter and put them in a foster home," says Chiles. "Now I'm fighting to get them back."

Two others are staying with a relative while she tries to get back on her feet. Kathy works at a Burger King and has moved out of the shelter and into a house with her sister. At some point she hopes to be able to provide a home for her children. Chiles says homeless families need a broader range of services. The shelter, she found, was no place to raise children. "They would let anybody in, like drunks and stuff," she says. "I really didn't want my kids around that."

The requirement that residents leave the shelter every morning left Chiles with three children on her hands and nothing to do with them. "We were up at 6:15 and out at 7, no matter what the weather," says Chiles. "We just walked around all day until it was time to go back in." Evenings at the shelter were little better, Chiles says. "My kids, they would really just get on my nerves because they were right there," she says. And the shelter life in general was too restrictive, Chiles says. "I like to go to bed when I want to, sleep when I want to, and eat when I want to," she says. "Down there, you can't do that."

*"You still ain't got a job.
And I work in a market as a
checkout girl. I know things
will get better. You'll find
work and I'll get promoted.
We'll move out of the shelter.
Buy a big house and live in
the suburbs."*

—Tracy Chapman
"Fast Car"

them as mainstream Americans brought to ruin by a run of bad luck.¹⁴ In his own article, Shuger took a different tack. In no way pretending to be scientific, he took to the streets of Washington to talk to homeless people—con artists, drunks, people who were mentally deranged, and a few people whose hustling seemed truly focused on getting back on their feet.

Shuger pointed to what he called the "X-Factor" among some of the homeless—a failure to fit in or to make the kind of compromises most people readily make to assure their survival. He also acknowledged the lines of homeless women with children waiting patiently for some meager public benefit or rushing on sore feet to catch the next bus en route to a low-wage job in a city with one of the nation's most expensive housing markets. Still, Shuger concluded that media depictions to the contrary, most of the nation's homeless are "not like us," adding that, "The correct position is to admit the differences among the homeless while strenuously working to help them all. If conservatives need to *care* more, liberals need to *see* more."

All of this armchair sociology is beside the point to some advocates. They believe the disappearance of cheap rental housing is ratcheting up the rate of homelessness, and all other causes are secondary. "The fact is that the housing market, both locally and across the nation, doesn't work anymore for people below a certain relatively prosperous level," says Robert Lane, president of the Wake County Coalition for the Homeless. "Costs have risen and continue to rise every-

where... and wages and public benefits have fallen far behind. This is a structural change that, barring a serious recession or worse, won't be reversed. The situation has been aggravated by the federal abandonment of affordable housing and the loss of low-cost housing units through demolition or conversion [to condominiums]. Compared to the magnitude of these powerful trends, the deinstitutionalization of the mentally ill and substance abuse are decidedly secondary problems."

Beneath such discussions about the causes of homelessness lies the question of fault. Is homelessness the fault of society or the homeless individual? Is it the liberals, who set free the mental patients, or the conservatives, who slashed low-income housing stock? But ultimately, assigning blame is less important to formulating an effective state policy for helping the homeless than is assessing needs and evaluating programs that are already in place.

The common denominator among the homeless is that beyond the shelters, abandoned cars and underpasses, they have no place to live. That's a housing problem. Many of the homeless are also clearly beset by a range of problems that fall under the rough rubric of mental health—alcoholism, drug abuse, and chronic mental illness. Even Shuger's "X-Factor" can fall under this broad category. Finally, the homeless are deterred by the same difficulties many poor people face in obtaining government services, only more so in that they are often the poorest and most alienated of the poor. Thus, thinking about a state policy for the homeless requires a detailed look at three broad areas—(1) housing, (2) mental health, and (3) access to government services.

One:

The Housing Part of the Homeless Problem: The Affordable Housing Crunch

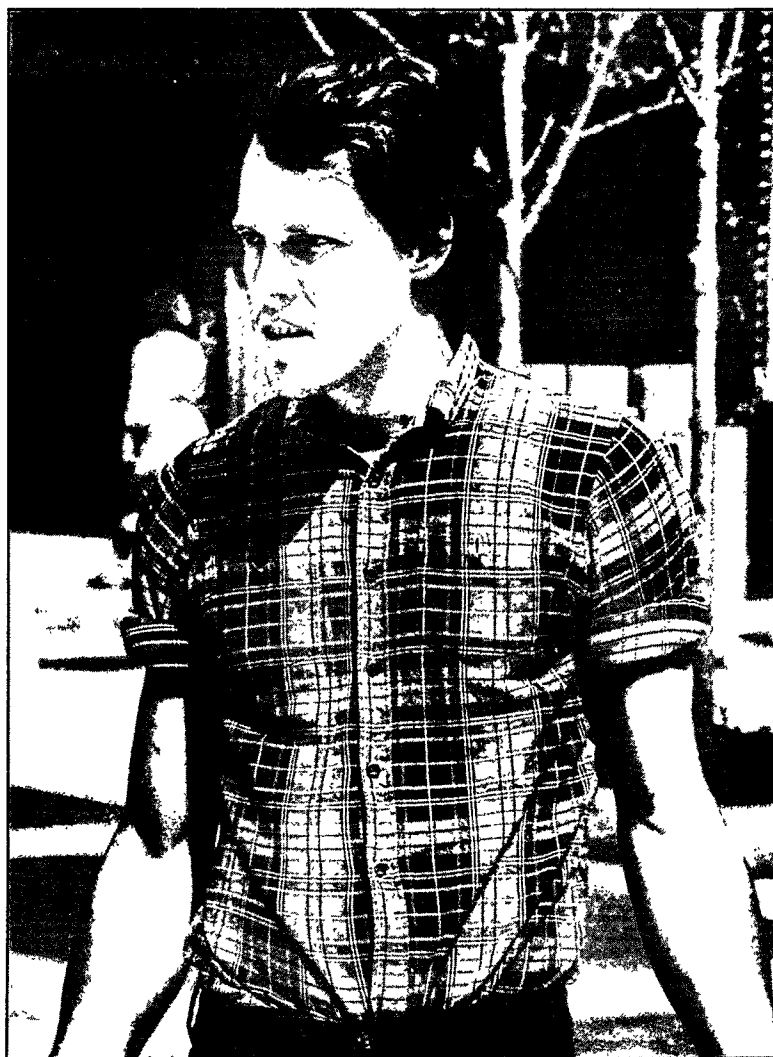
The decline in affordable housing stock is a well-documented fact. "I don't think there can be any serious doubt that the housing problem is the single most important cause of homelessness in the 1980's, far more important than any other factor," says Lane. The U.S. Conference of Mayors' December 1989 *Status Report on Hunger and Homelessness in America's Cities* offers support for Lane's assertion. Officials in all 27 cities surveyed cited the lack of affordable hous-

ing as the main cause of homelessness. By contrast, 52 percent cited mental health services as a main cause, and 52 percent cited substance abuse.¹⁵ Since the 1970s, gross rents for apartments, including utilities, have risen much faster than lower-income wages. Housing officials consider an apartment affordable if it rents for 30 percent or less of a family's household income. Using that standard, 7,400 households in North Carolina paid more than they could afford in rent in 1980, according to the Low-Income Housing Information Service of Washington, D.C. By 1985, the numbers had increased five-fold to 48,100, with no sign of a letup.

While rents have risen steadily, earnings for

those on the lower end of the economic scale have remained stagnant or have declined. The minimum wage was not adjusted for most of the 1980s¹⁶, and federal benefits like Aid to Families with Dependent Children have not kept up with inflation.¹⁷ Currently, a mother with two children and no other income receives a maximum of \$272 in AFDC payments each month. Average rents in Raleigh exceed \$400 a month. Moreover, rising housing prices have blocked many low-income families from moving into homes of their own. In some rural North Carolina counties, 80 percent of the families can't afford a median-priced new home and many, consequently, have to live in substandard housing.¹⁸

Lee Jordan, a homeless man who lives in a Raleigh shelter and who spends his days on the Fayetteville Street Mall in downtown Raleigh.



Jack Betts

Gentrification of old downtown neighborhoods like Raleigh's Oakwood has forced many people onto the streets, especially single men, by converting apartment houses and boarding houses into expensive single-family homes. In Raleigh, five residential motels and boarding houses, with a total of 475 beds, have been destroyed since 1973.¹⁹ Conversion of apartments into condominiums has aggravated the problem.

And demand has outstripped the availability of the traditional alternative for low-income families—federally subsidized housing. Federal budget authority for new housing expenditures was cut 75 percent between 1981 and 1987.²⁰ Accordingly, in many cities families wait for years for subsidized housing.

The Raleigh Housing Authority expanded its subsidized housing stock by 400 to 500 units a year in the 1970s. Today, it adds fewer than 100 units annually, despite continued population growth and long waiting lists of eligible families. Most of those units are subsidized private housing under the Department of Housing and Urban Development's Section 8 program, which pro-



Jack Betts

More than just a shelter, Sharing House in Raleigh offers the homeless a sixth-month stay and services aimed at helping them get back on their feet. Experts say more of this transitional housing is needed to move people out of homelessness.

vides families with vouchers for rent subsidy. Section 8 vouchers are not issued, however, unless low-rent apartments are available. About 3,000 families typically are on the waiting list for the vouchers in Raleigh, says Housing Authority Director Floyd Carter. For conventional public housing, the wait is two to three years.

Meanwhile, rent controls are scheduled to expire on thousands of privately held apartments built across the state in the 1960s with federal interest subsidies, threatening further erosion of the state's affordable housing stock. At the same time, shelters may act as a magnet for some people who live in grossly substandard housing. These are the voluntary homeless, drawn by warmth, hot running water, and a meal. According to the state Housing Finance Agency, there are 710,000 families living in substandard housing in North Carolina.

Many homeless people need something more than a shelter but less than permanent housing—a

place to get back on their feet, master basic living skills, look for a job, and save money for a deposit on rental property. This is referred to as transitional housing, and churches have led the way in providing it. Raleigh, for example, has three church-operated houses or groups of apartments for families and one for single men.

Some cities also are experimenting with publicly financed versions of transitional housing. In May 1989, the city of Raleigh opened a row of transitional apartments for nine families. After acquiring the property through foreclosure, the city rehabilitated the apartments through a \$200,000 McKinney Act grant, which it matched. Families may live in the apartments for up to 18 months. Rent is low and based on ability to pay.

And in what could be the beginning of cross-government cooperation, each family is assigned a county social services caseworker who helps them get federal benefits, job training, and day care. Area churches provide volunteer families

who visit with the homeless families, offering them help and advice.

Despite such efforts, policymakers say the homeless will continue to crowd into shelters until more low-cost housing is available and upgraded and existing low-cost housing is protected. But who will pay? It won't be the federal government—at least not in any major way. The National Housing Task Force report of 1988, "A Decent Place to Live," said states and local governments would have to shoulder most of the burden.

In North Carolina, a few cities and counties already are doing so. Since 1979, the city of Charlotte has invested \$18.3 million in developing 921 houses and apartments for people with low and moderate incomes. The city of Raleigh, which did not have a housing policy until 1986, now spends \$1.6 million a year on a program that provides loans for rehabilitating substandard housing, second mortgages for first-time home buyers who get behind on their payments, deferred loans for elderly homeowners, and a rent-to-own program for low-income families. The city and the Raleigh Housing Authority have also applied for McKinney Act Funds to build 15 to 20 single-room rental units that could have a more direct impact on the homelessness problem. The cities of Winston-Salem, Greensboro, and Durham have broken new ground by approving general obligation bonds for housing. Durham County is one of the few counties that has committed bond money—\$2 million, approved in 1986—for affordable housing.

But Malhoit of East Central Community Legal Services argues that home ownership programs do not help the homeless. "Our view is that home purchase programs aren't really getting at the problem," says Malhoit. "It's more a problem of affordable [rental] housing needs." Malhoit points to a housing hierarchy of shelters, subsidized rental property, private rental property, and home ownership.

"The further toward the top you go, the less impact there is at the bottom," says Malhoit, "There is no direct trickle down effect."

And who is looking after rural areas, which

have high levels of substandard housing, poor ratios of income to housing costs, and small tax bases? The state has put its toe in the water, but so far has not taken the plunge.

A Part-Answer:

The N.C. Housing Trust Fund

The General Assembly created the N.C. Housing Trust Fund in 1987 to provide loans or grants for new construction or renovation of low-income housing.²¹ The trust fund was given \$21.5 million the state received from the Department of Energy in a settlement with the oil industry for overcharges on oil during the energy crisis in the 1970s. At least 60 percent of the money must go toward energy conservation-related work on new or existing low-income housing.

The trust fund's policies are set by the Housing Partnership, a board consisting of home builders, mortgage lenders, and housing advocates and community organizations.²² The partnership has developed two programs. The first, an energy conservation and rehabilitation program, has distributed \$5 million in grants to 56 local government and nonprofit agencies around the state. The money has paid for energy-related repairs on approximately 900 buildings, most of them single family detached houses.

The second is a \$4.4 million deferred-payment program for loans to for-profit and nonprofit developers who are building new projects or converting older buildings to housing. Again, because of restrictions in the oil overcharge court settlement, the money must be spent on energy conservation-related work, not for general construction, engineering

plans, or site purchasing. Moreover, while both trust fund programs should relieve the overall housing problem, they have done little of direct benefit to those in the greatest need of housing—the homeless.

Of the 95 projects approved by the Housing Partnership as of

Jan. 1, 1990, two were transitional housing projects and one was a shelter for the homeless. Shelters and transitional housing programs are at a disadvantage in competing for trust fund money for

"To the moderately poor the home is the only place of liberty."

—G.K. Chesterton

two reasons: (1) The fund requires local government or nonprofit agencies to submit proposals, and in many rural areas there are no willing sponsors; and (2) the sponsoring agencies must prove they can pay a new project's operating costs for at least 10 years. That is a difficult requirement for non-rental projects that will depend on private and public support.

The Housing Partnership has not been receptive to the idea of creating a special fund with easier rules for projects geared toward the homeless. "Now that we've received state fund-

ing, there's a lot more reason to consider that," says Don Saunders, director of the North Carolina Legal Services Resource Center and head of the partnership's program committee. But, says Saunders, "We feel very strongly that our main responsibility is to assist in the building of permanent affordable housing stock. In the long run, that's the only solution to homelessness."

Targeting the trust fund to specific populations—like the homeless or the mentally ill—would be easier if the fund had both more money that was not restricted to energy conservation

A Rust Belt Refugee



THE FACES OF HOMELESSNESS

Like a blue-collar worker in a man-on-the-street interview, Ronald Ruhlman has his opinions at the ready. But Ruhlman really is a man on the streets. He says it's a temporary condition that will end when he gets his first paycheck. Still, his month-long experience with homelessness has taught him about himself and human nature. And it's clear that he's given some thought to the problem's cause and cures. "It ain't easy out there on them streets," says Ruhlman. "It's the first time I've been on the streets, and it's definitely going to be the last."

Ruhlman is a rust belt refugee who thought Raleigh represented the promised land of steady employment. "Everything happened at one time," says the 40-year-old former long-haul trucker. "I lost my job and I lost my place the same day. I even lost my girlfriend the same day. It's something you've got to take in stride."

Ruhlman says he sold his old Ford LTD to raise money and slept at the YMCA in Raleigh for a couple of weeks. But when the money ran out he was out on the streets, unable to find a job that paid a living wage. He finally found a job at a high-rise construction site, but not before he changed his attitude about the homeless. "I think what is so hard about being on the streets is keeping your self-esteem," he says. "People look at you real weird, like you're a low-life and you ain't trying. There's people on the streets wearing their shoes out looking for work."

Despite Raleigh's reputation for low unemployment, Ruhlman says without technical skills, it's difficult to find a job paying much more than the minimum wage. There are construction jobs, he says, but carpenters must

work and a recurring revenue source. In 1989, the legislature made a one-time, \$2 million appropriation to the trust fund—considerably less than the \$10 million the partnership had sought. (The net gain was actually smaller because the legislature transferred \$500,000 of the trust fund's oil money to a solid waste management program.) The \$2 million is enough to build only about 40 single-family units. Still, given the tight state budget in 1989, Saunders says the money set an important precedent as the first state tax dollars set aside for the housing trust fund.

As for recurring funding, other states have earmarked interest on deposits or real estate transfer taxes for their housing trust funds. The Housing Study Commission that proposed the trust fund did not recommend any recurring revenue source, and the partnership has not yet endorsed one for legislative approval. The partnership includes real estate agents, bankers, and builders who would each suffer under one of those measures. "The problem is finding a non-governmental source that doesn't gore someone's ox," Saunders says.

provide their own equipment, and it's hard enough to muster the money for a cup of coffee. Churches and other agencies are sometimes willing to provide the equipment, but they want verification of employment. That presents a dilemma, but Ruhlman says it's understandable. "A lot of places get ripped off by people who say they need this and need that, and then go off and sell it," he says.

Ruhlman says he got so desperate for work he considered cleaning up after elephants. The circus was seeking workers at local homeless shelters. "I'll tell you how bad it got," says Ruhlman. "Ringling Brothers was hiring.... I told my buddy, 'If I don't get a job today, I'm joining the circus.'"

But Ruhlman says that same day he stumbled across his job as a forms carpenter, and swallowed his pride and asked for equipment from a church. "I'd have never gone to a church to ask for tools, but I did," says Ruhlman. "When I get paid, that church is going to get a big donation."

Ruhlman says there is help for those homeless who are willing and able to seek it, but he says the agencies "run out of money too fast." He says low-wage jobs do not pay enough to cover Raleigh rent. "A lot of people have got jobs and can't afford the rent," says Ruhlman. "The rent around Raleigh is kind of high."

More government jobs, job training, and re-training programs for displaced workers would help prevent homelessness, says Ruhlman. He also says something needs to be done about high housing costs, long waiting lists for subsidized housing, and low-income people without health insurance. "A lot of people out there can't find jobs," says Ruhlman. "A lot of others have got a job and can't find a place to stay. You've got families and stuff like that with no insurance. If somebody gets sick on you, or you get sick, you're right back on the street again. And low-income housing, it takes so long to get it. A guy I met on the streets put in an application for himself, his wife and kids. The last time I seen him he had just got it. He applied more than a year ago."

Two:

Mental Health Policy and Homelessness: The Deinstitutionalization Issue

Aside from the lack of affordable housing, perhaps the most widely cited cause for homelessness is deinstitutionalization—the release of the chronically mentally ill from state mental hospitals. But experts say deinstitutionalization per se is not a major factor behind North Carolina's growing numbers of homeless, as it has been in many Northeastern cities. When North Carolina began reducing its mental hospital populations in the early 1970s, it transferred thousands of patients to rest homes and nursing homes, rather than release them directly to the streets, says Donison Willis, chief of community initiatives in the Department of Human Resources' Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. Today's homeless, Willis says, are thought to be in their mid- to late-thirties, on average, too young to have been affected directly by the policy change.²³

However, reduction in beds and tightened eligibility criteria at the state mental hospitals has created a group that might be called the un-institutionalized. These are the chronically mentally ill who might have been institutionalized in the past

"Naked need came begging—those who'd lost their homes because of market forces, the mentally ill, the abused, and beaten. But whether they came from the ghetto or from a glistening shore town, they shared the unmistakable stamp of impoverishment that, while no one was looking, counting, or measuring, had invaded American culture."

—Kathleen Hirsch
Songs from the Alley

but are no longer admissible because they are not a danger to themselves or others.²⁴ Many of them wind up homeless. State Division of Mental Health officials say this group is not large, but how do they know? They've never done a study.

As evidence that the mentally ill are not a major part of the homeless problem, Willis cites the 1986 "Street People" survey. That study found a surprisingly low number of the soup-kitchen patrons—7.3 percent overall—had been institutionalized or served by area mental health centers.²⁵

But soup kitchen patrons are not necessarily homeless, and Dorothea Dix Hospital officials alone estimate they release 268 patients every year who are so mentally ill they need supervised living arrangements. Yet the mental health system is providing very little of this kind of housing. And with limited beds and tight budgets, the hospitals have an incentive to release patients as early as possible—if necessary, directly to a shelter.

According to hospital policy, Dix will provide each patient with a month's worth of medication and an after-care plan that includes an appointment at a local mental health center. In fact, Dix officials say, many patients are released with nothing more than their clothes and a bottle of pills. These include patients who refuse to cooperate in developing a plan, those ordered released by doctors before a plan can be developed, and those released under court order. The Wake Mental Health Center has 12 case managers who are supposed to monitor former Dix patients, but they don't pick up a case until the patient comes into the center. Many patients never make it. As a result, they run out of their anti-psychotic medication, become unstable and disoriented and, after a period on the streets, often wind up at Dix again. And some families unable to get seriously ill family members into hospitals to begin with ultimately turn them out into the streets.

What is missing is an intermediary stage—community-based housing for the mentally ill. Under pressure from a court order or political groups, Wake County's Mental Health Center has established group homes providing 122 beds for the adult mentally retarded, and 23 beds for "Willie M" children—juveniles who are potentially violent. But for the chronically mentally ill, the only supervised living arrangements are 34 beds in several houses on the Dix campus rented from the hospital. Statewide, Willis says North Carolina provides supervised housing for only 408 chronically mentally ill adults outside the hospi-



Two homeless citizens sleep away the day at the Bethesda Center day shelter in Winston-Salem.

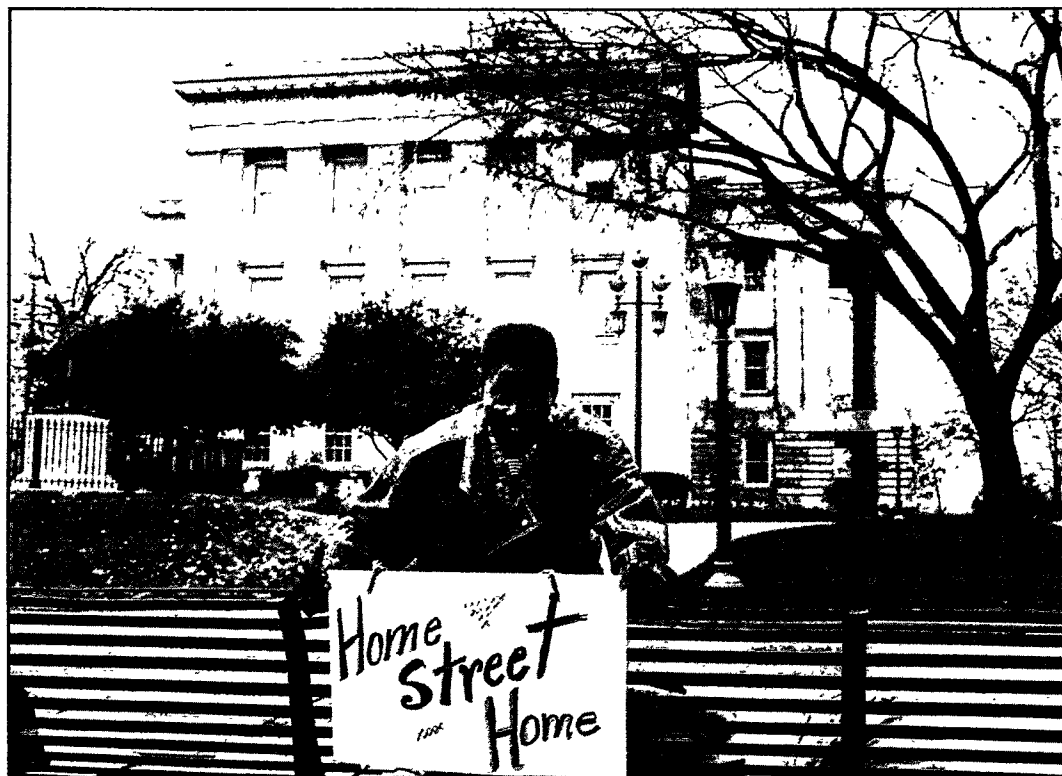
tal. "We probably need 8,400 beds across the state," says Willis.²⁶ That's based on a rule-of-thumb estimate that about 10 percent of the state's severely mentally ill adults need some type of residential care, Willis says.

James W. Kirkpatrick, director of the Wake County Mental Health Center, says mental health officials have been reluctant to get into the housing business. "We've only grudgingly come to the point of realizing that if you are going to successfully care for a great many of the mentally ill, the mental health system is going to provide some of the housing," says Kirkpatrick. "The chronic mentally ill need a whole array of different kinds of housing arrangements. We don't have that array."

The state Division of Mental Health and nine of the 41 Area Mental Health Authorities have begun discussing how to work with nonprofit organizations to pull together financing packages for "supportive housing" projects. "One of the obstacles has been that housing is perceived more as a social service, and we're a mental health agency," says Willis. "But we're going to have to take the lead if housing is going to be provided for mentally ill folks."

Outreach and Treatment

Beyond the question of housing, mental health officials say they have trouble delivering more basic services to the homeless, such as treat-



Jack Betts

Brenda Starr, a member of a homeless group that calls itself Home Street Home, holds a banner in front of the state Capitol.

ment for mental illness and drug and alcohol abuse. Like other services, mental health centers generally require patients to come to them—despite the fact that the seriously mentally ill are the least likely to find their way to the centers. “Our critics are partially correct,” says Kirkpatrick. “We’re serving a more and more seriously ill population than we used to, but we need to reach out beyond our served population to people on the street. We’re almost organized to keep the homeless away.”

It was with the needs of the chronically mentally ill homeless in mind that the Wake Mental Health Center established a drop-in center five years ago in an old school building in downtown Raleigh. There, they have lunch, shower, wash their clothes, play pool, and participate in discussion groups. If they need medication, a satellite office downstairs dispenses it.

But the drop-in center is not a screening center for the mentally ill homeless. It is designed for patients who already have been screened at the mental health center or the satellite office. Of the 75 people who use the center daily, some 15 to 20 are homeless.

Even programs intended for outreach seem to end up doing something else. The Wake County Mental Health Center was one of six nonprofit agencies that received McKinney Act grants for mental health services in 1988. With the \$55,000 grant, the Center hired two case managers to provide outreach services to the homeless—crisis intervention and referrals to other medical services. But as the program has evolved, the case managers have restricted themselves to working with patients who have already been screened by the mental health center, the satellite clinic, or Dix Hospital. Those most in need—the hardest to serve—remain outside the system.

A different approach is taken in Forsyth County, where outreach workers employed by the Forsyth-Stokes Mental Health Center have aggressively pursued the homeless to get them counseling and services. “I started out three and a half years ago, on the streets—literally,” says outreach worker John Canupp. A retired regional director for the Division of Mental Health, Developmental Disabilities, and Substance Abuse, Canupp operates out of a modest office in a Winston-Salem day shelter for the homeless called the Bethesda

Center. Also at the center are a mental health nurse and a social worker. Canupp helps the homeless get treatment and counseling, but also attends to practical concerns like getting a photo identification card and securing a steady income through a job or Social Security benefits. "Our goal for them—and I hope their goal—is a place of their own," he says. Still, Canupp's hands-on approach is the exception rather than the rule.

Why is the mental health system so resistant to change? "Partly it's funding," Kirkpatrick says. "We are spread awfully thin. Part of it is training. And part of it is changing our view of the world. Historically, we've enjoyed curing people. Increasingly, however, we've become

aware that the population we're going to deal with are those who aren't going to be cured, and all you can hope to do is ameliorate their situation. We have pieces of an answer, but not yet an answer."²⁷

This hesitancy about outreach is not merely about how to fund or structure a program. It also reflects a lack of knowledge about how to treat the compound problems—mental illness or retardation compounded with drug or alcohol abuse—that many homeless people suffer, Kirkpatrick says. "For a substance abuse professional, alcoholism is something that has to be dealt with before you can deal with anything else," he says. "From the mental health side, alcoholism is simply a symptom of a more profound mental illness

and it's something to be talked about with all the others. Both are probably partly wrong. It's really calling for synthesizing a whole new treatment track, which is very difficult."

In practice, the situation is the opposite of what that suggests. The state has built separate centers for the treatment of alcoholism and mental illness, and, often enough, each passes the treatment buck when it comes to the homeless. There are three state alcoholic rehabilitation centers and four state mental hospitals.²⁸ In a typical case, Durham's Allebaugh sent one homeless person to the Durham Area Mental Health Center. "They said they couldn't help him until he dried out, so we took him to the ARC [Alcoholic Rehabilitation Center]," says Allebaugh. "They said they couldn't treat him because he didn't have his medication with him. If I hadn't inserted myself, he would have been turned away."

The alcoholic rehabilitation centers—in Black Mountain, Butner, and Greenville—are usually full because many hospitals dump indigent patients on them with acute medical conditions, says Tony Mulvihill, director of the Al-

John Canupp, outreach worker for the homeless, operates out of the Bethesda Day Shelter in Winston-Salem. His goal for his clients? "A place of their own."



cohol/Drug Council of North Carolina. The ARCs are designed to provide a 28-day period of detoxification, stabilization, and treatment for alcoholics.

Wake County's Alcoholic Treatment Center, run by Wake County Mental Health Center, has stringent rules that keep Wake Medical Center from dumping serious medical cases. But the treatment center is small—34 beds—and frequently full. It often must turn people away—back to the shelter or to the street. Even after treatment, Kirkpatrick says, the center is unable to find housing for many of its patients, who predictably return to the streets and alcohol.

Many homeless alcoholics don't need an inpatient facility. They need a place to dry out and get on their feet again under supervision. A total of 15 such facilities, known as social detoxification centers, have been established in North Carolina, but Mulvihill says more are needed.²⁹

In addition, homeless alcoholics need half-way houses to ease their transition back to society. "We don't have a continuum of care," Mulvihill says. "We need a chain of housing under different levels of supervision."

Three:

The Service Delivery Side of the Homeless Problem: Access to Government Services

Even those homeless without severe mental problems have difficulty negotiating the system to obtain needed services. North Carolina's social services are organized for people who have transportation and are willing to go to several different offices, fill out difficult forms, and persist when rejected. They make no allowances for the homeless person who has difficulty coping and may have lost trust in the system. As a result, many of the homeless don't get the benefits to which they're entitled.³⁰

County social services departments are responsible for Aid to Families with Dependent Children, food stamps, Medicaid, and adult and child protective services. They have social workers assigned to protecting children, abused adults, and discharged mental hospital patients. Wake's Department of Social Services has 105 social workers, but only three caseworkers designated for adult services, and none for the homeless. "Not when I have staff doing overtime just to keep up with legally mandated services," says Social



Mike McLaughlin

Chuck Snyder (middle) and Cynthia Eaton at the Bethesda Center day shelter for the homeless in Winston-Salem. Both are formerly homeless and members of the self-help support group "Homeless but not Helpless."

Services Director James Wight. "The state is just paying for services they mandated years ago, like child protection. I can't afford to take on optional needs."

Malhoit, however, says that providing shelter for certain homeless people is not optional. The Protection of the Abused, Neglected or Exploited Disabled Adult Act, he says, requires that social services departments provide shelter for physically and mentally disabled adults.³¹

The Wake department does provide emergency funds to homeless families to pay for rent payments or deposits. But single men or women are not eligible because the funds are limited. Most counties don't have any emergency funds at all.

And social services is only one stop among many for homeless people seeking benefits. Other

offices the homeless must visit provide even more discouraging hurdles. Mental retardation, mental illness, and substance abuse are all disabilities covered by Social Security disability and Supplemental Security Income programs. To qualify, however, the disability must be serious enough that the applicant cannot work for at least a year. That is easy to determine in extreme medical cases, but when it comes to compound problems—mental illness and alcoholism, for example—screening becomes more difficult and perhaps more subjective.

If an applicant doesn't have a medical record—and most homeless people don't—the Social Security office pays for a one-time visit with a doctor or psychologist. Many homeless people don't keep their appointments, says Rosemarie Downie, a field representative in Wake County's Social Security office. Even if they do, Downie says, "One visit is not long enough to make a good judgment" in many of these cases.

Says Durham's Allebaugh, "In my experience, most homeless applicants are turned down on their first attempt for SSI [Supplemental Security Income] and have to file an appeal in order to get the doctor's appointment. Unless you have someone who can spend full-time working with these people to fill out the paperwork and do the procedures, they're lost." In the *Street People* survey, 48 percent of the respondents said they were chronically ill, but only 14.1 percent said they received Supplemental Security Income.³²

Social services providers say they face a number of obstacles to meeting the needs of the homeless. Because most shelters are open only at night, they say, any outreach must be done after hours. To improve access, one obvious solution would be to create day shelters where the homeless could gather and where representatives of social services agencies would be available. Some North Carolina cities are taking half-steps in this direction. In Pitt County, for example, a group of Greenville churches has rehabilitated a large downtown house into transitional apartments with a work program and an in-house health clinic. Chapel Hill's Interfaith Council of Churches has opened a 24-hour shelter downtown that includes emergency services, a visiting health clinic, and a soup kitchen. Two county mental health workers and a social worker operate out of Winston-Salem's Bethesda Center day shelter. Durham's shelter has an in-house health clinic, but other county services have been slow to cross the threshold.

An alternative would be for counties to hire social workers or create a network of trained volunteers who could approach the homeless on the street or in shelters and shepherd them from one office to another. Wake County's Department of Human Services has proposed hiring several caseworkers for the homeless and others in need of government services. "These people don't know how to connect up," says Maxine Maurice, the county's human services administrator. "That's why we need good case management."

Helping the Homeless: Whose Job Is It?

Because the homeless have a unique combination of problems, they present a unique problem to policymakers. No one level of government and no one agency can develop the web of services that is needed. Nothing can happen without dialogue between officials with long-established turfs to guard—between housing and mental health officials, between private developers and city planners, between county boards of commissioners and city councils.

McKinney Act programs have at least begun to stir such conversations by making money available for cooperative projects. But it's unclear whether those experiments will become permanent programs supported with non-federal funds, as the architects of the McKinney Act envisioned. Many North Carolina counties still do not recognize there are homeless in their midst. And cities and counties are often at odds over who is respon-

—continued on page 28

"We're serving a more and more seriously ill population than we used to, but we need to reach out beyond our served population to people on the street. We're almost organized to keep the homeless away."

—James Kirkpatrick
Director, Wake County
Mental Health Center



From Farm to Factory

Michael and Felicia Bullock lost a family feud about who owned the house they were living in in rural Granville County. Michael thought he was to inherit the house when his father died. His sister thought otherwise. She sold the house to a cousin and the Bullocks had to move. With that began an odyssey that led the family from the farm to the factory, from the country to town, and from would-be homeownership to homelessness.

THE FACES OF HOMELESSNESS

Bullock says he decided to give up farming on the hope that factory work would provide a steadier source of income. "When wintertime comes, there ain't no more money," says Bullock. "That's the only thing about farming."

But Bullock found out that even a job in a textile mill doesn't guarantee a steady stream of income. He got sick, missed work, and got behind on the bills. Felicia was pregnant with the Bullocks' third child when the family got evicted from their frame wooden house in Henderson. The landlord padlocked the house and tried to charge the couple \$15 every time they wanted to get back inside for their possessions.

Fortunately for the Bullocks, Franklin-Vance-Warren Opportunity Inc. had opened a shelter in Henderson for homeless women and children. Since Michael worked the night shift, he was able to spend time with his family during the daytime. Meanwhile, Minnie Henderson, the shelter's director, went to work helping the family find a place to live. But the new apartment would have to wait. "She [Felicia] came down the steps and I said 'Uh-oh, what's wrong?' and she said, 'I think it's time,'" says Henderson. "I said, 'Girl, please. Lay down, sit down, or something.' As soon as I got her to the hospital she gave birth."

Shortly thereafter, the Bullocks moved into a public housing complex in Henderson. Felicia since has taken a job at a cosmetics factory, working a different shift so that there is always someone to stay with the children. The tiny apartment is furnished mainly with children. The couple's framed marriage certificate is the only art on the wall. Still, the Bullocks aren't complaining. "I'll put it this way, we're doing better than we were," says Felicia. "I feel better being in my own place."

The Bullocks say it helps to have a go-between like Minnie Henderson when trying to get back into housing. Rent and utilities deposits are big obstacles, and some people worry that helping a homeless family will turn into a long-term obligation. "You can go on your own and doors will be closed in

your face right and left," says Felicia. "You've got to have money to get in a home."

Besides offering shelter and helping residents find a place to live, Franklin-Vance-Warren Opportunity will pay the first month's rent on housing, will get water and electricity turned on, and, if needed, will help get clients enrolled in Job Training Partnership Act Programs. The Community Action Agency also has housing rehabilitation money it can use as leverage to get landlords to accept homeless families, says director Bill Owens.*

Owens readily admits that the shelter does not serve the full range of needs in its region. Typically, it does not house two-parent families. The Bullocks were an exception. Single men are referred to the Salvation Army, which might put them in a hotel for a few days. Still, the Bullocks are a testimonial to its success in keeping one family off the streets. "Ever what you do," says Michael Bullock, "don't shut the shelter down."

**The Bullocks —
Chimere, Crystal,
Tiffany, and
Felicia, and
Michael**



* For an evaluation of North Carolina job training programs, see Bill Finger and Jack Betts, "Off the Dole and Onto the Payroll: Do Job Programs Get People Out of Poverty?" *North Carolina Insight*, Vol. 11, No. 2-3, April 1989, pp. 64-93.



Mike McLoughlin

A card game at the Bethesda Center, which offers the homeless a dry, warm place to spend the day and access to social services and mental health outreach workers.

sible for what. County government is charged by statute with providing human services.³³ But city councils are more susceptible to political pressure on behalf of the homeless than are county commissioners, who often represent conservative rural interests. County governments also are constrained by the large number of state-mandated social programs, and by a lack of authority to spend local tax dollars on building new housing.³⁴

Nevertheless, a city council that puts up money for shelters resents that the county isn't doing its share. As the shelters grow, drawing people from the county to the city, county commissioners feel justified in saying homelessness is an urban problem. The result is a stalemate. And not all cities are appropriating funds for the home-

less in North Carolina.

City and county officials are both fearful, moreover, that helping out private providers of services for the homeless will evolve into a legal responsibility—and an enormous budget drain. Meanwhile, many churches are feeling the pinch and want to get out of a job that they never expected would be permanent.

But the fact is, addressing the problem of homelessness will require the best efforts of government at every level *and* the private sector. Mental illness, substance abuse, expensive housing, joblessness, and the proliferation of low-income, single-parent households all are contributing factors. To eliminate homelessness would require a full-force assault on all of these social ills, and a tremendous amount of money, money that likely will not be forthcoming from Washington because of the huge federal budget deficit. Yet the state is confronted with a budget crisis of its own—a budget shortfall of some \$500 million in the 1990 session. State lawmakers may not be receptive to bold new initiatives in 1991. Still, deal-

ing with the problems of the state's neediest citizens cannot be postponed indefinitely.

Although the state's current estimate of 8,045 homeless citizens is at best a rough guess, it is clear that the homeless do exist, that they exist in significant numbers, and that they need help. It is also clear that there is no overriding state policy that deals with the needs of the homeless. Programs are few in number, short on resources, and fragmented across a number of state agencies. In short, North Carolina's effort at assisting the homeless is underdeveloped and ill-defined. The state has done little beyond responding to the minimal requirements of the federal McKinney Act and serving those homeless who seek out existing social services.

Recommendations

The state needs a policy to help the homeless, but it also needs more information to craft a policy that divides the homelessness burden justly among the various levels of government and the private sector. With both these needs in mind, the North Carolina Center for Public Policy Research recommends a deliberate approach. The ultimate goal should be the development of a comprehensive Homeless Assistance Act for North Carolina for the 1990s. The Legislative Research Commission study panel examining the problem provides the best vehicle for developing the act, and the 1993 General Assembly provides the earliest best hope for winning legislative enactment. To assure that the state's limited resources are targeted most effectively, the Center recommends a four-step process.

1) **The Department of Human Resources should reassess the magnitude of the homelessness problem by conducting a survey through county social services departments.** Advocates say the problem of homelessness has had enough study and the time has come for action. That is only partly true. Clearly, state and local efforts at replenishing stocks of affordable housing—particularly low-cost rental housing—can be expanded greatly without exhausting the need. And it's a fact that emergency funds are in short supply and that more housing options are needed for the mentally ill and substance abusers. But to craft a comprehensive homeless assistance program, it's also clear that more information is needed.

The Division of Community Assistance's current estimate of 8,045 homeless includes widely varying numbers of homeless in counties with similar population densities and economies. Nationally, the estimates range from 250,000 to 3 million, depending on who is doing the counting. The U.S. Bureau of the Census has completed its count of the homeless and plans to release its figures to the state in early 1991. Although the count has been criticized as reaching only the obvious homeless, it is another source that must be considered. But the LRC panel should recommend legislation to the 1991 General Assembly requiring that the Department of Human Resources—which oversees county social services programs—buttress the Census findings with a new survey of its own that uses a consistent methodology across the 100 counties.

2) **The Department of Human Resources should catalogue existing resources.** Before it

can decide what to do about homelessness, the legislature should mandate that the Department of Human Resources determine what is already being done. Hundreds of agencies across North Carolina provide services and assistance to the homeless, including social services, mental health, and housing agencies, the nonprofit sector, and churches. As yet, no one has catalogued these resources. There is an extensive network of shelters across North Carolina, some using public funds, some using private funds, and some using a combination of the two. Wake County has a highly restricted emergency assistance program that can be used to help people threatened with homelessness who do not qualify for Aid to Families with Dependent Children. Many counties don't even offer that much. And what about inmates released from the state's overcrowded prisons? Are we turning them out with no place to go except the streets? The Department of Human Resources should be given the statutory authority to require local departments of social services to compile lists of resources for the homeless in their counties and to forward them to the state. These can be compared to the new estimates of the numbers of homeless to reveal gaps in services.

3) **The 1991 General Assembly should reauthorize its Legislative Research Commis-**

"She calls out to the man on the street.

'Sir, can you help me? It's cold and I've nowhere to sleep. Is there somewhere you can tell me?'

He walks on, doesn't look back. He pretends he can't hear her. Starts to whistle as he crosses the street. Seems embarrassed to be there."

—Phil Collins

"Another Day in Paradise"



Jack Betts

Yvonne Trice, director of Sharing House, cradles the transitional shelter's smallest guest, an infant born to a homeless couple living at the shelter in Raleigh.

sion study committee on homelessness. The panel's authorization is set to expire in January 1991, before all the facts are in and before any major legislation has a realistic chance of passing the General Assembly. Yet by 1991, this group will have just begun to reap the benefits of a patient and systematic information gathering process. The 1991 legislature should reauthorize the LRC panel and require that it report to the 1993 session of the General Assembly.

4) The reauthorized Legislative Research Commission panel should draft a Homeless Assistance Act that addresses housing, mental health, and access to services and present it to the 1993 General Assembly. Armed with a better estimate of the magnitude of homelessness in North Carolina and the resources that have already been brought to bear on the problem, the study panel should draft a Homeless Assistance Act that addresses (1) housing, (2) mental health issues, and (3) access to services. Massachusetts offers one of the nation's most generous policies

toward the homeless, with programs addressing all three areas. The effort includes an emergency assistance program that pays rent, heat, utilities, and a clothing allowance for up to 90 days for those at risk of becoming homeless. After an eviction, the program provides money for utilities deposits and the first and last month's rent when a new apartment is found. The state also provides direct start-up and operating cost support for shelters, and has launched an ambitious low- and moderate-income housing program. In addition, Massachusetts has adopted a case management approach, requiring social workers across the state to make sure the homeless get necessary government services.

Many of the Southern states have launched less ambitious programs, but still are doing more than North Carolina.³⁵ Virginia provides grants and loans for shelters and longer-term facilities for the homeless through its housing partnership fund. Tennessee has appointed a homelessness coordinator for each of its 95 counties, besides

making better use of McKinney Act programs. Maryland's effort includes a rental allowance program for families at risk of becoming homeless and a program to assure that the homeless get shelter, proper nutrition, and adequate government services. Nationally, there are many other models of state efforts to help the homeless. Michigan has created a homeless shelter construction and rehabilitation program funded by income tax checkoffs, and a business tax credit program for contributions to low-income housing programs. Pennsylvania provides emergency shelter funding, a range of programs that combine

housing and services for the homeless such as job training, child care, and money management, and a case management program to help the homeless become self-sufficient.

North Carolina can learn from these states' efforts in working to craft a policy on the homeless. In the interim, the work of expanding services for the homeless should *not* be placed on hold. The state is easing into the affordable housing business but may need to do more to directly aid the homeless. The state also could pursue a broader range of options for housing the chronically mentally ill, drug and alcohol abusers, and

Understanding and a Helping Hand



Vinston takes a pull off his cigarette and begins a complicated story of how he wound up homeless in Winston-Salem. He says his downward spiral started when he got laid off by R.J. Reynolds Tobacco Co. "I lost my job in one of the first layoffs," Vinston says. "It caused me to get behind on everything. I filed Chapter 13 [personal bankruptcy]. I couldn't get a good enough job to pay for my house. I really just gave up."

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The house—which is in Richmond County—was burglarized and burned, and Vinston says he was falsely charged with committing the deeds himself to collect insurance money. "This record has kept me from getting a very good job in the last few weeks," Vinston says. He also alleges that Richmond County authorities have cheated him out of the \$1,000 bond he posted. Predictably, Vinston is angry at the system. "If you are given an attorney by the state, he is not worth the gunpowder it takes to blow his brains out," says Vinston. He says the NAACP—which has become deeply involved in a local murder case—has been uninterested in his plight because there is little glory in coming to the aid of a man convicted of relatively minor crimes. And so Vinston simmers, spending his days at Bethesda and his nights at the Samaritan Inn, a homeless shelter down the street. "I've had some bad mental problems," he says.

Asked what it will take to help the homeless, Vinston ticks off the usual—jobs, food, and housing. But then he goes further, saying that the homeless need "people to talk to concerning the many, many problems that they have—not only people, but people who can help. A lot of homeless people are mentally depressed. A lot of people you talk to, they don't hear what you're saying."

inmates being reintegrated into society. In addition, social services and mental health officials need to take a more active role in preventing homelessness through various forms of emergency assistance, and in getting services to the homeless through outreach and better case management.

A great deal of work remains to be done in defining the magnitude of the problem of homelessness in North Carolina and formulating an appropriate state response. But the end result of this process should be a humane state policy that focuses on preventing homelessness, retrieving potentially productive citizens who become homeless, and ameliorating the hardships of those who seem destined for a life on the streets. Only when such a policy is in place can the state be satisfied that it has shouldered its share of the homeless burden.



FOOTNOTES

¹"Assisting the Homeless: State and Local Responses in an Era of Limited Resources," Papers from a policy conference conducted by the U.S. Advisory Commission on Intergovernmental Relations, Washington, D.C., November 1988, page 78, and "A Nation Concerned: A Report to the President and the Congress on the Response to Homelessness in America," Interagency Council on the Homeless, Washington, D.C., 1988, pp. 5-11.

²For a good discussion on the methodological problems encountered in estimating the ranks of the nation's homeless, see "Housing and Homelessness," The National Alliance to End Homelessness, June 1988, Washington, D.C., pp. 11-22.

³"Estimate of the Homeless Population in North Carolina," compiled by the North Carolina Division of Community Assistance, Department of Economic and Community Development, July 1988. The survey was based on numbers reported by community action agencies and county departments of social services. Those organizations primarily relied on counts provided by shelters, according to the state Division of Community Assistance. In those counties without shelters, the reports were estimates based on requests for services.

The survey had wild variations from county to county. Some rural counties reported almost as many homeless as urban areas (Vance County had 400, as many as were reported for Wake; Chatham County reported 300) while nine others reported that they had no homeless. The Vance figure suggests that urban counties like Wake and other rural counties have far more homeless than reported, or that the Vance figures are inflated. It is unlikely that any county has no homeless. Tennessee's survey found homeless in every county.

⁴Survey by the Education for Homeless Children and Youth Program, Division of Student Services, North Carolina Department of Public Instruction, February 1990.

⁵Lorna Jerome-Crowder et al., "The Street People... Who Are They?" Alcohol/Drug Council of North Carolina, Durham, N.C., October 1986, Table 11.

⁶P.L. 100-77.

⁷For a pro-con discussion of regional governments, see *North Carolina Insight*, Vol. 7, No. 2, October 1984, pp. 42-51.

⁸The Permanent Housing for the Handicapped program, run by the U.S. Department of Housing and Urban Development, is the only program funded under the act required to raise its own matching funds. That requirement was waived in the program's second year. The program provides funds for community-based long-term housing and supportive services for handicapped homeless people, with an emphasis on deinstitutionalized and chronically ill people, and a limitation of eight people per site. One part of the program—funds for acquiring buildings—requires the state to support the housing projects for up to 20 years, or pay back some or all of the money.

There was prolonged debate among various state agencies about who should be assigned responsibility for the program, according to John Mandeville, program development coordinator in the Department of Human Resources. At an interagency meeting, the state Housing Finance Agency and the Division of Community Assistance both declined, saying they lacked administrative support. In the end, the Department of Human Resources' Division of Mental Health, Developmental Disabilities, and Substance Abuse Services took the program because some area mental health agencies had expressed an interest in the funds. However, because of other pressing needs for legislative funds, the department decided not to seek matching money for projects under this program, Mandeville says.

⁹In November 1988, the McKinney Act was amended to require that governors appoint coordinators to develop state "Comprehensive Homeless Assistance Plans" to guide the use of McKinney Act funds. Gov. Jim Martin appointed Robert Chandler, director of the Division of Community Assistance in the Department of Economic and Community Development, as the coordinator. Chandler has delegated that responsibility to a DECD employee, Deborah McCrae, who is the only employee in state government engaged solely with homeless issues. Her telephone number is (919) 733-2850.

An interagency task force on homelessness, including representatives of five state departments, was created in early 1989. The group meets irregularly.

¹⁰Kathleen Hirsch, *Songs from the Alley*, Ticknor and Fields, New York, pp. 203-206.

¹¹Peter T. Kilborn, "Kentucky Program shows Challenges in Aiding Homeless," *New York Times News Service* as published in *The News and Observer* of Raleigh, January 28, 1990, p. 1A.

¹²ABC *Nightline* transcript, Jan. 30, 1990, p. 5.

¹³*Ibid.*, p. 9.

¹⁴Scott Shuger, "Who Are the Homeless?" *The Washington Monthly*, March 1990, pp. 38-49.

¹⁵Lilla Reyes and Laura Dekoven Waxman, *A Status Report on Hunger and Homelessness in America's Cities: 1989*, United States Conference of Mayors, Washington, D.C., December 1989, p. 42.

¹⁶The federal minimum wage was increased to \$3.80 an hour effective April 1, 1990, the first increase since 1981, when the minimum wage was raised to \$3.35 an hour.

¹⁷For more on the failure to keep pace with inflation of government benefits for poor people, see Anne Jackson and Jack Betts, "Who Are the Poor? The Demographics of Poverty," *North Carolina Insight*, Vol. 11, Nos. 2-3, April 1989, pp. 2-16.

¹⁸"North Carolina Housing Policy Report," June 1988, prepared by the N.C. Housing Finance Agency, p. 38.

¹⁹"A Shelter and a Home," Wake County League of Women Voters Transitional Housing Report, November 1988, p. 12.

²⁰"Housing and Homelessness," p. 8. See also Priscilla Cobb, "Cutbacks in Federal Housing Programs—the State's

Dilemma in Numbers," *North Carolina Insight*, Vol. 5, No. 2, August 1982, pp. 27-28.

²¹Chapter 841 of the 1987 Session Laws, now codified as G.S. 122E.

²²G.S. 122E-4.

²³Gerome-Crowder, "The Street People" (See footnote 5 above) found the average age of those using the soup kitchens was 39.4 years. This is consistent with the findings of studies of local homeless populations across the nation.

²⁴G.S. 122C-201.

²⁵Gerome-Crowder, Table 27. "The Street People" study cross-checked the soup kitchen users against mental health center records and found that no one in the soup kitchens in Rocky Mount, Wilson, Hickory, Asheville, Burlington, Chapel Hill, Washington, Fayetteville, New Bern, Jacksonville, or Lumberton had been served by area mental health centers. That suggests how inadequate the outreach of mental health services is in medium-sized urban areas of the state.

²⁶"A Shelter and a Home," p. 8.

²⁷New financial incentives being established within the state's mental health system could make a big difference in providing services to the state's mentally ill, including the homeless. Currently, the state's 41 Area Mental Health, Developmental Disabilities and Substance Abuse Authorities are funded by grants-in-aid from the state and counties and fees, based on estimated needs. Under the Pioneer Funding Project, the authorities are being reimbursed on a unit basis for providing specific services. Pilot projects are underway at five mental health centers, and the system will be implemented statewide by 1994.

The Pioneer system includes three incentives that should make a difference in ending the standoffish stance toward the homeless. First, it provides more state funding for the most severely disabled clients. Because the homeless are often among the worst cases, mental health centers will have an incentive to serve them. Second, outreach services will be a specific unit of service reimbursed under the program. And third, funds will be more accessible for dual treatment. Centers that have designated programs for alcohol treatment or in-patient psychiatric services will be able to draw on and mingle reserve funds.

²⁸For a thorough discussion of the structure of the state's mental health, mental retardation, and substance abuse system, including community-based alternatives to institutions, see Michael Matros and Roger Manus, "Services for Disabled Persons, From Institutions to Communities," *North Carolina Insight*, Vol. 7, No. 1, June 1984, pp. 42-54.

²⁹In one model program, Massachusetts established nine "congregate supportive lodging houses" for the mentally ill homeless in 1986. Each was required to admit 60 percent of its residents from shelters and 40 percent from inpatient facilities. It has been recommended that these houses be allowed to accept substance abusers.

³⁰See Jack Betts, "The Single Portal of Entry: Streamlining the Maze," *North Carolina Insight*, Vol. 11, No. 2-3, April 1989, p. 23, and Mike McLaughlin, "Profiles in

Poverty," *op. cit.*, pp. 54-63, for more on the difficulties the poor encounter in obtaining government services to which they are entitled.

³¹G.S. 108A-101.

³²Gerome-Crowder, Tables 21 and 23.

³³G.S. 153A-255.

³⁴Counties can only exercise powers granted them by the state. The state has not granted counties authority to spend local tax money on building new housing. General powers of the counties are found under G.S. 153A and G.S. 159.

³⁵See Lee Walker, "Homelessness in the States," *The Council of State Governments*, Lexington, Ky., pp. 80 ff., for a listing of states which have enacted legislation dealing specifically with the homeless and a description of programs for the homeless in each of those states. For a thorough analysis of the roles of various levels of government and the private sector in helping the homeless, see Martha R. Burt and Barbara E. Cohen, "Who is Helping the Homeless?" *Publius*, Vol. 19, No. 3, Summer 1989, pp. 111-128.

Charles Eatmon at a rally for the homeless in Raleigh's Union Square.



Karen Tam



Political Campaign Financing Issues in North Carolina:

- Campaign Reporting Laws
- Public Financing of State
Political Campaigns

Since 1984, the N.C. Center for Public Policy Research has examined the costs and conduct of electoral campaigns in North Carolina. In May 1985, the Center released its first findings on campaign finance issues in a day-long symposium that brought the public, politicians, campaign experts, and leading journalists together to discuss trends in national and state campaigns, and how public campaign financing laws affected those campaigns. A year later in August 1986, Center Executive Director Ran Coble addressed the State Board of Elections on campaign finance issues. OPEN/net, the state's public events television network, aired that address statewide on cable television systems serving 150 cities across North Carolina.

For the past four years, the Center's campaign finance research has focused on three specific issues: 1) how North Carolina's campaign reporting and disclosure laws compare with such laws in the 49 other states, and how North Carolina's laws might be improved; 2) how North Carolina's public campaign finance program works and how it compares with the other 18 states that have such programs; and 3) the costs of campaigns and sources of contributions in the major 1984 and 1988 races.

In the following pages, the Center presents summaries of its findings on the first two questions—Campaign Reporting Laws: The Inadequacies of Disclosure, beginning on page 35, and Public Financing of State Political Campaigns: How Well Does It Work?, beginning on page 47. Research on the third topic—the cost of campaigns—will be released later in 1990.

Campaign Reporting Laws: The Inadequacies of Disclosure

by Kim Kebschull

It's not often that political events in Washington lead directly to legal reforms in the state capital, but that's exactly what happened with campaign finance and specifically with new laws requiring greater disclosure of campaign finance activities. North Carolina's Campaign Reporting Act was enacted by the North Carolina General Assembly on April 11, 1974,¹ as a direct result of the Watergate scandal that eclipsed the presidency of Richard M. Nixon.

Millions of dollars were contributed under questionable circumstances to President Nixon's 1972 re-election campaign thanks to the efforts of Nixon's fundraisers, whose practices "bordered on extortion."² They developed a "quota system" which set an expected "standard" contribution by wealthy individuals (1 percent of their net worth) and corporations (1 percent of gross annual sales).³

Along with the 1974 amendments to the Federal Elections Campaign Act of 1971, these new state campaign finance laws attempted to address two major problems that Watergate had made glaringly obvious. Because of the secrecy surrounding contributions in the 1972 presidential campaign and the subsequent revelations of the Nixon administration's activities, the state laws were designed first to disclose to the public where and from whom a candidate got the money to run for office, and how this money had been expended. Second, the laws aimed to reduce the

influence of a few very wealthy individuals who virtually could bankroll entire campaigns.

By setting limits on the amount of money a person or political committee could contribute to a candidate, the new laws attempted to encourage a number of important changes in the field of campaign finance. These included enhancing participation by large numbers of citizens who would give small amounts of money, diminishing the influence of large contributors or interest groups, reducing the appearance of a corrupting link between contributions and pending legislation, and slowing the rising cost of campaigns.⁴

North Carolina's Campaign Reporting Act has two primary goals: *public disclosure* of campaign contributions and expenditures, and facilitating *broader public participation* by limiting the amounts individuals and certain groups can contribute. Why is this important? Consider the words of Herbert Alexander, an expert on the subject of campaign finance: "Journalists, political scientists, elected officials, and numerous interested citizens are participating, perhaps as never before, in a lively exchange over the place and influence of money in election campaigns and legislative politics. That is a salutary development, for money, I have long held, serves as a tracer element in the study of political power."⁵

Money—in large amounts—is the lifeblood of political campaigns today at all levels, from the race for president of the United States to a seat in a part-time (and relatively low-paying) state legis-

Kim Kebschull is a policy analyst at the N.C. Center for Public Policy Research. This summary is taken from the Center's first report on campaign laws, "CAMPAIGN DISCLOSURE LAWS: An Analysis of Campaign Finance Disclosure in North Carolina and a Comparison of 50 State Campaign Reporting Laws,"

March 1990. Copies of the report are available for \$18.90 plus \$2.00 for shipping and handling. "Public Financing Programs for State Political Campaigns" will be available later this year. To order, call the Center at (919) 832-2839 or write P.O. Box 430, Raleigh, N.C. 27602.

lature. In the 1988 campaign for the North Carolina General Assembly, for example, winning candidates for a seat in the House of Representatives spent an average of nearly \$15,000, and the average successful North Carolina state Senate candidate spent more than \$20,000. One candidate for the state Senate spent more than \$117,000 to win his contested seat, while one House member spent just over \$55,000 on his campaign. Winning legislative candidates raised a total of \$2.9 million in 1988; this sum is a full 87 percent higher than the amount raised just four years before, according to an analysis by *The Charlotte Observer*.⁶ The gubernatorial nominees of the Republican and Democratic parties spent even more—more than \$6.3 million for Gov. James G. Martin and almost \$5 million for Democratic challenger Robert B. Jordan, III.⁷ This followed the most expensive U.S. Senate race ever—the 1984 contest between Sen. Jesse Helms and former Gov. Jim Hunt, which cost more than \$20 million.

Some political scientists consider these expenditures to be the cost of educating the public on the policy issues confronting them. Although these educational expenses rise with every election campaign, many analysts are concerned less with the actual dollar amounts contributed and expended than with determining the *sources* of the contributions and the identities of the contributors, as well as information on how and where the money was spent. This identification of sources is done with the help of state disclosure laws, which require financial information of varying degrees of specificity, depending on state policy.

A 1989 study by the national public interest

group Common Cause said, "Disclosure continues to be the most basic element in campaign finance reform. Campaign finance disclosure statutes play a vital role in enabling the public to trace candidate contributions to their sources and reveal the potential influence of large donors."⁸ University of Virginia Political Scientist Larry J. Sabato says, "Disclosure itself generates pressure for more reform. When campaign finance was out of sight, it was out of most people's minds; now that the trail of money can be more easily followed, indignation is only a press release away."⁹

To determine the availability, accessibility, and comprehensiveness of the disclosure information compiled by North Carolina and other states, the N.C. Center for Public Policy Research surveyed each state agency responsible for gathering or maintaining campaign finance reports. All 50 states and the District of Columbia responded.

1. Where Are Reports Filed?

One of the major goals of campaign disclosure laws is the availability and accessibility to the public of the information disclosed by candidates, parties, and political committees. Forty-six states require candidates for both statewide offices (such as the governorship) and for the state legislature to file with a central state reporting agency. Some states, such as Tennessee and Virginia, require legislative candidates to submit reports simultaneously to the central state agency and to the board of elections in their county of residence. In Ohio, Nevada, and Vermont, legislative candidates file with their county or district office, and these offices then forward copies of

RENFROW
FOR
AUDITOR

IKE

JORDAN
GOVERNOR

Terry
SANFORD

I'M ON THE
MIZELL
TEAM

the candidates' reports to the central state agency.

Although candidates for all 10 statewide Council of State offices in North Carolina submit disclosure reports to the State Board of Elections in Raleigh, only legislative candidates from *multi-county* districts must file with the State Board of Elections; candidates from *single-county* districts file solely with their county boards of elections. The State Board therefore has reports for only 40 of the 50 state Senate races and only 76 of the 120 state House races; the others are scattered in 16 counties across the state. To see all the campaign finance reports and gather financial information on the races for all General Assembly seats, a citizen or reporter would have to travel to 16 different counties across the state—from Onslow County in the East to Henderson County in the West, a distance of nearly 350 miles.¹⁰ In addition to this accessibility problem, uniform reporting, auditing, and enforcement standards are more difficult to maintain, possibly allowing some violations to go undetected. The Center's research found that only three states other than North Carolina do not require some form of centralized filing for both statewide and legislative candidates.

Recommendation: As is the practice in 46 other states, all candidates for both statewide and legislative offices in North Carolina should be required to file with the State Board of Elections in Raleigh. Simultaneous filing by candidates with both the state and their county boards of elections would be the most time-efficient method and would ensure immediate availability of the reports to the public. Alternatively, the county boards of elections could submit copies of the reports to the State Board of Elections once they have been filed with the county.

2. Penalties for Noncompliance

Most campaign reporting agencies say they are underfinanced, understaffed, and overworked. In addition to receiving, filing, and auditing contribution and expenditure disclosure reports, the agencies also write and implement campaign finance regulations, give advisory opinions, and conduct investigations of reporting irregularities. Because of their workload, notes expert Herbert Alexander, most commissions rely on complaints filed by others and on investigative newspaper reporting to detect violations.¹¹

Penalties for noncompliance with reporting requirements depend upon the severity of the

Provisions in Campaign Reporting Laws Designed to Discourage Potentially Corrupting Influences

- 1) A prohibition or limit on direct corporate or union contributions
- 2) A prohibition or limit on contributions by regulated industries
- 3) Limits on contributions by political action committees
- 4) A prohibition or limit on solicitation of or by government employees

offense. By independent accounts of most analysts, actual *enforcement* of these penalties is uniformly lax across the United States. Attorney Christopher Cherry, author of an extensive study of state campaign finance laws, writes, "Enforcement statistics are sparse, but the available information indicated that except for fines for tardy disclosure, most states seldom impose civil penalties and virtually never invoke criminal sanctions. Even with late fees, agencies tend to impose the minimum penalty available and sometimes impose none at all."¹²

Twenty-four states, including North Carolina, have fines only for late filing, ranging from \$10 per day late in eight states to \$1,000 per day late in Ohio for statewide candidates' pre-election reports. North Carolina's fine is \$20 per day late, not to exceed five days or \$100. According to the State Board of Elections, about 6 percent or 75 out of approximately 1,200 filings during statewide election campaigns are more than five days late. Since fiscal year 1985-86, the Campaign Reporting Office has levied the \$20 per-day-late fine 2,223 times, netting the office a total of \$44,460.¹³

Penalties for not filing disclosure reports were considerably more severe, often resulting in criminal prosecution or denial of the election or nomination. In North Carolina, if candidates or committees fail to file reports, the Campaign



*Former Louisiana Governor
Edwin Edwards, on receiving
illegal corporate campaign
contributions: "It is illegal for
them to give but not for me to
receive."*



Reporting Office will send the non-filers up to three letters requesting compliance before reporting them to the county's district attorney. Until October 1987, North Carolina law specified a fine of up to \$1,000 for an individual and \$5,000 for others (such as political action committees) and imprisonment up to one year. Current North Carolina law merely designates such offenses as misdemeanors to be reported for prosecution to the appropriate agency.

Recommendation: Because full and prompt disclosure by candidates and committees is a key component of campaign finance laws, penalties for noncompliance with reporting requirements should be sufficiently severe in order to compel voluntary compliance. The N.C. Center for Public Policy Research recommends that these penalties be stated more specifically in North Carolina law, with forfeiture of the nomination or election specified as the penalty for serious campaign finance violations such as intentional misreporting. Penalties for not filing should be restored to their pre-October 1987 level of up to \$1,000 for an individual, \$5,000 for other offenders, and imprisonment for up to one year. North Carolina law should be amended to provide that candidates may not take office until their reports are filed. Additionally, the Center recommends that the current fine of \$20 per day for late reports be raised to \$50 per day, and that late filers' names be listed publicly in local newspapers as in Hawaii and Indiana, in order to encourage greater compliance.

3. Information Required in Reports

Political contributions fall into three broad categories: *money* (whether cash or check), *loans* (either by the candidate to his own cause or from a supporter or bank), and *in-kind* contributions. The laws of all states require some form of disclosure of all monetary contributions, and the disclosure of loans is required by all but four states.

In-kind contributions are more complex to regulate; the term refers to goods or services provided free of charge or at reduced rates by a supporter. The most common in-kind contributions include computer services, office space, and the use of automobiles, for example. North Carolina law requires that all in-kind contributions be reported in full, and that they appear on disclosure reports as both contributions *and* expenditures.

Most state laws set a floor for the itemization of contributions received by candidates, political parties, political action committees (PACs), and other political committees. The itemization threshold in North Carolina is \$100; under this regulation, any single contribution over \$100 or the aggregate of several contributions by an individual or group exceeding \$100 must be reported, along with the contributor's name and address, amount and date of the contribution, and the total amount of all contributions received from this person or group.



Five states have itemized disclosure for all contributions of *any* amount; the laws of these states do not specify minimum amounts or thresholds for reporting. Nineteen states require itemized disclosure for contributions of less than \$100 in some races; 10 of these states itemize amounts of less than \$50. Twenty states including North Carolina itemize contributions once they reach \$100, and eight states have initial thresholds higher than \$100, ranging from Illinois' \$150 to \$500 in Mississippi for statewide candidates and \$500 in Nevada for all candidates.

**BOB
SCOTT**
GOVERNOR

In addition to requiring the name and address of the contributor and the amount of the contribution once the threshold is reached, 20 states also require disclosure of the occupation or principal place of business of the contributor. This information allows for more complete tracing of the sources of contributions and the interests behind

them. North Carolina does not require any listing of a contributor's occupation.

Recommendation: North Carolina should join the federal government and the 20 states that require the listing of the occupation and/or principal place of employment of contributors to candidates, parties, PACs, and other political committees. This information would enable voters to see the sources of funding for candidates and to analyze the interests supporting a particular candidate or political action committee.

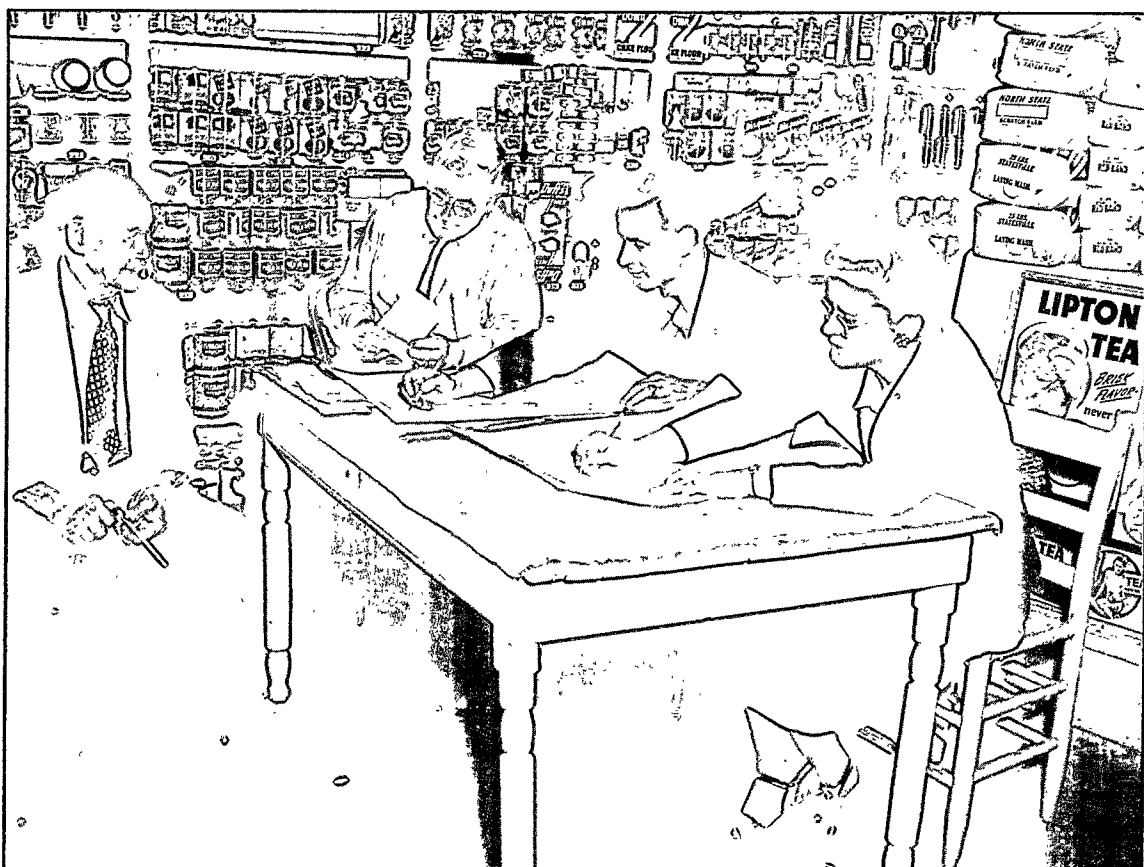
4. Sources of Contributions

State laws may also regulate the sources of political contributions, and often place limits upon contributions from particular sources. Since few states allow unrestricted contributions, the survey also asked for the limitations that were placed on

the amount of contributions from the various sources.

Among the most important findings, the Center's survey revealed that seven states, including North Carolina, prohibit both corporations and labor unions from contributing *directly* from their treasuries. This is done, according to University of California-Berkeley Political Science Professor Edwin M. Epstein, in order to avoid the perception that large economic interests could subvert the integrity of the political process by dominating the selection of public officials. Furthermore, prohibitions against corporate and union contributions exist to protect corporate shareholders and union members from having their invested or contributed money used to finance candidates and causes to which they had not assented.¹⁴ These seven states prohibiting direct corporate and union contributions do permit the groups to overcome this restriction by forming

Election officials tabulate votes at a Raleigh precinct in the primary election on April 8, 1947.



N.C. Department of Cultural Resources

and registering PACs, however. They may then solicit contributions from employees or members to give to candidates or parties.

North Carolina's contribution limit for PACs is \$4,000 per candidate per election. This same limit applies to contributions from all other groups and individuals except for political parties and the candidate and his or her immediate family, who may give unlimited amounts. Most states limit corporate and union contributions to between \$1,000 and \$5,000 per candidate. Contri-

butions from industries regulated by the state are permitted in 30 states and the District of Columbia and are prohibited in 20. North Carolina prohibits direct contributions to candidates not only from industries regulated by the state—such as banks, savings and loans, and insurance companies—but from all corporations.

Political Action Committees (PACs), virtually unknown prior to the 1970s, are now a significant factor in almost all races at the statewide and legislative level. Twenty-five states allow unlim-

**Table 1. Summary of Campaign
Contribution Reporting Requirements**

Reports Required From Candidates, Political Action Committees, and Parties

State	Maximum Number of Reports Filed by Candidates for Statewide Office	\$ Amount at Which Contributions Must Be Itemized	Occupation of Contributor Required?
Alabama	5	\$10	No
Alaska	7	\$100	Yes
Arizona	6	\$25	No
Arkansas	6	\$250	Yes
California	7	\$100	if > \$100
Colorado	5	\$25	No
Connecticut	4	\$30	if > \$1000
Delaware	3	\$100	No
Florida	6	All	Yes
Georgia	8	\$100	No
Hawaii	4	\$100	No
Idaho	5	\$50	No
Illinois	4	\$150	No
Indiana	4	\$100	No
Iowa	4	\$25/candidate, \$200/PAC	No
Kansas	3	\$50	Yes
Kentucky	7	\$300	Yes
Louisiana	8	All	No
Maine	7	\$50	if > \$50
Maryland	5	All	No
Massachusetts	Bi-monthly	\$50	No
Michigan	4	\$20	if > \$200
Minnesota	3	\$100	Yes
Mississippi	4	\$500/statewide candidate; \$200/leg. and others	Yes
Missouri	9	\$100	No
Montana	8	\$75/statewide candidate; \$35/leg. and others	Yes

—continued

ited PAC contributions in most races. Seventeen states limit PAC contributions in some races to \$2,000 or less per candidate per election. Only eight states with limits on PAC contributions allow higher aggregate PAC contributions than does North Carolina with its \$4,000 per candidate per election limit.

Unlimited contributions by individuals are permitted by 21 states for certain races, while 22 states limit individual contributions to \$2,000 and less, depending upon the specific race. North

Carolina and nine other states set the maximum individual contribution limit at more than \$2,000 per candidate in some races—\$4,000 in North Carolina's case.

Candidates in North Carolina and 44 other states may contribute unlimited amounts to their own campaigns. In North Carolina, candidates must report both formal contributions to their own efforts and incidental out-of-pocket campaign expenditures. North Carolina does not limit contributions by the candidate's immediate fam-

**Table 1. Summary of Campaign
Contribution Reporting Requirements, *continued***

Reports Required From Candidates, Political Action Committees, and Parties

State	Maximum Number of Reports Filed by Candidates for Statewide Office	\$ Amount at Which Contributions Must Be Itemized	Occupation of Contributor Required?
Nebraska	7	\$100	No
Nevada	4	\$500	No
New Hampshire	7	\$25	if > \$100
New Mexico	6	\$100	No
New York	6	\$100	No
North Carolina	5	\$100	No
North Dakota	3	\$100	No
Ohio	5	All	No
Oklahoma	4	\$200	No
Oregon	6	\$100/statewide candidate; \$50/leg. and others	Yes
Pennsylvania	7	\$50	if > \$250
Rhode Island	7	\$200	No
South Carolina	3	\$100	No
South Dakota	4	\$100	Yes
Tennessee	4	\$100	No
Texas	6	\$50	No, except for PACs
Utah	5	\$50	No
Vermont	5	\$100	No
Virginia	13	\$100	if > \$250
Washington	9	\$25	No
West Virginia	6	\$50	if > \$250
Wisconsin	3	\$20	if > \$100
Wyoming	2	All	No
District of Columbia	10	\$50	Yes
Average:	5.6	\$96.72	Yes: 20 No: 31

ily, and large gifts by family members have played an important role in North Carolina politics. During the 1984 gubernatorial election, for example, candidate Eddie Knox received \$40,128 from family members for his unsuccessful primary campaign alone, and Democratic nominee Rufus Edmisten received more than \$25,000 from his father and brother. Unlike North Carolina, the laws of 22 other states do place limits on family contributions. This is done to prevent candidates with wealthy families from "buying" elections or from deterring other candidates with fewer resources from running for office.

Recommendation: The Center for Public Policy Research recommends that North Carolina follow the lead of 22 other states and limit contributions by members of the candidate's family. The state's standard \$4,000-per-candidate-per-election limit should be made applicable to contributions by members of a candidate's family as well. This would help both to level the playing field among candidates from a variety of family backgrounds, and would contribute to holding down the cost of campaigns.



Who are to be the electors of the federal representatives? Not the rich, more than the poor; not the learned more than the ignorant; not the haughty heirs of distinguished names, more than the humble sons of obscure and unpropitious fortune.

— James Madison,
The Federalist Papers No. 57.



Provisions in State Reporting Laws Designed to Encourage Large Numbers of Citizens to Participate in Campaigns

- 1) Ceilings on the amount any one individual may contribute
- 2) Limits on contributions from members of the candidate's family
- 3) Limitations on contributions from large groups, such as labor unions, corporations, professional associations, and PACs
- 4) Tax credits and tax deductions for political contributions

5. Additional Analyses by States

In most states, it would be relatively difficult for average citizens to obtain information about their own elected officials on matters such as the amount of money contributed by individuals, as opposed to PACs, or the amount spent by the candidate on television advertising. In North Carolina, the Campaign Reporting Office does compile information on the total amount of all contributions received and all expenditures made by candidates for statewide office and for those legislative candidates who file with the State Board of Elections. This information is available for the three most recent election years. However, the office is not able to break down contributions by source, examine contributions by PACs, or even to conduct cross matches of contributions given and received for auditing purposes, due to a lack of computing facilities.

The campaign finance agencies of 21 states are required to compile some form of summary or report, either on an annual basis or "from time to time." Several states—Hawaii, Missouri, New Jersey, and Oregon, for example—publish exten-



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Former University of North Carolina President Frank Graham campaigning for the U.S. Senate in Fuquay, June 17, 1950.

sive and excellent reports for the public about campaign finance. It is worth noting that these state agencies have higher budgets and larger staffs than does North Carolina's Campaign Reporting Office; budgets range from \$270,782 in Hawaii to \$1,067,000 at New Jersey's Election Law Enforcement Commission.

The budget of North Carolina's Campaign Reporting Office, by contrast, is \$139,732 for the 1989-90 fiscal year, with a full-time staff of three persons. Only three of the 37 state reporting agencies that were able to provide budgetary figures have smaller budgets than that of North Carolina.¹⁵ If all the campaign finance reports for both legislative and Council of State offices were maintained by the Campaign Reporting Office, however, the agency would be responsible for the re-

ports of 180 *elected* officials (not to mention those from losing candidates, PACs, and political parties). This figure would be the 14th highest in the United States.¹⁶ The current budget of the Campaign Reporting Office is clearly not commensurate with its responsibilities.

Recommendation: Disclosure reports at the N.C. Campaign Reporting Office should be computerized and printed in a standard format. Computerizing the vast amount of information collected would permit the office to conduct audits by cross-matching contributions given and received. It would also allow the office to manipulate data and provide breakdowns of contributions and expenditures to and by certain sources, amounts, and offices.

North Carolina should then follow the lead of the twenty-one states which require annual or periodic reports of campaign finance

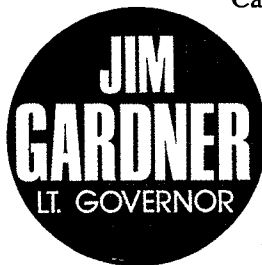


Table 2. Campaign Finance Disclosure Requirements: Where Does North Carolina Fit?

Requirement:	Number of States:
1) <i>Requiring</i> candidates for both statewide and legislative office to file with the central state reporting agency:	46
<i>Not requiring</i> candidates for both statewide and legislative office to file with the central state reporting agency:	4*
2) Setting contributions disclosure threshold at \$50 or less in certain races:	25
Setting contributions disclosure threshold at \$100 or more in certain races:	28*
3) <i>Limiting</i> contributions by a candidate's family:	22
<i>Not limiting</i> contributions by a candidate's family:	28*
4) Requiring campaign reporting agency to produce <i>annual</i> analyses of disclosure reports:	15
Requiring campaign reporting agency to produce <i>periodic</i> analyses of disclosure reports:	6
<i>Not requiring</i> campaign reporting agency to produce analyses of disclosure reports:	30*
5) <i>Requiring</i> occupation of contributor to be disclosed:	20
<i>Not requiring</i> occupation of contributor to be disclosed:	31*
6) <i>Permitting</i> professional associations to make direct contributions to candidates:	39
<i>Permitting</i> professional associations to contribute to candidate only if PAC is formed:	6*
<i>Prohibiting</i> contributions from professional associations:	5
7) <i>Prohibiting</i> corporations and unions from making <i>direct</i> political contributions:	7*
<i>Not prohibiting</i> corporations and unions from making <i>direct</i> political contributions:	43

—continued

* Includes North Carolina

Table 2. Campaign Finance Disclosure Requirements: Where Does North Carolina Fit?, *continued*

Requirements:	Number of States:
8) Permitting <i>unlimited</i> PAC contributions (in certain races):	25
Permitting PAC contributions <i>greater than \$2,000</i> per candidate (in certain races):	16*
Restricting PAC contributions to <i>\$2,000 or less</i> per candidate (in certain races):	17
9) <i>Prohibiting</i> direct political contributions by regulated industries:	20*
<i>Not prohibiting</i> direct political contributions by regulated industries:	30
10) Allowing <i>unlimited</i> contributions by individuals:	21
Placing limits on contributions by individuals to candidates for state offices (in certain races):	29*
11) Placing limits on contributions by political parties:	11
Permitting <i>unlimited</i> contributions by political parties:	39*
12) <i>Requiring</i> occupation of expenditure recipients to be disclosed:	7
<i>Not requiring</i> occupation of expenditure recipients to be disclosed:	43*
13) <i>Limiting</i> the aggregate amount candidates can receive from PACs:	3
<i>Not limiting</i> the aggregate amount candidates can receive from PACs:	47*
14) <i>Requiring</i> name of contributor's spouse to be disclosed:	1
<i>Not requiring</i> name of contributor's spouse to be disclosed:	49*

*Includes North Carolina

Note: Figures in some columns may total more than 50 if the laws apply in the District of Columbia, or if states have separate requirements for candidates for statewide and local office.

activities in the state.

Compiling summary reports and analyses in North Carolina would require additional appropriations and staff for the state's Campaign Reporting Office. The office currently operates with a staff of three and a 1988-89 budget of \$139,732. The Center recommends that the North Carolina General Assembly appropriate an additional \$340,000 to the Campaign Reporting Office, bringing its annual budget to approximately \$500,000 (still only .0045 percent—less than 1/100 of 1 percent—of the total annual state budget of \$12 billion).

The Campaign Reporting Office should then be permitted to hire sufficient additional staff and to purchase the equipment necessary to produce reports for public distribution. These reports should be similar to those compiled by the state of Missouri noted above, giving detailed information about campaign contributions to each legislative and Council of State candidate, analyzing patterns of contributions and expenditures, and summarizing trends in campaign costs. This type of analysis would result in much better use of the data now available in raw form and in much greater public awareness of the role of money in politics and campaigning in North Carolina. ☐

FOOTNOTES

¹Chapter 1272 of the 1973 Session Laws (2nd Session, 1974), now codified as G.S. Chapter 163, Article 22A. All subsequent provisions of the North Carolina law mentioned in this report can be found in G.S. 163-278.6 to 163-278.40E.

²Larry J. Sabato, *PAC Power* (N.Y.: W.W. Norton and Co., 1985), p. 5.

³Herbert E. Alexander, "Political Finance Regulation in International Perspective," in *Parties, Interest Groups, and Campaign Finance Laws*, Michael J. Malbin, ed. (Washington, D.C.: American Enterprise Institute, 1980), p. 340.

⁴Herbert E. Alexander, *Financing Politics: Money, Elections, and Political Reform* (Washington, D.C.: Congressional Quarterly Press, 1980), pp. 60-61.

⁵California Commission on Campaign Financing, *The New Gold Rush: Financing California's Legislative Campaigns* (Los Angeles: The Center for Responsive Government, 1985), p. 215.

⁶Jim Morrill, "Lobbyists Escalate 'Arms Race,'" *The Charlotte Observer*, April 9, 1989, p. 1A.

⁷Data on expenditures tabulated and supplied by the Campaign Reporting Office of the North Carolina State Board of Elections.

⁸Michael S. Ashford, *Campaign Finance Reform in the States* (Washington, D.C.: Common Cause, March, 1989), p. 17.

⁹Larry J. Sabato, *Paying for Elections: The Campaign Finance Thicket* (N.Y.: Priority Press Publications, 1989), p. 61.

¹⁰Candidates for 227 judicial seats in North Carolina, including those for the state Supreme Court, Court of Appeals, Superior Court, and District Court judges, as well as district attorneys from multi-county districts, must also file with the Campaign Reporting Office.

¹¹Alexander, *Financing Politics*, p. 172.

¹²Christopher Cherry, "State Campaign Finance Laws: The Necessity and Efficacy of Reform," *Journal of Law and Politics* (Charlottesville, Va., Winter 1987), p. 587.

¹³Information on fines provided by Ann Byerly of the North Carolina State Board of Elections, January 25, 1990.

¹⁴Edwin M. Epstein, "Business and Labor Under the Federal Election Campaign Act of 1971," in *Parties, Interest Groups, and Campaign Finance Laws*, Michael J. Malbin, ed. (Washington, D.C.: American Enterprise Institute, 1980), p. 110.

¹⁵Joyce Bullock, ed., *Campaign Finance, Ethics, and Lobby Law Blue Book 1988-89* (Lexington, Ky.: Council on Governmental Ethics Laws in conjunction with the Council of State Governments, 1988), pp. 20-25.

¹⁶William Carlton Currens, ed., *The Book of the States, 1988-89 Edition* (Lexington, Ky.: The Council of State Governments, 1988), pp. 51-52.



"There is nothing wrong with accepting money for supporting positions I would advocate anyway."

"And what are the positions you will advocate?"

"Whichever ones they want me to."

—Joseph Heller
Good As Gold



Public Financing of State Political Campaigns: How Well Does It Work?

by Ann McColl Bryan and Lori Ann Harris

Many taxpayers might remember seeing "check-off" boxes on their North Carolina and federal income tax forms for \$1 to go to a campaign fund. But most do not understand much about this public financing program—where the money goes, or how it is spent, or who qualifies to use it. What's the record on public financing of campaigns in North Carolina, and how might it be improved?

Since 1977, North Carolina taxpayers have been allowed to divert \$1 of their tax liability from the state's General Fund to the N.C. *Political Parties Financing Fund* (formerly the N.C. Election Campaign Fund). This check-off neither increases the tax owed nor decreases the taxpayer's refund. Until 1983, taxpayers could designate which political party would receive the check-off funds. Now the funds are distributed according to the voter registration levels for the Democratic and Republican parties, giving the Democrats a 2-to-1 edge, a sore point with Republicans. North Carolina Rep. Art Pope (R-Wake) cosponsored a bill in 1989 to repeal the check-off for political parties. "Party registration doesn't reflect voting strength. Most people don't realize that this is how the funds are being split," says Pope.

The Democratic Party receives one-third of all its funding from the N.C. Political Parties Financing Fund, and the Republican Party receives one-fifth of all its monies from the fund. (See sidebar, Major Provisions of the N.C. Political Parties Financing Fund, on page 54).

The new N.C. *Candidates Financing Fund* appeared for the first time in 1988 near the bottom of the state income tax form. Taxpayers may

contribute all or part of their income tax *refunds* to the fund. When the fund has accumulated enough money, it will be used to assist certified Council of State candidates in their political campaigns. The candidates will have to agree to limit total campaign expenditures and raise qualifying matching contributions in exchange for receiving public funds for their campaigns. Rep. Walter B. Jones Jr. (D-Pitt), sponsor of the law, says, "The escalation in the cost of political campaigns has locked the door to public office for the average citizen. Excessive fundraising to win an election has become the rule, rather than the exception. Voluntary public financing is necessary to correct a system that relies more on dollars than issues." The N.C. Candidates Financing Fund had a balance of \$19,331.68 as of December 31, 1989. If enough money has accumulated in the Candidates Fund, grants will be distributed to certified candidates to pay for their campaigns, beginning in 1992. (See sidebar, Major Provisions of the N.C. Candidates Financing Fund, on page 55).

The North Carolina Center for Public Policy Research examined the two North Carolina public financing programs for both political parties and candidates and compared them with programs currently operating in the other 19 states that provide public financing of political activities. While most people do not consider the goals of public

Ann McColl Bryan, a former intern at the Center, is a third-year student at UNC-Chapel Hill Law School. Lori Ann Harris is a policy analyst at the Center. This summary is taken from the Center's second report on campaign laws, "Public Financing Programs for State Political Campaigns," forthcoming 1990.



Karen Tam

Rep. Walter B. Jones Jr. (D-Pitt), a proponent of public financing of political campaigns, talks with Sen. Thomas Taft (D-Pitt).

financing to be controversial, the type of public financing program chosen by states is often marked by partisan and political debate.

On the other hand, some people oppose any type of public financing program on a philosophical basis, questioning the use of state tax monies to finance the campaigns of political candidates. "The incumbent officeholder has a tremendous advantage before the first campaign dollar is raised and spent, due to name recognition, access to the media, and other resources inherent in the office," says Pope. Pope contends that public financing and expenditure limits "would prevent the challenger from overcoming this advantage . . . and discourage people from running for office." Jones supports public financing because he thinks it levels the playing field for all candidates.

Still, the North Carolina law is on the statute books, so the Center decided it could best serve the public by analyzing how other such state laws work and how North Carolina's law could be improved. This report considers some of the tough issues states have had to face in creating public financing programs and in meeting the goals of public financing.

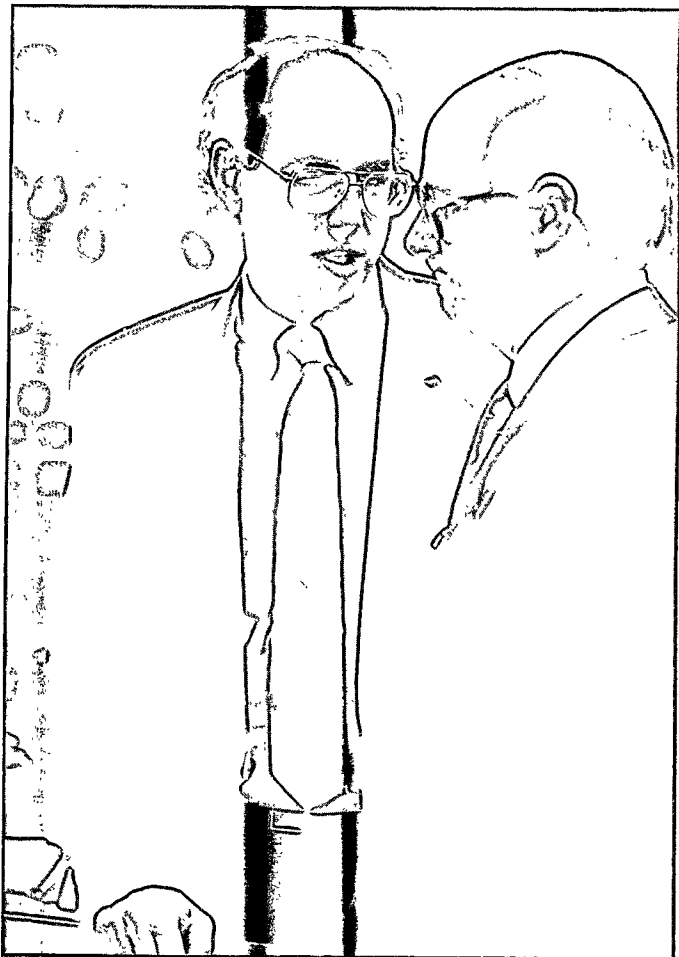
Public financing measures have been instituted in 26 states¹ with a variety of goals in mind. The specific goals of public financing to be examined in this report are: (1) to increase public par-

ticipation in the electoral process; (2) to encourage more citizens to run for office by reducing the fundraising burden for those who are not independently wealthy; and (3) to strengthen political parties. (See Table 1, page 50, for the year of enactment of state public financing programs).

Goal 1: To Increase Public Participation in the Electoral Process

Both campaign finance programs—check-off programs that divert a certain amount of money from the state General Fund—and add-on programs—those that allow taxpayers to contribute part of their tax refund—allow the public to participate financially in the electoral process. Because *check-off* programs do not cost taxpayers any of their refund to participate, they have higher rates of participation than do *add-on* programs.

North Carolina is the only state that has both a check-off and an add-on program in operation. In 1987, the average rate of taxpayer participation in 11 state check-off programs was 16 percent and in the federal check-off program, 21 percent. The participation rate in nine state add-on programs in 1987 ranged from 0.3 percent in California to 2.3 percent in Massachusetts. By contrast, participation in the check-off for the N.C. Political Parties



Rep. Art Pope (R-Wake), who has opposed public financing, chats with Rep. Harold Brubaker (R-Randolph).

Financing Fund is slightly below the average for the 11 states with check-off programs with a participation rate of 14 percent during the 1987 tax year. The N.C. Candidates Financing Fund, an add-on program, was not in existence in 1987. The taxpayer participation rate for the 1988 tax year was less than 0.2 percent of all taxpayers who received a refund. (See Tables 2 and 3, pages 52 and 53.)

Traditionally, the participation rates for add-on programs have never been as high as they are for check-off programs. Add-on public financing provisions in other states have taken an extra beating in the last few years because of the addition of other opportunities for earmarking funds on the income tax form, such as a wildlife fund or a child abuse fund. These programs also receive their funding from contributions from tax refund

dollars. North Carolina has only two add-on programs—the N.C. Nongame and Endangered Wildlife Fund instituted in 1983 and the new N.C. Candidates Financing Fund instituted in 1988. The data from other state public financing programs show that the wildlife and child abuse add-on funds are consistently more popular with taxpayers and exceed the campaign funds in total contributions. Many states are continuing to add special funds to their income tax forms. From 1983 to 1988, the number of special funds on state income tax forms across the country increased from 63 to 103. (See Tables 2-4, pages 52, 53, and 56, for taxpayer participation rates in public financing programs.)

Recommendation: The N.C. Center for Public Policy Research recommends that state officials conduct an aggressive public education campaign to increase taxpayer participation in North Carolina's public financing programs. The importance of a public education campaign is evident in light of the decreasing taxpayer participation rate in the N.C. Political Parties Fund and the low first-year participation in the N.C. Candidates Financing Fund. The Center has found that taxpayers do not know about the new Candidates Fund and that participation in both programs might be improved if more people knew what the

two programs are designed to do.

State political parties, the State Board of Elections, the Department of Revenue, the governor, and other elected officials should work together to increase public awareness of the state's public financing programs. Since public financing is a state policy, the state of North Carolina, particularly the Department of Revenue, should take a lead role in conducting an education campaign. Common Cause/North Carolina and the League of Women Voters have kicked off an educational campaign to inform North Carolinians about the N.C. Candidates Financing Fund. Other public interest organizations could also be instrumental in efforts to educate the public. Cooperation from all of the above groups is vital to the success of a public education campaign. Efforts should include, but not be limited to, the production and

Table 1. Date of Enactment of Public Financing Programs

Check-Off Programs		Add-On Programs ^c	
1. Iowa	1973	1. Maine	1973
2. Rhode Island	1973	2. Maryland ^d	1974
3. Utah	1973	3. Massachusetts	1975
4. Minnesota	1974	4. Montana ^e	1979
5. New Jersey	1974	5. California	1982
6. Idaho	1975	6. Virginia	1982
7. North Carolina ^a	1975	7. Alabama	1983
8. Kentucky	1976	8. Oregon ^f	1986
9. Michigan	1976	9. Arizona	1988
10. Wisconsin	1977	10. North Carolina ^a	1988
11. Oklahoma ^b	1978		
12. Hawaii	1979		
13. Ohio	1987		

^a North Carolina is the only state that currently has both a check-off and an add-on program.

^b Oklahoma's \$1 state income tax check-off was never implemented. An advisory opinion by the Attorney General ruled that the tax check-off was unconstitutional.

^c Iowa instituted an add-on program in 1984 to complement its check-off program. The Iowa add-on program to fund political parties was abolished in 1986.

^d Maryland's add-on program is inoperative. Money collected in the fund is to be distributed to gubernatorial candidates in 1990.

^e Montana's public financing program began as a tax check-off to fund political parties. In 1979, the law was amended. Now the fund is supported through a tax add-on, and money is distributed to candidates.

^f Oregon had an experimental check-off program that was adopted in 1977. The legislature did not reauthorize the program and it expired Jan. 1, 1980.

distribution of brochures and posters to Internal Revenue Service offices, the N.C. Department of Revenue, post offices, public libraries, local government offices, and tax return preparation firms. The state also should seek the cooperation of tax form preparers and certified public accountants by sending letters to them explaining the procedure for participating in both public financing programs and urging them to inform their clients about the programs. Other educational efforts should include: public service announcements; press conferences and news releases; editorials and guest columns in newspapers; newspaper ads; and television and radio talk shows.

The N.C. Center recommends that the explanation for the N.C. Candidates Financing Fund, as it appears in the Individual Income Tax Instruction Booklet, be rewritten by the

N.C. Department of Revenue to fully explain the program. The instructions about the N.C. Candidates Financing Fund do not fully explain what the fund is, nor do they direct the taxpayer to any informed source for more information. The N.C. Nongame and Endangered Wildlife instructions provide taxpayers with an extensive description of the purposes of the fund and the programs it finances. They also direct taxpayers to the N.C. Wildlife Resources Commission for more information. The explanation of the candidates fund, as it appeared in the 1988 Individual Income Tax Instruction Booklet, was as follows:

"You may elect to contribute all or any portion of your income tax refund (at least \$1.00 or more) to the North Carolina Candidates Financing Fund. The contributions will be used in political campaigns of certified candi-

dates for the North Carolina Council of State. If you are due a refund and you wish to make a contribution, enter the amount on line 25 on the front of the income tax return, Form D-400. Once you make an election to contribute to the fund, the election is irrevocable and cannot be changed after you file your income tax return. You may claim your contribution as a tax deductible charitable contribution without being subject to the 15 percent limitation on your State income tax return for next year if you itemize your nonbusiness deductions."

The legislature's General Research Division submitted a proposed change of the language to the N.C. Department of Revenue for the 1989 Individual Income Tax Instruction Booklet. The department agreed to print selected excerpts of the proposed language.

The new explanation of the candidates fund is much better than the first explanation in the 1988 tax booklet, but there is still room for improve-

ment. The N.C. Center for Public Policy Research recommends that the Department of Revenue further revise the candidates fund explanation in the 1990 Individual Income Tax Booklet to read as follows (recommended new language appears in italics):

"You may contribute all or any portion of your income tax refund (at least \$1.00 or more) to the North Carolina Candidates Financing Fund. The General Assembly created this fund in 1988 as a first step toward controlling the rising cost of political campaigns. The U.S. Supreme Court has ruled that the only way a state may limit a candidate's campaign spending is in exchange for public financing of that candidate's campaign. The federal government also uses the public financing method to encourage presidential candidates to agree to limit their spending.

"The North Carolina Candidate's Financing Fund provides financial support for can-

Voters cast their ballots in rural North Carolina on May 20, 1950



N.C. Department of Cultural Resources

Table 2. Comparison of State Check-Off Programs

Whether Program Funds Go To Candidates (C) or to Political Parties(P)		1987 Tax Year Rate of Taxpayer Participation ^a	1987 Tax Year Check-Off Amount ^b	1987 Tax Year Check-Off Total
Hawaii	C	30 %	\$2	\$ 414,756
Idaho	P	10	1	39,328
Iowa	P	13	1.50	234,024
Kentucky	P	5	2	Unavailable
Michigan	C	14	2	1,575,200
Minnesota	C, P	16	5	1,796,627
New Jersey	C	32	1	1,439,641
North Carolina	P	14	1	553,554
Ohio	P	17	1	713,785
Rhode Island	C, P	14	2 ^c	66,303
Utah	P	16	1	90,147
Wisconsin	C	14	1	449,211

^a Figures are rounded off to the nearest percent.

^b If a joint return is filed, each spouse may designate the amount indicated.

^c Beginning in tax year 1988, Rhode Island's check-off amount increased to \$5. The public financing fund receives \$3, and the political parties fund receives \$2.

didates seeking election to Council of State offices. Money in this fund will allow citizens who may not be wealthy or have access to wealth to run a competitive campaign for statewide elective office. In exchange for public funds, candidates agree to limit their campaign spending. If enough money accumulates in the fund, then matching grants from the fund will be made available in 1992 to the Council of State candidates. The Council of State consists of the governor, lieutenant governor, secretary of state, state treasurer, state auditor, attorney general, commissioner of agriculture, commissioner of insurance, commissioner of labor, and the superintendent of public instruction."

The N.C. Center
also recommends that
the General Assembly

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amend the income tax statutes² so that *all* taxpayers may contribute to the N.C.

Candidates Fund via their state income tax forms. At the present time, only taxpayers who receive a refund may designate that all or part of that refund be transferred to the candidates fund.

Taxpayers who are not eligible for a refund are allowed to send their donations to the N.C. state treasurer. The extra effort needed to send a separate check to the state treasurer may deter some taxpayers (who may otherwise wish to do so) from participating. The Department of Revenue should reword the instructions to read as follows: "You may make a voluntary contribution to the N.C. Candidates Financing Fund. Your contribution to this fund is added to your income tax liability. It will *reduce* your refund, or *increase* the amount due with your return." Alabama, California, and Massachusetts are among the states that allow contributions to be made to their public financing funds in this manner.



Goal 2: To Encourage More Citizens To Run for Office by Reducing the Fundraising Burden for Those Who Are Not Independently Wealthy.

Challengers, as well as some incumbents, have traditionally met with difficulty in their efforts to secure sufficient funds to run for office. North Carolina's public financing programs have not provided substantial sums of money directly to candidates. The political party check-off brings in about half a million dollars a year—but very little of this money goes directly to the candidates. (For more on political parties, see page 56.) Direct monetary assistance is provided to candidates at the discretion of the state parties. Distribution of money from the new candidates fund will begin in 1992.

Advocates of campaign reform think that limiting the amount candidates can spend on their campaigns is essential to cutting the costs of running for office. But since the U.S. Supreme Court decision in *Buckley v. Valeo* in 1976, limits on campaign spending cannot be imposed unless coupled with public financing.³



Recommendation: The legislature should amend the law that established the N.C. Candidates Financing Fund by initially reducing the number of Council of State races eligible for public financing. The N.C. Candidates Financing Fund, now in its building stage, is very unlikely to achieve the goal of providing money to certified candidates for all 10 Council of State races in 1992. The N.C. Candidates Financing Fund had received only \$19,331.68 as of Dec. 31, 1989. This indicates that North Carolina's taxpayers either do not know about the fund or are not interested in helping to finance the campaigns of statewide candidates from their refunds.

If the candidates fund cannot provide public financing to all Council of State candidates, the law should be revised to provide public financing initially for eight of the 10 Council of State offices, preferably those where spending by the candidates is traditionally lower. The Council of State offices that should be eligible for funding are secretary of state, state treasurer, state auditor, attorney general, commissioner of agriculture, commissioner of insurance, commissioner of labor, and superintendent of public in-

Table 3. Comparison of State Add-On Programs

Whether Program Funds Go To Candidates (C) or to Political Parties(P)		Contribution Limits On Amount Taxpayers Can Contribute to Fund*	1987 Tax Year Rate of Taxpayer Participation	1987 Tax Year Public Financing Fund Total
Alabama	P	\$1	1.1%	\$ 15,554
Arizona	P	No Limit (\$2 min.)	—	—
California	P	\$1, \$5, \$10 or \$25	.3	233,152
Maine	P	No Limit	1.4	20,080
Massachusetts	C	\$1	2.3	83,385
Montana	C	\$1	.7	2,403
North Carolina	C	No Limit (\$1 min.)	—	—
Oregon	P	No Limit	.5	24,192
Virginia	P	\$2	1.8	63,368

* If a joint return is filed, each spouse may contribute the amount indicated.

— = The program did not exist during the 1987 tax year.

Major Provisions of the N.C. Political Parties Financing Fund

Enacted: 1975 *First Year Funds Distributed:* 1977

Source of Funds: \$1 check-off on individual income tax forms.

Distribution: Political parties with at least one percent of the total number of registered voters receive funds on a pro rata basis according to voter registration levels.

- (1) In general election years, each party chair disburses 50 percent to the party and 50 percent to a "special committee" composed of the state chair, treasurer, congressional district chair, and two other appointees. This committee allocates the funds.
- (2) In years with no general election, the chairman disburses 100 percent of funds paid over by the state treasurer to the party.

Discretion in the Use of Funds: In general election years, the "special committee" may only use funds for any "legitimate campaign expenses," including party headquarters operations, as well as for direct and in-kind contributions to candidates.

Funds *cannot* be used by the party or special committee to support candidates in the primary or to select candidates at political conventions, nor can the funds be used to support or oppose a referendum, bond election, or constitutional amendment.

Reporting Requirements: All political parties and candidates receiving funds must submit an annual report to the State Board of Elections itemizing receipts, expenditures, and disbursement of Political Parties Financing Fund monies.

Total Funds Distributed in 1988:

Democratic Party	Republican Party
\$857,797	\$335,760

struction. In 1988, these eight races cost a total of \$2,432,015, while the governor's race cost \$11,287,026 and the lieutenant governor's race \$6,149,092.⁴ The lieutenant governor and governor races, traditionally the most costly of all Council of State races, should be included when the fund has reached funding levels sufficient to support these big money campaigns. By limiting the application of the law to these eight races, the law can take effect sooner and have an impact on more offices.

The N.C. Center recommends that the 1991 and 1993 N.C. General Assembly appropriate additional revenue from the General Fund to support candidates in the 1992 and 1996 statewide elections, since funding from taxpayer

participation in the candidates fund is unlikely to be sufficient to provide adequate resources for candidates to run an effective campaign.

Appropriations will be needed for four to six years until the taxpayers become more aware of the fund and become accustomed to contributing to the program. The Center estimates

that \$3 million⁵ in appropriations from the state (out of an annual budget of \$12 billion) would be needed to finance eight Council of State races in 1992. The offices that should be eligible for

funding are: secretary of state; state treasurer; state auditor; attorney general; commissioner of agriculture; commissioner of insurance; commis-



Major Provisions of the N.C. Candidates Financing Fund

Enacted: 1988

First Year Funds To Be Distributed: 1992

Source of Funds: Contributions by taxpayers of all or part of a refund of income taxes. The contribution qualifies as a tax deduction.

Distribution: One-to-one matching funds for candidates for all 10 statewide Council of State offices who (1) raise qualifying matching grants equal to 5 percent of the expenditure limit, (2) agree to abide by expenditure limits, (3) agree to a post-election audit, and (4) have opposition on the ballot in the general election.

Discretion in the Use of Funds: Funds may be used only for general election expenses.

Campaign Expenditure Limits: For governor—\$1 multiplied by the number of votes for governor in the last general election. Other Council of State races—50¢ multiplied by the number of votes for governor in the last general election.

Governor: \$2,180,025

Other Council of State races: \$1,090,012.50

Reporting Requirements: Reports are due from the candidates to the State Board of Elections in August and September listing contributions and expenditures in any year in which public funds were received. A report is due 60 days after the general election. It must itemize all receipts, expenditures, and disbursement of N.C. Candidates Financing Fund monies.

Total Funds Accumulated as of Dec. 31, 1989: \$19,331.68

sioner of labor; and superintendent of public instruction. To provide certified candidates in all ten races (including the governor and the lieutenant governor) with maximum public financing in the 1992 Council of State general election races would require an appropriation of about \$12 million.

The N.C. Center recommends that campaign expenditure limits be revised to reflect more accurately the costs of campaigns and to ensure fair competition among candidates. Currently the statutory expenditure limit for gubernatorial candidates is one dollar (\$1) multiplied by the number of votes cast for governor in the last general election. Based on 1988 voting statistics, certified gubernatorial candidates who accept public financing in 1992 would be allowed to spend \$2,180,025 in the general election. Yet



Robert B. Jordan III and James G. Martin, the party nominees for governor in 1988, spent \$3.3 million and \$3.7 million, respectively, in the general election. The Center recommends that the legislature raise the expenditure limitation formulas to \$1.50 multiplied by the number of votes cast for governor in the last general election, thereby allowing certified candidates for governor to spend up to \$3,270,038.

The new limit would allow gubernatorial candidates to wage a viable campaign yet still address the concern that expenditure limits work to the advantage of incumbents by prohibiting challengers from running an effective campaign. It would also help reduce the cost of campaigns. The expenditure limitation formula for the candidates for the office of lieutenant governor should be increased from fifty cents (50¢) to seventy-five cents (75¢). The new expenditure limit would allow the certified candidates for lieutenant gov-

**Table 4. North Carolina
Political Parties Fund**

Tax Year	Participation Rate	Total Amount
1975	4.9%	\$128,470
1976	5.4	144,974
1977	8.8	259,689
1978	7.4	219,494
1979	8.0	243,805
1980	7.8	241,783
1981	8.6	272,012
1982	9.7	305,459
1983	15.5	510,990
1984	15.2	526,299
1985	15.5	555,817
1986	14.8	534,879
1987	14.4	553,554
1988	13.6	531,586

for public financing but chooses not to accept. The N.C. law includes a withdrawal option for a person who is the only candidate in a race to apply for money from the candidates fund; however, upon withdrawal from the program, the candidate is not entitled to public funding. Minnesota has a provision that does just this and thereby effectively levels the playing field for candidates. An alternative might be to double-match all eligible contributions to a candidate who accepts public financing but whose opponent does not. A double-matching provision is contained in New York City's campaign financing program.

Goal 3: To Strengthen Political Parties

Political parties that receive money from campaign finance programs do not dispute the impact that the funds have on party operations. North Carolina political party officials believe the N.C. Political Parties Financing Fund has made a real

error to spend up to \$1,635,018 each, instead of the 1992 expenditure limit of \$1,090,013. James C. Gardner, the 1988 Republican nominee for lieutenant governor, spent \$1.09 million to win the general election while Tony Rand, the Democratic nominee, spent \$1.7 million in a losing effort. The expenditure limit for the remaining eight Council of State offices is sufficient and does not warrant an increase at this time.

The N.C. Center recommends that the N.C. Candidates Financing Fund law be revised to incorporate an inflationary measure to adjust expenditure limits for the effects of inflation. In an era of ever-increasing campaign costs, the Consumer Price Index would normalize the expenditure limit to current dollars. The federal expenditure limits for the presidential campaign are adjusted for inflation.

The N.C. Center recommends that the General Assembly amend the N.C. Candidates Financing Fund law to allow a candidate who has accepted public financing to exceed the expenditure limits when an opponent is eligible

difference in the parties' roles. Both major state parties have been able to increase staff and centralize services for candidates in party headquarters. "The party's role has been substantially greater since the party fund was established. It has enabled parties to be more of a factor in campaigns," says former Gov. James B. Hunt Jr.

Recommendation: The North Carolina Center recommends that the state continue to support political parties by continuing the N.C. Political Parties Fund. Continued support would allow the state Democratic and Republican parties to coordinate campaigns, develop party programs, and organize their get-out-the-vote efforts. The N.C. Center's first recommendation above (see page 49) calls for a public education campaign to increase taxpayer participation in both of North Carolina's public financing programs. In order to have a successful education campaign, there must be strong bipartisan support for both public financing programs. The Republican Party feels that the current distribution of political party fund monies on the basis of party registration is unfair

because registration is 2-1 in favor of the Democrats, yet since 1986, Republicans have won 11 out of the last 17 major statewide races.

Until 1983, North Carolina taxpayers could specify which political party would receive their check-off money. Legislation was introduced in 1989 to do away with the check-off for political parties.⁶ However, the Democratic Party and the Republican Party both attest to the benefits they receive from the fund and the importance of keeping the check-off. The fund enables the political parties to hire staff, pay bills, and support the campaign efforts of their candidates.

The N.C. Center recommends that the General Assembly revise the N.C. Political Parties Financing Fund statute to allow taxpayers to designate their check-off to a specified political party or give to a general campaign fund. Each political party would receive all funds specifically designated to it. The money contributed to the general campaign fund would be distributed to the political parties according to voter registration. This recommendation is a compromise that would be fair to both political parties and help garner the bipartisan support that the N.C. Political Parties Fund needs.

The universally prescribed goals of public financing programs should be the goals of North Carolina's public financing programs. The state's two programs, the North Carolina Political Parties Fund and the N.C. Candidates Financing Fund, must be set up to achieve the goals of 1) increas-

ing public participation in the electoral process; 2) encouraging more candidates to run by reducing the fundraising burden for those who are not independently wealthy; and 3) strengthening political parties. The N.C. Center believes that the recommendations above will help to achieve these objectives and put the state's two public financing programs on a sound course for the future. ☐☐

FOOTNOTES

¹Twenty-one states currently use a check-off or add-on mechanism to finance state political campaigns. (See Table 1.) Three states also have public financing programs funded by other means. Maryland, Oklahoma, and Oregon have in-operative public financing programs. Because North Carolina has one of each, it is counted twice in the group of 26.

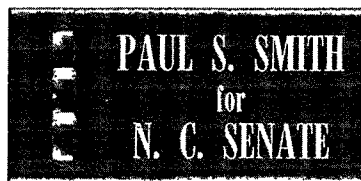
²G.S. 105-163.16.

³*Buckley v. Valeo*, 424 U.S. 1, 248 (1976).

⁴These figures include expenditures in the primary election and general election by *all* candidates for office.

⁵This \$3 million estimate is significantly lower than the actual amount (\$8.7 million) needed if *all* Council of State nominees for eight offices accepted funding and spent the maximum amount allowable under the law. None of these 16 Council of State nominees exceeded the \$1.09 million expenditure limit in the 1988 general election. In accordance with the law, candidates who receive public funds are required to raise qualifying contributions equal to five percent of the expenditure limit (\$54,000). Only nine of the 16 Council of State nominees would have qualified for public funds based on the 1992 expenditure limit of \$1.09 million.

⁶House Bill 1167 was introduced on April 11, 1989 by Reps. Larry Etheridge (R-Wilson), Art Pope (R-Wake), Trip Sizemore (R-Guilford), and Robert Grady (R-Onslow). The bill was assigned to the Judiciary Subcommittee on Election Laws and Constitutional Amendments but was not taken up for consideration and is ineligible for consideration in the 1990 short session beginning May 21, 1990.





Latest Legislative Effectiveness Rankings Reflect GOP Gains

by Jack Betts

The same election that put Republican George Bush in the White House and gave North Carolina a Republican governor and lieutenant governor for the first time has had a dramatic and continuing impact upon the state House of Representatives — and on the 1990 legislative effectiveness rankings published by the N.C. Center for Public Policy Research. Like ripples on a pond, the effects of that election — when 46 Republicans won election to the House for the GOP's high-water mark in the 20th century — continue to rock the political boat in North Carolina and to shake up the Democratic Party's dominance in the rankings and in the General Assembly.

Released on April 4, 1990, the new rankings reflect the fundamental changes brought about by the deposal of long-time House Speaker Liston Ramsey (D-Madison) in January 1989 and the election of Rep. Joe Mavretic (D-Edgecombe) as speaker with the help of a coalition of 20 dissident Democrats and 46 Republican legislators — including 10 new Republicans in the 1989 House.

Consider the list of firsts in the 1990 rankings:

- A rank-and-file legislator — Rep. David Diamont (D-Surry) — ranked first in the survey in the House. Diamont is chairman of the House Appropriations Committee.

- The speaker of the House, Mavretic, ranked second in the survey — another first. In all previous surveys dating to 1978, the speaker had finished first.

- A Republican legislator — minority leader Johnathan Rhyne (R-Lincoln) — broke into the

top 10 in the House. The previous high survey ranking for a House Republican came in 1988, when then-Rep. Betsy Cochrane (R-Davie) ranked 16th of 120 House members.

- Republicans generally made significant gains. All but three of the 36 House and Senate Republicans with legislative service prior to the 1989 session moved up in this year's rankings.

- Among freshmen legislators, Republicans clearly were the leaders. Six of the top 10 freshmen legislators in the House were Republicans. In fact, Republicans dominated the freshman class in raw numbers. Of the 26 first-termers in the House, only six were Democrats.

- And the biggest gainer of all in the House was a Republican. Rep. Harry Grimmer, a second-term member from Mecklenburg, jumped from a tie for 98th to 29th — a leap of 69 places. In fact, nine of the 10 legislators with the biggest increases in rankings in the House were Republicans.

"Clearly, Republicans have taken their place as players at the poker table," says Lori Ann Harris, a Center policy analyst and, along with Kim Keschull, co-author of the biennial survey. "In the past, Republican representatives have been part of the loyal opposition, but in 1990 they were part of a ruling majority in the House," Harris adds.

Ran Coble, the Center's executive director, notes that the House changes came about because of the Mavretic coalition's decision to share the

Jack Betts is editor of North Carolina Insight.

power. "A key promise in Mavretic's bid to become speaker was the guarantee of a number of subcommittee chairmanships to Republicans," says Coble. "For the first time, 23 Republicans had a chance to chair committees or subcommittees in the House. As a result, all but three of the 29 Republicans who have served more than one term in the House moved up in the rankings."

Blacks, Women Don't Fare As Well

While Republicans were making major gains in influence in the House, blacks and women made only modest advances in effectiveness. Reps. Dan Blue (D-Wake) and Mickey Michaux (D-Durham) retained their 1987 rankings of sixth and 15th in the House, and Reps. Toby Fitch (D-Wilson) and Thomas Hardaway (D-Halifax) took giant steps up in the rankings. Fitch jumped 33 places in the rankings, and Hardaway soared 43 places. But overall, only three of 12 blacks who had previous legislative service moved up.

"A key promise in Mavretic's bid to become speaker was the guarantee of a number of subcommittee chairmanships to Republicans."

— Ran Coble

Women legislators did a little better. In the House, the highest-ranked woman was Democrat Sharon Thompson of Durham, who at 16th had moved up 31 places. (Women have previously ranked in the top 10. Wake Democrat Ruth Cook, now an N.C. Utilities Commissioner, ranked 10th in the 1981 survey.) Second among House women was Republican Ann Duncan of Forsyth, who jumped up 53 places to 19th. Of the 17 women who served previously in the House, 11 moved up in the rankings. In the Senate, three women with prior legislative experience moved up, but their gains were modest.

While the 1989 House rankings showed Thompson and Duncan doing well, there may well

be a leadership void in future sessions because neither Thompson nor Duncan will be back in 1991. Thompson has decided not to run again, citing time constraints and financial considerations, while Duncan resigned after the 1989 session to join the executive branch. The third-highest-ranking woman in the House was Rep. Anne Barnes (D-Orange), at 21st.

The Kennel Club Effect

What made the House rankings doubly interesting in 1990 was the mix of Democrats and Republicans and especially of voting factions. The House top 10 included Diamont, first; Mavretic, second; George Miller (D-Durham), third; Rhyne, fourth; Harry Payne (D-New Hanover), fifth; Blue, sixth; Dennis Wicker (D-Lee), seventh; Sam Hunt (D-Alamance), eighth; Joe Hackney (D-Orange), ninth; and Robert Hunter (D-McDowell), 10th. Close behind at 11th was former Speaker Ramsey. In all, only four of the House top 10 in 1988 were back in the top group in 1990 — Miller, Blue, Hackney and Wicker.

Five of the 1990 top 10 were part of the faction that put Mavretic into office — Diamont, Mavretic himself, Payne, Rhyne, and Hunt. The other five — Miller, Blue, Wicker, Hackney, and Hunter—had remained loyal to Ramsey, but despite having supported the losing candidate for speaker, all retained influence with their peers. In fact, among the top 10 are several potential candidates for speaker, in 1991 or future years, who might challenge Mavretic. The list includes Diamont, a Mavretic ally who remained on good terms with Ramsey Democrats — nicknamed the Kennel Club because they were in Mavretic's political doghouse; Miller, the highest-ranking Kennel Clubber; Wicker, the House majority leader who frequently clashed publicly with Mavretic over party matters, and Blue, Hackney and Hunter, who also opposed the Mavretic coalition on certain Democratic Party questions and on a number of substantive issues.

Wicker said the rankings showed that Democrats loyal to Ramsey still were effective despite the clash with Mavretic's ruling faction. "For those of us who were stripped of position and relegated to freshman status in the House, it showed we still were able to maintain the respect and esteem of our colleagues and to remain effective members of the General Assembly," says Wicker, who nonetheless was majority leader as well as chairman of an important subcommittee,

**Table 1. Effectiveness Rankings of the Top 40 Members of the
1989 N.C. House of Representatives**

Name of Representative	Effectiveness Ranking in 1989	Previous Effectiveness Rankings (Where Applicable)					
		1987	1985	1983	1981	1979	1977
DIAMONT, DAVID H. (D-Surry)	1	18	16 (tie)	18 (tie)	39	23 (tie)	50 (tie)
MAVRETIC, JOSEPHUS L. (D-Edgecombe)	2	13	18	18 (tie)	64	NA	NA
MILLER, GEORGE W., JR. (D-Durham)	3	4	4	4	4	9	5 (tie)
RHYNE, JOHNATHAN L., JR. (R-Lincoln)	4	69	82 (tie)	NA	NA	NA	NA
PAYNE, HARRY E., JR. (D-New Hanover)	5	12	14	28	69 (tie)	NA	NA
BLUE, DANIEL T., JR. (D-Wake)	6	6	7	8	30	NA	NA
WICKER, DENNIS A. (D-Lee)	7	9	15	24	48	NA	NA
HUNT, R. SAMUEL, III (D-Alamance)	8	43	NA	NA	NA	NA	NA
HACKNEY, JOE (D-Orange)	9	7	10	15	60	NA	NA
HUNTER, ROBERT C. (D-McDowell)	10	11	20	25	56	NA	NA
RAMSEY, LISTON B. (D-Madison)	11	1	1	1	1	3	2
NESBITT, MARTIN L., JR. (D-Buncombe)	12	5	13	21 (tie)	65	NA	NA
COOPER, ROY A., III (D-Nash)	13	45	NA	NA	NA	NA	NA
HALL, ALEXANDER M. (D-New Hanover)	14	21	75	NA	NA	NA	NA
MICHAUX, H. M., JR. (D-Durham)	15	15	24	NA	NA	NA	NA
THOMPSON, SHARON A. (D-Durham)	16	47	NA	NA	NA	NA	NA
DeVANE, DANIEL H. (D-Hoke)	17	27	50	100	NA	NA	NA
REDWINE, E. DAVID (D-Brunswick)	18	28	44	NA	NA	NA	NA
DUNCAN, ANN Q. ¹ (R-Forsyth)	19	72	86	NA	NA	NA	NA
WATKINS, WILLIAM T. ² (D-Granville)	20	2	2	3	2	20	12 (tie)

—continued

¹ Rep. Duncan resigned following the 1989 session to join the Martin administration.

² Rep. Watkins died on Aug. 26, 1989.

**Table 1. Effectiveness Rankings of the Top 40 Members of the
1989 N.C. House of Representatives, *continued***

Name of Representative	Effectiveness Ranking in 1989	Previous Effectiveness Rankings (Where Applicable)					
		1987	1985	1983	1981	1979	1977
BARNES, ANNE C. (D-Orange)	21	20	28 (tie)	49	NA	NA	NA
CRAWFORD, JAMES W., JR. (D-Granville)	22	36	33 (tie)	85 (tie)	NA	NA	NA
FITCH, MILTON F., JR. (D-Wilson)	23	56 (tie)	79	NA	NA	NA	NA
KERR, JOHN H., III (D-Wayne)	24	62	NA	NA	NA	NA	NA
LILLEY, DANIEL T. (D-Lenoir)	25	14	11	9	8	12 (tie)	24 (tie)
CROMER, CHARLES L. (R-Davidson)	26	80 (tie)	105 (tie)	NA	NA	NA	NA
HASTY, JOHN CALVIN (D-Robeson)	27	51	66	105	NA	NA	NA
PRIVETTE, COY C. (R-Cabarrus)	28	34	63	NA	NA	NA	NA
GRIMMER, HARRY C. (R-Mecklenburg)	29	98 (tie)	NA	NA	NA	NA	NA
COLTON, MARIE WATTERS (D-Buncombe)	30	26	31 (tie)	64	66	94 (tie)	NA
LOCKS, SIDNEY A. (D-Robeson)	31	25	47	68 (tie)	NA	NA	NA
LINEBERRY, ALBERT S., SR. (D-Guilford)	32 (tie)	29	71	NA	NA	NA	NA
ETHRIDGE, W. BRUCE (D-Carteret)	32 (tie)	24	26 (tie)	33	67	78 (tie)	NA
ROBINSON, GEORGE S. (R-Caldwell)	34	NA	70	95	101	NA	NA
BRUBAKER, HAROLD J. (R-Randolph)	35	50	39 (tie)	56 (tie)	57 (tie)	85 (tie)	99 (tie)
HUNT, JOHN J. (D-Cleveland)	36	8	12	12 (tie)	12	57 (tie)	NA
BEARD, R. D. (D-Cumberland)	37	40	58 (tie)	54	69 (tie)	68 (tie)	79 (tie)
JAMES, VERNON G. (D-Pasquotank)	38	16 (tie)	19	17	23	32 (tie)	37 (tie)
HARDAWAY, THOMAS C. (D-Halifax)	39 (tie)	82	NA	NA	NA	NA	NA
HOLMES, GEORGE M. (R-Yadkin)	39 (tie)	68	67	101	92	100 (tie)	NA

the House Infrastructure Subcommittee on Solid Waste. High rankings in the House are very much a product of the position held, Wicker says, and Republicans' standing with Speaker Mavretic was a major reason for their success. "A substantial reason they moved up is simply because they held leadership positions under the current speaker," adds Wicker.

Those who supported Mavretic's bid took a chance, but generally it paid off well. Members of the coalition supporting Mavretic got a committee or subcommittee chairmanship, and 15 of the 20 dissident Democrats — 75 percent — who voted with Republicans for Mavretic moved up in the rankings. Only two of the 20 Mavretic Democrats fell in the rankings. Among the prime beneficiaries were Diamont, who moved from 18th to first; Mavretic himself, who went from 13th to second; Payne, who went from 12th to fifth; and Sam Hunt, who moved from 43rd to eighth.

On the other hand, membership in the Kennel Club was not the death knell one might expect. Of the 48 Democrats who stayed loyal to Ramsey, 32 went down in influence — but 14 Democrats went up and two remained the same. Among the Kennel Clubbers who moved up were Fitch, who as majority whip went from a tie for 56th to 23rd; Hardaway, who went from 82nd to a tie for 39th; John Kerr (D-Wayne), who moved from 62nd to 24th; Beverly Perdue (D-Craven), who went from a tie for 70th to 44th; David Redwine (D-Brunswick), who went from 28th to 18th; and Thompson, who went from 47th to 16th. In other words, a vote for Ramsey was not necessarily an act of political hari-kiri for a third of those in the club.

Changes in the Senate

While the House of Representatives captured most of the attention, changes were taking place in the 50-member state Senate as well. As usual, Sen. Kenneth Royall (D-Durham) ranked first, just as he has in all previous surveys. And for the second time in a row, Sen. Marshall Rauch (D-Gaston) ranked second. In third place was Senate President Pro Tempore Henson Barnes (D-Wayne), who gained new powers (to appoint committee members and chairmen and to assign bills to committees) in the 1989 session as GOP Lt. Gov. Jim Gardner became the first Republican to preside over the Senate in this century.¹ The lieutenant governor is not a member of the Senate,

and thus is not included in the survey.

As president pro tem, Barnes is the top official in the Senate, but his ranking of third may come as some comfort to Speaker Mavretic, the top officer in the House. Neither ranked first in effectiveness, but both men moved up — Barnes to third from fifth in 1988, and Mavretic to second from 13th in 1988.

But the top 10 in the Senate reflect changes there, too, as several veteran senators did not run for re-election or were defeated. With no coup d'état in the Senate, Republicans did not crack the top 10. Rounding out the Senate leaders were Marc Basnight (D-Dare), fourth; Dennis Winner (D-Buncombe), fifth; William Goldston (D-Rockingham), sixth; George Daniel (D-Caswell), seventh (Daniel made the biggest advance in the Senate, having been ranked 32nd in 1987); James Ezzell (D-Nash), eighth; Robert Swain (D-Buncombe), ninth; and Ted Kaplan (D-Forsyth), 10th. In all, only three of the Senate top 10 in 1988 were back in that group in 1990 — Royall, Rauch, and Barnes.

Urban Delegations Lack Clout

The survey rankings were not particularly good news for the urban delegations in the state. The most populous area of the state, the Piedmont, has never had a consistently large amount of clout in the N.C. General Assembly, with isolated exceptions (Durham, for one, and Wake in the early 1980s when former Rep. Al Adams ranked second, Cook 10th, and Blue 30th). The 1990 survey results show that the state's four most populous counties, which frequently send new legislators to Raleigh, have not been able to build powerful delegations. Mecklenburg, Guilford, Wake, and Forsyth counties have not done well in recent years. In 1990, Mecklenburg's highest-ranked House and Senate members were 29th and 15th, respectively; Mecklenburg's House delegation had an average ranking of 71st and its Senate delegation an average ranking of 30th. Guilford's highest-ranked legislators were 32nd and 26th; Guilford's average ranking was 87th in the House and 38th in the Senate. Forsyth's highest-ranked legislators were marginally better at 19th and 10th; Forsyth's average ranking was 77th in the House and 12th in the Senate. Wake's top legislators were 6th in the House and 18th in the Senate; Wake's average ranking was 56th in the House and 28th in the Senate.

**Table 2. Effectiveness Rankings of the Top 15 Members
of the 1989 N.C. Senate**

Name of Senator	Effectiveness Ranking in		Previous Effectiveness Rankings (Where Applicable)				
	1989	1987	1985	1983	1981	1979	1977
ROYALL, KENNETH C., JR. (D-Durham)	1	1	1	1	1	1	1
RAUCH, MARSHALL A. (D-Gaston)	2	2	2	3	4	3	6 (tie)
BARNES, HENSON P. (D-Wayne)	3	5	6	5	7	7 (tie)	27
BASNIGHT, MARC (D-Dare)	4	16	34	NA	NA	NA	NA
WINNER, DENNIS J. (D-Buncombe)	5	12	16	30	NA	NA	NA
GOLDSTON, WILLIAM D., JR. (D-Rockingham)	6	15	38	NA	NA	NA	NA
DANIEL, GEORGE B. (D-Caswell)	7	32	NA	NA	NA	NA	NA
EZZELL, JAMES E., JR. (D-Nash)	8	17	27	NA	NA	(12 tie)*	(24 tie)*
SWAIN, ROBERT S. (D-Buncombe)	9	13	12	10	12	16 (tie)	33 (tie)
KAPLAN, TED (D-Forsyth)	10	19	29	NA	(57 tie)*	(32 tie)*	(43 tie)*
SOLES, R. C., JR. (D-Columbus)	11	10	10	17	14	25 (tie)	24 (tie)
WALKER, RUSSELL G. (D-Randolph)	12	8	11	9	9	13	17 (tie)
WARD, MARVIN (D-Forsyth)	13	14	17	27	32	39 (tie)	NA
PLYLER, AARON W. (D-Union)	14	4	3 (tie)	25	(18)*	(28 tie)*	(30 tie)*
COBB, LAURENCE A. ¹ (R-Mecklenburg)	15	31	35 (tie)	NA	NA	NA	NA

¹Sen. Cobb was appointed to the N.C. Utilities Commission on Aug. 14, 1989.

*Parentheses around ranking and accompanying asterisk indicates effectiveness ranking while in the N.C. House of Representatives.

The urban exceptions are Durham and Buncombe counties. Durham's highest-ranked members were third in the House and first in the Senate; while Buncombe's best were 12th and fifth.

The reasons for the general lack of urban clout are fairly clear. Rural areas of the state, particularly the east where legislators tend to build seniority by winning re-election time after time, often produce more powerful legislators in influence if not in raw numbers. Rural areas do not have much competition for incumbents and therefore do not have much turnover in legislative seats. Urban areas, on the other hand, have competitive elections with frequent turnover of legislators. Thus, urban legislators do not serve long enough to build significant seniority, a key factor in legislative effectiveness. In urban areas like Durham where experienced legislators are able to win re-election consistently, effectiveness ratings are high.

"What this indicates is that while the urban areas have highly competitive elections with frequent changes, their constituents may not necessarily benefit from all those changes," notes Kebschull, the co-author of the survey. "On the one hand, new blood and fresh ideas are helpful to the legislature; on the other hand, inexperience and lack of background may hamper the legislative process."

Some Are Pleased, Some Are Not

In the rankings released this spring, some legislators were pleased and others were not. Reporters asked Mavretic, for instance, if he were disappointed that he was the first speaker who failed to finish in first place. "I'm particularly pleased that David Diamont came out number one," Mavretic told *The Charlotte Observer*. "Do you think David Diamont would be number one if Liston Ramsey had still been speaker?"

Rhyne, the highest-ranked Republican ever in the series, said he believed the rankings were "more of a power rating which reflects a person's position in the House, and that can fluctuate, depending on the next election." Rhyne said it was obvious that the coup in the House had helped him. "As a Republican, if I'm not the minority leader and if we don't have a coalition, I don't expect to be fourth again next year," notes Rhyne. "On the other hand, if we pick up 60 votes, I'm speaker of the House and I expect to be in the top five."

But Rep. Steve Arnold, who finished 120th in

the House, told the *Greensboro News & Record* he considered it a "badge of honor." He added, "Out of the 120 members, I did the least amount of boot polishing. It's a popularity poll. The taxpayers are who I came to Raleigh to advocate for, not the establishment." Arnold is not running for re-election to the House.

Center Survey One of Few in U.S.

North Carolina is one of several states in the nation whose legislators are ranked on the basis of their effectiveness at their work. In Virginia, legislators are ranked by *The Virginian-Pilot*, a Norfolk newspaper, in a survey similar to the N.C. Center's. On the west coast, *The California Journal* magazine conducts a survey that asks respondents to make judgments not only on a legislator's effectiveness, but also on intelligence and conviviality. In Colorado, *The Denver Post* has been ranking legislators on effectiveness since 1977; *The Arizona Republic*, a Phoenix newspaper, has ranked legislators since 1986; the *Columbus Monthly*, an Ohio magazine, has ranked lawmakers since 1978; the *Texas Monthly* has rated legislators since 1972; and the *Star-Tribune* in Casper, Wyoming began a ranking system in 1988.

The N.C. Center has conducted the surveys on effectiveness rankings for legislators following each regular session of the General Assembly since 1977, and has released the results of the surveys in even-numbered years. The survey is conducted in part to meet the Center's goal of evaluating the performance of the N.C. General Assembly, assessing its effectiveness, and getting more information to the voters about their elected officials. Legislators, lobbyists who work regularly in the General Assembly, and reporters who cover the assembly daily are asked to rate each legislator on a 1-10 scale for their effectiveness.

Each year since the survey began, the response rate has grown, and the 1990 ranking saw the highest return for legislators themselves. Of the 120 House members, 108 responded, for a 91 percent rate of return, while of the 50 Senators, 42 responded, for an 84 percent return rate. Of the 274 registered lobbyists surveyed,² 141 (51 percent) returned their survey, and 21 of the 42 capital press corps members responded (a 50 percent return). That is an overall response rate of 64 percent — nearly two-thirds of those surveyed. "This level of participation indicates a strong conviction that the survey is a valid measure of

Table 3. Highlights of the 1989 Legislative Effectiveness Rankings

Highest Rank

House: David H. Diamont (D-Surry) — Chairman, Appropriations

Senate: Kenneth C. Royall, Jr. (D-Durham) — Deputy President Pro Tempore and Chairman, Appropriations

Lowest Rank

House: Stephen G. Arnold (R-Guilford)

Senate: Charles W. Hardin (R-Haywood)

Biggest Increase in Influence

House: Harry C. Grimmer (R-Mecklenburg) — from 98(tie) to 29 — 69 places

Senate: George B. Daniel (D-Caswell) — from 32 to 7 — 25 places

Biggest Decline in Influence

House: Peggy Stamey (D-Wake) — from 42 to 77 — 35 places

Charles M. Beall (D-Haywood) — from 31 to 64(tie) — 33 places

Senate: Aaron W. Plyler (D-Union) — from 4 to 14 — 10 places

Thomas F. Taft (D-Pitt) — from 22 to 32 — 10 places

Highest Ranking Blacks

House: Daniel T. Blue, Jr. (D-Wake)—6th of 120

Senate: William N. Martin (D-Guilford)—26th of 50

Highest Ranking Women

House: Sharon A. Thompson (D-Durham)—16th of 120

Senate: Helen Rhyne Marvin (D-Gaston)—19th of 50

Highest Ranking Freshmen

House: George S. Robinson (R-Caldwell) — served in House 1981-1986 (34th)

Paul S. Stam, Jr. (R-Wake) (42nd)

Senate: Wendell H. Murphy (D-Duplin) — served in House 1983-1988 (23rd)

T.L. "Fountain" Odom (D-Mecklenburg) (41st)

legislative effectiveness," says Coble.

Copies of the legislative effectiveness rankings for 1990 are available from the Center for \$5 — \$4.20 plus 80 cents for postage and handling — by calling (919) 832-2839 or writing the Center at P.O. Box 430, Raleigh, N.C. 27602. *Article II*, the 1989-90 edition of the Center's biennial guide to the legislature, which contains all previous effectiveness rankings of current members of the N.C. General Assembly plus extensive data on committees, voting records, and the demographics of legislators' race, sex, and occupation, is available for \$21 plus \$1.50 for postage and handling. The

1990 rankings will be published in the 1991-92 edition of *Article II*. ☐☐

FOOTNOTES

¹For more on the duties of the lieutenant governor, see Ran Coble, "The Lieutenant Governorship in North Carolina: An Office in Transition," *North Carolina Insight*, Vol. 11, No. 2-3, April 1989, p. 157.

²Far more lobbyists (739 lobbyists representing 418 corporations and 27 state agencies) are actually registered with the secretary of state's office, but the Center sends surveys only to those who regularly work in the General Assembly and who are based in North Carolina. The secretary of state also registers each lobbyist anew for each client the lobbyist has, so many lobbyists are listed more than once. Each lobbyist surveyed may complete only one survey.



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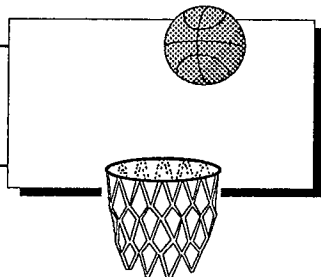
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This just in from the National Weather Service via your friendly Associated Press. It might rain and then again it might not, but it looks like it's more likely that it won't rain than it will rain. Or was that the other way around? Anyway, it says here there's a 30 percent chance of precipitation and a 70 percent chance of no precipitation. Sounds like the weather service has it pretty well covered. But take your umbrella and your hip boots just in case. And if you should run across a memorable memo out there in radioland, drop it in the mail to us. We might just read it on the air. Then again we might not. But we 100 percent guarantee not to tell who sent it. You have our word on it.

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RALEIGH 27611

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JAMES G. MARTIN
GOVERNOR

FOR IMMEDIATE RELEASE

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December 11, 1989

M. Darrell Hinnant
Executive Director

Rules Go To 188 State Libraries COMMISSION OPENS SECOND HAZARDOUS WASTE SITE SELECTION RULES TO PUBLIC COMMENT

The Hazardous Waste Management Commission today placed copies of its second set of site selection rules for locating hazardous waste facilities in the main County libraries and Community College libraries throughout the state.

The site selection rules will be used to establish a statewide screening process which will eliminate unsuitable portions of the state as locations for hazardous waste facilities. This is the second set of site selection rules adopted by the Commission. Copies of the first set of rules were previously placed on library reference shelves.

The booklet containing the second set of rules contains additional reference materials about hazardous waste and North Carolina's hazardous waste management programs. It has been placed on the library reference shelves also.

The Commission is expected to adopt additional rules specifically adapted to the technologies and design capacities of authorized hazardous waste facilities. Any hazardous waste facilities established by the Commission must be authorized by the Governor.

The second set of rules will be presented for public comment at hearings to be held between January 3 and January 10 at the following locations:

January 3, 1990, 7 p.m.
N.C. Wesleyan College
Student Activity Center
3400 N. Wesleyan Blvd.
Rocky Mount, N.C. 27804

Gotta hand it to those clever folks at the Hazardous Waste Management Commission. Who'd have thought to alleviate all the pain and suffering over where to put a hazardous waste facility by simply putting one in the main library of each county and in each community college library? Let's see — there are 100 counties, plus 57 community colleges, so if we put one hazardous waste facility in each county library, and one in each community college library, that'd come to — um, lessee now — got it: 157 different hazardous waste facilities.

And to think — they've even come up with *rules* for "locating hazardous waste facilities in the main County libraries and Community College libraries throughout the state." If this won't make those librarians happy, what will?

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