

# Philanthropy Journal

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OF NORTH CAROLINA

## To just do it — or not Tar Heels' pact with Nike spurs debate

*The nation's oldest state university inks a multi-million-dollar deal with the world's largest athletic company, triggering debate about commercialism and big-time athletics at academic institutions.*

By LESLIE WAUGH

### Chapel Hill

The University of North Carolina at Chapel Hill signed an exclusive five-year, \$7.1 million contract in July with Nike Inc. in what officials of both organizations are calling a win-win situation.

But in the months since the agreement was announced, questions have been raised about the ethics of the deal, the largest of its kind between UNC-CH and a sporting goods company — and perhaps the largest such deal in college athletics.



Dick Baddour

The new contract was negotiated behind closed doors last summer by then-Athletic Director John Swofford and approved by Chancellor Michael Hooker and the board of trustees. It expands the school's previous \$4.5 million deal with Nike, which began in 1993 and ended June 30, 1997.

Under the new agreement, which expires June 30, 2002, Nike will provide all of the school's 28 intercollegiate sports teams with cash, shoes, uniforms and equipment in exchange for tickets and high-profile corporate exposure.

Whether that exposure is appropriate at a state-supported public institution has been the topic of much debate.

Lines have been drawn between two student groups, Support the Swoosh and Just Don't Do It — referring, respectively, to Nike's logo and motto.

News accounts, editorials and other reports about criticism of the deal have focused on at least two issues: Whether the university sold out to Nike and traded in its purported mission — education — for a more lucrative one — athletics — and whether student-athletes are being used as human billboards for the Oregon-based company.

Critics also have pointed to the flap over Nike's reported unfair labor practices in Asia, which were investigated earlier this year by former U.N. Ambassador Andrew Young.

Richard Soloway, a UNC-CH history professor, told Raleigh's *News & Observer*, in an interview published July 20, that he sees a "conflicted" relationship between sports and academics in light of the deal.

"I think the danger is in the message it gives about educational values and priorities and about the integrity of an institution committed to free and open inquiry, uninfluenced by commercial considerations that trade on the values and image of that institution," Soloway said.

Shortly after the contract was signed, Athletic Director Dick Baddour, who took over Swofford's post July 1, said the contract "allows our athletic teams an

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## Case closed? Ruling erodes feds' health-care fraud case

*An appeals court panel finds that the government's case against Home Health and Hospice Inc. was built on false and misleading information.*

By LESLIE WAUGH

### Goldsboro

For the third time in nearly as many years, the government's allegations of Medicare and Medicaid fraud at Home Health and Hospice Care Inc. have been struck down.

To date, no criminal charges have been lodged against the Goldsboro-based private,

nonprofit home health care agency, one of the largest of its kind in the state.

But the two-and-a-half years of court hearings have cost the agency \$5 million in lost business and legal fees — and nurses, employees and volunteers still are reeling from the effects the investigation has had on their morale and the agency's reputation.



Beverly Withrow

Federal investigators won't say if the investigation of Home Health and Hospice is over, and exactly why the agency has been repeatedly challenged remains a mystery to Home Health officials.

"We're one of the largest agencies in North Carolina," says Beverly Withrow, president of Home Health and Hospice. "We've been managed very well and grown rapidly, which may have made investigators suspicious."

The agency, which provides medical and hospice services to patients in their homes

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## NEW ERA IN PUBLIC SCHOOL REFORM AND FINANCING



Students at Village Charter School in Chapel Hill get a grammar lesson. The new charter school's organizers are learning some lessons of their own.

Photo by Kristin Prelipp

## State's charter schools open on the run

*For the first time in North Carolina, nearly three dozen charter schools have opened. They're finding the education business to be a learning experience.*

By KELLY PRELIPP LOJK

Chapel Hill's overcrowded real estate market meant a frenzied four-month search by the Village Charter School for appropriate facilities. The school finally signed a lease for space at a shopping center only three days before classes began.

Meanwhile, its sister school in the rural

Orange County district faced a different challenge: finding a facility with an adequate septic system.

In fact, says Roger Gerber, founder of both schools and executive director of Financial Reform for Excellence in Education, working together to stamp out the small fires that arose while rushing to form the schools has helped teachers, staff and students to quickly build a strong sense of community among them.

"I'd call it bonding in a crisis situation," Gerber quips.

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Reading, writing, raising money

## Public school, private dollars

*The time when North Carolina public schools could function solely on tax dollars is over. To cope with a shortage of funds, many public schools are doing their own fundraising, raising concerns about the lessons for students.*

By RACHEL MUIR

Fundraising at North Carolina's public schools has gone far beyond car washes and bake sales. For the state's 2,000 public schools enrolling nearly 2 million students, fundraising increasingly is becoming a way of life.

In October, wealthy Chapel Hill-Carrboro schools staged a "Walk for Education" that attracted about 2,500 people and raised almost \$40,000 for area schools. The walk-a-thon's operational costs were picked up by the Public School Foundation, a nonprofit that supports public education.

Becky Irwin, the foundation's executive director, says schools in Chapel Hill and Carrboro have increased their fundraising efforts. She attributes this to budget cuts that have made previously standard activities such as field trips possible only with fundraising dollars.

Much of the fundraising activity at public schools enlists students who scramble to sell magazines, wrapping paper or chocolate for rewards such as limousine rides and pizza parties.

"Kids may be forced to ask for money too many times," Irwin says. Fundraising

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