

# Trustee Stresses Education in House Race

By DANIEL BLANK  
Staff Writer

UNC-Chapel Hill Board of Trustees member Richard Stevens says he is primarily running for a seat in the N.C. House because he wants to make sure public education receives adequate funding.



Stevens, who also was chairman of the search committee that chose Chancellor James Moeser, is the only Republican to file to run for the 38th District, which covers part of Wake County. Rep. Bob Hensley, D-Wake, now holds the seat but is retiring. Stevens served as chairman of the BOT for two years, from 1997 to 1999. He also was Wake County manager for

16 years before his retirement from that position in June 2000.

Stevens said he worries the state's pending budget problems will harm education. "The economic problems are affecting our education system, and education is our future," he said.

The state is facing a \$900 million budget shortfall this fiscal year, and projections indicate the deficit might exceed \$1 billion during the next fiscal year.

Stevens said he hopes he can influence how both UNC-CH and the UNC system are funded if he is elected. "The legislature is the banker for the University, and (it decides) how well the university system is funded by state sources," he said.

Stevens said the end of his term on the BOT and his long-standing commitment to education make him a good candidate.

Stevens reaches his term limit on the BOT at the end of the 2001-02 school year.

Stevens will have no primary opponent but will face one of three Democratic challengers — Bryan Collins, Victor Farah and Deborah Ross — to win the House seat.

Collins, who graduated from UNC's School of Law in 1985, said his primary focus will be public education and raising the wages of public employees.

Collins added that while he will address the budget situation, he thinks there are no easy answers. "I'm concerned with the budget problem, but I have no magical solution," Collins said. Farah said that if he is elected, his primary goal will be to protect the interests of working people.

"I want to make sure we don't do anything to hurt the future of our chil-

dren while we promote economic growth (now)," Farah said.

Ross, executive director of the N.C. branch of the American Civil Liberties Union, said she has a lot of significant experience that makes her a qualified candidate. "I have a good economic background," she said.

Ross added that she thinks Stevens will face "an uphill battle" because the district is largely Democratic.

But Stevens said he will fight hard during the campaign and be a University advocate if elected. "I'll continue to be a huge supporter of the system as a whole," he said. "I love Chapel Hill, I love the University, I love the system, and I know it's the key to the economy of the state."

The State & National Editor can be reached at stntdesk@unc.edu.

## Developments in the War on Terrorism

### Authorities Warned of Hijack Risks

The FBI had prior knowledge that Middle Eastern pilots were training at U.S. flight schools and at least one had proposed dive-bombing a jetliner into a federal building, according to documents and interviews with Filipino and U.S. authorities.



### Pentagon Describes Military Deaths

The seven Americans who died in the bloodiest operation of the war in Afghanistan were killed as troops were being taken into the battle area on two different missions, the Pentagon said Tuesday.

### Jet Fighter Patrols More Common

Since Sept. 11, concerns about more terrorism in North America's skies have drawn U.S. and Canadian fighters 292 times, military officials say. Fighters also respond when planes stop communicating with ground controllers or present inadequate identification.

## Campus Calendar

Today

10 a.m. — The Orange County Chapter of the American Red Cross is holding a blood drive on the bloodmobile bus. The event, sponsored by the Black Law Association of Students, will be located outside the School of Law until 3:30 p.m.

12:20 p.m. — The executive branch of student government encourages you to meet today in front of the ATMs near Davis Library to go to the Board of Governors meeting located at the General Administration Building.

6 p.m. — The Gay Lesbian Bisexual Transgender-Straight Alliance will hold its kickoff meeting today in 209 Manning Hall. Dinner will be provided.

### Editor's Note

The Daily Tar Heel needs students to serve on its editor selection committee. Any student interested can pick up an application in Union Suite 104 or at the front desk of the Student Union.

### The Daily Tar Heel

P.O. Box 3257, Chapel Hill, NC 27515  
Kage Hunter, Editor, 962-4086  
Advertising & Business, 962-1163  
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# Diverse Economy Mitigates Recession

By DANIEL BLANK  
Staff Writer

Experts say the state's current fiscal crisis is rooted not only in the economic recession but in tax collection methods and the struggling manufacturing industry.

North Carolina is facing a budget deficit estimated at more than \$1 billion for the next fiscal year — about 7 percent of the state's total budget.

Scott Pattison, executive director of the National Association of State Budget Officers, said the entire nation is suffering from the recession, but states with a more diverse way of collecting revenue fare better under the current fiscal conditions.

For example, he said Florida relies almost entirely on sales tax revenue, and the state is facing a \$1.3 billion budget shortfall because of declining tourism.

North Carolina depends on income tax for 55 percent of its revenue and sales tax for 26 percent.

Jack Vogt, a UNC School of Government professor, said the nationwide recession has especially hurt North Carolina because the state relies on income taxes for a large chunk of its revenue, and income taxes are directly linked to the state of the economy.

"Income tax fluctuates with the economy," he said. "If economy is in recession, then revenue from taxes falls."

Vogt also said the North American Free Trade Agreement and international trade had a negative effect on North Carolina's economy because they damaged the state's manufacturing industry. He said the Piedmont region was particularly hard hit, leading to double-digit unemployment in some counties.

Pattison said states have an especially difficult time during recessions because they do not have the same resources as the federal government. "States don't have the big tool that the federal government has in using deficit spending to wait (the recession) out," he said. "All the choices to solve the problem are very difficult, but you have to find them."

Pattison also said measures taken to decrease states' base budgets will assist in the recovery process.

But Fred Hartman, press secretary for Gov. Mike Easley, said the state would have been better served to have shown restraint in spending a few years ago while the economy was strong. "Maybe we should have kept an open eye when we were doing all that spending," he said. The state spent roughly \$1 billion

each on increased teacher pay and tax cuts in the 1990s.

But Hartman said the state is suffering financially primarily because the recession has caused sales tax returns to fall. "Sales receipts are down," Hartman said. "When the economy slows down, people don't shop, and then they don't buy things."

Vogt said states with a rainy-day fund are better equipped to face a budget deficit than those without them.

"A state that has a rainy-day fund or emergency reserve can rely on that fund or reserve to bounce back more quickly," he said. "(North Carolina) established a rainy-day fund last recession in 1990-91 but used a lot of it when Hurricane Floyd hit. One could argue that North Carolina should carry a larger fund because of the volatility of its revenue sources."

But Hartman said the rainy-day fund left the state in a better situation than otherwise. "Other states are not in the same boat as we are because they drained their reserves," he said. "We didn't cut ourselves to the bone last year. We have our rainy-day fund, and obviously it's raining and that's what it's there for."

The State & National Editor can be reached at stntdesk@unc.edu.

## Associate Superintendent Kathy Osborne updated the board on a local high school's progress in building houses.

By DANIEL CHO  
Staff Writer

The Orange County Board of Education decided Monday night which topics members wish to discuss with Orange County Commissioners at a March 25 joint meeting.

About 50 people attended Monday's meeting. More than half of the participants were teachers and students receiving certificates for outstanding achievements.

During a brief discussion at the end of the meeting, board members chose alternative education and funding as topics to discuss at their meeting with the commissioners.

School board member Delores Simpson addressed the topic of alternative education. "We will be talking about alternative schools and a good way to get education to the kids that need it," she said.

Board member Keith Cook mentioned the two groups also will discuss ways to provide new funding mechanisms for schools.

"We're going to be looking into dif-

ferent and alternative methods to fund our schools at the meeting on March 25," he said.

No other topics for discussion were proposed at the meeting.

Both Cook and Simpson said the board would further discuss and finalize the topics at the next meeting March 18th.

Associate Superintendent Kathy Osborne also led an update on a project that allows students to build houses.

The Live Project lets Orange High School students construct houses and then sell them back to people in the community said Sandra Tinsley, financial director of the project.

Osborne said construction of the house that students are working on now began in mid-September and that everything was schedule.

"We are right where we need to be and perhaps a little ahead," she said.

Tinsley said the project was coming in under budget, partially because of a loan the school board has already granted for the construction.

"The last house they built stayed on the market longer than expected so the board of education approved a loan of \$38,200 for the students to go ahead with their new building project for the school year," she said.

Osborne said Matt Hamlet, the project director, is securing estimates and buyers will soon know how much the house students are building now will cost.



School board member Keith Cook says the two groups discussed ways to provide new funding for schools.

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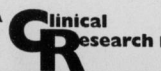
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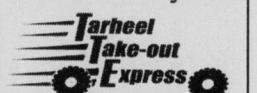
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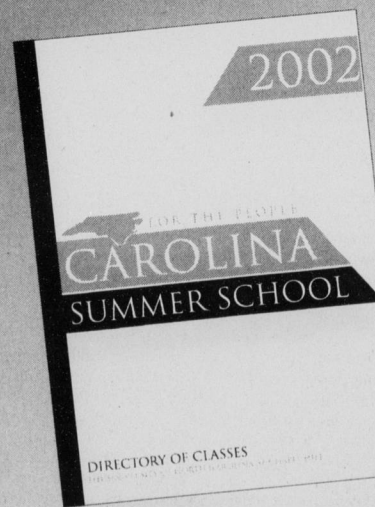
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