

Bill Would Limit Governor's Power

Staff and Wire Report

RALEIGH - The state House gave final approval Monday night to the Senate's version of a bill intended to discourage the governor from taking franchise taxes and other revenue from local governments.

The bill, approved 73-5, now goes to Gov. Mike Easley for his signature. It is a response to Easley's decision Feb. 5 to withhold \$114 million in franchise taxes and \$95 million in state reimbursements to address a \$1.6 billion revenue shortfall this year.

Three local governments have joined in a lawsuit against the state as a result of the governor's action.

On Aug. 22 commissioners in two N.C. counties voted unanimously Monday to sue the state for local revenues withheld earlier in the year by Easley.

The resolution to file suit originated with Cabarrus County Commissioner

Coy Privette. Alamance County also joined the lawsuit.

It will be brought against N.C. Department of Revenue Secretary Norris Tolson and will be filed next week.

The bill defines the taxes as local revenue and not susceptible to being intercepted by the governor. But it then goes on to state that the revenues shall not be withheld unless "the Gov. has exhausted all other sources of revenue."

The House had approved tougher language, but questions remained even in that legislation about whether the governor's powers could be limited. The state constitution requires the governor to take whatever steps are necessary to balance the budget.

Rep. Cary Allred, R-Alamance, said the weaker language in the Senate version made the bill meaningless.

"I think we might as well do nothing as to pass this bill. It is just window dressing," Allred said. "You are giving

local governments an opportunity to blame you for raising property taxes, and they have a point."

At a meeting with municipal leaders Feb. 13, Easley said he would return the held funds if and when finances allow.

Easley said after the meeting that he was hesitant to withhold municipal reimbursements but that the state simply cannot afford to reimburse municipalities.

"We all understand that right now are tough times," he said. "The nation is in a recession, and no state, county or city is exempt from that."

Easley said the state will probably have the money to pay at least a portion of the \$200 million in municipal reimbursements but that county and city governments should trim budgets operating under the assumption that they will not receive the money.

He said, "We'd rather have (the money) and not need it than need it and not have it," he said.

BUDGET

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cuts in an attempt to maintain accessibility at the 16 campuses as they experience exponential enrollment growth, said Senate Appropriations Committee Chairman Howard Lee, D-Orange.

"The (UNC system) is among all our educational institutions that are experiencing enormous growth," he said. "Since we're not really appropriating any more money (for that growth), the lower we can keep (the cuts) the better."

But Broad cautioned that the 2.4 percent cuts are not final as the higher education budget must still be approved by the full House and Senate.

"We have a long way to go," she said.

UNC-system Association of Student Governments President Jonathan Ducote echoed Broad's sentiments. "None of this has been written on paper yet," he said. "There's still time for students to talk to their legislators, but that window is shrinking."

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Y PRIDE



DTH/LAURA BERNARD

Karen Spencer (left), a Campus Y member, talks to sophomore Matt Hanson in the Pit on Monday during the kickoff of Campus Y Pride Week. Campus Y members were recruiting students to volunteer.

UNC-CH

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would be funded at only 98 percent.

But Monday's agreement calls for much less of a cut and protects many of those resources. Nothing is final until the proposal passes the full House and Senate.

Elmira Mangum, associate provost for finance at UNC-CH, said the proposal as it stands does not indicate the final blow to the campus's budget. "What we're waiting on is word from the Office of the President," she said. "Then the campus budget process will begin."

If the plan is finalized, UNC-CH can

perhaps restore some of the smaller cuts already made and maybe hire more faculty and staff like teaching assistants, said Risa Palm, dean of the College of Arts and Sciences.

"We'll hold our breath to see the results - it's strange to think of any cuts as being good news," Palm said. "I think it's something that we can get through."

Included in the plan is a provision that will protect tuition remissions for graduate students - something Branson Page, president of the Graduate and Professional Student Federation, is elated about.

The remissions allow graduate students affordable, in-state tuition rates. Ever since it became a possibility that the graduate

student funds could be in jeopardy, Page said, he and other student leaders have lobbied vigilantly in opposition.

"None of us certainly expected it to be an issue during the summer," he said. "Since then, I was pretty confident that cooler heads would prevail."

After hearing about the budget developments, Student Body President Jen Daum said she and her Cabinet members still will make a final lobbying push as the agreement goes before both chambers. "We have 500 and some letters (to legislators) waiting to go out," she said.

Between the upcoming anniversary of Sept. 11 and student leaders leaving for an off-campus retreat Wednesday,

Daum said it will be tough to make any personal trips to Raleigh. "But if there's still a budget up in the air next week, we'll make it out there," she said.

Faculty Council Chairwoman Sue Estroff said it is exciting to see faculty salaries might be spared after all, but she noted that a 2.4 percent cut to UNC-CH's base operating expenses is still hard to bear. "It's like saying, 'Well, we're going to cut off one leg instead of two,'" she said. "We have long-term financial problems. For the short run, it's good news. ... We'll do OK on one leg for a while."

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COUNTY PRIMARIES

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for the spring, but the state got "hung up on this redistricting fiasco. That's why we're here," Halkiotis said.

Board Chairman Barry Jacobs is running for re-election for the first time. After attending the anniversary event, Jacobs sat down for a power lunch.

"I had lunch with (UNC Chancellor) James Moeser, Steve Halkiotis and (Director of the UNC's Master Plan) Jonathan Howes," Jacobs said. "There wasn't much time to do anything else."

Challenging candidate Keith Cook could not be reached for comment.

The candidates said they hope the

voters heard the issues of the campaign.

Gordon said her two major platform issues always have been schools and the environment.

"The quality of our groundwater is a major issue because of the drought," she said.

Gordon noted the qualities that set her apart as a candidate.

"I'm the only woman candidate and the only candidate from the Chapel Hill-Carrboro area," she said.

Gordon said she would spend today visiting different polling locations around the county.

"I'll do whatever takes my fancy."

Halkiotis said he always has been a straight shooter and never tried to mislead voters.

"I preached the truth, the way I've done it the last 16 years," he said. "It's a very simple tactic. The tactic is the truth."

Halkiotis emphasized what has become the big issue of this election: education.

Halkiotis said his priorities are "the funding of our public schools, which we believe very strongly about, human services, which we believe very strongly about, and protecting the environment and the public drinking water supply."

Jacobs said he has five key issues: education, smart growth, social justice, cooperation between governments and quality of life.

"We've done a lot to reach out to neighboring governments," he said, cit-

ing examples like the water summit held this spring. "I believe in working together to find solutions."

Jacobs said he also wants to develop plans to assist the towns of Mebane and Efland with their need for another middle school and sewage service issues in the area.

Jacobs said he would spend today heading out to polling spots and taking part in a symposium on domestic violence at the Friday Center. He said he hopes Orange County would renew its faith in him.

Polling stations open today at 6:30 a.m. and close at 7:30 p.m.

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HONORS

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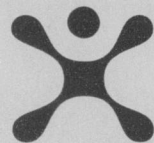
Student Executive Board.

Compton said some students are not able to continue to take honors classes and fulfill their major requirements at the same time. She said she and other honors students are requesting departments offer more upper-level classes and said the chancellor's support might spur the University to offer them. "Hopefully it will keep people interested in the Honors Program into their junior year," she said.

Leloudis said the limited size of the program is detrimental to UNC. Many students deserve to be offered admittance to the program but are unable to participate, he said. Some students decide to go to other universities because of this.

Leloudis said UNC's Honors Program is nationally recognized for its accessibility, as well as academics. "It helps to make Carolina more competitive in attracting and bringing here the very best and brightest across the state and nation."

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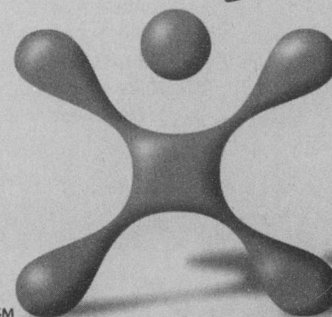
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