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The forgotten hole in the budget

CHRIS FITZSIMON

Most of the controversy about the budget passed by the Republican-led General Assembly last summer has focused on the damage it is doing to education, human services and environmental protections.

That's understandable given that teachers and teacher assistants were fired, vital services to the most vulnerable people in the state were cut and enforcing environmental regulations is now far more difficult.

Legislative leaders deny it all, of course, by making false claims about the education cuts and the shortfall in Medicaid, distortions that are supported by misleading reports from Raleigh's right-wing think tanks.

The Republican primary talking point is that lawmakers addressed last year's shortfall with a balanced budget that cut taxes.

Half of that is right. They cut taxes by allowing the 2009 temporary tax increases to expire. That's why they had to make such draconian cuts, to make up for the \$1.3 billion in lost revenue.

But the claim about the balanced budget is a stretch.

For years Republicans blasted Democrats for passing budgets that used one-time money to pay for recurring state services, creating a hole the following year as the money disappeared and the programs remained.

But that's exactly what the Republicans did in 2011 – in a big way. The folks at the N.C. Budget Center calculate that the budget uses \$700 million in one-time money for recurring expenses. That figure includes fund transfers and diversions.

There's also another \$220 million in accounting maneuvers, moving expenses from off-budget to on-budget and counting on unrealistic savings to make the numbers work.

Medicaid is the best example of that last problem. The state Medicaid program currently faces a \$149 million shortfall because of savings built into the budget that haven't materialized. The Medicaid shortfall is projected to grow to \$243 million next year.

That's also when local school districts across the state stand to lose \$254 million in federal money that is keeping several thousand more teachers in the classroom. If lawmakers don't come up with the funding to replace the federal layoffs, more teachers will receive pink slips next summer.

A conservative total of all the one-time money, accounting tricks and reliance on disappearing federal funding is \$1.4 billion.

That's how much lawmakers must come up with in the May legislative session just to keep state programs and services at their current and woefully inadequate levels.

That does not take into account any new expenses, like additional children enrolling in public schools, universities or community colleges. And it also ignores a judge's order to restore last year's cuts to the state's preschool program that turned away several thousand at-risk kids.

Reports that state revenues are coming slightly ahead of projections will help, but not much. An end of year surplus of \$100-\$150 million will only patch a few holes, and that's one-time money too.

Even then lawmakers will find themselves more than a billion dollars short. Given the refusal even to consider a proposal by Gov. Beverly Perdue to raise the sales tax by three-quarters of a penny, that means even more cuts to education and human services.

Republicans did more last year than make damaging budget cuts. They passed an unbalanced budget that will make last year's devastating cuts only the beginning.

Chris Fitzsimon is the executive director of N.C. Policy Watch.

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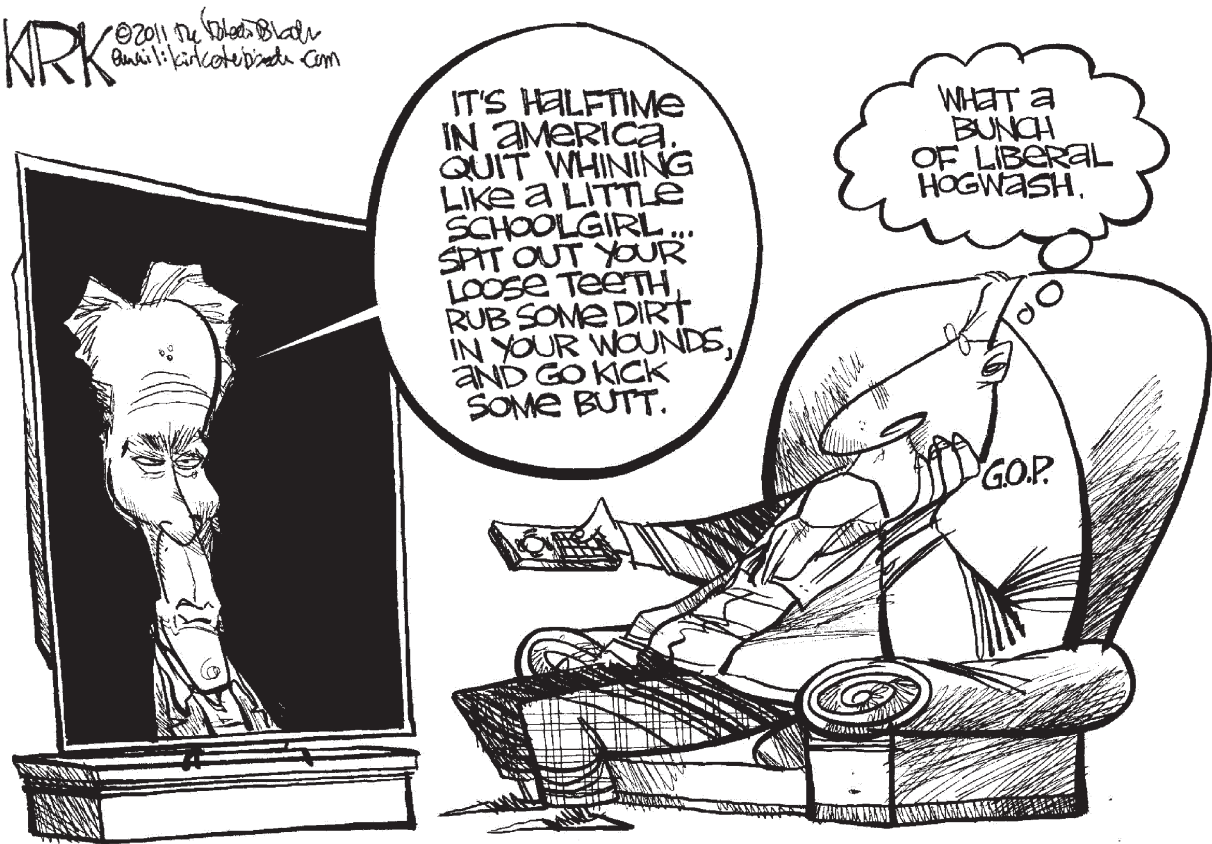
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Poverty in the land of plenty

This is the last in a series of columns on poverty, inspired by a recent North Carolina NAACP-sponsored tour of high-poverty regions of our state.

It's not hard to understand why times are tough in places like Rocky Mount, Elizabeth City and the small towns and crossroads in between that have struggled for years. One look at long-term poverty rates, unemployment rates, food assistance or about any other measure, and the counties in the northeast corner of our state jump out at you.

But run your finger down the most recent list of North Carolina counties with the highest number of citizens living in poverty and it won't take long before you get to Orange County. That's what I don't understand.

We talk about it here more than people in most places do. We have resources here. We have a community with a long history of compassion and a wealth of dedicated volunteers. We have organizations – public, private and secular – dedicated to serving those in need.

And yet we sit in the top tier, with one out of every five citizens living below the poverty line. Only Roberson, Wilson, Wilkes, Rowan, Pitt, Gaston and Cleveland counties have higher poverty rates than Orange County. According to a recent study by the N.C. Budget and Tax Center, the number of people living in poverty in this county jumped 42 percent between 2007 and 2010.

When you start getting deeper into the numbers, breaking them down by age or race or family structure, they look even worse. They're shameful, in fact, especially when it comes to children.

The numbers match up with what you hear from teachers and social workers and people on the front lines of assistance: There are hundreds of hungry children in Orange County, maybe thousands.

One of the most powerful moments I witnessed during the tour of the high-poverty counties to our east was when a man who runs a boxing club for kids in Elizabeth City stood up at a forum



to talk about the hungry children he encounters and the impact of hunger over time to a young person's body and soul. He was followed by the head of the local Smart Start agency, who described the link between obesity driven by poor and inadequate diets to early onset puberty and a rise in teen pregnancy.

"The symptoms of poverty," he said, "are blowing us apart."

I'm not sure exactly how Orange County got to where it is.

Like I said above, we've got resources, and not just financial, but agricultural as well. Amid such abundance, it just doesn't make sense that kids should go hungry here. I'm not sure how to solve all the symptoms of poverty, but feeding children in need healthy meals ought to be something we can pull off.

The more I've looked at the impacts of poverty, the more convinced I've become of the danger in ignoring its recent rise in our community.

In the coming months, as the political season starts up, we're going to hear a lot of talk in the commissioner races about taxes and the need to tighten our belts. School will be a big topic, as will growth and environmental concerns. But we'll probably hear very little about this county's growing ranks of people in poverty.

Over the past few years, as the recession deepened, budgets tightened and we cut deep into a lot of programs that serve people in need and work to prevent those on the margins from sliding deeper into poverty. We need to question whether continuing to underfund those services makes any sense.

The cuts make services harder to get at a time when the demand for them is going up. That means more of our neighbors who need health care or food or refuge will be turned away at those crucial make-or-break moments. The cruel reality is that the farther you fall, the harder it becomes to battle your way back.

We have to face up to this challenge, and that starts with being honest with ourselves.

LETTERS

Creative project needed for Greensboro/Weaver

As residents of Carrboro for 26 years on Oak Avenue, a downtown neighborhood that will be directly impacted by the proposed CVS development, we feel compelled to speak out so that the neighborhood perspective about this proposed development isn't lost in all the recent uproar around the "Occupy CVS" movement.

First and foremost, the neighborhood residents are not opposed to development in downtown Carrboro. We want there to be a vibrant downtown with the arts, restaurants, entertainment and business all cohabitating together and diversifying the tax base.

We are opposed to the proposed CVS development because it is a 24/7 business that will bring dense traffic and cars that will be shining their lights and creating relentless noise pollution into our homes around the clock, day-in and day-out. We are opposed because we know that this project will create significant traffic problems and threaten pedestrian and bike-rider safety – a value we have all repeatedly upheld. We are opposed because the developer has all but ignored that much of the surrounding property in this block is currently zoned residential and that a residential home with office space will continue to be located like an island in the midst of the proposed commercial development. CVS developers want the town officials and all of us who live in the surrounding neighborhoods to forget about the Downtown Neighborhood Protection Overlay District ordinance, which we fought hard for, that protects neighborhoods from commercial development.

For more than a year, neighborhood residents have been working with the town and CVS developers to find a middle way in which the quality and character of Carrboro can be preserved, where neighborhoods in which people now live, play and work are protected, AND where compatible, community-friendly development can occur. We urge all who are concerned about downtown development to join us at the first public hearing on March 27 in saying "No" as CVS requests rezoning of this property to allow only commercial development. But let's say "Yes" to being creative and unified in calling on our town leaders, developers and citizens to create a new partnership and unified vision that brings out the best in all of us for this vitally important block in the heart of downtown Carrboro.

MICHELE RIVEST AND JOHN ALDERSON
Carrboro

Bruce Thomas inspires joy

If I had to describe Bruce Thomas in one word, I would choose intensity.

He has dedicated his life to, well, the pursuit of life – true life. How many of us can say that? How many of us have removed ourselves from the rat race, even for a day, to simply enjoy living?

Bruce does it every day. His passion and joy are focused into his dancing. It is so clear that he does not dance for attention or even recognition.

He dances for the sake of dancing. He dances to share his joy of being alive. He dances to inspire joy in others.

If we don't allow someone to share joy with others, or to be him- or herself, or to simply express joy in a "different" way, then what makes us any better than Orwell's Big Brother? What makes us any better than Castro? What makes us any better than a drug lord?

Life. Joy. Expression. Who are we to judge?

JANA MURDOCK
Efland

No room for more traffic

Carrboro is the large ego of the Piedmont. There are a limited amount of roads in Carrboro. – but with the PTA project, townies are like "hip-hip hooray"; the building project by the Car's Cradle, townies are like "hip-hip hooray"; and the project across from Open Eye, townies are like "hip-hip hooray." Those three projects are going to cause an unbelievable amount of traffic on already overtaxed roads, but the CVS project gets a "BOO" from townies. The main corner was once owned by the darling of town, Weaver Street Market (they did nothing with it). The people in town have turned into a town of hypocrites.

All of the proposed projects suck – there is not any more room in Carrboro for vehicle traffic. That is why it is a small town (which could be a good thing, if the right plans were in place).

STEVEN SCHRENZEL
Snow Camp

Thanks from Meals on Wheels

Chapel Hill/Carrboro Meals on Wheels would like to thank the MLK University/Community Planning Corporation for honoring us with one of their Bridge Builders awards at the 27th annual Martin Luther King Jr. memorial banquet on Jan. 15. MOW has been serving the local community for 35 years delivering hot, nutritious meals to those individuals unable to prepare meals for themselves. Without our group of dedicated drivers, bakers and donors, this endeavor would not be possible. We appreciate the recognition given by the MLK Corporation to all these wonderful people who give their time and resources to help serve others. Our thanks again to Ms. Terri Houston and the Board of Directors of the MLK University/Community Planning Corporation and to Mrs. Lillian Lee and the Awards Committee for this honor. To learn more about Meals on Wheels visit our website, chcmow.org.

STACEY YUSKO
Director, Meals on Wheels
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Community rights vs. property rights

BARBARA TRENT

Whatever sympathies toward the protesters who occupied the abandoned Yates Motor Co. building or feelings about the heavy-handed response by the police one might have, the incident raises some serious issues as to whether property owners have a responsibility to see that their properties are used for the betterment of the local community. I am encouraged by the comments of Carrboro Board of Aldermen members Dan Coleman and Sammy Slade and Occupy supporter Geoff Gilson regarding these issues. We need to find civil solutions. In Central America, Nicaragua faced and resolved a similar issue 30 years ago.

David Kasper and I went to Nicaragua in 1983 to shoot our first documentary feature, *Destination Nicaragua*. What we found then reminds me of Chapel Hill's plight with the Yates building.

By the time dictator Anastasio Somoza was run out of Nicaragua in 1979, his family personally owned about one third of the land in the country. His rich friends pretty much owned the rest.

At that time the new government was dealing with situations not so different than the ever-empty Yates building. When Somoza fell in Nicaragua, he and his cronies looted everything they could, moved to Miami and left behind only what they couldn't move, namely the land and empty buildings. Their intention was to keep their properties vacant so that they could not be used to serve the community under a new government that they opposed.

Nicaragua countered this strategy by passing laws requiring farmland be farmed, houses be lived in and factories be in operation in order for the owner to retain ownership. If after several years those requirements were not fulfilled, the owners lost all rights to the property and it was used for the betterment of the population. Farmland was deeded to large co-operatives of people to farm, and buildings were turned into clinics, museums, schools, libraries and homes. Those properties served the people who lived in Nicaragua. This process does not seem so different from our eminent domain laws.

In the 1980s Nicaragua was experimenting with a mixed economy where private and public ownership of property and services was established with the aim of guaranteeing basic rights, services and opportunities for everyone while still promoting and rewarding private enterprise. Unfortunately, for 10 years the U.S. ran an illegal covert war against Nicaragua that sabotaged economic assets and terrorized innocent civilians, killing thousands, so we don't know how these economic experiments might have played out.

When I look at that empty Yates building in the heart of downtown and hear about all of the empty foreclosed homes across the country, I can't help but wonder if we too need to find new strategies so that no one is allowed to plunder and abandon our communities. At the very least, abandoned buildings should be taxed at a much higher rate than occupied and functioning buildings. Abandoned buildings require more police protection. They are fire hazards. They attract predator-related crime. But mostly, they are robbing this community of it's potential. We must have policies that penalize the practice of leaving buildings abandoned, and encourage the appropriate uses that will benefit our communities.

Barbara Trent is an Oscar-winning filmmaker and seasoned activist.

LETTERS POLICY

Letters should be no more than 425 words in length and emailed letters are preferred.

LETTERS
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