

'I think it's an insult to the children ... (and) people of this state'

SAT. July 2, '94

Clock outruns state legislators

■ Blue chastises Senate's cutting Basic Education Program from budget plan, which failed to be passed

By David Rice
JOURNAL RALEIGH BUREAU

RALEIGH

The speaker of the state House walked away from budget negotiations in disgust last night, inviting Gov. Jim Hunt to call legislators back to Raleigh if he wants them to decide what to do with a \$1.2 billion surplus.

But the president pro tem of the Senate said that the Senate would be back in session Tuesday and attempt to work out a new budget agreement.

House Speaker Dan Blue, D-Wake, grew angry after the Senate sent a budget proposal that included no new money for the Basic Education Program, a long-term effort to reduce class size in public schools.

"I think it's an insult to the children of this state," Blue told House budget negotiators. "I think it's an insult to the people of this state."

The House had proposed to put \$56 million into the plan. Blue suggested that members of the Senate are more interested in playing golf than in resolving budget disagreements.

"The governor has the power to call us back," he said. "Then, perhaps, when we come back, they (senators) will be more willing to do what is good for this state."

For years, the General Assembly has run weeks past its target dates for adjournment of sessions. But legislators adopted a last year that set a specific time and date for adjournment of the 1994 session: 4 p.m. Friday, July 1.

Sen. Marc Basnight, D-Dare, the president pro tem of the Senate, said the Senate will be back after the holidays.

"We're going to call ourselves back to use him (the governor)?" he said, noting that a petition of three-fifths of the Senate could call it back into session. Noting that the legislature has worked for two sessions on this budget, he said, "I don't believe you lose it all because of a date set."

INSIDE

■ Dozens of issues remained unresolved as the Legislature tried to adjourn for the year. **Page 6.**

■ House gives tentative OK to creation of a new Ports Authority. **Page 22.**

Assembly races clock in search for budget

■ House, Senate, which will adjourn today, differ on money for schools, one-time projects

THE ASSOCIATED PRESS

July 1, '94

RALEIGH

House and Senate leaders spent much of yesterday hunting for a compromise on their widely different budget plans as they tried to adjourn the legislature by the weekend.

House Speaker Dan Blue, D-Wake; Sen. Marc Basnight, D-Dare, the president pro tem of the Senate; and the four co-chairmen of the House and Senate budget-writing committees spent more than seven hours in closed-door meetings.

"We're talking about taking the low number between the two budgets," Basnight said after one session ended. "That's what we're talking about now."

Taking the low number means that programs included in one chamber's budget, but not the other, probably would not be paid for. Basnight said he expects some money for poor and small school systems, which would get \$10 million under the Senate plan but nothing in the House plan.



MARC BASNIGHT

"I am more optimistic now than I was at 8 a.m.," Rep. Dave Diamont, D-Surry, a co-chairman of the House Appropriations Committee, told House budget negotiators after a two-hour meeting with the Senate leadership.

Both sides agreed that they are running out of time as they push to meet an adjournment deadline of 4 p.m. today.

Blue has insisted that legislative leaders are serious about meeting today's deadline and getting home for the summer.

The two sides approved a bill last night that would continue some spending, mainly in federally supported programs, in the new fiscal year that began at midnight.

The bill mainly covered federal grants and state spending not in dispute between the chambers.

House and Senate budget negotiators were appointed earlier this week after the two chambers passed radically different proposals.

The House plan spends about \$179 million more

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than the Senate plan would and puts much of its money in increased salaries and public schools.

The Senate plan includes much more spending on one-time projects, particularly local projects in senators' home districts. It also sets aside an extra \$34 million in savings for emergencies.

The House proposes to give teachers an 8 percent raise and state employees 4 percent with a \$480 flat bonus.

The Senate proposal gives teachers and state workers 4 percent with a 1 percent bonus.

The negotiations continued last night as the House and Senate debated long lists of bills that usually are a sign of a pending adjournment.

Virtually all committees in the two chambers had cleared out all the bills assigned to them, killing many, but sending others to the floor.

BUDGET

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Rep. Dave Diamont, D-Surry, said that even if the House and Senate cannot agree on the new budget, the budget passed in 1993 includes spending for fiscal year 1994-95, which started yesterday.

"We have a budget," he said. "The state can operate."

As budget negotiations between the Senate and House over how to use \$1.2 billion in surplus money dragged on behind closed doors this week, fear grew that the session could drag on for days — or weeks.

Some legislators worried that the House, where Republicans hold 35 percent of the 120 seats, couldn't come up with the two-thirds vote required to extend the session.

Some worried that failure to agree on the budget before adjourning would invite Hunt to call the General Assembly back to Raleigh, complicating negotiations further and making Hunt look like a peacemaker.

But at 11:32 a.m. yesterday, Basnight told the other senators: "The time has come to go home."

At 3:50, Blue and Basnight had the clerks stop the clocks on the walls in their respective chambers.

Blue told House pages that if anyone ever tells them that time doesn't stand still, "you tell them you saw time stand still at 10 minutes to 4 on July 1."

"You will notice, senators, that the clock is not moving now," Senate President Pro Tem Marc Basnight said at about 3:54 p.m. "It's not stuck. It's where it's at. The day will not complete itself until sometime later."

Earlier yesterday, Basnight had said he was serious about adjourning on time.

"We're going home at 4 p.m. You can write that one on the front page of the damn paper," he said.

Shortly after the House received a Senate budget proposal at 7:30 p.m., Blue told House conferees that it wouldn't do.

"If in fact those needs are as legitimate as I think they are, then I think we have the responsibility to stay as long as we need to," he said.

Rep. Martin Nesbitt, a co-chairman of the House Appropriations Committee, told the conferees, "I'm ashamed of this, but to try and get out of here, we offered \$5 million for the Elizabeth II museum," a project in Basnight's district.

Basnight told the Senate last night that Blue intends

UNRESOLVED: Legislature likely to leave issues in limbo

THE ASSOCIATED PRESS

RALEIGH

The General Assembly churned out bills as fast as it could last night after legislative leaders decided to give up their attempt to pass an adjustment to the state budget.

With a possible adjournment for the year looming, the legislature quickly passed new laws that rewrite North Carolina's workers' compensation statutes and allow homeowners to use deadly force to protect themselves against intruders.

The workers' compensation bill would affect people who are injured on the job. Sen. George Daniel, D-Caswell, filed it to help businesses, which watched their insurance rates double between 1990 and 1993. The original bill angered workers' advocates, who fought provisions that would save businesses money by cutting benefits.

But special-interest groups representing business, labor, insurance and trial lawyers reached a compromise several weeks ago. "This bill has traveled a long hard path," Daniel told the Senate. "It's very important for the little people — the small businesses that can now go about expanding their businesses."

The legislature also passed the controversial intruder bill, which Sen. Don Kincaid, R-Cald-

well, filed last year after a Durham homeowner was charged with killing a youth he caught breaking into his garage.

The House and Senate convened four hours earlier than usual in an effort to clear their calendars of dozens of bills before adjournment. Both chambers worked on bills to bring North Carolina's voter-registration statutes into compliance with new federal regulations. The U.S. Justice Department has promised to sue states that don't comply. The regulations require the state to expand the number of places where people can register to vote, such as social-service agencies and Employment Security Commission offices.

The House showed no signs Friday of continuing the debate over a proposal to repeal or reduce North Carolina's intangibles tax, a levy on the value of stocks, bonds and other investments. The Senate passed a bill earlier in the session to repeal the tax, which senators said discourages wealthy retirees and businessmen from moving to North Carolina. House leaders have rejected the Senate's proposed method of recovering the lost revenues, saying it would shift the tax burden from the wealthy to the middle class.

A House committee on Thursday defeated a proposal to reduce the tax in some cases.

to end the session as soon as the two chambers finish work on a few bills.

"I believe a period of rest is in order for us at this time," he said.

But he reminded them that the governor or a petition from the three-fifths of the members could call the legislature back into session.

Basnight told the senators that their negotiators had agreed to larger raises for teachers and state employees than their original budget called for. "I thank you for giving all that you had to try to reach a compromise tonight, but that was not to be," he said.

■ Information from *Journal* reporter Terry Martin and from *The Associated Press* was used in this story.

BUDGET WORK

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The "third-year bump" was removed from the pay scale when the state ran short of money. It means that every teacher with more than three years experience would get a minimum 8 percent raise this year.

"We tried to put education back into the budget," Nesbitt said. "That was the missing link in the governor's budget. It was the missing link in the Senate budget."

THE PROPOSALS, WHICH the full House Appropriations Committee began debating last night, would give state workers a 4 percent raise and a 2 percent bonus, double the bonus money recommended by Gov. Jim Hunt and the Senate.

Nesbitt said that the proposals must be approved by members before going into the budget.

"As with everything else that gets out there, if the members don't want it in there, it can be taken out," he said. Other proposals in the House budget will include:

□ 12 new Smart Start programs, but no increased financing for the 12 pilot projects approved last year, one of which is in Davidson County. Instead, \$6 million will be used to reduce day-care waiting lists in counties that do not have Smart Start programs.

□ No new construction money for the University of North Carolina system or community colleges. Those systems were included in a bond package approved by voters last year. The budget approved by

the Senate set aside more than \$51 million for the UNC system. The Senate included \$4.5 million for a new student center at the N.C. School of the Arts, \$2 million for equipment at the School of the Arts' film school and \$2 million for an addition to the Atkins Building at Winston-Salem State University.

□ Large salary increases for workers in the judicial system. "It's big. It's really big," Nesbitt said. "I can't say exactly what they are, but it won't be as big as they want."

□ Construction projects, including renovation of the old Education and Revenue buildings in Raleigh, a new Natural Science Museum and completion of a new complex for the State Bureau of Investigation.

□ \$5 million for state parks.

□ \$7 million in money for the information highway, which would be limited to \$50,000 grants for each school, prison or agency that wanted to connect to the fiber-optic telephone network. The state would not pay monthly phone charges for the connections.

□ \$5 million for an industrial-recruiting fund, instead of the \$10 million Hunt and the Senate sought.

□ About \$20 million for school technology.

SENATE LEADERS SAID they would wait to see the final budget documents before commenting on the House plan. Hunt said he had been advocating an education budget for six weeks.

"I'm glad to see that the House has responded with such force and has come up with even more education initiatives," he said in a prepared statement.

But he said he was worried about House proposals not to finance more UNC construction, Smart Start expansion or an increased recruitment fund.

Assembly hasn't adapted to new budget process

By Dennis Patterson

THE ASSOCIATED PRESS

RALEIGH

As the General Assembly blustered toward its supposed adjournment last Friday night, lots of people were asking the same question:

Is anybody in charge here?

The answer appears to be yes — and no.

At the 11th hour, the House speaker, Dan Blue, and the Senate president pro tem, Marc Basnight, agreed to support a resolution extending the legislative session beyond an arbitrary deadline they had

both agreed to set last July. But before they did it, there were angry threats about going home and letting the governor or legislators themselves call a special session to finish a new budget.

Most legislators took the threats seriously. And most also agreed that it would be political folly for the General Assembly to leave town without approving raises for state workers and teachers, who have received only nominal increases during tight economic times.

But the brinkmanship played by the House and Senate nearly ran the General Assembly over the cliff.

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TUES.
July 5, 1994

**NEWS
ANALYSIS**

BUDGET

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Both sides agree that the bitter haggling between the General Assembly's two chambers shows the decline of outside forces that used to control what happened in the legislative building.

The governor, lieutenant governor, legislative leadership and most of the legislators are Democrats.

But the days when party leaders could get together and decide what direction legislation would take are long gone.

Party leaders, in fact, can't even seem to agree on what the party's philosophy is.

Democrats in the House say that their budget, with its emphasis on public schools and increased spending for a variety of programs to help people, is in keeping with the party's historical positions.

Senate Democrats, however, sound absolutely Republican when they insist that what people want is

tax relief and less spending by government.

The Senate, even more than the House, appeared prepared to walk away without a budget to keep nearly \$1 billion in available money from being spent.

Gov. Jim Hunt did some brokering behind the scenes last week. But he did not take the unusual step of coming to the legislature and negotiating in person, as he did during the crime session.

The threat of Hunt "riding in on a white horse to call a special session," as one legislator described it, became a factor in convincing legislative leaders that they needed to extend the session on their own and finish the budget.

As the party's influence is gone, so are the days when a handful of legislators in the Senate and House choreographed the session.

The budget process in those days, before a group of dissident Democrats toppled longtime speaker Liston Ramsey in 1989, was clean and efficient.

A few well-placed senators and

House members knew what the entire budget package included. Most of the rest of the legislators worried only about their pet projects.

Budget bills were rubber-stamped quickly by committees and the full chambers without even being read carefully.

The leadership of the House and Senate might fuss for a week or so over a specific item that one wanted and the other didn't. But the main thrust of the budget — the big pieces that affected the whole state — had been worked out even before the session began.

That system has been replaced with a more open process that lets anyone who is interested know what the budget contains.

The leadership still makes key decisions on major sticking points, but those decisions have to be run back through the committee system. It is virtually impossible to keep secrets.

The openness has created an unintended consequence — fierce competition between the House and Senate over the budget.

Each side wants to produce a better, more popular, budget than the other. And each is willing to undermine the other for competitive advantage.

It doesn't matter that most voters don't care whether it was the Senate or the House that came up with the best idea for handling the state's money.

Both sides argue that the game — who "wins" and who "loses" on the budget — is important for prestige and power within the government complex.

Veteran legislators say that the legislature is just going through growing pains with its new open attitude.

Younger members say they have no intentions of returning to the old days when efficiency and harmony were achieved through coercion and secrecy.

But they also agree that some form of internal structure is needed to end the House-Senate cat fights that threaten to weaken the legislative branch.

STATE & LOCAL

Senate plan for raises would dominate budget

■ Legislator tells House panel proposal would leave little money for the Basic Education Plan

THE ASSOCIATED PRESS

RALEIGH

A Senate proposal to increase the proposed amount for raises for state workers and teachers takes up most of the money that the House had proposed for public schools and other programs, House negotiators were told yesterday.

"The Senate has hauled off and spent \$30 million more in salaries, which means you can't fund the Basic Education Plan," Rep. Martin Nesbitt told the House panel. "That's the choice you're going to have to make. Just get ready for it."

The House and Senate originally had proposed 4 percent in permanent raises for state workers. The Senate would have added a 1 percent bonus, and the House offered a flat \$480, which is equal to an average of 2 percent of salary.

The Senate initially offered 4 percent raises for teachers and a 1 percent bonus. The House proposed shifting other teacher money within the budget to give most teachers an 8 percent raise and 2 percent in

merit-based raises. But the Senate offered Thursday night to increase its salary offer to 5 percent for state workers and 7 percent, with 1 percent merit pay, for teachers.

The budget proposal includes \$1 million for a video-imaging center and \$500,000 for an engineering research center in Winston-Salem, as well as \$300,000 for Old Salem, \$2.5 million for the Randleman Dam, and \$150,000 for the BASS Masters Classic fishing tournament.

It also includes \$26.4 million for a new student activity center at Appalachian State University, an item that the Senate did not include in its original proposal.

Both houses of the legislature are trying to decide how to spend nearly \$1 billion in extra money this year. But that pot is divided into recurring money, which the state can count on collecting year after year, and one-time money, which generally is spent on equipment and construction. Permanent raises come from the recurring pot, and bonuses come from the onetime money.

The House had proposed shifting programs between the two types of money and creating \$48 million in recurring money by reducing the state contribution to the employee health plan and retirement system. The Senate has refused to accept those reductions.

Without the reductions and with more money tied up in salaries, Nesbitt said, the House plans to spend

\$55.8 million to reduce class sizes and to implement other Basic Education Plan projects that can't be financed. Neither can dozens of smaller programs approved by the House, ranging from increased spending for foster care to reducing the waiting list for subsidized day care.

In fact, the House would be \$75 million short of what would be needed for all of those plans.

"Those things (the smaller projects) really may be more important than the BEP," Nesbitt said. "Rather than a few teachers scattered here and there under the BEP, you're talking about a lot of programs spread around the state that affect a lot of people."

Daniel said that the Senate had chosen to sweeten salaries rather than expand other programs. "We very quickly realized we couldn't do it all within the money that was really there," Daniel said. "We chose to focus on adjusting salaries."

"We made a commitment in '91 when things were so tough," he said. "We didn't lay anybody off, but we cut health benefits and we did nothing with salaries. We made assurances, either direct or implied, that as soon as we could we'd make it up to them."

After spending all day studying the Senate proposal, House negotiators agreed to return Monday night and prepare a counterproposal. From the questioning yesterday, it appeared certain the House will reject the Senate proposal.

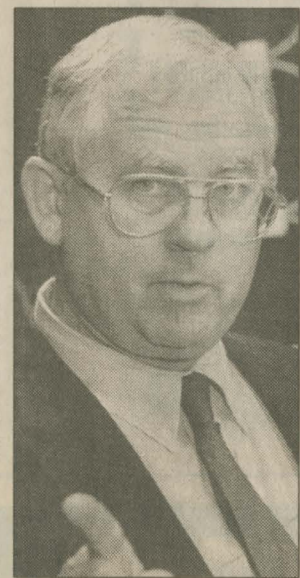
SECOND OPINION

'Bomber Joe' is headed out of the General Assembly, but he's not going quietly

STILL FIGHTING

Any good fighter pilot knows his luck can run out at any time. One good hit is all it takes.

"Bomber Joe" Mavretic, who flew more than 300 combat missions as a Marine in Vietnam and eagerly volunteered for hazardous duty in the jungles of the N.C. General Assembly, has been shot down. A member of the state House since 1980, Mavretic lost his bid for an eighth full term in the Democratic primary last May.



AP PHOTO

A MAVERICK: Joe Mavretic has followed his own course.

Davis, whose clients include Honeywell Inc., a manufacturer of heating and air-conditioning systems, has been pushing for a bill that would allow local governments, school boards and community colleges to enter into direct contracts with such companies to buy equipment and develop energy-efficiency plans. Mavretic opposes the bill in its current form.

After Mavretic was appointed to a conference committee that is drafting a compromise version of the

But don't call Mavretic a lame duck until he hits the ground. Serving out what are probably his final weeks in the legislature, Mavretic is still making waves and ruffling feathers by doing what most legislators don't: telling the truth.

Mavretic recently went public with his vociferous objections to blunt lobbying tactics by Lawrence Davis, a former Forsyth County state senator and ex-chairman of the N.C. Democratic Party who now works out of the Raleigh office of the prestigious Winston-Salem law firm, Womble Carlyle Sandridge & Rice.

Davis, whose clients include Honeywell Inc., a manufacturer of heating and air-conditioning systems, has been pushing for



Art Eisenstadt

telling the *Raleigh News & Observer*: "I'm offended that anybody who has been around North Carolina politics as long as Lawrence Davis has would stoop to that kind of tactic to get a bill passed that he was paid to lobby for."

An embarrassed Davis described the packet as a sort of friendly, inside, back-slapping joke — though Womble Carlyle quickly assigned another lawyer to handle the disputed bill. Mavretic saw it the way most people would outside official Raleigh, which is more and more taking the fatuous customs of official Washington.

Mavretic is best known, of course, for leading the coup of Republicans and dissident Democrats that unseated autocratic House Speaker Liston Ramsey in 1989. But he has always followed his own course in the House, before and after his two-year term as speaker.

An eclectically curious individual with a touch of the Jeffersonian Renaissance man about him, Mavretic has always viewed serving in the House as a sort of intellectual exercise. He also does not suffer fools gladly. That tendency has made politics a curious game for Mavretic, since mental midgets are not disqualified from playing.

While most of Mavretic's colleagues rightly admire his intellect and energy, they also considered him something of a pain in the posterior. A typical Mavretic floor speech is not brief, and engaging him in debate is risky

legislation, he received a curious package from Davis. The envelope included a copy of a 1993 letter in which Womble Carlyle agreed to help sponsor a fund-raising dinner for Mavretic, duplications of two \$250 campaign-contribution checks written by Davis' law partners, and an essay about the teaching of the apostle Matthew to "agree with thine adversary quickly."

Most legislators would have just brushed it off as business as usual or, worse, taken the obvious hint and switched their position. Mavretic went to the press,

— because he is typically better prepared and better informed about whatever topic he is discussing than most other legislators.

These skills, which Mavretic has applied to a dizzying array of topics ranging from tax reform to organic farming, have not often translated into effectiveness, because Mavretic factors out political considerations in pursuing his ideas. The pursuit of power *per se* doesn't stimulate him. Ideas do.

When the U.S. Supreme Court handed down its landmark *Webster* decision in July 1989, partially restoring states' ability to regulate abortion, Mavretic — then speaker — attempted to appoint a diverse special committee of legislators to study the implications of the decision and hold hearings on how North Carolina should proceed. One after the other, the appointees approached Mavretic and begged off — obviously terrified to handle such a political hot-potato. Mavretic looked palpably disgusted. The committee never met.

Mavretic might have dropped one bomb too many when he wrote a local newspaper column last winter accusing powerful political leaders in his home county of plotting "to regain a white majority on the Edgecombe County Board of Commissioners" and needlessly stirring up "racial division."

Knowing next to nothing about Edgecombe County politics, I'd be willing to put considerable money down that Mavretic was right on the mark. But the column was the last straw for local business leaders, the N.C. Association of Educators, and other long-time Mavretic targets with outsized influence in the Democratic primary. State Rep. Vernon James of Elizabeth City, an old Ramsey ally, even circulated a highly critical (and largely baseless) letter questioning Mavretic's competence to represent his tobacco-growing district's considerable agricultural interests.

Mavretic lost to Norris Tolson, a retired corporate executive who is likely to be good for the legislature's go-along-to-get-along custom. Mavretic's opponents may be laughing, but they look more like jokes than he does.

■ Eisenstadt is a *Journal* editorial writer.

BOTTLED UP: Liquor loopholes lose in legislature

By Terry Martin
JOURNAL RALEIGH BUREAU

Fr. July 8, 1994

RALEIGH

Sometimes they are disguised in shadowy language. Other times they're as bold as a barroom bully.

But just as sure as the legislature reaches the last-call stage, attempts to amend the state's liquor laws are uncorked.

Unlike last July, when loopholes for tennis clubs and for restaurants along the Blue Ridge Parkway made it into the alcoholic-beverage laws, two attempts were bottled up yesterday.

The bills would have opened pockets of mixed-drink sales in predominantly dry Randolph and Ashe counties.

The House voted 59-38 against a bill that would have allowed county commissioners in Randolph County to

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LIQUOR LAW

Continued From Page 1

create a "zoo-area development zone" around the state zoo for the purpose of allowing the sale of beer, wine and mixed drinks.

Supporters said that investors are ready to build a convention center near the zoo, south of Asheboro, if alcohol sales are permitted. However, voters in Asheboro have rejected mixed-drink sales in three separate referendums.

Minutes after defeating the bill, the House voted to call it back and sent it to a committee, where it is supposed to be stripped of the zoo provisions next week so that uncontested provisions affecting alcohol permits in Wilmington and Carolina Beach can be enacted.

Rep. David H. Diamont, D-Surry, single-handedly blocked a separate bill that the Senate amended to allowed mixed-drinks in part of his district.

Diamont, appearing before the House Local Government and Regional Affairs I Committee, said: "The bill's not going to pass. I want to kill it in public like this." He stomped the carpeted floor of the committee room.

REP. VERNON G. JAMES, D-Pasquotank, said that the bill would be left in committee without action.

"It's dead one way or the other," said James, the only member of the committee present.

The bill would have created a "special ABC area" in Ashe County, but it does not name the county.

Rather, it defines the area as consisting of more than 500 acres which has fewer than 500 permanent residents who pay dues to an association or club "located in a county that borders two other states and that has

at least one city that has approved only the off-premises sale of malt beverages and unfortified wine."

Diamont said that description matched only Jefferson Landing, the golfing community near Jefferson.

The amendment surfaced during 14 hours of legislative exchanges Friday when state Sen. Frank W. Ballance Jr., D-Warren, added it on the Senate floor to a bill that otherwise pertained to alcohol sales in the town of Hamlet.

BALLANCE, WHOSE DISTRICT is 200 miles east of Ashe County in northeastern North Carolina, said that he introduced the amendment at the request of "friends."

"I feel like alcohol is a legal product and if the people approve of it we ought to put it in a bill," he said.

Both senators whose district includes Ashe County said they were caught by surprise.

"I know some discussion has come up about Jefferson Landing, but Frank didn't put that amendment in on my behalf," said Sen. A.P. "Sandy" Sands III, D-Rockingham.

Sands, who is seeking election to the 5th District seat in Congress, is recorded as having missed the vote on the bill.

Sen. Fred Folger Jr., D-Surry, said he voted for the bill without closely interpreting the amendment.

"He (Ballance) didn't do it at my request," Folger said yesterday. "They approached me about it in 1993 and I told them I couldn't do it. They haven't been back."

Tom Franklin, a management consultant for Jefferson Landing who recently moved there from Florida, said last night that he had not expected the issue to arouse such emotions.

"I'm surprised this is still an issue in North Carolina," Franklin said by phone.

ADJOURN

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business got done.

Legislators upped the penalties on computer-related crimes. Breaking into a computer system to change educational records or introduce computer viruses will be a felony come Dec. 1. Those crimes are now misdemeanors.

In 1995, the state Division of Motor Vehicles will put Social Security numbers on drivers' licenses, a practice used by 33 other states. State officials argued this will make for more efficient record checks, especially in tracking criminals.

Tourists to the Outer Banks may one day pay tolls to drive across Currituck Sound to Corolla. It will be the state's first toll bridge, a precedent that elicited some grumbling from a number of legislators.

The toll bridge could be built under a bill approved Saturday that allows the Department of Transportation to levy round-trip tolls of up to \$10 on the planned 8-mile bridge.

The General Assembly also brought the state's election laws into conformity with the National Voter Registration Act of 1993.

Under the new election law, the state Board of Elections will be required to set up a computerized list of all voters in the state. It also requires state workers to hand out voter registration forms to people applying for welfare, unemployment, programs for the disabled and entry to the Armed Forces.

State parks got a boost in a measure, the Parks and Recreation Trust Fund. Legislators deposited \$1 million in the fund and pledged to add more in ensuing years. The fund will be used to buy new park land, fix up existing parks and help out municipal recreation programs.

The Senate, which wanted to put \$15 million in the fund, griped about the watered-down financing but approved the bill as a small but important first step.

But not all bills were passed.

State Sen. Richard Condor, a Richmond County Democrat, killed his bill to allow the governor to appoint the state superintendent of public instruction, after the House rewrote it by stripping the state Board of Education of its powers and making it an advisory body.

Barring any last-minute hurdles, legislators appeared ready late Saturday to wrap up an eight-week session that House and Senate leaders swore would end by July 1.



Working on a Saturday is a snap for Sen. Elaine Marshall, a Harnett County Democrat, using a new camera during a General Assembly session. Legislators awaited a decision on the budget before adjourning the 1994 session.

THE ASSOCIATED PRESS

Part of the day was spent fielding phone calls from state employees angered that teachers received 7 percent raises while state workers made do with 4 percent raises, plus a 1 percent bonus.

"They're angry, and I don't blame them," said Rep. Erin Kuezmarski, a Raleigh Democrat.

As legislators waited for the eight-hour process of drafting and printing a budget bill, a lot of folks just sat around most of the day, except for Reps. Walter Church, Nelson Cole and Dewey Hill, who exercised their right to exercise. In the afternoon, they made brisk laps through the halls of the Legislative Building.

"It's a good way to relieve stress and move around a little," said Cole, a Reidsville Democrat.

Stress is taken seriously these days, after two legislators died of heart attacks during the final days of the special crime session in March.

Part of the day was spent saying goodbye to folks leaving office.

One of the most influential people leaving is state Rep. Dave Diamont, a Mount Airy high school teacher admired for his straight talk on budget matters. A 1993 quadruple bypass forced Dia-

mont to choose between his two passions: coaching high school football and practicing politics.

Diamont chose high school, but promised his colleagues on the House Appropriations Committee that they hadn't seen the last of him.

"I look forward to sitting in the back row there, being a regular citizen and continuously griping about how you spend our tax money," Diamont said.

Late Saturday night, legislators still had yet to work out several important matters.

Both chambers looked ready to pass a bill to exempt mentally retarded people from the death penalty.

Under a compromise proposed on the final day, a jury would decide whether the murder defendant is mentally retarded — roughly defined as having an IQ of 70 or less. If the jury decides that defendant is mentally retarded and that this condition significantly affected the person's decision to kill, then the death penalty could not be applied.

Some last-minute maneuvering appeared to rescue measures to register sex offenders and do background checks on day-care workers.

The sex-offender bill would require rapists and child molesters to notify their local sheriff. The information would be loaded into a statewide database to help law enforcement authorities track sex offenders, who, studies suggest, are more prone to repeat offenses than other criminals.

The day-care measure would require that day-care providers look into the backgrounds of people applying for jobs. The Department of Human Resources would do the background checks and tell employers whether the applicant had been convicted of crimes such as rape, child abuse, serious assault or drug charges.

Legislators also looked certain to leave behind a stack of undone business.

No action was expected on measures to eliminate the intangibles tax, drop the limit on campaign contributions from \$4,000 to \$1,000, and make candidates list the occupations of campaign contributors who give more than \$100.

These bills will have to wait until the next session begins, in February, a date some legislators already were looking forward to.

"I like it," said Sen. Roy Cooper. "I wouldn't do it if I didn't like it."

BUDGET

CONTINUED FROM PAGE 1A

But House leaders said they can't imagine why Berlam, or any of the workers he represents, would think that. They deny that they've done any favors for teachers or put them ahead of other state workers.

Teachers' raises are bigger, said state Rep. Martin Nesbitt, an Asheville Democrat and one of the chief budget writers, because he and others changed the complex way money flows into teachers' hands.

First, they took 4 percent of the state's teaching payroll, which actually provides enough money for a 5 percent raise because of the rate at which older teachers quit and newer ones are hired.

To that, they added money that had been given to local schools as "Senate Bill 2" money — cash intended to be used as bonuses for especially good teachers. That added 2 percent to the pay schedule.

Then, they took an amount equal to 1 percent of the teaching payroll, and put it back into the Senate Bill 2 program after Senate leaders demanded the program not be killed or renamed.

That cash combination means teachers will get raises ranging up to 7 percent and a chance at the special bonus.

"It's unfortunate that the tone of [Berlam's statement] is that there's no respect for state employees in Raleigh," Nesbitt said. "He knows it's not so. You know it's not so. And they know it's not so."

The criticism meted out by Berlam and some of his members was about the only complaint directed at legislators or their

budget plan Saturday night.

Teachers, obviously, were happy with their good fortune.

And Gov. Jim Hunt walked away with money for some items on his wish list. The governor got \$19.1 million to expand Smart Start, his pet project for poor preschoolers, into 12 more counties. There's \$7 million for the information highway, envisioned as a fiber-optic highway connecting thousands of computers statewide. That money will be given to government sites as grants of up to \$100,000. Hunt also got \$7 million for his industrial recruitment fund or what legislators call "the governor's walking-around money."

Most lawmakers, who had sat idle for days while their leaders negotiated a deal, were happy another stint in Raleigh was ending.

Some, particularly House Republicans, complained.

"Why didn't this General Assembly have the courage to cut taxes?" House Minority Leader David Balmer, a Charlotte Republican, said as he encouraged colleagues to reject the budget. "We're not here just to spend money; we're here to represent the people of North Carolina."

But other members were happy, particularly those who had a bundle or two of cash to take back home and those who had promised to help schools.

House leaders boasted about the money they won for the Basic Education Program, created in 1985 to improve schools. This budget contains \$45 million for the BEP to hire 1,254 teachers, aides, social workers, counselors and others for schools statewide. They've been talking about doing something that dramatic, in the name of education, since they arrived in May.

"This is one of the most significant sessions, ever, from that standpoint," said House Speaker Dan Blue, a Raleigh Democrat.

Besides BEP money, the budget also contains money for a pair of the Senate's favorite programs, "low-wealth schools supplemental funding" and "small schools supplemental funding."

Located in mostly rural counties, many of them in the districts of Senate leaders, poor and small schools will get another \$10 million to share through these programs.

"This is the biggest dedication to public education, in my memory,"

He and others were effusive in budget, the way

Highlights of the budget deal

Legislators agreed on a \$1.2 billion supplement to the state's budget on Saturday that promised to pump millions into pay raises, schools, new programs and pet projects. Here's a look at highlights of the spending plan.

PAY RAISES

- Give most state workers pay raises of 4 percent, bonuses of 1 percent.
- Give teachers pay raises of 7 percent.
- Give community college instructors average pay raises of 8 percent.
- Give university professors average pay raises of 6 percent.
- Give cabinet secretaries pay raises of 10 percent.
- Give Council of State members pay raises of 12.5 percent.
- Boost pensions, for most legislators, by 44 to 50 percent. Annual costs will be \$776,000.
- Move the teachers' pay day from July 1 back to June 30. \$120 million. In 1991, the day was moved ahead as part of a bookkeeping gimmick.

EDUCATION

- Hire 268 social workers, counselors, nurses and others to help schools with troubled children. \$10 million.
- Add 986 new teachers and teacher assistants, through the Basic Education Program, to shrink kindergarten classes statewide from 26 to 23 students. \$26.3 million.
- Return textbook buying levels to those of 1985. \$9.5 million.
- Add \$7 million to "low wealth schools" formula for poor schools.
- Add \$3 million to "small schools" formula for tiny, but not necessarily poor, schools.
- Set up a new Education Technology Fund, from which schools can draw money to buy computer equipment. \$42 million.
- Buy 964 new school buses. \$22.6 million.

HUMAN SERVICES

- Extend Medicaid coverage to 100,000 more elderly, disabled and blind people and 32,000 poor children. \$22.8 million.
- Fund capital needs of N.C. Coalition 2001, a plan for improving substance abuse, mental health and mental illness services. \$6 million.
- Increase payments to foster care parents. \$2 million.

UNIVERSITY PROJECTS

- Plan and prepare site for new basketball arena/convocation center at Appalachian State University in Boone. \$9.6 million.
- Build Life Sciences Center at East Carolina University. \$4.8 million.
- Build University Center at UNC-Greensboro. \$5 million.
- Build Student Center and Film School at N.C. School of the Arts in Winston-Salem. \$4 million.
- Plan library at UNC-Charlotte. \$900,000.
- Help build N.C. State University's Centennial Center, a basketball arena in Raleigh. \$6.5 million.

ardent backer of giving more money to poor schools, couldn't say enough about the savings that were tucked away.

He and others were effusive in budget, the way

- Give \$400,000 to operating fund of Smith Center at UNC-Chapel Hill.
- Build Biotechnology Center at N.C. Central University. \$7.7 million.
- Renovate Hill Hall at the UNC-Chapel Hill. \$850,000.
- Plan renovation for Institute of Government, at UNC-Chapel Hill. \$700,000.
- Plan new building for UNC-Chapel Hill Law School. \$1 million.

SPECIAL PROJECTS

- Improve the Elizabeth II historic site in Manteo. \$5 million.
- Start building the Graveyard of the Atlantic Museum at Cape Hatteras. \$800,000.
- Help build a parking deck at Discovery Place, a Charlotte museum. \$2.6 million.
- Build a recreation complex at the Eastern North Carolina School for the Deaf in Wilson. \$3 million.
- Dredge and improve the Wilmington harbor. \$10.1 million.
- Erect a seawall at Fort Fisher near Wilmington. \$4.2 million.
- Set aside \$4 million for grants to historical, cultural and artistic groups and projects statewide.
- Expand staff at Industrial Commission and improve its computer system to erase growing backlog of work place injury cases. \$2.6 million.
- Build the Eastern North Carolina Agricultural Center in Martin County. \$3.6 million.
- Put \$214 million in a savings account. State law mandates at least \$156 million be saved, this year.
- Provide repair and renovation funds for state parks. \$1 million.

GOV. JIM HUNT'S PET PROJECTS

- Put \$7 million in the governor's Industrial Recruitment Fund.
- Add \$19.1 million to Smart Start, the fledgling program for poor preschoolers, to expand it to 12 new counties.
- Help build the Information Highway. \$7 million.
- Give yearly grant to Uplift Inc., an effort to stem poverty in Greensboro housing projects started by state Human Resources Secretary Robin Britt. \$300,000.

TRIANGLE PROJECTS

- Renovate old Education and Revenue Buildings in downtown Raleigh. \$20 million.
- Build the state Natural Science Museum, across Jones Street from the Legislative Building, in downtown Raleigh. \$30.9 million.
- Plan a state government visitors center. \$430,000.
- Reimburse Wake and Chatham counties for legal expenses tied to fight over low-level radioactive waste site. \$250,000 each.
- Help the Microelectronics Center of North Carolina lease a new supercomputer. \$2 million.

—COMPILED BY JOE DEW

Appalachian State University in Boone.

Until just a few days ago, there was no money for that project in the Senate or the House budget. Diamont, in fact, often cited himself as an example of sacrifice. He said he was giving up the ASU center — even though he retires this month — for the good of other, statewide programs.

On Saturday, he defended the switch.

For two decades, he said, ASU routinely ranked near the bottom, among state universities, when comparing state money taken out of the General Fund and spent on campus buildings.

"So yes, if I get the chance, you can bet I'm going to try to help them," Diamont said. "You're darn right I am."

Maybe he was just following the lead of Speaker Blue, who last month described the House's proposed budget as almost pork-free.

"We're not claiming total purity but, like Ivory Snow, it's 99 and 44/100ths percent pure," he said then. The final work product is a little less pure than that. Blue, for instance, directed \$8 million to N.C. Central University in Durham for a new biotechnology center. He's one of the school's best-known alums.

Then there's House Majority Leader Toby Fitch, a Wilson Democrat, who's taking home \$3 million for a new recreation complex at the Eastern North Carolina School for the Deaf. It's in his hometown.

Sen. George Daniel, a Caswell County Democrat and co-chairman of the Senate Appropriations Committee, carved out some small chunks of cash for his home folks as well as \$6.5 million for the Centennial Center, N.C. State University's long-sought basketball arena. Daniel is a State alum and supporter.

His boss, Basnight, also stuffed prizes into the pockets of people he represents. Among his biggest plums were \$800,000 for the Graveyard of the Atlantic Museum and \$5 million for the Elizabeth II historic site in Manteo.

The museum is planned for a stretch of the Outer Banks. The Elizabeth II is a replica of the ship that brought the first white settlers to North Carolina. It's docked on the town waterfront, not far from Basnight's house.

Basnight said it's a legitimate expense, given that the ship is the state's second most-visited historic site and can't serve its tourists.

"When it rains, they shut down, and that just kills it," Basnight said. "Just because I live down there doesn't mean everything."

they stashed for an emergency.

"You'll need it, in this decade," Basnight said. "The possible lawsuits . . . the changing times, the things you can't predict."

And while they didn't exactly boast about the money they're sending back to their home dis-

tricts, they did not apologize for it, either.

For instance, Rep. David Diamont, a Surry County Democrat and co-chairman of the House Appropriations Committee, got \$9.5 million for a new basketball arena and convocation center at

\$1.2 billion plan OK'd in Assembly

Education benefits from the budget the General Assembly approved Saturday, while a state workers' representative attacks teacher raises.

BY JOE DEW
STAFF WRITER

Legislators spent \$1.2 billion Saturday — pumping cash into school programs, schoolteachers' salaries and their own pet projects — then prepared to leave town for the year.

The budget blueprint they approved fattens the wallets of teachers, shrinks the size of kindergarten classes statewide and funnels more than \$1 of every \$10 into regional projects favored by Senate and House leaders.

The House voted 75 to 24 for the spending plan at 10:30 p.m. Saturday. The Senate voted 29 to 12 for it, 30 minutes later. Paperwork and debate over some last-minute bills were all that stood between legislators and adjournment.

During the budget debate, a few members in both chambers chastised legislators for not using the money to cut taxes.

But their colleagues charged ahead. Their plan boosts legislative pensions by nearly 50 percent and pushes the state's yearly operating budget to a new high: \$10.2 billion.

And the budget plan is likely to do one more thing: tick off roughly 85,000 state workers.

While teachers will get pay raises of up to 7 percent, most other state workers will get a pay raise of 4 percent coupled with a bonus of 1 percent.

"The message to state employees from the 1994 General Assembly will ring long and loud," Bob Berlam, the executive Director of the State Employees Association, said in a prepared statement. "It will say, in effect, that 'you are of lesser importance than others' . . . It will be a message that will leave a bitter taste in the mouths of thousands of professional state employees long after the General Assembly has gone home . . .

"It's a sad day for the employees of state government."

Near end, Assembly feels rush

BY MARY E. MILLER
AND JOSEPH NEFF

STAFF WRITERS

Nothing was short about the last day of the General Assembly's short session.

Late Saturday evening, legislators were creeping toward adjournment — 17 days and \$850,000 past their self-imposed deadline of July 1.

True to form, legislators turned a sunny Saturday workday into a moonlight marathon of lawmaking. Beginning at 9 a.m., they struggled to settle weighty matters that ranged from deciding whether mentally retarded murderers can be executed to paving the way for an Outer Banks toll bridge.

They passed a stack of laws to take home and brag about on the campaign trail.

And at midnight, they had approved a trust fund for long-neglected state parks. They appeared close to creating a registry to track sexual offenders. But the Senate had rejected a measure exempting mentally retarded murderers from the gas chamber.

The mood at the Legislative Building was deceptively quiet for much of the day. Both chambers got off to an early start, but little was done as lawmakers waited until 6 p.m. to get their hands on a 179-page budget bill.

"We've been through this before," said Nelson Cole, a Reidsville Democrat. "It's wait and see, wait and see, wait and see."

In between waiting and seeing, some of the public's

SEE ADJOURN, PAGE 7A



*State of North Carolina
General Court of Justice
Prosecutorial District 17B*

JAMES L. DELLINGER, JR.
DISTRICT ATTORNEY
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JAMES C. YEATTS, III
ASSISTANT DISTRICT ATTORNEY
A. MOSES MASSEY
ASSISTANT DISTRICT ATTORNEY
CHARLES M. NEAVES, JR.
ASSISTANT DISTRICT ATTORNEY

July 20, 1994

The Honorable David H. Diamont
Representative, 40th House Seat
P.O. Box 784
Pilot Mountain, North Carolina 27041

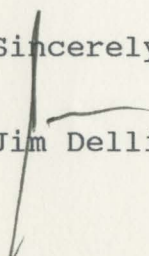
Dear David:

I appreciate you taking the time to call me recently concerning the calendaring of cases. For twenty years you and I have not always agreed on issues, but have maintained both a political and personal association. It is with great sadness that I will no longer be able to visit with my friend on my trips to Raleigh; however I suspect that you will find something to further your goals and ambitions that will keep us in contact with each other for many years to come.

I have written Wade, Andy, and Swanson, and asked them to come to Dobson to see the procedures we use in the District Attorney's Office in not only calendaring cases, but in preparing to represent the victims of crime in criminal matters. I know you are busy with football, but if you would like to tour the office, we would be glad to have you as our guest.

Over the last twenty years, you have always told me that you would do anything you could to help, and I make the same offer to you as you leave public service. Please call if you can come to Dobson. Look forward to seeing you.

Sincerely Yours,


Jim Dellinger

First United Methodist Church

KEY AND MARION STREETS

P. O. BOX 696

PILOT MOUNTAIN, N. C. 27041

TELEPHONE - CHURCH 368-4548

PARSONAGE 368-4070

7-18-94

David Diamont
P.O. Box 784
Pilot Mountain, NC 27041

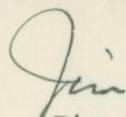
Dear David,

Yesterday's article in the Winston-Salem Journal about your leadership in the North Carolina State House was such a nice tribute to you that I just had to write and add my "Amens". The article said what your friends and church family have thought of you all along. We are so proud of you, your unselfish leadership and the way you have represented us. We are grateful for what you have done for us.

I have admired the way you have handled your illness and the priorities you have chosen for your family. May God bless and guide you as you continue your ministry within and beyond the church. A special word of appreciation to Debby for supporting you. I know she shares your vision for a happy and exciting new future.

I am always proud to say I'm pastor to the David and Debby Diamont family. Any way that I can be of service to you please let me know.

Sincerely yours,



Jim Boles



North Carolina Textile Manufacturers Association, Inc.

P.O. Box 31448, Raleigh, NC 27622-1448
Phone: 919/782-8416 Fax: 919/782-8488

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June 19, 1994

The Honorable David H. Diamont
P.O. Box 784
Pilot Mountain, NC 27041

Dear David:

Although your current term as a Representative has not ended, we want to take the occasion of the end of the budget session to thank you for years of dedicated service to your District and the State.

Your leadership and vision, especially in the State's fiscal affairs, has served North Carolina and her people well. We know that your good work was accomplished at both personal and financial sacrifice, which makes it all the more worthwhile.

We wish you continued success in the classroom, on the football field, and in your family life. We shall miss seeing you in the Legislative Building on a regular basis, and we hope that our paths cross from time to time.

With best regards.

Sincerely,

Dennis M. Julian
Executive Vice President



It matters!



North Carolina General Assembly
Representative
David H. Diamont

11:29 PM
11/40

July 1, 1957

July

J Hunt + G Miller

JACK

talking ~~RED~~ talking
out DAV!

10-12 others
Agreeing !!

more favorable attitude
towards R. Hunter:

Tom Kingdon

July 19, 1994

Dear David

I don't do good deeds
all that well; I'm better at...
"till the next time..." and I am
certain that will be the case with
you.

I don't believe there is
anyone for whom the staff has
more respect, or with whom
they enjoyed working for more,
than you. You were our supporter
and you challenged us all to do
our best. You were approachable,
and even if you disagreed with
our suggestions, you listened to us
with respect.

And you are my good
friend - perhaps, for me, that
means more than anything else.
I am honored to have worked
for you. God's speed! Tom

The Charlotte Observer

ROLFE NEILL, Chairman and Publisher

JENNIE BUCKNER, Editor JOHN LUBY, General Manager

GENE WILLIAMS, Executive Vice President

ED WILLIAMS, Editor of the Editorial Pages FRANK BARROWS, Managing Editor

TOM BRADBURY, JACK BETTS, Associate Editors

Editorials

The late legislature

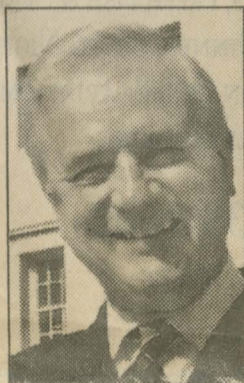
■ The budget session was neither short nor sweet, but when it finally ended, most folks knew it really was all about money.

Legislative leaders had vowed that the short budget session of 1994 would promptly conduct the people's business and adjourn by 4 p.m. on July 1. But when the legislature slunk out of town at roughly 2 a.m. on July 17, most folks already understood that the '94 session's hallmarks would be neither efficiency nor promptitude, but the usual: money.

Lawmakers were salivating over the prospects of spending some \$1.2 billion when they convened in late May, and true to their instincts, there were still haggling over the last farthing in the wee hours Sunday. When it was over, the honorables left about \$214 million unspent in various kinds of reserves, but doled out the rest for a variety of programs, purposes and pork barrel projects.

■ **The budget.** Gov. Jim Hunt declared it a productive session for education. Lawmakers appropriated \$42 million for school computers and technology, nearly \$36 million for school buses, books and supplies and \$36 million for Basic Education Plan commitments. It also appropriated \$19 million for Smart Start, the governor's children's initiative and \$7 million for the N.C. Information Highway, the information network Mr. Hunt believes is vital to the state's future.

It was a good session for Gov. Hunt. After a bruising fight earlier this year over crime, he was on better, if not intimate, terms with legislative leaders, particularly in the House. The governor got much of what he wanted. He salvaged essential parts of his Information Highway proposal that were in danger after his policy advisers ran afoul of legislative leaders. He also persuaded the assembly not to reduce the sum that contributors can give to political campaigns. The list of those who wonder if Mr. Hunt will run for re-election is shorter than it was a month ago.



Hunt

Lawmakers also doled out handsome pay raises to teachers, state employees, university faculty and community college teachers. And in a repair of some budget voodoo it committed several years ago during a budget shortfall, the assembly moved a state teacher's payday back one day from July 1 to June 30. That consumed a tenth of the budget — \$120 million — just to get the mid-year payday back to the right fiscal year.

■ **The pork.** Perhaps the sudden availability of all that money made it inevitable, but the new budget also contains a lot of what legislative reformers used to call pork barrel. Out of nowhere, for instance, came a last-minute provision to spend \$9.5 million on a new convocation center at Appalachian State, nearly dwarfing a more familiar \$6.5 million provision for a new convocation center (complete with basketball court, of course) at N.C. State University. And there will be a new \$5 million visitor center at the home port of the sailing vessel Elizabeth II at Manteo.

All of these, it should surprise no one, were pet projects of legislative leaders. Rep. David Diamont, who leaves the legislature as House Appropriations cochairman after two decades

of stalwart service, slipped in the Appalachian State University project. Mr. Diamont got his master's degree there.

Sen. George Daniel, Senate appropriations chairman and a State grad, championed the N.C. State arena. And Senate President Pro Tempore Marc Basnight not only persuaded the assembly of the merits of the Elizabeth II project in his hometown, but also won another big prize: a new bridge to the Outer Banks that will be paid for, he says, by hefty tolls on vacationing Virginians.



Diamont

■ **Policy choices.** The legislature made a few good choices on policy issues. For instance, it agreed to a major improvement in the state's open meetings law that reduces by two-thirds the reasons public agencies can hold private sessions excluding the public. Lawmakers also approved in principle a new state parks trust fund, though without much money in it, and adopted a modest campaign reform by requiring candidates to disclose all donations from political action committees.

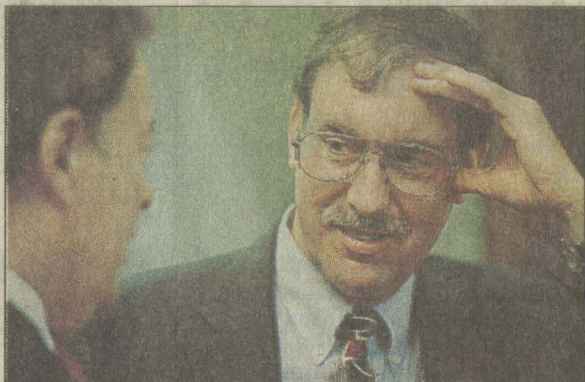
■ **Notable failures.** But the legislature booted several grand opportunities — including the chance to adopt campaign reforms that would have required candidates to file campaign finance reports shortly after Labor Day so the public would have more information about who's financing campaigns. Another bill would have required campaigns to disclose the occupations of donors. Unfortunately, neither the Senate nor the House leadership did a good job of tapping widespread legislative support for these reforms.

The General Assembly also fumbled away two key constitutional amendment proposals. The House failed to act on a Senate proposal amending the constitution to take away the ability of offenders to choose whether they will serve short prison terms or be sentenced to a variety of other punishments. The bill passed the Senate and was approved by a House judiciary committee; but the committee's chairman, Rep. Toby Fitch, a key aide to House Speaker Dan Blue, never brought it up for a vote. Mr. Fitch admitted a week ago he was playing politics with the proposal, but hinted strongly he planned to hold a vote on it. By reneging, Mr. Fitch did no favor to anyone in North Carolina interested in a better criminal justice system.



Fitch

And legislators frittered away an opportunity to let the public decide whether the state's Hydra-headed system of governing public schools could be improved by resolving the lines of responsibility. The House and the Senate had different ideas of how to do that, and in their indecision whether the governor, the state Board of Education or the superintendent of public instruction should make education policy, they denied voters the right to express their opinions and change the system.



JOURNAL PHOTO BY ALLEN AYCOCK

North Carolina legislators praise David Diamont's fairness and have few bad things to say about him, even when they disagree.

FAMILY FIRST: Diamont looks past power politics after recent heart surgery

By David Rice

JOURNAL RALEIGH BUREAU

RALEIGH

In a legislative parking garage crowded with Mercedes, Cadillacs and Lincolns, Rep. David Diamont climbs into a minivan that has 187,000 miles on it.

And when he climbs into his van after this session of the General Assembly, the Piedmont's most powerful legislator will be leaving for the last time.

Until last year, Diamont — a Democrat who has traveled from Pilot Mountain to Raleigh for every session in the past 20 years — thought he could become speaker of the House. A poll of legislators,

reporters and lobbyists ranked him as the House's most effective member in 1989, and second only to Speaker Dan Blue in 1991. Diamont thought he could one day be the state's superintendent of public instruction, or even the congressman from the 5th District.

Then a heart surgeon pried open his chest. Politics took a back seat to Diamont's wife, Debby, and their three

See DIAMONT, Page A8

■ *Diamont's district gets \$9.75 million to begin a convocation center at Appalachian State University, Page A8.*

STATE & LOCAL

DIAMONT

Continued From Page A1

children. And just when he seemed poised to seek statewide or even national office, Diamont, 48, announced he would not run for re-election.

"The heart thing forced me to make some real life-changing decisions," he said last week. "My main thing is to have my family and my job in the same place."

For 20 years, Diamont has managed to juggle roles as a high-school history teacher, a football coach and a legislator who represents Surry, Stokes, Alleghany, Ashe and Watauga counties.

IN A GENERAL Assembly that will spend more than \$4 billion this year on public schools, Diamont is one of just three active classroom teachers. He has unabashedly pushed for better pay for teachers; he stood on the floor of the House a few weeks ago and told his colleagues he couldn't afford to be a teacher if he didn't moonlight as a legislator.

An editorial in the *Greensboro News & Record* recently questioned whether teacher-legislators such as Diamont should vote for their own pay raises. Diamont, whose office door is decorated with the lineup for Mount Airy High School's football team, doesn't deny that he has a conflict of interest.

"Totally," he said. "Every one of us has a conflict. Until you have a full-time legislature, you're going to have a conflict. I don't think that's bad."

"I don't think it's bad to have a crime session where you have someone who's been in the schools to break up the fights, take away the guns, break up the drug buys. That's a conflict of interest, but I don't think that's bad."

Diamont supported the House's move this summer to take money from the health and retirement plans for teachers and state employees to give teachers an 8 percent raise.

Diamont was one of several rising young Democrats who gambled their political futures to join a coup that replaced longtime speaker Liston Ramsey, D-Madison, with maverick Joe Mavretic, D-Edgecombe, in 1989.

"The risk was that we'd be out there in no-man's land," said Roy Cooper, another of the Democrats in the movement who has since moved to the state Senate for Nash County.

MAVRETIC NAMED Diamont chairman of the powerful House Appropriations Committee, and Diamont became one of the chief negotiators who ultimately shaped a \$16 billion state budget.

Few legislators — Democrat or Republican — have negative things to say about Diamont. In a Legislative Building where leaders often speak in riddles, they praise his fairness and his candor.

FAREWELL GIFT: Appalachian State gets money for new convocation center

By David Rice

JOURNAL RALEIGH BUREAU

RALEIGH

In a legislature that thrives on pork-barrel spending, Rep. David Diamont's friends say it is remarkable that Diamont hasn't used his position as co-chairman of the House budget committee to sneak pet projects into the budget.

But he didn't decline when budget negotiators produced a farewell gift yesterday for Diamont and his district: \$9.75 million to start paying for a \$26 million convocation center at Appalachian State University.

Diamont has been the chairman or co-chairman of the House Appropriations Committee for five years. But Rep. Joe Mavretic, the former House speaker, pointed out that Appalachian, the largest school in Diamont's district, is the only state university without such a center.

"My God, that speaks volumes about the man," he said.

Mavretic and others credit Diamont with opening up a budget process that was hidden for years behind closed doors, where a few politicians divided the spoils.

And old-fashioned politicians see Diamont's reluctance to play the pork-barrel

game as a sign of weakness. Officials at Appalachian "didn't know whether he was for their projects or against 'em," said Rep. Liston Ramsey, another former speaker.

It's largely a matter of style: Diamont would prefer to argue a project on its merits rather than simply slip it into the budget.

"He's never sat there in a budget meeting and said, 'Pilot Mountain needs \$100,000 for a school clinic or a museum,'" said Chris Fitzsimon, a former aide to House Speaker Dan Blue.

But Rep. Martin Nesbitt, Diamont's co-chairman on the appropriations committee, said that Diamont still pushes for projects in his district.

"If you don't think he's fighting for Appalachian, you haven't been around. He's been worrying us half to death," Nesbitt said.

Diamont agreed when the House initially set aside no money for university building projects so that it could give larger raises to teachers. But when House negotiators later decided to come up with their own list of university projects, the Appalachian convocation center was at the top of the list, Nesbitt said.

"Appalachian, in terms of what's right, deserves this facility," Nesbitt said.

"His bluntness, unlike mine, is not abrasive," said Mavretic. "You like David even after he says no to your pet project."

Diamont's political interests go beyond spending money on teachers.

His district has more state parks than any other, and he has consistently backed efforts to keep billboards and discarded bottles off North Carolina highways. He has taken a particular interest in the dangers posed by large trucks, and he always votes against vanity license plates because his brother, a police officer in Winston-Salem, told him they can be confusing for police.

Because of a special affinity for young children, he was one of the prime legislators who pushed to create the state's child-fatality task force several years ago.

The same day that Diamont announced he wouldn't seek re-election to the legislature, U.S. Rep. Steve Neal announced he would step down from Congress. Legislators had redrawn the 5th District and made it less urban, and the district belonged to the man from Pilot Mountain if he wanted it.

"I looked it in the face for about 10 days," he said.

He soon realized he would have to spend much of his time shuttling back and forth between Pilot Mountain and Washington.

"Where's that put my family? That puts them back in the same place that I just got out of, except that I'd have to raise X number of dollars every day to stay in office."

Diamont rejected the congressional bid, but he hasn't rejected public life entirely. He said he would like to replace Robert W. Scott when he retires at the end of the year as president of the state's 58-campus community-college system.

"That puts my family and me in the same community," he said.

The State Board of Community Colleges will choose Scott's successor, and Diamont's supporters say his experience in the legislature makes him a prime candidate to head a system that is increasingly important in training the state's work force.

Diamont said he regrets that he has lost touch with his district over time as interest groups, the governor and others have competed for his attention.

DIAMONT

Continued From Page A8

But he admits he has mixed emotions about leaving a position of power.

As he walked out of Mavretic's office after he was named appropriations chairman in 1989, he said, "There were six lobbyists there. Every one of them came up and shook my hand and congratulated me. They had never done that before.

"I've always known that it was the position, not me. People wanted to talk to the appropriations chairman, not Dave Diamont."

BUT NOT EVERYONE is familiar with the power games in Raleigh, and Diamont knows it.

When he went with a group of friends to see a Durham Bulls game during a pause in the legislature this spring, Diamont insisted on stopping to get a vegetable sub so he could stick to his diet. When the group got to Durham Athletic Park, a gate attendant refused to let Diamont in with a sandwich bought outside the park.

The co-chairman of the House Appropriations Committee sat down on the ground outside the park to eat his sub.

Though Diamont is considered fair and unselfish, the competitive instincts of the football coach sometimes carry over into the legislative games in Raleigh. It's not uncommon during budget negotiations between the House and Senate for Diamont to diagram football plays that show House Speaker Dan Blue and President Pro Tem Marc Basnight as the quarterbacks of their respective teams.

During the harsh budget negotiations of 1991, when legislators had to decide how to cover a \$1.2 billion shortfall, Diamont stood up in the middle of a crowded meeting and announced: "I guess the Senate just doesn't love children."

It is Diamont's dedication to his own children that ultimately pulled him out of the General Assembly.

When he and his family went to Wrightsville Beach for a legislative gathering last spring, it was his first appearance in public with other legislators since his bypass surgery.

"HE LOOKED LIKE a big zipper," said Mavretic, referring to the stitches on Diamont's chest. "And he was out there on the beach with those kids doing everything he could to be a good daddy. You could tell it was an effort."

About 11:30 p.m. Thursday, House negotiators gathered in a meeting room next to Diamont's office. A large flip chart on an easel in the corner was covered with diagrams of football plays. And as the other legislators discussed how they should spend more than \$1 billion dollars — on raises for teachers, on subsidies for day care — Diamont left the room to use the phone.

Because he couldn't climb into his van to head home that night, he had to check on how his daughter had done in a swim meet.

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Phil Rees

Legislative leaders continue closed-door meetings on budget

The six most powerful legislators meet for a second day to negotiate a spending plan. Pay raises for state workers top their list.

BY JOE DEW
STAFF WRITER

State workers would get smaller pay raises than tenured school-teachers under a spending plan legislative leaders continued to cobble together Wednesday night.

If nothing changes, most state workers would get pay raises of 4 percent coupled with one-time bonuses of 1 percent. Raises for teachers would range from 3 percent to 8 percent, with the higher amount going to those who have tenure. Teachers get tenure after three years.

House Speaker Dan Blue said budget writers could not do any better than that without pulling surplus money out of the state health insurance plan and the state retirement system.

Last month, the House proposed taking \$38 million out of a surplus in the health plan and \$10 million from the retirement accounts to boost pay for state workers and teachers.

But Blue, a Raleigh Democrat, said those proposals had pretty much been scrapped as he and the five other most powerful men in the General Assembly worked behind closed doors Tuesday and Wednesday to fashion a budget deal.

"We may get back to that again," Blue said.

Pay raises have been a problem for legislators. State workers are

angry over the gap between proposals to give them 4 percent or 5 percent and those that give teachers 8 percent or more.

House leaders said the differences are caused largely by two factors. A 4 percent pay raises for non-teachers takes 4 percent of their total payroll. But 4 percent of the teaching payroll provides a 5 percent raise because of the salary schedule that governs teachers. Older teachers receive higher salaries and new teachers start at lower salaries.

But pay raises make just one piece of the hundreds which the six negotiators must knock into place before they can fashion a budget on which they all agree.

Other disputes center on how much money to spend on the Basic Education Program, created in 1985 to improve schools; new buildings for the state's university system; and social programs that range from more state-subsidized day care to AIDS counseling for prison inmates.

Meeting behind closed doors, the six plowed through the differences that separate them. It was unclear Wednesday evening what other matters they had agreed upon.

Besides Blue and Senate leader Marc Basnight, a Democrat from Manteo, the group includes state Reps. Martin Nesbitt, an Asheville Democrat, and David Diamond, a Pilot Mountain Democrat, and state Sens. George Daniel, a Caswell County Democrat, and Sen. Aaron Plyler, a Union County Democrat.

A budget deal would end this legislative session.

Sources close to the negotiators

'This just sitting around is miserable. We've got to get done.'

Sen. Richard Conder

said they have agreed how to spend about \$312 million in recurring money but had yet to agree on roughly \$550 million in non-recurring money. They've got about \$1.2 billion in extra revenue to spend.

Recurring money is cash from a source the legislature can count on having each year. Nonrecurring money is often called "one-time money." It is cash legislators have one year but not another.

The six were unwilling to discuss details of their talks Wednesday evening. On Tuesday, they sat down together for the first time in weeks. Before that, they had passed written offers back and forth.

While they met in private, some of their colleagues debated special provisions, also contained in the budget. Other legislators simply returned to their hotels, the golf course, or their favorite restaurants.

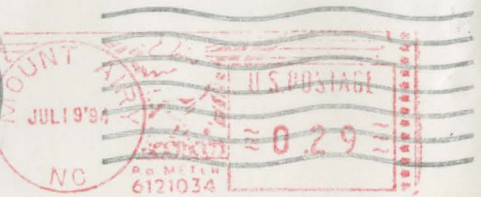
"I'm bored to tears," said Rep. Sam Ellis, a freshman Wake County Republican.

"This just sitting around is miserable," said Sen. Richard Conder, a Richmond County Democrat and the Senate majority leader, as he parked himself in a chair in Basnight's outer office. "We've got to get done."

Thurs July 14, 1994

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Lawmaker's revenge

Remember when a gate attendant at the Durham Athletic Park gave submarine sandwich-toting state Rep. David Diamont a case of indigestion in May?

He tasted the sweetness of revenge on Monday, when the Bulls were playing in his ballpark — the Legislative Building.

A heart patient, Diamont had arrived at a Durham Bulls game with a handful of friends and a Subway submarine sandwich. But gate attendants barred his path. Rules prohibit fans bringing their own food into the DAP.

Diamont, a Surry County Democrat and co-chairman of the House Appropriations Committee, tried to explain. He is recovering from quadruple bypass surgery. His doctors put him on a strict diet and to avoid the fat-rich food at the DAP, he had grabbed an all-vegetable sub on the way.

No sale. Diamont ended up eating the sub while sitting on a patch of grass outside the park.

On Monday night, a bill came up on the House floor that the Bulls wanted to see passed. The bill would allow the Bulls to lease a section of state-owned highway outside their new ballpark for parking.

The bill flew through with virtually no debate and only two "no" votes. One of them belonged to Diamont.

"That's called retaliation," Diamont tells Dome. "They wouldn't let me have a sandwich. It's all I could do to retaliate."

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SAT JULY 16, '94

House, Senate say teachers will get bigger raises after all

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THE ASSOCIATED PRESS

RALEIGH

Under fierce pressure from teachers, the House and Senate renegotiated their tentative budget agreement last night to give teachers a bigger pay raise.

That could clear the way for the legislature to adjourn this weekend.

A tentative agreement reached Thursday night would have given state employees 4 percent raises with bonuses of 1 percent. Teachers would get a 5 percent raise in their pay scale, a 1 percent bonus and the chance for 2 percent in merit pay.

*** Under a new agreement reached last night, the merit pay money will be shifted into the pay scale and the 1 percent bonus will be used for

merit pay. That will give teachers a 7 percent raise, with a chance for 1 percent more.

"We've reached agreement, Blue and myself," Senate President Pro Tem Marc Basnight said just before 8 p.m. "We shook on it."

"We have an agreement," House Speaker Dan Blue said as he left the Legislative Building.

Basnight said that the new agreement includes about half the construction money originally sought by the Senate and total savings of \$214 million.

Thursday night's tentative deal began unraveling early yesterday when teachers bombarded legislators with visits and calls.

See BUDGET, Page 23

BUDGET

Continued From Page 17

"For three weeks, we have taken public-school teachers on a roller-coaster ride of promises of respect and dignity," said a flier from the N.C. Association of Educators distributed to legislators yesterday morning. "Last night, that roller coaster crashed with the biggest insult of this session."

The NCAE urged its members to lobby legislators to increase teachers' pay, and they did. By midafternoon, some legislators said they were avoiding returning to their offices because of the avalanche of phone calls.

Groups organized by the NCAE roamed the Legislative Building yesterday.

Teachers gathered around such leaders as Sen. George Daniel, D-Caswell, a co-chairman of the Senate Appropriations Committee. They even cornered Rep. David Diamont, D-Surry, a fellow teacher who is a co-chairman of the House budget-writing committee.

Diamont told the teachers that larger raises are not possible unless the Senate agrees to shift money for it.

House members, who had proposed as much as an 8 percent raise for teachers, were not happy with the original deal but denied that their tentative agreement reached Thursday was a tactic to put pressure on the Senate.

"What it was was us reacting to what our members were telling us," said Rep. Martin Nesbitt, a co-chairman of the House negotiators. "We had members who were tired of being here, who wanted an agreement reached, and we told them that right now, this was the agreement we could make.

"It was a pretty good agreement, except for the teacher pay," Nesbitt said. "That was wrong, and we made it clear we were not happy with it."

Basnight said he is happy with the new agreement. "I think it worked well," he said.

Senators, he said, had become worried Friday that veteran teachers — those with more than 30 years' experience, who are off the pay scale — would get only a 4 percent across-the-board raise under the tentative agreement. The new deal gives them 2 percent more.

The House won \$46 million in increased Basic Education Plan spending, but Nesbitt said that the House did not trade teachers' pay raises for BEP money.

A break in the budget talks came after Basnight sent the Senate home for the night and House members had indicated they wanted to return next week, rather than today.

Budget negotiators told the full House that they were close to making a deal but could not guarantee one could be reached by today.

"I think what you said is that it's entirely possible that this session could end tomorrow," Blue said. He called for a nonbinding vote on whether members wanted to come back today or return next week.

By a 55-45 vote, House members chose to adjourn till next week, which touched off another round of debate between those who wanted to stay and those who wanted to leave.

Blue then took a recess to consider what to do.

When he returned, 30 minutes or so later, the situation had changed dramatically. Diamont, a co-chairman of the budget negotiators, who had doubted that they could reach an agreement, became hopeful.

"At this point, I feel very confident that we can reach a budget agreement, pass a budget bill tomorrow, and do it without staying through the night," Diamont said.

House members then reversed themselves and voted, officially, 81-19 to return today.

SAT JULY 16, '94

House, Senate say teachers will get bigger raises after all

** I DID THIS !! Jink*

THE ASSOCIATED PRESS

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