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North Carolina's priority gap

BY GENE NICHOL

CHAPEL HILL - Frank Graham wrote over a half century ago, "all the historic shibboleths about equality of opportunity are tested in their sincerity not on the Fourth of July but when we come to make the budget of the commonwealth."

Of course, this year it's possible we'll produce both our shibboleths and our budget in the first week of July. But there's little doubt that Dr. Frank's wisdom, and his warning, echo in our ears.

It's crunch time on Jones Street in Raleigh. The governor, as required, weighed in early -- before the full darkness of the picture descended. (She indicated, late last week, a possible new embrace of unspecified but significant tax increases to avoid cuts to education.) The Senate presented an altered mix of modest revenues, deep cuts and vexing question marks. Coming last in the lineup, the House struggled most keenly with both the terrors and the opportunities of the day.

While proposing almost \$3.5 billion in excruciating cuts -- to K-12, More at Four, Smart Start, mental health, Medicaid, universities and community colleges, literacy instruction, law enforcement, transportation, corrections, state employee compensation and more -- the House budget also took a surprising turn.

Not only would it raise taxes, but for much of the revenue package, it also would do so progressively.

About a third of the new dollars would come from the creation of two top categories for the state income tax -- increasing the freight most vigorously for those who take the most home. Another turn would limit the ability of wealthy multistate corporations to avoid paying their fair share in Raleigh. A third would bring an array of limited liability ventures more convincingly into the taxable fold -- so that one's bill wouldn't be determined so conclusively by the dexterity of one's lawyers.

Admittedly, the proposed sales and liquor tax hikes are predictably, and unfortunately, regressive. Still, if a state budget is, ultimately, a moral document -- which it is -- then the House proposal took a modest step in an immensely encouraging direction. It hints at an unfolding view that, especially in times of threat and exigency, government should pay more attention to the plight of those at the bottom than those at the top.

That might have, in recent decades, come to seem an alien concept. But actually it lies at the core of both our political and our religious creeds. Lincoln thought the central purpose of America was that the weak would gradually be made stronger and that, ultimately, all would have an equal chance.

On that Lincolnian score, we don't test well. We talk much of Charlotte's financial prowess, the Triangle's ingenuity and the firepower of North Carolina's intellectual centers. Less mention is made of our tougher edge; that an extraordinary number of our kids -- one-fifth -- live in poverty. Far worse than in other advanced democracies, or than in most of our fellow states, or even in neighboring South Carolina and Virginia. Or that, as last month's Feeding America study documented, we have the second-highest number of children facing hunger ("food insecurity") in the nation. Only Louisiana outpaced us, and it still struggles to overcome Katrina. Or that our unemployment rate has also skyrocketed -- leaving desperation in its wake, including perhaps the country's most precipitous decline in health care coverage.

North Carolina's commitment to "the least of these" is now markedly, definingly and undeniably on the table.

The weeks immediately ahead will say much about what sort of state, and what sort of people, we are. We have money problems. That's irrefutably true. But we have a values problem, a priorities problem, as well.

- When you ax thousands of public school teachers, dramatically cut Smart Start and More at Four and then hand over a potential \$46 million to a giant computer company, you've got a priorities problem.
- When you subsidize drug companies and local pharmacists by tens of millions of dollars a year, thereby limiting the effective coverage of both state employees and Medicaid recipients, you've got a priorities problem.
- When you knowingly allow massive corporations to evade millions in tax obligation through convoluted, artificial structuring schemes as you deny poor Tar Heel kids access to health care, you've got a priorities problem.
- When you pay millions for wealthy students to attend private colleges and universities as you restrict the ability of marginalized North Carolinians to go to public community colleges, you've got a priorities problem.

- When you produce almost \$10 million to bankroll big-time intercollegiate athletics while you send literacy instructors and school counselors packing, you've got a priorities problem.
- And when you create tax loopholes for NASCAR as hundreds of Food Bank of Central and Eastern North Carolina partnerd are deluged with clients they can't possibly serve, you've got a priorities problem.

It's time, perhaps, for a new set of priorities -- ones we can embrace and announce out loud. They begin, I'd guess, with the recognition that we're all in this together.

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