Popular Government

service learning

getting involved

YES

voting

civic engagement   community

volunteering

Measuring Young People's Civic Engagement

Also

Improving the Property Tax Revenue Stream
Sharing Responsibility for Improving Public Service
Crafting a Smart Private-Sponsorship Policy

Popular Government

James Madison and other leaders in the American Revolution employed the term "popular government" to signify the ideal of a democratic, or "popular," government—a government, as Abraham Lincoln later put it, of the people, by the people, and for the people. In that spirit *Popular Government* offers research and analysis on state and local government in North Carolina and other issues of public concern. For, as Madison said, "A people who mean to be their own governors must arm themselves with the power which knowledge gives."

Established in 1931, the Institute of Government provides training, advisory, and research services to public officials and others interested in the operation of state and local government in North Carolina. The Institute and the University's Master of Public Administration Program are the core activities of the School of Government at The University of North Carolina at Chapel Hill.

Each year approximately 14,000 public officials and others attend one or more of the more than 200 classes, seminars, and conferences offered by the Institute. Faculty members annually publish up to fifty books, bulletins, and other reference works related to state and local government. Each day that the General Assembly is in session, the Institute's *Daily Bulletin*, available in print and electronic format, reports on the day's activities for members of the legislature and others who need to follow the course of legislation. An extensive Web site (www.sog.unc.edu) provides access to publications and faculty research, course listings, program and service information, and links to other useful sites related to government.

Operating support for the School of Government's programs and activities comes from many sources, including state appropriations, local government membership dues, private contributions, publication sales, course fees, and service contracts. For more information about the School, the Institute, and the MPA program, visit the website or call (919) 966-5381.

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Departments

ON THE COVER

By engaging youngsters in mock civic activities, politicians and educators seek to lay a foundation for positive civic attitudes and behaviors when the youngsters become adults. Clockwise from top left: Kids Voting Mecklenburg County, Elaine Darby/Kids Voting Wake County, Kids Voting Mecklenburg County, News & Observer/Chris Seward, Elaine Darby/Kids Voting Wake County.

voting and youth
civic engagement
involved

Measuring Citizen Engagement:
The North Carolina Civic Index

Kelley O'Brien

Kids Voting programs, conducted in tandem with adult voting on election days, help young people get into the voting habit. Clockwise, from top left: Teens mark their ballots. A father explains the choices to his son. A six-year-old poll worker helps a peer complete his ballot. A five-year-old boy puts his ballot in the box. A five-year-old girl casts her vote. Students read their ballots while they wait to vote.

Engaging citizens is a common concern of public officials. A local government can provide numerous opportunities for its citizens to become engaged in the community, such as advisory boards, commissions, community watch groups, and public hearings. Unfortunately the benefits of these efforts are lost on citizens who choose not to participate. Many people think that they are too busy to participate or do not believe that their views will make a difference. Often, adult citizens already have formulated such attitudes by the time that they are asked to work with their community and its leaders. However, North Carolina public officials have an opportunity to shape the civic engagement of their future constituents and the state's leaders-to-be—North Carolina's youth. The findings of the 2003 North Carolina Civic Index, the first-ever statewide study of youth and adult civic engagement, offer some rays of hope for citizen involvement in North Carolina.

In May 2003 the North Carolina Civic Education Consortium announced the results of the 2003 Civic Index. It was conducted after years of preparation for a comprehensive, scientific survey of North Carolina youth and adults. New data for the index came from a statewide telephone survey about citizenship skills, knowledge, attitudes, behaviors, and opportunities. The index also drew from existing data on civic behavior in the state, including voter turnout rates, charitable giving, and diversity among public officials. This first index measures the impact of current efforts to improve civic education across the state and establishes a benchmark for future measurements of civic engagement. The index has impli-

cations for all sectors of North Carolina: government, education, business, nonprofit organizations, and the general public.

This article provides some background on the 2003 Civic Index, describes the research that went into compiling it, summarizes its findings and recommendations, and discusses important initiatives that have resulted from the study.

Background

A volunteer work group of the Civic Education Consortium developed the Civic Index in response to a lack of comprehensive and meaningful measures of civic engagement. Existing measures, such as voter turnout rates and end-of-course test scores, offered little insight into the preparation of youth to become engaged citizens.

According to Todd McGee, a work group member and director of communications at the North Carolina Association of County Commissioners,

Local governments in North Carolina are viewed favorably by their peers across the nation, so it is disturbing that the citizens of the state don't share those views. It is hoped the results of the Civic Index will spark a renewed debate across the state so that citizens will take a more active role in shaping the futures of their communities.

The author is the Civic Index Project director at the North Carolina Civic Education Consortium, a statewide nonpartisan partnership housed at the School of Government at UNC Chapel Hill. Contact her at obrien@iogmail.iog.unc.edu.

Related Efforts at Civic Engagement

Community-Level Benchmarking Projects

- National Civic League Civic Index: This index measures a community's "civic infrastructure," which consists of the skills, practices, and networks that communities use to make decisions and solve problems.[1] More information is available in the National Civic League, *The Civic Index: Measuring Your Community's Civic Health* (Denver: the league, 1999).

- Knight Foundation Community Indicators Project: This research-based project documents changes in the quality of life in the communities served by the Knight Foundation. More information is available at www.knightfdn.org/default.asp?story=indicators/index.html.

- Social Capital Community Benchmark Survey: Three dozen community foundations, other funders, and the Saguaro Seminar of the John F. Kennedy School of Government at Harvard University joined together to survey nearly 30,000 adults on how connected they are to family, friends, neighbors, and civic institutions on a local and national level. More information is available at www.ksg.harvard.edu/saguaro/communitysurvey/in2c.html.

Selected Civic Engagement Projects

- The Center for Information and Research on Civic Learning and Engagement (CIRCLE): The organization maintains an extensive list of youth civic engagement organizations. The list, as well as a more comprehensive database of organizations, is available at www.civicyouth.org/practitioners/index.htm.

- *The Civic and Political Health of a Nation: A Generational Portrait*: This report of a national study, which was funded by the Pew Charitable Trusts, analyzes two comprehensive surveys of the nation's civic and political behavior and chronicles the differences among four generations: "DotNets," "Generation X," "Baby Boomers," and "Matures." More information is available at www.civicyouth.org/research/products/youth_index.htm.

- Illinois Civic Engagement Project: This project will measure and describe the level and forms of civic engagement of the citizens of Illinois, and help them enhance and sustain civic engagement for the betterment of their communities.[2] More information is available at http://civic.uis.edu/.

Notes

1. National Civic League, Framework of the National Civic League's Civic Index (Denver: the League, n.d.).

2. CIRCLE: The Center for Information and Research on Civic Learning and Engagement, Youth Civic Engagement Project, available at www.civicyouth.org/research/products/youth_index.htm.

Research

Voter registration and voter turnout in the 2000 election, per capita charitable giving to United Way, and diversity among elected and appointed officials in North Carolina served as the existing measures for the Civic Index. However, because this information did not measure the broad scope of civic engagement, the Civic Education Consortium also collected data via a statewide telephone survey, polling nearly 775 non-voting-age youth.

The telephone survey focused on five areas of civic engagement, listed below along with examples of the kinds of questions posed in each area:

- Civic knowledge: For example, can North Carolina youth name the state's two U.S. senators? Are they familiar with the duties of local governments?

- Civic skills: For example, are North Carolina young people confident in their ability to write a letter expressing their opinions? Do they feel that they are effective at weighing pros and cons?

- Civic behavior: For example, are the state's youth participating in service activities? Do they participate in school clubs, including political clubs?

- Civic attitudes: For example, do North Carolina youth trust government—federal, state, or local? Do they value diversity?

- Civic opportunities: For example, do the schools that North Carolina youth attend offer service opportunities? Where do young North Carolinians get their information about government? Do they talk about politics at home?[1]

To establish a benchmark for civic education and engagement, the Civic Education Consortium surveyed about 800 adults on the same questions.[2]

North Carolina: A National Leader

The N.C. Civic Index is the first of its kind in the nation. Cindy Gibson, manager of the Strengthening U.S. Democracy program at Carnegie Corporation of New York, says, "We at Carnegie Corporation believe that the N.C. Civic Index can and should be used as a template for assessing civic participation in other states because it culls the 'best of the best' of the civic engagement surveys that currently exist."

Further, the N.C. Civic Education Consortium is becoming more prominent on a national level. Gibson continues, the consortium "is one of the country's best examples of a nonpartisan partnership that effectively advocates for richer approaches to civic education in our schools and communities."

(For a description of related efforts in other states and on the national level, see the sidebar on this page.)

Findings

The 2003 Civic Index yielded some notable findings. Of particular interest were differences between trends in youth and adult civic engagement. Often these findings mirrored those of similar national studies. However, in some instances North Carolinians surpassed their national counterparts. Following is a summary of the findings.[3]

North Carolina youth have a high level of confidence in their civic engagement skills, but their levels of political involvement and knowledge of government are low.

North Carolina youth appear to have great confidence in their civic engagement skills. Substantial majorities report being extremely or somewhat effective at each of the civic engagement skills measured in the Civic Index (see Figure 1).

However, the state's youth generally have lower levels of civic knowledge and are less involved in political activities than their voting-age counterparts (see Figure 2). A majority of youth correctly answered seven of nine questions about their political knowledge, including questions about local government duties. However, only 9 percent named both of North Carolina's U.S. senators, and only 31 percent reported that the General Assembly, or the legislature, is responsible for making state laws. Almost one-third (31 percent) of adults named both U.S. senators, and 37 percent noted that the General Assembly is responsible for making laws.

Youth involvement in political activities is low, but their level of volunteerism is high.

Although North Carolina youth report relatively low involvement in politics, 73 percent say that they volunteered for some type of community service in the past year. This discrepancy between community service and political involvement mirrors the pattern in North Carolina's adult population, which ranks high nationally in charitable giving but low in political involvement.[4]

Figure 1. **Civic Skills**
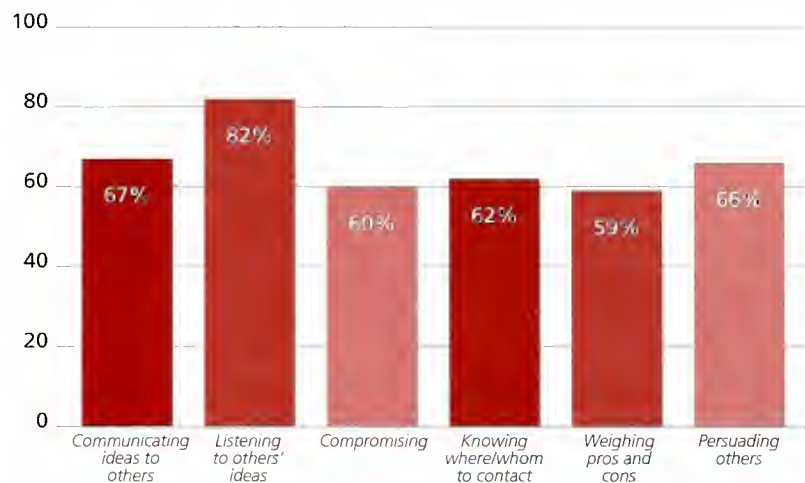(% of youth who rate themselves as effective)

Figure 2. **Knowledge: Youth-Adult Comparison**
(% who answered correctly)
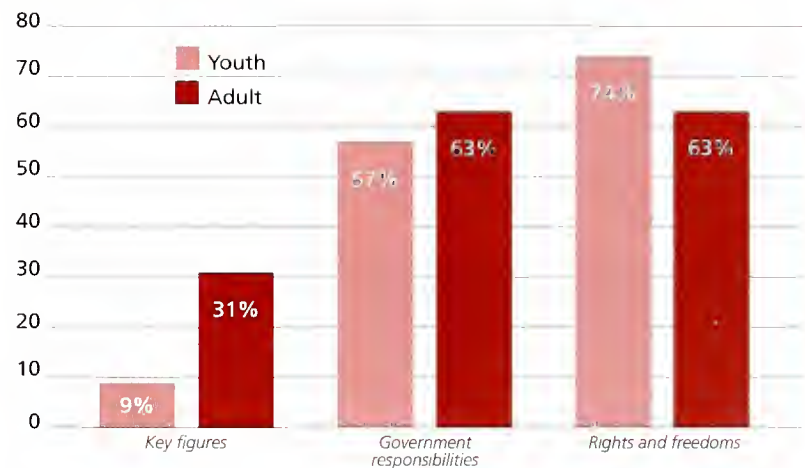
Figure 3. **Community Involvement by Income**
(% of youth who were involved in the last year)

Successful North Carolina Programs of Youth Civic Involvement and Education

Partnerships between local governments and schools in North Carolina range from longstanding youth councils in large cities to one-on-one local government days at high schools. A *sampling* of successful programs follows.

Youth Councils

Youth councils are typically sponsored by a city or county government. Ideally these councils provide youth with an opportunity for their voice to be heard. Some examples:

Asheville/Buncombe County Youth Council
Burlington Youth Council
Cary Teen Council
Clayton Youth Council
Concord Youth Council
Gastonia Youth Advisory Council
Goldsboro Youth Council
Greensboro Youth Council
Hickory Youth Council
Jacksonville Youth Council
Kannapolis Youth Council
Lewisville Youth Council
New Bern Teen Council (Young Adults Active in the Community)
Oak Ridge Youth Council
Raleigh Youth Council
Rocky Mount Youth Council
Swain County Youth Council
Tobaccoville Youth Council
Wilson Youth Council

Youth Representation on Other Boards

Youth also can provide an important voice on other boards. Some examples:

Forsyth County Public Library Teen Advisory Council
Morganton Human Relations Commission (teen members and outstanding middle and high school students of the year)
Robeson County Junior Fair Board
Shelby Human Relations Commission
Thomasville Human Relations Commission (one student member)

Local Government/School Partnerships

Local governments can partner with their school districts to provide a range of opportunities for enhancing curriculum on an as-needed basis. An example: Catawba County Government partners with high schools to provide speakers and information on local government as it fits into the curriculum. Also, in the 1980s the county helped develop curriculum on local government for third-, eighth-, and ninth-grade classrooms.

Local Government Days

Local government days allow students to get a taste of local government through mock meetings of commissioners and other role-play activities. Some examples: East Rutherford High School in Rutherford County and Wayne County Schools offer these opportunities.

More than half (54 percent) of youth who report volunteering indicate that their schools arranged the experience.[5] However, youth do not seem to be making a connection between their volunteer service and community problem-solving. Although 73 percent of North Carolina youth report volunteering in the past twelve months, only 26 percent report working in their communities to solve a problem during that time.

North Carolina youth also report high rates of participation in school clubs (77 percent), but 20 percent say that their schools have no student government. The absence of this activity limits their opportunities to practice or witness political engagement. Similarly, only 26 percent say that they have met or talked with a public official through school. This finding is an indication that their classes are not typically providing such opportunities.

> *Household income is the most consistent indicator of civic knowledge and engagement. Race is a secondary factor.*

Income is by far the most consistent predictor of civic engagement among youth and adults (see Figure 3, page 7). For N.C. youth and adults, high income is positively associated with greater confidence in civic participation skills, more frequent interaction with people of a different race or culture, and greater likelihood of being involved in community and political activities. High income also is positively associated with trust in institutions: youth in high-income households report more confidence in government, small businesses, the military, and nonprofit groups than youth in low-income households do.

More than twice as many high-income youth as low-income youth have met or talked with a government official. Also, low-income youth report fewer civic engagement activities through school and say that they have learned less about government and community issues from their classes.

Race too has some impact on civic knowledge and engagement. For instance, whites generally express higher levels of confidence than nonwhites in

most institutions, especially govern-
ment and nonprofits. The racial civics
gap also is evident in the lack of
diversity among elected and appointed
officials across the state (see Figure 4,
page 10). White males hold a dispro-
portionate share of these positions,
although 25 percent of the state's
population is nonwhite and more than
50 percent is female.

**North Carolina youth and adults report a
low level of trust in other people's motives;
however, youth have a high level of trust in
government and institutions.**

North Carolina youth express sub-
stantially higher confidence in all levels
of government and in nonprofit organi-
zations than adults do (see Figure 5,
page 10). Their highest reported levels
of confidence are in the military, 79 per-
cent; the federal government, 62 percent;
and Congress, 57 percent. Comparable
proportions for adults are 73 percent,
36 percent, and 28 percent.[6] Youth and
adults have the least confidence in large
corporations (30 percent of youth,

Top: *Many North Carolina students are required to take part in service learning.
Here a high school student fills bags of pasta for clients of a food distribution
program.* Bottom: *Former N.C. Senator Howard Lee visits a university campus to
participate in a panel discussion between state legislators and students.*

Figure 4. Diversity in Elected and Appointed Offices

	NC Population	State House	State Senate	Council of State	Judges	State Boards	UNC Board of Gov.	County Commiss.	City/Town Council	Local School Boards
White	75%	83%	86%	90%	85%	84%	74%	84%	84%	79%
Nonwhite	25%	17%	14%	10%	15%	16%	26%	16%	16%	21%
Male	49%	77%	86%	60%	77%	75%	74%	85%	77%	63%
Female	51%	23%	14%	40%	23%	25%	26%	15%	23%	37%

Figure 5. Confidence in Institutions by Race

(% of youth who are confident)
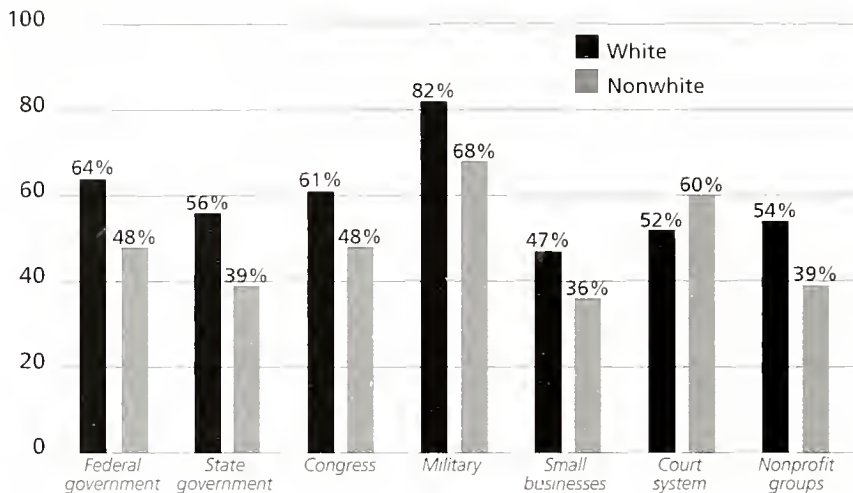
34 percent of adults). Young people's second-lowest level of confidence is in other people's motives (33 percent), whereas adults assert much higher levels of confidence in others' motives (48 percent).[7]

Meaningful classroom dialogue about current events and relevant issues positively influences youth civic knowledge, anticipated voting behavior, political engagement, and volunteerism.

Youth whose civics classes connect studies to real-life issues report that they have learned much more about civics from those classes than do youth whose civics classes do not make such connections. However, too few students seem to be getting these opportunities through school. For example, fewer than half (49 percent) report being involved in civics classes that connect studies to real-life issues, and the same proportion say that they take no classes requiring them to keep up with politics or current events.

Youth who have had a public official visit their classrooms are more likely to have confidence in all levels of government and more likely to view government as a career option than youth who do not report this experience. Unfortunately, students rarely get this opportunity; almost 75 percent say that they have never met or talked with a government official at school.

(For a list of some successful partnerships between local governments and schools, see the sidebar on page 8.)

Recommendations

According to Debra Henzey, director of the Civic Education Consortium, two broad recommendations emerging from the findings of the 2003 Civic Index merit special attention:

- *We must help young people turn their complacency about the*

current political and election systems into constructive action. Just as we must help students see that democracy is, by definition, messy and prone to disagreement, we also have to admit that young people, and many adults, have valid concerns about "politics as usual." The political system could certainly be improved, but such reforms will not happen if young people continue to opt out of voting and other political activities.

- *We must send a clear message that it is just as important for North Carolina to prepare young people for effective civic participation as it is to prepare them for work. These two roles are not mutually exclusive in a democratic society and free-market economy. This means that we cannot afford to sacrifice one for the other.[8]*

High school students participate in the Youth Legislative Assembly, a mock session that follows the procedures of the N.C. General Assembly.

As stated earlier, the findings of the 2003 Civic Index have implications for all sectors of the state's communities: government, grass-roots organizations, schools, and parents. The simple strategies that follow offer ways in which each of these sectors can work to enhance civic engagement among young people.

Strategies for Public Officials
Engage Young People
The positive connection between interaction with public officials and youth confidence in government means that all public officials—elected and appointed —should create opportunities to talk with young people and find effective ways of involving youth in government programs, services, and decision making.

Strategies for Youth Programs
Link Service and Citizenship
Most of North Carolina's young people are involved in community service. Such experience will have a stronger impact on their civic knowledge and school involvement if it more clearly addresses real community problems and is more clearly connected to civics studies.

Involve Diverse Youth
Schools and community organizations can help close the civics gap among youth from different backgrounds by ensuring that both nonwhite and lower-income youth have access to engaging civics programs. The key is to relate studies to issues that are relevant to all young people.

Strategies for Schools
Enhance Existing Courses
All schools, especially middle and high schools, can have a positive impact on student civic knowledge and involvement by implementing a number of basic strategies. Particularly effective ones include active current events discussions; student interactions with public officials; and service learning activities that are tied in to the curriculum and explore and address real school or community issues.

Provide Students with a Voice
National studies have consistently shown that involvement in student government and other leadership programs may be the strongest predictor of

lifelong civic participation, especially voting. Schools can support their civic mission by fostering strong student councils that have a meaningful role in school issues. Additionally, schools can involve students through committees, surveys, and other activities that give students multiple opportunities to voice their viewpoints.

Strategies for Parents and Families
Set an Example
Parents and family members can help young people become active, informed citizens by discussing political and current events with their children; volunteering time or donating money to meet community needs; and engaging in political activities, such as voting and attending public meetings.

Related Initiatives

In response to many of the findings of the 2003 Civic Index, Senator Joe Sam Queen (Democrat, District 47) introduced legislation encouraging more civic opportunities for young people in schools. The special provision in the

Additional Resources

The following resources will help guide communities in creating new civic engagement programs or enhancing existing ones.

- Gordon Whitaker, an Institute of Government faculty member and a founding member of the North Carolina Civic Education Consortium, collaborated with the North Carolina City and County Management Association to author *Local Government in North Carolina*, a supplement on local government for the tenth-grade economics, law, and politics curriculum. To order a copy, visit the School of Government's secure twenty-four-hour online shopping cart at https://iogpubs.iog.unc.edu, or contact the publications office at (919) 966-4119 or sales@iogmail.iog.unc.edu.

- Since 1998 the Civic Education Consortium has received support from the Z. Smith Reynolds Foundation to award grants ranging from $1,000 to $10,000 to innovative, collaborative civic education projects that develop effective citizenship among North Carolina's youth. For information on the small grants program, go to www.civics.unc.edu/small grants/index.htm.

- The Civic Education Consortium's Community-Based Education Work Group has compiled a list of nonschool community-based civic education programs for young people. This information can be found at www.civics.unc.edu/commresources/index.htm.

- The Civic Education Consortium also has catalogued resources for teachers, including curriculum resources, government websites, training opportunities, and community resources for the classroom. This information can be found at www.civics.unc.edu/teacherresources/index.htm.

state budget bill, which was adopted on June 30, 2003, does the following:

- Urges all middle and high schools to have active student councils

- Urges all middle and high schools to have at least two classes per grade level that offer discussions of current events every four weeks

- Urges all schools to provide students with community service and service learning opportunities

- Encourages the State Board of Education to develop mechanisms to hold school systems accountable for civic and character education[9]

Although implementation of the foregoing recommendations is not mandatory, representatives of the Department of Public Instruction have stated that they will integrate the act's recommendations into existing curriculum.[10]

In fall 2003, the Civic Education Consortium convened eight community forums around the state to engage citizens, grassroots organizations, and local leaders in discussion about using the results of the 2003 Civic Index to improve civic education and participation in their communities. The goal was to engage communities in developing more effective strategies to improve civic participation and education. In working with the eight communities, the consortium has learned of many innovative youth civic engagement programs across the state. These programs have been compiled in a resource guide available on the consortium's website. (For a related event, see the sidebar on page 10.)

To ensure that all communities benefit from discussion of the 2003 Civic Index results, the Civic Education Consortium will publish a *Community Forum Tool Kit*, a how-to guide for communities to host their own forums. These tool kits will be available in winter 2004. *Contact the Civic Education Consortium at (919) 962-8389 or pdexter@iogmail.iog.unc.edu if you would like to receive one.*

To document statewide trends in civic education and engagement, the Civic Education Consortium plans to conduct the Civic Index every three to four years. The consortium is currently

presenting the Civic Index at several state and national conferences. Consortium staff hope that other states will adopt this model assessment tool in their efforts to gauge civic vitality.

(For additional resources on civic engagement of youth, see the sidebar on this page.)

Notes

1. The survey can be found at www.civics.org.

2. The Survey Research Center of the University of Georgia conducted the Civic Index surveys between January and March 2003. The center contacted youth and adults by telephone using a "random digit dial probability sample." Center staff interviewed 771 youth ages 13–17 (44 percent of those contacted) and 804 adults (43 percent of those contacted). Samples of this size are subject to a margin of error no greater than ±3.5 percent, at the 95 percent confidence interval. In addition to sampling error, other sources of error can potentially influence the results of sample surveys, including error associated with nonresponse, question wording, and interviewer error. For additional details on the methodology used in this study, visit www.civics.org.

3. The complete findings appear in NORTH CAROLINA CIVIC EDUCATION CONSORTIUM, MEASURES OF CITIZENSHIP: THE NORTH CAROLINA CIVIC INDEX (Chapel Hill: the Consortium, 2003), available at www.civics.unc.edu/pdfs/civicindex_report2003.pdf.

4. According to United Way of America, in 2001, North Carolina ranked 11th out of 52 (50 states, Puerto Rico, and Washington, D.C.) in United Way per capita giving. North Carolina's average donation per capita was $22.75; the national average was $16.05.

5. For more information on the civics and economics curriculum, visit www.ncpublicschools.org/curriculum/socialstudies/2003-04/socialstudies.pdf. There are currently no state-mandated service requirements for students. However, many local districts and individual schools have implemented such requirements. New legislation asks the Department of Public Instruction to create mechanisms to track the number of students involved in service activities.

6. NORTH CAROLINA CIVIC EDUCATION CONSORTIUM, NC CIVIC INDEX ADULT AND YOUTH SURVEY COMPARISON (Chapel Hill: the Consortium, 2003).

7. *Id.*

8. CIVIC EDUCATION CONSORTIUM, MEASURES OF CITIZENSHIP, at 3.

9. The complete act can be found at www.ncga.state.nc.us/html2003/bills/AllVersions/Senate/S795v4.html.

10. Laila Wier, *State Aims to Improve Civics Instruction*, HERALD SUN (Durham), July 7, 2003, p. B-1.

Improving Revenue Flows from the Property Tax

Michael L. Walden

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Many local governments in North Carolina have struggled in recent years to obtain adequate revenues to meet the demands for public services. Even fast-growing, wealthy counties have not escaped the problem, some of them feeling the squeeze especially acutely.

The largest single source of locally generated revenue in North Carolina is the property tax. It accounted for almost 70 percent of local government tax receipts in 2001, or $3.4 billion.[1] It also is the tax over which local governments have the most direct control. Yet the way in which it is administered in North Carolina may contribute to shortfalls in local government revenues. If that process can be improved, then better revenue flows from this important local tax can help close the gap between local public resources and local demands for public services.

This article describes problems with administration of the property tax, reports the results of a study of the system's operation, and suggests an

alternative way to administer the system that would provide a greater and more constant stream of revenues.

Problems with the Property Tax

Three important components of any tax are the tax base, the tax rate, and tax revenues. The tax base is the economic value being taxed, such as income, sales, or property value. The tax rate is the tax per dollar (or, in the case of the property tax, per one hundred dollars) of the tax base. Tax revenues are the result of applying the tax rate to the tax base; that is, tax revenues equal the tax rate multiplied by the tax base.

One of the desired characteristics of a tax is that increases in the tax base track economic growth. In this way the tax base will capture economic growth, and tax revenues will correspondingly rise without increasing the tax rate. For example, if this characteristic is present, then a 5 percent expansion in the local economy will lead to a 5 percent increase in both the tax base and tax revenues, with the tax rate unchanged.

Problems can arise if this characteristic is not inherent in the tax, especially if the tax base increases more slowly than economic growth. Tax revenues will grow more slowly than the economy, and if the demands for public services increase with the size of the economy, then shortfalls in public resources and funding will occur. Alternatively the tax rate can be increased to keep the growth in tax revenues in line with economic growth, but this can lead to citizen resistance and opposition and political problems for locally elected officials who set the property tax rate.

Unfortunately the property tax system applied to "real property" (real estate) in North Carolina localities does not meet the test of an economic base that changes with economic growth.[2] The economic base used in the property tax is the *assessed* value of real property, not its *market* value. "Assessed value" is the value that a locality assigns to the property when it performs a full evaluation of properties. "Market value" is the economic, or sales, value of the property.

The market value of a property should keep up with economic growth, approximately. Yet for the past forty years, a full revaluation of real property designed to bring assessed values in line with market values has been performed in most North Carolina counties only once every eight years.[3] This means that assessed values of real property will not keep pace with economic growth in the years between revaluations. Even new real property in North Carolina is not valued at its market value at the time of construction. Rather, it is recorded at a value estimated to have existed at the last revaluation.

North Carolina is not alone in facing this issue. In 1999, forty-two states plus the District of Columbia did not annually revalue real property, and thirteen of those forty-three units did not update the assessed value between revaluations.[4]

To keep property tax revenues growing in line with the local economy, in the years between revaluations, locally elected officials have to raise property tax rates continually. Such increases are interpreted by many as increasing the tax burden, which is not the case if the increases are only to counteract the growing gap between market values and assessed values of real property. Also, when revaluations do occur, real property owners typically face large increases in property tax payments unless the property tax rate is lowered. Thus the current system impels a continual adjustment of property tax rates—up in the years between revaluations, down following a revaluation.

A Study of the Property Tax System

To gain better insight into how the property tax system operates in North Carolina, I conducted an examination

Figure 1. **Change in Assessed Values of Real Property, 1988–1995**

Years since Last Revaluation
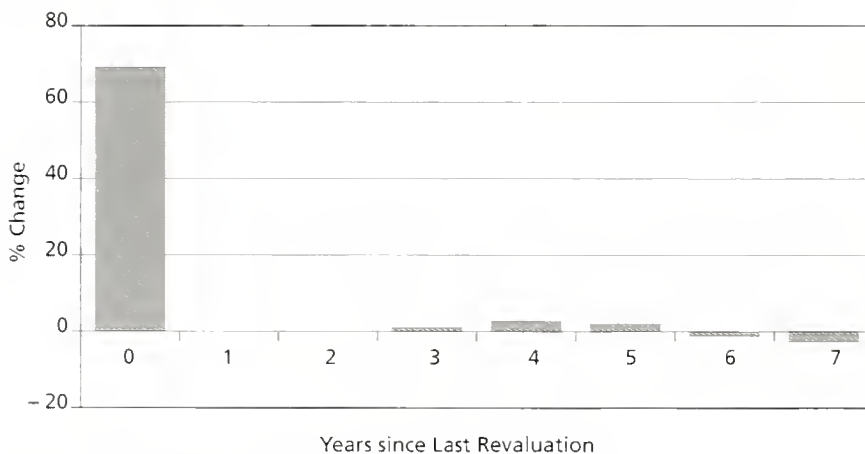
Figure 2. **Change in Legislated Tax Rate, 1998–1995**
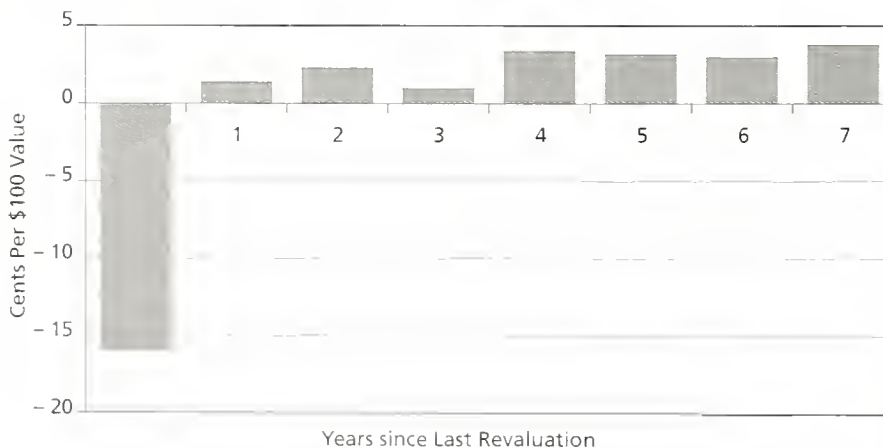
Years since Last Revaluation

of property tax rates, assessed values, and revenues for all 100 of North Carolina's counties from 1988 to 1995. I studied counties because, although both counties and cities levy property taxes, only counties establish the assessed value of real property. Thus, counties are the local government unit most involved in the interactions between assessed value, the property tax rate, and the time period between revaluations. I chose the time period of 1988 to 1995 because estimates of market values of real property were available for each year. All data were from the North Carolina Association of County Commissioners.[5]

Several trends and relationships were evident from the data. As expected, there was a large increase in assessed values of real property in the year of a revaluation but very little change in the years between revaluations, termed "interim years." Averaged over all counties, the increase in a revaluation year was 72 percent, the increase in the interim years less than 2 percent annually (see Figure 1).

Also as predicted, there was a large decrease in the property tax rate in revaluation years—16 cents per $100 of assessed value, on average—followed by a gradual increase in the property tax rate in the interim years—2.6 cents per $100 of assessed value annually, on average (see Figure 2). The cumulative increase in the property tax rate over an entire eight-year cycle was 2.1 cents per $100 of assessed value.

Counties did not lower property tax rates to fully counter the effect of the increase in assessed values during revaluation years, so they averaged an almost 30 percent increase in real property tax collections in years when a revaluation took place. However, in interim years, they averaged a 3.6 per-

The largest single source of locally generated revenue in North Carolina is the property tax. It accounted for almost 70 percent of local government tax receipts in 2001, or $3.4 billion.

cent annual increase in real property tax collections (see Figure 3).

A comparison of changes in assessed values and market values revealed the expected pattern. In revaluation years, increases in assessed values far outstripped increases in market values because they reflected the cumulative change in market values over the previous interim years. However, in the interim years, market values annually increased three times faster than assessed values (see Figure 4).

An Alternative Way to Administer the Tax

To review, my study of the North Carolina property tax system revealed three potential problems:

- Assessed values increase significantly during revaluation years and thereafter change little, whereas market values increase at a more even, consistent rate each year.

- At the beginning of each revaluation cycle, property tax rates are significantly lowered and then are annually increased until the next revaluation year.

- Real property tax collections display a large increase in revaluation years, followed by very small increases in years between revaluations.

In summary, the current property tax system gives local governments a

Figure 3. **Change in Real Property Tax Collections, 1988–1995**
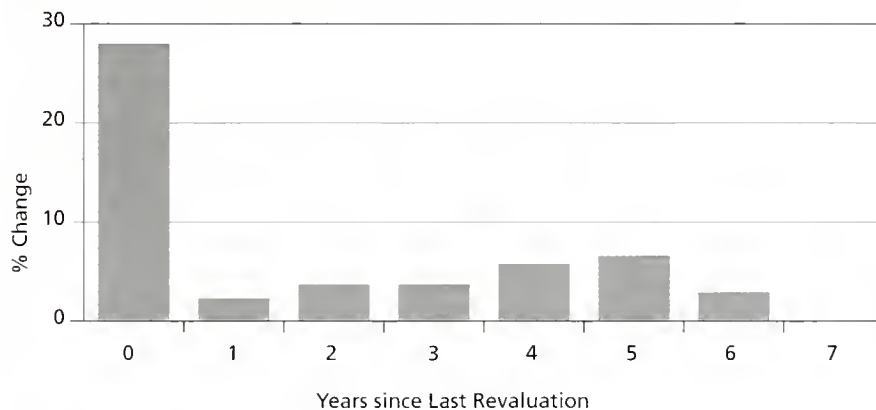
Figure 4. **Change in Assessed and Market Values of Real Property, 1988–1995**
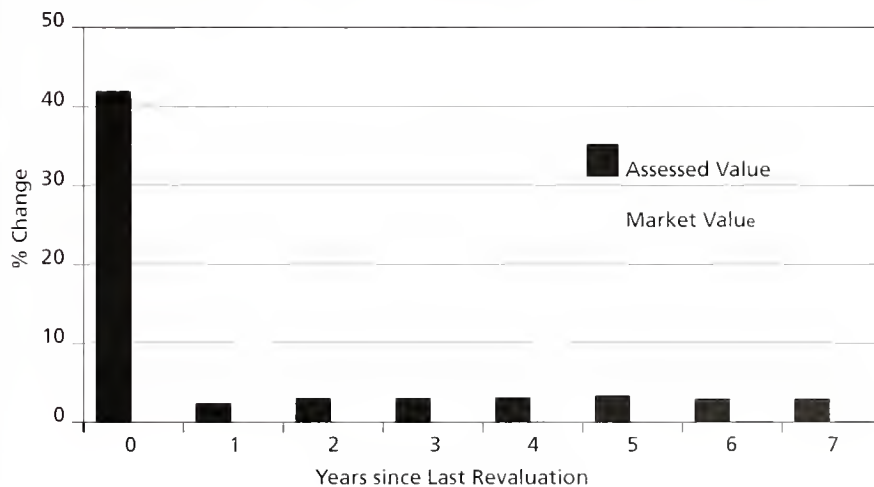
Table 1. Assessed Value and Tax Collection Calculations Using an Annual Inflation Adjustment

Year since Last Revaluation	Tax Rate	Inflation Rate	Assessed Value, Existing Bldgs.	New Construction Value	Total Assessed Value	Tax Collection
0	$.50 per $100	—	$100,000,000	—	$100,000,000	$500,000
1	$.50 per $100	5%	$100,000,000 × 1.05 = $105,000,000	$2,000,000	$107,000,000	$535,000
2	$.50 per $100	3%	$107,000,000 × 1.03 = $110,210,000	$3,000,000	$113,210,000	$566,050
3	$.50 per $100	4%	$113,210,000 × 1.04 = $117,738,400	$1,000,000	$118,738,400	$593,692
4	$.50 per $100	2%	$118,738,400 × 1.02 = $121,113,170	$2,000,000	$123,113,170	$615,566
5	$.50 per $100	2%	$123,113,170 × 1.02 = $125,575,430	$3,000,000	$128,575,430	$642,877
6	$.50 per $100	3%	$128,575,430 × 1.03 = $132,432,690	$4,000,000	$136,432,690	$682,163
7	$.50 per $100	2%	$136,432,690 × 1.02 = $139,161,340	$5,000,000	$144,161,340	$720,807

bounty of revenues during revaluation years but stingy revenue increases in subsequent years. Also, to obtain the increases in years between revaluations, elected local officials must raise property tax rates.

An alternative system is to apply a constant tax rate to annual estimates of market values of real property. To see the impact of such a system, I conducted an experiment using the property tax data for 1988–95. I held the tax rate for each county constant at the rate prevailing in the year that a property revaluation was done. This typically was the lowest rate until the next revaluation. Then I applied this rate to the estimates of annual *market* values of real property to obtain the tax collections that would have occurred if market values had been used.

The results showed that the alternative system would have produced significant revenue gains for North Carolina counties. The gains would have increased with the number of years since the last revaluation. Compared with revenues using the current property tax system, on average, North Carolina counties would have had 5 percent more property tax revenue in the first year after a revaluation, and the gains would have steadily risen to 12 percent in the seventh year after the revaluation. The average annual total increase in property tax revenues for all counties would have been $324 million, or ⁻ percent of the actual total revenues collected.

Institution of a New System

The study clearly showed that holding property tax rates constant and taxing market values of real property would provide a greater stream of revenues for counties than the current system of keeping assessed values constant and taxing them at a gradually rising rate over the revaluation cycle.

However, several questions would need to be addressed before such a system could be instituted:

- Methods of calculating market values of real property if full revaluations are not performed annually
- Methods for resolving differences between actual market values and estimated market values when full revaluations are performed
- The political acceptability of the new system compared with the existing system

Three methods are available for estimating market values in years between full revaluations. The easiest method annually adjusts values by changes in some external index, such as the Consumer Price Index. A similar but somewhat more complicated method adjusts all real property values in the same class (single family, multifamily, commercial, etc.) by an external index specific to that class. An example would be a national price index for a specific class of property. The third method bases adjustments in value on an annual sample of full revaluations in the county.

The first two methods have the advantage of simplicity. Consider a hypothetical county with a tax rate of $0.50 per $100 of value and a total assessed value after a full revaluation of $100 million (see Table 1). In the years until the next revaluation, the previous year's assessed value is increased by an external inflation rate (see the third and fourth columns of the table). Added to this amount is the full market value of new construction (see the fifth column). The sum becomes the total assessed value (see the sixth column), to which the tax rate is applied to derive tax collections (see the seventh column). The total assessed value becomes the starting value in the next year, to which that year's inflation rate is applied.

Contrast that process with the existing method (see Table 2). The initial assessed value again is $100 million, but it is increased only by the value of new construction. Also, new construction is valued at an amount approximating its value in the year of the last full revaluation (Year 0). Therefore, to generate the same tax collections as in Table 1, the tax rate in Table 2 must continually rise.

The disadvantage of the simple method is that it is not tied to local conditions. Situations can easily arise in which national and local conditions are dissimilar. The third method has the advantage of being closely tied to local conditions, but it is the most expensive. Also, many details would need to be specified with the method, such as the

Table 2. Assessed Value and Tax Collection Calculations Using the Current Method

Year since Last Revaluation	Tax Rate	Assessed Value, Existing Bldgs.	New Construction Value*	Total Assessed Value	Tax Collection
0	$0.500 per $100	$100,000,000	—	$100,000,000	$500,000
1	$0.525 per $100	$100,000,000	$1,904,762	$101,904,762	$535,000
2	$0.541 per $100	$101,904,762	$2,773,925	$104,678,687	$566,050
3	$0.562 per $100	$104,678,687	$886,839	$105,565,526	$593,692
4	$0.574 per $100	$105,565,526	$1,743,291	$107,308,817	$615,566
5	$0.585 per $100	$107,308,817	$2,563,664	$109,872,481	$642,877
6	$0.603 per $100	$109,872,481	$3,318,659	$113,191,140	$682,163
7	$0.615 per $100	$113,191,140	$4,066,984	$117,258,124	$720,807

*Calculated as the value in Table 1 for the same year, discounted by the compound inflation rate to that year; for example, for Year 2, $2,773,925 = $3,000,000/(1.05 × 1.03).

size of the sample and the application of the results to individual properties.

If anything less than a full revaluation is done each year, there will inevitably be conflicts between the estimated market value of some properties and the actual property value when a revaluation is performed. Standards and procedures would have to be established to handle two situations: (1) the on-site revaluation reveals a property's past estimated values to have been too high, and the owner has overpaid past property taxes; and (2) the on-site revaluation reveals a property's past estimated values to have been too low, and the owner has underpaid past property taxes.

Political acceptability is a key to the institution of a new property tax system in North Carolina localities. The current system has been in place for more than forty years. Certainly, many taxpayers have issues with the current system, in particular, with the large increase in assessed values occurring in revaluation years and the

> The study clearly showed that holding property tax rates constant and taxing market values of real property would provide a greater stream of revenues for counties than the current system of keeping assessed values constant and taxing them at a gradually rising rate over the revaluation cycle.

pressure for increases in property tax rates in interim years. Yet to accept an alternative system of taxing estimated market values at a fixed property tax rate, taxpayers will have to be convinced that the new system is fair and logical. This would require an educational program to explain the rationale and workings of a new method, perhaps coordinated by the Institute of Government and the Cooperative Extension Service.

Summary

The property tax is the single most important source of tax revenue for local governments in North Carolina. Yet with long periods between revaluations, localities must continually increase property tax rates to keep collections in pace with economic growth.

An alternative system would keep property tax rates constant but apply them to annual estimates of market values of real property. A study of North Carolina counties from 1988 to 1995 showed that such a system would have provided a greater and

more constant stream of property tax revenues for counties.

Several issues would have to be addressed before such a system could be instituted. Local leaders will have to decide if these issues can be easily overcome. If not, then the current system, even with its flaws, may be the better alternative.

Notes

1. The percentage is for county and city governments combined. The supporting data are available at the North Carolina State Data Center, http://data.osbm.state.nc.us/pls/linc/dyn_linc_main.show (last visited July 24, 2003).

2. In North Carolina the property tax is applied to real property and to personal property. Real property accounts for approximately three-fourths of total taxable property. The supporting data are available at the North Carolina State Data Center, http://data.osbm.state.nc.us/pls/linc/dyn_linc_main.show (last visited July 24, 2003).

3. Currently, 65 counties revalue real property every eight years, 9 counties every seven years, 2 counties every six years, 6 counties every five years, and 18 counties every four years. The supporting data are available at the North Carolina State Data Center, http://data.osbm.state.nc.us/pls/linc/dyn_linc_main.show (last visited July 24, 2003).

4. INTERNATIONAL ASS'N OF ASSESSING OFFICERS, PROPERTY TAX POLICIES AND ADMINISTRATIVE PRACTICES IN CANADA AND THE UNITED STATES (Chicago: IAAO, 2000).

5. NORTH CAROLINA ASS'N OF COUNTY COMM'RS, FISCAL SUMMARY OF NORTH CAROLINA COUNTIES (Raleigh, N.C.: NCAC and North Carolina Dep't of State Treasurer, fiscal years 1988–1996).

Establishing Mutual Accountability in Nonprofit-Government Relationships

Margaret Henderson, Gordon P. Whitaker, and Lydian Altman-Sauer

The success of a community festival like Hillsborough Hog Day is highly and immediately visible to sponsors, supporters, and participants. The sponsor of Hog Day is the Hillsborough/Orange County Chamber of Commerce. Among its in-kind supporters are the city and the county.

Henderson, Whitaker, and Altman-Sauer are the project team for the Project to Strengthen Nonprofit-Government Relationships, at the School of Government, UNC Chapel Hill. Henderson and Altman-Sauer are research associates. Whitaker is a faculty member who specializes in local public management. Contact them at mhenderson@iogmail. iog.unc.edu, whitaker@iogmail.iog.unc. edu, or lydian@carolina.net.

- A neighborhood center receives an allocation from the city to support an after-school program, but without consulting the city, it decides midyear to spend the money on a different project.

- In the last half of the fiscal year, a state government agency tells a group of its nonprofit contractors that the quarterly payments for their reimbursable grants will be delayed indefinitely.

- A community loses the opportunity to maintain rental units for low-income housing when the nonprofit in charge cannot justify its expenditures of the six-figure grant from the state or its failure to complete the renovations within the projected time frame.

- An audit reveals that an organization's internal financial controls are not adequate to ensure that designated funds will be spent in compliance with the funders' specifications.

Governments, nonprofits, philanthropies, and businesses all talk about the value of partnering to maximize the impact of their resources. Ironically, in day-to-day life, the ways in which people actually work together often fail to reflect that philosophy of partnership. This article discusses ways to move beyond the buyer-seller relationship often embodied in government-nonprofit contracts, toward shared responsibility for improving public services. It presents a framework of goals, questions, and tools that can help people in government and nonprofit organizations focus on how their work for and with each other can improve public service.

An Alternative to Adversarial Approaches

Traditional adversarial approaches to accountability concentrate attention on blame and punishment rather than shared interests and joint decision making. "Mutual accountability," however, creates more complete and honest communication for the duration of the relationship. It encourages shared responsibility and shared learning. The processes that characterize mutual accountability enhance opportunities for partners to learn from and with each other about public needs, and to decide how best to meet them.

Cross-organizational relationships can be complex and are strongly affected by several factors:

- The personalities involved
- Participants' political philosophies
- Mandates from the state or federal governments
- Emergencies or natural disasters
- Available economic or environmental resources
- The mix of public problems facing the community

Even when all the players work hard to balance this complex set of factors, a change in one changes the whole equation, sometimes dramatically. The processes of mutual accountability anticipate change, however, and build strong relationships so that managing change becomes less stressful.

Reasons to Care about Accountability

accountable *adj.*
1. Liable to be called on to render an account; answerable.
2. Capable of being accounted for; explicable.
— *Webster's*[1]

Governments and nonprofits should work to establish healthy accountability practices for at least two reasons. First, partnering can stretch available public resources. No government has all the resources, power, or authority that it needs to address important public needs comprehensively. To fill the gap between capacity and need, the trend is to encourage governments to establish relationships with other organizations. In fact, today more and more public services in the United States are paid for by governments but delivered and augmented by nonprofit organizations.[2] The potential for meeting public needs when two or more organizations divide responsibilities depends, in part, on how clearly they define and understand their expectations of each other. Service delivery by multiple organizations does not fit well into traditional buyer-seller models of democratic accountability when program goals are broad and service conditions highly variable—exactly the kinds of public service problems frequently addressed by nonprofits. The buyer-seller model often reinforces uni-

To fill the gap between capacity and need, the trend is to encourage governments to establish relationships with other organizations. In fact, today more and more public services in the United States are paid for by governments but delivered and augmented by nonprofit organizations.

lateral decision making and fault-finding rather than partnership.

The second reason for governments and nonprofits to establish health accountability practices is their need to demonstrate responsible stewardship of taxpayer dollars. Public service organizations and partnerships have a responsibility to serve the greater good of their communities. The public credibility of an organization or its funders can be devastated by a high-profile scandal reported in the media. No matter what the facts are, the reputations of both the nonprofit and its government partner are likely to suffer. Attention is diverted from serving the public to fixing the problems that arise from the perceived breach of faith and to taking measures to rebuild trust with community stakeholders. It is no wonder that much of the focus on accountability is on restraints and reports.

As an authority on accountability puts it, "[A]ccountability means punishment."[3] In other words, people often approach accountability only as a way to establish whom to blame if something goes wrong. Traditional accountability practices often reflect and support an adversarial rather than a cooperative relationship, diverting attention from the public services that are the reason for the partnership.

A Focus on More than Money

How can accountability systems be designed to go beyond conducting surveillance to encouraging better public service? What accountability practices can help partners improve program performance while verifying that public resources are being used appropriately?[4]

The general public commonly equates accountability with fiscal integrity,

Standards for Organizational Effectiveness of Nonprofits

Two initiatives are under way in North Carolina to define standards for effective nonprofits. These standards guide nonprofits in developing the capacity to carry out commitments. Also, they provide a way for nonprofits to demonstrate that capacity at the outset of a relationship.

At the state level, the North Carolina Center for Nonprofits is distributing a new tool for self-evaluation, *Standards for Excellence: A Self-Help Tool for Nonprofits' Organizational Effectiveness*.[1] The publication presents a voluntary program intended to promote healthy organizational practices that nonprofits can implement through positive, not punitive, measures. The program has three basic components:

- Eight guiding principles of good practice that establish fifty-five benchmarks for effective, accountable conduct in nonprofit leadership, management, and operations

- An array of technical assistance resources, including educational packets and training, designed to help nonprofits achieve the standards

- Public education, aimed at a broad audience, that helps stakeholders interested in the nonprofit sector understand the principles and the standards

  For more information, visit the center's website at www.ncnonprofits. org, or contact Trisha Lester at (919) 790-1555 ext. 104 or tlester@ncnon profits.org.

At the local level, the Alliance for Human Services in Henderson County has developed a self-evaluation matrix for nonprofits requesting funding by county government, the Community Foundation of Henderson County, and the local United Way. The standards in the matrix are based on those developed by nonprofit centers in Minnesota and Maryland. Level 1 is for organizations with little or no staff, level 2 for legally established, small nonprofits, and level 3 for mature, small organizations. The standards address only management structure, not programmatic structure or success.

Kathryn McConnell, program officer of the Community Foundation of Henderson County, reports that nonprofits initially resisted the concept of local accreditation but now support the process. For example, some directors use the standards to define and encourage positive change in board activities and practices. Also, the matrix illustrates to people enthusiastic about starting a new organization the amount and the types of efforts required to maintain a healthy community nonprofit.

For more information, contact Leigh Stanton at (828) 693-4074 or Lstanton123@juno.com.

Note

1. North Carolina Center for Nonprofits, Standards for Excellence: A Self-Help Tool for Nonprofits' Organizational Effectiveness (Raleigh: the Center, 2002; adapted from a 1998 publication by the Maryland Ass'n of Nonprofit Organizations).

As stewards of public funds, both governments and nonprofits have the responsibility to ensure that funds are spent for their intended purposes. Rightly or not, the public may be more interested in finances than in fairness or performance. For example, the public may be aroused more by a rumor that the director of a nonprofit literacy council used funds inappropriately than by a suggestion that the director hired friends over more qualified job applicants or that fewer people than expected actually learned to read through the council's services. Yet all three categories are important and should be considered in any comprehensive approach to defining and implementing accountability.

To ensure that all three goals for accountability are addressed, they must be built into the tools used in these relationships. That is, discussions about mutual expectations, and the contracts, reports, audits, and one-to-one contacts that reflect those expectations, should address all three goals.

Alternatives for Setting Up Accountability Practices

The difference between (traditional) hierarchical accountability and mutual accountability is readily apparent in their contrasting approaches to setting up expectations for accountability:

- **Hierarchical accountability:** Government decides on accountability processes. Nonprofits follow them. Without a conversation with a nonprofit, the government might simply send it a contract that sets out the terms of the relationship, and expect it to return a signed copy. The communication about expectations and responsibility flows in one direction, from the buyer to the seller, often in a take-it-or-leave-it manner.

- **Mutual accountability:** Governments and nonprofits together decide on accountability processes. Both follow them. The relationship begins with a conversation in which both parties negotiate and agree on the terms of the relationship. Communication is two-way.

focusing on finances instead of fairness and on process rather than performance. Although this convention is easy to follow, especially given concerns about negative public attention, it is not adequate for creating partnerships that provide the most effective services. A more service-oriented focus views accountability goals as multidimensional, including three general categories:[5]

- **Fairness,** which addresses the expectation that standards will apply to all people equally, whether the subject is hiring practices for staff or eligibility standards for clients

- **Finances,** which refers to the expectation that funds will be administered honestly and responsibly, usually in accordance with generally accepted accounting principles

- **Performance,** which refers to expectations about the manner in which activities will be carried out and the success that will be achieved
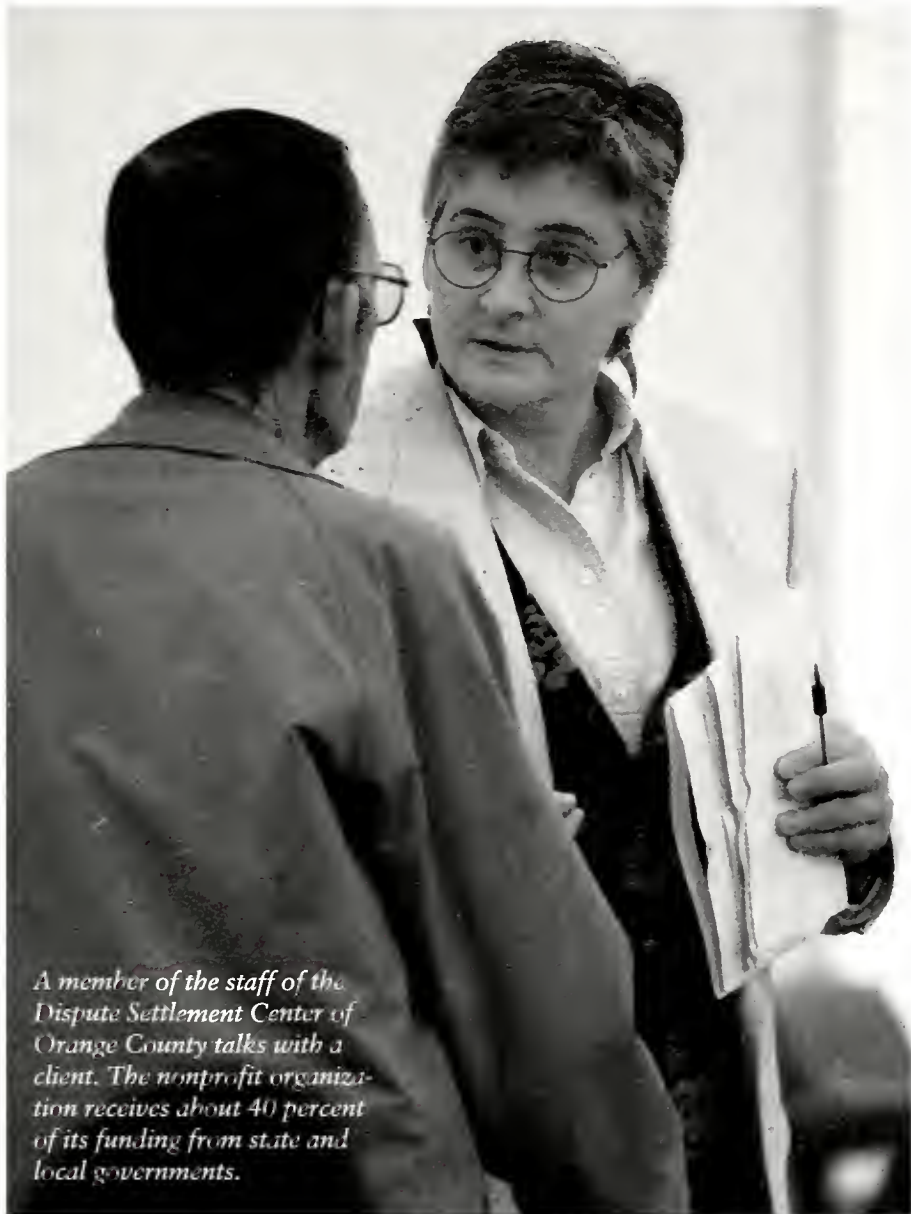
A member of the staff of the Dispute Settlement Center of Orange County talks with a client. The nonprofit organization receives about 40 percent of its funding from state and local governments.

devote resources to considering changes and improving services in order to address public needs better.

If government officials have confidence that a nonprofit is well managed, they may be more willing to invest time and attention in learning from it. Trust can be built on the nonprofit's record of successfully managing projects. Trust also can be fostered through programs that show how a nonprofit meets standards of management effectiveness. The equivalent of a Good House-keeping Seal of Approval for nonprofits can reassure governments, foundations, and other funders that bearers of the seal will use funds effectively and with integrity. (For a description of two initiatives under way in North Carolina to define standards for effective nonprofits, see the sidebar, opposite.)

Building mutual accountability takes time. It calls for considerable human investment as well. People representing the various stakeholders have to agree on expectations. They also have to carry out their responsibilities, report on their successes and failures, and review the consequences with the other stakeholders. That requires their attention, their time, and their trust, as well as the support of the broader group of stakeholders whom they represent and serve. Too often, government and nonprofit officials do not have adequate resources, interest, or support to create mutual accountability.

In some instances a government may not be sure what kind of service is appropriate to meet the public need that it wants to address. Similarly, a nonprofit may not be certain how to deliver the service or outcome that government wants. Acting unilaterally restricts opportunities to learn from experience and adapt expectations to create more effective public service. By working together to learn what kinds of services are needed and how they can best be delivered in that particular community, government and nonprofit organizations can save money in the long run.

For example, Charlotte recently partnered with a city-funded nonprofit to evaluate the nonprofit's success in economic development in its service area. The partners learned that

The differences in the two ways of setting expectations establish different tones for the duration of the relationship. To focus attention on encouraging better public service, both parties have to discuss their accountability to each other and to the public. It is inconsistent for one party to decide how relationships are to be mutually accountable and then force that decision on the other partner.

Appropriate Circumstances for Mutual Accountability

Mutual accountability requires a certain level of readiness. Both parties must have or be willing to develop the following attributes. Not having one of them creates an obstacle to success.

- A strong interest in serving the public
- A willingness to discuss possibilities for change
- A willingness to devote time and attention to improving services
- A willingness to learn from and with each other
- A willingness to devote resources to building and maintaining mutual accountability

Being interested in learning from each other is a good start, but it is not enough to ensure accountability to the public. The parties—particularly the parties with authority to act and money to spend—must be willing and able to

Considerations in Developing Mutual Accountability

Before nonprofit and governmental partners consider a new or changed relationship, they might benefit by considering some fundamental questions about why they have the relationship in the first place. If partners agree with the following statements, they are ready to begin implementing mutual accountability practices:

- Our relationship is about more than money.
- We recognize that each of us has knowledge and resources that, when shared, produce a better product for our community.
- Forces both internal and external to our organizations support our relationship.
- Each of us trusts the other to be accountable to the general public as well as to our individual stakeholders.
- We expect that we can reach a consensus on an ideal working relationship.
- Basic resources will be available to support us as we work to strengthen our partnership.
- We have the interest, the motivation, and the autonomy to improve our relationship in the future on the basis of what we learn together now.

Having variations in the degree of agreement by the different parties is natural. However, strong disagreement with, or disinterest in, one or more of the statements presents a significant obstacle to success. The parties could begin to work together, but they might not achieve true mutual accountability.

although the nonprofit had achieved only seven of the twelve initiatives it had undertaken, the benefits already were notable: the assessed value of property in the service area had gone up 20 percent in two years, compared with only about 4 percent citywide.

After learning together how the program was working, city and nonprofit representatives developed revised expectations for their relationship, supported new approaches by the nonprofit, and increased public funding.[6]

Several case studies suggest some common ways in which mutual accountability develops:[7]

- One person typically convenes or initiates discussions, but others willingly join in the deliberations about accountability expectations.

- When others join in, they often do so because they have a strong interest in solving a public problem or helping clients.

- Usually, expectations about and commitment to working together grow as the parties take tentative first steps and are willing to learn from and build on small initial accomplishments.

- Time and space are available to permit the parties to develop mutual expectations.

- Often, someone is able to protect stakeholders from pressures that would force them to decide immediately or to ignore some voices.

(For a summary of key considerations for governments and nonprofits when discussing whether to establish mutual accountability, see the sidebar on this page.)

Establishing Mutual Accountability

If government and nonprofits are willing to share decision making, take time to deliberate and experiment, and respect the different perspectives of the organizational representatives while designing new accountability patterns, they can begin to decide how they want to work together. Although the steps just listed may look like a sequential process, in reality, people can start at any point in the process: They can start a new project together, collaborate in collecting data on an ongoing project, or review a project together and decide what to do next.

Regardless of where the parties begin, eventually their work toward

mutual accountability will lead them to address the following four questions. Answers to the questions shape the accountability relationship.[8] Although external authorities (such as federal regulations or accreditation standards) may limit flexibility, usually the parties can determine many aspects of accountability directly with each other.

1. Responsibility: Who is expected to carry out which actions for whom? Shared development of expectations about responsibility does not mean that the parties need to decide all the details together. It means only that they need to decide together what each is committed to doing. Thus, government representatives might decide to leave management of a homeless shelter to their nonprofit partner. They might be satisfied to agree to general expectations for how operation of the shelter will change conditions in the community. Clarity about the government's responsibilities to the nonprofit and to support of the work the nonprofit is doing under the partnership forms a key element in mutual accountability.

2. Responsiveness: Who is expected or has the authority to invoke or alter mutual expectations, especially if circumstances do not work out as planned? People who have responsibilities to each other must be clear about how much discretion each party has in carrying out those responsibilities. Responsiveness concerns the day-to-day functioning of the relationship. Who can initiate changes within the context of the current understanding? For example, how much latitude does a nonprofit have to change services unilaterally in response to clients' requests? Answering the responsiveness question defines the degree of flexibility that exists within the broad framework of expectations.

The specificity of the service affects the degree of autonomy that each of the partners enjoys. For example, if a nonprofit is expected to collect recyclables from a specified number of houses in a particular neighborhood, then redefining the service area is not acceptable without renegotiating with the governmental funder. If the nonprofit is charged with a broader goal,

A retiree in Knightdale volunteers for Meals on Wheels.

such as educating the general public on disaster preparedness, then the government might agree to considerable flexibility for the nonprofit to decide how or where to present this service.

3. Reporting: Who should provide what information to whom about how responsibilities are carried out?

Mutual accountability should encourage the sharing of information to promote improved performance. Discussions about expanding traditional notions of how to report on program performance or how to treat clients equitably might begin by collecting information that can be used to define successful results—information like diverse demographic profiles, the number or nature of complaints, demonstrated mastery of course content, or the feedback from evaluation processes. Some organizations invest resources to develop sophisticated ways to track their operations and the results they produce.[9] The data and the conclusions from these can be used not only for internal decisions but also for reports to partners.

The degree of flexibility in reporting on a relationship also depends on the specificity of the expected performance. Responsibilities might be stated in terms of specific activities, general services, or even more general outcomes, such as changed conditions. More generally defined responsibilities or a broader degree of responsiveness typically entails more flexible reporting. For example, counts of meals served, nights of shelter provided, and other service activities describe service quantity but say little about the quality of service or about changes in conditions, which may be the focus of performance expectations. Narrative descriptions of the services or of changes in the condition of clients or the community may provide richer information about what the nonprofit has accomplished but require greater flexibility in reporting requirements because the focus is not so much on numbers as on stories.

4. Reviewing: Who is expected to use what information to make decisions about the future of the relationship?

Reviewing expectations about who may end or alter the relationship can help create mutual accountability. If both government officials and non

profit leaders assume that the nonprofit needs funding more than the government needs the nonprofit's services, an asymmetrical relationship will be created in which both expect the government to review the relationship and decide on its future. That asymmetry, in turn, creates expectations that the nonprofit should be responsive to the government's requests, not vice versa, and that the nonprofit should report to the government on its performance, not the other way around. In this way, accountability often gets focused on government monitoring of nonprofit compliance with government guidelines, rather than on ways the relationship currently serves the public or might improve public service.

Mutual accountability depends on involving all key stakeholders or their representatives in reviewing the relationship and deciding how to change it. Through joint review of the expectations that establish mutual accountability, the parties can refine and revise those expectations to reflect what they have learned about working together and to fit new circumstances or challenges.[10]

Table 1. Examples of the Dimensions of Mutual Accountability

Responsibility Who is expected to carry out which actions for whom?

Fairness	Finances	Performance
Standards apply to all people equally.	Financial management is honest and responsible.	"Service" and "success" are defined.
Governmental practices are applied to all nonprofits similarly.	All parties agree on amount and terms of payment, as well as definition and number of services to be provided.	Government defines type of nonmonetary support it is willing to provide to its nonprofit partners.
Nonprofit applies same standards to staff, volunteers, and clients.	Government clarifies practices to be used for requesting and providing installments of financial support.	Nonprofit has clear definition of any other expectations government might have for partnership.
	Nonprofit agrees to adhere to generally accepted accounting practices.	Government and nonprofit jointly define service to be provided, criteria for success, and content or plan for evaluation.*

Responsiveness Who is expected or has the authority to invoke or alter mutual expectations?

Both parties clarify how much discretion government has in deciding which project expenditures to reimburse.	Both parties clarify how much flexibility government has in deciding when to make payments to nonprofit.	Both parties clarify how much variation there is in number or type of clients government expects nonprofit to serve.
Both parties clarify how much discretion nonprofit has in deciding which clients to serve.	Both parties clarify how much flexibility nonprofit has in redirecting funds without budget amendment.	Both parties clarify how much nonprofit can revise program content without government approval.

Reporting Who should provide what information to whom about how responsibilities are carried out?†

Government provides information about its funding and monitoring practices to public.	Government provides summary data and written clarification of funding agreement.	Parties agree to inform each other in timely fashion of turnover in key staff or other major changes in working environment.
Nonprofit provides documentation of its hiring, client service, and personnel policies to government.	Nonprofit reports specific financial information at particular times and allows its records to be reviewed on request.	Parties agree on kinds of reporting tools that adequately describe and document how things are going. Parties agree on content, format, and time intervals in which to deliver reports.‡

Reviewing Who is expected to use what information to make decisions about the future of the relationship?

The parties decide which questions of fairness, financial probity, and performance quality will be answered by government, which by nonprofit, which by both together, and which by outside entity.	The parties decide who will review information about relationship and make decisions about changing it.	The parties decide what kinds of changes to relationship each may make independently and what kinds of changes must be jointly agreed on.

*If government officials have a precise definition of what tasks need to be done and how to do them, then the government can easily set up its own program or buy the service from a vendor. Given a clear understanding of what government needs to have done, performance contracts can provide appropriate accountability expectations. Robert D. Behn & Peter A. Kant, *Strategies for Avoiding the Pitfalls of Performance Contracting*, 22 PUBLIC PRODUCTIVITY AND MANAGEMENT REVIEW 470 (1999). Picking up and processing recyclables is an example of a specific service that is relatively simple to define.

To accomplish broader goals, such as prevention of child abuse, defining either the plan of action or the responsibilities for what would be considered effective public services may be more challenging. People might understandably be unclear about how best to authorize responsiveness, organize reporting, or conduct reviewing. In those situations, discussions of mutual accountability could help the parties organize their expectations to learn how to better meet the needs of those to be served.

†Before defining the reporting expectations, the government should evaluate how much and what kind of information it has the capacity to review. Similarly, the nonprofit should evaluate how much and what kind of information it has the capacity to produce.

‡Nonprofits generally have multiple funders, each with its own expectations for reporting. Being required to present similar information in an array of different formats results in time inefficiencies for the nonprofits and ultimately the whole community. To minimize the amount of effort it takes nonprofits to compose the reports, governments might consider either (1) specifying the content but not the format of the reports or (2) coordinating the expectations of report content and format with other local funders.

Spelling out Mutual Expectations

Who answers these questions about responsibility, responsiveness, reporting, and reviewing, and what those answers are, in large part determine whether accountability is an adversarial or a collaborative process. (For an illustration of how the four questions might be answered to establish mutual accountability for fairness, finances, and performance, see Table 1.)

The appropriate context for holding conversations about mutual expectations will vary. Some conversations might take place in large groups because they apply to all the organizations and people involved. Others are more appropriately held one-on-one. The crucial issue is to identify and involve the key stakeholders in setting performance and process expectations. If the stakeholders do not

Table 2. **What Accountability Tools Can and Cannot Accomplish**

	What This Tool Can Do	What This Tool Cannot Do Alone
Contracts	Explicitly state mutual expectations	Ensure that mutual expectations are met
	Provide some protection for both nonprofit and government in case of nonfulfillment	Generate problem-solving or proactive planning
Periodic Reports	Provide quantitative or qualitative information on program operations	Ensure that mutual expectations are met
	Track progress toward fulfilling mutual expectations	Generate problem-solving or proactive planning
Financial Audits	Find evidence of gross fiscal misconduct	Ensure that mutual expectations are met
	Identify ways to strengthen financial management practices	Generate problem-solving or proactive planning
		Ensure that recommended improvements take place
Periodic One-to-One Contacts*	Keep track of progress or problems	Substitute for legal weight of contract that defines mutual expectations
	Generate problem-solving or proactive planning	
	Build mutual trust	
	Exchange information	
	Strengthen personal and professional relationships	
	Permit shared understanding or interpretation of data and events	

*One-to-one contact can take many forms, such as individual conversations, site visits, and client surveys or interviews.

Table 3. **Options for Using Accountability Tools**

Packages of Accountability Tools (in increasing degrees of complexity, top to bottom)	Application for Government Support	Accountability Goal		
		Financial Reporting (Finances)	Program Reporting (Performance)	Management Practices (Fairness)
Level 1	Letter of request	Copies of receipts	Narrative about completed activity; copies of media coverage	Statement of intention, contained in letter
Level 2	2-page application	Printout of check register for expenses	Program activity statistics	Checklist of policies
Level 3	10-page application with attachments	Program budget report; audit of program or organization	Program activity and results statistics; outcome evaluation	Copies of documents proving policies have been followed

explore and define these mutual expectations together, they may well be operating on different assumptions about what each party is to do. That can cause difficulties in the relationship, especially when unexpected changes happen.

To explore how unexpected changes might affect a relationship, a possible strategy is to use "What if?" scenarios. Discussing what each partner might do in several possible situations helps each party explore responsibilities, responsiveness, reporting, and reviewing in the context of fairness, finances, and performance.

- What if a key staff person leaves?

- What if a program does not develop as planned?

- What if clients' needs or requests change?

- What if the outcomes are not what you expected?

- What if a funding source disappears?

- What if criticism develops in the community?

- What if changes in the environment force unexpected change?

One expectation that may emerge from discussing these different scenarios may be "Don't set us up for surprises. Keep us informed." Staff can easily become so focused on managing new situations that they forget to inform or consult with their partners. Having this kind of conversation at the beginning of the relationship, rather than during a crisis, can help maximize the support each partner offers the other.

Assembling Accountability Tools

Four tools can help establish accountability:

- **Contracts:** Legal documents that describe the mutual expectations of the nonprofit-government

Government Smart Start funds help Primrose School of Cary run a program for infants.

funding relationship.[11] Answers to all four accountability questions should be made explicit when drafting a contract.

- **Periodic reports:** Relatively informal documents that summarize activities, program accomplishments, or financial transactions, or more elaborate documents that provide answers to specific questions or require supporting evidence. They may be produced separately by one or another of the parties, be a joint product of both, or be produced by a third party.

- **Financial audits:** A fiscal review by a certified pubic accountant that verifies the financial situation of the nonprofit. Programmatic or other types of reviews provide a similar after-the-fact examination of other operational facets.

- **Periodic one-to-one contacts:** Personal interactions among the staff, volunteers, and board members of the nonprofit and government that may include site visits and opportunities to view services.

Of these tools, contracts and financial audits are commonly the most formal ones, using the expertise of legal and accounting professionals. Periodic reports and one-on-one contacts might range from the informal (a conversation) to the formal (a defined presentation of information).

All four tools cover important aspects of the relationship, yet no single tool can ensure that any dimension of accountability is upheld all the time. The most effective strategy is to use a combination of both formal and informal tools. (For a summary of the usefulness of each tool, see Table 2.)

Finding the Right Match between Tools and Situations

Packaging reporting tools differently for relationships of different levels is appropriate and desirable. In the interest of fairness, however, the same package of tools would be used for all relationships within a particular level. (For some options for using accountability tools, see Table 3.)

The following examples clearly require different levels of accountability and therefore different packages of tools:

- **Level 1:** A neighborhood center wants $500 for a neighborhood cleanup day and beautification contest. The expected outcome is an inexpensive, time-limited event.

- **Level 2:** A neighborhood center wants $5,000 to start a Saturday Academy to tutor local children, managed by volunteers. The expected product is a continuing service that involves one-on-one contact between adults and children.

- **Level 3:** A neighborhood center wants $50,000 to enhance its day care services for low-income families by training care providers and improving the on-site educational opportunities for children. The project is ongoing and expensive, and the goal is broadly defined and potentially open to interpretation.

A number of differences among individual nonprofit-government

relationships might encourage shifts between levels:

- **The amount of funding:** Will the desired outcome cost $500 or a much larger amount? The greater the amount, the greater the risk involved in the project. With greater investment, formal accountability becomes more important to the credibility of both the local government and the nonprofit in making appropriate and responsible funding decisions.

- **The expected duration of the project:** Is the desired outcome a one-day event or a continuing service? In comparison with a one-time event, a service that continues over a long period warrants a different kind of scrutiny to ensure that it happens as planned.

- **The complexity of the goal or the specificity of the service:** Is the goal to provide a specific number of services (say, meals for the homeless) or to accomplish a broader goal (for example, reduce homelessness)? Potential projects or services may range from very detailed ones to those promoting broad community benefits.

- **The visibility of the goal:** How likely is it that the goal will be publicly scrutinized? Confidential services provided by a twenty-four-hour crisis line are not easily witnessed. In contrast, a street fair or neighborhood cleanup day is a public event.

- **The amount of trust between the organizations:** Do both the nonprofit and the government trust each other's capacity to fulfill expectations? Is either one a young or unstable organization? Does either employ key staff members who are unpredictable, inconsistent, or unfamiliar with the mutual expectations? Frequent communication can help build and sustain trust and be critical in guiding any necessary project changes (anticipated or unanticipated). When trust exists between nonprofits and government, and when both enjoy stability, informal accountability measures become more acceptable.

- **Recent community events or shifting political philosophies:** What has been happening on the local landscape? A scandal in one nonprofit-government relationship might generate negative publicity that affects all others. Political support or philosophies can change with a single election. In this instance an increase in the use of accountability tools may be what it takes for the community or newly elected officials to regain or build trust with the nonprofits.

Given all these variables, it is difficult to define arbitrary cutoff points between the levels in Table 3 when considering the amount of funding and the duration of the outcome. However, in the interest of fairness, governments should not jump from level to level on the basis of subjective opinions (for example, "We like you; therefore you only have to write us a letter and ask for money rather than complete an application").

Holding all nonprofits to the same accountability standards, regardless of the service or the amount funded, does not make sense either. Different packages of accountability tools may be appropriate and desirable for different types of nonprofit-government relationships, as long as there is clear and consistent logic used to support the plan.

Examining the Effects of Administrative Infrastructure

Aside from the differences in specific relationships, the administrative infrastructure of both a government and a nonprofit can affect the way a relationship is documented. A government's administrative infrastructure determines its ability to request accountability reports responsibly. What is its capacity to collect, review, analyze, and use the information that it requests from nonprofits? No one benefits if reams of reporting documents are required but neither the government nor the nonprofit uses the information to generate a useful outcome or decision.

Local governments often require nonprofits to provide periodic reports that convey critical information, yet the governments frequently do not assign staff to monitor these documents. If no one follows up on the content of these reports, then both the government and the nonprofit lose a critical opportunity to strengthen relationships, review progress, and troubleshoot unanticipated problems. As a result, the reports provide a paper trail only if something goes wrong.

For a nonprofit the depth of its administrative infrastructure can determine the kinds of funds for which it can apply. Many nonprofits are small and focus their resources on services to clients rather than on administrative infrastructure and management. They must carefully evaluate whether they have the capacity to collect and assimilate the information required for reports. A particular small nonprofit with little infrastructure may be exactly the right partner for the government in all other respects. In this case the nonprofit and the government have to decide how much they need each other to meet shared programmatic goals. Do any other nonprofits reach that particular population or hold that specialized

A common assumption is that requiring reports stimulates better accountability practices on the part of nonprofits. In fact, requiring expansive reports might create another hoop that only the more sophisticated nonprofits can jump through.

Figure 1 **Administrative Capacity of Nonprofits and Governments**

Figure 1 Administrative Capacity of Nonprofits and Governments
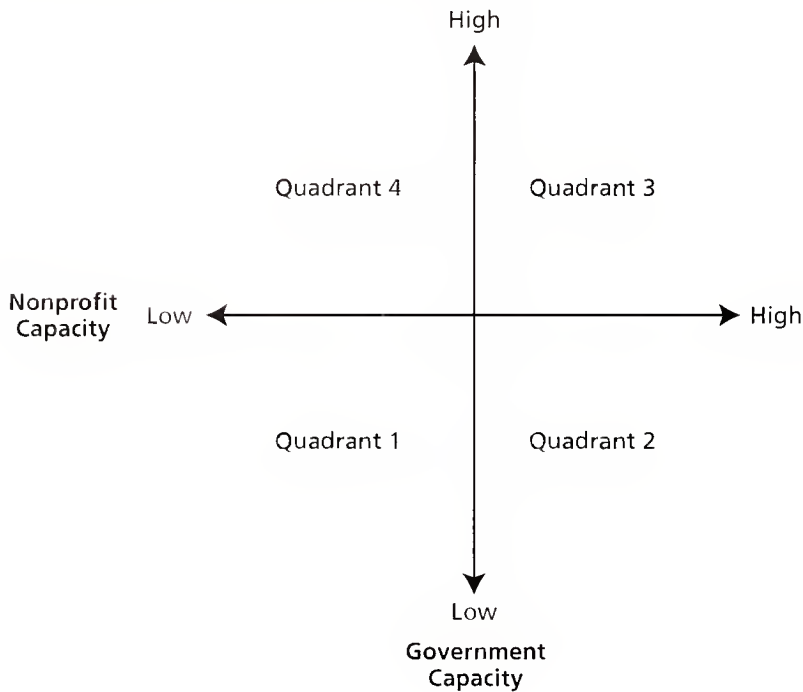
expertise? Do any other funders offer financial support with fewer strings attached? If the answer to these questions is no, then the government and the nonprofit should have a conversation to explore what it would take to enable the nonprofit to build its internal capacity to meet the government's expectations or how those expectations might be modified to reduce the nonprofit's administrative costs of compliance.

In regard to setting accountability expectations, both governments and nonprofits can benefit from an honest self-evaluation of the limitations of their respective administrative infrastructures, as well as a consideration of the implications any mismatch might have for their relationships. If the local government does not have the administrative capacity to track formal reports, requiring them does not contribute to greater accountability. If the nonprofit does not have the administrative capacity to track services adequately, the formal reports it produces might not contain useful or accurate information.

A common assumption is that requiring reports stimulates better accountability practices on the part of nonprofits. In fact, requiring expansive reports might create another hoop that

only the more sophisticated nonprofits can jump through. If the government does not monitor the content of these reports, their value is limited.

Administrative Capacity of Nonprofits and Government

A diagram consisting of two intersecting axes that create four quadrants (see Figure 1) provides a framework for discussing the implications that varying degrees of administrative infrastructure have for the nonprofit-government relationship. Striving to be in a particular quadrant of the diagram is not the goal. Each of the quadrants offers unique strengths and challenges. Instead, the goal is for the partners to recognize the quadrant in which their relationship lies and to use that knowledge to understand the dynamics of the relationship.

Quadrant 1: Neither the government nor the nonprofit has much capacity to manage complex accountability practices. The inclination is to keep things simple. Because the two sectors match in their administrative infrastructure, they might readily understand each other's perspectives. Especially in a small community, some of the

most effective accountability practices are likely to be everyday occurrences. For example, conversations in the local grocery store can provide meaningful opportunities for exchanging informal progress reports or service evaluations.

A complication may arise, however, if the needs of the community have grown in size or complexity, and the development of the public sector's infrastructure has not kept pace with that change. Instead of merely taking out their frustration on each other, nonprofits and governments could choose to unite as allies and educate the public about the need to enhance their administrative infrastructures.

Quadrant 2: The nonprofit has more capacity than the government and might even be able to overwhelm the government with more information than necessary. The absence of a match between the two sectors does not necessarily create a problem. The government can ignore any extraneous documentation that the nonprofit provides, and the nonprofit can easily respond to any request that the government makes of it.

Quadrant 3: Both the nonprofit and the government have the capacity to turn out and monitor complex documentation. The two sectors match. The challenge in this situation might lie in ensuring that the net gain in improvement of community services and products actually justifies the expenses associated with all the reports, outcome evaluations, meetings, and discussions.

Quadrant 4: In this situation the government has many more resources than the nonprofit does and higher expectations than the nonprofit is likely to be able to meet. The two sectors do not match. Excessive accountability measures may discourage nonprofits from partnering with governments. The nonprofit might not be able to do what is necessary to receive funding unless it also can receive support to develop its infrastructure.

The government has four options for dealing with the situation represented by Quadrant 4:

- Lower its expectations for the nonprofit and accept the accountability

measures that the nonprofit is able to provide

- Help the nonprofit enhance its administrative capacity so that it is able to provide the expected accountability products

- Fund the nonprofit, then penalize it when it cannot meet expectations

- Decide not to fund the nonprofit

Either of the first two options could be appropriate if the nonprofit meets a high-priority need or if the government uses this situation to develop graduated levels of expectations that will be equally applied to all nonprofits in the future. The third choice is not helpful for anyone, although it happens all too often. In the fourth option, the government has to consider how important the potential partnership is in regard to its strategic goals, especially if few other organizations serve a high-priority population.

In summary, an important aspect of mutual accountability is fitting accountability tools with the administrative capacity of both the government and the nonprofit to put those tools to use. Stakeholders in each of the quadrants face advantages and disadvantages. If there is a match between the government and the nonprofit, the conversation might be easier to have simply because they are more likely to be using the same vocabulary, yet other challenges are likely to be present.

Is it ever acceptable to use different accountability measures for different organizations? Yes, for the reasons discussed in the previous section. Governments can design packages of assorted accountability measures based on the type of service to be funded and their own capacity and interest to monitor and evaluate the measures that they require of nonprofits. Nonprofits providing dissimilar kinds of services would provide different packages of accountability measures. But nonprofits with similar programmatic characteristics within the same quadrant in Figure 1

> **Governments and nonprofits should employ good contracts and written reports, but these are not substitutes for personal relationships that can build mutual respect and trust, and lead to shared learning.**

would use the same level of accountability measures.

Whatever tools are chosen to report and review accountability, parties must keep in mind the available administrative infrastructure. Nonprofits need people, time, and reporting tools to count clients served, evaluate programmatic success, create cumulative reports, and prepare for audits. Both governments and nonprofits need resources to receive, read, evaluate, and process the information contained in those reports.

Conclusion

No single practice, process, or documentation can adequately ensure that mutual expectations for accountability will be met. Governments and nonprofits should employ good contracts and written reports, but these are not substitutes for personal relationships that can build mutual respect and trust, and lead to shared learning. Governments sometimes give nonprofits a conflicting message when they talk about the importance of building mutual trust but offer no acknowledgment for the nonprofit's living up to or surpassing expectations. Instead, governments generally require one-size-fits-all accountability practices that convey the unspoken expectation that nonprofits continually prove they are not doing wrong, no matter how stellar their performances might be.

Negative behavior and outcomes by nonprofits can stimulate reactions by government, such as increased monitoring through paperwork, reduction in future support, repayment of past support, or development of an adversarial relationship. Positive behaviors and outcomes can be rewarded by longer contracts, more support, celebration of common success, or simple acknowledgment for work well done.

More articles and guides on local government–nonprofit relations can be viewed online at www.nplg.unc.edu.

Notes

1. WEBSTER'S REVISED UNABRIDGED DICTIONARY (Plainfield, N.J.: MICRA, Inc.: 1998).

2. Support that nonprofits received from all levels of government increased 195 percent between 1977 and 1997. Lester M. Salamon, *The Resilient Sector: The State of Nonprofit America*, in THE STATE OF NONPROFIT AMERICA 3 (Lester M. Salamon ed., Washington, D.C.: Brookings Inst. Press, 2002).

3. ROBERT D. BEHN, RETHINKING DEMO-CRATIC ACCOUNTABILITY 3 (Washington, D.C.: Brookings Inst. Press., 2001).

4. For a discussion of collaborative evaluation processes, *see* Maureen Berner & Matt Bronson, *Program Evaluation in Local Governments: Building Consensus through Collaboration*, POPULAR GOVERNMENT, WINTER 2003, p. 29.

5. BEHN, RETHINKING.

6. Berner & Bronson, *Program Evaluation.*

7. These practices are drawn from the cases presented by EUGENE BARDACH, GETTING AGENCIES TO WORK TOGETHER: THE PRACTICE AND THEORY OF MANAGERIAL CRAFTSMANSHIP (Washington, D.C.: Brookings Inst. Press, 1998); KEVIN P. KERNS, MANAGING FOR ACCOUNTABILITY: PRESERVING THE PUBLIC TRUST IN PUBLIC AND NONPROFIT ORGANIZATIONS (San Francisco: Jossey-Bass, 1996); and Beryl A. Radin & Barbara S. Romzek, *Accountability Expectations in an Intergovernmental Arena: The National Rural Development Partnership*, 26 PUBLIUS: THE JOURNAL OF FEDERALISM 59 (1996).

8. These questions are developed more fully in Gordon P. Whitaker, Lydian Altman-Sauer, & Margaret Henderson, Mutual Accountability: From Surveillance to Service, Paper Presented at the Ass'n for Research on Nonprofit Organizations and Voluntary Action, Montreal, Canada (Nov. 16, 2002).

9. For a good overview of performance measurement as a tool for assessing how to meet accountability expectations, *see* DAVID N. AMMONS, ACCOUNTABILITY FOR PERFOR-MANCE: MEASUREMENT AND MONITORING IN LOCAL GOVERNMENT (Washington, D.C.: Internat'l City/County Management Ass'n, 1995).

10. For a report on a collaborative program evaluation in which Charlotte and a local nonprofit the city funds joined in reviewing the nonprofit's work, *see* Berner & Bronson, *Program Evaluation.*

11. For a description of the requirements and limitations of contracts between local governments and nonprofits, *see* Frayda Bluestein & Anita R. Brown-Graham, *Local Government Contracts with Nonprofit Organizations: Questions and Answers*, 67 POPULAR GOVERNMENT, FALL 2001, p. 32.

What Is a Good Name Worth?
Local Government Sponsorships and the First Amendment

Jason Bradley Kay

Sponsorships are all the rage these days. Police cars in thirty-eight states (including North Carolina) bear the sales pitches of various products.[1] City buses carry the soothing messages of bottled water companies. Government-owned sports stadiums and office buildings are named for the highest-bidding benefactor. Recently a town in California was invited to change its name from Biggs to Got Milk for a "meaningful contribution."[2] Apparently a good name *is* worth more than a little silver and gold.[3]

Corporate sponsorship of governmental programs and services appears to be here to stay.[4] Interviews with more than twenty local government officials in North Carolina and other states reveal that the trend has grown because of the potential for using sponsorships to maintain or increase government services without raising taxes or fees.[5] In recent years, tax cutbacks and growing populations have pressured many local governments in North Carolina to seek funding from the private sector in order to maintain or expand their services with fewer resources.[6]

Although local government officials recognize the benefits of sponsorships, they also recognize the possible problems. The two most commonly cited concerns are the potential for partnerships with disreputable sponsors to undermine the public's perception of the government's integrity and impartiality, and the fear of legal challenges that might result from prohibiting sponsorships by those entities.[7]

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Many nonprofit and for-profit organizations sponsor highway cleanup, a service to the community.

ADOPT A HIGHWAY

NEW HOPE AUDUBON SOCIETY

LANE KOZLOWSKI

Imagine, for example, that you are a county health director and three companies submit proposals to you to cosponsor County Health Day. The first is a reputable pharmaceutical company, the second a company that had ties to Nazi Germany, and the third a conglomerate that makes cigarettes as well as health-related products. Which one would you choose? How would you respond when the other two claimed that the county had violated their First Amendment rights to free speech because it disapproved of their message or identity?

This article outlines a sponsorship policy that permits a local government to generate support from private sponsors, preserve its ability to select or reject sponsors on the basis of designated criteria, and protect its image of integrity and impartiality.[8] Specifically the article identifies problems that can result from sponsorships, describes legal obstacles inherent in creating a sponsorship policy, and presents a method for overcoming those obstacles. (For a brief discussion of corporate sponsorship of quasi-public entities and private nonprofit organizations, see the sidebar on this page.)

Sponsorship and the First Amendment

A sponsorship occurs when a local government generates resource support from a private entity in return for associating the name of the private entity with its own.[9] Sponsorships create a mutual exchange relationship in which both parties benefit, the local government from the cash or service given by the private entity, the private entity from increased name visibility and improved reputation.[10]

When local governments seek or accept sponsorships with private entities whose values and beliefs conflict with the established beliefs of the citizenry, formidable problems can result. The sponsorship can be perceived by some citizens as offensive, or it can create a perception that the government has compromised its integrity or impartiality.[11] In either case the government may suffer diminished public trust.

Applicability of the First Amendment

Even private nonprofit organizations have begun opening their doors to sponsors willing to pay a fee to be associated with the feel-good imagery of community-oriented agencies. However, the First Amendment applies only to governmental entities and programs, such as city buses, city recreation programs, and county health programs. Private entities such as nonprofit organizations are not covered in the vast majority of cases.

Exceptions apply only when a private entity is deemed to be a "state actor." A private entity may be considered a state actor in either of the following situations:

- It is engaged in activities that are traditionally and exclusively the prerogative of the state, such as when it is operating a "company town" or running an election. The case of *Marsh v. Alabama* offers an example of when a private entity is operating a company town and therefore is subject to First Amendment restrictions. In that case a private entity created a company town by operating a privately owned area that possessed all the attributes of a regular city, such as homes, streets, fire protection, and sewer service. The Supreme Court deemed the private entity to be a state actor even though the property and services involved were under the private entity's exclusive control.[1] The case of *Terry v. Adams* provides an example of when a private entity may be considered a state actor in the context of an election. In that case a county political group ran a preprimary election in which the group's nominee almost always was elected. The Supreme Court held that the group must adhere to constitutional requirements.[2]

- It is "excessively entwined" with the government in an activity with significant government involvement. This type of situation is uncommon. A private entity is not a state actor, for example, merely because it is extensively regulated by the government, receives most or all of its funding from the government, or is licensed by the government. The case of *Brentwood Academy v. Tennessee Secondary School Athletic Association* provides a good example of when a private entity is considered a state actor under the excessive-entwinement rule. In this case the state secondary school athletic association, a nonprofit organization, was composed of members that were themselves governmental entities, its governing board consisted mostly of government employees, meetings were held on government time, *and* the association received its funding from its governmental entity members.[3]

Readers who have questions about the First Amendment's applicability to their nonprofit organization or other nongovernmental entity should contact their attorneys.

Notes
1. *See* Marsh v. Alabama, 326 U.S. 501 (1946).
2. *See* Terry v. Adams, 345 U.S. 461 (1953).
3. *See* generally Brentwood Academy v. Tennessee Secondary Sch. Athletic Ass'n, 531 U.S. 288 (2001).

The solution to this problem is to preserve discretion in sponsorship-related decisions so that a local government can encourage some sponsorships and discourage others. This allows a local government to generate revenue and community involvement through beneficial sponsorships while avoiding the problems that can result from associating with a sponsor that does not espouse the values and beliefs of the citizenry. Unfortunately, considerable legal complexities attend this solution because the First Amendment requires governments not to abridge the freedom of speech.

Although a local government may desire to avoid damaging its good name or offending its citizens by preserving its ability to choose among potential sponsors, it must not do so in a manner that violates the First Amendment rights of potential sponsors. When policies are not clear and consistent, a local government is susceptible to issuing arbitrary or discriminatory sponsorship decisions. Both are likely to result in a legal challenge. A well-

crafted sponsorship policy enables local governments to pursue and choose sponsorships in a manner that is clear, consistent, and legally defensible.

The courts have not directly addressed the issue of private sponsorship of government programs and services, but several court decisions have related to private advertising on government property. The issues surrounding advertisements in government spaces are analytically similar to those surrounding sponsorship of local governments. In both types of situations, the local government must decide which parties will be permitted to use government property to propagate their messages, and it must do so without violating the free speech rights of those parties. The controlling desire of the local government is to regulate what message it conveys about itself, whether that be a message of its own creation or a message created by another entity.[12] Thus, legal doctrine relating to advertisements on government property can be used as a framework for analyzing the problems inherent in sponsorship decisions.

First Amendment Principles

In order to comprehend the need for a sponsorship policy, one must have a basic understanding of First Amendment principles. A free speech claim can be brought when a government limits a person's or an organization's protected speech in a way that is considered unreasonable.[13] Such a challenge may result when a government grants one organization permission to use its property for communicating a message and denies the same use to another organization.[14] Because the courts have generally held that commercial communication on government property is entitled to a measure of protection under the First Amendment,[15] a local government must ensure that its efforts to exercise discretion over who is permitted to sponsor a government program or service comport with constitutional guidelines.[16]

Determining what is a constitutionally permissible limitation of speech turns on the character of the government property on which the "speech" is to be made.[17] The courts have identified three classes of government property,[18] called "forums": traditional, designated (or limited), and nonpublic.[19] The level of restriction that a local government may place on speech varies according to the forum in which the speech occurs.

A "traditional public forum" exists in places that have been devoted to assembly and debate by long tradition or government fiat.[20] Examples include streets, parks, and other areas traditionally open to an unfettered exchange of ideas. A "designated public forum" or "limited public forum" is property that has not traditionally been used for assembly and debate but "which the State has opened for use by the public as a place for expressive activity."[21] Simply stated, it is a forum intentionally and affirmatively opened by the government for speech.[22] Examples are physical areas, such as a street-side kiosk for posting pamphlets and announcements or a special area for making speeches or voicing community concerns, and nonphysical areas,[23] such as air time in a political debate or a channel of communication. A "nonpublic forum" may be broadly defined as any property that is not by tradition or designation a forum for public communication.[24] Examples are a mayor's office or the lobby of a county office building.

In a traditional public forum, a local government generally may not regulate speech unless the regulation is a reasonable restriction on the time, place, or manner of the speech.[25] Any regulation of speech based on the content of the message must satisfy a "strict scrutiny" standard of review.[26] Under the strict-scrutiny standard, the regulation must serve a compelling state interest, such as public health or safety, and be narrowly tailored to achieve

Sample Sponsorship Policy for Local Governments

Statement of Policy

Carolina City/County will seek sponsors that further its mission by providing monetary or in-kind support for city/county programs or services. Carolina City/County recognizes that the public trust and perception of its impartiality may be damaged by sponsorships that are aesthetically displeasing, politically oriented, or offensive to segments of its citizenry. When the city/county loses public trust and public perception of impartiality, its ability to govern effectively in the interest of its citizens is impaired. Therefore, Carolina City/County permits private sponsorship of government programs or services in limited circumstances as a means to generate funds for improving or expanding those programs and services. Carolina City/County maintains its sponsorship program as a nonpublic forum and exercises sole discretion over who is eligible to become a sponsor according to the terms of this policy.

Whenever possible, sponsorships should be linked to specific activities, events, programs, or publications. Carolina City/County will neither seek nor accept sponsors that manufacture products or take positions inconsistent with local, state, or federal law or with city/county policies, positions, or resolutions. The establishment of a sponsorship agreement does not constitute an endorsement by Carolina City/County of the sponsor's organization, products, or services.

Definition of Terms

"Sponsorship" is the right of an external entity (for-profit or not-for-profit) to associate its name, products, or services with Carolina City/County's programs, services, or name. Sponsorship is a business relationship in which Carolina City/County and the external entity exchange goods, services, and donations for the public display of a message on city/county property acknowledging private support.

Authority Structure for Review and Approval

Carolina City/County possesses sole and final decision-making authority for determining the appropriateness of a sponsorship relationship and reserves the right to refuse any offer of sponsorship. Sponsorship agreement proposals will be reviewed according to the following procedures and guidelines:

- All sponsorships shall be approved in consultation with the Office of the Carolina City/County Attorney.

- Sponsorship agreements projected to generate $50,000 or more shall require

The interiors of buses offer high visibility for sponsors.

that interest.[27] Practically speaking, this high standard means that governments are severely limited in making content-based distinctions about which advertising messages will be accepted or denied in a traditional public forum.

The degree of protection given to content-based restrictions in a designated or limited public forum is unclear. The Supreme Court has not explicitly ruled on the issue,[28] and the lower courts are currently "in a state of confusing disequilibrium."[29] A plurality of circuit courts of appeal have held that the designated public forum and the limited public forum both require the standard of review applied in a traditional public forum. That is, the regulation must be a reasonable restriction on time, place, or manner, or it must satisfy the strict-scrutiny standard.[30] Under this standard a local government may not make distinctions about which speech is acceptable on the basis of the subject matter

the written approval of the city/county manager, who shall inform the city council/board of commissioners.

- Sponsorship agreements projected to generate less than $50,000 shall require the written approval of the department head.

- A division head may approve sponsorship agreements of less than $5,000, in consultation with the department head.

In the discretion of the city/county manager, any proposed sponsorship agreement may be referred to the city council/board of commissioners for approval.

Criteria for Proposal Review
Proposals for sponsorship of Carolina City/County programs or services shall be reviewed on the basis of a draft memorandum of understanding that clearly outlines the forms of support offered by the sponsor and the recognition to be given by

Carolina City/County. A memorandum of understanding shall be created for each sponsorship relationship. It shall detail the following information, at a minimum:

- Activities, products, and services of the private entity and its subsidiaries

- Benefits to be given to the proposed sponsor by Carolina City/County, and the estimated monetary value of those benefits

- Benefits to be given to Carolina City/County by the proposed sponsor and the estimated monetary value of those benefits

- Prominence of the proposed public recognition of support

- Content of the proposed public recognition of support

- Duration of the proposed public recognition of support

- Conditions under which the sponsorship agreement will be terminated

Carolina City/County recognizes that entering into a sponsorship agreement with an external entity does not constitute an endorsement of the entity or its services and products but does imply an affiliation. Such affiliation can affect the reputation of Carolina City/County among its citizens and its ability to govern effectively. Therefore, any proposal for sponsorship of a Carolina City/County program or service in which the involvement of an outside entity compromises the public's perception of the city/county's neutrality or its ability to act in the public interest will be rejected.

Carolina City/County shall consider the following criteria before entering into a sponsorship agreement:

- Extent and prominence of the public display of sponsorship

of the speech. Therefore, if a prudent and cautious local government desires to limit access to an advertising venue by private entities on the basis of the subject-matter content of an advertising message, it must avoid regulating speech in a traditional or designated public forum.

In the third class of property, however, the nonpublic forum, a local government may more broadly restrict the subject matter of advertisements. In such a forum, "the State may reserve the forum for its intended purposes, communicative or otherwise, as long as the regulation on speech is reasonable and not an effort to suppress expression merely because public officials oppose the speaker's view."[31] The nonpublic forum allows a local government to regulate speech as long as the regulation satisfies a "rational basis" standard of review. The rational-basis standard requires the regulation to further a "legitimate government interest" and be "rationally related" to achieving that interest.[32] In practice a nonpublic forum allows the government to restrict advertisements on the basis of their subject matter or the subject-matter-related identity of the speaker but not, in fact or in practice, on the basis of the speaker's viewpoint. For example, if a local government desires to avoid advertisements about the subject matter of gun

control, it may do so. The government may not, however, refuse a particular advertisement because of its position on the subject of gun control. That is, the government must refuse advertisements encouraging gun control as well as those discouraging it. If the local government desires to accept advertisements about gun control, it must accept advertisements encouraging gun control *and* those discouraging it. In short, restrictions regarding advertisements must not be intended to suppress a speaker's bias or politically unpopular viewpoint. Such governmental restrictions violate the First Amendment.[33]

Local government officials must make a distinction between a designated (or limited) public forum and a nonpublic forum. In both forums the government opens to the public a venue formerly unavailable for public speech. The important difference between a designated public forum and a nonpublic forum is the government's intent.[34] If the intent is to permit the public *unfettered* access to government property for the purpose of *indiscriminate* expressive activity, the government has created a designated public forum.[35] If the intent of the forum is to permit speech on a *selected* scope of subject matters, the government has created a nonpublic forum.[36] A local government must therefore adopt a

sponsorship policy that carefully creates and vigilantly maintains a nonpublic forum for its sponsorship program.

Adopting a sponsorship policy helps ensure not only that a nonpublic forum is created but that the local government issues consistent decisions. Without a policy to govern the evaluation and the selection of potential sponsors, a local government can unwittingly issue arbitrary, capricious, or conflicting decisions.[37] Such decisions commonly do not withstand legal challenges.[38]

A local government can greatly bolster its defenses against legal challenges by implementing a policy that standardizes sponsorship decisions.[39] The courts have generally agreed that even the most rudimentary policy, if it has some reasonable basis and is consistently followed, will suffice.[40] Thus a primary defense to legal challenges of sponsor-related judgments is to adopt a policy that provides some measure of guidance for sponsorship decisions.

Elements of a Model Policy

A model sponsorship policy is functionally effective, administratively efficient, and corporately consistent. A review of the literature and interviews with local government officials revealed five policy elements that should constitute a sound

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- Aesthetic characteristics of the public display of sponsorship

- Importance of the sponsorship to the mission of Carolina City/County

- Level of support provided by the sponsor

- Cooperation necessary from other Carolina City/County units to implement the sponsorship

- Inconsistencies between Carolina City/County policies and the known policies or practices of the potential sponsor

- Other factors that might undermine public confidence in the city/county's impartiality or interfere with the efficient delivery of city/county services or operations, including, but not limited to, current or potential conflicts of interest between the sponsor and Carolina City/County employees, officials, or affiliates; and the potential for the sponsorship to tarnish the city/county's

standing among its citizens or otherwise impair the ability of Carolina City/County to govern its citizens

Permissible Sponsors and Message Content

Sponsorships on Carolina City/County property are maintained as a nonpublic forum. Carolina City/County intends to preserve its rights and discretion to exercise full editorial control over the placement, content, appearance, and wording of sponsorship affiliations and messages. Carolina City/County may make distinctions on the appropriateness of sponsors on the basis of subject matter of a potential sponsorship recognition message. Carolina City/County will not deny sponsorship opportunities on the basis of the potential sponsor's viewpoint. Sponsorship from an organization that is engaged in any of the following activities, that has a mission supporting any of the

following subject matters, or that, in the sole discretion and judgment of the authorized representative of the city/county, is deemed to be unsuitable for and contrary to community standards of appropriateness for government publications, shall be prohibited on any Carolina City/County property:

- Promotion of the sale or consumption of alcoholic beverages, or promotion of establishments that are licensed to sell and primarily do sell alcoholic beverages, including bars; provided, however, that food service establishments or places of lodging may be authorized only when the sale of alcohol is incidental to providing food service or lodging

- Promotion of the sale or consumption of tobacco products

- Promotion of the sale of birth control products or services

Nichols Dodge of Burlington sponsors a sheriff's car—a Dodge Durango.

LANCE KOZLOWSKI

sponsorship policy: (1) a statement of the jurisdiction's philosophical position on sponsorship; (2) a definition of terms; (3) an authority structure for reviewing sponsorship proposals; (4) proposal review guidelines; and (5) a delimitation of acceptable message content.[41] (For a sample policy using these elements, see the sidebar on page 32.)

The first element, a statement of philosophical position, is the vehicle by which a local government declares that it will pursue or accept sponsorships and to what extent. This element conveys a consistent message about the intent and the scope of sponsorships within government. The government may choose to express in this

section the types of programs and services for which it will seek or accept sponsorships, its stance on endorsements of organizations or products, and its purpose in accepting or rejecting sponsorships.[42] A well-written statement of philosophical position provides the foundation for the remainder of the policy.

- Commentary, advocacy, or promotion of issues, candidates, and campaigns pertaining to political elections

- Depiction in any form of profanity or obscenity, or promotion of sexually oriented products, activities, or materials

- Promotion of the sale or use of firearms, explosives, or other weapons, or glorification of violent acts

- Promotion or depiction of illegal products, or glorification of illegal products, activities, or materials

Permissible Recognition Messages
Sponsorship recognition messages may identify the sponsor but should not promote or endorse the organization or its products or services. Statements that advocate, contain price information or an indication of associated savings or value, request a response, or contain comparative or qualitative descriptions of products,

services, or organizations will not be accepted. Only the following content will be deemed appropriate:

- The legally recognized name of the advertising organization.

- The advertiser's organizational slogan if it identifies rather than promotes the organization or its products or services.

- The advertiser's product or service line, described in brief, generic, objective terms. Generally, only one product or service line may be identified.

- Brief contact information for the advertiser's organization, such as phone number, address, or Internet website. Contact information must be stated in a manner that avoids an implication of urging the reader to action.

Carolina City/County will not make any statements that directly or indirectly

advocate or endorse a sponsor's organization, products, or services.

No materials or communications, including, but not limited to, print, video, Internet, broadcast, or display items developed to promote or communicate the sponsorship using Carolina City/County's name, marks, or logo, may be issued without written approval from the Carolina City/County manager and attorney.

This sample policy is available as a Microsoft Word document at http://ncinfo. iog.unc.edu/pubs/electronicversions/pg/ pgfal03/kay.pdf.

The second element enhances the clarity of the policy by defining all the major terms used in the policy. The definitions given should be precise and simple so that people internal and external to the government can readily understand the policy.

Each jurisdiction must determine how extensively it will define terms. Some jurisdictions will want to define every ambiguous term for maximum clarity and control of interpretation. Other jurisdictions will choose to define only the most significant terms in order to avoid cumbersome and superfluous technicalities. In either case the definitions must be comprehensive enough to distinguish sponsorship from other types of nontraditional funding and should help ensure consistent interpretations of key portions of the policy.

The third element provides accountability and structure for review and approval of potential sponsorships. The process should follow clearly delineated steps, and the policy should designate specific offices or officials responsible for making sponsorship decisions. A possible practice offering maximum consistency is to designate a single officer who is responsible for reviewing and approving all sponsorship proposals.[43]

The courts have shown a tendency to offer increased protection from First Amendment challenges to jurisdictions that have a consistent organizational authority review a proposal to determine whether the sponsor fits within the delineated limits of acceptable sponsors and whether the content of the sponsorship message is appropriate.[44] A local government may choose to "stratify" the review-and-approval structure, assigning more important or potentially controversial sponsorship decisions to a higher review-and-approval authority within the organizational structure.[45] Under such a structure, decisions that might be politically controversial are made by the jurisdiction's manager or governing board, in consultation with the jurisdiction's legal counsel.[46]

Proposal review criteria, the fourth element of a model policy, designate the standards by which each sponsorship proposal will be judged.[47] To maintain consistent and reliable decision making,

the criteria must be understood and implemented similarly by every reviewing authority within the jurisdiction. Examples of review criteria are the amount of support offered by the sponsor, the extent to which the sponsorship supports the mission of the jurisdiction, the content of the "sponsorship recognition message" (the statement that publicly identifies the contributions of the sponsor and associates the name of the sponsor with the name of the local government), and current or potential conflicts of interest.[48] By using consistent criteria, a jurisdiction strengthens the designation of its sponsorship program as a nonpublic forum and insulates itself from a charge of arbitrary or capricious decisions by disgruntled potential sponsors.[49]

A draft memorandum of understanding that embodies the final terms of a sponsorship relationship should be included.[50] The memorandum should state the items of value given to the local government by the sponsor, the content and extent of the sponsorship recognition message, and any other terms and conditions of the sponsorship.[51] Such a memorandum helps ensure that a potential sponsor and the local government have a common understanding of the terms of the sponsorship, and minimizes confusion.

The fifth element, a statement on subject matter and message content, directly addresses a local government's need to exercise discretion in choosing between potential sponsors while protecting the First Amendment rights of its citizens. By clearly stating both the impermissible subject matters and the permissible content of messages, a local government can greatly strengthen the designation of its sponsorship program as a nonpublic forum and thereby improve its ability to withstand First Amendment challenges.[52]

The primary method for ensuring that a local government's sponsorship policy falls within the definition of a nonpublic forum is first to identify in the policy several subject matters that are prohibited and then to enforce these prohibitions consistently.[53] For example, if a local government chooses not to allow tobacco-related sponsorships, it must prohibit sponsors that

advocate tobacco use and those that oppose tobacco use. If a local government desires to prohibit abortion-related sponsors, it must prohibit pro-life and pro-choice sponsors. The prohibited subject matters must not be vague or inconsistently applied. In cases in which jurisdictions have failed in their clarity or consistency, courts have held that the governments intended to open the forum to indiscriminate expressive activity and thereby created a designated public forum.[54]

The controversial social issue of abortion provides a useful example. If a local government chooses to avoid sponsorships relating to abortion, it must refuse all abortion-related speakers and messages, regardless of their position on the issue. That is, it must refuse to accept sponsorships from the National Right to Life Committee, which advocates prohibition of abortion, and from the International Planned Parenthood Federation, which advocates allowance of abortion.[55]

A second method for ensuring that a local government can create and maintain a nonpublic forum for its sponsorship program is to prescribe strictly the acceptable language content of sponsorship recognition messages. These can take multiple forms but are generally "spoken" by the local government in a public announcement, in a news conference, in a media advertisement, on a plaque or a sign, or in another public expression. Courts have ruled that, if a local government carefully controls the content of such messages, it will generally be deemed to have limited the content to such a high degree that the government itself has become the speaker, rather than the sponsor.[56] When the government is the legally recognized speaker, it is freer to control what it will say in its own medium of expression. "The First Amendment does not prohibit the government itself from speaking, nor [does it] require the government to speak. Similarly, the First Amendment does not preclude the government from exercising editorial discretion over its own medium of expression."[57] Therefore, if a local government takes steps to control the content of sponsorship recognition statements, it will strengthen the

status of its sponsorship program as a nonpublic forum and protect its ability to exercise discretion in choosing among potential sponsors.

Conclusion

A successful local government sponsorship program generates additional revenue without jeopardizing the government's reputation among its citizens or running afoul of their First Amendment rights. A well-crafted sponsorship policy creates a nonpublic forum and enables a local government to exercise discretion in choosing between potential sponsors on the basis of subject matter. A prudent local government may opt to avoid accepting sponsorships from social or advocacy-related groups entirely. Reasonably chosen and consistently enforced policies that outline a uniform method for evaluating and selecting potential sponsorships, clearly identify prohibited sponsors, and prescribe the permissible content of a sponsorship recognition message, will create a sponsorship program that is effective and legally enforceable. In these ways a local government will be able both to protect its reputation and to generate additional revenue through well-chosen sponsorships and smartly crafted policies.

Notes

The opinions and ideas expressed in this article are solely attributable to the author and should not be relied on as legal advice. Nothing in this article should be interpreted as conveying the opinions or ideas of Justice Martin or of the Supreme Court of North Carolina. Readers should contact their attorneys for substantive legal advice regarding the matters discussed in this article.

1. A North Carolina company, Government Acquisitions, Inc., reports that more than a dozen local governments in North Carolina have sought sponsorships for police, fire department, rescue, or ambulance vehicles under a program to enhance homeland security. Government Acquisitions provides a list of interested local governments, which can be viewed at www.governmentacquisitions.com/agencies.asp.

2. *To Serve and Advertise*, CHICAGO TRIBUNE, Jan. 5, 2003, Chicago Land Final Section, p. 6.

3. "A good name is more desirable than great riches; to be esteemed is better than silver or gold." *Proverbs* 22:1 (NIV).

4. *Corporate Reputation: A Customer Attraction*, in 1999 CONE/ROPER CAUSE-RELATED TRENDS REPORT: THE EVOLUTION OF CAUSE BRANDING (Boston: Cone, Inc., 1999); Susan Gray, *Big Companies Increase Gifts of Cash and Products by 20%, Study Finds*, CHRONICLE OF PHILANTHROPY, Dec. 3, 1998, p. 14; NORAH MCCLINTOCK, WHY YOU NEED A SPONSORSHIP POLICY AND HOW TO GET ONE (Canadian Centre for Philanthropy, Sept. 1996); Debbie Scheinholtz, *Corporate Social Responsibility*, FORBES, July 26, 1999.

5. The jurisdictions from which data were gathered were Asheville, Charlotte, Durham County, Forsyth County, and Wake County, N.C.; Fairfax County, Va.; Johnson County, Kan.; and Martin County, Fla.

6. Interviews with David Cooke, County Manager, Wake County, N.C., in Raleigh (June 2, 2000); Frank Cope, Administrative Coordinator, County Manager's Office, Wake County, N.C., in Raleigh (May 25, 2000); Robert Sorrels, Director, Human Servs. Dep't, Wake County, N.C., in Raleigh (July 18, 2000). Telephone interviews with Nick Curtis, County Manager's Office, Durham County, N.C. (May 30, 2000); Shannon Flanagan, International City/County Management Ass'n (June 16, 2000); Doris Giesing, Martin County, Fla. (June 1, 2000); Alan Jones, Forsyth County, N.C. (May 29, 2000); Olaf Kinard, City of Charlotte, N.C. (May 25, 2000); Larry McAulay, County Attorney, Johnson County, Kan. (June 29, 2000); Catherine Tuck-Parrish, County Executives' Office, Fairfax County, Va. (July 19, 2000). *MirCorp Teams with GPC International for Commercial Sponsorship and Advertising on Russia's Mir Space Station*, PR NEWSWIRE, July 11, 2000.

7. Interviews with Russ Goff, Director, Information Servs. Dep't, Wake County, N.C., in Raleigh (June 21, 2000); John Ruckavina, Director, Public Safety Dep't, Wake County, N.C., in Raleigh (June 14, 2000).

8. This article does not address the special issues that surround sponsorships targeted at children generally or schools specifically. These issues are worthy of further research as the trend for school-related advertisements and sponsorships continues to grow. Also, the article does not address whether or not a government should engage in sponsorship. A citizenry's tolerance for private involvement in public activities may vary from locality to locality. A local government should carefully consider the citizenry's tolerance for private sponsorship, the administrative feasibility of potential sponsorships, and the costs and benefits related to sponsorships before engaging in them.

9. NATIONAL STRATEGIC ALLIANCES PROGRAM, DEP'T OF CANADIAN HERITAGE, EFFECTIVE PARTNERSHIPS WITH CORPORATE CANADA: POLICY FRAMEWORK, TOOLS AND METHODS (Mar. 1998); QUEENSLAND GOV'T, QUEENSLAND GOVERNMENT SPONSORSHIP POLICY (Queensland, Austl.: Dec. 22, 1999). Sponsorship must be distinguished from four other nontraditional sources of governmental revenue: (1) grants; (2) sales of a good or a service; (3) volunteerism; and (4) donations. These sources provide a useful analytical framework for understanding the unique role of sponsorship. All of them permit a government to maintain or increase its level of service provision without increasing taxes, fees, or other traditional revenue sources. A grant is funds with a restricted use provided to a government by an external entity. The granting organization does not usually give the funds for the sole purpose of gaining increased name recognition. Sales of a good or a service occur when a government sells goods or services on property under its direct control. A government may sell goods or services itself, or it may permit a private concessionaire to sell goods or services directly on the government's property. A volunteer is a person or a group of people that performs services for a government without compensation and without the expectation of compensation. Donations are any gift of value for which the donor does not expect or require any form of official recognition.

10. AUSTRALIAN NAT'L AUDIT OFFICE, MANAGEMENT OF CORPORATE SPONSORSHIP (Apr. 1997); CANADIAN COUNCIL FOR INT'L COOPERATION, CORPORATE PARTNERSHIP AND SPONSORSHIP POLICY (1998); NATIONAL STRATEGIC ALLIANCES PROGRAM, EFFECTIVE PARTNERSHIPS.

11. *Buying Friends*, THE FINANCIAL TIMES LIMITED (London), Jan. 13, 2000; Interviews with Frank Cope, Russ Goff; *Distiller's Sponsorship of Dallas Theatre Draws Criticism*, DALLAS MORNING NEWS, June 16, 2000.

12. Avins v. Rutgers State Univ. of N.J., 385 F.2d 151 (3rd Cir. 1967); Barnard v. Chamberlain, 897 F.2d 1059 (10th Cir. 1990); Estiverne v. Louisiana State Bar Ass'n, 863 F.2d 371 (5th Cir. 1989).

13. Arkansas Educ. Television Comm'n v. Forbes, 523 U.S. 666 (1998); Cornelius v. NAACP Legal Defense and Educ. Fund, 472 U.S. 788 (1985).

14. *Arkansas Educ. Television Comm'n*, 523 U.S. 666; *Cornelius*, 472 U.S. 788; Christ's Bride Ministries v. Southeastern Pa. Transp. Auth., 148 F.3d 242 (3d Cir. 1998); Lehman v. City of Shaker Heights, 418 U.S. 298 (1974); Perry Educ. Ass'n v. Perry Local Educators' Ass'n, 460 U.S. 37 (1983). In *Lehman* and *Perry Education Association*, the plaintiffs also alleged a violation of Fourteenth Amendment privileges. Such challenges, however, strictly depend on whether the plaintiff has been deprived of a federally protected right. If the court finds that the plaintiff's free speech rights have not been violated, the Fourteenth Amendment claims fail because there has been no deprivation of a federally protected right. Therefore the primary issue for ensuring the legal compliance of a sponsorship policy is the protection of First Amendment privileges.

15. The Supreme Court has expressly held that the mere fact that speech is "commer-

cial" does not strip it of First Amendment protection. *See Bigelow v. Virginia*, 421 U.S. 809 (1975). In *Central Hudson Gas v. Public Services Commission*, however, the Court held that commercial speech enjoys less protection than other constitutionally guaranteed expression. *Central Hudson Gas*, 447 U.S. 557, 563 (1980). This article does not address the problem of sponsorship under a commercial speech analysis. However, a brief summary of the analytical approach used in cases involving commercial speech is provided for readers who have an interest in this area. First, in order to qualify for any protection under the First Amendment, the commercial speech at issue must involve legal activity and not be misleading. *Id.* at 566. If the speech satisfies this requirement, a government regulation must then be found to (1) satisfy a substantial governmental interest, (2) directly advance that interest, and (3) not be more extensive than necessary to protect the asserted interest. *Id.* at 568–69.

16. *Christ's Bride Ministries*, 148 F.3d 242; *Lehman*, 418 U.S. 298; Planned Parenthood Ass'n v. Chicago Transit Auth., 767 F.2d 1255 (7th Cir. 1985).

17. *Perry Educ. Ass'n*, 460 U.S. 37.

18. A "property" includes both physical spaces, such as the interior and the exterior of a city bus, and an airport terminal, and abstract spaces, such as a public school's internal mail system or a federal government office's annual charity fund-raising campaign.

19. *See Perry Educ. Ass'n*, 460 U.S. 37.

20. *See id.*

21. *See id.* at 45.

22. Christ's Bride Ministries v. Southeastern Pa. Transp. Auth., 148 F.3d 242 (3d Cir. 1998); Planned Parenthood Ass'n v. Chicago Transit Auth., 767 F.2d 1255 (7th Cir. 1985).

23. The Court has specifically held that not only does forum doctrine apply to physical spaces but it also transcends physical and spatial confines to include "forums" such as channels of communication. *See* Rosenberger v. Rector & Visitors of the Univ. of Va., 515 U.S. 819, 830 (1995).

24. *See Perry Educ. Ass'n*, 460 U.S. at 45, Arkansas Educ. Television Comm'n v. Forbes, 523 U.S. 666 (1998); Cornelius v. NAACP Legal Defense and Educ. Fund, 472 U.S. 788 (1985).

25. *See* International Society for Krishna Consciousness v. Lee, 505 U.S. 672 (1992).

26. *Cornelius*, 472 U.S. 788; *International Society for Krishna Consciousness*, 505 U.S. 672.

27. Acceptable regulations on speech include those that restrict only the time, the place, or the manner of speech and do not regulate content. *See International Society for Krishna Consciousness*, 505 U.S. 672. It should be noted that the Supreme Court has identified several types of speech, such as obscenity or incitement of illegal conduct, that are not entitled to constitutional protection under the First Amendment.

28. In two Supreme Court decisions, *Perry Education Association* and *Cornelius*, the Court implied in scattered footnotes and conflicting statements that subject-matter restrictions might be permissible in a designated public forum. *See Perry Educ. Ass'n*, 460 U.S. at 45 n.7; *Cornelius*, 473 U.S. at 802. Both cases, however, offered this language in dicta, as the regulation at issue in both cases was overturned on other grounds. No case has explicitly set forth a comprehensive treatment of limited and designated public forums.

29. Ronnie J. Fischer, *"What's in a Name?": An Attempt to Resolve the "Analytic Ambiguity" of the Designated and Limited Public Fora*, 107 DICKINSON LAW REVIEW 639, 646 (2003). Courts are in considerable disarray in sorting out the confusion of "designated" and "limited" public forums. A total of six wholly divergent treatments of the distinction between designated and limited public forums and the standards of review that apply in each have been identified. *See id.* at 657–58.

30. *See id.* at 657–59. Of the twelve circuit courts of appeal, six hold this position, including the First, Third, Sixth, Eighth, Eleventh, and D.C. circuit courts. *Id.* at 658–59. In contrast, a sizeable minority of circuit courts of appeal have held that a limited public forum is a type of designated public forum, and content-based regulations must merely satisfy a "rational basis" standard of review. *Id.* at 662. The Second, Fifth, Seventh, and Ninth circuits follow this approach. *Id.* Under this standard a government may create a limited public forum for the purpose of discussing a specific subject and allow only speech relating to that subject, such as when a city calls a public meeting to solicit comments on a proposed zoning ordinance and limits comments to that subject alone.

31. *See Perry Educ. Ass'n*, 460 U.S. at 45.

32. *See* Rosenberger v. Rector & Visitors of the Univ. of Va., 515 U.S. 819, 829 (1995) (stating that speech regulations enacted in nonpublic forum are evaluated on rational-basis standard of review).

33. *See* Christ's Bride Ministries v. Southeastern Pa. Transp. Auth., 148 F.3d 242 (3d. Cir. 1998); Lebron v. Washington Metro. Area Transit Auth., 749 F.2d 893 (D.C. Cir. 1984); Planned Parenthood Ass'n v. Chicago Transit Auth., 767 F.2d 1255 (7th Cir. 1985).

34. *See Planned Parenthood Ass'n*, 767 F.2d 1255.

35. *See* Lehman v. City of Shaker Heights. 418 U.S. 298 (1974); *Christ's Bride Ministries*, 148 F.3d 242; *Planned Parenthood Ass'n*, 767 F.2d 1255.

36. *See* Arkansas Educ. Television Comm'n v. Forbes, 523 U.S. 666 (1998); Cornelius v. NAACP Legal Defense and Educ. Fund, 472 U.S. 788 (1985); *Lehman*, 418 U.S. 298; *Perry Educ. Ass'n*, 460 U.S. 37.

37. Interviews with Shelly Eason, Assistant County Attorney, County Attorney's Office,

Wake County, N.C., in Raleigh (June 28, 2000); Doug Longhini, Director, Community Servs. Dep't, Wake County, N.C., in Raleigh (June 14, 2000).

38. *See* Motor Vehicle Mfrs. Ass'n of U.S. v. State Farm Mutual Insurance Co., 463 U.S. 29 (1983).

39. *See Christ's Bride Ministries*, 148 F.3d 242; *Planned Parenthood Ass'n*, 767 F.2d 1255.

40. *See Motor Vehicle Mfrs. Ass'n*, 463 U.S. 29.

41. AUSTRALIAN NAT'L AUDIT OFFICE, MANAGEMENT OF CORPORATE SPONSORSHIP; CANADIAN COUNCIL, CORPORATE PARTNERSHIP AND SPONSORSHIP POLICY; CITY OF RALEIGH, N.C., RALEIGH TRANSIT AUTHORITY GUIDELINES FOR VINYL WRAP EXTERIOR ADVERTISING (July 2000); Interviews with Frank Cope, Doug Longhini; Telephone Interviews with Doris Giesing, Larry McAulay; CORPORATE SPONSORSHIP POLICY, GEORGIA PTA TODAY, June/July 1999; INDEPENDENT COMMISSION AGAINST CORRUPTION, ICAC PRACTICAL GUIDE TO CORRUPTION PREVENTION (Sydney, Austl.: ICAC, 1996); NATIONAL STRATEGIC ALLIANCES PROGRAM, EFFECTIVE PARTNERSHIPS; QUEENSLAND GOV'T, QUEENSLAND GOVERNMENT SPONSORSHIP POLICY; UNIVERSITY OF WISC.–PARKSIDE, CORPORATE SPONSORSHIP OF CAMPUS EVENTS POLICY.

42. CORPORATE SPONSORSHIP POLICY; Interview with David Carter, Director of Recreation and Parks, Community Servs. Dep't, Wake County, N.C., in Raleigh (June 13, 2000); Interview with Doug Longhini; QUEENSLAND GOV'T, QUEENSLAND GOVERNMENT SPONSORSHIP POLICY; UNIVERSITY OF WISC.–PARKSIDE, CORPORATE SPONSORSHIP OF CAMPUS EVENTS POLICY.

43. AUSTRALIAN NAT'L AUDIT OFFICE, MANAGEMENT OF CORPORATE SPONSORSHIP; CITY OF RALEIGH, N.C., RALEIGH TRANSIT AUTHORITY GUIDELINES; CORPORATE SPONSORSHIP POLICY; NATIONAL STRATEGIC ALLIANCES PROGRAM, EFFECTIVE PARTNERSHIPS.

44. Hazelwood Sch. Dist. v. Kuhlmeier, 484 U.S. 260 (1988); Lebron v. Washington Metro. Area Transit Auth., 749 F.2d 893 (D.C. Cir. 1984); Planned Parenthood Ass'n v. Chicago Transit Auth., 767 F.2d 1255 (7th Cir. 1985).

45. Interview with Frank Cope; UNIVERSITY OF WISC.–PARKSIDE, CORPORATE SPONSORSHIP OF CAMPUS EVENTS POLICY.

46. What constitutes a politically controversial sponsorship warranting approval by the governing board cannot be reduced to abstract criteria. Politically sensitive decisions are highly fact bound and community sensitive and must therefore be entrusted to the discretion of the local government officials involved in reviewing sponsorship proposals.

47. Some jurisdictions may wish to include the review-and-approval authority structure here, rather than as a separate section. For purposes of analysis and discussion, these sections are presented as separate elements.

48. A jurisdiction cannot legally refuse to associate with a potential sponsor merely on the basis of the sponsor's philosophy. Rather, the decision about whether or not to engage in a sponsorship, or permit a given sponsorship recognition message, must be made on the basis of the aforementioned proposal review criteria.

49. *See* Lehman v. City of Shaker Heights, 418 U.S. 298 (1974); *cf.* Christ's Bride Ministries v. Southeastern Pa. Transp. Auth., 148 F.3d 242 (3rd Cir. 1998); *Planned Parenthood Ass'n*, 767 F.2d 1255.

50. AUSTRALIAN NAT'L AUDIT OFFICE, MANAGEMENT OF CORPORATE SPONSORSHIP; CANADIAN COUNCIL, CORPORATE PARTNERSHIP AND SPONSORSHIP POLICY; Interviews with David Cooke, John Ruckavina; NATIONAL STRATEGIC ALLIANCES PROGRAM, EFFECTIVE PARTNERSHIPS.

51. CANADIAN COUNCIL, CORPORATE PARTNERSHIP AND SPONSORSHIP POLICY; NATIONAL STRATEGIC ALLIANCES PROGRAM, EFFECTIVE PARTNERSHIPS; QUEENSLAND GOVERNMENT, QUEENSLAND GOVERNMENT SPONSORSHIP POLICY; UNIVERSITY OF WISC.–PARKSIDE, CORPORATE SPONSORSHIP OF CAMPUS EVENTS POLICY.

52. Interview with Larry McAulay; JOHNSON COUNTY, KAN., JOHNSON COUNTY GOVERNMENT ADVERTISING POLICY AND GUIDELINES (1999).

53. Because this step inherently involves making value judgments, it is wise to involve the citizens and elected officials of a jurisdiction in determining what subject matters are inappropriate for government to become involved with in a given community.

54. *See* Christ's Bride Ministries v. Southeastern Pa. Transp. Auth., 148 F.3d 242 (3d Cir. 1998); Lebron v. Washington Metro. Area Transit Auth., 749 F.2d 893 (D.C. Cir. 1984); Planned Parenthood Ass'n v. Chicago Transit Auth., 767 F.2d 1255 (7th Cir. 1985).

55. Wanda Franz, president of the National Right to Life Committee, states that the purpose of the committee is to advocate for the promotion of a pro-life culture supported by public policy. Wanda Franz, Donation Solicitation Letter (Oct. 18, 2001), available at www.nrlc.org/donations.htm (last visited July 7, 2003). The International Planned Parenthood Federation states that its core activities and philosophies include advocating for laws and policies that permit safe abortions and eliminating restrictions on safe abortion. INTERNATIONAL PLANNED PARENTHOOD FED'N, STRATEGIC PLAN—VISION 2000 (London: IPPF, 1992).

56. Knights of the Ku Klux Klan v. Curators of the Univ. of Mo., 203 F.3d 1085 (8th Cir. 2000).

57. Muir v. Alabama Educ. Television Comm'n, 668 F.2d 1033, 1044 (5th Cir. 1982).

School Welcomes New Faculty

Willow S. Jacobson joined the School faculty in August 2003 as assistant professor of public administration and government, specializing in human resource management, organizational theory, and public management. Earlier she taught in the Master of Public Administration Program at the University of Connecticut. Jacobson also has worked on the Government Performance Project and the New Jersey Initiative at the Alan K. Campbell Institute of the Maxwell School of Citizenship and Public Affairs, Syracuse University, and she has assisted state governments in California and Oregon with strategic planning for community collaboratives. She holds a B.S. and an M.S.P.A. from the University of Oregon and a Ph.D. in public administration from the Maxwell School.

Jonathan Q. Morgan joined the School faculty in August 2003 as instructor in public administration and government, specializing in state, local, and regional economic development. Before coming to the School, he worked for Regional Technology Strategies, Inc., an economic and workforce development consulting firm in Carrboro, North Carolina. He also has served as director of economic policy and research for the N.C. Department of Commerce and research and policy director for the N.C. Institute of Minority Economic Development. Morgan holds a B.A. in economics from the University of Virginia and an M.P.A. from Clark Atlanta University and is completing a Ph.D. in public administration at North Carolina State University. His dissertation, which is being supported by a grant from the U.S. Department of Housing and Urban Development, focuses on the role of regional industry clusters in urban economic development.

Carl W. Stenberg joined the School faculty in September 2003 as professor of public administration and government, specializing in public leadership. Previously Stenberg was dean and professor of government and public administration at the Yale Gordon College of Liberal Arts, University of Baltimore. He also has served as distinguished professor and director of the Weldon Cooper Center for Public Service, University of Virginia, and as executive director of the Council of State Governments, located in Lexington, Kentucky. The council is a national public interest group and nonpartisan research and service agency representing the executive, legislative, and judicial branches of all state governments. Stenberg holds a B.A. from Allegheny College and an M.PA. and a Ph.D. from the State University of New York at Albany. He has extensive research and publishing experience and currently serves as chair

Willow S. Jacobson   *Jonathan Q. Morgan*   *Carl W. Stenberg*

Jesse L. White Jr.

of the National Academy of Public Administration and a member of the editorial board of the *International Journal of Public Administration.*

Jesse L. White, Jr., joined the School faculty in April 2003 as adjunct professor, specializing in community economic development. He comes to the school from a nine-year presidential appointment as federal cochair of the Appalachian Regional Commission in Washington, D.C. The commission is a federal-state partnership working to bring economic development opportunities to more than 400 mountain communities in thirteen states. Before his work with the commission, White was executive director of the Research Triangle Park–based Southern Growth Policies Board. He holds a B.A. from the University of Mississippi, an M.A. from the University of Sussex, England, and a Ph.D. from the Massachusetts Institute of Technology.

School Completes Challenge

Thanks to the contributions of clients, friends, and supporters of the School of Government, including counties, municipalities, and professional organizations across the state, on June 30, 2003, the Institute of Government Foundation exceeded its landmark Knapp Challenge fund-raising goal of $1 million! Matching gifts, pledges, and in-kind donations totaling $1.13 million were received over the two-year campaign.

The Foundation offers its deepest thanks to all who contributed to this great accomplishment. Meeting the challenge was by far the biggest hurdle in reaching the School's $4 million fundraising goal for an expanded and renovated building. More than $3 million has been raised to date, and the dean, faculty, and staff look forward to achievement of the final goal. The dollars raised are helping complete construction and purchase furnishings, equipment, and landscaping not covered by state and university appropriations. The building is expected to open for classes in January 2004.

Gifts to the building fund still are gratefully accepted, and a limited number of naming opportunities are available. Send gifts to the IOG Foundation—Capital Improvement, CB# 3330 Knapp Building, Chapel Hill, NC 27599-3330. For information, call (919) 966-9780 or 962-8477, or visit the School's website at www.sog.unc.edu.

Knapp Building Renamed

Charlotte *Observer* columnist Jack Betts once observed of John Lassiter Sanders, "He has quietly and steadily influenced public life, informed public debate and enriched the public's appreciation of North Carolina. He did not come to the task with a personal agenda. Instead he came to it with a scholar's curiosity, a perfectionist's style and a sense of time and place about North Carolina."

With pleasure the School of Government announces a special honor for and tribute to Sanders, who, as director of the Institute of Government, helped shape its growth and direction and who continues to be an unparalleled resource, mentor, and educator in the public service arena. With the $2 million raised through the successful completion of the Knapp Challenge, the Trustees of the Knapp Foundation and the Trustees of The University of North Carolina at Chapel Hill generously have agreed to recognize Sanders's long

and extraordinary service to the Institute, the University, and North Carolina by renaming the expanded home of the School of Government the Knapp-Sanders Building.

As director of the Institute for twenty-four years (1962–73 and 1979–92), Sanders demonstrated clear vision and an unwavering commitment to high standards. The results of his remarkable tenure are evident in the continuing success of the Institute and the recent creation of the School of Government, which now houses the Institute. In 1962, when Sanders first became director, the Institute had nineteen faculty members. Under his guidance and the continued leadership of the current dean, Michael R. Smith, the faculty has grown to forty-three. They and a support staff of sixty keep pace with the demands of courses, projects, and research that address local government law, economics, public finance, public management and administration, environmental law, public dispute resolution, planning, information technology management, economic development, civic education, and social services.

For forty-seven years, the Knapp Building has been a center of public activity, learning, and reference for public officials across North Carolina. With the Knapp-Sanders Building nearing completion, the School looks forward to building on the foundations laid by Albert Coates, Sanders, Henry Lewis, and Smith to promote efficient and effective public service that improves the lives of all North Carolinians.

A plaque to be mounted on the building when it is complete will read as follows:

> *Knapp-Sanders Building*
> *Constructed in 1956.*
> *Renovated and expanded in 2003.*
> *Named in honor of*
> *Philanthropist and Publisher*
> *Joseph Palmer Knapp*
> *and*
> *Educator and Institute of*
> *Government Director*
> *John Lassiter Sanders*

—Ann Cary Simpson

Off the Press

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Fourth edition, June 2003 • $76.50*
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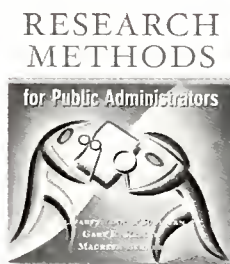
Offers an abundance of examples to illustrate methods, and gives step-by-step instructions for common research techniques, providing a sound foundation in model building, research design, measurement, and sampling. Contains a statistical section focusing on correct use and interpretation of commonly used statistics, including linear regression. Intended to develop effective, efficient research skills among future public administrators so that they will be better policy makers and good administrators. Includes Internet surveys interspersed throughout the text, and "Problems for Homework and Discussion" and "Disk Work" at the end of each chapter.

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Robert L. Farb
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