



The More Things Change . . .

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Date : July 14, 2013



Albert Coates

Last week I got some interesting correspondence from Eddie Smith, Assistant Manager for the City of Kannapolis. In reviewing old files for the 70th anniversary of the Kannapolis Rotary Club, he found some letters from 1955 involving the Institute of Government. The rotary club had invited Albert Coates to speak to them about the Institute because they were “interested in learning the various services the Institute of Government offers to the people of North Carolina.”

Mr. Coates had a conflict and could not attend, but he recommended his colleague Alex McMahon as an able substitute. McMahon's response to the invitation included the following paragraph:

“The Institute of Government is financed in part by appropriations made by the General Assembly of North Carolina and in part by membership dues paid in by the cities and counties of the state. Since these are public funds, we make every effort to make them go as far as possible. If it would be possible for your Board of Directors to reimburse me for the actual expense incurred in coming to Kannapolis, that is to say the gas and oil for the trip, it would mean that our appropriations could be made to go that much farther. Therefore, any provision that you can make for these actual expenses will be greatly appreciated.” (emphasis added)

The first state appropriation to the Institute had come only nine years earlier in 1946 and I'm sure that state funds represented a much smaller proportion of the overall budget than today—even after our state budget has been reduced in recent years by major permanent cuts.



Alex McMahon

Worries about money were with Mr. Coates and the Institute of Government from the very beginning. When the Law School wouldn't agree to let Mr. Coates develop the Institute as a part of his faculty responsibilities, he took a half-time, unpaid leave of absence to create it as a private activity outside of the University. He and Mrs. Coates moved into a single room with a shared bath in a boarding house to save money, and they put that money into the Institute. The first staff members were paid by Mr. Coates from his own money and whatever private money he could raise from supportive business leaders who understood the value of good government (or who saw it as the price for getting Mr. Coates to leave their offices). The membership dues from local governments were (and remain) critically important in providing a stable base of operating support for the Institute.

Our recent state budget woes have been minor compared to the financial concerns that plagued Mr. and Mrs. Coates during the formative years of the Institute. It is no surprise that Alex McMahon and his colleagues made "every effort to make [public funds] go as far as possible." I'm grateful that everyone at the School today continues to have the same attitude as our founders about the responsible use of public funds—both state appropriations and local government membership dues. I've made every effort to be as transparent as possible about the School's budget because I view our financial sustainability as everyone's job. Of course I bear primary responsibility, but our financial viability hinges on individual decisions made every day by faculty and staff. I am proud of your vigilance and creativity in finding ways to reduce our operating costs and increase revenue.



Gladys Coates



The School is not in the business of making money—we are in the education business. I have talked about our finances more in recent years because of the state budget cuts and the need to mitigate their impact on our educational mission. All of our conversations about money, and all of your efforts to save money and increase revenue, are focused on carrying out our mission for public officials. We would have reduced our impact on North Carolina without your willingness to think hard about funding and about doing our work in ways that are most cost effective—for us and for local government officials. In fact, we have been able to increase our impact during these challenging times through creative activities like webinars, blogs, and apps. Mr. and Mrs. Coates would be proud, and I am proud, that you are continuing the Institute of Government's traditional value of good stewardship of public funds.