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Charlotte's Taxes Highest Again And More is Coming

\$142 million 'needed'
for big-ticket projects
built in the uptown area

By PAUL CHESSER

Associate Editor

Charlotte has, for the fifth year in a row, shown up in the John Locke Foundation's *By The Numbers* report (see story, Page 15) with the highest per-capita tax burden of cities in North Carolina, but that isn't stopping public officials from increasing it more to pay for arts projects.

Members of a panel that includes four Charlotte city councilmen have been mulling six high-ticket projects wanted by the Arts & Science Council, the main decision-maker, about spending money on cultural projects in Mecklenburg County.

Beyond the six projects — estimated to cost about \$142 million — the ASC has long-term plans for more projects because the city requires "a new vision" for its cultural offerings. The advisory group devised a 25-year plan (see graphic, Page 3) that would demand millions of dollars more in public money for years to come.

The Charlotte City Council hesitated in May when it was presented with the six priority projects. But now it seems fully prepared to find a way to fund capital costs through a combination of new taxes and fees, and through tax-increment financing, which voters statewide approved as a constitutional amendment in November.

The goal of the six projects is to develop a concentration of cultural attractions uptown, where the city's banking power base conducts business.

"The uptown's never lost, so I wouldn't bet against them," said Don Reid, a former city councilman. "Charlotte is famous for this. We need everything in the uptown area," he said sarcastically.

Economic impact study

In an effort to prove the value of the six projects to the city, the ASC commissioned a study of the "net economic impact" that



Photo courtesy Southern Winds Realty

A fourth skyscraper in Charlotte for Wachovia Bank will likely house a new 1,200-seat theater, which is expected to cost the city \$21 million.

Moving Art Museum Uptown Would Cost a Mint

By PAUL CHESSER

Associate Editor

The Arts & Science Council, Charlotte-Mecklenburg's chief policy-making authority for public and private spending on the city's and county's cultural activities, is losing sight of the historical significance of its oldest fine arts gallery, according to some longtime supporters of the Mint Museum of Art.

The ASC wants to move the Mint's works to a yet-undetermined site uptown, from its current location on Randolph Road in the Eastover neighborhood, a development of homes built in the 1920s and 1930s.

Elected officials, business leaders, and economic developers want to create a mass of cultural offerings in uptown, which they expect to lure visitors and their dollars.

The ASC estimates that moving the Mint's works to a larger facility in "Center City" would cost about \$90 million, including \$50 million in capital costs and a \$40 million endowment.

"I'm so much against it, that I'm just sick," said Betty Griffin, a longtime supporter of the Mint whose father helped finance its relocation from downtown in 1933. "It's just the most stupid thing to move that museum."

"We almost don't have anything in

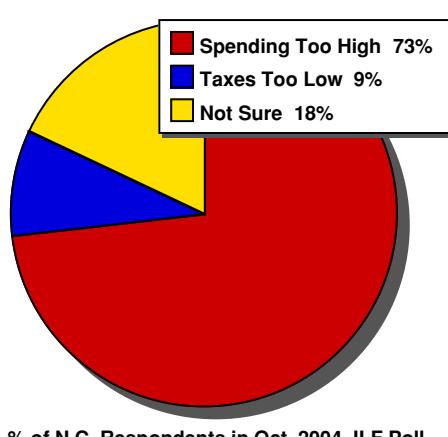
Charlotte as historic as that is," said another patron who did not want to be identified. She said she has been involved with the Mint for more than 50 years.

First move made history

The first branch outside Philadelphia of the U.S. Mint was built near the intersection of West Trade Street and Mint Street in uptown Charlotte, and opened in 1837. According to the Charlotte-Mecklenburg Historic Landmarks Commission, "the Pied-

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Cause of NC's Repeated Budget Gaps?



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ON THE COVER

- Charlotte has, for the fifth year in a row, shown up in the John Locke Foundation's *By The Numbers* report with the highest per capita tax burden of cities in North Carolina. But that isn't stopping public officials from raising it more to pay for arts projects.
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NORTH CAROLINA

- If a 6th U.S. Circuit Court of Appeals decision that disallows certain Ohio tax breaks withstands possible Supreme Court scrutiny, incentives such as those offered by North Carolina to Dell Corp. would likely be struck down as well, according to a law professor whose legal theories formed the basis for the case.
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- A natural-gas pipeline project in northeastern North Carolina, built with the help of taxpayer-backed bonds, is hemorrhaging money and now its managers want customers all over the state to cover the losses.
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EDUCATION

- Despite the national trend showing a sharp decrease, school violence in North Carolina has increased over the past year.
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- The SOS was heard loud and clear as parents and educators banded together in the grass-roots movement "save our summers," successfully establishing a new law mandating the start of classes be pushed back by at least two weeks in all 115 school districts throughout North Carolina.
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LOCAL GOVERNMENT

- Cities and counties searching for ways to fund ever-increasing demands for public services are looking beyond local revenue sources such as property tax, sales tax, and fees, frequently turning to federal grants to supplement their budgets.
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- North Carolina counties and municipalities collected about a combined \$50 more per person in taxes and fees from its citizens in fiscal 2002-03 compared to the previous year, according to the John Locke Foundation's yearly analysis of local government revenue collections.
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PARTING SHOT

- CJ Parody:** With his recent re-election and the implementation of the Clean Smokestacks Act, Attorney General Roy Cooper asserts his new-found moral authority against neighboring states.
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Calendar

Constitutional Law Scholar to Speak at Locke Luncheon

On Feb. 17, the John Locke Foundation will sponsor a luncheon featuring Boston University School of Law professor Randy Barnett.

Barnett has taught cyberlaw, contracts, constitutional law, criminal law, evidence, agency and partnership, jurisprudence, and torts. Before entering teaching, he was a criminal prosecutor for the Cook County State's Attorney's Office in Chicago, where he tried many felony cases.

A graduate of Northwestern University and Harvard Law School, he has previously visited at Harvard, Northwestern, and the Universidad Francisco Marqués School of Law in Guatemala. He delivered the Kobe 2000 Lectures on Legal Philosophy at the University of Tokyo and Doshisha University in Kyoto, a series that previously featured Ronald Dworkin, Joseph Raz, and Will Kymlicka. He has also lectured on contract law theory at Waseda University (Tokyo) and on criminal justice theory at Kansai University (Osaka).

He was one of the lead lawyers for the Oakland Cannabis Buyers Cooperative in its pending case with the federal government and for the plaintiffs in the medical cannabis case of *Raich v. Ashcroft*. He also coauthored an amicus brief to the Supreme Court in the case of *Lawrence v. Texas*. He is a senior fellow of the Cato Institute.

Barnett's book, *The Structure of Liberty: Justice and the Rule of Law*, received the Ralph Gregory Elliot Book Award in 1998 and appeared in paperback as well as a Japanese translation in 2000. His other works include *Contracts Cases and Doctrine*, (2003), *Perspectives on Contract Law*, (2001), a two-volume anthology on *The Rights Retained by the People: The History and Meaning of the Ninth Amendment* (1989, 1993) and *Assess-*



Randy Barnett

ing the Criminal: Restitution, Retribution and the Legal Process (1977) published while a law student. His latest book is *Restoring the Lost Constitution: The Presumption of Liberty*, published by Princeton University Press.

Barnett has appeared on the national programs "The News Hour With Jim Lehrer," "The CBS Evening News," "The Ricki Lake Show," "Hannity and Colmes," "Talk of the Nation," Discovery Channel, as well as numerous local television and radio programs. Before moving to Boston University, he was the legal affairs contributor for WBEZ (NPR) in Chicago, where he broadcast a 15-hour series on the Bill of Rights.

The cost of the luncheon is \$20 per person. The event will begin at noon at the Brownstone Hotel in Raleigh. For more information or to preregister, contact the Locke

Foundation at (919)828-3876 or events@JohnLocke.org.

"Carolina Journal Radio"

The staff of *Carolina Journal* co-produces a weekly newsmagazine, "Carolina Journal Radio," which is syndicated on 20 radio stations across North Carolina. You can visit CarolinaJournal.com to locate an affiliate in your area. Also, subscriptions to a monthly CD containing selected episodes of the program are available by calling (919) 828-3876.

"The Locker Room"

Every weekday, and sometimes on the slow news days of Saturday and Sunday, staff and friends of the John Locke Foundation discuss breaking news on an Internet weblog called "The Locker Room." President John Hood and *Carolina Journal* writers and editors monitor political and cultural developments in North Carolina and across the nation, and write short commentaries throughout each day and post them on the website immediately. To get a conservative perspective on breaking news daily, visit "The Locker Room" at www.johnlocke.org/lockerroom.

Shaftesbury Society

Each Monday at noon, the John Locke Foundation plays host to the Shaftesbury Society, a group of civic-minded individuals who meet over lunch to discuss the issues of the day. The meetings are conducted at the John Locke Foundation offices in downtown Raleigh at 200 W. Morgan Street, Suite 200. Parking is available in nearby lots and decks.

Arts' Economic Value Questioned, But City Will Fund Anyway

Continued From Page 1

the projects would have on the Mecklenburg County economy. The group enlisted a UNC-Charlotte economics professor, Dr. John Connaughton, to conduct the study. He is often chosen by public agencies to estimate the direct and indirect effect that special projects, such as sports arenas, will have on surrounding economies.

The six projects are the construction of an Afro-American Cultural Center; an auxiliary facility for space needs and other arts support; renovation of the Discovery Place museum; relocation of the Mint Museum of Art to uptown; construction of a 1,200-seat theater; and a museum to house the art collection of Andreas Bechtler.

Connaughton said that the projects would generate \$217 million for the local economy during their construction, and that they would create 1,725 jobs. After the projects are complete, he estimated that operations would produce another \$20 million for the economy and 324 more jobs.

"It is clear that the economic impact of the projects will have a significant and ongoing positive effect on the Mecklenburg County economy," Connaughton said.

But studies such as Connaughton's — often used to justify pricey capital projects favored by politicians, developers, and business leaders — rarely consider alternative uses of the public money they want. Nor do they take into account additional costs in public services for the new projects.

"The economic impact doesn't look at what it would be spent on if it wasn't expropriated in taxes," said Robert Mulligan, an economist at Western Carolina University. Thus the estimated impact is not a *net* figure, which could well be zero or worse.

Projects' support expected anyway

Local officials interviewed for this story had little regard for Connaughton's study, and a few didn't even read it.

"If you believed all their numbers, the best thing you could do is vote for every capital issue that comes down," said Don

The Arts and Science Council Wish List
"The vision of 1976 that created the framework for conceiving and developing individual cultural facilities...no longer speaks to the realities of cultural institution growth or to the dynamics of the Charlotte-Mecklenburg community in the 21st century."

From the Cultural Facilities Master Plan 2004 (if known, costs included)

Current Projects

- Actors' Theatre (\$1.2 million)
- Ctrl Piedmont Community College Theater (\$30 million)
- Charlotte Repertory Theatre (\$150K new funding desired)
- ImaginOn (\$36.2 million)
- NC Dance Theatre (\$6 million)
- Theatre Charlotte (\$500K)

New & Renovated Facilities

- Afro-American Cultural Center (\$13 million)
- Auxiliary Facility (\$9 million)
- Carolina Raptor Center (\$500K)
- Discovery Place (\$47 million)
- The Mint Museums (\$90 million)
- 1,200 (\$30 million) & 2,800 Seat Theaters

- African American Golf Museum
- Carolina Aviation Museum
- Charlotte Trolley Museum
- Film Venue in Center City
- Heritage Facilities Capital Improvement Fund
- Second Ward High School Natl Alumni Foundation
- Wing Haven

Community Facilities

- Community Cultural Centers (\$5 million)
- Low-Cost Studio & Creative Individual Live/Work Space
- Non-curated Gallery Space
- Spirit Square Expansion

Infrastructure

- Cultural District Underground Parking
- Cultural District Way-finding
- History/Heritage Information Center
- History/Heritage Trails
- Park & Greenway Interpretive Signage & Nature Ctr

'Big Ideas'

- Art, Science & Technology Museum (Auto Museum)
- Greatest Places
- The Bechtler Museum (\$40 million)
- Traditional Music Hall of Fame

Lochman, a Republican city councilman.

Despite their skepticism, city leaders of all political stripes are expected to support funding all of the projects through likely increases in car rental taxes, parking fees uptown, additional fees on tickets to the new facilities, and tax increment financing. Another example of creative funding for

the projects is to place them in locations with private institutions. The 1,200-seat theater is expected to be built into the ground floor of a new Wachovia tower, where the tax revenue the building generates would be earmarked to pay off the city's \$20 million in bonded debt for the theater.

The panel, consisting of four council-

men and four arts leaders, were expected to release their recommendations shortly after *Carolina Journal*'s publication deadline.

"If we didn't have the arts, we wouldn't have Bank of America and Wachovia," said Republican Councilman John Tabor. "We used to have low taxes, but that's out the window now."

CJ



(Left) The U.S. Mint at its original location in Charlotte. (Right): The Mint Museum of Art, where it now stands in the Eastover neighborhood.

Mint's Move and Conversion During Depression Was a History-Maker

Continued From Page 1

mont was the largest producer of gold in the U.S." at the time.

The building served as a mint until the Civil War, then later served as a federal courthouse and several other purposes until plans to expand a nearby Post Office led to its threatened demolition in 1933.

According to a written history compiled by Betty Griffin, local lawyer and historian Julia Alexander called upon fellow Charlotteans to help save the Mint building. Griffin's father, Dr. Joseph Shull, and a few other citizens formed the Mint Museum Society. The group sought to raise

\$1,500 in order to move the Mint to its Eastover Park location on land that was donated by E.C. Griffith, the neighborhood's developer.

"When the drive to raise funds faltered short of its goal, Dr. Shull offered a gesture of faith that inspired the community to resolve to complete the project," his biography says. "Having already watched his wife's family fortune lost in bank stocks that became worthless overnight, Dr. Shull put up the one thing of value he owned as collateral in purchasing the old Mint — his X-ray machines." *Charlotte Observer* articles from 1933 confirm Dr. Shull's role in the Mint's relocation.

In 1934 Dr. Shull persuaded Sen. R.R. Reynolds to sponsor the reconstruction of the Mint under Franklin D. Roosevelt's Civil Works Administration. The Mint was dismantled stone by stone, with each one numbered, Griffin said, and rebuilt at its present location in Eastover. It opened as the Mint Museum of Art in 1936.

A 'destination attraction'

The ASC gives three reasons for moving the Mint Museum to uptown:

- More space is needed for the Mint's collections, exhibits, programs, and audience;
- "The current city-owned site is in a flood plain, which along with property deed restrictions, limit expansion potential to about half of near-term needs. Also, the site is isolated from Center City visitor traffic;"
- "A Center City location would allow the Mint to serve residents and visitors better by establishing a destination attraction for Charlotte."

Supporters of the Mint's current location say that those are excuses, and that the powerful business and political leaders "want everything uptown."

"I can't tell you how much that Mint has meant to Charlotte," Griffin said. "You just don't tear down things like that."

CJ

Around the State

In the 2004 election cycle, county commissions across North Carolina featured some competitive and telling races. The results were mixed. Overall, Democrats improved their fortunes with a net gain in partisan control of three county commissions. Six counties went from Republican to Democratic majorities: Lenoir, Mecklenburg, Wayne, Rockingham, Watauga, and Yancey.

In two of those places, Mecklenburg and Watauga, well-financed and organized efforts to register new Democratic voters and get them out to the polls seem to have played a key role in upending Republican majorities, as reported in Charlotte's *Creative Loafing* newspaper.

In three counties—Camden and Currituck in the northeastern part of the state, plus Cleveland in the west—Republicans seized commissions from the Democrats. Perhaps just as importantly, the GOP retained its edge in Wake County despite a spirited ground-level effort by Democrats and good results for statewide Democratic candidates in the county—possible significant indicators for the future. Cleveland is the center of one of North Carolina's most politically competitive regions (stretching from Shelby northwest toward Asheville). Camden and Currituck are on the fringe of another battleground region, Coastal Carolina, which mixes old-time eastern Democrats with transplants, retirees, and younger Republican-leaning voters who commute elsewhere to work.

The two parties split urban Carolina, yet another battleground, as Mecklenburg went Democratic and Wake went Republican. In Mecklenburg, county results reveal one reason why one of the traditional centers of North Carolina Republicanism, Charlotte-Mecklenburg, has become less predictable: burgeoning, attractive bedroom communities in Union, Cabarrus, Iredell, Lincoln, and Gaston counties appear to be acting as magnets attracting GOP-leaning voters who dislike Mecklenburg schools, housing prices, and tax rates. The suburbanizing counties are becoming more Republican as a result, Mecklenburg a little less so.

The party breakdown appears to be as follows: 56 county commissions with Democratic majorities, 42 Republican boards, and two that remain unresolved at this writing, according to the North Carolina Association of County Commissioners. It is likely that the two remaining counties will split, leaving a 57-43 Democratic majority. However, Republicans appear to have achieved a net gain of 12 county-commission seats this year (the boards are of varying sizes).

Not long ago the Democratic Party controlled the vast majority of county governments in North Carolina. GOP strength was confined to some mountain and Piedmont counties. Now, there is much more competition. Mecklenburg and Wake counties, in particular, have seen several changes in partisan control over the past decade. But Democrats are still better organized at the local level, recruit better candidates, and enjoy an inherent advantage in many communities.

CJ

North Carolina

Appeals court ruled targeted tax breaks are unconstitutional

Ohio Decision on Incentives Could Affect Dell Deal

By PAUL CHESSER

Associate Editor

RALEIGH

If a 6th U.S. Circuit Court of Appeals decision that disallows certain Ohio tax breaks withstands possible Supreme Court scrutiny, incentives such as those offered by North Carolina to Dell Corp. would likely be struck down as well, according to a law professor whose legal theories formed the basis for the case.

Peter Enrich, professor at the Northeastern University School of Law in Boston, successfully led the lawsuit on behalf of taxpayers and three small businesses against DaimlerChrysler, the state of Ohio, and the city of Toledo. Enrich argued before a three-judge panel in Cincinnati that economic development incentives given by the city and state to the automobile manufacturer violated the interstate commerce clause of the U.S. Constitution. A district court had ruled that tax reductions based on corporate investments in equipment were legal, but the appeals panel overturned those breaks while allowing some property tax abatements to stand.

Enrich, speaking on Dec. 9 at a symposium in Raleigh on the legality of economic incentives, said North Carolina's \$242 million in tax breaks for Dell contained elements similar to those that the 6th Circuit found unconstitutional. The court's decision is not binding here, but interested parties in other jurisdictions would likely file similar suits if the Supreme Court allows the case to stand.

Sixth Circuit Court decision

In 1998 DaimlerChrysler struck an agreement with Ohio and the Toledo to build a Jeep assembly plant near an existing facility in exchange for incentives, which included a 10-year, 100 percent property tax exemption and a tax credit of 13.5 percent against the state corporate franchise tax for certain investments. The total value of the tax incentives, usable against purchases of new manufacturing machinery and equipment installed in the state, was estimated at \$280 million.

Two years later a lawsuit was filed against the city, state, and DaimlerChrysler over the constitutionality of the incentives, based on the commerce clause. Plaintiffs in Cuno v. DaimlerChrysler included two Michigan residents, because the company's alternative to expanding in Ohio was building a new plant across the state line.

Likening the case to previous Supreme Court decisions, the three-judge panel determined in September that Ohio's investment tax credit "is to encourage further investment in-state at the expense of development in other states, and the result is to hinder free trade among the states."

"According to plaintiff counsel Peter Enrich, the Commerce Clause was designed to prohibit state regulation and tax policy from interfering with economic activity between the states," wrote Michael LaFaive and Jeffery Weeden of the Mackinac Center for Public Policy, in a report titled "Are Targeted Incentives Constitutional?" "For example, one state may not raise barriers to competition with another state in order to protect its own interests."

But Enrich argued that the clause applies when states use their taxing power to discriminate against companies based on where they build or develop their facilities.

"In other words," wrote LaFaive and Weeden, "when one state provides financial incentives to a business to build or expand a facility within its borders, and those incentives make the investment less



Northeastern University law professor Peter Enrich discusses the constitutionality of economic incentives with Perri Morgan, executive director of the North Carolina chapter of the National Federation of Independent Business, at the NC Institute for Constitutional Law forum.

costly than it would otherwise be if it were invested in another state, the incentive is unconstitutional."

While the district court ruled against the plaintiffs, the appeals panel agreed that basing incentives on where businesses invest violates the Constitution.

"This case reminds us that the interstate Commerce Clause is there for a reason," said State Rep. Paul Stam, a Wake County Republican and a lawyer who mostly opposes targeted incentives. "Everyone is more prosperous if we have a common economic market where we don't reward some businesses and punish others because of their location, or their ability to curry favor from politicians."

Without thoroughly reviewing the decision, Stam couldn't immediately determine what, if any, of North Carolina's tax incentives programs might be affected. He said that a cigarette export tax credit passed in a special legislative session last December, which requires shipping out of state ports in order to earn the break, "might run afoul" of the Commerce Clause.

Because so much is at stake, the defendants' lawyers requested that arguments be heard before the full 6th Circuit Court of Appeals. The panel ruling requires that the incentives to be ceased immediately, so DaimlerChrysler's lawyers could request a stay of the decision pending an appeal.

Effect of court's ruling spreads

Former state Supreme Court Justice Robert Orr, executive director of the new N.C. Institute for Constitutional Law, said the fact that a federal court found the incentives illegal was a significant development. He said the most common argument from state politicians in favor of targeted economic incentives is that "everybody is doing it," therefore they can't let their own state be at a competitive disadvantage.

"I think what you'll now see is that there is a successful legal theory under the Commerce Clause, so you can go into federal court and not impact just one state's program, but come out with a decision that impacts all 50 states, and therefore no one state is at a disadvantage," he said. "I do think it's an extraordinarily important decision."

The institute has been considering a lawsuit against the state over its incentives policies.

"What seems clear is that under the

Cuno rule, states cannot use incentives which provide reductions in generally applicable taxes... which are calculated based on the in-state location," Enrich said Dec. 9 at a forum sponsored by the N.C. Institute for Constitutional Law.

"The Dell case is precisely such an example of this provision," Enrich said.

He said because North Carolina's deal with the computer maker is based upon investment within the state, "If the Cuno case is precedent, the Dell incentives cannot stand."

The N.C. General Assembly convened a special session in November that created the package of incentives for Dell. The company is based in Texas and also has a plant in Nashville, Tenn. The company plans to begin construction on an assembly plant in North Carolina's Triad in the next few months.

Enrich hopes the Cuno case, if upheld, will help stem the tide of states' upward-spiraling bids to offer targeted financial incentives to specific corporations. He said because virtually all states offer such deals, politicians can't bring themselves to stop the practice for fear of appearing uncompetitive with other jurisdictions for jobs and private investment.

"No one state is in a position to say we're getting off the train," he said. "It's very tough for legislators to stand up to these things."

Enrich said Congress could restrain the incentives race, but likely wouldn't have the political will to do so. He said the federal court system, and to a lesser extent state courts, would be most likely to strike down tax breaks targeted towards individual companies. He said citizens in many other states are interested in similar litigation should the Cuno decision stand.

Enrich wrote in a 2002 article for *Urban Lawyer* that success with the Ohio case could have far-ranging implications not just for other states, but for other types of incentives.

"The suits do have the potential to take out of the hands of state and local officials some of the most pervasive and pernicious tools of interstate economic rivalry, while raising cautionary doubts about many others," he wrote. "If litigation can also serve to raise public awareness of the high costs and negative consequences of the unconstrained use of business tax breaks, then it promises to be a powerful strategy for combating subsidy abuse."

CJ

Taxpayer-subsidized pipeline project has lost \$4 million so far

Piedmont Wants All N.C. Customers to Pay for Northeast Gas Losses

By PAUL CHESSER

Associate Editor

Anatural-gas pipeline project in northeastern North Carolina, built through the help of taxpayer-backed bonds, is hemorrhaging money and its managers are trying to find a way to stop the bleeding.

Eastern North Carolina Natural Gas was formed four years ago through an equal partnership between the Albemarle Pamlico Economic Development Corporation and Carolina Power & Light, now Progress Energy. ENCNG received \$188.5 million of \$200 million in voter-approved bond funds to construct a natural-gas pipeline through 14 northeast counties, where the population was too sparse to justify the project otherwise.

Piedmont Natural Gas Co. purchased Progress Energy's gas interests, including ENCNG, two years ago, and now wants to absorb the few northeast gas customers and massive operating losses into its statewide ratepayer base. If permitted by the North Carolina Utilities Commission, a merger would mean that state taxpayers would foot the bill for paying the bonds and all of Piedmont's customers in the state would bear the burden of a business loser for years to come.

Jim Hoard, assistant director of accounting for the North Carolina Utilities Commission Public Staff, estimates that Piedmont's residential customers could see their annual gas bills increase by \$4 annually, and small commercial customers could pay as much as \$25 more per year.

"The roll-in of [ENCNG]'s rate base into Piedmont's rate base has a huge potential to increase the rates of Piedmont's current customers," said Sharon Miller, executive director of the Carolina Utility Customers Association. "CUCA questions the benefit to existing ratepayers."

Keep separate, pay back bonds

The Utilities Commission, as a condition for approval of bond monies for APEC and Progress's predecessor, CP&L, required that the partners form a separate organization "to ensure that adequate cost allocation and record keeping procedures are implemented."

The statute providing for the bond funds calls for the money to be paid back to taxpayers if the project becomes economically feasible. ENCNG is the vehicle collecting the bond funds, building the pipeline, and operating the system.

Piedmont's plan to merge ENCNG means cost allocation and record keeping could get murky. Without separate tracking as the NCUC required, determining whether the \$188 million in bond money should be repaid to taxpayers could be impossible.

"I don't know how you track that roll-in," said Don Harrow, vice president of governmental relations for Piedmont, in August 2003.

A year's time has not made the answer to that question any clearer.

"If the legislation was written that way, I don't know that the Utilities Commission has the authority to [allow roll-in]," said State Rep. Drew Saunders, a Huntersville Democrat who co-chairs the Public Utilities Committee in the House.

"It may require further legislation to do that."

Keeping the accounting for the Northeast pipeline project separate from CP&L's (now Piedmont's) operations served two purposes: to determine when the northeast



Workers install the gas pipeline along U.S. 64 east of Williamston.

project becomes economically feasible, if ever, for the purpose of repaying bond funds to the state, and to segregate ENCNG's ratepayers from CP&L's/Piedmont's other customers.

Piedmont's roll-in plans would erase the dividing line between ENCNG customers and the rest of Piedmont's ratepayers.

Project was always questionable

Over time since the 1960s, the Utilities Commission gradually awarded exclusive franchise rights for northeastern counties to North Carolina Natural Gas Inc. But the company did not provide natural gas to 17 of those counties because they lacked a sufficient number of potential, mainly industrial, customers.

Fed up, state Senate President Pro Tem Marc Basnight, D-Dare, and fellow lawmakers moved in the early 1990s to create financing incentives for local natural-gas companies to extend service into unserved areas. The legislature also passed "use it or lose it" legislation in 1995. The bill required all franchisees to provide natural gas to at least part of the unserved counties by July 1, 1998, or else they would lose their rights to the territories.

When the three-year time limit expired in 1998, the Utilities Commission determined that NCNG's franchise rights for the 17 northeastern counties should be revoked. Lawmakers in the summer of 1998 also approved the \$200 million bond referendum. Advocates thought the funds could make service to NCNG's formerly unserved territories more appealing.

Almost simultaneously in January 1998 the counties of Chowan, Pasquotank, Currituck, Camden, and Perquimans; the city of Elizabeth City; and the towns of Edenton, Hertford, and Winfall teamed up to create a natural-gas district called the Albemarle Regional Energy Authority. The alliance, which subsequently became APEC and half owner in the ENCNG project, quickly (and successfully) sought control of the franchise rights and bond funds for their northeast gas-pipeline project. But without experience, expertise, or other financial backing to operate the gas business, AREA/APEC needed a business partner, and CP&L joined in.

Required by the Utilities Commission to separate their northeast operations from the rest of their business, CP&L/APEC ex-

posed how vulnerable the stand-alone project was. Nearly all the \$188.5 million in bonds, plus \$22.5 million kicked in by Piedmont, were used to build the pipeline, leaving little to absorb the years of expected operating losses.

Losses continue

Hoard, the Utilities Commission Public Staff accountant, said ENCNG has lost \$4 million so far, excluding the gas-pipeline construction costs and bond funding. He said last year ENCNG had \$3.66 million in expenses against \$1.56 million in revenue. Because

of the loss, the company saved \$1.05 million in taxes.

"It will get better, hopefully," Hoard said.

But the plans to roll-in ENCNG into Piedmont indicate that APEC and Piedmont officials don't expect much improvement soon, and that they aren't willing to let

the northeast project be a long-term money loser.

At an APEC meeting in October officials said, "Piedmont's ability to fund [ENCNG's] operations is limited." They plan to file a rate case with the Utilities Commission, who must approve increases, by March 2005.

According to documents obtained from APEC by *Carolina Journal*, the rate case will propose that "operating costs to support and maintain [ENCNG's] natural gas system will be covered in Piedmont's NC rates." They hope they will be able to implement the new rates by November 2005. Minutes from a March 30, 2004 APEC board meeting said the "current forecast shows ongoing operating loss(es)."

Part of the problem has been that customers have not come on board as quickly as ENCNG officials had hoped.

APEC meeting minutes from June 30 said, "While [roll-in] was not envisioned initially, the lower than projected marketing results brought on by the recent declining rural economy makes it the best option for future operational and financial success."

ENCNG apparently has had trouble converting propane customers because of high gas and start-up costs. ENCNG's rates equate to about \$1.35 per gallon of propane gas for residential customers, while actual propane costs \$1.136 per gallon.

"Is our customer growth where we've wanted it to be?" said David Trusty, a Piedmont spokesman. "Probably not." CJ



For more than 13 years, *Carolina Journal* has provided its thousands of readers each month with in-depth reporting, informed analysis, and incisive commentary about the most pressing state and local issues in North Carolina. With a particular emphasis on state government, politics, the General Assembly, education, and local government, *Carolina Journal* has offered unique insights and ideas to the policy debate.

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For more information or to find an affiliate of *Carolina Journal Radio* in your community, visit www.CarolinaJournal.com.

National News In Brief

NEA suit stalled

The National Education Association has had no success persuading any state to join its legal battle with the federal government. NEA wants to sue the government over funding provisions of the No Child Left Behind education law. No state has been willing to enlist, however, according to reports carried by the Associated Press.

NEA General Counsel Bob Chanin reportedly said the National Education Association is "prepared to do all the work," and that NEA officials "have a solid legal theory" behind the challenge.

"I would have thought they would be jumping at this," Chanin said about the states.

Despite widespread dissatisfaction with the original provisions of the law, states have chosen to seek amendments to reporting requirements, student categories, measurement techniques, and some proficiency deadlines instead.

Teach For America scores

A privately organized program called Teach For America, based in New York City, is gaining a track record for success in educating students in poor school districts, *The Washington Times* reports.

Mathematica Policy Institute's report, "The Effects of Teach For America On Students," tracks the effect of 12,000 nontraditional teachers in 21 school districts since 1990. Teach For America is described as a Peace Corps-like approach to teacher training, and seeks top-ranked college graduates who do not have traditional teacher training.

Critics of the TFA program include prominent education professors such as Linda Darling-Hammond of Stanford University. Darling-Hammond describes the qualifications of teacher-participants as "extremely subnormal," but results from student test scores are encouraging.

Students taught by TFA teachers "make 10 percent more progress in a year in math than is typically expected, while slightly exceeding the normal expectation in reading," Mathematica reports.

Single-sex education

A proposed change to Title IX law would allow single-sex classes in subjects other than gym or sex education. It could change the way classes are offered at some public high schools, and may mean more one-sex public schools are established around the country.

Some educators argue that boys and girls learn more readily when separated from the opposite sex, particularly in high school. Under the proposal, to establish a single-sex school, districts would only need to show that equal offerings are available on a co-ed basis at a nearby school.

All-girl public schools were founded as early as the 1800s, but the idea is raising controversy today.

Reported by *The Christian Science Monitor*. CJ

Kids Fill Attention Deficit With 'Hit Lists'

School violence in North Carolina increases, contrary to the national trend

By KAREN PALASEK

Assistant Editor

RALEIGH

The U.S. Justice Department and the U.S. Department of Education recently released a report that should hearten parents worried about the safety of their kids in school. "Crime in the nation's schools fell sharply from 1992 to 2002, part of the broad decline in crime in the last decade," according to the November 2004 Bureau of Justice Statistics report.

Despite the welcome national trend, school violence in North Carolina has increased over the past year. Recent events in Guilford County and many other communities around the state are creating concern about the safety of children in North Carolina schools.

N.C. School Violence Report

The 2003-04 annual School Violence Report issued by North Carolina Public Schools shows increases in the total number of reportable offenses in the state since 2002-03. Seventeen offenses must be reported to law enforcement officials and central office administrators. In 2003-04, 9,800 reportable offenses were tallied, up from 8,548 the previous year.

The school system measures reportable acts per thousand students, so enrollment changes can affect the statistic. In 2002-03 there were 6,581 acts of crime or violence per thousand students in North Carolina schools. In 2003-04, that number bumped up to 7,371 per thousand.

Before 2001, the State Board of Education required reports for 14 criminal acts, but added three to make it 17 in the 2001-02 reporting year. Bomb threats, possession of alcoholic beverages, and burning a school building were added to the list.

The SBE plans to use the 2002-03 numbers as a base year for calculating future trends, according to the state's report, but

Crime in the nation's schools fell sharply from 1992 to 2002, part of the broad decline in crime in the last decade.

some general trends remain consistent. Possession of a controlled substance is the most frequent offense, and the number of occurrences has been rising steadily over the last six years, reaching 3,848 in 2003-04. The second most common offense is possession of a weapon excluding firearm, also trending upward between 1998-99 and 2003-04. There were 3,402 reports of weapons in schools at all levels in 2003-04, an increase of 654 reports. Possession of an alcoholic beverage, the third most frequent offense, was up as well.

Incidents in local schools

Starting in late November, a "hit list" of students and teachers surfaced in a Raeford, N.C. middle school. The event created a buzz of media attention, and the school went into lockdown while law enforcement used metal detectors to search for weapons.

What followed began to look like an epidemic of death threats at middle and high schools all over the state. Lists appeared in Wayne, Guilford, Wake, Hoke, and other systems, and school administrators felt compelled to treat them as serious threats in the interest of student safety. Authorities were also tracking down the students who issued the lists, with the possibility of criminal prosecution or other serious consequences for the culprits.



Guilford County seemed particularly hard hit. Guilford schools have been the scene of numerous incidents of fighting and violence during the 2003-04 school year. By Dec. 1, according to reports in the Greensboro *News & Record*, 33 criminal charges had been filed as a result of assaults, threats, fighting, affray, resisting police, and disorderly conduct at Andrews High School. Police were called to Andrews repeatedly, and the fights resulted in injury to the school's assistant principal.

At Southwest High School at least 21 criminal charges were filed in 2003-04. The total number of criminal offenses at Andrews and Southwest was two to three times larger in 2003-04 than in 2002-03. And at Northwest High School in Greensboro, and elsewhere around the district, schools began to lock down, search lockers, and bring in the police.

Over the initial protest from Terry Grier, Guilford superintendent of schools, police

established a presence at some schools with parked squad cars in the front drive. High Point Police Chief Jim Fealy said that although "this is not the norm," he intended to send "as many cars as we need to send" to try maintain order at the schools.

Officials believe that at least some of the "hit-list" activity represents a bid for attention, but they can't afford to take the situation lightly. A December panel on school discipline sponsored by the Greensboro *News & Record* drew comments about students' lack of respect, unwillingness to control their behavior, and disrespect for teachers. Parent involvement, respect for teachers, support for discipline from the school system as well as the student's family, and better role modeling by parents were cited as elements of the problem that need improvement. In addition, officials will have to decide how sensitive policies such as suspension play into the overall picture.

National trend in school violence

The national Bureau of Justice Statistics looked at a number of key areas in its "Indicators of School Crime and Safety: 2004" report. They include violent deaths at school, student reports of nonfatal attacks, school reports of crime and violence, and teacher reports.

The broad trend shows that among students, the percentage who claimed they

were fearful of attacks at school, or in transit between home and school, dropped by half over the period from 1995 to 2001. About 12 percent voiced concerns in 1995, only 6 percent did so in 2001.

In every category surveyed, violence was greater at the high school level than at the middle or elementary level. It was also greater for middle schools than for elementary schools.

In general, older students were more likely to be victims of crime away from school, while elementary students were more likely to be victimized through bullying, threats, hate-related statements, fights, use of weapons or other nonfatal crimes while in school. Teachers in middle and high schools were more likely to be victims of assault or other crimes in school than were their elementary counterparts. An urban location increased that likelihood.

Overall, the Bureau of Justice Statistics report cites a decline in violent victimizations at school between 1992 and 2002. Some of these would not be reportable incidents under North Carolina law (some forms of hate speech, for example, or some types of bullying), so the national numbers differ significantly from the North Carolina measurements.

Between 1992 and 2002, the number of violent victimizations at school, including both teachers and students, declined from 48 per thousand to 24 per thousand, according to the BJS report.

What's going on in schools?

Why are kids willing to brazenly create havoc in school? The recent spate of hit lists, said Ted Feinberg of the National Association of School Psychologists, may be "driven by a need for attention."

Others agree. In her book *Home Alone America*, the Hoover Institute's Mary Eberstadt describes a generation of institutional orphans — kids raised in day care, school, after-school care, and organized activities. Absent fathers, Eberstadt said, are the overarching theme in the lives of many children, who find that they relate to the lyrics of Eminem and performers that echo that theme. Extreme behaviors may get negative attention, but they get attention.

This phenomenon is a kind of parental "attention deficit." How to cure it and get parents more involved with their children? Stop running "parent-free" homes, convince adults to be less self-involved and more self-sacrificing — of their time — when it comes to their children, Eberstadt said.

CJ



Easley visits a More at Four classroom at Easton Elementary School in Winston-Salem.

Leandro, Easley's pet projects weigh heavy

Legislative Outlook: What's Up for 2005

By PAIGE HOLLAND HAMP

Contributing Editor

RALEIGH

During the 2004 legislative short session 21 public bills and five local education bills passed. As the opening day of the General Assembly's long session approaches Jan. 26, 2005, observers of the legislative process can expect hundreds of bills to be written.

But which ones will get passed? Lindalyn Kakadelis, director of the N.C. Education Alliance, says, "Only those with political clout even get introduced into committee, much less get passed on the floor and signed off on by the governor."

The *Leandro* decision on school equity will play a huge role in education legislation for 2005, Kakadelis said. However, she doesn't foresee much change in the legislative agenda from 2004. "The education establishment usually remains the same," Kakadelis said, "no charters, no vouchers, no tax credits, no choice."

So what, if any, will the hot buttons be for the 2005 session? Gov. Mike Easley, with a decisive victory in November, is loaded with political clout and will be the one to watch. During the gubernatorial campaign, four major goals on the Easley campaign website were education-related. Three of them — expanding the More at Four pre-kindergarten program, combating the dropout program by shrinking school size, and offering high school students an associate's degree if they stay an extra year — have significant price tags attached to their success.

How will the state pay for these expansion initiatives? Easley is expected again to push hard for the "education lottery." He will see it as an easy way to not only to pay for his K-12 education initiatives but also to cover the cost of the mandates that are said to come from *Leandro*.

Lottery proponents and critics are already dusting off and updating statistics and arguments from the last round of lottery debates. Proponents will probably continue to argue that without the lottery the state will be forced to raise taxes to meet educational needs. Opponents, strong in number and diverse in makeup, have defeated the initiative before.

Former UNC President Bill Friday cites two key reasons shared by most lottery opponents. "I oppose a state lottery because it preys on our most vulnerable citizens and puts the state in the gambling business," he said.

But even though there is no solid plan for paying for the education initiatives, they are sure to make it on the legislative docket. Smaller high schools are not only on the governor's agenda but are also a top priority of NC Public School Forum and the Education Cabinet, which oversees the New Schools Project funded in part by the Bill and

Melinda Gates Foundation. Earlier this month the New School Project hosted conferences in Raleigh and Charlotte calling for change.

"Communities need to come together to determine the future of their schools," said New School Project Executive Director Tony Habit in a recent press release. "Parents, teachers, community and business leaders, and the students themselves need to examine how their current high school works, or doesn't work, in preparing students for college and the workplace. There are models of new high schools that are working — helping all students succeed. These models can help communities see that things can be different, but each community must develop a plan that addresses their specific needs."

Dropout Prevention is not a new topic for North Carolina. The reality of 40 percent of the state's students dropping out before graduation should be a priority, and smaller high schools offer a multitude of advantages for students. But with limited resources at both the state and local levels, are smaller schools a realistic answer? There are a multitude of dropout prevention programs in North Carolina, and one, Communities In Schools, is both effective and cost-efficient.

"As business leaders, we know success in the classroom today means we will benefit from a more qualified workforce tomorrow," Habit said. "Communities In Schools is a good investment because its success is measurable. We know students involved in Communities In Schools stay in school and graduate."

One of the biggest obstacles in fixing education in North Carolina is the constant need to create "signature" programs. First there was Gov. Jim Hunt's Smart Start preschool program, which is not to be confused with Easley's More at Four preschool program. During his campaign, Easley touted the success of More at Four, but it will take a number of years before there are statistics to back up that claim. However, that will not stop the governor from making More at Four program expansion as well as his new Learn and Earn program among his top legislative issues.

It seems, with the state of North Carolina's finances being what they are, that instead of repeatedly creating new programs with significant costs attached and then trying to find ways to fund their creation and implementation, lawmakers have another option. They could identify the state's most pressing educational needs, find the most effective existing programs, and fully fund those efforts. The bottom line is that everyone will be looking for more money — money the state doesn't have. Even if the lottery passes, projected resources will not be available this year. And we are back to clout... whoever has it will prevail whether it is the right solution for education or not. *cj*

No Room Remains For Racial Quotas

Charlotte Mecklenburg Schools have long been a bellwether for social change. In 1969, U.S. District Judge James McMillan ordered the schools to desegregate, turning *Swann* into a landmark case in the nation's move toward school desegregation. In 2001, after 30 years of court-ordered desegregation, the Fourth Circuit Court of Appeals found the Charlotte Mecklenburg Schools "unitary," or integrated. As a result, the system was no longer under a court order regarding student assignment.

As a former CMS Board member, I helped craft the resulting student assignment plan — a progressive policy based on choice. Parents were given the opportunity to choose either a guaranteed seat in a nearby school, or to apply to attend another school in the system. CMS received more than 100,000 applications from students' families, and an impressive 95 percent of these students were matched with one of their three specified choices. While this assignment plan was imperfect, and a small number (less than 5,000) of students were not able to find spots in a school of their choosing, the process nevertheless marked the start of a genuine effort to involve parents in school assignment.

In 2005, the board will conduct a comprehensive review of this choice plan. A special-interest group is already producing "research" asserting that allowing parental choice is not in the public's best interest. During the 2001 court case, the *Swann* plaintiffs (in a reactivated case) argued that the schools should continue assigning students by race to achieve racial balance. After losing with this argument, they are now seeking to balance the system in a different way — requiring quotas of certain kinds of students in each school (poor, white, black, etc.).

The problem with this argument is that integration is defined only as achieving a quota. While we should continue to strive for racial and economic diversity in our schools, we should not deceive ourselves into believing that filling quotas will result in true integration. I believe integration is an attitude of the heart, requiring shifts in internal attitudes and perceptions. As Martin Luther King Jr. said in 1963 in *Strength to Love*, "The good neighbor looks beyond the external accidents and discerns those inner qualities that make all men human and, therefore, brothers."

Yet, even if perfect racial and economic balancing were achieved, would the result be a stronger school system? I believe not. My definition of successful schools are those in which academic achievement can be measured, and data on student performance show an upward trend. Academic growth is the top priority, for all groups of students. If poor and disadvantaged students are not doing well, then we need to develop better programs and strategies to reach and educate this vulnerable group of children.

Sadly, the plaintiffs are afraid of the consequences of freedom. Instead, they advocate for "controlled choice" in pupil assignment — an oxymoron at best. Their plan begs the question: Who really controls the choice if placement is ultimately determined by a quota?

After 30 years of desegregation, we ought to have learned something about what students from all walks of life need to succeed. Contrary to what the *Swann* plaintiffs may believe, academic excellence is not directly influenced by the color of a child's skin, or the money in his pocket; nor will it ever result from perfect economic and racial balancing. Rather, the measure of a good school is whether children — whatever their background — are learning the basics and learning them well. *cj*



Lindalyn
Kakadelis

Note: Next month, Kakadelis' will examine the data provided by the *Swann* plaintiffs, and will provide her own analysis and conclusions.

More Education Briefs

Homosexuality in schools

Civil liberties and homosexual rights advocates have renewed their push for community programs to bolster support in schools for homosexual youths, just weeks after voters repudiated same-sex unions in 11 state referendums, the *Washington Times* reports.

But in northeastern Kentucky, parents and students have defied the Ashland-Boyd County school district's "mandatory anti-harassment workshops," part of an agreement with the American Civil Liberties Union to allow the Gay-Straight Alliances student group to meet in school buildings.

Hundreds of students opted out of the tolerance training video, and another 324 students did not show up for school the day it was shown. The ACLU has threatened to file for a court order to enforce attendance.

Joseph Platt, a Cincinnati lawyer representing parents, said "mandatory training on tolerance for homosexuals violates the right of conscience of parents and students who believe such behavior immoral."

In Charlotte, a lengthy cover feature in *Charlotte Parent*, a widely circulated shopper magazine, has brought indignant protests from churches and private schools associated with the Greater Charlotte Association of Christian Schools.

Titled "Parenting a Gay Child," the feature offered a sympathetic account of youngsters with "same-sex attraction" and advocated community "support services and education" on behalf of homosexual children.

The article supported the view of homosexual-interest groups that same-sex unions are comparable to heterosexual marriage.

Van Wade, president of Christian schools association and headmaster of Carmel Christian School in Charlotte, said, "The article was very one-sided and accommodating" toward homosexuality. "No one ever said, 'Let's talk about the moral issues that are involved.'"

Other nations on par with U.S.

A new comparison of education statistics across industrialized nations indicates other countries are beginning to catch up with the United States by raising their average level of educational attainment, the Heartland Institute reports.

The United States ranks first among 30 nations in high school completion rates among 55- to 64-year-olds, but 10th among 25-to-34-year-olds, according to the 2004 edition of *Education at a Glance: OECD Indicators*, published in September by the Paris-based Organization for Economic Cooperation and Development.

South Korea, by contrast, ranks 24th for the older group and first for the younger group.

"The rates have not declined in the United States," the report points out. "They have simply risen faster in other countries."

Nations benefit economically from higher educational levels. According to the OECD report, "Studies of the macroeconomic returns to education estimate that increasing the average level of attainment by one year, raises the level of output per capita by between 3 percent and 6 percent." CJ

Parents use the Internet for networking**School in Summer Yields to Grassroots Effort**

By KAREN WELSH

Contributing Editor

The SOS was heard loud and clear as parents and educators banded together in the grassroots movement "Save Our Summers," successfully establishing a new law mandating the start of classes be pushed back by at least two weeks in all 115 school districts throughout North Carolina.

SOS organizer, Wake County resident, and former school teacher Louise Lee said the effort was mounted after many parents spent years pleading for help from their respective school boards to start school after Labor Day, in order to allow families more time to enjoy each other during the best month of the year.

She said their voices were ignored, however, and starting in September 2003, more than 21,000 frustrated parents began to join together through the Internet to tell state legislatures their families were going under with the pressures of starting school so early in the summer.

Early school year hurt families

Lee said she started the movement because her special family gatherings were discontinued when school was pushed forward to the first week of August.

"I felt like it needed to be done," she said. "Every year they were starting school earlier and earlier. I kept hearing over and over again how much parents hated going back early. Educators were ignoring parent's pleas. I was very convicted and passionate that it was wrong to start school that early."

Lee said she started the www.SaveOurSummers.com website in hopes of finding other like-minded people. It wasn't long, however, before thousands of parents and teachers began flooding the site with their petitions.

"This was done without a major publicity campaign," she said. "Basically it was parent telling parent, and teacher telling teacher. It cut across gender, race, and socioeconomic lines. It had a little bit of everybody supporting this. It was heartwarming when I heard parents pleading for help to stop the trend."

Rep. Wilson heeded the cry

Within a few short months, the SOS made it all the way to government officials. In an unprecedented move, Rep. Connie Wilson, R-Charlotte, sponsored House Bill 1464, requiring schools to open for students no earlier than Aug. 25 and end no later than June 10. It was voted on and passed during the legislative short session in July. Gov. Mike Easley signed it into law shortly thereafter.

Although the North Carolina School Start Coalition, the N.C. Association of Educators, and the Classroom Teachers Association supported the late start date, many top educators, including the N.C. Association of School Administrators and the Public School Forum of North Carolina, vehemently opposed the action, which will be implemented for the first time during the 2005-06 school year.



A late startup date for the school year should enable Ridgecrest Camps to increase attendance, its director says.

Newspapers across the state also reported many school boards quickly sent resolutions of dissent, citing the late startup date as a step back in the education of children in North Carolina. Journalist Robbie Schwartz of the *Morgan County Citizen* reported that county Board Chairman Ronnie Stapp opposed state legislators who wanted to change the school calendar.

"Legislators are meddling in something they shouldn't be meddling in," Stapp said. "The issue of the school calendar is turning into an issue of child labor versus child education. What they are trying to do flies in the face of education."

Katherine Joyce, assistant executive director of North Carolina Association of School Administrators, said her office is taking a "wait and see" posture for the time being, but she foresees numerous complications arising from the new mandated calendar. She said the toughest component of the new law is the loss of five teacher workdays needed for staff development and required training.

Joyce also said most schools will lose their flexibility in scheduling and school administrators will have no choice but to use time during the Christmas and spring vacations as makeup days for inclement weather. "Those are the first things that have to be on the chopping block," she said. "Parents will be disappointed with that."

Although there are naysayers, Wilson said she thought the bill was appropriate for this time, wrote Gary D. Robertson in an article for The Associated Press. He said Wilson sponsored the bill simply because it made sense.

"It's a bill that helps students, it's a bill that helps teachers, and it's a bill that helps the businesses of North Carolina," Wilson told the House Commerce Committee and the standing-room-only crowd. "The education bureaucracy or establishment is very well-organized. They've got their email systems, and they've got their professional lobbyists down here. Parents don't hire professional lobbyists to come to Raleigh."

Lee was thrilled with the outcome. "Considering I started this, I am ecstatic," she said. "It's unheard of. People told me it would be four to five years before anything happened, if it happened at all. It's truly a humbling experience. The doors just opened up. The timing was perfect. This law is a win-win situation for everybody."

There will be other winners, too. Re-

porter Colin Burch of *The Sun News* in Myrtle Beach said Wilson had two ECU professors complete a study on the economic impact of pushing the school start date forward and found the state's economy hospitality and tourism industries could gain \$302 million more annually—with an overall economic effect of more than \$1 billion—by delaying the back-to-school bell for 10 days.

Lee said her decision to fight for a later start date was not based on economics, but on well-rounded children using a longer summertime to be carefree, creative, and inventive.

"It wasn't tourism versus education," she said.

"It's a movement to bring childhood back and letting children be children. Education is much more than a test score on a paper. Children need to have time to do the special things that are going to help mold them into what they are going to grow up and be."

The successful North Carolina SOS coalition has inspired parents from other states, including Florida and Georgia, to follow suit.

Kids have more time for camp

Chris Maslin, summer director of the Ridgecrest Camps near Asheville, said a later startup school date for all three states will have a positive impact on the number of children who attend the camps each summer. Each year the camp has struggled with an increasingly fewer number of children attending the last session of camp in early August.

"We have had smaller numbers of campers during the last session because of school starting," he said. "We are watching this carefully and hoping what happened here in North Carolina will have a snowball effect on the other states. It would be nice to have the kids into August if we could."

Lee said the most significant benefit of starting SOS is parents around the state now have a collective voice. And, she said, they are willing to

"The ripple effects of this are enormous. Parents now know they can speak out and make a difference."

Louise Lee

use it.

"People have asked why the opposition was so vehement against the late start date and I think it came down to power," Lee said.

"The school boards and administrators lost some of the control they had in Raleigh. The ripple effects of this are enormous. Parents now know they can speak out and make a difference. Now they can have a voice that is passed on directly to legislators. Parents now realize they can make a difference and that's huge. We have a large database, and we will use it whenever necessary."

CJ

Education

Homeschooling Helps Strengthen Families in N.C. and America

What Works Best: Number of families educated at home increases, children learn better and enjoy play time

By PAIGE HOLLAND HAMP

Contributing Editor

What I like best about homeschooling is that I can hug and kiss my mom whenever I want," 7-year old Jamie Paterson says, "and I get to have lunch with my dad!"

"If we get our work done early we have more time to read. Reading is my favorite subject," says Jamie's 10-year old sister Erin.

Ian Cassidy likes homeschooling too. "We don't have to go to school so long and we have time to play. When I went to regular school I got home late and had so much homework I never got to play," he says. Out of the mouths of babes come many of the reasons why an increasing number of parents are opting out of traditional education and moving to the homeschool environment — more time with family, less stress, and the ability to personalize education.

Homeschool education is on the rise both nationally and in North Carolina. According to Dr. Brian Ray, president of the National Home Education Research Institute, the growth rate is 7 percent to 15 percent per year. In his report, "Facts on Homeschooling", he says, "There were an estimated 1,700,000 to 2,100,000 children (grades K-12) home educated during 2002-2003 in the United States. Homeschooling appears to still be the fastest-growing form of education."

Homeschooling thrives

The statistics are consistent with the growth trend in North Carolina, where the Department of Non-Public Instruction reports 54,501 registered homeschoolers for the 2003-2004 school year, a growth rate of 48 percent in the last five years, or an average of about 10 percent per year.

Five years ago, Shannon and Ross Paterson decided that homeschooling was the best choice for their children, Erin, Jenna, and Jamie. "We are not antipublic or anti-private schools and know they are paramount for society," says Shannon Paterson, "but it was very clear after Erin went to public school for a year that, if we chose that route, we would have very limited time together as a family." This was a big decision for the family, since Shannon's mom is a retired public-school teacher. They met resistance at first, but as the number of families choosing to homeschool increases, there has been a change in attitudes toward homeschooling families.



The Paterson children: (from left) Jenna, Erin, and Jamie

For the Paterson children, school starts at 8:30 a.m. and dismisses at 1:00 p.m. each day. Regular school days consist of reading, grammar, math, social studies, and science. Four days a week school takes place in the Paterson home and one day a week they participate in a homeschool coop, where moms and dads teach subjects such as science lab, foreign languages, cooking, music, and dance. One huge benefit that everyone in the family agrees on is that the condensed school day, while allowing plenty of time for rigorous academics, also allows time for fun. Jamie wrestles, the girls play softball, and all three children take piano without having to gobble down a fast-food meal five nights a week.

"Homeschooling allows us so many opportunities that would be impossible in a traditional setting," Shannon says. The ability to personalize the curriculum to meet the children's individual needs, teaching faith and values, and being able to spend quality family time together are just some of the benefits she sees. Instead of trying to squeeze in family time if the schedule allows, family time is a priority. The Paterson children are thriving. Each one is well beyond the grade they would be assigned to in a traditional school based on their chronological age.

For Michelle and Sean Cassidy, who began homeschooling their three children Faith, Ian, and Lily this year, homeschooling has brought tremendous stress relief for the entire family. "I knew we had to make a

change last year," Michelle says. "We started going at 7:00 a.m. in the morning and by the time homework was done at night there was no time for the children to play or for us to spend time as a family." Now school starts at 8 a.m. and they finish by noon if everyone stays focused and on task—but learning keeps happening all day long. The Cassidys believe a great deal of learning can happen in everyday daily-living experiences at home that can't happen in a large-school environment. "For example, making lunch can become a math lesson," Michelle says. "If we double a recipe the children have to add fractions and can see hands on how much _ of a cup is."

When the family began to research the homeschool option they were amazed by all the resources that were available. "There are so many great curriculums and programs now that it can be difficult to choose," says Michele, who attended the North Carolinians For Home Education Conference for the first time this year. She has also found a plethora of information on the Internet to supplement her chosen curriculum, which provides her with the tools she needs to create a customized education. Sean and Michele think that curriculum flexibility that comes with homeschooling better suits the academic needs of their children, who are all high achievers. Last year Ian was so far ahead academically that his previous school recommended that he skip third grade and start fourth this fall. Michelle was hesitant because she didn't think he

was emotionally and socially ready. "I just didn't think that would be good for Ian, but homeschooling has allowed him to advance at his own pace without putting him in a peer group he is not ready for," she said.

One of the biggest concerns heard about homeschooling is that children won't have social time with peers. That is not an issue for the Cassidy children. Ian plays baseball, the girls play soccer, and they all have lots of playmates in the neighborhood.

"When I was in school we didn't have any social time," says Faith Cassidy. "We weren't allowed to talk in the halls or at our lockers and we only got to talk for 10 minutes at lunch."

All of the Cassidy children agree they have more time to spend with friends now. When asked whether they want to continue to homeschool or go back to regular school, in unison and quite loudly, they say "keep homeschooling"!

While homeschooling is obviously working for the Paterson and Cassidy families on many fronts, it is also showing very positive trends nationally. One of the keys to the success is the ability for students to progress at their own rate. The Home School Legal Defense Fund website reports, "On average, home school students in grades 1-4 perform one grade level higher than their public and private school counterparts. The achievement gap begins to widen in grade 5; by 8th grade the average home school student performs four grade levels above the national average." C



The Cassidy children: (from left) Ian, Faith, and Lily



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The John Locke Foundation's brand new, completely redesigned home page is your best source of research, analysis, and information on the critical public policy issues facing North Carolina state and local governments.

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See what one Raleigh paper called "Matt Drudge with Class"



Course of the Month**Devil went down to Raleigh?**

This column uses a wide range of sources, including students, news and opinion articles, course announcements, compilations by groups interested in higher education, course descriptions, and so forth, including student web sites. But we're cognizant that some sources—especially the latter—can be suspect.

For example, CM decided to pass on this announcement in the Study Hall section of The Wolf Web (TWW, www.brentroad.com) from a student, posting under the alias RattlerRyan, who was complaining about his chemistry professor, Robert Warren. Among his complaints: The class was a "[expletive] disaster so I dropped it before the drop date," a good thing for him because "a third of the class failed"; he is "the worst teacher at State"; he is "the devil reincarnate"; and that Warren once posted on TWW, "There is likely to be at least one opening in warren's classes; that is, once rattlerryan finds out who is teaching CH201-004."

CH 201: CHEMISTRY — A QUANTITATIVE SCIENCE

Detailed quantitative aspects of solutions, solution stoichiometry, thermodynamics, chemical equilibrium, acid-base equilibria, solubility equilibria, electrochemistry, chemical kinetics, and nuclear chemistry.

RattlerRyan wrote that Warren "failed miserably" at teaching, which was the "reason why you are a lecturer and not a tenure-track professor." He angrily concluded, "Just to spite you, since you yourself are a spiteful [expletive], I am going to continue to take your class, and I will [expletive] ace it. ... Enjoy them apples [expletive]."

In short, this student's complaints didn't strike us as newsworthy—pending proof of the reincarnation of the Infernal Being, of course.

Being a member of the TWW community, Warren (under his username GreatGazoo) posted a long response to RattlerRyan's complaints. Concerning the attack on his position as lecturer, Warren wrote: "I ask by what right or knowledge of me, my qualifications, or my motivations do you make such a charge? Further, your remarks cast an aspersion on all of us who hold the position of lecturer in the chemistry department."

Warren provided a brief discussion of his professional background, then stated (emphasis in original):

Whether as a tenure-track faculty member at a liberal arts college, or as a lecturer-rank faculty member here at NCSU, I have chosen a career that emphasizes teaching over research because that is what I enjoy and take satisfaction from doing. ... any "reason" for why I am in the position I hold here at NCSU is certainly not privy to RattlerRyan, nor does his rapid departure from a single class, in my view, provide him with sufficient experience on which to make any reasonable accusation or attack of this sort.

As to RattlerRyan's concluding threat to take and ace the class, Warren wrote, "My primary concern is that you leave the course with a reasonable mastery of the material. If you honestly think that by making an 'A' you will have hurt me or view the class as some sort of personal battle, then there is really nothing that can reasonably be said." So he concluded with lines from a song entitled "Born to Lose." CJ

Safety committees, new admissions questions also recommended

Targeted Background Checks Head Reforms Proposed by UNC Task Force on Safety

By SHANNON BLOSSER

Contributing Writer

Criminal background checks performed on a case-by-case basis are among the recommendations by a University of North Carolina system task force on campus safety issues.

The 17-member Task Force on the Safety of the Campus Community made several recommendations in its report, which was released in mid-December. The task force also recommended, among other things, creating standardized questions on admissions applications to cover the subjects of integrity and behavior, having each school institute a Campus Safety Committee, and employee safety training.

UNC President Molly Corbett Broad created the task force in June after the murders of two UNC-Wilmington students, Jessica Faulkner, 18, and Christen Naujoks, 22. Faulkner and Naujoks were killed less than a month apart by students who had been admitted into UNCW after concealing previous criminal convictions from admissions officers. Like most schools, UNCW relied on the honor system on applications.

The task force found that 21 UNC students who committed violent crimes on campus had criminal records. Thirteen of those failed to report their criminal records on their applications.

UNC's crime rate is about one-sixth of the crime rate for the state overall, the report said. According to the report, from 2001-2004, the UNC campus crime rate was 70 crimes per 100,000 people. Most of the crimes committed were simple or aggravated assaults.

The rate of violent crimes in North Carolina in 2003-04 was 450 crimes per 100,000 people.

"The overwhelming majority of UNC students will never be involved with nor affected by a violent crime while enrolled," said Bobby Kanoy, UNC senior associate vice president for academic and student affairs who was chairman of the task force. "However, we are determined to make sure we are doing everything reasonably within our power to ensure the safety of all our students while maintaining the University's history commitment to access and openness. That was the purpose of this task force."

A subcommittee looking at admissions recommended the case-by-case basis for criminal background checks. UNC-Chapel Hill Director of Admissions Stephen Farmer led the subcommittee. Farmer was unavailable for comment.

The recommendations would create a tougher screening process for applicants to all UNC institutions. Screening applications through various records would create steps to "verify the completeness and the accuracy of information provided by applicants," the report says.

Under the recommendations, criminal background checks would be used only when certain criteria were met, such as if a student had an unexplained gap in time between high school graduation and his application for admission. The task force argued against mandatory criminal background checks for each applicant on the grounds of cost effectiveness, citing the low

Recommendations from the UNC Task Force on campus safety

After considerable research and deliberation, the task force has offered a number of prudent and reasonable recommendations intended to improve both the UNC admissions process and the overall safety of the campus community. These recommendations include:

- Standardize those questions on all UNC admissions applications that address student integrity and behavior.
- Develop reasonable and cost-effective methods to verify completeness and accuracy of applicant information. Among others, such methods would include verifying previous attendance at other educational institutions, verifying student disciplinary records, and developing a mechanism through which campuses could request, on a case-by-case basis, criminal background checks of applicants, admitted students, and/or enrolling students.
- Train campus staff in how to identify and respond appropriately to applicants who may pose a threat to the safety of the campus community if admitted.
- Every campus should maintain a Campus Safety Committee.
- Each campus should conduct the following:
 - a) Campus Threat Assessment — to identify sources from which significant threats to campus safety are most likely to occur;
 - b) Campus Safety Inventory — to identify current safety practices, procedures, and resources; and
 - c) Safety Climate Survey — an annual survey of students, faculty, and staff.
- Faculty should receive educational programs to make them aware of indicators in student behavior that can serve to warn us of the potential for danger.
- Present students with pending non-academic charges at a campus should be prevented from withdrawing from the University until the judicial process has been completed and recorded.

Source: Final Report of the UNC Task Force on the Safety of the Campus Community, Dec. 14, 2004

number of students who lied on their applications and subsequently committed a crime on campus.

"The Admissions Subcommittee concluded that given the extremely small number of students who failed to provide accurate and truthful information on their applications and went on to commit a campus crime, the widespread and routine use of criminal background checks on all students would be neither cost-effective nor significantly improve safety," the report says.

Murders at UNCW

Amid public outcry over the UNCW murders, UNCW criminal justice professor

Mike Adams issued a call in his TownHall.com column in favor of criminal background checks in the admissions process at UNCW.

Adams advocated criminal background checks on all applications, saying that the cost concern was moot.

"All we need to do is require the students pay for their own background checks and submit them with their applications," Adams wrote. "But most students would gladly pay that small additional cost to get the extra security it will bring to them and their fellow students."

Concerning the two murders that led to the task force, Adams said a criminal background check would have saved Faulkner's life.

Faulkner was found strangled inside her dormitory room on the last day of the

spring semester. Curtis Dixon, a 21-year-old classmate of Charlotte, was arrested and charged with her murder. Dixon allegedly had been stalking Faulkner before the slaying, trying to pursue a romantic relationship with her.

In June, Naujoks was found dead in front of her apartment building after being shot 11 times. A former boyfriend, John Peck, 28, of Wilmington, was sought in connection with her death. Naujoks had believed Peck was stalking her after she broke off their relationship. A manhunt that covered several states and included officers in Ohio ended in the Great Smoky Mountains National Park. After a shoot-out with police, Peck shot himself and died before his SUV tumbled down a ravine.

In December, Dixon broke away from corrections officers and was mortally wounded after jumping from a stairwell at Polk Detention Center, where he was being held pending trial on murder, rape and other charges. He could have faced the death penalty if convicted.

Both Dixon and Peck had been admitted into UNCW after withholding information about their previous criminal convictions during their applications. Dixon had a previous conviction for misdemeanor larceny. Peck had pleaded guilty in November 2001 to assaulting a female and other charges. Peck's girlfriend said he raped her at gunpoint.

Peck was later expelled from UNCW after the school learned about his lying on his application. UNCW currently asks applicants whether they have been convicted of anything more than a traffic violation. Peck told the *Wilmington Star* that he lied on his application because "otherwise I wouldn't have gotten in." CJ

Pope Foundation Is Just One of the Many Charitable Foundations That Give to UNC

By SHANNON BLOSSER

Contributing Writer

CHAPEL HILL

One of the main criticisms being leveled against a proposed Western civilization program at the University of North Carolina at Chapel Hill is that the program would possibly be funded by a conservative philanthropy.

UNC-CH leaders approached the John W. Pope Foundation about funding the proposed program. If the foundation agrees, it could mean a \$12 million donation for the school.

A small group of leftist students and professors is protesting the possible grant. They argue any donation from the Pope Foundation is tainted and should not be considered because the foundation also gives funding to conservative groups that have criticized UNC-Chapel Hill, including the Pope Center for Higher Education Policy. They argue that no distinction would be made between the politics of the donor and the direction of the program.

Should the Pope Foundation agree to fund the proposed Western civilization program, however, it would hardly be the first time a private foundation with a noticeable political agenda has ever given money to a program at UNC-CH. Nor would it be the first program the foundation supported at UNC-CH. The philanthropy has donated funds to the following at UNC-CH:

- the Lineberger Comprehensive Cancer Center
- the Frank Porter Graham Child Development Center
- the Ackland Art Museum
- the College of Arts and Sciences
- the business school
- the school of social work
- the alumni foundation, and
- the athletics department.

The Pope Foundation has also given grants to programs at other universities, including Campbell University, George Mason University, and most recently, N.C. State University.

The program at N.C. State that received funding from the Pope Foundation this summer — a grant this year of \$511,500 — is somewhat similar to UNC-CH's Western civilization program proposal. The Pope donation goes to support course development in the political science and economics departments for a program, research, an annual lecture series, and a group comprising students and faculty from both departments.

N.C. State announced news of the donation with a press release (see sidebar). In it the head of the economics department, Dr. Stephen Margolis, said that the Popes' gift "creates important opportunities for our students and faculty."

Associate professor of political science Dr. Andrew Taylor said, "The grant will augment opportunities for undergraduate students and expose them to a whole array of new ideas."

Foundations gave UNC \$44.8 million in 2003

Each year UNC-CH receives millions in research grants and donations for various programs at the school. During fiscal 2003, for example, UNC-CH received funding from 378 foundations, which gave about \$44.8 million. Many, including some recent donors, had their own political agendas, but never were those considered justification for turning down the grants. Rather, the donors were hailed and celebrated for contributing to the university's diversity.

In 2002, the Freeman Foundation gave \$2 million to UNC-CH to support the school's Asian studies program.

Founded in 1992, the Freeman Foundation is named for Mansfield Freeman, who cofounded American International Group Inc., or AIG. The Freeman Foundation, which is based in Vermont, is dedicated to creating an understand-

How North Carolina State University greeted a recent gift from the Pope Foundation to establish a new program

June 14, 2004

FOR IMMEDIATE RELEASE

Grant Establishes Program in Economics, Political Science at NC State

RALEIGH — A new \$511,500 grant from the John William Pope Foundation will help North Carolina State University's Department of Economics and Department of Political Science and Public Administration develop programs that explore the relationships between economics and politics in free societies.

The grant, which covers a five-year period, will help create new undergraduate courses in economics and political science and fund research in both departments. The departments will collaborate on two programs — an annual lecture series and a "Law, Economics, and Politics Group," comprised of students from both departments who are interested in careers in law, politics and public policy. The new programs will begin in the fall 2004 semester.

Dr. Stephen Margolis, professor and head of the economics department, and Dr. Andrew Taylor, associate professor of political science, will oversee the implementation of the grant's programs.

"The programs established by this grant will allow us to look at economic and political freedoms and the role institutions play in enhancing or inhibiting those freedoms," Taylor said. "The grant will augment opportunities for undergraduate students and expose them to a whole array of new ideas."

"The gift from the Pope Foundation creates important opportunities for our students and faculty," Margolis said. "It will also foster continuing collaboration between the Department of Economics and the Department of Political Science and Public Administration."

The John William Pope Foundation is a private grant-making foundation founded in 1986. The Pope Foundation is supported by the family of John W. Pope and its family-owned retail company, Variety Wholesalers Inc.

On Friday, June 11, Art Pope, president of Variety Wholesalers Inc. and of the Pope Foundation, delivered the first installment of the grant, a check for \$228,000, to Chancellor Marye Anne Fox. "One of the primary goals of the Pope Foundation is to provide valuable opportunities to improve higher education in our great state," Pope said. "We look forward to working with North Carolina State University, its staff and its students."

Art Pope is a former four-term representative in the N.C. General Assembly. John W. Pope is a former member of the board of trustees of the University of North Carolina at Chapel Hill.

ing between the United States and the Far East.

The Rockefeller Foundation, in 2001, gave \$350,000 to the University Center for International Studies for a four-year program called "Re-imagining Civil Society in an Era of Globalization: The American South in Applied Humanistic Perspectives." Based in New York, the Rockefeller Foundation is a global organization that seeks to enrich the lives of poor and excluded people.

The GlaxoSmithKline Foundation donated \$1.4 million in 2002 to fund a program on "ethnicity, culture and health outcomes." The foundation, based in North Carolina, seeks to meet the health and educational needs of this and future generations.

In 2001, the Bill and Melinda Gates Foundation gave \$200,000 to support the James B. Hunt Jr. Institute for Educational Leadership and Policy. Founded in 2000, the Gates Foundation attempts to improve equity in education and health throughout the world.

UNC-CH produced press releases about each of those donations, which generated several news stories that discussed how each would help fund a program that would address a serious concern of international importance.

Their Salaries Aren't The Important Issue

After Mary Anne Fox announced she would be leaving her position as chancellor of North Carolina State University for the same position at higher pay at the University of California at San Diego, UNC system trustees began to panic over the supposed inadequacy of salaries at UNC. Among their discussions: using private donations to supplement top administrators' salaries.

UNC had such a policy in the 1990s but dropped it because of concerns that it created a disparity among the 16 UNC campuses. This year's discussion resulted in no change in that policy. In July the UNC Board of Governors unanimously voted down the proposed use of private donations.

The board was also unanimous, however, on the idea that top university administrators must now receive salaries that rate among the top 25th percentile of "peer" institutions. This means that Chancellor James Moeser of UNC-Chapel Hill and UNC President Molly Broad may each see a nearly \$50,000 pay raise.

But what is so crucial about paying top administrators at that particular level? Chancellors and administrators might still choose to depart for a higher-paying offer. In any case, replacing any who choose to leave with equally competent people has never been terribly hard. This salary boost seems to be a solution in search of a problem.

With the state budget still in the red, additional spending on administrative salaries just so we can say that we're "keeping up with the Joneses" is hard to justify. On one hand, the Board of Governors wishes to compete with peer universities, but on the other, the governors decide against a policy successfully instituted by peer universities. To avoid such corruption of the system, they think that taxpayers should bear the cost of what amounts to an image-building endeavor. Meanwhile, they fail to address the real issue. North Carolina schools suffer from the same problem affecting most other universities — an inefficient administrative system.

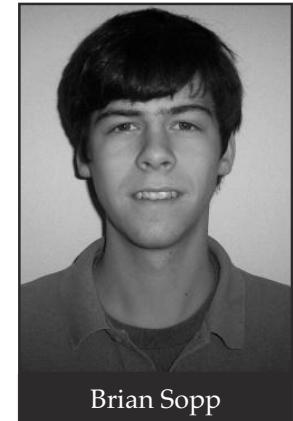
The job of a leader is to increase performance and productivity. The duty of a university is to educate. Therefore, an administrative leader should be hired because he can raise educational standards and improve the academic environment on campus. Sadly, those considerations rarely matter. Most administrators are chosen because of their money-raising ability, their devotion to politically correct ideas (especially the quest for ever more "diversity"), or both.

In a February 17 article by The Wisconsin Policy Research Institute, Professor Thomas Reeves suggested a solution. When searching for new administrators, he advised, universities should place one ad through several media outlets. That ad would inform applicants that "the compensation package will not surpass the highest salary paid to a professor of philosophy." Furthermore, the chancellor or president will be "required to spend at least ten hours a week talking with faculty and students."

Then Reeves wrote that viable candidates would need to be "widely published authors" and, before hiring, need to "spell out exactly how many courses in the campus catalogue should be eliminated."

Reeves pinpointed something important. Administrators should be chosen first and foremost because of their devotion to *academic excellence*.

Instead of arbitrarily raising salaries, the UNC system could develop a comprehensive system to evaluate academic performance among undergraduates. They could then give administrative bonuses according to the academic performance of the administrator's university. Whether the money is private or public, the policy would at least put the focus back on education. That would be the kind of "progressive" policy that North Carolina and aca-deme in general desperately need.



Brian Sopp

Bats in the Belltower**Top 10 Nuttiest Campus Events in N.C. Higher Education in 2004**

At the end of every year we compile this list, and every year we include a "hope for more" in the following year. And every year, we haven't been disappointed in that hope. Of course, we hope next year will continue that trend. That hope having been expressed, on with this year's list:

10. Duke, N.C. State faculty agree: Conservatives are dumb.

Robert Brandon, chair of Duke's philosophy department, reacted to the disparity between Republicans and Democrats among Duke faculty with, "If, as John Stuart Mill said, stupid people are generally conservative, then there are lots of conservatives we will never hire." Two N.C. State professors faulted students' lack of information for their support of Bush. Political science Prof. Michael Cobb said the more that students were "misinformed about Iraq, the more likely they supported Bush," and English professor Nick Halpern said "Republican students I have talked to are amazingly uninformed."

9. Bonds — new bonds.

In the summer, the General Assembly passed a nearly \$340 million bond package for the UNC System. This was on top of the \$3.1 billion bond proposal that voters approved in 2000. Voters didn't get the chance to approve this one, however. Legislators said the new bonds were to finance "necessary projects" for the UNC system — despite many not appearing on the UNC Board of Governors' list of desired projects.

8 (tie). New "Sexuality Studies" minor at UNC-Chapel Hill announced proudly.

In June the "Diversity News Roundup" of UNC-CH's Office of Minority Affairs hailed the new minor "designed for students interested in exploring the study of sexual/gender identities."

8 (tie). New "Latina/o Studies" minor at UNC-Chapel Hill announced proudly.

In August, UNC-CH hailed the "first Latina/o minor at a university in the Southeast" with a kickoff event featuring music, dance, and a lecture on "Gendered Transculturations in Six Feet Under: Rethinking Disciplinary Boundaries."

7. Proposed Western Civilization program at UNC-Chapel Hill denounced loudly.

In November, UNC-CH leftists protested the proposed new program as "history dealing solely with the disenfranchised plight of rich, white, Protestant men" and chanted "Stop the hate, stop the fear, we don't want this money here!"

6. N.C. State shuts everyone out of its chancellor selection again.

Despite the closed search of 1998 being so widely criticized, the chancellor selection committee at N.C. State (the state's largest "public" university) managed to outdo it this year — by signing confidentiality agreements.

5. When we said "Women's Week," we didn't mean those women...

For the second straight year, Carolina Students for Life wasn't able to have their pro-life view represented during Women's Week on campus — but the group finally prevailed over the UNC-

CH Women's Center to be included on its web site and to have the center not take an official stance on the issue of abortion.

4. Look out, class — a violent, heterosexual, white Christian male!

The U.S. Dept. of Education's Office of Civil Rights found UNC-CH English lecturer Elyse Crystall guilty of sexually and racially harassing and discriminating against the student she identified by name in a classwide email February as "a white, heterosexual, [C]hristian male... [who] feel[s] entitled to make violent, heterosexual comments and not feel marked or threatened or vulnerable." Crystall spent the remainder of the year pretending she's the real victim — and somehow managed to keep her job.

3. Duke's pro-terror conference.

Lee Kaplan of *FrontPage Magazine* attended Duke's "Palestinian Solidarity Movement Conference" in October. The guest of honor declared Zionism "a disease" and said there was "Nazi-Zionist collaboration" during the Holocaust, Kaplan reported, while other speakers urged divestment in Israel as taught how to goad public schools into teaching "Israeli oppression," how to deceive Jewish philanthropies, and how to infiltrate Jewish youth groups to access their funding.

There were only two resolutions proposed during the conference to fail, Kaplan reported — they were the only ones that tried "to condemn suicide bombings and terrorism." (Click on www.frontpagemag.com/Articles/ReadArticle.asp?ID=15714 for Kaplan's report.)

2. School of the art of the deal.

Unusual payroll entries tipped auditors off to corruption at the N.C. School of the Arts that State Auditor Ralph Campbell would later describe as "similar to the debacle at Enron." Among the findings: state and NCSA-affiliated foundation funds used to make car lease payments and country-club dues for NCSA administrators; illegal land sales to divert funds and help put a deposit on a new residency for the chancellor; diversion of funds through property sales; use of three secret bank accounts; illegal payments of more than \$90,000 to a vice chancellor, who attempted to mislead auditors; and improper payments to university employees and one employee's sister.

1. UNC-Chapel Hill tells three-member Christian fraternity: "Your money or your group!"

Because lying was against the group's code of conduct, and because the group was a Christian organization whose mission was to evangelize fraternities at UNC-CH, the Christian fraternity Alpha Iota Omega declined to sign UNC-CH's "nondiscrimination" policy. UNC-CH officials had made it clear to them that by signing it, they were agreeing to admit members of other faiths — which obviously they couldn't do without defeating the purpose of the group. UNC-CH responded by derecognizing AIO, freezing its university account (including money the group had raised itself), shutting off its web access, and denying the group the ability to reserve space on campus. *CJ*

UNC System Gives the State \$5.2 Billion 'Christmas Wish List'

By SHANNON BLOSSER

Contributing Writer

CHAPEL HILL

When the North Carolina General Assembly opens the 2005 regular session Jan. 26, higher-education issues are expected once again to be a major topic of discussion.

That discussion has already started on at least one of issue — the budget recommendation for the 2005-07 biennium for the University of North Carolina system. In November, the UNC Board of Governors approved a budget recommendation that is 28 percent more than the system's current appropriation. The request comes at a time when legislators could be facing with yet another round of contentious budget negotiations.

The entire 2005-07 requested appropriation equals \$5.2 billion. The UNC System is seeking \$2.5 billion for fiscal 2005-06 and \$2.7 for the following year. Currently, the system receives about \$1.8 billion in state funding.

Wishful thinking?

Some state representatives called the plan a little bit of wishful thinking when it was announced in November. And Rep. Wilma Sherrill of Asheville compared UNC's budget request with a kid's wish list at Christmas, saying they ask for more than

they know they will receive.

Gov. Mike Easley has received UNC's request for review as he works on his budget presentation, which was to be presented to the General Assembly in January.

The requested increase includes \$73 million for anticipated enrollment growth within the system. Enrollment for the 2004-05 school year is 189,615 students, a record — however, that number is expected to climb to more than 196,000 for the 2005-06 term. UNC leaders will increase the enrollment growth request to \$133 million for the 2007 fiscal year.

The enrollment growth increase for the 2004 fiscal year was nearly \$65 million.

Research money is also included in the budget proposal. UNC leaders are asking for \$25 million for research projects. The system also asks for \$25 million for economic development initiatives.

Though UNC officials presented a large budget request, many within the system do not expect Easley or the legislature to fully fund it. UNC President Molly C. Broad told the Associated Press, "It is a very large request, and we have no expectation that it can be fully funded."

However, Brad Wilson, chairman of the Board of Governors, said the school had every right to make the large request to state leaders. Wilson said the request represents the system's needs for the upcoming two years. *CJ*

CAROLINA JOURNAL Publisher John Hood Garners Praise for His Most Recent Book:**Investor Politics**

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"*Investor Politics* is chock-full of interesting historical anecdotes, clever policy analysis, and surprising musings."

— National Review

"John Hood offers many astute observations about the reasons government social programs are imperiled."

— Greensboro News & Record

"I highly recommend *Investor Politics* to any reader interested in understanding how our government turned into an entitlement trough."

— Kevin Hassett, AEI

"Hood has delivered a thoughtful and very engaging text that will help move the debate from last century's entitlement-dependent view of society to the country's Jeffersonian roots of self-reliance"

— Chris Edwards, Cato Institute

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Higher Education

The proliferation of college degrees

How Artificial Reliance on College Degrees Drives 'College for Everyone'

By GEORGE LEEF

Associate Editor

RALEIGH

The Chronicle of Higher Education of Nov. 26 contained a noteworthy essay by Alan Contreras called "A Question of Degrees." In it, Contreras, who is the administrator of the Office of Degree Authorization of the Oregon Student Assistance Commission, laments the proliferation of college degrees and the extent to which they have become the portals through which everyone desiring success in life must pass. The essay is important because challenges to the prevailing (and assiduously cultivated) idea that college is for everyone are so rare.

Contreras argues that our degree mania is a problem because people often have the ability to perform a job, but won't be considered "until the magic piece of paper is obtained." Compelling people to spend a great deal of time and money to get a degree simply so they can compete for many jobs that demand no great knowledge or skill is very wasteful. Some people just buy their credentials from degree mills and employers often don't care enough about the source of the degree to distinguish between the faux diplomas of degree mills and those of legitimate educational institutions.

That is a point that Paul Taubman and Terence Wales discussed briefly in their 1974 book *Higher Education and Earnings*:

(I)n the last few years so-called diploma mills have become a matter of concern to the educational community. For a fee, these schools grant diplomas by mail without requiring attendance or much, if any, work. Consequently, it is difficult to see how these schools could be adding much to a person's level of skills. Yet the fact that people are willing to pay the fees suggests that the diploma is useful to them, and

clearly one possibility is that it is useful in passing an educational screen. It is also worth noting that the uproar over the diploma mills has come not from businesses that feel cheated, but from the more respectable members of the academic community. (157-8)

Explaining diploma mills

So why don't employers bother to kick out applicants whose educational credentials are from diploma mills? Two answers seem plausible.

One is that some employers recognize that their degree requirements have little to do with knowledge or skills necessary for the work. These days, it is common to see ads for jobs such as purchasing agent or accounts payable clerk stating that a college degree is a must. But for those and many other jobs, employers are really only interested in evidence of trainability. If they don't much care where an applicant's degree came from, that may be understood as an admission that the degree "requirement" is merely a crude screening device to filter out individuals who have not taken even the smallest step beyond their high school education.

The second plausible explanation is that many employers don't believe that the "real" college experience does much more to enhance a person's employability than does the quick transaction with a diploma mill. Since colleges now grant degrees to many students who read poorly, write poorly, and get stuck on the simplest math



problems, it's easy to see why the degree requirement is one that employers don't take very seriously; since they need to evaluate further to see if an individual is capable of handling the work and lots of applicants with "real" degrees are weak,

why discriminate against those who have degrees from diploma mills?

Contreras is absolutely correct in writing that "Artificial reliance on degrees does not serve a public interest, and society should stop supporting it." We have a terrible mania for credentials, a mania encouraged by the higher education establishment. The demand for its services grows as the notion spreads that formal college studies are an essential prerequisite for even the most mundane of jobs. Many college degree programs these days consist of a few morsels of occupational training wrapped inside a big burrito of academically dubious courses to fill out the graduation requirements.

If businesses themselves were footing the bill for the training of people to manage hotels (to cite just one of the vocationally-centered degree programs one now finds at many schools), would they come up with such an expensive and time-consuming approach as that? Surely not. But since the costs of the degree credentialing system are borne by others (students, their families, and taxpayers), businesses are willing to go along. That is especially true if they are able to get colleges to "embed" a rigorous training program (for example, Microsoft Certified Systems Engineer) in a

degree program. Most businesses are happy to off-load their costs onto others, whether it's worker training, health care, or anything else.

Why, Contreras asks, should job training be done this way? "Is all job-training learning? Certainly. Should all learning be part of a degree program? Of course not. It is time for colleges and policy makers to take a serious look at what we call degrees, and limit them to learning that is truly worthy of a degree."

The time was — and not so very long ago — that job training was thought of as the responsibility of the labor market and college education consisted mostly of work to expand one's mental horizons. Individuals went to college to study "impractical" things such as the history of Rome, the plays of Shakespeare, the philosophy of Aristotle, the symphonies of Beethoven, and so on. Today, that has almost turned completely around. If you want a job, you go to college to get the degree that opens doors for you. If you want to expand your mental horizons, you're better off renting some of the excellent taped lecture series on history, philosophy, the fine arts, etc. that are made available by firms like The Teaching Company.

What to do? Contreras says, "Let's evaluate the labels we give our academic and training credentials and create a meaningful system, rather than simply sending everyone to get degrees, genuine or bogus." I'm with him in spirit, but colleges and universities have grown fat and happy by peddling degrees for everything they can think of. The current degree mania helps to keep classes filled and professors and administrators employed. I suspect that the only way to restore sense in this area is for state and federal government to stop subsidizing higher education. CJ



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Town and Country**Property taxes soar**

While fuel prices may be starting to skid, there's another expense closer to home that is upsetting many Americans: rising property taxes, according to *The Christian Science Monitor*.

From Madison, Wis., to Bucks County, Pa., the local tax assessor is dipping deeper into homeowners' pockets as real estate prices rise and states share less of their tax revenue with local governments.

With people starting to receive their 2005 tax bills, the levies are squeezing the middle class and senior citizens — leaving them less to spend on everything from restaurants to roof repair. There is also concern the taxes could particularly hurt the home-buying chances of the young or civil servants such as firefighters. States such as New Jersey now have grass-roots efforts, verging on revolts, for reform.

"There is a property tax crisis," says Myron Orfield, a property tax expert at the University of Minnesota in Minneapolis.

"It's especially bad in states like New Jersey, Ohio, Connecticut, and Illinois, which are property-tax dependent."

Heavy cost of light rail

The price of Charlotte's \$398.7 million light-rail line may increase again and the start of passenger service could be delayed as transit officials wrestle with high construction bids, the *Charlotte Observer* reports.

Two more bids, for electrical and communications systems, should have been opened sooner. But contractors asked for more time. Charlotte Area Transit System chief Ron Tober hopes the delay until late November will result in lower prices.

CATS needs savings on those two contracts to help offset bids to build the track and a garage that came in November \$37 million over budget. Tober blamed steel and cement prices, which have risen up to 40 percent nationally in the last year.

Most of the higher costs can be paid from the project's contingency money, but CATS must trim about \$15 million from the project to stay within its budget.

Mayor Pat McCrory would not say whether he would support a higher price. But he insisted CATS will pay for its share without raising the half-cent transit sales tax.

State to help battered towns

Tattered homes, crumbling bridges, and murky streams in western North Carolina could soon get help from the state, the *Asheville Citizen-Times* reports.

Gov. Mike Easley recently allocated \$90 million to help local communities and families recover from the fierce storms that rocked the region this fall. Easley shifted money from state agencies around to offset storm losses and help meet recovery needs.

Nevertheless, this is slightly less than the \$104.2 million Buncombe County emergency services workers calculate it will take to repair damages in 16 western N.C. counties. CJ

Local Government**Local Governments Seek Federal Grants**

Cities, counties follow different paths to secure money for pet projects

By DONNA MARTINEZ

Associate Editor

RALEIGH

Cities and counties searching for ways to fund ever-increasing demands for public services are looking beyond local revenue sources such as property tax, sales tax, and fees. More frequently, officials are turning to federal grants to supplement their budgets, a process that goes largely unnoticed by those outside the circle of politicians and bureaucrats involved in tapping the nation's cookie jar.

"It's hard now to find a purely local function," said Carl Stenberg, professor of public administration and government at UNC-Chapel Hill. "Many have some state or federal mix." Stenberg said the trend began in the 1970s with the federal revenue-sharing program. Early on, Stenberg said, larger governments hired grant coordinators, who visited Washington D.C. and made the rounds of congressional offices trying to match projects with available dollars. Some set up offices in Washington. But a more recent phenomenon is for localities to contract with lobbying firms, which do the relationship building that can lead to cash.

Durham County Interim Manager Wendell Davis said his county does what it can on its own, even though it doesn't employ a grant writer to research opportunities. The office typically provides both senators and Rep. David Price, who represents Durham, with its funding priorities and then hopes one or more will work to have the project inserted in the federal budget.

To maximize what it receives, in 2002 Durham County hired Virginia-based Capitol Link, a lobbying firm, to help tap funding sources for a wish list of projects. "You can only raise the tax rate so high," said Davis of the county's ability to rely on local funding.

Earmarking, competitive grants

Local governments pursue two types of federal funds. Earmarkings, commonly known as pork funds or discretionary funds, hinge on a congressman or senator inserting the project into the budget as a line item. Which projects, and how many, make the final budget is open-ended. Competitive grants, however, require cities and counties to compete against their peers based on pre-determined criteria and a finite pot of money from federal agencies. More than 1,500 available competitive grants are detailed in The Catalog of Federal Domestic Assistance. The document describes the types of grants available, gives grant writing tips, and includes agency summaries.

Competitive grants are much more objective, according to City of Raleigh Assistant City Manager Daniel Howe. "It's pretty rational and straightforward," he said of the process that reaped \$400,000 for Raleigh to clean up environmental problems at 10 to 12 former industrial sites known as brownfields. Site assessments will be made and once work is completed, the locations will be marketed for redevelopment. Raleigh began working with Capitol Link in 2003 and pays the firm \$4,000 per month plus expenses.

Yadkin County is entering the second year of a three-year contract with Capitol



Carolina Journal Photo by Richard Wagner

Raleigh received \$175,000 in grant funding for renovation of Fayetteville Street mall downtown.

Link. It pays the same fee Raleigh does. Earlier this year, the lobbyists helped county officials secure about \$800,000 in competitive grant cash to make a water line available to a developing area along Highway 601 near Yadkinville. The county now has the team looking for money to fund equipment and capital needs for a local hospital and for new science equipment in its schools.

County Manager Cecil Wood said it makes financial sense to contract for the specialized services rather than hire a full-time county employee. "Most larger counties do this pretty consistently," he said. "It may be a little less common for a county of our size." Yadkin's population is just 38,000, but Wood emphasized he's constantly looking for any funding possibility to help the county, regardless of what other local governments do.

"Mainly, we're cheaper" than hiring staff, said Capitol Link President Mick Staton of why the grant-seeking service provided by lobbying firms appeals to cities and counties. Experience is key as well. He

noted the federal budget process can be complicated. There are myriad rules, timetables, and committees, and understanding how they work together is vital. For example, he said, work on Raleigh's brownfields grant involved shaping and editing the application for the city. Since a

peer review group assesses the applications, Staton said past experience with the group's priorities allowed the company to fine-tune Raleigh's proposal. Then Capitol Link made the rounds of the North Carolina congressional delegation to explain the project and ask for support, even though legislators can't influence a competitive grant. Regardless, getting a legislator on your project's side is important, Staton said. "It's good for the peer group to know a project has congressional support."

Davis said Durham County's reliance on outside efforts, coupled with help from Price's office, yielded results in the 2003 federal budget. The county received \$333,700 in earmarked grants to pay for two projects. The Urban Ministries Homeless Shelter is being renovated and the area's senior center will be constructed using \$135,000 of that money. The Juvenile Day Reporting Center, which serves suspended and truant middle and high school students, was al-

lotted \$198,700.

Raleigh received \$825,000 in discretionary funds from the fiscal 2003-2004 budget. The Neuse River greenway project benefited by half a million dollars, while efforts to renovate and redesign Fayetteville Street Mall took in \$175,000. A downtown transfer station to serve various forms of transit received \$150,000.

Rolling out the pork barrel

Whether it's appropriate for members of Congress to wield power and influence with the federal budget by earmarking projects for cities and counties back home has people squealing loudly as federal domestic spending grows. A November 2004 Heritage Foundation Web Memo reported that the number of pork projects is increasing. Six years ago there were less than 2,000. There are more than 10,000 in the 2004 budget, valued at more than \$23 billion. As pork grows, the money for competitive grants shrinks. In response, the Web Memo explained, Congress authorizes more competitive money but doesn't cut back on earmarks to keep expenditures in line.

So what qualifies as pork? "That's a really tough one," said Stenberg, who teaches county commissioners and managers who attend UNC-CH's Essentials of County Government course. "For every necessity you can find a pork project. The degree of worthiness varies in the eye of the beholder."

Davis thinks one's opinion of federal earmarking depends on what role you play in the process. If you're an official who needs money, it isn't a bad thing because citizen needs are increasing and managers have to find money somewhere. Capital improvements are especially difficult to fund, he said.

"While many of those things do get funded through bond referenda and what have you, there are just other things that kind of fall off the table. But the needs out there that didn't get funded don't go away," he said.

Like Wood, Howe said it is his responsibility to look at every revenue opportunity for Raleigh, including federal earmarks. As long as the system is the way it is, he said, it's difficult not to take part when taxpayers are demanding services but aren't willing to support tax increases to pay for them. Still, relying on congressional muscle for dollars can be risky. "It's a crapshoot. One year you'll get something, another year you won't," Howe said. CJ

Local Government

New Data: Combined City & County Tax Burdens Per Person for N.C. Cities of Population 25,000+

Rank/City	Total Revenues	Prop. Tax Revenues	Sales Tax Revenues
1. Charlotte	\$2,131.56	\$1,177.65	\$368.31
2. Wilmington	\$1,902.38	\$1,135.03	\$299.06
3. Durham	\$1,735.52	\$1,041.79	\$276.26
4. Asheville	\$1,706.81	\$974.44	\$325.74
5. Hickory	\$1,679.70	\$978.24	\$306.42
6. Chapel Hill	\$1,658.30	\$1,111.81	\$254.26
7. Greensboro	\$1,618.27	\$963.52	\$254.28
8. Cary	\$1,592.61	\$986.19	\$265.20
9. Winston-Salem	\$1,590.44	\$917.14	\$252.11
10. Salisbury	\$1,586.77	\$802.66	\$232.72
11. Huntersville	\$1,586.04	\$1,074.02	\$249.16
12. High Point	\$1,576.37	\$955.49	\$251.78
13. Raleigh	\$1,518.82	\$893.46	\$262.09

Rank/City	Total Revenues	Prop. Tax Revenues	Sales Tax Revenues
14. Monroe	\$1,480.75	\$693.57	\$247.56
15. Concord	\$1,346.09	\$887.62	\$258.85
16. Wilson	\$1,339.52	\$722.93	\$224.11
17. Gastonia	\$1,271.04	\$794.21	\$239.28
18. Greenville	\$1,234.46	\$608.27	\$257.66
19. Fayetteville	\$1,233.11	\$668.14	\$249.43
20. Rocky Mount	\$1,222.17	\$661.31	\$244.70
21. Burlington	\$1,180.62	\$716.70	\$254.36
22. Kannapolis	\$1,081.09	\$717.76	\$221.88
23. Thomasville	\$1,061.59	\$626.82	\$249.80
24. Goldsboro	\$1,053.39	\$504.43	\$241.32
25. Jacksonville	\$860.38	\$390.01	\$232.76

Note: Total revenues include property tax, sales tax, and other revenues collected by local governments.

By The Numbers 2005

Local Government Tax Collections Up

By MICHAEL LOWREY
Associate Editor

CHARLOTTE

North Carolina counties and municipalities collected about a combined \$50 more per person in taxes and fees from its citizens in fiscal 2002-03 compared to the previous year. This calculation was among the information presented in *By The Numbers 2005*, the latest edition of the John Locke Foundation's yearly analysis of local government revenue collections.

Calculating burdens

Local governments in North Carolina are required to file audited financial statements with the Department of State Treasurer each year. *By the Numbers* builds upon this information, which is available online www.nctreasurer.com/DSTHome/StateAndLocalGov/AuditingAndReporting/AFIR.htm.

By The Numbers examines property tax, sales tax, and total local government collections of all taxes and fees for counties and municipalities for fiscal 2002-2003, the latest year for which data is available. For each of the three categories, a revenue per-capita figure was computed. Countywide figures were also calculated as a percentage of personal income.

Counties are also ranked against each for both the per-capita collection and collections as a percentage of personal-income categories. Municipalities are sorted by population and ranked within four population ranges (under 1,000 population; 1,000-4,999; 5,000-24,999; and 25,000 and over).

The report calculates the dollar amount and as a percent of personal income that a typical resident of each county would pay in taxes and fees to local governments.

For comparison, figures for the previous year are also included.

While *By the Numbers* shows the cost of local government, it does not attempt to measure the quantity or quality of services provided in exchange for those dollars. Nor does the report consider the additional out-of-pocket costs to individuals for services that their local government may not provide. In unincorporated areas, for example, homeowners may have to contract privately for garbage pickup, while those living in a town or city may well receive this service, paid for through their municipal property and other taxes. Municipalities may also use some of their tax dollars to provide a higher quality of fire protection, which may translate into lower homeowners insurance rates.

Local taxes and fees up again

In fiscal 2002-03, the typical resident of the median county in North Carolina paid \$1,047 in taxes and fees to county and municipal governments. This accounted for 4.34 percent of personal income and represents a 5.1 percent increase over 2001-02, when collections were an inflation-adjusted \$993. Collections in 2000-01 were \$938 per capita, or 3.91 percent of median county personal income.

Because the counties with the highest tax burdens were

also among the states most populous counties, 4.65 percent of the average North Carolinian's personal income went toward the cost of local government in 2002-03.

Per-capita taxes and fees were up in 86 of the 100 counties in 2002-03.

Total collections of taxes and fees by localities came to \$11 billion in fiscal 2002-03, up about \$500 million after adjusting for inflation from the previous year. A majority of the increase came from higher collections outside the traditional property and sales tax revenue streams. Revenues from nonproperty and sales tax sources rose by \$373 million and accounted for 24 percent of total nonwater-sewer receipts in fiscal 2002-03. In fiscal 2002-02, nonproperty or sales tax fees and taxes had made up only 21.3 of all non-water-sewer revenues.

Total property tax collections were \$5.58 billion, up by an inflation-adjusted \$156 million compared to the previous year. In 2002-03, median property tax collections were \$515 per capita, or 2.16 percent of personal income.

A weak economy continued to depress sales tax collections in 2002-03. Despite a higher sales tax rate in many areas beginning partway through the fiscal year, overall sales tax collections barely changed as compared to the previous year. Fiscal 2001-02 was itself hardly been a banner year for sales tax receipts, with revenue in many localities down compared to the previous year.

Local tax burdens

Dare County residents paid the highest amount in taxes and fees to local government (\$3,541 per capita). Mecklenburg (\$2,196), Currituck (\$2,070), Brunswick (\$1,927), and New Hanover (\$1,901) also rank in the top five in revenues per capita collected by county and municipal governments. The results for Dare and Currituck in particular reflect in part their popularity as vacation destinations, with relatively small permanent populations for the property tax base which exists there.

Madison (\$637), Caswell (\$648), McDowell (\$676), Alexander (\$676), and Gates (\$695) county residents paid the lowest average amounts in taxes and fees to local governments.

The results were somewhat different when looking at the local tax burden as a percentage of personal income. Dare County again leads the way with county and municipal revenue accounting for 12.25 percent of per-capita personal income. Second through fifth were Hyde (9.12 percent of per-capita personal income), Brunswick (8.06 percent), Currituck (7.82 percent), and Bladen (7.72 percent) counties.

By comparison, taxes and fees collected by local government accounted for 2.78 percent of personal per-capita income in Alexander County. In 14 other counties, total collections were at 3.5 percent of per-capital personal income or less.

Among the 25 cities with populations of more than 25,000, again Charlotte had the highest combined city-county tax and fee collections per capita. The lowest per-capita collections were in Jacksonville.

The entire *By the Numbers* report is available on line at www.johnlocke.org/policy_reports/

TIFs Now in Hand, Localities to Spend

In November, voters narrowly approved a measure called Amendment One, making North Carolina the 49th state to allow tax increment financing. The main thrust for passage of this change to the state constitution was that it would create new jobs.

In both previous attempts, voters overwhelmingly defeated this on the heels of recessions, but this time, with a great deal of help from corporations such as Bank of America, Duke Energy, and Wachovia, the multimillion-dollar ad campaign worked.

So, what now? Local governments can now borrow money for economic development projects and do so quickly because they do not need taxpayer approval. Early indications are that this "tool" will become quite prevalent across the state. Far from being used simply in more distressed areas, stories are popping up statewide about usage of TIFs for all manner of development projects.

In Four Oaks, town leaders are considering usage to develop the Carolina Lake project adjacent to Interstate 95. Should their borrowing capacity allow it, it may come to fruition. Watauga County leaders announced that they are "considering it" in their economic development plans.

Elizabeth City, though far from the urban growth centers of the state, is looking at using this "tool" to finance a downtown hotel and convention center. City leaders also have been honest that this will be "repaid with higher taxes in the improved property," which is something supporters were often wary to cite during the campaign.

Lenoir County Economic Development Director Mike Jarman noted that there was "nothing specific" that the county would use it for, but he did say there were "a couple of areas where (TIFs) may be useful."

But as we move to the larger cities in the state, Fayetteville leaders have already been commenting on usage for a parking deck and/or a downtown hotel and convention center. Raleigh leaders are also considering usage of TIFs for a \$25 million underground parking lot. Cost per space will be about \$25,000. City Councilman Mike Regan at least had the wherewithal to comment that he "(doesn't) know why we have to save downtown with taxpayer money." It is a question worthy of debate in many communities statewide.

But Charlotte will probably become the exemplar for TIF usage. City leaders are considering using TIFs for a downtown stadium and numerous other projects. Interestingly, voters in Mecklenburg County overwhelmingly approved the measure by 44,000 votes—a large share of the statewide margin of 70,000 votes.

Looking forward, it would not be surprising to see light-rail advocates pushing for rail stops and parking lots in Charlotte and Raleigh to become TIF districts.

The Local Government Commission is saddled with the responsibility for determining the criteria by which all of these projects will be judged and they will probably have to do so quickly. Once in place it will become the responsibility of elected officials (and not taxpayers) to determine the districts that will pay (in the form of increased taxes) for these new bonds. During the campaign, the major thrust for passage was the need for jobs. Now, having passed, no government bodies have offered specifics about any net new job creation, but they have discussed a host of new government development desires.

As the 2005-06 budget year approaches, communities will be grappling with crushing new Medicaid increases that should average around 12 percent to 14 percent locally. In the past year, many counties (and possibly cities) have also relied heavily on their fund balances to make ends meet. And we know that the state legislature will be dealing with a gaping \$1.2 billion hole in the state budget. Local government would be wise to hold their collective breath to see what damage the state may render to local budgets before proceeding with TIF development.

cj



Chad Adams

Local Innovation Bulletin Board

Light Rail and Pollution

Mass-transit advocates claim that light rail reduces pollution and congestion, but new evidence indicates that this may not be the case, the Heartland Institute says.

In recent studies of Dallas, Denver, and other cities, economist Randal O'Toole notes that proposed light-rail plans would actually increase nitrous oxide emissions while increasing costs.

A proposed new light-rail line in Dallas would increase nitrogen oxide emissions by 42 tons per year, or 1/10 of one percent, Dallas' transit agency estimates, while reducing carbon monoxide emissions by only 1/100 of one percent. Dallas meets current federal carbon monoxide standards but is already out of compliance for ozone, a byproduct of nitrogen oxide emissions.

Denver's proposed rail lines would reduce carbon monoxide emissions by one percent, but increase nitrogen oxide emissions by 3 percent. Moreover, Denver's plan will cost the average area resident \$160 per year.

Rail, however, is not the first choice for most commuters, O'Toole says. Despite Denver's ambitious plan to build 120 miles of rail transit, rail service would attract less than one-half of one percent of current auto users. Moreover, most suburban drivers who do use light rail will drive to a park-and-ride station, emitting pollution along the way.

The city of San Jose has come up with a more cost-effective means of reducing pollution and congestion — by spending \$1 million on synchronizing traffic lights along one of the city's busiest streets. Reducing idle time is expected to reduce auto emissions by 5 to 15 percent. Amortized over 10 years, this measure will cost only \$1,000 per ton of reduced emissions, compared to light rail's cost of \$1 million per ton.

Inner-city jobs

Inner cities are havens for jobs, but 77 percent of those jobs are held by commuters from surrounding areas, according to a recent study from Harvard University's Initiative for a Competitive Inner City.

ICIC defined "inner city" as a U.S. census tract having a poverty rate of 20 percent or higher, or two of the following factors: an unemployment or poverty rate at least 1 1/2 times that of its surrounding metropolitan area, or medium household income one-half or less than that of its surrounding metropolitan area.

In his study involving 100 American cities, Harvard professor Michael Porter found that the average annual salary for employees working in these areas is \$38,000, not much different from an average of \$39,000 in surrounding metropolitan areas.

America's inner cities contain 12.7 million jobs, about 8 percent of the U.S. economy's private sector. Hospitals, universities, and local commercial services are the primary employers in inner cities, providing a variety of low-skilled and high-skilled jobs.

A proposed new light-rail line in Dallas would increase nitrogen oxide emissions by 42 tons per year, or 1/10 of one percent.

Over a seven-year period, more than 70 percent of inner city areas experienced faster job growth than their surrounding metropolitan areas, although inner cities still lag behind the national average in job growth (1 percent annually in inner cities versus 5 percent nationally). But a survey of Fortune 1000 executives indicates that 41 percent of companies plan to locate or expand into inner cities in the future. Corporate executives are not concerned about recruiting labor in inner cities, believing that once jobs are available, people will come.

Observers worry about the large percentage of people who live in inner cities but do not work in them. Indeed, inner city poverty rates hover around 20 percent, with unemployment rates higher than their surrounding areas.

Anne Habiby of the Initiative for a Competitive Inner City and Detroit Mayor Kwame Kilpatrick urge policymakers to focus on connecting inner-city residents with inner-city job opportunities.

Reported by the *Wall Street Journal*, and Yahoo Finance.

Growth Management Acts

Growth Management Acts are used by some states and counties to limit uncontrolled growth that proponents say facilitates "urban sprawl." But in many cases, GMAs are not too effective at controlling growth, and are often influenced by rent-seekers, says Randall G. Holcombe, a professor of economics at Florida State University and chairman of the Research Advisory Council at the James Madison Institute.

While Oregon has had moderate success with its GMA, Florida has been another story. The state passed a GMA in 1985 that was designed to work like the GMA that was passed in Oregon in 1973, but according to observers has fallen short of its intended goals, Holcombe said.

The flexibility of Florida's GMA (which allows changes to the plan up to twice a year) provided incentives for local special-interest groups to push for changes to suit their own needs. Florida's population is more decentralized than Oregon's, so restrictions in one area simply resulted in people and building projects moving to other areas; for example, growth restrictions in Leon County created a growth boom in neighboring Wakulla County.

Florida's target of halting additional traffic congestion on existing roads prevented the development of urban infill areas; as a result, builders who wished to develop infill had to contribute money for transportation improvements.

Despite the relative ineffectiveness of Florida's Growth Management Act, the plan has imposed higher costs on developers, made housing less affordable to consumers and created incentives for economic development to go outside of the state to less restrictive areas, Holcombe said.

From Cherokee to Currituck

Rockingham County Creates Fire Districts to Fund Service

By MICHAEL LOWREY

Associate Editor

CHARLOTTE

In a move aimed at ensuring the viability of struggling volunteer fire departments, Rockingham County has created three new taxable fire service districts. While the property tax won't come into force until July 1, the departments hope that its imposition will allow them to address both short and longer term needs.

The Leaksville, Spray, and Draper volunteer fire departments serve unincorporated areas outside Eden. The three departments failed state inspections in 2003 because of a lack of adequate equipment. Their current rating of 9-S is the lowest a department can have and remain in operation. Were the departments to fail their next inspection, due in December, the departments would be forced to close.

The departments had relied on \$2,400 a year in county grants and fund-raisers to pay for operations. The departments charge \$200 per call they respond to, but have no recourse if someone refuses to pay.

"The bottom line is the guys who volunteer are at the end of the road financially. And if it doesn't work out, the guys may just pack it up," Board of Commissioners Chairman Keith Duncan said to *The News & Record* of Greensboro.

An earlier attempt to fund the departments through a different mechanism, the creation of fire tax districts, failed. State law requires that at least 35 percent of landowners in a proposed service area sign a petition favoring a tax district to establish one. The three departments were able to collect only about half the required signatures.

Fire service districts, unlike fire tax districts, are created by a county commission after a public hearing. In creating the districts, Rockingham County Commission capped the tax rate at 15 cents per \$100 of assessed value. The commission will set specific rates for each district in the spring. Rates of between 4 and 8 cents are expected.

The departments hope to borrow against future tax receipts to get the equipment they need to stay in operation.

Charlotte animal control rules

Charlotte is considering drastic changes to its animal control ordinances. The move comes in response to the recent mauling death of an 8-year old by pit bulls owned by a felon.

Among the measures likely to be adopted are a reduction from three to two in the number of animals that can be kept outside without a permit and increased penalties for not paying animal violations in a timely manner.

City council is also expect to allow Animal Control officers to order animals spayed or neutered if they are determined to be dangerous but enough of a threat to be destroyed. Neutering, especially in male animals, reduces aggression.

At least two council members think the proposed changes do not go far enough. They want the city to ban felons from owning dangerous dogs. Such a requirement may, however, violate state law, which restores most rights to felons except for gun

ownership once they complete their prison term and any probation.

"Let it be challenged," council member John Tabor said at a committee meeting. "But let's take it. Let's make the statement."

Cabarrus subdivision moratorium

Cabarrus County has enacted a six-month moratorium on approving new subdivisions in unincorporated areas. The county will use the time to develop stricter development rules for the rapidly growing areas in the western part of the county.

"It is giving us some time to step back and get some input from the people who live in those communities," commission Chairman Carolyn Carpenter said to *The Charlotte Observer*.

"I think we'll have more green space, we'll have more open space. We'll have walkable communities," Concord Councilman Jim Ramseur said to the newspaper.

The moratorium does not effect the more than 10,000 homes in new subdivisions that already have been approved but not yet built.

Cabarrus is among the fastest-growing counties in the state. Its population was estimated at 143,433 as of July 1, 2003, an increase of 12,370, or 9.4 percent, since the April 2000 census.

In September, it raised its impact fees per lot from \$1,008 to \$4,034 to help fund new school construction.

The departments hope to borrow against future tax receipts to get the equipment they need to stay in operation.

Carrboro parking

Like neighboring Chapel Hill, Carrboro officials are struggling to add additional parking spaces to help attract business to its downtown.

"We're trying to balance expanding commer-

cial businesses downtown and at the same time make sure we have adequate parking downtown," Carrboro Town Manager Steven Stewart told the *Durham Herald-Sun*.

The issue is of particular concern, Stewart said, because downtown has lost a substantial amount of parking in recent years.

To help address the shortage, the town recently approved a new 40 parking-space lot on downtown Weaver Street. A proposal for the town to build a separate 78-space parking deck nearby was turned down. The deck would have gone on the site of a lot that currently has about 40 parking spaces.

"I just don't see how we can afford \$1.3 million right now for 30 extra spaces," Mayor Mike Nelson said to the newspaper. "It was a good idea worth pursuing, and I'm disappointed, because we'd all like to try to find a win-win situation."

The town is now looking at a different site a short distance away. That location has its own problems; a next-door medical office was wanting to expand onto the site.

"They say they want more business downtown, and now instead of allowing us to expand and use that space, they want to put parking there," Susan DeLaney said.

DeLaney is the owner of the Wellness Alliance, which includes an gynecologist and osteopath.

She was hoping to add an after-hours clinic. If she can't expand at her current site, she said she would be forced to seek space outside of Carrboro.

Poucher: How the State Recovers From Election Mistakes

By CAROLINA JOURNAL STAFF

RALEIGH

The national watchdog group Verified Voting labeled North Carolina as having the worst voting problems in the country in 2004. The results of two statewide elections remained unknown for weeks after election day, and thousands of votes in one North Carolina County were irretrievably lost. So how does the state recover from these election misuses?

Cherie Poucher, director of the Wake County Board of Elections, visited the John Locke Foundation last month and discussed the issue with Carolina Journal's John Hood.

Hood: In general, how would you rate the performance of the election system and the quality of the election in North Carolina this year?

Poucher: I still have complete faith in the entire election process in North Carolina. One of the things everyone does have to understand is on Tuesday night, the night of the election, those returns are unofficial. So many of what people are perceiving as problems, except for of course the one county still being discussed, is the fact that is what is reported on election night. It is unofficial.

And then the day after the election is when everything comes back into our office. The county boards start going over everything and that gives us the opportunity to look at all aspects of election day and make any necessary corrections to anything that had transpired, before the time comes that we do have to certify the election.

Hood: Let's talk about some of those specifics in a moment, but just for the sake of example, the cases where you had some votes that were actually lost and cannot be directly retrieved, like in Carteret County where 4,400 or so people who voted using computerized machines, their votes did not somehow register in the system. I think there were about 150 ballots mislaid and eventually thrown away, it seems, in Cleveland County. Those are cases where the unofficial tally and the final tally — neither is going to represent what those voters actually wanted to see happen. Their votes didn't count for some reason or the other.

But other kinds of problems people reported. Mecklenburg County had some double counts for a while. Gaston County had some very odd, lasting over several days, discrepancies between the number of votes and how many voted and so on. Those were ultimately, essentially, resolved.

Poucher: Yes.

Hood: What you are saying is don't assume that all of the voting problems that you heard about in the first few days after the election resulted in any real impact on electoral outcomes.

Poucher: That is very important for people to understand, because with so many of the changes in the law, the law has also given the county boards additional time before anything has to be certified. That gives us the time to make sure and verify that everything that we have done is as it should be.

Now, in Cleveland County, and from what I had read, I believe those ballots had been counted on election night, and they just didn't get packed up and brought back to the office as the law requires. They could not have them for a recount, but I do believe that they were counted in the precinct on election night. They were from the type of equipment that they used, but I'm not 100 percent sure on that.

Hood: Yes. I think the story is they were put to



the side before they were counted and then they were thrown away before they were counted. But anyway, it's 150 votes. It wouldn't have changed any of the outcomes.

Poucher: Right.

Hood: Let's talk about that Carteret County event, which is significant, and theoretically at least, since at least one statewide election's margin of victory was smaller than 4,400. Theoretically this did have an impact. It isn't likely actually, but theoretically it could have had an impact on the outcome.

In Carteret County there were some votes lost, thousands of votes lost, with computer systems. You, in Wake County, had already experimented with a similar system in 2002 and found some disquieting information.

Poucher: Yes. Number one, we were lucky with the audit that we had in place at our one-stop sites. We knew the same night that it happened that the number on the public counter did not add up to the total number

of voters, and we were able to extract the votes of those that were recorded. But most important, we were able, through the one-stop absentee process, to see — go through application by application from the voter. If we had an application but did not have a corresponding number

from the audit from the piece of election equipment, we knew that was a voter that we would contact to vote again. I believe that is pretty similar to the situation in Carteret County. I had read in the paper that they do know who those voters are. And what we were able to do, of course it was before the election, but what we were able to do is contact those voters. We contacted them by phone, by first-class mail and then through the state board's help we were able to hand-deliver ballots, fax ballots, etcetera to ask those people to vote again. And of course, they had the option of voting on election day also.

Hood: It seems unfortunate though, that if Wake County, which is right in the capital city, and people are presumably paying attention to this problem that occurred in 2002, it is unfortunate that there wasn't anything done to prevent this from occurring in 2004, perhaps at a broader scale. And it did in fact happen in Carteret County.

Poucher: Again, and I know our state board has done everything that it could possibly

it stop working.

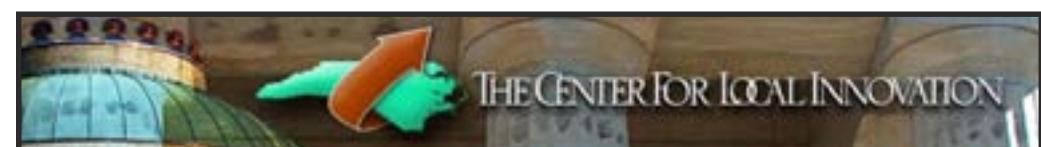
Hood: Let's talk about the changes in provisional ballots — the handling of provisional ballots that happened after the 2000 Florida election fiasco. Federal law and later state law changed it such that, previously, according to the North Carolina Constitution and procedure, you vote in the precincts you live in, unless you've moved within 30 days of the election, in which case you may be able to vote in your old precinct, I gather. But now the door has been open to allow people to vote in essentially any precinct in the county with a provisional ballot. Didn't this create some of the delays and is actually the subject of one of the court challenges going on?

Poucher: It really has. And provisional ballots are probably going to increase if the law does remain the same. One of the things that the county board does has to ensure is before that provisional ballot is counted, number one, that is a qualified, eligible voter.

For instance, in Wake County, we had over 13,000 that were cast. We had 10,000 that were actually counted. But it takes an inordinate amount of time to do the research. And then if you do vote out of precinct, that takes additional time because you also have to determine what districts that the voter is or is not eligible to vote on the ballot that they did vote, and then generally they have to be hand counted. The losers in that really would be the congressional, state House and state Senate.

Hood: People who live in districts — I mean, people who run in districts. It is not always obvious which district you are supposed to be in.

Poucher: That is very correct, and with redistricting, it has made it worse. CJ



Attention City & County Officials

And others with a strong interest in local government issues

You now have some handy new ways to track the latest news, analysis, commentary, and policy research on city and county governance.

The Center for Local Innovation, a special project of the John Locke Foundation, has launched a new website: www.LocalInnovation.org. Updated daily with headlines, opinion columns, interviews, and links to new studies from a variety of sources, LocalInnovation.org is a great place to start your day if your interests include such issues as local taxes and budgets, land-use regulation, privatization and competition, transportation policy, annexation, and other local matters.

Also this summer, the John Locke Foundation unveiled the first in a series of specialized pages within www.JohnLocke.org devoted to regional news and issues in North Carolina. Its "JLF-Charlotte" page is regularly updated with original articles and links to other news and information about Charlotte, Mecklenburg, and surrounding cities and counties. In the future, similar pages will be devoted to the Triangle, the Triad, and other parts of North Carolina — so stay tuned!



CHARLOTTE

From the Liberty Library

• Why are there so many troubled kids, diagnosed with learning disabilities or behavioral problems? Why is child obesity out of control? Why are teen-agers contracting herpes and other sexually transmitted diseases at unprecedented rates? In *Home-Alone America: The Hidden Toll of Day Care, Wonder Drugs, and Other Parent Substitutes*, Mary Eberstadt offers an answer that's widely suspected but too politically incorrect to say out loud. She offers hard data proving that absent parents are the common denominator of many recent epidemics, including obesity, STDs, mental health problems of all kinds, and the increased use of psychiatric medication by even very young children. Drawing on a wide range of medical and social science literature as well as popular culture, she reopens the forbidden question of just how much children need their parents — especially their mothers. Learn more at www.penguinrandomhouse.com.

• The final hours pulsate with tension as every man in the trenches hopes to escape the distinction of being the last to die in World War I, as recounted by Joseph E. Persico in *Eleventh Month, Eleventh Day, Eleventh Hour: Armistice Day, 1918 World War I and Its Violent Climax*. The Allied generals knew the fighting would end precisely at 11 a.m., yet in the final hours they flung men against an already beaten Germany. The result? Eleven thousand casualties suffered — more than during the D-Day invasion of Normandy. Why? Allied commanders wanted to punish the enemy to the very last moment and career officers saw a fast-fading chance for glory and promotion. Information at www.randomhouse.com.

• In 1780, George Washington's army lay idle for want of supplies, food, and money. Then, under Washington's directives, Nathanael Greene began a series of hit-and-run operations against the British. The damage the guerrilla fighters inflicted would help drive the enemy to Yorktown, where Greene and Lafayette would trap them before Washington and Rochambeau, supported by the French fleet, arrived to deliver the coup de grâce. Richard M. Ketchum illuminates, in *Victory at Yorktown: The Campaign That Won the Revolution*, the strategies and heroic personalities, American and French, that led to the surprise victory, only the second major battle the Americans would win in almost seven horrific years. More at www.henryholt.com.

• Colleges and universities used to teach art history to encourage connoisseurship and acquaint students with the riches of our artistic heritage. But now, as Roger Kimball shows in *The Rape of the Masters: How Political Correctness Sabotages Art*, the student is less likely to learn about the esthetics of master works than be told, for instance, that Peter Paul Rubens's great painting "Drunken Silenus" is an allegory about anal rape, or that Courbet's famous hunting pictures are psycho-dramas about "castration anxiety." Kimball shows how academic art history is increasingly held hostage to radical cultural politics — feminism, cultural studies, post-colonial studies, the whole armory of academic antihumanism. Details at www.encounterbooks.com.

Book review

Culture War?: Dispelling the Media's Hyperbole

• Morris P. Fiorina with Samuel J. Abrams and Jeremy C. Pope: *Culture War? The Myth of a Polarized America*; Pearson Longman; 2005; 176pp.

By SAM A. HIEB

Contributing Editor

Earlier this year, the Pew Research Center issued a report entitled "The 2004 Political Landscape: Evenly Divided, Increasingly Polarized."

The report's first page paints a picture of a country "that is further apart than ever in its political values." The media, as expected, latched onto the report as evidence that America has indeed become a deeply divided country during the past four years.

But Morris P. Fiorina, a senior fellow at the Hoover Institution and Wendt Family professor of political science at Stanford University, dug a little deeper into the 150-page report. As a result, he found this bit of information that contradicted the report's one-page summary:

"Since 1987, Americans — both black and white — have become more personally tolerant. The idea of blacks and whites dating, which was once highly divisive, is now broadly accepted."

Much to Fiorina's amazement, Pew, a credible research center, gave into the temptation to exploit the idea of a divided nation rather than use its own research to dismiss it.

This temptation is great, as way too many pollsters, political insiders and media outlets are giving in. If you listened to the post-election media buzz, you can't help but come away with that feeling.

But Fiorina's new book *Culture War? The Myth of a Polarized America*, has a different view. He uses in-depth polling analysis, charts, and graphs to debunk the theory that we're bitterly divided.

Fiorina, who coauthored the book with Samuel J. Abrams and Jeremy C. Pope, dedicates the book "to the tens of millions of Americans who have never heard of a culture war."

Americans moderate in politics

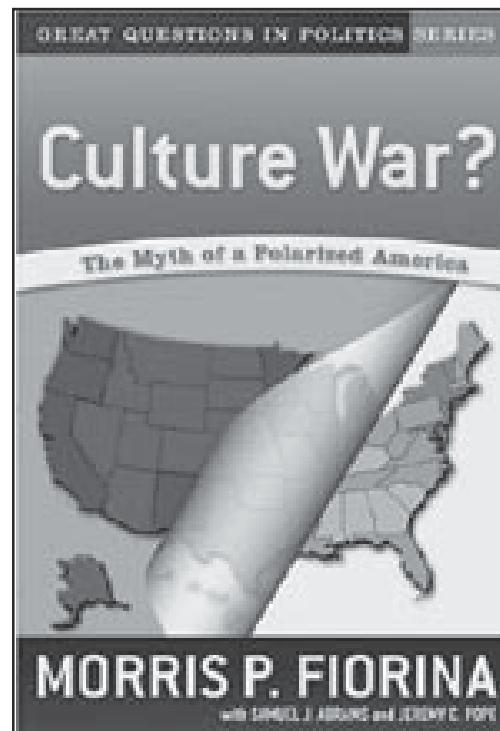
And there are tens of millions, Fiorina says, because Americans, on the whole, are a very moderate, tolerant group of people. Most Americans stand in the middle of the political landscape, even on those issues — namely abortion and homosexuality — thought to be most divisive.

Fiorina wonders how the country became separated into red and blue categories considering the differences between the two are insignificant.

"There are numerous similarities between red and blue state voters, some differences, and a few notable differences. But little that calls to mind the portrait of a culture war between the states," Fiorina writes. "Reports of a culture war are mostly wishful thinking and useful fund-raising strategies on the part of culture-war guerrillas, abetted by a media driven by the need to make the dull and everyday appear exciting and unprecedented."

Fiorina calls out those most responsible and those who stand to gain from the perpetuation of the image of a divided America. But he pulls no punches when placing a great deal of that responsibility on the media.

"No one has embraced the concept of a



culture war more enthusiastically than the journalistic community, ever alert for subjects that have 'news value,'" Fiorina writes. "Conflict, of course, is high in news value. Disagreement, division, polarization battles and war make good copy. Consensus, moderation, compromise and peace do not."

Fiorina traces the start of the culture war to Pat Buchanan's fire and brimstone speech at the 1992 Republican convention in which he declared there was "a religious war going on in this country, a cultural war as critical to the kind of nation we shall be as the Cold War itself, for this war is for the soul of America."

Such dramatic imagery carried on throughout the Bill Clinton years and peaked —

at least for the purposes of this book — with the 2000 election, when the infamous red state-blue state map became the symbol of the supposed cultural chasm.

But Fiorina's research on the major political topics of the day suggests more of "a ditch than a chasm."

Abortion and homosexuality

The two major issues Fiorina discusses are indeed two hot topics: abortion and homosexuality. But despite the harsh rhetoric by activists on both sides of each issue,

Fiorina's research shows that a majority of Americans indeed believe abortion and homosexuality are wrong. But that same majority is unwilling to go to societal and political extremes to expunge them from society.

Fiorina says we "are often told that the country is divided on the issue of abortion. This claim is false," citing General Social Survey results to show that most Americans are what he describes as "Pro choice, buts."

When polling Americans, the survey framed abortion in six categories: if the woman's health is in danger, if she became pregnant as the result of rape, if there was a chance of birth defect, if the family could not afford more children, if the woman was not married, and if the woman was married and did not want more children.

Fiorina compared responses from dark-blue California and deep-red Southern states. While mainstream logic dictates a 6-

0 differential, residents of California said abortion should be legal in an average of 4.3 of the circumstances, while Southerners said abortion should be legal in 3.4 of the circumstances — not exactly a great divide.

Homosexuality has run parallel to abortion as a divisive issue since gays and lesbians began coming out of the closet around the time of the Roe v. Wade decision.

Make no mistake, Fiorina says, the majority of Americans believe homosexuality is wrong. And "gay marriage remains highly controversial with a majority of Americans opposed to it," a thesis that was given validity in the many antigay marriage measures that passed during the election.

But on the whole, most Americans hold tolerant views on homosexuality. As anecdotal evidence, Fiorina cites the relative lack of backlash against gays in the wake of the 2003 Lawrence vs. Texas Supreme Court decision that invalidated homosexual sodomy laws in Texas.

As harder evidence, Fiorina cites the National Election Studies' "feeling thermometer," which gauges feelings on a particular group — gays, welfare mothers, etc. — on a scale of zero to 100 "degrees," with 50 represented neutral.

Blue staters rated gays at 51 degrees, while red-staters rated gays at 43 degrees. Again, more a ditch than a chasm.

The answer lies in politics

So how did we get here and where do we go from here? Fiorina asks. Interestingly enough, Fiorina suggests that we got here through increased political participation and that we solve the problem through, well, increased political participation.

A more active, passionate citizenry emerged on the political scene around 1960 and has steadily increased. But it's inevitable that the passionate base would gravitate toward one side or the other of a certain issue, leaving the moderates in the middle.

So the question becomes how to motivate the moderates. Suggestions include open primaries and legislative redistricting to improve the competitiveness of congressional seats. Some academics have suggested mandatory voting, but Fiorina himself stops short of that radical measure.

But something needs to be done. Fiorina concludes the image of a culture war in America "threatens to become a self-fulfilling prophecy as a polarized political class abandons any effort to reach out to the great middle of the country."

As interesting as Fiorina's book is, it has one flaw: It's somewhat dated. Though it has 2005 publishing date, the majority of the data was collected in 2003 or earlier. The past election campaign makes that seem like five years ago and the Bush-Gore election seem a decade past.

Such dated research doesn't take into account the war on terror or the war in Iraq, both of which, needless to say, heated up over the past year. It would have been really interesting to see some in-depth analysis of blue-state views on both fronts.

At 174 pages and with lots of charts and graphs, *Culture War?* is a quick read. It's also a good shot in the arm to help American feel better about their fellow citizens. c

'No one has embraced the concept of a culture war more enthusiastically than the journalistic community...'

— Morris Fiorina

CJ

Sam A. Hieb is a freelance writer who lives in Greensboro.

Book Review**I'm the Teacher: Bravery in the Face of Higher Ed's Ignorance**

• Patrick Allitt: *I'm the Teacher, You're the Student*; University of Pennsylvania Press; 2004/5; 244 pp.; \$59.95 (hardcover) / \$19.95 (paper)

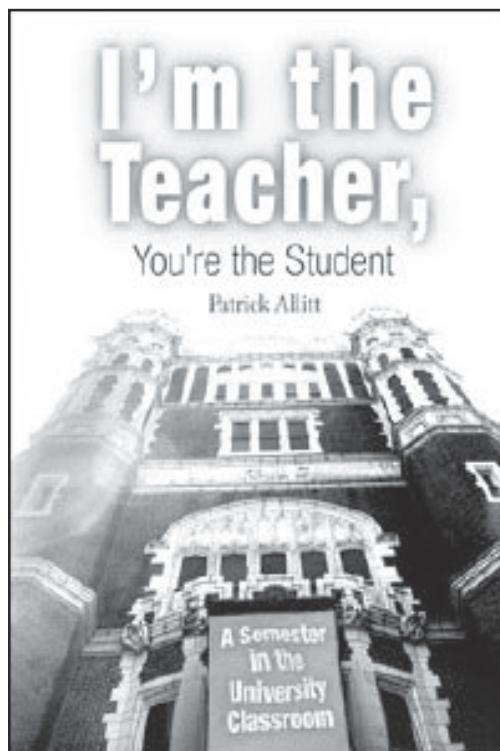
By GEORGE C. LEEF

Contributing Editor

What is it really like to teach American college students these days? Very few professors bother to write much about that. Sure, they have a lot to say, but writing critically about the problems of dealing with students would neither be appreciated by administrators ("I thought you were part of our team, but from that letter of yours in *The Chronicle of Higher Education*, I can see that you're not!") nor would it be a profitable use of time, given the pressure to produce "research" that puffs out the old CV. It's a rare occurrence to come upon a book addressing that topic.

Patrick Allitt is a native of Britain who teaches American history at Emory University in Atlanta. His book, which bears the subtitle *A Semester in the University Classroom*, is not only a pleasure to read, but also says some very important things about the state of American education.

First, Allitt observes that American college students — even at a decidedly upper-crust institution such as Emory — are not readers. They've gone through 12 years of schooling and have an aversion to reading. Getting his students to read and understand is a constant problem. "Most students today do not read much and many have gone through school hardly ever reading voluntarily. There has been a lot of discuss-



sion during the culture wars of the last decade or two about what books we should assign to students and what (if anything) we should regard as part of the canon. What makes the debate so intense is perhaps the participants' awareness that the assigned books in school and college are often almost the only books many of the students are ever going to read," Allitt says.

Allitt's students complain about the amount of reading he assigns, about its supposed difficulty, and about its failure to interest them. Often, when he asks them questions about the assignments, they either have not troubled themselves to do the

reading, or if they have, they've gleaned precious little information from it. He confronts this problem diligently by calling on students in class and giving quizzes. Some students respond, but it's evident that many are set in their ways. They just don't like to read anything that isn't fun and entertaining.

Matters might improve considerably if the rest of the faculty were also fighting against the student aversion to reading, but few of them probably are. Allitt doesn't say much about his colleagues, but I suspect he knows that many of them have given in to what Murray Sperber calls the faculty-student nonaggression pact. His willingness to stay and fight when much of the rest of the faculty has retreated is commendable.

Don't read and can't write

The second big point Allitt makes is that American college students are poor writers. Not just his students, but students at institutions from the top to the bottom of our higher-education totem pole — bad writers all. "They have not done enough writing to become good at it," he says. "They've been cursed with a lifetime of multiple-choice examinations instead, so even the highly intelligent ones come to writing as a strange and alien activity that is occasionally forced upon them."

Our author is absolutely correct. The grading of writing assignments is hard and usually thankless work. (Allitt notes that students bristle at having errors pointed out to them.) Few teachers or professors go to the trouble of assigning papers and bringing out the red pen to correct mistakes any

more, so it's natural that students can't write. Students fortunate enough to have a course taught by someone such as Allitt will enter the job world with a better idea of how to organize and express their thoughts. Most, however, will graduate from college with the same weak writing skills with which they entered.

Given the two prominent themes of students who disdain reading and haven't learned to write, the people who ought to read the book are those who run our K-12 schools and the parents of college students who assume that because their children have gotten into college, they must be well-educated.

Allitt also touches on other topics close to a professor's heart, such as plagiarism (lots of students do it and some can hardly see why it's bad), excuse-mongering by students, and the pressure to grade leniently. Allitt readily admits that he contributes to the grade inflation problem, which has reached epidemic proportions.

My favorite episode related in the book is a class in which Prof. Allitt is discussing the causes of the Great Depression. A senior economics major keeps chiming in with statements that run contrary to the conventional, "mainstream" historical view pinning the blame on the instability of capitalism. "He's well-read and knows how to pick holes in my oversimplified explanations," Allitt says. Sounds like what educators like to call "a teachable moment," but with the roles reversed.

This is a wonderful book. I heartily recommend it, and tip my hat to the author for writing it instead of some dreary monograph.

CJ

Book Review**Cracking the Code: Hoping for a Libertarian Outcome on Income Tax**

• Peter E. Hendrickson: *The Fascinating Truth About Taxation in America*; Lost Horizons; 2003; 232 pp.; \$19.95

By STEVE THOMAS

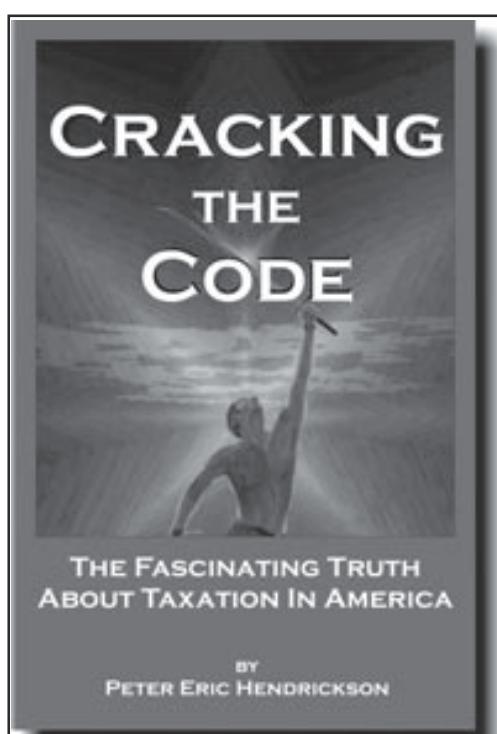
Guest Contributor

Any student of liberty and of the founding of the United States has to know intuitively that the current tax code of our federal government could have never been the intention of our Founding Fathers. One can take it as a given that the Founders would be disheartened and outraged by the growth and perversion of the federal government — and the abuse of power it employs in collecting taxes from the people.

I have often wondered how much different the course of American history would be if an economist such as Milton Friedman or James Buchanan, with 200 years of hindsight, could be transported back in time to advise the Founders on constitutional issues such as taxation. Perhaps they could provide the Founders with insights that would have made the Constitution impervious to time and the "factions" that so troubled them.

Founders wary of taxation

In his recently published book, *Cracking the Code: The Fascinating Truth About Taxation In America*, libertarian author Peter Eric Hendrickson makes it clear that the Founders were very much aware of the dangers associated with the federal government's power to tax. Accordingly, they established a viable system of checks



and balances within the Constitution to prevent the federal government from abusing its taxing power. Hendrickson also points out that the Founders actually had a renowned economist (if indirectly) advising them: a capable Scotsman by the name of Adam Smith.

The Constitution calls for direct taxes (i.e., those that are unavoidable) to be apportioned according to each state's population. Even the Sixteenth Amendment, which allegedly established an "income" tax and calls for the end of apportionment practices, does not change the Constitution's restriction on direct taxation. The income

tax that we have all come to accept as our responsibility evolved by implication, says Hendrickson, not by law.

Illegal income tax on citizens

It's Hendrickson's contention that the only people for whom the federal government can legally access an "income" tax are those who are direct beneficiaries of the federal government. Such parties would include federal employees, military personnel, and those who benefit from government licensing. In other words, if you are a private citizen who earns a salary, Hendrickson claims that you do not have to pay income taxes, including FICA, to the federal government.

Don't believe him? Then go to Hendrickson's website (www.losthorizons.com) and bear witness to the unthinkable: multiple letters from the IRS acknowledging that the claim of "money improperly withheld" is valid. But don't expect your accountant or lawyer to jump on Hendrickson's bandwagon any time soon. Their jobs, and those of millions of others, depend on your confusion and fear when it comes to the IRS and the bewildering tax code it enforces.

Cracking The Code is a product of the information age. The Internet and its search engines allowed Hendrickson to not only read the entire tax code, but to investigate and cross-reference its content: all 3,413,780 words of it.

What Hendrickson found is that the tax code, regardless of its confusing and misleading language, is consistent with the Constitution's original restriction on direct

taxes — and that there is no legal way for the federal government to enforce an income tax on the labor or earnings of private citizens. Hendrickson cites clear and consistent case law throughout the book to back his claim, including a plethora from the U.S. Supreme Court.

Readers of *Cracking The Code* will undoubtedly experience a paradigm shift in their thinking as they make their way through its pages. Skepticism and doubt will slowly be replaced with certainty and conviction as Hendrickson systematically walks his readers through the law and the tax code's maze of confusion. But it won't come easy.

As Thomas Paine wrote in *Common Sense*, "...a long habit of not thinking something wrong, gives it the superficial appearance of being right, and raises at first a formidable outcry in defense of custom." Paine's wisdom undoubtedly applies to the sentiments most Americans have when it comes to the way income taxes are imposed upon them.

There's no shortage of frivolous books on the market that make the claim that you can avoid taxes. *Cracking The Code* is not one of them. It is a judicious and thoughtful work written by an American patriot deeply dedicated to the rule of law. Hopefully, this book will find its way into the hands of concerned citizens, legal scholars, and federal judges who truly believe in upholding the Constitution, and who are sympathetic to the cause of liberty.

Steve Thomas is a freelance writer and businessman in Detroit.

Feds Unreasonable In Bertie County Case

Federal government lawyers claim that one of Bertie County's six elementary schools has too many white kids and they wanted the school board to devise a plan to fix the situation by Dec. 31. A closer look at the situation reveals federal efforts to eliminate the "vestiges of discrimination" are extreme.

The lawyers are from the U.S. Department of Justice Civil Rights Division. They say the Bertie County School Board has not fully complied with a 1968 court order to desegregate the school system.

Bertie County, located in northeastern North Carolina, has a population of about 20,000, and 36 percent of those are white. It has a public school system made up of 10 schools — six elementary, two middle schools, one high school, and one alternative school. Like many other Southern school systems, Bertie once maintained separate facilities for black students and white students. In response to the 1968 order, the county took steps to remedy the discrimination. Federal officials have monitored the situation ever since, but they still think that racial mischief is occurring.

The specific problem mentioned in the ongoing case is Askewville Elementary. The racial makeup of the 136 students is 86 white students, 41 black students, and nine of other classification. For the feds, that is just too many white kids in one building. They don't care that Askewville Elementary is apparently mostly white because the town of Askewville is mostly white.

Even though the Askewville Elementary white kids outnumber blacks 2-1, by the time they reach one of the two middle schools or the one high school in the county, their strength is fully diluted. That's not good enough for the feds.

The federal lawyers have to rely on a federal judge to monitor compliance with the court order. In this case the job belongs to Judge Terrence W. Boyle, and he remains dissatisfied with the school system's desegregation efforts. In April 2003 Boyle ruled that the school system "continued to operate a racially identifiable white elementary school."

The only plan being discussed to remedy the situation is to close Askewville Elementary and two other elementary schools and rearrange the children to attend three remaining schools. New attendance lines will be drawn to spread the white children around.

A Nov. 30 public hearing at the Bertie County Superior Courtroom on the issue drew a standing-room only crowd. The Roanoke-Chowan News-Herald reported that several people spoke against the plan and the intrusion by the feds. No one spoke for the plan other than Michael Crowell, legal counsel for the Bertie County Board of Education. He was the one that worked out the proposed plan with federal officials.

But forget the school system for a moment and let's take a look at some other black and white numbers for Bertie County. Five of seven Askewville Elementary teachers are black. The Askewville Elementary principal is black. The school system superintendent is black. Eight of 10 Bertie school principals are black. Blacks make up a majority of the Bertie County School Board. Blacks make up a majority of the Bertie County Commission. Bertie belongs in the 1st U.S. Congressional District, the 5th State House District, and the 3rd State Senate District. All three areas were drawn to elect black representatives and black Democrats have consistently won those offices.

According to my sources, after the public hearing the school board realized that the public strongly objected to the federal intrusion. The board may decide to do nothing and force the feds' hand. I hope it does so more people will see how absurd this situation has become. Closing Askewville Elementary will not improve educational outcomes for any Bertie students.



Don Carrington

Editorials

TABOR FOR NC

Time to throttle state's spending spree

North Carolina entered the new year, sadly, under the dark cloud of another budget deficit. A shortfall of about \$1.2 billion is forecast even though the state's leadership enacted several tax increases over the last four years. More tax increases are on the way soon, if trial balloons floated by the political class in Raleigh indicate the direction in which the new session of the General Assembly will go.

Among the ideas proposed were higher sin taxes, such as those on tobacco products and alcohol. Other tax ideas that surfaced over the last few years include an extension of the sales tax on services sold at retail, such as lawn mowing and haircuts. North Carolina also has positioned itself as a leader on the Streamlined Sales Tax Agreement, which would allow the state to directly collect revenue on merchandise sold over the Internet.

Taxes. Taxes. Taxes. Something has got to give. North Carolina's leaders can no longer expect taxpayers to continually pick up the tab for wanton state spending.

In his first term in office, Gov. Mike Easley proposed a tax and expenditure limit for the state. Unfortunately, the governor's well-intentioned proposal will not effectively constrain the growth of state spending and stabilize the North Carolina budget over the long term.

There is, however, an alternative. It's called a taxpayer's bill of rights, or TABOR. A TABOR amendment, modeled after a similar amendment in Colorado, would help North Carolina manage the size of its government. Even better, the amendment would return money to the state's taxpayers.

A study released in November by University of Colorado economics professor Barry Poulson shows how North Carolina could benefit from a TABOR. "The legislature could drive a Mack truck full of tax and spending increases through the huge loopholes in Gov. Easley's proposal," Poulson said. "The citizens of North Carolina would be much better served by a true Taxpayer's Bill of Rights that includes a constitutional amendment and the right to vote on any proposed tax hikes."

Poulson's policy paper reviewed North Carolina's budget and spending history dating to the early 1990s, and explained how the state fell into annual budget crises since 2000. He attributed the problems to "unconstrained growth in state spending," which includes an unprecedented increase in the amount of debt service.

"State spending increased in the 1990s more rapidly than the growth in state revenues, in some years increasing

at double-digit rates," Poulson said. "When the recession hit, the state attempted to sustain this higher level of spending despite the fall in revenues."

"Over the last three years, state spending has been virtually unchanged. Next year (2005) state spending is projected to grow 7 percent, again outpacing the growth in revenue."

Three expenditures in the budget — education, Medicaid, and debt service — will wreak most of the havoc. North Carolina's taxpayer's subsidize "one of the most expensive systems of higher education in the country" and tuition rates are among the lowest, Poulson said.

Spending increased by 224 percent for Medicaid over the last decade. North Carolina offers benefits under Medicaid that exceed the average private health plan.

Total state debt has been soaring due to voter-approved bond referenda as well as debts issued by legislators without a vote of the people. Overall state debt service will increase dramatically in the coming years, from \$296 million in 2003 to \$587 million in 2006.

"Since the mid-1990s," Poulson wrote, "North Carolina voters have approved billions of dollars in new debt because legislators promised that the new obligations would not result in any increase in taxes."

"The promise that this debt could not be financed without raising taxes was not met. The cost of this debt accounts for a significant share of the tax increases discussed earlier in this report. Recent estimates are that about one-third of the tax increases are required just to service this debt," he said.

He attributed the problems to "unconstrained growth in state spending," which includes an unprecedented increase in debt service.

population plus inflation; (2) ensure surplus revenue above this amount is returned to taxpayers; and (3) require voter approval for tax increases or any weakening of the amendment's limits. As a result, Colorado taxpayers have received more than \$3 billion in surplus revenue since 1992.

In drawing up North Carolina's TABOR, Poulson created emergency and budget stabilization funds. Specifically, under TABOR since 1995, North Carolina would have amassed a budget stabilization fund of \$1.9 billion by 2000-01 that would have been used to offset the state's budget shortfall in 2001-02 caused by the national recession. According to conservative estimates, \$1.4 billion would have been returned to taxpayers in the form of rebates or tax cuts. In addition, the state would currently have \$400 million in an emergency fund and \$1 billion in a budget stabilization fund for use during economic slowdowns or unforeseen disasters.

Now, that's the kind of fiscal plan North Carolinians could learn to like.

CLEARING THE AIR

Public getting wrong story on pollution

As far as you know, has air pollution in North Carolina gotten better or worse in the past 20 years?" This is one of the questions included in the John Locke Foundation's Agenda 2004 survey of North Carolina voters. JLF has commissioned the Agenda statewide telephone poll during each election cycle since 1996, but this was the first year it was decided to include a question about air-pollution trends.

One reason is that the issue has become increasingly important and controversial among state and local officials. A couple of years ago, the North Carolina General Assembly enacted a "clean smokestacks" bill to reduce emissions from the state's power-generating facilities (keep in mind that customers are essentially paying for the costly new regulations via electric rates that were frozen by state action rather than being allowed to drop as they would have).

Meanwhile, at the local level, communities such as Charlotte and the Piedmont Triad have been seeking ways to respond to new federally imposed standards. Some proposed responses have involved costly and draconian new local rules.

How do you know what you know?

Another reason the Agenda poll decided to ask North Carolina voters about pollution trends, however, was to explore the broader question of how the public learns and forms conclusions about public-policy issues.

The audience for news is fragmenting. With the proliferation of cable news channels, talk radio, web sites, e-letters, and other means of communicating information, voters don't share news sources as much as they used to. What one person "knows" about a particular issue reflects what he or she reads, hears, and sees. It may differ markedly from whatever another person "knows," and from reality.

To facilitate a more robust and informed debate, it seems to us, North Carolinians should all take the responsibility to acquire our knowledge of public affairs from as wide a variety of sources as possible. Liberals ought to tune in to commercial talk radio on occasion. Conservatives ought to sample public radio. They ought to visit each other's favorite webzines and blogs.

And everyone should read newspapers, several newspapers, many newspapers.

Public mistaken about air-quality trend

So how did North Carolinians answer the Agenda 2004 poll on air pollution trends in the state? About 63 percent said pollution had worsened. Only 18 percent said, correctly, that pollution had improved, with another 19 percent saying they weren't sure.

The available data are actually quite clear on the subject. Both in North Carolina and nationally, emissions of most measured pollutants are down significantly during the past two decades, while the trend lines for a few others are closer to flat.

Since 1970, in fact, the national data show declines ranging from 99 percent for lead (thanks to unleaded gasoline, an example of a successful regulatory intervention) to between 24 percent and 54 percent for carbon monoxide, nitrogen oxide, and sulfur dioxide.

Even for ozone and particulate matter, the two issues most on the minds of North Carolina policymakers, the data don't show worsening air quality. Levels have declined—and despite what you may have heard, air quality in our state is good and getting better.

What's really going on is that federal regulators have implemented new, much-tighter standards. One might debate the merits of these standards (we don't think they are particularly meritorious, as they offer little environmental gain at great cost to the economy and our freedom) but their application doesn't mean that air pollution is getting worse.

Today's air is, on average, safer to breathe than it has been in generations.

So how has the notion of worsening air become so commonly accepted? Chalk it up to sloppy news reporting, misleading political rhetoric, hyperbolic claims by activist groups seeking handouts or favorable legislation, and the old and reliable insight that "good news is bad news."

Some otherwise-sensible observers think the air is getting worse because they see more roads, more driving, more industrial production, more low-density housing

development—and wrongly assume that these trends must lead to more air pollution.

They are ignoring the role that new technologies, some of them inevitable and others a response to previous federal regulation, have played in reducing tailpipe emissions, improving energy efficiency, and changing the way we work, live, shop, and play. In other words, they are letting their assumptions get in the way of looking at the actual data.

There is also a built-in bias within the political establishment to equate visible action with good government. That's why so many apparently neutral assessment of political "effectiveness" actually assume that passing legislation is evidence of it, when in fact some of the most effective political leaders are those who have the sense and the gumption to keep bad legislation from passing.

Trust us: Truly valuable bills and regulations are the exception, not the rule. In the area of environmental policy, North Carolina lawmakers have come up with little of real value now for many, many years.

BAD SUM ON MATH

Education system isn't making the grade

Here's a shocking news flash: According to the most recent international comparison, American 15-year-olds rank near the bottom of the list of industrialized countries in mathematics performance.

The Organization for Economic Cooperation and Development recently released a set of scores from schools in 29 member countries. American students ranked 24th in math, just below the educational powerhouse that is Spain. On a normalized scale in which 500 was the OECD average, the U.S. score was 483. Top-ranked Finland had an average score of 544, followed closely by Japan's 542.

The good news is that when the math study was expanded to include 10 additional countries, many of them in the developing world, the United States no longer outranked just five participants. We outranked six, having tied for 27th with Latvia.

Just kidding about the "shocking news" part of this, by the way. American educational performance has languished near the bottom among our peers for quite a long time. Let us be more specific, actually: Among younger students, such as fourth-graders, U.S. scores are often at or above the international average. But by the time our kids get into high school, their international ranking sinks.

There has been a lot of debate about this. Some have argued that the situation isn't really bad news for the U.S., that it is a consequence of American high schools being more inclusive and youngsters not being shunted off into non-college-bound tracks that keep them out of the testing pool. The international tests thus compare American apples to other folks' oranges, the argument goes.

But it doesn't go very far. As Dr. Pascal Forgione, a former U.S. commissioner of education statistics, explained a while back, careful analysis suggests that the test-taking population in America isn't much different from test-takers in other participating countries—and indeed, it turns out that average performance typically goes up, not down, with high-school enrollment rates so the selectivity argument doesn't wash.

In short, the comparison really is apples-to-apples, or about as close to that as you can get in international testing. Ours just aren't getting ripe enough.

Then there are those who attribute America's weak performance to insufficient resources, large class sizes, or inadequate early-childhood intervention. How can I put this diplomatically? Bull... market. U.S. public schools are among the best-funded in the world on a per-pupil basis. Our average teacher salaries ranked fourth among the OECD countries, and our class sizes are at or below average. We spend more on preschool programs than most comparable countries do, as well.

The OECD report noticed the lack of correlation: "a number of countries do well in terms of 'value for money' in their education systems, including Australia, Belgium, Canada, the Czech Republic, Finland, Japan, Korea and the Netherlands, while some of the 'big spenders' [e.g. the U.S.] perform below the OECD average."

So what does explain the underwhelming American performance? There are many explanatory variables. But it is also evident that many nations outperforming the U.S. have 1) more competitive testing and accountability programs, 2) much stricter discipline policies, and 3) a larger role for private and religious schools in the K-12 market.

Sounds like we have a lot to learn—as do our mathematics students.

Going Overboard In State's War on DWI

For three years now, I've been hearing a lot of complaints from civil libertarians in North Carolina about the Patriot Act, lengthy imprisonments of enemy noncombatants, and other abuses of government power in the war on terrorism. On occasion, I've agreed with them. Now, it's time for all worried about such abuses to come out against a bundle of similarly questionable proposals to fight the war against drunken driving.

Earlier in the year, media reports showed that a surprisingly large number of North Carolinians charged with driving while impaired were acquitted at trial—and that the acquittal rate, about one-third statewide, varied widely depending on the judge. Responding to these and related revelations, Gov. Mike Easley appointed a task force of public officials, health and safety experts, activists, and others to come up with a new strategy for combating drunken driving.

Now the group has prepared a long list of recommendations for the 2005 legislative session. They include stronger efforts to keep those under 21 from getting access to alcoholic beverages, such as tougher penalties, more training for sales clerks, and tighter rules for selling beer kegs. The panel will also call for more sobriety checkpoints and greater access by officers to private clubs that sell alcohol.

Current law requires that those charged with DWI have their driver's licenses suspended for 30 days. Arguing that this does little to pressure defendants to plead guilty to the offense, the panel says that the suspension should now last until a DWI case is resolved in court. For drivers under 21 or previously convicted of DWI, the task force says that police officers should be able to install interlock devices immediately after a DWI arrest that would prevent the vehicle from being operated by anyone with alcohol on the breath.

One proposal had gained significant support among task-force members but not yet within the Easley administration: a \$90 million increase in the excise tax on beer and wine, intended both to discourage underage drinking and to generate revenue for implementing the rest of the anti-DWI package. After some contentious debate, the panel has decided to recommend that a study commission be set up to examine the tax-increase option.

It's probably not fashionable to say so, but I find most of the task force's proposal to be wrongheaded, counterproductive, and deeply offensive. A months-long revocation of a driver's license is a serious, costly punishment. So is installing an interlock device on a vehicle that may be shared by several family members, including those never stopped for DWI. The state has no business imposing these penalties on people who haven't been convicted of a crime. Innocent until proven guilty, remember?

Furthermore, raising taxes on beer and wine to deter drunken driving and pay for its deterrence is an indefensible policy. I am a teetotaler. Thus I will pay little or none of the new tax. Yet as a daily user of the state highways, I will benefit from any successful effort to reduce the risk of drunken driving. Indeed, I will benefit just as much as will fellow motorists who are also beer or wine consumers. Why should they pay and I not pay? And why should the vast majority of drinkers, who do so responsibly, be targeted for a special tax because of the irresponsible actions of a few?

If the real problem is too much judicial discretion in convicting and sentencing drunken drivers, let's address it. If DWI penalties need to be more draconian, OK. But what the governor's task force proposes to do represents a gross overreaching of governmental power—and deserves a commensurate level of condemnation from those who say they venerate individual rights, civil liberties, and equal protection under the laws.

Editorial Briefs**Reducing mercury levels**

Although mercury levels today pose little or no threat to human health, the Bush administration's proposed "Cap and Trade" rule would be the most effective way to further reduce mercury emissions, according to the Heartland Institute.

The Environmental Protection Agency instead proposes a Maximum Achievable Control Technology rule that observers say would be more costly and is a "one-size-fits-all" approach. In comparing the two measures, the Electric Power Research Institute found Cap and Trade would reduce mercury deposition by an estimated 7 percent, compared to 5 percent under MACT. Cap and Trade would cost about \$2 billion, while MACT would cost \$10 billion. However, both proposals would decrease mercury levels by only 0.5 percent in women of childbearing age.

Anti-mercury activists say the Ohio River Valley, where many power plants are situated, is a "hot spot" for mercury pollution. But studies indicate that mercury levels in the area are at acceptable EPA levels. The EPRI also reported that most of the mercury deposition in the United States comes not from electric power plants, but incinerators, which would be less effected under the MACT rule.

Teen drinking studies flawed

Federal government reports on the comparison of drinking habits between European and American teen-agers are flawed, says *Reason* magazine.

Proponents of raising the drinking age continually cite a 2001 study from the U.S. Department of Justice that concluded Europe's liberal drinking laws contributed to more insobriety among European teenagers than the stricter standards for American teenagers. Yet, the study had flaws. It was not peer-reviewed by other researchers before it was published, and it used outdated data which also excluded France and Germany.

The numbers the DOJ used do not match the claims of its advocates; when comparing the United States to Southern Europe, the report revealed that 21 percent of American teens were drunk over a 30-day time period compared to only 13 percent of European teens. More than half of the American teen-agers who reported consuming alcohol had gotten drunk, compared to less than 25 percent of their European counterparts.

A report by the Transportation Department says that raising the drinking age from 18 to 21 saved 927 lives in 2001, but observers argue that a claim that specific cannot be made without knowing what would have happened without rising the drinking age. In fact, many studies cannot confirm a cause-and-effect relationship between raising the drinking age and reducing alcohol-related fatalities, although some studies confirm that a few alcohol-related fatalities have shifted from the 18-to 21-age group to the 21-to-24 age group.

Hospital report cards work

In schools, report cards are given to students to stimulate better academic performance. This same idea has been applied to hospitals that provide cardiac surgery to patients. A new paper from the National Bureau of Economic Research finds that these hospital report cards are effective.

The authors analyzed the Cardiac Surgery Reporting System, the nation's longest-standing effort to measure and report health-care quality. The CSRS collects data on clinical outcomes and the health history of the patient before the operation. Using CSRS data from 1991 to 1999 the authors find that the reporting program has both influenced patients' decisions and improved quality of care.

Those hospitals with low mortality rates see a positive flow of patients in the first year following a report, but this increase declines soon after.

In contrast, those hospitals identified publicly as offering relatively low-quality surgery experienced a decline of 10 percent in the number of patients during the first 12 month after an initial report and remained at that level for three years. Their risk-adjusted mortality rate, however, declined significantly, about 1.2 percentage points.

What Kind of Tax Reform Will Bush Push?

By MICHAEL L. WALDEN

Contributing Editor

The election is over, and George W. Bush will be our president for a second term. Although certainly the president doesn't totally control what happens in Washington, a president, and especially a re-elected president, can dramatically affect the agenda of discussion among Washington's decision-makers.

One area where this is the case is in tax policy. In recent history, most major tax initiatives have come from the president, such as the tax increases in the early 1990s, the dramatic changes to the income tax code in the mid-1980s, and the tax rate cuts of the early 1960s. So it's reasonable to look to President Bush's ideas about taxes for clues to the tax debates we'll see in the upcoming years.

Bush made two major statements during the campaign and in his post-election comments about general federal tax policy. First, he wants to make the federal tax changes instituted in the last four years permanent. Most of the provisions for tax-rate reductions and changes to various tax credits and deductions passed since 2001 have expiration periods. The president wants the time limits removed.

A 'flat' tax or federal sales tax?

Beyond this, Bush has said he wants to simplify the federal tax system, and specifically the federal income tax code. This is where the fun begins, because the president has not indicated exactly what he wants. He has said he will look to the advice of a panel of experts for his recommendations.

What might the panel recommend? I, and most other tax-watchers, think they could go in one of two directions. Both directions are filled with political land mines.

One approach would be to keep the federal income tax but "flatten" and simplify it. This was the route taken in 1986. Then, both the level and number of federal tax rates were reduced. This is the flattening. But at the same time, the number of allowable tax deductions, that is, spending that reduces your taxable income, was also reduced. So the 1986 changes were a combination of some pleasure (rate reductions) and some pain (deduction reductions).

There is substantial support from some quarters for this approach. The ultimate in the approach would be a "flat income tax," where all income would be taxed at the same rate and all deductions would be collapsed into a single one based on household size.

The other direction is to scrap the federal income tax and replace it with a federal sales tax. Supporters like it

because it would promote work and saving and, in some sense, could be viewed as a "voluntary" tax because it's based on what people willingly spend.

Both approaches carry with them many questions, issues, and controversy. If the federal income tax is kept with lower rates but fewer deductions and credits, what deductions and credits would go? Every tax break has a political constituency behind it, so major fights could be expected on every proposed limitation.

Also, although flattening and simplifying the federal income tax could be done in a way that the total tax burden remained unchanged (in tax lingo, this is called "revenue neutral"), it's inevitable that some individual households would pay more while others paid less. This would certainly not go unnoticed in the debate.

A federal sales tax would possibly be even more explosive. Would all spending be taxed, or would spending on necessities, such as housing, food, clothing, and medical care, be exempt? If so, some economists estimate the sales tax rate on remaining items would have to be 20 percent to 30 percent. Would businesses and consumers accept this?

Then there's the issue of alleged regressivity with the sales tax. A tax is called regressive if lower-income households pay a higher effective rate than higher-income households. Critics say this happens with the sales tax because richer households save a greater portion of their earnings.

Many economists disagree with this notion, for the simple reason that today's savings become tomorrow's spending. So even though someone saves \$10,000 today and escapes paying sales tax on the money, she will pay sales tax in the future when she likely withdraws the money from an investment and spends it. Indeed, economists who have looked at the lifetime incidence of the sales tax find it to roughly be a proportional tax, that is, all income levels pay the same effective rate.

Nevertheless, expect the charge of regressivity sticking to a proposed national sales tax. This means for the tax to fly, a complex system of rebates or exemptions for lower-income taxpayers will have to be considered.

Expect tax reform to be a key part of the Bush agenda in the second term. But changing the tax system is never easy. Bush will have to convert his political capital into political muscle in order to succeed with the heavy lifting of tax reform.

Michael Walden is a William Neal Reynolds distinguished professor at North Carolina State University and an adjunct scholar of the John Locke Foundation.



Michael L. Walden

Let's hear less hysteria, more solutions

Resolved to Lose Weight? Consider the Importance of Exercise

By JOSEPH COLETTI

Guest Contributor

Americans are fat — 65 percent are overweight or obese as are 57 percent of North Carolinians. This extra weight is associated with, and blamed for, more than 30 medical conditions that together are responsible for up to 400,000 deaths a year, including cardiovascular disease, type 2 diabetes, stroke, high blood pressure, and certain cancers. The direct and indirect economic costs of these diseases, and of obesity, are at least \$117 billion a year with \$93 billion in direct medical costs. North Carolina spends \$2.1 billion a year on these medical costs (less, with half of that burden assumed by taxpayers through Medicare and Medicaid).

At this point, the standard news article says that many of these costs in human lives and dollars are preventable if people would just lose weight. The problem with this recommendation is that there is no conclusive evidence that obesity causes any of the diseases or that losing weight is an effective way to combat them. The 400,000 number will be revised downward by an unknown amount, a similar study a decade earlier counted deaths not from obesity but from inactivity and poor diet. Later studies have relied on gross assumptions and weak data to show higher mortality for the obese. So before we throw the fatties in the fire: What if obesity is not a disease? What if being overweight in most cases is a benign indicator of other health problems caused by genetics and lifestyle?

After all, it is not as though people want to be fat. We have a \$40 billion weight-loss industry peddling every flavor of diet from low carb to low fat. At any given time, 45 percent of women and 25 percent of men are trying to lose weight. And the obsession starts early as 75 percent of 10th-grade girls in one study had already tried to lose weight, with 85 percent of them trying by age 13.

The skepticism about obesity is neither as heretical nor as novel as it may sound, however. In 1986, Paul Ernsberger and Paul Haskew made this very argument in the *New England Journal of Medicine*. A number of factors related to diet and activity "contribute to disease while promoting weight gain," they wrote. "If these lifestyle factors are the true culprits in obesity-related disease, then the current focus on weight reduction may be misplaced."

In the last 10 years, a growing body of evidence has shown that other than genetics physical activity is the

keystone to good health, that a balanced combination of minimally processed foods is best, and that how fat is distributed on the body is at least as important as whether there is fat. More importantly, the common prescription of weight loss for every ailment from type 2 diabetes to heart disease is not only misplaced, but can be dangerous especially if it leads to yo-yo dieting.

Physical activity the key

Even if excess weight is the problem, the first-best solution is to increase physical activity. "[P]hysical activity is the common denominator for the clinical treatment of low fitness and excess weight," wrote Drs. Tim Church and Steven Blair in the *Journal of the American Medical Association*. "[S]ome, perhaps many, individuals classified as overweight are in fact at a healthy weight," Blair said in an email interview. "One example mentioned recently in the *N.Y. Times* is President Bush. He is an avid exerciser, the medical data released shows that he enjoys good health, and yet he is in the overweight category."

Health professionals extol the importance of physical activity, but the focus often remains on cutting pounds not improving health. But exercise as a way to burn calories and lose weight is as doomed to failure as calorie restriction. Unlike food restrictions, physical activity's impact is not seen on the scale. In fact, as a sedentary person becomes active and increases the ratio of muscle mass to fat, his or her weight will actually increase even as fitness and appearance improve.

"Physical activity and nutrition are two of the primary ways to reduce risks from obesity-related deaths," said Maureen Culbertson of the Centers for Disease Control and Prevention. Although she said that physical activity, proper nutrition, and calorie restriction are equally important, she said: "We cannot underestimate the health and economic problems related to obesity and overweight in this country." In other words, the problem is that people are fat, and the most important thing they can do is lose weight.

Diet promoters often mention the importance of physical activity or exercise while downplaying its significance under their plan.

No diet, however, has proven effective at consistently keeping weight down over an extended period of time as most dieters return to their original weight or even higher and the regained weight is more likely to take the form of

fat than muscle because of the body's mechanisms to defend against starvation. Worse, yo-yo dieting like this adds the weight to a weaker body as the sudden changes in calorie intake can destroy the liver, unbalance blood chemistry, and weaken bones and muscles, including the heart. Dieting has become an epidemic concurrent with obesity, but again the assumed direction of causality is not proven.

Overweight and obesity are studied because they can be seen, measured, and are deemed unattractive. "[W]e contend that obesity made these two risk behaviors, of poor diet and physical inactivity more visible, thereby allowing public health professionals...to intervene," Dr. Ali Mokdad of the CDC wrote in *JAMA*. Even though he adds that "it is critical to promote a balanced diet and increased physical activity," his emphasis on obesity as a physical indicator of unhealthy behavior unfairly stigmatizes heavy people.

As a final example, 90 percent of those with type 2 diabetes are overweight. Research indicates that weight loss of just 5 percent is enough to cut incidence by 58 percent. "In many cases, blood sugars return to normal within days of starting to eat and exercise properly," Dr. Francis Neelon, medical director for the Rice Diet, wrote in the *North Carolina Medical Journal*.

All of this is a long way to say that we should recognize weight for what it is, a sometimes inaccurate indicator of inactivity or poor eating habits. North Carolina Prevention Partners puts the total costs of physical inactivity, nutrition, and overweight/obesity in the state at \$3,339 per employee and \$1,359 per resident. So employers and communities have incentives to encourage activity.

Local governments can help by building sidewalks along major thoroughfares in urban and suburban communities to complement the extensive bike paths and greenways instead of paying for public art and rarely used facilities, and by making it easier for students to walk to school instead of putting them on buses for up to an hour each way. Companies can design or move to spaces that promote physical activity as part of the daily routine. The best thing for public health officials is to stop hyping obesity and overweight and instead focus on the inherent benefits of physical activity. CJ

Joseph Coletti is the new fiscal policy analyst for the John Locke Foundation. He has completed six marathons and "looks like a runner," i.e., he's a skinny little guy.

Measure it by public interest, fairness, equity, justice

Don't Shortchange Government Simply To Make It More Efficient

By DR. STEPHEN M. KING

Guest Contributor

RALEIGH

In a recent issue of *Carolina Journal* (November 2004), Michael L. Walden asked the question: "Why Can't Government Be Operated Efficiently Like a Business?" His basic response was it can and it should. He cited a new book by David Osborne and Peter Hutchinson that provided several recommendations for improving government efficiency, including prioritizing government functions, measuring and monitoring government performance, treating citizens as customers, and allowing government workers to share in budget savings through salary bonuses.

Professor Walden and others who promote government efficiency through adoption and use of business principles are both right and wrong. Let me explain.

Government reform, early 20th century

The early 20th century government reform movement, led by giants such as Frank Goodnow, Frederick Taylor, and Louis Brownlow, precipitated the belief that government must be more efficient in order to run better. Many of the early reformation attempts at the state and local levels were institutional and educational, such as establishing the New York Bureau of Municipal Research in 1906 and the first school of public administration at Syracuse University in 1924. The idea was that government administration should be separate from politics; whereas politics is partisan and ugly, government administration should be efficient and economical. For the first 40 years of the 20th century, the principles and ideas of government efficiency and economy reigned supreme.

By the late 1930s, however, this politics-administration dichotomy, as it was called, began to implode. Thinkers, such as Fritz Morstein Marx, argued that the dichotomy was simply foolish — administrative decisions for efficiency in budgetary decision-making, for example, are highly political. Others, such as Herbert Simon in the late 1940s, resoundingly challenged the very notion and use of principles themselves, including efficiency, arguing instead for a greater empirical and rational basis for decision-making in government.

The 1970s moved even farther away from the efficiency and economy principles, embracing social equity as the primary goal of good government. Serving the public interest through efficient and economical means is laudable, but if the efficiency of processing social welfare recipients' claims, for example, overshadows the real need for getting welfare clients job skills and ultimately jobs, then the proponents of social equity argued that government is missing its real purpose.

And here is government in 2004 pushing many of the same issues it was pushing 100 years ago, issues that business and industry were advocating: greater efficiency, economy, and effectiveness.

It is packaged differently; we call it performance measurement or enhanced accountability standards or even reinvention. But it is essentially the same and is, as one public administration scholar wrote about the difference between the public and private sectors: "fundamentally alike in all unimportant respects."

So, should government be run like a business? On the one hand, no, it should not. It is not a business; it is not designed to be a business, to make a profit, or to sell a product or service. It is designed to fulfill the public interest. As a result, it is far more constrained by the media,

public and private interest groups, rules, regulations and laws than is the private sector; and therefore, it is bound to be less efficient, perhaps even to the betterment of the public interest.

We expect public officials to debate the issues, administrators to wrangle over adoption of rules and regulations, and for the courts to make judgments. This takes time, and is not always as efficient with time, energy, and money as we might like it to be, but extra time might, but not always, produce better results.

Government not always like business

On the other hand we also expect our governments at all levels to be responsible with the public purse, to save money whenever possible. This is not unreasonable. Commissions and committees have met and tackled the tough issues of balancing budgets, reducing deficits, and eliminating government waste and red tape. And in some instances, such as the Grace Commission report in the early 1980s, the Government Performance and Results Act of 1993, and the National Performance Review of the mid 1990s, specific recommendations for cost savings were adopted, dollars were saved, and government was more efficient.

Efficiency is one measure of good government, but it is not the only. Fulfilling the public interest, meeting standards of fairness, equity, and justice, among others, are separate but related measures. We should not slight the latter simply to meet the former. CJ

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Re-election, Moral Authority Launch Cooper

Attorney general's second term promises lots of litigation based on North Carolina canon

By SUE U. NAUERLATER

Logical Extremis Correspondent

RALEIGH

In an announcement Nov. 15, North Carolina Attorney General Roy Cooper announced plans to "take legal action" against the Tennessee Valley Authority to force the state-owned power company to reduce pollutants emitted from some of its coal-fired power plants. Cooper alleged that the TVA failed to comply with the Clean Air Act because it did not install "the best available technology to control dirty air created by the plants."

In an interview with The News & Observer of Raleigh, Cooper cited North Carolina's passage of its own "clean smokestacks" law, which he said "significantly reduce(s) air pollution beyond what is required by the federal government. That gives us the moral authority to go forth and require that coal-powered plants in other states take similar action."

Inspired by his re-election and the TVA case, Cooper recently announced several other planned legal actions based on his newly realized moral authority.

Suing Washington State over Boeing incentives

Miffed that Boeing spurned North Carolina's offer of \$534 million in incentives to bring its new 7E7 assembly plant to the Global TransPark in Kinston, Cooper announced that he would sue the state of Washington for offering the immoral sum of \$3.2 billion for the airplane manufacturer to build in the Seattle area.

After huddling with Department of Commerce officials and licking their wounds, Commerce Secretary Jim Fain and Cooper concluded that Washington's offer was simply depraved.

"Sure, \$534 million is a lot of money, but when you talk about the jobs we would have had, it fell well below the morality threshold we established," Fain said. "But \$3.2 billion, when Washington already had thousands of Boeing



Roy Cooper, with newly codified moral authority

jobs? That's sick."

Cooper said lawmakers in Washington State failed the moral absolute, established by himself, not to make a fellow state look bad.

"You just can't make a sizable, but far-from-obscene amount of money, like \$534 million, look paltry in comparison and get away with it," Cooper said.

Ohio targeted for aviation claims

No longer able to tolerate its false claims based on the location of Wilbur and Orville Wright's origins, Cooper said he will sue the state of Ohio for claiming to be the "birthplace of aviation." He said the "clearly false assertion" was undermining North Carolina's longtime reputa-

tion for being "first in flight," and therefore harming its tourism and ultimately, its esteem.

"As a self-established arbiter of linguistic integrity," Cooper said, "I say Ohio's motto is pure hogwash. They are the 'birthplace of aviators' perhaps, but not aviation."

Cooper said he would demand that Ohio replace all license plates that promote the slogan, and that the state remove the phrase from all state advertising. He said it would be unethical for lawmakers there to not remedy the situation.

"After all, the Wright brothers could have chosen the winds off Lake Erie to test their plane," Cooper said. "But they came to the Outer Banks instead. So, if they don't take care of this, then phooey on Ohio!"

Neighbors blamed for their lotteries

Cooper teamed with his predecessor, now-Gov. Mike Easley, to sue all neighboring states for running lotteries while North Carolina remains without one. In a joint press conference the former and current attorney generals said that Virginia, Tennessee, Georgia, and South Carolina are enticing North Carolinians across their borders to play their games. Cooper said that the gambling wasn't immoral, but that residents spending money out of state was.

"Our people can't help themselves," Cooper said. "They are at the mercy of our border states' alluring tactics."

The Tennessee lottery has installed state-of-the-art, touch-screen computer terminals and satellite dishes necessary to sell tickets at hundreds of outlets on its North Carolina border.

"Sure, they use the top technology to sucker our people into coming over and spending big bucks on their games," Cooper said, "but they won't put the best pollution controls on their smokestacks. See you in court, Tennessee scalawags!"



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