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CAROLINA JOURNAL

A MONTHLY JOURNAL OF NEWS, ANALYSIS AND OPINION FROM THE JOHN LOCKE FOUNDATION

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STATEWIDE EDITION

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Group Home Staff Helped Patients Vote

Legal guardians were not consulted before ballots cast

BY DON CARRINGTON
Executive Editor

RALEIGH

Cecil Pearson's daughter Darlene told him she voted for Barack Obama for president. President of what? Cecil says Darlene couldn't tell you. Darlene, 40, is developmentally disabled and functions cognitively at about the level of a 7-year old. She lives in a group home with five other adult women in Roanoke Rapids.

"I was shocked when I learned she had voted," Pearson told *Carolina Journal*. "She has never voted. My wife and I became her legal guardians in 1996 to prevent exploitation like this. We were not consulted. She is not capable of making an informed choice, and as her guardians we would not have approved it."

Pearson said his daughter registered to vote at a Division of Motor Vehicles office in 1995 when staff at her



Cecil and Judy Pearson of Roanoke Rapids were shocked when they learned that their developmentally disabled daughter was taken to vote without their consent. (CJ photo by Don Carrington)

group home took her to get a photo identification card. North Carolina Board of Elections records confirm that she registered in 1995, but the first vote she cast was Nov. 2 of this year. Cecil said he learned Darlene voted when he picked her up for a visit later the same

day and she told him.

A series of *CJ* reports has unearthed organized efforts to register patients in state facilities for the mentally ill and developmentally disabled, and to assist them in voting. Advocates for the disabled contend these efforts

are legal, but there appears to be some confusion involving state laws that govern voting rights. Cecil Pearson's concerns reveal additional ambiguities in the legal boundaries between patients, guardians, and public officials regarding voting rights of the mentally and developmentally disabled in group homes and other private facilities.

Cecil and his wife, Judy, live in Roanoke Rapids and run a small business there. Easter Seals of North Carolina and Virginia operates Darlene's group home. Darlene and the others were taken in a van to an early voting site in Roanoke Rapids and voted curbside with assistance of a Halifax County election board employee. Cecil Pearson contends that the only way she could have made a choice on a ballot would be if someone made it for her.

Halifax County elections board chairwoman Marilyn Harris told *CJ* that she was aware of Mr. Pearson's concerns. "We had a registered voter who presented herself to vote. She asked for assistance, and she was allowed to vote," Harris said.

Continued as "Halifax," Page 14

GOP Sweeps Executive Mansion, Legislature

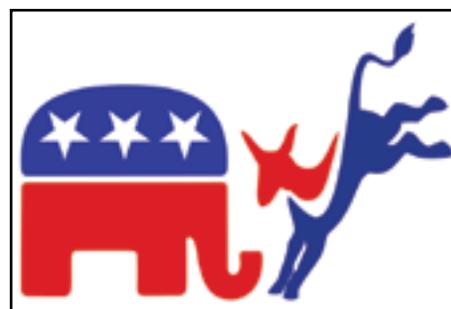
McCrory only third Republican governor since Reconstruction

BY BARRY SMITH
Associate Editor

RALEIGH

Former Charlotte Mayor Pat McCrory became North Carolina's third Republican governor since Reconstruction and the first since the 19th century to work with a General Assembly controlled by his own party, as the GOP built on its electoral momentum from 2010.

McCrory defeated Lt. Gov. Walter Dalton, 55 percent to 43 percent, with



Libertarian Barbara Howe collecting slightly more than 2 percent of the vote. McCrory joins Jim Holshouser and Jim Martin as the only Republicans to win the governor's office since Reconstruction.

A postelection briefing by the N.C. FreeEnterprise Foundation spelled out the magnitude of the dra-

matic gains made by Republicans. The GOP can credit much of its success to redrawn congressional and legislative districts that made a number of districts more friendly demographically. They also enjoyed a campaign finance advantage, a plus that they are not used to having.

Republicans picked up three congressional seats in the state, the 8th, 11th, and 13th Districts, with Republicans Richard Hudson, Mark Meadows, and George Holding winning those seats, respectively. Incumbent Democratic Rep. Mike McIntyre barely held on to the 7th Congressional District, winning by less than 700 votes over state Sen. David Rouzer, R-Johnston.

Continued as "GOP," Page 15

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McCrory Mum on Obamacare State Exchanges

By DAN WAY
Associate Editor

RALEIGH

Amid growing sentiment among conservatives that states can derail Obamacare by refusing to create health care exchanges, Gov.-elect Pat McCrory has not decided whether to join other Republican governors in following that path.

"He's going to work with the General Assembly in determining the best course for North Carolina going forward," said Chris Walker, communications director for the McCrory transition team.

As it stands, Walker said, "there is a lack of clarity from Washington" on specifics of implementing the exchanges under the Patient Protection and Affordable Care Act, Obamacare's official title.

The intent of the health care reform was for states to set up the exchanges, which are online clearinghouses through which tax-subsidized health care plans would be offered to uninsured individuals and small businesses. States would absorb the costs of creating and operating the exchanges.

If states don't create their own health care exchanges, the federal government would offer its own.

Outgoing Gov. Bev Perdue committed North Carolina to a federal-state health care exchange partnership in the waning weeks of her tenure.

McCrory is not sold on that model and could choose another option after he is sworn in. In addition, State Senate leader Phil Berger, R-Rockingham, has said the General Assembly must have a voice in how the state approaches the exchanges.

"What [McCrory] won't do is have a federally run state program" that leaves decisions to the feds and pushes costs to the state, Walker said.

"There's a lot of unanswered questions," Walker said. "The federal government isn't even prepared for implementation at this point."

Some national policy experts say crucial details covering myriad and complicated organizational and operational matters are missing. They're advocating that states forcefully reject creating their own exchanges.

Wes Goodman, director of conservative coalitions and state outreach for the Republican Study Committee, a caucus of conservative U.S. House members, said Obamacare is "bad policy, it's bad politics, and it's not going to work."

With some 16 states declaring they will not set up state exchanges, and GOP governors controlling 30 states, the Obama administration is desperate for collaboration, Goodman said.

"They're trying to get conservatives, they're trying to get Republicans to put their fingerprints on the murder weapon here," Goodman said. He said the time to get conservatives to buy in to the law was in 2009 and 2010, before it passed. Instead, Congress enacted the law without a single Republican vote.

Goodman and other critics say a host of issues surrounding the law remain unresolved. They say implementation is the next battleground, and states have considerable leverage if they are willing to use it.

"The subsidies that flow through the health insurance exchanges are not authorized unless the state creates its own exchange," said Michael Cannon, director of health policy studies at the Cato Institute.

"This is why it's so important to stop states from creating their own exchanges and expanding Medicaid," Cannon said. "States are under no obligation to create an exchange. It is not a mandate."

He said exchanges would cost between \$10 million and \$100 million per year to operate, and states would have to pay for them.

"Congress authorized no funds for the federal fallback exchanges that the feds are supposed to create if states don't create their own," Cannon said. "That's because Congress didn't think that states were going to reject [them]. They thought that once Obamacare reached the states, they'd be greeted as liberators."

Cannon notes that health insurance premiums are increasing as insurers anticipate higher costs as the law takes effect. Moreover, he said, "The federal government will be able to drive [health insurance] carriers out of business by picking winners and granting these guys special breaks."

States that refuse to establish exchanges could exempt many people from the individual mandate that requires them to purchase health insurance, he said.

Employers from those states could be exempted from providing coverage as well.

A federal exchange is barred under the law from offering tax credits to subsidize premiums, Cannon said. Under a state exchange, the IRS pays the refundable credits directly to insurers to cover eligible individuals and families who buy their health plans on the exchange. The size of the subsidy is based on income, and insured participants pay the difference between the subsidy and premium costs.

Under the Obamacare employer mandate, most U.S. companies with at least 50 employees would be required to provide federally approved health insurance or pay a \$2,000 tax per uninsured worker, with exclusions for the first 30 employees.

Because the federal exchanges aren't authorized to issue the credits, employers could not be assessed the \$2,000 tax to fund them, Cannon said.

States that opt out of state and federal exchanges could lure companies to relocate from states with the exchanges, and the lower tax environment would be more conducive to job growth at existing firms, Cannon said.

Despite clear language in the law preventing federal exchanges from distributing tax credits, the IRS wrote a rule allowing it. Oklahoma, which has refused to set up a state exchange, has filed a legal challenge to the rule.

"The Oklahoma lawsuit is, I think, the most important thing happening right now in the Obamacare repeal/rebellion movement," Cannon said.

Even if Oklahoma loses its suit, states that did not create their own exchanges would have a "nuclear option" of delicensing health plans that sell through the federal exchange and collect the federal subsidies or tax revenue, he said. That would, effectively, block a federal exchange from operating.

"The fact that the Obama administration is breaking the law to spend money and impose taxes that Congress never authorized gives you the hook," Cannon said.

"We all agree that the health care system needed reform, but it didn't get reformed the right way under this health care law," said Nina Owcharenko, a Charlotte native who is director of the Center for Health Policy Studies at the Heritage Foundation.

"So we're trying to wedge our policy issues back on the table. We need leadership in the Congress to take those ideas and run with them. Thus far we really haven't had a lot of strong efforts in Congress to take up the alternative ideas and articulate them in this capacity," Owcharenko said.

Conservatives in the new Congress immediately need to break down the law and explain why it's bad policy, "because I do disagree that this law is here to stay," Owcharenko said.

"We need to talk about things like freedom and liberty and what do we really want out of this system that we have today," she said.



N.C. Voters Embrace Status Quo in Council of State Races

BY BARRY SMITH
Associate Editor

RALEIGH

Sometimes change isn't in order. That was the case Nov. 6 when North Carolina voters re-elected all eight down-ballot Council of State officials. And while most of the races weren't cakewalks, they weren't cliffhangers either.

In six of the eight races, the winning candidate received either 53 percent or 54 percent of the votes cast. It didn't matter whether the incumbent was a Democrat or a Republican. All were elected to spend another four years in office.

The eight statewide elected department heads plus the governor and lieutenant governor make up North Carolina's Council of State.

Pre-election conventional wisdom suggested that if North Carolina elected Republican Pat McCrory as governor and fellow Republican Dan Forest as lieutenant governor, at least a couple of incumbent Democratic Council of State members would fall. But all were able to survive GOP challenges.

Political observers credit the name recognition that comes along with incumbency and the strong political organization of President Obama with helping Democratic candidates down ballot.

"It's not new news that there's power in incumbency," said Ferrel Guillory, a lecturer in the UNC-Chapel Hill School of Journalism and Mass Communication and an adjunct professor of public policy at the university.

"The Obama grass-roots organization certainly maximized the turnout of Democratic voters," Guillory said. "It clearly helped the Democratic Council of State incumbents."

Steven Greene, associate profes-



Dan Forest



June Atkinson



Elaine Marshall



Janet Cowell



Cherie Berry



Steve Troxler



Beth Wood



Wayne Goodwin

sor of political science at N.C. State University, agreed that having North Carolina as a presidential battleground state helped Democratic candidates.

"The Democratic turnout gained more from this being a presidential battleground this year," Greene said.

The closest down-ballot Council of State race was for insurance commissioner, where incumbent Democrat Wayne Goodwin defeated his Republican challenger, Mike Causey, by 52 percent to 48 percent.

Increased homeowners insurance rates in coastal counties coupled with a proposal by the N.C. Rate Bureau to increase homeowners insurance rates statewide made the campaign a challenge for Goodwin. The proposed rate increase occurred during the fall campaign season.

Another race that Raleigh insiders thought the Republicans had a chance of capturing was the superintendent of public instruction contest. In that race, incumbent Democrat June Atkinson fended off GOP challenger John Tedesco, 54 percent to 46 percent.

Tedesco, a member of the Wake County Board of Education, earlier won a crowded GOP primary. However, Atkinson won her third term as superintendent.

Longtime Secretary of State Elaine Marshall, who was the Democratic nominee for U.S. Senate in 2010, held on to her office by defeating Republican Ed Goodwin, 54 percent to 46 percent.

Incumbent Democratic Treasurer Janet Cowell defeated GOP challenger Steve Royal by a similar 54 percent to 46 percent vote.

Incumbent GOP Labor Commissioner Cherie Berry, whose name and photo are in every elevator in North Carolina, defeated Democrat John Brooks, 53 percent to 47 percent. Berry will begin her fourth term in January.

Republican Steve Troxler, the incumbent commissioner of agriculture, defeated Democrat Walter Smith by a similar 53 percent to 47 percent vote.

First-term state Auditor Beth Wood, a Democrat, was re-elected to a second term by defeating Republican

Debra Goldman by 54 percent to 46 percent.

Democratic Attorney General Roy Cooper was unopposed and re-elected.

Greene noted that Republican Gov.-elect Pat McCrory's double-digit win over Democrat Walter Dalton did not have a coattail effect in the Council of State races.

Guillory agreed.

"I think what it does say is neither [GOP presidential candidate Mitt] Romney nor McCrory had coattails," Guillory said. "So the Council of State officers can feel that they were elected on their own."

McCrory's coattails did help Republican Dan Forest capture the lieutenant governor's race, Greene said. "People not wanting to split their ballot between a governor and a lieutenant governor might have helped Forest," Greene said.

Forest won by the narrowest margin of all the statewide executive branch officials, besting Democrat Linda Coleman by a fraction of a percentage point.

Guillory notes that North Carolina has a long ballot for executive officials. "It gets to the diffuse nature of North Carolina state government," Guillory said. "We not only have the conventional checks and balances of three branches of government, but even within the branches we have separations."

While the Republican Council of State members certainly hope that McCrory's tenure as governor is successful, they were elected independently and are not automatically a part of his administration, Guillory said.

"They have their agendas and their work habits set," Guillory said. "And they won on their own." CJ

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Director of Regulatory Studies Jon Sanders' weekly newsletter, **Rights & Regulation Update**, discusses current issues concerning regulations, rights, and freedom in North Carolina.

State Briefs

Auditor: End tip-offs

North Carolina's top auditor says the country's third-largest community college system should stop tipping off campus administrators weeks before a record check is coming, The Associated Press reports. A Nov. 21 report by State Auditor Beth Wood's office found records at Durham Technical Community College were altered or forged ahead of a double-check into how many students were enrolled. The head count determines how much teaching funds community colleges get. The Durham school got \$17 million in instructional funds in the year that ended in June. State auditors blamed two former Durham Tech employees for fudging the records. The community system's own auditors have long complained of "colleges altering course file documentation prior to submitting the files to auditors for review," Wood's office said. Durham Tech President William Ingram says the college's senior leadership didn't know it was happening. State auditors say the community college system's central office should quit giving campuses a two-week notice of which courses get headcounts.

EPA denies waiver

The U.S. Environmental Protection Agency denied requests from Gov. Bev Perdue and other governors to waive production requirements for corn-based ethanol, the AP reports. A renewable fuels law requires that 13.2 billion gallons of ethanol be produced by this year and 15 billion gallons be produced by 2015. That's good for corn farmers, but it's angered poultry, hog, and cattle farmers. They say they've seen big jumps in corn-based feed costs as corn is diverted to make ethanol vehicle fuel. States requesting the waiver say reduced corn production due to this year's drought has made the problem even worse. Governors from Arkansas, North Carolina, New Mexico, Georgia, Texas, Virginia, Maryland, Delaware, Utah, and Wyoming asked for the waiver, along with members of Congress and a coalition of farm groups and other industries that have opposed increased ethanol production. Gov. Mike Beebe, D-Ark., said in a letter to the EPA in August that ethanol production was taking a "terrible toll" on animal agriculture in his state and that consumers would pay more for food as a result. *CJ*

Medicaid Issues Face McCrory Administration

By DAN WAY
Associate Editor

RALEIGH

Gov.-elect Pat McCrory is contemplating numerous cost-saving Medicaid reforms, aides say. Those include possible adoption of a Florida pilot program that, projections indicate, could save North Carolina \$2.7 billion a year.

Among other Medicaid issues awaiting the Charlotte Republican after he's sworn in Jan. 5 is a decision about whether to expand Medicaid enrollment under the federal health reform law beginning in 2014 by 500,000 North Carolinians.

"He will not expand Medicaid so long as we don't know those long-term costs," said Ricky Diaz, a spokesman for the McCrory transition team.

But he and his teams of policy experts are "going to be looking at fraud and waste and abuse in the [Medicaid] system," Diaz said.

North Carolina has been dealing for years with major cost overruns in Medicaid. The government health plan for the poor was in the red by some \$200 million three years ago, \$600 million two years ago, and \$375 million in the fiscal year that ended June 30. The state spent \$14.2 billion on Medicaid in that fiscal year.

"We're looking at all options for Medicaid [reform]," Diaz said. "In terms of the Florida model, we're obviously aware of it."

According to calculations by the Naples, Fla.-based Foundation for Government Accountability, if the Florida pilot project were implemented in North Carolina, the state would save \$1.4 billion annually in the Medicaid-eligible population and \$1.3 billion in the disabled population.

"We'll look at all models around the country, including Florida, to determine what's best for North Carolina," Diaz said.

That stance is in line with the Republican Governors Association. McCrory attended RGA's annual meeting in November in Las Vegas. The organization represents the nation's 30 GOP governors and has been studying the Florida pilot project for years.

"The RGA recognizes there is not a one-size-fits-all solution to Medicaid, and many states are pursuing innovative reforms," said Mike Schrimpf, RGA communications director.

"The RGA wants the federal government to give states the flexibility needed to manage their programs for their unique populations," Schrimpf said. "Consequently, we do not champion any state's specific model."

The Florida pilot was launched seven years ago in five counties. Last year it saved the state \$118 million.

The pilot model is a managed care plan. Under that system, medical plan providers pay for budget overruns. In North Carolina's system, managed by the nonprofit Community Care of North Carolina network, taxpayers pick up the overages.

The Florida pilot provides cash incentives for healthy behaviors and has customized benefits. It lets enrollees choose among 11 plans, including Medicaid managed care plans, private insurance companies, and physician-owned private networks.

Christie Herrera, vice president for policy at the Foundation for Government Accountability, said she has received no feedback from the RGA, although it has been studying the Florida pilot since its inception in 2006.

"There are elements of the Florida model in a number of states currently," including Louisiana, Kansas, and Texas, Herrera said. "We are talking to lawmakers in other states, including in North Carolina, and we're hoping that some other states pick it up this year."

The pilot is a "fiscally sustainable model that also improves care," she said. It provides an "off-ramp" from Medicaid to the private market plans of participants' choice.

Florida received a three-year extension of the pilot project, and the Obama administration is now negotiating a waiver to expand the program statewide.

Herrera said first-year savings under a statewide plan would be \$1 billion, and Florida's Medicaid officials are "optimistic" for approval to expand to all 67 counties.

If approval is granted, she said, "it means reform can happen in a bipartisan way regardless of who's in the White House."

Whether to implement structural changes in the state's Medicaid plan is just one weighty issue facing McCrory.

Under the Patient Protection and Affordable Care Act, Obamacare's formal title, some 30 million Americans could be added to the Medicaid rolls or to private insurance by 2022, according to the Congressional Budget Office. That includes the estimated half-million in North Carolina.

States and the federal government would split the estimated cost of \$1.03 trillion from 2013-22.

"It would be irresponsible" at this point to expand the state's Medicaid population, Diaz said.

That is because there are many unresolved policy and implementation questions surrounding Obamacare at the federal level, combined with North Carolina's high unemployment and stalled economy, Diaz said.

"There are some real long-term implications to costs if the government can pull the rug out from under the state in the future," Diaz said. "No governor has all the information to make an informed decision."

Nina Owcharenko, a Charlotte native who is director of the Center for Health Policy Studies at the Heritage Foundation, said states should oppose Medicaid expansion.

"I think that we need to be articulating that the idea for expanding health care coverage is not to expand dependence on the government," Owcharenko said.

Last year's House budget plan crafted by U.S. Rep. Paul Ryan, R-Wis., included premium support for Medicare. She said it resonated with seniors by giving them the option of choosing their own health plans.

"[L]et's think about the idea of giving premium support to Medicaid. Give those families in the Medicaid program the option of taking their dollars and buying the health insurance plan they want, not what the government negotiates or not a public option," Owcharenko said.

"Why can't we say in Medicaid we want to allow parents to get their kids out of a failing health care program" and into the private health insurance market, she asked. "And then think about how can we restructure and do better governance in a smaller Medicaid program."

States considering expanding Medicaid rolls need to understand that the people making up much of the uninsured population "are not the healthy people," she said.

"They are in and out of prison, they have lots of substance and mental health issues," Owcharenko said. "This is going to be a costly population" to cover. *CJ*



Florida's Medicaid reform efforts have garnered national acclaim, including in this report from The Heritage Foundation.

Hoyle Assures Lawmakers TIMS Will Improve Tax Collections

By SAM A. HIEB
Contributor

RALEIGH

You know the old saying you have to spend money to make money.

That's the message N.C. Department of Revenue Secretary David Hoyle wants to send as the department puts the finishing touches on its new Tax Information Management System.

And while Hoyle is confident the new system will not only pay for itself but also generate more revenue for the state, there have been — and most likely will be — some bumps in the road.

"I want to put you on notice and say there might be some challenges during the changeover," Hoyle recently told the General Assembly's Revenue Laws Study Committee.

Hoyle said the new system was necessary because the department's current system was 25 years old, which is comparable to a "90-year-old man trying to play in the NFL."

According to a 2011 report issued by NCDOR, the overall projected cost of implementing the TIMS system was set at \$86 million.

But the General Assembly appropriated only \$45 million, meaning the department would have to devise a plan using a portion of the benefits derived from the new system to pay its vendor the remaining \$41 million.

In the meantime, the economy collapsed, leaving the state with a huge budget deficit.

"Unfortunately, no one anticipated the depth or length of the recession," the report stated. "Budget projections showed vendor invoices would come ahead of generated revenue, which would result in negative

impacts to the project and a deficit duration lasting 20 months."

In order to meet this challenge, the department worked with its vendor to devise what it described as "an aggressive, yet innovative approach."

Compliance and collection efforts were moved to the front of the project. Two big payoffs were an automated attachment process that streamlined the collection of garnished wages and an automated return mail system that could update efficiently addresses of delinquent taxpayers when collection notices were returned via mail.

Those two initiatives are part of \$191 million in gross benefits, which have enabled the department to collect \$45 million toward its vendor fund.

Hoyle recently told the committee the new system will be in place fully by August 2013. But even then there will still be challenges.

One major challenge, Hoyle said, will be training employees on the new system while keeping the department — which takes in approximately \$105 million in revenue per day — running at full speed.

Between 130 and 150 department

employees will be engaged in training and implementing the new system.

"We're going to have to take somebody from every department to help us get that training done," Hoyle said. "That means taking auditors off the road," which in turn could lead to a short-term dip in revenue.

But the long-term benefits of the new system will pay off in the end,

Hoyle maintains. Basically, it will make it easier for the state to collect taxes.

Hoyle said collecting payroll taxes from businesses can be problematic. The new system will be able to conduct audits in a more timely fashion.

Hoyle explained

that sometimes it can take three or four years to conduct audits on businesses, after which time the businesses could be hundreds of thousands of dollars in arrears.

Delays conducting audits can lead to what Hoyle described as a "double-whammy." Businesses withhold taxes from employees' paychecks, but do not remit those taxes to the state.

In the meantime employees — "it's not their fault," he added — file a return with the state, which the state

pays. So while the money's going out, it sometimes takes several years for it to come back in.

With that in mind, Hoyle recalled the challenges the N.C. Division of Motor Vehicles faced when it converted to the STARS system in the mid-1990s.

Hoyle recalled receiving calls from constituents — he was serving in the state Senate at the time — complaining they couldn't get titles and registrations.

"For about a month or two, we went through some problems. But now it is working great," Hoyle said of the DMV's system.

Similar problems occurred when the state centralized its child support collection system. Again, Hoyle received phone calls from constituents wondering where their checks were.

"I thought if this goes on much longer, Lord, I don't know what's going to happen," Hoyle said.

But those problems were worked out, and Hoyle is confident any problems with his department's system will be worked out as well.

"It is, in my opinion, one of the greatest successes in government," Hoyle said.

A member of the legislative committee, Sen. Fletcher Hartsell, R-Cabarrus, said that while he hasn't "gotten into the weeds" of the project, he believes it is indeed a necessary upgrade.

"State government has so many antiquated systems," Hartsell said. "This appears to have real functionality and will get done what we have been trying to do for some time. From what I gather, I do think it will be of real assistance in integrating the functions of tax collections." CJ



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Critic Says Public-Sector Unions Big Election Winners Nationally

BY DAN E. WAY
Associate Editor

AMELIA ISLAND, Fla.

Government employee unions largely were responsible for the re-election of President Obama, and will seek payback through weaker right-to-work laws and approval of collective bargaining rights for 21 million health care workers under Obamacare, union critic Mallory Factor says.

Although North Carolina is a right-to-work state where collective bargaining with government employees is illegal, Factor, author of the book *ShadowBosses* and one of the nation's most outspoken critics of public worker unions, said vigilance is essential.

"The unions have representatives in every congressional district" in the country working to undermine existing laws, Factor said at a November journalism conference of the Franklin Center for Government & Public Integrity. "North Carolina is still one of the free states, and nobody likes that in the union movement."

Unions can't attack collective bargaining prohibitions at the state government level in North Carolina "because it's too obvious. They're working on the local elections, the school boards. You can't believe all the stuff they're trying to get done, and they're doing it," Factor said.

"You have to be vigilant, or you will have problems," especially in education, he said.

Steven Greenhut, vice president of journalism for the Franklin Center and author of *Plunder! How Public Employee Unions are Raiding Treasuries, Controlling Our Lives and Bankrupting the Nation*, agreed with Factor's assessment, especially about education.

Although North Carolina teacher associations do not have collective bargaining rights, they already serve much like unions, Greenhut said. And, according to state Treasurer Janet Cowell, North Carolina's unfunded pension liability for government workers, even without unionization, is about \$30 billion.

Nationally, government workers are five times more likely than private-sector workers to be in a union, Factor said. And they are doubling down on spending, activism, and electioneering to build a "monumental effort" in support of their aims of building larger bases in government representation.

Factor, also a columnist for *Forbes*, said in 2011 less than 7 percent of private-sector workers but 41 percent of government workers were unionized. The Postal Service alone has 477,000 unionized workers, 2.5 times the 219,000 union members in the entire U.S. auto industry.

Government unions represent almost every type of government worker today, Factor said.

"The unions almost singlehandedly won the election for President Obama, and there's a real danger with this imbalance that the unions now have the political infrastructure to secure a permanent majority" for the Democratic Party, Factor said.

Ever-growing government employee unions and the "shadow bosses" who pull the strings in the background drive big government spending, over-regulation, and statism, Factor said. He gave 10 reasons union expansion among government employees is ill-advised:

1) Union costs threaten to bankrupt federal, state, and local economies, and corrupt the political process in directly challenging our system of free elections, Factor said.

Unions collect more than \$14 billion a year in dues that can be documented, Factor said, and billions more that

cannot. Unions claim only about 20 to 30 percent of dues go to member representation.

A lot of the balance goes to lobby for unending benefits from government, Factor said.

"If elected officials cross the unions, the unions will throw them right out of office. Unions reward their friends and punish their enemies very effectively," Factor said.

2) Unions place exorbitant demands on government, and high-cost government contracts make life more burdensome for taxpayers, he said.

Government employees make more money, work fewer hours, and have greater retirement and job security than private-sector employees, Factor said. Nearly 500,000 federal government employees make more than \$100,000 yearly, excluding benefits, and receive 10 weeks of vacation.

3) Government unions are private organizations, yet they get special benefits and treatment from government.

"Government employee unions get their business directly from the government," Factor said. The more employees they represent, the more dues they get.

"Government unions don't work for the public good and never have. It's

not their business," Factor said. Their goal is to procure the sweetest deals for their members.

4) Obama has given government employee unions more access to the White House and "more kickbacks" than any other president in history, Factor said. He's unionized hundreds of thousands of government workers and reduced scrutiny of their finances.

"He is truly our first union label president," Factor said.

5) "Government unions get huge subsidies from taxpayers," including time not spent doing their jobs, Factor said.

"It's called official time," totals 23 million man-hours, and costs taxpayers more than \$1 billion yearly, Factor said, citing the federal Office of Personnel Management.

"No one knows for sure" what official time includes, Factor said, because Obama reduced

federal reporting requirements. It can include political lobbying.

6) Teachers unions are holding back K-12 education, "and they're making our students less competitive," according to Factor. Dues from teachers are \$2 billion per year, "and this is

mostly from the forced-dues states."

"The teachers unions spend millions of dollars to quash school choice initiatives" and homeschooling because education reform threatens their control of students, Factor said.

7) "Government unions are bankrupting our states," Factor said. States with the largest and strongest unions also are those with the worst budgets, and unions perhaps are the major contributing factor to state and local budget deficits, he said.

"They're crowding out other spending in state and local budgets," Factor said. Of the 10 states with the highest per capita spending, all are unionized, and none are right-to-work states.

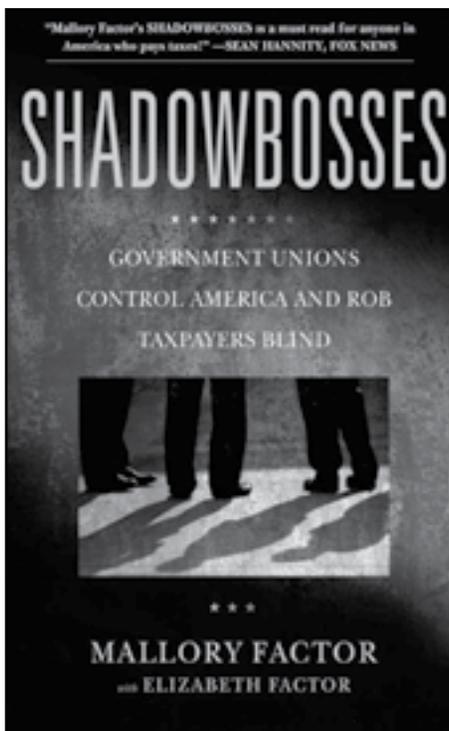
8) Government unions were great supporters of the Occupy Wall Street movement, Factor said.

"But it's the union bosses who are the true 1 percent," he said. Union bosses make on average more than 10 times the average union worker's salary.

9) The Service Employees International Union worked with the 2008 Obama transition team on a legislative agenda that eventually would unionize health care workers if Obamacare became law, Factor said. Today, fewer than 10 percent of health care workers are unionized.

"When Obamacare fully kicks in, there will be 21 million health care workers" flowing into unions, Factor said.

10) To continue expanding, unions curry political favors to get state governments to categorize some self-employed workers as government employees, who then can be unionized. *CJ*



Mallory Factor, a critic of public-sector unions, has written a book about their effects on taxpayers and government.

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Education Policy Could Face Major Change Under McCrory

BY BARRY SMITH
Associate Editor

RALEIGH
With the election of a Republican governor and super-majorities in both chambers of the General Assembly, observers expect to see changes in the state's approach toward education.

GOP wins in November could have an immediate effect on PreK-12 public schools. While Democratic incumbent June Atkinson retained her position as superintendent of public instruction, Republicans are set to have a majority of members on the State Board of Education by spring.

Republican Gov.-elect Pat McCrory will have the opportunity to appoint six new members by March 31 to the board that governs the state's public school system. Republican Dan Forest, who was elected lieutenant governor, also sits on the board, giving Republicans and Republican appointees seven of the 13 seats.

"The tone is going to be set by whoever McCrory appoints as chairman of the state board," said Terry Stoops, director of research and education studies at the John Locke Foundation. "If he appoints a reformer, there's a likelihood of disagreement among the board members. If he appoints someone who is more moderate, then expect incremental changes, but nothing dramatic."

So far, McCrory hasn't floated any candidates as potential selections to the board, let alone suggesting who would lead it.

"Right now, no decisions have been made," said Ricky Diaz, a spokesman for McCrory's transition team. "I don't really have any names for you because no promises have been made to anyone."

As for the superintendent, Atkinson said she is ready to adapt to changes on the board.

"I am optimistic that the governor-elect will appoint qualified people to serve as members of the State Board of Education," Atkinson said. "I believe I will be able to work with the people he appoints."

The N.C. Constitution gives the governor the authority to appoint 11 of the 13 members of the board. The governor is required to get confirmation

by the General Assembly on the appointees. They serve eight-year, overlapping terms.

The lieutenant governor and state treasurer round out the members of the board.

The terms of three current members — board Chairman Bill Harrison, Jean Woolard of Plymouth, and Robert Thomas Speed of Boone — have ended. The terms of three more — Shirley Harris of Troy, Chris Greene of High Point, and Melissa Bartlett of Raleigh — expire March 31.

Stoops said that in recent history, the board chairman has driven the agenda.

"While I would welcome changes to the way that the state board conducts its business, I suspect it will remain a chairman-led group, where the board looks to the chairman for its direction," Stoops said.

Stoops said it would be refreshing to see a board that would be open to airing different views.

Stoops also credits Atkinson with being adaptable and said that there will be points of agreement between her and the General Assembly.

"June Atkinson has always been a proponent of vocational education," Stoops said. "That will be one of the priorities of the legislature going into the next session."

Atkinson said she has worked with three different board chairmen, with each having different modes of operation.

"And I plan to adjust to the role that the next state board chairman wants to play," Atkinson said.

Atkinson said she expects to avoid a repeat of problems that occurred when there was friction between former state Superintendent Bob Etheridge and the board appointed by the last Republican governor, Jim Martin.

She said that some of the contention back then was the result of the state board wanting to appoint a staff member to serve its own needs.

Atkinson said that a recent state superior court case has defined the roles of the state board and the state superintendent.

"It's my intention to value the role of the state board," Atkinson said. "It's anticipated that I will get that mutual respect as far as our roles." CJ



Gov.-elect Pat McCrory, shown here at a post-election press conference in November, has the opportunity to appoint six new members to the State Board of Education by March 31. (CJ photo by Don Carrington)

COMMENTARY

Education Cuts: Facts Trump Fiction

Last year, North Carolina public schools operated under the first budget passed by the Republican legislative majority elected in 2010. Doomsday prophets — the media, state education officials, and public school advocacy groups — declared that the budget would do nothing less than destroy the state's public education system. In one notable instance of hyperbolic hilarity, Gov. Bev Perdue proclaimed that the budget would "result in generational damage" of North Carolina's public schools.

It is a year later, and our public schools are still here. So if the Republicans in the General Assembly did not dismantle North Carolina's education system, what exactly did they do? According to data recently released by the N.C. Department of Public Instruction, the answer is clear. In their first year at the helm, Republican legislators increased education

spending, made slight reductions in the number of teaching positions, and maintained class sizes in most grades.

Between the 2010-11 and 2011-12 school years, total education spending rose by \$95 million, or a modest \$22 per student. State funding, which accounts for two-thirds of public school spending in North Carolina, increased by \$322 million, or an average of \$200 per student. In per-student terms, only 13 of the state's 115 school districts had fewer state dollars than the year before. During the same year, federal funding dropped by \$234.5 million — an average decrease of \$173 per student. Finally, localities increased the local appropriation by \$7.4 million. Nevertheless, local appropriations did not keep up with statewide enrollment growth and thus reduced spending by an average of \$5 per student.

Of course, every year there are education budget winners and losers. The five districts with the largest cuts in total per-pupil spending — Washington, Hyde, Mitchell, Asheboro, and Lexington — had decreases of between \$668 and \$827 per student. Despite these budget reductions, per-student expenditures in all five districts remained higher than the state average.

On the other hand, Graham, Halifax, Anson, Durham, and Tyrrell public schools were the big winners. These districts enjoyed per student increases ranging from \$398 in Graham County to a mind-boggling \$1,324 in Tyrrell County. All five districts had per-student expenditures that were significantly higher than the state average.

Despite a slight uptick in education funding, state data indicate that the number of classroom teachers dropped by 230 — or an average of two teachers per school district. According to the N.C. State Report Cards website, North Carolina employed 99,290 teachers during the 2010-11 school year. A year later, the number of classroom teachers fell to 99,060.

For those concerned about class sizes, they increased in one grade only. The average first-grade classroom added an additional student in 2012 to reach 20 students. Kindergarten and second-grade classrooms each had one fewer student, on average, compared to the prior year. Average class sizes in grades three through eight, as well as high school English, math, and science courses, did not change.

While it is satisfying to set the record straight, I contend that funding, staffing levels, and class size inputs mean little in assessing the quality of education in North Carolina. Rather than asking whether the state allocates "enough" resources to provide a quality education, we should be asking "how" public schools spend their money. Maximizing the return on our annual \$12 billion investment in public schools is one of the most important reasons to rethink the way we measure educational quality.

Unfortunately, many dismiss the "how" because it requires them to concede that increasing student performance takes much more than reaching some arbitrary amount of spending, number of teachers, or students in a classroom. It takes strategic investments in exceptional educators and proven instructional practices. CJ

Dr. Terry Stoops is director of research and education studies at the John Locke Foundation.



TERRY STOOPS

Education Savings Accounts May Enter N.C. School Choice Lexicon

BY DAN WAY
Associate Editor

RALEIGH

As the school choice movement continues to grow in North Carolina, analysts here and in other states are examining with heightened interest an education savings account program that is quickly growing in Arizona.

"I do think that education savings accounts are the future. They are school choice 2.0," Jonathan Butcher, education director at the Goldwater Institute in Phoenix, Ariz., said during the recent 20th annual meeting of the State Policy Network in Amelia Island, Fla.

"Think of health savings accounts ... and take that and put it in the world of education," Butcher said in explaining how the program works. "The parents essentially become private contractors for the state, for education."

The state takes 90 percent of the money a school district would receive to educate a child and puts it into a limited-use debit account operated by the family. The money can be used for private schools, licensed therapists, tutors, textbooks, and other materials. Unspent money can be placed in college savings accounts.

North Carolina House Majority Leader Paul "Skip" Stam, R-Wake, said he is exploring potential legislation for education savings accounts as a reform in North Carolina's school choice movement.

Stam successfully sponsored legislation last year giving tax relief to parents of students with special needs who educate their children privately. He also introduced a measure establishing tax credits for donors who fund scholarships for low-income K-12 students.

The second proposal did not pass, but Stam said he's not done. "Yes, I'm definitely going to try to get a substantial credit for parents whose kids are going to private schools," he said.

"It could be education savings accounts, scholarship grant deductions, there's many different methods" under consideration, Stam said.

"Financial accountability and academic accountability are two very important things, but they've got to be crafted in a precise way," for this program to work as it expands, Butcher said.

"We don't want to make it something that is unusable by parents, and it's critical that it's something that parents are required to report to the state," he said.

"This is a program that leaves behind us debates about what is a good school, what defines a good school, and how do we get kids in just a good school," said Butcher, who also spoke at a Nov. 19 John Locke Foundation function.

"We need to talk about effective programs, effective tutors, effective online courses, effective private schools," Butcher said. "And we need to be thinking about how do we give a child a great experience in K-12 and beyond, and that's what education savings accounts do. They allow us to craft such a program."

The Arizona program initially targeted 125,000 special-needs students. Of those, 400 students were enrolled.

Last spring, Gov. Jan Brewer signed a bill to allow children of active-duty military families, stu-

dents adopted out of the state's foster care system, and students in failing schools to participate in the 2013-14 school year.

The expansion grants eligibility to up to 200,000 students, or 20 percent of statewide enrollment.

Terry Stoops, director of research and education studies at JLF, has been monitoring the Arizona education savings account formula.

"North Carolina should consider the education savings account model. It gives families nearly complete control over education dollars and, thus, nearly complete control over the education of their children," he said.

"Arizona has long been a leader in providing educational options to families, and we should monitor the implementation of their ESA program closely. If the program lives up to the promise, then North Carolina should not hesitate to replicate it here," Stoops said.

"I am certain that the Republicans will introduce a handful of tax credit scholarship bills in the upcoming legislative session," Stoops said. "Legislative leaders will build on the success of the special-needs tax credit passed in 2011."

Stoops said Stam is one of the most knowledgeable and enthusiastic proponents of school choice in the General Assembly.

"Many legislators look to his leadership in the area," Stoops said. "In 2013, I believe that North Carolina will join Arizona, Florida, Indiana, and

posol. In the upcoming session, the tax reform issue may require a rethinking on the scholarship initiative, Stam said.

"If the Senate does its tax reform the way the Senate wants to do it, there wouldn't be much of a tax to take the credit against," he said.

"Whether it's a tax credit or some other mechanism, that's a tactical decision that needs to be made" about how to deliver education dollars to low-income students for school choice, Stam said.

"The last time I talked to [Senate leader] Phil Berger about it, he was all in favor of it," Stam said of the concept of allowing education dollars to follow students to private schools. "With him it's just a mechanism question."

Meanwhile, according to the 2012 Phi Delta Kappa/Gallup poll taken in May and June, the public is becoming more receptive to issues such as school vouchers for private schools. Phi Delta Kappa is a global professional education organization.

"[T]he public is split in its support of school vouchers, with nearly half (44 percent) believing that we should allow students and parents to choose a private school to attend at public expense, up 10 percentage points from last year," Phi Delta Kappa said in a written statement following the survey.

As school choice gains momentum, Neal McCluskey, associate director of the Cato Institute's Center for Educational Freedom, said reformers should be aware of research that shows up to one-third of private school students transferring to charter schools are using vouchers.

Other research shows that tax credits end up being less regulated than vouchers, he said. *CJ*



Education savings accounts give families 'almost complete control over education dollars'

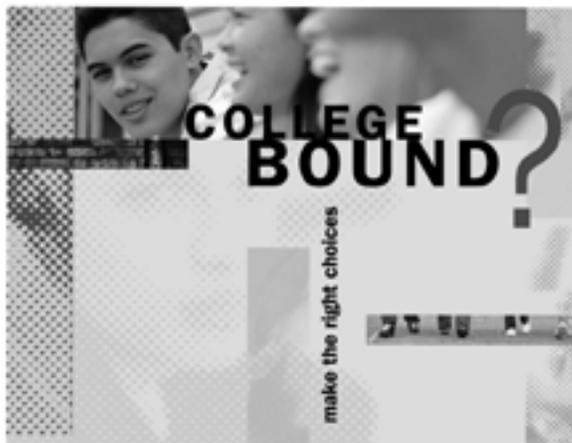
Louisiana as leaders in the school reform movement."

"I've been looking at all the surveys people have been sending in to various groups ... to sort of figure out where we are" in terms of support for shifting education dollars to school choice initiatives, Stam said. "I think there's substantial interest in it."

Last year, Stam pushed legislation for a scholarship tax credit for which donors would receive a dollar-for-dollar deduction when establishing a scholarship for low-income students to attend private schools.

But the short legislative session ended before both houses and Gov. Bev Perdue were able to consider the pro-

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N.C. Charter Enrollment Growth Follows National Trend

By DAN E. WAY
Associate Editor

RALEIGH

The number of students attending public charter schools continues to rise, and Durham Public Schools is ranked 22nd nationally, the only district in North Carolina with 10 percent or more of its students in charter schools.

In a November report, "A Growing Movement: America's Largest Charter School Communities," charter schools are labeled "the fastest-growing sector of America's public education system."

There are more than 2 million students — nearly 5 percent of the national school population — enrolled in charter schools in 41 states and the District of Columbia, said the annual report, issued by the National Alliance for Public Charter Schools.

"Today, a record number of school districts — seven — have at least 30 percent of their public school students enrolled in public charter schools," the report said.

Charter schools in New Orleans enroll 76 percent of public school students. A total of 25 school districts have 20 percent or more of their public school students enrolled in charter schools, 18 more than when the first report was published seven years ago.

More than 100 districts now have at least 10 percent of public school students in charter schools, including Durham Public Schools, which enrolls 3,450 students in its nine charter schools and 32,654 in noncharter schools.

The report "is a reminder of what is happening in North Carolina — that families are demanding high-quality

educational options," Darrell Allison, president of Parents for Educational Freedom in North Carolina, said in a written statement.

There will be 132 charter schools in North Carolina in 2013.

"The fact that these schools can individualize their curriculum to a

student's particular needs while producing results is why the demand for public charters is growing across North Carolina," Allison said. He hopes to see the number grow, particularly in rural areas.

"The growing market share of charter schools in North Carolina is a testament to the popularity and success of these public schools of choice," said Terry Stoops, director of research and education studies at the John Locke Foundation.

Legislators relaxed the charter enrollment restrictions and lifted the 100-school cap on charters in 2011, "so I expect that the market share of charter schools, particularly in urban and suburban counties, will grow exponentially," Stoops said.

In supporting the school choice

movement, Neal McCluskey, associate director of the Cato Institute's Center for Educational Freedom, said polling shows people have an emotional attachment to public schools and believe they are "what keeps us from becoming Balkanized."

But McCluskey cites a body of anecdotal evidence suggesting that the opposite may be true.

One size-fits-all, traditional government school models attempt to instill shared values, culture, and traditions. That creates conflict because students maintain deeply held beliefs, values, racial and cultural practices and behaviors, political preferences, and religious affiliations they may not be willing to compromise, McCluskey said.

"What they think is binding us is tending to rip us apart," McCluskey said of the traditional public school model. "It's dividing us, and it's giving us terrible academic outcomes."

According to the National Alliance for Public Charter Schools report, there are more than 610,000 students nationwide on waiting lists to attend

charter schools. In North Carolina, there are more than 30,000 families on charter school waiting lists.

Indeed, the South is demonstrating rapid expansion of charter school enrollment.

"School districts with high concentrations of students enrolled in charter schools are more likely to be located in the Midwest and Northeast regions of the country," the report stated.

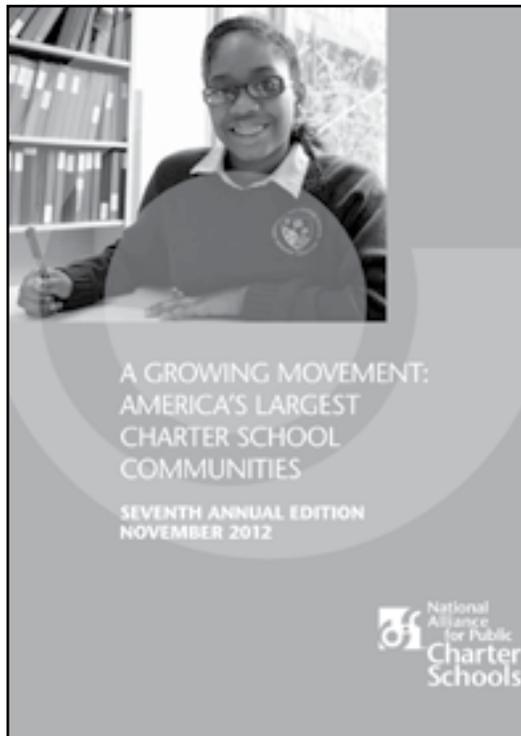
"In contrast, a large portion of districts with high growth in the number of charter school students are located in the South and West regions. School districts with large numbers of students enrolled in charter schools are spread out across the nation," the report said.

Los Angeles Unified School District had the highest charter school enrollment for any school system in the country, with nearly 100,000 students.

That number of students would place LAUSD's charter school enrollment alone in the top 30 of school districts nationwide, according to the report. Charter school enrollment in Los Angeles jumped 24 percent from 2010-11 to 2011-12.

According to the 2012 Phi Delta Kappa/Gallup poll taken in May and June, a significant majority of Americans support charter school options. However, they are divided more noticeably along political party lines for the first time, "with Republicans more supportive (80 percent) than Democrats (54 percent)."

The overall public approval of charter schools was 66 percent. That is down from a record 70 percent in 2011 after a decade of rising support, poll results showed. But the approval rating remains above the 51 and 64 percent approval ratings of 2008 and 2009, respectively. CJ



Locke, Jefferson and the Justices:
Foundations and Failures of the U.S. Government

By George M. Stephens

Preface by Newt Gingrich

"This book is about American politics and law; it is also about the roots of the Contract with America. A logical place to find the intent of the Founders is in Locke, [and] Stephens makes a contribution to highlighting this."

Newt Gingrich
Former Speaker
U.S. House
of Representatives

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Town and County

Durham transit tax

Durham County commissioners voted Nov. 26 to begin in April collecting a half-cent per dollar sales tax on purchases, WRAL.com reports. The tax, approved by voters in 2011, is dedicated to fund transit projects.

Durham postponed collecting the tax until voters in Orange and Wake counties considered similar tax measures. Even though Orange County voters backed that county's half-cent sales tax Nov. 6 by a 59-41 margin, Wake County commissioners have not placed the sales tax measure on the ballot.

Durham went ahead with plans to begin collecting the tax at the same time Orange County's tax will take effect.

Transit planners envisioned the tax underwriting part of the costs of light rail, expanded bus service, and other regional transportation projects. The Republican majority on the Wake County commission remains opposed to fixed rail, making it unclear if the board will place the sales tax before voters.

Panthers stadium upgrade

The Carolina Panthers are developing plans to upgrade 16-year-old Bank of America Stadium in Charlotte, where the National Football League team plays its home games. While the team has not announced the scope and cost of improvements to the privately owned facility, local officials show a willingness to cover part of the costs.

There are 32 teams in the NFL, and with no team playing in Los Angeles, some Charlotte-area civic and political leaders fear the team could move to Southern California unless local and/or state governments pick up some of the remodeling costs.

Charlotte Chamber president Bob Morgan told the Charlotte Business Journal, "That reality scares the hell out of me. It's sobering."

Charlotte City Council has voted to begin negotiations to help pay for upgrades.

State House Speaker Thom Tillis, R-Mecklenburg, indicated to the newspaper that state aid was a possibility.

"Clearly, the economic impact of the Carolina Panthers is very well-documented," Tillis said. "To get to a point where you could attract a Super Bowl and ensure [the future of the franchise], we're open to discussing that." *CJ*

GOP Makes Historic Gains on County Level

By SAM A. HIEB
Contributor

GREENSBORO

For the first time since records have been kept by the North Carolina Association of County Commissioners — and possibly for the first time since the 19th century — Republicans hold a majority of seats on county commissions in the Tar Heel State.

Pending results from two recounts in the western part of the state, Republicans elected 304 commissioners, Democrats 270. Six commissioners are unaffiliated.

Again, pending recounts, Republicans will hold the majority on either 53 or 54 county boards, with Democrats holding 44 or 45. Two boards have no partisan majority.

These results continue a steady but dramatic turnaround of the fates of the GOP in local races over the past few decades. In 2010 there were 295 Democrat commissioners and 277 Republicans; Democrats controlled 50 boards, Republicans 49.

Indeed, Republicans had been gaining gradually since the party hit its low point in 1976, when Republicans held just 46 of 484 county commission seats, and Democrats controlled 89 of the state's 100 county commissions.

County commissions often serve as the initial elected post for candidates who go on to serve in the General Assembly, Congress, or in administrative agencies. A party whose ranks are growing is perceived to have a strong bench of candidates for higher public office.

One of the recounts, scheduled to take place as this issue was going to press, could switch the partisan balance in Buncombe County, currently controlled by Democrats. Republicans Mike Fryar and Christina Merrill — whose campaigns focused on fiscal conservatism — appeared set to win their districts and establish a 4-3 Republican majority.

Unofficial election results put Merrill ahead by 87 votes, but a mandated review by the county Board of Elections put Democrat Ellen Frost ahead by 13 votes.

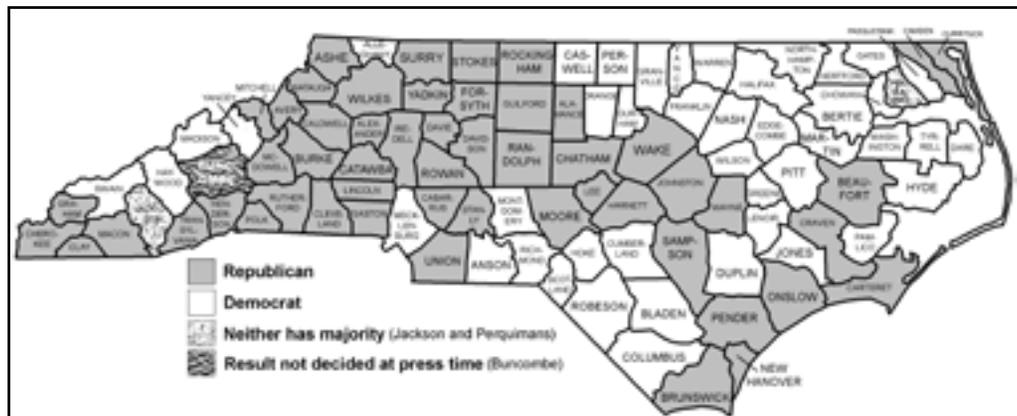
In Guilford County, however, there was no doubt by the time votes were tallied on Nov. 6. Republicans took control of the county commission for the first time in 14 years, albeit by a slim 5-4 majority.

While Republican Hank Henning defeated fellow newcomer Linda Kellerman by a solid majority, the bigger surprise was fellow Republicans Jeff Phillips and Alan Branson unseating Democratic incumbents Paul Gibson and Kirk Perkins, respectively.

While all three Republican candidates ran on a platform of fiscal conservatism, the victories by Phillips and Branson were surprising because their opponents — both longtime commissioners — were considered moderate Democrats, far cries from Chairman Skip Alston, an outspoken liberal.

The outcome was so surprising that the Greensboro *News & Record* — which was critical of the General Assembly's redistricting that many believe helped Republicans at all levels of government — felt compelled to send a message to the new commissioners.

In an editorial headlined "Not so Fast, Guys," the *N&R* wrote that fiscal restraint "won't be a bad thing as long as the commissioners realize their obligation to invest in the county's future, especially education. The new board shouldn't lose sight of the bigger picture in its quest for smaller government."



Republicans now dominate the boards of county commissioners in 53 of North Carolina's 100 counties, with Buncombe still undecided at press time. In two counties, Perquimans and Jackson, neither party has a majority of the county boards. (CJ graphic)

In an interview with *Carolina Journal*, Henning says constituents saw a county saddled with debt and riddled with internal problems.

"One of the things I heard frequently was they would just like us to get down to business. There are a lot of people out there unemployed, on fixed incomes, and we keep talking about raising property taxes, sales taxes, and any other tax you can think of," Henning said. "We have a p.r. problem here in the county, whether it's fair or not. There's a perception that there hasn't been a lot of transparency or accountability."

Indeed, Guilford recently has faced two major public relations nightmares. In June, County Manager David Grantham confirmed to local media outlets that the FBI and the IRS had interviewed him about questionable land deals involving former County Manager Brenda Jones Fox and former Commissioner Steve Arnold, although there was no formal investigation.

In 2010, Fox also came under fire when it was reported the county was creating a new position for Arnold after he declared bankruptcy while still serving on the board.

Along with those controversies, commissioners didn't come off well

when they attempted to rezone the county prison farm after economic developers informed them a manufacturer was interested in the 600-plus-acre property. No concrete plan had been in place to run adequate water and sewer to the property. The company later pulled out, and the project died.

The county's Board of Education has not been immune to p.r. issues, either.

One of the projects in a \$457 million bond that passed in 2008, comprising a major chunk of the county's \$1 billion debt, was a high school near Piedmont Triad International Airport.

The high school, which originally included an attached wing that would serve autistic students, was slated to cost at least \$70 million.

But the school system could not find land for the project — a request to rezone a section in Kernersville was rejected soundly — and now plans for the new school apparently have been abandoned.

With these issues in mind, Henning says county government needs to reassure taxpayers that there is "a process where it looks like we're being deliberative. It always seems like it's rushed."

Henning cited Commissioner Bruce Davis' statement at a recent board meeting — later reported by the *Rhinoceros Times* — that it was "urgent" that the county grant the High Point Arts Council \$200,000 because "if we don't approve it tonight, the new board will never approve it."

"People have grown cynical," Henning said. "It seems like there's always this rush to spend money." *CJ*

Republicans have
been gaining
gradually since
the party's low
point in 1976

Streamside Communities Clash Over Jordan Lake Pollution Rules

By MICHAEL LOWREY
Associate Editor

RALEIGH

Pollution rules for the Jordan Lake watershed remain controversial, with the General Assembly again expected to address the issue in 2013. The N.C. League of Municipalities is asking its members in the basin for their input. Durham officials like the existing rules, though they want implementation delayed, reports the *Durham Herald-Sun*.

"Jordan Lake is a future water supply, as a matter of fact an emergency water supply for the city," said John Cox, stormwater quality manager for the city's public works department, during a presentation to city council.

"That's a consideration for us, in terms of making sure the lake does not get worse in terms of water quality."

Cox would like Durham and other communities on the upper end of the lake to secure a delay on imposing stricter limits on emissions of nitrogen and phosphorus that enter the water supply. The rules for that area are scheduled to take effect in 2014, while it will be 2017 before new regulations go in force for the rest of the lake.

Cox notes that a lot of work must be done to figure out how much credit to give localities for existing programs. Those determinations depend on reviewing research on a similar effort in the Chesapeake Bay area.

Greensboro Mayor Ronnie Perkins is pushing for the General Assembly to revisit the regulations, passed in 2009, which he contends place Guilford and Alamance counties at an economic disadvantage to the Triangle.

Cape Fear Skyway

Wilmington-area officials are reconsidering their options for a future bridge over the Cape Fear River. The move is a response to mounting questions that the preferred option, a toll bridge called the Cape Fear Skyway, never may be built, reports the *Wilmington Star-News*.

"The name Cape Fear Skyway gives the stigma of a \$1 billion bridge, and what we're trying to do is develop the best transportation solution that improves the mobility and safety throughout the region," said Mike Kozlosky, executive director of the Wilmington Metropolitan Planning Organization.

"The end project — if it's a new location facility — may not be a cable-stay bridge, or it might be a lesser proj-

ect than the \$1 billion bridge that everybody has in mind."

Back on the table is the possibility of adding additional capacity to or near the existing Cape Fear Memorial Bridge in downtown Wilmington. This would be cheaper than building the Cape Fear Skyway.

Wilmington officials aren't necessarily sold on that option, fearing that it will dump too much traffic into a small area.

Then there's the question of economic development.

Leland Mayor Brenda Bozeman prefers the existing Cape Fear Memorial Bridge location but acknowledges other possible uses for the land.

"[W]ill this be a tug of war with those who want to use Wilmington's waterfront for other than a bridge access?" she asks. "It's developers'

prized real estate."

Mecklenburg tax revaluation

Mecklenburg County likely will redo its 2011 property revaluation or conduct a new valuation. This comes after a study prompted by public outcry found significant problems with the recently determined property values, reports *The Charlotte Observer*.

A \$254,000 review by Pearson's Appraisal Service of the 2011 revaluation found that the property values calculated often were wrong. The company found that problems were common in neighborhoods that had seen the largest property value growth. Of the 52 subdivisions with the greatest growth, Pearson's found 20 had major problems and 18 had minor problems.

The problems aren't confined to these desirable neighborhoods. The company also looked at 151 randomly selected neighborhoods and found problems with the valuations in 49 of them. In 15 cases, the problems were major.

"This level of error rate indicates there is a flaw in how the thing was conducted," said County Commissioner Bill James. "Having someone come in to do it over from scratch makes a lot of sense. Ultimately, there's a lack of confidence in the process and numbers."

Redoing the 2011 valuation would require legislative approval. Sen.-elect Jeff Tarte, R-Mecklenburg, has stated that the county's legislative delegation would support such a move. Another option would be for the county to conduct another valuation from scratch. *CJ*

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COMMENTARY

A New Day For N.C. Lobbyists

North Carolina, unlike much of the country, handed the GOP increased power at all levels of state government and in its delegation to Congress. Voters handed Republicans a solid majority of congressional seats, created a new supermajority in the N.C. House, solidified the supermajority in the state Senate, and elected the first GOP governor since 1988.

Certainly, the State Employees Association of North Carolina and the N.C. Association of Educators were less than thrilled with the outcome of the election. From a union perspective, both groups will lose membership and power over the next four years. But in local government, two more groups will have to consider seriously what they hope to accomplish.

On the surface, you would think that the North Carolina League of Municipalities and the North Carolina Association of County Commissioners would be delighted. After all, Gov.-elect Pat McCrory served several terms as mayor in the most populous city in North Carolina,

and Speaker of the House Thom Tillis is a former councilman from Cornelius. In fact, dozens of legislators from across the state started in local government, offering more reasons both groups should be hopeful.

In fact, though, both the League and the NCACC have assumed very aggressive postures with clear political objectives, primarily to increase government power — and both organizations are supported with your tax dollars.

Recently, the League drew the ire of many legislators by continuing to support forced annexation and even backed lawsuits against the General Assembly for daring to allow citizens a say in how annexation was done. The battle between the legislature and the cities will not be forgotten, and involuntary annexation may well be history as it is in the rest of the country.

The League probably will consider backing off its desire to keep

extra-territorial jurisdiction laws in place. Such laws allow cities to control planning and zoning in areas outside their corporate limits. This amounts to controlling land uses over areas where the citizens have no right to vote for those doing the controlling.

NCACC tends to take a more relaxed tone with the General Assembly. The League may have a lot more firepower, but the association continues to support issues that

won't be high priorities for legislators this session.

Counties, like cities, tend to clamor for more options to raise taxes. Simply put, counties believe that any measure any county has been able to use — a hotel tax, sales tax, land transfer fee, or even a tourism tax — should be allowed as an option for all counties. Rather than needing the General Assembly's

approval to let a county ask voters for a new tax or fee, counties want access to everything cafeteria-style. The result of that would be a plethora of new fees and wasteful spending, leaving the public unaware

of how much local government actually costs.

Counties also are aware that privatization of alcohol sales might come up, and they want to protect local control of ABC revenue. Counties and cities even want to become Internet service providers and compete with the private sector.

These are only some of the legislative goals of the League and the NCACC. Many of their goals express legitimate concerns, such as preventing collective bargaining or stopping costly mandates from Raleigh. Both groups have their challenges, and they are more likely to succeed if they realize it's a new day in Raleigh. *CJ*

Chad Adams is the host of "Mornings with Chad Adams" on the Big Talker FM, a former vice president of the John Locke Foundation, and a former Lee County commissioner.



CHAD
ADAMS

North Carolina voters sent a strong message of opposition to larger government

Appeals Court Rejects Damage Award in Campaign Ad Dispute

BY MITCH KOKAI
Associate Editor

RALEIGH
State Rep.-elect Joe Sam Queen, D-Haywood, cannot collect damages worth three times the amount of money his 2010 state Senate opponent spent on television ads in their campaign. That's the unanimous decision of a three-judge panel of the N.C. Court of Appeals.

Appellate judges ruled that neither Queen nor Sen. Ralph Hise, R-Mitchell, "fully complied" with the state's 1999 Stand By Your Ad law. Because Queen could not show that he complied with the law while Hise violated it, Queen is entitled to no money in the case.

"As both plaintiff and defendants failed to provide proper disclosures of the joint sponsorship of television advertisements by both the candidate committee and the political party, plaintiff's claim is barred by the statutory *tu quoque* defense," according to Judge Donna Stroud's opinion. The *tu quoque* or "you too" defense essentially says that the plaintiff in the case engaged in the same conduct as the defendant.

Queen was the incumbent and Hise the challenger in the 2010 campaign for the N.C. Senate District 47 seat. Hise beat Queen with 56 percent of the 57,055 votes cast in the western North Carolina race.

Queen's election committee filed suit in January 2011 against Hise's committee and against the N.C. Republican Executive Committee. The suit contended that Hise and the GOP violated state law by failing to disclose properly that the Republican group had paid for TV ads identified as being sponsored by Hise's campaign committee.

A Haywood County trial court ruled in the Republicans' favor in December 2011. The three-judge appellate panel heard Queen's appeal Oct. 10.

Stroud's opinion noted some of the difficulties she and fellow appellate Judges Cheri Beasley and Rick Elmore faced in deciding the case. No prior case has interpreted the relevant Stand By Your Ad law provisions, "and given the ambiguity inherent in the statute," Stroud wrote, "it is not surprising that plaintiff and defendants would come to slightly different understandings of the requirements of the statute."

The appellate judges "do not mean to imply that either plaintiff or

defendants intentionally violated" the law.

At issue is the 1999 state law designed to help voters know who's responsible for the content of campaign messages they see, read, and hear in the media. Dubbed "Stand By Your Ad," the law allows a candidate for office to recover damages of up to three times the amount of money spent on "improper" advertising that does not identify the ad's sponsor correctly.

"The enforcement mechanism chosen by our legislature is unique in the world of election law," Stroud notes in her opinion. "[I]t appears North Carolina has the only statute that provides candidates with a private cause of action against their opponents for advertising disclosure violations, rather than enforcement through government-enforced criminal or civil penalties."

A candidate can collect money from his opponent only if the plaintiff in a lawsuit can prove that he violated none of the law's disclosure requirements and that the defendant did commit violations.

The 2010 race between Queen and Hise featured "several hundred thousand dollars" of television ads. The Democratic and Republican parties paid to produce the ads for their respective candidates. In both cases, the parties paid the bulk of the bill for the TV ad campaigns. Democratic Party contributions covered 91 percent of Queen's advertising, while Republican Party contributions paid for 84 percent of Hise's advertising, according to the court opinion.

"Substantively, the only difference in the actions of the plaintiff and the defendants is that the Democratic Party ran the contributed funds briefly through the candidate's campaign account before they were used for a media buy, while the Republican Party sent the funds directly to the media company to be held 'in escrow' for the candidate to be disbursed for a media buy only at the candidate's discretion," Stroud wrote.

Judges noted that funds Democrats transferred to Queen's campaign account normally remained with

Queen "no longer than several hours — once only 11 minutes" before heading to the company responsible for buying media air time.

Both Queen and Hise listed themselves or their campaign committees as the ad "sponsor" in the required on-air disclosure statements. Neither candidate listed his political party as an ad sponsor.

Stroud labels as "ambiguous" the provision in the law regarding proper identification of the ad's sponsor. It's not clear whether the

General Assembly meant to include the entity that paid to produce the ad, the entity that bought the media air time, or both, Stroud wrote.

The appellate judges sided with the last option. "Air time without a message is white noise; the message is the only portion of an 'advertisement' with any substantive content," Stroud wrote. "Failure to identify the entity which paid for the message's production would be contrary to the primary

purpose of the 'Stand by Your Ad' law."

"We hold that payment of production costs for the 'message,' here the videos, constitutes part of the sponsorship of an 'advertisement,'" under the law, the judge added. "Thus, for the 'sponsors' to be properly identified, all of the purchasers of both parts of the advertisement [production and air time] must be identified in the disclaimer."

Since Queen did not identify the Democratic Party as a sponsor or co-sponsor of his ad, he did not qualify to seek damages in the case. The appellate judges did not address whether Hise and the Republicans followed the law in the method they used to pay for the media air time.

Since the appellate panel's ruling was unanimous, the N.C. Supreme Court is not required to take the case. The state's highest court could choose to take the case if Queen appeals.

While Hise's 2010 victory knocked Queen out of the state Senate, both men will serve in the new General Assembly that convenes in Raleigh in January. Hise won re-election to Senate District 47, while Queen won an open race for House District 119. *CJ*



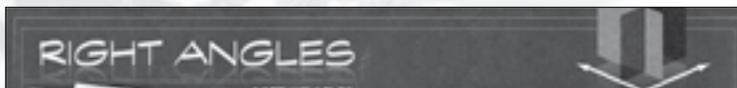
Court rules that since both candidates failed to provide proper disclosures, the plaintiff's claim was rejected

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The Locker Room is the blog on the main JLF Web site. All JLF employees and many friends of the foundation post on this site every day: <http://www.johnlocke.org/lockerroom/>



Right Angles is the JLF's blog in the Triangle. Several JLF staffers blog on this site to keep folks in Durham, Raleigh, and Chapel Hill up to date on the latest info: <http://triangle.johnlocke.org/blog/>



The Meck Deck is the JLF's blog in Charlotte. Michael Lowrey blogs on this site and has made it a must-read for anyone interested in issues in the Queen City: <http://charlotte.johnlocke.org/blog/>



Squall Lines is the JLF's blog in Wilmington. Chad Adams and a few coastal friends keep folks on the coast updated on issues facing that region of the state: <http://wilmington.johnlocke.org/blog/>



Piedmont Publius is the JLF's blog in the Triad. Greensboro blogger and writer Sam A. Hieb mans the controls to keeps citizens updated on issues in the Triad: <http://triad.johnlocke.org/blog/>



The Wild West is the JLF's blog in Western North Carolina. Asheville's Leslee Kulba blogs in this site, designed to keep track of issues in the mountains of N.C.: <http://western.johnlocke.org/blog/>

Voters Embrace Bond Referendums, Taxes Not So Much

BY BARRY SMITH
Associate Editor

RALEIGH

Nov. 6 turned out to be a good day — mostly — for supporters of local bond referendums throughout North Carolina. Supporters of local sales tax increases across the state met with less success.

Voters in Wilmington decided not to put themselves on the hook to build a \$37 million riverfront minor league baseball stadium, one that would have been used by the Atlanta Braves Class A team. That bond referendum, which would have increased city property tax rates by 2.5 cents per \$100, went down to defeat by a 70 percent to 30 percent vote.

Other bond issues fared much better. Voters in Alamance and Wake counties approved giving their county commissioners borrowing power to pay for additions to local community colleges.

Wake County voters approved \$200 million in bonds for Wake Technical Community College, with the money to be used for three new instruction buildings on the Northern Wake Campus. Some of the money also is earmarked for expanding the Public Safety Education Campus, providing renovations and repairs to the main campus, and starting construction of a new RTP Campus in Morrisville.

In Alamance County, voters approved a \$15 million bond referendum for Alamance Community College for an applied technology center. And yet they soundly rejected a quarter-cent sales tax increase, part of which would pay for the new college structure. Commissioners had adopted a resolution saying that the community college bonds would not be issued unless a source other than property tax increases could be found to pay off the bonds.

Sales tax increases passed in Edgecombe, Greene, and Orange counties.

In Orange County, the half-cent per dollar increase is earmarked for public transit. It passed by a 59 percent to 41 percent margin.

In Edgecombe County, voters approved a quarter-cent per dollar increase by a slim 51 percent to 49 percent vote. Local officials plan to use the money for a technology center at the Rocky Mount campus of Edgecombe Community College and a work force training and development center on the campus in Tarboro.

In Greene County, the quarter-cent tax increase passed by a 57 percent to 43 percent margin. The sales tax was touted as a fairer revenue-raising alter-

native to a property tax increase.

In addition to Alamance County, the following counties turned down sales tax increase referendums:

- Harnett County, where 65 percent said no; 35 percent said yes.
- Lenoir County, where 62 percent said no.



- Pasquotank County, where 64 percent said no.

- Scotland County, where 64 percent said no.

- Swain County, where 74 percent said no.

Other bond issues generally fared well in November:

- The town of Cary overwhelmingly approved three bond measures, totaling \$80 million. Those bonds will provide money to build and equip fire station facilities, build a new park while expanding others, and provide nearly \$58 million in transportation funds.

- The Mecklenburg County town of Huntersville approved by nearly 2-1 votes three bond referendums totaling \$30 million. One provides money for street construction and improvements, one for public facilities improvements, and one for recreation and parks facilities.

- Voters in the Union County town of Indian Trail approved \$8.5 million in bonds to construct two parks.

- Knightdale voters, by a 79 percent to 21 percent vote, approved a \$3 million parks and recreation bond referendum.

- Morrisville voters overwhelmingly approved two bond referendums. One was for parks and recreation bonds, and the other was for street improvement bonds.

In other ballot measures:

- Voters in Asheville turned down a proposal providing for the sale or lease of its water system to the Metropolitan Sewerage District.

- Clay County voters, by a 62 percent to 38 percent vote, approved a referendum increasing the number of members of its board of commissioners from three to five.

- Greene County residents, by a 3-1 margin, approved a referendum changing the residency requirement for county commissioners.

- Wrightsville Beach residents approved, by a 65 percent to 35 percent vote, a referendum banning smoking on town property along the beach.

- Swain County citizens, by a 60 percent to 40 percent vote, approved a new method of electing their commissioners.

CJ

An Investment Plan For N.C.'s Economic Recovery

The ongoing debate in Washington and the upcoming national campaigns for president and Congress will offer plenty of opportunities for pro-growth politicians to craft, explain, and sell reforms of the federal budget, federal taxation, federal regulation, and federal agencies and programs.

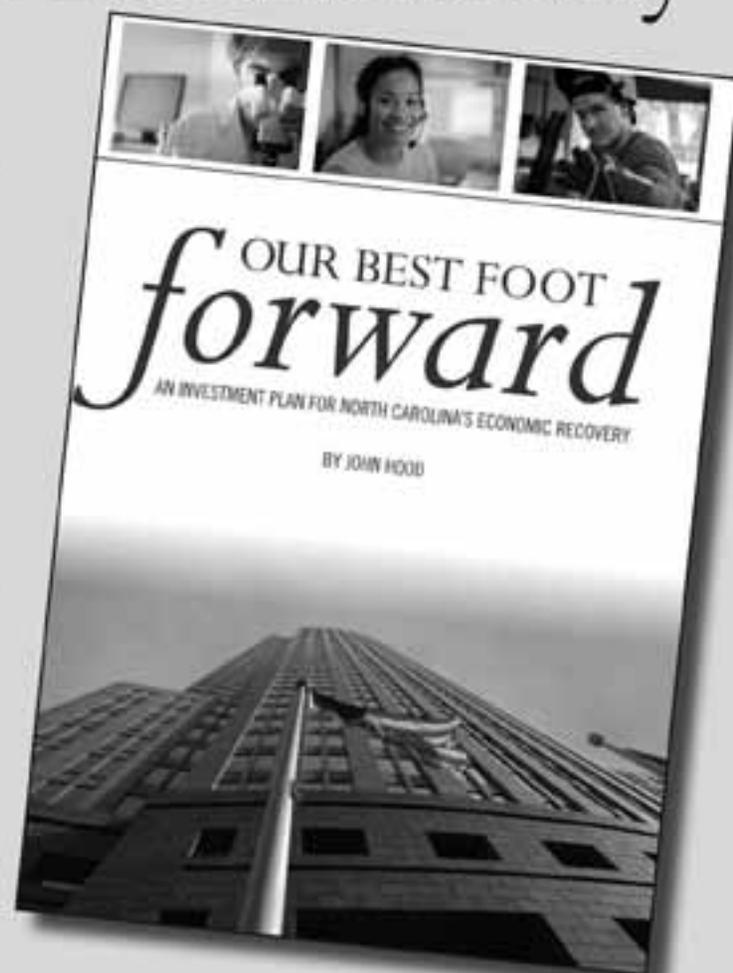


John Hood

In the new book *Our Best Foot Forward: An Investment Plan for North Carolina's Economic Recovery*, John Locke Foundation President John Hood tells North Carolina's policymakers and citizens that economic policy is not the exclusive domain of presidents, federal lawmakers, or the Federal Reserve.

States and localities can play critical roles in economic policy — for good or for ill.

We invite you to read and share this plan for our state's recovery with your family, friends, and co-workers. Go to <http://johnlocke.org> for more information.



Halifax Group Home Staff Helped Mentally Disabled Patient Vote

Continued from Page 1

Letter to home operator

Pearson sent an email Nov. 6 to Easter Seals President & CEO Connie Cochran expressing his frustration with the voting incident. It contained the following:

I know who my daughter voted for and I also know that when I asked who else she replied that she did not know. She did not even know what the president was president of! Also of interest to me is the fact that she CANNOT read other than 'a dog, cat and such simple words' and does not even know her COMPLETE address or has not a clue what the phone number of the home is.

HOW, if you can justifiably convince me that this is the action (or whatever) of a competent person then you sirs have [my] Full apology. To put it in short, blunt form so you can understand it is this. My daughter can be talked into, convinced to do anything at any time if conditions are right! However, it is my contention that if you wrote Barack Obama's name and Mitt Romney's name on a piece of paper today, right now, she could NOT tell you which was which. ...

When I placed my daughter in your home it was not to exploit her in any way concerning politics or any other related activity. It is your duty and your job to provide a safe and enjoyable atmosphere for her.

Cochran told *CJ* that his organization operates 35 licensed homes in North Carolina. "For voting policy," he said, "we operate under the North Carolina Voter's Bill of Rights," a compilation of state laws addressing voting-rights issues.

When asked of the precautions that are taken to prevent staff from influencing how residents vote, Cochran said, "We don't influence the votes in supporting one candidate or another."

Pearson believes group home staff should stay out of the election process. "Prior to an election, the homes could send reminder notices to the legal guardian or family contact," Pearson said. "If the guardian or family contact believes it is appropriate for the resident to vote, [he] can pick up the resident and take him to vote at an early voting site," he said. "This process would reduce the potential influence from the group home staff."

Cochran disapproves of Pearson's suggestion. "We don't support the guardian, but we support the individual," he said.

Rights in North Carolina

In 1995 Cecil and Judy Pearson asked a court to rule that Darlene was incompetent and establish them as



Halifax County elections board chairwoman Marilyn Harris told *Carolina Journal* that she understood that Darlene Pearson asked for assistance in voting at an early-voting location in Halifax County. (CJ photo by Don Carrington)

Darlene's legal guardians. After Cecil Pearson learned of the voting incident, he consulted with the Halifax County Clerk of Court about his daughter's right to vote.

The clerk told him that in North Carolina, a ruling of incompetence does not take away a person's right to vote, get married, or enter into contracts, unless those rights are specifically spelled out and included in the competency proceedings, Pearson said. The clerk added that he could seek to have the order amended to state that Darlene has lost those specific rights, but that each exclusion requires a separate amendment and a separate fee.

Pearson contacted the State Board of Elections for a second opinion. "The North Carolina Constitution has no restrictions on the rights of incompetents, mentally retarded, or mentally impaired to register and vote. North Carolina is one of a handful of states that does not constitutionally restrict the incompetent from voting. [General Statute] 122C-58 allows an order of incompetency to exclude the right of the incompetent to register and vote if it is included in the order. There are some constitutional concerns over this statute," wrote the election board's general counsel, Don Wright.

Legislative attention

"There is a possibility that this issue of voting rights of the mentally impaired may be getting some legislative attention next year. You may want to discuss this matter with your legislators," Wright added.

But the exact language of that statute may allow for another interpretation. It states:

"Except as otherwise provided in this chapter, each adult client of a facility keeps the same right as any other citizen of North Carolina to exercise all civil rights, including the right to dispose of property, register and vote, bring civil actions, and marry and get a divorce, unless the exercise of a civil right has been precluded by an unrevoked adjudication of incompetency."

The non-profit advocacy organization Disability Rights North Carolina interprets the law to mean a person gets to vote unless the right specifically has been disallowed. Cecil Pearson never believed his daughter had the right to vote. He also pointed out that, based on Disability Rights' interpretation, she could marry and sign contracts.

The confusion over voting issues in state-run facilities for the developmentally disabled and mentality ill was evident in September and October, as facility administrators were trying to determine which patients wanted to vote.

A Sept. 14 memo to select staff from Betty Travis, director of programming at the Murdoch Center in Butner, addressed incompetent voters housed at the facility for the developmentally disabled. "Effective immediately we need to change our procedures for assessing our individuals regarding voting. NO ASSESSMENTS! I would like you all to meet on Monday and determine the process for deciding who re-

ally wants to vote. Folks should be able to let you know that they want to vote. We also need to get clarification on the process. ... Let's look at absentee voting this year. Thanks," the memo stated.

'More complex than thought'

"It looks like our voter issues are more complex than we thought," responded Doug Irvin, one of the recipients of the Travis email.

J. Luckey Welsh, director of the Division of State Operated Healthcare Facilities, approved an updated policy directive Oct. 1 for Murdoch and the other facilities under his supervision. "In accordance with the National Voter Registration Act of 1973, patients/residents receiving services of the facilities operated by the Division of State Operated Healthcare Facilities are to be provided the opportunity to register to vote or change voter registration information during their admission to the facility," stated the directive.

The directive says the policy applies to all patients who are U.S. citizens and are 18 or older prior to an election. It includes patients who have been adjudicated incompetent unless there is a specific court order stating that an individual's voting rights have been revoked. Facilities are not required "to actively offer voter registration to patients or residents who are able to safely participate in the process until such time as the patient or resident is able to safely complete the process."

Rep. Marilyn Avila, R-Wake, told *CJ* that she is concerned about several voting issues, including the rights and procedures for voting among persons who have been declared mentally incompetent. "I expect the General Assembly will look into that issue next year," she said. *CJ*

Confusion about who could vote was evident in state-run facilities prior to election

GOP Engineers Sweep of Executive Mansion and General Assembly

Continued from Page 1

Rouzer demanded a recount.

The gains for the Republicans mean that they will enjoy a 9-4 advantage in the state's congressional delegation. Currently, Democrats hold a 7-6 advantage.

Republicans also padded their majorities in the General Assembly. When lawmakers convene in Raleigh in January, Republicans will have a 33-17 advantage in the Senate (currently it's 31-19) and a 77-43 majority in the House (currently it's 68-52).

Effect of redistricting

The effect of redistricting on representation in Congress and the legislature was dramatic. Republicans won just over 49 percent of the congressional vote and slightly more than half the vote in legislative races, and yet took 69 percent of the state's congressional seats, 66 percent of the state Senate, and 64 percent of the state House.

The Executive Mansion will be inhabited by a Republican for the first time in 20 years as McCrory handily defeated Dalton. Dalton started the race at a disadvantage after current Democratic Gov. Bev Perdue announced in January that she would not seek re-election. Dalton also had to survive a tough Democratic primary, defeating former U.S. Rep. Bob Etheridge of Harnett County and state Rep. Bill Faison of Orange County before facing McCrory.

McCrory had a whopping money advantage, spending \$7.7 million on the race compared to Dalton's \$1.9 million, according to third-quarter spending reports.

"Pat McCrory got more votes than Mitt Romney," the GOP candidate



Having control of redistricting for the first time in a century paid off for Republicans, who won 49 percent of the vote statewide but took 69 percent of the state's congressional seats. (CJ photo by Don Carrington)

for president, said Jonathan Kappler, research director for the N.C. FreeEnterprise Foundation.

General Assembly

Republicans picked up two seats in the state Senate, expanding their lead to 33-17. In District 1, a recount found incumbent Democrat Stan White trailing Republican challenger Bill Cook by 21 votes out of more than 85,000 cast. Republican Chad Barefoot of Wake County picked up the District 18 seat held by Democrat Doug Berger.

In the state House, the GOP netted nine seats, giving Republicans a

77-43 advantage. Incumbent Republican G.L. Pridgen lost his bid for re-election to Ken Waddell in District 46, but incumbent Democrats Marian McLawhorn (District 9), Martha Alexander (District 88), and Ray Rapp (District 118) were defeated.

In legislative races, Republicans found themselves in unfamiliar territory when it comes to campaign financing. According to a N.C. FreeEnterprise Foundation analysis, Republicans outspent Democrats 3.5-1 in the Senate and about 2-1 in the House.

The foundation also found a few other nuggets during its postelection briefing:

- The new Senate will have 14 freshman members, five Democrats and nine Republicans.
- Thirty of the 50 senators next year will be serving in either their first or second terms.
- Half of the members of the Democratic Senate caucus — nine of 18 — will be African-American.
- There will be 43 freshman members of the House next year — 12 Democrats and 31 Republicans.
- Sixty-nine of the 120 representatives will be serving in either their first or second terms.
- Twenty-two of the 43 House Democratic caucus members will be African-American.

Judicial races

Conservatives will maintain a 4-3

majority on the state Supreme Court, as incumbent Justice Paul Newby turned back a challenge from state Appeals Court Judge Jimmy Ervin, 52-48. The Supreme Court almost certainly will rule on the redistricting plan put into effect by the 2011-12 session of the General Assembly.

Republicans outspent Democrats in House and Senate races

Incumbent Appeals Court Judge Cressie Thigpen lost to Chris Dillon, 53-47. The other incumbent appellate judges up for re-election, Linda McGee and Wanda Bryant, retained their seats.

Wake school board moves

Three Republicans on the Wake County school board sought higher office. Only one succeeded. Debra Goldman lost to Beth Wood in the state auditor's race, and John Tedesco fell to June Atkinson in the contest for superintendent of public instruction. Goldman and Tedesco will return to the school board, as their terms expire in 2013.

The lone victor, Chris Malone, defeated former Wake school board member Lori Millberg for House District 35. The Democratic majority on the school board will pick Malone's successor. CJ

CJ Managing Editor Rick Henderson provided additional reporting for this story.

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Douthat Makes Both a Material and Moral Case For Capitalism

By CJ STAFF

RALEIGH

The Great Recession offered new ammunition to those attacking the American system of free enterprise, while defenders of that system have spent recent years refining their arguments. One of those defenders is Ross Douthat, conservative author, blogger, and *New York Times* columnist. Douthat shared his insights about democratic capitalism during a visit this fall to Chapel Hill. He discussed similar themes during an interview with Mitch Kokai for Carolina Journal Radio. (Head to <http://www.carolinajournal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

Kokai: Why is it so important to make the moral argument in favor of capitalism?

Douthat: I think it needs to be made because, I mean, for two reasons. ... It happens to be true. I mean, there is clearly a case for the moral superiority of what I like to call democratic capitalism. I think that's the best term to use for the American system. Its superiority lies not just in the amount of wealth that the system piles up, but also in the kind of lives it enables its citizens to lead.

And at the same time, it also needs to be made because ... a successful capitalist system, ultimately, also depends on forces outside itself. Capitalism is not purely self-sustaining. A purely capitalist culture can't sustain itself indefinitely. You need deeper sources. You need sources of community, family, and so on.

The point that I'm going to try and emphasize is this kind of virtuous cycle, this kind of symbiosis between sort of the material and the moral — the practical case for capitalism and the moral case for capitalism — because I think it's very important to make the moral case, but it's also important, especially at a time when the economy isn't performing that well, I think in certain ways the material case for capitalism shouldn't be slighted.

So, in a sort of odd way, I'm going to try and talk about both — both the case that capitalism delivers moral opportunities for people that other systems don't but also, I think, an emphasis on the link between the material and the moral that can sometimes get lost these days.

Kokai: Let's delve further into some of these issues. First, the material case for capitalism. Now, this is the case that's been made ad nauseam.

Douthat: It's the case that has been made ad nauseam, but I think that it's right. And in certain ways, it's the easiest case to make. If you look at the record over the last 500 years of Western civilization, if you draw compari-

"I think what we saw in certain ways in the 2010 midterm is what we saw in certain ways with sort of the best side of the Tea Party: a kind of reassertion of that case for capitalism. In the face of sort of the more, you could say, statist push that the Democratic administration and the Democratic Congress embarked on."

Ross Douthat
Columnist
The New York Times



sons between capitalist regimes and collectivist regimes in the 20th century, if you even look at comparisons between, you know, a free market society like the United States and a somewhat less free market but still market-based societies in Europe, in each case, it's clear that over a long time horizon, the market system delivers higher rates of return — higher rates of wealth, growth, and so on.

But, it's also the case that capitalism as a system produces moments like the one we've been living through right now. Periods of recession, periods of stagnation, and so on. And there is, actually, I think, real value in reminding people of that bigger picture right now.

Because I think there are a lot of Americans, right, who actually listen to the moral case for capitalism and say, "Well, of course I believe in that. But why don't I have a job? Why aren't my wages going up?" And so, again, you can't separate the two. You can't say to a man who doesn't have a job or who isn't as upwardly mobile as he expected to be and so on, you can't just say, "Well, this system is morally superior, even if it isn't delivering the goods." You have to say, "No, over the long term it will deliver the goods, and there's a link between that material case and the moral case, as well."

Kokai: 2008 seemed to represent a modern low point for capitalism in the United States.

Douthat: Right. Well, it was an election held amid a massive financial panic. And if you look back at the history of American capitalism, you know, this was a panic — probably the most severe panic since the Great Depression, but if you go back into the 19th century, you had periodic panics like this, you know, every 10, 20, 30 years, and so on. And those are the kind of

moments when, inevitably, the system as a whole is up for a challenge, right?

You saw this tragically in Western Europe, in the period between World War I, the hyperinflation of the 1920s, and then the Great Depression. Those are the moments when both fascist and communist alternatives to capitalism seemed most powerful. And the answer to those alternatives is, again, on the one hand, sustained moral and philosophical argument, but also, you ultimately — and this is, I think, an important lesson for political defenders of the free market — you also have to deliver the goods.

Clearly, a big difference between Ronald Reagan in the 1980s and Barack Obama in the last four years is that Reagan's policies were more successful at delivering the goods, in a sense. And so, again, you don't want to sort of go too easy on that sort of more basic case, because we are living in a moment of great sort of material uncertainty for a great many people.

Kokai: Are people now more attuned to the arguments in favor of capitalism? Is there an argument to be made that hasn't yet been made?

Douthat: I think what we saw in certain ways in the 2010 midterm is what we saw in certain ways with sort of the best side of the Tea Party: a kind of reassertion of that case for capitalism. In the face of sort of the more, you could say, statist push that the Democratic administration and the Democratic Congress embarked on. I think you saw a very healthy, in certain ways, response on the right — a sort of return to first principles — [which] said, "OK, well, what is this system about? Why are we defending it?"

So I think, in certain ways, that moral groundwork, it has been pretty well laid by figures like Arthur Brooks at the American Enterprise Institute —

a number of other writers and thinkers who've done a good job. I think the challenge is, again, to sort of take that moral case and link it into a vision of broadly shared prosperity, to sort of close the circle between the moral and the material. So I think, compared to 2008, the case for free markets is in a vastly better philosophical position than it was when Lehman Brothers was going belly up and so on, but the sale has not been closed.

Kokai: Many of the listeners of this program agree, without question, that free markets and capitalism are great. But I suspect many of your readers, especially when you're wearing your *New York Times* columnist hat, are a bit more skeptical about that idea. So what types of arguments do you have to make to convince these folks?

Douthat: ... It's not really a debate about — I mean, we have a consensus in this country, on the left and the right alike, that, in some form, free markets are the best way. There aren't any real communists in American life. And so the question is how much free enterprise do we want? How big a welfare state do we want?

And so a lot of the arguments I end up having just are very practical arguments about the outcomes of the slightly larger welfare states in Western Europe versus the outcomes we have in the United States today, you know, sort of growth trajectories over the last 30 years. And this is probably part of why I'm so concerned with the practical dimension. Because I think in my engagement with readers and so on, I'll have a lot of readers say, "Well, sure, you know, I buy in to Adam Smith. I buy that. But I also think that, you know, we can sort of have our cake and eat it, too. We can have the benefits of competition, but we can also have more effective government investment in the economy."

Fayetteville State To Teach Teachers of Entrepreneurs

By JANE S. SHAW
Contributor

RALEIGH

Entrepreneurs make things happen by filling a niche in the marketplace. Edward Stringham wants to fill a niche by creating more entrepreneurs.

Stringham, a professor at Fayetteville State University, noticed an absence of professors trained in the principles of entrepreneurship. There appears to be just one other program in the University of North Carolina system with a terminal degree in entrepreneurship, and

it is a narrow one. UNC-Chapel Hill offers a Ph.D. in business administration with a concentration in strategy and entrepreneurship. It seems to emphasize management strategy courses

rather than provide a broad consideration of the environment that spawns entrepreneurs.

While college entrepreneurship programs are proliferating rapidly, there isn't a big pipeline of professors to teach them. To train Ph.D. students to teach such courses, Stringham is proposing a doctoral program at Fayetteville State. Stringham is a professor in the university's business school, which would house the program.

To get the ball rolling, Stringham held a two-day seminar this month at Fayetteville State on how to create an "ideal" Ph.D. program in entrepreneurship. Seventeen people from around the country, many with long careers in academia and business, attended. Among the participants were Dwight Lee, economist at Southern Methodist University known for his essays defending markets; Theodore Malloch of Yale University, co-author of *Renewing American Culture: The Pursuit of Happiness* (the basis of a PBS documentary); and Arthur Langer, academic director of an executive master's program at Columbia University; to mention a few.

They grappled with such questions as whether the entrepreneurial mind-set can be taught at all (or is it something you are born with?) and the extent to which a Ph.D. program in entrepreneurship should include larger issues, such as the morality of capitalism and the kind of environment that fosters entrepreneurship.

The discussions kicked off with a series of readings ranging from popular media articles to in-depth academic

research. For example, one reading was a response by John Mackey, CEO of Whole Foods, to economist Milton Friedman's claim that the social responsibility of business is to make a profit. Mackey says that his company serves employees and the community, not just shareholders; on the other hand, he doesn't differ clearly from Friedman because those efforts have contributed heartily to Whole Foods' profits.

Two of the readings discussed the market for professors of entrepreneurship. In 2003, a task force of the Academy of Management cited "growing demand for faculty in entrepreneurship," and a 2012 survey by Gonzaga University professor Todd Finkle found that demand for them remains

high. He reported that the number of positions advertised for entrepreneurship faculty around the world in the academic year 2010-11 was 283, while there were only 213 candidates — that is, fewer applicants than jobs. In contrast, history departments often have more than 80 job applicants for each available position.

Based on these documents, one participant urged Stringham to move forward with the program, saying, "If you don't do it, someone else will." Using business-savvy lingo, another said, "If you're not growing, you're going."

The odds of establishing a successful program in the UNC system are uncertain. On the one hand, administrators worry that a new doctoral program in entrepreneurship would overlap too much with existing business programs, or that it wouldn't attract enough students.

On the other, the dean of the Fayetteville State business school, Assad Tavakoli, believes substantial sources of income, ranging from gifts to foreign-student tuition, could be tapped to support this program. Successful entrepreneurs often have given money to entrepreneurship programs, and this one would emphasize the environment in which dynamic competition can operate.

Whatever its chances of success, the process of developing a Ph.D. program at Fayetteville State has begun. *CJ*

Jane S. Shaw is president of the John W. Pope Center for Higher Education Policy.



COMMENTARY

Signs of Hope But Not Much Change

The winds of change may be blowing at University of North Carolina campuses soon. Some members of the Board of Governors are asserting themselves — and important issues and alternate opinions that have long been ignored are coming to light.

In recent years, the board almost exclusively followed the lead of the UNC system's administration. As the governors appoint the system's president, it is only natural that the board and administration would favor similar policies. With the system's faculty generally on board, there has been little major dissent for many years.

But that has changed. Voting members of the BOG are chosen by the legislature, and the 2010 election brought about a new Republican majority on the board. They have begun expressing opinions contrary to the system's longstanding consensus.

Board member Fred Eshelman is leading the charge. Eshelman, founder of medical research firm PPD and a large donor to UNC schools, is the chairman of a committee convened by the BOG to revise the long-range blueprint for the university system, the UNC Strategic Directions Working Group. (It also convened the UNC Advisory Committee on Strategic Directions, which includes people from outside the system.)

At an Oct. 24 meeting of the advisory committee, Eshelman raised an alarming statistic from the best-selling book *Academically Adrift*. The authors stated that, using the Collegiate Learning Assessment test, "we observe no statistically significant gains [after two years] in critical thinking, complex reasoning, and writing skills for at least 45 percent of the students in our study."

While the *Academically Adrift* study surveyed the nation, it is fair to assume that a similar lack of progress occurs at UNC schools.

Another example of the changing relationship between the BOG and the general administration revolves around UNC President Tom Ross's highest priority for the new strategic plan: setting an actual numerical goal for increasing graduates from UNC

schools. Several speakers at board and committee meetings have promoted the need to increase the number of graduates dramatically to meet the needs of the future economy.

Eshelman, however, made the case that projections of future demand for graduates should be viewed "with a jaundiced eye." He emphasized that trying to be "clairvoyant" about future employment markets and establishing "overreaching" goals is likely to be counterproductive.

He also indicated that North Carolina already may have considerable "underemployment" among its college graduates, as roughly 26 percent of the state's work force has bachelor's degrees or above, while only 19 percent of the jobs require such degrees.

Raleigh businessman and advisory committee member Art Pope, a board member of the

John Locke Foundation, added that planning for specific quotas of graduates is the kind of "central planning" proven to fail everywhere it's been tried.

Of course, this new openness might not translate into improved policies immediately. Some important things remain "business as usual." Despite the strong case made for having no quota, or at least a low quota that bears some connection to the actual labor market, it was made clear at the Nov. 7 BOG meeting that the board likely would adopt an aggressive goal of ensuring that 31 percent to 32 percent of state residents have four-year degrees. The logical "disconnect" between the argument against such a quota and the board's intentions was jarring; that it went unnoticed by board members must have been deliberate.

Still, after four decades of one-sided governance, BOG members are showing a welcome tendency to reassess old assumptions, fix current problems, and avoid future errors, rather than blindly pushing for growth. They should be applauded. *CJ*



JAY
SCHALIN

Jay Schalin is director of state policy analysis for the John W. Pope Center for Higher Education Policy.

Campus Briefs

The Christmas spirit is alive on North Carolina campuses.

At UNC-Chapel Hill, PlayMakers performed "It's a Wonderful Life" at the Center for Dramatic Arts. Faculty and staff participated in the yearly Jingle Bell Jog to provide canned goods for needy families. And the Jazz Repertory Orchestra performed "Jazz for the Holidays."

At N.C. State University, university extension offices think about Christmas year-round. Providing research on the growing, shaping, and selling of Christmas trees is an important part of N.C. State's agricultural outreach across the state. One extension office even offered "A Crafty Christmas" workshop — where participants learned how to decorate the trees and create other home decorations. Biologists at East Carolina University, meanwhile, are trying to create the "perfect" Christmas tree.

"The Nutcracker" was performed at UNC-Chapel Hill, UNC School of the Arts, and Western Carolina.

UNC-Wilmington hosted two Christmas concerts: a performance of Victorian Christmas carols and a Tuba Christmas concert.

UNC-Charlotte screened "A Very Harold and Kumar Christmas" at the Student Union. And the University Chorale and Chamber Orchestra performed J.S. Bach's "Magnificat" — the lyrics of which are taken from the Gospel of Luke.

Fayetteville State University hosts a website providing links to "Christmas-themed lesson plans and activities designed to keep students focused, entertained, and yes, learning!"

UNC-Pembroke hosted an "Alumni Holiday Drop-In," a music extravaganza, a holiday social, and holiday concerts featuring saxophone and tuba music.

UNC-Greensboro, UNC-Asheville, and Appalachian State University hosted holiday choral concerts.

Elizabeth City State hosted Christmas concerts by the ECSU Concert Choir, the orchestra, and the concert band. Western Carolina University hosted choral, band, and orchestral Christmas performances throughout December.

N.C. Central University hosted its annual Christmas concert, featuring the University Choir, the Operatorio Ensemble, music department faculty, and NCCU students. CJ

Jenna Ashley Robinson is director of outreach for the John W. Pope Center for Higher Education Policy.

University Classroom Space Vastly Underutilized

By DUKE CHESTON
Contributor

RALEIGH

If you have ever been on a college campus for an entire school day, you may have noticed something odd: The school never seems full. There are empty classrooms, even at the busiest times.

It's not just your imagination. Colleges really do leave many classrooms unused throughout the day. During an average hour of the school day at UNC-Chapel Hill, for example, less than two-fifths of the school's classrooms — only 37 percent in fall 2011, the latest figures available — are being used. Even at times of peak classroom use, more than a quarter of usable classrooms sit empty.

UNC-Chapel Hill is hardly alone. According to Tom Shaver, CEO of Ad Astra Information Systems, a higher education consulting group that specializes in facilities management, the industry average for the percentage of classrooms occupied throughout the school week (Monday through Friday, 8 a.m. to 10 p.m.) is 49 percent.

That puts UNC-Chapel Hill's classroom use efficiency below average, but not by much.

The 17 schools in the University of North Carolina system had an average classroom occupancy of 44 percent in 2009, according to a 2010 study by the system. According to a different study by the UNC administration, its Facilities Inventory and Utilization Study 2011, North Carolina's community colleges do even worse: the average classroom was used only 18.4 hours per week, or 26 percent of the standard school week. (Four private colleges in the state — Campbell, Mars Hill, Barton, and Pfeiffer — also were part of the study, and they averaged 23 percent classroom usage in 2011).

This suggests that costs are higher than necessary. The average American university spends \$2,073 per student per year on building maintenance costs, according to the American Physical Plant Association. The savings that could be realized from more efficient classroom use are substantial. Western Kentucky University, for instance, was able to save more than \$345,000 during the summer months alone by making some improvements in classroom use, including temporarily closing energy-inefficient buildings.

In some ways, universities' apparent poor use of space is the opposite of what one would expect. Colleges have the ability to schedule classes throughout the day and evening, and prestigious universities like UNC-Chapel Hill have no difficulty finding enough students willing to fill classes. Why then do colleges leave so many rooms empty?



Some observers have suggested, based on the pattern of classroom use throughout the day, that colleges simply give in to the desires of students and professors to sleep late and go home early. At Appalachian State University, for example, 80 percent of classrooms were used during the 11 a.m. hour, but only 31 percent were in use at 8 a.m., and the evening hours had much lower usage rates.

There may be some truth to that, but other factors, such as limited availability of large classrooms or technologically sophisticated classrooms, also make efficient space use difficult.

A number of schools have tried using market forces to improve space utilization through what's called a "space charge" program. Basically, instead of paying for facility construction and maintenance from a central fund, each academic department receives an allocation of money to pay for the classroom space it uses. By charging

departments more to use classrooms at peak use hours, colleges can discourage bottlenecks and produce a more even distribution of classes throughout the day.

Space charge programs can be found on campuses in Australia, New Zealand, and England, but the space charge idea has been slow to catch on in the United States.

At the few American universities where space charge programs have been implemented, including Johns Hopkins University, the University of Michigan, and Stanford University, the idea has had limited success. At Stanford, space utilization improved 4.5 percent overall, and one department improved utilization by 15 percent (according to a May 2011 report by University of California-Los Angeles administrators exploring space-saving techniques).

Another suggestion for improved space use on campus is changing the traditional two-semester-per-year system. By abandoning the old agrarian-era schedule with several months off in the summer, colleges could make better use of their buildings. In an article for the Pope Center earlier this year, Jane S. Shaw praised Brigham Young University-Idaho for making such a change, but noted that BYU-Idaho was one of the few schools doing so.

Making better use of space isn't very popular. It might force students or faculty to wake up early or stay late on campus and it might even force students to give up their summer vacations. But if college costs keep rising, it may become necessary. CJ

Duke Cheston is a writer for the John W. Pope Center for Higher Education Policy.



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Opinion

A Solid Defense for Free Speech Should Be Required on Campus

In September 2011, Roger Clegg, president of the Center for Equal Opportunity, was in Madison, Wis., to reveal the findings of his organization's study of racial preferences in admissions at the University of Wisconsin. He was speaking at a hotel close to campus when a mob of students burst into the room, shouting him down and harassing him as he left the building.

The mob had been organized by two campus administrators who wanted to let Clegg know how much the university disapproved of his investigation into and criticism of UW's "diversity" policy. Instead of confronting ideas with other ideas, those administrators and their compliant students chose physical retaliation. That is shocking to many Americans, who still believe that colleges and universities should be dedicated to the rational pursuit of truth and never should sanction atavistic, anti-intellectual ways of responding to those with whom you disagree.

The mob action at UW is just one of many appalling cases discussed in Greg Lukianoff's new book *Unlearning Liberty: Campus Censorship and the End of American Debate*. Lukianoff is the president of the Foundation for Individual Rights in Education, and in his years of working for that organization he has seen a huge number of campus cases revolving around freedom-of-

speech issues. "On college campuses today," Lukianoff writes, "students are punished for everything from mild satire, to writing politically incorrect short stories, to having the 'wrong' opinion on virtually every hot button issue, and, increasingly, simply for criticizing the college administration. ..."

Lukianoff describes himself as a liberal Democrat, but he accepts the Jeffersonian idea that we must defend free speech even if we don't agree with its content. Most, but not all, of the incidents Lukianoff writes about involve attacks on the freedom of conservatives and Christians. He defends their rights not because he agrees with them, but because he understands that free speech will survive only if it gets an unwavering, principled defense.

Throughout much of our K-12 system, Lukianoff shows, students are taught that it's more important not to offend anyone than it is to argue your opinions. Furthermore, students no longer learn much about the protection our institutions historically have given to free speech, and many enter college without any idea of the important role free speech plays in progress. College used to counteract



such thinking, but students now find themselves facing a minefield when they speak or write. They encounter speech codes that vaguely admonish them not to speak in a way that might be

"hurtful" to others and "harassment" policies that easily are turned from shields against objectively harmful conduct into swords that can be used to smite them for having spoken in a way someone feels is offensive.

Unlearning Liberty is chock full of cases demonstrating how hostile colleges can be toward dissent from orthodoxy. Some of them are almost unbelievable.

Consider the case of Chris Lee, a black student at Washington State University who in 2005 decided to put on a musical that, in the tradition of "South Park," would offend many people in the community. He came

up with a production he called "The Passion of the Musical," a parody of Mel Gibson's movie "The Passion of the Christ." Lee thought he'd produce some laughs by so obviously going overboard in political incorrectness.

Chris got official permission to put on his musical and clearly warned that it was "offensive or inflammatory to all audiences." So you might think

that easily offended people would simply stay away.

Not so. In fact, the university's administration actually organized a protest against it, holding a training session on disrupting the production and even buying tickets for the students who wanted to be offended. When the time came, the irate students managed to stop the play and threatened the performers, including Lee.

Subsequently, the president of Washington State, Lane Rawlins, said that the students in the disruptive mob had "exercised their free speech rights in a responsible manner by letting the writer know exactly how they felt."

When the president of a major university congratulates students for letting their hurt feelings lead to mob action against a comedy, we are in serious trouble.

Lukianoff is right on target when he says that colleges should be part of the solution to that problem by teaching students good intellectual habits. FIRE regularly battles the symptoms of the disease highlighted here, but a cure would require higher education leaders who are committed to free speech and will take swift action against all those "power trippers" on campus who want to silence ideas they don't like. When governing boards are looking for leaders, an unqualified commitment to free speech should be a litmus test. CJ

George Leef is director of research for the John W. Pope Center for Higher Education Policy.



GEORGE LEEF

Washington State's president praised students for mob action that disrupted an event

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• Why is the boom-and-bust cycle so persistent? Why did economists fail to predict the economic meltdown that began in 2007 — or to pull us out of the crisis more quickly? And how can we prevent future calamities? Mainstream economics has no adequate answers for these pressing questions. To understand how we got here, and how we can ensure prosperity, we must turn to an alternative to the dominant approach: the Austrian school of economics. In *It Didn't Have To Be This Way*, Harry Veryser presents the Austrian school's perspective, revealing why the boom-and-bust cycle is unnatural and unnecessary. Learn more at www.isi.org.

• Who are the recruits for the next wave of Islamic terrorism? They live next door. A radicalized army major guns down 45, killing 12 soldiers and one civilian; a legal immigrant tries to blow up Times Square while another fanatic hopes to kill hundreds at a Christmas tree-lighting ceremony ... and a radical Muslim born in New Mexico has a legion of fanatics in his web. In *The Next Wave*, Catherine Herridge reveals the shocking story of how that blood-crazed American, Anwar al-Awlaki — now hiding in Yemen — was treated to Pentagon pomp as a "moderate Muslim," and how our Justice Department hid his movements from the 9/11 Commission ... even though al-Awlaki aided the 9/11 hijackers. More information at www.randomhouse.com.

• America's founding fathers saw freedom as a part of our nature to be protected — not to be usurped by the federal government. But a little over a hundred years after America's founding, those God-given rights were laid siege by two presidents caring more about the advancement of progressive, redistributionist ideology than the principles on which America was founded. *Theodore and Woodrow* is Judge Andrew Napolitano's shocking historical account of how a Republican and a Democratic president oversaw the greatest shift in power in American history, from a land built on the belief that authority should be left to individuals and the states to a bloated, far-reaching federal bureaucracy, continuing to grow and consume power each day. For more information, visit www.thomasnelson.com. CJ

Book review

No Easy Day: Different Perspective From WH Ball-Spiking

• Mark Owen with Kevin Maurer, *No Easy Day: The Autobiography of a Navy SEAL*, Dutton, 2012, 316 pages, \$26.95.

BY HAL YOUNG
Contributor

Winston Churchill observed that "We sleep soundly in our beds because rough men stand ready in the night to visit violence on those who would do us harm." Former Navy SEAL Mark Owen doesn't quote this, but illustrates it clearly in *No Easy Day*, his controversial first-person account of the raid that killed Osama bin Laden. The roughness, readiness, and nocturnal violence are hallmarks of the Naval Special Warfare Development Group, DEVGRU, still known by its former name as SEAL Team Six.

Owen is the pseudonym of a veteran SEAL, now a civilian, who spent his entire Navy career in special operations and was one of 28 team members assigned to the raid. He shows great pride of his role in DEVGRU and embraces the need for secrecy about even routine matters connected with its sensitive operational world.

"However," he writes, "it is time to set the record straight about one of the most important missions in U.S. military history. Lost in the media coverage of the bin Laden raid is why and how the mission was successful. This book will finally give credit to those who earned it."

Obviously the critical marketing point for the book is the inside scoop on the end of "UBL," as the SEALs tagged him. Apart from the foreshadowing prologue, the hunt doesn't draw near its quarry until 154 pages into the book. Owen narrates his decision to join the special forces and describes phases of his training (including the secret North Carolina base since identified as Harvey Point in Perquimans County), along with numerous deployments to Iraq and Afghanistan. For all their legendary aquatic combat skills, this group of SEALs spent most of their time in air and land operations, fast-roping down from helicopters to rooftops, where they formed the hammer to complement Army and Marine units' anvil, capturing Islamist fighters in the middle floors of urban buildings.

The initial training to become a SEAL and then to join the elite DEVGRU is incredibly punishing, and the grueling lifestyle continues long after achieving the qualification. Owen's 10-year career was an endless cycle of training and deployment. Family separation with no notice, exhaustion as a normal state, and a vampire-like existence of night operations and tranquilizer-assisted sleep made normal relationships difficult or impossible to maintain. Loyalty and friendship center on the team, and commitment is focused on the mission.

There is an inescapable made-for-TV feel to the narrative. Owen is involved personally in key incidents; the all-male camaraderie is interrupted by the arrival of the CIA analyst, an elegant, high-heeled civilian named Jenn, who tracked Osama for five years and deploys with the SEALs to their forward base near the Pakistani border; there is a uniformity of language and something like an ensemble cast, with the unit joker, the Ninja-like sharpshooter, and other types represented. Everyone is competent and studied in

professional coolness; it's like a postmodern version of the sardonic wisecracks in World War II morale films.

On the other hand, that's probably reality. The SEAL teams train together at an unbelievable level of intensity to become impervious to normal fatigue, but also to grow as predictable and reliable to one another as long-term spouses. It's not an environment which tolerates much individualism or eccentricity. I'm reminded, too, that stereotypes take root in many cases because they do, after all, have some basis in fact.

Owen was part of the team that engaged the terrorist leader on the upper floor of his Abbottabad compound. Owen says that from his position following the point man he saw Osama in a doorway only briefly before the fatal shots struck him in the head, though he did fire some of the rounds that hit bin Laden in the chest. Owen describes the aftermath in calm, grisly detail; he was the SEAL who cleaned the blood from Osama's face before taking the famous (and still-classified) pictures of the body.

Owen was disgusted to find that, with automatic weapons literally inches from the doorway where he was killed, and with all the warning of a helicopter crash and gunfire in the courtyard, Osama didn't bother to put a bullet in the magazines.

"He hadn't even prepared a defense. He had no intention of fighting," he writes. "In all of my deployments, we routinely saw this phenomenon. The higher up the food chain the targeted individual was, the bigger a [profanity] he was. The leaders were less willing to fight. It was always the young and impressionable who strap on the explosives and blow themselves up."

"There is no honor in sending people to die for something you won't even fight for yourself," he concludes.

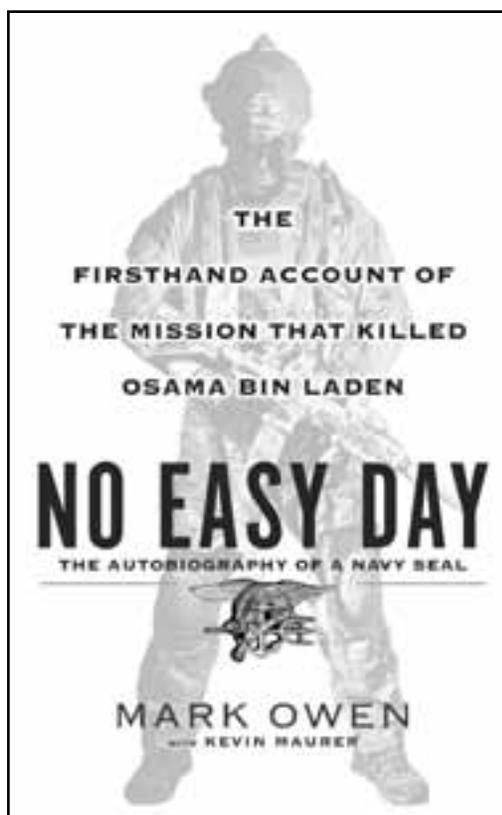
Osama was the highest-value target in the war on terror, and it was a matter of professional pride to the SEALs to be in on the kill or the capture. Even so, they were unprepared for the avalanche of attention rolling their way as soon as the raid was complete. For most of their missions, what they did in the dark stayed in the dark. This time, the spotlights were searching, and having their names associated with the operation would be a death warrant for themselves and anyone close to them.

"We watched it with amusement at first, but that quickly turned to dread as more and more information leaked," Owen writes. It took less than four hours for the media to report that SEALs had carried out the mission, and soon after, to point to DEVGRU in Virginia Beach.

The book is not political, but the SEALs were realistic about the likely consequences of the raid.

"None of us were huge fans of Obama," he says. "'We just got this guy re-elected,' [said one of the team members, during the news conference]. 'Well, would you rather not have done this?' I said. We all knew the deal."

"[The] more I saw coverage of the raid, the more I wanted to set the record straight," Owen writes in the final chapter. "If my commander in chief is willing to talk, then I feel comfortable doing the same." Those who were nonplussed by the president's campaign swagger, congratulating himself for giving the go-ahead on a mission 10 years in development, will welcome Owen's perspective. CJ



Frederick Douglass Rightfully Re-Emerging As An American Icon

During the past 30 to 40 years, historians have revived for Americans the legacy of Frederick Douglass (1818–95). Before then, his accomplishments largely had been swept up, dropped into the dustbin of history, and left out of view. (It reminds me of the saying: “Out of sight, out of mind.”) Douglass, however, was a genuine “big deal” in his day.

The Maryland native was an escaped slave who penned *Narrative of the Life of Frederick Douglass* (1845) and became a leading abolitionist and reformer. Four other personal accomplishments include editing and owning newspapers; serving as a U.S. ambassador — the first African-American to do so; working as president of The Freedmen’s Bank; and emerging as a well-known 19th-century orator, delivering speeches in the United States and Europe.

In recent days, Douglass’ legacy is emerging as one of an American



**TROY
KICKLER**

icon. He said much on various subjects, including the Declaration of Independence, the Constitution, temperance, government, race relations, and freedom. Recently, I’ve been reading *In The Words of Frederick Douglass: Quotations From Liberty’s Champion* (2012) and decided to select some quotes for *Carolina Journal* readers.

- “One generation cannot safely rest on the achievements of another, and ought not so to rest.”

- “The life of a nation is secure only while the nation is honest, truthful, and virtuous; for upon these conditions depends the life of its life.”

- “Any man can be brave when there is no danger.”

- “A man is never lost while he still earnestly thinks himself worth saving; and as with a man, so with a nation.”



- “I am certain that there is nothing good, great, or desirable which man can possess in this world, that does not come by some kind of labor, physical or mental, moral or spiritual. A man may, at times, get something for nothing, but it will, in his hands, amount to nothing. What is true in the world of matter is equally true in the world of mind. Without culture there can be no growth; without exertion, no acquisition; without friction, no polish; without labor, no knowledge; without action, no progress; and without conflict, no victory. The man who lies down a fool at night, hoping that he will waken wise in the morning, will rise up in the morning as he laid down in the evening.”

- “The American people have always been anxious to know what they shall do with us [African-Americans]. ... Everybody has asked the question,

and they learned to ask it early of the abolitionists: ‘What shall we do with the Negro?’ I have but one answer from the beginning. Do nothing with us! Your doing with us has already played the mischief with us. Do nothing with us! ... And if the Negro cannot stand on his own legs, let him fall also. All I ask is, give him a chance to stand on his own legs! Let him alone! If you see him on his way to school, let him alone — don’t disturb him! If you see him going to the dinner table at a hotel, let him alone! If you see him going to the ballot box, let him alone! — don’t disturb him! If you see him going into a workshop, just let him alone — your interference is doing him positive injury.”

- “My politics in regard to the Negro is simply this: Give him fair play and let him alone, but be sure you give him fair play.”

- “If the American government has been mean, sordid, mischievous, devilish, it is no proof whatever that the constitution of government has been the same.”

CJ

Dr. Troy Kickler is director of the North Carolina History Project (northcarolinahistory.org).

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Book reviews

Who's The Fairest Provides Look at What's Coming for U.S. Economy

• Stephen Moore, *Who's The Fairest Of Them All? The Truth About Opportunity, Taxes, and Wealth in America*, Encounter Books, 2012, 119 pages, \$24.99.

BY MELISSA MITCHELL
Contributor

RALEIGH
During the recent election, one of President Obama's main themes was that we have to tax the rich more. He repeatedly noted that the rich need to pay their fair share and can afford to pay a little more. Three days after the election, Obama held a news conference reiterating his belief that raising taxes on the rich will help reduce the deficit — even though most economists contend that taxing the rich will slow the economy and possibly put the United States into a double-dip recession.

In his book *Who's the Fairest Of Them All?*, Stephen Moore, senior economics writer for *The Wall Street Journal*, provides an in-depth look at the U.S. tax structure, who really pays the most taxes, and the economic impact when taxes are raised or lowered.

Moore uses a variety of sources to support his arguments, including the U.S. government's own revenue records.

Americans often hear that lowering tax rates increases revenue, but Moore reaches back 50 years to the Kennedy era when tax rates were lowered, offering evidence that every time rates are reduced the rich actually pay more, revenues increase, and the economy expands.

Moore shows that the rich not only pay their fair share, but also in fact pay a disproportionate majority of the taxes collected in the United States.

Moore debunks Obama's claims that women, minorities, and the poor have not advanced in the last 30 years and that the 1970s were better for the poor. Readers may be surprised to learn that from 1980-2007, income gains by white males amounted to only 10.1 percent, while wage gains for

black females were 78.6 percent over this period.

Another surprising fact is that income categories are fluid. Moore notes that people move in and out of all of the categories. The poor and middle-income earners become richer, but the largest movement occurs within the top 2 percent of earners, who often become poorer. Moore shows how this fluidity will impede Obama's plan to increase revenue and lower the deficit by taxing the rich more.

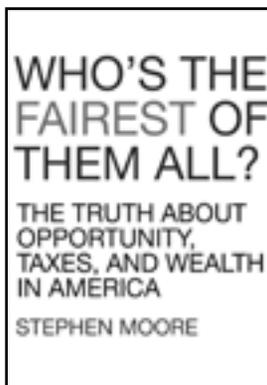
Moore exposes the myth that payroll taxes are regressive, thanks to the Earned Income Tax Credit, which refunds any taxes paid by lower-income workers.

Another example Moore cites is the 1993 luxury tax that President Clinton and the Democrats imposed on yacht builders to get more taxes from the rich. "The tax did not raise money, it put yacht builders out of business,

and a lot of middle class workers were the big losers," he states. This is one of the classic examples Moore uses to show how attempting to raise revenue by raising taxes always backfires.

In the last chapter of the book, Moore presents a compelling and convincing argument for a flat tax in the U.S. Hong Kong — one of the world's wealthiest economies — has had a 15 percent flat tax in place for 50 years. "When Hong Kong was given back to China, there was worry that the flat tax would be swallowed up by the Chinese tax system. Just the opposite has occurred," Moore says. He also notes that the mainland has moved toward the Hong Kong system.

Who's The Fairest Of Them All? is a small book that is packed with facts and figures. Unfortunately, the October 2012 publication date gave little time for voters to digest the information within the book, nor has the book received the attention it deserves. Although the presidential election is over, the book is still worth reading because it provides a look at what is coming for the U.S. economy. CJ



Allison Shows That Damage To Financial System Worse Than We Know

• Allison, John, *The Financial Crisis and the Free Market Cure: Why Pure Capitalism Is the World Economy's Only Hope*, McGraw-Hill, 2012, 289 pages, \$28.

BY JOHN STADDON
Contributor

RALEIGH
Winston-Salem-based BB&T is one of the most successful banks in the nation. Its former chairman and CEO, John Allison, took BB&T from \$4.5 billion to \$152 billion in assets during his 20-year tenure. Now head of the libertarian Cato Institute in Washington, D.C., insider Allison has put together what he learned about government and financial regulation in a fascinating new book, *The Financial Crisis and the Free Market Cure*.

His conclusions are these:

- Owning a home is consumption, not investment. This should be obvious to anyone, even politicians. Yet rather than educate the public, they deliberately mislead.

- Government policy is the primary cause of the financial crisis. Acts like Sarbanes-Oxley, the Patriot Act and Dodd-Frank have, or will, make things worse, not better.

- Government actions, which often have good results in the short term, almost always have bad results in the long term.

- Government all too often thinks it "knows best." It knows, for

example, that more Americans need to go to college and own houses and electric cars — as opposed to the myriad other things they could do with their time and money.

- The government-mandated, politically driven bank accounting system has become so complex that it conceals more than it reveals. "Even with 40 years' experience in banking, I cannot fully understand the financial statements of Bank of America," writes Allison. He doesn't think anyone else can either.

- Regulation is necessary, but existing regulations inhibit creativity, provide a façade of responsibility, and very often encourage, rather than discourage, bad behavior by financial players.

- Regulators have power without responsibility. When times are good, regulators have a "light touch." But when a crash happens, they discover rules they neglected to enforce during happier days.

Allison's banking background gives him particular insight into those shadowy behemoths of finance, the

government-sponsored enterprises Fannie Mae and Freddie Mac. Together with the Federal Housing Administration, the Federal Reserve, the Federal Deposit Insurance Corporation, and the Securities and Exchange Commission, they were responsible, argues Allison, for the huge misallocation of resources that led to the financial crisis of 2007.

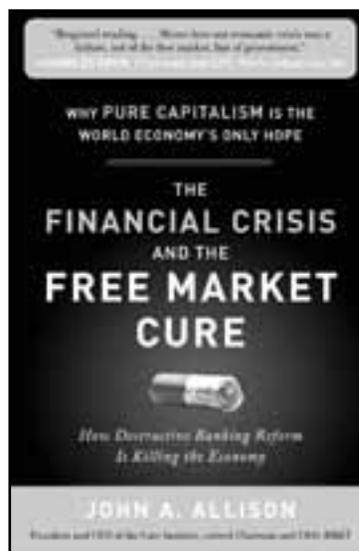
Allison's personal experience tells him that the government-sponsored enterprises inhibit private banking because they can offer cheaper loans, as they benefit from an implicit government guarantee. That's not so bad, you might think. After all, they pass savings on to the consumer, right? Well, no. The estimates I have seen show that they pass on no more than two-thirds of the advantage they enjoy as government-backed entities.

The rating agencies were one of the main causes of the subprime crisis, and their role largely was scripted by government, Allison argues. First, the

SEC gave three rating agencies monopoly power: "only debt instruments rated by S&P, Moody's, or Fitch qualify for positive consideration under ... rules designed to protect pension accounts." Second, "Under government-mandated 'issuer pays' rules, the rating firms were motivated to lower their standards, fearing that issuers who were displeased with their ratings would yank their business and move it to a competitor rating firm." In other words, the government induced a conflict of interest. Even as mortgage lenders were selling dodgier and dodgier "product" to less- and less-creditworthy customers, product ratings remained high.

Allison's insider experience has provided him with many crony-capitalist horror stories, but the most Orwellian is this one. BB&T was forced to decline a loan to a trusted customer because of new FDIC rules. But the bank could not tell the customer the reason he was refused: "The borrower is angry at BB&T because we cannot tell him that the regulators caused this to happen. The FDIC prohibits banks from using changes in regulatory rules as a reason to change the terms of a loan. ..." Why should a government agency be allowed to protect itself from scrutiny in this way?

Read this book. The damage that has been done to our financial system is worse than you know. CJ



Book review

Schwarzenegger's Look Back Conveniently Omits Important Facts

• Arnold Schwarzenegger, with Peter Petre, *Total Recall: My Unbelievably True Life Story*, Simon and Schuster, 2012, \$35.

BY LLOYD BILLINGSLEY
Contributor

RALEIGH

In his new memoir *Total Recall* Arnold Schwarzenegger bulked up on the bodybuilding and movie sections. That led some reviewers to skip those parts and miss some good stuff, besides the well-known story of the Austrian immigrant who becomes governor of California.

He was "born into a year of famine," and that is no exaggeration, as *In the Ruins of the Reich* by Douglas Botting confirms. Arnold is working class all the way. He shoveled sawdust, drove tanks, and sold ice cream. In America he laid bricks and taught weight training in prisons. He also earned a degree and learned how to flip houses before flipping was cool. His true essence, however, emerged in bodybuilding.

This sport is a matter of posing and one photo shows a ballet instructor giving Arnold instructions. Movie acting is similar. You stand where they tell you to stand and say what they tell you to say. Arnold got the coaching he needed, and that served him well in the movie business. Movies, in turn, proved instructive in other ways, including politics.

Arnold learned that the Hollywood ethos classifies "action" pictures starring himself as Republican and "meaningful" pictures starring Tom Hanks as Democrat. That's why, while filming "True Lies," President Clinton's Interior Secretary, Bruce Bab-

bitt, denied Arnold permission to ride a horse through the reflecting pool at the Washington Monument, even though it had been done before. And Clinton's Health and Human Services boss, Donna Shalala, asked Arnold to resign as fitness czar.

But there was more to his Hollywood career than partisan wrangling.

Arnold trained with Harold Sakata, Oddjob in "Goldfinger." Eric Morris, Jack Nicholson's acting coach, told Arnold don't act, only be real. On the Conan set, Arnold heard Wilt Chamberlain and Grace Jones argue furiously about who is really black. And Arnold had a fling with Brigitte Nielsen while making "Red Sonja."

His future wife, Maria Shriver, knew about Arnold from the muscle magazines Secret Service agents used to read. It took a while before they tied the knot, and once into politics he got little help from the Kennedy clan. In those circles, it's party over family all the way. And when he became governor of California, Arnold's Hollywood experience did not exactly serve him well.

"I wasn't familiar with the cast of characters in Sacramento," he admitted. That is, he did not understand that government employee unions run state government.

He called for a "year of reform,"

posed with a broom, and promised to clean house. He wanted to "blow up the boxes," the maze of boards and commissions, soft landing spots for washed-up politicians. But the "governor" couldn't take the bad reviews from union bosses and the liberal press. He retreated from reform and became a strategic ally of left-wing Democrats, his true handlers, just like the posing and acting coaches.

He worked with them on the California Global Warming Solutions Act, which the former governor called "our boldest policy leap," promoting it as good for business. It's not and has helped perpetuate the recession in the Golden State, which he left a mess. But check out Arnold's review of his own governorship.

"We made a hell of a lot of progress, and we made a lot of history," he wrote, "workers comp reforms, parole reforms, pension reforms, education reforms, welfare reforms, and budget reforms ... we made our state an international leader in climate change and renewable energy; a national leader in health care reform and the fight against obesity. ... And we accomplished all this while dealing with the greatest economic disaster since the Great Depression."

Arnold's recall was far from total. Arnold backed Proposition 71, the 2004 initiative of real estate tycoon

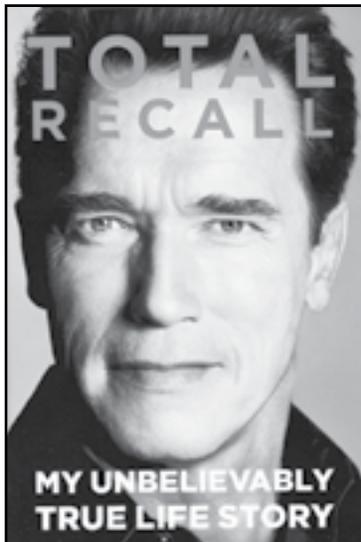
Robert Klein II, a prominent Democrat. The measure promised to take \$3 billion in bond money and conduct embryonic stem cell research that would turn California into a vast Lourdes, overflowing with miraculous cures for deadly diseases.

Total Recall did not mention that the California Institute for Regenerative Medicine created by Prop 71 has failed to produce a single cure or therapy. And not a word from a self-described fiscal conservative that CIRM is off-limits to state oversight and rife with conflicts of interest.

State Assembly Speaker Fabian Nunez, said Arnold, was "one of my closest allies among the Democrats." In 2008, Nunez's son Esteban was involved in the fatal stabbing of college student Luis Santos and sentenced to 16 years in prison. On Jan. 2, 2011, during his final hours as governor, Schwarzenegger commuted Esteban Nunez's sentence to seven years, a "distasteful and repugnant" act, according to a prominent judge. *Total Recall* omits this episode entirely, and therein lies a lesson.

Arnold Schwarzenegger is in love with his own "narrative," the story of immigrant who, against all odds, becomes a winner in business, movies, and politics. When anything fails to fit the narrative, he applies whitewash or simply leaves it out, the pattern of many in politics and show business.

In those fields poseurs rule, and that calls for vigilance. Poseurs should be judged not by their own reviews but by their actions. As with Bill Clinton's final-day pardons, Schwarzenegger's unbelievable truth had a way of emerging at the exit door. CJ



BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream

Why Advertising is Good Business



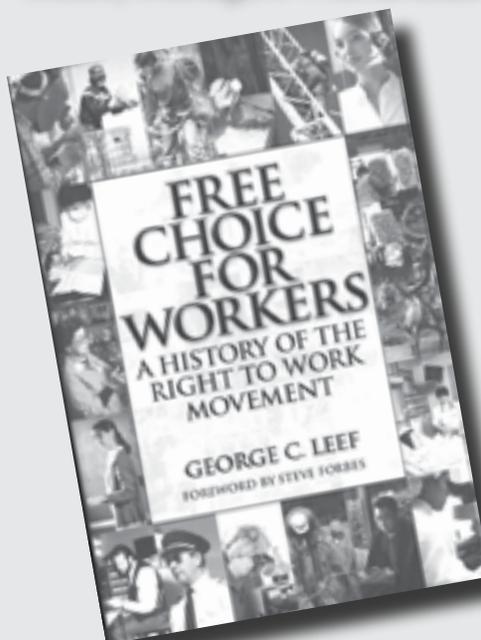
"[Selling the Dream] provides a fascinating look into the world of advertising and beyond ... Highly recommended."

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A History of the Right to Work Movement



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Vice President for Research at the
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COMMENTARY

Ideas Matter, and So Do Candidates

You might conclude that North Carolina voters are an odd lot. Republican Pat McCrory won election for governor in a 12-point blowout. Yet every Council of State incumbent seeking re-election won, and every contested race involving an incumbent — the five won by Democrats and the two by Republicans — was decided by about the same margin, roughly 53.5 percent to 46.5 percent. And Republican Dan Forest barely squeaked past Linda Coleman to win the contest for lieutenant governor.

Why was McCrory so much more successful than anyone else on the statewide ballot? To be sure, McCrory never really stopped running for governor after his narrow 2008 loss to Bev Perdue. And Perdue did her fellow Democrats no favor by deciding not to seek a second term in late January, much too late for viable successors to raise money and introduce themselves fully to voters statewide.

There's no guarantee McCrory will be a successful governor. But he was a successful candidate, and potential politicians could learn a lot from the race he ran, and contrast it with a handful of unsuccessful contests in the Tar Heel State and around the nation.

The former Charlotte mayor had plenty of campaign funds and as much time as he wanted to build an organization during this election cycle. Those were necessary conditions for the victory.

McCrory also offered voters an appealing résumé combining public service and business experience, along with an optimistic vision for the state. He was an attractive candidate with ideas that met the times, showing that it takes more than money or campaign staff to win an election. You need a sensible, relevant message and an effective messenger.

Sometimes, a candidate highlights issues that aren't relevant to the office he's seeking. Outgoing state Rep. Glen Bradley, R-Franklin, tried to bring the Ron Paul agenda to the General Assembly, supporting bills that would ban the enforce-

ment of some federal regulations within North Carolina's borders, and expressing support for a state-based currency. The GOP's nominee for state treasurer, Steve Royal, spoke of a "regional" currency backed by North Carolina and neighboring states.

These ideas were not high priorities for voters looking for effective representation in Raleigh from Bradley or competent investment management from Royal. Bradley ran for a Senate seat and finished a distant third in a three-way primary. Royal lost to incumbent Treasurer Janet Cowell.

At the federal level, Republicans in recent years have lost several winnable Senate races when they fielded flawed candidates. Think Christine O'Donnell, Sharron Angle, and Linda McMahon ... twice.

In Missouri, GOP U.S. Rep. Todd Akin looked like an easy winner until he made an incomprehensible remark about pregnancy and rape. Indiana U.S. Senate candidate Richard Mourdock made a similar mistake and lost. Republicans should have picked up both red-state seats but won neither.

Liberals might say these unsuccessful candidates shared one characteristic: They were backed by the Tea Party and the conservative grass roots. True enough. But so were several rising stars in the GOP who've won Senate seats over the past two cycles, including Rand Paul of Kentucky, Marco Rubio of Florida, Mike Lee of Utah, Ted Cruz of Texas, and Jeff Flake of Arizona. These candidates were Tea Party darlings who also advocated effectively for liberty and opportunity. They were ready for prime time in ways their defeated colleagues were not.

Many conservatives may be dispirited about the federal election results. But amid the losses there's a path to victory: You can advance the principles of freedom and self-government by recruiting the right candidates and giving them the proper support. *CJ*

Rick Henderson is managing editor of Carolina Journal.



**RICK
HENDERSON**



EDITORIAL

Losing Elections And Dignity

Democrats and liberals in North Carolina have suffered some major setbacks over the past two election cycles, losing control of the General Assembly in 2010 and the Executive Mansion in November.

And they've shown few signs of accepting defeat with dignity. Consider the lawsuit filed by the state chapter of the NAACP and other liberal groups trying to force Supreme Court Justice Paul Newby to recuse himself from a likely challenge to the redistricting plan enacted last year by the legislature.

The plaintiffs — including the left-wing Democracy NC and the ostensibly nonpartisan League of Women Voters — argue that deep-pocketed political donors who supported the re-election of Newby have hijacked the state's judiciary. That's nonsense, unless you're shallow enough to believe that every politician mindlessly parrots marching orders from his supporters.

If the plaintiffs prevail, they would enhance the role of money in judicial races, though not in the way their lawsuit imagines. The lawsuit would allow ideologically motivated donors to remove judges they oppose from ruling on high-profile cases. Perversely, the plaintiffs would enable wealthy interests to "buy" the judiciary — which is the opposite of the liberal activists' stated goal.

North Carolina's judicial elections are nonpartisan by definition, though candidates make their ideological preferences known. In November, Newby, a conservative and registered Republican, defeated liberal state Appeals Court Judge Jimmy Ervin by a 52-48 margin. The lawsuit suggests that Newby would not have won without roughly \$2 million in spend-

ing by the N.C. Judicial Coalition, an independent group led by former state GOP Chairman Tom Fetzer and underwritten largely by Republican donors. The plaintiffs' motion states that polls in June and August showed Ervin leading Newby — though at the time 70 percent and 67 percent of voters, respectively, were undecided in the contest.

It's just as plausible that Ervin led early in the campaign because voters linked him to his legendary grandfather, the late U.S. Sen. Sam Ervin. Once voters learned that Jimmy Ervin was not "Senator Sam," they may have given Newby a look. Or perhaps once they learned that Newby had served on the Supreme Court for eight years and was backed by conservatives, right-leaning voters warmed to the incumbent.

Eddie Speas, an attorney for the plaintiffs, concedes there's no precedent allowing the other justices to vote Newby off the case, nor any rules stating when a justice should decide to recuse himself.

But consider what would happen if the plaintiffs prevailed. Ideological activists could force any judge they oppose to remove himself from contentious cases — simply by setting up an independent expenditure group and donating to that judge's campaign. Liberals could silence conservative judges, and conservatives could do the same to liberal jurists.

There are plenty of things wrong with the way North Carolinians choose judges — making the races nonpartisan tops the list. Letting individuals use their own money to support the candidates they prefer, however, is not a flaw of our political system. It's a strength. *CJ*

EDITORIALS

History's Lesson

Even the bitterly divided can come to terms

The 2012 election results underscored a basic political fact: We live in a closely divided country. Is there a chance for President Obama and Congress to take a major step toward fiscal sanity in 2013? Is there a chance for Gov. Pat McCrory and a Republican legislature to craft policies that attract support from North Carolina independents and moderate Democrats?

The answer to these questions is yes. Here are a couple of interesting examples from North Carolina history.

When Mecklenburg County was created out of Anson County in 1762, there were two population centers, one to the west that included present-day Charlotte and one to the east that included Scotch-Irish settlers on Rocky River and German settlers on Dutch Buffalo Creek.

Thomas Polk led the western faction. Martin Phifer led the eastern faction. Both wanted control of the new county. After years of machinations, Polk prevailed and co-founded the new county seat, originally called Charlotte Town. But after the Revolutionary War, the easterners convinced the legislature to give them their own county. It was named after the speaker of the house, Stephen Cabarrus.

Next, the Scotch-Irish and Ger-

mans fought for control of the new Cabarrus government. Finally, they worked out a compromise in 1796 and created a new county seat located between their two communities. They named it, appropriately enough, Concord.

Several decades later, the residents of southeastern Mecklenburg and western Anson demanded their own county. Some were loyal Democrats who strongly supported Andrew Jackson and his protégés. Others were strong Whigs who strongly supported Jackson's longtime foe, Henry Clay.

At the 1842 convention to name the new county, partisan differences flared. Democrats insisted that it be named Jackson County. Whigs insisted that it be named Clay County. After a lengthy argument, a member named Aaron Little rose to speak. "Brethren," he said, "let's be united and call it Union." The other commissioners agreed. Union County was born.

Aaron Little knew that while you never should compromise your fundamental principles, making deals is part of politics. If it's a good deal, you get something you want in the short run while building relationships and momentum for larger gains in the long run. New leaders, please take note. CJ

The Need for Reform

Change imperative in taxes and education

Two of the top issues facing Gov.-elect Pat McCrory and the General Assembly in 2013 are tax reform and education reform. For the performance of North Carolina's economy to improve significantly in the short run, we need a more competitive tax system. For the performance of North Carolina's economy to excel in the long run, we need a more competitive education system.

Some on the Left contend that education reform is impossible without dramatically higher spending on public schools. On the Right, some argue that key tools in the school reformers' toolkit, such as tuition tax relief, clash with the goal of eliminating biases in the tax code.

Both arguments are flawed. Tight budgets over the past four years have not stopped North Carolina from pouring large amounts of tax money into public schools. In federal, state, and local dollars for operating and capital expenses, we spend about

\$9,000 per pupil — one of the highest levels in the world.

Other countries routinely produce higher academic performance despite spending hundreds or thousands of dollars less per student than North Carolina does — and offer parents significant educational choices.

School choice and competition can take several forms, including a mix of entrepreneurial public charter schools, targeted scholarships for disadvantaged or disabled students whose needs might be served better in private settings, and tax breaks for families who spend their own money on their children's education.

An education tax credit is a kind of IRA — because the return on the investment (higher income when the children grow up) is taxable, the principal (education investment) shouldn't be taxed.

Such a credit would promote economic growth and educational freedom — important goals, and inter-related. CJ

COMMENTARY

North Carolina Votes for Change

For all the time, energy, and money spent on federal campaigns over the past two years, American voters decided not to make any significant changes. They re-elected President Obama, albeit with many fewer votes than in 2008. They kept Democrats in control of the U.S. Senate and Republicans in control of the U.S. House.

Essentially, after watching the fractious political debate about debt, taxes, health care, and economic policy over the past two years, voters pushed the replay button. Whether they will like the national show better the second time is unclear.

But here in North Carolina, the electoral outcome is completely different. The state's Republican Party delivered its best performance in modern history. For the first time since 1988, voters elected a Republican governor (Pat McCrory) and lieutenant governor (Dan Forest). McCrory's share of the vote fell only slightly below the record for a GOP gubernatorial candidate, Jim Martin's 55.1 percent re-election victory in 1988.

After winning majorities in both houses of the General Assembly in 2010 for the first time since Reconstruction, the Republicans didn't just retain control this year. They expanded their numbers, to 33-17 in the state Senate and 77-43 in the state House, thanks to favorable redistricting, better candidate recruitment and fundraising, and the statewide turnout effort for Mitt Romney and McCrory. The same factors also delivered a solid 9-4 Republican majority in the congressional delegation, up from a 6-7 deficit right now. And in an officially nonpartisan race that is in fact very partisan, Republican Paul Newby retained his post on the N.C. Supreme Court, maintaining GOP control of that critical institution.

Across most of the nation, Republicans and conservatives are despondent. They waged a massive effort to turn the president out. It fell far short. The GOP also fumbled its opportunity to win control of the U.S. Senate — thanks to another round of poor candidate choices,

just as in 2010, plus a solid turnout for the top of the Democratic ticket in states such as Wisconsin.

In the Tar Heel State, the sentiment is rather different. Republicans delivered North Carolina to Romney. They are poised to implement conservative reforms on taxes, education, and other issues. The GOP may have broken the 50-50 tie in control of county commissions —

Republicans took the majority in Guilford County, the state's third-most populous after Mecklenburg (with a Democratic commission) and Wake (with a Republican one).

While most of the media attention in the Newby-Jimmy Ervin race focused on the potential effects on state redistricting litigation, the policy implications of the Su-

preme Court race were far broader than that. If Republican lawmakers enact more school-choice options for parents, further reforms of the state's regulatory system, or a photo-ID requirement to vote, liberals will litigate these changes. With justices of conservative leanings still constituting a majority on the state's highest court, the plaintiffs are unlikely to get the judicial intervention they desire.

While the nation ratified the status quo, North Carolina opted for change. I'm not surprised. Our unemployment rate has been among the highest in the nation for years. A combination of economic woes and poor management has produced short-term budget deficits and long-term fiscal liabilities. Our education system, while showing signs of improvement, is not yet competitive with the best systems in America and the developed world. Our transportation system is plagued by maintenance problems and clogged by some of the most congested interstates in the country.

Pat McCrory and GOP lawmakers asked North Carolina voters for the job of taking on these daunting challenges.

The voters said yes. Now Gov.-elect McCrory and a greatly expanded Republican majority will have to deliver. CJ

John Hood is president of the John Locke Foundation.



JOHN HOOD

EDITORIAL BRIEFS

Wind Energy Subsidies

Wind energy is the most subsidized form of U.S. energy production. The help comes from a variety of direct and indirect federal and state measures, writes Robert Bryce of the Manhattan Institute.

The best-known subsidy for wind energy is a production tax credit of 2.2 cents per kilowatt-hour of electricity produced. This and other direct subsidies amount to 12 times the equivalent per barrel of what the oil and gas sectors receive and 6.5 times the level of subsidies the nuclear sector gets.

The wind energy industry gets indirect subsidies as well. The U.S. Fish and Wildlife Service estimates that wind turbines kill 440,000 birds yearly. Most of those birds are protected by the Migratory Bird Treaty Act and/or the Eagle Protection Act. The Obama administration, like the Bush administration before it, has refused to apply the law to the wind energy sector, sparing the industry from heavy federal fines.

Moreover, 29 states, including North Carolina, have renewable energy mandates, which impose a significant cost on ratepayers.

"The wind industry has had 20 years of subsidies," says Bryce.

"If it cannot manage to stay in business without subsidies, it doesn't deserve to be in business."

Cronyism and public trust

Americans trust government less than they once did. Economist John Garen argues in a paper for the Mercatus Center at George Mason University that this increase in mistrust has resulted from the growth in government and the increased opportunities for cronyism that it brings.

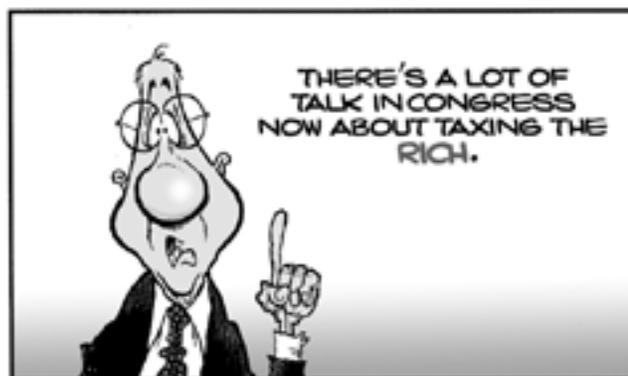
Trust in government long has been in decline. According to survey data, it peaked in 1966, when 76.6 percent of Americans said they trusted government "most of the time" or "just about always." By 2010, that number had fallen to 21.5 percent.

Garen argues that this decline corresponds with an expansion of federal spending and regulatory actions; mistrust grows noticeably during periods of slow economic growth. He describes much of the increased federal activity as forms of cronyism, such as transfer programs and spending aimed at particular interest groups.

"Indications of increased rent-seeking and cronyism in the U.S. government thus raise a grave concern: cronyism spends a great deal of the public's money, but it squanders the public trust, undermines government's effectiveness, and fosters economic and social stagnation," Garen says.

If there is less trust in government, Garen contends, then government becomes less effective in everything it does.

"While big government is often viewed as a solution to numerous problems, a smaller, narrowly focused government that presents few opportunities for cronyism may be the best prospect for regaining the public's trust and ensuring the effectiveness of government," Garen says. CJ



Tax Expenditures' and the Budget

Can something called "tax expenditures" be the silver bullet to avoid a "fiscal cliff" and put the federal government on a better financial footing? Maybe so! Some think tax expenditures are the key to any budget deal in Washington.

The term "tax expenditures" is somewhat misleading because logic suggests it indicates types of spending that are taxed. Instead, it means the opposite. Tax expenditures are certain kinds of spending made by households and businesses that are not subject to the federal income tax. So tax expenditures reduce the amount of tax revenue available to the federal government.

Tax expenditures can affect the tax owed in two ways. First, tax expenditures can reduce a taxpayer's taxable income, meaning a household or business pays tax on a smaller amount of income. These kinds of tax expenditures are called tax deductions. Second, certain kinds of tax expenditures can reduce directly the amount of tax owed after the initial calculation of that tax bill is made. That kind of tax expenditure is termed a tax credit.

The tax code is loaded with tax expenditures, but a few of the more prominent are the mortgage interest deduction, the deduction for health insurance provided by businesses to their employees, deductions for donations to charities, a tax credit for low-income workers, and a tax credit for child care payments.

Why do tax expenditures exist? There are two competing explanations. One says they are the result of "special interest" lobbying to help a particular part of the economy. Let's say you manufacture widgets. If you can get a provision placed in the tax code which says people buying widgets get either a tax deduction or tax credit for the amount they spend on widgets, then you'll likely see your widget sales increase.

The alternative explanation says government uses tax expenditures to encourage spending on products and services that benefit the "public good." The tax deduction for charitable contributions is a good example. Supporters of tax expen-

ditures for buying a home, providing health insurance, and purchasing energy-efficient vehicles also argue their products benefit society at large.

Which brings us to today. The reason tax expenditures potentially are part of a budget deal is because they are very costly to federal coffers. If all tax expenditures were eliminated, current estimates indicate annual federal government revenues would increase by near \$1 trillion. That's enough to eliminate the annual budget deficit. And this revenue could be raised without increasing tax rates — which is a sticking point for many elected officials.

It's very unlikely all tax expenditures would be axed. Indeed, one idea floating around — it came up during the presidential campaign — would leave in place all tax expenditures, but taxpayers would face a limit on the total dollar amount they could claim. Other ideas would be to keep some tax expenditures but reduce or eliminate others, or reduce the tax expenditures available to certain taxpayers — such as higher-income households.

Regardless of what kind of plan is put forward to revise tax expenditures, it will be debated hotly for two fundamental reasons. First, current users of tax expenditures will see their tax bill rise if tax expenditures are curtailed.

Second, groups that benefit from tax expenditures — including charities, the residential housing industry, child care centers, and alternative energy providers — likely will be hurt if their tax expenditures are curtailed.

To see how this could happen, consider Sally Smith making a \$1,000 contribution to her favorite charity. With a tax deduction for that contribution, and using a 25 percent tax rate, Sally's donation reduces her tax bill by \$250 ($\$1,000 \times 0.25$) — meaning her \$1,000 gift effectively costs her \$750. Charities worry that people like Sally won't donate quite as much without the tax deduction because the cost of donating would be higher. Other groups benefiting from tax expenditures have the same worry.

So keep your eye on the coming arguments over tax expenditures. They may be the key to avoid falling off the fiscal cliff. CJ

Michael Walden is a Reynolds Distinguished Professor at N.C. State University.



MICHAEL WALDEN

Change and Principles

In the immediate aftermath of the presidential election, a great deal of ink has been spilled about the future of the Republican Party. Since I care deeply about this issue, however, it simply is too important to ignore.

There seem to be three schools of thought about what to do. I'll attribute each to columnists who have expressed them publicly, although many Republican leaders and activists espouse them as well. The first originated from *The Washington Post's* Charles Krauthammer and *The Weekly Standard's* Fred Barnes. The argument is nuanced, but the principal takeaway is that there is little need for dramatic overhaul. The presidential race was extremely close, and Republicans continue to control the House of Representatives and a majority of governorships. This is still a 50-50 country. Mitt Romney lost because of some personal failings and poorly conceived strategy. It's fair to say this position largely is correct. There is no need to go back to square one. America needs a conservative party.

There remains room for doctrinal flexibility, however. This is the posi-

tion taken by David Brooks of *The New York Times* and Bret Stephens of *The Wall Street Journal*. Brooks argues that most Americans do not necessarily want a smaller government, just one that will provide them with opportunities to succeed — one that will, for example, make a college education affordable and incentivize socially valuable work.

I agree with Brooks that some ideological flexibility — a little moderation — is in order. But the real problem here is not economic policy. It is, Stephens notes, on cultural issues that the party should change. Americans are religious and conservative in the sense that they desire social change to be incremental rather than revolutionary. But, as survey after survey demonstrates, commitments to zero-tolerance stances on issues like same-sex marriage and abortion are losing propositions. They generated the jarringly out-of-touch and politically costly statements on abortion and rape made during the campaign by Senate candidates Todd Akin and Richard Mourdock — both of whom lost their races in red states.

As Mona Charen writes, immigration is another issue that Republicans must reassess. Only eight years ago, George W. Bush secured 44 percent of the Hispanic vote. In that election, the Republican candidate pushed for comprehensive immigration reform — including tougher

enforcement. It is mainly Democrats who talk about the issue in such broad terms now.

The final proposition comes from Bush speechwriter and CNN pundit David Frum. This is as much about leadership and style as it is substantive policy. Frum believes the Republican Party now is controlled by a "conservative entertainment complex." Romney, John Boehner, Mitch McConnell, and Reince Priebus don't run the national Republican Party; Sean Hannity, Glenn Beck, and Rush Limbaugh do.

There does seem to be something to this argument. I watch Fox and listen to conservative talk radio. But Limbaugh and his like are in the business of increasing their share of a market, not the number of people who vote Republican. In fact, they probably enjoy having the party in opposition because it allows them to stoke indignation in their audience. Tuning into these shows does not make you smarter, either. Since the programs are fueled by outrage, the focus is on the atypical, the appeal to emotions rather than intellect. There's little real analysis. Listening to Beck does not make you an expert on the Magna Carta or the Progressive Era.

Republican leaders have had these ideas echoed back to them by a raucous rank and file. Many Republicans do not know how to respond other than by imitating, finding the

anecdotal more persuasive than the scientific. They have lost the capacity to debate the opposition intelligently. They no longer convey the impression that Republicans have a governing mentality.

The time has come for Republicans to contemplate three things. First, conservatism is not dead, but many of its advocates misunderstand it and do it a disservice. Second, this country remains a center-right nation, and Republicans, at the presidential level at least, need to be more sensitive to the center part of the descriptor. Third, the United States is both changing and staying the same. It is becoming more Hispanic, Asian, and liberal on cultural issues. It is staying the same because it is repeatedly in flux.

A dynamic society such as ours will turn its back on a rigid party with its head turned toward yesterday, not tomorrow. But its people will continue to embrace the core values that have made them successful — individual freedom, personal responsibility, adaptability, and confidence in the future. The Republican Party should roll out the welcome mat for all Americans who treasure such principles. CJ

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ANDY TAYLOR

Attacks on Religion Un-American

Religious freedom is under new and sustained pressure. A recent Pew Forum report found that between mid-2009 and mid-2010, religious restrictions increased in every major region of the world. In the Pew study's measures of religious freedom — government restrictions and social hostilities — the United States is viewed as having moderate government restrictions and is at the high end of moderate hostility toward religion.

On college campuses, traditional Christian student groups are being kicked out because they advocate against sexual promiscuity. Pharmacists in Washington and Illinois are being forced against their beliefs to dispense morning-after pills. In New Mexico, a Christian wedding photographer was fined because she refused to accept a same-sex couple as clients. Several Christian charities have been forced to stop providing foster care and adoption services because new laws require



BECKI GRAY

them to violate their beliefs about marriage and family.

The president of Chick-fil-A publicly defended traditional marriage, which set off a nationwide boycott attempt led by some big-city politicians and college campus student groups. Defense of marriage amendments to state constitutions are being challenged in courts across the country.

But the greatest threat to religious freedom in our nation is in the implementation of Obamacare and its mandate requiring all insurance plans to cover birth control, regardless of religious objections. At last count there were 28 separate lawsuits involving the mandate with 80 separate plaintiffs including Catholics, and evangelical Protestant institutions, along with Jewish, Mormon, and Muslim leaders.

Why all this fuss about the right to exercise our religious freedom?

It goes to the very heart of individual freedom. We can't separate our faith from our religion — how or if we practice it from who we are and how we live our lives. During the recent elections, the presidential and gubernatorial candidates were asked: How important is faith to you, and how does it affect decisions you make? But it doesn't stop with us as individuals.

No one practices religion solely as a solitary act.

Faith is an individual matter, but to practice it, you must join a community. In Sunday schools, congregations, churches, mosques, and synagogues, gatherings of like-minded faithful people meet regularly. These religious communities provide an environment for social conscience, learning, understanding, charitable outreach, and morality. The vitality of faith comes in its communal character. The freedom to meet, organize, teach, witness, and undertake cultural efforts is the core of religious freedom.

Faith communities are as natural and as organic as families and are as strong as the individuals who make up that family. Faith families form the civil society this country was founded on. Our government was created to protect freedoms and limit its infringement on rights. Religious freedom is protected expressly and specifically in the First Amendment to the U.S. Constitution, and the 14th Amendment prevents the states from infringing on those protections.

Government has no jurisdiction over belief because it has no right to come between its citizens and God, just as no one can be forced to adopt

or reject any religious beliefs. Religious freedom means the freedom to believe as well as the freedom not to believe. In a 1994 U.S. Supreme Court case, Justice David Souter wrote, "government should not prefer one religion to another, or religion to irreligion."

Some state legislatures are forming bipartisan religious freedom caucuses dedicated to crafting legislation that will protect religious freedoms. Arizona, Colorado, Florida, Idaho, Kansas, Missouri, New Hampshire, Oklahoma, and Tennessee now have working groups of lawmakers focused on stopping attacks on religious liberty. North Carolina should join them in 2013.

Religious freedom defines who we are as individuals and is the foundation of our country. It is imperative that elected officials — from the White House to Jones Street to Main Street — be reminded that America's remarkable religious freedoms must be protected if any freedom at all is to survive. CJ

Becki Gray is vice president for outreach at the John Locke Foundation.

Perdue Legacy Tied to New Fiscal Cliff State Park (a CJ Parody)

Tourism staffer says it's a natural for the N.C. mountains

BY PARKS N. WRECK
Tourism Correspondent

RALEIGH

North Carolina travel and tourism officials hope to turn a national conversation about government spending and taxes into a money generator for the Tar Heel State. The plan: a newly designated Fiscal Cliff State Park.

"This idea cropped up recently when I overheard Gov. Bev Perdue ask during a meeting, 'What the heck is the fiscal cliff, y'all?'" said Lynn Minges, assistant secretary for tourism, marketing, and global branding in the N.C. Department of Commerce. "It appears that former Gov. Jim Hunt had called and ordered Bev to get on board the state campaign to do something about the fiscal cliff. She thought it must be some new business she needed to recruit with targeted tax breaks."

"Someone started to explain that 'fiscal cliff' is a piece of Washington jargon dealing with taxes and spending — mainly a way for Democrats to push Republicans into accepting new tax increases," Minges added. "But I thought it sounded like a good name



State officials are considering changing the name of a current state park to The Fiscal Cliff State Park. (CJ spoof photo)

for an actual cliff."

"Since North Carolina is blessed with many mountains, we know that it's blessed with many physical cliffs — as opposed to fiscal cliffs," Minges added. "But with all the chatter these days about the 'fiscal cliff,' why not try to drum up some tourism business from people like the governor who don't know what all the fuss is about."

The timing seemed good, Minges

said. On her way out the door after a single term as governor, Perdue already is trying to push through a deal to convert the old Dorothea Dix hospital property near downtown Raleigh into a park. Renaming an existing state park after the Fiscal Cliff seemed to make just as much sense, Minges said.

"Besides, Gov.-elect Pat McCrory might be looking to clean house in the Commerce Department and get rid of

people who don't seem to do much to earn their keep," she added. "If the Fiscal Cliff State Park turns out to be a hit, I could be set for another four years. It beats going out into the private sector and getting a real job."

Travel and tourism staff members have been scrambling in recent days to find a suitable location for the newly designated park, Minges said. "Initially, I thought the Dix property might be a good candidate," she said. "I mean — it's on Dix Hill. Surely, we could convince people that a hill has a cliff. But the governor vetoed that idea. She wants the Dix property to be named Beverly Perdue park."

Instead, state officials are considering changing the name of an existing state park, such as Chimney Rock, Cliffs of the Neuse, Crowders Mountain, or Hanging Rock. "The only real qualification is that the park needs to have a cliff," Minges said. "Any cliff could be the fiscal cliff. Heck, even Falls Lake might work."

Once the site is finalized, travel and tourism staff will come up with ways to exploit the new name. "Imagine a bungee-jumping setup called 'Take a Leap Off the Fiscal Cliff,'" Minges said.

Without a site, and with no other details ironed out, the state still estimates an annual positive economic impact of \$37.8 million. "It's all about manipulating the multiplier effect to get the number you want," Minges said. *CJ*

E.A. MORRIS

FELLOWSHIP FOR EMERGING LEADERS

The E.A. Morris Fellowship is seeking principled, energetic applicants for the 2013 Fellowship class. Applications available online or at the John Locke Foundation. Application deadline is November 30, 2012.

Please visit the E.A. Morris Fellowship Web site (www.EAMorrisFellows.org) for more information, including eligibility, program overview and application materials.

Eligibility

- Must be between the ages of 25 and 40, must be a resident of North Carolina and a U.S. citizen
- Must be willing to complete a special project requiring leadership and innovative thinking on a local level
- Must be willing to attend all program events associated with the fellowship
- Must not be the spouse of a current or past Fellow.

Timeline

September 15, 2012: Application period opens

November 30, 2012: Applications due

January 3, 2013: Finalist notification & invitations to Selection Weekend

February 2-3, 2013: Hello/Goodbye Gala & Selections Weekend

March 15-17, 2013: Retreat 1 — Pinhurst, NC

June 14-16, 2013: Retreat 2 — Blowing Rock, NC

October 18-20, 2013: Retreat 3 — Coastal NC

February 1, 2014: 2013-14 Fellowship ends/Hello Goodbye Gala



www.EAMorrisFellows.org

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