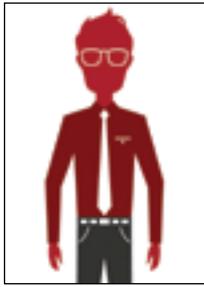


Both sides in O'care debate court-ing Millennials/2



# 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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## National Average Goal Unique to Education Pay

Private sector relies on cost of living, other market forces

BY DON CARRINGTON  
Executive Editor

RALEIGH

Education leaders and some politicians have for years urged that pay for educators in North Carolina be at “the national average,” a goal used for no other employment sector in the state as a metric to gauge the appropriateness of pay.

In a recent news report, Rep. Rick Glazier, a Fayetteville Democrat, said he’d like to see teacher pay raised 5 percent a year until it approaches the national average. In the same report, Lt. Gov. Dan Forest, a Republican, suggested that, “North Carolina teachers should be the highest-paid in the country.”

Leaders who champion paying teachers at the national average of their professions make no mention of the private sector, in which forces and costs of living in the various states largely determine differences in prices,

Employment Sector	Avg. Annual US Wage	Avg. Annual NC Wage	NC Avg. Wage as % of Nat'l Avg.
State universities	\$54,768	\$58,115	106.1
Wholesale trade	\$68,226	\$62,859	92.1
Retail trade	\$27,731	\$25,216	90.9
Food services	\$16,243	\$14,613	90.0
Private sector (total)	\$49,200	\$43,040	87.5
K-12 public	\$42,060	\$35,813	85.1
Newspapers	\$45,416	\$34,981	77.0
Law offices	\$87,451	\$64,629	73.9

Source: Information from BLS data, compiled by Carolina Journal

pay, and living costs across state borders. This explains why renting an apartment in Raleigh or Charlotte costs less than renting one in New York or Chicago.

This special, singular approach to educator pay versus pay in the private sector had its beginnings under former Democratic Gov. Jim Hunt. As he prepared for his fourth and final campaign

for governor in 1996, Hunt met with a group of teachers who urged him to make raising teacher pay to the national average a key issue in his campaign.

They told him North Carolina had slipped to 44th in the nation and one place below South Carolina. “Well, I had a fit,” Hunt recalled in a lecture he delivered this past September at UNC-Chapel Hill. “I knew we’d done

a lot of good things to improve education, but I had not kept my eyes closely enough on teacher pay.”

After winning that election, Hunt was successful in convincing the General Assembly to appropriate more than \$1 billion to raise teacher pay to the national average. According to National Education Association numbers, North Carolina was at 96 percent of the national average when Hunt left office in 2001. Since then, using NEA numbers, North Carolina is now at 81.5 percent of the national average pay for teachers.

Using Bureau of Labor Statistics figures, *Carolina Journal* found that employees in the public-school sector in North Carolina (209,000 jobs, including everyone from janitors to superintendents) in 2012 paid at 85.1 percent of the national average for their peers. Their counterparts in the private sector were paid at 87.5 percent of the national average for private-sector employees in 2012.

The BLS figures show the education sector has fallen behind the private sector in recent years, but not by much. If educators’ paychecks had averaged

Continued as “National,” Page 14

## Stolen Identity Refund Fraud Continues in N.C.

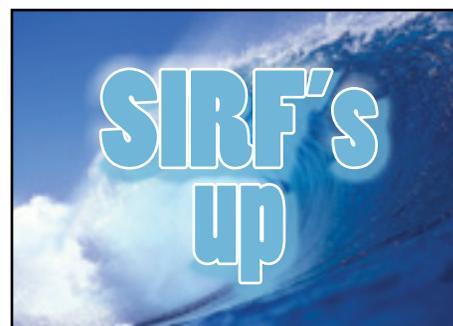
Though some arrests have been made, others still scamming

BY DON CARRINGTON  
Executive Editor

RALEIGH

While some scammers engaging in stolen identity refund fraud in North Carolina have been arrested and convicted in the past year, others are continuing the scam in the Tar Heel state.

In late November, Phillip Brooks of the Union County community of Marshville joined several other state residents who have found fraudulent



federal tax refund checks in their mailboxes made out to other people.

Marshville is just the latest North Carolina locality in which a tax refund checks has been sent to an individual who not only did not live at the recipient’s address, but also, most likely, did not exist.

Brooks contacted *CJ* after he

found a mailing from the Internal Revenue Service addressed to another person using his address on Camden Road. He said the envelope — addressed to a Ray L. Rodriguez Morales — appeared to have a check enclosed.

Brooks did not open the envelope. He concluded that his mailbox was being used as part of a fraud scheme known as stolen identity refund fraud (often referred to as SIRF), similar to the ones he had read about in several recent *CJ* news reports.

“It is striking to know that this is going on. Until I read your articles, I didn’t know about it,” Brooks said.

Brooks has a long driveway with a mailbox that is not visible from his

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## Both Sides of O'Care Debate Court Millennials

By BARRY SMITH  
Associate Editor

RALEIGH

A rhetorical battle over whether young adults should sign up for health insurance under the Affordable Care Act reached the White House in early December, when President Obama called a conservative group's efforts to inform so-called millennials about alternatives to the health care law "bizarre."

At a Dec. 4 White House "youth summit" hosting more than 150 activists, Obama criticized the group Generation Opportunity, which has been using social media and advertising campaigns encouraging college students and other young adults to eschew enrolling in an Obamacare exchange and consider get insurance from other private plans, including high-deductible, catastrophic coverage.

"Believe it or not, there are actually organizations that are out there working to convince young people not to get insurance," Obama said. "Now think about that. That's a really bizarre way to spend your money, to try to convince people not to get health insurance, not to get free preventive care, not to make sure that they're able to survive an accident or an illness."

Corie Whalen, a spokeswoman for Generation Opportunity, took issue with the president's message. "There are still options on the private market" for young adults, Whalen said, calling Obamacare "generational theft. ... Obamacare is more expensive for young people because the government is trying to steal from us."

The youth summit took place on the date Harvard University's Institute of Politics released a survey showing millennials souring on both the president and his signature health care law. A mere 41 percent of the 2,089 18- to 29-year-olds surveyed approved of Obama, with 54 percent disapproving, by far the lowest ratings of his presidency among this group. Only 38 percent of millennials approved of Obamacare; 56 percent disapproved. And fewer than 30 percent of those surveyed who did not have health insurance coverage planned to enroll in Obamacare.

Whalen said Obamacare supporters were trying to entice younger people, who generally are healthier than older adults, to sign up for the federal program to subsidize others. The higher insurance premiums for younger people in Obamacare programs don't "account for their actual risk," Whalen said. A John Locke Foundation analysis of premiums charged by Blue Cross and Blue Shield of North Carolina found premiums on the individual market for 2014 rising by 81 percent for 27-year-olds and 79 percent for 40-year-olds over their current levels. The analysis, using data compiled by the Manhattan Institute, did

not factor in federal subsidies, which vary with the policyholder's income.

"Even in the best-case scenarios, plans are going to be more expensive, especially for young people," Whalen said. She added that there are still some deals out there. "We don't have to further subsidize our own demise," she said.

Whalen suggested going to [optout.org](http://optout.org) or looking at websites such as [ehealthinsurance.com](http://ehealthinsurance.com) to shop for plans. She said younger adults might find cheaper plans, such as catastrophic plans. However, they're likely to incur a federal insurance penalty or tax because plans outside the exchanges may not cover all of the "essential benefits" that are required under the new law.

"But for a lot of young people, [private plans] may actually be a better financial deal," Whalen said.

Meantime, liberal advocates of the federal health care law also have been rallying support from young adults. In November, N.C. Public Interest Research Group, joined by Planned Parenthood and Action NC, organized an event on the N.C. State University campus urging students to sign up, even though the [healthcare.gov](http://healthcare.gov) enrollment website continued to experience regular failures.

"We know there have been website glitches, and it's normal for a rollout this big to have bumps, especially when you've got mil-

lions of people checking out the website to find their options," said Kalila Zunes-Wolfe, a program associate for NC PIRG. "Our advice to students and other consumers is to keep trying, and remember that you have time."

Zunes-Wolfe noted that students would have until the middle of December to sign up for coverage that will take effect Jan. 1, 2014. Enrollment will be open through March, she said.

Emily Callen, field coordinator at Planned Parenthood Health Systems, noted that millions of people would be able to get help paying for health insurance under the federal health care law.

"All of these new health insurance plans will include coverage for things like birth control and immunizations with no co-pay," Callen said. "Once young people are in a plan, we will pay nothing for these services." She also noted that the new law makes it illegal to charge women more than men for health coverage.

Denise Gersh, a freshman at N.C. State and an intern for NC PIRG, urged students to consider their options.

"A lot of us are going to have to leave our parents' plan when we're 26, or get off the student plan when we graduate," Gersh said.

Kevin Rogers of the advocacy group Action NC urged students to stay on their parents' plans or get subsidized coverage once they got their first job. CJ



Emily Callen, center, of Planned Parenthood urges students to shop on the federal health insurance marketplace during an event at the brickyard on the N.C. State campus. (CJ photo by Barry Smith)

The White House  
is courting young  
people as polls  
show their  
support faltering

# April Trial Date Set for 13-Year-Old Suit Against Attorney General

BY DON CARRINGTON  
Executive Editor

RALEIGH

A defamation lawsuit filed 13 years ago by Gene Boyce and three other Raleigh attorneys against N.C. Attorney General Roy Cooper, his 2000 campaign committee, and campaign worker Julia White finally is scheduled for a jury trial in April. In early December, Superior Court Judge Osmond Smith, who was assigned to preside over the case, set a trial date of April 28.

The plaintiffs allege that Cooper and his committee ran a political ad that was defamatory and constituted an unfair and deceptive trade practice, and that they participated in a conspiracy to violate a North Carolina law prohibiting false ads during election campaigns.

At the Dec. 6 hearing, Smith met in a Wake County courtroom with the four plaintiffs — Gene Boyce, Dan Boyce, Philip Isley, and Laura Isley — and five attorneys representing Cooper. Gene Boyce, 81, took the lead role with his team, and Greensboro attorney Jim Phillips acted as the spokesman for the Cooper team.

The purpose of the hearing was to set a trial date, but Smith quizzed each group about the possibility of settling the matter without a trial. Each side indicated that a settlement was unlikely. The discussion then became about possible trial dates.

Phillips said that he had a knee replacement scheduled that week and that his doctor told him that the earliest he would be ready for a trial would be late March.

Boyce was visibly agitated when learning of Phillips' medical issue and told the judge that he was ready to start immediately. "Your honor, I have had four witnesses that have died," he said. He also noted that, because of the delays, "We will have been at it 4,851 days" by the time the case goes to trial.

## 13 years of delays

In 2000, Cooper was the Democratic Party's nominee for attorney general. His Republican opponent was Dan Boyce. Cooper won that election by nearly 136,000 votes out of 2.85 million ballots cast — a margin of 51-46 percent. He was re-elected in 2004, 2008, and 2012. Cooper has indicated that he is a likely candidate for governor in 2016.

A Wake County judge dismissed Gene Boyce's initial complaint in April 2001 for "failure to state a claim upon which relief can be granted," but Boyce did not give up.

In September 2002, the North Carolina Court of Appeals issued a ruling on Boyce's appeal of the initial hearing. The court concluded that the "plaintiff's complaint presented a suf-



Five members of Attorney General Roy Cooper's defense team confer Dec. 6 outside the Wake County court building. Left to right are Allison Van Laningham, Jim Phillips, Eric David (back turned), Charles Coble, and Alan Duncan. (CJ photo by Don Carrington)

ficient claim upon which relief could be granted for defamation and unfair and deceptive trade practices," and "that the trial court erred in dismissing plaintiffs' complaint."

The case has been before state and federal appellate courts on eight occasions. In May 2012, the U.S. Supreme Court — for a second time — denied Cooper's request to review the matter and end the case in his favor. Each appellate court decision has moved the plaintiffs toward their goal of a jury trial.

## The ad

One week before the 2000 election, Cooper's campaign started running a television ad that read: "I'm Roy Cooper, candidate for attorney general, and I sponsored this ad. Dan Boyce: His law firm sued the state, charging \$28,000 an hour in lawyer fees to the taxpayers. The judge said it shocks the conscience. Dan Boyce's law firm wanted more than a police officer's salary for each hour's work. Dan Boyce — wrong for attorney general."

The ad contained statements that were not true. When the advertisement was running, Dan Boyce, Gene Boyce, Philip Isley, and Laura Isley were partners at the Boyce & Isley law firm in Raleigh. Dan Boyce did not work on the lawsuit the ad referenced, also known as the *Smith* case. The Boyce

& Isley law firm had not been created. Gene Boyce and attorneys from the Womble Carlyle Sandridge & Rice law firm filed the *Smith* lawsuit.

Also, Gene Boyce was not the candidate, and he did not charge \$28,000 an hour to the taxpayers in the *Smith* case. The judge sets legal fees in class-action lawsuits, and the final payment to the attorneys was less than 10 percent of the amount Boyce initially requested and much lower than the amount alleged in the ad.

Cooper continued running ads making those statements after Boyce & Isley formally requested that they be pulled and retracted, Boyce's lawsuit says. On the second day the ad ran, Boyce & Isley notified the Cooper Committee in writing about the statements in the ad and requested that he retract them immediately. Cooper ignored the request and continued to run the ads. Gene Boyce said that Cooper's ad ran at least three times a day for seven days on more than 20 television stations.

The four attorneys filed their lawsuit the day before the election. In three court filings from 2003 and 2008, Cooper stated, "The political advertisement is true."

"The ad was based on extensive research, including court records and the Boyces' own campaign materials and statements," said Morgan Jackson, a spokesman for the Cooper campaign.

"We have tried to find a reasonable resolution to this matter for years and will continue to do so. If a resolution cannot be reached, we look forward to telling our story in court." Jackson added that this would be the only statement the campaign would make at this time.

## Insurance policy

In addition to Phillips at the Dec. 6 hearing, attorneys Allison Van Laningham, Eric David, Charles Coble, and Alan Duncan also represented Cooper. Several other attorneys have worked on the case for Cooper.

Cooper is using his personal liability umbrella insurance policy to pay for his defense. That allows him to keep confidential how much he has paid for attorneys, something he could not do if he were using a campaign account or legal defense fund.

Van Laningham did not respond to questions *Carolina Journal* posed in November about attorney fees, but a retired attorney familiar with the case says that Cooper's legal expenses to date should exceed \$400,000.

The involvement of Cooper's insurance company surfaced publicly through a 2005 complaint to the State Board of Elections filed by retired Raleigh attorney Bernard Harrell. He had noticed that Cooper's campaign committee was not reporting any legal expenses related to the Boyce lawsuit.

After investigating the matter, the State Board of Elections ruled that, according to North Carolina law, legal defense activities such as Cooper's did not have to be reported through the normal campaign reporting procedures.

But Harrell's complaint forced Cooper's campaign attorney to reveal exactly how Cooper was paying attorneys for his defense against the Boyce lawsuit.

"Upon receipt of the complaint, Mr. Cooper placed his personal insurance carrier on notice of the claim against him and his committee, and his carrier retained counsel to provide a defense to Mr. Cooper, which defense could best be effected by representation of both Mr. Cooper and the Committee. More specifically, legal counsel was retained by Mr. Cooper individually and his insurance carrier, not the committee," wrote Cooper's political committee attorney, John Wallace, in March 2005 in response to the Elections Board inquiry.

Wallace also stated that Julia White's legal expenses were being covered by her umbrella policy with St. Paul Guardian Insurance Company.

CJ asked Harrell to estimate the amount of Cooper's legal fees since the inception of the lawsuit. "Having examined the documentation, including petitions to the United States Supreme Court, I formed an opinion that the legal fees in the Cooper matter are in excess of \$400,000," Harrell said in November. CJ

# Murky Legal Language Could Allow Catawbas to Open N.C. Casino

BY DAN WAY  
Associate Editor

KINGS MOUNTAIN

The Catawba Indian Nation's plan to build a \$340 million casino/resort in Cleveland County would end the Eastern Band of Cherokees' gaming monopoly in North Carolina. First, the proposal must receive unprecedented federal approval in a case complicated by murky laws, allegations that campaign contributions influenced supporters, and the certainty of litigation.

The Rock Hill, S.C.-based Catawbas filed an application Sept. 4 with the U.S. Department of the Interior's Bureau of Indian Affairs to take 16 acres of land near Kings Mountain into federal trust.

The goal is to build a 220,000-square-foot gambling facility, two hotels with 750 rooms, and restaurant, entertainment, and retail outlets. The tribe claims direct and indirect economic impact to the Cleveland County area will be \$300 million annually when the complex is fully operational in 2015. Economic developers also project the complex will generate \$100 million in state revenues yearly and create 4,000 permanent jobs in an area where unemployment typically exceeds the statewide rate.

Notwithstanding the gaudy economic projections, Gov. Pat McCrory, House Speaker Thom Tillis, R-Mecklenburg, and Senate leader Phil Berger, R-Rockingham, are among those opposing the project.

The tribe says it is permitted to purchase land in North Carolina to expand its reservation as the result of a 1993 federal settlement on historic land claims that were not honored in previous treaties with the federal government. The agreement outlines its 1,000-acre South Carolina reservation and a service area that includes six North Carolina border counties — Mecklenburg, Cleveland, Gaston, Cabarrus, Rutherford, and Union.

Placing land in federal trust is the necessary first regulatory step before a gambling facility could open.

## Possible conflicts with IGRA

"Whatever Interior does is going to be precedent-setting. ... It's a case of first impression," said Matthew Fletcher, professor of law and director of the Indigenous Law & Policy Center at Michigan State University, who has studied the Catawba initiative.

The tribe maintains its federal settlement agreement exempts it from the Indian Gaming Regulatory Act, the law that regulates all Indian gambling.

"Of course, the state and the [Cherokees] are going to sue if [Inter-



Architect's rendering of the proposed \$340 million Catawba Indian Nation casino that would be located in Cleveland County. (Image courtesy of the Friedmutter Group)

rior takes] the land into trust," Fletcher said. If Interior doesn't take the land, "then the Catawbas will sue." Either way, a lawsuit is inevitable, he added.

This case is unprecedented "because of the provision in the statute that says IGRA doesn't apply," he said.

If the land is taken into federal trust, "the tribe could acquire land in North Carolina ... and open a bingo hall there, and North Carolina would not be able to do anything about it," Fletcher said. Bingo operations are allowed on all federal trust lands, even if the state allows no other gambling operations. But it's possible to conclude that the Catawba settlement agreement instead would allow wide-open gambling, including table games and slot machines, because the language of the settlement is imprecise.

## Under review

"The application is still under review in our BIA Eastern Regional Office," said Nedra Darling, a spokeswoman in the Bureau of Indian Affairs' Washington, D.C., office. She declined to discuss the case further.

"I've seen no argument to justify it whatsoever," McCrory told *Carolina Journal*. "I don't agree with the loophole that the Catawbas are using to gain traction on that effort."

"I think some of the biggest opposition that still exists are senators or legislators that have ties with the Cherokees," said Catawba spokeswoman Elizabeth Harris. "I think they're just trying to protect some of the interests in that area, which is understandable."

Indeed, the Indian Country Today Media Network reported in its online newsletter that the Cherokees have made political contributions totaling \$1.3 million since 2004.

More than 100 House members

signed a letter from Tillis to Interior Secretary Sally Jewell opposing the Catawba application. Almost all of them "received campaign donations from the [Cherokees] in 2012 ranging from \$500 to \$4,000, the amount Tillis received, according to Follow the Money," the story said.

The *Gaston Gazette* reported that since 2006, Berger received \$20,000 from the Cherokees. Sen. Tom Apodaca, R-Henderson, received the most, \$25,000.

The Eastern Band of Cherokees operates one casino in Cherokee, and Oct. 15 the tribe broke ground in Murphy on a second casino. The state approved a compact with the Cherokees in 2012 to expand the tribe's Class II gaming operations to Class III, allowing higher-stakes table games to be played.

Harris said the Catawbas also have political backing — from local officials, a vital component of Interior Department approval of a land-in-trust application.

"We have very good support from the Cleveland County Chamber of Commerce, and the Cleveland County commissioners, and the City of Kings Mountain," Harris said. "They've also sent letters supporting the project. Obviously that doesn't get the same media attention as what's going on in Raleigh."

In their opposition letter to Kevin Washburn, assistant secretary of Indian Affairs at the Interior Department, Sens. Berger, Apodaca, Martin Nesbitt, D-Buncombe, and Jim Davis, R-Macon, wrote that IGRA "is the sole avenue for the conduct of gaming by federally recognized Indians on tribal lands."

By entering into the settlement agreement and opting to be exempted from IGRA, the Catawbas "affirma-

tively chose to defer to the state to determine whether the Catawba Tribe would be authorized to conduct lawful gaming," they wrote.

They argue the Interior Department may acquire trust lands only in South Carolina, "and that all nonreservation properties acquired by the Catawba Tribe are to be held in fee simple and subject to South Carolina law."

## 'Dangerous precedent'

Allowing the tribe to pursue gaming in North Carolina without legislative approval "would set a new and dangerous precedent ... infringing on the fundamental sovereignty reserved to the several states by the U.S. Constitution," the letter stated.

"The opponents are misreading the act. It specifically references North Carolina in many ways," Catawba tribal attorney Greg Smith said.

It defines "state" to include North Carolina for some purposes, including eligibility for federal services to be made available to tribal members in the Catawbas' service area, which includes the six North Carolina border counties, he said.

The tribe's gaming rights "will be governed by those federal laws that apply to the tribe," Smith said. "The tribe is willing to enter into a compact with the state, and it should be noted that North Carolina state law authorizes the governor to enter into compacts with federally recognized tribes for gaming purposes."

Fletcher's reading of the settlement agreement comes down on the side of North Carolina regarding the Catawbas' claim that they can operate gaming facilities without state approval.

"They're just like any other citizen of South Carolina or presumably North Carolina. If they can talk the governor and the legislature into going along with them in opening a casino, then they can do it," he said.

But he cautioned this is uncharted territory, and federal statutes negotiated with Indian tribes often are entangled with other federal statutes that may conflict or complicate simple resolutions.

"The Eastern land claims all up and down the seaboard are riddled with governance-type statutes, provisions that nobody really seriously considered that have created a mess," Fletcher said.

He said there are many "loose-hanging provisions in these land-claim settlement statutes that are litigated over left and right because nobody knows what they mean, and they were just really poorly drafted," Fletcher said. "This is one of them." *CJ*

# JLF: Obamacare Exchange Woes Extend Far Beyond Website

By CJ STAFF

RALEIGH

The federal health care law known as Obamacare creates more problems for North Carolinians than just the faulty website that has generated recent headlines. A new John Locke Foundation Spotlight report documents key Obamacare flaws and offers alternatives for addressing health care needs.



Katherine Restrepo

“An infestation of technological bugs rendered the HealthCare.gov website largely inoperable, and it clearly needs a major fix,” said report author Katherine Restrepo, JLF health and human services policy analyst. “But the bigger problem lies within the actual policy implications of Obamacare itself, including rules surrounding its health insurance exchanges.”

The federal law calls for a health insurance exchange in each state. Each exchange is an online marketplace where individuals can shop for heavily regulated health plans offered by participating insurance companies, Restrepo said. “The exchanges are one of the most important pillars of Obamacare.”

Restrepo’s report highlights different rules for exchanges run by the states and the federal government.

“North Carolina is one of 36 states that opted for the federal government to facilitate an exchange for its state,” Restrepo explained. “This choice is significant. Obamacare’s exchange provision contains a major loophole that can ultimately clot the flow of subsidies in states with federally facilitated ex-

changes. Those subsidies are designed to help offset the cost of higher health insurance premiums tied to Obamacare.”

Without subsidies, it’s possible that the 36 states with federal exchanges could be freed from Obamacare’s mandates, Restrepo said. “In May 2012, the IRS unilaterally amended regulations so that subsidies could be allocated in both state and federal exchanges, but that decision has sparked multiple lawsuits. A ruling on one critical lawsuit is expected in February 2014.”

The outcome of the legal action could have far-reaching implications, Restrepo said. “Essentially, the exchange subsidies are the beating heart of Obamacare,” she said. “If these lawsuits succeed, then more than two-thirds of the states will not be granted subsidies. This means health plans on the exchanges will be unaffordable for many citizens. Pushback against this monumental pillar of the law will lead to a serious reconsideration of the very viability of Obamacare.”

Even if subsidies can proceed in states with federal exchanges, those subsidies are not likely to extend as far as Obamacare’s advocates had promised, Restrepo said. The Obama administration suggested that subsidies would be available on a sliding scale for people with incomes between 100 percent and 400 percent of the federal poverty level. That means individuals making up to \$45,960 a year, couples with \$62,040 in income, and a family of four making up to \$94,200.

“The National Center for Public Policy reports that, in two-thirds of the states, subsidies do not extend beyond 300 percent of the federal poverty level for individuals from 18 to 34 years old,” Restrepo said. “In fact, subsidies



greatly diminish for individuals in this age group making more than \$25,000 a year. In North Carolina, subsidies would end at \$35,504 for a 34-year-old.”

This factor could lead to fewer young adults, so-called “young invincibles,” choosing to sign up for health insurance, Restrepo said. “That’s a major problem for Obamacare, which depends on these young invincibles to help cover costs for older, sicker people and balance the risk pool.”

Federal budget sequestration has placed limits on another source of premium assistance subsidies, Restrepo said. “Individuals earning less than 250 percent of the federal poverty level are eligible for these additional subsidies, but the federal budget sequester scales back those subsidies by 7.2 percent.”

Restrepo’s report shows Obamacare already has had significant impacts on North Carolinians. “Through mid-November, 43 percent of Blue Cross Blue Shield of North Carolina’s 375,000 individual policyholders were told they would not be allowed to renew their existing health plans, and almost 160,000 consumers received health insurance cancellation letters,” she said. “At the same time, only 1,662 North Carolinians were able to complete the enrollment process through the state’s new federal health insurance exchange.”

President Obama’s announcement of a one-year reprieve for canceled individual-market policies added another wrinkle to North Carolina’s situation, Restrepo said. “Even with

this one-year change, the long-term implications for North Carolinians are unclear.”

Meanwhile, the new law has prompted Blue Cross and Coventry Health Care to offer 31 different insurance plans on North Carolina’s federal exchange. This state is seeing among the largest premium increases associated with Obamacare compliance, Restrepo said.

“According to the Manhattan Institute, percentage increases for North Carolina health insurance premiums rank fourth-highest nationwide in the individual market,” she said. “For example, an average 27-year-old man is likely to see monthly premiums increase from \$80 to \$214, or 168 percent. The increase is even higher for a 64-year-old man, at 192 percent.”

Policymakers should pursue other ideas, Restrepo said. “Absurd rate increases may suggest that the federal government’s health care takeover is near collapse, but the war is far from over,” she said. “Rather than doubling down on our nation’s already costly health care system with more government regulations, free-market principles should be embraced.”

“Health insurance can be more affordable by providing patients with a choice of plans that include benefits and services specifically tailored to their individual needs,” Restrepo added. “Reduced health care costs also can be achieved by increasing price transparency, deregulating the insurance market, and repealing North Carolina’s certificate-of-need law.”

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The Salem Brass Band served the Confederacy from the first days of the Civil War until June 1865, when members were finally released from prison.

Featured Entry: Warren Junto (June 17, 2008)

The North Carolina History Project is a project of the John Locke Foundation

# Audit: Medicaid Computer System Still Filled With Defects

By DAN WAY  
Associate Editor

RALEIGH

Widespread, serious flaws in the state Department of Health and Human Services' long-suffering NCTracks Medicaid computer system might jeopardize more than \$9 million in anticipated annual cost savings, said a state performance audit released in early December.

In addition, the audit said, since going live July 1, NCTracks has encountered more than 3,200 defects, of which more than 600 remained unresolved as of Nov. 6.

Among the negative findings: The number of new "high" and "medium" defects reported each month has not decreased; there is no contractual requirement related to the timely resolution of defects; and Medicaid providers are bypassing the call center for assistance.

In its agency response, DHHS said it was working to remedy the audit findings.

Bob Seligson, executive vice president/CEO of the North Carolina Medical Society, was quick to weigh in on the findings.

## 'Worst fears'

"The auditor's report confirms our worst fears about NCTracks. This flawed system has been hurting patients and hurting doctors throughout the state since it went live on July 1," Seligson said.

"We heard about the problems from our members then, and we continue to hear about them to this day," Seligson said. "We hope definitive action will be taken now to fix NCTracks once and for all."

The Medicaid Management Information System is designed to consolidate processing of more than \$12 billion in health care claims for more than 77,000 medical providers serving 1.5 million people, among other functions. It has a checkered past dating to 2004.

Affiliated Computer Services had the initial contract for \$171 million to launch in the summer of 2006. The start date was pushed back to August 2007. Another request for delay until November 2007 was denied, and the contract was terminated.

Computer Sciences Corporation was given a \$265 million contract in December 2008 for the job. CSC received an 18- to 22-month extension after missing its August 2011 startup, and the contract price ballooned to \$484 million. A subsequent contract amendment delayed the launch date to July 1, 2013.

NCTracks' floundering history under Democratic administrations has not deterred Democratic lawmakers from highlighting continuing problems now that the Republican McCrory administration is in charge of the project,

especially since there were indications the July 1 launch date was a rush job.

Two meetings of the Joint Legislative Oversight Committee on Health and Human Services in recent months have led to robust jousting between Democrats and Republicans over NCTracks.

## 'Much angst'

At the Nov. 19 meeting, state Sen. Tommy Tucker, R-Union, acknowledged there was "much angst" about the system, but said his concerns had dropped markedly over the previous month.

"Things are moving, and NCTracks is getting a comfort level with me. As with any system, there are hiccups," Tucker said.

"From these numbers, and from what I'm hearing here today, I don't think we're fixing the problem," state Sen. Martin Nesbitt, D-Buncombe, responded.

"I need to know how many people aren't getting paid and why, and when that will be fixed," Nesbitt said. "We've got to somehow quantify this problem so we can track it month to month."

The state has until July 1, 2014, to get the bugs out and the system certified by the federal government. With certification, the federal government would begin picking up 75 percent of the costs of operating the system, rather than the current 50-50 cost-share between Washington, D.C., and Raleigh. Without certification, the state stands to lose \$9.6 million annually.

According to the audit, governance changes in the NCTracks system pose further budget risks and jeopardize system functions because federal and state mandates have not been implemented. Twelve of 14 government-mandated service change requests were not enacted by their required implementation dates.

## Need for changes

The need for changes in two phases occurred because the revisions were not complete when the system launched on July 1.

As of Nov. 1, DHHS had estimated neither costs nor completion dates for the revisions, prompting an audit recommendation that a follow-up progress report be provided to the General Assembly.

In its response, DHHS said it would have a progress report by March 1, 2014. In the interim, the department sends weekly email notifications about changes to providers and to DHHS management and staff.

"The number of 'critical' NCTracks defects reported each month has decreased over time," the audit stated. "However, the number of new defects reported each month for issues considered 'high' and 'medium' has not decreased and remains consistent."

Critical defects indicate a system-wide failure. "High" reflects inconsistent results, and "medium" refers to work-arounds necessary to navigate the system.

Between Aug. 3 and Nov. 5, between 449 and 555 high defects were found monthly. Medium defects ranged between 144 and 230. High-level defects equate to 71 percent of all defects found. In all, 19 percent of defects reported are still open, and high-level defects account for 74 percent of those open issues.

DHHS "may not be managing all NCTracks defects efficiently," the audit stated, partly due to "lack of formal goals to resolve defects in a timely manner." Although DHHS has a "target response time frame," there was confusion within the department about what constituted a follow-up response from CSC. That hampers effective control of timely resolution of defects.

## Resolution of defects

While there are more than 200 service-level agreements on management and performance, none exists for timely resolution of defects.

Three categories accounted for 64 percent of all system defects.

There were 1,025 provider portal problems, or 31 percent of all system defects. Medicaid providers use that gateway for such actions as checking on eligibility and prior approvals, creating and checking status of claims, and searching for payment history and consent forms.

Batch processing, which includes overnight reports, processing of claims, and check writes, accounted for 559 defects, or 17 percent of all system defects.

And there were 525 defects in the operations portal. That is the entry point for DHHS and CSC fiscal agent staff to work on claims; managed care; financial, provider, recipient, and administrative functions; and third-party liability. That equates to 16 percent of all system defects.

## Impossible to predict

In its agency response, DHHS said it is impossible to predict how long it might take to fix unforeseen defects, so it would consider resolution times as guidelines for the vendor rather than contractual commitments.

The audit also faulted DHHS for failure to construct a single, comprehensive master action plan to remediate technical and operational issues. Instead, documentation is scattered around various sources. It recommended creating a master plan.

The absence of a master plan "increases the risk that NCTracks defect resolution processes are not being managed in the most effective and efficient way, and that strategic objectives may be misunderstood or misinterpreted by the business or IT personnel," the audit stated. CJ



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# Report: Energy Debate Needs To Factor In Subsidies and Penalties

By CJ STAFF

RALEIGH

The ongoing debate over subsidies for traditional versus renewable energy sources offers an incomplete picture. A recent John Locke Foundation Spotlight report urges advocates on both sides of the debate to fill in the gaps by factoring in penalties along with subsidies.

“Energy markets are riddled with government intrusions,” said report author Roy Cordato, JLF vice president for research and resident scholar. “All energy sources are both subsidized and penalized. Too often, advocates for both traditional and renewable energy sources focus only on the subsidies.”



Roy Cordato

In technical terms, analysis tends to focus on “gross” subsidies, Cordato said. “What is economically more relevant is net subsidies, which include not only policies that subsidize the relevant industries but also the value of policies that penalize the industries.”

Representatives of the renewable energy industry tend to focus on total dollar amounts of energy subsidies, Cordato said. “They use total dollars spent to make the case that traditional energy sources get larger subsidies than renewable sources,” he said. “But these numbers make no reference to either the percentage of total energy output that the subsidies support or the amount of energy being generated per dollar of subsidy.”

“Comparing total subsidies for renewables to total subsidies for tra-



ditional energy sources, without adjusting for energy generated, is like comparing the state budget of Rhode Island to the state budget of New York without adjusting for population,” he said. “No one would suggest that such a comparison would convey any meaningful information about the relative size of the two state governments.”

Free market-oriented researchers tend to argue that subsidies ought to be weighted by the amount of energy particular sources provide to the market, Cordato said. “Weighting subsidies on a per-unit-of-energy basis changes the story dramatically,” he said. “On this basis, the amounts of subsidies going to wind and solar power are dramatically higher than those that go to traditional forms of energy.”

That shift in calculations still fails to tell the whole story, Cordato said. “The real reason for comparing subsidies is that we want to gain a better understanding of the extent to which government policy is influencing the course of one industry’s development relative to another.”

“A proper analysis would subtract the monetary value of government interventions that decrease supply or demand for particular energy sources from the monetary value of interventions that artificially increase supply or demand,” Cordato explained. “In other words, subtract penalties from subsidies.”

Energy subsidies include more than just direct government transfers and tax breaks, Cordato said.

“Most subsidy debates focus on these items, but there are other very important subsidies,” he said. “These include the value of mandates to use minimum amounts of specific energy sources and other special privileges that might be granted to utility companies to use one type of resource relative to another.”

“A good example is North Carolina’s renewable portfolio standards, implemented in 2007,” Cordato added. “The standards require that 7.5 percent of the state’s energy be generated from renewable energy sources. Mandates and special privileges may, in fact, be

the most significant subsidies some of these energy resources receive. Ultimately, if the public is forced to buy your product, other subsidies like tax incentives are simply icing on the cake.”

On the other side of the debate, the subsidy calculation for traditional energy sources ought to include items such “construction work in progress” legislation, which allows utility companies to pass along to customers the costs of building new nuclear plants and other facilities before the plants are completed, Cordato said. The Price Anderson Act, a law that limits liability for nuclear power plant accidents, also should factor into subsidy calculations.

Penalties involve more than just direct taxes, Cordato said. “The penalty side of the equation should include the costs of energy-source-specific regulations,” he said. “This could mean emission control standards, restrictions on land use, ridge laws that limit wind power development, and restrictions on drilling and mining.”

The penalty calculation also should include specific programs utility companies implement to comply with so-called “energy efficiency” standards, Cordato said. “Since the purpose of these programs is to reduce demand for traditional energy sources such as coal and natural gas, they definitely act as a penalty.”

The “net” subsidies number is crucial, even if it is difficult to calculate, Cordato said. “From the perspective of economics, and liberty, the important question is: How are coercive policies distorting supply and demand relative to a free market that reflects actual scarcities, production costs, and consumer preferences?” *CJ*

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It also features the blog Piedmont Publius, featuring commentary on issues confronting Triad residents.

## COMMENTARY

## Common Core Tests Get Failing Grades

As the New Year launches, disquiet over Common Core testing is building. States from Kentucky to New York to North Carolina have posted abysmal scores on early tests aligned with the math and English Language Arts standards adopted by 45 states. Parents and local educators, many of whom feel duped by Common Core's stealthy arrival, are raising a ruckus. As a result, multiple states have moved to delay components of Common Core implementation or testing. North Carolina should follow suit.

In early November, North Carolina's Department of Public Instruction released scores on the first round of Common Core tests, revealing epic rates of failure. At all points along the grade 3-8 continuum, a majority of students fell short of proficiency thresholds. Fewer than half of third-graders scored proficient in reading and math. Among eighth-graders, 41 percent demonstrated proficiency in reading; just 34 percent did so in math.

Should we be mollified by assurances that the standards measured by these tests are well-crafted and rigorous? Nope. Content experts on Common Core's validation committee, Sandra Stotsky and James Milgram, refused to approve the standards, calling them flawed. Education historian Diane Ravitch, a liberal Common Core opponent, blogged about North Carolina's scores with unstinting disapprobation: "Now we adopt untested standards written by noneducators whose only certain result is to mark children as failures."

How are education officials responding? As columnist George Will would say, they're doing what bureaucrats do: doubling down on losing bets. At the State Board of Education's December meeting, DPI continued its push for tests for grades 3-8 and 11 from the Smarter Balanced Assessment Consortium, one of two federally funded national consortia developing Common Core exams. (North Carolina is an SBAC governing member.)

These tests won't come cheap. According to DPI, the per-pupil price tag for state-developed tests last year was \$11.23; SBAC online

tests will cost \$22.50. But this figure is woefully imprecise and doesn't include massive cash outlays for districts' technology upgrades (initial and ongoing) to enable online testing.

This price estimate also reflects cost-sharing among states that are members of SBAC. What if more defect? An October 2013 Brookings Institution report indicates that SBAC withdrawals by six states roiled by Common Core controversy would raise per-pupil testing costs to \$25. Are any of the six mulling a run for the hills? One just broke free: Kansas withdrew from SBAC in December over cost concerns.

The bottom line: No one knows how much these tests will cost.

DPI is hoping for a State Board decision on SBAC tests this spring, but rough waters lie ahead. Even if DPI per-

suades the board to accept consortium tests, another hurdle looms: The board must secure authorization from the North Carolina General Assembly. For their part, lawmakers are taking a closer (and overdue) look at the standards: The General Assembly recently convened a Common Core State Standards Study Committee.

Minimally, our state should rethink consortium tests, as others are doing. Massachusetts announced recently it would wait before adopting the tests statewide; a final decision on consortium tests is due in 2015. Louisiana also is delaying portions of the testing program.

Better yet, North Carolina could opt for a nationally normed achievement test. Such a test would offer broad feedback on student performance (beyond what Common Core dictates), while still allowing the state-by-state comparisons educators want.

The fiercer, more consequential battle, of course, is rolling back the national Common Core standards themselves, and replacing them with robust, evidence-based state standards. Such a move will require both time and fortitude, however. Stay tuned. CJ

*Kristen Blair is a Chapel Hill-based education writer.*



**KRISTEN  
BLAIR**

## Left-Liberal Activists File Voucher Law Challenge

By BARRY SMITH  
Associate Editor

RALEIGH

The state's largest teachers organization, along with the left-of-center N.C. Justice Center, have filed a lawsuit challenging the private school voucher program passed by the 2013 General Assembly and signed into law by Gov. Pat McCrory.

Supporters of North Carolina's recently enacted "opportunity scholarships" counter that the new program, awarding low-income parents tax-funded scholarships of up to \$4,200 for their children to attend private schools, will pass constitutional muster.

Darrell Allison, president of the nonprofit Parents for Educational Freedom in North Carolina, said the opportunity scholarships provide funding for parents, not schools. "It is the parent who elects to make this decision about how to best educate their child. It's parent-driven."

"I do not want my tax dollars paying for children to attend private schools," said Rodney Ellis, president of the N.C. Association of Educators, during a Dec. 11 press conference at the association's Raleigh headquarters.

Burton Craige, one of the plaintiffs' attorneys, argued that the voucher program violated the N.C. Constitution, emphasizing that the document allows public education funds to be used only for public schools.

"Funds for public education are to be used exclusively for establishing and maintaining a uniform system of free public schools," Craige said. "We're going to ask them to declare that 'exclusively' means 'exclusively.'"

Ellis is one of the plaintiffs in the lawsuit, along with former state Superintendent of Public Instruction Mike Ward and 23 other parents, educators, and taxpayers. The lead plaintiff is Alice Hart, a retired assistant superintendent of the Buncombe County Schools and the 1985 North Carolina principal of the year.

"Students don't do better under a system of vouchers," Ward said.

Allison said that in apples-to-apples comparisons, children taking advantage of direct aid such as opportunity scholarships have better outcomes.

"Empirical studies show that the kids who take the scholarship do better," Allison said. "We think we will begin to see that here in North Caro-

lina."

Allison said voucher opponents were displaying a "sky is falling" mentality. "Hyperbole has its place, but it's not here," he said.

Rep. Paul "Skip" Stam, R-Wake, a chief architect of the state's voucher program, said proponents were careful in crafting the state's opportunity scholarship system.

Stam noted that in 2002, the U.S. Supreme Court had upheld a challenge to a voucher program Ohio set up for low-income students in Cleveland public schools. "The way I understand the Supreme Court decision, as long as parents have a reasonable choice of

schools, the opponents are going to lose," Stam said.

Melinda Lawrence, executive director of the N.C. Justice Center, said the voucher law would provide tax money for private schools that are unregulated and don't have requirements for

teacher certification or curriculum.

Stam likened the public school vouchers to need-based scholarships that the General Assembly offers to students at the state's private colleges and universities.

"They all have their own admissions standards," Stam said.

The lawsuit, filed Dec. 11 in Wake County Superior Court, lists as defendants the State of North Carolina and the North Carolina State Educational Assistance Authority, which is charged with administering the voucher program.

Craige noted that similar lawsuits in other states have seen some challenges prevail and others rejected. "It all depends on the language of the state constitution," Craige said.

The lawsuit seeks a preliminary and permanent injunction against the voucher law, and it seeks to have the voucher law declared unconstitutional. It also seeks to have plaintiffs awarded attorneys' fees.

Allison said the voucher program is aimed at helping children in lower-income families whose needs aren't being met in traditional public school settings.

"We are just trying to create a possible viable option, where many of these low-income families don't have one," Allison said. "If you want to shut down this alternative, then my argument is: What is your alternative? The status quo is not acceptable." CJ

Opponents are seeking to have the voucher law declared unconstitutional

# JLF: Relationship Between School Spending and Test Results Weak

By CJ STAFF

RALEIGH

A comparison of per-student spending and testing results in North Carolina school districts shows “weak empirical relationships between spending and performance,” the John Locke Foundation’s education policy specialist has found.

“Unfortunately, Americans have been conditioned to equate the quality of education with the condition of various inputs — per-student spending, educational technology, teacher pay, class size, school buildings, and the like,” said Terry Stoops, JLF director of research and education studies. But the notion that “schools will succeed so long as governments furnish high-tech gadgets, pay teachers a lot, have small class sizes, and construct magnificent school buildings” does not follow, Stoops said.

Stoops developed a variation of the methodology used in the 2011 report from the left-leaning Center for American Progress, “Return on Educational Investment: A District-by-District Evaluation of U.S. Educational Productivity.” In it, CAP senior fellow Ulrich Boser made the case that decades of significant funding increases for public schools has failed to produce lasting innovation or progress. Consequently, Boser concluded, public school systems needed to cease thinking of inputs and outcomes separately and embrace the concept that unifies them, educational productivity.

Stoops employed a simpler analysis to that used in Boser’s report: He examined North Carolina Department of Public Instruction spending and student performance data for each of North Carolina’s 115 school districts, and evaluated districts according to their “performance composite,” the overall passing rate for tests administered in each district last year.

While Chapel Hill-Carrboro City

School District	Per-Student Expenditure	Graduation Rate	Performance Composite
Chapel Hill-Carrboro City Schools	\$10,735	92.6	68.5
Union County Public Schools	\$ 7,944	90.8	59.0
Mooreville Graded School District	\$ 8,065	93.4	57.6
Asheville City Schools	\$11,243	81.6	57.3
Polk County Schools	\$10,886	82.6	57.3
Wake County Schools	\$ 7,848	81.0	55.8
Watauga County Schools	\$ 9,424	87.6	55.7
Elkin City Schools	\$ 9,080	94.1	55.3
Carteret County Public Schools	\$ 8,843	84.7	54.9
Dare County Schools	\$10,864	91.4	54.7

Source: N.C. Department of Public Instruction

School District	Per-Student Expenditure	Graduation Rate	Performance Composite
Washington County Schools	\$11,033	84.8	26.1
Greene County Schools	\$10,627	87.3	25.6
Public Schools of Robeson County	\$ 8,824	85.1	25.3
Northampton County Schools	\$11,665	80.8	24.9
Bertie County Schools	\$10,322	78.2	24.8
Anson County Schools	\$10,751	77.4	24.4
Hertford County Schools	\$10,450	82.6	24.0
Edgecombe County Public Schools	\$ 8,839	77.4	21.9
Weldon City Schools	\$12,756	72.4	17.9
Halifax County Schools	\$11,462	74.8	17.1

Source: N.C. Department of Public Instruction

Schools had the highest performance composite, the district also spent significantly more per student — \$10,735 — than the state average of \$8,514. Asheville City Schools and Polk County Schools were two other high-spending, high-performing districts.

Union County Schools, Mooreville Graded Schools, and Wake County Schools performed well despite spending less per student than the state average. Arguably, Stoops said, “these were the three most productive school districts in the state. To put it another way, Union, Mooreville, and Wake got the most bang for the buck.”

Davidson County Schools, North Carolina’s lowest-spending district (\$7,374 per student), ranked 28th in the performance composite. The state’s highest spender, Hyde County, spent \$17,557 per student but had a passing rate of only 37.3 percent.

A number of districts, mostly in the northeastern part of the state, spent considerably more than average but had difficulty raising student achievement. Northampton, Bertie, Anson, Hertford, Weldon City, and Halifax counties spent between \$10,000 and \$13,000 per student but had overall passing rates that fell below 25 percent.

Stoops notes that composites are one of many measures of student performance. “Graduation rates, ACT scores, SAT scores, Workkeys results, and testing pass rates by grade and subgroup are other ways to measure student outcomes,” he said. “Likewise, per-student expenditures are one of a number of inputs that may be employed. Regardless of the variables used, we need to begin thinking about education reform in terms of productivity and returns on investment, concepts that, by the way, do not preclude conceptualizing education as a social good.”

CJ

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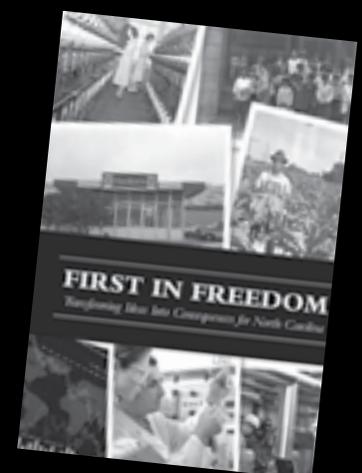
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# Audit Gives N.C. Virtual Public School Failing Grade

By BARRY SMITH  
Associate Editor

RALEIGH

The N.C. Virtual Public School is doing a poor job tracking enrollment figures, a new state audit says.

"Student enrollment is a key factor used to calculate NCVPS teacher pay," says the report, prepared by state Auditor Beth Wood's office. "As a result, there is an increased risk that errors could be made in teacher pay."

The report also criticized the school for failing to monitor access to its registration system, and for the absence of an independent review of enrollment data. In addition, the audit chides the school for allowing enrollment errors in its annual report.

## Online since 2007

The N.C. Virtual Public School was established by the General Assembly in 2005 and began offering online courses to high school students in 2007. Later, the school began offering courses to middle school students. During the 2011-12 academic year, student enrollment was reported at 49,189 — a figure the audit said was overstated.

Total expenditures for the 2011-12 fiscal year were \$19.7 million.

Terry Stoops, director of research and education studies at the John Locke Foundation, said the audit shows that competition would be good for the state's virtual school program.

"Opponents of online virtual charter schools have claimed that online charters are not necessary because the state's virtual public school was so well-functioning," Stoops said. "This audit contradicts that depiction of the state virtual school."



The N.C. Virtual Public School website is located at <http://www.ncvps.org/>.

Stoops said it's clear that more parents are seeking online instruction as an option for their children. "The state is going to need to approve online charter schools just to meet the demand," Stoops said.

According to the audit, four teachers of virtual classes were provided the capability of enrolling students in classes. "Since teachers' pay is based on the number of students completing their course[s], these four teachers would have the ability to add students' names to the roster in order to inflate the enrollment numbers that could ultimately determine their pay," the report says.

## 'No ill intent'

Bill Holmes, a spokesman for the auditor's office, said auditors didn't find any evidence of actual padding. "I don't think there's any ill intent in any of this," Holmes said.

The audit also chides the school for not making sure that the enrollment report includes only the number

of students who completed a course, rather than the number who enrolled but later dropped the course. "There is an increased risk of errors because there was no independent review to ensure all necessary redactions were made," the audit says.

The audit recommends that the school put effective controls in place to ensure that access to the enrollment system is restricted to appropriate individuals. It also recommends that the school implement effective review procedures to align enrollment data with teacher pay calculations.

In her response, Superintendent of Public Instruction June Atkinson said that in June the school began a process of screening virtual instructors to make sure they did not have access to the registration of students. "This screening process ensures a segregation of duties and prevents fraudulent student enrollments," Atkinson wrote.

The audit cites the school for errors in enrollment totals submitted to the State Board of Education, dimin-

ishing the report's usefulness.

The report listed 49,189 students enrolled in the virtual charter school through local school districts, when that figure also included students enrolled in charter schools and special schools, such as the N.C. School of Science and Math and the UNC School of the Arts.

Stoops chided the Virtual Public School office for the inaccuracy. "There is no reason why the 25-person department that runs the N.C. Virtual Public School should permit factual errors in a report to the General Assembly, as the audit revealed," Stoops said.

The audit recommends that the school enhance its review process to ensure accurate figures in its annual report.

## Editing errors blamed

In Atkinson's response, she blames the inaccuracies on a cut-and-paste error in the editing process. She said future annual reports would be proofread after final edits to ensure accuracy.

The audit also faults the school for not following teacher evaluation procedures. These deficiencies included one teacher performing her own evaluation, leaders not completing the evaluations of two teachers, a teacher who received an unsatisfactory rating failing to provide any feedback on how to improve performance, and another instructional leader not using the standard evaluation form.

Atkinson, in her letter, said that during the auditing process, the school implemented guidelines and weekly monitoring procedures to ensure that evaluation procedures were followed. *cy*

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# Looking Ahead to 2014 Election Coverage

By CJ STAFF

RALEIGH

Even though Election Day 2014 is nearly 11 months away, the editors and staff of *Carolina Journal* already have begun reporting and offering analysis of key races across North Carolina.

Managing Editor Rick Henderson resumed "Daily Dispatches From the Campaign Trail" on the John Locke Foundation's statewide "Locker Room" blog Jan. 2. The blog entries, posted every weekday morning, provide links to news reports and information on candidates and campaigns across all areas of the state. This year will mark the third election cycle *CJ* has offered these daily updates, which began in 2010 with posts by former Associate Editor David Bass and were continued by Henderson in 2012.

Associate Editor Dan Way will captain *CJ's* coverage of congressional, legislative, judicial, and local races, including bond and tax measures. During the 2012 election cycle, *CJ* published profiles of the candidates in every congressional, Council of State, and state judicial race, more than four dozen legislative races, and a number of key local contests. Way, along with Associate Editor Barry Smith and a group of *CJ* contributors, will cover key candidate events, primary battles, and the general election races.

And, as always, John Locke Foundation President John Hood will offer regular commentary and analysis of the major stories related to the campaigns.

The headline battle in 2014 will be for the U.S. Senate seat now held by first-term Democrat Kay Hagan, a race many national observers think

## Key dates for 2014 elections

- Feb. 10:** Candidate filing opens
- Feb. 28:** Candidate filing closes
- April 24:** One-stop early voting begins for primary
- May 3:** One-stop early voting ends
- May 6:** Primary voting (6:30 a.m. - 7:30 p.m.)
- Oct. 23:** One-stop early voting begins for general election
- Nov. 1:** One-stop early voting ends
- Nov. 4:** General election voting (6:30 a.m. - 7:30 p.m.)

Source: State Board of Elections

may determine the partisan balance of power in the Senate in 2015.

And while the Senate race will command attention in North Carolina and across the nation, the Tar Heel State's 13 congressional seats and 170 legislative seats will be contested as well. Republicans control nine congressional districts, and voters in at least two congressional districts — the 6th and the 12th — will be choosing a representative to serve a first term. GOP Rep. Howard Coble, who has represented the 6th District since 1985, is retiring. And 12th District Democrat Mel Watt, who won the seat in 1992, stepped down at the end of 2013 to ac-

cept an appointment to head the Federal Housing Finance Agency.

Moreover, four Republican freshmen will face their first electoral challenges: Reps. Richard Hudson (8th District), Robert Pittenger (9th District), Mark Meadows (11th District), and George Holding (13th District). Other high-profile races to watch will be in the 2nd District, where second-term Republican Renee Ellmers may face a Democratic challenge from former state Commerce Secretary Keith Crisco, and the 7th District, where nine-term Democrat Mike McIntyre could again face off against former Republican state Sen. David Rouzer.

The General Assembly has been under Republican control since 2011, and all 50 senators and 120 House members must defend their seats. *CJ* will select a group of election races to follow and candidates to profile, highlighting contests for open seats, along with incumbents who may be vulnerable based on polling results from various sources and fundraising reports.

On the judicial front, four of the seven Supreme Court justices and three judges on the 15-member Court of Appeals will be elected. Chief Justice Sarah Parker has reached retirement age and must step down. Associate Justice Mark Martin has announced he will run for Parker's seat, leaving his position on the court open. Associate Justices Robin Hudson and Cheri Beasley will seek re-election. On the Court of Appeals, judges Mark Davis and Donna Stroud will seek another term. Judge Robert C. Hunter is retiring.

County commission races will be worth watching in 2014 as well. After the 2012 elections, for the first time since records have been kept by the North Carolina Association of County Commissioners — and perhaps for the first time since the 19th century — Republicans controlled a majority of county boards and held a majority of seats on county commissions. Of nearly 600 county commission seats statewide, Republicans hold roughly 30 more positions than Democrats.

"This will be the third consecutive election cycle that *CJ* will offer statewide coverage of key races," Henderson said. "We hope to continue our tradition of not only covering the high-profile contests in the state's major population centers, but also keeping an eye on races in some of the smaller and more remote areas of the state that often escape the attention of the major media outlets. It promises to be an exciting year."

Carolina Journal Online is the Internet outlet of JLF's flagship publication *Carolina Journal*. The print edition of *Carolina Journal* is a monthly tabloid with a circulation of 35,000 statewide. *CJ*

## Town and County

### Monroe turnover

Monroe fired city manager John D'Agostino in December after less than four months on the job. The move puts the Union County city in the market for a new city manager for the fifth time since 2000, reports *The Charlotte Observer*.

In a report delivered in February, a team from Parker Poe Adams & Bernstein found Monroe's municipal government highly dysfunctional. Among the problems the consultants documented were nepotism, secretly taped meetings, and a fear by many city employees that city hall was bugged.

On a more fundamental level, the report described a divided city council with most members having either little understanding of or respect for the role of city manager as Monroe's administrative official.

"If I were a city manager, I wouldn't touch Monroe with a 10-foot pole," said councilman Lynn Keziah, who opposed the firing, after D'Agostino was let go. "It's embarrassing. ... It didn't make any sense."

Councilwoman Debra Duncan, who was among those voting to fire D'Agostino, contended that the public and city officials had lost confidence in him.

### W-S BID approved

Winston-Salem City Council has approved a business improvement district in the city's downtown, reports the *Winston-Salem Journal*. Property owners in the district will receive additional services in exchange for paying higher property taxes.

The city's BID will cover 61 blocks. While city council hasn't set the additional tax rate for the district, those proposing the district have suggested a rate of 9 cents for every \$100 of taxable property. At that rate, it would bring in about \$470,000 a year. The money from the extra taxes would pay for additional safety patrols, extra cleaning, and a marketing campaign.

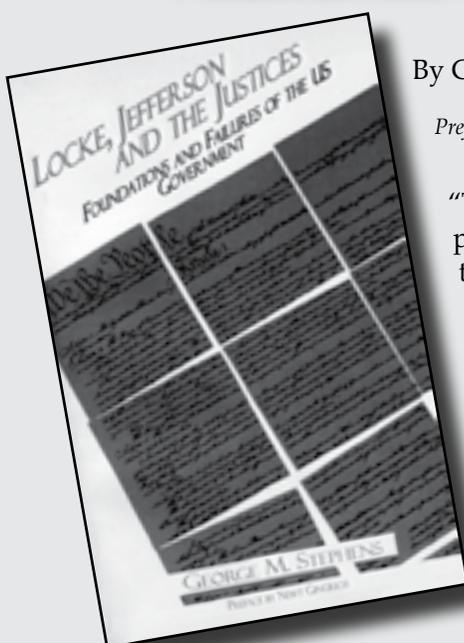
The city council vote was unanimous, and opposition to the district largely disappeared once the concept was explained at a public hearing.

"A couple of things that were the most important were that people understood that people with downtown interests would be on the committee," said Gayle Anderson, president and chief executive of the Winston-Salem Chamber of Commerce.

"And then when they figured out that it was a relatively small amount, people said this makes sense." *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

Algora Publishing, New York ([www.algora.com](http://www.algora.com))

## COMMENTARY

## The Boeing Elephant Hunt

To economic development officials, the pursuit of big game — plants, offices, and headquarters — bringing a lot of jobs is described as an “elephant hunt.” And there’s certainly no larger such pachyderm in existence than the plant Boeing will build to produce its new 777X jetliner, a facility that could bring 8,000 very high-paying jobs to a community. As with most economic development campaigns, it’s a game, with some of what happens being little more than a ruse.

Boeing now builds most of its wide-body jets in Everett, Wash., at a plant that opened about 45 years ago to build 747s. The company still builds 747s there, along with 767s, 777s, and 787s. (Boeing has a second 787 line in Charleston, S.C.) The 777 is the big production item, though; Boeing currently produces an even 100 a year, or 8.3 per month.

But that production rate is unsustainable — pretty much everyone who plans to buy a current-generation passenger 777 already has committed to doing so, and follow-up orders from existing customers will go only so far.

Airbus, Boeing’s main competitor, is working on a new jet called the A350 that could take significant market share from Boeing as older 777s come

up for replacement. Boeing thought it had plenty of time to develop a new generation of 777s to combat this threat, but the A350 program has been moving along rapidly and without major issues.

Thus we see Boeing’s sudden rush to build a new generation of 777, which will feature two models, the -8X and -9X. The simplest solution would be to build the new models at the existing 777 plant in Washington state. Washington has offered up \$8.7 billion in incentives to try to make that happen. One big problem: The Everett plant is unionized, and the machinist union voted down the cost concessions Boeing said it needs to build 777Xs there. Boeing has responded by soliciting

proposals for a new site to build the plane.

Boeing identified 54 airfields in 22 states as possible locations for a new 777X plant. Included in the list were three North Carolina airports: Charlotte, Greensboro, and Kinston.

Don’t get too excited, though: The whole process creates a sort of economic development illusion.

While Boeing must think that each of the locations it has identified is somewhat plausible, the

list is too long to serve any purpose other than amping up the hype. The bigger the casting call, the greater the pressure to make a big impression. In this case, making an impression requires offering a stunning amount of incentives to Boeing. Maybe not Washington-state big, but certainly in the billions.

Moreover, Boeing whittled its list of possible sites from 54 to a few finalists less than two weeks after proposals were due, suggesting that the company did a lot of research well before it asked for proposals.

“It tells me that they probably started the process before we realized it, and they have had a list of communities they were interested in,” said Dan Lynch, president of the Greensboro Economic Development Alliance, which

developed Greensboro’s proposal, to the *Greensboro News & Record*. “So, they may have been doing their homework for several months, unbeknownst to us.”

Boeing’s public hunt for alternative sites to build 777Xs also dials up the pressure on the machinists back in Everett. Getting union members to accept a deal much like the one they voted down in November may have been an element of Boeing’s plan all along. Sometimes the great elephant hunt is in fact a snark hunt, with some of those drawn in mere props. *CJ*

Michael Lowrey is an associate editor of Carolina Journal.



MICHAEL LOWREY

Three of the 54 locations that Boeing has identified are in North Carolina

# New Hanover Searching For Way to Fund Dredging

By MICHAEL LOWREY  
Associate Editor

RALEIGH

New Hanover County is searching for ways to fund inlet dredging. Such dredging was once a federal responsibility, but with federal cutbacks, a combination of state and local funding will be required for further dredging, says the *Wilmington Star-News*.

This past session, the General Assembly made the cost of dredging shallow inlets a shared state and local responsibility. The state would cover half the cost, to be paid for by higher boat registration fees, state highway funds, and other sources. Localities would be responsible for the other half.

“New Hanover County is so fortunate to have the beach renourishment fund that we have, but unfortunately, we do not have any funding for inlet dredging,” said Rep. Ted Davis, R-New Hanover. “I know that creates a problem.”

It is unclear exactly how much individual municipalities in New Hanover County would have to pay. There are five shallow-draft inlets in the county.

“What is the proportionate share that every municipality in the county would have to contribute?” said Carolina Beach Town Council member Steve Shuttleworth. “It’s been recommended we come up with some kind of interlocal agreement that establishes those percentages. ... Then how do you fund it? Hopefully, the state will allow us some local authority to do that.”

Another sticking point is when money from the county and various towns would be paid to the Department of Environment and Natural Resources, the state agency that will administer the dredging program.

### I-540 tolls?

Raleigh has added widening the Interstate 540 portion of its outer loop road to its long-term road-building wish list. One option under consideration is turning the highway into a toll road, reports the *Raleigh News & Observer*.

The 540 Loop originally was intended to be a toll-free highway around Raleigh. The first portions of the road were completed as such and designated as I-540. However, after the state ran short of money, subsequent portions were completed as a toll road. Though built to the same standard, the

toll portions do not carry the interstate highway designation.

The city is now considering how eventually to add capacity to the I-540 portion of the loop.

“We are just saying we see the need to widen 540 as one of our priorities,” said Raleigh Mayor Nancy McFarlane. “My understanding is that [the U.S. Department of Transportation] won’t even consider any of that

unless there is some kind of tolling involved.”

There are at least two different tolling options: adding an additional high-occupancy toll lane in each direction or converting the entire

freeway into a toll road, like the other portions of the highway. Conversion to a toll road would require approval from the federal government. Either option should be controversial.

“This is a proposal I believe would have so much support that it could be moved way up on the construction schedule,” said Apex Mayor Keith Weatherly, who favors tolling.

“Oh, there would be some carping, I’m sure, from people who want to continue with their free road while others pay for theirs.”

### Charlotte airport recycling

In 2011, Charlotte Douglas International Airport officials played up a new recycling effort at the airport, claiming it would turn a profit. The results to date have been disappointing, reports *The Charlotte Observer*.

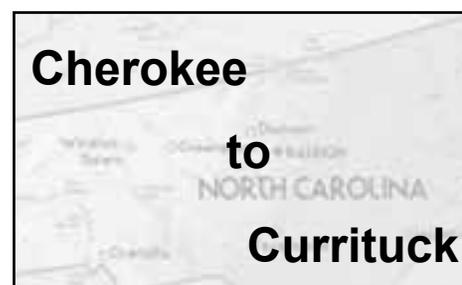
As originally described by then-aviation director Jerry Orr, the airport’s partnership with Go Green was supposed to reduce the amount of garbage sent from the airport to landfills by 70 percent. Workers would sort through the trash, separating items that could be recycled. Bits of food waste would be fed to worms, which would convert them into compost.

Under the agreement, the airport would own the recycling facility, while Go Green would operate it. The two would split the revenue.

In the facility’s first year of operation, it was able to reduce waste going to the landfill by about 30 percent and lost roughly \$490,000, though the airport also reduced its trash-hauling costs by \$127,000.

The worm fertilizer program just started.

“It was a struggle getting it up and running,” said Orr. “Like a lot of startups, it cost more and produced less.” *CJ*



# Court: 'Objective' Reasons Needed to Deny K-12 Tenure

By MICHAEL LOWREY  
Associate Editor

**N**orth Carolina K-12 public school teachers currently enjoy enhanced job security after completing four years on the job. A new ruling by the state's second-highest court highlights the need for school boards to follow proper procedures in deciding whether to grant tenure, or "career status," to teachers.

Vanessa Joyner began working as a teacher in the Perquimans County schools in August 2008. She spent her first two years teaching first grade and then moved to a position teaching exceptional children for the next two years.

## Twelve sought status

In May 2012, she and 12 other teachers went before the Perquimans County Board of Education seeking career status. Teachers gaining tenure enjoy enhanced job protections for the remainder of their teaching careers. If a school seeks to fire a tenured teacher, the teacher can request a formal hearing, and if the superintendent decides to uphold the firing, the teacher can ask the entire school board to reconsider the dismissal.

Teachers who are not awarded tenure after four years on the job are dismissed immediately.

The school system's superintendent, along with the current and former principals of the school where Joyner taught, recommended that she be awarded tenure. The school board, however, voted against granting Joyner career status.

At a closed-door session, school board member Ralph Hollowell stat-

ed that "he had heard from teachers, teacher assistants, parents, and grandparents questionable information about [Joyner]," and that "from the accounts he had heard, he was not sure if [exceptional] students ... were getting what they needed."

Hollowell said that he observed Joyner during three days in which he "substituted" at her school and "questioned the quality of services the students were receiving in such a short length of time." Hollowell did not elaborate on why he felt Joyner's performance was unsatisfactory, nor did he share his observations with anyone at the school at the time.

When Joyner learned that she had been rejected for tenure, she requested a hearing before the school board. At the hearing, she stressed the positive reviews and recommendations she had received. She also questioned Hollowell's motives in opposing her tenure status; Hollowell's wife was a teacher at Joyner's school, and Joyner had reported Hollowell's wife for administering a test improperly just before Hollowell "substituted" at the school. Hollowell was not present at the hearing.

## The courts weigh in

After the school board again voted to deny Joyner tenure, she sought judicial review of the decision. In a Nov. 16, 2012, ruling, Superior Court Judge William Pittman ordered Joyner to be granted tenure. Pittman found that Hollowell's status as a member of the school board constituted a conflict of interest. The judge also said that Hollowell was biased against Joyner, and that his bias influenced the school board's decision not to award Joyner tenure.

The school system challenged Pittman's ruling before the Court of Appeals, which upheld the trial court's order.

"Upon careful examination of the whole record, we are unable to discern a rational basis in the evidence for the board's decision," wrote Judge Chris Dillon for the appeals court.

Dillon noted that the record before the school board of Joyner's ability as a teacher was very favorable. The only real negative item was Hollowell's concerns, which were vague and not substantiated.

## Court rejection

The Perquimans school district also contended that the school board

had offered an adequate explanation for Joyner's dismissal in its written decision. The written decision simply states: "The board has concerns about [Joyner's] performance," and "The board can and should find a teacher to do a better job than [Joyner]."

The appeals court flatly rejected this argument.

"To accept the board's 'findings' as explaining a valid basis for its decision — or, put another way, as indicative of the standard for attaining tenure status, without being accompanied by an articulation of a specific concern supported by substantial evidence in the record — would be to grant the board unfettered discretion to act arbitrarily toward a particular candidate, as there will always be some candidate, somewhere, who could 'do a better job,'" wrote Dillon.

"This case is a window into the absurdities of teacher tenure decisions," said Terry Stoops, director of research and education studies at the John Locke Foundation. "Public school advocates depict the teacher tenure process as a meritocracy designed to award unparalleled job security to the best and brightest teachers in the district. But after reading the details of this case, it's no wonder that Republicans passed legislation that will replace tenure with a performance-based contract system."

Stoops added, "One wonders how many other school boards made tenure decisions based on the personal whims of members or the superintendents that they employ, rather than on the teacher's competence in the classroom."

The case is *Joyner v. Perquimans County Board of Education*, (13-446). CJ



**Court found bias on part of a school board member voting on tenure decision**

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# National Average Goal Unique to Public Education Sector Pay

Continued from Page 1

only 2.8 percent higher, or \$990 in 2012, their salaries would have been in line with the state's private-sector workers. The total cost to taxpayers would have been \$207 million.

The NEA's numbers, which include teachers only, show North Carolina's average teacher pay currently is \$45,947, or 81.5 percent of the national average of \$56,383. That would rank the state near the bottom, followed only by Oklahoma, Mississippi, and South Dakota. Raising teacher pay to the NEA national average would cost taxpayers more than \$1 billion.

If someone were to set a goal of raising North Carolina's average private-sector pay (\$43,040) to the national average (\$49,200), it would take an additional \$19.9 billion in pay to bring the state's 3.2 million private sector employees up to that level.

Most comparisons of teacher pay rely on the annual rankings released by the NEA, but even the NEA and many other researchers concede that making teacher-compensation comparisons among states is difficult.

The federal government currently does not collect annual teacher salary or compensation data for each state. The National Center for Education Statistics in the Department of Education is developing a method to do so, but the results are several years away, said Stephen Cornman, director of that project for NCES.

Though NCES currently does not use BLS data to quantify public education pay in the states, Cornman said that such a method is valid. "I agree with that approach as a comparison," he told *CJ*.

North Carolina school districts have the option of providing annual supplements to K-12 teacher salaries, and, according to the N.C. Department of Public Instruction, all but eight of the state's 115 local school districts do so. The remaining 107 districts provide supplements ranging from \$100 in Mitchell County to \$6,441 in Chapel Hill-Carrboro City Schools. Wake County offers \$6,318, and Charlotte-Mecklenburg schools offer \$6,376. Both the BLS and NEA data sets include annual supplements in their calculations of educator pay.

## Other states

Using BLS data, *CJ* compared each state's private-sector and public education average pay to the national average, resulting in a percentage for each, which may be thought of as an index. For instance, Texas had a private-sector index of 104.9 and a public education index of 89.8, meaning that Texas' private sector is paid 4.9 percent above the national average of private sector pay, while public education employee pay is 10.2 percent below the

national average of education employees.

The spread between the two indexes is -15.1. This means public education pay is 15.1 percentage points lower than one might expect if public education workers and private-sector workers had the same relationship to the national average for their respective sectors.

Joining Texas at the end of the scale of states where education employees fall well below private-sector employees were Colorado, Virginia, Kansas, and Washington, all with a negative spread greater than 10 points.

In the middle of the pack were 17 states where the spread was plus or minus 5 points. North Carolina is in this group, with a spread of -2.3 points.

On the high end, states where public education employees make much more compared to their national peers than private-sector workers to their peers, is Rhode Island, with a private-sector index of 90.7 and an education sector index of 129.9. This means Rhode Island's 20,728 public education paychecks averaged in 2012 129.9 percent of the national average, a 39.2 point spread in favor of public education. Other states with significant spreads favoring the education workers were New Jersey, Maryland, Nevada, Michigan, Ohio, Pennsylvania, Montana, and Delaware.

## Other N.C. sectors

Using this same methodology, *CJ* computed the index for other sectors of the North Carolina economy. All numbers are for the year 2012 and could be compared with the private sector's average wages of 87.5 percent of the national average.

On the high end was the North Carolina public university system with an index of 106.1, meaning that the average paycheck for the 55,277 UNC system workers was 106.1 percent of the national average for workers at state-run universities and colleges.

In the private sector, *CJ* found that the average annual employment in newspaper publishing had fallen from 10,513 in 2002 to 5,896 in 2012, and the BLS index had fallen from 83.2 to 77.0 over the same time period, meaning newspaper employees in North Carolina in 2012 were paid only 77 percent of what newspaper employees nationally were paid.

The average annual employment in the state's law offices was 23,239, and the most recent BLS index was 73.9 — meaning the average paycheck in the state's law offices is 73.9 percent of the national average for law offices.

In the state's goods-producing sector, with an average annual employment of 643,513, the BLS index was 85.4, or about two points below the private-sector index of 87.5.

The 173,649 jobs in wholesale trade had a BLS index of 92.1, and the

States ranked by the difference between their private and public education sectors' average wage as a percent of the national average

State	No. Private Sector Employed	Private Avg. Wage	No. Educ. Sector Employed	Educ. Avg. Wage	Pvt. Sector Index	Educ. Sector Index	Spread
U.S. Total	110,645,869	49,200	7,004,379	42,060			
Texas	8,964,789	51,593	729,193	37,767	104.9	89.8	-15.1
Colorado	1,891,870	50,920	123,009	37,293	103.5	88.7	-14.8
Virginia	2,927,218	51,381	221,381	38,473	104.4	91.5	-13.0
Kansas	1,076,065	41,817	91,021	31,217	85.0	74.2	-10.8
Washington	2,378,502	51,765	152,280	39,873	105.2	94.8	-10.4
Utah	1,006,278	41,163	65,349	31,199	83.7	74.2	-9.5
Arizona	2,045,349	45,235	118,987	35,182	91.9	83.6	-8.3
Oklahoma	1,222,393	41,863	89,102	32,327	85.1	76.9	-8.2
Georgia	3,190,572	46,980	244,142	37,008	95.5	88.0	-7.5
North Dakota	344,538	46,823	19,801	36,903	95.2	87.7	-7.4
Tennessee*	2,240,924	44,261	NA	35,683	90.0	84.8	-5.1
California	12,684,429	56,295	722,275	45,971	114.4	109.3	-5.1
Idaho	503,774	35,882	36,221	28,876	72.9	68.7	-4.3
North Carolina	3,226,792	43,040	208,978	35,813	87.5	85.1	-2.3
Massachusetts	2,828,275	61,467	162,525	51,621	124.9	122.7	-2.2
Minnesota	2,276,259	49,750	129,484	41,873	101.1	99.6	-1.6
South Dakota	329,141	36,306	22,819	30,769	73.8	73.2	-0.6
Connecticut	1,391,749	63,146	89,292	53,733	128.3	127.8	-0.6
New York	7,190,226	63,912	466,503	54,500	129.9	129.6	-0.3
Hawaii*	483,782	40,871	29,993	34,901	83.1	83.0	-0.1
Indiana	2,418,425	41,357	145,893	35,534	84.1	84.5	0.4
Missouri	2,188,757	43,128	134,816	37,136	87.7	88.3	0.6
Mississippi	846,759	35,264	74,390	30,616	71.7	72.8	1.1
Oregon	1,372,310	43,678	64,413	38,194	88.8	90.8	2.0
Alabama	1,467,367	41,079	98,414	36,177	83.5	86.0	2.5
Iowa	1,241,299	39,761	82,600	35,514	80.8	84.4	3.6
Illinois	4,843,785	52,322	305,536	46,398	106.3	110.3	4.0
Alaska	248,576	49,587	21,502	44,269	100.8	105.3	4.5
New Mexico	603,114	39,521	46,032	35,836	80.3	85.2	4.9
Kentucky	1,455,758	40,228	108,555	36,950	81.8	87.9	6.1
Vermont	247,087	40,206	21,682	37,415	81.7	89.0	7.2
Nebraska	762,468	38,660	53,473	36,214	78.6	86.1	7.5
Maine	486,542	38,082	36,919	35,865	77.4	85.3	7.9
Florida	6,312,193	42,447	332,552	39,674	86.3	94.3	8.1
Arkansas*	944,388	37,881	70,602	36,130	77.0	85.9	8.9
South Carolina	1,478,136	38,663	NA	37,015	78.6	88.0	9.4
West Virginia	567,438	39,258	44,089	37,577	79.8	89.3	9.5
Wyoming	212,192	44,310	19,773	42,038	90.1	99.9	9.9
Wisconsin	2,315,717	41,760	129,800	39,882	84.9	94.8	9.9
Delaware*	345,329	51,697	18,891	49,229	105.1	117.0	12.0
Montana	347,922	35,987	23,887	35,909	73.1	85.4	12.2
Pennsylvania	4,887,296	48,147	256,664	47,363	97.9	112.6	14.7
Ohio	4,337,301	43,601	239,783	43,610	88.6	103.7	15.1
Michigan	3,373,672	46,217	176,978	46,357	93.9	110.2	16.3
Nevada*	988,141	42,410	NA	43,477	86.2	103.4	17.2
Maryland	2,024,063	51,910	131,780	51,694	105.5	122.9	17.4
New Jersey	3,194,470	58,089	221,637	59,903	118.1	142.4	24.4
Rhode Island	392,112	44,633	20,728	54,625	90.7	129.9	39.2
Louisiana	1,540,332	43,518	NA	NA	88.5		
New Hampshire	527,252	48,775	NA	NA	99.1		

Source: Each state's data was compiled by *Carolina Journal* from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, unless noted by an asterisk, in which case that state's data was compiled from information obtained from the individual state

*CJ graphic*

451,208 jobs in retail trade had a BLS index of 90.9, both above the private sector's average of 87.5 percent of the national average.

## Comparisons are difficult

*CJ* sought clarification from Glazier and Forest about their positions on teacher pay. *CJ* was unable to reach Glazier by press time.

Forest told *CJ*, "I have always said that we could set an aspirational goal of having the highest-performing/highest-paid teachers in America. The caveat is performance." He said that "highest paid is conditional on several factors," including total compensation, not just salary, and that data should be indexed for cost of living.

On the NEA website, under state affiliates, a section called "quick facts"

lists the average teacher salary in North Carolina as \$48,648. But NEA's *Rankings & Estimates* publication lists average annual pay for North Carolina's teachers as \$45,947 for school year 2012-13.

That publication also notes that each state "has its own system of accounting and reporting," so "it is not always possible to obtain completely comparable data for every state."

The NEA's methodology for ranking teacher pay, which shows North Carolina teachers much lower compared to the national average than the BLS numbers, has been criticized for reliability.

"Those rankings need to be taken with a grain of salt as the comparisons are not necessarily fair given the vari-

Continued as "National," Page 15

# Stolen Identity Refund Fraud Continues in N.C., despite some arrests

Continued from Page 1

home, making it easier for fraudsters to pick up checks without being noticed.

In the presence of a *CJ* reporter, Brooks on Nov. 25 opened the envelope and found it contained a check for \$8,315. *CJ* delivered the check to a special agent with the IRS Criminal Investigation Division in Charlotte.

Mark William Hanson, a Greensboro-based IRS spokesman for North Carolina, Virginia, and West Virginia, would not comment, other than to write in an email to *CJ* that the agency "is not permitted to discuss a particular or specific taxpayer's tax matter or their taxes based on federal disclosure regulations and federal law."

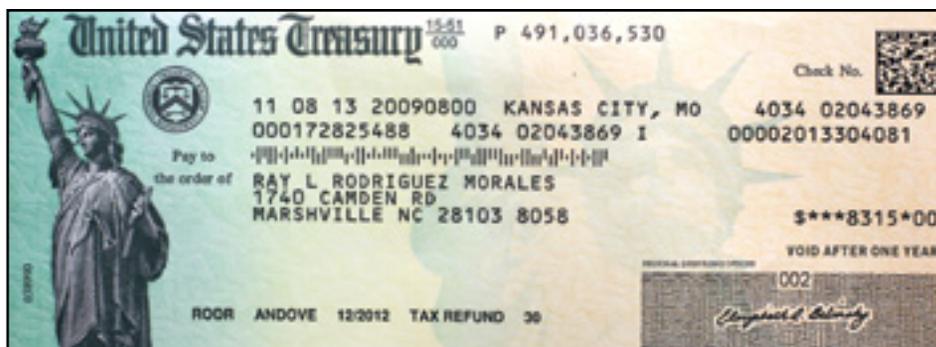
## Federal SIRF audit

A federal audit published in September concluded that "identity theft continues to be a serious and growing problem which has a significant impact on tax administration." The audit, from the treasury inspector general for tax administration, an agency established to provide independent oversight of IRS activities, concluded that for Tax Year 2011, the IRS issued an estimated 1.1 million fraudulent refunds valued at \$3.6 billion. The estimate for the previous tax year was \$5.2 billion.

The report also concluded that the IRS stopped \$7.9 billion in fraudulent refunds in 2011 and \$12.1 billion in 2012.

Earlier in 2013, *CJ* reported on Stolen Identity Refund Fraud incidents in Durham and Clinton, N.C., as well as Long Island, N.Y. Many of the schemes involve checks addressed to Hispanic-sounding names. Some of the fraudsters who have been caught are in the United States illegally.

Even though the IRS has arrested and prosecuted some of the North Carolina-based fraudsters, the practice



Phillip Brooks of Marshville, N.C., found this check in his mailbox in November. It continues a pattern of checks to people with Hispanic-sounding names appearing in mailboxes at addresses where they do not live. (*CJ* photo by Don Carrington)

continues.

The typical scheme works like this: The fraudster obtains a list of stolen Social Security numbers and matching names, or obtains Individual Taxpayer Identification Numbers for persons who do not reside or work in the United States. The fraudster also obtains Employer Identification Numbers and matching employer names from another source. Then the fraudster files numerous phony tax returns under different names, claiming wages that were never earned. The returns often claim exemptions for children who do not exist. The phony returns typically ask for refunds ranging from \$4,000 to \$8,000.

Before filing the fake returns, some fraudsters have selected an individual address or a neighborhood as the locations for the refunds to be mailed. Others have rented mailboxes from the U.S. Postal Service or a private mail-delivery business for the fraudulent checks. When the refund is expected to arrive, the fraudster will search through the victim's mailbox for the checks, or collect them from his rented box. The fraudster will then take the check and a matching fake identification card with the same name and try to cash it at a bank or other check cashing facility. A cooperating tax preparer may be involved in the scheme and take a cut of the proceeds.

The inspector general concluded that this type of fraud continues because the IRS says it is under pressure from Congress to mail refunds as quickly as possible. So the agency issues refund checks before it has received verification from employers that matched the earnings claimed by the fraudsters. Without such a match, refunds would never be mailed, and law enforcement officials would be alerted that a refund fraud scheme was being attempted.

## Few arrests

This type of fraud can be lucrative. In May, IRS special agents from North Carolina arrested a mother and daughter, both citizens of Honduras who were living in Clinton, in a SIRF scheme in which the pair obtained \$1.4 million in fake refunds involving tax years 2006 through 2012.

Clinton residents Angela Christina Lainez-Flores, 44, and her daughter Karen Mejia, 23, pleaded guilty as charged in July in a conspiracy to defraud the federal government through the filing of false income tax refunds. Lainez-Flores also pleaded guilty to a separate charge of aggravated identity theft.

Their scheme involved the filing of multiple tax returns using fabricated identities, phony W-2 earnings state-

ments, and the listing of nonexistent dependents.

Their arrests followed an IRS undercover operation conducted with the assistance of an unnamed cooperating witness who prepared the fraudulent tax returns with information provided by the two women.

Lainez-Flores and Mejia, with the help of the tax preparer, conspired to file numerous false tax returns beginning in 2009. They obtained identification documents of people who do not reside in the United States and used those IDs to make fraudulent applications for Individual Tax Identification Numbers.

They generated fake W-2 earnings statements from companies that did not employ them. On the returns, they included exemptions for multiple dependents who didn't exist. One return filed in 2010 under the name Jose Garcia claimed 11 dependents.

They requested that the year 2012 returns be mailed to a post office box in Clinton. They had been paying the tax preparer \$100 for each false form, but for forms filed this year, the tax preparer raised the fee to \$400.

The fate of the tax preparer is unclear and no one else has been charged publicly in this scheme.

In November, U. S. District Court Judge Terrance Boyle sentenced Lainez-Flores to 30 months in a federal prison and restitution to the IRS of \$1,400,291.

But the judge also ruled, "having considered the defendant's financial resources and ability to pay, [the court] orders that any balance still owed at the time of release will be paid in installments of \$50 per month to begin 60 days after the defendant's release from prison."

Boyle also ruled that upon release that she will be turned over to immigration officials for deportation. At press time, Mejia had not been sentenced. *CJ*

# National Average Goal Unique to Public Education-Sector Pay

Continued from Page 14

reability in definitions and reported data, as well as differences in cost-of-living across geographic areas," concluded a report issued by the Education Research & Data Center for Washington state in 2007.

A 2006 study by the Florida Department of Education concluded that the data used in all national ranking studies was not reliable for comparison because states use different factors to calculate salaries.

The NCES, which doesn't currently collect teacher pay data from each state, is developing a Teacher Compensation Survey to obtain the data. But the latest published data from the TCS is for the school year 2006-07, and only 17 states participated in the

project.

NCES has conducted a more recent survey, but only 30 states participated, and the results have not been published, NCES project director Cornman told *CJ*.

He said there are significant challenges for anyone collecting teacher compensation data on a state-by-state basis. "There has to be consistent definitions to determine average pay levels," he said. He said his center's compensation research is "a work in progress to ensure the data quality on compensation and benefits."

Cornman said a 2010 NCES study attempted to evaluate data gathered for the 2006-07 Teacher Compensation Survey and compare it to the NEA's published salaries for the same year. But only 13 of the 17 states could be

compared. The numbers in two states, Louisiana and Mississippi, were close, but for Kansas the TCS average was 9 percent higher than the NEA number, and in Oklahoma the TCS average was 8 percent lower than the NEA number.

The NCES publishes an annual "Digest of Education Statistics" that includes a table listing average teacher pay by state, but it lists the NEA as the source of that data, and *CJ* has confirmed that it is the same salary data published by the NEA.

## The source of BLS data

The accuracy of BLS numbers is generally acknowledged by statisticians. The agency's Quarterly Census of Employment and Wages program provides a quarterly count of employ-

ment and wages reported by employers to each state's unemployment insurance program.

The methodology is uniform across the states, incorporating the actual amount of gross pay reported for each worker. It includes gross pay and should match the same gross pay reported to the Social Security Administration and the Internal Revenue Service. The data are available through the BLS website.

Data are available at the county, Metropolitan Statistical Area, state, and national levels by industry and ownership code. The ownership code is federal government, state government, local government, or private sector. Public schools are listed as code 611110 with a local government ownership code. *CJ*

# Vedder: Society 'Overinvested' in 'Oversold' College Educations

BY CJ STAFF

RALEIGH

People of all political persuasions have identified significant problems plaguing the American system of higher education. President Obama outlined some reform ideas during a back-to-school tour of New York and Pennsylvania colleges.

But Ohio University economist Richard Vedder, director of the Center for College Affordability and Productivity, believes the president's proposals fall short in some important ways. During a visit to the Triangle, Vedder discussed higher education challenges with Mitch Kokai for Carolina Journal Radio. (Head to <http://www.carolina-journal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

**Kokai:** We have heard quite a bit about this issue of what's wrong with higher ed, especially [when] the president made a big deal out of this. ... First of all, you think that some of his ideas made some sense.

**Vedder:** Yeah, the president said one or two very sensible things. He said we need more transparency in higher education. That is to say people should have better information about the decisions they make. I don't see how one could reasonably disagree with that. Indeed the federal government does have some data available that it could make available, such as earnings data on graduates. There's a decent argument that can be made that that should be provided. So that part of his remarks didn't bother me at all.

**Kokai:** But you also say that in some key respects he really misses the mark.

**Vedder:** Yes, indeed. I would go so far as to say that I think the federal government is more the problem rather than the solution. A lot of our problems, and by no means all of them, but a lot of our problems come from these tremendously explosive student loan programs and grant programs that the federal government provides.

The government is providing fuel for an academics arms race that is going on all over the country by allowing kids to borrow huge amounts of money at very, very low interest rates, and many of these students are really not knowledgeable about finance and so forth. They go out; they borrow a lot of money. The colleges raise their fees more than they otherwise would. This provides extra income for the colleges, which goes for a ton of different things — luxury facilities, more administrators, higher pay for people, and the like — and makes college less affordable.

So the president, who is now talking, and says, "Gee, we ought to do something about this," is instead of

*"I would go so far as to say that I think the federal government is more the problem rather than the solution. A lot of our problems, and by no means all of them, but a lot of our problems come from these tremendously explosive student loan programs and grant programs that the federal government provides."*

*Richard Vedder  
Economist  
Ohio University*



saying, "Well, let's get to the root cause of this. Let's get" — the one thing he can control or Congress can control — "let's get rid of these programs, or let's downsize them in some fashion," instead is saying, "No, we want to keep these programs."

In fact, he went further. He says, "We want to make it easier for the kids to pay back these loans." Well, they don't really need to pay them all back. Maybe they just pay part of them back, 10 percent of their income for a few years. So, if anything, that encourages the students to borrow more, by the way.

So instead of proposing a real solution, he has proposed some threats: "If you don't do this or that, we may cut the student loan program back a bit." I don't think it's a very effective way of dealing with the problem.

**Kokai:** If we wanted to address some of these key problems, what should we do?

**Vedder:** As I say, at the federal level, we should instead of thinking bigger, we should think smaller. Instead of thinking of a new federal program to help people in the STEM [science, technology, engineering, math] disciplines or whatever it might be, perhaps the federal government should get out of the business.

One of the strengths of American higher education historically has been its diversity: 50 different states providing public education and thousands of different private schools. We have rejoiced at having choices for students. We have rejoiced at having different approaches to higher ed.

When the federal government tries to take control, which the president seems to be doing, that detracts from that. It indeed destroys that. And so I think the federal government should start thinking of allowing the states, again, to assert their control. And, of course, I even think states

should perhaps start to get out of higher ed, and instead of giving money to schools give it to students in need if you want to give some money away.

Help low-income students by giving vouchers or scholarships. That would be fine. But empower individuals and provide information to individuals to make decisions. So I think the president, although his remarks may be well-intended, I can't speak to his motives, is — nonetheless, I think he has missed the mark.

**Kokai:** How much of the problem is tied into this idea that everyone needs to go to college?

**Vedder:** I think the ... I call it the "college-for-all" movement has been a very destructive movement in higher education. The president, and not just our president but the major foundations, like the Gates Foundation and the Lumina Foundation, are talking about how we have to have 60 percent of the people with degrees by a certain year. I think this is very destructive. We've almost created the notion that if you haven't gone to college, you're a failure in life. You are sort of a lower form of humanity.

And so guidance counselors impress on us that you must go to college. Well, not everyone has the ability to do what is truly rigorous, high-level academic work. They just don't have the ability. Moreover, we have 100,000 janitors — 115,000 janitors — in the United States with bachelor's degrees, a million retail sales clerks with bachelor's degrees.

We don't have the jobs that college graduates traditionally have filled. We still need people that do jobs that require relatively little skill, relatively little educational training, and we ignore that. And so we have a mismatch between what the labor market is saying and what the college leaders and the guidance counselors in high school and the president of the United

States [are] saying. And this is causing a good bit of angst and problems for young people today.

**Kokai:** Your friend and ours, George Leef from the Pope Center for Higher Education Policy, has talked about college being "oversold." Is that a true statement?

**Vedder:** College is oversold, and I think another way of putting it is we're overinvested in college education. We need to disinvest. People talk about investing in our future. Sometimes we overinvest in our future, in the wrong ways. There are other areas, maybe, [where] we should invest.

I'm not against investment, but we are overcommitted in higher education. And as a consequence we're getting students who are not prepared for college. We're getting high dropout rates. We're getting low learning levels. We get students only working 30 hours a week, going to class or studying. We get grade inflation. I could go on and on with all sorts of the manifestations of this that have happened as a consequence of this, none of which have been particularly good for American society.

**Kokai:** ... Do you have a sense that because of these problems that everyone seems to see with higher education, we're going to see some major change soon?

**Vedder:** I think change is going to come, and it's not going to come from presidential rhetoric or even congressional action. I think markets work. Sometimes they work slowly. Sometimes they work inefficiently because of subsidies and taxes and regulations imposed on markets that distort them. But I think kids are starting to say no. Enrollments are falling. They're not rising right now in American higher ed. *CJ*

# 'Competency' Challenges Old 'Seat-Time' Paradigm

BY JESSE SAFFRON  
Contributor

TRADITIONALLY, college students, whether at the community college level or at four-year universities, have been expected to earn a prescribed number of credit hours by attending 16-week courses over multiple semesters. Students' post-graduation "competency" is indicated by the fact that they "did their time" and finished the required coursework, and, of course, by the letter grades they receive.

With the competency-based model, however, the focal point is not the time spent in the classroom, but rather tangible evidence of learning. Students progress by demonstrating that they have mastered a particular skill or collection of skills, in some cases by applying their acquired skills and knowledge to new situations.

For example, Delaware County Community College in Pennsylvania expects its graduates to achieve numerous competencies. Eleven of these are broad "college competencies" — general skills such as being "proficient in mathematics, reading, writing, and speech communication" or being "able to use decision-making processes to solve problems." Other competencies are specific to the discipline or to individual courses.

Similarly, Capella University offers self-paced undergraduate and graduate programs in which students don't earn letter grades. Rather, they earn either "distinguished," "proficient," "basic," or "nonperformance" distinctions after completing modules based on actual problems and scenarios they'll encounter in their respective fields.

On Nov. 14, at a State Board of Community Colleges luncheon, Sharon Morrissey, senior vice president and chief academic officer for the North Carolina Community College System, and Michael Horn, an official at Central Piedmont Community College, told the story of Zach Sherman.

The 21-year-old is the first graduate of College for America, a completely competency-based college founded by Southern New Hampshire University. He raced through the program, completing an associate degree in general studies in just over three months.

Some board members appeared shocked by the story because of uncer-

tainty about the depth of Sherman's learning.

Nevertheless, North Carolina's community college officials seem to be intrigued by the competency-based approach. But its disruptive potential is fully acknowledged. N.C. Community College System president Scott Ralls wrote via email that the competency-based approach would complement many existing technical and vocational programs. But he also wrote that the model "implies potential significant changes in funding structures, accreditation, etc., and will take much discussion and planning across our colleges and with state leaders."

The model is not entirely new, Morrissey said in an interview. It would continue some of the community colleges' previous work, like the Code Green Super Curriculum Improvement Project. That project, developed in 2010, reorganized a vari-

ety of technical programs so that students can progress in a step-by-step manner toward practical degrees or certificates.

Competency-based education is likely to offer more than progress toward specific expertise, however. If properly designed, it could give students more choices. It also could enable brighter and motivated students to bypass the doldrums that can accompany traditional 16-week semesters, while less motivated students could work at their preferred pace without developing gaps in their knowledge. And instead of sending employers resumes loaded with generalities and fluffy hyperbole, students would be able to show specific skills derived from each class or "module."

As Morrissey and Horn explained to board members, competency-based education goes against the grain of higher education's longstanding "seat-time" focus. It is a radical way to assess student performance. It is potentially disruptive of the status quo.

Morrissey and Horn informed board members about the model in an effort to spark a conversation about its possible implementation. As Morrissey emphasized in an interview with the Pope Center, "We're just at the conversation stage, trying to gather research and look at what's happening in other states." CJ

Jesse Saffron is a writer at the John W. Pope Center for Higher Education Policy.

Competency-based approach focuses on evidence of learning, not time in class

## COMMENTARY

# Pell Grant Reforms Should Focus on Success

Editor's note: Jenna Ashley Robinson, director of outreach for the John W. Pope Center for Higher Education Policy, testified Dec. 3, 2013, before the U.S. House Subcommittee on Higher Education and the Workforce. This is an excerpt from her written testimony.

THE Pell grant program faces two serious problems: its increasing cost to taxpayers, and its failure to serve students well. The program is too expensive, and too few students graduate. By returning the Pell program to its roots, it's possible to trim costs while improving student success and access.

The Pell program provided grants to more than 9 million students in 2011-12, with awards totaling more than \$33 billion. Over 35 percent of all students in the U.S. received Pell grants.

Since the creation of the Pell program, participation has grown more than 4,500 percent. Much of that growth consists of middle-income students. Eight percent of Pell recipients come from families whose income is higher than the national median. Sixty percent of Pell recipients come from families above the federal poverty threshold.

These middle-income students don't benefit from Pell grants. Recent academic research shows that students from families earning between \$25,000 and \$50,000 per year who receive Pell grants are less likely to graduate than those who do not receive grants.

For low-income students, the opposite is true. Pell recipients whose families earn less than \$25,000 per year are more likely to graduate than nonrecipients with the same income. In short, Pell grants help our neediest students achieve graduation — but do not improve graduation rates for middle-income students.

Pell grants also work best for students with strong academic backgrounds. One 2002 study showed the college retention rate of Pell recipients who took a rigorous curriculum in high school was 87 percent — compared to just 57.6 percent for grantees without

a rigorous curriculum. Similar differences are seen when the high school GPAs of Pell grantees are compared.

The first step in making Pell grants serve students effectively is collecting better data. The second step is to ensure the public has access to the data. But there is more to be done.

Financial eligibility should be limited to students whose income falls below 133 percent of the federal poverty level — a cutoff commonly used for qualification

for federal programs. Then the financial aid application process for low-income students could be simplified. For those students, full eligibility could be determined in five or six questions.

Reports indicate that some students obtain Pell grant funds but do not complete their courses. Thus, colleges and universities should place limits on students' Pell grant money.

In North Carolina, Central Piedmont Community College has implemented several new policies to do that. For example, the college disburses money in two parts over the semester to make sure the students stay around, and it limits what can be purchased with financial aid in the bookstore.

Grants should go to students who are prepared for the challenge of college work.

One way to tighten Pell eligibility would be to match the academic standard set by the National Collegiate Athletic Association, which requires first-year athletes to have completed certain high school courses and to meet threshold ACT or SAT scores varied by GPA. Such a policy would focus on the students most likely to succeed and give them an incentive to prepare better for college.

To further encourage students to graduate, grant amounts should be linked to enrollment intensity. Students who receive the maximum award should be expected to take 15 credit hours, not 12. This could be coupled with the "Pell Well" concept, which bases awards on a 12-month schedule rather than the academic year. CJ



JENNA ASHLEY ROBINSON

## Campus Briefs

Randy Woodson is a smashing success as the chancellor of North Carolina State University — according to the criteria of the higher education establishment. He was hired with great fanfare in 2010, largely due to his proven track record for attracting private research funding as provost of Purdue University.

So far, he has brought in the two largest gifts in N.C. State history, dramatically increased private research grants and contracts, and been elected chairman of the Association of Public and Land-grant Universities for 2013-14.

Because of his business emphasis, it was assumed that he was more a political “moderate” than wild-eyed ideologue. Yet his actions suggest something different. For one, in December he ceremoniously signed the United Nations’ 1948 Universal Declaration of Human Rights which includes the following provision:

*Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing, and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond his control.*

That sentence opens the door for massive government intrusion and redistribution. Mandating economic rights places the responsibility for a person’s economic well-being on the government. One need not even try to contribute — he or she can demand aid, and the government must take that aid from taxpayers against their will.

Signing the Declaration of Human Rights is hardly an isolated incident for Woodson. He previously signed the “President’s Climate Commitment,” in which college leaders promise to direct their schools’ policies to “address global climate disruption.” It is a commitment to a highly political environmentalist agenda, based on debatable science, which includes ceding control of the economy to government and international regulatory agencies.

So much for moderate establishment academics. If anybody wants to see what they really think, their signatures are plainly on the documents of radical transformation. CJ

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

## NCSU’s Hofmann Forest: 79,000 Acres of Conflict

By JESSE SAFFRON  
Contributor

RALEIGH  
A battle over the North Carolina State University Endowment Fund’s right to sell its 123-square-mile forest to an Illinois-based agribusiness firm appears to have ended.

On Nov. 22, a Wake County Superior Court judge ruled that the sale could proceed without an environmental impact statement, which a group of ecologists, conservationists, students, professors, and alumni had insisted on. While an appeal is possible, it looks as though the issue is over for N.C. State, which claims it could receive as much as \$6 million per year from the proceeds.

The endowment fund owns Hofmann Forest, a 79,000-acre tract of land 120 miles east of Raleigh. The forest has been affiliated with the university for almost 80 years. It was purchased with a private donation in the 1930s, and eventually it formally was given to the endowment.

The forest was intended to provide students and professors with educational and research opportunities and to provide a source of revenue for what is now N.C. State’s College of Natural Resources.

In September, five plaintiffs — conservation and forestry experts, a landowner, and the former head of N.C. State’s Natural Resources Foundation — sued the board of trustees of the endowment fund and the foundation, which manages the forest. Their goal was to stop the sale, or at least make the school conduct an environmental impact analysis as required by North Carolina’s environmental regulations.

The university claimed from the beginning that it has the ability to sell the forest without triggering state environmental laws — primarily because the actual owner is a private foundation — and that the financial benefits for the school are too great to ignore.

Opponents maintain that N.C. State and the endowment fund have been secretive about the sale and that there are no assurances the buyer will not cut down the forest or use it for residential or commercial purposes in the future. They also argue that the university is the de facto owner of the forest and thus subject to environmental laws, which could affect the terms of future sales, leases, or easements.

In an email to the Pope Center, Brad Bohlander, a spokesman for N.C. State, explained that the forest is not used extensively and that only 2 percent of the College of Natural Resources’ research is conducted there. More than two-thirds of the forest is used for timber and wood pulp production to generate revenue for the College of Natural Resources. Over the last 10 years, revenues from pulp production (and hunting licenses) have averaged



“Charlie Pettit surveying in Hofmann Forest” is the title of this 1937 photo from the archives of North Carolina State University. (Photo courtesy NCSU Libraries)

just over \$2 million; last year, the college earned only \$861,000. The university argues that selling the forest for \$150 million and investing the proceeds in an endowment will earn the school \$6 million annually, giving the college a steadier source of funding.

Frederick Cabbage, a professor in the college’s Department of Forestry and Environmental Resources and the lead plaintiff in the case against the endowment fund, sees things differently. He told the Pope Center that hundreds of N.C. State students visit the forest, and “vast amounts” of workshops and tours take place there throughout the year.

Cabbage also has expressed doubt about the alleged financial benefits of the sale. “If the \$150 million sale price were received in one lump sum payment, if there were no reductions in the principal, and if the stock market alternatives earned 4 percent per year without any loss of value, we would get \$6 million per year (not including inflation losses). None of these ifs seems likely or guaranteed on a yearly basis,” wrote Cabbage in a recent op-

ed in Raleigh’s *News & Observer*.

“The role of this court is not to decide whether the sale of Hofmann Forest is wise or ill-advised,” wrote Judge Shannon Joseph in the ruling. In their motion to dismiss, the defendants had argued that the plaintiffs lacked standing to sue, and that the legislature had given UNC system endowment funds a broad authority to dispose of funds and gifts in any way consistent with the terms stipulated by the respective donor.

Throughout this process, N.C. State has tried to ease the opposition’s worries by pointing out that its bidding process was thorough and ensured that the buyer would “preserve the legacy of Hofmann Forest” and give “access for students and faculty to conduct research, and maintain a working forest.” If the sale proceeds, time will tell whether the new buyer, or future buyers, will satisfy those assurances. CJ

*Jesse Saffron is a writer with the John W. Pope Center for Higher Education Policy.*



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Opinion

# Pope Center Responds to Critics of Report on General Education

The Pope Center recently published a report on UNC-Chapel Hill's general education program — the “core curriculum” of non-major requirements that all students must complete to graduate. We sought to focus general education on the most essential fields of study and recommended reducing the number of courses that can fulfill general education requirements from more than 4,700 to roughly 700.



**JAY SCHALIN**

The report received quite a reaction. Some readers recognized that we were addressing a fundamental problem — the current all-inclusive approach that gives too many choices and too little guidance.



**JENNA ASHLEY ROBINSON**

But others criticized our report for a wide range of reasons. We offer an abbreviated list of our responses below.

1. One of the most difficult decisions we made was reducing the number of required courses in a foreign language.

Even a slight reduction from three to two courses alarmed critics because they say we are entering a global age in which speaking a foreign language will be imperative for con-

ducting business. While we agree that fluency in an important second language gives an advantage in international business, only a relatively small number of students actually will take that route.

Additionally, English is the language of business across the globe, and even three courses in a language are not enough to provide fluency.

Attaining fluency in a language should be an individual choice that students make for their own careers, not something forced upon them. A majority of college graduates who take a foreign language wind up forgetting most of it.

2. Some detractors were upset by our deliberate emphasis on Western civilization and the United States. One commenter even suggested that such an emphasis is “racist”; another said we have a “weird and perverse hostility to multiculturalism.”

Our insistence on our own culture does not come from such animosity, but out of a desire for students to 1) learn their own culture, and 2) become familiar with the most important ideas throughout history.

For the first part, if you do not know the history, institutions, and traditions of the culture you actually live in, your chances for success will be reduced. Society also benefits when graduates are well-versed in their country's foundations, as their ability to vote wisely depends on their understanding of the issues.

For the second part, studying



Western civilization promotes greater understanding of mankind's intellectual advance. The West developed a systematic study of the natural world unmatched elsewhere; today,

when scientists in foreign countries conduct research, they rely heavily on Western methodologies and knowledge. Universities everywhere emulate their Western counterparts, in recognition of the powerful and inclusive Western intellectual framework.

Equating acknowledgment of the West's place on the forefront of knowledge with a declaration of racial superiority is simply wrong. Indeed, one reason for the West's dominant position in the world's intellectual history may be that it was more open to ideas and technology from other cultures. After all, the traditional study of Western civilization begins in the Middle East because that is where the first great civilizations arose.

3. A small-town newspaper editorial suggested it is unnecessary to concentrate on U.S. history and culture because students already learned these things in high school.

The facts contradict this claim: The evidence indicates that recent college graduates have an appalling ignorance of our history. For instance, a 2000 poll of graduating seniors at prestigious colleges, commissioned by the American Council of Trustees and Alumni, revealed that only 23 percent

were able to identify James Madison as the “Father of the Constitution.”

4. Some critics say that students arrive on campus already knowing what they need to learn, so general education courses should be decided by student demand.

But if students already know what they need to learn, then what is the point of a college? They could just go to the library or sit in front of a computer screen all day.

Furthermore, few 18-year-olds have thought long and hard and read widely about what it truly means to be educated. One would hope that somebody on the university faculty or administration has done so and can choose general education courses with more insight than teenagers.

5. Other complaints said that our proposed curriculum attempts to shift the goal from a well-rounded liberal education to training for corporate or professional careers.

This is simply not true. Our main goals aimed at improving reasoning prowess and creating a coherent cultural core, not introducing specific job skills.

Still, one of higher education's major goals is to prepare students for employment. That is why an overwhelming percentage of students attend college in the first place. If our general education program helps make graduates more work force ready, that's great. CJ

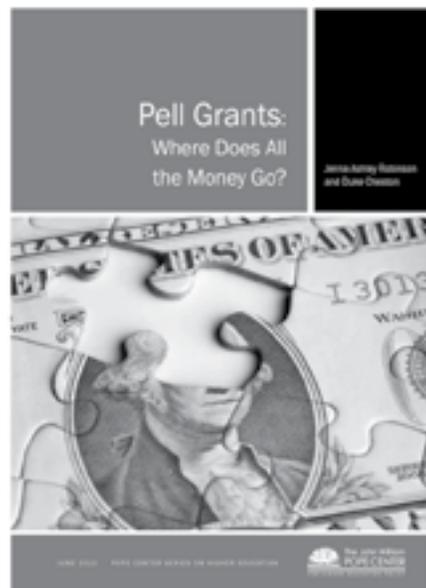
*Jay Schalin is director of policy studies and Jenna Ashley Robinson is director of outreach at the John W. Pope Center for Higher Education Policy.*

## Are Pell grants going to those who need them?

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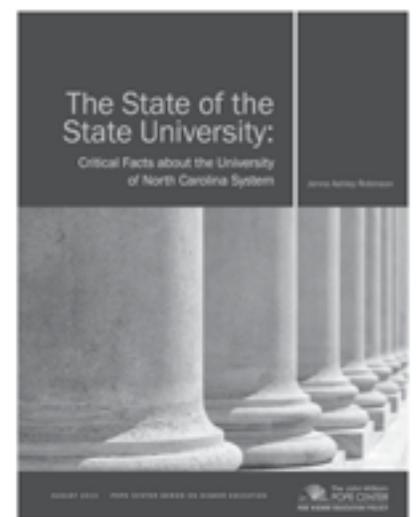


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• According to George Mel-loan, the erosion of supply-side economic principles began shortly after Ronald Reagan left office, when George H.W. Bush reneged on his campaign promise not to raise taxes. Bush, who once called supply-side “voodoo economics,” seemed to forget that during his eight years as Reagan’s vice president that Reaganomics was transforming America into a dynamic entrepreneurial society. The prosperous 1990s saw a gradual return of Keynesian policies that were the catalyst for the credit bubble and the current economic downturn. Offering enlightening answers in an uncertain time, *The Great Money Binge* not only traces the failures of Keynesian policies, but also outlines a clear, authoritative solution: a return to supply-side economics and a rejection of the trendy but ultimately disastrous stimulus packages. See more at <http://books.simonandschuster.com/>

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## Book review

# Halbrook: Gun Control Under Tyrants Offers Lessons

• Stephen P. Halbrook, *Gun Control in the Third Reich: Disarming the Jews and ‘Enemies of the State,’* The Independent Institute, 2013, 247 pages, \$27.95.

By LLOYD BILLINGSLEY  
Contributor

RALEIGH

Anyone who participates in serious discourse will encounter at some point the *reductio ad Hitlerum*, a glib attempt to dismiss some person or policy by comparison to “the rise of Nazi Germany.” The vast literature on that theme, it turns out, contains little about gun control. In fact, Stephen Halbrook’s *Gun Control in the Third Reich* is the first serious book on the subject and, fortunately, much more than an examination of laws and regulations. The author, an attorney and research fellow with the Independent Institute, knows that gun control ultimately is about people such as Albert Flatow, a German Jew who won first place in gymnastic events at the 1896 Olympic games.

In 1932, a year before the Nazis took power, Flatow registered three handguns as required by a decree of the Weimar Republic, which sought to register, regulate, and (eventually) prohibit firearms. A 1919 order had demanded surrender of all firearms, but it was widely ignored, especially by radicals and violent gangs. A 1926 Bavarian law barred Gypsies from owning guns. Failure to renew a valid gun license was grounds for conviction of unlawful possession.

By 1928, the Weimar government shifted from policies banning firearms ownership and instead began requiring a license to manufacture, assemble, or repair firearms and ammunition — even to reload cartridges. Trade in arms was prohibited at fairs and shooting competitions. As Halbrook notes, these measures proved ineffective in quelling violence, and extremist factions armed themselves by any means necessary. German citizens, meanwhile, had no legal right to bear arms or keep arms in the home. Likewise, the German working class possessed few firearms and no tradition of keeping and using them. So the Weimar prohibitions, enforced by the police, only “restricted average citizens who voluntarily submitted to the state’s rule, so that little room existed for the development of a single body of armed citizens who supported democracy to play a dissuasive role against tyranny or extremism.”

Worse, the gun registration records of the Weimar Republic fell into the hands of the NSDAP, the National Socialist German Workers Party, more commonly known as the Nazi Party. Nazi official Wilhelm Elfes ruled that weapons belonged only in the hands of the organs of the Reich and the states. In the Nazi view, nobody needed a firearm for self-defense when the police protected society, and sport shooting and hunting were not a “need,” as determined by the government.

Halbrook shows how the National Socialists advanced *Gleichshaltung*, the forcing into line of all institutions into a totalitarian system. So they used the Weimar regulations to

deny access to firearms to anyone who was not an adherent of Nazism. The purge included the Stahlhelm, a veterans group critical of the Nazi regime, and Halbrook includes a table of “unreliable” types who were targeted. Leschke, a truck driver, “is definitely not a member of the NSDAP. His firearms license will be revoked.” And the author notes that German Jews were a particular target even before the infamous Nuremberg Laws took effect.

The National Socialist measures barred air rifles and even sharpened shovels. Possession of a permit did not rule out mandatory surrender of weapons and ammunition on demand. A German citizen could be acquitted by a normal court, then taken by the Gestapo. By such means the National Socialist police state “approached near-complete control of firearms possession and use by the populace.” With people disarmed, “no foundation would exist for any effective resistance movement or individual acts of resistance. The way was paved for total repression.” Further, “it was only after Reichskristallnacht, when the Jewish population was largely and systematically disarmed, that the Nazis’ iron grip on the country was evident for everyone to see.”

On Oct. 4, 1938, the Nazis arrested Olympic champion Flatow for being a Jew in lawful possession of the firearms he dutifully had registered in 1932 under the Weimar decree. His arrest report stated that “arms in the hands of Jews are a danger to public safety.” Flatow was turned over to the Gestapo and died of starvation in Theresienstadt Concentration Camp in December 1942. Halbrook finds it hard to imagine that Flatow had no regrets about registering his pistols in 1932 and obediently surrendering them in 1938. And he charts the broader lessons of Nazi gun control.

“A disarmed populace that is taught that it has no rights other than what the government decrees as positive law is obviously more susceptible to totalitarian rule and is less able to resist oppression.” On the other hand, “an armed populace with a political culture of allowed constitutional and natural rights that they are motivated to fight for is less likely to fall under the sway of

a tyranny.”

Beyond its historical value, *Gun Control in the Third Reich* certainly should motivate American readers to cherish and protect their constitutional rights to keep and bear arms. The book also serves as a primer on the National Socialist regime, particularly for those puzzled by the *reductio ad Hitlerum*. Those who deploy that fallacy are fond of comparing the National Socialist regime, which they portray as “right-wing,” to free-market conservatism.

*Gleichshaltung* leaves no room for anything like that, but *Gun Control in the Third Reich* does provide one clear example of *laissez-faire* under German National Socialism. When Rollkommandos — Nazi wrecking crews — attacked the disarmed and terrified opponents of the regime, the National Socialists ordered the police not to intervene. That’s what can happen when a militant state manages to disarm the populace. CJ



# Little-Known Johnston Had Illustrious Political and Legal Career

Although born in Scotland in 1733, Samuel Johnston lived in North Carolina from infancy. Historians have described the native Scot as a “prominent voice for the Patriot cause” who possessed “Revolutionary zeal.”

Even so, many North Carolinians today are unaware of his illustrious political and legal career.

He served in the colonial assembly from 1759-75, and when North Carolina moved toward independence, he served on Committees of Correspondence and in North Carolina’s Provincial Councils. After the Revolutionary War, he was a state legislator and a delegate in the Continental Congress.

When Americans debated whether to approve the Constitution, Johnston — James Iredell’s brother-in-law — was one of its leading proponents. Johnston also served as president of North Carolina’s two ratification conventions: Hillsborough

(1788) and Fayetteville (1789).

Johnston also was elected governor of North Carolina three times. He served two full terms — 1787-89 — at a time when the General Assembly elected the governor to a one-year term. His third term lasted only two weeks before he resigned. (The state legislature had elected him to the U.S. Senate.) Johnston represented North Carolina until 1793.

From his significant legal and political career, I want to highlight four things history enthusiasts should know about Johnston:

- He played an influential role in putting down the Regulator movement (a longstanding protest by Piedmont farmers against what they considered cronyism, excessive legal fees, and political corruption). Johnston called the unrest one of the most pressing issues facing Royal Governor William Tryon, whom he criticized for acting ineffectively. As a result, Johnston introduced legislation — the 1771 Riot Bill — equating riotous behavior with insurrection. One of its provisions was that assemblies must disperse one hour after being told to do so. The Riot Bill was read aloud in 1771 to Piedmont farmers who had

gathered on a field in Alamance. After an hour, they remained and the Battle of Alamance ensued.

Some have wondered why Johnston could have supported the royal government in 1771 yet endorsed independence in 1776. It’s an interesting series of political decisions that needs an explanation, but his views were not inconsistent. Simply put, Johnston saw the Regulator movement primarily as a threat to law and order in North Carolina. Later, he believed that Parliament was acting unconstitutionally.

- Johnston was a Patriot who befriended Loyalists. For example, a Committee of Safety alleged that Cullen Pollok, a Scot, expressed Loyalist sentiment. The charges eventually were dropped, but in his defense, Pollok allegedly disrespected local militia. Late one night, a few men later removed and dragged the Scot from his house and to the courtyard and tarred and feathered him. Afterward, Johnston sheltered Pollok and his family until local tempers cooled down.

- Johnston was a leading attorney who represented the defense in the famous 1787 *Bayard v. Singleton* case. The decision provided precedent

for judicial review, the concept that a court can overturn a legislative act, made famous in the U.S. Supreme Court’s landmark 1803 *Marbury v. Madison* decision. During the Revolutionary War, Loyalist property often was seized, and after the war, many Loyalists tried to regain their homes and lands.

The North Carolina legislature in 1785 passed an act barring superior courts from hearing lawsuits brought by former Loyalists. Elizabeth Cornell Bayard was to inherit land that had been seized and sold. She filed suit, and Johnston represented her. The Court of Conference ruled that it could not uphold the 1785 statute because it violated the 1776 state constitution. The court ruled, however, that Bayard’s father, a Loyalist, never had been an official resident of the state.

- In 1781, before the Constitution was ratified and when there was no national executive or judicial branch, Johnston was nominated to be president of the Continental Congress. He turned down the opportunity and returned to North Carolina. *CJ*

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



**TROY KICKLER**

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## Book review

**'Going Galt' Not the Best Way to Counter a Societal 'War on Men'**

• Helen Smith, *Men on Strike: Why Men Are Boycotting Marriage, Fatherhood, and the American Dream — And Why It Matters*, Encounter Books, 2013, 176 pages, \$23.99.

BY DAVID N. BASS  
Contributor

RALEIGH  
Perhaps the most inane refrain of the 2012 presidential campaign was the Republican Party's alleged war on women. The following year, in 2013, psychologist Helen Smith published a book declaring that men, in fact, are the target du jour.

In *Men on Strike: Why Men Are Boycotting Marriage, Fatherhood, and the American Dream — And Why It Matters*, Smith attempts to answer the question that hounds so many social scientists: why men are checking out of marriage, family, work, and culture in general.

The politically correct response is that men are scumbags stuck in perpetual boyhood. But Smith has a different answer: Men simply are responding logically to an array of disincentives in society that discourage responsible manly behavior.

"Most men are not acting irresponsibly because they are immature or because they want to harm women; they are acting rationally in response to the lack of incentives today's society offers them to be responsible fathers, husbands, and providers," Smith writes.

In another chapter, Smith puts it even more bluntly: "Men have been listening to what society has been saying about them for more than 40 years; they are perverts, wimps, cowards, a\*\*holes, jerks, good-for-nothing, bumbling deadbeats and expendable. Men got the message; now they are acting

accordingly."

Even as female power has risen over the last few decades, Smith argues that men's power has declined to the point that males are the persecuted gender — with society's stamp of approval.

One example is a double standard in media. Advertisers routinely portray men as inept goof-offs and as the brunt of the joke, while women are characterized as savvy and mature. Were the roles reversed, the outcry would be significant. As it stands, few have the courage to object.

Smith also points to fairness issues in divorce cases adjudicated by family courts, which tend to favor women heavily, in addition to numerous other instances of married status serving women above men. Frequently, higher education is hostile territory for men as well.

Smith makes a compelling argument. Her diagnosis of the problem is accurate, perhaps best summarized by her statement that feminism, initially at least, "was presented as being about equal rights between the sexes. Now it is often about revenge and special privileges for women and girls."

Her solid premise notwithstanding, Smith's solutions, while well-intentioned, more often miss the mark. A recurring theme in the book encourages men to "go Galt" — a reference to Ayn Rand's main character in *Atlas Shrugged*, John Galt, who withdrew his talents and abilities from society and

turned inward to keep from being exploited.

Toward that end, Smith suggests the single, nonattached life as a viable alternative for men to a steady job, marriage, kids, and involvement in society.

"I have noticed a number of men in my hometown who get joy out of driving around, drinking beer, and working on their own hobbies in peace and tranquility in their own homes or in homes they share with other guys," she writes.

Well, yes. What person wouldn't get a kick out of a predominantly self-focused life, with essentially no attachments or responsibilities? But a healthy society can't function if men are encouraged to check out of responsible adult life and check in to self-indulgence.

At some points in her book, Smith extols the importance of male participation in society. At other points, she proffers "going Galt" as a wise alternative. The two concepts, obviously, are at odds. Indeed, if Smith's premise is accurate — that men are losing out in culture and family life — then withdrawing entirely is a short-term bandage, not a long-term solution.

Books like *Men on Strike* are tricky because they easily can become soapboxes for disgruntled men burned by women. Smith quotes many of these vexed men. I was disappointed, though, at how often she portrayed men as victims, seeming to play off

the liberal victimhood meme applied to women, minorities, the poor, and a swath of other demographics.

Ultimately, men choose the women they marry and the women they have sex with. Some of us have a more challenging path to walk than others through no fault of our own, but the end result of our life is a product of our choices. Although difficult to find in our hyperfeminist culture, women do exist who appreciate traditional masculine virtues — strength, protection, and self-sacrifice, among others — and who want men who display them.

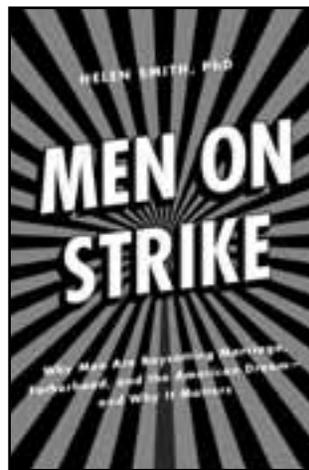
All told, *Men on Strike* doesn't encourage men to cultivate these strengths of masculinity and find a woman who respects them; instead, the book is more about going inward for self-protection and selfishness.

Not all of Smith's suggestions are negative. Her recommendation that men speak out more when manhood is criticized or belittled is needed, as is her suggestion that men not shy away from requesting — and expecting — basic respect from the women in their lives.

She also recommends looking for new ways to incentivize young men to pursue marriage — a worthy goal.

"Instead of spending our time trying to figure out how to get men to commit to marriage in its current state," she writes, "we should be asking more questions like how can we make marriage more appealing to young men so that they want to get married?"

Don't "go Galt." Instead, as Smith writes, work to rouse society to "what we are doing to men before it is too late and we live in a world that has left male potential in a wasteland." *CJ*



# Carolina Journal/Connects the Dots

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Book review

# Abramsky: 'War on Poverty' Failed, So Let's Do It All Over Again

• Sasha Abramsky, *The American Way of Poverty: How the Other Half Still Lives*, Nation Books, 2013, 355 pages, \$26.99.

BY LLOYD BILLINGSLEY  
Contributor

RALEIGH

Sasha Abramsky's *The American Way of Poverty* is being hailed as the second coming of *The Other America*, the 1962 book by the late socialist Michael Harrington that influenced presidents John Kennedy and Lyndon Johnson. Abramsky's target is Barack Obama, who "understands the impact of poverty on people's lives better than almost any other of his predecessors." But for British-born Abramsky, a senior fellow at the Demos think tank, the president may not be up to the task.

In the early going, Abramsky writes, Obama did a good job protecting what remained of the safety net, but he has not protected the "long-term poor" from budget cuts. This "failure to get a handle on poverty represented a lack of willingness on the part of Obama's inner circle, many of whom were avowed moderates who had cut their teeth during the Clinton years." In Abramsky's view, the task requires a more militant approach, nothing less than a "War on Poverty Mark II," which the author says can succeed.

The stories he chronicles of accredited victims, accompanied by Depression-era-style photos, would seem to confirm that LBJ's War on Poverty was a loser. The author concedes that the war "failed," but has an explanation. The war brought poverty center stage, "but technocrats took control," and they set about "reducing a massive moral conundrum — poverty amidst

plenty — into a set of scientific and statistical data. Once that occurred, the energy was sucked out of the process." None of that for the War on Poverty Mark II, because Gen. Abramsky knows the enemy: the anti-tax, anti-government movement that has managed to convince people "that taxes are a mugging rather than an investment." It comes as no surprise that the new war's strategic weapon is higher taxes.

A flat tax may sound "superficially fair," but "in reality tax systems work best when they are steeply progressive." Abramsky wants "targeted, sensible, fair tax increases: raising the capital gains tax, increasing the income tax on the wealthiest Americans, eliminating the upper limit for Social Security contributions, reintroducing an oil windfall profit tax, creating a viable financial transactions tax, and imposing estate taxes on large inheritances," at punitive rates like those charged in England and Germany. And the author, a part-time lecturer in the University Writing Program at the University of California-Davis, offers this collector's item: "We unstarve the beast that Grover Norquist's acolytes have spent three decades gratuitously depriving of nutrients."

It won't do merely to protect "existing programs." Welfare systems "work best when they expand automatically during economic downturns." Those technocrats may have

bungled LBJ's War on Poverty, but now, "We have the knowledge and the technological wherewithal to create flexible, fast-responding, nonpunitive, counter-cyclical welfare programs." These would presumably work as models of efficiency, and the "steeply progressive" tax would pay for it all. The author praises the Consumer Financial Protection Bureau, so it's likely he would champion new federal agencies to supervise the campaign. We doubtless could expect more massive federal entitlement programs, even if the current ones are unsustainable and leave the nation fathomless trillions in debt.

Abramsky does more than think inside the box, however, conceding that there are people who are poor because they have made bad choices. Of course, if they fail to get back on their feet, it's only because of budget cuts in government drug rehab programs, welfare, or food stamps. He cites the policies of "ultraconservative states such as Mississippi," but finds no ultraliberal states.

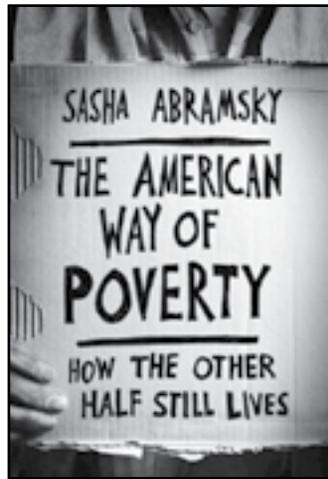
Abramsky also laments that America's "leadership class" began a long march away from redistributive liberalism, but it wasn't all their fault. America's progressives "fell victim to a McCarthyite political culture that denounced comprehensive federal safety net systems as being somehow 'Communist.'" The author provides no discussion of how actual Communist

states fared economically with their "leadership class" in charge of everything. Abramsky dismisses F.A. Hayek as a "free-marketer" while failing to engage the arguments in *The Road to Serfdom*. So the bold prophet of social justice comes up short on intellectual courage.

If this book had appeared in the 1930s, his model would have been the USSR. For Abramsky the closest thing to an ideal state is Sweden, darling of the '60s left, where they love high taxes and supposedly get the most for their money. It's not like that in America, and the author's problems with his adopted nation run deep. For example, "What if the political rights enshrined in the Constitution aren't always in harmony with the economic rights so embedded in the country's psyche?" Readers will want to think about that one.

*The American Way of Poverty* provides no clue that government can be wasteful, corrupt, or abusive. The author includes no stories of entrepreneurs harmed by predatory government regulators, businesses seized under eminent domain, or abuses of Americans' constitutional rights by the IRS, EPA, CIA, or NSA. Readers will find no guidance about how wealth is actually created, but they still should be grateful to Sasha Abramsky for his candor.

He confirms that the War on Poverty was a failure while wanting Barack Obama to do it all again — only moreso. Abramsky may well get his new war, but it is certain to fail, with much collateral damage. Meanwhile, *The American Way of Poverty* will endure as the Dead Sea Scrolls of statist fundamentalism. CJ



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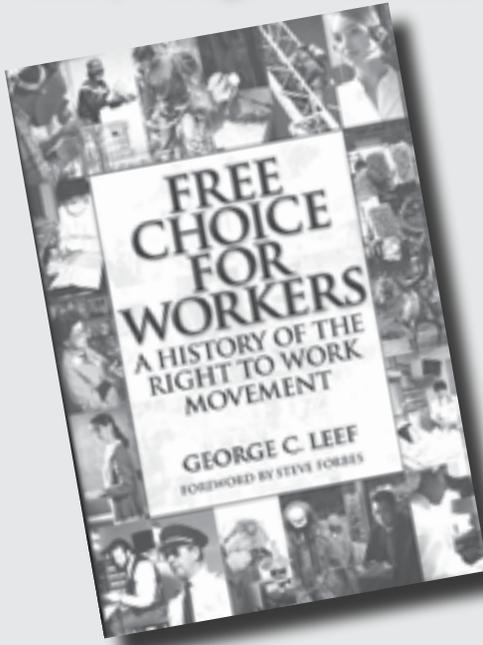
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## COMMENTARY

## Crying Fowl Over Eagle Policy

One of the byproducts of social media is the rehashing of GIF-filled entertainment pages featuring cute animals, compilations of “photo bombs,” and other time-wasters. One of those is the “Things that bother people” meme of Web pages listing irritants shared by the tall, for example, or the short, introverted, extroverted, frizzy-haired, or Southern. The sharer posts the page in gentle self-deprecation, and fellow afflicttees join in appreciation.

If there were a page of “Things that bother logical people,” I expect it would have to include the Obama administration’s position on wind turbines killing eagles and other federally protected species. The past few weeks have made that position ... evident. Normally, the word “clear” would be called for there, but, well, you try to make sense of it:



**JON SANDERS**

- In late November, the U.S. Department of Justice announced that a subsidiary of Duke Energy Corp., Duke Energy Renewables, pleaded guilty in federal court to violating laws against killing federally protected birds. Specifically, Duke’s wind turbines at two sites in Wyoming killed more than 160 federally protected birds, including 14 golden eagles. Duke was fined \$1 million.

- In early December, the U.S. Fish and Wildlife Service announced a long-awaited rule (which readers of the John Locke Foundation’s “Locker Room” blog were warned about well over a year ago — see <http://bit.ly/18TUaTb>) that extended the federally permitted time for wind power companies to kill federally protected bald and golden eagles from five years to 30 years.

FWS employs the euphemism “taking” in describing the slaughter of eagles by the wildly inefficient, intermittent and extremely unreliable, emissions-intensive (yes — owing to wind power’s unreliability, utilities have to keep conventional power stations as backup either running all the time or cycling on and off, offsetting or eclipsing direct reductions in emissions), unsustainable, expensive “Cuisinarts in the sky” favored by

environmentalists.

In sum: A company whose wind turbines killed federally protected eagles had committed federal crimes punishable in court, and a company whose wind turbines kill federally protected eagles over the next three decades can do so scot-free.

The National Legal and Policy Center’s Paul Chesser has tried to get to the core difference between eagle killing by wind turbine that’s punishable and the kind of eagle

killing by wind turbine that gets the Obama administration’s permission to keep on takin’ for the next 30 years. Chesser suggested that Duke Energy may have agreed to pay the relatively modest fine since former CEO Jim Rogers was a major ally of the president, and the utility has been a cheerleader for the administration’s renewable energy cam-

campaign and a big-time buyer of solar and wind power assets.

The Obama administration’s contradictions concerning eagle protection go even further, however. It might warrant a second entry on the “Things that bother logical people” list.

Once a wind turbine smashes the “federally protected” eagle into a lifeless mash of blood, bones, and feathers, it is illegal for you to pick up or otherwise possess one of those feathers. An exception is made for members of a federally recognized Indian tribe.

That exception doesn’t include Lumbees, for example. The Lumbee Tribe is recognized by the state of North Carolina, not the federal government. The Lumbees’ highest honor involves the bestowal of an eagle feather.

It seems eagles are federally protected in the same way as was your keeping the health insurance plan and doctors you liked, period. But once the federally protected eagle is allowed to be smashed by federally subsidized inefficient energy sources, only federally approved tribe members may collect any unspoiled feathers from the federally protected corpse. CJ

*Jon Sanders is director of regulatory studies for the John Locke Foundation.*



## EDITORIAL

## Why Chase the National Average?

Since Jim Hunt’s final term as governor, North Carolina policymakers and education activists have been fixated on raising the salaries of K-12 public school teachers to a “national average” compiled by the nation’s largest teachers union, the National Education Association.

But what’s so special about that number, and why is it such a rallying point for public educators when no other major industry group in North Carolina seems obsessed with it?

Data from the NEA conclude that North Carolina’s average teacher salary ranks 46th nationally — prodding business leaders, politicians, liberal rabble rousers, and journalists to try to shame taxpayers into coughing up more money, acting as if current pay scales insult public school teachers. They say reaching the national average will prevent an impending exodus of our best educators to other states or other lines of work.

There’s no evidence of flight from the classroom. The Department of Public Instruction’s 2012-13 “teacher turnover report” found that a mere 0.9 percent of the state’s 96,000 teachers — 887 — said they left their positions because they were dissatisfied with teaching or making a career change. About half that many more said they left to take a job in another state. Teachers themselves are giving little indication that inadequate pay is likely to cause a revolt.

Public school teachers may be paid less than their counterparts in other states, but many private-sector employees are, too.

In this issue, *Carolina Journal’s* Don Carrington used federal employment statistics and found that North

Carolina private-sector wages in 2012, were, on average, 87.5 percent of their private-sector peers nationally; local public educators (the industry group including all public K-12 teachers, staff, and administrators) received 85.1 percent of the salaries of their peers across the country.

Is the private-sector benchmark a reasonable goal? Looking at other states, Carrington found that educator pay in 17 states was within 5 percentage points of that state’s private-sector benchmark. Public-sector compensation should have some relationship to private-sector pay, rather than some arbitrary national average.

Consider this: If the 2014 session of the General Assembly offered a 3 percent raise to K-12 teachers, North Carolina’s public school educators should be in line with the state’s private sector standard. A raise of that magnitude would cost a few hundred million dollars. Reaching the NEA’s national average would cost more than \$1 billion — and would not guarantee better results.

To be sure, there’s plenty of room for disagreement about the best ways to allocate teacher pay. Effective new teachers shouldn’t have to wait five or six years to get their first raise. Performance-based pay could reward the teachers who are bringing out the best in their young charges. And if certain school districts have chronic problems keeping their best teachers, local officials could boost local supplements.

For now, though, those pushing North Carolina to raise teacher pay to the national average need to provide a better justification, based on evidence rather than guilt or shame. CJ

EDITORIALS

# Obamacare Expansion

*We won't buy this lemon*

As the implementation of the Affordable Care Act continues to baffle, disappoint, and enrage the public, a collection of government vendors and left-wing groups has settled on a brilliant political strategy: Castigate North Carolina for failing to do enough to implement the Affordable Care Act.

Among other things, they say the state should have accepted Obamacare's offer to expand Medicaid. Hospitals say it because, after all, they'd get most of the money. Liberals say it because, after all, their ultimate goal is Medicare/Medicaid for all, rather than the preservation of private, competitive markets for health care finance and delivery.

North Carolina's leaders have said no. They can see beyond the flimsy promises of the used-car salesmen who are trying to pass Obamacare off as something other than the lemon it is.

While the current debate has focused on the fate of the insurance exchanges, Obamacare was always primarily about expanding Medicaid. Most of the people expected to obtain coverage were to do so from Medicaid, not private plans.

Moreover, the flaws in the insurance exchanges reflect not an accident but instead a heartfelt belief by the

law's framers that true health insurance — a financial product to protect households against unforeseen major medical expenses — needs to go away. They were willing to use federal power to turn private insurers into regulated utilities. But most assumed the effort would fail in the long run, leaving no alternative but to expand Medicare and Medicaid into a de facto single-payer system.

If you agree with that goal, so be it. If you don't agree with it, you need to recognize that browbeating North Carolina and other states into expanding Medicaid is intended to hasten its realization.

Expanding Medicaid in its current form would obstruct rather than encourage real health care reform. It also would be fiscally reckless, given that the federal government already has promised tens of trillions of dollars in Medicare and Medicaid payments over the next several decades for which it has no revenue stream. To count on Washington to pay for 90 percent of the cost of additional Medicaid recipients in perpetuity would be like buying an AMC Gremlin at the used-car lot without bothering to look under the hood.

Sorry, lefties, but North Carolinians aren't so gullible. *CJ*

# Poles Vault

*Education success no laughing matter*

Based on the latest international test scores, trying to get a laugh today by portraying Polish people as ignorant or dumb is a good way to identify yourself as, well, ignorant or dumb.

According to the 2012 Program for International Student Assessment, Poland ranks in the top 10 countries worldwide in performance on reading and science tests, and is tied with Canada for 11th in math. The United States, by contrast, scores below average in math and close to the international average in science and reading.

Spending is not the issue. In fact, while few countries spend more than the United States does on public education — and even North Carolina, if it were a separate country, would rank in the top 10 in the world in per-pupil expenditure — Poland ranks below the international average in spending on both elementary and secondary schools.

One policy difference is that

Polish schools use salary bumps and bonuses to reward higher-performing teachers, a practice North Carolina is beginning to implement. Poland also uses vouchers and parental choice options, a policy that spurs its public schools to compete to keep their students.

Poland's strategy for educational success is hardly unique. Within the Organization for Economic Cooperation and Development, there are 15 countries whose students outperform ours on at least two PISA exams. In 12 of those 15 developed countries, policymakers employ either performance pay for teachers or school choice policies.

If countries as varied in history and resources as Poland, Korea, Japan, Germany, Finland, the Netherlands, and Estonia can get it right on education, so can North Carolina. And if we don't, the economic and social consequences will be no laughing matter. *CJ*

COMMENTARY

# Labor Market On the Mend

North Carolina's economy isn't behaving the way it was supposed to.

According to liberal critics of Gov. Pat McCrory and the General Assembly, the state should be losing its attraction as a place to do business. Our economy should be suffering from inadequate demand, thanks to state budget cuts. The passage of the marriage amendment and abortion legislation, and the refusal to assist the Obama administration in implementing its health care scheme, should be deterring out-of-state corporations from creating jobs here.

There is, in fact, no evidence whatsoever that these predicted events are occurring to any measurable degree. North Carolina's economy is growing faster than the national average. By some measures, the state's recent economic performance is among the strongest in the country.

North Carolina conservatives should resist the temptation to attribute all of the state's recent economic progress to conservative governance in Raleigh. That would be an exaggeration. There is a pendulum effect in economic recovery. States that experience relatively large losses during recessions will tend to post relatively large gains during recoveries.

Still, everyone who participates in public policy debate ought to be willing to adapt their arguments, and their understanding of public policy, to changing facts. The fiscal, regulatory, and social policies enacted by the legislature and McCrory administration have simply not had the economic effects that critics predicted.

Look at the labor market, in particular. The federal government administers two monthly surveys that provide snapshots of the labor market. The larger one, of employers, measures changes in payrolls. North Carolina is clearly performing well according to the payroll survey, adding some 80,000 jobs over the past 12 months and 174,000 jobs since mid-2011, both higher-than-average rates of job creation.

The smaller survey, of households, is used to estimate unemployment. On this survey, the

state's performance is a bit harder to summarize. On the one hand, North Carolina's U-3 rate — the rate most commonly referred to as "the" unemployment rate — was 8 percent in October, down from 9.4 percent a year earlier. On the other hand, the household survey suggests the decline was due to people dropping out of the work force, not to job creation.

Economists tend to trust the payroll survey more than the household survey to track job changes. But that doesn't mean we should simply brush off the latter. Instead, we should look more closely at the data.

The U-3 rate is defined as the number of people actively looking for work but unemployed, divided by the total number of people in the civilian work force. Using the household survey, the federal government produces several broader measures of the labor market that capture the effects of people dropping out of the work force for a while — to gain skills, take care of family members, or because of discouragement — as well as those who are working part-time but would like to work full-time.

The broadest measure, called U-6, isn't published every month for states. The most recent U-6 "underemployment" rate for North Carolina was 14.9 percent, an average of U-6 rates from October 2012 to October 2013. While that number is still awfully high, it is a huge improvement from the previous period, October 2011 to October 2012, when North Carolina's U-6 rate was 17 percent.

While North Carolina's underemployment rate was dropping by 2.1 percentage points, the nation's rate dropped just nine-tenths of a point. In fact, only six states in the country had a larger drop in underemployment than North Carolina did.

To say that the state's labor market is on the mend is certainly not to say that it is mended. Hundreds of thousands of North Carolinians remain out of work. But the progress is obvious — to those willing to acknowledge it. *CJ*

*John Hood is president of the John Locke Foundation.*



**JOHN HOOD**

## MEDIA MANGLE

Without Fear  
Or Favor?

Once upon a time, and not too long ago, the job of journalism was seen as reporting the truth “without fear or favor” and “letting the chips fall where they may.”

Not so much anymore.

Journalists in this new age of mainstream journalism are more interested in protecting an ideological narrative, and that narrative is decidedly left-wing.

The general public understands this instinctively, even though many journalists and journalism academics maintain that bias does not exist in mainstream journalism.

The yawning gulf between what lay people can see and hear with their own eyes and ears, and that which journalism’s defenders claim to be the case, is no doubt responsible for the low levels of trust that lay persons have for the profession.

Because every human being comes to the table with biases, preferences, prejudices, and other foibles, so do journalists come to their jobs so encumbered. The important thing is how they deal with them.

Do they subordinate their personal likes and dislikes to reporting “the news impartially, without fear or favor, regardless of party, sect, or interests involved,” to quote *New York Times* publisher Adolph Ochs from an 1896 editorial? Or do they join forces with political and other societal segments to push agendas and skew their reporting to benefit or punish according to those forces with which they are allied?

Sadly, it is the second approach that has become commonplace in the early 21st century.

An example of this occurred just recently. When Colorado high school student Karl Pierson shot a fellow student and later killed himself at Arapahoe High School in Colorado, an early website report by *The Denver Post* read this way:

*The gunman’s parents divorced in late 2011, according to court records. The divorce was finalized in August 2012.*

*Thomas Conrad, who had an economics class with the gunman, described him as a very opinionated Socialist.*

*“He was exuberant I guess,” Conrad said. “A lot of people picked on him, but it didn’t seem to bother him.”*

It didn’t take long for that second sentence to be changed to this:

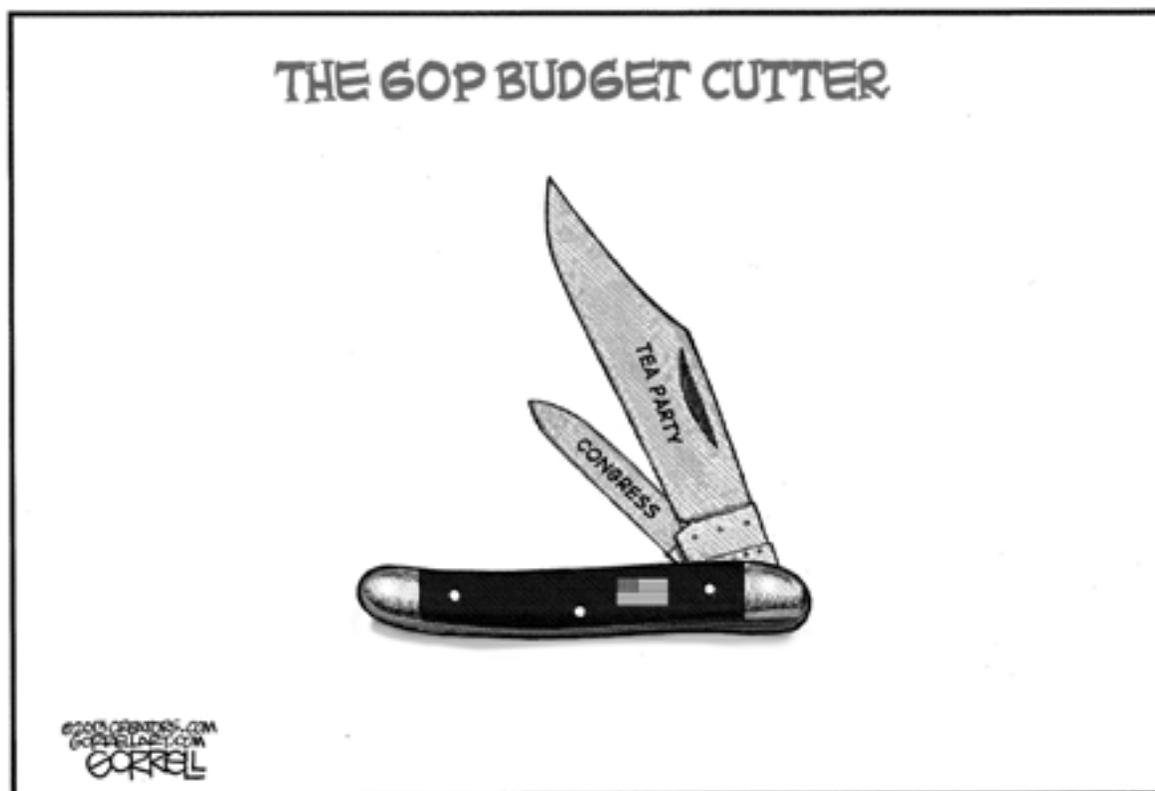
*Thomas Conrad, who had an economics class with Pierson, described him as very opinionated.*

Reporters normally love getting the kind of detail in the first iteration of this web story. Why, then, was the word “Socialist” suddenly expunged from the story? The *Post’s* editor later said she didn’t want another student to be able to “label” Pierson, a quibble that hasn’t kept the media from prematurely and inaccurately “labeling” several recent mass shooters as Tea Party followers. CJ

Jon Ham is publisher of Carolina Journal.



JON  
HAM



## Apprenticeships and the Market

After returning from World War II, my father faced an important question: How was he going to earn a living? A high school dropout, he had little interest in “book learning,” as he used to call it. But he was intelligent. It’s just that his interests weren’t met by sitting in a classroom.

My dad always had liked building things. So he entered an apprenticeship carpentry program through the local carpenters union in Ohio. There he worked with professional carpenters and learned the skills of the trade.

He earned very little for several years. But the apprentice program was an investment in my dad’s future. When he finished he was a master carpenter with a wage rate to match. My dad was never rich, but he did provide a decent life for his family over a career spanning 40 years.

Apprenticeship programs like the one my dad used have been declining in our country. There are only half as many new apprentices today as there were six years ago. In North Carolina, there were only 5,700 apprentices in 2013.

Several factors have been cited as reasons for the lack of apprenticeships. Among them are difficulties in coordinating them with the traditional education system, limited understanding of apprenticeships and their value, costs to businesses of using apprentices, and the decline of unions. Labor unions were often the organizations that managed apprentice programs.

Yet many experts think apprenticeships can play an important role in today’s labor market and therefore should be expanded. Supporters refer to studies showing shortages of qualified workers for occupations like machinists, machine operators, distributors, and repair technicians — all fields where apprenticeship training could be valuable. The studies estimate almost 4 million jobs could be created nationwide by closing the skills gap in technical and vocational fields. For North Carolina, this would translate to approximately 120,000 jobs.

Some states already are moving ahead with bigger apprenticeship programs. South Carolina has twice as many apprenticeships — relative to its pop-

ulation — as North Carolina. Many of the programs are focused on the state’s large automotive industry. The auto companies see apprenticeships as a way to ensure a steady supply of qualified workers.

Many hurdles would have to be cleared for apprenticeship programs to expand. First is coordination with the existing education structure. Should apprenticeship programs be part of high school training, after high school, coupled with community college training, or a totally separate program on its own? Should schools take the lead in managing apprenticeships? Should businesses, or another entity?

Businesses have the crucial role to play in apprenticeship programs, and a couple of hurdles exist here. One is practical. Will a business take the time and effort to train an apprentice knowing that — once the training is complete — the trained worker is likely to move to another employer after a specific period of time? If so, then some contractual arrangement would have to be made between the business and the trainee.

This issue leads to another business hurdle — the question of whether the business would pay the apprentice or the apprentice would pay the business for the training. Certainly while they are learning, apprentices are doing some work for the business, so they would be expected to receive some payment. But on the other hand, apprentices are being educated and trained by the business, so this would suggest that they — the apprentices — have some obligation to pay the business.

This brings us to the last hurdle — government’s role in apprenticeships. Should that role be passive — limited mainly to encouraging the development of apprentice programs and publicizing their existence? Or should government be more active, perhaps in providing financial support through tax incentives to participating businesses or public payments to apprentices while they are trained?

Our labor market is undergoing enormous change. Change always creates problems. One problem in today’s labor market is unemployed workers who can’t find jobs co-existing with businesses who can’t find qualified workers for job openings. Some say one solution is to reinvent what my dad used almost 70 years ago — apprenticeship programs. CJ

Michael Walden is a Reynolds Distinguished Professor at North Carolina State University.



MICHAEL  
WALDEN

# Get Ready for North Carolina's Recovery

If 2013 was the year of reform, 2014 promises to be the year of recovery. Tax reform will go into effect in 2014, lowering tax rates for every individual and corporation in the state. Regular review and routine repeal of burdensome regulations will begin to loosen government's grip on businesses, signaling that North Carolina is again open for business and welcomes entrepreneurs and investors.

Infrastructure investments and long-term responsible fiscal planning send a strong signal that we are back in the game. Education reforms will ensure those earning high school diplomas have market-ready skills; this will encourage job creators to choose North Carolina.

It's early, of course, but we are seeing signs that North Carolina is coming out of the recession and may even rebound faster than any state in the country as our counterparts and competitors struggle to retain fiscal stability after five years of an oppressive downturn.

For the first time in five years, North Carolina is expecting an economic recovery in 2014. Consumer

confidence is the highest in six years. Housing prices are increasing at a steady rate for the first time in five years. After many dark days, things are looking brighter.

According to a September 2013 UNC-Charlotte economic forecast, North Carolina's Gross State Product is expected to grow by 3.3 percent over the 2013 level, which was 2.1 percent higher than 2012. All major economic sectors are expected to grow, with agriculture surging by 16.5 percent. For the first time, total GSP is expected to exceed \$500 billion.

After months with one of the highest unemployment rates in the country, North Carolina's unemployment rate is now 7.4 percent — the lowest since December 2008. We added 56,800 jobs from November 2012 through November 2013. From June 2011 — during the first fiscal year of Republican control of the General Assembly — to November 2013, North Carolina has added 171,000 jobs, a growth rate of 4.4 percent, and faster than the national rate of 4.0 percent. North Carolina's underemployment rate is dropping, too; down to 14.7 percent from a previous-year high of 17 percent.

The General Assembly's October 2013 fiscal research quarterly revenue report found total General Fund revenue was up by 5.7 percent, with total tax revenue up 5.5 percent. General Fund revenue is about \$80 million

higher than expected. And we're hearing rumors that the "surplus" may grow as the year progresses, alleviating the budget crunch of the last few years.

N.C. State University economist Mike Walden predicts even higher job growth in North Carolina in 2014 — more than 100,000 new jobs and a drop in the unemployment rate to 6.8 percent. He credits four factors for North Carolina's recovery — an increase in construction, more college graduates, a growing number of retirees, and a renewed strength in manufacturing.

As the national economy improves, demand for products and output increases. As demand rises, North Carolina is poised to take advantage of new opportunities. North Carolina is the fourth-largest manufacturing state in the country and is the Southeast leader in manufacturing employment.

North Carolina's manufacturing sector is transitioning from reliance on tobacco and furniture production to becoming a top competitor in aerospace, aviation, automotive, biotechnology, pharmaceuticals, information technology, and software. Manufacturing comprises about 20 percent of North Carolina's GSP and is the largest source of exports from the state. Efficiencies, automation, and cost-competitiveness have transformed the manufacturing industry, bringing

new jobs and opportunities.

Public policy decisions are critical to the success and nurturing of any industry. Policies enacted in 2013 put North Carolina in the position to be a national leader in 2014. North Carolina's economy already is showing improvement. Large economies are complicated and sensitive to all kinds of influences. Decisions made at the federal level (sequestration, Obamacare) and international events (Middle East unrest, financial concerns in Europe) have an impact in North Carolina. But sound policy decisions by the General Assembly and the McCrory administration are starting to turn the state in the right direction.

During the 2012 election cycle, we were promised changes that would get people back to work and make them less dependent on government. We saw reforms enacted in 2013 that laid the groundwork to make good on those promises. It's been tough. It's taken bold thinking, commitment, and a strong backbone to implement changes — making our tax system fair, loosening the grip of government regulations, ending decades of political patronage in transportation projects, and revamping a failing education system. We're on the right track, and in 2014 North Carolina should begin to enjoy the positive results of keeping those promises. *CJ*

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



**BECKI GRAY**

## The Louis B. Mayer of Cable News

During the "Golden Age of Hollywood" (1927-63), one movie studio, MGM, dominated the industry. The man at the helm of MGM for most of the glory years was Louis B. Mayer.

Mayer, a Russian immigrant, got his start in the movie business when he renovated a burlesque house and turned it into a movie theater. From that humble start, Mayer and some partners organized a film distribution agency based in Boston. Mayer went on to Los Angeles and, as they say, the rest is history.

Under Mayer, MGM became a powerhouse, producing films such as "Gone with the Wind" and numerous other classics. And Mayer and MGM had the bankable stars the public wanted to see. He was widely credited with creating the "star system."

MGM's lineup included the "King of Hollywood," Clark Gable,

Norma Shearer, Greta Garbo, Joan Crawford, Jean Harlow, William Powell, Myrna Loy, Henry Fonda, Marilyn Monroe, Elizabeth Taylor, Judy Garland, Ava Gardner, James Stewart, Doris Day, Katharine Hepburn, Spencer Tracy, Vivien Leigh, Grace Kelly, Fred Astaire, Ginger Rogers, John Wayne, Barbara Stanwyck, and Audrey Hepburn, to name a few.

Long gone are the days of the studio system, as is — by the way — the era of the dominance of network TV news. With the advent of cable news, the major networks (mainstream media) have for a considerable period of time seen their market share and influence diminish.

This began with Ted Turner and CNN and has accelerated with the Fox News Channel. In the captain's seat is Fox News' founder and creator, Roger Ailes.

It is instructive to know a little

bit about Ailes' roots and career prior to the founding of Fox News. It is not generally known, but Ailes was born with hemophilia and as a result spent a lot of his childhood in hospitals because getting the least little scratch could be life-threatening. Raised by a blue-collar family in Warren, Ohio, he worked summers digging ditches.

When Ailes first went into television, he started at the bottom, and worked his way up, eventually becoming a producer. Along the way he became the executive producer of "The Mike Douglas Show," which began as a local show in Cleveland and Philadelphia but eventually became nationally syndicated and ran for 20 years.

From the 1960s through the 1980s, Ailes was a political consultant for numerous political candidates, including Richard Nixon in 1968, Ronald Reagan in 1984, and George H.W. Bush in 1988.

Along with the late Lee Atwater, Ailes is credited with orchestrating Bush the elder's 1988 victory over Michael Dukakis. Ailes produced and scripted all of Bush's broadcast ads in the primary and general election that presidential year.

In 1996 Ailes was hired by Rupert Murdoch to create the Fox News Channel for Murdoch's News Corp. In 2005, Ailes became chairman of Fox Television Stations Group. He also chairs Fox Business Network.

Like Louie Mayer, Ailes has a keen eye for talent and a unique ability to understand what the American public wants out of a news organization. His stars are not Clark Gable or Myrna Loy. Instead they are Bill O'Reilly and Megyn Kelly, Brit Hume and Charles Krauthammer.

In the process he has made the Fox News Channel the number one cable channel.

No small feat for a fellow from a small town in Ohio. *CJ*

*Marc Rotterman is a senior fellow at the John Locke Foundation.*



**MARC ROTTERMAN**



**Louis B. Mayer, left, Roger Ailes, right.**

# Atkinson Makes Turnaround On Teacher Turnover (a CJ parody)

BY FRED ROGERS  
Education Correspondent

RALEIGH  
State Superintendent of Public Instruction June Atkinson said she was "delighted" when she was informed that a revised report on teacher turnover showed a higher percentage of teachers were leaving the profession than had been reported initially.

"This is great news for students across North Carolina and taxpayers, too," Atkinson told *Carolina Journal*. "If we're lucky, we'll see the turnover rate go up even more."

Atkinson says turnover keeps teachers "fresh" and helps get "dead wood" out of the profession. "Some of these people you couldn't blast out of their jobs with T.N.T.," she said.

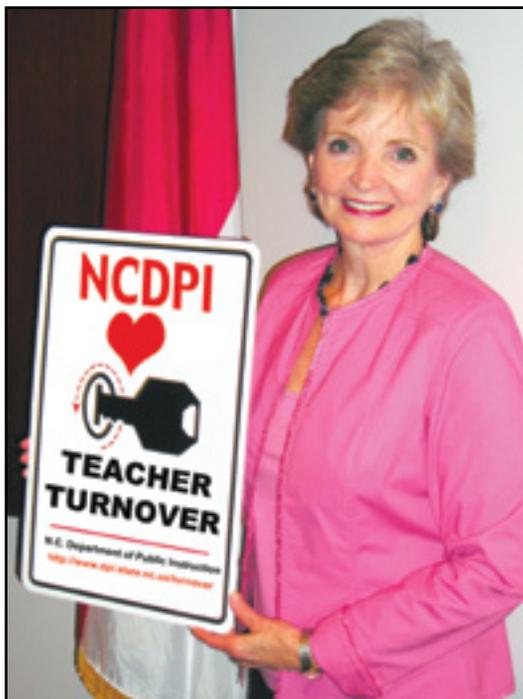
The annual turnover report, prepared by the staff of the Department of Public Instruction for the State Board of Education, chronicles the number of K-12 classroom teachers who leave their positions each year. The report includes teachers who retire, quit, are terminated, take similar positions in other schools, or depart for other reasons.

Atkinson cheered the 2012-13 report, which was presented at the state board's December meeting. The report showed that 13,616 of the 95,028 teachers employed by local school districts

in 2012-13 left their positions. The 14.33 percent turnover rate was 2.2 percentage points higher than the 2011-12 figure. It also was 0.55 percentage points higher than the 13.78 percent turnover rate released in a draft report that originally was on the agenda for the board's November meeting. The draft report was pulled a few days before the November meeting, and numbers were recalculated for the December presentation.

Atkinson said she was pleased to see "some progress on turnover" in the November report, but the higher figure in the December revisions "knocked the ball out of the park."

Over the past decade, turnover



State Superintendent of Public Instruction June Atkinson unveiled a new promotional campaign designed to spur additional teacher turnover in North Carolina. (CJ spoof photo)

rates had been relatively stable, ranging between 11 percent and 14 percent, figures that Atkinson wants to see increase. "I feel the ideal turnover rate should be 17.43 percent," she said. "Because we've been stuck with such low numbers for so long, I'd like to see us have a few years [with percentages] in the low 20s, just to let us catch up to where we need to be."

The superintendent listed a series of benefits she said students and teachers would enjoy with "more churn" in classrooms.

"As we can keep pushing the turnover percentages higher, we can get rid of more dead wood and make sure that the people who are in the

classrooms are committed to helping students," Atkinson said. "It's better to have educators who are dedicated to doing a great job instead of people who want to take up space and build up their retirement benefits."

Democrat Atkinson said several policies enacted by the Republican-led General Assembly should push turnover rates higher. "Getting rid of teacher tenure and giving bonuses to the best teachers will get some of those clock-punchers out of here," she said.

Another reason Atkinson wants to see more teacher turnover is to expand opportunities for young people who want to get into teaching.

"I recall not too long ago, young Sally Smith, from Raeford, who couldn't find a job after graduating from the UNC-Greensboro education school, came to me in tears," Atkinson said. "She wants so badly to work with young people, and I cannot remain silent so long while eager young women and men are kept out of the profession by older folks who won't get out of the way."

To encourage more teachers to think of turnover as a career option, Atkinson has created a new promotional campaign called "NCDPI (Hearts) Teacher Turnover," which will see a full-scale rollout statewide soon, she said. *CJ*



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