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Landowners Face Property-Species Conflict

Owners of N.C. pine forests affected by efforts to protect red-cockaded woodpeckers

By DAVID N. BASS
Contributing Editor

RALEIGH

Preserve the habitat of an endangered woodpecker or protect private property rights. That's the apparent quandary residents are facing in Brunswick County's Boiling Spring Lakes region.

Red-cockaded woodpeckers, which were once plentiful across the Southeast, now are protected under the 1973 federal Endangered Species Act. The U.S. Fish and Wildlife Service estimates that only 6,000 groups and 15,000 individual birds remain.

One of the few locations where the woodpeckers still thrive is Boiling



Marine News photo

"It is frustrating for landowners, I know. We're working to alleviate some of that frustration. We're not there yet. We will get there, one way or another."

Pete Benjamin
Field Supervisor
U.S. Fish and Wildlife Service

Spring Lakes, a small community south of Wilmington containing prime coastal real estate. But after the Fish and Wildlife Service became involved in a local conservation effort more than a year ago, many residents faced new restrictions on what they could lawfully do with their property.

According to the Fish and Wildlife

Service, the woodpeckers are similar in size to North Carolina's state bird, the cardinal. The species is named after the red streak found on each side of the male's black cap, known as a "cockade." As a species, the woodpeckers have stringent habitat needs. According to Pete Benjamin, field supervisor for the Fish and Wildlife Service in Raleigh, the

woodpeckers prefer to nest in mature longleaf pine forests.

"They are the only woodpecker in North America that makes its cavity in a living tree, which makes it somewhat unique," Benjamin said. "A family of woodpeckers requires at least 75 acres, and preferably 120 or more acres, of this mature pine forest to make their cavities and to feed."

Pristine habitat locations have grown scarce over the years, to the detriment of the woodpeckers. Longleaf pines were once plentiful across the United States, Benjamin said, being the dominant forest type in the Southeast and covering about 100 million acres. Because of extensive logging in the 19th and early 20th centuries, the number has dropped to 3 million acres.

That trend has particularly affected the woodpeckers—they prefer longleaf

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N.C. Smoking-Related Medicaid Burden Still Heavy

By PAUL CHESSER
Associate Editor

RALEIGH

Despite the windfall of money states harvested in the 1998 Master Settlement Agreement with tobacco companies to treat illnesses caused by smoking, Medicaid expenditures continue to soar.

According to the Centers for Disease Control, Medicaid costs attributed to smoking-related illnesses and prevention totaled \$769 million in North Carolina in 2004, the most recent year measured. The state and its counties

were responsible for more than \$265 million of the amount.

About 10 years ago the attorneys general in all 50 states filed lawsuits against large tobacco companies. The lawsuits, most of which were consolidated under the Master Settlement Agreement between "big tobacco" and 46 of the states, were intended to recover the states' Medicaid costs for the health problems of sick smokers.

The agreement called for the tobacco companies to pay \$246 billion to the states over 25 years. North Carolina's share of the take was projected to be

\$4.6 billion.

Expenditures have grown since the agreement. As measured by the CDC, smoking-related Medicaid expenditures in North Carolina totaled \$600 million in 1998 and \$708 million in 2002. The state and counties paid \$220 million and \$271 million, respectively, for the two years.

Ironically, none of the money the state harvested in the agreement is used to treat smoking-related illnesses.

"The source was a lawsuit that said, 'you bad tobacco companies have caused added expenses to our Medicaid bud-

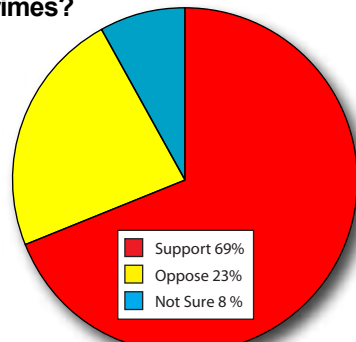
get,'" said N.C. House Minority Leader Paul Stam, a Wake County Republican. "The implication of that is it should go to the fund that paid the money, which is the General Fund."

At the time of the agreement, South Carolina's attorney general, Republican Charlie Condon, recommended to then Democratic Governor-elect Jim Hodges that the state's share of the proceeds go to tax relief.

"These funds, the \$2.2 billion

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Do you support or oppose the death penalty for certain types of violent crimes?



John William Pope Civitas Institute Poll, February 2007

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Published by
The John Locke Foundation
200 W. Morgan St., # 200
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(919) 828-3876 • Fax: 821-5117
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N.C. Landowners Affected By ESA

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pinus both for nesting purposes and for feeding on the insects that populate the trees. In addition, the woodpeckers do not migrate, choosing instead to gain everything needed for survival from their longleaf pine habitat.

"It's a surprising amount of habitat that they need in order to get the resources, the food, to sustain themselves and to reproduce," Benjamin said. "You need quite a lot of acreage to have any sizable population of woodpeckers in any area."

Specifically in North Carolina, the Boiling Spring Lakes region is perfectly suited to the exacting habitat standards of the woodpecker. The town is one of the few areas in Brunswick County that still supports the necessary natural resources for the bird, Benjamin said.

But that fact has presented a problem. Because the woodpeckers are protected under the Endangered Species Act, landowners that have nesting sites on their land face development regulations that can often infringe on property rights.

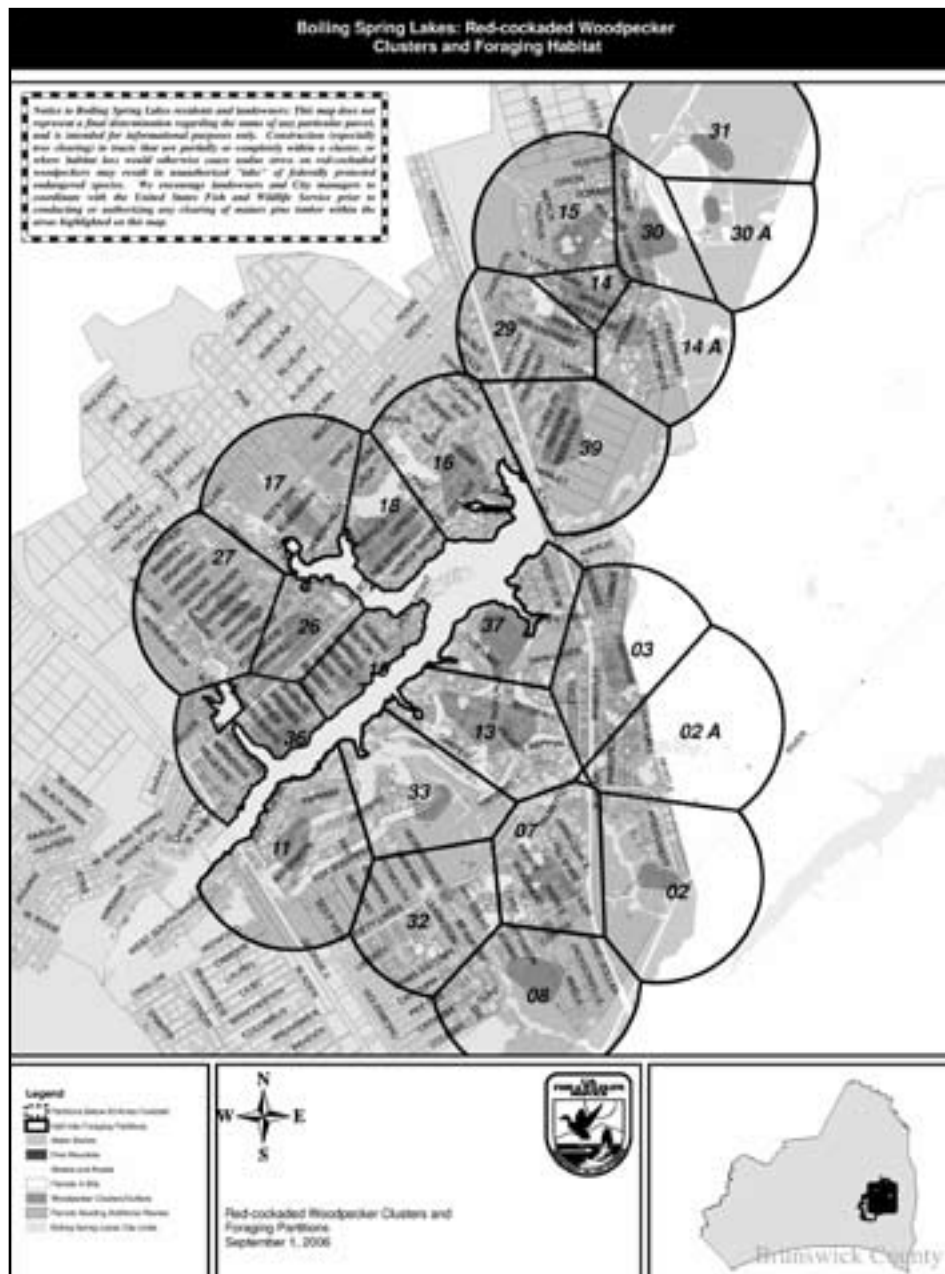
Endangered Species Act

The Endangered Species Act protects endangered species from "take," meaning any effort to "harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect." The act also forbids damage to the habitat of endangered species that might result in harm to protected animals. In order to bypass the act's regulations, landowners are required to obtain a federal permit, a process that entails added cost and time delays.

Residents are concerned about the limitations and added expense, said Joan Kinney, mayor of Boiling Spring Lakes. "The landowners, of course, are concerned, because all of a sudden that piece of property that they have is limited as far as building," Kinney said. About 2,750 lots are affected by the regulations, all of them within the city limits.

Benjamin admitted that obtaining authorization is time-consuming. "If [your land] is occupied red-cockaded woodpecker habitat, and the clearing of trees to build a house is going to result in harm to the family of woodpeckers occupying that territory, then folks need authorization from the Fish and Wildlife Service before they cut down those trees," he said. The federal permitting process could take more than a year, Benjamin said.

Despite the time requirements for a permit, Benjamin said that no regulations are going to prevent property owners in Boiling Spring Lakes from developing their land. "At the end of the day, everyone will be able to do whatever they want with their property," he said. "No one is going to be denied use of their property because of these



The Town of Boiling Spring Lakes provides property owners with a woodpecker-habitat map and advises them to coordinate with federal officials before cutting pine trees.

woodpeckers."

But Kinney has already seen a loss of property value and a reduction in new development in the town. "We've already seen the growth decrease tremendously," she said.

In terms of the local economy, the environmental regulations have had two direct effects on the real estate market, said Steve Candler, government affairs director for the Brunswick County Association of Realtors. Fewer new homes being built translates into fewer listings for agents, causing some real estate agents to struggle financially and two realty officers to close in recent months, Candler said. Some people also mistakenly perceive that the town is "closed for business" and that development is prohibited.

"This is far from the truth," Candler said. "After the [Realtors] stepped up to the plate and partnered with the Nature Conservancy, U.S. Fish and Wildlife Service, and the North Carolina Wildlife Resource Commission to move the process forward and to educate the citizens and landowners on the grant process, some of the panic and 'doom and gloom' has disappeared."

Protection vs. property rights

One question facing the town is how to balance conservation efforts with protecting the constitutional private property rights of landowners.

Benjamin said that he understands the frustration residents face and that the U.S. Fish and Wildlife Service is working to alleviate some of the angst. One of the ways to do that is by streamlining the permitting process to make it "more accessible" and "less cumbersome" for single-family lot owners.

"That's what we're working on now — trying to get some sort of streamlined process in place for the residents of Boiling Spring Lakes so that they don't need to go through a protracted permitting process with the federal government," he said.

But Rick Stroup, visiting professor of economics at North Carolina State University, said that environmental regulations that cause a reduction in property value to the owner are "counterproductive" and "inequitable" in many cases. In a 1995 research paper

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N.C. Landowners Affected By Endangered Species Act

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that discussed potential changes to the Endangered Species Act, Stroup argued that changing "the status of endangered species from the landowner's enemy to the landowner's friend" would make the act more effective on private property. Stroup suggested revising the act to recognize that a property right has been taken when the federal government imposes habitat standards on landowners.

"If such recognition occurs, the Fish and Wildlife Service will have to follow the clause of the Fifth Amendment of the Constitution that requires compensation when the government takes property," Stroup wrote. "So far, no actions of the Fish and Wildlife Service under the ESA have been judged to be 'takings' of property rights."

Stroup said eliminating "specific disincentives" from the act is one fundamental change that needs to be made. In his paper, Stroup also emphasized the importance of involving the private sector in environmental protection. "A number of federal laws could be changed to allow environmental groups to bid for the lease or purchase of federal lands to protect endangered species habitat (or pursue other environmental goals)," he wrote.

But at least to Kinney, changing federal regulations is not an option.

"We've learned over time that you can meet your training mission, protect the species, and do positive good by protecting the environment, protecting your landscape and your forests for the long term."

Mike Lynch
Director of Plans, Training,
and Mobilization, Fort Bragg

"[The regulations are] federally mandated, and unfortunately there's not much we can do except try to figure out what is the best plan for our city," she said. "We're still in the process of looking at all the possibilities and have not come up with anything concrete yet."

Landowner panic?

According to a *News & Observer* of Raleigh article published in August, some residents of Boiling Spring Lakes are taking matters into their own hands by cutting down longleaf pines on their property before the woodpeckers show up. Once wooded lots are now "scraped bare to the white sandy soil," causing alarm among city leaders, the article said.

Kinney said that Boiling Spring Lakes is not having as much trouble with clear-cutting today because of a

tree ordinance recently approved by the Town Council.

"No one can cut these larger trees down unless they come to us with an application for a building permit to build a house on that property," she said.

"I think a lot of [the tree cutting] was generated by some misinformation and resulting fear on the part of the citizens," Benjamin said.

Landowners are not compensated in any way for delays or expenses incurred by the regulations, Benjamin said. "It is frustrating for landowners, I know," he said. "We're working to alleviate some of that frustration. We're not there yet. We will get there, one way or another."

Is coexistence possible?

In an effort to protect ecology and endangered species, environmen-

tal groups and initiatives such as the Wildlands Project are attempting to reserve "safe passageways" for wildlife throughout North America. These set-aside areas would be closed to humans except for traditional national park activities, such as hiking, primitive camping, and wildlife observation. But at least in Boiling Spring Lakes, the consensus seems to be that forced isolation is unnecessary — mankind and wildlife can coexist without difficulty.

"These birds can live and get along quite well in a suburban sort of environment," Benjamin said. "Woodpeckers and people can coexist quite peaceably, so it's not really a question of the birds versus the people or development versus preservation or any of those things you commonly hear."

Kinney said that the woodpeckers will nest in neighborhoods and are not found strictly in undeveloped or remote areas. "People have them in their front yard or in their back yard," she said.

In fact, the woodpeckers at the Fort Bragg Army base, another region containing populations of the endangered woodpeckers, might actually prefer being near humans rather than in remote areas. Since the base implemented conservation tactics around a decade ago, the woodpeckers have surprised environmentalists and mili-

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Medicaid Burden of Smoking-Related Costs Still Heavy

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designated for South Carolina, are reimbursements... reimbursements to the taxpayers of our state for dollars already spent," he wrote in a public statement. "It would be a terrible injustice if those funds were used to pay for more government programs and more bureaucracy or to grow the government in any way."

But North Carolina's leaders never indicated that taxpayers would be relieved for all the years of caring for sick smokers.

In 1998, then-Gov. Jim Hunt pledged, "It will help us address our efforts to crack down on underage smoking and to protect the health and well-being of North Carolinians."

The attorney general at the time, now-Gov. Mike Easley, who was a chief negotiator of the agreement, told the Associated Press that half the money would help transition tobacco-dependent communities "by diversifying economic development," while the other half would go to public health, with an emphasis on education about smoking and nicotine addiction.

Today those payments from corporations such as Philip Morris USA and R.J. Reynolds Tobacco Company have been used by many states for purposes

other than relief of their Medicaid costs. Earlier this decade the tobacco funds helped close many state budget gaps. Other states directed funds to economic development projects.

In New York, the Niagara County public golf course received \$450,000 in tobacco settlement funds for two capital projects.

North Carolina has been no exception. The state, led by Easley, created the Golden Long-Term Economic Advancement Foundation (Golden LEAF) to manage one-half of North Carolina's share of the agreement, which mostly flows to so-called economic development projects as decided by its politically appointed board.

Golden LEAF has received more than \$555 million in payments from tobacco companies. According to its Web site, the nonprofit has awarded 445 grants totaling more than \$155 million.

Many of the grants have gone to tourism projects and educational initiatives, but one \$400,000 grant funded infrastructure for a tobacco processing plant in Rocky Mount. Some grants this year supported a drag racing museum, a visitors bureau for Johnston County, and "a showcase for Blue Ridge traditions"

in the town of Old Fort.

As for the other half of North Carolina's share of tobacco settlement payments, the state also created two other specialty organizations: the North Carolina Tobacco Trust Fund and the Health & Wellness Trust Fund. The Tobacco Trust was created to assist farmers with the transition from cultivating tobacco to other crops, but the fund has also financed other economic development projects.

The Health & Wellness Trust was created to start a tobacco use prevention program and to advocate for the overall health of North Carolinians. Its largest initiative has been a senior citizen prescription drug program, on which it has spent \$86 million. The trust has spent \$77 million on its teen tobacco prevention program.

The Tobacco Trust has received nearly \$278 million, and Health & Wellness \$246 million, in tobacco settlement payments. But earlier in the decade Easley diverted some of that money into the General Fund in order to make up a shortfall in the state budget.

Meanwhile, Medicaid continues to weigh heavily on the state, on its counties, and ultimately on taxpayers. In its current session the General Assembly is

expected to consider relieving the counties' burden. North Carolina is the only state in the United States that requires its counties to pay a fixed percentage of Medicaid costs.

"If you put [tobacco settlement money] in the General Fund," Stam said, "that would take care of half the counties' burden for Medicaid, instead of having a giant slush fund controlled by political appointees."

State Sen. Ellie Kinnaird, a Carboro Democrat, remembered when the tobacco settlement was first reached, saying that North Carolina farmers put forth a much stronger lobbying effort than did the medical community and ill smokers.

"(The farmers) were the ones who prevailed because they persisted," she said.

She said the outcome with the MSA and Medicaid is a good reminder of how politics works in North Carolina.

"I can't believe anybody's going to open this up again, even though the farmers have been paid very well," Kinnaird said. "It shows you the influence of tobacco in every county." CJ

Paul Chesser is associate editor of Carolina Journal.

Edwards Home in Orange County is Largest Private Residence

By DON CARRINGTON
Executive Editor

RALEIGH
Presidential candidate John Edwards and his family recently moved into what county tax officials say is the most valuable home in Orange County. The house, which includes a recreational building attached to the main living quarters, also is probably the largest in the county.

"The Edwardses' residential property will likely have the highest tax value in the county," Orange County Tax Assessor John Smith told *Carolina Journal*. He estimated that the tax value will exceed \$6 million when the facility is completed.

The rambling structure sits in the middle of a 102-acre estate on Old Greensboro Road west of Chapel Hill. The heavily wooded site and winding driveway ensure that the home is not visible from the road. "No Trespassing" signs discourage passersby from ventur-



Aerial view of former U.S. Sen. John Edwards' nearly 29,000-square-foot home in Orange County. (CJ photo by Don Carrington)

ing past the gate.

Don Knight, Orange County building plans examiner, told *CJ* that,

including the recreational building, the Edwardses' home would be one of the largest in Orange County.

Knight approved the building plans that showed the Edwards home totaling 28,200 square feet of connected space. The main house is 10,400 square feet and has two garages. The recreation building, a red, barn-like building containing 15,600 square feet, is connected to the house by a closed-in and roofed structure of varying widths and elevations that totals 2,200 square feet.

The main house is all on one level except for a 600-square-foot bedroom and bath area above the guest garage.

The recreation building contains a basketball court, a squash court, two stages, a bedroom, kitchen, bathrooms, swimming pool, a four-story tower, and a room designated "John's Lounge."

Edwards was the Democratic candidate for vice president in 2004 and a former N.C. senator.

The Edwards for President press office was unable to provide information on any additional buildings planned for the estate. *CJ*

Berger Brings Issue of Payments to Controversial Films to CNN

By PAUL CHESSER
Associate Editor

RALEIGH
A movie recently shot in North Carolina that depicts a child rape scene has revived the debate over the state's film incentives policy, and state Senate Minority Leader Phil Berger took to the national media to draw attention to the issue.

Berger, an Eden Republican, appeared on the January 30 "Glenn Beck" program on the CNN Headline News network. The senator has called for a change in policy, so that filmmakers who want tax breaks through the state's film incentives program would have to gain pre-approval by submitting their scripts to the N.C. Film Office.

The movie that disturbed Berger,

and others in the national media, is "Hounddog," which premiered at the Sundance Film Festival in Utah in January. It stars child actress Dakota Fanning, who is depicted in one scene as the victim of rape.

"The potential eligibility of this film for taxpayer funded incentives illustrates the problems with giving government cash handouts to companies that produce films in North Carolina," Berger said in a statement.

The state film incentives program allows filmmakers to receive up to a 15 percent rebate on production-related expenses on films made in the state. They claim the refund on their tax returns.

On Beck's show, Berger questioned why North Carolina taxpayers should subsidize "Hounddog," considering

other needs that the state budget should fund.

"The movie itself deals with a controversial subject, and it's not exactly something that most people here in North Carolina would want to see their tax dollars spent for," Berger said on the program.

The senator noted that other states, including South Carolina and Georgia, have procedures by which their film officials review scripts before approving incentives. "We need to put in place some kind of control to make sure that the taxpayers don't get embarrassed," Berger said.

Beck asked who would review scripts, and who would decide "what's bad and what's not?"

Berger replied that he didn't

know, suggesting that would need to be worked out in potential legislation. Then Beck asked why the government subsidized movies in the first place.

"That's exactly the way I feel about it," Berger said, "and I voted against the incentive program, but it's here. It's something that a majority of the members of the legislature want. And so I think what we've got to do is make sure that, if we're going to have such a program, we do it in a way so that the taxpayers' money is not being wasted."

As he closed the segment, Beck said, "You know, every member of government needs to re-read *Atlas Shrugged*. It's time for our politicians to read, 'Hey, government, stay out of business and let business do the work.'" *CJ*

N.C. Landowners Affected By Endangered Species Act's Rules

Continued from Page 3

tary personnel alike by increasing in number much faster than anticipated. A Fort Bragg press release in June reported that the woodpeckers' numbers have risen from 238 clusters in 1992 to 368 clusters today.

Mike Lynch, director of plans, training, and mobilization for Fort Bragg, said the woodpeckers will commonly nest in spots where human activity takes place.

"They will go where the habitat is, and if that habitat is in a very heavily used training area with soldiers in and around it, they will go there; if it is off in the far corner where very few people go, they will go there," he said. "They're

really looking for a good habitat that's free of obstruction — not a lot of undergrowth, not a lot of debris that would allow predators to easily infiltrate their nests, and if you have that, they will do quite well."

While the base initially had training restrictions in place prohibiting human activity near woodpecker nesting sites, Lynch said that restricted areas have decreased over the years. Today the base is working with the Fish and Wildlife Service to relax the restrictions.

"[The birds] are everywhere," he said. "We have a little phrase around here that they must like soldiers, because everywhere soldiers are, you'll find woodpeckers."

"We've learned over time that you can meet your training mission, protect the species, and do positive good by protecting the environment, protecting your landscape and your forests for the long term," Lynch said. "And, of course, since this is the only land we have, we're very interested in maintaining it so that we can train soldiers here for hundreds of years to come."

On the issue of whether the woodpeckers can be protected and whether economic growth is still possible in Boiling Spring Lakes, Stroup sees action in the private sector as helpful. "Private preservation would work, as would the rental by agencies of private (or other agency) land for specific habitat work,"

he said.

From a realty and marketing perspective, Candler said he thinks that the woodpeckers could actually attract residents to the town by creating a unique coastal environment. "The barrier islands have their sea turtles — Boiling Spring Lakes has their red-cockaded woodpeckers," he said.

Benjamin said the woodpeckers and humans could coexist if the "necessary processes" are in place. "There's just some planning necessary to make sure that happens," he said. "And when it does happen, and it will happen, one way or another, the people of Boiling Spring Lakes will be better off, and the woodpeckers will be better off." *CJ*

Legislators Told To Act Now on Prison-Bed Shortage

By MITCH KOKAI
Associate Editor

North Carolina could soon face another scramble for prison space if legislators fail to act on the problem this year, according to a recent budget briefing for the General Assembly.

"The correction budget has grown about 16.6 percent in the last two years," said Jim Mills, lead correction budget analyst for the legislature's Fiscal Research Division. "The prison population is continuing to grow. Projections compared to the bed capacity the Department of Correction currently has and will have in the future show that North Carolina will be 2,500 beds short by the year 2011."

That later date is closer than it appears. "Some decisions are going to need to be made in 2007," Mills said. "If some decisions are made to build additional prison beds to deal with this shortage, it takes typically from design to actually getting inmates into the prison between three and four years."

Education and health and human services programs take the largest chunks of the state budget, but prisons and other correction programs account for \$1.16 billion in annual state spending, or about 6 percent of the budget.

"Staffing is a major component of that budget—76 percent of the budget," Mills said, "to staff prisons, to staff case-loads for probation and parole. That's 20,000 employees."

Other factors increasing costs include: repair and maintenance of more than 70 prisons; equipment; prisoners' food, health care, and clothing; and work and education programs.

"For 2005-06, the average cost to operate a prison bed was \$24,408," Mills said. That ranges from \$29,091

per bed in prisons with the most security to \$20,006 in minimum-custody prisons.

North Carolina prisons now house more dangerous inmates than they handled in past years, Mills said. That's because the state's 1994 structured sentencing law was designed to force inmates convicted of more serious crimes to spend more time behind bars.

At the end of 1995, the state had an overall prison population of 29,485 inmates. Thirty-six percent of them had been convicted of the worst felonies. By the start of this year, total population had grown to 37,725 inmates, and 56 percent of them had been convicted of the worst felonies.

"The [inmate] population growth between 1996 and 2006 has been about 21 percent," Mills said. Much of that increase can be tied to former inmates who had their probation revoked. The actual growth rate was about 28 percent.

Prison growth is no new issue for North Carolina. The legislature funded six 1,000-bed prisons from 2001 to 2005. Construction has cost \$514 million, and annual operating costs exceed \$120



"The sentences are way too long for the type of crime. That uses up prison beds, so if we can lower those, we could save prison beds."

Sen. Ellie Kinnaird
D-Orange

million, Mills said. Lawmakers also have converted some temporary beds, expanded prison dorm capacity, and taken other steps to boost capacity.

But growth continues to push population over capacity, Mills said. "Bottom line, by 2008, North Carolina will be about 1,100 prison beds short," he said. "By 2011, over 2,500 prison beds short, and at the end of the period, 2016, over 6,800 prison beds short."

This assumes there's no action taken for construction or other options. It also assumes there are no additional criminal penalty bills passed which would affect incarceration rates, which, of course, won't happen. There will be additional bills passed."

Legislative staffers already have seen as many as 20 bills this year that could increase criminal penalties and potentially increase the number of prison inmates, Mills said. If the measures win approval, they would follow other recent changes such as increased penalties for methamphetamine-related crimes and domestic violence.

The N.C. Department of Correction

has a long-range plan to add 6,500 beds by 2015, Mills said. That plan consists mainly of expanding current prison sites and building new inmate dormitories.

Some lawmakers hope their colleagues will support alternatives that could dampen demand for new prison beds. They point to a series of alternatives developed by the state Sentencing Commission in 2002.

"We know now that some of the sentences are sort of placed wrong for the crime, you know the good ol' 'Let the sentence fit the crime,'" said Sen. Ellie Kinnaird, D-Orange. "The sentences are way too long for the type of crime. That uses up prison beds, so if we can lower those, we could save prison beds."

Better investment in health and human service programs could reduce long-term demand for prison space, Kinnaird said. "We could put all the resources we need into families in trouble at the lowest rate," she said. "Eighty percent of the children in juvenile justice [programs] have serious mental health problems. We know that 40 percent of the people in prison have serious mental health problems."

"We need to put our resources there. Let's put the money there, and not in our prisons."

Not every lawmaker agrees. "It's always the case that education is first in line, and health and human and services is second in line," said Rep. Joe Kiser, R-Lincoln, a former county sheriff. "That's one reason that we find ourselves in the situation we are in with justice and public safety [funding]. In my opinion, we have not funded it adequately in the past."

"I don't think there's anything any more important than the public safety," Kiser said. "When you lock people up who've committed crimes and keep them there for significant time, then the public is safer." CJ

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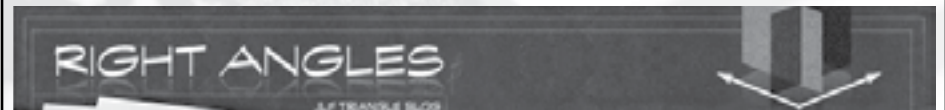


Squall Lines is the JLF's blog in Wilmington. Curtis J. Wright keeps folks on the coast updated on issues facing that region of the state: <http://wilmington.johnlocke.org/blog/>

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Right Angles is the John Locke Foundation's blog in the Triangle. Three JLF staffers — Jon Sanders in Raleigh, Jon Ham in Durham and Donna Martinez in Chapel Hill — offer commentary on the news of the day in each of the points of the Triangle. Enjoy it at <http://triangle.johnlocke.org/blog/>



Piedmont Publius is the JLF's blog in the Triad. Longtime Greensboro blogger Sam Hieb blogs on Piedmont Publius, commenting on issues in Greensboro, Winston-Salem, High Point and points beyond. Join him at <http://triad.johnlocke.org/blog/>

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NC Delegation Watch**Butterfield: Ease Medicaid**

U.S. Rep. G. K. Butterfield, D-1st, in January introduced legislation that would provide relief and protection for counties increasingly burdened with skyrocketing Medicaid costs.

"Medicaid is a vitally important and successful cooperative program between the state and federal government," Butterfield said. "Passing along the state's burden to the counties is hurting a good number of communities, including many that I represent."

Butterfield said North Carolina is now the only state that requires counties to fully participate with Medicaid costs, and that it is an enormous and growing burden. He pointed out that half of North Carolina's 100 counties now pay more for Medicaid than for their schools. Butterfield said that in two counties he represents, Bertie and Hertford, Medicaid costs eat up 14.8 percent and 14.1 percent of the counties' budgets, respectively.

Butterfield said that while a temporary freeze for county Medicaid costs was included in the state budget, the need for a permanent solution still needs to be found. He also said that the \$27.4 million in state relief was also welcome but it too is still very small when compared to the \$487.9 million counties pay in Medicaid costs.

Reps' efforts for agents fail

An attempt by 38 House members, including North Carolina Reps. Walter Jones, R-3rd, Robin Hayes, R-8th, and Sue Myrick, R-9th, to keep two convicted Border Patrol agents out of prison, pending their court appeals, failed in January.

The agents, Ignacio Ramos and Jose Alonso Compean, were convicted of shooting an illegal alien in the buttocks after he fled from them in February 2005. The suspect, Osbaldo Aldrete-Davila, had carried 743 pounds of marijuana across the U.S. border near El Paso, Texas. Davila was brought back to the United States and granted immunity in exchange for his testimony against the agents.

According to a report on the Web site of the *Lincoln (N.C.) Tribune*, Myrick and some other members of Congress met with Compean on Jan. 9.

"It is tragic that these men were convicted for doing their job," Myrick told the *Tribune*. CJ

Clinton administration official stole classified documents**Foxx, McHenry Want Polygraph for Berger**

By PAUL CHESSER

Associate Editor

RALEIGH

U.S. Reps. Virginia Foxx and Patrick McHenry, both of North Carolina, joined 16 other legislators in late January to ask U.S. Attorney General Alberto Gonzales to administer a lie detector test to a Clinton administration official who stole confidential government papers.

The congressmen signed and sent a letter to Gonzales Jan. 22, requesting that the Justice Department give a polygraph examination to former National Security Advisor Samuel Berger, who pleaded guilty in April 2005 to unauthorized removal and destruction of classified documents from the National Archives, a misdemeanor.

Berger reviewed Archives materials before he testified before the 9/11 Commission in late 2003. The commission asked Berger to explain internal Clinton administration discussions and actions about terrorist threats in the United States.

Berger reached a plea deal with the Attorney General's Office that cost him a \$50,000 fine, two years' probation, and 100 hours of community service. But the agreement also called for him to voluntarily submit to a polygraph test, "upon request by the United States."

Earlier in January the Republican staff of the House Committee on Oversight and Government Reform, which includes Foxx, R-5th, and McHenry, R-10th, released a report questioning the Justice Department's handling of the investigation into Berger's behavior.

"The Report paints the Department of Justice as remarkably incurious about all of Mr. Berger's visits to the Archives," the legislators wrote in their letter. "While Mr. Berger was prosecuted for taking documents he admitted to taking, questions remain about what other documents he may have removed."

Those doubts spurred the representatives' request for the lie detector test. "Based on the Government Reform Committee's report, we're requesting a polygraph test because it is critical that lawmakers know the full extent of his crimes," McHenry said. "This is an issue of national security and it is vital that the full story comes to light."

An Archives inspector's report, released in December 2006, showed that Berger removed more documents from the Archives, hid them under a trailer in a nearby construction area, and later retrieved them and took them to his own office.

The members of Congress, led by Reform Committee Ranking Republican Rep. Thomas Davis III of Virginia, noted that Berger visited the Archives four times before inquiries into the terrorist attacks of Sept. 11, 2001, and Berger admitted taking documents on three of



Rep. Virginia Foxx, R-5th



Rep. Patrick McHenry, R-10th

"He admitted to taking highly classified documents on three occasions."

U.S. Rep. Virginia Foxx

"It is extraordinarily important that the Justice Department avail itself of its rights under the Plea Agreement and administer a polygraph examination to Mr. Berger to question him about the extent of his thievery. This may be the only way for anyone to know whether Mr. Berger denied the 9/11 Commission and the public the complete account of the Clinton Administration's actions or inactions during the lead-up to the terrorist attacks on the United States."

Foxx criticized what she believed was an insufficient punishment for Berger's crime.

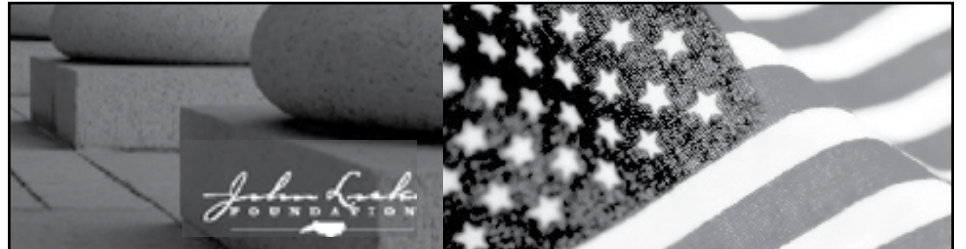
"He admitted to taking highly classified documents on three occasions (emphasis Foxx's) from the National Archives," she said in a statement.

Foxx said Berger must be questioned "about the extent of his thievery."

"The probability that documents were destroyed and stolen to prevent their review by the 9/11 Commission is extremely disturbing," Foxx said. "Justice must be served in this matter. Without the full disclosure of historically relevant documents, the 9/11 Commission's report may very well be missing critical information." CJ

the visits.

"Officials from the 9/11 Commission told Committee staff they now have deep concerns about the materials Mr. Berger had access to," the legislators wrote to Gonzales.



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NPR's Juan Williams Urges 'Honest Conversation About Race'

Fox News contributor and National Public Radio correspondent Juan Williams recently addressed a John Locke Foundation Headliner luncheon in Charlotte. He also discussed his recent book, *Enough: The Phony Leaders, Dead-End Movements, and Culture of Failure That Are Undermining Black America, and What We Can Do About It*, with Mitch Kokai for Carolina Journal Radio. (Go to <http://www.carolinajournal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

Kokai: Why did you write this book?

Williams: A lot of it was a result of Bill Cosby's speech. Cosby gave a speech on the 50th anniversary of the *Brown v. Board of Education* decision. It was at a gala event in Washington, D.C., hosted by the NAACP. And Bill Cosby — Mr. Funny Man — didn't make funny comments. He started having a serious conversation about problems going on inside black America: the 25 percent poverty rate, the 50 percent dropout rate, the 70 percent out-of-wedlock birth rate. And you know what? People were interrupting him with applause. They weren't telling him to, "Shut up, sit down." No, they were applauding him, and when he finished he got a standing ovation.

Afterward, though, the critics came out, and they took him out at the knees in the most vicious way. They said things like, "This guy's just a comedian. He doesn't know what he's talking about. He doesn't understand that he is — in fact — fueling racism in American society." They said he was a man who didn't understand the power of systemic racism, institutional racism in American society. They accused him of airing dirty laundry. I thought, "This is fascinating," because in my experience as a reporter at *The Washington Post*, National Public Radio, and Fox News, there are so many occasions when you think, "You know what? We're not having an honest conversation about race in America." Here was Bill Cosby putting himself on the line in order to say some things that needed to be said, and he gets attacked for it.

In my experience, I think back to things like Marion Barry, who was the mayor of Washington, D.C., a guy who's videotaped smoking crack, getting re-elected. I think, "How crazy is that?" Chris Rock — the comedian — once said he wants to know who was running against the crackhead. How could the crackhead win? It's that stupid.

And yet, you don't see the conversation take place. So I thought, "You know what? Enough. We've had enough of these phony leaders, enough of these dead-end movements, enough of the rap culture of failure. Let's figure out what we can do about it." So that was really the seed of the book.

Kokai: What kind of response has

the book generated?

Williams: I've just been so heartened. I've got to tell you. To my mind, I knew that I was sticking my neck out there. I know that Cosby had had his neck — to a certain degree — chopped off. And obviously Bill Cosby has much more standing, fame, stature in American lives than I do. But people all over the country say to me, "Thank God, someone has started this conversation."

Now obviously you don't get that from the civil rights leaders. Al Sharpton — who I point out in this thing is one of the phony leaders — he has criticized me. He said that I'm the Ann Coulter in black. The Jesse Jacksons of the world are saying, "That's not the real story. Why didn't you come talk to me more?" Like I haven't talked to Jesse Jackson enough.

Then, of course, the academics say, "You know what? You're not looking at the deep historical analogy to the wave of immigrants: the Italians, or the Irish, or the Germans. They had social problems when they came to this country." And I say, "Wait a second. How are black people in America recent immigrants? Are you ignoring the fact that most black people are middle class? That people have taken advantage of the doors that have opened since *Brown*, since the Voting Rights Act, since the Civil Rights Act?" Yet we have this corps of people who are not responding, who aren't moving forward. Why don't we talk about it honestly, instead of acting as if everybody else in the country doesn't see what's going on?

Kokai: You're not saying in this book that there's no racism in the United States and North Carolina. That is not the message you're trying to send.

Williams: Oh, no, racism is a fact of American life. Racism persists. In fact, I've got to tell you it's amusing. You turn on the TV, sometimes you see the most racist caricatures and use of the "n" word coming from black people. How outrageous? And then, of course, if you object to this, you're said to be an old fogy and a censor.

When Michael Richards — Kramer



NPR and Fox News analyst Juan Williams speaks at a John Locke Foundation Headliner event at the Westin Hotel in Charlotte on Dec. 11, 2006. (CJ photo by Don Carrington)

— starts using it, when he went on some hate-filled rant, then all of a sudden Hollywood and a lot of the black sort of entertainment elite in Hollywood are starting to have second thoughts. They see what's happened, but this was apparent long ago. This is a very negative thing. Why would you celebrate and advance the use of the "n" word about yourself? That's crazy.

It's self-defeating, and again it's this culture of failure that becomes accepted. It's the culture of failure that allows a kid who's trying to do well in school to be told that he's acting white. How crazy is that? But again, we have to identify a culture of failure for what it is and not allow someone else to say you're authentically black if you're acting like a thug, like you've just got out of jail wearing your pants hanging off your butt, wearing a do-rag on your head like a criminal who can't have a comb in his cell. We've got to say it — call it for what it is.

Kokai: Some whites might hear this interview or read the book and say, "That's right. Let blacks clean up the mess in their own house." Do whites need to bring something to the table in this debate?

Williams: Without a doubt, there are some white people who might hear this and think that they are being excused. But you'll notice that the subtitle of the book ends with the phrase "and what we — all Americans, regardless of race, political affiliation, anything — what we as Americans can do about it."

What this means is that we should have a conversation. You've got to start — first and foremost — by not being intimidated, not being told that, "Hey, you know what? You're a middle-class black, and you don't know what it's like. So you should shut your mouth." Or, "You're white. You don't know what it's like. You should shut your mouth." Or, "You're a recent immigrant. You don't know what it's like."

Everybody is being told they cannot participate, and I just want to break that monopoly right now — break it apart

— because we need all the energy from caring people. When it comes to this whole idea that somehow we're fueling right-wing demagogues, let me say this: There are bigots and racists out there. Everybody who's right-wing is not a bigot and racist, but if there are bigots and racists out there, we're not giving them anything that they didn't have before. It's not like they didn't have knowledge of the problems in our community.

The focus here is trying to address those problems, trying to solve those problems, and it requires that we honestly address them up front. So to my mind the first step in dealing with any problem is analyzing it, seeing it for what it is, and then being able to move forward.

Kokai: If your book generated the exact response you wanted, what would happen in the discussion about race?

Williams: Absolutely, it would start with the family. We would start by saying — for example — just in the way we're talking about limited, censored conversations — we would start with the conversation about why is it that seven out of 10 black children are born out of wedlock. Why do we have so many kids not understanding the value of education at the start of the 21st century?

I think we need to start talking to young people in a positive way about the value of education — the importance of education — about the value of family. We need to talk to people about simple things like what they can do to help themselves stay out of poverty. Here again it's graduating from school, understanding the value of education. Here again it's staying in the job market.

Moving back to the family, waiting until you're married and have some economic stability before you decide to have children. This seems so common sense. I know your listeners might be saying, "Gee, what's the revelation here?" You know what? Somehow these messages aren't being conveyed effectively in the community.

So if we really want to start solving problems, we're going to have to deliver these messages. Were going to have to get the churches involved in delivering them, the schools, every kind of community organization.

Instead of excusing dysfunctional behavior, instead of celebrating gangsters in the rap music, instead of putting people on TV who are minstrels and who are demeaning to themselves as well as to the larger community and selling the worst stereotypes to the larger community. Talking about airing dirty laundry, I think those minstrels are the ones who should be chastised. We've got to start delivering positive messages about self-empowerment, about uplift, about the grand tradition of achievement that exists in black America. CJ

State School Briefs

Wake's year-round plan

The Wake County School Board stitched together a plan Feb. 13 to convert 22 schools to year-round calendars this summer despite threats from parents to sue the board over the decision.

Board members voted to spend \$2.9 million from three funds on the conversions after county commissioners denied them the money they had intended to use. The separate funds were tapped in response to arguments that the school board can't legally replace the money commissioners refused to provide, *The News & Observer* of Raleigh reported.

"We are confident that we have the legal authority to proceed with this," said Patti Head, chairwoman of the school board.

The vote puts the pressure back on commissioners, who are being urged by parents to sue the school board. The parents say they will take legal action if commissioners don't.

Tony Gurley, chairman of the Wake County Board of Commissioners, said he is disappointed by the school board's decision, but he ruled out a lawsuit for now.

"I'm definitely not in favor of using taxpayer money to sue another taxpayer entity," Gurley said.

But Wake CARES, a parent group that opposes the conversions, has hired two prominent lawyers, Robert Hunter of Greensboro and Bill Peaslee of Cary, to try to block the conversions if commissioners don't get involved.

CH-Carrboro reassignment

About one in four Chapel Hill-Carrboro elementary students faces reassignment to a different school in 2008, *The News & Observer* of Raleigh reports.

School officials released four preliminary attendance maps Feb. 14 that shuffle students into the district's 10th elementary school.

Between 250 and 300 students could be moved from Carrboro Elementary to help fill the new school. Between 100 and 200 students could be moved from Seawell Elementary, as well as McDouglass Elementary.

Students also will be reassigned to ease crowding at Frank Porter Graham and Scroggs Elementary schools. The school board must choose a reassignment plan before opening the new elementary school. It will be built on a wooded plot by Old N.C. 86 and Eubanks Road in Carrboro. CJ

Year-Round Schools Foes Voting With Their Feet

By DAVID N. BASS

Contributing Editor

RALEIGH

Faced with the threat of forced conversion to a year-round public school schedule in Wake County, Cary resident Linda Hayduk and her husband are taking matters into their own hands by leaving the county rather than allow the reassignment to split their family apart.

"We're a family who has elected not to participate in too many extra-curricular activities because we want our family to eat dinner together more than once a month like some families do," Hayduk said. "We are moving because we believe in public schools, but not Wake County public schools. Not anymore."

Many Wake residents share Hayduk's concern. Local parents say that mandatory conversion from a traditional to year-round calendar would separate their families and throw a wrench into the social and academic schedules of their children.

Melissa Inglis, an Apex mother of three, said that her middle daughter was devastated at the thought of not being able to attend the same school as her older sister. "We're a pretty close-knit family," Inglis said. "It's not just our vacation time. It's the fact that it's going to split up my family. My kids like each other. They like to play together, and their childhood is so short."

Mandatory conversion is a growing schism across the county. On Feb. 6, the Wake County Board of Education approved a growth management plan for the 2007-08 school year that transfers 10,762 students around the county, including 2,335 year-round conversion assignments, according to a Wake County Public School System press release.

The plan estimates that Wake County's enrollment will increase by 8,000 students next year.

The school board has been at odds with the Wake County Board of Commissioners over the reassignment plan. School board Chairwoman Patti Head sent a letter to county commissioners Feb. 5 reiterating a request for funding and stating that year-round schools are necessary to meet enrollment growth. Commissioners voted, 4-3, the same day to deny allocation of \$4.7 million to help convert traditional schools to year-round formats.

Many area residents point to aspects such as family stability as a primary concern with the year-round conversion. According to Dave Duncan of Stop Mandatory Year-Round, the reassignment push boils down to philosophy.

"There are some who really buy into wanting kids in school even more days," he said. "For many kids, [parents] choose activities outside of the school to enrich their lives. Wake County seems to forget that the strength of your community is the family unit, not the classroom."

"We are moving because we believe in public schools, but not Wake County public schools. Not anymore."

Linda Hayduk
Wake County Parent

The classroom is supposed to support that. They have a hard time thinking beyond the walls of their classrooms."

Family togetherness is one reason for opposing the conversion plan, according to Dawn Wagner, a mother of three with children in elementary, middle, and high school.

"With the age ranges of our children, there are very few opportunities to have something where all three children are on the same schedule, be it anything," she said. "School was really the only thing we could count on to have all the children on the same page, and that's no more. The reason we had a family is so that [our children] could have brothers and sisters and have the opportunity to play with them and be a family together."

Wagner said that her youngest child is the most affected by the reassignment. "He wants to move," she said. "He's just very upset. He doesn't want to be in school."

Parents are also frustrated over what they see as inattentiveness by school board members. "Unfortunately, in this Wake County school system, they have a lot of power, and they make changes accordingly," said Tim

Inglis, director of mobilization for Stop Mandatory Year-Round. "Talking to the county is like a tsunami—it just keeps coming at you."

Similarly, Hayduk thinks that school board public hearings addressing the issue of reassignment have been genuine. She thinks the school board made its decision before conversion plans were announced to the public.

"It doesn't seem like they've explored every option," Hayduk said. "It seems like they've been set on this, no matter what."

Ron Margiotta, a District 8 school board member from Apex who opposes the year-round conversion, said that families are looking for educational alternatives. "Many people look outside the public schools, but private schools are packed," he said. "We also have parents who are joining together and actually opening a private school."

Parents are moving toward private and public alternatives such as charter schools, Inglis said. "The waiting list for any and all private schools is longer than they've ever had it," he said. "[Parents] are looking for charter school options, some for magnets. There's a waiting list for getting a book on homeschooling from the library."

Inglis also said that the issue of year-round assignments was used as leverage to gain support for the \$970 million bond referendum narrowly approved by voters in November. A good number of parents supported the bond with the understanding that they would be able to negotiate with the school board regarding year-round conversions, Inglis said.

"Some of us supported it, some of us didn't, but the idea was that we would at least be able to talk," Inglis said. CJ



By The Numbers 2007: What Government Costs in North Carolina Cities and Counties (Policy Report by Michael Lowrey)

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N.C. Lottery Revenues to Fall \$73 Million Short of Estimates

By DAVID N. BASS
Contributing Editor

RALEIGH

With the N.C. lottery marking its one-year anniversary in March, the lottery's executive director is already predicting that revenue devoted to education will be significantly less than state lawmakers appropriated in the fiscal 2006-07 budget.

Lottery proceeds are expected to fall short of General Assembly estimates by \$75 million, according to Tom Shaheen, executive director for the N.C. Education Lottery. In the budget approved last session, lawmakers appropriated \$425 million in lottery revenue to school funding, but Shaheen predicts that the lottery will garner \$1 billion in total revenue by the close of fiscal 2007, providing \$350 million for education beneficiary programs.

According to a NCEL press release in January, the numbers game took in about \$670 million and paid out \$298 million in prizes in 2006. In order to reach the estimated \$1 billion revenue target, the lottery must generate \$330 million in ticket sales between the first of the year and June 30, the end of the current fiscal year. Shaheen said that, given a shortfall, the \$50 million in the Education Lottery Reserve Fund could be used to supplement the difference, leaving a deficit of \$25 million.

The numbers game generated \$233.1 million in sales during the first quarter of the current fiscal year, earning as much \$8 million the first day that tickets went on sale, according to NCEL estimates. But since then, sales have been unable to keep pace with initial projections, despite the introduction of several new game formats in October.

Shaheen said online games — including Powerball, Carolina Pick 3, and Carolina Cash 5 — are performing as expected. "It is the instant scratch-off games that are not meeting expectations," he said. "Our players tell us it is due to the prize payout." Shaheen also suggested that high gasoline prices might be a factor in reduced ticket sales, according to the *Charlotte Observer*.

John Rustin, a lobbyist for the N.C. Family Policy Council, an organization that opposed passage of the lottery in the Assembly, said that one reason lottery earnings are less than anticipated is

due to faulty revenue estimates drawn from neighboring states before passage of lottery legislation.

"If the estimates were drawn using revenue data from Virginia and Georgia without adjusting down for out of state purchases... then the numbers for North Carolina were overestimated, because when North Carolina got the lottery, we had no comparable non-lottery border state from which to draw revenue," Rustin said.

Prior to approval of the state-sponsored lottery in August 2005, pro-lottery

lawmakers and government officials touted the numbers game as a steady revenue source for education. In his 2003 State of the State address, Gov. Mike Easley emphasized that keeping lottery dollars in North Carolina would reduce class size, fund pre-kindergarten initiatives, generate \$200 million annually for school construction, and create

new jobs.

Despite past assurances that lottery funds would be used exclusively for education programs, government officials are also expected to use lottery proceeds to supplant about \$200 million from the general fund devoted to schools, according to a February 2006 article in *The News and Observer* of Raleigh. Dan Gerlach, the governor's senior policy advisor for fiscal affairs, told the *N&O* that the supplanted funds would still be used for education funding.

On Jan. 23, the NCEL made its third payment for fiscal 2006-07 by transferring more than \$75.3 million to the Education Lottery Fund. The fiscal 2006-07 budget appropriated nearly \$128 million in lottery proceeds for reducing class size, \$84.6 million for pre-kindergarten programs, \$170 million for school construction, and \$42.5 million for scholarships for needy children.

DPI Director of School Support Services Ben Matthews, who is directly involved with overseeing lottery funds that are earmarked for school construction, said that NCEL has not informed him how close to the \$170 million appropriation the actual lottery payments will be.

"It was very clear that we were going to have to have some flexibility in dealing with this because we weren't going to know exactly what the lottery proceeds would be," he said. CJ

"If the estimates were drawn using revenue data from Virginia and Georgia without adjusting down for out of state purchases... then the numbers for North Carolina were overestimated."

John Rustin
N.C. Family Policy Council

Commentary

Yes, the Truth Hurts

Writer and *New Republic* editor Gregg Easterbrook has this to say about statistics: "Torture numbers, and they'll confess to anything." When it comes to K-12 education data in North Carolina, many parents would agree. This is because education establishment bureaucrats have become captains of confusion, peppering parents with endless volleys of conflicting data.

Consider statistics on high school completion. Ask how many students finish high school in four years with a diploma, and you won't get an easy answer. In a 2002 report on graduation rates, researcher Jay Greene writes of the "confusing, inconsistent, and sometimes misleading way in which the rate of high school completion is measured," saying it invariably leads to "dropout and completion statistics that are difficult to grasp and often implausibly positive." This is certainly true in our state. Parents must sleuth their way through data collection practices that defy common sense, for both high school dropout and annual graduation rates.

To qualify as a dropout in North Carolina, a student must have been enrolled in a government school the previous year, but not enrolled in the system on the 20th day of the current school year. This formula accounts for students who move, are suspended, or are just absent—all well and good. But here's where it gets confusing: While state compulsory-attendance laws require students to attend school between ages 7 and 16, the state starts tracking dropouts in seventh grade, years before the 17th birthday, the legal dropout milestone. This practice should raise the proverbial parental eyebrow. Surely there can't be that many 17-year-old seventh-graders! But dig a little deeper and you'll learn why this practice appeals to education officials hungry for good press. Reaching back to seventh grade significantly expands the pool of potential dropouts, yielding rates that are significantly lower than they would be had administrators evaluated just 17- and 18-year-olds. Even with this shady bit of number crunching, though, the dropout rate has still increased by more than 6 percent since 2004-05.

GED reporting offers a shining moment of clarity and restraint amid the dropout data imbroglio.

Adolescents who leave high school and obtain a GED are considered dropouts in North Carolina. Refusing to equate GED completion with a high school diploma is prudent: Research confirms that dropouts with GEDs fare significantly less

well than high school graduates on a variety of life outcomes including income, unemployment, and crime.

Combined with dropout data, graduation rates make up the second piece of the high school completion puzzle. Before 2002, the state Department of Public Instruction never reported graduation rates. But the federal No Child Left Behind law requires

states to report this data. During the last four years, DPI has used an "on-time" method simply giving the percentage of high school graduates who complete high school in four years. This has dramatically inflated the graduation rate. According to a 2005 Education Trust report, our state's "irrational graduation-rate definition" yielded a stunning 2002-03 graduation rate of 97 percent.

Fortunately, a reality check is on the way. In 2007, DPI will report the graduation rate using a "cohort" method that leaves little room for statistical manipulation, tracking ninth-graders who earn a diploma in four years. At press time, DPI had not yet released the 2006 cohort graduation rate, but State Superintendent June Atkinson has indicated she expects a finding of about 60 percent. This figure matches Greene's N.C. graduation rate estimate of 63 percent.

Yes, the truth hurts, but it forces us to face what's real: Too many North Carolina students fail to graduate with a high school diploma. Our government education system is broken, leaving disadvantaged students at great risk for educational failure and a host of later life struggles.

But this need not be their fate. School choice—allowing parents, rather than education leaders, to decide where children go to school—offers foundering students a way out, a chance to attend a school better suited to their needs. CJ

Lindalyn Kakadelis is director of the North Carolina Education Alliance.



Lindalyn
Kakadelis

School Reform Notes**Students, parents protest**

West Charlotte High School students and parents brought their own vision of school reform to the Charlotte-Mecklenburg School Board on Feb. 13, the *Charlotte Observer* reports.

Superintendent Peter Gorman's staff shake-up, intended to get better teachers into the struggling school, is instead abandoning students to weak substitutes, some said.

"The good teachers are leaving in fear of losing their jobs," said senior Amber May. "This all seems like someone else walking out of our lives."

Instead of threatening to fire teachers, Gorman should revamp student assignment, stop social promotion, and support West Charlotte's staff, students, and parents said.

For almost five months, West Charlotte families have heard Gorman lay out plans for sweeping change at their school and three other low-scoring "challenge" high schools. He plans to fire ineffective staff, offer big teacher recruitment incentives, and restructure the schools.

For more than a decade, the school has been plagued by staff turmoil and some of the state's lowest test scores. Many white and middle-class students have fled.

Guilford shares resources

Nearly one-third of the teachers this year are new to Northeast Guilford Middle School, the *News & Record* of Greensboro reports. Some of them are new to teaching period.

The school has failed to meet federal testing measures, called Adequate Yearly Progress, for the past two years. And Northeast might not make it this year, either, health and physical education teacher Tammy Shaney said.

"We are having a tough, tough year. I don't know how you justify this," she said, responding to an announcement that Guilford County Schools is redeploying some of its high-level central office staff and at least 20 school-level employees to struggling schools.

The "intervention teams" have three to eight members each. The teams will spend up to two days each week at their targeted school until state testing in May.

Superintendent Terry Grier said he, too, is concerned about how the move might affect schools losing those resources. CJ

Consultant Bryan Hassel**School Funding 'Inequitable and Outmoded'**

By JIM STEGALL

Contributing Editor

RALEIGH

The inner-city school principal opened his desk drawer and pointed to a high-tech digital image projector. Valued at about \$3,000, and still in its box, the gadget had been provided as part of the district's "equity" program, which was designed to equalize resources across schools.

"What we really needed were extra resources for art and drama," he said, "but this is what the central office sent us."

Why did his school receive equipment that no one knew how to use, rather than an equivalent amount of money that could have been spent to address needs specific to that school? According to education consultant Bryan Hassel, it's because the system most states use for funding education is badly antiquated and unresponsive to students' actual needs.

Hassel, who is codirector of Public Impact, an education research and consulting firm based in Chapel Hill, shared this story during a presentation on school funding in January sponsored by the North Carolina Education Alliance. Schools in the United States, he said, "are trying to do something no civilization in human history has ever done—bring all children up to the same high standard." But that effort is stymied by a system of allocating funds that is "inequitable and outmoded."

The problem is that the current funding system doesn't take the specific needs of individual students into account when allocating resources. While the state earmarks blocks of money for school districts based on their percentage of disadvantaged students, or the county's low-wealth status, the money doesn't always follow the neediest students to the schools. The money that does make it down to school level often comes with strings attached, making it difficult for principals to spend effectively.

For example, when money earmarked for "equity" is available, decision-makers in the district's central office might opt to use it to buy digital projectors for schools, rather than let school leaders spend the money addressing problems specific to that school. The value of the projector counts toward the district's effort to assist poor schools, thus it appears on paper that the school has gotten lots of help. But if a projector is not what the school needs, it doesn't provide any help.

Hassel said a better way would be to implement a system known as "weighted student funding." Simply put, weighted student funding means that schools get a variable amount of money for each student enrolled, and that the amount is determined by the



needs of each individual student. A school would get more money for each child who qualifies for free or reduced-price lunch, or for each student whose native language is not English. Special-needs students would bring in even more. Ideally families would be able to choose which public schools to send their children to, and since disadvantaged or harder-to-teach students would bring more money, there would be an incentive for schools to compete for them.

Seattle public schools use a version of this funding scheme that takes grade level into account, along with native language, family economic status, and five levels of special needs-disabilities. The formula was derived through consultation with experts, study of market forces, and negotiation with the teachers union and other stakeholders. Seattle also uses "open enrollment," allowing parents to choose from any school in the district. The experience of Seattle schools with the new system has been generally positive.

Another key part of the weighted student-funding concept is that the money allocated to the schools arrives in the form of real dollars, not paid staff positions or in-kind assistance, such as digital projectors. This allows school leaders to organize their staffs as they see fit. It also means that they might be held more directly accountable for the results, since they will be making more of the decisions affecting student outcomes.

The Fordham Institute, an independent education policy think tank that advocates high standards, strengthened accountability, and parental choice, has published a manifesto calling for greater use of weighted student funding. The "Fund the Child" manifesto has been

endorsed by a bipartisan group of leaders in the field of education. Former Secretary of Education William Bennett is a signatory, as is former N.C. Gov. Jim Hunt. Both President Bush's first Secretary of Education Rod Paige and former President Bill Clinton's former Chief of Staff John Podesta back the plan.

The idea of weighted student funding has been catching on around the country, as states and districts struggle to find ways to close the achievement gap between white students from well-off families and their less-advantaged counterparts. Cincinnati and Houston now use it, as does the state of Hawaii and the province of Edmonton, Canada.

South Carolina might get into the act. In his Feb. 17 State of the State address, Gov. Mark Sanford endorsed the idea.

"I think moving toward a single weighted funding formula is not only something we can do, it would move us toward greater educational equality and open avenues by which more educational choices could become available," he said.

It's that bit about "choices" that has some educators worried, however. When New York City Mayor Michael Bloomberg said in January that he wanted to move toward a weighted student funding system, critics quickly came up with the term "back door vouchers" to describe the idea.

Hassel acknowledges that there will be "challenges" to implementing weighted student funding. In his Charlotte address he cited schools that would lose money, teachers unions, and central office administrators who stand to lose positions and authority as potential sources of resistance to the change. CJ

Federal Survey Doesn't Concern Homeschool Parent

By HAL YOUNG
Contributing Editor

RALEIGH

When Joyce and Ron Smith of Concord received a letter from the U.S. Department of Education asking them to respond to a survey about their children's homeschooling, they contacted their state organization before they agreed to participate.

"I've never been contacted for something like this before," Joyce said. "I'm not a person to fill out surveys, so I'm skeptical."

North Carolinians for Home Education assured her the study was legitimate, and benign, so in early February she agreed to be interviewed by the 2007 National Household Education Survey.

"I just wanted to be sure this wasn't an attempt to increase regulations against home schoolers," she said.

Her hesitation is not unusual. Before the department's National Center for Education Statistics released its first study of homeschooling in 2001, it produced a preliminary report about how difficult it was to study this population. The survey asked whether "political context" had an impact on their willingness to respond, noting that surveys identified with the Department of Education received less participation than similar questionnaires from the Census Bureau.

Even so, NCES has continued to watch the homeschooling trend since the 1999 survey, although not in a targeted fashion. In fact, the home-school data is something of a byproduct of the broader survey, which covers a spectrum of educational questions. The most recent questionnaires, in 2005, looked at pre-school activities, work-related adult

education, and K-12 extracurricular programs outside the schools. This year's iteration is focused on family and parental participation in education, which will naturally include homeschooling.

Smith found some of the questions odd but none truly objectionable. "They asked how many times a week we eat dinner as a family and whether we exercised with the kids" she said. "But I didn't hear anything that I didn't want to answer."

Methodology a question?

The NHES contacts hundreds of thousands of randomly selected phone numbers, many of them businesses or disconnected lines, in order to locate 12,000 families with school-age children. Homeschoolers will form a small subset of that number. The 2003 survey, for example, reported on just 239 families who taught their kids at home.

"A small sample can be representative, but as a researcher, we always have a little twinge of uncertainty," said Dr. Brian Ray, head of the National Home Education Research Institute in Salem, Ore. "There's just this big question—did you get a representative sample?" He said both his own research and NCES's depend to a large extent on willing

"They asked how many times a week we eat dinner as a family and whether we exercised with the kids. But I didn't hear anything that I didn't want to answer."

Joyce Smith
Homeschooling parent
discussing questions
asked in NCES survey
of home school parents

respondents, and that always introduces potential errors.

"They never know for sure who did not respond," he said.

Ray, who edits the peer-reviewed academic journal *Home School Researcher*, said that NCES studies generally have corresponded to other published research. That in itself is not a given. The Barna Group, for example, reported

in 2001 that about 30 percent of homeschoolers were black, while advocacy groups such as the National Black Home Educators Resource Association reported that number was only about 6 percent. A researcher from Columbia University said the cost of home schooling was \$2,500 per year per child, while previous studies had found \$400 to \$600 was typical.

Ray said these kinds of stories "would never have passed in the research methodology courses I've taught at the undergraduate level," but NCES had been fairly reliable on demographic issues. "They're not bad researchers," he said.

He questioned, though, whether such information is truly useful to people other than marketers and those who see homeschooling as a threat to public school funding.

"Those of us who check this data all

agree the population of home schoolers has been growing for 20 years, and as far as we can tell, is still growing today," he said. "We differ on the best estimate of how many home schoolers there are, but how important is that, really?"

NCHE President Ernie Hodges agreed, saying the NCES data is "somewhat informative" to his organization, "but for the most part it confirms things that we already know." He said NCHE prefers data from other sources such as NHERI, which have well-established reputations among homeschoolers.

The same might be said by the private school community, which is also included in the household survey. Gordon Bingham, director of the N.C. Association of Independent Schools, said his organization relies more on its national association's reports than on Department of Education data.

Ultimately a local issue

Published statistics weren't an issue for the Smiths. They had simply decided their two sons, 12 years old and 9 years old, would benefit more from their parents' example than their schoolmates' influence, and took them out of traditional schools three years ago. The family has seen other benefits since then, and Joyce said the surveyor seemed confused that they had found more reasons to continue home schooling than it took to begin that path.

Overall, though, she said the federal government's survey was not troubling.

"When I considered responding, I thought it likely wouldn't make a difference either way," she said. "But I'm glad it isn't something directed against us." CJ

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Course of the Month

Black Women and Identity

This month's winner hails from Duke University. It's a "house course" (CM assures readers we are not making that sobriquet up) of the Arts and Sciences College. The course is entitled **HOUSECS 79.02 — This Is Your Home: Black Women & Identity Construction at Duke.**

The course description follows verbatim:

*Who is the Black woman at Duke University? What space does she claim as a student at Duke University? This house course will explore Black women and identity construction, with a special focus on how these two concepts interact at Duke University. The first two sections of the course focus on Black women at Duke. Using *The Campus Living and Learning Project* and the *Women's Initiative* as starting points, we will look at the role of personal agency, student groups, and administrative policy in constructing the Black woman's identity at Duke. The last section of the course looks at how Black women's identity is constructed upon leaving Duke and engaging in 'the real world'. This course has four objectives:*

- Assess the effectiveness of campus initiatives aimed at improving student life at Duke in pinpointing the dynamics of the Black women's identity at Duke
- Examine the critical role that messages found in Duke literature and policy play in the construction of the Black women's identity as an undergraduate at Duke
- Examine the relationship between Black men and cultural groups in the construction of the Black woman's identity at Duke
- Determine the disconnect or connections between Black women's identity before coming to Duke and after leaving Duke

According to the syllabus, the course requires two (2) papers of 750 words apiece: "[g]ive a well-thought out commentary on bell hooks' article 'Reconstructing Black Masculinity'" and "[d]escribe the ideal Black woman at Duke."

Readings are taken from such works as *The Feminist Theory Reader: Local and Global*; *Sisterhood is Forever: The Women's Anthology for a New Millennium*; *Unequal Sisters: A Multi-Cultural Reader in U.S. Women's History*; and Patricia Hill Collins' *Black Sexual Politics: African-Americans, Gender, and the New Racism*. CJ

Jon Sanders, research editor for the John Locke Foundation, tracks down the monthly course of dubious value.

Bush and Congress vie

College Costs Become Political Football in D.C.

By SHANNON BLOSSER

Contributing Editor

WASHINGTON

Since the 110th Congress began in January, Democrats have made college affordability a top priority. In turn, President Bush addressed the issue in his 2008 budget request.

This confluence of political attention makes it likely that the federal 2008 fiscal budget will increase spending on federal financial aid programs for students. Such increases were among the recommendations made by Secretary of Education Margaret Spellings' Commission on the Future of Higher Education last year.

The increases might not, however, have the hoped-for effect. Economists argue that increasing federal aid for education ultimately boosts tuition. Furthermore, the substantial increases in Pell grants proposed by the president are coupled with elimination of Supplemental Educational Opportunity Grants, which are supposed to supplement Pell grants for the lowest-income students.

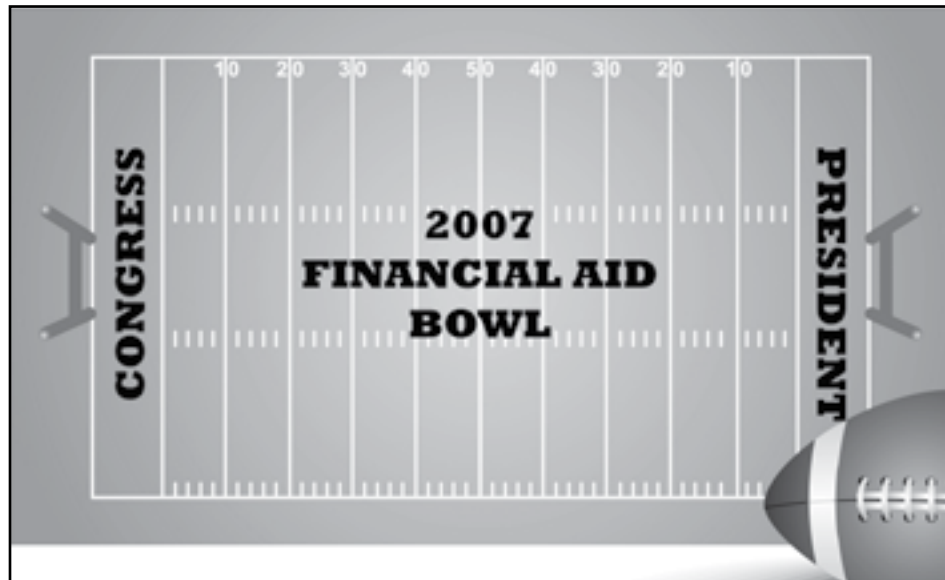
Higher education politics

Within days of the start of the congressional session, House Democrats pushed through a measure, H.R. 5, that would cut the interest rate on student loans from 6.8 percent to 3.4 percent over five years. The provision was supported by nine of North Carolina's 13 representatives. Voting against the measure were Republicans Howard Coble, Patrick McHenry, Sue Myrick, and Virginia Foxx.

H.R. 5 is still under consideration in the Senate. The Bush administration opposes the plan on the ground that it does not directly benefit students, but rather college graduates. Actual payments of loans usually begin after college, unless the student drops out.

"Reducing student loan interest rates would direct federal subsidies to college graduates, not to students and their families who are struggling to meet current and future educational expenses," an administration statement says. "College graduates have higher lifetime earnings, and can already take advantage of flexible repayment options available under current law and reduce the effective interest rate they pay through the existing tax deduction for student loan interest."

Just days after House members passed H.R. 5, leaders in both the House and Senate approved a second measure to make college more affordable. The act would increase the maximum Pell Grant award by \$260. Thus, students would be able to receive up to \$4,310 per year rather than \$4,050. The increase was part of an appropriations bill funding federal programs for the remainder of fiscal 2007.



The Pell Grant program is the major federal need-based financial aid program for higher education. Rep. George Miller, D-Calif., chairman of the House Committee on Education and Labor, said the increase passed by Congress was needed "because of inaction on the part of Congress and the president over the last four years." The grant has not been increased since the 2003-04 academic year.

Bush's 2008 budget request further increases the Pell Grant program. He calls for a \$1,350 increase in the Pell grant during a five-year period, taking the maximum Pell grant from \$4,050 to \$5,400. The president would also cut government subsidies to lenders and guaranty agencies for student loans.

The increases to the Pell Grant program are part of nearly \$91 billion in financial aid that Bush proposes to spend during fiscal 2008. Budget documents state that federal financial aid, which includes loans, work-study programs, and grants for older students, benefits 10.4 million students; about half receive Pell grants. (Total college enrollment is about 17.3 million.)

Spellings, who announced the Pell grant increases in North Carolina in early February, said, "This is real money that will help more low-income kids realize the dream of a college education."

It may be "real money" but economists contend that, over the long run, such increases in federal aid have a perverse effect. Richard Vedder, Ohio State University economist and author of *Going Broke by Degree*, a book about rising tuition, says in a Web site commentary, "I am beginning to think the big winners from the student financial aid explosion are not the students, but rather the institutions and their staffs." He believes that a student who receives a Pell grant will receive less aid from the school itself and, furthermore, "the school may raise its tuition a bit more because a third party is picking up more of the bills." Increases in university hiring of staff other than faculty and increases

in salaries are "all consistent with this view," he said.

"Tuition sensitivity"

Pell grants could change in another way, too. A proposed bill would alter who receives Pell Grant funding through the federal government; the president has endorsed the principle behind it.

Miller and Rep. Buck McKeon, R-Calif., the ranking Republican on the Committee on Education and Labor, have introduced a bill that would eliminate the "tuition sensitivity" rule. This reduces the maximum Pell Grant award for students who attend schools with low tuition charges. The rule affects 90,000 to 100,000 students each year, according to a press release.

Miller and McKeon contend that this rule penalizes students who choose to go to low-tuition schools because Pell grants do not cover all the costs of going to college. According to the National Association of College and University Business Officers, on average, Pell grants cover one-third of the total costs (tuition, fees, room and board) of attending college; two decades ago they covered 60 percent.

McKeon also argues that low-tuition schools currently have an incentive to raise tuition in order to get a larger Pell grant for each student. That might be correct, but economist Richard Vedder suggests that colleges' incentives to raise tuition might be even higher if Pell grants are not restrained by the tuition sensitive rule. In addition, he noted, the increases are costly to taxpayers. Even so, Vedder, who served on the Spellings Commission, favors the change.

All in all, congressional politics favor adding to financial aid for students; what the impact will be might not be discernible for years. CJ

Shannon Blosser is Chapel Hill office manager of the John William Pope Center for Higher Education Policy.

UNC Tuition Up Across Board

By SHANNON BLOSSER
Contributing Editor

CHAPEL HILL

The UNC Board of Governors approved systemwide tuition increases for the academic year 2007-08 in February. These are the first increases under President Erskine Bowles' highly touted plan to cap tuition increases at 6.5 percent.

Tuition approved at each of the 16 institutions meets the requirements of the 6.5 percent cap on annual tuition increases adopted by the board in October. Actual increases in tuition, however, are larger than 6.5 percent at three schools — as high as 9.6 percent at East Carolina University. The reason is that campuses are allowed to exclude from the 6.5 percent ceiling any fees that cover debt service, such as payments for revenue bonds.

The tuition cap covers tuition increases only for in-state students. It does not apply to nonresident, graduate, or professional school students.

The tuition plan includes a provision that could slow tuition increases in the future, beginning with the 2008-09 academic term. It allows for the cap to be tightened, depending on the General Assembly's spending allocations.

According to the plan, if the Assembly increases the per-student appropriation to the University of North Carolina system for operating funds by more than 6 percent, future tuition rates will be reduced. According to the board, the legislature has increased operating appropriations per full-time equivalent student by 6 percent a year, on average, since 1972.

As an example, if the legislature increases operating appropriations per full-time equivalent student by 8 percent, the tuition cap will go down by 2 percent. That would mean that the maximum increase for 2008-09 for each campus would be 4.5 percent.

"The Tuition Policy Task Force recognizes that while tuition and fee

charges are necessary as a secondary source of funding, the General Assembly has the principal responsibility for funding the University," the board's tuition policy states. "For years in which the General Assembly is able to provide sufficient increased revenues, the need for increases should not be as great as in years when the General Assembly is not able to provide these revenues."

The policy also dictates how each campus can spend the increases. Twenty-five percent must go toward financial aid, and 25 percent must be used to increase faculty salaries.

Additional revenues created through increases must be used to improve library and counseling services, class-size reductions, enhanced student services, and increases in course sections.

Students at ECU, when debt service fees are included, will shoulder the largest tuition increase, 9.6 percent. Tuition for 2007-08 will be \$4,181, a \$365 increase. ECU's tuition increase will generate \$1.8 million, of which \$1.2 million will go toward financial aid. Chancellor Steve Ballard said in December before the school's Board of Trustees approved the recommended tuition increase that it had the support of the school's student leaders.

Western Carolina University has the second-highest tuition increase, 9 percent. The school's tuition for 2007-08 is \$3,950, a \$327 increase.

The smallest increase will be at North Carolina A&T. BOG members approved a 2.4 percent increase, with debt service fees included. This will raise tuition from \$3,348 to \$3,429.

UNC-Chapel Hill students will pay the highest tuition throughout the system, \$5,176.30, a 6.2 percent increase above the current \$4,875.82 tuition charge. Thirty-five percent of UNC-Chapel Hill tuition goes toward financial aid programs for low-income students, Chancellor James Moeser said at the recent Emerging Issues Forum. CJ

Commentary

V-Day: Stripping Away Modesty and Dignity

Ask a stranger what V-Day is. You might get some interesting answers. Some will probably confuse it with VE-Day or VJ-Day, the days marking the end of World War II in Europe and Japan. Perhaps some will think it's simply an abbreviation of Valentine's Day. However, no incorrect guesses could possibly be as interesting, or as shocking, as the truth. V-Day stands for Vagina Day and takes place the same day as the more traditional Valentine's Day.



Jenna Ashley Robinson

The University of North Carolina at Chapel Hill is one of 17 universities in North Carolina that hosted "The Vagina Monologues" on or around Valentine's Day this year. Nationally, Vagina Warriors at more than 1,000 universities participate in the unusual festivities.

Unfortunately, V-Day's outrageous tactics make a mockery of serious issues facing women around the world. With the knowledge that "sex sells" in mind, V-Day raises money, but not respect, for women's issues.

V-Day's mission is laudable. It demands, "Violence against women must end." It proclaims Valentine's Day as V-Day until the violence stops. When all women live in safety, no longer fearing violence or the threat of violence, then V-Day will be known as Victory Over Violence Day. But, instead of action, the V-Day campaign concentrates on awareness. Instead of educating audiences about serious threats to safety, V-Day and "The Vagina Monologues" call attention to female sexuality, shun traditional values, and promote alternative lifestyles and promiscuity.

"The Vagina Monologues," V-Day's signature event, increases publicity, but decreases the seriousness with which we should all treat the issues of rape, incest, battery, genital mutilation, and sexual slavery. "The Vagina Monologues" is not about the cause to which it is tied; in fact, it's exactly what the title implies: women waxing philosophical about their private parts to a paying audience. Feminists should be horrified over this sexual objectification of women, instead of embracing the play as "emancipating."

"The Vagina Monologues,"

written by feminist Eve Ensler, is a compendium of women's stories of "intimacy, vulnerability, and sexual self-discovery." Women, who represent vaginas, speak out from the stage about their experiences and preferences. The stories explore sexual fantasies, fears, and experimentation.

The tagline used for tryouts at UNC-Chapel Hill, "Want YOUR Vagina in the spotlight?" makes the point better than any of the play's critics. The play strips away any modesty, mystery, or dignity from sexual acts, just as it severs the connection

between emotional and physical love. "The Vagina Monologues" represents sexual objectification, of women, by women.

The event was sponsored by the Gay, Lesbian, Bisexual, Transgender — Straight Alliance. The goal of the alliance is to "advocate and educate on issues affecting LGBTQ-identified people in the Southeastern United States and to . . . create a community of LGBTQ folks and their allies that supports and affirms all aspects of their identities." Perhaps they realize that "The Vagina Monologues" is better suited to the alliance's goals than to end violence against women. The play pretends to be about women's rights; in fact it is a celebration of lesbianism.

Those truly interested in ending violence against women have other, more serious options if they want to volunteer for the cause. Amnesty International sponsors the March Against Domestic Violence. Its efforts help victims of domestic violence in 16 countries around the globe. The National Organization for Women sponsors annual Take Back the Night marches in cities and towns nationwide.

V-Day should treat violence against women with the gravity that it deserves. In order to end violence, rape, and other crimes against women worldwide, groups should educate and act rather than entertain. UNC women who are serious about ending violence should support that cause in some other way. CJ

Jenna Ashley Robinson is the campus outreach coordinator for the John William Pope Center for Higher Education Policy.

2007-08 tuition and fees for in-state students (with debt service)

SCHOOL	2006-07 TUITION	2007-08 TUITION	INCREASE
NC State	\$4,678	\$5,002	6.9 %
UNC-CH	\$4,876	\$5,176	6.2 %
ECU	\$3,816	\$4,181	9.6 %
NC A&T	\$3,348	\$3,429	2.4 %
UNC-C	\$3,841	\$4,091	6.5 %
UNCC-G	\$3,762	\$3,978	5.7 %
ASU	\$3,975	\$4,184	5.3 %
FSU	\$2,842	\$3,020	6.3 %
NCCU	\$3,395	\$3,605	6.2 %
UNC-P	\$3,241	\$3,396	4.8 %
UNC-W	\$4,081	\$4,312	5.7 %
WCU	\$3,623	\$3,950	9.0 %
UNCA	\$3,811	\$4,044	6.1 %
ECSU	\$2,764	\$2,897	4.8 %
WSSU	\$3,108	\$3,274	5.3 %
NCSA	\$4,679	\$4,918	5.1 %

Source: UNC Board of Governors

CJ Graphic

Bats in the Belltower

How Campus Leftists Celebrate Valentine's Day

Some people celebrate Valentine's Day by giving gifts, sending cards, buying chocolates, or even serenading their sweethearts. Campus leftists celebrate by doing to Valentine's Day what they do to everything else: subjugate it to their politics.

So they change Valentine's Day to "V-Day" to make it stand for "vaginas" and "violence." Then they think of "alternative" celebrations to a day about romantic love.

At the University of North Carolina at Chapel Hill, for example, a graduate student penned a special Valentine's Day column in *The Daily Tar Heel* titled "Know This, Future Ex-Boyfriends of Mine." In it, the student, Linda Quiquix, wrote:

Friends who know me weren't surprised to learn that my Zionist boyfriend and I broke up last summer shortly after Israel began dropping bombs on Lebanese children. But the friends who really knew me were surprised to learn that I had even dated a Zionist to begin with.

In my defense, I thought he was just Jewish when it all began — a progressive one who was white but had tendencies for black supremacy. ... But my new progressive boyfriend, who was supposed to help me save the world, would stop short at any criticism of the Israeli government's racist, oppressive policies. And what's worse, he would sometimes defend them by saying things like that the land was up for grabs because the Palestinians never had an official state to begin with.

Despite the use of apparently over-the-top, satirical rhetoric, the article never reveals itself as parody. No, it just keeps going on like that, in bizarre, self-congratulatory earnestness, not parody but self-parody.

Speaking of bizarre, self-congratulatory self-parody, consider what former UNC-CH Law School dean and president of the College of William and Mary, Gene Nichol, found himself earnestly defending during Valentine's week: a "Sex Workers Art Show." *The Virginia Gazette* reports:

Sparkling nipple adornments, feather boas, bare bottoms, erotic dances, striptease music and sex toys entertained a crowd of more

than 400 who were packed into the auditorium of the University Center. ...

A woman named Dirty Martini did a striptease. Weighing in at well over 200 pounds, she finished her routine wearing only a G-string and pasties.

[Another stripper], clad initially in military fatigues, gave a theatrical performance [with the] anti-war message [of] sexual favors would be given if "doing so can end the war. Just don't force me."

Nichol found himself saying, "I don't like this kind of show and I don't like having it here. But it's not the practice and province of universities to censor or cancel performances because they are controversial."

In staking out that free-speech position in the face of controversy, Nichol carved out a completely different niche from the William and Mary president who had ordered the removal of a historic, 275-year-old cross from the college's Wren Chapel just because secular students might see it. That president was, of course, Gene Nichol.

Speaking of free speech, Ruth Malhotra and Orit Sklar won their free-speech lawsuit against Georgia Institute of Technology over its speech code. Noting that the code was selectively enforced against conservative students, Malhotra and Sklar had challenged Georgia Tech's speech code in court, and in August 2006 Tech acknowledged the obvious and decided to scrap the code.

On Valentine's Day, Malhotra received a get-raped-soon card from still-angry code supporters. They wrote:

A V-Day wish for our very own Ruth Malhotra: This Valentine's Day, you cannot attack gay marriage. It is about love and you are about hate.

This Valentine's Day, you cannot condemn a woman's choice. It is about love and you are about hate. ...

No, this Valentine's Day, you will be raped. Sex is about love and through it you will experience hate. I cannot wait. CJ

Jon Sanders is research editor for the John Locke Foundation.



Jon Sanders

Emerging Issues Forum Focus: The Future of Higher Education

By SHANNON BLOSSER and JANE S. SHAW
Contributing Editors

RALEIGH

More than 200 people attended a two-day forum sponsored by the Emerging Issues Institute at North Carolina State in February, hearing speakers such as UNC President Erskine Bowles, U.S. Secretary of Education Margaret Spellings, and former Harvard President Lawrence Summers.

The institute, headed by former Gov. James Hunt, selects a different topic each year and always draws a crowd; this year it was higher education.

Although the speakers did not reveal any surprises (see George Leef's column on the next page), a distinctive component of the meeting was an effort to identify "proposals for action." The conference included reports from three working groups that had met earlier.

The working group on Economic and Community Development was chaired by architect John L. Atkins and included representatives from business, the Employment Security Commission, and the RUPRI Center for Rural Entrepreneurship, among others.

This group wants North Carolina campuses to be more engaged in their communities. In its summary report, the group identified two ways for this to happen. A school can be a "third-party facilitator of community organizations seeking to address critical community needs" and/or "a source of knowledge and expertise." But the report also said that schools face hurdles fulfilling these roles.

"Engagement — particularly that involving knowledge and expertise — depends on the goodwill of individual faculty and staff," the report said. Faculty members "may be reluctant to perform tasks that are outside their traditional job description and for which they are unlikely to be rewarded."

This group also noted the role of higher education in providing a skilled workforce. Surprisingly, however, the report emphasized "broad societal skills," not just technical knowledge.

Andrea Bazan-Manson, president of the Triangle Community Foundation, chaired the Educating All North Carolinians working group, which included representatives of nonprofits such as Gear Up North Carolina and the Center for Community Action as well as several professors. Bazan-Manson said

the group looked primarily at ways to reach populations that face roadblocks to education.

The group wants more funding for the community college system to improve access to education for low-income working adults. It also noted in its report that North Carolina has a low high school graduation rate, 70 percent. It recommended expanding "learn and earn" programs. These allow students to combine high school and two years of community college, obtaining an associate degree at no charge in five years.

Concerned about providing education to Latino students, the group made the controversial recommendation to allow undocumented students, under some circumstances, to attend

the state's public colleges and universities at in-state tuition. (This recommendation was introduced as a bill in the legislature in 2005 but did not advance out of committee.) The group also argued for targeted outreach to enroll more Latino students. Overall, it favored increases

in financial aid—federal, state, and private.

Dan Davies, founder and publisher of *Business Leader* magazine, chaired the working group on Innovation, Technology, and Entrepreneurship. The group wants students to be creative and entrepreneurial. It even advocated "the redefinition of the liberal arts to include classes on creativity and entrepreneurship," noting that "it is the creativity, technical know-how, and enterprising spirit that students carry with themselves after they graduate that makes the greatest contribution in this area."

The group's second priority is to produce more teachers in math and science, especially at the elementary school level. It also urged leaders in higher education to "seek out a wide range of points of contact with external stakeholders" such as university advisory boards, alumni networks, and business relationships.

Finally, students and faculty must learn about risk. "Faculty must feel that their jobs remain secure when involved in start-ups. Students must learn that risk taking is rewarded." CJ

Shannon Blosser manages the Chapel Hill office of the John William Pope Center for Higher Education Policy; Jane S. Shaw is executive vice president of the Pope Center.

"Faculty must feel that their jobs remain secure when involved in start-ups."

From report of Emerging Issues Forum's Innovation, Technology, and Entrepreneurship group

*Institute for Emerging Issues***Big Education Conference Concerned with the Wrong Things**By **GEORGE LEEF**
Contributing Editor

RALEIGH

Since 1986, the Institute for Emerging Issues has held a highly publicized conference devoted to some current policy issue. The theme this year was "Transforming Higher Education: A Competitive Advantage for North Carolina." There was very little said over the two days of the event about actually transforming higher education in the state — that is, how it might be made a better and more valuable experience for students. Instead, the speakers were mostly fixated on the supposed need for North Carolina to put more students into and through college.

In other words, it was about quantity rather than quality. What needs to change, according to several speakers, is the number of young Americans entering and graduating from college, not the educational worth of the courses they take. This made for a rather monochromatic conference, rather like attending a concert where every piece was just a variation on the same theme.

The main theme was that America's higher education system is "underperforming." Whereas in the past the United States had the highest percentage of its workforce holding college degrees of any nation, today a number of countries now surpass the United States, and more are catching up. Several speakers asserted that this situation poses a threat to our standard of living. Businessman Thomas Tierney said there is a "direct relationship between completion of higher education and economic growth," and

since the United States is losing its "lead" over other nations, our standard of living is in jeopardy.

Among all the talk about our "underperformance," there was scarcely a word about the serious problems we have with educational quality. As this column has pointed out in the past, many Americans graduate from college with poor skills in the fundamentals — reading, writing, and mathematics — and with weak knowledge of our history and institutions. An important consequence is that large numbers of our college graduates have only the cognitive abilities to do what have traditionally been regarded as "high school jobs."

In their 1999 book *Who's Not Working and Why*, economists Fredric Pryor and David Schaffer noted that an increasing number of college graduates in the United States end up competing for jobs that call for no academic background other than simple trainability. Data compiled by the Bureau of Labor Statistics also show that many college graduates are working at jobs for which they are seemingly "overqualified" — if you assume that a college degree represents a great advance in human capital over having only a high school diploma. That's an assumption Pryor and Schaffer refuse to make, writing, "The low functional literacy of many university graduates represents a serious indictment against the standards of the U.S.



higher education system."

Too bad they weren't invited.

Not one of the conference speakers acknowledged that for lots of young Americans, college is

four or more years of fun in an environment where the intellectual content is a thin gruel and the academic expectations are low. It would have been good to have heard some discussion about the importance of transforming higher education so that most graduates would at least be proficient in the three domains of literacy tested by the National Assessment of Adult Literacy. Presently, only about 30 percent are.

Returning to the main theme of the conference, is it the case that our standard of living is going to fall unless we succeed in reclaiming the top spot among nations in the percentage of our population that earns a college degree? Among others, former Gov. Jim Hunt offered the view that the future will be "scary" unless we do something to get more of our young people up to the level of the competition.

The statistics are undoubtedly right; a number of countries have slightly surpassed the United States in this respect, including Canada, Finland, Belgium, Japan, and Norway. But does it follow that our prosperity will fade unless we manage to "keep up" with them?

Relax. There are many other, more important factors in a nation's

(or state's or city's) prosperity than the percentage of the population holding certain educational credentials. The climate for investment and entrepreneurship is crucial. So is the stability of money, the enforceability of contracts, and the security of property rights. Economic success is related, inversely, to the degree to which government officials attempt to manage and control production and exchange through regulations. How talented and industrious the workforce is certainly matters, but it would be a mistake to think that the only way for people to become skilled is through formal education. History is full of examples of people who were fabulously productive despite having little or no formal education, and vice versa.

It's unfortunate that, apparently, none of the speakers had read Professor Alison Wolf's book *Does Education Matter?* After surveying education around the globe, she concluded that formal education matters much less than people generally suppose. She points out that some countries have "invested" heavily in efforts to raise the level of formal education without seeing any change in living standards, and that there are other countries that do little to promote formal education yet are among the world's most prosperous. High "educational attainment" is neither a necessary nor a sufficient condition for prosperity, in other words. CJ

George Leef is vice president for research of the John William Pope Center for Higher Education Policy.

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Town and County

Durham inspection fee

Durham County is seeking legislative approval to charge restaurants for health inspections. It's unclear whether the General Assembly will approve the fee.

The county spends about \$700,000 a year to inspect restaurants. Almost all of the amount comes out of its general revenues; the state provides \$13,000.

"Right now, the taxpayer is subsidizing the inspection of restaurants," Brian Letourneau, Durham's county health director, said to *The News & Observer* of Raleigh. "It's only fair that those who benefit from the service pay for the service."

Others, though, don't see the county picking up the tab for inspections as a subsidy, but rather as a core function of government.

"Why is this not a basic function of public health?" Rep. Paul Luebke, D-Durham, said to the newspaper. "Why is this not a fundamental function of government?"

Paul Stone, president of the N.C. Restaurant and Lodging Association, shares Luebke's view.

"We support the health departments; they do a very important job for our industry," he said. "We just don't support them making the restaurants pay."

RBC Center's future

Though Raleigh's current arena, the RBC Center, opened only seven years ago, officials of the city and of the public authority that owns it are starting to think about the building's long-term future. In doing so, the issue of whether Raleigh is better served by an arena closer to downtown is again coming up, *The News & Observer* of Raleigh reports.

Some have argued that the arena, located outside the 440 Beltline, would be a bigger draw if it were closer to hotels, restaurants, and other nightspots.

The agreement that created the Centennial Authority, the public authority that oversees the building, provided funds only for construction of the \$155 million arena. The money came from the state, N.C. State University, and bonds backed by local hotel and meals tax revenues. No provision was made for future upgrades of the building.

The Centennial Authority has asked Raleigh and Wake County officials for an additional \$1.5 million a year in hotel and meals tax revenues that could be used to issue bonds to pay for a \$60 million modernization of the RBC Center in 2019. CJ

Triad's HOT Plan Doesn't Excite Some Officials

By SAM A. HIEB
Contributing Editor

WINSTON-SALEM
You gotta have heart. That's the message local officials received from advocates for a carefully planned region along the border of Guilford and Forsyth counties. Whether the officials actually have the heart to buy into the plan remains to be seen.

Promoters of the Heart of the Triad (HOT) project unveiled their plans to local leaders at a luncheon in February at the Marriott Hotel next to Piedmont Triad International Airport. While HOT's steering committee, along with local newspapers, have promoted the project as a nirvana that will employ thousands of people, improve air quality, and tame urban sprawl, local mayors, county commissioners, and city council members expressed skepticism at the presentation.

HOT is a planning effort headed by the Piedmont Authority for Regional Transportation (PART), which focuses on about 6,000 acres spread across the Guilford-Forsyth line. Two major economic development projects form its boundaries. To the west stands the year-old Dell plant, which was constructed with the help of \$270 million in state and local economic incentives, while the FedEx hub, scheduled to begin operation in 2009, rises in the east.

HOT advocates say spin-off companies in the high-tech industry would eagerly set up shop in the area, producing as many as 123,000 new residents and 135,000 new employees. In the process, the six local governments (Guilford and Forsyth and the cities of Greensboro, Winston-Salem, High Point, and Kernersville) will receive an estimated \$300 million in revenues. The details of a proposed revenue-sharing plan have not been worked out yet.

Public funding, funneled through PART, is a major component of the project's study and implementation. So far, PART has used a \$200,000 matching grant from the N.C. Department of Transportation to supplement the \$200,000 provided by the chambers of commerce of the four municipalities.

"If we didn't have a vehicle like PART with a pot of money to get this thing started, we wouldn't be here today," said steering committee chairman Robbie Perkins, who's also a former member of the Greensboro City Council. "We're asking you to take a look at this in March so we can get on the legislature's radar screen."

HOT's projected employment and population numbers call for advanced planning to make sure the area doesn't develop haphazardly, other members of the steering committee told local leaders.

"This could be a formula for disorganized sprawl if we keep up business as usual," said Paul Norby, Winston-Salem-Forsyth County planning director.

"This could be a formula for disorganized sprawl if we keep up business as usual."

Paul Norby
Planning Director
Forsyth County

Other speakers assured leaders that HOT would preserve acres of open space and improve air quality by managing traffic patterns inside the area. Roads would have to be built, and counties would have to share the burden as never before, the region's NCDOT board member said.

"Our funding system for transportation is broken. There has not been a great job of cash management at DOT," said Division 9 board member Nancy Dunn. "We're going to have to think much more locally than we ever have in the past."

Other local officials spoke of HOT's wide-ranging positive impact. PTIA board chairman Henry Isaacson spoke of how Research Triangle Park has created a lucrative market for airlines at Raleigh-Durham International Airport. Isaacson said HOT could do the same thing for PTIA, which has been suffering from low passenger flights in past years.

"I believe it's our best bet for the future of this region," Isaacson said. "We cannot afford to sit back and hope that our market and our area will grow."

After steering committee members were done with their comments, Perkins turned the floor over to local leaders for questions and comments.

Guilford County Commissioner

Bruce Davis wanted to know when local leaders could get some hard numbers on revenues, while Winston-Salem City Councilman Robert Clark expressed skepticism over the proposed revenue-sharing plan among the six government entities.

"I don't know if anything like that exists in the state of North Carolina," Clark said.

Other leaders were concerned that HOT would affect existing local land-use plans and economic development initiatives. Forsyth County Commissioner Walter Marshall questioned how HOT would affect the Legacy Plan, a joint land-use plan between the county and the city, while Winston-Salem Mayor Allen Joines expressed concern over how HOT would affect Piedmont Triad Research Park, which is on the edge of downtown.

"How can we make sure we're not competing against each other?" Joines asked.

By far the most pointed comments came from Walt Cockerham, a veteran Guilford County political figure serving alongside Isaacson on the PTIA board. He warned HOT planners not to do anything that would compromise existing plans surrounding the FedEx hub.

"You want to be careful," Cockerham said. "If it isn't broken, please don't fix it."

Development in the region so far has been slow, but there is hope. February was an up-and-down month for PTIA. Officials were disappointed to hear that ExpressJet was bypassing PTIA in favor of a hub at RDU. But they received good news a week later when HondaJet said it would build a light-jet manufacturing plant at PTIA, with the help of more than \$8 million in state and local incentives. CJ



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Apex Gives Homeowners Holiday

By KAREN McMAHAN
Contributing Editor

RALEIGH
Fashioned after the state's annual sales tax holiday, the Apex Town Council unanimously approved a "home improvement holiday" at its second meeting in January. Apex's temporary holiday, unlike the one-day sales tax holiday, is scheduled to run for 90 days, April 2-June 29.

Bryan Gossage, Apex town councilman and owner of a private public relations and communications firm, proposed the idea after learning about a similar program in California. He called the resolution an example of "innovative government" and said it is "a way to show appreciation for the homeowners who have made a commitment to living in Apex."

Gossage was instrumental in getting the resolution approved after working with the town's attorney and others to modify the plan so it would not "inadvertently waive fees for those they did not want included," such as commercial or residential builders. The resolution is

targeted to homeowners who have unfinished attics or bonus rooms, those with older homes needing renovation, or those looking to add a room or deck.

When asked what the program's aim is, Gossage said the "ultimate goal is to allow homeowners to complete renovation or expansion projects they may have been putting off because of permit fees."

To spur homeowners to take advantage of the temporary fee waiver, Gossage sought to bring aboard a number of corporate partners, which he hopes will include big-box home-improvement, building-supply, and home-furnishing retailers, along with banks, small-business retailers, and local craftsman.

The town's fee structure and complex process to launch and complete a residential building project might act as a disincentive for homeowners to expand or renovate their homes. According to Gossage, permit fees for "a typical homeowner can add up to hundreds of dollars." The director of the town's Construction Management Department tells Gossage that user fees can total more than \$900.

Among the laundry list of required permit fees are building (\$105), electrical (\$50), mechanical (\$50), and inspection

(\$50). A construction or renovation plan adds another \$60 to the cost. If the plan gets modified, that's an additional \$40, along with another fee for re-inspection.

Asked whether the fees are a problem that points to a larger issue, Gossage admits that Apex is "still a small town and the supply of larger, affordable homes may not be as great as in neighboring towns or in unincorporated areas of the county." Anecdotally, he hears that some residents might be considering buying a larger home in Cary because there are more of them and they cost less than in Apex. Despite rapid growth, from 5,000 residents in 1990 to more than 31,000 in 2007, he wants to help keep residents in Apex.

Bruce Radford, Apex town manager, offered several outcomes the town hopes to achieve through the holiday. First, he said "People often view user fees as an additional burden," so this resolution addresses that concern.

Second, it will "benefit local building supply and hardware companies"

through increased sales. The program also will have a "strong impact on total tax value." Radford said that even a small investment to finish a room over a garage, the most common project, would net a 10 percent improvement in total tax value.

These projects provide "greater ad valorem taxes over a long period," Radford said, which can continue for decades if not longer. Both Gossage and Radford said that waiving the fees does not mean waiving the permits themselves. Homeowners will still have to go the arduous process of obtaining all the necessary permits.

Given the expected tax and revenue gains, why not make the fee waiver permanent? Both officials said a permanent waiver would not be feasible, because the fees fund much of the Construction Management Department's provision of essential services.

Future policymaking, however, might be influenced by how well the resolution works, Radford said. If, for example, during the 90-day period, "more than 30 percent of homeowners participated, spent X dollars, and the value of their home increased," such an outcome might indicate that permit fees are indeed a significant disincentive to completing these types of projects. CJ

The resolution is targeted to homeowners who have unfinished attics or bonus rooms, those with older homes needing renovation, or those looking to add a room or deck. It is designed to spur those who have left projects unfinished due to permitting fees.

Commentary

Simplify, Simplify

For several years I've written about the serious problems our state faces with economic incentives. Though there are numerous problems, the public is often oblivious to what is actually transpiring. Most deals are worked out behind the closed doors of your local Economic Development office with additional layers of secrecy taking place at the Commerce Department. By the time the public finds out anything, the deal is done making the public hearing purely perfunctory.

With Google and Dell, companies are figuring out quickly that North Carolina is quickly becoming the "please tread on me" state as both companies were able to easily leverage whatever they wanted from state and local officials. Seriously, does anyone believe that Google will be remotely the same company 30 years from now? That's when it will start paying more than 20 percent of any property taxes. Google will get an 80 percent waiver on real-estate property taxes and 100 percent waivers on business property taxes for 30 years.

So who could be proud of that accomplishment? Certainly Lenoir needs \$48,000-per-year jobs. But do people think the county's citizens will get those jobs? We're talking about more than \$1 million in tax rebates, even though that's technically illegal, we call them grants, per job.

Where does one draw the line? Which jobs don't deserve incentives? Apparently, the people who live and work here don't. Google's own statements gave us a clear indication about where the problem lies. "In the case of this project, the vast majority of the incentives are taxes we would not pay in other states."

WOW! There's a clear and concise summation for leaders in the state. Our tax code needs to be fixed. We've become lazy, relying on ever-increasing levels of intricacy that the average citizen will never understand. JDIG, Bill Lee, Golden LEAF, One North Carolina, and a host of other funds have reached the level of absurdity. This complexity does little to build the trust of the public and moves us away from tax reform which is what many companies are saying that North Carolina truly needs.

Recently, lawyers from Golden LEAF spent the better part of a day trying to figure out how to laun-

der money through Lee County's budget to get \$15 million to Bristol-Meyers-Squibb. Since Golden LEAF couldn't get the money directly to BMS, Golden LEAF officials decided to try to pay for some infrastructure in the county's budget and then get the county to take that money and give it to BMS. In the end, BMS went elsewhere, but none of these activities should have taken place.

It's just wrong. And yet there are still those who think that any job is a good job regardless of what ethical breaches take place. Again, this is not the role that government was designed to fill. It should be incumbent upon government to treat all businesses as equals, period.

Counties routinely compete with one another with what they can give away. They shouldn't. They should compete with their business climate, schools, and quality of life. Forcing taxpayers to pay higher taxes for a "special" business that doesn't pay them is again, just wrong. In the case of Google, Lenoir County officials didn't produce a basic economic assessment study. They have no idea whether there is a net gain or not due to this deal, it's all faith. And while faith in general is a good thing, faith with taxpayer money betting on the success of failure of a given business is not.

Sen. David Hoyle, a Gastonia Democrat who has supported incentives while wincing made a good point not long ago, "Somewhere along the way we have got to stop. It brings in more jobs, but it creates more pressure on our schools, our roads, our universities, and who the hell is going to pay for it? It puts a strain on the system ... and they are not putting any revenue in the pot to pay for it."

Here's hoping that we'll have more serious discussion about where we are and where we're going on this path. And counties should be very careful. Hoyle, ever the pragmatist aptly pointed out something else. "With all the property taxes given (away)," Hoyle said, "if they can afford to do that, I don't want to hear them cry about Medicaid." CJ

Chad Adams is director of the Center for Local Innovation, vice president for development of the John Locke Foundation, and former vice chairman of the Lee County Board of Commissioners.



Chad Adams

Local Innovation Bulletin Board

Paying More Fights Crime

Crime doesn't pay" might be a debatable axiom, but new evidence strongly suggests that the more crime-fighters are paid, the better they will combat crime. Alexandre Mas, a researcher with the National Bureau of Economic Research, said that when police officers are awarded salaries below their desires and expectations, both arrest rates and average sentence length will decline, but when police receive their salary demands, arrest rates will rise.

Police performance, Mas found, declines sharply when officers lose arbitration cases. The per-capita number of crimes cleared (crimes resulting in arrests) is 12 percent higher in the months following arbitration rulings in favor of police officers. Felony arrests in cities where police unions lost in arbitration are also associated with lower incarceration rates and shorter jail sentences.

This suggests that police might reduce their efforts and cooperation with prosecutors after arbitration losses; that is, the police expend less energy in gathering evidence, or at least in presenting evidence to prosecutors.

Police union bargaining unit losses are also associated with a 5.5 percent increase in reported crime rates, suggesting less active policing.

Mas found that the change in performance of New Jersey police officers depends not only on the amount of the pay raise but also on the proposed but rejected counteroffers. Comparisons of pay raises to arbitration counteroffers influence police effort only when the police lose, though.

Let There Be 'Blight'

Regardless of strong constitutional protections for private property, in the post-*Kelo* world, governments and courts now view eminent domain as an area where few if any restrictions exist, William R. Maurer, director of the Institute for Justice, Washington chapter, says in the Wall Street Journal.

While *Kelo* gave the motivation, the tools available for trampling constitutional rights have been in place for some time, Maurer said. Since the *Kelo* decision, municipalities have rediscovered Washington's Community Renewal Act, the local incarnation of statutes used to destroy working-class

(and often minority) neighborhoods across the country in the 1950s and '60s. The government, under the act, can condemn an entire neighborhood and transfer the property to a private developer so long as the government finds that at least some property in the neighborhood is "blighted." Unfortunately, this statute is so broadly worded that practically every neighborhood in Washington meets the definition of "blight" — things such as "obsolete platting" and "diversity of ownership" constitute "blight."

The problem is not limited to Washington. In one appalling example, the U.S. Court of Appeals for the Second Circuit let stand a condemnation in which a developer in Port Chester, N.Y., demanded that a private property owner give him either \$800,000 or a 50 percent share in the property, which was slated to be a CVS pharmacy.

If refused, the developer threatened to have the village condemn it; the next day, the village condemned the property to hand it over to the developer to construct a Walgreens drugstore.

Tolls beat taxes

Using toll financing to pay for improved transportation infrastructure was the overwhelming top choice of motorists, ranking dramatically higher than increasing or indexing fuel taxes, according to a new survey.

According to the American Automobile Association, 64 percent of motorists judged traffic congestion to have worsened over the past three years. Seventy percent think more money is needed to maintain and improve the system to keep pace with demands.

When asked specifically, the top choice among motorists for financing was tolling, with 52 percent supporting it. Within that broad category, the most popular option, at 39 percent, was to toll only new capacity. By contrast, only 21 percent favored increasing the gas tax, and only 15 percent supported increasing other taxes (such as sales, income, or property taxes).

The data suggest that most Americans continue to support the user-pays principle of highway funding, which was once represented by "highway user taxes" on fuel, whose proceeds were dedicated to the highway system. CJ

From Cherokee to Currituck

Beach Market Takes on Chill

By MICHAEL LOWREY
Associate Editor

RALEIGH

The once-booming market for real estate near the beach has slowed considerably in recent months. That has a lot of people concerned, including local government officials, condominium owners, developers, and banks.

N.C. Association of Realtors data shows that existing-home sales fell by 17 percent in the third quarter of 2006 in Wilmington compared to sales in the same period of 2005. Brunswick County, a more beach-driven market, experienced a 64 percent drop. Sales on the Outer Banks were down by 30 percent.

In Myrtle Beach, data from Market Opportunity Research shows new and existing-condominium sales dropped by 37 percent in the third quarter compared to the previous year.

"There is going to be a huge number of units on the market next year, and lots of them vacant," Carl Van Horn of Market Opportunity Research said to *The News & Observer* of Raleigh.

Van Horn also noted that many buyers of beach property in the past two years have done so as a speculative venture, on the hopes that prices would continue to rise and they could resell at a profit.

A continued soft market could leave such speculators in a cash bind and developers with unsold inventory and burden small banks with lots of loans in the beach market.

"We've already seen developers in other parts of the country falter," said UNC-Charlotte finance professor Tony Plath.

"We're definitely going to go through a period of nail biting."

Buncombe incorporations?

North Carolina has 554 municipalities. The number could rise soon, as two Buncombe County communities are navigating the process of incorporating, the *Asheville Citizen-Times* reports.

Leicester is one of those communities, and the furthest along in the process. Incorporation backers have obtained enough signatures (15 percent of the proposed town's registered voters), picked an interim town council, drafted a town charter, and decided upon what services the town will offer.

A bill to officially establish the town will also be introduced in the

General Assembly this session.

"What I have said to them is if (incorporation proponents) get all their I's dotted and T's crossed, I will feel more or less obligated to the folks in my district to introduce that legislation," said Rep. Susan Fisher, D-Buncombe.

"If that's something they really want to do, then I really have no choice than to help them through the process. They've gone to a lot of trouble," she said.

Residents of the Swannanoa area are also studying incorporating.

A change in state law in 1999 made incorporation less attractive. New municipalities must provide at least four of eight specified types of services and levy a property tax of at least

\$.05 per \$100 of assessed valuation. The change in state law came in response to the incorporation of many towns that got a share of sales and franchise tax revenues but provided no services. Sixteen towns were created in the three years before passage of the law, but only nine since.

Wilmington sewer moratorium

Last May, Wilmington was forced to institute a moratorium on new connections into portions of its sewer system because of numerous large spills from the Northeast Interceptor, a sewer main leading to a water treatment plant. That's bad news for developers who didn't obtain sewer permits before the moratorium went into effect, the *Wilmington Star-News* reports. The moratorium is expected to remain in force for at least another year.

"I think that project is kind of dead in the water," said Anthony Caporaletti of Atlantic Construction's plans to build 18 townhouses on Wrightsville Avenue.

"We're a small company," he said. "This was what we were trying to tackle next, and now we're kind of scrambling for another project."

He estimated the delay has cost his company \$150,000.

Dean Hunkele, an environmental specialist with the N.C. Division of Water Quality, suggested that developers plan projects with the limits of the sewer system in mind.

"A real problem I tend to see with development is that sewer tends to be the last thing looked at," he said. "Everything gets done first, and then they try to make the sewer fit the site." CJ

"There is going to be a huge number of units on the market next year, and lots of them vacant."

Carl Van Horn
Market Opportunity
Research

N.C. Supreme Court Rebukes Town of Hillsborough

By MICHAEL LOWREY
Associate Editor

RALEIGH

Local governments often must act on site plans and building-permit requests from businesses that make necessary products but that aren't regarded as desirable neighbors. A recent N.C. Supreme Court ruling in a case involving Hillsborough highlights the need for localities to address such applications fairly and according to existing established procedures.

In its decision, the court held that the town acted improperly by not acting on a proposed asphalt plant's site plan but instead banning new operations of that type from the town and its extrajurisdictional zoning jurisdiction.

On Jan. 21, 2003, Douglas Robins applied to build an asphalt plant on five acres of land he was buying specifically for the purpose. The property was situated in unincorporated Orange County but was within Hillsborough's extrajurisdictional zoning jurisdiction. The parcel was zoned as "general industrial," which under Hillsborough's zoning regulations would allow asphalt plants to be built there subject to site-plan review by Hillsborough's Board of Adjustment.

The Board of Adjustment held hearings on the site plan Feb. 12, March 12, and April 9, 2003 but did not act. A fourth hearing on the matter was scheduled for April 30, 2003.

That public hearing, and a decision on Robins' site plan, never happened. On April 22, Hillsborough's Town Board passed a moratorium suspending "the Review, Consideration and Issuance of Permits and Applications for Manufacturing and Processing Operations Involving Petroleum Products," including asphalt plants. Though the moratorium applied to all pending applications and



"In essentially dictating by legislative fiat the outcome of a matter ... [Hillsborough] did not follow its own ordinance... ."

Justice Edward Brady
N.C. Supreme Court

prohibited the filing of new ones, Robins' application was the only one of its type, and thus the only application affected by the moratorium. The public hearing April 30 also was canceled.

The moratorium was to remain in affect until Dec. 31, 2003. In November 2003, Hillsborough amended its zoning ordinances to completely ban new asphalt plants and other facilities involved in manufacturing or processing petroleum products from the town. The ordinance took effect on March 31, 2004; the town council also extended the moratorium to that date.

Robins, who had spent about \$100,000 on the proposed asphalt plant before it was rejected by the town board, challenged the town's actions in the courts, including appealing after Superior Court Judge James Spencer ruled in the town's favor. A majority of a three-judge panel of the N.C. Court of Appeals ruled in favor of Robins', holding that the town's actions were improper. The appeals court majority also found the ordinance of questionable constitutionality, in banning asphalt plants from the town.

"Courts in other jurisdictions require a municipality to demonstrate a much greater substantial relationship between the ordinance and the public welfare where a total prohibition of a lawful activity is involved rather than

an ordinance which merely confines a use to a particular district," Judge John Tyson wrote for the appeals court.

Judge Barbara Jackson, however, dissented from the majority's holdings. She noted that under North Carolina case law, citizens have no general right to have zoning ordinances remain forever the same. And she found that the exceptions under which created vested rights did not apply to Robins, exactly because Hillsborough had not acted on his proposed site plan or issued a building permit when it enacted its moratorium and later ban.

Hillsborough, in turn, appealed the case to the N.C. Supreme Court. Because of Jackson's dissent, the high court was required to take the case.

In a unanimous ruling of the six justices that participated in the case (the case was heard before Justice Robin Hudson joined the court in January), the Supreme Court held that Hillsborough's actions were improper, though for somewhat different reasons than found by the Court of Appeals.

The Supreme Court noted the facts in the case were much like those it had addressed in a 1974 case, *Humble Oil & Ref. Co. v. Bd. of Aldermen*. That case involved another Orange County municipality, Chapel Hill.

"Instead of following the proper procedures by which the Board of

Adjustment would have rendered an up or down decision on plaintiff's application, defendant, acting through its Board of Commissioners, passed the moratorium and eventually amended the ordinance, effectively usurping the Board of Adjustment's responsibility in the matter," Justice Edward Brady wrote for the high court.

"In essentially dictating by legislative fiat the outcome of a matter which should be resolved through quasi-judicial proceedings, defendant did not follow its own ordinance pertaining to the disposition of site specific development plans, thus leaving the Town Board no defense to the charge that its actions were arbitrary and capricious.

"We hold that when the applicable rules and ordinances are not followed by a town board, the applicant is entitled to have his application reviewed under the ordinances and procedural rules in effect as of the time he filed his application. Accordingly, plaintiff was entitled to receive a final determination from defendant regarding his application and to have it assessed under the ordinance in effect when the application was filed."

The Supreme Court offered no opinion as to whether Robins' site plan should be approved by the Board of Adjustment. By deciding the case on the narrow issue of Hillsborough's following or not following its own existing zoning procedures, the Supreme Court need not and did not address the issue of whether the subsequent ban on new asphalt bans was constitutional. In fact, it overturned that portion of the Court of Appeals ruling addressing that issue.

The case is *Robins v. Town of Hillsborough*, (154A06), available at <http://www.aoc.state.nc.us/www/public/sc/opinions/2007/154-06-1.htm>. CJ

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From the Liberty Library

• From the first cannonballs fired by American warships at North African pirates to the conquest of Faluja by the Marines, the United States has been dramatically involved in the Middle East. For well over two centuries, American statesmen, merchants, and missionaries have had a profound impact on the shaping of this crucial region. Now author Michael Oren draws on thousands of government documents and personal letters, featuring original maps and more than 60 photographs, for *Power, Faith, and Fantasy: America in the Middle East: 1776 to the Present*, which reconstructs the diverse and remarkable ways in which Americans have interacted with this alluring yet often hostile land stretching from Morocco to Iran, from the Persian Gulf to the Bosphorus. Learn more at www.wwnorton.com.

• A battle has raged over money since the first days of the United States. On one side were democrats, who wanted cheap money and feared the concentration of financial interests in the hands of a few. On the other were the capitalists who sought the soundness of a national bank — and the profits that came with it. In telling the story in *The Money Men: Capitalism, Democracy, and the Hundred Years' War over the American Dollar*, H. W. Brands focuses on five "Money Men": Alexander Hamilton, who championed a national bank; Nicholas Biddle, whose run-in with Andrew Jackson led to the bank's demise; Jay Cooke, who financed the Union in the Civil War; Jay Gould, who tried to corner the gold market; and J. P. Morgan, whose position was so commanding that he bailed out the U.S. Treasury. Also from Norton.

• While many agree that Ronald Reagan's anticommunism grew out of his experiences with the Hollywood communists of the late 1940s, the origins of his conservative ideology have remained obscure. Based on a newly discovered collection of private papers as well as interviews and corporate documents, *The Education of Ronald Reagan: The General Electric Years and the Untold Story of his Conversion to Conservatism* offers new insights into Reagan's ideological development. Thomas W. Evans links the eight years (1954-1962) in which Reagan worked for General Electric — acting as host of its television program, GE Theater, and traveling the country as the company's public-relations envoy — to his conversion to conservatism. At www.columbia.edu/cu/cup. CJ

Book Review

Wealth of Nations: P.J. O'Rourke Boils It All Down

• P.J. O'Rourke: *On The Wealth Of Nations*; Atlantic Monthly Press; 2007; 242 pp; \$21.95 hardcover.

By MITCH KOKAI

Associate Editor

RALEIGH
You can read a book and know it's great. Or you can take the word of someone else who has read the book and tells you it's great.

Or you can assume a book is great because someone, somewhere once read it and told other people it was great.

Most of us would use that last category in conferring greatness on Adam Smith's masterpiece, *An Inquiry into the Nature and Causes of the Wealth of Nations*. Published during the same year as the Declaration of Independence, Smith's work is treated as a founding document in economic thought.

If you're not an economist, though, chances are pretty good that you've not actually read this two-volume, late 18th century treatise in its entirety. This reviewer admits that he probably read an excerpt at some point in the late 20th century. Otherwise, his knowledge of Adam Smith and the *Wealth of Nations* is limited to the idea of the "invisible hand."

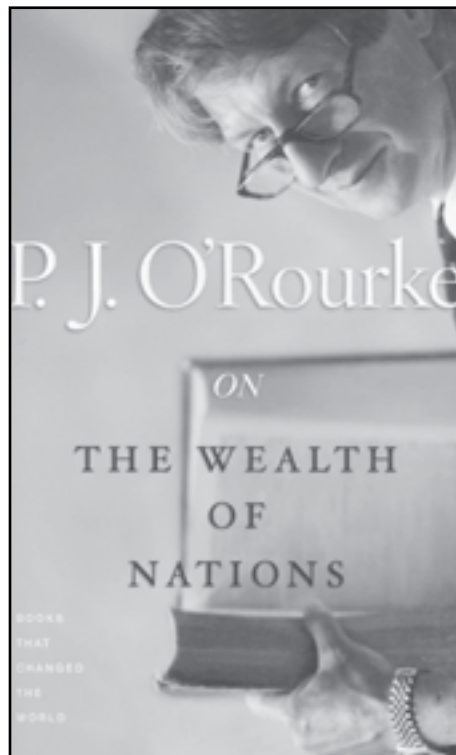
That's where P.J. O'Rourke's new book comes in handy. In 195 pages, plus an appendix of pithy statements, O'Rourke sets out Smith's major themes. Read this book and you can skip long-winded asides and dated references that might leave you scratching your head.

O'Rourke simplifies. "Smith began by asking two very large questions: How is wealth produced, and how is it distributed? Over the course of the 250-some pages in book 1 the answers — 'division of labor' and 'mind your own business' — are explained."

The book also exhibits O'Rourke's trademark wit. "Smith... maintains that work (or something akin to it, such as our daily bread) provides a sensible index for determining how much other things are worth to us. Deciding whether to mow the lawn ourselves or pay the kid next door to do it — factoring in the likelihood that he'll eat us out of house and home at snack time and run the Toro over his foot, sue us, and we'll have to get a second job to pay the legal bills — is something everybody does all the time."

When Smith's analysis seems muddled, O'Rourke is not afraid to say it. "While writing about the increase of economic value, Smith decided to delve into the concept of value itself. He tried to analyze price, and he could not. The price of something is what someone will pay for it, nothing more, nothing less, nothing else.... Smith's confusions about price were even more confused than modern confusions."

But O'Rourke recognizes the importance of Smith's pioneering work,



We learn from O'Rourke that Smith was no fan of the early United States, despite the Founders' professed support for the same types of freedom Smith espoused. "Smith was critical of the colonists," O'Rourke writes. "He considered them to be not so much sterling patriots as skinflints with their sterling."

regardless of any flaws exposed by 230 years of additional economic study. "What Adam Smith did was give economics a reason to exist," he writes. "Smith's inquiry had a sensible aim, to materially benefit mankind, himself by no means excluded."

College students looking for the Cliff's Notes version of *The Wealth of Nations* will not get much help from O'Rourke. He hits highlights from Smith's book but avoids a point-by-point synopsis. O'Rourke's musings target Smith's masterpiece, his biographical details, and his other published writing.

An entire chapter in the new book asks, "Why is *The Wealth of Nations* so [darn] long?" "Brevity may be the soul of wit," O'Rourke reminds us, "but *The Wealth of Nations* was no joke."

The original book might not have

been a joke, but O'Rourke doesn't let that fact stand in the way of his string of punchlines. "The desire for power pushes a man, Smith wrote, to 'the highest degree of arrogance ... to erect his own judgment into the supreme standard of right and wrong ... to fancy himself the only wise and worthy man in the commonwealth.' Smith managed to describe not only Barbra Streisand but everyone in the world of politics."

If you're looking for another example, Smith's assessment of central banks generates the following observation from O'Rourke. "If a nation has less circulating money than it has labor and goods, you get a credit collapse and a Great Depression. If a nation has more money than it has labor and goods, you get the 1970s. Which is worse depends upon whether you are more annoyed by double knit, disco, and Henry Kissinger or by claptrap about the Greatest Generation, enormous Medicare expenditures, and your parents.

"The purpose of central banking is to prevent the return of disco and to get your parents to shut up."

We learn from O'Rourke that Smith was no fan of the early United States, despite the Founders' professed support for the same types of freedom Smith espoused. "Smith was critical of the colonists," O'Rourke writes. "He considered them to be not so much sterling patriots as skinflints with their sterling."

Given Smith's assessment, O'Rourke notes the irony of the American success story. "The United States would prove Adam Smith's own thesis: wealth depends on division of labor; division of labor depends on trade; trade depends on natural liberty; therefore Freedom = Wealth."

And what about those two words for which Smith is best known? What about the "invisible hand" that has served as a justification for free-market thought for more than two centuries?

In a footnote, we learn that the "invisible hand" appears only once in the entire *Wealth of Nations*. O'Rourke tells us Smith used the phrase during a "discourse on the benefits of employing capital 'in the support of domestick industry,' ... where Smith — according to his own free trade principles — was wrong."

Speaking of wrong, O'Rourke tells us contemporary politicians drew the wrong conclusions from Smith's work, using his words to support taxes on men-servants, inhabited houses, auctioned property — even malt. "We know what road it is that good intentions pave, and it's not the road to cheap beer."

Still, O'Rourke sums up the long-term positive results of Smith's writing. "*The Wealth of Nations* had some good effects as well, such as the entire modern free world." CJ

Office of N.C. Lieutenant Governor Has an Interesting History

Recently, I was asked to discuss a subject — well, to be honest — that I hadn't given much thought: the history of the office of lieutenant governor in North Carolina. As I conducted research for the interview, I surprisingly did not endure the pain of boredom but enjoyed considering the context in which the office was created and has changed.

The lieutenant governor's office did not exist before 1868. Before then, the General Assembly elected the governor to serve a one-year term (definitely not enough time to accumulate a long track record of abuses). If the governor died, the Assembly, comprised of voters' representatives, elected another one.

A product of Radical Republicans and their Congressional Reconstruction, the Constitution of 1868, as one historian writes, attempted to liberalize state customs and, among other reforms, removed many barriers

that blocked access to the ballot box. Namely, it provided for universal male suffrage, eliminated property and religious qualifications for voting, and allowed for the popular election of the executive.

It also extended the governor's term to four years and created the office of lieutenant governor. In 1868 African American males participated in their first statewide election and helped elect the first lieutenant governor, Tod R. Caldwell, who later succeeded the impeached William Woods Holden. Although African Americans were effectively disfranchised by 1901, the election of the lieutenant governor remained "popular."

When rights were expanded by definition in 1868, more power was given to the government and the executive branch. More than a few times in American history, statist along with well-intentioned yet misguided libertarians have often argued that a strong government is needed to create conditions in which liberty can exist.

But created liberty only feeds the night watchman state instead of starving it out of existence; for once created, a powerful and interventionist state is from then on deemed necessary, and subsequent leaders, with

differing ideologies, assume power and can wield it against those the interventionist regime originally intended to help. The disfranchisement of African-Americans at the turn of the 20th century is one such example.

The Constitution of 1868 provided that the lieutenant governor can succeed the governor in cases of death, impeachment, or resignation. Since 1868 this has happened five times — the last time, it was Luther Hodges, who served as lieutenant governor (1953-1954) and then later as governor (1954-1961). Until 1970, the lieutenant governor's position was part-time, and he (Beverly Perdue, the current lieutenant governor, is the first female to occupy the office) presided over the North Carolina Senate.

Since 1868, lieutenant governors' duties have increased. In 1970 the position became full-time and evolved into the only elected post with executive and legislative duties. Not only does the lieutenant governor preside over the Senate, he or she is part of the 10-member Council of State that also includes the governor, the attorney general, the secretary of state, and superintendent of public instruction.

The lieutenant governor is also on the state Board of Education, Capi-

tal Planning Commission, and Board of Community Colleges. The Governor can delegate responsibilities to the lieutenant governor, but tensions have tightened when the lieutenant governor and the governor are members of opposing parties; since 1868 both executive positions have been on separate ballots.

In North Carolina's past, lieutenant governors, it seems, hoped that their position opened doors of opportunity. Many former lieutenant governors, however, have learned that the office can be a dead end.

Although most eventually sought gubernatorial office, only nine of the 32 North Carolina lieutenant governors became governor, and of them, only a few, such as O. Max Gardner, Thomas Jordan Jarvis, and Luther Hodges, achieved national importance or fame.

Those who sought executive office and lost gubernatorial elections subsequently faded into political obscurity. If they solely considered the office a stepping-stone, obscurity is what they deserved. CJ

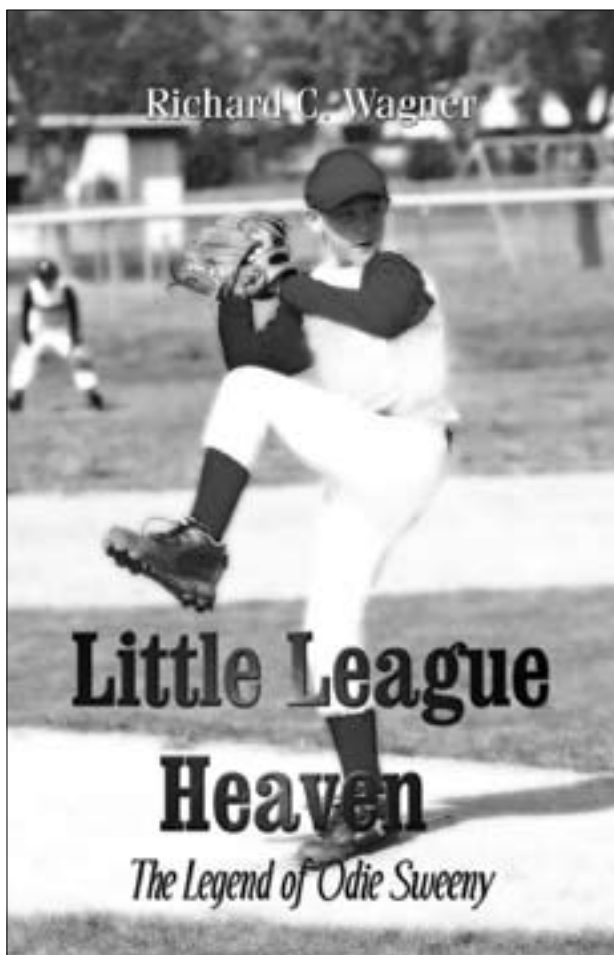
Dr. Troy Kickler is director of the North Carolina History Project.



Dr. Troy Kickler

Little League Heaven

By Carolina Journal Editor Richard C. Wagner



When Lillie Jo Sweeney threw out the first pitch of the game at Houston's Astrodome in 1989, she joined the Astros and thousands of boys and girls in celebrating the 50th anniversary of Little League baseball. The event also saluted her deceased husband, Odie Sweeney, a Little League legend who managed a never-say-die team for 38 years — a record in Texas and one of the longest streaks in the nation. *Little League Heaven: The Legend of Odie Sweeney*, an inspirational biography, serves a generous slice of Americana and traditional values.

Available at PublishAmerica.com, Amazon.com and at major bookstores.

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Short Takes on Culture

Not Enough Norah Jones

• "Not Too Late"
Norah Jones
Blue Note Records

I'm a big fan of Norah Jones' music, a blend of country and jazz accentuated with her soft, honey-whiskey alto. Her writing is clever, her ensemble is skilled, and her first two albums have been those rare finds without a clunker of filler material. But I have some disappointment with her newest, "Not Too Late," which is a good album; it's just not Norah Jones enough.

Jones saw fit to write a song ("My Dear Country") about the same post-election angst and paranoia that had so many Democrats seeking therapy in December 2004. The song opens with an allusion to ghosts on Halloween, which "go away / But fear's the only thing I saw / And three days later was clear to all / That nothing is as scary as election day."

However, earlier in the album, in what may be its best track, is a wicked satire on the New Orleans hurricane disaster, "Sinkin' Soon." The writing is snappy: "We're an oyster cracker on the stew / And the honey in the tea ... / The golden crust on an apple pie / That shines in the sun at noon ... / But we're gonna be sinkin' soon." The instrumentals are superb, from the tawdry ragtime piano to the muted trumpet play.

So she can touch on contemporary issues if she sticks to what she does best. As a fan, I hope that Jones can come away from the vapid social commentary.

— JON SANDERS

• "Forbidden Planet" (1956)
MGM Home Video
Directed by Fred M. Wilcox

The new DVD re-issue of the sci-fi classic is given a good digital image scrub and a full 5.1 audio treatment — the better to hear the far-out "electronic tonalities" that wowed audiences in 1956. The updates are welcome, but the film remains rooted in a certain age, for good and ill. Capt. Leslie Nielsen's spaceship crew is still very much standard issue WWII mil-spec and Earl Holloman's comic relief "Cookie" is but one-step removed from vaudeville.

Still, for a 50-year-old flick, there is much to admire, starting with Robby the robot. Robby was the first true sci-fi superstar and led directly to Hollywood notions of robots as super-strong, super-smart, but ultimately child-like metal men. Closely related to Robby is the overall production

design of the film, especially of the alien Krell machines. There really is a sense of wonder mixed with dread as the various Krell technologies are unveiled during the flick.

However, the special effects never overwhelm the story, an important lesson that is still forgotten even in 21st century filmmaking. At its heart "Forbidden Planet" is a sort of psychological thriller with Walter Pidgeon's brooding Morbius at the center. Just what is his relationship to the mysterious, deadly "planetary force" which seems to lurk everywhere?

Zap up a batch of popcorn and gather the kids around to both find out and appreciate a true landmark in the sci-fi genre in its best presentation ever.

— JEFF TAYLOR

• "The Last Sin Eater"
FoxFaith Films
Directed by Michael Landon Jr.

This is one of the first theatrical offerings from the months-old FoxFaith (yes, Rupert Murdoch's Fox) film division, and despite its awkward title and grim but true-to-life premise, the story is an uplifting dandy with superb performances, stunning vistas, and compelling drama.

Based on the novel by Christian author Francine Rivers, the story revolves around the need to absolve the deceased of their sins before burial. Upon death, the Scottish and Welsh tradition called for one member of a community to act as the "sin eater," who through consumption of bread and drink laid upon the departed's body would "eat" his or her transgressions away, thus enabling the poor soul to find eternal rest.

In "The Last Sin Eater" a group of Welsh immigrants have brought the ritual to 1850s Appalachia, and an adolescent girl burdened with the guilt of her own wrongdoings seeks similar freedom — while still alive, however.

Although small-budgeted (\$2.2 million) and bound by a short-filming schedule (22 days), the film is as professional a production as you will find. Director Michael Landon Jr. is every bit the storyteller that his father was. And each acting performance is inspired, especially that of lead actress Liana Liberato, who plays 10-year-old Cadi Forbes. She is in nearly every scene and is perfect in the role.

It won't be in every multiplex, however, so you may have to look for it. Don't miss it.

— PAUL CHESSER CJ

Book Review

Posner's Study of Plagiarism Says It's Not Just 'Borrowing'

• Richard A. Posner: *The Little Book of Plagiarism*; Pantheon; 2007; 116 pages; \$10.95 hardcover.

By KAREN MCMAHAN
Contributing Editor

RALEIGH

Recent events, such as novelist J. K. Rowling being accused of plagiarism and former New York Times reporter Jayson Blair fabricating stories, have brought new attention to this topic. But what is plagiarism?

Drawing on legal expertise in intellectual property issues, U.S. Seventh Circuit Court of Appeals Judge Richard Posner attempts to clarify this murky subject.

A Google search on "plagiarism" reveals copious sources, most offering ways to either detect or avoid it. The sheer number of sources leads one to conclude that plagiarism is a growing problem.

Empirical and anecdotal evidence suggests this might be true. A study in 2001 by Duke University's Center for Academic Integrity reported that "plagiarism on campuses increased from 10 percent in 1999 to 41 percent in 2001." Many academic websites cite the ease of cut-and-paste technology as one reason for the increase. "The Cheating Culture" Web site discusses the prevalence of "resume padding" and "false credentials" among seasoned job candidates and recent college graduates alike.

Posner disagrees, however, that technology has contributed to an increase in plagiarism. Rather, he thinks that detection software does and will act as a deterrent. Whether the incidence of plagiarism is increasing, or the violators are simply more likely to be uncovered through the use of detection software, remains unclear. The development and increased use of detection software lends credence to the belief that plagiarism is widespread.

Opinions differ widely over what constitutes plagiarism, as opposed to "copying," "borrowing," or "copyright infringement." The confusion, Posner says, results largely from the "dictionary definition" of plagiarism as "literary theft," which he argues is both "incomplete" and "inaccurate."

Because "literary" implies written materials, this definition is "misleading" because plagiarism of "music, pictures, or ideas, as well as of verbal matter" are also commonplace. Using "theft" to define plagiarism is inaccurate because no one "is taking anything away from someone but simply making a copy."

The absence of a "legal remedy called 'plagiarism'" further confounds the issue. Posner distinguishes between plagiarism and other closely related con-

The Little Book of Plagiarism

RICHARD A. POSNER

cepts, among them are fraud, copyright violation, and trademark infringement, all of which do offer legal remedy.

A particularly interesting argument deals with "academic fraud," which is often punishable through "sanction" rather than legal remedy. He argues that academic fraud, not plagiarism, is involved when a student buys a term paper, or a professor publishes an article that was written by his research assistant.

Deceit and fraud frequently center on "harm" and whether the reader's behavior would change should he or she learn the true circumstances. Would a journal publish the article knowing it had been authored by a research assistant?

Posner says that many "liberals" are "soft" on plagiarism, believing it is simply an ethical violation, at worst. By euphemistically calling it "borrowing," they wish to make plagiarism appear innocuous. But the harm from plagiarism, he says, is no different than if a "manufacturer of toothpaste... slapped the name of a better-known brand on his toothpaste, even if his toothpaste was equal in quality to that of the other brand."

Posner contends that the "cult of individualism" that permeates modern society drives the demand for originality. The offender's motivation, whether the act was "intentional," "negligent," or "innocent," influences the type and severity of punishment. Posner says that "concealment is at the heart of plagiarism" but contends that the desire to profit economically or to improve one's stature should warrant more severe punishment.

The book is thought provoking and enlightening, but his legal writing style does not lend itself to a quick read despite the book's short length. CJ

A Bee in the Mouth: A Look at the New Angriculture

• Peter Wood: *A Bee in the Mouth: Anger in America Now*; Encounter Books; 2006; 304 pages, \$25.95.

By **GEORGE LEEF**
Contributing Editor

RALEIGH

At one time, and as recently as a generation ago, anger was regarded as one of the seven deadly sins. It was an emotion that people were expected to keep under control. Displays of anger in public were unseemly, a cause for others to turn away in disgust. Of course, there were many good reasons to become angry, but individuals were taught to master their anger and respond to whatever the provocation in a rational and constructive manner.

That was then; this is now. Outbursts of anger are apt to be applauded these days as a way of showing your "authenticity." Letting loose with a pyrotechnics display of fury can win you fame and fortune. From political commentary to popular music, restraint is out and wrath is in. What has been going on?

In *A Bee in the Mouth*, Peter Wood endeavors to answer that question. Wood, provost and professor of anthropology at King's College in New York, writes:

The anger in America now differs from earlier epochs in that many people seem proud of their anger. It has become a badge of authenticity and holding back or repressing anger is often depicted as a weakness or failure of self-assertion rather than a worthy form of self-control... However angry Americans were in 1776, or 1800, or 1860, or 1963, they were not congratulating themselves for getting angry.

Politics is undoubtedly the forum where we see the new "angri-culture" as Wood puts it most prominently on display, but the author doesn't think that our increasingly rage-filled politics — exemplified by screaming candidates and bilious bloggers—is really the catalyst behind this change in social mores. Instead, it has been building up pressure in society for several decades. Wood points to several milestones along our evolution from a people who believed that anger should be caged to a people who believe that anger is "liberating."

One such milestone was Allen Ginsberg's poem "Howl," first read in San Francisco in 1955. This poem, which has had success vastly out of proportion to its artistic merits (here's a line: "Moloch! Solitude! Filth! Ugliness! Ashcans and unobtainable dollars!") came to be extolled by critics and professors for its supposed "honesty." "It is a poem," Wood says, "that only at the most superficial level asks the listener to think or reflect.

Helping it along were pop psychologists who churned out books praising the release of anger. The earliest of those books were by feminist writers with prodigious axes to grind about the alleged unfairness of male-dominated culture. Women were told that they had a lot to be angry about in books such as *The Anger Advantage* and *Women Who Run with the Wolves*. More recently, such writ-



ers have given us the concept of "grrrl power," evoking, as Wood puts it, "the praiseworthiness of anger in females who are not quite old enough to run with the wolves."

Angri-culture had been pecking at the shell in the 1980s and 1990s, in the Bork and Thomas confirmation battles, for example, but Wood contends that a watershed was passed with the publication of an article

by Jonathan Chait in the September 2003 *New Republic*. Chait wrote:

I hate President George W. Bush. There, I said it. I think his policies rank him among the worst presidents in U.S. history. And while I am tempted to leave it at that, the truth is that I hate him for less substantive reasons, too. I hate the inequitable way he has come to his economic and political achievements and his utter lack of humility.

Wood believes that this article signaled to the mainstream of the Democratic Party that it was no longer necessary to preserve any sense of decorum when it came to attacking Bush and his administration. Pure anger could be substituted for rational argument. Ever since, angry-Left political writing has been wallowing in rage against its political adversaries, with the message seeming to be, "You should pay attention to me because I am really, really angry."

Vicious political language is nothing new to the United States, but what sets apart the New Anger from older invective is the idea that anger is deserving of respect in and of itself. H. L. Mencken, for instance, wrote lots of scathing criticism of FDR, but never with a subtlety saying, "My anger is the justification for my hostility to Roosevelt."

Wood sees the political left as more smitten with New Anger than the political right, but there are some conservative writers who exhibit angri-culture tendencies. If the White House should have a Democratic occupant come 2009, the roles would probably reverse.

A Bee in the Mouth deals with an important social phenomenon in modern America. Neither the author nor this reviewer thinks the rise of angri-culture is a healthy development. Wood offers the gloomy prognostication that as it spreads, it will mean more fatherless children, more frivolous lawsuits, more road rage.

It's hard to see any social value in the New Anger. Does it do any good to tell young people that they should let loose with blasts of anger when things aren't the way they would like them to be? No. Wood contrasts our modern celebration of anger with some older sayings that Americans used to regard as the wisdom of the ages. Consider these:

"Anger and folly walk cheek by jowl."

"Anger is the wind that blows out the light of the mind."

"An angry man opens his mouth and shuts his eyes." CJ

George Leef is vice president for research at the John William Pope Center for Higher Education Policy.

BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business



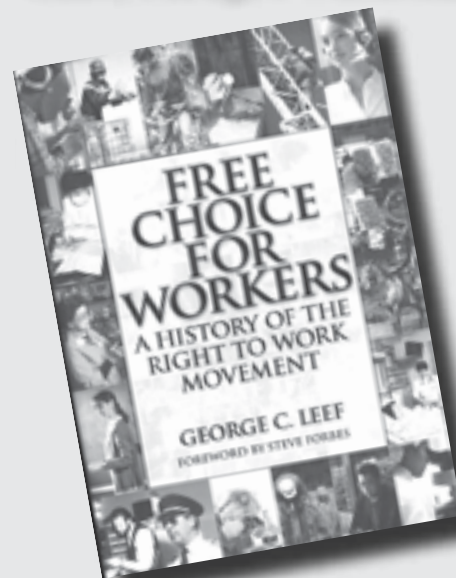
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Choice
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Commentary

Clueless on Jones Street

They still don't get it on Jones Street.

They still don't get it on Main Street, either, if curiously mild editorials and lax media coverage of corruption in North Carolina are any indication.

Jim Black, certainly, was a powerful politician who disgraced himself and his state. But, in reality, federal investigators revealed that he was much less than that. He was a common crook, who lined his own pockets with dirty money in restrooms.

And, yes, as editorials have said, his downfall should serve as "a warning" to other legislators who might be tempted to stray from their mission of public service. It's too late, they've more than strayed—they've been romping all over Creation. They just haven't been caught—yet.

In the entire horror show that is state government, however, Black's crime comprises one frame.

The big picture is that law-enforcement officers are investigating other targets in, or connected with, state government. Black's lawyer said his client will sing for the prosecution. Prosecutors should be in for a lengthy concert.

Carolina Journal is among only a few newspapers that have been investigating widespread corruption in state government for a number of years. One chapter of the corruption was validated as Black's allies, one by one, were marched into court. Yet Black was re-elected by voters, and, astonishingly, touted by his colleagues for another term as speaker of the House.

New chapters await examination. Multiple scandals involving other political elite have defied prosecution over the years because of their complexity. Of course, they were designed that way by masterful political puppeteers. Perhaps a little more time, with a hand from Black, will enable prosecutors to cut through the strings.

Following is a review of a few of my favorite puppet shows:

- Back-door wheeling and dealing of important legislation, such as that of the biennial budget and the lottery. Behind-the-scenes lawmaking, in general, has trumped open government.

- Appointments of cronies

to powerful committees and state agencies has allowed state leaders to funnel money to pet, and personal, projects, rather than to public benefit.

- Subversion of the N.C. Constitution has been so frequent that the courts are backlogged with lawsuits. Gov. Mike Easley, for example, raided the Highway Trust Fund and other earmarked funds as though they were his own personal bank accounts.

- Use of the N.C. Department of Transportation as a toy for Senate Pro Tem Marc Basnight, Black, and other political elites. Now, DOT, led by Secretary Lyndo Tippett, has proved itself incapable of fulfilling its primary missions, such as building highways that won't crumble as

soon as they are opened, repairing old bridges before they collapse, constructing toll roads that have already been paid for, and running a ferry division without violating federal and state laws.

- Communities across the state can't afford Medicaid, yet the state's Golden LEAF—which was created, ostensibly, to take care of such matters—throws hundreds of millions of dollars around to specious projects.

North Carolina is a sick state. Many of its leaders are infected with a sense of entitlement, a lack of ethics and morals, and contempt for the public they swore to serve.

Their statements just before and after Black's appearance before a federal judge Feb. 15 were revealing. They praised his long service to the state, went to the courthouse in his support, and signed a card for him. This wasn't innocent, laudable loyalty to a man who had misled them. They were eager, knowing cohorts in a government coup d'etat led by Black.

Easley himself said it was unfortunate that Black's legacy might be his downfall, rather than his long service to the state.

They played the state's citizens for chumps until the end, when the feds played the trump card and ended the game. Then they said they were shocked.

Give us a break. *CJ*

Richard Wagner is the editor of Carolina Journal.



Richard Wagner



Editorial

Predictable Lottery Results

Before the General Assembly narrowly approved a state-run lottery in 2005, supporters trumpeted the merits of a government-sponsored numbers game.

Hundreds of millions of dollars flowing across state lines to buy lottery tickets in neighboring states would stay in North Carolina. Those hundreds of millions of dollars could provide much-needed help to in-state school systems.

It seemed like a "no-brainer." North Carolina, legislative leaders said, was simply negligent in ignoring an untapped revenue source that could help "the children."

The public needed no convincing. Polls consistently showed most North Carolinians wanted to trade some of their money for the chance to win more money. But in this instance, undisputed poll results did not offer enough compelling evidence to some North Carolina legislators. Most Republicans and a more than marginal number of Democrats feared the possible negative consequences of a state lottery.

Should the government officially sanction gambling? If so, would the government-sanctioned gambling lead to problems with gambling addiction? How should the state promote its lottery? How should lottery advertising promote a game designed to ensure players lose far more often than they win? What about the money? Would a lottery provide a steady revenue stream?

Eventually, a razor-thin margin of state House members gave the lottery the benefit of the doubt. After some shenanigans involving two missing senators, a "majority" of members in the Senate followed suit.

The state created a new bureaucracy to run the numbers game. Lawmakers decided that at least some lottery proceeds should fund existing education programs, including Gov. Mike Easley's

MoreAtFour academic prekindergarten program, which was already supported by other bureaucracies.

Now the state faces a dilemma. *The News & Observer* of Raleigh recently called it the state lottery's "\$200 million problem." That's how short the lottery will fall below its projected first-year revenue. It seems the average North Carolinian spends about \$1.93 per week on the lottery. That might seem like a lot, if you never play the game.

But consider the figures in surrounding states: Virginia, \$3.55 per person per week; South Carolina, \$4.80; Tennessee, \$2.99; and Georgia, \$6.57. North Carolinians haven't jumped as quickly at the chance to shovel their cash toward a money-losing proposition.

That sounds like a good thing. Maybe North Carolinians have more sense than their neighbors.

That good sense points to one of the key problems with the North Carolina lottery; its success rate depends on people's gullibility. That means the lottery can attract more money only if it can persuade people to give up more cash.

How might that happen? Look for lottery advocates to support advertising that talks up the chances of winning and downplays the long odds. Others will recommend tinkering with the lottery proceeds, so that more money can head to winner's prizes and less to education programs.

Speaking of those education programs, don't be surprised when you start hearing appeals to support the lottery because of the way its proceeds help "the children." Education programs and the bureaucracies that support them now count on that lottery money to survive.

Once state leaders decided to take a chance on government-sponsored gambling, the results were as predictable as your chances of winning the jackpot. *CJ*

'Two Americas' Balderdash

Research shows little increases in income disparities over time

Commentators from the "Two Americas" school of income-inequality populism look out across the economy and see only gloom and doom. Then they fume. But in presenting an accurate picture of what is going on, both their choice of data and their common sense are often unequal to the task.

JLF analysts have pointed out that claims about large numbers of families living perpetually below a "living wage" are incoherent and inconsistent with reality. At the national level, allegations of a widening gap between rich and poor — with the middle class "disappearing" thanks to excessive capitalism and recessive unionism — frequently draw their rhetorical power from the use of income data sets reported by the Internal Revenue Service. Economist Alan Reynolds just spent several years researching the issue for a new book, *Income and Wealth*, and has a lot to say about the misuse and misunderstanding of the IRS data.

Perhaps the most damning indictment Reynolds offers is that simplistic analysis of personal tax data spanning the past two decades fails to account for

the role that tax reform played in shifting income receipts from corporate tax forms to individual ones.

These are many complex issues, which Reynolds discusses in some detail in his book. As a bottom line, consider these two points. First, when he adjusted for just two factors — government transfer payments and what amounts to bookkeeping effects from past tax reforms — Reynolds found "no increase in the top 1 percent's income share between 1988 and 2003." The 2004 numbers do show a spike in the wealthiest Americans' income share, but this could well be a statistical artifact resulting from corporations' increased use of dividends after the federal tax legislation of 2003.

Second, inflation-adjusted pretax income of U.S. households has gone up at all level of the income distribution since 1989. The bottom quintile received a 21 percent gain. The top quintile received nearly a 21 percent gain. In short, Reynolds writes, there is "surprisingly little U.S. evidence of any significant and sustained increase in inequality of income, wealth, wages, or consumption since the late 1980s." CJ

Useful Traffic Initiatives

Improved signals and better information flow good investments

The North Carolina Board of Transportation seems poised to approve a promising initiative to address traffic congestion in the fast-growing urban regions of the state.

A new choo-choo project? No, fortunately. A major shift in gas-tax dollars to highly traveled urban and suburban corridors where lots of those gas-tax dollars are collected? No, unfortunately. It's a proposed \$2 million project to improve the collection and transmission of real-time traffic information to motorists and truckers. Expected to be operational next year, the new system will rely on high-speed Internet links and microwave sensors powered by solar panels.

Improved traffic signals, motorist information, and accident management are underappreciated but indispensable elements of any rational plan to address congestion in North Carolina and across the country. In their book *The Road Less Traveled: Why the Congestion Crisis Matters More Than You Think, and What We Can Do About It*, Ted Balaker and Sam Staley from the Reason Foundation offer steps that governments at all levels can take to address transportation needs speedily and efficiently. Among them are:

- Traffic Signal Optimization. Surprisingly, many cities have yet to do this, despite huge potential benefits.

Traffic signal optimization can reduce stop-and-go traffic by 40 percent, cut gas consumption by 10 percent, emissions by 22 percent, and travel times by 25 percent.

- Incident Management. For each minute that traffic is blocked by an accident, five minutes of congestion are added to a commute. In most urban areas, much more can be done to rapidly and effectively manage accidents.

North Carolina's highway system is a complicated network of major roads, side streets, intersections, ramps, driveways, signage, information, policing, accident response, and weather response. While few of us have the expertise to know precisely how to design and operate the system, we can at least broadly agree on goals and priorities. Surely chief among them should be to move people and freight as smoothly and safely as possible.

Perhaps this all sounds wonky and snooze-inducing, but consider how many major traffic snarls you've been in lately that turn out to be caused way up the road by accidents, sometimes just fender-benders.

Improving information flow in such instances, and thus the traffic flow, is such a good idea that it deserves widespread recognition. And a bright green light. CJ

Commentary

On Hubris and Cocooning

Former House Speaker Jim Black is now a felon. He'll serve time. He gave up the southern Mecklenburg House seat he defended by the skin of his teeth back in November. His political career will be remembered primarily for squalid scandal. His aides and allies paid a steep price for participating in a corrupt political machine. His downfall coincided with the passage of new state legislation intended to require more disclosure and brighten ethical lines in the practice of lobbying and lawmaking in the state capital.

It's all been said or predicted, many times before. Is there, in fact, anything fresh or important left to say about the Jim Black scandals? Let me try my hand at two additional observations.

First, the Jim Black affair demonstrates the temptation to conclude that the ends justify the means. Many, many politicians of all stripes truly believe their policy goals are so important that they must "play the game," by which they mean break the law or transgress ethical boundaries in order to serve a greater good.

I think Black wasn't just an arrogant power-tripper. I think he believed that Democratic control of the General Assembly was so important to the interests of the state, and his own position was so important to the interests of the Charlotte region and other urban communities. Some Democrats recently converted to the "chase that man out of my party!" team of much-maligned Joe Sinsheimer once marveled at Black's leadership skills and fund-raising prowess, crediting him with keeping power in Raleigh despite contrary electoral trends. Now they are running away from him lickety-split.

Many state Republicans need to lose the gleeful smile and conduct a similar self-examination. What were they prepared to countenance in an attempt to maintain power on Capitol Hill? How vociferously did they criticize the Republican Congress for wasteful federal spending, largesse to benefit special-interest constituencies, and ethical laxity in dealings with lobbyists and donors? When Republicans briefly held the majority in the North Carolina House, did they cry

foul when leaders sought to punish business groups that didn't pony up? Or did they just shake their head, mumble something about "that's how the game is played," and tell themselves that the greater good required their continuance in office?

Government power is inescapably important and dangerous. It is the power to tax, to subsidize, to regulate — it is, in short, the power of organized, domesticated violence. But the end cannot justify the means. If the "other side" appears poised to win unless you play a dirty trick, bribe an opponent, or sell legislative access for quick cash, then let

the other side win. It's not worth it. Another election will come soon.

The other point worth considering is that successful politicians, activists, and commentators avoid cocooning. That is, they avoid spending an inordinate amount of time talking only with like-minded people and only with those who have a strong personal or financial interest in flattery and affirmation. For many Democratic officeholders and lobbyists at the General Assembly, Black's impending federal incarceration comes as a shock. It shouldn't. He's been a dead man walking for months. But because they lived in the Black cocoon, they believed his reassuring nonsense.

It's similar to the problem some GOP-leaning politicians and pundits exhibited last fall when they discounted polling and other trends and insisted that the Republican Congress was in no danger. They needed to get out of their cocoon, read and talk with knowledgeable people outside their comfortable political circles, and most importantly resolve to trust the data instead of trying to rationalize them away.

These two temptations — to justify means with ends and to cocoon — share a common element of hubris. It's no mistake that the great Greek tragedians made so much of hubris as a plot point. It lies underneath many, perhaps most human failings. And it explains why Black, once feted, will now be fettered. CJ

Hood is president of the John Locke Foundation.



John Hood

Editorial Briefs

The mentally ill, behind bars

Over the past 40 years, the United States has dismantled a colossal mental health complex and rebuilt an enormous prison system, Bernard E. Harcourt, professor of law and criminology at the University of Chicago, writes in *The New York Times*.

After more than 50 years of stability, federal and state prison populations skyrocketed from fewer than 200,000 inmates in 1970 to more than 1.3 million in 2002. With the inclusion of 700,000 inmates in jail, the United States incarcerates more than two million people, the highest number and rate in the world.

What few people realize, though, is that in the 1940s and '50s we institutionalized people at even higher rates—only it was in mental hospitals and asylums.

When the data on state and county mental hospitalization rates are combined with the data on prison rates for 1928 through 2000, imprisonment numbers of the late 20th century barely reaches the level we experienced at mid-century. Including residents of all mental facilities, the United States consistently institutionalized at rates well above 700 per 100,000 adults from 1935 to 1963.

But it would be naïve, says Harcourt, to address any of these changes without also considering the impact of imprisonment on crime. One of the most reliable studies estimates that the increased prison population over the 1990s accounted for about a third of the overall drop in crime that decade.

However, another recent study showed that the rate of institutionalization, including mental hospitals, was a far better predictor of serious violent crime from 1926 to 2000 than just prison populations.

Coin melting banned

People who melt pennies or nickels to profit from the jump in metals prices could face jail time and pay thousands of dollars in fines, according to new rules set up by the U.S. Mint. Under the new rules, it is illegal to melt pennies and nickels, or export the coins for melting, *USA Today* reports.

Travelers may legally carry up to \$5 in one- and five-cent coins out of the United States or ship \$100 of the coins abroad "for legitimate coinage and numismatic purposes." Violators could spend up to five years in prison and pay as much as \$10,000 in fines. Plus, the government will confiscate any coins or metal used in melting schemes.

Melting has resulted from skyrocketing metal prices worldwide, particularly in rapidly growing China and India. Soaring prices mean that the value of the metal in pennies and nickels exceeds the face value of the coins.

The value of the metal in a nickel is 6.99 cents, while the penny's metal is worth 1.12 cents, according to the U.S. Mint.

Prices for zinc, which accounts for nearly all of the metal in the penny, have risen by 134 percent this year, according to the London Metal Exchange. Even accounting for a recent decline, the price of copper is up 50 percent since the start of 2006. CJ



What Did Milton Friedman Teach Us?

While Milton Friedman might not be a household name to most people, he was the equivalent of a rock star to economists. I say "was" because Professor Friedman died late last year, just a few years shy of the century mark in age.

One of the characteristics that made Friedman special was his ability to span both the academic world and the real world. In the academic world he published scores of research monographs, journal articles, and university press books, and, among many accolades, was awarded a Nobel Prize in economics. He was an inspiration to my own career at NCSU.

It would perhaps take an entire book to adequately cover all his insights and analyses, so let me highlight only three areas that show the diversity and impact of his thinking.

Behind Inflation is Money:

Throughout time, inflation has been blamed on many factors — rising energy prices, natural disasters such as hurricanes and droughts, the abandonment of the gold standard, and even credit card debt.

Friedman dismissed all these explanations and said the cause of any sustained increase in prices is simple: too much money in circulation. When the amount of money in circulation is growing faster than the quantity of products and services that money buys, then the excess money will be "soaked up" by higher prices — that is, inflation will occur.

Who controls the money supply in any country? It's the country's central bank, which in the United States is the Federal Reserve. Therefore, Friedman argued, it is ultimately the responsibility of the government, via the Federal Reserve, to put a lid on inflation by keeping the growth in dollars in line with the growth in the economy's production.

To Combat Poverty — Send Money: Professor Friedman had a simple solution for alleviating poverty — simply provide poor households with more

income. Friedman would have had the IRS also act as the nation's primary poverty fighter. When a household filing an income tax form was identified as falling below the poverty level, that household would receive an income supplement from the government that could be used to improve its standard of living. He called it a negative income tax.

Of course, such a program is different than curing poverty, which requires adequate education, training, and economic opportunity. Yet curing poverty is a long-run proposition, while alleviating poverty assists people now. The beauty of Friedman's idea is that it is simple, requires a minimum amount of government bureaucracy, and gets cash in poor people's hands. Today it lives in the form of the earned income tax credit.

People Look Back and Ahead for Spending: One of Friedman's earliest contributions was in the area of personal

economics. Although his insight might seem trivial, it was really groundbreaking. Friedman concluded that people don't base their current spending only on how much income they have today. Instead, they try to form some estimate of what their long-run trend in income will be — something he termed permanent income.

So, a young person with relatively low income today but who has great income prospects in the future will live above his means today because he expects higher income down the road. Or, an older person with high income might curtail her spending now because she knows her income in retirement will be much lower.

Whether you agree with Friedman or not, I think you'll have to say he was an economist with the power of ideas. CJ



Michael
Walden

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

Bold Leadership Required by Republicans in Congress

As I write this column in February the GOP in Washington is struggling to adjust to what its role is as the minority in the House.

Reality is slowing sinking in that after 12 years in the driver's seat in the House, Republicans are no longer in power.

The role of the loyal opposition is foreign to the leadership of the GOP, as well as the "rank and file" of the caucus.

Many pundits, political strategists, and GOP members of Congress think that (San Francisco liberal) Speaker Nancy Pelosi will self-destruct and that her downfall will be the key to regaining the majority in the House.

That, in my opinion, is a weak case to rely on.

First and foremost, Pelosi in her first month as speaker has been disciplined. One only need look at her website to see that Pelosi pushed through the Democrats 100-hour



Marc Rotterman

legislative agenda, which included implementing the Sept. 11 recommendations, increasing the minimum wage, expanded stem-cell research, allowed negotiations for lower prescription drug costs, cut interest rates on student loans, ended subsidies for big oil companies, and invested in renewable energy.

Now, while as a conservative, I am not endorsing that agenda, it does show action and the perception that Democrats are getting something done.

Pelosi also comes from a family of astute politicians.

She grew up in politics. Her father, Thomas D'Alesandro, Jr., was mayor of Baltimore for 12 years, after representing the city for five terms in Congress. Her brother, Thomas D'Alesandro III, also was mayor of Baltimore.

In addition, her second in command of the Democratic caucus, Majority Leader Steny Hoyer, is longtime veteran of Democratic politics, having been elected to the Maryland Senate at the age of 27 and who is now beginning his 14th term in Congress.

Hoyer understands how to count votes and to exercise power. He also

comes across in the media as reasonable and well-versed. He is not likely to be caught off guard or to make a political miscue.

Despite the promise of bipartisanship by Pelosi and Hoyer, Republicans in the House have been relegated to the sidelines—left only to complain that they are being left out of the process. Republican resolutions and amendments are shut down on the floor by Hoyer and the Democrat whip operation.

Pelosi and Hoyer are exercising power no differently than the way former Speaker Dennis Hastert did when the GOP was in the majority.

Early in February, the Republican Study Committee, a group of 48 conservatives in the House, met in Baltimore for their annual retreat.

According to press reports of the meeting, conservatives expressed their disappointment that their leaders have no strategy to win back in 2008 the majority they lost last November. It was reported that former Speaker Newt Gingrich, who was one of the invited guests, counseled the group of conservatives that they have to act independently of the White House.

"You do not serve the president, you serve with the president," Gingrich said, according to those who attended the dinner, which was closed to the press. Gingrich warned that the Republican conference moves too slowly and that the RSC should be outmaneuvering the conference. He also was reported to have said that the Republicans should neither blame nor support President Bush on issues that divide the Republicans from their base.

Many forget that Gingrich was once a "back-bencher" frustrated with a Democrat majority in the House and Republican leadership that was far too comfortable with minority status. Only the bold leadership of Gingrich's Contract with America led us out of the wilderness in 1994.

Bold and innovative leadership by the loyal opposition is required now. Counting on the Democrats to self-destruct is not a strategy for success. CJ

Marc Rotterman is a conservative activist and a senior fellow of the John Locke Foundation.

Despite Changes, It's Still Too Easy To Get a N.C. Driver's License

During the 2005-2006 session of the General Assembly, requirements for a N.C. driver's license were changed. The option of providing an individual taxpayer-identification number was eliminated. Much was made over the change. Voters were reassured that this would make it impossible for noncitizens to get N.C. drivers' licenses and that illegal immigrants from across the country could no longer rely on North Carolina to issue identification cards with lax documentation requirements.



Becki Gray

Feel better? Hold on.

Despite all the reassurances, eliminating the taxpayer identification number was the only change made to the requirements to obtain a N.C. drivers' license. Now an applicant must provide proof of their Social Security number in addition to providing proof of residency and proof of age and identity. Only proof-of-residency documents are subject to verification by the Department of Motor Vehicles that they are authentic.

If an applicant doesn't have a valid Social Security number, he can provide a visa issued by a U.S.

agency. Proof of a valid Social Security number can be provided by a Social Security card or:

- computer-generated W-2, IRS, state or county tax form;
- payroll stub;
- financial statement with a Social Security number;
- government-issued document with a Social Security number (U.S. military ID) or
- letter or computer print out from the Social Security Administration.

In addition to providing a Social Security number (or one of the substitutes listed above) applicants must provide proof of residency and proof of age and identity.

Acceptable documents to prove residency include:

- military orders;
- Immigration and Naturalization Service documents;
- matricula consular from the government of Mexico;
- property tax statement;
- library card;
- N.C. voter registration card;
- bank statement;
- preprinted business letterhead;
- utility bill;
- computer-generated check stub; or
- letter from a homeless shelter.

In order to prove their age and identity, applicants can provide a

valid or expired N.C. driver's license. If they don't have one, they must provide two documents with the same name on both and one must list the date of birth. Acceptable documents include:

- driver's license from another state;
- certified birth certificate;
- official N.C. school registration records (Note: One does not have to be a legal resident to attend N.C. schools); or
- valid, unexpired passport from any nation.

Under current law, an applicant could present a payroll stub (Social Security number proof), a library card (residency proof), a N.C. high school diploma, and a Mexican passport (age and identity proof) and walk out of any DMV office with a valid N.C. driver's license, good for eight years.

To ensure authentic identification, changes to N.C. driver's licensing requirements should be made.

An applicant should be able to prove that they are a citizen or in this country lawfully. The only foreign document that should be accepted as identification is an official passport.

The DMV should retain copies of any presented documents for seven years and verify their authenticity before issuing a license. Documents requiring little or no documentation, such as a business letterhead, library

card, or vehicle registration should not be acceptable.

A parent or guardian should provide satisfactory documentation that they are a resident before completing an affidavit for a minor applicant. Any license issued pursuant to a visa should automatically expire on the day the visa expires.

In cases where a valid Social Security number is not provided, a 10-day temporary license should be issued while the DMV checks the authenticity of the provided documents. If any of the provided documents cannot be verified, the license should automatically expire.

A procedure should be established to confirm or verify a renewing applicant's information. Security measures for locations where licenses are produced should be established and security clearance for DMV personnel should be required.

Despite assurances that N.C. driver's licensing requirements have been tightened to prevent noncitizens from obtaining them, there are still flaws in the procedures for issuing the licenses.

It's still too easy. Until additional changes are made, the integrity of our state and security of our country are at risk. CJ

Becki Gray is director of the State Policy Resource Center.

Lottery Commission Sees Unemployed as Fertile Market (a CJ parody)

By VANNA WHITELEY
Special from Fortunate Magazine

RALEIGH
Recipients of state unemployment benefits soon will be able to buy lottery tickets at N.C. Employment Security Commission offices and have the fees automatically deducted from their checks.

People who receive unemployment checks will be able to buy lottery tickets at any of the 95 ESC offices in North Carolina. Automatic withdrawals for purchase of the tickets will be limited to 50 percent of individuals' benefit checks. The program is scheduled to begin April 1.

"These people are not playing the lottery as often as the employed, and we need to reach out to them," Tom Shaheen, executive director of the N.C. Lottery Commission, told reporters at a news conference conducted at the ESC central office.

ESC Chairman Harry Payne, who joined Shaheen at the news conference, said he welcomes the new program. "We are always seeking new ways to aid our clientele. Most of the people who come to us are a little down on their luck. This is a way to give them hope," Payne said.

ESC will retain the same administrative fees as any other lottery vendor.



This hopeful person is counting on his unemployment benefits making him rich via the new partnership between the state lottery and the ESC. (CJ photo by Don Carrington)

The additional revenue will allow ESC to hire additional personnel to handle retail ticket sales, Payne said. He will also add additional information technology workers in the central office to handle the automatic-deduction program.

State lottery officials recently acknowledged that sales projections for the lottery will fall \$200 million short of the \$1.2 million estimate for fiscal 2006-07. The lottery legislation requires that 100 percent of the net lottery proceeds go

to education programs. The lower sales will yield net proceeds of \$350 million instead of \$425 million.

"We have to make up the shortfall, and the lottery commission members decided this new program would help," Shaheen said.

Shaheen said lottery money comes from household discretionary income. North Carolina has about nine million people living in 3.5 million households. Only about half, or 1.75 million house-

holds, are estimated to play the lottery. In order to reach the revenue goals set by Gov. Mike Easley and the General Assembly, the lottery commission needs the annual average lottery expenditure to be \$685 per participating household.

ESC estimates that there are about 200,000 unemployed heads of household in North Carolina. He said that among the households headed by an unemployed person, only 10 percent are participating.

If officials could raise unemployed citizens' lottery participation rate to the rest of North Carolina's average, the state could shrink the revenue gap, Shaheen said.

He said raising the participation rate to 50 percent would bring in about \$55 million in additional net revenue.

Elaine Mejia of the N.C. Justice Center is both a lottery critic and an advocate for the poor. She was critical of the new program. "My organization has always warned that a state lottery would prey upon the poor. This idea is just plain nuts," she said.

Easley budget advisor Dan Gerlach said the governor strongly supported the new program. "Governor Easley believes that unemployed people have the right to waste their money, too," he said. CJ



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