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# CAROLINA JOURNAL

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

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# Perdue Didn't Pay For State Flights, Either

## Gov.'s office says flights were deemed 'gifts to the state'

By DON CARRINGTON  
Executive Editor

**A** Carolina Journal review of 2007-08 expenditures by the office of then-Lt. Gov. Beverly Perdue reveals that, in addition to not paying for a number of campaign-related flights, she also made no payments to private aircraft owners for travel related to official state business.



**Gov. Beverly Perdue**

Records show flights that were a combination of official business and campaign events. Perdue spokeswoman Chrissy Pearson acknowledged the flights and told *CJ* that travel provided to Perdue when she was conducting official state



**When Perdue flew on official state business in David King's Cessna Citation jet, pictured above, she didn't pay him because she considered the flight a gift to the state, her office said on Oct. 27. (Photo courtesy FlightAware.com)**

business was treated by the Office of the Lieutenant Governor as a gift to the state from those providing the flights.

Perdue also has acknowledged that her campaign committee did not pay a number of aircraft providers for campaign-related airplane travel in a timely manner.

Issues with Perdue's flights go back at least to 2004, but *CJ* has not yet requested Perdue records for 2004-06.

Perdue campaign committee records turned over to the State Board of Elections earlier this year show that she sometimes used privately owned aircraft for trips that were entirely related to official state business. On many other flights, she combined official business as lieutenant governor with political events in her quest to become the state's chief executive.

For those flights, someone in the Perdue campaign made calculations to separate the purported costs of official state business from expenses related to her gubernatorial campaign.

The elections board in August

financed the Perdue Committee \$30,000 — \$10,000 each for the 2006 general election, 2008 primary election, and 2008 general election cycles — for belatedly reporting and paying for flights on private aircraft. In September, Wake County District Attorney Colon Willoughby asked the State Bureau of Investigation to ask more questions about the flights.

It's widely suspected that federal investigators, along with Willoughby, are seeking more information from a system of "aircraft providers" the Bev Perdue Committee

had created and who were identified in elections board reports.

In some cases, the reports found, Perdue reported the flights weeks or months after they took place, a violation of election laws. In other instances, the committee claimed flights as in-kind donations to the campaign. Additional listings failed to report the amount charged for the flight, the date, or the destination.

## Dozens involved in provider program for Perdue, Easley

By DON CARRINGTON  
Executive Editor

**I**n late October, Gov. Bev Perdue confirmed that a federal grand jury has subpoenaed several people connected to her 2008 campaign. Wake County District Attorney Colon Willoughby, who has launched a criminal investigation of Perdue's campaign flights and other fundraising issues, said Oct. 22 that several witnesses who had been talking to him have gone silent, citing the federal probe.

Last year, the elections board fined former Gov. Mike Easley's campaign \$100,000 for accepting free flights from Raleigh businessman McQueen Campbell and his family, a violation of campaign finance laws. Apparently in reaction to the spotlight on Easley, in 2008 Perdue's committee began paying for some flights and amending campaign reports.

The free flight issue is far from over, as the recent subpoenas of Perdue supporters show. Investigators may be interested in why Perdue waited so long to report and pay for a number of flights, or if the campaign had no intention of paying for them. Federal prosecutors are interested in Easley's free flights, his real estate deals, and a lucrative job for his wife at N.C. State University. He has not been charged, but several people have been subpoenaed to appear in front of a grand jury.

Moreover, several people implicated in the Easley investigation also had a role in the Perdue campaign.

What follows is an alphabetical listing of known aircraft providers for Perdue (and in some cases, Easley), based on reporting from *Carolina Journal*, the *Raleigh News & Observer*, and the State Board of Elections:

Many reported flights involved official state business as well as political or campaign events

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John Calvin Young  
Contributors

Alex Gill, Steven Holden  
Sara Riggins, Kellie Slappey  
Amanda Vuke  
Editorial Interns

Published by  
The John Locke Foundation  
200 W. Morgan St., # 200  
Raleigh, N.C. 27601  
(919) 828-3876 • Fax: 821-5117  
www.JohnLocke.org

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## N.C. Dog Breeders Wary of Missouri Referendum

By KAREN McMAHAN  
Contributor

RALEIGH

Animal-rights activists may have lost a two-year battle earlier this year to pass "puppy mill" legislation in North Carolina, but the war isn't over.

North Carolina farmers and commercial dog breeders are casting a wary eye toward a referendum on Missouri's November ballot: Proposition B, the "Puppy Mill Cruelty Prevention Act." Opponents see the ballot measure as an avenue for animal rights groups in other states to regulate a lot more than commercial dog breeding operations.

Opponents say the referendum would not prevent cruelty and neglect because it does not address all dogs, just those that are part of a breeding program. Instead, critics say the law would cause economic harm to responsible licensed dog breeders by forcing them to comply with arbitrary, costly, and unenforceable regulations, such as a limit on the number of dogs an individual can own. Missouri's vote on the measure took place after press time.

While many federal, state, and local laws regulate animal welfare in North Carolina, animal-rights groups say that existing laws are insufficient. Current laws do not address standards of care, and that's why puppy mill and related animal-welfare legislation is needed, said Kimberley Alboum, state director of the North Carolina office of the Humane Society of the United States. (HSUS is a major supporter of Proposition B.) Without standards, animal control and other law enforcement officers in North Carolina are unable to take action on neglect or abuse until it rises to the level of animal cruelty.

Lisa Peterson, director of communications for the American Kennel Club, told *Carolina Journal* that Proposition B and similar proposals are misguided because they attempt to set a benchmark for animal care on an arbitrary



Animal-rights advocates in North Carolina say current state and federal laws do not address problems with what they term 'puppy mills.'

number of animals. "Poor treatment and cruelty can occur no matter how many animals someone may own," Peterson said. "The number of animals has nothing to do with whether they'll receive good care."

In 2009, Sen. Don Davis, D-Pitt, introduced Senate Bill 460, a bill to regulate commercial dog breeders in North Carolina. Many groups opposed the bill, including the American Veterinary Medical Association, the American Kennel Club, the North Carolina Sporting Dog Association, the Animal Agriculture Alliance, the National Animal Interest Alliance, and the North Carolina Agribusiness Council.

The House Finance Committee pulled the bill from consideration in late August, and Davis told *CJ* that he has no plans to refile the bill next session unless there's more interest in passing it.

Alboum promised there will be another puppy mill bill and other animal-welfare bills in next year's General Assembly. Alboum told *CJ* she didn't know who'd be sponsoring any new legislation, but vowed the fight isn't over.

Breeders in Missouri have been outspoken in their opposition to Proposition B, fearing that legal limits on the number of dogs one person can own could be expanded to include other animals, including livestock. Kay Johnson, executive vice president of the Animal Agriculture Alliance, told *CJ* that this type of legislation would be the first step for those seeking to eliminate agribusiness entirely.

"If the goal is truly humane treatment of animals, the Humane Society would work with dog breeding and other agribusiness industries to educate them on ways to improve animal welfare. Instead, they spend millions of dollars trying to regulate the industry," Johnson said.

Anita Andrews, campaign director of The Alliance for Truth, an organization formed to defeat Proposition B, told *CJ* that HSUS has claimed falsely that Missouri has more than 3,000 puppy mills. "Missouri has 3,000 dog breeders, not 3,000 puppy mills," An-

draws said.

The Alliance says the real agenda behind Proposition B is to control animal enterprise completely and abolish animal ownership. Both Andrews and Johnson cited a quote by HSUS President Wayne Pacelle: "We [HSUS] have no problem with the extinction of domestic animals."

Proposition B also has a gaping loophole, Andrews said. Because it covers only commercial breeders, it would exempt HSUS and other nonprofits operating animal shelters from the standards of care it would mandate.

People naturally want to help when they see videos and photos of abused or neglected dogs, cats, and other animals, Peterson said, but they don't always understand the implications of the laws being proposed and mistakenly believe that such laws will prevent the type of abuse they see portrayed in these disturbing images.

"Those who fail to obtain a dog-breeding license are already breaking the law and are unlikely to follow new laws," said Peterson. "Nor are more regulations likely to prevent people from abusing animals who aren't breeding them for sale," Peterson said, but these laws do hurt law-abiding individuals and businesses economically, infringe on property rights, and limit consumer choices.

Peterson cited Guilford County, where the board of commissioners is considering revisions to the animal control ordinance that, among other things, would allow animal control officers to have unfettered access to inspect private homes and properties of dog breeders without any prior notice, without proof of negligence or cruelty, and without a search warrant.

Guilford County's proposed revisions raise another serious issue by making it unlawful for any person owning or responsible for any animal to fail to supply the animal with necessary medical attention.

"Such a requirement would elevate animals to the same or above the level of children or humans," said Johnson. *CJ*

### Correction

The September front-page story "University Administrative Bloat Rising" included data calculated by the Goldwater Institute on administrative spending at Wake Forest University that was incorrect. Goldwater's calculation was based on costs at all Wake Forest campuses rather than just the main Reynolda campus. Using current data, Wake Forest's Reynolda campus continued to report the second-largest increase in administrative positions of any North Carolina college or university from 1993 to 2007.

A Goldwater Institute spokesman said the institute would use the Reynolda data in future editions of its report.



# Gaps in Registration Process Raise Concerns Over Voter Fraud

By KRISTY BAILEY  
Contributor

RALEIGH

Anyone possessing a North Carolina driver's license, a Social Security card, a utility bill — and a willingness to lie on a voter registration form — can establish enough “proof” of citizenship to allow him to register to vote in North Carolina.

Moreover, the state's system of allowing voter registration by mail and same-day registration at early-voting sites operates essentially on the honor system. The registration form requires each applicant to sign an affidavit confirming that the applicant is a U.S. citizen.

The penalty for “knowingly” providing a false statement on the form is a felony. But critics say the process for checking citizenship status is lax, so anyone with phony documents and no qualms about choosing untruthfully the “yes” box under “Are you a U.S. citizen?” has a good chance of beating the system.

The state's efforts at verifying the accuracy of voter rolls have concentrated largely on making sure the lists have been purged of people who die, move, are convicted of felonies, do not vote over several election cycles, or change their legal names.

## Assessing citizenship

As for false claims of citizenship, experts say it's tough to prove after the fact.

“It's tough to get anybody to admit that they have committed voter fraud,” former state Auditor Les Merritt told *Carolina Journal*. “It's tough to ever prove, but there are certainly opportunities for people who are not here legally to vote.”

In 2007, Merritt's office uncov-



The Mexican Consulate had held drives, like the one above at a public high school in Concord, N.C., to issue consular IDs, which, critics say, make it possible to obtain documents that make it easy to register to vote. (Submitted photo)

ered 24,821 invalid driver's license numbers and 700 invalid Social Security numbers in the voter registration database; 380 people who appeared to have voted after their deaths; and a handful of votes cast by 17-year-olds in previous election cycles.

At the time, Gary Bartlett, executive director of the State Board of Elections, shot back: “Your office appears to have a fundamental misunderstanding about the data that was reviewed, or about the federal and state laws governing the voter registration process.” Bartlett said regular maintenance of the voter registration database resulted in 725,499 names of inactive or dead voters being removed during a 19-month stretch.

But in 2008, elections officials in Wake and Durham counties stumbled across 135 voter registration forms bearing bogus mailing addresses.

“We kept monitoring the elections rolls, if you will, and I think by

monitoring them, it led to getting some monies from the legislature and cleaning up the rolls somewhat,” said Merritt, who is now executive director of the Foundation for Ethics in Public Service. The State Board of Elections received a \$1 million-plus appropriation for that project. “But the controls are no better,” he said.

Veronica DeGraffenreid, elections liaison for the State Board of Elections, says the state has adequate safeguards in place to make sure that noncitizens do not get on the voter rolls. In an e-mail, DeGraffenreid wrote that in 2006, “North Carolina began requiring DMV customers to present a valid Social Security card when they applied for an original North Carolina driver license or learner's permit. If the customer is not eligible for a Social Security card, he or she must provide documentation issued by the United States Government indicating legal presence in this country. This requirement is designed to prevent undocumented aliens from obtaining a North Carolina driver license. As of 2009, only New Mexico, Illinois, and Washington allowed undocumented immigrants to obtain driver licenses.”

Even so, applicants with fraudulent Social Security cards can slip through the cracks.

## Consular help to obtain ID

The Mexican Consulate in Raleigh has worked vigorously to ease the process of obtaining U.S. government identification, traveling throughout the state monthly to provide Consular IDs to Mexican nationals. The Mobile Mexican Consulate held drives at a Catholic parish in Shallotte in August and at Concord High School near Charlotte in September.

The CID, or Matricula Consular ID, is a government identification card issued to Mexican nationals living outside Mexico, regardless of their immigration status. Also known as the Mexican CID card, it has been issued since 1871.

The consulate has said it sponsors mobile drives so that Mexican nationals can obtain passports or CIDs without having to go to the consulate's permanent office in Raleigh. The consulate charges about \$35 for a passport and \$27 for a CID, the latter of which is accepted by every state agency in North Carolina.

Possessing the ID allows Mexican nationals to open bank accounts, though some activist groups have claimed they also can be used to obtain driver's licenses, apply for food stamps and other public benefits, or even register to vote — a claim Consul General Carlos Flores Vizcarra told WWAY-TV is “totally false.”

## ‘Rife with fraud’

“Those things are so rife with fraud, it's ridiculous,” said Hans von Spakovsky, a former civil rights attorney with the U.S. Department of Justice who is now a senior legal fellow at The Heritage Foundation. “No major bank in Mexico accepts the cards. Twenty-two out of 32 Mexican states reject it.”

The Mexican Consulate has not responded to requests by *CJ* for comment.

The DMV in 2004 launched Operation Stop Fraud and began requiring applicants to provide documents issued by federal or state governments, such as valid out-of-state driver's licenses, or passports validated by the federal government. According to the DMV — confirmed both by examiners at the Graham and Hillsborough bureaus, as well as the agency's website — Matricula Consular IDs constitute acceptable forms of identification for proof of residency to obtain a driver's license, and the DMV does not check immigration status before issuing one.

“The driver's licenses and Social Security numbers are checked through their respective organizations,” Johnson said. “However, if the documentation is forged to start with, it is forged in such a way as to match up paperwork-wise, just not to that particular person. This is actually the way most illegals are subverting the voting process.”

In a 2008 legal memorandum for Heritage, Spakovsky suggested that elections officials could check citizenship status with E-Verify, an Internet-based system allowing employers to verify whether someone legally is eligible to work in the U.S. Likewise, he wrote, courts could notify elections officials when people summoned for jury duty from voter registration rolls are excused because they are not citizens.

The 2006 session of the General Assembly required state agencies and contractors to use E-Verify to check the citizenship status of employees; it has not extended the use of that database to verify the citizenship of voters. *CJ*

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## N.C. Briefs

## Perdue wants to slash

Democratic Gov. Bev Perdue wants to make state government more efficient by slashing rules and regulations that don't make sense, according to a press release from the governor's office Oct. 21.

Perdue banned her cabinet secretaries from creating "any new rules unless they are absolutely necessary." She requested that the Council of State — North Carolina's top 10 elected officials — do the same.

As part of the Executive Order, Perdue required the Office of State Budget and Management to review all new proposed rules by cabinet agencies, and for the agencies to justify the requests.

She also asked Tar Heel State citizens, businesses, and local governments who find outdated rules to offer input.

"I am calling on the people of this state who come into contact with state government to talk to me," Perdue said. "Tell me what isn't working for you when you go to a state agency for a permit, or a license, or any other project that falls under state regulation. 'My rule is the 'plain common sense rule' — if a regulation is needed, make sure it's efficient for the user, transparent to the public, and has real value for North Carolina citizens."

## Discouraged workers

North Carolina has little reason to celebrate as its official unemployment numbers start to look more like the average numbers posted across the country, according to the John Locke Foundation's top budget expert.

"North Carolina's unemployment rate exceeded the national average for 2 1/2 years, so some observers will trumpet data that show this state losing that dubious distinction," said Joseph Coletti, JLF director of health and fiscal policy studies. "But those observers are missing a key point."

"The official unemployment rate does not count the discouraged workers who've stopped looking for jobs," Coletti explained. "Thousands of unemployed workers quit actively seeking work in recent months, and that helped skew North Carolina's real unemployment picture."

The N.C. Employment Security Commission's latest report lists the state's unemployment rate at 9.6 percent for September, down one-tenth of a percentage point from August's rate of 9.7 percent. CJ

# 'Need' Law Hampers Breast Cancer Hospital

By SARA BURROWS  
Associate Editor

RALEIGH

A women's breast cancer hospital in Asheville has resorted to "begging" for a magnetic resonance imaging scanner, thanks to a law called "certificate of need."

The certificate-of-need law makes it impossible for medical providers to build new facilities, expand existing facilities, buy new major medical equipment, or offer new services without first obtaining a "determination of need" from the Department of Health and Human Services.

The law — first enacted in North Carolina in 1971, struck down by the state Supreme Court because it gave existing hospitals monopoly power, and then passed again in 1977 — has prompted dozens of lawsuits over the years. The most recent one involves The Hope Center — a women's cancer center in Asheville that hasn't been able to obtain a certificate of need for a "much-needed" MRI scanner — and Raleigh Orthopaedic Clinic, which has been denied permission to build additional operating rooms.

Neither Hope nor Raleigh Orthopaedic Clinic are asking for government handouts. They're asking for permission to use their own money to buy equipment and to build on their own property.

The State Coordinating Council, an advisory committee made up of 29 private citizens, 25 of whom are officers, employees, or directors of health care companies, is the group empowered to grant permission to medical facilities seeking a certificate of need.

The council, in conjunction with the Department of Health and Human Services, develops a State Medical Facilities Plan each year. The plan contains an inventory of existing medical facilities and services in the state and "need" projections for such facilities and services in various geographical areas.

If a "need" for a particular project in a particular area is not recognized in the plan, it is futile to submit an application for certificate of need, said attorney Jason Kay of the North Carolina Institute for Constitutional Law. NCICL has joined the lawsuit on behalf of Hope and the Raleigh Orthopaedic Clinic.

Hope petitioned the council to adjust the 2008 plan to show need for an MRI machine in Buncombe County, but the council refused. Hope said the council showed favoritism by approving similar petitions by Charlotte Radiology and Breast MRI Clinic in Winston Salem.

The Raleigh Orthopaedic Clinic has petitioned the council four times over the last six years to acknowledge the need for additional operating



The Hope Center in Asheville has been thwarted in its attempts to get an MRI machine. (Hope Center photo)

rooms in Wake County, but has been ignored. The clinic also petitioned former Gov. Mike Easley to exercise his authority to order the council to adjust the plan, but he declined.

The lawsuit challenges the council's broad discretion to decide which entities are allowed to offer new health services, Kay said.

He said the General Assembly has delegated too much power to DHHS, and, in turn, DHHS has delegated too much power to the State Health Coordinating Council — which has an interest in limiting competition.

The case now is before the North Carolina Supreme Court. If the justices decide in the plaintiffs' favor, the General Assembly would have to take back some of the council's power, writing laws that would restrain the council's decision-making authority.

If it were up to Joe Coletti, director of health and fiscal policy studies at the John Locke Foundation, the council, and certificate of need, would be done away with altogether.

The federal government created

certificate-of-need laws to keep health care costs down by limiting the availability of medical services, Coletti said.

Theoretically, by allowing fewer providers of expensive services — such as open-heart surgery, organ transplants, and air ambulance service — fewer people would use them. This would keep insurance premiums low and reduce the amount of tax dollars spent on Medicaid, Medicare, and uninsured patients.

This premise was false, Coletti said. The hospitals that were allowed to provide the services developed monopolies and were able to charge higher rates for them.

When states have repealed certificate-of-need laws, Coletti said, competition has pushed prices down.

Currently, 82 of 100 North Carolina counties have only one hospital. Insurance companies must pay the price the hospitals charge, or they lose an entire county of customers.

"If a hospital were allowed to open up across the street," he said, "the insurance company could go to the original hospital and say, 'Guess what, we can't pay you what you want, and we don't have to worry anymore because you have competition.'"

When insurance companies have negotiating power, they pay lower costs and can in turn charge lower premiums, he said.

"In [the council's] minds, the only way to limit cost is to limit supply," Coletti said. "It's completely against everything you learned in Economics 101."

Increasing the supply of hospitals and services, he maintains, is the only road to lower health care costs. CJ

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# Call for Disclosure of 501 Donors Runs Afoul of IRS Regulations

By JEFF A. TAYLOR  
Contributor

CHARLOTTE  
Recent calls by President Obama, Democratic Party officials, and left-wing activists demanding the disclosure of donors to conservative nonprofit issue advocacy groups have ignored the complexity of the federal regulations the groups face.

At its core, there's a tension between tax code compliance and public disclosure. Organizations created as nonprofits must comply with the Internal Revenue Code as interpreted by the IRS. And the IRS is concerned primarily with tax liability, not public disclosure of revenue sources.

"The IRS cares if you pay your taxes," said Alison Hayward, vice president of policy at the Center for Competitive Politics in Alexandria, Va. "The IRS does not care so much about transparency."

This lack of disclosure of all donors and revenue sources for groups organized under section 501 of the tax code has critics calling for new filing requirements based on the disclosure regulations mandated by the Federal Election Commission. Congress twice has failed to pass the DISCLOSE Act (H.R. 5175/S. 3628), which would apply to organizations engaging in "electioneering communications" and require the disclosure of the names of donors who give \$1,000 and above. Nonprofit organizations opposed the bill, citing the potential for the harassment of their donors.

Hayward, a former law professor at George Mason University and counsel to former Federal Election Commission member Bradley A. Smith, notes that supposed fixes like the DISCLOSE Act would create new problems. A \$1,000 disclosure ceiling would give donors a new incentive to bundle larger contributions. Such bundling would create pressure to require the disclosure of all donors to the IRS.

In the case of 501(c)4 groups — which are allowed to engage in political activity so long as it is not the group's primary purpose — a blanket disclosure mandate could lump donors who contributed to a group's nonpolitical, "social welfare" activities along with those who supported the group's politi-



Critics see the DISCLOSE Act as an attempt to silence dissent. (Graphic courtesy of IOwnTheWorld.com)

cal activities. Depending on the nature of the organization, its social welfare projects could range from voter education and registration drives to support for volunteer firefighting services. As for business and trade organizations and Chambers of Commerce operating under 501(c)6 of the code, an FEC-style mandate could force all dues-paying members to become public.

Such overly broad disclosure would constitute "a sea of junk," Hayward said, which would both be invasive and fail to focus on the political actions of the 501 groups — the supposed target of the reformers.

"The IRS is just not built to regulate political speech," Hayward said. "I think it is an insanely bad idea."

In the past, the IRS has been used to target the political opponents of those in power. In 1966, President Lyndon Johnson's IRS moved to revoke the tax-exempt status of the Sierra Club after the group ran ads in opposition to a plan to flood the Grand Canyon to generate electricity. And U.S. Rep. Dan Lungren, R-Calif., recently noted that a 1958 U.S. Supreme Court decision permitted the NAACP to refuse to disclose its donors to officials of the state of Alabama. The group's refusal was met with a \$100,000 fine by the state. A 9-0 opinion found the

disclosure demand unconstitutional under the First Amendment.

Concerns over this election cycle's new breed of (c)4 groups, which have raised millions of dollars for political advocacy, have neglected the longstanding worries about government disclosure requirements for politically active citizens. Advocates of tougher disclosure, including the liberal groups Democracy 21 and the Campaign Legal Center, have demanded that the IRS investigate organizations like Crossroads GPS — a 501(c)4 founded by former Bush administration political director Karl Rove — even before the group's first fiscal year has ended.

This demand comes even though the IRS uses the fiscal year as its way to measure tax compliance. This disconnect illustrates another divergence between IRS regulation and FEC regulation — the IRS is on a tax-year timetable, while the FEC revolves around election seasons and election days.

In theory, once the fiscal year is in the books, in 2011 the IRS could find that groups like Crossroads GPS violated their tax status by overspending on political activity. As is often the case with the tax code, however, the lines are fuzzy. The general rule of thumb is that c(4)s can maintain nonprofit status so long as no more than 50 percent of their spending is on political activity.

Another possible outcome is that a (c)4 may find itself reclassified as a 527 tax-exempt political group as a result of its political spending. These 527s must follow some FEC reporting guidelines, but the requirements are not as stringent as those of political action committees or candidate campaigns. Unlike (c)4s, 527s can dedicate themselves fully to political activity, and 527 donors explicitly are exempted from federal gift tax on donations above \$13,000 for individuals or \$26,000 for couples. The gift tax rate is 35 percent.

So large donors may face a trade-off — contribute to a c(4), pay gift tax, and "buy" full anonymity. Or donate to a 527, surrender some privacy, and pay lower taxes. IRS compliance and tax-payment concerns under current law still would trump public disclosure demands. CJ

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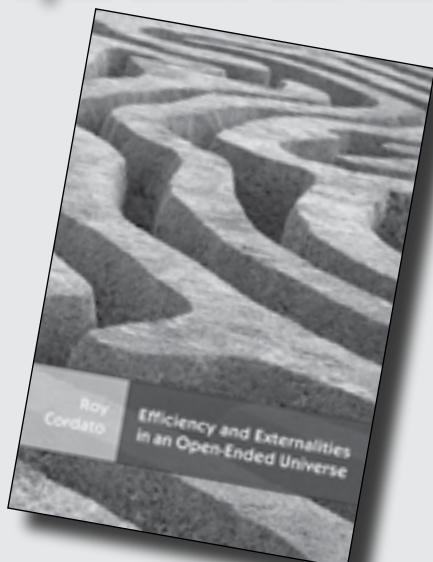
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By Roy Cordato  
Vice President for Research  
John Locke Foundation

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# Second Try at Social Studies Standards Improved, JLF says

By CJ STAFF

RALEIGH

The second draft of standards for social studies courses in North Carolina elementary and secondary schools offers sound improvements over the initial version. That's the conclusion of Terry Stoops, director of education studies at the John Locke Foundation.

When the N.C. Department of Public Instruction released its first draft of the standards last year, North Carolinians identified a number of serious defects throughout the revision, Stoops said, particularly the scant coverage of the American Revolution and the Founding Era.

These objections largely were ignored in the local media until a Fox News report on the controversy aired in February. The Fox News story elevated the concerns, and after several months of deliberation, DPI responded with a

second draft including coverage of the Founding Era three times between the fourth and eighth grade and again in high school.

The most notable change in the second draft, Stoops said, is the addition of a United States history course at the high school level. The ninth-grade social studies course would survey world history from early civilizations to the present, but DPI asks teachers to focus on world history from the 1450s to the present.

"This is an immense improvement over the Global Studies course proposed in the first draft," Stoops said. The Global Studies course focused on globalization, human rights, climate change, international organizations, technology, and political, social, and religious changes occurring in the second half of the 20th century. The revised course will expose students to the works of Locke, Montesquieu, Rousseau, Bolivar, Jefferson, Paine, Adam Smith, and other Enlightenment thinkers.

"Finally, high school students would be required to complete a civics and economics course and a two-year United States history course," Stoops added.

In earlier grades, the second draft sequence would require students in kindergarten through third grade to learn the basic concepts used in the study of history, geography, economics, politics, and government. In fourth grade, students will encounter North Carolina history from precolonial time

to Reconstruction (1877). A year later, they will cover United States history during the same period.

Similar to the first draft of history standards released earlier this year, the second draft would require students to take world history courses in the sixth and seventh grade.

Stoops considers the sequence of courses to be taught in elementary and middle school "somewhat unusual." Two years of world history are sandwiched in between a fifth-grade U.S. history course and an eighth-grade North Carolina/U.S. history course. It is not clear if teachers will be able to integrate the content of the world history and U.S. history courses.

Stoops also praised DPI for nixing a planned Global Community course in eighth grade. This course would have covered only around 40 years of contemporary history, a plan Stoops called "ill-conceived." Instead, eighth-graders will take an integrated North Carolina/U.S. history course. The integrated course would begin with the Declaration of Independence and end in the early 21st century.

Stoops calls this "a welcome change, although it is not without shortcomings." The eighth-grade course integrates the history of the state and nation as mandated by Session Law 2009-236: "An Act Modifying the History and Geography Curricula in the Public Schools of North Carolina." The law requires this course to have a "diversity" component. To fulfill this requirement, teachers must focus on "racial and ethnic groups that have contributed to the development and diversity of the State and nation."

DPI is welcoming public comment on the second draft until Nov. 10. At that point, the department may develop additional drafts before submitting the standards to the State Board of Education.

In addition, Superintendent of Public Instruction June Atkinson has asked a panel of several prominent current and former state officials — including former N.C. Supreme Court Justice and current Executive Director of the Institute for Constitutional Law Bob Orr, former N.C. Supreme Court Chief Justice Henry Frye, former N.C. Supreme Court Associate Justice Willis P. Whichard, and State Treasurer Janet Cowell — "to provide a special review of the proposed Social Studies Essential standards." *CJ*

Revisions add more coverage of Founding Era between 4th and 8th grades

## COMMENTARY

# The Truth About Drugs and Teens

Protecting teens from the ravages of drugs indisputably is important. Illicit drug use virtually is unmatched in its ability to decimate adolescent hopes and dreams. This is no late-breaking epiphany; for years, parents, educators, and the architects of anti-drug campaigns have enjoined kids to abstain from drug experimentation.

Several years ago, anti-drug messages were resonating: By any indicator, teen drug use had dropped. But the tide is turning. Adolescent drug consumption is headed back up. Just-released government data from the National Survey on Drug Use and Health show an overall uptick between 2008 and 2009 in the number of 12- to 17-year-olds consuming illicit drugs, with marijuana use on the rise, too. These results mirror findings from the Partnership for a Drug-Free America's latest high school survey, revealing a spike in teens' ecstasy and marijuana consumption, particularly among girls.

Not surprisingly, more kids are taking drugs to school. Two-thirds of high schoolers and one-third of middle schoolers nationwide say their schools are drug-infested, according to new data from Columbia University's National Center on Addiction and Substance Abuse (CASA).

For younger adolescents, the increase is sharp. The number of tweens and young teens attending campuses where drugs are "used, kept, or sold" has risen 39 percent since 2009 — a "middle school mess," reports CASA. Easy access is a ticking time bomb: Compared to kids in drug-free schools, 12- and 13-year-olds on drug-infested campuses are much more likely to use marijuana.

This calls for a ramped-up anti-drug effort, starting at home. No one holds greater sway over teens' decisions about drugs than parents. Parental prevention involves doubling down on time with kids, expressing love and engagement in simple, practical ways. Data consistently show parents who set rules, monitor behavior, help with homework, share frequent family meals, and communicate clear disapproval

of drugs, help kids stay clean.

And disengagement? It's disastrous: Teens with tenuous family ties are undefended against drugs' siren song, succumbing to marijuana experimentation at a rate quadruple that of their closely connected peers, CASA has found.

For their part, school districts should pursue aggressive interdiction efforts. Many already are, turning to drug dogs to sniff out contraband. School-based dog searches may be controversial, but they are increasingly necessary. Dogs do not search students, instead sniffing backpacks, lockers, cars, and just-

vacated classrooms.

North Carolina's three largest school districts utilize canine detection. In mid-October, the Charlotte-Mecklenburg school board passed a policy allowing drug dogs on campuses. Guilford County has permitted dog searches by law enforcement since 1994. Wake County does not have a formal policy, but schools

spokesman Bill Poston says drug dogs are used when high school principals and school resource officers, working in conjunction with law enforcement, deem they're warranted.

Bud Cesena, chief of police for Charlotte-Mecklenburg Schools, says the district will use dogs from local law enforcement in searches. Nationwide, school districts also are working with private companies that provide trained drug dogs. The biggest of its kind, Interquest Detection Canines, sends dogs to 1,200 public school districts and private schools, according to its website.

Educating students at school about the dangers of drugs is essential. This is no time to throttle back, especially since school prevention programs are proven to deter drug use.

We must keep at it, unmasking drugs' dark underbelly. Too many teens are being deceived by the bewitching — but intrinsically false — allure of drugs. But parents and schools, working together, can open their eyes to the truth. *CJ*

Kristen Blair is a North Carolina Education Alliance Fellow.



KRISTEN BLAIR



*'Blue' states fared best*

# Critics Allege Politics Affected 'Race to Top' Outcome

BY JIM STEGALL  
Contributor

RALEIGH

**D**id the Obama administration allow politics to influence the outcome of its signature education reform initiative, the \$4.3 billion Race to the Top grant competition?

Several states that had been considered leaders in the kinds of reforms the administration had been pushing did not make the cut, while others sporting less impressive reform credentials did. The nine winning states plus the District of Columbia barely had been announced when administration critics began to charge that politics had played a decisive role in the selection of some victors.

Jeanne Allen of the Center for Education Reform was quick to see political motivations behind the selections. "It's clear that some of these states were chosen for political reasons, as these states offer little or nothing to fundamentally improve schools and learning for all children," she said.

U.S. Secretary of Education Arne Duncan dismissed the charges, saying that the winners were chosen by teams of impartial education experts who had been vetted fully for any potential conflicts of interest. "We set a high bar, and these states met the challenge," he said, adding, "We had many more competitive applications than money to fund them."

The judges were guided by a 500-point scoring rubric that awarded points for meeting specified reform criteria. Within those guidelines, judges could exercise a good bit of latitude. Duncan reserved for himself the responsibility of making the final selection of winners and losers, but he has stated that he did not alter any of the scores arrived at by the judges.

However, some critics are not convinced that politics played no role. They point out that at least two states in which incumbent Democratic governors were fighting off strong Republican challengers seem to have gotten higher scores than their applications would merit.

In Maryland, which won a \$250 million grant by coming in sixth place, Democratic Gov. Martin O'Malley was locked in a tight battle with Republican challenger Bob Ehrlich. Throughout July and August, when Race to the Top judges were assigning final grades to the states' applications and Duncan was reviewing the results, the RealClearPolitics.com average of polls was showing the Republican with a small but consistent edge.

At the same time, Ohio's Democratic Gov. Ted Strickland was trailing Republican challenger John Kasich. Ohio surprised many by winning the



**Democrat-dominated North Carolina's official website touts its winning of \$400 million in the second round of the Race to the Top competition.**

last spot in the competition (and \$440 million), edging out New Jersey by only three points.

Neither Maryland nor Ohio had been considered strong contenders by most in the reform community. The Cato Institute's Neal McClusky called Maryland's charter school law "one of the most restrictive ... in the nation."

By contrast, Republican-led New Jersey and Louisiana were thought to be strong contenders, but they failed to make the cut. Louisiana in particular had been cited as a state with a strong reform agenda. Most observers were shocked that it lost out.

But Louisiana's governor is Bobby Jindal, often cited as a rising star in Republican ranks, and sometimes mentioned as a possible challenger to President Obama in 2012.

Republican Gov. Chris Christie of New Jersey has garnered national attention as a tough-minded education reformer who successfully has taken on the teacher unions and education bureaucracy. Leaving those states out of the money was seen by some as an attempt by the Obama administration to take the two potential challengers down a peg.

It appeared to some observers that a state's importance in the Electoral College also might have played a role in how its application was treated. South Carolina, conservative and solidly Republican, submitted an application that some experts thought was comparable to that of Florida. Yet the Palmetto State finished well out of the money, while electoral vote-rich Florida finished fourth, and won \$700 million.

"It's disappointing and surprising," said Jim Rex, South Carolina superintendent of education. "We placed sixth in round one and significantly improved our proposal for round two.

ties this election cycle for a Democratic pickup in the House of Representatives.

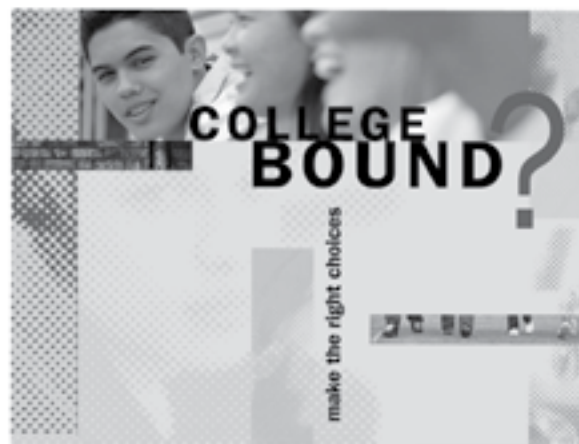
Education reformers also have questioned the role that teacher unions played in deciding winners and losers. Teacher unions generally favor Democratic candidates for office and were big backers of the Obama presidential campaign in 2008.

Since taking office, however, many teacher union leaders have been uneasy with the Obama administration's education reform agenda, especially his expressions of support for charter schools, merit pay, and tenure reform. Critics, such as the American Enterprise Institute's Rick Hess, question whether the design of the Race to the Top competition, which gives points for the degree to which teacher unions approve of a state's reform efforts, isn't really an effort to mollify a key disgruntled constituency.

In Colorado, after the legislature adopted a law linking teacher pay to student test scores, only half of the teacher union locals signed on to support the state's application. The lack of union support cost the state points it could not make up in other areas, and Colorado finished well out of the money at a disappointing 17th.

In New Jersey, where the teacher union is locked in an increasingly bitter battle with Christie over his reform plans, only 1 percent of teacher unions were on board. Had New Jersey's teacher unions supported the state's application, the state would have gained 14 points — more than enough to displace Ohio as a winner. CJ

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# Charter School Summit Addresses Challenges for School Choice

By JIM STEGALL  
Contributor

CHARLOTTE

Talk of litigation and legislation filled the air as leaders from North Carolina charter schools met with leaders of the business community at the Charter School Summit Oct. 21 in Charlotte. Organized by the North Carolina Alliance for Public Charter Schools, the summit focused on the major issues the state's 100 authorized charter schools expect to face in the coming months.

In his address, keynote speaker Tony Zeiss, president of Central Piedmont Community College in Charlotte, called on business leaders to become involved more deeply in the cause of education.

"America's most important business is education," he said. "If you don't have educated people, business will collapse. If you don't have an educated population, liberty will collapse."

Zeiss argued that those who are undereducated and underemployed are more willing to sacrifice liberty for promises of security from the state. "It only takes one undereducated generation for this to happen," he said, "and I tell you, we may be at the tipping point now."

Citing the dropout rate and falling test scores relative to other nations, Zeiss said this generation "may be the first in America to be less educated and less prepared than the one that preceded it." He said that for our democratic way of life to survive, schools must teach the principles of liberty.

"I was shocked when I heard about the proposal to drop the teaching of U.S. history prior to 1870" from the public school curriculum, he said. That proposal from the state's Department of Public Instruction was discarded after a public firestorm greeted its presentation this past summer.

Zeiss praised those businesses represented at

the summit for their support of charter schools and called on everyone to "tell those North Carolina legislators to raise the stupid cap," a reference to the limit of 100 charter schools allowed in the state.

Attendees also heard from former Charlotte Mayor Richard Vinroot, a trial attorney who has sued successfully a number of school districts that unlawfully had withheld funding owed to charter schools. Vinroot explained that to date his firm has recovered between \$12 million and \$13 million for more than 30 charter schools.

"The bad news is we've been so successful that the legislature, in its wisdom, allowed LEAs [Local Education Authorities, or school districts] in the recent budget to continue withholding funds." He related how the budget bill also contains a provision allowing LEAs up to three years to pay off any judgments they have entered against them.

"That's not over three years, that's up to three years, meaning that some schools may not see a dime of their money until three years from now," Vinroot said. He said his firm is now contemplating a constitutional challenge to that provision.

Alliance President Eddie Goodall spoke to the audience about the legislative environment charter leaders expect to encounter when the General

Assembly convenes after the November elections. While charter schools most likely will have more friends in the upcoming session, Goodall reminded the crowd, "There are groups that have a vested interest in preserving the status quo."

Goodall outlined a charter school agenda for the session. The first order of business was removing the cap on charter schools. He also proposed that a State Board of Charter Schools should be set up to oversee the charter schools, rather than having the State Board of Education continue to exercise oversight.

The first order of business, said summit attendees, is to work to raise the cap on public charter schools



Rounding out his proposed agenda, Goodall spoke of the need to set "quantifiable performance standards" for charter schools so that there never again would be a case like that of the Academy of Moore County. The state tried to revoke the academy's charter without giving a reason. The school was forced to sue to stay open.

Goodall also spoke of the need for a funding stream for charter school construction, something the current charter school law does not provide.

Urging everyone to "go vote," Goodall said, "accountability starts with the legislature." CJ

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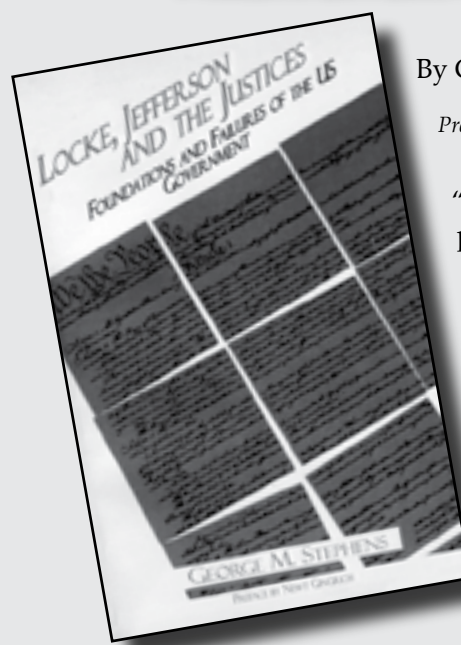
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## Locke, Jefferson and the Justices: Foundations and Failures of the U.S. Government

By George M. Stephens

Preface by Newt Gingrich



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

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## Town and County

## Dissatisfied with CMUD

The Charlotte-Mecklenburg Utilities Department provides water and sewer service to all of Mecklenburg County. But CMUD is part of the city of Charlotte, which continues to concern residents from the county's other municipalities about CMUD's quality of service and governance, reports DavidsonNews.net.

CMUD has been under fire in recent months for both issuing bills based on faulty meter readings and providing poor customer service when residents questioned their bills. Residents of the non-Charlotte portions of the county also complain that they have no say in the operation of the utility.

CMUD has developed a 40-point plan to improve the utility's operations.

Elected officials from Davidson and Cornelius and representatives of homeowners' groups met with CMUD staff in October to discuss the problems.

"CMUD is a long way from winning a J.D. Power customer service award," said Cornelius Mayor Jeff Tarte after the meeting.

"But I think they may actually be trying. They're definitely making progress. [CMUD director] Barry Gullett's heart is in the right place."

## Buncombe development

Buncombe County has adopted a new set of guidelines for development on steep slopes and ridgetops. Approval came despite concerns that the regulations would increase the cost of building houses on the lots, reports the *Asheville Citizen-Times*.

The new regulations increase the minimum size of a residential lot on slopes of 25 percent or greater, with the specific lot size varying by the land's average slope.

The county also adopted restrictions tougher than those imposed by the state on developments along ridgelines. State law prohibits buildings more than 40 feet tall on ridges above 3,000 feet that are more than 500 feet above the adjacent valley floor. Buncombe County would restrict buildings to no more than 25 feet under certain circumstances and imposed a two-acre minimum lot size.

Developers questioned the need for the new rules. County officials estimate that the change would affect some 3,500 lots that have been planned but not yet developed. CJ

## G'boro Council Worried About 'Strings'

By SAM A. HIEB  
Contributor

GREENSBORO

It is hard for local governments to turn down so-called "free money," no matter how many strings are attached. The City of Greensboro has had quite a bit of free federal stimulus money dangled before it, and both city staff and the City Council generally are reluctant to turn it down. But the City Council actually may reject a \$5 million pot of money offered by the U. S. Department of Energy, even though it has given city staff every opportunity to justify accepting the dough.

Twice the council has discussed the DOE grant, which — in theory, at least — is designed to help homeowners save on energy costs. Twice the council has tabled the issue.

But the catch is that if Greensboro participates in the program, homeowners would have to take out loans to make energy-saving improvements to their homes, with the expectation that the energy they'd save would more than pay for the cost of servicing the loans. It's not clear this would be the case, which is one reason the council has delayed its decision.

According to DOE's Better Buildings website, partnerships with local governments "will make energy efficiency retrofits accessible to hundreds of thousands of homeowners and businesses, saving consumers about \$100 million annually while creating tens of thousands of jobs."

Greensboro is one of 27 local governments in roughly 30 states to receive Better Buildings grants.

The DOE website adds the grant will help Greensboro employ "a neighborhood-based approach to build local energy conservation infrastructure capacity as well as increase the community's capacity for self-reliance. ... The community-building approach integrates broad outreach strategies, healthy homes concepts, jobs creation, economic development, neighborhood empowerment, ongoing education, and a monitoring system, resulting in a culture of energy efficiency and savings that will be sustained far beyond the life of the grant."

But the conditions of the grant and exactly how it would be administered are unclear, so the council tabled the issue for further discussion.

Dan Curry, the city's sustainability manager, told the council in September that the \$5 million was a three-year grant "that will roll from year to year as the budget progresses."

Curry said "many of the details — such as agreements with private lenders — are yet to be worked out.

"But the goals are pretty simple: to improve the health, safety, and efficiency of buildings in this community and particularly east Greensboro," he added.

More importantly, Curry said, the grant was an "economic development activity designed to create employment opportunities and business opportunities."

Curry estimated that several thousand buildings

could be retrofitted over the course of the three-year grant, making its overall impact much greater than the grant itself.

Because homeowners theoretically would save so much on their utility bills that they could use those savings to repay the loans, Curry said, "In effect, there would be no net cost to the property owners."

But council members weren't easily convinced.

Council member Danny Thompson expressed concern about homeowners taking on more debt, which he said largely was responsible for the economic meltdown still plaguing the country.

"I think this is what got us into a crisis in the first place," Thompson said. "I ask that we proceed with caution."

Skepticism over the program reached its height when council members Dianne Bellamy-Small and Trudy Wade — normally on opposite sides of the issues — both agreed that it was hard to see the winners in this program, aside from government bureaucrats.

Bellamy-Small — probably the most liberal member of a conservative-majority council — described the grant program as "government as its usual self."

"We've made something that should have been a very simple process in trying to get stimulus funds down to

the people who need work, but we've [bogged] this thing down," Bellamy-Small said. "I will not support encouraging an 80-year-old woman to go out and get a loan, because she's probably not going to live to pay it off."

Wade supported Bellamy-Small's concerns, noting such support would be a "historic" moment for the council.

"We're going to spend \$5 million for two employees to go tell you to do something," Wade said. "What are the advantages here? I'm having trouble seeing them."

Another major issue is who would administer the grant. Bellamy-Small questioned the \$1.8 million allocation for "consultants," while fellow council member Mary Rakestraw questioned the salaries and generous benefits package of additional city staff who would oversee the grant.

Curry replied that the \$356,000 in salaries would be spread over the three-year grant period, while consultants would be needed to train outreach workers who would be performing energy audits for homeowners.

Rakestraw also pointed out a condition of the grant was that the city would provide matching funds at a 5-to-1 ratio — or \$25 million, to which Curry replied that should the city not be able to provide matching funds, then the terms of the grant would have to be renegotiated with DOE.

Despite the many concerns, the lure of free money was still too much for some council members.

"I don't think you delay this and let this money get away," said council member Robbie Perkins. "I think you instruct staff to listen to your concerns, peg the money, and come back in a briefing session and tell us where they've cured your ills." CJ





# Satellite Monitoring of Convicted Sex Offenders OK, Says Court

By MICHEL LOWREY  
Associate Editor

**I**n 2006, the General Assembly passed legislation allowing satellite-based monitoring of certain types of sex offenders. Could this monitoring requirement also be imposed on sex offenders who committed their crimes earlier? A closely divided N.C. Supreme Court answered “yes,” saying that such a requirement would not violate the prohibition on ex post facto laws contained in the U.S. and North Carolina constitutions.

Kenney Bowditch, Kenneth Edward Plemmons, and Mark Allen Waters each pleaded guilty in separate incidents to multiple counts of taking indecent liberties with a child. The crimes took place before Aug. 16, 2006, when the SBM statute took effect. The victims were between 6 and 10 years of age when the crimes occurred. Plemmons received a 24- to 29-month prison sentence; Bowditch and Waters both were sentenced to supervised probation.

After the state sought to require the three sex offenders to be subject to SBM, Bowditch, Plemmons, and Waters challenged the constitutionality of the requirement.

Satellite-based monitoring involves three separate pieces of equipment: an ankle bracelet, a tracking device, and a base unit.

The monitoring equipment does not function everywhere. Going deep into buildings containing significant amounts of steel, for example, can block the signal. If that happens, enrollees must go outside. Airline travel, bathing, swimming, scuba diving, and camping in remote areas all may be impossible while connected to satellite monitoring. The limitations of the system may restrict where someone connected to the system could find a job, even if criminal history were not a factor.

The U.S. and North Carolina constitutions prohibit ex post facto laws. The N.C. Supreme Court has stated that “An ex post facto law may be defined ... as a law that ‘allows imposition of a different or greater punishment than was permitted when the crime was committed.’” Whether the SBM requirement amounts to punishment is a key constitutional consideration. Even if the law does not impose restrictions that are considered punishment, it must still be examined to see whether it is “so punitive either in pur-

pose or effect as to negate” the statute’s civil intent. The U.S. Supreme Court laid out a framework for determining this in its 1963 decision *Kennedy v. Mendoza-Martinez*.

Four of the N.C. Supreme Court’s seven justices found that subjecting Bowditch, Plemmons, and Waters to the monitoring did not violate the federal or state constitutions.

“We hold that the SBM program at issue was not intended to be criminal punishment and is not punitive in purpose or effect,” wrote Justice Edward Brady for the court.

Justices Mark Martin, Robert Edmunds, and Paul Newby joined in Brady’s opinion.

The majority held that SBM was less harsh than other restrictions the U.S. Supreme Court considered nonpunitive, such as the involuntary post-incarceration confinement of sex offenders, or barring a person from working in a

particular occupation.

“There is no denying that being subjected to SBM has an impact on the lives of its participants,” the court said. “Yet, when viewed in light of other civil, regulatory schemes, we cannot conclude that the effects of SBM transform it into criminal punishment.”

Chief Justice Sarah Parker and Justices Robin Hudson and Patricia Timmons-Goodson dissented. In their view, SBM had not been shown to be effective enough to justify the deprivation of liberty involved.

“A review of the transcripts and exhibits here shows that this program does not protect the public in any effective way,” wrote Hudson. “In light of its lack of effectiveness, the SBM program at issue here is so excessively restraining and intrusive that it becomes punitive.”

Hudson noted that the majority simply accepted at face value the state’s assertion that SBM advances the nonpunitive purpose of protecting the public. This was particularly true for offenders who might have completed probation and/or parole, and who were not under any legal restrictions on their movements. In fact, Hudson noted, SBM does little beyond creating a log of someone’s movements.

“Given that the program as implemented essentially fails in its nonpunitive purpose, the numerous affirmative restraints and intrusions it imposes on its enrollees become, in my view, punitive in effect.”

The case is *State v. Bowditch* (448PA09-1).



## COMMENTARY

# Constitution Optional In N.C. Cities?

**T**he Fayetteville City Council recently turned down a request from the city manager to establish a rental housing registration program. According to the *Fayetteville Observer*, council members liked the program but disliked the fees that would be charged landlords.

On the surface, these programs seem innocuous. Owners of rental housing register with the city so that if there is a problem with rental units, the police or other city officials can contact the owners quickly. A small fee to pay for the paperwork seems reasonable.

But that is not why these programs are being established in cities across the state. The Fayetteville proposal was modeled after the Raleigh program, and Charlotte recently considered one amid much controversy.

It seems that city managers, city council members, police, and even the associations representing landlords need a refresher on the Constitution. The not-so-hidden agenda behind these programs is to force landlords to do police work without compensation. In other words, if the police cannot catch drug dealers, prostitutes, etc., and the courts refuse to hold convicted criminals accountable, the cities will use this program to force landlords to become police, prosecutor, judge, jury, and executioner.

Here is how rental registration programs work in the Orwellian world of local government. After landlords register and pay the fee, they are responsible for the behavior of their tenants. If landlords permit their tenants to engage in what might appear to be illegal behavior — selling drugs, prostitution, etc. — the landlords must evict the tenants. If landlords refuse, they, rather than the tenants, face penalties.

In Charlotte, the proposal included a provision that if the landlord did not act, the city could revoke the registration. Since it would be illegal to rent apartments without being registered, the requirement effectively would put the landlord out of business.

The trigger for many of these

programs is the number of “disorder activities” that are reported to police within a certain time period. Often this number varies based on the number of apartments in the complex. The Charlotte proposal defines disorder activities as “reported violent crimes, reported property crimes, and certain types of disorder-related, person-initiated requests for police service.”

The Constitution guarantees that those accused of a crime are innocent until proven guilty and are guaranteed a jury trial. The landlord registration program effectively invalidates both constitutional protections. Landlords must evict tenants based on “reported” crimes, not actual convictions. Landlords must evict tenants even if the accused tenants are found innocent. Landlords must evict tenants

if the residents make too many totally unfounded “person-initiated requests for police service.”

In order to protect themselves, landlords must snoop around and try to determine if illegal activity is going on inside tenants’ apartments. There is no need for probable cause; they must take action based on suspicion or rumors. Tenants are not innocent until proven guilty; they can be evicted based on little or no evidence. Landlords who refuse to act face the wrath of city officials enforcing the ordinance. Landlords who act without justification face court suits brought by tenants who have been evicted unjustly.

Ironically, these programs come after years of “tenants’ rights” groups pressured city governments to pass ordinances preventing landlords from interfering with the privacy of tenants.

Now the cities are forcing landlords to investigate the personal lives of tenants, make decisions on suspected illegal behavior, and then to evict those the landlords, not the courts, deem illegal.

When did the Constitution become optional for cities? *CJ*



**MICHAEL SANERA**

*Dr. Michael Sanera is director of research and local government studies at the John Locke Foundation.*

## From The Newsstands

## Ribbon Cuttings = Growth

It's her commitment to "service" that helped Gov. Bev Perdue attract attention in the latest print version of *U.S. News & World Report*. (It's interesting that the only two governors from whom the magazine solicits input are some of the nation's least popular governors and one with the nation's worst unemployment rate.)

But aside from the comments about the joys of service, the remarks that attracted our attention were those dealing with economic development.

Regular readers of *CJ* know that low marginal tax rates and less onerous regulations are keys to economic growth. Instead

of focusing on these ideas, Perdue focuses on wheeling and dealing with targeted tax breaks and cash grants:

*Every so often, though, you enact a law or close a deal that delivers a positive impact that you can see and feel right away. In these difficult times, there is nothing more rewarding than convincing a company to move to, or expand in, North Carolina and create jobs. When I recently announced Caterpillar's expansion at not one but two plants, the audiences exuded both excitement and relief. It was the best payback you could hope for.*

It's nice to read near the end of her column that the governor is willing to take a "barrage of attacks" for her focus on ribbon cuttings and press releases, rather than real policies focusing on economic growth:

*[I]f that's part of the cost of advancing my ideas, of landing that next corporate relocation and raising the quality of life for folks in my state, then it's more than worth it.*

### New blood, no new ideas

Ezra Klein suggests in the Oct. 18 *Newsweek* that President Obama needs some "new blood" in the White House.

Fair enough. It's too bad Klein doesn't make the case for new ideas as well. Here's his pitch for Obama to rehire (in a puzzling diversion from the theme of "new blood")

Christina Romer:

*She won't bring a new perspective, but she brings the right perspective. In her final speech as chairwoman of the Council of Economic Advisers, she offered the full-throated call for more fiscal stimulus that the administration has largely abandoned. "Concern about the deficit cannot be an*

*excuse for leaving unemployed workers to suffer," she said. "We have tools that would bring unemployment down without worsening our long-run fiscal outlook, if we can only find the will and the wisdom to use them."*

Yes, what we need now is more stimulus spending. Stimulus sup-

porters are rushing to make that case during the election season.



### Market for nonfossil fuels

Does a string of hydrogen-car fueling stations along the Interstate 95 corridor sound crazy to you? It might be.

But libertarian Lumber Liquidators chairman Tom Sullivan is betting that the idea will work. *The Atlantic* explains in its November issue:

*This fall he opens his first SunHydro station, in Wallingford, Connecticut. It will be powered by 30,000 square feet of rooftop solar panels and will sell hydrogen for the gas-mileage equivalent of about \$5 a gallon. Sullivan, who grew up near Boston and now lives in Miami Beach, plans to expand along the East Coast's I-95 corridor, from Miami to Maine, by building stations at his Lumber Liquidators stores—slapping solar panels on the roofs and setting up electrolyzers in the parking lots. Of course, as a moneymaking venture, this might be completely crazy. But there's also a bullheaded logic at work here. Sullivan is hoping he's ahead of the curve. "I'd rather be early," he said, "than late."*

What's most useful about the article is its reminder that the best ideas about replacing fossil fuels will come from innovators and entrepreneurs — not from the government. — MITCH KOKAI *CJ*

## Monroe: Company Lied to Us

By MICHAEL LOWREY  
Associate Editor

RALEIGH

The Monroe *Enquirer-Journal* reports that a company was awarded incentives by both Monroe and Union County even though it lied to officials about the possibility it could relocate to Indiana. The incentive deal would cut the firm's property tax payments roughly in half for a three- to five-year period.

Perfect Fit Inc. LLC currently has facilities in both Monroe and Loogootee, Ind. It sought incentives from Monroe and Union County, claiming that it was going to close one of the two locations.

"The decision as to which facility is closed rests in large part on the partnership that we can form with the respective governments here and in Indiana," Monroe facility production manager Steve Dickens said to the Union County Board of Commissioners. "In this case with Union County and Monroe."

Monroe awarded Perfect Fit \$31,740 in incentives, while Union County awarded the company an additional \$19,557. The moves came despite Perfect Fit giving Indiana an official notice that its plant there would close by the end of the year.

"Basically, they just told us that it's a done deal," said Loogootee Mayor Don Bowling to *The Loogootee Tribune*.

Monroe and Union County officials were not aware of the developments in Indiana.

"I'm kind of stunned," said Chris Platé of Monroe's economic development department. "We got pretty honest feelings that we were in very strong competition."

Platé added that the closing of the Indiana facility would not have mattered, though.

"Knowing what we know now, it would not have changed the staff's position to take it to the council," he said. "We stand behind our decision and still hope to win the company."

### Meck capital spending

Mecklenburg County is moving toward a process of prioritizing construction projects across different types of facilities. The move comes, reports *The Charlotte Observer*, as the county struggles with debt service payments that are consuming an ever-larger share of the county's budget.

Over the past decade, Mecklenburg County has issued \$2.3 billion in

debt to finance various construction projects. The percentage of operating funds going to debt service has grown from 14.2 percent in 1999-00 to 20.1 percent this year.

The county currently is operating under a "debt diet," placing \$900 million in projects on hold so that the county does not have to borrow even more.

At a planning conference, county staff outlined a proposal to compare projects across categories and determine the best use of the county's limited funds. Under the proposed criteria, a proposed new school might compete against a jail addition or a

park for funding.

The county also may apply the approach to its backlog of approved capital projects awaiting funding. Projects that score poorly on the assessment may not be built, even when funding becomes available. For items that would be funded by voter-approved bonds, commissioners emphasized the importance of getting public input before dropping a project.

### Brick and mortar in Garner

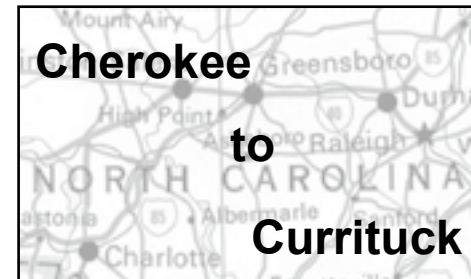
The Garner Town Council has rejected a proposal by developers to reduce the amount of brick required on the fronts of homes in a planned subdivision that has stalled, reports the *Garner-Clayton Record*.

Developers of the Sutton Springs community cited the sinking economy as reason to ask for the variance. The town's plan required the fronts of the homes to be made of at least 80 percent brick. Instead, developers say, by reducing the minimum brick coverage to 30 percent, they could add square footage to the homes (which would be at least 2,220 square feet) and still sell them for less.

Patrick Burns of the Brick Industry Association urged the council to deny the request, saying that brick homes would have a higher tax valuation and attract additional upscale development.

Councilman Buck Kennedy also said higher-end houses would lure new homebuyers to Garner after the economy rebounds.

Bill Peebles, a Realtor working with Capital Bank to finance the project, said houses that meet the original plan are not selling in today's housing market. He did say developers were open to working with the town to recommend changes that would allow the subdivision to be completed. *CJ*





# N.C. Counties and Cities Missing Financial Reporting Deadlines

By KAREN McMAHAN  
Contributor

RALEIGH  
State law requires all 100 counties and 551 municipalities in North Carolina to file an Annual Financial Information Report — a full accounting of each local government's financial status — by Oct. 31 with the state Treasurer's office. A review of county and municipal data on the Treasurer's website shows that seven counties and dozens of municipalities missed the deadline to file their audited financial statements due on Oct. 31, 2009, the latest year for which data are available.

Meantime, 53 municipalities have failed to file an AFIR for two or more years, and several have not filed a report for six years, dating back to 2004.

It's unclear what penalties, if any, local governments face if they miss the deadline. Heather Strickland, deputy director of communications for state Treasurer Janet Cowell, said local governments failing to submit audited financials by Oct. 31 receive written follow-ups from staff and that "staff encourage them to complete and submit all reports."

The State and Local Government Finance Division of the state Treasurer's office is charged with providing oversight and technical support to local governments in financial matters, including local government debt and fiscal and accounting practices. *Carolina Journal* made multiple attempts to speak with a division official about specific details of AFIR reporting, but was unable to do so.

The Treasurer's office doesn't release AFIR data until nearly a year after it receives the reports, so the audit-

ed statements on its website are for the prior fiscal year. Fiscal Year 2010 AFIR reports will not appear until 2011.

A note on the website states that the financial data for counties and municipalities were last updated on March 12 and June 11, 2010, respectively.

With many North Carolina cities and counties facing severe fiscal crises, taxpayers increasingly are questioning the cost of government and whether services being provided truly are necessary.

The failure to report also is an issue of transparency and accountability, said Michael Lowrey, a John Locke Foundation policy analyst who compiles JLF's annual report *By the Numbers: What Government Costs in North Carolina Cities and Counties*. *By the Numbers* is in its 12th year of publication. One source Lowrey uses is AFIR reports. And he notes an increasing number of delinquent cities and counties.

"Many North Carolinians think they understand what their government is doing, but *By the Numbers* tells

the real tale," Lowrey said. "Some towns follow odd business models, making it easy for staff to hide the true cost of government from the taxpayers, but this report catches these oddities." To produce the report, Lowrey examines property taxes, sales taxes, and total local government collections of all taxes and fees for counties and municipalities.

"Some towns get most of their revenues from fees instead of property taxes," Lowrey said, and "this model distorts the cost of government by making it appear the city or county has a low tax burden."

Lowrey cited the example of one town that gets most of its revenue from building permits and another from huge impact fees. "The bottom line is, whether it's fees or taxes, that's revenue for the government," said Lowrey.

*CJ* contacted some of the cities and counties that missed deadlines or remain delinquent in filing AFIR reports.

Graham County did not submit

data for 2007 and 2008. The state received the 2009 AFIR on March 9, 2009, but has not yet reviewed it. Rebecca Garland, Graham County's finance manager, told *CJ* the county had fallen behind because its finance officer had left and the county had trouble finding a qualified replacement. Garland says she's completed three past-due audits in one year.

"I'm not aware of any fine for missing a filing deadline," said Garland, "but a county or city cannot issue debt unless its audits are up to date. Being delinquent can also lower the bond rating."

Garland said state officials often insist on some line items being submitted, even without the audits being completed, to prevent the withholding of state funds earmarked for local governments.

Kimberly Honeycutt, budget analyst for Harnett County, said its 2009 report was late because the county had lost its finance officer. She was surprised to learn that the state website shows only partial data for 2009. Harnett County residents do have access to audited financial reports for the past several years on the county's website.

Many municipalities that have not filed reports for multiple years have small populations, some with fewer than 100 residents. Repeat offenders include Gatesville, Greenevers, Hot Springs, Princeville, and Whitakers.

Officials in smaller communities emphasized that a lack of personnel and financial resources contributes to untimely reporting. The auditor for one community said the state has changed the AFIR forms, and older ones are no longer on the website, adding to the delay in filing reports. *CJ*



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# Perdue Didn't Pay For Either State or Campaign Flights

Continued from Page 1

In others, Perdue mixed official state business with campaign activities.

A round-trip flight for Perdue on Jan. 30, 2007, from Raleigh to Concord in a Cessna Citation jet owned by David King of Raleigh was listed as official state business, yet there is no record of either the lieutenant governor's office or the campaign paying for the flight.

King provided flights to Perdue on other occasions. A flight on March 5, 2007, to Wilmington in King's jet was valued at \$1,389. Two-thirds of the event time involved state business, and one-third covered campaign events. The Perdue Committee paid only \$202 for this flight on July 1, 2007. There is no record of any payment from the lieutenant governor's office.

A July 23, 2007, flight between New Bern and Ocean Isle to transport Perdue for a speech to the N.C. Sheriffs Association was listed as official state business, but there is no record of any payment from the lieutenant



This helicopter, owned by McQueen Campbell, is one of the private aircraft used by former Gov. Mike Easley and then-Lt. Gov. Beverly Perdue for what investigators have called questionable flights. (CJ photo by Don Carrington)

governor's office. The pilot was Michael D'Orosko from Wilmington. *CJ* was unable to determine who owned the single-engine airplane used for the trip.

A flight Sept. 29, 2007, involved a one-way trip for Perdue from New Bern to Raleigh in a Cessna Citation jet. The plane was owned by Flying

W LLC and managed by Buddy Stallings of New Bern. Her events that day were a mix of campaign and state business. The total cost was \$701, and the campaign paid \$239 on Jan. 12, 2008. There is no record of payment from the lieutenant governor's office for the remainder.

On Nov. 9, 2007, records indicate

Perdue traveled round-trip from Chapel Hill to Hickory in a corporate plane originating in Dunn owned by Warren Oil Company. Her events in Hickory consisted of an official state business event lasting 50 minutes and a private campaign event lasting 120 minutes.

The total flight costs were stated as \$589, with \$415 calculated as the share attributed to the campaign. The Perdue Committee paid Warren Oil \$415 on Dec. 31, 2007 — almost two months after the flight took place. The difference could have been paid directly with public funds from the lieutenant governor's office, but there is no record of payment.

A Jan. 31, 2008, flight, in an aircraft owned by of Agemark LLC in Hickory, originated in Hickory. Perdue was picked up in Chapel Hill, flown to Concord, and then delivered back to Chapel Hill. The trip was listed as official state business, but no value was assessed for the flight, and there is no record of a payment from the lieutenant governor's office or the Perdue campaign committee. *CJ*

## Dozens Involved in Perdue, Easley Flight Provider Program

Continued from Page 1

**Donald Adams** is listed as the aircraft owner for a June 24, 2008, flight for the Perdue Committee. The Perdue Committee reported it as an in-kind contribution of \$155. No additional information is available.

**Bruce Brandon**, a Greensboro attorney and aircraft owner, provided flights to the Perdue Committee on Oct. 15 and 16, 2008. The committee reported the flights as in-kind contributions of \$140 and \$181, but no additional information is available.

**Mary Brinn**, a New Bern businesswoman, is associated with providing a flight for the Perdue Committee on May 25, 2006. The Perdue Committee didn't pay for it until Nov. 9, 2009. The flight was in an aircraft owned by Flight Pack LLC of New Bern, a company Brinn owns.

**McQueen Campbell**, a Raleigh businessman, provided numerous free flights to Easley. The elections board fined Easley's campaign a total of \$100,000 associated with the illegal unreported flight activity. Campbell also flew Perdue during her campaign for governor, even though he didn't have FAA certification to operate his airplane and helicopter as an air charter service. Flights occurred in 2008 on Aug. 2, Sept. 10, Sept. 21, and Oct. 29. The Perdue Committee paid Campbell one month after each of the first three flights and three months later for the fourth flight.

**Roy Carroll**, a Greensboro developer and owner of Granite Air LLC,

provided a flight on Nov. 6, 2008 — two days after Perdue was elected governor. The flight was valued at \$887, and the Perdue Committee didn't pay for it until Dec. 16. No other information about the flight is available.

**Rusty Carter**, owner of Atlantic Packaging in Wilmington and a fraternity brother of Easley, flew Easley in 2004 in a corporate plane for campaign purposes, and the Easley Committee failed to disclose it. Carter also provided a flight to the Perdue Committee on Oct. 27, 2006. Carter's Beech King Air flew from Wilmington to Chapel Hill to Cleveland County. It then flew to Chapel Hill before returning to Wilmington. The Perdue Committee did not disclose the flight until May 26, 2009. The total cost of the flight was \$1,579, but the committee paid Carter only \$966, saying a portion of the flight was official state business. The State Board of Elections recently accepted a \$100,000 settlement from Carter for illegal campaign contributions he funneled through his employees to various Democratic candidates.

**Myles Cartrette**, a Greenville businessman and owner of AMC II LLC, gave the Perdue Committee a flight on his Cessna Citation jet on April 2, 2008. The Perdue Committee paid \$1,619 for it July 31, 2009.

**Jimmy D. Clark** is president and owner of Guy M. Turner Inc., a Greensboro-based heavy rigging and crane service company. He also operates an aircraft under the name of Clark-Griffin Air LLC and provided a flight to the Perdue Committee on Oct. 28, 2008.

The Perdue Committee paid \$714 for that flight on July 31, 2009. He also provided flights in 2008 on Oct. 7, Oct. 14, and Nov. 25. The Perdue Committee paid for them Dec. 16.

**William Edwards**, owner of Air Norman LLC in Denver, N.C., provided a flight in a twin-engine Cessna for the Perdue Committee on Sept. 22, 2007. The flight apparently began at the Lincoln County Airport and involved stops in Chapel Hill and Salisbury. The committee paid \$544 for it on May 27, 2009.

**Mario Fedeli**, of New Bern-based Fedair LLC air charter service, was involved in several flights arranged and apparently paid for by New Bern attorney Trawick "Buzzy" Stubbs. The Perdue Committee paid Fedair directly for a January 2008 flight — valued at \$943 — in July 2009.

**Mike Fulenwider**, owner of Fulenwider Enterprises in Morganton, paid \$1,993 for a charter flight for the Perdue Committee on Nov. 15, 2006. He already had given the maximum \$4,000 to Perdue's campaign at the time. The committee didn't reimburse him for that flight until Dec. 3, 2009. He also arranged two other flights that the Perdue Committee reported as in-kind contributions from others:

- **Robert Fleming**, a Morganton barber, paid \$3,048 to an air charter service for a Dec. 8, 2007, flight arranged by Fulenwider, according to a report filed by the Perdue Committee.

- **Robert Caldwell**, of Morganton, is chairman of the Western Piedmont Community College

Board of Trustees and a friend of Fulenwider. Caldwell had some role in recruiting Fleming or submitting his name as the provider of the in-kind donation for the flight arranged by Fulenwider.

- **Ola Caldwell**, Robert Caldwell's wife, made an in-kind contribution of \$1,194 to the Perdue Campaign associated with the December 2007 in-kind contribution from Fleming, according to records filed by the Perdue Committee.

- **Robert Noyes**, a Morganton businessman, is connected to an Oct. 11, 2007, flight arranged by his then-employer Mike Fulenwider. The Perdue Committee reported the flight 39 days after it occurred as an in-kind donation paid by Noyes. The aircraft originated in Hickory, picked up Perdue in Chapel Hill to travel to Concord and then apparently flew her to New Bern before returning to Hickory.

- **Cameron Harris**, a Charlotte insurance executive and owner of BoHaHa LLC, an air charter services company, provided a nonspecific flight for the Perdue Committee on Oct. 20, 2008. The committee paid \$6,006 on Dec. 29, 2008. On Jan. 12, 2008, the Perdue Committee recorded a donation from Harris of \$3,267 as an event expense. Harris did not return a phone call to *CJ* seeking clarification of his flying activities on behalf of the Perdue Committee.

- **Robert O. Hill Jr.** of Kinston and

Continued as "Dozens," Page 15



# Dozens Involved in Campaign Flight Provider Program

Continued from Page 14

Wilmington, is owner of Hillco, the operator of Britthaven nursing homes. Hill's company Flying W LLC provided a flight to New York City for the Perdue Committee on Feb. 26 and 27, 2008. The Perdue Committee paid \$10,144 on Aug. 7, 2008, for the flights. Perdue appointed Hill to the N.C. State Ports Authority.

**Cress Horne**, the owner of US Helicopters in Wingate, flew Mike Easley in a corporate plane to a political event, and the Easley committee failed to disclose it, according to a May 2009 *News & Observer* report. He also flew Perdue on July 31, 2008. The Perdue Committee paid \$1,219 for the flight on June 30, 2009. Easley appointed Horne to the N.C. Aeronautics Council. Horne did not return a phone call from *CJ* seeking clarification of his flying activities on behalf of the Perdue Committee.

**David King**, of Mach 1.0 Aviation LLC in Raleigh, provided flights to the Perdue Committee on April 1, 2006, May 23, 2006, and March 5, 2007. The Perdue Committee paid for them July 1, 2007. King provided another flight on Nov. 7, 2007, and the Perdue Committee paid him \$593 on Jan. 12, 2008.

**Terence McEnally III**, a Raleigh attorney, made a least four flights in his twin-engine Beech Barron for the Perdue Committee from 2004 to 2006, and the Perdue Committee failed to report them until 2009, when they were classified as in-kind contributions. Reached by phone, McEnally refused to discuss his flying activities on behalf of the Perdue Committee.

**John A. "Sandy" McNeill**, CEO of Liberty Healthcare Services in Whiteville, owns aircraft operated under the name McNeill Transportation. He provided flights to the Perdue Committee on July 22, 2006, and Jan. 6, 2007. A flight on May 2, 2008, was listed as a \$511 in-kind contribution from Sandy McNeill. Another flight on Oct. 29, 2008, was listed as an in-kind contribution on Dec. 30, 2008. Easley and Perdue appointed McNeill to the UNC-Wilmington Board of Trustees. McNeill did not return a phone call from *CJ* seeking clarification of his flying activities on behalf of the Perdue Committee.

**Cameron McRae**, a Bojangles' franchisee from Kinston, flew Easley multiple times for the 2004 campaign in a corporate plane, and the Easley committee failed to disclose it or pay for it, according to *The News & Observer*.

**Lloyd "Mickey" Meekins Jr.**, owner of Mickey Meekins Farm Equipment Inc., an auction company from Lumberton, is associated with flights for the Perdue Committee on Oct. 19 and 21, 2008. The Perdue Committee paid \$232 and \$196 for the flights on Dec. 16, 2008.

**Stephen W. Merritt**, of Cary and the J.D. Hamm Corp., an aircraft hangar construction company, pro-



The Perdue campaign says it spent \$4,243 to use this private Beechcraft King Air to go to an event in Manteo in December 2007. (CJ photo by Don Carrington)

vided flights for the Perdue Committee on May 12 and 14, 2008. The Perdue Committee reported them on Sept. 11, 2008, as \$413 and \$219 in-kind contributions from the N.C. Democratic Party.

**Chester A. Michael III**, the owner of Parkway Ford in Winston-Salem, is listed by the Perdue Committee as making a \$794 in-kind donation on Nov. 27, 2007, for a flight by Blue Star LLC of Winston-Salem that took place on the same day. The flight originated in Winston-Salem with stops in Raleigh and Statesville. Norman Wiginton, a Perdue appointee to the N. C. Aeronautics Council, owns Blue Star.

**Dell Murphy**, a Duplin County hog farmer, flew Easley in 2003 in a corporate plane to fundraising events in Washington, D.C., and Atlanta, and the Easley committee failed to disclose the flights according to *The News & Observer*. He flew Perdue on March 30, 2004, and May 25, May 30, and Oct. 17, 2008. The Perdue Committee didn't disclose and pay for the flights until 2009 and 2010.

**Bryan Neal** of Falcon Airlink, an Asheville-based helicopter company that is no longer operating, provided at least four flights to the Perdue Committee. Perdue Committee records show one flight was paid for the day it took place. The other three were paid several weeks later. A Oct. 3, 2008, flight was paid for Dec. 16, 2008.

**Parker Overton**, a Greenville businessman, flew Easley to Florida in 2003 in a corporate plane, and the Easley Committee failed to disclose it, according to *The News & Observer*.

**PA Aviation** was involved in a June 14, 2008, round-trip flight from Raleigh to Brunswick County for the Perdue Committee. The committee reported it Sept. 11, 2008, as a \$625 in-kind contribution from the N.C. Democratic Party. *CJ* was unable to find out any further information about PA Aviation.

**Sid Pruitt**, a pilot from Wilmington, was involved in a flight for the Perdue Committee on July 7, 2008, in a twin-engine Cessna. No destination

information or payment information is available.

**Thomas Seagrave** of Seagrave Aviation, a Kinston-based air charter service, provided \$4,317 in travel services to the N.C. Democratic Party that appeared to be solely for the benefit of the Easley Committee. If so, Seagrave would have exceeded the contribution limits, according to *The News & Observer*. The transaction also may be in conflict with the legal ban on corporate contributions.

**James M. "Marvin" Shearin**, a businessman from Rocky Mount, provided flights to Perdue on at least seven occasions since 2003. He does not have the FAA approval to operate his aircraft in an air charter service. Some of the trips were for state business, some were for campaign purposes, and some a combination.

**Singh Development LLC**, a Michigan-based real estate company, provided a round trip to Michigan for the Perdue Committee that took place Sept. 12, 2007. The Perdue Committee paid \$8,944 for those services to Landmark Aviation in June 2010.

Perdue Committee Finance Chairman Peter Reichard arranged the flight, according to a report by elections board investigator Kim Strach.

**Robert Stallings**, of Pintail Aviation of New Bern, is associated with a flight for the Perdue committee on May 4, 2008. The Perdue Committee paid \$1,628 for it on July 31, 2009.

**Trawick "Buzzy" Stubbs**, a New Bern attorney and close friend of Perdue, paid for nearly \$30,000 in air charter flights for the Perdue Committee through his law firm. In October 2008 he attempted to convert this gift to an in-kind donation to the N.C. Democratic Party after *CJ* reported on free flights McQueen Campbell provided for Easley. His attempt failed. After a May 2009 *News & Observer* report on Easley taking free flights from Campbell and several others, the Perdue Committee started reimbursing Stubbs. Stubbs did not return several phone calls from *CJ* seeking clarification of his flying activities on behalf of the Per-

due Committee.

**Thomas Taft**, a Greenville attorney and former state senator, is associated with a flight to the Perdue Committee on July 7, 2008, in an aircraft owned by his law firm. The Perdue Committee reimbursed his law firm \$1,310 on July 31, 2009. This may be the same flight associated with Sid Pruitt.

**Hubie Tolson** of National Air Charter of New Bern, provided a "State Fly Around" to the Perdue Committee on May 5, 2008, in a twin-engine Cessna. The Perdue Committee reported it on Sept. 11, 2008, as an in-kind contribution from the N.C. Democratic Party. He also provided a flight on May 30, 2008, in a Robinson helicopter, and the Perdue Committee reported it as a \$341 in-kind contribution from the N.C. Democratic Party.

**Jack Trabbucco** of New Bern, flew Perdue three times in 2005. The Perdue Committee paid for the flights in 2010. He is currently the manager of the Coastal Carolina Regional Airport in New Bern.

**Charles Trefzger** of Chancellor Health Services and Agemark LLC of Hickory, provided flights for the Perdue Committee on Jan. 31, April 3, Oct. 7, and Oct. 20, 2008. Perdue campaign records labeled the first one as state business. The second flight was listed as a \$723 in-kind contribution from the N.C. Democratic Party on Sept. 11, 2008. The Perdue Committee paid \$369.84 and \$354.42 for the other two on Dec. 16, 2008.

**Larry Wagner** of Raleigh provided a flight to the Perdue Committee on April 23, 2008. The Perdue Committee paid \$393 for it July 1, 2009. He also flew Perdue on Nov. 16, 2007, and the Perdue Committee reported it as a \$156 in-kind contribution on that day. That day his plane traveled from RDU to Chapel Hill, to Greenville, to RDU. Reached by phone, Wagner refused to discuss his flying activities on behalf of the Perdue Committee.

**William I. Warren** of Warren Oil Co. of Dunn, provided a flight to the Perdue campaign involving actor Andy Griffith April 20, 2008. The committee didn't reimburse Warren Oil for that flight until June 19, 2009. The Perdue Committee did not pay for other Warren Oil flights on Oct. 1, Oct. 27, Oct. 31, and Nov. 13, 2008, until Dec. 16, 2008. Flights apparently took place in a Beech King Air owned by Warren Oil.

**Vannoy Construction** furnished a Beech King Air based in Jefferson to the Perdue Committee on Oct. 2, 2008, for a round-trip flight from Asheville to Raleigh. The Perdue Committee paid \$629 for the trip on Dec. 16, 2008.

**William F. Zahn**, of Accident Research Specialists and Z Aviation based in Cary, was involved in a flight for the Perdue Committee in a King Air 100 Aug. 6, 2008. The Perdue Committee reported it Sept. 22, 2008, as a \$717 in-kind contribution from the N.C. Democratic Party. *CJ*



# Barone: U.S. in Period of Low Party Loyalty, Volatile Voting Behavior

RALEIGH — When Barack Obama won the presidential race in 2008 and his Democratic colleagues increased their advantages in the U.S. House and Senate, some pundits predicted a major realignment of American politics. Two years later, the picture looks much different. Michael Barone, senior political analyst for *The Washington Examiner*, top political analyst for Fox News, and co-author of *The Almanac of American Politics*, recently discussed the changing political landscape with Mitch Kokai for Carolina Journal Radio. (Head to <http://www.carolinajournal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

**Kokai:** Two years ago, when the president had just won, he was president-elect at this point and told everyone that hope and change had arrived. People were excited. Did anyone expect we'd be where we are today?

**Barone:** I don't think very many people expected to be where we are today, certainly not that crowd of whatever it was, several hundred thousand enthusiastic people in Grant Park in Chicago. [It was] quite a wonderful demonstration of support and post-electoral joy and celebration of America. And you had the political philosopher James Carville predicting that we were in for 40 years of Democratic Party dominance.

Well, it turned out not to last as long as 40 weeks, because by August 2009 you had voters on the generic ballot question ... pollsters asked people, which party's candidate for the House of Representatives would you vote for? They started preferring Republicans to Democrats, and that's an historical anomaly. The question tends to underpredict Republican actual electoral performance. So basically people were kind of soured on the Obama Democrats 40 weeks after the celebration of Grant Park.

I think what's happened is fairly simple: The Obama Democrats came into office [with the] president winning a higher percentage of the vote than any Democratic nominee in history except for Andrew Jackson, Franklin Roosevelt, [and] Lyndon Johnson. ... The Obama Democrats came to office, came to power with the assumption that economic distress would make Americans more likely to support or at least be amenable to big-government programs, and that assumption has turned out to be wrong.

I would've argued based on my reading of history that it was wrong, that this idea has been peddled by the New Deal historians. I don't think it's

*"So Americans have gone back to the founding documents. We've had new people involved in politics. On balance, while this Tea Party movement and other such movements say they're bipartisan, most of their energy and focus has gone into the Republican Party. They've given the Republicans a lot more energy, enthusiasm, and ideas."*

**Michael Barone**  
Senior Political Analyst  
*The Washington Examiner*



even an accurate, or at least a full, accounting of what went on in the 1930s, but we've had the closest thing we can get to a controlled experiment in American politics. People basically don't believe in these big-government programs.

Now, it's not utterly clear that they're going to believe in what the Republicans may be offering if they get congressional majorities or if they get the White House and congressional majorities in 2012. I think we're in a period of what I call open-field politics, when political loyalties are low, political voting behavior is volatile, rapidly changing, issue-focused changes, and as a result you see wild swings in partisan performance.

We had a period from 1995 to 2005 — a period I call trench warfare politics — very little change in partisan voting behavior. Since 2005 we've seen lots of change in partisan voting behavior. [It] favored the Democrats in 2006 and 2008, favored the Republicans in 2009, and seems pretty clearly to be favoring them in 2010, with 2011-12 still, in my view, question marks.

**Kokai:** While some were saying that the election of Barack Obama and the Democrats' success in 2006 and 2008 marked a major change, a shift back toward the left, there were others who said, "No, people just got tired of the Republicans not living up to what they said they were going to do." Do you think that what has happened over the past couple years has refocused conservatives and the people who want Republicans to act a certain way?

**Barone:** Yeah, I think we've seen a couple of carom shots here, if we can adapt the language of pocket billiards

— pool — to political conflicts. I think the rejection of the Republicans in the 2006 and 2008 cycles was a rejection more on grounds of competence than on grounds of ideology. Many Democrats disagreed with that at the time and proceeded to support these big-government programs.

Those in turn have been rejected by a majority of American voters, but what's really interesting is that we have seen an inrush into political activity of hundreds of thousands, even millions, of our fellow citizens, [in a] widely decentralized, spontaneous manner. It's an inrush that's symbolized but not limited to the Tea Party movement.

We've seen these people invoking the language, the arguments, of the Founding Fathers — even the garb of the Founding Fathers on occasion — and recalling America's historic past and our founding documents, the Declaration of Independence and the Constitution.

It's interesting speaking to the John Locke Foundation, who of course talked about the right to life, liberty, and property and whose language in that regard was adapted by Thomas Jefferson and the other drafters of the Declaration of Independence when they talked of life, liberty, and the pursuit of happiness — and by the framers of the Constitution when in the Bill of Rights they wrote the Fifth Amendment. We have a right not to be deprived of life, liberty, or property without due process of law.

So Americans have gone back to the founding documents. We've had new people involved in politics. On balance, while this Tea Party movement and other such movements say they're bipartisan, most of their energy and focus has gone into the Republican Party.

They've given the Republicans a lot more energy, enthusiasm, and ideas. Those are assets to the Republican Party.

There is also a certain amount of liability to the Republican Party. Any time you have an inrush of hundreds of thousands or millions of people into politics, you get a certain number of wackos and weirdos who are part of the group, and they can be a liability to a party.

So we saw something like this with the peace and anti-war movements of the late 1960s/early 1970s, which still has had its influence on the Democratic Party today. I think we're seeing something that is likely to have lasting influence quite possibly for a couple decades to come in the Republican Party and in our politics generally.

**Kokai:** Do you see the possibility that if Republicans don't live up to what the Tea Party folks want them to do, we could be seeing some sort of split, maybe for the first time in 150 years or so, a viable third party?

**Barone:** Well, I think we're in a period of what I call open-field politics, and many things are possible. We had a similar period in 1991-95, and we saw three impossible things happen, which were the election of a Democratic president — we'd been told the Republicans had a lock on the presidency — the election of a Republican Congress — we were told that the Democrats had a lock on Congress — and we had two independent or third-party candidates leading in polls for president of the United States, Ross Perot in spring 1992 and Colin Powell in fall 1995.

I think that we could see similar movements here and in many different directions. CJ



# Miller: Lack of Openness Plagues Higher Education

By DUKE CHESTON  
Contributor

**T**he root of all evils in our nation's higher education system, according to John J. Miller, conservative writer and founder of the *National Review's* blog Phi Beta Cons, is a lack of transparency and accountability.

"No sector in American life or culture," he said, "is more unaccountable than higher education."

Miller, the author of several books, gave a talk Oct. 21 at a Pope Center reception in Charlotte. His talk was on "Colleges and Universities Today: What Parents and Citizens Need to Know."

Miller outlined three main problems with our country's colleges and universities, all of which arise from this lack of accountability. The politics and world-view of faculty and administrators are unbalanced: "They're radically out of step with the American mainstream and are downright hostile to the beliefs of most Americans."

Second, they're doing a terrible job of teaching our children: "Academic standards have withered to the vanishing point."

And they cost way too much: Costs are "so high that for many students, higher education is arguably a bad investment that they shouldn't make."

Miller's experiences at the University of Michigan, which he attended in the late 1980s, served to illustrate two major failings of higher education: political imbalance and the deterioration of standards..

Political lopsidedness leads to intolerance of dissent, which in turn translates into restrictions on political speech, often in the form of speech codes. Michigan enacted one of the first and most stringent speech codes in the country. Even though the most odious parts of it were struck down as unconstitutional by a federal court ruling, it is still a useful illustration because university speech codes persist, even at Michigan, and have proliferated widely.

Several schools in North Carolina — Appalachian State University, Davidson College, Wake Forest University, and the University of North Carolina at Greensboro — are rated

"red-alert," the worst possible rating, by the Foundation for Individual Rights in Education, a group that monitors campus speech codes. Not a single university in the state has been given a "green light" rating.

Again recalling his days at Michigan, Miller concluded that it was possible to get a good education at the university, but a student could have gone to Michigan and graduated without getting one. "The problem was that you had to seek it out," he said.

To demonstrate the problems arising from such lax standards, he pointed to a *New York Times* political reporter who, in a recent article, didn't understand the concept of "the rule of law." Miller declared, "This is what our universities have wrought: a generation of students whose thinking is so impoverished that one who goes on to one of the most prestigious beats in all of journalism — political coverage at *The New York Times* — behaves as if she's never heard the term 'the rule of law' before." Upon reflection, he said, "the scary thing is that maybe she hasn't."

There are rays of hope amid the darkness, however. New and relatively new ranking systems are being implemented to get some kind of idea about what students are getting for their tuition dollars. In addition to the famed *U.S. News and World Report* rankings, Forbes has a ranking, and soon the Pope Center will be providing valuable information to potential students about what they can expect from different colleges.

Moreover, Miller mentioned that the public perception of higher education has shifted drastically since he graduated from Michigan. Today's generation is a lot more skeptical about the American university, the term "political correctness" has captured the popular imagination, a consumer culture is developing in which people actually weigh costs and benefits, and an infrastructure has been developed to support a "counterintelligentsia" (including, for example, the Heritage Foundation, the John Locke Foundation, and the Pope Center).

Given these signs of hope, perhaps Miller's next speech will not be quite as gloomy about the state of higher education. CJ



## COMMENTARY

### *The College Board And the Bubble*

**T**he College Board administers the SAT Reasoning Test (formerly called the Scholastic Aptitude Test) to students who are considering college. If the number of young Americans in that category drops, so does revenue for the College Board. Thus it has a strong interest in keeping the college bubble growing.

With that in mind, let's look at the latest publication of the board's Advocacy and Policy Center, "Education Pays 2010."

The thrust of the report is simple: the more people going to college, the better. Graduates will earn more money, have more satisfying jobs, and are less likely to become unemployed. They pay more in taxes, are healthier, and are more inclined to do good things (like voting and volunteering). Nothing but benefits.

You don't even find the kind of carefully hedged writing that's common in scholarly work. We read, "Students who attend institutions of higher education obtain a wide range of personal, financial, and other lifelong benefits. ..." Not *may obtain* or *many students obtain*. Sounding like advertising copy, this report never admits that higher education's costs might exceed its benefits for some people.

The authors try to brush off reasonable doubts that people might have about college. In response to recent stories about college graduates who can find only low-paying jobs, they say, "We believe it is critical that more people ... examine for themselves the evidence of the benefits of a college degree, rather than relying on the opinions of others — opinions that are too frequently grounded in ideology and anecdotes rather than evidence."

I cannot fathom what "ideology" has to do with the issue, and "anecdotes" can be useful to an individual making the college decision, particularly if the circumstances of the person in the anecdote are similar to his own.

Some of us have argued that most high school graduates who are borderline regarding college are so academically weak that they'd be better off choosing something

other than college, such as vocational education or the military.

The authors of the report want to obliterate such thinking. So they make the astounding claim that students who hesitate to enroll in college "stand to benefit the most from a postsecondary degree," compared with students "who knew from an early age that they would attend college."

Really? Many marginal students drop out if they do enroll in college. What justifies the assertion that they will have any earnings gain, much less incrementally larger ones than students who have

been on track for college since they were born?

The evidence cited is a paper by two sociologists who hypothesize that "individuals with relatively disadvantaged social backgrounds, or those with the lowest probability of completing college, benefit the most from completing college." (Emphasis in original.)

This research is based on two data sets, one comprising individuals nationwide who were 14 to 17 years old in 1979 and the other of individuals who graduated from high school in Wisconsin in 1957. Pretty old data — furthermore, the authors don't *know* how much better the noncollege group would have done if they had gone to college, so they rely on *estimates*. Whatever that paper may demonstrate, it does not prove that today's marginal students undoubtedly will benefit by enrolling.

Indeed, the report undermines its own arguments. We read that 20 percent of male and 16 percent of female college graduates earn less than the median earnings for *high school* graduates. That's a substantial percentage of those who go to college.

The authors of "Education Pays 2010" are highly selective in their evidence. There are solid arguments to suggest that some students don't belong in college, even if the College Board chooses to deny them. CJ

*George Leef is the director of research for the John W. Pope Center for Higher Education Policy (popecenter.org).*



**GEORGE  
LEEF**

## Campus Briefs

Humanitarian speaker and Holocaust survivor Elie Wiesel spoke to a sold-out audience Oct. 10 at Memorial Hall at the University of North Carolina at Chapel Hill's Memorial Hall. His speech, "Against Indifference," detailed how "nothing can come out of being indifferent."

Wiesel is a professor at Boston University and a winner of the Nobel Peace Prize. Born in 1928 in Transylvania, he was 15 years old when he was taken to the Nazi concentration camps at Auschwitz and Buchenwald. He wrote about his experience — including witnessing the death of his father — in his book *Night*. First published in France in 1958, it was a 2007 selection of "Oprah's Book Club."

Wiesel's speech was sponsored by North Carolina Hillel and the Douglass Hunt Lecture Series of Carolina Seminars. He was paid \$50,000.

Wiesel used the Holocaust to demonstrate how indifference can cause appalling events to scar history. He emphasized the indifference of nations and their leaders in allowing the Holocaust to continue. "Memory is the best shield, the best tool to fight indifference. You cannot be indifferent if you know," Wiesel said.

Recalling his experience, he said, "The only face [he] remembered was the face of indifference." One memory is of a man whose appearance showed that he felt nothing for the victims — neither good nor bad.

Wiesel told the crowd that the most important decree of the Bible is, "Thou shall not stand idly by" (Leviticus 19:16).

In closing, Wiesel said, "What you learned here must be used for morality." In response, UNC Hillel and other groups across campus, including the LGBTQ Center, are sponsoring a campaign called "Against Indifference."

Their mission is "to use Elie Wiesel's lecture as a stepping stone to deeper dialogue and conversation to combat indifference at Carolina."

These groups have set up events called the "Big Question Series: Exploring Indifference." CJ

Reported by Ashley Russell, an intern with the John W. Pope Center for Higher Education Policy ([popecenter.org](http://popecenter.org)).

# Growing Pains: UNC System Facing Big Cuts

By JAY SCHALIN  
Contributor

Over the past couple of years, the University of North Carolina system has dodged the budgetary bullet. But a fiscal cannonball is headed straight in its direction, with no time to get out of the way. At least, that was the impression given by Erskine Bowles, system president, at the Oct. 6 Board of Governors meeting.

The UNC system must have its preliminary budget ready in November. Bowles said at the meeting that there was likely a "\$3.5 billion hole" in the state's overall \$19 billion budget.

Former Gov. James Holshouser, an emeritus member of the board, broke down the projected deficit for the 2011-12 fiscal year: According to Gov. Bev Perdue's office, he said, there is a "shortfall" in tax revenue collections of between 3.5 percent and 4 percent. He cautioned that two other key sources of revenue are likely to end this year — federal stimulus money (from the 2009 American Recovery and Reinvestment Act) and a temporary state sales tax that runs out at the end of 2010. Those sources added a combined \$2.8 billion to the North Carolina budget last year.

UNC's recent strategy was to patch together enough funding and trim around the edges so that it could continue on its prerecession course. When the economic downturn began, cuts could be made to nonessential items such as travel expenses and unfilled administrative positions. In April, Bowles said that 834 of the 935 positions eliminated by the 2009-10 budget were administrative.

In the following 2010-11 budget session, the system still was able to expand its financial aid program and increase the student population. A \$170 million drop in appropriations to the system's general operating fund did not cause the job losses and cuts to academics that were anticipated because a massive, last-minute tuition hike — over 20 percent for most undergraduate students — offset the reduction.

Furthermore, the university system's lobbying efforts to continue its growth-oriented policies were extremely successful. The legislature initially introduced a bill that would cap future enrollment growth at 1 percent annually. Not only did the bill fail, but the legislature also funded fully a 3.1 percent enrollment increase.

The political climate is likely to become less favorable after the elections in November, however; the passage of

a bill limiting enrollment is more likely this coming year. Bowles said that he believed enrollment growth "will be restricted, almost out of necessity, by the legislature."

Bowles also mentioned that the system might again lose control of tuition money. In decades past, tuition was treated as revenue that the General Assembly could distribute to the different campuses. In recent years, tuition stayed on the specific campuses where it was raised. In the 2009 budget session, the legislature took back control of the scheduled tuition hike for 2010-11, but in the 2010 session, it relented and returned control to the campuses.

Additionally, the escheats fund, which provides \$116 million of the \$162 million appropriated by the state for need-based financial aid (tuition provides another \$122 million), will run dry by 2013 if current expenditures continue, according to Bowles. The escheats fund is made up of unclaimed property, such as money that reverts to North Carolina when people die without naming heirs.

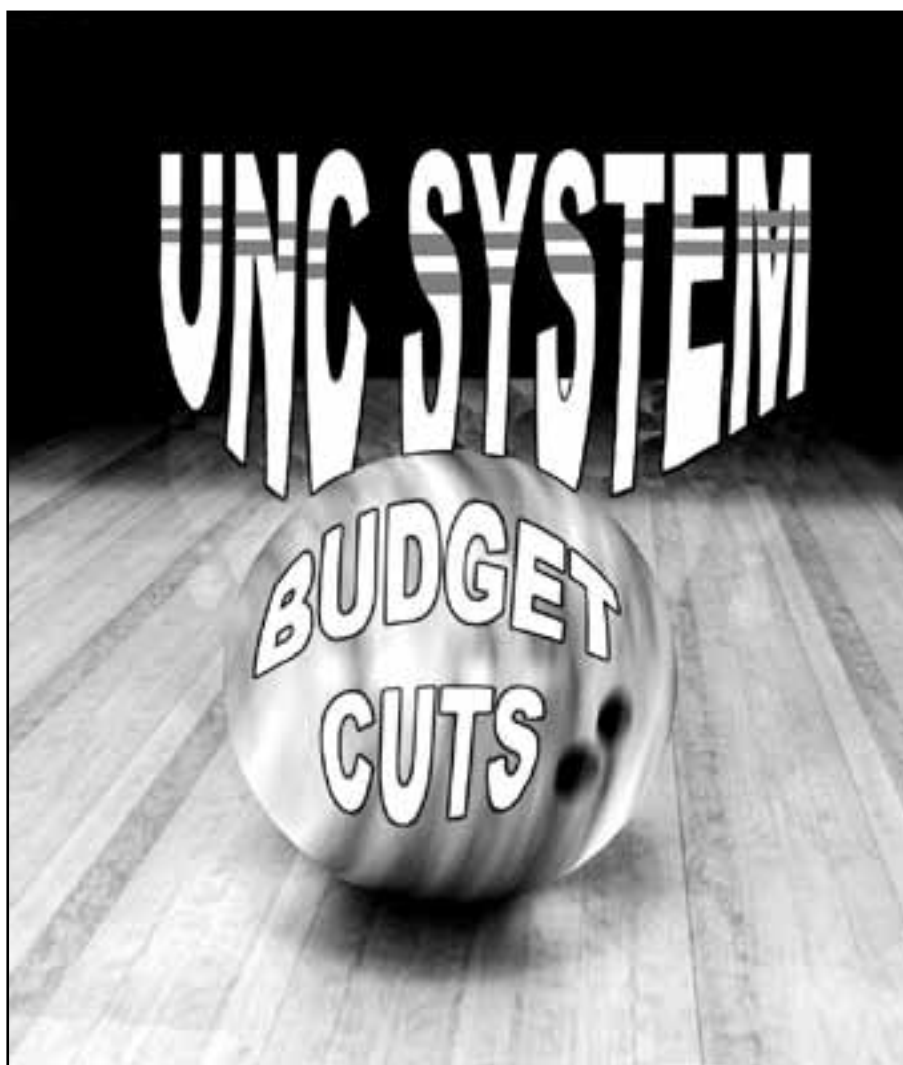
But even as the economy is about to force huge cuts, past decisions are forcing further expansion. Bowles cited two new programs that need more money to begin operations: the dental school at East Carolina University, and the joint School of Nanoscience and Nanoengineering at UNC-Greensboro and North Carolina A&T State University.

A third expansion item proposed by Bowles would add money to programs intended to raise retention and graduation rates by having students who are likely to drop out work intensively with mentors or faculty members.

Bowles did call for some austerity, indicating that chancellors' requests for new construction likely will fall on deaf ears. He said that any capital spending should be used on the \$2.1 billion backlog of "deferred maintenance" projects. Statewide borrowing for either repairs or new construction is unlikely, Bowles added. He indicated that the state's debt load probably cannot go much higher without affecting its top bond rating, which permits it to borrow at the best interest rates.

The Bowles administration has attempted to improve efficiency by expanding cost-effective online programs and working with the lower-cost community colleges to streamline the transfer process. However, the economic reality likely will force incoming system President Thomas Ross to make some severe choices right from the start. CJ

Jay Schalin is senior writer with the John W. Pope Center for Higher Education Policy ([popecenter.org](http://popecenter.org)).





## Opinion

# The Trouble With Intellectuals: They Ignore the Real World

Is economist Thomas Sowell merely a “secure inhabitant of the right-wing think tank world,” one who has no “genuine vitality,” who “learns nothing that does not confirm what he already knew,” and whose “main idea is the hatred of ideas”?

That’s what Alan Wolfe, a Boston College political science professor, claimed last January in a review of Sowell’s 2009 book, *Intellectuals and Society*.

He said that he could not find “a single interesting idea in its more than three hundred pages.” That statement says more about Wolfe than it does about Sowell.

Sowell has always been about big ideas — and they apparently sail completely over Wolfe’s head, perhaps because Wolfe epitomizes the intellectuals who are the target of Sowell’s criticism. Central to *Intellectuals and Society* is the concept that many university faculty and administrators are different from most of the rest of us, and their impact on society can be harmful.

Sowell has written for decades about problems caused by elevated elites who impose their beliefs on others. These elites include academics, “opinion leaders” (such as editorial writers and pundits), and politicians who implement the elites’ “solutions.” In *Intellectuals and Society*, Sowell

concentrates on the intellectuals, most of whom work in the academy. His message: The Ivory Tower should not be the source of most ideas adopted to improve society.

Sowell does not describe all academics, just “public intellectuals,” who apply their ideas to current issues. Furthermore, “intellectuals” aren’t just “smart people.” Physicians, engineers, and financiers are smart but not intellectuals. They work directly with concrete facts or situations, or with people who give them real-world feedback. Intellectuals produce ideas, rather than invent machinery, cure diseases, or manage corporations.

The thesis of *Intellectuals and Society* is that many intellectuals ignore or disparage knowledge that may be far more important to the way society operates than their own ideas. They think they can fix society’s problems without taking such knowledge into account.

Much of the information that enables society to function is what Sowell calls “mundane” knowledge. No one person, however smart, can build up more than the tiniest portion of the relevant information about particular social behaviors and situations.

Consider the *Titanic*. Lack of mundane information destroyed it. “No doubt those in charge of the *Titanic* had far more expertise in the many aspects of seafaring than most ordinary people had, but what was



crucial in its consequences was the mundane knowledge of where particular icebergs happened to be located on a particular night,” Sowell writes. “In the aggregate, mundane knowledge can

vastly outweigh the special knowledge of elites, both in its amount and in its consequences.”

But intellectuals, having great faith in their own “special” kind of intellectual knowledge, dismiss mundane information and often try to override it.

Elites disdain Scholastic Aptitude Tests, which are used to select freshman classes; instead, they want people to be judged as “whole persons.” But judging a “whole person” could take a lifetime, Sowell says, and people in the real world need short-hand methods. Many intellectuals don’t consider the real world in their calculations.

In a similar vein, intellectuals often reject the “first-hand experience of others [i.e., their mundane knowledge], in favor of prevailing assumptions among themselves.” Sowell cites the Duke lacrosse case, in which female lacrosse team members (one of them black) defended students accused of raping a black striptease dancer. Because the women players knew the male lacrosse team well, their statements should have been taken seriously; instead, they were denounced.

The idea that important knowledge is dispersed among many people encapsulates F. A. Hayek’s most important contribution to the history of ideas, one that Sowell often has championed. Sowell quotes Hayek:

*Not all knowledge in this sense is part of our intellect, nor is our intellect the whole of our knowledge. Our habits and skills, our emotional attitudes, our tools, and our institutions — all are in this sense adaptations to past experience which have grown up by selective elimination of less suitable conduct.*

Many intellectuals think that they have the “right” solution, and society should welcome it. But their solutions often rely on limited, abstract knowledge, with real-world feedback filtered out.

The results can be disastrous. They range from increasing rapes in prisons (because money is spent on “rehabilitation” rather than on building enough prison rooms to allow privacy) to the appeasement that led to World War II (both examples from Sowell’s book).

As with other Sowell volumes, every page can be a touchstone for exploring an idea or examining evidence that supports an idea — despite Wolfe’s disparagement. I have tried to clarify just one idea: that intellectuals do not know enough to determine the fate of others. Some humility is in order. CJ

Jane S. Shaw is president of the John W. Pope Center for Higher Education Policy ([popecenter.org](http://popecenter.org)).



JANE SHAW

## Do universities really make the local economy stronger?



Pope Center’s senior writer, Jay Schalin, explores this topic in the report “**State Investment in Universities: Rethinking the Impact on Economic Growth.**”

Possible examples include SAS in Cary, Silicon Valley in CA, Route 128 corridor in MA, and Research Triangle Park in NC.

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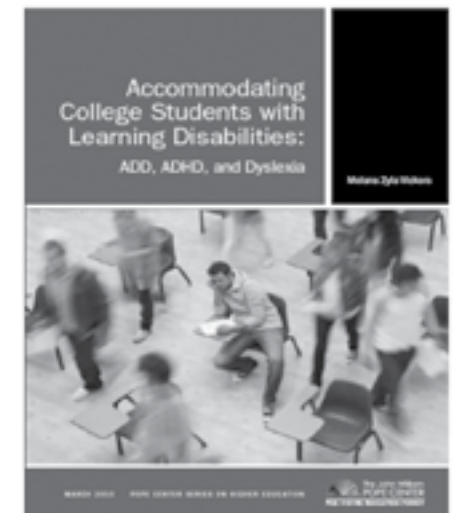
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## From the Liberty Library

• He's been called many things: a socialist, a radical fellow traveler, a Chicago machine politician, a prince of the civil rights movement, a virtual second coming of Christ, or even a covert Muslim.

But as *New York Times* best-selling author Dinesh D'Souza points out in his controversial new book, *The Roots of Obama's Rage*, these labels merely slap our own preconceived notions on Barack Obama.

The real Obama is a man shaped by experiences far different from those of most Americans; he is a much stranger, more determined, and exponentially more dangerous man than you'd ever imagined.

He is not motivated by civil rights struggles, socialist principles, or the tenets of Islam. What really motivates Barack Obama is an inherited rage — an often masked, but profound rage that comes from his African father; an anti-colonialist rage against Western dominance, and most especially against the wealth and power of the very nation Barack Obama now leads. Learn more at [www.regnery.com](http://www.regnery.com).

• In March 2009, British conservative Daniel Hannan became an overnight celebrity when he assailed Prime Minister Gordon Brown on the floor of the European Parliament. The YouTube clip went viral, leading to whirlwind appearances on FOX and other conservative media outlets.

A thoughtful and articulate spokesman for conservative ideas, Hannan is better versed in America's traditions and founding documents than many Americans are. In *The New Road to Serfdom*, Hannan argues forcefully and passionately that Americans must not allow Barack Obama to take us down the road to EU-style social democracy. More at [www.harpercollinscatalogs.com](http://www.harpercollinscatalogs.com).

• As the recession continues, President Obama has chastised the "fat cats" who feast off government bailout money while unemployment remains high and smaller businesses struggle.

But according to Charles Gasparino in *Bought and Paid For*, Obama is faking his outrage, and his calls for new policies to rein in banks that are "too big to fail" are just pabulum. In reality, Obama has climbed into bed with Wall Street CEOs, giving them what they want so they will support his liberal, big-government agenda. Learn more at [www.penguin.com](http://www.penguin.com). CJ

## Book review

## Where Keynes Went Wrong Demolishes Keynesianism

• Hunter Lewis, *Where Keynes Went Wrong*, Mt. Jackson, Va.: Axios Press, 2009, 384 pages, \$18.

BY GEORGE LEEF  
Contributor

IN the wake of the bursting of the housing bubble and the resulting financial collapse, many politicians and high-profile economists (such as Nobel winner and *New York Times* columnist Paul Krugman) have missed no opportunity to push the idea that the economic tonic we need to get over our troubles is "stimulus." What that means is increased spending by the federal government, thereby pumping up demand for goods and services and in turn putting people back to work.

Of course, there is considerable disagreement over that notion, but its popularity is widespread, especially among intellectuals. Intellectuals are prone to distrust the supposed "messiness" and even "chaos" of freedom and easily fall for theories that extol socioeconomic planning by experts like themselves.

That haughty disdain for individualism perfectly mirrors the economic philosophy of the man most closely associated with the theory that an advanced economy needs constant government intervention — John Maynard Keynes.

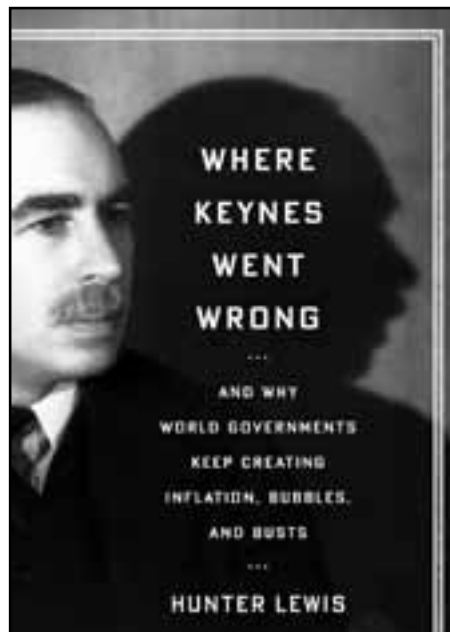
Keynes, who lived from 1883 to 1946, was the progenitor of the economic theories that mostly have ruled the roost since the 1930s. The Obama administration is full of advisers, trained in the Keynesian approach, and its efforts at reviving the economy through massive deficit spending is right out of the Keynesian playbook.

In his latest book, *Where Keynes Went Wrong: And Why World Governments Keep Creating Inflation, Bubbles, and Busts*, author Hunter Lewis utterly deflates Keynes' reputation. Keynes was not a brilliant, original, far-seeing economist, Lewis argues. And his system of thought was nothing more than a hodgepodge of false ideas.

Keynes became a giant, however, because his ideas appealed to statist politicians and academics. They gave intellectual respectability to a vast increase in government power.

Keynes' reputation rests largely on one book, his *The General Theory of Employment, Interest, and Money*, published in 1936. At that time, he already was a well-known public intellectual (more so in Europe than in the United States), but the *General Theory* got people talking about him everywhere.

Lewis examines the major themes of the book and concludes that the adulation for Keynes is much ado about nothing. Far from advancing human understanding, *The General Theory* is a confusing, poorly written jumble of antiquated ideas. It was as if someone wrote a book on medicine saying, in obscure and intellectually intimidating



language, that we should forget about bacteria and once again think about how diseases are caused by an imbalance of bodily humors.

Lewis readily admits that he is not the first writer to undertake a demolition job on Keynes. He praises Henry Hazlitt's 1959 book *The Failure of the New Economics* for its line-by-line debunking of *The General Theory*. Instead of reprising Hazlitt's work, Lewis gives us an easily read book that concentrates its fire on Keynes' major ideas.

Under that fire, the Temple of Keynes is reduced to less than rubble.

At the outset, Lewis observes that Keynes wasn't really an economist at all, but was "the first of a breed that we have come to know well: the government policy entrepreneur. He lived and breathed policy, loved being consulted, pursued, and even lionized by the political and business elite." The policy that Keynes pushed was the antithesis of *laissez-faire*. Rather than leaving the economy to the "invisible hand" — which is to say, to millions of individual decisions and transactions — Keynes wanted experts like himself to control "the commanding heights" and make the choices that would shape the general contours of the economy.

That is how Keynes explained the Great Depression of the 1930s: "Animal spirits" had driven investors wild, but after the bubble burst, they had gone into a terrible funk. Getting the economy moving again would call for government to step in and "prime the pump." It needed to "invest" money in projects chosen by government planners.

It is important to note that Keynes was not a totalitarian. Unlike many other British intellectuals at the time, he wasn't enamored of Stalin's regime. Keynes wanted to preserve a fairly large measure of personal liberty alongside his politicization of investment. What he could not or would not see was that when the state controls "the commanding heights," the details

of the landscape below increasingly will be subject to political control by interest groups manipulating the government to suit their own ends.

Lewis points out that at the time Keynes was penning his ideas about "animal spirits," the Austrian theory of the business cycle was known in London. F. A. Hayek was teaching there, and the two had exchanged letters in newspapers. The Austrians had explained that the business cycle was a result of previous government interventions, mainly efforts at "stimulating" the economy with artificially low interest rates.

The Austrian theory stood in direct opposition to his own explanation, but Keynes never engaged it. As Lewis shows, Keynes was good at using satire and misrepresentation to make himself seem far smarter than "old-fashioned" economists, but he never bothered trying to refute the Mises/Hayek explanation for the business cycle.

Perhaps the most astounding feature of Keynes' economic beliefs was that capital was not really scarce. All government needed to do was to create so much money that interest rates would be driven down to almost zero and goods would become abundant for all.

He maintained that greedy capitalists kept the price of money artificially high for their own gain, thus limiting investment that would greatly expand the nation's production.

That belief is on a par with thinking that through politics we can turn stones into bread, but during the desperate times of the Depression, people were eager for any quick fix. Keynes' message was just what most wanted to hear — especially politicians.

"Where did Keynes go wrong?" The short answer is that he popularized the habit of thinking about the economy as if it were a machine. People are always talking about the government needing to "fix" the economy, to keep it from "overheating," or to "rev it up."

That's how Keynes looked at it: The economy was a simple, poorly built machine that needed constant government attention. The economy, however, is nothing like a machine, and government attention (spending, borrowing, mandating, prohibiting, inflating) only interferes with the network of human relationships — the spontaneous order — that we call "the economy."

Keynes was a pseudointellectual showman whose addled notions gave (and still give) advocates of the megastate cover for their assaults on liberty and property. Bravo to Hunter Lewis for making the case against him so effectively. CJ

George Leef is director of research for the John W. Pope Center for Higher Education Policy ([popecenter.org](http://popecenter.org)).



# Iredell's Work Underscores the Nobility of Fighting for Freedom

Defending constitutional liberty and the ideas of the Founding Fathers is an enterprise that has its ups and downs. It's exciting to learn what James Madison, George Washington, Thomas Jefferson, and Samuel Adams thought about natural rights and liberty and to appreciate their dedication to preserving what they deemed just and later constitutional. But sometimes it can be discouraging and outright disheartening when discussing the Founders with people who dismiss their ideas as outdated or as roadblocks in the path toward progressive ideas.

It's at those times that we should remember James Iredell's words in *To The Inhabitants of Great Britain* (1773): "The noblest of all causes [is] a struggle for freedom."

James Iredell (1751-99) was from Edenton. In his early 20s, he was a



**TROY  
KICKLER**

leading Revolutionary-era pamphleteer and later a leader of the North Carolina Federalists during the state ratification debates of the U.S. Constitution. Following the document's ratification, President Washington appointed the North Carolinian to the U.S. Supreme Court, where he served until his death in 1799. His best-known opinion is his dissent in *Chisholm v. Georgia* (1793) that provided the basis for the subsequent adoption of the 11th Amendment to the U.S. Constitution.

Let's examine further his illustrious career as a pamphleteer in America's earliest years. Although a royal customs collector, he wrote *To the Inhabitants of Great Britain and Principles of an American Whig* (1775).

Inhabitants catapulted the 23-year-old Iredell into political fame. In it, he opposed what he described as Parliament's attempt "to exercise a supreme authority" over the colonies. He expressed this opinion in great part because what began in 1773 as a debate between the governor and the Assembly regarding the establishment of civil courts had evolved into a larger issue: the constitutional rela-

tionship between Great Britain and her colonies.

In the tract, Iredell rejected William Blackstone's "parliamentary sovereignty" argument in *Commentaries*, for as historian and former North Carolina Supreme Court Justice Willis P. Whichard summarizes in *James Iredell*, the doctrine made the "American legal condition" one of "conquered subjects." Iredell put forth another principle: Every person has the right of liberty, and the purpose of all government is to allow individual happiness (as it was defined then). In addition, Iredell condemned discriminatory laws that benefited only a few and warned that Americans would not tolerate such laws.

*Principles* is similar to the Declaration of Independence — or rather, the Declaration of Independence bears consanguinity to *Principles*, for it was written after Iredell penned his work. Iredell argues, for example, "that government being only the means of securing freedom and happiness to the people, whenever it deviates from this end, and their freedom and happiness are in great danger of being irrevocably lost, the government is

no longer entitled to their allegiance, the only consideration for which it could be justly claimed or honorably pledged being basely and tyrannically withheld."

The aforementioned principle is echoed in the Declaration's assertion that the purpose of government is to protect the right to life, liberty, and the pursuit of happiness and that people may alter or abolish a government if it becomes destructive to those ends.

*Principles*, however, did not mark Iredell's political divorce from Great Britain. As late as spring 1776, he considered himself to be an Englishman and even contemplated moving back to his native land. In the end, he identified with his friends and neighbors in what he called "the noblest of all causes, a struggle for freedom."

For more information about James Iredell, and his roles in the Revolutionary War, ratification debates, and on the U.S. Supreme Court, please see [northcarolinahistory.org](http://northcarolinahistory.org). CJ

*Dr. Troy Kickler is director of the North Carolina History Project ([northcarolinahistory.org](http://northcarolinahistory.org)).*

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## Short Takes on Culture

## 'Good Guys' a Good Show

• "The Good Guys"  
Created by Matt Nix  
Fox

Fox's new action-comedy "The Good Guys" isn't your typical cop show. There's no dramatic music, overwrought dialogue, or gritty underworld backdrops.

Instead, Dan Stark (Bradley Whitford) and Jack Bailey (Colin Hanks) deliver tongue-in-cheek one-liners while driving around the sunny Dallas set in a beat-up Trans-Am. Stuck at the bottom of the department totem pole, they arrest thieves and vandals instead of murderers or drug lords.

Stark and Bailey are the "Odd Couple" of cops; the tension between Bailey's by-the-book attitude and Stark's longing for the excitement of the "good ol' days" creates situations that would baffle Oscar and Felix—to madcap and hilarious ends.

Whitford, who previously starred in "The West Wing," plays the washed-up cop to perfection: a wannabe Magnum PI complete with moustache and early-'80s "shades." Hanks (son of Tom Hanks and Samantha Lewes) captures Bailey's constant conflict between his desire to play by the rules and his yearning to impress his ex-girlfriend (Jenny Wade) with a daring or spectacular arrest.

The show's one drawback is its timeline. Instead of running chronologically, "The Good Guys" always begins in medias res before returning to scenes "One Month Ago," "Two Days Ago," or even "30 Seconds Ago." While not difficult to follow, the constant scene changes are a distraction from the storyline.

News channels provide plenty of drama and grit. "The Good Guys" is a great break from reality.

— JENNA ASHLEY  
ROBINSON

• JC Raulston Arboretum at N.C. State University  
Raleigh

Thanks to my wife's encouragement, I've rediscovered my green thumb over the past few years. But we've spent a lot of our adult lives west of the Mississippi. So we have had to relearn what grows in the East and how to grow it.

Fortunately, we have found a wonderful source of inspiration nearby: the JC Raulston Arboretum, near the State Fairgrounds in Raleigh. The eight-acre gardens feature more than 5,000 plant varieties in a host of delightful settings.

My favorite areas are, not surprisingly, the ones most like the West: the Southwest, xeric, and scree (or Alpine rock) gardens, featuring massive yuccas, agaves, cacti, sages, sedums, and lavenders. I not only love the unearthly looking plants; I also am learning how the staff has amended the soil and sculpted the landscape to provide enough drainage to let these desert succulents thrive in our wet winters and steamy, hot summers.

At home, we have several dozen succulents in containers that I dutifully place outdoors every spring and haul indoors around Thanksgiving. With what I've learned at the arboretum, we're planting many of these lovelies outdoors to see if we can bring a bit of the Rocky Mountain West to the Triangle.

To be sure, there's much more to see at the JC Raulston Arboretum. Admission is free. Visit often, and see what inspires you.

— RICK HENDERSON

• *Born to Run*  
Written by Christopher McDougall  
Knopf

*Born to Run* is an epic adventure that began with one simple question: Why does my foot hurt? As author Christopher McDougall seeks to answer this question, he takes us on a ride that unearths amazing athletic achievements, cutting-edge science, and unforgettable characters.

We learn that everything we thought we knew about running is wrong. McDougall, a contributing editor for *Men's Health* and a writer-at-large for *Runner's World*, as well as an ultrarunner himself, uses this opportunity to suggest and possibly prove that running extremely long distances barefoot is the key to health, happiness, and longevity.

McDougall argues and provides plenty of scientific research to back up his claim that expensive megacushioned running shoes account for most running injuries. He reminds us that for many generations, man ran for long distances barefoot or in moccasins without any of the trouble that the modern runner encounters.

*Born to Run* is that rare book that will not only engage your mind and entertain you, but it also inspires. You can't help at times but feel as if you want to put the book down, take off your shoes, and simply run.

— KELLIE SLAPPEY CJ

## Book review

## Pursuit of Justice an Eyeopener

• Edward J. Lopez, ed., *The Pursuit of Justice: Law and Economics of Legal Institutions*, Independent Institute and Palgrave Macmillan, 2010.

BY GEORGE LEEF  
Contributor

RALEIGH

Even the most ardent, minimalist libertarians generally agree that the administration of justice is a core function of government. The kinds of efficiency questions that routinely are asked of other (and more controversial) governmental activities are seldom asked with respect to its running of the justice system.

*The Pursuit of Justice*, edited by professor Edward J. Lopez of San Jose State University, goes a long way toward rectifying that omission. The book consists of his introduction and 11 original essays that undoubtedly will open many eyes to the serious problems that plague our efforts at ensuring just treatment for all citizens.

As professor Robert Tollison points out in his foreword, the book gives us a "public choice" view of our justice system, a view that concentrates on the incentives of the individuals and institutions that run it, for example the American Bar Association.

There isn't space enough here to consider each of the essays in full, although all are very worthy efforts.

Nicholas Currott and Edward Stringham write on the development of the justice system in England, which grew out of ancient legal norms that were not centrally controlled and emphasized restitution to victims. Those practices and institutions were rather good at dispensing justice, but they did not put any money into the coffers of the king. Hence, the authors write, "Centralized police and courts were created to bring revenue to the state."

The remainder of the book looks at America's contemporary justice system, and the essayists find much to criticize. In "Romancing Forensics: Legal Failure in Forensic Science Administration," Professor Roger Koppl reveals the unpleasant truth about government crime investigation. While TV programs depict forensic scientists as devoted public servants, the fact is that they are ordinary people who respond to incentives that don't necessarily correspond with justice for defendants.

Most crime science laboratories in the U.S. are under the control of law enforcement agencies, and the people

who work in them are prone to seeing their role as helping obtain convictions rather than getting at truths that would help defendants. "All forms of error from honest error to willful fraud are more likely to be made in favor of the prosecution than the defense," Koppl writes.

Two essays focus on the abuses of eminent domain. Law professor Ilya Somin argues forcefully that government takings of real estate for the purpose of advancing economic development are both harmful and unnecessary. Private developers usually can overcome holdouts who might stand in the way of projects; if they can't, it's

better that an occasional profitable development by shelved or delayed than that some people be evicted from their homes for nothing.

What about the fact that individuals who have their property seized must be paid just compensation? That is the subject of Professor John Bratland's contribution. Courts generally have adhered to a "fair market value" requirement, assuming that dispossessed prop-

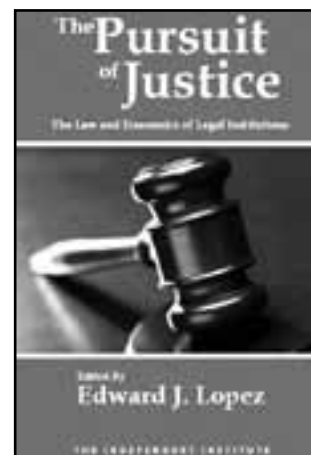
erty owners are made whole if they receive that amount. Bratland eviscerates that notion, pointing out that value is subjective and includes emotional attachments people often have to property that cannot be priced.

Lastly, consider Adam Summers' essay on the harmful impact of lawyer licensing. Earlier in our history, America enjoyed a free market in legal services — no educational credentials or licenses required for practitioners, and consumers could deal with anyone they wanted to. The American Bar Association, Summers shows, moved mountains to cartelize the legal profession.

It leaned on state legislatures to mandate attorney licensure, which nearly all conditioned upon graduation from an ABA-accredited law school. Little of what a lawyer needs to know in his work actually is learned in law school, and what he does use could be learned outside of law school. It is just a costly barrier to entry.

*The Pursuit of Justice* is a thought-provoking volume. Running the justice system may be a core function of government, but the government could and should do a far better job of it. CJ

George Leef is director of research for the John W. Pope Center for Higher Education Policy ([popecenter.org](http://popecenter.org)).





# Well-Paced Narrative Recounts High Point of American Conservatism

• Garland S. Tucker III: *The High Tide of American Conservatism: Davis, Coolidge, and the 1924 Election*, Austin, Tex.: Emerald Book Co., 2010, 336 pages, \$29.95 hardcover.

By MITCH KOKAI  
Associate Editor

RALEIGH

For generations who've grown up with the notion that Franklin D. Roosevelt's New Deal saved the United States from the Great Depression, the following story might be hard to believe.

It's March 1933. Republican Herbert Hoover has presided over several years of dismal economic conditions, and his Democratic successor — an overwhelming winner against Hoover in the 1932 presidential race — is about to embark on a new course.

As FDR prepares to take aim at the Depression, a "major article" in the Sunday *New York Times* delivers a warning. "The chief aim of all government is to preserve the freedom of the citizen," the *Times* author contends. "His control over his person, his property, his movements, his business, his desires should be restrained only so far as the public welfare imperatively demands. The world is in more danger of being governed too much than too little."

"It is the teaching of all history that liberty can only be preserved in small areas," the writer continues. "Local self-government is, therefore, indispensable to liberty. A centralized and distant bureaucracy is the worst of all tyranny."

And there's more to be feared than centralization. "Taxation can justly be levied for no purpose other than to provide revenue for the support of the government," the author

concludes. "To tax one person, class, or section to provide revenue for the benefit of another is none the less robbery because done under the form of law and called taxation."

Given the standard textbook view of American history, the author of those words must have been a reactionary shaking his fist at the experts descending upon Washington to help Roosevelt turn the country around — through increased government planning, unprecedented centralization, and taxation not seen since the days of World War I.

Surely the author of those words was a Republican, perhaps the sore loser Hoover himself.

Find that copy of *The New York Times*, though, and you'll discover that those Jeffersonian notions of limited government actually emanated from the pen of John W. Davis. Lifelong Democrat John W. Davis. One-time Democratic presidential nominee John W. Davis.

It's a major accomplishment of Garland S. Tucker III's new book that today's students of political history have a chance to learn more about Davis, an unsung hero of American conservatism.

Tucker contends that Davis' unsuccessful challenge of Republican Calvin Coolidge in the 1924 presidential race marked — as the title tells us — the "high tide" for American conservatives. The 1924 contest marked the last time both major parties nominated a conservative candidate for the White House.

Search for the most important presidential races of the past century, and you're likely to consider the aforementioned 1932 contest that ushered in Roosevelt's New Deal and the landslide 1980 election, which enabled Ronald Reagan to help steer the nation away from big government programs first launched under Roosevelt's watch.

You might point to Johnson's win over Goldwater in 1964, with its profound implications both for federal government expansion and for conservative retrenchment, or the most recent election, which produced the first president of color.

But chances are pretty good that you haven't considered 1924 among those major elections. After all, Coolidge won big. The

two major candidates were indistinguishable in many areas of public policy.

The nation was enjoying a respite of prosperity between the major crises of the first "war to end all wars" and the first large-scale government attempt to steer the economy out of a ditch.

Tucker's well-paced narrative might make you reconsider your assessment of 1924. In addition to his profile of the nearly universally neglected Davis, the author explains how a taciturn conservative such as Coolidge won fans within an American electorate that was still recovering from war and from the scandals of Coolidge's predecessor, Warren Harding.

"He warned against the 'thou-

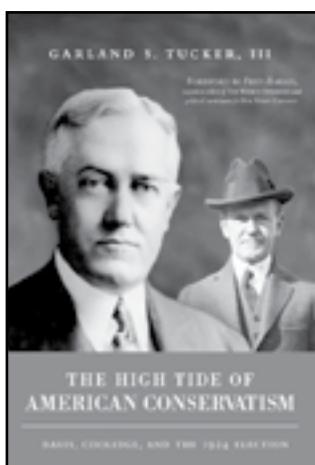
sands upon thousands of organizations ceaselessly clamoring and agitating for Government action that would increase the burden upon the taxpayer by increasing the cost of Government'; and he solemnly pledged himself to 'the practice of public economy and insistence upon its rigid and drastic enforcement,'" Tucker writes of Coolidge. "He decried the growth in the American tax burden over the twenty years preceding Harding's election, stating, 'It is no wonder that under these almost despotic exactions the morale of the country began to break down. Its vitals were eaten out.'"

If Coolidge and Davis saw eye to eye on the dangers of too much government, a significant minority of voters shared the opposite view. The prospect of two conservative presidential nominees prompted Wisconsin Republican Sen. Robert La Follette to bolt the GOP for the Progressive banner.


"While his 1924 run for the presidency fell short, it was a transformational event in American political party history," Tucker writes. "Progressive Republicans were shaken loose from their historical party moorings of more than a generation and ultimately found a home in the Democratic Party, which turned away from its Jeffersonian roots in the years following 1924."

The man who would become the next Democratic president certainly learned political lessons from 1924. "Franklin Roosevelt commented shortly after Election Day, 1924, that it was useless for Democrats to 'wear the liv- ery of the conservative' — a lesson the Democrats have not yet forgotten."

Thanks to Tucker's research and exposition of the often-neglected 1924 campaign, readers catch a glimpse of the early signs of major change that paved the way for today's ideological partisan battles. *CJ*




**BOOKS AUTHORED BY JLF STAFFERS**



By John Hood  
President of the  
John Locke Foundation

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The North Carolina Education Alliance is a project of the John Locke Foundation

## COMMENTARY

## Can Leadership Be Taught?

After decades of research on the practice, theory, and even the personal cache of leadership, the question of whether or not great leadership can be taught is still the subject of debate. On one side is the persistent idea that innateness and greatness are bound together in a great leader's makeup. Even if unspoken, the "born leader" idea is a conviction that many people hold. On the other side is the belief that leadership definitely can be taught. If that is so, old ideas about natural ability, for leadership purposes anyway, are overstated and obsolete.

An *Academy of Management Learning and Education* (2003) article titled "Can Leadership Be Taught? Perspective From Management Educators," examined this innate vs. learned leadership question. Management professors in the study emphasized the sharp difference between the effort to impart knowledge as a teacher and leader, and students' ability to acquire knowledge as a recipient. Most management educators thought that formal skills and knowledge, such as speaking and the technical aspects of presentation, management theory, and even formal strategy techniques, could be taught pretty successfully. But the intangibles of Emotional Intelligence — personal characteristics, intuition, empathy, attitudes, and dispositions, some of them coachable but not readily teachable, fall through the leadership development cracks.

So far the leadership training field remains divided. Depending on the aspects of leadership you wish to teach, the answer to "Can Leadership Be Taught?" is "Yes," "No," or "Maybe." There is agreement on a number of points. Research suggests that effective leaders have a "teachable" point of view that both defines them personally and recognizably shapes their goals, that attitudes in particular seem to be innate and less trainable than other characteristics, and that practical experience is essential to the leadership development process.

Whichever view of leadership development is more correct, we teach leadership, or a collection of

things we call leadership development, to class after class of undergraduate and graduate students, as well as to executives and adult professionals. We firmly believe that leadership is important — to study, to imitate, if possible to boil down to its least common denominators.

The hope of many existing programs appears to be that the collective information and experiences garnered in class will enlighten, inspire, and encourage participants to become better leaders. By extension, they can then help others to do the same.

Specific, concrete skills and knowledge certainly are involved in the transformation process. But there is clearly an undefined something more to be understood. As analysts continue the conversation about what a leader is, and exactly what a leader does, training methods in the leadership development industry sometimes share more with interpretive dance than they do with exact science.

That's not necessarily a bad thing. Behavioral science, like other social sciences, deals with human beings, all both highly similar and yet unique in countless ways. If we are hoping to find a leadership recipe that works pretty much all of the time for pretty much everyone, or in all situations, we will be disappointed. A universally recognized "better leader" formula and metric remain unknown.

What's next? Studying Emotional Intelligence. Formal leadership and organization development programs already teach courses in communications skills, strategic management, organization theory, human resources, group and individual effectiveness, and collection and use of data. Programs make extensive use of case studies, assessment techniques and hands-on learning experiences.

But the best new approaches incorporate learning from brain science, from the science of happiness, and from Emotional Intelligence. The role of EI in leadership is next up in this series. CJ



**KAREN PALASEK**

*Karen Y. Palasek is director of the E.A. Morris Fellowship for Emerging Leaders.*

NEWS ITEM: GOP LEADERS ARE LOOKING TO HARNESS THE TEA PARTY!



## EDITORIAL

## The Integrity Of the Ballot

A week before the Nov. 2 election, a divided three-judge panel of the 9th U.S. Circuit Court of Appeals overturned Arizona's requirement that voters provide proof of citizenship before they register to vote. The court said the federal National Voter Registration Act — requiring applicants to sign an affidavit when they register swearing that they are U.S. citizens — offered enough protection to prevent fraud.

The court did, however, rule that it was OK for Arizona to require voters to present a state-authorized photo ID at the polls.

If the ruling were applied nationwide, it seems that the government would look the other way if someone who's not a resident of North Carolina — including noncitizens — lied or used phony documents to get on the voter rolls. That person could cast a ballot, no questions asked, so long as he brought a picture ID (which itself may be bogus) to the polls.

This is nuts. And it's why an early order of business for the 2011 General Assembly should be a new law setting tougher requirements when persons both register to vote and cast their ballots.

Every session of the General Assembly since 2001 has considered a bill requiring voters to show a driver's license or other state-authorized photo ID at the polls. None of the bills has gotten out of committee.

Why the resistance to such a common-sense requirement? Old-line civil rights groups claim that any measure requiring photo ID sup-

presses turnout and could lead to the "disenfranchisement" of racial and ethnic minorities. Fortunately, the U.S. Supreme Court already has dealt with those objections. In 2008, a 6-3 majority upheld an Indiana statute requiring voters at polling places to show a government-issued photo ID — either a driver's license, a U.S. passport, or a state-provided nondriving ID card. The court ruled that the public interest in preserving the integrity of elections was more important than any burden individuals might find in obtaining an ID.

The way we see it, if you have to present an official photo ID to board a commercial airliner or enter a federal building, you also should be required to provide reliable proof of identity to cast a ballot.

When America's founders (and their intellectual forebears such as John Locke) wrote "the law is king," "a government of laws and not of men," or "if men were angels, there would be no need for government," they were stating basic principles that have helped our Republic stay vibrant and free for more than two centuries: People are fallible. Some are dishonest. A just society requires institutions and safeguards that protect the innocent from those who would prey on our weaknesses or misplaced trust.

Earlier this fall, state Republicans announced a 10-point plan they would introduce at the opening of the 2011 General Assembly. One item on the agenda: the so-called Honest Election Act, requiring voters to present a valid photo ID at the polls.

It's a start.

CJ



## EDITORIALS

# Higher Ed Costs

*Shiny new buildings no bargain*

If North Carolina policymakers want to improve the quality of the buildings and facilities on the state's universities and community colleges, the last thing they should do is authorize another massive higher-education bond package.

A decade ago, state policymakers placed a \$3.1 billion package of construction bonds for UNC and community college campuses on the statewide ballot. At the time, higher-education leaders admitted that they had done a poor job of maintaining the extensive physical plant already on their campuses. They also argued that if voters said yes to the bonds, they wouldn't raise the state's taxes.

The bonds passed. Gobs of money went into the construction pipeline, enriching the contractors who helped finance the referendum campaign and resulting in a dramatic change in the look and feel of most of North Carolina's public campuses.

But the fundamental problem wasn't fixed. On campus, there continued to be a fascination with shiny new things — not just buildings, but new research projects, academic programs, entertainment and recreational facilities, and huge increases in enrollment.

During good economic times and bad, UNC and many community colleges failed to make a priority of maintaining quality. The focus was on expanding quantity. Educationally, their policies continued to waste tax-

payer money on remediating students at the front end and failing to graduate large percentages of them on the back end. Physically, their policies led to deteriorating classrooms, laboratories, and other facilities.

Rewarding those who have managed North Carolina's higher-education bubble during the past two decades with more taxpayer money would be akin to the recent bailouts of mortgage lenders, insurers, and auto companies. It would constitute a transfer of resources from the efficient to the inefficient, from the prudent to the improvident, and from the farsighted to the nearsighted.

When faced with a budget crunch, the managers of public agencies already have good reason to skimp on supplies and maintenance instead of personnel costs. Strong interest groups represent teachers, state employees, and government contractors. If managers can make their staff and vendors happy by deferring facility costs, and be reasonably certain that there'll be a bond package in the future to take care of the backlog, they'll do it.

The Perdue administration and the new General Assembly should kick off the tough budget deliberations of 2011 by giving the state's higher-education leaders a clear message: we no longer will reward your poor management with promises of future bailouts. *CJ*

# Fear the Tea Party

*Cozy, corrupt relationships endangered*

Free enterprise creates the conditions for business to thrive. But don't expect business organizations and lobbies to be consistent advocates of free enterprise and the principles of limited, constitutional government that make it possible.

Among the organizations representing businesses of all sizes, the U.S. Chamber of Commerce has the best record of opposing tax hikes, intrusive regulations, trade barriers, and wasteful spending. For smaller companies, the National Federation of Independent Business has proved to be an effective, principled defender of free enterprise in Washington and elsewhere.

Other business groups and lobbyists have far less impressive records. Many are willing to cut deals with left-leaning lawmakers, either because they secure a special favor out of it or

because they are afraid to buck the political tide. And many business groups spend much of their time actively lobbying for government intervention in the marketplace — in the form of subsidies, bailouts, or regulations that exclude or damage their competitors.

*The Wall Street Journal* recently reported that a number of corporate executives and lobbyists are worried about the rise of the Tea Party movement. While increasingly hostile to the Obama administration and its growth-killing tax and regulatory agenda, these business groups aren't entirely sure they will like the alternative, either.

They fear that Tea Party conservatives will win enough congressional seats in November to threaten the availability of special tax breaks, marketing subsidies, and bailouts in the coming years. *CJ*

## COMMENTARY

# Washington Borrows, Raleigh Spends

For most of the past 50 years, presidents and lawmakers of both parties have mismanaged the finances of the federal government. In this season of bald partisanship and sharp-elbowed politics, surely all North Carolinians can agree with that.

But heaping scorn on the fiscal recklessness of Washington can't get state and local politicians off the hook. It turns out that among the chief beneficiaries of the federal government's deficit spending are states and localities.

I've recently been updating my data on gross domestic product and government finances going back to the 1959 fiscal year, as part of a research project on the perilous fiscal situation facing many of America's state and local governments. Because one of the themes of my piece is the extent to which the federal government acts as an implicit borrower for states that aren't supposed to finance their current operations with debt, I've been looking closely at intergovernmental flows of revenue.

What I found struck me as both fascinating and largely unrecognized even to fiscal-policy wonks: Federal aid to states and localities is a major element of federal budget deficits.

Since 1967, the federal government has run budget deficits in all but five fiscal years. These deficits have ranged from small (less than 1.5 percent of GDP in nine separate years, most recently 2006) to large (between 4 percent and 5 percent of GDP in nine years) to scary (about 9 percent in 2009 and so far in 2010).

In all of those deficit-spending years, total federal grants to states and localities amounted to at least 40 percent of the federal deficit. In most years, a majority of federal borrowing went straight to state and local budgets. More recently, the trend has been even more exaggerated — since the return of deficit spending in 2002, after the brief bipartisan budget balancing of the late 1990s, virtually all of the federal deficit was consumed in revenue

transfers to states and localities.

Until last year, that is. With the support of outgoing President Bush, incoming President Obama, and most of the Congress, Washington responded to the recession with a panoply of federal bailouts and spending programs, driving deficits to unprecedented heights. States and localities got a good chunk of the borrowed money, to be sure, about 40 percent. But most of it went elsewhere.

This isn't just a fiscal issue. Most state constitutions forbid the practice of financing annual operating costs with borrowing. They do so for good reason. Access to easy credit is particularly dangerous for teenagers and politicians, for similar reasons.

They lack the long-term incentive, and often the knowledge, to make wise decisions. It's best to impose responsibility on them through ironclad budgeting rules.

Unfortunately, easy access to federal borrowing subverts the states' balanced-budget requirements. If North Carolina politicians can ask Washington for extra Medicaid money, education funds, or other bailouts they can use to fill in holes during recessionary budget years, they have fewer incentives to control state spending growth when times are good — or to pare expenses when the recession hits.

The result is a ratchet effect in state spending. Through booms and busts, the overall trend is higher in real terms.

Because most federally funded programs — such as Medicaid, schools, and highways — require state matching funds, the result can be calamitous for taxpayers in the long run.

Easy credit is a "favor" that Washington should stop offering North Carolina. North Carolinians end up paying for it all, anyway. It would cost us less if the federal government "gave" us less. *CJ*

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



**JOHN HOOD**

## EDITORIAL BRIEFS

SSDI Out  
Of Control

Social Security Disability Insurance may not be the best-known government benefits program. It is, however, both expensive and understates the number of people without jobs, writes James Ledbetter for *Slate*.

When SSDI was introduced in 1956, it covered only those aged 50 to 64 who had been in the work force and suffered “any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.” In its first year, 150,000 Americans were receiving SSDI. Since then, Congress repeatedly has eased the eligibility criteria, resulting in an ever-growing pool of SSDI recipients. A million Americans were getting SSDI by 1966; the number increased to 2.8 million by 1977. Today, 8 million former workers are getting SSDI. SSDI also provides benefits to 1 million disabled adult offspring and disabled widows and widowers. This comes to over 4 percent of the U.S. working-age population.

There is no time limit on how long someone can receive SSDI. Payments end only when a recipient dies, turns 65, gets a job, or becomes healthy enough to be self-sufficient. Only 12 percent of those who leave the SSDI rolls each year do so because they found a job or returned to health.

Ledbetter says SSDI’s \$180 billion annual cost is only one problem with the program. “It’s also troubling that the U.S. unemployment problem is actually much worse, and much more intractable, than the already dismal numbers tell us.”

## Keynesianism fails

Across Europe, governments seeking to stimulate their economies are adopting austerity measures rather than running massive budget deficits. A number of American economists, including Paul Krugman and Brad DeLong, have claimed the European actions are likely to return those economies into recession. Writing in *Reason*, George Mason University economics professor Veronique de Rugy says this criticism is wrong.

De Rugy states that the European move toward austerity is forced. Many European countries rely heavily on foreign investors to finance their deficits, and investors increasingly are questioning the governments’ economic policies.

“When investors lose confidence in a government’s fiscal rectitude relative to its competitors, they withdraw, and the snubbed country suffers,” says de Rugy.

“Capital being a scarce good, the result is increased interest rates and a higher price for debt.”

Research also shows that stimulus is ineffective. A recently published paper by economists Robert Barro and Charles Redlick shows that a \$1 increase in government spending produces less than \$1 in economic growth. The numbers are even worse for tax-financed government spending, which actually causes the economy to shrink.

CJ



## On Pay and Productivity

I like former U.S. Secretary of Labor Robert Reich. As a frequent debater of contentious public policy issues in the media, Reich is affable and good-humored, and someone who never — at least in situations I’ve observed — resorts to personal attacks. Reich is short in stature, and I remember when he stood behind the podium at an NCSU Emerging Issues Forum, he opened with the line, “Is this the picture of big government?”

Reich is a prolific writer, and his latest book is titled *Aftershock*. The thesis of the book is that the “bargain” between workers and the economy has been broken. Prior to the mid-1970s, workers could count on increased rates of pay commensurate with the increase in their productivity. However, since the mid-1970s, Reich purports to show that, while labor productivity has continued to rise, worker pay has stagnated.

Hence, in Reich’s terms, the “bargain” has been broken. Average worker pay has been flat even though workers are contributing more to production. With income growth strongest at the highest end of the income ladder, most workers tread water while observing those at the top getting more. Reich’s solution includes higher taxes on the rich, lower taxes for others, and “wage insurance” for those losing their jobs.

Reich articulates his view of the economy very well. However, the big problem is that the assertion on which his entire argument rests — that workers have not been compensated for their increased work effort — is flat wrong!

Reich looks at what workers see in their paychecks — earnings. And indeed, if you plot average worker earnings against worker productivity (what the worker produces in a given time period) — being careful to adjust for inflation — then you do see the two moving in lockstep until the mid-1970s. After then, worker productivity continues to rise, but worker earnings are flat.

Yet in recent decades, how workers are paid has changed dramatically. While workers still see money in their paychecks, what companies pay workers outside their paychecks has increased

significantly. This “outside the paycheck” compensation includes overtime, bonuses, and — most importantly — the cost of benefits like company-provided health insurance. The “outside the paycheck” compensation has almost doubled since 1970 — from 11 percent of total compensation then to 20 percent today.

If “outside the paycheck” compensation to workers is included with their paycheck earnings, then Reich’s argument falls apart. Calculations done by Harvard University economist Martin Feldstein, who also chaired the President’s Council of Economic Advisers in the 1980s, show total worker compensation — including both paycheck and “outside the paycheck” compensation — has continued to track worker productivity even since the mid-1970s.

So the economic bargain that Reich talks about — where workers are paid based on what they produce — hasn’t been broken. It’s just that today, compared to the past, workers are paid in a different way.

What about Reich’s other implication — that the rich have grown richer at the expense of the poor? This too, to be generous, is an oversimplification. The fact is that from 1975 to 2009, the U.S. Census Bureau shows that average income (adjusted for inflation) for all households on the income ladder has increased. Dividing the income ladder into five rungs, income at the lowest rung increased 10 percent, followed by gains of 13 percent, 17 percent, and 27 percent, for rungs two, three, and four respectively. Income for households on the highest rung of the ladder increased 57 percent.

With income gains being greatest for households on higher income rungs, the gap between the “rich” and the “poor” — income inequality — has increased. But clearly the data show this is not a result of the poor getting poorer and the rich getting richer. Instead, everyone has gained — it’s just those at the top have gained more.

And why is this?

Easy — those at the top usually have more education and training — traits that have become more valuable in our modern economy.

CJ

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

MICHAEL  
WALDEN



# Wake School Politics Defy Left-Right Labels

Wake County school board politics are fun, aren't they? The interesting characters, ego clashes, and name-calling make the 2010 midterm elections seem like a snoozefest. Who needs Obama, Pelosi, and the Tea Party when we have Ron, John, Chris, Anne, Keith, Carolyn, Kevin, and the two Debs?

This might sound a little nerdy, but I think one of the most interesting discussions I have had on the topic in recent months was about ideology, not prom queens. Who are the conservatives on the board? Who are the liberals? On the surface, answers present themselves pretty clearly. The pre-Goldman defection majority are the conservatives, led ostensibly by John Tedesco. The "minority" — Anne McLaurin, Keith Sutton, Kevin Hill, and Carolyn Morrison (I call them MSHM) — are the liberals because they support a pro-diversity busing policy. But I don't think it's quite as simple as that.

To use the pure definition of the term, the minority is conservative because it wants to protect the status quo and slow the pace of change. Its members and supporters sometimes even use the language of paternalistic

19th-century conservatives; speaking as they do of civic obligations and a holistic community — the British Tories used to call it "one-nation conservatism."

But this all seems a bit odd in the context of contemporary American politics. The bloc consisting of Chair Ron Margiotta, John Tedesco, Deborah Prickett, and Chris Malone (MTPM) looks markedly more conservative to us — even though, in the tradition of Newt Gingrich, who in 1995 became the first Republican Speaker of the House in 40 years, they might prefer to call themselves "radicals," or agents of change.

Much of this has to do with the partisan affiliation of the group and its neighborhood schools philosophy. It's not easy to stretch the issue of school assignment neatly along the conventional liberal-to-conservative spectrum we use to understand American politics, but the argument is essentially that neighborhood schools represent a kind of "natural order" for assignment and a laissez-faire attitude by policy-makers, whereas the diversity policy is intrusive and involves the deployment of a significant amount of public resources.

Still, it is interesting that MTPM has moved away from the idea of neighborhood schools a little. The proposed zonal policy, in which families could not be guaranteed their neighborhood school but would choose between institutions in a

particular area, certainly recognizes the important conservative value of choice. But its implementation requires government activism and the commitment of significant resources for transportation.

In fact, although Debra Goldman's defection from the majority — a group I'll call MTPM+G — protected the liberal status quo, an argument can be made that she took a principled stand in favor of a policy that is more conservative than the zonal version authored primarily by Tedesco. That policy, remember, initially was offered as a kind of olive branch to the pro-diversity crowd.

There is another issue on which MTPM (this time +G) are not particularly conservative. The grassroots revolt that started in western Wake and helped propel Tedesco, Malone, Prickett, and Goldman to victory last year essentially began as a backlash against the county's mandatory year-round schools policy. If year-round schools can be thought of ideologically, they are surely more conservative than those on the conventional calendar. They are more efficient and, on a per-student basis, do not consume as much taxpayer money.

You might ask: Does this all matter? To a certain extent the answer is "no." As I have noted, school board politics are difficult to understand in liberal and conservative terms. They are much more parochial than

the large issues that are discussed on newscasts or in speeches by the president and other national leaders. They are tribal rather than partisan and frequently about personalities more than policies.

But at another level this does matter. It's a shame that neighborhood schools should splinter MTPM+G. All members of the group want a hands-off school assignment policy. There must be a way for them to get back together.

It's a shame that year-round schools stoke controversy and division, too. Conservatives should be allowed to speak freely and independently on these issues and not allow their intramural squabbles to distract from the bigger issues of education reform.

These include merit pay for teachers, creating metrics to measure student progress and hold schools accountable for performance, and permitting families that feel their school has failed them to transfer elsewhere. Although many of these decisions would be made at the state level, a unified school board majority could make a good start on them. *CJ*

*Andy Taylor is Professor and Chair of the Department of Political Science in the School of Public and International Affairs at N.C. State University.*



**ANDY TAYLOR**



**BECKI GRAY**

Calls for transparency, open government, and fiscal responsibility have been heard often during the recent election season. Everyone from the governor to school board candidates has promised more sunshine, more disclosure, and more restraint. But will we see it? Sometimes real disclosure hides behind half-truths and shadows.

Three months into the 2009-10 session of the General Assembly, House Bill 628 passed, authorizing the expenditure of \$25 million to rebuild Jennette's Pier in Nags Head. The bill was proposed and supported by northeastern coastal legislators, including House Rules Committee Chairman Bill Owens, D-Pasquotank, Rep. Tim Spear, D-Washington, and Senate President Pro Tem Marc Basnight, D-Dare.

Members were assured the money would come from "existing funds" and not require any new spending.

With record unemployment and the Nags Head area hit especially hard, the bill promised more than 1,800 new jobs and a \$14 million economic benefit to the area. The bill passed unanimously in both chambers.

But was the information on which legislators based their vote accurate?

A staff member at the General Assembly's Fiscal Research Division, which provides fiscal analysis legislators depend on when considering spending bills, said Fiscal Research "did not provide those numbers to the members who sponsored the legislation, and neither did [it] prepare a fiscal note" spelling out the projected taxpayer costs of the project.

The budget department of the Department of Environment and Natural Resources — which would fund the project — didn't provide the numbers, either.

Nope. The number of jobs and the economic benefit promises came from Clancy and Theys, the construction company that got the contract to rebuild the pier.

When asked how many jobs the pier had created, a Clancy and Theys representative said the economy had changed since the project was ap-

proved. The plan was no longer to create jobs — none were created — but to save them.

When asked how many jobs had been saved, the spokesman said the company doesn't keep a log of that. As for the promised \$14 million economic benefit, the spokesman explained that Clancy and Theys was a construction company bidding on a job.

No jobs. No economic benefit.

The bill states the project will be "funded with receipts or from other non-General Fund sources" and will cost \$25 million.

With the new pier set to open in May 2011, where has the money come from? The Clean Water Management Trust Fund provided \$2.3 million. The fund is intended "to clean up impaired waters and protect remaining pristine waters of the state."

Another \$1.5 million came from Water Access and Marine Industry funds, provided by the General Assembly in 2007 "to acquire waterfront properties or develop facilities for the purpose of providing, improving and/or developing public and commercial waterfront access."

In 2006, \$15 million in taxpayer money was diverted to a stormwater pilot project to clean up ocean outfalls

and outlets. Instead, \$10.6 million of it went to the Jennette's Pier project. Almost all of the receipts from the Aquarium Admissions Fund — \$10.5 million — will rebuild the pier. The fund has been cleaned out, leaving nothing for the state's three other aquariums at Roanoke Island, Pine Knoll Shores, and Fort Fisher. The Aquarium Society, which owned the pier before it was damaged in 2003 by Hurricane Isabel, donated another \$400,000 to the project.

The \$25 million project to rebuild Jennette's Pier made claims of jobs and benefits it hasn't met. Funding sources for the project were not disclosed. The Jennette's Pier law is just one example of how business has been done at the North Carolina General Assembly.

In 1913, U.S. Supreme Court Justice Louis Brandeis said, "Sunlight is the best disinfectant." A new General Assembly will take office in January. Here's a piece of advice: No more murky pier projects.

Let the sunlight in! *CJ*

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

## Transparency and Jennette's Pier

# DMV Announces New Bev & Mike Aviation Auto Tag (a CJ parody)

By JACQUES M. SORBER  
CJ Automotive Correspondent

RALEIGH

The DMV has unveiled a new special license tag promoting the North Carolina Aircraft Providers Association and the two governors its members helped elect.

"Our members have been responsible in part for electing the winner in the last three gubernatorial elections," NCAPA president McQueen Campbell told *Carolina Journal*.

Campbell said he and 30 other association members have provided more than 200 free campaign-related flights to Mike Easley and Bev Perdue. The free flights allowed the political campaign organizations to devote more money to other expenditures such as television advertising.

Campbell said that even though the free flights were violations of campaign finance laws, they have been common practice for the past 10 years.

"Our members have suspended flight activity due to state and federal investigations, but we don't see how you can do politics in North Carolina without free flights," Campbell said.

North Carolina makes available to the public approximately 100 spe-



The Division of Motor Vehicles' new "Bev & Mike, First in Flight" specialized license plate features the countenances of the two recent governors who have done the most to promote aviation in North Carolina. (CJ spoof graphic)

cialized license plates, allowing citizens with common interests to promote themselves and their causes. DMV approved the new tag last November.

Any North Carolina automobile owner may purchase an NCAPA plate

for a \$30 yearly fee in addition to the regular fees.

Funds from most specialized plates fund the state's welcome centers, travel advertising, and highway beautification. Funds from the sale of

"Bev & Mike" plates, however, will be used to fund pilot training programs for politically active young adults.

"Our current NCAPA membership is getting long in the tooth, so we need to plan ahead," said Campbell. CJ

## E.A. MORRIS

### FELLOWSHIP FOR EMERGING LEADERS

The E.A. Morris Fellowship is seeking principled, energetic applicants for the 2011 Fellowship class. Applications available online or at the John Locke Foundation. Application deadline is December 31, 2010.

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

#### Eligibility

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

#### Fellowship Dates

March 18-20, 2011: Retreat 1- Pinehurst, NC  
June 10-12, 2011: Retreat 2- Blowing Rock, NC  
October 14-16, 2011: Retreat 3- Coastal NC

#### Application Timeline

December 31, 2010: Applications due  
January 10, 2011: Notify finalists  
February 5-6, 2011: Selection weekend  
December 24, 2011: Final project due

[www.EAMorrisFellows.org](http://www.EAMorrisFellows.org)  
Contact Ashley E. Sherrill | [asherrill@eamorrisfellows.org](mailto:asherrill@eamorrisfellows.org)